UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS

SECOND SESSION

VOLUME 108—PART 10

JULY 9, 1962, TO JULY 19, 1962

(PAGES 12869 TO 14238)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1962

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DEPOSITED BY THE
UNITED STATES OF AMERICA

Congressional Record

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PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

SENATE

Monday, July 9, 1962

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal Father, strong to save, in days of old Thy prophets of righteousness summoned Thy fearful and often faithless children to the altar of the Most High for cleansing and strength.

In these days when ancient foundations are being shaken and are crumbling, we would seek our refuge and salvation where they found them—at the altar of the living God.

In a day of swift and shifting change, when the angry passions of men are constantly bursting into devouring flame, enable Thy servants here in the stewardship of their public ministry, as they discharge the grave responsibilities of the people's trust, to be calm and confident, wise and just, their hope in Thee as an anchor sure and steadfast.

In this age on ages telling, make us ever loyal to the high adventure which seeks the larger, nobler way for our struggling race to live on this planet together in concord, according to Thy will for the good of all Thy children.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. Humphrey, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 6, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of House Concurrent Resolution 438, 87th Congress, the Speaker had appointed Mr. Bonner, of North Carolina, Mr. Smith of Virginia, Mr. Kirwan, of Ohio, Mr. Aspinall, of Colorado, Mr. Jensen, of Iowa, and Mr. Mailliard, of California, as members of the joint committee on the part of the House to represent the Congress at ceremonies celebrating the 375th anniversary of the landing of the Lost Colony and the birth of Virginia Dare.

The message announced that the House insisted upon its amendment to the bill (S. 2970) to amend the Small Business Act, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Patman, Mr. Rains, Mr. Multer, Mr. Barrett, Mr. McDonough, Mr. Widnall, and Mr. Derwinski were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1264. An act for the relief of Capt. Dale Frazier;

H.R. 1609. An act for the relief of Demitrios Dunis;

H.R. 1899. An act for the relief of Stavros Michael Mourkakos;

H.R. 2337. An act for the relief of Maria Stella Todaro;

H.R. 3483. An act for the relief of Mrs. Marguerite de Soepkez;

H.R. 3492. An act for the relief of Sebastian Sanchez Hermosilla;

H.R. 3912. An act for the relief of Chikoko Shinagawa;

H.R. 4330. An act to provide uniform computation of retired pay for enlisted members retired prior to June 1, 1958, under section 4 of the Armed Forces Voluntary Recruitment Act of 1945, as amended by section 6(a) of the act of August 10, 1946 (60 Stat. 995);

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers' Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey;

H.R. 8862. An act for the relief of Miss Eleanore Redl;

H.R. 9180. An act for the relief of Noreen Joyce Baden;

H.R. 9468. A act for the relief of Dr. Charles C. Yu;

H.R. 9588. An act for the relief of Claude Homann-Herimberg (nee Wagner); and

H.R. 10960. An act for the relief of Rosina Luisi (Sister Mary Rosina) and Maria Fatibene (Sister M. Valentina).

CALL OF THE CALENDAR DISPENSED WITH

On request of Mr. Humphrey, and by unanimous consent, the call of the Legislative Calendar was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. Humphrey, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Report on Overobligation of Appropriations

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., reporting, pursuant to law, on the overobligation of certain appropriations within that Agency; to the Committee on Appropriations.

Equalization of Pay of Commandant of the Coast Guard

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to equalize the pay of the Commandant of the Coast Guard with that of the chiefs of the other branches of the Armed Forces (with an accompanying paper); to the Committee on Armed Services.

Publications of Federal Power Commission

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting for the information of the Senate, a copy of its publications entitled "List of Units of Property for Use in Connection With Uniform System of Accounts Prescribed for Public Utilities and Licensees," and "List of Units of Property for Use in Connection With Uniform System of Accounts Prescribed for Natural Gas Companies" (with accompanying documents); to the Committee on Commerce.

Report on Review of Determination of Quantity of Natural Rubber Needed in Strategic and Critical Materials Stockpile

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on the review of the determination of the quantity of natural rubber needed in the strategic and critical materials stockpile, Office of Civil and Defense Mobilization (with an accompanying report); to the Committee on Government Operations.

Report on Review of Administration of Certain Contracts at Selected Military Installations Within Department of Defense

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the administration of contracts for rental of automatic data processing equipment at selected military installations within the Department of Defense, dated June 1962 (with an accompanying report); to the Committee on Government Operations.

Report on Inadequate Rental Rates Charged for Government Quarters Furnished to Civilian Employees of the Military Departments in Alaska

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on inadequate rental rates charged for Government quarters furnished to civilian employees of the military departments in Alaska, dated June, 1962 (with an accompanying report); to the Committee on Government Operations.

Reimbursement to Appropriations of the Secret Service of Certain Moneys

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits (with an accompanying paper); to the Committee on the Judiciary.

Admission Into the United States of Certain Defector Aliens

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

Temporary Admission Into the United States of Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

Disposition of Executive Papers

A letter from the Deputy Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Alabama; to the Committee on the Judiciary:

"House Joint Resolution 20

"Whereas the Supreme Court of the United States has rendered an invidious opinion in declaring that the Constitution is violated by any requirement that a public school teacher lead her pupils in prayer; and

"Whereas Mr. Justice Hugo Black rendered the majority opinion in which it is held that it is no part of the business of government to compose official prayers for any group of American people to recite as part of a religious program carried on by government, and that it does not matter that the prayer is denominationally neutral, or that it is voluntary to recite it; and

"Whereas our American heritage is based on a firm foundation of freedom of religion and not freedom from religion; and

"Whereas a belief in a Supreme Being is so interwoven in every phase of American life that to attack this belief is to undermine our basic concepts; and

"Whereas this legislative body representative of a free people was shocked and chagrined by this diabolical decision: Be it

"*Resolved by the Legislature of Alabama*, That this body learned with the deepest sorrow and keenest regret of the departing from the precepts of our forebears that the fear of the Lord is the beginning of knowledge; that we do deplore this ruling of the Supreme Court of the United States; and that we do respectfully request that the Congress proprose an amendment to the Constitution of the United States overriding this decision, and guaranteeing to the children of this Nation the right to prayer in our schools; be it further

"*Resolved*, That a copy of this resolution be sent to the Clerk of the House of Representatives and to the Secretary of the Senate of the Congress of the United States.

"Adopted by the house of representatives June 27, 1962; concurred in and adopted by the senate June 27, 1962; approved by the Governor July 2, 1962."

A resolution of the Senate of the State of California; to the Committee on Public Works:

"Senate Resolution 19

"Resolution relative to a navigational survey of portions of the Sacramento, Feather, and American Rivers

"Whereas the port of Sacramento, including the barge canal connecting said port with the Sacramento River at Sacramento, will be open for traffic in the summer of 1963; and

"Whereas large tonnages of grain, rice, and safflower would be able to be moved on the river above Sacramento to the Port of Sacramento for transocean shipment except for the existing shallow draft channels; and

"Whereas in view of the growing agricultural and industrial economy of the Sacramento Valley, there is a need for a determination of the feasibility of the type of river channels necessary in order to facilitate the movement of the present and potential traffic on the Sacramento, Feather, and American Rivers: Now, therefore, be it

"*Resolved by the Senate of the State of California*, That the Congress of the United States is respectfully memorialized to enact legislation authorizing the Secretary of the Army to cause a navigation survey to be made of the Sacramento River from the City of Sacramento to Red Bluff, the Feather River from its mouth to Marysville, and the American River from its mouth to the Nimbus Dam; and be it further

"*Resolved*, That the secretary of the senate is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Secretary of the Army, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the City Council of the City of Lorain, Ohio, favoring the designation of presidential election day as a legal holiday; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

H.R. 4441. An act to authorize the appropriation of $3,063,500 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the Fifteenth General Assembly of the United Nations (Rept. No. 1678).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 3279. A bill for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) (Rept. No. 1681);

H.R. 3383. An act for the relief of Joseph Starker (Rept. No. 1682);

H.R. 5061. An act for the relief of James L. Merrill (Rept. No. 1684);

H.R. 6655. An act for the relief of Lecil A. Sims (Rept. No. 1683);

H.R. 9599. An act for the relief of Solomon Annenberg (Rept. No. 1685); and

H.R. 10618. An act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes (Rept. No. 1686).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 2690. A bill for the relief of Mona McIssac Downey (Rept. No. 1687).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 2763. A bill for the relief of Marie Karoline Dollar and Alex Peter Pedersen (Rept. No. 1688).

AMENDMENT OF FEDERAL COMMUNICATIONS ACT OF 1934—REPORT OF A COMMITTEE—REFERENCE OF BILL TO COMMITTEE ON COMMERCE (S. REPT. NO. 1680)

Mr. FULBRIGHT. Mr. President, from the Committee on Foreign Relations I submit a report on S. 3252, a bill to amend the Communications Act of 1934.

In accordance with an understanding with the distinguished chairman of the Commerce Committee, I now ask unanimous consent that S. 3252 be referred to the Committee on Commerce for consideration of its technical features.

The PRESIDENT pro tempore. The report will be received and printed; and, without objection, the bill will be referred to the Committee on Commerce.

STUDY OF NONDIPLOMATIC ACTIVITIES OF FOREIGN GOVERNMENTS—REPORT OF A COMMITTEE (S. REPT. NO. 1679)

Mr. FULBRIGHT. Mr. President, from the Committee on Foreign Relations, I report an original resolution to study the nondiplomatic activities of foreign governments, and I submit a report thereon.

The PRESIDENT pro tempore. The report will be received and printed, and, under the rule, the resolution will be referred to the Committee on Rules and Administration.

The resolution (S. Res. 362) was referred to the Committee on Rules and Administration, as follows:

Whereas the Senate of the United States has special constitutional responsibilities in matters bearing upon the foreign relations of the United States; and

Whereas the discharge of this responsibility requires a thorough review and full public disclosure of the nondiplomatic activities of representatives of foreign governments and the extent to which they attempt to influence United States policies: Now, therefore, be it

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a full and complete study of all nondiplomatic activities of representatives of foreign governments and their contractors and agents in promoting the interests of those governments, and the extent to which such representatives attempt to influence the policies of the United States and affect the national interest.

Sec. 2. For the purposes of this resolution the committee is authorized (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, such technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

Sec. 3. The expenses of the committee under this resolution, which shall not exceed $50,000 for the period ending January 31, 1963, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Sec. 4. The committee shall complete its study by June 30, 1963, but it shall submit to the Senate not later than January 31, 1963, such results of the study herein authorized together with such recommendations as may be found to be appropriate.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated May 29, 1962, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLLAND:

S. 3518. A bill to authorize payments to local educational agencies for providing education to refugees from Cuba; to the Committee on Labor and Public Welfare.

By Mr. BIBLE (by request):

S. 3519. A bill to repeal section 557 and to amend section 559 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901; to the Committee on the District of Columbia.

By Mr. BYRD of Virginia (for himself and Mr. Williams of Delaware):

S. 3520. A bill to amend the Internal Revenue Code of 1954 to require information returns with respect to dividend, interest, and patronage dividend payments of $10 or more; to the Committee on Finance.

By Mr. ELLENDER:

S.J. Res. 210. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963; to the Committee on Agriculture and Forestry.

RESOLUTION

STUDY OF NONDIPLOMATIC ACTIVITIES OF FOREIGN GOVERNMENTS

Mr. FULBRIGHT, from the Committee on Foreign Relations, reported an original resolution (S. Res. 362) to study the nondiplomatic activities of foreign governments, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. Fulbright, which appears under the heading "Reports of Committees.")

PUBLIC WELFARE AMENDMENTS OF 1962—AMENDMENTS

Mr. SALTONSTALL. Mr. President, on behalf of Senator Aiken, Senator Scott, Senator Fong, Senator Boggs, Senator Prouty, and myself, I submit amendments to House bill 10606, to extend and improve public assistance and child welfare services programs of the Social Security Act, and for other purposes, and ask that the amendments be printed and lie on the table.

The PRESIDENT pro tempore. The amendments will be received, printed, and will lie on the table.

Mr. BUSH submitted amendments, in the nature of a substitute, intended to be proposed by him to the amendments designated 6-29-62—A, proposed by Mr. Anderson (for himself and other Senators) to House bill 10606, supra, which were ordered to lie on the table and to be printed.

REVENUE ACT OF 1962—AMENDMENTS

Mr. KERR submitted amendments, intended to be proposed by him, to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

AMENDMENT OF SECTION 13 RELATING TO CONTROLLED FOREIGN CORPORATIONS, H.R. 10650, THE REVENUE ACT OF 1962

Mr. KERR. Mr. President, I have submitted today an amendment which is a complete substitute for section 13 of H.R. 10650 and which would strike section 6—amendment of section 482 relating to allocation of income between controlled entities—and section 7—relating to distributions of foreign personal holding company income—of H.R. 10650. The following is an explanation of this amendment and an account of the background that led to it.

I. SECTION 13—HOUSE BILL

The House bill contains provisions under which certain income of U.S.-controlled—more than 50 percent—foreign corporations would be taxed as earned, whether or not distributed to U.S. shareholders having at least a 10-percent interest. However, once so taxed, such income could be distributed tax free to U.S. shareholders at any time, regardless of the presence of other earnings and profits.

In general these provisions, in effect, would leave tax deferral operative, first, as respects industrially advanced countries for manufacturing profits left in the same business or reinvested in less developed areas; second, as respects profits arising in less developed areas reinvested in any active business; and third, as respects tax haven profits reinvested in less developed countries. These provisions may be summarized as follows:

First. Income from insurance and reinsurance of U.S. risks. This provision reaches the Bermuda insurance companies. Taxed to United States whether or not reinvested.

Second. Income from the licensing of, or attributable to the use of, patents, copyrights, and exclusive processes and formulas created or developed in the United States and transferred to the foreign corporation. This provision reaches situations in which patents developed here are exploited abroad without effective U.S. taxation of the profits from the use of the patents. Taxed to United States whether or not reinvested.

Third. Certain base company tax haven income—tax haven holding company income, interest, dividends, rents, royalties, and so forth—and tax haven trading profits—profits derived by controlled foreign corporations from the purchase and sale of goods outside the country in which they are incorporated where such profits exceed 20 percent of their nonpassive income. In respect to tax haven trading profits, both the purchase and the sale must be outside the country of incorporation; products manufactured by the subsidiary are not purchased and therefore may be sold anywhere in the world by the controlled foreign corporation; and one party must be a related party—either the party from whom purchased or to whom goods are sold.

Immediate U.S. tax on such tax haven profits could be avoided only by reinvesting such income in active business in a less developed country.

Fourth. Income of foreign subsidiaries which are not tax haven companies, unless such income is reinvested in substantially the same trade or business or in any active business in a less developed country. For this purpose, a business must be seasoned—that is, carried on for 5 years, unless in existence on December 31, 1962. This would prevent foreign subsidiaries in Western Europe and other developed areas from using surplus funds for diversification in those countries or from keeping such funds abroad in passive investments or from investing such funds in the United States without payment of U.S. tax.

II. MAY 31 TAX HAVEN DRAFT

These provisions of the House bill were the subject of much criticism in the hearings held by the Committee on Finance from April 2, 1962, to May 11, 1962.

In the light of these criticisms, the Treasury submitted for the aid of the committee a tax haven draft which was released to the public on May 31, 1962.

This May 31, 1962, draft was intended to eliminate the House bill's coverage of operating companies, except for those provisions dealing with treating certain U.S. investments as the distribution of a dividend. Furthermore, it was intended to refine the coverage of tax haven operations by excluding certain kinds of operating income, such as, for example, interest of a finance company and by including certain branch profits of foreign subsidiaries and certain tax haven service income.

The details of these changes were as follows:

First. Elimination of provision for taxing income from U.S. patents, and so forth, to U.S. shareholders on current basis and substitution of provision for taxing the sale of U.S. patents, and so forth, to controlled foreign corporations. This change would obviate the need under the House bill to determine the amount of income generated by the use of U.S. patents, and so forth, by a foreign corporation. It eliminates certain abuses by insuring that when patents are transferred abroad in the future an ordinary U.S. tax will be imposed on the proceeds whether the transfer is made on a license, sale, or transfer for stock basis.

Second. Elimination of provision restricting the use of earnings by operating companies, except that such earnings cannot be invested in certain U.S. property. Operating companies would, under the draft, not be faced with the difficulty of determining whether or not earnings were invested in the same trade or business that gave rise to them. In general, the earnings of an operating company could be used in any manner as under existing law except that certain investments in U.S. property would be treated as the distribution of a dividend.

Third. Dividends, interest, rents, and royalties derived in connection with active business operations with unrelated persons are removed from coverage as foreign base company income. This change would correct the fact that section 13 of the House bill covers certain types of operating income in nontax haven situations. Thus, companies engaged in the active business of banking, financing, shipping, insurance, and leasing of property with unrelated persons would not be covered by the foreign base company income provisions.

Fourth. Addition of a provision to eliminate coverage under foreign base company provisions where the controlled foreign corporation is not used to effect a substantial reduction in taxes. This provision would give the Treasury Department flexibility to grant relief in those situations where a controlled foreign corporation technically covered by the provisions of the bill does not, because of the manner in which its operations are taxed, differ from a nontax haven operation for which deferral of taxation is permitted.

Fifth. Changes in the determination of when a foreign corporation is considered to be controlled so that there will be counted in determining control only 10 percent U.S. shareholders and there will be attribution of ownership of stock owned by a corporation to shareholders of that corporation only where such shareholders own a 10-percent interest. These changes are intended to eliminate possible coverage by the House bill of situations where ownership was widely scattered and no U.S. group was in effective control.

Sixth. Provisions for the use of post-1962 losses under which losses of 1 year may offset profits of future years and losses of one controlled foreign corporation in a chain of controlled foreign corporations may in the current year offset gains of the other corporations. These provisions were intended to eliminate the possibility of U.S. tax in those situations where the overall operation of a single foreign corporation or a chain of foreign corporations was in a deficit posture.

Seventh. Provision so that tax will not be payable in situations in which the presence of blocked income means that earnings of a controlled foreign corporation could not be distributed to U.S. shareholders. This change would give the Treasury Department the authority to carry out its intention that U.S. tax not be imposed in those situations in which there could not be actual distributions because of restrictions under foreign law.

Eighth. Provision for the establishment of guidelines, under regulations, for the computation of earnings and profits in accordance with the rules which have been developed for domestic corporations. Among other matters, this was intended to allow to foreign corporations elections similar to those which are available to domestic corporations. It is also intended to give the authority requested by the Secretary of the Treasury for the promulgation of guidelines to simplify and facilitate the conversion of foreign earnings to a U.S. tax base.

Ninth. Elimination of provision permitting a pour-over of tax haven profits from developed areas to less developed areas. This change, in large part, followed from the elimination of certain restrictions with respect to the earnings of operating companies and would result in considerable simplification in the administration of the legislation. The draft would, however, exclude from base company income dividends and interest derived from less developed country corporations to the extent they were reinvested in less developed countries. Less developed country corporations are, in general, corporations carrying on an active trade or business within a less developed country or countries and whose assets are located in such countries. The terms on which such reinvestment may take place have been liberalized so that minority stock—10 percent—and certain debt interests may qualify and, also, the time in which the investment may be made has been extended from 75 days after the close of the taxable year to 1 year or such longer period as may be designated by the Secretary or his delegate. Also, investments made at a time when a country is classified as a less developed country shall be treated as a qualified investment even if that country ceases to be a less developed country.

Tenth. Elimination of coverage of corporations in the Commonwealth of Puerto Rico and the Virgin Islands. The draft leaves these corporations subject to the rules of existing law with, however, provision to insure that such corporations will not be availed of for tax haven activities.

Eleventh. Inclusion of certain service income and branch profits in tax haven coverage. Provision has been made to treat certain service income derived from related parties as foreign base company income and to prevent avoidance of the foreign base company sales income provisions through the use of branches of foreign corporations in certain circumstances which are similar to the use of a separate tax haven subsidiary.

III. AMENDMENT TO SECTION 13

The Committee on Finance held hearings on the May 31, 1962, draft. As a result of such hearings and discussions with various business groups and others, certain changes in the May 31, 1962, draft have appeared advisable to me—most of a clarifying nature but some constituting substantial changes in the draft—although I am convinced that its basic approach is sound. In the interests of expediting the matter, I have had prepared a revision of the May 31, 1962, draft which I have introduced as an amendment today. This substitute for section 13 of the House bill would differ from the May 31, 1962, draft in the following manner:

A. MAJOR CHANGES

First. Raise de minimus rule from 20 percent to 30 percent. Under the so-called de minimus rule of the House bill and the May 31, 1962, draft, the base company income of a controlled foreign corporation with less than 20 percent foreign base company income is not subject to tax. It has been suggested to me that the de minimus percentage be raised to 30 percent by companies whose foreign subsidiaries are basically operating companies but which may have a number of different kinds of subpart F income which are small in amount. These companies feel that raising the de minimus rule to 30 percent would give them a comfortable margin while at the same time not affording any help to the company which is basically a tax haven operation. The amendment makes this change. As a corollary, it reduces from 80 to 70 percent the line at which all of the corporation's income becomes taxable to the U.S. shareholders.

Second. Limitation of tax imposed on individual shareholders of controlled foreign corporations. It has been suggested to me that the tax payable by an individual who is a shareholder of a controlled foreign corporation be limited in a manner analogous to the limitation already contained in section 16—relating to liquidations—and my amendment grants such relief. In the year of a constructive distribution under section 13, the individual shareholder would be limited to a tax not greater than 52 percent of the foreign earnings after giving allowance of a credit for foreign taxes paid by the controlled foreign corporation. Later, when the earnings which were so taxed were actually distributed to the shareholder, normal progressive surtax rates applicable to the income of individuals would be applied to the distribution but only after deducting from the distribution the tax previously paid in the year of constructive distribution. This would have the effect of subjecting the tax haven income to current U.S. tax, whether or not distributed, but without denying to the individual the right of a corporate tax shelter.

Third. Minimum distribution alternative to section 13. Some U.S. companies pay currently on the earnings of their foreign operations an overall effective rate of U.S. and foreign taxation that is substantial and approaches the U.S. rate of taxation. For example, foreign taxes may be relatively high. Alternatively, foreign taxes may be relatively low, but U.S. taxes on relatively large current distributions of earnings raise the overall effective rate of taxation. In many situations, a combination of these two factors results in an overall effective rate approximating that in the United States. In all of these cases, I believe that it would be appropriate to afford the domestic corporation an elective procedure whereby it can be relieved from the application of section 13 if it so desires. My amendment contains such an election which was developed with the help of many of our largest corporations who believe it is beneficial.

The amendment provides that if a domestic corporation receives a minimum distribution with respect to a foreign subsidiary or subsidiaries, then at its election it will not be taxed on the tax haven income of such subsidiary or subsidiaries. The minimum distribution involved is related to the effective foreign tax rate in the manner indicated in the table below. The table is so designed that those U.S. companies which enjoy low overall effective rates of taxation on foreign earnings—usually through the use of tax haven operations—and which do not wish to distribute substantial earnings to the United States would not gain any relief under it.

Table of minimum distributions—Required distribution of current earnings and profits

Effective foreign tax rate:	*Percent*
0 to 9	90
10 to 19	80
20 to 29	70
30 to 39	60
40 to 41	50
42 to 43	38
44 to 45	26
46 to 47	14
Over 47	0

The effective foreign tax rate would be determined by the ratio of the foreign taxes paid by the foreign subsidiary—for which tax credit would be given by the United States—to their current earnings and profits. For this purpose, foreign withholding taxes imposed on the U.S. shareholder would be disregarded, since they merely offset the U.S. tax on the distribution and do not increase overall taxes. Tax increases or decreases on distributed earnings, which have the same effect as withholding taxes, would also be disregarded. The percentage distribution required in the above table is a percentage of the current earnings and profits after payment of foreign taxes.

The nonapplication of section 13 would be allowed if the required distribution was made on any of the following bases at the election of the U.S. parent corporation by any directly owned foreign subsidiary which might otherwise be affected by section 13. The election here could be made on a company-by-company basis for one or more separate companies otherwise affected by section 13; by a consolidated group of foreign subsidiaries consisting of any indirectly owned foreign subsidiary plus all intervening foreign subsidiaries in the same chain of ownership whether or not subject to section 13 in any way. In this manner, the distributions from, and the higher effective tax rates of, non-tax haven companies could be averaged with those of low distribution-low foreign tax rate tax haven companies; by a consolidated group of foreign subsidiaries consisting of all foreign subsidiaries in developed countries, including those otherwise affected and those otherwise not affected by section 13; or by a consolidated group of all foreign subsidiaries, including less developed country corporations.

For the above purposes, a branch operation at the election of the taxpayer could be included, with 100 percent of the branch profits treated as a distribution.

The election would be made by the U.S. parent corporation in accordance with Treasury regulations, which would provide the needed detail. Such detail would include the method of consolidation to be allowed, the manner in which the effective foreign tax rate is to be determined, rules for the proper allocation of foreign tax credits among a consolidated group of foreign subsidiaries, treatment of blocked incomes, and so forth.

Fourth. Carry forward of prior losses. Under the May 31, 1962, draft, losses incurred in years ending after December 31, 1962, will offset later earnings and profits that might otherwise be taxed to U.S. shareholders under section 13. A number of companies have asked that losses prior to December 31, 1962, also be allowed as a carry forward, because they have relatively new foreign base companies that have incurred substantial startup losses. Under my amendment, losses incurred in taxable years after December 31, 1959, could be carried forward against future section 13 income.

Fifth. Broadening of deduction for reinvestments in less developed countries. Dividends and interest from less developed country corporations are excluded from tax as foreign base company income if reinvested in qualified less developed country investments. My amendment would also treat gain from sale or exchange of the stock or securities which give rise to such dividends and interest in the same manner. Also, obligations of the governments of less developed countries would be included along with stock and 5-year obligations of less developed country corporations as qualified investments for purposes of these provisions.

B. TECHNICAL AND CLARIFYING CHANGES

First. The May 31, 1962, draft takes into account distributions within the same year to predecessor U.S. shareholders. This reduction in the income taxable to a U.S. shareholder as of the close of the year is further broadened, under my substitute section 13, to include foreign shareholders.

Second. The May 31, 1962, draft could technically tax U.S. shareholders even though the foreign corporation were U.S. controlled for only a short period of time during a year. Although they would be taxed for only a pro rata part of the whole year's income, the complications of computing this seem unnecessary. Therefore, my substitute section 13 would be inapplicable if the foreign corporation were not U.S. controlled for a consecutive period of 30 days during a year.

Third. Rents, royalties, dividends, and interest derived in the active conduct of a trade or business from unrelated persons are excluded from coverage as foreign base company income under the May 31, 1962, draft. My bill clarifies this provision so as to more clearly indicate that foreign base company income does not include income from shipping, and the dividends, interest, and gains from the sale or exchange of stock or securities by financial institutions.

Fourth. Several clarifying changes in the coverage of tax haven service income are accomplished in my bill. These changes would make it clear that services performed within the country of incorporation of the service company would not be treated as tax haven income even though performed for a related party which was located outside the country. The changes would also make it clear that services rendered in connection with the sale of property or in anticipation of a sale of property—even though the sale is not actually consummated—would not be treated as tax haven services income.

Fifth. The provision which treats certain investments in U.S. property like a dividend distribution since they constitute, in effect, a repatriation of earnings requires several drafting corrections which are made by my bill. Thus, patents and similar intangible property rights used in the United States are included in the basic description of U.S. property. Also, U.S. Government obligations are included in the exceptions to this basic definition so that they constitute a permissible investment. Obligations of U.S. persons arising in connection with the processing of property by a controlled foreign corporation and investments in the United States of the legal reserves of insurance companies are also added to the list of permissible U.S. investments.

Sixth. The provision requiring information to be made available by taxpayers is changed to provide that where two or more taxpayers are required to furnish the same data, the filing of such information by one such person will be sufficient.

IV. SECTIONS 6 AND 7

Section 6 attempts to create definite methods for solving the difficult problem of adjusting prices between U.S. and foreign related entities. But there are, however, serious difficulties in making a formula approach workable to cover a variety of factual situations. Since this problem is one that is most serious where a tax haven sales entity is employed, it appears unnecessary to me if section 13, as contained in my amendment, is passed. My amendment would therefore strike section 6 from the bill.

Section 7 would change the longstanding rules for foreign personal holding companies by taxing foreign personal holding company income on a sliding scale basis where it ranges from 20 to 60 percent of gross income. Under present law all of a foreign corporation's income is taxed if the foreign personal holding company income exceeds 60 percent. If it is less, no tax is imposed. If section 13 is passed, it would correct many abuse possibilities in the foreign area that might be covered by changes contained in section 7 and it would therefore appear advisable to allow the existing foreign personal holding company provisions to remain unchanged. My amendment would, therefore, also strike section 7.

TO PRINT AS A SENATE DOCUMENT, THESIS ENTITLED "THE PREVIOUS QUESTION: ITS STANDING AS A PRECEDENT FOR CLOTURE IN THE SENATE OF THE UNITED STATES" BY DR. JOSEPH COOPER (S. DOC. NO. 104)

Mr. RUSSELL. Mr. President, each time the effort has been made to further restrict the right of Senators of the United States to freely debate any issue, the effect of the so-called previous question rule, which existed during the first 17 years of the Senate's existence, has been involved in the debate.

Those who would still further restrict freedom of debate in the Senate have insisted that the previous question, as noted in the original rules of the Senate, was a device to end debate in much the same manner that the House of Representatives employs its previous question rule.

Some years ago, I made a somewhat extensive study of this subject. As I have stated on this floor on several occasions, I reached the conclusion that the previous question rule in the early Senate had nothing whatever to do with ending debates or forcing a vote, but was used as a mechanism for postponing or avoiding a decision on a particular piece of proposed legislation.

I had planned to try to get together all of the notes that I had made to make a major speech on this subject in the Senate but, due to the constant pressure of other issues, I have been unable to find the time necessary to coordinate all of my research material as effectively as I desired.

By great good fortune, there has come to my attention an outstanding and scholarly dissertation on this subject by Dr. Joseph Cooper, a professor of political science in the department of government at Harvard University.

Dr. George B. Galloway, senior specialist, American Government and public administration of the Library of Congress, was gracious enough to permit me to see Dr. Cooper's work.

Under the title of "The Previous Question: Its Standing as a Precedent for Cloture in the Senate of the United States," Dr. Cooper, in connection with his work for his doctorate, has carefully and thoroughly researched this subject.

Dr. Cooper reached the conclusion, after his painstaking study, that the previous question rule in the early Senate was not in any sense a restriction on debate nor a mechanism for cloture.

I have never seen Dr. Cooper and had never heard of him or his study of this subject until after he had completed his research and prepared his dissertation. It is most gratifying that his findings support the position that I have taken a number of times on the floor of the Senate when efforts to impose further restrictions on freedom of debate were pending in the Senate. Dr. Cooper's thesis is a notable contribution to the history of the Senate and to an understanding of its rules. I feel it should be made available to all of the Members of the Senate as well as students and others interested in the history of this great parliamentary institution. I therefore ask unanimous consent that Dr. Cooper's thesis may be printed as a Senate document.

The **PRESIDENT** pro tempore. Is there objection? The Chair hears none, and it is so ordered.

NONSECTARIAN PRAYERS IN PUBLIC SCHOOLS—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of July 2, 1962, the names of Mr. BYRD of Virginia and Mr. BYRD of West Virginia were added as additional cosponsors of the concurrent resolution (S. Con. Res. 81) expressing the sense of Congress on the use of nonsectarian prayers in public schools as a part of their activities, submitted by Mr. ROBERTSON (for himself and other Senators) on July 2, 1962.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 9, 1962, he presented to the President of the United States the enrolled bill (S. 1264) for the relief of Capt. Dale Frazier.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Dedicatory address delivered by him at the Municipal Airport in Burlington, Wis., on July 8, 1962.

Excerpts from address prepared by him for delivery over Wisconsin radio stations on the weekend of July 7–8, 1962, dealing with the proposed National Moraine Park as an ice-age scientific reserve in Wisconsin.

LET US PRAY—ARTICLE BY REV. FREDERICK BROWN HARRIS

Mr. CARLSON. Mr. President, our revered chaplain, Dr. Frederick Brown Harris, writes an article for the Sunday Star under the heading "Spires of the Spirit." Yesterday's article was entitled "Let Us Pray."

The article did not in any way refer to the Supreme Court decision of June 25. It did, however, stress the importance of prayer and divine worship, which have been basic in America's greatness.

In the article Dr. Harris traces our petitions to the God who made and preserved our Nation. I shall not read the entire article, but I do wish to quote one paragraph, which contains a glorious promise, as well as a warning to our people:

> One of the most potent sentences of the Book of Books is a glorious promise of divine resources. But in it is also sounding a doleful warning suggesting those for whom the bells toll. Here it is: "If My people, which are called by My name, shall seek My face, and pray and turn from their wicked ways, then will I hear and forgive their sins, and heal their land."

I ask unanimous consent that the article written by Dr. Harris be made a part of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LET US PRAY

(By Dr. Frederick Brown Harris, Chaplain of the U.S. Senate)

Let us pray. These three mighty monosyllables sound forth constantly in temples of divine worship the faith which makes America great.

These words, "Let us pray," sang in the hearts of those who knelt about the cradle of our state which had been conceived and born in the consciousness of eternal spiritual verities. The Founding Fathers were men of religious faith who called on God to save. The Declaration of Independence and the Constitution were written with pens dipped in prayer. The parchments which are the crown jewels of the Republic are steeped in petitions to the God who hath made and preserved us a nation.

In immortal words at Gettysburg the great Lincoln, speaking for the disrupted Nation, disregarded any who in their blindness denied the light of liberty as he pled for a new birth of freedom "under God." The credo which these two words proclaim ran like a golden cord through all his conceptions of duty and destiny. Lincoln knew what his predecessors and successors in the White House have known: that there is nothing but chaos and catastrophe in any social system whose flag represents the supreme loyalty.

It is that faith that from the Continental Congress until now has made the first words in every session of our National Legislature, "Let us pray." It is that faith that has framed the prayer at the inauguration of every President. It is that faith which sounds like a trumpet at the opening of the Supreme Court. Always in America the crippling doubts of those who in darkness deal in denials have been seen for what they are—a deadly heresy so far as the deep meaning of America is concerned. The God-fearing men who launched America realized that in a democracy no church could be given preference or dominance but to them the separation of church and state did not mean the separation of state and religion. They were too wise not to know that such a divorce would sentence to death the experiment they were undertaking so different to anything the ages before had known. To stifle the voice of prayer anywhere is a step toward surrendering the glory which is America to the godless system we face and fight which derides the precious things we hold nearest our hearts.

Any movement to close any doors to prayer but plays into the hands of the Kremlin chief who has recently boasted that the children now in our public schools will raise the red flag of atheism over America.

On a June day 8 years ago within a few minutes after the signature of the President had written "under God" into the Pledge of Allegiance, the bill that legalized it leaped to life in a scene silhouetted against the white dome of the Capitol. There stood a group of legislators from both Houses of Congress. As the radio carried their voices to listening multitudes, together these lawmakers repeated the pledge which is now the Nation's. Then, appropriately, as the flag was raised a bugle rang out with the familiar strains, "Onward Christian Soldiers." That is the real America true to the Nation's birth. Anything else is alien.

There is no liberty anywhere except under God. All history shouts that. What avail all the fair slogans of liberty, equality, and fraternity as the streets of Paris ran red with blood and the guillotine rolled its ghastly heads, if a lewd woman is lifted up as the goddess of reason in Notre Dame's Temple to the Most High? The promising streams of freedom disappear in the sands of futility when there is nothing higher than the state.

One of the most potent sentences of the Book of Books is a glorious promise of divine resources. But in it is also sounding a doleful warning suggesting those for whom the bells toll. Here it is: "If My people, which are called by My name, shall seek My face, and pray and turn from their wicked ways then will I hear and forgive their sins, and heal their land."

As we thus point to the prayer involved in that most momentous phrase, "under God," we shall repeat for all who read these lines the "amen" that came from the White House on the day the words were added to the Pledge of Allegiance—

"From this day forward the millions of our school children will daily proclaim in every city and town, every village and rural schoolhouse the dedication of our Nation and our people to the Almighty. * * * Over the globe millions have been deadened in mind and soul by a materialistic philosophy of life. * * * In this way we are reaffirming the transcendence of religious faith in America's heritage and future; in this way we shall constantly strengthen those spiritual weapons which forever shall be our country's most powerful resource in peace or in war." This is the voice of the President of the United States saying to all America, "Let us pray."

SUCCESS OF THE PEACE CORPS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the Record an editorial entitled "A Pat for Sarge Shriver," which was published last Friday in the Washington Daily News.

The editorial discusses the present status of the Peace Corps, and does so very constructively, in my judgment. It points out that this idea, which is one of the imaginative, new concepts introduced by the Kennedy administration, although opposed by many at the outset—including this body—now is praised almost without a single dissent. The editorial suggests that sometimes new ideas have to be tackled, even at the risk of some mistakes, in order to get moving, and that we should be slow to oppose such ideas merely because they are new or because we see possible pitfalls in them.

One of the characteristics of our country throughout its history has been a willingness to take a chance on change and on new ideas. Both of these factors were behind the Peace Corps.

I call the attention of the Senate to several aspects of the editorial. It refers to the overwhelming support, on both sides of the aisle in the Senate, for the Peace Corps itself; and it refers to Mr. W. D. Friedenberg, who, writing from Tanganyika, said that our Peace Corpsmen there "were hard to find" because "they were scattered all over the country, out in the bush, doing their job"; and he quoted the Prime Minister as saying of them, "They're very good, very helpful. We wish we had more."

Likewise, Mr. President, a columnist for the Scripps-Howard service, Mr. Richard Starnes, is referred to in the editorial as saying he "had nothing but praise for what he saw of the Peace Corps in Thailand," and as writing:

> Perhaps the most remarkable thing of all about the tiny glimpse of the Peace Corps operation I've seen is the fact that, in a program seemed rated to attract nothing but dreamy idealists and/or beatniks, these American youths obviously have their feet planted on the ground of reality.

In conclusion, the editorial states:

> R. Sargent Shriver, head of the Peace Corps, should get some sort of medal. So should the farflung members of his Corps.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Pat for Sarge Shriver

Not long ago many an eyebrow lifted when that strictly Kennedy New Frontier creation—the Peace Corps—drew high praise from Senator Barry Goldwater of Arizona.

Some thought "Mr. Conservative" had been taken into camp on this one by Kennedy and company, or that he didn't know what he was talking about.

But, we're pleased to report, within the past month have come reports from our own correspondents in such far-off places as Tanganyika in Africa and Thailand in southeast Asia, giving the same verdict as Senator Goldwater for this brandnew Government agency.

W. D. Friedenberg, writing from Tanganyika, said our Peace Corpsmen there were hard to find. Reason: They were scattered all over the country, out in the bush, doing their job—mainly helping lay out feeder roads in the most remote parts of the land. He quoted the Prime Minister as saying of the corpsmen, "They're very good, very helpful. We wish we had more."

Richard Starnes had nothing but praise for what he saw of the Peace Corps in Thailand. Wrote Dick: "Perhaps the most remarkable thing of all about the tiny glimpse of the Peace Corps operation I've seen is the fact that, in a program seemed rated to attract nothing but dreamy idealists and/or beatniks, these American youths obviously have their feet planted on the ground of reality."

Nice, isn't it, in these days of revelations about Billie Sol Estes' doings with the Agriculture Department and the sugar lobbyists finagling with the sugar law, to read of a Government agency getting such praise from such disparate sources?

R. Sargent Shriver, head of the Peace Corps, should get some sort of medal. So should the farflung members of his Corps.

INDEPENDENCE OF ALGERIA, RWANDA, AND BURUNDI

Mr. HUMPHREY. Mr. President, in the past week three more African states—Algeria, Rwanda, and Burundi—have just achieved independence. In view of the fact that we, ourselves, have just celebrated the anniversary of our own independence from colonial status, I think it is especially fitting for us to mark this noteworthy event. Moreover, because of the difficulty and pressing problems that these countries are now facing, it is even more important for us to pause and examine these problems in their specific African context, as well as that of the cold war in general, so that we shall be better able to help these nations in the difficult future they are facing. The Washington Post of July 5 contains two articles which are, I believe, particularly useful in connection with exploring these difficulties.

In his article entitled "Today and Tomorrow," Walter Lippmann ably demonstrates how it is genuinely possible, through use of the United Nations, for an African country, even one as rich in resources as the Congo, to maintain its independence and neutrality without falling into the hands of the Communists, and without cutting off itself completely from the West. In short, contrary to Communist propaganda, these three newly born nations can pursue the development of their own identity, which they are at the moment so desirous of building, while at the same time being able to rely with confidence on the West for the help they need to defend and preserve it.

In a second article entitled "Where Good Will Is Finding a Way," Edward P. Morgan, noted radio commentator, discusses in greater detail some of the specific measures which we in the United States are pursuing in order to help these nations. In particular, Mr. Morgan points out the significant steps that both the administration and private individuals are taking to promote greater contact with representatives of these new states right here in Washington. The American Friends Service Committee and the AFL–CIO have also undertaken projects of great importance, both in Africa and in the United States, ranging from the resettlement of Algerian refugees to the finding of summer jobs for foreign students studying in the United States. All these efforts are deserving of widespread notice, as they illustrate many of the problems we face in regard to the newly emerging nations of Africa, and many of the means by which private citizens and organizations, as well as the Federal Government, can work to promote better relations with these new nations.

Therefore, I ask unanimous consent to have these two articles printed in the Record.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE THREE NEW AFRICAN STATES

(By Walter Lippmann)

Three more African states have just achieved independence—Algeria from France, Rwanda and Burundi from Belgium. There are great differences among them. Algeria is in north Africa and has been part of the Mediterranean civilization for centuries. Rwanda and Burundi are primitive central African territory which, except as part of German East Africa before the First World War and then as a Belgium trust territory, has had no important contact with the advance of civilization.

Yet the three states have one critical thing in common. Their future prospects of progress and prosperity are intimately bound up with their success in working out a new relationship of cooperation with their former overlords. Algeria cannot hope to prosper without France. Rwanda and Burundi can hardly hope to survive without Belgium.

If we pause to think about this, it is a remarkable thing to be saying. Only 2 years ago almost everyone would have supposed that the liberation of a colony meant an irreparable break between the new state and the old imperial power. What is more, it seemed probable that the new state would try to make a decision between the Soviet Union and the United States and that this would cause a world tension and disturbance.

None of this has happened. Why? Because, I would say, we have had the experience of the Congo, and we have seen it demonstrated by the U.N. intervention that, unbelievable as it once seemed to so many, a rich, disorderly, newly liberated territory can be insulated from the cold war. Two years after Dag Hammarskjold's daring intervention in the Congo, there are no Russian forces and no American forces there, and the Belgians who fled from the disorders are returning in large numbers. They are returning because there is no other nation which is qualified as are the Belgians to provide the know-how for running the Congo.

The troubles in the Congo are not over and there are signs that the troubles may break down into civil and tribal war. Yet 2 years of experience with independence have been showing in practice that a new relationship between the Congolese and the Belgians is necessary, and that it is possible. By losing their privileges as the ruling class, the irreplaceability of the Belgians has emerged from the old resentments and has been made evident.

In the liberation of Rwanda and Burundi the lessons of the Congo are being applied. The Belgian security forces are not compelled to leave immediately. It is believed that the kingdom of Burundi may ask them to leave rather soon. The King will do well to go slowly lest he drive out with the few hundred Belgian troops the Belgian specialists and technicians who are indispensable. The Republic of Rwanda will, it is said, ask the Belgians to stay on.

Moreover, unlike the Congo in 1960, the U.N. is in the territory from the start. A representative of the Secretary General with 10 expert advisers are already there. There is not going to be, one may hope, a power vacuum as in the Congo. If so, the technical assistance of the Belgians should avert an administrative collapse. Furthermore, the Belgian Government has offered to continue to support the two budgets which have a combined deficit of 50 percent, and also to continue to support ($9 million) the extraordinary budget for economic development.

No one can predict a brilliant future for these very poor and very backward states. But it is some comfort to be able to feel that everybody concerned, the great powers and the Belgians and many of the other African governments have learned from experience, and are not making the same mistakes in 1962 which were made in 1960.

In Algeria after the vote for independence there is the possibility of a conflict between two factions of the Moslems. This would not be unusual at the end of a successful war of independence. But it would be an embarrassing nuisance for everybody. The Algerians have won the respect of the whole world by the discipline and fortitude in face of hideous provocation which they have displayed. They should not allow themselves to break down now no matter how strained their nerves. They should not let themselves break down just when they have reached their goal.

The pressure of circumstances will be against a breakdown into an Algerian civil war. The Algerians themselves are war-weary. An Algerian civil war is against the interests of Tunisia and Morocco, which must look forward now to an alliance with an independent Algeria of the Magreb, that is, of the Western Arabs. It is also against the interest of Egypt. For the dissident Algerians could get no support anywhere except possibly, though not certainly, from Russia, and, of course, just for the hell of it but not much of it, from Red China.

It is hardly necessary to say that France and the whole Western alliance will support and give a warm welcome to the legitimate provisional Government of Algeria.

WHERE GOOD WILL IS FINDING A WAY

(By Edward P. Morgan)

(Adapted from a recent broadcast by Mr. Morgan, whose American Broadcasting Co. comments are sponsored by the AFL–CIO.)

Africa is still a steaming, brooding enigma which Americans officially and individually continue to do far too little to understand and help. The spectacle of diplomats from newly emerging African nations not being able to find satisfactory housing in Washington, the supposedly sophisticated world capital to which they have been assigned, is a shameful thing which has not escaped the eye of anti-American propagandists, Communist and otherwise. There is not even an adequate international social center here where African and other foreign officials can comfortably mingle.

But it should be reported that there are people of good will who are working hard to improve these and related problems. The Chief of Protocol of the State Department, Angier Biddle Duke, has set a standard along with some other members of the New Frontier by resigning from the exclusive Metropolitan Club because it would not even permit Negroes as guests at meals let alone as members. A State Department team has been working, with some success, with District of Columbia officials and businessmen to ease the housing problem and has also made some headway against segregation in restaurants on Maryland's Route 40, the highway diplomats take when driving to New York.

On a shoestring, two valiant schoolteachers, Millidge Walker and his wife, Irene Tinker Walker, with a handful of other public spirited souls have established a Club of All Nations in Washington where adult foreign residents and Americans can meet each other informally. But they need larger quarters and an angel to help them with their modest bills if they are to keep their doors open even though the administration has beamed approval on their project.

Here is another heartening example of good will in action: for 3 years that wonderful, silently operating Quaker group, the American Friends Service Committee, has been maintaining aid units in Morocco and Tunisia to help some 250,000 refugees fleeing the hideous strife in Algeria. In addition to immediate assistance the committee ran schools where Algerian boys and girls learned such things as carpentry and knitting.

Such trust and rapport developed between the Algerian officials and the field staff that—now that peace is in sight—the transitional government has just asked the Quaker group to operate a million-dollar program to resettle refugees back in Algeria. With a serious shortage of doctors, with so many homes destroyed and so much cropland full of explosive mines and the population desperately in need of food, this is going to be a huge task—and the million still has to be raised.

For 2 months now the AFL–CIO Committee for the United Nations, Inc., has been doing a brisk business a stone's throw from New York U.N. headquarters as a center where trade unionists in U.N. delegations can meet and exchange views with officials and the rank and file of American organized labor. An impressive number of delegates from underdeveloped countries have trade union backgrounds but they have been at sea socially with no nonofficial contacts in New York. The merged U.S. labor movement, which long ago sensed the importance of ties with emerging African and other unions as a helping bulwark against Communist thrusts in their own countries, established the hospitality center. Business Week recently described it as combining the elements of matrimonial bureau and USO club.

At the moment the AFL–CIO is engaged in another constructive international operation—cooperating with a number of agencies in finding summer jobs for foreign exchange students. For a number of the 60,000 foreigners now studying in the United States—most of them on minimal budgets—vacation-time work spells the difference between continuing their training and having to cut short their courses and go home.

The visiting foreign students, especially the dark-skinned ones, face a bewildering experience in this country, a mixture of American hospitality and the humiliation of racial prejudice. Our relations with their homelands depend, in large measure, on how we are able to help them through this bewilderment to an enriching experience. This is the goal of all these projects and it is a commendable one.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. (Mr. METCALF in the chair.) Without objection, it is so ordered.

AIRCRAFT ACCIDENT INVESTIGATIONS

Mr. MAGNUSON. Mr. President, on June 15, the Seattle Times carried an excellent editorial written by its aviation editor, Mr. Robert L. Twiss, on the subject of aircraft accident investigation, entitled "FAA Again Speaks Hastily." I thoroughly agree with the views expressed in this editorial, and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FAA AGAIN SPEAKS HASTILY

The Federal Aviation Agency once again has done a disservice to commercial air

transportation by premature judgment of the possible cause of a jet-transport crash.

The Agency said a combination of a mechanic's oversight, a bolt less than an inch long and lack of a little cotter pin could have caused the crash of an American Airlines Boeing 707 jet transport in New York March 1. All 95 persons aboard the jet were killed when it plunged into Jamaica Bay seconds after takeoff.

The bolt, part of a complex rudder mechanism, may have slipped out of place when a nut securing it fell off—for lack of the cotter pin, the FAA said in a bulletin to airlines. Investigations indicate the plane may have gone into a left roll induced by malfunction of the rudder-boost system, the Agency added.

The FAA admitted, however, that the plane wreckage that might prove this theory apparently is at the bottom of Jamaica Bay.

Here is another case where the Federal Aviation Agency, which is not in charge of investigating air-carrier accidents, has issued a "possible cause" report before the investigation is completed by the Civil Aeronautics Board. The CAB is the Government unit assigned the responsibility for such investigations.

Congress wanted an agency other than the FAA to conduct crash studies, since the FAA itself is investigated as a routine part of accident studies.

The FAA, for example, handles the air-traffic control system, navigation aids, and other technical devices that might figure in accidents.

So, were the FAA the investigating agency, it would have to investigate itself. The FAA does have one role in accident investigation—cooperating with the CAB to determine if airways facilities, operational procedures, or the aircraft itself could be a factor in a crash.

In connection with the missing bolt announcement, both the Boeing Co., which built the jet, and the CAB investigators disagree with the FAA. Boeing and the CAB have no evidence that the bolt was out of place or caused the accident.

And yet the FAA, obviously seeking publicity as part of an attempt to take over accident-investigation responsibilities of the CAB, announced to the world the bolt could have caused the accident.

The FAA attempt to assume crash-study authority began under the administration of E. R. Quesada. Najeeb E. Halaby, present FAA chief, has continued the program.

Halaby himself has made premature judgments about crash causes, saying only a few hours after the 707 accidents in New York that mechanical failure in the control system may have been to blame. It was established later that the part of the system Halaby had in mind, the stabilizer, was in normal takeoff position.

When the Continental Air Lines 707 crashed in the Midwest last month, Halaby said the cause apparently was neither a midair collision nor a bomb blast.

Yet CAB investigators 5 days after the crash determined conclusively that it was a bomb blast that tore out one side of the jet and resulted in its dive to the ground.

The CAB over the years has built up what perhaps is the most skilled accident investigation team in the world. Once the Board establishes what caused a crash, it makes its findings public.

But it does not make the mistake of premature announcements based on assumption or partial evidence. CAB investigators even now are continuing their efforts to learn the cause of the American Airlines 707 crash.

This week's FAA announcement about the bolt has had wide repercussions, both here and overseas. Continuation of the FAA policy well might hamper the sale of American jet transports like the 707 and DC-8 to foreign operators.

It is curious that Congress has not become alarmed about the premature FAA announcements. Senator MAGNUSON in particular, in his role as chairman of the Senate Interstate and Foreign Commerce Committee, should look into a situation in which one Government agency is attempting to usurp the authority of another and undermining public confidence in air transportation while doing so.

Mr. MAGNUSON. Mr. President, on June 12, the Federal Aviation Agency issued an alert bulletin in which it stated that the "possible cause" of the tragic New York Boeing 707 accident of March 1, which claimed 95 lives, revolved about the question of bolt retention in the rudder boost system. In so doing, the Agency exceeded its statutory authority. The Federal Aviation Act is very clear that only the Civil Aeronautics Board has the authority to issue statements relative to the probable cause of an accident.

As a case in point, the Federal Aviation Agency's action serves to focus attention not only on the matter of CAB–FAA jurisdiction, but on a broader issue: that every Government official discharge responsibilities as prescribed by statute—his own responsibilities, not those vested in others. When individuals in Government improperly assume authority not delegated to them, their words are wrongly accepted by the general public as the word of Government. Their words ring of official sanction—the weight attached to them is great and disproportionate to the merit they deserve.

The Federal Aviation Agency is relatively new—it only came into being in 1959. Consequently, the committee has exercised great restraint in criticizing the Agency, not only with respect to the issue in point but in other areas as well. The committee has exercised the patience of Job. The newness of the Agency and the patience of the committee have about run their course.

Two agencies are primarily concerned with regulation in the aviation field. Their roles were carefully delineated in the Federal Aviation Act of 1958. The essential function of the Federal Aviation Agency is to promulgate such rules and regulations and otherwise take such action as may be necessary to insure the safe and efficient use of the navigable airspace. The role of the Civil Aeronautics Board is fundamentally twofold: economic regulation of the air carrier industry as the public convenience and necessity may require, and aircraft accident investigation, including the determination of the probable cause of accidents. Some have disagreed as to whether the Board should have the accident investigation function—that is their right. However, Congress decided, after lengthy and careful consideration, that this duty should be vested in the Board.

Air safety depends heavily on the activities and decisions of the Federal Aviation Agency. That Agency is not infallible, and deficiencies in its activities might contribute to an accident. To presume, then, that despite the greatest dedication to truth, the Agency would not lean toward the validity of its own decisions, or the wisdom of its actions, however well intentioned or thoughtfully conceived, would be naive. This is only human. Convinced that it would not be wise to place the Agency in a position of judging itself, Congress decided that the accident investigation function should be placed under the jurisdiction of an independent agency—an arm of Congress—and that agency was designated, and continues to be, the Civil Aeronautics Board.

It is true that the Board has been criticized from time to time for being too slow in releasing to the public its decisions relative to the probable cause of accidents. Often substantial time elapses between the date of the accident and the date of the Board's decision, but it must be remembered that the Civil Aeronautic Board's proceedings in such cases are of a quasi-judicial nature and that its decisions must be rendered with care, not haste; with truth, not conjecture.

The benefit realized from accident investigation is not limited merely to the ultimate public decision as to cause. From the moment the Board commences an investigation, every potential avenue of solution is traveled—every theory explored—every doubt the object of resolution. The Board continually, throughout its investigation, apprises the Agency of its theories, doubts, hypotheses in order that the Agency may execute its responsibilities to implement precautionary procedures to resolve any areas of doubt in favor of safety.

The Agency has not only the right but also the duty to take precautionary action in areas of doubt. With respect to the issuance of the June 12 alert bulletin, the editorial does not deny that the Agency had the right to take such action. What is objected to, however, is the manner in which the action was taken, and the statements which were made in so doing.

I do not profess technical expertise in this matter. However, I am advised that Boeing did issue alert service bulletins on several different occasions to all 707–720 operators, some 2 weeks prior to the FAA's release of its alert bulletin, advising the operators that the matter of bolt retention should be checked into and precautionary action taken. Nearly a week prior to the Agency's release of the alert bulletin on June 12, this theory was discussed among various representatives of the Civil Aeronautics Board; the Agency and Boeing. Apparently, Agency spokesmen felt that the FAA should release an alert bulletin notwithstanding the fact that Boeing had done so 2 weeks prior, perhaps on the theory that greater weight would be attached to the Agency bulletin than would be attached to the Boeing bulletin. I am not prepared to believe that any airline executive would dismiss lightly the warning issued by Boeing, which built the aircraft in question, and fail to take immediate corrective steps. If the FAA at that time felt it was a matter of great importance, why did it not immediately release the alert bulletin? If it was a matter of emergency, why did the Agency take action in the form of an alert bulletin which is not mandatory but advisory—why did it not issue an airworthiness directive which is mandatory and which would require immediate correction?

The day following the release of the alert bulletin, the Commerce Committee inquired into the circumstances surrounding this action. Various parties were contacted, including representatives of the Civil Aeronautics Board, Boeing Company, Air Transport Association and the Federal Aviation Agency. The Committee expressed to the Agency concern for the invasion into the statutory domain of the Board. I am not convinced of the persuasiveness of the arguments which the Agency advanced in defense of its action. While I cannot say that the handling of this matter represents a deliberate attempt to circumvent the statute—to usurp the authority of another agency, I do believe it was inept, evidenced poor judgment, and lack of discretion.

The committee has, on a number of occasions, admonished the FAA for exceeding the scope of its statutory responsibility relative to declarations concerning the probable cause of accidents. This last, then, is only one of a series of incidents which has caused us concern. I am hopefully confident that it will be the last. This is not a matter which can be corrected through legislation, because existing law is clear on this point. This is a problem that can only be corrected through the use of good judgment and the realization that duties must be executed with full appreciation of statutory responsibilities as well as limitations and the impact which ill-advised action or hastily conceived declarations may have.

The administrator of the Federal Aviation Agency, Mr. Halaby, is a man of great ability and dedication. He is aware of the problem, and I am confident he will make every effort to resolve it.

The Board has in my view done a superb job in executing its investigatory responsibilities. It has, I believe without question, the most expert and dedicated accident investigation team in the world. If, however, there is a need for the accident investigation function and the duty to determine probable cause to be transferred to another existing agency or to a newly created agency, it will be a matter for the Congress, not the FAA, to decide. I am not persuaded that such a need exists.

PUBLIC WELFARE AMENDMENTS OF 1962

Mr. YOUNG of North Dakota. Mr. President, the pending modified King-Anderson medical care proposal in the form of an amendment to the public welfare bill is a considerable improvement over the first draft of this proposal. It is still far from acceptable, however. Putting the Federal Government into the business of hospitalization and other health insurance would be taking the first step toward socialized medicine. Inevitably, there would be future steps to put the Government all the way into the medical field. The end result would be quite similar to the unsatisfactory experience of England and Canada. It would be certain to result in much abused and costly programs. It would be the beginning of the deterioration of our fine medical practice. No country in the world can equal the high standard of medicine practiced in the United States under our present system.

The modified King-Anderson proposal, which would place a heavy tax on every person covered by social security to pay hospital bills for millions of Americans who are financially able and willing to pay their own, is only one of its great weaknesses. The modified King-Anderson proposal still would only take care of a small part of the medical problems of people 65 years of age or over. It would only pay for a part of the hospitalization costs. Any elderly person in need of doctor's care, surgery, dental work, drugs, eyeglasses, and many other needs would still have to depend on their present State programs of which the Kerr-Mills Act is a part.

Mr. President, these are only a few of the reasons why I shall vote against the King-Anderson proposal. All during my 30 years in the State legislature and in the Congress of the United States, I have tried to help the elderly and voted for many programs to give them much needed and well-deserved assistance.

I have consistently voted for huge increases in funds for cancer, heart, and other forms of health research. This is the type of program in which the Government can rightfully play a major role. It can do a great amount of good without being directly involved in the private practice of medicine.

I recognize that there is great need for more assistance to elderly people. I believe this can be met within the framework of our present programs which do not and will not overturn our great present system of medical practice.

NATIONAL COLUMNIST PRAISES SCENERY OF SOUTHEASTERN UTAH

Mr. BENNETT. Mr. President, last October, my administrative assistant and I traveled the full length of Utah Highway 95 from Blanding, Utah, to Hanksville, through some of the most magnificent scenery in the world. We not only wished to view the spectacular scenery, but also to study one of the leading routes which is being considered for the proposed southern Utah National Parkway that would be authorized under legislation which I have introduced. It certainly merits such consideration.

Since making that trip, a leading national columnist, Rosalie Goldman, of the Chicago Tribune, has written two lengthy articles about Highway 95 and the scenic area through which it travels. These appear in the June 10 and June 17 editions of the Tribune, and I ask unanimous consent that they appear in the RECORD following my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BENNETT. Miss Goldman is lavish in her praise of the beauties of this awesome wilderness. The area fully deserves this national recognition given to it, and I hope that it will result in stimulating visits by many thousands more Americans.

[From the Chicago Tribune, June 10, 1962]

RED-DIRT ROAD MEANDERS THROUGH WILDERNESS IN UTAH—140-MILE ROUTE THROUGH AWESOME CANYON COUNTRY

(By Rosalie Goldman)

HANKSVILLE, UTAH.—If you are willing to forgo luxury motels for luxury views, try fitting Utah Highway 95 into your drive west. You can put yourself and your auto in the heart of one of America's last great wildernesses for 140 miles without hiking, jeeping, or beating.

This road is the closest anyone has come to taming a wildly beautiful, remote area. This is canyon, plateau, and mountain country. Over it all is a wash of color—flame-red, purplish-gray, pink, chrome-yellow.

Few people have seen it. Even today, as modern traffic swirls far north and south of it and jet planes streak over it, this region retains its frontier quality.

In this land, which has just opened up, much is closing up fast. While you can still be the first person to explore some of its lonesome canyons, this is one of the last years in which some of its marvels can be visited. (The Glen Canyon Dam being built at Page, Ariz., will flood a section of the highway).

Utah 95 is one of them. An independent, little, red-dirt road that pierces the heart of the canyon county, its opening in 1947 linked two vast sections of southern Utah, split until then by the Colorado River and its great gorges.

Highway 95 winds through canyons of brilliant color and fantastic formations. It leads to the ferry at Hite, the only vehicular crossing of the Colorado in almost 400 miles. It connects Hanksville on the west with Blanding on the east.

Roads lead to Blanding from Flagstaff, Ariz., or to Monticello, Utah, from Durango and Grand Junction, Colo. Monticello is a half hour by highway from Blanding. You can make the trip in 1 day from Monticello or Blanding to Hanksville. But, to get the most pleasure from it, take 2 or 3 days. In any case, your full and lively day—one to set your dreams aglow for years to come—is figured as starting at Monticello or Blanding early in the morning and just making it by evening to Hanksville. This is a big ride.

Nestling at the foot of the Blue Mountains, Monticello and Blanding are typical Utah towns, with hospitable, long established residents. There are modern motels. Take your questions to the Blanding tourist center, where its supervisor, octogenarian Albert Lyman, is affectionately called "the Old Settler" by hundreds who respect his lifetime experience in this land.

Or, stop at the home of Fern and Kent Frost in Monticello, to meet today's most knowledgeable explorers of that area. The Frosts—if they are not taking vacations on one of their unique jeep camping tours—will be happy to give you excellent advice.

Just west of Blanding is the juncture of Route 47 with 95, the road you've come to meet. A neat sign calmly says: "natural bridges 40, Hite 81", * * * no hint of the excitement buried in those facts.

When you have traveled only 12 miles, the pavement merges into our glamor road of red dirt. Blithely ignoring the sign that announces "rough road," two families were happily camped in trailers beyond it. Their use of 95 convinced us we could go anywhere a trailer could. This is Government land, and one may camp anywhere along the way.

Weird erosions are dominant features of the area. And the first ones are the Elk Mountain Triplets. They are the welcoming committee at the next bend. They seem to glide out on a rock raft, gaze serenely down on you, and slide back into the wall again as you move on.

The droll trio also guards the gateway to the empty region. Beyond them, your road sweeps you up and into breathtaking Comb Ridge pass. Stop and drink in the view.

The serrated peaks of Comb Ridge run south 50 miles to the San Juan River. Highway 95 sweeps you down across Comb Wash and up onto the next ridge, into a dwarf forest of juniper and pinon pine, green against the red dirt.

Fish Creek is the third small canyon through which the road now cuts, swinging you up for the next vista. There, great oblong promontories jut out in staggered formation, far ahead of you, the Mossback mesas. They are moody giants that increase the prevailing air of excitement and mystery. Going toward them, you leave Elk Mountain and discover the distinctive landmark it provides for the area; Bear's Ears, two matching rock outcroppings on the top, can be seen 40 miles away.

Our 95 meets a junction with a road to Bear's Ears. Take the left road and continue to approach the Mossback mesas. Just 11 miles farther on, you will arrive at a turnoff that is a must, Natural Bridges National Monument. A sign directs you 1½ miles down its own road to the entrance.

Here are three of the world's outstanding natural stone bridges within 6 miles of each other, all carved by the waters of a wild gorge, White Canyon. The bridges stand so delicately against the blue Utah sky, you may have difficulty realizing that each could accommodate a large building under its sturdy arch. Each owns a musical Indian name—Owachomo, Sipapu, Kachine.

It is Owachomo that can be seen from the entrance. To see them all requires a 6-mile hike into the canyon. There is a custodian at Natural Bridges from May through November. There are camping facilities, and plenty of water. Altogether a rewarding stop.

White Canyon leads off from Elk Mountain and runs west to the Colorado. Our road parallels its course now. White Canyon's innocent-looking white rims billow like soap suds through the red valley of the Mossbacks. The occasional views you get of its interior, when it meanders close to the road, look pleasant enough. You would never know that inside its rims its headstrong action has carved three great bridges and a frightening, water-filled narrows where the walls are 2 feet apart but several hundred feet high. White Canyon and its borders are rich in Indian ruins.

Two miles farther down 95 from the Bridges turnoff is a side road (with sign) to a viewpoint for Kachina Bridge. If you drive a quarter of a mile and walk a quarter of a mile, you arrive at four ladders that lead you down to the bridge. This gives you a second chance to see Kachina Bridge and a chance to see two of three bridges without hiking down the canyon.

Highway 95 is now running on a shelf at the foot of the Mossbacks. The great redwall fingers that jut out toward you are the bottoms of the mesas. A dreamy quality envelops you. Strange eroded shapes edge down from the cliffs. White Canyon paces you on the right with a surplus of brilliant sights. Even so, someone is sure to exclaim about the odd shape of one small butte that will appear on the right ridge of the valley. This is the Cheesebox, a round affair with tapered top, surmounted by a tiny knob.

Arrival at the Cheesebox also means your first dramatic view of the Henry Mountains, America's geologically youngest range, named by Major Powell. From here on, the big, black Henrys are your beckoning peaks. As we weave in and out of canyon paths, we travel toward them.

But whoa. Drop your eyes from the Henry to the little bridge you cross a few miles later. Peer over on the right at the tiny, but tortuous narrows of the small canyon you are bridging. This side canyon leading into White Canyon offers you a miniature of the remarkable White Canyon narrows.

Over the bridge is Fry Canyon, tiniest of towns, your first collection of human dwellings in 57 miles. Fry Canyon was just a store in 1955. It grew into a hamlet with the discovery of rich deposits of uranium, and now Fry Canyon can offer you overnight lodging.

[From the Chicago Tribune, June 17, 1962]

Manmade Lake Will Cover Part of Utah Wilderness—Plan To See Some of It Soon If Ever

(By Rosalie Goldman)

Fry Canyon, Utah.—Utah Highway 95, a red-dirt road through 140 miles of rugged canyon country, offers a spectacular view near here. A pale, bare monolith, 2,500 feet above the valley floor, magically takes the shape of a chair. Jacob's Chair, named for a cowboy, thrusts a majestic, empty seat toward the clouds. There's room on the seat for Congress to meet in joint session.

Four miles farther on, this land of surprises jolts the visitor out of its cowboys-and-Indians aura and its mammoth surrealistic art show with today's most modern exhibit—a multimillion-dollar uranium mine, the Happy Jack. A small sign, "Big Horn Mining Co.," shows you where to make a left turn from Highway 95 to get a look at this humming big business.

Originally, the Happy Jack was an open strip mine. Now, the Texas Zinc Co. burrows deep into the bases of the proud Mossbacks. Chains of yellow mine cars creep from termite passages with their rich loads. The mine tailings have almost formed a new cliff in front.

This is, however, a minor alteration of the landscape, compared with what is to come. Leaving the Happy Jack Mine, you pass an unassuming sign on 95 that carries one of the West's biggest stories, "Entering Glen Canyon Recreation Area." From here on, you are on land that will be affected by the Glen Canyon Dam, rising at Page, Ariz.

The dam will be as large as Hoover Dam. You are directing your carsteps toward the land that will be under water forever in a few years, when the Colorado River forms a lake bigger than Lake Mead behind it. The lake will submerge Route 95 here. This is why time is running out for using 95.

Nothing less than a dam the size of the one at Page would ever subdue this passionately wild topography. You feel its roaring quality as 95 takes you on. The reason for the tumultuous heave and swell of the scenery is the Colorado River. You are nearing it. All land approaching the river here goes down with a burst of fury, immense drops, great jagged walls and more color. Strange to think this will all be altered and much of it submerged.

You make a U-turn right to cross White Canyon at a shallow wash and a U-turn left around a cliff to enter Farley Canyon. There the road follows the wash to bring you to White Canyon postal station, which is one store and one house. But, the store is air conditioned and can serve you ice cream when high summer temperatures range in three numbers. It will also mail your letters. The U.S. mail plane lands once a day on something accepted as an airstrip 5 minutes away beside the river, between the huge walls of the gorge.

You can also get gas and water here and then drive on to the historic, solitary, almost unbelievable ferry crossing called Hite. There, a wooden platform screwed to old army landing barges, successfully bucks the Colorado current with the aid of a cable, to make the only crossing of the river in hundreds of miles.

Hite marks the end of Cataract Canyon and the beginning of Glen Canyon, two vividly contrasting sections of the continuous, muddy Colorado. Pioneer Art Chaffin built the ferry and operated it for many colorful years.

Chaffin, a man of lively interests and the discoverer of Goblin Valley, now a State park, maintained a fine ranch at Hite, with an orchard of pomegranate, fig, and other fruit trees, grapes, and a variety of rich harvests. A talented carpenter, he gathered in the drifting gifts brought him by the river through the years and turned them skillfully to his own uses.

Chaffin retired a few year ago. The ranch has been abandoned. But many signs of its former quality remain. It is worth a visit to see what an enterprising man could accomplish in the middle of the wilderness.

First, of course, you must cross on the ferry. If the present operator, Woody Edgel, isn't to be seen, use the handy local phone at the water's edge. It will bring him quickly. Woody trucks in fresh water and can furnish you that and camping space for 50 cents a person.

As the famed current of the Colorado speeds under you, let the magic of its history flow over you. In 1869, Major Powell and his men passed this very place, after successfully running the hazards of Cataract Canyon above you. Around the next bend start 150 miles of the beauties and mysteries of Glen Canyon.

Turn left off the ferry for a mile ride that brings you up to the charming gate of the old Chaffin property. On your return trip, after recrossing Trachyte Canyon, watch for Cass Hite's carved signature on a low shelf of redrock at the road's edge.

Back to the ferry and 95, for one of the deep dish thrills of the entire trip. You drive upcanyon on a road that hugs the river. When you are on the river in a boat, as we were this summer, you cannot believe there is a road there on those sloping banks. But, here you are, driving 5 miles of our country's most superb, remote river scenery.

Like a river runner or canyon hiker you can select the piece of beach that appeals to you for camping, with Colorado driftwood for your campfire, and the sound of North Wash Rapids for your lullaby.

The road leaves the Colorado and enters North Wash 5 miles from Hite. North Wash is a spectacular side canyon show all its own. Redrock spires form the entrance. Continuous walls rise to 1,500 feet above you on both sides. It is a choice slice of exposed geology. You feel the excitement of earliest ages as you travel its entire length. Rarely does one have a chance to examine a whole, large canyon from its mouth to its source.

Six miles from the river, you will reach an immense cave on your left. It's an easy walk into the cave to see the larger-than-life pictographs it contains. The red painted figures, probably Fremont Indian drawings, are among the handsomest we have ever seen.

Hog Spring is a short distance farther down the road, past the cave. The name does not apply to the always dependable, fresh running water, pure and safe to drink. This is a good place to fill your canteens. There are 39 uninhabited miles still ahead of you.

North Wash fades out of existence, as 95 comes up through the Navajo sandstone layer. The Henry Mountains are just ahead. You have come out onto a great bench of empty land and are twisting through the foothills of the Henrys.

Grotesque sculptures suddenly crowd upon you. Red and white shapes, kneeling, bending, posing—seem alive in their fun and turn the roadside into a playground.

Lone Cedar flats is the name of the far-reaching empty benchland. The road sails right past almost the only tree in a hundred square miles. What a contrast to the luxurious growth in the canyons where there is water. One small tree has given the whole area its name.

Two miles later, 95 ends quietly in a junction with 24 which brings you into Hanksville. You are still in highly scenic country, but your adventurous driving is over. Hanksville has motels, gas stations, restaurants. Reo Hunt, who operates a gas station and motel, offers free guide suggestions for day tours to spots full of dinosaur bones, Indian ruins, and beautiful rock formations.

He recommends the following as the most direct route to Page: Route 24 to Plateau Junction. Then, left on 62 to Kingston. Then, 22 to Circleville, and 89 to Panguitch, Orderville, and Page.

Your road will also go through Capitol Reef National Monument and past Bryce National Park. At Page, of course, you will see the great dam under construction.

Advice is in order to make this trip completely successful and happy for you.

Take a 5-gallon can of water, a 5-gallon can of gas, and a Utah State map. Take a shovel—your car should always be equipped with it anyway. A handy type is the trench shovel found in army surplus stores. Use second gear for any sand. Take simple food supplies, sunglasses, and more film than you ever used before on one trip.

For campers, there are plenty of fine spots, with a world of wood. All that is asked by one of our neatest States is that you leave your campsite clean. Some trash barrels are provided, but, without one handy, the old saying holds, "If you can carry it in full, you can carry it out empty." The custom of burning your cans before flattening and burying them destroys the odors that would make small animals dig them up. Hence, the slogan, "Burn, bang, and bury."

A word of caution about rainy weather. Like all semidesert in the Southwest, it's mostly dry, but, when it rains hard, the water flows fast. Just as arroyos in New Mexico and gullies in Arizona can be host to a flash flood, so can canyon washes in Utah. The points of the road to particularly watch are the crossing of the White Canyon Wash and the drive down Farley Wash. You would not cross an arroyo when the water was flowing hard, or soon after a rain, and so your judgement would guide you the same way here.

Many a driver gets local advice, uses good sense, makes the trip, and has a fine time and an extraordinary experience.

WHO IS UNDERDEVELOPED NOW?

Mr. BENNETT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Who's Underdeveloped Now?" published in the American Metal Market, issue of July 6, 1962.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHO'S UNDERDEVELOPED NOW?

The news that Washington emissaries have sought to interest Japanese firms in investing in "underdeveloped" areas of the United States leaves us with an overwhelming feeling of irony and puzzlement.

Until very recently, we were injecting a flood of U.S. dollars into Japan to assist with its postwar industrial recovery. And our aid to "underdeveloped" countries around the world continues at a high level. Thus, while we enjoy a favorable surplus in our international balance of accounts in commercial goods and services, U.S. aid to underdeveloped nations is making a major contribution to our balance-of-payments deficit. To help redress this imbalance, it is reported from Tokyo, we have attempted to interest the Japanese in investing in new factories in such underdeveloped territories as Kansas and North Carolina.

What a sense of irony must exist also in Wichita, Kans., and Wilmington, N.C. Washington deploys tax moneys to aid pauper nations such as in southeast Asia, the Middle East and Africa, because in most cases investment by private U.S. industry is insufficient. But when investment in new industry is needed in our own South and Middle West, Washington turns not to itself, but to the inscrutable East.

It is puzzling to know how Japanese industry will push forward with such investment in the United States. Since the idea was broached at the Japan-United States Economic Conference last November, Japan has entered into a period of the most severe economic belt tightening caused largely by its own international balance-of-payments problems. As reported in the pages of this newspaper in recent weeks, Japanese industry has been compelled to cut back basic steel, copper and aluminum operations because it lacks sufficient foreign currency reserves to pay for critical raw materials. In view of this problem, it is difficult to see how the Japanese could launch any kind of program employing U.S. dollars to build plant and equipment in this country.

The balance-of-payments problem, unfortunately, is growing bigger and more far reaching than most nations care to conceive. The example of Canada's difficulties, for instance, has caused the influential Economist of Britain to note this past week: "The world's currency difficulties are now exerting a clear deflationary influence on the world economy, and threaten to create a deflationary spiral. It is the real constrictive brake on the Kennedy administration. In the economics of wonderland, the majority of countries are attempting, impossibly, all to improve their trade balances and their reserves at once. Here is another element from the dreary cycle of the 1930's."

PROPOSED TAX REDUCTION

Mr. BENNETT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Rationalizations for Recklessness," published in the Wall Street Journal, issue of Monday, July 9.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REVIEW AND OUTLOOK—RATIONALIZATIONS FOR RECKLESSNESS

Though President Kennedy hasn't decided whether tax cuts should be recommended for this year or next year, one thing is clear: The impact of any reductions on the Federal deficits hardly ranks as a major consideration within the administration's councils.

Any hope of responsible taxcutting must therefore rest with Congress or public pressure or both. Congress unquestionably has the power to force Government spending down to the level of revenues lowered by tax reductions. If it would do so, in this era of inflated and wasteful Federal spending, that might be the best reason yet for advocating sizable tax reductions.

Admittedly, the record is not encouraging. It is the Congress, as well as the successive administrations, that presided over 25 Federal budget deficits in the 31 years through 1961. It is the Congress which gave its blessings to the additional deficit of $7 billion—more than the whole Government spent a little over 20 years ago—in the fiscal year just ended. It is the Congress which has now increased the public debt limit to an untidy $308 billion.

Still, the very enormity of the Government's financial condition might jolt Congress into using the level of tax cuts to impose restraint on the administration's spending. In the informed estimate of Senator HARRY BYRD, the deficit this fiscal year will be $6 billion without tax cuts; with prompt tax cuts of the reckless sort the chamber of commerce proposes, it could be a startling $15 billion.

Certainly if there were a good many more Byrds in Congress there would be a return to fiscal responsibility. But even as it is, many Members must realize by now that the administration, far from eschewing deficits even in principle, shows every sign of embracing deficit financing as a way of life—and going to amazing lengths to rationalize it. And many on Capitol Hill, regardless of their politics or pet projects, must be able to see through those rationalizations.

For one thing, there is no evidence to support the administration theory that, in today's economic circumstances, tax reductions accompanied by increasing Government spending would rocket the Nation into a new superboom. Accordingly Congress has scant justification for assuming that lower taxes might actually mean higher revenues in a booming economy.

Plenty of evidence exists, however, to show what happens to nations that persist in living beyond their means both at home and abroad. The nations of Western Europe finally had to turn from inflation before they could prosper; even the politicians had to admit it had become economically intolerable.

If Congress wants an example both recent and close, it can look at Canada, which thought it could inflate itself into even more buoyant prosperity. Instead, the tough logic of economics pulled it up short; it had to take drastic corrective measures, including government retrenchment.

Nothing in the U.S. economy makes it immune from the consequences of constant Federal abuse. Why so many Government officials are incapable of seeing this is difficult to understand. How else can they interpret the warning signs, like the persistent foreign expectation of dollar devaluation? How can they possibly hope to eliminate the international-payments deficit while piling mountainous domestic deficits upon deficits?

Most Americans, we believe, do realize that the Government rationalizations fly in the face of commonsense. If so, maybe they should respond to the President's request for an economic "dialog."

What the administration and Congress need to be told is that the basic fiscal issue is not as sophisticated as Government economic advisers like to say. Specifically, the need is for tax cuts that are not designed to deepen deficits but are geared to sharply lower spending.

It would not be the first time the people had raised their voice against flagrantly unwise budget policies. And if Congress is at all concerned about the Nation's economic health, it will listen.

LOSING AGAIN IN LAOS

Mr. KEATING. Mr. President, the course of negotiations over the latest difficulties in Laos that are now taking place in Geneva give abundant proof that our worst expectations are being fulfilled. The latest newspaper reports reveal that the West is retreating again. Apparently we have agreed that the vital point regarding integration of the military forces is to be considered a matter of internal policy and does not belong in an international agreement. Also the promise of no reprisals is to be deleted from the agreement, again because it is alleged to be a matter of internal policy.

Mr. President, this is a ridiculous position. The whole purpose of the agreement was to put an end to civil war and establish a neutralist government. This was why we went to Geneva in the first place and this is why we stayed there trying to negotiate while the Communists went on fighting. Everything that goes on in Laos should be an internal matter, but unfortunately, the facts are otherwise. Communist forces from other states have consistently operated in Laos.

Mr. President, it becomes increasingly clear that a neutral Laos is not going to exist at all unless that neutrality is enforced from the outside. Newspaper reports also indicate that SEATO nations are to renounce completely their protection of Laos. What will be left to prevent the Pathet Lao from taking over the country without even any fighting, from executing the pro-Western fighters, and from establishing a Red regime? Nothing. This will all be considered an internal matter.

Mr. President, the purpose of recent American policy in Laos—insofar as we had any policy at all—was to remove the struggle from the military to the political sphere. In fact, we virtually surrendered on the military level. Now we are about to surrender on the political level. If there is any basis at all to present newspaper reports, the Communists are ready every day to make a new demand and we to make a new concession, until there will no longer be anything left for the Communists to demand or for us to surrender.

TEACHING: KEY TO GOOD EDUCATION

Mr. WILEY. Mr. President, the Nation—in creating an ever-better educational system—depends, to a tremendous degree, upon teaching—a key to good education.

By experience, we know that the high profession of teaching requires a great dedication for imbuing in students, in spirit, not just "in letters": a love of learning; intellectual honesty; self-discipline; ability to think independently, clearly, and objectively; and understanding that learning is a day-to-day process—never completed—with today's knowledge serving as a foundation upon which to build for tomorrow.

According to the report of the President's Commission on National Goals, appointed by former President Dwight Eisenhower, we will need 200,000 new teachers every year for the next 10 years to meet growth and replacement needs of the Nation. To obtain not only an adequate number, but well qualified teachers, however, the Nation must adopt a new attitude toward—and lift the status of—the teaching profession.

These steps, I believe, should include:

Raising teachers' salaries until they are competitive to jobs in other fields involving comparable ability and length of training;

Improving standards of recruitment and training to provide the necessary quality, as well as quantity, of teachers;

Creating a public climate to make the academic profession attractive to top quality people, with greater respect for intellectual endeavor and higher education.

Naturally, a good educational system depends also upon—

A sound philosophy of education;

An up-to-date curriculum; and

Enough classrooms, laboratories, and other facilities.

Among other things, this means adequate support at local, State, and Federal levels; as well, encouraging private sponsorship of education; expanding research in education; and creating a greater national understanding of the significance of education to our progress and security.

WHOSE BREAD I EAT—HIS SONG I SING

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks an article entitled "Whose Bread I Eat—His Song I Sing," written by Dr. J. G. McDaniel, and published in the November 1961 bulletin of the Fulton County, Ga., Medical Society dealing with the subject of free handouts by the Government.

There being no objection, the article was ordered printed in the RECORD, as follows:

WHOSE BREAD I EAT—HIS SONG I SING

(By J. G. McDaniel, M.D.)

I remember, as a small boy in knee britches, going with my father to hear an address given by the Honorable Stephen Pace, then Congressman from the old Georgia 12th District. It was on the banks of the Ocmulgee River. There was a barbecue, and citizens, especially farmers, from all the counties gathered. This was before the First World War.

It seemed that someone in the Congress had introduced a bill that would give the farmers some money provided they did something. The Congressman vigorously opposed it. I had no idea what it was, because I was watching a "dirt dobber" making a ball of mud. The Congressman snapped me back to attention, however when he said, "I'm going to tell you a true story about the wild hogs that once lived about 40 miles down the river."

"Years ago," the Congressman said, "in a great horseshoe bend down the river, there lived a drove of wild hogs. Where they came from no one knew, but they survived floods, fires, freezes, droughts, and hunters. The greatest compliment a man could pay to a dog was to say that he had fought the hogs in Horseshoe Bend and returned alive. Occasionally a pig was killed either by dogs or a gun—a conversation piece for years to come.

"Finally a one-gallused man came by the country store on the river road and asked the whereabouts of these wild hogs. He drove a one-horse wagon, had an ax, some quilts, a lantern, some corn, and single-barrel shotgun. He was a slender, slow-moving, patient man—he chewed his tobacco deliberately and spat very seldom.

"Several months later he came back to the same store and asked for help to bring out the wild hogs. He stated that he had them all in a pen over in the swamp.

"Bewildered farmers, dubious hunters, and storekeepers all gathered in the heart of Horseshoe Bend to view the captive hogs.

"'It was all very simple,' said the one-gallused man. 'First I put out some corn. For 3 weeks they would not eat it. Then some of the young ones grabbed an ear and ran off into the thicket. Soon they were all eating it; then I commenced building a pen around the corn, a little higher each day. When I noticed that they were all waiting for me to bring the corn and had stopped grubbing for acorns and roots, I built the trapdoor. Naturally, said the patient man, 'they raised quite a ruckus when they seen they was trapped, but I can pen any animal on the face of the earth if I can jist get him to depend on me for a free handout.'"

We have had patient men in our Central Government in Washington for years. They are using our own dollars instead of corn. I still think about the trapdoor and the slender, stooped man who chewed his tobacco deliberately, when he spat and turned to the gathered citizens many years ago and said, "I can pen any animal on the face of the earth if I can jist get him to depend on me for a free handout."

COURAGE OF 1776 IS CHALLENGE OF TODAY

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Courage of 1776 is Challenge of Today," published in the Arizona Daily Star of Tucson, Ariz., on July 4, 1962, dealing with the significance of certain statements in the Declaration of Independence.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Tucson (Ariz.) Daily Star, July 4, 1962]

COURAGE OF 1776 IS CHALLENGE OF TODAY

There will be a great deal of surface patriotism displayed today. This is a plea that some of it go more than skin deep.

July 4 is a day when Americans might well think carefully of some of the statements in the Declaration of Independence. It also is a day when the fainthearted, the defeatists and the people who are so insecure in their personal and political philosophies that they resort to pressure to force their ideas off onto others, should recall the clarity of thinking and the courage of John Hancock, Roger Sherman, Thomas Jefferson, Button Gwinnett, and Benjamin Franklin (to pick at random a sampling of great names) when they signed the Declaration.

The Declaration states clearly certain truths which its signers held to be "self-evident":

"All men are created equal, and they are endowed by their Creator with certain unalienable Rights.

"Among these are Life, Liberty and the pursuit of Happiness.

"To secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.

"Whenever any Form of Government becomes destructive to these ends, it is the Right of the People to alter it or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness."

The Declaration further states that while "Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes," nevertheless the people have the right to change the Government when they consider the causes justified.

Here is the heart of the Declaration. It has survived in memory when the succeeding paragraphs, reciting now almost-forgotten charges against King George III, scarcely are read.

The vision of the men who signed the Declaration of Independence was broad. It was broader than mere flag-waving, for at the moment they signed they discarded one flag but had no single other flag to wave. It was broader than any religious or economic difference. It was broad enough to cover the Virginia plantation owner, elegantly educated in the sciences and the arts; and the Massachusetts smuggler, who knew less of such formal things but perhaps more about the passions of the ordinary people.

It was broad enough so that they were willing to risk their lives, their fortunes and their sacred honor in the cause to which they affixed their signatures. Indeed, some of them suffered badly in the subsequent years because they signed. All went in peril not only of their properties but of their lives. Franklin warned them that "If we don't hang together, we'll all hang separately." It was a stern, pointed and salutary warning.

This is no year to take the Declaration of Independence for granted, and to run up the flag and then go off on a picnic without giving any thought to the principles at stake 186 years ago. Fly the flag, of course; one will be flown at the Star and others by patriots everywhere. Have the picnic, for it is a day free and a picnic is a pleasant thing. But also think for a moment of the steps taken in Philadelphia the first week in July, 1776, culminating in the independence of the 13 Colonies and the formation of a new nation.

A TRIBUTE TO THE LATE THOMAS JEFFERSON JACKSON SEE

Mr. LONG of Missouri. Mr. President, it is with deep regret that America has learned of the death of Dr. Thomas Jefferson Jackson See, one of the outstanding astronomers and geometers of the 20th century. The news of his funeral over the weekend was particularly saddening to the people of Missouri, where Dr. See was born and reared.

Of particular honor to Missouri is the fact that Dr. See began his education there, acquiring three degrees from the State university, prior to obtaining a Ph. D. at the University of Berlin in 1892 at the young age of 26.

From this point, he rose rapidly to a status of international prominence, assuming many positions of importance in the astronomical field. He was, by turn, employed at the observatory at the University of Missouri, the Royal Observatory at Berlin, the Yerkes Observatory, University of Chicago, the Lowell Observatory, the U.S. Naval Observatory, the U.S. Naval Academy, and the Naval Observatory at Mare Island, Calif.

During his lifetime, Dr. See accomplished many astronomic feats, including the discovery and measurement of about 600 new double stars and the remeasurement of some 1,400 double stars, through the use of the Clark refractor at Flagstaff, Ariz.

Dr. See belonged to many international scientific organizations and was recognized throughout the world as a man of outstanding ability in his field.

The State of Missouri is honored by association with his name.

THE 150TH ANNIVERSARY OF FROSTBURG, MD.

Mr. BEALL. Mr. President, whenever somebody says something particularly nice about our children, our family, or our home, we naturally feel a warm glow of appreciation and pride. It was just such a pleasant sentiment that I experienced when I read an editorial yesterday about the 150th birthday anniversary of Frostburg, the town in which I was born and in which I still have my home.

I have sometimes been accused of being too enthusiastic about the charm and beauty of western Maryland, but those who are fortunate enough to visit us invariably end up agreeing with my praises. I could speak at length on this subject, Mr. President, but in the interests of time, I shall let the editorial present my case.

Therefore, I ask unanimous consent that the article be printed in the RECORD. It was printed in the July 8, 1962 edition of the Sunday Sun of Baltimore.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROSTBURG'S BIRTHDAY

In 1806 Congress authorized a study of a proposed highway from Cumberland westward across the Appalachians to the Ohio River Valley. In 1811 a contract for the first 10 miles of the highway was awarded and the building of the historical National Road was started. One year later Meshach Frost opened a tavern, soon to become a hotel, at the side of the road and Allegany County's Frostburg came into being.

It has been claimed that Frostburg "is one of the most beautifully located towns in Maryland." There will be no disputing of that claim here. Frostburg has Big Savage Mountain at its back, and before it to the east is a rolling countryside and beyond that Dan's Mountain. It is a setting one is not likely to forget.

Frostburg has had a long and varied history. It was a celebrated stopping place during the heyday of the National Road with its flood of traffic between the East and West. It was for years a center of western Maryland's thriving coal mining industry. Since the turn of the century it has been the site of Frostburg State Teachers College, which is now in a period of rapid growth and is western Maryland's higher education center.

Frostburg has been celebrating its 150th anniversary. It is a proper event for celebration. Frostburg has played a sturdy role in western Maryland and, indeed, in Maryland history. Congratulations.

PROPER DISPLAY OF THE FLAG

Mr. BEALL. Mr. President, recently, disturbed by the lethargic attitude of many of our citizens concerning the flying of the flag on important holidays, Mr. Thomas S. Carr, vice president and manager of WBAL in Baltimore, decided that his radio station should broadcast an editorial on why everyone should display Old Glory.

He turned over the task of writing this editorial to Mr. Albert W. Quinn, a member of the WBAL news staff, and the result was a powerful and stirring piece entitled "What Old Glory Means." This was transcribed and was broadcast 15 times on Flag Day, 10 times on July 3, and 10 times on July 4. Thousands of listeners immediately began flooding WBAL with requests for copies of the editorial and, in the very best traditions of civic responsibility, the station has been supplying such copies free of charge.

I, personally, found Mr. Quinn's editorial to be extremely inspiring, and consequently I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

WHAT OLD GLORY MEANS

(By Al Quinn)

"Why fly the flag?" the young man asked "Long ago, when it was young—well, it was different then; it was novel—the thing to do. But now the flag is old and the custom long outmoded."

The old man smiled. "Yes," he said, "the flag is old now, but then it always has been old. Remember? It was 'Old Glory' way back there on Cowpens field, where Howard's men endowed it with that name of love. And it was old and tattered too the day it flew o'er Brooklyn's stubborn stand by Smallwood's bold command. It was older still, of course, at Fort McHenry when, waving in the morning breeze, it inspired a hymn of noble destiny. Yes, son, that banner of beauty was even old when its stars and stripes were stitched with loving care by Betsy Ross. As old as man's hatred of tyranny, his yearning for freedom and his love of liberty won. Its origins indeed go back to civilization's very dawn. But, in its ageless beauty, it still is young. Young enough to quicken the beat of the soldier's heart at its morning rising and moisten his eyes with sentiment at its vesper-time descent. And to symbolize the sailor's love for the ship on which he sails. It is so beautiful in its lasting youth that men still would die to keep it from the dust. Yes, the flag is young enough to bear new stars and mark the new additions to the family of the States. And, at least to these old eyes, its youth takes on new bloom as new nations emerge in pattern after that for which it proudly stands. Why fly the flag? Well, perhaps the answer's there. You need not fly the flag, for there is none to say you must. The choice is freely yours. That's what 'Old Glory' means."

From its dusty box the youth unfurled the flag and placed it in its holder on the porch. He looked through misty eyes and said: "I think I never saw the flag before."

THE MILITARY IN OUTER SPACE

Mr. STENNIS. Mr. President, Gen. Thomas D. White, former Air Force Chief of Staff, now retired, has one of the foremost military minds of his generation. In addition, he has a rich and wide background of experience in military and related fields and he represents much of the most forward-looking thought and viewpoint in the military profession.

In his weekly column in Newsweek magazine of July 9, General White's comment on the military aspects of our space development is of tremendous value and is highly significant. I bring it to the special attention of every Member of the Congress and commend its reading and consideration to the people of the Nation. I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE MILITARY IN OUTER SPACE

We should be racing toward a new potential in warfare. The future military value of spacepower may transcend that of airpower today. There are military requirements in space which this Nation can fail to fulfill at its grave peril. Control of the universe, including our own earth, is at stake.

The Department of Defense seems to me too preoccupied with the more mundane aspects of our military posture. They have done much to revamp budgets and organization but too little on the military aspects of space. The military themselves tend to think of adapting aircraft tactics to space. For example, some visualize dropping nuclear bombs from orbit. Instead, perhaps the concept of transferring old-fashioned aviation techniques to space should be abandoned, and complete new applications should be developed for space weaponry. Development of such things as lethal energy and lightwave weapons may revolutionize armaments and be especially adaptable to space systems. Some such applications could even make long-range missiles obsolete.

MORE FUNDS

Because space technology is in its infancy, many applications lie ahead and depend on the results of future research and experimentation. Sorely needed is an increase in our fund of knowledge of military space technology, and backing at high governmental levels is needed to obtain the necessary resources. This year's defense budget provides $1.5 billion or about 3 percent of the total for military space developments. I would like to see even more provided—our whole future may depend on it. One thing is certain, we cannot let the Soviet Union dominate space.

The potential use of space for military purposes embraces the entire spectrum of missions: Reconnaissance, surveillance, defense, offense, command and control, logistics, and communications.

Some of these space systems already have immediate utility and fulfill the criteria which must be met in order to justify their enormous cost.

These criteria, at least one of which must be met, are:

1. The system must provide a means for carrying out a military task which can be accomplished only in space. An example is the need to inspect and, if need be, destroy, satellites which appear overhead.

2. The system must be able to accomplish a military task significantly better in space than in any other medium, viz: Satellites which will provide early warning against ballistic-missile attack.

3. The space system must be capable of executing an important military mission at significantly less cost than by other means. Someday vastly improved reconnaissance systems may be possible, and orbiting or stationary satellites with new types of weapons might prove to be cheaper offensive systems than intercontinental missiles.

SOVIETS

Although work on some systems which meet the above criteria is already underway, I wish we would move faster on the satellite inspector and interceptor. We soon may need to verify what the Soviets have put into space; we may someday want to shoot it down. Until we have an inspection and interceptor capability the Russians can do as they please in space. Conversely, we may be sure that the Russians are working just as hard as we are to achieve the same goal of satellite-identification capability.

Another intriguing concept goes even further than the satellite inspectors and ought to have more steam and money behind it. This is the true "space plane." This plane would take off from an ordinary airfield, then boost itself into orbit and, with power aboard, return to the atmosphere and fly again like an airplane.

These are some of the military developments underway now. What the future will bring cannot, of course, be pinpointed, but one thing is sure—the whole planetary system awaits exploration, and, as history has shown, where man has explored, man has fought. Gen. Curtis LeMay, Chief of Staff of the Air Force, recently said: "Space capabilities may bring about the technological disarmament of nuclear weapons. It may also remove major wars from the surface of the earth."

TAX CUT PROPOSAL BY THE U.S. CHAMBER OF COMMERCE

Mr. BYRD of Virginia. Mr. President, on July 6, 1962, I wrote a letter to Mr. Ladd Plumley, president of the U.S. Chamber of Commerce, relative to Federal tax reductions recommended by the U.S. chamber's board.

The letter is self-explanatory, and it deals with a subject which is under wide discussion at this time. I ask unanimous consent that it be published in the RECORD as a part of these remarks.

In addition to my letter to Mr. Plumley, and as indicative of the fact that State chambers were not consulted with respect to the change of policy on the part of the U.S. Chamber of Commerce, I ask unanimous consent to have printed a letter and statements from Mr. Herschel C. Atkinson, executive vice president of the Ohio Chamber of Commerce, as well as a letter from Mr. Hansell Hillyer, president, Southern States Industrial Council.

There being no objection, the letters and statement were order to be printed in the RECORD, as follows:

JULY 6, 1962.

Mr. LADD PLUMLEY,
President, U.S. Chamber of Commerce,
Washington, D.C.

MY DEAR MR. PLUMLEY: I was astonished and dismayed by the June 29 action of the board of the U.S. Chamber of Commerce recommending immediate Federal tax reduction without equal reduction in expenditures. My concern prompts me to write this letter to you.

It is conceded that we are in a period of deficit financing. You must know that, under such circumstances, you are proposing to reduce taxes with borrowed money which will increase the already dangerous public indebtedness.

Representatives of the U.S. Chamber of Commerce testified vigorously before the House Ways and Means Committee in opposition to the bill passed June 28 raising the statutory limit on the Federal debt from $300 billion to $308 billion.

I was shocked by the fact that, on the day after passage of the debt raising bill, you would propose tremendous tax reductions with admitted recognition of "imbalance in the budget," and that you would do so with minimum emphasis on expenditure reduction.

I asked the staff of the Joint Committee on Internal Revenue Taxation to analyze your proposals, and Mr. Colin F. Stam, chief of the staff, estimates the annual loss in revenue at $9.5 billion. I quote, in part, directly from Mr. Stam's reply:

"We estimate that the tax reduction recommendation of the Chamber of Commerce of the United States would result in an individual income tax revenue loss of $7 billion and a corporate income tax revenue loss of $2.5 billion in a full year at income and corporate profit levels estimated for 1962."

I have particular interest in the U.S. chamber's attitude toward public matters because I have served as a member of its board. I resigned from this position when I was appointed to the U.S. Senate.

I know that the U.S. Chamber of Commerce for 50 years has been a bulwark for fiscal responsibility in the Federal Government. Time and time again it has opposed deficit financing and increasing the Federal debt.

But the position taken by your board on June 29 must be regarded as fiscally irresponsible in the highest degree. If your new tax recommendations should be adopted, they would stimulate more inflationary policies.

This action by your board is significant because it represents a complete reversal of the chamber's traditional policy, and for this reason it may have extraordinary influence on legislation in the critical days ahead. The voice of the chamber for sound government will have lost its force.

Your proposals, including tax reduction in high individual income brackets, were almost coincident with proposals by George Meany, of AFL–CIO, and Walter Reuther, of United Automobile Workers of America, to cut taxes on low and middle bracket income.

If both recommendations were adopted—the Meany-Reuther proposal cutting taxes in the lower brackets, and your cutting taxes in the higher brackets—it must be assumed that the loss of revenue would greatly exceed the $9.5 billion estimate.

In view of the tax-cut proposals you have made, it must be presumed that your board will be prepared to join in the next request to raise the debt limit, and support efforts to raise the level far beyond the $308 billion ceiling just enacted.

It is obvious that, notwithstanding the continuing effort of those who try to stop deficit financing, unnecessary Federal expenditures are being increased year by year. Federal spending will rise again this year under administration estimates and proposals.

Tax reductions as you propose, to be financed with borrowed money, certainly would increase both the deficit and the debt in the current year. At present the deficit for the new year, which started July 1, can be estimated at a minimum of $5 billion.

The deficit in the year which ended last Saturday was the second largest in peacetime history. If the tax reductions you proposed were made, it is probable that the deficit in this fiscal year, ending next June 30, would set a new peacetime record.

If the board of the U.S. Chamber of Commerce, with full support of your membership, combines with leaders of AFL–CIO to advocate massive tax reduction, I can appreciate the force of such a unified assault, even though it is founded on fiscal irresponsibility.

You must surely realize the seriousness of the financial condition of the U.S. Government:

It has been unable to balance the Federal budget in 25 of the past 31 years;

It has piled up Federal debt which within the next 6 months will approach $308 billion—an amount far beyond that required to fight World War II. If your proposals for immediate tax cut were adopted the debt would go even higher.

It is losing its gold reserves rapidly. In the past 13 years our gold supply not required to back the dollar has been reduced by two-thirds.

The position of the dollar is weakened at home and abroad. Its purchasing power within the country has dropped from 100 cents to 46 cents on the 1939 index.

The chamber's board seems to find some justification for its action in the tremendous deficit precipitated out of fear of a recession in 1958–59. It overlooks the fact that this was accompanied by unprecedented withdrawal of 10 percent of the U.S. gold reserves.

Inflation-threatening deficits impair confidence in the dollar by foreign governments and their central banks which, while we continue to run deficits in balance of payments accounts abroad, may take gold instead of dollars in payment of debts we owe them.

Gold backs the dollar, and we are within about $4½ billion of the gold reserve dedicated to backing our money. Further heavy withdrawal from the gold supply could create a situation more dangerous than any other likely to confront us in the foreseeable future.

The board's announcement said its recommendations had "a solid backing among business economists." Economists now in Government and business are becoming notorious for advocating dangerous theories which won't work.

It is untimely, dangerous, and panicky for the president of the U.S. Chamber of Commerce at this time to say delay in tax reduction "courts the disaster of a recession in the United States" which may spread to Canada and Europe.

Statements of this kind on authority of such an organization as yours could start a recession and create alarm abroad. Your statement sounds a note of hysteria which, in my judgment, is not justified by the facts or the conditions.

Your statement could not stimulate confidence in the dollar at home or abroad. Your tax reduction proposals would certainly cause a Federal deficit of proportions which could affect confidence in the dollar. Your statement adds to the difficulties confronting us.

No one is more desirous than I am for constructive tax reform and solid reduction based on reduced expenditures and balanced budgets. Nothing could please me more than accomplishment of this objective while I am chairman of the Finance Committee. But every defection from responsible fiscal discipline makes this increasingly difficult.

It is a matter of enormous importance when policies of the U.S. Chamber of Commerce which have stood for a half century are laid aside and fiscal irresponsibility on the part of the Federal Government is advocated.

The public and the Congress should be clearly advised as to the extent which this action by your board has the full approval and support of the rank and file of American business which you are supposed to represent.

The Senate Finance Committee has great responsibility in the increasingly difficult effort to finance the Federal Government, and I am chairman of that committee.

I conclude this letter by asking you directly whether your statement of June 29, 1962, has the specific and full approval and support of the membership of the U.S. Chamber of Commerce.

In this connection, I want you to know that I am inviting State chambers of commerce to comment on the June 29 action by your board, and to advise me of the reaction of their respective memberships.

Very sincerely yours,

Harry F. Byrd.

Ohio Chamber of Commerce,
Columbus, Ohio, July 6, 1962.

Hon. Harry F. Byrd,
U.S. Senate,
Washington, D.C.

My Dear Senator: The two enclosures are self-explanatory.

I am grateful for the opportunity to try to assist and to make even the slightest contribution to the magnificent battle you are carrying on to attain a more solvent Federal Government.

Personal regards,

Herschel C. Atkinson,
Executive Vice President.

Ohio Chamber of Commerce,
Columbus, Ohio, July 6, 1962.

To Executives of State Chambers of Commerce:

Each of you is due to receive, in Monday's mail, a communication from Senator Harry F. Byrd, of Virginia, chairman of the Senate Finance Committee, together with the request for a statement of your organization's position on Federal tax and spending policy.

The Senator was deeply disturbed by the statement issued early this week by President Ladd Plumley, of the Chamber of Commerce of the United States, which the Senator interprets to be a virtual abandonment of that organization's prior insistence on a balancing of the Federal budget.

Over the telephone, I have had read to me both the text of the very vigorous statement which Senator Byrd is releasing to the national press for Monday's papers, and the letter of inquiry addressed to executives of State chambers of commerce, selected other business organizations which maintain membership in the U.S. chamber, and State taxpayer associations.

A central point of the Senator's letter is to inquire whether the U.S. chamber's statement was submitted to or cleared with your organization, and whether the U.S. chamber's new position is consistent with the views of your organization.

He solicits a reply which probably will become a part of the record being made in hearings on the tax bill. I thought you might like to see the advance text of the telegram which we are dispatching to Senator Byrd on Monday.

Immediately upon the release of our wire reply to Senator Byrd, we will provide copies to all members of the Senate Finance Committee, members of the House Ways and Means Committee, and members of the Ohio delegation in the Congress.

Gene Rinta has been kept fully informed by Senator Byrd, and among other things, has provided the Senator's office with the mailing list of executives which will bring the Senator's inquiry to your desk.

Personal regards,

Herschel C. Atkinson,
Executive Vice President.

July 9, 1962.

Hon. Harry F. Byrd,
U.S. Senate,
Washington, D.C.:

Your inquiry if U.S. chamber policy statement, which urged immediate tax relief to stimulate business recovery without putting equal emphasis on expenditure reductions, was cleared with Ohio chamber as constituent member of federation of organizations passing on basic national chamber policy. Interpretation by President Ladd Plumley for U.S. chamber board was not submitted to Ohio chamber and is not representative of policy positions repeatedly taken by our organization.

We do not challenge the right of U.S. chamber officers to interpret from policy declarations, but deplore this expression which seems to lack insistence on a balanced Federal budget. Repeatedly, Ohio chamber board has taken position that major reduction on Federal expenditures and downward tax adjustments are inseparable. Due to series of unbalanced budgets, repeated raising of debt limit and dangerous gold outflow, solvency of Federal Government demands that reduction of expenditures must go along with badly needed tax relief.

Our organization view is that among greatest sufferers from inevitable inflation which will follow further unbalancing of budget and added debt incurments will be those individuals who live on fixed incomes, pensions, life savings, and all citizens whose security reserves are based on bank deposits, life insurance policies, pension fund investments, Government and corporate bonds, and myriad other forms of savings retained out of past work effort or accumulations.

We firmly believe vast bulk of our corporate membership continues to support Ohio chamber position that only reductions in nonessential Federal spending coupled with adequate tax cuts can restore solvency and avert further fiscal and economic crises damaging to wage earners and investors alike. Tax cuts designed to spur job expansion through greater investment in modern plants and machines should follow expenditure reductions and should be as big as possible within balanced budget.

Herschel C. Atkinson,
Executive Vice President,
Ohio Chamber of Commerce.

Southern States Industrial Council, Inc.,
Nashville, Tenn., July 3, 1962.

Hon. Harry F. Byrd,
Chairman, Senate Finance Committee,
U.S. Senate, Washington, D.C.

Dear Chairman Byrd: This organization is deeply concerned at all the talk about tax reduction, but with scarcely any mention of the desperate need for Government economy. At a recent meeting, our board of directors unanimously approved the following statements which were addressed directly to Congress:

1. Reduce the Federal budget by reducing expenditures that are not essential to the functioning of the Government as defined in the Constitution.

2. Provide for an orderly, step-by-step reduction of individual and corporate income tax rates.

3. Avoid any further increase in the debt ceiling and the contracting of any obligations outside this ceiling.

The reasons which motivated this appeal are many, but I will mention only two:

First, deficit spending is inflationary—President Kennedy and the late Lord Keynes to the contrary notwithstanding. The U.S. dollar is now worth only 46 cents of its 1940 purchasing power and continued deficit spending would further impair its soundness.

Second, continued spending by the Federal Government in excess of revenues will further aggravate the already serious balance-of-payments problem, increase the outflow of gold and confirm the worldwide opinion that we are on the verge of further devaluation.

The council believes in tax reduction—but not at the expense of an unbalanced budget.

Respectfully submitted.

Hansell Hillyer,
President.

Mr. BUSH. Mr. President, I was amazed to read the statement by Mr. Ladd Plumley, president of the U.S. Chamber of Commerce, calling for tax reductions. I was glad to read that the distinguished Senator from Virginia [Mr. Byrd], chairman of the Committee on Finance, sent a reply to Mr. Plumley under date of July 6, which the Senator from Virginia has had printed in the Record.

Mr. President, the Senator from Virginia points out that since the Government now faces a deficit of some $5 billion for the current fiscal year, if we went ahead with the proposal of Mr. Ladd Plumley, of the chamber of commerce, there would likely be added, according to Mr. Colin F. Stam, of the Joint Committee on Internal Revenue Taxation, some $9,500 million of additional loss. So the Government would be approaching a deficit of $15 billion at the present time.

I shall not take the time of the Senate to add my very strong protest to that of the Senator from Virginia. I express the hope that the U.S. Chamber of Commerce may reconsider its position on this subject. I think it is discouraging, indeed, to people who look to the U.S. Chamber of Commerce for leadership in economic matters, to find the chamber suggesting such an irresponsible course as a tremendous tax reduction in the face of so large a deficit, without proposing any reduction in the expenses of the Government of the United States.

The implications of such an action are so vast that I cannot possibly attempt to deal with them now. The Senator from Virginia [Mr. BYRD] has summarized them succinctly in his letter. I urge all Senators and Members of the House of Representatives to read what the Senator from Virginia has written to Mr. Plumley in his letter of July 6, 1962.

The PRESIDING OFFICER. Is there further morning business? If there is no further morning business, morning business is closed.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senate will proceed to executive session to consider the International Wheat Agreement.

The Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Matthew H. McCloskey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary to Ireland.

By Mr. EASTLAND, from the Committee on the Judiciary:

Louis Rosenberg, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania.

By Mr. McCLELLAN, from the Committee on the Judiciary:

Manuel C. Rosa, of Virginia, to be an examiner in chief, U.S. Patent Office.

INTERNATIONAL WHEAT AGREEMENT, 1962

The Senate, as in Committee of the Whole, proceeded to consider the agreement, Executive D (87th Cong., 2d sess.), the International Wheat Agreement, 1962, which was read the second time, as follows:

INTERNATIONAL WHEAT AGREEMENT, 1962

The Government signatory to this Agreement,

Considering that the International Wheat Agreement, 1949 was revised and renewed in 1953, 1956, and 1959, and

Considering that the International Wheat Agreement, 1959 expires on 31 July 1962 and that it is desirable to conclude a new Agreement for a further period,

Have agreed as follows:

PART I. GENERAL

Article 1

Objectives

The objectives of this Agreement are:

(a) To assure supplies of wheat and wheat-flour to importing countries and markets for wheat and wheat-flour to exporting countries at equitable and stable prices;

(b) To promote the expansion of the international trade in wheat and wheat-flour and to secure the freest possible flow of this trade in the interests of both exporting and importing countries, and thus contribute to the development of countries, the economies of which depend on commercial sales of wheat;

(c) To overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat;

(d) To encourage the use and consumption of wheat and wheat-flour generally, and in particular in developing countries, so as to improve health and nutrition in those countries and thus to assist in their development; and

(e) In general to further international co-operation in connection with world wheat problems, recognizing the relationship of the trade in wheat to the economic stability of markets for other agricultural products.

Article 2

Definitions

(1) For the purposes of this Agreement:

(a) "Advisory Committee on Price Equivalents" means the Committee established under Article 31;

(b) "Balance of Commitment" means the amount of wheat which an exporting country is obliged to make available at not greater than the maximum price under Article 5, that is, the amount by which its datum quantity with respect to importing countries exceeds the actual commercial purchases from it by those countries in the crop year at the relevant time;

(c) "Balance of Entitlement" means the amount of wheat which an importing country is entitled to purchase at not greater than the maximum price under Article 5; that is, the amount by which its datum quantity with respect to the exporting country or countries concerned, as the context requires, exceeds its actual commercial purchases from those countries in the crop year at the relevant time;

(d) "Bushel" means sixty pounds avoirdupois or 27.2155 kilogrammes;

(e) "Carrying charges" means the costs incurred for storage, interest and insurance in holding wheat;

(f) "Certified seed wheat" means wheat which has been officially certified according to the custom of the country of origin and which conforms to recognized specification standards for seed wheat in that country;

(g) "C. & f." means cost and freight;

(h) "Council" means the International Wheat Council established by the International Wheat Agreement, 1949 and continued in being by Article 25;

(i) "Crop year" means the period from 1 August to 31 July;

(j) "Datum quantity" means:

(i) In the case of an exporting country the average annual commercial purchases from that country by importing countries during the years determined under Article 15;

(ii) In the case of an importing country the average annual commercial purchases from exporting countries or from a particular exporting country, as the context requires, during the years determined under Article 15;

(k) "Executive Committee" means the Committee established under Article 30;

(l) "Exporting country" means, as the context requires, either:

(i) the Government of a country listed in Annex B which has accepted or acceded to this Agreement and has not withdrawn therefrom; or

(ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

(m) "F.a.q." means fair average quality;

(n) "F.o.b." means free on board ocean vessel or sea-going vessel, as the case may be, and in the case of French wheat delivered at a Rhine port, free on board river craft;

(o) "Importing country" means, as the context requires, either:

(i) the Government of a country listed in Annex C which has accepted or acceded to this Agreement and has not withdrawn therefrom; or

(ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply;

(p) "Marketing costs" means all usual charges incurred in marketing, chartering, and forwarding;

(q) "Maximum price" means the maximum prices specified in or determined under Article 6 or 7 or one of those prices, as the context requires;

(r) "Maximum price declaration" means a declaration made in accordance with Article 13;

(s) "Metric ton" or 1,000 kilogrammes, means 36.74371 bushels;

(t) "Minimum price" means the minimum prices specified in or determined under Articles 6 or 7 or one of those prices, as the context requires;

(u) "Price range" means prices between the minimum and maximum prices specified in or determined under Articles 6 or 7, including the minimum prices but excluding the maximum prices;

(v) "Purchase" means a purchase for import of wheat exported or to be exported from an exporting country or from other than an exporting country, as the case may be, or the quantity of such wheat so purchased, as the context requires. Where reference is made in this Agreement to a purchase, it shall be understood to refer not only to purchases concluded between the Governments concerned but also to purchases concluded between private traders and to purchases concluded between a private trader and the Government concerned. In this definition "Government" shall be deemed to include the Government of any territory in respect of which the rights and obligations of any Government accepting or acceding to this Agreement apply under Article 37;

(w) "Territory" in relation to an exporting or importing country includes any territory in respect of which the rights and obligations under this Agreement of the Government of that country apply under Article 37;

(x) "Wheat" includes wheat grain of any description, class, type, grade or quality and, except in Article 6, wheat-flour.

(2) All calculations of the wheat equivalent of purchases of wheat-flour shall be made on the basis of the rate of extraction

indicated by the contract between the buyer and the seller. If no such rate is indicated, seventy-two units by weight of wheat-flour shall, for the purpose of such calculations, be deemed to be equivalent to one hundred units by weight of wheat grain unless the Council decides otherwise.

Article 3

Commercial Purchases and Special Transactions

(1) A commercial purchase for the purposes of this Agreement is a purchase as defined in Article 2 which conforms to the usual commercial practices in international trade and which does not include those transactions referred to in paragraph (2) of this Article.

(2) A special transaction for the purposes of this Agreement is one which, whether or not within the price range, includes features introduced by the Government of a country concerned which do not conform with usual commercial practices. Special transactions include the following:

(a) Sales on credit in which, as a result of government intervention, the interest rate, period of payment, or other related terms do not conform with the commercial rates, periods or terms prevailing in the world market;

(b) Sales in which the funds for the purchase of wheat are obtained under a loan from the government of the exporting country tied to the purchase of wheat;

(c) Sales for currency of the importing country which is not transferable or convertible into currency or goods for use in the exporting country;

(d) Sales under trade agreements with special payments arrangements which include clearing accounts for settling credit balances bilaterally through the exchange of goods, except where the exporting country and the importing country concerned agree that the sale shall be regarded as commercial;

(e) Barter transactions

(i) which result from the intervention of governments where wheat is exchanged at other than prevailing world prices, or

(ii) which involve sponsorship under a government purchase programme, except where the purchase of wheat results from a barter transaction in which the country of final destination was not named in the original barter contract;

(f) A gift of wheat or a purchase of wheat out of a monetary grant by the exporting country made for that specific purpose;

(g) Any other categories of transactions that include features introduced by the Government of a country concerned which do not conform with usual commercial practices, as the Council may prescribe.

(3) Any question raised by the Executive Secretary or by any exporting or importing country as to whether a transaction is a commercial purchase as defined in paragraph (1) of this Article or a special transaction as defined in paragraph (2) of this Article shall be decided by the Council.

PART II—RIGHTS AND OBLIGATIONS

Article 4

Purchases Within the Price Range

(1) Each importing country undertakes that not less than the percentage specified for that country in Annex A of its total commercial purchases of wheat in any crop year shall be purchased from exporting countries at prices within the price range and that any additional commercial purchases of wheat from exporting countries shall also be at prices within the price range, except when a maximum price declaration is in effect in respect of any exporting country in which case the provisions of Article 5 shall apply.

(2) Exporting countries undertake, in association with one another, that wheat from their countries shall be made available for purchase by importing countries in any crop year at prices within the price range in quantities sufficient to satisfy the commercial requirements of those countries, except when a maximum price declaration is in effect in respect of an exporting country, in which case the provisions of Article 5 shall apply to that country.

(3) For the purposes of this Agreement, except as provided in Article 5, any wheat purchased from an importing country by a second importing country which originated during that crop year from an exporting country shall be deemed to have been purchased from that exporting country by the second importing country. Subject to the provisions of Article 19, this paragraph shall apply to wheat-flour only if the wheat-flour originated from the exporting country concerned.

Article 5

Purchases at the Maximum Price

(1) If the Council makes a maximum price declaration in respect of an exporting country, that country shall make available for purchase by importing countries at not greater than the maximum price its balance of commitment toward those countries to the extent that the balance of entitlement of any importing country with respect to all exporting countries is not exceeded.

(2) If the Council makes a maximum price declaration in respect of all exporting countries, each importing country shall be entitled, while the declaration is in effect,

(a) To purchase from exporting countries at prices not greater than the maximum price its balance of entitlement with respect to all exporting countries; and

(b) To purchase wheat from any source without being regarded as committing any breach of paragraph (1) of Article 4.

(3) If the Council makes a maximum price declaration in respect of one or more exporting countries, but not all of them, each importing country shall be entitled while the declaration is in effect,

(a) To make purchases under paragraph (1) of this Article from such one or more exporting countries and to purchase the balance of its commercial requirements within the price range from the other exporting countries, and

(b) To purchase wheat from any source without being regarded as committing any breach of paragraph (1) of Article 4 to the extent of its balance of entitlement with respect to such one or more exporting countries as at the effective date of the declaration, provided such balance is not larger than its balance of entitlement with respect to all exporting countries.

(4) Purchases by any importing country from an exporting country in excess of the balance of entitlement of that importing country with respect to all exporting countries shall not reduce the obligation of that exporting country under this Article. The provisions of paragraph (3) of Article 4 shall apply also to this Article provided the balance of entitlement of any importing country with respect to all exporting countries is not thereby exceeded.

(5) In determining whether it has fulfilled its required percentage under paragraph (1) of Article 4, purchases made by any importing country while a maximum price declaration is in effect, subject to the limitations in paragraphs (2) (b) and (3) (b) of this Article,

(a) shall be taken into account if those purchases were made from any exporting country, including an exporting country in respect of which the declaration was made, and

(b) shall be entirely disregarded if those purchases were made from a country other than an exporting country.

Article 6

Prices of Wheat

(1) (a) The basic minimum and maximum prices for the duration of this agreement shall be:

Minimum........................ $1.62½
Maximum........................ $2.02½

Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the International Monetary Fund as at 1 March 1949, for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

(b) Durum wheat and certified seed wheat are excluded from the provisions relating to maximum prices.

(c) Carrying charges as agreed between the buyer and seller may accrue for the buyer's account only after an agreed date specified in the contract under which the wheat is sold.

(2) The equivalent maximum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article;

(b) No. 1 Manitoba Northern wheat f.o.b. Port Churchill, Manitoba, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates;

(c) Argentine wheat in store ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Argentine currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(d) f.a.q. Australian wheat in store ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Australian currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(e) French wheat on sample or on description f.o.b. French ports or at the French border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(f) Italian wheat on sample or on description f.o.b. Italian ports or at the Italian border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(g) (i) Mexican wheat on sample or on description f.o.b. Mexican Gulf ports or at the Mexican border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(ii) Mexican wheat on sample or on description in store Mexican Pacific ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Mexican currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(h) Spanish wheat on sample or on description f.o.b. Spanish ports or at the Spanish border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(i) Swedish wheat on sample or on description f.o.b. Swedish ports between Stockholm and Gothenburg, both included, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(j) No. 1 Heavy Dark Northern Spring wheat in store Duluth/Superior shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(k) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America shall be the price equivalent to the c. & f. price in the United Kingdom of Great Britain and Northern Ireland of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(l) No. 1 Soft White wheat or No. 1 Hard Winter wheat in store Pacific ports of the United States of America shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(m) Soviet South Winter wheat f.o.b. Black Sea Ports or Baltic Ports or at U.S.S.R. border (whichever is applicable) shall be the price equivalent to the c. and f. price in the country of destination for the maximum price of No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(3) The equivalent minimum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat f.o.b. Vancouver,

(b) No. 1 Manitoba Northern wheat f.o.b. Port Churchill, Manitoba,

(c) Argentine wheat f.o.b. Argentina,

(d) f.a.q. wheat f.o.b. Australia,

(e) Mexican wheat on sample or on description f.o.b. Mexican ports, or at the Mexican border (whichever is applicable),

(f) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America, and

(g) No. 1 Soft White wheat or No. 1 Hard Winter wheat f.o.b. Pacific ports of the United States of America,

(h) Soviet South Winter wheat f.o.b. Black Sea Ports or Baltic Ports or at U.S.S.R. border (whichever is applicable) shall be respectively:

the f.o.b. price Vancouver, Port Churchill, Argentina, Australia, Mexican ports, United States of America Gulf/Atlantic ports, United States of America Pacific ports and the Black Sea ports and Baltic ports of the Union of Soviet Socialist Republics equivalent to the c. & f. price in the United Kingdom of Great Britain and Northern Ireland of the Minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(i) No. 1 Heavy Dark Northern Spring wheat in store Duluth/Superior shall be the minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting and the importing country concerned.

(j) French wheat on sample or on description f.o.b. French ports, or at the French border (whichver is applicable),

(k) Italian wheat on sample or on description f.o.b. Italian ports, or at the Italian border (whichever is applicable),

(l) Spanish wheat on sample or on description f.o.b. Spanish ports, or at the Spanish border (whichever is applicable),

(m) Swedish wheat on sample or on description f.o.b. Swedish ports between Stockholm and Gothenburg, both included,

shall be:

the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(4) For the period of closed navigation between Fort William/Port Arthur and the Canadian Atlantic ports, equivalent maximum and minimum prices shall be determined by references only to the lake and rail movement of wheat from Fort William/Port Arthur to Canadian winter ports.

(5) The Executive Committee may in consultation with the Advisory Committee on Price Equivalents, determine the minimum and maximum price equivalents for wheat at points other than those specified above and may also designate any description, class, type, grade or quality of wheat other than those specified in paragraphs (2) and (3) of this Article and determine the minimum and maximum price equivalents thereof; provided that, in the case of any other wheat the price equivalent of which has not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description, class, type, grade or quality of wheat specified in this Article, or subsequently designated by the Executive Committee in consultation with the Advisory Committee on Price Equivalents, which is most closely comparable to such other wheat by the addition of an appropriate premium or by the deduction of an appropriate discount.

(6) If any exporting or importing country represents to the Executive Committee that any price equivalent established under paragraph (2), (3) or (5) of this Article, is, in the light of current transportation or exchange rates or market premiums or discounts, no longer fair, the Executive Committee shall consider the matter and may, in consultation with the Advisory Committee on Price Equivalents, make such adjustments as it considers desirable.

(7) In establishing equivalent minimum and maximum prices under paragraph (2), (3), (5) or (6) of this Article and subject to the provisions of Article 16 relating to Durum wheat and certified seed wheat, no allowance for difference in quality shall be made which would result in the equivalent minimum and maximum price of any wheat being fixed at a level higher than the basic minimum or maximum price, respectively, specified in paragraph (1).

(8) If a dispute arises as to what premium or discount is appropriate for the purposes of paragraphs (5) and (6) of this Article in respect of any description of wheat specified in paragraph (2) or (3) or designated under paragraph (5) the Executive Committee, in consultation with the Advisory Committee on Price Equivalents, shall on the request of the exporting or importing country concerned decide the issue.

(9) All decisions of the Executive Committee under paragraphs (5), (6) and (8) of this Article shall be binding on all exporting and importing countries, provided that any of those countries which considers that any such decision is disadvantageous to it may ask the Council to review that decision.

Article 7

Prices of Wheat Flour

(1) Commercial purchases of wheat flour will be deemed to be at prices consistent with the prices for wheat specified in or determined under Article 6 unless a statement to the contrary, with supporting information, is received by the Council from any exporting or importing country, in which case the Council shall, with the assistance of any countries concerned, consider the matter and decide whether the price is so consistent.

(2) The Council may in co-operation with any exporting and importing countries carry

out studies of the prices of wheat flour in relation to the prices of wheat.

Article 8

Countries Which Both Export and Import Wheat

(1) For the duration of this Agreement and for the purposes of its application, a country listed in Annex B shall be regarded as an exporting country and a country listed in Annex C shall be regarded as an importing country.

(2) Any country listed in Annex C which makes wheat available for purchase by any exporting or importing country shall do so at prices consistent with the price range, except in the case of denatured feed wheat, and in making such wheat available for purchase shall avoid taking any action which would be prejudicial to the operation of this Agreement.

(3) Any country listed in Annex B which desires to purchase wheat shall endeavour so far as possible to purchase its requirements from exporting countries at prices within the price range and, in meeting its requirements, to avoid taking any action which would be prejudicial to the operation of this Agreement.

PART III. ADJUSTMENTS

Article 9

Adjustment in Case of Short Crop

(1) Any exporting country which fears that it may be prevented by a short crop from carrying out its obligations under the Agreement in respect of a particular crop year shall report the matter to the Council at the earliest possible date and apply to the Council to be relieved of a part or the whole of its obligations for that crop year. An application made to the Council pursuant to this paragraph shall be heard without delay.

(2) The Council shall, in dealing with a request for relief under this Article, review the exporting country's supply situation and the extent to which the exporting country has observed the principle that it should, to the maximum extent feasible, make wheat available for purchase to meet its obligations under this Agreement.

(3) The Council shall also, in dealing with a request for relief under this Article, have regard to the importance of the exporting country's maintaining the principle stated in paragraph (2) of this Article.

(4) If the Council finds that the country's representations are well founded, it shall decide to what extent and on what conditions that country shall be relieved of its obligations for the crop year concerned. The Council shall inform the exporting country of its decision.

(5) If the Council decides that the exporting country shall be relieved of the whole or part of its obligations under Article 5 for the crop year concerned, the Council shall increase the commitments as represented by the datum quantities of the other exporting countries to the extent agreed by each of them. If such increases do not offset the relief granted under paragraph (4) of this Article, it shall reduce by the amount necessary the entitlements, as represented by the datum quantities of the importing countries to the extent agreed by each of them.

(6) If the relief granted under paragraph (4) of this Article cannot be entirely offset by measures taken under paragraph (5), the Council shall reduce pro rata the entitlement as represented by the datum quantities of the importing countries, account being taken of any reductions under paragraph (5).

(7) If the commitment as represented by the datum quantity of an exporting country is reduced under paragraph (4) of this Article, the amount of such reduction shall be regarded for the purpose of establishing its datum quantity and that of all other exporting countries in subsequent crop years as having been purchased from that exporting country in the crop year concerned. In the light of the circumstances, the Council shall determine whether any adjustment shall be made, and if so in what manner, for the purpose of establishing the datum quantities of importing countries in such subsequent crop years as a result of the operation of this paragraph.

(8) If the entitlement as represented by the datum quantity of an importing country is reduced under paragraph (5) or (6) of this Article to offset the relief granted to an exporting country under paragraph (4), the amount of such reduction shall be regarded as having been purchased in the crop year concerned from that exporting country for the purposes of establishing the datum quantity of that importing country in subsequent crop years.

Article 10

Adjustment in Case of Necessity To Safeguard Balance of Payments or Monetary Reserves

(1) Any importing country which fears that it may be prevented by the necessity to safeguard its balance of payments or monetary reserves from carrying out its obligations under this Agreement in respect of a particular crop year shall report the matter to the Council at the earliest possible date and apply to the Council to be relieved of a part or the whole of its obligations for that crop year. An application made to the Council pursuant to this paragraph shall be heard without delay.

(2) If an application is made under paragraph (1) of this Article, the Council shall seek and take into account, together with all facts which it considers relevant, the opinion of the International Monetary Fund, as far as the matter concerns a country which is a member of the Fund, on the existence and extent of the necessity referred to in paragraph (1).

(3) The Council shall, in dealing with a request for relief under this Article, have regard to the importance of the importing country's maintaining the principle that it should to the maximum extent feasible make purchases to meet its obligations under this Agreement.

(4) If the Council finds that the representations of the importing country concerned are well founded, it shall decide to what extent and on what conditions that country shall be relieved of its obligations for the crop year concerned. The Council shall inform the importing country of its decision.

Article 11

Adjustments and Additional Purchases in Case of Critical Need

(1) If a critical need has arisen or threatens to arise in its territory, an importing country may appeal to the Council for assistance in obtaining supplies of wheat. With a view to relieving the emergency created by the critical need, the Council shall give urgent consideration to the appeal and shall make appropriate recommendations to exporting and importing countries regarding the action to be taken by them.

(2) In deciding what recommendation should be made in respect of an appeal by an importing country under the preceding paragraph, the Council shall have regard to its actual commercial purchases from exporting countries or to the extent of its obligations under Article 4, as may appear appropriate in the circumstances.

(3) No action taken by an exporting or importing country pursuant to a recommendation made under paragraph (1) of this Article shall affect the datum quantity of any exporting or importing country in subsequent crop years.

Article 12

Other Adjustments

(1) An exporting country may transfer part of its balance of commitment to another exporting country, and an importing country may transfer part of its balance of entitlement to another importing country for a crop year, subject to approval by the Council by a majority of the votes cast by the exporting countries and a majority of the votes cost by the importing countries.

(2) Any importing country may at any time, by written notification to the Council, increase its percentage undertaking referred to in paragraph (1) of Article 4 and such increase shall become effective from the date of receipt of the notification.

(3) Any importing country which considers that its interests in respect of its percentage undertaking under paragraph (1) of Article 4 and Annex A is seriously prejudiced by the non-participation in or withdrawal from this Agreement of any country listed in Annex B holding not less than five percent of the votes distributed in Annex B may, by written notification to the Council, apply for a reduction in its percentage undertaking. In such a case, the Council shall reduce that importing country's percentage undertaking by the proportion that its maximum annual commercial purchases during the years determined under Article 15 with respect to the non-participating or withdrawing country bears to its datum quantity with respect to all countries listed in Annex B and shall then further reduce such revised percentage undertaking by subtracting two and one half.

(4) The datum quantity of any country acceding under paragraph 4 of Article 35 shall be offset, if necessary, by appropriate adjustments by way of increase or decrease in the datum quantities of one or more exporting or importing countries, as the case may be. Such adjustments shall not be approved unless each exporting or importing country whose datum quantity is thereby changed has consented.

PART IV. ADMINISTRATION OF RIGHTS AND OBLIGATIONS

Article 13

Maximum Price Declarations

(1) As soon as any of its wheat other than durum wheat or certified seed wheat is made available for purchase by importing countries at prices not less than the maximum price, an exporting country shall notify the Council to that effect. On receipt of such notification the Executive Secretary acting on behalf of the Council shall, except as otherwise provided in paragraph (4) of this Article and paragraph (4) of Article 16, make a declaration accordingly, referred to in this Agreement as a maximum price declaration. The Executive Secretary shall communicate that maximum price declaration to all exporting and importing countries as soon as possible after it has been made.

(2) As soon as all of its wheat which has been made available at not less than the maximum price, other than durum wheat or certified seed wheat, is again made available for purchase by importing countries at prices less than the maximum price, an exporting country shall notify the Council to that effect. Thereupon, the Executive Secretary, acting on behalf of the Council, shall terminate the maximum price declaration in respect of that country by making a further declaration accordingly. He shall communicate such further declaration to all exporting and importing countries as soon as possible after it has been made.

(3) The Council shall, in its rules of procedure, prescribe regulations to give effect to paragraphs (1) and (2) of this Article, including regulations determining the effective date of any declaration made under this Article.

(4) If at any time in the opinion of the Executive Secretary an exporting country has failed to make a notification under paragraph (1) or (2) of this Article, or has made an incorrect notification, he shall, without prejudice in the latter case to the provisions of paragraph (1) or (2), convene a meeting of the Advisory Committee on Price Equivalents. If at any time in the opinion of the Executive Secretary an exporting country has made a notification under paragraph (1) but the facts relating thereto do not warrant a maximum price declaration, he shall not make such a declaration but shall refer the matter to the Advisory Committee. If the Advisory Committee advises either under this paragraph or in accordance with Article 31 that a declaration under paragraph (1) or (2) should be or should not be made or is incorrect, as the case may be, the Executive Committee acting on behalf of the Council may make or refrain from making a declaration accordingly, or cancel any declaration then in effect, whichever may be appropriate. The Executive Secretary shall communicate any such declaration or cancellation to all exporting and importing countries as soon as possible.

(5) Any declaration made under this Article shall specify the crop year or crop years to which it relates, and this Agreement shall apply accordingly.

(6) If any exporting or importing country considers that a declaration under this Article should be or should not have been made, as the case may be, it may refer the matter to the Council. If the Council finds that the representations of the country concerned are well founded, it shall make or cancel a declaration accordingly.

(7) Any declaration made under paragraphs (1), (2) or (4) of this Article which is cancelled in accordance with this Article shall be regarded as having full force and effect until the date of its cancellation, and such cancellation shall not affect the validity of anything done under the declaration prior to its cancellation.

Article 14

Action at or Approaching the Minimum Price

(1) If any exporting or importing country is making wheat available for purchase by exporting or importing countries at not greater than the minimum price, or if such a situation appears likely to arise, the Executive Secretary shall, after bringing the matter to the attention of the Advisory Committee on Price Equivalents and communicating as that Committee may advise with the country concerned, report the situation to the Executive Committee.

(2) If the Executive Committee, after studying the matter in the light of the advice which the Advisory Committee shall give under paragraph (1) of this Article or under Article 31, considers that the country concerned may be failing to carry out its obligations under the Agreement with respect to the minimum price, it shall so notify the country concerned and may require that such country furnish a statement respecting the matter for the Committee's further consideration. If, after taking into account any explanation offered by the country concerned, the Executive Committee is of the view that such country is failing to perform its obligations with respect to the minimum price, it shall so inform the Chairman of the Council.

(3) Upon receiving such information from the Executive Committee, the Chairman of the Council shall convene a session of the Council as soon as possible to consider the matter. The Council may make such recommendations to exporting and importing countries as it considers necessary to meet the situation.

(4) If the Advisory Committee on Price Equivalents, in the course of its continuous review of market conditions under Article 31, is of the opinion that, by reason of a serious fall in the price of any wheat, a situation has arisen, or threatens immediately to arise, which appears likely to jeopardize the objectives of the Agreement with regard to the minimum price, or if such a situation is called to the Advisory Committee's attention by the Executive Secretary on his own initiative or at the request of any exporting or importing country, it shall immediately inform the Executive Committee of the facts concerned. The Advisory Committee shall in so informing the Executive Committee give particular regard to circumstances which have brought about, or threaten to bring about, a serious fall in the price in any market of wheat in relation to the minimum price. The Executive Committee shall, if it considers appropriate, inform the Chairman of the Council who may convene a session of the Council to consider the matter. The Council may make such recommendations to exporting and importing countries as it considers necessary to meet the situation.

(5) In advising and informing the Executive Committee under paragraphs (2) and (4) of this Article the Advisory Committee shall include advice of any action with regard to the determination of allowances for differences of quality which it considers might suitably be taken to meet the situation.

Article 15

Establishment of Datum Quantities

(1) Datum quantities as defined in Article 2 shall be established for each crop year on the basis of average annual commercial purchases during the first four of the immediately preceding five crop years.

(2) Before the beginning of each crop year, the Council shall establish for that crop year the datum quantity of each exporting country with respect to all importing countries and the datum quantity of each importing country with respect to all exporting countries and to each such country.

(3) The datum quantities established in accordance with the preceding paragraph shall be re-established whenever a change in the membership of this Agreement occurs, regard being had where appropriate to any conditions of accession prescribed by the Council under Article 35.

Article 16

Recording

(1) For the purposes of the operation of this Agreement, the Council shall keep records for each crop year of all commercial purchases made by importing countries from all sources and of all such purchases made from exporting countries.

(2) The Council shall also keep records so that at all times during a crop year a statement of the balance of commitment of each exporting country with respect to all importing countries and of the balance of entitlement of each importing country with respect to all exporting countries and to each such country is maintained. Statements of such balances shall, at intervals prescribed by the Council, be circulated to all exporting and importing countries.

(3) For the purposes of paragraph (2) of this Article and of paragraph (1) of Article 4, commercial purchases by an importing country from an exporting country entered in the Council's records shall also be entered as against the obligations of exporting and importing countries under Articles 4 and 5, or those obligations as adjusted under other Articles of this Agreement, if the loading period falls within the crop year and

(a) in the case of importing countries, the purchases are at prices not less than the minimum price, and

(b) in the case of exporting countries, the purchases are at prices within the price range including, for the purposes of Article 5, the maximum price.

Commercial purchases of wheat-flour entered in the Council's records shall also be entered as against the obligations of exporting and importing countries under the same conditions, provided that the price of such wheat-flour is consistent with a price for wheat in accordance with Article 7.

(4) If an importing country and country making wheat available for purchase so agree, purchases at prices above the maximum price shall not be regarded as a breach of Articles 4, 5, or paragraph (2) of Article 8, and shall be entered as against the obligations, if any, of the countries concerned. No maximum price declaration shall be made in respect of such purchases from an exporting country, nor shall they in any way affect the obligations of the exporting country concerned to other importing countries under Article 4.

(4) In the case of durum wheat and certified seed wheat, a purchase entered in the Council's records shall also be entered as against the obligations of exporting and importing countries under the same conditions whether or not the price is above the maximum price.

(6) Provided that the conditions prescribed in paragraph (3) of this Article are satisfied, the Council may authorize purchases to be recorded for a crop year if

(a) the loading period involved is within a reasonable time up to one month, to be decided by the Council, before the beginning or after the end of that crop year, and

(b) the exporting and importing country concerned so agree.

(7) For the period of closed navigation between Fort William/Port Arthur and the Canadian Atlantic ports, a purchase shall, notwithstanding the provisions of paragraph (4) of Article 6, be eligible for entry in the Council's records against the obligations of the exporting country and the importing country concerned in accordance with this Article if it relates to

(a) Canadian wheat which is moved by an all-rail route from Fort William/Port Arthur to Canadian Atlantic ports, or

(b) United States wheat which, except for conditions beyond the control of the buyer and the seller, would be moved by lake and rail to the United States Atlantic ports and which, because it cannot be so moved, is moved by an all-rail route to United States Atlantic ports.

provided that payment of the extra transportation cost thereby incurred is agreed between the buyer and the seller.

(8) The Council shall prescribe rules of procedure for the reporting and recording of all commercial purchases and special transactions. In those rules it shall prescribe the frequency and the manner in which those purchases and transactions shall be reported and shall prescribe the duties of exporting and importing countries with regard thereto. The Council shall also make provision for the amendment of any records or statements maintained by it, including provision for the settlement of any dispute arising in connexion therewith.

(9) Each exporting country and each importing country may be permitted, in the fulfillment of its obligations, a degree of tolerance to be prescribed by the Council for that country on the basis of the extent of those obligations and other relevant factors.

(10) In order that as complete records as possible may be maintained and for the purposes of Article 23, the Council shall also keep separate records for each crop year of all special transactions entered into by any exporting or importing country.

Article 17

Estimates of Requirements and Availability of Wheat

(1) By 1 October in the case of Northern Hemisphere countries and 1 February in the

case of Southern Hemisphere countries, each importing country shall notify the Council of its estimate of its commercial requirements of wheat from exporting countries in that crop year. Any importing country may thereafter notify the Council of any changes it may desire to make in its estimate.

(2) By 1 October in the case of Northern Hemisphere countries and 1 February in the case of Southern Hemisphere countries, each exporting country shall notify the Council of its estimate of the wheat it will have available for export in that crop year. Any exporting country may thereafter notify the Council of any changes it may desire to make in its estimate.

(3) All estimates notified to the Council shall be used for the purpose of the administration of the Agreement and may only be made available to exporting and importing countries on such conditions as the Council may prescribe. Estimates submitted in accordance with this Article shall in no way be binding.

(4) Exporting and importing countries shall be free to fulfill their obligations under this Agreement through private trade channels or otherwise. Nothing in this Agreement shall be construed to exempt any private trader from any laws or regulations to which he is otherwise subject.

(5) The Council may, at its discretion, require exporting and importing countries to co-operate together to ensure that an amount of wheat equal to not less than 10 per cent of the datum quantities of exporting countries for any crop year shall be available for purchases by importing countries under this Agreement after 31 January of that crop year.

Article 18

Consultations

(1) In order to assist an exporting country in assessing the extent of its commitments if a maximum price declaration should be made and without prejudice to the rights enjoyed by any importing country, an exporting country may consult with an importing country regarding the extent to which the rights of that importing country under Articles 4 and 5 will be taken up in any crop year.

(2) Any exporting or importing country experiencing difficulty in making sales or purchases of wheat under Article 4 may refer the matter to the Council. In such a case the Council, with a view to the satisfactory settlement of the matter, shall consult with any exporting or importing country concerned and may make such recommendations as it considers appropriate.

(3) If an importing country should find difficulty in obtaining its balance of entitlement in a crop year at prices not greater than the maximum price while a maximum price declaration is in effect, it may refer the matter to the Council. In such a case the Council shall investigate the situation and shall consult with exporting countries regarding the manner in which their obligations shall be carried out.

Article 19

Performance Under Articles 4 and 5

(1) The Council shall as soon as practicable after the end of each crop year review the performance of exporting and importing countries in relation to their obligations under Articles 4 and 5 during that crop year.

(2) For the purposes of this review the tolerances as specified by the Council under paragraph (9) of Article 16 shall apply.

(3) Upon application by an importing country in respect of the performance of its obligations in the crop year, the Council may take into account the wheat equivalent of flour purchased by it from another importing country provided it can be shown to the satisfaction of the Council that such flour was wholly milled from wheat purchased within the Agreement from exporting countries.

(4) In considering the performance of any importing country in relation to its obligations in the crop year:

(a) the Council shall disregard any exceptional importation of wheat from other than exporting countries provided that it can be shown to the satisfaction of the Council that such wheat has been or will be used only as feed and that such importation was not at the expense of quantities normally purchased by that importing country from exporting countries. Any decision under this subparagraph shall be by a majority of the votes held by exporting countries and a majority of the votes held by importing countries.

(b) the Council shall disregard any importation from other than exporting countries of wheat which has been denatured for use as feed in a manner acceptable to the Council.

(5) In considering the performance of any importing country in relation to its obligations in the crop year the Council may also disregard any purchases by the country concerned of durum wheat from other importing countries which are traditional exporters of durum wheat.

Article 20

Defaults Under Article 4 or 5

(1) If, on the basis of the review made under Article 19, any country appears to be in default of its obligations under Article 4 or 5, the Council shall decide what action should be taken.

(2) Before reaching a decision under this Article, the Council shall give any exporting or importing country concerned the opportunity to present any facts which it considers relevant.

(3) If the Council finds by a majority of the votes held by exporting countries and a majority of the votes held by importing countries that an exporting country or an importing country is in default under Article 4 or 5, it may by a similar vote deprive the country concerned of its voting rights for such period as the Council may determine, reduce the other rights of that country to the extent which it considers commensurate with the default, or expel that country from participation in the Agreement.

(4) No action taken by the Council under this Article shall in any way reduce the obligation of the country concerned in respect of its financial contributions to the Council unless that country is expelled from participation in the Agreement.

Article 21

Action in Cases of Serious Prejudice

(1) Any exporting or importing country which considers that its interests as a party to this Agreement have been seriously prejudiced by actions of any one or more exporting or importing countries affecting the operation of the Agreement may bring the matter before the Council. In such a case, the Council shall immediately consult with the countries concerned in order to resolve the matter.

(2) If the matter is not resolved through such consultations, the Council may refer the matter to the Executive Committee or the Advisory Committee on Price Equivalents for urgent investigation and report. On receipt of any such report, the Council shall consider the matter further and, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, may make recommendations to the countries concerned.

(3) If, after action has or has not been taken, as the case may be, under paragraph (2) of this Article, the country concerned is not satisfied that the matter has been satisfactorily dealt with, it may apply to the Council for relief. The Council may, if it deems appropriate, relieve that country of part of its obligations for the crop year in question. Two-thirds of the votes held by the exporting countries and two-thirds of the votes held by the importing countries shall be required for a decision granting relief.

(4) If no relief is granted by the Council under paragraph (3) of this Article and the country concerned still considers that its interests as a party to this Agreement have suffered serious prejudice, it may withdraw from the Agreement at the end of the crop year by giving written notice to the Government of the United States of America. If the matter was brought before the Council in one crop year and the Council's consideration of the application for relief was concluded in the subsequent crop year the withdrawal of the country concerned may be effected within thirty days of such conclusion by giving similar notice.

Article 22

Disputes and Complaints

(1) Any dispute concerning the interpretation or application of this Agreement other than a dispute under Articles 19 and 20 which is not settled by negotiation shall, at the request of any country party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under paragraph (1) of this Article, a majority of countries, or any countries holding not less than one-third of the total votes, may require the Council, after full discussion, to seek the opinion of the advisory panel referred to in paragraph (3) on the issues in dispute before giving its decision.

(3) (a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) Two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting countries;

(ii) Two such persons nominated by the importing countries; and

(iii) A chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the Council.

(b) Persons from countries whose Governments are parties to this Agreement shall be eligible to serve on the advisory panel. Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(c) The expenses of the advisory panel shall be paid by the Council.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) Any complaint that any exporting or importing country has failed to fulfill its obligations under this Agreement shall, at the request of the country making the complaint, be referred to the Council, which shall make a decision on the matter.

(6) Subject to the provisions of Article 20, no exporting or importing country shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that an exporting or importing country is in breach of this Agreement shall specify the nature of the breach and if the breach involves default by that country in its obligations under Article 4 or 5, the extent of such default.

(7) Subject to the provisions of Article 20, if the Council finds that an exporting country or an importing country has committed a breach of this Agreement it may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, deprive the country concerned of its voting rights until it ful-

fills its obligations or expel that country from participation in the Agreement.

PART V. ANNUAL REVIEW AND CONSUMPTION AND UTILIZATION OF WHEAT

Article 23

Annual Review of World Wheat Situation

(1) (a) Guided by the objectives of this Agreement as set forth in Article 1, the Council shall annually review the world wheat situation and shall inform exporting and importing countries of the effects upon the international trade in wheat of any of the facts which emerge from the review, in order that these effects be kept in mind by those countries in determining and administering their internal agricultural and price policies.

(b) The review shall be carried out in the light of information obtainable in relation to national production, stocks, prices, trade, including disposals of excess wheat supplies and special transactions, consumption and any other facts which may appear relevant. To facilitate this review the Council may supplement such information by studies conducted in co-operation with any exporting or importing country.

(c) To assist it in its review of disposals of excess wheat supplies, exporting and importing countries shall inform the Council of the measures taken by them to secure compliance with the principles that the solution to the problems involved in such disposals should be sought, wherever possible, through efforts to increase consumption, and that such disposals should take place in an orderly manner, and that where excess wheat supplies are made available on special terms, such arrangements should be made without harmful interference with normal patterns of production and international commercial trade.

(d) Any exporting or importing country may for the purpose of the annual review submit to the Council any information which it considers relevant to the attainment of the objectives of this Agreement. Information so submitted shall be taken into account as appropriate by the Council in carrying out the annual review.

(2) For the purposes of this Article and those of Article 24, the Council shall pay due regard to work done by the Food and Agriculture Organization of the United Nations and other intergovernmental organizations, in order in particular to avoid duplication of work, and may, without prejudice to the generality of paragraph (1) of Article 34, make such arrangements regarding co-operation in any of its activities as it considers desirable with such intergovernmental organizations and also with any Governments of Members of the United Nations or the specialized agencies not parties to this Agreement which have a substantial interest in the international trade in wheat.

(3) Nothing in this Article shall prejudice the complete liberty of action of any exporting or importing country in the determination and administration of its internal agricultural and price policies.

Article 24

Consumption and Utilization of Wheat

(1) As appropriate, the Council shall consider and inform exporting and importing countries of means through which the consumption of wheat may be increased. To this end the Council may undertake, in cooperation with exporting and importing countries, studies of such matters as:

(a) factors affecting the consumption of wheat in various countries; and

(b) means of achieving increased consumption, particularly in countries where the possibility of increased consumption is found to exist.

Any exporting or importing country may submit to the Council information which it considers relevant to the attainment of this purpose.

(2) Exporting and importing countries, recognizing the special problems of developing countries, shall pay due regard to the principle that excess wheat supplies should, where possible, be effectively utilized in raising levels of consumption and in assisting in general economic and market development in developing countries with low levels of individual income. Where such wheat is made available on special terms, the exporting and importing countries concerned undertake that such arrangements will be made without harmful interference with normal patterns of production and international commercial trade.

(3) Any exporting or importing country which makes excess wheat supplies available on special terms under a government assisted programme undertakes to provide the Council promptly with detailed information relating to such agreements entered into and to report regularly shipments made under such agreements.

PART VI. GENERAL ADMINISTRATION

Article 25

Constitution of the Council

(1) The International Wheat Council, established by the International Wheat Agreement 1949, shall continue in being for the purpose of administering this Agreement, with the membership, powers and functions provided in this Agreement.

(2) Each exporting country and each importing country shall be a voting member of the Council and may be represented at its meetings by one delegate, alternates, and advisers.

(3) Such intergovernmental organizations as the Council may decide to invite to any of its meetings may each have one nonvoting representative in attendance at those meetings.

(4) The Council shall elect a Chairman and a Vice-Chairman who shall hold office for 1 crop year. The Chairman shall have no vote and the Vice-Chairman shall have no vote while acting as Chairman.

(5) The Council shall have in the territory of each exporting and importing country, to the extent consistent with its laws, such legal capacity as may be necessary for the exercise of its functions under this Agreement.

Article 26

Powers and Functions of the Council

(1) The Council shall establish its rules of procedure.

(2) The Council shall keep such records as are required by the terms of this Agreement and may keep such other records as it considers desirable.

(3) The Council shall publish an annual report and may also publish any other information (including, in particular, its Annual Review or any part or summary thereof) concerning matters within the scope of this Agreement.

(4) In addition to the powers and functions specified in this Agreement, the Council shall have such other powers and perform such other functions as are necessary to carry out the terms of this Agreement.

(5) The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a majority of the votes cast. Subject to the provisions of Article 13, any decision made under any powers or functions delegated by the Council in accordance with this paragraph shall be subject to review by the Council at the request of any exporting or importing country made within a period which the Council shall prescribe. Any decision, in respect of which no request for review has been made within the prescribed period, shall be binding on all exporting and importing countries.

(6) In order to enable the Council to discharge its functions under this Agreement, the exporting and importing countries undertake to make available and supply such statistics and information as are necessary for this purpose.

Article 27

Votes

(1) The votes to be exercised by the respective delegations of exporting countries on the Council shall be those specified in Annex B.

(2) The votes to be exercised by the respective delegations of importing countries on the Council shall be those specified in Annex C.

(3) Any exporting country may authorize any other exporting country, and any importing country may authorize any other importing country, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Satisfactory evidence of such authorization shall be submitted to the Council.

(4) If at any meeting of the Council an importing country or an exporting country is not represented by an accredited delegate and has not authorized another country to exercise its votes in accordance with paragraph (3) of this Article, and if at the date of any meeting any country has forfeited, has been deprived of, or has recovered its votes under any provisions of this Agreement, the total votes to be exercised by the exporting countries shall be adjusted to a figure equal to the total of votes to be exercised at that meeting by the importing countries and redistributed among exporting countries in proportion to their votes.

(5) Whenever any country becomes or ceases to be a party to this Agreement, the Council shall redistribute the votes within either Annex B or Annex C as the case may be, proportionally to the number of votes held by each country listed in that Annex.

(6) No exporting or importing country shall have less than one vote and there shall be no fractional votes.

Article 28

Seat, Sessions and Quorum

(1) The seat of the Council shall be London unless the Council decides otherwise by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(2) The Council shall meet at least once during each half of each crop year and at such other times as the Chairman may decide.

(3) The Chairman shall convene a Session of the Council if so requested by (a) five countries or (b) one or more countries holding a total of not less than ten percent of the total votes or (c) the Executive Committee.

(4) The presence of delegates with a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries prior to any adjustment of votes under Article 27 shall be necessary to constitute a quorum at any meeting of the Council.

Article 29

Decisions

(1) Except where otherwise specified in this Agreement, decisions of the Council shall be by a majority of the total votes cast.

(2) Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

Article 30

Executive Committee

(1) The Council shall establish an Executive Committee. The members of the Executive Committee shall be not more than

four exporting countries elected annually by the exporting countries and not more than eight importing countries elected annually by the importing countries. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice-Chairman.

(2) The Executive Committee shall be responsible to and work under the general direction of the Council. It shall have such powers and functions as are expressly assigned to it under this Agreement and such other powers and functions as the Council may delegate to it under paragraph (5) of Article 26.

(3) The exporting countries on the Executive Committee shall have the same total number of votes as the importing countries. The votes of the exporting countries on the Executive Committee shall be divided among them as they shall decide, provided that no such exporting country shall have more than forty percent of the total votes of those exporting countries. The votes of the importing countries on the Executive Committee shall be divided among them as they shall decide, provided that no such importing country shall have more than forty percent of the total votes of those importing countries.

(4) The Council shall prescribe rules of procedure regarding voting in the Executive Committee and may make such other provision regarding rules of procedure in the Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Agreement prescribes for the Council when making a decision on a similar matter.

(5) Any exporting or importing country which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that country are affected.

Article 31

Advisory Committee on Price Equivalents

(1) The Council shall establish an Advisory Committee on Price Equivalents consisting of representatives of not more than four exporting countries and of not more than four importing countries. The Chairman of the Advisory Committee shall be appointed by the Council.

(2) The Advisory Committee shall keep under continuous review current market conditions, including in particular the movement of prices for wheat and shall immediately inform the Executive Committee whenever in its opinion a maximum price declaration should be made under Article 13 or a situation of the type described in paragraphs (1) or (4) of Article 14 has arisen or appears likely to arise. The Advisory Committee shall, in the exercise of its functions under this paragraph take into account any representations made by any exporting or importing country.

(3) The Advisory Committee shall advise in accordance with the relevant Articles of this Agreement and on such other matters as the Council or the Executive Committee may refer to it.

Article 32

The Secretariat

(1) The Council shall have a Secretariat consisting of an Executive Secretary, who shall be its chief administrative officer, and such staff as may be required for the work of the Council and its Committees.

(2) The Council shall appoint the Executive Secretary who shall be responsible for the performance of the duties devolving upon the Secretariat in the administration of this Agreement and for the performance of such other duties as are assigned to him by the Council and its Committees.

(3) The staff shall be appointed by the Executive Secretary in accordance with regulations established by the Council.

(4) It shall be a condition of employment of the Executive Secretary and of the staff that they do not hold or shall cease to hold financial interest in the trade in wheat and that they shall not seek or receive instructions regarding their duties under this Agreement from any Government or from any other authority external to the Council.

Article 33

Finance

(1) The expenses of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop year shall be in the proportion which the number of its votes bears to the total of the votes of the exporting and importing countries at the beginning of that crop year.

(2) At its first Session after this Agreement comes into force, the Council shall approve its budget for the period ending 31 July 1963 and assess the contribution to be paid by each exporting and importing country.

(3) The Council shall, at a Session during the second half of each crop year, approve its budget for the following crop year and assess the contribution to be paid by each exporting and importing country for that crop year.

(4) The initial contribution of any exporting or importing country acceding to this Agreement under paragraph (4) of Article 35 shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing countries for the current crop year shall not be altered.

(5) Contributions shall be payable immediately upon assessment. Any exporting or importing country failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be relieved of its obligations under this Agreement, nor shall it be deprived of any of its rights under this Agreement unless the Council so decides by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries.

(6) The Council shall, each crop year, publish an audited statement of its receipts and expenditures in the previous crop year.

(7) The Government of the country where the seat of the Council is situated shall grant exemption from taxation on the salaries paid by the Council to its employees except that such exemption need not apply to the nationals of that country. It shall also grant exemption from taxation on the assets, income and other property of the Council.

(8) The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets.

Article 34

Cooperation With Other Intergovernmental Organizations

(1) The Council may make whatever arrangements are desirable for consultation and co-operation with the appropriate organs of the United Nations and its specialized agencies and with other intergovernmental organizations.

(2) If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialized agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the procedure prescribed in paragraphs (3), (4) and (5) of Article 36 shall be applied.

PART VII—FINAL PROVISIONS

Article 35

Signature, Acceptance, Accession and Entry Into Force

(1) This agreement shall remain open for signature in Washington from 19 April 1962 until and including 15 May 1962 by the Governments of the countries listed in Annexes B and C.

(2) This Agreement shall be subject to acceptance by the signatory Governments in accordance with their respective constitutional procedures. Subject to the provisions of paragraph (8) of this Article, instruments of acceptance shall be deposited with the Government of the United States of America not later than 16 July 1962.

(3) This Agreement shall be open for accession by any Government of a country listed in Annexes B or C. Subject to the provisions of paragraph (8) of this Article, instruments of accession shall be deposited with the Government of the United States of America not later than 16 July 1962. However, any such Government may, if it is not granted an extension of time under paragraph (8), and in any event after 16 July 1963, accede to this Agreement in accordance with paragraph (4).

(4) The Council may, by two-thirds of the votes cast by exporting countries and by two-thirds of the votes cast by importing countries, approve accession to this Agreement by the Government of any Member of the United Nations or the specialized agencies or by any Government invited to the United Nations Wheat Conference, 1962, and prescribe conditions for such accession, and in such a case the Council shall establish the relevant datum quantities in accordance with Articles 12 and 15. Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

(5) Part I and Parts III to VII of this Agreement shall enter into force on 16 July 1962 and Part II on 1 August 1962 between those Governments which have by that date deposited instruments of acceptance or accession under paragraphs (2) or (3) of this Article, provided that such Governments hold not less than two-thirds of the votes of exporting countries and not less than two-thirds of the votes of importing countries, in accordance with the distribution established in Annexes B and C. It shall enter into force for any Government which subsequently deposits an instrument of acceptance or accession on the date of such deposit.

(6) For the purposes of the entry into force of this Agreement in accordance with paragraph (5) of this Article, a notification by any signatory Government or by any Government entitled to accede to this Agreement under paragraph (3) containing an undertaking to seek acceptance or accession to this Agreement in accordance with constitutional procedures as rapidly as possible which is received by the Government of the United States of America not later than 16 July 1962, shall be regarded as equal in effect to an instrument of acceptance or accession. It is understood that a Government which gives such a notification will provisionally apply the Agreement and be provisionally regarded as a party thereto until either it deposits its instrument of acceptance or accession in accordance with paragraphs (2) or (3) or until the expiry of the period within which such instrument should have been deposited.

(7) If by 16 July 1962 the conditions laid down in the preceding paragraphs for the entry into force of this Agreement are not fulfilled, the Governments of those countries which by that date have accepted or acceded to this Agreement in accordance with paragraphs (2) or (3) of this Article may decide

by mutual consent that it shall enter into force among them, or they may take whatever other action they consider the situation requires.

(8) Any Government which has not accepted or acceded to this Agreement by 16 July 1962 in accordance with paragraphs (2) or (3) of this Article may be granted by the Council an extension of time for depositing its instrument of acceptance or accession for any period until and including 16 July 1963.

(9) Where, for the purposes of the operation of this Agreement, reference is made to countries listed in Annexes B or C, any country the Government of which has acceded to this Agreement on conditions prescribed by the Council in accordance with paragraph (4) of this Article, shall be deemed to be listed in the appropriate Annex.

(10) The Government of the United States of America will notify all signatory and acceding Governments of each signature, acceptance of an accession to this Agreement and of all notifications made in accordance with paragraph (6) of this Article.

Article 36

Duration, Amendment, and Withdrawal

(1) This Agreement shall remain in force until and including 31 July 1965.

(2) The Council shall, at such time as it considers appropriate, communicate to the exporting and importing countries its recommendations regarding renewal or replacement of this Agreement. The Council may invite any Government of a Member of the United Nations or the specialized agencies not party to this Agreement which has a substantial interest in the international trade in wheat to participate in any of its discussions under this paragraph.

(3) The Council may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, recommend an amendment to this Agreement to the exporting and importing countries.

(4) The Council may fix a time within which each exporting and importing country shall notify the Government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting countries which hold two-thirds of the votes of the exporting countries and by importing countries which hold two-thirds of the votes of the importing countries.

(5) Any exporting or importing country which has not notified the Government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of withdrawal to the Government of the United States of America as the Council may require in each case, withdraw from this Agreement at the end of the current crop year, but shall not thereby be released from any obligations under this Agreement which have not been discharged by the end of that crop year. Any such withdrawing country shall not be bound by the provisions of the amendment occasioning its withdrawal.

(6) Any exporting country which considers its interests to be seriously prejudiced by the non-participation in this Agreement of any country listed in Annex C holding not less than five per cent of the votes distributed in that Annex, or any importing country which considers its interests to be seriously prejudiced by the non-participation in the Agreement of any country listed in Annex B holding not less than five per cent of the votes distributed in that Annex, may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before 1 August 1962. If an extension of time has been granted by the Council under paragraph (8) of Article 35, notice of withdrawal in accordance with this paragraph may be given before the expiry of 14 days after the extension granted.

(7) Any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities may withdraw from this Agreement by giving thirty days' written notice of withdrawal to the Government of the United States of America or may apply in the first instance to the Council for the suspension of any or all of its obligations under this Agreement.

(8) Any exporting country which considers its interests to be seriously prejudiced by the withdrawal from this Agreement of any country listed in Annex C holding not less than 5 per cent of the votes distributed in that Annex or any importing country which considers its interests to be seriously prejudiced by the withdrawal from the Agreement of any country listed in Annex B holding not less than 5 per cent of the votes distributed in that Annex may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before the expiry of 14 days from the withdrawal of the country which is considered to cause such serious prejudice.

(9) The Government of the United States of America will inform all signatory and acceding Governments of each notification and notice received under this Article.

Article 37

Territorial Application

(1) Any Government may, at the time of signature or acceptance of or accession to this Agreement, declare that its rights and obligations under this Agreement shall not apply in respect of all or any of the non-metropolitan territories for the international relations of which it is responsible.

(2) With the exception of territories in respect of which a declaration has been made in accordance with paragraph (1) of this Article, the rights and obligations of any Government under this Agreement shall apply in respect of all non-metropolitan territories for the international relations of which that Government is responsible.

(3) Any Government may, at any time after its acceptance of or accession to this Agreement, by notification to the Government of the United States of America, declare that its rights and obligations under the Agreement shall apply in respect of all or any of the non-metropolitan territories regarding which it has made a declaration in accordance with paragraph (1) of this Article.

(4) Any Government may, by giving notification of withdrawal to the Government of the United States of America, withdraw from this Agreement separately in respect of all or any of the non-metropolitan territories for whose international relations it is responsible.

(5) For the purposes of the establishment of datum quantities under Article 15 and the redistribution of votes under Article 27, any change in the application of this Agreement in accordance with this Article shall be regarded as a change in participation in this Agreement in such manner as may be appropriate to the circumstances.

(6) The Government of the United States of America will inform all signatory and acceding Governments of any declaration or notification made under this Article.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signature.

The texts of this Agreement in the English, French, Russian, and Spanish languages shall all be equally authentic. The originals shall be deposited in the archives of the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding Government.

Annex A—Percentage undertaking of importing countries

Austria	60
Belgium and Luxembourg	90
Brazil	30
Ceylon	80
Cuba	90
Dominican Republic	90
Federal Republic of Germany	87½
Federation of Rhodesia and Nyasaland	90
India	70
Indonesia	70
Iran	80
Ireland	90
Israel	60
Japan	85
Kingdom of the Netherlands	90
Liberia	70
Libya	70
New Zealand	90
Nigeria	80
Norway	90
Philippines	80
Poland	50
Portugal	85
Republic of Korea	90
Saudi Arabia	70
South Africa	90
Switzerland	87
United Arab Republic	30
United Kingdom	90
Vatican City	100
Venezuela	60

Annex B—Votes of exporting countries

Argentina	70
Australia	125
Canada	290
France	70
Italy	10
Mexico	5
Spain	5
Sweden	10
Union of Soviet Socialist Republics	125
United States of America	290
Total	1,000

Annex C—Votes of importing countries

Austria	6
Belgium and Luxembourg	33
Brazil	28
Ceylon	12
Cuba	12
Dominican Republic	2
Federal Republic of Germany	139
Federation of Rhodesia and Nyasaland	6
India	20
Indonesia	6
Iran	4
Ireland	11
Israel	6
Japan	154
Kingdom of the Netherlands	70
Liberia	1
Libya	3
New Zealand	14
Nigeria	4
Norway	18
Philippines	22
Poland	10
Portugal	9
Republic of Korea	2
Saudi Arabia	5
South Africa	10
Switzerland	23
United Arab Republic	16
United Kingdom	339
Vatican City	1
Venezuela	14
Total	1,000

For Argentina:
F BELLO May 15, 1962.
For Australia:
HOWARD BEALE May 14, 1962.

Annex C—Votes of importing countries—
Continued

For Austria:
Wilfried Platzer. 14th of May 1962.
For Belgium and Luxembourg:
For Brazil:
Miguel A O de Almeida May 11, 1962.
For Canada:
C S A Ritchie May 11, 1962.
For Ceylon:
For Cuba:
Mario Garcia Incháustegui
May 15, 1962.
For the Dominican Republic:
Mario Rodriguez May 15, 1962.
For France:
Hervé Alphand May 14, 1962.
For the Federal Republic of Germany:
Wilhelm G Grewe May 11, 1962.
For India:
C S Krishna Moorthi May 14, 1962.
For Indonesia:
Zairin Zain. 15/5'62.
For Iran:
For Ireland:
T. J. Kiernan. May 14, 1962.
For Israel:
Aryeh Manor May 14th, 1962.
For Italy:
Carlo Perrone-Capano May 14, 1962.
For Japan:
Koichiro Asakai May 11, 1962.
For the Republic of Korea:
Il Kwon Chung May 14, 1962.
For Liberia:
S Edward Peal May 15, 1962.
For Libya:
For Mexico:
Antonio Carrillo Flores May 11, 1962.
For the Kingdom of the Netherlands:

In view of the equality under public Law existing between the Netherlands, Surinam and the Netherlands Antilles, the expression "non-metropolitan" used in the Agreement shall, as far as the Kingdom of the Netherlands is concerned, lose its original meaning and be taken to mean "non-European".

J. H. van Roijen.
May 14th 1962.

For New Zealand:
G R. Laking 15 May, 1962.
For Nigeria:
J M Udochi 10th May 1962.
For the Kingdom of Norway:
Paul Koht 8 May 1962.
For the Republic of the Philippines:
Emilio Abello 11 May 1962.
For Poland:
For Portugal:
Pedro Theotonio Pereira
May 14, 1962.
For the Federation of Rhodesia and Nyasaland:
R. B. N. Wetmore May 14, 1962.
For Saudi Arabia:
For the Republic of South Africa:
W. C. Naudé 15th May 1962.
For Spain:
Antonio Espinosa, 14 de Mayo de 1962.
For Sweden:
Gunnar Jarring May 11th, 1962.
For Switzerland:
A. R. Lindt May 15th 1962.
For the Union of Soviet Socialist Republics:
A. Dobrynin 14 V 62.

The Government of the Union of Soviet Socialist Republics will supply the information provided for under this Agreement for compiling an annual survey of the world wheat market within the limits of the statistical data published in the country, and information on commercial and special transactions with countries not participating in the Agreement, provided the respective countries agree thereto [translation].

For the United Arab Republic:
S. El Abd May 15, 1962.
For the United Kingdom of Great Britain and Northern Ireland:
David Ormsby Gore 10th May 1962.

At the time of signing the present Agreement I declare in accordance with Paragraph (1) of Article 37 thereof, that my signature is in respect of the United Kingdom of Great Britain and Northern Ireland only and that the rights and obligations of the Government of the United Kingdom under the Agreement shall not apply in respect of any of the nonmetropolitan territories for the international relations of which they are responsible.

For the United States of America:
Orville L. Freeman May 11, 1962.
For the Vatican City State:
Egidio Vagnozzi May 11, 1962.
For Venezuela:
Carlos Perez de la Cova May 14, 1962.

I Certify that the foregoing is a true copy of the International Wheat Agreement, 1962, including the Annexes attached thereto, formulated at the United Nations Wheat Conference which ended at Geneva on March 10, 1962 and open for signature in the English, French, Spanish, and Russian languages at Washington from April 19, 1962 until and including May 15, 1962, the signed original of which is deposited in the archives of the Government of the United States of America.

In testimony whereof, I, Dean Rusk, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington, in the District of Columbia, this seventeenth day of May, 1962.

Dean Rusk
Secretary of State

[seal]

By Barbara Hartman
Authentication Officer
Department of State

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the International Wheat Agreement, 1962.

Mr. HUMPHREY. Mr. President, I yield whatever time may be necessary to the Senator from Arkansas for his opening statement.

Mr. FULBRIGHT. Mr. President, the pending International Wheat Agreement supersedes the 1959 agreement which will expire on July 31 of this year. The agreement first same into force in 1949, and was revised and extended in 1953, 1956, and 1959.

The 1962 agreement was signed in behalf of the governments of 35 countries. The 10 exporting countries expected to participate in the agreement are Argentina, Australia, Canada, France, Italy, Mexico, Spain, Sweden, the U.S.S.R., and the United States. The Soviet Union is a new signatory. The principal importing countries expected to participate are the Federal Republic of Germany, Japan, the Netherlands, and the United Kingdom.

The 1962 agreement is essentially the same as the 1959 agreement. A summary is contained in the Secretary of State's report which is printed in Executive D. And the specific provisions are dealt with in considerable detail in the report of the Committee on Foreign Relations. As Members of the Senate have these documents at hand, I shall make my comments relatively brief.

I would like, however, to call attention to the main change in the new agreement, which is in the price range. The basic minimum and maximum prices in the 1959 agreement were $1.50 and $1.90, respectively, in terms of Canadian currency per bushel at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1, 1949, for No. 1 Manitoba Northern wheat in bulk and stored at Fort William/Port Arthur. These basic prices have been raised to $1.625 and $2.025, respectively. Shorter supplies of hard wheats in the higher protein brackets, and price advances of these qualities during the last half of 1960 and early 1961 were factors favorable to obtaining the 12½-cent increase.

The purchases and sales arrangement inaugurated in the 1959 agreement has worked well and is retained. Under this system, importing countries are obligated to purchase within the price range stipulated percentages of their total commercial purchases of wheat, while exporting countries, when the price is at the maximum, $2.025, must make certain definite quantities—based on their average sales to the importing countries over a period of preceding years—available for purchase at not more than the maximum. When the price of wheat in all exporting countries is at the maximum, then during that period the importing countries are released from their percentage undertakings; if the price in one or more of the countries is at the maximum, a partial release is effected.

Inasmuch as domestic wheat prices are higher than world market prices, in order for the United States to compete for sales abroad, it is necessary that our wheat exports be subsidized. Thus, under current conditions, regardless of whether our wheat is sold within the scope of, or independently of, the agreement, for it to be sold at all, export payments are required. Therefore, the primary cost to the United States under the agreement will be the cost of the domestic subsidy paid to wheat exporters on exports of wheat to importing countries belonging to the agreement.

The U.S. share of the costs of administering the agreement has amounted in the past several years to around $26,000 annually and its share is expected to remain near the same yearly level under the new agreement.

The present 3-year agreement will enter into force administratively on July 16, 1962, and operationally on August 1, 1962, provided that it is accepted by governments holding two-thirds of the votes of exporting countries and two-thirds of the votes of importing countries. The United States holds 29 percent of the votes of the exporting countries, slightly less than a third.

The agreement is endorsed by the Departments of State and Agriculture, and the committee is unaware of any opposition to U.S. ratification.

Mr. President, the International Wheat Agreement has met with wide international acceptance as a beneficial arrangement. The past agreements are generally conceded to have had a stabilizing effect on world wheat prices. The International Wheat Council has provided a useful forum in which both exporters and importers can discuss and review their wheat problems and trade. And the price range in the new agreement is considered to be fair and equitable by both producers and consumers.

I urge the Senate, therefore, to give its advice and consent to the pending agreement.

Mr. CARLSON. Mr. President, the pending International Wheat Agreement extends for another 3 years a program which was first successfully negotiated and accepted by our Government August 1, 1949. We had renewals with modifications in 1953, 1956, and 1959.

The United States has been a member of all agreements through ratification procedures that are applicable to treaties.

The purpose of the agreement is to assure supplies of wheat and wheat flour to importing countries and markets to exporting countries at equitable and stable prices; to promote the expansion and the freest possible flow of international trade in these products; to work toward overcoming the serious handicaps caused by burdensome surpluses and critical shortages; to encourage the use and consumption of wheat and wheat flour; and in general to further international cooperation in connection with world wheat problems.

The principal benefit of the agreement to the United States, is the internationally agreed price range. It undergirds the national policy of forestalling disastrous effects upon world and domestic market prices which would result if existing surpluses were unleased. At the same time, the wheat agreement has not hampered the United States in instituting surplus disposal and market development programs to the fullest extent; it has, in fact, been regarded as conducive to an atmosphere for international consultation and cooperation, facilitating surplus disposal operations with a minimum of interference and opposition.

There were 43 nations participating in the conference and, in addition, 6 nations were attending as observers. The largest delegation represented Canada—14 in all—followed by Great Britain with 8, United States with 7 and averaging about 3 delegates for the smaller countries.

Russia was participating for the first time with a delegation of four. In past years, Russia has exported and imported wheat outside IWA. Active participation by Russia in the deliberations of the conference was viewed with some speculation by many delegations present. Membership and compliance with this international agreement will depend, of course, upon ratification by the Soviet Parliament in Moscow.

The Great Plains Wheat Association was ably represented at the conference in Geneva, Switzerland, by Otis Tossett, of Lansford, N. Dak. Representing as he did this great organization, which has as its membership most of the wheat producing States of this Nation, he played a most important part in writing the agreement.

Under the pending agreement, basic prices were placed at 12½ cents higher than the minimum and the maximum prices which were effective in the 1959 agreement, which were, respectively, $1.50 and $1.90.

Under the agreement, the basic minimum price is, therefore, set at $1.625 and the basic maximum price at $2.025.

Our Nation's wheat sales, whether made within or without the confines of the wheat agreement, would, under prevailing conditions, require subsidation. The increased price agreed upon in the agreement should be helpful in reducing the amount of subsidy our Government pays to export our wheat.

I ask unanimous consent to include as a part of my remarks two tables on our U.S. wheat and wheat-flour exports under the IWA in relation to total U.S. wheat exports and IWA wheat trade in relation to world wheat trade, crop year 1960–61.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. wheat and wheat-flour exports under the IWA in relation to total U.S. wheat exports, crop year 1960–61

	Million bushels
Sales to member importers:	
Subject to the agreement right and obligations:	
Dollar sales	119.1
CCC barter (commercial)	4.9
CCC credit and other net-price sales	6.9
Special transactions not subject to the agreement:	
Title I, Public Law 480	217.5
Sec. 402 (ICA)	2.3
CCC barter (noncommercial)	17.0
Donations	19.5
Total sales to members	387.2
Sales to nonmember importers and other exporters:	
Dollar sales	83.8
CCC barter (commercial)	9.0
CCC credit and other net price sales	1.7
Title I, Public Law 480	131.2
Sec. 402 (ICA)	27.1
CCC barter (noncommercial)	6.2
Donations	43.0
Total sales to nonmembers	302.0
Total sales [1]	689.2

[1] On a contract basis and for the IWA crop year Aug. 1, 1960, to July 31, 1961. Total U.S. exports on a customs clearance basis and on the basis of the U.S. fiscal year were 662 million bushels.

IWA wheat trade in relation to world wheat trade, crop year 1960–61

	Million bushels
Trade between member countries:	
Commercial sales by member exporters to member importers subject to the agreement rights and obligations	529.1
Special transactions (such as title I, noncommercial barter, donations, etc.); member exporters to member importers	264.5
Commercial sales between member exporters	132.3
Special transactions between member exporters	36.7
Commercial sales between member importers	7.4
Total trade between members	970.0
Trade between member and nonmember countries:	
Member exporters from nonmembers	18.4
Member exporters to nonmembers	382.1
Member exporters to nonmembers	44.1
Member importers to nonmembers	18.4
Total trade with nonmembers	463.0
Trade between nonmembers	110.2
Total world trade	1,543.2

Source: International Wheat Council.

Basis: Contracts, i.e., not on a port clearance basis.

Mr. YOUNG of North Dakota. Mr. President, I wish to commend my able friend from Kansas, whose State is the major wheat-producing State, for the very fine statement he has made explaining the International Wheat Agreement which is about to be ratified by the Senate. As the Senator knows better than anyone else, 96 percent of the wheat produced in the world is produced under some kind of price support program. In our country we have in effect a price support program with a two-price plan, including a lower price for exports. All of the consuming countries have price support systems, with prices which are higher than our own, for their own producers, and a lower price for imports.

Therefore we have a situation in which there is no world price. An International Wheat Agreement goes a long way toward establishing some kind of stable price, for the benefit of the consuming deficit nations as well as for the surplus producing nations. This has tended strongly toward lower export subsidy. It has been a very good program.

I am particularly pleased to have the Senator compliment Mr. Otis Tossett, of North Dakota, a very tough battler for what he thinks is right. We all know that Mr. Tossett is thoroughly familiar with this wheat subject. He is one of the best informed persons known on the problem of wheat. I again thank the Senator from Kansas.

Mr. CARLSON. I commend the distinguished Senator from North Dakota for the statement he has made on the International Wheat Agreement. Wheatgrowers especially, and agriculture as a whole, are greatly indebted to the service that has been rendered to them by the distinguished Senator from North Dakota. He is thoroughly familiar with this subject. When it comes to growing wheat, I like to say that Kansas is the No. 1 wheat producing State. Only one State that I know of has ever exceeded us, in any year, and that was North Dakota. We try to avoid that if we can.

Mr. AIKEN. I have only one point that perhaps should be clarified before the Senate votes on the International Wheat Agreement, if the chairman is willing to answer a question.

Mr. FULBRIGHT. Certainly.

Mr. AIKEN. The International Wheat Agreement, which we are being asked to approve today, represents an increase of 12½ cents a bushel over the last International Wheat Agreement. However, the price was based on wheat f.o.b. Port William, Canada, and in terms of Canadian dollars. In view of the recent devaluation of the Canadian dollar, am I to understand that, in spite of the devaluation of the Canadian dollar, the wheat agreement is so written that it does not represent a decrease in the price of wheat; rather, a 12½-cent-per-bushel increase which we understand is to be the new price?

Mr. FULBRIGHT. The report, on page 3, states:

> Under the agreement, the basic minimum price is set at $1.62½ and the basic maximum price at $2.02½, in terms of—
>
> "Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the International Monetary Fund as at March 1, 1949, for No. 1 Manitoba Northern wheat in bulk and store Fort William/Port Arthur."

As I understand, that means that the United States and Canadian dollars were approximately at parity; therefore, this devaluation would not affect the price. In other words, this price would be translated into dollars as of that date, which would not allow devaluation to 92 cents, but would set the basic minimum price at $1.625.

Mr. AIKEN. I thank the Senator from Arkansas, the chairman of the committee. That was my understanding also; but I felt it might be advisable to have this explanation in the RECORD, lest someone should get the idea that the new agreement represents a decrease in the price of wheat to us, rather than an increase.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. Can the Senator from Arkansas tell us the difference between the subsidy which would be paid under the present wheat agreement and the price which would be paid under the agreement about to be voted upon?

Mr. FULBRIGHT. As I recall, the subsidy has been 57 cents a bushel. According to the report, on page 14:

> The average payment on combined wheat and flour exports under the wheat agreement during the fiscal year 1960–61 was 57 cents per bushel. This is approximately the low point for any annual average since the beginning of the agreements in 1949 except for 1953–54 when the average was 44 cents; the highest annual average was 79 in 1956–57; and the overall average since 1949 was 63½ cents.

Since this agreement raises the price 12½ cents, the average, if I understand correctly, would be reduced by that amount. But the average varies according to the price. It is true that the average since 1949 has varied between 44 cents and 63½ cents; but under this agreement it would be reduced to 51 cents.

Mr. ELLENDER. In other words, according to the Senator's view, the subsidy would be less than the price fixed under the present agreement?

Mr. FULBRIGHT. That is my understanding. Of necessity, this increase in price will result in a lower subsidy; but the exact amount will depend on how the market averages out.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an amplification of the statement as to how the 12½-cent increase in the price range is beneficial to the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AMPLIFICATION OF THE STATEMENT AS TO HOW THE 12½-CENT INCREASE IN THE PRICE RANGE IS BENEFICIAL TO THE UNITED STATES

Northern Spring wheat has been selling at Great Lakes ports at a domestic price of about $2.45 per bushel. This class and quality of wheat is the most nearly comparable of U.S. wheats to Manitoba No. 1, the basic wheat to which International Wheat Agreement maximum and minimum prices are related.

The world market price for comparable qualities of wheat from Canada has been about $1.82. Therefore, in order to compete in world trade with wheat from Canada and other exporting countries, it is necessary for the United States to make an export payment (subsidy) of the difference between the domestic price at port terminals and the competitive world market price, amounting to $0.63 per bushel.

The world market price of Canadian wheat, at about $1.82, is just under the effective maximum price provided in the 1959 IWA for this wheat at comparable lake ports. (Canada must price its wheat from eastern ports at 7 cents per bushel under the price at Vancouver in order to maintain equal landed costs in Europe for wheat from the two coasts. The price of Canadian wheat at Vancouver is just under the IWA maximum of $1.90 per bushel.)

Because Canadian wheat is, in effect, at the IWA maximum, Canada has held its wheat prices from rising further, in order to avoid the obligation to make a maximum price declaration under terms of the agreement. This, in turn, has prevented the world price for U.S. wheat from rising. The new agreement will permit prices of all wheat to rise 12½ cents higher than under the 1959 agreement, if world supply and demand conditions are such that this would occur. At the present time, supplies of high-quality wheats are such that prices likely would rise somewhat above current levels.

If the world market price should rise 10 cents per bushel and the U.S. domestic price should remain the same, the result would be to reduce by 10 cents per bushel the amount of the export payment (subsidy) needed in order to make our wheat competitive in world markets.

Regardless of what the U.S. domestic price of wheat might be at any given time, a higher world market price will result in reducing the amount of the subsidy needed in order to make it competitive.

Only commercial sales by the United States to member importing countries are subject to the terms of the wheat agreement. However, the influence of the internationally agreed price range is reflected also in commercial sales to other member exporting countries and to nonmember countries. Therefore, to the extent that the price range results in a better return for U.S. wheat, there is advantage to the United States.

This presupposes that as much export trade is done at a higher price level as would otherwise occur. Competing exporting countries also are governed by the agreement price range. Moreover, a 12½-cent increase in landed prices of wheat in importing countries would leave prices of imported wheat well below their internal prices for their own wheat. The demand for wheat is notably inelastic unless the price becomes low enough to compete with feed grains. Therefore, an increase of up to 12½ cents in world wheat prices probably would not reduce export trade.

Shorter supplies of hard wheats in the higher protein brackets, and price advances of these qualities during the last half of 1960 and early 1961, were factors favorable to obtaining the 12½-cent increase in the price range in the negotiating conference. This indicates that the importing countries recognized the recent changes in the world supply situation on protein wheats, and accordingly accepted an increase in the price range of the wheat agreement as being reasonable.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. Has a unanimous-consent agreement previously been entered into to provide for the yeas and nays at the conclusion of the debate on the wheat agreement?

The PRESIDING OFFICER. No formal order has been entered for a yea-and-nay vote.

Mr. KUCHEL. Is one in order?

The PRESIDING OFFICER. Yes.

Mr. KUCHEL. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no objection, the treaty will be considered as having passed through its various parliamentary stages, up to and including the presentation of the resolution of ratification, which the clerk will read.

The legislative clerk read as follows:

> *Resolved by the Senate (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive D, Eighty-seventh Congress, second session, the International Wheat Agreement, 1962, signed in Washington from April 19 to May 15, inclusive, 1962.

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to the resolution of ratification of the treaty? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. Byrd], the Senator from Pennsylvania [Mr. Clark], the Senator from Indiana [Mr. Hartke], the Senator from Louisiana [Mr. Long], the Senator from Minnesota [Mr. McCarthy], the Senator from Maine [Mr. Muskie], the Senator from Rhode Island [Mr. Pastore], and the Senator from New Jersey [Mr. Williams] are absent on official business.

I further announce that the Senator from Colorado [Mr. Carroll], the Senator from New Mexico [Mr. Chavez], the Senator from Alaska [Mr. Gruening], and the Senator from Missouri [Mr. Long] are necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. Byrd], the Senator from Pennsylvania [Mr. Clark], the Senator from Indiana [Mr. Hartke], the Senator from Louisiana [Mr. Long], the Senator from Minnesota [Mr. McCarthy], the Senator from Maine [Mr. Muskie], the Senator from Rhode Island [Mr. Pastore], the Senator from New Jersey [Mr. Williams], the Senator from Colorado [Mr. Carroll], the Senator from New Mexico [Mr. Chavez], the Senator from Alaska [Mr. Gruening], and the Senator from Missouri [Mr. Long] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. Butler], the Senators from New Hampshire [Mr. Cotton and Mr. Murphy], the Senator from Kentucky [Mr. Morton], the Senator from New York [Mr. Javits], the Senator from Vermont [Mr. Prouty], and the Senator from Pennsylvania [Mr. Scott] are necessarily absent.

The Senator from Texas [Mr. Tower] is absent on official business.

If present and voting, the Senator from Kentucky [Mr. Morton], the Senator from Vermont [Mr. Prouty], the Senator from Pennsylvania [Mr. Scott] and the Senator from Texas [Mr. Tower] would each vote "yea."

The yeas and nays resulted—yeas 79, nays 0, as follows:

[No. 113 Ex.]

YEAS—79

Aiken
Allott
Anderson
Bartlett
Beall
Bennett
Bible
Boggs
Burdick
Bush
Byrd, W. Va.
Cannon
Capehart
Carlson
Case
Church
Cooper
Curtis
Dirksen
Dodd
Douglas
Dworshak
Eastland
Ellender
Engle
Ervin
Fong
Fulbright
Goldwater
Gore
Hart
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Hawaii
Magnuson
Mansfield
McClellan
McGee
McNamara
Metcalf
Miller
Monroney
Morse
Moss
Mundt
Neuberger
Pearson
Pell
Proxmire
Randolph
Robertson
Russell
Saltonstall
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Wiley
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—0

NOT VOTING—20

Butler
Byrd, Va.
Carroll
Chavez
Clark
Cotton
Gruening
Hartke
Javits
Long, Mo.
Long, La.
McCarthy
Morton
Murphy
Muskie
Pastore
Prouty
Scott
Tower
Williams, N.J.

The PRESIDING OFFICER (Mr. Metcalf in the chair). Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. HUMPHREY. Mr. President, I ask that the President be immediately notified of the action taken by the Senate on the International Wheat Agreement.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PUBLIC WELFARE AMENDMENTS OF 1962

Mr. HUMPHREY. Mr. President, I ask the Chair to lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

The PRESIDING OFFICER. The amendment offered by the Senator from New Mexico [Mr. Anderson] for himself and other Senators is the question now pending.

AN OUNCE OF PREVENTION: HEALTH BENEFITS THROUGH SOCIAL SECURITY

Mr. LONG of Missouri subsequently said:

Mr. President, as one of the spokesmen for the State with the second highest proportion of older people in the Nation, I am particularly concerned that we move ahead without further delay to provide health benefits through social security. I believe that this is the only constructive method of dealing with the problem—the only way of applying the principles of prevention to the financing of health costs—the only way of being sure that we will not have to face today's problems all over again tomorrow.

In Missouri, 11.7 percent of our people are aged 65 or older. This is a significantly higher proportion than in the Nation as a whole—9.2 percent. Only one State—Iowa—exceeds our percentage.

Proportionately, more of our older people live in rural areas—38 percent as compared to a national average of 30 percent.

The average income in our State is slightly below the national average.

During the course of the six hearings I held in Missouri last year for the Senate Special Committee on Aging, I had an opportunity to delve behind these State averages. My committee found that in some of our Missouri communities, as many as one in every four or five people have passed their 65th birthday—a proportion that cannot help but have a significant impact on the economy of the community. We learned that in the 10 rural counties in the eastern Ozarks section, nearly half of the farm households where the principal breadwinner was 65 or older had family incomes of less than $1,000 for the year; 82 percent had incomes of less than $2,000. In some of our counties, 7 out of every 10 aged people are still on old-age assistance.

Missouri cannot adequately meet the needs of its older population through the public assistance approach. Because of our more agricultural economy, our working people were not covered by the original Social Security Act to the same extent as in the more industrialized States. Much of this lag has been made up through subsequent extensions of coverage; more than three-fifths of our people over 65 were receiving social security benefits in mid-1961. But we still have a relatively high proportion—22 percent—who are dependent on old-age assistance for their basic maintenance needs.

In Missouri, we are not now meeting the standards we have set for basic requirements for people on old-age assistance—with "basic" defined to exclude special needs such as medical care. According to a special study in the autumn of 1960, we were falling short of meeting these basic needs by $1.3 million monthly, or nearly $16 million a year.

If we cannot meet even basic everyday needs for persons already on old-age assistance, how can we adequately finance the medical care they need? Currently, payments for medical care made on behalf of old-age assistance recipients average under $6 a month. Obviously, this is a completely inadequate amount for a group of people of very advanced age with heavy needs for medical care.

And if we cannot fulfill our obligation for people already on relief rolls, how can my State move beyond this group to finance medical care for other aged persons?

This is the problem with which we are now struggling in Missouri. Currently, an interim committee on medical problems of the aged is exploring these questions with specific reference to implementation of the Kerr-Mills Act.

We have been unsuccessful thus far in arriving at a solution "primarily because of the substantial cost involved and not because of indifference or lack of interest on the part of the members of the general assembly." I quote from the statement of our director of the division of welfare at our Kansas City hearing.

I contend that we will not be able to work out a sound program of financing public assistance medical care—even with the very substantial help offered by the Federal Government in the form of grants—unless and until we have a basic program for financing health costs through social insurance.

We need to emphasize the preventive approach in the financing of health costs just as we have emphasized the prevention of dependency in our present social security program.

In 1935, when this Nation established a social security program, it chose as its first line of defense against economic dependency a social insurance program. Through a system of compulsory old-age insurance, workers began contributing to a fund out of which payments would be made when they were no longer working—thus assuring that most of them would never reach a state of destitution. This is the preventive approach, the approach that seeks to prevent poverty from arising instead of waiting to deal with it after it has become a fact.

Wisely, the Nation also established a second line of defense—a public assistance program for those whose needs were not met by the insurance program. The numbers primarily dependent on old-age assistance have decreased over the years—but the numbers who need assistance to supplement social security benefits have increased. Of persons now being added to the old-age assistance rolls, about every other one is a social security beneficiary, many of whom have had to turn to public assistance because of medical expenses.

Our experience over the years has proved that the dual approach to economic security in old age is sound. Why can we not apply the same approach—the approach that has earned the wide support of all our people—to the financing of medical costs?

To the extent possible, should we not prevent the poverty which health costs create among the aged rather than wait for the poverty to occur and then provide help only to those who have already exhausted their own resources? If we withhold health benefits until people have exhausted their resources, do we not create further poverty and greater need for basic assistance?

Our medical profession has long been aware of the importance of prevention in health care. Doctors have properly emphasized the preventive aspects—the necessity to innoculate against disease instead of waiting to treat it—the foresight and timely care that eliminates or greatly reduces the acute emergency.

Why then do they resist the principle of prevention when applied to the financing of health costs? Why is the old adage: "An ounce of prevention is worth a pound of cure," not equally applicable to the economics of medical care?

DIFFERENCES BETWEEN SENATE AND HOUSE ON APPROPRIATIONS BILLS

Mr. HAYDEN. Mr. President, I called the Committee on Appropriations to a meeting at 10:30 last Friday morning to further consider the situation which has arisen with respect to the impasse on the appropriation bills.

Each member of the committee shares my deep concern over the growing crisis which has resulted from this impasse, and the committee, at this meeting, adopted a motion appointing a subcommittee of five Senators, consisting of Senators Russell, Chavez, Ellender, Young, and Dworshak, to draft a resolution which would properly set forth the background facts and the committee's position and suggestions.

The committee met again at 3 p.m. on Friday, at which time it unanimously adopted, with minor amendments, the resolution prepared by the subcommittee.

The resolution points out that the impasse which has occurred is not of the Senate committee's making, but results from a request by the House Committee on Appropriations for changes in long-established procedural practices; that the differences between the two bodies actually involve the question of whether the Senate committee is coequal with the House committee in the consideration of appropriation bills; and that the Senate Committee on Appropriations is unwilling to adopt unilateral alterations in procedures which, by longstanding custom, have existed in considering appropriation bills.

The resolution appeals to our counterpart in the other body to complete the legislative process on pending appropriation measures under the traditional and longstanding procedures and, in an effort to solve a problem which it did not create, suggests the appointment of a special committee of the Senate and House Committees on Appropriations to consider any fair and reasonable changes in appropriation procedures which may apply to future Congresses.

Mr. President, I ask unanimous consent to have a copy of this resolution inserted in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Whereas in the consideration of general appropriation measures it has always been the established procedure in the Congress for the bills to originate in the House of Representatives and for the conferences to resolve differences between the bodies to be held on the Senate side of the Capitol with a member of the Senate presiding, though there is no constitutional or legislative requirement for such procedure; and

Whereas in the second session of the Eighty-seventh Congress, the Senate Committee on Appropriations was confronted with a demand to change this established and time-tested procedure to enable members of the House Committee on Appropriations to preside at one-half of the conference and for half of the conferences to meet on the House side of the Capitol; and

Whereas the Senate Committee on Appropriations, after consideration agreed to accept the proposal by the House committee for conference meetings if the House committee would agree to have one-half of the general appropriation bills originate in the Senate; and

Whereas the House Committee on Appropriations has flatly refused to consider any general appropriation bills originating in the Senate while insisting upon other changes; and

Whereas the differences between the two bodies of Congress are not the minor question of the location of the room where conferences shall be held or the individual to preside, but involve the question of whether the Senate committee is coequal with the House committee in the consideration of appropriation bills: Now, therefore, be it

Resolved, That the Committee on Appropriations of the United States Senate is unwilling to accept unilateral alterations in the procedures which have always existed in considering appropriation bills; and be it further

Resolved, That, in the opinion of the Senate committee, the operations of the Government of the United States should not be endangered by unreasonable demands for surrender of the Senate to the will of the other body in such matters, particularly when the demands were presented in such a fashion as to attempt to place the blame on the Senate for the confusion and chaos which could result, when the only part played by the Senate is to insist that changes in the procedures, if desirable, should be made in an orderly way and in that spirit of comity and mutual respect which should exist between equals; and be it further

Resolved, That, in an effort to go more than halfway in its efforts to solve a problem which it did not create but which was thrust upon it, the Senate Committee on Appropriations, while appealing to our counterparts in the other body to complete the legislative processes on the pending appropriation measures under traditional and longstanding procedures, suggest the appointment of a special committee of the Senate committee by the chairman thereof to confer with a Special Committee from the House Committee on Appropriations to consider any fair and reasonable changes in appropriation procedures which may apply to future Congresses; and be it further

Resolved, That copies of this resolution be inserted in the Congressional Record and transmitted to the President of the United States, the Vice President of the United States, the majority leader of the United States Senate, the minority leader of the United States Senate, the Speaker of the House of Representatives, the majority leader of the House of Representatives, the minority leader of the House of Representatives, and the chairman of the Committee on Appropriations of the House of Representatives.

Mr. RUSSELL. Mr. President, at the meetings of the Senate Appropriations Committee on Friday last, to which the distinguished chairman of the committee referred, there was also unanimously adopted another resolution which expressed the complete confidence of the committee in its chairman, the distinguished Senator from Arizona [Mr. Hayden]. This resolution was spontaneous and it grew out of the fact that members of the committee have been increasingly incensed by the unfair and vicious attacks which have appeared in certain news media, blaming the Senator from Arizona [Mr. Hayden] for the impasse which has resulted in resolving differences between the House and Senate in appropriation bills.

I can best convey the thoughts of the committee by reading the resolution:

The service of the distinguished chairman of the Senate Committee on Appropriations, Honorable Carl Hayden, Senator from Arizona, in the Congress of the United States, has been a model of faithfulness and devotion to public trust and probity in private life for half a century.

In recent weeks, the distinguished chairman of the Committee on Appropriations has been the victim of a vicious and unfair attack, blaming him for the delay in the enactment of general appropriation bills providing funds for the operation of the Government.

In truth and in fact, the chairman of the Senate Committee on Appropriations and the committee over which he presides have consistently stood ready and willing to accelerate the legislative process on all of the general appropriation bills in accordance with the procedures which have governed such bills for more than a century.

The chairman of the Senate committee was confronted this year with demands that these procedures be altered in accordance with the views of the Committee on Appropriations of the House of Representatives and without any consideration whatever of established procedures or of the rights of the Senate Committee on Appropriations, representing a coequal body.

Senator HAYDEN presented the demands for changes in the procedures to the Senate Committee on Appropriations. The Senate committee after consideration made a counterproposal to the House of Representatives, agreeing to accept the demands of the House as to a change in conference procedures if the House would agree to permit the Senate to originate certain general appropriation bills.

Senator HAYDEN carried out the instructions of his committee with that devotion to duty which has always characterized his public service and has consistently demonstrated his complete willingness to mediate and compromise with the House committee in the establishment of new procedures which would be fair to both bodies and recognize their coequal status.

Despite the eminent fairness of the position of the chairman of the Senate Committee on Appropriations, some elements of the press and other media of communication have twisted the facts and denounced the chairman of the Senate committee as if he were an aggressor who was responsible for the delay in consideration of said appropriation bills.

The chairman of the Senate Committee on Appropriations has not taken any position, either publicly or in negotiations with the House Committee on Appropriations, that has not had prior approval by unanimous vote of the Senate Committee on Appropriations, without regard to party affiliation of its members. For any news media to charge him with being responsible for the unfortunate impasse which threatens the operations of the Government is in the same category as asserting that Hitler's movement into Poland, precipitating World War II, was a purely defensive movement to resist the aggression of the armed forces of Poland: Therefore be it

Resolved by the Senate Committee on Appropriations, That this committee unanimously supports the position of its chairman in demanding that the rights and views of the Senate committee as a coequal body should be considered before striking down the procedures that have existed since the formation of our Government and the writing of new procedures for the future guidance of Congress; be it further

Resolved, That the members of this committee unanimously express their complete confidence in the integrity, patriotism and ability of its chairman and its resentment of the distortions of fact which have attempted to place responsibility upon him for the critical conditions growing out of the demands which have brought about the present impasse in the enactment of appropriation legislation; be it further

Resolved, That copies of this resolution be presented to our distinguished chairman and be issued to the representatives of all of the media of communication which undertake to report to the people of this country on the operations of Congress in order that the truth in regard to this subject may be known.

Mr. ROBERTSON. Mr. President, at the outset I wish to make it crystal clear that no one deplores more than I the fact that during the past 10 years the Congress has frequently engaged in deficit financing and has measurably added to the national debt. Mr. President, I challenge any Member of the Congress, either on the House side or on the Senate side, to show a more consistent record than I have had, first for 14 years in the House and later for nearly 16 years in the Senate, in behalf of economy.

I do not rise today in defense of deficit financing. I rise in defense of the Senate Committee on Appropriations and of this entire honorable and distinguished body, since a charge has been made against the committee and against the Senate, under a resolution adopted today by the House committee, that during the past 10 years, during the years since the Korean war, the debt has been increased $32 billion plus and $32 billion has been added by the Senate to appropriation bills, over and above the House figures.

In the words of the resolution read by the distinguished Senator from Georgia, commending our chairman [Mr. HAYDEN], that was a distortion of the facts. In my opinion, Mr. President, when anyone uses partial figures and leaves out figures any accountant would add in striking a balance, it amounts to more than a mere distortion of the facts.

The distinguished chairman of the Senate Committee on Appropriations has read to the Senate the conciliatory resolution which our committee adopted last week, in the hope that an amicable and friendly agreement could be reached which would recognize that the Senate was a coequal body with the House in the handling of what in the opinion of some is the most vital function of government—that is, the appropriation of the money which finances the Government's operations.

For the purpose of emphasis I wish to repeat what we said in that resolution, as follows:

Be it further

Resolved, That in the opinion of the Senate committee, the operations of the Government of the United States should not be endangered by unreasonable demands for surrender of the Senate to the will of the other body in such matters, particularly when the demands were presented in such a fashion as to attempt to place the blame on the Senate for the confusion and chaos which could result, when the only part played by the Senate is to insist that changes in the procedures, if desirable, should be made in an orderly way and in that spirit of comity and mutual respect which should exist between equals, be it further

Resolved, in an effort to go more than halfway in its efforts to solve a problem which it did not create but which was thrust upon it, that the Senate Committee on Appropriations, while appealing to our counterparts in the other body to complete the legislative processes on the pending appropriation measures under traditional and long-standing procedures, suggest the appointment of a special committee of the Senate committee by the chairman thereof to confer with a special committee from the House Committee on Appropriations to consider any fair and reasonable changes in appropriation procedures which may apply to future Congresses.

We went on to say that we thought that for the time being we should proceed as we always have in the past, to complete action on all appropriation bills for the current fiscal year.

Mr. President, I wish to read the reply which we received at 12:15 p.m. today. The reply evidently was not considered very materially, or duly argued, because the House Committee on Appropriations, according to the information I received, did not meet until 12 o'clock. The resolution, in mimeographed form, reached us at 12:15. It says:

Whereas the Federal Government has failed to live within its income in twenty-six of the last thirty-two years; and

Whereas the national debt has been increased $32,100,000,000 since the end of the Korean war in 1953 with interest thereon now approximating $17,690 every minute of every day of the year, and

Whereas the buying power of the dollar, largely as a result of deficit spending is less than half that of the pre-World War II year of 1939; and

Whereas the latest official cost-of-living index now reaches a new all-time high of 129.1 percent of the 1947–1949 base measuring period; and

Whereas since January 1, 1958, our national gold holdings have declined by over $6,300,000,000; and

Whereas notwithstanding the highest tax take in history, the Government has failed to live within income in the post-Korean war period, primarily because of increased spending for nondefense rather than defense purposes as shown by the 65 per centum increase in nondefense expenditure as against 1 per centum increase in defense spending during the 1954–1961 period; and

Whereas during the past 10 years the Senate has raised the appropriation bills above the amount passed by the House by approximately $32,000,000,000; and

Whereas the inequitable practice of conducting all conferences under the chairmanship of a Senator gives the Senate a disproportionate advantage, as evidenced by the fact that in the past ten years the Senate conferees have been able to retain $22,000,000,000 out of the $32,000,000,000 in increases which the Senate added to House appropriations—a 2-to-1 ratio in favor of the body consistently advocating larger appropriations, increased spending and corresponding deficits: Now, therefore, be it

Resolved, That in the interest of national economy and a sound dollar, a reduction in the high cost of living, and in the interest of equity between the two bodies of equal, coordinate and coequal authority under the Constitution, the Committee on Appropriations of the House of Representatives suggests the appointment of a special committee of the House committee by the chairman thereof to confer immediately with a similar special committee from the Senate Committee on Appropriations to consider, at the earliest possible date, any fair and reasonable changes in appropriation conference procedure indicated by the need of the times, beginning with the current session; be it further

Resolved, That a copy of this resolution be transmitted to the chairman of the Senate Committee on Appropriations and inserted in the CONGRESSIONAL RECORD.

Mr. President, that adds up to the following: The House committee has deliberately ignored all the supplemental requests that have come to us. It has ignored what is called the reclama of governmental agencies that always comes to us after the House has acted. It has ignored the well-established practice of Representatives coming to Senators after a bill has been considered, under what amounts to a gag rule on the floor of the House, and pleading with us to add items, saying, "If you add them, I have friends in conference who will vote to sustain whatever you provide."

Over and above all else, it ignores what the public demand has been that comes to us only after the public knows the action that the House has taken.

Two points must be taken into consideration. First, the total amount involved on bills finally enacted has been approximately $26 billion below the budget during the period covered in the House resolution, and, second, only a small portion of the alleged $32 billion was added by the Senate over and above the total budget requests, including the supplementals that have come to us after the House has acted, and including what the House itself agreed to after it knew the demand, either of the department for essential needs that have been ignored, or of the public for items that were considered to be in the national interest.

Mr. President, I am chairman of the Senate Appropriations Subcommittee on Treasury and Post Office. That was the first bill passed by the Senate and the issue about where the conference would be held and who would preside was raised against me. I have remained silent because I had hoped for a solution which would be free from acrimony, charges, and countercharges.

But the charge made last week in a letter to us contained a part of what is contained in the resolution that I have read which was adopted today by the House. The charge is that we had overspent by $32 billion, and if only the House had been in charge of the program, the taxpayers could have been saved all that money. But the resolution goes beyond that point. It is the most insulting document that one body has ever sent to another, and if it had been issued on the floor in the debate, it would have been forbidden under the rules of procedure prepared and edited by Hon. CLARENCE CANNON, of Missouri, when he was Parliamentarian of the House. He is now chairman of the House Appropriations Committee.

I can no longer remain silent under those unfounded charges. If the House insists on no conference except on their terms, I for one will insist on the position which our committee has taken. At the end of the present month, there will not be an agency of the Government that will have one cent on which to operate. If Members of the House want to go back and campaign for reelection on the ground that the Senate was the wasteful body and has refused to finance the operations of the Government, let them do so. That will suit me fine, because I will have stood for the honor and dignity of the Senate. I am willing, if the House wishes it that way, to have the issue fought out at length. Then we will see who gathers here next January.

CHRONOLOGICAL HISTORY OF DISPUTE

Let me provide the Senate with a chronological history of what has taken place, what the Senate committee's position has been, and the truth about certain charges which have been made by the chairman of the House Committee on Appropriations against the Senate. I believe that I am qualified to speak of these matters since I have been present at all committee meetings dealing with the matter, was chairman of the Senate conferees at which the issue was first introduced, and am acting as chairman of the Senate conferees on the Defense Appropriation bill, which comprises about half of the total appropriations for the entire Government.

Last year we received approximately $3½ billion of supplemental appropriation requests for defense spending, which the Cannon report completely ignores as an amount over and above what the House provided. I shall not go into the details, but that is one item to be considered in the tricky compilation of what the House says it has saved and what it says the Senate has wasted.

Early this year, the chairman of the House Appropriations Committee advised the chairman of the Senate Appropriations Committee that the House Appropriations Committee desired that the conferences with the Senate on appropriation bills alternate—one meeting to be held on the House side, and the next meeting to be held on the Senate side of the Capitol.

Since this was a complete departure from a procedure which has existed for over a hundred years, the chairman of the Senate Appropriations Committee called its members together and explained to us what had been proposed by the House Appropriations Committee. On February 9, 1962, the Senate Appropriations Committee members, voting unanimously, instructed the chairman to advise the chairman of the House Appropriations Committee that the Senate committee would be agreeable to instituting a procedure whereby half of the appropriations bills would originate in the Senate and half of the bills would originate in the House. It was also indicated that the Senate committee would be glad to confer on the House side in connection with the Senate bills and on the Senate side in connection with the House bills. There the matter rested.

On March 29, 1962, the Senate passed the first regular appropriation bill containing funds for the Departments of the Treasury and Post Office for the fiscal year 1963. A conference was asked with the House. That conference was held on April 10, 1962, in the rooms of the Senate Appropriations Committee, as has been the traditional custom for a hundred years. It was my privilege, as chairman of the Senate conferees on the Treasury-Post Office bill, to act as chairman of the conference. This has also been the custom for over a hundred years. As is frequently the case, the conferees did not succeed in agreeing on all items at that meeting.

However, at the conclusion of the meeting, the chairman of the House conferees informed the Senate conferees that the House conferees would meet the Senate conferees in the House committee chambers. It was believed also that the House would insist that a member of the House conferees act as chairman of the conference. Further attempts by the Senate to continue the conference under the traditionally established procedures have been unsuccessful.

The original issue which the House presented—and the only issue at the start of this controversy—was where the conference would be held. Later the matter of chairmanships was also involved.

As far as the designation of a room in which to hold conferences is concerned, the Senate has made offers which, it is presumed, can readily resolve this issue. The position of the Senate is that it will be happy to meet with the House conferees near the center of the Capitol, if that is the desire of the House. It might be remarked parenthetically that it would be far more difficult for the Senate to meet on the House side than for the House to meet on the Senate side. The reasons for this are twofold. The House Members know in advance when rollcalls are held in the House, whereas the Senate Members have no such foreknowledge. Therefore, the Senate Members would find it most difficult to maintain continued conferences. This difficulty is further aggravated by a second problem. There are more than four times as many House Members as there are Senate Members. Thus, automatically, House rollcalls are more than four times as lengthy as Senate rollcalls. This gives House Members four times as long to be registered. If a Senator is unduly delayed, he misses a vote. A somewhat similar situation exists in regard to quorum calls. For these reasons, it is imperative that Senate conferees meet as near the Senate floor as is possible.

On April 16, 1962, the Senate passed the second supplemental appropriation bill and asked for a conference with the House. In a letter to the chairman of the House committee on the following day, the chairman of the Senate committee reviewed the situation, and stated that the Senate conferees would accede to the unusual House request, and meet on the House side with the understanding that half of the appropriation bills would originate in the Senate. The House conferees again refused to meet on this basis.

I ask unanimous consent that the letter from the chairman of the Senate committee to the chairman of the House Appropriations Committee be made a part of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 17, 1962.

Hon. CLARENCE CANNON,
Chairman, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I have been advised this morning that the conferees from the House Appropriations Committee would be willing to confer on the second supplemental appropriation bill, which passed the Senate last evening, if the conference can be held in the space assigned to the House Appropriations Committee in the Capitol.

You will recall that you contacted me on this same subject early this year, whereupon I brought the matter to the attention of the full committee. You will further recall that after the full committee discussed and voted on the matter, I telephoned you and advised you of its action.

In view of what has developed in connection with the second supplemental appropriation bill, I thought it best to review our position in this letter. The fact that conference meetings historically have been held in the space assigned to the Senate Appropriations Committee and that the Senators have been the conference chairmen was discussed in full by the committee. The committee on February 9, 1962, unanimously adopted the motion that whenever the House is willing to agree to institute a procedure whereby half of the appropriation bills will originate in the Senate and half of the bills will originate in the House, the committee will be glad to confer on the House side for the Senate bills and will continue to confer on the Senate side for the House bills.

Yours very sincerely,

CARL HAYDEN,
Chairman.

Mr. ROBERTSON. Mr. President, on June 12, 1962, the Senate passed the appropriation bill for the Department of the Interior and asked for a conference with the House. The House has not as yet agreed to a conference.

On June 13, 1962, the Senate passed the appropriation bill for the Department of Defense and requested a conference thereon with the House. Since this important measure is also my own responsibility as acting chairman, I personally called the chairman of the House subcommittee in an attempt to arrange a conference in the established manner. I was not successful, and the House has not yet agreed to a conference.

On June 14, 1962, the House passed House Joint Resolution 745, which incorporated certain appropriations included in the second supplemental appropriation bill. The Senate committee met the following day to consider that resolution. After considering the items covered by the resolution and those urgent items not covered, the committee unanimously instructed the chairman to communicate to the chairman of the House Appropriations Committee its view that the House joint resolution was inadequate to meet the pressing demands for funds before the close of the fiscal year which were in the public interest. It was pointed out that all the matters included in the resolution, together with other important matters, were already included in the second supplemental appropriation bill. The concluding paragraph of that letter reads as follows:

> Therefore, in the public interest we invite you and the other House conferees to meet with our conferees on H.R. 11038 in room P-63 in the Capitol, the Old Supreme Court Chamber, at 2 p.m. this afternoon, and if this is not convenient to the House conferees, at any other time you suggest, but preferably today.

The House committee refused to accept this request unless its chairman could preside. I ask unanimous consent that the entire letter be made a part of the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 15, 1962.

Hon. CLARENCE CANNON,
Chairman, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I have been instructed by unanimous vote of the Senate Appropriations Committee to acknowledge receipt of House Joint Resolution 745.

It is the unanimous decision of the committee that the resolution is inadequate to meet the pressing demands before the close of this fiscal year in the public interest. All of the matters included in the resolution, together with other important matters, are already included in H.R. 11038, which has reached the conference stage.

Therefore, in the public interest we invite you and the other House conferees to meet with our conferees on H.R. 11038 in room P-63 in the Capitol, the Old Supreme Court Chamber, at 2 p.m. this afternoon, and if this is not convenient to the House conferees, at any other time you suggest, but preferably today.

Thanking you again for your many courtesies, we remain.

Yours very sincerely,

CARL HAYDEN,
Chairman.

Mr. ROBERTSON. Mr. President, in an attempt to iron out the controversy, a meeting was held on June 18, 1962, in the Old Supreme Court Chamber. At that meeting, the Senate conferees offered to meet with the House conferees in a room mutually agreeable—in the Old Supreme Court Chamber. In addition, the Senate conferees agreed to acquiesce to the House request that the chairmanship of the conferences on appropriations bills alternate between the Senate and House and that half of the appropriation bills should originate in each body. To this, the House Members would not agree.

On the following day, June 19, 1962, the chairman of the Senate Appropriations Committee wrote to the chairman of the House Appropriations Committee, outlining the Senate's position. In the letter it was pointed out that the Senate conferees were happy to meet in conference with the House in the Old Supreme Court Chamber, and that the Senate conferees believed that this was agreeable to the House conferees. The remaining issues could be resolved if the House would agree to having the Senate initiate half of the bills, the chairman of the House conferees acting as chairman of the conference on such bills.

I ask unanimous consent that this letter be made a part of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 19, 1962.

HON. CLARENCE CANNON,
Chairman, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The issues between the Senate Committee on Appropriations and the House Committee on Appropriations relating to traditional procedures on the handling of appropriation bills involve:

1. Location of the conference meetings;
2. Identity of presiding officer at conference meetings; and
3. Origin of the appropriation bills.

At the meeting yesterday between the Special Subcommittee from the House Committee on Appropriations and the Special Subcommittee from the Senate Committee on Appropriations, we understand that the House committee agreed that conference meetings be held in P-63 of the Capitol, the Old Supreme Court Chamber. This is agreeable to this committee for the remainder of the 87th Congress, 2d session.

This leaves the two remaining questions of origin of the bills and identity of the presiding officer.

You will recall that last year the first regular annual appropriation bill did not arrive in the Senate until March 28, 1961. It has been the feeling of many Members of the Senate for a long time that the work of the Congress on appropriation bills would be greatly expedited if one-half of the appropriation bills originated in the Senate. It is also believed that greater care could be given to the bills and the more rapid advancement of the bills would contribute to efficiency in the executive branch.

The question of presiding officer must be resolved because more than one person cannot be charged with the responsibility of presiding.

This committee believes a fair and equitable solution to these problems is for the Senate to originate one-half of the bills and the House the remaining one-half. This committee would be agreeable to conferring on the Senate bills with the House Member acting as presiding officer and the Senator would act as chairman on those bills originating in the House. This is in accord with my letter of April 17, 1962, on this subject. The origin of the different bills could alternate between the two bodies, with one bill originating in the Senate one year and in the House the following year.

We believe after careful consideration you will be inclined to agree that this is a fair resolution of this difficult problem.

Yours very sincerely,

CARL HAYDEN,
Chairman.

LETTER FROM HOUSE COMMITTEE CHAIRMAN

Mr. ROBERTSON. Mr. President, the response by the chairman of the House committee was dated June 22, 1962, and, since someone unknown has already seen fit to release its substance to the press, I shall read it in full at this point:

JUNE 22, 1962.

Hon. CARL HAYDEN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thanks for your gracious letter of the 19th. We share with you the hope for an early and harmonious agreement on the procedure to be followed in conference between the two committees.

The country at large is already deeply concerned—

I pause to say, incidentally, that the country is not nearly as deeply concerned now as it will be the end of the month, and 2 million Government workers will be still more concerned when they are asked to work without pay.

The country at large is already deeply concerned over the present system under which the Senate has invariably increased every appropriation bill passed by the House, which increases if adopted in the final bills

> would have added approximately $32 billion to the public debt in the last 10 years.
>
> During the past 23 years the amount of appropriations initially recommended by the House is approximately $60 billion less than the amount initially recommended by the Senate.
>
> However, the House committee in the hope of remedying this situation—

Mr. President, let me read that again for emphasis.

> However, the House committee in the hope of remedying this situation—

What situation? Throwing away, according to this letter, $32 billion of taxpayers' moneys. That is what he wrote.

> However, the House committee in the hope of remedying this situation will be glad to meet the Senate committee halfway and yield in the selection of place of meeting and then equally divide the chairmanships—alternating the subcommittees alphabetically this session and reversing the control of the chair in the next session.
>
> With every good wish and with warmest personal regards,
>
> Sincerely,
>
> Clarence Cannon.

This letter not only indicates that the chairman of the House committee envisions an abrogation of the Senate's coequal position on appropriations, but in subtly charging the Senate committee with wasting public funds, it is deliberately insulting. The role of the chairman of the conference, up to this time, has been to maintain orderly discussion. But if this letter can be taken at its face value it is obvious that the House hopes through this procedure, or perhaps as a first step in breaking other traditional procedures, to limit the power of the Senate to amend appropriations bills.

The charges made in this letter are of such a grave nature, impinging upon the dignity, responsibility, and merit of the Senate, that I believe in all fairness to the people of our Nation, who believe in the democratic form of government in which the legislative branch consists of two coequal bodies, that I should set the record straight so that any misconception as to the merits of the Senate in this respect will be removed.

As a result of these charges, and the grave implications deduced therefrom, I have had a study prepared of all appropriation bills which have been passed by the Congress in the past 10 sessions of Congress.

TEN-SESSION HISTORY OF APPROPRIATIONS

During the 10 sessions of Congress studies—82d Congress, 2d session, through the 87th Congress, 1st session—general appropriation bills—bills reported by the Committees on Appropriations of the House and Senate—were passed granting obligational authority, including loan authorizations, totaling $661,958,923,898.

During these sessions of Congress, the House of Representatives considered budget estimates totaling $684,513,430,992. During these same sessions of the Congress, the Senate considered budget estimates totaling $699,029,349,251—$14,515,918,259 more than the total estimates considered by the House.

During these sessions of Congress, the bills that passed the House of Representatives totaled $642,575,027,818—a reduction of $41,938,403,174 in the total estimates considered; and the Senate passed bills totaling $672,248,014,106—a reduction of $26,781,335,145 in the total estimates considered, and an increase of $29,672,986,288 over the total of the House bills.

The question, "Why does the Senate increase appropriation bills?" is one that naturally arises. An analysis of the Senate increase of $29,672,986,288 leads to the following conclusions:

First. The Senate considers budget estimates that are not considered by the House. As a result of the tradition whereby the House of Representatives originates all the general appropriations bills, the Senate is forced to consider supplemental estimates submitted after the House acts on various bills. During the 10 sessions of Congress studied, supplemental estimates totaling $14,515,918,259 were submitted to the Senate. A typical example of this situation occurred during the last session of Congress. The House passed the Department of Defense appropriation bill for fiscal year 1962 on June 28, 1961; and on July 26 supplemental estimates totaling $3,454,600,000 were submitted to the Senate by the Bureau of the Budget in Senate Document No. 39.

The Bureau of the Budget directed these requests to the Senate rather than to the House because there were pending appropriation bills before this body. Many of the items were of an urgent nature. It is an established procedure which has never been seriously challenged.

It is obvious that if the Bureau of the Budget had directed these requests to the House rather than to the Senate, a substantial part of the $14 billion would have received the approval of that body, and that the Senate increases over the House would have been reduced by such amount. The Senate could have ignored these requests, but to do so would have occasioned delays in consideration which would not have been in the best interests of the country.

Second. The Senate is requested to consider appeals of House reductions by the departments and agencies of the executive branch of the Government. As a result of this same tradition, the Senate is requested to reconsider the reductions made by the House in the budget estimates. The customary procedure is for the various departments and agencies to appear before the appropriate subcommittees of the Senate Committee on Appropriations and request restoration of the House reductions. In certain instances the full amount of the House reductions are not appealed. However, the departments and agencies request restoration of a major portion of the House reductions. An extreme example of this situation occurred in the 1st session of the 84th Congress in connection with the supplemental appropriation bill, 1956. The House committee considered budget estimates totaling $1,927,785,868, and recommended appropriations totaling $1,648,876,128—a reduction of $278,909,740. However, during the consideration of the bill on the floor of the House, appropriations totaling $1,424,599,500 were stricken from the bill, the major portion being deleted on points of order.

Mind you, Mr. President, the requests had all been approved by the House committee; but on the floor of the House, they were stricken from the bill on a point of order.

As the bill passed the House, it included appropriations totaling only $224,276,628 and the records indicate the House made a reduction of $1,703,509,240 in the budget estimates considered. In this resolution, they take credit for this action as being an economy.

The Senate committee was requested to restore in excess of $1,700 million of the House reduction, and had to consider additional estimates totaling $195,565,204.

It went out on a point of order. There was nothing for us to do but to put it back. The House agreed to it in conference, but they claim that we are wasteful spenders, while the House is the guardian of the downtrodden taxpayers.

As the bill passed the Senate, it contained appropriations totaling $1,830,078,614—an increase of $1,605,801,986 over the House. The committee of conference agreed to appropriations totaling $1,656,625,802, and both Houses agreed to the conference report. As indicated above, this is an extreme example.

A more common example occurred in connection with the supplemental appropriation bill, 1962, which included a budget estimate of $14,700,000 for payment of loan guarantees, Interstate Commerce Commission. These funds were requested to honor guarantees by the Federal Government on loans made by private banks to the New York, New Haven & Hartford Railroad which were in default.

This was the New Haven Railroad fund. The money was guaranteed by the ICC in an effort to keep the New Haven afloat. The Interstate Commerce Commission claimed it had the authority to guarantee the loans. I criticized the wisdom of the Commission in guaranteeing them, but the Commission already had committed the Congress to the loans.

In recommending the disallowance of this request, the House committee stated in its report:

> The committee failure to make recommendations to the House that the loans be repaid at this time is to point up to the ICC the need of giving more consideration to these back-door spending loans in the future.

The House adopted this recommendation. The Interstate Commerce Commission requested the Senate committee to restore the funds to the bill, the committee so recommended, and the Senate concurred in this recommendation. The committee of conference agreed to the Senate amendment providing the $14,700,000 as did the House. In the records this item appears as a Senate increase of $14,700,000.

Of course, we put it back. The House agreed to it. But that amount went into the House total of Senate increases, which is supposed to show how the House protects the taxpayers, while the Senate wastes the taxpayers' money.

It is not uncommon for a Member of the House of Representatives to request the Senate Committee on Appropriations to increase a House-passed appropriation bill. One of the most outstanding examples of this occurred in the 1st session of the 84th Congress in connection with the Second Supplemental Appropriation Act, 1955, when the Senate committee was requested to provide funds for the construction of the third House Office Building, now under construction. In commenting on this recommendation, the Senate committee stated in its report:

> At the request of Hon. Sam Rayburn, Chairman of the House Office Building Commission, the committee has inserted the following language relating to the additional House Office Building in lieu of the language contained in the bill as it passed the House.

Mind you, Mr. President, the Honorable Sam Rayburn was Speaker of the House. He requested that the Senate raise the House estimate, and we did.

The House bill provided $2 million, and authorized the appropriation of such additional sums as may be necessary. The Senate amendment requested by the late Speaker of the House of Representatives provided an appropriation of $5 million, and authority to enter into contracts for the completion of the building.

So these defenders of the taxpayers will soon have completed a new office building. With all due deference, I do not know how they will hire enough people to fill it. But it is being built at a cost of approximately $95 million. That will be the cost of the new building which can be seen rising on Independence Avenue. In addition, there is all the space which has been bought on the House side for expansion, including a hotel which will be torn down. Think of that; it is a new hotel; yet eventually it will be torn down. But the Senate received requests from the House to give them the authority to purchase the land and construct the new office building, and the Senate by reason of comity agreed to it. Now they are kicking us in the pants and saying that we are the wasteful spenders. With all due deference to protocol, that is just a little more than some of us feel we should take lying down.

The Committee on Appropriations of the House of Representatives is made up of 50 of the most influential Members of that body. They usually operate under a procedure whereby they agree to resist all amendments on the House floor, which is tantamount to the gag rule followed in the consideration of tax bills. Oftentimes, Members of the other body desiring amendments are told by ranking members of the House Committee on Appropriations, "Get the Senate to adopt your amendment, and we will agree to it in conference." A large number of the Members of the other body follow this advice. The record of the hearings on the public works appropriation bill is replete with testimony from Members of the House for unbudgeted items or increases in budgeted amounts under every major category in the bill. Following House action on the bill, the Senate committee is flooded with requests by phone and by letter to grant a portion of the requests made during the hearings, frequently accompanied by the statement that verbal assurance has been given by one or more House committee members that if the Senate will only provide this increase, it will hold in conference.

As I recall, in one year 32 members of the House committee came over here and asked the Senate to put into the bill what had not been put into it on the House side. Sometimes the number of House Members making such requests is more; sometimes it is less. But it is well known that, on the floor of the House, from time to time one or another of the 50 members of the House Appropriations Committee will say, "Do not let anyone break through; but if we have left out something important, go over to the Senate side and get it added."

Third. The Senate has taken the position that its responsibility to the country requires the making of appropriations that were not requested by the Bureau of the Budget.

In some instances the Senate has refused to make reductions in established programs requested by the executive branch, such as those dealing with the Army National Guard and Army Reserves. In other instances, the Senate has provided funds in excess of the requests of the Bureau of the Budget, such as funds for the heart and cancer research programs of the National Institutes of Health. In still other instances, the Senate has provided funds for the initiation of construction of many vital flood control, navigation, and reclamation projects.

In so doing, the Senate has served notice that it does not regard itself either as a rubberstamp to executive requests or hidebound by strictures of budgetary limitations. Most of the increases in this category have been far-reaching policy-guiding decisions. The wisdom of these increases becomes obvious to anyone who takes the trouble to examine the record.

However, Mr. President, I wish to repeat that I am not making any defense of deficit financing. I am opposed to deficit financing. I believe in economy in Government; and, both in committee and on this floor, I have worked for economy in Government. But I say that both the House and the Senate have participated in deficit financing; so we do not propose to have the House say, in effect that "If the chairman of the conference committee had just been one of the members of the House Appropriations Committee, we could have saved $32 billion."

Mr. President, what does the chairman of the conference committee do? He presides. When votes are taken, he has one vote among the conferees on his side, and that is all. He might use some influence as an individual conferee in connection with the shaping of the legislation; but he cannot determine what the conference committee will do. In the conference committee, each member has one vote. Yet we are told by this House resolution that if only one of the House Members had been the chairman, the country would have been saved $32 billion.

As indicated above, the Senate increase of $29,672,986,288 over the total amount of the general appropriation bills passed by the House during these 10 sessions of Congress is a result of the precedent whereby all the general appropriation bills originate in the House and the insistence of the Senate on meeting its responsibilities to the country by providing needed funds regardless of whether or not they were recommended by the Bureau of the Budget.

The fact that approximately two-thirds of the Senate increases have been accepted by the committees of conference on the various bills, and then approved by the House of Representatives, is indicative of the reasonableness of the Senate action. Of the $29,672,986,288 Senate increases over the House during these 10 sessions of Congress, the committees of conference have accepted and the House has approved $19,383,896,080.

While the Senate has made increases in the bills, little has been said about the fact that the total of $672,248,014,106 of the bills—as passed by the Senate during these 10 Congresses—is $26,781,335,145 less than the total budget estimates considered.

PRESENT APPROPRIATION METHOD DELAYS ACTION

Mr. President, I should like to bring another point to the attention of the Senate and to the American public. The President presents his budget to the Congress early in January.

All of us know that the work on the budget begins in October, and the Bureau of the Budget generally submits the budget to the President in November. The President has from then until January to mull over it; and then he submits his budget message to Congress in January. The budget is prepared in the fall, before the President submits it to Congress in January. Then what happens? Hearings are held in the House committee; and the various bills are reported by the House Appropriations Committee, then are passed by the House, and then—and only then—do they come before the Senate for consideration. The fiscal year for which they are appropriated begins on July 1 of a given year. Thus, unless other stopgap measures are taken, as they frequently are, the appropriations acts must be available for executive implementation by the 1st of July. Because of the requirement to enact as much of this important legislation as possible prior to that deadline, a tremendous amount of work must be compressed into those 6 months by both House and Senate. However, the Senate frequently finds itself severely pressed in this regard. Last year, for example, of the 17 appropriations bills passed by the Congress, only 2 came over from the House by the end of March. Two more came to the Senate by the end of April. Two more came over in May, six in June, two in July, and three in September. In fact, requests for over $9 billion did not reach the Senate until September, the same month in which the Congress adjourned.

This year, of the regular annual appropriations bills, only six have thus far been passed by the House, and one of these was passed on June 26, obviously too late for the Senate to consider it with proper deliberation prior to the June 30 deadline.

I do not state this in criticism of anyone. Both Houses, both committees, work hard over these bills in order to provide the country with our best efforts. We may differ at times in philosophy, but we do not differ in the amount of sweat which is poured out. I do not think that anyone will dispute the statement that insofar as appropriations are concerned, the greater burden of work falls on the House in the first half of the session, and on the Senate in the latter half of the session. The longer the House holds bills, the more pressure there is on the Senate. The longer the Senate holds bills, the more pressure there is created on the committees of conference.

The obvious answer to this would be to divide the work so that both Appropriations Committees could start work at the beginning of the session. At the present time the Senate committee has, in many instances, begun its hearings long before it had a bill to consider. To do otherwise would have required an impossible compression of time and work. How much better it would be if each House could devote its efforts to half the bills in the early months of the session and half in the latter months.

SENATE APPROPRIATIONS EQUALITY AT STAKE

It must be obvious then, as the letter from the House indicates, that the issue here is not a simple procedural one as to whether a Member of the Senate or a Member of the House should preside over the conference.

The responsibility of the Senate to maintain its position of responsibility on appropriations and amendments to appropriation bills is important. In my judgment, the differences here represent simply the question of whether the Senate shall maintain a coequal responsibility with the House on appropriation bills and amendments.

The appropriation bills originate in the House of Representatives by tradition; and after they have passed the House, the Senate must consider amendments from many directions which are desired to be placed in the bill, including budget estimates that have not been sent to the House of Representatives.

The Members of the Senate represent entire States, and, consequently, have a wider responsibility in connection with appropriations for the States and the Nation as a whole. What may seem unimportant to a Member of the House from a given State may be of great importance to a Senator from the same State.

The Senate Appropriations Committee feels very strongly that half of the appropriation bills should originate in the Senate. There is no constitutional requirement that the bills originate in the House, just as there is no constitutional requirement that the meetings be held on the Senate side, with a Senator presiding.

It is frequently stated by some that the Constitution provides that appropriations bills originate in the House. This is based on article I, section 7, clause 1 of the Constitution which reads as follows:

> All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

I know that this issue has been raised by some House Members on various occasions. The matter came to a head in 1881, when a Senate bill requesting appropriations was brought up in the House. The House Judiciary Committee studied the matter, and the majority agreed that the Senate did have the constitutional right to initiate appropriations bills. Mr. President, I ask unanimous consent that the findings of the House Judiciary Committee—together with minority views—be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. ROBERTSON. Mr. President, the Senate is criticized by the chairman of the House committee for increasing appropriation bills. But the present process tends to force the Senate into the position of receiving final appeals on important issues. Should the procedure which the Senate Appropriations Committee has suggested be adopted, with one-half of the bills originating in the Senate, this final responsibility on the Senate-initiated bills would rest with the House. And if we alternated the bills each year, the final responsibility on a particular subject would alternate between the two bodies. This would result in a more rapid advancement of the bills through the Congress.

I repeat, Mr. President, the issue here is not a quarrel between "two stubborn old men." The issue is, Shall the Senate maintain its position of responsibility to the Nation on the important items in the appropriation bills?

The Congress of the United States consists of two coequal bodies, and the Senate Committee on Appropriations is trying to preserve for the Senate this status on the appropriation bills.

The constitutional fathers were well aware when they drafted that great body of law—our Constitution—that there would be sharp differences of opinion. They were not only aware of this; they encouraged a system of checks and balances which has endured for over 173 years. One such set of checks and balances was the creation of two coequal legislative bodies. If they—the makers of our Constitution—had intended that the decisionmaking power were to be vested in one body, they would have created a unicameral system consisting of either a Senate or a House, but not both.

The power to appropriate, as I have previously said this afternoon, is a most important one. If we are to take steps leading to the abrogation of that power by the Senate, we weaken and encourage a trend which perhaps will ultimately destroy the very foundation stones on which our Republic rests.

Less than a year ago, we in the Senate were the victims of an action which is indicative of that present trend when the House of Representatives adjourned sine die before agreement had been reached on an important appropriation bill. This action had never before occurred in the United States. Mr. President, you will recall that the Senate then had a choice of either rubberstamping the House bill or forcing the President to call the Congress back in session. We acted like gentlemen, but there is strong doubt in my mind as to the wisdom of the course we pursued.

As I stated at the outset of my remarks, no one regrets more than I the impelling reasons which necessitate my remarks today. Basically, we are all working for one common objective: the welfare of the United States of America. In my long association with Members of the House of Representatives—I was a Member of that body for 14 years—I know that they subscribe to this objective just as fully as do we Members of the Senate.

We can and must resolve this dispute. Our able majority leader has suggested that a committee be set up to recommend adjudication of the issues. This recommendation deserves serious consideration. But in so doing, let the Senate members of such a committee be fully aware of the issues at stake. This—I say again—is not a petty prestige argument between two men—it involves the question as to whether the Senate shall continue to exist as a coequal body in appropriation matters.

Since this obviously is not solely a committee matter, I hope that all Senators will address their thinking to it in an effort to seek an equitable solution. The solution may very well affect every Member, every State in the Union.

EXHIBIT 1

[46th Cong., 3d sess., House of Representatives, Rept. No. 147]

POWER OF THE SENATE TO ORIGINATE APPROPRIATION BILLS

The House having referred to the Committee on the Judiciary the bill (S. 1157) entitled "An act authorizing the Secretary of the Treasury to purchase additional lots of ground adjoining the new building for the Bureau of Engraving and Printing," with instructions to inquire into the right of the Senate under the Constitution to originate bills making appropriations of money belonging to the Treasury of the United States, and said committee having considered the same, beg leave to submit the following report:

The principal if not the only question submitted to your committee in this instance is, whether the Senate has the power to originate bills for the appropriation of money, and its correct solution depends solely upon the proper construction of the first clause of the seventh section of the first article of the Constitution, which contains the only restriction to be found anywhere upon the authority of that body to originate bills of any kind or description whatever.

That clause provides that "all bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments, as on other bills." And if the words in which it is expressed are to be taken in their ordinary acceptation, as required by the primary canon of legal interpretation, it is difficult to conceive how there could possibly be two opinions as to the idea they were intended to convey, for certainly the distinction between raising revenue and disposing of it after it has been raised is sufficiently obvious to be understood by even the commonest capacity.

It is true, nevertheless, that from the time the Constitution was framed to the present there has been an impression, more or less general, that this clause has a much broader signification than its terms imply. There have been many, indeed, whose utterances have usually received the most respectful consideration, and among them some who figured conspicuously in the framing and ratification of that instrument, who seem to have regarded the expression "bills for raising revenue," as here employed, as synonymous with the term "money bills," which at the time of the adoption of our Constitution had become quite familiar in the parliamentary language of the mother country. Mr. Madison was evidently of that impression when he referred to "the equal authority that would subsist between the two houses on all legislative subjects except in originating money bills" (Federalist, No. LVIII), as was Mr. Grayson, of Virginia, when he denounced the provision in the clause just quoted which authorizes the Senate "to propose or concur with amendments as on other bills" as "a departure from that great principle which required that the immediate representatives of the people only should interfere with money bills" (Elliot's Debates, vol. 1, p. 375). James Wilson, of Pennsylvania, a member of the convention which framed the Constitution, and subsequently one of the associate justices of the Supreme Court of the United States, in one of his lectures on law, delivered in Philadelphia in 1790–91, says: "By the Constitution of the United States money bills originate in the House of Representatives" (1 Wilson's Works, 445); and in another, speaking of the Constitutions of the United States and of Pennsylvania, he says:

"They have on this head adopted the parliamentary law of England in part; but they have not adopted it altogether. They have directed that all money bills shall originate in the House of Representatives, but they have also directed that the Senate may propose amendments in these as in other bills." (2 Wilson's Works, 161.)

Mr. Webster, in the debate which took place in the Senate on Mr. Clay's celebrated compromise tariff bill, in 1833, said:

"If it was a money bill, it belonged to the House of Representatives to originate it. * * * The constitutional provision was taken from the practice of the British Parliament, whose usages were well known to the framers of the Constitution, with the modification that the Senate might alter or amend money bills, which was denied by the House of Commons to that of the Lords." (Congressional Debates, 1832–33, vol. ix, p. 722.)

And Mr. Justice Story, in his Commentaries on the Constitution, published about the same time, after quoting the clause under discussion, says:

"This provision, so far as it regards the right to originate what are technically called money bills, is, beyond all question, borrowed from the British House of Commons." (1 Story Const., sec. 874.)

He seems, indeed, to have had a decided preference for the term "money bills," as he repeatedly employs it in his subsequent comments on the same provision as a substitute for the phrase used in the Constitution, which, taken according to its natural and obvious import, could give rise to neither doubt nor confusion.

Citations from the speeches and writings of other distinguished statesmen and jurists similar to those already adduced might be multiplied almost indefinitely, and it is probable that the frequent use of the term "money bills" by such persons, as the equivalent of the expression employed in the Constitution, may have created the impression which seems to prevail with many, that the latter embraces every variety and description of bills affecting the revenue, whether for the purpose of raising it by taxation or disposing of it by appropriation. It should be observed, however, that there is, and long has been, a wide difference of opinion as to what is embraced in the definition of the term "money bill," even as employed in English parliamentary practice.

Mr. Homersham Cox, in his work on the "Institutions of the English Government" (p. 198), defines "money bills" to be tax bills, bills of supply, and bills for the appropriation of supplies, and his definition has been approved and adopted by Mr. Todd in his treatise on the "Parliamentary Government of England" (p. 525). Bouvier, in his "Law Dictionary," defines them as "bills or projects of laws providing for raising revenue, and for making grants or appropriations of the public treasure"; and Mr. Cushing, in his work on the "Law and Practice of Parliamentary Assemblies," speaks of them as "those which grant a supply or make an appropriation of money" (sec. 2369), and says, in another place, that "the term 'money bills,' as used in the constitutions of New Hampshire and Massachusetts, is broad enough to include both the raising and the appropriation of money" (sec. 2304). Mr. Seward was also of a similar opinion. In his remarks in the Senate, in 1856, on Mr. Hunter's resolution to instruct the Committee on Finance to prepare and report such of the general appropriation bills as they might deem proper, he said:

"By money bills were understood, as now understood in Great Britain, equally bills for raising money and bills for the paying moneys for the support of the Government. Here in modern times we have come to a distinction between bills for raising moneys and bills for appropriating money or appropriating revenue; but in the British system the principle prevailed then, as it yet prevails, that the House of Commons, regarded as the representatives of the people, had the exclusive power of originating bills for the raising and for the expenditure of revenue. It was this power which carried the Commons of Great Britain through this revolution in which they saved the cause of national liberty and of constitutional freedom when it was in danger of being overborne by the influence and power of the executive and of the House of Lords." (Congressional Globe, 1st sess., 34th Cong., p. 376.)

Mr. Story, from one section in his work on the Constitution, seems to incline to the same opinion, although another section on the same subject and in the same volume leaves an entirely different inference. Speaking of the power vested in the Senate to propose amendments to bills for raising revenue, which has always been stubbornly denied to the British House of Lords, he says:

"There would be no small inconvenience in excluding the Senate from the exercise of this power of amendment and alteration, since, if any, the slightest modification were required in such a bill to make it either palatable or just, the Senate would be compelled to reject it, although an amendment of a single line might make it entirely acceptable to both Houses. Such a practical obstruction to the legislation of a free government would far outweight any supposed theoretical advantages from the possession or exercise of an exclusive power by the House of Representatives. Infinite perplexities, misunderstandings, and delays would clog the most wholesome legislation. Even the annual appropriation bills might be in danger of miscarriage on these accounts, and the most painful dissensions might ensue" (sec. 877).

On the other hand, Sir William Blackstone, whose Commentaries were published 10 years before the Declaration of Independence, and were perhaps more extensively read in America than in England at the time of the adoption of our Constitution, pretermits all mention whatever of appropriations in his definition of money bills. He says:

"First, with regard to taxes, it is the ancient indisputable privilege and right of the House of Commons that all grants of subsidies or parliamentary aids do begin in their house, and are first bestowed by them; although their grants are not effectual, to all intents and purposes, until they have the assent of the other two branches of the legislature. The general reason given for this exclusive privilege of the House of Commons is that the supplies are raised upon the body of the people, and therefore it is proper that they alone should have the right of taxing themselves. This reason would be unanswerable if the Commons taxed none but themselves; but it is notorious that a very large share of property is in the possession of the House of Lords; that this property is equally taxable and taxed as the property of the Commons; and therefore the Commons, not being the sole persons taxed, this cannot be the reason of their having the sole right of raising and modeling the supply. The true reason, arising from the spirit of our Constitution, seems to be this: The Lords being a permanent, hereditary body, created at pleasure by the King, are supposed more liable to be influenced by the Crown, and when once influenced to continue so, than the Commons, who are a temporary, elective body, freely nominated by the people. It would therefore be extremely dangerous to give the Lords any power of framing new taxes for the subject; it is sufficient that they have a power of rejecting, if they think the Commons too lavish or improvident in their grants. But so unreasonably jealous are the Commons of this valuable privilege, that herein they will not suffer the other house to exert any power but that of rejecting; they will not permit the least alteration or amendment to be made by the Lords to the mode of taxing the people by a money bill; under which appellation are included all bills by which money is directed to be raised upon the subject for any purpose or in any shape whatsoever, either for the exigencies of the Government, and collected from the kingdom in general, as the land tax, or for private benefit, and collected in any particular district, as by turnpikes, parish rates, and the like. (Blackstone's Commentaries, book 1, ch. 2, pp. 168, 169.)

And Sir Thomas Erskine May, although he offers no definition of the term "money bills," referring to a bill introduced in the House of Lords in 1860, for the repeal of the duty on paper, says:

"Nor was this strictly and in technical form a money bill. It neither granted a tax to the Crown nor recited that the paper duty was repealed in consideration of other taxes imposed." (1 May's Const. Hist., 448.)

From which it has been inferred that in his opinion that term refers alone to bills for raising revenue, notwithstanding he says in another place that—

"The Lords have no voice in questions of expenditures save that of a formal assent to the appropriation acts. They are excluded from it by the spirit and forms of the constitution." (Ibid., 444.)

A similar inference as to the opinion of Judge Cooley may perhaps be drawn from a paragraph in his admirable work on constitutional limitations. Speaking of the equal dignity and powers of the two houses of a legislative assembly, he says:

"This is the general rule; but as one body is more numerous than the other and more directly represents the people, and in many of the States is renewed more often by elections, the power to originate money bills, or bills for raising revenue, is left exclusively by the constitutions of some of the States with this body, in accordance with the custom in England, which does not permit bills of this character to originate with the House of Lords." (Cooley's Const. Limitations, 130.)

The whole subject, has, however, been recently reviewed by the Supreme Court of Massachusetts in an elaborate opinion by Chief Justice Gray, concurred in by the entire bench, and remarkable for the extraordinary learning and labor exhibited in its preparation. In pursuance of a provision in the constitution of that Commonwealth, authorizing such a procedure, the legislature of Massachusetts in April 1878, submitted to the supreme judicial court for its opinion substantially the following question: "Whether a bill appropriating money from the public treasury, and not providing for the levying of such money on the people by tax or otherwise, is a money bill which must originate in the house of representatives under the provisions of chapter 1, section 3, article 7 of the State constitution, which declares that 'all money bills shall originate in the house of representatives, but the senate may propose or concur with amendments as on other bills.'" To this the court, after the most careful and laborious examination of every available source of information, returned the following answer:

"First. The senate can, under the provisions of chapter 1, section 3, article 7, of the constitution, originate a bill or resolve appropriating money from the treasury of the Commonwealth.

"Second. The senate can, under these provisions, originate a bill or resolve involving directly or indirectly the expenditure of money from the treasury, or imposing a burden or charge thereon.

"Third. That the power to originate a bill appropriating money from the State treasury is not limited by the constitution to the house of representatives, but resides in both branches of the legislature." (126 Mass. Rep., supplement pp. 557-602.)

Whatever may be the true scope of the term "money bills," however, as employed in British parliamentary practice, and understood at the time of the adoption of our Constitution, it cannot be denied that for a long period of time the Commons of England had asserted and maintained their exclusive privilege of originating all acts for the appropriating and expenditure of the public money with the same vigilance and pertinacity with which they had claimed the sole right to originate bills for raising it. They would brook no interference on the part of the Lords with either. As far back as 1678, they resolved:

"That all aids and supplies ought to begin with the Commons, and that it is the undoubted and sole right of the Commons to direct, limit, and appoint in such bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which ought not to be changed or altered by the House of Lords." (May's Parliamentary Practice, pp. 506, 507.)

And in 1691, when the Lords had amended a bill for appointing commissioners to state the public accounts, they promptly rejected the amendments, declaring that "the disposition as well as the granting of money by act of Parliament hath ever been in the House of Commons; and these amendments relating to this disposal of money to the commissioners added by the amendments do intrench upon that right." And again in 1702, the Lords having amended a bill for the encouragement of privateers, the Commons disagreed to the amendments because they "altered several duties granted to the Crown, and likewise disposed of several sums of money arising therefrom, and other public moneys, for that the allowing of duties and the granting and disposing of all public moneys is the undoubted right of the Commons alone, and an essential part of their constitution." (3 Hatsell, pp. 124, 132, and app. 11.) So jealous, indeed, were they of this privilege that they rejected an amendment proposed by the Lords substituting lead for copper in a bill for covering the cupola of Saint Paul's; averring as their reason "that the money for building the said cathedral was granted by the Commons, and therefore the application thereof belonged to them." (3 Hatsell, 132.)

It should be observed, moreover, that for more than a century before the adoption of our Constitution, it had been the practice of the English Parliament, as it has been ever since, to embrace the provisions for raising revenue and for appropriating it in the same bill; and perhaps a want of proper attention to the mode of procedure in that regard may have led to the apparent discrepancies of opinion in relation to the nature of "money bills," already noticed. A brief outline of the method of proceeding in Parliament in relation to the raising and expenditure of money for the uses of the Government may, therefore, be somewhat useful here in elucidating the point under consideration.

For reasons into which it is unnecessary for the purposes of this report to inquire, bills for granting supplies to the Government, as well as those providing the methods for raising them, could only originate in the House of Commons, which, as said by Sir William Blackstone, has always been so "unreasonably jealous" of its privilege in that particular that it has never permitted the other house—at least for centuries past—to make the slightest alteration therein, limiting the Lords to the naked alternative of accepting or rejecting them.

Prior to 1667, propositions for granting aids and supplies to the Crown were frequently referred to select committees, and the money when raised was as often diverted to other purposes than those for which it was voted. In pursuance of a standing order made during that year, however, and which has remained substantially the same to the present time, the house, at the beginning of each Parliament, constitutes itself into what is known as "The Committee of Supply," to consider the amounts of money to be voted for the uses of the government for the current year, and to which are referred all demands for the public service which are laid before the house by direction of the Crown.

When the committee of supply has reported, and the report has been agreed to by the house, a day is appointed for the house to resolve itself into a committee "to consider of ways and means for raising the supply granted," or, as it is familiarly styled, "The Committee of Ways and Means." The business of this committee, as its title implies, is to determine the modes of raising the money which the house (upon the resolution reported by "the committee of supply" and agreed to) has granted to the Crown, being limited by rule to the amount thus granted. The "Committee of Ways and Means," therefore, proceeds to determine and report to the house the various methods by which the amount determined upon shall be raised, whether by loan or tax, and by what descriptions and rates of taxation.

When the committees of supply and ways and means have finished their sittings, the house passes a bill known as the consolidated fund bill, or more generally as the appropriation bill, in which the several grants made on recommendation of the committee of ways and means by land tax, paper tax, malt tax, etc., are recapitulated, and directed to be applied to those services which have been voted during the session in the committee of supply; specifying the particular sums granted for each service and appropriating the money that shall be paid into the exchequer for their discharge; and directing that said supplies shall not be applied to any other than the purposes mentioned in the bill. By this act, which completes the financial proceedings of the session, the supply votes originally passed by the Commons only, receive full legislative sanction. (3 Hatsell, 192-200; 1 Todd's Parl. Govt., 525-526; Cox's Insts. English Govt., 199; May's Parl. Practice, 538.)

Prior to the restoration it had not been the practice to make specific appropriations of supplies to the purposes for which they were granted, although it was done in some instances as early as the reigns of Edward III and Richard II. The extravagances of Charles II, however, and the various pretexts used by that dissolute monarch for obtaining supplies for extraordinary services, which, when secured, were immediately squandered in defraying the expenses of a licentious court, suggested the necessity of some such expedient in order to secure to the public use the money granted and raised for that purpose. But the idea thus originally conceived as a mere restriction upon those who had the management of the public revenue was at the Revolution made a part of the system of government then established for better securing the rights, liberties, and privileges of the English people; and since that era all grants made by the Commons for the service of the government for the current year have been strictly applied and appropriated to specific purposes for which they were intended in the acts of Parliament which have carried these grants into effect, and heavy penalties have been denounced by law upon officers of the exchequer and others who should divert or misapply the moneys thus levied and appropriated to any other purpose than those for which they were granted. (3 Hatsell, 202-206; Cox Inst. Eng. Govt., 200; 1 Todd's Parl. Govt., 526-529.)

It appears from the foregoing that according to English parliamentary practice, as it existed at the time of the formation of our Constitution and still prevails, the appropriation of the public revenue was a mere incident to measures by which it was granted to the Crown and brought into the exchequer; that the House of Commons claimed and maintained the exclusive right to determine the amount to be raised, the methods by which it should be raised, the services to which it should be appropriated, and the manner in which it should be expended; that these several features were usually incorporated and received legislative sanction in the same act; and that they would countenance no interference with either of them by the other house on any pretense or for any purpose whatever.

Assuming, therefore, that the framers of the Constitution were familiar with the practice of the British Parliament in this regard, as well as with the principles upon which it was founded, and that they had it in immediate view when the provision under discussion was adopted, as the most cursory examination of the debates and proceedings in relation to it will show to be true, the question recurs as to the extent to which they intended to incorporate it in our own system of Federal legislation; and if that intention were to be gathered alone from the simple and unambiguous language in which they chose to express it, there would be, as has already been intimated, but little if any difficulty involved in the inquiry, for the unlimited power of alteration and amendment vested in the Senate certainly deprives the House of the exclusive privilege of determining either the amount of revenue to be raised or the methods by which it is to be provided; and if they had intended to secure to the House the sole right to originate appropriation bills, for which the Commons had contended with their characteristic pertinacity for more than two centuries, it is but reasonable to suppose that they would have done so in perfectly plain and unequivocal terms.

It has been claimed, however, that questions of constitutional construction are in a great degree historical, and not to be determined by a mere interpretation of the language employed in the instrument. A brief review of the proceedings of the convention which resulted in the adoption of the provision under consideration may therefore be somewhat serviceable in elucidating its meaning.

On the 29th of May 1787, two propositions in relation to the matter were presented to the convention: One by Edmund Randolph, of Virginia, "that each branch of the legislature ought to possess the right of originating bills;" and the other by Charles Pinckney, of South Carolina, that "all money bills shall originate in the house of delegates, and shall not be altered by the senate." (4 Elliot's Debates, pp. 41, 44; The Madison Papers, pp. 732, 787.) Conceding the term "money bills" to include those making appropriations as well as those for raising revenue, this covered the entire scope of the privilege, with respect to such matters, which was claimed by the English House of Commons.

On the 31st of the same month the proposition of Mr. Randolph was agreed to in Committee of the Whole unanimously without debate (The Madison Papers, 759), and on the 13th of June Mr. Gerry, of Massachusetts, seconded by Mr. Pinckney, of South Carolina, moved to amend it by adding the words "excepting money bills, which shall originate in the first branch of the national legislature." The amendment was opposed by Mr. Madison, Mr. Butler, Mr. Sherman, and General Pinckney, and was finally voted down, three States voting for, and seven, including Massachusetts and South Carolina, against it (4 Elliot's Debates, 69; Madison Papers, 857–858), and on the 19th of June it was reported to the House from the Committee of the Whole, and on the 26th following it passed unanimously. (Madison Papers, 973.)

The question of representation in the two branches of Congress having come up for consideration, a committee consisting of one member from each State was selected by ballot on the 2d of July, with Mr. Gerry from Massachusetts at its head, to consider the resolutions relating to that subject, and on the 5th of July that committee reported to the convention the following propositions:

"1. That, in the first branch of the legislature, each of the States now in the Union be allowed 1 member for every 40,000 inhabitants of the description reported in the seventh resolution of the Committee of the Whole House; that for each State not containing that number shall be allowed 1 member; that all bills for raising or appropriating money, and for fixing the salaries of the officers of the Government of the United States, shall originate in the first branch of the legislature, and shall not be altered or amended by the second branch; and that no money shall be drawn from the public treasury but in pursuance of appropriations to be originated by the first branch.

"2. That, in the second branch of the legislature, each State shall have an equal vote." (Madison Papers, 1024.)

This report gave rise, it seems, to considerable discussion, and finally, on the question as to whether the clause relating to money bills should stand as part of the report, the vote stood five States in the affirmative, three in the negative and three divided. (Ibid., 1045.) The first part of the proposition had been previously referred to a select committee.

On the 16th of July that committee submitted a report embodying the whole subject of representation and money bills, fixing the number of Representatives, providing that representation ought to be proportioned to direct taxation, giving each State an equal representation in the Senate, and containing the following provision:

"That all bills for raising or appropriating money, and for fixing the salaries of the officers of the Government of the United States, shall originate in the first branch of the legislature of the United States, and shall not be altered or amended by the second branch; and that no money shall be drawn from the public treasury but in pursuance or appropriations to be originated by the first branch."

Which was agreed to as a whole, five States voting in the affirmative, four in the negative, and one divided. (Ibid., 1107.)

On the 26th of July all the propositions previously adopted were referred to the committee on detail, which, on the 6th of August, reported a draft of a constitution in which the resolution just quoted appeared as section 5, article 5 (ibid., 1228); which, on motion of Mr. Pinckney, was stricken out on the 8th by a vote of seven States against four. (Ibid., 1268.) This vote was reconsidered, however, on motion of Mr. Randolph, who, on the 13th of August, moved to amend the clause so that it would read:

"Bills for raising money for the purpose of revenue, and for appropriating the same, shall originate in the House of Representatives; and shall not be so amended or altered by the Senate as to increase or diminish the sum to be raised or change the mode of levying it, or the object of its appropriation." (Ibid., 1305–1306.)

It will be observed that this was in exact accordance with the practice in the English Parliament, and covered the entire ground of privilege in that regard which was claimed by the House of Commons. The question on this proposition being divided, the vote stood on the exclusive origination of money bills in the House, ayes 4, noes 7; and on excluding the Senate from the right to alter or amend, ayes 4, noes 7; and on the exclusive origination of appropriation bills in the House, ayes 1, noes 10. (Ib., 1316.)

On the 15th of August Mr. Strong moved to amend section 12, article 6, so as to read:

"Each House shall possess the right of originating all bills except bills for raising money for the purposes of revenue, or for appropriating the same, and for fixing the salaries of the officers of the Government, which shall originate in the House of Representatives; but the Senate may propose or concur with amendments as in other cases."

The consideration of that article was, however, postponed, and on the 5th of September the committee reported a substitute for the section in the following words:

"All bills for raising revenue shall originate in the House of Representatives, and shall be subject to alterations and amendments by the Senate; no money shall be drawn from the Treasury but in consequence of appropriations made by law."

This proposition was taken up on the 8th, and the first member of the clause, "All bills for raising revenue shall originate in the House of Representatives," was agreed to by a vote of nine ayes to two noes. It was then moved to strike out the second branch, and insert the words used in the constitution of Massachusetts, "but the Senate may propose or concur with amendments as in other bills," which was agreed to nemine contradicente, and the provision as thus amended became the first clause of the seventh section of the first article of the Constitution as it now stands, while the last clause, "no money shall be drawn from the treasury but in consequence of appropriations made by law," was transfererd to the ninth section of the same article. (The Madison Papers, 1330, 1494, 1530.)

From this brief summary it will be seen that the proposition was more than once presented to the convention to vest in the House of Representatives the exclusive privilege of originating "all money bills" co nomine, which was as often rejected. It would seem obvious, therefore, that the framers of the Constitution did not intend that the expression "bills for raising revenue," as employed by them, should be taken as the equivalent of that term as it was understood in English parliamentary practice; for, if they had so intended, they would surely have used that term itself, which had already received a fixed and definite signification from long and familiar usage, instead of the one they chose to employ.

But it may be said that they declined to use the term "money bill" because, as was argued by some in the convention, it was an indefinite expression, which might give rise to doubt, discussion, and difficulty, especially as to whether it was sufficiently comprehensive to embrace the appropriation as well as the raising of revenue. This, however, would place the matter in no clearer light, for, as has been shown, the proposition was made in the plainest and most unequivocal language to confer upon the House of Representatives the exclusive privilege of originating all bills for appropriating money, which was also rejected.

Nor will it do to say that this was done under any misapprehension or from any want of proper deliberation. No provision in the entire Constitution was more elaborately discussed or more carefully considered. The policy of investing the House of Representatives with the exclusive privileges exercised by the English House of Commons in relation to "money bills" was persistently and ably urged by such distinguished and patriotic statesmen as George Mason, Elbridge Gerry, and Benjamin Franklin; and the impropriety of making any discrimination whatever beteen the two Houses as to their power to originate any bills was as forcibly presented by Madison, Gouverneur Morris, Oliver Ellsworth, James Wilson, and Roger Sherman. To say that the illustrious men who composed the Federal Convention were incapable of declaring in clear and unmistakable language that the House of Representatives should have the sole right to originate appropriation bills, if such had been their intention, would be an insult to their intelligence, which, in view of the precise and perspicuous terms used in the resolution reported by Mr. Gerry, the substitute offered by Mr. Randolph, and the amendment proposed by Mr. Strong, could only stultify the person who might hazard such an insinuation; and it would be no less an imputation upon their integrity and candor, as well as a gross abuse of construction, to suppose that they intended to be understood as meaning precisely what they repeatedly refused to say in plain words, especially when such a meaning cannot be inferred by any possibility from the language they actually employed, if that language is taken according to its natural and ordinary import.

It is true that in 1856 Mr. Seward, Mr. Sumner, and Mr. Wilson opposed the origination of certain general appropriation bills by the Senate, upon the grounds that although the exercise of such a power was within the letter it would be contrary to the spirit of the Constitution, and a departure from usage; but in the judgment of your committee neither of those positions was tenable. That it was never the intention of the framers of the Constitution to withhold the power of originating such bills from the Senate, they think has already been shown both from the language used in that instrument and the circumstances under which that language was employed; and surely if the Senate was ever invested with that power by the Constitution, it cannot be said to have lost it by nonuse. Fortunately for us, that is not the way in which our constitutional provisions are changed, nor can they be altered by mere parliamentary practice. They must remain in the plain words in which they are written until amended by the concurrent votes of two-thirds of each branch of Congress and the legislatures of three-fourths of all the States in the Union, and while they remain they must be construed according to the simple and well settled rules of interpretation applicable to all other written language.

It is true, moreover, that the general appropriation bills which originated in the Senate in 1856 were laid on the table by the House; but that circumstance proves nothing to the purpose of this inquiry, for it will be seen by reference to the recorded history of that transaction that the reason assigned for that disposition of them was not that the Senate had no constitutional right to originate them, but the fact that similar bills had already passed the House and been concurred in by the other branch of Congress. On the contrary, if the mere practice of the two Houses or of either of them can be said to affect in any way a clear constitutional principle, instances in which the House has passed, without objection, appropriation bills which have originated in the Senate, might be adduced in sufficient numbers to fill a volume.

With the policy of such a provision your committee has nothing to do. That was a matter to be considered and determined by the convention which framed the Constitution and the States which ratified it. And whether they acted wisely or unwisely in that regard cannot alter the fact that there is nothing in the language of the Constitution to indicate an intention on their part to withhold from the Senate the power to originate bills for the appropriation of money, or that they repeatedly rejected a proposition to confine that privilege to the House of Representatives, although presented in the most emphatic and unequivocal terms. Believing, therefore, from the plain letter of the Constitution, as well as from all the circumstances surrounding the adoption of the provision in question, that the Senate had the clear right to originate the bill, they report it back to the House, with the recommendation that it be referred to the Committee on Appropriations, and that following resolution be adopted:

Resolved, That the Senate had the constitutional power to originate the bill referred, and that the power to originate bills appropriating money from the Treasury of the United States is not exclusive in the House of Representatives.

VIEWS OF THE MINORITY

The minority of the Committee on the Judiciary, to whom was referred Senate bill 1157, present the following views:

The question presented by the reference of these bills to this committee is, Has the Senate the right to originate bills appropriating money from the Treasury of the United States? It is conceded that all bills may originate in the Senate as well as in the House, except the bills referred to in section 7 of article 1 of the Constitution, which provides that "All bills for raising revenue shall originate in the House of Representatives."

The decision of the question above stated depends, therefore, upon the determination of the further one, Are bills appropriating money bills for raising revenue? For, manifestly, if they be, they can originate in the House of Representatives only. We shall, therefore, address ourselves at once to the consideration of this question, and endeavor to establish that bills appropriating public money are bills for raising revenue.

First. This appears from the original and approved meaning of the term "revenue." At the beginning, it is well to understand the precise signification of the terms we shall employ in this discussion. An appropriation bill is one which sets aside for specific public use money which has been collected by the authority of the Government. A bill raising revenue is one which makes or creates revenue. Revenue is the annual income of a State, derived from taxation, customs, excises, and other sources, and appropriated to the payment of the national expenses.

This definition is approved by many of the best authorities, and is not inconsistent with that given by any.

Webster defines revenue to be "the annual produce of taxes which a nation or state collects and receives into the treasury for public use."

The mere collection and receiving into the public treasury, by this definition, are not sufficient, but it must be such collection and receiving as are for the public use. It is, therefore, that money only, collected and received into the treasury, which has been made available for the public use which constitutes the revenue for the State; for unless the public can use it, it is not revenue.

Worcester defines revenue to be "The income of a nation or State derived from duties, taxes, and other sources, for the payment of the national expenses." The same criticism which has been made upon the definition of Webster may be made here, but what is more significant in determining the sense intended here to be given to the word is found in the reference in Worcester to Brande's Dictionary of Science and Art as authority, than which there is none higher in the language.

Brande defines revenue to be "the name given to the incomes of a State derived from the customs, excises, taxation, and other sources, and appropriated to the payment of the national expenses."

Brande's Dictionary, volume 8, page 269.

This definition is approved in the Imperial Dictionary, the present standard dictionary of Great Britain, in the following words: "Revenue is the annual income of a State, derived from the taxation, customs excises, and other sources, and appropriated to the payment of the national expenses."

Nor could any other definition have been given by those who had considered the sources of the royal revenue in English history. The revenue of the Crown of England is ordinary and extraordinary; the former is attached to the Crown by hereditary right; the latter is specially granted by Parliament as a supply for national purposes. (Chambers, vol. 8, 222.) As the ordinary revenues became less and less valuable in progress of time, those extraordinary were raised to take their place and provide for the necessary expenses of the Government. The following references will show that this revenue was the supply or subsidy voted or granted by the Commons to the King:

Chambers, volume 8, 222.

Constance on Constitution, 168.

May, volume 1, 193.

Blackstone, revised edition, volume 1, page 274.

Millar's English Government, page 27.

Money, therefore, to be revenue to the King, must have been granted to him. It is true, for many years he had the privilege of spending it as he pleased, but he could not spend it until it had been granted. The levying of the tax, the collection of the taxes, was not sufficient to make it royal revenue; these were merely the preliminary steps. The essential act to constitute it revenue was the grant, without which not one dollar could have been used for the national expenses. As will be seen hereafter, the appropriation grew to be an essential part of the grant, so that at the time of the establishment of our Constitution there could have been no revenue in England for the Crown which had not been appropriated for the national expenses by the House of Commons. The term "revenue" in the Constitution must have been used in its universally accepted sense, and therefore, in section 7 of article 1, bills raising revenue must include bills appropriating money to the use of Government as well as bills providing for levying and collecting taxes.

Second. The proceedings in the constitutional convention show very clearly that the term "revenue" was intended to be used in its ordinary sense of appropriating as well as collecting money for uses of the Government.

The first provision on this subject in that convention appeared in the plan of Mr. Charles Pinckney as follows:

"All money bills of every kind shall originate in the House of Delegates, and shall not be altered by the Senate." (Madison's Papers, p. 129.)

After debate had proceeded for some time in convention, it was found that great differences of opinion had arisen, which it was proposed to refer to a committee of compromise The committee was appointed, with Mr. Gerry as chairman, who reported a recommendation to the convention, which, upon this point, contained the following provisions:

"All bills for raising or appropriating money * * * shall originate in the first branch of the legislature, and shall not be altered or amended in the second branch." (Madison's Papers, p. 274.)

The report was in substance adopted in convention, and provided that—

"All bills for raising or appropriating money shall originate in the first branch of the legislature, and shall not be altered or amended in the Senate." (Madison, p. 316.)

In the same phrase it was referred to the committee on detail (Madison, p. 375), who reported it back to the convention in the following form:

"Sec. 5, art. 4. All bills for raising or appropriating money * * * shall originate in the House of Representatives, and shall not be altered or amended in the Senate."

Upon first consideration this section was stricken out by a vote of 7 States to 4.

Afterward it was reconsidered, and Mr. Randolph moved to amend so that it would read:

"Bills for raising money for the purpose of revenue or for appropriating the same shall originate in the House of Representatives, and shall not be amended or altered by the Senate as to increase or diminish the sum to be raised or change the mode of levying it or the object of its appropriation." (Madison, p. 414.)

A further amendment was proposed by Mr. Strong. (P. 427.)

"Each House shall possess the right of originating all bills except bills for raising money for the purpose of revenue and appropriating the same, which shall originate in the House of Representatives, but the Senate may propose or concur with amendments as in other cases."

The committee of eleven reported the final draft as follows:

"All bills for raising revenue shall originate in the House of Representatives and shall be subject to alteration and amendment by the Senate."

This was at last adopted with an amendment striking out the last clause and inserting "but the Senate may propose or concur with amendments, as in other bills."

The committee of eleven, in considering and reporting the clause in its present form had before them all the propositions which had been submitted to the convention. These were "all money bills of every kind," "all bills for raising or appropriating money," and "all bills for raising money for the purpose of revenue and appropriating the same." For all of them they substituted the phrase "all bills for raising revenue." What did they intend by this change? Certainly they intended more than merely raising money, for with that phrase in so many propositions before them they could have easily adopted it if nothing more had been meant. What then, more than merely raising money, was intended? Manifestly as much more than that as may be included in the meaning of the word "revenue."

Only two theories can be maintained as to the action of the convention on this subject, either that they excluded from the power of origination by the House bills appropriating money, or that they included them in the term "bills for raising revenue." Every proposition upon the subject, in the early days of the convention, provided that bills appropriating money should be originated in the House; the bills named in the proposition were called money bills generically in the debates before the committee made their report; the bills provided for in the report of the committee were called "money bills" in the convention after the report had been made, clearly implying that in substance the report as made was intended to include the same propositions upon this point which had been so often before the convention and so frequently discussed. If the report had been intended to provide only that the House should originate bills for raising money, would it not have been easy to have said so? If the power of appropriating money which has always been so indispensable a part of money bills had been intended to be omitted, would the "bills for raising revenue" have been called "money bills" in the subsequent debates, and would not the omission have naturally occasioned some criticism and opposition in the convention on the part of those who so strenuously insisted, as Dr. Franklin put it, "that it was important that the people should know who had disposed of their money and how it had been disposed of."

The evident desire of the promoters of this proposition to have the House of Representatives originate money bills, as did the House of Commons; the persistent application of the term "money bills" to the bills referred to, both before and after the provision was adopted in its present form; the fact that every proposition included the idea of appropriating money; the silence on the part of the advocates of the proposition as to the clause as finally reported, which is inexplicable if the most important power in the origination of money bills, to wit, bills appropriating money, were to be excluded; the use of a new phrase, which means more than bills for raising money, all make it clear that when the phrase "bills for raising revenue" was employed it was intended to express the thought which was included in the words "money bills," which was set forth in every proposition presented to the convention, and which is included in the word "revenue," viz, that bills appropriating money shall originate in the House as well as those which provide for its collection and receipt into the Treasury.

Right at this point we desire to say a few words as to the recent remarkable decision of the Supreme Court of Massachusetts.

Under the constitution of that State, a question was submitted to that court for decision, substantially as follows: "Whether a bill appropriating money from the public treasury, and not providing for the levying of such money on the people by tax or otherwise, is a money bill which must originate in the house of representatives, under the provisions of the State constitution, which declare that "All money bills shall originate in the house of representatives; but the senate may propose or concur with amendments, as on other bills."

The court decided that "the power to originate a bill appropriating money from the public treasury is not limited by the constitution to the house of representatives; but resides in both branches of the legislature." In other words, the court held that a bill appropriating money was not a "money bill."

This decision rests upon two propositions, which we will state in the words of the court:

"The right asserted by the House of Commons in the resolution of 1678, to which we will hereafter refer, is that of granting aid and supplies to the King, and originating bills for such grants, and of specifying in such bills the object to which and the modes in which the money granted by these bills shall be applied. But nothing is there said as to the right of the Lords, when money has once been granted by the Commons without specific appropriation, to originate or amend a bill appropriating it to particular uses or purposes."

This proposition proceeds upon a total misapprehension of the power of appropriation as exercised in the British Parliament. Prior to the reign of Charles II, grants to the King were seldom accompanied by specific directions as to the method of expenditure. During that reign the Commons insisted that the money granted should be used for a particular purpose, and provided in express terms that it should not be used for any other purpose. In Tod's "Parliamentary Government" (vol 1,526), it is said:

"The constitutional rule that the sums granted and appropriated by the Commons for any special service should be applied by the executive power only to defray the expense of that service, although not wholly unrecognizable in earlier times, was first distinctly enunciated and partially enforced after the restoration. But it was not until the resolution of 1678 that this great principle was firmly established and incorporated into the system of parliamentary government."

The office of the appropriation clause, as it is termed in the English system, was to prevent supplies from being directed from the objects for which they were granted. This clause was annexed to the supply bill, usually at the end of the session of Parliament. The procedure was as follows: The rate of expenditure, or the ways and means, were first fixed in the tax bills; the money thus raised was granted for particular purposes in the supplying bill. After all the grants had been made, a bill enumerating them and the purposes for which they had been voted was proposed, with a clause as follows:

"That the said aids and supplies shall not be issued or applied to any use, intent, or purpose other than those before mentioned."

This bill was the appropriation bill. From this it is clear that an appropriation bill is a part of the supply bill, an incident to the grant to the King. It could not, therefore, from the very nature of the case, originate anywhere else than in the House of Commons, where only the grants themselves could originate. Of course there was nothing said as to the right of the Lords, when money has been once granted by the Commons without specific appropriation, to originate or amend a bill appropriating it to particular uses or purposes; and for the manifest reason that the appropriation was part of the grant, and there would have been as much sense in saying that the House of Lords could originate the one as the other.

Another statement, as remarkable as the one just considered, is made further on in the opinion:

"The result of the review of this branch of the subject is that it cannot be considered to have been settled in England before 1780, when the constitution of the Commonwealth of Massachusetts was adopted, that the appropriation to particular objects of moneys in the treasury or exchequer of the sovereign belonged exclusively to the House of Commons, and that bills for such appropriation must originate in the House."

From what has already been said, it must appear that as soon as it was settled that there should be bills of appropriation it was also settled that they must originate in the House of Commons. This principle of appropriation was, as already stated, incorporated into the English Constitution during the reign of Charles II. It was asserted in 1678 in the following resolution of the Commons:

"That all aids and supplies, and aids to His Majesty in Parliament, are the sole gift of the Commons, and that it is the undoubted and sole right of the Commons to direct, limit, and appoint in such bill the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which ought not to be changed or altered by the House of Lords" (Cox, British Cons., 104).

On this subject May says, in volume 2, 469, of his "Parliamentary History": "For centuries they [the Commons] had resented any meddling of the other House with matters of supplies, and in the reign of Charles II they successfully maintained their exclusive right to determine as to the matter, the measure, and the time of every tax imposed upon the people. In the same reign they began to scrutinize the public expenditure, and introduced the salutary practice of appropriating their grants to particular purposes." Mark the words, "they appropriated their grants."

In Hearn, British Government, 343, it is said:

"From that time (Dutch war of 1665) the appropriation of parliamentary supplies became an undisputed principle. It was recognized by frequent though not uniform practice during the reign of Charles and of James, and from the time of the Revolution has been invariable."

It is useless to cite further authority. The writers all concur in the statements upon this point, which show that it was settled in England for more than a century before 1780, when the constitution of the Commonwealth of Massachusetts was adopted, that the public moneys should be appropriated to particular objects, and that bills making such appropriations should originate in the House of Commons.

Tod, in his work above referred to, volume 1, page 525, says, "Money bills are of three kinds, tax bills, bills of supply, and bills of appropriation."

We accept the definition of money bills given by this philosophical writer, whose work from which it is taken is one of the ablest and most exhaustive treatises on English parliamentary government ever written, rather than the opinion of the Supreme Court of Massachusetts, based as it is upon gross errors as to the nature of English appropriation bills, and as to one of the most patent facts of English history.

Third. The speeches in the conventions of the different States called for the consideration of the Constitution, the writings of the friends of that instrument published for the purpose of securing its adoption, the expressions of members of the Constitutional Convention, and the opinions of the ablest commentators upon the Constitution, all show that the phrase "bills for raising revenue" was the equivalent of "money bills," which in the English Government at the time of the framing of our Constitution included bills of appropriation.

In Massachusetts, Mr. Parsons said:

"Under the Constitution an equal representation immediately from the people is introduced, who, by their negative and the exclusive right of originating money bills, have the power to control the Senate, where the sovereignty of the States is represented." (3 Elliott's Debates, p. 108.)

In Pennsylvania (3 Elliott's Reports, 418), Mr. Wilson said:

"Money bills must originate in the House of Representatives."

In North Carolina (4 Elliott, 144), Mr. Iredell said:

"Yet, under these disadvantages, they (the Commons) having the sole power of originating bills, it has been found that the power of the kings and lords is much less considerable than theirs. * * * If, under such circumstances, such representatives, mere shadows of representatives, by having the power of the purse and the sacred name of the people to rely upon, are an overmatch for the king and lords, who have such great hereditary qualifications, we may safely conclude that our own representatives, who will be genuine representatives of the people, and having equally the right of originating money bills, will at least be a match for the Senate, possessing qualifications so inferior to those of the House of Lords in England."

Mr. Madison said, in the First Congress:

"The Constitution places the power in the House of originating money bills."

Mr. Hamilton says, in the 58th number of the Federalist:

"The House of Representatives cannot only refuse, but they alone can propose, the supplies requisite for the support of the Government. They, in a word, hold the purse, that powerful instrument by which we behold in the history of the British constitution an infant and humble representative of the people, gradually enlarging the sphere of its activity and importance, and finally reducing, as far as it seems to have wished, all the overgrown prerogatives of the other branches of the Government. This power over the purse may in fact be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people for obtaining a redress of every grievance and for carrying into effect every just and salutary measure."

In Tucker's Appendix to Blackstone's Commentaries, volume 1, page 215:

"The exclusive privileges of the House of Commons and of our House of Representatives with some small variations, are the same. The first, relating to money bills, in which no amendment is permitted to be made in the House of Lords, is modified in our Constitution so as to give the Senate a concurrent right in every respect except in the power of originating them."

In Wilson's Works (vol. 1, p. 445), it is said:

"By the Constitution of the United States money bills originate in the House of Representatives."

It would be a waste of time to cite further quotations. It is sufficient to say that almost without exception every person who has discussed this subject in Congress, and every commentator upon the Constitution, speaks of bills for raising revenue as "money bills." In addition to what has already been said as to the meaning of the latter phrase, we will here cite the definition of Cushing, in his work on Parliamentary Law, section 2369:

"Money bills are those which grant a supply or make an appropriation."

An extract on this point from the inaugural address of President Washington will not be inappropriate:

"To the preceding observations I have one to add which will be most properly addressed to the House of Representatives. It concerns myself, and will, therefore, be as brief as possible. When I was first honored with a call into the service of my country, then on the eve of an arduous struggle for its liberties, the light in which I contemplated my duty required that I should renounce every pecuniary compensation. From this resolution I have in no instance departed, and, being still under the impression which produced it, I must decline, as inapplicable to myself, any share in the personal emoluments which may indispensably be included in a permanent provision of the executive department, and must, accordingly, pray that the pecuniary estimates for the station in which I am placed may, during my continuance in it, be limited to such actual expenditure as the public good may be thought to require."

What significance was there in his addressing this part of his message to the House of Representatives, relating, as it did, to matters of appropriations, if it had not been his opinion that the House had the power of originating appropriation bills? And does it not signify that such was the current opinion of that time?

Fourth. From the time of the First Congress, appropriation bills have, with few exceptions, originated in the House. These exceptions are unimportant, either in number or amount, and on that account the House, without objection, has permitted the bills included in such exceptions, which have originated in the Senate, to become laws. They are not of sufficient consequence to be regarded as precedents to establish the right in the Senate to originate such bills when confronted with the unvarying usage that all general appropriation bills have originated in the lower branch of Congress. On one occasion, in 1857, the Senate did originate a general bill of appropriation which it sent to the House, but the latter body entirely ignored it, and originated, as usual, its own bill. With this exception, the Senate has uniformly awaited the action of the House in originating bills of appropriation and confined itself as in other bills of revenue to the proposing of amendments to them.

The first appropriation bill provided in its opening section the sources from which the money should be drawn, and afterward directed the purposes to which it should be applied. In one of the first bills for the imposition of duties, it was provided that out of the proceeds a sum of $600,000 should be set aside annually for the public expenditure, and in almost every general appropriation bill until 1813 it was declared that out of that $600,000 the sums set aside for particular purposes should be paid. These enactments were in manifest analogy to similar legislation in the British Parliament and show plainly that the early opinion was universal that the House of Representatives possessed the same power over money bills which belonged to the House of Commons.

Fifth. The Constitution itself, in conferring the power of appropriation and in providing the method of its exercise, confirms the position here maintained. The power of raising money and of appropriating money is conferred in the same phrase. Section 8, article I, provides that—

"The Congress shall have Power To lay and collect Taxes, Duties, Imposts, and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States."

The first part of the sentence confers the power of raising money, the second the power of appropriating it. They are inseparably connected. The power of appropriation seems to be a part of the first power, granted to complete and perfect it. Whatever therefore affects the one must affect the other. Whatever limitations are put upon the first must extend to the second, because the second only exists as incidental to the first. The taxes are levied to pay the debts of the United States. The money is raised to be appropriated to the public use. As this provision relates to the raising of the revenue, it authorizes the enactment of all proper laws upon the subject. As part of the bills for which it provides must originate in the House, there seems to be no reason that other bills authorized by its provisions relating to the same subject, kindred in nature and necessary to the complete execution of the powers conferred, should not likewise originate in that body.

President Monroe, in his message respecting the bill for the repairs of the Cumberland Road (May 4, 1822), in speaking of this section, said:

"That the second part of this grant gives a right to appropriate the public money, and nothing more, is evident from the following considerations:

"1. If the right of appropriation is not given by this clause it is not given at all, there being no other grant in the Constitution which gives it directly, or which has any bearing upon the subject, even by implication, except the two following."

Which we will hereafter consider.

"2. This part of the grant has none of the characteristics of a distinct and original power. It is manifestly incidental to the great objects of the first grant, which authorizes Congress to lay and collect taxes, duties, imposts, and excises. * * * Congress shall have power to lay and collect taxes, duties, imposts, and excises for what purpose? To pay the debts and provide for the common defense and general welfare of the United States. An arrangement and phraseology which clearly show that the latter part of the clause was intended to enumerate the purposes to which the money thus raised might be appropriated."

Further on President Monroe says:

"The right of appropriation is therefore from its nature secondary, and incidental to the right of raising money, and it was proper to place it in the same grant and same clause with that right."

And still later he says:

"If we look to the second branch of this power, that which authorizes the appropriation of money thus raised, we find that it is not less general and unqualified than the power to raise it. More comprehensive terms than to 'pay the debts and provide for the common defense and general welfare' could not have been used. So intimately connected with and dependent on each other are these two branches of power that, had either been limited, the limitation would have had a like effect on the other. Had the power to raise money been conditional or restricted to special purposes, the appropriation must have corresponded with it."

Upon this point it is unnecessary to say more. The power to raise money, it is conceded, is limited and conditioned to this extent, that bills raising it must originate in the House; the bill appropriating money, it results from the opinion of this great authority, must correspond with it.

In passing, we desire to call attention to the two provisions of the Constitution in which appropriations are expressly mentioned.

In section 8 of article I it is provided that "no appropriation of money to that use"—the Army—"shall be for a longer term than two years." Section 9 of article I:

"No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law."

The only remark we desire to make as to these provisions in this discussion is, that if the word "revenue" in section 7 of that article has the restricted sense which is claimed for it in the report of the subcommittee, it would have made the phraseology of the Constitution more consistent with itself to have said in these sections: "No appropriation of revenue shall be made to that use," and "no revenue shall be drawn from the Treasury but in consequence of appropriations made by law."

Lastly. The consequences from the adoption of the view of the subcommittee would be destructive of the objects sought to be accomplished by the section under consideration. The purpose of this provision was to give the immediate representatives of the people the control of the purse. That power is of little consequence if it can be exercised only to put money into the Treasury. The control of the expenditure is of, by far, the greater importance. To give to the House the power of raising money and to the Senate the power of expending it would be to control the grants of the former through the debts of the latter. To give to the House the power to originate bills to raise money, and the Senate the power to originate bills to spend it would be, in like manner, to permit the latter to govern the discretion of the former as to the origination of tax-bills. It may be said that Senate bills appropriating money could not become laws without the consent of the House, so that no appropriation could be made without the permission of the latter. But the reply is that it is the power of originating bills which was thought to be of such value in this connection. This power of originating bills for raising money can accomplish but little if the discretion of the body invested with it can be affected by the originating power of another body as will certainly be the case if the Senate can originate appropriation bills, as has been claimed.

Again, it must be remembered that a bill levying taxes or imposing duties for raising money is passed only once in every 10 or 15 years. Few amendments are made to it afterward, until a new system is adopted. To confine the power of origination to such bills would be to deprive the Representatives for the greater part of the time of any control of the purse under this section, for after the tax bills have been passed and the money from them has been gathered annually into the Treasury, the Senate, under the views of the subcommittee, would have equal power with the House over the money collected.

When we remember the practices as to money bills in the English Parliament, and the purposes of the framers of the Government in adopting this principle, we cannot believe that they intended to grant to the House such an idle and barren power as that would be of originating bills to raise money without power of originating bills to expend it.

There were several reasons combining to secure the adoption of this provision in the Constitution. Some desired it because it gave to the people the control of the purse, some because it would operate as a restriction upon the Senate, but the most, chiefly because the proviso was part of a compromise made between the great and small States. The Senate was composed of representatives from the States which stood equally in that body. It confirmed appointments, and, with the President, made treaties. To satisfy the larger States, which objected that the smaller States should be equal with them in so important a body, this section was adopted to give to the representatives of the people, who were chosen according to a basis of population, the power over the revenue. Without this provision it is improbable that the Constitution would have ever been adopted. It was the compromise of which it is a part that made the adoption of that instrument possible. We think it is one of the highest duties of the House to maintain this compromise in its fullest meaning, and even if it were doubtful whether the House possessed the power to originate appropriation bills, we think the doubt should be resolved, at least by this House, in favor of its possession of the power.

We think with Mr. White who, in the first Congress, said, "The Constitution having authorized the House of Representatives to originate money bills, places an important trust in our hands which, as their protectors, we ought not to part with."

We therefore recommend the adoption of the following resolution:

"*Resolved*, That the seventh section of article I of the Constitution, which provides that 'All bills for raising revenue shall originate in the House of Representatives,' confers exclusive power upon the House to originate bills appropriating money from the public treasury.

"*Resolved*, That the Senate bill which has been referred to this committee be returned to the Senate of the United States with a copy of these resolutions."

Frank H. Hurd.
John F. House.
John W. Ryon.
E. G. Lapham.
Charles G. Williams.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. As one Member on this side of the aisle who has been on the Appropriations Committee for the past 10 years, I resent—and I know every member of the Appropriations Committee and of the Senate resents—the charge that we have been responsible for raising appropriations by some $22 billion——

Mr. ROBERTSON. Thirty-two billion dollars.

Mr. SALTONSTALL. Thirty-two billion dollars. We know that many bills come to the Senate which provide for amounts under the needs of the Government, and we know we have to do something about it in order that the Government may carry on its functions.

Mr. ROBERTSON. That is correct. We had to provide supplemental appropriations, which were not presented to the House and not taken into consideration when the House made its charges, which exceeded $14 billion. They were in the budget requests, and they had to come to the Senate later as supplemental requests.

Mr. SALTONSTALL. The Senate Appropriations Committee has offered to appoint a committee to jointly decide this question as it will concern the next session of Congress. Is that correct?

Mr. ROBERTSON. That is correct.

Mr. SALTONSTALL. With the idea that in this session of Congress the historical method shall be decided on as the procedure to be followed?

Mr. ROBERTSON. That is correct.

Mr. SALTONSTALL. The House, after a meeting, came back with a lot of "whereases," with which I disagree heartily, and with the suggestion that a committee should be appointed to agree on conference procedure beginning with the current session.

Mr. ROBERTSON. The Senator from Massachusetts participated in one of those conferences, in which we agreed to meet on the House side and alternate the chairmanship, provided the House would let the Senate originate half of the bills. We got nowhere. We offered another friendly gesture which got nowhere with the House leadership, and we received in return an insulting letter from the chairman of the House committee. We suggested something else, and received another insulting reply. What can we do unless we make a complete surrender?

Mr. SALTONSTALL. In view of the resolution containing the "whereases," which are very misleading and wrong and unfriendly, I am asking the Senator from Virginia whether we should again seek a committee at the present time to decide as to procedure, or continue the situation as it exists today. What is the Senator's opinion?

Mr. ROBERTSON. My feeling is that if I were trying to get a friendly settlement with a man, and he twice insulted me, why should I go back to him again and invite him to insult me a third time?

Ever since there have been Appropriations Committees, appropriations bills have been handled a certain way, and, we are told, that procedure should continue. If the Government agencies do not have money at the end of the month, it is the responsibility of the House. If the House Members want to go before the people with that responsibility, let them. Then we will find out who will carry on the appropriations for next year.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. YOUNG of North Dakota. I cannot, for the life of me, understand how, simply because a Member of the Senate is chairman of a conference, appropriations bills have resulted in additions of $32 billion. The House has had an equal vote with the Senate. It would not make one iota of difference with reference to the final amount approved in appropriations bills which Member was chairman.

Mr. ROBERTSON. That is true, and if the House Members did not want to take the Senate changes, they did not have to.

Mr. YOUNG of North Dakota. I cannot understand that argument.

Mr. President, I was deeply distressed to read some newspaper accounts recently with reference to the controversy between the House and Senate Appropriations Committees which placed Senator CARL HAYDEN, chairman of the Senate Appropriations Committee, in the position of being an uncompromising, dictatorial person. According to most of the news stories I read, one would think that Senator HAYDEN was solely responsible for the Senate Appropriations Committee's refusal to accede to the demands of the House Appropriations Committee. Nothing could be further from the truth.

Senator HAYDEN, through all of this controversy, was representing the unanimous views of the Senate Appropriations Committee, and it is a position which I believe to be a reasonable one. He acted in his capacity as chairman of the Senate Appropriations Committee, and at the request of the committee.

I have never known a person who is easier to work with than Senator HAYDEN. It is not in his nature to be disagreeable, stubborn, or contrary. Senator HAYDEN is one of the most highly respected and admired Members of the U.S. Senate. I believe he enjoys this same fine reputation in the House of Representatives, where he also served for many years.

Senator HAYDEN has served with great distinction and honor in both Houses for longer than any other person in the history of the United States. I know of no more eloquent testimony to the true stature of this man than the long and fine record he has established in the Congress of the United States.

Mr. ROBERTSON. I agree with the Senator from North Dakota. Senator HAYDEN is an able man. He is a fine man. He is a kindly man. As they say at the Virginia Military Institute, he knows no "ism" except patriotism, because what he is wishing to do is to preserve what the Founding Fathers intended, that the Senate should be a coequal body with the House of Representatives.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I commend what my colleague from North Dakota has said about the Senator from Arizona. I have served on the Appropriations Committee for some 12 years, during half of which time the Senator from Arizona has been the chairman. I know of no man who is more willing to listen to arguments, more willing to study all questions, whether he agrees or not, in the endeavor to be fair and to work out what is in the best interests of our country, than the Senator from Arizona.

Mr. HILL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to my colleague.

Mr. HILL. I wish to join in what the distinguished Senator from North Dakota and the distinguished Senator from Massachusetts have said about the distinguished Senator from Arizona [Mr. HAYDEN].

I have known Senator HAYDEN for many years. I first knew him when he and I had the honor of serving in the House of Representatives together. I have served with him in this body for many years. I served on the Appropriations Committee for a number of years while he was chairman.

In all of my life, I have never known a fairer, more considerate, more reasonable, more understanding or more sympathetic man than Senator CARL HAYDEN. If there is a disagreement in regard to this question, the disagreement could not possibly have been born of any stand the Senator from Arizona may have taken. At all times he is fair, reasonable, considerate, and understanding in every way.

Mr. ROBERTSON. Absolutely. As my colleague will recall, I was privileged to succeed a great Virginia Senator named Carter Glass. Carter Glass was the chairman of the Senate Committee on Appropriations. CARL HAYDEN served with him. Carter Glass once said that if the Constitution were ever changed and Virginia were allowed to have three Senators, he hoped that the third Senator would be CARL HAYDEN.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I wish to join in the commendation of the chairman of our Appropriations Committee. Every sentiment which has been expressed about him this afternoon I fully share and heartily endorse. It is difficult to clearly portray the great services he has rendered in that committee. His calmness, his judicial temperament, his patience, and his constant presiding over the committee's deliberations with dignity, fairness, and justice for all has become almost a legend in the U.S. Senate. Certainly, he is not in any way to blame for the unhappy situation which has developed.

I wish also to strongly commend the able Senator from Virginia. In the remarks he has made this afternoon the Senator from Virginia has rendered a fine service to the Senate, but more, he has rendered an outstanding service to our country. Much misleading information has gone out about the problem before us. That misleading information might well cause many to form prejudiced or unfair opinions concerning the issue which is now in controversy between the House and the Senate. I hope therefore that the press and the other news media will not only be fair to the Senate in reporting this address by the Senator from Virginia, but that it will also be helpful to the people of the United States by giving it broad coverage and circulation, so that the people may have the real facts upon which to predicate their judgment. The Senator from Virginia has given a factual report, a truthful report, on the background and circumstances associated with the conditions that prevail. The truth ought to be made known to the public, and the Senator is to be highly commended for placing the facts in the RECORD as he has done here this afternoon in this splendid address.

Mr. ROBERTSON. Mr. President, I do not have adequate words to express my appreciation of the tribute paid to me by my distinguished colleague. He has served on the Committee on Appropriations longer than I. He knows, as I know, that there has never been a more considerate chairman of any committee than CARL HAYDEN has been all through the years. He is the last man in the entire Congress who would wish to claim prestige and to push himself above his fellow Senators.

Mr. President, the junior Senator from Virginia knows that it will not be too long before he will have to shift his senatorial toga to the shoulders of a younger man. So long as I am here I shall emulate Winston Churchill, who said that he did not wish to preside over the liquidation of the British Empire. So long as I am in the Senate, I shall stand up to fight for the rights of this body in which I am proud to serve.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. MUNDT. As one of the minority members of the Senate Committee on Appropriations, it is my view the distinguished Senator from Virginia has rendered a real service in bringing to the attention of the country the basic issues which are in dispute between the House Committee on Appropriations and the Senate Committee on Appropriations.

Certainly, if this were merely a dispute as to where the conferees should meet, it would be an unimportant and insignificant dispute. If it were merely a dispute between the House and Senate committees as to whether the chairman of the conference should be the chairman of the subcommittee of the Senate Appropriations Committee or the chairman of the subcommittee of the House Appropriations Committee, for the purpose of presiding at the meetings, that would not be a dispute in which the Senator from South Dakota would be vitally interested.

As the third ranking member on the Appropriations Committee of the minority, which has about one-third of the votes in the Senate, certainly I have no personal interest whatsoever in the question as to which of two Democratic subcommittee chairmen should preside at a conference committee.

The Senator has emphasized something which is pretty basic about this question. I have served for many years on the Senate Committee on Appropriations. I am quite convinced that one of the reasons why the increased appropriations have accumulated—to which subject the House committee referred in some detail in the resolution passed this morning and recently delivered to the Senate—is the fact that the Senate Committee on Appropriations, under present procedures, is unable to bring its attention, its efforts, and its scrutiny to bear on a Federal appropriation bill until about 3 months of every session have elapsed.

Because of this procedure, the appropriation bills come to the Senate in bunches from the House. The result is that the subcommittee members on the Senate side, who serve on 4, 5 or 6 subcommittees, cannot possibly attend all the hearings. At times they even have difficulty attending all the markups of bills.

So, basic and vital to the whole dispute is the question of bringing to bear the full talents of both Houses of the Congress on the important question of effectuating some economies in the Federal budget.

I am personally convinced that if the House would send over some of these bills for first attention by the Senate, it would give us time in the first 90 or 120 days of every session to examine the witnesses carefully, to scrutinize their desires, and to pass our judgment on the bills. Then, if the House is able to effectuate additional economies, it will have a second opportunity, by looking at the work which the Senate has done and recommending any economies which the House believes possible. The House pitches its argument on the basis that this will bring economy to the American taxpayers, and it seems to me that the best way for the House to emphasize its good faith is to give the Senate the opportunity to devote the deliberate time and attention we should like to devote to appropriations bills, by permitting the Senate to initiate action on some of the appropriations bills in every session.

That would have some bearing on economy, and certainly, if the House is willing to do that, I am sure we can settle the collateral arguments very easily, as to where the conferees should meet and who should preside. Those are not the important issues.

Now that the whole topic of Appropriations Committees procedures has been opened up, however, I hope the Senate will remain firm in insisting that we be given an opportunity to work on these bills early in every session of Congress.

Mr. ROBERTSON. Mr. President, I appreciate the comments of my distinguished colleague from South Dakota. I endorse what he has said.

I repeat that in 1881 a House Judiciary Committee, after exhaustive study, held that the words "bills for raising revenue" applied to tax bills, and that under the Constitution the Senate had a legal right to originate appropriations bills.

We have permitted the House to originate all of the appropriations bills. Now we are condemned because we have received requests for supplemental appropriations from various sources, and acted upon demands from the public and Representatives in Congress. Let us handle half of the appropriations bills—perhaps alternate them—and 10 years from now let us see which House has been the "upper."

Mr. MUNDT. Mr. President, I agree with the Senator.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. McGEE. I appreciate very much the wise comments expressed by both the distinguished Senator from Virginia [Mr. ROBERTSON] and by my seniors on the Appropriations Committee. Senators from both sides of the aisle have been serving as members of conference committees for a great many years.

Speaking as one of the very junior members of the Committee on Appropriations, I commend the statements of the Senator from Virginia and the chairman of the committee. I think the chairman of the committee has shown great restraint in maintaining a deeply held principle in the face of an unfavorable portrayal of the so-called issues. In my judgment, courage on the part of a public servant is required to stand firm in the face of what seems to be a popular impression, even though it be a wrong impression. That has been true in the case of the distinguished Senator from Arizona [Mr. HAYDEN], as chairman of the committee.

For a moment I should like to discuss what I think is really the central question in the entire dispute. I think the central question is whether there is still a valid role in our delicate governmental mechanism for the checks and balances system. Over many years a division of responsibilities has been developed that permits the two bodies of Congress to check each other for mistakes, miscalculations, and misjudgments. It is one of the elements of wisdom that the Founding Fathers tried to incorporate in the fabric of what we call representative democracy. It has worked remarkably well. In the present instance, it seems to me there is an attempt to turn back or undo some of the distribution of responsibility. Either there is a role for a Senate Committee on Appropriations to double check, to initiate, and to examine the cause of those seeking appropriations from the public funds, or there is not. If the Senate Committee on Appropriations serves no purpose, let us abolish it immediately. That is exactly the issue which is at stake. If the committee serves a purpose—if it makes constructive contributions over the years—by all means let us keep it in our system. Let us keep the "second look" or the initiating look in half of the bills, if that proves to be the ultimate decision. I think it is that important.

The ultimate question is whether we shall continue the two-House system. If the present issue were surrendered, would it not mean that another surrender would follow next year, another the following year, and so on?

Either there must be a Senate of the United States and a role for its committees to perform, or we should abolish the Senate and go to a unicameral or one-House Federal legislative system.

I happen to think that there is a sound basis for the Senate Committee on Appropriations. As the record will show, the committee has made corrective contributions. I am sure that the other House could correct us on a good many things. But it is the interchange between the two Houses that strengthens the fabric of the appropriations system.

In my judgment, it would be a grievous error if the Senate, in the interest of expedience or to overcome a momentary budgetary crisis, should surrender ground on the present point. On the present question, we are really weighing in the balance a much deeper principle of government and a much soberer principle of checks and balances.

I hope the Committee on Appropriations and the Senate will stand by the chairman of the committee and the views expressed by the distinguished Senator from Virginia today.

Mr. ROBERTSON. I thank my colleague. As he has so well said, it is not a question of prestige, as to whether the Senate or the House should determine a question ultimately. The process is essential to the theory of government.

The distinguished Senator from Wyoming mentioned two checks. There are really three checks. First, the House acts. After the House has acted, everyone takes a look at what it did. Then witnesses come before the Senate Committee on Appropriations and it acts. Then the Senate acts, and the issue goes to a conference composed of the senior members of both the House and the Senate. The conferees on the part of the House do not have to accept one dollar of increase inserted in the bill by the Senate. All they need do is to say, "We will take all those items back to the House for a vote."

So there are three checks. After the House conferees have seen the evidence that has accumulated since the House acted, they should not blame the Senate for an increase, since the House conferees can take the items increased back to the House and demand a vote on them.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. Although I think the Senator has probably seen this aspect of the resolution already, I invite attention to the fact that the resolutions of the Senate Committee on Appropriations call for a study of the entire question of appropriations procedure. The House resolution merely calls for a meeting on appropriation conference procedure.

Mr. ROBERTSON. The Senator is correct.

Mr. SALTONSTALL. The House resolution would limit the question for study to conference procedure, such as who should preside, and so forth. The Senate proposal was that the question not be confined to those issues, but should relate to what bills should come to the House first and what bills to the Senate first. I think that question is very imporant to our understanding.

Mr. ROBERTSON. The Senator has make a good point. I am sorry that I did not emphasize it. The House resolution is very narrow. As I said, it starts with an insult, and then states, in effect, "Come over and confer with us." Our resolutions provide for a full study of what is involved and what is best for our Nation. That is what we are trying to do.

Mr. SALTONSTALL. If we are to have a joint committee, it should go into the whole subject.

Mr. ROBERTSON. Absolutely.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. MILLER. I thank the Senator from Virginia.

There is an element in the present controversy that is of deep concern to the Senator from Iowa, and which he thinks may be at the root of some of the problems as far as the House Membership is concerned. What I have to say is not applicable to the distinguished Senator from Virginia, but there is a feeling on the part of a good many Members of the House that there is too much of a tendency on the Senate side to increase appropriations.

I invite the attention of Senators to what happened during the previous session with respect to the HEW appropriation bill. The Senator from Connecticut [Mr. BUSH] offered an amendment that would have cut back appropriations which had been increased by the Senate Appropriations Committee to what the President of the United States had requested. The amendment failed. But that amendment indicated that the Senate Appropriations Committee had increased the House figures for appropriations above and beyond what the President himself had requested.

Then, acting in accordance with the Appropriations Committee's wishes, the Senate decided to leave the appropriation as reported.

I believe that the problem would be greatly relieved if there were not so great a tendency on the part of the Senate Appropriations Committee to increase the appropriations approved by the House. That question is of great and immediate concern to the American people today. The senior colleague [Mr. BYRD] of the Senator from Virginia has been preaching on the floor of the Senate for the past 2 weeks against the increasing expenditures by the Federal Government. He has pointed out that there cannot be meaningful tax cuts until those unnecessary or increasing expenditures are cut back to make possible meaningful tax cuts.

That factor may be at the root of some of the concern on the part of the House. While as a Member of the Senate I would certainly like to support my own Appropriations Committee, I must say that I am distressed—and I know that my concern is shared by many others—over the tendency of the Senate Committee on Appropriations to increase expenditures once the House has acted.

Mr. ROBERTSON. I thank my colleague. I only regret that he was not present when I opened my remarks by saying that I challenge any Member of the House or Senate to show that he has a more consistent record for economy than I have. In trying to uphold the right of the Senate to be a coequal body in handling appropriations, I deplored, but I did not defend, the fact that since World War II we had increased the deficit by $32 billion. With all due deference, that is not the way to go about solving the problem. We should stand up on the Senate floor and fight every appropriation that we think is too great.

The Senate should maintain its right. If the House sends us a public works bill which is loaded down with favored projects of House Members and contains nothing for Members of the Senate, and if the Senate then includes some projects, which the House Members know all along will be done, they should not say "You are wasteful spenders."

I join my friend from Iowa in urging economy. However, after he has been here a little while longer, he will appreciate the importance of preserving the traditions of the Senate with respect to its being a coequal body with the House.

Mr. BYRD of West Virginia. Mr. President, as a member of the Senate Committee on Appropriations, I deplore the situation which has arisen. At the same time, I deplore the impression which has wrongfully been spread abroad, that the chairman of the Senate Committee on Appropriations is the aggressor in this dispute. I believe it has been clearly stated already, but it should be stated again, that at all times the chairman of the Committee on Appropriations has adopted a very salutary attitude. At all times he has been willing to work toward a feasible and practical and wise solution of the problem which has arisen, a problem which did not arise of his own choice.

As a junior member of the committee I have been impressed by the kindly understanding and agreeable attitude with which our chairman always listens not only to members of his own committee, but also to witnesses from various governmental agencies, and outside witnesses who appear before his subcommittee, over which he so ably presides, and before the full committee, of which he is chairman.

The chairman has been done a disservice. I emphasize that the position which he has taken throughout the controversy has had the unanimous support of every member of the Senate Appropriations Committee on both sides of the aisle. He has acted in every instance at the direction of the entire membership of that committee.

I congratulate the distinguished Senator from Virginia [Mr. ROBERTSON] on his very cogent and clear explanation of the position of the Senate Appropriations Committee.

There is nothing I can add to what has been said except perhaps that, as chairman of the Subcommittee on Appropriations for the District of Columbia—and I sometimes wish that I did not have that responsibility—I have no hesitancy about sitting in conferences presided over by my illustrious counterpart on the other side of the Capitol, Representative WILLIAM NATCHER, of Kentucky, who is one of the most agreeable, capable, and friendly Members of Congress. He has rendered excellent service in his capacity as the new chairman of the House Subcommittee on Appropriations for the District of Columbia. I served with him in the House of Representatives for 6 years, and I have no feeling whatever against sitting in a conference presided over by Representative NATCHER, and I am confident that Mr. NATCHER is aware of the high personal esteem and great respect which I have for him. However, I believe that the question which has been discussed here today goes somewhat deeper than the question of who shall preside at a conference between the House and Senate on appropriation matters.

The Senate is a coequal body with the House, and it has coequal responsibility in appropriation matters. The members of the Senate Appropriations Committee are willing to try to reach a workable solution, and quickly, to this distressing, embarrassing, and regrettable situation which has arisen—a situation, I repeat, which has not been of our own making—but I believe we are all of one mind that while we are willing to yield on points based upon firm precedent, we expect the Appropriations Committee of the House, which bears a coequal responsibility to the American people, to yield similarly.

The suggestion which has been advanced by the chairman of our committee, and reiterated today by the Senator from Virginia, that we are willing to yield with regard to chairmanships of half the conferences if the Senate may initiate half the appropriations bills, is a good one.

I reiterate that the Senate committee stands ready to discuss a workable and honorable compromise. I reiterate that our chairman has been acting at the direction of his committee, and continues to act at the direction of the membership of that committee. The members of the committee will continue to support him unanimously in his efforts to reach a solution which does not require the Senate to yield unilaterally, but which requires both bodies, acting as coequal bodies, to yield in a coequal manner.

I thank the distinguished Senator from Virginia for yielding.

Mr. ROBERTSON. Mr. President, I endorse the sentiments of my distinguished friend from West Virginia, and I thank him for the compliment he has paid me. I can well understand his feeling as chairman of the Subcommittee on the District of Columbia. That is a tough assignment for any Senator. I feel somewhat the same way about legislation considered in the Banking and Currency Committee. That legislation can originate on either side. Ever since I became chairman of that committee, there has not been any question about the chairmanship, or where the conferees would meet. Sometimes we meet on the Senate side and sometimes on the House side. I have never objected to Representative BRENT SPENCE, of Kentucky, presiding. He is my senior in Congress. However, in recent years he has usually insisted that I preside.

There has never been any question; the choice has all been voluntary. But now we have the gun pointed at our head. The House wants to change one old established custom and retain another; they do not want to let the Senate have its constitutional right to initiate appropriations. We have the right to initiate all appropriation bills if we care to; but we are only asking to initiate half of them.

The member of our committee who first brought to our attention that in 1881 the House Committee on the Judiciary, after an exhaustive study, held that the Senate had a right to initiate appropriation bills is the distinguished Senator from Florida [Mr. HOLLAND]. I will yield to him.

Mr. HOLLAND. Mr. President, I thank the Senator from Virginia for referring to my report to the committee. The staff of the committee, at my request, went into the whole subject. I had found in "Hinds' Precedents" and other authoritative works very firm statements to the effect that the right to originate appropriation bills existed in each House, or in both Houses, so I asked the staff to make a study of the question.

As the Senator from Virginia has stated, the exhaustive study was made in the other body in 1881. When a Senate bill which included an appropriation got to the House, the House Committee on Appropriations insisted that the Senate had no power to originate an appropriation bill. The question was discussed at some length on the floor of the House. Finally, upon the action of the House, the bill was referred to the House Committee on the Judiciary. The Senator from Virginia has already included as a part of his statement—although I do not believe he read it—the long and exhaustive report of the House Committee on the Judiciary. I shall read only certain portions of it to make clear my point. I shall first read the title of the report:

> The House having referred to the Committee on the Judiciary the bill (S. 1157), entitled "An act authorizing the Secretary of the Treasury to purchase additional lots of ground adjoining the new building for the Bureau of Engraving and Printing," with instructions to inquire into the right of the Senate under the Constitution to originate bills making appropriations of money belonging to the Treasury of the United States, and said committee having considered the

> same, beg leave to submit the following report:

Then the report was submitted in great detail. I shall not weary the Senate by reading it. However, I desire to have the RECORD show that in that report it was clearly shown that the House Committee on the Judiciary made a very careful study of the actions of the Constitutional Convention, which framed the Federal Constitution, and noted at the end of the investigation that it was proposed not once, but several times, that all appropriation bills should originate in the House; and that every time that provision was rejected by a rather decisive vote of the States in the Constitutional Convention.

For instance, the first of these items which I noticed in the report is a provision submitted by Charles Pinckney, of South Carolina, as follows:

> All money bills shall originate in the house of delegates, and shall not be altered by the Senate.

That provision was stricken by the action of the Constitutional Convention. The next proposal was offered by Mr. Gerry, of Massachusetts, seconded by Mr. Pinckney, of South Carolina, who moved to amend the resolution then before the Convention by adding the following words: "excepting money bills, which shall originate in the first branch of the National Legislature."

That amendment was opposed by Mr. Madison, Mr. Butler, Mr. Sherman, and General Pinckney, and was finally voted down, three States voting for, and seven, including Massachusetts and South Carolina, against it.

Then a third provision was offered in these words—and it was a report by the drafting committee:

> All bills for raising or appropriating money, and for fixing the salaries of the officers of the Government of the United States, shall originate in the first branch of the Legislature of the United States.

That provision was first accepted and then, upon reconsideration, was rejected.

A fourth provision, offered by Mr. Randolph, read:

> Bills for raising money for the purpose of revenue, and for appropriating the same, shall originate in the House of Representatives.

That provision also was rejected; the ayes 1, noes 10.

The provision, as later amended by Mr. Strong, was also rejected.

Mr. President, I have quoted these provisions because I desired to show that the House Committee on the Judiciary itself, before making its report, made an exhaustive study of the activities of the Constitutional Convention and learned that on several occasions, specific efforts were made to limit the origination of appropriation bills to the House of Representatives, but that all such proposals had been rejected by the Constitutional Convention.

The final provision, which was adopted and accepted, was in this form:

> All Bills for raising Revenue shall originate in the House of Representatives,

And so forth. Senators are familiar with the present wording of the Constitution. The House Committee on the Judiciary made its report exhaustively. I shall read the last two paragraphs of the report, because I think they so clearly show what the committee found. The committee made its finding by a majority of two to one of the committee, as stated in the debate on the floor of the House.

> With the policy of such a provision—

That is, a provision relating to the origination of appropriation bills—

> your committee has nothing to do. That was a matter to be considered and determined by the Convention which framed the Constitution and the States which ratified it. And whether they acted wisely or unwisely in that regard cannot alter the fact that there is nothing in the language of the Constitution to indicate an intention on their part to withhold from the Senate the power to originate bills for the appropriation of money, or that they repeatedly rejected a proposition to confine that privilege to the House of Representatives, although presented in the most emphatic and unequivocal terms. Believing, therefore, from the plain letter of the Constitution, as well as from all the circumstances surrounding the adoption of the provision in question, that the Senate had the clear right to originate the bill, they report it back to the House, with the recommendation that it be referred to the Committee on Appropriations, and that the following resolution be adopted:
>
> "*Resolved*, That the Senate had the constitutional power to originate the bill referred, and that the power to originate bills appropriating money from the Treasury of the United States is not exclusive in the House of Representatives."

Mr. ROBERTSON. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. ROBERTSON. Is it not true that that action was taken 81 years ago and has never since been challenged?

Mr. HOLLAND. It was taken in 1881—81 years ago. I believe that that action not only has never been challenged; it was not permitted to come to the floor of the House for decision. The chairman of the House Committee on the Judiciary stated that the report contained the findings of the Judiciary Committee, and there was a debate upon it, but it was not permitted to come to a vote in the House.

In 1884, the same contention was made by the House Committee on Appropriations of that later year. The chairman of the House Committee on the Judiciary, who was again the Member who handled the matter, referred to the decision of 1881 and said it had been adopted by a vote of 2 to 1 of the Committee on the Judiciary. He said that the Committee on the Judiciary was still of that opinion; that at least that great a majority of the committee were in favor of that ruling; and that he did not see how any other conclusion could be reached by a real study of the Constitutional Convention and its debates.

Still, in spite of the fact that the House Committee on the Judiciary has twice taken this position, the House itself has never set aside that position and, as a whole, has never voted on it, for some reason, which I could not understand, unless it be that it was feared that the House would sustain their own committee.

That action was taken by the House Judiciary Committee, not the Senate Judiciary Committee. The conclusion reached by the House Judiciary Committee is, I think, completely unanswerable, because it is so completely in accord with what transpired at the Constitutional Convention.

Mr. President, I wish to say that to me it seems rather queer, first, that the House, itself, has never been willing to vote on this situation or to vote down the conclusion reached by its own Judiciary Committee; and, second, that the Members of the House of Representatives, our able colleagues, seem to feel that when a Member of that body graduates to the Senate, he immediately becomes different from the economical person who served in the House. For instance, I note that the two Senators who preceded me in debating this matter today were both formerly Members of the House of Representatives; they served there for years, and their records there were highly honorable. I recall with a great deal of interest that the distinguished chairman of our committee, the Senator from Arizona [Mr. HAYDEN], had some 15 years of service in the House before he came to the Senate; and he has served in Congress, representing his State of Arizona, from the very first day his State had representation in the Congress.

Mr. ROBERTSON. Is it not also true that all we ask is to be coequal, although no sitting Member of the Senate ever ran for election to the House of Representatives?

Mr. HOLLAND. The Senator from Virginia brings up an interesting point. Certainly I have never heard of a sitting Senator's running for election to the House of Representatives; but I have heard of many Members of the House who have run for election to the Senate.

Furthermore, at this time I note on the floor other Senators, in addition to the able Senator from Virginia, the able Senator from West Virginia, and the able Senator from Arizona, whom I have already mentioned, who are graduates of the House of Representatives, and have since come to the Senate; and I think the character they have shown during their service here has not differed from the character they showed during their long and fine service in the House of Representatives. And there are also on the floor at this time the distinguished Senator from Washington [Mr. MAGNUSON], who, after his service in the House of Representatives, is now a Member of our Committee on Appropriations; and my able colleague, the Senator from Florida [Mr. SMATHERS], who served for some years in the House, before he came to the Senate; and the able Senator from Kansas [Mr. CARLSON], who, as I recall, not only served in the House of Representatives, but also served as Governor of his great State, before he came to the Senate; and the able minority leader, the Senator from Illinois [Mr. DIRKSEN], who served many long years in the House of Representatives, and was widely regarded as one of its finest Members, before he came to the Senate to continue that honorable service; and there are other Senators, whom I shall not take time to mention now, who have served in both bodies.

So, Mr. President, I point out that both the majority leader, the Senator from Montana [Mr. MANSFIELD], and the minority leader, the Senator from Illinois [Mr. DIRKSEN], are graduates of long years of service in the House of Representatives. Furthermore, I note that the able senior Senator from Arkansas [Mr. MCCLELLAN], who sits to my right, and is also a member of the Senate Appropriations Committee, served in the House before he came to this body; and certainly he has maintained here the same fine character that he showed while he served in the House of Representatives. And I note sitting at my left my well beloved seatmate, the distinguished Senator from New Mexico [Mr. ANDERSON], who, after serving for years with distinction in the House, served as a member of the President's Cabinet, as Secretary of Agriculture—and probably the best one, we have ever had. Certainly he did not lose his fine character when he came to the Senate; certainly he still is a fine representative in the Senate of both his State and the entire Nation.

It is my recollection that, on last checking the list, it was found that over 40 Members of the House of Representatives have come to the Senate and are now Members of the Senate and are fulfilling here the fine character they previously showed while they were serving as Members of the House. A majority of the members of our Committee on Appropriations are former Members of the House.

On my last count, some 20 former Governors of States were serving as Members of the Senate, and, I believe, were fulfilling here the excellent service their people evidently thought they had rendered, because they promoted them by sending them to the Senate after their terms as Governors.

I note that while I have been speaking, the distinguished Senator from Idaho [Mr. DWORSHAK], has entered the Chamber. He, too, is a highly conservative and efficient member of the Senate Committee on Appropriations; and he graduated from the House of Representatives and came to the Senate.

Mr. President, I could speak in similar vein in regard to many other Members of the Senate. However, at this time I shall yield back the floor to the Senator from Virginia, after stating that I believe that if the House of Representatives expects the Senate to yield on a tradition which is as old as this body—I refer to the tradition in regard to the place where the conference committees hold their meetings and as to the one who shall preside over the meetings of the conference committees—certainly, the House should consider yielding on another tradition—and it is nothing but a tradition, for there is no constitutional requirement that appropriation bills shall originate in the House. In fact, a House committee has said that that is true. So, under these circumstances, why should not the House yield on that tradition, at the same time?

In that event, in my judgment, the appropriation bills would be reported earlier in the year. In addition, then we could see how our distinguished colleagues at the other end of the Capitol would feel when they served as referees to pass on work on which the Senate had previously passed—as we in the Senate do when these bills originate in the House.

I have stated repeatedly that I think the Members of the House do a fine job in connection with originating the appropriation bills; and I think the Members of the Senate would do likewise. I think that Members of both bodies would rejoice, in particular, at the time when they have to run for reelection, because of the fact that then they would be able to return sooner to their home States; and surely that would be the case if the Senate originated half of the appropriation bills.

Mr. President, it seems to me that a group which asks another group to surrender traditions as old as these in the Congress should be willing to surrender some other equally old traditions, on its part.

So far as the distinguished chairman of the Senate Appropriations Committee, the Senator from Arizona [Mr. HAYDEN], is concerned, certainly he has comported himself with the greatest degree of courtesy and consideration, and without ever uttering an angry word or ever saying anything critical of those at the other end of the Capitol, even though many times he has been faced with most difficult circumstances. Certainly he is to be highly commended for such excellent and outstanding conduct.

At this time I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, I am glad the Senator from Florida has made clear that under the Constitution we very definitely have a right—and we could insist upon it if we chose to do so, for our right is just as great as that of the House—to initiate appropriation bills. There can be no question about that.

I am also glad that the Senator from Florida pointed out that approximately 40 of the present Members of the Senate formerly served in the House of Representatives. Likewise, I am glad that the Senator from Florida pointed out that all we ask is that we be treated as coequals, rather than be downgraded because we have come to the Senate side.

I am glad, too, that the Senator from Florida praised the House appropriation committees. I have frequently done so, and have said I wished very much that we had as much time to work on the appropriation bills as they do. However, Mr. President, I point out that last year the House sent the Senate three appropriation bills, with total appropriations of $9 billion, in the last month of the session. On one of these, the House passed the conference report, which was in disagreement, and then adjourned before the Senate could even take up the report, thus putting the Senate in the position of "take it or leave it."

Mr. ALLOTT. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Virginia yield to the Senator from Colorado?

Mr. ROBERTSON. I yield.

Mr. ALLOTT. I thank the distinguished Senator from Virginia for yielding to me.

First of all, Mr. President, I wish to say that I believe this matter should be taken out of the realm of capriciousness or arbitrary action, insofar as the chairmanship of the appropriations conference committee is concerned.

I have heard the distinguished Senator from Virginia [Mr. ROBERTSON] and the distinguished Senator from Florida [Mr. HOLLAND] debate this matter. I think there are certain things which must be considered as premises, in the first place.

The first is that there is no constitutional provision that the appropriation bills must originate in the House. The only constitutional provision referred to in that connection is the one with respect to revenue-raising measures; but certainly appropriation bills are not revenue-raising measures.

It seems to me that the second point is that the House Judiciary Committee itself decided in 1881 that the Senate does have a right to originate appropriation measures. In the opinion of most of us who are lawyers, the Senate has always had this right; and, as the distinguished Senator from Florida [Mr. HOLLAND] has pointed out, it is significant that the House never let the report of its Judiciary Committee come to a vote on the floor of the House—surely, I suppose, because it was felt that in that case the report would have been adopted.

Whether it would have been defeated or not, it is a fact that it was the Judiciary Committee of the House of Representatives which found in a report, that the Senate had a right to initiate appropriation measures; though there were some dissenters in the House. Those are the first two facts we start with, and it is where we begin our discussion here today. Where do we find ourselves now? I heard nothing of this present controversy, if that is what it may be called, until the Senate had sent the second supplemental bill this year to the House. I can well remember that the Senate, in debate on the floor, and in committee for 2 or 3 weeks, spent a great deal of time on the second supplemental appropriation bill. It involved matters that were exceedingly vital to the welfare of this country, to the very operation of our Government.

Some Senators will recall that when the bill came to the floor of the Senate, I questioned the appropriations for the Secret Service, particularly since so many more Secret Service personnel were required than 2 years ago. The Senate, in its wisdom, thought that the money was an absolute necessity for the protection of the President and his family, and also for one other main reason, involving the question of techniques in counterfeiting, which had become so efficient that the Treasury itself had to put more men on its payroll. It was a question of trying to stop the flood of counterfeiting that was going on in this country.

There was another need involved in that bill, concerning a catastrophe which is not the kind that hits my own State. We do not have typhoons, or big waves, or catastrophes of that kind. Catastrophes that hit other areas of the country are of general concern to the whole country, whether they happen to be the kind that strike in particular sections or not. I know that in my own part of the country we had a catastrophe of drought 6 or 7 years ago, and due to the compassion and understanding of the people in the House and the Senate, ameliorative legislation at that time enabled people to stay on their farms and pull themselves out of the difficult conditions in which they found themselves.

So in the particular legislation of this year to which I have referred, there were involved moneys for areas along the eastern seaboard which had been hit so badly. The Senate committee held extensive hearings on the questions involved.

Those were just two items that occurred to me at once.

We sent the bill to the House. When I voted for that bill, I thought those two items were absolutely necessary, or I would not have voted for the bill. I am sure every other Senator thought likewise.

What is the practical situation in which we are placed by the action of the House? Shortly after that event, we were told, by a series of letters that passed from the chairman of the Appropriations Committee in the House to the chairman of the Appropriations Committee of the Senate, that we would be expected to make certain compromises, not only, in the traditional manner, as to where conference committees meet, but also with respect to the chairmanship of those committees.

If the House originates, and has been permitted by custom to originate, appropriation bills, it is not unusual—and it is certainly not in excess of the balance of power—that the senior Senator of the Appropriations Committee at the conference be entitled to be chairman of the conference. If we are going to give up the one right, Members of the Senate should at least continue to act as chairmen of the conferences.

The other question raised was as to the place of meeting of the conference committees. This is a small problem to be concerned about unless one knows the practicalities of legislation. It is far more practical to meet on the Senate side than on the House side. I can remember being down in room F-37 day after day with the distinguished chairman of our committee when, in the course of an afternoon, we would answer a rollcall to vote on a bill, two, three, four, or even five times, while we were in conference committee downstairs.

On the other side of the Capitol, it is much easier for Members of the House to anticipate a rollcall. A rollcall in the House is very long and extensive. Rollcalls in the Senate take only about 15 minutes; rollcalls in the House take a long time.

So, from the sheer question of overall planning, considering the way the Senate operates, it is far easier and more expedient to meet on this side of the Capitol. However, that question is not a really important one. I think the distinguished chairman of the Senate Appropriations Committee, right off the reel, if I may use a colloquialism, said he would be willing to modify this practice and the conference committee could meet in a room somewhere near the middle of the Capitol.

This question is not important in itself, but it is important when the Senate receives an appropriation bill and has extensive hearings on it, and then brings the bill to the floor and discusses it at great length and works its will upon the bill, that bill should be given consideration. Instead, when the second supplemental appropriation bill went to the House, the distinguished chairman of the Senate Appropriations Committee was immediately sent a set of ultimatums as to what we would do hereafter.

I myself feel very strongly about this matter. In the first place, I think the actions of the Senator from Arizona [Mr. HAYDEN], chairman of the Senate Appropriations Committee, have been extremely restrained, considering the provocative character of some of the communications that have been sent to him. It is why the Appropriations Committee on last Friday adopted the resolution in support of our distinguished chairman. We all feel he has done an outstanding job of retaining his sense of balance toward this whole question.

But there is a real question here, and that is, Are we going to be prevented in this Congress from appropriating simply because a person or persons—I do not know which—have decided that they are going to expand the power of the other body? I do not believe the Senate should be stopped from appropriating simply because a bill is held up. The House held up the bill to which I have referred. Persons went without their salaries for a while. I believe we are still waiting in the Senate to vote upon disaster funds for the east coast, covering States like Virginia, Maryland, New Jersey, Delaware, and other States in which there was need months ago. True, the money has not been spent. It has not been spent because it was not available; but it was needed. Any part of this country that suffers from a disaster of this proportion is in need and is deserving of the sympathy, understanding, and compassion of the Congress of the United States.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. HOLLAND. I appreciate so much that the Senator has mentioned that particular item. The Senator will recall that there was an item of $25 million for disaster relief in that particular supplemental bill based on a request of the President. The Senate will also remember that when we later took up that matter again we had a letter from the Office of Emergency Planning stating that $15 million of the $25 million was sorely needed in the States extending, roughly, from Virginia to New York, and had been apportioned by the Office of Emergency Planning, but they had not been able to meet the legitimate requests of those agencies of government which had been so badly hurt.

The Senator, I am sure, also remembers that there were other items in the same bill relating to the same disaster. One would have provided moneys for the Small Business Administration to make disaster loans to owners of stores, dwellings, and motels which had been badly hurt. The others were for various purposes in connection with the destruction which had been occasioned on the east coast.

I hate to stand in the well of the Senate 3 months later and admit that because this argument has come up those needs have not yet been met. I do not think it is fair to the States, to the other units of Government, or to the citizens at every level who were so adversely affected by that destructive storm, that such is the case.

I remind the distinguished Senator that in the same bill, in addition to many other emergency items, were appropriation items for the widows or beneficiaries of some five or six deceased Members of the House and of the Senate. Some of those Members passed away last fall. Those items, which I think are a sacred trust for the Congress to live up to as speedily as possible, have not yet been acted upon.

I deeply regret that anything of the type which has happened should prevent the Congress from living up to such primary obligations as were included among the items which I mentioned, which were in the bill as passed by the Senate. I am sure the distinguished Senator agrees with me.

I remind the distinguished Senator further that the other body did not even name conferees until 6 weeks after the Senate action, though the Senate had acted speedily and in time to get the conference report agreed to and the law enacted before we went home for Easter.

I believe that at some time somebody will have to answer to the American people for these great derelictions of the duties of Congress which have resulted from this unseemly discussion.

I thank the distinguished Senator.

Mr. ALLOTT. I thank the distinguished Senator from Florida for emphasizing and stating in such a wonderful way the point I was making about the things which were contained in the bill. What the Senator has said is entirely correct.

I regard the passage of that bill not as a mere whimsy of the Senate, but as an attempt by the Senate to live up to the obligations each Senator undertook when he walked up to the rostrum and took his oath. One of the obligations we have is to legislate and to legislate adequately.

I do not think it would be inappropriate to say that there were some vital items in the bill. This is perhaps the reason why the apointment of the House conferees was delayed for the 6 weeks of which the Senator from Florida spoke, and why the demands were made upon us at that time.

This is a grave matter, and it must be determined. Congress has to provide appropriations. Congress has to provide money for the functions of the Government.

I believe the Senate Appropriations Committee has indicated by its two resolutions and unanimous actions on those resolutions its full support of the chairman of the Senate Appropriations Committee. I wish to make it clear that I support him fully—and not as a capricious tug of war between the House of Representatives and the Senate.

I do not believe, as a matter of historical interest, that either the House or the Senate has a right to indulge in the process of appropriations by saying to the other, "The process of appropriations which we have adopted is the one you shall accept, or else." This is what has been done with respect to the second supplemental appropriation bill.

There is one thought I should like to express in conclusion. In the recent exchange of correspondence it was alleged that the Senate had overappropriated compared to the House in several instances.

The distinguished chairman of the Subcommittee on Appropriations for the Independent Offices, the Senator from Washington [Mr. MAGNUSON] is in the Chamber. I have the honor to serve as the ranking minority member of that subcommittee. I know of instances, in respect to that bill and in respect to other bills, in which the appropriations provided by the House were not sufficient to meet the contractual obligations of the Government.

I recall one instance when the appropriations authorized by the House would not meet the contractual obligations of the Government with respect to subsidies to the supplemental airlines. Perhaps the Senate was acting irresponsibly by appropriating the money necessary to meet those legal obligations of the Federal Government, but I do not think it was.

When we talk about the amount the Senate may have appropriated over the House figure, or under the House figure, or anything else, it seems to me we should consider whether the Senate was in the act of appropriating moneys needed to meet the actual contractual, or sometimes judgment, obligations of the Federal Government.

The distinguished chairman of the Committee on Appropriations [Mr. HAYDEN] is in the Chamber. I assure him of my support. I believe he has the support of all members of the committee.

I thank my distinguished friend from Virginia for yielding me this time.

Mr. ROBERTSON. Mr. President, I thank our distinguished colleague from Colorado for the outstanding contribution he had made to a clear understanding of the issues involved in this controversy.

PROPOSED EXCESSIVE POSTAL RATE INCREASES THREATEN THE FREE FARM PRESS

Mr. CARLSON. Mr. President, as American farmers begin another bountiful harvest, I want to direct the Nation's attention to the contributions made by the free farm press to the mechanization and productivity of our agriculture, which is unequaled anywhere in the world—and undoubtedly arouses the envy of the Communist overlords of Russia and China unable to raise enough food for their oppressed populations.

The newspapers and agriculture magazines, which year after year bring to our farm homes a flow of information on improving methods and practices, constitute one of the most enduring forces that make our production of food a marvel of achievement.

A special reason for noting the role of the farm press in the 1962 harvest season arises from the fact that the newspapers and farm magazines are now fighting against proposed excessive postal rate increases which threaten the continued existence of many of the smaller publications. These enormous mail hikes are contained in H.R. 7927, now pending before the Senate Committee on Post Office and Civil Service.

Most of the small newspapers and all of the farm magazines depend 100 percent upon post office delivery for their distribution so that any increase in postal rates is a very real threat to the existence of the farm press.

Three national farm journals serve nearly 6 million farm homes, and 34 regional and specialized farm publications are delivered to another 4,635,000 farms by mail. The total postage increase for their 37 publications under H.R. 7927 would amount to more than $1,748,000 on present circulation. The 3 national farm publications lost more than $1 million last year, and more than one-half of the 34 smaller journals operated in the red, so great care must be exercised to avoid the suspension of even 1 of these essential periodicals.

These farm magazines provide a steady flow of practical information which is not displaced either by news heard over the air, or by bulletins issued by Government services. They are highly valued for advice on improving methods and practices for economic gain.

In the pages of these publications first appeared many of the tips that led to new farming practices enabling production to outrun the higher food consumption of a growing United States. Much new machinery was first shown in the pages of these journals, and the unremitting effort by farmers to mechanize their operations was nourished and fed by the progressive editorial policies.

Our capacity to produce more than enough food to supply our country and our allies is one of our greatest strengths. The technical information and advice which helps to keep that capacity at peak level must not be shut off or interrupted by the death of farm journals or newspapers no longer able to bear the burden of exorbitant postal rate increases.

I fear we are rapidly approaching a situation in our postal service when rate hikes no longer will be the basic solution to the problem. Today Post Office costs are as much as the entire Federal budget only 30 years ago. The Postmaster General has warned that postal costs will reach appalling levels in the next two decades.

I urge we look for our long-range postal balance in modernization and good old-fashioned business economics. The Post Office could take a lesson from the American farmers who have found the mechanization advocated in their farm papers the key to greater productivity and lower costs of operation.

The administration could give a boost to business and agriculture by indicating now that it will accept postal rate increases far less onerous than those provided in H.R. 7927. I will urge great caution on the matter of fixing second and third class mail rates.

At this critical juncture in the history of world relations, we can ill afford a decline in the unifying factors of our great American press. Many of my colleagues share this point of view.

Low postal rates contributed to the establishment of the farm press and their preservation has enabled the farm papers to grow as agriculture expanded. The long-established Federal Government policy of economic postal delivery for our daily and small weekly newspapers, and our diversified regional and national farm magazines must not be weakened or abandoned.

Mr. President, in an editorial published in the Kansas Farmer on February 17, 1962, the following statement appeared:

> Last year, Kansas Farmer mailed 3,144,000 copies in its 24 issues. Should the proposed increase be imposed, Kansas Farmer's postal bill would be increased $31,440 a year. Publishers are pointing out to their readers the unfairness of the 136-percent increase scheduled for second-class mail as compared to only 25 percent for first and third class.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the full editorial to which I have referred, together with an editorial entitled "Let's Reason Together," published in the Ohio Farmer; an editorial entitled "As Arizona Farmer Sees It," published in the Arizona Farmer on February 24, 1962; an editorial entitled "Postal Bill Self-Defeating," published in the Nebraska Farmer on March 3, 1962; an editorial entitled "We Need Your Help," published in the Farmer-Stockman, March 1962; an editorial entitled "Postal Increases Peril Farm Papers," published in the Prairie Farmer (Ill.) March 3, 1962; an editorial entitled "Postal Rates" published in the Michigan Farmer on February 17, 1962; an editorial entitled "Mail Costs Trouble Farm Papers," published in the Montana Farmer-Stockman; an editorial entitled "The Facts About Magazines and Postal Rates," published in the Progressive Farmer in April 1962; and an editorial entitled "Fight for Life," published

in the Pennsylvania Farmer on February 10, 1962.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Kansas Farmer, Feb. 17, 1962]

PROPOSED POSTAL RATE HIKE THREATENS LIFE OF FARM MAGAZINES

Existence of many publications, including farm magazines, is threatened by enormous postal rate increases provided in a bill now before the U.S. Congress. The bill, which would boost second-class mail rates by over 135 percent, has passed the House of Representatives. It will come next before the Senate.

Farm publications, as well as a number of farm organizations, are voicing strong opposition to the proposed hike in rates under which their magazines are mailed. James Milholland, Jr., president of Home State Farm Publications, Inc., a group of eight farm publications, of which Kansas Farmer is one, says "this unfair increase would mark the end of many agricultural publishing companies."

Last year, Kansas Farmer mailed 3,144,000 copies in its 24 issues. Should the proposed increase be imposed, Kansas Farmer's postal bill would be increased $31,440 a year. Publishers are pointing out to their readers the unfairness of the 136-percent increase scheduled for second-class mail as compared to only 25 percent for first and third class.

The executive committee of the National Grange has voiced strong opposition to the postal bill. Herschel Newsom, grange master, in a letter to the House Committee on Post Office and Civil Service, said:

"We respectfully call to the attention of Congress the invaluable services rendered farmers and the Nation by the agricultural press, and we suggest that the need for a continuation of those services outweighs any possible, temporary gain in revenue resulting from the proposed increase in postal rates.

"The proposed postal rate increase, virtually doubling present mailing costs, would impose on the hundreds of magazines which serve rural Americans an additional burden which could not be borne by a substantial number of these publications.

"Any decrease in the number of publications serving farmers would, in our opinion, have the effect of limiting information available to farmers. An informed agriculture, we believe, is a prerequisite to sound decisions and preservation of our democratic processes.

"American farmers are the most efficient and productive in the world because they have been and are the best informed in the world. Newspapers and magazines serving farmers have had an indispensable part in application of technological advancements in the production and distribution of foods and fibers, through dissemination of accurate information.

"To impose additional financial burdens on those publications at this time would, in our opinion, limit the availability of information needed by farmers in making wise decisions on many problems which face American agriculture now and in the years immediately ahead.

"Freedom of the press, one of our most priceless heritages guaranteed by the Constitution of the United States, can be nullified by imposing on the press excessive and unjustified costs as readily as by the imposition of direct Government censorship."

[From the Ohio Farmer]

LET'S REASON TOGETHER—THE POSTAL RATE INCREASE

Few of us can be entirely objective in our thinking about issues which affect us greatly. We're likely to be like the southern gentleman who wrote "An Unbiased History of the Civil War From a Southerner's Viewpoint." It's natural to consider first how something will affect you and your business. Editors, along with everyone else, share this quirk of human nature.

This is why until now we've refrained from saying anything about the postal rate increases pending in Congress. For, the second-class increases, if signed into law, will mark the end of many agricultural publishing companies. The postal bill, H.R. 7927, has already been passed by the House of Representatives and is awaiting action in the Senate.

Whether our company makes or loses money is of only secondary interest to you. The thing you're concerned about is the service we render you. And, whether the postal rate increase will shut off a flow of information that's of real value and help.

Our publisher can say what the rate increase will do to our company. He says: "The first increase in the bill, which will become effective July 1, 1962, will add $110,500 to our present costs. The second increase, which becomes effective July 1, 1963, will add an additional $110,500 to our present costs. In a period of 12 months one of our major expenses will be increased $221,000 or 136 percent. I know of no industry or business in this country which could sustain an increase of 136 percent in 12 months and still survive. Agricultural publishing is no exception."

Probably more important than the increase is the way it is to be applied. Everyone must admit there's need for higher postage rates if some of the deficit is eliminated. But, this proposal is to raise the rate a half cent per piece of mail on July 1 and another half cent 6 months later. It's based upon number mailed and not weight. Thus, a "fat" national magazine weighing several times as much as a farm magazine would pay exactly the same increase. This would penalize the smaller publications at the expense of the "bigs."

The executive committee of the National Grange has studied the proposal and what it will do to the flow of agricultural information. National Master Herschel D. Newsom has already expressed to Congress "our deep concern over possible hasty action on H.R. 7927 which, among other things, provides for a substantial increase in second-class mail rates."

His message continued: "We respectfully call to the attention of Congress the invaluable services rendered farmers and the Nation by the agricultural press, and suggest that the need for a continuation of these services outweighs any possible, temporary gain in revenue resulting from the proposed increase in postal rates.

"The proposed postal rate increase, virtually doubling present mailing costs, would impose on the hundreds of magazines which serve rural Americans an additional burden which could not be borne by a substantial number of these publications.

"To impose additional financial burdens on these publications at this time would, in our opinion, limit the availability of information needed by farmers in making wise decisions on many problems which face American agriculture now and in the years immediately ahead.

"Freedom of the press, one of our priceless heritages guaranteed by the Constitution of the United States, can be nullified by imposing on the press excessive and unjustified costs as readily as by the imposition of direct Government censorship."

Herschel Newsom is not thinking especially about the future of farm magazines. He's mostly concerned about the future of rural America. And, he's convinced that the flow of information through farm magazines must continue for the good of everyone, farm and city person alike.

[From the Arizona Farmer, Feb. 24, 1962]

AS ARIZONA FARMER SEES IT—FARM PAPERS IN PERIL

Agricultural papers will be fighting, perhaps for their very lives, when bills for drastic postal rate increases come up in the Senate around March 1.

If second-class rates are raised more than 100 percent, as some administration and Congressmen advocate, it will mean the death of many State publications and will seriously cripple larger ones of regional or national stature.

Six times in the last 9 years, second-class rates have been raised 10 percent. The limit has been reached with periodicals, like farm papers, which cannot turn to other means of distribution but must go through the mails.

At the same time the free mailing privileges to foreign governments have been extended and broadened. Tons and tons of Soviet propaganda are distributed at the expense of the U.S. taxpayer. And everyone knows how much "junk mail" he finds in his box, all handled at less than cost.

Agricultural publishers have always proceeded on the assumption that they were performing a valuable public service, within the meaning of the Postal Act of 1879. Now it is proposed that that service shall be greatly curtailed and, in some cases, terminated.

[From the Nebraska Farmer, Mar. 3, 1962]

POSTAL BILL SELF-DEFEATING

Legislation which may actually mean life or death to some small magazines is now being considered in Congress. It is a bill which would increase postal rates steeply in some classes.

Magazines and newspapers are now paying nearly twice what they did 10 years ago for mail service. In addition they do much of the handling of their product to take the workload off the post office. They are sacking, sorting and hauling their publications to trains to keep post office work to a minimum.

The new legislation as it now stands would double the mailing charges again, not in 10 years but in 2 years. This legislation has been passed by the House of Representatives in Washington.

If the Senate should concur in the House-passed bill and make it into law, it would be nothing short of tragedy because the new rates would defeat their own purpose. They would not halt the so-called postal deficit; they would further diminish the distribution of magazines and newspapers. Eighty magazines, including two farm publications, have died in the last 10 years. What is proposed now would increase this decimation.

It is just not possible for many smaller publications to survive under the House proposal. It is to be hoped that the Senate will not let their death knell be sounded.

[From the Farmer-Stockman, March 1962]

WE NEED YOUR HELP

A postal rate increase that would deal a crippling blow to newspapers and magazines is pending in Congress. It is part of a proposed general raise in rates that would also affect users of first-class mail, bulk mailings to "Mr. Boxholder," and parcel post, although not on an equitable basis. Congressmen and Government bureaus would continue to enjoy free mailings under their precious franking privilege.

Post office receipts have been running about 15 percent below costs, but the President has asked that first class postage rates be raised 25 percent, with stamps going from 4 cents to 5 cents each.

We don't have access to post office records showing what it costs to handle various classes of mail, but we do know what it costs to mail the Farmer-Stockman to you and other readers. In 1946 we paid the post office $13,434 for this service, after we had sorted the magazines, tied them in bundles by post offices and placed them in mail sacks ready to ship. In 1961, we paid $55,871, four times as much. If this latest proposal is enacted, our annual postal bill will double again, running to $106,631 a year. It would add 1 cent a copy to our cost, as it would to every other newspaper and magazine using a second-class permit. We think that this increase, on top of the previous series of rate raises, is too much.

Perhaps you agree. If you do, we'd appreciate it if you would write and tell your Congressman and Senator what you think about it. The good old days of 2-cent postage and penny postcards are gone forever, but your Congressman can still send you his explanation of this money-raising bill without stamps. Please write him now, while the present low 4-cent rates are still in effect.

[From the Illinois Prairie Farmer, Mar. 3, 1962]

POSTAL INCREASES PERIL FARM PAPERS

You farm folks who know what it is to run a business in the face of rising costs will want to know about a serious situation that faces farm papers. The postal increase bill, H.R. 7927, which recently passed the House of Representatives in Washington and which boosts letter postage rates to 5 cents, threatens the very existence of farm publications. This bill proposes an increase which for Prairie Farmer alone would amount to around $100,000 a year. This boost is close to our entire annual budget for editorial staff and services. It comes on top of six previous postal increases that we have absorbed over the past 10 years.

All publishing costs, like farm costs, have gone up rapidly in the 15 years since World War II. A recent survey of farm publications showed that since 1946 the per page cost of producing and printing farm papers has gone up 84 percent while in the same period the average increase in per page cost of mailing the paper has gone up 164 percent.

There has been much talk over the years about postal subsidies to newspapers and magazines. It is true that such subsidies did exist as a part of the American plan to get information and news out to all people wherever they might be scattered over the length and breadth of the land. Low postal rates were especially intended to assist the circulation of local country weeklies and farm papers in rural areas. But any special treatment has evaporated quickly with one rate increase after another in recent years. This trend has hit hard the farm papers which must be distributed through the mails rather than on newsstands, and which have furnished an indispensable link between farm people and the information they need for good farming.

We also hear it said nowadays that this information is no longer necessary because farm production is ahead of demand. Some have even proposed that we close down our experiment stations and the pipelines for carrying their materials so that "consumption can catch up."

They forget that you cannot turn off and on such 100-year-old institutions as our land-grant colleges and Prairie Farmer. The time is sure to come when we will need every bit of agricultural production we can muster. Certainly that small but important percentage of our population which has to carry the responsibility of feeding the Nation and caring for the land deserves and requires the best in the new science and up-to-date information on both the economics and politics of farming.

Prairie Farmer goes to bat for its readers whenever we see a need. Perhaps you would like to go to bat for us. If so, sit down and write a letter to your Senators in Washington. The address is Senate Office Building, Washington, D.C. If you think Prairie Farmer and the other farm papers you subscribe for are important to you and to your business, ask your Senators to keep this in mind when they take up the postal increase bill.

Do it right away, because the next few weeks are critical.

[From the East Lansing Michigan Farmer, Feb. 17, 1962]

POSTAL RATES

Much has been said in the newspapers and over the radio and TV stations about the need for more revenue to meet a considerable deficit in our postal services. We want our readers to know our position on the situation and the legislation being advanced in the U.S. Congress as a remedy.

We're firm believers that America can be only as strong as its people. We favor every generation taking care of its own obligations, with each segment of our society accepting the responsibility for its particular group. This includes the postal deficit. It should be eliminated. But no legislation should be adopted until after full and careful consideration is given to determining the extent of responsibility each user of the services should bear. We sincerely feel that so far this has not been done. In fact, evidence would indicate little if any credit has been given farm magazines, such as Michigan Farmer, for their services to the progress of our country. There's failure to appreciate that farm magazines are actually service publications going into rural homes on a regular schedule. Not just free material of uncertain frequency and quality and value cluttering up mailboxes whether wanted or not. Folks must show their definite interest in the magazine by paying a commonly known annual subscription price, which proves that interest to any persons or concerns wishing to know.

We're proud of the fact that independent surveys among farm folks over the Nation have shown liberal credit and praise given farm magazines for helping them to be the most effective and efficient farmers in the world. Farm leaders have declared that without these magazines American agriculture would lose some of its present leadership over similar workers in other lands, especially where communism dominates.

The proposed law now in the Senate would increase the postage rate on our eight farm magazines some 136 percent by July 1, 1963. All will be seriously handicapped in their efforts to serve readers. Some farm magazines cannot survive this sharp rise in mailing costs. American Farm Bureau Federation and National Grange officials have voiced deep concern over this to Members of the Congress. Undoubtedly many of our readers would be interested in doing likewise. We're sure their Senators—Hon. PHILIP A. HART and Hon. PATRICK V. MCNAMARA in the Senate Office Building at Washington, D.C.—would like to hear from them.

And we welcome any sincere and honest assistance volunteered to support our presentation before the Senate in behalf of farm magazines serving the rural folks of our Nation, who in turn serve all of the people of America with an abundance of good food.

[From the Montana Farmer-Stockman]

MAIL COSTS TROUBLE FARM PAPERS

Farm papers and other publications would be in serious trouble if postal bill H.R. 7927, now being considered by the Senate postal committee, should be enacted. This destructive measure would arbitrarily impose a per copy charge in addition to the present second-class rates which have themselves been increased 90 percent in the last 10 years.

Under the new proposal, Montana Farmer-Stockman's total second-class mailing costs would be further increased by more than 100 percent.

The method of increasing second-class mailing charges in the bill which is now before the Senate would cost farm papers relatively more than most publications because farm papers go direct to their subscribers by mail.

In the case of Montana Farmer-Stockman, 100 percent of our circulation goes through the mails to our subscribers. We have no newsstand circulation.

Cost accountants of the publishing industry have made studies which indicate that second-class mail is already paying its way in the post office operation at present rates. Papers and magazines are sacked in the mailing rooms of the publication. The sacks are marked to show train designations so there is little or no handling of this outgoing mail in the post office.

Agricultural publishers have always operated on the assumption that their publications perform a valuable public service. Countless surveys have demonstrated that farmers and ranchers rely upon the farm press far more than any other source for up-to-date information about farming methods and practices, and farm problems generally.

Under present conditions farm papers would be compelled to pass along to readers and advertisers in the form of increased rates any such drastic increases as proposed in the new postal bill. It is to be hoped that more careful consideration will be given to this measure in the Senate than was given in the House and that this inequitable increase will be greatly modified. However, there is no assurance that such will be the case.

[From the Progressive Farmer, April 1962]

WE WANT YOU TO KNOW THE FACTS ABOUT MAGAZINES AND POSTAL RATES

The U.S. House of Representatives has passed a postal bill that will threaten the life of many magazines if it also passes the Senate and becomes law. It adds tremendously to the cost of doing business at a particularly bad time for magazines, as we will point out.

Over the years, the Post Office Department has led the people of the Nation to believe that its annual deficits—this year $843 million—are a subsidy to those of us who use the mails.

This $843 million figure is what Senator OLIN JOHNSTON, chairman of the Senate Post Office Committee, calls a phantom deficit. We want to tell you why this is true.

First, the Post Office Department is not a business in the usually accepted meaning of the word. Of the 35,000 post offices we now operate, probably 28,000 of them lose money. Too small to have any chance of ever making a profit, many post offices are kept open entirely as a convenience to local people. But, said Postmaster General Day recently in Houston, Tex., in fulfilling our obligation to provide service to all the people, we quite properly keep them open.

Now thousands of money-losing post offices is just one of many services the Post Office Department renders people of the Nation free of charge or at cut rates. In his interesting biography of Senator OLIN JOHNSTON, which we suggest you read, "Senator for the South," Doubleday & Co., Garden City, N.Y., John E. Huss lists 19 public services provided by the Post Office Department. Included among the 19 are such services as:

Free delivery of newspapers within county where published.

Special low rates for nonprofit religious and scientific publications.

The greatest public service of all, rural free delivery, costs four or five times as much as it brings to the Post Office Department in revenue. No public utility operated for profit would or could carry such a financial load. But our Government would be foolish to drop R.F.D. because to do so would isolate a large part of our Nation.

What we would like Progressive Farmer subscribers to realize is that this $843 million deficit of the Post Office Department includes these public-service costs. There is good reason to believe that if all public-service costs were wrung out of the $843 million deficit, it would shrink to at least half its size.

The administration has never been willing to separate the strictly business operations of the Post Office Department from its public services. It has frequently gone to Congress with rate increases that would make mail users pay the greater part of these public-service costs. The public services are well worth the money. But they are for the benefit of all of the people, and the people should pay for them.

A good dose of efficiency would heal most of the Post Office Department's "actual" deficit that remains after subtracting public-service costs. Senator JOHNSTON says "the burning issue in the post office situation is better service for less money." And Deputy Postmaster General Brawley has stated that about $300 million could be saved by the mechanization and modernization of postal equipment and methods.

Moreover, magazine publishers are not satisfied they are getting a fair deal from the Post Office Department in its allocation of costs against different classes of mail. It is often claimed that first-class mail (letter mail) pays its way—and that the big losses are in distributing publications under second-class rates. Magazine folks are convinced that many post office costs would not be necessary were it not for first-class mail. But second- and third-class mail is made to share these costs.

LETTER MAIL HAS PRIORITY

Second class mail is handled during slack time. It is the letter mail that often has to be handled as many as 20 times. It must be picked up, carried to station, canceled, sorted, bundled, bagged, and sent to its destination, where it must be resorted, routed, and delivered.

On the other hand, the Progressive Farmer makes it easy for the Post Office Department to handle your copy of the magazine. All copies for a rural route are mailed so a carrier can quickly pick up all copies for his route. We place all copies for each post office in a separate sack. These sacks are delivered by the Progressive Farmer directly to the Birmingham railroad stations and post office truck terminal and to reentry points.

The Progressive Farmer has never opposed reasonable rate increases. We realize that the cost of doing business is going up. Even though the Post Office Department is in part a public-service institution, we don't expect it to distribute our magazine at a loss. We do feel that if the Post Office Department will take three steps there will be no need for such an exorbitant rate increase as that which recently passed the House:

1. Take public-service costs entirely out of the budget on which postal rates are based.
2. Modernize its operations.
3. Fairly allocate costs of handling the different classes of mail.

Second-class postage rates have been increased six times since 1951, for total increases of 89 percent to us. This increase has taken place even though in recent years our circulation has stayed about even and we have had a definite decline in business, which has meant fewer pages and fewer pounds going into the mails. If the House bill becomes law, the Progressive Farmer's second-class postage bill by 1963 will be 48 percent higher than it is now. And it will be 190 percent higher than in 1951. Verily, many magazines are about to be raised out of business.

Some folks say to us: "Why are you worried about postal rates? You pass all costs on to advertisers and subscribers, anyway."

Well, in times past, we have passed on to advertisers a part of added mailing costs. But as magazine advertising rates have gone up, volume of business has gone down. It is highly unlikely that farm magazines can meet increased postage costs by further increasing advertising rates.

"Why don't you make subscribers pay more?" is often asked. True, $1 a year is mighty cheap for 12 issues of the Progressive Farmer, which would make a book of valuable information at least 1,200 pages thick. Nowadays, almost any book of 400 pages, even a trashy novel, will sell for $4 to $5.

A few years ago, one major farm magazine increased its basic subscription price from $1 to $2 a year. What happened? Its subscribers still sent in the same amount of money, but it paid for only half as much time. The magazine found that the added expense of going back for an order more often ran its costs way up. So farm magazines know by dearly bought experience that raising the subscription price is no answer to increased postage costs.

Of all the bad effects of the bill to raise postal rates, none will be worse than its effects on farmers, if it results in putting farm magazines out of business. Nowhere else in the world are so few farmers feeding and clothing so many so well as in these United States. Moreover, all surveys among farm families that we have seen over a period of many years show that farm publications run far ahead of all other sources in bringing farm families new ideas about improved farm practices. Herschel D. Newsom, master of the National Grange, says: "American farmers are the most efficient and productive in the world because they have been and are the best informed in the world." As a longtime distinguished spokesman for farm people, he declares that magazines serving farmers "have had an indispensable part in the production of abundant food and fiber through dissemination of accurate information."

Many problems will face American agriculture as it passes through the almost revolutionary changes of the next 5 years. To keep farmers adequately informed by sound and wise counsel and discussion is going to be important not only to farmers but to our national welfare.

[From the Pennsylvania Farmer, Feb. 10, 1962]

FIGHT FOR LIFE

If your farm papers no longer get to your mailboxes, you can blame the staggering second class postage rate hikes passed by the House of Representatives in Washington last month. The Murray amendment to H.R. 7927 needs only Senate endorsement to take its deadly effect.

Let us see what this bill means to Pennsylvania Farmer in actual figures. Our costs of mailing the paper to you during 1961 were $28,791. The amendment requires a half cent additional per copy beginning July 1, 1962. This would add $19,626 to our cost and the total then would be more than $48,000. An additional half cent per copy is scheduled to go into effect on July 1, 1963. This would zoom our postage costs to nearly $68,043 a year. Thus there would be an increase over present costs of over 68 percent next July, and an increase of over 136 percent starting in July 1963.

Since 1952, farm papers have sustained six increases. These have raised the second class postage rates about 130 percent. We could go along with reasonable increases, but these are unreasonable.

We have to depend upon the mails to get our magazine to you. We could not afford to set up our own delivery service as do the papers in urban areas. Our readership checks indicate you desire to have our magazine continue to come to your home. The surveys tells us you like our paper because it keeps you informed on the latest information from the Pennsylvania State University, methods used by the better farmers over the State, and everything in the way of significant developments in the State of Pennsylvania.

When a postage increase bill was up for consideration at the last Congress, a majority of the members of the House Post Office and Civil Service Committee recognized the educational value of farm papers and reasonable increases were proposed. Among the members of this committee from Pennsylvania were Mrs. KATHRYN E. GRANAHAN, of the 2d District of Philadelphia, and ROBERT J. CORBETT, of the 29th District of the city of Pittsburgh.

Like the cost-price squeeze on the farm, we have had constantly increasing costs. These cannot be passed on to advertisers due to competition from other mediums. Most of the income from subscriptions goes to our sales representatives. In fact it costs us money to secure paid circulation and therefore we cannot look to this source to help pay for the increased costs.

The Senate committee that will consider a bill similar to the House version is as follows: OLIN JOHNSTON, South Carolina; A. S. MIKE MONRONEY, Oklahoma; RALPH W. YARBOROUGH, Texas; B. EVERETT JORDAN, North Carolina; JENNINGS RANDOLPH, West Virginia; FRANK CARLSON, Kansas; HIRAM L. FONG, Hawaii; CALEB BOGGS, Delaware; and our own JOSEPH S. CLARK, from Pennsylvania. We will be in touch with them and apprise them of this dangerous attack on the farm press.

We just want our readers to know the significance of these postage rate increases. Many jobs are bound to disappear not only in publishing but in printing and related fields. We thought it was the objective in Washington to create jobs, not to do away with them.

Mr. KUCHEL obtained the floor.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the distinguished Senator from Washington.

FIRST ANNIVERSARY OF THE U.S. TRAVEL SERVICE

Mr. MAGNUSON. Mr. President, a year ago Congress passed a bill which established the U.S. Travel Service. I happened to be the author of the bill. It was considered by the committee of which I was chairman. Subsequently the bill was signed by the President. This week marks the first anniversary of a new program—the U.S. Travel Service. The official celebration of the birthday will be held in Seattle during Visit U.S.A. Day on July 15 and 16 at the World's Fair.

But I do not want to let this day pass without calling attention to some of the accomplishments of this agency in the 12 short months it has been in operation. As Senators know, the Travel

Service was created for two purposes: To help reverse the heavy imbalance in our international travel account—an imbalance which last year was the equivalent of nearly one-half of our entire payments deficit—and, maybe even more important, to help improve international understanding of the United States, on the theory that America's best propaganda is America itself.

In moving ahead with its job, here is just a partial list of what USTS has done to date:

Established offices in 8 foreign countries—printed and distributed some 4.3 million pieces of promotional literature, in 7 languages, in 30 countries abroad—conducted a major advertising campaign in European newspapers—held a series of 6 regional meetings, with delegates from all 50 States, to promote better host facilities here at home—helped to make substantial improvements in Government procedures affecting travel from abroad.

But the important question is, "How well is all of this paying off?" And here the news is really encouraging. During the first 4 months of 1962, the number of business and pleasure travelers from abroad increased by 16 percent over last year. Let us look at some of the individual country figures: Australia, up 19 percent; Brazil, up 21 percent; Switzerland, up 25 percent; France, up 52 percent; Colombia, up 84 percent.

Those are typical of some of the countries that took advantage of the program and it indicates the travel that has increased between nationals of those countries and our own.

If the trend continues, 1962 will show by far the greatest number of new visitors to our country of any previous year.

I think these figures speak for themselves. I think they show that we who championed this program from the beginning have the right to feel a little proud on the basis of returns to date.

I am sure that congratulations are in order for Secretary Hodges, USTS Director Voit Gilmore, and his staff.

I hope that those figures will continue to rise.

Mr. President, before I take my seat, I wish also to pay a sincere compliment to the Visa and Passport Division of the State Department. That division has particularly set itself to a simplification of passport and visa procedures so that people of other countries may more easily visit the United States. They have rendered excellent service. Miss Frances Knight, who has been the Director of the program, has shown great energy and interest in the program, and it has paid off. In terms of dollars and cents, it is one area in which we shall be able to show some progress in our international trade deficit balance.

I thank the Senator from California for yielding to me. He is one of those who sponsored the program.

Mr. KUCHEL. Mr. President, I thank the Senator. I fully associate myself with his comments, and join with him in the salute he has given to Miss Frances Knight.

NEW CANADIAN TARIFF SERIOUSLY AFFECTS AMERICAN ECONOMY

Mr. KUCHEL. Mr. President, the launching of the European Economic Community and the concurrent virtual exhaustion of bargaining power under the Reciprocal Trade Agreements Act pose a far-reaching problem for America. We shortly will debate legislation which will establish policies the United States will follow for perhaps decades to come in carrying on commerce with other free nations.

The great significance of the forthcoming debate and the legislation to be presented this body was foreshadowed by President Kennedy in his Independence Day address at historic Independence Hall. If this Nation is to join in a declaration of interdependence such as he envisioned we must have a stable foundation for our economy and it is imperative that our trade relations be mutually advantageous.

We must not—and I as a Senator will not—give up any of our American sovereignty or relinquish the responsibility to look after our own interests in any efforts to strengthen ties among the democracies and freedom-loving peoples. The task of preparing for interdependence may be arduous. As a warning of what obstacles may lie ahead, a rather ugly situation has developed which throws a shadow over America's relations with a fine next-door neighbor, Canada.

On the eve of hearings by the Senate Finance Committee on new trade policy legislation, the complexity of our task has been demonstrated by internal troubles of our warm friends in the Dominion of Canada. The drastic steps which Prime Minister Diefenbaker recently took—devaluation of Canada's currency and what are termed "temporary" tariff increases—compound our difficulties.

The unilateral moves made by Canada a fortnight ago included immediate imposition of a virtual surtax on imports, ranging from 5 to 15 percent and applying to a vast range of commodities. American agriculture will be particularly affected by this blow. I wish to direct attention of my colleagues from different sections of the country, especially those whose States are substantial producers of fruits, vegetables, and meats, to the impact which can adversely affect the economy of large areas.

The full scope of the Canadian action has not been thoroughly appreciated, I fear, due to incomplete announcement of the way the tariff boost would apply to agricultural imports. The immediate reports from the Dominion suggested the principal effect of the emergency tariffs would be on nonessential or luxury items, and of minor significance. I am advised that in actuality the so-called temporary surtax will be imposed on 161 food commodities in 26 groups. Of primary concern are many of the products which we in California grow in substantial quantity, known as specialty crops. I suggest that a number of other agricultural producing regions of the United States compete with my State in the growing of these crops.

The export of fruits and vegetables from the United States to Canada is not any insignificant activity. Figures I have been furnished from the American Embassy at Ottawa show that our neighbors in the Dominion have been taking in the neighborhood of $100 million worth of fruits and about half that volume of vegetables annually during recent years. The exact figures for 1961 were $114 million for fruits and $54 million for vegetables, measured in terms of the predevaluation Canadian dollar. Of course, since the worth of Canadian currency has been adjusted downward, the return to American producers for a similar quantity now would be less.

Mr. President, I ask unanimous consent to have inserted at the end of my remarks a table showing the Canadian fruit and vegetable imports from the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, the grievous danger implicit in the imposition of a temporary additional tariff is further shown by figures reflecting both Canadian agricultural imports and exports. Over the past decade, American producers saw their shipments to Canada rise from $274 million in 1950 to $416 million in 1960. Canadian agricultural shipments to the United States fluctuated materially over this period but in all except 2 of the 11-year period had a worth of at least $200 million.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a table showing Canadian agricultural imports and exports.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Let me give one illustration of the painful nature of Canada's emergency action. The San Joaquin Valley of California is a leading source of grapes. Production of raisins is a vital part of that agricultural activity. Canada now has a tariff of 3 cents per pound on raisins, an admitted preferential duty ostensibly to protect Australia, although the Australian varieties are markedly different and enjoy a price advantage naturally. The new surcharge on American grapes and raisins is 5 percent. At the current price of 20 cents per pound for raisins, the total duty thus will be approximately 20 percent of the value. On table grapes, worth $4 per crate at the point of entry, the tariff will amount to 20 cents per crate. Last year California's raisin and grape shipments to the Dominion were valued at more than $15 million.

As we all know and readily admit, trade to be advantageous must be a two-way street. Canada's action in putting another layer of bricks on a tariff wall makes it harder to achieve such a goal. This temporary surcharge is particularly deplorable since the Dominion in the past several months has been enjoying a spectacular increase in its lumber shipments to the United States and Canada's timber exports have gravely endangered the American forest products industry.

Regarding this aspect of United States-Canada trade relations, I want to suggest, Mr. President, that the Dominion is asking this country to turn the other cheek at a time when we already have felt the sting of persistent slaps.

The American lumber industry plight has given many of my colleagues in both this body and the other Chamber tremendous concern. Those of us from the West, members from both political parties, have been exploring every serious suggestion for means of preventing the forest products industry in the United States from being driven to the wall. The acute situation is emphasized by the fact that a recent report showed cargo tonnage moving through the Panama Canal last year hit a new all-time peak and a large proportion of the increase was attributed to Canadian lumber shipments—undoubtedly in foreign-flag vessels—into east coast ports.

The United States wants to see Canada prosperous and economically healthy. We appreciate the urgency of the Dominion's problems, as is evident from our willingness to lend financial assistance as well as to avoid retaliation against her products. But we cannot in this body prepare to take up trade legislation looking toward elimination of barriers when one of the other freedom-loving peoples, with whom we enjoy the most cordial of international relations, arbitrarily takes such a drastic step as raising tariffs a substantial amount on a long list of items which figure prominently in our mutual commerce.

From the viewpoint of California, which is especially concerned with Canada's surcharge on agricultural commodities, I express the hope that this disturbing action truly will be temporary. I fervently hope we soon will find out that our neighbors in the Dominion have not cemented another layer of bricks on a tariff wall but instead have only topped the present low barrier with some easily removable wire. This would be particularly appropriate because I recall that in the past when our own Government was reported contemplating restrictions on Canadian imports the California fruit and vegetable industry advocated virtually free access for Dominion producers to the United States.

I would like to see the executive branch of our Government sit down promptly in a friendly fashion with those who almost certainly will be fellow occupants of the "new House" which President Kennedy predicted on the Fourth of July will provide accommodations for us and a multitude of friends and allies pledged to peace, freedom, security, and progress. We should talk these problems out and strive for speedy agreements to avoid injury to each other. That is what I suggested to the administration months ago when the serious predicament of the lumber industry first became truly alarming. Precisely that was done with Japan a few years ago when that nation's revitalized fishing and canning industries threatened extinction for American tuna fishermen and packers.

In the interest of the forthcoming interdependence about which the President speaks, for the sake of amity and mutual benefit between our two countries, it appears that Canada could make a major contribution by reexamining her policies, just as we are about to do with those under which the United States functions, in the realm of international trade. It is to be hoped that such a new appraisal would result in modification of the emergency tariff action on agricultural products and some voluntary curtailment of shipments to our markets which threaten calamity for American forest products enterprises.

I ask unanimous consent to have printed in the Record at the conclusion of my remarks a copy of a letter I sent to the President of the United States under date of June 8, and a copy of a letter I wrote to the Secretary of State under date of January 13, 1962.

The PRESIDING OFFICER. Without objection, it is so ordered.

Exhibit 1

Canadian fruit and vegetable imports from the United States

[Million dollars—Canadian]

	1957	1958	1959	1960	1961 final
Oranges	23.2	23.7	24.1	23.1	22.1
Grapefruit	5.4	5.5	5.7	5.6	5.6
Lemons	2.3	2.2	2.4	2.4	2.4
Grapes	9.7	10.3	10.8	11.4	12.9
Strawberries	4.1	4.8	4.8	4.2	5.2
Peaches	1.4	1.5	1.9	2.6	2.1
Apples	3.0	2.9	2.7	3.3	4.0
Pears	2.0	1.7	2.4	2.1	2.1
Raisins	3.5	3.4	2.4	2.9	2.6
Prunes	2.1	2.6	3.0	2.7	3.1
Fruit juices	18.0	23.4	26.0	25.0	27.6
Fruit cocktail	4.9	5.6	5.3	5.3	6.0
Peaches canned	2.4	2.4	2.1	3.3	3.1
Other fruits	11.8	11.3	12.4	15.5	15.0
Total fruits	93.8	101.3	106.0	109.4	114.3
Potatoes	6.1	6.5	7.8	12.6	7.3
Tomatoes	8.1	5.9	6.6	6.8	8.8
Tomato paste, juice, and pulp	5.3	3.1	2.7	2.6	1.6
Lettuce	5.0	5.5	5.8	6.2	6.3
Celery	4.1	4.9	3.5	3.7	3.9
Onions	2.8	2.2	2.5	2.0	2.5
Vegetables, frozen	2.6	3.2	3.4	2.8	2.4
Vegetables, canned	4.2	3.7	2.3	2.5	3.5
Other vegetables	16.9	16.9	17.2	20.7	17.8
Total vegetables	55.1	51.9	51.8	50.9	54.1

Source: Foreign Trade of Canada.

Prepared: Office of Agricultural Attaché, Ottawa, Canada, Feb. 2, 1962.

Exhibit 2

United States-Canada agricultural imports and exports

[Million dollars—Canadian]

	Canadian imports from the United States	Canadian exports to the United States
1950	274	302
1951	340	383
1952	280	303
1953	263	298
1954	301	235
1955	316	183
1956	362	206
1957	365	246
1958	350	295
1959	373	225
1960	416	199
1961	[1] 430	[1] 218

[1] Estimated—based upon incomplete data for the year.

Source: 1950–56—Economics Division, Canada Department of Agriculture, 1957–61—Foreign Trade of Canada.

Prepared: Office of the Agricultural Attaché, Ottawa, Canada, Feb. 1, 1962.

Exhibit 3

June 8, 1962.

Dear Mr. President: For many months, the forest-based economy of many communities in California and other Western States has been adversely affected by increased importation of foreign lumber and reduced reliance upon domestic supplies of this vital building material. In fact, conditions have been worsening daily.

Because of the far-reaching consequences, early in the year I urged the Department of State to consider discussing with the Dominion of Canada possible voluntary agreements which would bring needed stability to our forest products industries and suggested that various units of the executive branch discuss with responsible industry leaders the nature of intensified foreign competition and possible remedial courses of action.

I regret that despite indications that Federal officials realize the seriousness of the situation there has been no evidence of determination to seek a solution to the acute and worsening problem. The mounting necessity for speedy attention is emphasized by data showing that trends which caused alarm late last year have continued and the vitality of our domestic forest products industry has declined progressively.

As evidence of the urgent need for action by our Government I wish to bring to your attention the increase in Canadian imports and the drop in domestic employment.

I have been furnished data showing Canadian softwood shipments into the United States rose from 255 million board feet in January to 371 million in March and 403,975,000 in April. The mounting volume represented a change in the proportion of domestic consumption supplied from the Dominion from 12.3 percent in the fourth quarter of 1961 to 14.1 percent in the first quarter of 1962. We cannot help being greatly disturbed by the 21.5 percent increase in such imports in the first 4 months of this year as compared with the total for the same period of 1961.

Unemployment inevitably has increased substantially, with a rise of 4 percent in the lumber manufacturing field alone during the past quarter. With mills curtailing operations or completely shutting down, it presently is estimated some 200,000 persons formerly employed in the forest products industry in this country are out of work. The economic health of large numbers of communities, many of them in California solely or largely dependent upon activity in such establishments, naturally has suffered immeasurably.

The domestic industry has called for immediate relief through a system of temporary import quotas while consideration is given more basic aspects of the problem and effective long-range measures. I should like to inquire whether serious consideration has been given such a step to check further deterioration of the health of the American economy.

There are a number of courses of possible action which I believe should be weighed carefully and promptly. Among them are improvements and liberalization in timber sales policies and procedures of the U.S. Forest Service, adoption of the "buy American" principle for federally assisted construction, discussion with Canada of the desirability of voluntary limitation on exports, quota restrictions on imports, equalization of transportation advantages, and compensation for changes in currency exchange rates.

I appreciate the importance of our friendly relations with Canada and of the financial significance of trade with the Dominion, but I also believe we have an inescapable duty to give speedy and sympathetic attention to the plight of our domestic industry and the people and communities whose welfare is so directly related to its vigor and well being.

Respectfully yours,

Thomas H. Kuchel,
U.S. Senator.

Exhibit 4

January 13, 1962.

Hon. Dean Rusk,
Secretary of State,
Washington, D.C.

Dear Secretary Rusk: A large number of California lumber producers and workers have reported to me that marked increases in importation of forest products from Canada are having seriously adverse effects upon the domestic industry.

As you know, the cutting, milling, processing, and handling of forest products is a major activity and foundation of the economy in a wide area of northern California. Over recent years, the industry has been plagued repeatedly by slumps in construction, foreign competition, and other obstacles to steady and successful operation. By strenuous efforts, some revival has been effected, only to be threatened by new forms of competition.

I believe it would be in the interests of our national economy if immediate steps were taken to collect comprehensive information about the type and degree of this competition, with the thought of holding conversations with our Canadian friends about the problem presented. The mutual interest of the United States and the Dominion of Canada in economic health of North America would seem to warrant discussions looking toward possible agreements which could bring greater stability to the lumber industry.

I believe it would be in the public interest if some interdepartmental group concerned with different aspects of the forest industry situation should collect data through public meetings and conferences to ascertain the extent of the problem and the possible areas of action which would protect our American producers and workers.

Because of the significance of this matter, I am sending copies of my letter to other officials in the executive branch whose cooperation and attention I feel would be helpful and necessary.

With kind regards, I am,

Sincerely,

Thomas H. Kuchel,
U.S. Senator.

THE AMERICAN MOTION PICTURE INDUSTRY

Mr. KUCHEL. Mr. President, the very great pride which the people of California have in our motion picture industry is reflected, I think, by the feelings of all the American people. The motion picture industry has given great entertainment not only to our fellow citizens but also to people in all parts of the globe. It portrays America and the free way of life. Its progress has been made under our own system of free competitive enterprise.

We can be proud of the motion picture industry in America; that is why we ought to understand the serious difficulties which confront it. A part of those difficulties is reflected in the recommendations by the President of the United States to Congress to prevent a selfish few from taking advantage of the present tax laws and going overseas to engage in what is called runaway production. It is a problem which the House of Representatives faced up to. It agreed that legislation in this field was necessary; that legislation is now before the Committee on Finance. I think it represents an important problem, one which ought to be brought before the Senate.

The motion picture industry sometimes becomes America's favorite whipping boy. It becomes so because of the occasional, regrettable antics of a few—indeed, of a very few—who are connected with the motion picture industry. Too many of our fellow citizens are prone to condemn the industry as a whole because of the escapades of a handful of people connected with it.

At any rate, a few weeks ago, one of the topmost motion picture producers in California produced a great motion picture which had its premier in Mason City, Iowa. It is a great American production, made for the American people, and for the world, depicting a sweet and picturesque chapter of Americana, and doing it with the utmost of good taste, great skill, and excellent acting.

On the occasion of the premiere, the distinguished Senators from Iowa [Mr. Hickenlooper and Mr. Miller] went to Mason City to see the motion picture production of the very famous Broadway musical "The Music Man." Col. Jack L. Warner, president of Warner Bros. Pictures, Inc., which produced "The Music Man," sponsored a full-page advertisement in daily newspapers throughout the country, on the occasion of the Iowa showing. The advertisement was entitled "Tahiti, Rome, and Mason City, Iowa." I shall read a portion of that advertisement and shall then ask unanimous consent that the entire text be printed in the Record:

> In recent weeks the motion picture industry, to which I have devoted my life, has been getting more than its share of what is politely termed "unfavorable" publicity; lots of sensational headlines and editorial disapproval; scandal in Rome; waste in Tahiti; fiasco in Hollywood.
>
> I, personally, would like to show you the other side of the coin. The many conscientious, devoted and talented people in our industry, who for half a century, consistently have provided the world with what is still its greatest single form of entertainment, should not be pulled down to the level of the few misguided in our midst. So instead of Rome or Tahiti or Hollywood, for the moment let's talk about Mason City, Iowa, in the heart of America.

Colonel Warner went on to tell of the plans and preparations for the premier of "The Music Man" in Mason City; of the high school bands which were traveling to Mason City from all over the country, there, with others, to be able to witness a clean American film, made in America, by American producers and actors, in the finest tradition of the motion picture industry.

As a result of that advertisement, newspapers across the country congratulated Colonel Warner for speaking out in defense of an industry which all too often is condemned because of sensational news stories involving one, or two, or three people connected with the moving picture business. Those who depart from good conduct and good morals deserve condemnation. But a vast segment of our people, who happen to be in the same business—motion pictures—ought not to suffer for the contemptible derelictions of a few.

Mr. President, I have before me editorial comments from the Hollywood Reporter, the Los Angeles Times, and the Chicago Sunday Times, which cheer the motion picture industry and which congratulate one of its leaders for speaking out boldly, frankly, and truthfully, to demonstrate that we in this country may continue to be very proud of an American industry which has done so much to provide excellent entertainment for the people of our Nation and of the world, and whose people, in overwhelming majority, represent fine, clean, dedicated citizens, who are proud of their industry, and who seek, constantly, to maintain the highest standards.

Mr. President, I ask unanimous consent that the comments to which I have alluded be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Tahiti, Rome, and Mason City, Iowa

In recent weeks the motion picture industry, to which I have devoted my life, has been getting more than its share of what is politely termed "unfavorable publicity." Lots of sensational headlines and editorial disapproval. Scandal in Rome. Waste in Tahiti. Fiasco in Hollywood.

I personally would like to show you the other side of the coin. The many conscientious, devoted, and talented people in our industry, who for half a century, consistently have provided the world with what is still its greatest single form of entertainment, should not be pulled down to the level of the few misguided in our midst. So instead of Rome or Tahiti or Hollywood, for the moment let's talk about Mason City, Iowa, in the heart of America.

This week, thousands of American boys and girls will converge on Mason City to engage in a gala National High School Marching Band Contest. They'll be lugging their tubas and trombones from 34 States in every corner of the Union at no small expense and with the usual trouble and confusion that attends these junkets. But when they march in review before the assembled judges, with trombones blaring and drums pounding, a good hunk of what's wonderful about our country goes marching with them.

I think it pertinent that a new motion picture has inspired and is at the grassroot of this heart-warming activity. It is Meredith Willson's "The Music Man" and a special showing of the picture will crown the 3-day festivities at Mason City. We at Warner Bros. have never been more pleased with a motion picture. Not simply because those who have seen it hail it as superb entertainment but, with its overall theme, its great and rousing spirit and all the things it sings and says, it is gratifying evidence of how healthy and vigorous and triumphant our industry—and our country—can be. At this moment, everybody—not just Warner Bros.—can be proud of "The Music Man."

So next time you pick up a newspaper and read about this actress or that actor, try to keep things in proper perspective. Remember that their actions do not speak for an entire industry that will present to you this summer some of the finest motion pictures ever made. Among them I include "The Music Man." I am happy to recommend it to you.

Jack L. Warner,
President, Warner Bros. Pictures, Inc.

[From the Hollywood Reporter, June 21, 1962]

Trade Views

(By Don Carle Gillette)

Whether or not it was intended primarily to focus attention on the press premiere of Meredith Willson's "The Music Man" in Mason City, Jack L. Warner's full-page newspaper ad headed "Tahiti, Rome, and Mason City, Iowa," published Tuesday in Los Angeles and New York, as well as in the Iowa city where the junket festivities took place, carried a triple punch that evoked spontaneous and widespread commendation.

It pointed up the fact that the questionable capers of a few film stars do not represent the behavior of the vast majority of conscientious workers in this industry.

It was a gentle but firm admonition to the misguided stars whose shenanigans are giving the movie business a black eye—and hurting the stars themselves as well.

It was a master stroke of industry public relations at a time when this business is badly in need of it.

The fact that the statement was tied in with one of the most rousing and wholesome motion pictures that has come along in years is beside the point. It took courage to express the outspoken views voiced by Jack Warner, and one result is that a lot of important persons and some millions of newspaper readers are going to feel reassured by this expression from the head of the company that long has prided itself on its policy of combining good citizenship with good film making.

Jack Warner's statement deserves wider distribution. It should be reprinted and circulated throughout the land, particularly at the moviegoing level. Every exhibitor should be supplied with copies to distribute to theater patrons, to community leaders, the press, commentators and others of influence.

Entirely too much fuss has been made over a few temperamental stars. Box office records show that no "name" today is enough to carry a picture. Now more than ever, it's the story and the combination of entertainment ingredients that draw the customers. The same stars appearing in some big hits have failed to attract paying audiences in other attractions, because moviegoers have become more discriminating—particularly in the case of film personalities who get far more unfavorable personal publicity than they have the talent to offset.

[From the Los Angeles Times, June 22, 1962]

Everything "Go" for "Music Man" in Iowa—Arthur Godfrey Emcees Film Opening; Predicts Oscar Win

(By Hedda Hopper)

Mason City, Iowa.—This town of 30,000 in the heart of America put on a rousing show to launch the film "Music Man" and honor its creator, Mason City's own Meredith Willson.

The corn in Iowa isn't as high as an elephant's eye, but the town's spirits were for 2 days. Ninety bands from Iowa and Minnesota, plus 30 more from across the United States took part in the annual band festival. Thirty bands competed for $10,000 worth of musical instruments. A positive-thinking group from the Lockport, Ill., High School marched off with the prize. The kids made up their minds long ago that they'd win and never a doubt entered their minds.

You'll be able to hear the Lockport band on Arthur Godfrey's radio show. Godfrey, here to introduce the stars at the picture's opening said: "I predict 'Music Man' will sweep the board at Oscar time. But my predictions don't always come true. I once predicted that Elizabeth Taylor would become a nun."

MUSIC IN THE AIR

When we stepped off the plane in Mason City, we got a loud and royal welcome from 3 bands and 25,000 people. My granddaughter Joan and I were guests of Gen. and Mrs. Hanford MacNider, whom I've known for 25 years. This was my first opportunity to visit them in their charming home, which they call "The Farm." Surrounded by a thousand acres, a farm it is. I asked what they raised besides corn. "Hogs," said MacNider. "We have the best. The corn, and all the milk from the cows, go right into the pigs." I got a clue as to why there's so little juvenile delinquency in Mason City. Everybody here works.

MacNider, a veteran of both World Wars, spent 47 months in the South Pacific in World War II. Gen. Douglas MacArthur called him "one of the finest soldiers I've ever known." He is president of the only nonunionized cement company in America. His workers share in the profits. Each year he and his wife, both of whom were born in Mason City, give a dinner on the lawn of their home for all employees who've been with them 10 years or longer. Last year they entertained 406.

After Joan and I changed our clothes (that 15-year-old brought more clothes than her grandmother—every time I looked around she was changing into a new outfit), we got a ride on a showboat around a 12-mile lake.

Next day we were up at 7:30 to ride in the big parade; then sat in the grandstand and watched the bands march by. I kept waiting for one to burst forth with John Philip Sousa's "Stars and Strips Forever," but this is Meredith Willson's town, it was his day, and he lived it to the hilt. Not only got a footbridge named after him, but was made a colonel.

Met 8-year-old Ronny Howard, who appears in the picture. His father Rance told me how Ronny became an actor. Howard was directing "Mr. Roberts" in Baltimore when the boy was 2½. After 4 days watching the rehearsals, the little fellow started spouting all of Ensign Pulver's lines. His dad couldn't believe it, so tried him out on other things. He was a natural. A year later, Ronny made his picture debut in "The Journey" with Deborah Kerr and Yul Brynner.

It was 11 p.m. before the world premiere of "Music Man" got underway at the theater. But it went beautifully. At the finish when they played "76 Trombones," the roof literally fell in.

A perfect climax for a perfect day.

[From the Chicago Sun-Times, June 21, 1962]

Kup's Column

Mason City, Iowa.—Not since John Dillinger swooped into town, swiped the contents of the First National Bank and swept out has there been such excitement here. That was in 1934, and oldtimers still like to recall that Dillinger was responsible for putting Mason City on page 1. This bustling little town in northwestern Iowa is back in the papers again, 28 years later. But this time because its heart, not its money, has been stolen. Composer Meredith Willson, who spent his youth in Mason City and put it to words and music in "The Music Man," was back home. For the last 48 hours, the town has been his.

How this city of 30,000 opened its heart and purse strings ($40,000 was allocated to handle the world premiere of "The Music Man") for local boy Meredith and his film would be a fitting sequel to the movie. The typical small-town oratory, the warm hospitality by the local citizenry, the four-hour parade of marching high school bands under a blistering Iowa sun, the picnic lunch and the "by golly" admiration of Hollywood celebrities were all pure corn—the same kind of corn Willson poured into "The Music Man." But it's also pure Americana.

Jack Warner, head of the studio that produced "The Music Man," sent a message to the premiere that is appropriate. The message, titled "Tahiti, Rome, and Mason City, Iowa," reads, in part: "In recent weeks, the motion picture industry, to which I have devoted my life, has been getting more than its share of what is politely termed 'unfavorable publicity.' Lots of sensational headlines and editorial disapproval. Scandal in Rome. (He means Liz Taylor and Richard Burton.) Waste in Tahiti. (He means Marlon Brando.) Fiasco in Hollywood. (He means Marilyn Monroe.) I personally would like to show you the other side of the coin. So instead of Rome, Tahiti, or Hollywood, for the moment let's talk about Mason City, Iowa, in the heart of America."

The message continues: "This week, thousands of American boys and girls will converge on Mason City to engage in a gala national high school marching band contest. They'll be lugging their tubas and trombones from States in every corner of the Union, and when they march in review before the judges, with trombones blaring and drums pounding, a good hunk of what's wonderful about our country goes marching with them. I think it is pertinent that a new motion picture has inspired, and is at the grassroot of this heart-warming activity. The over-all theme of 'The Music Man,' its great and rousing spirit and all the things it sings and says, are gratifying evidence of how healthy and vigorous and triumphant our country can be."

Jack Warner wasn't on the scene, but his description—"the trombones blaring and the drums pounding"—caught the spirit of the high school bands marching in colorful uniforms. It was a grassroot spectacle that few among the 75,000 who reportedly lined the parade route soon will forget. Arthur Godfrey, no novice when it comes to spectacles, called it one of the most memorable days in his life. Also memorable was the way Mason City opened its homes to care for the housing and boarding of the 30 visiting bands.

Among the busiest of all the Mason City residents was former Chicagoan Ernest Kuhn, who now is associated with Gen. Hanford McNider, Mason City's leading citizen, in operating the Hanford Hotel and Motor Lodge. Young Kuhn came here with his dad, Ernest Sr., former manager of the Tavern Club on Boul Mich, some 10 years ago. When the elder Kuhn died, Ernie became the city's No. 1 innkeeper and caterer. * * * Another ex-Chicagoan, Poul Yoder, the famed bandmaster, officiated at the high school band contest.

Also prominent at the premiere festivities was Red Blanchard, who maintains a home in Mason City and commutes to Chicago for WGN's Barn Dance on Saturday nights. Red owns radio stations in Mason City and nearby Cedar Falls. Each of the celebrities arriving here was greeted with a huge sign at the airport, reading "Welcome to River City" (Mason City's name in the movie). But when Frank Casey, Warner Bros. representative in Chicago, arrived, he was greeted with, "Casey, Go Home," a little gag the press played actually to show its affection for him.

AID TO YUGOSLAVIA AND POLAND

Mr. DODD. Mr. President, since the question of aid to Communist countries was discussed in the Senate on June 7 and 8, there has been a continuing debate in the press of our country on the Senate's action in voting for increased restrictions on such aid.

In editorials and feature articles opposing the Senate's action it has been argued that this action would somehow make the Yugoslav and Polish regimes more Communist than they already are; that the real victims of the action would be the Yugoslav and Polish peoples, not the regimes which oppress them; that the action really served the Kremlin's purposes by forcing Yugoslavia and Poland into a posture of total economic and political reliance on the Soviet Union.

I believe the best answer to all these arguments is to be found by making a simple examination of the historical record.

Since Tito was expelled from the Cominform in 1948, we have invested roughly $2½ billion in aid, both military and economic, to Yugoslavia. For a number of years, our military aid program alone operated at the rate of roughly $100 million per annum. In the case of Poland, our aid to the Gomulka regime since the Poznan riots of 1956 has totaled somewhat more than $1 billion.

The justification for this massive assistance program was that it would deepen the rift within the Communist empire, would make Yugoslavia and Poland more dependent on the West, and would encourage the trend toward liberalization in both countries.

There was, it is true, a marked liberalization of the regime in Yugoslavia in the period immediately following the break with Moscow; and there was a similar liberalization in Poland in the period following the Poznan revolt and the dismissal of Marshal Rokossovsky as commander in chief of the Polish forces. But this liberalization was not due to the generous injections of foreign aid by the United States. It was due primarily to the temporary weakening of the Yugoslav and Polish regimes, and also to the fact that the Yugoslav and Polish peoples took advantage of this weakening to manifest their discontent and to wrest certain limited concessions from these regimes.

The aid we have given to Tito and Gomulka has helped them to stabilize their regimes. And, as they have achieved greater stability, they have cut back progressively on the limited concessions they were compelled to make to their peoples. But since we have not made the relaxation of the Communist dictatorship in these countries a condition of our assistance, our assistance has, in fact, served to help the tyrants forge more strongly on their subjects the bonds of dictatorship.

I wish, at this point, Mr. President, to detail the record of Yugoslavia, because Yugoslavia has been the chief Communist recipient of American aid, and because what can be said of Yugoslavia applies, with minor variations, to the case of Poland.

First. In the United Nations, Tito has, with the exception of a few minor abstentions, invariably voted with the Kremlin against the West.

Second. Tito endorsed the suppression of the Hungarian revolution.

Third. In his posture as an independent, Tito has been able to spearhead the anti-Western neutralist movement in Asia and Africa. These activities culminated in the inglorious conference of neutralist nations in Belgrade in August 1960, where the participants voted resolution after resolution against the West. They find expression today in the close ties which exist between the Tito government and the extremist wing of the Algerian liberation movement, headed by Ben Bella. In a Yugoslav broadcast of March 31, Ben Bella was quoted as expressing gratitude to Yugoslavia for the assistance it gave to the Algerian liberation struggle, and as saying:

> In the situation in which we are now, Yugoslavia is perhaps the most worthy model for us.

The posture of ostensible independence from Soviet control has enabled Tito to serve the international purposes of the Kremlin far more effectively than he could have served it as an open lackey.

Fourth. While we have been giving billion of dollars to Yugoslavia, Yugoslavia has been spending hundreds of millions of dollars on a foreign aid program of its own, geared to the expansion of neutralist influence in the non-Communist world. India, Indonesia, Burma, Egypt, the Sudan, Ghana, Ethopia, and other Afro-Asian nations with neutralist leanings, have been recipients of this aid. In short, through our aid to Yugoslavia, we have in effect been underwriting the extension of anti-Western neutralism in the countries of Asia and Africa.

Fifth. Tito on his own initiative discontinued American military assistance in 1958. Since that time, however, we have continued to provide spare parts and limited numbers of military planes, at least up until last year. In the recent May Day parade in Belgrade, foreign correspondents were surprised to see heavy Soviet tanks of the latest models. There are also reports that Yugoslavia is now negotiating for the purchase of planes from the Soviet Union.

Sixth. Tito has denounced the Balkan Alliance with Greece and Turkey.

Seventh. In the month of April, Soviet Foreign Minister Gromyko visited Yugoslavia. In referring to his conversations, the New York Times of April 21 reported:

> One official Yugoslav source, predicting that Mr. Gromyko's visit would mark the beginning of a great new swell in Yugoslav-Soviet relations, said it was only the start of what should develop into an extensive exchange of official visits on many levels. The source also predicted a speedy increase in trade between Yugoslavia and the Soviet bloc as a whole, as well as greater economic cooperation.

Since then, it has been announced that Tito, himself, will visit the Soviet Union this summer.

Eighth. As item No. 8 in this bill of particulars, I should like to quote a paragraph from the Christian Science Monitor of April 10, 1962:

> The Yugoslavs have just taken part in a Sofia meeting of the Kremlin-approved Committee for Balkan Cooperation, in which the Rumanians and the Bulgarians take full official part along with unofficial and mainly "fellow-traveling" representatives from Greece. The Albanians were excluded probably because, as Tirana has since complained, their absence might secure a more substantial Yugoslav participation.

Ninth. The chief immediate benefit that accrued from Tito's break with the Cominform in 1948 was the split in the Greek Communist movement and Tito's cessation of direct support to the Communist guerrillas in northern Greece. Now Tito's propaganda apparatus has once again raised the issue of the so-called Macedonian-Slav minority in northern Greece—an issue which was one of the chief instruments of the Cominform's attempt to take over Greece in the postwar period.

Tenth. On May 6 of this year, the vaunted economic "liberalism" which was sometimes used to justify aid to Tito, went by the boards. President Tito announced a series of drastic new measures designed to bring the Yugoslav economy back under tight Communist control. Said the New York Times of May 7:

> Citing too much liberalism and too little control as causes of the troubles, Marshal Tito said that under his direction the Communist Party was again assuming its "leading role" in the country. "Some will say the Communists have taken everything in their hands again," he said, "but we know what has to be done and what the people want."

Eleventh. On the same day, Tito announced that, with President Nasser, he was organizing an international conference, with representatives of African, Asian, and Latin American countries, to discuss ways of protecting their economies against the Common Market. The Common Market is, of course, a prime target of Soviet foreign policy. The Kremlin, itself, is incapable of organizing a conference of uncommitted nations directed against the Common Market. Once again, it is using Marshal Tito and President Nasser as its stalking horses.

Twelfth. The reimprisonment of Milovan Djilas, in mid-May, on charges of disclosing official secrets is symbolic of the entire retrograde development of recent years. Mr. Djilas' crime is that he rejected the tyranny of communism, and found little difference between this tyranny under Stalin, under Khrushchev, or under Marshal Tito in Yugoslavia. By imprisoning Djilas at this juncture, the Yugoslav Government is serving notice on its people that no dissent and no deviations will be tolerated.

Mr. President, I could continue this bill of particulars almost indefinitely; but to do so would be to labor the issue.

By a hundred different actions, Marshal Tito has demonstrated that he stands with the Kremlin, and against the free world. For my part, I believe this was entirely predictable. Even at the height of his rift with the Kremlin, Tito would have been compelled to side with the Soviets in any showdown with the free world, for the simple reason that Yugoslav communism could never survive the defeat of the Communist motherland.

For the sake of argument, I am willing to concede that aid to Tito may have been considered a justifiable risk, at least for the period of the first several years. But, to me, it passes comprehension that we have continued to lavish hundreds of millions of dollars of aid on him, despite his open and continued hostility to the West. Illusions and hopes die hard, I know. But even for the most willfully hopeful, the cumulative events of the past few months should have provided proof enough of where Tito stands.

Mr. President, I believe the Senate acted wisely in placing restrictions on further aid to Communist Yugoslavia and Poland.

And, contrary to certain statements which have appeared in the press, I believe Congress is competent to pass judgment on this issue.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the following items:

A broadcast entitled "Bella Says Yugoslavia is 'Worthy Model'." This was broadcast over Belgrade radio on March 31, 1962.

An article entitled "Albanian Defection Binds Red Balkans," from the Christian Science Monitor of April 10.

An article entitled "Yugoslavs See Closer Soviet Tie as Result of Gromyko's Visit," from the New York Times of April 21, 1962.

An article entitled "Tito Announces Tight Controls in Yugoslav Economic Crisis," from the New York Times of May 7, 1962.

An article entitled "Tito Is Aiding Our Foes With Cash From United States," from the Hartford Times of May 15, 1962.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[Belgrade Tanyug in English to Europe, 1901 GMT March 31, 1962]

BELLA SAYS YUGOSLAVIA IS "WORTHY MODEL"

BELGRADE.—In an interview with the Zagreb paper Vjesnik, the vice premier of the Algerian Government, Ben Bella, stated that the Evian agreements and the cease-fire in Algeria should serve the materialization of the objectives of the Algerian revolution. This is the first interview Ben Bella has given to a paper since his release from confinement, which started in 1956. The Vice Premier of the Algerian Government stated that it was indispensable to reach peace in Algeria and added that the strength of the secret terrorist organization of the extremists should not be underestimated.

Referring to the struggle of the Algerian people, Ben Bella paid tribute to Algerian emigrants in France and said that they gave a very significant contribution to the liberation movement. There are about 500,000 Algerian workers in France organized in the People's Liberation Front.

Asked what the most urgent task of the FLN is, Ben Bella answered: "Time—to waste too much time can be perilous. Today we have the enthusiasm of the people, and this is our wealth. To waste too much time would mean to lose the masses, and we do not want to do this."

Expressing gratitude to Yugoslavia for the assistance it gave to the Algerian liberation struggle, Ben Bella said among other things: "In the situation in which we are now, Yugoslavia is, perhaps, the most worthy model for us." Ben Bella stated that he would tour Iraq, Libya, and Tunisia after his visit to Cairo. He also expressed a wish to visit Yugoslavia.

[Yugoslavia, Apr. 10, 1962]

ALBANIAN DEFECTION BINDS RED BALKANS

(By Eric Bourne)

VIENNA.—A largely unexpected development of the Albanian defection from the Soviet camp has been a reduction of animosities between Yugoslavia and its Balkan neighbors, Rumania and Bulgaria, and a greater willingness on the part of the Belgrade Government to participate in bloc-promoted political moves for the Balkans.

The Yugoslavs have just taken part in a Sofia meeting of the Kremlin-approved Committee for Balkan Cooperation, in which the Rumanians and the Bulgarians take full official part along with unofficial and mainly "fellow traveling" representatives from Greece. The Albanians were excluded probably because, as Tirana has since complained, their absence might secure a more substantial Yugoslav participation.

Quite obviously the committee's main raison d'être is to push Moscow's old claim for a denuclearized, atom-free zone in the Balkans. This claim has been renewed at the current Geneva disarmament talks, together with similar pleas for the reconsideration of the Rapacki plan for central Europe and a similar zone in Scandinavia.

OLD ATTITUDE DIFFERED

Some years ago, when the Rumanians first sponsored the Balkan project and urged a summit meeting of the Balkan heads of state and government, Yugoslav reactions were noncommittal. Belgrade suggested that it was first essential to remove some of the discords between individual Balkan nations before talking about cooperation in the area on a multilateral pattern.

The Yugoslavs were, in fact, at that time no more anxious to take part in such conferences with their Communist bloc neighbors without their Greek friends than to do so in company with their old rivals, the Albanians. Since then there has been a shift of political feeling all over the area, evidenced by the fact that the Yugoslavs not only have been anxious to divest themselves of the encumbrance of the Balkan defense pact with Greece and Turkey, but have not been at all backward in reaffirming an interest in the controversial question of the so-called Slav-Macedonian minority in northern Greece.

MORE INDEPENDENCE SEEN

They still value and do much to support the friendly link established with the Greeks more than a decade ago, but they undoubtedly now feel that theirs is a more independent position and the tie not so much borne of necessity as it was at its inception. If, at the same time, neighbors in the Soviet bloc show themselves more agreeable to contacts with Belgrade, the latter is not unwilling to go along, especially in such issues as peace and war and disarmament, on which for some time the Yugoslav position has been markedly close to the Soviet Union's and at variance with Western viewpoints.

To the recent Sofia meeting, the Rumanian and Bulgarian Premiers sent letters urging close cooperation among the Balkan nations and an extension of present limited contacts. President Tito did not do the same, but he did send one of his senior diplomats, Dobrivoje Vidic, formerly ambassador to Moscow and later Yugoslav permanent representative at the U.N. This in itself is indicative of Marshal Tito's readiness to work as closely with bloc members—without prejudice to his independent, nonalined status—as they will let him.

Bitterly, the Tirana government protested its exclusion, said that it had been invited to Sofia—and had accepted—when the Balkan committee's meeting had been first slated for September, and that subsequently, when it was postponed, Albania had not been informed of the new date, nor invited to attend.

This, the Albanians said, was because the Bulgarians and the Rumanians had agreed to exclude them in order to insure Yugoslav participation. This is probably true. In September Albania was only showing signs of being rebellious toward the U.S.S.R., but by November it had really kicked over the traces and was involved in an acrimonious split with Soviet Premier Nikita S. Khrushchev every bit as potentially permanent as President Tito's break with Stalin in 1948.

The fact that the Yugoslavs are prepared to go along with this bloc-sponsored Balkan commission underlines that the Albanian defection is already having its impacts on the traditionally tangled skeins of Balkan politics and relations between the Balkan nations. Just as it has already been noted how the Greeks, Yugoslavs, and Italians are all watching each other to detect maneuvers by one another to seek advantage from the new situation in Albania, so are the Communist nations in the area impelled by it toward closer contacts and a sinking of old differences.

Once before in the postwar Communist world there were dreams of a federation of Balkan countries such as Bulgaria, Yugoslavia, and Albania. If the last-named should fall into a vacuum, who can say that such or similar fancies might not be dreamed again?

[From the New York Times, Apr. 21, 1962]

YUGOSLAVS SEE CLOSER SOVIET TIE AS RESULT OF GROMYKO'S VISIT

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, April 20.—The Yugoslav Communists expect closer political and economic ties with the Soviet Union to result from the visit to Belgrade of Andrei A. Gromyko, the Soviet Foreign Minister.

There is no expectation that the ideological difference between the two Communist regimes will disappear. The Yugoslavs' views of Marxism differ from the Soviet Union's, and they insist on their right to take a separate road to socialism.

Nevertheless a closer rapport is predicted on a variety of levels, notably the economic. Informed sources said that both increased trade and greater economic cooperation between Belgrade and Moscow were a virtual certainty.

Mr. Gromyko ended his formal talks with Yugoslav leaders today with a 2½-hour discussion of bilateral questions with Koca Popovic, the Yugoslav Foreign Minister. The exchanges covered a wide range of political, cultural, and economic topics.

The Soviet Foreign Minister arrived in Belgrade last Monday as an official visitor, repaying a similar trip to Moscow made last summer by M. Popovic. During his stay he has had talks with a number of Yugoslav leaders, including President Tito.

Mr. Gromyko is scheduled to leave early tomorrow by air to return to Moscow.

The Yugoslavs made no effort to hide their satisfaction over the friendly tone of the talks and Moscow's evident interest in improving relations between the two countries.

The relations have been warming gradually over the last 2 years, in the wake of the removal of Stalin's influence in the Soviet Union and the increasing discord between Moscow and Peiping. For its part, Belgrade has contributed by consistently supporting Soviet initiatives on international issues.

As a result, the Kremlin has shown increasing interest in including Belgrade in the play of Communist power politics, particularly as a counter to Communist China and Albania, Yugoslavia's intransigent neighbor.

One official Yugoslav source, predicting that Mr. Gromyko's visit would mark the beginning of a great new swell in Yugoslav-Soviet relations, said it was only the start of what should develop into an extensive exchange of official visits on many levels.

The source said no program had been worked out, but he suggested that the next step might be an exchange of parliamentary delegations.

WIDER COOPERATION EXPECTED

The source also predicted a speedy increase in trade between Yugoslavia and the Soviet bloc as a whole, as well as greater economic cooperation.

The Soviet bloc's share in Yugoslavia's trade has been running at about 25 percent in recent years. Behind Belgrade's desire to see this increased is the fear that further development of the European Common Market will mean a serious reduction in Yugoslav sales in the West.

It is evident from the course of the talks that economic affairs were discussed only in general terms. Mr. Gromyko's entourage did not include any experts in this field, forcing the postponement of more detailed conversations until later.

This is a subject of prime importance to the Yugoslavs, whose unorthodox economy has sagged badly during the last 16 months, endangering the nation's industrialization drive.

[From the New York Times, May 7, 1962]

TITO ANNOUNCES TIGHT CONTROLS IN YUGOSLAV ECONOMIC CRISIS

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, May 6.—President Tito publicly acknowledged today that a turnback from liberalism toward tight Communist Party control was underway in Yugoslavia as a result of the country's economic troubles.

The Yugoslav chief announced that a series of new measures were being prepared to control trade, prices and wages.

Although he appealed to the "consciousness of the people" to see that the laws were obeyed he added:

"If that does not work there are other means."

Marshal Tito spoke in the Adriatic seaport city of Split at ceremonies opening Yugoslavia's largest hydroelectric power station. The station, on the Cetina River near Split, will produce more than 1½ billion kilowatt-hours of electricity a year.

A frequently cheering crowd officially estimated at 140,000 was on hand to hear the President's speech, which was nationally rebroadcast later over radio.

The Yugoslav chief touched only briefly on international issues, devoting almost all his hour-long address to domestic economic troubles and his plans to cope with them. It was the first official acknowledgment of a party clampdown that has been obvious in Yugoslavia for several weeks.

The difficulties began last year when production slumped and wages and prices rose sharply, creating strong inflationary pressure. Exports fell but imports continued to rise, widening the nation's already serious gap in the balance of payments.

Citing too much liberalism and too little control as causes of the troubles, Marshal Tito said that under his direction the Communist party was again assuming its "leading role" in the country

KNOW WHAT PEOPLE WANT

"Some will say the Communists have taken everything in their hands again," he said, "but we know what has to be done and what the people want."

Actually the Communists have never let any part of the Yugoslav economic or political structure out of their hands. However, there has been a slackening of internal party discipline and some Communists, particularly the heads of economic enterprises, have developed a fairly free-wheeling attitude toward party directives.

Marshall Tito made it plain that this situation would be ended.

"Communists should not command but they have to guide," he said, "to furnish an example to others and to watch for negative appearances in their ranks and in the ranks of non-Communists."

He said he had admonished the party before about these "subjective weaknesses" but he said his remarks this time should be considered more than a warning. "We will undertake all measures that are necessary," he said.

The speech contained a hint that punishments for embezzlement and other economic crimes might be increased.

Asserting that the provisions of the nation's criminal code dealing with such crimes were mild—the maximum penalty is 15 years imprisonment—he said some persons had embezzled millions of dinars and had paid with only short prison terms, making the crime worthwhile.

In one of his few references to developments outside the country, he urged measures to strengthen the economy against the impact of the Common Market.

He also announced that an international conference would be held soon in Cairo, with representatives of countries in Africa, Asia, Latin America and Europe present. The parley will discuss ways of protecting the countries' economies against the effects of the Common Market.

Marshal Tito gave no further details, but informed sources said the meeting would be in June or July and the delegates would be economic experts, not political leaders.

[From the Hartford (Conn.) Times, May 15, 1962]

TITO IS AIDING OUR FOES WITH CASH FROM UNITED STATES

(By Victor Riesel)

WASHINGTON.—Marshal Tito is angry with his people because his country appears to be running out of Yugoslavian dinars and American dollars. But the Communist chief would have more of our cash if he hadn't been spending it to bolster anti-United States and pro-Sino-Soviet countries.

While he has been borrowing millions from the United States, Tito was pledging heavy credits to the bitterly anti-American Ghanaian Government. In April a Yugoslavian trade delegation dealt handsomely with Ghana's President Kwame Nkrumah.

The Yugoslavs pledged Belgrade credits and technicians for the construction of a harbor and naval base at Sekondi, on the west coast of Ghana. On the same day, April 26, Yugoslavia borrowed $4.3 million from the Export-Import Bank here.

Tito's men also committed Belgrade to the shipment of millions of dollars worth of cement, asbestos sheets, and pipes, agricultural and industrial machinery, motor vehicles, and bicycles, tools, pumps, and other hardware.

Also Tito promised to build four slaughter houses in Ghana, a pineapple juice canning plant and many tractors. All on credit.

When Tito, who owes us billions, was lending Ghana millions—the official Accra radio denounced the United States, championed Russia, and defended Mao Tse-tung's capture of the Chinese mainland.

The April 26 attack on the United States was in the form of a broadcast reply by the Ghanaian radio to a speech by AFL–CIO president George Meany on April 23.

Mr. Meany—a tough anti-Communist—said, in effect, that anger over colonialism in Asia and Africa should be matched by bitterness and indignation over "brutal denial of self-determination for 100 million people in Europe."

The Ghanaians referred to Mr. Meany as "obsessed" with his opposition to the Sino-Soviet ideology and economic system.

The broadcast, in effect, told Mr. Meany to mind his own business. True, there has been an "unfortunate loss of life," said the speaker.

This is the land which is getting such vast credits and hardware and know-how from Yugoslavia, which is getting millions and hardware from us. Doesn't anybody care?

PROXMIRE REPLY TO KENNAN ON YUGOSLAVIA AID

Mr. PROXMIRE. Mr. President, I congratulate the Senator from Connecticut on an excellent speech. I particularly congratulate him on a specific and documented bill of particulars. When Ambassador Kennan returned to this country, he appeared on the "Today," National Broadcasting Co. morning show, in which he spoke to 5 or 10 million Americans. In the course of his appearance, Mr. Agronsky questioned him on his statement that the action of Congress showed an appalling ignorance of what is going on. As a matter of fact, if I may quote from Mr. Agronsky's question, he said:

> I think I'll begin with the point that you noted at the end, John. Mr. Ambassador, I wonder if you could tell us why you regard the restrictions on our aid to Yugoslavia, that Congress has imposed, as a demonstration of, to use your words again, appalling ignorance?

He asked for documentation.

In the course of this discussion, Mr. Kennan gave only two examples. He said:

> I've met many people who've thought that we were still continuing to give these people military aid, who don't know that no military aid has flowed to Yugoslavia since 1957 or 1958.

His second point was:

> I find many people who don't know that the Yugoslav internal system differs from that of the Soviet Union, who don't know that the Yugoslavs apply an entirely different system of relations with foreign countries, including with ourselves, than do the countries of the Soviet bloc.

I am convinced that the Senator from Connecticut and I recognize this. We understood that there has not been any actual military assistance in a technical sense, although we have been selling planes to Yugoslavia at a knockdown price of 10 cents or less on the dollar. We all recognize that there is a difference between the operations of Communist Yugoslavia and the operations of Communist China. However, it is still a Communist dictatorship, in which the freedom of people is suppressed.

Furthermore, the documentation the Senator from Connecticut has put in the RECORD is specific, factual, cannot be denied, is quoted from outstanding newspapers in this country, and it seems to me, is an answer in full to the statement of the Ambassador that Members of the U.S. Senate are guilty of appalling ignorance.

Mr. DODD. I am grateful to the distinguished Senator from Wisconsin for his comments. He has been a leader in this fight in the Senate, and I am happy to be in his company. The speech which he made on the subject a short time ago was one of the outstanding speeches during my time in this body. I have heard that, at the time of the Belgrade Conference, Ambassador Kennan submitted to the State Department a highly critical report on the Yugoslav situation. I think it would be very enlightening to see this report. I suppose it would be impossible to obtain it, but we should have access to it, we should know what he told the State Department about Yugoslavia at that time. And we should have an opportunity to ask him why he has now changed his mind, if the information I have received is correct; and I believe it is correct.

We are up against this kind of situation all the time. Of course, we know there are differences in the operations of the dictatorships. There has to be. But the essential sameness of them is the important thing.

How anyone can advocate another great expenditure, added to the nearly $4 billion we have already given to two of the worst tyrants in the world, in order to enable them more firmly to strengthen the chains in which they hold subject the people of Yugoslavia and Poland, is beyond my comprehension.

I remember in the House that every time we had a foreign aid bill up for consideration, and amendments were offered to strike out or reduce aid to Tito, it was argued that this was a calculated risk and that it was possible Tito was moving over to our side.

As I said, a case could have been made for aid to Tito at that time; but certainly it defies all logic and experience to say at this hour of history, in the face of the record I have here presented, that the American people should pour out more millions of dollars to Communist dictatorships which have already shown where they stand, which are working against our interest, which are using their own and our money for the purpose of a Communist foreign aid program to defeat and subjugate the free world. I think it is a grave injustice to the American people, heavily taxed as they are, generous as they are, willing as they are at all times to pour out their sustenance for the relief of other people, to ask them to dig deeply into their pockets to support tyrants in Yugoslavia and Poland.

It is about time we stopped it. Now the big guns are trained on us. The ambassadors are talking over television and radio, trying to confuse us, saying that we are ignoramuses, and that we do not know what is going on.

I think the Senator from Wisconsin knows what is going on. I think every other Member of this body knows what is going on. I think it is a gratuitous insult to the whole Congress to have an ambassador come back to this country and say we do not know what is going on. I think we know very well what is going on, and I think the American people know what is going on. I think they are against this kind of procedure. Certainly, if my mail is any indication, they are heavily against it. They are certainly against it in the State which I am honored and privileged to represent in this body.

That is why I have taken the floor this afternoon to make this statement. I have been sitting by watching this campaign on television, radio, in editorials, and feature articles, abusing Congress, attempting to frighten or intimidate the Members into spending billions of dollars on Communist tyrants. If we have any obligation to the people we represent, and the interest of our Nation in its desire for peace in the world, we should not let another penny go out from the Treasury, from the pockets of the American people, into the hands of a tyrant, Communist or any other kind. I am happy to support the Senator from Wisconsin.

He has been a great leader in this struggle. He has helped the American people to understand. He has helped the Senators better to understand. I thank the Senator, and I commend him.

Mr. **PROXMIRE.** Mr. President, I thank the Senator from Connecticut very much.

I should like to go on now to consider specific points raised by Ambassador Kennan in his appearance on the "Today" show. After I finish, in all fairness, I shall ask to have the complete transcript printed in the Record. It is quite short.

In the course of his appearance Mr. Kennan was asked about the jailing of Djilas, and he said:

> Senator Proxmire, as I recall it—I don't have the text of his letter here—has said that Djilas was rearrested because Marshal Tito wanted to please Khrushchev. I said I had no evidence to support this conclusion—I don't know what the motive of this rearrest was, but none of us in Belgrade had been told by anybody that it was for this reason, and I personally doubt it—that it was.

Mr. President, I made that assertion on the basis of the analysis of "Conversations With Stalin," the book written by Djilas, the only document which was in question. I simply said there was no new material in this book except for material which was very embarrassing to and very critical of Khrushchev; and in view of the very close relationship which had been developing between Tito and Khrushchev I said it seemed logical that the likely reason for the jailing of Djilas—which undoubtedly would raise a great deal of concern in Yugoslavia as well as in this country—was that Khrushchev had been embarrassed and had been attacked.

Mr. Agronsky went on to say:

> Well, Mr. Ambassador, the concept then that the Yugoslav prisons might be filled with political prisoners is inaccurate then—it is not a police state in that sense?

Ambassador Kennan then said:

> It is still an authoritarian state.

He went on to argue:

> It is a great deal more liberal than it used to be. There seems to be a good deal of freedom of speech in Yugoslavia. I could not and never have endorsed all the internal practices of the Yugoslav regime and I have no comments to make on that. It's their country, not ours.

The fact is that the Senator from Connecticut documented the situation in Yugoslavia and the fact that there has been a trend, certainly in recent months, at least, for Yugoslavia not to be less authoritarian but to be more authoritarian, not to be more liberal but to be less liberal, not to permit greater freedom but to permit less freedom. There is no question that that has been the tendency.

Mr. Kennan, in reply to a later question, said:

> The results of such amendment would be a movement closer to the East.

The fact is that Tito is a hardheaded, tough-minded, able Communist bargainer. It seems to me that the likelihood of Tito moving toward the East would be diminished if it were driven home to him that the Congress of the United States and the people of the United States are deeply concerned by his activity in supporting Khrushchev, in supporting international communism and acting against us.

I challenge anybody to show any circumstances at any time in which either our State Department or our Ambassador to Yugoslavia has taken any action which would hold up aid or withhold aid because of political action or a political statement on the part of Tito.

The fact is that we have withheld aid at times because we considered the policies of Tito to be economically unsound. There are some instances of that, but I have yet to see a single instance in which we have used aid to Yugoslavia for political bargaining purposes. I say that this is the only excuse for aid to a Communist country—that we use the aid to pull that country away from Khrushchev, away from the Kremlin and in our direction.

Mr. Agronsky then asked Mr. Kennan:

> I wonder, Mr. Ambassador, if we could deal with another point. Senator Proxmire has contended, and I know I'm right on this, that Yugoslavia's influence on other neutrals is pro-Soviet in its intent. Now you've publicly stated that such a conclusion is inaccurate and misleading.

Mr. Kennan's answer was:

> Well, you know, there have been literally hundreds of documents published in the Yugoslav press during the years that I've been Ambassador over there, illustrating the Yugoslav attitude toward the other neutrals. What the Yugoslavs have said to the other neutrals is often something that I haven't liked, and I don't find to be in the interest of this country. On the other hand, I cannot say that they have pressed these neutrals in the direction of a closer association with the Soviet Union, and this, it seems to me, was the conclusion that flows from Senator Proxmire's statement.

Mr. President, that statement of mine was not a conclusion. That was a documented assertion. The fact is that at Belgrade, when Tito was the host to the so-called neutralist bloc, he worked very hard lining up the so-called neutralist bloc behind the Soviet Union on issue after issue. I have put that documentation in the Record in regard to recognition of East Germany, support of Castro, opposition on the part of Tito to criticism of Khrushchev for breaking the suspension of nuclear testing, and other matters. On all of those scores, Tito lined up behind Khrushchev.

I do not see, on the part of Mr. Kennan, any answer to the specific arguments and specific facts made on our side.

Then Mr. Agronsky asked the final question which I wish to comment:

> Well, have they—

Meaning Yugoslavia—

in any way pressed them—

Meaning the neutralists—

toward orientation with us? Have they in any way expressed the point of view that it might be good for the United States, as it were?

Mr. Kennan's answer is as follows:

No, I don't think they have, and this too has been taken very carefully into account in the designing of our policies. I would like perhaps, when I say that, to make it plain here that I have not been any strong protagonist of any increase of aid to Yugoslavia. On the contrary, aid to Yugoslavia has been rather drastically reduced during the period that I have been there. The truth is that these amendments were utterly unnecessary. If what people were interested in was to cut aid down to Yugoslavia, this aid is being cut down very rapidly for other reasons.

Now Mr. Kennan is lining up on our side. Mr. Kennan seems to be agreeing that we should reduce aid to Yugoslavia. He implies that he has recommended that course. The conclusion from his remarks is that he feels it would be a mistake for us to continue abundant aid to Yugoslavia.

The fact is that the Proxmire amendment, as introduced, was designed to block and would in fact have blocked an economic development loan to Yugoslavia in fiscal year 1963 of $10 million. That is a small amount, but it is a specific amount.

The amendment would have blocked that loan. As it worked out, in view of the fact that the Lausche amendment, which prevailed, is now in the Senate bill, but was subsequently watered down so that elimination for 1 year of aid to Yugoslavia—or the Proxmire amendment is all that is left. The whole effort on the part of Mr. Kennan and others in the State Department has been to persuade the House to take out that part of the Senate bill.

Mr. President, it seems to me on the basis of the testimony of Mr. Kennan there is no factual case against our position. There is no specific argument against the very excellent factual case made by the junior Senator from Connecticut [Mr. Dodd] this afternoon.

Mr. President, I ask unanimous consent that the transcript of the appearance of Mr. Kennan on the "Today" show be printed in the Record at this point.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Remarks of Ambassador Kennan

Mr. Chancellor. Next week the House of Representatives begins debate on the Foreign Aid Authorisation Bill, and you'll recall it was passed earlier by the Senate. This bill drastically restricts aid to two Communist states, Yugoslavia and Poland. You'll also recall that our Ambassador in Warsaw, John Cabot, and our Ambassador in Belgrade, George Kennan, combined—both stated publicly that these restrictions could result in a drastic worsening of American relations with these two countries, which, out of all the nations in the Communist orbit, have shown the greatest orientation towards the West. Ambassador Kennan has been called home to correct what he calls, "the appalling ignorance," which prompted these restrictive measures, and our Washington correspondent, Martin Agronsky, has called on Ambassador Kennan to discuss with us this morning his reasons for feeling that congressional restrictions on United States' dealings with Yugoslavia demonstrate such appalling ignorance, and they are in Washington now, I believe. Gentlemen, good morning.

Mr. Agronsky. Good morning, John.

Mr. Chancellor. Good morning, Mr. Ambassador, welcome to this program. Martin, would you like to begin?

Mr. Agronsky. Yes, I think I'll begin with the point that you noted at the end, John. Mr. Ambassador, I wonder if you could tell us why you regard the restrictions on our aid to Yugoslavia, that Congress has imposed, as a demonstration of, to use your words again, appalling ignorance.

Mr. Kennan. Well, it seems to me, first of all, that anyone who was thoroughly acquainted with the facts of the situation in Yugoslavia would never have thought of putting restrictions of this sort on the U.S. policy in that country. The impression I have of this ignorance comes from other trips that I have made back to this country during the period since I've been Ambassador there, and I've encountered one person after another in the public, in the press, on the Hill, who don't understand lots of very important things about Yugoslavia. I've met many people who've thought that we were still continuing to give these people military aid, who don't know that no military aid has flowed to Yugoslavia since 1957 or 1958.

I recently read a report of a congressional committee which expressed doubt as to whether Yugoslavia was really independent of the Soviet bloc. I don't know a single competent foreign observer in Belgrade or anyone who's been there in that capacity over the past decade who doubts that Yugoslavia is independent of the Soviet bloc. I find many people who don't know that the Yugoslav internal system differs from that of the Soviet Union, who don't know that the Yugoslavs apply an entirely different system of relations with foreign countries, including ourselves, than do the countries of the Soviet bloc.

We have a very sizable major informational effort going in Yugoslavia. We operate public reading rooms there for American literature.

Mr. Agronsky. Freely.

Mr. Kennan. Perfectly freely. We lend books out by the tens of thousands. We do a great many things there that we could not do in one of the regular bloc countries. About all this I find very little knowledge among people back here.

Mr. Agronsky. That's quite a list, Mr. Ambassador, and one of the reasons I think is a very firm conviction Yugoslavia is still a police state, a Communist police state. Senator Proxmire and many other Members of the Senate and the House feel, for example, that President Tito's recent rearrest of Djilas, who was about the only prominent Yugoslav, as you know, who dared publicly to criticize Tito, is a demonstration that Yugoslavia is still a Communist police state. Now you recently noted, in a letter to the New York Times, I'll use your words again—"I have here no information which would support this conclusion, nor do I find," you wrote, "in the facts of this arrest anything which changes appreciably our view of the Yugoslavian situation or which calls for an adjustment of our policies toward this country." Now could you elaborate on that comment?

Mr. Kennan. Well, I'm afraid I have to correct the question a little bit.

Mr. Agronsky. All right.

Mr. Kennan. Senator Proxmire, as I recall it—I don't have the text of his letter here—has said that Djilas was rearrested because Marshal Tito wanted to please Khrushchev. I said I had no evidence to support this conclusion—I don't know what the motive of this rearrest was, but none of us in Belgrade had been told by anybody that it was for this reason, and I personally doubt it—that it was.

Now as for this being a police state, remember that what we're talking about here is whether the United States should continue or not continue to try to support the independence of Yugoslavia. Now this is a policy that was begun (three?) administrations ago and has been carried out by three administrations, and when we decided to start to do this, way back in the years of 1948 to 1960(?), we knew perfectly well what the internal system of Yugoslavia was, and it was a great deal more severe, a great deal more authoritarian, and there were a great many more people under arrest at that time.

Actually, the tendency over these 14 years, since the break between Yugoslavia and the Soviet Union, has been steadily in the direction of a greater liberalization. The rearrest of Djilas is obviously a setback in this, but Djilas is one man, and if we are to regard the arrest of one man for political reasons as something that should affect our relations with other countries, I'm afraid we'd have to take a close look at a lot of other countries besides Yugoslavia, and perhaps at some of our allies as well.

Mr. Agronsky. Well, Mr. Ambassador, the concept then that the Yugoslav prisons might be filled with political prisoners is inaccurate then—it is not a police state in that sense?

Mr. Kennan. It is still an authoritarian state. It is a great deal more liberal than it used to be. There seems to be a good deal of freedom of speech in Yugoslavia. I could not and never have endorsed all the internal practices of the Yugoslav regime and I have no comments to make on that. It's their country, not ours.

Mr. Chancellor. Mr. Ambassador, going on from that to the other point, if aid to Yugoslavia is drastically reduced, I believe that Yugoslavia does a certain amount of trading now with the West—not necessarily with us but with the Common Market countries. Is this going to affect its balance, its trade ties with the West? Is it going to force it more toward Commicon?

Mr. Kennan. Yes, I think it very definitely is, and that in fact is the one area of Yugoslav policy in which I expect that the results will be really—the results of such amendment would be a movement closer to the East. The Yugoslavs are already very worried about the effect of the Common Market on their trade with the West, and these amendments hit them at the worst possible time. One of the amendments, as you know, denies most favored nation treatment to Yugoslav goods coming into this country, and I couldn't think of a worse moment to adopt such——

Mr. Agronsky. I wonder, Mr. Ambassador, if we could deal with another point. Senator Proxmire has contended, and I know I'm right on this, that Yugoslavia's influence on other neutrals is pro-Soviet in its intent. Now you've publicly stated that such a conclusion is inaccurate and misleading. Can you document this?

Mr. Kennan. Well, you know, there have been literally hundreds of documents published in the Yugoslav press during the years that I've been Ambassador over there, illustrating the Yugoslav attitude toward the other neutrals. What the Yugoslavs have said to the other neutrals is often something that I haven't liked, and I don't find to be in the interest of this country. On the other hand, I cannot say that they have pressed these neutrals in the direction of a closer association with the Soviet Union, and this, it seems to me, was the conclusion that flows from Senator Proxmire's statement.

Mr. Agronsky. Well, have they in any way pressed them towards orientation with us? Have they in any way expressed the point of view that it might be good for the United States, as it were.

Mr. Kennan. No, I don't think they have, and this too has been taken very carefully into account in the designing of our policies. I would like perhaps, when I say that, to make it plain here that I have not been any strong protagonist of any increase of aid to Yugoslavia. On the contrary, aid to Yugoslavia has been rather drastically reduced during the period that I have been there. The truth is that these amendments were utterly unnecessary. If what people were interested in was to cut aid down to Yugoslavia, this aid is being cut down very rapidly for other reasons.

Mr. Agronsky. Mr. Ambassador, it's your job to look ahead—and to look ahead on behalf of the United States—and I wonder if in looking ahead do you see Yugoslavia moving toward us in terms of political philosophy, economic philosophy—generally in orientation is it Western or is it toward the Soviet Union?

Mr. Kennan. Martin, that's a good question, and I could only put it this way. I see Yugoslavia moving steadily away from any unnatural tie with the Soviet Union. I see it moving toward new institutions which I hope will be suited to its history and its geographic conditions and the temper of its people. I don't think this will necessarily be in our direction. I think, for example, many features of socialism are there to stay in Yugoslavia, but I think the directions the Yugoslavs are moving is in the direction of a situation in which we will be able to live with an outlook and a system that we'll be able to deal with perfectly normally and well. All we need is patience and firmness on our part. We in Belgrade have been trying to exercise these qualities in our statesmanship, and the trouble.

Mr. PROXMIRE. Mr. President, yesterday in the Washington Post and Times Herald there was an article written by Mr. Kennan on the same issue entitled "U.S. Shouldn't Slam Door on Yugoslavia."

In the course of the article Mr. Kennan said:

> It is true that the views Yugoslav leaders have put forward on various international problems have often been in conflict with our own. Sometimes (not always) they have coincided with those of Khrushchev. This is disturbing and, from our standpoint, regrettable. It constitutes a fact which we have had to take into account in framing our policies.

There is no evidence, as I say, that we have taken this into account, except as Mr. Kennan says, that we have reduced the aid going to Yugoslavia. The fact that the Senate acted to suspend that aid entirely for 1 year, it seems to me, is in complete conformity with what Mr. Kennan seems to have recommended to the State Department some time ago, and certainly complies with the developments we have observed in regard to Yugoslavia in the past few months, particularly since the Belgrade Conference.

Mr. Kennan also said:

> In these circumstances, I do not know of a single person who has occupied himself responsibly with this problem in recent years who does not agree that it has been to our interest to support where we could the effort of the Yugoslavs to retain their political independence and to encourage the development of Yugoslav society along lines that correspond to its own needs, traditions, and geographic position rather than to the requirements of any outside political grouping.

I agree. Of course, that is true. That is exactly why my amendment was designed to suspend aid for 1 year, and it would have affected one small but specific economic development loan.

Mr. President, of course we want to do all we can to keep Yugoslavia independent of Russia. At the same time, it makes sense that if we do so, we should use or bargaining power and serve notice on Tito that we intend to do so.

Mr. President, in fairness, I ask that the article by Mr. Kennan entitled "U.S. Shouldn't Slam Door on Yugoslavia" be printed at this point in the Record:

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Shouldn't Slam Door on Yugoslavia

(By George F. Kennan, U.S. Ambassador to Yugoslavia and distinguished authority on Soviet affairs)

For American statemanship of the postwar period, the countries of Eastern Europe have always presented problems of utmost complexity. The pattern has been full of contradictions. One has had to bear in mind the interests and aspirations of regimes, but one has also had to bear in mind the interests and aspirations of peoples.

Because such contradictory factors were involved, any effective policy toward these countries has always had to embrace what appeared outwardly to be contradictory elements: an alternation of denial and concession. This has been true of our policy toward Russia, as well.

In such cases, the effectiveness of a policy depends not on trying to eliminate all elements of apparent contradiction but on the skill and flexibility with which these opposite elements can be exploited for the main purpose, which in our case is the creation of conditions conducive to a reasonably just and stable peace. For this reason, the Executive has always had to ask of both Congress and the people, when it came to handling the problems of this part of the world, a relatively wide latitude of action for itself and a certain forbearance by others from too much backseat driving.

FOURTEEN YEARS DIVERGING

Yugoslavia has been no exception to this rule. True, the problem has been somewhat simplified here by the fact that since 1948 the country has been free of Soviet control and has conducted an independent policy. Of this there can, in my view, and I believe in that of every qualified observer of the Yugoslav scene, be no possible doubt.

It is true that the views Yugoslav leaders have put forward on various international problems have often been in conflict with our own. Sometimes (not always) they have coincided with those of Khrushchev. This is disturbing and, from our standpoint, regrettable. It constitutes a fact which we have had to take into account in framing our policies.

But it is not proof that the Yugoslavs are not independent. People can agree with others voluntarily, for reasons of their own and not because they are forced to do so. Some people, after all, agree with us.

It is now 14 years since Yugoslavia's independence of the Soviet bloc was established. During this period, the development of both ideas and institutions in Yugoslavia has been steadily away from Soviet patterns. In a number of important and critical respects, Yugoslavia's situation now differs fundamentally from that of the bloc.

The movement has not always been in the direction of our own ideas and institutions, but it has generally been in the direction of ones with which we can live—ones compatible with a normal and fruitful relationship between our two countries. To this we must add the fact of an overwhelmingly friendly disposition toward us on the part of the Yugoslav people.

A PROVED APPROACH

In these circumstances, I do not know of a single person who has occupied himself responsibly with this problem in recent years who does not agree that it has been to our interest to support where we could the effort of the Yugoslavs to retain their political independence and to encourage the development of Yugoslav society along lines that correspond to its own needs, traditions, and geographic position rather than to the requirements of any outside political grouping. Three administrations, after looking at the problem very hard, have come to this conclusion and have tried to act accordingly.

This has not always been easy. There have occasionally been false starts and mistakes on our part. The Yugoslav leaders have not always made things easy. Yet it is the unanimous view, I think, of all of us who have been concerned with the problem, that the effort has been worthwhile—from Yugoslavia's standpoint and from ours.

It has contributed importantly to the solution of a number of specific problems of the southeast European area: Such things as Trieste, the Austrian peace treaty and the stabilization of conditions on the Greek border—all questions by which the peace of Europe might, in other circumstances, have been seriously disturbed.

It has kept the forces of the Warsaw Pact at a considerable distance from the Adriatic. It has exercised on conditions and relationships within the Soviet bloc an influence which I am sure has been conducive to the interests of a more stable world and actually to the real long-term interests even of the bloc peoples themselves.

It is of the greatest importance that our support for Yugoslavia's independence, which has been consistently and successfully pursued for 14 years, not be interrupted at this present delicate moment in world affairs.

It is essential that the Yugoslavs should move into the coming period with the confidence that if their own policies are ones which show reasonable respect for Western interests, they can have the advantages of a normal and mutually profitable political and economic relationship with the West. The aim of American diplomacy should be, and must be, to confirm them in this impression.

During the present session of Congress, amendments to two bills have been introduced which would have exactly the opposite effect. One of these would inhibit all aid to Yugoslavia except surplus food. The other would deprive Yugoslavia of most-favored-nation treatment for the export of her goods to this country.

If the aim of its authors was to curtail aid to Yugoslavia, the first of these amendments was wholly unnecessary. For various reasons, aid outside the category of surplus food was already being drastically curtailed. It would have been confined, in any case, to almost negligible dimensions in the forthcoming period. This is a situation warranted by present circumstances.

What the amendment actually does, however, besides expressing ill will to Yugoslavia, is merely to make it impossible for our Government to say to Yugoslavs that if circumstances were to change in ways we could view as desirable, there might be a possibility of our being more helpful.

For the second amendment, it is hard to discern any motive at all other than a desire to inflict gratuitous hardship on both the Government and the people of Yugoslavia. The country is already suffering not only from the effects of two seasons of drought but also from a severe crisis in its balance of international payments. Yugoslavs are greatly worried, and not entirely without reason, over the future effects of the European Common Market on their export possibilities.

The proposed amendment would simply make it more difficult for them than it would otherwise be to meet their international obligations, including the ones they have incurred to ourselves; and the lack of any particular occasion for such an injury would cause it to appear doubly vindictive.

Together, these amendment would have the effect of confronting the Yugoslavs with a closed and locked door on the Western side precisely at a time when it is imperative that it be clear to them that this door is open. Never has it been more important that the choices by which they are confronted should be fair ones, and not ones slanted, as the amendments could cause them to be, in favor of a pro-Soviet orientation. None of us can deal with the Yugoslavs successfully on behalf of our country if we have only a closed door behind us to point to.

It is sometimes said that the effect of these amendments would be to force Yugoslavia back into the Soviet bloc. I would not go this far. I think the Yugoslavs will continue to exert every effort to maintain their hard-won independence, whether or not our Congress shows sympathy for that effort. But it would be hard for any of us to explain to them, and even harder for the Yugoslav leaders to explain to their own people, why we should want to go out of our way to make this effort more difficult for them than it need otherwise be.

If these amendments go through, the administration will have been denied the latitude of action necessary to enable it to handle effectively a delicate and important area of our foreign relations, and one that has important connotations for our political encounter with the Soviet bloc as a whole. The foreign policy of a great power simply cannot be successfully conducted under such handicaps.

What is involved here is a fundamental issue of executive-legislative relations affecting the success of our international undertakings and the entire security of our Nation. It is difficult to believe that any Member of Congress who knew the facts, and had reflected on their true meaning, could wish to share responsibility for the grievous narrowing of the possibilities of American statesmanship which amendments of this nature would impose.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article entitled "Soviet, Yugoslavs Sign Pact To Increase Trade," published in this morning's issue of the Washington Post, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Soviet, Yugoslavs Sign Pact To Increase Trade

London, July 6.—A Yugoslav economic delegation has reached agreement with the Soviet Union on the further expansion of economic links between the two countries, the Soviet news agency Tass reported today.

It said Premier Nikita Khrushchev received Mijalko Todorovic, deputy chairman of the Yugoslav Federal Executive Council, who headed his country's delegation to Moscow.

The two countries have signed an agreement providing for a considerably higher volume of trade in 1963–65 than was allowed for in the existing trade agreement, Tass said.

It added that the talks were held in a "spirit of friendship and mutual understanding."

The countries also agreed to examine the possibility of expanded industrial and scientific cooperation, it said.

(A 5-year trade agreement signed in Belgrade in March 1961 provided for trade between the two countries rising to an annual volume of $200 million by 1965.

(Soviet-Yugoslav trade last year totaled about $80 million, falling about $30 million short of the figure agreed between the countries. It is aimed to reach a total of $127 million this year.)

IS RED CHINESE GOVERNMENT IN DANGER OF COLLAPSE?

Mr. PROXMIRE. Mr. President, this morning an article entitled "The Tides of History," by Joseph Alsop, was published in the Washington Post. It is directly related to a corollary point with regard to Red China. In the article Mr. Alsop states:

> But if the experts' extremely tentative forecasts are proved to be correct, this may be one of those moments when the strong tides of history quite suddenly begin to run in a quite new direction.
>
> The point is that another indifferent or bad harvest will certainly endanger, and may just possibly destroy, the existing Communist government in China.

Mr. Alsop has been known as an intelligent, able, and responsible commentator. He has spent some time in the Far East. He is well informed. If what Mr. Alsop reports is true, it seems to me the event is enormously hopeful from the standpoint of all Americans who believe in freedom. The argument made by Mr. Alsop should be considered very carefully by Senators, particularly with regard to any possible suggestion that economic aid, and particularly agricultural aid or food aid, be given to the Red Chinese. Perhaps there are few things more brutal, especially in peacetime, than for a country that has an abundance of food to keep a hungry people from having some of that food. But on the basis of Mr. Alsop's report, it seems to me that it would be really tragic if we should permit surplus food to be sent to China, and particularly to be distributed by the Chinese Government. We would be strengthening the hand of a desperate tyrant in its hour of crisis.

I ask unanimous consent that the article by Mr. Alsop to which I referred be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Tides of History

(By Joseph Alsop)

The Government experts who study such matters are beginning to say that this year's harvest in Communist China will be only marginally different from the catastrophic harvests of the last 3 years.

But like that, the news sounds dry as dust. But if the experts extremely tentative forecasts are proved correct, this may be one of those moments when the strong tides of history quite suddenly begin to run in a quite new direction.

The point is that another indifferent or bad harvest will certainly endanger, and may just possibly destroy, the existing Communist Government in China. Not long since, such a development appeared unthinkable. But it has to be thought about today, and it is being thought about, by the leaders of the Soviet Union and the other Communist states among others, if one may judge by a striking change of tone.

Until only a few months ago, Soviet and satellite diplomats and other representatives uniformly said in effect of their Chinese comrades, "They have some pretty serious problems; but you'll see, they'll solve them." But now the standard comment on the Chinese situation is in effect: "They are in a dreadful mess." The disappearance of any prediction of a happy outcome is what is striking.

In the same fashion, the small minority in the U.S. Government who have never ruled out an eventual convulsion in Communist China are now beginning to gain certain new recruits. This minority has always had logic on its side. And events in China are making the logic of the situation more vivid and convincing.

Logically, there must be limits to the degree of hardship even the sternest police state can inflict upon its people without running into trouble of some kind. The limits are not easy to define, since they depend upon a score of local factors. But their existence is very easy to prove simply by taking an extreme case.

For example, there are few problems now confronting Mao Tse-tung and his colleagues which could not be easily solved if China's population were only reduced by 30 percent. Suppose, then, that the order went out to march 30 percent of the Chinese people to the public slaughterhouses, would Mao's army, however well treated, then remain loyal? Would his police, however well disciplined, continue to be reliable? The answer is obvious.

The undefined limits of harshness which Mao's government cannot safely go beyond are in turn beginning to be an interesting problem for the simplest possible reason. Communist China more and more appears to be caught in a remorselessly descending economic spiral.

The downward spiral began with the fearful plunge into misery experienced by the Chinese masses in 1959, when the "great leap forward" was attempted and the farm communes were inaugurated. Since then the Chinese Communist leaders have changed their policies, revised their aims, and indulged in every sort of self-reversal and tergiversation, on both industrial and agricultural fronts.

Each year's remedies have been more radical than the previous year's. Each year has also been worse than the previous year. This year's remedies can only be described as desperate. For example, 30 percent of China's urban population has been ordered to go back to the countryside, because food stocks are low in the cities, and because urban jobs are few with industry operating at only one-third of capacity.

But the countryside has been in the grip of creeping starvation for 3 grim years on end. This spring, the best Hong Kong statistics showed an average food intake of 1,300 to 1,600 calories per person per day, according to the individual's labor category. And into this hunger-racked countryside, millions, literally many millions, of ejected town and city dwellers are being sent with no apparent provision of either work or rations.

In Kwantung Province, the start of this process begot the recent assault on the Hong Kong border by a great flood of refugees. No one can say what the effects of this same process will be in the rest of China; but it is clear that the effects can hardly be socially healthy or politically stabilizing.

In sum, it begins to look as if Communist China were approaching the same limits of harshness. It begins to look, therefore, as though a titanic internal crisis may lie ahead in China.

If the experts are wrong, and the harvest is generous, there will be no crisis. But if the experts are right about the harvest, the question of American food for China can well become urgent. It will be examined in another report.

CAPITAL TIMES CRITICIZES PROXMIRE

Mr. PROXMIRE. Mr. President, in the five times I have run for statewide office in Wisconsin, I have been supported by only 1 of the 34 daily papers in my State. That one paper is the Capital Times, of Madison, a paper which I believe is an excellent paper. It is a paper on which at one time I worked as a reporter, and a paper which has a great national reputation as a crusader for humanitarianism. However, that paper very strongly criticized my position with regard to the Yugoslavia situation.

I think the editorial is wrong. I have already indicated in my earlier remarks today and in my speeches last month why I think it is wrong. But in view of my remarks today, I ask unanimous consent that the editorial be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR PROXMIRE IS REMINDED OF SOME HARD FACTS ON FOREIGN AID

Elsewhere on this page will be found a letter by Morris H. Rubin, editor of the Progressive magazine, criticizing Senator WILLIAM PROXMIRE's part in binding the hands of the President in dispensing foreign aid.

Because of sloppy work on the part of the executive branch and the hysteria whipped up by the extreme rightwing the Senator succeeded in amending the foreign aid bill in a way that deprives the President of the discretion he needs.

The Senator's main blow was at aid to Communist Yugoslavia.

We urge you to read Editor Rubin's letter in which he points out some of the hard facts Senator PROXMIRE seems to have ignored in making his move to bind President Kennedy's hands in this vital field.

The result is that the discretion which Senator PROXMIRE was willing to give to President Eisenhower is denied to President Kennedy.

The Capital Times does not always agree with President Kennedy, as it did not always agree with President Eisenhower. But we have recognized that the realities of today's world require that the man this country elects President has to be trusted with the kind of discretion Senator PROXMIRE wants denied to President Kennedy.

One of the realities we face is that the Communist world is not the monolithic force many people think it is. It is in the throes of severe ideological dispute. It is rent by nationalistic divisions.

It is a serious mistake to deny the President of this country the freedom of movement he needs to exploit these realities about the Communist world.

It has seemed to us that the only people in this country who would not trust Eisenhower or Kennedy with the discretion to deal with this problem has been the lunatic right, with its doctrine that all our Presidents since Hoover have been the pawns of communism.

The action of the Senate in following Senator PROXMIRE is one of the most irrational developments in Congress in recent years. It simply illustrates again that the spirit of McCarthy still dominates the Senate, despite the censure vote.

Senators are still so afraid of being linked with the Communists that they let fear pulverize reason and vote to play into the hands of the Communists.

RUBIN ATTACKS PROXMIRE ON YUGOSLAVIA

Mr. PROXMIRE. Mr. President, I requested that the editorial be printed in the RECORD because it comments on a letter of a very distinguished and able editor, Mr. Morris H. Rubin, editor of the Progressive magazine, who is also critical of my position. I would like to comment on that letter before I ask that it, too, be printed in the RECORD.

Mr. Rubin in his letter has made four fundamental points. His first point is as follows:

> Although more often than not it sides with the Soviet Union in the United Nations, Tito's Yugoslavia opposed the Soviet Union in the U.N. on the all-important, perhaps decisive, question of a single Secretary General versus the so-called troika. Here was a fundamental issue between the Communist camp and the West, involving the very survival of the U.N. as an instrument for peace—and it was an issue on which Yugoslavia solidly supported the West.

The troika issue was indeed an issue on which Yugoslavia happened to vote with us. But, of course, the vote was overwhelmingly against Russia. That vote by Yugoslavia was not of great significance in view of the way the vote lined up. Furthermore, since that time Tito said—last September—at the Belgrade Conference that he felt that the Secretary General should no longer be an independent political executive but should merely be a functionary who operated with no genuine independence and a person who would not have the kind of initiative or the kind of opportunity which Hammarskjold and U Thant have had. In other words, Tito has retreated from our position against the troika and of favoring a vigorous United Nations—a United Nations that will try hard to use its power to achieve peace, to snuff out the possibilities of conflict when they develop, and to stand on the side of those who believe effectively in peace in the world.

The second point made by Mr. Rubin is as follows:

> Tito's Yugoslavia also stood firmly with the West, and thus against the Soviet Union, on the financing of U.N. forces in the Congo.

Whether he has stood firmly or not, he cast one vote. The fact is that in the last few years, voting on 35 issues which separate the Soviet Union and the free world, Tito has voted 6 times with the United States, 6 times on the side of freedom, and 29 times on the side of the Soviet Union.

Mr. Rubin's third point is as follows:

> Tito's Yugoslavia joined in the condemnation of the Soviet Union's explosion of the 50-megaton H-bomb last October.

He may have joined in the condemnation, but it was in such a soft and gentle tone that it could hardly be heard. Much more importantly, when genuine criticism developed of the position that Khrushchev had been taking—and this was September 3, at the time of the Belgrade Conference, 48 hours after Khrushchev had broken the moratorium on nuclear testing—it was then that Tito expressed "an understanding" of what Khrushchev had done in smashing the best hopes of the people of the world today that we might be able to have a genuine suspension of nuclear testing in the world. In doing so he greatly diminished neutral criticism of Khrushchev and militarily served Soviet Russia's interest. Nehru for example criticized Khrushchev at this crucial stage—not Tito.

> Tito's Yugoslavia voted with us and against the Soviet Union in the critical struggle to authorize a $200 million bond issue for United Nations peacekeeping operations.

It is true that in a few instances—only six in the last 2 years—Tito voted on our side as against 29 times against us. I submit that none of those was as important as was the issues that developed with respect to Hungary, the seating of Communist China, and a number of other issues when Tito voted against us.

The factual and documented story of those who argue against our position of denying aid to Yugoslavia is exceedingly weak. I have already inserted in the RECORD the article by George Kennan which appeared in the newspapers yesterday. It is a fine, well-written, and intelligently composed article, but it is utterly without documentation. One must look long and hard to find a fact in the article.

On the other hand, the position that was so emphatically documented a few moments ago on the floor of the Senate by the Senator from Connecticut [Mr. DODD] was based upon one fact after another.

In the same way the letter of Mr. Rubin, an outstanding editor and fine writer—one who writes with great conviction—nevertheless is feeble because documentation is so weak. The case is so slight.

Mr. President, I ask unanimous consent that the letter from Mr. Rubin, editor of the Progressive, to the Milwaukee Journal, which disputes the position that I took some time ago, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PROXMIRE IGNORES HARD FACTS

(By Morris H. Rubin, editor of the Progressive, in a letter to the Milwaukee Journal)

MADISON, June 29.—In his recent letter to the Journal, Senator WILLIAM PROXMIRE seemed to be scolding you for your June 10 editorial which criticized the action of the Senate in forbidding aid to Communist countries, specifically Yugoslavia and Poland. The Senator claimed that the Journal "overlooks certain hard facts." I would suggest that it is the Senator who is guilty of precisely this practice.

Senator PROXMIRE contended in his letter that Tito maintains a "cheek-to-jowl collaboration with Khrushchev." By conveniently overlooking certain hard facts, the Senator managed to convey the impression that Tito is an undeviating agent of the Kremlin.

Senator PROXMIRE could reach this conclusion only by ignoring some readily ascertainable facts. For example:

1. Although more often than not it sides with the Soviet Union in the United Nations,

Tito's Yugoslavia opposed the Soviet Union in the U.N. on the all-important, perhaps decisive, question of a single Secretary General versus the so-called troika. Here was a fundamental issue between the Communist camp and the West, involving the very survival of the U.N. as an instrument for peace—and it was an issue on which Yugoslavia solidly supported the West.

2. Tito's Yugoslavia also stood firmly with the West, and thus against the Soviet Union, on the financing of U.N. forces in the Congo.

3. Tito's Yugoslavia joined in the condemnation of the Soviet Union's explosion of the 50-megaton H-bomb last October.

4. Tito's Yugoslavia voted with us and against the Soviet Union in the critical struggle to authorize a $200 million bond issue for United Nations peace-keeping operations.

Thus, if at times there is what Senator PROXMIRE characterizes as cheek-to-jowl collaboration, there is also a foot-to-rump relationship as well. It is important to keep both in mind in assessing Tito's curious role.

Moreover, in the economic field, Tito's Yugoslavia has strayed far from its original Kremlin base. It has abandoned the Soviet type of collectives and has nailed down the peasant's right to his own farm. It has also greatly liberalized Communist dogma regarding industrial development. As for trade, 70 percent of Yugoslavia's international business transactions are with non-Communist nations.

I do not argue for a moment that Tito is not a Communist or a Marxist; I simply contend that certain hard facts overlooked by Senator PROXMIRE make it clear that, however objectionable and infuriating we may find Tito's conduct and policy on many occasions, he has demonstrated a measure of independence from the Kremlin that is helpful to and hopeful for the forces of freedom.

He ought to be encouraged to break even more decisively with the sterile, discredited program and philosophy of Soviet communism—not driven more firmly into Khrushchev's arms by shortsighted and self-defeating maneuvers of the kind executed by Senator PROXMIRE.

It was precisely for this reason that one of the ablest and wisest men in the U.S. Foreign Service, George F. Kennan, our Ambassador to Yugoslavia, who is not much given to exaggeration, reported from Belgrade that the Senate action, touched off by Senator PROXMIRE, "is, of course, the greatest windfall that could have befallen Soviet diplomacy in this area."

As for Senator PROXMIRE's comments on aid to Poland, I am not aware of the data on which he rests the statement, wholly undocumented in his letter to you, that Poland "ships a great deal of food to Russia," and that as a consequence, our shipments of food to Poland "enhance Soviet military-industrial strength."

I do know—and it seems to me far more relevant—that the man we pay to be our eyes and ears in Poland, Ambassador John M. Cabot, a long-seasoned diplomat with impeccable anti-Communist credentials, reported from Warsaw that the action taken by the Senate, which Senator PROXMIRE initiated and defends, will be interpreted by all Poles "as a deliberate slap at the Polish Government and deprivation for Polish people. The hands of those Polish officials at all levels who preach that the Soviet Union is Poland's only reliable friend and only unfailing source of support in raising material well-being of Polish people" will "probably be strengthened."

These are some of the hard facts that Mr. PROXMIRE omitted in attempting to defend his disturbing conduct in the Senate.

THE FARM PROGRAM AND ASSISTANCE TO LARGE CORPORATE-TYPE OPERATORS

Mr. WILLIAMS of Delaware. Mr. President, on repeated occasions I have emphasized the fact that the farm program under the past administrations, as well as under the present one, is designed to help the large corporate-type operators rather than the small family farm.

Secretary Benson recognized this point and kept insisting that Congress reduce the artificially high support prices. As he pointed out, the continuation of these unrealistic, high support prices has resulted in the accumulation of our multibillion-dollar inventories, and the storage charges on these huge inventories and the subsidizing of their disposal has resulted in an annual multibillion-dollar loss to the taxpayers.

Today, I call attention to another glaring example of the financial assistance which the taxpayers are giving to a large corporate operator and one who is now nationally recognized as definitely not qualifying as a small family farmer.

During the past 5 years Mr. Billie Sol Estes, of Pecos, Tex., has received from the U.S. Government $1,102,433.15 toward supporting the price of the cotton produced by him.

This price support assistance was as follows:

1958. Cotton price support loans	$413, 129. 98
1959. Cotton price support loans	5, 767. 17
1959. Cotton purchased by CCC	237, 882. 39
1960. Cotton purchased by CCC	160, 090. 78
1961. Cotton price support loans	285, 562. 83
Total	$1, 102, 433. 15

In 1961 price support loans on 1,659 bales of cotton in the amount of $285,562.83 were obtained by Mr. Estes, and those loans are still outstanding. Warehouse receipts covering this cotton which serves as collateral for these loans are held by the Commodity Credit Corporation.

It is noted, however, that out of the 1,659 bales, upon which the $285,562.83 in price-support loans was obtained in 1961, 614 bales, or approximately 40 percent of this amount, were produced on farms for which the allotments were obtained improperly or illegally. They were subsequently canceled for these reasons.

Thus we find that in 1961 approximately $100,000 was paid to Mr. Estes in supporting the price of cotton produced under allotments which were improperly or illegally obtained.

During this same 4-year period Mr. Estes was collecting under the ACP program cost-sharing assistance—or what may more properly be described as free lime and fertilizer—a total of $6,800.

A summary of the 4-year period 1958–61, shows that Mr. Estes collected from the Government in price support operations of his cotton $1,102,433.15, or an average of over $275,000 annually. During the same period he was paid $6,800 to buy free lime and fertilizer to produce more cotton.

For the past several years the Government has averaged about 8½ cents per pound subsidy on the export of the cotton which it has taken in under the price-support operations, which means that the Government is losing about 25 percent of its investment in this commodity.

Based on this national average the taxpayers stand to lose approximately $250,000 on the $1 million-plus which during the past 4 years has been paid to Mr. Estes in support of his production of cotton.

I recognize that the bulk of these price-support payments took place prior to this administration, but the Kennedy-Freeman farm program as recommended to the Congress would only have perpetuated this absurdity.

The only manner in which the Billie Sol Esteses can be removed from the backs of the taxpayers is to repeal the ridiculous program under which this extravaganza was made possible.

At this point I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter from the Department of Agriculture dated July 3, 1962, in which the above report is confirmed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 3, 1962.

HON. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: This supplements our reply of May 17 to your letter of May 1, requesting information about the operations of Mr. Billie Sol Estes.

With respect to item 5 of your letter regarding price support payments obtained by Mr. Estes over the past 5 years, he did not participate in price support programs for the years 1958 to 1962, inclusive, with respect to any commodities other than cotton. His participation in cotton price support programs has been as follows:

In 1958, cotton price support loans in the amount of $413,129.98 were obtained. The amount of $3,957.91 was repaid in cash, and the cotton securing the balance of these nonrecourse loans (amounting to $409,172.07) was acquired by CCC upon maturity of the loans.

In 1959, cotton price support loans in the amount of $5,767.17 were obtained. The amount of $5,480.27 was repaid in cash, and the cotton securing the balance of these nonrecourse loans (amounting to $286.90) was acquired by CCC upon maturity of the loans. Also in 1959, Mr. Estes sold to CCC cotton having a value of $237,882.39 under authority of the provisions of the Agricultural Act of 1958.

In 1960, Mr. Estes sold to CCC cotton having a value of $160,090.78 under the provisions of the Agricultural Act of 1958.

In 1961, cotton price support loans in the amount of $285,562.83 were obtained which are still outstanding. Warehouse receipts covering the cotton which serves as collateral for these loans are held by CCC. Of this cotton, only 614 bales, out of a total of 1,659, were produced on farms for which allotments were canceled because they were obtained improperly.

With respect to item 6 of your letter regarding ACP payments and drought relief payments, Mr. Estes received ACP cost-sharing assistance in the amount of $800 in both the years 1960 and 1961 and Agriculture, Inc., received $1,000 in 1958; $1,500 in 1959; $1,200 in 1960; $1,500 in 1961, with no request for cost-sharing assistance filed in 1962. Mr. Estes did not participate in the livestock emergency feed program.

Sincerely yours,

JOHN P. DUNCAN, Jr.,
Assistant Secretary.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. ANDERSON. Mr. President, I wish to place in the RECORD, without taking any time to discuss them, some editorial comments and articles dealing with the subject now pending before the Senate. I understand the Senator from Florida is ready to address the Senate.

First I wish to have printed in the RECORD an article entitled "Medical Aid in Britain," written by Seth S. King and published in the New York Times of yesterday, Sunday, July 8.

I believe that this article, detailing how the national health service plans has worked out in Great Britain, would be of some interest to Senators.

The author of the article points out that 14 years after the birth of the medical plan in Great Britain, two unchallengeable conclusions can be drawn. He says:

> The British people want it and would not hear of any radical changes in what they have. British doctors are still skeptical of some of its methods, but 98 percent of them participate voluntarily in some phase of the national health service.

Mr. President, we are not trying to advocate and we do not advocate the British medical system in the United States. I believe we are all opposed to it. However, many things have been said about our program, among them that it will eventually lead to the system now in effect in Great Britain, which is always portrayed in the most gloomy terms possible.

I ask unanimous consent that the article by Mr. King be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDICAL AID IN BRITAIN—DESPITE SOME CRITICISM FROM MEDICAL PROFESSION THE NATIONAL HEALTH SERVICE HAS BECOME ENTRENCHED

(By Seth S. King)

LONDON, July 7.—Fourteen years ago this week Britain's National Health Service came into being, bringing with it womb-to-tomb medical and dental care for everyone.

In the days since its inception it has had its confusions and difficulties. It has been praised and damned, with equal fervor, by both doctor and patient.

But 14 years after its birth, two unchallengeable conclusions can be drawn: The British people want it and would not hear of any radical changes in what they have; British doctors are still skeptical of some of its methods, but 98 percent of them participate voluntarily in some phase of the National Health Service.

From the system's beginning in Britain there have been no rebellions by doctors such as Saskatchewan is now experiencing.

Today, out of the 42,000 qualifying physicians practicing or administering hospitals, the British Medical Association estimates that barely 500 are engaged exclusively in private practice.

CHANGES TRIED

This virtually universal acceptance does not mean that the British medical profession has made no attempts to amend the system the Labor government imposed on them in 1948.

There have been constant efforts by the medical societies to improve the lot of the doctor, and, in their opinion, to make the service more attractive to the patient.

Some of these efforts have succeeded. Others are still being pursued.

The National Health Service functions with relative simplicity. A new patient begins by getting from local authorities a list of doctors practicing in his neighborhood. He chooses one and presents himself at this doctor's surgery (as his office is called). He is given a small card to fill out and on it he writes his name and address, his age, and his national insurance number. If he is a nonresident foreigner, he does not need to have a number.

He takes his turn in the usually crowded waiting room. The doctor examines him and prescribes a remedy. If he needs additional treatment, such as surgery, physiotherapy, special appliances, or whatever, he is referred to one of the hospitals in the neighborhood. There he is treated, or makes application to be treated when his turn comes, by a resident specialist.

HOUSE CALLS

A National Health patient may ask his doctor to make a house call on him. The response to this is considered no more reluctant than for most general practitioners in the United States.

For virtually all the medicine the patient requires he pays a fee of 2 shillings (28 cents) for each prescription. If he needs special appliances, he may be asked to pay part of the cost of these.

For all this the head of each family pays 10 shillings 7 pence ($1.48) a week. Three-quarters of this goes to unemployment and other relief and only one-quarter for the National Health Service.

If he is not satisfied with his doctor, he may change to another in his neighborhood.

The general practitioner in the National Health Service is paid on the basis of a capitation fee. He receives a set amount annually for each patient who registers with him, regardless of whether he treats that patient once or daily. There are other added fees paid to him for certain services. Rural doctors get special allowances as compensation for the generally fewer patients they treat.

An individual doctor may handle a maximum of 3,500 patients. The average city general practitioner has about 2,000 patients on his list. For this, plus his extras, he earns about £2,425 ($6,790).

A specialist, beginning at the age of 34, gets a base annual salary of £2,550 ($7,100). As he grows older and becomes more skillful, this may rise to £3,900 ($10,920). In addition, if he becomes an outstanding man in his specialty, he will be given merit awards, decided by the local medical board where he practices. These may run as high as £4,000 ($11,200) a year. So the handful of top specialists may earn as much as £7,900 ($22,120).

In addition, both specialist and general practitioner may legally have as many private patients as he chooses to handle. In the case of the specialist, private patients are referred to him by other doctors when these patients choose to get their treatment in the specialist's private clinic or nursing home. Private patients come to general practitioners during the hours when the surgery is not maintained for National Health patients.

Under these conditions, it is obvious that the specialist has the best of both worlds, with his fees for public patients guaranteed through a government salary while he may also be paid by as many private patients as he attracts.

The general practitioner has less to cheer about and it is here that the greatest discontent with the system is voiced.

GLORIFIED ATTENDANTS

With the rise of personal incomes in Britain, more people are indulging in the extra attention they get as private patients, and the incomes of many general practitioners are rising.

For the patients themselves, there are certainly annoyances in the system. Britain is shockingly short of hospital bed space. A child who needs a tonsillectomy may wait under National Health, as long as 9 months before his turn comes.

It is generally conceded that a general practitioner often cannot give enough time to routine examinations that might catch some diseases earlier.

But the British public has embraced the security that National Health gives them, and they would not be without it. The poorest dust-bin man has access to Britain's greatest surgeons and her best hospital care and he has no worry of how to pay for it.

"It's true that we may not get as much personal attention and sympathy from a doctor under the National Health as we might in private systems," a British businessman explained not long ago. "But we know we are going to get treatment when we need it, and no matter how much we need, we aren't going to mortgage our future to pay for it."

The discontent of some British doctors over the system is getting more attention of late in the British press. A spirited debate is going on over how many British doctors are migrating and whether Britain is training enough medical students.

DOCTORS LEAVING

Some private studies have produced claims that as many as 600 doctors are leaving Britain each year to work elsewhere. The Government has challenged these assertions. It argues that the National Health System is actually increasing by 500 doctors a year after retirements and deaths have been replaced.

It has been estimated in the last week that about one-third of the doctors who are now protesting so bitterly in Saskatchewan are British doctors who migrated there because they refused to practice under the National Health Service.

But however an individual doctor or patient may feel about the National Health scheme, there is no British politician bold enough to attack it outright.

Even Enoch Powell, the current Minister of Health, who is a paragon of modern Toryism, took the trouble recently to point out that the National Health Service has carried the support of all major political parties in Parliament and that therefore it could not properly be called "socialized medicine."

Mr. ANDERSON. Mr. President, a great deal of trouble is connected with the Canadian situation, about which all of us have read in the newspapers recently. Many people are wondering whether that kind of trouble will not also arise here at home. It is a problem which has arisen recently, but which was never anticipated during the early discussion of the subject. It shows what can take place when there is a struggle on the part of doctors against the establishment of practices to take care of the aged. I call attention, in this connection, to an editorial entitled "Doctors Outside the Law," published in the Globe and Mail of Toronto of July 4, 1962. The first paragraph reads:

> The doctors of Saskatchewan have taken action which is not open to any individual or any group within a democracy. They have deliberately decided to disobey a law of that Province, a law duly enacted by a duly elected Government of the people.

Further along in the editorial it states:

> The doctors have not indulged in acts of violence in Saskatchewan, but the passive resistance they have instituted is the worst form of violence that could be perpetrated against the people of Saskatchewan.

I ask unanimous consent that this editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DOCTORS OUTSIDE THE LAW

The doctors of Saskatchewan have taken an action which is not open to any individual or any group within a democracy. They have deliberately decided to disobey a law of that Province, a law duly enacted by a duly elected Government of the people. They have withdrawn their services from the people of the Province, refusing to practice medicine under the Government's Medical Care Insurance Act.

Earlier in the week this newspaper condemned the International Brotherhood of Teamsters and the Seafarers' International Union of Canada for acts of violence and intimidation outside the law. What applies to truckers and to seamen applies equally to doctors. None has the right to set himself above the law. That way can only lie anarchy, and the destruction of our democratic way of life.

The doctors have not indulged in acts of violence in Saskatchewan; but the passive resistance they have instituted is the worst form of violence that could be perpetrated against the people of Saskatchewan. Except for emergency staffs in 34 of the Province's hospitals, they have left the sick and the injured without medical care, they have exposed those people to permanent disability and death; and they admit that they have done so in order to force the Government to repeal the Medical Insurance Act.

Such action cannot be condoned in a law-abiding community. The doctors disapproved of the act, and that was their privilege; but there are proper methods of registering disapproval of and seeking to change the laws of a democracy, and these the doctors have not employed.

The doctors of Saskatchewan could have worked within the framework of our system and sought to persuade the electorate to throw the Government out at the next election and replace it with one that would repeal the act. Results of the recent Federal election would indicate that in such a move they might well have been successful. They could have decided to remove themselves from Saskatchewan and practice medicine where such a law does not apply; in that case there would have been a moral obligation upon them to give their patients sufficient notice of such termination of service to enable them to provide for alternative medical care.

They did neither. They announced that they would not practice medicine under the law as it applied in Saskatchewan, and they went on strike. Even legal strikes in services essential to the welfare of the community are today condemned; and earlier this year the Ontario Legislature took legislative action to prevent such a strike among employees of Ontario Hydro. How much more to be condemned, therefore, is this illegal strike.

Premier Woodrow Lloyd might have been well advised to call the legislature into session to deal with the situation. But the doctors have already rejected a number of Government compromises which removed their chief expressed objections to the plan; and it is apparent that their leaders, at least, demand nothing less than total surrender by the Government. Those leaders, supported, it must be suspected, by the Canadian and American Medical Associations, are fighting, not this particular medical insurance plan, but any form of government health insurance anywhere on this continent. It is unlikely that the legislature, any more than the Government, would have found them prepared for compromise.

In the ugly and dangerous situation which has developed, Dr. Allan Bailey, professor of medicine at the University of Saskatchewan, had words of reason on Monday for his fellow physicians. He told them: "Strike action, or its equivalent—withdrawal of services—is in my opinion unethical and illegal for a doctor." He said that, while he disagreed with several features of the Medical Insurance Act, he believed the impasse between the doctors and the Government could be settled by reasonable men, and he proposed that new negotiations and a mediation board be sought. In the meantime, he urged that doctors continue to treat their patients:

"Surely if doctors are willing and courageous enough to refuse services to their patients, then they have the courage to refuse to fill out a specific form (required by the insurance commission). I cannot desert my patients who are referred to me and I urge doctors to work, and if they so desire, work outside the act as I will do. * * * Doctors, it is time for us to return to our work as free persons bound neither by the Government nor the Saskatchewan division of the Canadian Medical Association."

What Dr. Bailey proposes is still technically without the law; but it is a proposal for temporary action by a reasonable man who believes that agreement is possible and is prepared to work toward it. It is to be hoped that the rank and file of Saskatchewan doctors will heed his advice, and end this massive and horrifying breach of the law by which an honored profession strikes at the democratic foundation of its country.

Mr. ANDERSON. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point an article entitled "Doom of Private Medicine Seen in Doctors' Strike," written by Harry Nelson, medical editor of the Los Angeles Times, and republished by the Washington Post. It also deals with the Saskatchewan situation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NO TURNING BACK NOW—DOOM OF PRIVATE MEDICINE SEEN IN DOCTORS' STRIKE

(By Harry Nelson)

One week ago today in Saskatchewan, Canada, the private practice of medicine as we have known it for hundreds of years on this continent was dealt a blow from which it will never recover.

For better or worse, medical economics will never again be the same.

The precedent has been set in Saskatchewan. And in spite of the opposition of organized medicine, there will be no turning back.

On July 1 the government of that prairie Province became willing to assume the medical burdens of all its 900,000 residents. The government is having considerable difficulty getting the program started, but it is bound to win—if not this time, then soon.

BASIC ISSUE ECONOMIC

It will win because the basic issue is an economic one. People, even people with money, don't like the high cost of medicine. It's cheaper, or perhaps just easier, to use taxes as a pay-as-you-go medium.

The doctors opposing the scheme, both in Canada and in this country, say it will deteriorate the quality of medicine.

Doctors opposing the scheme sincerely believe what they say. They are not saying these things to frighten the public in demanding a repeal of the act.

Saskatchewan doctors, like most doctors in the United States, are true individualists. The imperfect state of the art of medicine has taught them to hold strong convictions about medicine which carry over into economic and political philosophies.

In the beginning there will be a period of transition during which the quality of medicine probably will suffer. It will suffer because the doctors who are economic individualists will either cease practicing or pull up stakes and head for greener pastures—freedom, they call it.

In Saskatchewan, for example, because many of these individualists are the topflight specialists, there will be a temporary deterioration of the kind of medicine practiced.

FAILURE HELD SURE

But the doctors' strike is doomed to failure. The government, foreseeing the exodus, long ago began a recruitment drive in Great Britain. Already the replacements are arriving in Regina and Saskatoon at the rate of four a day. Others come from other Provinces in Canada and even from the United States.

But all of Saskatchewan's doctors will not leave, even when the truth that their fight is fruitless finally sinks in. In fact, some have already accepted the inevitable. There are two good reasons why this is so.

First, the conviction that there is something wrong in receiving fees from a government source is not uniformly strong among all doctors. This lack of conviction, if it can be called that, is especially strong among the country doctors of the predominantly rural Province.

For most people, including doctors, the prospect of having to sell office and house, say goodbye to friends and patients and head for the unknown is not pleasant. It is especially unpleasant if the doctor realizes he will soon face the same threat elsewhere.

It is far easier to stay and to hope that the restrictions which inevitably will come from the government will be bearable. And a doctor's sincere concern for patients whom he has known and cared for for years—and this is especially true in rural areas where ties are closer—makes the decision to stay easier.

But there is another reason and it is strictly economic. As with doctors everywhere, much of the country practitioner's service is done gratis. In Saskatchewan, however, a doctor who cooperates with the government plan will never again go unpaid. He will, in fact, never again have to send a bill. He will receive payment for every service he performs. True, he may occasionally see the medical necessity for a service not currently covered. But all in all, he will make more money than he has in the past.

It is this attraction, considering Canada's higher economic standards, which is attracting the doctors from Great Britain. The average income of a Saskatchewan doctor in 1959 was slightly over $18,000 a year. The Saskatchewan government is promising immigrating physicians an income of $10,000. Even this is more than the average doctor makes in England.

There is a less than even chance that the Saskatchewan doctors may temporarily win their strike. This could happen if a spontaneous public uprising, triggered by a death or some kind of medically related tragedy, were directed against the government instead of the doctors. Then the party in power, the New Democratic Party (also called the Cooperative Commonwealth Federation or CCF), which is already in a precarious political position, may be forced to back down.

This party, an ultraliberal coalition of farmers and labor unions, is gambling its future on the success of socialized medicine in Saskatchewan.

THE PARTY LEADS

It can be said that the party actually is leading the people into socialism rather than merely following the dictate of the people. Most of the people of the Province want socialized medicine, but their thinking is not yet as far advanced as that of the NDP social planners who are giving it to them.

It is possible that the public, incensed by some medical calamity, may decide the government has gone too far too quickly and demand an alteration.

But if this does happen, the effect will be merely to delay socialized medicine. In the Canadian political campaigns a few months ago, every major party had a platform offering some type of socialized medicine.

Before leaving Regina 3 days ago, I had dinner with three top Government officials.

"How long will it be before your medical care insurance act is picked up by every Province in Canada?" I asked.

"Five years," they said.

"How long before it seeps down into the United States?"

"Ten years," they said, "and it will make its first appearance in California."

Mr. ANDERSON. Mr. President, finally, I ask unanimous consent to have printed in the Record at this point an article entitled "Embattled Canadians View U.S. Medicare Plan as Modest," written by Allan Blanchard, a contributing writer, which appeared in the Sunday newspapers. In the article the writer points out how very simple and rather modest the program proposed by the Anderson amendment could be.

There being no objection, the article was ordered to be printed in the Record, as follows:

EMBATTLED CANADIANS VIEW U.S. MEDICARE PLAN AS MODEST

(By Allan Blanchard)

REGINA, SASKATCHEWAN, July 7.—Medicare in the United States, as it is proposed under the pending Kennedy administration bill, would hardly cause a ripple if suggested in Saskatchewan, where doctors are engaged in a pitched battle with the Provincial government over compulsory government health insurance.

When the question is brought up here in Regina, capital of the first Socialist Province, or State, in North America, there is a quiet chuckle, and a remark similar to this one from a young government officer in the newly constituted Saskatchewan medicare office:

"What's being proposed in the United States is really a misuse of the word medicare as it applies here," he said. "Actually the United States is far behind us in the matter of government health insurance—or maybe far ahead of us, depending on one's political viewpoint."

The provisions contained in the King-Anderson medicare bill now before the U.S. Senate have long been in effect here in one form or another. And there has been no great stir about them within the medical profession here.

DIFFERENCE STRESSED

Basically, the U.S. medicare plan is an old-age hospitalization program paid for partially by the patients themselves through increases in the social security tax on wages. It provides limited hospital service (up to 90 days in the hospital for each illness) and does not include doctors' bills.

More than this was provided to all Saskatchewans as far back as 1947 when the Provincial hospitalization plan was put into effect. In fact, since 1957 almost all Canadians are under Provincial hospitalization plans much more far-reaching in benefits than the Kennedy-sponsored bill would provide.

Under the Provincial hospitalization insurance here, individuals pay a premium of $24 a year, with a maximum of $48 set for families. For this the patient, regardless of age, receives unlimited hospital care, including all drugs and services needed during his stay.

How long the patient is able to stay in the hospital is left solely to the judgment of his doctor, with the government footing the bill.

Last week as the medical care act which is causing the present doctors' strike was put into effect, the government also extended its old hospitalization program to include all diagnostic services (X-rays, laboratory work, etc.) provided on an outpatient basis.

WIDE SERVICES

For persons incapable of paying the minimum hospitalization premiums required by the government, public welfare pays the hospital bills.

Moreover, for persons 70 years of age who receive old-age assistance the government has another plan in effect for several years, under which the Saskatchewan Department of Public Health Medical Division provides 50 percent of the cost of drugs, all basic medical and surgical treatment, dentures, hearing aids, eye glasses, wheel chairs and prosthetics appliances.

Saskatchewan also has two major cancer clinics, one here in Regina, the other in Saskatoon which are operated by the government and which offer complete diagnostic treatment service to cancer victims free of charge. A doctor who suspects his patient has cancer sends him to the clinic where a staff of government physicians is supplemented by top specialists who work on a per diem basis.

If the diagnosis happily proves to be incorrect the patient is charged a fee of $10 for the examination. If it turns out he has cancer, all of his expenses for treatment of the disease are picked up by the government.

All of these programs have been instituted by the Provincial government without a doctors' strike such as the one afflicting Saskatchewan now.

ABOUT 930,000 INVOLVED

The controversial Saskatchewan Medical Care Act passed last November is an attempt by the government to provide complete medical insurance for all of the Province's 930,000 citizens.

The Medicare Act, simply defined, will pay the doctor bill. It has been drawn up in such a way to dovetail into the other government health programs in the Province so that there will be no overlapping of services. The only things exempted by the act are the cost of drugs, eye glasses and dental work, except as it is needed in oral and facial surgery.

The act is expected to put the two private health insurance programs, Medical Services, Inc., and Group Medical Services, out of business. Already large withdrawals from the two plans which are operated by doctors have been noted, especially as companies began switching their group plans to the government medicare program as prescribed by the new law.

Only two-thirds of Saskatchewan's citizens were covered by medical insurance before the Medicare Act became effective. Now health insurance is compulsory—everyone must enroll in the plan under penalty of fine for failure to do so.

The medical care insurance fund is collected from the following sources:

Twenty-eight percent from personal premiums ranging from $12 annually from each adult and not more than $24 a year from each family.

Fifty percent from 1½ percent sales tax increase which brings the Provincial sales tax to 5 percent.

Twenty-two percent from corporation and income tax increases.

The taxes went into effect the first of the year, while the collection of premiums will not begin until January 1963. Total needs of the fund and its administration are expected to run about $22 million annually in the beginning years. The government expects the cost will rise gradually in subsequent years.

The government insurance will reimburse the doctor at the same rate set up by the two private plans—85 percent of the fee.

The schedule of fees, drawn up by the Saskatchewan College of Physicians and Surgeons for use by the private plans remains in effect.

BILLS TO GOVERNMENT

The plan as put into law initially made it compulsory for doctors to practice under the medicare program. The doctor was to send his bills to the government and in turn he would be reimbursed once a month by government check. This has been one of the key points in the doctors' protest against the act. Before the strike began, Premier Woodrow Lloyd's government gave an order in council (an administrative order) allowing the doctors to practice outside the act.

This meant that the doctor would bill the patient. The patient would then bill the government which in turn would send the patient a check for 85 percent of the fee allowed in the schedule of fees.

The doctors turned this down on the basis that the Medicare Act is a written statute and that the order-in-council edict would not be valid without an amendment of the act by the legislature. The legislature does not meet until next February.

Besides, the doctors said the modification amounted to looking at the same horse from a different end.

The main argument used by the doctors against the act is a paragraph that gives the eight-man Medical Care Commission the right to make regulations "prescribing the terms and conditions on which physicians and other persons may provide insured services to beneficiaries."

The doctors argue vehemently that this provision gives the council dictatorial rights over the practice of medicine in Saskatchewan.

GOVERNMENT ADAMENT

The government has not offered to amend this provision, and it is doubtful that it would solve anything if it did. The physicians go through paragraph after paragraph of the 30-page act and point to things they feel infringe upon the right of a professional man to mind his own business.

Unfortunately, the situation even before the strike began had degenerated into a matter of "principles" on both sides with communication between opponents virtually shut down and with neither giving the other an indication of the terms that would be acceptable for settlement.

The feeling in Canada is that the minute points of argument over the Medicare Act are not the meat of this strike, but instead that this has become the battleground against "socialized" medicine in North America.

Deputy Premier J. H. Brockelbank has intimated that the government believes the American Medical Association is hand in hand with the Canadian Medical Association in outlining strategy and providing support for the striking doctors of Saskatchewan. He admits, however, that he has no evidence of this.

In the meantime, the strike continues without much change. No mediation is yet planned although the government and the doctors represented by the College of Physicians and Surgeons and the CMA each have taken one step forward.

Today their positions amount to something like this: "We will call a special session of the legislature," says the government, "if you will call off the strike."

"And we will go back to work," reply the doctors, "if you will suspend the Medicare Act."

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from New Mexico [Mr. Anderson].

Mr. MANSFIELD. I should like to ask the distinguished minority leader if he is prepared to vote on the Anderson substitute at this moment.

Mr. DIRKSEN. I am afraid not.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KERR. Does the Senator mean to vote without a quorum call?

Mr. MANSFIELD. We will have a quorum call and then vote.

Mr. KERR. I thought the Senator said he wanted to vote now.

Mr. MANSFIELD. Yes.

Mr. KERR. Without a quorum call first?

Mr. MANSFIELD. If the Senator will agree, we will have a quorum call and vote immediately thereafter.

Mr. KERR. We could not agree to that proposal.

Mr. MANSFIELD. Mr. President, I propose that we vote on the Anderson substitute at this time.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF NATIONAL PUBLIC WORKS WEEK

Mr. DIRKSEN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 68.

The PRESIDING OFFICER (Mr. Pell in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 68) providing for the designation of the week commencing October 1, 1961, as National Public Works Week, which were, on page 2, line 5, strike out "October 1, 1961," and insert "October 14, 1962,", and to amend the title so as to read: "Joint resolution providing for the designation of the week commencing October 14, 1962, as 'National Public Works Week'."

Mr. DIRKSEN. Mr. President, the amendments relate only to a change of date, in view of the fact that the resolution was passed after the date originally carried in the joint resolution.

I move that the Senate concur in the amendments of the House.

The motion was agreed to.

U.S. TRADE MISSIONS—A MISSION TO GERMANY

Mr. HUMPHREY. Mr. President, I call the attention of the Senate to two articles published in the June 22 issue of the Waynesboro News-Virginian describing a recent U.S. trade mission to Western Germany. This mission was an outstanding example of the work of the Department of Commerce and the Bureau of International Business Operations in improving our balance of payments by encouraging exports. Of the 245 proposals from American businesses carried to West Germany, more than half were accepted. Many of these contracts would never have been consummated without the businessman-to-businessman contact facilitated by the mission.

A large part of the success of this unique mission was due to its specialized nature. Its specialization in the machinery and tool industry allowed it to represent, thoroughly and precisely, one facet of American business. Mr. Roy F. Gotenberg, director of the trade missions program, has indeed done a notable job in promoting close friendships for American businessmen with their counterparts throughout the world.

Mr. President, I ask unanimous consent to have these articles printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Waynesboro (Va.) News-Virginian, June 22, 1962]

Germany Receptive to U.S. Trade, Visiting Experts Say—Industrialists in Session Here Today

West Germany, experiencing a period of prosperity within its own reconstruction economy, appears very receptive to a stepped-up program of trade with the United States, an administration official said here today.

Bernard K. Haffner, leader of a specialized U.S. Commerce Department trade mission just returned from Germany, reported that German businessmen are interested in buying more American-made goods, particularly machinery and tools.

Mr. Haffner and other members of the mission said they found a healthy economic climate in West Germany, and one that would support a considerable increase in the present volume of imports from the United States.

Members of the mission, recognized specialists in the field of machinery and tools, reported today at a press conference at the General Wayne Motor Inn on results of their 5-week tour through Germany. The group is here with Department of Commerce officials for a deactivation session.

Among the group of six American businessmen on the mission was Louis Spilman, president and publisher of the News-Virginian, specialist in printing methods and graphic reproduction.

Others were M. Ray Dilling, president of Tally Register Corp. of Seattle, Wash., numerical control; Arthur F. Draper, director of product planning, Univac Division of Sperry Rand Corp., New York City, computers; Harold W. Kippers, salesmanager, Kearney & Treker, Milwaukee, Wis., machine tools; Thomas Glynn, vice president in charge of manufacturing, John H. Breck, Inc., Springfield, Mass., packaging consultant; and Lawrence M. Weitzel, president, Mechanical Specialties Co., Los Angeles, precision instruments for aircraft.

Each acted as a Government employee and representative of all American businessmen, not as a representative of his own particular company.

Mission Leader Haffner, is Deputy Director of Metalworking Equipment Division, Business and Defense Services Administration of the Department of Commerce.

Others in the group were Roy F. Gootenberg, director of the Trade Missions Division of the Commerce Department; Robert G. Kemp, Chief of Special Projects Unit in the Business Services Division; and John G. Smith, Jr., program officer for the Trade Missions Division.

The mission declared Germany a good market for U.S.-made machines for packaging, since the country is just beginning to really expand its production of prepackaged consumer goods for self-service.

Particular interest was also expressed in the fields of prefab housing; equipment to overcome air and water pollution; coin vending machines; electronics equipment; and in machines for the manufacture of artificial leather and plastic covering material.

Members of the group declared however that the variety of interests among German businessmen for American-made goods was remarkable.

Of 245 specific business proposals from American companies, half were picked up by German businessmen. Mr. Haffner said. In these cases, initial contacts were arranged on both sides of the ocean. Others undoubtedly will follow.

The trade missions director explained that of more than 100 missions abroad, this was the first to be highly specialized and one which initiates a new phase in the Department's trade mission program to expand U.S. exports.

Where earlier missions were aimed primarily at strengthening the economy of other nations, the trade missions now are aimed at a "hard sell" of American machines and equipment in a foreign country.

The trade mission program represents a free service to the American businessman that is not yet fully appreciated, Mr. Haffner asserted. He conceded that American business firms were becoming more and more interested with the report of each returning mission.

The program is aimed now at regaining America's balance-of-payments position through greater volume of exports.

Germany as part of the six-nation Common Market which embraces some 165 million people is now working with her neighbors to eliminate internal tariffs and standardize external tariffs.

Therefore, Germany must now consider her Common Market partners in any major trade ventures with other nations.

U.S. Commerce officials feel there is a greatly expanding market for American goods in central Europe, particularly in Germany, an industrialized nation with a fast-growing and stable economy.

Members of the mission noted the substantial difference in labor costs here and in Germany and suggested that effective competition in the manufacture of machine tools could only be realized by producing in their area at their costs.

All agreed the striking point of their trip was the realization of the similarity of methods here and in Germany. The German businessman knows and understands the concept of American business practices, Mr. Haffner said.

Mr. Spilman pointed out that "Germany knows its way around the printing business." He said, however, that there is a market there for some types of American-made equipment such as very large or very small offset printing presses, as well as bookbinding equipment.

American businessmen were advised of the mission before its departure in April and invited to pass their proposals for export business, licensing, or joint ventures to the Department of Commerce, which prepared a brochure for distribution to interested German businessmen.

At each city they visited, interviews were arranged in advance with Germans who might be interested in the proposals outlined in the brochure. The American group then set up contacts with individual businesses on both sides of the Atlantic and began preliminary negotiations.

Their job now, in addition to an overall evaluation of the trip, will be to advise U.S. businessmen how and where to follow up the initial contacts.

[From the Waynesboro (Va.) News-Virginian, June 22, 1962]

U.S. TRADE MISSION MEETS HERE TODAY; IT'S A HARD-WORKING GROUP

(By Louis Spilman)

Today the final deactivitation sessions of our U.S. Trade Mission to Germany are being held in Waynesboro. Presence of this group brings considerable distinction to the community. To have spent a week in Washington back in March with these men at a briefing conference to acclimate us to the rigors of a trade mission and then to have spent 5 weeks in Germany with the group is a memorable privilege which will ever occupy a rich and cherished spot in my memory. I was the eldest of the group and the least qualified. But I was treated magnificently.

Here are gathered the Nation's outstanding authorities in their particular fields of specialized machinery. These men are keen, alert, dedicated and experienced. It required tremendous patience and time to reveal to me fully the many ramifications of our assignment. Certain it is, however, that this experience has enabled me to accrue much knowledge I might never have accumulated in any other way.

Believe me, our trip was no junket. Every man worked hard and worked long. Every man devoted full attention and time to the assigned task of generating export business with Germany. And this was no easy chore. Germany produces excellent machinery and generally at lower cost than do we. German businessmen are fully aware of modern business competition. We met at luncheons, receptions, and dinners. We called at plants and offices. We had innumerable conferences. There's a strong bond between West Germany and the United States. In spite of inability to speak the language and seemingly a hundred other hazards, we did develop some export business. American industry cannot be sold short. We produce machinery that gets things done when things should be done. U.S. industrial research keeps us ahead of the world in just about every field.

Our contacts abroad were made through the U.S. Foreign Service, the Embassy in Bonn, and the consulates in the various communities in which we conducted our activities. I have a new and high regard for the Foreign Service. The men and women who comprise it are intelligent, dedicated, and effective. They work hard * * * and they saw to it that we had no leisure moments. In the entire 5 weeks we had only 2 days off. Easter was one of them. I forget the other one but someone said we had it.

To the men in the Department of Commerce who formed the mission, established its objectives and directed its activities, we are deeply indebted. They, too, are a devoted group of public servants. Two among them deserve special mention—Roy F. Gootenberg, Director of the U.S. Trade Missions Division and John G. Smith, Jr., program officer of this division. And to the other seven who stuck together from start to finish; shared troubles and pleasures; and assisted me in so many ways as I strove to keep pace in water far over my head; I proffer eternal thanks. From the U.S. Department of Commerce were Bernhard K. Haffner, a vigorous leader who worked hard and long and Robert G. Kemp, trade development officer, is still following through diligently and effectively on the trade opportunities developed. Arthur Draper, Thoms Glynn, Harold W. Kippers, M. Ray Dilling, and Lawrence Weitzel * * * all private businessmen selected because of their leadership in industry throughout the United States * * * were vital parts of the whole procedure. To all these I would express gratitude for their guidance and direction as they meet today in Waynesboro. It was a good mission. It did not waste taxpayers' money. No member received pay for his services. It produced much needed export business and it generated considerable understanding and good will.

WHAT IS HAPPENING TO INCOME DISTRIBUTION?

Mr. HUMPHREY. Mr. President, I call attention to an article entitled "A Myth Exploded: Poor Getting Even Less of the Pie," written by Bernard Nossiter, and published in the Washington Post of July 8, 1962. Mr. Nossiter shows great concern about information contained in two new books which discuss our Nation's income distribution. The two authors, despite popular beliefs to the contrary, claim that the disparity in wealth between high- and low-income-bracket families has been growing steadily since the Second World War.

It is an accepted economic fact that consumer spending is lessened by an uneven distribution of income. Whereas increasing consumer spending is a prerequisite to heightened investment and a growing gross national product, the trend toward an uneven income distribution as reported in these books could have severe detrimental effects on the growth of our Nation's economy. As economic growth is essential to the Nation's welfare, the validity of Mr. Nossiter's article and the two books he discusses merits careful consideration in the formulation of responsible fiscal policy.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A MYTH EXPLODED: POOR GETTING EVEN LESS OF THE PIE

(By Bernard D. Nossiter)

Two new and important studies have directly challenged one of the Nation's most comforting myths: that the gap between rich and poor is shrinking.

Conventional wisdom holds that ours is an affluent society in which income and estate taxes are distributing wealth more equally. In fact, as one of the studies demonstrates, this equalizing process went on for 20 years after the great crash. But in the past 12 years, wealth has again become increasingly concentrated in fewer hands.

Conventional wisdom also holds that trade unions, minimum wage laws and heavy taxes in the upper income brackets have leveled the disparity between high- and low-income earners. In fact, as the second study indicates, some redistribution of income shares has taken place at the top but the bottom third of earners has been steadily losing ground.

The two reports are "The Share of Top Wealth-Holders in National Wealth 1922–56" by Robert J. Lampman (Princeton, $6.50) and "Wealth and Power in America" by Gabriel Kolko (Praeger, $4.85).

Lampman, a new addition to the staff of the Council of Economic Advisers, was chairman of the Wisconsin University Economics Department. He compiled his findings for the National Bureau of Economic Research. Kolko is a historian who just left Harvard to teach at the University of Melbourne in Australia.

Lampman explored how wealth is distributed: the ownership of stocks, bonds, real estate, cash, mortgages, insurance and such miscellaneous property as pensions, royalties, automobiles and livestock. He combed through returns filed with the Treasury for estate or death taxes, related them to the total number of deaths in each age group and thus was able to determine the share of the Nation's wealth held by the richest segment.

Here is one way of summarizing Lampman's findings, examining the share of the national wealth held by the top 0.5 percent of the population or the richest one-two hundredth:

In 1922, this group owned 29.8 percent of the wealth; this rose to 32.4 percent in 1929 and then fell steadily to 19.3 percent by 1949. But since that year, the top group has owned an ever-increasing share, rising to 25 percent by 1956.

Lampman carried his calculations forward through 1961 for Business Week magazine, there he reported that the top group's slice was still growing.

This does not mean that the rest of the Nation has been growing poorer since 1949. In fact, all groups have enjoyed increased wealth. The point of Lampman's discovery is that the top group has been getting a relatively bigger portion of the growing pie.

Lampman suggests that the biggest reason for the new increase in equality was the inflation-inspired stock market boom of the 1950's. Despite talk about "people's capitalism" and irrelevant statistics about the large number of shareholders, Lampman found that stock ownership is highly concentrated.

The wealthiest 1 percent of the Nation's adults held three-fifths of the corporate stock 30 years ago; by 1929, their share had risen to more than two-thirds; at the end of World War II, it had fallen back to the 1922 level. But by 1953, it was 76 percent.

Moreover, within this group, Lampman found that the richer a man is, the more his wealth will be held in stocks. All this indicates that a stock market crash would have more to do with leveling wealth than taxes would.

Kolko's study covers more ground, is more suggestive than definitive, and centers on income rather than wealth. Going back to 1910, he finds that the share of total income received by the top tenth has dropped. From a peak of 39 percent in 1929, it fell to 29 percent in 1959.

But the biggest gainers were the second and third richest tenths, not the bottom groups. In this same 30 years, the second and third tenths—professionals, small businessmen and lower echelon managers—increased their share of all income from 22 percent to nearly 28 percent. In contrast, the poorest three-tenths fell from 14 percent in 1910 to 10 percent in 1929 to 9 percent in 1959.

Again, this does not mean that incomes have fallen in the bottom brackets; they have risen, but at a slower rate than at the top of the ladder.

Somewhat surprisingly, Kolko finds that the progressive income tax makes little difference to the picture of unevenly distributed incomes. He thinks this is so because there are so many deductions, exemptions, and other devices available in increasing amounts for the biggest income earners.

Moreover, Kolko maintains that any statistics based on the usual definitions of income seriously minimize the degree of inequality. This is because these measurements don't include such things as capital gains from sales of stock and other assets and the income in kind represented by expense accounts, corporate-paid memberships in country clubs and the other emoluments of executive life.

The latest Federal measurement of income shares, published by the Commerce Department in April, gives some support to Kolko's thesis. Covering the 6 years from 1955 through 1960, the report shows that the share of after-tax income going to the wealthiest one-twentieth of families has been virtually unchanged.

This top 5 percent has received between 18.0 and 18.2 percent of the total income. The bottom 40 percent, on the other hand, has been slowly slipping back from 17.1 percent to 16.4 percent of the total.

If the lot of everybody is improving, does it make any difference that those at the top are making the fastest strides? It might make a big difference, particularly for policies aimed at stimulating consumer demand and investment.

The greater the inequality of wealth and income, the harder it is to make such stimuli work. That is because of a well-known principle in economic behavior about the propensity to consume.

In simple terms, the wealthier a man is, the more likely he is to have rather than spend additional increments of income. The man with a $50,000 income will probably stash away some portion of a $1,000 cut in his taxes; the man with a $5,000 income will probably spend it all.

President Kennedy plans to cut income taxes across the board next year (or possibly this year) to spur private spending. The extra spending this tax cut will generate will be less than it would be if income and wealth were distributed in such a way that those at the bottom had more and those at the top had less.

A more equitable distribution would mean that more of the money freed by the tax cut would flow into consumer outlays and less would leak away into savings. This characteristic of incomes and spending also affects business investment.

Outlays to expand plant capacity or manufacture new products ultimately depend on expectations of future sales. This assumes that firms and wealthy individuals don't lack money to invest—and this indeed appears to be the case generally today.

Expectations of future sales depend on customers' ability to spend. And, as we have already seen, this ability to spend increases the more that wealth and income are evenly distributed rather than concentrated at the top.

The Lampman and Kolko studies offer fertile ground for the political scientist as well as the economist, but that is another story. Some of the questions the political scientist might ask for these:

To what extent does political power reflect economic power? If economic power is concentrated, will there be an equivalent concentration of political power? And, finally, what are the implications for a democratic society if wealth and income are concentrated?

DAY CARE FOR MIGRANT CHILDREN

Mr. WILLIAMS of New Jersey. Mr. President, in the CONGRESSIONAL RECORD of July 3, 1962, the Daily Digest section erroneously reported that the senior Senator from Delaware had submitted an amendment to H.R. 10606 which would provide children of migratory farmworkers with day-care facilities.

This amendment to H.R. 10606 was submitted by me and cosponsored by the senior Senator from Minnesota, the senior Senator from Illinois, the junior Senator from Massachusetts, the senior Senator from Texas, the junior Senator from Colorado, the junior Senator from Michigan, the senior Senator from Oregon, the senior Senator from New York, the junior Senator from North Dakota, the junior Senator from Minnesota, the junior Senator from Montana, the senior Senator from Pennsylvania, the senior Senator from Florida, and the junior Senator from Florida.

In the interest of providing accurate legislative history for this amendment to provide migratory farm children with day-care facilities, I would like to point out that the proposed amendment does not deny, restrict, or in any way diminish the welfare services and benefits currently available to migratory farm children under the Social Security Act or such services and benefits to be provided such children under H.R. 10606, the legislation presently pending before the Senate.

Mr. President, I ask unanimous consent that an explanation of the amendment to H.R. 10606, which would provide children of migratory farmworkers with day-care facilities, be included in the RECORD at the conclusion of my remarks.

There being no objection, the explanation was ordered to be printed in the RECORD as follows:

EXPLANATION OF DAY CARE AMENDMENT

This amendment to H.R. 10606, a bill to extend and improve child welfare programs of the Social Security Act (42 U.S.C. 301), and for other purposes, would add a new section to part 3, title V, of this act. This new section, entitled "Day Care Facilities for Children of Migrant Agricultural Workers," authorizes an annual appropriation of $750,000 through the fiscal year ending June 30, 1965, which shall be allotted to States for the establishment and operation of day-care facilities for children of migratory farmworkers.

On October 1, 1962, and thereafter at the beginning of each fiscal year (commencing with the fiscal year ending June 30, 1964), Federal grants would be allotted on a matching basis to States having a substantial number of migratory farm children. The Federal contribution to a State would not be more than 66⅔ percent nor less than 33⅓ percent; the amount allotted within this percentage range is determined by the per capita income of the State. Any unused day-care allotment is available for reallotment to another State which the Secretary determines to have needs in excess of those allotted for initially.

A provision in the amendment prohibits an allotment of Federal funds to a State whose day-care program imposes as a condition of eligibility a residence requirement which would exclude any otherwise eligible child present in the State.

Except for the delimiting dates of the authorization, the substantive provisions of the amendment are identical to the bill, S. 1131, which was favorably recommended for enactment in a formal report of the Department of Health, Education, and Welfare; Department of Agriculture; Department of Labor; Bureau of the Budget; and numerous social and church organizations.

This amendment does not deny, restrict, or in any way diminish welfare services and benefits currently available to migratory farm children under the Social Security Act, as amended, or such services and benefits to be provided such children under H.R. 10606, the legislation presently pending before the Senate.

ALASKA DOES NOT WANT OUT

Mr. BARTLETT. Mr. President, Arthur Hailey is the author of a novel, "In High Places," published this year. It is a highly readable book. It is well written. It is what I suppose might be called a political novel. Canada is the scene.

I must say that I never read the book until letters began to reach me from many parts of the United States asking me if it is true, as the novel asserts, that Alaska is tired of statehood, that Alaska is disillusioned by association with the United States, that Alaska would prefer to join up with Canada. You may depend on it that it did not take me long after the first letter came in to obtain a copy of the book and to read it. And I enjoyed it very much, remembering all the time that it is a novel, that it is fiction, that it does not pretend to be anything else.

The inquiring letters about Alaska were written as a consequence of that essential part of the novel in which a projected political union between the Dominion of Canada and the United States is proposed by the Prime Minister of Canada and the President of the United States as the only means to assure adequate defenses for all of this part of the North American continent in light of the dread possibility of a nuclear war. The President and the Prime Minister had carried on secret conversations relating to this. The Prime Minister knew that he would have to have an election and he wanted to place himself, understandably, in the very strongest possible position with the voters in announcing the proposed alliance between the two nations which would go so much further than ordinary alliances do. For under its provisions Canada, to obtain the protection of the United States in even greater measure, would voluntarily surrender certain sovereignty. A dramatic scene has the Prime Minister and his advisers in the White House talking with the President prior to any public announcements. To place the Alaska part of all of this in proper perspective I should like to quote from the book in that section where the Prime Minister and the President are meeting:

Now James Howden addressed the President directly. "As you observed an hour or two ago, Tyler, borders are not immutable. We of Canada—if the act of union becomes law in both our countries—are prepared to accept a change of border as a fact of life. The point is: Are you?"

The President leaned forward across the desk, his brow furrowed. "I'm not sure I follow you, Jim."

Admiral Rapoport's face was expressionless.

"When the nuclear firing begins," the Prime Minister said, speaking carefully, "anything can happen. We may gain victory of a sort; or we may be routed and invaded, in which case no present plan will help. Or, in a short time, we may reach stalemate, with the enemy as reduced and helpless as ourselves."

The President sighed. "All our so-called experts tell me we shall virtually destroy each other in a matter of days. God knows how much or little they really know, but one has to predicate plans on something."

Howden smiled as a passing thought struck him. "I know what you mean about experts. My barber has a theory that after a nuclear war the earth will split down the middle and break into pieces. Sometimes I wonder if I shouldn't put him in the Defense Department."

"The real thing that stops us," Arthur Lexington added, "is that he's a damn good barber."

The President laughed. Admiral Rapoport's face creased slightly in what might have been a smile.

Seriously once more, the Prime Minister went on, "For our present purpose I believe we must consider the postwar situation on the assumption that we will not be defeated."

The President nodded. "I agree."

"In that case," Howden said, "it seems to me there are two main possibilities. First, that both our Governments—Canada and the United States—may have ceased to function entirely, so that law and order are nonexistent. In that event, nothing we say or do here can be of usefulness at that time; and I suppose, in any case, none of us in this room would be around as observers."

How casually we talk of it all, he thought: life and death; survival and annihilation; the candle burning, the candle snuffed. And yet in our hearts we never really accept the truth. Always we assume that something somehow will impede the ultimate ending.

The President had risen silently from behind the desk. Turning his back to the others, he drew aside a curtain so that he was looking out across the White House lawn. The sun had gone in, Howden noticed gray stratus cloud was filling the sky. Without turning the President intoned, "You said two possibilities, Jim."

"Yes," Howden assented. "The second possibility is the one I believe most likely." The President left the window, returning to his chair. His face, Howden thought, seemed wearier than before.

Admiral Rapoport inquired, "What about your second point?" His tone said: Get on with it.

"It is the possibility," Howden said evenly, "that both our governments will survive to some extent, but that Canada, by reason of our closeness to the enemy, will have taken the severest blow."

The President said softly, "Jim, I swear to you before God that we shall do the best we can—before and afterward."

"I know," Howden said, "and it's the 'afterward' I'm considering. If there's a future for Canada, you must give us the key."

"Key?"

"Alaska," James Howden said quietly. "Alaska is the key."

He was conscious of the rhythm of his own breathing, aware from outside of a sudden minuet of melding sounds: the muted, distant note of an automobile horn; a patter of first raindrops; a bird's soft chirping. Arthur Lexington, he reasoned inconsequentially, could name what breed of bird it was—Arthur Lexington, ornithologist; the Right Honorable Arthur Edward Lexington, P.C., M.A., LL.D., Secretary of State for External Affairs, his command on each Canadian passport: "In the name of Her Majesty the Queen, allow the bearer to pass freely without let or hindrance * * * afford assistance and protection." Arthur Lexington—now pokerfaced, challenging with himself, James Howden, the might and union of the United States.

You must give us Alaska, he repeated in his mind. Alaska is the key.

Silence. Immobility.

Admiral Rapoport, beside Lexington on the sofa: still. No warmth, no message, on the crinkled parchment face, the outsize head. Only steely eyes, coldly staring. Hurry * * * come to the point * * * don't waste my time * * * how dare you * * *.

How dare he. How dare he face, across that flag-flanked desk, the incumbent of the mightiest office in the world with himself—leader of a smaller, weaker power—outwardly calm, inwardly tense, his absurd, preposterous demand already spoken.

He remembered the exchange between himself and Arthur Lexington 11 days earlier, the day before the cabinet committee. "The Americans would never agree, never," Lexington had said. And he had answered: "If they are desperate enough, I think perhaps they might."

Alaska. Alaska is the key.

The President's eyes were staring. They mirrored disbelief.

And still the silence.

After time which seemed endless, the President swiveled in his chair. He said evenly, "Unless I have misunderstood you, I cannot believe that you are serious."

"I have never been more serious," James Howden said, "in all my political life."

Now, standing himself, he said forcefully and clearly, "You were the one, Tyler, who spoke today of our 'common fortress'; it was you who declared that our policies must concern themselves with 'how' rather than 'if'; you who affirm urgency, the absence of time. Well, I tell you now, and speaking for the Government of Canada, that there is agreement with all you say. But I tell you too, that for our own survival—and this we are determined upon if the Act of union is to be accomplished — Alaska must become Canadian."

The President spoke earnestly, pleadingly, "Jim, it could never be done, believe me."

"You're mad." It was Admiral Rapoport, his face flushed.

"It can be done." Howden hurled the words across the room. "And I'm not mad, but sane. Sane enough to want survival of my own country; sane enough to fight for it—as, by God, I will."

"But not this way."

"Listen to me." Howden crossed swiftly to the map and took the pointer resolutely. He swung the tip in an arc, from east to west, the line he followed tracing the 49th parallel. "Between here and here"—he traced a second line across the 60th parallel —"your experts and ours tell us there will be devastation and fallout, perhaps—if we are lucky—in great patches across the country; perhaps overall, if we are not. Therefore our only chance of rebuilding afterwards, our sole hope for consolidating whatever is left of Canada, is to establish a new focal point, a new national center away from devastation and until such time as we can regroup and move back, if ever we do."

The Prime Minister paused, surveying the others grimly. The President's eyes were riveted upon the map. Admiral Rapoport opened his mouth as if to interject once more, then closed it. Arthur Lexington was covertly watching the admiral's profile.

"The Canadian regrouping territory," Howden continued, "must meet three main needs. It must be south of the tree line and the subarctic zone; if it were not, communications and support of life would be beyond our means. Second, the area must be west of our combined northern missile line; and, third, it must be a place where fallout is likely to be negative or light. North of the 49th parallel there is only one such area meeting all requirements—Alaska."

The President asked softly, "How can you be sure about fallout?"

Howden replaced the pointer against the wall. "If, at this moment, I had to pick the safest place in the Northern Hemisphere during a nuclear war," he said, "it would be Alaska. It is fortified against invasion. Vladivostok, the nearest major target, is 3,000 miles away. Fallout, either from Soviet attacks or our own will be unlikely. As certain as anything can be, Alaska will come through."

"Yes," the President said, "I think I agree with you—about that, at least." He sighed. "But as to the other, it's an ingenious idea—and I must admit in honesty that a good deal of it makes sense. But surely you must see that neither I nor Congress can barter away a State of the Union."

"In that case," James Howden replied coldly, "there is even less reason for my own Government to barter away a country."

Admiral Rapoport snorted angrily, "The act of union would involve no bartering away."

"That scarcely seems true," Arthur Lexington interceded sharply. "Canada would pay a heavy price."

"No." The admiral's voice took on a cutting edge. "Far from paying a price, it would be an act of amazing generosity to a greedy, vacillating country which has made a national pastime of timidity, fence straddling, and hypocrisy. You talk of rebuilding Canada, but why bother? America did it for you once before; we'll probably do it again."

James Howden had resumed his chair. Now, his face suffused with anger, he sprang to his feet. He said icily, "I don't believe I have to listen to this, Tyler."

"No, Jim," the President said calmly, "I don't believe you do. Except that we agreed to speak plainly, and sometimes there are things better said, and out in the open."

Tense with resentment, Howden fumed, "Am I to assume that you subscribe to this vicious libel?"

"Well, Jim, I grant that what was said could have been put more tactfully, but then that isn't Levin's way, though if you like I apologize for his choice of words." The voice drawled easily across the desk to the Prime Minister, still standing erect. "But I'd also say he has a point about Canada always wanting a great deal. Even now, with all that we are offering in the act of union, you're demanding more."

Arthur Lexington had risen along with Howden. Now he walked to the window and, turning, his eyes were on Admiral Rapoport. "Perhaps," he observed, "it's because we're entitled to more."

"No." The word snapped back from the admiral as though a needle had been jabbed. "I said you were a greedy nation and so you are." His thin voice rose. "Thirty years ago you wanted an American standard of living, but you wanted it overnight. You chose to ignore that American standards took a century of sweat and belt tightening to build. So you opened up your raw wealth that you might have husbanded instead; and you let Americans move in, develop your birthright, take the risks, and run the show. That way you bought your standard of living—then you sneered at the things we had in common."

"Levin," the President remonstrated.

"Hypocrisy, I said." As if he had not heard, the admiral stormed on, "You sold your birthright, then went searching for it with talk about distinctive Canadianism. Well, there was a Canadianism once, but you got soft and lost it, and not all your Royal Commissions piled on end will ever find it now."

Hating the other man, his own voice tight with anger, James Howden exclaimed, "It hasn't all been softness. There's a list from two world wars you may have heard of: St. Eloi, Vimy, Dieppe, Sicily, Ortona, Normandy, Caen, Falaise * * *."

"There are always exceptions," the admiral snapped. "But I also recall that while U.S. marines were dying in the Coral Sea, the Parliament of Canada was debating conscription—which you never had."

Wrathfully Howden said, "There were other factors—Quebec, compromise."

"Compromise, fence straddling, timidity * * * what in hell's the difference when it's a national pastime? And you'll still be fence straddling on the day the United States defends Canada with nuclear weapons—weapons you're glad we have, but are too self-righteous to employ yourselves."

The admiral had risen and was standing facing Howden. The Prime Minister resisted an urgent impulse to strike out, raining blows on the face before him. Instead the President broke the hostile silence. "I tell you what" he suggested. "Why don't you two fellows get together tomorrow morning at dawn by the Potomac. Arthur and I will be seconds, and we'll have the Smithsonian lend us pistols and swords."

Lexington inquired dryly, "Which of the two would you recommend?"

"Oh, if I were Jim, I'd take pistols," the President said. "The only ship Levin ever commanded missed everything it fired on."

"We had poor ammunition," the admiral remarked. For the first time the ghost of a smile creased his leathery face. "Weren't you Secretary of the Navy then?"

"I've been so many things," the President said. "It's hard to remember."

Despite the lessened tension, the heat of indignation still gripped Howden. He wanted to retaliate; to return words in kind, countering what had been said; attacking, as he could so readily: An accusation of greed came ill from a nation grown fat and opulent from riches * * * Timidity was hardly a charge to be laid by the United States which had practiced selfish isolationism until forced at gunpoint to abandon it * * * Even Canadian vacillation was better than the blundering, naive ineptness of American diplomacy, with its crude belief in the dollar as an answer to all problems * * * America with its insufferably virtuous air of always being right; its refusal to believe that other concepts, alien systems of government, might sometimes have their virtues; its obstinate support of puppet, discredited regimes abroad * * * And at home slick, glib talk of freedom through the same mouth which smeared dissenters * * * and more, much more. * * *

About to speak—fiercely, wildly—James Howden checked himself.

At times, he thought, there was statesmanship in silence. No catalog of faults could ever be one sided, and most of what Admiral Rapoport had said was uncomfortably true.

Besides, whatever else Rapoport might be, he was no fool. Subtly the Prime Minister had an instinct that a performance had been staged with himself as a participant. Had there been a deliberate attempt, he wondered, adroitly managed by the admiral, to throw him off balance? Perhaps; perhaps not; but brawling would achieve nothing. He was determined not to lose sight of the original issue.

Ignoring the others, he faced the President. "I must make it perfectly clear, Tyler," he announced evenly, "that failing a concession on the issue of Alaska there can be no agreement between our respective governments."

"Jim, you must see that the entire situation is impossible." The President seemed calm and controlled, unshakable as ever. But the fingers of his right hand, Howden noticed, were drumming urgently upon the desk top. Now he went on, "Couldn't we go back?—let's talk about the other conditions. Maybe there are more points we can cover, things we can spell out to Canada's advantage."

"No." Howden shook his head firmly. "First, I don't see the situation as impossible and, second, we'll talk of Alaska or nothing." He was convinced now—there had been an attempt to make him lose control. Of course, even if it had succeeded, the other side might have gained no advantage. But on the other hand he might just have tipped his hand on how far he was prepared to compromise if forced. The President was a seasoned, wily negotiator who would never miss a hint like that if given.

The Prime Minister rubbed the tip of his long nose gently. "I'd like to tell you," he said, "of the conditions we have in mind. Foremost, there would be a free election in Alaska, jointly supervised, and with a 'yes' or 'no' vote."

The President said, "You'd never win." But the deep-pitched voice was a shade less dogmatic than before. Howden had a sense that subtly, in some undefinable way, dominance of the negotiations had shifted to himself. He recalled Arthur Lexington's words earlier in the morning: "Put in its crudest terms, I'd say we're in a seller's market. The concessions we have to offer, the United States needs, and needs badly."

"Frankly, I think we would win," Howden said, "and we'd go into the campaign intending to. There has always been a good deal of pro-Canadian feeling in Alaska, and lately it's intensified. What's more, whether you know it or not, the bloom has worn off statehood. You haven't done as much for them as they expected, and they're lonely up there. If we took over, we'd create a duplicate center of government. We'd make Juneau—or maybe Anchorage—a secondary capital of Canada. We'd concentrate on Alaskan development ahead of all other provinces. We'd give Alaskans a sense of no longer being apart."

"I'm sorry," the President said flatly. "I can't accept all that."

This was the moment, Howden knew, to play his ace. "Perhaps you will believe more readily," he announced quietly, "if I tell you that the first approach in this matter has come, not from Canada, but from Alaska itself."

The President stood up. His eyes were riveted on Howden's. He said sharply, "Please explain yourself."

"Two months ago," the Prime Minister declared, "I was approached in secrecy by a single spokesman for a group of prominent Alaskans. The proposal I have made to you today is the proposal made to me at that time."

The President moved from behind the desk. His face was close to Howden's. "The names," he said. His voice was unbelieving. "I would have to know the names."

Arthur Lexington produced a single sheet of paper. Taking it, the Prime Minister passed it to the President. "These are the names."

As he read, incredulity spread over the President's face. At the end he passed the list to Admiral Rapoport.

"I will not attempt"—for once the words came haltingly—"I will not attempt, I say, to hide from you that these names and information are a considerable shock."

Howden was silent, waiting.

"Assuming," the President said slowly, "just assuming there was a plebiscite, and you lost."

"As I say, we wouldn't expect to. We'd make the specific terms attractive, just as you've made the Act of Union attractive. And you yourself would urge a 'yes' vote on the grounds of North American unity and defense."

"Would I?" Eyebrows shot up.

"Yes, Tyler," Howden said firmly, "that would be a part of our agreement."

"But even with that, you might lose," the President persisted. "The vote might go 'no'."

"Obviously, if that happened, we would accept the decision. Canadians believe in self-determination too."

"In that event, what about the act of union?"

"It would be unaffected," James Howden said. "With the promise of Alaska—or at least the plebiscite—I can win an election in Canada, and a mandate for the act of union. The plebiscite would come afterward and, whatever the result, there could be no going back on what was already done."

"Well." The President glanced at Admiral Rapoport, whose face was inscrutable. Then, half in thought, half-aloud: "It would mean a constitutional convention in the State * * * If I took it to Congress, I suppose those conditions would make it discussable."

Howden remarked quietly, "May I remind you of your own statement about congressional support. I believe your words were: 'There isn't any legislation I want that I can't have passed.' "

The President slammed a fist into his palm. "Goddam, Jim! You're adroit at turning a man's own words against him."

"I should warn you, Mr. President," Arthur Lexington said easily, "the gentleman has a tape-recorder memory for spoken words. At times, back home, we find it disconcerting."

"By God, I should think so! Jim, let me ask you a question."

"Please do."

"Why is it that you believe you can hold out for what you're demanding? You need the act of union and you know it."

"Yes," James Howden said, "I think we do. But frankly, I believe you need it more, and, as you said, time is what counts."

There was a silence in the small room. The president drew a deep breath. Admiral Rapoport shrugged and turned away.

"Supposing, just supposing," the president said softly, "that I agreed to your terms, subject to congressional approval, how would you plan to make this known?"

"An announcement to the House of Commons 11 days from now."

Again a pause.

"You understand * * * I'm only supposing. * * *" The words were reluctant, labored. "But if it happened, I would be obliged to make an identical statement before a joint session of Congress. You realize that our two statements would have to be coincided to the second."

"Yes," Howden said.

He had succeeded, he knew. In his mouth was the taste of victory.

Those were the words of the novel that brought considerable mail to me as a Senator from the State of Alaska.

I make the assumption that a good many Canadian readers of the book wrote to their Members of Parliament and to their newspapers protesting against any surrender of sovereignty on the part of Canada to the United States, for any reason whatsoever, just as Americans wrote to me, disturbed because it had been implied that Alaska was willing to go over to Canada.

To both groups, I should say that they must remember always that this is a work of fiction, and it does not purport to be anything else.

I have not yet discovered how a plebiscite in Alaska, such as that proposed in the meeting between our President and the Prime Minister of Canada, would have any real effect at all insofar as removing from Alaska the status of statehood is concerned. How would that be achieved? The only real effort in our national history along those lines was by force of arms. I suggest that constitutional lawyers would be hard put to it to find a mechanism embodied in our Constitution whereby a State of the Union, tried for whatever reason of being such, could drop out of the sisterhood.

However that may be, the fact is that Alaskans are proud of being "insiders" and not "outsiders" as they were for all the years during which Alaska had territorial status. Now, since January 1959, they have been full-fledged Americans and they treasure that designation, and much as they like their Canadian neighbors, they have no desire to join them in a political way. There never has been a serious move in that direction in Alaska. The allusion in the book to a visit to the Prime Minister by highly placed Alaskans who came to him suggesting an alliance between the two is, of course, a concept of the novelist's imagination. And it is nothing more.

I should not go so far as to say that Alaskans do not feel sometimes that Uncle Sam could be more aggressive in building up the 49th State, in developing it, in making its vast natural resources available for the use of mankind. Of course, they feel that way, and frequently. But that is quite a different matter from wanting to leave the Union.

So I would assure my correspondents, and reassure them, that "In High Places" should be read as a matter of interest and enjoyment but it should not be interpreted as being any more factual about Alaskan desires for political alliance with Canada than it is Canada's willingness to surrender sovereignty to the United States.

At one point "In High Places" said that "it is no secret that the U.S. budget for Canadian defense, though not high as defense budgets go, is greater by far than the total of our own." "Our own" refers to the Canadian defense budget. This also is a substantial alteration of fact. Canada's own defense budget for the current fiscal year is estimated at about $1,750 million. A recent estimate of the annual cost of supporting and maintaining U.S. miliary activities in Canada totals about $200 million including the pay of U.S. military personnel stationed in Canada.

So, again my advice is that we should regard "In High Places" for just what it is—a good novel, a work of fiction.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. McGEE. Mr. President, I wish to address myself for a few moments to the Anderson amendments, which seek to provide funds for medical care for senior citizens through social security.

This proposal has generated across the Nation one of the most active and acrimonious debates that has occurred in many years. Unfortunately, the debate has generated considerably more heat than light. Too often those entering the debate have obtained their mental exercises by jumping to conclusions.

Therefore I should like to discuss a few of the more obvious misconceptions which it seems to me have obscured the real issue. I do so in the hope that we may then reach the real issue, which is whether we can devise an adequate plan to help our elder citizens obtain necessary medical care.

The first misconception is that most of America's 17 million citizens in this age group do not need help in financing their medical bills. But obviously a majority of those in that group do need such help. Although it is true that much health care is provided free of charge to those who need care for which they cannot pay, public assistance agencies, private charitable organizations, and many physicians provide free services only to the extent that they can with the limited funds available. The sad fact is that many elder citizens who are sorely in need of medical care do not obtain it, because they are too proud to request charity.

Mr. CURTIS. Mr. President, will the Senator from Wyoming yield for a question?

Mr. McGEE. I am glad to yield for a question.

Mr. CURTIS. What portion of the almost 17 million persons over 65 years of age are able to pay their own hospital bills or purchase insurance for that purpose?

Mr. McGEE. I should say that a very small fraction of the total can bear the entire burden without making considerable sacrifices in their standard of living which were not expected.

Mr. CURTIS. How many of the 17 million are able to buy hospital insurance which would provide benefits equal to those provided by the Anderson amendment?

Mr. McGEE. I am advised by members of the staff who are closer than I to the statistics involved that the percentage is very small.

Mr. CURTIS. I am concerned about the statistics, but I am also concerned about the Senator's view. At what income could a person 65 years of age afford to buy his own hospital insurance?

Mr. McGEE. I think that question calls for a generalization and a calculation which it would be difficult for an elderly person to make, for the reason that in connection with a long serious illness such a person could easily spend $100,000. Thus, it would be unjust to set a hard-and-fast figure as the minimum income necessary to enable an elderly person to pay all his medical expenses, and, in that connection, to avoid any uncertainty as to those who would stand the chance of having their funds wiped out under such circumstances.

Mr. CURTIS. But the pending bill gives no assurance against being wiped out. The pending bill would not pay for any drugs or medicines, or any surgical treatment. My question is, at what income can such a person well afford to buy the hospitalization which would provide benefits equal to those called for by the Anderson amendment?

Mr. McGEE. I think the question should be reversed, for it is obvious that any person over 65 years of age, who does not now have the income he had during his younger years, would lack the funds necessary in order to meet his medical expenses.

Mr. CURTIS. But suppose he then has the highest income of his entire life.

Mr. McGEE. But that would be to suppose the improbable.

Mr. CURTIS. Oh, no; many people make more money after age 65, for a few years, than they do before that age; and under this proposal it is not necessary that one retire.

Mr. McGEE. I daresay the Senator from Nebraska would agree with me that most persons over 65 years of age do not make more money than they did in their younger years. Some do, but most do not; and that is the point which is made in connection with the proposed legislation.

Mr. CURTIS. But the Senator from Wyoming overlooks the fact that more people under 65 years of age are paying for their homes and are sending their children to college and are paying the medical bills and the hospital bills for a family of four, rather than a family of two; and the Senator from Wyoming cannot escape the fact that many persons at age 65 have income and savings far beyond what would be required in order to pay for all the benefits which would be provided by the bill.

So I should like to ask the distinguished Senator from Wyoming at what level of income he believes such an elder person could provide his own hospital insurance sufficient to give him as many benefits as those proposed to be provided under this measure?

Mr. McGEE. Let me say that as a U.S. Senator my salary is $22,500; and I manage to keep even with my medical bills, with a family of four children. But if I were receiving less income, even with fewer dependents, I would probably find it a severe financial drain to pay my medical bills.

I remind the Senator from Nebraska that the retired income of most persons who have been employed is but a pittance in comparison with their earnings while they were at the peak of their earning capacity. The median income of couples over 65 was $2,530, and that of persons living alone was only $1,050; and certainly that would not go very far if there were large medical or hospital bills, even when there are no college bills to be paid or no payments to be made on homes, but when such persons are merely trying to keep body and soul together. I think that is the real basis of the proposed legislation.

Mr. CURTIS. My question is quite simple; namely, At what income level does the Senator from Wyoming think a person 65 years of age should be able to purchase his own hospital insurance?

Mr. McGEE. I should say that when a person retires and is on the downgrade from the peak of his earning capacity, the pinch is on as regards his ability to meet his hospitalization requirements.

Mr. CURTIS. Is not the Senator from Wyoming aware that these hospital benefits are not available to the retired, as a class? If someone should avail himself of the right to retire because of disability, the bill as it now stands would not provide for any hospital payments. If a woman should retire at age 62, she would not be covered by the Anderson amendment. If a man should elect to take reduced retirement payments and retire at age 62—and most of them do so because of health reasons—he would be retired under the social security law, and would not be covered by the Anderson amendment.

More than 1,200,000 are eligible to retire, but have not done so. So the failure to retire does not provide a uniform test in this case.

Mr. McGEE. Is the Senator from Nebraska suggesting that perhaps the bill does not go far enough, and that the need is more desperate?

Mr. CURTIS. No. I am trying to find out at what level of income the Senator from Wyoming thinks an individual who has reached age 65 should be able to pay for the cost of his own hospital insurance.

Mrs. NEUBERGER. Mr. President, will the Senator from Wyoming yield to me?

Mr. McGEE. I yield to the Senator from Oregon.

Mrs. NEUBERGER. I was especially interested to hear the Senator from Nebraska say that most women who retire at age 62 do so because of poor health.

Mr. CURTIS. Mr. President, if the Senator from Wyoming will yield again to me, let me state that I said that was the compelling reason for early retirement for many men. The argument advanced in the committee report in connection with the retirement of women at age 62 is that, as a general rule, they are a bit younger than their husbands; but it is pointed out that men who retire at age 62 do so, among other reasons, because of declining health, and that many do retire for that reason at that age, although they are unable to qualify for disability retirement benefits.

Mrs. NEUBERGER. I was questioning the statement that most women who retire at that age do so because of declining health. Such a statement does not seem to be in accord with the facts. I am a member of the President's Commission on the Status of Women; and in that connection we find that most women who retire do not do so because of declining health, but in order to be able to enjoy some of the waning years of life, at a time when they are in very good health. Of course, one of the reasons for that is that medical science has greatly increased the span of life. It is true that many persons in that age group are faced with catastrophic illness; but we cannot make the generalized statement that most women who retire at that age do so because of failing health or bad health.

Mr. CURTIS. Mr. President, will the Senator from Wyoming be so kind as to reply to my question?

Mr. McGEE. The Senator from Nebraska has asked what income is necessary to enable these people to meet their medical bills. I think one of the studies referred to in the course of the debates on this question showed that a couple with an income of from $2,300 to $3,100 could expect that all of their income would be used to pay rent and the other items in connection with the ordinary cost of living, and that there would be no excess to be applied to unexpected medical expenses.

It seems to me that, when we talk about costs of medical care, the Senator and I must think about the lower income groups, and not the upper income groups.

Mr. CURTIS. The Senator is correct.

Mr. McGEE. It is to such groups that this bill is directed. With a median income of $2,530 for couples over 65, there is not enough margin left for them to pay for their medical costs. Of the number of elderly families with incomes under $2,000, about 67 percent have no medical insurance.

Mr. CURTIS. If the Senator will yield further, at what level of income does the Senator think an aged person is able to buy his own hospital insurance?

Mr. McGEE. The Senator persists in turning the questions around in inverse order.

Mr. CURTIS. No.

Mr. McGEE. The fact remains that a person is not able to buy it if he does not have it now. I have mentioned a study of those over 65 that shows that about 50 percent have no insurance at the present time.

Mr. CURTIS. That is not because it is not available; is it?

Mr. McGEE. It is because they cannot afford it.

Mr. CURTIS. Who cannot afford it?

Mr. McGEE. Those with incomes under $2,000 and, I submit, also those who make under $3,000.

Mr. CURTIS. Then those who make over $3,000 can afford insurance?

Mr. McGEE. No; those are the figures which show——

Mr. CURTIS. At what point does the Senator believe they are able to pay for insurance?

Mr. McGEE. I think it is ridiculous to talk about a point at which they can afford the insurance, because it is more a question of whether they are eligible for insurance. Many of these people would not be eligible for any insurance at any price.

Mr. CURTIS. Why?

Mr. McGEE. Perhaps, because of physical conditions of which they are not aware, they could not have any insurance. There are 1 million diabetics walking the streets who do not know they have it; and if they should apply for insurance and the discovery were made, the insurance would not be available to them.

Mr. CURTIS. What would the Anderson amendment do for them?

Mr. McGEE. The incidence of diabetes is greater at a later age. Under the bill, they would be eligible for insurance regardless of their health condition.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from Tennessee.

Mr. GORE. Would not the questions as to ability to purchase or pay for insurance, those who could pay the premiums, and the point at which one could or could not pay, apply with equal force to the ability, or age, or other questions relating to the feasibility of individuals purchasing for themselves retirement insurance policies? In other words, would not all these questions apply to the social security program, in the same way they would apply to hospitalization and medical care in connection with the social security program?

Mr. McGEE. Indeed, they would. The Senator from Tennessee is correct.

Mr. GORE. One important point which seems to be overlooked by some persons is that a mass program, with a wide base and wide coverage, would not only spread the risk, but would also bring into the program the mass of the people a large portion of whom would not, through lack of initiative, decision, ability, or otherwise, have hospitalization and medical care insurance.

Mr. McGEE. The Senator is absolutely correct. We must bear in mind the element of financial insecurity. This was the element of fear that Franklin Roosevelt often talked about years ago—the great uncertainty about whether, in approaching old age, an individual would be able to take care of his health needs on his own responsibility.

It seems to me the key to this bill is that, through the social security system, an individual can, through his contributions, take care of his health needs in his declining years.

We must remember that the incidence of breaks in health and the need for hospitalization multiply several times over as one's years increase. We are trying to face up to the hard fact that at the very moment when people need health care—except for the few wealthy friends of the Senator from Nebraska—they have the least ability to pay their own medical costs, which become more intensive and out of proportion to their expected income.

For that reason, we must face this problem not as a new hospital plan, not as a new medical program for the American people, but as a way to permit an individual, honorably and honestly, in his own lifetime, to contribute to a fund to pay for medical costs in his aging years.

I suggest that the question of whether senior citizens need medicare or not was attested, sometimes in dramatic and heart-rending fashion, in a series of hearings held throughout the country by the distinguished Senator from Michigan. One has only to acquaint himself with stories of people whom we do not see here every day, people who are not lobbying for special interests, to realize the need for people to have a chance to pay for medicare. The bill would provide that opportunity.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. GORE. I wonder if the Senator has the statistics as to the number of our citizens who are now covered under the social security program with respect to unemployment compensation and old age and survivors' retirement.

Mr. McGEE. Let me check with the staff. That is one of those statistics that I do not carry in my head.

I am told by members of the staff that 90 percent of the work force is now covered under the social security program.

Mr. GORE. Is the Senator in a position to hazard a guess or estimate as to the proportion of this vast number of our citizens who, without the social security program, would now have in effect insurance policies for their retirement and for unemployment insurance which they would have purchased on their own initiative?

Mr. McGEE. I would have to hazard a guess. I hope it might be an educated guess. It would be influenced largely by the experience of the past 25 or 30 years. I think an educated guess would be that, without the social security system, a very small minority would have taken care of their possible medical costs in their later years in advance.

Mr. GORE. That brings up the question of whether it is advisable to have a "compulsory" system, under social security. I should like to inquire of the Senator whether the social security program is a compulsory program.

Mr. McGEE. The social security program indeed is a compulsory program. It was instituted, as Franklin Roosevelt said, to help overcome the aura of fear which seemed to be the central disease undermining our Nation in the 1930's. The social security program, when instituted, did more than any other single enactment to remove the great sense of uncertainty and fear which plagued the American people at that time. As President Roosevelt said—I am sure the Senator from Tennessee knows this better than I—"We have nothing to fear but fear itself." That fear was partly because of uncertainty as to what one could do in respect to retirement in the later years of life.

Mr. GORE. Is not the unemployment insurance program in effect in all 50 States a compulsory program?

Mr. McGEE. Indeed, the programs are compulsory, under the State enactments as well as under the Federal enactments.

Mr. GORE. Does the Senator know of any program of the Federal Government, or of a State government, which levies a tax for its support and operation, which is not compulsory?

Mr. McGEE. I know of no such example. A voluntary tax program, as the Senator knows, might leave something open with respect to desirable returns.

Mr. GORE. Then why do so many people wish to condemn the program of hospitalization and medical care through the social security program because it would be compulsory?

Mr. McGEE. This I cannot understand, except that there are vested interest groups which always oppose this kind of approach.

I well remember that in my earlier years when some individuals were talking about private financing schemes for paying the costs of medical care—one of them was called White Cross, one of them was called Blue Cross, and one became Blue Shield—many people condemned them. Now some of the voices which are being raised against the social security approach for paying for the proposed program are those which condemned the Blue Cross, as being a device which would be used to destroy the initiative of private medicine, which would set up a dictatorial regime for regimentation of the medical fraternity. Those same voices are today defending Blue Cross as the greatest thing since Adam and Eve.

That does not suggest that those persons have demonstrated a great deal of foresight, a great deal of vision, or a great deal of straightforward recognition of the problem at hand. They have been only against, without attempting to address themselves to the problem.

If these same people think this problem will go away, if they think that somehow we can sweep it under the desks of Members of the Senate and dispose of it, I say to them that something much more extreme and all-inclusive will descend upon us in years to come, and before very long, because the situation is desperate enough and the problem is extensive enough so that the movement will go in that direction.

Therefore, it is imperative in the interests of private medicine, and imperative in the interests of those who cry "socialized medicine"—which is so much "bunk" with respect to this bill—that we take action now, to protect the dignity of the individual citizen in respect to financing his own medical costs, so that it will not be necessary to adopt some more extreme system in order to meet the needs.

Mr. GORE. Does the Senator know of any way by which the Government could have a self-supporting, pay-as-you-go, actuarially sound program of any sort—whether it be for health insurance, a retirement program, social security, unemployment compensation, highway construction, or anything else—except that it be based upon a requirement of a certain category of citizens who would participate and make regular contributions thereto?

Mr. McGEE. There is no actuarially sound alternative to this approach. The Senator is correct in the import of the question which he has asked. That is why I cannot understand the attitude of those who oppose the social security approach. Many of them are the same people who say that we ought to be fiscally responsible, that we ought to pay for what must be done for us. They are the ones who would try to avoid doing the same thing they preach, at least on the floor of this body. They would not meet the problem in terms of the deed, which this would permit them to do, through the financing of the measure under social security.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. McGEE. I am glad to yield to the distinguished junior Senator from Oregon.

Mrs. NEUBERGER. I have been interested in the colloquy between the Senator from Tennessee and the Senator from Wyoming.

I had some experience with a pension plan which was noncompulsory in its terms. In Portland, Oreg., when I was a schoolteacher, in the beginning of the depression days, a pension plan was inaugurated. At that time schoolteachers were being paid approximately $125 a month. A good many of the fine, retired teachers were suffering.

The school board decided that it did not wish to force anything on anybody, so the retirement program was not a compulsory one. Many teachers, especially those who were older, took the position, "I have always planned for my old age, and I have always been able to save my money." Therefore, a percentage of the teachers did not go into the Portland Teachers Retirement Association.

Little did I know, in those days when I joined the group, that I should be called upon as a member of the Legislature of the State of Oregon to help straighten out those poor benighted souls.

Naturally, in order to make the retirement fund work, it was necessary to have a larger percentage of teachers in the association. As time went on, we who invested our money—and I must admit we did not have much money to invest—assumed the risk involved in starting this program. It proved successful.

What happened? A group of somewhat fewer than 100, I think, petitioned the legislature for State help and city help to make up the back payments. A benevolent State, and all of us, forgave them for not having the foresight to join. We passed legislation to bring in the group.

They came to me at the legislature and said, "How foolish we were; but also how foolish the district was not to make this program compulsory, so that everybody would participate equally."

One would think that by now we should have enough experience and enough examples, as Senators have pointed out. We have observed the history of the Social Security Act. "Bugaboos" and scare words should not continue to confront us. What is the value of history, if it is not to teach us something? We have had a good base of experience in the history of the past, on which to build.

Mr. McGEE. To paraphrase a famous historian, history repeats itself when

Senators fall for the same scare words over and over again.

Mr. GORE. Mr. President, will the Senator yield to me so that I may ask the distinguished Senator from Oregon a question?

Mr. McGEE. I am glad to yield.

Mr. GORE. As the distinguished Senator from Oregon knows, there is in effect a very fine wildlife program, which provides conservation, protection, care, and enforcement of the rules during hunting seasons. It is a self-supporting program.

Mrs. NEUBERGER. The Senator is correct.

Mr. GORE. Hunters buy duck stamps. Is the duck stamp a compulsory stamp, or is it not? Of course, the answer is that it is compulsory to the extent that if a person is caught duck hunting without a duck stamp he is subject to the penalty of law.

I should like to ask the distinguished junior Senator from Oregon what percentage of duck hunters she thinks would buy duck stamps for the privilege of hunting ducks if they were not required by law.

Mrs. NEUBERGER. Of course they would not buy any stamps, but the duck hunters have a choice as to hunting ducks. People who become sick have no real choice as to whether they will die or go to the hospital. They cannot control the problem.

Mr. GORE. I deduce from the Senator's statement that the Senator does not think it the height of wisdom to make duck stamps compulsory and payments into a health and medical care program voluntary.

Mrs. NEUBERGER. Those interested in the duck stamp program know that they will get protection, and that the swamp areas will be maintained so that they may hunt and pursue their interests. People who pay into a medical fund of the kind of which we speak know that they will get full value, just as the duck hunter does.

Mr. McGEE. I thank the Senator from Oregon for her comment. I thank the Senator from Tennessee for the additions he has made in our colloquy on the question.

The point was raised a moment ago as to the possibility that the elderly could be helped along the road with assistance from their families and their children. I think it is a really important point that we should bear in mind in our discussions on the bill. The suggestion has already been advanced on the floor of the Senate that young people who are raising their families are buying homes. They are preparing to send their children through college. That involves a considerable expense. It is a point that many Senators fully appreciate. The additional expense of having to care for elder members of their clan would likewise impinge upon a successful financing of family operations. Therefore, from the point of view of young people—and not alone from the point of view of the anxiety of the elderly themselves—from the point of view of the fiscal stability of young couples starting out, it is important that some kind of financing operation for medical costs for the elderly be instituted.

I should like to turn from the first suggestion I made; namely, that most of the 17 million seniors need some kind of assistance in their declining years in view of the uncertainties of medical costs, to a second suggestion that is often made; namely, that the existing Kerr-Mills bill offers adequate medical benefits.

It has been incredible to me to observe the number of members of the medical profession who have suggested that that bill would be sufficient to cover most cases. As we well know, so far as the Kerr-Mills bill is in operation now—and I believe it is in operation in less than half of the States—it limits medical assistance to extreme instances in which the individual can prove that he is incapable of financing his medical costs. Under the law now on the books medical services are available only to those who can prove that they have failed economically in the pursuit of the fruits of life. For example, as the present occupant of the chair, the distinguished junior Senator from North Dakota [Mr. BURDICK], has reminded me, in the State that he represents in part a mere handful of individuals are able to avail themselves of assistance under the Kerr-Mills bill. That situation does not address itself to the broad base of medical need in the age group with which we are concerned under the proposed legislation.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mrs. NEUBERGER. Are not the provisions of the Kerr-Mills bill close to socialized medicine?

Mr. McGEE. Running the risk of using inflammatory terms, it seems to me that is very close to socialized medicine. It provides a handout to those who must have it if they can prove they are bankrupt or poverty stricken and cannot pay the necessary expense. It is desperately close to socialized medicine.

For that reason I cannot understand why the same individuals, almost in the same breath, will condemn a measure with a base of individual financing of his own medical costs and approve another method that is the opposite of what is good enough for them.

Most of those who are opposed are able to afford the kind of medical care they need, through any private agency they choose, but that is not so, as we know, of the great masses of our people.

I turn to the third misconception that is recklessly bandied about, which comes down to the issue of socialism. We are told that the social security approach to the financing of care for the ill and the aged under the King-Anderson bill would be a step toward socialism and Government control of medicine. That is perhaps the most ridiculous and the most obviously false argument that is being used against the measure. In the literature that comes to me, in the letters that have been organized and mailed to me, in the solicitations that have been made door to door in the communities in my State by the doctors themselves, the people have been advised, "Write your Senator and tell him you do not want socialized medicine."

I say that is a complete falsehood. It is the perpetuation of the evil of misrepresentation, and it has been coming from the mouths of some of the fine doctors in our land. We ought to deal with those questions as problems that face us rather than through name-calling stunts designed only to confuse and obfuscate the issue which we want to resolve, we hope, with wisdom.

It is difficult to think of any new step forward this country has taken in the past 60 years that has not been condemned first as socialistic. I say that in our system of democracy it is time that we face an idea as an idea, and address it to the problem at hand to see if we can conquer the problem that threatens to weaken the fiber of our society. If we can do so, we had better make that idea a part of our democratic theme. That is precisely what has been done.

For example, we recall the critical years in the 1890's and at the turn of the present century, when a program was advanced for modernizing democracy. The secret ballot was proposed. The direct election of Senators was proposed. Monopoly controls and the postal savings system of our country were proposed. This whole package of suggestions for improvements in our democratic system was condemned everywhere across the land as socialistic, as dangerously un-American, and as unconstitutional. Yet within 15 years the same people that condemned those proposals were writing them into the platforms of their political parties and proposing that, on both sides of the political fence, they be made a part of the law of the land.

That again suggests the folly of trying to destroy an idea with a name or trying to destroy a proposal with a slogan. It is imperative that we consider the ideas advanced in terms of their substantive quality and in terms of how well they meet the problem at hand.

No one needs to remind Senators of the frequency with which we heard the cries of "socialism" in the 1930's. Socialism was the major indictment against the inception of the social security system. Yet it is difficult to find a voice ever raised on the floor of this body proposing to roll back social security or to repeal the social security law. If it is socialism, why do not those who oppose socialism get up their courage, stand before their constituents, and ask for the destruction of the social security approach to the financing of the problems of the people of our land?

One of the great steps forward that our country took in the 1930's was to disregard the scare word of "socialism" and attack the great problem of fear that people had about their own well-being and their elder years. That program—and it alone—preserved the deep and strong roots of American capital enterprise, or American free enterprise, as some call it.

We need not think back very far to recall that capital enterprise was "on the ropes" in 1929. The direction in which our country was to go was very much open to question. We did not know whether it would go to the Communist left or the Fascist right. We came closer to going in one of those two directions than some people in our country like to remember.

Students of our country's history should refresh their memories once again, because not long ago we were on the brink of abandoning the American capitalistic private enterprise system because of the desperateness of the hour in the years 1929–32. The New Deal, with its social security elements that were condemned with all kinds of words, provided the fiber of faith and confidence in the American people to put us back on the road once again in our capital enterprise system. We found the agreeable road. We found it without violence and without the extremes of one of the "isms" to the left or to the right. Therefore I say we had better face the question now or there will descend upon our heads, as the problem worsens, a solution much worse, much more extreme than even that dreamed of by the oral opponents to the social security approach to financing medical costs at the present time.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. McGEE. I am glad to yield to the Senator from Oregon.

Mrs. NEUBERGER. I know that the Senator comes from a predominantly rural State, similar to Oregon, which has many small communities, and which at one time had a great shortage of hospitals. Does not the Senator believe that some of the doctors who worry about the pending bill bringing socialized medicine are doctors who practice in what might be called socialized hospitals? Where would we be in Oregon and Wyoming if we did not have Hill-Burton funds with which to construct hospitals?

Mr. McGEE. That is different. That is called incentive. That is incentive to a more vigorous private practice of medicine. We cannot call that socialism.

Mrs. NEUBERGER. The hospital, of course, furnishes accommodations for the doctors, but it does not interfere with the patient-doctor relationship in any way.

Mr. McGEE. It certainly does not. The doctors live with it, and they have found it successful. No one has ever proposed that we turn that back.

Mrs. NEUBERGER. The bill would help the patients pay hospital bills, nursing home charges, and bills for X-rays.

Mr. McGEE. I believe it would help a doctor to collect his bill. People would have help in paying their hospital bills, and would have money left with which to pay the doctor. We are reminded of what some of these people said 20 years ago about Blue Cross. That has been a great success. Certain people, having said what they did about Blue Cross, are not experts to whom to turn for insight and wisdom and farsightedness as to how to meet the present problem.

My father-in-law was a country doctor, a general practitioner. He knew what it meant not be be paid. He knew what it meant to get a couple of chickens in payment for a house call. He knew what it meant to get a shank of meat in payment for a simple operation.

Those days are gone. In America we have in effect moved to towns, to areas in which distances have been reduced. Our people are no longer in the position of bartering. It means paying or not getting a service. Of course, we are not now talking about paupers. We are talking about honorable Americans who would like honorably to meet their financial obligations in their retiring years.

For that reason it seems to me that we ought to stop talking in terms of hokum about socialized medicine, and about Government control and Government medicine. We are trying to make it possible for an individual American to hold up his head, knowing that he has a chance to enjoy retirement out of a retirement reserve, without that reserve being eroded by the severity of a lengthy stay in a hospital.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the distinguished Senator from Louisiana.

Mr. LONG of Louisiana. Does the Senator believe that if the program he is advocating is started, of using the social security system to provide for medical care for those who are well able to pay their own bill—I realize that at the moment it does not cover doctors' bills, but only hospital bills—it will be extended to other fields, and applied to the disabled, and various other individuals? Does he not believe that it will be extended to other people, and eventually will cover everyone's hospital and doctor bills?

Mr. McGEE. Various approaches would have to be evaluated in trying to cover medical costs. I speak of medical costs in the broad sense. At this stage, medical costs are extremely severe—both doctor and hospital costs—but I confine myself to meeting the cost factor, not how benefits are to be received or how the program is to be administered.

Mr. LONG of Louisiana. Has the Senator any idea that if we start this program it will not be extended to cover others, perhaps the disabled, and then the blind? Does not the Senator believe that the majority of those who support the present proposal will eventually seek to extend the plan to all hospital costs and all doctor costs? Has the Senator any doubt that that would probably be the end result?

Mr. McGEE. I hesitate to say that that would be the probable end result. Each of these steps ought to be considered as a social question which is a part of the economic scene. Some of the elderly groups are already assisted by various kinds of programs. Therefore, the question of extending this particular approach to the blind and various other groups of disabled would not be a very real one, because of the existing programs. What the Senator is getting at, apparently, is that trying to finance the medical costs of the elderly would be only the beginning of a much more extensive and more encompassing program. I believe we must address ourselves to the problem at hand, rather than to a problem that may exist 10 years from now.

Mr. LONG of Louisiana. I asked the Senator that question because I am one of those who made the fight at the time social security benefits were extended to those who were disabled, starting at age 50. There was no doubt in my mind that in the end, if we won that victory, to start the benefits at age 50, we would later seek to take care of disabled persons of any age. We are doing that now. The day we adopted the amendment referred to, I started planning another amendment, to be the first to start with such a proposal, to extend the social security benefits to those who are disabled below age 50. In fighting for it I felt I was fighting for the beginning of a program that would be extended. I am frank to say that if I were to support the Senator's position I would feel that in fighting for it I would be accepting the responsibility for feeling that I was fighting for the beginning of a principle that would be extended to all medical costs. I wonder whether the Senator would agree with that statement?

Mr. McGEE. What I am trying to suggest to the distinguished Senator is that I do not believe we ought to undertake to bring new issues into this question now. There has been enough of a tangent issue brought in to confuse a great many people back home. If we were to follow the Senator's course we would trigger different kinds of responses. I believe we must keep focused on the one idea of trying to bring about the financing of medical costs in this category with respect to elderly citizens, and do that successfully, in order to resolve the problem in the most expeditious manner possible.

Mr. LONG of Louisiana. Some of those who have supported this position came to me early in the history of the proposal and suggested that I should be the one to offer this proposal. This happened many years ago. I did not agree with them. I am frank to say that it was their view then that this would be the beginning of a program that would be extended to other areas. I believe the best argument for the program can be made by applying it to the aged, and that the argument becomes weaker as one tries to apply it to other groups. I am frankly content to debate it on the basis that it is not a good thing to do so far as the present issue is concerned. However, if we vote for it, we ought to recognize what we are in for eventually in other fields.

Mr. McGEE. Any other field would have to be another subject for legislation. It would have to be weighed on its merits, irrespective of what we do or do not do in this session of Congress on the pending question. Therefore I believe it would be an unrealistic approach to pose the hypothesis the Senator has put as to what the next step might be.

Mr. LONG of Louisiana. I believe that I have been as strong a welfare supporter as any other Senator. Many times I fought for increases in payments and additional benefits to persons who through no fault of their own were unable to provide such benefits and payments for themselves.

For the most part what the amendment does initially is to tax the young people to pay the costs of medical expenses for others, whether they be millionaires or people with substantial resources, or at some other level of economic life.

That is somewhat in conflict with my theory that people ought to be taxed to pay for the medical care of other people only if they are unable to pay for the care themselves. I am willing to support the principle of paying taxes to pay the medical bills of persons who cannot pay the bills themselves. I would include more than the medical cost. I would include the doctor's bill, the cost of outpatient care, and anything else which might be necessary. But when you propose to extend a tax bill to pay the medical costs of people who are well able to pay their own medical bills—some of them being millionaires—I find it difficult to support such a proposal.

Mr. McGEE. I am really more concerned about the tens of millions of people who are not in the millionaire class, whose earnings are not the earnings of millionaires, but who are already plagued with this problem. I would rather let the experience of the operation determine what should happen later, after we have started to cover these people. We can then determine whether there should be any modification, to make certain that we are not doubling back on the millionaires. Even so, millionaires will still pay for their costs, whether they can finance them themselves or not. Such a program would not cost the Government anything. The millionaires would be paying for their costs in their contributions.

Mr. LONG of Louisiana. They may have been retired and living on retirement income. They would not be taxed on social security in that event, but they would still be drawing social security benefits.

Mr. McGEE. The uncertainty at age 25 or 30, when a young couple are starting out in life, as to who is going to be a millionaire at age 65 is probably a reasonable question to put. We are trying to act at a time when the cost is low, so that we can build up the program to the point where it is actuarially sound, over a long period of years; and to finance the cost, considering the risk circumstances, in such a manner that it would be possible to pay the medical costs of some of those people 30 years later.

Mr. LONG of Louisiana. If this program becomes effective, the Government will be paying for a greater amount of medical treatment than the people would buy for themselves, even if they had all the money of Midas with which to pay for it. In Louisiana, the experience in State medicine has been that the average patient in a State hospital would stay 50 percent longer than he would stay in a private hospital. A problem in a State hospital is persuading a patient to leave the hospital as soon as he is sufficiently well enough to go home. For instance, maternity cases stay much longer in a State hospital than they would in a private hospital, where they would pay their own expenses. So, too, all other cases.

One of my own relatives, who required all the influence we could muster to put him into a veterans' hospital, felt like staying on indefinitely, because he enjoyed it so much. If he had been paying for his hospitalization himself, he would have been eager to get out at the earliest possible moment. But when he found it pleasant, with all sorts of facilities available, and good treatment, his desire was to remain in the hospital for a while longer.

That has been the history in Louisiana when the State pays for the hospitalization. My guess is that that would be the history under the proposed legislation. My guess is that the same is true of veterans' hospitals.

Mr. McGEE. I have been in hospitals a number of times. I do not enjoy it; my desire is always to be discharged as soon as possible. But the decision as to whether I should remain in the hospital was not mine; it was made by the doctor.

If we have a medical profession of integrity, such a decision is made by the medical profession, not by the whims of a family or by anybody else. It is a medical decision. I trust the Senator from Louisiana does not believe that this kind of decision ought to be injected into the program envisaged by the Anderson amendment.

Mr. LONG of Louisiana. In Louisiana, the average stay of a patient in a State hospital is 50 percent longer than it is in a private hospital. I shall be glad to marshal the evidence to prove that statement. It is a matter of cold, hard fact, which doctors recognize. A human factor is involved. When a person is paying his own expenses, he desires to get out of the hospital as soon as he can. But there is a certain reluctance to move soon when he is not paying his own expenses.

Mr. McGEE. Would that have any bearing on whether he ought to have remained in the hospital longer? Is there any evidence that the cost might crowd some people out? I hope the decision is one that can be left to the doctor to determine. That is where the decision is made in every instance I know of.

Mr. LONG of Louisiana. In Louisiana, it is the same doctor in either case. The doctors who treat the patients in a State hospital volunteer their services. They would be paid for their services in a private hospital; but they volunteer their services in a State hospital. Inasmuch as about 50 percent of the hospital days are spent in State hospitals, all the factors that this Senator has been able to imagine—and my impression from discussing them with doctors who are treating in both State and private hospitals are the very factors to which I have referred—if a person is paying his own medical bill is concerned about the cost, he wants to get out as soon as possible.

Mr. McGEE. Where does the Senator get the information that the patient himself determines when or when not to leave the hospital? This is a strange aspect of the question that he has introduced.

Mr. LONG of Louisiana. I am speaking from the factual side of the situation.

Our State experimented, as an economy measure, with discontinuing free ambulance service. Many doctors with whom I have spoken seemed to think that that was the most expensive economy that could be imagined. There are some persons whom it will not be possible to save. Some have cancer or other incurable diseases. They will linger for years before they pass away. If we are trying to do the best we can for the greatest number, after a doctor has done all he can for the person in a hospital he sends him home to the family. If that person is in a State hospital, the family would try to put pressure on the hospital to keep him there. About the only way to get such a patient home is to take him home in an ambulance, so as to make room in the hospital for other persons who require treatment, rather than to allow incurable cases to remain indefinitely. That is one more illustration of the problem to which I have referred.

Mr. McGEE. If that is the point of the Senator's suggestion, my guess is that persons whose illness is incurable ought not to become a burden in a private home, where they cannot receive the necessary care that modern medicine makes available.

Mr. LONG of Louisiana. The proposal for which the Senator is arguing would not keep people in those hospitals indefinitely. I assume that if this system ever went into effect, he would want to extend it to the people in question. But personally there is a question as to how far to go in providing at State expense that which families ordinarily pay themselves. In the case of a person who is suffering in the last stages of cancer, the Senator's proposal would not undertake to keep the person in the hospital indefinitely. The person would go home and might linger there for a year; and the proposal now before us would terminate the hospital services after a certain period of time.

Mr. McGEE. I find it difficult to accept the Senator's suggestion. Consider the case of an incurable cancer in a person over 65, with all the haunting elements that are present. I have been familiar with two or three such cases. They did not involve members of my family, I am grateful to say. I would find it hard to accept the philosophy that such people ought to be returned to their homes, to die a slow death, with that kind of burden, and the absence of continual watching and medication which brings some relief under those circumstances.

I think the example cited would be a good case in point, as to what we ought to look forward to, to make sure it is covered. But I am only developing the initial point of the experiences in Louisiana. In cases where people like to go to the hospital and stay as long as possible, and it is difficult to get rid of them, I wonder whether there is a deductible provision or clause in the State regulations. Do the patients pay a certain part of the bill for a certain period of time?

Mr. LONG of Louisiana. No; I am talking about a case in which the State takes care of the entire expense. A person can go home and convalesce, and then go back to work; or a person may remain in the hospital and convalesce over the same period of time, after the doctor had done that which can be done in the hospital.

I believe the Senator knows that a great amount of healing and treatment must take place in the home, even if there is State medicine.

Mr. McGEE. But I would not be the one to make that judgment. My doctor alone would make it. I will not speak in defense of any State system which would take that decision away from the attending physician. In my opinion, that decision should be made by the doctor; and I think that references to such a situation injects into the debate on the proposed legislation an unrealistic element.

Mr. LONG of Louisiana. I believe the Senator would find that the doctor would send the patient home from the hospital as soon as possible, and thus the patient would not be worried about the cost of remaining in the hospital.

Mr. McGEE. I thank the Senator from Louisiana for his comments.

Mr. GORE. Mr. President——

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Wyoming yield to the Senator from Tennessee?

Mr. McGEE. I yield.

Mr. GORE. If the Senator from Wyoming will permit me to do so, I wish to comment on the two points the able Senator from Louisiana raised. One was that if the program of insurance, hospitalization, and medical care were enacted, those of us who support it should take the responsibility of considering it as only a beginning. I am pleased to accept that responsibility; I think it would be the beginning of a sound program. If the program proves to be actuarially sound, and socially beneficial, on a pay-as-you-go basis, I think time will show that improvements will be needed.

The same argument was made at the time of the enactment of the social security program—as I am sure the able Senator from Wyoming will recall. Since then, as the junior Senator from Louisiana will recall, Congress has found it wise, in its judgment, to extend the benefits.

Congress has been a little tardy in a few instances in increasing the benefits in a manner commensurate with the increased need, both in connection with such costs and other factors.

A similar argument was made when compensation for the veterans of World War I was under consideration. Some said, "Once this is started, there will be no stopping." However, I point out that the Senator from Louisiana is the author of a bill, on which he conducted a hearing today, to permit veterans to continue their service life insurance. Some persons oppose this proposal; but today I was happy to find that the Veterans' Administration, after opposing the Senator's bill for several years, now endorses it, and informed the committee that it was actuarially sound, and that the program not only had proved to be sound, on a pay-as-you-go basis, but also had shown a surplus.

I shall not predict that a surplus will be accumulated in this case. I refer to that situation only as an example.

We have found that in the case of unemployment compensation it has been necessary in times of distress to extend the period of benefits; but no one has said that because we found that necessary and desirable, the program was unsound and should be scrapped or else it would wreck the country. If we are able to support, on a sound basis, a program that is beneficial to the people and that pays for itself as we go, then it may very well be—and I hope that would be our experience—that both the benefits and the coverage, and perhaps the degree of payroll taxes, would, by a future Congress, in its wisdom, judgment, and courage, be increased realistically. I do not question the capacity of the Congress of tomorrow to proceed in that way. I do not doubt the capacity of our people to sustain self-government. In looking to the future, I do not believe everything is going to be dark, and that if a program is begun, it will carry us over the cliff. That has not been the experience in this country in dealing with the social security field or the unemployment compensation field, or with veterans compensation, or with many other fields to which I could refer.

So I am prepared—as the Senator suggests those of us who support this program should be prepared—to assume the responsibility that this program may be a beginning. I believe it will be the beginning of a very good program which Members of Congress 10 years from now will never think of repealing. I point out that all such questions which have been raised in connection with this program apply equally to the social security program itself.

Let me ask whether the Senator from Wyoming minds if I refer to the second point which was made.

Mr. McGEE. Indeed not. I am pleased to have the Senator from Tennessee proceed.

Mr. GORE. The junior Senator from Louisiana [Mr. LONG] raised this point; and at this time I should like to reply to it, because it has been raised by a number of persons. It deals with an important point for our consideration—namely, the statement that this program would place a tax on the young people of today, in order to pay for the hospitalization charges of some persons who might be able to pay their own hospital bills. However, if we refuse to begin such a program on an actuarially sound basis and on a compensatory basis until that situation would not prevail, such a time would never come. Such an argument reminds us of the old question of whether the chicken or the egg came first.

If we had taken such a position, we would never have begun the social security program, because it came into effect as a result of the provision of benefits for those who retired at age 65 after they had paid into the social security fund a very small percentage of their paychecks during only a very few quarters. I have forgotten the exact number; as I now recall, it was over a period of 5 years.

Mr. CURTIS. Mr. President, will the distinguished Senator from Wyoming yield?

Mr. McGEE. I have yielded to the Senator from Tennessee.

Mr. GORE. I am advised by the staff that it was after a year and a half. But even if 10 percent of a person's salary were taken during a period of a year and a half, that would not be sufficient to entitle him, at age 65, to an annuity for the remainder of his life.

But we began the program; and it was based upon a mechanism through which we required almost everyone who was of working age to pay into the fund while he was working, in order that neither he nor his fellow workers, whatever might be their age, would become burdens on the taxpayers when they were old and no longer were able to work.

If we are to operate upon an insurance basis, upon a contributory, actuarial basis, we must go upon that course. I am sure the Senator from Louisiana would not suggest that a doctor who had a fire insurance policy on his home which was destroyed by fire should not be allowed to collect his insurance because he was a rich man. I am sure the Senator would not suggest that a man who had automobile collision insurance should be denied the right to collect upon his insurance policy when his Ford was destroyed because in his garage he had a Cadillac. That is not the basis upon which an actuarially sound compensatory program is based.

The Senator pays taxes into the retirement system. It may well be that he will not retire when he is 65. I hope to be either in the Chamber or in the galleries to hear his melodious voice long after he is 65. But in the event he retired, either voluntarily or involuntarily, the Senator would be entitled to share and participate in the fund into which he has been contributing, and into which he will continue to contribute. He would share and participate as a matter of right, not as a matter of charity.

If we are to criticize this program on that basis, we must accept the responsibility of criticizing the social security program, because it is on that basis.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. LONG of Louisiana. I should like to make a point. When the Senator talks about collecting on an insurance policy on which a person has paid, I hope the Senator is not trying to put that in the same category as a bill in which Congress proceeds to vote a tax on working people today to provide insurance for persons who have not paid 1 cent into that program so far as medical care is concerned, because at the time they took that insurance it was entirely a retirement program. They were not paying for medical care; they were paying for a retirement insurance program.

I hope the Senator does not propose that anyone should be entitled to collect on an insurance policy when he did not pay 5 cents for the insurance, did not want it, and did not have any interest in it. I hope the Senator is not putting his argument on that basis.

Mr. McGEE. If I may, Mr. President, I would like to put it on that basis, because, through the social security approach, which was a program to provide for some uncertainties, it could not be argued that after contributing to the fund for a year and a half, a person was eligible for benefits. It could not be argued that he had contributed enough money to make it possible to finance the cost of such a program when he drew upon the fund. It is not right to penalize a person who is 65 because of the failure on the part of the country to provide for him.

I think there may be ways to close the gap. The numbers outside the social security program are small. Some of them are being included under the amendments. So the bill penalizes certain members so far as actuarial soundness is concerned. But I do not think we have a right to penalize those who reached a certain age before we enacted the system.

Mr. LONG of Louisiana. If we are going to talk about someone getting something as a matter of right—and I question it—a person who cannot afford to pay because he is poor has more right to expect the Government to pay for his medical care than one who has not paid 1 cent for medical insurance has to expect to have his medical expenses paid for, even though he can well afford it.

Mr. McGEE. He has a right to expect that, because he did not know it was going to be the law of the land. I do not think we should penalize him because he reached the age of 65 before the program was enacted, and not let him share in a program that would tend to reduce his medical costs.

Mr. LONG of Louisiana. There is no criterion of need here. This program would be a medical care program at Government expense for a great number of people who have no need for such aid, because they are able to take care of themselves at their own expense. I concede that many people might need such help and could not pay for it, but the group the Senator's proposal would care for would include people who could take care of themselves, either by themselves or with the aid of relatives. I realize that the Senator knows that is implicit in what he is talking about here.

Mr. McGEE. I suggest again that the great bulk of this program—we are talking about numbers of people now—is addressed to people who do not have the means to meet the extra medical costs that may be imposed upon them. I suggest that out of this group of 17 million, those who have an annual income of as much as $10,000 to which they can turn for living costs would include only 3 percent. We are talking about the very large mass who have very low measurable income, the average of which is $2,530 for couples. In the urban communities, where most of them happen to live, the cost of living equals or exceeds that amount.

The Senator has raised some legitimate questions in terms of millionaires and those who are able to finance their own costs. However, that is not the group on which this question should be focused. The emphasis should be upon the group which is the greatest in numbers. Experience in this field will help us to work out the basis for a solution of the specific questions the Senator from Louisiana has raised about millionaires and those who are able to finance their own medical needs.

In connection with the earlier question, I suggest that the State hospitals in many of the States—and the Senator used that element as a part of his illustration—are required to take care of long-term chronic cases. This bill is not directed specifically toward that problem. Perhaps a bill should be, but this particular bill does not involve that ingredient. I think mental cases and TB cases fall in that category.

Likewise, the bill provides for a professional medical review board in each contracting hospital in order to effect standards of admission, discharge, and policies of the medical corps and medical doctors administering the cases in terms of occupancy of hospitals. The program has worked effectively in Colorado and Pennsylvania. I think there is enough of a record to suggest that there is a way to get at this problem without upsetting the purposeful impact or direction of financing this particular bill.

I yield now to the Senator from Nebraska [Mr. CURTIS], who has been very patiently waiting.

Mr. CURTIS. I commend the distinguished Senator from Wyoming for the statement he made when he started his speech, to the effect that what we needed on the subject was light.

What benefits will be available for the people who will come under the program, should the Anderson amendments be agreed to?

Mr. McGEE. In general, without spelling out the details of the proposal, for the first 9 days the individual would have to pay $10 a day. This provision is designed to eliminate the malingerers, the professional "go to the hospital" people, who like to lie in bed. It would minimize their number.

The difference between that $10 a day and the actual cost of the hospitalization would be picked up for that interval of 9 days. The hospital costs beyond that period, for the limited numbers of intervals spelled out in the proposal, would represent the benefits. A substantial economic burden would be borne by the program, if that burden should happen to descend upon an individual or his family.

Mr. CURTIS. For how long a time would the hospital bill be paid?

Mr. McGEE. It would be paid for 90 days.

Mr. CURTIS. With a $90 possible deductible?

Mr. KERR. Mr. President, will the Senator yield to me, to permit me to ask a question about his previous answer?

Mr. McGEE. I yield to the Senator from Oklahoma.

Mr. KERR. Did the Senator say there the hospital bill for the individual or his family would be paid?

Mr. McGEE. It would be for the individual patient.

Mr. KERR. I thought the Senator said for the individual or his family.

Mr. McGEE. I am sorry if that was what it appeared I said. I was trying to suggest that this program would reduce the burden the individual or the family otherwise might have to bear.

Mr. CURTIS. It is conceivable, then, that there would be many cases in which the first $90 for hospitalization would be paid by the beneficiary?

Mr. McGEE. That is not quite correct. I understand the cost would be $10 a day for 9 days.

Mr. CURTIS. It is conceivable, then, there would be many cases in which there would be a $90 deductible item which the beneficiary would bear?

Mr. McGEE. Yes.

Mr. CURTIS. What would be provided by way of medical prescriptions?

Mr. McGEE. Does the Senator refer to medicines the patient would get, in or out of the hospital?

Mr. CURTIS. Everywhere.

Mr. McGEE. The hospital drugs would be totally covered. The out-of-hospital drugs would not be covered.

Mr. CURTIS. So when we receive letters from our constituents stating they have costly medical burdens, expensive drugs they must buy once or twice a week, if they are not in a hospital this proposal would not relieve their burdens; is that correct?

Mr. McGEE. Yes. I understand from the hearings that the pharmacists did not wish to participate.

Mr. CURTIS. Is that provision out, because the pharmacists did not wish to come in?

Mr. McGEE. I remember that the pharmacists did not wish to come in.

Mr. CURTIS. Is that the reason the cost was not included in the proposal?

Mr. McGEE. That is not necessarily the whole reason. The point is that it it not in the proposal. The Senator's question was whether drugs were to be covered. I said that the hospital drugs were to be covered, and that drugs outside the hospital were not to be covered.

Mr. CURTIS. Would surgery be covered?

Mr. McGEE. No; surgery would not be covered. That is a doctor's charge.

Mr. CURTIS. Suppose an aged person had to call at his doctor's office for treatment or examination periodically?

Mr. McGEE. Doctor's bills are not to be covered.

Mr. CURTIS. Suppose a doctor had to call at a patient's home?

Mr. McGEE. That would not be covered.

Mr. CURTIS. In addition to the hospital cost coverage, there would be provided certain home nursing facilities, as a sort of substitute for hospitalization; is that correct?

Mr. McGEE. It would be supplemental, rather than a substitute.

Mr. CURTIS. If the amendments are agreed to, how many people will become eligible for benefits right away?

Mr. McGEE. About 17 million, I am informed.

Mr. CURTIS. How many of those 17 million have paid anything for the program?

Mr. McGEE. I would suppose that all but 2½ million have.

Mr. CURTIS. What have they paid?

Mr. McGEE. I wish to correct that statement. I was in error. I was thinking about the 2½ million people who were not under social security, to be brought in. The answer is that none have paid.

Mr. CURTIS. None have paid?

Mr. McGEE. That is correct, because it is to be a new program.

Mr. CURTIS. The Social Security Act was passed in 1936. It went into effect January 1, 1937. The first benefits were paid in 1940.

Someone who qualified under the act at the maximum rate, with the maximum covered wages at that time—and some of those people are still alive—may have paid $30 a year for 3 years, or a total of $90. That person, if still alive—and a number of such people still are—received a monthly check last month of $89. The benefit for 1 month was nearly equal to everything he paid. That person has been drawing benefits through the years.

That person has not paid anything into the hospital trust fund, has he?

Mr. McGEE. No; not at all.

Mr. CURTIS. Why has the age been fixed at 65 for the payment of the hospital benefits?

Mr. McGEE. I think it is to coincide with the social security system; that is, the preponderant portion of the social security system as it now operates.

Mr. CURTIS. Both men and women may retire now at age 62, and those who are disabled may elect to retire at any age.

Mr. McGEE. Yes. I think the age for retirement could be 62, 65, 67, or 60. That is not the issue in regard to this proposal.

Mr. CURTIS. Would a person have to retire to get the benefits?

Mr. McGEE. A person would not have to retire to get the benefits under this proposal.

Mr. CURTIS. So this would not be a retirement benefit.

Mr. McGEE. This is not to be a retirement benefit. This is to be a health benefit for persons who have reached the age of 65.

Mr. CURTIS. The cash benefits which are paid are intended to supplant wages, when someone can no longer perform work. Some people elect to retire at the age of 68 or 70, and they draw no benefits until that age. Some people elect to retire at age 62.

I wonder what is the magic about the age of 65.

Mr. McGEE. I do not think there is any magic.

Mr. CURTIS. Whether people are retired or not, regardless of job, regardless of capital, regardless of savings, regardless of income, if they are eligible for social security they are to be eligible?

Mr. McGEE. If the Senator will permit me to address myself to the question he asked, I think it is necessary to make an arbitrary selection of an age at some reasonable point. One could raise the same question about any particular line we might draw. The age of 65 has been a common retirement age, accepted in private industry, as well as in public fields.

The point which I think the Senator should bear in mind is that while some people may still be working at that age, the fact that they are still working will probably mean they will not draw upon the health insurance fund after the age of 65 quite as much as those who perhaps have had to slow down for health reasons, and have had to retire, as the alternative they have accepted.

In addition, those who are beyond the age of 65 who are still working likewise will be paying money in. That group will somewhat reduce the cost to which the Senator referred, for the 17 million people who will have paid in nothing. This program would work both ways. The kind of situation to which the Senator addressed himself a moment ago would be ameliorated.

Mr. CURTIS. The individual who cannot afford to retire will have to pay into the fund; is that correct?

Mr. McGEE. The individual who does not retire will pay into the fund.

Mr. CURTIS. Many older people continue to work from necessity; is that not correct?

Mr. McGEE. Some of them do. I am certain that is true. The desire is not to work in some cases, as soon as the budget can be balanced.

Mr. CURTIS. There is no arbitrary age for paying the cash benefits under social security. The test is, when did the person retire?

Mr. McGEE. The Senator is correct.

Mr. CURTIS. But in this instance an arbitrary age has been selected.

Mr. McGEE. The reason is that the age of 65, as medical records will reveal to the Senator—I am sure the Senator has studied them—is the age at which the incidence of health disaster mounts very sharply. It goes up after the age of 65, contrasted to the ages preceding 65. Therefore, it is as good a demarcation line as could be selected.

Mr. CURTIS. Has the Senator any idea what would be the cost of buying insurance to provide the benefits as set forth in the Anderson amendments?

Mr. McGEE. The cost of insurance to provide equivalent benefits?

Mr. CURTIS. Yes.

Mr. McGEE. I assume that the cost would be considerably more.

Mr. CURTIS. More than what?

Mr. McGEE. More than the cost under the social security approach.

Mr. CURTIS. What would it cost annually to buy that kind of protection?

Mr. McGEE. Under the social security approach the average would be somewhere in the neighborhood of $13 for a base of $4,800.

Mr. CURTIS. Of course, we would not know the answer to that question for many years.

Mr. McGEE. We have a reasonable way of making an educated guess, because we know the pattern of income in our country for the most part.

Mr. CURTIS. I am not so sure with reference to the present beneficiaries if we should start with the proposed program. What I am trying to determine is what it would cost to provide such protection if the individual went to a private insurance company in order to secure it.

Mr. McGEE. I am not sure I can answer the Senator's question. I do not have that information available.

Mr. CURTIS. What percentage of the people past 65 at the present time have some hospital insurance?

Mr. McGEE. About 50 percent.

Mr. CURTIS. Has that number increased in recent years?

Mr. McGEE. Yes.

Mr. CURTIS. Has the Department of Health, Education, and Welfare predicted that the percentage will continue to increase?

Mr. McGEE. I think the answer to that question is "Yes."

Mr. CURTIS. Do not many people—not all of them—have a coverage that would be equivalent, at least, and probably more than would be provided by the amendments of the Senator from Oklahoma?

Mr. McGEE. I think the element of difference is that the substance of the benefits under the Anderson proposal is the differential between the statistic that the Senator from Nebraska has asked for and the number who are over the age of 65 that have some kind of insurance. It is the amount of coverage that they have that, in relative terms, would establish the validity.

Mr. CURTIS. Is the Senator urging the adoption of the proposed system because it is needed or merely because in his opinion it would be a good system to follow?

Mr. McGEE. I think it is a very badly needed operation.

Mr. CURTIS. That point brings me back to my original question. Who needs it? At what point in income can a person over 65 be reasonably expected to provide his own hospital insurance?

Mr. McGEE. I am afraid the Senator must again face the fact that it is a question of income in relation to cost. We cannot select an arbitrary figure. All we know is that on the average there is a group who are receiving an average of $2,500 for couples and we know they cannot pay the known and predictable medical expenses out of that income. Therefore, the success of their economic stability has been impinged upon.

Mr. CURTIS. Of course, under the bill they would not pay the known medical expenses.

Mr. McGEE. They would pay a substantial portion of them. If the Senator so proposes, we can make the bill provide a larger amount. The measure does not provide for the payment of all costs. All the Senator is doing is building a case for greater medical provision. I say that the proposal would be an important assault on the element of cost, even though it leaves out some of the big factors in cost.

Mr. CURTIS. The Senator from Nebraska believes that it is the concern of

Government to provide not only hospitalization, but also surgery, medicine, office calls, and home calls for those who are unable to provide it for themselves. I think we should be generous in arriving at those benefits. The Senator from Nebraska does not believe that we should inaugurate a program that will not be paid for by the living workers, because the full impact of it will not have been reached in the lifetime of the present workers, but would be paid to a people who are well able to provide it themselves. That is why I have been trying all afternoon to find out at what point the distinguished Senator from Wyoming believes that a person of the age 65 should no longer be the concern of government? Would an income of $5,000, $6,000, $7,000, $8,000 or $9,000 indicate that point? After all, the costs would all be paid from taxes.

Mr. McGEE. I have tried to explain to the Senator from Nebraska again and again that it is an imponderable in terms of the relative impact of an unexpected, unplanned sickness cost on the income of a person over the age of 65. Studies that have been made suggest that the great majority of such persons have an income under $3,000 a year; $3,000 a year for a couple is not an adequate income to provide the kind of medical expenses that we are discussing. When the Senator refers to a couple over 65 whose income is $8,000, $9,000, or $10,000 a year, I remind him that that group is less than 3 percent of the age group we are talking about. We are addressing ourselves to the great majority of them. How many times must we go over and over the generalization about the capability of a couple receiving an income under $3,000 a year to meet the known medical costs that are going to descend on his age group—if not on him personally, on his next door neighbor?

Mr. CURTIS. I fear the distinguished Senator did not understand my question. The question was not what percentage of the aged could pay for their own hospital insurance. My question was at what point of income the distinguished Senator from Wyoming thinks that they should be able to do so?

Mr. McGEE. I have suggested again and again to the Senator that it is a relative subject. We know that from the age of 65 on income drops very sharply. Most couples in that age group are receiving less than $3,000; and, as I have said to the Senator previously, $3,000 is not enough.

Mr. CURTIS. Three thousand dollars is not enough?

Mr. McGEE. That is not an absolute figure. Again it is a relative cost; $10,000 would not be enough for some. It depends on the nature of the illness in relation to one's income.

Mr. CURTIS. The Senator recognizes social security taxes as taxes, does he not?

Mr. McGEE. I did not hear the Senator.

Mr. CURTIS. The social security payments that an employee, and employer, or a self-employed person make are taxes, are they not?

Mr. McGEE. They are a form of taxes. But they are set aside in a fund.

Mr. CURTIS. An individual who works must pay those taxes from his first dollar of income. Is that not correct? There is no personal exemption.

Mr. McGEE. The Senator is correct.

Mr. CURTIS. So it is the most severe type of taxation there is. The Senator is advocating a system——

Mr. McGEE. Is the Senator now shifting the field of his questions from where we were a moment ago? Is the Senator now speaking about the form of taxation covered by the measure?

Mr. CURTIS. Yes.

Mr. McGEE. The Senator is opposing a social security type of taxation as the most vicious form of taxation there is?

Mr. CURTIS. A taxation that allows no personal exemption is about as tough as any I can think of.

Mr. McGEE. Is the Senator suggesting then, that we should modify the social security tax?

Mr. CURTIS. No. I am suggesting that we should not continue to add to it. We have a social security tax. No personal exemption is provided. At some future time I hope the personal exemption in the income tax law can be raised. The social security tax is one on which the worker pays from the very first dollar he earns. We would increase that tax to bring in a system to supply a need that is moving in the direction of being met. I think the distinguished Senator from Wyoming himself said a moment ago that half the people over 65 have some health insurance. That is a great deal more than the number who had it a few years ago. The prediction is that more people will have it.

I wonder what the Senator has to support the need for such a program at this time.

Mr. McGEE. The first thing that is compelling is that half of the people in most cases do not have sufficient coverage. The 50 percent is a very misleading statistic. The compelling reason is the element of need. I say to the Senator that this kind of investment is quite different from direct taxation, in that the contributor, the fellow with a job, who contributes one-quarter of 1 percent to the social security tax for health insurance in his later years is contributing to his own benefit in the predictable years ahead. It is different from some other forms or types of taxation. A sales tax is probably much more severe than a social security tax. This is, in effect, a forced saving for the individual to cover the exigencies of his retiring years.

Mr. CURTIS. Are the beneficiaries at the present time getting back the forced savings that they have made?

Mr. McGEE. I am sorry I did not hear the full question of the Senator.

Mr. CURTIS. Are the present beneficiaries under social security merely getting a return of the forced savings that they have had to make?

Mr. McGEE. They are if they have retired and are getting $89 a month. This is a compulsory system.

Mr. CURTIS. Are benefits limited to that figure?

Mr. McGEE. There are many tangent programs, as the Senator knows, that try to approach particular extenuating situations.

Mr. CURTIS. I am talking about the social security benefits that people are now receiving. Are they getting a return on what they have been forced to save?

Mr. McGEE. It varies with the age of the individual, and how long he has been in the system.

Mr. CURTIS. Is it true for any beneficiary at this time?

Mr. McGEE. It would be theoretically true for one who had put in the equivalent amount if he were to draw it out by the time he died. It could be assumed that he had gotten, then, equivalent benefits.

Mr. CURTIS. I am speaking of someone 65 years of age who retires on July 1, 1962. He has been covered in the program for the maximum taxable and creditable earnings for every year since the program began, in 1937. Such a person would have a primary benefit of $123 a month. If he has a wife of exactly the same age, her benefit would be $61.50 as long as he was living, and $101.50 after his death. These figures assume that the individual had the maximum covered earnings of $4,800 in the first 6 months of 1962. On the basis of the U.S. White Life tables for 1949–51, which are the latest available official complete mortality tables, a man and his wife can expect to receive, on the average, about $32,600 in monthly benefits. The total amount of the employee taxes that this individual paid were $1,584. This is a part of a statement signed by Robert J. Myers, chief actuary of the social security system.

Consider the case of someone who has paid since 1937, to this date. He would have paid $5,184. He has benefits, on the average, of over $32,000.

The social security system is a system of social benefits which are paid not by the recipient, but by taxing the people who work, taxing the self-employed, and taxing employers. They will not catch up during the generation of the workers who are now over 21.

Therefore, we are discussing a program the full impact of which will not fall on the present workers, but on future workers.

I thank the Senator.

Mr. McGEE. I thank the Senator for his comments. I remind the Senator from Nebraska that the existing social security fund has been under repeated, continual reexamination, and that the fund continues to be actuarily sound. It is the strong feeling of economists that the proposed fund with respect to medical care will likewise be actuarily sound because of the interplay of a great many forces. Rather than take any more time—and I see the majority leader approaching apparently to ask me how soon we expect to conclude—I suggest that the remainder of my remarks be included in the Record. I had some extended statements prepared in addressing myself to the question of why private insurance cannot do the whole job.

I ask unanimous consent that these statements may be placed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MCGEE, OF WYOMING

The proposal now before this body, to provide funds for medical care for the aged through social security, has generated one of the most active and acrimonious debates across the Nation that has occurred in many years. Unfortunately, these debates have generated considerably more heat than light. Too often we find that those entering the debate have obtained their mental exercise by jumping to conclusions. Therefore, I would like to discuss a few of the more obvious misconceptions which have obscured the real issues in the hope that we may then get to the real issue—whether or not we can devise an adequate plan to help our older citizens obtain adequate medical care.

Misconception No. 1: Most of America's 17 million seniors do not need help with their medical bills.

This is obviously a view alien to that of the majority. While it is true that much health care is provided free to those who need care for which they cannot pay, public assistance agencies, private charitable organizations, and many physicians provide free services only to the extent that they can with the limited funds available. The sad fact is that many older citizens who are sorely in need of medical care do not get it because they are too proud to ask for charity. Those who do receive paid care from public and private assistance agencies do so only after the humiliating experience of proving they are in want. And consider that people over 65 suffer twice as frequently from chronic sickness as those under 65—even excluding those who are in institutions. They spend 2½ times as many days restricted to their beds—they are forced to limit their activities due to illness six times as often. Medical costs and health needs of the aged are greater today than those of other age groups in the population, their incomes often are too low for them to purchase private health insurance. The primary social security benefit (on which most retirees must rely exclusively) averages only $73 a month. The maximum benefit for a retired couple, which only a small proportion of beneficiaries receive, is but $180 a month. Out of these small sums must come rent, food, clothing, and other necessary expenses. There is no margin for huge medical expenses brought on by a stay in the hospital.

Opponents to this bill answer this with the suggestion that the aged should therefore look to their children or relatives for help. Families do, in fact, often provide such help. Too often, however, this burden is borne at the expense of the education and the well-being of the children and grandchildren of the elderly ill. This unfortunate fact brings a heavy cost in family harmony and in the future opportunities of the children involved; and, in many instances, the relatives themselves are totally unable to meet the heavy costs involved.

Misconception No. 2: That the Kerr-Mills bill offers adequate medical benefits.

But the Kerr-Mills law clearly spells out that each State "will furnish medical assistance to aged individuals as far as practicable under the conditions in such State." Under this law, the medical services available to eligible applicants are directly proportional to the ability of each State to purchase these services. Wealthier States like New York and Massachusetts offer more medical services than do poorer States. In no State are unlimited services available to the medically indigent aged. This bill, backed by most doctors, is proving a sad failure in most of the States that have adopted it, even in the richer and more progressive States. My home State of Wyoming, which will have an estimated aged population of 29,000 by January 1965, has not yet seen fit to adopt this law.

In short, Kerr-Mills requires a degrading poverty test; it covers only so-called charity cases; it guarantees no free choice of doctors or hospital; its program has not been adopted by most of the States; and—most important to those of us who are economically minded—it provides a drain on the Federal Treasury with no provision to balance that drain with new revenue.

Misconception No. 3: That the social security approach to financing care for the ill and aged under the King-Anderson bill would be a step toward socialism and government control of medicine.

This is, perhaps, the most ridiculous of the arguments against medicare. Nothing could be further from the truth. The improved King-Anderson bill clearly and forcefully spells out:

"There shall be no Federal controls over or intervention in the free practice of medicine."

Socialism exists when the doctors are salaried by the Government, when the hospitals are run by the Government, and when the Government controls the personnel and facilities. The proposed program would not provide a single medical service but would only help people finance the cost of their health care—and there are even alternatives to this in the compromise bill. It would in no way control, regulate, or interfere with the practice of medicine.

The patient also is free to choose his own doctor, who, in turn is free to work in the hospital of which he is a staff member. The bill further guarantees to hospitals the freedom of choice to participate in the President's proposed health care program or not.

If enacted into law, it will operate like Blue Cross with the doctors and hospitals free to disburse their services as they have done in the past. The only point of difference is the method of financing the costs of those services rendered. Instead of the individual or private insurance paying all, the social insurance trust fund will cover all or part of the allowable costs.

This health insurance is a reasonable and important part of income protection in retirement. Without such benefits the social security program cannot adequately provide basic security for the aged. This is the only way to remove the threat to the financial independence of older people posed by the high cost of illness.

Misconception No. 4: That this program would cost too much.

Under the social security insurance, under which the individual contributed during the working years when he can best afford the contributions, payments are spread out over a working lifetime and the cost to the individual is reduced to pennies a day. The program would be financed by contributions from both workers and their employers without imposing a burden on general revenues. In fact, reduction in expenditures which would otherwise be necessary by the States and Federal Government under public assistance would partially offset the cost of the new program. The cost to the Federal budget would be nil whereas under the present law the cost was $280 million in fiscal year 1961. In fiscal year 1963 it will be an estimated $412 million.

Admittedly, the social security tax will be increased by one-fourth of 1 percent and the self-employed, covered by social security, will pay an additional three-eighths of 1 percent. In dollars and cents, this one-fourth of 1 percent amounts to about $12.50 per employee per year, or $1.04 a month, or 26 cents a week—less than the price of a pack of cigarettes—and undoubtedly healthier.

Misconception No. 5: That there would be an overutilization of services.

The plan provides at least three safeguards against overutilization. First, there are the attending physicians that must certify, and at certain times recertify, that services are required for medical treatment or diagnosis.

The second safeguard is provided by the institution itself, which would review admissions, duration of stay, and services furnished.

The third safety measure is built into the program in the types of services covered and in the requirements for deductibles. Since protection is provided against the costs of outpatient diagnostic, skilled nursing home, and home health services, there will be no financial incentive to unnecessarily use higher cost services when the lower cost services will suffice. The deductibles might also tend to reduce unnecessary utilization of hospital services.

Aging is a phenomenon both personal and public, both evident and elusive. Time passes: as an experience within, as a dimension without. New forces and new problems make disturbing patterns in the later years. The stereotypes are only too familiar: the rocking chair, the empty hands, the illnesses of age, the unwanted look, the passive posture. Are these the only meaning of being old? Too long have these misconceptions persisted. These cobwebs have ensnarled the struggling elderly, thus denying them their rightful place in the sun. Realities, if not ignored by those who do not want to admit hard truths, can bring security and peace of mind to those elderly who now face fear and deprivation as an unwelcome reward for their many years of toil.

Up to the present time, nearly all programs in behalf of the aging in the United States are the product of the welfare mood and of uncritical adoption of untested projects. The proposed administration bill for aid to the aged medically indigent is not only not welfare but has been tested through long and favorable experience. The time has come for Congress to provide the insight and the law to help both the younger and an older society to act with wisdom about age.

So far the debate on this proposal, now before us, has degenerated into a picayunish business which is smothering it under a landslide of verbiage—and at a time when it desperately needs fresh air. At present there is the very real danger that this headless chase will end in a monster bill embodying just those aspects of the problem we wish to avoid.

We must not allow this comprehensive piece of legislation to be pecked to death. Rather, we must get off our petty and sometimes partisan political stumps, and provide for the urgent need of the elderly ill by passing this constructive and essential King-Anderson medical care bill, as improved, with all deliberate speed.

PRIVATE INSURANCE CANNOT DO THE WHOLE JOB

(By Senator MCGEE, of Wyoming)

The proposals recommended by President Kennedy for health insurance benefits for the aged under social security have been opposed on the ground that private health insurance should and can do an adequate job in providing health insurance for older people. It is not surprising that people argue this way. In the postwar years, health insurance coverage figures have soared, both in terms of the number of people covered and in terms of the amount of benefits provided. Hospital insurance, which in 1945 covered only a quarter of the population, now covers about 70 percent. The proportion of people with some insurance against surgical costs has increased from 10 percent to nearly 70 percent. Over 45 percent of the population has insurance against the costs of other services by physicians in the hospital, as compared with only about 4 percent in 1945.

While commercial health insurance had its beginnings in the late 19th century, the commercials played a secondary role until the end of World War II. Since then the commercials have won a larger and larger share of the health insurance market, and in 1951 the commercials passed Blue Cross in enrollment. Today membership in commercial health insurance exceeds Blue Cross membership by more than 20 million.

But there is one major gap in this picture of increasing coverage. Health insurance for the retired aged is inadequate both in the number of people who are covered and in the amount of protection afforded those who are covered.

The national health survey, a comprehensive survey sponsored by the Public Health Service, found that in the first half of 1959, 46 percent of those 65 and over had some form of health insurance. As for the retired aged—those who did not usually work in the survey year—only 42 percent had any kind of health insurance.

In many instances, the protection aged persons have against hospital costs is inadequate. For example, the special guaranteed-renewable policies offered to senior citizens in normal health by a number of insurance companies typically provide room-and-board payments of $10 a day for 30 to 60 days, up to $50 or $100 for extra hospital expenses and surgical expenses up to $200 or $300. Such policies provide relatively little protection against the costs of hospital care, which may average $30 a day or more. Also, they often have lifetime limitations on total benefits. And these policies will become increasingly inadequate as hospital and medical costs continue to rise. In general, policies available to people in poor health have prohibitively high premiums or inadequate benefits, cancellable features, exclusions of preexisting conditions for the first 6 months or more (and sometimes forever, which may make the policy almost worthless to the insured), or a combination of such restrictions. And of course, very few older people have insurance against such health care costs as surgical and other physician's fees and the cost of drugs.

Why are the retired aged not able to protect themselves adequately through health insurance? It is a simple matter of economics. People over 65 have health costs that are twice as high as those of younger people, while their incomes are only half as high. The median annual income of an aged couple is only about $2,500, and the average aged person living alone has about $1,100. Furthermore, the retired aged are generally not in groups that can be insured, but instead must buy insurance on an individual basis, if at all. This form of coverage is, of course, quite expensive, sometimes costing twice as much as group coverage offering the same protection.

Not only is coverage now inadequate, but it tends to be concentrated in the higher-income group and among the better risks. The National Health Survey found that while more than half the population aged 65 or over had no health insurance, for older people in families with income of $2,000 or less (which include 40 percent of all older people) 67 percent had no health insurance. Among people aged 75 and over, 68 percent had no such insurance. Among the aged in poor health—people with chronic conditions who are unable to carry on their usual major activity—70 percent had no hospital insurance.

In considering the rate of future expansion in health insurance, the fact must be faced that any significant extension of adequate health insurance protection in the older age groups will necessarily involve people with lower incomes, those in the higher age brackets, those who are no longer working, those in ill health—in short, the very people who represent the poorest risk from a health insurance standpoint and who are least able to pay for protection.

Two special techniques have been developed to make it easier for high-risk, low-income groups to obtain adequate health insurance protection, but neither seems likely to succeed in this objective. The first technique is the so-called community-rating approach. This approach dates back to the beginning of the Blue Cross movement—to the early 1930's—and has been a basic tenet of the Blue Cross philosophy of public service to the community as a whole. Originally, the objective of Blue Cross was to offer one policy at one cost for all enrollees in the community. This community rating approach was intended to pass on part of the costs of insuring high-cost subscribers—including the aged—to the younger working group.

Since the entrance of the insurance companies into the health insurance field in the 1940's, the future of community rating has become clouded, and many observers believe that it is in a state of decline. The competitive nature of commercial insurance has inevitably led to following the opposite principle—that of experience rating, which results in a lower price for the good risks and a higher price for insurance for the aged.

In the competition between the Blues and the commercials, the commercial carriers have increasingly been able to attract the large low-cost groups. Conversely, the higher cost groups find the Blue Cross rates more attractive. Blue Cross premiums are thus driven higher; and as they are driven higher, good risks find the Blues less attractive. Under the circumstances, it is understandable that Blue Cross plans have found it increasingly necessary to compromise their community-rating principle.

Under the other technique for handling the problem of the high-risk, low-income group, the retired person's previous employer pays part or all of the health insurance premiums in retirement. Under this sort of arrangement, the retired employee ordinarily retains all or part of the group health insurance coverage he had while he was working. From the employee's standpoint, there are many advantages to this sort of an arrangement: In addition to having the advantage of the employer contribution, he benefits from the economics inherent in group coverage and from the fact that the level of benefit protection provided by group insurance is characteristically high.

Good as this approach is, it is clear that it can never reach the majority of workers. The worker's right to remain in his company's health insurance plan after retirement is usually tied to his eligibility for a pension. At present, less than 10 percent of the aged are drawing private company pensions, and only a small portion—about a quarter—of these are eligible for health insurance under the company plan. The number of pensioners will grow in the future—about 40 percent of the wage and salary workers are now covered—and thus undoubtedly more aged will have health insurance protection under group plans. However, it is necessary to consider that many workers covered by plans will never collect pensions; in many instances 20 or 30 years of work for one company, and even employment right up to the time of retirement, is required. Even allowing for an increase in pension plan coverage and health insurance protection under these plans, it is doubtful if, under the most optimistic assumptions, over 20 or 25 percent of the future retired aged will have health insurance protection under group plans. And those who will be protected under group insurance will be the very same sort of people who now have protection on their own.

A third method should perhaps be mentioned. There are for sale by a few companies individual policies providing paid-up protection at retirement. Such a policy guarantees that a specified set of health insurance benefits, payable, of course, in dollars rather than in services, will be available to the policyholder after he reaches a specified age. The great advantage of this sort of an arrangement is that the cost of post-retirement health insurance protection can be paid for while the individual is working and can better afford the premiums.

A paid-up indemnity plan, however, is of very uncertain value. After a lifetime of premium payments, the best indemnity plan for paid-up health insurance could become worthless if health care costs have increased substantially between the date of issue and age 65. For example, a policy written to meet 1940 health care costs would be almost worthless today. On the other hand, private insurance can hardly be expected to underwrite the cost of service benefits to be delivered 30 or 40 years in the future. Moreover, this type of policy has little promise as a timely solution to the problems of the aged, for the paid-up policies by definition cannot become effective for many years. Consumer interest and sales have not been impressive.

It is no wonder, then, that many students of the problem have come to the conclusion expressed by Dr. Basil C. MacLean, formerly president of the Blue Cross Association, in these words:

"A lifetime's experience has led me at last to conclude that the costs of care of the aged cannot be met, unaided, by the mechanisms of insurance or prepayment as they exist today. The aged simply cannot afford to buy from any of these the scope of care that is required, nor do the stern competitive realities permit any carrier, whether nonprofit or commercial, to provide benefits which are adequate at a price which is feasible for any but a small proportion of the aged."

If the problem cannot be solved by private insurance, why is it that the social insurance approach is effective? The social security program now provides protection for practically all working people and their families. More than 9 out of 10 people who work are covered under the program and already 85 percent of the people now becoming 65 are eligible for retirement benefits; this percentage will rise in the future to 95 percent or more. In the course of a year some 73 million earners contribute to the program; 86 million have contributed long enough to be fully insured. Coverage, then, is nearly universal.

People qualify for benefits under social security by working, and while they are working they pay toward the cost of those benefits. Thus the payments for health insurance protection under social security are made while the person can best afford it, rather than out of his reduced income in retirement.

Social security benefits are paid regardless of income from savings, pensions, investments, and the like, so that the worker is encouraged to supplement the basic protection afforded by his social insurance benefit with whatever additional protection he can afford to buy. The social insurance approach to meeting need is thus a major social invention, largely eliminating the old fear that meeting need will injure incentives to work and save.

The use of the payroll tax to finance the program has the effect of automatically increasing income to the program as earnings rise. The increase in income permits benefits to be adjusted somewhat in accordance with current levels of living and current prices. This is a particularly important point in providing a service benefit under conditions of rising costs.

It is these characteristics of social security that make it the most practical approach to making health insurance generally available to the aged.

Admittedly, the President's proposal is designed to meet only the most pressing health care needs of the aged. But as under the present program of old-age and survivors insurance benefits, people can be expected to build on the basic health insurance protection. At least some of the money the aged now spend to meet hospital costs, through insurance and otherwise, could be used to purchase insurance against the costs of the services of physicians and dentists, drugs, and the other health services and supplies not covered under the proposal. Also, many aged people who now go without any health insurance protection because they cannot afford to safeguard themselves against the financial catastrophe of a serious illness would also obtain supplemental coverage from private sources once real security becomes possible. Certainly, with basic protection furnished under the Government program a larger number of private companies will be encouraged to carry supplemental protection for their retired employees.

The President's proposal, then, is that Government and private insurance play complementary roles in meeting the need. The role of Government in the health insurance area, just as it is in the area of retirement income, would be to provide a guarantee of basic protection for the aged through the Nation's social insurance system. The role of private insurance would be to build supplementary protection on this base. Neither can do an adequate job alone, but in partnership the result can be a new level of security for our people in their retirement years.

Mr. McGEE. I close by again reminding Senators that no proponent of the pending measure is proposing socialized medicine or wants anything to do with socialized medicine. We want only to meet the financing of medical costs of our senior citizens, particularly of the great majority of them who find it impossible to meet such costs with their own resources. That is the nub of the proposal.

It is mistake, and it is a disservice to the country, to drag in the strawmen that have been set up and then try to knock them down, or to beat dead horses in this arena. Instead, we ought to address ourselves to the medical costs. In my judgment, the bill does exactly that. Therefore, I vigorously urge the adoption of the Anderson amendments by the Senate.

Mr. MANSFIELD. Mr. President, first I wish to say to the distinguished Senator from Wyoming that I was not approaching him to ask him to cease and desist. I was learning a great deal from what he was saying this afternoon. As a former professor of history at the University of Wyoming, he has much to offer the Senate. Personally I wish to express my thanks to him for the information which he has so generously given those of us who have been in attendance in the Senate this afternoon.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished minority leader and myself, I submit a unanimous-consent agreement and ask that it be read.

The PRESIDING OFFICER. The unanimous-consent agreement will be stated.

The Chief Clerk read as follows:

Ordered, That beginning Wednesday, July 11, 1962, after the morning hour during the further consideration on H.R. 10606, the public assistance and welfare bill, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment and the majority leader: *Provided,* In the event the majority leader is in favor of such amendment the time in opposition thereto shall be controlled by the minority leader: *Provided further,* That there shall be 4 hours of debate to be equally divided on the substitute of the Senator from Massachusetts [Mr. SALTONSTALL], and there shall be 4 hours of debate to be equally divided on the substitute of the Senator from Connecticut [Mr. BUSH]: *Provided further,* the Senate shall proceed to vote on a motion to table the Anderson amendment at 3 p.m., Tuesday, July 17. If the motion to table the Anderson amendment should fail, there shall be a time limitation of 4 hours debate on the Anderson amendment. All time shall be equally divided as provided at the beginning of this agreement: *Provided further,* there shall be 6 hours of general debate on the bill to be equally divided as previously provided.

Mr. JAVITS. Mr. President, will the Senator from Montana yield for a clarifying question?

Mr. MANSFIELD. I yield.

Mr. JAVITS. Is it understood that under the unanimous-consent agreement the 1-hour limitation on amendments may apply as well to amendments to the Anderson amendment, notwithstanding the fact that that is not expressly mentioned in the unanimous-consent agreement?

Mr. DIRKSEN. That is correct.

Mr. CURTIS. Would the 1-hour limitation on amendments apply to all amendments?

Mr. MANSFIELD. To all amendments.

Mr. CURTIS. Including amendments hereafter submitted?

Mr. MANSFIELD. Yes.

Mr. KEATING. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. Has the junior Senator from Minnesota [Mr. MCCARTHY] been consulted with regard to the amendment which he and other Senators may propose to the welfare bill, other than to the medical care portion?

Mr. MANSFIELD. Such amendments are in order; and the amendment or amendments of the Senator from Minnesota could be brought up. I feel certain that the proposed unanimous-consent agreement would be satisfactory to him, although I have not asked him.

Mr. KEATING. It might require some discussion.

Mr. MANSFIELD. The leadership was being as generous as possible, taking into consideration the needs of individual Senators.

Mr. KEATING. I do not make any point about it.

Mr. GOLDWATER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. GOLDWATER. As I understand the unanimous-consent request, the Senate will vote at 3 p.m. on Tuesday, July 17, on the question of recommitting the Anderson amendment.

Mr. DIRKSEN. On the question of tabling the Anderson amendment.

Mr. MANSFIELD. That is correct.

Mr. GOLDWATER. Following that, there would be 4 hours of debate on the Anderson amendment. Would that preclude the submission of any other amendments prior to the 4 hours of debate on the Anderson amendment?

Mr. MANSFIELD. To the best of my knowledge, it would not.

Mr. GOLDWATER. Would the Senator definitely say "No"?

Mr. MANSFIELD. I would say definitely no.

Mr. HRUSKA. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. HRUSKA. The question was whether the submission of amendments could be made prior to that time. Could they be made after that time?

Mr. MANSFIELD. Yes.

Mr. HRUSKA. At any time?

Mr. MANSFIELD. At any time.

Mr. HRUSKA. Any amendments offered either before or after that time would be subject to 1 hour's debate?

Mr. MANSFIELD. That is correct.

Mr. DIRKSEN. Incidentally, the germaneness clause is not included in this request.

Mr. AIKEN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. I listened to the question as to whether other amendments would be in order. If the Anderson amendment should be tabled, amendments would not be in order.

Mr. DIRKSEN. Not to the Anderson amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. KERR. Mr. President, as I understand under the proposed unanimous-consent agreement, although amendments to the Anderson amendment may be pending, at 3 p.m. on Tuesday, July 17, a vote will take place on a motion to table the Anderson amendment.

Mr. MANSFIELD. The Senator is correct.

Mr. HRUSKA. Would that vote be on a motion to table the Anderson amendment as amended at that time?

Mr. MANSFIELD. Yes; it would be on a motion to table the Anderson amendment as completed at that time.

Mr. HRUSKA. Namely, at 3 p.m. on Tuesday, July 17—a week from tomorrow?

Mr. MANSFIELD. A week from tomorrow.

The **PRESIDING OFFICER.** Is there objection to the unanimous-consent request? The Chair hears none, and the agreement is entered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I thank the distinguished minority leader and his colleagues for their consideration. I thank the distinguished Senator from Oklahoma [Mr. Kerr], the distinguished Senator from New Mexico [Mr. Anderson], and all other Senators for their cooperation in bringing about an agreement which is as near to a settlement as could be reached at this time.

The agreement does not mean that between now and Tuesday, July 17, the Senate will be considering only the welfare proposal, H.R. 10606. It is anticipated that at convenient times other measures on the calendar will be brought before the Senate for consideration.

For the information of the Senator from Oklahoma [Mr. Kerr] and the Senator from Wisconsin [Mr. Proxmire], and with the concurrence of the distinguished minority leader, I announce that tomorrow, at an appropriate time, it is proposed to have the Senate consider Calendar No. 1593, H.R. 11737, to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

Mr. DIRKSEN. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. Of course it is anticipated that if all the time is not utilized on amendments or substitutes, the majority leader should be in a position in which he can set aside the consideration of that measure and have the Senate resume the consideration of the satellite bill or proceed to the consideration of any other measure, so that the time will be used to advantage. I believe we have a thorough understanding in that connection.

Mr. MANSFIELD. I thank the distinguished Senator from Illinois.

In addition to the National Aeronautics and Space Administration bill, there is also on the calendar, No. 1631, Senate bill 3392, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended; and there is also on the calendar the appropriation bill for the Department of Health, Education, and Welfare.

Mr. DIRKSEN. Mr. President, will the majority leader yield again to me?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I presume there is some quandary regarding the possibility of the taking of votes during the session tomorrow, in view of a certain well-known athletic event which is to transpire in the Capital City. I assume that, other things being equal, there will be no record votes tomorrow to disturb the poise and enjoyment of those who may attend that event.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, not wanting to be a killjoy, I ask unanimous consent that when the Senate concludes its session this evening, it adjourn to meet at 12 o'clock noon tomorrow.

The **PRESIDING OFFICER.** Is there objection?

Mr. DIRKSEN. That request is not quite responsive to my suggestion.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, for the information of Senators, and especially my distinguished friend, the minority leader, there will be no rollcall votes tomorrow; but it is hoped that the Senate will proceed with the debate on the pending bill, and also will dispose of the authorization bill for the National Aeronautics and Space Administration.

THE SCHOOL LUNCH PROGRAM

Mr. MOSS. Mr. President, the legislation before the Congress to revise the formula for the school lunch program so that the funds are apportioned on the basis of the number of lunches served in each State in the preceding year has evinced great interest in my State. The school lunch program has enthusiastic support in Utah.

The House-passed bill is an excellent one for us, and I am hopeful the Senate Labor and Public Welfare Committee will get an equally good bill to us shortly for a vote. The Senate companion bill is sponsored by the distinguished Senator from Hawaii [Mr. Long] and the distinguished Senator from North Dakota [Mr. Burdick] and I have offered them all assistance.

A few days ago I received a letter from Mr. L. H. Bates, the director of the School Foods Services in the Granite School District—the district in which I went to school incidentally, and in which my father served for many years as principal of its high school—which I feel is as fine an expression of the values of the school lunch program as I have ever read. I ask unanimous consent that Mr. Bates' letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Granite School District,
Salt Lake City, Utah, June 28, 1962.
The Honorable Frank E. Moss,
U.S. Senate, Washington, D.C.

Dear Senator Moss: Mr. Rodney A. Ashby, State director of the Utah State school lunch program, has informed me of your efforts in behalf of the pending school lunch legislation (H.R. 11665, I believe), which has presently passed the House and is now awaiting Senate action.

I take this opportunity to express, on behalf of myself, my associates, and the many friends and patrons of the program in this district, our appreciation for your interest in this needed legislation.

The school lunch program in the Granite school district has enthusiastic public support. Many teachers have informed me that, "you can see the difference when a child starts taking school lunch." I am enthused in the program because of my conviction of the long-range nutritional and educational benefits which will surely accrue when the national school lunch programs can all achieve their maximum potential. We have come to especially appreciate, among others, the contribution the program can make during periods of low employment and economic stress, such as the one that occurred in this community during the Kennecott strike of 2 years ago.

The program's economic importance makes me wish, sometimes, that we were able to more adequately inform the business community of its virtues. We have made several spot check investigations over the years in our area, but have been unable to find that school lunch affects the food dollar in the home. Parents seem to spend about as much for food during the time school lunch is in operation as they spend when it is not.

The importance of this in the economy is indicated in the fact that the Granite School District program paid approximately $346,000 in salaries and inservice costs, $79,000 in supplies, maintenance and new equipment charges, and $596,000 for food, most of which was purchased locally, during the past school year. (This does not include the fair value of the direct distribution commodities (USDA donations), which approximated another $218,000 during 1961–62.)

We hope that all of our friends in the halls of Government are aware of the profound influence this program can exert, both in the schools and in the home, on the nutrition of the children of the Nation. We have no educational resource which can so effectively demonstrate and dramatize how well prepared foods should look and taste. School lunch is the best tool at our command with which to teach children to appreciate what wide varieties of foods, properly prepared in a number of ways and served in good taste, can lend in interest and esthetic values to a simple meal.

The ultimate function of the program lies as much in the teaching of our children as in filling the voids in little stomachs with nutritious foods. To implement both of these functions we need high-quality foods as well as high-quality cooks. And since the program must extend its services and benefits to all children, we must have the financial help of those divisions of our Government directly concerned with this phase of the national interest; and the support of all people interested in the welfare of the future generations of our people.

The cost to the child in many of our programs has already placed it beyond the reach of many who most need its services. School districts, faced with overwhelming financial difficulties, hesitate to expand the program in their schools because they know that, once started, the great public appeal the program carries will force the district to underwrite its growth, and financial losses, from an already too meager operational budget. This legislation will more equitably distribute the Federal subsidy among the States, and will give the program a much needed lift in those areas of the Nation really interested in the extension of the important school-lunch services.

Thank you, Senator Moss.

I am neither a zealot nor a visionary, but wish to remain one of your enthusiastic constituents, with an abiding interest in the development of good school-lunch programs.

Sincerely yours,

L. H. Bates,
Director, School Foods Services, Granite School District.

BALANCE OF PAYMENTS NO ALIBI FOR ABSURDITY OF CONTRADICTORY FISCAL AND MONETARY POLICY

Mr. PROXMIRE. Mr. President, the President of the United States has been called upon by leading economic groups in the Nation to request a tax cut. The AFL-CIO, the U.S. Chamber of Commerce, and leading political figures, including the Governors' conference and some of the outstanding Members of this body, have called upon the President to cut taxes. One of the outstanding newspapers in the country, the New York Times, has likewise hammered away, day after day, in pleading for a tax cut.

I rise at this time to congratulate and commend the President of the United States for not requesting a tax cut at this time, for withstanding this pressure, and for recognizing that this is the wrong time to make a tax cut.

The plea set forth in an editorial published today in the New York Times is typical of the pleas which have been made. In the body of the editorial we find a clear-cut refutation of the case made in support of the plea; I now read beginning with the second paragraph of the editorial:

> The administration can quite properly observe that business activity is generally healthy, with most sectors well above the levels of a year ago, when the economy was in the first stage of its recovery from the 1960 recession. Today, gross national product is continuing to advance, the Federal Reserve's index of industrial production is at a new high, and home construction is strong.
>
> Yet an objective appraisal also will reveal that the health of the economy is far from robust.

Mr. President, if there is a time to reduce taxes, so that we shall deliberately have a deficit, that time would seem to be when we are in a recession or when we are moving toward a recession. If we are to plan for a deficit now, this year—not only an administrative deficit, but also a deficit in the national accounts budget, in other words, a deficit in the budget which most accurately reflects the impact of the Government on the economy, when the economy is expanding, then it seems to me to be consistent we would almost always plan and work for a deficit, and never will have a balanced budget. The size of the national debt will be bound to increase year after year, without any question.

The editorial in the New York Times concludes as follows:

> The White House has been debating and discussing the problem of what plagues the economy for nearly 18 months. It has been bombarded with advice from all quarters. Surely it is time for Mr. Kennedy to exercise his responsibility and leadership by making decisions to fulfill his frequently made pledge—to get the economy moving forward at a brisker pace.

The President of the United States is absolutely correct. Sometimes it requires fully as much courage—in fact, under these circumstances, even more courage is required—to resist such pressure and not to request a tax cut, as to ask for a tax cut.

I ask unanimous consent that the editorial published in the New York Times be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TIME FOR DECISIONS

> The administration, according to President Kennedy, is continuing to watch the basic economic indicators to determine whether new measures are needed to stimulate business and increase jobs. It still hopes for action on its tax revision bill, first recommended over a year ago, even though the Senate Finance Committee plans to allow the bill only a week before moving to consideration of the Trade Expansion Act. Opposition to the tax bill is so bitter that its chances of quick approval are virtually zero. This is a factor the White House cannot ignore in its latest appraisal of the economic situation and what to do about it.
>
> The administration can quite properly observe that business activity is generally healthy, with most sectors well above the levels of a year ago, when the economy was in the first stage of its recovery from the 1960 recession. Today, gross national product is continuing to advance, the Federal Reserve's index of industrial production is at a new high, and home construction is strong.
>
> Yet, an objective appraisal also will reveal that the health of the economy is far from robust. Apart from the sharp slump in stock market values, consumer spending is not increasing in line with the rise in incomes; business spending on plant and equipment is proceeding at a slower than expected pace; and slowdowns are occurring in such key areas as steel production, carloadings and incoming orders. These weak spots do not mean that a recession is in the offing, but they are scarcely the symptoms associated with a vigorous expanding economy.
>
> Indeed, the most disturbing signs at this juncture are that unemployment is frozen at high levels and the amount of unused production facilities remains large. These are the very problems the President asked his advisers to study even before he took office. Since then the economy has advanced, but Mr. Kennedy, who pledged to get the economy moving forward, must be well aware that the growth has not been rapid enough to absorb our unused resources of men and machinery.
>
> A new study of the economy can do little more than confirm that the economy's expansion is below expectations, and that evidence of sluggishness and potential stagnancy is increasing. The President's indecisiveness squares poorly with the standard he set for himself when be observed in his Independence Day address that "Others may confine themselves to debate, discussion and that ultimate luxury—free advice. Our responsibility is one of decision, for to govern is to choose."
>
> This is the challenge the President must face. The White House has been debating and discussing the problem of what plagues the economy for nearly 18 months. It has been bombarded with advice from all quarters. Surely it is time for Mr. Kennedy to exercise his responsibility and leadership by making decisions to fulfill his frequently made pledge—to get the economy moving forward at a brisker pace.

Mr. PROXMIRE. As I have emphasized repeatedly on the floor of the Senate, one of the most absurd chapters in the record of governmental economic policy seems to be developing. The two great instruments of economic policy are fiscal policy and monetary policy. We can follow a fiscal policy of incurring a deficit and thereby stimulating the economy, or we can follow a fiscal policy of maintaining a surplus and thereby contracting the economy.

Likewise, we can follow a monetary policy of limiting the supply of money, driving up interest rates, and contracting the economy; or we can follow a monetary policy of increasing the supply of money, letting interest rates fall, and thereby encouraging the economy to expand and increase.

But economists have never concluded that fiscal policy is necessarily more potent than monetary policy, or vice versa. However, always throughout the history of our country, to the best of my knowledge, there has been followed—or an attempt has been made to follow—a consistent policy of having the economy stimulated by means of a deficit and by means of falling interest rates, or in times of inflation, a policy of having the brakes put on the economy, by having a surplus, and at the same time trying to increase interest rates.

But now, for the first time, we may be about to follow a contradictory policy. The Federal Reserve Board has announced, or by its action has indicated, that it intends to have a tighter and tighter monetary policy and will not let the supply of money increase as rapidly as the gross national product increases.

During June, interest rates rose sharply for maturities all along the line—Federal, State, local, and private.

The July 7 issue of Business Week magazine makes the following comment on the situation:

> A new approach to monetary policy was being hammered out behind closed doors in Washington this week. A swing toward tighter and more expensive money appears in the wind, even though widespread doubts are being heard about the economy's vigor.
>
> Such a shift would run against both convention and precedent. Always in the past, the Federal Reserve has reacted to a slack in business with easier money and lower interest rates to stimulate the economy. But, increasingly, the Fed's energies now are being directed to defending the international position of the dollar, and this demands a policy of relatively high interest rates.
>
> To a growing number of administration advisers, this means that an aggressive fiscal policy—in short, a deliberate policy of heavy Federal deficits—must carry the burden of countering any incipient economic slump.

So, Mr. President, the economy will be stretched like a rope in a tug of war, between the horse of fiscal policy moving toward expansion and the horse of monetary policy moving toward contraction. No one knows whether the final result will be a contracting effect on the economy or an expanding effect; but we know that this policy will result in certain definite consequences. First, we shall have a deficit—and a much larger deficit, if the economy is to be kept moving—because of this credit policy; and we shall have substantially higher interest rates because of the fiscal policy. But we do not know whether the economy will move ahead, and we do not know whether this will help solve the unemployment problem, because the contracting effects of the credit policy may overcome the expanding consequences of the fiscal policy.

How in the world can we justify such action, in which the Government seems to be divided against itself? It will seem to be moving nowhere.

U.S. OFFICIALS PLANT INTERNATIONAL BANKER PLEA

The following very revealing observation is made in the article in Business Week:

> Some discreet hints, moreover, have been dropped on how the Fed might react to a downturn in business this year. Early in June, the Bank for International Settlements in Basle, Switzerland—where the leading central bankers of the free world meet regularly to coordinate international financial policy—came out strongly for a combination of high interest rates and big deficits as the best approach to the twin problems facing the U.S. economy. Some bankers in New York are convinced that this BIS formula was adopted at the suggestion of the U.S. officials who sit in at Basle.

U.S. officials made a very intriguing suggestion to international bankers. They suggest to international bankers who in turn suggest to us that the best policy we could follow would be to try to expand the economy with deficits while increasing our interest rates.

It is interesting that yesterday, on "Meet the Press," Per Jacobsson, head of the International Monetary Fund, who is recognized as probably the most eminent of the international bankers, and perhaps the ablest, said he thought it would be a mistake for the United States to have a tax cut that would increase the deficit under present circumstances.

It is apparent that if we are going to follow the advice of international bankers, we should be pretty discriminating about it. There is no question that this would be a paradise for international bankers in many ways, as I shall explain later.

The article goes on to say:

> The unanswered question is the reaction of European central bankers. How would they respond to a tight money policy in the United States? Would Britain and the Common Market countries raise their rates in tandem, or would they, in effect, allow the United States an interest rate advantage that could pull funds out of Europe?

Why would they not raise their rates? They would have every opportunity and every incentive to do so if we raised ours, so they could attract capital. They would have a further incentive that we do not have, because inflation is far more pressing in Europe than it is here. In Europe they have relatively little excess capacity. They have a shortage of labor and very little unemployment. They have a record of prices having risen more rapidly than ours in the past 10 years. In France there has been a 42-percent increase in price in the last 10 years, whereas the increase has been only 13 percent in this country.

So those countries would have every incentive for keeping up with us if we raised our interest rates. That is no way for us to solve the balance-of-payments problems, because we might expect international bankers to take advantage of the situation by increasing their income, by raising interest rates, and they would have an incentive to do so if we increased our own interest rates.

ADVERSE BALANCE OF PAYMENTS ONLY SOLID ALIBI

The one solid argument in favor of this contradictory and conflicting policy being urged on the country is that it would help contribute to a solution of the adverse balance of payments. The theory is that if our interest rates were higher, one of the elements in the adverse balance of payments might be mitigated. That is, if our interest rates were higher, there would be less of a tendency for speculators to shift their investments from this country to other countries to take advantage of the higher interest rates there.

U.S. ECONOMIC STRENGTH MORE IMPORTANT THAN BALANCE OF PAYMENTS

There are many arguments against this theory, but it seems to me the basic argument is that the solution of the balance-of-payments problem should not be given such a high priority relative to the solution of the domestic growth and unemployment problems, which are more severe and more fundamental.

One of the prime reasons why most of the developed countries left the gold standard was that they decided to place a higher priority on internal stability rather than external stability.

If that is true of other countries, it should be true of the United States, for many reasons. International trading and international transfer of capital funds is not nearly as important to this country as it is to other countries.

International trade, while important to the American economy, represents far less than 10 percent of our total gross national product. It is closer to 5 percent of our gross national product. It is a relatively minor element. Far more important is the basic welfare and strength of the U.S. economy.

If we follow a tight-money policy, every time the interest rate goes up 1 percent, there is a distinct tendency on the part of home buyers to postpone buying homes, or not to buy them, because the biggest element in the cost of buying a home is interest.

This is true not only of home buyers, but it is true of automobile and appliance buyers and of buyers of every product that is bought on time.

It is also true of businesses. When interest rates are high, businesses are much less likely to buy, particularly when credit is being rationed, as it is today, when our reserves are growing tighter and tighter. Under these circumstances, businesses postpone their expansion and activities, and the effect of the monetary policy is restrictive.

But to do this at a time when 5½ percent of our work force is unemployed, and has been so for the past 6 months, ever since February, seems to me not logical or sensible.

U.S. BALANCE FUNDAMENTALLY SOUND

In the second place, the U.S. balance-of-payments position is fundamentally sound. When all assets, both short and long term, are considered, the United States is still a creditor nation.

Even when one looks only at our short-run position, we are well off when it is realized that most of the short-run claims against the dollar are of a nature that would not be used to acquire gold.

The short-run problem would be even less bothersome if we chose to make the institutional change which would permit our short-term claims on others to be convertible into gold, just as their official dollar holdings are convertible into gold.

Furthermore, the $16 billion in gold that we have can be made completely available for this convertibility factor if the Congress wants to do it, because we require $12 billion gold backing for our currency. This can be eliminated. Many prominent bankers, including the head of the Morgan Guaranty Co., have urged that, so the gold can be made completely available.

TIME LIKELY TO DIMINISH BALANCE-OF-PAYMENTS PROBLEM

In the third place, time is on our side, and it is likely that the balance-of-payments difficulty will diminish in magnitude as various self-correcting forces manifest themselves.

As the labor shortage in West Europe results in ever-higher wages and labor costs, any competitive advantage they have will become less. This was so 2 or 3 years ago. It becomes more obvious that, because of the shortage of labor, not only in Western Europe, but otherwise, their wages are rising much more rapidly than our wages are. Even in terms of inflation, real wages in those countries are rising much more rapidly than they are in this country.

Under those circumstances, as European wages go up, their standard of living will go up, with the result that there will be a growing market for the consumer durables produced in the United States, with at least a comparative advantage.

HIGH INTEREST RATES POOR SOLUTION

To the extent that there is a fundamental balance-of-payments problem, higher domestic interest rates are not the only, or even the obvious, solution. It is true that for the last several years we have had a balance-of-payments problem. It has been entirely planned by us and ordered by us, inasmuch as the basic reason for the balance-of-payments problem is that we have had a foreign aid program through which we have spent billions of dollars abroad and sent tens of thousands of American troops abroad. I have supported this. Most Members of Congress have. While the American people are far from unanimous, most Americans support it. It has been necessary. The Marshall plan and the Greek-Turkish aid programs were smashing successes. Such programs have obviously contributed to our balance-of-payments problem.

In addition, there are hundreds of thousands of Americans stationed abroad. Of course, this means we must export billions of dollars to support the American troops stationed abroad. Both of these elements are within our control. Both these elements we can diminish at will. Congress and the administration are working on both these elements. We are in a much more desirable position today to alleviate these conditions, because our allies are much stronger than they were and they can afford to carry a heavier burden of the security and the military obligations of the free world.

The outflow of long-term U.S. equity capital is determined by prospective higher rates of return on that equity capital, which are higher than any interest rates.

So the position of ownership capital, the possibility of profits, is likely to be far more decisive in terms of equity capital, which is the main investment abroad. When the Ford Motor Co. made its colossal investment in Britain recently, this was a real blow to our balance of payments. It was a fine thing for the British economy. In that instance the export of capital had nothing to do with interest rates.

Second: While the outflow of U.S. long-term capital for portfolio investment is affected by interest differentials, this cannot be reduced significantly without cutting exports from the United States. While some borrowed money might end up in being used for purchase of gold from the United States, this cannot continue in the long run.

Third: Sales of securities in this country by foreigners may not be cut by higher interest rates. Countries like Switzerland already have much lower rates than the United States. If the interest rate differential were the only concern, they would sell their securities in Switzerland instead of in the United States.

Since capital is more scarce in Europe than in the United States, one would expect the interest rates to be higher than in the United States. That is perfectly natural. Not only is the capital more scarce, but the risk is greater, on the basis of all the experience we have had. If the U.S. rates went up, it is possible that some differential would remain, with the result that European rates would go up again, with the result that we would be back where we started.

There is every incentive for other countries to increase their rates, and I think there is every likelihood that they will.

INTERNATIONAL BANKERS' PARADISE

Other solutions to any balance-of-payments problem would be better for the United States than raising the interest rates and following the tight-credit policy which imposes a contraction on the economy at the same time there is an overwhelming call for a tax cut, even though they would not be better for the foreign bankers.

It is not surprising that the Bank for International Settlements would suggest that the United States should raise its interest rates in order to lower its capital account deficit, instead of taking steps to increase its trade surplus. Their solution would contribute to a foreign bankers' paradise; they would make higher interest rates on the increased volume of loans to their own nationals resulting from the decline in competition from the United States in their own countries and in third markets, as the result of taking steps which would diminish or just maintain the present levels of U.S. investments abroad, and present trade surplus levels.

Noninflationary domestic expansion is good in itself, and would contribute to the solution of the balance-of-payments problem. Nothing such as higher interest rates should be done which would compromise the chances of this fundamental improvement occurring.

As I say, how best to secure this fundamental improvement is the principal economic problem we have. We can handle the balance-of-payments problem if we have to. We have many instruments to use. One has been suggested by a distinguished Senator—that we do what every other country has done, when it has had this kind of problem, that we pass a law to limit the amount of capital American speculators can invest abroad. Every country in the world except Switzerland and the United States has done so. There is no reason why we could not do it. Only a few hundred people are involved. Why should they have a benefit at the expense of 4 million unemployed? Why should we adopt a crippling economic program for them? This may be a last resort but it is available. European bankers do not practice restriction on own economies.

Furthermore, I stress the point that European bankers themselves do not believe in restrictive monetary policy. I can prove this on the basis of what was said in the 32d annual report of the Bank for International Settlements about monetary policy.

FRANCE

On page 64, these are the remarks with regard to France:

> In order to satisfy a strong private demand for liquidity and to avoid impeding economic growth, the monetary authorities followed a rather liberal credit policy in 1961. (At the same time, however, a number of steps were taken to prevent liquidity expansion from reaching such a scale as would threaten monetary equilibrium.)
>
> Capital issues in 1961 reached a new high of NF8.8 milliard compared with NF6.9 milliard in the preceding year. The significance of this total was enhanced by the fact that the Treasury, for the third consecutive year, did not place a loan on the market. Moreover, despite the large volume of issues, the effective yield on newly issued industrial obligations remained throughout the year at about 5.7 percent.

France is not following a policy of tight money. It is true that the interest rates in France may be higher than those in the United States, but they have traditionally been higher. France is following a policy of trying to expand the economy by a relatively easy monetary policy.

NETHERLANDS

The situation in regard to the Netherlands is reported on page 69:

> As another element of policy, the authorities intervened as necessary on the money market in order to keep short-term interest rates a low level and thus to encourage the banks to extend their liquid holdings and credits abroad. This would serve to check both the increase in official exchange reserves and domestic credit expansion. In fact, during the whole of 1961 and so far in 1962 money market rates have remained well below the official discount rate.

So the Netherlands, also, is following a relatively easy monetary policy.

ITALY

On page 72 of the report this is said about Italy:

> Thanks to the country's strong external position, the monetary authorities have been able since 1958 consistently to follow a liberal credit policy aimed at encouraging rapid economic growth.

In other words, Italy does not wish to cripple its own economic growth, but the international bankers say that the United States should do so.

I continue, with respect to Italy:

> With this object in view, the essential task of policy has been to insure that credit expansion, though proceeding swiftly, was orderly and smooth. Whereas in 1960 this had prompted action designed to sterilize a certain volume of excess liquidity, in 1961 and early 1962 the monetary authorities found it necessary to take positive measures to ease the pressures that converged on the credit institutions.

BELGIUM

The situation with respect to Belgium is set forth on page 74 of the report:

> The independence of the Congo and the competitive implications of the Common Market have intensified the needs to stimulate private investment and quicken economic growth. For monetary policy this has implied the desirability of a generally lower structure of interest rates and easier availability of capital, the main obstacles to which have been the Treasury's absorption of long-term funds for deficit-financing purposes and, in the 12 months up to August 1961, the precarious external balance. In stimulating private investment, therefore, much reliance continued to be placed on the granting by semipublic lending institutions of long-term credits at preferentially low interest rates.

Notwithstanding its difficulty in the Congo operation, Belgium is following an easy money policy.

WEST GERMANY

Let us take a look at a country pointed out as a model, as an ideal, a country which has done a great deal economically. Very often people say, "Why not follow the policy of West Germany?" Let us take a look at the West German policy. I read from this 32d annual report of the Bank for International Settlements:

> The reversal of credit policy initiated late in 1960 was essentially completed by the middle of 1961. From a level of 5 percent in November 1960 the Bundesbank's discount rate had been reduced in three steps to 3 percent by the following May. In order to stimulate the acquisition of foreign money market assets, the Bank's selling rate for domestic paper had been brought down even more sharply, that on 2- to 3-month treasury bills falling from 4¾ percent in October 1960 to 2¼ percent by the spring.

In other words, they are reaching the point of being below our level.

> Another key element of policy was the progressive reduction of reserve requirements. In the first half of 1961 the requirement as regards sight deposits, for instance, was lowered from 155 to 125 percent of the level obtaining in October 1959 when the credit squeeze was initiated. Altogether, these reductions provided the credit

> institutions with about DM2 milliard of additional liquidity.

In other words, Germany is following a policy of easier money and credit expansion, but it is said that the United States should follow a tight-money policy.

From pages 69 to 71 of the report, it is stated further in regard to Germany:

> In the capital market net new issues of bonds and shares jumped to DM5.9 milliard in the first half of the year, as against DM3.1 milliard in the comparable period of 1960. A growth in mortgage and local authority issues, taken up mostly by the credit institutions was largely responsible for this change. However, the rising trend of security prices also attracted DM1.3 milliard of foreign investment funds. Between October 1960 and July 1961 the average effective yield on new issues of fixed-interest securities fell from 6.4 to 5.4 percent.

They did not rise, but fell.

SWITZERLAND

Switzerland is regarded by many as another model country. This is what is said about Switzerland, on pages 75 and 76 of the report of the Bank for International Settlements:

> By rights the emergence of a large external deficit on current account, together with an increase in the outflow of long-term capital, should have brought the banks under considerable liquidity pressure in 1961. The effect of these changes was more than offset, however, by a large influx of funds from abroad, mostly consisting of short-term capital. The monetary authorities continued in 1961 with their basic policy of low interest rates, the object being to encourage the export of both the short- and of long-term capital. In addition, the 1960 gentleman's agreement with the banks, restricting the terms on which foreign deposits can be accepted, was renewed for another year as from August 1961.
>
> In the capital market net new issues jumped up from Sw.fcs. 2,220 to 3,110 million between 1960 and 1961. Long-term interest rates, however, showed little change, the yield on Government bonds fluctuating around 3 percent over the year.
>
> ### AUSTRIA
>
> Though broad in scope, the restrictive credit measures taken in March 1960 had more the effect of absorbing excess bank liquidity than of slowing down at once the record rate of credit expansion. By June 1961 the credit institutions' liquidity had reached a low point. This situation proved short lived, however, because their liquidity soon began to rise again in conjunction with a renewed inflow of gold and foreign exchange, together with a substantial redemption of bank-held Treasury bills. Thus, the total volume of commercial credits granted by these institutions increased over the year by Sch. 7.5 milliard, i.e, only just short of the big expansion in 1960.
>
> ### UNITED KINGDOM
>
> By the early spring of 1962 the economic climate had changed. The basic balance of payments had improved, there was a new influx of capital from abroad and domestic demand was picking up slowly. Against this background bank rate was brought down in two steps in March from 6 to 5 percent, and then again toward the end of April to 4½ percent. However, the yield on long-term securities, which at the end of 1961 stood at 6.45 percent was still high as 6.1 percent in May 1962.
>
> ### SWEDEN
>
> By the spring of 1962 the investment boom had lost some of its impetus and demand pressures had ceased. As an initial move toward easier credit, the Riksbank reduced its discount rate in early April from 5 to 4½ percent.

SUMMARY

In conclusion and in summary, in every one of these European countries leaders are not following a policy of tight money and high interest rates. They are following a policy of reducing their interest rates, expanding their economy, and helping their economy to grow. They are doing so, though in virtually every case they have no unemployment problem. America has an unemployment problem. We have the problem of vacant resources. The testimony before the Subcommittee on Economic Statistics of the Joint Economic Committee, of which I am chairman, indicated last month that we have great capital resources and factory resources that are unused. We not only have a problem of unemployed men but unemployed facilities. Yet the Federal Reserve Board insists on following a contracting policy, when throughout the country advocates of expansion are saying that we should expand by reducing the income tax and doing so at a time when we would guarantee a deeper deficit and a bigger national debt than we now have.

SYLVIA PORTER INDICATES HOW WE CAN SOLVE BALANCE OF PAYMENTS

Mr. President, I wish to comment briefly on an article entitled "Where Payments Are Unbalanced," written by Sylvia Porter, relating to the same problem in which she goes through our whole balance of payments problem and concludes as follows:

> At this late date, certainly, other nations in the free world can take over a much bigger share of the $5 billion burden we are carrying for defense and economic aid.
>
> We can raise our earnings from tourist spending within the United States. We ought to be able to export more goods.
>
> We need to balance our accounts so creditors won't deplete our gold and weaken the dollar.

Miss Porter, who incidentally is one of the advocates of a policy of big deficits and also high interest rates, has indicated ways in which we can solve our balance of payments problem without doing this.

Incidentally, only a few hours ago on the floor of the Senate the Senator from Washington [Mr. MAGNUSON] pointed out that we are having solid success in expanding to the extent of several hundred millions of dollars a year the money being spent in our country by foreign tourists who are traveling in our country. It is most encouraging and helps to contribute to a solution of our unfavorable balance-of-payment situation.

I ask unanimous consent that the article by Sylvia Porter be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHERE PAYMENTS ARE UNBALANCED

(By Sylvia Porter)

> If you're more than a hit-and-run reader of one of the top economic-financial news stories of our era, you know that our country has been running a big deficit in its balance of payments. Americans are spending more money abroad than they're earning abroad. As a result, foreign creditors have built massive claims against our shrinking gold reserve.
>
> Last year our balance-of-payments deficit came to almost $2.5 billion despite the fact that our exports of goods topped imports by more than $5 billion. To show where all the extra spending went, here is a breakdown of the 1961 payments deficit:
>
> Last year we sold more than $19.9 billion of goods to foreign buyers, bought more than $14.5 billion. That gave us a merchandise export surplus of almost $5.4 billion.
>
> Last year U.S. residents received as income on foreign investments more than $3.6 billion, while foreigners received in income on investments here only $871 million. That added a plus in our payments accounts of almost $2.8 billion.
>
> U.S. residents spent for such services abroad as tourism, transportation and insurance more than $4.7 billion, while foreigners spent for similar services here almost $4.4 billion. From here on, the picture darkens.
>
> We send abroad in military expenditures more than $2.9 billion, while our military receipts here were $406 million. This put a hefty nick in our payments balance of more than $2.5 billion.
>
> U.S. net private investments abroad—ranging from extension of credits to other areas to purchase of foreign physical properties—came to more than $3.9 billion, while net foreign private investments in the United States came to $577 million. The two categories are not precisely comparable, but they show a minus for us of close to $3.4 billion.
>
> Then there was the huge sum—$2.1 billion net—the U.S. Government transferred to foreign countries for economic and defense-support aid.
>
> There was the net $954 million our Government sent abroad in loans—direct loans to governments, loans via the Export-Import Bank, subscriptions to the Inter-American Development Bank, and similar transactions. Repayments on these loans were subtracted in arriving at this figure.
>
> There was the $643 million private U.S. sources sent to foreigners—for instance, gifts or money orders sent by an American to a member of his familiy living abroad.
>
> And there was the so-called "errors and omissions" category, a minus total of $616 million. Here would go outflows of "hot money" that were unrecorded, untraced sales of U.S. securities by foreigners.
>
> Add up the credits and they came to almost $28.9 billion in 1961. The more numerous debits exceeded $31.3 billion.
>
> This breakdown shows where the "leaks" are and indicates what can be done to plug them.
>
> At this late date, certainly, other nations in the free world can take over a much bigger share of the $5 billion burden we're carrying for defense and economic aid.
>
> We can raise our earnings from tourist spending within the United States. We ought to be able to export more goods.
>
> We need to balance our accounts so creditors won't deplete our gold and weaken the dollar.

ALSOP SAYS BALANCE OF PAYMENTS IMPROVING

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article by Joseph Alsop, which is most encouraging along the lines about which I have been speaking. Mr. Alsop indicates that the outlook is far better. I read the last paragraph of his article:

> Furthermore, the gloom of the businessmen will be unhappily justified if the general trade balance turns sour, and thus can-

cels the effect of the governmental cuts in dollar outflow. Yet the outlook is clearly far better than has been generally supposed.

Mr. President, I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Gold Situation Improves

(By Joseph Alsop)

On Tuesday afternoon, President Kennedy met at the White House with Secretary of the Treasury Dillon, Secretary of Defense McNamara, and Deputy Defense Secretary Roswell Gilpatric for a long bout of cheese paring.

The cheese to be pared was the one that most worries the U.S. business community and the banking fraternity all over the world—namely, the persistent deficit in the U.S. balance of payments, which has caused the United States heavy gold losses of recent years.

Much too little attention has been paid to the long, hard effort to shrink the payments deficit that began when President Kennedy took office. In particular, net defense spending overseas has already been heavily reduced, both by American economies and by arrangements for offsetting arms purchases in this country by the Germans and others.

To be specific, the rate of net dollar outflow for defense, which was $2.7 billion per annum in the last Eisenhower year, has already shrunk greatly and will drop to $1.6 billion per annum in 1963. At Tuesday's White House meeting, a target of $600 million of additional shrinkage was set, to be attained over a further period of 2 years. "It will be a painful target to reach," said one Defense official, "but we believe we can reach it—and without penalizing individual servicemen or their families."

Reaching the target will require spending some more defense dollars here in the United States in order to cut still further into dollar outflow abroad. Even so, what is being achieved is remarkable, and all the more so at a time when the increases of U.S. defense effort, both in Vietnam and in Europe, might have been expected to send the outflow of defense dollars soaring sky high.

All this is particularly interesting, moreover, because it suggests that the businessmen and the economists may eventually have to reexamine several of their current rubberstamp slogans, about the insurmountable "change in the U.S. world position," the hopelessness of the "fundamental payments deficit problem," and so on. The record suggests that rethinking may be in order rather soon.

To be specific, the payments deficit in the last Eisenhower year was $3.9 billion. In that year, the net military dollar outflow was $2.7 billion, and the net outflow for the foreign aid program was $1.3 billion. In other words, even in this worst year, the U.S. economy traded on even terms with the rest of the world, and the payments deficit was almost exactly equal to the sum in dollars spent overseas for defense and foreign aid.

In Mr. Kennedy's first year in office, the payments deficit dropped by over $1 billion, to just under $2.5 billion. But since cheese paring is a slow, long-term business, the outflow of defense dollars remained at a level of $2.6 billion, and the outflow for economic aid was unchanged at $1.3 billion.

This year, the improvement is very much more dramatic. The first quarter's payments deficit was $465 million; and the deficit for the second quarter will be under $200 million. By the end of this year, moreover, the rate of outflow of defense dollars will have dropped more than $1 billion per annum below the rate in the last Eisenhower year; and the rate of dollar outflow for foreign aid will also be reduced, it is hoped, by about $300 million.

Some of the reduction in this year's payments deficit has been achieved by one-shot operations, like advance repayment of earlier U.S. loans to Allied governments. Nonetheless, the total payments deficit has plainly shrunk in an important manner, judging by the figures in the first two quarters. This result has been partly attained by Government-sponsored dollar economies, resulting from such moves as the changes in the tourists' import allowances. Simultaneously with the shrinkage in the overall payments deficit, there is a massive shrinkage in the rate of dollar outflow to pay for Government activities overseas. The payments deficit, therefore, is dwindling toward a balance.

This is just the result that Secretary of the Treasury Dillon has been stoutly predicting for 1963, despite the gloom that prevails in the business community. Maybe the gloom has not been altogether unconstructive. The President has certainly renewed his attack on the problem of the payments deficit with extra vigor, since he began to consult business leaders like Robert A. Lovett, John J. McCloy, and David Rockefeller.

Furthermore, the gloom of the businessmen will be unhappily justified if the general trade balance turns sour, and thus cancels the effect of the governmental cuts in dollar outflow. Yet the outlook is clearly far better than has been generally supposed.

PROXMIRE CALL FOR MONETARY POLICY INVESTIGATION

Mr. PROXMIRE. Today I wrote a letter to the chairman of the Joint Economic Committee, Mr. Patman, in which I asked that the Joint Economic Committee hold hearings to which would be called Chairman Martin, Secretary Dillon, and Chairman Heller to find out why for the first time in the history of our Nation, this strange, weird, and contradictory policy is being conducted. I earnestly hope that the Joint Economic Committee will look into the problem. If there was ever a time when Congress had an obligation to investigate the economic policies of our Government, it is now. If we do not act now, we shall be confronted with a situation in which we shall be asked to carry a heavier burden of national debt and in which we will have higher interest rates, following policies that seem to be totally contradictory and need to be justified and explained. The country and the Congress ought to know about it. The best way, I say, to determine the answer to those questions is before the Joint Economic Committee, which is established for that purpose.

I ask unanimous consent that my letter to Mr. Patman be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 9, 1962.

Hon. Wright Patman,
Chairman, Joint Economic Committee, Congress of the United States, Washington, D.C.

Dear Mr. Chairman: Present monetary policies are drastically reducing the free reserves of our banking system and sharply increasing interest rates.

The restrictive effect on the economy is sure to diminish business opportunities, increase unemployment, and slow economic growth. Monetary policies are having these adverse effects at a time when unemployment remains steadily high and the economy is operating well below capacity.

Thus the consequences of present monetary policies directly contradict the objective of our Government as expressed by Congress in the Employment Act of 1946.

For these reasons I am writing to suggest for your consideration that the Joint Economic Committee hold hearings on monetary policies to hear Chairman Martin of the Federal Reserve Board, Secretary of the Treasury Dillon, Chairman Heller of the Council of Economic Advisors and others. In view of the great significance of these hearings I hope that they can be set as soon as possible, preferably within the next week or two.

During the month of June while unemployment continued at the same high level of 5½ percent (seasonally adjusted) that has prevailed since February, the FED followed a restrictive policy of selling Federal obligations that contributed directly to a reduction of free reserves in the banking system from roughly $500 million down to about $300 million.

Meanwhile, interest rates on Federal, State, local and private obligations of all maturities rose sharply. Ninety-day Treasury bills rose to a 2-year high.

At the very time these restrictive monetary policies were being followed, the United States Chamber of Commerce, the AFL–CIO and the National Conference of Governors have all endorsed proposals for a substantial tax cut to get the economy moving. At his press conference this week President Kennedy also indicated the possibility that he might favor a big tax reduction.

It appears therefore that the Congress may be on the verge of a tax cut to stimulate the economy. If a tax cut were enacted and monetary authorities refused to change their present restrictive policies, this would perhaps be the first time in the Nation's history when the two great instruments of economic policy in our Nation were deliberately and simultaneously set off in opposite directions.

The results might be an expansion of the economy if the tax cut proves a more potent instrument than contracting credit policies, but any expansion would be dragging an anchor of credit restraint. Or it might very well be that the aggregate effect of these two Government policies might be to shove the economy downhill if the credit restraint proved more potent than a tax cut.

In any event the adoption of both a restrictive credit policy and an expansionary fiscal policy at the same time would seem to be the height of absurdity with the only sure consequences higher interest rates, a bigger national debt and a greater eventual burden on the taxpayer.

In the event taxes are not cut it is of course even more important that the present restrictive monetary policies be reconsidered so that the economy can move off dead center and start moving ahead.

Sincerely,

William Proxmire,
U.S. Senator.

Senator William Proxmire, Democrat, of Wisconsin, Monday called for immediate hearings by the Joint Economic Committee to determine "why the monetary authorities are slamming the credit brakes on the economy when unemployment remains so high that business and labor are both calling for a tax cut."

Senator Proxmire, a member of the committee, wrote Chairman Wright Patman urging that "in view of the great significance of these hearings, they be set as soon as possible—preferably within the next week or two."

The Senator from Wisconsin charged that the "restrictive monetary policies" of the

Federal Reserve system "are drastically reducing the free reserves of our banking system and sharply increasing interest rates. The restrictive effect on the economy is sure to diminish business opportunities, increase unemployment, and slow economic growth."

Referring to proposals that taxes be cut to stimulate the economy at a time when Federal Reserve policies are restricting the economy, PROXMIRE said "it would perhaps be the first time in the Nation's history when the two great instruments of economic policy were deliberately and simultaneously set off in opposite directions.

"The results might be an expansion of the economy if the tax cut proves a more potent instrument than contracting credit policies—but any expansion would be dragging an anchor of credit restraint. Or it might very well be that the aggregate effect of these two Government policies might be to shove the economy downhill if the credit restraint proved more potent than a tax cut."

He warned that the adoption of both policies at the same time "would seem to be the height of absurdity with the only sure consequences being higher interest rates, a bigger national debt and a greater eventual burden on the taxpayer."

M'NAMARA'S GREAT JOB IN SAVINGS OF $3 BILLION BY DEPARTMENT OF DEFENSE

Mr. PROXMIRE. Mr. President, yesterday a lead article entitled "McNamara Plans $3 Billion A Year Arms Savings," appeared in the New York Times. I want to say as the one Senator who rose in support of President Eisenhower's recent remarks on the possibility of saving money in our defense budget that I think the McNamara statement tends to confirm what President Eisenhower said.

The Senator from Missouri [Mr. SYMINGTON] and I requested President Eisenhower to say specifically where he would cut the defense budget.

I have tried to propose cuts in the defense budget by the elimination of an aircraft carrier, which in the long run would save $1 billion in cutting back the defense budget, and with a savings of hundreds of millions that would result by following the Secretary's instead of the Senate's recommendation with respect to the B–70's.

But there are other ways, too. The Senate should recognize what the Secretary of Defense has done. The Secretary of Defense has pointed out that by greater efficiency—not by reducing any weapon, or the size or strength of our Armed Forces—but by greater vigor and efficiency in administration we can save $3 billion. The Secretary has some very interesting suggestions on exactly how that could be done and how he proposes to do it. I think that the story is one of the most significant stories from the standpoint of economy that our country has had. If we are to have any real economy in our Government, we cannot have it by saying that defense is a sacred cow, an economy untouchable.

If we forget about defense, we forgot about more than half of our budget. We can do little or nothing to reduce interest on the national debt.

There are other obligations such as veterans' pensions, which cannot be reduced. No one proposes to reduce them. It would be a violation of at least an implied contract if we did so. But defense is an area in which expenses can be reduced.

The great difficulty is that somewhere, somehow, its seems a little unpatriotic or politically foolish for anyone to step in and say we can and should cut the size of our defense budget where we can do so, and to point out specifically how. Secretary McNamara has been praised before. But I wish once more to praise him and say that it is a magnificent contribution that he is making, not only to the strength of our economy in providing for a more economic defense, but also in terms of providing more efficient, tighter, harder, tougher military forces.

We fail to recognize that when we talk about economy we are not only talking about money, but also the allocation of precious resources; and if our limited supply of engineers, scientists, and other personnel is to be misapplied so that we waste this limited talent in our defense effort, we shall have a weaker national defense than we would have if we would organize it as tightly, efficiently, and economically as the Secretary of Defense indicates he intends to do.

I ask unanimous consent that an article relating to the McNamara proposal be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCNAMARA PLANS $3 BILLION A YEAR IN ARMS SAVINGS

WASHINGTON, July 7.—Secretary of Defense Robert S. McNamara predicted today that a cost reduction program of the Defense Department would lead to eventual savings of $3 billion a year in military spending.

The savings will be achieved, he said, through more efficient management, elimination of red tape and more competition in military procurement.

Mr. McNamara said that as a result of steps already taken, savings totaling $750 million had been achieved and predicted that within 5 years these economies would amount to at least $3 billion a year. These savings, he said, will be achieved "without impairing operational effectiveness" or a reducing the strength of the combat forces.

McNamara submitted the economy claim in a memorandum to the President outlining what the Defense Department had done in the last year and a half under his leadership to cut the cost of supplying and supporting the military forces. About 70 percent of the defense budget goes into these two broad functions, known as defense procurement and logistics.

PENTAGON BRIEFING

The memorandum was submitted to the President on Thursday and made public today, at the direction of the White House, after a Pentagon briefing at which charts and diagrams were presented to document the economy claims.

The White House also supplied a Presidential statement congratulating Secretary McNamara and his staff on the "good start" they had made toward providing "the American people with the most solid type of national defense with a minimum of waste."

President Kennedy said he found it "particularly encouraging" that "economies in defense procurement and logistics can be achieved without impairing operations effectiveness."

SEVEN BILLION INCREASE

Mr. McNamara said the savings, as they materialize, would be "reflected" in the military budgets, beginning in the current fiscal year. But at the Pentagon briefing he steered clear of predicting that the savings would necessarily result in reductions in the defense budget. Rather, he said, the savings might go into increasing the strength and effectiveness of the military forces.

Defense spending of the Kennedy administration has increased from the $42,910 million proposed in the final Eisenhower budget for fiscal year ended June 30, 1962, to $48,300 million in the current fiscal year, which has the highest peacetime military budget. The trend is still upward, for McNamara said he could predict "nothing but a substantial increase" over the next 2 years.

The economy claims and the methods by which the savings are being achieved were similar to those issued by Secretary of Defense Charles E. Wilson in the early days of the Eisenhower administration.

In its first 2 years in office, the Eisenhower administration, partly on the basis of claimed economies, attempted to cut the military budget, but subsequently found it increasing every year.

Mr. McNamara acknowledged that many of the economy measures were not new with his administration of the Pentagon. But, standing behind a lectern with a pointer stick for the charts, he insisted in his brisk fashion that cost reduction had never received as much "pressure, push or emphasis" as now.

Mr. McNamara, a former president of the Ford Motor Co., said the savings were being achieved in three ways: buying only what is needed to achieve balanced readiness, buying at the lowest sound price, and reducing operating costs through integration and standardization.

REALISTIC INVENTORIES

Under the category of "buy only what we need," Mr. McNamara said steps were being taken to set inventory requirements at "realistic levels" and to use existing inventories "more efficiently." "By reevaluating inventory levels," he said, "we were able to cancel the procurement of $150 million worth of spare parts in the last fiscal year."

Furthermore, he said, step were being taken to use the surplus stocks of one military service to meet the needs of another. For example, the Air Force was recently able to use 328 silver-coated roller bearings costing $79 each, which were listed as surplus in Navy inventories.

As another step toward "buying only what we need," Mr. McNamara said the Defense Department was eliminating "goldplating," or overdesign, in setting the specifications for military items. As an example of the cost reductions possible through "value engineering," he cited the substitution of a $2 turbine wheel molded from plastic for a $175 wheel machined from stainless steel.

Mr. McNamara said the objective of "buying at the lowest sound price" was being achieved by seeking greater price competition in awarding defense contracts, thus reversing the trend toward reliance on "single source procurement." In the year ended last March 31, the Department was able to convert $650 million in purchases from a sole source to a competitive basis.

Defense studies show, he said, that each dollar spent competitively buys at least 25 percent more than when spent with a single supplier.

Reducing operating costs through "integration and standardization" includes eliminating unnecessary overhead at bases and installations and closing or reducing bases no longer needed, standardizing the "massive paperwork" associated with procurement, and managing "more efficiently" the supply and service activities through creation of such agencies as the Defense Supply Agency and the Defense Communications Agency.

Mr. McNamara estimated that actions already taken "to manage more efficiently our supply and service activities" would result in economies exceeding $100 million in the current fiscal year and predicted that in the next 5 years the savings should exceed $400 million a year.

FANTASTIC WASTE IN DEPOT'S PURCHASES OF TEXTILES

Mr. PROXMIRE. Mr. President, a very fine editorial appeared in yesterday's Washington Star entitled "Sloppy Spending," in which it was pointed out that the General Accounting Office, in an audit of a military depot at Philadelphia, found a stock of $1.1 billion of uniforms and other textile items, of which it says more than $467 million worth is wholly in excess of needs. The writer of the editorial warmly praises the distinguished Senator from Delaware [Mr. WILLIAMS] for his fine work in calling the subject to the attention of Congress.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SLOPPY SPENDING

The General Accounting Office, in an audit of a military depot at Philadelphia, found a stock of $1.1 billion worth of uniforms and other textile items, of which it says more than $467 million worth is wholly in excess of needs. At another supply installation, it found that the Navy spent millions in "unnecessary" purchases of aviation equipment because central records did not accurately show large stocks already on hand.

Presumably, although we have no way of knowing it to be a fact, these purchases might ultimately be utilized. But certainly, as Senator WILLIAMS of Delaware has charged in calling the GAO reports to Congress' attention, they are examples of loose and irresponsible spending. Indeed, he might well be right when he says that if the Kennedy administration wants to cut taxes, "all it has to do is squeeze the waste out of our present budget." Senator WILLIAMS, and commendably so, has made it something of a personal campaign to ferret out and condemn wasteful practices in military procurement. The depressing thing is that his disclosures seem to cause hardly a ripple in either Congress or the Pentagon. Have we really reached the stage that half a billion dollars spent needlessly is nothing to worry about?

ADJOURNMENT

Mr. PROXMIRE. Mr. President, in accordance with the unanimous-consent agreement previously entered, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 40 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, July 10, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 9, 1962:

IN THE ARMY

The following-named officers to be placed on the retired list in the grades indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Clark Louis Ruffner, O15068, Army of the United States (major general, U.S. Army).

To be lieutenant general

Lt. Gen. William Peirce Ennis, Jr., O16436, Army of the United States (major general, U.S. Army).

HOUSE OF REPRESENTATIVES

MONDAY, JULY 9, 1962

The House met at 12 o'clock noon.

The Right Reverend Monsignor Leo J. Martin, pastor, Our Lady Star of the Sea Church, Bayonne, N.J., offered the following prayer:

Almighty and most benevolent God, the plans of whose divine providence rest upon wisdom and love for the welfare of nations and peoples, look down with paternal kindness and goodness on this august assemblage of our Nation's rulers. Not by earthbound wisdom, but with the light of Thy infinite knowledge direct their minds, and strengthen with fortitude their deliberations; for upon them rests the welfare and security of those over whom they rule, and to whose good they are committed.

Enlighten and bless with prudence and justice each Member of this assemblage. May they, by Thy help, faithfully keep the stewardship entrusted to them; so that through them in the faithful discharge of their office, our Nation and its people will continue to be blessed in the order of nature and of grace by Thee, who art in truth nature's God and the source of all strength. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, July 5, 1962, was read and approved.

RECEIPT OF MESSAGE FROM THE SENATE

The SPEAKER laid before the House the following communication:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to authority granted on July 5, 1962, the Clerk received from the Secretary of the Senate today the following message:

"That the Senate agree to the amendment of the House of Representatives to the bill (S. 1264) entitled 'An act for the relief of Capt. Dale Frazier';

"That the Senate has passed Senate Concurrent Resolution 83 requesting the return of, and providing for the reenrollment of, S. 3350, to amend the District of Columbia Hospital Center Act;

"That the Senate passed with amendments the bill (H.R. 8050) entitled 'An act to amend the act relating to the importation of adult honeybees'; and

"That the Senate disagree to the amendment of the House of Representatives to the bill (S. 2970) entitled 'An act to amend the Small Business Act' and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon.

"That Mr. PROXMIRE, Mr. ROBERTSON, Mr. SPARKMAN, Mr. DOUGLAS, Mr. LONG of Missouri, Mrs. NEUBERGER, Mr. BEALL, Mr. BENNETT, Mr. JAVITS, and Mr. TOWER be the conferees on the part of the Senate."

Respectfully yours,
RALPH R. ROBERTS,
Clerk of the House of Representatives.

PERMISSION TO SIT DURING GENERAL DEBATE THIS AFTERNOON

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on National Parks of the Committee on Interior and Insular Affairs may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AMENDING SMALL BUSINESS ACT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2970) to amend the Small Business Act, with House amendments, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

The Chair hears none and appoints the following conferees: Messrs. PATMAN, RAINS, MULTER, BARRETT, MCDONOUGH, WIDNALL, and DERWINSKI.

PRIMARY ELECTION BILL

Mr. DENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DENTON. Mr. Speaker, I have today introduced legislation which would provide that all primary elections for Members of Congress be held at the same time. The date I fixed in my bill is the first Tuesday after the first Monday in May, and if there is a runoff primary, the date would be the first Tuesday after the first Monday in June. Possibly, other dates would be more satisfactory, but I selected the date on which many of the State primaries are held.

There are 58 primary and runoff primary elections in 48 States held on 31 different dates. It is absolutely essential, of course, that the Members of Congress be present to vote in these primaries and by agreement in the House, it is generally provided that there will be no rollcalls on the day of these primary elections. Generally, the Monday preceding Tuesday is also included in this agreement when the election is held on Tuesday. This means that so far this year there were 17 days on which there could be no rollcalls, and there are 14 on which primary elections are yet to be held.

Furthermore, Members are required to participate in their primaries when they have a contest, because if they don't, they will not represent their constituents. All in all, I think it would be extremely advantageous if we could have all primaries on the same day.

Congress, by statute, has fixed the date for the general election of Members of Congress. While the time, place, and manner of holding elections for Representatives is prescribed by the States, Congress may at any time by law, make or alter such regulations, as provided in section 4 of article I of the Constitution. It was held in the case of *U.S.* v. *Classic*, 313 U.S. 299, that this section applied to primary elections.

TAX REDUCTION

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, there has been a great deal of talk about tax reduction, and some emphasis has been placed upon a statement of the U.S. Chamber of Commerce. I am very happy that the U.S. Chamber of Commerce has clarified its position by pointing out also a request that Federal expenditures be cut.

I think we are kidding the public when we talk about reductions in taxes to stimulate the economy in the context of an unbalanced budget and further deficit financing. This will only result in the public and the consumers paying the bill through inflation. Inflationary forces come through in increased prices of various commodities or in increased unemployment under the discipline of foreign competition.

Mr. Speaker, we have to balance the budget, and this is no myth and never has been a myth.

MISLEADING FOREIGN-AID PROPAGANDA

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I have repeatedly objected to the intense, deliberately misleading propaganda barrage which the State Department and its agencies carry on in pressuring the Congress for legislative approval of foreign aid and their favorite global schemes.

Last week Members of Congress received a release from the Agency for International Development, reminding them of the funds spent in their home State under various parts of the program. The rather broad implication was that we should continue supporting foreign aid since it was profitable to our State and local communities. In the specific release that I received, directed to Illinois Members of the House, we were told that Illinois received $121.2 million in U.S. foreign assistance business during the last 8 years, out of a total of $4.43 billion spent during this same period.

The facts neglected in the AID release were that the funds spent were first collected in taxes from our citizens, and the net result of the foreign-aid program is to export our dollars abroad.

In the case of Illinois, using the figures supplied by the Department of State, Illinois taxpayers would have provided $317 million in taxes to receive the $121.2 million in return.

When an appeal for funds is aimed at selfish interests, it is self-defeating, since the figures prove the fallacy of foreign-aid spending in this respect.

However, Mr. Speaker, the main issue is not the dollars-and-cents figures spent in each State, but the much broader question of the cost, value received, long-range benefits to our Nation and its citizens, as related to the entire program. All practical methods of reviewing the various foreign-aid programs over the years have revealed far more in waste than practical use of funds, many more failures than accomplishments. The program has harmed rather than helped the economies of many nations and has adversely affected the economic status of the United States.

CALL OF THE HOUSE

Mr. ADAIR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 147]

Addabbo
Alford
Andersen, Minn.
Andrews
Anfuso
Bailey
Baker
Barrett
Barry
Bass, N.H.
Bennett, Mich.
Betts
Blatnik
Blitch
Boggs
Bolling
Bonner
Boykin
Brademas
Bromwell
Broyhill
Buckley
Byrnes, Wis.
Cahill
Carey
Celler
Chelf
Church
Coad
Colmer
Cook
Cooley
Corman
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Donohue
Dooley
Farbstein
Fino
Flood
Fogarty
Fountain
Frazier
Friedel
Giaimo
Gilbert
Glenn
Granahan
Green, Pa.
Griffin
Hall
Harding
Harrison, Va.
Harrison, Wyo.
Hays
Healey
Hébert
Hechler
Hoffman, Ill.
Hoffman, Mich.
Horan
Ichord, Mo.
Jennings
Jones, Mo.
Keogh
Kilburn
King, Utah
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Laird
Landrum
Lesinski
Libonati
McCulloch
McSween
Macdonald
Martin, Mass.
Merrow
Miller, George P.
Miller, N.Y.
Minshall
Moorhead, Pa.
Morrison
Multer
Nix
O'Neill
Osmers
Peterson
Philbin
Pike
Powell
Price
Purcell
Rains
Randall
Reece
Riehlman
Riley
Rivers, Alaska
Roberts, Ala.
Robison
Rogers, Tex.
Rosenthal
Rostenkowski
Saund
Scranton
Shelley
Shipley
Smith, Miss.
Spence
Stratton
Taber
Teague, Tex.
Thompson, La.
Thornberry
Tuck
Utt
Vanik
Van Zandt
Wallhauser
Whalley
Whitten
Wickersham
Willis
Wilson, Calif.
Wilson, Ind.
Wright

The SPEAKER. Three hundred and four Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ASSISTANCE ACT OF 1962

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 689 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, and all points of order against section 253 of said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments hereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 11921, it shall be in order in the House to take from the Speaker's table the bill S. 2996 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11921 as passed by the House.

The SPEAKER. The gentleman from Virginia is recognized for 1 hour.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and yield myself such time as I may consume.

The SPEAKER. The gentleman from Virginia is recognized.

Mr. SMITH of Virginia. Mr. Speaker, this resolution makes in order the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The resolution waives points of order against section 253. It provides for 5 hours of general debate; and I am glad to report that it is an open rule, making the bill subject to amendment.

Mr. Speaker, I have no requests for time on this side.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. GROSS. I am glad to see that the Rules Committee is still in business. I thought for a time that it had been compelled to abdicate its functions. I am glad to see that this is an open rule for change.

I wonder if the gentleman can tell me what point of order might be raised against section 253? What reason was given for that?

Mr. SMITH of Virginia. Because the Parliamentarian thought it might be subject to a point of order and we wanted to give the House an opportunity to consider it.

I am glad to reassure the gentleman from Iowa that the Rules Committee is still in being and doing business at the same old stand.

Mr. GROSS. Perhaps, then, this business of loading us up with suspensions can be dispensed with, if the Rules Committee is still in business, and the House be allowed to work its will on legislation.

Mr. SMITH of Virginia. We will be glad to entertain any suggestion anyone wants to make.

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Speaker, House Resolution 689 provides for the consideration of H.R. 11921, a bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes. This legislation, in my opinion, is of the most vital importance to this Nation, for it continues to provide a critical weapon with which our policymakers hurl back, without resort to massive force, Communist efforts to expand the realm where totalitarianism holds sway. This resolution provides for an open rule, waiving points of order, with 5 hours of general debate.

The proposed bill is essentially an extension of last year's authorization act which constituted a complete revision of the basic legislation governing the provision of U.S. economic and military assistance to foreign countries. It contains four parts, the first two of which are designated as acts, each bearing a short title.

Part I, to be cited as the "Act for International Development of 1961," provides the authorization for programs of economic assistance to other nations.

Part II, with the short title "International Peace and Security Act of 1961," authorizes military assistance to foreign countries.

Parts III and IV do not bear short titles and include a variety of general, administrative, and miscellaneous provisions applicable to the foreign assistance program generally, including parts I and II.

The entire bill is designated the "Foreign Assistance Act of 1962."

Perhaps its most significant addition to the existing corpus of foreign assistance legislation is the creation within part I of a new "Title VI: The Alliance for Progress." It provides new authority for furnishing economic development assistance to Latin America by authorizing the appropriation of $2.4 billion over the 4 fiscal years 1963 to 1966, with no more than $600 million to be appropriated in any 1 year. Assistance given under this title must meet the same criteria that are applicable to development loans and grants in the rest of the act, and must also conform to the principles of the Act of Bogota and the Charter of Punta del Este.

The bill's multiyear authorization for the alliance is regarded as an extremely important means for persuading the Latin American countries to continue at an accelerating pace to implement the principles of self-help and social and economic reform which lie at the heart of the Alliance for Progress. As you know, needed self-help measures and reforms are being vigorously, sometimes violently, opposed by a bizarre combination of traditionalist and Castroite-Communist elements. Therefore, if governments are to undertake the very immediate and substantial risks inherent in a real program of reform, they must be assured of continued, long-range support from the United States. They must have confidence, for example, that if a land-reform program is initiated, they can obtain the capital to finance agricultural extension services, farm loans on reasonable terms, and the other devices that are the essential companions of an effective land-reform program. If, after initiating a program of redistribution or colonization, the whole project is aborted by an inability to provide ancillary services, the government concerned, as well as the farmers, may well be in a far worse position than before the effort was made. So to me it seems only fair that if we are going to ask these governments to assume the political—and in some cases the actual physical—risks of reform, this House should go on record as being determined to back them up. I want to add, however, that this multiyear authorization does not amount to any kind of blank check to the executive branch. Far from it, since the program will still require an annual appropriation.

Other major funding categories for which new obligational authority is provided by this bill include development grants—$300 million compared with the executive branch request of $335 million—supporting assistance—$440 million compared with the executive branch request of $481.5 million, and the contingency fund—$275 million compared with the executive branch request of $400 million.

It has become rather trite to say that the past year has been a year of transition for our economic aid programs; but like many trite expressions, it is true. What also is true is that the assistance program which has been evolving appears to follow the guidelines we laid down in last year's bill and the committee report and the debate which preceded its passage. As you recall, we were particularly concerned about three things: Improved administration; increased self-help; and the necessity of both increasing economic aid from other free world sources and effectively coordinating such aid with our own. I think there has been encouraging progress in all three areas.

In the area of administration, we note first that the new agency created to administer the program, AID, has obtained as its No. 1 man a lawyer, Fowler Hamilton, who has had a very great deal of experience with the problems of foreign investment and doing business abroad. Perhaps of the greatest significance in the long run—not merely because administrators come and go but because a complex program like this requires considerable decentralization of authority—is the success of Mr. Hamilton's campaign to recruit businessmen of proven capabilities, and often with foreign investment or operations experience, to head our missions out in the field.

A second step forward in the administrative area has been the organization of AID into four geographic units each headed by an Assistant Administrator. This has resulted in both a pinpointing of responsibility and a significant delegation of operating responsibility. This change should, in conjunction with improved manpower in the field, produce more rapid program implementation.

Turning to self-help, it appears that at last our continued admonitions that we cannot develop countries that refuse to help themselves are beginning to bear fruit. To begin with, an increasing number of our AID recipients are—with the encouragement and assistance of AID—producing carefully considered national plans which establish priorities and provide real development roadmaps. These plans assure that our funds and their funds and the contributions of other countries are intelligently coordinated, and they indicate whether or not the recipient country is genuinely dedicated to development. Moreover, they provide us with a yardstick for measuring achievement.

In the realm of social and economic reform, a significant number of the underdeveloped countries have begun to chip away at ancient encrustations of inequity. Despite armed insurrection, political quixotism, Castro-Communist propaganda, and the rigidity bordering on rigor mortis of some vested interests, the responsible advocates of reform have pushed ahead. Although in comparison to what is required these first steps seem small, in contrast to the immobility of past centuries they often appear giant sized.

Passing finally to the necessity for encouraging aid from other prosperous free world countries, it is highly gratifying to note that our strenuous efforts in this area are proving quite successful. Gross official aid disbursements from the other OECD countries and Japan increased 90 percent from $1 billion in 1956 to $1.9 billion in 1960. It is estimated that the upward trend continued into 1961, though final figures are not yet available. It is inaccurate to suggest, as some have, that this merely reflects increased prosperity, for foreign aid has also risen as a percent of gross national product, from 0.36 percent in 1956 to 0.53 percent in 1960; during the same period U.S. disbursements increased only from 0.51 percent to 0.59 percent. While this still leaves us ahead of our industrial competitors taken as a group, we are far from leading the pack, since France spends 1.59 percent of her gross national product on foreign assistance and a major portion of that assistance is in the form of grants.

Of course, these and many other matters have been examined with great diligence and in great detail by the Foreign Affairs Committee and its distinguished chairman, who along with various members of his committee will shortly seek to answer the variety of questions I am sure most of us have. I think that the chairman and his committee are to be commended for the care and effort which are so clearly reflected in their report.

This legislation which we are about to debate, while in part an expression of our Nation's deeply rooted humanitarian instincts, is primarily the product of a hard-nosed appraisal of the most effective means for preserving our basic national security interests. That is why it has received consistent support on both sides of the aisle. Like most of you, I have supported foreign aid legislation because, if one thing is clear, it is that the cost to the taxpayer of foreign aid is negligible compared to the economic and human costs of maintaining the U.S. troops that would be required around the globe to maintain non-Communist governments in power if those governments were unable to lead their people to a higher standard of living. It is also negligible compared to the peril of losing the vast populations and resources of the underdeveloped countries to the Communist bloc.

Sometimes, the burdens of free world leadership weigh heavily on us. We are engaged in a desperate struggle with a powerful and clever enemy that pursues its vicious objectives in a multitude of forms. Wise enough to avoid a major war with the most powerful country in the world—the United States—the Reds seek victory through trade, aid, and subversion. Because we are thus not engaged in a struggle that assumes the traditional form of massive armies locked in mortal combat, it has been more difficult for the American people to comprehend the urgency of the programs we have legislated which are designed to counter this protean threat. But though it has been difficult, the vast majority of Americans have, with amazing quickness, come to appreciate the importance of these complex programs, like foreign aid, with which we are giving the Commies a bout of competition they are finding pretty painful.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution, as the chairman of the Rules Committee, the gentleman from Virginia [Mr. SMITH], has stated, makes in order the consideration of the annual foreign aid authorization bill, H.R. 11921, under an open rule, with 5 hours of general debate, following which, of course, there will be the usual reading of the bill and amendments will be in order for consideration under the 5-minute rule.

This is the same old story, as I said a moment ago, that we have heard year after year in this House, that we must spend a great many billions of dollars to give assistance and aid, in one form or another, to practically all of the nations, governments, and peoples of the world, with a limited few exceptions.

Throughout the years I have been a Member of Congress, since these foreign aid programs were first instituted, we have been told annually if we would just adopt this particular piece of legislation, this particular foreign aid program, our problems in the world would be solved, we would soon be at peace with all the nations of the world, that our international troubles would be over; that prosperity would sweep the continents of this old world of ours, and everything would be all sweetness, light, happiness, and contentment.

We have spent, as I recall, something better than $90 billion of American taxpayer funds in giving help and assistance to the peoples and the governments of other lands and other nations since 1946, or after the end of World War II. That, of course, does not include the billions we have spent and given away in that great holocaust called World War II.

Yet, despite the fact we have spent these many billions, better than $90 billion, every dollar of which has been borrowed at one time or another and is a part of the huge national debt we now owe, which required this House, by a bare or slight margin to recently vote for legislation to increase our national debt limit to $308 billion, we have fewer friends around the world today than when we started on these programs 16 years ago.

Mr. Speaker, I have been convinced there has been untold waste and extravagance in connection with the administration of our foreign aid programs. In fact, practically everyone, every committee of this Congress, and every Member of this House who has investigated, on the scene in foreign countries the use of our foreign aid funds, and the expenditures made under our foreign aid programs, have come back with reports they have found great and intolerable waste and extravagance; that the administration of these aid programs has been very poor, that we have gained but little benefit from them.

There will be many issues here today as to just what we should do. There will be the question before the House, undoubtedly, as we proceed in this debate, as to whether or not we should continue something that many of us believe is wrong; that is, furnishing aid, either military or economic—in many instances in the past it has been military aid—or even food and other substances that would help strengthen the economy of various countries, nations, and peoples who are controlled and dominated by communism, and are actually Communist states, Communist nations, and Communist peoples.

Of course our hearts bleed for those who may be hungry, for those who may need our help; yet I want to point out, if I may, that there has never been, in all human history, any nation, any government, or any people as generous to others as have been the United States of America and our own American people. No other nation, no other people, have ever done as much for others as we have done for the peoples and nations of other lands.

And then, of course, we will have other questions arise. What about some of the so-called neutralist nations? I was rather amazed and startled the other day when I read a statement by Prime Minister Nehru of India—the man who has always talked about how he believes in peace, and how we must live in peace and must understand each other, and yet whose government, by force, invaded the little enclave of Goa, a Portuguese possession, and took it by force of arms, directly contrary to everything he had preached throughout the years. This was from the head of a country to whom we have given billions of dollars, not millions but billions upon billions of dollars, in foreign aid and assistance—attacking the United States in a speech before the Parliament of India, in which he said this country was "anti-Indian," because our Ambassador to the United Nations, along with other representatives of other member nations of the U.N., had criticized the action of India and Nehru in the attack on Goa. And, of course, Nehru criticized also our questioning of his purchase of military planes from Russia; our questioning of some of the activities of the Indian Government against Pakistan and against Kashmir. Yet, this man and his government never once have stood with the United States and the free world against the actions of the Communist world whenever an issue was joined in the United Nations. India has always voted with the Communist bloc or has abstained from voting. The same thing is true of Indonesia. I could give you many other similar illustrations of the way our generosity has not been returned in kind, at least, by many of these nations that claim to be neutrals, but actually have not been in fact.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BROWN. Briefly.

Mr. RIVERS of South Carolina. I have searched the Congressional Library and the CONGRESSIONAL RECORD, every periodical I could find, and there is no instance on record when Nehru or his hatchetman, Menon, have ever said a kind word for America or have voted with us in the Tower of Babel, the United Nations. They have never been on our side. We have already given them $3 billion. They are not neutral. They are against America, plain and simple. If you want to help somebody, we ought to help little Pakistan.

Mr. BROWN. I thank the gentleman. I think he is eminently correct, except I believe, if he checks on some of the other things given to India, that the total will run to about $5 billion.

So, Mr. Speaker, I am hoping that when we go into general debate careful attention will be given to the many problems that confront us in connection with this foreign aid authorization bill. It is my opinion, and I believe it is the view of the average American citizen, the time has come to wean some of these nations who have been taking of our substance throughout the years and returning nothing in the way of friendship or support for the ideals of the free world, and the objective of the United States to attain peace in this world.

Mr. Speaker, I yield to the gentleman from Kansas [Mr. AVERY] 5 minutes.

Mr. AVERY. Mr. Speaker and Members of the House. If you will recall, those of you who were present 1 year ago in August, we debated the mutual security bill on August 14, August 16, 17, and 18.

Mr. Speaker, it was my impression that by authorizing a 5-year program we were thus disposing of an annual authorization for the mutual security program. But it appears that the Department of State has thought up four or five more new programs, or new uses for the American dollar. Therefore, we have been asked today to authorize an additional $2 billion which includes an annual authorization of $600 million for the Alliance for Progress program with the Latin American nations.

Now, really, ladies and gentlemen, we should all be very grateful that we are privileged to be present today because we are making history. If you have read this bill, you will observe that there are only 16 pages in the bill which in addition to previous authorizations will amount to about $4 billion for fiscal 1963. So, I think we are authorizing more money with less wordage than at any time since I have been a Member of the House of Representatives. I do not know if that means that that gives the Department of State more latitude in its operations and utilization of the funds, or whether it means we overcommitted the Congress to a 5-year program last year.

Mr. Speaker, there are two special items in this bill to which I would like to call attention. One will observe that on pages 11 and 12 of the bill there is a section dealing with expropriation of property belonging to U.S. citizens or corporations in foreign nations. These provisions of the bill I think are written rather carefully because they provide that if the property of a U.S. citizen or U.S. corporation is expropriated without just compensation or if there are discriminatory taxes levied against the U.S. property, the President shall suspend aid authorized in this bill to that particular country. But then comes along two more lines which completely negate this, in my opinion, because it further provides that the President may suspend this particular provision if he concludes that withholding this aid to those particular countries who have expropriated U.S. property would adversely affect the national interest. This language should be amended to restrict the descretion of the President.

Mr. Speaker, in conclusion I would like to merely suggest careful consideration of one more item. I would hope that some members of the Committee on Foreign Affairs will address themselves to this point during the general debate. We have had a sugar bill on the floor twice now in the last 2 weeks. Yet we are advised by the press that we are not through with it yet, that there will be a bill back before the House again further amending or supplementing the action the House has taken with respect to the sugar program for 1963, and 4 years hence.

Mr. Speaker, it seems to me that the sugar program, the sugar bill, the sugar authorization, is becoming completely involved in the mutual security bill. Now, what justification there is or how the national interest is served by commingling the Sugar Act—the provisions of the Sugar Act—with the mutual security bill, I have not been able to ascertain. So I would hope, Mr. Speaker, that in the deliberations that will follow, some knowledgeable Member—and of course they are all very knowledgeable, the members of the Foreign Affairs Committee—I would hope that they might address themselves to this point so those of us can understand why discontented countries, countries that take issue with what the judgment of the Congress has been in relation to sugar allocations, should further plead for further consideration in what amounts to foreign aid.

Mr. Speaker, I cannot come to any other conclusion when I read in the paper that after we have authorized as much sugar procurement as is determined to be needed for 1 year, the other body has provided by an amendment to a separate House bill that the President may acquire 150,000 more tons. It would seem to me that that would merely supplement the Mutual Security program and should be charged to that program, and not under the guise of a commodity that is in short supply.

Mr. Speaker, I know of no opposition to the rule. I assume the rule will be adopted. However, I hope several amendments will be seriously considered by the House.

Mr. BROWN. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I want to say that I just came from the Committee on Appropriations and their figures show that in the last few years something over $6 billion in U.S. gold has gone overseas. I have become convinced that this program not only is wasteful and costly, but that by injecting ourselves into the internal affairs of foreign countries it has become downright dangerous.

I wanted to make this observation at this time, but we will hear more of it when the appropriation aspects of this matter come before the House.

Mr. BROWN. Mr. Speaker, I thank the gentleman very much. I intended in my extemporaneous remarks on this rule to mention the fact that I thought the foreign-aid program has done more to make unfavorable our balance-of-payments position with foreign countries than any other single activity this Government has carried on at any time.

Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, first of all I want to compliment the gentleman from Ohio [Mr. BROWN] for the excellent statement he has made in connection with the opening of debate on this annual multibillion dollar giveaway bill. This bill used to be regarded as the credit card and passport to Utopia, but that place in the sun of a foreign Utopia was usurped about 10 days ago by the free trade bill. This is in effect the second major foreign giveaway bill that we will have considered in a matter of about 10 days.

Mr. Speaker, I have asked for this time, although 5 hours of general debate is provided under the rule, because I have had a little experience with what happens when the foreign giveaway bill comes to the House floor. Somehow or other, as with the 8 hours of general debate on the free trade bill, the time disappears and is shortchanged quite frequently. I did manage to get 3 minutes during general debate on the free trade bill and I know that when my cousin, the distinguished gentleman from Minnesota [Mr. JUDD], gets busy on the annual foreign giveaway bill, the minority share of the 5 hours of general debate will disappear all too rapidly. So I asked for this time that I may propound a few questions concerning the bill, either to my distinguished cousin, or to some other member of the Foreign Affairs Committee.

First of all, I would like to ask the gentleman from Minnesota or some member of the committee why there is a civil rights provision in the bill?

Mr. JUDD. Because there has been discrimination against American citizens in some countries receiving American aid.

Mr. GROSS. Perhaps the gentleman can help me out with some information in connection with the Alliance for Progress gimmick on page 5. Please note lines 17 through 20:

> The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

Why this delegation of power to the President? This is another untrammeled, unconscionable delegation of power to a President of the United States. Why?

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes.

Mr. JUDD. The gentleman will have to ask that question of those who insisted on that language.

Mr. GROSS. Is the gentleman opposed to that language?

Mr. JUDD. Yes, I believe that guidelines should be spelled out for the President.

Mr. GROSS. I will be glad to have his support when I offer an amendment to strike it out.

Mr. JUDD. In committee I offered some amendments that I thought would tighten up and improve some of the conditions in the bill. They did not carry.

Mr. GROSS. On page 8, section 253 under "Fiscal Provisions," does that make this now a revolving fund?

Mr. JUDD. It does with respect to that particular program, title VI, which has to do with the Alliance for Progress.

Mr. GROSS. So that with respect to the alleged loans made to South American countries, if the money is repaid, it does not go back to the U.S. Treasury; it goes into a bigger and better fund, to be loaned to these people; is that correct?

Mr. JUDD. I do not know that it will be a bigger and better fund but receipts from loans will go back into the fund and can be used for the same purposes for which the original funds were made available.

Mr. GROSS. I presume that is the reason points of order were waived against this section?

Mr. JUDD. That is probable. I hope we will get more money back in repayment of principal plus interest than we spend, and thus make the fund bigger.

That would be an outcome devoutly to be hoped for.

Mr. GROSS. Will the gentleman tell me how much is in this bill? How much do you ask be appropriated by this bill? I know the gentleman will be asked this question later, or somebody will be, and we might as well get started now.

Mr. JUDD. The gentleman will find on the second page of the committee report, a summary of the amounts requested, the amounts the committee authorized, and the amounts the committee reduced.

Mr. GROSS. How much is in the bill now?

Mr. JUDD. One billion, nine hundred and fifteen million, four hundred thousand dollars, plus an authorization for development loans in Latin America in succeeding years.

Mr. GROSS. But what is the total of this bill?

Mr. JUDD. It depends on whether the gentleman means what we are authorizing for appropriation right now or whether he means authorization for appropriation in the next 3 years if sufficient evidence in support thereof is presented.

Mr. GROSS. What are you asking for? Is it $4, $5, or $6 billion? It is well above $4 billion, is it not?

Mr. JUDD. Five billion, six hundred and sixty-eight million, five hundred thousand dollars.

Mr. GROSS. Is that an increase over last year?

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. BROWN. I think it should be kept in mind that this $4,668,500,000 that is carried in this authorization bill either directly or indirectly does not include the $6,600 million, the estimated amount which was carried over into this fiscal year of unexpended, perhaps obligated, some of them, but unexpended foreign-aid funds, so that altogether there would be $11 billion involved in the foreign-aid program carried over and authorized by the bill.

Mr. GROSS. I thank the gentleman.

Mr. JUDD. To make it complete, actually this bill authorizes the appropriation of $1,915,400,000, as I said earlier. The total of $4,668,500,000 is arrived at by adding the $2,753,100,000 authorized last year, as the gentleman will recall.

Mr. GROSS. While the gentleman is on his feet, included in the provision that apparently is designed to stop aid to countries that nationalize or expropriate property, American investments, in foreign countries, we find this language, "unless the President determines such suspension to be inconsistent with the national interest." Does the gentleman agree with that kind of language?

Mr. JUDD. No. I might say that in committee I proposed language which would say that aid would be banned unless the President determines it is vital to the security of the United States. That is stronger, but my amendment did not prevail.

Mr. GROSS. Will the gentleman offer an amendment or support an amentment to knock out this provision?

Mr. JUDD. There may be such an amendment offered. But I hope something like my original amendment will be adopted, because I believe the restrictions should be tighter, but not absolute. I believed that under previous administrations, and I believe so under this administration.

Some will say that we are trying to tie the hands of the President. No, we are trying to give him the authority he ought to have as the person charged by our Constitution with the direction of our foreign affairs, but with the Congress retaining its proper control over these funds. I have said this each year that we have had this matter up and it is a position I still maintain.

Mr. GROSS. Is this not approximately the same language as is contained in the Battle Act, and the Battle Act is almost a dead letter because no President has seen fit to enforce its provisions in the matter of selling strategic materials to Communist nations and Communist satellite nations?

Mr. JUDD. I am sorry we do not have our papers here yet because the Committee on Foreign Affairs is not in charge of the debate at the moment, but it is my recollection that the language of the Battle Act is stronger than this language.

Mr. GROSS. Let me ask the gentleman this question. Was this bill supposed to come up today? Was it not programed for tomorrow? Was not the gentleman under the impression that it was to come up tomorrow?

Mr. JUDD. No; I was advised at least 3 weeks ago that it was coming up today, the 9th of July.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. BROWN. Mr. Speaker, I yield the balance of the time to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, this bill comes before us again and again, and I can only say when it comes up, as it does, and as it passes every year, I am reminded of a story of a Chinaman who was out in a junk in a fog. He heard a big ship close by blowing its fog horn and he said, "She blow and she blow and she blow, but the fog she come in just the same." And I think the fog comes in here just the same too.

Now we were very successful once in a foreign aid program that I certainly have never quarreled with, and I wish it had been followed more closely thereafter. That was the Marshall plan. The Marshall plan set out to do a job. It set a time limit in which that job could be done and accomplish its purpose. Western Europe today is a monument to the strength of that plan. Since then it has been our custom to continue pouring money out all over the world under the very mistaken impression—and we all agree that it is a mistaken impression—this is no new idea of mine that has suddenly been discovered—we know full well it has not made us friends and on the contrary, in many instances, it has made us ridiculous.

The other day in the Committee on Post Office and Civil Service we were hearing testimony on raising the salaries of postal and civil service employees. These things have dragged on for many moons. I asked a witness who also happens to be a distinguished member of the Committee on Foreign Affairs how much he thought the most lavish bill for the raising of these salaries would cost this Government and cost us taxpayers. He replied it would amount to $2 billion. I then asked him if he did not believe it would be quite a simple thing to save at least $2 billion in waste in this particular foreign aid bill. And after talking, as we always do when we are questioned about something that is near to our heart, for several minutes, my distinguished colleague was obliged to admit it would not be very difficult to tighten this thing up and save at the very least $2 billion.

In the minority report, it is stated, and I think wisely so:

> Individual committee members, as well as a committee staff survey team, have made visits overseas within the last year. Their findings are an impressive catalog of poor planning and faulty administration. Nine years ago the undersigned made an extensive trip to study our program abroad. Upon their return they reported that money is the measure of our interest, not the yardstick of our success.

I think that is something that we should bear in mind when this bill comes up for amendment on the floor of this House.

Another thing I think we should look into and also consider for amendment is the whole program for the Alliance for Progress. The Alliance for Progress is a magnificent title. Nobody can oppose it, but I would like to just ask the Members of this House to just take a few minutes and ask themselves: What progress? Just recently, since the Alliance has supposedly gone into effect, we have seen Brazil, Argentina, and Peru all go over more and more firmly to military dictatorships. It may well be that military dictatorship is the type of government those countries desire, but it was hardly my idea of an alliance for progress to strengthen and build up military dictatorships south of the border.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House of the State of the Union for the consideration of the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11921, with Mr. MILLS in the chair.

The clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MORGAN. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, the President has asked the Congress to provide $4,878,500,000 for fiscal 1963 to carry on the foreign aid program. In addition, he asked for a total authorization of $2,400 million for the 3-year period including fiscal years 1964, 1965, and 1966 for the Alliance for Progress.

H.R. 11921 deals with only part of these funds. It includes a total authorization of $1,915,400,000 for fiscal 1963 and authorizes appropriations of $600 million a year for each of the 3 fiscal years 1964, 1965, and 1966 for the Alliance for Progress.

In addition to the funds authorized in this bill, the President is asking for $2,753,100,000 against authorizations made last year.

This bill includes authorizations for eight specific purposes. The Executive requested $2,125,400,000 for these eight purposes. The committee authorized $1,915,400,000—a cut of $210 million. In addition, the committee cut the authorizations for 3 future years for the Alliance for Progress $200 million a year—a total of $600 million.

If you add the Alliance for Progress funds for 3 fiscal years after 1963, the total authorization in this bill is $3,715,400,000.

The President's request for funds for fiscal 1963 to finance foreign aid operations is larger than his request last year, $4,762,500,000, and substantially larger than the $3,914,600,000 which Congress appropriated for fiscal 1962.

Mr. Chairman, I am aware that there are those who will say that this bill, authorizing this large sum of money, is not realistic. I have heard it said that the President and the Foreign Affairs Committee should have given consideration to the widespread dissatisfaction with the foreign aid program and to the frequent criticisms of its operation which appear, and that the President, instead of asking for more money than he requested last year, should have reexamined the nature and scope of the foreign assistance program, and that committee, instead of being satisfied with a 10-percent cut in the funds authorized for fiscal 1963, should have insisted on a drastic revision of the program.

Now, I am sure that the President is aware that there is criticism of the foreign aid program, and I can assure the House that the Committee on Foreign Affairs not only is aware of this criticism, but as a result of its own investigations, has assured itself that at least some of the criticism is justified.

Let me say a word about the nature of these criticisms and the extent to which they are justified.

One category of criticism is that we are going at the job of fighting the cold war, carrying on our foreign policy and operating the foreign aid program in the wrong way; that our generalship is bad, and that our money is being spent for the wrong things.

Most of the other criticisms have to do with waste, inefficiency, and poor management in the conduct of foreign aid operations.

The attention given by the press and by commentators to the words and the acts of the leaders of Yugoslavia, Indonesia, India, and some of the recently emerged African countries, tends to leave the impression that most of our foreign aid money is being spent for the benefit of governments who do not appreciate it, who are not sure whether they are for or against communism, and who find more that is wrong with U.S. policy than that there is to approve.

Now let me urge the Members of the House to be realistic and to face the facts. This bill contains an authorization of $440 million for what is called supporting assistance. Seventy-five percent of this total is programed for five countries which are cooperating with the United States in maintaining military forces for defense against Communist aggression which forces are substantially larger than these nations could afford to support if they had to depend on their own resources. I am talking about such countries as Turkey, Korea, and Vietnam. All five of these countries to which 75 percent of the supporting assistance money goes are on the edges of the Sino-Soviet empire and are directly faced with the threat of Soviet aggression.

Is it bad strategy to provide economic aid to these nations which have allied themselves with us in standing up against Communist aggression and which count on our support? I do not believe that there is anyone who feels that it would be sound cold war strategy to abandon these governments by terminating our assistance to them.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-four Members are present; not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 148]

Addabbo
Alford
Andersen, Minn.
Anfuso
Auchincloss
Baker
Barrett
Barry
Bass, N.H.
Bennett, Mich.
Betts
Blitch
Boggs
Bolling
Bonner
Boykin
Brademas
Bromwell
Broyhill
Buckley
Byrnes, Wis.
Cahill
Carey
Celler
Chelf
Church
Coad
Colmer
Cook
Cooley
Corman
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Dawson
Delaney
Diggs
Dingell
Donohue
Dooley
Evins
Farbstein
Fino
Flood
Fogarty
Fountain
Frazier
Friedel
Giaimo
Gilbert
Glenn
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Hall
Hansen
Harris
Harrison, Va.
Harrison, Wyo.
Hays
Healey
Hemphill
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Horan
Ichord, Mo.
Jennings
Jones, Mo.
Kearns
Keogh
Kilburn
King, Calif.
Kitchin
Kluczynski
Knox
Kowalski
Laird
Landrum
Lane
Lesinski
Libonati
McCulloch
McSween
Macdonald
Magnuson
Martin, Mass.
Merrow
Miller, George P.
Miller, N.Y.
Minshall
Moorhead, Pa.
Morrison
Multer
Murphy
Nix
Norrell
Osmers
Peterson
Philbin
Pike
Pillion
Powell
Price
Purcell
Rains
Randall
Reece
Riley
Rivers, Alaska
Roberts, Ala.
Robison
Rodino
Rogers, Tex.
Rosenthal
Rostenkowski
Saund
Scranton
Selden
Shelley
Sheppard
Shipley
Smith, Calif.
Smith, Iowa
Spence
Taber
Teague, Tex.
Thompson, La.
Thompson, N.J.
Thornberry
Tuck
Utt
Vanik
Van Zandt
Wallhauser
Whalley
Wickersham
Willis
Wilson, Calif.
Wright
Young

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11921, and finding itself without a quorum, he had directed the roll to be called, when 290 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORGAN] is recognized.

Mr. MORGAN. Mr. Chairman, when the Committee rose, I was discussing supporting assistance. The normal category of supporting assistance also includes a small amount of money we pay a few governments for oversea bases. This amounts to about 77 percent of the money in supporting assistance.

Again I want to say I do not believe anyone will argue that foreign aid money has been misspent when it provides economic assistance so that we may have military bases located in strategic locations overseas.

This category of supporting assistance also includes a small amount of money for those few governments who insist on some sort of compensation on the part of the United States for the right to maintain military bases within their territory. Most of the foreign nations where we have bases do not require such compensation. They regard themselves as our allies and are glad to make such contributions as they are able to the common defense. But, there are a few nations who are not allied with us and who take the position that we must do something for them in return for the right to maintain our bases.

Let me say again that I do not believe there is anyone who would argue that our foreign aid money is being misspent because we provide economic assistance to countries in order to have military bases at strategic locations overseas.

The largest authorization contained in this bill is $600 million for the Alliance for Progress for fiscal year 1963, together with authorizations of similar amounts for the fiscal years 1964, 1965, and 1966. I wonder how many critics of our cold war strategy are prepared to argue that it is a mistake for us to offer substantial economic assistance to our Latin American neighbors.

Everyone is aware of the widespread dissatisfaction and unrest among the masses of the population in that area. Everyone is aware that the Communists are going all out to take advantage of this unrest in an effort to follow the Cuban pattern in other Latin American countries. The President is giving top priority to the effort to prevent Latin America from going Communist, and I am sure there are very few people who disagree with that policy. I am sure that the Congress and the American people want the President to have all the money that he can use effectively for this purpose.

This bill also includes an authorization of $300 million for development grants and technical assistance. This category of aid provides the funds for continuing the point 4 type of operation. This money goes to the less developed countries which lack the engineers, technicians and other skilled personnel to evaluate and develop their resources. Many of these countries are just starting out as independent nations. Their governments are inexperienced and unsophisticated. Many of them do not know much about the evils of international communism and most of them are more afraid of foreign domination than anything else.

In general, it is our policy to assist such nations with their economic development without insisting that they sign up with us in the cold war. If we do not offer them this opportunity, the only alternative would be for them to follow the road leading to communism, not by deliberate choice but by force of circumstances.

The other large authorizations in this bill are $275 million for the contingency fund and $148,900,000 for U.S. voluntary contributions to a number of international organizations.

There are a few who fail to recognize that in the world in which we live, where almost every day we face a new crisis, a contingency fund for dealing with unforeseen emergencies is absolutely necessary. There can be disagreement as to how large such a contingency fund should be. Experience with the use of the contingency fund in the past indicates that much of the contingency fund money has been spent for purposes other than meeting emergencies. With this in mind, the Committee on Foreign Affairs cut the Executive request for $400 million for the contingency fund to $275 million. We believe that this amount can be justified as a necessary provision so that we can meet new problems promptly when they occur.

The sum authorized for U.S. contributions to international organizations is determined by the budgets voted by these organizations to which the United States belongs. If we fail to make these contributions, we will be regarded as being in default. In view of the present world situation, this would be a bad time to find ourselves in such a situation.

Mr. Chairman, I believe that I have amply demonstrated that if you take a realistic look at the money in this bill in terms of cold war strategy, we are not authorizing its expenditure for the wrong things.

We cannot win the cold war if we abandon our military allies.

We cannot win the cold war if we pull out of the Alliance for Progress and tell our neighbors to the south that from now on they must go it alone.

We cannot win the cold war if we drive the new countries of Asia and Africa into the Soviet bloc.

I do not mean to say or to imply that there are no valid criticisms of the use of our foreign aid money. I think we should always treat our friends and allies better than we treat governments who constantly complain about our policies and straddle basic issues. We should make sure that governments which expropriate U.S. property without prompt and adequate compensation do not find that they are better off as a result. Let me point out that this bill contains a comprehensive and carefully worked out provision dealing with this matter.

I believe that Congress has not only a right but an obligation to make known to the Executive how it stands on policy as well as on practice. In this connection let me remind you that existing law clearly expresses the opposition of Congress to providing aid to Communist countries and to giving assistance to Yugoslavia. Let me make the point, however, that it is one thing to make the President aware of the position of the Congress on important issues, but it is another thing to tie the President's hands so that he cannot take necessary action to meet critical problems.

We all recognize that we cannot spell out in legislation the strategy and conduct for a hot war, and I am convinced that this is equally true of a cold war. Congress cannot see in advance what will happen nor determine the appropriate action to take.

One particular danger which we should avoid is for the Congress to take action which will drive any nation into the Soviet bloc. If a government, after waivering, bargaining, or maneuvering, makes its own choice to join the Communists, we can regret such action and perhaps feel that our policies have failed. There is no advantage to the United States, however, in forcing a waiverer to stop waivering and to go Communist.

Mr. Chairman, let me say a word about waste, inefficiency, and poor administration in connection with the foreign aid program. I can report with confidence that the Foreign Affairs Committee is reasonably well informed on such matters. We have, during the last couple of years, added to our staff two top accountants with years of oversea experience with the General Accounting Office, and we receive from them continual reports of deficiencies in our foreign aid operations. Some of these reports have been published. We take up with the Executive all the evidence of waste and inefficiency which we collect, and then from time to time check up on the remedial action which the administrators of our foreign aid program have taken.

In this connection, let me point out one thing: All the 20 top officials of the Agency for International Development are new and many of the chiefs of the oversea missions are being replaced. If new blood is needed to correct the shortcomings of the program, we are getting it.

I do not think we should expect miracles. The new people are finding the going harder than they anticipated. It takes skill and experience to run a foreign aid program, and there are not enough qualified people. The new officials are beginning to take hold, however, and the committee has found them receptive to our reports. They appear to be more anxious to correct deficiencies than to defend past actions. I believe we can look to an improvement in the administration of the program.

No one is ever satisfied with the progress of a war while it is being fought. Victory is the only conclusive evidence that our strategy is right. The way to cure dissatisfaction with our cold war effort is not to quit or to reduce our effort. There were a lot of dissatisfied people in this country in the trying days of 1943. A cold war must inevitably be long drawn out. The way to get quick and decisive results is to change the cold war to a hot war. We have to reconcile ourselves to the frustrations of the slower and less decisive course which all of us prefer.

Mr. Chairman, in closing, let me say that this is a realistic bill. Let us face the facts concerning foreign aid, but let us face all the facts. The big money authorized in this bill goes to key programs, the vital importance of which everyone must recognize. You cannot carry on a cold war without money, and you cannot win the cold war without foreign aid.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HARSHA. I would like to ask the gentleman in regard to this $148.9 million appropriation for fiscal 1963: Is not a great majority of that sum to be used by the United Nations in its programs?

Mr. MORGAN. It is used by international organizations most of which are affiliated with the U.N. The United Nations Children's Fund is included. The United Nations economic assistance to the Congo is here. Our contribution to the United Nations Technical Assistance Fund is in here.

Mr. HARSHA. The great bulk goes to the United Nations?

Mr. MORGAN. It goes to the international organizations to which we belong.

Mr. HARSHA. In addition to that, we have our assessed share for the support of the United Nations.

Mr. MORGAN. Yes, we have our regular assessment to the United Nations, not included in this fund.

Mr. HARSHA. How much does that amount to?

Mr. MORGAN. Thirty-two percent of the budget. The budget of the United Nations is about $74 million, and 32 percent would be our assessed share.

Mr. HARSHA. In addition we contribute to some 65 different international organizations for which funds are not in this bill; do we not?

Mr. MORGAN. We belong to many international organizations, funds for which are not included in this bill; that is correct.

Mr. HARSHA. And those funds vary with the different departments' and agencies' budgets; do they not?

Mr. MORGAN. That is correct.

Mr. HARSHA. Does the gentleman happen to know how much they amount to?

Mr. MORGAN. Many of the annual budgets are smaller amounts. I would not know the total, sir.

Mr. HARSHA. This sum does in no way reflect upon the so-called bond issue; it is not commingled with the bond issue. That is to be in addition to these funds?

Mr. MORGAN. That is to be in a separate piece of legislation. None of the funds in this bill are for the same purposes as the bond issue.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Indiana.

Mr. ADAIR. Along the line of the questions just put, is it not also true that out of the President's Contingency Fund sums may be paid to the United Nations or its agencies?

Mr. MORGAN. The Contingency Fund could be used for this purpose to meet emergencies.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. Has the United Nations raided the United Nations Children's Fund, UNICEF, lately for money to support the United Nations?

Mr. MORGAN. I think there has been some borrowing from some of the international funds. I am not certain whether the Children's Fund has been involved or not.

Mr. GROSS. Well, it has been in the past, I can say to the gentleman. Money has been taken from the Children's Fund. I thought this was a sacrosanct fund; that it was for the purpose of aiding children of the downtrodden all over the world, and yet we find it goes to the support of bar north and bar south at United Nations headquarters. Does the gentleman think it is good business to allow the Children's Fund to be used to aid this polyglot setup in New York?

Mr. MORGAN. I think there has been a small amount borrowed from the Children's Fund.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. We have been assured that borrowing from those various funds took place only when the U.N. faced a situation such as a businessman faces when he has a major payment coming due on the 1st of July and he runs out of cash 30 days or so ahead of that date. He goes to the bank and gets a 30-day loan to carry him over until his payment will be received. We were told that the borrowings from these various funds, which I myself do not like even in these circumstances, were due to the fact the U.N. was short of money because of the Congo and other operations. They knew that certain payments were coming due on certain days in the near future, and they borrowed funds which were not needed at that time by the Children's Fund and several others to carry the U.N. through until the regular payments were received.

Mr. GROSS. Mr. Chairman, will the gentleman yield so I may ask the gentleman from Minnesota a question?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. Have we been oversupplying UNICEF with money to the extent that it has such funds that it can finance these super-duper organizations?

Mr. JUDD. No, I do not think we have been oversupplying them. But UNICEF expenditures were so scheduled that the money was not going to be needed until some months later, which happens in the operations of any organization.

Mr. GROSS. If the gentleman will yield further, what happens to the poor children who are starving?

Mr. JUDD. I can assure the gentleman from Iowa that no funds that were programed for taking care of children during the particular period were taken away and used for other purposes, even temporarily.

Mr. GROSS. The gentleman says none of the funds were taken away, even temporarily?

Mr. JUDD. No; I said that funds that were needed for care for children in that period of time were not taken away and used for other purposes, even temporarily.

Mr. GROSS. Well, evidently the need is not very great.

Mr. JUDD. The need is spread over a period of 12 months. When it receives its money in the beginning of the year, it does not need some of that money until the 6th, 8th, or 10th month and, therefore, some of the funds were available for temporary use for other purposes. None of the operations of UNICEF or specialized agencies were in anywise impaired, so we were assured.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from California.

Mr. BALDWIN. Even though it has been stated by the gentleman from Minnesota [Mr. JUDD] that the borrowing from UNICEF has not actually affected the operations of UNICEF, it has caused serious doubt throughout the United States over the whole procedure under which the UNICEF funds are administered. For example, I think every Member present knows that on Halloween there was a concerted drive, nationwide, to get youngsters to go around the various districts with collection boxes for UNICEF. Many of these little children were being subjected to very serious objections this last October because of the reports that had been heard about the funds being diverted to other parts of the United Nations; that if the United Nations desires to protect this source of voluntary contribution, it seems to me that the Foreign Affairs Committee should make the Department of State fully aware that this source of voluntary contribution is likely to be greatly restricted or eliminated if they use these funds for any other purpose, no matter how soon they are paid back.

Mr. MORGAN. It is my understanding that the borrowing was from the balance on hand collected from the regular assessment, and was not from the funds collected by voluntary contributions. The borrowing was from the regular assessments paid by the countries. This would include the assessment of $12 million, paid in by the United States. But the borrowing was not from the voluntary contributions that went into the UNICEF fund. The borrowing was only from funds on hand but not yet needed by the children's fund to pay its expenses. It was able to pay its bills when they came due.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I would like to ask about section 101 of the bill. Are we inserting some new language in this bill on page 2 thereof?

Mr. MORGAN. If the gentleman will go back to the Ramseyer print of the bill he will see that this is just an extension of the "freedom of navigation" amendment that was written into the original act.

Mr. WINSTEAD. I do not understand who is going to make judgment on the question whether a community or a country discriminates against some of our citizens because of race, creed or color. Who will make that decision, the State Department?

Mr. MORGAN. Under this provision the Secretary of State would make the determination.

Mr. WINSTEAD. What is the necessity for the additional language?

Mr. MORGAN. We have had Members of the U.S. Congress who have traveled in various areas of the world and were refused entrance to certain countries which are receiving our aid under this program.

Mr. WINSTEAD. I will be frank with the gentleman. I do not know that I want to interfere very much with some of those countries, but I do not see the necessity of having this language in this bill. We have not been carrying that language. This seems to me to be nothing more than political propaganda at home to try to satisfy certain groups of people broadcasting all over the world that there is a great deal of friction and confusion here, that does not exist. I do not see any sense to it myself.

Mr. MORGAN. The committee has received testimony that Members of Congress traveling on official duties were refused admission to two or three countries in the Middle East.

Mr. WINSTEAD. What kind of official duties were the Members performing when they were refused admission?

Mr. MORGAN. A Member of Congress was refused entrance to several countries in the Middle East.

Mr. WINSTEAD. Why should we continue to give them aid? We can withhold aid, if the conditions justify it, without writing this provision into this bill.

Mr. MORGAN. This amendment puts a limitation on the aid, if the condition continues.

Mr. WINSTEAD. I do not see why we need an amendment. It seems to me we should have enough judgment ourselves to cut off aid if our officials have been mistreated by some other country.

Mr. MORGAN. Under the amendment, we are supposed to take into account such discrimination in determining the amount of aid we make available.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, at this point I want to congratulate my chairman for the magnificent way he handled the committee during the consideration of this bill. I should like to comment on the matter just brought up. I am one of those who has been long opposed to any aid to countries behind the Iron Curtain, and to any country which did not live up to those principles on which our country was founded.

With reference to the Member of Congress or several Members of Congress who sought to go into certain areas of the Middle East, and whose right to do so was questioned because of their religion, that was the issue which we attempted to deal with in this section of the bill.

I offered an amendment which would cut off all aid to any country which did not respect the principles of freedom of travel, freedom of the press, freedom of worship, and the like, which are written into our Constitution and which were reinforced and reaffirmed in the first 10 amendments thereto.

The committee adopted a rather strong amendment on this subject in the hope that the countries of the world would endeavor to eliminate infringements on those freedoms and permit American citizens to travel freely to all the countries of the free world. I believe that amendment is in the bill before us, and I support it, although I wish it were more strongly worded; is that correct?

Mr. MORGAN. That is correct.

Mrs. KELLY. I thank my chairman.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, the gentleman has discussed previously with the gentleman from Oklahoma the very helpful assistance which the Agency for International Development has rendered during the past year through the medical assistance and health program known as Project Hope. In a previous discussion of this legislation in the last Congress another spokesman for the committee, the gentleman from Ohio [Mr. HAYS], made it very clear that funds within this bill were available under the provisions of section 214(b) involving American schools and hospitals abroad to assist in endeavors such as Project Hope. Some of the assistance which has been given to Project Hope during the last 12 months, as I understand, has come from contingency funds. I wanted to make sure in the discussion which the gentleman has given with regard to contingency funds that the committee still holds to the position which it stated earlier that these funds should be made available to Project Hope when merited.

Mr. MORGAN. That is correct. As I remember it a small amount of contingency fund money was used to fix up the vessel which was used but I am not sure whether this was during the last 12 months. I am familiar with the Project Hope. I watched the mission last year, and I am very familiar with their present mission. I feel that the money has been well used and I support the project.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Indiana.

Mr. HARSHA. Did I correctly understand the gentleman to say there were some uses of the contingency fund which the committee found were not proper, or at least were subject to criticism?

Mr. MORGAN. That is correct.

Mr. HARSHA. Will the gentleman tell us what those uses were?

Mr. MORGAN. They are referred to in the committee report. The primary objection has been that some of the uses of contingency fund money did not involve emergencies, one of the uses we felt was doubtful was buying two bookmobiles for one small country. Another was using some of the contingency fund by transfer for administrative expenses.

Mr. HARSHA. Does the gentleman know how much these misuses amounted to?

Mr. MORGAN. They were a very small amount of money. I do not know exactly.

Mr. HARSHA. Was there any gift of money to a country named Samoa?

Mr. MORGAN. Yes, I believe that is where the two bookmobiles went.

Mr. HARSHA. I thank the gentleman.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Kansas.

Mr. AVERY. I think the gentleman may have been on the floor when I spoke on the rule. I expressed some apprehension then that this sugar program is being commingled with our mutual assistance program. Does the gentleman have any concern about that? Does he think it is a good policy to commingle these programs, or does he think it is so being administered?

Mr. MORGAN. I am absolutely opposed to commingling our sugar policy with the mutual security bill.

Mr. AVERY. We considered the conference report on the sugar bill the other day, on a Saturday, as I recall. It was my understanding that bill was to provide all of the domestic demand that would be appropriate for sugar each year for the next 5 years. Yet we learn that the other body is bringing an amendment back here on a different House bill to provide another 150,000 tons of sugar. If we already have as much as we need, what else would that be but mutual security?

Mr. MORGAN. I think there has been some criticism from the Latin American countries as to their quotas under the legislation passed by Congress a week ago Saturday. I am opposed to any attempt to tack it onto this legislation.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentlewoman from New York.

Mrs. KELLY. I should like to say at this point I would enjoy very much having the sugar bill brought here. I guarantee that all countries which are anti-Communist would receive their proper quotas.

I would also like to urge that the Public Law 480 programs be brought under the jurisdiction and review of the Foreign Affairs Committee. There is a great deal of misunderstanding about those programs. There is a great deal more money spent under Public Law 480 and relevant programs for the support of our domestic agriculture than under the foreign aid bill. Over the years, Public Law 480 has been the real means for accumulating local currencies abroad for our Government. So I think those opposing this bill, who come from those areas of our country where the agricultural surpluses are so great, should consider their vote on this because of the very fact that the foreign aid programs aids and encourages the disposal of our farm surpluses abroad under Public Law 480.

Mr. AVERY. If the gentleman would yield, I would like to make this observation. I am not particularly opposed to giving further consideration to these certain Latin American countries as far as sugar quotas are concerned, but I am becoming frustrated, if you please, I have been trying to support the Committee on Agriculture, and we came in here with two different bills and now we are told that neither of these bills is acceptable so far as the State Department is concerned. I assume they are bringing out an arrangement now under the mutual security bill, and then I object to it.

Mrs. KELLY. I am not aware of the situation to which the gentleman refers.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORGAN] has consumed 29 minutes.

Mrs. BOLTON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, it is always interesting to come into the well of this House on this bill, we find so few people here. It is particularly interesting this year because so few people seem to want to speak on it. Is it a demonstration of an apathy that can be very dangerous to the future of our country to say nothing of the future of the world? If so, one would certainly regret this being the case.

The debate on foreign aid is just like the usually hearty annuals, the perennials and the decennials. It comes up and up and up each year, and each year somebody gets up, as one of my very distinguished colleagues from Ohio did, and says, "We were told long ago that if we did this and this and this, it would be over in a short time—2 years or 5 years or 10 years." We may have been told that by a few people, but anybody with any commonsense and any knowledge of the situation in the world would not have thought it—much less said it. The whole world went down into a very deep hole in its swing toward a new way of doing everything. We pulled some of it out with the Marshall plan. We pulled some more of it out with the Greek-Turkish aid program. Otherwise, Europe would have been Communist without any question or doubt. Surely that is not anything to be ashamed of, rather should we be exceedingly proud. Of course, the fact is that we have made mistakes—who does not make mistakes?

Do you think the Standard Oil Co. and a few of the big concerns all over the world do not make mistakes? Of course they do, and they lose money. They lose some of their good personnel. Well, so do we; and I do not think this is so different that it should make someone get up and say that we had better stop it all.

There have been a great many arguments made in the course of the years about our deficiencies—the deficiencies of the program—its failures, its frustrations, its expectations. Seldom is anything said about its accomplishments. But our world is what it is today because we have given other countries aid. It seems to me that it would be very well if more people would leaf through the pages of the CONGRESSIONAL RECORD and find out some of the cold facts—some good and some bad—and come up with a little clearer picture in their minds of what is going on in the world.

It is invariable that the debate coincides with some dramatic crisis or some development abroad. This year is not any exception. The proponents seize on these events to argue that we must not weaken now while the opponents are equally firm in arguing that foreign aid has not produced the kind of world that we want or that we expected it would.

I find it helpful in formulating my own views to back away from the discordant events of the present to take a longer view.

> If we could first know where we are and whither we are tending, we could then better judge what to do and how to do it.

These words were uttered a hundred years ago by Abraham Lincoln but they sum up the dilemma we face today. They are an eloquent plea for perspective—an ingredient that is so often lacking in our debate on foreign aid.

I leave to others to discuss the details of the bill before the House. My concern is whether the foreign aid program addresses itself to the symptoms or to the causes of our international problems.

The symptoms show themselves in the daily crises that span the headlines. The harassed citizen, preoccupied with his immediate problems, despairs of understanding and impatiently urges settlements and expects solutions. The ordinary citizen has a very hard time these days. I know we are all getting letters from him. He is frightened, he is discouraged, he is frustrated, he does not like what is going on. He does not know how to put his finger on just what it is or where it is. It is pretty hard for any of us in the Congress to put our hands down and pick up the quicksilver that is running around all around us, but I would think that anybody who really looks at life as it is today would realize that we are living in a century of constant ferment, and that peace will be the exception and not the norm in our lifetime. I doubt if even the youngest of the Members here on the floor today will live to see any kind of real peace. That I can promise you.

As I analyze our foreign aid program over the years it is directed toward dealing with the two great challenges of our time. First is the persistent pressure of communism; and second, the developing world of new nations.

As individuals and as a Nation we are "against" communism. But what is the nature of our opposition? Too often it consists only of strong words and vigorous resolutions of denunciation. Many of us make ourselves into the "paper tigers" the Communists claim we are. We continue to refuse to face up to the facts of today and not admit that we are in a state of war. It is a state of war that neither words nor righteous indignation will halt. It is war.

This is a struggle of minds. I have contended for a long time that we have not prepared ourselves or our oncoming generation at all adequately. The Russians have, and unless we take a leaf from their book—and we should not be ashamed to do so—and find ways to outdistance them right speedily, we will be in a pretty pass. We are still arguing about whether schools shall teach anything about communism—it might be too dangerous. The only safety we have is to know everything we possibly can know about communism. The only security we can give our young is knowledge of what communism means, what it is, what it does to the countries it controls; and the answers here are in a passionate understanding of what it is that we as Americans believe and practice.

History furnishes us numerous lessons upon which we ought to draw. The relentless refrain of Cato that "Carthage must be destroyed" went unheeded by those who thought they had reached a settlement with Rome.

For more than a century Rome and Carthage coexisted. The Carthaginians carried on business as usual at the same time that they doubted Rome's ultimate objective. And Carthage was leveled. Does this contain a moral for us when Khrushchev says he will "bury us"? Or do we take comfort in his camaraderie with Benny Goodman at a Fourth of July reception?

But the lesson does not end there. Rome itself was the source of law, the possessor of technical skills that made possible roads and aqueducts, the progenitor of public administration that wove distant lands into an empire. By any standard of its time Rome had a gross national product. Yet none of these qualities saved it from the ravages of the Vandals and the Visigoths who substituted determination and weapons for a gross national product. That is a lesson we had better look at.

At other times other civilizations and countries succumbed to the pressures of those whose resources were sparse and whose talents were less developed. Nations with a high standard of living have been extinguished by nations with a low standard of living.

Mr. Chairman, the simple fact is that we are in a state of war today as much as we were on December 7, 1941. The present struggle demands of us the same sustained determination to fight to a finish. It is not enough that we arm ourselves. The global character of the conflict requires that we deploy our resources in concert with those who share our views and values.

It seems to me it is quite impossible to continue the vacillating point of view that we have today. We must know what to think, what we believe, and we must go after it.

The second and more recent focus of our foreign aid program is directed toward the emerging nations. The speed with which old imperial bonds have been replaced by new political entities is unparalleled in history. Some of these new nations may regroup themselves much as the scattered colonies of our own country found greater strength in unity. What is important is their growing recognition that the maintenance of a political form of their own choosing is contingent upon the effectiveness of their domestic policies.

Just to say they should not have become nations, that they should not have been taken into the United Nations overnight, as they were, does not help. I was in the United Nations in 1953 at the Eighth Assembly, and I tried my utmost then to get the four or five large countries to sit down and see what could be developed by way of better leadership in the United Nations itself so that it would not happen as it has happened, that every little nation would come in and have as much to say as we.

Are these new nations going to draw their inspiration from us? from the Chinese? or from the Russian Communists?

The real and pressing confrontation of capitalism and communism is not in Washington or Moscow. It is in the scattered capitals of the underdeveloped countries around the world.

It is difficult for us, committed as we have been to the strength of private initiative, to acknowledge and to participate in programs that are laid in a governmental framework. The simple fact is that for most of these nations there is no acceptable alternative to a large role for government. The challenge this poses for us is to direct our efforts in their development so that there will ultimately emerge social and economic institutions compatible with our interests. It took us 11 years, did it not?

It is easy to dismiss a concern for these countries, to belittle their efforts and to discount their potentialities. Yet these are the uncommitted one-third of the world's population. Is it not in our interest that we accept the challenge to provide them with leadership and assistance in this formative period of their national life?

Of necessity these countries must temper their traditional outlook in the light of their new responsibilities. But so must we. The imagination and inventiveness which mark our scientific and technical advances must be applied with equal zeal in our assistance programs. We can plan with purpose for a better world. We did that when we undertook the Marshall plan. Our European allies are doing that in the process of developing the Common Market. The enlarged dimensions of the problems posed by the underdeveloped countries are not beyond our capabilities or capacity. I can think of no better way to hasten the abandonment of communism than to encourage the abundance of capitalism.

Mr. Chairman, in closing may I just say this: The foreign aid program has had its shortcomings. Committees of this House as well as individual Members have revealed some of them. I have no doubt that others will be dilated upon in the next few days. When deficiencies have been exposed in our agricultural or space programs, have we scuttled those programs? No. We have tried to eliminate the weaknesses. The Committee on Foreign Affairs does not propose to scuttle its program, but it does propose to strengthen and to cut out the weaknesses and to change the personnel, where necessary, to do everything that is humanly possible to make this a constructive force in the world.

If we measure our national interest in decades and even centuries rather than months or years, are we not bound to employ our resources and skills wherever we find the opportunity? We have to devise a grand strategy that will encompass those principles in our domestic and our foreign policies that best serve our national interest.

Barbara Ward has eloquently observed that it is incumbent upon us to "challenge communism at its most vulnerable point, saying to the world, we can give you cooperation, abundance, growth, more equal sharing—and we can give you freedom, too."

Mr. KYL. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Iowa.

Mr. KYL. The gentlewoman from New York [Mrs. KELLY] a moment ago stated, if my memory is correct, that the aid given by the United States to foreign countries under Public Law 480 probably exceeds the total of the other foreign aid. Is that a true statement?

Mrs. BOLTON. I believe it is a true statement. In addition to that, she did not say that Public Law 480 really was started by the Committee on Foreign Affairs and should never have gone from there. But, as is often the case in fights between committees, we lost out. Had it remained with us, we would have been able to control it.

Mr. KYL. Now, pursuing that just a little further, before the trade bill came to the floor, and visiting with people from the State Department, I was informed by some of those people that exports under Public Law 480 were counted as actual exports from the United States; in other words, this would indicate a discrepancy in figures on one side or the other, would it not?

Mrs. BOLTON. I would think so.

Mr. KYL. Now, again pursuing it just a little further, the gentlewoman has again said that this program has had many shortcomings. I suppose there are many Members of this body who have the same basic feeling that I do, that a certain amount of this type of effort is a necessity, but I have difficulty in making up my mind to vote for this legislation each time it comes before us when we always have these admissions of inefficiency. Now, I am not talking about the errors that result from calculated risk, where something goes wrong and we do not get the benefit we thought we might. I am talking simply about the administration, the inefficiency, the things which were brought out by the Hardy committee, for instance; the Cambodian situation, where Communists actually got credit for work done by the United States with U.S. materials.

How has this bill been written to remove these inefficiencies or the waste which has been a part of this program in the administration of the program?

Mrs. BOLTON. May I say this to the gentleman from Iowa [Mr. KYL]: The mistakes are very difficult sometimes to find. I have always been very grateful to the Hardy subcommittee for its work. We who are members of the Foreign Affairs Committee do not have a large enough staff which we can send out to make these investigations. Personally, I think our staff should be very much larger and should include the kind of men who could go out and do that kind of investigating. I realize the fact that everyone feels a little upset when this bill comes around for us to vote on it.

Mr. KYL. If the gentlewoman will yield further, in the present financial condition of our country, with the worries that we have about balance of payments and all the rest which we need not elaborate upon, we cannot tolerate this inefficiency in administration, can we? Why cannot we write something into the bill that will prevent this sort of thing that goes on year after year after year?

Mrs. BOLTON. I am sure the committee will be very happy to have the words from the gentleman from Iowa, but I might say that there has been great effort made on the part of the administration in this direction. We have new heads of AID. There has been a new head to come along for these various agencies, and each time he is supposed to be a miracle worker; he was going to change everything and make it all come out all right, and there would not be any more mistakes. But that has happened right on. You see, the miracle worker has not been found. I think we are, in a way, closer to it now because we see more clearly the circumstances.

Mr. KYL. If the gentlewoman will yield further, am I right in noting that there is nothing new in this bill which should eliminate these evils of waste and inefficiency in the administration of this program?

Mrs. BOLTON. I think it would be quite impossible to put in a paragraph which would accomplish that purpose.

Mrs. KELLY. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I am delighted to yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, I would like to take this opportunity to compliment our distinguished colleague from Ohio for her efforts in behalf of this program over the years, for her continuing interest in the undeveloped nations, as well as for her reports on her trips to those countries which she undertook at her own expense, which have been most helpful to those of us who are members of the Committee on Foreign Affairs.

Mr. Chairman, I would like to, if possible, answer the question which the gentlewoman from Ohio was just asked, and to enlarge upon my earlier statement. Since the enactment of Public Law 480, $15,796 million worth of surplus farm commodities, valued at the Commodity Credit Corporation costs, have been disposed of under the authority provided in that law. Most of those surpluses were disposed of abroad. In this same period of time, we have provided approximately $13 billion worth of economic aid to our friends abroad. In many respects, the two programs—the Public Law 480 program and the foreign aid program—have gone hand in hand. Foreign assistance has frequently helped to develop markets for our farm surpluses. On the other hand, title I sales under Public Law 480 have resulted in the accumulation, by our Government, of local currencies. These local currencies are spent to pay our expenses in those countries, to develop the economies and, we hope, to benefit the people of those countries. So, I am in favor of that particular program. I am, however, against selling the surplus products of our country under Public Law 480 to any Communist nation or Communist government. I would endorse giving it to those countries, and have in the past voted for Public Law 480 contributions, on grant basis, for the purpose of combating famine, and under the condition that they were distributed there by us with due credit to the United States. I will support an amendment to forbid further sale of Public Law 480 products to any Communist nation.

Mrs. BOLTON. I thank the gentlewoman for her contribution.

Mr. CONTE. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to take this opportunity to compliment the gentlewoman from Ohio for the constructive statement she has made here on the floor of the House today, and to commend her for her dedication to the people, the underprivileged people of the world, and to the underdeveloped nations of the world, and the newly independent nations. I wonder if the gentlewoman would agree with me that the Congress, and the people of our country as a whole, are generally in favor of appropriating this year close to $50 billion for the defense of this Nation, which is a defensive approach? Yet, many have reservations when a small percentage of that $50 billion is appropriated for an offensive action instead of a defensive action. Does the lady agree with me that this has a great deal of merit; that a small percentage of the $50 billion that we appropriate for the defense of this Nation should be appropriated for offensive action against communism throughout the world?

Mrs. BOLTON. It is a very helpful thought.

Mr. CONTE. I recall when I was playing football in college our coaches taught us that the best defense was a good offense.

Mr. GALLAGHER. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Mr. Chairman, I would like to compliment the lady on her discussion of the bill. Also I should like to add a word to what she has said concerning the efforts of the committee to eliminate waste and inefficiency. On page 2 of the report the committee points out some of the action that was taken in the past to eliminate inefficiency where it was found; and also that the Office of Inspector General was an office that came about as a result of the insistence of the Committee on Foreign Affairs.

Mrs. BOLTON. I thank the gentleman very much.

Mr. BEERMANN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield.

Mr. BEERMANN. I was wondering about the $15 billion that was given away under Public Law 480, or sent abroad under Public Law 480, whether if the Committee on Foreign Affairs took over jurisdiction of Public Law 480 they would also take over the responsibility, in their authorizations, for charging the $15 billion to the Committee on Foreign Affairs rather than the Committee on Agriculture.

Mrs. BOLTON. We tried our best to do that in the beginning, and we were worsted in the battle.

Mr. BEERMANN. Of course, the Committee on Foreign Affairs does not raise crops, neither does the Committee on Agriculture.

Mrs. BOLTON. The Committee on Agriculture really does not handle any foreign affairs and it has not the authority to do so. But sometimes it messes things up by doing that.

Mr. BEERMANN. Has there ever been a discussion of this matter between the Committee on Foreign Affairs and the Committee on Agriculture?

Mrs. BOLTON. Not as committees; I suppose the chairmen have talked it over.

Mr. BEERMANN. It just so happens that a former Member of the House, Bob Harrison, from Norfolk, Nebr., who was then the Representative from our district, was instrumental in the passage of Public Law 480. It is my understanding that at that time the Department of State and others tried to get this bill through, but nobody wanted then to take the responsibility of the cost, although everybody wanted to take the credit for selling our products under Public Law 480. I think Public Law 480 has served a very worthwhile purpose.

Mrs. BOLTON. I do, too. I think it has done a great many very fine things.

Mr. BEERMANN. In one transaction last year—let us say it involved $100 million, whatever amount it was, for wheat—the first thing that came off was 15 percent for the difference in foreign exchange. Then 42½ percent of that was given away and the other 42½ percent was sold. So it seems to me that we wind up on the short end of the stick; the farmers of the Nation and the Department of Agriculture are charged with this complete fiasco and nobody explains it properly to the people of the country. We are in entire sympathy in trying to help feed the world with our surpluses and as farmers we are glad to contribute. But when they charge it back to the Department of Agriculture or to the farmers and do not give them any credit, then I think I disagree very much with what has been done.

Mr. JUDD. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, since this question has arisen, perhaps it would be well to review a little bit of the background. In 1953, two or three of us made a proposal to use in our foreign-aid program, surplus commodities, which had been bought and paid for under our agricultural price support program, in lieu of new dollars. I introduced a bill to authorize sale of surplus commodities for foreign currencies and went before the Committee on Agriculture in an effort to get the Committee on Agriculture to act favorably upon it. I am sorry to say some of the Members called it a giveaway program and refused to do anything about it. So I came back to the Committee on Foreign Affairs and got it into the Mutual Security Act of 1953 as section 550. In the conference with the Senate it was modified somewhat and accepted by the Congress.

During that first year we were able to use, as I recall, about $245 million worth of surplus food and fiber in the form of sales to countries for their currencies, which were then used to help development projects in those countries. Thus we used our surpluses in lieu of new dollars which the countries would have used to buy similar products elsewhere. At that point the Committee on Agriculture discovered this was a wonderful way to dispose of farm surpluses, and the next year it took the program over and brought it out as title I of what is now Public Law 480, over the objections of many of us on the Committee on Foreign Affairs. Since the program has gotten out of bounds, in my view, I do not believe we should use our surplus commodities in a way that injures our foreign policy objectives, as has sometimes happened.

As an example, in Korea last fall I found that since we began to provide surplus cotton to Korea, under Public Law 480, Korea's own production of cotton has gone down each year over the last 9 years. Thus, what I regard as misuse of Public Law 480 has encouraged the Koreans to depend more and more on us for their cotton and reduce their own production. We have helped defeat the foreign policy goal of helping countries become self-supporting and self-reliant by our provision of more food or fiber than they needed from us.

So I agree with the gentlewoman from Ohio that while the Public Law 480 program was initiated by the Foreign Affairs Committee, it would have been better all around if it had been kept under the Foreign Affairs Committee, so that we would use our surplus commodities primarily to promote our foreign policy, and only secondarily to get rid of our surplus commodities. But to the extent that the program has become a dumping operation for getting rid of our agricultural surpluses abroad, I fear the law, much as we worked to get it, has in some respects become self-defeating.

I agree also with the gentleman from Nebraska that to the extent these surpluses are properly used to promote our foreign policy, their value is properly a charge against our foreign policy operations rather than against our agricultural price support operations.

Mrs. BOLTON. I thank the gentleman.

Mr. BEERMANN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Nebraska.

Mr. BEERMANN. I should like to reply on this matter because in the farm belt area this year instead of using our surplus commodities we were asked to give the Secretary of Agriculture the authority to buy any commodity, whether surplus or not. This is what happens to what was a good program to start with but which now has probably worked around to be a welfare program for the United States or perhaps the world.

Mrs. BOLTON. I hope the gentleman can do something about that.

Mr. BEERMANN. I intend to try.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I should like to compliment the gentlewoman on her very eloquent and forthright statement. I should like also to comment on the figures just submitted by the gentlewoman from New York with respect to the scope of Public Law 480. There seems to be some confusion regarding just what the scope of that program has been.

If I am not mistaken, the gentlewoman from New York has used as the basis of her figures a statement from the 15th semiannual report on Public Law 480, which indicates that somewhere under $16 billion have been made available since the program was authorized in July 1954. I should like to point out for clarification of the record that this includes all the agreements entered into. It includes products at a cost estimated by the Commodity Credit Corporation of some $10,872 million but these commodities had an export market value which was substantially less, or $7,592 million. It should also be pointed out that a substantial part of this $7,592 million or $851,700,000, represents ocean transportation financed by the Commodity Credit Corporation.

I might add also, under Public Law 480, since its inception, that just over $5 billion has actually been shipped. This is in contrast, I might say, to the total under agreements already made. These figures, perhaps, will provide a better indication of the actual scope of the program and, I hope, will clarify the situation somewhat.

Mrs. BOLTON. I thank my colleague very much.

Mr. BERRY. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from South Dakota.

Mr. BERRY. I would just like to add to that which has been stated here that this Public Law 480 program that we are talking about or this farm situation we are talking about not only disrupts once—it not only disrupts the agriculture of these foreign countries once, but it actually disrupts three times. What happens is that these imports into this country, the agricultural imports of food and fiber into this country, first, disrupt the agricultural production in this country. In other words, our American farmers have to move over and make room for the food and fiber that is being imported. Secondly, the agriculture in these countries that are importing it here is disrupted because these farmers are producing what they can sell to America. Thirdly, by our giving it away or shipping it into these other countries, we disrupt those countries again, that is, the production of those countries, as the gentleman from Minnesota has just pointed out. So the whole thing is a round robin of disruption.

Mrs. **BOLTON**. And confusion. I thank the gentleman.

Mr. **KYL**. Mr. Chairman, will the gentlewoman yield?

Mrs. **BOLTON**. I yield to the gentleman from Iowa.

Mr. **KYL**. This is illustrative of the difficulty that some of us have about this bill. I have been given a figure that we have already sent abroad under our Public Law 480, $15,796 million. I have another figure here that says—no, it is not $15.7 billion, it is actually valued at $7.5 billion. But then, again, we have only shipped $5 billion. What are the figures here?

Mrs. **BOLTON**. That would have to do with Public Law 480, about which I would not know the facts. I am sorry but some member of that committee would have to answer.

Mr. Chairman, I would like to say just one more word before I take my seat. It has been a very real pleasure all through this year, and in previous years as well, to work with our chairman, the gentleman from Pennsylvania, Dr. Morgan. He is very fair and occasionally he does come out with a nice funny story that saves a situation. He is a most delightful person to have sitting at the head of the table. I want to thank him very much for his courtesy to my side of the table and his general courtesy to us all.

The **CHAIRMAN**. The gentlewoman from Ohio has consumed 37 minutes.

Mr. **MORGAN**. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. Gallagher].

Mr. **GALLAGHER**. Mr. Chairman, I wish to compliment our very able chairman and the very able gentlewoman from Ohio [Mrs. Bolton] for the excellent way in which they have brought this bill to the floor in this bipartisan spirit. I would like to say that foreign aid is but one instrument of our foreign policy, a policy that must pragmatically view not only our national interests separate and apart from communism, but must also view our national interests in relationship to the problems that have been imposed by the very existence of communism in the world today. The execution of this national policy must be carried out politically, militarily, economically as well as educationally, if we are to maintain our security and advance our own national interest.

The mutual security program is but one instrument of our national policy. There have been many critics of the policy who view foreign aid as something alien to our own national interest and national policy and there are times when the panacea for all of our national ills seems to be the abandonment of foreign aid. Regrettably, there have been great misunderstandings in our national security program. The annual discussion that takes place here often contributes to this misunderstanding. Earlier in the debate great emphasis was laid on mistakes and the argument was made that we should provide an ironclad, foolproof system to do away with waste and extravagance. The committee has been in a continuous process of trying to eliminate extravagance and waste wherever it exists. Our chairman, the gentleman from Pennsylvania [Mr. Morgan] has personally brought on a device known as the Inspector General, which is independent and apart from the agency, which superimposes itself so that they can eliminate waste and extravagance wherever it may exist.

Mr. **MONAGAN**. Mr. Chairman, will the gentleman yield?

Mr. **GALLAGHER**. I yield.

Mr. **MONAGAN**. I wonder if the gentleman would say that because there has been waste in the Military Establishment, that because there has been waste in the farm program, that because there has been waste in other governmental programs, that would be a reason for discontinuing the whole program?

Mr. **GALLAGHER**. No. I think the gentleman has made an excellent point. Because there has been waste in the military we certainly would not advocate abandoning our Armed Forces.

The overall goal of the United States is the establishment of a peaceful society of world order based on a system of independent nations. In the achievement of this goal the compelling need exists not only to meet the challenge of communism wherever it is applied, but similarly we bear a responsibility as a mighty "have" nation to assist those poorer societies in their effort to achieve their own legitimate aspirations. Both of these purposes are served by our foreign aid program.

The great success of the foreign aid program I think can be best demonstrated by the very fact that the Communist bloc nations are now imitating the programs we initiated. We seek not only to extend aid and assistance, but also to encourage the growth of those who have common purposes with us. This imitation is a very good barometer of the success of the program. We had great success with the Marshall plan. The Marshall plan was an act of statesmanship for war-ravaged Europe, that prevented Europe from falling into the Communist orbit as Marx predicted it would following a series of wars that would eventually lead to the capitalist nations falling into political and economic collapse. These same nations we assisted under the Marshall plan have now joined with us in making their contribution to the societies of underdeveloped nations who seek our assistance.

We are not giving any aid to Yugoslavia at the present time. Included in this bill is the enabling legislation authorizing the President to grant up to $10 million in development loans if he finds it to be in the national interest.

President Eisenhower had this authorization. It was granted in the spirit of bipartisanship and it should be extended to President Kennedy in the same spirit.

The issue is whether we are going to have a policy in this area or not. If so, it requires patience and staying power. It is a long-range policy that requires understanding and faith in our Government. The Polish people individually are perhaps the greatest friends we have—the Public Law 480 help we give them goes to the people. We have access and we have influence in Poland.

Shall we hurt those who are our friends in Poland by depriving them of food? I have heard the argument that sometimes freedom is more precious than food and to let Poland ferment into a revolution. We are not offering an alternative of food or freedom—we gave no food to Russia or China and they have no freedom. But if there was a revolt would not the helpless civilians of Poland be stomped on? We can never make a profit on the distress of others. Russia adopted this policy on Hitler and 20 million Russians died before Hitler had run his course. And Germany is still not a Communist nation, which proved Stalin's policy incorrect.

If Public Law 480 were cut off from Poland an economic disaster would set in. There would be a default on debts or they would have to be further mortgaged to the U.S.S.R.

Bloodshed could follow—30 million Poles would suffer. What would be our gain at the expense of a great loss of prestige to ourselves and the abandonment of trust and hope of our good friends who believe in us? I have been to Poland and nowhere in the world are Americans greeted with greater warmth. And nowhere in the world is communism treated with greater contempt than in Poland, despite the Russian divisions which surround them.

A heavy responsibility rests on this legislative body. For the action that we take will affect the actions of our Government.

Section 620(g) of the Senate version of the Foreign Assistance Act of 1962 provides that "no assistance shall be furnished under this act to any country known to be dominated by communism or Marxism. This restriction may not be waived pursuant to any authority contained in this act." Our Ambassador to Yugoslavia, George Kennan, has stated that senatorial adoption of this provision is "the greatest windfall Soviet diplomacy could encounter in this area."

Although partially generated by some recent provocative statements and actions of Marshal Tito, this provision is in part a reflection of a deeply rooted American disposition for dividing the world into the stark black and white of friend or foe, and in part the consequence of the elevation of unproven assertion into the realm of established fact. Of course, Yugoslavia is not a conscious ally of the West; nor are its existing political and economic institutions completely congenial to Western eyes. But, as is normally true, consideration of the present without comparison with the past produces a highly deceptive image. At the time of Tito's break with Stalin in 1948, Yugoslavia was an ardent supporter of every aspect of the Soviet Union's foreign policy. It provided a haven and materiel support for Greek Communist guerrillas and its armed forces were applying pressure on Trieste and Italy. There was virtually no trade or communication with the West. The country's economy was highly centralized after the Russian pattern.

In the 14 years that have elapsed since 1948, sweeping—almost revolutionary—changes have occurred in both Yugoslavia's internal and external policies. Internally, forms have been decollectivized since 1951 and industry highly decentralized. Important elements of a free market system are now operative in the country. Even more important, the people of Yugoslavia have been granted a very large measure of social and religious freedom. While criticism of the regime's fundamental tenets is repressed, administrative criticism is permitted, and criticism of the Soviet Union has been openly tolerated.

In its external relations, Yugoslavia has become increasingly tied to the West. Seventy-two percent of its trade is now with the West. It is an active participant in such free world organizations as OECD, GATT, IMF, and the World Bank, all of which are boycotted and castigated by the Sino-Soviet bloc. Its United Nations voting record, while not in agreement with ours, is similarly out of phase with the Soviet Union's. On some important issues, we have stood together. For example, Yugoslavia opposed the Russian troika plan which would have paralyzed the United Nations. It also supported the resolution requesting the Soviet Union not to explode its 50-megaton bomb.

Perhaps most important of all in terms of our long-range relations with this country, the Yugoslav Government has facilitated extensive contacts between its people—particularly the younger generation—and the West. Free world tourists to Yugoslavia totaled somewhat over 1 million in 1961, contrasted with an estimated 14,000 persons to Rumania and about 40,000 to Czechoslovakia. Even more significantly, the Yugoslavs have sent many of their younger people to the United States and other Western countries for intellectual and technical training.

The beneficial consequences for Western security of Yugoslavia's independence have been manifold. The Greek Communist guerrillas, abandoned by the Yugoslavs, have been crushed and Greece has become a stable partner in the NATO alliance. Albania has been geographically isolated from the Soviet bloc and has thus been able to go off on a tangent of its own. The Soviets have been denied access to the Adriatic. Perhaps of equal importance to our broad security interests is the model Yugoslavia provides for leftist elements in the underdeveloped countries. Its continued avoidance of military or economic alliance with the Soviet Union provides concrete proof of the validity of the proposition that nationalist aspirations cannot be pursued by a nation that subordinates itself to Soviet policy. The country's increasing internal liberalization accompanied by economic progress indicates that such progress need not be, and possibly cannot as effectively be, sought through rigid centralization and fierce social repression. Finally, the benefits Yugoslavia has derived from its relations with the West and the United States in particular are living rebuttal to the Soviet Union's dogmatic assertion that social revolutionaries must seek assistance solely from the Soviet Union, whatever the price exacted, if they are to achieve economic progress.

The opponents of aid to Yugoslavia have simply disregarded or denied the existence of these enormously beneficial incidents of Yugoslavia's independence and have based their opposition on a number of unproven assertions. They have asserted first that Belgrade is the principal link in the intelligence chain running from Moscow to Havana. According to our Government's intelligence information, there is no evidence whatsoever for this charge. More concretely, some of them have implied that Yugoslavia gave American-made jet trainers to the Castro government and have trained Cuban Communist pilots in Yugoslavia. The charge in turn stems from a press allegation early in 1962 that Yugoslav ships carrying U.S.-manufactured jet aircraft sold to Yugoslavia stopped in Havana under maximum security precautions; that the Yugoslavs did not deny these stories, and that these "facts" were acknowledged by both the State and Defense Departments.

The press allegation was described by the Yugoslav Government as a complete fabrication and information available to our Government disproved the principal elements of the allegation. For example, the Yugoslav ships which carried the jet aircraft in question to Yugoslavia, were known not to have stopped in Havana or any other Cuban port. Moreover, there is no evidence that Cuban pilots have been trained in Yugoslavia.

In sum, Yugoslavia remains a country whose independence from Soviet domination has redounded to the benefit of the West. She does not neatly fit into the rigid category of friend or foe, but if realistic definitions are used, it seems hard to regard a country that has voted against the Soviet Union in the U.N. and has proclaimed the virtues of national independence, as opposed to economic and military commitment to the Soviet Union, as a "foe" of the United States.

The following are the answers to some of the charges that have been made in connection with this policy.

Charge: We have been recently told that Yugoslavia did not close its borders to Greek guerrillas on its own initiative, but on the direct order of Stalin. The recent book by Milovan Djilas has been cited as evidence of this.

Facts: It would be difficult to debate here what Stalin really intended, and it would be pointless to challenge Djilas' account of what Stalin said on February 10, 1948. We do know that Stalin was an accomplished liar, and that his words were scant evidence of intent. But more importantly, it is a historic fact that Stalin broke with Tito in 1948; that Yugoslavia was expelled from the Cominform in June of that year; that Stalin applied every pressure short of military means to unseat Tito in the ensuing months; and that Tito did not close the border to Greek guerrillas until July 10, 1949—more than a year after the break with Stalin had become public knowledge.

We are asked to believe, by opponents of the sound policy of three administrations, that at a time when Tito had been opposing Stalin's control with all his means for more than a year, and even though Tito continued to resist Stalin bitterly as long as the Soviet tyrant lived, he nonetheless closed the Greek border on Stalin's orders in July 1949. This flies in the face of historic fact.

Charge: There is intelligence information indicating that Yugoslavia contributes substantially to Communist activities in areas of the world other than South America, including southeast Asia and Africa. The only question which remains unanswered is how the amount of money which Yugoslavia spends in these activities compares with the amount the United States contributes through its foreign aid program to Yugoslavia.

Facts: This sort of charge has been rebutted again and again. In furnishing assistance to Yugoslavia, the President is charged, as President Eisenhower was charged before him, with the responsibility—in the words of the Mutual Security Act of 1954, as amended—to "assure himself, first, that Yugoslavia continues to maintain its independence; second, that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and third, that the furnishing of such assistance is in the interest of the national security of the United States." President Eisenhower's administration found Yugoslavia eligible for assistance under these provisions. The present administration has also so found. I am assured by responsible high officials of this Government that they have no information that Yugoslavia is participating in any way in the Communist conspiracy of world conquest. Yet we are told that, "The only question which remains unanswered is how the amount of money which Yugoslavia spends in these activities compares with the amount the United States contributes through its foreign aid program to Yugoslavia." Where is the evidence for this charge? It is denied by this Government, and I would like to see evidence brought out in the House in this matter before we conclude that both President Eisenhower and President Kennedy erred on this question.

Charge: A filmed interview with Tito by Edward R. Murrow in 1956, although containing nothing which should be of a classified nature, has been kept secret and its existence is not generally known.

Fact: The Edward R. Murrow interview with Tito in 1956 was shown nationwide on CBS-TV over 102 stations on June 30, 1957. This "See It Now" program had a Nielson rating indicating it was seen in 1,773,000 homes, or by approximately 4,000,000 people. The interview was also carried on CBS radio from 9:30 to 11 p.m. on the same day. It is perfectly apparent that this interview is not and has not been secret.

Charge: Tito has stated that his aims and those of the Soviet Union are the same.

Fact: Tito and Khrushchev have both pointed out that they believe in the ultimate triumph of socialism, that is, communism. And this has each and every time been interpreted by those who wish to do so as "proof" that Yugoslavia is really a member of the bloc. The most recent case was just a few months ago. Every one of us in this Chamber is aware of this so-called evidence that Tito is really in the bloc. But what did Tito really say? I want to put this into the RECORD. Tito said:

> As regards building socialism with respect to the realization of final goals, there can only be differences concerning methods. There are almost as many roads leading toward socialism as there are countries. There exist elements of dispute between us and the Soviet Union but they are not so great.

Now let me just interrupt this quotation to point out that the very difference Tito mentions is just the difference we are concerned with in this debate. It is the difference "concerning methods." In short, the Soviets believe in creating socialism, that is, communism, by international conspiracy and conquest, while Tito does not. And let me ask whether we could expect Tito, in the circumstances of Yugoslavia's position between East and West, to make this difference clear in the same language I have just used? I submit that we could not. But he tried to make it perfectly clear to anyone who would read what he said. Tito went on to say:

> The basic difference concerns relations between Socialist countries. According to their concept, each country building socialism must be in the camp. We feel, however, that socialism can be built without participation in the bloc, because the division of the world into blocs constitutes a danger. * * * The basic difference between us and the Soviets is that we are not in the camp, that we consider it erroneous to divide the world into blocs and feel that socialism can be built outside as well as inside the camp.

So there it is. Tito says the difference between his view and that of Khrushchev is not so great. Tito feels that he does not have to belong to the bloc to be a Communist, while Khrushchev believes that he does. This difference may be not so great to Tito, but it is the heart of the matter to the West and to this country.

Charge: In 1961 the Yugoslav freighters *Trbovlja* and *Gundelec* left San Diego loaded with jet trainers bound for Yugoslavia. It has been reliably reported that at least one of the ships had a port of call in Havana en route to Yugoslavia. The fact that Cuban Communist pilots have been trained in Yugoslavia lends credence to the belief that at least some of these trainers got no farther than Cuba.

Facts: This charge apparently stems from a press allegation early in 1962 that Yugoslav ships carrying U.S. manufactured jet aircraft sold to Yugoslavia stopped in Havana under maximum security precautions; that Yugoslav officers were in Havana to train Cuban military personnel; that the Yugoslavs did not deny these stories, and that these facts were acknowledged by both the State and Defense Departments.

The press allegation was totally false. It was described by the Yugoslav Government as a complete fabrication, and information independently available to our Government disproved the principal elements of the allegation as well. The Yugoslav ships, for example, which carried the jet aircraft in question to Yugoslavia, are known not to have stopped in Havana or in any other Cuban port.

Moreover, there is no evidence that Cuban pilots have been trained in Yugoslavia. Indeed, it would be strange to train Cuban pilots, presumably to fly the Mig's of Castro's air force, in a country which does not fly or produce Mig's but which has during the past decade depended on the West for its airforce materiel. I cannot help but wonder, in the course of examination of these and numerous other charges concerning Communist arms and training for Castro, whether the sources of this information in the newspapers are really aware of the Czechoslovak role in these activities, and whether they are really aware that Czechoslovakia and Yugoslavia are not one and the same country. Certainly we in this Chamber have every reason to suspect these sources in view of the complete lack of evidence for their charges.

Charge: First, Tito's report at the Seventh Congress of the LCY, the Communist Party of Yugoslavia, in April 1958, was a complete retraction of his earlier statement to the Sixth Congress 5½ years earlier; second, the LCY program of 1958 stressed the concept of "proletarian internationalism." This opposes any idea of national communism, which was explicitly rejected in the program of 1958. It was on the basis of the earlier statement that the program for aid to Tito developed; third, furthermore, the program emphasized that Yugoslavia was ready to lend a militant hand to encourage the world communizing process.

Facts: The facts of the matter are that the Seventh Congress of the LCY in 1958 put the finishing ideological touches on Yugoslavia's break with Moscow 10 years earlier. The tough bloc line adopted at the Moscow Conference in November 1957, in reaction to the Poznan riots and the Hungarian revolt, ended the brief 1955 to 1957 period of normal Yugoslav-Soviet relations, and placed Belgrade on notice that its "separate roads to socialism" was no longer to be tolerated. When the Soviets balked at an early draft of the Yugoslav program and then engineered a boycott of the Yugoslav Congress, the Yugoslav leaders launched a general counterattack against Soviet attempts at dictation and charges of ideological heresy. The Congress steadfastly defended Yugoslavia's position apart from both East and West. Both were attacked in principal as threats to peace and progress and the delegates stressed that the foreign policy of the Yugoslav peoples was based on "their resolve to safeguard their independence at all cost." This independence, as my colleagues are aware, is exactly what we have been seeking to foster.

The reaction from the Soviets and the Communist Chinese proved just how wise our investment has been, how divisive an effect Yugoslavia has had on the Communist world. Khrushchev cut off all Soviet aid to Yugoslavia. Moscow and Peiping continued to denounce the Yugoslav program as contrary to Marxism-Leninism and leading to disunity among Socialist countries. Yugoslavia was threatened with ostracism from the Communist world.

This is the main import of the Seventh Congress. Not all of the stands were satisfactory from our standpoint. Not all of the things said and done by our allies are satisfactory either, for that matter. What is important is that the Congress' interpretation of various Marxist slogans such as "proletarian internationalism" all bore the imprint of Yugoslavia's emphasis on the struggle for socialism in one's own country. Far from abandoning previous Yugoslav policies, the program of the Seventh Congress of the LCY in 1958 was a major reaffirmation of the revisionist "separate roads to socialism" philosophy in Yugoslavia.

Charge: The Yugoslav record in the U.N. demonstrates that Yugoslavia maintains strict adherence to the Soviet bloc line.

Facts: This was brought out in debate on this bill in the Senate, where I believe the significance of Yugoslavia's record in the U.N. was not made entirely clear. It was conceded that Yugoslavia does not vote with the Soviet bloc all the time, but it was stated that on the important issues, such as the Hungarian question, the Yugoslavs—and I quote from the RECORD—"maintained strict adherence to the Communist line and unflinching loyalty to the international Communist movement."

This is a curious analysis. The voting records of the U.N. are public records, and by a similar analysis we could observe that many of the neutralists vote on certain subjects—if I may use the phrase again—with "unflinching loyalty to the international Communist movement." But on other matters in the U.N., the neutralists and the Yugoslavs apparently do flinch from such loyalty. The vote on the resolution appealing to the U.S.S.R. not to explode the 50-megaton bomb was such a matter. Senators AIKEN and COOPER noted the important differences between the Yugoslavs and the Soviets in the U.N.

I think that we have to face this matter squarely and honestly. Either the Yugoslavs do vote consistently as members of the Soviet bloc or they do not.

The Department of State has pointed out that while we are well aware the Yugoslavs do not vote consistently with the United States, we are also aware—and the facts speak for themselves—that the Yugoslavs do not vote consistently with the Soviet bloc.

I think we would all agree that we need not try to establish that the Yugoslav voting record in the U.N. is different from ours; if this were the point, we could as easily demonstrate that the voting records of our NATO allies are also different from ours. But this is not the point. To reach a meaningful conclusion of this subject we need to know whether the Yugoslav voting record is different from that of the Soviet Union. We need to know whether or not the Yugoslavs vote in the same way as the Czechoslovaks or the Bulgarians in support of the U.S.S.R. And the record shows that they do not.

Charge: Tito declared in a 1956 speech:

> Yugoslavia, in time of war, as well as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—victory over the enemies of socialism.

Fact: This quotation which was read into the RECORD several times in debate in the Senate, is a distortion of a statement made by Tito in Stalingrad. Tito's statement, as actually made, could not be construed by a fairminded person as any sort of reference to future cooperation in war. Tito did refer to cooperation with the U.S.S.R. in war, but he referred to the same war in which we too cooperated with the U.S.S.R. And he did not refer to "victory over the enemies of socialism." He referred to peaceful cooperation toward the "goal of the victory of socialism." The difference is not without significance. It is a good example of the editorial changes that promptly appear in any of Tito's speeches when they are quoted by those who are so obsessed with the compulsion to strike at Tito that they lose sight of the other 18 million Yugoslavs and the importance to our policy of this strategic Balkan country.

Tito's speech was broadcast; what he said at Stalingrad is a matter of record. He gave his warm greetings to the people of the "heroic town" of Stalingrad which inflicted a "decisive blow upon the Fascist invaders." He pointed out that Yugoslavia too had suffered invasion during World War II and had shared in the struggle against the Nazis. The content of his brief talk was concerned with World War II and the important role played by the battle of Stalingrad. He then praised the citizens of Stalingrad for their work in rebuilding the city. He wished them, and here I pick up the quote, "many successes in your construction and creative work for an even better life, for the victory of communism throughout the Soviet Union."

Please note where he wishes the victory of communism to take place. It is certainly pertinent to the context of his closing paragraph, when he said, and I quote in full:

> We, in Yugoslavia, have likewise made a big step since we ejected the Fascist occupiers. Our country, too, was much ravaged. And we have reconstructed our country, and are building new factories, a new life. In peace as in war Yugoslavia must march shoulder to shoulder with the Soviet people toward the same goal, the goal of the victory of socialism.

I think it is clear that Tito did not predict that "in time of war, as well as in time of peace" the Yugoslavs would be shoulder to shoulder with the Soviets. He clearly said that in time of peace, as well as during World War II, the Yugoslavs should cooperate shoulder to shoulder with the Soviets But in case there is doubt, let me inform the House that the distortions of Tito's remarks by some writers in the West brought an immediate complaint from Tito, made to our Ambassador in Moscow even before Tito returned to his own country. Tito clearly and firmly held that his remarks referred to association with the U.S.S.R. during World War II, and not to the future.

Let me say that our Ambassador rose to this occasion promptly, and replied that if the Western press had not accurately interpreted Tito, the reason should be sought in the care—or lack of care—which was taken to keep the Western press informed.

I think our Ambassador was right. The responsibility for our misunderstandings lies with Tito, I am sure. But the facts have been made plain to us on this and other allegations many many times. The question we must all answer is more direct and I want to pose it now. Which are we going to put first: the real needs of our country's foreign policy, or our desire to show our dislike of Marshal Tito?

Charge: Belgrade is the principal link in the intelligence chain running from Moscow to Havana. Yugoslavia has lent very active support in furnishing arms and technological advice and training to Cuban Marxists. Thus Yugoslavia is aiding Castro in the export of Communist revolution throughout South America.

Facts: According to our Government's intelligence information, there is no evidence whatsoever for these charges. Moreover, we know from bitter experience that the Soviets are quite capable of organizing their own intelligence network, and that there is a Soviet Embassy in Havana which is in nothing less than ideal circumstances to guide, control, advise, equip and finance any intelligence venture believed by Castro and Khrushchev to be feasible and desirable. Yet I am sure our colleagues are sincere when they ask us to believe that Tito's Yugoslavia is the link between Moscow and Havana. I am sure they are sincere when we are told this is well known. But I have asked for confirmation based on our intelligence information, and I am told there is no evidence to support this questionable charge.

I have also endeavored to obtain evidence that the Yugoslavs have furnished arms to Castro, or have assisted in the export of the Communist revolution to South America. I am told our Government has no such evidence. It seems to me that if there is any such evidence—and I note that in the debate in the Senate it was stated that there is every indication of this—then the evidence should be brought out and made available to the House and to our intelligence agencies.

Charge: Tito has explained his foreign policy as one of coexistence. At the same time he states flatly that he is in complete accord with Mao Tse-tung. He reiterates what he terms as "my point by point" agreement with Mao. Without a doubt the coexistence of which Tito speaks is the same as that practiced by the U.S.S.R. under Khrushchev.

Fact: Let us just review some of the violent attacks which Communist China has leveled against Yugoslavia. In the Chinese publication People's Daily on May 5, 1958, the Peiping government charged that the Yugoslav brand of revisionism "aimed at splitting the international Communist movement and undermining the solidarity of the Socialist countries, and is directly harmful to the fundamental interests of the Yugoslav people." One month later the Chinese castigated the Yugoslavs, stating that "Yugoslavia follows a foreign policy of praising the United States and slandering the Soviet Union" and that "in contrast to the neutralists in general, the Tito elements, putting out the signboard of Marxism-Leninism and a Socialist country, mix themselves in the ranks of the international proletariat to corrode, disintegrate and subvert."

This is the attitude which the Chinese Communists have consistently held toward Tito, and which they continue to hold. In the February 10, 1962, edition of Red Flag, the organ of the Chinese Communist Party Central Committee, Tito's milder brand of communism was reviled as "more evil, more debased, and more cunning" than previous brands of revisionism to which it was allegedly related.

I believe this material speaks for itself. There is no point-by-point agreement between Mao and Tito. There is only the bitterest of feeling, and I think you will agree that we should keep the facts straight on this point in this Chamber.

I would like also to touch on Indian and the United States national interests.

In considering the foreign aid bill with regard to India, it is important to keep the focus on the U.S. foreign policy objectives. During the past 2 or 3 years India's foreign policy objectives and ours have come increasingly closer. In southeast Asia the Indians have played a very constructive role with regard to Vietnam—a situation in which we have a vital interest. In the Congo we and the Indians have seen eye to eye and Indian troops have made a great contribution toward the easing of that crisis. These are but two of the more important examples where matters affecting the Indian national interest and ours coincide. There are many others to be found in the technical bodies of international organizations.

From the viewpoint of the U.S. national interest per se, it is most important that a nation which is striving to achieve the modernization of its social and economic structure succeed in doing so through a democratic political system similar to that which we in the West have. In a free democracy pros and cons of problems affecting war and peace are more openly discussed and public opinion must be taken into account. Thus it is very much in our interest that the developing nations preserve and develop democratic systems of government in order to avoid the irrationalities and rash acts that frequently result from totalitarian rule.

India and Communist China are at odds with each other over frontier questions. India is determined not to yield its territory to Communist Chinese threats and actions. It has backed up this resolve by placing Indian armed forces into trouble spots on the frontier with Communist China and has actually regained territory initially claimed by the Communist Chinese. Thus India and Communist China are not only competitors in the ideological field—democracy versus totalitarianism—but also in the power struggle in Asia. We and the Indians have, therefore, a common concern; that is, the threat of Communist China.

The Goa incident, India's posture in the United Nations on the Kashmir issue and the matter of the Soviet Mig's are indeed distasteful to us partly because these situations cause problems for us with other free nations and partly because we see certain dangers in the acquisition of Soviet arms by a nonalined country. But let us not overlook the fundamental factor which is that these are situations which while annoying to us are not vital to the U.S. national interest. They are essential problems of Indian national interest.

We in this country believe that political and social progress and stability are difficult to achieve without continuous economic progress. It has been our experience during the last 14 or 15 years that underdeveloped countries experience great difficulty in achieving economic gains despite heavy financial assistance from abroad. Yet in India we have had and are having a most interesting and important development in the field of economic achievement. These people have poured enormous sums from their own resources into a well organized and sustained effort leading toward specific economic goals. We have confidence in what they are trying to do and it is in our interest that this progress be maintained. For further progress to be achieved our assistance is vital. A faltering or collapse in the Indian economic development effort would have such psychological and political repercussions throughout Asia, Africa, and the Middle East that the price of picking up the pieces in the aftermath might well become intolerable for the West.

In brief there is no question in my mind of the necessity to continue to assist India because it is in our national interest to do so. We must demonstrate the maturity and the steel nerves of a nation which knows where it wants to go, what its policy objectives are, and not let ourselves be swayed from the task ahead of us because of emotionalisms more appropriate for a new nation than for the leader of the free world.

Question: Why does India increasingly oppose the United States on so many critical issues?

Answer: India increasingly, and to a greater extent than is generally realized, does not oppose us in those areas which most vitally affect United States national interests.

BALANCE SHEET

On the negative side: Indian opposition to our foreign policy has become concentrated during the past years on certain issues in the south Asia area. These are ones about which India feels strongly, such as Goa, Kashmir, and supersonic aircraft, and where the United States has taken issue with the Indian approach to dealing with the problem. As significant as these questions may be they do not strike at the center of United States national security.

On the positive side: Despite these problem areas, the trend of events in recent years has shown a growing convergence of basic national interests of our two countries:

First. Against Red Chinese aggression: Chinese incursions across India's northern border opened Indian eyes to the long-term threat the Peiping regime poses to Indian security. India is now alarmed at the potential for Chinese Communist expansionism. India has been actively improving its position on its northern border in order to prevent further Red Chinese incursions and to be in a position to regain at least some of the territory occupied by the Chinese. Furthermore it has recently been performing a helpful role as Chairman of the International Control Commissions in Laos, Cambodia, and Vietnam in order to minimize the possibility of Chinese expansion into that area. Thus, the recent finding by the Indian Chairman of the ICC that North Vietnam is providing active support to guerrillas in South Vietnam provides the United States with legal justification for its support of South Vietnam.

Second. United Nations: India shares with the United States a strong interest in maintaining an effective U.N. During all of Khrushchev's campaign against the Secretary General, Nehru publicly opposed the troika suggestion and upheld the idea that a unitary SYG was essential.

Third. In the Congo: When there was a threat in the winter of 1961 that the U.N. forces would be withdrawn from the Congo, India responded positively to Hammarskjold's request for more men and sent a full combat battalion to the Congo over Soviet objection.

Fourth. Inside India: By virtue of its size as well as other factors, India is democracy's principal Asian representative in the power strength with Communist China. India's development program is gathering additional momentum under an increasingly effective democratic structure at the very time that the Chinese Communists are increasing economic difficulties under the most totalitarian government in the world today.

CONCLUSIONS

In those areas where basic U.S. national interests are involved, such as southeast Asia, the United Nations, and the Congo, Indian policy and attitudes parallel and reinforce our own. This is not always a smooth process because India frequently states its positions in terms of nonalinement which obscure the basic community of our interests and the fact that India is democracy's principal representative in Asian power struggle with Communist China.

Mrs. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, this afternoon we have heard from those who very strongly support this program. I think it is time now that we hear something of the shortcomings of the program, something of the dollars involved, and something of proposals which might make it better and more workable.

In the first place, it is sometimes said that those of us who have opposed and have voted against foreign aid legislation in past years are unaware of the fact that we live in a world where nations must cooperate. Nothing can be farther from the truth. We have a full realization of those facts. But we do feel that this program has not yielded the results which its friends and proponents through the years have said it would yield, and which we have all hoped against hope that it might yield.

Mr. Chairman, first of all I think it might be worthwhile to look at something of the sums of money involved in these expenditures. Since the end of the Second World War when the programs which have a relationship to foreign aid were first undertaken, we have up to the end of the fiscal year just concluded appropriated about $95 billion in direct foreign aid. If we add to that sum other moneys which are not so easily identifiable as foreign aid, we bring the total to $107 billion that has been appropriated since 1946 in our efforts to win friends and influence people, as well as to combat communism throughout the world.

Mr. Chairman, some good results have been achieved. On the other hand, there have been very many shortcomings in this program. Since I do not have the time this afternoon to detail all of them, I would invite the Members of the House to read the views of the gentleman from Georgia [Mr. PILCHER], the gentleman from Maryland [Mr. JOHNSON], and myself, contained in a report of a study mission completed last fall. In those views, which deal principally with the situation which we found in Asia and the Middle East, we point out more specifically some of the shortcomings of this program.

Mr. Chairman, getting back to the matter of dollars and cents, what is the situation with respect to the cost of this program this year in relation to other years? I think Members would be interested to recall that last year, speaking in round numbers, this House authorized $4,253 million for the foreign aid program. There was appropriated, pursuant to that authorization, $3.9 billion.

This year the President has requested $4,878 million. This committee has brought out additional authorizing legislation which would make possible the appropriation of about $4,660 million for this coming fiscal year. Based upon the President's request, please observe that there was only actually something in excess of $200 million cut for this year. When the figure of $800 million is used, it includes cuts made from the Alliance for Progress programs for the 3 succeeding fiscal years. So, actually, on a program of $4,700 million we have reduced the dollar amount only slightly in excess of $200 million.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Iowa.

Mr. KYL. According to the gentleman's figures, for each of the 40 Members who are now on the floor, this represents an expenditure of about $100 million each; is that correct?

Mr. ADAIR. I think the gentleman is correct.

Mr. KYL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 149]

Addabbo
Alford
Andersen, Minn.
Anfuso
Ayres
Baker
Baring
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bennett, Mich.
Betts
Blatnik
Blitch
Bolling
Bonner
Boykin
Brademas
Breeding
Bromwell
Brooks
Broyhill
Buckley
Cahill
Carey
Celler
Chelf
Chiperfield
Church
Coad
Colmer
Cook
Cooley
Corman
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Dawson
Delaney
Diggs
Donohue
Dooley
Farbstein
Fino
Flood
Fogarty
Frazier
Friedel
Fulton
Giaimo
Gilbert
Glenn
Granahan
Gray
Green, Pa.
Harrison, Va.
Harrison, Wyo.
Hays
Healey
Hoffman, Ill.
Hoffman, Mich.
Holifield
Horan
Ichord, Mo.
Inouye
Jennings
Jones, Mo.
Kearns
Kee
Keogh
Kilburn
King, Utah
Kitchin
Kluczynski
Kowalski
Laird
Landrum
Lane
Lesinski
Libonati
McCulloch
McMillan
McSween
Macdonald
Magnuson
Mason
Meader
Merrow
Michel
Miller, George P.
Miller, N.Y.
Minshall
Morrison
Moulder
Multer
Murphy
Nix
Osmers
Peterson
Philbin
Pike
Powell
Price
Purcell
Rains
Randall
Reece
Riley
Rivers, Alaska
Robison
Rodino
Rogers, Tex.
Rosenthal
Rostenkowski
Saund
Scranton
Sheppard
Shipley
Smith, Miss.
Spence
Steed
Taber
Thompson, La.
Thornberry
Utt
Van Zandt
Wallhauser
Whalley
Wickersham
Williams
Willis
Wilson, Calif.
Wright
Young

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 11921, and finding itself without a quorum, he had directed the roll to be called, when 296 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Indiana [Mr. ADAIR] is recognized.

Mr. ADAIR. Mr. Chairman, prior to the rollcall we were giving attention to the matter of the cost of this program. I had pointed out that there is an authorization this year of something in excess of $4.6 billion. I think the Committee would want to know that in that figure there is authorization for military purposes of $1.5 billion. The rest of the money is generally for economic purposes.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. At the start of your speech you were announcing the overall cost of this program since its start. I am wondering if you could break down the figures which you gave earlier to indicate how much of the total sum was for military expenditures and how much was for so-called economic aid in one form or another.

Mr. ADAIR. In response to the gentleman's inquiry, it can be said that since the beginning of this program roughly one-third of it has gone for military purposes and two-thirds for economic; in other words, up to the end of fiscal 1961 about $90 billion had been used for the pure foreign aid programs of which about $29 billion had been military and $61 billion economic.

One reason why there was only this relatively small reduction this year in the amount authorized was because we, the Committee on Foreign Affairs, had recommended to the House that additional money be made available this year for the Peace Corps, amounting to something more than $60 million. I think it can be said, therefore, that the additional money made available for the Peace Corps accounts in part for the rather small reduction in the overall request for money in this program.

Each year we speak about the pipeline. That is the amount of money unspent in this program. It is interesting, I think, to recall that this year the pipeline has in it more money than at any time since 1956. The amount available, according to the estimates which have been given at the end of the fiscal year just concluded, is $6.6 billion. I think that is a figure worth keeping in mind with reference to the overall cost of the program. If the overall cost is $4.6 billion, then we ought to recall also that there is in the pipeline unexpended at this time $6.6 billion. If we keep that in mind, I think we can find real reason for further dollar reduction in this program.

There are two points particularly that ought to have special mention. One is the question of expropriation of American businesses by foreign governments or subdivisions of those governments. The other is the question which has heretofore been touched upon, the matter of aid to Communist countries. On this matter of expropriation the Committee on Foreign Affairs did write into the bill a provision which is helpful and, I think, a start in the right direction. However, in my opinion it does not go far enough for two principal reasons. First, because it does not relate to some seizures which have been made earlier this year and which would not be covered, therefore, by the language in the amendment as it was written into the bill.

Secondly, because there is wording in the amendment which would give to the President of the United States wide powers of discretion, giving him the power to waive the operation of this amendment if he thinks it wise to do so.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mrs. BOLTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Illinois.

Mr. FINDLEY. I appreciated the gentleman's comment about aid to Communist countries. In the debate on the foreign aid bill last year several Members expressed concern about the extent to which the United States is aiding non-Communist governments which nevertheless are oppressive in character. One Member of this body offered an amendment which would prohibit any foreign aid to governments which curb the freedom of press, speech, and religion of their own people.

Can the gentleman inform me as to whether the language of this bill would also attempt to move in that direction, toward strengthening the area of individual liberty even in countries which are not of Communist character?

Mr. ADAIR. I will answer the gentleman by saying that there is some wording that we put in this bill having respect to discrimination against persons because of race, creed, or color. Perhaps that could be construed broadly enough to relate to the situation which the gentleman describes. But I do not believe there is any new language in this year's bill bearing specifically upon the point which the gentleman mentioned.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

Mr. ADAIR. I yield further to the gentleman from Illinois.

Mr. FINDLEY. Perhaps the gentleman refers to the language at the top of page 2. In reading that language I have concluded, myself, that it applies only to the rights of American citizens in these foreign countries and would not relate to the rights of individual citizens within those countries.

Mr. ADAIR. The gentleman is right. That language does relate only to American citizens.

Mr. FINDLEY. I thought this point might be especially appropriate to make at this time, because in my annual legislative questionnaire this year to citizens of western Illinois, I asked this question: Should the United States continue foreign aid to governments which curb freedom of the press, speech, and religion?

The responding answers were 2,274, which said "yes, we should continue this type aid," but 11,811 said "no, we should not continue U.S. foreign aid to governments which curb freedom of speech, press, and religion."

Mr. ADAIR. I thank the gentleman for his observation, and would point out to the gentleman that, of course, this is a very sensitive matter when we try to put in legislation here what shall be the relationship between governments and citizens of other nations. It is true that we are attempting to do just that to a certain degree as a part of the Alliance for Progress program, and elsewhere, but it is a very sensitive matter.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I want to congratulate my Hoosier colleague on his excellent presentation of this particular legislation. I would like to pose this question:

It seems to me, as I have followed the events of the past few weeks, that our proposed Alliance for Progress proposition is being used by some of the potential recipients as a sort of a blackmail deal. They are saying in essence, "Well, if you do not do such and such, we will not take your help."

Does the gentleman think that that is a true state of affairs?

Mr. ADAIR. I would have to agree with the gentleman, and say that there is a great deal of truth in his remarks.

Mr. HARVEY of Indiana. If the gentleman will yield further, I think, certainly, the Department of State ought to be mighty sure in its treatment of this particular program or fund that we will not be indefinitely in that position insofar as these recipient countries are concerned.

Mr. ADAIR. I thank the gentleman for his contribution.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentlewoman from New York.

Mrs. KELLY. I thank my colleague. I would like to say that I introduced an amendment in line with the suggestions discussed earlier, which stated that U.S. assistance must not be extended or continued to any country which fails to comply with the principles stated in section 102 of the Foreign Assistance Act. However, the committee thought that my amendment went too far, on the grounds that we should not dictate the internal policies to be pursued by other sovereign nations. Nevertheless, we hope that, with the help of the principles embodied in section 102 of the act, and strengthened and extended by section 101 of the bill before us, we will emphasize aid to those countries which seek to respect the dignity of the individual, and to respect his freedom to speak, to travel, and to worship in accordance with the dictates of his conscience.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman.

Mr. BEERMANN. Mr. Chairman, I appreciate the gentleman's comments on the subject of expropriation of American properties in these other countries. I wonder why we do not take care of expropriation acts committed by other countries back to January 1, 1962, or even prior to this year.

Mr. ADAIR. I will say to the gentleman that I feel quite sure that amendments to remedy that defect in the bill will be offered before we have taken final action.

Mr. BEERMANN. I thank the gentleman.

Mr. ADAIR. Mr. Chairman, in conclusion there is one further thing that ought to be underscored as we consider this legislation; and it is a matter which has been mentioned in my hearing by many of the important leaders of friendly nations abroad. Too often, Mr. Chairman, we fail to make a distinction between nations which are friendly to us and which are willing to stand up and be counted and to help us if need be and those which call themselves neutral but in fact have a very doubtful neutrality. I think it is high time, if we are going to continue this program of worldwide assistance, that we say to ourselves, "We will give aid to those who will help us, those who will stand up for freedom, those who will be of assistance, if necessary, and not give so much of our aid to the so-called neutral countries who are neutral perhaps in name only."

Mr. Chairman, thinking it may be of interest, I include here the minority views of the gentlewoman from Illinois [Mrs. CHURCH] and myself:

MINORITY VIEWS

It is an easy assumption that those who oppose foreign aid legislation must logically oppose the concept of mutual security. Nothing could be further from the truth. We recognize that friends and allies are basic to the security of the United States. Our objection to the program is that it has not accomplished the results expected.

Our principal comments and criticisms arise from the inadequacy of the legislative framework within which we are pursuing our national objectives. A year ago it was claimed that a complete reexamination of the Mutual Security Act would result in legislation that would be more responsive to our national needs and considerate of our fiscal situation.

The net result has been disappointing. The new law provided fewer checks upon Executive action than did the old law. Powers were widely delegated to the President. Limitations on the use and the sums of money authorized and appropriated could be waived. Laborious congressional scrutiny has become an exercise in futility and frustration. Country programs justified as necessary, even imperative, have been completely recast.

The contingency fund, the committee has been told, is needed to meet with speed and effectiveness "critical situations that threaten our national interest." We call attention to a few uses to which that fund has been put which indicate that the criteria stated were certainly not the reasons for action.

Guinea * * * : The Government * * * indicated during the summer of 1961, after the congressional presentation was drafted, an interest in economic relationships with the United States. A program involving several projects was offered and accepted.

Mali * * * : In the summer of 1961, after the congressional presentation was drafted, the Government demonstrated an interest in receiving economic aid from the United States. A program has been developed to meet this opportunity.

Japan, $533,000: The fiscal year 1962 presentation proposed no grant economic aid to Japan. However, the importance of the Japanese labor leader exchange program, administered by the Assistant Secretary of State for Cultural Affairs, dictated its funding for fiscal year 1962.

Other (western Samoa), $25,000: As a gesture of U.S. interest in western Samoa on its achievement of independence, $25,000 was programed for an Independence Day gift (two bookmobiles).

Panama, $9,900,000: For urgent development projects requested by the Government.

Individual committee members, as well as a committee staff survey team, have made visits overseas within the last year. Their findings are an impressive catalog of poor planning and faulty administration. Nine years ago the undersigned made an extensive trip to study our program abroad. Upon their return they reported that "money is the measure of our interest, not the yardstick of our success." Nothing has happened in the interval to alter that observation.

The achievements of the Marshall plan in Europe are often cited to show what our aid can do. But we would point up the fact that in Europe our program was one of reconstruction. European nations have a similarity to ourselves in culture, commerce, and legal structure. In the rest of the world it is one of construction. The difference is not one of semantics—it is one of philosophy. We can export the products of our society but we cannot readily export the climate in which these products can most effectively be used. Some would argue that the birth pangs of independence will readily give way to new outlooks and the acceptance of new ways and values that will encourage social and economic changes. We would only remind those individuals that most of the countries of Latin America, after 140 years of independence, have made small progress.

One reason for our criticism of the aid program is directed to the order of priorities with which it attempts to deal. Costly impact projects create more problems than they solve through their very magnitude and incompatibility with the local society. The undersigned have supported the Peace Corps because in it they see an effort which is directed to the foundations upon which development can proceed.

The foreign assistance program has become an indiscriminate instrument of our foreign policy. Hard decisions are avoided by soft loans and grants. We have given assistance to Yugoslavia and to Poland—with no perceptible advantage to us. The Netherlands is a NATO partner—but we are busily shoring up Indonesia's military establishment. Portugal is a NATO ally, but we are selling military equipment to India that seized Portuguese Goa. The Arab refugees whom we help to sustain have become political pawns of the Arab governments that we help to maintain. We are supporting the independence of Laos through foreign assistance while we urge a coalition government that will include Communists. The list of incongruous actions carried out in the name of foreign assistance is almost endless.

The unexpended balances of the foreign assistance program are estimated at $6.6 billion at the end of this fiscal year. The majority report states that "these unexpended balances are available only to meet obligations already incurred. They are not available to move the program forward through the purchase of additional goods and services."

We do not question the accuracy of these observations. We do, however, ask whether additional goods and services are necessary—certainly in the amounts contained in this bill.

The report of the committee staff survey team, after a visit to three countries and an admittedly hurried review of the "hoarding" of unused funds "suggests that there may be substantial hidden reserves available in all countries which are being held either to finance planned operations in future years or to meet future contingencies."

We do not know, and neither do those administering the program, the magnitude of idle money in this program. It is unreasonable that those responsible for voting taxes ask that we pause long enough to find out how much money can be recaptured?

The fiscal position of our Government is such that we cannot afford to leave unexplored every possible economy. Our national debt is mounting and we are being asked to raise the statutory debt limit to $308 billion. If Congress approves the new limit, it will have raised it three times within the past year by a total of $15 billion.

The balance-of-payments gold deficit is a matter of deep concern. Although the deficit last year was $2.5 billion, the outflow of dollars through the foreign assistance program must be scrutinized for its baneful effect on the national economy. It is small comfort to be told that a large percentage of our aid funds is spent in the United States. It still represents a drain on our national resources. U.S. exporters are already feeling sharpened competition from markets abroad and for the retention of markets at home. Is it not time that our aid program be more carefully integrated with our trade program?

Those of us who have studied the foreign aid program over the years find nothing new in the bill. The annual presentation is marked only by the appearance of new witnesses who repeat the familiar lines of last year's cast. The cost of administering the program mounts each year. But one looks in vain for evidence of firm management, clearer guidelines, and vigorous attacks upon maladministration.

The following tables reflect major foreign assistance financing by the United States from 1946 through fiscal year 1961.

Mutual security program countries—Summary by fiscal year and program

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	14,054.8	8,113.8	5,104.8	3,662.3	2,469.8	2,612.6	2,419.3	2,726.9	2,676.6	3,318.4	3,002.2	3,634.0	3,409.6	4,551.0	61,513.4
Grants	6,331.3	6,483.6	4,456.2	3,126.8	2,156.3	2,159.1	2,267.5	2,050.3	1,922.7	1,963.9	1,711.0	1,730.8	1,971.9	2,294.1	40,391.2
Loans	7,723.6	1,630.2	648.5	535.5	313.0	453.5	151.8	676.6	753.8	1,354.5	1,291.3	1,903.2	1,437.6	2,256.8	21,122.3
Mutual security economic program, total	--------	6,283.0	3,614.4	2,626.8	1,980.6	1,958.2	2,227.8	1,862.0	1,549.9	1,664.9	1,641.1	1,927.0	1,887.7	2,081.4	31,062.5
International Cooperation Administration	--------	6,163.3	3,614.0	2,611.8	1,888.1	1,877.5	2,159.0	1,749.0	1,468.7	1,534.0	1,234.0	1,255.0	1,254.0	1,271.9	27,846.2
Technical cooperation/development grants	--------	2.5	13.0	16.5	53.9	67.5	135.1	118.8	133.9	132.8	147.0	166.8	185.6	310.8	1,420.4
Other	--------	6,160.8	3,601.0	2,595.3	1,834.2	1,810.0	2,023.9	1,630.2	1,334.8	1,401.4	1,087.2	1,088.3	1,068.5	961.2	26,425.9
Development loan fund	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	267.4	564.9	523.8	630.0	1,986.2
Other mutual security program economic	--------	119.7	.4	15.0	92.5	80.7	68.8	113.0	81.1	130.9	139.7	107.1	109.7	179.2	1,229.9
Other economic assistance	14,054.8	1,830.8	1,490.4	1,035.5	489.2	654.4	191.5	864.9	1,126.7	1,653.5	1,361.1	1,707.0	1,521.9	2,469.6	30,450.9
Public Law 480:															
Title I—Planned for grants and loans	--------	--------	--------	--------	--------	--------	--------	227.1	482.7	771.8	414.4	646.0	800.9	830.1	4,262.5
104c—Grants for common defense	--------	--------	--------	--------	--------	--------	--------	33.9	97.2	108.7	71.1	35.0	20.0	65.9	431.9
104d—Grants from triangular transfer	--------	--------	--------	--------	--------	--------	--------	2.9	3.9	26.0	4.8	--------	--------	--------	37.6
104e—Grants for economic development	--------	--------	--------	--------	--------	--------	--------	45.3	51.3	59.0	24.8	101.0	321.0	255.1	857.4
104e—Loans to private industry	--------	--------	--------	--------	--------	--------	--------	--------	--------	1.6	73.5	123.6	92.5	64.7	356.4
104g—Loans to governments	--------	--------	--------	--------	--------	--------	--------	145.0	330.3	576.5	240.3	386.2	457.4	444.4	2,579.3
(Total sales agreements)	--------	--------	--------	--------	--------	--------	--------	(354.3)	(653.4)	(1,003.0)	(722.3)	(867.4)	(1,133.2)	(1,126.3)	(5,859.8)
Title II—Emergency relief[1]	--------	--------	--------	--------	--------	--------	--------	102.1	98.0	98.9	85.4	49.1	59.6	289.7	782.8
Title III—Voluntary relief agencies	--------	--------	--------	--------	82.5	4.2	69.4	194.9	294.4	267.1	287.1	233.4	164.9	227.6	1,825.6
Export-Import Bank long-term loans	2,033.1	148.4	330.5	263.0	111.6	389.2	37.9	331.7	212.1	446.6	558.4	765.6	316.0	1,042.6	6,986.7
Other U.S. economic programs[2]	12,021.7	1,682.4	1,159.9	772.5	295.1	261.0	84.2	9.1	39.5	69.1	15.8	12.9	90.5	79.6	16,593.3
Military, total	481.2	301.3	76.0	980.4	1,481.2	4,272.5	3,411.6	2,508.9	2,978.9	2,134.2	2,404.5	2,160.5	1,844.7	1,432.0	28,997.5
Grants	481.2	301.3	76.0	980.4	1,481.2	4,272.5	3,411.6	2,508.9	2,971.4	2,127.1	2,365.9	2,100.8	1,823.8	1,401.9	28,797.6
Loans	--------	--------	--------	--------	--------	--------	--------	--------	7.5	7.1	38.6	59.7	20.9	30.1	199.9
Mutual security program (charged to appropriation)	--------	--------	55.7	980.4	1,481.2	4,158.8	3,295.9	2,395.6	2,927.5	2,085.0	2,363.4	2,110.0	1,718.0	1,374.1	27,475.2
(From excess stocks)	--------	--------	(33.1)	(289.1)	(190.7)	(140.0)	(107.2)	(41.9)	(106.1)	(53.2)	(257.3)	(107.3)	(289.0)	(328.1)	(2,185.8)
Other military assistance	481.2	301.3	20.3	--------	--------	113.7	115.7	113.3	51.4	49.2	41.1	50.5	126.7	57.0	1,522.3
Total economic and military	14,536.0	8,415.1	5,180.8	4,642.7	3,951.0	6,885.1	5,830.9	5,235.8	5,655.5	5,452.6	5,406.7	5,794.5	5,254.3	5,983.0	90,510.9
Mutual security program	--------	6,283.0	3,670.1	3,607.2	3,461.8	6,117.0	5,523.7	4,257.6	4,477.4	3,749.9	4,004.5	4,037.0	3,605.7	3,455.5	58,537.7
Other assistance	14,536.0	2,132.1	1,510.7	1,035.5	489.2	768.1	307.2	978.2	1,178.1	1,702.7	1,402.2	1,757.5	1,648.6	2,527.5	31,973.2
MUTUAL SECURITY PROGRAM EXPENDITURES															
Mutual security fund expenditures, total	--------	4,527.8	3,514.6	3,821.7	3,762.9	6,048.1	4,809.1	4,524.9	4,644.4	3,707.9	3,802.6	3,639.1	3,338.0	3,174.1	53,317.5
Economic, total	--------	4,527.8	3,458.9	2,841.3	2,281.7	1,889.3	1,513.2	2,129.3	1,716.9	1,622.9	1,439.2	1,529.1	1,620.0	1,800.2	28,371.9
International cooperation administration	--------	4,434.4	3,442.8	2,822.8	2,198.5	1,809.2	1,444.5	2,032.2	1,643.8	1,533.1	1,320.9	1,333.5	1,307.8	1,365.1	26,690.8
Development loan fund	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	1.5	66.6	204.4	269.5	542.1
Other mutual security fund economic	--------	93.4	16.1	18.5	83.2	80.1	68.7	97.1	73.1	89.8	116.8	129.0	107.8	165.4	1,139.0
Military	--------	--------	55.7	980.4	1,481.2	4.158.8	3,295.9	2,395.6	2,927.5	2,085.0	2,363.4	2,110.0	1,718.0	1,374.1	24,945.6

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[1] In fiscal year 1961, also includes economic development programs.

[2] Includes contributions to international organizations, $1,210.4 million; civilian supplies, $5,051.6 million; British loan, $3,750.0 million, UNRRA; post-UNRRA and interim aid, $3,046.8 million; surplus property credits, $1,429.7 million; Philippines rehabilitation, $634.6 million; civilian relief in Korea, $420.2 million, and other, $1,050 million.

U.S. foreign assistance to mutual security program countries by region and country, cumulative, fiscal year 1946 through fiscal year 1961

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance														
			Total economic		Mutual security program				Non-mutual security program								
										Public Law 480							
										Title I			Title II emergency relief and economic development	Title III voluntary relief agencies	Export-Import Bank long-term loans	Other non-MSP programs	
											Planned for—						
			Total	Of which loans	Total MSP economic	ICA	DLF	Other MSP economic	Total	Total sales agreements	Grants	Loans					
Total all countries	90,510.9	28,997.5	61,513.4	21,122.3	31,062.5	27,846.2	1,986.2	1,229.9	30,450.9	(5,859.8)	1,319.3	2,943.3	782.8	1,825.6	6,986.7	16,593.3	
Europe	44,097.5	15,475.4	28,622.2	10,503.1	15,218.7	15,001.9	137.0	79.7	13,403.5	(1,603.9)	138.5	631.2	166.3	744.0	2,403.2	9,320.3	
Austria	1,170.9		1,170.9	79.1	723.5	723.5			447.4	(40.9)		26.3	24.6	27.3	41.1	328.1	
Belgium-Luxembourg	1,984.3	1,243.2	741.1	249.0	558.7	558.7			182.4					.2	150.0	32.2	
Denmark	866.4	566.1	300.3	54.3	279.3	279.3			21.0						20.0	1.0	
France	9,394.4	4,207.7	5,186.7	1,901.9	3,183.8	3,183.8			2,002.9	(35.6)		7.8		11.9	1,274.1	709.1	
Germany (Federal Republic)	4,999.2	951.5	4,047.7	1,243.8	1,470.0	1,470.0			2,577.7	(1.2)			3.4	136.0	10.0	2,428.3	
Berlin	131.0		131.0		118.1	114.4		3.7	12.9							12.9	
Iceland	69.1		69.1	34.4	59.4	59.4			9.7	(11.6)		9.0			.3	.4	
Ireland	146.2		146.2	128.2	146.2	146.2											
Italy (including Trieste)	5,664.8	2,217.7	3,447.1	624.8	1,645.1	1,645.1			1,802.0	(150.3)		104.1	87.4	223.7	215.8	1,171.0	
Netherlands	2,449.2	1,220.7	1,228.5	388.8	990.2	987.2	3.0		238.2	(.3)				.1	202.2	36.0	
Norway	1,084.7	734.9	349.8	113.4	274.8	274.8			75.0					(1)	50.0	25.0	
Poland	514.5		514.5	138.7	61.1	.1		61.0	453.4	(365.3)				11.7	40.0	401.7	
Portugal	407.7	328.8	78.9	39.5	49.8	49.8			29.1	(7.1)		3.4		25.7			
Spain	1,631.6	503.0	1,128.6	510.3	564.6	547.6	17.1		564.0	(506.1)	9.9	253.0	3.8	139.7	157.6		
Sweden	108.9		108.9	22.0	106.8	106.8			2.1							2.1	
United Kingdom	8,689.0	1,020.8	7,668.2	4,215.4	3,828.9	3,828.9			3,839.3	(48.5)				.3	2.1	3,836.9	
Yugoslavia	2,279.9	693.9	1,586.0	521.8	575.6	443.6	117.0	15.0	1,010.4	(437.0)	127.8	227.6	47.1	167.2	105.0	335.7	
Regional	2,505.7	1,787.3	718.4	238.0	582.6	582.6			135.8		.8				135.0		
Far East	20,489.4	7,503.0	12,986.4	1,663.1	7,047.7	6,527.3	273.7	246.6	5,938.7	(673.6)	293.1	248.5	72.3	300.5	607.6	4,416.7	
Burma	94.2		94.2	59.3	49.5	49.5			44.7	(40.7)	11.0	26.6		2.1		5.0	
Cambodia	295.7	76.3	219.4		217.1	217.1			2.3				2.3	(1)			
China, Republic of	4,150.3	2,180.8	1,969.5	315.6	1,330.2	1,096.4	114.1	119.7	639.3	(62.2)	34.0	12.8	2.9	54.1	33.2	502.3	
Indochina, undistributed	1,535.2	709.6	825.6		825.6	825.6											
Indonesia	598.9		598.9	353.3	221.7	210.1	11.6		377.2	(168.0)	54.1	85.2		6.7	163.5	67.7	
Japan	3,574.6	980.4	2,594.2	324.8	22.0	22.0			2,572.2	(146.3)	.6	105.6	37.0	25.0	205.2	2,198.8	
Korea	4,958.0	1,720.7	3,237.3	53.3	2,052.3	1,905.4	25.3	121.6	1,185.0	(215.4)	178.6	3.1	28.4	115.5		859.4	
Laos	371.6	107.7	263.9		262.8	262.8			1.1				.8	.3			
Malaya	22.2		22.2	20.0	20.0		20.0		2.2					2.2			
Philippines	1,675.1	390.2	1,284.9	362.0	276.3	236.2	40.2		1,008.6	(13.8)	3.3	5.9		32.9	189.2	777.3	
Thailand	649.9	359.2	290.7	68.9	263.8	241.3	22.5		26.9	(4.3)		3.7		.5	16.5	6.2	
Vietnam	2,135.3	591.2	1,544.1	95.6	1,465.2	1,425.3	39.9		78.9	(22.9)	11.5	5.6	.7	61.1			
Regional	427.8	386.7	41.1	10.8	41.1	35.7		5.3									
Near East and south Asia	15,307.4	4,841.8	10,465.6	4,475.7	5,668.6	4,463.6	1,202.5	2.5	4,797.0	(2,958.6)	866.1	1,596.3	249.4	466.4	724.4	894.4	
Near East	9,686.4	4,183.6	5,502.8	1,789.4	3,502.6	3,084.4	417.6	.4	2,000.2	(809.8)	119.5	471.7	124.7	263.3	425.3	595.7	
Cyprus	9.5		9.5		(1)	(1)			9.5				9.5				
Greece	3,225.2	1,487.1	1,738.1	245.2	1,020.1	976.7	43.0	.4	718.0	(86.7)	7.5	53.5	4.1	99.2	17.1	536.7	
Iran	1,192.0	528.1	663.9	299.2	515.2	400.3	114.8		148.7	(34.3)	5.8	18.5	15.2	6.8	75.1	27.3	
Iraq	66.7	46.1	20.6	.9	17.4	17.4			3.2					2.3		.9	
Israel	793.3	1.0	792.3	447.4	374.2	318.2	56.0		418.1	(193.7)	13.3	153.3		53.3	198.1	.1	
Jordan	300.4	20.4	280.0	3.7	230.9	227.2	3.7		49.1				35.5	12.3		1.3	
Lebanon	88.7	8.6	80.1	10.7	58.3	52.3	5.9		21.8				16.9		3.2	1.7	
Saudi Arabia	46.6	(2)	46.6	19.1	27.4	27.4			19.2						14.8	4.4	
Syria	54.1		54.1	30.3	8.2		8.2		45.9	(28.2)		22.1	22.1	1.7			
Turkey	3,483.9	2,092.3	1,391.6	485.6	1,134.1	963.3	170.8		257.5	(246.9)	80.9	68.6	12.2	4.5	79.1	12.2	
United Arab Republic (Egypt)	384.4		384.4	227.0	84.5	69.3	15.2		299.9	(219.9)	12.0	155.7		83.2	37.9	11.1	
Yemen	16.6		16.6		7.3	7.3			9.3				9.3				
CENTO	25.0		25.0		25.0	25.0											
South Asia	4,866.7	2.7	4,864.0	2,686.5	2,085.8	1,301.0	784.8		2,778.2	(2,148.9)	746.5	1,124.7	109.6	190.4	290.1	208.7	
Afghanistan	182.5	2.7	179.8	52.2	96.7	96.0	.7		83.1				42.8	.9	39.3	.1	
Ceylon	74.1		74.1	23.6	24.1	17.8	6.3		50.0	(25.0)	4.3	14.8	9.3	21.4			
India	3,115.1		3,115.1	2,094.8	1,021.9	475.5	546.4		2,093.2	(1,604.0)	525.3	942.1	5.2	143.7	246.2	230.7	
Nepal	44.3		44.3	1.4	23.8	23.4	.4		20.5		15.8	1.0	3.7				
Pakistan	1,450.7	(2)	1,450.7	514.4	919.3	688.3	231.0		531.4	(429.9)	201.1	166.8	48.6	33.4	13.6	67.9	
Regional	754.7	655.6	99.1	20.0	80.3	78.2		2.1	18.8				15.2	3.6			
Latin America	5,485.5	479.4	5,006.1	3,903.1	823.4	574.2	227.7	21.5	4,182.7	(608.5)	14.0	462.5	39.2	148.5	3,125.2	393.3	
Argentina	538.0	15.4	522.6	520.0	33.3	2.5	30.8		489.3	(62.3)		42.9			446.3	.1	
Bolivia	222.9	2.2	220.7	40.2	157.2	149.2	7.8	.2	63.5	(3.3)		2.5	17.4	6.6	26.4	10.6	
Brazil	1,711.2	175.5	1,535.7	1,440.5	53.5	53.3	.2		1,482.2	(282.9)	14.0	222.9		21.4	1,178.4	45.5	
Chile	517.3	53.6	463.7	369.5	76.3	46.9	19.0	10.5	387.4	(71.2)		56.6		42.5	283.1	5.2	
Colombia	327.2	37.8	289.4	245.8	40.5	15.5	25.0		248.9	(69.5)		51.0		26.1	160.0	2.8	
Costa Rica	78.8	.1	78.7	31.9	20.8	12.0	8.9		57.9				.2	.8	21.0	35.9	
Cuba	51.9	10.5	41.4	37.5	2.8	2.8			38.6					.6	37.5	.5	
Dominican Republic	8.8	6.1	2.7		2.1	2.1			.6							.6	
Ecuador	100.5	23.0	77.5	53.2	39.0	22.3	16.7		38.5	(11.6)		8.5		3.1	23.2	3.7	
El Salvador	16.8	.3	16.5	5.3	9.9	8.3	1.6		6.6					1.1	3.7	1.8	
Guatemala	150.3	1.7	148.6	33.1	91.0	78.1	12.9		57.6				3.2	1.9	16.7	35.8	
Haiti	90.8	4.0	86.8	30.2	49.9	45.1	4.9		36.9				3.5	5.4	25.0	3.0	

See footnotes at end of table.

U.S. foreign assistance to mutual security program countries by region and country, cumulative, fiscal year 1946 through fiscal year 1961—Con.

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance													
			Total economic		Mutual security program				Non-mutual security program							
										Public Law 480					Export-Import Bank long-term loans	Other non-MSP programs
										Title I			Title II emergency relief and economic development	Title III voluntary relief agencies		
											Planned for—					
			Total	Of which loans	Total MSP economic	ICA	DLF	Other MSP economic	Total	Total sales agreements	Grants	Loans				
Latin America—con																
Honduras	41.5	1.2	40.3	16.4	27.5	10.7	7.8		12.8				.2	2.7	3.5	6.4
Jamaica	6.6		6.6		2.1	2.1			4.6					4.6		
Mexico	630.1	5.8	624.3	509.3	7.9	7.9			616.4	(25.2)		17.7	.2	7.6	491.3	99.6
Nicaragua	54.4	2.1	52.3	23.3	18.3	8.1	10.2		34.0					.2	13.1	20.7
Panama	74.9	.1	74.8	32.0	28.6	20.8	7.8		46.2					5.7	17.2	23.3
Paraguay	50.5	.6	49.9	28.4	31.8	17.0	14.9		18.1	(2.9)		2.1		2.7	10.4	2.9
Peru	376.1	64.4	311.7	256.8	57.2	26.7	30.5		254.5	(33.2)		23.4	14.1	11.0	195.4	10.6
Uruguay	79.2	27.3	51.9	48.5	10.7	1.9	8.8		41.2	(46.4)		34.9		.5	2.6	3.2
Venezuela	195.7	41.5	154.2	151.4	16.3	1.3	15.0		137.9						136.4	1.5
West Indies and Eastern Caribbean	10.3		10.3		8.0	8.0			2.3					2.3		
British Guiana	2.0		2.0		1.4	1.4			.6					.6		
British Honduras	1.6		1.6		.6	.6			1.0				.3	.7		
Surinam	2.9		2.9		2.4	2.4			.5					.5		
Regional	145.5	6.3	139.2	30.0	34.2	[3] 18.4	[3] 5.0	10.8	105.0						25.0	80.0
Africa	1,270.7	81.5	1,189.2	489.8	724.0	583.4	140.6		465.2	(15.3)	7.7	4.6	228.7	36.9	126.5	60.8
Cameroon	2.2		2.2		2.0	2.0			.2					.2		
Central African Republic	(1)		(1)		(1)	(1)										
Chad	.1		.1		.1	.1			(1)					(1)		
Congo (Brazzaville)	.1		.1		.1	.1										
Congo (Leopoldville)	13.3		13.3		2.5	2.5			10.8				10.1	.7		
Dahomey	3.1		3.1		2.0	2.0			1.1					1.1		
Ethiopia	180.4	55.8	124.6	67.4	76.6	46.9	29.6		48.0				8.9	.8	37.4	.9
Gabon	.1		.1		.1	.1			(1)					(1)		
Ghana	26.4		26.4	20.0	24.1	4.1	20.0		2.3				.6	1.7		
Guinea	4.0		4.0		2.3	2.3			1.7				1.7			
Ivory Coast	2.1		2.1		2.1	2.1										
Kenya	7.3		7.3		5.1	5.1			2.2				1.6	.6		
Liberia	115.5	2.4	113.1	85.0	29.4	26.2	3.2		83.7					1.0	74.8	7.9
Libya	179.0	3.7	175.3	8.5	110.7	105.7	5.0		64.6				28.8	6.5		29.4
Malagasy Republic	.5		.5		.5	.5			(1)				(1)	(1)		
Mali Republic of	3.1	.6	2.5		2.5	2.5										
Mauritania	1.6		1.6	[4] 1.4	1.5	1.5			.1					.1		
Morocco	302.2	(5)	302.2	192.9	208.9	185.9	23.0		93.3				73.7	19.6		
Niger	2.0		2.0		2.0	2.0			(1)					(1)		
Nigeria	19.3		19.3	3.9	18.8	15.0	3.7		.5					.3		.2
Rhodesia and Nyasaland	33.3		33.3	32.4	10.9	10.9			22.4					(1)		22.4
Senegal	3.6		3.6		3.6	3.6										
Sierra Leone	1.0		1.0		.7	.7			.3					.3		
Somali Republic	13.1		13.1	2.0	12.8	10.8	2.0		.3				.3	(1)		
Sudan	51.2		51.2	10.0	51.2	41.2	10.0		(1)					(1)		
Tanganyika	4.4		4.4	1.9	2.5	.6	1.9		1.9				1.7	.2		
Togo	1.9		1.9		1.1	1.1			.8					.8		
Tunisia	254.7	(5)	254.7	51.9	137.4	95.3	42.1		117.3	(15.3)	7.7	4.6	101.2	2.0	1.8	
Uganda	1.0		1.0		.8	.8			.2					.2		
Upper Volta	2.0		2.0		2.0	2.0			(1)					(1)		
Other French communities and possessions	6.0		6.0		6.0	6.0										
Other Portuguese possessions	12.8		12.8	[6] 12.5	.3	.3			12.5						12.5	
Other British territories (sterling area)	.7		.7		.3	.3			.4					.4		
Regional	22.3	19.0	3.3		3.3	3.3										
Nonregional	3,860.4	616.2	3,244.2	87.4	1,580.3	696.1	4.8	879.6	1,663.9				26.8	129.5		1,507.6

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[1] Less than $50,000.

[2] Military data classified and included in Near East and south Asia regional total.

[3] Includes Central American Bank formed by El Salvador, Guatemala, Honduras and Nicaragua.

[4] Loan to France for Mauritania.

[5] Military data classified and included in Africa regional total.

[6] Loan to Portugal for Mozambique.

The foregoing tables are taken from the publication titled "U.S. Foreign Assistance and Assistance from International Organizations—Obligations and Authorizations" prepared by the Agency for International Development, Statistics and Reports Division.

MARGUERITE STITT CHURCH.
E. ROSS ADAIR.

Mr. ZABLOCKI. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RYAN].

Mr. RYAN of New York. Mr. Chairman, I rise to discuss an issue about which I have been deeply concerned for a long time, an issue which tests our fundamental commitment to our ideals and principles—Arab discrimination against citizens of the United States.

Last year at about this time we were considering the Act for International Development of 1961. The House version of that act contained language on this subject similar to H.R. 11921, the bill before us today. The 1961 House bill declared:

> Any attempt by foreign countries to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available is repugnant to our principles.

Unfortunately, the Senate version in 1961 contained language on this subject which was much weaker than the House bill. Many of us were distressed when the House language was stricken in conference and section 102 of the present Foreign Assistance Act—Public Law 87-195—substituted in its place.

On August 15, 1961, I spoke in favor of the House version. At that time I pointed out that the Arab League economic boycott initiated in 1951 against Israel had been extended. This infamous boycott now includes American firms having Americans of the Jewish faith among their owners, officers, directors, and personnel. As part of the boycott Arab League countries have refused visas or admittance to American citizens who are suspected of being Jewish or who have visited or intend to visit Israel. In addition, U.S. citizens of the Jewish faith have been barred from serving in a military or civilian capacity in certain U.S. installations abroad. We have seen many examples of Arab discrimination. Last year Helen Hayes and the American Theater Guild Company were banned from Cairo when it was learned that they were planning to visit Israel. A former Washington, D.C., Wac on her way from Bombay to Rome was forced to remain on the airplane during a stopover at Dhaharan, Saudi Arabia, because the crew feared that the Saudis would learn that the woman was Jewish. In this connection a Member of this body was refused a visa to visit Saudi Arabia and the Dhaharan airbase, which was built with U.S. funds, because of his religion. Last fall a plane carrying a Foreign Affairs subcommittee chaired by our colleague from Georgia [Mr. PILCHER] was asked by the Lebanese whether there were any Jewish Congressmen or staff aboard. If the answer were in the affirmative, presumably the craft would not have been permitted to land.

Mr. Chairman, because discrimination against U.S. citizens on the basis of race, religion, creed, or color is abhorrent to the basic principles and beliefs of our democracy, on February 15, 1962, I introduced House Concurrent Resolution 420 which expresses the sense of Congress that—

> Any such discrimination directed against U.S. citizens is incompatible with the relations that should exist among friendly nations, that the United States should issue a strong protest against such discrimination, that in all negotiations between the United States and any foreign state the United States should insist upon the elimination of such discrimination, and that the United States should not be a party to any agreement which allows a foreign nation to discriminate against U.S. citizens because of race, religion, creed, or color.

The sentiments expressed in this resolution have been echoed by seven State legislatures, including New York State, which have passed resolutions condemning Arab discrimination. In addition, on December 11, 1961, at its annual convention, the AFL-CIO adopted a resolution which included the following statement:

> We insist that any attempt by Arab nations to create distinctions among American citizens because of their race or religion in the granting of personal or commercial access or any other rights otherwise available to U.S. citizens generally, is repugnant to our principles.

These resolutions are consistent with a longstanding policy of the American Government to protect the rights of U.S. citizens abroad. Thus the right of protection, under the act of July 27, 1868, admits no religious limitation. In 1885 Secretary of State Thomas Bayard in a note protesting Austro-Hungarian anti-Semitism directed at the family of an American diplomat made it clear that—

> Religious liberty is the chief cornerstone of the American system of government and provisions for its security are imbedded in the written charter and interwoven in the moral fabric of its laws.
>
> Anything that tends to invade a right so essential and sacred must be carefully guarded against, and I am satisfied that my countrymen, ever mindful of the sufferings and sacrifices necessary to obtain it, will never consent to its impairment for any reason or under any pretext whatsoever.

Woodrow Wilson, then Governor of New Jersey, eloquently protested Russian discrimination against American Jews. In a protest meeting at Carnegie Hall on December 6, 1911, he stated:

> They are not Jews in America; they are American citizens. * * * By our action for them shall be tested our sincerity, our genuineness, the reality of principle among us * * *. There is here a greater stake than any other upon which we could set our hearts. Here is the final test of our ability to square our politics with our principles. We may now enjoy the exhilaration of matching our professions with handsome performance. We are not here to express our sympathy with our Jewish fellow citizens, but to make evident our sense of identity with them. This is not their cause; it is America's. It is the cause of all who love justice and do right.

Mr. Chairman, once again we have the opportunity to square our politics with our principles. I am happy to say that the language in section 101 of H.R. 11921 condemning the discriminatory practices of foreign nations against our citizens is much stronger than the present law and is more forthright on this subject than the House version last year. Again I urge all the Members of this body to support this statement. Let us be firm in our commitment to democracy and not have a repetition of what happened last year in conference. I am confident that with the wholehearted support of the House and with steadfastness on the part of the House conferees the present version of section 101 of H.R. 11921 will become law. It provides:

> The Congress further declares that any attempt by foreign nations to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access or in the exercise of any other rights available to American citizens, or the use by any foreign nation of assistance made available by the United States to carry out any program or activity of such nation in the course of which discrimination is practiced against any citizen of the United States by reason of his race, color, or religion is repugnant to our principles; and in all negotiations with any foreign nation with respect to any funds appropriated under authority of this Act, these principles shall be applied. The Secretary of State shall report annually on the measures taken to apply the principles stated above.

In addition, I understand that the Foreign Affairs Committee will seek to amend the bill before us to include section 302(e) of this year's Senate foreign aid bill, S. 2996. This section would require the President to report to Congress after the close of each fiscal year "on the progress under the freedom of navigation and nondiscrimination declaration contained in section 102." This amendment will insure that the Congress will be able to judge whether its wishes are being carried out. It is most important that we approve of this amendment to show our sincerity and deep concern over the flagrant violation of American principles by the Arab States.

It is our obligation to insure that the ideals of our democracy are maintained. In order to meet this obligation I urge my colleagues to support the present language in section 101 of H.R. 11921 and to support the committee amendment requiring Presidential reports.

Mr. McDOWELL. Mr. Chairman, will the gentleman yield ?

Mr. RYAN of New York. I yield to the gentleman from Delaware.

Mr. McDOWELL. The language to which the gentleman refers has been inserted in the act, and it was presented in an amendment offered by the gentleman from New York [Mr. FARBSTEIN], a member of the committee, and is now a part of the act.

Mr. RYAN of New York. The language of section 101 is new language. It appears on page 2 of the bill. That is what I have been discussing. I understand that the Foreign Affairs Committee itself will seek to amend the bill now before us to include a provision which is in the Senate bill, which was passed by the Senate earlier this year, to require the President to report after the close of each fiscal year on progress achieved in carrying out the spirit and the principles enunciated in the language of section 101 of the bill before us.

Mr. McDOWELL. Is the gentleman aware of the language on page 47 of the committee report, which is chapter 1, the short title and policy, of the act?

Mr. RYAN of New York. That is the language which I am urging the House conferees to insist on without retreating. I believe the inclusion of an amendment similar to section 302(e) of S. 2996, which I understand will be offered, will go further than the bill now before us and will require the President to submit in his annual report a statement as to what steps have been taken to protect American citizens from Arab discrimination. I think that is good, and I hope that it will be adopted when it is presented.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Mr. Chairman, the gentleman from New York [Mr. FARBSTEIN], a member of the committee, has urged the adoption of this amendment.

Mr. RYAN of New York. I am glad to know the committee will offer such an amendment, and I am delighted to know it will have such support.

Mrs. BOLTON. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, this is an event. I do want to thank the gentlewoman from Ohio for the time she has yielded me.

Mrs. BOLTON. I am very glad to yield to the gentleman such time as he wanted.

Mr. GROSS. Mr. Chairman, the question has just been raised about the repugnancy provision, as it has been called—whether it is repugnancy or civil rights I do not know—but let me ask the chairman, does this apply only to appropriated funds or would it apply to aid to the nations where we were discriminated against for various reasons, including religion, color, race, and so forth? Would this apply only to funds or would it also apply to Public Law 480 agricultural products and other expenditures?

Mr. MORGAN. It would apply to both. It is a statement of general policy on a very basic issue.

Mr. GROSS. It would apply to anything, not just funds as specified here?

Mr. MORGAN. It would apply to the way we administer the funds carried here.

Mr. GROSS. I thank the gentleman. We have heard it stated this afternoon that the world being in a swing, that this bill is necessary and these funds are necessary because the world is in a swing. I would like to add that the United States is also in a swing with a financial noose around its neck. That is one of the reasons why this bill ought to be cut down to about $1 billion, that is, the total spending for foreign aid ought to be cut down to about $1 billion and then this program wiped out entirely, except for some assistance to a few deserving nations.

Also, we have heard about the so-called flexible authority in this bill. I would like to ask the chairman a question about the provision to be found on page 5. I asked the question a while ago and did not get a very good answer to my question. The provision reads:

> The President is authorized to provide assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

That is not flexible authority; this is a complete blank check to spend the money provided for in this title of the bill.

Mr. MORGAN. This is the same language that has been in the bill regularly for the last several years with respect to development loans.

Mr. GROSS. For how many years?

Mr. MORGAN. I believe this phrasing has appeared for at least 6 years.

Mr. GROSS. It is a bad provision, I will say to the gentleman, to give to any President, and I do not care who he is, this kind of untrammeled and unconscionable authority, and I will offer an amendment, if no one else does, to strike it out. It is imperative that Congress retain control of the pursestrings.

I would like to call to the attention of the gentleman from Pennsylvania, the provision on page 11 dealing with Japan, and ask him why this provision is in the bill. I refer to section 618 having to do with the use of settlement receipts. Is this in the nature of rubberstamp approval of the settlement that was made only a few months ago on the so-called loan which we made to the Japanese several years ago for $1,889 million as I remember the figure; did we settle that for $490 million with $25 million of that amount earmarked for the promotion of culture and education between the United States and Japan, and the rest of the $490 million earmarked to develop markets for Japanese products in Asia and elsewhere?

Mr. MORGAN. This has to do with that agreement. The Japanese made a settlement for the aid we gave them after the war.

Mr. GROSS. It does have to do with it?

Mr. MORGAN. Yes.

Mr. GROSS. Does the gentleman say that it does?

Mr. MORGAN. Yes, it does. This was the agreement worked out with the Japanese in that settlement.

Mr. GROSS. So we are now asked to rubberstamp approval of the agreement by which a loan of $1,889 million or approximately that amount was settled for $490 million? Is that what we are being asked to do when we vote for this bill?

Mr. MORGAN. I think the settlement was approximately $490 million. The agreement has been concluded. This provision deals only with the use of the money which the Japanese are committed to pay.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. COLLIER. I wonder if I might ask any member of the committee this question. During the hearings on this bill, was there any indication that in the event this discrimination in any foreign nation against American citizens for reasons of race, color, or creed continued that there would be, in fact, definite steps taken in the way of reducing or eliminating or cutting out funds if it persisted or is it simply an indication that we would continue to find it repugnant?

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. There are continuing steps being taken in this area not only at the urging of the Congress, but also at the urging of the executive department seeking to eliminate these discriminatory practices wherever they may exist. I might also add that we have accomplished considerable in this very matter that we are now discussing.

Mr. COLLIER. Specifically, what, sir?

Mr. GALLAGHER. As to the specific cases, they are of a confidential nature, some of which I would be happy to show the gentleman, if he wishes. Some of them we try not to disclose at this time in order not to cut back further progress that we are making in certain areas, especially in the Middle East. The committee would be very happy to disclose some of this to the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. JUDD. It should be said in connection with the gentleman's original discussion of settlement receipts from Japan, that the $490 million which Japan is to pay and is herein authorized to be used for purposes of long-term development loans, is not in addition to other funds authorized in the bill. It is a part of the total. The Japanese themselves, as I recall, suggested that, in order for the agreement to be more, shall I put it, palatable to their people, the money repaid to the United States be used for long-term development loans in underdeveloped areas as part of the U.S. foreign assistance program. It is not an addition to, it is a part of the total amount authorized.

Mr. GROSS. Yes, it has come to the point where everything we do is for the purpose of making everything palatable all over the world.

Mr. JUDD. Surely, it is much better to do it in ways that bring good will, inasmuch as we would have to spend the same amount for that purpose anyway.

Mr. GROSS. As far as I can discover, there is not a line in this bill to indicate that the $1.8 billion loaned to Japan is ever going to come back to the U.S. Treasury.

Mr. JUDD. The amount repaid will come back to the U.S. Treasury in the same way all loans come back.

Mr. GROSS. We have already written that down to $490 million.

Mr. JUDD. That will come back to the Treasury.

Mr. GROSS. No, that is to be spent to develop markets for Japanese products.

Mr. JUDD. No, it has to be reappropriated by the Congress, under the terms of the section.

Mr. GROSS. Am I to believe that the Foreign Affairs Committee will not insist that the appropriation be made?

Mr. JUDD. If this bill passes, it will not come again to this committee; it will come to the Appropriations Committee.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. KYL. Perhaps some of these things are out of order, but there is one matter I want to ask about. Is the Government going to spend $635,000 for buildings in Ouagadougou to house 15 Americans?

Mr. GROSS. What is that?

Mr. KYL. Ouagadougou.

Mr. GROSS. Where is that?

Mr. KYL. On the upper Volta.

Mr. GROSS. What?

Mr. KYL. On the upper Volta.

Mr. GROSS. Volta or Volga?

Mr. KYL. The matter was revealed by Mr. James R. Johnstone, the State Department's Deputy Assistant for Foreign Buildings. He said the Department planned to spend $635,000 for buildings in Ouagadougou to house 15 Americans stationed there in this new country.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield. I hope the gentlewoman can shed some light on this.

Mrs. BOLTON. I certainly can shed this much light on it: The building committee will have its turn on the floor and the gentleman will then have an opportunity to ask all the questions he wants about Ouagadougou. In the meanwhile I am told by one of the men who knows Africa rather well that it is on the lower Volta, not the upper Volta; and it is not in this bill at all. I hope we will not waste any time on things outside of this bill.

Thank you very much.

Mr. GROSS. I wonder if the $3 million item for air-conditioning a yacht for Haile Selassie is in this bill, or was it provided for in the bill last year?

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. KYL. Perhaps the gentleman will permit one further reference. It is to this matter of the taxpayers having to spend $256,000 on a 122-day tour to some place by one Joey Adams and about some other uncomplimentary behavior of those who went with him on this particular tour. Was this part of the program in this bill?

Mr. GROSS. I yield to someone else to answer the gentleman.

Mrs. BOLTON. If the gentleman will yield, Mr. Chairman, this also is no part of this bill.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ALGER. We have been hearing a great deal about the balance-of-payments situation. I ask the gentleman if this does not result mostly from our gifts abroad, as a result of the money we have given away? My question to the gentleman is this: Does he know of any concern over the deficit?

Mr. GROSS. I certainly share the concern of the gentleman from Texas. Nothing gives me more concern than the $330 billion of debt that the Federal Government had in 1961 and the $1,078 billion—more than a trillion dollars of public and private debt that this country had in 1961.

Mr. ALGER. I would like to join with the gentleman in his expression of concern.

Mr. Chairman, there are many, many inconsistencies and contradictions in our foreign aid program, so much so that any one of several mistakes of the past and/or combination of mistakes defeats and overrides any alleged good the program is accomplishing. True, we all agree that we want to promote mutual security whenever such effort can be reasonably expected to be crowned by success. Yet our program has failed miserably many years through mismanagement, waste, trying to buy friends, exporting socialism not capitalism, and other equally grievous errors of judgment on our part. Far worse is our characteristic that we fail to learn from experience.

Even though much good has been done and can be done in the future through military assistance to trusted allies, we have far overbalanced this good by the endangerment of ourselves and the free world in giving aid and comfort to the enemy; that is, the Communists, whether part of international communism or not, and then the help to the socialist nations, and the neutrals who are not pledged to supporting freedom for which we stand.

In my disagreement over the basic errors of judgment, no criticism that I nor anyone can make at this time, it seems to me, exceeds in danger the present imbalance of payments and gold outflow which this foreign aid bill will accentuate, with approximately $16½ billion in gold reserve remaining and approximately $11½ billion of this amount undergirding our money assuring stability of the dollar and with the world holding obligations against our gold of over $20 billion. Now we are asked to give away another $4.8 billion, any or all of which may become a demand for our gold. How utterly irresponsible fiscally is such conduct on our part at this time.

The report states on page 4:

> It is more important to win the cold war in which foreign aid is of critical importance than to seek to reduce the outflow of gold by excessive reductions in these expenditures, thus jeopardizing the basic objectives of our foreign aid program.

How in the name of commonsense do we protect our country by willingly and purposely destroying the value of our money? Anything jeopardizing our economic strength as leader of the free world jeopardizes the entire world at this critical time. We can never win the cold war or any war in a weakened economic position, and this foreign aid program weakens our economic position in the world today.

The report further states:

> The foreign aid program although contributing to the balance-of-payments problems is not a decisive factor in this admittedly serious situation.

This is just not so; I must categorically contradict such a conclusion as so stated in the report. Yet in the next sentence the report states:

> The balance-of-payments gold problem however remains so serious and is so complex that continuing attention must be given in the administration of the foreign aid program to ways in which U.S. position may be improved.

This, of course, contradicts the previous statement. My suggestion to improve the U.S. position is to stop giving our money away. Necessary military expenditures, yes; but the wholesale expenditures in economic assistance and diverse contingency programs must be immediately eliminated.

There are many other criticisms which I must make which are not in matters of degree but differences of kind, outright contradictions which once mentioned or remembered are self-evident. The report states:

> This bill authorizes the funds with which United States implements its cold war strategy.

Our cold war strategy is not and will not be successful through U.S. deficit financing; that is, borrowing money, that is, charging it to give it away. Any schoolboy and certainly every banker knows you do not strengthen yourself when you borrow to give it away.

Then you compound the error when you give it to the enemy, such as Yugoslavia, Poland, and other Communist nations, or to so-called neutrals, such as India, and others allegedly neutral, and then give less or little to your allies who are friends because of respect for our strength, not because we can buy their friendship. By now we should realize how utterly failing in its task foreign aid is of winning the cold war.

Frequently mentioned in the report, both majority and minority positions, is the wastefulness and maladministration and makes it obvious that even proponents recognize the basic weaknesses and failures that must be corrected. As it is, the whole program fails and in failing jeopardizes our entire economic position at home and abroad. The report says:

> While we may always hope that someday there may be invented a better means of obtaining our foreign policies objectives than the foreign assistance program, neither the present administration or its predecessor has been able to do so.

My suggestion paraphrasing this statement is that we reimpose a Western Hemisphere Monroe Doctrine, and that we guarantee safe conduct for Americans and protection for their property everywhere in the world and that we hardheadedly bargain in trade and economic matters and stop giving away or loaning our money under the mistaken premise that we are attaining our foreign policy objectives. Toughness and respect alone can protect us by attracting strong allies and by at the least winning respect, even fear, of those who would disagree with us.

Giving our money and property away or loaning it under uneconomic arrangements is not winning any foreign policy objectives, but rather is in the nature of losing our collective shirts and at the same time looking foolish in the eyes of other nations, who hardheadedly must always compute profit and loss and living within their income.

I want to compliment the gentlewoman from Illinois [Mrs. CHURCH] and the gentleman from Indiana [Mr. ADAIR] for their clearheaded presentation of minority views, I deeply regret that more members of the Foreign Affairs Committee did not join with them. Their views, to my mind, are utterly commonsense and noncontradictable. The summary by fiscal year, and programing by region and country from years 1946 through fiscal 1961 I recognize as the lessons from experience, and underlying logic of the minority views and supports my disagreement with this new foreign aid bill, the Foreign Assistance Act of 1962.

This bill must not be passed in its present form. Only military assistance should be enacted at this time while we evaluate present programs and trim our spending to the stark realities of deficit financing, our present fiscal position. Certainly we must eliminate any aid to Communist countries whether part of the international conspiracy or not. Indeed we should not give aid to any nation that is not dedicated to the preservation of the dignities and freedoms of its citizens. To do otherwise is to court disaster, be a party to our own suicide as a Nation, and to the demise of the free world.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. We hear a lot about a tax cut. How are we going to cut taxes with all this deficit we have and the other problems we have?

Mr. GROSS. That is a very good question. The gentleman will have to address that to some of those who have been voting for these multibillion-dollar handouts each year and all over the world, from Iceland to Timbuktu. If they can turn over a stone and find enough of a depression to throw in some money, they will dump it there. I ask my friend from Mississippi to pose his question to someone who has been voting for this giveaway through the years. Neither the gentleman from Mississippi nor the gentleman from Iowa have been a party to this business.

Mr. WINSTEAD. I do not see how we can cut taxes and do all the things we are called upon to do. How can we expect a tax cut with a budget deficit this year of $7 billion?

Mr. GROSS. We are not skating, financially speaking, on good solid ice in this country. We are just walking in the water with our skates on.

Mr. WINSTEAD. I have been rather disturbed over whether they are going to cut my taxes or lower my taxes. I have heard it discussed both ways.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Would the gentleman feel it is necessary under the settlement of this debt of Japan being reduced to the amount it is, that this will be made necessary in order that the Japanese investors may come over here and build plants and use some of that money in that respect?

Mr. GROSS. If the newspapers are correct, the Japanese say they do not want any part of an industrial operation in the United States. I can understand that fully for they never had it so good in Japan, and they are going to be helped some more by the free trade bill that was passed by the House the other day. Does the gentleman remember that one?

Mr. WAGGONNER. Yes, I do.

Mr. GROSS. So the Japanese are going to be helped some more. There is no end to this, there is no bottom to the U.S. Treasury barrel, apparently, in the minds of some people. All that is necessary is start the printing presses rolling, and load the country and future generations with more and more debt.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. KYL. It has been suggested that Ouagadougou and the $650,000 building and other subjects of that kind do not belong in this discussion. In my opinion, that is one of the things that is wrong with the program. The same people who administer the regular State Department business are concerned with administering this foreign aid. If there is any inefficiency anywhere, we should not shut our eyes to it and say that is something we should talk about at some other time. It is all a part of the same picture.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I want to tell the gentleman from Iowa [Mr. KYL], that the building bill is a separate piece of legislation. It has been reported by the Committee on Foreign Affairs and is now pending before the Rules Committee. It involves authorization for various buildings which have been very carefully gone over by the committee. That building in Africa is not being financed under the authority of the foreign aid bill. These buildings are financed under the regular State-Justice Departments appropriation bill.

Mr. GROSS. I want to point out another feature of this bill. It increases the loan guarantee fund, as I understand the provision, to $1,300 million from the present ceiling of $1 billion.

Mr. MORGAN. That is correct.

Mr. GROSS. One hundred billion dollars has been ladled out in this foreign giveaway program and those who supported it through the years have said: just spend this money and we will create a climate favorable to American investments all over the world. Then American investors would take over, we were told. Just spend enough money to provide the right kind of a climate, they said. And here in this bill you are going to increase guarantees that an American businessman cannot get on his business in the United States. War damage claims, convertibility of currency, guarantees against confiscation—you name it and you provide guarantees for it. Where is the climate that you were going to establish?

Mr. MORGAN. The gentleman knows that the losses on this program have been at an absolute minimum. The program has been in effect ever since the Marshall plan days. There have been only two losses so far and we expect to recover most of the small amount we have had to pay out.

Mr. GROSS. How can you have losses when you write off so-called losses, as was done with Japan? How can you have losses when you write them off for a few cents on the dollar all over the world?

Now, the other day somebody downtown—the newspapers did not say what agency or department it was—loaned $35 million to Israel; a 20-year loan. What is the interest on it? Three-fourths of 1 percent. What do you think the Government is going to have to pay for the money it borrows to give Israel $35 million? Pretty close to 4 percent for the money, will they not? Who is going to take up the slack for that financial manipulation? The poor busted taxpayers of this country, and you know it. Could you borrow from Israel for three-fourths of 1 percent, do you think? It would likely be 6 or 7 percent.

Of course you have not had really bad experience from these so-called loans you have been making, because you have been writing them off. You have been sweeping them under the rug. But, if we ever blow up in this country—and it is inevitable at the rate we are going—when we bust up in this country financially, watch the house of cards come down all over the world. You will have it in your laps. I am not going to be a party to it.

Mr. MORGAN. Mr. Chairman, I yield 12 minutes to the gentleman from Texas [Mr. CASEY].

Mr. CASEY. Mr. Chairman, I thank the distinguished gentleman for yielding me this time.

Mr. Chairman, as I advised the Members of this House a few weeks ago, I intend to offer my amendment to this bill to prohibit any aid or assistance going to 18 specific Communist countries, including Yugoslavia, Poland, and Cuba.

This will be the same amendment that this House adopted last year when this authorization bill was before us. I know many of you shared with me the feeling of disappointment when our amendment was deleted in the conference committee and replaced by a generalization passed by the other body.

This year we have seen the other body take up the authorization bill first and originally adopt practically the same prohibition against aid to Communist countries which we adopted last year, but then weaken this the very next day.

Ask yourselves why the other body acted as it did this year when last year it was responsible for knocking my amendment in the head. I'll tell you why, and I think you will agree with me that the reason was that the people they represent let them know that they wanted them to follow the leadership of the House and to stop using their tax money to promote and advance Communist governments and ideologies.

I have always contended that the House of Representatives was more alert to the wishes of the people than the Senate. If the other body can see the point as clearly as they have, I am confident that the House will again furnish the leadership to put an end to all forms of aid to Communist countries. The corporation director, the stockholder, and the plant worker are tired of their tax money being used in Communist countries to build steel mills, fertilizer factories, chemical and plastic plants, transport systems—at a time when our own plants are producing at half their capacity, which means a reduced paycheck and small profits.

We are told there is a great need to aid such Communist dictators as Tito and Gromulka. I have listened to and read the arguments of those who favor such aid, for this has been a matter of great concern to me and to my people for many years. And I challenge the contention of those who state that withdrawal of such aid will drive Yugoslavia and Poland back into what is loosely called the Sino-Soviet bloc.

In my opinion, neither Poland nor Yugoslavia ever left this bloc—and I intend to try and prove it today. I fail to see any difference between an independent Communist, a middle-of-the-road Communist, or the plain Red variety found in China or Russia.

On February 5 Secretary of State Dean Rusk testified before the Select Committee on Export Control. He contended that the independence of Yugoslavia was firmly established, and he tried to defend the position that Yugoslavia takes in opposing us on international issues by stating that our policies are not designed to purchase friendships or to purchase allies.

Let us look at how the Select Committee on Export Control reacted to Secretary Rusk's position. Let me cite a brief section of their report of May 25, 1962:

> Further, the select committee has considerable doubt that Yugoslavia is completely free of any domination by the U.S.S.R. The reported display of 20 new Soviet-made T-54 tanks in the recent May Day parade in Belgrade, coupled with the reported statement of Marshal Tito on May 6, 1962, that a turnback from liberalization toward tight Communist Party control was underway in Yugoslavia is certainly not indicative of the lack of some dominance by the U.S.S.R.

Mr. Chairman, I could not agree more with this committee's assessment.

My concern over aiding Communist Yugoslavia, and our whole field of foreign affairs, prompted me to write Secretary Rusk expressing this concern last May 24. In his reply he stated all the arguments that you have heard about Yugoslavia's independence and the long years in which we have continued this aid through three administrations, and then he challenged that those who would reverse our policy must make a case for driving Yugoslavia back into the bloc. I still contend that they have never left the bloc, and are playing both ends against the middle, with us being the sucker. To show you the confusion in the executive department on this point, I would cite you last Sunday's Washington Post, an article by our Ambassador to Yugoslavia, Mr. George Kennan, in which he stated:

> It is sometimes said that the effect of these amendments would be to force Yugoslavia back into the Soviet bloc. I would not go this far.

Mr. Chairman, this delusion that Yugoslavia is not part of the Soviet bloc, that it is independent of Russian domination, has cost the American taxpayers a grand total of $2¼ billion dollars since 1946, spent in aiding Communist Dictator Tito pursue his independent brand of communism.

In the past 2 years Communist Yugoslavia has supported Russia and opposed the United States in the United Nations some 44 times, while supporting us only 6 times.

Seldom a month goes by that there is not a reaffirmation of the Red bonds that tie Moscow and Belgrade together. On May 17, 1962, the wire services reported from Bulgaria that Khrushchev declares Tito a friend again. The Russian Premier stated:

> Our relations with Yugoslavia were rather strained previously, but now I can say with satisfaction that our relations are normal, and I would even say good.

On May 23, Russia announced it will purchase Yugoslav ships, including large tankers and freighters.

Is there any doubt where the steel for these ships will be made? From steel mills built with American tax money, from scrap iron shipped through my own port of Houston. Scrap iron paid by the withholding taxes of your workers.

Mr. Chairman, the position taken by the executive branch on the issue of aiding Communist countries has aroused the deep concern of nearly every Member and many of the committees of this House.

The Ways and Means Committee, in its report on the Trade Expansion Act of 1962, stated, on page 4:

> The President is to take action as soon as practicable to prevent the application of trade agreement benefits to products of Communist countries or areas. The scope of the definition "Communist country" has been broadened with the intended effect of requiring denial of trade agreement benefits to products of Cuba, Poland, and Yugoslavia.

On June 25, the Committee on Government Operations issued a stinging report on the "Commingling of United States and Communist Foreign Aid," an indictment of gross mismanagement. On July 10, World magazine quoted our distinguished colleague, Representative PORTER HARDY, JR., chairman of the investigating subcommitte, as follows:

> I'm sure it never occurred to anyone in the Congress that it would be necessary to include in the foreign aid bill a specific provision prohibiting the use of American taxpayers' dollars in a manner which could promote the cause of communism. Apparently, we took too much for granted.

Mr. Chairman, the American taxpayer owes a debt of gratitude to the members of that subcommittee and to its chairman. And I know that the 124 Members who voted for the amendment I offered last year would agree that indeed, this Congress has taken too much for granted, and indeed, such a rigid prohibition is needed.

We are setting a horrible example to our neighbors to the south who are contemplating changes in government. Will they be discouraged from setting up communistic regimes if they feel that they may still share in our bounty?

How about those leaders of South America who have joined with us to oppose the threat of world communism? What is their viewpoint?

Let me cite a few paragraphs from the April 30, 1962, general report of the Special Consultative Committee on Security of the Organization of American States. It is one of the most penetrating analyses of the problem the free world faces in its fight to survive Communist domination, and it should be required reading for every member of the executive branch, and especially those in the Department of State and the Agency for International Development. It states:

> There is no room for doubt that the world is virtually at war—an atypical kind of war, which is being waged by international communism and suffered by the democracies. * * * Unfortunately, this present stage of affairs has found the free world inadequately prepared * * * the structure of the democratic countries taken as a whole is not monolithic, in the same sense as that of the Communist world, whose unity of command has so far shown no rifts. Irrespective of whether the ideological dispute between the principal members of the Communist world is fictitious or real, the important thing is that any such dispute does not substantially affect the tactic of deceiving and upsetting the free world.
>
> Their firm will to win is impelled by the aim to destroy everything that is not communism itself.

Mr. Chairman, with this I heartily agree. But the report continues:

> In September 1961 the Conference of Unalined Countries was held in Belgrade, Yugoslavia, with 28 nations participating. The basic topic was the fight for national independence and support for the fight in Algeria, Angola, Tunisia, and the Congo. But no attention was paid to the fact that nations such as Hungary, Czechoslovakia, and Tibet—among others—have the same yearning for independence. Harsh criticism was applied to the countries that international communism calls capitalist and imperialist, and disarmament and the easing of world tensions were endorsed. Nonetheless, no reference was made to the nuclear tests that the U.S.S.R. was carrying on during the week when the Conference was meeting.

This special OAS report, dated April 30, 1962, held that the Communist advance is due mainly to the lack of information regarding its true aims.

It cited Khrushchev's statement of January 6, 1961:

> The unity of the ranks of every Communist Party and the unity of all Communist parties constitute the united international Communist movement directed at the achievement of our common goal—the triumph of communism throughout the world.

The report held that—

> Countries dominated by the Communists have transformed their political, economic, and social institutions to adjust them to the Soviet model. They have obediently voted in the same way as the Soviet Union on all major issues in the United Nations.

Two of the conclusions of this Committee of the OAS were as follows:

> Communism employs various strategies and trickeries, it uses legal and illegal procedures; it remains silent and conceals the truth; it acts alone, or jointly with any ally who may help it achieve its purpose. Its final objective is to dominate the world.
>
> Communist strategy has found a new route of approach, taking advantage of the peoples' yearning for independence and desire for peace, and of neutralism and the existence of neutralist blocs, whether or not these are developed under the direction of international communism, in order to attempt to reduce the potential of the free world.

Here, Mr. Chairman, is an intelligent, open-eyed appraisal of the threat the free world faces. This appraisal was drafted and signed by representatives of Costa Rica, Peru, Brazil, Argentina, Uruguay, El Salvador, and, on behalf of the United States, by Thomas D. White.

Why is it that the people of these nations, our friends and allies in Latin America, the Members of this House and Senate, can see this problem in the cold light of objectivity—while those in the executive branch view it through the rosy glasses of false optimism?

What an argument we present, through our ridiculous policy of aiding Communist countries, to those emerging nations of Africa and Asia—and to those who piously proclaim to stand on the sidelines as neutrals in the free world's struggle for survival.

"Fear not to go Communist," we advertise, "for as long as you state you are an independent Communist state, we will send you millions, even billions, in aid and assistance."

What a mockery this policy is to the enslaved peoples of Yugoslavia, Poland, Hungary and a host of nations held in bondage under communism. Through our aid to their tyrant masters, we ourselves have forged the chains of their slavery.

You have heard much of the strong bonds of friendship and of trade between Yugoslavia and our own country—a statement not supported by the facts and figures from the Yugoslav Federal Bureau of Statistics.

You have heard little of the massive aid projects we have financed, or are financing in whole or in part, in Communist Yugoslavia. I believe the House would be interested in the letter of June 6, which I received from the Library of Congress, listing the projects which your constituents have been financing. Mr. Chairman, I am including this in the RECORD.

Mr. Chairman, to aid those subscribing to a system pledged to our ultimate defeat is nothing short of suicide. I intend to do all I can to see that such a policy is reversed, and if you believe as I do, I earnestly urge your support for the amendment I will propose to this bill.

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., June 6, 1962.

To: Hon. BOB CASEY.
From: Economics Division.
Subject: U.S. foreign aid projects in Yugoslavia.

This is an addition to the material sent to your office on May 29, 1962, in reply to your inquiry of May 24, 1962, on the abovenamed subject.

A list of projects financed by the Development Loan Fund of the Agency for International Development and prepared by that agency is attached.

The Export-Import Bank has given us by telephone the following details on its loans to Yugoslavia. The project in which you expressed particular interest is credit 1461–B authorized on February 16, 1961, in the amount of $15 million. The final approval of the allocation of this amount as to specific items is pending and is expected shortly.

This loan has been granted to finance the greater portion of the foreign exchange requirement for the import of equipment destined for the expansion of the Jesenice Iron & Steel Works. This mill is being expanded within the Yugoslav program of steel industry expansion, some of the reasons for which are indicated in the AID report on their Sisak iron and steel mill expansion project (p. 4 of that report).

The Jesenice steel mill is one of the oldest in Yugoslavia. The present program for its expansion calls for a total expenditure of $56 million, $53 million of this for the expansion of physical plant. The program will be financed largely by the Yugoslav Investment Bank.

Approximately $33.3 million of total expansion costs will be for the purchase of new equipment. Yugoslav own financing of equipment will amount to some $14.6 million, while about $18.6 million will be financed from abroad. Fifteen million dollars of this amount will be Eximbank's share, $2 million will be financed by the extension of credit by the suppliers of new equipment, and the remainder will come from Western Europe.

The equipment financed by Eximbank will be furnished principally by the Westinghouse Corp. and by the Blaw-Knox Co. It will include as major items a $5.1 million blooming mill, a $2.8 million hot strip rolling mill, $1.6 million soaking pits, and a $1.2 million ore preparation plant.

The other Eximbank credit still pending final approval is credit 1461–C in the amount of $10 million. This credit involves purchases of U.S. industrial and construction machinery and equipment items of all types. Thirteen categories of machinery and some 70 factories are involved. This equipment will be delivered to some 25 to 30 medium-sized plants in Yugoslavia.

The third Eximbank loan to Yugoslavia (credit 1461–A) in the amount of $25 million has been largely disbursed. It is being utilized for the purchases from U.S. sources of miscellaneous raw materials (chemicals, plastics, sulfur, phosphorus, water softener, medical and pharmaceutical supplies, aluminum ingots, copper scrap, electrolytic copper, cellulose for rayon, synthetic rubber, and other materials).

A fourth loan (credit 484), authorized in 1950 in the amount of $55 million for the purchases from U.S. sources of industrial raw materials and equipment has been fully utilized. Almost half of this loan has already been repaid.

VLADIMIR N. PREGELJ,
Analyst in International Trade and Finance.

U.S. DEVELOPMENT LOAN FUND CREDITS TO YUGOSLAVIA

DIESEL LOCOMOTIVES (STAGE I)—LOAN DLF 65

The purpose of this loan was to finance the purchase in the United States of 20 diesel locomotives to be used on the Bosanski-Novi-Knin-Split line, one of two important lines linking the Adriatic with central Yugoslavia. These lines carry a large portion of Yugoslavia's foreign trade as well as a large volume of passenger and tourist traffic.

Steam locomotives were previously used on the Bosanski-Novi-Knin-Split line. The average age of these locomotives was 30 years and they were obsolete technically and economically. Dieselization has greatly increased the line's carrying capacity. Moreover, large savings in operating costs have resulted from the replacement of the overage steam locomotives.

All 20 diesel locomotives covered by this loan were delivered and placed in service on June 1, 1960. They were manufactured by General Motors at its diesel locomotive plant at La Grange, Ill. A small balance of the loan, representing provision of spare parts, remains undisbursed but will be disbursed shortly.

KOSOVO THERMAL ELECTRIC PLANT (STAGE I)—LOAN DLF 84

The demand for power in Yugoslavia is increasing rapidly owing to the country's rapid industrialization. Power produced at Kosovo will be used initially to meet the requirements of the national grid system. However, its long-range use will be to supply power for the further development of lead, zinc, magnesite, and iron mines, as well as for agricultural processing, cement, and chemical plants which are to be located in the area to be served by the Kosovo plant. The large-scale commercial utilization of the extensive Kosovo lignite fields, of which this project represents the first step, will make a substantial contribution to the economic development of southern Yugoslavia, one of the poorer regions of the country.

The purpose of this loan is to finance the foreign exchange cost of construction of a thermal electric plant at Kosovo in southern Yugoslavia. The Kosovo area has abundant lignite deposits which will be exploited for the first time on a large commercial scale by the thermal electric plant.

The total cost of this project will be about $16 million, with the dinar cost of about $7 million to be made available by the Yugoslav Investment Bank. Installed capacity of the powerplant will be 62,500 kw. Owing to the proximity of the lignite fields, the production cost at Kosovo will compare favorably with thermal plants in both this country and in Europe.

The major construction associated with the project is completed. Engineering services are being provided by a U.S. firm, Gibbs & Hill; and equipment procurement for the project is well underway. It is expected that the plant will go into service late this year.

TREBISNJICA HYDROELECTRIC POWER—LOAN DLF 85

This loan is to finance the foreign exchange costs of construction of two hydroelectric powerplants with a total installed capacity of 315,000 kw.

The powerplants will be located on the Trebisnjica River near Dubrovnik. The total cost of the project will be $54 million. The DLF loan is for $15 million, and the Yugoslav Investment Bank has made available $39 million in dinars for construction costs. Civil works at the project sites are under construction. Orders have been placed for the heavy electrical equipment, such as turbines and generators. It is estimated that the project will be completed in 1965.

Unless power production is increased, Yugoslavia faces the distinct possibility of a severe power shortage, owing to the heavy demand for power caused by rapid industrialization. Yugoslavia has one of the highest hydroelectric potentials in Europe, and the Trebisnjica site itself is extremely favorable. The generation cost per kilowatt-hour will be about 3.5 mills. Installed cost per kw. will be about $170. The high power availability factor (58 percent firm power) and the large storage volume of the reservoir are other factors which make this an unusually good hydroelectric project. Ultimately the Yugoslavs plan to increase the capacity of the generating station to 576,000 kw. Completion of this project will make an essential contribution to the development of the Yugoslav economy.

DIESEL LOCOMOTIVES (STAGE II)—LOAN DLF 117

This is the second DLF loan for the purchase of U.S. diesel locomotives by Yugoslavia. This loan financed the purchase in the United States of 57 locomotives, all of which have now been delivered and are in Ljubljana and 7 in Knin, with necessary shop and maintenance facilities in place. The locomotives were assembled and delivered according to terms of the contract between the Government of Yugoslavia and the U.S. supplier, the General Motors Corp.'s Diesel Locomotive Division at La Grange, Ill. A small balance of the loan which provides for spare parts will be disbursed shortly.

ZAGREB PLASTICS AND CHEMICALS FACTORY—LOAN DLF 135

The purpose of this loan is to finance the imported equipment, services, and technical skills necessary to construct a petrochemical factory in Zagreb. The project is being constructed on schedule with approximately 20 percent completed.

Yugoslavia currently is placing greater emphasis upon consumer goods industries than in the past, and the requirement for plastics is growing rapidly. Since plastics have neither been produced in Yugoslavia nor, owing to foreign exchange shortages, imported in volume, this demand has gone unsatisfied. The Zagreb plant, utilizing local raw materials, will make available a substantial volume of synthetic chemicals and thereby pave the way for the development of many consumer-type industries.

The total cost of the project will be about $36 million, of which $6.5 million represents a British license and related equipment and services. British firms and financial institutions are financing all United Kingdom costs. The local currency costs of about $6.5 dinars will be financed by the Yugoslav Investment Bank. The DLF loan is for $23 million. The plant will produce approximately 27,600 metric tons a year of plastics and other chemicals, the major products being insulation, packaging materials, and household goods. A U.S. consulting engineer, Foster-Wheeler Corp., presently is preparing detailed engineering plans and specifications, and the project, which is in the initial stages, is proceeding on schedule.

Plastic insulation materials which will be produced at the Zagreb plant will enable a far more efficient use of cold storage facilities which have been used to only 20 to 50 percent of their potential. Packaging materials will greatly facilitate food and consumer goods distribution and will implement the present program for 200 self-service stores. During the last 3 years 70 such stores have been put into operation, and 130 more will be placed in service by 1964. Electrical insulation materials are badly needed for electrification and for housing development, both of which are growing rapidly. The production of styrene, phenol, and acetone will supply other chemical plants with synthetic materials needed for the manufacture of a variety of products. Moreover, the experience with modern chemical processes which will be gained by the staff of the Zagreb plant will provide a basis for further development of the Yugoslav chemical industry.

SISAK IRON AND STEEL MILL EXPANSION—LOAN DLF 164

The loan is to finance the foreign exchange costs of construction of a skelp mill, a breakdown mill, a continuous rolling mill, and a welded tube mill at the Sisak Iron & Steel Works. This is the third largest steel mill in Yugoslavia. As a result of this loan the mill will begin to produce welded tubes and will expand its present production of seamless tubes.

The total cost of the project will be about $10.3 million, with Sisak Iron & Steel Works providing about $1.8 milion in dinars from its own resources for the local currency expenditures for the project. The project will be carried out on the basis of turnkey-type contracts from two U.S. suppliers, Blaw-Knox Co. of Pittsburgh, Pa., and the McKay Machine Co. of Youngstown, Ohio. Negotiations for these contracts have been concluded, and production of the necessary units is on schedule. The mills to be provided by these contracts will produce about 210,000 tons annually of slabs, billets, and rounds and about 100,000 tons annually of skelp, which will be used to produce about 75,000 tons of welded pipe annually.

The Yugoslav iron and steel industry has a deficiency in plates, sheets, and tubes, which generally are used in finished goods, and a corresponding excess capacity for sections used primarily in industrial projects. The loan to the Sisak Iron & Steel Works will help to correct this situation and bring iron and steel production more in line with actual requirements. As an important producer of steel in Yugoslavia, the Sisak Works already has a skilled work force. Its raw steel capacity is being increased from about 150,000 to 300,000 tons. The facilities to increase raw steel production are being financed entirely by the Government of Yugoslavia.

DIESEL LOCOMOTIVES (STAGE III)—LOAN DLF 166

The purpose of this loan is to finance the purchase in the United States of 21 diesel locomotives to replace steam locomotives. This is the third DLF loan for the dieselization of the Yugoslav railway system.

The Government of Yugoslavia has purchased these locomotives from the General Motors Corp., as in the two previous loans for diesel locomotives. All 21 have been delivered and are in use; 15 are located in Doboj Novi, 4 in Skopje, and 2 in Ljubljana. Shops and maintenance facilities are adequate for proper maintenance.

KOSOVO THERMAL ELECTRIC PLANT (STAGE III) LOAN DLF 173

This loan is to finance the foreign exchange cost of an additional 125,000-kilowatt thermal electric plant at Kosovo in southern Yugoslavia. This loan represents the second and final stage of the Kosovo thermal electric project. The first stage involved construction of a 62,500-kilowatt plant, the foreign exchange cost of which was financed by a DLF loan for $9 million.

The total cost of this stage will be about $22 million, with the dinar cost of about $8 million to be made available by the Yugoslav Investment Bank. Engineering services are being provided by a U.S. firm Ebasco and are well underway. Orders for equipment have been placed and it is expected that the plant will go into operation schedule late next year.

Power produced at Kosovo will compare favorably with production costs of comparable units in both the United States and in Europe, owing to the proximity of extensive lignite fields.

Statistical Survey of Foreign Trade of Yugoslavia, 1956–61

Sources: In the compilation of the tables that follow only Yugoslav sources were used so as not to impair comparability of data. The sources used are the following publications of the Yugoslav Federal Bureau of Statistics [Savenzni Zavod za Statistiku]:

"Statistika Spoljne Trgovine FNR Jugoslavije" ["Foreign Trade Statistics of the FPR Yugoslavia"]; annual issues of 1958, 1960.

"Statisticki godisnjak FNRJ" ["Statistical Yearbook of the FPRY"], 1959, 1961.

"Indeks: Mesecni Pregled Privredne Statistike FNR Jugoslavije" ["Index: Monthly Survey of Economic Statistics of the FPR Yugoslavia"], vol. 11, no. 3, March 1962.

Remarks: The value of Yugoslav foreign trade has been converted from dinars into dollars at the exchange rate of 300 dinars per dollar. This is the rate used by the Yugoslav Bureau of Statistics in its publications. All percentages have been calculated from original data in dinars and rounded to one decimal. Because of rounding, detail does not always add to total.

The entry for Soviet bloc in tables by area of destination or origin comprises only the European nations of the Soviet bloc. As indicated by respective footnote, the 1961 figure for the Soviet bloc does not include data for Albania, because the 1961 foreign trade statistics have as yet not been published in sufficient detail.

Export trade of Yugoslavia, 1956–61, by area of destination (continent and major country)

[Values in millions of dollars]

Area	1956	1957	1958	1959	1960	1961	Area	1956	1957	1958	1959	1960	1961
Europe	252.9	309.1	346.0	364.9	437.7	436.2	Asia	24.0	29.2	29.9	48.2	45.0	56.5
Soviet bloc	73.8	104.6	123.1	147.3	182.1	[1] 175.6	Africa	6.8	20.6	27.4	23.0	34.0	26.4
U.S.S.R.	42.2	48.9	36.4	47.2	52.7	50.9	North America	28.4	34.0	33.7	34.3	39.9	42.5
Poland	8.9	16.2	22.0	33.9	22.1	40.5	United States	27.4	33.4	33.0	31.1	38.6	36.5
East Germany	4.4	10.4	26.4	26.7	46.4	30.2	South America	11.2	2.2	4.3	6.2	9.4	7.2
Italy	45.7	53.6	53.9	57.7	74.8	70.3	Oceania	0	0	0	0	.1	.1
West Germany	49.1	52.5	41.8	44.8	50.1	57.9							
United Kingdom	19.6	23.9	34.5	34.0	43.3	47.8	Total	323.4	395.1	441.4	476.6	566.1	568.9
Austria	17.3	19.2	18.9	21.0	30.0	25.6							
France	8.7	9.5	16.3	11.6	8.8	9.8							

[1] 1961 figure for the Soviet bloc does not include exports to Albania.

Import trade of Yugoslavia, 1956–61, by area of origin (continent and major country)

[Values in millions of dollars]

Area	1956	1957	1958	1959	1960	1961	Area	1956	1957	1958	1959	1960	1961
Europe	288.3	416.8	481.6	459.3	607.5	624.9	Asia	27.0	39.1	28.6	40.9	43.8	45.4
Soviet bloc	105.0	142.9	194.0	169.9	211.7	[1] 168.2	Africa	7.3	14.9	19.2	20.0	52.4	21.1
U.S.S.R.	70.5	69.0	57.8	57.6	56.9	32.0	North America	135.0	177.1	135.9	142.2	93.5	185.5
East Germany	3.2	7.6	26.3	28.9	37.4	37.6	United States	129.2	173.7	134.0	140.0	88.5	181.2
Hungary	6.4	19.7	35.6	31.6	36.6	32.8	South America	13.1	8.8	10.9	15.2	15.6	21.5
West Germany	47.4	75.5	80.2	96.4	123.2	142.7	Oceania	3.5	4.6	8.8	9.5	13.6	11.9
Italy	41.0	78.8	67.6	64.0	95.1	132.7							
United Kingdom	32.6	41.9	36.1	35.5	45.4	46.3	Total	474.1	661.3	685.0	687.2	826.4	910.3
Austria	19.3	25.1	25.4	26.3	37.5	32.4							

[1] 1961 figure for the Soviet bloc does not include imports from Albania.

Export trade of Yugoslavia, 1956–61, by area of destination (continent and major country)

[As percentage of total exports]

Area	1956	1957	1958	1959	1960	1961
Europe	78.2	78.3	78.4	76.6	77.3	76.7
Soviet bloc	22.8	26.6	27.9	30.9	32.2	[1] 30.9
U.S.S.R.	13.1	12.4	8.2	9.9	9.3	8.9
Poland	2.8	4.1	5.0	7.1	3.9	7.1
East Germany	1.3	2.6	6.0	5.6	8.2	5.3
Italy	14.2	13.6	12.2	12.1	13.2	12.4
West Germany	15.3	13.2	9.5	9.4	9.0	10.2
United Kingdom	6.0	6.1	7.8	7.1	7.6	8.4
Austria	5.3	4.8	4.3	4.4	5.3	4.5
Asia	6.8	6.7	6.4	9.8	8.0	9.9
Africa	2.7	5.9	6.6	5.1	6.0	4.6
North America	8.8	8.6	7.6	7.2	7.1	7.5
United States	8.5	8.5	7.4	6.5	6.9	6.4
South America	3.5	.5	1.0	1.3	1.6	1.3
Oceania	0	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0	100.0

[1] 1961 figure for the Soviet bloc does not include exports to Albania.

Import trade of Yugoslavia, 1956–61, by area of origin (continent and major country)

[As percentage of total imports]

Area	1956	1957	1958	1959	1960	1961
Europe	60.8	63.0	70.3	66.8	73.5	68.6
Soviet bloc	22.1	21.6	28.4	24.7	25.6	[1] 18.6
U.S.S.R.	14.9	10.4	8.4	8.4	6.9	3.5
East Germany	.7	1.1	3.8	4.2	4.5	4.1
Hungary	1.3	3.0	5.2	4.6	4.4	3.6
West Germany	10.0	11.4	11.7	14.1	14.9	15.7
Italy	8.7	11.9	9.9	9.4	11.5	14.6
United Kingdom	6.9	6.3	5.3	5.3	5.5	5.1
Austria	4.1	3.8	3.7	3.8	4.5	3.6
Asia	5.7	5.7	4.2	5.9	5.3	5.0
Africa	1.5	2.4	2.8	2.9	6.3	2.3
North America	28.5	26.8	19.8	20.8	11.3	20.4
United States	27.3	26.3	19.6	20.5	10.7	19.9
South America	2.8	1.4	1.6	2.2	1.9	2.4
Oceania	.7	.7	1.3	1.4	1.7	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

[1] 1961 figure for the Soviet bloc does not include imports from Albania.

Export trade of Yugoslavia, 1956–61, by SITC section and major subgroup

[Values in millions of dollars]

Section and subgroup	1956	1957	1958	1959	1960	1961
Food and live animals	97.5	83.0	130.4	121.7	164.0	168.8
Meat and meat preparations	24.0	19.5	27.4	38.8	52.7	(1)
Cereals and cereal preparations	4.4	3.6	38.6	21.4	36.4	(1)
Beverages and tobacco	26.8	26.3	37.7	23.6	26.5	22.3
Crude materials, inedible, except fuels	82.0	76.5	74.8	75.9	88.5	84.6
Wood, lumber and cork	48.0	41.3	40.9	38.9	41.9	(1)
Mineral fuels, lubricants and related materials	6.6	4.3	5.8	4.9	5.2	6.8
Animal and vegetable oils and fats	.1	0	0	.1	1.3	.2
Chemicals	19.4	14.4	14.6	15.6	23.0	20.3
Manufactured goods classified chiefly by material	108.0	89.2	102.0	118.5	134.0	129.4
Base materials	57.0	50.6	56.5	61.3	75.7	(1)
Machinery and transport equipment	26.7	14.9	47.1	82.7	84.7	93.9
Transport equipment	9.8	7.3	28.9	44.0	34.1	(1)
Miscellaneous manufactured articles	21.7	11.7	24.5	28.9	38.2	42.0
Commodities and transactions not classified according to kind	6.4	3.0	4.5	4.7	.7	.5
Total	395.1	323.4	441.4	476.5	566.1	568.9

[1] Not available.

Import trade of Yugoslavia, 1956–61, by SITC section and major subgroup

[Values in millions of dollars]

Section and subgroup	1956	1957	1958	1959	1960	1961
Food and live animals	150.9	146.8	130.5	132.7	75.5	119.7
Cereals and cereal preparations	107.5	100.0	66.1	86.2	20.9	(1)
Beverages and tobacco	0	1.0	1.1	.1	.1	1.1
Crude materials, inedible, except fuels	75.2	97.1	84.1	95.9	118.4	129.7
Mineral fuels, lubricants, and related materials	46.9	65.3	41.2	45.3	45.0	40.3
Animal and vegetable oils and fats	5.6	12.9	14.4	15.7	11.5	15.2
Chemicals	33.0	48.3	66.8	75.3	71.4	63.6
Manufactured goods classified chiefly by material	57.7	103.8	108.2	107.7	171.8	184.8
Textile articles, except clothing	15.5	23.9	26.2	20.6	34.8	(1)
Base metals	23.9	51.5	52.4	48.2	86.6	(1)
Machinery and transport equipment	94.4	167.9	215.7	192.0	304.6	324.3
Electrical machinery and apparatus	17.9	24.4	30.4	31.9	43.5	(1)
Other machinery	57.1	97.7	129.5	117.0	196.8	(1)
Transport equipment	19.3	45.8	55.8	43.2	64.2	(1)
Miscellaneous manufactured articles	10.0	14.6	20.3	20.6	27.1	31.3
Commodities and transactions not classified according to kind	.3	3.4	2.7	1.8	1.1	.4
Total	474.1	661.3	685.0	687.2	826.4	910.3

[1] Not available.

Export trade of Yugoslavia, 1956–61, by SITC section and major subgroup

[As percentage of total exports]

Section and subgroup	1956	1957	1958	1959	1960	1961
Food and live animals	25.6	24.7	29.5	25.5	28.4	29.7
Meat and meat preparations	6.1	6.1	6.2	8.2	9.3	(1)
Cereals and cereal preparations	1.4	.9	8.8	4.6	6.4	(1)
Beverages and tobacco	8.1	6.8	8.5	4.9	4.7	3.9
Crude materials, inedible, except fuels	23.6	20.8	16.9	15.9	15.6	14.9
Wood, lumber and cork	12.8	12.1	9.3	8.1	7.5	(1)
Mineral fuels, lubricants and related materials	1.3	1.7	1.3	1.0	.9	1.2
Animal and vegetable oils and fats	0	0	0	0	.2	0
Chemicals	4.5	4.9	3.3	3.3	4.1	3.6
Manufactured goods classified chiefly by material	27.6	27.3	23.1	24.9	23.7	22.7
Base metals	15.6	14.4	12.8	12.8	13.4	(1)
Machinery and transport equipment	4.6	6.8	10.7	17.4	14.9	16.5
Transport equipment	2.2	2.5	6.6	9.3	6.0	(1)
Miscellaneous manufactured articles	3.6	5.5	5.5	6.1	6.8	7.4
Commodities and transactions not classified according to kind	.9	1.6	1.0	1.0	.7	.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

[1] Not available.

Import trade of Yugoslavia, 1956–61, by SITC section and major subgroup

[As percentage of total imports]

Section and subgroup	1956	1957	1958	1959	1960	1961
Food and live animals	31.8	22.2	19.1	19.3	9.2	13.2
Cereals and cereal preparations	22.8	15.1	9.7	12.5	2.5	(1)
Beverages and tobacco	0	.2	0	0	0	.1
Crude materials, inedible, except fuels	15.9	14.7	12.3	14.0	14.3	14.2
Mineral fuels, lubricants, and related materials	9.9	9.9	6.0	6.6	5.4	4.4
Animal and vegetable oils and fats	1.2	2.0	2.1	2.3	1.4	1.7
Chemicals	7.0	7.3	9.8	10.9	8.6	7.0
Manufactured goods classified chiefly by material	12.2	5.7	15.8	15.7	20.8	20.3
Textile articles except clothing	3.3	3.6	3.8	3.0	4.2	(1)
Base metals	5.1	7.8	7.8	7.0	10.5	(1)
Machinery and transport equipment	19.9	25.3	31.5	27.9	36.9	35.6
Electrical machinery and apparatus	3.8	3.7	4.4	4.6	5.3	(1)
Other machinery	12.1	14.7	19.0	17.0	23.8	(1)
Transport equipment	4.0	6.9	8.1	6.3	7.8	(1)
Miscellaneous manufactured articles	2.1	2.2	3.0	3.0	3.3	3.4
Commodities and transactions not classified according to kind	0	.5	.4	.3	.1	0
Total	100.0	100.0	100.0	100.0	100.0	100.0

[1] Not available.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Ohio.

Mr. HARSHA. May I commend the gentleman on his courageous stand on this issue. I too intend to offer an amendment to prohibit the giving of any aid or assistance to Communist countries. Whether the House considers my amendment or the amendment of the gentleman from Texas, I assure him of my wholehearted support.

Mr. CASEY. I thank the gentleman. Although I would have some pride of authorship, all I am interested in is the result.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Illinois.

Mr. COLLIER. I too would like to commend the gentleman for his stand on this phase of the foreign aid bill. While I am not familiar at this time with exactly what the wording of the gentleman's amendment would be, it would be my hope that it would embrace the phraseology of "Communist governments," rather than specific nations.

Mr. CASEY. If the gentleman will recall, my amendment last year would prohibit all aid to any Communist nations, including specifically but not limited to the 18 countries.

Mrs. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I rise in support of this bill. And I intend to oppose the limiting amendment that will be offered by the distinguished gentleman from Texas [Mr. CASEY]. I am glad he took the floor at this time in order to tell the House he is going to offer such an amendment. We have been on the floor now debating this foreign aid bill for over 4 hours and no mention has been made until this moment of this amendment that we all have known is coming. The amendment as I understand it will remove any and all discretion of the Executive in the allocation of economic aid to Communist-bloc countries, which of course includes Yugoslavia and Poland.

The same attempt to limit the flexibility of the Executive was made when President Eisenhower was in office. He asked for the same flexibility that is now asked by President Kennedy, and we gave it to him.

I think it is important to stress that this is a bipartisan bill. It has never been considered as a partisan matter and I hope never will be considered as a partisan matter. I should like, therefore, to express my thanks to the distinguished gentlewoman from Ohio [Mrs. BOLTON] for her performance on the floor today.

Mr. Chairman, I think this question of assistance to Yugoslavia and Poland should be debated during general debate and not wait for the 5-minute rule. Under the 5-minute rule, as you know, the members of the Committee on Foreign Affairs who have studied this subject are limited in the amount of time that they can devote to the question. Therefore, I would hope the question will be discussed more fully in the remaining time under general debate.

To me, it makes no sense at all to suggest that all Communist bloc countries are the same or that they must be equated on exactly equal terms. The "monolith" of international communism is not as it is generally described. Beneath the Stalinist surface, one saw trends toward nationalism, "Russiaphobia," pluralism, and various other "isms," all of which have meant that various dividing pressures and counterpressures have been at work within the Communist bloc. This must be encouraged.

I think it is significant that in the case of Yugoslavia there has been a retreat from collectivism in farming, to the extent that collectivised farmland is now down to 12 percent, as opposed to the average figure of 90 percent for all other Iron Bloc countries with the exception of Poland. Note this, too: 70 percent of Yugoslavia's trade is with the West. Tourism is beginning to develop on a wide scale. These bits and pieces indicate the importance of allowing the Executive some freedom of action. The bill does not provide for aid to Yugoslavia in the form of development loans, and I do not necessarily advocate it. I do argue the necessity of not being doctrinaire and not being inflexible in our approach. Why bind the hands of the Executive on this subject? I think the amendment that will be offered could be exceedingly foolish and would not work to the best interest of the United States or of the free world. Let us give the President in this area the same flexibility that we gave to President Eisenhower and not tie his hands unnecessarily.

I am not completely happy with this program or this bill any more than anybody else is in this Chamber. I doubt that you can find a single person who is completely satisfied with the bill. I have read the entire report and the bill from beginning to end. There are a multitude of questions which I would like to raise on the floor of the House because I think these questions should be discussed.

Generally, I think one of the weaknesses of the legislative approach to foreign aid has been the inadequacy of communication between the Executive and the Congress. The State Department does not tell us enough. The principle of "the right to know" is terribly important. No proper judgment can be made without the facts. It is the duty of the Executive and the State Department to see to it that the legislative branch does know the facts. Every Member of this House is busy and is under terrible pressure. Look at the number of Members on the floor of the House during this entire debate—shockingly few—testifying, I think, either to the fact that Members have again prejudged the matter or that there is a massive indifference which is appalling when one considers the vast importance of this bill.

I think, too, Mr. Chairman, there is too much overclassification. I note on page 6 of the committee report there are a whole series of categories of areas where it is not deemed to be in the public interest to tell the public the facts about certain aspects of economic aid and almost all aspects of military aid. Is this really necessary? They say that foreign aid is unpopular in this country. Well, of course, it will be if people are not told the facts; this tendency to overclassify and for the Executive to deal with this matter as though there were something mysterious about it. It is not necessary to be vague and imprecise about foreign aid.

This program over the years, generally, has been positive and helpful. Yes, there have been some tragic errors and shortcomings. But on the whole it has been sound. It is almost impossible to prove, in logic, that X would have happened but for Y. You cannot prove that "but for" the foreign aid program more countries would have gone under. The only way it can be proved is to defeat a bill of this type, or so cripple or hamstring it that it is not operative, and then see the results. They could be most tragic results.

Therefore I urge support of the bill, and I urge full debate on this question of the degree of flexibility that the President should have in the allocation of aid. Full debate is essential if we are not going to have a debacle on the floor of the House next Wednesday when we come to amendments. It is necessary that the record be complete so that Members will understand the issue clearly before they come to vote on amendments.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. GALLAGHER. Mr. Chairman, I wish to compliment the gentleman on his statement and the bipartisan spirit in which he has met this great problem. It was for the gentleman's very reasoning that I injected into my opening remarks in the committee the question of touching this matter in debate, and the $2 billion that has already been invested in this policy is not really at stake. What is before us at this particular time is a shift of policy. Are we going to lop off the $2 billion that we have already invested by a shift of policy?

So I thank the gentleman for bringing it up.

Mr. LINDSAY. I thank the gentleman. I hope the distinguished chairman of the Foreign Affairs Committee and his colleagues who have studied this subject will go into it in detail.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. JUDD. Mr. Chairman, I compliment the gentleman on his discussion. I think it ought to be in the RECORD at this point that it was urged in the Committee on Foreign Affairs, not just this year but for several years, that guidelines be laid down for the President, both the previous President and the present President, with respect to the matter of furnishing military aid, economic aid, and surplus agricultural commodities to countries under Communist domination.

The trouble in part has come about because the Executives under both administrations have gone way beyond what they knew the Congress wanted in this field. So eventually in frustration or irritation at failure of the executive branch to pay attention to their wishes, many in the Congress are saying the time has come for a blanket restriction or prohibition upon the Executive's constitutional power to conduct our foreign affairs. While I believe our Government has furnished far more aid than it should have to these Communist countries, I do not believe the Congress of the United States should try or has a right to put an absolute ban on the President of the United States, of whatever party he may be, in his conduct of our foreign affairs. Just as I do not think the Executive should take over the reducing or increasing of taxes, which is the responsibility of the Congress, so I do not believe the Congress ought to take action that would handcuff the President of the United States and make it impossible for him to have the flexibility necessary to deal with new situations in the exercise of his responsibility for the conduct of our foreign relations. He knows more about developments in this field than we can possibly know.

The Executive should pay more attention to this annual debate and be more careful in the giving of assistance to countries under Communist domination. But Congress would be wrong and exceedingly unwise, in my opinion, if it were to pass such amendments as we are advised will be offered tomorrow.

Mr. LINDSAY. What is the gentleman's opinion on this question which I pose: An amendment will be offered by the gentleman from Texas [Mr. CASEY], which will limit the flexibility of the Executive in the allocation of economic aid. If adopted, what effect might this amendment have on the hopes of the West to bring Yugoslavia and Poland out of the iron bloc?

Mr. JUDD. I am not sure our aid has had too much effect in keeping Yugoslavia out of the bloc. It is said that if we cut off aid, it will force Yugoslavia back into the Communist bloc. I am not sure it is out of it.

I have opposed this kind of aid, and I oppose it today; but I do not think that Congress ought to adopt an absolute prohibition which would make it impossible for the President to give aid, if he thinks it necessary, with all the facts he has and assuming the full responsibility.

Mr. LINDSAY. Is that true of Yugoslavia in the reasonably near future?

Mr. JUDD. My view on that is that Mr. Khrushchev had been very happy for us to support Yugoslavia and Poland in large measure and thereby greatly reduce the drain upon himself for that purpose.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Illinois.

Mr. COLLIER. As the gentleman from New York knows, there have actually been two arguments posed for aiding Communist nations, specifically Yugoslavia and Poland. One, of course, is that it will assist the people to ultimately overthrow communism. The other is the argument that it would tend to keep each country out of the so-called Soviet bloc. Whether they are already part of it or not is still a question.

If we are to assume that there is merit in the original argument, then must we not also assume that of the some three-quarters of a billion people around the world who have fallen under the yoke of communism in the last 15 years, the majority of these do not desire or do not want to be under communist rule; therefore, how do we draw the line as to when we help any one in any country who does not desire to be a Communist?

Mr. LINDSAY. The gentleman's question is well put. I would hope that the members of the Committee on Foreign Affairs would address themselves to the question. The point I tried to make is that the greatest sin that can be committed by a so-called iron curtain country, Yugoslavia for example, is revisionism, deviation from pure Communist doctrine. As I read the facts, in so far as the facts are available, it appears that the Yugoslavs have deliberately charted a course of deviation from party line behavior. In this regard the State Department and the Executive tell us, and told us when Eisenhower was President, that the way to play into the hands of Moscow and to bring the revisionists back into the straight Communist channel is to hamstring the Executive in the administration of the aid program.

Mr. COLLIER. The fact of the matter is that if communism is to fail in any of these nations, it will fail because of economic conditions. I think we have gone beyond the point where we feel any revolt, with the possible exception of one Cuba or China, is going to come about. If there is any failure, it will be an economic failure.

Therefore, how then can we justify giving an injection of U.S. aid to strengthen a Communist economy when that appears to be the only way it can exist?

Mr. LINDSAY. If I may comment on that. My understanding is that in Yugoslavia the standard of living has risen quite spectacularly compared to other Iron Curtain countries. This improvement was brought about in part, we are told, by aid and assistance that the United States has been willing to give. True or false? I can't give a flat answer. But, I do think we have to give some credence to the experts of three administrations.

Mr. COLLIER. Going one step beyond that, I think we must be concerned with the broad effect of aiding a Communist country upon those behind the Iron Curtain in other countries. Let's put ourselves in the position of a Czech national today. Here is a nation of the most freedom-loving people that ever existed. Yet these Czechs see on the one hand that we are subsidizing a Communist government while taking part of the same dollar and giving it to other nations to maintain their freedom. I just do not know how we can find intelligent people in other countries buying this approach. It is highly inconsistent, I would think, and it would be something that any intelligent person in other countries would have every reason to question the sincerity of this type of program.

Mr. LINDSAY. Well, I think that the whole free world applauded the efforts of the Yugoslavs immediately before and after the death of Stalin to break loose or at least to change their direction. Now, the question is: Do the germs of change and the germs of revolt against the Moscow imposed way of life still exist, and can we assist them to exist?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Minnesota.

Mr. JUDD. I would like to add at this point that it is not quite accurate to say that Tito broke away from Stalin. Stalin kicked Tito out. We had nothing whatsoever to do with that break. We came along and gave aid to him after he was kicked out. At that time I thought it was a mistake. Stalin never forgave anyone. Tito had no choice but to come to us on our terms. Instead we rushed over with aid and kept him going on his terms.

I think in the last analysis our decision has to be made on our evaluation of these two factors: Can we promote freedom in the world and weaken the threat to ourselves more by giving assistance to Communist governments in the hope it will enable them to maintain, to some extent, independent operations? Or can we do it better by showing the people behind the Iron Curtain, who, in my book, are the most dependable and important allies we have, that America is not going to use her resources to sustain or build up the tyrants who hold them in subjugation? I think our best hope of getting out of the fix we are in, without an all-out atomic holocaust, lies in the hearts and will to freedom of a billion people behind the Iron Curtain, who are increasingly demonstrating that they want to be free. Let us not break their hearts by helping their oppressors. Let us not build up the tyrants and enable them better to hold the people in subjugation.

But, I repeat, I think it would be a great mistake for the House of Representatives to pass legislation saying that because the majority of us here may feel this way, the President cannot use our surpluses or funds provided to promote our foreign policy, to give assistance to certain Communist countries if in his judgment he believes that is the wisest and safest course for our country to pursue.

Mr. LINDSAY. I thank the gentleman.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, the issue of continuing aid in any form to the Communist regimes is a matter of grave concern to the American people. Since the beginning of the Foreign Assistance Acts, the Marshall plan, I have been a supporter of these programs because I believed in them. I believed that they were necessary in the immediate postwar era to save the war-devastated countries of Europe from anarchy and the threat of Communist subversion and takeover.

I continue to believe that these programs, if properly oriented, can assist the United States in attaining its global objective of peace and freedom for all.

It has been a matter of grave concern to many Members of this House that countries struggling toward freedom and a better life for their people should be helped by the United States because such action strengthens the collective ability and the collective will of the free world. I have never believed that the cause of peace with freedom could be advanced by extending American assistance to Communist regimes dedicated to the destruction of our freedoms and way of life.

My record in the House is clear on this score.

In an effort to strengthen our economic assistance programs and to keep such programs on the right track, to assure their continuing support by the American people, I will offer an amendment which serves the best interests of the United States and the future of freedom elsewhere in the world. The amendment which I will offer excludes American assistance to Communist regimes anywhere in the world and defines a Communist regime in language that is understandable to all, and will make for orderly determinations on who should and who should not be beneficiaries of American assistance.

The American people are more and more asking the question: What is the basic objective of the foreign assistance programs which they have been called upon to support with their hard-earned money. It may seem strange that this question haunts our public life these 14 years after the launching of the Marshall plan. But it is not strange to those who sat in this House when the first foreign assistance program was enacted, or to those who have taken the time to review the record of what motivated the Congress to support the proposals set forth in the Marshall plan. For the record is clear that a war-devastated Europe had little chance of restoring the sound foundations for progressive, representative forms of government without our economic assistance. The specter of aggressive, subversive communism threatened the future of every European nation in the years immediately following hostilities of World War II.

The people of Western Europe restored their countries and preserved the great traditions of representative government which are the hallmark of Western civilization. They turned back the aggressive, subversive tide of Russian communism. They now stand on their own feet, as stanch allies of the United States in the common struggle with the Russian imperialists. Our economic assistance, our hands of friendship, our determination to defend them until they could defend themselves played a significant part in the inspiring story of European recovery. But in those days we knew what we had to do, the issue was clear, the challenge was evident and the response by our people was equally inspiring.

Times have changed, and not for the better. Today few people in or out of the Congress can state with clarity or brevity the objectives of the foreign assistance programs which extract billions of dollars from the American taxpayers each year. No knowledgeable person can in all honesty claim that these programs are aimed at turning back the aggressive, well-organized forces of communism, nor can it be claimed that these programs are aimed at defeating the Communist menace because such a claim will not now stand up in light of the honest record. It is this state of affairs which has invited vigorous and growing attack upon all aspects of our foreign assistance programs. The public confusion which attends our efforts in this field is dangerous. Our people have a right to know what their money is being used for. It is the responsibility of government to define our national objectives in this regard in the kind of forthright language understood by the average citizen. They have a right to know whether our foreign assistance programs are directed at the defeat of communism or whether they are serving some other purpose.

The current public issue revolving around economic assistance to the Communist regimes of Yugoslavia and Poland is a reflection of the mood of the American people. They are sick and tired of having their money used to bolster unpopular regimes in those countries. Make no mistake about the feelings of our people on this issue. They are well informed on the failures of these regimes to provide for the elementary needs of the people forced under their control by Moscow. They are well aware of the unbreakable ties between Tito and the Russians and feel insulted when it is suggested that by bailing Tito out of his economic mess he will become a dependable ally of freedoms cause. They are equally aware of the titanic struggle now going on in Poland between militant atheists of the Communist regime and the devoted Christian people of that country. Any support for the Warsaw regime is support given to the cause of militant atheism in its effort to stamp out freedom of conscience in Poland. To the average American these facts of life are clear beyond any doubt. No one will ever convince them that it is possible to defeat an avowed enemy by strengthening his hand. Nor is it possible to convince the people enslaved by a Communist regime that you are helping them when you help the regime which holds them in bondage. We can do nothing more than earn the contempt of the masses living under communism when we give any assistance to the regimes which oppress them.

Mr. Chairman, it is time that we put our foreign assistance programs back on the track of sanity and high purpose. I suggest that the Congress undertake that task before the American people lose complete confidence in the ability of their Government to make those programs work for the victory of freedom. To that end I will propose the following amendment.

No assistance shall be furnished under this act and no commodities may be sold or given under the Agricultural Trade Development and Assistance Act of 1954, as amended, to any country holding membership in the Warsaw Pact or the—Comecon—Council for Mutual Economic Assistance, or to any country whose form of government is based upon the Marxian-Lenin concept of dictatorship of the proletariat supported by a single party which selects and controls all candidates for public office, and which prohibits or restricts freedom of assembly, freedom of speech, freedom of religion, freedom of movement, and the right to dissent. This restriction may not be waived pursuant to any authority contained in this act.

The amendment which I would offer would deny any and all forms of assistance to Communist regimes in all quarters of the world. It would deny assistance to Poland because the regime which controls that country holds membership in the Warsaw Pact, the Comecon, and meets all the specifications for disqualification set forth in my amendment. Yugoslavia would be denied assistance because the regime in power there is Marxian-Lenin, built upon the one party system of the dictatorship of the proletariat and which denies all the basic freedoms to the people under its control. That is what the American people have been calling upon their government to do. That is what our government must do if it is to warrant the confidence of our people.

The amendment will not deny assistance to the newly emerging nations of south and southeast Asia, or of Africa. It allows the greatest possible latitude for the development of a wide range of governments, best suited to the culture and traditions of the peoples concerned while at the same time promoting the foundations of representative government, government responsive to the will of the people concerned. If our objective is to promote the cause of human freedom, which I believe all of us want it to be, then let us state our case and get about the business of helping those who seek the same objective. With equal candor, let us make it clear that we recognize communism to be a despoiler of human freedom, the avowed enemy of all that we hold dear as life itself and unworthy of assistance in any form from a free people.

I will offer this amendment because I am against all aid to, and trade with Communist countries. We must all recognize that communism is at war with us and with its people. Warfare to them covers the entire political spectrum. To them a shooting war is only an extension of the cold war or political action, which can be called on or off at will.

Nikita Khrushchev said:

> We value trade least for economic reasons and most for political purposes.

To all Communist countries economic warfare is no less a weapon for waging total war than is the atomic weapon.

Food to the Communist is a weapon of war and oppression. I will produce evidence to support this statement.

Since Poland and Yugoslavia are Communist countries and subscribe to and follow Soviet foreign policy and ideological concepts, I will speak of them as all inclusive. I will not furnish evidence on this, since it has been amply covered in the debates in the other body, which appear in the CONGRESSIONAL RECORD of Tuesday, Wednesday, and Thursday, June 5, 6, and 7, 1962.

I will limit myself to food as a weapon of war and repudiating the statement made by Mr. McGeorge Bundy, one of the administrative assistants to the President, and printed on page 9868 of the CONGRESSIONAL RECORD of Wednesday, June 6, 1962.

In two recent speeches on the floor of the House of Representatives on May 10 and May 14, 1962, I exposed the destination of Canadian wheat shipments. Today I will further elaborate on this subject.

Students of communism have long known that food is used by the Communists as a weapon of war and oppression. Under their system increased rations are given to the Communist elite and the leaders of the military machines. This is their first priority for food. Next are the ordinary members of the Communist Party and the rank and file of the army. Lowest on the list are the people not members of the Communist Party and prisoners. The latter are on starvation rations while the former are rationed as the party sees fit.

Secretary of State Dean Rusk has admitted that we have no way to assure how our aid is being used or, if it has been transshipped to other satellite nations or the Soviet Union. This testimony was given before the House Select Committee on Export Controls.

Therefore, food sent to Communist countries goes mainly to feed the Communist elite and the military machine. If there were ways to assure that our food would go to the people, I would favor this type of aid for humanitarian reasons.

One of the Communist methods for eliciting individual compliance is barren environment; monotonous food; and restricted movement.

To further explain this system, I wish to quote from one of the greatest speeches ever given by a U.S. Government official, Dr. Charles Mayo's statement in Committee I, at the U.N., on the U.S.S.R. charge that the United States used bacteriological weapons on Korea in October 1953:

> The information on the treatment which the Communists gave in their effort to extract confessions suggests that the Communists were deliberately using the same technique which the famous Soviet psychologist Pavlov used with his experiments on dogs and rats. This technique as you all know is known as the conditioned reflex.
>
> This is the very technique which the Communists appear to have used on their intended "germ warfare" victims. Resistance was punished with kicks and slaps in the face, with starvation food rations lowered still further, with dire threats of death. Signs of cooperation were rewarded with increases in rations.
>
> The entire scheme was well planned and implemented. Returning prisoners have verified that the experts applying the wearing down process were highly trained, efficient, and well educated. They were specialists in the application of psychological torments.
>
> The steps as determined from a study of the techniques and methods employed by the Communists are as follows:
>
> 1. Immediate and constant indoctrination (interruptions occur during periods of application of the wearing down process).
>
> 2. The establishment of minimum quantities of food, sleep, shelter, coupled with ill treatment (threats and torture). This initial stage includes enough food to keep a man alive—400 to 600 grams, which amount will gradually weaken and starve a man.

The above information on the use of food on prisoners to elicit compliance came from American prisoners of war, upon whom food was used as a weapon of war.

The Chinese Communist nation is presently suffering turmoil and upheaval caused by shortage of food. This condition has affected the Chinese Communist armies. Food to the rank and file of the army is approaching starvation rations and morale is at a low ebb. This condition is lowering the threat of the Chinese Communist army as a combat effective organization. An example on how food can affect any army was the Korean war. On the attack the Chinese Communists were given 100 rounds of ammunition and 7 days' ration of wheat or rice. While attacking, the Chinese Communist soldiers consumed their meager rations in 3 or 4 days. This caused the attack to bog down and grind to a halt. They had ample ammunition but no food.

On May 10, 1962, speaking in the House, I suggested that a key to the close working relationship between the Red Chinese and the Russians might be their food purchases and shipments from the free world. There are evidences of new failures of the agricultural system in the Soviet Union. They cannot allow this to be apparent to the free world. They cannot bleed their satellites, because the system has failed in China, Hungary, Rumania, Czechoslovakia, and Poland. Yugoslavia is also feeling the pinch of the failure of the promised utopia of socialism, not only in agriculture, but industry.

The Communist bloc, during 1961, imported over 10 million tons of food from Canada, Australia, France, Argentina, and the United States. They have contracted for another 5 million tons in 1962 and even contracted for 1963–64 crops from Canada and France. A million tons of this food which includes wheat, barley, maize, and flour has been shipped to Albania, East Germany, and North Korea from Canada.

China has been acting as broker for the Russian bloc and even Cuba. If we leave even a crack open in the door, shipments of United States food to Poland and Yugoslavia will find its way into the Soviet Union. It is still fresh in the minds of the captive peoples how the Red armies stripped the satellite states and how their economies are closely controlled by the Soviet Union.

Yugoslavia is no exception to the above. Their regime is similar in all respects to the Soviets, even to slave labor camps. Before I answer the administration arguments presented by Mr. McGeorge Bundy, I would like to say that it appears that the President's advisers are not keeping him properly advised. At a recent press conference, the President stated that Tito closed the border to Greek partisans. Recent facts reveal that far from deviating from the international Communist line, Yugoslavia closed its border to Greek partisans in accordance with the wishes and direct orders of Stalin.

This evidence appears in a book, "Conversations With Stalin," by Milovan Djilas. On May 14, 1962, Djilas was sent to prison by the Communist government of Yugoslavia for divulging official secrets. One of the conversations between Djilas and Stalin related in this book took place on February 10, 1948. He wrote:

> Stalin then turned to the uprising in Greece. "The uprising in Greece has to fold up." He used for this, the word "svernut" which means literally "to roll up." "Do you believe" he turned to Kardelj, "in the success of the uprising in Greece?"

Kardelj replied:

> If foreign intervention does not grow and if serious political and military errors are not made.

Stalin went on, without paying attention to Kardelj's opinion:

> If, if no; they have no prospect of success at all. What do you think, that Great Britain and the United States—the United States, the most powerful state in the world—will permit you to break their line of communication in the Mediterranean Sea? Nonsense. And we have no navy. The uprising in Greece must be stopped, and as quickly as possible.

I hope that this ends the bankrupt argument that Tito closed the border.

Mr. McGeorge Bundy speaking for the administration stated:

> This is a moment of great delicacy in internal political balance within the Communist world.

This appears to me similar to the Department of State argument of diffusion of power and fragmentation within the Communist world. The Soviet system of control emanating from the KGB Committee for State Security and GRU Chief Intelligence Directorate, Ministry of Defense, is tighter and stronger than ever. Communist espionage and subversive nets are well organized and effective. The stooge governments are closely controlled and subservient. Their police apparatus is still all powerful.

Mr. Bundy claims "That all our intelligence evidence, the reports of our Ambassadors, and our own appreciation of the relations we are conducting with the Soviets point to a struggle between those who believe in putting the Soviets into a more aggressive Chinese posture and those who assess American strength and determination for what they are and wish the Communist bloc to deal with us more realistically and peacefully. The proposed amendment would work in favor of the hardliners in the Kremlin and elsewhere in the Soviet bloc."

I challenge Mr. Bundy to produce this intelligence. Not intelligence estimates slanted to fit a preconceived idea, but hard, factual intelligence. Does he, for one moment, think that there are softliners in the Presidium and Central Committee of the Soviet Union. If so, who are they? I am convinced that any softliner would have been dead long ago. Does he think there are different assessments of our strength and determination within the Soviet Union?

Again I would like to see the evidence and names of these people, making assessments independent of Khrushchev.

I believe that the Russian-Chinese split is a reality only in the Department of State and in the minds of White House advisers like Mr. Bundy.

The President's adviser also says:

> Our policy in giving small amounts of aid to Yugoslavia has been one of assisting it to maintain some freedom of maneuver against the Kremlin.

Tito has recently announced that his foreign policies objectives are consistent with those of the Soviet Union. This announcement came after the recent Gromyko visit to Belgrade. It appears that our aid has preserved Tito so that he could have freedom of maneuver against the United States. This was amply revealed in the debates in the other body upon the subject of aid to Yugoslavia.

Another statement in the letter says:

> Nothing is more helpful to the position of the United States and the whole of the free world than the maintenance of some range of choice within the bloc.

This again is another figment of the imagination of the Presidential advisers. Another way of expressing this in State Department language is, "the forces of diffusion and fragmentation are exerting themselves within the Communist bloc causing a mellowing of the Soviet attitude."

Again I ask for evidence. Mr. Bundy speaks as if the secret police and Communist armies have turned into Boy Scouts or Peace Corps groups. The KGB and GRU will enforce the orders of the Communist regimes and insure that food goes to only those that the Communist Party decrees.

Toward the end of the letter Mr. Bundy states:

> The amendment would remove all opportunities for calculated responses and would freeze us out of any ability to affect affairs in these countries.

The only effect I have seen of our aid to Poland and Yugoslavia is that it has perpetuated their regimes. During my lifetime, the only action that has affected the Communist is strength and determination supported by military might, not food for the party elite or wishful thinking that the Communists are evolving into a peaceful group.

During the debate in the other body the question arose on the definition of Marxism. To me Marxism or Soviet fascism, means that all power is in the control of a few persons. It is extreme socialism which deifies matter and the state; specifically, that all power, political, economic, social, and financial resides in the state, namely in the hands of atheistic rulers.

Agreement between the Chinese Communists and Canada are to ship 6 million tons of wheat from Canada to China from 1961 to 1963. The shipments have been, January 1962, 820,000 tons of wheat, 190,000 tons of barley; February, 116,000 tons of wheat; March, 1,060 tons of wheat.

In 1962 Australia shipped 600,000 tons of wheat; Argentina shipped 100,000 tons of wheat, 160,000 tons of maize; France shipped 400,000 tons of wheat. Eighty thousand tons of Canadian wheat went to Albania and East German ports. The total shipments from Canada, eastern ports, was 150,000 tons. They have contracted for a total of 4 million tons in 1962 and 1 million tons from 1962 to 1964 from France. In addition the Chinese Communists in 1962 received 300,000 tons of rice from Burma. The total shipments to Albania, East Germany, and North Korea in 1962, total 370 tons. Two hundred and thirty thousand tons will be shipped in 1963 to Albania, East Germany, and North Korea. Communist China has contracted for 300,000 tons of flour from East Germany.

On the issue of whether or not American aid should be furnished to Communist regimes of Yugoslavia and Poland, a number of justifications in support of such aid have been advanced. It appears that no clear, open justification can be made for any program that provides material assistance to a Communist regime anywhere in the world. However, a large assortment of dubious opinions have been advanced, together with an abundance of loose thinking, in an effort to complicate what is and should remain a very simple and basic issue. The result is widespread public confusion as to why we have been extending assistance to those countries and why we should continue assistance to them.

As is well known, I have opposed any form of American assistance to any Communist regime, believing as I do that such assistance does nothing more than strengthen the dictatorship of communism and increases the capabilities of our self-proclaimed enemy. My opposition to such programs is stronger today because the accumulated evidence is overwhelming in support of terminating aid programs to Communist Yugoslavia and Communist Poland. The public clamor against such programs has been increasing with each passing year. This year it would be a serious mistake to underestimate public reaction against such aid programs to Communist regimes. Members of Congress have become increasingly aware of the popular opposition among our people to lending support for any program that would directly or indirectly strengthen the threat of world communism, which threat is now all too clear and real.

In the interest of providing a public airing to the justifications most frequently heard in support of continuing such aid, I have taken time to research the question and to consult with a wide range of parties involved. The main lines of attack, together with my appraisal thereof, are:

First. To oppose aid to Poland or Yugoslavia is to refuse support to President Kennedy and to show lack of confidence in his judgment.

This argument suggests that Congress is not a deliberative body in which the merits of any legislative proposal are carefully examined and voted up or down by the membership thereof. It also suggests that in certain matters Congress should act as a rubberstamp operation—merely ratifying proposals made by the Executive—particularly in the field of foreign policy. The facts of the matter are, Congress has just as much responsibility as the President for determining whether any of the taxpayers money should be spent in support of Communist regimes in Yugoslavia or Poland. Otherwise what is the purpose of authorizing legislation and why is such legislation brought before the House?

To suggest that foreign policy is not a suitable area for review by Congress or is an area in which individual Members of Congress are not expected to be well informed, is a dangerous proposition. At best, it suggests that foreign policy considerations are beyond the grasp of Members of Congress and that such matters should be judged only by a select group who somehow claim to know what is best for the American people. At worst, it proposes that Congress abdicate its responsibilities because representative government is incapable of sound decisions in the area of foreign policy.

Let me make one thing clear—my opposition to continuing aid to Communist Yugoslavia and Communist Poland has nothing whatever to do with my confidence in the person of President Kennedy. It does reflect my disagreement with proposals being made by the administration in this critical area. It will be a dark day for representative government if Members of Congress are deterred from exercising their best judgments on matters before the House because of fear that their judgments might be contrary to the proposals of the Executive.

Second. It is possible to give aid to the people of Poland and Yugoslavia without lending support to the Communist regimes in those countries.

I have found no one advancing such an idea who has been able to substantiate it. It sounds good until it is challenged. The facts of the matter are that any aid going to Communist Poland or Communist Yugoslavia is strictly controlled by the regimes in power. It has been and remains impossible to make any direct contact with the masses of peoples in those countries. Our contacts with regard to all type of assistance programs are limited to the Communist regimes in those countries. Those Communist regimes determine how all aid from the United States is to be used—down to the last can of beans. Their decisions are based strictly on requirements calculated to maintain them in power and to strengthen their oppressive hand over the people. In past years a considerable effort has been made by American voluntary agencies to establish and maintain relief programs in those countries, administered in a manner which would guarantee that the recipients would know the assistance they receive came from the American people. Every one of these efforts has failed, but only because the regimes in power opposed such efforts. Today no American voluntary agencies are permitted to carry on relief programs in either of these countries. Our experience should make it abundantly clear the Communist regimes in Poland and Yugoslavia regard American assistance as a powerful weapon in building up their own prestige and strengthening their dictatorial control over the people. To suggest, therefore, that it is possible to help the people of Poland and Yugoslavia without strengthening the Communist regimes which control them, is to defy a long record of evidence to the contrary.

Third. If aid is not given to the Communist regimes in Poland and Yugoslavia, the "hard liners" who want to return to the Stalin policies will gain the upper hand over the "soft liners" who now control those Communist regimes.

Such a claimer as this lends powerful support to one of the main strategy lines of the Khrushchev manifesto proclaimed at the 22d Congress of the Communist Party. That Communist policy line relates to peaceful coexistence between countries of different social systems. The "soft lines" are illusions and represent nothing but a change in tactics called for by the Khrushchev manifesto. Let me quote a pertinent paragraph from that manifesto setting forth the new Communist action guidelines on peaceful coexistence:

> Peaceful coexistence of states does not imply renunciation of the class struggle, as the revisionists claim. The coexistence of states with different social systems is a form of class struggle between socialism and capitalism.
>
> In conditions of peaceful coexistence, favorable opportunities are provided for the development of the class struggle in the capitalist countries and the national liberation movement of the peoples of the colonial and dependent countries. * * * It implies intensification of the struggle of the working class, of all the Communist Parties, for the triumph of Socialist ideas. But the ideological and political disputes between states must not be settled through war.

A careful reading of this Communist directive makes it clear that peaceful coexistence means a softer and less boisterous approach should be made by Communists in all dealings with the free world community so that the enemy will be encouraged to relax its guard and accept the peaceful conquest of world communism. There are no "hard liners" or "soft liners." This is a term created in the minds of our policy planners. If there are differences they exist only in the tactic or technique employed by the Communists to accomplish the unchanging objective. Commonsense tells us that all Communists are vicious enemies of freedom and ought to be treated accordingly.

Fourth. If we do not give aid to the Communist regimes of Poland and Yugoslavia we will be turning our backs on the forces of nationalism—our friends—in those countries.

This argument suggests a working relationship between the forces of nationalism in Poland and Yugoslavia, that is, the native freedom forces striving for a return of their national independence, and the Communist regimes imposed upon their countries by Moscow. The truth of the matter is these two forces are in violent, if somewhat silent, conflict in both those countries. Any Communist regime regards nationalism as its most potent enemy, and acts accordingly in dealing with it. Similarly, the liberating forces of nationalism have made the Communist regime in both those countries their single target—knowing that such Communist regimes must be destroyed before national independence can be restored to their homeland. It is time U.S. foreign policy recognized these simple facts of life with regard to Poland and Yugoslavia. We should join hands of friendship with the forces of nationalism in Poland and in Yugoslavia by denying all aid to the Communist regimes now in control of those countries.

I now list justifications 5, 6, 7, 8, and 9. For the answer, I will refer to the hearings before the Select Committee on Export Control, House Resolution 403.

Fifth. There is growing freedom in Poland, and if we now turn them down in aid we will cut short this evolution toward freedom—page 26, report on House Resolution 403.

> The Secretary of State informed the select committee:
>
> Poland * * * is clearly a member of the Soviet bloc. It is bound to the U.S.S.R. not only through such formal instrumentalities as the Warsaw pact, but also because of its exposed geographic position and its heavy economic dependence upon the Soviet Union. Even more important is the fact that Soviet troops are still present in Poland. The Polish position on international issues is rarely distinguishable from that of the Soviet bloc itself. In brief, Poland is a part of the Soviet bloc, and U.S. policies must fully take account of this fact.

Sixth. Giving or selling food to Yugoslavia is an act of charity and has nothing to do with the building of the economic system of communism in those countries—page 624, House Resolution 403, part 2.

> The agreement between the United States and Poland provides that 10 percent of the dinar sales proceeds will be reserved for U.S. Government uses in accordance with section 104 of Public Law 480. The remaining 90 percent of the sales proceeds will be loaned to Yugoslavia for various economic development purposes.

Seventh. Aid to Poland is not in violation of section 109 of the Foreign Assistance and Related Agencies Appropriation Act—page 629, House Resolution 403, part 2.

Poland has given Cuba $12 million in aid.

Eighth. Yugoslavia does not export our aid to U.S.S.R.—page 612, House Resolution 403, part 2.

Yugoslavia in 1960 exported $62 million in food beverages, tobacco, and raw materials to the U.S.S.R.

Ninth. Encouraging Yugoslavian independence from Moscow will widen the Sino-Soviet split—page 594, House Resolution 403, part 2.

Yugoslavia has voted with the Soviet Union to seat Communist China in the U.N.

Tenth. Yugoslavia follows an independent policy at the U.N.

During 1961, Yugoslavia voted with the United States 4 times, with the U.S.S.R. 66 times, and with neither 18 times. The United States and the U.S.S.R. voted together 48 times. Yugoslavia voted 42 times with U.S.S.R. and the United States, six times with neither. When the United States did not vote for 16 times, Yugoslavia voted with the United States 2 times, U.S.S.R. 12 times, and neither 2 times. This, as Tito has mentioned, shows a consistency with Soviet foreign policy on all important matters furthering the Communist cause.

Mr. MORGAN. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. GALLAGHER].

Mr GALLAGHER. Mr. Chairman, at this point in the debate I would like to call the Committee's attention to section 620, which is now in the act, and which states that—

> No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the International Communist movement.

Mr. Chairman, section 143 further states, with reference to assistance to Yugoslavia, as follows:

> In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this Act.

Mr. Chairman, this amendment is presently in the act.

This is sufficiently restrictive to express the feeling of those who abhor communism while still allowing the Chief Executive sufficient flexibility to carry out a policy in opposition to communism and extending our Nation's best interest.

Mr. MORGAN. Mr. Chairman, I yield 12 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I rise to associate myself with the remarks of the gentleman from New York [Mr. LINDSAY] and, indeed, to call attention of the House to this fact: That while we Americans may have some deep-rooted differences of opinion in this body on such matters as Federal aid to education, on the farm bill, and various other domestic issues which confront this country, I think the statement made by the gentleman from New York certainly demonstrates that in times of crises when we are determined to win this cold war against the Soviet Union, we Americans know how to lock arms and march together toward a course which is going to bring the ultimate defeat of international communism, and bring to the 180 million people in the captive nations of Europe freedom again.

Mr. Chairman, I congratulate the gentleman from New York [Mr. LINDSAY] for his statement. It is indeed a courageous statement. Why, the easiest thing in the world for any Member of this body to do is to go back home and say, "Yes; I supported legislation to deny any further assistance to the people of these Communist countries." There is no question about it. You make points with that sort of argument. But I submit, my colleagues, that this is an issue which will require the highest degree of statesmanship on the part of the Members of this body, because it requires deep understanding of what this problem is all about. This will require a deep understanding because the issues are not easy of solution. But I say to you one thing: If this Congress accomplished nothing else, every single man and woman who is a Member of this Congress can go home when Congress adjourns holding his or her head high with pride, knowing that at this session of Congress we have written a record of defense for the United States which has turned the tide against international communism.

We Americans joined hands together as Democrats and Republicans; and as far as I know, there was not a dissenting vote on this year's defense appropriation bill. This was the vote that served notice on Mr. Khrushchev that 15 years of retreating are over, that we Americans are determined that freedom shall reign in this world; we are determined to hold our position in Berlin; we are determined to hold our position in Vietnam. We are determined to drive back the Communists wherever they try to disturb the peace of the world. And you men and women of this Congress voted an appropriation bill under the careful guidance of our distinguished chairman, the gentleman from Georgia [Mr. VINSON], and the gentlemen from Texas [Mr. MAHON and Mr. THOMAS] so that today Mr. Khrushchev knows that our country is ready and prepared to defend its position. If Khrushchev is foolish enough to violate the peace of the world he will have to be prepared to suffer the full consequences.

This was accomplished by Democrats and Republicans, men and women who rose above partisanship, men and women who recognized the challenge that confronted their Nation, men and women who saw the great opportunity to drive back the evils of international communism. And I am proud that I was one of those Members who voted for this bill.

The fact remains that we are now again confronted with another issue which is designed to further weaken the Communist hold over the captive nations of Europe. The issue is very simple and clear: Shall the President of the United States have a free hand in helping the victims of communism whenever he believes such assistance will help these people free themselves from Communist rule? Why, of course, we are all concerned over the fact that 180 million people of Europe today must suffer the indignity of Communist rule. As far as I know all but just a small handful of these people reject communism with the same degree of stubbornness as does every Member in this House and for that matter, every American.

Do you think for one second that Mr. Gomulka or Mr. Tito or Mr. Ulbricht or any one of those despotic Communist rulers could survive more than 1 hour if the people of their respective nations had the right, the freedom, to choose their own form of government? Do you think there is more than 1 percent of people in any one of these Communist-dominated countries who live under communism today because they want to? Do you think these people believe in communism, in the Godless dogma of communism? Why, of course not.

It is easy enough to stand here in this well and say, "I am against all aid to Communist countries," but ask yourself, How did those noble countries get there? They did not choose communism. It was imposed upon them. And those people today are doing a magnificent job wherever possible, within their means, to resist communism. Yes, in Poland alone, 85 percent of the farmers in that country, which is observing the 1,000th anniversary—85 percent of the farmers in Poland refuse to submit to Communist rule and they conduct their farms under free enterprise. And Mr. Gomulka knows that Polish farmers are not much different from American farmers. The fibers of freedom and liberty are so deeply ingrained in those rural people of Poland that Mr. Gomulka is not making the mistake of trying to collectivize them because he knows he would fail.

This nation, which is 95 percent Roman Catholic, continues today to give its loyalty to the church of its belief and again Mr. Gomulka recognizes that he cannot fight the deep-rooted principles of religious freedom that exist in those Polish people.

Cardinal Wyszynski continues today as the prince of his church in Poland. Can anyone in this Chamber deny that the 30 million gallant people of Poland must suffer Communist domination completely against their will? Or can anyone deny that these heroic Poles have done a magnificent job of resisting communism under most difficult conditions?

I tell you this, Mr. Chairman, the issue before the House today is this: Are we going to manifest the same degree of trust in President Kennedy that we had in President Eisenhower in deciding when America should assist these countries or when it should not? If the President of the United States, based on his best judgment, his best information, decides that further assistance to Poland is useless, I, as one American, will accept that judgment, but I do not think that we on the floor of this House should try to make that decision.

I am not privileged to be a member of the House Committee on Foreign Affairs. I do not have the information that they have. But I am privileged to meet very frequently with many people who know the situation in Poland, people who have been there, who have spent a great deal of time with their relatives, with their friends. I tell you that communism is losing ground not only in Poland but all over the world, and you people have made it so, nobody else. You men and women in this Congress who passed the defense appropriation bill which served notice on Mr. Khrushchev, Mr. Gomulka, Mr. Tito, and all the other Communist leaders that we are not going to back down. Today the Communists are in retreat. I cannot quote this American because the House rules prevent me, but I can quote from a radio speech he made in Chicago yesterday which is quoted in this morning's Chicago Tribune:

> Only a few days ago, Premier Khrushchev, while touring in the Rumanian provinces, blamed all the food shortages and economic ills of the Communist bloc on the United States, and proposed as the only solution for the economic troubles of the Communists the fall of the United States and the rest of the free world to communism.
>
> Khrushchev is actually using the economic distress of the Communist-dominated peoples to goad the Communists into even more strenuous efforts to bring the free world under the domination of communism.

There are those who claim that denying food and other assistance to Communist-dominated nations will speed along the downfall of communism. This may be true in some cases.

It is entirely possible that the farmers may revolt and stage an uprising in China because of the famine Red China is experiencing. The peculiar geographical position of Red China may make that possible because the mainland Chinese might be helped by Chiang's forces on Formosa. I do not know. But we do know that because of the difficult geographical position of Poland, an uprising without outside intervention is impossible. No responsible person would advocate a revolt in Poland when we recall how the Hungarian uprising was crushed by Soviet tanks. How else, then, can the people of Poland break themselves of their Communist yoke except by constant, steady pressure against their Communist rulers, pointing out the shortcomings, the bankruptcy of the Communist system. This is being done in Poland every day in every way. Gomulka today is the butt of some of the greatest jokes in the world because the Poles hold him in ridicule. He wishes he could do something about it but he cannot.

Continued assistance to these victims of communism is a judgment we ought to delegate to the President. We have communism in retreat, let us not upset a policy which has proven successful in Poland. The strong ties which the people of Poland manifest toward the United States are well known to all of us. Recently a distinguished group of American journalists visited Poland and reported in great detail how the Poles continue to look toward America as their greatest friend. There is nothing Khrushchev would want more than to destroy this image of America among the people of Poland. There is no question in my mind but that the full bankruptcy of communism is being manifested in Russia. Mr. Khrushchev cannot get his farm program going. The full bankruptcy of the Communist ideology is being manifested in China and every other country in the world where the Communists are in power. Why do you suppose they had to put up the Berlin wall? Because of the complete bankruptcy of the Communist ideology in East Germany.

Therefore I say to you, the easy thing is to say, "Yes, I voted against any further aid to these Communist countries." But let us keep one thing in mind. These are Communist-dominated countries. Neither the people of Poland nor Czechoslovakia nor any one of the 18 countries the gentleman from Texas enumerated are Communist; only their illegal governments are ruled by Communists. You and I know the peoples of these nations would throw off the Communist yoke tomorrow if they had the opportunity. We are going to hear a great deal of debate about that subject, but tonight when you are alone with your judgment and conscience, before you go to sleep, think how you will vote tomorrow on the proposed amendment. Are we going to tie the President's hands? Are we going to write the rules here? Why not then change the rules for the other countries that failed to vote with us in the Middle East and Africa?

Why not go the full route? Why not set up a whole series of rules and regulations? Why stop at these countries? I say that the program has worked. The program that three previous Presidents had formulated and put into effect has helped weaken communism in Europe and I am confident that it will continue to weaken communism under President Kennedy's guidance. I know of no reason why we should give President Kennedy any less authority to use his best judgment on this question of continued aid to the victims of communism than we gave President Eisenhower or his predecessors. I have some serious reservations about some of the aid we have given Communist-dominated nations but I am willing to trust the judgment of the President in making the final decision, particularly when it is realized that 25 percent of all wheat consumed in Poland came from the United States. I am sure Khrushchev would be delighted to tell the people of Poland, who have just suffered the worst floods of recent years and serious crop failures, that America does not want to share its farm surpluses with the starving children of Poland. This is not the way to fight communism.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Minnesota.

Mr. JUDD. I agree, as I said earlier, with the gentleman's contention that the final decision here ought to be left in the hands of the President. But I do think that a question ought to be raised with respect to the gentleman's remark that we have now ended 15 years of retreat. Does the gentleman call sending the marines into Lebanon and standing firm in the Formosan Straits in 1954 and 1958 a retreat?

Mr. PUCINSKI. No, sir. I stand corrected and I will be glad to stand corrected on that point.

Mr. JUDD. I thank my colleague. And those firm actions, too, had thoroughly bipartisan support.

Mr. PUCINSKI. Yes, sir, the record will show that wherever this Congress has performed in a bipartisan manner, we have benefited and we have driven communism back. I hope that we are going to follow the same policy here.

Mr. JUDD. Yes, the record shows that whenever we have stood firm and strong in support of principle and of freedom, the Communists have rattled their rockets and threatened—but have backed away. So that is the policy we should continue to follow.

Mr. PUCINSKI. Would the gentleman agree, however, that the Communists, indeed, are to a great extent retreating in many parts of the world?

Mr. JUDD. Yes, that is the whole point. From Berlin to the borders of Hong Kong, the failures of communism are at last apparent. They are failing. Why are they in retreat? First, because their system is wrong, it will not work. It does not release or activate the creative energies or efforts of human beings to produce more. Secondly, they are in retreat because of the firm pressures on them from without and from within. The answer for us is to keep firm pressures on from without and the people behind the Curtain will keep the pressures on from within.

Mr. PUCINSKI. I thank the gentleman for his contribution and I thank the gentlewoman from Ohio and the chairman of the committee, Mr. MORGAN, for yielding to me additional time.

Mrs. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, I am going to change the course of this debate at this time from what we should do for other countries and whether we should give aid to Yugoslavia and whether we should give aid to these other countries of the world. I would like to talk about the United States for a few minutes and whether or not we can afford the luxuries of aid to Yugoslavia and the luxury of aid to other Communist countries or to some of our allies. I think it well to point out, Mr. Chairman, in the consideration of our own situation in our own country that this Government of ours has failed to live within its income for 26 out of the last 32 years and that the national debt of this country of ours has been increased $32,100 million since the end of the Korean war in 1952. Mark you this, that every minute of every day—every minute of every day and every night—the interest on our public debt is costing us $17,690. In the time that the gracious gentlewoman from Ohio has yielded me of 10 minutes, when I have completed, we will have paid in interest alone $176,900. Every time the clock ticks the minute—interest—$17,690. What has happened during this period of time when we have been so liberal with $90 billion throughout the world—and some tell me it is more than $90 billion. Has anyone ever figured what the interest has been on that $90 billion? What has happened to the buying power of the dollar largely as the result of the deficit spending that we have been engaging in? The dollar is worth less than half of the prewar dollar of 1939. The latest official cost-of-living index figure which I will read to you is at a new alltime high of 129.1 percent of the 1937–49 dollar.

Someone today has said something about the flow of gold. Since January 1 of 1958, our national gold holdings have declined by over $6,300 million. Notwithstanding the highest tax take we have ever had in this country we are still running into deficit spending. We continue to borrow to make these lavish payments. Everyone admits that much of it is being lost in projects that are not proper. Mark you this, with our public debt today of over $300 billion, the total debt of the entire free world, the other countries of the free world, is $100 billion less than our total—when you take all the countries of the world and consider their debt, it is $100 billion less than the debt of this Nation.

It seems to me, Mr. Chairman, we have got to consider the United States of America when we contemplate the spending of funds in sums of this amount.

The matter of a tax reduction has been touched on today, a tax reduction because we face a recession, and it is needed to bolster the economy of the United States of America. We are asked to give a tax reduction; but at the same time we have a bill before us today to spend $4,800 million, with the interest alone for this year and the rest of the time it is out amounting to $190 million every year—the interest alone on what they are trying to get today, $4,800 million, will cost us $190 million every year.

If we are faced with a recession, if we have to reduce taxes in order to bolster the economy of this country, it seems to me, Mr. Chairman, we had better look twice before we continue down this road of expenditures of this kind.

Mr. Chairman, I have taken this time to advise the House of my belief on this bill and to advise the membership that I intend to offer an amendment to this bill tomorrow when the bill is read. The amendment reads as follows:

> On page 10, after line 22, insert a new section as follows:
>
> "SEC. 301. None of the program funds (except those for military assistance) made available as a result of authorizations made herein or appropriations made pursuant to authorizations carried herein shall be expended during any month following the close of a preceding month in which the U.S. Daily Treasury Statement indicates that withdrawals from the general fund had exceeded deposits."

In other words, stop deficit spending for foreign aid. If you have a surplus in the Treasury, all right, go ahead; but so long as you are paying interest on deficit financing—and this would amount to $190 million a year, so long as it is deficit financing we will slow it down except for the military aid. When you have a surplus, all right, go ahead; but so long as you are going further down the road of deficit spending we will put a halt to it.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. MORGAN. When the gentleman speaks of military aid does he speak of supporting assistance also?

Mr. BOW. I am speaking of military assistance as defined under the bill. But in many instances, I think the gentleman knows as well as I do, military aid is usually the camouflage for economic aid.

Mr. MORGAN. There would not be any use in pouring military aid into South Korea, for instance, if we did not give them economic aid which we designate as "supporting assistance."

Mr. BOW. The gentleman knows that is done under the military aid provisions, under military assistance much "military assistance" does not go purely for military hardware. I am sure the gentleman knows that.

Mr. MORGAN. "Supporting assistance" is economic in the nature of commodities and goods which provide local currencies to pay the salaries of the 21 divisions that South Korea has in the field.

Secretary McNamara made a strong statement to our committee saying:

> I wish to make it clear that I fully support the economic aid program. * * * The two parts of the legislation and the two programs are in fact indispensable to each other; they are not competitive but complementary.

Without supporting assistance you could pour all the military hardware you want in there but it would do no good.

Mr. BOW. The gentleman realizes that.

I am not trying to stop your military assistance. It is a matter of some of the other ridiculous things, as the gentleman knows, that goes on under this bill that we can and should stop. There is no reason to take this country farther down the road to economic ruin.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Iowa.

Mr. JENSEN. I have listened to the gentleman with great interest, and I want to compliment him for his down-to-earth, commonsense, American speech.

Will the gentleman agree with me that the only harvest we can expect to reap from this spending program, which we have been indulging in at breakneck speed for almost three decades, is national bankruptcy, personal bankruptcy, and the ultimate end will be an inflated dollar? It could come very soon, as has been the case in every nation in this world that has traveled the full road of a spending spree that we have traveled at breakneck speed for nigh on to 30 years.

Mr. BOW. I agree with the gentleman.

Mr. JENSEN. The day will come when the people will refuse to buy bonds, when the Federal Reserve Bank will not be able to refinance or to fund the bonds as they come due because the banks of the country will by that time be in the position where they cannot buy the bonds. So the only recourse is, as it has been in every foreign country, to start the printing presses, then within a short time the dollar in your pocket will not buy a loaf of bread.

Mr. BOW. I agree with the gentleman, and thank him.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Illinois.

Mr. COLLIER. I want to commend the gentleman for the fine speech he has just made. The point which the gentleman from Pennsylvania made again points up the necessity for what I believe to be the good sense of bringing this bill to the House in three separate and distinct appropriation bills, one economic assistance, military assistance, and technical assistance. Then we can debate them fully and be to some degree selective in this program.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Delaware [Mr. McDOWELL].

Mr. McDOWELL. Mr. Chairman, once again we are engaged in the annual debate on the question of U.S. foreign policy as exemplified by the foreign aid authorization bill, H.R. 11921, which is before us today. This legislation has been subjected to the established committee procedures of the House of Representatives, and has, after long and detailed hearing of testimony, been thoroughly and adequately revised, amended, and rewritten. Finally, H.R. 11921 was reported by the Foreign Affairs Committee by an overwhelming majority vote of the members of that committee.

Let me say at the outset of this debate that in spite of all of the massive criticisms of this legislation over the past years, the testimony before the committee this year was equally as emphatic and decisive as heretofore that our foreign aid program is essential to the support of our foreign policy, which is designed to protect and preserve the basic security of our country.

Without going into detail, for this is all contained in the committee report, and in the printed hearings, it can be said without fear of contradiction that the responsible civilian and military experts of our Government support the bill before us today. This is not in any way to suggest that each and every individual Member does not have a responsibility to make his own careful study and analysis of this important legislation, and that he should be reasonably certain in his own mind that he is in agreement with the profound and detailed testimony of those in other branches of the Government before casting his vote in favor of the bill. Today as never before in the history of our country the public is more and better informed and is more articulate on matters concerning foreign policy, and I am convinced that support of foreign aid as a part of our foreign policy is becoming more and more an expressed public opinion.

Those who would today, as in the past, dwell only upon specific and, in many cases, isolated examples of lack of evidence of immediate success of foreign aid represent more and more a minority opinion. The American people recognize that our country has reached the stage of international maturity, and those who continue to pine and cry for the "good old days of isolationism" are indeed a weak voice.

The American people are equally proud of maintaining a government which gives a maximum of individual liberties and freedom while at the same time providing for a sound basis for intelligent majority decisions for the general welfare and the basic security of the Nation.

It is our responsibility as the elected representatives of the people to reflect their good judgment in casting our votes on such matters in the general welfare as exemplified by the foreign aid legislation before us.

Mr. Chairman, I strongly disagree with a contradictory and irresponsible compendium of "no win" and "can't win" preconceptions of our foreign aid program.

Those critics who would use a shotgun approach to foreign aid ignore a considered appreciation of the powerful political and economic forces that challenge our interests in the Far East and elsewhere.

They seem to argue that, since foreign assistance has not yet solved all of our foreign policy problems, the United States should virtually give up the attempt to ease those problems.

If we were to take such advice seriously, we would be forced ultimately to choose between two impossible alternatives: either to declare war on all who disagree with us or to abdicate our foreign responsibilities, withdraw to our shores, create a garrison state, and hope that the revolutionary forces which are shaping our modern world would consent to go away and leave us alone.

We are indeed locked in a monumental struggle against communism and all forms of totalitarian oppression. It is not a simple struggle, however, as some would like to view it; and it certainly cannot be won by terminating foreign aid or belaboring everyone who fails to see world developments precisely as we think they should see them.

Let us consider the major points that emerge from an analysis of this type of criticism.

These opponents of foreign aid speak vaguely of $100 billion worth of foreign aid that has been poured down assorted ratholes by bureaucrats since the end of World War II. What are the facts?

Our foreign assistance expenditures from 1946 to 1961 amount to approximately $90 billion. This is less than 1 percent of our gross national product over this same period.

Of this total, one-third, or $30 billion, has been spent on military assistance: to buy arms and equipment to help build up the defenses of Britain, Italy, France, and West Germany in the days before they could afford such expenditures; to arm the Greeks and Turks in their struggle to maintain independence; and to give military assistance to the South Koreans, Vietnamese, Nationalist Chinese, and other allies.

In any such effort some mistakes are inevitable. But can any responsible citizen seriously support the general shotgun charge that foreign aid funds were poured down a rathole? Do they mean to suggest that because not every dollar has been spent wisely we should now abandon our friends?

Another third of the $90 billion total has been spent on food and relief loans: on Public Law 480 foodstuffs to help fight the hunger on which communism thrives; on Export-Import Bank loans for commercial-type projects which can repay the funds borrowed in dollars; and on immediate post-World War II hunger relief.

At the same time our Public Law 480 program of assistance from our own surplus production has provided a major basis for underwriting the prosperity of the American farmer.

Would the critics of foreign aid prefer to have seen our bountiful crops plowed under? Or unused food still piling up at heavy rates of storage cost? Would they suggest that we abandon this effort and let millions go hungry abroad while our abundance rots in the storage bins?

The remaining $30 billion has been spent on direct economic assistance; one-half of which went into the Marshall plan for the economic recovery of Western Europe. Only about $3 billion has been allocated for economic development in the form of development loans and technical assistance.

Much of this $30 billion, it should be noted, has been spent right here in the United States. In the process of helping other free nations, it has also helped to create jobs for Americans and to stimulate our own economic growth.

Yet there are those who would conclude that such economic assistance has also been a failure. Was the Marshall plan a failure? We have only to look at Europe today for our reply.

And what of development expenditures elsewhere? Let us take a specific example, the case of India:

Here is a subcontinent larger than Western Europe, with more people than Europe, divided by more languages than Europe. In 1947 when the British left, it was plagued by precolonial disunity, illiterate, poverty stricken, totally inexperienced in self-government.

Yet today, 15 years after independence, India constitutes one of the miracles of the postwar era, and U.S. assistance has helped make that miracle possible. Since 1947, India has produced a constitution based on our own, with three free, violence-free, national elections, a federal system of 14 states, a stable government, freedom of speech, freedom of assembly, and freedom of religion.

Today, 60 percent of India's children are in schools, malaria control is a virtually complete success, food production has been increased by 60 percent, average industrial production by 14.8 percent annually, and irrigated land has more than doubled.

Most important of all, these advancements have taken place in the context of a mighty contest between the free democratic system of India and the harsh police state methods of Communist China. All the people of the underdeveloped world have been watching this contest as a key to the future of Asia and Africa.

And what has happened? China under communism has failed. And India, the world's largest democracy, with all her difficulties, has become one of the great economic and political success stories of all time.

Today India's development constitutes an increasingly vigorous and appealing alternative to the totalitarian model provided by Communist China. Nowhere in Asia is a more telling victory for freedom being won.

Without American aid these advancements would not have been possible.

Yet, in the face of such facts, it is argued that India has "permitted" Communist China to occupy 12,000 square miles of her territory—a statement that ignores both the immense logistical problems that Indian forces face in the Ladakh area 16,000 feet above sea level, and India's mounting military preparations to deal with the Chinese threat under these adverse conditions.

It also ignores the fact that India, concentrating on economic development and forced to purchase all military equipment from England and France at regular market prices, has been at a major military disadvantage with an army smaller than that of South Korea pitted against Communist China's Soviet-equipped millions.

To be sure, India has often taken positions that do not coincide with ours; her unforgivable invasion of Goa is a case in point. But our foreign aid effort is not designed to buy satellites; it is designed to help free and independent countries remain free and independent within the framework of their own cultures and history.

In this regard, I come to the core of some mistaken conceptions.

One existing concept is that which seeks to perpetuate the old fallacy that the purpose of foreign assistance is to "buy" friends and allies; we are criticized for the attempt, and then condemned for not succeeding in that attempt.

Indeed, the conclusion of this notion advocates a policy of assistance only to those who are prepared to do our bidding—which is a blatant acceptance of the principle of friendship purchase, although such "dollar diplomacy" has been roundly condemned.

The reader is left breathless with the confusion of it all.

What are the facts? It is abundantly clear that the United States is not trying—nor should be trying—to "buy" friends. Rather, President Kennedy, joined with all responsible Americans, is dedicated to stimulating an honest enthusiasm for general betterment in the hearts of Asia's political and intellectual leaders, encouraging those leaders to establish real communications with the masses. History offers abundant evidence that efforts to "buy" friends are doomed to failure; moreover, such efforts are irrelevant to our aid programs.

Indeed, I find it particularly distressing that all too many foreign aid critics show no understanding whatsoever of the true purpose of these programs, although this purpose has been clearly stated and restated by the nine Congresses and four administrations that have authorized this bipartisan effort since 1944.

For instance, the Foreign Assistance Act of 1961, under which our present program operates, declares that our policy is "to seek a community of free, stable, and self-reliant countries." Nowhere has a policy of aid only to "friends" been decreed by either a Republican or Democratic administration, by either a Republican or Democratic Congress.

Now what do such policy declarations really mean? What is the essence of our purpose as a dispenser of economic assistance to the developing new nations?

Simply this: to create a world community of nations where freedom of choice is possible, and where free nations have an increasing capacity and will to defend their independence against all external and internal threats.

Such is our purpose, as stated by President Kennedy and by President Eisenhower before him.

Americans have no desire for satellites. We know that the best defense against communism everywhere in the world is freedom, diversity, and prosperity—with a steadily increasing number of nations in which such qualities are deeply rooted.

The achievements of foreign aid are oftentimes as inaccurately stated as is the purpose of foreign aid.

It has been alleged, for instance, that foreign aid has not been successful in stemming communism. Again this ignores the record.

Our military and economic aid programs have in fact been indispensable in stopping communism. For example, the Marshall plan stopped the march of communism in Western Europe. Greece is not a satellite today because of our aid program. Likewise because of aid, South Korea, South Vietnam, Iran, and others are not behind the Communist "curtains." India's and Pakistan's resistance to communism has been greatly strengthened.

It is a staggering achievement that of the 40 new countries that have come into being since 1946, not 1 has succumbed to communism in spite of the flow of Soviet rubles and undercover agents.

At this crucial moment, when we are sending American troops to northern Thailand and are acting as advisers in the hot war in South Vietnam, I particularly oppose any suggestion to curtail or phase out our aid program in southwest Asia. This would be an unfortunate and untimely blow at the morale of millions of people in this area who are counting on us to help preserve their freedom.

There has undoubtedly been some waste and mismanagement in our assistance to southwest Asia in the fifties. Every effort should now be made, and is being made, to learn from past errors. But it is patent nonsense to let southeast Asia go down the Communist drain because of our own frustrations and lack of faith.

Recent testimony and my own observations show that, although conditions in some of the southeast Asian nations are not as free as they should be, genuine progress is being made. The U.S. Government has been pressing hard for increased reforms to the fullest extent possible under the present security conditions. It should push even harder.

I might add that our greatest errors in this region have come not from the granting of assistance, but from a failure to understand the types of assistance required in specific situations and the political forces at work in each nation and each region. In this regard, we have much to learn from our own grievous politico-military error in Laos in 1956–60.

Any suggestion that foreign aid is "pure" humanitarianism simply does not reflect the facts.

Although there is nothing wrong with humanitarianism, the program has never been so described. The fact of the matter is that our humane motivations coincide with urgent considerations of national self-interest.

The burgeoning economies of Greece, Japan, Israel, and Taiwan, in large part the result of foreign aid, should be acclaimed not dismissed. The extraordinary progress in vast and complex India, especially when compared with the slowdown in Red China, is oftentimes condemned because India does not act exactly as we think she should act. Is India's independence, sensitivity, and, on occasion, arrogance, in the face of U.S. criticism not similar to our own reaction to European critics in the first century of our own Republic?

The quickening tempo of world events, both in the frequency and intensity with which they affect U.S. national security, requires continuous supervision and evaluation of U.S. foreign policies and their execution. The area covered by the committee in its study tour has, because of urgent problems of development in these ancient countries, the greatest possibility for change along with the greatest pressures for change to be realized.

U.S. policy must display the most skillful military, economic, and political coordination by officials of the U.S. Government, both the policymakers in Washington and the administrators in the field, of the adopted programs. The military policy must assist, when needed, friendly governments in maintaining the stability necessary for economic development and political organization to take place. Economic development, with the assistance of U.S. aid, must redress, with increased rapidity, the imbalance between the needs of the people and capacity of society to meet them. Only as the gap between the "haves" and the "have nots" is reduced, will there be any enduring stability in the newly independent countries around which an enduring U.S. foreign policy can be built.

Government programs will carry the major responsibility for aid for a number of years, but it is to be hoped that American enterprise, through private investments, as was envisaged in the original point 4 proposal, will progressively participate in the economic development of all countries significant to our national security. The enterprise and initiative, as were employed in the development of this country, must be applied to the new frontiers of entrepreneurship to discover a satisfactory basis to make capital ventures abroad mutually beneficial. The transplanting of successful managerial skills, constructive labor relations, and know-how into the economics of developing countries will, if done with the best practices of American industry—as distinguished from economic colonialism and piracy—provide an enduring basis for U.S. economic interests abroad compatible with U.S. foreign policy.

Continued attention must be given to coordinate U.S. support for economic development that will progressively broaden the political base on which a viable democratic system rests. In the formulation of aid programs, careful consideration must be given not only to their economic but also their political consequences. If economic development is to contribute to desirable political growth, adequate tax reform and land distribution must take place in most if not all countries in this area, otherwise present economic distortion will be reinforced rather than remedied. U.S. aid policies alone cannot accomplish this end, but the selection of projects and programs can certainly encourage it.

Foreign aid not only continues but has increased as a significant instrument of U.S. foreign policy. The challenge evidenced in the acceleration of the cold war and limited war in these areas by our adversaries required a more exacting definition of the objectives of the aid program and a higher standard of execution of the programs to achieve the objectives. The hard and demanding circumstances surrounding the future of Asian countries enhance foreign aid as an instrument of U.S. foreign policy.

As long as substantial disparity between the "have" and "have nots" exists to be exploited by our adversaries in the cold war, the requirements of our national security demand that aid, in appropriate amounts and properly administered, be extended to the countries whose governments and people are endeavoring to achieve sufficient stability to continue free of foreign domination.

The responsibility for assisting the efforts of these countries to modify this extreme imbalance that exists, rests inescapably in part on the United States, for our national security is involved in the ultimate outcome of these efforts. The policies of this administration, as have the policies of all administrations since World War II, have recognized and accepted this necessity.

The experience gained in the years of use of aid as an instrument of U.S. foreign policy must be utilized by both the legislative and executive branches of the Government in insuring further success with present and future aid. The increased tempo of the various aspects of the cold war and economic offensives require an increasingly exacting definition of the objectives of U.S. aid and the programs and administration to achieve them. The AID organization, possessed with a generous congressional grant of discretion, must definitely and determinedly sift and winnow its programs and personnel to achieve the maximum success in the shortest time possible.

No thoughtful American would maintain that our foreign aid program has solved or can ever hope to solve all of the world's problems. Nor can it be said that there have been no errors, waste, or failures in our 15 years of experience as a leader of the free world.

Yet historians will not accept the difficulties which we face as an excuse for failing to do all we can; indeed, it may be said for abdicating our national responsibility. Nor can anyone aware of the history of our time and the history of our foreign assistance effort deny the unprecedented accomplishments of this unprecedented program, much less assert that it be arbitrarily curtailed because the problems it attempts to solve are too large and too difficult.

Our foreign policy objective is to create a world of stable, free, and independent countries, willing and able to meet their own problems in peace and freedom.

The foreign assistance program is a vital, successful, integral arm of that policy. It deserves the understanding and support of the American people and the American Congress.

May I say in closing that while disagreeing sharply with some of the reasoning and conclusions of my colleagues, I understand the frustrations from which their position stems. We are dealing with an infinitely complex world, with problems that have no precedent, with responsibilities that were not of our asking.

Our task is particularly difficult because we Americans are accustomed by long experience to quick and final solutions. We are all anxious now to get things settled overseas once and for all so that we can concentrate on the business and future of America.

Yet neither today's world nor tomorrow's world can be easily shaped to our precise concepts. But the stakes are not less than the peace and freedom of mankind.

I include as a part of my remarks, the attached newspaper articles and letters which indicate the great variety of results and accomplishments which our foreign aid program have created throughout the world:

[From the Washington Post,
July 8, 1962]

HAVE-NOTS GAIN FROM ISRAELIS' EXPERIENCE

(By Eleanor Templeton)

TEL AVIV.—One of the most successful aid programs in the world today in terms of effectiveness is at the same time one of the most modest in size. It is the aid extended by Israel to the developing countries of Africa and Asia.

No giant projects are involved and no vast outlays of money. Israel could not afford these, as she is still traveling the rocky road of development herself. Yet it is largely for this very reason that her help is both sought after and resultful.

In the process of trying to make the best of a materially poor country, Israelis have brought fresh and dynamic solutions to many fundamental development problems. And it is the fundamentals that count, particularly in Africa, where most newly independent countries are wrestling with the most basic facts of national existence.

Israeli experts function accordingly. There is nothing of the big executive about them; they are shirt-sleeve operators working right alongside their trainees in field, factory, office, laboratory or hospital. They aim to create a sense of accomplishment and to communicate the Israel ideal of pride in hard and fruitful labor.

Israel's aid program is under the supervision of the Department of International Cooperation of the Ministry of Foreign Affairs. Assistance is given by training Afro-Asians in Israel; by sending out Israel experts, instructors, and survey missions, and by sending out teams of Israelis who are assisted in the field by local personnel already trained in Israel.

More than 1,000 trainees from developing countries are studying in Israel. By far the greatest number of these come from Africa. Their training embraces a wide range of what might be termed "survival subjects"; the raising and distribution of food; the building of homes and villages; the establishment of small industries; care of the sick and the guarding of public health; the spreading of basic education.

Through study and actual work on farms, those whose special interest is agriculture gain practical knowledge of poultry raising, water distribution and crop control; of how to establish cooperative agricultural settlements and utilize cooperative marketing methods.

Another program, geared to the requirements of setting up small industries, accents vocational training. Students learn carpentry, metal and electrical work, auto mechanics, telecommunications, construction, and basic community planning.

Then there is the critical area of public health, in which Israel, with her unusually high ratio of skilled medical men, is able to provide invaluable assistance. In addition to training in nursing and other specialized medical subjects, Hebrew University-Hadassah Medical School is inaugurating a 6-year course in medicine to be conducted in English for 20 students from Africa and Asia, with a parallel course in French planned for next year.

Israel also provides 1,000 university and postgraduate scholarships to Africans and Asians, who can study in institutions known internationally for their excellence, such as the Hebrew University in Jerusalem, the Technion in Haifa and the Weizmann Institute of Science in Rehovoth.

And for youths below university age, an outstanding role is played by the Israel paramilitary cadet organization known as Gadna, for younsters from 14 to 18. Gadna's activities include camping, scouting, mapmaking and mapreading, handicrafts, sports, folk dancing, field games, and overall indoctrination in the principles of good citizenship.

Africans and Asians studying this program live in Gadna camps for 4½ months and wear uniforms with shoulder patches showing the name of the student's country. Instruction in English and French also includes courses in youth welfare services and in organizing and administering a youth organization.

Another source of utilitarian learning is Israel's national labor federation, the Histadrut. It is unique among federations in that it is itself engaged in a number of economic enterprises which operate on cooperative lines.

This is a situation born of necessity; the Histadrut became what it is in response to the urgencies of a society forced to build itself up with a large measure of ingenuity and self-help. It has acquired a great deal of knowledge to pass along to those interested in learning how unionism and cooperation can combine to speed development.

A great many Africans are indeed interested—one of them being Kenya's Tom Mboya, who honeymooned in Israel in January.

During the last 2 years, hardly a month has gone by without a visit by some African or Asian heads of state, ministers, political leaders, labor leaders, civil servants, teachers, social workers, and others who were invited to attend conferences or to see what makes Israel run.

In sending Israeli experts out to the developing countries, the emphasis is on projects closely related to basic needs. For example, high school teachers, vocational instructors, and youth training specialists are working to improve primary and secondary education in Ethiopia, Guinea, Mali, Ghana, Niger, Togo, both Congos, Senegal, and the Central African Republic.

Israeli doctors and medical technicians have helped establish hospitals, clinics, and public health services in Ethiopia, Liberia, Sierra Leone, Congo (Leopoldville), and Ghana. Agricultural experts have handled crop problems, water development, and the setting up of cooperative farm settlements and marketing organizations in Burma and across central Africa from east to west.

In the same farflung territories, Israeli architects and engineers have directed the building of roads and airports; public works and public buildings; urban and rural housing; factories, schools, and hotels—all the while training local personnel to take over after the Israelis leave.

Building projects often are under the auspices of joint construction companies in which the host country owns a majority share and from which Israel withdraws at a specified time. In Africa, about 350 Israelis and 30,000 local employees are engaged in these programs. Thus a large army of qualified workers is being created, ranging from professional and supervisory personnel to carpenters and mechanics.

The joint enterprise plan also has been applied to shipping, most notably in the case of Ghana's Black Star Shipping Co. This association began in 1957 with Israel operating the initial fleet and training Ghanaian officers and crews.

Today, the Black Star line employs nearly 500 Ghanaians, has started its own stevedoring operations and is preparing to open a tourist office. Ghana assumed entire control of the company some time ago, retaining Israel's Zim Navigation Co. as managing agent under contract until 1967.

Israel's readiness to retire from the scene once her mission is accomplished contributes enormously to the success of her assistance programs. There is no fear that "colonialist designs" lurk behind her efforts; what she gives is offered in the spirit of friendship, and friendship is what she wants in return.

[From the Washington Post, July 8, 1962]

AID TO INDIA COULD BE CASUALTY OF OWN MAKING

(By Warren Unna)

The administration's foreign aid authorization bill comes up on the House floor Monday, and if the Senate's vote last month is any precedent, there are ominous signs for India.

The Senate, in a highly unusual spelling out of an individual country in an aid bill, cut back the administration's Indian aid request of $815 million to the past year's level, around $727 million. And this cut was made in the first round of authorization. In the actual appropriation bill, the cuts are usually far deeper. And the authorization bill still has to run the House gantlet.

A cut in Indian aid this year would come just at a time when Indian-American relations are plummeting toward an all-time low. Yet even while the temper of Congress and, conceivably, of the President himself toward India is provoking such a cut, Indian and American objectives are more closely intertwined than ever before.

THE PERFECT PROTOTYPE

For India, despite all the gall that her moralizing on foreign affairs has engendered in this country, today towers among her Asian neighbors. She has the precise type of government that the United States is anxious to see develop in all the newly independent former colonies. India is a really working democracy.

And despite a population of 438 million which is second only to Communist China's, and some of the world's worst poverty, India has managed to survive her 14 years of independence without having to resort to the paternal military dictatorships of such Asian neighbors as Pakistan, Burma, Thailand, South Vietnam, Taiwan, and South Korea.

Last February, India, in holding her third 5-year general election, not only managed to get more people out to the polls than any other democracy in the world; she did it without either confusion or bloodshed. And despite all the petty annoyances of a large bureaucracy, India is investing more of her money and energy in economic improvement than any other underdeveloped nation.

Even when the record in international relations is cited, the coincidence of Indian actions with American objectives has been far more frequent than either country, in its present state of petulance, seems willing to acknowledge.

While the rest of the free world talks about Communist China as being its greatest potential enemy, India is the one nation skirmishing with Chinese troops—in the conflict of claims to Ladakh.

The United States has military trainers in South Vietnam to help that country fight off its Communist infiltrators; the recent decision of the Indian chairman of the International Control Commission in finding Communist North Vietnam guilty of trying to overthrow the South Vietnam government, now provides the legal justification for that U.S. participation.

While the United States considers its large financial contribution to the United Nations Congo operation vital to the survival of both the U.N. and the Congo, it is India's contingent of 5,000 troops in the U.N.'s Congo forces that provides the real fighting power.

RIFT OVER LUMUMBA

With such dovetailing of international objectives, what has gone wrong between India and the United States?

From the American point of view, it might have begun in late 1960 when India's espousal of the late Congo Premier Patrice Lumumba was looked upon as mischievous, if not actually pro-Communist. India insisted that Lumumba more truly represented the Congolese than some of the West's candidates.

Then when the Soviet Union defied world opinion and began holding large nuclear tests in the atmosphere last September, India's Defense Minister and chief U.N. spokesman, V. K. Krishna Menon, started denouncing America's controlled underground shots as being equally harmful to world welfare.

When Indian Prime Minister Jawaharlal Nehru dispatched Menon to the White House in November for a kiss-and-make-up call on President Kennedy, Menon is said to have spent 44 of his 48 minutes lecturing the President, telling him he was badly informed on what was going on in South Vietnam and urging him to send Republican Henry Cabot Lodge back to head the U.S. mission at the U.N. in place of a man Menon could not abide, Adlai Stevenson.

U.S. Presidents are not accustomed to being lectured to by anyone. Menon's "good will" call made sore points even sorer.

THE GOA SURPRISE

Last December, when India seized Portuguese Goa, the United States discovered that India's nationalistic aspirations had made quick hypocrisy of all the years of lectures on how other nations should behave.

Last month, when India had the Soviet Union veto an innocuous U.N. resolution on Kashmir and told the U.N. in so many words that the Indian-Pakistan dispute over Kashmir was no longer any of the U.N.'s business, India's moralizing lectures once again were deflated.

And today, when India is convinced that she needs jet fighters to defend herself against the jets facing her from Pakistan and Communist China, and makes it appear that the Soviet Union is just dying to supply them, the United States is inclined to remember the if-you-won't-Russia-will tactic pulled by Egypt in 1956 in trying to find a backer for her Aswan Dam.

The United States thinks it has done its best by India. It has seen to it that India received more economic aid than any other country. It has come a long way from the "immoral neutral" philosophy held by the late Secretary of State John Foster Dulles during his early years in office.

AN ECHO FROM NEHRU

Yet instead of appreciation, or even understanding, the United States now finds itself rewarded with the sarcastic guttural of Krishna Menon. And a few weeks ago, the United States also became the butt of Menon's boss, Prime Minister Nehru.

"It is a matter of deep regret to me," Nehru told a press conference, "that repeatedly on subjects which concern us greatly, about which we feel rather passionately almost—subjects like Goa and Kashmir—it should be our misfortune that the two great powers, the United States and the United Kingdom, should almost invariably be against us."

In one way, Nehru was speaking for the Indian intellectual, who has long insisted that India must be harsher in its judgment of the West than of the East because a Western-tutored India expected the West to know and do better. But in another way, Nehru was endorsing the cynical contempt that his chief adviser Menon holds for the West.

PORTRAIT OF UNCLE

An Indian journalist visiting Washington last week expressed this cynicism in two ways:

1. "The British tortured Nehru physically by putting him in prison before our independence. You Americans now are torturing him mentally."

2. "We Indians essentially are cultivators. There is never enough food from the land, so we always are at the mercy of the moneylenders and are told what to do. You Americans now are the moneylenders."

Deserve it or not, in many quarters of India the wealthy American is looked upon as the white colonial successor to the old British raj. And since Britain's dominance as a world power has waned, she goes almost unnoticed in the SEATO and CENTO military alliances with India's border enemy Pakistan. The United States, as Pakistan's armorer, finds itself having to justify doubly its peaceful intentions toward India.

From the Indian point of view, there should be no question of American sympathy on such causes as Goa and Kashmir. Where is the revolutionary America of 1776, Indians ask. Would America have had even the 14 years of patience India had in tolerating a Portuguese enclave the size of Rhode Island festering within its subcontinent? Could an America which fought for separation of church and state permit a Pakistani Kashmir where the official religion would be Mohammedanism?

And, surprising as it may seem to those who view Adlai Stevenson as America's best intermediary with the underdeveloped world, the U.S. chief spokesman at the U.N. does not get across to the Indians. As one expert put it: "There are only two professional moralizers in this world, Nehru and Stevenson, and neither can tolerate the competition."

Indian-American relations certainly have not been improved by Krishna Menon. He has never made the slightest attempt to conceal his contempt for America and his admiration of the Soviet Union. But he is equally contemptuous of many of his fellow Indian officials, and for that reason equally disliked by them.

Prime Minister Nehru, however, is not one of that group. Menon was Nehru's first sponsor when Menon, the brilliant and successful lawyer, headed the Indian League in London and Nehru was an unknown writer and revolutionary. Menon long has been Nehru's only real intellectual equal in the Indian cabinet, the only one with whom Nehru, as Minister of External Affairs, can discuss external affairs.

And where there is a dirty job to be done—as invariably happens in the governing of any country—Nehru has found it politic to turn the other way while knowing surely that the necessary will be done.

But this tandem operation may be coming unbalanced. At 72, Nehru not only is aging; he has lately been seriously ill with kidney poisoning. His colleagues have found him more ill-tempered, often listless and often unavailable.

Menon, meanwhile, hase been exploiting his double job as Defense Minister and chief foreign affairs spokesman at the U.N. And he has not been oblivious to the foreign policy situations he can create as Defense Minister. The most recent one was his recommendation that India go to the Soviet Union for her jets and thus make a complete shift from her traditional military dependency on Britain and the West.

Menon also cannot be unaware that by requesting the Soviet Union to bail out India with a veto at the U.N.—as he did on Goa and Kashmir—he is increasing his country's debt to Moscow.

On another plane, just when strong embassies are needed in New Delhi and Washington to counteract Indian-American misunderstandings, both embassies suddenly find themselves considerably weaker than in several years.

J. Kenneth Galbraith, the U.S. Ambassador to India, has just completed his sixth trip to the United States in the little over a year since he was accredited.

B. K. Nehru, the Prime Minister's cousin and Ambassador to the United States, has been rebuked by both his chief and the Communist Party opposition in Parliament for making too much of India's defense needs in trying to obtain American jets. Now he has departed in frustration for lengthy stays in Europe and Latin America.

His deputy, Minister D. N. Chatterjee, a mainstay in promoting Indian-American understanding for the past 3½ years, leaves this week to become the first Indian Ambassador to the Congo. The embassy not only will be left leaderless; it is coming more and more under criticism in New Delhi for being too pro-American.

So despite all the reasons why the United States and India should be in closer harmony than ever before, bitterness at the United Nations, the personal element of Khrishna Menon, Prime Minister Nehru's debilitation and embassy abdications have been working against it.

And now a Congress long weary of foreign aid may reapply the old we-like-you-we-like-you-not criterion. And a President understandably frustrated with finding his best efforts unappreciated may find that there are more rewarding battles to be fought than India's.

If this should come to pass, India would be deprived of foreign aid she needs to achieve the economic progress vital to a successful democratic society. And the United States might find herself deprived of the friendship of the most important democracy in Asia.

[From the New York Times, July 8, 1962]

Turks' Vote Backs Inonu's Coalition

Istanbul, Turkey, July 7.—Premier Ismet Inonu won a vote of confidence in the Chamber of Deputies today for the program of his newly formed three-party coalition government.

The vote was 259 to 135. The figures indicated that about 30 Deputies of the opposition Justice Party, which had been expected to vote solidly against the program, had cut through party lines to support Mr. Inonu.

The 78-year-old Premier's program proclaims Turkey's attachment to Western democracy and proposes economic and social reforms in most branches of Turkish national life.

The coalition consists of the Premier's People's Republican Party and two smaller groups, the New Turkey and Peasants' National Parties.

The vote was preceded by 3 days of debate on the program, some of it bitterly recriminating. On Thursday fighting broke out among the Deputies after a spokesman for the small National Party had charged that Mr. Inonu had maneuvered into the premiership by the armed forces.

Following the vote of confidence, Premier Inonu addressed Parliament. He deplored the wide publicity given to accusations by some of the army officers who retired after their unsuccessful attempt to overthrow the Government February 22. They charge that a number of prominent generals double-crossed them by withdrawing their support of the abortive action.

"The army rejected these officer adventurers," Mr. Inonu said, "and it is completely clear now that the armed forces see that the country's safety lies within a democratic regime. The attempt of the adventurers completely failed and has been condemned by the army and the nation."

As Mr. Inonu left the chamber, a Deputy of his People's Republican Party shouted toward the benches of the Justice Party: "The February 22 scandal was your fault."

A fist fight started, but the chamber was speedily cleared and Parliament was recessed for a summer vacation until September 4.

[From the New York Times, July 8, 1962]

Greeks and Turks May Get New Aid

(By Edwin L. Dale, Jr.)

Paris, July 6.—What may become a major new foreign-aid program for Greece and Turkey is taking shape in the Organization for Economic Cooperation and Development.

The organization, formed at the end of 1960 is composed of the United States, Canada, and 18 European countries.

The issue will be taken up seriously for the first time next week by the organization's council, its ruling body. The council will have before it a report of the Economic Development and Review Committee, to the effect that both countries have reasonable 5-year development programs and will need substantial external assistance to realize them.

Turkey evidently will require at least twice as much as Greece. There are still no precise estimates of the help needed, but figures published by the Government indicate a Turkish shortage of foreign exchange, to finance imports, of more than $1 billion in the next 5 years.

This does not include the need to find foreign exchange to pay off a large accumulation of short-term debts.

NO ORGANIZATIONAL FUND

Greece currently is revising her estimates, but an exchange gap of roughly half the Turkish level appears indicated. Greece does not have a short-term-debt problem.

The Organization for Economic Cooperation and Development as such has never engaged in an aid program, nor did its predecessor, the Organization for European Economic Cooperation. It has no development-aid funds of its own, but it includes nearly all the important aid-giving nations of the non-Communist world.

Thus the aid will be given by members of the Organization for Economic Cooperation and Development rather than by the organization itself. But the aim is to build up an agreed and coordinated aid plan, with a fair sharing of the burden.

The main step taken to date is the report by the Economic Development and Review Committee that both Turkey and Greece have produced sound development plans and cannot hope to achieve the economic growth they need without aid.

MOVE URGED BY NATO

The Organization for Economic Cooperation and Development took over the Greek-Turkish problem after the North Atlantic Treaty Organization recommended in April that the Atlantic alliance members form consortiums to meet the two countries' needs. Greece and Turkey are members of both groups.

A key question in the forthcoming debates will be how many Organization for Economic Cooperation and Development members will be willing to contribute. Up to now the great bulk of help to both Greece and Turkey has come from the United States.

A sizable amount also was given by West Germany, and a little by Italy to Greece in the form of reparations.

[From the Washington Post, July 8, 1962]

United States Shouldn't Slam Door on Yugoslavia

(By George F. Kennan, U.S. Ambassador to Yugoslavia and distinguished authority on Soviet affairs)

For American statesmanship of the postwar period, the countries of Eastern Europe have always presented problems of utmost complexity. The pattern has been full of contradictions. One has had to bear in mind the interests and aspirations of regimes, but one has also had to bear in mind the interests and aspirations of peoples.

Because such contradictory factors were involved, any effective policy toward these countries has always had to embrace what appeared outwardly to be contradictory elements: an alternation of denial and concession. This has been true of our policy toward Russia, as well.

In such cases, the effectiveness of a policy depends not on trying to eliminate all elements of apparent contradiction but on the skill and flexibility with which these opposite elements can be exploited for the main purpose, which in our case is the creation of conditions conducive to a reasonably just and stable peace. For this reason, the Executive has always had to ask of both Congress and the people, when it came to handling the problems of this part of the world, a relatively wide latitude of action for itself and a certain forbearance by others from too much back-seat driving.

FOURTEEN YEARS DIVERGING

Yugoslavia has been no exception to this rule. True, the problem has been somewhat simplified here by the fact that since 1948 the country has been free of Soviet control and has conducted an independent policy. Of this there can, in my view, and I believe in that of every qualified observer of the Yugoslav scene, be no possible doubt.

It is true that the views Yugoslav leaders have put forward on various international problems have often been in conflict with our own. Sometime (not always) they have coincided with those of Khrushchev. This is disturbing and, from our standpoint, regrettable. It constitutes a fact which we have had to take into account in framing our policies.

But it is not proof that the Yugoslavs are not independent. People can agree with others voluntarily, for reasons of their own and not because they are forced to do so. Some people, after all, agree with us.

It is now 14 years since Yugoslavia's independence of the Soviet bloc was established. During this period, the development of both ideas and institutions in Yugoslavia has been steadily away from Soviet patterns. In a number of important and critical respects, Yugoslavia's situation now differs fundamentally from that of the bloc.

The movement has not always been in the direction of our own ideas and institutions, but it has generally been in the direction of ones with which we can live—ones compatible with a normal and fruitful relationship between our two countries. To this we must add the fact of an overwhelmingly friendly disposition toward us on the part of the Yugoslav people.

A PROVED APPROACH

In these circumstances, I do not know of a single person who has occupied himself responsibly with this problem in recent years who does not agree that it has been to our interest to support where we could the effort of the Yugoslavs to retain their political independence and to encourage the development of Yugoslav society along lines that correspond to its own needs, traditions, and geographic position rather than to the requirements of any outside political grouping. Three administrations, after looking at the problem very hard, have come to this conclusion and have tried to act accordingly.

This has not always been easy. There have occasionally been false starts and mistakes on our part. The Yugoslav leaders have not always made things easy. Yet it is the unanimous view, I think, of all of us who have been concerned with the problem, that the effort has been worthwhile—from Yugoslavia's standpoint and from ours.

It has contributed importantly to the solution of a number of specific problems of the Southeast European area: such things as Trieste, the Austrian peace treaty and the stabilization of conditions on the Greek border—all questions by which the peace of Europe might, in other circumstances, have been seriously disturbed.

It has kept the forces of the Warsaw Pact at a considerable distance from the Adriatic. It has exercised on conditions and relationships within the Soviet bloc an influence which I am sure has been conducive to the interests of a more stable world and actually to the real long-term interests even of the bloc peoples themselves.

It is of the greatest importance that our support for Yugoslavia's independence, which has been consistently and successfully pursued for 14 years, not be interrupted at this present delicate moment in world affairs.

It is essential that the Yugoslavs should move into the coming period with the confidence that if their own policies are ones which show reasonable respect for Western interests, they can have the advantages of a normal and mutually profitable political and economic relationship with the West. The aim of American diplomacy should be, and must be, to confirm them in this impression.

During the present session of Congress, amendments to two bills have been introduced which would have exactly the opposite effect. One of these would inhibit all aid to Yugoslavia except surplus food. The other would deprive Yugoslavia of most-favored-nation treatment for the export of her goods to this country.

If the aim of its authors was to curtail aid to Yugoslavia, the first of these amendments was wholly unnecessary. For various reasons, aid outside the category of surplus food was already being drastically curtailed. It would have been confined, in any case, to almost negligible dimensions in the forthcoming period. This is a situation warranted by present circumstances.

What the amendment actually does, however, besides expressing ill will to Yugoslavia, is merely to make it impossible for our Government to say to the Yugoslavs that if circumstances were to change in ways we could view as desirable, there might be a possibility of our being more helpful.

For the second amendment, it is hard to discern any motive at all other than a desire to inflict gratuitous hardship on both the Government and the people of Yugoslavia. The country is already suffering not only from the effects of two seasons of drought but also from a severe crisis in its balance of international payments. Yugoslavs are greatly worried, and not entirely without reason, over the future effects of the European Common Market on their export possibilities.

The proposed amendment would simply make it more difficult for them than it would otherwise be to meet their international obligations, including the ones they have incurred to ourselves; and the lack of any particular occasion for such an injury would cause it to appear doubly vindictive.

Together, these amendments would have the effect of confronting the Yugoslavs with a closed and locked door on the Western side precisely at a time when it is imperative that it be clear to them that this door is open. Never has it been more important that the choices by which they are confronted should be fair ones, and not ones slanted, as the amendments could cause them to be, in favor of a pro-Soviet orientation. None of us can deal with the Yugoslavs successfully on behalf of our country if we have only a closed door behind us to point to.

It is sometimes said that the effect of these amendments would be to force Yugoslavia back into the Soviet bloc. I would not go this far. I think the Yugoslavs will continue to exert every effort to maintain their hard-won independence, whether or not our Congress shows sympathy for that effort. But it would be hard for any of us to explain to them, and even harder for the Yugoslav leaders to explain to their own people, why we should want to go out of our way to make this effort more difficult for them than it need otherwise be.

If these amendments go through, the administration will have been denied the latitude of action necessary to enable it to handle effectively a delicate and important area of our foreign relations, and one that has important connotations for our political encounter with the Soviet bloc as a whole. The foreign policy of a great power simply cannot be successfully conducted under such handicaps.

What is involved here is a fundamental issue of executive-legislative relations affecting the success of our international undertakings and the entire security of our Nation. It is difficult to believe that any Member of Congress who knew the facts, and had reflected on their true meaning, could wish to share responsibility for the grievous narrowing of the possibilities of American statesmanship which amendments of this nature would impose.

[From the Polish Nowy Swiat, July 3, 1962]

Aid to Poland

Whatever one may deduce, we live through a period of constant apprehension and fear. We fear what tomorrow has in store for us. We fear what our prospective enemy is bound to involve us in. We fear the future.

And whatever the scientific conclusions of expert politicians, we know that most of our fears stem from the fact that we had succumbed, in World War II, to unnecessary fears and concluded an alliance with one of the world's two totalitarian powers—to make it easier for us to combat the other totalitarian monster—and after winning the war failed to win the peace by continuing the unholy alliance with the wartime totalitarian ally who skinned us to the amount of $11 billion, whereupon he proclaimed that he is the victor, having won World War II, both in Europe and Asia.

And whatever one now thinks about the international situation, the fact of the matter is that none of us feel comfortable (if one is a thinking human). And this in spite of all our riches and the easy life of onlookers and sybarites we lead.

As regards Poland fears there are general. The situation is variously described as "fine," "so-so," "rotten," "unbearable," "poor," "economically desperate," etc. It all depends who is telling the story, what one wanted to see, what one was shown by the powers that be, and how much one knew about the country in prewar as well as postwar time.

During the foreign-aid zigzag voting in the House and in the Senate, one could hardly discern the truth. In came Delaware Democrat Harris B. McDowell with the story that the ravages of World War II are still prominent in Poland, and that in spite of all the big noise Communists and non-Communists are making about the postwar industrialization of the country, Poland's industrial base still remains small. One would think that in spite of hailing from the second smallest State of the Union, McDowell talks big as an American, and compares everything in industry with the world's greatest industrial power.

Be that as it may, McDowell was well orientated upon his return from Poland and was able to announce that any help from America in reducing Poland's economic dependence on the Soviet Union is welcomed and appreciated. This he concluded after warning all and sundry that if the United States continues to trade with Poland, it must understand that the Polish Government is firmly communistic and that American policies must be subject to change at any moment.

There is nothing in Poland—said McDowell—to justify any optimism that the country can be detached from the communistic bloc in the immediate future. And here you have in a nutshell the whole story. An honest account and an honest opinion of one of our lawgivers, capped by the following final statement:

"The alternative to continuation of our surplus food program to Poland would be to deny this humanitarian type of assistance to the people of that country, thereby turning our back on the tradition of good will and friendship toward the United States which has historically existed between the people of Poland and the people of the United States."

Mind you, this is not a fellow Polish-American, but—judging by the name, a man whose ancestors, like ours, came over the great pond from a different, old country and who used the same arguments members of the Supreme Council of the Polish American Congress used in their resolutions passed June 17 at their sixth meeting in Washington.

[From the New York Times, July 8, 1962]

U.S. Government Will Aid Friendly Nations

Two political developments have led to the American determination to keep troops overseas: the consensus that this Nation would not retreat into isolationism and the recognition of the Communist threat to the free world embodied in the Czech coup of 1948. In West Europe, where the major threat lay in a Soviet onslaught on the ground, the largest American commitment has been in ground forces. Most of the 260,000 officers and men stationed in West Germany under NATO are Army personnel. In addition, the United States has strategic and tactical airpower assigned to NATO. It has missile bases in England, Italy, and Turkey and has the 6th Fleet in the Mediterranean. There are more than 400,000 American servicemen in Western Europe today. In the Far East, the Navy and Air Force—and especially the 7th Fleet—have borne the major burden of guarding against Communist Chinese expansion. American troops in southeast Asia itself, although small in number, represent what might now be called the new frontier in anti-Communist containment. In South Vietnam, U.S. forces are present in an advisory capacity, to help train indigenous forces and to experiment with guerrilla warfare techniques. One consistent threat runs through these varied troop commitments—that of a U.S. obligation to aid any of its allies in the event of armed Communist aggression. The more than 700,000 men—over one-fourth of the U.S. armed strength—stationed outside the continental United States are, in effect, living promises that the U.S. Government will aid friendly, treaty-bound countries if trouble arises. President Kennedy has said there is no intention to alter this troop distribution even though the expense of maintaining it contributes to the unfavorable U.S. payments balance. For reasons of security, it is expected that this cost will continue to be borne.

[From the New York Times, July 8, 1962]

Moscow Says Its Aid Increases to Poorer Non-Red Countries

(By Harry Schwartz)

An official Soviet report published recently indicates that the deliveries of Soviet economic aid to non-Communist underdeveloped countries will rise sharply this year.

In a statement to Tass, the Soviet press agency, I. V. Arkhipov, deputy chief of the Soviet economic aid program, said that deliveries of Soviet equipment would be made this year to 169 projects under construction in 18 underdeveloped countries. This compares, he said, with deliveries to 123 projects last year.

To mid-1962, Mr. Arkhipov said, the total value of Soviet economic aid promised to these countries amounted to 3 million rubles, or about $3,300 million at the official rate of exchange. The aid is in the form of credits carrying 2.5 percent interest and repayable in 12 years.

Since World War II, the United States has extended more than $23 billion in economic aid to underdeveloped nations in Latin America, Africa, and Asia. Other developed Western countries, as well as international financial institutions such as the International Bank for Reconstruction and Development, also have supplied billions of dollars of aid.

Since its start in the 1950's, Mr. Arkhipov reported, the Soviet economic aid program has made agreements to help build 480 factories, roads, irrigation installations, and other capital improvements in 23 countries.

By last January, 100 of the projects had been completed, including steel and petroleum plants in India, seaports in Afghanistan and Yemen, radio stations in Iraq and Guinea, a cotton factory and a nuclear reactor in the United Arab Republic, and a technical institute and a hospital in Burma, among others.

Thirty additional capital improvements receiving Soviet aid are scheduled to be completed this year, the official added.

Most Soviet economic aid is being used to help underdeveloped countries build heavy industry, Mr. Arkhipov said. He added, however, that some nations, including the Sudan, Somalia, and Mali, are putting emphasis upon expanding consumer goods production facilities with Soviet help.

More than 30 percent of the credit pledged to underdeveloped countries by the Soviet Union, Mr. Arkhipov said, is scheduled to be spent for metallurgical enterprises and metal fabrication facilities. More than 20 percent of credits are for thermal and hydroelectric stations.

To assist in this program, he said, more than 6,000 Soviet technicians were in underdeveloped countries last year. In addition, he added, the Soviet Union is also helping these countries train their own technical personnel.

Soviet aid programs provide for the building of 64 institutes, technical schools, ordinary schools and educational centers, he said. More than 20 of the training installations already have been completed.

Mr. Arkhipov's statement explained that the credits would be repaid by the recipients, mainly in goods that would help raise Soviet living standards.

[From the New York Times, July 8, 1962]

Soviet Aid Role Mounts for Cuba

Havana, July 5.—Cuba is relying more heavily on the Communist bloc for trade this year than the prerevolutionary regime relied on the United States.

Figures in a mid-1962 issue of the Government policy journal, Cuba Socialista, showed how complete Cuba's transition has been since Premier Fidel Castro came to power in early 1959.

The figures were part of an article by Dr. Jacinto Torras, Under Secretary for Oversea Trade.

They showed that trade in 1959 remained about what it had been in 1958, the last year of rule for Fulgencio Batista.

Dr. Torras said that in 1958 and 1959 Cuba shipped less than 3 percent of all exports to Communist bloc nations, while more than 65 percent was accounted for in both years by the United States.

By 1961 Cuba shipped 74.7 percent of exports to the Communist bloc, and in 1962 the planned figures were 80.7 percent to the Chinese-Soviet bloc and 1 percent to the United States.

The same is generally true in reverse for imports. Cuban import-export trade with countries other than the United States or Communist bloc members has fluctuated from 12 to 30 percent since Dr. Castro came to power.

Among the most obvious Soviet products are military trucks, four-barreled antiaircraft guns and farm machinery. Czech aid includes several hundred buses and thousands of light machineguns.

Films and phonograph records from the Communist countries are also much in evidence. But canned foods, except for Soviet evaporated milk, disappeared from Cuban shops soon after Christmas.

TECHNICIANS ARE SENT

Dr. Torras stated that Moscow had provided the help of "hundreds of technicians specializing in different fields, who have come to our country." He also mentioned cultural and sports exchanges, as well as the supply of drugs and even of a whole hospital.

He disclosed that 2,500 young Cubans were in mid-1962 studying in the Soviet Union. This figure included 1,000 peasants specializing in agriculture.

He noted that the links with the Soviet began in February 1960, with the visit to Cuba of Anastas Mikoyan, a Soviet Premier, followed in May 1960, by the reestablishment of diplomatic relations.

The trade treaty signed during Mr. Mikoyan's visit set the pattern for subsequent trade, being based on Soviet purchases of Cuban sugar paid for 80 percent in merchandise and 20 percent in freely convertible currency.

Then Cuba "by a sovereign act" decided to buy Russian oil at a cheaper price than that of the West.

[From Newsweek, June 18, 1962]

Paradox in Poland

(Note.—Poland is a Communist state, but few Poles are Communists. Last week the U.S. Senate voted to deny aid "to any country known to be dominated by communism or Marxism," thereby cutting off agricultural commodity aid to Poland. Two days later the Senate voted to restore these grants, in a seemingly cynical gesture that in effect labeled Poland as an appropriate dumping ground for U.S. surpluses—but not as a country worth serious consideration in terms of overall U.S. foreign policy. Newsweek Diplomatic Correspondent Edward Weintal returned last week from a 2-week trip to Poland. Here he reports on Poland's precariously balanced position between East and West.)

In Warsaw, in the darkened Church of the Holy Cross, a young priest had just finished reading Stefan Cardinal Wyszynski's pastoral letter urging the faithful to fight atheism, materialism, and the corruption of youth.

"And now," the priest intoned, "repeat after me: 'We pledge to thee, Holy Mary, Queen of Poland, that we shall fight the evil forces of atheism and materialism, and that we shall protect our youth. So help us God'."

The congregation, kneeling in the pews, in the aisles, and on virtually every inch of the floor, solemnly repeated the pledge. As they finished, there rose from 3,000 throats the stirring chant of the Polish prayer:

> "Ancient Queen of Poland, Mary,
> Speak for us, Mary,
> Take our nation unto thy care."

An American visitor watching this scene in the heart of Communist Poland fully expected armed militiamen to enter the church at any moment and halt the service. But nothing of the sort happened. The congregation dispersed peacefully to nearby cafes for afterchurch coffee and cakes. The lonely militiaman on duty ouside was busily directing traffic.

That such a paradox can exist—and it is common throughout Poland—is largely due to two men. One is Communist Party Secretary Wladyslaw Gomulka, who presides over the political destiny of his nation from a sparsely furnished, paneled office in the Central Committee building known as the White House. The other is Cardinal Wyszynski, ruling his flock—some 85 percent of Poland's 30 million—from the baroque episcopal palace at the other end of town.

Polish American Congress, Inc.,
Chicago, Ill., June 29, 1962.

Hon. Harris B. McDowell, Jr.,
House Office Building,
Washington, D.C.

Dear Congressman McDowell: Through our office in Washington I have received your "Special Study on Mission to Poland and Austria" and your extension of remarks relating to the Polish American Congress appeal to the Members of the House of Representatives to vote against the Senate amendments which would cripple the President's power to extend aid to Poland.

Please accept my warmest thanks for your comments on this subject and for the inclusion of my letter in the Congressional Record.

I am reading with a great interest your truly absorbing report on the Mission to Poland and your statesmanlike appraisal of many benefits derived from, and problems involved in, American aid to Polish people and in cultural exchanges with Poland.

With highest regards, I am,
Sincerely,
Charles Rozmarek,
President.

Council of the Polish Societies and Clubs in the State of Delaware,
Wilmington, Del., June 27, 1962.

Harris B. McDowell, Jr.,
U.S. Representative of Delaware,
Washington, D.C.

Honorable Sir: We appreciate your stand on the issue of the aid to Poland as expressed in your report on the study mission to Poland and in press release.

Polish American Congress presently supports the aid for Poland and we as the Delaware Chapter of the Congress are not only bound by it but are also convinced that it is a just approach.

Please, support the issue when it comes to the House.

Yours truly,
Casinani Chefkowsky,
President.
Adam J. Rosiat,
Assistant Secretary.

The Pulaski Foundation, Inc.,
New York, N.Y., June 30, 1962.

Hon. Harris B. McDowell, Jr.,
House of Representatives,
Washington, D.C.

My Dear Congressman: I read with great interest your report of the "Special Study Mission to Poland and Austria," House Resolution 60. It is unbiased and well prepared from both historical and present-day viewpoints.

To acquaint other people with the contents of your report, I would appreciate it if you could spare about one dozen of more copies.

Thanking you, I am,
Sincerely yours,
Joseph F. Lester, *President.*

Wilmington, Del.

Hon. Harris B. McDowell,
U.S. Representative,
Washington, D.C.

Dear Sir: Under a special cover I sent to you a few copies of Poland, magazine published by the Warsaw Government in English language and distributed in this country. I mentioned it to you at the celebration of the Constitution of May 3, organized by the Council of Polish Societies in Wilmington. There is some criticism about the value and standard of the equivalent American publication in Poland, America—just recently said something about it W. E. Bohn in the New Leader—and I think you will be interested how the Warsaw Government is doing. Without sympathizing with their cause, I think, they do it in Poland in an excellent way.

I read your report on a special study mission to Poland and Austria and I would like to congratulate you on the manner you presented the subject, on your deep insight into the matter and wise conclusions. Please let your opinion on the subject be known during the coming battle over this issue in the House. Aid to Poland—it does not mean that it should be extended all the time and under any conditions—is too valuable a political tool for this country in order to loose it for flattering the primitive anticommunistic attitude of the average elector. By voting for the aid for Poland you will not only help the Polish nation to be himself but you will also take the side of sanity in this country.

I remain, sir,
Very truly yours,
L. Kopeć.

Mrs. BOLTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. Dominick].

Mr. DOMINICK. Mr. Chairman, I am up here with some hesitation because I am not a member of the committee and do not have all the facts that went into the making of this bill. But I do have some questions on it which I hope perhaps members of the committee can answer for me. I would like to address these, if I may, to the chairman of the committee. The gentleman from Pennsylvania knows that in the past I have voted in favor of the Alliance for Progress and also in favor of the foreign economic aid program. But it says here on page 3 that in 1962 we have unexpended balances of $6.6 billion which are in the pipeline. Over how long a period of time will that $6.6 billion be spent?

Mr. MORGAN. The gentleman knows that the $6.6 billion is obligated. There is only $100 million that is not obligated.

Mr. DOMINICK. What I am asking the gentleman is how long a time it will take actually to spend the $6.6 billion.

Mr. MORGAN. If it has been obligated to build airplanes or to build a ship or a hydroelectric project it will take a long leadtime, a year and a half or 2 years or even longer. Money that is obligated for military hardware and economic assistance sometimes takes considerable leadtime. It would be very difficult to give a definite time when this $6.6 billion would be exhausted.

Mr. DOMINICK. Is it felt by the committee that in addition to the $6.6 billion which apparently we now have in the pipeline, we will have to spend another $4.7 billion before next year is over?

Mr. MORGAN. Yes. Of course, if you want to keep your pipeline filled it is absolutely necessary or our deliveries would stop, just as in our military program. The gentleman will note on the same page of the committee report that our military has an unexpended balance of $29 billion. To stop the movement in the pipeline on military hardware would mean that deliveries of ammunition and weapons would be interrupted at some future date.

Mr. DOMINICK. So what the gentleman is saying is that within the next year we are going to be spending or obligating over $11 billion on foreign aid and military programs?

Mr. MORGAN. No; this $6.6 billion is already obligated, minus $100 million.

Mr. DOMINICK. But we will be spending it.

Mr. MORGAN. We are spending it over a period of years. When it is obligated, the money is put aside to pay for commodities and projects when they are completed. As far as this $6.6 billion is concerned the money is already appropriated and is set aside to pay for the material as soon as it is manufactured and delivered.

Mr. DOMINICK. On page 4 of the report, again referring to unexpended balances, it says that we have $6.8 billion, and on the previous page it is $6.6 billion. Where do we get the extra $200 million? What happens to that?

Mr. MORGAN. I think perhaps that is a mistake where rounded figures have been added. I think the correct figure is $6.8 billion.

Mr. DOMINICK. Perhaps the gentleman can help me on this. We had the debate on the trade bill the other day when it was pointed out that on a commercial basis our trade was profitable; that is, we were exporting more than we were importing. The general feeling was that our loss of gold was based on the foreign assistance programs, our military bases, and things of that kind. Yet I find on page 5 of the report that most of our military assistance funds are spent within the United States—82 percent, and that 73 percent of the economic aid funds will be spent here.

Mr. MORGAN. That is correct.

Mr. DOMINICK. If that is correct and if we have a profitable balance in our regular trade program, how does it happen that we have a $3.5 billion unfavorable balance of payments each year? Where is it going?

Mr. MORGAN. We point out in this paragraph that the foreign-aid program is not the real villain responsible for the outflow of gold. The gentleman well knows that we have our own oversea bases and U.S. forces stationed overseas. These military expenditures from our own military funds which have nothing to do with the foreign aid bill alone account for $3 billion of our oversea payments.

Mr. DOMINICK. For the military bases overseas?

Mr. MORGAN. Yes.

Mr. DOMINICK. All right. That helps on that question.

Now, was any correlation made by the administration before the gentleman's committee in the fact that, as the report says, they want to help and assist private investors in the less developed countries, but in connection with the trade bill the administration said that they did not want American companies going to Europe at all because they wanted to keep the jobs here. Was any correlation made in programs pushing private investing in areas where there is no market and programs resisting investment where there is a market? So do we say to our private investors, "You cannot go to Europe where you might make a profit, but you can go to the less developed countries," and you have to guarantee everything out of the Federal Government?

Mr. MORGAN. It is a question of whether we try to help them. In the first place, we try to encourage American investors to go to the less developed countries because this reduces their need for economic aid. We are no longer providing economic aid to Europe.

Mr. DOMINICK. Has this been helpful?

Mr. MORGAN. It has been helpful. We offer investment guarantees to encourage investment in underdeveloped countries.

Mr. DOMINICK. Why would it not be helpful in Europe?

Mr. MORGAN. Europe does not any longer need any help under the aid program. We are trying to help the economies of less developed countries around the world.

Mr. DOMINICK. We have had some discussion of the question of cutting off aid to nations which have already expropriated property. You say on page 31 of the report:

> The committee reached the conclusion that action of this nature would not be in the interest of the owners of the seized property.

How did we arrive at this conclusion? How did the committee come to a conclusion that it would not be of value to the owners of the seized property to say that these countries are not to get any more aid until the investors get back the money they put in?

Mr. GALLAGHER. If the gentleman will yield, the State Department feels that——

Mr. DOMINICK. I am not interested in hearing about the State Department.

Mr. GALLAGHER. The State Department testified before the committee and said this would not be an area where there could be an association if such an amendment or provision immediately cut off foreign aid, that that would be so in many of the countries where the foreign aid is little compared to the investments that American companies may have in these countries. So what we have as making a break in these associations may play right into the hands of those who expropriate the property. We feel that we should do this by an appropriation law.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman from Indiana.

Mr. ADAIR. With respect to the statement the gentleman has just read, there are those on the committee who feel we ought to take very strong action with respect to expropriation. We feel that if we do not take strong action then the flow of private capital to the less developed countries will almost entirely cease and the program thereby will suffer. I want to make it very clear to the gentleman that there are some members who feel strongly about it, even those who did not sign the minority report.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. In connection with the quotation about the expropriation, it seems to me, and I might say I did not sign the minority report, that the property that has been expropriated is not going to be more easily recompensed if we should make this retroactive.

It was felt that negotiations are presumably currently underway in order to get compensation for these seized properties. But there was less likelihood of reaching a successful conclusion, if we made this provision retroactive, than if we said, "Hereafter if you seize property, you will be disqualified from receiving further aid."

Mr. DOMINICK. It is my understanding that the President, in connection with the expropriation in Brazil, recently, said that we had made magnificent progress in doing something for the telephone company whose property was seized because he had received from the head of Brazil an agreement that Brazil would pay a little more—according to their own appraisal—under the proviso that the money would have to remain in Brazil in Brazilian currency and be used in some other kind of industry down there.

Mr. FRELINGHUYSEN. The gentleman does not suggest that magnificent progress would be made if these expropriations would be made retroactive? I take it that is not his conclusion?

Mr. DOMINICK. My point is, it seems to me that we should have bargaining powers here which would give a lever by which we can show to these countries that are seizing American properties that they must be paid for.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman.

Mr. ADAIR. I would like to say to the gentleman from New Jersey that I feel a great deal more progress would be made if we took a firm line. Statements have been made publicly to the effect that negotiations are going underway. In fact, there has been no progress at all reported of any substantial nature. I think we need to show that we are firm and when we do that, progress will be made in all these expropriation cases.

Mr. DOMINICK. I thank the gentleman.

Last year, and this is shown on page 71 of the report, we passed section 620(b) of the act which says:

> No assistance shall be furnished under this act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

The gentleman from Massachusetts [Mr. Morse], the gentleman from Connecticut [Mr. Sibal], the gentleman from Kansas [Mr. Ellsworth], and myself have sent a letter to the President of the United States asking whether he has determined that Poland and Yugoslavia are not dominated or controlled by the international Communist movement. We have not received any reply. I would like to know from the chairman whether the committee has received any such determination from the President.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to anyone who thinks he has the answer.

Mr. GALLAGHER. Poland has received no aid under the bill. Therefore, a determination would not have to be made. Public Law 480 is not applicable to this bill and, therefore, such a determination is not within the province of the President to make, which is probably why he has not answered.

Mr. DOMINICK. I would like to go into this just a little bit further. Are you trying to say to me and to the rest of the Congress here that no aid has been given to Poland except Public Law 480 in the last year?

Mr. GALLAGHER. No aid has been given other than that which this body specifically authorized, in order to avoid the provisions of the Battle Act. With respect to Yugoslavia, the President has made such a determination, that Yugoslavia was not furthering the international Communist movement.

Mr. DOMINICK. When was that determination made?

Mr. GALLAGHER. At the time at which our aid was given under the 1961 act and prior to that when the House authorized such aid be given to Yugoslavia and I think the amount was in excess of $2 billion.

Mr. DOMINICK. Is there a written statement signed by the President that Yugoslavia is not dominated or controlled by the Communist movement and, if so, who is Mr. Tito?

Mr. GALLAGHER. The amendment which the President has complied with is section 143 which is as follows:

> Assistance to Yugoslavia.—In furnishing assistance to Yugoslavia, the President shall continuously assure himself that (1) that Yugoslavia continues to maintain its independence (2) that Yugoslavia is not participating in any policy or program of Communist conquest of the world and (3) that the furnishing of such assistance is in the national interest and security of the United States.

Mr. DOMINICK. I thank the gentleman for making this clear, for we have not had any answer. In view of the gentleman's reply that the President has publicly determined that the Government of Yugoslavia is not dominated or controlled by Communists, it will be my pleasure to endorse the amendment to be offered by the gentleman from Texas [Mr. Casey], which will flatly prohibit aid to such governments. It seems apparent to me that Tito and Gomulka dominate and control Yugoslavia and Poland with the aid of Russia and if the President has determined to the contrary I feel he is wholly wrong. I cannot see any necessity for a policy under which we strengthen the government of a country which is imposing communism on the people of that country by force. It seems to me we should be working for the people, not for the government.

Mr. GALLAGHER. We are working for the people of Poland in this amendment.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. Fascell].

Mr. FASCELL. Mr. Chairman, I rise in support of the pending legislation. I find nothing in the next fiscal year which would encourage me in any way to think that we can in any sense change or reduce our economic offensive or that in any way the Communists have receded one bit in using economics as a weapon in the cold war. Therefore it behooves us, in my judgment, to use this bill to the best of our capability in our own national interest.

In saying this I do not in any sense slight or derogate the humanitarian aspects of what the American people have done, because, despite all of the pessimism and the arguments against the legislation, the record of the American people in regard to what they have been able to do under this legislation will undoubtedly be the greatest record of mankind, and certainly is today the greatest record man has ever written in behalf of his fellow man. And who here today cannot take great pride in the fact that notwithstanding all of the trials and tribulations and the great wars and sacrifices involved, the great challenges inside and outside of this Nation of 180 million people have faced, the Americans have done more for other people of the world willingly, happily, even gratefully, than any other nation of people in the history of mankind.

So I do not back away from my support of this legislation one whit. In the face of this tremendous record of accomplishment in fact I can support it even more strongly as we look into the days ahead and realize what we as Americans will be called upon to sacrifice in order to preserve for our children the heritage which we have for ourselves.

There is one particular section of the bill to which I would like to address myself, for I believe it stresses very well an issue in which we are all interested, and that is assistance which we can give to the private sector of business in helping other people to help themselves. I refer specifically to section 103(a)(2) of the bill which deals with the problems of all-risk guarantees. I think the guarantee program, while slow in getting generated, is one of the best things that we will have done in this type of act in making it possible for our people to invest money in the lesser developed countries of the world, to build up their economies, allow our people to make a profit, and accomplish many things at the same time with the least amount of cost involved. This is where the all-risk guarantee section comes in which we wrote into the act.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield.

Mr. MONAGAN. Is it not true that other countries of the free world are making guarantees of this type to their nationals?

Mr. FASCELL. Yes, it is.

Mr. MONAGAN. Particularly in Latin American areas?

Mr. FASCELL. I thank the gentleman for making that observation. This is exactly the point I am referring to in this all-risk enlargement that deals with housing, but specifically that section dealing with Latin America in the field of housing. Basically what we did was this.

Under the risk guarantee we could guarantee up to 75 percent of the investment. What the committee did was to enlarge that guarantee with respect to housing so as to make it 100 percent. The facts of life are these: We have all types of building contractors who would like to go to Latin America, who would like to put their talents to use, who would like to make money there and do something for the people in those countries, but they cannot get into those countries because they need guarantees for their loan money and they have not got that right now. No banking institution is going to go in on a 75-percent guarantee when they can lend the money in the United States on a 100-percent guarantee. In order to accomplish that which we all agreed on, the thing for us to do, therefore, is to enlarge this guarantee so as to make it possible for our institutional lenders to be protected so that they may construct houses in Latin America in the private sector of this program.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Mills, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, had come to no resolution thereon.

ADJOURNMENT UNTIL WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

FOURTH OF JULY IN SOUTH DEERING

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I have returned from my district on the South Side of Chicago with a renewed and intensified faith in the future of our Republic.

Never have I witnessed a more moving, compelling, and convincing demonstration of patriotism, in the mold of old-fashioned Americanism and in the spirit of the Declaration of Independence, than when on the night of July 4, 1962—the 186th anniversary of the Declaration of Independence—60,000 persons—men, women, and children—stood under the stars at Trumbull Park and with one mighty voice took the same pledge that united the Members of the Continental Congress that passed the Declaration of Independence and of the signers of that imperishable document.

> We pledge to each other—

Came from the voices of 60,000 Americans of today reaffirming in their generation the pledge of our forefathers of 1776—then a pause, and again 60,000 voices joined in completing the pledge of our forefathers—

> our fortunes, our lives, and our sacred honor.

That, Mr. Speaker, was the pledge that bound together the immortal fathers of our Republic. At the very commencement of their great undertaking, and fully realizing that failure would mean the forfeiture of their fortunes and doubtless the loss of their lives, they took this pledge to each other, the pledge of their fortunes and their lives and their sacred honor.

On July 4 of this year there in Trumbull Park at perhaps the largest Fourth of July celebration in Illinois and one of the largest in the Nation, this mighty gathering of 60,000 present-day Americans in unison took the same pledge. It was an occasion the memory of which will live with all who participated.

Mr. Speaker, I respectfully would suggest to committees, nationwide, planning local Fourth of July celebrations, that this great gathering at Trumbull Park may well have established a pattern of mass participation in the annual observances of our Nation's birthday.

In our generation is the same challenge to sacrifice and suffering, if necessary, to preserve our national heritage and to keep our country always clean and strong to perform its mission under God for all mankind.

In all the generations that shall follow there will be the same challenge. What a wonderful and inspiring custom if always through the years and through the centuries as Americans gather to celebrate our Independence Day they would join, as did the gathering in Trumbull Park, in pledging to each other their fortunes, their lives, and their sacred honor ever to keep America clean and strong to fulfill its mission under God for all mankind.

Mr. Speaker, the South Deering Improvement Association is doing an effective job in building in its community the spirit of patriotism and of friendliness in working together as teammates in the great adventures of life. It works the year round bringing people together, providing recreation and wholesome interests for the young and the old, and on the Fourth of July it devotes the entire day to a long program of events, beginning with the imposing and inspiring parade in the morning and the speaking and the fireworks in the evening that has won for it a national recognition.

Not only the great South Side of Chicago, which directly benefits, but all the Nation, to which the South Deering Improvement Association furnishes a pattern for patriotic endeavor, owes a debt of gratitude and of appreciation to Louis Dinnozenzo, president of the association, Patrick J. Allman, its attorney, Joseph Grande, general chairman of the Fourth of July celebration, Alderman Emil V. Pacini, and all the others who cheerfully gave countless hours and days to the good work of this fine association.

Also present and contributing mightily to the success of this memorable Fourth of July celebration were the Reverend Michael J. Commins, pastor of St. Kevin's Church, the Reverend William Vernon, pastor of the South Deering Community Church, Judge Felix Buoscio, Alderman Dominic Lupo, State Senator Daniel Dougherty, State Representative Henry Lenard, State Representative Nick Svalina, State Representative Augie Ruf, and sanitary district trustee John Henneberger.

YOUTH CONSERVATION CORPS PROGRAM

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, both the Department of Agriculture and the Department of Interior will actively participate in the conservation work and programs to be carried out through the Youth Conservation Corps created by H.R. 10682 now pending before the Rules Committee. Some Members have asked why one of these agencies should not be given the primary responsibility for the administration of the corps. In this regard I would like to have inserted in the RECORD at this point letters that I have received recently from the Secretary of Agriculture and the Secretary of the Interior.

The letters referred to follow:

THE SECRETARY OF THE INTERIOR,
Washington, D.C., June 27, 1962.

HON. CARL D. PERKINS,
House of Representatives,
Washington, D.C.

DEAR CARL: It has been brought to my attention that a number of Congressmen would like to see the Youth Conservation Corps program housed in either Agriculture or Interior.

As the primary natural resources agency of the Federal Government, the Department of the Interior has five of its bureaus prepared to participate in this program—the Bureau of Land Management, the National Park Service, the Fish and Wildlife Service, the Bureau of Indian Affairs, and the Bureau of Reclamation. Detailed plans have been formulated by these bureaus on camp location and project work in reforestation, range revegetation, park and recreational area facilities, wildlife refuge habitat, and a wide variety of other conservation improvements. I have been informed that the Forest Service will be the principal U.S. Department of Agriculture agency involved. It is our understanding that the Department of the Interior and the Department of Agriculture will carry out direct responsibility for field management and supervision of the corps under delegation of authority from the Secretary of Labor.

I feel, however, that the responsibility for initial coordination should remain with Labor, as your bill now states.

Both recruitment and processing of the youngsters for this program will be conducted primarily by State employment agencies. The Department of Labor enjoys a working relationship with these agencies which makes them the logical aegis for coordinating the program.

The proposed bill establishes a Youth Conservation Commission (title I, secs. 5 and 6) which will be comprised of representatives of Agriculture, Health, Education, and Welfare, and Interior, and chaired by the Director of the Youth Conservation Corps. It will become the function of this Commission, I understand, to develop policies which will guide the program and its administration. Moreover, it will satisfy the need for coordination among the Departments involved.

It is, I feel, in the interest of economy and efficiency in administration that existing machinery be utilized to its fullest extent. Therefore, cognizant of the employment phases of this program, which by their very nature are closely related to the labor field, I recommend that the Director of the Youth Conservation Corps, as general coordinator to administer the program under the policy guidelines set by the Youth Conservation Commission, be attached to Labor.

Sincerely,

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 19, 1962.

HON. CARL PERKINS,
House of Representatives.

DEAR MR. PERKINS: It has been brought to my attention that some folks feel the Youth Conservation Corps should be placed in the

Department of Agriculture or the Department of the Interior rather than in the Department of Labor. It is my considered view that the Youth Conservation Corps should be administered by the Department of Labor, as proposed in H.R. 10682 and recommended in the report on H.R. 10682 by the House Committee on Education and Labor. It is significant that the old CCC, as noted in the committee report, was operated by an independent agency and not by either of the Departments having conservation agencies. The proposal that the Youth Conservation Corps be established in the Department of Labor also provides that the governing body will be the Youth Conservation Commission. This Commission will consist of four members and be chaired by the Director of the Corps, a Presidential appointee. The other three members will be representatives of the Departments of Agriculture, Interior, and Health, Education, and Welfare.

The enrollee camps will be under the direct supervision of the conservation agencies for which the work is to be performed. Where the work is on State lands, under terms of the bill, the State agency will supervise the camps. The same conservation agencies will direct the work. I believe such arrangements provide a simple administrative machinery which will insure adequate autonomy and control by men who have spent their whole working lives in conservation work.

I believe the Department of Labor is the proper agency to administer the Youth Conservation Corps because it is the most suitable Department to handle the problems of enrollee selection and is also best able to advise young men about employment opportunities upon return from their assignments. The main purpose of the Youth Conservation Corps is that its enrollees can be trained for and aided in finding regular employment. The Department of Labor, through its contacts with the State employment services, is in a uniquely good position to relate the capacities of enrollee applicants to the job and to advise intelligently the kinds of experience and training needed by the enrollees to help them find jobs when they return home.

The vast backlog of conservation work available for Youth Conservation Corps enrollees is distributed among the conservation agencies of both the Departments. For this reason, it is not logical to select either of them to administer the Youth Conservation Corps. We believe the administrative structure of the Youth Conservation Corps proposed in H.R. 10682 represents a sound and workable device for an agency which must necessarily depend upon the cooperative activity of four Departments of the Federal Government.

Sincerely yours,

Orville L. Freeman,
Secretary.

WILLIAM FAULKNER

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, death came Friday to the man who was Mississippi's greatest contribution to our country and to the world. Most citizens regarded him as the outstanding living novelist, and many regarded him as the greatest novelist of our century. Our State, our Nation, and the world have sustained an irreparable loss.

William Faulkner's most successful locale was always Mississippi, but he told a story of man's struggle for survival that overshadowed the pain and comedy, the triumph and tragedy of the South. Histories were symbolic of man's struggle the world over, and that is why he was widely read throughout the world.

Yoknapatawpha County, Miss., for future generations yet unborn, will be as familiar as the England of Charles Dickens, the France of Marcel Proust, and the Russia of Leo Tolstoy.

William Faulkner was a quiet, shy man, who instinctively withdrew from the glare of publicity that gathered around him. He liked best to regard himself as a traditional southern gentleman, aware of the shortcomings of our region and proud of its heritage.

The man whose immortal thesis in accepting the Nobel Prize at Stockholm, "I decline to accept the end of man," had an immediate and important message to intellectuals throughout the world. He undertook several missions, to South America and Japan, for our cultural exchange program, and his efforts were of great value.

Mr. Speaker, 11 years ago I had the honor of placing Mr. Faulkner's Stockholm speech in the Congressional Record. Under unanimous consent, I include it again, together with President Kennedy's tribute, and obituaries and appreciations from the New York Times, the London Times, the Manchester Guardian, and Le Monde, of Paris, as well as tributes by Endora Welty and Maurice Doblier:

NOBEL TEXT—AUTHOR BACKED OLD VERITIES

(On the presentation of the Nobel Prize for Literature to him in December, 1950, William Faulkner delivered a widely hailed speech on writing and the dignity of man)

I feel that this award was not made to me as a man, but to my work—a life's work in the agony and sweat of the human spirit, not for glory and least of all for profit, but to create out of the materials of the human spirit something which did not exist before. So this award is only mine in trust. It will not be difficult to find a dedication for the money part of it commensurate with the purpose and significance of its origin.

But I would like to do the same with the acclaim, too, by using this moment as a pinnacle from which I might be listened to by the young men and women already dedicated to the same anguish and travail, among whom is already that one who will some day stand here where I am standing.

Our tragedy today is a general and universal physical fear so long sustained by now that we can even bear it. There are no longer problems of the spirit. There is only the question: When will I be blown up? Because of this the young man or woman writing today has forgotten the problems of the human heart in conflict with itself, which alone can make good writing because only that is worth writing about, worth the agony and the sweat.

He must learn them again. He must teach himself that the basest of all things is to be afraid; and, teaching himself that, forget it forever, leaving no room in his workshop for anything but the old verities and truths of the heart, the old universal truths lacking which any story is ephemeral and doomed—love and honor and pity and pride and compassion and sacrifice.

Until he does so, he labors under a curse. He writes not of love but of lust, of defeats in which nobody loses anything of value, of victories without hope and, worst of all, without pity or compassion. His griefs grieve on no universal bones, leaving no scars. He writes not of the heart but of the glands.

Until he relearns these things, he will write as though he stood among and watched the end of man. I decline to accept the end of man.

It is easy enough to say that man is immortal because he will endure that when the last ding-dong of doom has clanged and faded from the last worthless rock hanging tideless in the last red and dying evening, that even then there will still be one more sound; that of his puny inexhaustible voice, still talking.

I refuse to accept this.

I believe that man will not merely endure; he will prevail.

He is immortal, not because he alone among creatures has an inexhaustible voice, but because he has a soul, a spirit capable of compassion and sacrifice and endurance.

The poet's, the writer's duty is to write about these things. It is his privilege to help man endure by lifting his heart, by reminding him of the courage and honor and hope and pride and compassion and pity and sacrifice which have been the glory of his past.

The poet's voice need not merely be the record of man, it can be one of the props, the pillars, to help him endure and prevail.

[From the New York Times international edition, July 7, 1962]

FAULKNER'S NOVELS OF THE DEEP SOUTH GENERATED STORM OF LITERARY CONTROVERSY—ADMIRERS HAILED HIS APT PHRASES—THEY FOUND A TRAGIC NOTE IN HIS WRITINGS, BUT OTHERS CALLED IT PSEUDO-REALISTIC

New York, July 6.—The storm of literary controversy that beat about William Faulkner is not likely to diminish with his death. Many of the most firmly established critics of literature were deeply impressed by the stark and somber power of his writing. To these critics Mr. Faulkner dealt with the dark journey and the final doom of man in terms that recalled the Greek tragedians. They found symbolism in the frequently unrelieved brutality of the yokels of Yoknapatawpha County, the imaginary Deep South region from which Mr. Faulkner drew the persons and scenes of his most characteristic novels and short stories.

Actually Yoknapatawpha was Lafayette County and Jefferson town was the Oxford in the red hill section of northern Mississippi where William Faulkner was born and where his family had been deeply rooted for generations. The author once told a class at the University of Virginia that it was pronounced Yok-na-pa-TAW-pha and that it was a Chickapaw Indian term that meant "water passes slowly through flatlands."

While admitting that Mr. Faulkner's prose sometimes lurched and sprawled, his admirers could point out an undeniable golden sharpness of characterization and description.

CRITIC IS CITED

Of Mr. Faulkner's power to create living and deeply moving characters, Malcolm Cowley wrote:

"And Faulkner loved these people created in the image of the land. After a second reading of his novels, you continue to be impressed by his villains, Popeye and Jason and Joe Christmas and Flem Snopes: but this time you find more place in your memory for other figures standing a little in the background yet presented by the author with quiet affection: old ladies like Miss Jenny DuPre, with their sharp-tongued benevolence; shrewd but kindly bargainers like

Ratliff, the sewing machine agent, and Will Varner, with his cotton gin and general store. * * *"

Mr. Faulkner was an acknowledged master of the vivid descriptive phrase. Popeye had eyes that "looked like rubber knobs." He had a face that "just went away, like the face of a wax doll set too near the fire and forgotten."

Many critics contended that Mr. Faulkner served up raw slabs of pseudorealism that had relatively little merit as serious writing. They said that Mr. Faulkner's writings showed an obsession with murder, rape, incest, suicide, greed, and general depravity that did not exist anywhere but in the author's mind in anything like the proportions that these subjects assumed in his novels and short stories.

HATED TALK ABOUT LITERATURE

A favorite gambit of the detractors of Mr. Faulkner's writings was to produce a condensed and completely deadpan description of his plots. The result was often a horrendous compilation of wickedness and jibbering. As for Mr. Faulkner, he seldom argued about his work. He detested talk about literature. He said that when one of his books was about to be published he had to remind himself that strangers were going to read it.

William Faulker was born in New Albany, Miss., on September 25, 1897. In the sharply stratified society that preoccupied Mr. Faulkner in his writings it could be said that he came from an upper middle class family—one not quite of the old feudal cotton aristocracy.

The first Falkners—the "u" is a recent restoration by William Faulkner—came to Mississippi in the 1840's. The family is replete with colonels, one of whom was assassinated on the street by a business rival. William Faulkner was the oldest child of Murray Falkner and Maude Butler Falkner. Murray Falkner at one time ran a livery stable in Oxford and later became business manager of the University of Mississippi at Oxford.

In William Faulkner's fiction the Sartoris clan is the Falkner family. The Sartorises are forced to make humiliating compromises with the members of the grasping and upstart Snopes family.

"General Johnston or General Forrest wouldn't have took a Snopes into his army at all," a character says.

William Faulkner played quarterback on the Oxford high school football team and suffered a broken nose. He failed to be graduated. Later he wrote: "Quit school to work in grandfather's bank. Learned medicinal value of his liquor. Grandfather thought it was the janitor. Hard on the janitor * * *."

SERVED IN R.A.F.

World War I service as a British Royal Air Force pilot gave Mr. Faulkner material for such hair-raising tales as "Pylon." Back home, he was a special student at the University of Mississippi for a few months and became postmaster at the hamlet of University near Oxford. He was fired for reading when he should have been distributing mail.

Mr. Faulkner's period of literary apprenticeship included a foray into New York literary circles that ended in a brief and unhappy interlude as a clerk in the book department of Lord & Taylor. He was briefly a newspaper reporter in New Orleans where he saw something of Sherwood Anderson, who gave him valuable counsel. Mr. Faulkner's interest in writing and books owed much to Philip Stone, a family friend in Oxford. Mr. Stone, who was somewhat older than Mr. Faulkner, had attended Yale and had an excellent library which he made available to young Faulkner.

"The Marble Faun," a book of poems by Mr. Faulkner, appeared in 1924. Reviewers found the poems somewhat derivative. His first novel, "Soldiers' Pay," published the following year, was found by the reviewer for the New York Times to "show a deft hand" in the working out of a "narrative of mixed and frustrated emotions."

With the publication of "The Sound and the Fury" in 1929, Mr. Faulkner gave strong indications of being a major writer. The critics found in it something of the world-intoxication of James Joyce and the long, lassolike sentences of Henry James.

"Sanctuary," published in 1931, was a roundhouse shocker and Mr. Faulkner's most popular and bestselling novel. However, his friends did not believe him when he said that he had written it only for money.

MANSION IN MISSISSIPPI

Mr. Faulkner lived and did most of his writing in Oxford in a beautiful old colonial house that he bought in 1930. He was a slightly built man who carried himself somewhat tensely and when he was bothered or bored he could exhibit quick anger. He had thick iron-gray hair and a dark mustache and aquiline nose. When he felt like it he could be charming and his manners were impeccable. His accent was the easy drawl of the Deep South.

The clash of opinion over the question of desegregation in the public schools drew Mr. Faulkner somewhat out of his general aloofness to problems of that type. In 1956 he was interviewed and wrote on the problem of the Negro in the South. His writing on the subject showed a somewhat agonized attempt to understand several points of view on the question.

On June 20, 1929, Mr. Faulkner married Mrs. Estelle Oldham Franklin, who had two children by a previous marriage. One daughter, Jill, was born to the marriage of Mr. Faulkner and Mrs. Franklin.

Mr. Faulkner was among the Nobel Prize laureates invited by President John F. Kennedy to a White House dinner this year. At the time the novelist was with the University of Virginia and was living at Charlottesville. He said: "Why, that's a hundred miles away. That's a long way to go just to eat."

Mr. Faulkner's principal books include the following: "The Marble Faun" (poems), 1924; "Soldiers' Pay," 1926; "Mosquitoes," 1927; "Sartoris," 1929; "The Sound and the Fury," 1929; "As I Lay Dying," 1930; "Sanctuary," 1931; "These Thirteen," 1931; "Idyll in the Desert," 1931; "Light in August," 1932; "Green Bough" (poems), 1933; "Pylon," 1935; "Absalom, Absalom!" 1936; "Unvanquished," 1938; "Wild Palms," 1939; "The Hamlet," 1940; "Go Down Moses and Other Stories," 1942; "Collected Stories of William Faulkner," 1950; "Requiem for a Nun," 1951; "A Fable," 1954; "Big Woods," 1955, and "The Reivers," 1961.

AUTHOR GAVE LIFE TO FICTIONAL COUNTY

(By Eudora Welty)

JACKSON, MISS., July 6.—William Faulkner saw all the world in his fictional county where we can see it now—where he made it live. His work is a triumphant vision. This vision, like life itself, has its light and dark, its time and place, and love and battle, its generations of feeling, and its long reaches of what happens to people out there and inside, in heart and mind, which is so much.

Of course he wrote what was more, and will remain more, than others knew before him; he has instructed as well as moved and amazed us, a great artist.

So unmistakenly born out of knowledge of his own, out of sense and feeling (love, apprehension, outrage, compassion, pride, grief) for his own, his novels and stories were built at every step and stage out of his long passion of seeing the life he knew by seeing as well as he could into it and around it.

All this required, and took, an imagination that has shone incomparably the brightest in our firmament.

What is great and puny, what is tragic and uproarious about us all in our own dogged lives everywhere, is a living life itself on any page of his. And in literature it is this that matters and always will matter.

Humanity was his subject, but he was a poet when he was born to see what he saw. Laid, nearly all of it, at home in Mississippi, his work has a poet's authority by which it travels the world and puts the world to measure. Indeed, these days, it seems itself when the world does not.

We have learned lately that it sank into the bones of the Japanese as readily as into ours here. Though once you could buy his books in France, I believe, and not in New York, except with luck at second-hand, and not anywhere in Jackson, Miss.

Surely he never wrote a line except what his own eyes, ears, memory, and his poet's imagination told him what was not "true" but truth.

He went out on every limb, I believe, that he knew was there.

[From the New York Herald Tribune (Paris)]

FAULKNER LABORED IN LONELINESS, SERVED IN WAR, PEACE

(By Maurice Dolbier)

NEW YORK, July 6.—"What we made never quite matched and never will match the shape, the dream of perfection which we inherited and which drove us and will continue to drive us, even after each failure, until anguish frees us and the hand falls still at last."

The hand that wrote those words and the soft, rapid voice that spoke them at the National Book Award ceremonies in New York in 1955 has fallen still. But in the cosmos he created and called Yoknapatawpha County, there is motion, ceaseless and timeless.

"Since man is mortal," William Faulkner once told an interviewer, "the only immortality possible for him is to leave something behind him that is immortal, since it will always move. That is the artist's way of scribbling 'Kilroy was here' on the wall of the final and irrevocable oblivion through which he must someday pass."

LONELY ARTIST

In his lifetime, Mr. Faulkner was one of the most written about of all American authors. He was both a very private man and a very public figure, an artist who labored in the loneliness and silent passion of his craft and a citizen who did service for his country in war and peace.

He was the quiet-spoken countryman of Oxford, Miss., hunting, fishing, swapping yarns and sharing bourbon with his neighbors, and the Nobel Prize winner whose acceptance speech in Stockholm, affirming the dignity and indestructibility of man, was a trumpet call at a time when defeatism was in the air.

Critics will continue for years to write about the influences that shaped Faulkner's work and the influence that his work had upon others, his symbols and his time-sense, where they think he succeeded and where they think he failed.

Faulkner didn't care about critics. He recognized that they, too, were Kilroys trying to say they were here.

His only interest was in trying to meet his own standards and in "shooting higher than you know you can do." To match the work to the image was impossible, but Faulkner was the kind of artist for whom the impossible was the only thing worth attempting.

HELP TO YOUNG PEOPLE

In his later years, Faulkner's influence was extended to a far wider area than the literary one. He spent much time with and gave counsel and encouragement to young people. The view of life that he offered them is in his words to a graduating class at the University High School in Oxford, Miss.:

"It is not men in the mass who can and will save men. It is man himself, created in the image of God so that he shall have the power and the will to choose right from wrong, and so be able to save himself because he is worth saving; man, the individual, men and women who will refuse always to be tricked or frightened or bribed into surendering, not just the right but the duty, too, to choose between justice and injustice, courage and cowardice, sacrifice and greed, pity and self—who will believe always not only in the right of man to be free of injustice and rapacity and deception, but the duty and responsibility of man to see that justice and truth and pity and compassion are done."

Faulkner was here.

[From the New York Times]

KENNEDY PRAISES FAULKNER'S WORK—CALLS HIM "GREAT CREATOR"—OTHERS PAY TRIBUTE

NEW YORK, July 6.—President Kennedy praised William Faulkner yesterday as one of the "great creators of this age."

Mr. Kennedy's statement, issued within hours of the novelist's death, was one of many tributes by authors and public figures the world over. Their general tenor was that America's lone remaining literary giant was gone.

The comments and messages even from those who objected to some of Mr. Faulkner's writing, took note of the impact of his art on American letters.

"Since Henry James," President Kennedy said, "no writer has left behind such a vast and enduring monument to the strength of American literature."

SAYS WORKS WILL LIVE

The President, who, like Mr. Faulkner, had won a Pulitzer Prize in literature, described the Mississippi author as "a guiding citizen of our civilization by virtue of his art" and he predicted that Mr. Faulkner's works would live long after him.

The President's statement said in full:

"It can be said with assurance of few men, in any area of human activity, that their work will long endure. William Faulkner was one of those men. Since Henry James, no writer has left behind such a vast and enduring monument to the strength of American literature.

"His death came in Oxford, Miss., in the heart of the setting for that turbulent world of light and shadow which was the towering creation of his mind and art. From this world he sought to illuminate the restless searching of all men. And his insight spoke to the hearts of all who listened.

"A Mississippian by birth, an American by virtue of those forces and loyalties which guided his work, a guiding citizen of our civilization by virtue of his art, Willam Faulkner now rests, the search done, his place secure among the great creators of this age."

CERF OFF TO OXFORD

One of the first tributes came from Bennett Cerf, head of Random House, Mr. Faulkner's publisher, and a friend of the novelist for more than 30 years.

"I'm terribly shocked," he said before leaving his suburban New York house to go to Oxford Miss., where Mr. Faulkner lived and died.

"Besides being one of the greatest authors of our times, he was about as fine a gentleman as I have ever met in my whole life," the publisher remarked. He said that he had never seen "Bill Faulkner do anything that wasn't gallant, fine and the mark of a perfect gentleman."

A leading British novelist, Sir Charles Snow, better known as c. p. snow, went beyond the bounds of the American scene to rank Mr. Faulkner among the world's great modern writers. He termed the death a "major loss for the world of literature."

"He was one of the great writers of our time," Sir Charles said, "difficult, but very American, very much in the great American line. Mr. Faulkner was enormously admired all over the world. Possibly he was admired more than read."

[From the London Times, July 7, 1962]

MR. WILLIAM FAULKNER: A GREAT NOVELIST

Mr. William Faulkner, who died yesterday in Oxford, Miss., was one of the few living novelists to whom the adjective "great" could be applied without much fear of overstatement. He was 64.

He was born on September 25, 1897, in New Albany, Miss., the eldest of the four sons of M. C. Falkner. During the First World War Faulkner (he later changed his name) left high school to join the Canadian Flying Corps and, on his return, entered the University of Mississippi at Oxford, to which his family had moved when he was a child. He took no degree, however, and, after various jobs and trips to New York and New Orleans, settled down to a career of writing.

His first published volume was a book of poems, "The Marble Faun," in 1924, and his first novel "Soldiers' Pay" (1926). After the lukewarm reception of his second and third novels, "Mosquitoes and Sartoris," Faulkner had the idea—prompted, so legend has it, by his lawyer friend Mr. Phil Stone—of writing to please himself and not the public. The result was "The Sound and the Fury" (1929), one of his finest works.

With the publication of "The Sound and the Fury" there began that series of novels which became known as the "Yoknapatawpha Saga," since they were based on the town of Jefferson in the county of Yoknapatawpha, Miss., of which its author once drew a map with the legend "William Faulkner, Sole Owner and Proprietor."

The best of Faulkner's novels: "The Sound and the Fury," "As I Lay Dying," "Light in August," "Absalom, Absalom!," and "The Hamlet" have been located in his home State. Towards the end of his life, after the publication of the ambitious but only partially successful allegory "A Fable," he turned even more earthily and realistically to his native soil with the publication of "The Town," "The Mansion," and "The Reviers."

Throughout his life Faulkner thought and wrote of himself as a poet. He said once, in an interview given to the Paris Review, that when he had satisfied himself that he could not be a great poet he turned to short story writing, and that when he had, later, proved to himself that he could not be a great short story writer he turned to the novel form. His poems, certainly, were not good, tending to fancifulness or imitation; but his poetic sensibility was exploited to the full in his novel.

The difficulty of his style seems to arise from the fact that he perceived, and wished to convey for any given situation, a variety of nuances. Another cause of obscurity lay in his attempts to grapple with the novelist's problem of consciousness in relation to time; the same problem of how to convey the multiple events and still more multiple meanings contained in a single moment of time that Proust, Joyce, and Virginia Woolf tackled each in their individual way.

DIALOG REALISM

The success with which, in his best work, he managed to "hold time in his hand" is shown in "Absalom, Absalom" and "Intruder in the Dust." It was because he ballasted his psychological exploration with immediacy of description and realism of dialog that his work presents such a rich—and at first bewildering—texture.

That Faulkner was a southerner one would know from his scenes and characters, but the southern quality was also subtly present in his style. There was something of the cracker-barrel politician in his rhetoric, something of Poe's Gothic in his atmosphere. He suited his style to his subject. When he was dealing with primitives, as in "As I Lay Dying" and the Benjy section of "The Sound and the Fury," he could be simple and colloquial; when he was writing of sophisticates, as in the Quentin section of "The Sound and the Fury" his style was involuted and complex. But scratch the literary craftsman, the officer-romantic with the horn of Roland in his ears, and one found an earthy countryman. ("I'm only a farmer" he is supposed to have said when asked to look distinguished for the Nobel Prize gathering.) This "country" quality came out well in his last four novels. His favorite reading was reported to be the "Sut Lovingood" stories of George Washington Harris, and he liked nothing better than to go hunting with his friends from Oxford.

After the Second World War Faulkner's stature as a novelist was fully recognized. He brought to life a fictional world, the highest mark of a novelist's achievement, he developed a distinctive unmistakable style, and, under cover of his own myth of the South, he created stories with universal implications. One has only to savor the complex, rich, and subtle texture of Faulkner's writing to know that, for all the critical diatribes about his violence, his primitivism and his obsession with lust an incest, here is a great literary imagination. But it is not only that. Were it only that, Faulkner would not have been great. What made him great, to quote his own Nobel Prize address, was his single-minded concern with "the old verities and truths of the heart, the old universal truths lacking which any story is ephemeral and doomed—love and honor and pity and pride and compassion and sacrifice."

[From LeMonde, Paris]

THE DEATH OF WILLIAM FAULKNER

(By Marcel Brion)

William Faulkner's death plunged the entire literary world into mourning. Suddenly it brings us to consider as a whole a work which is properly one of the most "monumental" of contemporary novels. The author himself seemed to have put the finishing touch on this work almost as long as "The Human Comedy" when he wrote in the preface to his last novel, "Le Domaine," published in France a few months ago: "This book is the final chapter and the end of a work conceived and begun in 1925."

It was 34 years ago that Faulkner had undertaken this extraordinary portrayal of American society in the Southern States, and he had been so captivated by his characters that he could not separate himself from them after he had infused them with life. When a hero of a novel truly lives, it seems necessary to elaborate or develop him for an indefinite, and perhaps infinite, time.

More than merely describing a social class, what interested him was developing characters throughout all human experiences and even carrying them over into succeeding generations. Individual destinies become entwined from one volume to another, and as life progresses, new sitations are depicted which bind the sons to the fathers through the relentless destiny which hangs over the families. Ancestral hate smoulders for a long time, then bursts forth in violent flames, and everything which seems to have been forgotten or overlooked suddenly surges forth with glaring obviousness.

Even that sort of sleepy inertia which one notices in certain characters only denotes the expectation of that moment when they will overtake other fully evolved figures and henceforth intermingle their destinies.

William Faulkner was actually, in fact, one of those "novelists of temperament" who identifies himself with his characters and who seemed incapable of detaching himself from them, or them from him once they have gained "three dimensions" which is the greatest thing in life for fictional creatures. This is the spell cast upon the reader when he opens one of Faulkner's books. William Faulkner himself seemed to be the first to fall under the spell.

For him, the imagination was an awe-inspiring faculty for inventing an entire region so well delineated by his strength of mind that the myth is transformed into reality, and all his settings are "here and now," in Faulkner's country. The fields of cotton, great rivers, the color of dawn or clay, the small towns bustling yet somnolent with their Negroes, their "poor whites," their plantation owners proud of their ancestral heritage and new prosperity—all that lives and breathes just as powerfully, and sharply in our mind as Balzac's province, his notaries, his old maids and his castle-building adolescents.

Faulkner compels us to take for gospel truth that which it pleased him to invent. Doubtless this dominating fascination is due to an extraordinary quality of poesy, which succeeds in illuminating secret passions, consuming hatred and stifling carnal desires, whose very shadows are pierced by strange lights.

He rebels against the classical analysis of characters. He is interested (and this interests us) in those intermediary positions between crime and lunacy in which man seems to be led by some obscure evil design. Because of the moral standards of his characters, they are powerless to restrain their vital forces but more readily follow their sinister instincts either well within or beyond reason, without any degree of the "normal" conduct required by a civilized society, no matter how much reminded of it.

The collection of Faulkner's novels are living—and they will continue to live—because they constitute not only a "saga" but give birth to a myth, to several myths. Thus, his complete works, with his vibrant architecture, stand out right now like the epic of an unending struggle between life and oblivion in this collection and in each individual work therein from "Sanctuaire" to "Domaine." The beings which he drew from the shadows * * * with that kind of cold arrogance toward destiny possessed by Homer's heroes. If it were necessary to compare this American novelist who has now returned to the land of shadows, to some other author, it would be to the tragic Greeks among whom he would find his true relationship, rather than among his fellow countrymen and contemporaries: Dos Passos, Steinbeck, Hemingway, themselves drawn by life's daily drama and imminent destiny.

It is not that the "fatum" of Atrides and Sartoris resemble them "historically." The Faulkner world is just of their time and country. But rising above the work is a torment of living and a restlessness for evolution, the divine or diabolical burden of which has not yet, I think, been fully measured. His unbroken third dimension, his equilibrium between substance and spirit assure him eternal life.

[From the Manchester Guardian]

THE PRIVATE GENIUS OF WILLIAM FAULKNER

(By W. J. Weatherby)

If William Faulkner had died before receiving the Nobel Prize, only a small group of fans would have mourned him. Now his sudden death in Oxford Miss.—or was it in Yoknapatawapha County?—calls for a tribute from the White House, even though Mr. Faulkner recently refused an invitation to dine there because, as he said, "It's too far to go to eat with strangers."

His long period of obscurity was due partly to the originality and complexity of his novels and partly to his refusal as a man to compromise in public relations. The Nobel Prize thrust him into the headlines in a way that perhaps could only happen in the United States, but Mr. Faulkner hardly altered his routine of farming and writing and giving the odd-lecture to people he approved of. If Hemingway was the public genius in the American writing field, Faulkner was the private one: a man who perfectly mirrored the books he wrote.

He came from one of the aristocratic families of the Deep South—a family that had declined in a social sense like the Sartorises in his novels. He was born in New Albany, Miss., but soon afterward his parents removed to Oxford where Faulkner attended high school, played with the idea of going to the university, but instead went off to the First World War in the Royal Canadian Air Force. When he returned to Oxford, he could not settle either as a man or as a writer. He tried odd jobs, he tried poetry, and then produced short stories in great quantities which he could not sell.

Sherwood Anderson—who with Mark Twain was one of the strongest influences on Faulkner's generation of American novelists—helped him to get his first novel, "Soldier's Pay," published, but neither that nor the next two novels he wrote brought him any money. He had to borrow the money to get married and he was then in his early thirties. He decided not to try to write books that would sell but just to write the "best I could," as he later described it.

The result was "The Sound and the Fury," his own favorite among his books and often rated as the greatest. It is a complex study of the decline of a southern family and highly experimental in technique, studying the same situation from several viewpoints and extending the range of stream of consciousness writing as used by Joyce. While stoking the furnace at night in a local powerplant, he wrote, "As I Lay Dying" which again studied the decline of a family from multiple viewpoints.

He had realized by now, as he said recently, that "I didn't need to write about interesting foreign places. There was more than enough in my own little postage stamp of earth to last me a lifetime." And he settled down to write the great epic of the Deep South which he set in the mythical county of Yoknapatawpha.

For about 10 years he wrote "at the top of my talent" and produced "Light in August," a vast novel about segregation (spiritual as well as social); "Absalom, Absalom," more about the significance of the family; "Go Down, Moses," which included his great short story of the wilderness which he used as a symbol of the past, "The Bear"; "The Unvanquished," his tales of the Civil War which had marked Yoknapatawpha for eternity. The titles perhaps are not too important for, more than most novelists, Faulkner must be read for the body of his work. The characters, the place and the problems reappear in book after book, a reflection of the Faulkner saying that "You just always know the past for there is no real 'was,' 'there is only is'."

In his later life, when fame brought him reporters to jot down his most casual remarks, he was attacked for believing the South should solve its own racial problems. This was interpreted as meaning that Faulkner was really a go-slow conservative. Any reader of the Yoknapatawpha saga will know his feelings about segregation. He was brought up as a boy with Negroes and many of his stories reflect the deepest disgust with the behavior of many of his fellow whites. His favorite character was Dilsey, the old Negro grandmother in "The Sound and the Fury," and probably his finest short story, "Pantaloon in Black," described the heartbreaking grief of a young Negro at the death of his wife which the whites completely misunderstand.

What Faulkner would not endorse was the claim of the North to be the civilized leader and the South as the blind bigot. He was a southerner who knew the reasons for the breakup of the old system and why the materialism he represented in his Snopes family had arisen. But the materialism was as much of the North as the South: the Yoknapatawpha characters had the guilt of slavery to the work out for their salvation but in the end this was only a symbol of man's inhumanity, and this is where Faulkner's work rose to an international level. Other Deep South writers have written about the same situation and produced only local fiction: Faulkner saw Mississippi in terms of the most uncompromising tragedy.

It was not the tragedy that made popularity elude him but his thick, often clotted style: in later life his sentences sometimes stretched for pages. He said recently: "Part of the trouble is that I left school early and didn't do enough mathematics to get a properly disciplined mind, but I guess most of it is due to the fact that I tried to capture everything in every sentence. It was like trying to inscribe the whole of experience on the head of a pin. Something had to go and sometimes it was lucidity, sometimes it was the reader, and sometimes it was my point as a writer. I was never satisfied with anything I ever wrote. I always tried to say more than I had the talent to."

After his great period up to the Second World War, he seemed to relax, wrote less and what he did publish was more rhetorical and less tragic. As well as being a great tragedian, he is a humorist of the stature of Mark Twain, as his trilogy about the Snopes family shows, and more and more after fame came to him with the Nobel Prize, he used humor to reach his increasing audience. It was, as a friend remarked "as if Bill realized his best work was done and he could relax and enjoy himself as a writer."

Although a reserved man who hated the phoniness of public life, he followed his family's tradition of fighting publicly any local threats to democracy as he saw it. In his great period, he drank heavily, presumably to be able to live with so tragic a vision. He earned much of the money that enabled him to buy one of the old southern mansions in Oxford from Hollywood where he went occasionally to write scripts, including one or two for the late Humphrey Bogart. "Writing for movies and television is a fine way to get a regular paycheck, but it has nothing to do with real writing," he said recently.

These towering standards, both as writer and citizen, frightened many of his acquaintances, but they explain why he made such a mark—and so quietly—as both.

HEALTH CARE FOR SENIOR CITIZENS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, those who oppose the Kennedy administration's so-called medicare program will concede, I am sure, that regardless of the merits or demerits of the King-Anderson bill, the issue is serving an important purpose by focusing nationwide attention upon a real problem. Indeed, so much so that some weeks ago Time magazine said there is no longer a question of a health plan for the aged; rather it is a matter of what kind of plan there will be. In this connection, I am sure, most people agree that adequate medical and hospital care should be available to every older person, regardless of financial circumstances. The argument is over the means by which this medicare should be provided.

Some of my constituents seem to take for granted that because I sent out a questionnaire on this subject and the answers showed a majority opposed to health insurance under social security that I am against such a plan. I find myself listed as opposed to it and many letters reaching me indicate their authors are also under this impression.

Actually, this is not so. As a matter of fact at this point I have taken no firm position on any specific proposal now under consideration. Instead, I have made certain broad statements as to provisions which, in my opinion, should or should not apply to a health program. Likewise, I have pointed up, as a matter of information to my constituents, various benefits such as surgery and physician's care, and so forth, which are not included in the King-Anderson bill. Inasmuch as the King-Anderson proposal, H.R. 4222, is being widely acclaimed, and has administration support, I have felt that my constituents are entitled to know exactly what the bill would or would not accomplish. At the same time I stated and I state again that I have not closed my mind except on one point. I refer to the section 402 of the King-Anderson bill which, in my judgment, should be amended. This provision directs the Secretary of Health, Education, and Welfare to carry on further studies to develop recommendations as to additional types of health benefits and looking toward the broadening of the program. I believe, along with the medical profession, that the language of this section constitutes an open invitation for Federal bureaucrats to recommend constant expansion of the plan, with the door being opened to complete socialization of all medicine in the United States.

Therefore, as I have said, I would be compelled to vote against the bill unless this provision is changed. In this connection, under date of June 19, I wrote Secretary Ribicoff, after he had stated his willingness to consider "not compromises but alternatives" to the King-Anderson bill and I specifically asked the Secretary to inform me if he was agreeable to a change in section 402. As yet I have not received a reply to my inquiry.

My other criticism of the bill may be covered by the new bipartisan compromise proposal which is being considered by the Senate. For example, one of the new provisions which I support blankets in 2½ million persons not covered by social security, and also I understand retired persons without social security would be included.

In addition the Senate compromise version also permits a highly desirable option under which benefits could be used to finance premiums to private carriers. This I strongly support; in line with our free enterprise system this option is highly desirable and certainly, in my judgment, adds a great deal to the bill.

Contrary to the medical profession I believe that a social security tax is the most fair and efficient way of Federal financing. It allows workers and lower income persons to pay into a trust fund. This would be better, to my way of thinking, than financing any health program by congressional appropriations out of the general funds of the Treasury. With a trust fund the income, of necessity, must bear a relationship to the outgo. Therefore, it seems to me raising funds by this payroll tax to meet the cost of the program is preferable and more fiscally responsible than funding out of general taxation.

Mr. Speaker, I realize that a tax under social security is not voluntary, but I think this compulsory factor would be offset to some degree by a credit for payment to private institutions. I believe that State and private agencies should be given a role in administration of the program. This local management provision should be written into the bill and special care provided to assure against Federal control over hospital management. In other words there is a lot more to legislation than rubberstamp approval.

Certainly, Mr. Speaker, I would not expect any proposal on which the House might be called to vote to satisfy me on all points. However, I will never compromise on one basic principle. That is, I will never vote for a bill which could consititute a toe-in-the-door approach to socialized medicine. I am not against a health program which would provide a means of the people doing something for themselves with Government help, which otherwise they could not do. Especially, I think a plan to cover catastrophic illness is needed.

The impressive progress made by union-employee group insurance coverage through private competitive enterprise must not be voided. In fact, I would hope the Federal plan would lend itself to encouraging such contracts and establishing an objective of making it possible for more of our senior citizens to afford adequate private health insurance. Certainly, my personal experience in Congress with a Federal payroll deduction plan for hospital protection under a private insurance company is most satisfactory. I am sure other Members agree.

Mr. Speaker, I emphasize that in my district both the proponents and opponents of the King-Anderson bill, H.R. 4222, have placed their own interpretation as to my position on H.R. 4222. Consequently, by these remarks I trust I have made it clear; namely, that section 402 must be changed so as to assure the King-Anderson bill does not lead to Government control of medicine. If I could be satisfied on that point I would then give the measure my full consideration, assuming that recent Senate provisions are included to allow payment from benefits toward premiums on private health insurance. However, until a specific measure comes before this House I shall not commit myself other than to say that my judgment on such legislation as indicated will be based on its protection from ultimate Federal Government intervention and administration of hospital and medical care for senior citizens.

If a bill comes before us on a straight vote, up or down, under parliamentary procedures denying Members an opportunity to make changes I point out that many Members may be forced to oppose legislation that otherwise would gain their support. That is why, I for one have withheld any formal statement as to how I intend to vote.

WHY FRANCE WANTS TO HAVE ITS OWN NUCLEAR CAPABILITY

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, Constantine Brown, writing from Rome, gave us a new slant on why France wants to have its own nuclear capability. His article was published in the Evening Star on Thursday, July 5, and gives rise to the question that perhaps European nations may have a better intelligence system than our own or that their people are better informed than we have been in this country. It further gives rise to the question as to why Pierre Salinger went to Russia for conferences with Khrushchev, as well as what was the subject and what was the topic of his negotiations. So far as I know, the public has not been let in on that secret.

Mr. Brown's article follows:

[From the Washington Evening Star, July 5, 1962]

SUSPICION IN WESTERN EUROPE—POSSIBILITY OF UNITED STATES-SOVIET ALLIANCE HELD KEY TO TENSIONS IN NATO

(By Constantine Brown)

ROME.—Throughout the ages great alliances have been reversed. This fundamental of world politics has not changed over the centuries. Our present policies of accommodation with Moscow have made Western European leaders suspicious that another reversal of alliances may be in the making.

Suspicions of this nature are the compelling reason for Gen. Charles de Gaulle's stubborn insistence that Europe have its own nuclear power.

President Kennedy and his advisers should know, say those close to General de Gaulle, that Western Europe has no more desire to use its own nuclear power offensively than have the United States and Britain. But it feels it must have this power to meet possible blackmail.

In view of the changing trends in world alliances, the Europeans do not wish to be left out just in case the whispered Anglo-American-Soviet entente, described as necessary for the sake of relaxation of tensions, becomes more than a rumor.

Who would have thought 15 years ago that France and Germany, bitter enemies for more than a century, would become bosom friends; who would have thought in 1945 that Japan would become America's closest ally in the Far East? It is because of the political quadrille which has been danced on the international scene for centuries that so many Europeans give some credence to reports that the world may witness another change in the international setup; an American-British-Russian entente.

This would certainly eradicate the possibility of a completely destructive nuclear war, but would not remove the possibility of local Soviet aggressions with nuclearized conventional weapons. And this is the fundamental reason why France insists on becoming a "modest nuclear power" able to provide weapons to all its partners on the Continent. The neutral Swiss, who have not fought a war for more than 150 years, have recently decided by a referendum to provide their defense forces with nuclear weapons.

Your reporter asked a personality close to General de Gaulle what America could expect from such political incest. True enough, I said, throughout history the enemies of yesterday have become the friends of today. But that occurred because of self-interest. What could America gain from accepting the hand which hides a poisoned dagger and thus forsake present friendships based on the mutual desire to keep freedom alive?

The answer of my French friend whose experience in international affairs dates back to Versailles was that America is blinded by the glare of peace, domestic and international. "Despite the many wars you Americans have fought in the 180 years of your existence there are no peoples in the world more dedicated to peace. Sometimes you retreated to your isolationist shell," he continued, "but came out again when tyranny threatened to engulf the world."

"Since the end of the last war you have helped rebuild Western Europe which has lost a war but not its intrinsic power. Our revival was beyond your most optimistic expectations. But at the same time when we reached the zenith of our power you turned panicky and seem to be carrying the olive branch to Moscow in both hands. Do your statesmen really believe that Russia, after having agreed to relax tensions on her own terms, will abandon its imperialistic goals?"

Thus, despite the reassuring statements from Washington and Bonn that the present cracks in NATO are only superficial and inevitable in an alliance of free democracies, the fear exists that the American-Russian flirtation may eventually permit Moscow to nibble further at Western Europe.

The first on Premier Khrushchev's list is Italy where the Russian diplomacy is exerting its own brand of "gentle pressures" to induce the present left-of-center government to abandon the Common Market and NATO. This, however, won't succeed so long as Prime Minister Fanfani is in power. But it has a chance if, for instance, Pietro Nenni were to come to office and the feared Russian-American-British entente become an accomplished fact.

HOUSING FOR THE ELDERLY

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, on Wednesday of this week the Housing Subcommittee of the House Banking and Currency Committee will begin hearings on housing for the elderly. Under consideration will be a bill H.R. 12348, introduced by the able chairman of the subcommittee, which would increase the appropriation authorization for the direct loan elderly housing program by $125 million.

Mr. Speaker, we all are concerned with the housing problems of our elder citizens. I think the existing program can and should be improved. Accordingly I have introduced today H.R. 12430. This bill in addition to making an additional appropriation authorization of $125 million available, same as the chairman's bill, would go further and provide that hereafter the direct loan elderly housing program be limited to the financing of new construction. There are three reasons for this proposed change.

In the first place, confining the loan program to new construction will assure that the housing accommodations provided are designed specifically with the special needs of our elderly citizens in mind. These special needs involve not alone convenience factors but safety factors as well.

In the second place, confining the loan program to new construction will eliminate any possibility that this worthy program can become tainted with speculative windfall profits arising from the sale of existing structures at excessive prices with the sale transactions financed 100 percent out of Government loans. Aside from the questionable use of taxpayer funds for such purpose, we simply must not permit windfall financing to infiltrate this program as it would result in our elderly citizens paying more for their rent than they otherwise would have to pay. Our elderly citizens should not be gouged in their rent payments to support grossly inflated prices on old structures.

In the third place, confining the loan program to new construction will avoid the displacement problem that is inescapable when existing structures are converted to elderly housing use. Our concern for the elderly must not blind us to the hardships of displacing families from the accommodations they presently occupy in such structures.

Mr. Speaker, as the witnesses appear at our hearing, I hope to fully explore these problems. There has been discussion of them in news accounts appearing in the local papers in connection with the proposed conversion of Hotel 2400 of this city to an elderly housing project.

IGNORANCE WILL DESTROY OUR SOCIAL SECURITY SYSTEM

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I believe the most discouraging feature which has shown up in the national debate on health care for the aged has been the failure of American academic scholars to come forward and assist in separating what may properly be termed an exchange of ignorance and vilification constituting 95 percent of what is being said and printed on the subject, from the exchange of knowledge and differing viewpoints.

Indeed, our American scholars as a group have permitted without serious challenge men and women who bear the proud titles of scholars to abuse their positions as scholars to corrupt honest debate. They applaud their abuses and hiss those who try to dispute them.

I am all too aware of the fact that our scholars by and large have alined themselves with a school of economic political thought which has as its basic tenet that an increased role for the Federal Government is required if our society is to meet and solve the social problems of our times. This would be perfectly proper if they would constantly check their conclusions against whatever new evidence and arguments come forward, as all scholars should. This, however, has not been done. Instead there seems to be an unhealthy indulgence in the unscholarly emotion of thinking that anyone who disagrees with the basic doctrines of neofederalism is motivated by lack of humanity or is ignorant, regardless of what the facts and arguments may reveal.

Surely, the failure of the scholars who have participated in public debate on such issues as health care for the aged, to utilize the approved techniques of scholarship and in their stead employed techniques that by any fair standard are unethical, should warn those who have been relying upon their conclusions that something is tragically amiss.

I am placing in the RECORD an address by Ray M. Peterson, vice president and associate actuary, the Equitable Life Assurance Society of the United States, New York, entitled "People, Pensions, and Production." I do not expect very many people to read this somewhat complicated address but I do expect those who claim the title of scholars in the area to do so. Further, I expect scholars to discuss the points raised; to dispute them, if they are so inclined, to agree with them or to add to them.

It is the failure of American scholars to carry on forthright discussion for the benefit of the public that constitutes the primary sickness in our society today. When the wellspring of truth has been contaminated, all suffer from the foul water.

We look down our noses at Lysenkoism in Soviet biology but we are indulging in the same phony scientific approach when we swallow neofederalism simply because it is the approved version of economic and political science advanced by our modern-day scholastics.

Perhaps the only way out is for scholars in other disciplines where truth still remains the untarnished goal, to go over the working papers of our economists, sociologists, and political scientists—show up the pseudoscience for what it is, a corruption of the truth. It has become increasingly evident to me that because of some weakness, the true scholars, and there are many, in these disciplines, cannot or will not establish an approved code of ethics to guide their search for truth in their disciplines, and call to task those who violate the code.

People, Pensions, and Production

(Address at 11th annual Southwestern Economics Forum, University of Southwestern Louisiana, Lafayette, La., March 7, 1962 by Ray M. Peterson, vice president and associate actuary, the Equitable Life Assurance Society of the United States, New York)

As a person who is not an economist, I am somewhat out of my element on this occasion. Consequently, I feel honored to be asked to take part in this economics forum. It may be, however, that my many years of association with retirement income programs, my deep interest in our social-insurance programs and my concern about the economic impact of all such programs, will enable me to furnish some information and identify some questions that will stir you to investigate, study, and even act.

The future behavior of our people in the voting booth and in their savings habits will determine whether claims on future production to provide old-age pensions are established on a sound economic basis.

I. People: First, let us take a look at some of the probable demographic characteristics of our people during the next 20 years based upon a population projection that assumes medium rates of fertility and mortality improvement. With each of the following items, there is an invisible qualifying warning that these are projections, not predictions—probabilities, not prophecies. Our foreknowledge is particularly weak as to future fertility rates.

Item 1. Contrary to the implication of the theme, "The Aging Characteristics of Our Population—Economic Implications," our population, measured by the median age, has been becoming younger. This will continue for the next 10 or 15 years if our population projection is good. Lower fertility rates than those assumed, however, could alter this picture. Here are the figures:

	Median age					
	1955	1960	1965	1970	1975	1980
Males	29.2	28.4	27.2	26.6	26.8	27.4
Females	30.4	30.3	29.6	29.0	28.9	29.4
Total	29.8	29.4	28.4	27.8	27.9	28.4

These figures are based on population projections made by the Social Security Administration.[1] Recent projections made by the Bureau of Census show median ages even lower than those shown—in 1965, 0.3 to 0.7 years less; in 1970, 0.6 to 1.6 years less.

Thus, our population is not aging—it has been "younging," and prospects are good that this "younging" phenomenon will continue for a decade or more.

Item 2. The anticipated decrease in mortality rates at most ages—i.e., increased longevity—represents a youthening of our population. A man reaching 65 in 1980 will be as good as a man of 63 today, and one reaching 65 in the year 2000 will be as good as a 61-year-old today. The mortality assumptions of our population projection, involving steady progressive improvement, produce the following expectations of life for the year 2000, as compared with those of a recent year.

Age	Males			Females		
	1959	2000	Increase	1959	2000	Increase
	Years	*Years*	*Percent*	*Years*	*Years*	*Percent*
0	66.5	71.4	7.4	73.0	77.1	5.6
20	49.5	53.4	7.9	55.4	58.6	5.8
40	31.2	34.8	11.5	36.4	39.4	8.2
60	15.7	18.3	16.6	19.3	21.6	11.9
65	12.7	15.0	18.1	15.5	17.5	12.9
70	10.2	11.9	16.7	12.2	13.8	13.1

The figures reflect an assumption that males have greater room for mortality improvement.

Item 3. Changes in the age characteristics of the voting population are noteworthy.

Age group	Proportion of total voting population		Percentage increase in number from 1960 to 1980
	1960	1980	
	Percent	*Percent*	
21 to 34	29.6	35.4	60.3
35 to 49	32.4	25.0	2.9
50 to 64	23.4	22.6	28.7
65 and over	14.6	17.0	54.9
Total	100.0	100.0	33.5

As to number of voters, the increase by 1980 will be 9 million for those 65 and over and 20 million for those under 35.

Item 4. The relation of the number of nonproducers to producers is an important economic factor. This is shown on two different bases.

Year	Number of nonproducers per thousand producers	
	Producers taken as 20-64 age group	Producers based on labor force participation rates [1]
1960	891	1,416
1965	919	1,391
1970	903	1,356
1975	880	1,336

[1] Labor force participation rates are those projected by Labor Department in Bulletin No. 1242: "Population and Labor Force Projections for the United States, 1960-75," Bureau of Labor Statistics, 1959.

At least in terms of numbers, the burden of nonproducers on the producers will decrease. An increase, however, in the proportion of young workers, female participants, and part-timers raises the question of relative productivity.

I have also prepared some population and labor force charts that you may study at your leisure.

II. Pensions. Now for a capsule view of the present pension picture. The two main sources of old-age income today, aside from the many forms of individual savings, are voluntary private pension plans and the compulsory public system known as the old-age, survivors, and disability insurance system—OASDI. In addition, there are programs for governmental employees, the railroad retirement system, veterans' and military pension programs, and old-age assistance, all of which I shall omit from this discussion.

A. PRIVATE PENSION PROGRAMS

(1) Magnitude: At the end of 1961 private pension programs had accumulated funds of about $55 billion. These funds are held mainly by trustees and life insurance companies. This amount represents a net increase of $43.5 billion since 1950. Over 22 million persons in industry are covered, and annual payments to pensioners are close to $2 billion. My own company paid out $102 million to pensioners in 1961; in 1950 our payments were only $18.5 million. Continued growth of these funds should be expected, not only as a natural result in existing plans but also as a consequence of improvements in such plans and because of the adoption of new plans by small- and moderate-size companies. The rate of growth may tend to decline as the funding status of plans improves, but significant growth should continue for many years.

(2) Competitive factor: The growth of private plans has been stimulated by a number of vital influences, an important one being the advocacy and encouragement of such plans by life insurance companies and corporate bank trustees. Within the tradition of our competitive economy these two groups have vied vigorously for this business.

During the last 10 years or so insurance companies have lost ground in this struggle because of competitive disadvantages arising from statutory or regulatory restrictions affecting investment services in three respects: (a) Federal income tax discrimination, (b) investment restrictions that include a severe limitation on the purchase of common stocks, and (c) allocation by insurance companies of investment income on an average portfolio basis.

With the Equitable playing a leading role, the income tax discrimination was largely removed in 1959.

As to investment restrictions, vigorous efforts are now being made in several States, with definite results in some, to secure statutory authority to establish separate accounts for pension funds with wide investment latitude. The Equitable is very active in seeking such legislation in New York.

Finally, a number of the leading insurance companies have changed their methods of allocating investment income for surplus distribution or rate credit purposes. The new practice specifically recognizes the extent to which the financial operations of a particular pension contract contribute to money newly available for investment. This method has come to be known as the "investment year" or "new money" method. The effect is that a pension contract, as it shares in distributable surplus or receives rate credits, obtains the benefit of investment rates on new money in a manner essentially the same as if the employer's pension funds were in a separate trusteed fund. The Equitable, having secured all the necessary approvals from the New York State Insurance Department, will be using this method for surplus distribution purposes in recognizing the results of investment operations of calendar years 1962 and beyond.

These several changes and trends, when fully effective, will serve to put banks and insurance companies on essentially an equal competitive level and thus permit a fair rivalry as to which funding agency can do the best investment job. We in the life insurance industry have no doubt as to an answer in our favor.

(3) Research—The successful functioning of private pension programs is vital to our national welfare. To this end, it is important that competent research groups, independent of government, continue to examine these programs. One important study has just been completed (except for one phase to appear in a few months). This study, which has been underway for about 3 years, was sponsored by the pension research council of the Wharton School of Finance and Commerce and was devoted to an examination of the security of private pension plan expectations. Four aspects were studied: (a) legal protection of expectation, (b) legal status of rights, (c) impact of administrative processes, and (d)

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[1] Greville, T. N. E., "Illustrative U.S. Population Projections," Actuarial Study No. 46, May 1957, Social Security Administration—Division of the Actuary. Mean of projection I (low fertility and mortality) and projection IV (high fertility and mortality). This means projection was used in Actuarial Study No. 53, August 1961.

impact of actuarial processes and responsibilities. Also, an all-encompassing appraisal, entitled "Fulfilling Pension Expectations," was written by Project Director Dr. Dan McGill, and includes his personal recommendations as to means of enhancing pension security. Although one would not expect universal agreement with its findings and recommendations, the study is a most valuable addition to pension literature. My immediate purpose is only to mention it in this brief survey. I do urge you to place all five volumes of this study in your libraries, but, most important, take them out of your library for study.

B. PUBLIC PENSION PROGRAM—OASDI SYSTEM

(1) OASDI Data: Here are some up-to-date facts[2] relating to our OASDI system.

1. Membership as of January 1, 1962: 59 million active workers and 9.6 million retired workers (excluding survivor beneficiaries).

2. Payments to old-age recipients in 1961: about $9.6 billion, which is 80 percent of total payments of $12 billion. Non-old-age recipients include survivors of workers and the disabled.

3. As of January 1, 1962, the OASDI trust funds amounted to about $22 billion—roughly 2 years' payments.

4. The present worth, discounted at 3 percent interest, of benefits and expenses with respect to present members is $625 billion; present worth of future scheduled taxes with respect to such members is $282 billion, which, with the trust funds of $22 billion, leaves a difference of $321 billion—an average of $4,679 per member. In terms of private pension plan financing, this is the value of unearned increments for present members.

5. In the aggregate, the scheduled taxes (employee and employer) with respect to present members are worth about 45 percent of the benefits these members will receive. In contrast, the scheduled taxes with respect to new entrants are worth about 167 percent of their benefits.

6. Under the 1961 act, a constant tax rate of 5.56 percent is required to support benefits for new entrants. Also, an additional constant rate of tax of 3.72 percent (total of 9.28 percent) is required as the equivalent of interest on a nonexistent fund of $321 billion; i.e., this additional tax is needed to pay benefits to present and many future recipients simply because the taxes payable in respect to them will not have been, in the private funded plan sense, sufficient to pay for their benefits.

7. Under the 1961 act, interest on the present Trust Funds will cover only about 2 percent of the cost of benefit and expenses. This figure was close to 3 percent under the 1956 act. Under present scheduled taxes and benefits, the long-term support from interest on prospective funds will be 4 percent to 5 percent of benefits contrasted with the support from interest earnings of a mature funded private plan of 40 percent to 50 percent. Thus OASDI financing may be said to be 90 percent "pay-as-you-go" and 10 percent "full reserve."

8. The following table shows the critical age for a new entrant at which the value of scheduled taxes (employee and employer) would be about 100 percent of the value of benefits. These ages may be considered representative of the age at which the value of a general increase in benefits would match the value of a corresponding increase in taxes. Below these ages, the relationship is unfavorable to the member of the plan, and above, it is favorable.

Entry age at which value of future scheduled taxes is about 100 percent of value of benefits[1]

Marital status	Average monthly earnings		
	$200	$300	$400
Single male	52	53	56
Married, no children	34	41	44
Married, 1 child	34	41	44
Married, 2 children	33	40	44
Married, 3 children	31	39	43

[1] Jones, John P., and Hart, Marice C. "Analysis of Benefits OASDI Program 1960 Amendments," Actuarial Study No. 50, December 1960, Social Security Administration, Division of the Actuary. Ages derived from tables 10–12.

For a typical case of a married man with two children, the critical age would appear to be around 40.

(2) Competition of OASDI with private pension plans and individual insurance and annuity contracts. The United States is the only country in the world that is financing a social insurance program solely by a payroll tax that is split 50–50 between employee and employer. Other countries have either support from general revenues or a larger share from employers, or both. What is likely to develop in the future where we have one system of old-age benefits that is financed with very little reliance on interest earnings and another—funded private pension plans—where there is great reliance on interest earnings, with consequent substantially lower costs? As I have indicated elsewhere,[3] the 80 percent of social security taxes properly allocable to old-age benefits with respect to the new employees of a company would provide under a private funded plan old-age benefits that are 150 to 200 percent of those under the OASDI program. (The interest earnings assumption is 3¼ percent. Since actual interest earnings would probably be significantly more, the advantage in practice would be greater than indicated.) Also, the OASI taxes with respect to a young man with two children (disability taxes and benefits excluded) could provide under individual insurance and annuity contracts significantly greater life insurance (survivor benefits) and old-age income for himself and his wife than are available under the OASI program. Employers, union leaders, and purchasers of individual insurance are very much market oriented in this country as to the costs of pensions, insurance, and so forth. They are increasingly aware of these costs provided by private voluntary agencies. As the relative costs of the type cited become better and more widely known, we should be prepared for increasing dissatisfaction with the social security tax burden.

The situation has been aggravated in a most serious way by the depiction of the OASDI system as greatly similar to private insurance and not as a system of social insurance, under the relation of taxes to benefits is in no way like the relation of premiums to benefits under private insurance. Under social insurance there is and must be a broad socialization of costs, not only between the members of one generation, but also between different generations; i.e., the taxes with respect to active workers, in the main, support the current aged.

C. Research relating to both public and private pensions. I also wish to bring to your attention some important research by the National Bureau of Economic Research, Inc., relating to both private and public pensions. It is described in these words in the 41st annual report of the bureau under the heading, "The Impact of Public and Private Pension Systems on Saving and Investment":

"This study of the economics of pensions, directed by Roger F. Murray, is now in its 3rd year and some of the major areas of investigation have been fully explored. There remains the task of integrating the findings, some of which are discussed below, into a comprehensive view of the economic implications of the present and prospective pension structure.

"One of the major questions with which the study is concerned is this: What difference does it make, in economic terms, whether public or private pension programs take over an increasing share of responsibility for providing retirement benefits in the years ahead? This broad question can be approached most effectively on the basis of a distinction between the economic effects of transfer payments (redistributive effects), which predominate in most of the public programs, and the economic effects of accumulations (saving effects), which predominate in the programs for the employees of Government and private industry. A logical sequence for the development of the study, therefore, is (1) an examination of the present and prospective pension structure, (2) an analysis of the redistributions of income which take place through different programs, (3) the implications for aggregate saving in the economy, and (4) the impact on investment and the capital markets of fund accumulations.

"As to the impact on aggregate saving, it is reported that the net increase in national saving is probably a high proportion of the growth in pension funds. The evidence for this conclusion is that employers' and employees' contributions do not on the whole substitute for other forms of personal saving (though under certain circumstances they may), and the reduction in Federal income tax revenues from the exemption of pension contributions and from earnings leads to other taxes that possibly reduce corporate saving by only a modest fraction of the growth in pension funds."

Thus, we have this preliminary finding that private pension funds have been an important source of additional saving.

Prof. John J. Carroll, of St. Lawrence University, who is conducting the NBER study of the redistributive effects of transfer payments under Federal governmental pension programs, published a study[4] in 1960 which concluded that the OASDI system produced significant inflationary effects in recent years because of the greater marginal propensity of recipients to spend. He also wrote:

"The new situation is highly significant. It gives us a foretaste of things to come. The program is creating inflationary pressures of the type which we may expect later under any of the alternate methods of financing studied here."

For the 4 years 1959 through 1962, actual and estimated OASDI operations show social security taxes of $46.4 billion and benefits, expenses, and railroad retirement financial interchange totaling $50.6 billion (22d Annual Report of Board of Trustees of OASDI Trust Funds). This $4.2 billion of excess outlays would appear to be an additional inflationary influence that supplements the greater spending proclivity of recipients identified by Professor Carroll.

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[2] Myers, Robert J., Chief Actuary, Social Security Administration. "Balance Sheet Cost Analysis of OASDI System," memorandum of Jan. 18, 1962.

[3] Peterson, Ray M., "How To Preserve Our Social Security System," address before Council on Employee Benefits, Oct. 27, 1961.

[4] Carroll, John J., "Alternative Methods of Financing Old-Age Survivors, and Disability Insurance," Michigan Governmental Study No. 38, Institute of Public Administration, the University of Michigan, 1960.

III. Production.—Old-age income—pensions—for the 25 million people who will be aged 65 and over in 1980 must be provided by establishing claims on the production of that time. This can be done in two ways: (1) By legislated transfer of income from producers to the aged nonproducers; i.e., through the OASDI system, and (2) by an effective savings process that increases future productivity in a free enterprise economy. A proper balance is vital to our national economic health.

In a statement before a Senate subcommittee,[5] Prof. Roger F. Murray gave this interesting analysis of how current savings can be translated into legitimate claims on future productivity:

"A public or private pension plan which invests an excess of contributions over benefits in productive capital formation contributes, as do other saving institutions, to economic growth and a rising standard of living. Everyone shares in these gains currently; they are not reserved for the future to honor the claims which we call pensions. When I retire in 1979, I shall cease contributing to current output and start presenting my claims to the goods and services produced in that year and in subsequent years. Presumably, someone else will be willing to forgo current consumption in order to provide for his future and will take over my claims in exchange for a portion of his current output.

"For this to work out so that my pension claims have a command over real goods and services which satisfy my needs and wants, it is essential that three conditions be met:

"First, my productively employed fellow citizen must be willing to take my place as a saver because he has confidence in the process of saving and investment.

"Second, in the interim period my saving must have been employed as productively as possible so that there will be an abundance of goods and services to share with me and the other people who have ceased to contribute to current output.

"Third, and underlying both of the preceding conditions, the general level of prices must remain reasonably stable over long periods of years.

"Otherwise, confidence will be lost in the saving and investment process and I shall find that my pension gives me command over very little real output.

"The key questions, therefore, are: (1) How the pie of real resources is divided between the active and the retired; and (2) the size of the pie. It is clear that the volume of pension payments under public and private pension programs will increase much more rapidly in the years ahead than we can expect real output to grow. In other words, the fraction of the year's pie going to the retired will be increasing. However, if the size of the pie is enough larger each year, the remainder may still grow; the active contributors to current production may still be receiving more in the way of rewards for their efforts.

"The productivity of the investments made with funds accumulated in public and private pension systems becomes crucially important, then, in our appraisal of the functioning of these arrangements."

Per Jacobsson, eminent international economist, had this to say recently regarding the interrelationships of "mutual aid" or the operations of a state welfare system and a competitive market economy:[6]

"It is a question of combining mutual aid with effective competition, while at the same time creating conditions which permit a variety in the mode of life. There are great advantages to be gained if one can do so, but certain dangers to guard against. Large industrial and labor organizations may seek to exclude effective competition. Mutual aid may become so costly that the economy is crippled by the load it has to carry, diminishing the incentives to further efforts. This will probably be the case where aid is extended all along the line, even to those who can afford to make provision for contingencies out of their own—nowadays generally much better—earnings, either directly or through insurance.

"Another danger is that egalitarian tendencies may limit too much the scope for diversity. While, quite rightly, the demands of social responsibility are more fully recognized today, and countries have taken positive action in many fields, there is danger in establishing society on such a basis that the result is, at best, a high level of mediocrity. I personally believe that a pronounced emphasis on equality may easily lead to economic stagnation, and thus before long to a lowering of the standard of living for all income groups. Those countries that give sufficient scope to free enterprise and diversity and permit the operation of free market forces will fare best economically, and will consequently be best able to improve the general conditions for their people and provide proper social security. And I must emphasize once again how dangerous it is if the welfare system is such that it is allowed to impede the adjustments needed for continued economic progress. Surely it is not beyond the capacity of men to combine freedom for market forces and a variety in the mode of life with provision of social security for those in need. Some may wish to go further—to insure a broader participation in what has been called "the affluent society"—but looking around the world as it is today, it would already be a great step forward if better conditions could be secured for those whose needs are still very inadequately met. Improved standards for the many can be obtained in a wide field by the operation of the market system, with gradually increasing wages, and more extensive fringe benefits, without direct intervention by government."

Also, he emphasized the importance of savings in these words:

"But without a ready flow of savings no economic progress can be sustained."

Another economist Wilhelm Röpke,[7] who has an international reputation and has been called the architect of the economic policy of the West German Government, has this to say about the financing of old-age benefits. He observes that:

"The argument is sometimes adduced * * * that a compulsory state system of social security has a great advantage over self-providence in that it does not require prior capital accumulation and needs to raise only the currently necessary means each year, thereby living from hand to mouth. Is this not much cheaper, it is said, and does it not, therefore, make possible much more comprehensive and generous social benefits for the masses?

"This simple procedure, which has been called the pay-as-you-go method, is in fact applicable also to mutual aid in smaller groups, but on the large scale necessary for mass social services, it is obviously reserved to the state, with its powers of compulsion. However, this is anything but an advantage. It is not enough to appeal to the elementary principle that any social payments must, in reality, always be covered by current production. Another circumstance needs to be stressed, and it adds an important qualification to an axiom we have mentioned before: the extent of current production is decisively influenced by previous investment, and unless this investment is to have inflationary effects, it must as a general rule be covered by savings.

"Therefore, a pension system resting on capital accumulation makes a considerable contribution to national capital formation as a determining factor of the national product. The system thus tends to increase the national fund of goods out of which the social payments, translated into goods, are made. A pay-as-you-go system, on the other hand, would stop up this source of capital formation and, unless a substitute can be found, hamper the growth of the social product."

I should like to add one more to my "cloud of great witnesses" who testify to the vital importance of savings and investment as distinguished from redistribution of income by legislative fiat. Gabriel Hauge made this observation in a recent speech:[8]

"Investment tends to distribute income to the productive on the basis of economic contributions; it thereby serves the cause of growth. Charity tends to distribute income from the productive to the unproductive on the basis of need; its effect on growth is obviously different. Each has its proper place, but to confuse them leads to further confusion of economic with social equity, equity with equality, and production with distribution."

We may now ask whether savings and investment during the next 20 years will be sufficient to produce the economic growth necessary to provide for the increasing number of elderly persons adequate claims on future productivity, along with other claims, and in dollars that have not depreciated. We find a discouraging answer in the recently published monumental study by Prof. Simon Kuznets of Harvard. James J. O'Leary, director of economic research of the Life Insurance Association of America, in his 1961 annual report, gave this summary of the Kuznets' study, entitled "Capital in the American Economy: Its Formation and Financing."

"Kuznets' monograph, just published, sets forth conclusions about capital formation and financing in the entire economy in the next 15 to 20 years in the light of perspective on the various forces which have in the past and are now influencing capital formation and financing. The Kuznets report is an outstanding piece of work and contributes a great deal to our understanding of the basic importance of savings to the economic growth of the country in coming years. It also sheds light on financing problems and the course of interest rates in the next 15 to 20 years. Kuznets' book will be widely regarded as the outstanding work produced on capital formation and financing and the growth of the American economy.

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[5] Murray, Roger F., S. Sloan Colt Professor of Banking and Finance, Graduate School of Business, Columbia University. Statement to the Subcommittee on Retirement Income of the Special Committee on Aging, U.S. Senate, hearings, July 12–13, 1961. U.S. Government Printing Office, Washington, 1961.

[6] Jacobsson, Per, Chairman of the Executive Board and Managing Director, International Monetary Fund. "The Market Economy in the World of Today," Jayne Lectures for 1961, The American Philosophical Society.

[7] Röpke, Wilhelm, "A Humane Economy," Henry Regnery Co., Chicago, Ill., 1960.

[8] Hauge, Gabriel, vice chairman of the board, Manufacturers Hanover Trust Co. "Our Economic System and the National Character," address before 46th annual meeting of the Rubber Manufacturers Association, Inc., Nov. 16, 1961.

"Kuznets' findings may be summarized as follows: During the period since the Civil War there has been a significant decline in the ratio of the output of capital goods (industrial plant and equipment, housing, commercial facilities, public improvements, etc.) to the total output of all goods and services. This is surprising in view of such forces since the Civil War as population growth, technological change, and others. Kuznets concludes that the available evidence suggests that the force which explains the declining rate of capital formation has been a longrun tendency for the national rate of saving to fall. A major reason for this has been the great expansion of Federal spending which has required a corresponding increase in Federal revenues. The sharply rising Federal revenue requirements have been met by placing a rising tax burden on individual and corporate incomes, with the overall effect of cutting the Nation's rate of savings. Kuznets holds that at the bottom of much of the rise in the general price level experience since the end of World War II has been the deficiency of saving relative to capital demands, and the fact that this gap has been filled by an expansion of the money supply. Kuznets indicates that if past trends continue, which he expects to be the case, capital demands will in the next 15 years continue to run ahead of the supply of savings, inflationary pressures will persist, and interest rates will remain very firm. In a country so interested in obtaining a faster rate of economic growth, Kuznets' analysis has tremendously important implications for public policy. One of these is that it is highly important that Government policy be directed toward improving the rate of national saving."

I noted earlier that accumulations under private pension plans have constituted an important source of additional savings. We may also note that OASDI financing does not contribute to economic growth; it is a sterile source. Consequently, it is evident that great encouragement should be given to the growth of private programs (including programs for State and municipal employees where funds are invested in private industry) and that the greatest restraint must be exercised in expanding old-age provisions under the OASDI system.

IV. Prospects and proposals: In the light of this brief survey, we may ask what are the prospects of sound pension developments and what proposals do we believe will contribute to that end.

As I have sought to envision the prospective pension picture, its sound development, I believe, can well depend upon two imperatives:

1. A genuine, widespread understanding of the nature of our OASDI system, together with an appreciation and acceptance of the limited role it should play; and

2. A surge of savings, for which we need an urge for savings, in the private sector of our economy, including, particularly, improved and more widespread advance funding of old-age income, medical care benefits, and life insurance.

A. Misunderstanding of nature and purposes of OASDI system: There has been a widespread belief that the OASDI system is greatly similar to private voluntary insurance. This is a serious misunderstanding, which has hardly been discouraged by publications and statements of the Social Security Administration.

In connection with the administration's bill providing medical care for the aged financed by social security taxes (H.R. 4222, S. 909), I could cite statements made by leaders of both the legislative and executive branches, heard or read, some of which call social security financing a "savings" program, and others clearly imply that a fund is being built up for the individual's particular benefit. The fact is that, according to official Government estimates ("Actuarial Study No. 52, table 3") total taxes under H.R. 4222 for years 1963–2000 would amount to $70½ billion and total benefits and expenses, $72½ billion. Other experts have estimated benefit payments of $150 to $200 billion. How could this be possibly described as a savings plan or fund accumulation?

The great hazard involved in this private insurance parallel is the expectation that there is a close actuarial relationship—a direct quid pro quo—between the taxes with respect to an individual and the benefits he will receive. The public must be made to understand that there is no relationship between the taxes in respect to an individual and his benefits. Rather, there is a broad socialization of costs, not only within a generation, but, most significantly, between generations. At the same time there must be general recognition of the idea that such broad socialization is fair and will be workable only where the level of benefits is held to a basic floor of protection against want and destitution.

The middle-aged and the oldsters must be given to understand that the cost of an increase in benefits is not covered by a corresponding increase in taxes that they and their employers would pay but that an additional burden is placed on the young. Three aspects should be made clear to the young.

The young must be mindful of three aspects:

1. A broad socialization of costs should be accepted as an appropriate feature of a program instituted by society to cover a presumptive need for protection against want and destitution;

2. Social security financing does not relieve the young and their employers of the costs of providing increased benefits under the Social Security Act; and

3. The young should resist vigorously (a) any amendments that would provide benefits for large segments of the aged who can provide for themselves and (b) amendments to provide for a level of cash benefits that goes beyond a basic floor of protection.

If this education is not provided and the private insurance parallel continues to be dinned into the minds of the public, what is likely to happen? Will there be a demand for increase in benefits in 1963, 1966, and 1968 when the tax rates go up to support just the present level of benefits? It may be noted that if earnings at all levels increase at an annual compound rate of 4 percent to 1964 and 3 percent from 1965 to 1980, and the present maximum wage base and benefit formula remains unchanged, it is probable that the tax rate of 7¼ percent effective in 1963 could support benefits on a pay-as-you-go basis until 1980.[5] Although voting motives are complex and diverse and do not spring from simple self-interest, should we consider whether there could be a clash between the voting power of the oldsters, those age 65 and over, and the voting power of the youngsters, those age 21 to 35? By 1980, the voting proportion for oldsters increases from 14.6 percent to only 17.0 percent, while that of the youngsters increases from 29.6 percent to 35.4 percent. In numbers, there will be 9 million more voting oldsters and 20 million more voting youngsters. If the voting age is reduced to 18, there will be 32 million more voting youngsters in 1980. Will a growing young electorate, as reflected in our "younging" population, faced with the high costs of education and raising a family, be unwilling to pay high social security taxes foisted on it by a growing bloc of oldsters produced by the youthening phenomenon? Will this then create great pressures for support from general revenues—a door that, if opened, could lead to further extravagant demands upon the social security system?

The National Planning Association has projected an increase in average family income from about $6,800 in 1961 to $9,200 by 1971. With this prospect of increased "affluence," shouldn't the social security system, in its sole role of protecting against want and destitution, play a relatively decreasing part in providing old-age needs?

I recommend that this be achieved by freezing the present benefit formula and wage base. Then, if average real wages increase as mentioned earlier, more and more workers will qualify for the present maximum ultimate primary amount of $127, the tax rate of 7¼ percent effective in 1963 can be kept at that level for 15 years or more and a significant additional margin for savings will exist each year, ranging from $2.5 billion in 1966 to $7 billion in 1980.

I propose that educational institutions throughout the United States, such as this one and those represented here today, take definite measures to deeducate and reeducate the public along the lines indicated.

There would then be a better prospect that the social security system would operate successfully within its proper area and that other instrumentalities providing old-age support would function far more effectively. Our social security system has come to have a vital place in our national economy but the great problem is to summon the necessary knowledge, wisdom, and political courage to keep it in its place.

I have one more question with respect to social security financing. Is there a prospect that as automation and cybernation have their impact on our economy we will have to find ways by which our workers enjoy a proper share of national income through means other than salary and wages? Must we devise means by which more families derive a significant part of their income from their investment in the "machines" of production? (See "The Capitalist Manifesto," Kelso and Adler.) If this does develop, will the payroll tax supporting the social security system be adequate? Will there have to be a social security tax on machines? The Railroad Retirement System is now in difficulty because of its reliance on a tax on payrolls that are not being maintained at the level originally assumed.

B. Savings urge and surge.—The great importance of increased savings as a source of economic growth was attested to in my comments regarding production. Dr. Kuznets, in his study, gave this warning:

"The demand for capital over the coming two and a half to three decades is likely to be large. The drains upon the national product for current consumption by governments will continue to be proportionately sizable and may well rise.

"High levels of consumption and the high secular propensity to consume by individuals and households are likely to continue.

"Under the circumstances, the supply of voluntary savings may not be adequate. Inflationary pressures may well continue, with the result that part of the savings needed for capital formation and Government consumption will be extracted through this particular mechanism."

Edward F. Denison, associate director of research of the Committee for Economic Development, believes[9] that adequate growth-stimulating measures depend mainly on increasing the overall amount of work done or shifting resources from consumption to investment. Without such drastic action, he doesn't expect growth to climb above the present trend.

Although I am not qualified to get into this growthmanship debate, my economist associates in the Equitable tell me that the

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[5] See footnote on p. 13021.

[9] "A hard-boiled look at growthmanship," Business Week, Feb. 17, 1962.

President's Council of Economic Advisers hopes to use monetary policy primarily as a stimulant to growth and plans to achieve stability by giving a larger and more discretionary role to fiscal policy. The council believes interest rates should be kept as low as possible, consistent with the external demands imposed by our balance of international payments. When a budgetary surplus has been created at a time of full employment, the council suggests:

"Under these circumstances, a surplus in the Federal budget plays the constructive role of adding to national saving and making resources available for investment."

Thus, they would promote savings through public channels, but do not mention the important role of increased savings in the private sector, particularly the savings of individuals and that achieved by the funding of private pension plans and the operations of life insurance companies. Mr. James F. Oates, Jr., president of the Equitable, recently pointed out the vital role of life-insurance company investments.[10]

"The life insurance industry, with assets of more than $126 billion, continues to hold the world's largest portfolio of long-term investments. Moreover, life insurance funds at work in all sectors of the American economy, more than any other major source of savings capital, have demonstrated an ability to channel credit to a diversity of desirable uses. Too, the employment of these funds is constantly being adapted to the changing needs of a growing Nation.

"Investments extended far beyond the familiar fields of institutional investment. In addition to such traditional areas as industrial development and farm and residential mortgages, life insurance financing covers a wide range of economic activities extending from modern office buildings and small business expansion to urban renewal projects, research facilities, hospitals and educational institutions."

In his testimony before a Senate subcommittee cited earlier,[5] Prof. Roger F. Murray emphasized the importance of a free, unimpeded flow of investments in these words:

"I believe that the best results will be achieved if we give market forces and the market mechanism maximum freedom to perform their function of allocating real resources. Specifically, in relation to the investment of retirement system funds, this point of view suggests that we move in the direction of less rather than more kinds of specific and detailed regulation of investment powers. The history of our efforts to legislate investment judgment is one of dismal failure. I would advocate support of the recommendations of the CED Commission on Money and Credit 'to provide greater flexibility for portfolio investment' and 'increased mobility of funds' by relaxing the restrictions on the loans and investments of banks and other financial institutions."

He concludes:

"Stable prices, productive investment for economic growth and restraint in the printing of claims to future output are the ingredients of a socially and economically desirable pension structure for the future."

It is clear to me that an enhanced urge to save with a consequent surge of savings is vitally necessary for our future economic health and to enable us to make sound provision for the future elderly. A stable dollar and interest rates established by a free market are basic requisites. In addition to proposals implicit in my foregoing remarks, I propose the following measures or principles:

(1) Tax incentives:

1. Enactment of H.R. 10, which would encourage the self-employed to fund pensions for themselves and their employees.

2. Deduction as a business expense of employer contributions that are irrevocably dedicated to advance funding of life and health insurance benefits for the years after age 65. Congressman Curtis of Missouri introduced a bill on February 7, 1962, H.R. 10117, which would authorize provision of medical care benefits under "qualified" pension plans.

3. Relaxation of rules for deduction allowances for employer private pension plan contributions, instead of additional restrictions which, it is rumored, are under consideration by the Treasury Department.

4. Restraint at both the Federal and State level in taxing thrift institutions of all kinds, and without discrimination.

5. Study of measures that will provide additional tax incentives to encourage vesting of benefits derived from employer contributions and to eliminate the discouragement of contributory plans.

(2) Tax disincentive: Include social security benefits in taxable income in order to eliminate the unwarranted attractiveness of these benefits to higher income classes.

(3) Research: As a continuance of the research I have described, further research activities should be encouraged, particularly by grants from private foundations. I endorse the following suggestions recently made:

"There is * * * a need for cooperative well-balanced analyses and appraisals under the coordinated guidance of leaders in different fields to try to identify and agree on the strong points of our private plan complex and the weaknesses, if any, which should be corrected so it can serve the best interests of employers, employees, and our free society.

"Since private plans, as well as Government plans, operate in a dynamic economy and society, a strong case may be argued that such analysis and appraisal be made a regular practice at periodic intervals, so that they will continue to carry out effectively their purposes and objectives.

"A major, but by no means the only, reason [for such studies] is the function of private plans in helping to generate sound economic growth through capital investment.[11]

"There is need for more sustained study of the effective social security and social welfare programs on both economic instability and economic growth.

"Further analysis of the comparative economic and social effects of public and private benefit programs would be fruitful. More study is needed also of the combined effect of such programs not only on aggregate savings but on the changing structure of savings and the savings patterns of different groups and on the asset position of the aged and of individuals and families at different income levels.[12]"

I hope that these few observations will stimulate you to do your part in determining how best our people may properly obtain pensions in old age from production of others after they, as aged persons, have left the labor force.

I have a personal note. During my business career, I have been privileged to be associated with the building up of $4 billion of pension funds in my company which are not only contributing to the productivity of our Nation but also constitute a great bulwark of old-age protection for a million workers. I hope you will pardon me, and even understand me, if I quite brazenly enjoy a certain sense of a business life well spent. But much more can and must be done. I expect to have a share in that, too.

I shall close with this philosophical observation by Gabriel Hauge,[8] which may serve to guide us:

"The ability to sacrifice the momentary present for a more durable future is a trait of character which marks the civilized man. Thinking and working ahead has been natural for Americans, with their faith in progress.

"When the individual is responsible for his fate, he tends to take the long view. He weighs the consequences of his choices, orders his priorities, and acts accordingly. Starting with a sense of duty to himself, he learns self-discipline. But when he delegates his welfare to the community, he tends to multiply his claims and assert his rights with little concern for costs. His interests come into conflict with the claims of others to the limited resources available to the state.

"Individuals severally hoping to get without giving through manipulation of the state only substitute political coercion for self-discipline."

WHAT'S WRONG WITH THE STATE DEPARTMENT?

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Keith] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEITH. Mr. Speaker, I am resuming today the insertion of an important series of articles on the State Department by a nationally recognized journalist, Everett S. Allen, of the New Bedford Standard-Times. The first article in this eight-part series, entitled "What's Wrong With the State Department?" was put in the Record prior to the holiday.

These reports are the result of some 18 months of investigation and research. They throw a critical new light on the operations and policymaking machinery of the agency primarily responsible for the formulation of our cold war foreign policy. They will be of particular significance at this time, in view of pending congressional action on foreign assistance legislation.

In the first article Mr. Allen declares that we are losing the cold war, despite the efforts of the State Department to gloss over the glaring, undeniable truth that communism continues its advance. In the two installments I am inserting today, he discusses the Department's "executive hodgepodge," and events that led to the Castro takeover of Cuba.

I urge my colleagues to read and carefully consider these and subsequent articles in this highly important series.

What's Wrong With the State Department—II: Executive Hodgepodge Foils Action on Policy

(By Everett S. Allen)

Washington.—Even if there were no security risks in the State Department, the administrative hodgepodge would "foul things up," according to the man whose 4-year effort helped to eliminate some of 1,400 such risks. In an exclusive interview only a few days before his death in November 1961, Robert Walter Scott McLeod, administrator of the Department's Bureau of Security and Consular Affairs from 1953 to 1957, told this writer: "I would almost bet it isn't that we make bad policy. It's that we have no policymaking procedure except that based on the lowest common denominator at which we can get an agreement after a series of endless conferences."

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[5] See footnote on p. 13021.

[10] Oates, James F., Jr., "Life Insurance Growth Expected," Journal of Commerce, Jan. 26, 1962.

[11] Hohaus, R. A., senior vice president and chief actuary, Metropolitan Life Insurance Co. "Retirement Income Protection: Private Responsibility? Public Responsibility?" address before 43d midwinter Trust Conference, American Bankers Association, New York, Feb. 6, 1962.

[12] Burns, Eveline M., et al., "A Research Program for the Social Security Administration," Report of Advisory Group to the Commissioner of Social Security, U.S. Government Printing Office, Washington, August 1961.

[8] See footnote on p. 13021.

McLeod, a former FBI agent and later U.S. Ambassador to Ireland, asserted: "One strong-willed person can prevent policy because it's considered unthinkable in State to go up to the next echelon unless you have perfect agreement.

"This system makes error possible even with the best people. The ban on 'divided position' began when the generals came into Government, specifically beginning with Marshall (Gen. George C. Marshall, postwar Secretary of State under Truman). Ike also contributed a great deal to this. With him, it was almost a criminal offense to bring a divided opinion to him. He wanted it all on one page and either yes or no, so a good many people just wound up mechanically doing nothing."

A PRESIDENTIAL JOB

McLeod concluded, "This is a Presidential job. If we ever get a President who understands it, it will be ripped wide open.

"The President now has such authority on the books as he needs to revise the State Department by, among other things, cutting it down to size. (It now numbers 22,000 employees.)

"President Eisenhower once asked former President Hoover for advice at the Commodore Hotel in New York, right after the former was elected. Mr. Hoover said, 'While you still control Congress, overhaul the State Department. Reorganize the department so it can operate; you must cut it down, weed it out, and until it is done, no President ever again will control the executive branch of the United States.'

"Ike didn't do it. No President ever has, although Mr. Hoover tried, and F.D.R. threw out his recommendations."

General Eisenhower may have wished later that he had done it.

CLUB PERPETUATED

A former U.S. ambassador said to me, "Loy Henderson, Deputy Under Secretary of State for Administration under Eisenhower, made classic mistakes in attempting to perpetuate 'the club' in the State Department but Ike and Dulles were disinterested. Many diplomatic careerists set the importance of continuance of control over most other factors."

In support of Mr. McLeod's theory of "administrative hodgepodge," the following examples are offered of what might be termed mistakes by default, undesirable results produced because State Department action was not taken, or not taken soon enough:

Povl Bang-Jensen, formerly a member of the Danish Foreign Service, was well known to State Department Foreign Service officers. Bang-Jensen's death has been the subject of lengthy and inconclusive studies to determine whether he committed suicide as the New York police reported or was murdered by Soviet agents because he knew too much.

From November 1956 Bang-Jensen tried to see Allen W. Dulles, then chief of the Central Intelligence Agency, to tell him the Soviet Union had infiltrated the high command of the U.N. as well as U.S. intelligence, possibly the CIA itself. Dulles was unaware of Bang-Jensen's efforts until May 3, 1957.

SIMPLE SUGGESTION NEEDED

The Senate Internal Security Subcommittee, which found no fault with CIA or FBI efforts in this episode, commented, "Since this was a highly sensitive matter involving the U.N., both the CIA and FBI took the stand they could not act without higher authorization from the State Department.

"The only action called for was a simple suggestion from State to Mr. Dulles that he listen to what Bang-Jensen had to say.

"But for some reason, this suggestion was not forthcoming. The result was that nothing was done. From the standpoint of national security, the entire record in dealing with Bang-Jensen's request must be considered a lamentable example of procrastination and indecision.

"Matters such as this cannot be permitted to wait for months or even weeks before a simple decision is made to receive the information."

OVERSTAFFED?

The real poser in the situation is this: If Bang-Jensen, who had personal contacts in State couldn't get to first base, what kind of a tip on a threat to U.S. national security would the State Department take seriously?

Senator Jackson, Democrat, of Washington, believes the State Department is the victim of "serious overstaffing," even though Secretary of State Rusk pleads that "because of the pace of business, relatively junior officers are sending out telegrams on matters which before World War II might well have gone to the Secretary himself."

Jackson, apparently not much impressed, said, "many (State Department) offices have reached * * * the point where the quantity of staff reduces the quality of product."

In any event, whether overworked, underworked, or simply incompetent, State Department personnel also fell down on the job preparing the now-classic American response to the aid memoire on Berlin given to President Kennedy by the Soviet Premier on June 4, 1961.

TOOK 43 DAYS

This memoire also was given to the British and French Foreign Offices at the same time. It contained nothing new, but for effective propaganda value, it required a quick and eloquent answer. The British and French Governments prepared theirs and then languished in frustration waiting for the United States to do likewise. Forty-three days later, after more than a dozen persons in State had done nothing else for a month and a half but conjure up a ponderous and tortured rehash of what had been said before, the United States produced its official reply. It was too long and too late and President Kennedy was doubly chagrined because a member of his White House staff had put together a month before a suggested response that was sharper and more effective by far. As for our allies, they considered our effort in this situation worthless.

A former Under Secretary of State, loyal to the career diplomat system, suggested to me that Foreign Service officers are "only agents of the administration," but our experience with Fidel Castro suggests this is not necessarily so. In other words, the administration may or may not know what is going on within the State Department.

Intelligence reports from the CIA and FBI and other intelligence agencies in 1955, 1956, 1957, and 1958 indicated Castro was at least pro-Communist. (Castro seized power in Cuba in January 1959.) By 1958, reports from the U.S. Embassy in Mexico, where Castro prepared his invasion force showed increasing indications of communism and procommunism surrounding Fidel.

Robert C. Hill, then U.S. Ambassador to Mexico, is on record under oath as revealing that such reports were sent to the State Department and never got to the upper echelons.

Hill recalled to me: "We sent in plenty of reports, but the decision had been made down at the lower level, in the corridors of the State Department, that Batista (Castro's pro-United States, anti-Communist predecessor) had to go.

"In the spring of 1957, I said to Earl Smith, who went to Cuba as ambassador, 'You are assigned to Cuba to preside over the downfall of Batista. You must be very careful, because if you are not, your reputation will be destroyed.' Several Foreign Service people refused to go with him, because they knew Castro was coming into power, and they had young children and did not want to become involved."

SIDETRACKED

A representative of the FBI stated privately it was his understanding that reports concerning Castro's Communist affiliations had "not reached the upper echelon of the Department of State," although they had been transmitted. Hill said he was told they were "sidetracked at the desk level."

Despite congressional inquiry and much public attention, if it is known who "sidetracked" them, this never has been made public and those in a position to "sidetrack" them have been promoted and/or transferred, but in no case, fired.

It also is a fact that some months after Castro assumed power, Secretary of State Herter consulted J. Edgar Hoover, director of the FBI, regarding Castro's Communist associations, stating nothing of this sort had been brought to his attention.

Hoover informed Herter that the FBI had been sending reports of this nature to the State Department for approximately 4 years.

SENATORS NOTIFIED

In this connection, it is not generally known that former Ambassador Hill last June informed the Senate Internal Security Subcommittee of the existence of such documents which had been sent to the State Department. Hill referred specifically to an intelligence report of June 1959 supporting the point of view that Castro was a Communist or controlled by Communists, to a cable from Pentagon intelligence in September 1960 stating there was allegedly a pro-Castro cell in the U.S. Embassy at Havana, and to other documents indicating Castro's Red connections.

The Senate Internal Security Subcommittee asked the State Department for copies of these documents.

As of June 18, 1 year later, the committee still had not received them, the State Department presumably having invoked "executive privilege."

There were other methods of "sidetracking" information, too.

In April 1959 there was a meeting of U.S. Ambassadors in San Salvador, a principal purpose of which was to present to the Organization of American States evidence of Castro's ties to communism. Those present produced a communique over which Ambassador Hill and Philip W. Bonsal, then U.S. Ambassador to Cuba (now recently resigned as Ambassador to Morocco), clashed. Bonsal felt no reflections should be cast on Castro. Hill said the communique contained nothing but platitudes.

GET RID OF HILL

After the conference, Bonsal said to Thomas Whelan, then Ambassador to Nicaragua, "You have influence in the Republican National Committee. I hope you will utilize that influence to get rid of Hill. (Hill eventually did "quit in discouragement" and now is a member of the New Hampshire State Legislature.)

Soon after the conference, Hill wrote to Roy Rubottom, then Assistant Secretary of State for Latin-America, asking for a tape recording of the meeting.

Rubottom said there was no tape recording and perhaps there was not, but there was a tape-recording machine in the room where the conference was held.

Instead, Rubottom sent to Hill a written transcript, of which Hill said, "It was a very inaccurate report as far as my position was concerned."

Hill, who described Rubottom as "a friend for whom I have high regard," wrote Rubottom that if the transcript or a report from the conference was submitted to the Senate Foreign Relations Committee, "at least 10 to 14 corrections should be applied * * * as wherein your minutes have been whitewashed and I will not be a party to it."

Hill never received any reply to the letter and does not know to this day whether the Senate committee ever received the minutes.

WHAT'S WRONG WITH THE STATE DEPARTMENT?—III: CASTRO TAKEOVER AIDED IN UNITED STATES

(By Everett S. Allen)

WASHINGTON.—A former top-ranking U.S. career diplomat, known the world over, asserted privately that it was Milton Eisenhower who pressured the U.S. Government into putting Fidel Castro into power in Cuba. Said the State Department veteran, defending his colleagues of the Foreign Service, "They are basically conservative, but when idealistic leftwingers mobilize the press and Congress, when an uninformed public remains principally silent, then what should be a diplomatic situation emerges as a political pressure problem."

Assigning this role to Dr. Eisenhower is not unreasonable. Secretary of State Dulles conceded in 1956 that Milton's recommendations "have constituted the basis of our policy toward Latin America." Two days before, Ike had said Milton "never had a hand" in making foreign policy, but this apparent Ike-Dulles conflict is probably just a matter of semantics.

PRESSURE SOMEWHERE

In any event, there is increasing evidence Dr. Milton frowned upon Batista because he was a dictator and believed the legend that Fidel was a champion of the people. As recently as last April 2, Milton "urged the U.S. public to realize that its attitude toward Castro has changed more than that of many Latin Americans" so perhaps he still thinks so.

Certainly there was some pressure from somewhere.

Dr. Emilio Nunez Portuondo, former Cuban prime minister and twice president of the U.N. Security Council during the Batista regime, derives no pleasure in recalling why he now lives in exile:

"Milton Eisenhower," said the fiery little diplomat, "was the adviser on Latin American affairs, having power that really was the responsibility of the President.

"This was incredible to us, because Dr. Milton could not speak French, Spanish or Portuguese, the languages of Latin America and he was, before his appointment, never in Latin America 1 single day. Yet suddenly, he was adviser to the President and as the newspapers said, an 'expert' on the subject."

TELLS OF WARNING

"He seemed very to the left to us. He helped in favor of Castro and against Batista. Batista was a dictator, Latin American style, but a friend to the United States. Castro is a dictator U.S.S.R. style, and an enemy of the United States.

"As early as 1956, I warned Dulles, Lodge (Henry Cabot, U.S. Ambassador to the U.N.) and Rubottom (Roy Rubottom, Assistant Secretary of State for Latin America) against Castro. The proof I gave them was provided by the chief of police of Colombia in 1948, Alberto Nino, who published a book describing at firsthand the 'Bogotoza' in Bogota."

Nino said this now-notorious rioting action "originated in Moscow" because the U.S.S.R. was afraid of the Inter-American conference then in progress there, fearful lest the United States might produce for Latin American countries a plan similar to the Marshall plan. Gen. George C. Marshall was chief of the U.S. delegation to the conference.

Nunez Portuondo asserted, "Nino said Castro was in Bogota to direct the Bogotoza action in the place of a Russian Communist who didn't go because Colombia refused to grant him a visa. Castro's luggage, when searched by police, contained a Communist affiliation card, and a letter of congratulations in advance from Blas Roca, head of the Communist Party in Cuba."

FINALLY RECOGNIZED

"After Castro came to power, I sent many memos to the State Department. After 2 years more, they finally recognized that his Government was a Communist movement."

In 1957, Senator MIKE MANSFIELD, Democrat, of Montana, now Senate majority leader, went to Secretary of State Dulles to ask him to appoint Republican Robert C. Hill, already a successful Ambassador to Latin America, to the then-vacant post of Secretary in charge of Latin American affairs.

Hill, forthright and politically oriented moderately right of center, told Dulles: "Latin-American affairs are run from Baltimore by Milt Eisenhower (Dr. Milton Eisenhower is president of Johns Hopkins University) and he doesn't want me. I am not on his team."

Hill refused to accept the post because of its tieup with Milton. Dulles and Ike were "disturbed" by Hill's remark and eventually the former assigned Hill as Ambassador to Mexico. Mr. Rubottom was given the Latin-American post.

NO GOP MONOPOLY

It is fruitless and inescapably saddening now to wonder whether Hill, tough, diplomatically able and anti-Castro from the beginning, might have been able to produce a happier result in Cuba had he taken the post, pressures from Dr. Milton Eisenhower notwithstanding.

Of course, the Republicans have no monopoly on this sort of thing. Richard Goodwin, now Deputy Assistant Secretary of State for Inter-American Affairs, was initially appointed adviser to President Kennedy on Latin-American affairs. Goodwin, only 29 at the time of his appointment, never had set foot in Latin-America and couldn't speak Spanish, but he was reportedly "learning," which put him one up on Dr. Eisenhower. Goodwin and Arthur Schlesinger, Jr., Presidential adviser, are credited with persuading President Kennedy and thus implictly the U.S. Government, to become a principal in the prisoner-tractor swap which was cynically and almost casually proposed by Castro.

Goodwin apparently conceived the participation (including a committee of three Americans, one of which was Dr. Milton Eisenhower) and the State Department never was consulted. The reaction of most Americans suggested they found the idea revolting.

The late Scott McLeod, former State Department security administrator, spoke candidly of "pressures" in and out of the Department: "A public servant's decision is supposed to be in the best interests of the United States. Actually, it is more often in the best interests of the public servant. You can't blame the little guys for doing this when the big guys are doing the same thing."

MEN OF INACTION

"A French politician once said, 'I must rush out to see which way the mob is going so that I can lead them." One of the worst things that can happen to you in Washington is to become controversial. (McLeod, strongly security-minded, did.) For example, any policymaker going against Herb Matthews (of the New York Times), the Alsops (Joseph and Stewart, columnists), or Lippmann (Walter, columnist) would be out of his head. They wield tremendous power.

"Career service spawns men of inaction. You can't get into trouble if you do nothing."

A onetime State Department authority on the Far East compared the Cuba situation to events in Korea.

"Batista's downfall," he declared, "was prepared similarly to that of Syngman Rhee, a project hammered at over the years by the idealistic left wing. Tragically, such efforts, although starting from different motives, tend to coincide with targets the Soviet also has picked out to destroy—Batista, Chiang Kai-shek, Rhee, Adenauer, Richard Nixon, De Gaulle, Franco, Salazar, Menderes, Tshombe, and many more. They all have one thing in common: They hate communism."

FALL FOR BUILDUP

"Foreign Service personnel, of whom I have known literally hundreds, fall for this buildup, encouraged by information media and individuals whom it is professionally important to heed.

"Thus, the young Foreign Service officer goes to Korea, for example, and he is given to understand pretty well that it would be nice to have old man Rhee out of the way. Not that anything is done against Rhee; it is just that nothing is done for him. We gave him no support.

"I think Ike was unhappy about Rhee's going, but it was done from the inside rather than the outside, as was popularly suggested."

I asked my informant, who spent a professional lifetime in the State Department, why someone in the Foreign Service hadn't rebelled against the anti-Rhee "squeeze" if they really felt it was in the best U.S. interests to keep him in power.

"If Walter Robertson had still been there (Robertson was Assistant Secretary of State for Far Eastern Affairs, 1953–59) it wouldn't have happened, but his successors wanted to show a more liberal line—not consciously kowtowing to be popular, but year after year in State, the people not branded as liberal are slaughtered."

AFTER DRUMRIGHT

"Now for example, Everett Drumright (then U.S. Ambassador to Formosa) is a strong anti-Communist and gives support to Chiang Kai-shek. They're after him. The idea in State is to gang up on people considered reactionaries."

This interview occurred in February 1961. In July 1961, Drumright left Formosa for Washington, his relations with Chiang almost impossible because of tension on the issue of Outer Mongolia. At that time, the Kennedy administration was reported to be ready to establish diplomatic relations with the Soviet-sponsored Mongolian Peoples Republic. Drumright repeatedly urged the State Department to delay action, since Chiang maintained Mongolia was rightfully part of China.

On July 17, 1961, the State Department said there was no basis for rumors that Drumright would resign as Ambassador to Nationalist China, but on March 8, 1962, he ended his 4-year assignment on Formosa with what he said was a routine transfer.

A well-informed veteran of 27 years' service with Government, including the State Department, said to me, "In or out of the State Department, they remain in the establishment; if out of Government, they go into institutions of higher learning until they can get back, and whether they are in or out, they continue to peddle each other's papers."

LATTIMORE ACTIVE

"Lattimore (Owen Lattimore, one-time State Department official indicted in 1952 on charges he gave false testimony when he denied pro-Communist activities) is without official Government title.

"He is a lecturer at Johns Hopkins University, of which Dr. Milton Eisenhower is president. Lattimore was a former member of the Institute of Pacific Relations, and on the State Department China desk when we lost China to the Communists.

"Lattimore still is active in the State Department, despite all denials. We knew when he went to Outer Mongolia last year that he was going to arrange for its recognition.

"He and Milt Eisenhower are friends; when one talks, the other listens.

"The thinking doesn't change from one administration to another. Lattimore went to Outer Mongolia with the knowledge and consent of President Kennedy. Subsequently, Outer Mongolia was admitted to the U.N."

REPUBLICAN GOVERNORS AT GOVERNORS' CONFERENCE APPROVE RESOLUTION CALLING FOR BETTER BALANCE BETWEEN MAJORITY AND MINORITY STAFF MEMBERS ON CONGRESSIONAL COMMITTEES

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. Schwengel] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, it was significant to me and the other Members in the House and Senate who have been fighting for more minority staff members on congressional committees to have the Republican Governors who attended the National Governors' Conference in Hershey, Pa., unanimously pass a resolution favoring a reform in committee staffing.

Because I have introduced House Resolution 570 which would permit the minority to name up to 40 percent of the professional staff members on standing committees in the House, I am particularly pleased that the Republican Governors have taken a stand along with other leaders in the Republican Party in support of the changes which the resolution would bring about.

It is obvious that these Republican Governors are aware of the great injustice which Republican Members of Congress face by not having adequate representation on committees. They are also aware how this inequity handicaps them and the people of their respective States. When they come to Washington to testify before committees, there are precious few minority employees—often none at all—to assist them in preparing material, organizing briefings and drafting viewpoints which are consistent with the Republican philosophy of government. The Democrats are only too willing to let the Federal Government take over more and more of the responsibilities which belong to the States. The Republicans want to encourage local responsibility in those areas where the historical prerogatives favor the States.

The Republican Governors of some 16 States, representing millions of people who take the same position they do on Federal-State relationships and other issues, feel the need to talk to committee people who represent their same point of view; to correspond with them; swap information; ask questions and get answers.

They have seen the value of a strong majority and an equally strong minority in their own States. They know that the proper representation of both the majority and minority viewpoints is in the best interest of all the people. They feel that their constituents who hold the minority viewpoint have the same right to have their views represented in Congress as the majority does.

These Governors agree with Senator Kenneth Keating, of New York, who, in calling for a new Republican offensive, called the congressional staffing issue the No. 1 issue for consideration at the All-Republican Conference which preceded the Governors' Conference.

That is why they were emphatic in the resolution which follows in calling upon Republican leadership to work hard to take the necessary action to correct existing inequities.

Here is the resolution which was adopted by the Republican Governors at the National Governors' Conference. It reads:

> Whereas we, the Republican Governors of the National Governors' Conference, are tragically aware of the most serious imbalance between the majority and minority within the Congress in the matter of committee staffing, often as inadequate minority representation as one or two on a committee of 40: Be it
>
> *Resolved,* That we go on record as favoring a reform of committee staffing to achieve adequate minority representation to insure proper presentation and development of constructive Republican criticism and action within the congressional committee structure; and that we encourage the Republican members of the National House and Senate to urge their joint leadership and policy committees to insist upon and take immediate action to correct the inequities which currently exist in committee staffing.

MASS TRANSIT NONSENSE

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Derwinski] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, as a member of the Banking and Currency Subcommittee which studied the mass transportation bill, and as a member of the minority whose views are expressed in the committee report, I feel it essential to call to the attention of the Members of the House the basic fallacies of the proposal.

One of the most pertinent observations necessary is the quiet manner in which the legislation is being processed, with little fanfare from the majority members on the committee. The reason for this quiet legislative process is the fact that this bill will pass only if the Members of the House are unaware of the tremendous cost, complications, inconsistencies, and long-range commitments involved in the measure.

Therefore, I feel it necessary to direct attention to H.R. 11158 and ask that Members give specific attention to the minority views.

However, it is interesting that the responsible press of the Nation is evidencing an interest in the issue, and I was especially pleased to note that this morning's Wall Street Journal contained a precise, hard-hitting editorial, supporting our minority views. I submit this editorial entitled "Mass Transit Nonsense" for the Record, at this point:

Mass Transit Nonsense

> "This is not a mass transportation bill at all. * * * It seeks to establish as its fundamental policy that it is a Federal responsibility to subsidize public transportation in communities or places of 2,500 or more. * * * We reject that policy as nonsense."
>
> This is pretty plain language from the four Republican members of the House Banking Committee filing a dissent to the administration's $500 million subsidy plan for urban mass transportation. But considering what the plan proposes and the probable results were it adopted, the criticism is not too strong.
>
> Most people probably have been under the impression that the Administration's bill has to do with solving some of today's big-city mass transportation problems. Actually, as the dissenters observe, the bill defines neither "urban areas" nor "mass transportation."
>
> Revealing definitions nonetheless came from the Federal Housing Agency, which would administer the program. It proposed to define "urban" as "any area that includes a municipality or other built-up place of more than 2,500 inhabitants." And "mass transportation" as "public transportation by bus or rail, or any other conveyances moving over prescribed routes." The minority report notes that this could apply to the horse-drawn sightseeing vehicles of bucolic Williamsburg, Va.
>
> Now either such a measure would be hopelessly ineffectual, trying to subsidize the approximately 6,000 communities in the United States of over 2,500. Or else, if it were to provide significant subsidies, the cost would be fantastic.
>
> Moreover, the plan is weighted in favor of public agencies. As the bill stands, the handouts would go only to public bodies which, if they desired, could lease their Federally financed facilities to private systems. This opens the door, as one of the committee members warns, to "direct Federal subsidy to Government-owned mass transportation systems in direct competition with * * * private transportation companies."
>
> Nobody doubts that the Nation's two dozen major urban areas have mass transportation problems—problems which are obviously local and not national. This plan would not solve them. Instead, it looks in the direction of the worst "solution": Transit nationalization.

LEASE-SALE SCHEMES IN GOVERNMENT COST-PLUS CONTRACTS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Zelenko] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection

to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ZELENKO. Mr. Speaker, I have this date introduced legislation to close a glaring loophole in Government defense cost-plus contracts, which has allowed big business to reap millions of dollars a year in unwarranted windfall profits from the U.S. Government.

The bill, which would limit the rental payment for use of certain machinery and equipment under cost-plus contracts with the United States, is in line with President Kennedy's proposed program to spur the economy by plugging tax loopholes and allowing legitimate tax reductions.

The following fact situation gives rise to the manipulation and windfall profit: Company A is awarded a large Government cost-plus contract. In order to perform this contract, it becomes necessary for company A to obtain certain equipment or machinery. For the purpose of this illustration let us assume the equipment needed by company A is valued at $1 million. Instead of purchasing the equipment, for which it would receive no tax benefit except normal depreciation, company A enters into a leasing arrangement with company B and rents the machinery for $500,000 a year, charging the total cost of the rental plus 10 percent to the Government as one of its expenses under the contract. At the end of 2 years, company B sells the machinery to company A for $1, listing it as depreciated and obsolete. The effect is that the U.S. Government has paid far more than it should have under the cost-plus contract and has, in fact, purchased the equipment for the future use of company A.

Where this scheme is utilized there is of course a substantial increase in the cost of these defense contracts. In addition, a great many businesses have equipped complete plants with practically new machinery through these widespread and notorious lease-deal agreements, operating at the expense of the U.S. taxpayer.

My legislation closes this expensive loophole and prevents these windfalls by limiting the rental fees on any equipment, under cost-plus contracts, to the amount of the normal depreciation allowed by the Government under present tax structure.

Investigation has revealed that oftentimes these lease-sale transactions are agreed to prior to the signing of the contract. This in many situations taints the transaction with fraud since the original agreement allows practically new equipment at a value of hundreds of thousands of dollars to be sold to the contractor by the lessor for a nominal sum.

Regarding this phase of the scheme, I am sending to the Attorney General and to the appropriate Government agencies, the facts relating to specific corporations for the purpose of determining whether there has been a violation of Federal conspiracy statutes.

I urge early and favorable consideration of this legislation.

HIGHER INTEREST ON FOREIGN DEPOSITS TO EASE GOLD SITUATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PATMAN. Mr. Speaker, I wish to advise the House that the Banking and Currency Committee of the House will begin hearings on H.R. 12080 on Tuesday, July 10. Our first witness will be the Honorable Robert V. Roosa, Under Secretary for Monetary Affairs, Treasury Department. Other witnesses scheduled to be heard on subsequent dates will be the Honorable William McChesney Martin, Jr., Chairman, Board of Governors of the Federal Reserve System and representative leaders in the field of banking.

Mr. Speaker, the purpose of this bill is to permit commercial banks greater flexibility in negotiating with foreign governments and central banks concerning the rate to be paid on time deposits of these official bodies. By exempting those foreign official deposits from the mandatory ceilings now applied to rates for all time and savings deposits at commercial banks, these banks will be able to make the fullest competitive effort possible, within limits set only by their own ingenuity and earnings prospects, to attract and hold these funds in the form of dollar balances.

Total dollars in the hands of foreign official institutions now amount to over $10 billion, and provide an important part of the world supply of international reserves. These dollars may be freely converted, upon request to the U.S. Treasury, into gold at the established price of $35 per ounce, and therefore represent a direct claim on the U.S. gold stock. One of the many factors that may influence a decision by a foreign government to hold dollars in preference to demanding gold is the return that it may earn by investing those dollars in the United States. Time deposits at commercial banks have traditionally been one of the favored media for the investment of these official reserve funds, and this bill would permit banks freedom to compete vigorously for these funds.

The exemption from regulation would be confined solely to deposits of those official foreign institutions that now have the alternative of drawing gold from this country. There would be no effect on ceilings applicable to deposits of either domestic depositors or private foreign depositors. Both of these classes of deposits will continue to be subject uniformly to the regulations and ceilings imposed by the Federal Reserve and the Federal Deposit Insurance Corporation. The exemption for foreign monetary authorities is designed, within the basic framework of a free market, to supplement and reinforce other efforts taken by the U.S. Government to maintain the facilities appropriate to the position of the U.S. dollar as the principal international reserve currency.

Mr. Speaker, I want to make it quite clear that there are many factors which affect the judgment of any central bank concerning its holdings of gold, or of dollars. Interest rates are only one among these. I believe, however, that it is important for the United States, as the leading spokesman for private enterprise in the world, to enable its commercial banks to make their contribution in our effort to reduce the outflow of gold from this country. I believe the combined efforts of our commercial banks and the Treasury Department (which is prepared to issue special securities at attractive rates for exclusive holding by foreign central banks or governments) should help in inducing the foreign official holders of dollars to prefer dollar holdings to additional purchases of gold.

The hearings will begin at 10 a.m., in room 1301 New House Office Building on July 10, 1962. All persons who wish to appear and testify on this bill or submit written statements thereon, are requested to notify the counsel of the House Banking and Currency Committee, room 1301 New House Office Building, telephone Capital 4-3121, extension 4248.

A LOOK AT THE ADMINISTRATION'S CIVIL RIGHTS RECORD

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. ELLSWORTH], is recognized for 2 hours.

Mr. ELLSWORTH. Mr. Speaker, this is the second of a series of special orders taken and to be taken this spring and summer by the gentleman from Colorado [Mr. DOMINICK], the gentleman from Connecticut [Mr. SIBAL], and the gentleman from Massachusetts [Mr. MORSE], and probably others, and myself, comprising constructive and critical commentaries on various aspects of the conduct of our Nation's affairs. Today we will offer a group of comments on the present administration's conduct both at home and all over the world on matters in the field of human rights. I will offer comments in the field of domestic and civil rights. The gentleman from Connecticut [Mr. SIBAL] will talk on immigration policy, and the gentleman from Colorado [Mr. DOMINICK] on the rights of the people of the captive nations, and the gentleman from Massachusetts [Mr. MORSE] on the rights of the people of the emerging nations. We will comment on the administration's actions or lack thereof both at home and abroad and upon our Nation's leadership, both moral and political, all over the world. Our effort then is to offer constructive criticism on our Nation's action, or lack thereof, in the field of human rights.

Perhaps some of the most eloquent plans ever announced for action on civil rights were those outlined by Presidential Candidate Kennedy—during the

1960 campaign. It has often been stated that Mr. Kennedy's eloquence is unmatched. It is most assuredly unmatched by his actions and the actions of his administration.

Recent reports from various organizations, including a circular from Democratic national headquarters, give a false impression of what the Kennedy administration has done in the field of civil rights. One of them exaggerates the use the President has made of his Executive powers. Another is a condensation of items which have appeared in newspapers and press releases, without any critical evaluation. The Democratic circular asserts that the President has "moved decisively" and called for civil rights legislation. None of these statements is true. Congress passed no civil rights legislation in 1961—except to extend the life of the Civil Rights Commission for 2 years—because the administration made it known that it wanted none.

The senior Senator from New Jersey has stated the situation accurately:

> Bills were introduced early in the session with bipartisan support. What was lacking was leadership support and, most of all, administration support. The sad fact is that the administration took pains to disassociate itself from civil rights legislation proposed by its own committee to follow through on its campaign commitments.

I suggest to the administration that if it would provide a modest measure of leadership in the field of civil rights legislation, it would find many Republicans following that leadership.

Congress has passed no legislation which aided Negroes in the fields of education, housing, and minimum wage.

Housing legislation has not been especially beneficial to Negroes because all of the programs enacted permit racial discrimination. That is particularly true of urban renewal, which is generally regarded as a program for the urban removal of Negroes.

The Minimum Wage Act omitted from its extended coverage laundry workers, probably the lowest paid group in the country and largely Negroes.

President Kennedy supported the packing of the House Rules Committee, but he took a hands off position in the fight in the other body to curb the filibuster. A statement that the executive branch of Government took the lead in promoting civil rights as never before is not historically true. Nor are statements true that the President provided vigorous leadership or appointed more Negroes to office than any other President.

During the campaign, Candidate Kennedy swallowed the sweeping civil rights plank of the Democratic platform and added some promises of his own, but since he took office he has failed to carry out any of them. He promised to end racial segregation in federally assisted housing by the stroke of a Presidential pen. He is yet to find that pen. An Executive order to ban such segregation was placed on his desk, but he did not sign it. He said he had to delay doing so until a more favorable "consensus" developed.

There is little truth in the statements that President Kennedy and Brother Bobby persuaded school officials to desegregate schools in the fall of 1961. There is not now even token desegregation in any public school in South Carolina, Alabama, or Mississippi. The Clarendon County School District, a defendant in the original school segregation cases, is still segregated. Public schools in Prince Edward County, Va., another defendant in those cases, are still closed. Atlanta schools are desegregated because Georgians preferred token desegregation to school closings. In New Orleans, eight Negro pupils joined four who had entered previously all-white schools in 1960. The 12 qualified only after passing tough pupil placement screening tests. Dallas desegregated after 5 years of litigation, and a Federal court recently ruled that the Memphis plan of desegregation did not meet the requirements of the 1954 Supreme Court decision against segregated public schools.

The administration has sought to give as a sop to those who relied on the President's civil rights pledges a well-advertised number of appointments of Negroes to Federal posts. These appointees have been active speakers before civic, fraternal and other organizations on behalf of the administration, but there is an increasing disillusionment with such appointments. The realization is growing that, as exciting as these appointments may appear in a magazine or news story, they are no substitute for the promised action on civil rights. As the Negro Chicago Daily Defender editorialized recently:

> Misguided Negroes are fond of believing that they are appointed to high positions in public affairs on merit and not because of their political identity as representatives of the Negro people. This attitude makes them kowtow to white sponsors. The truth of the matter is that there are plenty of white folk with brains, experience and skill and the member of a racial minority gets the nod for political reasons and not purely on personal merit.

On April 8 Urban Renewal Commissioner William L. Slayton issued a statement setting forth a requirement that development of urban renewal projects must obey State and local laws prohibiting discrimination. While the administration endeavored to picture this move as progress, actually it was just the opposite. Commenting on the Slayton move, Charles Abrams, president of the National Committee Against Discrimination in Housing—composed of some 35 national organizations interested in ending housing bias—said:

> This policy is the first official sanction of federally aided discrimination in the Kennedy administration.

He pointed out that the new policy would give 37 States, including the South, "a free hand to discriminate against Negroes." Thus, a Kennedy campaign pledge to end housing discrimination becomes a Kennedy administration action which gives a Federal hand to such discrimination.

This doubletalk on housing discrimination is nothing new. Under both the Roosevelt and Truman administrations, as reports of the Civil Rights Commission will show, the FHA not only encouraged discriminatory real estate practices but suggested the text of a model restrictive covenant. As a matter of fact, the FHA manuals containing this model restrictive covenant remained in circulation until 1950, 2 years after the 1948 Supreme Court decision which declared such covenants as unenforcible.

A key pledge made during the courtship days of the New Frontier was that one of the first orders of business of the new administration would be the enactment of civil rights legislation. Mr. Kennedy avoided recommending any civil rights measures to the Congress during his first year in office and during the second year has made only half-hearted—albeit, well-advertised—efforts in that direction. As Mr. Shad Polier, American Jewish Congress leader pointed out last month, President Kennedy's failure to give active leadership in the fight for antidiscrimination legislation has resulted in increasing apathy and discouragement among civil rights supporters. Mr. Polier charged that the "collapse" in Congress recently of forces seeking to bar voter literacy tests reflected widespread sentiment that the struggle to "enact meaningful civil rights legislation was all but hopeless without the vigorous support of the President."

One wonders if a deal has been made by the administration to forego civil rights legislation in the interest of avoiding controversy and obtaining votes from the majority party on other legislation? If so, one cannot help feeling the deal has been a failure from the standpoint of the administration—certainly very little forward motion has been discernible on most of the administration's legislative program. In the case of the farm bill defeat, the no-civil-rights deal, if any existed, must surely have collapsed completely.

Today, 8 years after the historic 1954 Supreme Court decision on school desegregation, only 7.3 percent of the Negro students in the 17 Southern and Border States are attending integrated schools—and the percentage is zero in Alabama, Mississippi, and South Carolina.

Contrast this lack of progress with the glowing words of the 1960 Democratic platform:

> A new Democratic administration will also use its full powers—legal and moral—to insure the beginning of good faith compliance with the constitutional requirement that racial discrimination be ended in public education.

Has any legislation by the administration been proposed to this end? Has any executive action been taken to achieve this goal? Oh, there will be some on the other side of the aisle who may now rise and cite the well-publicized March 30 order of HEW Secretary Ribicoff with respect to Federal aid to impacted areas under Public Law 815 and Public Law 874. At first blush it would seem that this order applied to all such school districts. Upon further examination, it was revealed that its only effect would be where children came from military posts. And now, as protests by the American Civil Liberties Union disclose, even this pittance is not covered.

Sterling Tucker, executive director of the Washington Urban League, summed up some of the points I am making when he wrote in the January-February issue of the Civil Liberties Bulletin:

> Despite earlier trumpetings of this national administration, it appears that we're still in the "with all deliberate speed" era and I fear that deliberate may bear to speed the same resemblance that separate bore to equal for so many years.
>
> The storm signals were already out on the civil rights legislative front before President Kennedy took office but there was every indication that his administration was all tooled up for forging ahead with executive action.
>
> Somewhere along the way somebody must have dropped a monkey wrench into the works for, after the initial splurge of appointments of Negroes and Jews to high posts, activity on this front came to a nearly screeching halt.

Another hit on the administration civil rights publicity parade has been efforts against discrimination in employment. Commenting on this Mr. Tucker wrote on the one major effort to date of the President's Committee on Equal Employment Opportunity:

"The well-publicized 'plans for progress' seems actually somewhat of a sham." Mr. Tucker points out that the companies agreeing to the plans have agreed to do nothing to which they are not already obligated under law. In fact, he observes, some of the points covered in Executive Order 10925 are omitted. His conclusion:

> It would seem that the "plans for progress" are, in point of fact, regression.

It would seem that Mr. Kennedy has realized quite a few "paper profits" on civil rights. Unfortunately, there have been too few dividends to the citizen stockholders in the world's greatest public corporation, the U.S. Government.

Let me sum up by saying again: If there has been a "deal" of any kind—either express or implied—for the administration to stay its hand from civil rights leadership in exchange for votes on other New Frontier legislation, then let notice be taken that the "deal" has been all one way.

Let the administration show the hand of leadership in civil rights legislation and executive action—as distinguished from mere words—and it will find, and the Nation will find, many Republicans following that leadership.

Mr. SIBAL. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Connecticut.

Mr. SIBAL. Mr. Speaker, when my colleagues and I opened this series of discussions in May, I spoke of the dangers of dealing in illusions rather than realities. I charged that the administration was doing this and that it frequently appeared to be either blind to the realities or to be deliberately ignoring them.

We spoke then in general terms of concern over the way this attitude was affecting our foreign policy. Today, we become more specific, devoting our attention to the broad area of human rights.

America is now and always has been a world leader in the historic crusade for human rights, which we, in this discussion, take to mean the right of every human being to work out his personal destiny for himself, limited only by his own abilities and, of course, by consideration for the rights of others.

This is the meaning of the American dream, which has come true for so many over the years. Our example has been and continues to be an inspiration for countless millions, including millions who have left their homelands to make new lives in the United States.

In the marketplace of ideas, our stock is at the top. The stream of refugees flows from East to West and not the other way. The message of America, fashioned in actual deeds, is heard clearly above the strident tumult of Communist propaganda. The oppressed people of the earth look to the Statue of Liberty, not the Tomb of Lenin, for their salvation.

It is essential that we keep this dream alive and that the message of America remain meaningful.

If we fail to do this, the very reason for our existence will wither away, like a tree whose roots have been severed.

My remarks today are addressed to our immigration policies, which are in need of major overhaul to fit new conditions. It is in these policies that we speak our minds most clearly on our regard for our fellow men.

To correct existing inequities I urge an end to the national origin quota system and a permanent policy toward the world refugee problem.

These are not thoughts that are new with me. My speech today is an urgent call for action on existing proposals.

Both parties pledged action in their 1960 platforms, which remain in force.

The President has spoken clearly in favor of these revisions at the time he was seeking the votes that placed him in office.

The Democratic platform states:

> The national origins quota system of limiting immigration contradicts the founding principles of this Nation.

It assures us in addition:

> A Democratic President in cooperation with a Democratic Congress will again implant a humanitarian and liberal spirit in our Nation's immigration and citizenship policies.

We have a Democratic President and an overwhelmingly Democratic Congress, Mr. Speaker, but that's the last we have heard of that pledge. What can the world think of this official silence, following such strong statements, except that we do not mean what we say?

On a number of occasions, then Senator Kennedy endorsed the party's platform on this question.

In August 5, 1960, in remarks at the Overseas Press Club in New York City he declared:

> If we present, in this area, an image to the world of hostility, of saying that one country is better than another, by writing that into our national immigration laws, I think we do a disservice to our people and to our country.

On the following day, he issued a press release from his press office in Hyannis, Mass., which began:

> Senator John F. Kennedy today pledged that "high priority" would be given by a Democratic administration to the platform plank calling for amendments to the immigration and naturalization laws to ban discrimination based on national origin.

On September 6, 1960, he reinforced this statement at a press conference in Pocatello, Idaho, in which he declared:

> The platform on these matters (of immigration) we are going to attempt to carry out if elected.

Again, in a statement he issued on Citizenship Day, September 17, 1960, President Kennedy asserted:

> We cannot afford, for example, to continue to keep on our books an immigration law which rates people of one national origin better than people of another national origin. Such a law is not in keeping with the ideals of American democracy, not with the spirit of the American Constitution.

No attempts to carry out these pledges has been made by Mr. Kennedy's administration. The American people and the world wait for noble deeds to match the noble words. Are they to conclude the words were only cynical appeals in a close campaign?

The Republican platform of 1960 declares that:

> The annual number of immigrants we accept be at least doubled.
>
> Obsolete immigration laws be amended by abandoning the outdated 1920 census data as a base and substituting the 1960 census.
>
> The guidelines of our immigration policy be based upon judgment of the individual merit of each applicant for admission and citizenship.

This is preceded by the statement that:

> Immigration has been reduced to the point where it does not provide the stimulus to growth that it should nor are we fulfilling our obligation as a haven for the oppressed.

Several bills to implement this platform have been introduced by Republican Members of Congress, notably, the broad bill, H.R. 7987, by the distinguished gentleman from New York [Mr. LINDSAY] and in the other body, S. 551, by Mr. JAVITS.

With the support of both parties, with a concrete plan, and the backing of the President, one wonders why steps are not being taken by the Democratic leadership to get these changes adopted.

The system of national origins is contrary to everything we stand for.

It is radically biased, statistically incorrect, and a clumsy instrument of selection, which bars individuals by discrimination against nations instead of considering the personal qualifications of applicants for citizenship. It overlooks the innate differences of individuals among members of a group and it confuses racial traits and cultural attainments by identifying both physical and mental developments with country of birth.

This is an indefensible stance for us to adopt while we claim the leadership on the battle to secure full human rights. We should depart from this principle as far as we can in rewriting our immigration laws.

Insofar as possible, we should allocate quotas only on the basis of national need and priorities of applications.

As a base, we should use the total populations according to the 1960 census. Quotas should be divided up and the unused portions allocated at the end of each year proportionately among those countries who are oversubscribed.

We should have a permanent policy on refugees so that we will be able to accept a reasonable number on an orderly basis. We can scarcely seek to settle the worldwide refugee problem unless we are willing to accept some refugees ourselves as a permanent part of our policy and not on the basis of special exceptions following on the heels of crisis.

We should end the discrimination that currently exists between natural-born and naturalized citizens. Under present concepts, the naturalized citizen is subjected to involuntary loss of his citizenship through residence abroad. Renunciation of citizenship historically has been the positive act of the individual. It is improper for the State to presume it in the case of a naturalized citizen where it does not for the native-born. This gap between the rights of citizens should be abolished.

The revision in the quota system thus proposed would create an annual quota of about 300,000 instead of the present 154,000. This is in accordance with our capacities and would fulfill the platform pledges of my party.

A bill such as the Lindsay bill, would end the discrimination between the naturalized and the native-born citizen.

It would permit us to meet our obligation to receive a reasonable number of refugees. It would make other technical reforms in accord with our feelings of justice and common decency.

Mr. Speaker, we must act soon to match our deeds to our words. Our outmoded barriers, our biased strictures in this area greatly shackle us in the conduct of our foreign policy, the end of which is the freedom, security, and prosperity of ourselves and our fellow nations.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. LINDSAY. Mr. Speaker, I want to compliment the distinguished gentleman from Connecticut for addressing himself to the question of our immigration policy and to commend him on the excellent dissertation he has just given on the complex subject of immigration and nationality. I applaud him for his concern and for his efforts to reform this appallingly sad piece of legislation that is now on the books.

I compliment the distinguished gentleman from Kansas on the excellent talk he gave us a few minutes ago and the knowledge he brings to the subject of civil rights and his concern with the subject and the people who would be affected by proper legislation in this field.

Mr. SIBAL. I thank the gentleman.

Mr. ELLSWORTH. I thank the gentleman, and I want to join with the gentleman from New York in complimenting the gentleman from Connecticut on his exposition of our immigration policy.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Colorado.

Mr. DOMINICK. Mr. Speaker, our very able colleagues Congressman ELLSWORTH and Congressman SIBAL have once again set forth in penetrating terms the contradictions in the present administration—it is long on speeches about intent but woefully short in any action to back them up. In the human rights field this contradiction has swept through not only the civil rights section of human rights and the immigration policy but also the captive nations issue. The vast majority of Americans retain deep in their souls the fundamentals of human rights set forth in the Declaration of Independence and fortified in the Bill of Rights.

> We hold these truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness—that to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed.

Millions of people from all over the globe have rushed to these shores in answer to this clarion call and have served with distinction in our Armed Forces in battles against tyranny over the world—battles which history has shown were necessary to preserve the right to liberty so deeply proclaimed by our heritage.

Yet today there are millions of people throughout the world held in bondage by the greatest conspiracy against freedom in the history of the world and we are doing relatively nothing. In Eastern Europe alone there are 22 countries with millions of inhabitants held in physical and spirtual slavery by a few hundred thousand Communist stooges backed up by the armed forces of the Soviet Union.

Lest we forget the inhuman nature of this slavery it is worthwhile repeating some few facts which might otherwise be shrouded in the mists of time. Over 290,000 Latvian citizens were deported, murdered or sent to slave labor camps by the Soviet Communists in the period from 1944 to 1950. During the collectivization drive in 1948 and 1949, more than 287,000 Lithuanians were deported to Siberia. In a 3-day period in 1949 alone, over 30,000 people were deported from Estonia to Soviet slave labor camps with constant additional purges occurring in 1950 and 1951. Witnesses have testified before our own House Select Committee on Communist Aggression that 1,692,000 persons were deported by the Soviet Communists from Poland during 1939 to 1941 alone. Fifteen thousand prisoners of war, mostly Polish officers, were murdered in cold blood by the Soviets in the spring of 1940 at Katyn Forest. Millions of people in Hungary are prevented forcibly from the exercise of any fundamental human right by approximately 150,000 members of the Communist Party ruling by the force of guns, torture, slave labor and the discipline of fear and hopelessness. The ruthless display of power by the Soviets in subduing the Hungarian revolution and the East German youth revolt are still clear horrors in the minds of all of us. Rumanians, Bulgarians, Yugoslavs and Germans are held in forcible subjection by a few thousand Communist thugs using machineguns, torture chambers, slave labor camps, and constant repetition of outright lies designed to brainwash the young, the gullible and the unknowledgeable.

By relentless pressures based on fear and deceit, these ulcerous tentacles have contrived to erode the free world until it now threatens our own shoreline. What have and what can we do about rekindling in the minds and hearts of people throughout the world the basic beliefs in human rights as set forth in our own Declaration of Independence, and what have and what can we do to give aid and assistance to the people caught in this quicksand of muck, torture, and deceit?

In 1959 an act of Congress was passed and President Eisenhower promptly implemented it by proclaiming the last week in July of each year as Captive Nations Week—when Americans are asked to work and pray for the early restoration of these enslaved people to their historic freedom and national independence. Thirty-nine resolutions are now pending in Congress to create a Permanent Congressional Captive Nations Committee which by public forum could further the spirit of Captive Nations Week on a year-round basis. Everytime the subject is mentioned, Communists throughout the world rant and rave at being hit in such a vulnerable spot.

In 1960 President Kennedy, while running for office, stated:

> We must never—at any summit, in any treaty declaration, in our words, or even in our minds—recognize Soviet domination of Eastern Europe.

And yet the actions of this administration again do not follow the words. The present administration fails to distinguish between the people in these Eastern European countries and the governments holding the same people captive. We continue to give strategic material, including aircraft, to the Communist governments of Yugoslavia and Poland, which materials are used by those governments to maintain their iron claw grip over the lives and liberties of the people. Secretary Rusk in objecting to the Captive Nations Permanent Congressional Committee, and preventing its passage has said:

> It would likely be a source of contention and might be taken as a pretext for action by the Soviet Union which would interfere with the resolution of the present crisis concerning Berlin.

This is a classic example of the confusion in thinking in the minds of many administration officials. They say in effect: "Do not irritate the Communists, it might give rise to more pressures. If we stay quiet maybe it will all blow away."

And while we hide in our shells like oysters, the Communist conspiracy continues to slice off additional sections of the world, enslaving millions more people and drawing a literal noose around our country.

The minds, hearts, cultures, and beliefs of the people in the captive nations are still dreaming of their human right to freedom—of life, liberty, and the pursuit of happiness. Many are still risking their very lives to escape from the horror chambers imposed upon their minds and spirits. We should stimulate their feeling of independence—their drive for restoration of government based on self-determination. We should reiterate to the world our belief that the very spiritual forces which are largely responsible for this great country of ours will someday be available to the captive nations. We should cut off all aid to Communist governments and offer aid under our supervision to the people within the captive nations. We should establish the proposed Freedom Academy. We should try to force through the General Assembly of the United Nations a thorough investigation of the methods used by the Communists to capture these countries, the methods used to keep the people in subjugation, the horrors perpetrated by the Communists on the millions from the captive nations who have been ruthlessly deported, placed in labor camps, liquidated, or tortured. We should give aid and assistance to refugee groups to maintain communications with the people within these countries. We should support all missionary groups trying to prevent the ruthless atheism of communism from taking over the souls of those within these areas.

And this administration is not taking any action to support any of these proposals and in fact has opposed them.

Are we to accept the position that the people in the captive nations are doomed to live under communism?

Are we to accept the position that the people of Russia itself must be written off because the Communist career started here?

Are we to remain quiescent while the remainder of the world is shredded by the basically evil tenets of this doctrine?

Are we to be forced into a war in order to preserve our own liberties when we have opportunities throughout the world and particularly in Eastern Europe to demonstrate by word and deed that the vast majority of people everywhere abhor living under fear and torture?

We have in the people of the captive nations one of the greatest assets in our struggle for freedom—an asset which could literally start the downfall of the Communist empire if properly used.

We reject the policy of inaction and softness advocated by this administration. Rather we believe this—we must not only reaffirm the basic human rights of these captive nation people by words but we must make use of all available methods to act on these premises if we are to make progress in winning the cold war. We must move forward within our own basic tenets to give the opportunity to the people of this world to live with dignity and justice.

Mr. ELLSWORTH. I want to thank the gentleman for his contribution, and commend the gentleman for it. The gentleman said just the right things in just the right way.

Mr. MORSE. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I would be glad to yield to the gentleman from Massachusetts.

Mr. MORSE. Mr. Speaker, my colleagues have dramatically articulated the intimate relationship between our concern with human rights here at home and in those nations which are subject to Communist domination and the effectiveness of our long-range efforts in the international community. They have demonstrated the essential truth of Adlai Stevenson's statement that "What we say has little impact compared to what we do."

I was particularly impressed by Congressman DOMINICK's reference to Jefferson's magnificent language in the Declaration: "We hold these truths to be self-evident"; for it seems to me that these words set forth simply and majestically both our national purpose and our international objectives.

These words proclaim the deep concern of the United States with the basic rights of all people. They assert the noble reason for our being as a nation: to create an environment in which men may live in liberty with an opportunity to pursue and achieve their highest spiritual, social, cultural, economic, and political aspirations.

We are faced with a historically unprecedented challenge in the problems of the emerging nations of the world. It is fundamental that the United States of America hopes that these nations, as they mature, extend to their citizens the basic human rights of which Jefferson spoke. But it is pertinent that we ask ourselves as to whether the policies which the administration has pursued in recent months will in fact help achieve this end.

If human rights are to be fostered in the emerging nations, we must work toward the establishment of viable and independent states which can ultimately compete in the economy of the free world and which can contribute to the security of the free nations. We must work to avoid circumstances which may lead to violent upheavals which provide opportunities for Communist advances such as that we witnessed in Cuba.

Traditional 19th-century diplomacy dictated that one nation accept another as it was constituted. Today our policy must be concerned with factors internal to other nations. The danger, however, is that we may become too involved in too many internal situations.

How can we best help create that measure of stability in the emerging nations of the world which will permit the extension of the human rights we respect to the peoples of those nations?

Two facts must never be overlooked:

First. The development and advancement of the rights of the citizens of the developing nations is basically the responsibility of those nations; and,

Second. But for the United States, the Communist cancer would ravage the world, destroying the sovereignty of all nations, making it impossible for the developing nations to discharge their responsibility to promote the individual rights of their citizens.

In our dealings with the emerging nations of the world, they properly are treated as "equals." Sovereign state deals with sovereign state. This equality of sovereignty, however, veils massive inequalities in trained manpower, experience, and resources. While we must treat these nations as equals psychologically and diplomatically, it is imperative, at the same time, that we acknowledge the tremendous differences in strength, stability, and immediate objectives.

It is not fashionable today to speak in terms of self-interest. Quite to the contrary, the administration has time and again made every effort to persuade the emerging nations that the United States is guided only by a sense of moralistic altruism. We have sought to obscure our legitimate objectives: we have evidenced embarrassment at our own needs. The administration has treated the emerging nations like children. It has acted as though we do not want them to discover the facts of life.

The administration has defined our foreign policy in terms of maudlin sentimentality. It has advertised our criteria for foreign aid in sweeping generalities, thus sacrificing the opportunity to make discriminative decisions and provide selective assistance. It seems to me that this fact accounts in part for our being perpetually on the defensive.

It is time that we understood that the peoples of the emerging nations abhor gratuitousness. They want, indeed they need, our help but they do not want patronizing pronouncements. Krishna Menon once said "It is their affection that we cannot tolerate." Menon is no friend of the West but he states a generally held feeling about the quasi-moralism that is characteristic of our recent efforts in foreign affairs.

John Foster Dulles was frequently criticized for an alleged moralistic approach in the conduct of our foreign affairs. But it must be noted that Dulles was describing the rights and wrongs involved in the battle with world communism.

The present administration's moralism seems to be, on the other hand, an effort to avoid identifying or advancing any of our own real cold war interests.

If we believe that "all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness" we have an obligation to speak out in strong terms, to act resolutely, in support of our convictions.

Recent history has demonstrated that the emerging nations "play" East against West as a matter of course. While recognizing their right to independent action, while respecting their freedom to be neutral, we must not confuse that right and that freedom with the serious ramifications they carry. Can we not properly urge that these nations, if we are really concerned with the right of their citizens, evidence their opposition to a totalitarian system which would stand forever in the way of the achievement of those rights? Indeed, have we not a duty to do so? Yet the present administration has to a large degree given the impression that opposition to despotism is irrelevant. The results of this policy can be devastating. We risk spreading our resources so thin that it will not be possible for us to achieve good where it would really help. We commit ourselves to controversies which we do not have the capacity to solve. We solicit disrespect.

If, as I stated previously, our interests are those so eloquently expressed by Jefferson, is it not time for us, as a nation, vigorously to pursue a policy which would advance those interests? If the fashion of the times prevents us from identifying such a policy as one of "legitimate self-interest" can we not at least insist upon a policy of "legitimate mutual interest"? Has not the time come for us to take a direct, honest, forthright approach? Has not the time come for us to announce our own objectives and our own aspirations in order to effect the mutuality of interests which is necessary?

Should we not seek a responsiveness to our own requirements in the conduct of our foreign policy rather than encourage other governments to ignore them? Can our commitment to the defeat of an imperialistic and totalitarian system ever be understood until we articulate it vigorously, until we demonstrate clearly how it affects the human rights of the peoples of the emerging nations? Should we not make clear the reasons for our struggle against communism and demonstrate that our position vitally promotes the true independence—indeed the survival—of the "uncommitted" nations? Must we not identify the danger, the common danger, as boldly as possible?

Different situations require different solutions. We must preserve our ability to take selective action, to take the initiative. These things cannot be done so long as our foreign policy is enunciated in terms of an apologetic moralism.

Only when we in fact pursue a policy of mutual interest can we hope most effectively to use our resources and our strength in freedom's cause. Such a policy will inspire a more solid effort of all peoples who yearn for liberty.

We must satisfy ourselves, in this effort, with modest but concrete accomplishments, but these accomplishments will serve to strengthen the developing nations, to permit them to attain a stability and independence which will promote and protect the rights to which their people, as all people, aspire.

Mr. ELLSWORTH. Mr. Speaker, I want to thank the gentleman for his very incisive and trenchant treatment of a complex and subtle subject. Certainly I have benefited from listening to the gentleman and I know the House did, too.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Mr. Speaker, I have listened with a great deal of interest to these presentations by four gentlemen; the gentleman from Kansas [Mr. Ellsworth], the gentleman from Connecticut [Mr. Sibal], the gentleman from Colorado [Mr. Dominick], and the gentleman from Massachusetts [Mr. Morse]. The obvious homework that has gone into this presentation is highly commendable. It seems to me that this Record as it will appear tomorrow should be sent to the Democratic leaders of the House who are not here at this time, of course; and also a copy of this transcript as it will appear in the Record should be sent to the President. This is a challenge to debate, to debate the issues.

President Kennedy in his speech at Yale stated that there needed to be national debate on these issues and I could not agree with him more. In his Yale speech he was discussing economics; and the tragedy was that he did not refer to the fact that there had been some debate going on, certainly in the Joint Economic Committee, between the Republican members of that committee and the Democratic members and, indeed, the President's Council of Economic Advisers.

The President has control, in a large degree, of the media, and I mean that in a proper sense, because as President he demands respect in treatment. It is about time he began telling the people of this country that there is a debate going on and recognizes what is being said on the other side.

Certainly the presentation made here this evening in the field of civil rights and of the disgraceful record of this administration in relation to its words and promises—possibly if there had not been such glowing promises and statements it would not be so disgraceful, but certainly the response to this documentation which has been made by the gentleman from Kansas [Mr. Ellsworth] in the field of civil rights, and men in the field of immigration law as presented by the gentleman from Connecticut [Mr. Sibal], and then the question of human rights behind the Iron Curtain as presented by the gentleman from Colorado [Mr. Dominick], and now the question of the rights of the people of these emerging nations, should be forthcoming. Press relations and speeches before captive audiences do not constitute public debate. I want to commend the four of you again. I hope that these remarks will be forwarded to the leadership of the Democratic Party of the House and the President, and let us see whether or not they do want to engage in forthright debate.

Mr. ELLSWORTH. I thank the gentleman for his comments and for his contribution to this discussion this afternoon. As everybody knows, the gentleman from Missouri [Mr. Curtis], who has just spoken, is recognized as a national leader not only in the field of economic theory and policy and legislation but also in the field of civil rights and human rights generally. His contribution is deeply appreciated by the four of us. We certainly intend to follow along the lines the gentleman has suggested.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from New York.

Mr. LINDSAY. Just a moment ago I complimented the gentleman presently in the well and also the gentleman from Connecticut [Mr. Sibal] on the excellence of their presentations. I should now like to associate myself with the remarks made by our friend the gentleman from Missouri [Mr. Curtis] in complimenting the gentleman from Colorado [Mr. Dominick] and the gentleman from Massachusetts [Mr. Morse] on the skill of their presentation, the depth of the knowledge they have contributed today, the effort they have made to alert the Members of the House of Representatives to the need for debate and discussion on these subjects, and the accurate, positive, and constructive way in which they have pointed to the shortcomings of the present administration in the field they have just discussed. The gentleman from Colorado and the gentleman from Massachusetts, like the gentleman from Kansas and the gentleman from Connecticut, deserve the thanks not only of the minority side of the aisle here, the Republican side, but in my judgment of the whole House, because unless there is sufficient debate and discussion as requested by the President of the United States the democratic process does not work in the way it should.

Mr. ELLSWORTH. I thank the gentleman from New York for his kind remarks. Speaking on behalf of the other gentlemen who have appeared here today in the well, the quality of the remarks of the gentleman from New York is appreciated by all of us because the gentleman from New York is well known as a fighter for human rights in every field and, of course, as a member of the House Committee on the Judiciary, as an active worker in that field. We are deeply appreciative to the gentleman from New York for his kind remarks.

Mr DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Colorado.

Mr. DOMINICK. I want to add my appreciation to the gentleman from Missouri and the gentleman from New York for the remarks they have made. I also want to express my appreciation to the gentleman from Illinois [Mr. Derwinski] who has worked so hard on this captive nations proposal. I understand that Captive Nations Week will be proclaimed next week. I see the gentleman is here. Is this correct?

Mr. DERWINSKI. That is right.

Mr. DOMINICK. I hope at that time we can participate more fully in a discussion of this proposal as well as bringing within it the scope of the things which the gentleman from Massachusetts [Mr. Morse] has just talked about, as have the gentleman from Kansas and the gentleman from Connecticut. I think they fit together and it seems to me it is part of an overall pattern in which we can formulate a policy which both sides would be willing to support provided we can get the proper forum for discussion. I think the remarks made by the gentleman from Missouri [Mr. Curtis] in connection with the proposed debate really offer a constructive solution.

Mr. ELLSWORTH. I thank the gentleman.

PROPOSAL FOR AN INTER-AMERICAN DEVELOPMENT CORPS

The SPEAKER pro tempore (Mr. FLYNT). Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 60 minutes.

Mr. RYAN of New York. Mr. Speaker, today the House began to debate the Foreign Assistance Act of 1962. During this debate we shall be discussing the Alliance for Progress.

All of us are aware of the appalling conditions in which the vast majority of Latin Americans live. For large segments of the population, daily food rations are below minimum health and subsistence levels. For many, housing means either the primitive shacks of the squatters and impoverished sharecroppers or urban slums lacking even elementary sanitary facilities. Great numbers are faced with the prospect of continuous unemployment or underemployment. Illiteracy is widespread. Working capabilities and even lifespans are sharply reduced by diseases, not because the diseases are incurable, but because medical attention is unavailable.

The Latin American people are no longer willing to endure their fate silently. Pressure to end their bondage to poverty and misery is deep and constant. Unless tangible economic and social progress are rapidly attained by democratic means, voices, like Fidel Castro's, urging violent solutions will gain more adherents.

Through the Alliance for Progress the United States and the Latin American Republics are seeking to channel the revolutionary stirrings in Latin America toward peaceful change. I believe the concept of the Alliance, as outlined in the Charter of Punta del Este, is indeed our best hope for providing Latin Americans with a solution for their pressing problems. But I am deeply concerned that the Alliance for Progress, as presently operating, cannot make the direct and quickly felt impact which is crucial to the success of the program.

In this respect, it is illuminating to compare the Alliance for Progress with our previous aid efforts—notably with the great success achieved in Europe with the Marshall plan. Europe possessed a long history of industrial and agricultural development and people with the highest technical sophistication. It needed capital and key raw materials to rebuild war-damaged economies. We could pump in these requirements with assurance that they would be well utilized.

In Latin America the situation is quite different. The nations there have been held back by centuries of poverty, illiteracy, ill health, and backward technology. People who are sick, undernourished, ill housed, and illiterate do not have the physical stamina or the knowledge to help themselves or to contribute to the economic growth of their countries. These countries need to acquire the basic skills and the minimum levels of health which will permit them to use invested capital productively.

The United States is committed in the words of the Charter of Punta del Este to provide a major part of "the minimum of $20 billion, principally in public funds, which Latin America will need over the next 10 years from external sources to supplement its own efforts." On their part the Latin American nations are pledged to improve health, housing, and sanitation, wipe out illiteracy, modernize their tax structures and land tenure systems, maintain sound fiscal and monetary policies, and stimulate private investment. Unfortunately, our financial assistance and fixed investment cannot, by itself, provide the basis for needed change in Latin America. Unless there is a sufficient number of trained people to underpin development, the effort will not succeed.

Statistics of the magnitude of Latin America's requirements and the number of trained people in Latin America to meet them are at best sketchy. Nevertheless, from knowledgeable estimates, it is possible to get an idea of the scale of the problem. For example, it is estimated that 40 million of the region's 200 million people are now under slum dwellers. In Rio de Janeiro, Lima, São Paulo, Buenos Aires, and Caracas, untrained rural people huddle in slums and create a staggering need for more schools, more teachers, more houses, more medical and sanitation facilities. Meanwhile, the stream of migrants fleeing from the harsh conditions in the rural areas keeps flowing. To provide 600,000 self-help houses a year and assistance in community projects, it is estimated that a minimum of 12,000 persons trained in construction techniques are needed—or 1 construction worker per 50 housing units per year—to make some impact on the dreadful rural and urban housing situation.

The November 1961, report of the Directing Council of the Pan American Health Organization gives an idea of the scale of the problem with regard to health. According to the report, in all Latin America there are now only 100,000 doctors, 37,000 nurses, and 38,000 dentists, while another 100,000 doctors, 23,000 nurses, and 62,000 dentists are immediately needed. To close the gap between existing and needed health personnel, PAHO's Directing Council urged the training of more auxiliary health workers. For instance, there is an immediate need for 169,000 auxiliary nurses above the 94,000 presently employed in Latin American national health services. Such auxiliaries would be, according to the Directing Council, "an army of less expensively educated workers who under the guidance of more highly trained practitioners can carry on the bulk of activities in the health services."

The Alliance for Progress, as yet, has not undertaken a sufficient program to develop Latin America's human resources. A pattern of assistance has emerged reminiscent of conventional programs of foreign aid. There is the familiar balance-of-payments aid, support for worthwhile public works, propping up of needed industries, piecemeal assistance to some social welfare programs, and small technical assistance missions.

Regarding the number of U.S. technicians in Latin America, Senators McGEE, MOSS, ENGLE, and YOUNG, in their February 13, 1962, report of their study mission to South America, declare:

> It is obvious most everywhere that the United States has fallen far short of supplying enough technicians. There is no limit to the need for agricultural, engineering, urban, educational, and medical technicians. Whatever the circumstances elsewhere in the world, there remains a critical need for a substantial increase in technical aid in Latin America. We did not have an opportunity to see our Peace Corps in action, but surely this can be a source of much of the technical aid needed by our neighbors to the south. Keen interest was manifested in receiving Peace Corps units. (U.S. Senate, 87th Cong., 2d sess. Doc. No. 91. "Study Mission to South America," November–December 1961. Report of Senators GALE W. MCGEE, FRANK E. MOSS, CLAIR ENGLE, and STEPHEN M. YOUNG to the Committee on Appropriations, Committee on Interior and Insular Affairs, Committee on Agriculture and Forestry, Committee on Armed Services, Feb. 13, 1962, p. 16.)

Yet without widespread diffusion of knowledge and skills the prospects for economic progress and prosperity are dim.

A related weakness in the Alliance has been noted by a number of observers. In its newsletter of March 27, 1962, Vision commented:

> The Alliance is now in motion and want of a popular spirit is actually impeding its progress.

The Washington Post in an editorial on April 16, 1962, stated:

> One reason the Alliance is lagging is that people still don't know about its great purposes.

Governor Muñoz-Marín, of Puerto Rico, one of the most knowledgeable men on Latin American affairs and one who knows how to encourage a depressed nation to raise itself by its bootstraps, declared in an address on May 4, 1962:

> What deeply troubles me is the seeming lack of emotional commitment in Latin America toward this great and historical venture. The Alliance cannot be purely an economic undertaking, a transfusion of capital and skills. To succeed, it must stir the hearts of men, it must inspire them to dream and hope, and then to work hard and purposefully.

To overcome popular apathy, I have seen recommendations that the Alliance's goals and its progress be publicized at the grassroots level. I do not believe that advertising the Alliance is likely to ignite hope and inspire emotional commitment. After centuries of being abused or ignored, the Latin American laborer is cynical and skeptical of promises emanating from government offices in far-off capitals. Moreover, the lofted overall objectives and programs of the Alliance have little meaning to people who are barely aware of life beyond their villages.

A way must be found to carry the spark of hope directly to the people. They must be given a feeling of personal participation. They must be able to reap personal benefit, however modest. Only then will they be able to grasp the larger meaning of the Alliance for Progress for their community, their nation, and the hemisphere. Only then will they be inspired, in the words of Muñoz Marín, "to dream and hope, and then to work hard and purposefully."

In these circumstances success of the Alliance for Progress in both economic and psychological terms depends on mobilizing large numbers of capable people who can assist and act as catalysts in the efforts of the Latin American people to overcome the conditions of underemployment. In view of the magnitude of the task, this will have to be a massive effort. But this fact should not deter us. We are able to mobilize our human and material resources in war. In the present battle against the human misery and economic stagnation which breed hatred and violence, there must be a mobilization of similar dimensions.

I propose the establishment of an Inter-American Development Corps. I am confident that the people of the Americas will respond with as much dedication to the challenge of a more just society as former generations answered the call to defend the Americas from physical attack.

Most of the people for such an Inter-American Development Corps can be recruited in Latin America itself from the more developed regions. Some of the more advanced countries of Latin America should be in a position to contribute to their neighbors, particularly in the fields of health and primary education. In Argentina, for instance, the literacy rate is estimated at 87 percent as compared to 42 percent in Peru. In the field of medicine there was in 1959 a physician for every 702 persons in Argentina as compared with 1 for every 813 in the United States.

Volunteers can also be accepted from European and other free, developed countries. For instance, Italy, Germany, and Israel should be able to provide doctors and medical teams as well as other skilled personnel.

A preeminent role could be played by young people of the American Republics who have received sufficient training in the subjects in which they would assist. It is not necessary for the majority of the Corps to be advanced technical experts. It could make use of the skills, energies, and flexibility of young people in both Latin America and the United States, to assist for a year or two in improving agricultural methods, health services, self-help housing, community development, roadbuilding, and in literacy campaigns.

The Peace Corps has received numerous inquiries from Latin Americans asking how they can contribute their services. Last October and November, Sargent Shriver, the Director of the Peace Corps, toured Latin America. He was repeatedly asked by young people why they could not participate in the program.

The Peace Corps currently has on duty in Latin America 231 members. Forty-three more are in the host countries in training status. Another 423 are in training in the United States. This is a total of 697. This is a pitifully small number for a continent of 200 million people who desperately need assistance to meet their overwhelming problems.

The excellent, though limited, work the Peace Corps has done demonstrates the course that must be followed. Its scope must be vastly expanded and augmented with the pent-up skills and energies of Latin America's own people.

Large numbers of skilled people are needed to work in the underdeveloped areas of Latin America. I call for a direct human-contact program on a scale not previously envisioned. Although the program will take time to develop, if some noticeable measure of success is to be achieved, something on the order of 75,000 to 100,000 workers would be needed, of which about 10,000 to 20,000 would have to come from the United States.

I am informed that a small experiment in inter-American cooperation is underway. Eighteen Dominican volunteers trained together with 21 Americans in Puerto Rico for 4 months in agricultural and community development. Last week they left for the Dominican Republic to live together and work together for the benefit of the Dominican people.

The Inter-American Development Corps should be administered under truly inter-American auspices—such as the Organization of American States. Volunteers should be chosen for service in a particular country solely on the basis of qualifications, not by nationality. They should be imbued not only with a sense of service but with that intangible, but powerful, spirit of pan-Americanism.

With regard to housing, a matter of dire need throughout Latin America, the Organization of American States maintains the Inter-American Housing Center in Bogotá, Colombia. There are, of course, many possibilities outside of the regional organization. For instance, the University of Chile and Catholic University in Santiago, Chile, both hold short courses in urban and rural community development. Moreover, the experience of the Peace Corps in recruiting and training could serve as guidelines.

The establishment of an Inter-American Development Corps could be financed by a redirection of funds under the Alliance for Progress with the Latin American countries themselves providing a substantial contribution which could be provided in part through counterpart funds from Public Law 480 and other aid programs.

Mr. Speaker, in conclusion—to achieve the rapid development of Latin America we must make available a large number of skilled people—from the United States, from Western Europe and, most important, from Latin America itself—who can contribute to development on the spot and who can teach the needed skills. Without such a direct human-contact program we run the danger that development may be too slow, that current doubts will turn to bitter disillusion, that the promise kindled by the Alliance for Progress will remain unfulfilled.

JUSTIFICATION FOR A TAX CUT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 30 minutes.

Mr. PELLY. Mr. Speaker, on June 30 the United States ended her fiscal year. During the 12-month period prior to that date the Federal Government spent $7 billion more than its income from taxes. In the last 31 years there have been 25 deficits. Furthermore, prospects are for an additional $4 billion deficit during the ensuing fiscal year.

Meanwhile there is growing pressure for an immediate tax cut to stave off a slump in business. In this connection, the U.S. Chamber of Commerce recently added its voice to those favoring immediate reduction. It calls for a tax cut totaling between $5 billion and $8 billion as a business stimulant. And, Mr. Speaker, in expressing its views the chamber acknowledged that the reduction would further unbalance the Federal budget.

In all fairness I think it should be remembered that the chamber has actively sought cuts in spending so the overall policy is not quite as radical as might appear at first blush. But, Mr. Speaker, my reaction as an admirer of the U.S. chamber is critical and I hardly expected that this great business organization would be following the Keynesian concept of planned deficits and openly advocating tax cutting without dovetailing such a policy to a simultaneous cut in Federal spending so as to provide a balanced budget.

What is more, I do not believe the chamber voices the views of businessmen generally; at least the June 30 report of the Research Institute said 62 percent of businessmen were opposed to a tax cut now if it resulted in higher deficits.

That is encouraging and I venture to suggest that a large majority of the Members of the Chamber like businessmen generally favor an immediate cut in taxes along with an immediate reduction in nonessential Government expenditures.

Former President Dwight D. Eisenhower described recently the situation, where government spending is increased with simultaneous tax cuts, as a political paradise. I know the directors of the U.S. chamber know about that political paradise but know also those who reside there are not due to achieve eternal economic salvation.

Mr. Speaker, taxes are too high. They must be cut, but Federal spending is too high also. It must be cut too.

Mr. Speaker, I suggest the orderly procedure is to cut spending first.

In this respect General Eisenhower boldly called for substantial cuts in the Nation's $51 billion defense budget and since then I have read that Secretary of Defense Robert S. McNamara has notified the President of a cost reduction program which will save $750 million in fiscal 1963 and thereafter $3 billion each year without impairing our military strength. I have great confidence in Mr. McNamara.

Certainly, Mr. Speaker, in nondefense spending also tremendous savings are possible.

To me, all this talk and pressure for tax relief is shortsighted. Unless Government spending is reduced the long-range effect of lowering taxes would be most serious. European bankers are alarmed at what they see going on in this country. They have watched the cheapening of our dollar and if we do not mend our ways and act in a fiscally responsible manner, this country could be in for real economic trouble.

Of course, the United States, together with 10 other countries, have created a $6 billion pool of gold and hard money to be available in case of trouble. But in reality that is little more than a medical "geritol" to bolster up confidence. The United States must get at the source of the trouble, not try and cure symptoms.

Mr. Speaker, here before the House right now is H.R. 11921—legislation to authorize more foreign assistance. Cannot and should not the Congress take another look at this program? Cannot we start on a return road to fiscal responsibility by holding down on spending for foreign aid? Are we able to afford the scale of this foreign aid? I do not think so.

The President a week or so ago described the United States as fomenting a world revolution against poverty. With that objective I have agreed. I have always supported that idea as self-interest.

But I have supported cuts in the program and I do so more urgently today, because in our own self-interest I think we cannot continue it on such a vast scale.

Mr. Speaker, I repeat, to justify a tax cut there must be a simultaneous reduction in Government expenditures. I say such expenditures can and should be made. I say that our foreign assistance program is one of the areas in which those expenditures can be reduced.

It is high time in our own self-interest to reappraise the whole foreign aid concept.

In this connection I wonder why not make a good start by cutting off our list the 25 so-called neutral nations that met in September 1961, in Belgrade. Altogether the members of the Belgrade Conference have received in excess of $8 billion from us. Let us not forget these 25 so-called neutral nations, while criticizing the United States, were tolerant toward the Soviets.

Mr. Speaker, Western Europe and Japan, in part thanks to our aid, today are prosperous. In the past these countries have received a total of more than $47 billion from us. They no longer need our aid. They should be off our list too.

Why go on trying to foment this revolution against poverty all over the world? Why not plant the seeds of friendship and freedom only where they will find fertile soil and thereby limit our spending.

I agree with those who say our own prosperity and indeed our whole economy requires a tax cut. This stimulant to business would help the whole international picture including the recipient nations of our foreign assistance. In other words if we want to help rehabilitate the backward countries we must look to our own fundamental financial soundness. This can be done. How? First, by eliminating all aid to the Communists and to pro-Soviet nations. Second, let us recognize that our money and goods will not buy friendship and unfriendly nations can be cut off too.

To sum up, I urge that the House stop any more assistance to Belgrade Conference nations, to Poland and to Western Europe and Japan. If we did this and cut off the six Latin countries which refused to support the United States at Punta del Este in reading Castro out of the Organization of American States, as I understand it, $2 billion could be saved from the 1963 budget. That does not consider the $6 billion still unexpended and in the program unspent from last year.

There, Mr. Speaker, is a start toward justifying an immediate tax cut. I support a cut in spending first and then a cut in taxes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. RILEY (at the request of Mr. ALBERT) for an indefinite period on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 2 hours, on July 23, 1962, to revise and extend his remarks and to include extraneous matter.

Mr. PELLY (at the request of Mr. DEVINE), for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. O'KONSKI and to include extraneous matter.

Mr. BERRY and to include extraneous matter.

Mr. KIRWAN in two instances and to include a resolution adopted by the Committee on Appropriations today.

Mr. SANTANGELO.

Mr. ADAIR in the body of the RECORD and to include, following the remarks made earlier this afternoon, the minority views of Mrs. CHURCH of Illinois and himself.

Mr. GALLAGHER to revise and extend his remarks made in Committee and to include extraneous matter.

The following Members (at the request of Mr. DEVINE) and to include extraneous matter:

Mr. FINO.

Mr. MACGREGOR.

Mr. ALGER.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. CASEY to revise and extend his remarks made in Committee and to include extraneous matter and tables.

Mr. BAILEY.

Mr. ZABLOCKI.

Mr. MCDOWELL to include extraneous matter in connection with his remarks made in Committee today.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1609. An act for the relief of Demitrios Dunis;

H.R. 1899. An act for the relief of Stavros Michael Mourkakos;

H.R. 2337. An act for the relief of Maria Stella Todaro;

H.R. 3483. An act for the relief of Mrs. Marguerite de Soepkez;

H.R. 3492. An act for the relief of Sebastian Hermosilla Sanches;

H.R. 3912. An act for the relief of Chikoko Shinagawa;

H.R. 4330. An act to provide uniform computation of retired pay for enlisted members retired prior to June 1, 1958, under section 4 of the Armed Forces Voluntary Recruitment Act of 1945, as amended by section 6(a) of the act of August 10, 1946 (60 Stat. 995);

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers' Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey;

H.R. 8862. An act for the relief of Miss Eleanor Redi;

H.R. 9180. An act for the relief of Noreen Joyce Baden;

H.R. 9468. An act for the relief of Dr. Charles C. Yu;

H.R. 9588. An act for the relief of Claude Homann-Herimberg (nee Wagner); and

H.R. 10960. An act for the relief of Rosina Luisi (Sister Mary Rosina) and Maria Fatibene (Sister M. Valentina).

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1264. An act for the relief of Capt. Dale Frazier.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On July 5, 1962:

H.R. 3840. An act to provide for the conveyance of certain real property of the United States to the Carolina Power & Light Co.

On July 9, 1962:

H.R. 1609. An act for the relief of Demitrios Dunis;

H.R. 1899. An act for the relief of Stavros Michael Mourkakos;

H.R. 2237. An act for the relief of Maria Stella Todaro;

H.R. 3483. An act for the relief of Mrs. Marguerite de Soepkez;

H.R. 3942. An act for the relief of Sebastian Hermosilla Sanches;

H.R. 3912. An act for the relief of Chikoko Shinagawa;

H.R. 4330. An act to provide uniform computation of retired pay for enlisted members retired prior to June 1, 1958, under section 4 of the Armed Forces Voluntary Recruitment Act of 1945, as amended by section 6(a) of the act of August 10, 1946 (60 Stat. 995);

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey;

H.R. 8862. An act for the relief of Miss Eleanore Redi;

H.R. 9180. An act for the relief of Noreen Joyce Baden;

H.R. 9468. An act for the relief of Dr. Charles C. Yu;

H.R. 9588. An act for the relief of Claude Homann-Herimberg (nee Wagner); and

H.R. 10960. An act for the relief of Rosina Luisi (Sister Mary Rosina) and Maria Fatibene (Sister M. Valentina).

ADJOURNMENT

Mr. RYAN of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Wednesday, July 11, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred to as follows:

2270. A letter from the Comptroller General of the United States, transmitting a report on the review of the determination of the quantity of natural rubber needed in the strategic and critical materials stockpile by the Office of Civil and Defense Mobilization (OCDM), succeeded by the Office of Emergency Planning (OEP), Executive Office of the President; to the Committee on Government Operations.

2271. A letter from the Assistant Secretary of the Interior relative to reporting that an adequate soil survey and land classification of the lands in the Cow Creek unit, Trinity River division, Central Valley project, has been completed, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2272. A letter from the Acting Director, U.S. Information Agency, relative to a research contract for the amount of $98,000 which was negotiated by this Agency under the date of June 15, 1962, with the CBS Laboratories, a division of Columbia Broadcasting System, Inc., pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

2273. A letter from the Comptroller General of the United States, transmitting a report on the review of the administration of contracts for rental of automatic data processing equipment at selected military installations within the Department of Defense; to the Committee on Government Operations.

2274. A letter from the Comptroller General of the United States, transmitting a report on inadequate rental rates charged for Government quarters furnished to civilian employees of the military departments in Alaska; to the Committee on Government Operations.

2275. A letter from the Deputy Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

2276. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill to equalize the pay of the Commandant of the Coast Guard with that of the chiefs of the other branches of the Armed Forces; to the Committee on Merchant Marine and Fisheries.

2277. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of the orders entered in the cases of certain aliens who have been found admissible to the United States pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2278. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

2279. A communication from the President of the United States, transmitting a proposed amendment to the budget for the fiscal year 1963 involving an increase in the amount of $23,300,000 for the Atomic Energy Commission (H. Doc. No. 467); to the Committee on Appropriations and ordered to be printed.

2280. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill to authorize reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on Disposition of Executive Papers. Report pursuant to 57 Statutes 380; without amendment (Rept. No. 1967). Ordered to be printed.

Mr. McDOWELL: Committee on Foreign Affairs. Special study mission to Poland and Austria; without amendment (Rept. No. 1968). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS of Alabama: Committee on Interstate and Foreign Commerce. H.R. 11099. A bill to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes; without amendment (Rept. No. 1969). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. S. 1824. An act to create an additional judicial district for the State of Florida, to be known as the middle district of Florida; with amendment (Rept. No. 1970). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WIDNALL:

H.R. 12430. A bill to amend section 202 of the Housing Act of 1959 to increase the amount authorized thereunder to be appropriated for loans for the provision of housing for the elderly, and to provide that such loans shall hereafter be made only for new construction; to the Committee on Banking and Currency.

By Mr. BARING:

H.R. 12431. A bill to provide for certain commercial use of land at McCarran Airport, Clark County, Nev., if it is determined that such land is not needed for the operation of such airport; to the Committee on Interstate and Foreign Commerce.

By Mr. DENTON:

H.R. 12432. A bill to provide that primary elections and runoff primary elections for nomination of candidates for the House of Representatives shall be held on the same day throughout the United States; to the Committee on House Administration.

By Mr. DINGELL:

H.R. 12433. A bill to promote the foreign commerce of the United States through the use of mobile trade fairs; to the Committee on Interstate and Foreign Commerce.

By Mr. GRANT:

H.R. 12434. A bill to facilitate the work of the Forest Service, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Wisconsin:

H.R. 12435. A bill to authorize the Secretary of the Interior to cooperate with the State of Wisconsin in the designation and administration of the Ice Age National Scientific Reserve in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 12436. A bill to authorize the Secretary of the Interior to cooperate with the State of Wisconsin in the designation and administration of the Ice Age National Scientific Reserve in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROBERTS of Alabama:

H.R. 12437. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to feed for animals; to the Committee on Interstate and Foreign Commerce.

By Mr. SANTANGELO:

H.R. 12438. A bill to amend the Internal Revenue Code of 1954 to provide a minimum standard deduction of $1,000 in the case of a joint return and $500 in the case of all other returns and to permit a deduction of 40 percent of the rent (but not more than $500) by a primary residential tenant; to the Committee on Ways and Means.

By Mr. STUBBLEFIELD:

H.R. 12439. A bill to amend the Tariff Act of 1930 to provide a uniform rate of duty for all grades of fluorspar at $7.50 per short ton ($8.40 per long ton); to the Committee on Ways and Means.

By Mr. ZELENKO:

H.R. 12440. A bill to limit the rental payment for use of certain machines and equipment which may take into account in computing payments under certain cost-plus contracts with the United States; to the Committee on Armed Services.

By Mr. HALPERN:

H.R. 12441. A bill to amend section 634 of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

H.R. 12442. A bill to provide for the establishment of a permanent program of additional unemployment compensation, to provide for equalization grants, to extend coverage of the unemployment compensation program, to establish Federal requirements with respect to the weekly benefit amount and limit the tax credits available to employers in a State which does not meet such requirements, to establish a Federal requirement prohibiting States from denying compensation to workers undergoing occupational training or retraining and deny tax credits to employers in a State which does not meet such requirement, to increase the wage base for the Federal unemployment tax, to increase the rate of the Federal unemployment tax, to establish a Federal additional compensation and equalization account in the unemployment trust fund, and for other purposes; to the Committee on Ways and Means.

By Mr. SPENCE:

H.R. 12443. A bill to establish the Linden Grove Cemetery National Memorial at Covington, Ky.; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.R. 12444. A bill to amend section 102 of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

By Mr. DANIELS:

H.J. Res. 806. Joint resolution designating the week of July 15, 1962, to July 21, 1962, as "National Drum Corps Week"; to the Committee on the Judiciary.

By Mr. HARVEY of Indiana:

H.J. Res. 807. Joint resolution proposing an amendment to the Constitution of the United States permitting nonsectarian prayer in public schools or other public places if participation therein is not compulsory; to the Committee on the Judiciary.

By Mr. PRICE:

H. Res. 720. Resolution authorizing the printing of "United States Defense Policies in 1961" as a House document; to the Committee on House Administration.

By Mr. HALPERN:

H. Res. 721. Resolution to develop and sustain a just and enduring peace in the Middle East; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California memorializing the President and the Congress of the United States relative to a navigation survey of portions of the Sacramento, Feather, and American Rivers; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Louisiana declaring that the public policy of the State of Louisiana is unalterably opposed to the encroachment by the Federal Government upon the sovereign powers of the States which comprise this Nation, the determent of free enterprise by excessive Federal taxation and regulation; and continued extravagant deficit spending by the Federal Government, and that immediate and drastic steps be taken to restore the dignity and sovereignty of the States of the Union; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MORGAN:

H.R. 12445. A bill for the relief of Dr. Gorgonio B. Policar, Jr.; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 12446. A bill for the relief of Tong Il Han; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 12447. A bill for the relief of Leung Tung Ung; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 12448. A bill to provide for the free entry of an orthicon image assembly for the use of the Medical College of Georgia, Augusta, Ga.; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H.R. 12449. A bill for the relief of Vladimir E. Prymak, M.D.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

380. The SPEAKER presented a petition of James C. Lattin, of Santa Fe, N. Mex., relative to a redress of grievance relating to being denied the right to the writ of habeas corpus by the State Supreme Court of New Mexico; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Proposed Establishment of Ice Age Scientific Reserve in Wisconsin

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 9, 1962

Mr. WILEY. Mr. President, the National Parks Subcommittee of the House Committee on Interior and Insular Affairs today is holding hearings on bills H.R. 7409 and H.R. 7236.

The bills, if adopted, would create an ice age scientific reserve in Wisconsin.

The purpose would be to preserve, within our national park system, glacially sculptured formations of great geological, scientific, and historical significance.

Over the weekend, I was privileged to discuss the need for urgent action on this legislation. I ask unanimous consent to have excerpts of my remarks printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

WILEY URGES SPEEDUP ON NATIONAL MORAINE PARK

(Excerpts of address by Senator ALEXANDER WILEY, Republican, of Wisconsin, over Wisconsin radio stations, weekend of July 7 and 8, 1962)

The Nation today is moving ahead agriculturally, industrially, utilizing more and more of our natural resources to meet the needs of 186 million citizens; and undergoing other changes that literally reshaped the face of America.

In our race for progress, necessary though it is, we must not waste, destroy, or lose by negligence, significant features of our out-of-door natural heritage.

In Wisconsin, for example, we possess unique and unequaled moraines; natural formations, sculptured over 10,000 years ago by glaciers of the ice age, of great geological, scientific, and historical significance.

In 1958 and again in 1960, I introduced legislation, along with other members of the Wisconsin delegation, for preserving our moraines. Following these legislative proposals the National Park Service conducted a 4-year survey. As a result of the information obtained from the study the Advisory Board on National Parks, Historical Sites, and Monuments, unanimously endorsed the idea of preserving these moraines within the U.S. national park system.

Earlier this year, the President's conservation message to Congress also gave high priority to the project, as one of the 10 most urgently needed new areas for inclusion in the national park system.

As a result of these actions—and urgings by myself and other Members of Congress, the National Parks Subcommittee in the House of Representatives has scheduled hearings on the legislation for July 9.

Naturally, I shall urge expeditious consideration of this measure. Unless there is fast action, it will not be possible to get final approval of this legislation during this session of Congress.

In endorsing the project, the Department of the Interior, however, made some recommendations on the scope of the program. As proposed, the project, referred to as the Ice Age National Scientific Reserve, would cover about 32,500 acres of which 20,000 are now in public ownership. Generally this would consist of land in the following areas:

1. Eastern area (portions of the northern unit of the Kettle Moraine State Forest and Campbellsport area): In this area, 17,000 acres would ultimately be required, 16,000 in the Kettle Moraine State Forest and 1,000 in the Campbellsport area. Of this, 12,000 acres are already acquired in the Kettle Moraine State Forest.

2. Central area (portions of Devils Lake State Park): 2,500 acres is already included in Devils Lake State Park, and it is anticipated that an additional 1,000 acres would be required.

3. Northwestern area (portions of Chippewa County): In this wilderness of more than 300 lakes and swamps, 5,000 acres are already in county forest. An additional 5,000 acres, for a total of 10,000 acres, would be required.

4. Related areas, subject to agreement between the Secretary of the Interior and the State of Wisconsin: A total of 1,000 acres is the maximum envisaged as needing to be acquired for such additional areas, which might include Sheboygan Marsh in Sheboygan County, the Cross Plains area in Dane County, the John Muir birthplace area in Marquette County, Camp Douglas Buttes in central Wisconsin, and Interstate Park in St. Croix County.

Even with speedy action the project, if adopted as recommended by the Department of Interior, would require 2 years of further planning. For this reason, it is extremely important that every effort be made to get final approval during this session of Congress.

In addition to preserving a significant feature of our national landscape, the scientific reserve would be a great asset to our tourist industry—now a major source of income for Wisconsin.

Summary of National Defense Education Act

EXTENSION OF REMARKS

OF

HON. CLEVELAND M. BAILEY

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. BAILEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following press release from the Department of Health, Education, and Welfare:

Nearly $600 million has already been obligated under the National Defense Education Act for the education of American youth, it has been announced by Abraham Ribicoff, Secretary of Health, Education, and Welfare.

This is part of an estimated billion-dollar program authorized by Congress in 1958.

In making a report of progress under the act in its fourth working year, Secretary Ribicoff emphasized the following achievements: Approximately 350,000 undergraduate and graduate students have been enabled to attend colleges and universities by borrowing some $225 million to help finance their education; during the past 4 years, nearly $300 million has been made available to elementary and high schools for strengthening instruction in science, mathematics, and modern languages. These funds were supplied on a matching basis by the Federal Office of Education and the States; 17 million children in public and private secondary schools have benefited from counseling and guidance testing services.

"Under the various programs of the National Defense Education Act, courses of study important to careers in areas of critical manpower shortage have been greatly strengthened," Secretary Ribicoff said; "in addition, millions of young people are being helped to identify their talents and to develop their abilities in the directions best suited to them individually. This freedom of choice is of extreme importance in our democratic society."

"While a great deal more is needed to bring our schools to the high level of excellence we seek," he added, "these and other programs under the National Defense Education Act are helping our schools achieve a new quality that represents a definite forward step for our entire educational system."

Highlights of developments under the National Defense Education Act are:

GUIDANCE, COUNSELING, AND TESTING

The Office of Education has made $47.8 million available to schools for guidance, counseling, and testing programs, and local schools are now employing the equivalent of 21,800 full-time guidance personnel, as compared with only 12,000 before the passage of the act. More than 11,000 men and women have attended special institutes to train for professional careers in counseling and guidance, or to improve their skills in these fields, at an estimated cost of $22.4 million.

As a result of these activities, 17 million high school students have been given the opportunity to take scholastic ability and achievement tests under special counseling and guidance programs.

SCIENCE, MATHEMATICS, AND MODERN LANGUAGES

The Office of Education and State educational agencies, on a 50-50 matching basis, have earmarked approximately $300 million for new laboratory and other equipment and minor remodeling of classrooms to improve the teaching of science, mathematics, and modern foreign languages in the Nation's public elementary and secondary schools.

In addition, loans totaling $2.7 million have been made to approximately 180 private elementary and secondary schools for this purpose.

More than 15,000 public classrooms have been remodeled under this program, and more than 4,000 new electronic language laboratories have been constructed. Well over half of the projects have been in small schools with less than 1,000 students, and more than 90 percent of all local school districts has received funds for equipment to teach science. Some States report a doubling in enrollments in language classes in both elementary and high schools, and increases in science and mathematics enrollments are general throughout the Nation.

More than half of the money lent to private schools has been used to teach science or modern languages for the first time in their history.

As a further boost, an additional $7.9 million in Federal funds enabled State educational agencies to increase their specialists in science, mathematics, and modern foreign languages from 33 in 1958 to well over 200 by 1962.

STUDENT LOANS

Approximately 350,000 undergraduate and graduate students in 1,450 colleges and universities have borrowed $225 million under the student loan program to continue their education. The Office of Education furnished $202 million of this total.

By June 30, 1962, about $5 million—five times the amount now due—will have been repaid by students who have completed their college work. About one-fourth of the borrowers now paying off their student loans have become elementary or secondary schoolteachers.

Grants have been made to 5,500 students under the graduate fellowship program, designed to train college teachers to help meet the current shortage. Thus far, $58.6 million has been obligated for this program—half of which has been paid to the fellows and half to the 165 participating graduate schools to help establish or expand the graduate programs in which the fellows are studying.

LANGUAGE DEVELOPMENT

More than 11,000 elementary and high school language teachers have gone back to summer school at 218 recently established language institutes, to learn new teaching methods and the use of new teaching materials. To date, more than $18.5 million has been obligated for improving language teachers' skills in this way.

As another important phase of the language development program under the act, 53 language and area centers have been developed in colleges and universities for full-time study not only of languages but of the countries in which the languages are spoken. Enrollment in the 1960-61 academic year reached nearly 7,000. Approximately $6 million has been obligated for this program.

The modern languages taught in the centers are of major importance to government, business, industry, and education in this country. Spoken collectively by about 1 billion people, they include Arabic, Chinese, Hindi-Urdu, Japanese, Portuguese, Russian, and Spanish, as well as other neglected languages. The study of the countries involved includes such courses as economics, history, and literature.

In addition, more than 1,600 graduate students have been awarded fellowships for the study of 62 languages, a large percentage of them for study of languages of critical importance to our national purposes. Sixty colleges and universities offer courses for these students, and to date $8.8 million has been obligated.

As a first-time research effort, $10.4 million has been obligated for 206 projects to determine the greatest needs in foreign language instruction, to determine the best methods of foreign language teaching, and to develop instructional materials such as grammars, readers, and dictionaries.

TECHNICAL TRAINING

Under the technical training program, both youth and adults are trained as highly skilled technicians in fields necessary for the national defense. Adults are generally workers who seek training for higher-level jobs or who are brushing up on latest developments in their fields.

Attendance at extension classes for adult workers reached 83,000 in 1961. More than 7,500 youth have already been trained as highly skilled technicians and graduated from the senior high school and postsecondary programs. It is estimated that more than 7,500 will complete their training by the end of June.

Total enrollments this year are expected to exceed 150,000 in the technical training programs, an increase of 150 percent over the first year of the program. Five thousand women enrolled in area technical training programs, chiefly in the fields of data processing and computed programing, electronics, and mechanics.

Placements of most graduates are in defense-related employment. Jobs were readily found for the graduates—in some States, there were not enough to fill the positions available. In one area, 600 students in data-processing techniques accepted jobs before their graduation. Pay for high school graduates who completed the additional 2-year courses in technical instruction, in the first 28 States reporting, was as high as $7,200 and averaged $4,600. Pay for graduates of the high school programs averaged $3,900.

The end product of the training course is the highly skilled technician whose knowledge is of sufficient range to permit him to shift with technological change. One example of the departure from traditional occupational training is the new classification of welder-metallurgist, a dual skill necessary to the welding trade because of the new alloys used in rocket and atomic submarine development.

Thus far, $32.4 million has been made available to the States under this program. Matching on a 50-50 basis is required, but in the first 3 years the States overmatched by about one-third.

COMMUNICATION MEDIUMS

Nearly $10 million has been obligated to support 169 research projects to determine the most effective way of using television, radio, motion pictures, teaching machines, tape recordings, and similar communications mediums for educational purposes. Research grants are made upon recommendation of the National Advisory Committee on New Educational Mediums. Nearly 60 have been completed.

Over $4 million has been obligated for getting into the schools information developed by research. Altogether, 113 contracts for this work have been awarded.

National Lottery of the Dominican Republic

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of the Dominican Republic.

This small nation derives great monetary benefit from its recognition of the fact that people like to gamble.

In 1961, the gross receipts of the Dominican national lottery came to over $32 million. The Government's income, some $8 million, was not earmarked for any particular project but was rather applied to the general fund of the treasury.

Mr. Speaker, there are only 3 million people in this country which means that the average personal expenditure on the national lottery was about $10 but the per capita income in the Dominican Republic is approximately $300. If Americans spent a similar share of their income on a national lottery, the gross receipts of such a lottery would be well in excess of $10 billion a year. What a tremendous help this would be to our overburdened American taxpayers.

Conference Procedure on Appropriation Bills

EXTENSION OF REMARKS

OF

HON. MICHAEL J. KIRWAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. KIRWAN. Mr. Speaker, under consent granted, I include herewith the resolution of the Committee on Appropriations of the House relating to the question of conference procedure on appropriation bills:

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS RESOLUTION

Whereas the Federal Government has failed to live within its income in 26 of the last 32 years; and

Whereas the national debt has been increased $32,100 million since the end of the Korean war in 1953 with interest thereon now approximating $17,690 every minute of every day of the year; and

Whereas the buying power of the dollar, largely as a result of deficit spending, is less than half that of the pre-World War II year of 1939; and

Whereas the latest official cost-of-living index now reaches a new all-time high of 129.1 percent of the 1947–49 base measuring period; and

Whereas since January 1, 1958, our national gold holdings have declined by over $6,300 million; and

Whereas notwithstanding the highest tax take in history, the Government has failed to live within income in the post-Korean war period, primarily because of increased spending for nondefense rather than defense purposes as shown by the 65 percent increase in nondefense expenditure as against 1 percent increase in defense spending during the 1954–61 period; and

Whereas during the past 10 years the Senate has raised the appropriation bills above the amount passed by the House by approximately $32 billion; and

Whereas the inequitable practice of conducting all conferences under the chairmanship of a Senator gives the Senate a disproportionate advantage, as evidenced by the fact that in the past 10 years the Senate conferees have been able to retain $22 billion out of the $32 billion in increases which the Senate added to House appropriations—a 2-to-1 ratio in favor of the body consistently advocating larger appropriations, increased spending and corresponding deficits: Now, therefore, be it

Resolved, That in the interest of national economy and a sound dollar, a reduction in the high cost of living, and in the interest of equity between the two bodies of equal, coordinate and coequal authority under the Constitution, the Committee on Appropriations of the House of Representatives suggests the appointment of a special committee of the House Committee by the chairman thereof to confer immediately with a similar special committee from the Senate Committee on Appropriations to consider, at the earliest possible date, any fair and reasonable changes in appropriation conference procedure indicated by the need of the times, beginning with the current session; be it further

Resolved, That a copy of this resolution be transmitted to the chairman of the Senate Committee on Appropriations and inserted in the CONGRESSIONAL RECORD.

Agreed to July 9, 1962.

Tax Relief Now for the Small-Income Taxpayer and the Primary Residential Tenants Will Help Our Economy

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. SANTANGELO. Mr. Speaker, I have introduced today a bill (H.R. 12438) which will give the Nation's legion of forgotten taxpayers tax relief. I refer to those earning less than $5,000 per year and who file short forms. I also refer to those who are the primary residential tenants.

My bill will allow the short-form taxpayer a minimum $500 deduction in lieu of the 10-percent standard deduction computed in the tax schedules. The bill allows married couples who have an income of less than $10,000 a minimum deduction of $1,000 in lieu of the 10-percent standard deduction in the tax schedules.

It should be noted that this part of the bill reduces the tax only of persons with small incomes.

The second part of the bill gives needed relief to people who live on farms. It allows the primary residential tenant a deduction of $500 or 40 percent of their annual rental, whichever is less. Since 1932 people living in cooperatives have been permitted to deduct their proportionate share of the interest and real estate taxes paid by the cooperative. There is no reason why a person who pays rent for an apartment should not be permitted a corresponding deduction. This deduction for the primary residential tenant puts him in a position roughly equivalent to that of a person living in a cooperative or in a private home.

Since this bill will help the small-income taxpayer, it will increase purchasing power at the bottom where such increase of purchasing power is most needed and will, therefore, be a strong stimulant to the national economy.

I have set forth in my bill the revised schedules of withholdings based on a minimum $500 deduction. A study and a comparison of the proposed new schedules with the present schedules with a 10-percent standard deduction will disclose the extent of the savings that the taxpayer will gain by the adoption of my bill.

I hope those who want to help the American taxpayer who finds it difficult to support himself and his children because of the high income tax will support my bill.

Great Lakes Shipping Increases; U.S. Share Fading Rapidly; Yet Nation's Leaders Refuse Action

EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. O'KONSKI. Mr. Speaker, as usual our Nation's leaders fiddle-faddle while Rome burns. The Department of Commerce has recommended against my bill providing operating and construction subsidies for Great Lakes shipping. This is a crippling blow to the Great Lakes area. Already one steamship company on the Great Lakes has announced plans to liquidate its fleet. Others are soon to follow. Unless our Nation's leaders wake up it will be the end of U.S. shipping on the Great Lakes with additional thousands of unemployed because of foreign competition.

The Department of Commerce seemingly knows little of the facts of life on the Great Lakes. If they do know they seemingly do not care what happens. I want to serve notice here and now to the Department of Commerce that the responsibility is clearly theirs. When Great Lakes shippers and shipbuilders throw in the towel, our Nation's leaders can wring their hands with glee at their handiwork. These Nation's leaders seem completely unaware of what is happening on the Great Lakes and seemingly care less.

Total Great Lakes shipping of iron ore, coal and grain during May of this year was 5 million tons ahead of last year. But at the same time American vessels continued to lose ground. American ships carried only 13 percent of the grain loaded. Foreign oceangoing ships carried 38 percent. Canadian lakers carried a whopping 49 percent. This decline in American shipping on the Great Lakes has been going on each year and each month. Foreign ships and Canadian ships are taking over almost completely. Great Lakes shippers, unions, shipbuilders, and workers are getting more and more desperate and about to throw up their arms in despair.

The real tragedy is that the construction, operational and depreciation subsidies offered Canadian and foreign vessels is really American money. The motto of our Nation's leaders is millions for subsidies for foreign and Canadian shippers but not one penny for American Great Lakes shippers. Their decision is "get out if you cannot take the competition." The voices and cries of American shippers and workers fall on deaf ears. But the voices of foreign interests sound like music to our Nation's leaders' ears.

What voices do our Nation's leaders listen to? It is unbelievable, but here are the facts. Our State Department invited and paid the expenses of a Nicholaus Snidjers, of Amsterdam, to make a 7-week study and tour of American ports and shipping. Yes, this is a fact unbelievable as it may seem. What did this State Department selection report after his first-class tour of wining and dining at the taxpayer's expense? He reported as follows:

> The United States should get out of the shipping business entirely. American carriers and crews cost three times and more as much as European ones. The United States should get out of shipping entirely and leave it to us Europeans who know how to do it profitably.

These are the kind of people our Department of Commerce listens to. The voices and cries of unemployed workers on the Great Lakes mean nothing compared to a Department of State selected, wined, and dined European—all at American taxpayers' expense, of course.

What this European expert left out of his report was the fact that these Europeans operate at a profit only because of American subsidies given them which are not given to Great Lakes shippers. Without these American subsidies even Europeans would operate at a loss. How crazy can we be? There seems to be no end.

With Canadian shippers beating the stuffing out of our Great Lakes fleet with their subsidies, our Government recently negotiated a huge loan of $1 billion to Canada so that Canada can pay more subsidies to her shippers. Believe it or not, American shipowners are being forced to go to Canada for a shipbuilding subsidy. At the same time Canada comes to us for a billion-dollar loan. How absurd can we be? We deny subsidies to Great Lakes shippers but give money to Canada so she can subsidize her own and our ships. Oh, but these ships must be built by Canadian labor, and they must use Canadian materials. Our leaders have no such concern for American labor and materials, even if it is really our money.

To recommend against paying a subsidy to Great Lakes shippers the Department of Commerce is engaged in a silly, curious, and crazy pattern. What it really means is that they refuse to aid an ailing American shipping industry on the Great Lakes but at the same time give money to a foreign nation to take the shipping away from us. What Washington needs most in these trying times is a competent board of psychiatrists. This need must be met soon, or there will be no American ships, sailors, or shipworkers on the Great Lakes.

Differences Between the Appropriations Committees of the Two Houses of Congress

EXTENSION OF REMARKS

OF

HON. MICHAEL J. KIRWAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. KIRWAN. Mr. Speaker, under leave to extend my remarks in the Record, I include the following resolution adopted by the Committee on Appropriations today:

Whereas in the consideration of general appropriation measures it has always been the established procedure in the Congress for the bills to originate in the House of Representatives and for the conferences to resolve differences between the bodies to be held on the Senate side of the Capitol with a Member of the Senate presiding, though there is no constitutional or legislative requirement for such procedure; and

Whereas in the second session of the 87th Congress, the Senate Committee on Appropriations was confronted with a demand to change this established and time-tested procedure to enable members of the House Committee on Appropriations to preside at one-half of the conferences and for half of the conferences to meet on the House side of the Capitol; and

Whereas the Senate Committee on Appropriations, after consideration, agreed to accept the proposal by the House committee for conference meetings if the House committee would agree to have one-half of the general appropriation bills originate in the Senate; and

Whereas the House Committee on Appropriations has flatly refused to consider any general appropriation bills originating in the Senate while insisting upon other changes; and

Whereas the differences between the two bodies of Congress are not the minor question of the location of the room where conferences shall be held or the individual to preside, but involve the question of whether the Senate committee is coequal with the House committee in the consideration of appropriation bills: Now, therefore, be it

Resolved, That the Committee on Appropriations of the U.S. Senate is unwilling to accept unilateral alterations in the procedures which have always existed in considering appropriation bills; be it further

Resolved, That in the opinion of the Senate committee, the operations of the Government of the United States should not be endangered by unreasonable demands for surrender of the Senate to the will of the other body in such matters, particularly when the demands were presented in such a fashion as to attempt to place the blame on the Senate for the confusion and chaos which could result, when the only part played by the Senate is to insist that changes in the procedures, if desirable, should be made in an orderly way and in that spirit of comity and mutual respect which should exist between equals; be it further

Resolved, In an effort to go more than halfway in its efforts to solve a problem which it did not create but which was thrust upon it, that the Senate Committee on Appropriations, while appealing to our counterparts in the other body to complete the legislative processes on the pending appropriation measures under traditional and longstanding procedures, suggest the appointment of a special committee of the Senate committee by the chairman thereof to confer with a special committee from the House Committee on Appropriations to consider any fair and reasonable changes in appropriation procedures which may apply to future Congresses; be it further

Resolved, That copies of this resolution be inserted in the Congressional Record and transmitted to the President of the United States, the Vice President of the United States, the majority leader of the U.S. Senate, the minority leader of the U.S. Senate, the Speaker of the House of Representatives, the majority leader of the House of Representatives, the minority leader of the House of Representatives, and the chairman of the Committee on Appropriations of the House of Representatives.

Impractical, Nonsensical Demands Made by the Forest Service Upon the Lumber Industry

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. BERRY. Mr. Speaker, I have asked unanimous consent to place in the Record a copy of a letter I have received from another lumber mill operator in my district which has been forced to close because of the impractical, nonsensical demands made by the Forest Service upon the lumber industry.

As Mr. Ventling points out in his letter, it is not the cost of stumpage that is putting the lumber industry out of business in America. The industry could compete with Canada if given an opportunity to compete on somewhere near an equal basis, but Canada does not require their lumber mills to build roads through the forest at Federal highway specifications in order to remove the timber. They do not have such high specifications on slash.

I submit to you, Mr. Speaker, that the forest belongs to the American people, and that it is the job of the American people to build roads and highways through the forest areas if such roads and highways are needed and should not be the requirement of the lumber mills simply because the Forest Service has them at its mercy.

The following is a copy of Mr. Ventling's letter and a copy of my letter to the Department of Agriculture:

Mr. D. S. Nordwall,
Regional Forester, U.S. Forest Service,
Denver, Colo.

Dear Mr. Nordwall: The first of this month it was necessary that we close down our plant, as we were unable to operate with the present market prices on lumber against stumpage, road and miscellaneous charges in this area.

This move created unemployment for 40 or 50 people; while not a large amount of workers, it is vital to the economy of this community.

We find it more economical to ship lumber from the west coast for manufacture in our cut stock department, which may enable us to keep our keymen in the organization.

We realize the amount of small trees, which produce the unpopular size boards, and the small amount of quality products in the Black Hills National Forest has many local sawmillers in trouble, and we appreciate that many Members of the Congress have concerned themselves with the problem, which will no doubt bring relief in the near future.

The greatest trouble in the cost of raw material is the hidden cost of roads, slash, and other miscellaneous charges. The total of all these charges is the actual cost of standing timber, and not the amount allocated to stumpage alone.

Your cooperation is earnestly solicited.

Thank you very much.

SOUTHERN HILLS LUMBER CO.
By R. R. VENTLING, *President*.

Hon. ORVILLE FREEMAN,
Secretary, Department of Agriculture,
Washington, D.C.

DEAR SECRETARY FREEMAN: I am enclosing herewith a copy of a letter written to the Denver Forest Service office advising that another lumber company has been forced to the wall by the hidden charges of the Department of Agriculture in the sale of their timber.

I appreciate, Mr. Secretary, that you have an obligation to the people of the Nation who own this timber, but that obligation is not one which requires you to put industries out of business rather than meet foreign competition. As Mr. Ventling says, the thing that is putting them out of business is not the charge for the stumpage, but the hidden charges of roads, and slash, and all of the other requirements and demands made against the mills in the United States which are not made against their competitors across the line in Canada.

It is time for the Department of Agriculture to climb down from its ivory tower and become a little practical before it is too late.

With kind regards, I am

Sincerely yours,

E. Y. BERRY.

Remarks Delivered by Senator Wiley at the Dedication of the Municipal Airport in Burlington, Wis.

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 9, 1962

Mr. WILEY. Mr. President, it was my privilege yesterday to participate in the dedication of the municipal airport at Burlington, Wis. I left Washington on the early morning plane and arrived at Milwaukee, from where I drove to Burlington. I had lunch and spent 2 pleasant hours with the Lee Barney family, reminiscing on old days and renewing old memories. At 2 o'clock I made my talk at the municipal airport in Burlington. Then I returned to Milwaukee and from there flew to Washington. I was back in Washington a little after 8 in the evening. That in itself is an indication of the changing world in which we live.

I made my talk in the presence of a large concourse of people, and had the privilege of meeting old friends. All in all it was a very fine experience.

I ask unanimous consent that the text of my remarks at the dedication ceremony be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR WILEY AT MUNICIPAL AIRPORT, BURLINGTON, WIS.

My friends, we are gathered here to dedicate an airfield—a municipal airport. Just what is this field? What story does it tell of man's progress? What does it symbolize in this age where the world has been shrunken by man's ingenuity—the age of the intercontinental missile and the H-bomb?

Perhaps to get the answers we may have to go back to the age of the caveman. The age when there was no wheel—when the subsequent developments had not come into being. We know that since that time men have set in motion through the centuries influences that affect your life and mine today. In other words, we are the heir of the ages, and this wonderful age in which we live is the result of men in the past reaching for the stars—that have made the wonderful world of today.

There are those that I am speaking to today that recall the experiments of the Wright brothers and then came Lindbergh. You and I remember how when the "Lone Eagle" flew across the Atlantic all America went with him in spirit.

There were no municipal airports in those days.

It was the thinking man that brought forth and made possible the discovery of fire, the invention of the wheel, and today the development of atomic power. It was the divine spark in man that caused him to reach beyond his limitations. The poet phrased it this way: "Man to rise on stepping stones of their dead selves to higher things."

And now this community recognizing the march of events, has gone to work. Work, of course, as Edison said, "is what boosts the impetus to progress." He also said that "genius was 95 percent work."

This airport represents the culmination of years of planning; of cooperative work; of willingness to foot the bill to meet needs of this fine community.

In aviation—as other fields in this fast-progressing era—accomplishment, too, is the product of exploring, creative minds: Unfettered by outworn, outmoded ideas; attuned to the needs of the times; willing to create and/or support good ideas for progress.

A real challenge for all of us, of whatever age, is to remain openminded—attuned to, and recognition of—great, worthwhile ideas.

There are those who talk about their years. Listen: We don't count years, unless there's nothing else to count. The art of staying young depends upon what is inside, in the mind, and the heart and the spirit.

You have heard it said that "the fountain of youth is within you." You remember Goethe, who was working in his 80's completing "Faust," Titian was painting his masterpieces at 98; Toscanini was conducting his orchestras past 85, and Justice Holmes was writing Supreme Court decisions at 90, and of course Edison was busy in his laboratory at 84, and Benjamin Franklin was helping to frame the American Constitution at 80.

These men were not satisfied to live in a rut. As someone has said: "The beaten paths are for beaten men." Have we forgotten the Scripture: "They that wait upon the Lord shall renew their strength. They shall mount up with wings as eagles. They shall run and not be weary. They shall walk and not faint."

We have in front of us a community achievement. It never would have materialized if the rules of 50 years ago hadn't been outgrown.

Of course we realize that success in any endeavor depends upon the mental attitude. In growing, man reflects cheerfulness, confidence, optimism, poise, faith, and courage, to say nothing about humility and tolerance.

We realize, too, that men who are builders start where the thinkers of yesterday left off. Supposing that those who formed the Constitution had stopped at the pattern in government that existed in their day. There wouldnt have been a government with checks and balances. No government "of, by, and for the people." But you know these men didn't do that.

They recognized that their purpose here on earth was to build a state—widen the horizons of man's knowledge—enlarge the political dimensions of life. There would have been no America, if they had followed the pattern provided by history. There would have been no electricity if Edison hadn't reached out. It is for you and me to recognize this. It is our business not to live in the past, but to walk with leaders like Lincoln, St. Francis, and Jesus.

Now I want to say to you people gathered here today that simply because we are dedicating this fine field, we haven't arrived. We are privileged through the books to see the whole concept of world history up to the present. We can see the rise and fall of civilizations, and we can see the changing patterns of human life, but let us not forget that we have been chosen as trustees of the "pearls of great price"—the great freedoms of the American concept of government. The freedom of worship and the other freedoms; and let us know that they, too, can be lost.

When I went to Washington 23 years ago, Poland was free—Czechoslovakia, Bulgaria, Rumania, the Baltic States were free—but because they were in the same condition that we were in, in 1941, at the time of Pearl Harbor, their freedom went out the window.

Now what am I getting at? Just this: There are three great issues, and we must not forget them.

1. Can we maintain the peace? If we can't, the past will show us we can lose these pearls of great price.

2. If we maintain the peace, then we must keep this evil force called communism from taking over the rest of the world. This is some job. That is why we should be alert and not asleep. I repeat, as we were at Pearl Harbor.

3. If we can maintain the peace and ward off communism, then we must maintain the American free enterprise system.

I give you these issues to think about. Civilization is a matter of ebb and flow. If we start from where the great thinkers have left off—fill our minds with the safe, stabilizing thoughts that have come to us from the thinkers—not the sophists—then we will have guidance.

So today I bring you in conclusion the thought that I believe we must never forget. I have stated before that we are trustees of a great trust—as the leading nation of earth. As the nation that is entrusted with preserving these freedoms that I have mentioned, we have got to be sure that we keep our eyes on the goal. That we must ascertain the dangers and take the steps that are necessary to create a deterrent to an outbreak or a threat. A nation is no different from an individual. It has been stated that "a leader is a self-starter. He plans and executes." So we must, as a nation, meet headon the challenges in this period.

Man must be adequate to face the problems that he is confronted with. How does he build adequacy? Well, first there's a great law that says "perfect love casteth out fear." You remember the old legend of the plague that went to Baghdad to kill 5,000 people. Fifty thousand died instead, and when the plague was questioned, it replied: "I killed 5,000 as I said I would, the others died of fright."

As we view the history of humanity, we realize there is no need for us to be afraid of new ideas, new theories, new philosophies. The thing for us to do is to analyze them. See those that are right and those that are wrong, but we must keep our dreams, never allow them to die. In other words, we must keep the heart young and the expectations high, bearing in mind always that our big job is to "live a life that leaps like a geyser," wrote Alexis Carroll, "for those who drill through the rock of inertia."

Let me repeat, our America has been called to the leadership of the free world and it is up to you and me to get going and see to it that we fail not in this great challenge.

Several weeks ago, I was called upon to dedicate a new courthouse in the city of West Bend, and on that occasion I spoke of the law which is America's inheritance and the obligation of the citizen to maintain that law because it was a heritage, that we must not lose. Let me repeat a few words that I said on that occasion: "The crux of the difference between freedom and communism lies in liberty under law—that is our most cherished treasure. This is the thing for which we die, if need be, but for which we prefer to fight and live."

I am happy to have had a part in this dedication ceremony—grateful, indeed, to have been privileged to meet with your distinguished group, and I am happy to compliment the citizens of this fine county—the taxpayers, if you please—who have made possible this handsome structure.

So, in my humble way, I assist in this dedication ceremony, dedicating this fine municipal airport to the future use of the citizenry of this county and our Nation.

Gen. Wladimir B. Krzyzanowski

EXTENSION OF REMARKS

OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. ZABLOCKI. Mr. Speaker, today is the 128th anniversary of the birth of Gen. Wladimir B. Krzyzanowski, Polish-American hero of the Civil War. Throughout the country, Americans of Polish descent are celebrating the memory of this brave soldier, whose name is enshrined forever with Polish heroes of the Revolutionary War, Tadeusz Kosciuzko and Casimir Pulaski.

General Krzyzanowski was born in 1824 in Roznowo, Poland, a country then occupied by Germany. A first cousin of Frederic Chopin, Krzyzanowski as a young student became the leader of a group which used harassing tactics against the Germans. The future general was singled out as a conspirator by the German Government. Forced to flee his native land, Krzyzanowski came to the United States.

Arriving here in 1846 at the age of 22, he began the task of learning English while finishing his education. As an engineer he charted many miles of railroad lines into the expanding western frontier. In 1854 he married the daughter of General Burnett and settled in Washington, D.C., where he was much in demand as a speaker.

Upon the outbreak of the Civil War, he organized one of the first companies of Union soldiers and was soon given the rank of captain by the War Office. Soon after he became a colonel of the 58th Infantry of New York, listed in official registers as "the Polish Legion."

On June 2, 1862, the regiment had its baptism by fire in the Battle of Cross Keys, Va. Colonel Krzyzanowski distinguished himself by massing his men and leading them in the face of heavy rifle assault. Brigadier General Bohlen, commanding the troops at Cross Keys, said in his report of the battle:

> The 58th met the enemy and drove him back at the point of a bayonet. This regiment behaved with great gallantry under Colonel Krzyzanowski.

The regiment saw further action at Fox Ford, Sulphur Springs, Waterloo Springs, Croveton, and the famous Battle of Bull Run. During the last-named engagement, in which Union forces suffered a serious defeat, Colonel Krzyzanowski and his regiment offered singular resistance.

In November 1862 Colonel Krzyzanowski was appointed brigadier general of the New York Volunteers and commanded five regiments. His troops saw action at Chancellorsville on May 1, 1863, and distinguished themselves in battle. For his gallantry at Gettysburg, this Polish-born soldier was commended by Maj. Gen. O. O. Howard for "bravery, faithfulness, and efficiency in the discharge of duty."

Following Gettysburg, General Krzyzanowski and his men were transferred to Tennessee where they fought in the Chattanooga and Rossville campaigns. During the rest of the war, the by now famed Polish Legion held portions of captured territory, and were mustered out and discharged on October 1, 1865, at Nashville, Tenn.

Following the war, General Krzyzanowski served as an administrator in the newly acquired territory of Alaska. Later he became a customs inspector, first in Panama and then in New York City. The general died on January 31, 1887, at 870 Lexington Avenue, New York.

Because Krzyzanowski's name was difficult to pronounce—a fact which once led to his confirmation as general being held up by the Senate—he was popularly known as "Kriz." Historians have rated him highly. Bruce Catton, Civil War historian, has stated that the gallantry shown by the Polish Legion proved that "Krzyzanowski is as good an American name as Cabot."

In 1937, General Krzyzanowski's remains were transferred with military honors from a Brooklyn cemetery to Arlington National Cemetery. President Franklin Delano Roosevelt broadcast a tribute to the Polish-American hero on that occasion.

It is little wonder, then, that Americans of Polish ancestry have hailed General Krzyzanowski as the outstanding example of the contribution that nationality made to the northern cause in the Civil War. It is only fitting that we recall the gallant deeds of this man—Gen. Wladimir B. Krzyzanowski—during the current Civil War Centennial observances.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 9, 1962

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of July 7, 1962:

[Washington report, by Congressman BRUCE ALGER, Fifth District, Texas, July 7, 1962]

INDEPENDENCE OR INTERDEPENDENCE—THE CHOICE, FREEDOM OR REGIMENTATION

July 4, a great day for freedom-loving Americans, commemorates the declaration of freedom and independence of the United States. On July 4, 1962, 186 years after the historic declaration which began the greatest experiment in human freedom the world has ever known, the President of the United States said, "But I will say here and now, on this day of independence, that the United States will be ready for a declaration of interdependence, that we will be prepared to discuss with a united Europe the ways and means of forming a concrete Atlantic partnership, a mutually beneficial partnership between a new union now emerging in Europe and the old American Union formed here 175 (186 since 1776) years ago."

The role of the United States, freedom's only hope, is all important to us at home and to freedom-loving people throughout the world. We are the beacon light, the leader. Are we freedom's leader because of independence or interdependence? The answer is clear—independence—of thought, and action, never surrendered though we unite in outward appearing interdependence as communities and States. Only the United States has a Constitution undergirded by a clearly defined Declaration of Independence, whose specific terms of individual independence are spelled out in a Bill of Rights. Are we now, in dealing with others who as nations have no such concepts or constitution, to disregard our rights in order to gain the seeming protection of interdependence? Can we raise others to our standard without instead only lowering ours to theirs? Can we share and help others or do we give and lose everything we hold dear in the giving of our freedoms, form of society, and standard of living? This is the U.S. problem posed by the President's speech. The international problem has a twin at home, a domestic problem—independence or interdependence.

The course of the United States charted by President Kennedy, his Cabinet officers, and other aids is a new one for the United States. Sometimes, it is hard to discern by single pieces of legislation—but the picture is coming clearer as the various legislative bills are reviewed as a whole, and the overall objectives are outlined by the President and his advisers.

Let's look at some of the statements of the President's trusted and influential architects of policy: (1) "Neither Russia nor the United States is going to dominate this century. To those who speak of a victory or a win policy in the cold war, neither of the great leading nations will win over the other. Capitalism will not triumph over socialism. Rather, the victory will be one of men and nations voluntarily cooperating under the principles of the United Nations Charter. And we deeply believe this victory will come on both sides of the Iron Curtain."—Dr. Walter W. Rostow, State Department Counselor and Chairman of its Policy Planning Board. And then to condition U.S. people to accept this: "A strong educational campaign will be needed to sell Congress and the public if the proposals are given official sanction." (2) Now Solicitor General Archibald Cox: "There are some wage and price changes which have such serious and widespread consequences that the public is entitled to a voice in the process of decision. I speak not of a Government veto, but simply of giving the Government an opportunity to be heard as spokesman of the wider public interest while the decision is made." At this point, the steel price control by President Kennedy is covered plus any and all Federal action in the Government setting wages, (minimum wages, Davis-Bacon, Walsh-Healey, etc.) and labor negotiations by Presidential direction, in the name of being the people's voice. (3) Then to the fiscal side, Budget Director David E. Bell in a speech in New York June 12 suggests, "balanced budget held peril to economy. * * * Federal budget for next fiscal year too conservative * * * the predicted budget surplus, if achieved, might be so high as to risk contributing to a slowdown in the economic recovery." The Federal Government is assumed to be the dominant factor and if not, must become so for the good of the people.

Further, on the domestic side, let's look at the President's economists. Arthur Schlesinger says, and here's the Schlesinger blue print in his own words (CONGRESSIONAL RECORD, July 2, 1962, pp. 12606–12610): (4) "If socialism (i.e., the ownership by the state of all significant means of production) is to preserve democracy, it must be brought about step by step in a way which will not disrupt the fabric of custom, law, and mutual confidence upon which personal rights depend. That is, the transition must be piecemeal; it must be parliamentary; it must respect civil rights and due process of law." (5) "There seems no inherent obstacle to the gradual advance of socialism in the United States through a series of new deals." (6) "The classical argument against gradualism was that the capitalist ruling class would resort to violence rather than surrender its prerogatives. Here, as elsewhere, the Marxists enormously overestimated the political courage and will of the capitalists. In fact, in the countries where capitalism really triumphed, it has yielded with far better grace (i.e., displayed far more cowardice) than the Marxist scheme predicted." (7) "The mobilization of industry during the war provided more experience; and the next depression will certainly mean a vast expansion in Government ownership and control. The private owners will not only acquiesce in this. In characteristic capitalist panic, they will demand it." (8) "Government ownership and control can take many forms. The independent public corporation, in the manner of TVA, is one: State and municipal ownership can exist, alongside Federal ownership and techniques of the cooperatives can be expanded; even the resources of regulation have not been fully tapped." The duplicity of hoodwinking the people is even acknowledged as he puts it this way: (9) "The recipe for retaining liberty is, not rationalization, but muddling through—a secret long known to the British, as D. W. Brogan has put it, 'change anything except the appearance of things.'" He admits it won't be easy: (10) "The process of backing into socialism in the contemporary world is not so simple as it sounds." So there it is. The U. S. News & World Report put it this way: (11) "A managed economy, with overall direction from Washington, is being proposed by President Kennedy. If Congress agrees, there will be flexible taxes, flexible public works, flexible unemployment insurance. There will be, in addition, control over wages and prices by official persuasion, not by law. Supply and cost of money will be controlled as now." When you remember that this concept of the planned economy by Government was presented to West Germany by another adviser to President Kennedy, Walter Heller, and flatly rejected by them, who instead chose free and private enterprise to flourish, you realize how unable these men are in learning from experience. Yet this is not surprising since they fail to recognize the ingredients and lessons of success in one great American Republic—individual and economic freedom from control and regimentation.

The failure of President Kennedy and his advisers to understand and apply the basic concepts of constitutional freedom in our domestic economy and foreign affairs is spelled out to our detriment in the legislation: (1) Medical care under social security, now being debated in the Senate. Medical care is sought by President Kennedy as a Federal, compulsory Government program; (2) trade bill (see last week) giving President carte blanche power over industry as to foreign competition and Federal subsidy to industries and workers affected; (3) the tax bill—concessions or penalties by Executive order; (4) the farm bill to completely dominate and destroy any freedom for the farmer, regimenting every phase of his work and ownership of property.

To these bills, add President Kennedy's requests for: (1) Aid to education for school construction and teachers' salaries; (2) aid to transportation; (3) foreign aid; (4) the debt limit; (5) the gold outflow; (6) disarmament policy; (7) foreign policy of inaction in Cuba and capitulation to the Communists in Laos, East Berlin and elsewhere. Then remember the Supreme Court decisions, including the recent ban on prayer in our schools. What have you got? Two other men bear attention at this point: "We cannot expect the Americans to jump from capitalism to communism but we can assist their elected leaders in giving Americans small doses of socialism, until they suddenly awake to find they have communism"—Khrushchev. (Reread Schlesinger's blueprint.) From domestic, let's turn to foreign policy. "The great rule of conduct for us, in regard to foreign nations, is in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop"—George Washington's Farewell Address. (Now, reread President Kennedy's interdependence speech.)

For my part, my disagreement with the President is twofold: (1) The President clearly intends to alter our form of society and is not confiding in the American people, but endeavoring to make the changes piecemeal, maintaining an outer semblance of sameness; (2) those, including the President, who believe in reinterpreting the Constitution and in adopting new basic concepts are wrong.

I believe U.S. strength is in its people who cherish and strive for (1) independence, not interdependents, (2) leadership, not coequal status, (3) creating more wealth, not in merely sharing what we have, (4) by precept and example being uncommonly ingenious, industrious, and thrifty. As a nation of such people we will lead, not follow, we will not try to buy friends, we will trade hardheadedly, arm ourselves with overpowering military strength, abandon not one whit of national sovereignty or religious belief and be as tough as we talk, asking no special favors and giving none.

This is not similar to President Kennedy and his aids and this is totally different, not in degree of me-tooism, but in kind and this, I am convinced, most Americans really want and deserve and will have. This is the basis on which this Nation will survive to fulfill its destiny.

Americans take for granted their freedom—to do as they wish—work as they please—eat, sleep, play, dress, laugh, love, argue as they like—to think, to pray, to rear and educate their children, to join with others in group endeavors or to walk alone in precious privacy. Glorying in rugged individualism, attempting and accomplishing the seemingly impossible, Americans can rightly scoff at anyone in their society yearning for a better life as they survey America's growth and free motivations. Mature citizens realistically accept life's vicissitudes, well knowing that happiness can spring only from freedom to choose and self-determination.

Congressman Clark MacGregor Reports Poll Results

EXTENSION OF REMARKS
OF
HON. CLARK MacGREGOR
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 9, 1962

Mr. MACGREGOR. Mr. Speaker, a recent experiment which I conducted in my district has once again demonstrated the value of grassroots democracy and the enthusiasm with which citizens desire to participate in the governmental process.

In response to a public opinion poll which I sent to residents of my district in May more than 16,000 individual citizens have given me the benefit of their thoughts about issues currently being debated in Congress.

A glance at the composition of the Third Congressional District of Minnesota would quickly reveal to the observer that a poll of its residents would closely approximate a poll of the entire Nation. Represented in the district is virtually every type of occupation, industry, and ethnic or religious grouping which might be found anywhere in the Nation.

The five-county district embraces rural farm areas, thriving suburban communities, and sections of one of the Nation's largest cities, Minneapolis. Hardly any issue which arises in Congress does not bear directly upon the lives of many of my Third District constituents.

Much faith can be put in the results of this poll as closely reflecting the opinion of all the people when questioned on the important issues of the day.

An occupational breakdown of those responding to the poll demonstrates the broad base of opinions which are represented in the results. Of those who indicated their occupation to me, 11 percent were hourly employees, 29 percent salaried, 20 percent businessmen, 17 percent professional, 2 percent farmers, 6 percent housewives, 12 percent retired, and 3 percent indicated an occupation other than those listed above.

These respondents represent every section of the district and every political attitude. By attempting to secure the broadest feasible coverage I feel sure that we have the opinions of people from every walk of life.

Volunteers assisted throughout the entire project by addressing the questionnaires to telephone subscribers throughout the district and then volunteers tabulated the responses.

Several newspapers very kindly printed the questionnaire in their regular editions and from this source many additional persons relayed their opinions to me.

Frequently respondents indicated to me that it is difficult to cast a simple "yes" or "no" answer to questions as complex as those proposed to Congress. I agree wholeheartedly with them. When I prepared the questions I realized that they might be open to different interpretations and that more detailed information would be helpful.

Many issues could not be covered in appropriate detail nor could the many ramifications always be shown. But here in the House of Representatives when the roll is called, one must decide to vote either "aye" or "nay" regardless of the qualifications he might wish to add to the question at hand.

Glancing at the results of the poll one immediately realizes that the American public is becoming alarmed with the rapid transfer of power to the executive branch from its rightful place in the hands of the people's representatives in Congress.

Equaling public alarm about southeast Asia policy is a noteworthy disapproval of increased nondefense Government spending programs. Contrary to what we are sometimes told the public desires, the results of this poll clearly show an uncertainty over economic conditions—the public pulse calls for caution, not confusion.

The legislative questionnaire itself provided columns for both "His" and "Hers" answers which afforded even more members of the family to share in an expression of opinion. A blank space was available for comments and a surprising number of persons expanded and elaborated more fully their views on the respective questions.

I was deeply interested in reading the comments about issues of serious concern to Third District citizens. A most revealing observation related to the King-Anderson medicare proposal.

In a November 1961 poll I had surveyed the district on the subject of medical care and hence felt such a testing of opinion was still sufficiently valid so that I could touch upon issues not covered in the earlier poll.

But a large number of persons wished to express an opinion on the subject so I tallied those so commenting and found that 21 percent favored the King-Anderson compulsory social security approach but 79 percent opposed this bill.

This was my second annual legislative poll and the results were most gratifying. The poll, an exercise in democracy, provided one more avenue by which the citizen may participate in his system of self-government.

A sense of awareness and a feeling of participation is a critical need in these crucial years when representative government is under attack. For this reason, if for no other, I am encouraged to study the returns of this poll. It makes me keenly aware of the privilege I enjoy in serving in the U.S. Congress as the Representative of the people of Minnesota's Third District.

The results of my second annual legislative poll are as follows:

Annual Legislative Questionnaire of Congressman Clark MacGregor

1. Do you think Congress should give the President and his advisers a veto power over private decisions relating to prices, wage rates, and rent charges?

	Yes	No	Not sure
Percent	10.7	85.1	4.2

2. Is it all right for the President to exercise the power referred to above, in the absence of congressional action, when he decides the "public interest" is damaged by such decisions?

	Yes	No	Not sure
Percent	21.3	70.3	8.4

3. Should our electoral college system of electing a President and Vice President be changed so as to more accurately reflect the popular vote?

	Yes	No	Not sure
Percent	84.3	10.0	5.7

4. Do you favor Federal grants, matching those of State and local governments, for building community fallout shelters in hospitals, schools, and other public buildings?

	Yes	No	Not sure
Percent	27.3	61.1	11.6

5. Almost everyone agrees that some form of tax adjustment must be made to encourage capital investment, stimulate economic growth, and provide new jobs. Do you favor achieving this through:

(a) A credit against taxes of 7 or 8 percent of the cost to business and industry of new productive equipment? or

	Yes	No
Percent	53.1	46.9

(b) A more rapid and flexible tax writeoff (depreciation) of the cost of this new equipment? or

	Yes	No
Percent	76.1	23.9

(c) Using both (a) and (b) above.

	Yes	No
Percent	67.6	32.4

6. To equitably help the distributing and retailing segments of the economy, would you favor a law letting them deduct from net income a limited portion of the cost of their inventories before arriving at their taxable income?

	Yes	No	Not sure
Percent	45.4	32.6	22.0

7. Do you favor the tax proposal currently before Congress which would "withhold" a flat 20 percent of income from interest and dividends?

	Yes	No	Not sure
Percent	20.7	73.1	6.2

8. Should the Congress give to the President standby authority to start up to $2,000,000,000 worth of public works projects?

	Yes	No	Not sure
Percent	22.9	67.8	9.3

9. Article I, paragraph 8, of the Constitution gives to Congress the power "to lay and collect taxes." Should the Congress give the President standby authority to cut income taxes?

	Yes	No	Not sure
Percent	21.7	70.4	7.9

10. Are you generally in favor of the current congressional proposals to authorize the purchase of up to $100,000,000 worth of United Nations bonds?

	Yes	No	Not sure
Percent	37.3	44.5	18.2

11. Do you favor financing the necessary costs of growing national defense budgets by:

(a) Higher taxes? or

	Yes	No
Percent	35.2	64.8

(b) Deficit spending? or

	Yes	No
Percent	17.6	82.4

(c) Reduced spending on nondefense programs.

	Yes	No
Percent	87.3	12.7

12. In South Vietnam we are giving strong military and economic aid to a government committed to defeat Communist subversion and aggression; in neighboring Laos we are withholding aid so as to move a friendly government into a coalition with Communist and neutralist factions. Do you approve of these Kennedy administration policies in:

(a) South Vietnam?

	Yes	No	Not sure
Percent	64.7	17.7	17.6

(b) Laos?

	Yes	No	Not sure
Percent	19.4	54.5	26.1

SENATE

TUESDAY, JULY 10, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God of men and nations, always we come to Thee with deep gratitude for our surpassing heritage.

In the midst of the turmoil of these testing days, we would keep vivid before us the vision of a righteous nation with freedom and justice and opportunity for all.

We lift our prayer to Thee, conscious that our Charter of Freedom reminds us that our worth and our dignity as individuals lie, not in our role as citizens of any State, but because Thou hast created us in Thine image. Beneath our diversities, may we keep sacred the fundamental unity which is the true glory of this dear land of freedom.

Open our eyes to the solemn facts of these contentious days which make it more and more clear that the massed difficulties besetting us are not so much political and economic as they are moral and spiritual, and that in all our baffled search for solution, only by fresh awareness of Thee can the present social decay, which threatens the inner life and the outer strength of the Nation, be changed to decency and righteousness.

We lift our prayer in the Saviour's name. Amen.

THE JOURNAL

On request of Mr. SMATHERS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 9, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations and withdrawing the nomination of Paul F. Gerene, of Texas, to be Deputy Director of the Peace Corps, transmitted to the Senate on February 19, 1962, were communicated to the Senate by Mr. Ratchford, one of his secretaries.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. SMATHERS, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

PAYMENT OF WAR DAMAGE RESTORATION CLAIMS IN PHILIPPINE ISLANDS—RESOLUTION OF FILIPINO CHAMBER OF COMMERCE

Mr. FONG. Mr. President, last week, Thursday, July 5, the Filipino Chamber of Commerce of Honolulu adopted a resolution urging Congress to approve $73 million for payment of war damage restoration claims in the Philippine Islands.

The resolution forwarded to me by the Filipino Chamber of Commerce represents the opinions of businessmen as well as professional men in every walk of life whose ancestors migrated to Hawaii from those islands.

Many members of the Filipino chamber have relatives and friends residing in the Philippines and they believe that payment of the war damage claims would in some measure assist in raising the overall economy of the Philippines.

I ask unanimous consent that this resolution adopted by the Filipino Chamber of Commerce of Honolulu be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas $400 million had been made available by the Congress of the United States by the Philippine Rehabilitation Act of 1946 to help rehabilitate private properties damaged in the Philippines during World War II;

Whereas $73 million remains yet to be remitted by the United States on the said account, in order to complete the balance of the original appropriation;

Whereas the Filipinos have continually entertained hopes that the total obligation which had been previously accepted by the Congress of the United States would now be formally assumed, inadequate as it apparently has been, in order for the restoration efforts on properties which had been either part-way abandoned or fully unstarted could be resumed;

Whereas the Filipinos while fighting the common foe were encouraged in their resistance by frequent statements and repeated assurances then coming from the United States that their property "would be restored even to the last carabao";

Whereas 17 years after the end of that war, the belated recognition on the part of the Congress of the United States of its original obligation was unrecognized by the failure of its House of Representatives on May 9, 1962, to pass the necessary appropriation for the remaining balance on the original account; and

Whereas this surprise action of the United States House of Representatives may be considered most uncalled for, based on the statement of former Chairman Frank A. Waring, of the United States-Philippine War Damage Commission, urging: "Let us finish the job begun in 1946, with honor and credit to the United States": Now, therefore, be it

Resolved, That the Filipino Chamber of Commerce of Honolulu by its board of directors petition, as it does hereby petition, the duly chosen representatives of Hawaii in the Congress of the United States to exert their best efforts in the passage of a bill appropriating $73 million to fulfill the Philippine war damage claim obligation of the Government of the United States; and be it further

Resolved, That copies of this resolution be sent each to U.S. Senator Hiram L. Fong, U.S. Senator Oren E. Long, U.S. Representative Daniel K. Inouye; His Excellency, Diosdado Macapagal, President of the Philippines; His Honor, Antonio Villegas, mayor of Manila; the Honorable Alejandro D. Yango, Consul General of the Philippines; and the office of the State chamber of commerce of Hawaii.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

S. 3109. A bill to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities (Rept. No. 1690);

H.R. 1811. An act to amend chapter 35 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances (Rept. No. 1691); and

H.R. 8992. An act to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration (Rept. No. 1693).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with an amendment:

S. 2869. A bill to amend chapter 31 of title 38, United States Code, to afford additional time during which certain veterans blinded by reason of a service-connected disability may be afforded vocational rehabilitation training (Rept. No. 1694); and

H.R. 10069. An act to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration (Rept. No. 1695).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 7431. An act to provide for the free entry of certain stained glass for St. Joseph's Cathedral, Hartford, Conn., and for the Church of St. Francis Xavier of Phoenix, Ariz. (Rept. No. 1697);

H.R. 8282. An act to amend section 3203(d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child (Rept. No. 1700);

H.R. 8415. An act to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care (Rept. No. 1699);

H.R. 8938. An act to provide a more definitive tariff classification description for lightweight bicycles (Rept. No. 1696);

H.R. 10068. An act to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan (Rept. No. 1701); and

H.R. 10669. An act to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance (Rept. No. 1698).

EXTENSION OF MAXIMUM MATURITY OF VETERANS' ADMINISTRATION GUARANTEED OR INSURED HOME LOANS FROM 30 TO 35 YEARS—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1689)

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably the bill (S. 3024) to extend the maximum maturity of Veterans' Administration guaranteed or insured home loans from 30 to 35 years, and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators GOLDWATER, TOWER, and MURPHY.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Texas.

AMENDMENT OF CHAPTER 35 OF TITLE 38, UNITED STATES CODE, TO PROVIDE STATE APPROVAL OF COURSES UNDER THE WAR ORPHANS EDUCATIONAL ASSISTANCE PROGRAM—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1692)

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably the bill (H.R. 5939) to amend chapter 35 of title 38, United States Code, to provide that after the expiration of education and training under the Korean GI bill, approval of courses under the war orphans educational assistance program shall be by State approving agencies, and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators Goldwater, Tower, and Murphy.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Texas.

REPORT ENTITLED "A BUILDING FOR A MUSEUM OF HISTORY AND TECHNOLOGY FOR THE SMITHSONIAN INSTITUTION" (S. REPT. NO. 1702)

Mr. ANDERSON, from the Joint Congressional Committee on Construction of a Building for a Museum of History and Technology for the Smithsonian Institution, pursuant to section 4 of Public Law 106, 84th Congress, 69 Stat. 189, submitted a report entitled "A Building for a Museum of History and Technology for the Smithsonian Institution," which was ordered to be printed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ANDERSON (for himself, Mr. Randolph, Mr. Douglas, Mr. Javits, and Mr. Byrd of West Virignia):

S. 3521. A bill to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions; to the Committee on Finance.

(See the remarks of Mr. Anderson when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 3522. A bill for the relief of A. L. Strong & Son; and

S. 3523. A bill relating to the appointment of the Director and Associate Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

(See the remarks of Mr. Dirksen when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 3524. A bill to provide for the issuance of a special postage stamp in honor of the memory of Amelia Earhart; to the Committee on Post Office and Civil Service.

By Mr. CHAVEZ (by request):

S. 3525. A bill to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW. in the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. CLARK:

S. 3526. A bill for the relief of Joan Winkel Biront; to the Committee on the Judiciary.

AMENDMENT OF SOCIAL SECURITY ACT, TO EXTEND THE PROVISIONS OF CERTAIN PUBLIC ASSISTANCE PROVISIONS FOR 2 MONTHS

Mr. ANDERSON. Mr. President, I introduce, for appropriate reference, a bill to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3521) to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions, introduced by Mr. Anderson (for himself, Mr. Randolph, Mr. Douglas, Mr. Javits, and Mr. Byrd of West Virginia), was received, read twice by its title, and referred to the Committee on Finance.

Mr. ANDERSON. Mr. President, this bill was recommended to the Senate on June 27, 1962, by the Department of Health, Education, and Welfare. In introducing the bill, I refer particularly to statements made on yesterday by the Senator from Illinois [Mr. Dirksen]; and I ask unanimous consent that two paragraphs from an article published today in the Washington Post be printed at this point in the Record.

There being no objection, the excerpts from the article were ordered to be printed in the Record, as follows:

> Rather than hold up benefits to dependent children of unemployed parents and other welfare funds in the welfare bill that is being used as a carrier, he said, Republicans also are considering a move to recommit.
>
> If the Senate fails to table the medical care plan, Dirksen said the motion to recommit will probably provide for reporting the public welfare bill immediately back to the Senate, with the health-care amendment deleted. Said Dirksen: "Thousands of checks are being drawn (for welfare payments) and there are no covering funds. We have got to get that part of the bill out."

Mr. ANDERSON. Mr. President, these paragraphs point out that there are individuals who need to receive their welfare payment checks, as the Senator from Illinois [Mr. Dirksen] has correctly stated, and that the checks for welfare payments are being drawn, but there are no funds with which to pay them, and that we must at once pass at least that part of the public welfare amendments bill.

It happens that the Secretary of Health, Education, and Welfare sent us this proposal on June 27, of this year, in a letter addressed to the Speaker of the House and to the President of the Senate. I ask unanimous consent to have printed at this point in the Record the letter written by Secretary Abe Ribicoff and a copy of the bill which he transmitted at that time.

There being no objection, the letter and the bill were ordered to be printed in the Record, as follows:

Department of Health,
Education, and Welfare,
June 27, 1962.

The Vice President,
U.S. Senate,
Washington, D.C.

Dear Mr. President: I am enclosing for your consideration a draft bill to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions.

Five provisions of the Social Security Act relating to public assistance programs are scheduled to expire on June 30, 1962 under existing law. They are:

1. Authority for the Federal Government to participate financially in payments of aid to dependent children made because of need arising due to the unemployment of a parent.
2. Provision for Federal financial participation in payments of aid to dependent children to certain children in foster family homes.
3. An increase of $1 in the amount of assistance in which the Federal Government will participate for each recipient under the programs of old-age assistance, aid to the blind, and aid to the totally and permanently disabled.
4. Provision for assistance to certain U.S. citizens returned to this country from abroad who are without available resources.
5. Increase in the amount of the Federal grant for public assistance payments in Puerto Rico, the Virgin Islands, and Guam.

All of these provisions are contained in H.R. 10606 as it passed the House of Representatives and as it was reported to the Senate by the Senate Committee on Finance. Since final action on that bill now appears unlikely prior to July 1, the enclosed bill would extend for 2 months the expiring provisions of existing laws.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

Abraham Ribicoff,
Secretary.

S. 3521

A bill to amend the Social Security Act and related provisions to extend for two months certain temporary public assistance provisions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

EXTENSION OF AID WITH RESPECT TO DEPENDENT CHILDREN OF UNEMPLOYED PARENTS

Section 1. So much of the first sentence of section 407 of the Social Security Act as precedes paragraph (a) thereof is amended by striking out "June 30, 1962" and inserting in lieu thereof "August 31, 1962".

EXTENSION OF AID WITH RESPECT TO FOSTER FAMILY HOME CARE

Sec. 2. So much of the first sentence of section 408 of the Social Security Act as precedes paragraph (a) thereof is amended by striking out "June 30, 1962" and inserting in lieu thereof "August 31, 1962".

EXTENSION OF INCREASE IN FEDERAL SHARE OF PUBLIC ASSISTANCE PAYMENTS

Sec. 3. Section 303(e) of the Social Security Amendments of 1961 (Public Law 87–64) is amended by striking out "July 1, 1962" and inserting in lieu thereof "September 1, 1962".

EXTENSION OF ASSISTANCE TO REPATRIATED AMERICAN CITIZENS

SEC. 4. Section 1113(d) of the Social Security Act is amended by striking out "June 30, 1962" and inserting in lieu thereof "August 31, 1962".

INCREASE IN LIMITATION ON TOTAL PUBLIC ASSISTANCE PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

SEC. 5. Effective only for the fiscal year ending June 30, 1963, section 1108 of the Social Security Act (as amended by section 6 of Public Law 87-51) is amended by striking out "$9,125,000" and inserting in lieu thereof "$9,200,000", by striking out "$318,750" and inserting in lieu thereof "$319,000", and by striking out "$425,000" and inserting in lieu thereof "$426,000".

Mr. ANDERSON. Mr. President, the situation to which the Senator from Illinois referred was, I am sure, accurately portrayed by him. I am informed that there is a real crisis in connection with public assistance, not only in Illinois, but also in other States; and therefore both the Senators from West Virginia [Mr. RANDOLPH and Mr. BYRD] have joined in sponsoring this bill, as have the Senator from Illinois [Mr. DOUGLAS] and the Senator from New York [Mr. JAVITS].

The crisis in Illinois has been referred to in some newspaper articles to the effect that it will be necessary to make reductions, estimated as amounting to as much as 30 percent, in the social security payments. I ask unanimous consent that excerpts from an article—that is to say, the references in it pertaining to this particular situation—published in the Chicago Tribune of July 9, be printed at this point in the RECORD.

There being no objection, the excerpts from the article were ordered to be printed in the RECORD, as follows:

The battle over relief cuts ordered by Governor Kerner continued yesterday as C. Virgil Martin turned down a plea by Mayor Daley to withdraw his resignation as chairman of the Illinois Public Aid Commission.

The African-American Heritage Association announced that it has started circulating petitions urging Governor Kerner "to reconsider seriously any effort to cut relief and living standards."

Reginald Petty, president of the Chicago council of the association, sent Kerner a telegram requesting him to call a special legislative session immediately to appropriate more relief funds. More than 81 percent of the relief clients in Chicago are Negroes.

WARNS OF SERIOUS PROBLEMS

"We can view the threatened action to cut the budgets of citizens on relief as further attacks upon the living standards of all Americans," Petty said in a statement. "We must view with alarm this threat as it is primarily directed against American citizens of African descent.

"If the standard of living is further pushed down for the Afro-American by cutting the already inadequate relief budget this cannot but presage further and serious problems for Illinois and America as a whole."

* * * * *

Martin has said that to cut relief payments 51 percent in order to stretch the biennial appropriation of $499 million until next June 30 would be "untolerable" to the public.

"Anyone who pushed for a 51-percent cut would be in real trouble," he added.

A cut of 22.3 percent would carry the IPAC through February, while a cut of 8.6 percent would enable the IPAC to get through January.

Mr. ANDERSON. Finally, Mr. President, the Secretary of Health, Education, and Welfare himself wrote to me on July 6, in response to my question as to what was happening in this field; and in the letter he indicated that some time ago, he had submitted this proposed legislation to Congress, and that he hoped something would be done to make sure that these individuals, who now are in jeopardy, might be properly taken care of. I ask unanimous consent that his letter of July 6 be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., July 6, 1962.

Hon. CLINTON P. ANDERSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ANDERSON: This is in reponse to your request as to any problems that might arise if the final enactment of the public welfare amendments is somewhat delayed.

As you know, the public welfare bill includes extensions, and in some instances, makes permanent, five provisions of law that expired on June 30, 1962. These are provisions for: Federal financial participation in aid to dependent children of unemployed parents; in foster family home care of certain dependent children; and in a temporary increase of $1 in the average amount of payment subject to Federal participation under old-age assistance, aid to the blind, and aid to the permanently and totally disabled; assistance to American citizens returned from abroad when they are without available resources; and a temporary increase in the ceilings on grants to Puerto Rico, the Virgin Islands, and Guam.

Some State laws do not permit the operation of some of these programs unless the programs are eligible for Federal financial participation. Some States, however, would probably continue, for the time being at least, such programs on the assumption that Federal authority would be extended in the near future and that Federal grants would be retroactive to July 1.

We have accordingly submitted to the Congress legislation which would extend for 2 months all of the provisions which have June 30, 1962, expiration dates. I respectfully urge the immediate adoption of this legislation. If this simple device is adopted there would be no significant problems arising from the Congress' taking time to consider your health insurance amendment to the welfare bill.

In my judgment your proposal for health insurance for aged persons through the social security system is one of the most important measures pending before the Congress. It is my earnest hope that it will receive favorable consideration by this Congress.

Sincerely,

ABE RIBICOFF.

PRESIDENTIAL APPOINTMENT AND SENATE CONFIRMATION OF DIRECTOR OF FEDERAL BUREAU OF INVESTIGATION

Mr. DIRKSEN. Mr. President. In my work on the Senate Judiciary Committee, I discovered that, strangely enough, the Director of the Federal Bureau of Investigation is not legally required to be appointed by the President, nor is confirmation by the Senate required.

The FBI actually began as an agency of Government on July 26, 1908, under President Theodore Roosevelt, and was created because no investigative arm existed in the Department of Justice. Action to create the agency was taken by the then Attorney General, Charles J. Bonaparte, who issued an order creating an investigative agency within the Department. On March 4, 1909, Attorney General Wickersham gave this agency a secure place and the dignity of the title. It was called the Bureau of Investigation. From then on until 1924 it had a number of directors, including Stanley W. Finch, A. Bruce Bielaski, William J. Flynn, and later William J. Burns, the well-known international detective.

The appointment of Mr. Burns became effective on August 18, 1921, under President Harding. A shakeup occurred in the Department of Justice, whereby J. Edgar Hoover, then 26 years of age, found himself transferred from his position as Special Assistant to the Attorney General to the position of Assistant Director of the FBI. He was placed on the Federal payroll at an annual salary of $4,000.

On March 28, 1924, President Coolidge demanded and received the resignation of Attorney General Daugherty, and in his place appointed Harlan Fiske Stone. About 6 weeks later Mr. Burns resigned as Director of the FBI; and on the day after his resignation, the Attorney General named J. Edgar Hoover, then age 29, as Acting Director, on the recommendation of Herbert Hoover, who then was Secretary of Commerce.

J. Edgar Hoover advised the Attorney General that he would take the position "on condition that the Bureau must be divorced from politics and not be a catchall for political hacks—appointments must be made on merit; promotions would be made on proved ability, and the Bureau would be responsible only to the Attorney General." To this the Attorney General replied by saying "I wouldn't give it to you under any other condition."

It was under the guidance of Attorney General Stone that J. Edgar Hoover took command of the FBI, first as Acting Director, and 7 months later as Director. He became Director on December 10, 1924, and has remained so to the present day. This means that on Deember 10, 1962, J. Edgar Hoover will have served continuously as Director of the FBI for a period of 38 years.

The growth of the FBI has been phenomenal and necessary, in order to meet the problems which come within its constantly expanding jurisdiction. The latest figures indicate that the appropriation estimate for the FBI for the fiscal year 1962 was $127,216,000, and that it had on the rolls, as of June 30, 1962, a total of 13,776 employees.

The Director of the FBI serves under the Attorney General, is not a presidential appointee, and does not require Senate confirmation. Legislative action with respect to the Bureau was limited mainly to appropriations, salary, and retirement and pension changes, and so forth. It occurs to me that the importance of the agency, its growth, and its value to the law-enforcing agencies at all levels of Government would make it eminently desirable that the Director of the FBI be appointed by the President of the United States and that his appointment be confirmed by the Senate. For this reason, I introduce a bill which, in effect, states that as of the day following the date on which the present incumbent of the office of Director of the FBI ceases to serve as such, his successor shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 15 years; that he shall not be eligible for reappointment; and that he shall be compensated at the rate of $22,000 a year. The same would apply to the Associate Director, except that his compensation would not be fixed by statute.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3523) relating to the appointment of the Director and Associate Director of the Federal Bureau of Investigation, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the Judiciary.

REVENUE ACT OF 1962—AMENDMENTS

Mr. KERR submitted amendments, intended to be proposed by him to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

AMENDMENTS TO SECTION 19 OF H.R. 10650 WITHHOLDING ON INTEREST AND DIVIDENDS

Mr. KERR. Mr. President, among the amendments to H.R. 10650 which I have proposed are a number of proposals which if adopted would eliminate all significant overwithholding. If these amendments are adopted no one can conscientiously object to withholding on the ground of hardship to dividend or interest recipients.

The provisions for exemption certificates and quarterly refunds already are designed to protect persons who owe no tax from any withholding and those who would be overwithheld from any significant deprivation of funds. Nevertheless because of the fear which some persons still have that there may yet be hardship for the low bracket taxpayer or the aged person whose sole source of income is dividends and interest, I have proposed an amendment to extend the exemption from withholding on dividends and savings account interest to all persons under 65 whose income is $5,000 and under and to all persons age 65 and over whose income is up to $7,500. This exemption for people over age 65 would also apply to any individual whose spouse is over age 65, even though he is not.

Under this amendment, 11.3 million persons would be exempt from withholding altogether instead of 7.1 million under the House bill. Only about 300,000 persons would need to claim quarterly refunds instead of 1 million persons under the House bill. With the requirement that a taxpayer's income be over $5,000, or over $7,500 if over 65, and with the continued complete exemption for those over those limits who owe no tax, there can no longer be any question of hardship to a dividend or interest recipient. At the same time we can still take a sizable step toward collecting the billion dollars of taxes that are owed but are not being paid today, and for which there is no effective collection technique without withholding as its core.

But even for those few remaining cases of overwithholding, I have proposed amendments to make sure that quarterly refunding is as accurate in amount and as quick as practicable. I have first adopted the Treasury proposal to liberalize the refund allowance to permit an individual to take into account his itemized deductions. The House bill permits an individual to include only his standard deduction in computing the allowable amount of a quarterly refund, with the result that overwithholding can result if the individual's itemized deductions exceed the standard deduction. This amendment would permit prompt refunding of all significant overwithholding.

Second, a number of banks have suggested a procedure whereby delay in processing quarterly refunds could ordinarily be cut from 3 or 4 weeks to 3 or 4 days. Under this proposal, banks and savings and loan institutions would be permitted to pay quarterly refund claims and then be reimbursed by the Treasury generally within 3 to 4 days. The banks would only be required to check the mathematical accuracy of the claim and secure reasonable identification from the person presenting the claim. Thus, no one would need to wait for the refund to which he would be entitled.

Next, to make withholding less complicated for banks and dividend payers, I have proposed the Secretary of the Treasury's suggestion that exemption certificates remain effective until revoked, rather than the annual filing required by the House bill. This change would make the exemption system easier to administer by the paying institutions and would also reduce the number of forms which individuals would be required to file.

The remaining amendments introduce elements of flexibility into the withholding system by permitting the Treasury by regulations to make adjustments in withholding, such as certain additional exemptions and more frequent refunds, if it appears that nonreporting would not be significant by doing so and that administration would be improved.

SUMMARY OF HOUSE BILL

Section 19 of H.R. 10650, as passed by the House of Representatives, provides that a payer of dividends, interest, or patronage dividends is to withhold tax on these payments at a rate of 20 percent. There is no requirement that the payer furnish the recipient with a receipt indicating how much it has withheld. Instead, the income tax return will contain a simple schedule for the taxpayer to figure the amount of tax withheld—for which he will be allowed a credit—and the total amount of interest or dividends which he must include in his income. On this schedule, the taxpayer will enter the actual amount of dividends and interest he received; he will then divide this amount by four; the sum of these two amounts will equal his total dividends and interest to be included in income and the one-fourth figure will represent the tax withheld for which he is allowed a credit on his tax return.

The bill contains several provisions for eliminating the impact of overwithholding:

1. EXEMPTION CERTIFICATES

All individuals who expect that they will have no tax liability for the year will be able to file exemption certificates and thereby avoid withholding on their dividends and most of their interest. New exemption certificates must be filed each year. No exemptions will be permitted for corporate or U.S. bonds, other than Government savings bonds. Children under age 18 may file exemption certificates whether or not they expect tax liability and these certificates would not have to be renewed each year. Governments and tax-exempt organizations could be exempt on their bank account and savings bond interest, but not on their dividends.

2. QUARTERLY REFUNDS FOR INDIVIDUALS

Married couples with less than $10,000 of income and single persons with less than $5,000 of income may claim refunds each quarter for overwithheld tax. The quarterly refunds would be limited to the individual's "refund allowance," which gives him credit for his personal exemptions, standard deduction, and retirement income credit to the extent they are not offset against other income he receives which is not subject to dividend and interest withholding. The quarterly refunds would be paid within 3 to 4 weeks. An individual who files a refund claim for the first quarter will automatically receive from the Internal Revenue Service partially completed claims for the second and third quarters.

3. CREDITS AND REFUNDS FOR GOVERNMENTS, TAX-EXEMPT ORGANIZATIONS, AND CORPORATIONS

Governments and tax-exempt organizations will be permitted to offset amounts withheld on their dividends and interest against what they owe the Government for income and social security taxes they withheld from their employees' wages. Similarly, corporations in general will be permitted to offset the taxes withheld on their dividend and interest income against what they owe the Government for taxes they withheld on their own dividend and interest payments. Corporations and tax-exempt entities will be permitted quarterly refunds for any excess remaining after the offset credits.

The bill permits withholding agents to retain the taxes they withhold on dividends and interest until the end of the month following the quarter in which the dividends or interest are paid.

The withholding provisions would be effective January 1, 1963.

DETAILED SUMMARY OF AMENDMENTS

1. EXEMPTIONS BASED UPON INCOME

In order to eliminate overwithholding on low-income indivduals, exemptions would be permitted for taxable individuals under age 65 with up to $5,000 of income and for taxable individuals age 65 and over (or whose spouse is age 65 or over) with up to $7,500 of income.

2. USE OF ITEMIZED DEDUCTIONS TO COMPUTE REFUND ALLOWANCE

The refund allowance for quarterly refunds would be liberalized to permit an individual to take into account his itemized deductions. The House bill permits an individual to include only his standard deduction in computing the allowable amount of a quarterly refund, with the result that overwithholding can result if the individual's itemized deductions exceed the standard deduction. This would permit prompt refunding of all significant overwithholding.

3. QUICK QUARTERLY REFUNDS THROUGH BANKS

In order to eliminate any delay in the making of quarterly refunds, banks and savings institutions would be permitted to pay quarterly refund claims and then be reimbursed by the Treasury generally within 3 to 4 days. The banks would only be required to check the mathematical accuracy of the claim and secure reasonable identification from the person presenting the claim.

4. EXEMPTION CERTIFICATES GOOD UNTIL REVOKED

The provision in the House bill requiring individuals to file new exemption certificates each year would be changed to permit exemption certificates to remain in effect until revoked by the filer. An individual would be required to revoke his exemption certificate if he becomes taxable. This change would make the exemption system easier to administer by the paying institutions and would also reduce the number of forms which nontaxable individuals would be required to file.

5. EXEMPTIONS FOR GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS

Governments and tax-exempt organizations would be granted exemptions from withholding on their dividend income. Under the House bill, nontaxable individuals, but not governments and tax-exempt organizations, would be exempt from withholding on dividends. This extension of the exemption system would cover foreign, State, and local governments, as well as tax-exempt organizations, such as colleges and universities, churches, and pension trusts.

6. INTEREST ON ACCUMULATED POLICY DIVIDENDS

The House bill would be changed so as not to permit individuals to file exemption certificates with respect to interest on dividend accumulations on unmatured life insurance policies. This will ease the administrative problems of the insurance companies. This interest would be subject to withholding.

7. DIVIDENDS IN STOCK

Withholding would be eliminated on dividends paid by a corporation in the stock of another corporation.

8. FOURTH QUARTER REFUND CLAIMS FOR CERTAIN CORPORATIONS

A corporation would be permitted to claim a quarterly refund for amounts withheld on its dividends and interest during the fourth quarter of its taxable year, if the refund is expected to exceed the corporation's tax liability on its final return. Under the House bill, a corporation would be permitted to file quarterly refunds for the first three quarters, but would be required to claim the refund for the fourth quarter on its final tax return for the year. Some corporations, for instance some railroads, with little or no tax liability may not be able to file their final tax returns until many months after the close of the year and, consequently, under the House bill, would be delayed in obtaining a refund of amounts withheld during the fourth quarter.

9. REGULATORY AUTHORITY TO EXEMPT COUPCN BOND INTEREST

The Treasury would be given the power, by regulations, to exempt interest on corporate and U.S. bonds—other than Government savings bonds—from withholding. By giving him discretion to remove withholding in this area, the Secretary of the Treasury would be able to counter any significant adverse market effects if they arise.

10. EXEMPTION CERTIFICATES FOR TRUST BENEFICIARIES

The Treasury would be given the discretion to permit trusts and nominees to file exemption certificates on behalf of their nontaxable beneficiaries where this is feasible. The House bill would not permit any exemptions with respect to dividends and interest paid to trusts and with respect to dividends paid to nominees. However, there may be certain situations—for example, a simple trust with only nontaxable beneficiaries—where exemptions would be practical and the Treasury should have general authority under which appropriate cases could be dealt with.

11. REGULATORY AUTHORITY TO EXEMPT CORPORATIONS

The Treasury would be permitted, by regulations, to exempt corporations from withholding.

12. AUTHORITY FOR MORE FREQUENT REFUNDS TO GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS

Governments and tax-exempt organizations would be permitted monthly—or, if the Internal Revenue Service finds it administratively practical, even quicker—refunds of the taxes withheld on their income. Under the House bill, they would be allowed only quarterly refunds. Although governments and tax-exempt organizations would be exempt on their dividend income, it is not possible to provide exemptions for their bond interest, because of the accrued interest problem.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1963—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

PRINTING OF REVIEW OF REPORT ON KEY WEST HARBOR, FLA. (S. DOC. NO. 106)

Mr. PELL. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 1, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of the report on Key West Harbor, Fla., requested by a resolution of the Committee on Public Works. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT ON WATER QUALITY STUDY, ARKANSAS-RED RIVER BASINS (S. DOC. NO. 105)

Mr. PELL. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated May 18, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on an interim report on the water quality study, Arkansas-Red River Basins, requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MORSE:

Resolution of the Assembly, California Legislature, 1962 (first extraordinary) session, relating to joint planning and development along California-Mexican border.

By Mr. WILEY:

Excerpts from address prepared for delivery by him over Wisconsin radio stations, July 7, 1962.

WILL CONGRESS PUT MONEY IN YOUR POCKET?

Mr. DIRKSEN. Mr. President, in the July issue of the Writer's Digest appears an interesting article under the caption "Will Congress Put Money in Your Pocket?" The article contains very pertinent comments on your copyright laws and also on postal rates, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILL CONGRESS PUT MONEY IN YOUR POCKET?

(By Larston D. Farrar)

"Let's face it, writers are going to have to get mixed up in politics, in one way or another, whether they want to or not, if they are going to be able to survive in this crazy-quilt economy."

The speaker was wholesome-appearing, youngish, sandy-haired Congressman JOHN V. LINDSAY, Republican of New York, who, at 40, has had a successful career as a trial lawyer, after graduation from the Yale Law School and "some unsuccessful attempts at freelance writing."

Mr. LINDSAY, who represents New York's 17th Congressional District, which runs from the Bowery to the apartment canyons above Central Park West, was discussing his bill, H.R. 9524, now gathering cobwebs in the House Committee on Ways and Means. If enacted, it would give the first real break to working freelance writers.

"Authors should be accorded the benefits of capital gains tax treatment for their creations in the event they sell their rights, as my bill provides," he pointed out earnestly. "This is a benefit given to the owner of a patent in order to induce and stimulate inventive creativity. I believe that we should have comparable devices to stimulate literary, musical, and artistic compositions. Such legislation would serve an equally significant purpose with respect to the living theater and the dramatic and musical arts in general, which are among our foremost national assets."

The Lindsay bill calls for the repeal of the exclusions from capital assets of copyrights, literary, musical, or artistic compositions. It further provides that that transfer of copyrights or composition rights in the hands of the creator shall be considered a sale or exchange of a capital asset. Under present law, such sales are taxed as ordinary income.

Each person's income taxes—even on the same gross income—naturally are different, since each person has different expenses, different deductions (varying numbers of children, for example), and because there are other varying factors. But by and large, income taxes take a minimum of one-fifth of a person's net income (after deduction of expenses). If the Lindsay bill were to become law, a free-lance writer with a net income of $10,000 would pay roughly $1,100 in taxes instead of the $2,640 or more he probably has to pay today. Everyone who has even a curbstone knowledge of taxes realizes that taxation on a capital gains basis represents a great savings over taxation on a straight income basis. The significance of such a change—if it were brought about—would be noticeable in the home of every struggling free-lancer.

This is why Congressman LINDSAY underscored the fact that writers must "get mixed up in politics." He has pointed out that, in order to get his bill enacted, writers (and members of their families, plus friends) should get busy contacting their individual Congressmen, in person, by letter, by telephone calls, or otherwise.

Frankly, Mr. LINDSAY understands that his bill has scant chance of being reported out of the Ways and Means Committee this year. Representative WILBUR D. MILLS, Democrat, of Arkansas, chairman of the committee, has his hands full right now with the White House's tariff and trade measure. Only a few weeks ago, after a year of struggle, he had been able to report to the House a controversial tax measure which had White House backing. The odds are anything but bright that Mr. MILLS will start holding hearings on any new tax legislation for the remainder of this session.

However, if he is reelected, Mr. LINDSAY will reintroduce his bill in the upcoming 88th Congress, and he knows that any activity by writers among their legislators may pay off later, even if it does not cause them to hit the jackpot this year. Even if the House, by some fluke of nature, were to pass the Lindsay bill this year, it still would be logjammed in the Senate Committee on Finance, which is struggling with the controversial tax bill passed by the House.

H.R. 10

Another bill whose passage will be beneficial to freelancers in H.R. 10, the Self-Employed Individuals Act of 1961, which has been on the Senate Calendar since September 13, 1961 (87th Cong., 1st sess.).

If enacted, H.R. 10 would allow a writer (or any other professional or self-employed person who is more than 10 percent owner) to contribute to a retirement plan 10 percent of his earned income, or $2,500, whichever is the lesser. Under this bill you could deduct the full amount contributed up to $1,000 and 50 percent of the amount over $1,000 which may be contributed. Maximum deduction would be $1,750. This would represent a great incentive to individually self-employed persons to build their own retirement income, to augment their social security in old age. Corporate officials and employees long have enjoyed the benefits of tax help similar to that which would be accorded to small businessmen and self-employed persons under H.R. 10, but this fact merely proves again that writers (and others who are self-employed) are quite late in realizing that if they are going to maintain a parity with other groups, they must become more knowledgeable economically and more active politically.

H.R. 10 was passed by the House of Representatives in the first session of this 87th Congress and by the Senate Committee on Finance, which reported it only a few days before the Congress adjourned last fall. In the process of studying it, the Senate committee made some changes in the House-passed legislation; which means that, if the Senate passes the revised bill, the two conflicting versions must be reconciled in a conference committee. Representatives from the House and Senate could meet and iron out the differences, then make a conference report on which both Houses of Congress again must act before the final version becomes law. However, if the House accepts the Senate version then it could immediately be sent to the White House for signature.

Actually, since Senator EVERETT DIRKSEN, Republican of Illinois, the minority leader of the Senate, endorsed the Senate Finance Committee version of the bill, passage has been considered a foregone conclusion, if it is brought up for action by the Senate leadership. The rub is that a long time has elapsed since it went on the Senate Calendar, and every time adjournment becomes a bit closer, the chances of Senate passage become less likely.

MAILING MANUSCRIPTS

There are others in the country—besides writers—who have a difficult time keeping up with what's going on, in the way of new rules, or the effects of actions in Washington.

In 1958, Congress passed a new postal rate bill. Shortly after that, in the Postal Manual, the U.S. Post Office Department printed Postal Rule 135.13, relating to the rates that should be charged for educational materials. (Under the provisions of section 135.214f, Postal Manual, handwritten or typewritten manuscripts for books, periodical articles and music may be mailed at the rate of 9 cents for the first pound and 5 cents for each additional pound or fraction provided no nonpermissible writing is enclosed and the cover or wrapper is marked "Educational Materials." When a letter of transmittal or instructions is enclosed with manuscripts, additional postage at the first-class rate of 4 cents an ounce or fraction must be paid thereon. Otherwise the entire mailing piece is subject to first-class postage.) Yet, hundreds, if not thousands, of writers trying to mail manuscripts under the educational materials rate have been thwarted by local postmasters who were not aware of the changes Congress had wrought in the 1958 postal bill.

Edwin A. Riley, Director of the Classification and Special Services Division, U.S. Post Office Department, conceded in an interview here that he has encountered occasionally such postmasters, over the years, and that his standard operating procedure has been to point out to them that they read sections 135.13 and 135.214f. He said that once a postmaster has had his attention drawn to these sections, it is extremely unlikely that he will ignore them.

"The problem sometimes is not so simple as some would have us believe," Mr. Riley declared. "We have encountered instances of writers—or supposed writers—trying to mail old clothing, or other materials hardly classifiable as 'educational materials' under the applicable provisions of the Postal Manual. Obviously, to be able to take advantage of the low rates which Congress specifically provided for writers in the 1958 bill, a writer should be quite certain that he is obeying the provisions of the law and is adhering to the regulations himself."

Mr. Riley said that any writer, observing the rules, who runs into difficulty with local postmasters who 4 years later still have not learned the laws under which they are operating, should notify the Post Office Department, Washington, D.C., immediately, specifically outlining the complaint. He assures one and all that action will be taken by long distance telephone to bring the postmaster into line.

COPYRIGHT REVISION

One of the blessings of living in a pluralistic society, where there are many and varied minds at work in many areas, may be that writers who do not even know people are trying to help them may be enjoying the results of the labors of more thoughtful and aware men.

Few writers realize, for example, that copyright experts in the Library of Congress have been working for some years on a monumental report entitled "Copyright Law Revision," which was transmitted to the Congress in the 1st session of this 87th Congress, and that one of these days this report may become the basis of historic debates in Congress and of a valuable new law for writers.

Before that happens, technical experts in the Library of Congress must frame a series of laws, embodying in legal form the changes for which the report calls.

Meantime, in order to protect the rights of writers while this new legislation is being readied, Representative EMANUAL CELLER, Democrat, of New York, who is chairman of the House Committee on the Judiciary, introduced House Joint Resolution 627, which would have the effect of preserving the status quo on copyright ownership for another 5½ years, or until Congress can study and enact the reforms recommended.

Abraham Kaminstein, Register of Copyrights, recently went before the House Committee on the Judiciary to endorse the idea of House Joint Resolution 627, but also to point out that it should be revised in two important respects. First, he wants the 5½-year protection cut, for he hates to think that Congress will take that long to revise the present copyright laws. He is fearful, in other words, that if there is that much delay, the heat will be taken off Congress for reforms and the benefits of the study may be dissipated. Second, he feels that Mr. Celler's stopgap bill should be clarified in order more fully to protect writers (as opposed to publishers or others who own copyright, or may acquire them), so as to assure writers that they will get at least a share of earnings from royalties or sales of copyrights during the 5½-year period.

In any case, if there are freelance writers who favor House Joint Resolution 627, they should make it clear, to their own Congressmen or to Mr. Celler, that they favor a few changes in the bill in order to make it more meaningful, from the standpoint of getting faster action in the future on substantive copyright law revision.

The monumental study, "Copyright Law Revision," runs 160 pages, and has been printed as a document by and for the use of the House Committee on the Judiciary. If you wish a copy for study, it may be obtained for 45 cents from the U.S. Superintendent of Documents, Government Printing Office, Washington, D.C.

A writer has a responsibility, both to himself and to others of his calling, to be informed about legislation and Government rulings which affect his financial and professional standing. H.R. 9524, H.R. 10, Postal Rulings 135.13 and 135.214f, House Joint Resolution 627—on all of these a writer should voice his opinions. Congressman Lindsay, when speaking in defense of H.R. 9524, made a statement which sums up the situation: "We all know that Congressmen are beset by pressures on every hand," he asserted. "The groups that get tax concessions, or other benefits, usually are made up of people who are not afraid to 'get their feet wet' in politics. If writers want benefits, they must get busy and let their influence be felt in the halls of the people."

FEDERAL PAVILION AT NEW YORK WORLD'S FAIR

Mr. JAVITS. Mr. President, we all know that there is a controversy going on between the two Houses of Congress on appropriation bills. This is most unfortunate, and it is time the people took a hand in it.

One of the most unfortunate consequences of the controversy is the jeopardy to the construction of the Federal pavilion at the New York World's Fair, which is involved in the legislative logjam, and which is not helped by the extension resolution of appropriations for Government departments which we have adopted.

On March 20 the House approved a $17 million appropriation to begin work on the U.S. pavilion at the New York World's Fair. On April 16 the Senate approved a $15 million appropriation. Because of the stalemate which exists, plans for building a U.S. pavilion have been at a standstill.

Mr. President, why is this situation so serious? In the first place, it is only 20 months before the opening of the fair, and the Soviet Union, from the reports which I have just obtained, and which is the reason for my making this report to the Senate, seems to be getting a big head start for construction of its pavilion.

I am informed that an architectural competition for the design of the U.S.S.R. building has been completed, that a winning design has been selected, and that a committee has undertaken the task of planning the contents of the building. The Soviet Union has formally asked the fair for permission to exceed the 80-foot ceiling on height in certain respects, indicating that they are planning to build a skyscraper-type exhibit, one of the tallest national exhibits at the fair.

But because we cannot get our own planning for a U.S. pavilion off the ground, we are virtually giving the Soviet Union a head start in preparing its exhibit to be seen by millions of world fair visitors from all over the world.

The Commerce Department and the General Services Administration are doing everything they can, under the law, in the way of preliminary planning for a U.S. exhibit. They are even using some small private donations for some essential planning. But they can go only so far until Congress itself acts on an appropriation.

There may be some very red faces when the World's Fair opens in April 1964, with a Soviet pavilion ready for visitors and a U.S. pavilion still under construction. It will not be the Commerce Department's fault. It will not be GSA's fault. It will not be the fault of construction workers or of the fair's planners. The responsibility will rest with us here in the Congress, and with the unfortunate and embarrassing differences now pending between these two bodies on appropriations.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. JAVITS. I ask unanimous consent that I may proceed for 2 additional minutes.

The VICE PRESIDENT. Without objection, the Senator from New York may proceed for 2 additional minutes.

Mr. JAVITS. This is just one example of the consequences caused by the current logjam, and probably one of the worst, as it is not at all helped by the continuing resolution on appropriations. There must be others, also serious, which make it imperative that this dispute be ended. In my judgment, it is unlikely to be ended unless there is some expression by the people themselves that they will not tolerate such a situation.

I have the greatest love and respect for the Members of this body who function on the Appropriations Committee. I say this in the full light of that fact, because I feel very much the public interest is at stake now, and that it must be served, and that unless the people express themselves, we are most likely to suffer other and even more damaging consequences.

THE ECONOMY OF NEW YORK STATE

Mr. JAVITS. Mr. President, I call attention to the highly significant "debate by mail" now being carried on between the Governors of New York and California, centering on the economic progress made by these States. We feel ours is a forward-looking, private-enterprise-oriented Republican administration, and that this is a comparison of economic progress between New York and California which can be challenging to the country. We feel that New York is winning the economic race through a program of hardheaded fiscal responsibility, notwithstanding the fact that we have suffered in our economy from declining defense orders, while California is falling behind, even though it has a solicitous partner, water carrier, and cheering section in a Democratic administration in Washington, and has been profiting greatly from defense contracts. We still think that New York State will win the economic race, and attribute that prospect to the climate conducive to private enterprise and initiative which characterizes the State of New York today.

Mr. President, I ask unanimous consent to have inserted in the Record an article from the New York Times of July 9, giving some highlights of the New York-California debate.

There being no objection, the article was ordered to be printed in the Record, as follows:

ROCKEFELLER DEBATES GOVERNOR BROWN BY MAIL

Albany, July 8.—The Governors of the Nation's two most populous States are debating by mail over which has the more favorable economic climate.

Governor Rockefeller of New York, a Republican, and Gov. Edmund G. Brown of California, a Democrat, disagree sharply about, among other things, which State gained more new factories since the beginning of 1961, which State is better prepared for growth in space technology, which State government is in better fiscal condition, and which State turns out more college graduates.

The statistical sparring began when Governor Rockefeller compared conditions in New York and California on June 14 before the New York Republican State Committee in New York City. Governor Brown quickly objected in a long letter.

Governor Rockefeller replied in a letter released by his office today. It makes the following points:

New York, which Governor Rockefeller said, had 521 new factories built since the beginning of 1961—compared to California's 159—has an accurate record of new plants.

"I'll be delighted to send you a complete list by name and location for the entire year 1961 if this should prove to be of interest." Mr. Rockefeller wrote. Governor Brown had expressed doubt that either State possessed accurate records of new plants.

New York's "more mature economy" may be healthier, as indicated by its lower insured unemployment rate in every month of 1961. Mr. Rockefeller said the rate was 5.7 percent for New York, compared to 8.4 for California, and was lower in New York for 3 of the first 4 months of 1962.

Governor Brown had written that employment in California had increased 11.2 percent between 1958 and 1962 and in New York by only 3.4 percent.

Per capita income, and the increase in per capita income, were both higher in New York than in California, Mr. Rockefeller said in his letter. New York's per capita income was $2,839 in 1961 and California's was $2,784; New York's increase from 1958 through 1961 was 10.7 percent, California's 10.2.

While California went into space technology early and got a lion's share of Federal defense contracts, New York isn't doing badly in producing "20 percent of total national output of electronic equipment and components compared with your 11 percent.

New York has 345,607 persons enrolled for degree credit in 4-year colleges and California has 231,255. And 50,205 persons earned degrees in New York in 1960, compared to 34,150 in California.

Governor Brown had said California had 448,000 college and university students while New York had 350,000. Governor Rockefeller said these figures included junior college enrollment—216,740 for California and 5,601 for New York.

Governor Rockefeller agreed that California spent more on education than New York. But, he continued, New York State aid to public schools is higher—based on the number of pupils—$258 for each pupil, compared to California's $189.

As to taxes, Governor Rockefeller said:

"I also agree that New York State taxes have increased more than California's—but they are still lower than California's as related to personal income, New York's being 4.5 percent of personal income, while California's are 5.16 percent."

On budget balancing, Governor Rockefeller said, California must use reserve funds and bond money to make its current revenues equal its outgo.

Governor Brown had said he had had four consecutive balanced budgets.

The two Governors even disagree on when California will overtake New York to become the most populous State in the Nation. Governor Brown says this will happen next December; Governor Rockefeller says a year from next month.

THE ECONOMICS OF DISARMAMENT

Mr. JAVITS. Mr. President, the serious determination of the United States to bring about a disarmament agreement with the Soviet Union is emphasized by the studies currently being conducted by the U.S. Arms Control and Disarmament Agency. These include studies of the economic arrangements which would be necessary in a disarmed America. We do not yet have a full-scale research plan of economic redevelopment for a peacetime economy, but progress is being made in finding answers to this enormous problem. The scope of the work undertaken by the Economic Bureau of the Agency is described in a letter I received in response to my request for information.

I ask unanimous consent to have printed in the Record the letter I received from George Bunn, General Counsel of the U.S. Arms Control and Disarmament Agency, dated June 21, 1962.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Arms Control
and Disarmament Agency,
Washington, June 21, 1962.

Dear Senator Javits: This letter is in reply to a recent telephonic request to my office by Mr. Allen Lesser for information about this Agency's economic bureau and the work it has performed to date.

The Agency acquired a senior economic officer approximately 1 month after its formal establishment last September. When the Agency adopted its present organizational structure early in December, it included an economic bureau as one of its four main units. At present the economic bureau consists of the senior economist referred to above, an additional economist who joined the staff in May, and one secretary. It is intended that, contingent on congressional approval of our fiscal year 1963 appropriation request, several additional professional positions will be established in this bureau in the coming months.

The work of the economic bureau has concentrated in the first instance on developing a general picture of the economic problems and opportunities which we would face in the event of general and complete disarmament. In this connection we found the Benoit Panel Report, which had been requested by Mr. McCloy before the establishment of the Agency and which was submitted to us in October 1961, most enlightening and helpful. As you know, we published this report in January and, to date, some 14,000 copies have been distributed in the United States and abroad. Following receipt of the Benoit Panel Report, we conducted our own large-scale examination of the economic and social consequences of disarmament in the United States. This resulted in the submission of a substantial amount of information to the United Nations in December 1961 and in the preparation of an integrated study this spring. The latter is now being printed by the Government Printing Office and will go on sale later this month. I am pleased to enclose for your information a photo-offset version of this "country study."

The volume of information which we supplied to the United Nations last December made a substantial contribution to the worldwide report on the potential economic and social consequences of general and complete disarmament. The U.N. released much of this information this spring; in its final form, the U.N. report will also contain our country study and similar studies by other countries.

We believe that these efforts directed toward exploration of the general contours of this aspect of disarmament constituted essential first steps which have already yielded significant benefits in terms of official and public understanding of the subject.

It might interest you to know that one of the results of the release of these economic reports has been the appearance of requests for officers of this Agency to discuss this subject in public addresses and seminars conducted by private organizations. Mr. Foster, for example, addressed the business council on the subject of disarmament on May 11. Occasions such as these are ideally suited for stressing the importance of undertaking advance study by community, industry, and labor leaders of the problems of conversion which they may have to face under disarmament so that they will be better prepared when the time comes. We also have been analyzing the relevance which enlightened and imaginative programs to deal with our current economic problems of reducing economic imbalances and promoting economic growth may have to a disarmament situation in the future.

It is clear that whatever lessons we learn now, whatever progress we can achieve at this time, will help us significantly when we have to deal with the economic impact of disarmament. We foresee increasing opportunities for contacts with the public on these matters and increasing exchange of ideas and information.

With completion of the general work on the economics of disarmament, our economic bureau is now moving into a phase of more detailed examination of this subject. Thus, we have embarked on a study, which will undoubtedly extend over a period of time, of the economic impact of stage I of the outline of a proposed disarmament agreement which we presented to the Geneva Conference on April 18. The results of this examination should prove helpful in the development of programs to offset any adverse economic effects. We are also taking a very keen interest in specific conversion situations resulting from changes in the current defense program and have been in close touch with the economic adjustment adviser of the Department of Defense in that connection.

Finally, our economic bureau is concerning itself with a variety of questions related to the disarmament negotiations themselves, such as the possible use of controls on military expenditures as a disarmament measure.

I hope that the foregoing will supply the information requested by your staff. If we can be of further assistance to you, please feel free to let me know.

Sincerely yours,

George Bunn,
General Counsel.

PRAYER IN PUBLIC SCHOOLS

Mr. LAUSCHE. Mr. President, expressions of Ohioans relative to the recent Supreme Court decision concerning prayer in our public schools have revealed deep anxiety and shock.

Recently, I received a letter containing an article composed by Mrs. Cornelius W. DeForest of 3731 Earls Court View, Cincinnati, Ohio, written while the Court had the matter under consideration and subsequently revised after the Court had handed down its decision. The article, "The Dread Decision—Prayer in Our Schools," in my opinion is extremely well written, reveals deep and careful meditation, and is indicative of the feelings and fears of a vast majority of American citizens.

Mr. President, the statement by Mrs. DeForest is so forceful and sound that I feel it is worthy of being included in the records of the Congress, and I, therefore, ask unanimous consent that it be printed in the body of the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

THE DREAD DECISION—PRAYER IN OUR SCHOOLS

(By Mrs. Cornelius W. DeForest)

Our schools are the fountainhead of our national life. The source that sustains them is deeply imbedded in our early history. For where the village church stood, next to it was the little red schoolhouse. The early settlers were a distinguished people destined by providence to perform a service for the evolutionary advancement of humanity greater than some of them may have fully perceived at the time with our limited human vision. Restricted by their pioneer life, wresting their homes and a livelihood out of a primeval forest, with the vigor of their faith and endurance and in consonance with their cultural background which they wished to transmit to their children and succeeding generations, they founded 10 universities even in the Colonial period, before we became a nation. These universities have always been a feature of our national character, of surpassing importance. The colleges were denominational, supported in large measure by the church organizations that founded them, and the tuitions of students, many of whom worked their way through college. The presidents of all were clergymen, and this tradition persisted until the beginning of the 20th century. The colleges were Harvard, 1636; William and Mary, 1693; Yale University, 1701; Princeton University, 1746; Washington and Lee University, 1749; University of Pennsylvania, 1751; Columbia University, 1754; Brown University, 1764; Rutgers College, 1766; and Dartmouth, 1770.

Other denominational colleges were founded later during the early history of our country, following our incorporation as a nation, always, until recently, with a Protestant clergyman as president. Religious values were of supreme importance. Harvard (as were the others) was founded to instill "Godliness" and there was provided a department for the Indians. The Bible was translated into the Indian language and Dartmouth was started solely as a charity school for the education of the Indian. Acquaintance with the Bible was basic.

As the population grew with the pressure of immigration, and the Thirteen Original States were duplicated across the continent as far west as the Pacific coast, most recently including Hawaii and Alaska, the educational facilities were of necessity expanded. Out of the parish school grew as branches of the tree of life the community schools which presently became the public school system, State and locally supported. These have attempted to adapt themselves to the local educational needs of the average potential citizen according to his ability to accept instruction. There were students adapted to college preparatory work and those needing a foundational training for the pursuit of vocations as artisans and other careers not requiring a collegiate education.

The reliance upon spiritual values inherent in the little red schoolhouse next to the church was carried over automatically to the public school side by side with allegiance to the Stars and Stripes. Interdenominational differences were submerged in a common faith, the American faith in a Supreme Intelligence and its creative beneficent power to sustain and direct individual and national destiny, a power as potent and undeviating as electricity. "In God We Trust" when engraved on our coins was placed there without a challenge. While there were sporadic instances of atheism even in George Washington's time, our country has been homogeneous in its essential faith in the Deity in a broader sense than an idolic personalized image inculcated in some parish schools today. Without faith in an all-providing beneficent intelligence, in the responsive coordination of spiritual factors in the souls of men, with the basic integrity implicit in them, civilization as such may well disintegrate.

Ideological conceptions rely upon the source of these conceptions. No physical and physiological or other scientific knowledge can penetrate beyond human intellectual power to grasp such knowledge. For what are our scientists probing? The imponderable "allness" under the guidance of which they and humanity at large may progress. An educational system that ignores the processes of the soul is lacking in its essential value and purpose. To inculcate these values, the reverence for God, is the duty of our schools and colleges without infringement upon denominational prerogatives and the constitutional provision of the separation of church and state, by mutual agreement of our spiritual leaders of all faiths. Elective courses in philosophy and religion are available in our universities. To forbid the reading of the Scriptures in our schools, an audible prayer, reference to the Godhead in our classrooms is to commit our children during their preparatory education to a stifling vacuum instead of providing for their growth in the warm, natural, spiritual atmosphere of the Christian faith that has given our country strength and the will to survive and to be the champion of freedom in all its relationships. This coordinates with the inspirational training of our children in our churches and the American home.

To restrict reading of the Scriptures to the Old Testament is to deny the majority of our children who are of the Christian tradition their rightful heritage as potential citizens of a Christian country. To suppress the singing of carols at Christmas and anthems at Easter is evidence of the secularization of our educational system.

Tolerance of minority opinion does not require the elimination of the faith of the Christian majority in part or in whole from our tax-supported schools and colleges. Dissident minorities are permitted to establish schools in keeping with their own convictions, but not to effect a denial of the freedom of the majority, a position they themselves may later disavow, but which in operation, could lead to the arrogant tyranny of an organized minority, which, if applied in this instance, could ultimately result in the moral deterioration of our Nation through the inadequate training of our youth. We do not permit parents to deprive their children of their schooling below certain age limits, after which they may be withdrawn from school. Are children of atheistic backgrounds to be deprived in their school association of their opportunity to become aware of their Christian heritage, not by indoctrination but by merely hearing passages from the Scriptures reverently read without comment? This would appear to be intelligently informative for a rounded educational outlook.

It has been said that a nation without faith is vulnerable and can be conquered. Let us not be deluded by specious considerations to deny it to succeeding generations and so revert as a nation into a state of hedonism, from which humanity through centuries of suffering and strife has gradually emerged. As a vital core of the civilized world today let us accept the spiritual challenge that confronts us as a people and hold firmly to our traditions.

Our constitutional provision for the separation of church and state applies in an organizational denominational sense only to prevent the domination of any one faith; and at the same time it safeguards in fact the freedom of religion provided in our free society. For it was the ecclesiastical union with the state in England and France that led to the emigration of the Puritans and the Pilgrims and Huguenots and others from Holland and elsewhere to escape persecution.

The constitutional provision for the separation of church and state does not exclude, however, the underlying spiritual verities of the Christian faith from our governmental and educational agencies; in fact until the present crisis, we have supinely taken it for granted. For the reliance upon the Deity may not be relinquished without peril. And reverence for God must be implanted early in childhood.

Have our Supreme Court Justices (with one notable exception), usually so adept in discerning legal technicalities, failed to make a distinction between Christianity and "church-inanity," faith in the inclusive power of divine love and guidance versus denominationalism and factionalism. It is this common ground of mutual understanding which Emerson calls the Over Soul that makes us one nation indivisible under God. The implications of the decision penetrate the intimacy of every public school classroom of our land where character is molded. The threat to our national well being is subtle and sinister. It may be well for American Christians to review this question in its entirety, intelligently and prayerfully, and take immediate remedial action.

Our government executives, legislators, and judges take an oath of office with their hands upon the Holy Bible, both testaments. At our present pinnacle of national prosperity, let us meet this crisis confronting our Nation, a long and arduous task, as it presently appears, unparalleled in our history, with determination, dedication, strength, and fortitude under the leadership of our chosen representatives in the Congress. They are our first line of defense in restoring our national spiritual heritage to our children and our children's children under the protecting folds of Old Glory.

ELEVENTH HOUR SPENDING ORGIES

Mr. LAUSCHE. Mr. President, I am pleased to learn that the General Accounting Office is giving cold, hard scrutiny to the practice of Federal departments and agencies engaging in 11th hour spending orgies in order to beat fiscal year deadlines. The GAO is to be commended for this action in trying to discourage one of the most flagrant practices of fiscal irresponsibility in Government.

Mr. President, during my five terms as Governor of Ohio, the various departments and agencies received warnings from my office not to engage in practices to needlessly spend or encumber any balances that might accrue at the expiration of a fiscal period in order that they might show a depleted budget to the legislature and then ask for an increase or attempt to justify a nonreduction in a forthcoming appropriation bill.

Mr. President, this is one of the oldest "tricks in the trade," and I regret to say often successful in the attempts to stave off possible reductions in Federal spending. Examples of these acts of imprudence are enumerated in a newspaper article, which appeared in the Columbus, Ohio, Citizen-Journal on July 6.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Biscuits in astronomical numbers are piling up at Columbus General Depot and causing some raised eyebrows at Washington.

A Washington news dispatch said the General Accounting Office is giving "cold, hard scrutiny" to some frantic fiscal spending over the last few days of June to beat the fiscal year deadline.

New fiscal year started Monday. Any department with funds it hadn't spent must return them to the U.S. Treasury. Supply officers were busy day and night signing contracts in the last part of June.

Defense Supply Agency said orders were whipped through "so fast we can't keep track of them."

Among the purchases were 7 million survival biscuits for civil defense.

Kroger Co. bakery officials here said they had received $8.5 million in contracts to bake biscuits for the Government. They started baking on this gigantic order last February and are still going strong.

Columbus General Depot, where 2.5 million pounds of the survival biscuits will be stored pending delivery to fallout shelters in the area, said 482,000 pounds of the biscuits already had been delivered to the depot.

Col. Gordon Gill, deputy commander, said this represented some 10 truckloads. They are vacuum packed and "will keep indefinitely," Colonel Gill said.

Among other purchases being eyed coldly by GAO are $2 million for sulfa tablets, $8 million for sanitation kits, $2.9 million in Marine greens, and $2.5 million in Army cotton coats.

GAO has been particularly suspicious of last-minute clothing orders, which do not take much time to execute. GAO thinks the services already have more clothing than they need.

GAO gave this as the example of the type of thing they are looking for: An order for $48,600 worth of blankets, signed at the end of June 1961, was canceled almost immediately "because they were not needed." But the money was not returned to the Treasury. It was credited to the Department's funds for the next year and spent for other things.

Another example: Eighth Army in Korea went ahead with the purchase of $5 million in unneeded trucks because there would have been not time to reuse these funds if the order had been canceled.

Still another: Pacific Service Fleet at San Francisco spent $27,111 on June 30, 1961, in the name of the repair ship *Luzon*. Twenty-four hours later the Navy mothballed the *Luzon*. The Navy's Atlantic Fleet air arm spent $550 June 30, 1961, for 800 reams of typing paper for the carrier *Boxer*. The *Boxer* sailed a few days later, leaving the 800 reams behind, but with a surplus of 325 reams aboard.

GAO said the *Boxer* spent $11,546 the last day of the 1961 fiscal year, but failed to order urgently needed parts because they would have taken too much time.

All this is reminiscent of what most servicemen remember from their own experiences in World War II.

On one Liberty ship returning troops from Manila after the war, there were hundreds of C rations remaining in stock.

For some reason, they were under no circumstances to be taken to the States. So they were tossed far out over the side while passengers shot at them with small arms.

Most servicemen recall actually seeing waste on a grand scale—trucks, tanks, even planes, left to rot and rust away. It was easily explained by the exigencies of war and the danger of not having enough when and where it was needed.

GAO has found evidence that last-minute spending of funds is a pattern. Third Army Headquarters put it in writing: spend 99.9 percent of all appropriated funds before the deadline. Usually, the order to spend it up is passed by word of mouth.

PADRE ISLAND PARK NEED URGED BY WOODSBORO RECORD

Mr. YARBOROUGH. Mr. President, in an editorial on June 18, the Woodsboro, Tex., Record, set forth a strong and persuasive case for enactment of a bill for creating a national seashore recreation area on Padre Island.

Such a bill has been passed in this session by the Senate and a bill has been making progress in the House, having been reported favorably by a House subcommittee to the House Interior and Insular Affairs Committee.

I ask unanimous consent to have printed in the Record the following editorial from the Woodsboro Record of Refugio County, Tex., captioned "The Case for Padre Island as National Seashore Park."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Woodsboro, Tex., Record, June 18, 1962]

THE CASE FOR PADRE ISLAND AS NATIONAL SEASHORE PARK

Less than 200 years ago our ancestors founded this Nation in the midst of a primitive wilderness of great forests, grassland prairies, unspoiled rivers, and untouched seashores. Today the great American frontier is almost a memory. Outside of our national parks only a few unspoiled areas remain. Padre Island is one of these.

In 1937 the then owner of Padre Island offered to sell it to the State of Texas for approximately $450,000. The legislature appropriated that amount and designated the island as a State park. But the measure was vetoed on the advice of the attorney general who contended that the State already owned much of the island.

That claim was finally disposed of in 1944 when the Supreme Court of Texas held that the State had no title to any of the land on the island. No further attempts were made by the State to buy the island.

Since 1937 a number of proposals have been made for the establishment of a public recreational area on Padre Island. But not until 1958 was any concrete action taken. In that year Senator Ralph Yarborough introduced a bill creating a Padre Island National Seashore Area. The measure died without action in the 86th Congress, but was reintroduced by Yarborough in 1960, calling for an 88.5-mile seashore. Identical measures calling for a 65-mile seashore were introduced in the House by Representatives John Young of Corpus Christi and Joe Kilgore of McAllen. Besides designating a lesser area the Young-Kilgore bills called for a roadway through the area. The U.S. Senate passed Yarborough's bill on April 10. A House subcommittee on May 22 reported out to the House Interior and Insular Affairs Committee a bill setting up a 74-mile seashore, but leaving out the roadway requirement. Congress can approve the seashore plan before it adjourns if Members are willing and public support is maintained.

Both the House and Senate versions of the seashore reserve all mineral rights, with rights of exploration and development, for private owners or the State of Texas. Revenues through royalty and bonuses to the State school fund will not be disturbed. Every major oil company with lease interests on the island have expressed satisfaction with the measure.

South Texans tend to take for granted its magnificent Gulf of Mexico shoreline. Only those who have seen what developers with bulldozers can do in Florida and on the East Coast can appreciate the tragedy of permitting Padre Island to be despoiled.

In 1954 the National Park Service made a survey of the 117 miles of Padre Island and described it as a beach recreation area "of a type unmatched by any other area along the Atlantic or Gulf coasts." Twenty years earlier the National Park Service recalled that it had made a similar survey on the Atlantic and Gulf coasts: "For the most part it represented the ghosts of departed opportunities," the report concluded.

Let it not be said that our children are left to preside over the ghosts of a departed opportunity by our failure to act to preserve for this and future generations the last great stretch of undeveloped shoreline in the United States: Padre Island.

THE CASE OF THE MISSING GOLD

Mr. GRUENING. Mr. President, lessons learned in elementary school are elementary. Simple, uncomplicated, primal, they may be regarded as the most important lessons we learn, because upon these simple exercises we build for the rest of our lives.

Sometimes, however, simple truth is ignored when theoretical economists blithely complicate the uncomplicated with their obtuse observations. They can, and do, become gilt-edged obfuscators. I refer, of course, to the steady decline in our gold bullion reserves and our ailing national gold mining industry.

The price for gold in 1962 is identical to that paid in 1934, $35 per troy ounce of newly mined gold, despite passage of 28 years.

On previous occasions, Mr. President, I have commented on this inequity. Recently I placed in the Congressional Record a comparison of prices of many items, showing how they were priced in 1934 and in 1962. Only the price of gold remained unchanged, although the cost of wages and equipment had increased.

Sometimes I have cited fallacies in the arguments of learned men who insist that a subsidy for newly mined domestic gold would upset the world monetary market.

Today I shall discuss another good reason for a subsidy for newly mined domestic gold, a subsidy such as has been proposed in Senate Joint Resolution 44.

The gold mining industry has been placed in an untenable role by a casting director who apparently prefers that his heroine pine away from lack of nourishment. This need not happen.

I am tempted to suggest that Sir Arthur Conan Doyle's master detective, Sherlock Holmes, could readily rescue our golden damsel. Detective Holmes would simply assess and analyze the Nation's gold reserve problem and then proceed to solve "the case of the missing gold."

We may be certain he first would determine the extent of the missing gold. A minimum effort in detection would reveal that the United States often consumes industrially each year more gold than is produced in its mines.

Upon examining available information Mr. Holmes would learn that U.S. gold production in 1960 totaled $59 million while industrial gold consumption that year reached $105 million. The deficit of $46 million is nearly equal to the amount produced. In other years U.S. consumption has exceeded domestic production in 1943, 1944, 1945, 1946, 1949, 1950, 1951, 1952, 1953, 1958, 1959, as well as 1960. And, although the figures for 1961 are not yet complete the same story would appear to be repeating itself.

To substantiate these remarks I ask unanimous consent, Mr. President, to place in the Record at this point in my remarks, statistics supplied to me by Mr. Merrill E. Shoup, president of the Golden Cycle Corp., Colorado Springs, Colo., which trace the history of our gold production and domestic industrial consumption for the years 1933 through 1960.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*U.S. gold production and industrial consumption, 1933–60*

(In millions of dollars)[1]

Calendar year[2]	U.S. production[3]	U.S. consumption (net)
1933	$47	[4] –$6
1934	96	[4] –62
1935	111	[4] –32
1936	132	[4] –3
1937	144	3
1938	149	(5)
1939	162	7
1940	170	13
1941	169	37
1942	125	47
1943	48	86
1944	36	97
1945	32	109
1946	51	154
1947	76	49
1948	71	45
1949	67	109
1950	80	98
1951	66	69
1952	67	96
1953	69	75
1954	65	44
1955	66	46
1956	65	49
1957	63	51
1958	62	64
1959	57	88
1960	59	105

[1] Valued at $20.67 per fine ounce through 1933, and at $35 thereafter.

[2] Record annual output, 1915, $99.7 million or 4,823,706 ounces.

[3] Excludes the Philippines throughout.

[4] Minus quantity indicates that the return of secondary gold exceeded gross issues during the period.

[5] Less than $500,000.

Mr. GRUENING. Mr. President, Detective Sherlock Holmes, I believe, would suggest that the elementary solution would be to increase domestic gold production to meet or surpass industrial consumption.

No world shaking decisions are required.

The solution is simple. Gold miners in 1962 are impeded by a pegged price which would be regarded as intolerable in any other segment of our free economy. Steps are needed to place the U.S. gold supply back in the black while time remains.

A subsidy for newly mined domestic gold, such as has been proposed in Senate Joint Resolution 44, makes the positive steps possible, and the subsidy makes positive national sense.

We hear only the need to balance payments, and I agree that this is one approach and should not be neglected. But as we plug one hole, let us not forget that if we do not replace what we use the warehouse soon will be empty.

The case of the missing gold need never have been written, but it has been, and it deserves a happy ending.

Let us rescue the ailing maiden while there is yet time.

AMERICAN PUBLIC POWER ASSOCIATION ENDORSES POWER DEVELOPMENT

Mr. GRUENING. Mr. President, in 42 States and Puerto Rico there are more than 1,100 local publicly owned electric utilities which have joined together to form the American Public Power Association.

This trade organization includes in its membership all types of local publicly owned systems such as municipal electric plants, public utility districts, county and statewide systems—and rural electric cooperatives. It is nonprofit and nonpartisan.

In its declaration of purpose the American Public Power Association describes its official purposes as: First, to promote the efficiency of publicly owned electric systems; second, to achieve greater cooperation among public plants; third, to protect the interests of publicly owned utilities; and, fourth, to render services to its members in the fields of management and operation, engineering, design, construction, research, accounting and commercial practice and legal policy.

The governing body of the association is a board of directors elected by the membership.

For two decades the APPA has worked to aid local publicly owned electric systems to provide more power at lower cost to consumers.

In Alaska are three members of the APPA. They are the Municipal Light and Power Department owned and operated by the city of Anchorage; the Cordova Public Utilities which is the city of Cordova's municipal electric system; and the Fairbanks Municipal Utilities System which is owned by the city of Fairbanks.

When the 19th annual convention of the APPA was held this year in San Juan, P.R., a total of 35 resolutions was approved. Resolution 21 refers specifically to Alaska power development.

The resolution opens with a reference to Alaska's "tremendous hydroelectric potential," observes that the economy of my State "has been severely restricted by inadequate power supply and high electric rates" and then specifically recommends hydroelectric development in the State. Reference is made to Rampart Dam, in the interior of Alaska, the Snettisham project near Juneau, and the Bradley Lake project on the Kenai Peninsula.

The resolution supports the authorization and construction of the Snettisham and Bradley Lake projects. It concludes by resolving that the American Public Power Association "supports the completion of detailed studies of Rampart Dam and, if the final report sustains the finding of feasibility, endorses and urges the construction of the Rampart Dam."

These are encouraging and heartening words.

Alaska's hydroelectric potential is estimated to be in excess of 27 million kilowatts of power. The Rampart Canyon project in itself offers a potential of 5 million kilowatts of low-cost hydroelectric power.

A recent report entitled "The Market for Rampart Power" prepared by the Development & Resources Corp. of New York City contains a letter of transmittal from the corporation president, Mr. Gordon R. Clapp. In his letter to the U.S. Army Engineer for the Alaska District, Mr. Clapp writes:

> The United States faces a crucial period of rapid growth during the next generation. There will be a large increase in our population, in our labor force, and in our stock of industrial capital. New needs for electrical energy, especially at low cost, will be very large. Our sources of low-cost power are limited. Rampart is the largest single undeveloped source of low-cost hydroelectric power in the Nation. There is no source or means which could, at the time Rampart power would become available, provide an equivalent amount of electric power at so low a cost within the United States. In terms of the hundreds of millions of additional kilowatts which will need to be added to the Nation's power supply between now and 1990 if lack of power is not to be a severe brake on national economic growth, Rampart would constitute a small portion of that additional capacity. But it is a portion which in our judgment can be fully used, and used in ways which will serve important national interests.
>
> In addition to its potential supply of low-cost power, Alaska has natural resources and offers economic opportunities which can be of substantial importance to the Nation's economic growth in the decades ahead. If those resources and opportunities are to be fully developed, an ample supply of low-cost electric power in Alaska will be essential.

I concur with his observations. The power potential within Alaska does concern residents of every State. The resolution by American Public Power Association convention delegates is indicative of the growing national awareness in Alaska's potential contribution to free world development, a contribution which this Nation needs if it is to develop soundly and economically.

I ask unanimous consent that the full text of Resolution 21, Alaska power development, be printed in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

ALASKA POWER DEVELOPMENT

> Whereas the State of Alaska has tremendous hydroelectric potential, with an estimated undeveloped capacity of more than 27 million kilowatts of power; and
>
> Whereas the economy of the State of Alaska has been severely restricted by inadequate power supply and high electric rates; and
>
> Whereas the Rampart Canyon project alone has a potential of 5 million kilowatts of generating capacity; and
>
> Whereas bills have been introduced in the Congress to authorize construction of the Crater-Long Lakes division of the Snettisham project and of the Bradley Lake project on the Kenai Peninsula; and
>
> Whereas preliminary investigation has established the economic and engineering feasibility of Rampart Dam: Now, therefore, be it
>
> *Resolved*, That the American Public Power Association urges a program of hydroelectric development in the State of Alaska, and supports authorization and construction of the Crater-Long Lakes division of the Snettisham project and the Bradley Lake project; and be it further
>
> *Resolved*, That the association supports the completion of detailed studies of Rampart Dam and, if the final report sustains the finding of feasibility, endorses and urges the construction of the Rampart Dam.

THE COUNTERATTACK

Mr. THURMOND. Mr. President, in recent months spokesmen for the State

Department have been very much on the defensive in trying to explain to the Congress and the American public the basic tenets of the Department's no-win cold war policy. The Dallas Morning News, one of the most outstanding and respected newspapers in the country, has been pressing the State Department with very strong and pungent editorials for the purpose of trying to bring about a change from a no-win to a win policy in our cold war operations.

The July 6, 1962, issue of the Dallas Morning News carries an excellent editorial entitled "The Counterattack." This editorial points up the various ways in which the State Department has tried to counter criticisms against the Department's no-win policy.

I ask unanimous consent, Mr. President, that this editorial be printed at the conclusion of these remarks, as I feel that it merits the attention of all Members of Congress, particularly the Members of the Senate who are charged with certain responsibilities in the field of foreign affairs.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Counterattack

For months there has been a good deal of talk about the State Department's no-win foreign policy. The term was first applied by a member of the President's own party, Senator Strom Thurmond, of South Carolina. When Thurmond first used the term to describe the State Department's strategy, his attack met with limited success. In the last 2 months the charge has begun to ring truer and to hit its mark with greater accuracy.

The State Department's handling of the situation in Laos, its proposed concessions to the Communists over the status of Berlin, the testimony of Under Secretary of State George Ball admitting that his Department was responsible for deleting references to victory from the speeches of military officers and the uncovering of appeasement policies advocated by State Department Counselor Walt W. Rostow—all of these have given a good deal more substance to Thurmond's original charge.

As a result, State has become more sensitive to such criticism and is doing its best to discredit those who have been making it.

Frank J. Johnson, editor of the American Security Council's Washington Report, writes in the July 2 issue of that publication that the State Department has begun to mount a massive counterattack which has the dual purpose of repudiating those who call for victory over communism and justifying the strategy of accommodation with the Communists which State has adopted

This counterattack is well underway and, according to Johnson, its most frequent themes are: (1) that the United States is now actually winning, not losing, the cold war; (2) that opponents of State Department policies are either nuclear warmongers or isolationists; (3) that something more "sophisticated" and "mature" is needed than the "shortcuts" or "simple" solutions advocated by the proponents of victory over communism, and (4) the foreign policy pursued by State is a "win" policy.

To substantiate the view that we are winning the cold war, State Department officials claim that Communist advances have been repelled in more instances than they have been successful. Johnson asks: "If Communist advances are repelled on nine occasions but succeed on the 10th—as in Cuba and Laos—what is the score?"

He says the State Department, with its purely defensive outlook, would call it 9 to 1 in our favor, but advocates of victory would say the score is 1 to 0 in the Communists' favor.

The News agrees with the latter view. As long as we are committed to a containment strategy which prohibits us from making inroads into the Communist empire, the best we can do is maintain the status quo. And what is actually happening is that we are losing the cold war piece by piece, country by country.

Johnson maintains that calling opponents of present policies isolationists and warmongers is a "serious misrepresentation." We agree. He explains that the State Department is interpreting the consequences of a tougher strategy, saying that such a strategy would lead to war; therefore, those who talk the tougher line want war.

But those who advocate a tougher line believe, honestly, we think, that the best way to prevent war is to be strong and to lead from strength. They maintain that the Soviets are in no position to risk nuclear war and would back down in the face of a free-world offensive.

All the talk about sophistication and rejecting simple solutions is little more than a desperation move. Unable to answer much of the criticism, the State Department is more and more retracting into its shell and crying out that "we know better than the amateurs" what the Communists are up to.

What they claim to know is that the Communists are mellowing, but the critics of State have seen no evidence of this.

In claiming that it is really advocating a "win" policy, State makes clear that it believes the leopard has changed its spots. For this "win" policy is at best a policy of peaceful coexistence. As Johnson points out, both sides are therefore promoting peaceful coexistence.

But, as is usually the case, the term means different things to each side. For us it means we can make no move against the Communist empire. To the Communists it means just another strategy for pursuing their ultimate goal of world conquest.

NUCLEAR SAFETY DEVICES AND LAYMEN ON THE ATOMIC ENERGY COMMISSION

Mr. ANDERSON. Mr. President, the President's supplemental request for $23,300,000 for nuclear weapons safety devices reveals publicly a project which has an interesting history.

Because this is such an important step forward in the prevention of accidental or unauthorized detonation of nuclear weapons which could trigger an all-out nuclear war, I thought it might be helpful to sketch how this idea got started and what happened to it.

I do this for another reason also. I have found that the question of assigning credit for originating a new idea or initiating a novel concept is a somewhat touchy one. Scientists sometimes have faulty memories, and their code of scientific ethics in assigning credit for new ideas or developments is somewhat rudimentary. For example, a significant part of the credit for the H-bomb idea should go to a Los Alamos scientist named Dr. Stanilas Ulam, as well as to Dr. Edward Teller.

In the case of these nuclear weapon "locks" or safety devices, the original idea and impetus for this development came not from scientists but from laymen—to wit, the Joint Committee on Atomic Energy and its staff. I can speak freely on this since I was not directly associated with this effort, although I heartily supported it.

Back in 1958 and 1959 the Joint Committee and its staff became uneasy about the safety and custody of nuclear weapons, particularly those assigned to NATO. In the case of NATO weapons, the weapons delivery system or vehicle—missile, gun or aircraft—is owned by our NATO ally, but the nuclear warhead or bomb itself is owned by the United States and is supposed to be in our "custody."

In 1958 and 1959 we found that the Defense Department had been concealing some "custody" arrangements which raised grave questions as to their legality under the Atomic Energy Act, as well as serious problems of possible unauthorized use or accidental detonation.

In the summer of 1960, as Chairman of the Joint Committee, I authorized a staff study of these problems. That fall and winter I approved an inspection trip by a special ad hoc subcommittee under the chairmanship of Representative Chet Holifield. The members visited 8 European countries and more than 15 nuclear weapon installations in November and December of 1960. This subcommittee was composed of Representative Chet Holifield, as chairman, Representative Wayne Aspinall, Senator Wallace F. Bennett, Representative Craig Hosmer and Representative Jack Westland. They were accompanied by AEC Chairman McCone—part way—and Commissioner Graham. They were assisted by staff from the Joint Committee, AEC, and the Defense Department, including James T. Ramey, executive director, and John Conway, assistant staff director, and Col. Richard Lunger from the Joint Committee, and Dwight Ink, Assistant General Manager, AEC.

On February 15, 1961, after numerous meetings to review and discuss various drafts of the report, the top secret ad hoc report was sent to the President by Chairman Holifield. In the letter of transmittal, Chairman Holifield stated in part:

> We have attempted to make constructive suggestions and recommendations in regard to both the particular and general problems discussed. For example, we have initiated some suggestions which could make our nuclear weapons much safer against accidents or unauthorized use (see pp. 37 and 45–47).

At page 45 of the report the following is stated:

> In relation to development of means of safeguarding U.S. weapons from accidental detonations or unauthorized use, the staff of the Joint Committee suggested that the Los Alamos, Livermore, and Sandia Laboratories* cooperate in developing and adapting devices for these purposes. As a result of this cooperation the following progress has been made (the specifics are classified):

The footnote at page 45 of the report referred to above with an asterisk reads as follows:

> On the staff's trip to Albuquerque on October 17 and 18, 1960, Mr. Ramey requested the committee consultant, Dr. Harold Agnew of Los Alamos Laboratory, to look into devices to prevent accidental or unauthorized use in the NATO nuclear system (i.e., means of improving U.S. custody electronically), and

discussed the problem generally with Dr. Henderson of Sandia Laboratory and representatives of DASA. In subsequent discussions before and after the NATO trip, Dr. Agnew indicated considerable progress in developing devices for this purpose.

At the meetings of the Air Force Scientific Advisory Board at Cambridge on October 24, 1960, Messrs. Ramey and Conway requested the committee consultant, Dr. John Foster of Livermore Laboratory, to also consider devices for preventing accidents and unauthorized use in the NATO system. Dr. Foster indicated he had considered these problems a few years ago, and would be very interested in resuming such work. In a briefing of Congressman HOLIFIELD and Mr. Ramey on December 15, 1960, Dr. Foster indicated progress on several approaches.

From the above quotations it should be clear that the idea of utilizing various electromechanical devices to improve U.S. custody and control of nuclear weapons originated with the staff of the Joint Committee and, more specifically, our staff director. Mr. Ramey is a lawyer and administrator with a long experience in dealing with policy and technical matters, as well as legal and administrative problems in the atomic energy program.

It is interesting that in the winter of 1960–61 when the Pentagon heard of the Joint Committee interest in safety devices, they immediately established a Committee on Weapons Safety and proceeded to undertake a study of the problem. The Pentagon scientists called these safety devices "permissive links," and even permitted a Saturday Evening Post article in the summer of 1961 extolling the virtues of their work. However, they were never able or willing to provide the Joint Committee with any technical reports on their work.

Meanwhile, the Joint Committee, under the leadership of Representative HOLIFIELD, undertook a series of hearings in February, March, April, and August of 1961 to review progress on its ad hoc subcommittee's recommendations. At the first session, and several later sessions, actual experimental models of safety devices—or permissive links—were demonstrated by scientists from the AEC weapons laboratories. Again in March 1962, hearings were held in which improved devices were demonstrated.

Our principal scientific experts on these devices included: From Los Alamos Laboratory, Dr. Harold Agnew, alternate weapons division director; from Sandia Corp. Laboratory, Dr. Robert W. Henderson, vice president, weapons programs; Dr. Donald Cotter, director, advanced systems studies; Dr. L. D. Smith, director, electromechanical component development; from the Lawrence Radiation Laboratory (Livermore), Dr. John S. Foster, director, and Dr. Marvin Gustavson, director, safety and control group. I might say also that Dr. Gerald W. Johnson, special assistant to the Secretary of Defense, and Gen. A. W. Betts, Director, AEC Division of Military Applications, have supported this effort consistently.

Numerous exchanges of correspondence have occurred with respect to subsequent Joint Committee recommendations and reports of progress by the executive branch. The most recent letter was dated May 29, 1962.

I mention these things to show the continuing interest of the Joint Committee in these problems. It is entirely possible, of course, that I have neglected to mention someone who deserves some credit in connection with the Joint Committee's consideration of this problem. If so, I am sorry. I will hasten to rectify matters if the facts are brought to my attention.

I mention these things also to indicate how seriously the Joint Committee and its staff take their responsibilities and how carefully they adhere to the principles of security. Despite various leaks from the Pentagon, like the aforementioned Saturday Evening Post article, no self-serving statement of this important work in which it was engaged came from the Joint Committee. During the past 2 years, the committee members and staff worked quietly and effectively in a truly bipartisan manner without issuing any headline attention public statements.

Fortunately the White House, the Atomic Energy Commission and the Department of Defense have taken our ad hoc committee's report very seriously. We were informed this spring that the White House itself was sponsoring a review of the status of safety device development. Presumably the request by the President for additional funds is the outgrowth of this effort.

We are gratified that the executive branch is going forward with the development of these devices. This is as it should be. However, the Joint Committee has emphasized that in our opinion the production and installation of devices should be accomplished in steps on a priority basis, with due regard for obtaining experience with various types of installations before proceeding across the board on all types of weapons systems.

The moral of this development of these safety devices is that one does not have to be a scientist or engineer to understand problems of policy which have technical and scientific implications. We were faced with a legal and policy problem concerning the custody and control of nuclear weapons in the NATO complex. Indeed this development and certain other developments brought about as a result of our staff study and ad hoc subcommittee report show that it is possible for laymen to sense problems and suggest solutions which scientists and engineers can then implement with all the ingenuity of modern technology.

In this connection I would offer to your attention to the article in the New York Times for June 30, 1962 by John Finney, its very fine atomic energy reporter. The article is entitled "Two Nonscientists Sought for AEC" and goes on to point out that "administration officials believe that it is imporant to continue a counterbalance to the scientific majority." I certainly agree with this view. I ask unanimous consent to insert Mr. Finney's article in the RECORD at this point, as well as an article by another good reporter from the same paper, Mr. Jack Raymond, entitled "United States To Install Locks on Atomic Weapons as Extra Safeguard."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 6, 1962]

UNITED STATES TO INSTALL LOCKS ON ATOM WEAPONS AS EXTRA SAFEGUARD

(By Jack Raymond)

WASHINGTON, July 5.—President Kennedy asked Congress today for $23,300,000 to install electronic locks on nuclear weapons in this country and abroad as a safeguard against accidental or unauthorized firings.

The President's request concerned a long-secret program to assure improved "command and control" over these weapons, particularly because they are now being stockpiled and earmarked for use by foreign forces.

The request coincided with these related developments:

The President said at his news conference that this country was "prepared to discuss an alternate arrangement" to the existing Western reliance upon U.S. nuclear forces. This was a reference to what the President described as "strong pressures for European nuclear forces" (question 23).

Officials confirmed that as part of the U.S. effort to assure other members of the Atlantic pact that they could rely upon the U.S. forces secret information about U.S. nuclear power was being made available to them. One example is information about the new nuclear safety lock.

Details of the mechanical structure of the locking device are secret. Pierre Salinger, the White House press secretary, would not go beyond a brief official announcement that the President had requested supplementary funds for the Atomic Energy Commission, bringing its total budget for the current fiscal year to $2,888,588,000.

"The additional funds are required to produce devices for installation in certain deployed nuclear weapons, to prevent the possibility of unauthorized use," the White House said.

By law, only the President can authorize the detonation of a nuclear device under U.S. control, either in combat or in tests.

With respect to the new lock, it was learned that the early discussions of the development of the device began with a suggestion that it could be similar in principle to remote control devices used for switching channels on ordinary television sets.

As now planned for the huge and widespread nuclear weapons arsenal, officials at central locations would be in a position to control the many thousands of nuclear warheads that are in stockpiles or attached to weapons in a continuing alert status.

The development of the safety device is part of a security effort that began when the Kennedy administration took office. It was one element in a program for tighter "command and control" that covered technical communications and the chain of authority as well as supervision of the actual warheads.

In addition to the problem of establishing stockpiles for allied forces, the Government was faced with the problem of devising specific, clear, and unmistakable orders for firing nuclear weapons. What troubled many officials, however, was that the stress on instantaneous retaliation appeared to restrict any but a full salvo of all nuclear weapons.

MEASURED RETALIATION

What was sought was a method of measured retaliation, giving the United States a choice "between nuclear holocaust and surrender." In addition to building up conventional forces, this required a selective system of controlling nuclear warheads.

The increasing dispersal of nuclear warheads not only to tactical U.S. units in forward positions but also to foreign forces presented another problem. For example, German Air Force units have at their military bases stockpiles of nuclear warheads available to them in an emergency.

These stockpiles are in the custody of specially trained U.S. military groups. They would be turned over to the German fighter units only on direct orders from higher authority. Moreover, they could not be used without some implementing mechanical action involving more than one or two people.

COMMITTEE IS CONCERNED

A number of procedures must be carried out before the warheads can be mated to their weapons and fired. Officials say that it would not be possible for one or two individuals to go berserk and initiate a nuclear firing without help from higher headquarters.

A panel of the Joint Congressional Atomic Energy Committee came back from a European tour a little more than a year ago very much concerned with the problem of warhead security.

The Joint Committee over the years has been consistently conservative about U.S. custody of nuclear weapons. As a result of its European tour, coinciding with the change of administrations, it put forward the idea of a remote-control device.

The committee, in a series of secret meetings with defense officials, came up with the novel and apparently practical suggestion of an electronic gadget similar to the TV channel switcher.

Against this background, the U.S. allies in the Atlantic Pact began to express concern of their own about the "command and control" of nuclear weapons. One concern was that the United States might not respond with nuclear weapons even to a massive attack in Europe in fear of absorbing a Soviet nuclear attack against its cities.

This, in addition to a desire for prestige, was said to be behind France's decision to build up its own nuclear strategic forces. It is said also to be a basis for the growing pressure to establish a nuclear force under European command.

Britain, which has nuclear forces of its own, has enjoyed a special relation with the United States through integrated targeting plans and exchanges of information. But what presumably bothered many European countries, officials pointed out, was that although their survival depended upon it they knew virtually nothing about the U.S. nuclear forces.

In an effort to dissuade the Europeans, notably France, from pressing for their own nuclear forces as an unnecessary and expensive duplication, the United States has undertaken to disclose many secret details to the members of the North Atlantic Treaty Organization. The promise was made at the Athens meeting of the North Atlantic Council of Ministers last May.

Since then, Thomas K. Finletter, the U.S. Ambassador to NATO, has been authorized to divulge various aspects of the nuclear forces. These include not only the mechanical command and control devices but also many other elements that go into developing and maintaining the huge nuclear arsenal.

Mr. Kennedy, in response to a question dealing with European hopes for an independent nuclear force, said today that the United States feels that the present arrangement under NATO gives full and sufficient guarantees for the integrity of Europe.

The President noted, however, that over the years the Europeans had become increasingly concerned, particularly as the Soviet Union has developed not only atomic power but missiles, which put Europe directly under the gun as well as the United States.

"What we have suggested," the President went on, discussing the pressures for a European nuclear force, "is that this is a matter that Europe should consider carefully, that we would, of course, be responsive to any alternate arrangement they wish to make."

Mr. Kennedy conceded that the Europeans might not be willing to accept the U.S. view that present arrangements were satisfactory, particularly as she develops this additional European union.

In the meantime, however, the Europeans have made no proposal for an alternate arrangement, he said.

[From the New York Times, July 1, 1962]

TWO NONSCIENTISTS SOUGHT FOR AEC

(By John W. Finney)

WASHINGTON, June 30.—The resignation of the two lawyer members of the Atomic Energy Commission, effective today, leaves the vast atomic energy program under the complete control of scientists for the first time.

In seeking replacements for Commissioners John S. Graham and Loren K. Olson, the two lawyers, administration officials believe that it is important to continue a counterbalance to the scientific majority. The expectation is that both vacancies will be filled by nonscientists.

The search for candidates, however, is being complicated by the administration's intention to press in the coming year for replacement of the five-man commission with a single administrator. As can be expected, few of the individuals approached have expressed much enthusiasm for coming to Washington to take a job that may be abolished before a year is out.

When it took office, the Kennedy administration was determined that more scientists should be raised into policymaking positions, particularly in such research agencies as the Atomic Energy Commission.

One of its first moves in this direction was to appoint Dr. Glenn T. Seaborg, a Nobel laureate in chemistry, as Chairman of the Commission. A few weeks later, Dr. Leland J. Haworth, a physicist who headed the Brookhaven National Laboratory on Long Island, was named a Commissioner.

The two appointments gave scientists a majority on the Commission. The third member of this majority was Dr. Robert E. Wilson, an Eisenhower appointee.

Dr. Wilson was formerly chief executive officer of the Standard Oil Co. of Indiana, but as a former associate professor of chemical engineering at the Massachusetts Institute of Technology, he takes pride in being counted as a scientist member of the Commission.

Never before had the scientific community gained such control over the civilian agency, which it was so influential in creating in 1946. By tradition, although not by legal requirement, there had always been a scientist on the Commission. Except for a brief period in 1956, however, there had never been more than one scientist at any one time.

DISCORD EVOLVED

As is now being acknowledged within the administration, this experiment in scientists' majority control over a Government agency with a $2,500-million-a-year budget has not been completely effective.

For the last 6 months the work of the Commission has become bogged down in a division, sometimes personally acrimonious, between the scientist and lawyer factions.

In fact, one of the reasons for the resignation of the two lawyers was a growing feeling of frustration over constantly being in the minority when decisions were made.

Underlying the division was a clash of philosophies between the two professions—between scientists and their dedication to the pursuit of scientific truth, and lawyers and their dedication to the principle of a government of laws.

Illustrative of this clash of philosophies was a dispute that went on for months over renewing the contract with the University of California for running three of the Commission's national laboratories.

CONTROLS DEBATED

The scientists argued that in line with the principle of freedom of scientific research, a minimum of controls should be imposed on the university. The lawyers contended that if the Commission was going to give the university $300 million a year, the Government should exercise tighter controls over how the university and laboratories spent the money.

Another illustration was the debate last fall over the size of the Commission's budget for the coming fiscal year. The two lawyers fought against any increase in the budget. The scientists are reliably reported to have expressed amazement that the lawyers should question the proposition that an ever increasing amount of money should be spent on scientific research.

In the arguments within the Commission, the two lawyers formed an effective legal team of counselor and advocate. Mr. Graham, a slow-speaking, storytelling North Carolinian, was the counselor; Mr. Olson, an energetic, fighting Minnesotan, the advocate.

In these contrasting but complementary roles, the two lawyers made a significant impact upon Commission policy.

As a man who pridefully views himself as a politician as well as lawyer, Mr. Graham has served as the political peacemaker between the Commission and the often hostile Joint Congressional Committee on Atomic Energy.

One of his first acts after being appointed in 1957 was to have the Commission and commitee members sit down at a chicken dinner in the Metropolitan Club in a partly successful effort to heal the breach that had developed between committee Democrats and Lewis L. Strauss, who was then Chairman of the Commission.

In a quiet, deliberate way that attracted little public attention, Mr. Graham also seized upon certain policy issues and over a period of years was successful in winning the Commission and the executive branch over to his position.

One of his particular concerns was the safety of atomic weapons and reactors. He succeeded in bringing about a gradual tightening of the safety procedures. In alliance with Vice Adm. Hyman G. Rickover, for example, he was able to prevent the Navy from taking over the control of the safety procedures for operation of atomic submarines.

PUBLIC WELFARE AMENDMENTS OF 1962

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed, and the Chair lays before the Senate the unfinished business.

There being no objection, the Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. SMATHERS. Mr. President, in view of the fact that the Senate is now operating under controlled time, I ask unanimous consent that the Senator from Oregon may proceed without the time he utilizes coming from the time on either side.

The VICE PRESIDENT. The Chair is informed that the unanimous-consent agreement does not go into effect until tomorrow.

Mr. SMATHERS. Very well.

HYDROELECTRIC PROJECTS IN THE PACIFIC NORTHWEST

Mr. MORSE. Madam President——

The PRESIDING OFFICER (Mrs. Neuberger in the chair). The Senator from Oregon is recognized.

Mr. MORSE. In the Pacific Northwest there is a great deal of concern about our power projects. It will be recalled that some years ago the Morse Hells Canyon bill passed the Senate, but it failed over in the House at the committee stage, and the Pacific Northwest, and the country, lost the greatest remaining hydroelectric damsite in the country. However, I predict again, as I have before, that, if we could come back in 50 years, we would see that Hells Canyon Dam would have been built by that time and the small, pygmy dams that we had permitted the private utilities to build, destroying for the time being this great Hells Canyon damsite, would themselves have been torn down and the great Hells Canyon Dam finally built.

In my judgment, that is bound to happen because the increased population of the next 50 years is going to demand the use of every potential of electric power available to us; and this shocking unconscionable waste that the House was guilty of when it killed, at the committee stage, the great Hells Canyon Dam project, will be rectified, but, unfortunately, at an additional cost of money over what it would have cost the American taxpayers had the Morse bill passed the House as it did the Senate.

There are other great damsites on the Middle Snake, one of which will have to be developed. I refer to the High Mountain Sheep and the Nez Perce sites. These alternative sites are embroiled at the present time in a considerable amount of controversy and differences of opinion.

Some of us have taken the position for years that Nez Perce, which is second to the Hells Canyon site, should be developed only if there can be a solution to the fish problem.

It has been our understanding that the Federal Government has been at work on a so-called crash fish program entailing a considerable amount of research, study, and investigation as to whether it will be possible to devise the necessary fish ladders and the necessary pools at various levels, so that the fish can reach the spawning grounds and the fingerlings can return. Without these facilities, one of the great economic assets of the Pacific Northwest—the salmon fishing industry—will be destroyed.

Being the optimist that I am, having the confidence that I have in scientific discovery, I have always engaged at least in the hope that our scientists in the field of fisheries would solve this problem. Many of them have told me that they thought it would be solved.

The High Mountain Sheep site is involved in several controversies. First, there is a question as to whether it should be built instead of the Nez Perce Dam.

Another controversy relates to who should build it. The private utilities have made application to the Federal Power Commission seeking to build it. I understand that a group of public power utility districts in the Pacific Northwest has filed an application seeking permission from the Federal Power Commission to build it. Recently there have been newspaper stories to the effect that the Secretary of the Interior, Mr. Udall, made certain representations to the Federal Power Commission indicating that it is his view that consideration should be given to the possibility of the Federal Government building High Mountain Sheep Dam if it is built.

I have before me three editorials which bear upon this subject. The first is from the Portland Reporter of Monday, July 2, 1962, and is entitled "No Time for Crawfishing." I ask unanimous consent that it may be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Portland Reporter, July 2, 1962]

No Time for Crawfishing

The Federal Power Commission has the major responsibility for seeing to it that this country has kilowatts for peace and war. If it had failed in this tremendous responsibility late in the depression, the United States and its heroic allies would have had no power for production of the aluminum which went into World War II bombers. That responsibility also extended to carrying out the New Deal's betterment through cheap power.

Obviously the Commission's main responsibility is to encourage generation of more and more kilowatts by more and more agencies, private, municipal, and Federal. It is directed by historic legislation to insist on the maximum kilowatt production, consistent with multiple resource utilization, from powersites. Since there is a growing power shortage nationally, evidenced by the pickup in rate increases everywhere except in public power areas, the responsibility for getting the most kilowatts out of every damsite is becoming greater.

How not only to promote the most advantageous use of dams, steamplants and regional power pools, but also how to make possible the exploitation of regional interties and wasted atomic heat for new kilowatts is a responsibility of the Commission.

In this pressing demand for more and more kilowatts, we do not believe the Commission is in any position to throw down the gutter over 1 million kilowatts by favoring Mountain Sheep site over the Nez Perce site on the Middle Snake. The Nez Perce project would not only produce much more kilowatts in its own generators than Mountain Sheep, but would double its rival's contribution in storage water releases to downstream dams.

We suggest the Commission consider the licensing of the best powersite on the Middle Snake with due regard to the Northwest power supply picture in 5 years or so when every competent power forecaster predicts a shortage. Throwing away 1 million kilowatts won't look nice then. Fish stories won't sound funny to a kilowatt-starving region.

We have little sympathy with Secretary of the Interior Stewart Udall's encroaching into the licensing responsibility of the Federal Power Commission. Udall has a responsibility to safeguard fish resources on power streams, but that did not call for his writing a letter to the Power Commission last spring to hold up a license on the Middle Snake and now another letter to deny a license there and let the Federal Government build Mountain Sheep Dam.

Udall must be joking to recommend that the Federal Government build Mountain Sheep after Congress rejected Federal Hell's Canyon Dam at the price of underdevelopment of the power potential by the Idaho Power Co. Without every pressure on Congress, that of power shortages, need for navigation, contribution to irrigation and recreation, no power project can get congressional blessing.

Mr. MORSE. The second editorial is from the Capital Press of June 22, 1962, and is entitled "Regional Preference." It deals in part with the problem I have been talking about, and with some other very important hydroelectric power issues, including a discussion of the so-called intertie issue. I ask unanimous consent that it may be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Regional Preference

Far be it from us to question the motives of Federal Power Commissioners Joseph S. Swidler, Chairman, and Charles R. Ross in opposing regional preference for the Northwest for power generated in the Northwest; but their position, if accepted by the Congress, would surely hamper if not throttle industrial development in the Northwest, to the delight of New England and the South. Mr. Ross of Vermont and Mr. Swindler, former Tennessee Valley Administration counsel, must be heroes in their home areas for their stand.

Messieurs Ross and Swidler say they favor the development of Federal and private interties for power transmission; they say they want Bonneville Power Administration to be able to keep its rates down; and they say they want to see the Northwest grow. But their actions belie their words.

The two men surely are, or certainly should be, politically astute enough to know that S. 3153, H.R. 11264, and H.R. 11265—congressional bills drafted by the Department of the Interior at the request of the Senate Interior Committee to make possible the exchange of surplus power between the Northwest and other regions—will surely be killed in committee if the regional preference clause is not included.

Senate Majority Leader Mike Mansfield and Senator Lee Metcalf, of Montana, Senators Wayne Morse and Maurine Neuberger, of Oregon, Senators Warren Magnuson and Henry Jackson, of Washington, and Senator Frank Church, of Idaho, could not possibly approve a bill allowing Bonneville Power Administration to ship power out of the Northwest pool without safeguards guaranteeing that only surpluses, and not power needed by Northwest industries, would be exported.

The political influence of these Senators alone would most likely be enough to kill any intertie arrangement that did not contain such safeguards, but combined with the political power of private business firms throughout the Northwest whose interests are dependent upon plentiful, cheap power being available to the region, it is certain that no intertie bill would even get out of committee.

Without an intertie, it is quite possible that Bonneville Power Administration rates would have to be increased, thus hampering Northwest business in competition with the South and East.

Also, without an intertie, a sensible and needed exchange of power throughout the West and possibly reaching to the Midwest would be impossible. With a tie not including Northwest preference, it is certain that the outflow of power would throttle business in the Northwest.

It is a curiously contradictory position, then, that Mr. Ross and Mr. Swidler are taking—claiming to be all for the Northwest, yet putting a knife to its throat.

The high-sounding reason given by Mr. Ross and Mr. Swidler for their opposition to regional preference is that power developed at the expense of all the taxpayers should be made available to all the taxpayers equally. They add that to allow regional preference in the present case would set a bad precedent for similar Federal projects elsewhere.

The argument fallaciously ignores several pertinent points.

One is that Federal power projects in the Northwest have been constructed on the premise that they were in the national interest. Their authorization took place long before it became technically feasible to move power great distances, so it must have been the assumption of Congress that the development of the Northwest—of only the Northwest—made possible by these projects was to the benefit of the country as a whole.

Surely the returns to the U.S. Treasury from direct power sales, plus the income tax revenue reaped from industrial development of the Northwest, have justified Congress' attitude. Just as surely, removal of the regional preference would reverse this.

Power sales at great distances would be discounted by the cost of transport; for surplus power now going to waste, this would be no objection, but for firm power now being sold to nearby industries, it would. And tax returns from the Northwest would decline as Northwest industries suffered from a lack of power. The cost to the Nation of unemployed Northwest workers being thrown upon workmen's compensation and welfare relief rolls would be another factor.

Another pertinent point is that regional preference for the Northwest would by no means set a precedent. There have been at least three other instances such as this. And even if it did set a precedent, it would not be a bad one.

Surely no one could argue logically in favor of depriving a whole economic region of its principal (virtually its sole) source of energy in order to dissipate it around to the Nation's taxpayers piecemeal. This would be like requiring California to export the oil and natural gas that it needs just because the Nation's taxpayers are helping to foot the bill for its discovery through the 27½ percent depletion allowance. To retain for a region its principal natural power source seems to us not just a precedent to be set, but a basic matter of national interest.

In truth, the position taken by Mr. Ross and Mr. Swidler perhaps should not cause us as much alarm as we have demonstrated, for they are not influential men in Washington (Mr. Swidler is even having trouble getting an adequate FPC budget out of Congress). But the sweetly reasonable-sounding arguments they advance against regional power preference for the Northwest could easily be taken up by men who are influential in Washington, and our power resource is a too important matter for us to ignore even the slightest danger to it.

Mr. MORSE. Madam President, I also ask unanimous consent that an editorial from the Oregon Statesman of Friday, June 29, 1962, entitled "Udall for 'Mountain Sheep,'" be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Udall for "Mountain Sheep"

Secretary of the Interior Udall in a letter to the Chairman of the Federal Power Commission recommends that the Federal Government build the Snake River dam at Mountain Sheep site. Present applicants are the Pacific Northwest Power Corp., a combine of Northwest private utility companies, and Washington Power Authority, an agency of the State of Washington. This interjects a third candidate, if Udall's letter may be so regarded. The Corps of Engineers has made no move to get this job. Some time ago there was a division of possible projects between Interior and Corps of Engineers. We don't know whether this Snake River development was assigned to one or the other.

The FPC will have to decide whether to give a license to one or the other of the two applicants, or to hold the site for the Federal Government. It might take lengthy holding however, because Congress will be reluctant to finance a dam in Snake River when local bodies are willing to put up the money.

Secretary Udall says that Federal construction will result in a lower cost of power. That is true. The Government can borrow money at a lower rate of interest, and it pays no taxes on its installation. But is it the duty of the Government to crowd out private investors merely to lower costs to consumers?

Another point was made by Udall, that it is essential that any new storage dam on the Snake coordinates with downstream dams. That's true; and such coordination will be affected no matter who is the owner. Just upstream are the dams of Idaho Power which will have to be operated in coordination with those downstream.

Udall concedes that there is little promise of a major breakthrough on fish problems which would make practical choice of the Nez Perce site, below the mouth of Salmon River. This should encourage the FPC to settle on Mountain Sheep.

Federal construction, says Udall, would assure that every effort would be made to preserve and improve the fishery resource. The government would spend plenty of money, but other agencies would install whatever the FPC required.

We think the Pacific Northwest should get the license. It pioneered the research in this section of Snake River and made heavy investments thereon. Its members need the energy to supply their customers, especially in view of their ultimate loss of Federal power.

Mr. MORSE. I also ask unanimous consent to have printed in the Record at this point a letter which I wrote to the Federal Power Commission, dated June 27, 1962. I notified Secretary Udall that I had sent the letter to the Federal Power Commission.

There being no objection, the letter was ordered to be printed in the Record, as follows:

June 27, 1962.

Mr. Joseph C. Swidler,
Chairman, Federal Power Commission,
Washington, D.C.

Dear Mr. Swidler: It has been rumored that the Department of the Interior is considering changing the position it presently holds in the case before the Federal Power Commission regarding the applications for licenses for the Nez Perce and High Mountain Sheep projects on the Snake River. According to information I have received, the Department intends to support the High Mountain Sheep project and thus, in effect, abandon or prejudge the crash fisheries program which the Department of the Interior has undertaken at its initiative and for which Congress had granted appropriations.

It would seem to me that such a radical change in position for the Department is untimely and unwise, inasmuch as this case has been before the Commission since early 1958. All testimony has been taken and the case is pending before the examiner.

I believe that the Commission should proceed with its processing of this case on the basis of all evidence submitted by the parties and should carry out the mandate of the Federal Power Act to recommend comprehensive, multipurpose development. The Commission, in my opinion, should not take cognizance which places a higher value on one resource than on all other resource values which can be obtained at this stretch of the river.

Sincerely yours,

Wayne Morse.

Mr. MORSE. I also ask unanimous consent to have a letter which I sent to Secretary Udall, under date of June 22, 1962, printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

June 22, 1962.

Hon. Stewart L. Udall,
Secretary of Interior, Department of Interior,
Washington, D.C.

Dear Secretary Udall: You will recall that when we conferred on June 8 in your office concerning the report of the Department of Interior on the Rogue River Basin Project, you discussed with me briefly the proposed amendment to the omnibus rivers and harbors bill which would set aside certain Pacific Northwest river areas as fish and recreation sanctuaries.

During the course of our conference you outlined in general terms the nature of this sanctuary proposal. I told you I would give some thought to the matter and would correspond with you in that respect as soon as possible.

In reviewing the general proposal, insofar as I can recall its provisions, I have become quite apprehensive that this plan, if put into effect, could occasion severe economic losses to the entire region without compensatory benefits in terms of fish and recreation. Before arriving at a final judgment on the matter, however, I would like very much to have a letter from you setting forth the full details of this program, including your comments as to the economic impact this proposal would have on the Pacific Northwest, and particularly, the State of Oregon.

In the meantime, I trust that the administration will not take further action on this matter until I have had an opportunity to discuss the subject with you.

With best personal regards.

Sincerely,

Wayne Morse.

Mr. MORSE. Madam President, in my letter to Mr. Swidler, the Chairman of the Federal Power Commission, under date of June 27, I said:

> It has been rumored that the Department of the Interior is considering changing the position it presently holds in the case before the Federal Power Commission regarding the applications for licenses for the Nez Perce and High Mountain Sheep projects on the Snake River. According to information I have received, the Department intends to support the High Mountain Sheep project and thus, in effect, abandon or prejudge the crash fisheries program which the Department of the Interior has undertaken at its initiative and for which Congress had granted appropriations.
>
> It would seem to me that such a radical change in position for the Department is untimely and unwise, inasmuch as this case has been before the Commission since early 1958. All testimony has been taken and the case is pending before the examiner.
>
> I believe that the Commission should proceed with its processing of this case on the basis of all evidence submitted by the parties and shoud carry out the mandate of the

> Federal Power Act to recommend comprehensive, multipurpose development. The Commission, in my opinion, should not take cognizance which places a higher value on one resource than on all other resource values which can be obtained at this stretch of the river.

I raise this question on the floor of the Senate today because I think the time has come to get it out into the open for such public discussion as may flow from the disclosure of my letter to the Federal Power Commission. I have devoted a great many years of service to the people of my State in connection with the development of the hydroelectric power potential and resources of the rivers of the Pacific Northwest, including the Snake River. I am well aware of the fact that there are powerful political forces which would like, prior to the election in November, to obtain some order favoring their position on the highly controversial issue as to exactly how the Middle Snake River should be developed.

The senior Senator from Oregon takes the position that no decision should be made until we have the facts. We do not have the facts as yet in regard to the fishery problem.

I think it has been made very clear that it is the desire of Congress that the "crash" fish study be completed. The money has been appropriated. I understand that the work is well underway.

Madam President, the final decision for the development of the Middle Snake River to the maximum potential possible, consistent with public policy interests, should be formed after all the facts are in. Let the RECORD show that on the basis of such facts as I have at the present time I am opposed to any decision being made at this time in regard to any of these dams, until the "crash" fish study has been completed, because I do not see how we can decide what is in the best interests of the public, keeping in mind that this is a matter which is going to affect not only this generation but also generations to come, until we get all the facts.

I know it would be very pleasing for some, if the senior Senator from Oregon were to say, "Let us go on with High Mountain Sheep." But someone then might ask the senior Senator from Oregon, "Are you satisfied that the fish problem at Nez Perce cannot be solved?" What would be my answer? It would be, "I do not know." Then someone might say, "Do you mean that you came out for High Mountain Sheep before you knew whether the fish problem at Nez Perce could be solved?"

That is not the way I serve the public interest in the Senate. I try to reach my decisions after I have all the facts. If I am correctly informed—and I think I am—the Federal Power Commission does not the the facts yet. Mr. Udall does not yet have all the facts on the fish passage study. Those of us who represent the Pacific Northwest do not have all the facts yet.

We shall not have all the facts until the "crash" fish program and study have been completed. So I have taken a few minutes this afternoon on the floor of the Senate to make clear to my constituents, to the Federal Power Commission, to the Secretary of the Interior, and to the Congress exactly where I stand on the issue as of this moment. I hope that there will be no delay or dilly-dally procrastination with regard to the completion of the "crash" fish program. I hope the Federal Power Commission will not succumb to the suggestion of the Secretary of the Interior that it should set aside the proceedings that have already been held, but not to the point of finality, and substitute therefor the granting of a license by the Federal Power Commission for the High Mountain Sheep Dam. It may well be that eventually we will build the High Mountain Sheep Dam. It may be when all the facts are known it will be clear that the public interest would be best served by building High Mountain Sheep. But I am no novice to the problem. I have lived with power problems in my section of the country for many years.

In conclusion, I do not know of any official in Government, be he the Secretary of the Interior or any other, and I do not know of any agency of Government, be it the Federal Power Commission or any other, that at the present time has all the facts that would justify a finality of decision in regard to the development of the Middle Snake River.

I hope that within a year those facts will be assembled. But I cannot be stampeded into a decision merely because an election is approaching, nor can I be stampeded into a decision on the basis of the argument that pursuing a certain course might win me some votes. On this issue, the votes I am interested in are the votes I can cast in the Senate. I shall cast my votes in the public interest, confident that if I do so, and the public is informed as to the basis of those votes, I will not have to worry about the decision the public will make in approving representation that insists upon casting votes in the public interest in the Senate.

I repeat that we do not yet know what all the facts are in regard to the "crash" fish program. We do not know whether the fish problem can be solved at Nez Perce. If it can be solved, I repeat what I have said so many times in recent years, that this dam should then be built. Why? Nez Perce would provide the American taxpayer more for his money. It would give greater protection as far as flood control is concerned and also would develope the maximum potential of the other multiple uses to which the dam could be put, including hydroelectric power.

EMPLOYMENT OF YOUNG PEOPLE ON FARMS

Mr. MORSE. Madam President, for some time I have been receiving an increasingly heavy volume of mail from Oregon farmers and, interestingly enough, from youngsters who live in farm areas, which is very critical of the provisions of S. 1123, a bill which passed the Senate by voice vote at the end of the last session. The bill is at present before the House Rules Committee.

My correspondents, both adult and school age, are concerned that if the legislation is enacted in the form it passed the Senate, work opportunities in our Oregon beanfields and in our strawberry fields will be denied to Oregon boys and girls who have traditionally been employed during the harvest. Many of the youngsters tell me that their earnings from this employment, which they do not consider to be onerous, enable them to buy clothes for the fall school year start.

Last Wednesday, the fourth of July, I was at St. Paul, Oreg., participating in the 27th annual St. Paul rodeo celebration. I had a request to meet with approximately 40 boys and girls who had been picking strawberries and other crops such as beans and cherries.

They were a very refreshing and effective group of lobbyists. There was no question about their sincerity. There was no question that they spoke from their hearts. There was no question about their concern as to what the bill which passed the Senate without any procedural restrictions in it which I shall mention before I finish my short speech, would do to their potential employment. Sometimes we parents call it earning pin money or vacation money.

I met with them and listened to the discussion of their fears and concern with respect to the restrictions of S. 1123. Some of them left with me some letters which they had written prior to coming to the conference. They are sweet letters. They are moving letters. In fact, they are proof again of what some of us have pointed out so many times, that we do not have to worry about the younger generation of Americans, for they are not only thinking about the problems of government and legislation, but they are also putting into practice the teachings of good citizenship which are being inculcated by home and church and school.

I ask unanimous consent that this group of letters which these boys and girls handed to me last July 4 at the St. Paul, Oreg., rodeo be printed in the RECORD following my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. First, before I met with this group of youngsters in Oregon and received these letters, I was a little suspicious of some of my mail, in that I thought some of it might be inspired mail, the type with which we are all familiar whenever a great legislative proposal or issue is being considered by the Congress.

I am satisfied that the mail I have received on this issue is not inspired, in the sense that it is being written by correspondents as a matter of form and under instructions. I have no doubt that there has been a considerable amount of discussion about the problem. As these boys and girls congregated at the berry farms, the cherry orchards, or beanfields, I feel that they talked over their employment problems together.

I am satisfied that they wrote these letters—and many of us have received them—sincerely motivated by their dedication to good citizenship. They are raising their voices in protest against what they think is a legislative injustice whch will be done to them if the bill is not modified in the House, and thus passes the House without modification, or if it is not changed in conference.

Therefore, I believe, as I have said, that much of my mail is the sincere expression of a strongly held concern on the part of the boys and girls themselves and on the part of their parents as well. Much of my mail comes to me from parents. Some of the letters which I have received permission to put in the RECORD are signed by both the parents and the children. Here, for example, is one with a P.S.: "I've asked my parents to sign this letter." They have signed it. I note on another letter: "P.S.—My parents also agree with me." The parents have also signed the letter as a postscript.

I am not unmindful of the intent of the bill which was to protect youngsters from the hazards to health and safety which farmwork with modern machinery entails. I recall the statistics which were presented to the subcommittee to the effect that of 12,615 fatal farm accidents in 1949–53, 1,064 happened to youngsters between the ages of 10 and 14. I recall that in California each year 500 youngsters of school age are injured, and that 85 percent of the injuries to 250 of these involved children under 14 years of age.

Madam President, I am not unmindful also of the medical testimony which was incorporated into a fact sheet prepared by the Migratory Labor Subcommittee. I ask unanimous consent that this portion of the fact sheet be printed at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

MIGRATORY LABOR SUBCOMMITTEE FACT SHEET

Doctors have long asserted that hard farmwork is harmful to young children. Dr. Hanson, late head of Columbia University's School of Public Health, said "children in industry, whether indoors or out, show in exaggerated form damage to growth." As early as 1951, a subcommittee of the AMA urged that a general 14-year age minimum be set for employment. According to Dr. Charles Hendee Smith, professor of clinical diseases of children, College of Physicians and Surgeons, Columbia University, long hours of tiring work (as in factories or in beet or cotton fields) result in chronic fatigue, which is harmful to children in two ways: First, a child, early in life, must grow and gain weight. Excessive muscular work expends the energy which should be used in the natural process of growth. Agricultural processes such as the thinning, pulling, and topping of beets, the picking and hoeing of cotton, etc., require constant bending or stooping and, frequently lifting. Consequently, the child becomes undernourished and undersized. Second, chonic fatigue lowers a child's resistance to disease. Infections, which are everywhere lying in wait for the growing child, find an easy victim in those who are overfatigued and undernourished.

Richard A. Bolt, M.D., assistant professor of child hygiene, University of California, has noted how monotonous and fatiguing work, and the constant shifting of employment, tend to disintegrate the child's personality and lead eventually to delinquency, dependency or an ineffective and purposeless life.

Young children seldom have a meaningful conception of the dangers facing them. This fact is made tragically obvious by a sampling of newspaper accounts which document how young children working on farms are seriously injured, maimed, or killed:

(a) "Doctors found it necessary to amputate the right leg of Larry Panasuk, 15, farm youth who had caught it in a hay baler." Popular Standard, August 23, 1957 (Montana).

(b) "Doctors at Community Hospital last night were giving a plucky 9-year-old Mira Loma boy a 50-50 chance to pull through after he became entangled late yesterday in an automatic feeder." Riverside Enterprise, November 20, 1957 (California).

(c) "Twelve-year-old Carroll Dale Lucase was decapitated late Wednesday afternoon when a tractor rolled over him." La Salle News Tribune, October 30, 1958 (Illinois).

(d) "The whirling blades of a rotary-type farm mower brought almost instant death to 15-year-old Roy Lee Mann in a tragic accident," Fallettsville Tribune, June 11, 1957 (Texas).

(e) "Gene Foth, 12, young farm youth, lost a leg and a finger and suffered a severe gash on his left arm in a mower accident."

(f) "A 15-year-old farm youth had his foot practically torn off in a hay-loading mishap, but attending doctors are hopeful their surgery will prove successful." Republican-Press (New York).

Mr. MORSE. Madam President, let me say, as a parent whose three girls started picking beans at the age of 9, and summer after summer picked beans, that I remember an observation I made when they received their first pay. Apparently they had a very wise psychologist as an employer. The pay did not amount to much—perhaps $3 or $4—but he paid them by check.

I never will forget the reaction of these little daughters of mine when they came home and showed their parents their check. I observe that it is true of youngsters generally that apparently it means much more to them to get paid by check than to be paid in cash. It apparently creates a favorable impression on them, because they have the feeling that they have reached their daddy's status, in that their labors are being paid for in such a highly recognized commercial form as a check.

I am aware of the fact that with thousands of youngsters working in vacation periods in berry fields and beanfields and cherry orchards and other places across the country, the laws of chance and mishap being what they are, some may meet with some accidents. A truck or a bus carrying children to such work may be struck by a train. We know as parents the sadness which overcomes us whenever we read of some accident on a highway or in a field or elsewhere which injures a child.

However, buses sometimes get struck going to playgrounds. Youngsters sometimes fall down school steps. As parents we sometimes wonder how we ever raised them to adulthood, when we think of all the vicissitudes that faced them as children. Therefore, we need to be careful as to the inferences which we draw when we look at the evidence that is put into a hearing record which shows that accidents have occurred in connection with children who are working. We should also take a look at the accidents that occur to children who are not working and who are engaging in other pursuits at the time of the accident or injury.

It seems to me that we must make certain, in the legislation we pass, that we provide, to the best of our knowledge, the safety measures, the safety rules and requirements, and the supervisory requirements, which will keep to a minimum any possible danger to the life and limb of a child, whether he is working in a cherry orchard or is at an amusement park.

I am dwelling a bit on this subject because I am well aware of the emotional effect of this argument that is often used by those who would seek to deny any employment of children whatsoever. I also know how easy it is to put a public official in a discolored position on an issue such as this and then have it said, "Oh, he is for exploiting children." There seem to be these great jumps in reasoning when we get into this field of discussion. Very extreme views are held.

So let me say, in making this speech, that the senior Senator from Oregon urges that all the rules and regulations necessary for the maximum of safety be provided in any legislation which permits children in their vacationtime to do the type of work we are discussing. It is work which is greatly circumscribed and limited in S. 1123, as we now discover from a further consideration of it after it has passed the Senate.

Then, too, let us keep in mind that legislation in this field was urged upon us to protect the child of the migrant worker family. There is much in S. 1123 as to which I would not change the dot of an i or the cross of a t or a comma or a period. We are talking about the limited phase of S. 1123 which has aroused so many protests in connection with the so-called vacation work of the boy or girl who, as I said, wants to go out and to work, as my children did from the time they were 9 years old. Such work not only did not hurt them; it did them a great deal of good. I am not one to say that a direct line of cause to effect connection can be drawn between the type of vacation work I am talking about this afternoon and character building, the teaching of a lesson of thrift, inculcating in the child an understanding of the great value and self-satisfaction of work and being compensated for it, and the instilling of a better understanding of our whole private property economic system. But all these factors are involved.

We need only mention them, and every parent will recognize that they are involved.

Of course, it can be overdone. Some of the material I have placed in the RECORD, deploring long hours, the hazards of employment, and undernourishment, is characteristic of the life of the child of the migrant worker. I am not talking about the elimination of any supervision of the working conditions of the child of the migrant worker or the child of the nonmigrant worker. I am only saying that administration and supervision are one thing, but that a denial of the right to work completely is quite a different problem.

I am directing my remarks to the question whether S. 1123 needs to be modified in order to permit a greater latitude on the part of the children who work in the orchards, the strawberry patches, and the beanfields.

It is the problem which these young lobbyists, some 40 in number, presented to me last Wednesday at St. Paul, Oreg.—and effectively, too. I think they have a case; I think their parents have a case. I am directing my remarks this afternoon to that case.

But in a desire to be fair, I point out that strong objections are raised to any proposal for a modification of S. 1123 along the lines of my speech this afternoon. My hometown newspaper, the Eugene Register-Guard, of June 27, contains a letter to the editor on this subject. I shall not use the name of the writer of the letter; in my judgment, it would not be fair to the writer of the letter to do so without getting his permission; although, obviously, the writer of the letter was not concerned about his name being used, since his letter was addressed to the editor. Nevertheless, I ask that the letter published in the Eugene Register-Guard of June 27, 1962, from a citizen who does not want S. 1123 changed in any way, be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Child Labor Bill

Your editorial of June 4 deserves commendation. It is a masterpiece of twisted reasoning and gross ignorance.

The editorial maligns a bill to limit the labor of children in agriculture. Passage would stop hiring of children under 12, restrict those between 12 and 14 to work no more than 25 miles from home, and bar employment of children under 16 during school hours.

You're afraid the boy down the street won't get his suntan. The problem is bigger than that.

These are more than 2 million migrant workers in the United States, eking out a bare existence, living in squalor, going hungry more often than not. The death rate among the children—and there are more than 500,000 of them—is twice as high as in any other section of the population.

A few years ago in the lush San Joaquin Valley, amid abundant cotton, fruit, and vegetable crops, in 3 months 56 children of migratory workers died from what county records show as "malnutrition." They starved.

The situation was described by a well-known organization of farmowners as "quite normal" and "no cause for concern."

Many of these children who work 12 hours a day in all weather to earn a few cents are only 5 or 6 years old; the workers are frequently herded into trucks and shipped like cattle hundreds of miles. These trucks carry their human cargo longer than 36 hours without breaks. Drivers provide beer and sweet rolls to dull appetites; an open pail becomes a community toilet. Some lock their workers in; a few years ago a truck struck a train, and 47 migrant workers, many of them children, were burned alive, because they were locked in.

You state this bill is a shotgun attack. It is not. There have been many bills designed to aid the migrant's plight. They fail because strong farm interests lobby against them and because there is pathetic indifference on the part of American citizens and newspapers. The bill is an attempt to stop the exploitation of some American children by taking them off the labor market.

The advantage is obvious. It is a sad fact that if there is labor in this country that can be exploited, it will be. If these children can't be exploited, perhaps some reformer, someday, can slip through a bill that will not only insure them the bare necessities of life but some hope for the future.

I quote you: "It's a well-meaning bill. But it would just about wreck many agricultural ventures." If these ventures must exist on the bloated bodies of starving children, they should have been wrecked long ago.

Mr. MORSE. Madam President, to get the other point of view, but, again, the point of view dealing with the problem of the child of the migrant worker, I wish to read, for emphasis, a few paragraphs from the letter. The writer says:

> The editorial maligns a bill to limit the labor of children in agriculture. Passage would stop hiring of children under 12, restrict those between 12 and 14 to work no more than 25 miles from home, and bar employment of children under 16 during school hours.
>
> You're afraid the boy down the street won't get his suntan. The problem is bigger than that.
>
> There are more than 2 million migrant workers in the United States, eking out a bare existence, living in squalor, going hungry more often than not. The death rate among the children—and there are more than 500,000 of them—is twice as high as in any other section of the population.
>
> A few years ago, in the lush San Joaquin Valley, amid abundant cotton, fruit, and vegetable crops, in 3 months 56 children of migratory workers died from what county records show as "malnutrition." They starved.
>
> The situation was described by a well-known organization of farmowners as "quite normal" and "no cause for concern."

The letter goes on to point out some of the other deplorable conditions which have existed in connection with the migrant labor problem. I respectfully point out that the answer is not to deny all children the right to do so-called vacation work.

Our obligation is to make certain that the legislation we pass does not make it possible for any employing group to exploit children the way this writer says happened in the specific instances he discusses in which children were exploited. The answer is not to deny a child the right to pick berries, if he wants to pick berries for a few hours a day, and happens to be the child of a migrant worker. The answer is to see to it that our laws on migratory labor are so drafted, supervised, and enforced as to make certain that such children have proper food; that they have proper health protection; that they have proper housing conditions. To do otherwise seems to me to be like trying to burn down the henhouse because the owner does not want to go in and do the job necessary to take the lice off the roosts.

He can get rid of the lice, but he can also get rid of the economic resources represented by the henhouse; and a similar situation is involved in this case, to a degree.

So let me say to the constituents in my State, as I discuss this matter this afternoon, that I am not advocating or asking for any lifting of the guarantees which we have provided in order to see to it that the families of migratory workers are properly housed in the orchards of Oregon or on the berry farms of Oregon or on any of the other farms which are producing agricultural products for which migratory labor is so important; and, Madam President, I do not retreat in the slightest from my record of many years in support of legislation to protect the health and welfare of migratory workers and their children. This afternoon I am addressing myself only to this limited question: Is it true, as the representations made to us would seem to indicate, that Senate bill 1123 goes too far in the denial of the opportunity to work to a great many youngsters who would not be harmed if they were allowed to work? In my judgment, it does; and I hope the bill will be modified either in the House of Representatives or in conference.

Madam President, I have cited this material because I want my constituents to know the evidence before the Senate on the need for some legislation in this area.

During the course of the Senate floor debate, prior to the passage of the bill, the distinguished Senator from Florida [Mr. Holland], the distinguished Senator from Illinois [Mr. Douglas], the distinguished Senator from Kentucky [Mr. Cooper], and the distinguished Senator from New York [Mr. Javits] had exchanges with the floor leader of the bill, the distinguished Senator from New Jersey [Mr. Williams]. Because of the importance of understanding the Senate action on this bill, I ask unanimous consent that the floor debate of September 1, 1961, preceding the passage of S. 1123 be printed at this point in the Record, in connection with my remarks.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Exemption of Agricultural Employees From Child Labor Provisions

Mr. Mansfield. Mr. President, if Senators will bear with me a few minutes, I move that the Senate proceed to the consideration of Calendar No. 673, S. 1123.

The Presiding Officer. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (S. 1123) to amend section 13(c) of the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such act.

The Presiding Officer. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with an amendment, to strike out all after the enacting clause and insert:

"That section 12 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"'(d)(1) Except as provided in paragraph (2), the employer of any employee under the age of eighteen who is (A) employed in agriculture, and (B) engaged in commerce or in the production of goods for commerce, shall (unless such employee is his own child or a child with respect to whom he stands in the place of a parent) be liable, regardless of fault, in money damages for disability or death of the child arising out of or in the course of such employment. The amount of damages under this subsection shall be arrived at in accordance with the law of the jurisdiction where the disability or death arose. The right of action provided an employee by this subsection shall survive to his parent, or, if he has no parent, to the person standing in place of the parent, or, if there is no such person, to his next of kin (jointly, if there is more than one). Nothing in this subsection shall take away any right or bar any remedy to which an employee is entitled under any other State or Federal law, but no claim may be asserted, or action brought, under this subsection for damages for any disability or death with respect to which a claim has been asserted under any other State or Federal law. No claim based on this subsection may be adjusted, settled, or discharged without the approval of a Federal court or State court of appropriate civil jurisdiction.

"'(2) No claim will lie under this section on account of disability or death of an employee, if a workmen's compensation act of the State where the disability or death arose applied to such employee, and such employee is covered under such act, at the time the disability or death arose, whether or not the circumstances of the particular case are such as to permit recovery under such act.'

"Sec. 2. Section 13(c) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"'(c) The provisions of section 12 relating to child labor (other than subsection (d) thereof) shall not apply with respect to—

"'(1) any employee employed in agriculture outside of school hours for the school district where such employee is living while he is so employed, if such employee is—

"'(A) employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person, or

"'(B) is fourteen years of age or over, or

"'(C) is twelve years of age or over and is employed on a farm within the county of the employee's permanent residence or within an adjoining county, but not more than twenty-five miles from the employee's permanent residence, and the employment is with written consent of his parent or person standing in the place of his parent, or

"'(2) any child employed as an actor or performer in motion pictures or theatrical productions, or in radio or television productions.'

"Sec. 3. The amendments made by this Act shall become effective January 1, 1962."

Mr. Mansfield. Mr. President, this is another of the bills which was postponed for a week, from last Friday. I understand its provisions have been satisfactorily adjusted in consultation with the Senator from Louisiana [Mr. Ellender], the Senator from Florida [Mr. Holland], and other Senators.

The measure relates to the exemption of agricultural employees from the child labor provisions of the Fair Labor Standards Act.

Mr. Williams of New Jersey. Mr. President, the majority leader is correct We spent the past week working on some of the questions raised in the colloquy last Friday, when the bill was discussed at that time.

Grave concern was expressed as to the strict liability provisions in the bill as reported by the committee. It was felt such provisions might cause inequities and create more problems than it would solve.

Out of the discussions, held particularly with the senior Senator from Florida, was evolved an idea for amendments that return to the legislation originally proposed in the bill as introduced in February of this year. Some other changes are in the amendments.

On behalf of myself and the Senator from North Dakota [Mr. Burdick] and the Senator from New York [Mr. Javits] I send to the desk the amendments which express the understanding arrived at with the Senator from Florida.

The Presiding Officer. The question first is on agreeing to the committee amendment in the nature of a substitute.

Mr. Holland. Mr. President, I would suggest that the committee amendments could be agreed to en bloc, with the understanding that we can then deal with the bill as an original measure.

The Presiding Officer. The committee amendment is in the nature of a substitute. If that amendment is agreed to, the bill could not be amended further.

Mr. Holland. Except by unanimous consent, which I am suggesting, so that we could deal with the bill as an original measure. I am perfectly willing to have the Senate go into the discussion in any way my distinguished friend from New Jersey wishes. I was simply trying to simplify the procedure, as I viewed it.

Mr. Williams of New Jersey. Mr. President, I offer the amendments, for myself and the other Senators, as an amendment to the committee amendment in the nature of a substitute.

I ask unanimous consent that the amendments be considered en bloc.

The Presiding Officer. Without objection, the amendments will be considered en bloc. The amendments will be stated for the information of the Senate.

The Legislative Clerk. On page 2, after line 10, it is proposed to strike out:

"That section 12 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"'(d) (1) Except as provided in paragraph (2), the employer of any employee under the age of eighteen who is (A) employed in agriculture, and (B) engaged in commerce or in the production of goods for commerce, shall (unless such employee is his own child or a child with respect to whom he stands in the place of a parent) be liable, regardless of fault, in money damages for disability or death of the child arising out of or in the course of such employment. The amount of damages under this subsection shall be arrived at in accordance with the law of the jurisdiction where the disability or death arose. The right of action provided an employee by this subsection shall survive to his parent, or, if he has no parent, to the person standing in place of the parent, or, if there is no such person, to his next of kin (jointly, if there is more than one). Nothing in this subsection shall take away any right or bar any remedy to which an employee is entitled under any other State or Federal law, but no claim may be asserted, or action brought, under this subsection for damages for any disability or death with respect to which a claim has been asserted under any other State or Federal law. No claim based on this subsection may be adjusted, settled, or discharged without the approval of a Federal court or State court of appropriate civil jurisdiction.

"'(2) No claim will lie under this section on account of disability or death of an employee, if a workmen's compensation act of the State where the disability or death arose applied to such employee, and such employee is covered under such act, at the time the disability or death arose, whether or not the circumstances of the particular case are such as to permit recovery under such act.'"

On page 3, at the beginning of line 20, to strike out "Sec. 2. Section" and insert "That section"; in line 23, after the word "labor", to strike out "(other than subsection (d) thereof)".

On page 3, line 25, after the word "agriculture", insert the following: "(other than employment by an employer who is not the parent or a person standing in the place of the parent of the employee in an occupation which the Secretary of Labor finds and declares to be particularly hazardous for the employment of children up to the age of eighteen years)".

On page 4, line 13, after the word "and" insert "(i)".

On page 4, line 15, after the word "parent" insert the following: "or (ii) his parent or person standing in the place of his parent is also employed on the same farm".

On page 4, line 19, strike out "Sec. 3" and insert in lieu thereof "Sec. 2".

On page 4, line 20, strike out "January" and insert in lieu thereof "July".

Mr. Mansfield. Mr. President, if the amendments are agreeable to the Senator from Louisiana and the Senator from Florida, I suggest they be agreed to en bloc.

Mr. Holland. I am certainly agreeable to that, but I should like to address some questions to the Senator from New Jersey.

I ask the Senator from New Jersey to yield to me so that I may propound some questions.

Mr. Williams of New Jersey. I am happy to yield to my friend from Florida.

Mr. Holland. Do I correctly understand that the amendments as presented, if agreed to, would strike that part of the committee subsitute which would have made agricultural employers of child laborers guarantors of the life and limb of their young employees without any necessity for the showing of any fault, if there were any injury or death sustained.

Mr. Williams of New Jersey. The bill as reported by the committee first provided for absolute or strict liability for any injury arising out of the employment of children.

It also provided that the liability could be discharged through workmen's compensation insurance or other forms.

We felt that probably more questions would be raised than answers would be given by that procedure. The amendments we have offered today strike the strict liability provisions, to which reference has been made.

Mr. Holland. I thank the Senator. I state briefly for the Record that those of us who objected to the provision of the bill as reported, which has been mentioned by the Senator from New Jersey, realized it would have been quite reasonably applicable to the situation in some States in which employer's liability insurance is required of all employers, but it would not have been applicable to the situation in many States in which that requirement does not exist, and it would not have been possible of operation in certain States in which there is no provision for the inclusion of agricultural labor under workmen's compensation laws.

We appreciate the Senator's willingness to change that provision and to return to the other, under which, as I understand it, the Secretary of Labor will be permitted, by regulation, to prescribe those activities in agriculture which are hazardous; and, as to them, the bill would provide certain restrictions. Is that a correct understanding?

Mr. Williams of New Jersey. The bill would provide for the Secretary of Labor to find those occupations which are particularly hazardous, and those would be prohibited as to children covered under the bill. The approach was the original approach in the bill as first introduced. We went to the strict liability in conference with representatives of farm groups. After we had gone to the strict liability, and studied it further, certain problems became apparent. Now we have gone back to the measure which follows the regular industrial child labor findings of the Secretary as to particularly hazardous employment, to prohibit such employment.

Mr. Holland. Is my understanding correct that the amendment would drop certain language which was in the original bill, which would have permitted the Secretary to prescribe regulations covering not only what was particularly hazardous but also what might have affected, in his opinion, the health and general well-being of the children, it being our view that agricultural employment, unless it were particularly hazardous as a result of dangerous mechanisms used or the like, would be more healthful than otherwise for the children?

Mr. WILLIAMS of New Jersey. Yes. We have not included the term "detrimental to health or well-being," but have made the Secretary's finding go to particularly hazardous employment. The Senator from Florida and I have discussed this subject. I thought that with the expression "detrimental to health or well-being" it might well be that an administrator of the program, who may not be knowledgeable of the farm situation, might well think that work after 6 or 7 o'clock at night was not according to the well-being of the child. Those of us who have been close to farms in our lives know that frequently in harvesting fruits and vegetables a farmer cannot even begin until after the dew is off and the crop is dry. Then he must work until the sun sinks low on the horizon.

Mr. HOLLAND. Mr. President, I thank the Senator. I found him peculiarly kindly in his viewpoint toward the problem. It was the attitude of the Senator from Florida, the Senator from Kentucky [Mr. COOPER], the Senator from Louisiana [Mr. ELLENDER], and others, that employment of children in agriculture was very different from the employment of children in industry. Any effort to apply a strict hours rule would be entirely inappropriate, because when the tomatoes are ripe they must be picked. When the strawberries are ripe and the sun is shining they must be picked. If it is raining no one can work. So that any requirement of maximum or particular hours was obviously inapplicable to agriculture, whereas such regulation would be reasonably applicable in ordinary industry.

Mr. WILLIAMS of New Jersey. It is our feeling that we have given the Secretary the legislative equipment needed to prohibit the kind of hazardous employment that would bring youngsters near, for example, very dangerous machinery.

Mr. HOLLAND. For example, in the operation of a tractor, a haymaker, or similar dangerous machinery.

Mr. WILLIAMS of New Jersey. We have had examples of serious injuries and death resulting from the operation of a potato picker.

I agree with the Senator that there can be wholesome work on the farm. I look back with pleasure to pitching hay as a youngster on an Adirondack farm. At the time, it did not seem so much fun, I recall, but in retrospect, it was wholesome and educational, as well as productive work.

Mr. HOLLAND. Mr. President, may I comment that the extremely healthful appearance, the brightness of his eyes, and the general resourcefulness of the Senator from New Jersey may be the result in large part of his training on a farm as a youth.

Mr. WILLIAMS of New Jersey. I am grateful for that description.

Mr. HOLLAND. I understood that there were two additional changes upon which we agreed. Are they covered by the amendment which has been offered?

Mr. WILLIAMS of New Jersey. We permit the work of children 12 and 13 years of age, if the work is on farms in the neighborhood of within 25 miles of their home, with the written consent of their parent, or if their parent is employed on the same farm.

Mr. HOLLAND. In other words, to the provision of the bill as filed, which would require in certain cases written permission is added, as I understand, by the amendment, the provision that if the parent is with the child—which is so customarily the case with migrant workers—that the presence of the parent will serve in lieu of, and as equally satisfactory to, the furnishing of written consent.

Mr. WILLIAMS of New Jersey. The Senator is absolutely correct.

Mr. HOLLAND. There was one other amendment which I understood would also be incorporated in the bill relative to the time of the effectiveness of this part of the measure.

Mr. WILLIAMS of New Jersey. Originally we proposed that the bill become effective January 1, 1962. Realizing that a considerable time will be required to advise the Nation and people affected by the legislation, the effective date would now be July 1, 1962.

Mr. HOLLAND. Mr. President, may I say again that I have found the Senator from New Jersey extremely cooperative, and while I would not want the record even remotely to indicate that I think the child labor provisions are ideally applicable to the employment of children on the farm—and I wish more of them were employed on the farms, for if they were, I think we would have less juvenile delinquency and less lack of health among children—at the same time I think the bill is much more reasonable now than was the reported measure. I think it will be livable. I think that considering the fact that the workmen's compensation laws and other provisions of the law of the various States are so different, and also customs in the various States are so different that the bill will lend itself to the desired purposes much better than the original would have. I wish to thank the Senator for his cooperation in the last week, when he has certainly worked diligently to try to get away from the objections which were voiced on the floor of the Senate last week.

Mr. WILLIAMS of New Jersey. I am very grateful to the senior Senator from Florida for his help and work in connection with this legislation.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a further explanation of the two migratory labor bills we have before us today.

There being no objection, the statements were ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. DOUGLAS. Mr. President, will the Senator yield to answer a question or two?

Mr. WILLIAMS of New Jersey. I yield.

Mr. DOUGLAS. There has been some discussion as to what the bill presents. I wonder if the Senator from New Jersey will summarize briefly what the bill would do so far as the protection of children is concerned.

Mr. WILLIAMS of New Jersey. As the Senator knows, under present law, after school hours a child of any age can work on a farm. There is no restriction at all on child labor in agriculture after school hours.

First, the bill closes, conditionally, the present agricultural child labor exemption respecting outside school hours work. The bill prohibits youngsters up to age 18 from working in any occupation found by the Secretary of Labor to be particularly hazardous. We would bring to bear a prohibition against all child labor for youngsters under 12. In other words, except for the parental exemption case, children below age 12 shall not be employed in agriculture. There is a considerable amount of that today. Accordingly, we do not have to think too long in order to realize the hazards and dangers involved.

Mr. DOUGLAS. May I ask about migratory children. As I understand, a great many States of the Union—perhaps, a majority of the States of the Union—either have no school facilities for such children or have very inadequate schools. In such States what are the provisions of the law with respect to children during school hours when such children, because of lack of facilities, are not able to attend?

Mr. WILLIAMS of New Jersey. The problem is a significant one. It results in two things. In many cases it results in illegal employment of youngsters who have absolutely nothing to do but linger around the camps without supervision because the father and mother quite frequently are working in the fields or the orchards.

As the Senator knows, last week the Senate passed a bill which would bring Federal aid for education of migratory youngsters during regular school periods by granting money to communities who take them into their regular schools. The bill also provided a program of summer schools for those communities who wish to use their idle schools to take in the migrant youngsters who are in the community for a few weeks.

We also have before the Senate Committee on Finance a bill to provide child care. The bill has the warm support of the chairman of the Finance Committee, the very able senior Senator from Virginia who has been most helpful and cooperative in our work on the problem. That program is designed for the preschool youngster. This combined package of educational and day-care measures can well fill the gap in empty lives. If youngsters cannot work, the best place I believe this particular group of youngsters can be is in the school or in the nursery.

Mr. DOUGLAS. That is true. But is it not true that in many States there is no obligation on nonresident children to attend school?

Mr. WILLIAMS of New Jersey. The Senator is correct. There are States that do not require mandatory school attendance of nonresident youngsters in the community. Through the bills I have referred to we hope to stimulate communities to accept their responsibilities in connection with this problem.

Mr. DOUGLAS. I thank the Senator.

Mr. COOPER. Mr. President, I join other Senators in congratulating the Senator from New Jersey on the work he has done to provide protection and better working conditions for minors on our farms. I am glad also that the Senator has taken steps to strike the provision which, if it had been adopted, would have made the farmer an insurer for an injury that might occur to a child even without negligence on the part of the farmer.

I should like to ask the Senator about the language of section 2, pages 3 and 4—for interpretation.

I refer particularly to subsection (A) which reads:

"(A) employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person."

I assume that the phrase "by a person standing in the place of his parent" is meant to embody the legal understanding of the phrase, familiarly referred to a "in loco parentis," as is interpreted in law.

Mr. WILLIAMS of New Jersey. Yes. The Senator is correct.

Mr. COOPER. One who provides for the child living with him, whatever the actual relationship may be, would be included. Is that the intention?

Mr. WILLIAMS of New Jersey. That is the intention and the purpose. I am sure the various States follow the definition of the term "in loco parentis."

Mr. COOPER. I read further: "employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person." Does the term "operated by" include—without excluding other—situations in which a part of the farm is leased, or rented upon shares by an individual, who does not own the farm?

Mr. Williams of New Jersey. It is our purpose to include that situation, where the operation is through tenancy or whatever the legal situation is, short of complete ownership. Where the youngster is close to his parents we feel that he has all the necessary protection, and that he will be properly cared for.

Mr. Cooper. My questions are for legislative history. A person who rents or leases all or a portion of a farm, or contracts to raise a particular crop, as I understand, would be included in the meaning of the word "operation." Is that correct?

Mr. Williams of New Jersey. That is correct.

Mr. Javits. Mr. President, will the Senator yield?

Mr. Williams of New Jersey. I yield.

Mr. Javits. I merely wish to join the Senator from New Jersey, as I have done before. I join him in presenting the amendments, so that there will be no question about the fact that we are together on them. I believe we should understand what this legislation means, and why it was done. The whole country should understand that we are dealing with an area in which there is no regulation or no control of any kind now. This is the first time that something is being done, where in my opinion we are making a practical resolution of a very difficult problem. We saw its difficulties a week ago. Those who might say we should do more about it should realize that this is the first time anything has been done, and we hope it will prove effective. I wish to identify myself with the Senator from New Jersey, as I am the senior Republican on his committee, in putting forward this effort to get something done where nothing has been done up to now.

The Presiding Officer. The question is on agreeing to the amendments to the committee amendments.

The amendments to the committee amendments were agreed to.

The Presiding Officer. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes."

Mr. Javits. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. Williams of New Jersey. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. Mansfield. Mr. President, I wish to compliment the Senator from New Jersey [Mr. Williams] for having five bills dealing with migratory labor passed during this year. That commendation also extends to the distinguished senior Senator from New York [Mr. Javits], the senior minority member of the committee.

While there are points on which all people can agree and disagree so far as this legislation is concerned, it does mark a step in the right direction. Again I wish to say that the Senator from New Jersey and the Senator from New York are entitled to commendation for what they have done.

The Senator from Florida [Mr. Holland] and the Senator from Louisiana [Mr. Ellender] and other Senators are also to be commended for their understanding in trying to work out a reasonable and equitable solution which affects a section of our country.

Mr. Holland. Mr. President, will the Senator yield?

Mr. Mansfield. I yield.

Mr. Holland. The Senator from Kentucky [Mr. Cooper] was equally interested in these matters and was of assistance in working them out.

Mr. Mansfield. I was aware of the fact, but I overlooked it. So I doubly commend the Senator from Kentucky for his interest and activity on behalf of this type of legislation.

"Exhibit 1

"Need for and Explanation of S. 1132

"The bill, S. 1132, would establish a National Advisory Council on Migratory Labor. The purpose of the Council is to provide the national perspective and organization needed in meeting the problems of migratory farm labor.

"The Council would be a citizens' group with a balanced membership giving representation to the major parties concerned with migratory labor. The Council would study the problems of migratory labor and the programs and policies relating to those problems. The Council would advise the President and the Congress on such matters.

"Establishment of the Council is a vitally needed step in meeting the migratory labor problems of the Nation. Although during the past there have been many studies and investigations of the migratory labor situation, these efforts have been too scattered to meet the full range of problems surrounding the migratory farmworker and his family. This failure to act results, in large measure, from faulty communication and fragmented knowledge of these problems. There is still no complete, coherent picture of the migratory labor situation in its national context.

"Although the several groups at work in this area are competent in their individual functions, they cannot provide the overall coordination of effort that is essential to fully effective action. In both the public and private sectors of our society, representatives of organizations concerned with migratory farm labor have pointed out the serious need for a national and independent body to supplement their efforts.

"State migratory labor committees, about 30 in number, simply cannot cope effectively with problems which are predominantly interstate in nature. Federal study and administrative groups have operated at the Federal level but not on a truly national scale. These groups have tended to concentrate on particular problem areas rather than the total pattern of the migratory labor situation. Moreover, many of these groups, being inherently tied to the political process, have, too often, been unable to deal objectively with controversial issues. The many private organizations concerned with migratory labor are not able, even in the aggregate, to provide national perspective and organization.

"The National Advisory Council on Migratory Labor would be able to evaluate and encourage efforts in the public and private sectors. It would not duplicate the work of present groups—indeed, these groups are the strongest supporters of the Council. In short, the Council would stimulate the best thinking of our citizens and help to provide a better understanding of conditions, needs, and long-range solutions relating to migratory labor problems.

"The administration strongly supports this legislation. The bill has also been endorsed by officials of State governments and by private organizations and individuals with special knowledge of problems in this area.

"The need for the legislation is clear: we can no longer neglect the problems facing the migratory worker and his family. I, therefore, hope that this bill will soon become part of our public laws in order that migratory labor problems will receive the objective, systematic, and sustained attention that is essential to feasible solutions.

"Need for and Explanation of S. 1123

"The purpose of the legislation, S. 1123, is to curb harmful child labor which exists today extensively in outside-school-hours agricultural employment. In more than 2 years study of this problem, with my colleagues on the Subcommittee on Migratory Labor, I have become convinced of the vital need for Federal legislation in this area. Only with Federal legislation can we correct the present situation in agricultural child employment, which we know interrupts and retards the educational progress of a large number of children each year, and all too frequently places their very lives in jeopardy in working around dangerous machinery.

"The reason for these conditions is found in the present state of the child labor law. This law—that is, the child-labor provisions of the Fair Labor Standards Act of 1938—presently prohibits children under 16 from engaging in agricultural work during regular school hours; however, there is a complete exemption for agricultural work outside regular school hours. Consequently, during nonschool hours children of any age—even 5, 6, or 7—may work long hours in the fields under the present Federal law.

"As was stated on the floor on Friday of last week, the proponents of the pending legislation do not intend to belabor the humanitarian aspects of this problem. I would, however, cite evidence to show the nature and number of injuries sustained by young children which can be avoided by enactment of this legislation.

"As we strive to reach the most effective remedy to this problem, let us remember that the safety of children is the paramount concern—the elements of convenience or economic gain involved in child labor cannot belie this fact.

"Let us not forget this.

"Let's take a look at what these injuries mean in their totality. A report on the extent of injuries nationally, supplied to the subcommittee by the Public Health Service, estimates that for the period July 1959 through June 1960, 1,981,000 rural farm children under age 17 sustained injuries.

"This estimate includes only persons injured to the extent that they either had to reduce their normal activities or required medical care. The Public Health Service also estimated that 595,000 of these injured children lost time from school, totaling about 3,100,000 schooldays lost. The data supplied by the Public Health Service is included in the Record at this point:

" 'August 20, 1961.

" 'To: Senate Subcommittee on Migratory Labor, Senate Office Building.

" 'From: P. S. Lawrence, D. Sc., Public Health Service.

" 'Subject: Estimates relating to rural farm children under age 17.

" 'The following figures are estimates relating to rural farm children under age 17 (0 to 16 years) in the noninstitutional population of the United States in the year July 1959 through June 1960: population, 8,359,-000; persons injured, 1,981,000; females, 995,-000; males, 986,00; under age 5, 539,000; ages 5 to 16, 1,442,000.

" 'These estimates include only persons injured to the extent that they either had to reduce their normal activities or required medical care. About 1,571,000 of these children aged 0 to 16 required medical care for their injuries. Approximately 700,000 rural farm children were injured in the home or nearby yard. It is estimated that 595,000 of these injured children lost time from school, totaling about 3,100,000 schooldays lost.

" 'The above figures are based upon household interviews which included about 6,500 rural farm children in the sample. Because of the probable error due to sampling we cannot provide figures in greater detail than the magnitudes shown.'

"Here is additional evidence of need for this legislation. It comes from Good Housekeeping magazine, November 1960.

"The Good Housekeeping article cites these reports received by the National Child Labor Committee from ministers, teachers, and parents all over the country who were asked to survey child labor practices in their regions:

"From Lewisburg, Pa.: 'I have seen children as young as 7 working the field alongside adults. They are there at 7 a.m. and as late as 5 p.m., a matter of 10 hours, in the heat and dust of the fields.'

"From Sturgeon Bay, Wis.: 'We provide [summer] day schools for children. * * * We have learned from experience that it is no use preparing for children who are old enough to be in fourth grade because anyone that old or older will be out in the orchards picking cherries.'

"From San Jose, Calif.: 'I am aware of scores of children as young as 4 and 5 who work far too many hours in the hot sun without rest periods * * * sanitary drinking water * * * restrooms * * *.'

"There is a clear, urgent need to correct these conditions. We must stop injuries which maim children, sometimes for life. We must also ease the stifling burden of those who are not injured but who work—in all too many cases—in tasks that are extremely arduous, even for an adult.

"The pending legislation does not affect the present law concerning agricultural work during school hours. The legislation concerns only the current exemption from the Fair Labor Standards Act which allows unlimited child labor in agriculture outside school hours.

"The pending legislation closes this exemption conditionally: it would allow a child to be employed in agricultural work outside of school hours under the following three conditions:

"1. If he is employed by his parents on the home farm; or

"2. If he is 14 years of age or over; or

"3. If he is between 12 and 14 years of age and works within 25 miles of his home with the written consent of his parents or his parent is employed on the same farm.

"Under these provisions, beneficial employment would be encouraged by allowing the child to work on his home farm or on a nearby farm with his parents' permission. Similarly, as expressly stated in the committee report, this legislation would not interfere with the beneficial activities of such organizations as 4-H Clubs, Future Farmers of America, and charitable fresh air funds.

"The administration has strongly recommended the enactment of legislation to protect children employed in agriculture outside regular school hours. In testifying before the Senate Subcommittee on Migratory Labor on April 12, 1961, Secretary of Labor Arthur J. Goldberg summarized the need for legislation on this subject in these terms:

" 'Our records indicate very clearly the strong necessity for a measure of this character. In order to provide for the health, the safety, and the welfare of children, it is necessary that we eliminate the present exemption which permits the employment of children of any age outside of school hours in agriculture.'

"The inadequacies of the present Federal law have resulted in extensive use of child labor in agriculture. According to a special U.S. census survey, it is estimated that 730,000 children 10 to 18 years of age were employed in 1959 as paid workers in agriculture. Of this number, 457,000 were 10 to 15 years of age; more than one-half of this group were 10 to 13 years of age.

"Migratory children, who comprise a significant segment of the children covered by the 1959 special census, are subjected to the most arduous conditions. The most common reason for their employment is the low wage of the breadwinner of the family. Averaging under $1,000 a year, this wage is not sufficient to pay minimum family expenses. Consequently, every available child works.

"We know, however, that child labor in agriculture does not really solve the migrant family's low income problem. Instead, the employment of children has the long-range effect of depressing the general wage level, which further complicates the income problem. The proper goal, then, is to look to the future needs of these children and to help them avoid premature work in the fields. In that way, a large step will have been taken to give them the opportunity for a more worthwhile and productive adult working life.

"The strengthening of the provisions of the child labor law will supplement work currently being done in the area of education and day-care facilities. It will also help bring into focus the needs in related child welfare areas and serve to stimulate State, local, and voluntary efforts to provide necessary facilities and opportunities.

"The fragmentary nature of existing State legislation has failed to provide a meaningful solution to the problems raised by child labor in agriculture. Twenty States have no minimum age for the employment of children in agriculture. Other States have only partial coverage.

"The absence of national action with respect to agricultural employment of children outside of regular school hours continues to endanger the safety, health, and welfare of children engaged in farm labor. I hope the Congress will proceed to correct this deficiency and protect this vital segment of our Nation's youth."

Mr. MORSE. Madam President, that debate was not long; and it will be noted that there was no debate in regard to the particular points I am raising in the course of this speech. I believe it is a fact that at the time when the bill was passed—and it was passed on a voice vote, after a very, very brief presentation in the Senate—the problems which subsequently have arisen in connection with the bill were not taken cognizance of, for the simple reason that at the time we were not then aware of them. But we have now been made aware of them, and I think we now have the responsibility of doing what we can to take necessary corrective action.

As I have stated, the bill is now in the House Rules Committee. If a rule is given it, it will be before the House in the near future. I surmise that it may be modified in some respects prior to House passage. Most legislation, even noncontroversial legislation, is perfected as it passes either body. If this course is followed, then I anticipate that the conference procedure will be invoked.

My remarks are therefore directed to that eventuality. A review of the evidence which I have discussed briefly today leads me to think that it might be possible, in conference, to perfect further the bill in such a manner as to retain the very worthwhile safeguards to the health and safety of farm children, while still not closing the door to useful employment by them.

Madam President, I think it very important to allow youngsters to learn the value of work and money through honest labor. I feel that if more opportunities for honest work for boys and girls are made available throughout our country, it would be a very good thing.

It occurred to me, therefore, that a modification of S. 1123 which would state, in effect, that nothing in the bill shall be construed to prevent a child over the age of 9 years from assisting in handwork harvest of berries, fruits, and vegetables for a period of 6 hours in any workday at times when school is not in session, if the minor has the written consent of his parents or his legal guardian, might be a worthwhile improvement.

Note that I specifically mention handwork. This would preclude the operation of machinery which is the source of most accidents. I also specify a 6-hour limit. This will prevent the fatigue problem which worries the medical men. Note that I specify written consent of the parent. This will assure that parental knowledge and control are maintained. With these safeguards, I feel that the 25-mile-radius limitation might even be modified, since in our country the commuting distance from a small town to a large truck farm or fruit farm is in many instances beyond this distance.

I should think a distance of some 35 miles, but certainly with a 50-mile maximum, could be substituted for the 25-mile-radius limitation.

Madam President, let me say that many persons do not understand the esprit de corps which develops among the youth groups which participate in our farm harvests. They have great recreational programs, even including baseball teams that are formed, and sometimes there is great rivalry between the crew on the Diamond Ranch and the crew on the Pearl Ranch. This is part of the vacation life of hundreds and hundreds of boys and girls, Madam President; and I think we need to consider the totality of the situation before we arbitrarily follow the course of action which I respectfully submit was followed in Senate bill 1123.

Madam President, I have made this statement today because I am concerned to see to it that the honestly held convictions of many, many Oregonians are given the consideration by the Congress which they should receive. I further wished to discuss the matter in order to give fair notice, through the RECORD, that I shall bring this suggestion to the attention of the conference committee on S. 1123.

Madam President, I yield the floor; and I thank the acting majority leader [Mr. SMATHERS] for making it possible for me to make this speech at the beginning of the session today.

EXHIBIT 1

SALEM, OREG.,
July 3, 1962.

DEAR HON. SENATOR WAYNE MORSE: In comment to the discussion on the harvesting of crops in the Willamette Valley by children under 14 years of age I have written this letter.

I am Mary Beth Harris and am 13 years of age. I have picked strawberries for 2 years and beans for 1 year. The money I have earned I have either put in my savings account or spent on my school clothes.

Sincerely,

Mary Beth Harris.

P.S.—I've asked my parents to sign this letter.

Mrs. Mile C. Harris.
Mile C. Harris.

Salem, Oreg.,
July 4, 1962.

Dear Hon. Senator Wayne Morse: The pickers of Mr. Plyler's platoon are learning easier and faster methods of picking beans and berries.

Picking teaches us to be thrifty and industrious at an early age.

We not only have fun out there, but we see our old school friends and make new ones.

When we come home from picking we never run out of spare time for fishing, boating, swimming, bicycle riding, horseback riding, and to work on our hobbies.

Sincerely,

David Harris.

P.S.—I have asked mother and father to sign this, too.

Mile C. Harris.
Ethel Rae Harris.

Salem, Oreg.,
July 4, 1962.

Dear Hon. Senator Morse: I'm a boy of 13 and hold a job as a berrypicker. I've made over $110 last year which has helped me a great deal.

Please tell the other Senators in Washington to not prevent the children of Oregon from enjoying and profiting from picking crops in Oregon.

Sincerely yours,

Bob Plyler.

Salem, Oreg.,
July 4, 1962.

Dear Hon. Senator Morse: I'm a girl of 16 and I've worked picking berries and beans for 5 years. Passing the child labor law could not hurt me now, but I'm thinking of the children this would affect. Picking is the only source of income for the younger boys and girls. Younger kids working like that gain responsibility and a great sense of personal accomplishment.

This year I was fortunate enough to get a job punching tickets in the berry field. My twin brothers are 15 and have a job laying pipes. My other brothers are too young for these jobs now but pick berries to compensate for not being old enough.

Last year I put quite a lot of money into a trust fund and my cousin bought a piece of land.

I'd always enjoyed picking and it was strictly voluntary on my part. Along with earning money children have the companionship of others. Please do what you can to help those which this letter concerns. I don't feel that the children have had enough say in the matter.

Respectfully yours,

Miss Carol Plyler.

P.S.—I've had my father sign on the back.

Roy E. Plyler.

July 3, 1962.

Dear Mr. Morse: I am 13 years of age, and this is my second year of picking. Before I lived in Salem I had nothing to do besides being bored. After I picked berries and beans last year I found out how privileged the kids were that lived in the Willamette Valley to be able to pick. Last year I made $110 in berries and beans. I've already made $90 in berries alone this year.

There are a lot of kids younger than I am that are looking forward to picking. With the money they earn they buy their own school clothes, put money in the bank, and still have some left over for spending money.

I hope that you will do all that you can in your power to prevent this law from passing.

Sincerely yours,

Kathy Kroll.

P.S.—My parents are also against this law; very much so.

Bill Wilkens.
Mrs. Bill Wilkens.

Dear Senator Morse: I was inspired to write this note when our platoon was told by our boss, Mr. Plyler, that kids under 14 may not be able to pick next year because of a law.

If the men in Washington only knew what good this job was they would heartily agree with me, of this I am sure.

This law really won't effect me as I'll be 16 in January, but to many children it means a way to get school clothes, a college education, a car or other things necessary to them. Many make as much as a hundred dollars or more just in the strawberry season.

Another good reason is because of the transient workers that will come in more if this law is passed. Even now every summer you read about people being killed or assaulted by some drunk transient. All these corrupt doings would really harm our city of Salem.

Sincerely,

Karen Kroll.

Parents: Mrs. Bill Wilkens, Bill Wilkens.

Dear Senator Morse: I think this law which is being considered is very wrong. If it is passed the farmers will lose money and the kids which work for them will not have money for school and clothes.

This year I worked in berries and I am going to work in beans. I did this so I can go to my school. The money I earn will go for my tuition and books. This money I earned also gave me spending money for this summer.

I hope that this law will never be passed. For if it is many people will lose work and money.

Sincerely yours,

Chris Wilkens.

P.S.—My parents also agree with me.

Mrs. Bill Wilkens.
Bill Wilkens.

EXECUTIVE SESSION

Mr. SMATHERS. Madam President, I move that the Senate proceed to the consideration of executive business, to consider certain of the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mrs. Neuberger in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

NOMINATION PASSED OVER

The legislative clerk read the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Mr. SMATHERS. Madam President, I ask that this nomination be temporarily passed over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

U.S. PATENT OFFICE

The legislative clerk read the nomination of Manuel C. Rosa, of Virginia, to be an examiner in chief in the U.S. Patent Office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGE

The legislative clerk read the nomination of Louis Rosenberg, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. SMATHERS. Madam President, I ask unanimous consent that the President be immediately notified of these confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. SMATHERS. Madam President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AUTHORIZATION OF APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. SMATHERS. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1593, House bill 11737, the so-called NASA authorization bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities, and for other purposes, which had been reported from the Committee on Aeronautical and Space Sciences, with an amendment to strike out all after the enacting clause and insert:

That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration the sum of $3,749,515,250, as follows:

(a) For "Research, development, and operation", $2,958,278,000.

(b) For "Construction of facilities", $791,237,250, as follows:

(1) Ames Research Center, Moffett Field, California, $14,439,000.

(2) Atlantic Missile Range, Cape Canaveral, Florida, including land acquisition and relocation of inland waterway and bridge, $331,333,000.

(3) Facility planning and design not otherwise provided for, $10,000,000.

(4) Flight Research Center, Edwards, California, $1,807,000.

(5) Goddard Space Flight Center, Greenbelt, Maryland, $23,746,250.

(6) Jet Propulsion Laboratory, Pasadena, California, $10,347,000.

(7) Langley Research Center, Hampton, Virginia, $8,081,000.

(8) Lewis Research Center, Cleveland, Ohio, $44,833,000.

(9) Manned Spacecraft Center, Houston, Texas, $30,755,000.

(10) Marshall Space Flight Center, Huntsville, Alabama, $33,431,500.

(11) Michoud Plant, New Orleans, Louisiana, $18,400,000.

(12) Mississippi Test Facility, Mississippi, $92,500,000.

(13) Nuclear Rocket Development Station, Nevada, $40,000,000.

(14) Various locations, $127,278,750.

(15) Wallops Station, Wallops Island, Virginia, $4,285,750.

(c) Appropriations for "Research, development, and operation" may be used (i) for any items of a capital nature (other than acquisition of land) which may be required for the performance of research and development contracts, and (ii) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research, development, and operation" pursuant to this Act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee notifies the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

(d) When so specified in an appropriation Act any amount appropriated for "Research, development, and operation" and for "Construction of facilities" may remain available without fiscal year limitation.

(e) Appropriations other than "Construction of facilities" may be used, but not to exceed $35,000, for scientific consultations or extraordinary expense upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(f) Until such time as the National Aeronautics and Space Administration shall establish uniform design criteria and construction standards for facilities for which appropriations are authorized pursuant to this Act, the National Aeronautics and Space Administration shall to the fullest extent practicable utilize for such facilities design criteria and construction standards established either by the General Services Administration, the United States Navy Bureau of Yards and Docks, or the United States Army Corps of Engineers.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in subparagraph (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), or (15) of subsection 1(b) may, in the discretion of the Administrator of the National Aeronautics and Space Administration, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work authorized under such subparagraphs shall not exceed a total of $791,237,250.

SEC. 3. Not to exceed 3 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $30,000,000 of the funds appropriated pursuant to subsection 1(b) hereof, shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations until the Administrator or his designee has transmitted to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof, including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest. No such funds may be used for any construction, expansion, or modification if authorization for such construction, expansion, or modification previously has been denied by the Congress.

SEC. 4. The Administrator is hereby authorized to transfer, with the approval of the Bureau of the Budget, funds appropriated pursuant to this Act, to any other agency of the Government whenever the Administrator determines such transfer necessary for the efficient accomplishment of the objectives for which the funds have been appropriated. Not more than $20,000,000 of the funds authorized by this Act may be transferred by the Administrator under this section, and no transfer in excess of $250,000 shall be made under this section unless the Administrator has transmitted to the Committee on Aeronautical and Space Sciences of the Senate and to the Committee on Science and Astronautics of the House of Representatives a written statement concerning the amount and purpose of, and the reason for, such transfer, and (1) each such committee has transmitted to the Administrator written notice to the effect that such committee has no objection to that transfer, or (2) thirty days have passed after the transmittal by the Administrator of such statement to those committees.

SEC. 5. (a) Section 1 of the Act of July 21, 1961 (75 Stat. 216), is amended as follows:

(i) Strike out "$1,784,300,000" in the first sentence, and insert in lieu thereof "$1,855,300,000";

(ii) Strike out "$252,075,000" in subsection (c), and insert in lieu thereof "$323,075,000";

(iii) Strike out "$49,583,000" in paragraph (c)(8), and insert in lieu thereof ", including land acquisition, $104,583,000"; add a new paragraph after paragraph (c)(11) as follows:

"(12) Land acquisition, Mississippi Test Facility, Mississippi, $16,000,000."

(iv) At the end of subsection (c) insert the following new paragraph:

"Real estate acquired by the United States for the use of the National Aeronautics and Space Administration pursuant to this subsection shall remain under the control and jurisdiction of that Administration, unless it is disposed of in accordance with the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended."

(b) Section 2 of the Act of July 21, 1961 (75 Stat. 216, 217), is amended (1) by striking out "or (11)" and inserting in lieu thereof "(11), or (12)", and (2) by striking out "$252,075,000" and inserting in lieu thereof "$323,075,000".

(c) In computing the amounts which may, under the authority of section 3 of the Act of July 21, 1961 (75 Stat. 216, 217), be transferred and/or used for purposes set forth in said section, there may be disregarded any amounts so transferred and/or used for land acquisitions at the Atlantic Missile Range, Cape Canaveral, Florida, and the Mississippi Test Facility, Mississippi, which have been reported to the Congress, in accordance with the provisions of said section, prior to the enactment of this Act.

SEC. 6. Section 203(b) of the National Aeronautics and Space Act of 1958, as amended (72 Stat. 429, 431), is amended by (i) striking out the word "and" where it appears after the semicolon at the end of section 203(b)(12); (ii) striking out the period at the end of section 203(b)(13) and inserting in lieu thereof a semicolon and the word "and"; and (iii) adding at the end thereof the following new paragraph:

"(14) to reimburse, to the extent determined by the Administrator or his designee to be fair and reasonable, the owners and tenants of land and interests in land acquired on or after November 1, 1961, by the United States for use by the Administration by purchase, condemnation, or otherwise for expenses and losses and damages incurred by such owners and tenants as a direct result of moving themselves, their families, and their possessions because of said acquisition. Such reimbursement shall be in addition to, but not in duplication of, any payments that may otherwise be authorized by law to be made to such owners and tenants. The total of any such reimbursement to any owner or tenant shall in no event exceed 25 per centum of the fair value, as determined by the Administrator, of the parcel of land or interest in land to which the reimbursement is related. No payment under this paragraph shall be made unless application therefor, supported by an itemized statement of the expenses, losses, and damages incurred, is submitted to the Administrator within one year from (a) the date upon which the parcel of land or interest in land is to be vacated under agreement with the Government by the owner or tenant or pursuant to law, including but not limited to, an order of a court, or (b) the date upon which the parcel of land or interest in the land involved is vacated, whichever first occurs. The Administrator may perform any and all acts and make such rules and regulations as he deems necessary and proper for the purpose of carrying out this paragraph. All functions performed under this paragraph shall be exempt from the operation of the Act of June 11, 1946, as amended (5 U.S.C. 1001–1011), except as to the requirements of section 3 of said Act. Funds available to the Administration for the acquisition of real property or interests therein shall also be available for carrying out this paragraph".

SEC. 7. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act for the fiscal year 1963".

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

LET'S NOT BE STAMPEDED ON MEDICARE

Mr. BENNETT. Madam President, no bill which Congress will consider this year will have anywhere near the far-reaching effects of the proposal for medical care to the aged through social security. If we abandon the present system, the Kerr-Mills Act, and substitute the Anderson approach, we will be making a permanent and drastic change in the social security program which will affect Americans for generations to come.

I should like to discuss two things today. First is the overall effect of the social security approach. Second is the danger of enacting the Anderson amendment as a result of hasty floor consideration, without giving this highly complex and very controversial amendment the benefit of full committee hearings.

Recently, the Senator from New Mexico [Mr. Anderson] told the Senate—and I am quoting now from the Congressional Record—that "unless favorable action is taken now, health insurance could become a major issue in the fall elections."

I argue with his selection of the word "could." The fact is, social security financing of health care for the aged is a major issue as of this moment, and it will be an issue in the fall elections regardless of what happens to the distinguished Senator's amendment.

If this were not a major issue, it would not be for lack of trying. On no other subject has the administration demonstrated more forcibly its desire to drive—not lead—the Congress.

For months on end, administration officials have shuttled back and forth across the United States, lobbying social security medicine at the taxpayers' expense. Pamphlets have been published on the subject by the Department of Health, Education, and Welfare. Cabinet officials have journeyed throughout the Nation in order to speak at rallies organized to campaign for the King-Anderson bill.

Within the White House itself a special unit of government employees was set up to thump the tubs for the King-Anderson proposal—through television and radio scripts, the drafting of advertisements, and the production of press releases. President Kennedy himself addressed the Nation in support of this legislation from Madison Square Garden.

To this concerted effort must be added the relentless pressure of labor organized campaigns throughout the country, the steady pounding of the labor press and radio stations, the stimulation of letters to Congress, the employment of labor leaders as speakers before King-Anderson rallies, and so on.

PRESSURE ON CONGRESS

All of this campaigning had one purpose: to impress Congress with the political rewards or penalties involved in dealing with this legislation.

Yet, did a groundswell of national support for King-Anderson develop?

I am convinced that it did not, despite the calculated oversimplification, hard sell, distortion, and sometimes untruth developed in this massive public relations campaign. What groundswell developed was, in my view, largely synthetic. I base that appraisal on the mail I have received from my constituents and from the reports I have had from other Senators.

Letters to Congress more often oppose the King-Anderson concept than they support it. Further, when Members of Congress have polled their districts on the subject of using the social security mechanism to provide health care for the aged, their findings have borne out my statement.

Some 52 polls had been reported in the Congressional Record up to and including June 23 of this year. Of these, which included more than 600,000 replies, 33 polls opposed the use of the social security mechanism and 19 favored it.

Breaking this down, 334,339 individuals opposed the use of the social security mechanism; 241,383 favored it; and the remaining 39,502 had no opinion. Stated in percentages, the tabulation shows 54.4 percent opposed: 39.2 percent in favor; and 6.4 percent with no opinion.

Excluding those with no opinion, the percentage in opposition to the use of the social security mechanism would be 58 percent, with those in favor 42 percent.

Madam President, I ask unanimous consent to insert the tabulation of these polls at this point in the Record.

There being no objection, the tabulation was ordered to be printed in the Record, as follows:

The following report of public opinion concerning the use of the social security mechanism to provide health care to the aged is based on polls conducted by Members of Congress in their districts and reported in the Congressional Record during the 87th Congress, up to and including June 23, 1962. Where the Congressman has reported two polls concerning this question, the latest poll has been used. Where the poll has not reported the number of responses received, the information was elicited from the Congressman's office.

Of the 52[1] polls, which included 615,284 responses, in this tabulation, 33 opposed the use of the social security mechanism and 19 favored it—334,399 individuals opposed the use of the social security mechanism, 241,383 favored it, and the remaining 39,502 had no opinion. Stated in percentages, the tabulation showed 54.4 percent opposed the use of the social security mechanism, 39.2 percent favored it, and 6.4 percent had no opinion.

If those with no opinion are excluded, the percentage in opposition to the use of the social security mechanism would be 58 percent. The percentage of those favoring would be 42 percent.

While the results of these polls are in dispute with the recent Gallup poll, they tend to confirm that poll's finding of a reduction in the number of people supporting the President's plan. Of the 10 Congressmen reporting polls in 1961 and 1962, the 1962 poll shows an increase in opposition to the use of the social security mechanism in 8 districts.

Public opinion on the use of the social security mechanism to finance health care for the aged as tabulated from congressional polls during the 87th Cong.

	For	Against	No opinion
1. Alger (Republican), Texas—5th District, Congressional Record, June 14, 1962, p. 10596	1,890	25,760	350
2. Ashbrook (Republican), Ohio—17th District, Congressional Record, vol. 107, pt. 8, p. 10108	2,019	9,718	863
3. Baldwin (Republican), California—6th District, Congressional Record, Mar. 26, 1962, p. 5064	15,609	6,638	1,752
4. Beall (Republican), Maryland—Senator, Congressional Record, May 4, 1962, p. 7815	335	1,608	290
5. Berry (Republican), South Dakota—2d District, Congressional Record, Mar. 15, 1962, p. 4332	1,024	5,376	-------
6. Bolton (Republican), Ohio—22d District, Congressional Record, Mar. 5, 1962, p. 3464	8,295	6,015	690
7. Brademas (Democrat), Indiana—3d District, Congressional Record, May 31, 1962, p. 9561	10,811	7,429	760
8. Bray (Republican), Indiana—7th District, Congressional Record, June 12, 1962, p. 10186	4,200	9,520	280
9. Broyhill (Republican), Virginia—10th District, Congressional Record, Mar. 19, 1962, p. 4539	4,528	10,064	1,408
10. Chamberlain (Republican), Michigan—6th District, Congressional Record, Apr. 11, 1962, p. 6411	7,800	12,200	-------
11. Church (Republican), Illinois—13th District, Congressional Record, May 22, 1962, p. 8962	2,541	7,505	3,200
12. Cohelan (Democrat), California—7th District, Congressional Record, June 20, 1962, p. 11247	10,659	5,338	1,003
13. Collier (Republican), Illinois—10th District, Congressional Record, vol. 107, pt. 6, p. 7265	2,700	5,310	990
14. Conte (Republican), Massachusetts—1st District, Congressional Record, June 12, 1962, p. 10299	817	1,233	500
15. Corbett (Republican), Pennsylvania—29th District, Congressional Record, Mar. 15, 1962, p. 4334	9,856	7,744	-------
16. Derwinski (Republican), Illinois—4th District, Congressional Record, May 14, 1962, p. 8278	7,920	21,780	3,300

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[1] Two polls reported in the Congressional Record are not included in this tabulation.

The question posed by Mr. McDonough, Republican, of the 15th District of California, is such that the support or opposition to the use of the social security mechanism cannot be determined. However, Mr. McDonough interpreted the results as being in opposition.

The question posed by Mr. Avery, Republican, of the First District of Kansas, concerned the financing of medical care by 3 mutually exclusive mechanisms. The largest single vote (44 percent) opposed any Federal participation in health care for the aged.

Public opinion on the use of the social security mechanism to finance health care for the aged as tabulated from congressional polls during the 87th Cong.—Continued

	For	Against	No opinion
17. Devine (Republican), Ohio—12th District, Congressional Record, Mar. 29, 1962, p. 5505	1,352	4,454	511
18. Findley (Republican), Illinois—20th District, Congressional Record, Mar. 28, 1962, p. 5356	3,395	5,607	-------
19. Fisher (Democrat), Texas—21st District, Congressional Record, Apr. 17, 1962, p. 6886	2,799	11,317	882
20. Frelinghuysen (Republican), New Jersey—5th District, Congressional Record, vol. 107, pt. 7, p. 8870	4,240	3,120	640
21. Gathings (Democrat), Arkansas—1st District, Congressional Record, vol. 107, pt. 6, p. 7572	480	960	60
22. Hall (Republican), Missouri—7th District, Congressional Record, Apr. 16, 1962, p. 6736	2,148	8,688	1,164
23. Harvey (Republican), Indiana—10th District, daily Congressional Record, May 3, 1962, p. A3286	456	1,387	72
24. Harvey (Republican), Michigan—8th District, Congressional Record, June 18, 1962, p. 10928	1,407	2,823	1,471
25. Hiestand (Republican), California—21st District, Congressional Record, May 10, 1962, p. 8248	5,400	10,800	1,800
26. Hosmer (Republican), California—18th District, Congressional Record, vol. 107, pt. 9, p. 11343	4,240	3,280	480
27. Kastenmeier (Democrat), Wisconsin—2d District, Congressional Record, Apr. 19, 1962, p. 7110	1,777	1,412	-------
28. Langen (Republican), Minnesota—9th District, Congressional Record, May 2, 1962, p. 7531	2,178	6,435	1,287
29. Latta (Republican), Ohio—5th District, Congressional Record, vol. 107, pt. 8, p. 10896	1,470	5,530	-------
30. MacGregor (Republican), Minnesota—3d District, Congressional Record, Jan 10, 1962, p. 49	4,044	6,072	1,884
31. Martin (Republican), Nebraska—4th District, Congressional Record, vol. 107, pt. 9, p. 11953	2,240	16,200	1,400
32. Mathias (Republican), Maryland—6th District, Congressional Record, June 13, 1962, p. 10462	1,400	2,440	160
33. May (Republican), Washington—4th District, Congressional Record, Feb. 26, 1962, p. 2977	7,204	10,903	1,362
34. Miller, Clem (Democrat), California—1st District, Congressional Record, vol. 107, pt. 16, p. 21691	8,330	7,140	1,530
35. Minshall (Republican), Ohio—23d District, Congressional Record, Apr. 18, 1962, p. 6991	9,960	8,900	1,120
36. Monagan (Democrat), Connecticut—5th District, Congressional Record, Apr. 17, 1962, p. 6883	957	504	334
37. Moorehead (Republican), Ohio—15th District, Congressional Record, June 4, 1962, p. 9624	1,221	3,828	451
38. Ostertag (Republican), New York—39th District, Congressional Record, Apr. 19, 1962, p. 7107	2,673	3,510	515
39. Pelly (Republican), Washington—1st District, Congressional Record, Apr. 11, 1962, p. 6425	4,042	4,423	531
40. Pillion (Republican), New York—42d District, Congressional Record, Apr. 18, 1962, p. 6986	2,774	3,380	-------
41. Pirnie (Republican), New York—34th District, Congressional Record, May 14, 1962, p. 8361	4,623	5,363	1,048
42. Proxmire (Democrat), Wisconsin—Senator, Congressional Record, vol. 107, pt. 15, p. 19965	1,202	798	-------
43. Rogers (Democrat), Florida—6th District, Congressional Record, vol. 107, pt. 6, p. 6994	26,612	21,774	-------
44. Santangelo (Democrat), New York—18th District, Congressional Record, vol. 107, pt. 6, p. 7260	3,700	1,300	-------
45. Schneebeli (Republican), Pennsylvania—17th District, Congressional Record, May 1, 1962, p. 7474	2,200	4,300	3,500
46. Shriver (Republican), Kansas—4th District, Congressional Record, vol. 107, pt. 11, p. 14311	884	1,870	145
47. Stratton (Democrat), New York—32d District, Congressional Record, vol. 107, pt. 10, p. 13134	7,070	2,270	660
48. Toll (Democrat), Pennsylvania—6th District, Congressional Record, June 22, 1962, p. 11441	2,250	672	78
49. Tollefson (Republican), Washington—6th District, Congressional Record, vol. 107, pt. 5, p. 6633	7,488	3,861	351
50. Van Zandt (Republican), Pennsylvania—20th District, Congressional Record, Jan. 23, 1962, p. 811	863	1,731	-------
51. Widnall (Republican), New Jersey—7th District, Congressional Record, vol. 107, pt. 12, p. 16893	7,500	4,500	-------
52. Wilson (Republican), California—30th District, Congressional Record, vol. 107, pt. 15, p. 19578	9,800	9,600	600
Total	241,383	334,399	39,502

Mr. BENNETT. Also, Madam President, I ask unanimous consent to insert the latest Gallup poll entitled "Medicare Support Drops," taken from the Chicago Sun-Times, July 1, 1962.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

KENNEDY MEDICARE SUPPORT DROPS

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N.J.—In the heated fight over medical care for the aged, the last few months have seen a dropoff in public support for the administration's proposed social security financing of such health benefits.

Since March, an increased number of voters have swung over to the belief that such aid for the Nation's older citizens could be better handled privately—through Blue Cross or other forms of voluntary health insurance.

The latest Gallup poll indicates that supporters of the public approach still outnumber those who prefer private financing. But the Nation is much more evenly divided on the issue than it was 3 months ago.

To measure the net impact of the rival efforts made recently by administration forces and by groups like the American Medical Association, Gallup poll reporters repeated a question first asked in March:

"Two different plans are being discussed in Washington for meeting hospital costs for older persons:

"One plan would let each individual decide whether to join Blue Cross or buy some form of voluntary health insurance.

"The other plan would cover persons on social security and would be paid by increasing the social security tax deducted from pay checks.

"Which of these two plans would you prefer?"

In March of this year, a majority backed the social security approach as follows:

	Percent
Social security	55
Private insurance	34
Undecided	11

Today the vote divides as follows:

Social security	48
Private insurance	41
Undecided	11

Further analysis reveals the administration's proposed public financing plan has lost support among both Republicans and Democrats, as well as among independent voters.

Mr. BENNETT. I am not suggesting, Madam President, that the Senate should allow polls to weigh very heavily in its deliberations on any legislative proposal. I am citing those polls taken by Members of Congress and printed in the CONGRESSIONAL RECORD only to show that the bandwagon psychology of the administration has not worked. And the longer this widespread public discussion lasts, the more the administration position loses adherents. The reason for this is simple: The facts of the matter are beginning to shine through the artificially created fog of emotion generated by the administration and its allies from the hierarchy of labor.

REASON FOR BYPASSING COMMITTEES

Why, then, are we urged to rush the Anderson amendment into law? Because this variety of social security legislation is rapidly losing public support and has never attracted congressional support from those who have studied it. And why has this effort been made to circumvent the Senate Finance Committee to prejudge the findings of the House Ways and Means Committee, to usurp the right of the House of Representatives to initiate all tax legislation? Because the supporters of the administration position know that reason, based on facts, would inevitably prevail if the proper procedures for legislating were followed.

Mr. Maurice H. Stans, former Director of the Budget and a highly respected public official, wrote a very pertinent column on the health care for the aged controversy. It is worth reading at this point.

MAURICE STANS ARTICLE

Under the headline "Our Changing Economy—Emotionalism Fogs Medical Care Issue," Mr. Stans wrote in a syndicated column appearing in the Times-Mirror of Los Angeles in late January 1962, and I ask unanimous consent that it may be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR CHANGING ECONOMY—EMOTIONALISM FOGS MEDICAL CARE ISSUE

(By Maurice H. Stans)

President Kennedy has repeated his request to the Congress to write a new law putting medical care for the aged under social security. It is likely to be one of the hottest and least understood issues in the current session.

Ever since medical care for the aged became a political issue early in 1960, it has generated an atomic lot of heat and a minimum of reality. Even today many people wrongly seem to believe the issue is medical care or no medical care. This is the result of another case of undue emotionalism in Washington—a surge of sympathy misdirected toward an excess of government.

There are no facts or figures, of course, as to how many people there are over 65 who need and want medical or hospital care and don't get it. Whatever their number, no one in this enlightened country wants anyone to suffer from that lack. The problem has been, and is, how to find the most sensible way to see that they don't.

We do know some facts. There are nearly 17 million people over 65. A large proportion of them are not medically indigent. Those over 65 account for 9 percent of our total population, and, despite the retirement majority, they still receive 8 percent of all personal incomes.

More than half of those over 65 have coverage under some form of health insurance, and the number is increasing rapidly. Millions more are safeguarded by their own wealth, the resources of their families, and services of local welfare and church agencies. Other millions are assured of present or future benefits by their rights and privileges under veterans' benefit programs. The number without adequate health protection is proportionately small. It will grow even smaller as those now under 65 and holding an even greater degree of coverage of their medical needs move into the over-65 bracket with retirement protection.

KERR-MILLS BILL

Under these conditions, the White House and Secretary Flemming in 1960 developed a plan that would fill the medical gap, whatever it might turn out to be. Under it, the provision of medical and hospital services to all those in need of assistance would be left to local communities. The State would advance the cost, and Washington would pick up 50 to 80 percent of the bill, variable according to the wealth of the States.

Depending on the scope of the benefits covered and the estimates of numbers of beneficiaries, the Federal Government's share would be something over $200 million in the first year of the program and about $400 to $500 million in later years. And it was accepted that under a widespread program like this, these costs would include a fairly substantial amount which would not represent new protection but merely a transfer of responsibility from existing sources to the State and Federal Governments.

With some changes, the Flemming plan was enacted as the Kerr-Mills bill in the 1960 session of the Congress. It is now in operation in 26 States and a dozen others are moving toward it. Unfortunately, the continued agitation for a more expansive plan under social security has slowed up action in some States. But there is no evidence that the present program is inadequate.

NO TEST OF NEED APPLIED

The social security proposal is entirely different in a fundamental way. It applies no test of need and gives everyone over 65, regardless of wealth, income, or other means, the vested right to submit medical and hospital bills to Washington to be paid. The cost would be paid by another increase in social security taxes, already scheduled to rise to 9¼ percent by 1968, to be shared equally by working people of all ages and their employees. The total annual cost of this plan has been estimated to be from $1.5 to $2.5 billion at the start and rising in later years to $5 billion or more.

I have never been able to understand why the social security way would make sense, or why any workingman would support it. It would multiply the tax collections and payments for medical care eightfold, tenfold, only to provide added funds to give to those who didn't need them.

It would, in other words, set up a program that benefited 8 or 10 people for every 1 that needed help. To cite an extreme, it would cover payments to the Fords, Rockefellers, Morgans, Harrimans, and other wealthy individuals over 65. It would mean that working men and women would dig up taxes to cover such expenses for Maurice Stans when he reaches 65 and for millions of others who ought to meet their own bills. It would double the social security bureaucracy, which now has 32,000 employees and a vast forest of electronic machines.

THREE MILLION UNPROTECTED

Despite this, it would fail to protect 3 or 4 million people over 65 who are not eligible for social security. And the program, I feel sure, would not stop at age 65. Let's not deceive ourselves. Within a year or so after it were operative, the drive would begin to lower the age qualification, especially since the taxes would be paid by younger employees, and the pressure could continue until everyone was covered. And certainly the administrators of the funds would have to fix limits and standards on the kind of medical care and hospital services that would qualify.

By degrees we would move into a socialization of medical and hospital practices. I can understand why the medical profession does not want this, and, with the ever-increasing cost experience of Britain and other countries as evidence, we should beware of it here.

Putting medical care for the aged under a mandatory social security program would be the beginning of the largest single step we could take toward government paternalism and the centralized state. If we want to preserve our personal pride, our sense of character and responsibility, our freedom of choice and decentralized government, we ought to oppose this to the fullest. And no one will suffer, because the machinery already in law will take care of everyone who needs help at a lot less cost to the taxpayer.

Mr. BENNETT. I concur with Mr. Stans—the machinery is already in law to take care of everyone who needs help at a lot less cost to the taxpayer. I was privileged to vote, with a majority of the Senate, in favor of the Kerr-Mills law; and it was similarly my privilege to work side by side with the distinguished senior Senator from Oklahoma within the Finance Committee where the Kerr amendment was shaped and written.

Why should not the Kerr-Mills law be given a chance to work?

Let us put aside controversy for the moment and identify one general area of agreement.

Both sides of the aisle have recognized the need to help our older people finance the costs of their health care, and have moved to meet that need.

We may be at odds on method. We are not at odds on the need to act effectively and wisely.

We are not here to create campaign issues but to discuss workable solutions to a human problem. It is my conviction that such workable solutions have already been found through voluntary health insurance, assistance programs, the contributions of individual citizens, and the Kerr-Mills law itself.

To cast these aside without fair trial is to act rashly.

SUMMARY OF KERR-MILLS LAW

Let me summarize the main provisions of the Kerr-Mills law. It made three basic changes in the existing old-age assistance program, which is covered by title I of the Social Security Act. These changes were made in order to encourage the individual States to improve and extend medical services for the aged.

The effect of the Kerr-Mills law was threefold:

First. It increased Federal funds to the States in order to provide medical services for the 2,400,000 older persons covered under the old-age assistance program.

Second. It provided Federal grants-in-aid to States for payment of part or all of the medical services required by aged persons with low income.

Third. It instructed the Secretary of Health, Education, and Welfare to develop guides, or recommend standards, for the use of States in evaluating and improving their programs of medical services for the aged.

In its previous form, title I of the Social Security Act provided Federal funds to the States for medical services to those of the aged determined to be in need by the individual States. In turn, the States gave those needy older people cash to pay for the medical services they required, or made payments to those who supplied the medical care—that is, the physicians, the hospitals, and the nurses.

Such programs varied widely, State by State, under the old law.

The Kerr-Mills law changed this by increasing the extent of Federal participation, thus giving strong encouragement to the States to extend comprehensive medical services covered under the old-age assistance program.

The Kerr-Mills law further provided Federal grants to the States for payment of all or part of the cost of medical services required by those older persons with low incomes.

Participation in this Federal-State program is optional with the States, and each State may determine the extent and character of its own program, including standards of eligibility and range of benefits.

While the Federal Government made funds available to the States for the medical care of those on old-age assistance, prior to passage of the Kerr-Mills law, it limited Federal participation to a stated statutory proportion of average assistance expenditures. The maximum allowed under the old law was $65 per person per month.

The Kerr-Mills law as amended made additional Federal funds available to the States of up to $15 per month in addition to the existing $65 maximum.

The Federal share of the program ranges from 50 to 80 percent, depending on the per capita income of the State, when the State's monthly average payment is over $65. When the State's average monthly payment is under that figure, the Federal share is set at 65 to 80 percent.

The effect of amending title I was to make it clear that the States could extend their existing programs to cover the medically needy. The States were not only given the incentive to establish such programs where they did not then exist, but to extend programs inadequate in coverage and increase the scope of benefits they were then providing.

Finally, the Kerr-Mills law provided that the State standard for determining the need for medical assistance could be broadened substantially under the terms of the law and need not be the same standard as that for determining need for assistance payments.

Here, then, was the structure for helping every aged person in need of help, whether on old-age assistance, on social security, or on neither. So long as a need for medical care existed, the State could move to meet that need within a flexible, adaptable plan.

KERR-MILLS PROVIDED INCENTIVES TO STATES

It goes without saying that the Kerr-Mills law offered great incentive to a number of States with an acute problem of needed medical care for the aged. Prior to its passage, those States with less than the national per capita income had experienced great difficulty in getting such programs underway. But under the new law, it became possible for a low-income State to inaugurate a medical care program for its older people on the financing basis of $1 of State money to $4 of Federal money.

The question arises, How successful has the Kerr-Mills law been thus far?

In less than 2 years, the Kerr-Mills law has made astonishing strides. To the best of my knowledge, it is being implemented as fast as, if not faster than, any previous Federal-State matching program ever devised.

The following have initiated medical care under old-age assistance since Kerr-Mills became law:

Alabama, Alaska, Arizona, Georgia, Kentucky, Mississippi, South Dakota, Texas, Guam, and Puerto Rico. Delaware is also initiating such care, but has not yet set an effective date for the program to begin.

Medical care programs that were already in existence have been expanded in Arkansas, California, Connecticut, Florida, Hawaii, Idaho, Indiana, Iowa, Louisiana, Maine, Maryland, Michigan, Missouri, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, my own State of Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, the District of Columbia, and the Virgin Islands.

Programs have been adopted for the medically indigent under the medical assistance to the aged facet of the program and are now operating in Alabama, Arkansas, California, Connecticut, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, my own State of Utah, Washington, West Virginia, Guam, Puerto Rico, and the Virgin Islands. Vermont's medical assistance to the aged program is expected to be in operation this month. Georgia and Iowa enacted programs in 1961 but have not yet acquired the funds to put those programs in operation.

FORTY-SIX STATES PARTICIPATE

Summing up, 46 States, territories, possessions, and the District of Columbia have now taken advantage of one or both facets of the Kerr-Mills law. Arizona and Delaware, which have now initiated old-age assistance medical care programs, already had excellent assistance programs at the local level which included medical care, so they will build upon a solid base.

I submit, Madam President, that this is not the record of failure. Indeed, it is a record of solid accomplishment.

Essentially, the medical assistance to the aged program is similar to other public assistance programs, but there are several important differences. All public assistance programs have, as their main purpose, the provision of help to a specific group to the degree that such a group needs help. Programs of this sort are administered by the individual States, with Federal financial participation being based on per capita income; and eligibility standards and the amount of help to be given are left to the States themselves.

The major difference between medical assistance to the aged and other public assistance programs is that medical assistance to the aged was set up to provide Federal funds only for medical and ancillary services. The other differences are minor, but worth noting: the provisions prohibiting a set length of residence in the State for eligibility; the provision that residents temporarily absent from the State be taken care of; the requirement that all counties within the State implement the program; and the requirement that both institutional and noninstitutional care be included in the State plan.

Yet potentially, depending upon the degree to which the States use it, the Kerr-Mills medical assistance to the aged program provides a mechanism for financing whatever health services are needed for any person over 65 years of age who cannot pay for them himself.

PLAN IS FLEXIBLE

Most important, the plan is flexible enough to strike a balance between the individual's medical needs and his ability to pay for care—and still not waste tax moneys on the one hand, or destroy the individual's ability to support himself after his treatment has been completed on the other.

As of the moment, some States have set up programs providing a comprehensive range of health services and elastic standards of eligibility under which the cost of services required is weighed against individual income. Other States have comprehensive services but more rigid eligibility requirements. Several States provide relatively few types of services but have set their eligibility regulations more broadly. And there are some States, admittedly, in which eligibility requirements are set stringently and services are likewise limited.

Thus, despite the record of success compiled by Kerr-Mills during its brief period of operation, the program has still not reached its potential. That does not mean, Madam President, that this potential cannot, or will not be achieved—given a little more time, and a little more encouragement.

The latter, let me point out, has been notably lacking.

Let me go further: Concerted efforts have been made to sabotage the program's success.

SABOTAGE OF KERR-MILLS

Ever since Congress passed the Kerr-Mills law, it has been disparaged by the very people who seek to force social security medicine down our throats. They have called medical assistance to the aged a program to pauperize the aged when its purpose and effect have been to prevent pauperization; they have said medical assistance to the aged was unwieldy administratively, while pointing with pride to the bureaucratic nightmare that social security medicine would become; and they have referred to medical assistance to the aged as a pork barrel while rolling out the succession of barrels that would accompany passage of King-Anderson type legislation.

I ask the Senators to consider the degree of success Kerr-Mills would now enjoy if the Department of Health, Education, and Welfare had devoted as much time and energy to its support as the Department has devoted to downgrading the program and hawking the administration-backed substitute?

If I have heard the statement once, I have heard it a hundred times: "The States don't have enough money to match the Federal funds granted under Kerr-Mills."

From this, it must logically follow—or so these people suggest—that the Federal Government can provide the only solution through use of the social security mechanism.

I shall discuss the Anderson amendment in detail a little later, Madam President. For now I would simply like to point out that this amendment does not cover either mental hospitals or tuberculosis hospitals, which constitute the greater part of any State's hospital expenditures and which are supported by tax dollars raised within the State. So much for the plight of the States as the proponents of this legislation seek to alleviate it.

The question arises of why the administration has applied the brakes instead of the accelerator in getting Kerr-Mills into high gear? The answer is plain: The more successful the Kerr-Mills law, the more chances diminish of passing a King-Anderson bill in an atmosphere charged with ersatz panic and bogus emotionalism.

In addition to the campaign against Kerr-Mills, we have also been subjected to a barrage of propaganda to the effect that medical assistance for the aged would be outmoded by passage of some old-age and survivors disability insurance oriented program like the Anderson amendment. And make no mistake about it, the propagandists warned, passage was inevitable—just a matter of time.

Is it any wonder that many States were reluctant to devote State funds to a program which seemed doomed to be superseded? Can the States be blamed for listening to Federal officials who presumably knew what they were talking about?

STATES PROCEED DELIBERATELY

Of course some of the States dragged their feet.

While I do not have the specific information, I understand that authorities in the State of Vermont adopted the Kerr-Mills program and turned the administration of the program over to a State official, saying to him, "From now until the time the legislature again meets, you are personally and solely responsible. You can decide what the benefits will be. You can decide what the qualifications can be. You are free to change your program from day to day or from week to week." That procedure was adopted on the theory that by so doing, when the legislature did meet again, they would have had sufficient experience to write a successful bill.

Other States moved cautiously out of laudable fiscal restraint. Still others regulated their pace to the speed with which information could be gathered on a number of unknown quantities. How many of the aged needed help? What sort of help did they need? It is no wonder that State legislatures, especially those inexperienced in the area of statewide vendor payment medical care programs, proceeded deliberately.

And yet, despite all of these factors, the Kerr-Mills law has moved ahead faster than did the medical vendor plan during a comparable period following its enactment in 1950.

I submit, Madam President, that in view of the pressures against the rapid implementation of the Kerr-Mills law, its success has not only been astonishing but demonstrative of the program's strength.

To those who attack the law because of its alleged administrative shortcomings, I would reply that it is impossible to attack the administrative mechanism at the Federal level without also damning all other Federal grant-in-aid programs. To attack the administrative mechanism at the State level—which was done, by the way, long before many of the States had even decided on what administrative plan they would adopt—is equally ridiculous. This program is no more difficult to administer than any other statewide aid program. I will go further: With all of the flexibility allowed the States under this law, administration should be simpler than that of other public assistance programs.

Can the States afford to implement Kerr-Mills? No, say the proponents of the Anderson amendment. But the States can afford social security medicine. To this spurious argument I can only reply with the old-fashioned observation that all the money spent by the Federal and State Governments comes from the same place—the pocket of that harassed, put-upon, ofttimes forgotten man, the taxpayer.

PAUPER'S OATH ARGUMENT NOT VALID

I should like to comment on what may be the most nonsensical argument used against the Kerr-Mills law and in support of the social security approach. It is the argument against the means test—the "pauper's oath," as it is sometimes called. The "pauper's oath"—always surrounded by quotation marks, whether spoken or written—is "degrading" and carries a "stigma."

These are words of high semantic intensity, chosen carefully to obscure meaning and cause the adrenalin to flow. No one wants to be pauperized, degraded, or stigmatized, Madam President. Therefore, everyone should be in favor of using old-age and survivors disability insurance as a financial mechanism and consigning the Kerr-Mills law to the nethermost regions, along with child labor and the 60-hour week.

I should like to make it clear to the Senators that I am four-square against degradation, unalterably opposed to the pauper's oath, entirely against the imposition of stigma, and perfectly in favor of the means test.

I see no contradiction in that statement.

The means test came into being as a method whereby the people's taxes could be conserved for use where they were most needed. If, in the process of discharging this fiscal responsibility, some few of the States may have set up means tests which affront the individual's pride, there is nothing in the Kerr-Mills law to prevent those States from revising their procedures for determining eligibility for assistance.

It is not the means test itself which is degrading; it is the manner in which the means test is sometimes applied. We are, after all, dispensing tax-supported aid. We must do so based on a knowledge of the applicant's resources and need—or turn every assistance program into a bonfire fed by tax dollars.

Old-age assistance requires a means test for the needy aged who need money to buy food, clothing, and shelter, and who must have medical care provided for them.

Aid to dependent children, aid to the blind, aid to the permanently and totally disabled—all require means tests.

The Public Housing Administration provides low-rent housing for persons of low income, which involves a means test. Similarly, the Secretary of Agriculture must invoke a means test in determining what farmers can obtain financial assistance in building, improving or repairing their farm dwellings and outbuildings.

The school lunch program involves a means test. Veterans' pensions are based on the veteran's annual income—a means test again. Veterans' widows and children receive compensation on the basis of need—a means test.

There has been no outcry that I have ever heard about the means test required for non-service-connected care in Veterans' Administration hospitals.

And is not a means test involved in reducing or withholding payments under old-age and survivors disability insurance to beneficiaries who earn more than a specified amount each year.

For that matter, does not the King-Anderson bill provide a means test by automatically labeling every person over 65 as a medical indigent?

AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. KERR. Madam President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. KERR. Madam President, I ask unanimous consent, without the Senator's losing his right to the floor, that the Senate return to the consideration of the pending business, which is Calendar No. 1593 (H.R. 11737), a bill to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senate resumed consideration of the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

Mr. KERR. Mr. President, I ask unanimous consent to allow Dr. Robert C. Seamans, Jr., Associate Administrator of NASA; Mr. Ralph Ulmer, Director of Facilities Coordination; and Mr. Albert F. Siebert, Director of Office of Administration; all of NASA, to be present on the floor of the Senate to assist during the floor debate on H.R. 11737, the bill to authorize appropriations to the National Aeronautics and Space Administration for the fiscal year 1963.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Without objection, it is so ordered.

Mr. KERR. Mr. President, we have before us H.R. 11737, to authorize appropriations for the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes. H.R. 11737 passed the House by unanimous vote. The measure received unanimous support from the Committee on Aeronautical and Space Sciences after a thorough study of our national program to develop and explore space for peaceful purposes.

The original administration request for NASA for fiscal year 1963 was $3,787,276,000. After a thorough review by the House Committee on Science and Astronautics, the House recommended a net reduction in the amount of $116,114,000. The Senate Space Committee, after a careful review of the NASA budget, agreed substantially with the recommendations of the House. Subsequent to the action by the House, a new request for $32 million to acquire nearly 15,000 additional acres of land at Cape Canaveral was made to the Senate. That request was made by the Bureau of the Budget, by the NASA administration, and by the Department of Defense. While the Senate recommended a reduction of $60,760,750 in the budget requested, it agreed to the additional $32 million request and $1 million for a high energy fuel program, resulting in a total reduction of $37,760,750 in the administration's budget. In addition, the bill contains a supplemental request for fiscal year 1962 in the amount of $71 million. This request was approved by both the House and Senate committees. It was approved by the Senate committee last year and passed by the Senate last year, and was pending in the House. They requested it be put into the general authorization bill, rather than acting on the bill which the Senate had passed.

I would now like to review briefly the House committee's budget adjustments and the related action taken by our committee. The reductions involved two areas: The first, research, development, and operation; and the second, construction of facilities. In view of the fact that the specifics are set forth in the report of the committee and are available to each

Senator, I ask unanimous consent that there may appear in the RECORD at this point the details on the amounts contained in the bill and of the action taken by the committee in the reductions and additions as heretofore specified.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RESEARCH, DEVELOPMENT, AND OPERATION

The House committee reduced the NASA's budget request of $2,968,278,000 for research, development, and operation by $33,616,250. These reductions would affect Project Mercury, the scientific satellite program, and the lunar and planetary program. With the exception of a reduction in Project Prospector, we did not agree with the House committee's recommendations.

Project Mercury: Specifically, the House recommended a $1 million reduction in Project Mercury on the base that all of the three remaining Mercury capsules would not be launched. Since the House action, we have had the successful three-orbit Mercury flight of Comdr. Scott Carpenter. NASA's present plans call for using the remaining Mercuries in six-orbit flights. We do not agree that this vital program should be curtailed. Thus, a reduction in funding for the Mercury project is not indorsed.

Scientific satellites: The House committee recommended a level of effort reduction of $8,758,250 in the scientific satellite program. This has been a very successful program and has put our Nation in a leading position in the space sciences. The NASA has testified that they are operating on a very tight budget in this area and that a reduction in funds would result in curtailment of the program. We do not wish to see this program reduced in scope or extended in time. Thus, we do not support the position of the House with regard to reducing program funds.

Lunar and planetary program: In the lunar and planetary program the House committee recommended a general level of effort reduction of $23,558,000 and a specific elimination of Project Prospector. We believe that the general program is of extreme importance to the Nation from scientific as well as from manned lunar landing program considerations. Further, we believe that the program is operating with a tight budget, a budget that does not allow for contingencies in a difficult program. On this basis we do not recommend a reduction in the general program. The Prospector Project is another matter. Although the Prospector concept may prove to be an important element in our scientific exploration of the moon and become important to the manned lunar landing program, we do not believe it has progressed far enough to require $10,400,000 in fiscal year 1963 to support its development. We recommend it be the subject of continued in-house study, at a level of about $400,000, to define the details of its mission or missions and its configuration.

CONSTRUCTION OF FACILITIES

NASA requested $818,998,000 for construction of facilities for fiscal year 1963. The House reduced this amount by $82,797,750. Your committee agrees with some of the House's actions and recommends a reduction in the requested budget of $60,760,750. In addition the committee recommends approval of a new NASA request, approved by the Bureau of the Budget, for $32 million for the acquisition of additional land at Cape Canaveral and the addition of $1 million for high energy fuels facility. This results in a net reduction of $27,760,750 in the construction of facilities budget.

The major reduction actions taken by the House involve the following:

Nova launch complex, AMR	−$60,630,000
Advanced Saturn complex, AMR	−3,000,000
Facility planning and design	−5,000,000
Nova stage test facilities, MTF	−12,000,000
Johannesburg antenna facility	−298,500
Woomera antenna facility	−298,500
Far East station data acquisition facility	−1,940,000

Our committee agreed only with the reduction in the Nova launch complex at AMR. I will discuss this item and the others shortly.

As noted in the report of our committee, we agreed with the House on their other reduction in budget estimates under "Construction of Facilities." These reductions total $130,750 and represent a 5-percent reduction in the requested budget. The committee believes as does the House that this is a reasonable economy that can be effected in the preparation of sites, utility installation, and construction at certain sites. The following sites are involved:

Goddard Space Flight Center	−$33,750
Jet Propulsion Laboratory	−13,000
Langley Research Center	−11,000
Marshall Space Flight Center	−5,500
Various locations	−53,250
Wallops station	−14,250

Nova launch complex: Construction of facility funds for the Nova launch complex were deleted from the budget by the House on the assumption that construction would not begin this fiscal year. In reviewing this matter with the NASA it was evident that a considerable amount of preliminary work would be required, acquisition of land, preparation of the site, and facility design; before actual construction could begin. We therefore concur with the House action. The removal of $60,630,000 from the item leaves $18,870,000 for preliminary work on this large complex.

Advanced Saturn complex, AMR: The budget request for the Advanced Saturn complex at AMR was reduced by the House by $3 million. We do not concur with this reduction. The House took its action on the basis that the NASA includes in its cost estimate for this facility the cost of the most expensive launch vehicle transfer system it has under study. This transfer system will take an assembled launch vehicle from an assembly building to the launch stand. Two transport techniques are under study now, a rail system and a canal system. The rail system appears to be the most expensive system. We do not believe that we should force a technical decision in this critical facility by the elimination of funds. Thus, we do not concur with the action of the House on this item.

Facility planning and design: The House reduced the budget for facility planning and design by $5 million. Their action was taken with the thought that the NASA's reprograming authority could be used to satisfy this requirement. We do not agree with this philosophy. In an expanding program with no room for contingencies, it does not appear practical to depend on unknown sources of funds for basic program needs. We believe the funds requested are essential to the timely, effective conduct of the NASA's programs.

Nova stage test facilities, Mississippi test facility: The NASA request for funds for construction of a Nova stage test facility at the Mississippi test facility was reduced by $12 million by the House. This reduction was predicated on the thought that the situation at Mississippi test facility was analogous to that at AMR; the prerequisite preliminary work could not be completed in time for the start of construction in fiscal year 1963. Actually the situation is not the same at the two sites. The land at Mississippi test facility should be in the control of the Government by August of this year. The facilities to be constructed are static test stands. Although they will be larger than any this country has built before their design is based on available technology. A reduction of funds for this facility will serve to delay the development and use of this important test site. We recommend that the Senate endorse the budget requested for this facility.

Johannesburg and Woomera antenna facilities: The total reduction of $597,000 for facilities at these stations, by the House, was based on the thought that a firm design does not exist and thus detailed cost estimates could not be made. It has been determined that the NASA does have firm designs for these stations and a full appreciation for the funds required. The designs for the existing stations in South Africa and Australia are to be used in the design of the facilities to be established at Johannesburg and Woomera. It is felt that a reduction in funding for these stations would delay their completion and reduce the support needed by the expanding space science and application satellite programs.

Far East station and data acquisition facility: On the premise that the NASA had not selected a site for the Far East station and thus was not in a position to define facility costs, the House reduced the requested budget stations in existence or under construction. These stations are in the Western Hemisphere. Experience indicates that all these stations have or will cost in excess of $5 million. Based on this experience, we feel the NASA has been realistic in establishing the cost of Far East stations at an estimate of $6 million, especially in view of additional costs for such items as shipping, skilled labor, redundancy of equipment, and the installation of reliable ground communication ties to the United States. Thus, your committee does not recommend a reduction in construction of facilities funds for the Far East station.

I would like to call your attention to two special items; first, additional funds for construction of a high-energy fuel test facility—an item not requested in the NASA budget—and second, a request for additional funds to acquire 15,000 acres of land adjacent to the north of the planned facilities at Cape Canaveral.

With respect to the construction of a high-energy fuel test facility, the House in recognition of the desirability of conducting additional studies in this area provided $500,000 for such construction at the Mississippi test facility. As we noted in our report, this committee agrees that additional work should be done in the area of high-energy fuel for the upper stages of launch vehicles and proposes that another $500,000 be made available for sudies in the area of high-energy fuels. In view of the fact that the work is of a research nature the committee felt that this facility should be located at a research laboratory. Consequently, the location of this authority was moved from Mississippi test facility to the Lewis Research Center in Cleveland, Ohio.

As I mentioned in my opening remarks, the NASA presented to the committee a new requirement for additional funds for land at Cape Canaveral. Your committee concurred on this requirement. As you know this matter has been coordinated with the Department of Defense and the Bureau of the Budget. The land to be acquired will permit the NASA reserve for site expansion, adequate safety zone between the launch operation and inhabited areas for the planned lunar program and future space programs requiring large launch vehicles.

I should also like to mention the proposed NASA Space Radiation Effects Laboratory. This Laboratory will contribute greatly to the design of future spacecraft in determining the structure required to protect against the hazards of radiation in space. The Laboratory will be located near the Langley Research Center at Langley Field, Va.

The NASA site selection committee has met and after reviewing a number of possible sites has recommended that the Laboratory be built on an existing piece of Government-owned land approximately halfway between Langley Field and Williamsburg, Va. On the basis of this recommendation NASA headquarters is preparing to coordinate the land transfer and preparation of necessary documents. The transfer is being coordinated with the other Government agencies involved, the U.S. Air Force, the General Services Administration, and the Department of Health, Education, and Welfare.

Final NASA headquarters approval is expected to be forthcoming as soon as the land transfer has been cleared and congressional approval received.

In summary, our committee recommends a reduction in the NASA fiscal year 1963 research, development, and operation program budget request of $10 million. The recommended reduction in the requested construction of facilities budget is $60,760,750. We recommend also construction of facilities budget additions of $32 million for new land acquisition at Cape Canaveral and $1 million for high-energy fuel test facilities at the Lewis Research Center. Thus, the total recommended reduction in the NASA's fiscal year 1963 budget is $37,760,750.

This action will allow the NASA a budget of $3,749,515,250 for fiscal year 1963. We believe that the NASA can support effectively its fiscal year 1963 program with this funding.

Mr. KERR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 19, after line 23, insert the following new section:

SEC. 7. Section 201(f) of the National Aeronautics and Space Act of 1958 is amended by adding at the end thereof the following new sentence:

"Other provisions of law or regulations relating to government employment (except those relating to pay and retirement) shall apply to council employees reporting directly to the chairman to the extent that such provisions are applicable to employees in the office of the Vice President."

Renumber the succeeding section accordingly.

Mr. KERR. Mr. President, the amendment has been submitted to and agreed to by the minority leader and other Senators on his side of the aisle; by the chairman of the Aeronautical and Space Sciences Committee and other members of that committee; and by Members of the Senate on this side of the aisle. I ask that it may be favorably considered.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

Mr. KERR. I ask unanimous consent that the bill as amended be favorably considered by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended, in the nature of a substitute.

Mr. DIRKSEN. Mr. President, I have tried to confer with the minority members of the Aeronautics and Space Sciences Committee. I believe the bill has their unqualified support.

Mr. KERR. The bill had the unanimous agreement of the Republican members of the committee. One of the members suggested that in the event an effort were made by others to amend the bill with reference to the total amount of the authorization, he would reserve the right to make up his mind as to his position on such amendment, but that the reporting of the bill unanimously by the committee had his approval.

Mr. DIRKSEN. I merely wish to observe that this is an astronomical sum we are dealing with. I am sure that, since this is an authorization bill, the appropriation requests will receive further scrutiny at the proper time by the Committee on Appropriations of the Senate.

Mr. KERR. Mr. President, I am advised that a Member of the Senate wishes to make some remarks on the bill. Therefore, in order to obtain a little time for him to arrive in the Chamber, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR. Mr. President, I ask unanimous consent that the Senator from Utah [Mr. BENNETT] be recognized to finish his remarks which he so graciously interrupted to permit us to return to a consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

OTHER EXAMPLES AVAILABLE

Mr. BENNETT. Mr. President, I could go on indefinitely with other examples—like the programs to provide assistance to old, disabled, or indigent Indians; like our surplus food programs; like our maternal and child health services; like our programs for crippled children; like our National Defense Education Act loan program, under which student loans are granted on the basis of need.

I believe, however, that I have made my point: in government or in private life, we help those who need our help—and neither give nor force our tax or philanthropic dollars on those who are not in need of them.

There is another reason why I favor the Kerr-Mills law and find it sound.

The funds for this program are derived from general revenue, to which the entire taxpaying population contributes according to its ability to pay. Contrast this with the payroll tax called for under the Anderson amendment and similar proposals. Under such a social security taxing mechanism, according to the Department of Health, Education, and Welfare, some 40 percent of the national income would make no contribution to the fund.

In other words, the burden would fall heaviest upon those taxpayers earning $5,200 or less a year; and a man earning $5,200 a year would pay the same tax as a man earning $52,000 a year. To compound that inequity, the health services provided in the amendment would be furnished to the elderly with no consideration given to their ability to pay for them. Millions of older people can pay the costs of their health care and are doing so now in a wide variety of ways. Why, then, should younger workers assume this unneeded burden? Why should young families, during the period of maximum expense when there are mortgages to meet, children to clothe and feed, insurance to keep up, college educations to be financed, savings to be accumulated, assume the expense of health care for millions of older people who do not want it and have not asked for it?

THE PRESENT SOCIAL SECURITY DILEMMA

Mr. President, the social security program already faces some very serious problems, resulting from the built-in imbalance in the system. U.S. News & World Report for July 2, 1962, had an excellent article pointing out some of the inequities of the present system and some of the fiscal problems facing the social security system.

As pointed out in this article, the social security commitment for today's workers is $624 billion. The fund now has only $22 billion. Taxes paid in by present workers and their employers will total an estimated $282 billion. This leaves a gap of $320 billion which must come from somewhere; and the only place it can come from is the social security taxes paid by the children and grandchildren of present-day workers.

In other words, social security is a real bargain for those who are receiving benefits today; but in a few years every worker will be paying in much more than he can expect to get out, in order to pay for the benefits being paid out today.

If that is not the case, we will go on stretching the burden further and further into future generations. This situation is a result of the unwillingness of Congress to keep the social security program fiscally sound. Congress has been too willing to buy votes by making changes in social security benefits which just were not financially feasible.

We must not compound the mistakes of the past by making similar mistakes today. Those who say that participation in the social security medical care program will establish a right based upon the money the participant has paid in are misleading the public. The benefits will bear no more relationship to participation than is the case with the present system, and we will be saddling our future generations with a terrible burden, one which may threaten the destruction of the social security system itself.

It is unthinkable that Congress would approve so unsound a program when a far more equitable system—the Kerr-Mills law—already is in existence.

Mr. President, because the U.S. News & World Report article is so significant, I ask unanimous consent that it be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BENNETT. Mr. President, we in Utah have had MAA since our State legislature passed the public assistance act of 1961. Our State department of public welfare initiated the program nearly a year ago to the day—on July 1, 1961.

The legislation passed in Utah allowed the department of public welfare to exercise its discretion in establishing rules and regulations pertaining to eligibility and the expenditure of funds in accordance with the Federal program.

Rather than to leap blindly into a new plan with which we had no previous experience, we in Utah launched our MAA program on a relatively modest basis. Benefits were limited to physicians' and hospital services, and eligibility was restricted to State residents over 65 with limited resources.

How limited could those resources be?

We set the net value of liquid assets at $1,000 or less for a single applicant, or $2,000 for a couple or family. We set the net value of other personal or real property at $10,000 or less, not including a home owned and occupied, or a necessary automobile. We set the amount of net income at $110 a month for single applicants and $170 a month for married couples.

It was further provided that the recipient would have to pay the first $20 per quarter or 90-day benefit period for any physician's services, and the first $50 for inpatient hospital admission. The department then undertook to pay all amounts in excess of these deductible factors.

In other words, Utah designed its program to take care of major medical or catastrophic medical expenses.

Now all of this sounds like a very modest start. But as experience was developed with the program, we broadened our benefits.

By December 1, 1961, the public welfare commission had authorized the payment of nursing home care under MAA, and the payment of drug bills up to $15 a month for individuals in nursing homes.

By April 1, 1962, we had eliminated the $20 deductible for physicians' services.

And as time went on, we also discovered that our administrative costs were running far less than anticipated. MAA is now 1 year old in Utah.

Let me now read to the Senate, with considerable pride, this recent report of further progress. It appeared in the Deseret News of June 1.

STATE PLANS TO TRIPLE AID TO AGED—MEDICAL PROGRAM TO EASE ELIGIBILITY, BOOST OUTLAY

(By Clarence Barker)

The joint State-Federal program of providing medical assistance to the aged (MAA) in Utah will be accelerated by approximately three times its present cost, beginning July 1.

Ward C. Holbrook, State welfare commission chairman, announced Friday that the payments, after that date, will be liberalized and eligibility requirements will be lowered.

The MAA program is intended primarily to aid persons over 65 years of age who are unable to qualify for old-age assistance (OAA) because of their incomes, but who are still unable to pay for adequate medical service.

AMA ENDORSEMENT

The program is endorsed by the American Medical Association and other groups.

Utah is one of 27 States which enacted legislation to implement the Federal program.

"Although the Utah program has been in operation since last July, relatively few of our estimated 65,000 persons over 65 have taken advantage of it," Mr. Holbrook said.

During the 10 months, which ended April 30, only $400,000 in State and Federal funds had been spent on the program.

The liberalized program to begin July 1 will increase costs approximately three times.

TRANSFERRED TO MAA

In recent months, needy aged persons in nursing homes, which are qualified to give medical services, have been transferred from old-age assistance to MAA, thus relieving a stringency in OAA.

Changes in the program will be as follows:

Persons over 65 with monthly incomes of less than $125 per person or $200 per couple may qualify. The previous ceilings were $110 and $170 respectively.

Deductible factors requiring those receiving help to pay the first $20 of doctors' fees and the first $50 of hospital costs will be eliminated. This means that persons qualifying will not have to pay any portion of the costs of doctors' services or hospitalization.

OTHER FUNDS

The welfare department will pay for needed drugs up to a maximum of $15 a month and for dental care and eye care, including purchase of glasses and dentures.

Mr. Holbrook said the 1961 legislature appropriated $1.25 million for MAA which made available $2.3 million Federal matching money, for a total of $3.55 million State and Federal money.

The program as now planned will cost $2.4 million for the 2-year period, ending June 30, 1963.

In other words, Mr. President, there is still opportunity for further liberalization.

I have only one further comment to make on the Utah experience, Mr. President.

MANY STATES MAKE HASTE SLOWLY

It indicates to me that many States are, like Utah, making haste slowly. If our experience is significant, and I suspect it is, the financial need and ill health of the aged have been violently exaggerated. Of the estimated 65,000 persons eligible for help under Utah's MAA program, relatively few have taken advantage of that help. It is my conviction that there can be only one major reason for this: Most of those 65,000 people are self-sustaining until serious illness strikes. When that happens, Utah stands ready to help. But for the great majority of our older people, the need for help arises less often than the Nation has been led to believe by those who support social security health care.

One of the main reasons for this is the increasing ability of private health insurance to cushion the financial shock of illness.

It is a longstanding principle, Mr. President, that government should act only when private resources and initiative have failed to meet a public need. It is therefore germane, at this point, to inquire how well private resources are doing.

The answer is reassuring. As of the middle of last year, 53 percent of all persons 65 and over were protected by some form of voluntary health insurance. I realize that some will immediately respond to this figure by pointing out that 47 percent are therefore without insurance protection—for, while the optimist will say the bottle is half full, the pessimist will say the bottle is half empty.

But the fact that 53 percent of the aged have health insurance has more meaning than this figure alone would suggest. We must think of that figure in terms of the growth it represents. The truth is that the amount of health insurance owned by the aged is growing at a faster rate than the rate at which the insurance owned by the population as a whole is growing. This can readily be appreciated when it is remembered that only 26 percent of persons 65 or over had health insurance of any kind in March of 1952. By contrast, 59 percent of persons of all ages were covered as of 1952, while 74 percent, or more than 135 million people, were covered as of the end of 1961.

This means, then, that while coverage for the number of persons of all ages rose 15 percent from 1952 to 1961, coverage for our aged citizens showed an amazing jump of more than 50 percent. And while the percentage figure has doubled, the number of persons covered has tripled—from 3 to 9 millions.

Furthermore, some 25 to 30 percent of the aged are not in the market for health insurance because their health care is provided through old-age assistance programs that predate the Kerr-Mills bill. We can therefore conclude—with considerable safety—that 70 percent of the aged who want voluntary and Government health insurance now have it.

PERCENTAGE WITH INSURANCE INCREASING

We can also conclude that this percentage will increase in the years ahead. The Health Insurance Institute of America estimates that by the end of 1965, 80 percent of the aged needing and wanting protection will be insured. The figure is expected to climb up to 90 percent by 1970.

Why, then, is it sensible to adopt such permanent methods as the Anderson amendment to a problem which is temporary in nature? Again, I must reply that the unseemly haste with which we are urged to pass such legislation—lest it become an issue in the fall election, to quote the distinguished junior Senator from New Mexico—is because if this measure is not passed soon, any justification for its consideration will evaporate before its proponents' eyes.

The extent of the growth of voluntary insurance and its availability to the aged at a reasonable cost are borne out by a recent publication of the Health Insurance Institute, entitled "Guaranteed Lifetime Health Insurance: For Persons Over 65; For Persons Under 65."

This report shows that more than 80 insurance companies are now providing a total of 157 health insurance plans and policies for persons in or near retirement.

RECENT DEVELOPMENTS

Furthermore, Mr. President, some of the recent developments in the health insurance field are well worth noting:

First. There are now mass enrollment programs under which guaranteed renewable coverage is offered to anyone 65 or over, regardless of his present or past condition of health. Almost a million aged persons have enrolled in these programs within the past 3 years.

Second. Many companies are now offering guaranteed renewable policies to those over age 65, with benefits as high as $10,000 and coverage for in and out of hospital expenses—including the costs of physicians, drugs, and private-duty nurses.

Third. Those now retired are eligible to enroll in group plans. An example of this is the group plan issued to the American Association of Retired Persons.

Fourth. The Connecticut age 65 plan breaks new ground. It is issued by a group of insurance companies under special State legislation actively supported by the companies involved. Two coverages are available, the higher providing $10,000 maximum major medical benefits. Enrollment is open to all, regardless of past or present health status. It is significant that other States have passed, or are now considering, bills of a similar nature.

Fifth. Increasingly, group health insurance plans are being written or broadened to continue coverage after retirement. Often the employer pays part or all of the cost of the retiree's benefits under these group programs.

Sixth. A nationwide Blue Shield program of surgical and medical care benefits has been developed for all persons over age 65, at an estimated cost of about $3 a month a person.

The important thing is that voluntary health insurance is contributing solutions to the problem of cushioning our aged population against the financial shocks of health care. The health insurance industry is a dynamic, creative partner of the Federal and State Governments; and it is developing the answers within the free-enterprise system.

A byproduct of the great strides being made by the insurance industry is, perhaps, even more important in terms of the future. I am speaking, Mr. President, of the ever-increasing number of Ameircans who will own adequate health policies when they move into the retirement years.

HEALTH INSURANCE PROGRESS

To give the Senate an idea of how vast the Nation's progress in the health insurance field is, I ask unanimous consent to have printed in the Record at this point an article from the Health Insurance News of June 1962.

There being no objection, the article was ordered to be printed in the Record, as follows:

More Than 135 Million Persons Have Health Insurance; Benefit Payments Topped $6.3 Billion in 1961

More than 135 million Americans—74 percent of the civilian population—had some form of health insurance at the end of 1961, the Health Insurance Council said today in reporting on its 16th annual survey of the extent of voluntary health insurance coverage in the United States. The survey is based on reports from insurance companies, Blue Cross-Blue Shield, and other health care plans.

The council said both the number of persons covered, and the amount of benefits paid by health insurance reached new highs last year. Coverage increased 3.1 million during 1961 to reach a total of 135,042,000.

Benefit payments by all health insuring organizations to help cover the cost of hospital, surgical and medical care amounted in 1961 to more than $5.4 billion, up $600 million over 1960, said the council. In addition, persons with loss-of-income policies received $855 million in benefits from insurance companies to replace income lost through disability.

Thus, a grand total of $6,329 million in health insurance benefits were distributed during 1961, up 11.3 percent over 1960, said the council.

The HIC, a federation of eight insurance associations, said that based on early trends for 1962 it estimated that as of June 1, 1962, some 136 million persons had hospital expense insurance, 126 million had surgical expense insurance, 94 million had regular medical expense insurance, 36 million had major medical expense insurance, and 43.5 million were insured against loss of income, or had some other formal sick leave pay arrangement.

The council said these figures also revealed the breadth of health insurance protection which Americans have. The organization said that as of June 1, 93 percent of persons with health insurance had both hospital and surgical expense insurance, and 69 percent had hospital, surgical and regular medical expense insurance, the last of which helps pay for doctor visits for nonsurgical care. Five years ago, the figures were, respectively, 88 and 58 percent, said the council.

COVERAGE DETAILS

A breakdown of the number of persons with health insurance at the end of 1961, by type of coverage and type of insuring organization, is as follows:

Hospital expense insurance was provided by insurance companies to 81,369,000 persons; by Blue Cross-Blue Shield and similar groups to 58,797,000, and by other health care plans to 5,675,000. After deducting persons protected by more than one type of insuring organization, the council reported that 135,042,000 persons had hospital insurance, a 2.3 percent increase over the 131,962,000 persons so covered at the end of 1960.

Surgical expense insurance by insurance companies covered 78,861,000 persons; by Blue Cross-Blue Shield and similar groups 50,120,000, and by others 6,803,000. Allowing for duplication, 125,297,000 persons had surgical insurance, a 3.5 percent boost over the 121,045,000 persons of 1960.

Regular medical expense insurance accounted for 46,190,000 persons through Blue Cross-Blue Shield and similar groups; 44,399,000 through insurance company programs, and 7,007,000 through other plans for a total, eliminating duplications, of 92,633,000 persons, a 5.8-percent climb over the 87,541,000 persons in 1960.

Major medical expense insurance coverage through insurance company programs increased 24.4 percent, from 27,448,000 to 34,138,000 persons. Major medical insurance is designed to help absorb the cost of serious illnesses, and pays benefits up to $10,000, $15,000, or more for all areas of care prescribed by a physician.

Loss of income found 32,055,000 persons covered by insurance company policies. The number of persons who work where there are formal sick leave arrangements brought the total figure to 43,055,000 persons, said the council.

Mr. BENNETT. So much for health insurance, a vital part of the answer to the problem of how our aged population can, does, and will meet its health care costs.

Let us not forget, in our feverish haste to pass radical, enduring, expansive legislation before the fall elections, that a number of well-established welfare programs, both public and private, exist throughout the United States. It would be totally unrealistic to ignore these programs designed to help the aged, and others in need, to obtain health and medical care.

I shall not go into detail on these programs, with which most Senators are no doubt familiar. Perhaps it is enough to say that they constitute a basic resource for the needy aged, and that the individual taxpayer is already contributing to them at the community and State level.

At this point I should like to interpolate that we must remember there are innumerable local institutional programs operated by churches, fraternal organizations, and others, that make their contribution to the solution of this problem.

I ask Senators to consider, however, whether a Federal medical care program of the sort we must now consider would not cut across and conflict with these existing programs, leading to waste, inefficiency, and confusion, and perhaps the abandonment of many programs which are now working satisfactorily and successfully.

Communities have always been responsible for their members. These local and State programs are the natural outcome of that assumption of responsibility, and recognize an individual's right to call upon his neighbors in time of need for the help he requires.

What will happen to these locally administered, flexible plans under a Federal program of the sort proposed by this administration? Can they be replaced by a master blueprint of health services, drafted in Washington and run from Washington, for the aged throughout the entire Nation?

Here again is a virtue of our present law. Under Kerr-Mills, Federal assistance to the States in meeting the problem is a valuable supplement to existing aid programs—not a means of short-circuiting them and blowing out the fuses.

OUR PRESENT MEDICAL CARE SYSTEM

At this stage, Mr. President, let us pause for a moment to consider the Nation's present system of health and medical care, for it is surely the world's most unique.

It is unique because it operates in almost total freedom of Government controls.

This is not to say that government at all levels, from the local to the Federal, does not perform many essential functions. Government does, and has, for many years. But the Nation's complex of governmental medical programs reinforces rather than replaces our free system. It has been so designed. Not yet have we produced governmental straitjackets to constrain the practice of medicine. By way of contrast, government exercises varying degrees of stringent control over the provision and financing of health care in most every other nation of the world. Further, these controls are not restricted to programs which care for the indigent, but cover entire populations regardless of their need.

Yet, we in the United States remain an exception.

There are two schools of thought about this phenomenon.

One concludes that the absence of governmental controls in medical care is proof in itself that our Nation lags behind the others.

A second school of thought argues that we in the United States are wise to stay away from any sort of governmental programs developed abroad.

I am a stanch believer in this second school of thought. I feel that the tangible results of our unique free system speak for themselves.

In the United States, our health professions never cease their constant search for better methods of treatment, for more effective and powerful drugs, for more efficient techniques to use in the treatment of illness.

WORLD'S BEST MEDICAL SCHOOLS

I point, Mr. President, to our medical schools, which are recognized the world over as the best in existence. No longer do we send our young men and women abroad to study medicine. We teach them here, in what are recognized by authorities as the greatest medical schools extant. This is borne out by the increasing number of medical students from abroad who journey thousands of miles to study in the United States.

Who matches us in research? Who matches us in the development of new operating techniques? Who matches our health plants?

Clearly, we stand alone and unrivaled in the field of medical care.

Yet this is not good enough for some Americans. At the very moment when American medicine is acknowledged to be the world's best, these myopic people suggest that we try out the very systems under which one foreign nation after another slipped from a position of medical leadership.

THE BRITISH EXPERIENCE

It seems very much to the point, Mr. President, that we observe the lessons learned abroad and apply them to our lawmaking at home. Forget the relative merits or demerits of socialism for the moment, and let us view the British experience pragmatically; for it is recent, and, it seems to me, pertinent.

The British Labour Party has published a booklet entitled "Members One of Another," which is subtitled "Labour's Policy for Health." On page 2 of that booklet, the following words appear:

> But in 8 years of Conservative rule, performance has not matched early promise.
>
> Nearly half a million people are waiting for hospital beds.
>
> Too many doctors' surgeries are still grim and gloomy.
>
> Too many hospitals are still out of date and makeshift.
>
> The mental hospitals are overcrowded and dilapidated, and, despite gallant efforts of those in charge, are quite unsuitable for modern psychiatric care.
>
> The committees and staff of the service have been frustrated by endless administrative delays, and inevitably enthusiasm has been dimmed.

I ask my colleagues to look around in their own communities and in the Nation's Capital to see if this description of hospital and medical services applies in the United States as it does in Great Britain. At this point I cannot resist the temptation to refer to a family experience. About 7 years ago my son was in Scotland and discovered that it was necessary to have an abdominal operation. He went to the British Medical Service, as he was required to do, and was told that, since he was not about to die, they could not get him into the hospital for that operation for at least 6 months. By that time no one knows what would have happened. I am afraid his American father telephoned him and said, "Find a doctor in a private practice who will operate on you as soon as possible, because obviously that is what you need."

I do not know how many people are in the same situation now that he was in at that time—forced to wait 6 months for an operation which in this country would be considered serious enough for immediate action.

I ask Senators to remember that this is the Labour Party itself speaking about its own, dearly beloved creation, the National Health Service.

It seems that all is not well with socialized medicine if this dreary little vignette is accurate—and who would know better than the British Labour Party?

Let me refer the Senate now to another British spokesman, D. S. Lees, Ph. D., senior lecturer in economics at the University College of North Staffordshire, and an expert on the British social services. Speaking before the Institute of Economic Affairs in London last October, Professor Lees had a number of pertinent observations to make on the British National Health Service.

The good doctor's comments are too long for me to read at this point, and I ask unanimous consent that they may be inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HEALTH THROUGH CHOICE

In Britain, as in other Western societies, individual freedom of choice is a prime social value. High priority is given to the right of individuals to spend (and save) their own incomes in their own way. This philosophy of freedom requires that governments should provide, through the compulsory payment of taxes, only those goods and services that cannot be provided through voluntary exchange in the market. The classic examples are defense and justice. Further, it is generally accepted that competitive markets result in a more efficient solution than collective provision by government: consumer preferences are more closely satisfied and the cost is lower. Governments have a continuing role to play in keeping markets free from restriction. If they do this, freedom and efficiency can go hand in hand.

The British National Health Service is in conflict with both principles. Under it, medical care is provided by the Government, virtually free of direct charge, with taxes meeting over 90 percent of the cost. The private medical sector is too small to generate effective competition nor, as for most other commodities, is there competition from substitutes or from international trade. The NHS is thus a monopoly of a unique kind, operating without a market and without competition. This is a measure of the revolutionary change that took place in 1948. The sensitive link between consumer demand and the supply of medical care was broken. Competition was eliminated. Dispersion of power was transformed into extreme centralization. The self-adjusting forces of the market were replaced by the single, overriding decision of the Minister of Health.

The NHS is also a monopoly buyer of the services of doctors and dentists, few of whom can earn adequate incomes in private practice. Before 1948, the bulk of medical incomes were determined by supply and demand in the market; since 1948, they have been determined by Ministerial decree. Incomes are settled by periodic bargaining between the Minister and the professional associations and here the Minister has an enormous advantage because the vast majority of doctors and dentists must sell their services to the NHS, or not at all, and this, coupled with the refusal of the medical professions to use strike action, gives the Minister dictatorial power.

The same kind of power extends to the manufacturers of prescription drugs, all of whose domestic sales go to the NHS. Here again, the Minister holds most of the cards.

This circle of governmental control is closed by the medical schools. These are attached to universities and are outside the NHS but the fact that universities rely for three-quarters of their income on public funds gives the Government close control over the intake of medical students and thus over the future supply of doctors and dentists.

Thus under the National Health Service, it is the Government and the Government alone which decides how much medical care there shall be; which fixes the incomes of the medical profession; which sets the prices and profits of drug firms, and which determines the future supply of medical skills.

We are surely right on general grounds to suspect this extraordinary concentration of power. All would be well if governments always made the right decisions. If that were so, the collectivist viewpoint would be irresistible. But there is no such assurance and the mistakes of government are larger and more important in their consequences than those of private groups. In the British medical system, there is no dispersion of decisionmaking power to prevent small mistakes becoming large catastrophies. The equilibrating forces of the market are missing. Nor is there competition to provide built-in guarantees against inefficiency or to stimulate sources of innovation and/or improvement. And while the consumer of

> medical care has a wide freedom of choice among the supplies allowed by the Government, consumers as a whole are not free to choose to have a larger total supply in the future, should they so desire.
>
> It is a remarkable fact that the National Health Service had entered its second decade before it was subjected to an analysis in the light of these basic principles. Until then, it was assumed and frequently asserted, that the British system was the finest in the world and thought uncritically that the National Health Service was the only sensible way to arrange health affairs. One reason for this was a misconception of the state of British medical services in 1939—a misconception which the study by Profession and Mrs. Jewkes, "The Genesis of the British National Health Service," has gone far to redress.
>
> Another reason was the paternalistic assertion that, if people were left to their own devices, they would not purchase as much medical care as they ought to do, i.e.; more medical care would be provided by the State than through the free market. The facts have turned out differently. In the United States and Switzerland, where people have free choice, a larger proportion of income is spent on medical care than in Britain and, further, expenditure has increased more rapidly in those countries over the past 10 years. So, far from the NHS pushing health expenditure up, it has held it down.
>
> Thirdly, there was the notion that, if medical care was bought like other commodities, "the rich" would have an unfair advantage. Here again the evidence (supplied this time by Socialist writers) does not bear this out; it has been found that the middle-classes and not "the poor" gained most from the introduction of the NHS. But even if the notion were correct, it does not justify nationalizing health services and supplying them free. The problem is one of the distribution of income and this can be dealt with by means of taxes and subsidies without any governmental intervention in the medical market. This is by far the most effective line of policy: there would be general agreement that nationalization was irrelevant to the problem.
>
> Allied to this was the demand for the abolition of the "financial barrier" between the patient and medical services so that every individual could have ready access to care irrespective of means. The most seductive appeal of the NHS is that its services are free. In a fundamental sense, they are not free; they are paid for by the alternative use of resources foregone: doctors rather than teachers, hospitals rather than schools, medical equipment rather than motor cars. It is another of the dangers of the NHS that it creates the illusion of getting something for nothing. But, that notwithstanding, the NHS does remove the financial anxiety from the users of medical services.
>
> However, to argue for the collective provision of medical care of these grounds is to commit two elementary errors. In the first place, most financial anxiety could be removed in a free medical market by a combination of private insurance and public grants for those in need.
>
> Secondly, the NHS achieves free health services only at the cost of abolishing the market in medical care and substituting centralized control for it. It is easy enough to eliminate prices; it is far more difficult to ensure an increasing supply of improving medical services, and these are more likely to be achieved by discriminating consumers in a free market than by harassed politicians in Government.
>
> The anxiety in Britain today is not financial—it is about the availability and quality of care. Despite the claim in 1948 that only the vast resources of the State could put the war-scarred hospital system on its feet, only one new hospital has been built and stringent restrictions on capital resources have left the British hospital system the most dilapidated in the Western world. Doctors are now no better off (and some are worse off) than in 1939 and this depression of medical incomes in the context of growing prosperity is causing an increasing number of doctors to emigrate, mainly to the United States and Canada. Governmental refusal to expand the medical schools means that the output of doctors is now little higher than prewar, despite increased population and rising demand for service. An acute shortage of doctors is emerging and this will be intensified by early retirements in the next few years. Over half the junior posts in hospitals are now filled by doctors from Commonwealth countries (mainly India and Pakistan) finishing their training: without them, the hospital system would break down. There is a growing shortage of nurses and midwives. Beds are unused through lack of staff and hospital waiting lists are lengthening rapidly. Casualty departments are in a parlous state.
>
> All this is clear from official reports and statistics. No one is in any doubt that the NHS is in a state of gathering crisis. The disagreement arises over the diagnosis. Many still hold that the NHS is "the finest in the world" and that the troubles now besetting it are incidental and can be corrected by enough will and resource on the part of government. I disagree profoundly with this view. My verdict would be that the crisis stems from the fundamental structure of the NHS itself and that wise policy would dismantle that structure and rebuild a free medical market in its place.

Mr. BENNETT. Mr. President, the closing words of Dr. Lees' statement are particularly sad. Wise policy, he says, would dismantle the present structure and rebuild a free medical market in Great Britain in its place. I fear it is too late, however, and that the damage has been done.

The furry young tiger cub brought home as a household pet has grown into a hungry, 600-pound, full-grown tiger; and he is no longer easy to deal with.

MIGRATION OF BRITISH DOCTORS

Meanwhile, British physicians are leaving by the hundreds to practice abroad—anywhere abroad where the heavy, deadening hand of government weighs less heavily on their shoulders.

With characteristic British understatement, Dr. John Seale, a consultant in medical economics and health services, writes in the British Medical Journal:

> The data indicate a mass migration of young British doctors in the last 15 years away from their native land on a scale hitherto unknown. A possible explanation of the phenomenon is that practice in the National Health Service is relatively unattractive to young doctors economically, professionally, and idealistically. The great influx of doctors from India, Pakistan, and other countries to take junior hospital appointments in the National Health Service does not mean that the service has permanent attractions for them. Most come to Britain to enhance their professional standing and then return to their own country—few intend to remain in Britain permanently.

At this point, Mr. President, I can anticipate what many of my distinguished colleagues might say. "What has this got to do with the Anderson amendment?" they might ask. "We are not talking about socializing medicine in the United States. We are simply discussing a modest plan for financing the health care of the aged under social security."

I feel sure my colleagues are in good faith when they say this. Yet, I have seen a number of remarks quoted in various publications which make me uneasy. I read in "New America," the official publication of the Socialist Party-Social Democratic Federation, a statement by R. W. Tucker, chairman of the Socialist Party's committee on medical economics. He was talking about the Forand bill, which was the forerunner of the Anderson amendments. He said:

> Once the Forand bill is passed, this Nation will be provided with a mechanism for socialized medicine, capable of indefinite expansion in every direction until it includes the entire population. And it is already evident that there will be massive pressures in favor of such expansion.

Mr. Tucker must be presumed, as a Socialist, to have expert knowledge of what a mechanism for socialized medicine really is.

FOOT-IN-THE-DOOR GOAL

I remember that former Representative Aime Forand said of his bill:

> If we can only break through and get our foot inside the door, then we can expand the program after that.

I remember that Walter Reuther, president of the United Automobile Workers, said during hearings before the House Ways and Means Committee:

> It is no secret that the UAW is officially on record on backing a program of national health insurance. But even if we were against national health insurance, we would favor passage of the Forand bill.

He went on:

> A strong case could be made that this bill should go much further into the range of care provided and the duration of its benefits.

I remember that Ted Silvey, an AFL-CIO lobbyist said, "We will come back for more and more—and more," when asked what his organization would do if the Forand bill were passed.

The Forand bill was not passed, of course. But it was succeeded by a milder version, the King-Anderson bill, and the proponents of the one are still the proponents of the other. We must now consider a variation on the same theme—the Anderson proposal. An innocuous sort of measure, on the face of it.

Or is it? Can this be a younger, more harmless looking tiger cub?

Something over a year ago my friend, the Senator from the great State of Nebraska [Mr. CURTIS] was questioning Wilbur Cohen, the Assistant Secretary of HEW. He asked this question—and I quote from the record of the hearings of the Committee on Finance:

> If compulsory health insurance was extended to everybody, the total payroll tax would be up to 19 or 20 percent. If it was a 20-percent rate, the self-employed rate would be 15 percent. With a $9,000 taxable wage base, the maximum tax on the employee and employer would be $900 each, and the maximum tax on a self-employed person would be $1,350, if we do what you advocated today plus what you advocated in 1946.

> Do you feel that as much of that man's earnings of $9,000 as a Federal tax source should be devoted to this one single program of social security as is available to help finance all other activities—the functions of the Government, the paying of the national debt, and the defense of our country?

Mr. Cohen replied simply:

> Yes, I do, Senator.

I believe this exchange is as thought-provoking as any I have heard in recent years. Mr. Cohen gazes untroubled at the distant vistas. He is not at all appalled at the prospect of a Federal program which would cost more than all other Government functions and expenditures combined, financed by a total tax without any exemptions of 20 percent on all earnings up to $9,000.

I urge Senators to ponder this conversation before they let any legislative proposal get its foot inside the door. Bureaucrats are busy plotting for empires—and they will have them, too, if we allow it. In December 1960, the Department of Health, Education, and Welfare had 64,847 employees. By April of this year, that number had risen to 74,901, for an increase of 10,054 employees in 16 months.

Where do we go from here, Mr. President?

We now face the Anderson amendments. I have read them—twice. I have encountered similar proposed legislation in the Senate Finance Committee and may be presumed, therefore, to have a closer acquaintance with such proposals than some of my colleagues in the Senate. But, I can only remark that the amendment's sponsors were wise in routing it directly to the Senate instead of following orderly procedure. Conceivably, they hope to railroad this proposal past the Senate if they can work quickly enough.

MACHINEGUN IN VIOLIN CASE

But few Senators would vote "yea" on such a measure if they thought their way through it, phrase by phrase, section by section. For what we have here is a machinegun in a violin case, a bomb in a grandfather's clock.

Perhaps some Senator has done more homework than I, and has somehow managed to read this amendment thoroughly enough to understand it. I confess that portions of it baffle me completely. Perhaps some Senators have had time to think through the far-reaching implications of this proposal by now. I confess that I would prefer more time for study. Perhaps some Senators feel that hearings on such a technical and complex measure are a waste of time.

Perhaps it is on the old theory of "My mind is made up; don't confuse me with the facts." They might feel that our proper course is to pass this proposal before it becomes an issue in the fall elections. I wish that we, as Senators, could hear expert opinion from the people it would affect.

I would think the testimony of physicians, hospital administrators, insurance experts, nurses, actuaries, and even taxpayers would be pertinent to our decision. We are, unfortunately, unable to call these witnesses, because time is running out between now and the fall elections.

We must deal with a tax increase, of course. It would amount to 69 percent of the present rate for employers and employees and 68 percent of the present rate for the self-employed in the next 6 years.

A worker earning $4,800 today pays $150 a year in social security taxes. His employer pays the same amount. A self-employed person earning at least $4,800 pays $225.60 a year. The social security tax is already scheduled to rise to $222 each for employee and employer in 1968. To the self-employed person, that will mean a rise on schedule to $331.20, without adding the medical benefits.

By 1968, the combined employer-employee tax will reach $9\frac{1}{4}$ percent while the tax on the self-employed will rise to $6\frac{9}{10}$ percent. Add medical care to these retirement benefits—a mere quarter of 1 percent for employer and employee—and the difference seems trifling. But increase the wage base from $4,800 to $5,200, together with the additional amount required to pay for old-age benefits, and both employer and employee will be paying $253.50 each by 1968, with the self-employed person paying $379.60, compared with the present amounts of $150 for the employer and the employee, and $225.60 for the self-employed.

It hardly seems to me, Mr. President, that a tax increase of these proportions is an unimportant thing—particularly when it is to be used to pay for service benefits instead of cash benefits. That change of approach alone sets a precedent which deserves examination. What happened to the concept of using social security benefits as a floor of protection? Must we now cover our floor with an Oriental carpet?

GROWTH OF SOCIAL SECURITY TAXES

The time is rapidly approaching when many of this Nation's wage earners will be paying a higher social security tax than a Federal income tax. By 1968, under the proposed plan, the total social security tax for a self-employed man who earns $4,000 a year and has three dependents will be $292. The same man would pay only $245 in income taxes at the present rates.

Implicit in the amendments, therefore, is a drastic reorganization of our tax structure, with increasing burdens to be borne by those least able to afford it. For as I pointed out before, some 40 percent of the national income will make no contribution to this financing plan whatsoever, based upon a social security payroll tax. Are Senators prepared to go along with so important a revision in our taxing system without thorough study?

How sound are the actuarial studies on which the Anderson amendments base the tax increase and collections? I do not pretend to know, Mr. President, not having been given time to find out, nor has the Committee on Finance been given time to find out.

I can say, however, that the Forand bill would have cost an identical amount, according to its sponsors, for different benefits.

And I can say that the King-Anderson bill would have cost the same amount, with different benefits.

Does the Anderson amendment tailor its benefits to the amount of the tax increase? Or does it tailor the tax increase to the benefits it will provide? Are the benefits the amendment proposes the proper benefits for our aged population, assuming, for the sake of argument, that they are needed at all? And if these are the proper benefits, in ideal balance in terms of health and expenditure, what is the sponsors' authority of believing so?

Will this single tax increase be sufficient to cover the benefits promised? I remember the King-Anderson bill of last year, which called for an increase of one-half percent on employer and employee and an increase in the tax base from $4,800 to $5,000. Between the time the bill was introduced and the time hearings were held in the House Ways and Means Committee, that tax increase had already gone out of date. Said the Social Security Administration's Chief Actuary, Mr. Robert J. Myers:

> We're sorry that tax increase won't quite do it. We'd better raise the tax base another couple of hundred dollars.

There is also the fact that one of HEW's top researchers reported that the HEW cost estimates for the King-Anderson bill were about one-fourth of the probable costs. I am informed that this researcher's speech was canceled and his full report never issued, but that HEW was never able to stop the circulation of an abstract of it.

WHAT WOULD THE BILL COVER?

Thus I feel that we have a right to find out on what basis this tax increase was figured. How did the actuaries determine the cost of hospital care, for instance? Will not the cost of hospital care continue to rise, as all the authorities say it will? The amendment will cover diagnostic tests, but what diagnostic tests is it talking about? Blood tests? Cancer tests? The GI series? The answer to those questions surely affects the cost of this benefit, but the amendment offers no enlightenment.

The amendment provides some sort of insurance option for the beneficiary, but as it is probable that no insurance policy extent embraces precisely the benefit pattern called for, I cannot help wondering whether the insurance option is really an option at all.

Mr. President, I understand that the authors of the amendment are still wrestling with the language of that section, which relates to insurance options, and when the bill actually comes before the Senate the language may be changed. Such changes may be made as the whole amendment was written without the opportunity for committee study.

Certainly I see no mention of the word "premium" in any part of the Anderson amendment. From this I can only conclude that none are involved. I hazard the theory that rather than receiving premium payments for the individuals it insures, the insurance carrier would simply be reimbursed for the amounts it pays to the providers of services for the authorized benefits.

In other words, the carrier would merely be acting as a middleman, or fiscal agent. However, I have been told that the Senator from New York's [Mr. JAVITS] proposed amendment to the Anderson amendment will presumably rectify this.

I cannot speak with any detailed knowledge, however, on any particular of the bill. I have heard it said that the King-Anderson bill is the least understood piece of legislation in the current Congress. I dispute this. The Anderson amendment will, I predict, succeed to that title. For at least the House Ways and Means Committee held hearings on the King-Anderson bill, and some of us have had an opportunity to scan the record of testimony.

A FEW QUESTIONS

I ask, however, that I be allowed to pose just a few of the questions which should be answered as factually as possible before the Senate acts on the Anderson amendment. I ask these questions because we have not been given time to develop the answers through committee hearings, and because I feel the answers are of major importance.

Despite the disclaimers, will the Secretary of Health, Education, and Welfare be given the power to regulate the Nation's hospitals and some of its nursing homes?

Does the nursing home care covered in the amendment amount to as much as 5 or 10 percent of the nursing home care available?

Can it really be said that this measure would not affect the patient's freedom of choice—of hospital or doctor?

Would its passage lead to overuse of our hospitals?

Would this in turn lead to overcrowding of our hospitals?

What would this amendment do to the quality of medical care?

Is passage of such legislation necessary in the first place?

Is there indeed across-the-board need for health services among our aged? Is the health of our older population as bad as the amendment's proponents tell us? And are our aged in the straitened circumstances they are pictured to be?

On what basis have costs been figured? Will those costs increase?

Can the social security system withstand the added burden of a program to change the present pattern and setup and to provide services instead of cash benefits?

Is it wise to set such a precedent?

Do the services, which are estimated to provide less than 25 percent of an older person's health needs, have a predictable cost in the first place?

What would passage of such a measure do to private health insurance and other prepayment mechanisms?

What are the moral byproducts of such a bill when measured in terms of the decline, and perhaps the demise, of voluntary efforts at the community level?

Is it wise to provide benefits to millions of people who are capable of meeting their own health care problems, and who are doing so now?

Is it sound thinking to base a Government program on age instead of need?

What effect would passage have on the traditional Judeo-Christian teachings of individual and family responsibility?

I pause at this point to return to the comment that I made earlier. Based upon a study made by the U.S. News & World Report, those who think that by adopting the proposed program they would prepay the medical care benefits for their own retirement are being sadly misled. Whether they realize it or not, children would have to take care of their parents, only they would not do so directly on a personal basis. They would do it by paying for medical care a generation late.

What is to be gained by eliminating the States' historical responsibility in a vital area of government, and by further diminishing the States' authority?

What pressures will develop to expand and enlarge the benefits and coverage of the bill?

Would not the Anderson amendment, by reason of its very inequities, require broadening?

If costs cannot be controlled, would services be curtailed?

These and other questions occur to me, Mr. President. I hope they will be answered in the course of this debate, as limited as that will be in view of our obligation to settle this matter before it becomes an issue in the fall election, in view of the fact that we now have a limitation of time which has been agreed to by the Senate.

POLITICS BEFORE PUBLIC WELFARE

For myself, however, one puzzling question remains:

Why this unseemly haste when our aged population will receive no benefits under the program until January 1, 1964? I suppose the answer to this must be the unsatisfactory reply that we must vote on this amendment before it becomes an issue in the fall elections.

Meanwhile, however, the amendment has been cynically tacked on to the welfare bill, upon which millions of Americans are depending for help.

Passage of the welfare bill will therefore be delayed, Mr. President.

Perhaps that delay will also become an issue in the fall election.

And now, Mr. President, I would like finally to take up the question of the method in which this amendment bypasses the traditional committee system of the Senate. To me that is the one unanswerable argument against consideration of the measure at the present time, and under the present situation here on the floor of the Senate.

First, let me say that I think the administration's attempt to bypass the Senate Finance Committee on this legislation is just one more example of an alarming trend within the present administration of either circumventing Congress or circumventing the normal congressional procedures. In its effort to obtain back-door financing for major programs, in its move earlier this year to get the Urban Affairs Department bill out of committee before the committee had finished its work, in its effort to transfer all power over international trade from Congress to the executive branch, this trend has been obvious. Earlier this year Congress indicated its unwillingness to surrender its traditional processes to the President in the name of expediency; I hope we will do the same in the case of the bill now before us, and that even these Senators who might favor the bill in principle, if it had been worked out with due deliberation by a Senate committee, will vote against it for procedural reasons out of respect for the Senate's traditional mode of operations.

Let me emphasize that what I am anxious to protect here is not merely a meaningless tradition. There is a very sound reason for the tradition of committee consideration of technical bills, as every Member of this body knows.

We have no better example of this than the tax bill which has been before the Committee on Finance since early April, and on which we are still working in committee.

Only one who has sat through hundreds of hours of testimony on social security bills can appreciate how complex such legislation of necessity must be. During the hearings on legislation such as this, questions inevitably arise which require further research, further study by the staff, further investigation by the administration. To consider such legislation on the floor without the benefit of committee consideration is folly.

Since its inception, the committee system in the Senate has functioned to the benefit of the Nation. It has reduced, if it has not eliminated, error. Are we to junk the Senate's time-honored procedure everytime we are urged to hasty action by an administration concerned more with political profit than with sound laws? I submit, Mr. President, that we cannot afford to do so.

Yet we are being asked to leap before looking, to vote before knowing the facts of a matter which has far-reaching importance to the destinies of every American, a matter which has had no study by any committee.

COMPLEXITY OF BILL

The pending bill, H.R. 10606, is a good example of just how complex social security legislation can be. The measure, which is 102 pages long, would amend four titles contained in the Social Security Act. Originally introduced as H.R. 10032 by the administration, the bill was subject to 3 full days of hearings—mornings and afternoons—by the House Ways and Means Committee.

Forty-seven witnesses, familiar with various aspects of the proposal, appeared before the committee to deliver their expert testimony. In addition, 113 others submitted statements on the bill.

Having weighed these arguments pro and con, the House Ways and Means Committee amended the original bill so drastically that a new bill, H.R. 10606, was reported out and sent to the floor.

As is the custom, the Committee report explained in detail exactly what each provision of H.R. 10606 would do. Ample time was then given to each Member of the House to study the Committee report and the 697 pages of the printed hearing.

However, as is the custom in the House, the legislation was considered under a closed rule because of its technical nature, and after 4 hours of debate was passed by a vote of 319 to 69.

During the debate, a number of Members of the House indicated their regret that amendments could not be offered.

When the bill, now 81 pages long, was referred to the Finance Committee, it received 4 more full days of hearings, morning and afternoon. Thirty-six witnesses appeared before the committee. Fifty-six additional statements were filed with the committee.

And after due consideration of all the arguments presented, the Finance Committee reported the bill with a number of important amendments.

WELFARE BILL NOW IMPROVED

The welfare bill has now been refined, and I think improved. It has thus far gone through two searching studies and a House debate prior to its consideration by the Senate.

If enacted, it will help many of our citizens who are in need of help.

In addition to providing increases in cash benefits, the bill continues the increased Federal participation in medical care costs incurred by those receiving old age assistance—a participation provided by Public Law 87–31, enacted a little over a year ago. Further, the bill continues the increased Federal participation in medical care costs incurred by those participating in the medical assistance for the aged program, which authorizes liberal Federal contributions to the States to provide medical care for those of the aged who, while able to meet the cost of everyday living, may have difficulty in meeting some of their medical expenses. This law, as the Senators will recall, was enacted late in 1960.

My point, Mr. President, is this:

Complicated legislation can only be understood, changed, improved, and properly refined when the responsible committees of Congress subject it to hearings.

In this case, H.R. 10606 comes before the Senate after such hearings. Its substance has been altered, its provisions have been weighed, its implications and ramifications have been duly explored by those committee members entrusted with that responsibility. And this is as it should be. The Senate can now consider the endproduct of these deliberations in depth in full confidence that the measure before them has been subjected to the closest possible scrutiny beforehand.

Let me contrast now a departure from that orderly procedure.

If the entire social security law can be characterized as complex and technical, and it can, there is no question whatsoever that title II, the Old Age and Survivors Disability Insurance programs, is its most complicated part.

The King-Anderson bill involves amendments to that program. As the Senators know, this bill would provide certain hospital and nursing home benefits, plus a few other health services, to those persons 65 years of age or over who are eligible for OASDI coverage.

To call this bill "controversial" is to utter the understatement of the year. Perhaps "embattled" would be a better word, for the proponents and opponents of this type of legislation have argued it in and out of the Nation's press, on television and radio, in speech and debate, on editorial pages and in town meetings, in magazines and over the backyard fence, ever since former Representative Aime Forand first threw its predecessor, H.R. 4700, into the legislative hopper.

The bill's power to evoke heated controversy is a byproduct of its far-reaching importance—an importance recognized at first glance by tens of millions of Americans. However, the sparks of controversy have been deliberately fanned into flame by the leaders of labor and their allies within the administration—this, in my opinion, in the hope that public pressures will force the Congress to legislate on the basis of emotion rather than reason.

RECORD OF FORAND BILL

Thus far, the Congress has remained firm. The Forand bill—similar to H.R. 4222, in that it too sought to provide health care services to OASDI recipients through the social security financing mechanism—was given 5 days of hearings in 1959 by the House Ways and Means Committee. The committee then voted, by an overwhelming majority, to retain the bill in committee.

The Senate Finance Committee also conducted hearings on the Forand bill and voted to hold the measure in committee. Despite this, an attempt was made—as the Senators remember—to amend the Kerr-Mills proposal by tacking on the Forand bill. This effort, sponsored by Senator ANDERSON, of New Mexico, and the then Senator but now President of the United States, John F. Kennedy, was defeated also.

However, Mr. President, aside from the Senate Finance hearings on the Forand bill, our committee has held no hearings on the legislation which succeeded it—H.R. 4222.

It has not done so for the good and sufficient reason that action on the bill is still being considered by the House Ways and Means Committee.

Is it suggested, Mr. President, that the Senate Finance Committee has thereby been derelict in its duties? I can assure the Senators that this is not the case. I cannot remember when the Senate Finance Committee has been busier than it has this year. We have held hearings on the President's new tax bill; the public welfare bill now before us; two tax extension bills; the debt limit bill; the sugar bill; and the extension of the Renegotiation Act.

I do not think that the Senate Finance Committee can be accused of dilatory behavior in the discharge of its responsibilities; nor do I think that my friend, the distinguished senior Senator from Virginia, need apologize for his own or his committee's application of maximum effort.

Yet, as I have pointed out, the Senate Finance Committee has given no consideration to H.R. 4222. Recognizing the need to proceed in an orderly fashion, the committee earlier this year voted 10 to 7—not on the merits of the bill, but on the procedure involved—to delay consideration of the King-Anderson bill until the House had had the opportunity of taking action. Thus, not one word of testimony from the public has yet been taken on the administration's proposal by the Senate committee assigned by law with the responsibility for dealing with this sort of legislation.

Mr. KERR. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. KERR. Is it not true that the Committee on Finance included in its action a definite statement of its purpose to conduct hearings on this measure as soon as it had come from the House to the Senate, in the event it did so?

Mr. BENNETT. The memory of the distinguished Senator from Oklahoma, who is the ranking majority member of the Committee on Finance, is eminently correct. The committee, by its vote, pledged itself to hold hearings on this proposal when it was constitutionally proper for it to take such action.

Mr. KERR. Has the Senator from Utah analyzed the amendment which is before the Senate to determine the extent to which it is a revenue-raising measure?

Mr. BENNETT. It is obviously a revenue-raising measure, because it would add to the social security tax an amount of at least one-half of 1 percent.

Mr. KERR. Is the Senator aware of the fact that if the measure were passed, it would increase the taxes collected under the social security program approximately $810 million in 1963; more than $2 billion in 1964; and then an increasing amount each year thereafter?

Mr. BENNETT. The Senator from Utah, earlier in his statement, covered that field in terms of percentages and the cost per person participating in the system, but had not used the particular figures supplied by the Senator from Oklahoma. I appreciate having them in the RECORD.

Mr. KERR. So the measure would be not only a revenue-raising measure but, so far as the Senator from Oklahoma is concerned, it would be a measure intended to raise more new revenue than any other tax measure that I know of which has been passed in some years.

Mr. BENNETT. This is true; and it is interesting to comment, in passing, that we should be asked in this bill to increase the take from the individual taxpayer at a time when the President of the United States is suggesting that individual taxes must be reduced in order to get the economy moving again.

Mr. KERR. The remark of the Senator from Utah is very appropriate, and, I think, of partciular significance in view of the fact that one of the authors of the amendment has been making a number of public statements to the effect that it was a matter of great concern and, in his opinion, perhaps of necessity, that Congress take action to reduce taxes, while, so far as I know, he has proposed no legislation to reduce taxes but is vigorously sponsoring a measure which provides for the increase of taxes by a minimum of $2 billion a year beginning in 1964.

Mr. BENNETT. That is true. He is probably obeying the Biblical injunction not to let his right hand know what his left hand doeth. But the net effect upon the taxpayer would be to destroy any value of any tax cut of a similar size that may come before the Senate in the next few months, and for which there are very vocal proponents.

Mr. KERR. Certainly the group who would be affected by this measure—that is, the group who would be required to pay the taxes called for by the measure—would individually suffer the effects of a more substantial increase in the amount of taxes they would have to pay than they would benefit under any provision that has yet been suggested for a tax reduction.

Mr. BENNETT. That is the impression of the Senator from Utah. I should like to reemphasize that if the argument is made that the social security tax is for the benefit of the future, and therefore has a moral justification, it is still a tax that has to be paid out now and will have an effect upon the individual taxpayer, as the Senator from Oklahoma has well said.

Mr. KERR. I thank the Senator from Utah. I congratulate him upon the statement he has made, because it is very lucid, appropriate, and accurate, one which I believe to be of great significance. I express my appreciation to the Senator for the work which has gone into the preparation of the statement and for his effort in making it.

Mr. BENNETT. Mr. President, I am grateful for those words of approval and approbation.

As I have already said, the Committee on Finance has given no consideration to the House bill or to the King-Anderson amendment. Earlier this year, the Committee on Finance voted, 10 to 7—not on the merits of the bill, but on the procedure involved—to delay the consideration of the King-Anderson bill until the House had had an opportunity to take action. Thus, not one word of testimony from the public has as yet been taken on the administration's proposal by the Committee on Finance, which is charged by the rules of the Senate with the responsibility for dealing with this sort of proposed legislation.

We must now cope, the administration suggests, with a radically amended variation of H.R. 4222, without benefit of committee study. We are asked to legislate in haste regardless of whether this entails repenting at leisure.

LEGISLATION NOT STUDIED BY SENATORS

I find it inconceivable, Mr. President, that the Senate of the United States should be asked to pass legislation which few—if any—of its Members had seen prior to July 2, 1962—only 8 days ago.

Personally, I take it as an affront to a committee that has worked long and hard on major portions of the administration's program; and to one of the hardest-working members of the committee—its chairman, the Honorable HARRY F. BYRD, of Virginia.

To my mind, this challenge to the committee system is justification enough to vote down this amendment.

I ask the sponsors of this proposal whether they now consider themselves an ad hoc committee of the Senate, empowered by this body to bypass the Finance Committee when, as, and if it suits the demands of political expediency.

Let there be no doubt on one thing, Mr. President:

This amendment has been drafted and is being handled in this way with the deliberate intention of winning votes.

CONGLOMERATE OF PROPOSALS

I regret that I have not had sufficient time to study this proposal—the Anderson amendment—in minute detail. But I have not. Neither have its sponsors. Neither has any other Member of the Senate.

I have, however, reviewed the amendment to the degree possible since its introduction, and I can tell the Senators this:

The amendment seeks to be all things to all men, and succeeds in being a jerry-built conglomerate of proposals glued together with the single purpose of promising something for everyone. A more cynical, a more frivolous, a more irresponsible effort to stampede the Senate into precipitous action has never been encountered, and it is a pity that we are now compelled to spend our time—time which could be used to much better advantage—time which should have been spent in committee—in the consideration of such a legislative monstrosity.

I say to the administration that if they want a law rather than a campaign issue, let them follow the regular procedure for making the law. Let them follow the Constitution and the law of the land, which give the House of Representatives the power to initiate this kind of legislation. Let them use the appropriate committees of Congress in order that the public be heard. Let the administration recall that it is the executive's responsibility to propose laws to the Congress but the responsibility of Congress to the people of this Nation to draft the laws thoughtfully, to the best of its ability, and with the people's freedoms and best interests in mind.

If we follow that course, Mr. President, we will vote down the hastily prepared and hastily considered Anderson amendment, and will consider this legislation in the deliberate and careful manner in which such important legislation should be considered.

I urge the Senate to defeat the Anderson amendment.

Exhibit I

The Untold Story of Your Social Security

This is to be the untold story of your social security. It concerns the pension to which you are entitled in retirement, or if disabled, and to payments to your survivors in event of death.

Social security is a vast system. Old age and survivors insurance alone in this year will involve benefit payments of more than $13.2 billion. And the total is to grow steadily over the years ahead.

In 4 of the last 5 years, payments to persons drawing benefits have been exceeding income from payroll taxes. Some alarm has been expressed about this deficit between outgo from the social security reserve fund and income into the fund.

That, however, is not the story to be told.

Payroll taxes rose on January 1. They go up again on next January 1. Money flowing into the reserve fund, as a result, once again will begin to total more than money flowing out. Fears about the safety of the fund will subside.

A fact—and questions: A hard and little-understood fact, however, will remain to raise questions.

The fact is this: Benefits promised to people now covered by old age and survivors insurance total an estimated $624 billion. Reserves now on hand total around $22 billion. Taxes to be paid by people now covered by social security to support pensions are to be an estimated $282 billion.

That leaves $320 billion in benefits to present "policy holders" to be paid by someone else. Who will that be?

The answer, in simple terms, is that this deficit, if it is to be paid, will have to be paid by future workers at tax rates now in the law. Otherwise, persons now in the pension system would have to pay sharply higher taxes.

Pension bargains for people of the present are to become pension burdens for workers of the future.

These workers of the future will pay substantially higher taxes on their earnings—taxes earmarked for social security. They will work over a longer span of life, paying higher taxes all the way, in order that the 68 million others now covered by social security can enjoy pensions and other promised benefits.

One more windfall: It now is proposed that hospital insurance for retired persons be added to the social security system. Once again, if this type of insurance is added, older people will get a bargain. Those retired when the plan would take effect would become entitled, at no cost, to hospital and nursing care valued at thousands of dollars.

Here would be a windfall for persons now retired and those who will retire in years shortly after the plan takes effect.

The tab for the cost would be picked up—as it is being picked up for old age and survivors insurance—by employers and by those who go on working. In the end the cost would fall on employers and on generations not yet working.

In a word: social security programs, to date, represent a gigantic bargain for persons retired, soon to be retired, or fairly well along in years.

For relatively small payments these people are assured of an income on retirement. Men are assured that, when they die, their wives will go on getting an income. There is further assurance that minor children will get checks in event of the man's death. A binding promise is made of a monthly check in event of total disability.

Once the hospital-care program is in the law, pressure will grow to cover hospital costs for all persons covered by social security, whether working or retired. The final step might possibly be to cover doctor bills as well.

Idea—pay later: In each case, planning rests on the idea that future generations will get and pay much of the bill for those who are getting, or stand to get, the bargains of the present.

All of this is part of the strong trend toward special advantages for older people at the expense of the Nation's younger people.

Young people with children to educate, with a house to furnish and pay for, with saving to do if there is to be any venturing, with insurance payments to make, get few favors. Payroll taxes, increased eight times in the past 13 years, will be increased three more times for old age and survivors insurance. Hospital insurance would mean another tax. Then, at some point, there will be unpaid bills from social security promises to meet.

Old people, all of the time, are getting more and more advantages. People age 65 and older get a double exemption on personal income tax. If retired, they get a special retirement credit against income tax. The social security pension—for which they paid little—bears no tax. All their bills for medical and hospital care are deductible for income tax purposes.

All of this raises the question whether young people with more votes than old people will go on giving the breaks to the elderly.

For young alternatives: Two courses would be open to them if ever they wanted to get out from under what is to be a growing burden.

1. Inflation of prices can be accepted while a determined effort is made to keep individual pension benefits from rising. In this way, inflation could be used to reduce the pension burden, since pensions would represent a smaller part of an inflated national income.

2. Taxes could be used to take away some of the advantages enjoyed by retired persons. One tax "reform" now under study calls for taxation of social security income. There is some pressure to end many other special deductions extended to older people.

However, experience in the United States and Europe indicates that old people will go on getting their bargains and young people will continue to bear their rising burdens. In Europe there is a strong trend toward shifting to employers a larger and larger part of the social security burden.

The generous attitude of young people is attributed to two factors.

One of these factors is the realization that sometime they, too, will be old and will want some favors.

The other factor is that the young people see social security as a means of spreading the risk that comes from being forced at some point, for most, to care for their own parents.

As it's done abroad: To fill out the untold story of social security, U.S. News & World Report asked its staff members in Europe to explain how those countries—with long experience—have met the rising burden of welfare programs.

West Germany: The idea of national pension plans got its start in Germany. Two world wars, ending in two defeats and destruction of currency, destroyed the pension systems. Yet each time these systems have come back stronger than ever.

To finance old-age pensions, employers and employees each contribute 7 percent of the gross wage. For health insurance they each contribute an added 4.8 percent. An added 0.7 percent goes for sick pay, special leaves, family allowances. On top of it all, employers contribute an average of 16 percent for other fringe benefits. Payroll additions for social security amount, overall, to approximately 45 percent.

Benefit payments in recent years have been adjusted to compensate for price rises. Young people do not appear to object to the burden they carry.

Great Britain: Welfare costs now account for more than a third of all government spending. Workers covered by welfare programs and their employers pay special taxes that pay less than half of welfare costs. In the case of health insurance, three out of every four dollars come from general taxes.

Government subsidizes the whole welfare program, and political pressure is constantly on the side of larger benefits. There is pressure to cut down defense spending so welfare can expand.

Sweden: A 6-percent sales tax was introduced in Sweden 2 years ago to help meet the skyrocketing costs of welfare. Social security benefits now account for 15 percent of national income, compared with 7 percent before World War II.

In 1960, goverment, central and local, carried 69 percent of welfare expenses, workers 20 percent, and employers 11 percent. Now the pressure is to increase the employers' burden.

France: Social welfare in France extends from maternity grants, family allowances, rent allowances, and hospitalization to old-age pensions and death benefits. The expense falls mainly on employers, who pay about 30 percent on their payrolls. The employee contributes about 6 percent on maximum pay of $1,920 a year.

Italy: Social security in Italy includes old-age pensions, unemployment insurance, health insurance, maternity benefits, family allowances, and some subsidized housing. The Government contributes 25 percent to the retirement pension fund.

Employers' contributions amount to a tax of about 50 percent of payrolls. Workers contribute approximately 11 percent of their earnings.

In Western Europe as a whole, social security benefits now approximate 15 percent of national incomes. The range, according to official figures, is 12.6 percent in the Netherlands to 16.4 percent in France.

The trend in Europe is toward more and more social services, with heavier and heavier taxes on employers, plus larger contributions by the Government out of general revenues. This suggests that, in the United States, as the years go on, the Government, too, will be called upon to support the pension fund in addition to the payroll taxes that now are scheduled.

Mr. KERR. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. KERR. Was the Senator in the Chamber the other day when the distinguished Senator from New Mexico [Mr. ANDERSON], one of the cosponsors of the amendment, and the distinguished Senator from New York [Mr. JAVITS] were discussing one provision of the amendment and made it quite clear, with reference to section 1716, beginning on page 45, that the sponsors of the amendment had agreed in principle upon what the language of the amendment should be, but were still discussing among themselves the question as to what the language should consist of and provide if and when it were voted upon?

Mr. BENNETT. I was not then on the floor, and did not hear that debate. This is a process which may be safe in committee, up to a certain point; but after we discuss proposed legislation in principle on the floor of the Senate and after the Senate finally votes on it, there is no time, later, to correct the language, except in conference; and inasmuch as this bill has the unique distinction of having originated in the Senate, there is no assurance that it will go to a conference. I understand that some Senators who are joining in support of this measure are still considering changes in the language of their own amendment—changes which probably will be offered to us from time to time, as the debate continues.

Mr. KERR. The Senator's remarks are very appropriate. In fact, when one of the proponents was discussing the amendment, he was asked how many persons would be affected by it; and he had to have considerable consultation with a member of the staff before he was able to determine whether 2½ or 17 million persons would be affected by it—all of which would seem to indicate a real necessity for the Senate to have an opportunity to have one of its committees learn who would be affected by it and what language it would contain, before the Senate takes final action on it.

Mr. BENNETT. It seems to me that this may be one of the bills with attractive titles, and the proponents are anxious to have the bill passed on the basis of the attractiveness of its title, and are not too much concerned about the details of the bill itself.

Mr. KERR. No doubt the Senator is aware of the fact that approximately 75 pages of legislative matter are involved in the amendment, as it was submitted; and, furthermore, in view of the remarks by the sponsors, it seems likely that many additional pages of language will be included in the amendment before its sponsors will be able to agree upon what the language of the amendment should be when it is voted on.

Mr. BENNETT. Yes, I am aware of that. If this measure had been handled in the regular committee process, the business of reworking the language would have occurred in committee, and we might have had another 75 pages of amendments. However, if such amendments had been worked out in the committee, they would have been carefully considered, and would not have been hastily put together on the floor of the Senate in order to attract a vote here and a vote there or to satisfy a question raised by one Senator or another.

Mr. KERR. And if the committee reported it, the bill would be accompanied by a report which would disclose with great clarity the contents of the proposed legislation.

Mr. BENNETT. Yes; and certainly that is one of the things which it is impossible to have under the process under which we have been working.

Mr. President, in addition to the material which I have previously asked to have printed in the RECORD, I shall ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, several items.

First, I submit a statement of policy regarding the position of the American Farm Bureau on the administration's medical care program.

The American Farm Bureau Federation has consistently taken a firm position against the inclusion and liberalization of benefits which would require an increase in social security taxes.

To bring myself up to date on this matter, I checked with the American Farm Bureau Federation, and was informed that its attitude on this modified bill is adequately presented in an editorial statement released last year by President Charles B. Shuman; and it appeared in Nation's Agriculture for November 1961. This statement is based on the policies adopted by the elected voting delegates in recent annual meetings, and reflects the thinking of more than 1,600,000 farm families in America.

The most recent policy was approved December 14, 1961, and I quote it: "Social security taxes should not be increased to pay medical costs for any portion of the population."

I now ask unanimous consent to have printed in the RECORD the following:

An editorial, from the Nation's Agriculture, dated November 1961, and entitled "Socialized Medicine."

An editorial, from the Wall Street Journal of May 22, 1962, entitled "One Sunday Afternoon."

An editorial, from the Wall Street Journal for June 11, 1962, entitled "A Warning From Mr. Roosevelt."

An editorial, from the Deseret News of Salt Lake City, Utah, dated July 2, 1962, entitled "The Road to Socialized Medicine."

An editorial, from the Salt Lake Tribune, dated June 5, 1962, entitled "A Back-Door Plan To Get Medicare Law."

A news release, dated July 9, issued by the Blue Cross Association, stating its opposition to the "patchwork" Anderson amendment.

There being no objection, the statement, editorials, and release were ordered to be printed in the Record, as follows:

[From Nation's Agriculture, November 1961]

STATEMENT OF POSITION OF AMERICAN FARM BUREAU

The next session of the Congress will be brought under great pressure to adopt legislation for the inclusion of medical care for the aged in the social security system. This emotion-charged issue is the entering wedge for national compulsory Government health and medical care—socialized medicine.

One of the original proponents of Government-managed medical care, ex-Congressman Forand, frankly admitted as much when he said: "If we can only break through and get one foot inside the door, then we can expand the program after that."

The current scheme provides for an increase in social security taxes by raising both the tax rate and the amount of earnings subject to tax. The higher revenues would be used to pay for doctor, hospital and nursing home expenses for all aged persons who are on social security regardless of need. The Secretary of Health, Education, and Welfare would develop regulations, determine whether charges were reasonable and, in effect, approve doctors and hospitals of the Nation.

Is there a real need for this new step toward welfare state socialism? In 1960 legislation was enacted providing Federal grants to the States for medical assistance for older people with low incomes.

A recent survey reveals that less than 15 percent of the aged are unable to provide the finances for adequate medical care from their own resources. Approximately 130 million people in the United States are now protected by voluntary prepaid hospital expense insurance. Surgical and medical expense protection for all age groups is being added to this coverage at a very rapid rate.

With this evidence of limited and rapidly diminishing need, why are the proponents of this step toward socialized medicine so insistent on taxing workers to pay the medical bills for the millions of older people, most of whom are able to help themselves?

The answer is obvious. The Government interventionists do not believe that the people are capable of spending their own money wisely. They believe that Government bureaucrats and planners will make better decisions on how to spend the income of the workers than the individuals who earn the money. Furthermore, the more money the Government has to spend, the greater is the power of the politicians in charge.

The vast majority of farmers believe in the maximum possible freedom of choice, competition, and opportunity. They do not want to be assigned to a Government doctor whose income depends on his political standing rather than upon his competence.

Farmers believe in taking care of their own but, when assistance is needed, it should be administered by local government—not a remote Washington agency. They are alarmed by the potential cost of the constantly expanding social security system—the social security tax rate is already scheduled to rise to almost 10 percent of the payroll base by 1969. They also understand that socialism is government management of individuals and their spending.

Farmers challenge the theory that government "can do it better" or spend more wisely. Government-run schools and hospitals are not superior to private institutions; the Department of Agriculture does not store or market grain as efficiently as the private trade; electricity from public powerplants is usually more costly than from private utilities when hidden costs and tax advantages are considered; government-controlled medicine would be expensive and unsatisfactory.

[From the Wall Street Journal, May 22, 1962]

ONE SUNDAY AFTERNOON

Since the days of the ancient Athenians one of philosophy's often expressed fears about democracy has been that its political leaders would yield to the demagogic clamor of the crowd. In our own country's beginning there were men who prophesied that would cause our ending.

Well, we've had our share of demagogues—in our own time Huey Long and Townsend come readily to mind—who made political capital of social discontent. Sometimes, as Congress did back in the thirties on the soldiers' bonus, our political leaders have yielded to the clamor.

But on the whole we have been lucky. While President Roosevelt was responsive to the people's mood, he didn't try to create discontent where none existed before; he opposed not only the soldiers' bonus but also Huey Long and the Townsendites.

So we come to last Sunday afternoon.

Across the land there were 33 great rallies for a bill which, so it is said, is going to take care of the medical bills of all the Nation's old people with hardly any cost to anybody at all. These rallies were sponsored by the administration and arranged by an organization called the National Council of Senior Citizens for Health Through Social Security, created for this purpose. The biggest of these rallies was held in Madison Square Garden in New York under the stage managership of Z. J. Linchtenstein, a professional organizer who learned his business organizing anti-Communist efforts in his native Poland.

All these rallies were addressed by important people, Vice President Johnson spoke in St. Louis, Secretary of the Interior Udall in Kansas City, Secretary of Commerce Hodges in Boston. And so on, with President Kennedy himself at Madison Square Garden, from which his speech was carried to the Nation over three television networks.

President Kennedy's speech, which set the tone for the others, wasted little time on the specifics of the King-Anderson bill; in fact, in all the day's outpourings there was hardly any serious discussion of the problem itself or of any alternative proposals that have been made. Mr. Kennedy's theme was that the people were demanding this particular bill, would have no other, and that it was being blocked only by the wicked machinations of the American Medical Association.

At the Garden, from which the circus had just moved out, there were some 15,000 people, mostly old people in shirt sleeves, come to hear the President's promises and enjoy the entertainment. Bert Parks was master of ceremonies, there was a full-sized symphony orchestra, LaVern Hutcherson and Avon Long did a medley from "Porgy and Bess," and the stars included Robert Merrill of the Metropolitan Opera and Mitch Miller with his Sing-Along group.

It was a very hot day in New York, but the air was festive, and as the old people filed out afterwards most of them were smiling and happy. We suppose it was the same all over the country, where the other rallies could follow the show in New York through an elaborate television hookup.

Such being the mood of the day, there seems little point in our indulging either in any serious discussion about this promise of the Government to take care of us in our old age. It was hard to keep our minds on that anyway, as our thoughts drifted off in another direction.

If it were true, as everybody was saying, that there was already an irresistible clamor from the people for this program, why was it necessary to have this 33-ring circus? Could it be true that the men in Congress who come from our cities, hamlets, and farms have really been so deaf to the voices back home that they have not heard the spontaneous cry for the Government to give us this boon?

And our thoughts wandered even further afield. Like the philosophers of old, we know that it is sometimes difficult for statesmen to resist the cry for bread and circuses. But at the moment we could not recall another occasion, at least in our own country, when all the leading statesmen of the Nation joined the bands and the performers on the stage to urge the crowd to raise a clamor for what they had thought up to give them.

A quarter of a century ago we sat under a hot California sun and heard some simple people dazzled by promises of ham and eggs and $30 every Thursday. The memory seemed very vivid last Sunday afternoon.

[From the Wall Street Journal, June 11, 1962]

A WARNING FROM MR. ROOSEVELT

When Franklin Roosevelt proposed establishment of the social security program in 1935, he was careful to warn Congress against "extravagant action." If the program were "too ambitious," the President said, "its whole future would be endangered."

As the years have gone by, the program has certainly grown a great deal more ambitious, and now there's this enormous political pressure to push it into the field of medical care. The House Ways and Means Committee is scheduled to take up the administration medicare bill this week.

Now we realize that any criticism of the 27-year-old American social security institution is regarded in some quarters as somehow suspect, if not downright unpatriotic. Nonetheless, it's time we paused to ponder the meaning of Mr. Roosevelt's words.

In terms of its later growth, social security got off to a slow start. Farmworkers, domestic employees, and a number of other groups were excluded from coverage. Benefits for the aged were to range from $10 a month to $85, and no payments at all were to be made until 1942.

But this initial design was soon altered. Even before the first social security taxes were collected, organized labor was pressing for a liberalization of benefits. In 1939, Congress responded by broadening the program to include dependents and survivors of the aged and, in addition, advanced the date of first benefits to 1940 from 1942. And so it has gone from that time to this, with benefits and coverage being steadily enlarged and expanded, especially in election years.

How has Congress provided for payment of these growing benefits? In the beginning the plan was to build a giant reserve fund, invested in Government bonds, so that eventually interest income would shoulder a large part of the benefit burden. Taxes were to start at 1 percent each on employees and employers, based on the first $3,000 of each employee's wages, and were to rise to 1½ percent in 1940 and then by stages to an "ultimate" rate of 3 percent by 1949.

But politicians aren't anxious to boost taxes on voters if they think there's any way around it. And with tax receipts running far ahead of benefit payments in the early years of the program, Congress couldn't see anything urgent about tax boosts at all. As a result the tax rate didn't rise to 1½ percent until 1950, a decade behind schedule.

Soon things began closing in on social security and its manipulators. With reserve funds shrinking fast, Congress found that both old and new benefits called for new taxes. So the maximum tax on each employee now is $150 a year, compared with the $90 that the lawmakers first thought would be the "ultimate."

And the end isn't even remotely in sight. The reserve fund, in any real sense, is no longer any reserve at all. Its interest earnings each year now equal only about 2 percent of benefits. To keep the program stumbling along on a hand-to-mouth basis, even without the added burden of medical care, tax rates are slated to rise by nearly 50 percent in the next 5 years. It's certain there will be pressure for more benefits, whether medical care or something else. That's the way politicians have been using social security for 27 years.

If the pressures continue to bring action, even higher taxes than those now envisioned will be needed to keep the system from sliding into insolvency. Ironically, the taxes bear hardest on the lower-income groups; as things stand now, earnings above $4,800 aren't touched. Yet the benefits, because they are tax-exempt, are most helpful to the wealthy. To a person in the 20-percent-tax bracket, $800 of social security payments is equal to $1,000 in taxable income. To a 60-percent-bracket taxpayer, the $800 payment is equal to $2,000—twice as much.

There are other inequities. Middle-aged and older workers who entered the plan in its early years had the prospect of getting back a good deal more than they put in. But an average worker under 40 who enters the plan now, with tax rates so high and rising, has little prospect of receiving benefits worth even as much as the taxes he paid. Not to mention that the more inflation we have the less his benefits will buy.

As time goes on, the people at work will take on more and more of the burden of paying growing benefits to people already retired. Is there no limit to the load America's active work force will accept?

For the average American, even now, social security is a costly way of buying insurance. That's because a true insurance system operates with a reserve fund, a fund that generates interest income to carry much of the load. Americans, especially labor union leaders who negotiate pension fund agreements, are becoming increasingly familiar with this principle. Will there, at some point, be a public outcry against the high cost of social security?

There is another worry, and this is one that should have special significance for an administration which so often voices concern about the rate of economic growth. To speed growth, the Nation must have more savings and investment. And social security cannot help but divert funds from savings, since it takes over many burdens that otherwise would be carried by insurance. When savings go into regular insurance companies, they are invested in productive enterprise. When funds go to the Government, they merely fuel nonproductive Government spending. Is there no limit to the diversion of savings the Nation can weather?

Entirely aside from all the social implications of expanding social security, the economic questions must be considered now. For the financial planning of most Americans centers on social security, and the system should not be lightly sacrificed for political gain.

In these Democratic days in Washington, you'd think there would be someone willing to listen to Mr. Roosevelt's warning.

[From the Deseret News, Salt Lake City, Utah, July 2, 1962]

THE ROAD TO SOCIALIZED MEDICINE

The way the controversial King-Anderson bill on medical care for the aged is being watered down looks like a sure sign that it is in trouble in Congress, as it ought to be.

This makes a mockery of the earlier rosy assurances from the bill's supporters that the measure had overwhelming support and virtually nothing could stop it. If that were really the case, they would not be offering to compromise on certain provisions.

But if what happened to the administration's ill-fated farm bill is any indication, the proposed compromises on the medicare measure won't help it much. The parallel between the farm and medicare proposals is this: At the last minute several "sweeteners" to the farm bill were offered in an attempt to make its harsher provisions more palatable to Congress, but since they didn't alter the bill's basic flaws, they were defeated.

The same thing seems to be the case with the medicare measure. That is, the suggested medicare compromises do meet certain objections—but in the process they create new ones, besides which they do not go to the heart of what's wrong with the medicare bill.

The basic trouble with the proposed compromises is that they try to be all things to all men. Thus, the major changes made in working out the compromise would:

Permit States to set up their own health care plans by sending the participating State a lump sum to provide the basic health care for its aged. This, of course, raises the time-worn objection that it's wasteful and inefficient to raise tax funds in the States, send it—or, rather, part of it—back to the States again.

Place the medical care money in a trust fund separate from the rest of the social security fund: That might not be a bad idea since the social security fund is in such poor fiscal condition. But if that's done, what's the sense in tying the medicare program to social security in the first place?

Cover about 2.5 million persons not under social security. (The original bill would have covered only those persons participating in social security.) The trouble with this is that social security participants evidently would have to shoulder the extra burden of paying for the medical care of those not covered by social security, which would be manifestly unfair.

Permit participants to continue their private insurance plans, with the Government paying for part of the premiums instead of receiving the payments directly from the Government. But since the Government could argue with some justification that it should set standards to determine which private insurance firms would qualify to participate, this might well open the door to further Federal regulation of this particular segment of free enterprise.

Beyond these objections, the compromise medicare proposal is still a scatter-gun approach to the problem. Three-fourths of the population already has some form of medical insurance. Of those over 65, more than half have medical coverage. Moreover, coverage has been growing steadily—so why meddle with progress?

Still another danger is that if the Government is to provide, on a compulsory tax basis, medical services for one age group, why shouldn't it do the same for other groups? The end of this road is clear—socialized medicine.

What it all adds up to is that combining Government and medicine creates an unhappy mixture that would best be left alone.

[From the Salt Lake Tribune, July 5, 1962]

A BACK-DOOR PLAN TO GET MEDICARE LAW

The administration is making a strenuous effort to get congressional approval of its social security medicare program by roundabout, and questionable, Senate action.

Stymied by inability to blast the King-Anderson bill out of the House Ways and Means Committee, administration forces have attached the bill as an amendment to a bill already passed by the House for extension and increase of certain Federal welfare payments to needy persons and dependent children.

Many Senators object to attaching such a vital piece of legislation as medicare as a rider to an unrelated bill. This threatens to destroy, or at least delay, vital legislation on which there is general agreement. The aim is to swing votes to the controversial rider in order to get the initial bill passed.

In this case the welfare bill must be passed promptly or some of these aid programs cannot be continued. Authorization for some of the funds expired June 30. The States, which administer the aid programs, are concerned—which may explain in part why 19 State Governors in their 54th annual conference voted for a resolution favoring the administration's social security medicare program.

Senator ANDERSON, one of the sponsors of the King-Anderson bill, has made certain changes in consultation with Senate opponents of the original measure which he hopes will gain enough votes to get it through the Senate.

But the compromises do not touch the heart of the matter, which is the tying of medicare to social security.

The medical profession opposes this because the doctors are convinced that once health care is tied to social security, it will inevitably expand until most, if not all, health care is brought under Government control and financed through federally imposed taxes.

Walter Reuther, head of the United Auto Workers, who has advocated many socialistic causes, made this very clear in his testimony before Congress. He said: "If we can get the principle established, we want to build on that principle." President Kennedy himself has described the King-Anderson bill as just a start.

Once health care of even the limited kind spelled out in this bill is tied to social security, we do not doubt it will inevitably expand, first to give a better level of care to older citizens, then to extend social-security health care to other age brackets.

It may be that the people of the United States want to adopt a scheme of socialized medicine such as is in effect in Britain and in many European countries.

But if so, it should be with eyes open, and after full debate, not by a foot-in-the-door subterfuge based on first establishing the principle and then building on it to accomplish full social-security financed health care.

The Tribune does not believe this country wants socialized medicine. We do not believe social security should be distorted by paying for health services rather than paying pension benefits based on previous earnings.

Furthermore we do not think a fair test has been given the aim of providing adequate medical care for the aged through the Kerr-Mills law, or through further extension of the voluntary health insurance programs which have already done so much to bridge the medicare gap.

It is regrettable that this whole problem has become such a political issue, charged with emotionalism, and characterized by misinterpretation and subterfuge.

Social security medicare is too vital a decision to be slipped through the back door as a rider on unrelated legislation. It should be decided on its own merits, with full understanding of where advocates of this foot-in-the-door program intend to take it in the years ahead, once Mr. Reuther's principle of social-security health care is established.

Chicago, July 9.—The financing of health care for the aged with Government participation is too important a matter to be resolved by patchwork compromise or expediency, said Walter J. McNerney, president of the Blue Cross Association, today.

In a statement relating to current discussions in Washington, Mr. McNerney said:

"There have been many references to Blue Cross during the current debate in the U.S. Senate on the compromise proposal to finance health care for aged citizens. It is stated that the providers of services may select an organization, such as Blue Cross, to represent them in dealing with the Federal Government and that the Secretary of Health, Education, and Welfare may enter into an agreement with the agency so selected to perform some of the administrative functions of the program. Just how this would work out is not clearly defined, but at best it seems that Blue Cross would serve largely as a conduit for money and instructions from the Department of Health, Education, and Welfare to the providers of the services. In our view this is not the most efficient and realistic way in which to utilize the assets and capabilities of Blue Cross plans. It is unfortunate that this and other provisions of the compromise plan have been advanced without the thorough examination warranted by so complex a subject.

"The member plans of the Blue Cross Association are on record to the effect that many retired aged persons need Government assistance to enable them to purchase health protection through the voluntary system. Based on extensive experience in covering more than 5 million aged persons and long standing relations with the Nation's hospitals in every State, the plans feel that the Government assistance to the aged should be related in amount to income levels; that legislation should state benefits only in broad categories so that the realities of changes in medical science and revenues could be reflected; and that Government's relations with Blue Cross should be on an underwriting basis rather than a cost plus basis; i.e., Blue Cross, to the extent that it is involved, should assume the risks at a given rate for a given period of time. The scaled income provision would help those aged who need it the most; it would encourage preservation of present coverage; and it would avoid a means test. Furthermore, an underwriting basis would enable the Congress and the administration to determine annual costs in advance, and would preserve to the highest possible degree the concept of local responsibility through local plan administration.

"Our estimate is that the income from the revenues provided in the amendment proposed in the Senate is not sufficient to cover the benefits described. Furthermore, it is doubtful that some of the benefits could be produced by providers of services because of shortages of skills and facilities in many areas.

"The voluntary system is undergoing an orderly progression in covering disadvantaged groups such as the aged. The control, underwriting and cost relations developed are effective and getting stronger continually. It is hoped that the Congress will do nothing to retard continued progress in this area."

Mr. BENNETT. Mr. President, the Senate has been very patient with me, this afternoon; and I appreciate the opportunity to present these views on the proposal before us. I am afraid I shall have other views to present, and no doubt before the end of the debate I shall again take the floor, to expand on my views on some of these problems. But at this time, in closing my remarks now, I urge the Senate to reject the Anderson amendment.

ORDER FOR ADJOURNMENT

Mr. SMATHERS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until tomorrow at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The Senate resumed the consideration of the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

Mr. PROXMIRE. Mr. President, I expect to speak at some length on the authorization bill for the National Aeronautical and Space Administration, and I also expect to call up two amendments in connection with the bill.

I expect to ask for yea-and-nay votes on my amendments. Under these circumstances, it is obvious that the Senate will not be able to take final action on the bill today, because there had been an indication that no yea-and-nay votes would be taken today. Therefore, I shall proceed now with my presentation of the amendments; and I assume that the yea-and-nay votes can be taken tomorrow, if that course is agreeable to the leadership.

Mr. KERR. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. I submit a proposed unanimous-consent agreement, and ask unanimous consent that, in that connection, rule XII, clause 3, be suspended, in order to permit consideration at this time of the proposed agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the proposed agreement will be read.

The proposed agreement was read, as follows:

Unanimous-Consent Agreement

Ordered, That, effective at the conclusion of routine morning business on Wednesday, July 11, 1962, and previous to the limitation of debate on H.R. 10606, under a previously adopted unanimous-consent agreement, during the further consideration of the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes, debate shall be limited to 30 minutes each, on two amendments to be offered by the Senator from Wisconsin [Mr. Proxmire], to be equally divided and controlled by Mr. Proxmire and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received: *Provided further*, That at the conclusion of the debate and vote on the Proxmire amendments, the Senate shall proceed to vote on the committee substitute, as amended, followed by a vote on final passage of the bill.

Mr. KERR. Mr. President, in connection with the proposed unanimous-consent agreement, which I have cleared with the minority leader, the distinguished Senator from Illinois [Mr. Dirksen], and with the majority leadership, I request that the agreement now be entered.

Mr. SMATHERS. Mr. President, reserving the right to object—although of course I shall not object—I first wish to ask a question: Is it the opinion of the Chair that, under the proposed unanimous-consent agreement, the only two amendments which could be debated and agreed to tomorrow would be those offered by the Senator from Wisconsin [Mr. Proxmire]?

The PRESIDING OFFICER. Under the proposed agreement, no other amendment to the bill would be debatable; and if any other amendment were to be offered, it would have to be offered to the Proxmire amendments and would have to be germane thereto.

Is there objection to the proposed agreement? Hearing none, it is so ordered.

Mr. KERR. I thank the Senator from Wisconsin for yielding to me.

Mr. PROXMIRE. I thank the Senator from Oklahoma.

Mr. President, the bill before the Senate, the Space Agency authorization bill, represents by far the largest proportionate increase in spending by any agency of any significant size in the Federal Government, and in terms of dollar increases, it is perfectly enormous.

Back in fiscal 1960 the appropriation for NASA was $523 million. In fiscal 1961 it was $964 million. This current year it is $1,684 million. In the coming year, on the basis of the bill before the Senate now, it will be about $3,700 million.

It is predicted that by 1964 the amount is likely to go up to $5 billion or so; and before the end of the decade it will approach somewhere between $10 and $15 billion.

I have chosen to discuss this subject and debate it and offer amendments to this bill because I think it is about time that we have some genuine discussion on the floor of an agency which is expanding with such fantastic rapidity.

I am deeply concerned about the amount involved, and at a later time, when the appropriation bill is before the Senate, I plan to offer an amendment to reduce the amount. This is not the most important of my concerns. In addition, while the space program offers great opportunities for mankind, it is going to have an enormous impact on our economy, small business, education, and particularly the availability of scientific manpower.

Mr. KERR. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. KERR. In order that the Senator from Oklahoma may be apprised as soon as possible of the amendment or amendments of the Senator from Wisconsin, would the Senator from Wisconsin provide the Senator from Oklahoma with a copy of what he intends to propose as soon as it is available?

Mr. PROXMIRE. I will, indeed. I plan to submit them and have them printed. I will make them available to the Senator from Oklahoma.

Mr. President, as I have said, the monetary aspect of the bill is enormously important. As a matter of fact, the expenditure of $3.7 billion represents an expenditure of about $70 for every American family. It is a tremendous increase in cost. But far more important, in my judgment, is the effect it is going to have in other areas. In no area is the impact more important than in the area of education.

ADVERSE EFFECT ON AVAILABILITY OF SCIENTIFIC MANPOWER

I suppose there are few Americans who have the grasp, imagination, and ability to speak with real authority on the subject, but certainly one of them is Dr. James R. Killian, head of the outstanding scientific institution, the Massachusetts Institute of Technology. He not only is chairman of the MIT Corporation, but he served as President Eisenhower's first scientific adviser in the postsputnik era. He is thoroughly competent and deeply concerned with national defense, space, science, and education.

Dr. Killian recently said:

> The United States must decide whether it can justify billions of dollars for man in space when its educational system is so inadequately supported.

He went on to say:

> The Nation must seek to determine whether it is now proceeding too rapidly in this area and whether it can manage the present man-in-space program without weakening other important national programs, including defense.

He said that at the annual dinner of the MIT Institute in New York.

He also said:

> I believe that in space exploration, as in all other fields that we choose to go into, we must never be content to be second best, but I do not believe that this requires us to engage in a prestige race with the Soviets. We should pursue our own objectives in space science and exploration and not let the Soviets choose them for us by our copying what they do.

Mr. Killian does not pose the problem of whether we should spend several billion dollars in space or whether that amount should be spent on Federal aid to education. Nor am I proposing that. I am proposing something with more specific direction. I am proposing that we should consider whether or not this authorization, and particularly subsequent authorizations, will have, specifically, an adverse effect on scientific education in this country.

It might have an adverse effect on defense in this country. It might have an adverse effect, as Dr. Killian implies, because there is a shortage of scientific personnel today.

Dr. Killian indicated that he felt that the people of the United States should be given some conception of the scope of our space program, that the Government should not rush blindly into the space program without examining what is involved in the program and determining whether the program is aimed at feasible and concrete goals.

NO DOUBT THAT SPACE EFFORT VITAL

Fortune magazine, in a very impressive article for June, dealt with this subject in considerable detail. I wish to quote from the Fortune article because it seemed to me to place the issue before us not only concisely but also very eloquently. The article reads, in part:

> There have been some human protests—protests made by humanitarians, who feel that there are still too many things that need doing here on earth before such energy is expended in space, protests made by other sensible people who are appalled at the extravagance, and felt by some religious people who are quite sure that "God doesn't intend us to go to the moon." Objectors of all kinds must face the single devastating fact: they are all too late. It is not that certain formal decisions have already been made (a statement by the President, authorizations by Congress); these are revocable. What is irrevocable is the vaulting ambition of man, which has brought him to the brink of this exploit.

I accept that. The fact is that we are on the brink of this adventure into space. We have to accept the costs involved.

ECONOMIC IMPACT

But it seems to me we also have a responsibility of recognizing what this kind of program can do to our economy and to education in the process.

The article further says:

> By 1970, according to the most conservative initial estimates, NASA and the military will be spending around $15 billion a year on space, including $5 billion on missiles. But almost every space project so far has cost two to three times its conservative initial estimates. Mistakes are bound to be made, failures are bound to occur, and costs and ambitions bound to soar.

The article also says:

> The space effort will very likely cost more than $20 billion a year by 1970.

The Fortune article indicates the way the money will be spent and what it is likely to do to the economy, when it says:

> By the time the satellites begin to pay off measurably, say 1970 at the earliest, the United States may have spent $75 billion to $100 billion on space activities, and another $50 billion on missiles. Annual interest on such sums, if reckoned at the prevailing Government securities rate, will be around $4 billion, enough to pay the Nation's yearly shoe bill; and what might be called the accumulated interest will come to another $20 billion by 1970, enough to run the whole U.S. railroad system for 2 years or to pay for most of the country's education for a year.
>
> The space program is right now giving the economy a powerful and potentially inflationary boost.

SCIENCE MANPOWER THE ISSUE

The article goes on to indicate how much is being poured into the economy. The significant point which I am stressing is the way the money is being poured into the economy and what it may do to the availability of manpower, especially skilled and trained manpower.

With respect to the economy, the article further says:

> 1. There will be fewer and bigger contracts.
>
> 2. Production runs will decline steadily, and completely reverse the traditional 4-to-1 ratio of shop to engineering personnel. That is, companies will spend more on engineering and less on actual production; in fact, straight production capacity is already excessive. In 1960, Lockheed says, the company's R. & D. awards came to more than the whole Nation spent on defense R. & D. in 1950.

The kinds of jobs to which reference is made are not the kinds of jobs anybody can do after a couple of years in a trade school or after some on-the-job training as a welder. These jobs will increasingly require highly trained, very specialized and skilled scientific personnel.

As the Fortune article says:

> The aerospace companies will need not only engineers, but physiologists, psychologists, space-medicine men, chemists, and systems engineers.

It is further pointed out:

> This trend may be hard on small business, and doubtless will result in many mergers—of small companies with big, and small with small. For the important contracts from 1965 on will be based on ground support and airborne guidance and control systems, which require large engineering organizations.

There is much more of this documentation, indicating the effect of the program on small business. There is an indication of the effect the program will have on concentration, and so forth. I wish to come to that a little later.

AVAILABILITY OF TRAINED SCIENTISTS

Fortune magazine also goes into the principal question which I am discussing this afternoon. It says:

> The space effort is the first paramilitary effort in history not accompanied by a demand for heavy hardware and mass-produced materials. Its great demand, instead, is for professional people, and it may relatively soon employ up to a million. Since more and more money will go into manpower, particularly engineers and other technical specialists, the well-worn question of whether the United States is producing enough professionals is no longer academic.

This, Mr. President, is the real question.

> By 1970, thanks in large part to the space venture, the United States will need more than 2 million scientists and engineers, or about double the number employed in 1959. A million more will be hard to find. NASA itself will have hired 4,500 specialists by the end of fiscal 1963; since, however, it has gone to a great deal of pains to get talent and also because many professional people would rather work where the big decisions are made at relatively low salaries ($8,000 to $20,000), it has managed to hire about 2,000 and expects no great trouble in corralling the other 2,500. Some experts argue that if engineers and high technical talent were used efficiently—i.e., not assigned to sales work and routine technical jobs—the shortage would not be so bad as it seems. But the majority agree that the shortage is already severe, and is bound to get worse as the space industry expands and R. & D. becomes more intensive.

The Fortune article goes on to point out the battle which has gone on for the scarce personnel, and how this has affected universities, defense industries, and so forth.

Mr. President, the significant question is not whether we should undertake space programs but rather at what rate we should carry on such programs, what goals we should establish for our space effort.

I think that the Senate Committee on Aeronautical and Space Sciences—headed by the distinguished Senator from Oklahoma [Mr. KERR], who is certainly one of the most able Members of this body—has done an excellent job of thoroughly examining the complex details of our present space program and the proposed NASA budget for fiscal year 1963.

FUNDAMENTAL PROBLEMS NOT CONSIDERED

If one looks through the hearings, however, one finds little discussion of the long-range implications of the problems involved in our space effort. There was no real discussion that I could find of the scientific manpower problem, at least in great detail, and how the space program might affect the economy.

Today I should like to discuss this question as concisely as I can, in view of the fact that it is a perfectly immense problem.

TAX BURDEN IMMENSE

For fiscal year 1962 NASA received a budget of $1.7 billion. For fiscal year 1963 the committee has recommended $3.7 billion. The NASA budget estimate for 1964 is expected to be around $5 billion.

These budget figures give little indication of our Nation's total space effort. The magazine Missiles and Rockets claims that for fiscal year 1963 the total budget for the space program will be $16.2 billion, and that for fiscal year 1964 it will be about $20 billion. I am referring to an article in the magazine Missiles and Rockets, the issue for January 22, 1962. This is the leading journal, on the basis of my information, of the aero space industry.

In the course of the article in this magazine, it is pointed out what an immense impact the total space effort has. Of course, today what we are talking about—what we have before the Senate for consideration—is not the military part of the program—not the defense part of the program, which is the larger in terms of dollars—but the nondefense part of the space program. There have been several estimates as to how much will be spent within this decade on our nondefense space program.

The magazine Missiles and Rockets provides a most reliable estimate. This article says the cost will be about $50 billion for NASA alone. Fortune magazine, as I previously indicated, guesses the cost will be about $75 to $100 billion.

MAN ON MOON $35–$40 BILLION

Taking the more conservative estimate, about $35 to $50 billion would go into setting a man on the moon; that is, into the Apollo project.

The spacecraft for that project alone will cost around $10 billion, according to the industry's estimate. Of that amount, about one-half will go to the prime systems contractor, the major contractor for the project.

The Cape Canaveral spaceport is expected to cost about $1 billion by 1970.

MAJOR SPACE COSTS HIDDEN

In spite of the vastness of both those sums, there is good reason to suppose that a significant part of the cost of the space program is hidden and is not included in the estimates referred to.

Business Week reported on space procurement that:

> Actually, bookkeeping has held the space figures well below reality. The program has benefited—and will continue to benefit—from a great deal of money spent under other headings.

For example, NASA has benefited from the development by the Defense Department of ballistic missiles, and also from the use of many military installations. So part of the cost of the space program is hidden in the expenses of the military for missiles.

PRIME IMPACT: SCIENTIFIC JOBS

The significance of such a huge space effort is clear. It will magnify rapidly both opportunities and problems. It will provide a great boost to our economy. It will open up 1 million new jobs by 1975. And those are only the direct jobs that will be opened up. In addition to those, the effect on our economy will be even more expansive in the millions indirect jobs developed. Steel will have to be manufactured, many items must be made of aluminum, and many machine tools must be fabricated.

NEW JOBS STEM FROM GOVERNMENT SPENDING

Let us not forget that the entire cost of this vast program will be paid from taxes. Undoubtedly there will be an important and beneficial stimulation to the economy. But it will be bought at a stiff price in higher taxes for every American family, taxes, which as I have pointed out, average $70 per family, per year, to pay the cost of the program contemplated by the authorization we are now discussing.

But the direct jobs are expected to be 1 million by 1975. Of course, the effect of the direct operation in the specialized areas will be literally beyond our present imagination.

On page 87 of an article in Business Week, on the subject of "Space," in the issue of August 19, 1961, the following is stated:

> The number of jobs in the space industry figures to rise just as sharply as the number of really big companies in the field will shrink. Already, the industry has marked itself as what the statisticians call labor-intensive—that is, the ratio of men employed to dollar value of product is very high. By 1975, when spending on space—according to one educated guess—will reach an annual $10 billion, employment in the space field will probably be running around 1 million.
>
> That's a ratio of one worker for every $10,000 of product. In missile work, most nearly comparable to space, the 1958 ratio was figured at one worker for every $10,893 of product. Compare that to other industry ratios today: In oil refining there's one worker for every $99,566 of product; in construction equipment it's $22,112, in newspapers $12,329.
>
> The predictable increase in employment in the space industry jobs will not be across the board. There will be a tremendous increase in the number of skilled, technical, and engineering jobs. But there will be a lack—certainly proportional, perhaps even absolute—in the number of unskilled jobs.
>
> The massive demand for highly skilled people will put a heavy strain on the entire educational system in the United States; schools and colleges will be called upon to provide the human material for the industrial upgrading. If the schools cannot do it, the whole national space effort will be hobbled.
>
> Voracity: Experience to date shows vividly how space work gobbles up workers. McDonnell Aircraft figures that one way and another 200,000 people were connected with the development of the Mercury capsule.
>
> Or take the follow-up contract for the Apollo manned spacecraft. If General Electric wins this job, it figures it will have to add 4,000 to 6,000 persons to the payroll of its missile and space division at Valley Forge. NASA has already added close to 200 people to its staff to work on Apollo.
>
> As for the various unmanned space projects: As least 100,000 new jobs will be opened up when NASA really gets going on its projected Voyager, Mariner, Prospector, Surveyor, and Ranger programs.
>
> It's equally easy to demonstrate why the ratio of skilled to unskilled workers will remain very high as the space program advances. Booster rockets may, in time, get to be fairly standard production items. But the space vehicles themselves, for a very long future, will continue to be specially tailored, highly individual flying laboratories.
>
> Each vehicle will have to be handtooled to its particular mission. Even while the booster rockets are being built, plans will have to be kept flexible enough so that new scientific and technical discoveries can be added to the space craft as they appear.
>
> Clearly, anything remotely resembling mass production is out of the question in space vehicles. It will take expert technicians at almost all levels to cope with such fluid and specialized designs.
>
> Airframe precedent: The airframe industry has already demonstrated—if any demonstration were needed—how the ratio of the highly skilled soars as products become more complex and less standardized. In the wartime days when industry was producing a tremendous volume of a relatively few workhorse types of planes, two-thirds of the employees were industrial workers. Today, making fewer, bigger, much more complicated planes, the industry payrolls show only one-third of industrial workers; all the rest are scientific, technical, and managerial personnel.

The point I am emphasizing is that the program will have a profound employment impact. But upon whom? Not upon people who have been laid off, as are steelworkers and autoworkers today, although the program will have some effect in that area. But the most pressing effect will be on people who are in very scarce supply today and whose growing scarcity has been the object of the deepest concern. These are the scientific specialists who will be particularly needed in that area.

NASA POOR RECORD ON ADVERTISED COMPETITIVE BIDDING

In fiscal 1961 NASA spent $766 million on procurement.

Of that amount 50 percent is in direct awards to business, 15 percent to nonprofit or NASA-connected institutions, and 29 percent went to other Government organizations and agencies.

For the information of the Senate, I am speaking today on an amendment which I intend to offer. I shall offer it tomorrow. The amendment which I propose to offer provides in part as follows:

> On page 18, line 3, immediately after the section number "Sec. 6.", it is proposed to insert the subsection designation "(a)".
>
> On page 19, after line 23, it is proposed to insert the following new subsection:
>
> (b) Section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473), is amended by adding at the end thereof the following new subsection:
>
> "(c) To the maximum practicable extent, purchases of and contracts for property or services shall be made by the administration by formal advertising. No such purchase or contract, or any category thereof, may be entered into by negotiation unless the administrator has determined that the use of advertisement for bids for such purchase or contract, or category thereof, would impair the accomplishment of the purposes of this act. Each such determination shall (1) be made in writing, (2) contain a full and complete statement of the facts and circumstances relied upon by the administrator in making that determination, (3) remain on file in the administration for not less than a period of 3 years, and (4) at all times during that period be available for inspection by any officer or employee of the General Accounting Office designated by the Comptroller General to inquire into compliance by the administration with the requirements of this subsection."

The reason I am offering the amendment is partly because the consequences—and it has been emphasized and reemphasized over and over again—on the economy will be to make big business bigger, and it will provide fewer and fewer opportunities to small business. It is extremely important that we take every precaution we can to see that small business has an opportunity to bid.

My amendment would make it possible for the General Accounting Office to "look over the shoulder," as it were, of NASA when those enormous contracts are let without the useful, cost-cutting discipline of advertised, competitive bidding.

It is my understanding that the GAO at present is not able to evaluate effectively the extent to which NASA's enormous departures from competitive bidding are fully justified.

In formal advertised bidding small business does very well. In the defense area, in which small businesses receive about 10 percent of negotiated contracts, it gets nearly 50 percent of the jobs requiring advertised bidding.

That is very useful from the standpoint of the taxpayer, because on formal advertised bidding we can be sure that the most efficient firm, the lowest cost firm, the firm that bases its figures on cost with no favoritism involved, the firm that can do the best job, gets the job.

As I said, direct awards by NASA to small businesses total about 15 percent. Although 95 percent of businesses are small, they do about 40 percent of the Nation's business. Of the awards to large business, approximately 20 percent of the value is subcontracted to small businesses. Fees on cost-plus contracts average between 6 and 8 percent of the contract dollar. Of the $423.3 million in direct contract awards to business, 56 percent was awarded by negotiation with more than one source, called competitive negotiation, 35 percent by noncompetitive negotiation, single source, and 9 percent or less than $1 out of $10 awarded by competitive advertised bidding.

That was for the fiscal year 1961, and that is on the basis of the procurement awards report. The information is quoted from the magazine Missiles and Rockets.

Furthermore, in fiscal year 1961 North American Aviation Corp. was the leading contractor for NASA, with $75 million, or 18 percent of the direct awards. In other words, that one corporation received about twice as much as was procured by NASA through advertised competitive bidding.

It seems to me that the Congress has already expressed its intention in the law that, wherever possible, Government procurement should be by advertised competitive bidding. It makes a great deal of sense, in view of the record of the space agency, and in view of the fact that instances have been reported in the newspapers of the space agency reducing competitive bidding because it was felt that time could be saved. If there is to be a greater opportunity for small business, and if there is to be the greatest possible consideration for the taxpayer, as Members of Congress we should take action to provide in the law that, to the greatest possible extent, and wherever practicable, the space agency should contract through competitive bidding.

CONCENTRATION ALREADY SERIOUS

North American not only received 18 percent of the direct space awards, but at the same time it was the third largest Defense Department contractor, with a total of $964 million. In the fiscal year 1962 the same company was awarded the prime systems contract for the Apollo space contract. The company will receive between $3.5 billion and $5 billion for that contract over a period of a few years.

I have some detailed material on that subject which I shall ask to have printed in the RECORD at a later time.

All in all, for the fiscal year 1961, seven companies in industry accounted for 50 percent of the direct awards by NASA. Only seven companies received 50 percent of all the space business. The space agency is expanding most rapidly; and, according to some estimates, is likely to have a $15 billion operation by 1970. It is the big new growing industry in America.

Twenty-five leading companies accounted for 70 percent of the awards. With the budget for NASA growing rapidly, we can expect to see the present situation magnified. There will probably be fewer contracts in successive years, but the contracts will tend to increase in value.

In other words, we will have a situation in which contracts are bigger and big business gets a bigger and bigger share. Here, Mr. President, is a clear predictable, sure drive towards greater and greater concentration. My competitive bidding amendment will prevent the surging tide of domination by bigness from sweeping small business before it at a greater rate than economic realities require.

Even if the percentage of noncompetitive contracts does not grow in the future—which is doubtful—we will probably see nearly a half-billion dollars given without competition to space companies annually within a few years.

Further, with each contract which a company receives, its position for receiving more contracts in the future is bettered: an initial contract snowballs into other follow-on contracts, often given noncompetitively. This will result in the gradual concentration of the ability successfully to fulfill the very complex and technical contracts within the industry.

DEFENSE STANDARDS ON COMPETITIVE BIDDING SHOULD BE MINIMUM FOR NASA

The Wall Street Journal, for example reported:

> Space authorities are dispensing with competitive bidding on some key rocket projects. The direct approach can save as much as 4 months, officials explained. The Space Agency is negotiating directly with Douglas Aircraft for construction of an upper stage, costing $250 million, for the advanced Saturn rocket. Development of a new liquid-fueled engine for the Nova rocket, a project expected to cost up to $175 million, may also be allotted to a single contracting source.

While I recognize the urgency with which our space program is viewed, I cannot understand that the need for speed is so great that we should put aside standards which have been set by the military. While sometimes a devastating case can be made for all possible speed with regard to defense, it is hard to understand why there should be any such speed with regard to space. Oh, we want to beat the Russians to the moon, of course, but if we do not beat them to the moon, it will not mean that freedom will collapse. It will be a prestige setback of tremendous importance, but nevertheless we must view these things in their proper proportion. We have a tremendous amount of money, and the interest of the taxpayer clearly involved; therefore, it seems to me that NASA should not forgo proven procedures in order to save a few months or a few weeks.

I can hardly feel that our Nation's defense should have a lower speed priority than the so-called space race.

I have written to the Aeronautics and Space Administration asking them for a report on their procurement policies and procedures. They have answered the letter, and at a later time I shall place the reply in the RECORD.

SHORTAGE OF SCIENTISTS

The prime consequence of our space program that concerns us is on our scientific manpower. The space industry trade magazines frequently contain articles on NASA search for new scientific and technical manpower with which to fill out its expanded program.

NASA is reported to need 13,000 more engineers and scientists in the next few years. An article in "Missiles and Rockets" headlines "Scientists/Engineer

Shortage Worsens." The article goes into considerable detail on this point.

What I am about to say is crucial because it relates to the primary point I am making. In a key article published in "Missiles and Rockets," written by Mr. Heather M. David, the author states:

> Concern is mounting at the National Aeronautics and Space Administration as the Nation's force of engineers and scientists continues to shrink.

We are talking about a program which is going to create a tremendous demand for scientists and engineers. Yet the Nation's force of engineers and scientists, according to Missiles and Rockets, is continuing to shrink.

The article goes on:

> As engineering schools report lower and lower enrollments, personnel officers of the Nation's space program say the demand for qualified men is skyrocketing—and will probably double within the decade.
>
> Recent surveys show that the number of total engineers enrolled as freshmen has decreased steadily for the past 4 years. The drop is even more dramatic when contrasted against the total yearly increase of freshmen. An informal survey conducted by the U.S. Department of Education shows that in the period from 1953 to 1957, engineering freshmen accounted for about 10.5 percent of all incoming freshmen. This percentage dropped to 9 percent in 1958, 8.2 percent in 1959, 7.3 percent in 1960, and 6.6 percent in 1961.
>
> Even if this percentage is bolstered by the Nation's entry into the moon race, the shortage will be felt for 4 or 5 years as these "low classes" graduate.

It would be different if we had at any time a surplus of engineers and scientists, but we have a very serious shortage. That fact has been called to the Nation's attention by the President of the United States in a recent press conference.

NASA is on an extensive and expensive recruiting campaign to get enough scientists and engineers.

The article continues:

> A National Science Foundation study just released says that by 1970 demand for scientific and technical personnel will have doubled.

SOVIET UNION RAPIDLY GAINING ON UNITED STATES IN SCIENTIFIC EDUCATION

Meanwhile, it should be noted that the percentage of incoming college freshmen is falling. I should like to contrast this with our great rival in defense and also in the space race—the Soviet Union. This year there was an extraordinarily comprehensive and competent article written by Nicholas Dewitt, of Harvard University, on the Soviet training of engineering and scientific personnel. In the course of his article, Mr. Dewitt said:

> Since the average quality of Soviet science and engineering graduates is comparable to that of American graduates, the superiority in numbers must be considered a crucial advantage. It is likely to increase the proportion of above average or outstanding engineers who will emerge from the broader manpower base of the Soviet Union.
>
> Possibly even more significant is the fact that the proportion of university-trained manpower engaged in teaching in the Soviet Union is slightly more than twice that of the United States.

Mr. Dewitt goes into great detail in pointing out how sharply the number of engineering and scientific graduates is increasing in the Soviet Union as compared with the situation in this country. He points out that whereas 10 short years ago the United States was ahead of the Soviet Union in graduation of scientists and engineers, this year the Soviet Union is graduating far more than we are. As a matter of fact, the relationship is something like 125,000 Soviet engineers and scientists graduated to 45,000 in the United States.

Mr. President, I reserve the right to correct those figures, but they are approximately correct. They indicate the kind of competition we are up against in this area, which is likely to become a serious bottleneck for us when our principal military, economic, and space adversary is concentrating so effectively as only a totalitarian nation, unfortunately, can concentrate.

WASTE IN SPACE PROGRAM

Finally, with any program of the size and complexity of the space effort envisaged by NASA today, there is bound to be a certain amount of waste and fat. In spite of the importance ascribed to any space program, Congress must intensively examine each aspect of the program to keep the waste to a minimum. Missiles and Rockets reports that, according to William H. Pickering, president of the American Rocket Society, the Aerospace and related technical industries spend about $100 million annually in lush, often unnecessary, "technical society meetings," and tack the cost onto the Government bills.

Incidentally, there is an editorial in the magazine Missiles and Rockets, which is entitled "Booze, Blondes, and Bashes," which refers to this waste of money in an industry which has suddenly become lush, and suggests to me that we need to be far more careful in our programs and policies and to insist on competition, to insist on vigorous cost cutting, and attention to the greatest possible economy.

NASA PROGRAM—NOT NOW DIRECTLY RELATED TO DEFENSE

It has frequently been said that the United States must beat the Russians in developing a manned space vehicle, in order to have the military advantage of control of space. This argument is often given as a justification for civilian space programs. But Dr. Harold Brown, Director of Defense Research and Engineering, testified during the hearings on the NASA authorization bill that there is as yet no definable military need for manned space vehicles. He even had some doubt that manned space vehicles might ever have a military use. What Dr. Brown proposes to do is to put more time and effort into thinking about how the military could use space and what the other alternatives are to an imagined astronautic weapons system.

DEFENSE, NOT SPACE, TOP PRIORITY

Mr. President, it makes sense to me for us to take whatever action is necessary in order to provide the strongest defense. While I have opposed some defense spending because I did not think it contributed significantly to the national defense, I recognize that it is necessary for the American people to spend whatever is necessary in order to do our utmost for defense.

Also, I believe the American people have the imagination to recognize the magnificent potentialities of space. Still, I think we should realize that there is no great urgency involved. It is not a matter of defending freedom; it is not a matter of defending the world; it is not a matter of protecting the United States against possible aggression from a Communist opponent. It is a matter of developing, in time, an exciting future for mankind, particularly for Americans.

TIMING OF SPENDING—THE REAL ISSUE

So I believe we should think in terms of priorities, not so much as to whether we should do this. We all agree we must spend money for research in space; but as to how rapidly we should do it; how rapidly we should spend the money.

As I said, Dr. Brown, Director of Research and Engineering in the Department of Defense, a top scientist, and the chief scientific adviser to Secretary McNamara, had some doubt that manned space vehicles might have military use.

Another scientist, Lee A. Du Bridge, president of California Institute of Technology, said that our Nation could have a better defense system, in terms of hitting enemy targets with greater accuracy, if we concentrated on earth-based ballistic missiles instead of trying to locate missiles on the moon or on some orbiting manned satellite.

I should like to quote specifically from an article by Mr. Lee DuBridge, published in Harper's magazine for August 1959:

> SHOOTING FROM THE MOON
>
> Even more interesting problems arise if one thinks of establishing a military base on the Moon and shooting weapons at specific targets on the Earth. The Moon is moving about the Earth at 2,300 miles per hour, the Earth is 240,000 miles away and it is spinning so that any target on its surface is moving along at a speed up to 1,000 miles per hour at the equator. A projectile must first escape from the Moon's gravitational field and then get injected into a suitable Earth-bound trajectory. The time of travel to the Earth will probably be a day or two. Any duck hunter can appreciate the problems of hitting a particular spot on a bird when he is shooting from a car going 2,200 miles per hour (and the bird is also spinning) when the bullet available travels a highly curved path and takes two days to reach the target. It may take quite a lot of practice to attain the desired accuracy under such difficult circumstances. Again we will be lucky at first to hit the Earth at all—still luckier to hit the right side.

I do not mean to deride the proposals which have been made to consider what future the moon has as a base for military operations. It is conceivable. Many things which were sneered at only a few years ago have come true. This may happen in the next decade or two. But to rush along without any more specific relationship to national defense than has been demonstrated in the NASA authorization makes it hard to argue, it seems to me, that this may be justified on a defense basis, especially since three times as much money for missiles is already in the defense budget.

The Senate Committee on Aeronautics and Space Sciences, under the able leadership of the distinguished Senator form Oklahoma [Mr. KERR], has performed excellent service in tackling the complex details of our Nation's space program.

But the long-range implications and problems of our space programs, the impact of the programs on business competition, small businesses, and our scientific manpower; our procurement practices and regulations; and the long-range alternative programs in which the funds could be used, demand more careful consideration than I think Congress has yet given them, either in the House or in the Senate, and in any previous year. That is why I am offering my amendments.

NASA MUST TAKE SCIENTIFIC PERSONNEL FROM OTHER VITAL JOBS

Before I discuss my specific amendments, I should like to refer also to some studies which particularly emphasize the major problem I am trying to stress this afternoon; namely, the impact that the space program will have on the very limited supply of scientists, engineers, physicists, mathematicians, and chemists we have at present. I have a letter which was written to me about a week ago by Mr. Howard A. Meyerhoff, Executive Director of the Scientific Manpower Commission. Dr. Meyerhoff writes, in part, as follows:

> A substantial number of the people who will be hired—

By NASA, with the funds being authorized in this bill—

> must have had varying amounts of experience, hence a substantial portion of the personnel required must be taken from other employment. No information was given us, so far as I can recall, on the ratio between new graduates and experienced technologists, but the competitive demand on both becomes an exceedingly serious factor in projecting the supply-demand situation over the next few years.

In fact, the personnel are likely to come from agencies producing for defense and also from the universities or from industry generally. It is hard to say where they will be obtained, unless they are obtained from the very limited and exceedingly important areas in which personnel are already in short supply; and when I refer to obtaining them from the universities, of course, I refer particularly to obtaining professors and instructors there.

I read further from the letter from Dr. Meyerhoff:

> I have been working on the scientific and engineering manpower problem for nearly 10 years, and even if I apply my imagination to my knowledge, I frankly do not know where these people are coming from, unless we are prepared to cut back sharply on the use of competent teachers in our institutions of learning and on research and development in industry and in other Government agencies.

Mr. President, where will they come from?

I read further from Dr. Meyerhoff's letter:

> Of grave significance is the fact that the deficit estimated in the Bureau of Labor Statistics projection did not take into account the extraordinary demand of 2,500 technologists by NASA, because the study was made before NASA requirements were announced. If we take the BLS deficit figure of 14,000 and assume the normal ratio between demand for engineers and demand for scientists, the shortage will be enhanced by at least 10 percent through the balance of the decade.
>
> These observations have dealt solely with the effect on the new supply of graduates, but the demand for experienced men and women will have—indeed, is already having—an alarming impact because this need must be met by pirating. NASA has been making a vigorous attempt to add 2,000 highly trained people to its staff before the end of the fiscal year that has just closed. From reports that have reached me, I must conclude that the agency has used all the methods, good and bad, devised by industry to persuade men to change employers. I have no statistical information on the number of people thus recruited but the cries of anguish from several companies suggest that NASA met with a considerable measure of success in its efforts.
>
> The only conclusion I can reach is this: The NASA's manpower requirements have not been integrated and therefore have not been seen in perspective in relation to other overall needs in education, industry, and government. At no time and under no administration has the executive branch of Government given serious attention to this vital aspect of national welfare.

Mr. President, this is why I say that, even more important than this very great increase in the authorization—a $2 billion increase in this bill, from $1.7 billion up to $3.7 billion, which is a very great increase—of greater importance is the question of what this authorization may do to the already limited supply of available scientific manpower.

In his letter Dr. Meyerhoff also states:

> The complementary problems posed by NASA and NIH—

Which I shall discuss at a later time, when the appropriation for that agency is before us—

> point the dire need to strengthen the manpower function of the Office of Emergency Planning or to create a new agency for the specific purpose of dealing with the problem.

This relates to an amendment which I shall offer tomorrow. The amendment will provide for the making of a study by a commission not tied to any agency, so that the commission can make the study objectively and without prejudice and can let Congress, the President, and the country know what we can do to solve this most serious problem and to move ahead as rapidly as possible with the Space Agency.

Mr. President, I ask that the letter from which I have been reading be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> SCIENTIFIC MANPOWER COMMISSION,
> *Washington, D.C., July 3, 1962.*
> Hon. WILLIAM PROXMIRE,
> *U.S. Senate, Washington, D.C.*
>
> DEAR SENATOR PROXMIRE: Mr. Sieverts has asked whether I may be willing to express my views on the manpower needs of the National Aeronautics and Space Administration. Although I am not sure I have thought this relatively new demand on our limited manpower supply through, I am pleased to have the opportunity to do some more thinking in an effort to write you a coherent letter.
>
> The Director of Personnel for NASA presented an outline of this agency's requirements before the Committee on Specialized Personnel of the Office of Emergency Planning. I have been a non-Government member of this committee for some years. He indicated that 2,500 engineers and scientists would be absorbed into the agency and its activities each year for a period not less than 4 years in length. Although requirements extend over a broad range of engineering and scientific fields, they will make the heaviest call upon mechanical, electrical, chemical, metallurgical, and ceramic engineers, and upon physicists, mathematicians, and chemists. A substantial number of the people who will be hired must have had varying amounts of exeprience, hence a substantial portion of the personnel required must be taken from other employment. No information was given us, so far as I can recall, on the ratio between new graduates and experienced technologists, but the competitive demand on both becomes an exceedingly serious factor in projecting the supply-demand situation over the next few years.
>
> Further to complicate the situation, the Personnel Director of the National Institutes of Health informed the committee of NIH manpower requirements, and although these are predominantly in the biological and medical fields, they total 4,000 or more men and women at the Ph. D. or M.D. level each year through 1970.
>
> I have been working on the scientific and engineering manpower problem for nearly 10 years, and even if I apply my imagination to my knowledge, I frankly do not know where these people are coming from, unless we are prepared to cut back sharply on the use of competent teachers in our institutions of learning and on research and development in industry and in other Government agencies.
>
> Mr. Sieverts asked specifically about NASA, and my subsequent remarks will be limited to the requirements of that agency. In a forecast undertaken for the National Science Foundation, the Bureau of Labor Statistics has predicted a shortage of 14,000 engineers per year, and 2,000 scientists per year, through the year 1970. Personally, I think the estimate for engineers is high, but it does not miss the order of magnitude by much. The figure for engineers could be halved, and the result would still be alarming because engineering enrollments have declined during the past 4 years, and the decline is just being reflected in the number of graduates. In fact, judging from enrollments for the academic year 1961–62 we can safely say that there will be no improvement at all in the situation prior to 1966, and it will undoubtedly be 1970 before the number of engineering graduates returns to the peak level attained in 1959. And that was substantially below the peak attained during the period of maximum GI enrollments in 1950. Of grave significance is the fact that the deficit estimated in the Bureau of Labor Statistics projection did not take into account the extraordinary demand of 2,500 technologists by NASA, because the study was made before NASA requirements were announced. If we take the BLS deficit figure of 14,000 and assume the normal ratio between demand for engineers and demand for scientists, the shortage will be enhanced by at least 10 percent through the balance of the decade.
>
> These observations have dealt solely with the effect on the new supply of graduates, but the demand for experienced men and women will have—indeed, is already having—an alarming impact because this need must be met by pirating. NASA has been making a vigorous attempt to add 2,000 highly trained people to its staff before the end of the fiscal year that has just closed. From reports that have reached me, I must conclude that the agency has used all the

methods, good and bad, devised by industry to persuade men to change employers. I have no statistical information on the number of people thus recruited but the cries of anguish from several companies suggest that NASA met with a considerable measure of success in its efforts.

The only conclusion I can reach is this: The NASA's manpower requirements have not been integrated and therefore have not been seen in perspective in relation to other overall needs in education, industry, and Government. At no time and under no administration has the executive branch of Government given serious attention to this vital aspect of national welfare, and private agencies like the Scientific Manpower Commission lack the resources and the power to perform the task. The complementary problems posed by NASA and NIH point the dire need to strengthen the manpower function of the Office of Emergency Planning or to create a new agency for the specific purpose of dealing with the problem.

I can supply many facts and figures but this letter is already long enough. Do not hesitate to call upon me, however, if you think I can supply additional information that will prove useful.

Sincerely yours,

HOWARD A. MEYERHOFF,
Executive Director.

Mr. PROXMIRE. Mr. President, I should like to ask the Senator from Oklahoma, who has been very patient, several questions about the authorization, because I was not able to obtain the information from the report or from the other documents. I have read criticism of the Jet Propulsion Laboratory at the California Institute of Technology. I understand that the House subcommittee criticized the Jet Propulsion Laboratory setup as centered principally on the $1,200,000 management fee which NASA will pay the California Institute of Technology in the fiscal year 1963. After noting that NASA owns the land and the equipment and pays the salaries of all the Jet Propulsion Laboratory personnel, the subcommittee questioned whether the management services were worth that sum. I cannot tell whether the $1.2 million is covered by the bill at the present time, or whether the matter has been rectified, or whether there is justification for the fee; but in view of this public criticism, I thought it only fair, now that we are in the process of authorizing more funds, to obtain an explanation for the RECORD.

Mr. KERR. Mr. President, I shall be very glad to make a brief statement at this time, and, on tomorrow, to place in the RECORD a further statement, in response to the question asked by the Senator from Wisconsin.

I would say that the program to which he has referred—namely, the Jet Propulsion Laboratory, under the direction of the California Institute of Technology—employs some 3,200 technicians, technologists, engineers, and scientists. They have charge of the development of a program estimated to cost in fiscal 1963 about $200 million; and some of the most technical phases of scientific work are being done on spacecraft for the National Aeronautics and Space Administration.

The fee in question has been fixed by the California Institute of Technology for this service, and is one which the National Aeronautics and Space Administration felt was justified.

I remind the Senator from Wisconsin that many of the rocketry developments made by our Government, both in the Defense Department and in NASA, have occurred in the Jet Propulsion Laboratory. The first one was the development of rockets during World War II, including the so-called JATO aircraft takeoff boosters. I believe some of the first solid propellant rockets that our Defense Department had were developed in this facility.

For some years the missile work of the Department of the Army, with which Dr. Wernher von Braun and his associates at Huntsville, Ala., were also connected, was handled partly at the Jet Propulsion Laboratory.

Actually, several of the first rockets the Defense Department had available for military use were designed and built at the Jet Propulsion Laboratory, and were, of course, later produced in volume by private contractors. Since the space program began, the program there has been greatly expanded. They design, develop, and test the mockups, the flight models of the first U.S. satellite, Explorer I, and the first Pioneer probe past the moon. They are now actually doing similar work on much more difficult spacecraft—the Ranger, Surveyor, Mariner, Prospector, and other projects in NASA's lunar and deep space exploration programs.

The Senator from Oklahoma has been there. He has gone through the Laboratory and inspected the facilities, as best he could with his limited knowledge.

It would seem to me the brainpower and management that has been mobilized there by Cal Tech and has been made available to our Government, backed up as it is by its record of accomplishment is in reality astonishing. This great cooperative effort, this great service which the Jet Propulsion Laboratory has performed, and is performing, in the judgment of the Senator from Oklahoma is secured on the basis that it is of the highest value to our Government and our space program, and is probably being obtained on as economic a basis as any service which would in anywise compare with it—is being obtained from any other source by either NASA or the Defense Department.

Mr. PROXMIRE. What puzzles the Senator from Wisconsin is that there is authorized in the bill $10,347,000 for construction of facilities at the Jet Propulsion Laboratory at Pasadena, Calif., and there is an authorization for research, development, and operation of $2,958,278,000 but with no breakdown. Then, in the hearings, at page 154, there is a discussion of the Jet Propulsion Laboratory, and the number of activities, operations cost, construction program, and so forth, is given. If all the facilities are paid for by the Federal Government, and all the personnel are paid by the Federal Government, I do not understand why $1,200,000 is necessary as a management fee. Specifically, what personnel are furnished by California Institute of Technology that are worth $1,200,000, when the personnel and facilities are paid for by the Federal Government?

Mr. KERR. On a long-term basis, it is anticipated that the Jet Propulsion Laboratory will be fully devoted to the efforts of our Government and, therefore, the Government should make the additions necessary, not only in the buildings and laboratories and utility installations, it is the opinion of the space administration, and was the opinion of the committee, that the expenditures are well justified.

The Senator from Oklahoma noted, when he was on the scene, 200 or more trailers, used as emergency office housing, in which highly paid technicians and scientists are being housed at the expense of our Government. It was made quite dramatically clear that, in order to be able to keep the services and the kind of brainpower required for the projects, not only were additional facilities and laboratories necessary for their work, but also a housing environment for the personnel was an absolute necessity.

The distinguished Senator from Wisconsin, in his discussion, has referred to the fact that NASA is utilizing additional units of manpower with highly trained capacity and ability; but if NASA is to be able to command the services of that kind of help, which is absolutely necessary for the successful operation of its program, it must be able to make available to those persons the kind of laboratory and facility environment in which their work will be effective.

Mr. PROXMIRE. The Senator from Wisconsin recognizes the desirability of housing facilities, and certainly would have no objection to an allowance for that; but the Senator from Wisconsin understands that this is a management fee to Cal Tech. Although the Government owns the land, has bought the facilities, and pays the personnel, nevertheless, somehow, Cal Tech is to be paid $1,200,000 during the coming fiscal year, according to this report.

Mr. KERR. The Senator is absolutely correct. I may say to the Senator that NASA inherited the operations of the Jet Propulsion Laboratory. Prior to the legislation establishing the National Aeronautics and Space Administration, the Laboratory was doing similar work for the Defense Department. I believe the particular agency it was connected with was the Army Ordnance Corps.

The Senator can understand that the securing of the brainpower necessary for the management of this facility might not be available anywhere else if the program at Jet Propulsion Laboratory were not carried forward on the very fine foundation of the experience it has had, the knowledge available there to start with, and the experience obtained in connection with these programs.

My judgment is that the National Aeronautics and Space Administration would be very hard put to secure the kind of services anywhere else that are being obtained there under the leadership of a topflight educational institution. Certainly, if that program were not being carried forward, it would bring about a disruption in the progress of the future of NASA, which I am sure the Senator from Wisconsin would not want to participate in provoking.

In order to maintain the operation and management by Cal Tech, I am sure the Senator is aware of the fact that Cal Tech is one of the contracting parties. Neither NASA nor the Government has the power to draft the management ability of Cal Tech, nor to preempt the services of personnel, with great ability and experience in this effort.

This merely means that the basis for payment must be negotiated between NASA and Cal Tech. It was the statement of officials of NASA that the arrangement was one which they felt was equitable and justified and as favorable as they could obtain. Their position in this respect was concurred in by the committees of both the Senate and the House of Representatives.

Mr. PROXMIRE. I certainly do not wish to do anything to jeopardize the Jet Propulsion Laboratory development or its constructive work. I merely wish to learn if there are any specific definite services performed, if there are any number of hours put in by personnel or anything of that kind, in return for the $1.2 million management fee. In the alternative, is this a contract which is necessary in order to operate in this territory, although the Government owns the land, pays the personnel, and builds the facilities?

What do we get for the money? What specific services are performed?

Mr. KERR. The Senator from Oklahoma has tried very hard to explain to the Senator from Wisconsin what he thought the Government was getting for the money. I would not know how to answer the question in any more detail than I have.

Mr. PROXMIRE. Let me move on to another question.

I understand that some high NASA officials seriously doubt whether the Surveyor spacecraft will provide data on the lunar surface and environment in time to be of real value in the planning of the Project Apollo. It is anticipated, I understand, that the first Surveyor launch will not be scheduled until 1964. Because of the problems with respect to reliability of the spacecraft, it is expected to be well into 1966 before any meaningful data can be obtained. By that time NASA expects to have a manned lunar flight, and therefore the Surveyor spacecraft might not be of much service.

I notice there is to be provided, according to the committee report, in fiscal year 1963, the sum of $97,378,000 for the Surveyor spacecraft.

Mr. KERR. The Senator from Oklahoma does not have the ability to look into the future and be able to answer the question asked by the Senator from Wisconsin.

I say to the Senator that the plans by NASA to put a man on the moon are not finalized. There is no one in NASA at this time who knows for certain whether a human being from this earth can live in the space environment for the period of time which will be involved in getting a man to the moon. It is thought that the scientists will be able to solve the problems connected with the program. The expectation is that the program will move forward as rapidly as a firm foundation for progress can be established, as rapidly as experience can be obtained, much of it from the Ranger and Surveyor programs.

The Agency is aware of the fact that each year discoveries will be made, as we move forward in this program, which will necessitate reevaluation of projects. Certainly at this moment NASA cannot be positive as to the extent to which the Surveyor program will become an absolute reality. It is the present judgment that the Surveyor spacecraft will make the first soft lunar landing attempt. It is presently scheduled for 1964 and this in my judgment will be a timely accomplishment in the program to achieve a manned lunar return in this decade.

The Senator is aware of the fact that our Atomic Energy Commission is now engaged in a number of test firings. They are carrying out tests of designs which, since the cessation of test firings some years ago, have been developed in the laboratories and on paper but which have not been tested by real explosions.

We realize that regardless of how much knowledge or how much scientific ability the scientists in our atomic energy program may have, in order to verify their conclusions and their opinions they must "test out" the items which they develop in their laboratories and on paper.

NASA, in this early part of its efforts for interplanetary exploration, part of which involves the effort to send some men to the moon and back, finds it necessary to develop the program in the light of the knowledge available, on the basis of the best scientific ability available, and believes this is the proper way to proceed.

The Senator knows that in respect to these great programs changes will occur by reason of steadily acquired experience and knowledge. The Senator from Oklahoma does not have the ability to assure the Senator from Wisconson that in this program Surveyor will become a reality and that it will actually land on the moon, but the Senator from Oklahoma is convinced, on the basis of the best knowledge we now have and the best judgment of our scientists, that the Surveyor project will make a great contribution to this program.

This has been explained to the committees. The committees are of the opinion that if our country is to achieve its purpose of being first in the development of space for peaceful purposes as well as for national defense it is the better part of wisdom to go forward with these programs in the manner recommended by our scientists and by those whose experience and knowledge causes them to be entitled to our confidence and our support.

Mr. PROXMIRE. Do I misunderstand the Senator? Is it a correct or incorrect statement to say that the justification for Surveyor under the present circumstances is that it may not be possible for a man to land on the moon or to live on the moon?

Mr. KERR. Not at all. NASA is acting on the assumption that it will be possible.

Mr. PROXMIRE. If it is possible, then does Surveyor serve any function, in view of the fact that the expectation is that we would have a man on the moon by 1966? We would not have Surveyor up, unmanned, until that time, too.

Mr. KERR. While NASA believes that an environment can be developed in which a man can live in space, while NASA believes that a vehicle can be developed which will enable us to send a man to the moon before this decade ends, I assure the Senator that NASA would not send a man to the moon until NASA proved it could put a spacecraft there and do so with what they call an unmanned soft landing, thus proving that if a man were sent to the moon in a vehicle, the vehicle could be landed in such a manner that the landing of it would not cause his destruction.

Mr. PROXMIRE. I thank the Senator very much.

Mr. President, I am nearly through.

Mr. President, before I offer the two amendments about which I have spoken, I wish to call attention to several articles that I have on NASA's tactics in recruiting scientists and personnel, and an article that appeared some time ago in the Washington Post and Times-Herald. The article states as follows:

> At the very least, the manpower requirements for the National Aeronautics and Space Administration's lunar program could deplete the country's available trained scientists and engineers.
>
> At the very most, these requirements could seriously hamper many of the Nation's other scientific efforts, and perhaps even cripple its graduate education program.

Mr. President, I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Jan. 11, 1962]

Cry Is for Scientists—Moon Aims Strain Manpower Supply

(By Howard Simons)

The Nation's commitment to send a manned expedition to the moon will strain U.S. scientific and engineering manpower resources to the breaking point.

This is the view of many manpower experts who, even before the moon venture became a national goal were warning that the Nation had inadequate numbers of trained professionals to meet its continuing needs. Now, the situation threatens to worsen.

At the very least, the manpower requirements for the National Aeronautics and Space Administration's lunar program could deplete the country's available trained scientists and engineers.

At the very most, these requirements could seriously hamper many of the Nation's other scientific efforts, and perhaps even cripple its graduate education program.

NASA NEEDS 13,000

To meet its needs, it is estimated NASA itself will require approximately 13,000 or more additional scientists and engineers. How many more scientists and engineers will have to be added by private industry working under NASA contracts—which will be an estimated 85 percent of the NASA budget—is unknown.

Just where these scientists and engineers will be found is also an unknown. NASA is already engaged in a massive recruiting

> program throughout the country. As a result of this drive there is evidence that NASA recruiters have been pirating personnel from private firms. There also is evidence that private firms working on the moon program have been pirating from NASA.
>
> ### BIGGEST CHALLENGE
>
> There now is danger that space program recruiters will begin to entice scientists and engineers away from other Government agencies and laboratories and then from the universities.
>
> NASA officials concede that finding top-flight manpower is their biggest challenge. One official says, "At our current rates of pay we are not going to hurt anyone too badly." Nonetheless, NASA officials seem to be optimistic that the needed personnel can be found.
>
> Whether this optimism is warranted is questionable. One expert says that the "Nation has never before been faced with a problem parallel to this one." During World War II, he explains, it was possible to turn thousands of scientists and engineers loose on a billion-dollar project such as the Manhattan project to build the atomic bomb, even though this effort disrupted education and all but stopped graduate education.
>
> ### NO SHARP INCREASE
>
> This wartime experience has given planners a dangerous "we did it before, and we can do it again" confidence. But today there is a difference. The multibillion-dollar, long-term space program comes at a time when there are already shortages of scientists and engineers for other massive programs.
>
> Manpower experts are also concerned because there has been no sharp increase in the number of scientists and engineers being trained. Rather, in some cases such as engineers, enrollment has fallen off of late. And the number of Ph. D. students being graduated in the physical sciences has remained almost constant between 1950 and 1960, while the demand for such students has continued to outspace the supply.
>
> One short-term solution being explored is a crash program of upgrading junior scientists and engineers. This would require scientific and engineering personnel to take night courses or on-the-job graduate work. NASA, itself, already follows this approach by subsidizing on-the-job graduate education.
>
> Another longer range approach being explored is to convince industry and the universities that they must enter into a real partnership to provide almost half-time graduate education for employees.
>
> For the longer pull, however, manpower experts are convinced that only a new and greatly expanded program to support graduate study will help the United States to overcome its continuing shortage of adequately trained scientific and engineering manpower.

Mr. PROXMIRE. Then in Science magazine, the issue of May 25, 1962, the following statement appeared:

> The consequences of this fragmentary approach are now seen throughout what might be called the Nation's scientific-engineering-industrial and academic complex.
>
> ### NASA MANPOWER PROBLEMS
>
> They become visible on a grand scale when the National Aeronautics and Space Administration is forced to raid other Government agencies, industry, and universities to fill its ranks for the $20 billion manned lunar program.

In Business Week there appeared an article entitled "Casting Wide Nets for Scientists." The subhead was: "NASA's Drumbeating, Itinerant Team of Recruiters Is Just One Aspect of the Government's Effort To Flesh Out Its Expanding Labs. There's Likely To Be a Critical Shortage."

On the basis of my presentation today I wish now to submit two amendments. The first amendment deals with what I consider to be the main problem which is developing out of the space program. There is an enormously serious problem here of scarce scientific manpower.

For that reason I submit an amendment. I shall read it in part because it is reasonably brief and sets forth what I intend to do:

> At the end of page 19, add the following new section:
>
> "Sec. 7. (a) There is hereby established a commission to be known as the Space Program Manpower Commission (hereinafter referred to as the 'Commission'), which shall be composed of seven members appointed by the President from individuals prominent in science, education, or public affairs. Members of the Commission shall serve as such during the pleasure of the President. The President shall designate one member of the Commission to be Chairman of the Commission, and one member to be Vice Chairman thereof."

The reason why I have provided for a Presidentially appointed Commission, although I can see why some may favor a group completely under NASA's control and direction, is that I think on the basis of the record and on the basis of human tendencies it is perfectly obvious that if the Commission is going to do an objective job and provide the objective appraisal that Congress needs—and I think needs desperately—it should be done by people who are objective and who are aside and apart from any one agency.

I wish to read one other section of the amendment:

> (e) The Commission shall conduct a thorough study and evaluation of the impact of the United States aeronautic and space efforts on United States scientific, research, development, and education resources, with special reference to the training and most efficient use of scientific and engineering manpower. Such study shall include, but shall not be limited to, projections of expected future requirements of the space program in terms of scientific manpower and other resources, the effects of the space program on other private and public research and development efforts, and the implications of the space program for the education and training of scientists and technicians.

Once again I wish to say that in the main the contest with the Soviet Union, in my judgment, will not be determined in the usual military or economic manner. But the fundamental contest is an education contest that nation and system will win which will be best able to train its people in the relevant, appropriate and pertinent scientific skills. Breakthroughs in antimissile missiles or military applications of spacecraft or any other decisive technological advantage depends overwhelmingly on scientific brainpower.

This authorization could conceivably do us more harm than good by pirating scientific personnel from defense work or education to space.

Mr. President, I send the amendment to the desk and ask that it lie on the table. I also ask unanimous consent that the amendment be printed, and also that it be printed in the Record.

The PRESIDING OFFICER (Mr. Long of Hawaii in the chair). The amendment will be received, printed, and will lie on the table; and, without objection, the amendment of the Senator from Wisconsin may be printed in the Record.

The amendment is as follows:

> At the end of page 19, add the following new section:
>
> "Sec. 7. (a) There is hereby established a commission to be known as the Space Program Manpower Commission (hereinafter referred to as the "Commission"), which shall be composed of seven members appointed by the President from individuals prominent in science, education, or public affairs. Members of the Commission shall serve as such during the pleasure of the President. The President shall designate one member of the Commission to be chairman of the Commission, and one member to be vice chairman thereof.
>
> "(b) Each member of the Commission shall receive compensation at the rate of $50 per diem for each day in which he is engaged in the performance of the duties of the Commission, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of such duties.
>
> "(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. Four members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.
>
> "(d) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).
>
> "(e) The Commission shall conduct a thorough study and evaluation of the impact of the United States aeronautic and space efforts on United States scientific, research, development, and education resources, with special reference to the training and most efficient use of scientific and engineering manpower. Such study shall include, but shall not be limited to, projections of expected future requirements of the space program in terms of scientific manpower and other resources, the effects of the space program on other private and public research and development efforts, and the implications of the space program for the education and training of scientists and technicians.
>
> "(f) The Commission shall submit a report of its activities and the results of its investigation and study (including recommended legislation) to the President and the Congress not later than June 1, 1963. The Commission shall cease to exist on the date of the submission of such report.
>
> "(g) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.
>
> "(h) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this section; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates and statistics directly to the Commission, upon request made by the chairman or vice chairman.

"(i) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this section, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the chairman of the Commission, or such subcommittee, or any duly designated member, and may be served by any person designated by such chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"(j) Appropriations for 'Research, development, and operation' appropriated pursuant to this Act may be used to carry out the provisions of this section."

On page 20, line 1, strike out "Sec. 7." and insert in lieu thereof "Sec. 8.".

Mr. PROXMIRE. Mr. President, I submit a second amendment, to which I have already referred. I ask unanimous consent that it may be printed, printed in the Record, and lie on the table.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 18, line 3, immediately after the section number "Sec. 6.", insert the subsection designation "(a)".

On page 19, after line 23, insert the following new subsection:

"(b) Section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473), is amended by adding at the end thereof the following new subsection:

"'(c) To the maximum practicable extent, purchases of and contracts for property or services shall be made by the Administration by formal advertising. No such purchase or contract, or any category thereof, may be entered into by negotiation unless the Administrator has determined that the use of advertisement for bids for such purchase or contract, or category thereof, would impair the accomplishment of the purposes of this Act. Each such determination shall (1) be made in writing, (2) contain a full and complete statement of the facts and circumstances relied upon by the Administrator in making that determination, (3) remain on file in the Administration for not less than a period of three years, and (4) at all times during that period be available for inspection by any officer or employee of the General Accounting Office designated by the Comptroller General to inquire into compliance by the Administration with the requirements of this subsection.'"

Mr. PROXMIRE. Mr. President, I submit the amendment because the record of NASA in the fiscal year 1961 is that only 9 percent of procurement was by competitive bidding, although advertised competitive bidding is the most economic, efficient, lowest cost, and by far the fairest to small business.

Certainly while the impact of the space program, will be vast and superlative in many ways and its success will make all of us Americans proud. Nevertheless this program is likely to be very difficult if not destructive to small business unless we at least have the kind of provision that would make it mandatory for bids to go on a competitive basis, whenever practicable and any exceptions be justified in writing and available for GAO investigation.

Mr. KERR. Mr. President, I suggest that the amendments be printed in the body of the Record so that they will be available to Senators tomorrow. Otherwise I presume there would be no reason for them to be printed, because they might not be available.

Mr. PROXMIRE. I say to the Senator from Oklahoma that I have asked unanimous consent that both amendments be printed in the Record, and that both amendments also be printed and made available on the desks of Senators so that they can examine them while the debate is going on, before the roll is called tomorrow.

Mr. President, once again I wish to thank the distinguished Senator from Oklahoma for his usual patience and courtesy. I wish to apologize to him also. I know that it was his understanding that he would be able to complete consideration of the bill today at an early hour. Entirely because of a misunderstanding on my part, the majority leader felt that I would not ask for a yea and nay vote on the amendments. I have decided that we should have rollcalls. That did inconvenience the Senator from Oklahoma, who has been very patient. We must wait until tomorrow for the passage of the bill. I thank him very much.

Mr. KERR. Mr. President, I appreciate the contribution of the Senator from Wisconsin. He has been very kind. The Senator from Oklahoma is desirous of seeing that the proposed legislation has the fullest possible examination and discussion. The Senator from Oklahoma feels that the Senator from Wisconsin has made a contribution to that discussion, and the Senator from Oklahoma wishes to thank the Senator from Wisconsin for what he has done.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article from the December 19, 1960, issue of Aviation Week be printed at this point in the Record.

There being no objection, the article was ordered printed in the Record, as follows:

KILLIAN CAUTIONS AGAINST EXCESSIVE STRESS ON MAN-IN-SPACE PROGRAM

New York.—The United States must decide whether it can justify billions of dollars for man in space when its educational system is so inadequately supported, Dr. James R. Killian, Jr., said last week.

The Nation must seek to determine whether it is now proceeding too rapidly in this area and whether it can manage the present man-in-space program without weakening other important national programs, including defense, Killian said in a speech at the annual dinner of the Massachusetts Institute of Technology Club of New York. Dr. Killian is chairman of the M.I.T. Corp., and served as President Eisenhower's first scientific adviser in the post-sputnik era.

Killian said, "I believe that in space exploration, as in all other fields that we choose to go into, we must never be content to be second best, but I do not believe that this requires us to engage in a prestige race with the Soviets. We should pursue our own objectives in space science and exploration and not let the Soviets choose them for us by our copying what they do."

Killian said he did not oppose a man-in-space program but asked that the public be given a better opportunity to understand and to debate the rate at which the United States proceeds with this program. He asked rhetorically, "Will several billion dollars a year additional for enhancing the quality of education not do more for the future of the United States and its position in the world than several billion dollars a year additional for man in space? The image of America may be shaped by the quality of its inner life more than by its exploits in outer space."

The U.S. public should insist on a space program that is in balance with our other vital endeavors in science and technology and that does not rob them because they currently are less spectacular, Killian said. He praised the U.S. space program to date as being well planned and remarkably successful, and said that by concentrating on scientific discovery and practical objectives as improved weather forecasting and communications, we have exploited our own special genius.

The Soviet Union, Killian said, has sought constantly to present spectacular accomplishments in space technology as an index of national strength, and too often the press and the public at large have interpreted these spectacular exploits as indexes of strength.

"It must be admitted that spectacular accomplishments in space technology have enhanced the prestige of the Soviet Union, and we can all admire their achievements. But their expensive emphasis on space exploration will not be enough in the long pull to sustain an image of strength.

"This will only be accomplished by a balanced effort in science and technology. True strength and lasting prestige will come from the richness, variety, and depth of a nation's total program and from an outpouring of great discoveries and creative accomplishments on a wide front by its scientists and engineers."

"Today," Killian said, "the pressures are very great to engage in an item-by-item race with the Soviets. Our man-in-space program is the principal victim of these pressures and it is certain to present some difficult policy questions in the near future.

"It may be argued that the appeal of space exploration by man is so great that nothing will deter his engaging in manned exploration. It also may be argued that our man-in-space program is trying to proceed too fast and that it is on the way to become excessively extravagant and will be justified only as a competitor for world prestige with the Soviet man-in-space program. Many thoughtful citizens are convinced that the really exciting discoveries in space can be realized better by instruments than by man."

Killian pointed out that decisions must soon be made as to how far the United States goes with its man-in-space program and the future scale of total space efforts. He said, "Unless decisions result in containing our development of man-in-space systems and big rocket boosters, we will soon have committed ourselves to a multi-billion-dollar space program.

"I have never seen any public statement estimating the costs of the successive generations of big boosters for man in space or for the other parts of the program," he said. "How many billions of dollars will they cost over the next decade or more? How much is it likely to cost to orbit a man about the earth, to achieve a manned circumnavigation of the moon, or a lunar landing? The public should have some feel for the magnitudes involved.

"However much they may cost," Killian said, "we may decide we must spend the money but we should make this decision with a clear understanding of the startling costs entailed. We should not permit ourselves to slide unwittingly past a point of no return or to make the commitment without comparing its desirability with alternative expenditures."

Dr. Killian urged encouragement of more of the International Geophysical Year type of programs which are managed by nonpolitical, private scientific organizations, and encouragement of more international conferences such as the Conference on the Peaceful Uses of Atomic Energy.

He specifically urged support of the proposed United Nations Conference on the Peaceful Use of Outer Space and on Technical Aid.

Killian said his views were "not consciously shaped by any recent or present political commitment."

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that an article from the June 1962 issue of Fortune magazine be printed at this point in the Record. It asks some very fundamental questions about the need for going to the moon.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Biggest Leap

Truly, man's flight from earth into outer space is the most prodigious stunt in his history. The world will never be the same again (as someone always remembers to say at each of history's crises—and brother, you can say that again). It is easy to predict that in a few years a good deal of all human activity and human thought will be involved one way or another in the adventure, which will have no end as long as man exists on earth. Certainly the conquest of space (if man, who has not yet conquered himself, can be said to have conquered anything) will affect military strategy and international politics, the directions of science and technology, industries, and national economies. But even more profoundly, in ways now unpredictable, it must also affect the human spirit, which, philosophers assert, is the real subject of history.

There have been some human protests—protests made by humanitarians, who feel that there are still too many things that need doing here on earth before such energy is expended in space, protests made by other sensible people who are appalled at the extravagance, and felt by some religious people who are quite sure that "God doesn't intend us to go to the moon." Objectors of all kinds must face the single devastating fact: they are all too late. It is not that certain formal decisions have already been made (a statement by the President, authorizations by Congress); these are revocable. What is irrevocable is the vaulting ambition of man, which has brought him to the brink of this exploit.

This fact must silence the protesters, although it will not remove the tensions. The feeling that the act somehow goes against God's intention and is doomed has the sound of presumption: Beyond the revelation of Sinai and the manifestation of the Resurrection what is known of God's intention? The prediction that man will be denied his goal has more validity in terms of the demonic aspect of the universe—the antilife things of poison gas and meteors and solar flares and utter darkness. A religious argument actually can be made for going, or at least trying: All man is or has is God-given—his comprehension of physical law, his skill, his inquisitiveness, his soaring spirit, and, in fact, his vaulting ambition; since it is his God-given nature, therefore, that is taking him into space, the surmise cannot be made that the heights have already been divinely denied him. No; religion cannot logically argue against the endeavor from any assumption that man is predestined to failure. But religious and philosophic misgivings might well loom over the possibility of man's triumph; triumph could produce a crisis of the human spirit.

For the conquest of the moon will be the beginning of a new and tremendous leap in man's knowledge. In the leap Sir Julian Huxley predictably sees all belief in the revelation of God in rout before the revelations of science. For some time there has been a truce between religion and science—religion bowing to demonstrable facts, some scientists at least accepting God for His contribution to men's ethical behavior and as an ultimate explanation. Huxley (and a number of colleagues in a book called "The Humanist Frame") has recently reiterated the old challenge: "The emergent religion of the near future," Huxley hopes, "will believe in knowledge." (Its theology will be facts and ideas.) "Instead of worshiping supernatural religions, it will sanctify the higher manifestations of human nature."

Christian leaders so far have had little to say about God and space, leaving the subject to astronauts and inquisitive U.S. Senators. (Did Mr. Glenn feel that God was in space just as on earth? asked Senator Wiley.) One clergyman, however, questioned on the subject, fell into an anxious, even startled, kind of reverie. He finally expressed the concern that an enterprise that must, for its success, reduce men to more or less mechanical adjuncts of a tremendous organization will further endanger the free and independent spirit of the young—a Christian spirit, that is—which he saw already being weakened by the mechanizations of modern life. And after further reflection, he saw beyond that problem a critical problem for the church of retaining for its space-age children, out exploring the galaxies, the Mystery, which he thought stood in danger not of being pierced but in danger of being rejected.

That point is the central one, central to history and to the condition of modern man.

Since this is the beginning of a discussion in which grandfathers will have little part, let's listen to three men of the generation that will reap the whirlwind. One of the three is Zheya Sveltilova, a history student at Moscow University from Zagorsk, one of the last centers of religious faith in Russia. The other two are Peter Ritner, a graduate of Harvard who has written two books, one on Africa, one on Western society; and Gabriel Vahanian, who was born in France, studied at Princeton Theological Seminary, and is now teaching religion at Syracuse.

Zheya's small, triumphant voice, echoing Huxley, issues out of a long report from an American correspondent in Moscow. "When man conquers the universe," Zheya proclaims, "he will learn to believe in himself. It will simply be ridiculous to rely on any force other than himself. People who now believe in God will reject Him. Such belief won't be logical or natural. Man will be stronger than God." Ritner, in a book called "The Society of Space," can be heard laying out his philosophy for the new age: "Let us see if our era cannot build something impressive out of the striking directional progress in man's scientific comprehensions—a philosophic mansion for the confused and homeless contemporary spirit. We cannot know how good God expects us to be. It is even impossible for a man to know with certainty how to be good. * * * But we may confidently declare that God does expect us to be knowing, else He would not have placed minds in our heads, and given us the plenum to unriddle. Perhaps to be knowing is to be good."

Neither Zheya, the atheist, nor Peter, the intellectual, would surprise Gabriel Vahanian, the Protestant theologian. He has written a book entitled "The Death of God," not altogether accepting Nietzsche's concept of superman ("God is dead") but rather dramatizing his own conclusion that Christianity no longer informs modern life, that we live in a post-Christian era. It is the culture of Christianity itself, Gabriel writes bitterly, that has destroyed the relevance of Christianity. And so, "The conquest of nature may leave man with a certain feeling of wondrous triumph; but it is bound to be different from his previous wonder about its mysteries. Man may have thanked God for all sorts of natural resources; but technological mastery is bound to affect man in a different relation, or the absence of a relation, to God."

If Gabriel is right the situation will have its irony. Considering, for example, how the barn swallow (weighing a little more than half an ounce) rises every year from South America and flies to a remembered location under a New England roof, and rises again in the smoky autumn and conquers some 5,500 miles back to South America—if God dies, He will die laughing.

But history and the spectacular turn it may be taking will be no laughing matter to Zheya, Peter, or Gabriel, or their tens of millions of contemporaries who stand on the brink, with everything now being prepared for them by their determined governments. The story of these preparations unfolds in this issue of Fortune—although no single issue could encompass all the events, the problems, the hourly crises and decisions in which perhaps a million Americans are participating. The main plot as it will develop around Apollo (not the sun god but a multiton metal capsule) is described in "The Voyage to the Moon." In this article the reader will discover that the main hero, man, may not have the physiological or the psychological equipment for his role. Lack of gravity may cause him gradually to deteriorate both physically and emotionally. He could be caught in intense radiation from solar flares and destroyed.

The story reaches from Canaveral, with its quarrels, its tensions and triumphs, and its dedicated men and portentous gantries, to Huntsville, Ala., shocked out of its somnolence by the roar of the Saturn. In Huntsville, too, there are dedicated men. In the Marshall Space Flight Center an instrumentmaker toiled a year to produce a circular sleeve out of fused quartz with surface irregularities no greater than one five-millionth of an inch.

On the west coast a veteran whose career spans the history of the aircraft industry watches his great North American Aviation Corp., which once manufactured BT–9's for World War II, make the leap to F–1 rocket engines with a 1,500,000-pound thrust. In plants and laboratories in the East, General Electric, bestriding the space-and-defense business ($1.1 billion) and a commercial business ($3.4 billion), stands as one of the biggest of the corporations now producing a world of both destructive and benevolent technology. Thousands of corporations are engaged in the vast preparations, while managements are getting acquainted with such arts as molectronics, thermionics, cryogenics, and trying to comprehend the kind of men who comprehend such arts, and learning—sometimes cruelly—new criteria of accuracy and reliability for instruments and machinery. ("They have to last or we're dead.")

Such preparation is having many results. Inevitably, governmental bureaucracy is proliferating. The story reaches into Washington, where a 41-year-old executive from RCA, now director of the Office of Manned Space Flight, is trying to minimize the clashing of wills and orchestrate the country's scientific, engineering, and production talents. New dimensions have been added to defense strategy. Military planners discern a fresh specter, that of orbiting bombs, and a fresh hope, that of a world made more secure by orbiting "eyes in the sky." Out over the Pacific, Air Force men are recovering satellite capsules that have swept over the Soviet Union, and working to develop cameras that can photograph objects only a little larger than Khrushchev's hat from altitudes of 1,000 miles.

It will be a changed world indeed. It will press new problems upon the lawmakers not only in the area of the domestic economy but in the international area. The Soviet effort has made clear the conflicting, and mutual, interests that lie in the unstaked void over our heads. Changes will enforce themselves on the U.S. economy as the investment spreads. This coming year the U.S. commitment to space will be $11.6 billion including missiles. By 1970 it will be running at an estimated rate of $20 billion annually, which will be equivalent to imposing on the country an industry twice the size of the auto industry. "The space venture," says the following article, "is likely to be more durably stupendous than even its most passionate advocates think it will be." The article is entitled "Hitching the Economy to the Infinite." All Americans will be hitched.—D.N.-T.

Hitching the Economy to the Infinite—Already Space Is an Industry Nearly the Size of Automobiles—In 8 Years It May Be a $20-Billion-Plus Business—With Just One Customer—The Fallout of Products Promises To Be Fabulous, but the Impact on the Economy Also Has a Disturbing Side

(By Gilbert Burck)

There is no end to space, and so far as the U.S. economy is concerned, there will probably be no end to the space program. Man has hitched his wagon to the infinite, and he is unlikely ever to unhitch it again. A failure or two in the sky can be only temporary, a spur to the next success. And the next success will be merely the prelude to even greater triumph—a project to build Fort Kennedy on the Moon, bigger and better voyages to Mars and Venus, immensely costly expeditions to Jupiter, Saturn, Pluto, and so on ad infinitum. As D. Brainerd Holmes, of the National Aeronautics and Space Administration, remarks, "The lunar program makes sense only if we go on from there." The space venture, in short, is likely to be more durably stupendous than even its most passionate advocates think it will be. It is bound to affect the Nation's economy powerfully and in many ways.

During the next decade alone the United States will loft several hundred scientific satellites and dozens of lunar and planetary probes, and undertake upward of 40 manned space flights. By 1970, according to the most conservative initial estimates, NASA and the military will be spending around $15 billion a year on space, including $5 billion on missiles. But almost every space project so far has cost two to three times its conservative initial estimates. Mistakes are bound to be made, failures are bound to occur, and costs and ambitions bound to soar. The space effort (as it is coming to be known in official jargon) will very likely cost more than $20 billion a year by 1970.

Nothing is more fecund, industrially and socially, than large mobilizations of scientific knowledge and effort; and this is the greatest mobilization of them all. Precisely because the benefits it will bestow on the world will be incidental to the main effort, they may eventually come faster than man's capacity to use them economically. The space effort has already given man an immense psychological boost. Just as the Russian space successes have bolstered Soviet power internally by winning world power and prestige, so U.S. space projects are fortifying the old American optimism, confidence, and audacity. In thousands of offices and plants as well as in the endless anonymous corridors of Washington, prudent men who customarily discuss mundane prospects warily now talk with easy assurance of landing on the moon and exploring Mars. And they are even more sure of the benefits flowing from space techniques. Hundreds of American-made satellites will soon be buzzing the globe, guiding its navigation, mapping its impenetrable jungles, solving the cosmic riddles of its erratic weather, searching its hostile terrain, and relaying libraries of information and millions of photographs to receivers below. In the long run the space effort promises immense consumption dividends, a fallout of better products and ways of doing things from generating power to calculating probabilities, from packing eggs to treating ailments, real and imaginary.

A MILITARY THRUST, AN INFLATIONARY BOOST

Too often forgotten, however, is the fact that such pleasant rewards will be bought at a heavy price—a price that, all other things being equal, the United States might be reluctant to pay. This decade's program alone, which may be only preliminary, could impose unpalatable if not severe burdens on the Nation. It will very likely kill all chances of reducing in our time the Government's share of the economy. It will change, strain, and probably distort the distribution of the Nation's resources. With all its emphasis on planning, both national and international, it could ultimately do violence to private enterprise itself.

Nor will the fabled practical benefits offset the cost of the program for a long time. Washington is teeming with lobbyists and other space partisans assiduously promoting the notion that space is the greatest surefire blue-sky investment ever, sure to pay off at 1,000 percent almost immediately—as if the benefits were the primary aim of the program. Actually, the chief reason for allocating so prodigious a part of the national resources to an accelerated space program is the paramilitary necessity of being in space with the most and the best; and the fact that the United States has divided the effort into military applications run by the Department of Defense and general applications run by NASA does not alter the situation. (The Russians themselves regard NASA as a device for continuing space activities if an arms agreement is signed, which in a way it would be.) Although the space effort may realize a bonanza of practical benefits, it is hardly an efficient way of getting them.

By the time the satellites begin to pay off measurably, say 1970 at the earliest, the United States may have spent $75 billion to $100 billion on space activities, and another $50 billion on missiles. Annual interest on such sums, if reckoned at the prevailing Government securities rate, will be around $4 billion, enough to pay the Nation's yearly shoe bill; and what might be called the accumulated interest will come to another $20 billion by 1970, enough to run the whole U.S. railroad system for 2 years or to pay for most of the country's education for a year.

The space program is right now giving the economy a powerful and potentially inflationary boost. In the fiscal year ending this month, the military and NASA together will have spent about $2.5 billion on space activities (in addition to $6 billion on missiles and $7 billion on aircraft); in the coming fiscal year they are scheduled to get appropriations for $5 billion. Next year, in other words, the space effort alone is adding the equivalent of a good-sized industry to the economy. This boost, according to Fortune's roundup, will help push the economy to capacity by the middle of 1963.

The implications for 1970 and beyond are portentous. Barring a genuine arms agreement—i.e., barring a revolution in the Soviet state religion—military costs other than missiles may well rise from their present $43 billion to more than $70 billion by 1970. So military and space outlays together could come to $90 billion or more a year. What could this mean? In its projections of the U.S. economy of the 1960's, Fortune estimated that the gross national product (in 1959 prices) would rise from about $500 billion in 1960 to $750 billion a decade later, or at a compound annual rate of 4.2 percent. So far, this appears a sound projection. Fortune also estimated that by 1970 defense outlays, including several billion a year spent overseas for military aid, etc., would not exceed 10 percent of the gross national product, or $75 billion. But if defense plus space outlays rise to more than $90 billion, the growth of the rest of the economy will be correspondingly retarded unless people work longer or raise their output per hour. Only an industrially opulent country can mount a space effort worthy of the name. But even the most industrially opulent of all nations cannot take the imponderable demands of a huge space program in stride unless it uses its resources with sharply increasing efficiency.

FEWER AND BIGGER CONTRACTS

The immediate effect of the space venture on the U.S. economy, besides pumping a lot of money into it, has been to change the pattern of much business profoundly. Space vehicles are the most complex structures ever built, running to thousands of components, subassemblies, and specialized devices; no single company yet has the immediate resources to manufacture whole vehicles. A given project is ruled by the prime contractor, which practices what is known as systems management: The integration of production and research and development, including its own and that of Government and university laboratories, into a final working vehicle. Many companies handle more than one prime contract, but in addition they usually are subcontractors on several others, and thus no one company covers the biggest programs exclusively. The giant North American Aviation Corp., for example, is the prime contractor for the Apollo lunar spacecraft, but it is also a large subcontractor. McDonnell Aircraft estimates it has called in more than 4,000 subcontractors and suppliers on the $145 million Mercury capsule contract alone.

But even this pattern is changing rapidly as the central effort of the aerospace program shifts from missiles to propulsion and electronics. Missile production, after rising a little, may peak off at something above $5 billion. Other outlays by NASA (for such things as the moon program) and by the military (for such things as propulsion systems) are climbing toward the $10 billion mark, which they may reach as early as 1965. "Already," says Harry H. Wetzel, vice president of the Garrett Corp. of Los Angeles, which makes environmental control systems, "the aerospace business is a new game." As Wetzel and others see it:

1. There will be fewer and bigger contracts.

2. Production runs will decline steadily, and completely reverse the traditional 4 to 1 ratio of shop to engineering personnel. That is, companies will spend more on engineering and less on actual production; in fact, straight production capacity is already excessive. In 1960, Lockheed says, the company's research and development awards came to more than the whole Nation spent on defense research and development in 1950.

3. The aerospace companies will need not only engineers, but physiologists, psychologists, space-medicine men, chemists, and systems engineers.

4. As the space program proceeds to moon shots and planet exploration, reliability will become increasingly more important, and

will demand more research facilities that can simulate space environments, more control engineering, more surveillance of subcontractors' and suppliers' quality controls.

This trend may be hard on small business, and doubtless will result in many mergers—of small companies with big, and small with small. For the important contracts from 1965 on will be based on ground support and airborne guidance and control systems, which require large engineering organizations. "We can't exist without small business," cautiously explains Jack Parker, General Electric's vice president in charge of electronic and flight systems. "Yet as the emphasis on quality and complexity becomes greater, it is apt to reduce the amount of work small business may want." Says a blunter spokesman for another large company, in authentic space jargon, "Captive production will increase not only because companies will want to maximize dollar volume in-house, but because schedules must be met reliably. The need for specialized equipment and technical sophistication will inevitably reduce off site work."

NASA is going out of its way to encourage little business; and the very nature of the space and missile program, with its demand for all manner of custom-made specialties, may continue to favor small firms devoted to electronic devices, engineering techniques, special research, and other relatively esoteric services and products. Small companies, as a matter of fact, can offer scientists unique advantages such as participation in top-level decisions; some offer higher salaries and more fringe benefits than big companies, a few offer more money than their own top executives get. T. F. Walkowicz, aeronautical engineer and associate of Laurance Rockefeller, who helped establish such Rockefeller-financed companies as Itek (information technology) and Geophysics Corp. of America (instruments for space research), concedes there will be a shakeout, just as there was in electronics, but argues that the brightest companies will survive and grow. "Brains are what count today, and nobody has a monopoly on brains."

WANTED, A MILLION MORE SCIENTISTS AND ENGINEERS

The space effort is the first paramilitary effort in history not accompanied by a demand for heavy hardware and mass-produced materials. Its great demand, instead, is for professional people, and it may relatively soon employ up to a million. Since more and more money will go into manpower, particularly engineers and other technical specialists, the well-worn question of whether the United States is producing enough professionals is no longer academic. By 1970, thanks in large part to the space venture, the United States will need more than 2 million scientists and engineers, or about double the number employed in 1959. A million more will be hard to find. NASA itself will have hired 4,500 specialists by the end of fiscal 1963; since, however, it has gone to a great deal of pains to get talent and also because many professional people would rather work where the big decisions are made at relative low salaries ($8,000 to $20,000), it has managed to hire about 2,000 and expects no great trouble in corralling the other 2,500. Some experts argue that if engineers and high technical talent were used efficiently—i.e., not assigned to sales work and routine technical jobs—the shortage would not be so bad as it seems. But the majority agree that the shortage is already severe, and is bound to get worse as the space industry expands and research and development becomes more intensive.

The adventures of a job broker named David O'Brien, who calls himself a headhunter and patrols the country for talent, are to the point. Every week O'Brien gets 200 to 300 job descriptions or requests for men, and has to scratch hard to fill a tiny fraction of them. Recently, he says, it took $9,000 worth of newspaper advertisements to recruit two engineers, and $35,000 worth of his time produced only 38 people. To get a couple of plasma physicists, one firm offered to form a small subsidiary for them. Companies everywhere are hoarding talent, just as industry hoarded lower skills during World War II; and outfits that don't need scientific personnel interview continuously simply to find out what other companies are doing. A class of mobile technicians somewhat like the oldtime railroad boomer has sprung up; they work a while for one company, and then pick up and leave for another one. Many firms welcome them because the itinerants can often give them a good line on what the competition is doing.

To complicate the manpower problem, observes Herbert E. Striner, director of Stanford Research Institute's urban-studies program, many colleges and universities are not training scientists and engineers as well as they should. Most universities and colleges are avid for Government research contracts, which frees money for other research facilities, fellowship funds, and salaries. But some, Striner argues, put graduate students to work on applied research instead of giving them a sound training in basic research.

The President's Science Advisory Committee hopes to make specific recommendations for stimulating the production of scientists, and many other authorities are discharging wisdom on the subject. So as the demand for professional and scientific personnel rises and is reinforced by incentives, the supply is certain to rise eventually too. For a while it probably will not rise fast enough to meet the demand, and important civilian research and development may be temporarily deprived of talent.

In the longer run, however, the space effort will be the prime force in increasing the U.S. scientific and professional population. And in the process it will accelerate greatly the secular tendency for U.S. business to depend more and more on research and development. This trend, in turn, according to a preliminary study made by Dr. Howard Vollmer of the Stanford Research Institute (sponsored by the Air Force), may eventually change the organizational structure of all U.S. industry. That is, it may make U.S. industry less bureaucratic and more intellectually challenging, "with greater opportunity for professionals to participate in work-related decisions."

MASS PRODUCTION IN SPACE

The first large-scale matching of corporate enterprise with the commercial possibilities of space is taking place in the communication-satellite program. Possibly no invention will have ever jumped the rugged gap between concept and commercial application so quickly and dramatically as the communication satellite. Like much in the space effort, it has been overtouted. No less an authority than Lloyd V. Berkner, chairman of the space-science board of the National Academy of Sciences, has predicted that it could eventually earn $100 billion a year. Although such talk has already run aground on cruel reality, the principle of the communication satellite does make economic sense. What it amounts to is a device for the mass production of long-distance wireless communication; once it achieves volume and overcomes a host of problems, it could be nicely in the money.

The economic validity of the communication satellite rests on a genuine technical advantage. Because lower frequencies are overloaded, progressively higher frequencies are necessary to handle the growing volume of radio communication. But when frequencies attain thousands of megacycles per second, the waves travel in a straight line from the transmission tower, are blocked by hills or buildings, and cannot reach beyond the earth's surface or the horizon. Even in flat country, therefore, their optimum range is about 30 miles. There is no technical problem on land, where relay stations can be built at appropriate intervals; but it makes microwave radio impracticable over the ocean. Transoceanic communication is limited to submarine cables or relatively small capacity or lower frequency radios. Hung high in the sky, satellites could relay a huge volume of traffic, including TV and data-processing signals, across the seven seas.

Essentially, there are two types of satellites: passive, which are merely metallic balloons that reflect or bounce back signals from the earth; and active, equipped with instruments that amplify and relay back the signals. As Fortune noted last July ("Laying the Great Cable in Space"), both active and passive systems could be orbited at altitudes up to 7,000 miles. To cover the world at such altitudes—i.e., to make sure a satellite is always visible to ground stations—20 to 30 satellites would be needed. They would also require powerful ground transmitters and sensitive and expensive receiving equipment.

On the other hand, it would take only three active satellites to cover nearly the whole world if lofted 22,300 miles above and parallel to the Equator; at this altitude and placement, they would appear fixed in the sky. But they would be expensive to build, hard to launch and hard to spot, and could be kept in place only by intricate controls. Most engineers tend to favor the high-altitude (synchronous) system because, among other things, it would eliminate the need to switch from one satellite to another as successive satellites rise and set over the horizon. But they concede that complex and expensive launching facilities still have to be developed. And neither system could operate until frequency assignment and other international problems were solved.

In an analysis of the potentials of both a high-altitude system and a low-altitude system, William Meckling of Rand Corp. gets down to dollars and cents. The low-altitude system, with as many as 120 satellites in constant orbit (depending on the control system), would be subject to some interruption, says Meckling, as the number of operating satellites declines; the high-altitude system would work constantly until one of the satellites failed, whereupon it might take days or even weeks to restore service unless a spare satellite were kept handy in the sky. But given reliability, such systems would have enormous capacity. A worldwide low-altitude system would provide 7,800 transoceanic channels or about 20 times the number now serving the United States, says Meckling, and a single 24-hour satellite 4,800. Used at capacity, a low-altitude system (with an average life of 2 years) might cost $8,500 a year per channel, and a high-altitude system (with an average life of 1 year) $10,000 a year per channel—against $27,000 a year per channel for a new underwater cable system.

But, of course, no company could hope to start out at capacity. So assuming a fair advance sale and a growth of 15 percent a year compounded—considerably more than the growth rate of international communications since World War II—Meckling figures that a company could achieve close to capacity operation in 15 years. Meantime, its average annual costs per channel would be roughly three times as high as the capacity estimates, or about those of new submarine cables.

The big question: Can the satellites generate enough business to operate at close to capacity? A satellite company, to get the volume that would enable it to realize its potentially low costs, would have to cut rates deeply—a familiar business situation, and one full of risks, including the risks in coming to terms on rates with foreign government-owned companies. Since companies now pay $240,000 a year for one voice channel in old, high-cost cables, however, there is plenty of margin for rate cutting. Nobody knows exactly what a system would cost, but experts think that $400 million or so would buy one, and that it could break even before the end of the decade and could be earning good money for its owners by 1975. No wonder that a good many companies not given to throwing money down holes are eager to get in space, so to speak, on the ground floor.

WHOSE COMMUNICATIONS SATELLITE CORP. WILL IT BE?

The American Telephone & Telegraph Co., which cooperated with NASA by building the ground stations for the first passive Echo satellite, favors a system of 20 to 30 satellites at 6,000 to 7,000 miles, owned and operated by FCC-authorized companies. The company is now launching its Telstar or active low-altitude satellite, which it hopes will provide enough know-how to put a whole communication system in operation by 1965.

But the administration, on the grounds that A.T. & T. should not dominate the new industry and that the taxpayers, who will have invested $175 million in research on the system by 1963, should be allowed direct participation, proposed to charter a $1 billion Communications Satellite Corp., financed by class A stock, selling at a minimum of $1,000 a share. The class A shares of Communications Satellite Corp., to be sold to both the public and the communications companies, would have voting privileges and get all the dividends. Communication companies could also buy nondividend-paying class B shares, and would realize profit on them by including the cost of the shares in their rate base and so in effect get higher returns.

Almost everybody remotely concerned wants a role in shaping the relationship between space and private enterprise. Senator ESTES KEFAUVER, not surprisingly, thinks the Government should own and operate the project. Representative EMANUEL CELLER characteristically argues that "since it is almost impossible to regulate A.T. & T. on earth, we should need divine guidance to regulate A.T. & T. * * * way above us." RCA and Western Union, among others, are for the administration proposal, even though RCA's Gen. David Sarnoff has testified that investment in the satellite corporation would be speculative. (RCA also has come out for a high-altitude synchronous system, which it probably would like to build.)

Since getting on with the job is important, FCC Chairman Newton N. Minow would limit ownership of the Government sponsored corporation to communication companies. However, the influential Senate Space Committee accepted the Government plan in principle, and reduced the price of a share to $100; but it would give the companies a break by providing for only one class of stock, to be sold equally to the public and the companies, the foreign governments allowed to buy up to 10 percent of the public shares. And it proposed that communication companies should be allowed to own some of the potentially profitable ground stations. The House passed a revised bill modeled on the committee's approach by 354 to 9 and sent it on to the Senate, which presumably will OK it, too.

NO MORE NATIONAL PRIVACY

Probably the quickest space payoff will come from satellites like NASA's upcoming "orbiting observatories," which will carry telescopes and other astronomical and geophysical instruments. Such satellites could map the world as it has never been mapped before. "When it comes to mapping, the satellite is to the airplane as the airplane is to the ground surveyor," says Richard S. Leghorn, president of Itek Corp. and chairman of the National Planning Associations' Committee on Security Through Arms Control. "The present proposal to map Antarctica with planes could be done with satellites for half the money and in a fifth of the time." All that needs to be decided, says Leghorn, is whether the Government or private industry is to run them.

Once the decision is made, observational satellites could begin to earn money immediately, on jobs now scheduled. Itek itself stands to gain by an early decision, for as a specialist in information storage and retrieval it has developed a machine that can read diagrams and pictures and otherwise relay information graphically without programing—i.e., without reducing information to a machine code. "There's no such thing as backyard privacy if we orbit the world constantly," Leghorn likes to point out. "We're ahead on information satellites; we should take advantage of them to open up the Soviet Union to view. Great areas there are barred off, but what would be the use of barring them off if we know what's there?"

Probably the most broadly remunerative of the space vehicles will be the Government-operated weather satellites, designed not only to predict short-term weather movements but to gather enough data to enable men to understand just how these movements are generated. Four RCA-made and NASA-supervised Tiros (television and infrared observation satellites) were launched between April 1960 and early 1962. Orbiting the world every hundred minutes or so, and equipped with two TV cameras apiece, they recorded significant new cloud formations over enormous ocean areas. All except Tiros I gaged solar energy reflected and scattered by the earth's surface and atmosphere as well as infrared radiation leaving the earth and its atmosphere. Relevant findings were analyzed promptly and passed on to weather forecasters here and abroad. Although Tiros IV missed the epochal east-coast "Ash Wednesday storm" last March—it was orbiting the Northern Hemisphere by night at the time—Tiros III tracked 17 tropical storms, and gave advance warning of Hurricane Esther.

Within a year NASA plans to launch at least three more Tiros and an advanced Nimbus satellite, which will orbit the earth from pole to pole. It is possible that the Russians will cooperate in such a venture, perhaps by lofting a second Nimbus-type satellite. At all events, such satellites will enable the U.S. Weather Bureau to trace the progress of any disturbance anywhere. To view a large part of the world from a steady vantage point, moreover, NASA and the Weather Bureau are planning an Aeros high-altitude orb.

How much all this will save the world it is hard to say. A dozen or so years ago, when the Weather Bureau tried to determine the value of storm warnings and correct forecasts, "business and agricultural interests" suggested that such forecasts could save $3 billion a year in water resources and up to $2.5 billion a year in farm products, to say nothing of a hundred million in transportation (exclusive of air transport). But F. W. Reichelderfer, Bureau Chief, now feels such figures are meaningless. "Everybody benefits from better weather forecasting," he says, "so we're trying to value something we really can't measure. We know, however, the benefits are there. Just think how much could have been saved if Tiros IV had been around to forecast that east-coast storm last March." Accurate weather forecasting could make farm supports an even greater absurdity than they are. Underlying the whole support program is the assumption that farming, owing to the weather, is egregiously risky. With the risk eliminated, there would be less reason for subsidizing farmers than for subsidizing small manufacturers or storekeepers.

Despite the predictions of the space enthusiasts, it will be a long time before man can even attempt to begin to control the weather. First he must thoroughly understand it, and he still has a long way to go. But he will find out more about it in the next few years than he has in all history.

THE BENEFICENT PROMISE

"In whatever direction our technology is moving," an IBM engineer puts it succinctly, "the space program is advancing us faster." Thus the fallout of other kinds of benefits from the Nation's investment in space research and development, though some will be long in coming, may be incalculable. To get space discoveries and inventions where they will help the civilian economy, NASA has set up an Office of Applications that will identify "inventive elements and apply them to industry while they are new." One of its first moves has been to hire the Midwest Research Institute of Kansas City to pick up potential applications, document them, and circulate news of the possibilities among industry people.[1] It has also retained the Denver Research Institute for a different kind of investigation: to find out whether industry is already making products and using processes originating in the space effort. After careful screening, Denver Research found 145 such examples, and thinks it will find more. But the big advances lie at some point in the future when the new techniques have had time to blend with the old and join the economy. When they do, space will be largely responsible for many new looks here below. Among the promising areas of development:

Materials: Structural demands of rocket and spacecraft vehicles, the intense power requirements at takeoff, the sustained power required in flight, and the intense heat encountered on reentry are making for a sharp advance in the strength and property of materials. In the area of metals and alloys this will lead to successful hypersonic planes, the development of simpler, more efficient aircraft and automobile engines, and, perhaps 20 years hence, to lighter and stronger building structures. The development of powerful new fuels is leading the chemical industry to use extreme-temperature, high-pressure techniques, one of which, indeed, is already being used to produce liquid hydrogen. A large array of entirely new metals and materials will be available for untold uses.

Reliability and miniaturization: Because space-vehicle machinery must be both small and absolutely reliable, industry's trend toward miniaturization and reliability, already illustrated by the development of transistors, diodes, etc., will accelerate. Computers will be among the first to profit by the new techniques; computers that used to fill large rooms will soon be housed in packages the size of a small TV set. The Burroughs D210 computer, designed to guide missiles, occupies less than one-fourth cubic foot, uses less power than a 60-watt bulb, operates 50,000 hours without failure, and costs only $25,000 to $50,000, against more than $1 million for the present Atlas computer. Various forms of microcircuitry, developed for space vehicles, some already used widely, will probably result in miniature consumer goods, like radios, at reasonable prices.

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[1] Business, however, has been complaining that it has been discouraged from adapting new products and processes developed while working on NASA contracts, because patent rights on those products and processes automatically become Government property unless the Administrator waives the Government's rights. The Department of Justice has entered a strong plea to keep things that way. The issue, whose importance is obvious, seemed to be building up to major proportions when the patent subcommittee of the House Science and Astronautics Committee voted to revise NASA practices. If its recommendations are adopted, NASA could be brought more in line with the Defense Department practice of retaining license rights—but not title—to patents taken out on inventions and improvements made by companies while working on military contracts.

Automation: Advances in guidance systems for space vehicles will improve and speed up automation techniques. "Everything we have learned about guiding the Titan," says one IBM man, "will be useful in guiding machine tools." By way of humble example, Allied Research Associates of Boston has used space innovations to develop a machine that automatically sorts cigars for uniformity of color.

Bonding techniques: Because high vacuums are essential for space environmental test chambers, and because many of the specialty metals for space vehicles are being made in vacuum, high-vacuum techniques are being accelerated. Scientists of the National Research Corp., for example, have recently shown that certain metals, if cleaned and put into an almost perfect vacuum, bond together tightly and permanently as if welded. This demonstration will help industry make bearings that will not congeal and clog in the vacuum of space; on the other hand, it will probably result in new nonwelding techniques for bonding many metals here on earth.

Aerial observation: Interpretation of aerial pictures, now being used by Itek Corp., to advise grape growers of California on the quantity and quality of the crop and so to forecast market price, will be extended to hundreds of uses. The problem of storing and retrieving vast amounts of technical information, brought into being by the space age, will be solved by digital graphic systems such as Itek's EDM machine.

Klimps and Kudl-Pacs: Space components are easily damaged, and must be handled a lot, so new packaging techniques have been developed for them. North American Aviation's subsidiary, NAVAN Products, Inc., has invented an L-shaped wire fastener it calls a "Klimp," which is replacing nails in packing boxes, and "Kudl-Pac," a thermal-plastic, polyurethane-lined case that adapts itself to a variety of shapes and can be used over and over again. NAVAN has promoted this product by sending prospects a real live egg enclosed in a Kudl-Pac.

Packaged power: Probably the broadest area of practical development will grow out of the new, compact, self-contained sources of power needed by satellites and spacecraft to operate their equipment and to maintain men and their environment independently in space. Already being developed by private and government research for eventual commercial use, they include: (1) Silicon solar cells, converting sunlight directly into electricity, which are being used to power such disparate things as portable radios, railway crossing lights, and community radio receivers in Indian towns; (2) thermoelectric materials, which can convert low heat directly into electricity, or electricity into heat or cold by reversing the direction of the current; (3) thermionic tubes, which convert high heat directly into electricity; (4) fuel cells, converting chemical reactions directly into electricity; (5) highly compact atomic-power packs, tapping electricity directly from the atom through a converter; (6) magnetohydrodynamic generators, which convert the movement of a very hot and ionized gas stream (plasma) into electricity by passing it through a magnetic field. Such a device will make possible high-efficiency power stations: Avco Corp. and a group of 11 electric utilities led by American Electric Power Service Corp. is supporting a research program on magnetohydrodynamic generators, which may turn out to be 40 percent more efficient than the most modern power generator. As a result of its work in plasma, incidentally, Avco is marketing a plasma gun or high-heat gun using a tungsten electrode and water-cooled copper nozzle for applying such coatings as tungsten, molybdenum, titanium carbide, and tantalum carbide to metallic and ceramic surfaces. Achieving temperatures up to 30,000° F., the gun can also be used for flame cutting and materials studies.

Compact power packages will probably be developed to the point where they can generate electricity on the spot for home lighting, appliances, and industrial processes. The natural-gas industry is financing a research program on fuel cells, reacting natural gas with an oxidizer to make gas the sole source of domestic energy—heat as well as electricity. Thus walls for homes and buildings may be designed with their own built-in, self-contained heating, cooling, lighting, and electrical systems, feeding on fuel cells, or free energy from the sun. These and other devices, already being carried over from the space industry by such giants as General Electric and Westinghouse, may revolutionize the generation and distribution of power on earth.

Solution to overpopulation: Gazing far into the future, some scientists believe that the greatest benefit the space effort will confer on the human race is to enable man to migrate to other worlds. Theoretically, atmosphere can be created on planets where it is nonexistent or very thin, perhaps by seeding the planets with a catalytic substance to release oxygen now locked up there in compounds like carbon dioxide. "If you want to look ahead a hundred years or more," says Murray Zelikoff of Geophysics Corp., "I think the real purpose of the space effort is to colonize the planets. How else can we solve the population problem? It's not only politics that moves men, but social and biological factors. Subconsciously these are moving men to outer space."

FEET ON THE GROUND

Such a prospect is still far out, but it no longer belongs in the comic strips. The space project is surely enlarging man's notions of the potentialities of the universe, and is accustoming him to think in terms of longer periods of time. Engineers look ahead at least 20 years in planning a space program, and to the extent that business is involved, its scale of thinking is correspondingly enlarged. As General Electric's Ralph Cordiner has remarked, when business deals with space it deals with a technology that needs a planetary scale to stage it, decades to develop it, and a much bigger investment to cross the threshold of return than is customary today.

Private enterprise is not disdaining the challenge. As we have seen, it is stepping into the communication-satellite business; and if other jobs, such as launching operations, can be put on a paying basis, it may gradually take them over. With its own money, industry is already constructing space-simulating facilities, such as GE's laboratory at Valley Forge, Pa., and RCA's space center at Princeton, N.J.

Nevertheless, the great space effort is primarily dependent on Government planning, national and international. Consequently, it is boosting the ardor and ambition of those who believe the world is headed for more state planning, and that the scope of private decision is inevitably narrowing. They observe that planning for space will train men to plan ahead in other fields, that the idea of government and free enterprise as distinct entities is no longer adequate. For them the great implication of space is that it will somehow free man from his preoccupation with profits and losses and other sordid things that tyrannize him here on earth.

But alas for the idealists, it is precisely this tropism of worldlings for minding their business that has enabled the space program to be created. Only this mundane preoccupation can carry the great program along, world without end. Contemplating the starry heavens above, as Immanuel Kant once did, even a normally reflective person finds it easy to muse on the shortcomings of mankind. But it should also be obvious that the space program, no matter how abundantly it pays off, will be a big and growing investment, and that, like all investments, it cannot be made until people first produce something to invest. To rise in the sky, the United States will have to keep its feet on the ground.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that an article from the January 22, 1962, issue of Missiles and Rockets, summarizing the full $16.2 billion missile-space expenditure anticipated in this fiscal year, be printed at this point in the Record.

There being no objection, the article was ordered printed in the Record, as follows:

Record $16.2 Billion Sought—Kennedy's Missile-Space Request Tops Ike's Last by $6 Billion; $20 Billion Seen for Fiscal Year 1964

(By James Baar)

The Kennedy administration is asking Congress to pour a record-shattering $16.2 billion into the Nation's booming missile-space programs for fiscal year 1963.

The huge missile-space appropriation request—more than 16 percent of the $99.3 billion Federal budget that President Kennedy sent to Capitol Hill last Thursday—is some $6 billion higher than the amount the Eisenhower administration sought just 1 year ago.

Nor is the end in sight.

Top Government officials forecast that missile-space money requests will rise at least another $3 to $4 billion in fiscal year 1964.

The increases are expected primarily in NASA–DOD space programs—unless the cold war should worsen. Under present circumstances, the Defense Department's budget is expected to level off at about its new record peacetime high of $51.6 billion.

Delayed reaction spending: Meantime, Federal spending on missile-space programs, although lagging considerably behind new money requests as it has over the last several years, is also expected to continue to climb sharply over the next several years.

For example, NASA is requesting a total of $3.7 billion in the new budget. However, the agency expects to spend only $2.4 billion in fiscal year 1963.

The same pattern is found in the Pentagon's budget estimates. The fiscal year 1963 request for new money is $51.6 billion; the spending forecast is $49.7 billion.

Differentials of this kind between authorizations and spending almost invariably result in considerable spending increases in successive budgets. Therefore, the new DOD–NASA money requests alone are considered certain to push spending in fiscal year 1964 beyond the $92.5 billion level at which the President hopes to balance the budget in fiscal year 1963.

The missile-space program requests for the new fiscal year show a number of decided trends:

NASA, DOD and other space programs are claiming an increasingly larger share of the total appropriation slice. The new split: $5.5 billion for all space programs; $10.9 billion for missiles and related programs.

Spending on big missile systems continues to dominate Pentagon procurement plans despite the buyout of Atlas and Titan I. However, the procurement of tactical missiles as part of the strengthening of limited war forces is increasing significantly.

The Apollo manned lunar landing program is maintaining its urgent pace, but it is narrowing somewhat in scope. Earlier plans for rapid development of a multimegapound-thrust solid superbooster have been dropped. NASA will rely on reaching the moon by orbital rendezvous or using a liquid-fueled superbooster. Solid superboosters will be developed at a decidedly more leisurely pace.

The number of new missile programs is growing smaller. The budget discloses emphasis on only two: The Air Force Mobile MRBM to be based on land or sea, and a new Army surface-to-surface missile for division support.

Air Force space programs are increasing somewhat in dollars, but the increases could be far more significant than the dollars indicate. One of the most significant additions: sizable funds for development of the Titan III space booster to be designed specifically for military missions.

For the first time, the new budget in a special section listed the space programs of all Federal agencies as a national program. Besides DOD and NASA, space appropriation requests were listed, in decreasing amounts, for the Atomic Energy Commission, the Weather Bureau and the National Science Foundation.

This packaging of separate programs in one national program is very much in line with the policy of Vice President Lyndon Johnson, Chairman of the National Space Council, and Dr. Edward Welsh, the Council's executive secretary. It is particularly indicative of the continuing administration policy of seeking advances in military space technology through NASA's greatly expanding programs.

Two-year factor of three: As a whole, appropriation requests for U.S. space programs have more than tripled in 2 years. In fiscal year 1961, Congress appropriated $1.7 billion for all space programs. The final figure for fiscal year 1962, including a proposed supplemental for NASA of $156 million, is expected to total $3.1 billion—still well below the new total for fiscal year 1963 of $5.5 billion.

The bulk of this money has been sought since Russia successfully launched the first manned Vostok into orbit last April. The details of the NASA budget strongly reflected this influence.

Conservatively, some 60 to 70 percent of NASA's new money requests—about $2.2 to $2.6 billion—are being sought for projects related in one way or another to the Apollo program.

One noteworthy sidelight in the new budgets of both the Defense Department and NASA was the introduction of several new elements of obfuscation along with a revolutionary new system of budgetmaking in the Pentagon.

NASA's budgetmaking adjustment lumps together for the first time funds sought for R. & D. and salaries and expenses—thereby obscuring considerably the cost of in-house operations.

The Defense Department completely reorganized its budget on the basis of "end product." In doing so, the military services' budgets were submerged to the point of eliminating total requests and many details for each service in the official documents.

Officials denied that greater unification by budget was underway, or that information was withheld intentionally. As one spokesman put it:

"It didn't fit the format."

Missile-space fiscal year 1963 budget request

[NOA[1] in millions of dollars]

Missile procurement	4, 011. 0
Missile R.D.T. & E	2, 200. 0
Missile base construction	650. 0
Military sciences	909. 0
Foreign aid missiles	121. 0
Missile maintenance	1, 300. 0
Ships (Polaris subs and seaborne GSE)	1, 500. 0
Other (related military electronics, GSE)	450. 0
NASA R. & D	2, 667. 5
NASA construction	650. 0
Military astronautics	1, 517. 7
AEC astronautics	192. 9
Weather Bureau astronautics	47. 2
NSF astronautics	1. 7
Total	16, 218. 0

[1] Estimates based on official budget submissions.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that an article from the October 2, 1961, issue of Missiles and Rockets be printed at this point in the Record. It shows that North American Aviation cornered 18 percent of the direct awards over the past year.

There being no objection, the article was ordered printed in the Record, as follows:

New Report Reveals NAA by Far Biggest NASA Contractor in Fiscal Year 1961—McDonnell Was Runner-Up; Total Procurement Reached $766 Million; Small Firms Won 15 Percent of Money Spent

North American Aviation, Inc., top NASA contractor in fiscal 1961, received more than 1½ times as many NASA procurement dollars than its closest competitor, McDonnell Aircraft Corp., according to the procurement report just released by the space agency.

NAA cornered 18 percent of the direct awards over the past year—a percentage representing some $75 million in procurement actions. McDonnell, its closest competitor, received some $41.8 million—10 percent of the direct awards.

Other highlights of the procurement report:

NASA procurement for fiscal year 1961 totaled $766 million, representing some 94,000 procurement actions.

Of this total, some 56 percent were placed directly with business firms, 12 percent under NASA's contract with Jet Propulsion Laboratory, 3 percent with nonprofit institutions or organizations and 29 percent with or through other Government agencies.

Direct awards to small business totaled about 15 percent and, of the awards to large businesses, it is reported that approximately 20 percent of these contracts went to small businessmen.

Approximately 32 percent of NASA procurement actions were placed in substantial labor surplus areas.

Extent of competition: Of the $423.3 million in direct contract awards by NASA, approximately 9 percent were placed through formal advertising for competitive bids, 56 percent through competitive negotiation and 35 percent by noncompetitive negotiation. The high percentage of negotiated contracts results from the fact that much of NASA procurement is for research and development effort on a cost-reimbursable basis. This type of contract is not permitted in formally advertised procurement.

During fiscal year 1961, source evaluation boards—composed of Government scientists and engineers versed in the technical details of the proposed procurement and representatives of Government business management staffs—were used in connection with the award of 18 new contracts, totaling about $30 million.

By far the majority of NASA awards (83 percent) were placed on a cost-plus-fixed-fee basis. About 16 percent of the awards were on a firm fixed-price basis, while the remaining 1 percent included: actions on cost (no fee), cost sharing, fixed-price-redeterminable, fixed-price-incentive and time and materials contracts. However, since awards under $25,000 are not included, the fixed price category, as a percentage of the whole, is understated.

On the basis of estimated costs, the CPFF contract yielded the contractor a fee of from 6 to 8 percent of the bulk of the fees (65 percent) averaging between 6 and 7 percent.

Nonprofit contract awards: Of the $24.5 million awarded to nonprofit institutions or organizations, $13.7 million covered research contracts. Approximately 66 percent of the actions were on a cost (no fee) basis, 24 percent on a cost-plus-fixed-fee, 8 percent on fixed-price and the remaining 2 percent on time and materials and labor hour contracts. The CPFF award yielded an average fee of 6.01 percent.

The remaining $10.9 million of the awards to nonprofit organizations represented research grants.

The leading nonprofit institutions for fiscal year 1961 were: MIT, University of Michigan, University of New Mexico, University of Alaska, Cornell Aeronautical Lab, Rand Corp., Battelle Memorial Institute, Stanford Research Institute, Princeton, and the State University of Iowa.

The Jet Propulsion Laboratory, operated for NASA by the California Institute of Technology, received approximately $86 million during the year. These funds provided the basis both for the laboratory's research efforts and for improvement, modernization and expansion of JPL facilities.

Awards to Government agencies: Of the $221.6 million placed with or through other Government agencies, approximately 64 percent went to the Air Force for the Saturn, Centaur, Atlas booster and Agena programs. The Departments of the Army and Navy, the Atomic Energy Commission and Commerce Department won other awards.

The philosophy behind this large amount of procurement through DOD is to avoid duplication of effort and to achieve effective utilization of both agencies' resources.

During the past year NASA has resorted to letter contracts in 57 instances, with a total dollar value of about $55.1 million. Of these only 9 had been firmed up by the end of the fiscal year; 48 contracts, with a total dollar value of $46.6 million, had not been finalized.

Procurement by R. & D. program: Approximately 85 percent of NASA's procurement during the fiscal year was funded from its R. & D. appropriation. Vehicle development received 30 percent of this total for the development, fabrication, and launching of space vehicles including the Scout, Delta, Centaur, and Saturn vehicles. The Saturn and Centaur accounted for 92 percent of the procurement in this area. Scientific investigations of space, utilizing sounding rockets, earth-orbiting satellites and lunar and planetary probes, consumed 17 percent of the R. & D. procurement dollar, while Space Propulsion Technology and Manned Space Flight received 13 and 11 percent of the total R. & D. procurement.

Major awards in fiscal year 1961: During the year, 10 new contracts of over $5 million each were awarded directly to business firms. The total dollar value of these awards was approximately $87.4 million.

Leading all other contractors was North American Aviation, Inc., with three major pacts for the development of a 200,000-pound-thrust liquid oxygen-liquid hydrogen engine, the design and development of the H-1 engine for Saturn and the fabrication and production of H-1 engines and related spares for the Saturn program.

Other leading industrial concerns were Chrysler Corp., Hayes Aircraft Corp., STL, Aerojet, Chance Vought, Grumman, and Brown Engineering.

Carryover contracts for work already in progress were awarded to five major business firms. Again North American led with an award of $73.9 million for further work on the 1.5-million-pound-thrust engine. McDonnell received $41.6 million for continuing work on the Mercury program, while Western Electric was awarded $26.5 million for maintenance of the Mercury tracking and ground instrumentation system. Douglas received two awards: $22.4 million to design, develop and test the Saturn S-IV stage vehicles and $7.8 million for design, development and launch of Delta three-stage vehicles.

Leading States: The four States receiving the largest share of NASA procurement awards, and total dollar value of these pacts, were: California, $148.7 million; New York, $43.9 million; Missouri, $42.5 million; and Alabama, $37.1 million.

Of NASA's direct awards of $25,000 and over, $92 million, or 32 percent were placed in areas which were designated by the Department of Labor as substantial labor surplus communities.

25 contractors listed according to net value of direct awards, fiscal year 1961

Contractor	Net value of awards			Number of contracts
	Thousands of dollars	Percent of total awards to business	Cumulative percent	
Total	423,294	100		
North American Aviation, Inc	75,009	18	18	21
McDonnell Aircraft Corp	41,843	10	28	4
Douglas Aircraft Co	30,098	7	35	8
Western Electric Co	26,600	6	41	3
Space Technology Laboratories	13,098	3	44	11
Chrysler Corp	12,922	3	47	9
Grumman Aircraft Engineering Corp	11,168	3	50	3
The Mayes Corp	10,278	2	52	4
General Electric Co	9,197	2	54	30
Chance Vought Corp	8,773	2	56	12
Radio Corp. of America	8,580	2	58	31
Brown Engineering Co., Inc	6,680	2	60	2
Bendix Corp	6,481	2	62	16
Aerojet-General Corp	6,286	1	63	14
Lockheed Aircraft Corp	3,335	1	64	13
Minneapolis-Honeywell Regulator Corp	2,730	1	65	14
Norair Engineering Corp	2,512	1	66	3
General Dynamics Corp	2,135	1	67	17
Flexonics Corp	2,128	1	68	2
Ball Bros. Research Corp	2,025	(1)	68	4
United Engineering & Contractors, Inc	2,000	(1)	69	1
Collins Radio Co	1,904	(1)	69	3
Arthur Venneri Co	1,909	(1)	70	1
Carl N. Swenson Co	1,835	(1)	70	3
Ampex Corp	1,685	(1)	70	20
Other	131,324	30	100	

[1] Less than ½ of 1 percent.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that an article from the May 21, 1962 issue of Missiles and Rockets be printed at this point in the RECORD. It indicates that the United States will pour about $6 billion into Project Apollo over the next 2 fiscal years.

There being no objection, the article was ordered printed in the RECORD, as follows:

SIX BILLION DOLLARS PAYMENT IN NEXT 2 YEARS—FIRST BIG INSTALLMENT ON $20-TO $30-BILLION LUNAR LANDING EFFORT COMING DUE; DECISION LOOMS ON CHOICE OF ORBIT

The United States will pour about $6 billion into Project Apollo over the next 2 fiscal years.

It will be the first massive downpayment on the manned lunar landing program, which it is estimated will cost $20 to $35 billion through the end of this decade.

Its objective will be to land three Americans on the moon—perhaps as early as 1967. Many NASA officials, however, now feel that 1968 is a far more realistic date.

Besides funding a host of Apollo contracts already awarded to industry, the fiscal 1963 and 1964 funds will provide a start on several new industrial awards.

One major decision—the detailing of the lunar mission and how it will be accomplished—is crucial at this point. On it hinges a real start on the lunar program.

While NASA officials are going on the assumption that earth-orbital rendezvous will be chosen for the primary mission, a large group within the organization currently favors lunar-orbit rendezvous.

This would involve putting the Apollo spacecraft into orbit around the moon, and then sending a two-man capsule down to land on the lunar surface.

With this method, it would be possible to achieve the mission using one Advanced Saturn launch vehicle. This is opposed by NASA launch vehicle experts who feel that the mission would be "marginal."

The study is being made by the systems engineering group in NASA's Office of Manned Space Flight. Personnel from the Marshall Space Flight and Manned Spacecraft Center are also taking part.

A final decision by D. Brainerd Holmes, director of the Apollo program, is expected about July 1. A switch to a lunar orbit mission would drastically affect the lunar landing module for the spacecraft, and the command and service modules to a lesser extent.

The decision will also signal the real beginning of the lunar landing drive—with the resulting massive flow of funds to American industry.

Holmes told Missiles and Rockets that NASA's manned space flight activities are funded at $2.4 billion in fiscal 1963.

Holmes said that the Office of Manned Space Flight would require $3.2 to $4 billion in fiscal 1964.

NASA officials report that the Apollo budget will continue to rise, reaching a plateau in fiscal 1965, 1966 and 1967 of between $4.5 and $5 billion. It will then drop slightly through the rest of the decade.

All of this means billions of dollars for U.S. industry. NASA estimates that about 90 percent of the funds over the next 2 fiscal years, some $5 billion, will go to industry for hardware procurement.

And while NASA has already selected contractors for some of Project Apollo's major systems, several more multimillion-dollar awards are yet to come. In addition, all of the lunar landing program's industrial team is just beginning the selection of thousands of subcontractors.

Future major contract awards include:

Inflatable or erectable manned orbiting space laboratory: Design of this spacecraft—which will hold at least 21 astronauts for periods of 1 to 3 years—will begin in fiscal 1963. Actual hardware development could come in fiscal 1964. Total development time is estimated at 4 years.

The project does not have program status at NASA as yet. However, officials assert that it will definitely be the next major manned spacecraft developed by the civilian agency.

The lineup of Apollo contractors

Company name and address	System	Announcement date	Amount
APOLLO SPACECRAFT			
North American Aviation, Inc., Space & Information Systems Division, 12214 Lakewood Blvd., Downey, Calif.	Command and service modules.	1961	$3,000,000,000 to $5,000,000,000.
Subcontractors:			
AiResearch Manufacturing Co., 6201 West Imperial Highway, Los Angeles, Calif.	Environmental control	Dec. 21, 1961	$10,000,000.
Avco Corp., Wilmington, Mass	Heat shield	Mar. 23, 1962	$8,000,000 plus.
Collins Radio Co., 855 35th St. NE., Cedar Rapids, Iowa.	Telecommunications	Dec. 21, 1961	$40,000,000 plus.

Robert R. Gilruth, director of the space agency's Manned Spacecraft Laboratory in Houston, Tex., told Missiles and Rockets, "I think it is a wonderful concept.

"It appears to be a very good configuration structurally, and is light for the amount of space it provides," Gilruth said.

No decision has yet been made whether the spacecraft will be of the inflatable or erectable type. NASA officials apparently are leaning toward a combination of both. Goodyear Rubber Co. has been doing a lot of work in the inflatable area and North American Aviation, Inc., is currently winding up a study of an erectable structure.

Besides serving as an orbiting laboratory for space experiments, it could become a space station for lunar, interplanetary and military manned missions in space. It could also be used for weather and astronomical observations.

Lunar landing module: This will be awarded in 2 to 6 months. Although it was earlier scheduled to be awarded before the end of fiscal 1962, it has been delayed by further system studies of the Apollo mission.

NASA's Lewis Research Center will manage the system under the overall supervision of the Manned Spacecraft Center.

NASA officials estimate its total funding at about one-half of the total Apollo spacecraft cost of $3 to $5 billion.

Nova: Total cost for this 12- to 20-million-pound-thrust booster will be in the billions. Two fabrication contracts for the first and second stages will be awarded early in 1963. NASA is currently studying proposals from five missile/space firms—Martin Co., General Dynamics/Astronautics, North American Aviation, Inc., Douglas Aircraft Co., and Lockheed Aircraft Corp.—for a 6-month design study contract. Two firms will be selected to make the study, and there is good possibility these firms will eventually be named to build the stages.

Orbiting laboratory module for Apollo spacecraft: This module will be needed for the Apollo spacecraft only if weightlessness or radiation problems develop during NASA's 18-orbit Mercury and two-man Project Gemini flights. It would be capable of holding three astronauts. A modified Apollo command module is a possibility.

Advanced Saturn: NASA is considering the selection of an "integration and test contractor" for the Advanced Saturn. A final decision, however, is about a year down the road.

RIFT: The award of this contract is imminent. Three firms—Lockheed Aircraft Corp., Martin Co., and General Dynamics/Astronautics—are competing for the nuclear upper stage fabrication. The RIFT vehicle powered by the Nerva engine will be test flown in the 1966–67 period and could be operational in 1968–69.

Flight plans: While a final blueprint for the program hinges on the systems engineering study, NASA has set up some tentative flight schedules.

Beginning in early 1963, four 18-orbit or 1-day missions will conclude Project Mercury. Beginning in 1963 and extending into 1965, two-man spacecraft flights of a week or more will be made with the Gemini spacecraft. A total of 15 missions are tentatively scheduled. Eight will involve rendezvous/docking operations while in orbit.

For Project Apollo itself, one NASA official estimated that a total of 25 flights will be scheduled.

These will begin in late 1964 or early 1965, when 12 development flights will be made, 6 utilizing a new solid rocket developed especially for the job and 6 Saturn C–1 flights with boilerplate Apollos. Six manned earth-orbital flights will follow using the Saturn C–1. In 1966 and early 1967, six manned circumlunar missions will be flown using a two-stage Advanced Saturn. The manned lunar landing mission would then be attempted.

To meet the flight schedule, NASA will spend from $12 to $20 billion on development of launch vehicles and from $3.5 to $10 billion on the Apollo spacecraft. Other billions will go for management and a large number of scientific satellites and spacecraft which will be needed.

Taking shape: The general configuration of the Apollo mission systems is pretty well set.

The spacecraft will have three modules—command, service, and lunar landing. Prime contract for the first two is North American Aviation.

The lunar landing contractor has not been selected.

Apollo will be the workhorse of the civilian space program well into the 1970's. Not until a manned interplanetary mission will a new spacecraft be needed.

Prime launch vehicles for the Apollo spacecraft are the Saturn C–1 and Advanced Saturn boosters.

The C–1 will be used to test boilerplate versions of the spacecraft and boost it on its earth-orbital missions. First stage contractor is the Chrysler Corp. Second stage contractor is Douglas Aircraft Co.

The Advanced Saturn will launch the spacecraft on its lunar orbit missions and is now the prime launch vehicle for the lunar landing flight.

First stage contractor is the Boeing Co., and the second stage will be fabricated by North American Aviation, Inc. Douglas has the third stage contract.

Procurement: NASA contracting for the Apollo craftcraft is handled by the Manned Spacecraft Center in Houston, Tex. Launch vehicle procurement is directed by the Marshall Space Flight Center, with the Launch Operations Center at Cape Canaveral responsible for the procurement of launch complex equipment.

NASA will continue to rely almost exclusively on the cost-plus-fixed-fee contract. The one major switch in its contracting procedures has been the establishment of a space agency management group at the North American plant at Downey, Calif. Similar groups will be set up to monitor NASA contracts at other contractor plants.

Company name and address	System	Announcement date	Amount
Lockheed Propulsion Co., Post Office Box 111, Redlands, Calif.	Escape motor	Feb. 13, 1962	$5,000,000.
Marquardt Aircraft, 16555 Saticoy, Van Nuys, Calif.	Reaction control rocket engines.	Mar. 2, 1962	Undermined.
Aero-Minneapolis Division, Minneapolis-Honeywell, 2600 Ridgeway Rd., Minneapolis, Minn.	Stabilization and flight control system.	Dec. 21, 1961	$30,000,000 plus.
Pratt & Whitney Division of United Aircraft, East Hartford, Conn.	Fuel cell	Mar. 9, 1962	
Ventura Division, Northrop Corp., 8000 Woodley, Van Nuys, Calif.	Parachute landing system	Dec. 21, 1961	$1,000,000 plus.
Thiokol Chemical Corp., Hunter-Bristol Division, Post Office Box 27, Bristol, Pa.	Tower jettison motor	Apr. 6, 1962	$1,000,000 plus.
Aerojet-General Space Propulsion Division, Azusa, Calif.	Service module propulsion engine.	May 3, 1962	$12,000,000.
GUIDANCE AND NAVIGATION SYSTEM			
MIT Instrumentation Laboratory, Cambridge, Mass.	Management of G. & N	Aug. 1961	$20,000,000.
A–C Spark Plug Division, General Motors Corp., Milwaukee, Wis.	Inertial platform and assoc. GSE.	May 8, 1962	$16,000,000.
Raytheon Co., Bedford, Mass	Guidance computer (onboard).	do	$2,000,000.
Kollsman Instrument Co., Elmhurst, N.Y	Optical subsystems (G. & N.).	do	$2,000,000.
Sperry Gyroscope Division, Sperry Rand Corp., Great Neck, Long Island, N.Y.	Accelerometers (G. & N. system).	Feb. 23, 1962	Estimated $800,000.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that an editorial from the October 23, 1961, issue of Missiles and Rockets be printed at this point in the RECORD. It shows that an unfortunately large sum of money is misspent by the missile industry on phony technical meetings.

There being no objection, the article was ordered printed in the RECORD, as follows:

ON BOOZE, BLONDS, AND BASHES

Now that that silly season is nearing its end, it is perhaps time the industry gave some deep thought to this question of technical and pseudotechnical meetings and just what it expects from them.

We have watched with some sympathy in recent weeks as our friends from the West shuttled back and forth to the Army association meeting in Washington, the Air Force partygoing in Philadelphia and the space flight report to the Nation in New York. Their explanations to their wives probably would make far more interesting reading than many of the technical papers so laboriously presented at the meetings.

We also have watched, with somewhat less sympathy, as our editors burrowed through hundreds of pounds of frequently repetitious papers and courted ulcers on the scotch and bourbon circuit.

Last week, for example, found no less than seven of our editors covering the big American Rocket Society meeting in New York, two staffing the National Aeronautic and Space Engineering and Manufacturing meeting of the Society of Automotive Engineers in Los Angeles, and one attending the National Electronics Conference and Exhibition in Chicago.

We're not complaining. Part of our job is to attend these meetings for you. Since the beginning of the year, our editors have covered more than 30 of the big ones.

But it does raise a question, as we encounter the same thinly disguised papers presented again and again, as to the worth of so many time-consuming conferences. The money expended also is considerable.

While we were on the Boeing stand at the New York Coliseum last week, a young lady rushed up and shoved a bill in our hand for more than $1,200. It covered electrical installation charges for the exhibit, which itself was an obviously expensive item. We thoughtfully placed the bill in the center of a display showing Boeing's capability in manufacturing huge tank sections and we hope it gets paid.

In Philadelphia, the customer relations representative of a major west coast missile/space manufacturer told us the firm's hospitality suite for the Air Force Association meeting was budgeted at about $5,000. Its display in the exhibition cost a whacking additional sum. The elaborate buffet-dancing parties of several other manufacturers undoubtedly enriched Philadelphia caterers, musicians, and hotel owners by well over $100,000.

Industry prestige at AFA, meanwhile, was enhanced by at least one fist fight and the drunken antics of several Air Force generals, corporate presidents and vice presidents and, alas, members of the press.

Is all this worthwhile? We doubt it.

The incoming president of the American Rocket Society, Dr. William H. Pickering, had something to say on the subject in New York. Dr. Pickering pointed out that industry spends $100 million annually—$50 million in direct costs and "at least" an equal amount in indirect costs—to attend technical society meetings. He called on the societies to hold meetings only when sufficient timely and high-quality papers are available. The ARS president urged industry and Government to submit only truly significant papers and to be more selective in the people they send to meetings.

What can a company hope to accomplish at a technical meeting and exhibition? An interesting survey was released this week by Clapp & Poliak, Inc., producers of a number of the Nation's industrial shows. It was conducted at the Design Engineering Show in Detroit's Cobo Hall earlier this year. It indicated nine major areas for improvement. We won't attempt to cover them all here but some of the comments are enlightening:

"I was irritated, after coming 2,000 miles for information, to find many exhibitors with salesmen in attendance who could not give me the technical data desired.

"Suggest to the exhibitors that the platinum blond female who has no knowledge of the products beyond the canned speech and who monopolizes the time and attention of the visitors adds little to the product presentation.

"Despite the millions of dollars spent, I believe some of the manufacturers could have made it more interesting by having more of their products on hand and more working models—too many booths were taken up purely as advertisement.

"Exhibitors should be encouraged to distribute more engineering data such as dimensions, finishes, materials. * * * Too much of the literature is strictly propaganda."

With the survey, some good advice on exhibiting is provided in a publication entitled "What They Want." Single copies are available without charge from Clapp & Poliak, Inc., 341 Madison Avenue, New York 17, N.Y.

When making decisions on next year's society and association meetings, firms in the missile/space industry could do a lot worse than to ponder the words of Dr. Pickering and the Messrs. Clapp and Poliak.

Fewer meetings, more worthwhile papers, more useful exhibits, less booze and fewer extravagant parties would do much to enhance not only the industry's image before Congress and the public, but its technical progress.

WILLIAM J. COUGHLIN.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article from Missiles and Rockets, January 1, 1962, on the shortage of scientists and engineers, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed, as follows:

SCIENTIST/ENGINEER SHORTAGE WORSENS

(By Heather M. David)

Concern is mounting at the National Aeronautics and Space Administration as the Nation's force of engineers and scientists continues to shrink.

As engineering schools report lower and lower enrollments, personnel offices of the Nation's space program say the demand for qualified men is skyrocketing—and will probably double within the decade.

Recent surveys show that the number of total engineers enrolled as freshmen has decreased steadily for the past 4 years. The drop is even more dramatic when contrasted against the total yearly increase of freshmen. An informal survey conducted by the U.S. Department of Education shows that in the period from 1953 to 1957, engineering freshmen accounted for about 10.5 percent of all incoming freshmen. This percentage dropped to 9 percent in 1958, 8.2 percent in 1959, 7.3 percent in 1960, and 6.6 percent in 1961.

Even if this percentage is bolstered by the Nation's entry into the moon race, the shortage will be felt for at least 4 or 5 years as these "low" classes graduate.

It's a nice situation for those engineers and scientists armed with degrees enabling them to participate in the space program. Pay scales which already have been rising about 5 percent per year in the last few years will undoubtedly increase more rapidly as demand grows.

NASA's hiring plans: Personnel Director Dr. Robert Lacklan says NASA is hiring about 2,000 engineers and scientists in fiscal year 1962. This number will be at least repeated next year. What NASA gets from graduating college classes only meets its turnover, which is about 8 percent each year. (About 34 percent of NASA's current total of 18,000 employees are professional people.) This means that NASA must get some 1,650 new engineers and scientists from other sources this year, and even more in the years to come, as its budget moves upward to a $5 billion level about 1964.

By comparison, the Air Force Systems Command, engaged in somewhat parallel work, has a work force of about 70,000 for its current budget of about $5 billion.

Competition with industry for these highly trained men is tough and will get much worse. All segments of industry—not only those connected with the missile/space field—need them. A National Science Foundation study just released says that by 1970 demand for scientific and technical personnel will have doubled.

National Science Foundation points out that scientific and engineering personnel must increase from 1,096,000 (in 1959) to about 2,032,000 in 1970—an increase of about 85,000 per year. In addition, 21,000 new scientists and engineers will be needed annually to replace those who retire, die, or move to other fields of work, bring the yearly total to 106,000.

Of this, 81,000 new engineers will be needed each year—64,000 to fill new positions, and 17,000 to replace old ones. But in 1960, only 37,808 bachelor degrees and 7,159 masters degrees in engineering were awarded.

This year, enrollments of about 66,900 engineers are reported. But about half of each class does not make it—they flunk out, drop out, and an increasing number switch out.

Why the decrease? A number of theories have been advanced to account for the apparent dropoff of interest in engineering.

First of all, there was a general economic recession causing defense cutbacks, which did not bode well for the hiring of engineers. This began in 1957 and undoubtedly affected enrollment of engineers in 1958 and 1959.

A great many people believe that the glamor of the physical sciences—physics, mathematics, chemistry, etc.—is attracting potential engineers. However, although there has been some little increase in these fields, it does not account for the total drop in engineering.

Another theory is that the students are steering away from engineering because they fear the hard curriculum. As we continually are reminded, it is getting harder and harder to get into and stay in college at all, because of higher enrollments and keener competition.

Some educators believe that students shy away from engineering because of the emphasis on the study of mathematics. A movement is underway to make the study of mathematics easier and more interesting. But this program must start from the early grades.

Another belief is that many capable youngsters are barred from engineering or science because of low high school grades or low IQ test grades. In fact, however, some industrial psychologists say that there is no real evidence to support the idea that grades or IQ's are measures of ability.

A study at Hughes Aircraft Co. proved that there was no correlation between success in jobs and previous grades.

What is being done: The problem is obviously to encourage more high school graduates, with low or high grades, to enter engineering. NASA sponsors mailouts and displays (through the National Education Association) on space achievements, to high school science classes in the hopes of attracting young people to this field. Scholarship programs are set up for promising youngsters. NASA has let a contract to find methods of identifying potential successful people, it also is looking for such a device to apply to high school level.

Some colleges have tried to freshen up the somewhat dry engineering curriculum. Yale University gives a liberal arts course especially for its engineers. The California Institute of Technology sends its engineers to liberal arts schools for 3 years, then gives them 2 years of intensive engineering training. They hope this will make engineering more attractive to the creative minds.

Another remedy is to encourage more women into engineering. Red China and Russia have of course demonstrated the success of this idea.

The only other source is persons without degrees. The National Science Foundation estimates that in the years from 1950–59 about 23 percent or 78,000 engineers without sheepskins entered engineering work. National Science Foundation goes on to say that if the proportion of engineering freshmen does not increase, retention rates improve, and transfers into engineering schools rise, the deficit must be made up of untrained personnel.

NASA tries to meet some of its problems by hiring people with degrees in a number of different disciplines, and molding them into "aerospace scientists." According to NASA's Dr. Allen Gamble, it is the only organization which classifies its people strictly on the function of their work, and not upon the academic degrees they hold.

As an example, its data systems category contains these degrees: 5 M.E.'s, 3 A.E.'s, 51 math, 12 physics, 41 E.E., 1 civil E., 1 meteorology, 1 economics, 1 social studies, 3 education, and 1 English.

NASA's courting song: The big problem of Government agencies is the tremendous disparity of income between their top people and those in comparable positions in industry. (See table below.) At the B.S. level, NASA already is $1,000 behind. At higher levels, it can only offer half the salary industry can offer.

NASA attempts to counter this by the attractiveness of its mission and its work. And many young scientists and engineers join NASA just for the experience of working with some of the research leaders already there.

Since NASA has none of the proprietary restrictions associated with the production of a product, NASA scientists get a chance to publish their work sooner and thus receive professional recognition.

NASA supports the advanced education of many of its people. They get degrees paid for by NASA, on the agency's time.

But money is still an attraction. Lacklan notes that more professional people drop out when their children are entering college than at any other time.

On the administration's boards there is a recommendation to Congress that it raise the pay of senior scientists next year to a top of from $25,000 to $30,000 a year. If this and other measures are not taken soon, NASA's expansion hopes look dubious.

Salary comparisons, professional personnel

GS grade	Industry rate	Government rate
5	$6,576	$5,335
7	7,308	6,345
9	8,460	6,435
11	9,984	7,560
12	11,520	8,955
13	13,368	10,635
14	16,470	12,210
15	19,056	13,730
16	20,000–30,000	15,355
17	27,500–37,500	16,530
18	32,500–45,000	18,500

1st 2 grades on the table are the top salaries which Government agencies may give for that grade. NASA has requested that it may offer top salaries in all other grades, which would raise each of those figures by several hundred dollars.

HEALTH INSURANCE THROUGH SOCIAL SECURITY—THE AMERICAN WAY

Mr. LONG of Hawaii. Mr. President, during the debate thus far on the King-Anderson proposal for financing health benefits through social security, I have been disturbed by the assertion that it would be a radical departure from our existing system—that we would be forsaking "the American way" and heading down the road to socialism.

I contend that this is nonsense. Health benefits are simply a normal and long-overdue extension of our existing social security system. This—not public assistance—is truly the American way of protecting against the heavy hospital costs that are an almost inevitable accompaniment of old age.

Here are my reasons.

In the United States we have developed a time-tested and widely accepted system of social insurance to protect workers and their families against the loss of earnings, whether temporary as in the case of unemployment, or permanent as in the case of death or retirement of the breadwinner. We have used various methods of financing and administration for the different risks—unemployment, work-connected accidents, old-age retirement, permanent disability, and death—but all of these methods share the common purpose of compensating for loss of earnings.

In this respect, we differ significantly from countries like Great Britain. There, family allowances are paid even when the breadwinner has full earnings—we instead hold fast to the principle of adequate wage levels so that workers do not need a Government supplement to support their families. We differ also from the British system under which every family is entitled to free hospitalization and medical services even when the wage earner is fully employed. We believe instead that the individual who is working can—and should—make his own private arrangements for meeting medical bills.

But when earnings stop, whether temporarily or permanently, it is not sufficient simply to provide a benefit that replaces part of the wage loss. It is necessary to protect also against any special expense that goes hand in hand with the event that produced the wage loss. Thus, our workmen's compensation systems pays medical and hospital benefits as well as wage-loss benefits.

Our old-age and survivors insurance system pays a funeral benefit as well as the monthly survivor benefit. Were this not done, the wage-loss benefit would be eaten up by the accompanying expense, thus defeating the whole purpose of this benefit.

It is a well-known fact that the event that gives rise to retirement benefits—old age—is also accompanied by heavy medical costs. Some of these costs are spread over the retirement years in relatively small, even amounts. But some—and especially the costs of hospitalization—are staggeringly large and uneven in their impact. Logically, then, if the retirement benefit is not to be eroded by these costs, protection against the expense of hospitalization is absolutely essential.

The provision of health benefits for the aged through social security is thus nothing more than the necessary underpinning of the cash benefit. It is not only completely compatible with the American way of providing social security, but it is the only way in which we can handle this problem and also foster our American values of dignity and independence.

To achieve real social security in America, therefore, requires that we round out our social insurance system with health benefits, thus assuring our older people that the heavy costs of a hospitalized illness will not eat up all their retirement income and savings.

The essentials of social security in this country are threefold:

First. The basic foundation—our first line of defense—is a system of social insurance which enables workers, with the help of their employers, to put by contributions from their earnings during their working years toward benefits—payable as a matter of right and without a means test—when earnings cease or are interrupted.

Second. On this foundation, individuals are encouraged to build whatever additional private protection they can—company and union pensions, home ownership, insurance, annuities and other private savings.

Third. For those who may still have insufficient support from social insurance and private sources, public assistance, such health benefits under the Kerr-Mills program—based on a demonstration of need—is an absolute essential as a secondary line of defense.

No one of these three methods is expected—or can be expected—to do the whole job of providing income security for the Nation's older population.

All three are truly essential. They serve as complementary measures, not as alternatives.

This threefold approach—the American way—of dealing with the problem of income-maintenance in old age is equally applicable to the problem of health costs.

The problem of financing health costs of such dimensions is such that we must muster all the resources at the command of our Nation. We cannot leave the job to private insurance and public assistance alone. These two elements are essential, but they can fulfill their proper functions only if the other essential—social insurance—provides a sound base.

In our threefold approach to income security, emphasis has properly been placed on the prevention of dependency. This essential is sadly lacking in our present methods of dealing with the financing of the burdensome health costs that accompany old age. It is not until the individual has virtually exhausted his savings and resources that he can claim help with his medical costs under public assistance.

To force our older citizens into dependency—to destroy their self-respect through a declaration of poverty—is definitely not the American way.

I have heard repeatedly the claim that there is nothing demeaning about a means test—that we all go through such a test when we apply for a loan to finance a business, to buy a home or a car, to open a charge account.

To compare the two is just so much nonsense. The man who goes to the bank for a loan goes proudly to prove his solvency, to boast of his financial stability, to show that he is a successful person who will unquestionably pay off the loan he seeks—a loan sought not out of adversity but for the mutual advantage of both himself and the lending institution.

To undergo a means test to qualify for old-age assistance or Kerr-Mills help is an altogether different thing. Then the individual is forced to confess insolvency, not solvency. He must admit that he is a failure. That he is broke. That his need is such that he must swallow all pride to beg for help.

Any attempt to equate the two—to say that taking a means test is no more nor less than what we are required to do when we apply for a bank loan—is not only absurd but it demonstrates a woeful ignorance of the self-respect and decent regard for human dignity that causes so many aged Americans who need medical care to prefer to run the risk of death rather than to submit to the humiliation of a means test.

It is not surprising then that the great majority of the American people—young and old alike—wholeheartedly support the proposed program to finance basic health benefits through contributory social insurance. Until we have rounded out our present social security program in this respect, no one can be assured that his retirement benefit will really provide the economic security it promises—that he will not after all be forced to ask for charity to meet his medical costs in old age.

The proposal does not—despite the statements of some of its opponents—place a new and unacceptable financial burden on our working population. They are now meeting these costs in one way or another—through individual sacrifice to meet the medical bills of an aged parent, through income taxes to finance public assistance, through higher premiums paid to Blue Cross and other group plans which try to spread the excess costs for the aged among all members, through hospital charges that are upped to absorb the deficit for patients who cannot pay full costs.

The American people are now seeking—and the proposal before us would provide—a more orderly and equitable way of meeting these costs—a way that prepays costs before old age and that emphasizes the prevention of dependency—in fact, the American way applied to the financing of health costs.

ADJOURNMENT

Mr. KERR. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate now stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, July 11, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 10, 1962:

OFFICE OF SCIENCE AND TECHNOLOGY

Jerome B. Wiesner, of Massachusetts, to be Director of the Office of Science and Technology.

IN THE ARMY

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be major generals

Brig. Gen. Frederick Henry Garber, O385526.

Brig. Gen. Beryel Jacob Pace, O287041.

To be brigadier generals

Col. Edward Ferdinand Baumer, O323662, Infantry.

Col. Lowell Joseph Bradford, O357923, Army Intelligence.

Col. James Rieser Bright, O376675, Ordnance Corps.

Col. Allan Robert Greene, O294164, Artillery.

Col. August Herman Groeschel, O345922, Medical Corps.

Col. Oscar Perry Hampton, Jr., O403301, Medical Corps.

Col. Hatsel Lester Harris, O306806, Infantry.

Col. David Canfield Hastings, O352481, Transportation Corps.

Col. Raymond Edward Mason, Jr., O409410, Artillery.

Col. Walter Gordon Moran, O296649, Corps of Engineers.

Col. Edwin Fay Smith, O325548, Infantry.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major generals

Brig. Gen. Clarence Birnie Johnson, Jr., O268791.

Brig. Gen. Wendell Crane Phillippi, O1288114.

Brig. Gen. Everett Selden Simpson, O405521.

To be brigadier generals

Col. Robert Maddock Backes, O374057, Artillery.

Col. Marvin Theron Ball, Jr., O403935, Artillery.

Col. Robert Aye Ballard, O342774, Infantry.

Col. Harold Raymond Bauer, O298149, Artillery.

Col. Robert Clarke Dunnington, O300413, Artillery.

Col. Donald Charles Grant, O360644, Artillery.

Col. Kermit Lafayette Guthrie, O346619, Artillery.

Col. Ivan Hardesty, O399704, Infantry.

Col. Ralph Maurice Krieger, O405796, Infantry.

Col. Edwin Leroy Shull, O355061, Infantry.

Col. Edwin Anson Simpson, O358764, Infantry.

Col. Thomas Graham Wells, Jr., O366471, Artillery.

The Army National Guard of the U.S. officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major generals

Brig. Gen. Thomas Sams Bishop, O403542.

Col. Junior Franklin Miller, O385454, Infantry.

To be brigadier general

Col. Bernard Joseph Kitt, O330803, Infantry.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 10, 1962:

U.S. PATENT OFFICE

Manuel C. Rosa, of Virginia, to be an examiner in chief, U.S. Patent Office.

U.S. DISTRICT JUDGE

Louis Rosenberg, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 10, 1962:

PEACE CORPS

Paul F. Geren, of Texas, to be Deputy Director of the Peace Corps, which was sent to the Senate on February 19, 1962.

EXTENSIONS OF REMARKS

Joint Planning and Development Along California-Mexican Border

EXTENSION OF REMARKS

OF

HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, July 10, 1962

Mr. MORSE. Madam President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD a resolution passed by the Assembly of the California Legislature in the 1962 session.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE ASSEMBLY, CALIFORNIA LEGISLATURE, 1962 (FIRST EXTRAORDINARY) SESSION, RELATING TO JOINT PLANNING AND DEVELOPMENT ALONG CALIFORNIA-MEXICAN BORDER

(By Hon. Thomas M. Rees, of the 59th district; Hon. Sheridan N. Hegland, of the 77th district, and Hon. Frank Luckel, of 78th district)

Whereas California is one of four States which share our Nation's southern international frontier with the Republic of Mexico; and

Whereas that portion of the border contained within California traverses an area having many common planning and development problems, which problems require joint collaboration between Federal, State, and local government and the Mexican Government; and

Whereas the Republic of Mexico has already initiated a comprehensive program along the entire length of its frontier with the United States, and is especially desirous of collaborating with the State of California and the county and city governments directly affected in the counties of San Diego and Imperial, and certain informal exploratory talks have already taken place; and

Whereas there exists opportunities to utilize the Federal planning assistance grant program to permit the State office of planning, and counties, and cities, to participate in such a joint planning effort: Now, therefore, be it

Resolved by the Assembly of the State of California, That the State office of planning in the department of finance be requested to explore in collaboration with local governments in the border zone, the possibility for joint planning with the Republic of Mexico to the end that this area of mutual social and economic interest, and of long-standing international amity may develop in the most satisfactory manner and contribute more fully to the traditional good will and social and commercial ties which have long existed between California and its great Latin American neighbor; and be it further

Resolved, That the speaker appoint two members of this house to participate in such conferences and meetings as may be necessary to give effect to this resolution; and be it further

Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the State office of planning, to the Counties of San Diego and Imperial, and to the appropriate Mexican officials.

House Resolution 63, read and adopted unanimously April 9, 1962.

Signed JESSE M. UNRUH,
Speaker of the Assembly.

Attest:
ARTHUR A. OHNIMUS,
Chief Clerk of the Assembly.

Mr. MORSE. The resolution relates to joint planning and development along the California-Mexican border of a project that has become known as the Mexican border project. It is a project that seeks to improve the living conditions in many of the Mexican towns on the Mexican side of the border. It is a slum clearance program. It is more than that. It is a program that calls for the building of schools, hospitals, and cultural centers. It is a program that has elicited a great deal of support, not only from the California Legislature but from chambers of commerce in California and in Texas. It is a project that I know the President of Mexico has made clear is one that he considers to be of high priority ranking in the projects that Mexico has in mind in connection with the Alliance for Progress program. I think it is particularly interesting that we have the resolution passed by the California Assembly of the California Legislature in dealing with the project. It is, of course, a project that would be a great showcase as to what the Alliance for Progress program can really do for millions of citizens of the United States who will see it over the years.

Incidentally, as American chambers of commerce represent, the project would be a great inducement also for similar improvements in towns on the American side of the border. Of course, there is no doubt about the fact that the American groups have a selfish interest in the project, but it is a legitimate selfish interest, for the improvement of living conditions in the Mexican towns involved in the border project would not only bring great and needed benefits to thousands and thousands of American cities, but also would be a great inducement to tourism. Some of our American friends in Texas and California have said in their communications to us, that instead of flying to Mexico City, thousands of Americans will drive to Mexico through California and Texas and through the beautiful cities in Mexico which will result from the project.

Expanding Dairy Research

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Tuesday, July 10, 1962

Mr. WILEY. Mr. President, in an age of exploration, the economic outlook for agriculture could be dramatically improved, if we expanded research for finding new, different—particularly commercial—industrial uses for farm commodities.

This is especially true in dairying.

Over the weekend, I was privileged to discuss the need for expanding such research in a broadcast over Wisconsin stations.

I ask unanimous consent to have excerpts of the address printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Wiley Urges Expanded Research for Industrial Uses for Dairy Products

(Excerpts of address prepared for delivery by Senator Alexander Wiley, Republican, of Wisconsin, over Wisconsin radio stations, Saturday, July 7, 1962)

I am happy to report to you once again from Washington on the farm outlook. Legislatively, the prospects for realistic, economy-improving action are extremely dim.

As you recall, the Senate recently voted down an omnibus farm bill, the principal reason being the degree of regimentation and control. As of now, the House of Representatives is attempting to hammer out a new farm bill.

Earlier this session, I introduced legislation, bill S. 2414, for the establishment of a Dairy Research Laboratory in Madison, Wis. The purpose would be to find greater industrial-commercial uses for dairy products.

Over the years, there has been increasing recognition of the need for such research. In the 86th Congress, the Senate approved legislation for expanding research to find industrial uses for farm commodities. Again in the 87th Congress, the Senate Agriculture Committee favorably reported such a recommendation to the Senate—including specific recommendations for dairying. As mentioned, however, the measure also contained so many other controversial provisions that it was voted down.

The battle, however, must go forward. The following steps, for example, can—and should—be taken:

1. Efforts by the dairy industry, itself to pool funds to step up research for commercial-industrial uses for dairy commodities.
2. Enactment by Congress of the Wiley bill for the establishment of a Dairy Research Laboratory in Madison, Wis.
3. Earmarking of more administrative funds—now available to the Secretary of Agriculture—for dairy research for commercial-industrial purposes.

In such industries as paper, petroleum, corn, and cotton, research and development programs have been carried on by nationwide, industry-supported research organizations.

Generally, this new product research has paid off.

In the past, too, there have been outstanding examples of Government-private enterprise cooperation in such endeavors.

The Forest Products Laboratory of Madison, for example, works closely in cooperation with privately owned forest interests on the development of new wood products—and uses for such products—in home, business, industry and elsewhere in the economy.

The establishment of greater cooperative effort on dairy research, I believe, could also result in some progress in economic awards.

OUTLOOK

In 1961, the Nation produced about 125 billion pounds of milk—with Wisconsin's output of about 18 billion pounds. For 1962, milk production is expected to increase to 127 billion pounds.

As of now, there are stockpiles of milk products, including: 376.6 million pounds of butter; 92.8 million pounds of cheese; and 471.7 million pounds of nonfat dry milk.

Successful research in finding new uses for milk and other dairy commodities would reduce the cost of the price support program and improve the economic outlook of the dairy industry.

HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

St. Paul's declaration concerning God: Acts 17: 28: *He is not far from any one of us; for in Him we live and move and have our being.*

Almighty God, we gratefully acknowledge that Thou hast planted in the heart of all mankind the religious sentiment and ordained it to be the one universal and elemental factor causing human life everywhere to pulse with the same great needs and longings and hopes.

May we have the insight to see and understand that in this religious instinct, inhabiting the soul of man, we have the supreme revelation of the spiritual oneness of humanity and the ultimate basis of human brotherhood.

Would that it might be true of our beloved country that this is a republic whose spirit is fundamentally and predominantly religious in character and that our spiritual ideals transcend and transfigure our secularism and our materialism.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Monday, July 9, 1962, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 12, 1962:

H.R. 1347. An act for the relief of Adolf M. Bailer;

H.R. 1653. An act for the relief of William Falby;

H.R. 2839. An act for the relief of Mildred Love Hayley; and

H.R. 4783. An act to grant constructive service to members of the Coast Guard Women's Reserve for the period from July 25, 1947, to November 1, 1949.

On June 15, 1962:

H.R. 2833. An act for the relief of Franziska Aloisia Fuchs (nee Tercka);

H.R. 7559. An act to amend title 39 of the United States Code to provide for additional writing or printing on third and fourth class mail; and

H.J. Res. 638. Joint resolution for the relief of certain aliens who are serving in the U.S. Armed Forces.

On June 19, 1962:

H.R. 3247. An act to amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section;

H.R. 3595. An act for the relief of Anna Isernia Alloca;

H.R. 3633. An act for the relief of Angelina Rainone;

H.R. 3714. An act for the relief of Janina Maciejewska;

H.R. 4655. An act for the relief of Adele Anis Mansour;

H.R. 7061. An act to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes;

H.R. 10502. An act for the relief of James B. Troup and Sylvia Mattiat;

H.R. 10788. An act to amend section 204 of the Agricultural Act of 1956;

H.R. 6330. An act for the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children;

H.R. 6695. An act to amend title 39 of the United States Code with respect to the transportation of mail by highway post office service, and for other purposes;

H.R. 7416. An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes; and

H.R. 10162. An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system.

On June 25, 1962:

H.R. 4083. An act to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products;

H.R. 4939. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 5456. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H.R. 7532. An act to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes;

H.R. 7866. An act to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands;

H.R. 8434. An act to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif.:

H.R. 9736. An act to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes;

H.R. 10374. An act to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives;

H.R. 10986. An act to continue for a temporary period the existing suspension of duty on certain amorphous graphite;

H.R. 11032. An act granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion;

H.R. 11033. An act granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary; and

H.R. 11034. An act granting a renewal of patent No. 54,296 relating to the badge of the American Legion.

On June 27, 1962:

H.R. 7723. An act to amend section 303(a) of the Career Compensation Act of 1949 by increasing per diem rates and to provide reimbursement under certain circumstances for actual expenses incident to travel; and

H.R. 11743. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

On June 28, 1962:

H.R. 8291. An act to enable the United States to participate in the assistance rendered to certain migrants and refugees;

H.R. 8773. An act to amend section 265, of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1016), relating to lump-sum readjustment payments for members of the reserve components who are involuntarily released from active duty, and for other purposes; and

H.R. 11879. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes.

On July 1, 1962:

H.R. 10095. An act to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes;

H.R. 11990. An act to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act; and

H.J. Res. 769. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

On July 2, 1962:

H.R. 3444. An act to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wind River Indian irrigation project, Wyoming, and for other purposes;

H.R. 10459. An act to provide for the conveyance of 39 acres of Minnesota Chippewa tribal land on the Fond du Lac Indian Reservation to the SS. Mary and Joseph Church, Sawyer, Minn.; and

H.R. 11057. An act to declare that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina.

On July 3, 1962:

H.R. 12061. An act to extend the Renegotiation Act of 1951, and for other purposes.

On July 9, 1962:

H.R. 9822. An act to provide that lands within the exterior boundaries of a national forest acquired under section 8 of the act of June 28, 1934, as amended (43 U.S.C. 315g), may be added to the national forest.

On July 10, 1962:

H.R. 3840. An act to provide for the conveyance of certain real property of the United States to the Carolina Power & Light Co.;

H.R. 8031. An act to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus;

H.R. 8045. An act to change the name of the Hydrographic Office to U.S. Naval Oceanographic Office;

H.R. 8982. An act authorizing the Dow Chemical Co. to construct, maintain, and operate a bridge across the Rio Grande at or near Heath Crossing, Tex.;

H.R. 9883. An act to authorize the San Benito International Bridge Co., to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex., and to authorize the Starr-Camargo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Rio Grande City, Tex.; and

H.R. 11221. An act to amend section 302 of the Career Compensation Act of 1949, as amended (37 U.S.C. 252), to increase the basic allowance for quarters of members of the uniformed services, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had agreed to the amendments of the House to a joint resolution of the Senate of the following title:

S.J. Res. 68. Joint resolution providing for the designation of the week commencing October 1, 1961, as "National Public Works Week."

THE LATE HONORABLE ELBERT S. BRIGHAM

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. STAFFORD. Mr. Speaker, it is with regret that I report that the Honorable Elbert S. Brigham, Congressman at large from Vermont from 1925 to 1931, died in St. Albans, Vt., July 5. Mr. Brigham was a champion of the dairy industry throughout his career as a politician, businessman, and farmer. His professional interest in the industry was crowned in 1961 when the American Jersey Cattle Club credited him with "the greatest achievement in all dairy breeding history" for his innumerable records of milk production with Jersey cattle.

Mr. Brigham contributed very importantly to the progress of the State of Vermont. As Vermont's commissioner of agriculture, he helped promote the transformation of dairying from a local industry to the present commercial industry on a regional level. In his capacity as chairman of the State advisory banking board during the national depression of the 1930's, he was credited with leading Vermont banks through the banking crisis. Later, as just compensation for his confidence and efforts on behalf of the economy when it was in trouble, he became president of a bank and of the National Life Insurance Co.

The contribution of Mr. Brigham to the dairy people of this country will not shortly be forgotten. He was both an agent on their behalf in the U.S. Congress and a scientist on their behalf in the field of breeding and milk production. It is rare indeed when the capacity for individual creation and for group leadership exists in the same person. He was a most distinguished Member of this House for three terms. He will be deeply missed by all Vermonters, indeed by all Americans.

SCHOOL BOARD IMPASSE

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I am sure my colleagues in the House know of my interest in educational matters. May I call attention to the fact that some 3,567 school boards are now attempting to prepare their budgets for the coming year. They find it quite difficult to do so, because included in this appropriation logjam is the second supplemental appropriation bill, in which money was added to pay those schoolboards 100 cents on the dollar instead of 91 cents. They are having difficulty because they have not received their portion of the Federal funds. I am wondering why it would not be possible to interrupt the present proceedings and take up the supplemental appropriation bill; at least, let us finish up the business of the last session.

SPECIAL HIGHWAY SUBCOMMITTEE OF THE COMMITTEE ON PUBLIC WORKS

Mr. CLARK. Mr. Speaker, I ask unanimous consent that the Special Highway Subcommittee on the Federal Aid Highway Program be permitted to sit today during general debate until 1 o'clock.

The **SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

A PLEA FOR HARMONY

Mr. JOELSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. JOELSON. Mr. Speaker, like many other Members I have become increasingly concerned about the apparent impasse between the House and Senate Appropriations Committees in general and their respective and respected chairmen in particular.

Their dispute over what appears to be essentially procedural matters threatens to lead us to a situation in which numerous Federal employees will face payless paydays.

It is easy to become sarcastic and even to resort to ridicule as some editorial writers have already done. However, as a freshman Congressman holding deep esteem for the contributions of these two chairmen to the legislative history of the United States, my mood is one of regret at the bitter squabble that has erupted between them. Together they have lived 167 years and served their constituents and their Nation in the Halls of Congress for 90 years.

As a newcomer to the U.S. Congress I hope that they will not consider it presumptuous of me to urge them to compose their differences which are holding the Congress up to public denunciation, and which can have an ultimate damaging effect upon our Nation.

Frankly, I have been waiting in vain for Members with more seniority than I to make this plea. Now I feel impelled to do so myself. This problem is a greater one that that of merely "saving face."

Mr. Speaker, I entreat the two chairmen and the committees which they head to put an end to a situation which is fast becoming intolerable. This is a plea for harmony.

TELSTAR SPACE COMMUNICATION SATELLITE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, last evening the first joint public and private space venture roared off the launching pad to the successful orbiting of the Telstar space communications satellite.

Yesterday evening I am sure millions of Americans felt their heart swell with pride as mine did when the American flag appeared on their television sets and the national anthem played—both being relayed back to earth by the Telstar satellite.

Word was soon received that France was picking up the same television program that we here in America were viewing. Later Great Britain joined the United States and France. A new age commenced in the field of world communications.

Mr. Speaker, the prospect of transatlantic television is only the latest in a series of recent events which point to the resurgence of Western initiative and the strengthening of bonds within the free world. This year began by the European Common Market passing the point of no return by its adoption of a common farm policy. The year progressed as Great Britain commenced serious negotiations to join its European neighbors in a common future. Soviet and Chinese farm failures came to light while Russia, China, and Albania drove rifts in Communist solidarity, all to the enhancement of the free world's prestige. Last month this House swept onto the world stage a new philosophy of free world trade by its passage of the Trade Expansion Act. Yesterday the vision appeared that men everywhere may soon become acquainted in their own living rooms through the medium of global television.

Mr. Speaker, the cold war continues, but without its familiar staleness. The prospect exists to make of the world's free nations a family of nations. Already, on at least two occasions during this session of Congress, we have had an opportunity to further this end—by our passage of the Communications Satellite Act and the Trade Expansion Act. Today, we have another opportunity as we begin voting on the foreign aid bill.

I am entirely confident, Mr. Speaker, that this House will pass this bill and maintain our initiative in the battle to make the world free.

Yesterday, we dramatized to the world the benefits of Western civilization by the commencement of world television. Today, we must not lose our ingenuity by failing to exploit our advantages.

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SPECIAL REQUEST

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent in view of the fact that I brought to the attention of the House the death of a former Member, that my remarks may precede the other remarks thus far made in the House today.

The SPEAKER. Without objection, it is so ordered.

The Chair is glad the gentleman made the request, and may the Chair suggest to Members when they are announcing the death of a former Member that they advise the Chair since the Chair would like to recognize them first, as soon as possible after the House meets, so that they could be the first Member to be recognized by the Chair.

ACTIVITIES AND ACCOMPLISHMENTS OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 468)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed with illustrations.

To the Congress of the United States:

Pursuant to the provisions of the National Aeronautics and Space Act of 1958, as amended, I transmit herewith a report on the activities and accomplishments of the National Aeronautics and Space Administration for the period of October 1, 1960, through June 30, 1961. This is the fifth of these reports since the passage of the legislation establishing that agency, and supplements, in more detail, my annual report of January 31, 1962, which covered some of the same time period and reported on all agencies with responsibilities in the national effort in aeronautics and space.

Since the period covered by this report, the National Aeronautics and Space Administration, in cooperation with other agencies of the Government, has made substantial strides toward meeting our new and more ambitious aeronautics and space goals. This noteworthy progress, supported by the Congress, contributed to American leadership in many significant aspects in space accomplishments and has laid substantial foundation for greater successes in the future.

JOHN F. KENNEDY.

THE WHITE HOUSE, *July 11, 1962.*

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 150]

Alford
Bennett, Mich.
Blitch
Boggs
Boykin
Celler
Coad
Collier
Curtis, Mass.
Davis, Tenn.
Diggs
Dingell
Flood
Frazier
Gray
Hardy
Hoffman, Mich.
Holifield
Horan
Ichord, Mo.
Kearns
Kowalski
McSween
Peterson
Pfost
Powell
Riley
Roberts, Ala.
Rostenkowski
Saund
Shelley
Shipley
Short
Slack
Smith, Miss.
Spence
Taber
Thompson, La.
Thornberry
Tollefson
Utt
Yates
Zelenko

The SPEAKER. On this rollcall, 391 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ASSISTANCE ACT OF 1962

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1962, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11921, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, July 9, 1962, the gentleman from Pennsylvania [Mr. MORGAN] had 47 minutes remaining and the gentlewoman from Ohio [Mrs. BOLTON] had 36 minutes remaining.

The Chair recognizes the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the Foreign Assistance Act of 1962.

This legislation has been considered at length by the Committee on Foreign Affairs. Each Executive request was reviewed thoroughly, revised where necessary and approved when considered by the committee to be consistent with our national security and interests.

As was stated by our eminent committee chairman, the gentleman from Pennsylvania, the total authorization for fiscal 1963 requested by the Executive was reduced by $210 million. In addition, the committee cut the authorization for the Alliance for Progress by $600 million. In all, the President's request for new authorization was reduced by $810 million.

I am mentioning these cuts to show that the Committee on Foreign Affairs has tried to pare this program to the bone. The committee does not grant an authorization simply because the request is advanced urgently by the Executive.

In spite of these cuts, the committee is overwhelmingly of the opinion that the foreign aid program—as proposed to be authorized for the coming year—is of vital importance to the security of our Nation and to the attainment of our foreign policy objectives.

Mr. Chairman, in the short time allotted to me I wish to address myself to the criticisms and arguments in opposition to this legislation. There are those, for example, who ask why our present foreign assistance programs are not tailored to the Marshall plan type of aid. Some of those who ask this question were among those who were opposed to the Marshall plan when that initial step in economic assistance was first proposed. But the tremendous success of that program has caused skeptics to change their tune. It is ironic that those who said "Why have a Marshall plan?" back in 1947 are often the same persons who today are saying, "Why not have a Marshall plan type of assistance now?" The answer is clear. Marshall plan aid was tailored to assist in the reconstruction of developed countries, ravaged by war. The present foreign aid program, the Act for International Development, is tailored to first, helping underdeveloped countries; second, providing means by which we, in cooperation with our allies, can find the best methods to assist and aid the nations which have joined together in opposition to international aggression; and third, winning the cold war.

Opponents of this program often contend, for instance, that since the end of World War II, we have spent close to $100 billion on foreign aid, and that most of that money "has been poured down the ratholes of the world."

What are the facts of the case?

To begin, it is true that our foreign aid expenditures from 1946 through 1961 amounted to some $90 billion. This is, however, less than 1 percent of our gross national product over this same period. I would like to break down and identify for what programs the $90 billion of foreign assistance was expended. Roughly it can be classified into three categories.

MILITARY AID

Of this total, one-third—or approximately $30 billion—was spent on military assistance: to build up the defenses of Western Europe against Russian aggression prior to the time when those free nations could afford their own military expenditures, to follow up on the Marshall plan economic aid, to help crush Communist subversion in Europe, to arm the Greeks and the Turks in their struggle to maintain independence, and to provide military assistance to South Korea, Vietnam, Nationalist China, and other allies.

Is money spent on the collective defense of the free world money poured down a rathole? I do not believe so.

It is true, of course, that some of that money may have been wasted. As a matter of fact, some of the most glaring abuses in the administration of the foreign aid program have been found in the military part of that undertaking. But just so that we may keep a sense of proportion about the problem o" waste, I would like to point out that we have also wasted millions of dollars on our own Defense Department expenditures: on work stoppages at missile and other military bases; on exorbitant profits allowed certain defense manufacturers; on inadequate budgetary controls, inefficient procurement, duplication and other abuses; on the production of military hardware which becomes obsolete the minute it comes off the production line; on research and development which does not result in workable defense projects; and in many other ways.

No one likes waste—not any of us have ever condoned it either at home or abroad. I have fought waste in Government expenditures ever since my first election to public office, and I will continue to fight it. I do not believe, however, that we should condemn a whole program because it had suffered from shortcomings.

We must, of course, continue in our effort to eliminate all waste from the foreign military aid program. But we must also remember that, with the help of that program, the free world has been able to build an armor of defenses around the periphery of the Communist empire—stretching from Korea in the Far East, through southeast Asia and the Middle East, to the northwest reaches of Europe in the West.

This network of free world defenses has been vitally instrumental in discouraging overt Communist aggression, and in preserving the integrity of the independent nations of the free world.

We must also remember that, during the past 15 years, we have spent $555 billion for our own Department of Defense expenditures—an amount 18 times as large as the sum of our foreign military aid. And I doubt that we have gotten 18 times as much security out of those expenditures as we have received for our foreign military aid program.

FOOD AND RELIEF

Approximately another third or $30 billion of our foreign assistance has been spent on immediate post-World War II hunger relief; on Public Law 480 foodstuffs to help fight hunger on which communism thrives; and on Export-Import Bank loans for commercial-type projects which will be repaid in dollars.

The Public Law 480 program, while providing a method of sharing our farm surpluses with other nations, has also furnished a major basis for underwriting the prosperity of the American farmer.

Would the critics of our foreign aid program prefer to have seen our abundant crops plowed under? Or burned? Consumed by vermin? Or dumped into the sea? Or have the unused food pile up, increasing the already heavy storage costs?

ECONOMIC RECOVERY AND DEVELOPMENT

The remaining $30 billion has been spent on direct economic assistance. One-half of it—$15 billion—went into the Marshall plan for the economic recovery of Western Europe. Of the remainder, only about $3 billion has been allocated for economic development of the underdeveloped countries in the form of development loans and technical assistance.

We should note that much of this $30 billion—as well as much of the $60 billion I have been talking about previously—was spent right here in the United States.

In the process of helping other free nations, our foreign aid program also helped to create jobs for Americans and to stimulate our own economic growth.

WHAT HAS THE PROGRAM ACHIEVED?

What has this program achieved? Has it been a failure, as some critics contend?

I do not believe so.

Let us, for instance, look at Western Europe. Has the Marshall plan failed? One look at the prosperity, and continuing independence, of the nations of Western Europe is convincing that the Marshall plan has been a notable success.

And what about the rest of the world?

It does not require any special genius to see that our foreign aid program has been instrumental in stopping the march of communism.

Greece, Turkey, and Iran are free today—largely because of our help.

South Korea, South Vietnam, and many other countries on the borders of the Communist empire have not been drawn behind the Iron Curtain.

And of the 40-some new countries that have come into being since World War II, not one has succumbed to communism in spite of the heavy flow of Soviet agents, infiltrators, and rubles.

These are concrete, positive achievements. And our aid has helped to produce them.

In my opinion the most vital provisions of this legislation are those which are most controversial; that is, the authorization for the Alliance for Progress and the allocation to the President of discretionary authority to deal with communism in Communist-dominated countries.

First, let us consider the Alliance for Progress. On March 13, 1961, in proposing this program for Latin America, President Kennedy stated its purpose would be—

> To demonstrate * * * that man's unsatisfied aspirations for economic progress and social justice can best be achieved by freemen working within a framework of democratic institutions.

This is a noble and, insofar as Latin America is concerned, an urgent purpose. To achieve it, we have committed during the first year of the Alliance's existence, U.S. assistance amounting to slightly over $1 billion. This aid came from several sources. It consisted of loans and grants authorized by the Mutual Security Act, by the Foreign Assistance Act of 1961 and by the 1960 Latin American economic development legislation. It also consisted of credits extended by the Export-Import Bank, of food-for-peace programs, and of other U.S. efforts.

WHY A SEPARATE TITLE FOR THE ALLIANCE FOR PROGRESS?

A question may be asked at this point: "Why a separate title for the Alliance for Progress? Can't the assistance be extended to the Alliance under the development grants and development loans provisions of the existing law?"

The answer is, "Yes, we can provide aid and support the Alliance for Progress under the law presently in effect."

The President believes, however, that it is important to highlight this historic undertaking, and to set it somewhat apart from the remainder of our foreign aid program.

The Alliance for Progress, in the President's view, should have its own statutory foundation and framework.

The Committee on Foreign Affairs has given this matter careful and thorough study. While cutting down the President's authorization request, the committee has agreed with him that the Alliance for Progress should have its own statutory framework.

That is the reason for the inclusion of section 105 in the bill before the House.

ALLIANCE FOR PROGRESS A LONG-TERM UNDERTAKING

One of the factors which influenced the committee's decision is the fact that the Alliance for Progress promises to be a long-term undertaking: long term in the sense that its objectives—social justice, economic development and political democracy for all the people of Latin America—will not be attained overnight.

POWER TO DEAL WITH COMMUNIST-DOMINATED COUNTRIES

In considering the question of giving the President discretionary power to deal with Communist-dominated countries when it is in the national interest to do so, let us remember that we are in a global, unrelenting struggle with communism. We are trying to defeat them while protecting our own security. We cannot fight effectively if we are going to tie one hand behind our back, draw a circle around the Communist-dominated countries, and in effect say to the Soviet Union: "This is your area. You can keep it. We are writing off these people. We are not going to do anything to make it hard for you to communize them. You do what you want to with them. We are not going to have anything to do with them."

Mr. Chairman, unfortunately too few people have given sufficient thought to the problem of our relations with the Communist-dominated countries. Those who have considered this problem objectively will not disagree with what I have said. The conclusions are pertinent and logical. They apply especially to countries such as Poland, whose people are living under communist domination through no fault of their own.

I was in Poland last year, for the first time in my life. I traveled some 2,000 miles in that country by automobile. I spoke to many people on farms, in villages, in towns and cities. I spoke to workers, to shopkeepers, to civil employees and officials of the regime.

I came away from Poland convinced that assistance extended to that country during recent years has benefited the subjected Polish people. It has helped maintain a bond of friendship between the people of Poland and the people of the United States. At the same time, it has tended to lessen Poland's dependence on her Communist neighbors.

I believe these developments are in the interest of the United States and helpful to the attainment of our foreign policy objectives.

NEUTRALIZING YUGOSLAVIA

In the instance of Yugoslavia, we need not be reminded of the opportunities which the free world received through the break between Yugoslavia and Russia. Because of Tito's support of a course independent of Moscow, the United States and our allies gained significant political and strategic advantages. Soviet power was rolled back from the Adriatic Sea and from Italy's northeastern border. Austria's southern boundary was freed of Soviet control. Greece was saved from Communist overthrow when Yugoslavia closed its borders to Red guerrillas. The explosive Trieste question was quieted.

We know of these strategic advantages, but have we considered the strategic disadvantages which might befall us should Yugoslavia be thrust back into the Communist camp? Have we thought through the consequences should Yugoslavia join the Warsaw Pact, perhaps because of rejection by the West? It is my belief that the aid we might give to Tito is small cost indeed to neutralize Tito's 32 divisions. When we consider the strategic position of Yugoslavia in Europe, its common borders with Austria, Italy, and Greece, it becomes evident that keeping Yugoslavia nonhostile to the West is eminently desirable. Whatever the United States might give in assistance to Yugoslavia in order to keep that country nonhostile would be an insignificant amount compared to maintaining adequate defenses in Europe against an aggressive and antagonistic Yugoslavia.

There have been many complaints that aid given to Yugoslavia for over a decade has not resulted in significant moves away from basic Communist doctrine. That is true. But on the other hand, one does not learn to swim within a certain number of lessons. For 1 individual it might take 2 lessons, for another 15. If the Yugoslavs have not yet become convinced by our aid that communism is bankrupt as an economic and political philosophy and that democracy and free enterprise is the true way of man, let us not be impatient.

Perhaps one or two more lessons in U.S. assistance will teach that country to swim, as it were, with the free nations of the world. To stop trying to teach Yugoslavia at this point is, in my opinion, a step backward in the foreign policy that we have maintained through two Democratic and one Republican administrations.

FOREIGN AID PROGRAM IMPORTANT TO THE FUTURE OF FREEDOM

Mr. Chairman, I do not believe that any impartial observer of the history of our time, and of the history of our foreign assistance program, can deny the unprecedented accomplishments of our foreign aid program.

Our aid program on an overall basis has been—and continues to be—effective and successful.

Mr. Chairman, it is the declared objective of our foreign policy to help create a world of stable, free, and independent countries, willing and able to meet their own problems in peace and freedom.

The foreign aid program as authorized in this bill before us today is a vital, integral arm of that policy. It is important to the cause of peace and freedom in the world. It deserves the support of the American people, and of the Congress.

I earnestly urge prompt and overwhelming House approval of H.R. 11921.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Chairman, this Congress is going to pass this year a foreign aid bill as this Congress and its predecessors have done each year beginning in 1947.

I hope that it will be the bill, H.R. 11921, in substantially the form in which we now are considering it, because in my judgment and that of most of my colleagues on the Committee on Foreign Affairs it represents another step forward along the path down which we started last year. It is a bill which implements the constructive changes recommended by the committee as a result of its investigations into the details of the worldwide mutual security and foreign assistance program.

This bill introduces a number of improvements in foreign aid procedures, particularly tightening up on the obligation and hoarding of funds. Much has been done to prevent waste and the appropriation and expenditure of funds unnecessarily. Much remains to be done, but since most of the people of this country are agreed that a mutual security program is essential in order to win the cold war, we are able to assure the taxpayers of this country that they are getting a better bargain in foreign aid.

In spite of the progress which has been made by the committee and its staff in riding herd on this program, waste has not yet been entirely eliminated. Continuous and close scrutiny of foreign assistance operations must be maintained, and the Committee on Foreign Affairs, including its members on both sides of the aisle, can be depended upon not to relax its vigilance in this direction.

Nearly every Member of this House, Mr. Chairman, is aware of the fact that the people of his district, and of every district in the country, approve to an overwhelming degree the general principles of our cold war strategy, which has been carried forward under three Presidents. Mutual security programs and military and economic assistance to friendly nations are an important part of this strategy.

Every poll which has been taken, so far as I know, supports this conclusion. Every election in which mutual security has been an issue has brought a decision which affirmed it.

It is apparent that the people of the United States recognize that winning the cold war is the only acceptable solution to the problems which we face. They are ready to pay whatever costs and make whatever sacrifices are necessary. There is no politics in this. It is good Americanism. It is good protection. It is humanitarianism, on a global scale. It is the best insurance for peace in the world.

It is proposed in this bill to spend the money which we provide for foreign assistance more wisely, indeed, more frugally. It is proposed to establish and to extend procedures under which it is hoped and believed that each year the taxpayers will be able to expect an increasingly better bargain in their foreign aid expenditures.

Last year, Mr. Chairman, the President sent to Congress a program for foreign assistance in which he asked the representatives of the people to provide him with a blank check for expenditures covering a period of 5 years, and authorizing the spenders for foreign aid to tap the Treasury almost at will within the confines of the blanket authorization.

Congress would not buy that proposal. We recognized the validity and the economy of long-term commitments. In the Foreign Assistance Act of 1961, however, there was no blank check. Congress provided that, in foreign aid, as in the other departments of the Government, we would continue to operate as we have in the past, with appropriations made year by year under the provisions of long-term obligations, if needed, but, in any event, only after review by Congress of the fiscal health of the continuing programs.

It was a vitally important policy decision. Experience even in 1 year has proven that it was a wise one.

The bill now before us authorizes additional funds for carrying forward the foreign assistance program and contains a number of amendments to the Foreign Assistance Act of 1961 and to certain other laws for the purpose of improving the effectiveness of the program. H.R. 11921 authorizes additional appropriations of almost $2 billion—actually $1,914,400,000—for the coming, or rather the now current fiscal year, also $600 million for the Alliance for Progress for the fiscal years of 1964, 1965, and 1966.

Of the total appropriation of $4,878,500,000 requested by the President and contained in this bill, $2,753,100,000 was authorized by the Congress last year.

There are unexpended balances for the fiscal year just closed which are estimated, for military and nonmilitary uses, of $6.6 billion. These unexpended balances are available only to meet obligations already incurred. They are not available to move the program forward through the buying of more goods and services. New or unobligated funds in additional amounts would be required to achieve this.

There are other programs of foreign assistance at work, which are not covered in this legislation, nor are funds needed or requested in this bill. Examples of these are the Export-Import Bank and the sales of surplus agricultural commodities. These and all other foreign assistance programs have foreign policy objectives. But they do not take the place of the foreign aid program as defined in this bill and the existing laws which it amends and extends. In many cases they complement the foreign aid program dealt with here.

Considering the magnitude of the program and its worldwide scope, it seems to me that the fiscal side of the foreign aid program compares favorably with that of other Government agencies. In many cases it is decidedly better.

The foreign aid program, although contributing to the balance-of-payments problem, is not a decisive factor in this serious situation. The reason is that most expenditures for foreign aid are spent in the United States. Of the military assistance funds, 82 percent are spent in the United States. It is expected that 73 percent of economic aid funds will be spent in the United States. The Agency for International Development—AID—has set as its goal for the near future the expenditure of 80 percent of its funds directly in the United States.

Foreign aid procurement is established to the greatest possible degree in the United States. Procurement in the 19 principal industrial nations of the world, our competitors in world markets, is prohibited in all but a few special situations.

The statement has been made by some of those who do not favor this legislation that there is nothing new in the bill.

Actually, this is not a condemnation. It is an endorsement of the accelerating success of the program that was begun, by authorization of this Congress, last year.

The time has come now to take another step forward.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HARSHA].

Mr. HARSHA. Mr. Chairman, I shall use this time to ask a few questions of the chairman of the Foreign Affairs Committee. I noticed yesterday in the Washington Daily News that Mexico will use new funds from this Alliance for Progress program to raise farm products to export to Cuba. As far as I can find there is nothing in this bill to prevent any of these countries we intend to aid from using the money to produce products and then trade or ship them to Cuba. Is that correct?

Mr. MORGAN. That is correct. There is no such limitation in this bill. If we help their agriculture it is difficult to limit what they do with the product.

Mr. HARSHA. In the committee was any consideration given to encouraging these countries who receive our aid or generosity to not use them to benefit Cuba directly, and to join with us in the embargo of Cuba?

Mr. MORGAN. Basically, most of the countries that receive assistance under this legislation to improve agricultural production use it to help feed the people of their own countries.

Mr. HARSHA. Further in the article I see that the $20 million loan is only a start, that it is to be at least $60 million, and that part of the money is to be used to clear off land that is now jungle, and also to construct a dam to irrigate land that is now arid, to raise corn and wheat, which is in such surplus in this country. I can hardly justify such action to my constituents.

Mr. MORGAN. The gentleman is relying on a news report. The result of the negotiations carried on between the two Presidents have not been announced as far as I know.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, I have asked for this time to discuss briefly one aspect of our military assistance program which is most disturbing to me and which I feel should be brought to the attention of the Members of the House. I refer specifically to the procurement by the Department of the Army of Japanese manufactured vehicles for our southeast Asian allies. While I have had knowledge of the program for some time, I was surprised indeed to learn recently of the tremendous scope of this procurement. The director of the program has just advised me that 78,596 vehicles have been procured since 1957 at a total cost of $223,705,110 and I am further informed that this is not the end and that we are currently negotiating for the production and delivery of Japanese produced trucks during fiscal years 1963 and 1964.

Certainly there is nothing that can be done about the events which have transpired between 1957 and today. That is a bit of history. Nor do I feel that the course of this vehicle procurement program will be altered for fiscal years 1963 and 1964 because of my comments here today. Nonetheless, I feel that it is well that we reflect a bit about this program and whether or not its further extension under conditions as they exist today would be in the best interest of the United States.

In recent correspondence with the Director of our military assistance program and Army procurement authorities, I have been told that the initial decision to purchase vehicles in Japan was influenced by a variety of factors: That these vehicles were no longer in production in the United States; that the retooling in U.S. factories for this purpose would be excessive in cost; that certain transportation and supply problems would be created if U.S. trucks were procured; that Japanese manufacturers could produce these vehicles from 40 to 60 percent of the cost of manufacturing the same vehicles in the United States; and that U.S.-owned Japanese yen could be used to purchase these vehicles. From this correspondence, it was evident that the primary consideration was the alleged cost differential between Japanese-manufactured and U.S.-manufactured vehicles.

For example, I was told that a Japanese jeep could be purchased for $1,542 and that a U.S.-manufactured jeep would cost $3,103 delivered in Japan; that a 2½-ton truck could be purchased in Japan for $4,169, while a comparable U.S.-manufactured truck would cost $10,280 delivered in Japan. Without challenging these costs, I am confident that certain factors have not been considered and that we are, in fact, comparing noncomparable figures.

If we are to compare the cost of a truck we purchase in Japan with the cost of a truck manufactured in the United States, is it not fair to subtract from the U.S. cost the added tax revenues which the U.S.-produced truck would have sent to the U.S. Treasury? For instance, if a corporate manufacturer makes a profit of $100 on a vehicle, 52 percent of the profit—or $52—would accrue to the United States pursuant to our income-tax laws. Likewise, the same is true for all suppliers of raw material, subcontractors, and other economic activity generated by the manufacture of a truck here in the United States. In addition, all wages paid for labor are subject to income tax. This concept was clearly reflected in the President's own estimates with respect to the budget revisions he requested on March 24, 1961, in which he predicted that his new spending proposals—totaling some $2.3 billions—would create additional tax revenues of some $900 million or about 40 percent. Thus, in effect, every dollar that the Federal Government spends in the United States is supposed to yield about 40 cents in new tax revenues resulting in a real budget effect of only 60 cents of each dollar spent; whereas every dollar that the Government spends abroad—since it produces no new tax revenues—has a full $1 budget effect.

In this sense then, a U.S. truck priced at $10,000 actually costs the Federal Government only $6,000. This was recently confirmed for me by the staff of our Ways and Means Committee. Therefore, it is not only untrue, but unfair and misleading to say that the Japanese truck can, in fact, be acquired for half the price of a U.S.-manufactured truck. Yet, when I asked the Director of Military Assistance whether an estimate could be made of the amount the contract cost the U.S. vehicle should be reduced to reflect the income taxation accruing to the Federal Government by virtue of the production of such vehicle in the United States, I was told that the Director regretted "that the Department of Defense does not have the information to make the comparison" I suggested. It seems incredible to me that such a comparison has not been part of these procurement decisions, and what is even more amazing is that what is true of the procurement decision to buy Japanese trucks apparently must also be true of all other items for military assistance.

In response to my inquiry regarding the balance-of-payments problem posed by this procurement, I was informed that U.S.-owned yen could be used as available, making no mention whether any such U.S.-owned yen had, in fact, been used for this purpose but leaving one with the decided impression that this was the case and that such U.S.-owned yen had been used, at least to some extent. However, in answer to my request for further information as to the dollar value of the U.S. yen used in each of the fiscal years since the inception of this program for the acquisition of Japanese vehicles, the Director of the program acknowledged that "to date no U.S.-owned yen have been used for these purchases and none are presently contemplated." So after deliberately trying to mislead me, another prime justification for this procurement evaporates.

Mr. Chairman, I am amazed and irritated by such deceptive tactics. And the failure to get a straight statement in this instance can only lead me to question the validity of the other justifications for this procurement.

Another factor that cannot be ignored in a discussion of this Japanese procurement is the balance-of-payment problem that is inherent in it. While I make no claim to being an international economist and cannot advise you precisely as to the effect of the purchase of these 78,596 Japanese vehicles on our gold flow problems during recent years, I feel I can safely say that sending $223 million—almost a quarter of a billion dollars—to Japan has not helped our balance-of-payments deficit.

For the past few weeks, I have been trying to make sense out of this vehicle procurement program, but I am still hopelessly confused as to the reasoning behind it. But just during this past week came the climax to it all: The press reports emanating from the Secretary of Commerce that our Government is making efforts to encourage the Japanese to invest in building factories in the United States to manufacture Japanese products for sale in this country and with the program being billed as "Japanese aid for the depressed areas of the United States." This is all too mixed up for me to comprehend or understand.

As I have said before, I realize that nothing can be done about what has happened in the past. But it is my hope, Mr. Chairman, that from these events we can learn something for the future and that before this program becomes welded into the framework of our military assistance program, with continuing annual appropriations, the committees having pertinent jurisdiction will give this program another good, cold, hard look with the interest of the U.S. Government foremost in their minds.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, as we consider here today another extension of the great global giveaway, I am afraid that we are in reality gravediggers in lawmakers' clothing. What we are preparing to do through this bill is to deepen by another foot or two the grave in which the dead body of the American economy will soon lie—unless we awaken to our responsibilities—return to sanity and face reality.

I am certain it is no news to you that the able investigators of the House Foreign Affairs Committee recently turned in a report that they found hoarding of funds, wasteful spending, and poor administration in our foreign aid programs in Korea, in Turkey, and in South Vietnam.

But, if this is news to you, it can only be routine news. Not a year goes by but that we in the Congress learn from our own investigators, and from the confessions drawn from officials of the executive branch, of costly misuses of foreign aid money. We know this. But, we do nothing about it.

Billions of dollars of the money of the taxpayers we are sworn to represent have been wasted in this global giveaway. We know this, but annually we continue to pour out more billions, requested by one President after another. Annually the bad practices, sometimes outright dishonest practices, are exposed to us, deplored and denounced by us. But in some form or other, they continue.

The cold fact is that our foreign aid program is on so vast and varied a scale that it is impossible to police it properly. As in the case in other fields, it has gotten out of congressional control. The funds for it could be cut in half today without impairing any actual good the program can accomplish, if it can accomplish any good. But the pressure from the administration, the lobbyists, and the dreamy do-gooders is so strong that the Congress seems unwilling to apply the only cure for the ills that plague the great global giveaway.

That remedy is, of course, to eliminate this disease that is sucking the lifeblood of our national economy. I have enough sense to know that this cannot be done in a single operation; the cancer has spread too far.

But this program should be cut in half each year, until the tremendous and useless outpouring of the dollars of our constituents has been reduced to a mere trickle.

The reality which we as a Congress will not face—have refused to face for years—is that the United States is broke. It is no wonder that we are broke.

Since World War II, the American taxpayer has given or lent—and how much of these loans do you ever expect to see again—a staggering $84,090,800,000 to other nations. That sum represents 91 percent of the expenditures which we have been asked to approve for the operation of the entire Federal Government in fiscal year 1963. It also represents 28½ percent of our entire national debt.

Thus it is obvious that had we not thrown this money away and had instead used it to retire the national debt, that debt today would stand at a little more than $200 billion instead of the $300 billion level which it has reached, and which we have voted to increase.

Or to put it another way—if we had just banked this money we have taken from the taxpayers, we could operate the entire Federal Government for 332 days of the next fiscal year without appropriating a penny. We would need to charge the taxpayers only 33 days' expenses in the whole year.

Now, if you have been lured into the misguided belief that these $84 billion plus have been spent to win friends for the United States—or to win friends for human decency as we know it—think this one over: Fifty-seven billion of this great giveaway—two-thirds of the total—went to nations who boast of being neutral. Neutral nations, in my opinion, are those who want our money, but refuse to call themselves our friends—call or act like it.

In all we have doled out our taxpayers' money directly to 75 nations or recognized political states. More than $9 billion has gone into vague things called "regional" or "nonregional" or "oversea territorial" activities which are classified. As I understand that term, as applied to this case, it means things that neither the public nor the Congress can be allowed to know.

It is this lack of the right to know—the denial of that right to the American people and to their representatives in the Congress—which is at the root of evil in the whole foreign aid concept.

If we in the Congress were accorded the full right to know—not for 1 minute longer would we tolerate the waste of our national resources for the nonmutual benefit of the rest of the world. If the people who provide these tax dollars which we spend so quickly and so freely were accorded their right to know what is done—I venture to say, my colleagues, that not only would there be no foreign aid program still in operation, but that those among us who have insisted on its continuance would not be here today—still insisting that this madness toward economic suicide be continued.

If we in the Congress had been told the full truth about this program, the waste and the stupidity and the thievery which has characterized it from the beginning until today would not have occurred. If it had occurred—and the American taxpayers had been told the full truth, they would surely have punished at the polls those responsible for this destructive waste. We cannot deny that the Congress is responsible because only we control the public purse.

Our foreign aid spending is in clear violation of the Constitution which we are sworn to uphold. We cannot be true to our oaths of office by voting to send billions of dollars to Communist Yugoslavia and Communist Poland—more billions to the 25 neutral nations which kow-towed to Moscow at the Belgrade Conference while blasting the United States—and more billions to the 6 Latin American nations who refused at Punta del Este to back up American action against the Communist Castro.

Since the Conference at Punta del Este, the United States has awarded more in loans and grants to the 6 nations which supported Castro than it has to the 13 governments which supported our own position. Those who opposed our firm stand against Castro have received and are scheduled to receive a total of $384,400,000 whereas those 13 nations who supported our position will receive only a total of $173 million during the same period.

Here are some specific examples of the manner in which we have made fools of ourselves—or have been made fools of by our beneficiaries—in our administration of our giant giveaway program.

These are selected examples—but I challenge anyone—I challenge the floor leaders for this bill—to prove to me, to prove to the Members of this House, to prove to the tax-bled American public, that they are not typical of the whole program.

I ask the gentlemen who are softsoaping this bill down our throats to tell this House the truth about foreign aid in Laos—where from the time Laos became an independent nation in 1954 we gave an incredible amount of aid—at least a third of a billion dollars—to keep a newly independent nation from becoming Communist. Can we be told why the United States, abruptly, cut off all aid to Laos just a few months ago, in an effort to force what we thought was a pro-Western government to form a coalition with the Communists? Can we know the truth about this frightful picture? Or is it "classified"?

I may say in this connection that economic experts in Laos have acknowledged that withdrawal of our funds from the Royal Lao Government has had no visible effect on the nation's economy, except to inspire a belt-tightening program. That would lead a reasonable mind to suspect that our aid was not necessary in the first place. And it also would seem to suggest that the same tactic might work elsewhere—and for the same reason: That our giveaways are not really needed.

May I ask the floor leaders for this bill to explain to us how it is that Brazil—our stanchest Latin American ally through World War II and since then the beneficiary of a billion dollars of our handouts—was one of the six nations which opposed our move at Punta del Este to restrict the spread of communism in the Western Hemisphere? Or can they tell us if it was an act of friendship—purchased friendship—when the Brazilian State of Rio Grande do Sul seized, with little protest from our own Government—a $10 million subsidiary of the American-owned International Telephone & Telegraph Co.? And yet, since the Punta del Este Conference, Brazil has received from us $120 million and has been promised more.

These are not isolated matters, my colleagues. There are, unfortunately many more like them. I suspect those who lead the fight for this bill cannot—or perhaps, I should say will not explain to us our anti-Belgian pro-Communist activities in the Congo, any more than they can or will explain our support of Indonesia against Holland in Sukarno's attempted conquest of New Guinea.

It is difficult for me to understand why the United States has lent—if it can be called a loan—$133 million of the taxpayer's money to the new African nation of Ghana to help build a dam or an aluminum plant. Or why, when our own steel industry is widely publicized in difficulties, the foreign aid administration announced just the other day that it is conducting a survey to see if we should spend some of our taxpayers' dollars to build a steel mill at Bokaro in India—India, supposedly neutral, but a frequent critic of this generous country, and as frequently a kowtowing friend of the Kremlin.

But these things are no more difficult of understanding than that fancy deal in Cambodia, where Communist Russia built a "show place" hospital—using, if you please, materials financed by the U.S. Government. Can the leaders for this bill explain to me—to the House and the American people—how that came about? Were we attempting to buy Cambodia's friendship for ourselves—or for our mortal enemy?

And can they tell us if this is typical of the foreign aid operations in countries where we are supposedly competing with Russia for favor? Or will they tell us what were the findings of the investigation to determine if there was some sort of collaboration between the United States and our other mortal enemy—Red China—in construction of elements of the radio station which the Chinese Communists "gave" to Cambodia? I doubt that we will be told. I suspect this is classified.

But can we be told, perhaps, why we are pouring foreign aid money into construction of a new water pipeline project in Vietnam—which needs more water about as much as we in this country need to increase our enormous grain surplus? Or, mayhap, we can be told how we are defeating communism by helping it to succeed—in Red Poland, for example, which has had nearly a billion dollars of our money, or in Red Yugoslavia, which has taken us for nearly $2½ billion.

It would be interesting for us to know the truth about the Chunju fertilizer plant in Korea—why more than a half a million dollars was mysteriously added to the $5 million-plus technical services contract for that plant. Also interesting would be the truth about that half-million-dollar soybean procurement fund that is carried forward from year to year, although there is no apparent need for it.

It would be helpful to know about the Chongpyong Dam—for which we provided $6 million back in 1956 to finance a rehabilitation project. Nothing has been done on that project in 6 years, but our aid agency still clings tightly to the money. Similarly, funds have been allocated for a steam electric generating plant in southwest Korea since 1958—and nothing has been done about that, either.

Move over to Vietnam. There, nearly $11 million in highway construction funds lie around unexpended, unused—and apparently not going to be used to any great degree. But the taxpayers are not getting it back—any more than the foreign aid agency is preparing to turn loose large uncontracted balances being retained as valid obligations although authority to use them has expired.

These questions are ones for which I expect to get no answers. I would, of course, like to have the answers. I also would like for the House and for the American people to have the answers. But I do not believe we will get any answers, because I do not believe that the answers exist—or that if they do, that the truth will suit the purposes of those who are forcing this legislation upon us.

As I have indicated, I am not so simpleminded as to say that we must right now stop all foreign aid. I know that this would be a reckless, unthinking—and impossible—suggestion, because, having supported most of the world for so long, we cannot, without notice, withdraw all of that support.

I think, nevertheless, that we must now face up to the fact that while we call this lavish expenditure of our funds a battle against communism, it all too often is converted by wasteful administrators into a battle against nothing or by stupid or visionary administrators into a program which props up—rather than whittles down—the dread and menacing enemy of communism.

I will not read—but I ask unanimous consent to include at this point in my remarks, a table listing the gifts of the American taxpayer since World War II to foreign nations. I think it is well worth studying—and the citizens of this country are entitled to read it, because it certainly has cost them heavily. When they have read it, I am certain that they will be able to understand why the U.S. Bureau of the Mint reported a little while ago that it cannot make money fast enough to keep up with the demand—for neither can the American taxpayer make it fast enough to keep up with the demands of the many nations lined up to take advantage of our country's generosity in its great global giveaway.

Austria	$1,170,100,000
Belgium-Luxembourg	1,935,200,000
Denmark	822,200,000
France	9,423,600,000
Germany (Federal Republic)	4,993,900,000
Berlin	127,000,000
Iceland	62,600,000
Ireland	146,200,000
Italy (including Trieste)	5,517,000,000
Netherlands	2,416,000,000
Norway	1,024,500,000
Poland	509,400,000
Portugal	370,600,000
Spain	1,470,300,000
Sweden	108,900,000
United Kingdom	8,668,300,000
Yugoslavia	2,132,400,000
Regional	2,237,300,000
Burma	93,900,000
Cambodia	263,600,000
China, Republic of	3,894,500,000
Indochina (undistributed)	1,535,000,000
Indonesia	558,000,000
Japan	3,462,500,000
Korea	4,486,600,000
Laos	301,200,000
Malaya	21,800,000
Philippines	1,555,700,000
Thailand	571,800,000
Vietnam	1,895,900,000
Regional	316,100,000
Greece	3,073,500,000
Iran	1,012,500,000
Iraq	65,300,000
Israel	709,100,000
Jordan	230,900,000
Lebanon	86,100,000
Saudi Arabia	46,600,000
Turkey	3,094,900,000
United Arab Republic	295,000,000
Yemen	$11,300,000
CENTO	23,200,000
Afghanistan	145,700,000
Ceylon	65,300,000
India	2,383,900,000
Nepal	39,400,000
Pakistan	1,255,700,000
Regional	854,200,000
Argentina	460,500,000
Bolivia	191,700,000
Brazil	1,376,500,000
Chile	364,600,000
Columbia	249,500,000
Costa Rica	68,700,000
Cuba	52,000,000
Dominican Republic	8,800,000
Ecuador	84,300,000
El Salvador	10,000,000
Guatemala	117,400,000
Haiti	80,400,000
Honduras	34,900,000
Mexico	600,000,000
Nicaragua	42,500,000
Panama	58,600,000
Paraguay	39,500,000
Peru	334,300,000
Uruguay	72,300,000
Venezuela	73,300,000
West Indies Federation	11,500,000
Oversea territories	4,800,000
Regional	111,100,000
Ethiopia	115,000,000
Ghana	4,000,000
Guinea	3,800,000
Liberia	73,300,000
Libya	154,000,000
Morocco	194,700,000
Nigeria	6,200,000
Somali Republic	9,100,000
Sudan	44,100,000
Tunisia	135,200,000
Oversea territories	60,900,000
Regional	21,600,000
Nonregional	3,336,200,000
Total, all countries	84,090,800,000

The American people are beginning to express extreme concern over the foreign aid program. They are questioning the value of many of the projects to which our tax money goes—and they are questioning the effectiveness of the projects in supporting the position of the United States in international affairs.

The following are questions that have been asked of me—in some form or another—in the past few months. I challenge the floor leaders of this legislation to give the American people the answers to these questions.

In Laos, the government is "neutral" but the Communists have a veto. Can American dollars keep Laos from falling into Red hands?

In the Congo, our dollars mainly channeled through the United Nations, aim to unify the country. But, can the United Nations and the United States force these people to unite against their will?

Aid to Poland, we are told, is intended to keep it open to Western ideas and democratic influence. Do our funds help the Poles more than they strengthen communism?

Aid to Yugoslavia is necessary we are told to keep this nation independent—although we see Tito side with Khrushchev on issues against the United States. Has U.S. aid to Tito paid off? Or if we cut off this aid to Yugoslavia, would it lose its independence?

Aid to Brazil may have been designed to encourage private investments from the United States, but what about the seizure of American business by Brazilian States?

Aid to Greece; this nation has received millions in our foreign aid funds, now is eager to receive more U.S. surplus wheat at cut rates. But, what about the fact that only 286,000 Greeks in a population of 8,400,000 pay income taxes now?

Aid to India, a nation preparing to buy Mig's from Russia even to the point of making some under license—should we continue aid to this neutral nation?

What about aid to neutral nations? Certainly we have seen that aid to neutrals has not made them pro-United States. Will foreign soldiers have the will to fight our battle—because of the foreign aid funds their nations receive? Can we turn shaky governments into solid governments with aid only? Can living standards be raised in underdeveloped areas when population outruns local resources?

What would happen if we refused to be blackmailed into aiding neutral nations who threaten to run to Russia for help? Would they get that aid from Russia—or is it true that the Soviet Union has not delivered aid where promised? Is it possible that as economic crises spread throughout the Soviet Union and its satellites—Russian aid will continue to fall far short of Russian promises?

These are only a few of the questions the American public has raised concerning our global giveaway. Certainly our people deserve these answers. I challenge you to provide these answers.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Chairman, I am very much in favor of this legislation and the administration's points of view with respect to it.

Private enterprise has a major role to play in the AID program. It is a basic objective of the development assistance program that private American business shall be included as an essential part of the program to assist less developed countries in their economic growth.

Congress has provided AID with seven specific tools with which to work with United States and foreign private businessmen both here and abroad. The Office of Development Finance and Private Enterprise is a focal point in AID for broad contact with private business interests. That office is charged with increasing the role of private enterprise in the foreign assistance program. One of its important functions is to meet with business groups and individual businessmen to assist them in locating specific business opportunities arising out of the program.

To deal with each tool briefly.

First. Investment surveys: AID has received over 100 inquiries about the investment survey program. While planning behind some of these applications is clearly more advanced than others, it appears that AID will be instrumental in assisting private investors in surveying investment opportunities in a number of countries including Colombia, Ecuador, Nigeria, and Vietnam.

Second. Dollar loans to United States and foreign private enterprise: In the past 6 months loans have been made to the following private projects—a truck manufacturing facility, a tire cord manufacturing facility also, in India, and a cement plant in Korea.

Third. Cooley loan program—Public Law 480, section 104(e): More than 60 applications for Cooley loans—from foreign currency proceeds of sales of surplus agricultural commodities—are in various stages of processing within the agency. Typical of these loans are one for a corporation in India to process synthetic rubber, and one to a company in Pakistan which will manufacture tires.

Fourth. Investment guarantees—specific risks: With the liberalization of the legislation covering specific risk guarantee authority, there has been a noticeable increase in investor interest in the program. The backlog currently on hand is 570 applications covering investments of over $2 billion.

Fifth. Investment guarantees—extended risks: This new program holds great promise. Although no guarantees have yet been written, several applications have been received for projects in Venezuela, Nigeria, Pakistan, and the Congo.

Sixth. Loans to development banks for relending to private borrowers: As of January 31, 1962, loans totaling $156 million had been made to 23 different institutions in developing countries, which in turn had made 565 subloans. AID has on hand applications from a dozen development banks.

Seventh. Feasibility surveys: An important AID responsibility is to improve the climate for private enterprise and investment, local or foreign, in less developed countries. For this purpose, studies have been made in many parts of the world, particularly in Latin America. Over 30 feasibility surveys are in process which should lead to the establishment of new development institutions, mostly in Africa.

On the procurement side, AID, through its Office of Small Business, assists American business to participate equitably in the furnishing of commodities and services financed by AID. The Office provides information to the business community through publications of small business circulars, award notices, and procurement information bulletins. Since it is anticipated that 80 percent of the funds provided AID will be spent in the United States, a major stimulus is thereby provided to U.S. private enterprise.

Mr. ZABLOCKI. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, as chairman of the Subcommittee on Inter-American Affairs, I have been particularly concerned with title VI of the Foreign Assistance Act which embodies the so-called Alliance for Progress.

The Alliance for Progress represents a wholly new concept of foreign aid. I am in full accord with the premise upon which the Alliance is based, that is, that U.S. financial assistance is to be accompanied by certain basic economic and social reforms on the part of the recipient nations. Without such reforms, foreign assistance only perpetuates existing conditions.

At Punta del Este last August, the American Republics recognized that foreign aid alone cannot solve Latin America's formidable economic and social problems. They recognized that reforms of their archaic tax and land-tenure systems are essential to remove barriers to economic development and to relieve explosive social pressures by spreading more widely the benefits of increasing abundance. Accordingly, the Charter of Punta del Este calls upon the Latin American nations to undertake basic fiscal and agrarian reforms.

There has been notable dissatisfaction with the pace with which some of the Latin American countries are living up to their pledges to undertake self-help measures. I realize that 11 months is a short time in which to enact complicated legislation designed to correct centuries-old practice.

Nevertheless, if the United States grants assistance on the basis of vague promises, we only encourage recalcitrant elements in Latin America to postpone or avoid their responsibilities. Equally self-defeating is the granting of bail-out assistance in response to pleas of political instability and violent upheaval if aid is not forthcoming.

In observing the operation of the Alliance for Progress during its first year, I have been deeply concerned over another aspect, the role of private investment. Estimates of the cost of the Alliance over the next 10 years must necessarily be rough. Preliminary estimates run to at least $100 billion, $80 billion to be raised in Latin America and the rest supplied by the United States, international lending agencies, and private United States and European investors. Of this we can be sure: Latin America's capital needs are staggering.

For example, recent careful estimates show 20 million dwellings out of 31 million in the region as falling below minimum standards for human habitation. This implies not only discomfort and a corresponding political unrest, but it spells health hazards which weaken the constructive capacities of the millions of people who live without decent sanitation and other facilities. Meanwhile, the construction industry is providing only one-third of the dwelling units needed for the annual increase in population. This means that there is no margin at all for replacing the shacks and huts in which hundreds of thousands now live wretchedly.

I use the housing situation only to illustrate the enormity of the task ahead. Almost any facet of life in Latin America presents comparable dimensions. Perhaps most important of all is the fact that 5 million souls are being born onto the scene each year, which means more people to feed, clothe, house, and employ, in economies already straining to maintain precarious levels of living.

Clearly, the success of the Alliance for Progress cannot depend solely on Government funds. The entry of private capital is a vital adjunct to official loans. Enormous quantities of private investments must be attracted to establish the industries the Latin American nations need to provide employment opportunities and to diversify their economies.

Faced with the uncertainties regarding possible expropriations, private capital is unlikely to take the risks. Private capital can and does find a warmer welcome elsewhere in the more developed countries where, ironically, it is less needed.

Within the Alliance we must develop the strongest reasonable assurances against expropriations. As foreign investments show confidence, local capital will in turn be encouraged to reinvest in its country of origin, thus stemming the discouraging outflow from which the region suffers.

I am convinced, Mr. Chairman, that the long-range approach to Latin America's economic and social problems as encompassed in the Alliance for Progress is necessary. We should not deviate, however, from those basic requirements outlined in the Charter of Punta del Este as prerequisites for financial assistance. Otherwise, the efforts and funds of all concerned will be wasted. Furthermore, we must face squarely the fact that failure of private capital to invest in Latin America means failure of the Alliance for Progress, and we must insist upon the safeguards that are necessary to attract foreign investments.

While I am in accord with the long-range objectives embodied in the Alliance for Progress, the immediate problem—a Communist stronghold in Cuba—can neither be ignored nor isolated while we move forward toward the long-range goal. As long as Cuba serves as a base for Communist subversion and infiltration, the Alliance's long-range efforts to channel the revolutionary pressures in Latin America toward peaceful change are in grave jeopardy.

It is known that Fidel Castro and his Communist cohorts are currently engaged in revolutionary operations against at least 10 of his Latin American neighbors. In an arsenal in Matanzas Province, Castro has collected all the United States, British, and Dominican Republic weapons inherited from Batista. There the armaments are reconditioned and stored, then smuggled to guerrilla forces in other Latin American countries. Student volunteers who fought side by side with Communist leaders and leftist marines in the recent Venezuelan uprising were equipped with arms traced to Cuba. It is also reliably reported that Castro has shipped arms to agents in Costa Rica, Guatemala, Honduras, Brazil, Paraguay, Bolivia, Columbia, Peru, and Ecuador.

The achievement of evolutionary reforms is difficult enough, but constant Cuban harassment undermines even the most dedicated efforts. We can expect more violence and more flight of capital throughout the hemisphere as the Cuban Communists strive to create a climate of fear and uncertainty. Thus, in addition to our long-range efforts, the American Republics cannot afford to ignore the Cuban problem in the blind hope that it will disappear. If we believe the Alliance for Progress and Cuban communism can coexist in the same hemisphere, we are embarked on a policy which can only end in disaster.

Therefore, Mr. Chairman, let us clearly recognize both the long-range and the immediate dangers that confront us and our Latin American neighbors in this hemisphere and then take whatever steps may be necessary to eliminate those dangers.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, I rise in favor of this legislation, and also to particularly support an amendment which will be offered giving the President discretionary authority to give aid to Communist nations when it is, first, in the national interest; second, the nation is not controlled by international communism; and, third, when such assistance will promote independence of the recipient nation.

This amendment will be offered and I implore you to give it your every attention this afternoon when it is debated fully on the floor.

Mr. Chairman, in the short time allotted to me I would like to speak a little about the implications of what would happen should this bill not pass today, and I direct your attention to the economic aspects affecting the United States with regard to the passage of this bill. Sometimes we may possibly lose sight of the fact that Public Law 480, although not tied to this bill, is an important foreign policy tool. We know that Public Law 480 currencies are being generated all over the world which are part of our foreign policy and used over and over again to aid in carrying out assistance activities. These funds could not be utilized effectively unless the present authority provided in this bill is extended.

Mr. Chairman, what about the economic aspects as they affect certain phases of industry in this Nation? Let us take the farming industry. The farming industry, so far as Public Law 480 is concerned, would no longer be part of our foreign policy. It involves the following: 2.322 million bushels of wheat. How about feed grains—354 million bushels of corn, oats, barley, sorghum, and rye; 5.851 million pounds of fats and oils; 6.300 million bales of cotton; 332 million pounds of tobacco? And meat and poultry, fruits and vegetables, worth another $25 million; or dairy products, 362 million pounds, to say nothing of rice of 71 million hundredweight. It has been said here on the floor that this represents some $11 billion of programed sales which have made it possible to accumulate $2.6 billion in foreign currencies to use in order to carry out our foreign policy. The cost to the Commodity Credit Corporation for these title I sales has been $7,592 million, which cost does include some $851 million in shipping costs.

What about the shipping industry that is affected here? There is the $850 million worth of shipping charges for our already hard-hit maritime industry; at least that portion carried in American bottoms.

We have had before the committee representatives of labor who have shown that 700,000 jobs are generated by the foreign aid bill. What does this mean? This means products in demand by foreign countries which place orders in America have generated 700,000 jobs. Someone could say, "You have this money to spend elsewhere." But the facts are that we would not have this increased production because this is a consumer demand created by our foreign aid activities.

I could go on and give you some other detriments to the national economy if this bill does not pass. What about the investment guarantee provision in this act? What about our businessmen who want to go abroad today but who are fearful of certain factors affecting their investments? In this act there are three forms of protection to our businessmen who want to go abroad and establish industries. There is a specific risk. There is the extended risk for a project which provides that up to 75 percent would be guaranteed by our Government. Or in the field of housing up to 100 percent of the loan investment can be guaranteed.

These investment guarantees over a 14-year period have cost Uncle Sam only $8,000, and there is a chance of getting some of that $8,000 back. There is a substantial detriment to further foreign investment by our not passing this bill.

I should like to say in conclusion that I intend to offer an amendment to the last page of the bill which would place the North Atlantic Treaty Organization Conference which is attended by delegates from this body on a somewhat similar appointive basis as those who attend the Interparliamentary Union Conferences that are held. Specifically my amendment requires that four members of the nine House of Representative delegates of this NATO group should be members of the Committee on Foreign Affairs.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as she may desire to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Chairman, H.R. 11921, the Foreign Assistance Act of 1962, is one of the most important bills to be reported to this House for action. It implements our foreign policy as well as our domestic policy.

I have consistently supported foreign aid legislation. I have endeavored to explain to those of my colleagues who were and are doubtful as to the need for this legislation. I must regretfully say that I now find more determined opposion to this legislation.

What are the causes of this increased opposition? In asking this question, I address myself to those of you who have open minds on the subject. I do not and cannot hope to sway those who have consistently opposed this legislation.

In recent years we have all become aware of the failures and shortcomings of our foreign assistance programs. We have seen many nations to whom we have given our hard-earned dollars turn away from us or appear disinterested in the tremendous struggle between East and West. We have seen too many situations such as that in Laos, Vietnam, the Congo, and Iraq, and far too many instances of waste and inefficiency in our Government's management of assistance programs.

Further, I am decidedly disturbed by the evidence which keeps on cropping up, exposing weaknesses in the administration of this program. It seems that no matter what we do here in Congress—no matter what strict requirements we place in the law—the people who administer it every once in a while bungle the job.

I am not happy about the expenditures this bill entails. They are not welcome at a time when we have a record-breaking budget, when we have finished the fiscal year 1962 with a deficit, and when the economy of our country is in need of a boost—instead of continued high tax rates.

These facts do not make the foreign aid program popular. They do not make it easy for us to vote for it any more than the enormous request of the agriculture bill.

I submit, however, that none of these are valid reasons for opposing this legislation. As I see it, if we look to our successes, we will find that they far outweigh the failures. In any program of the magnitude and longevity of foreign aid, a perfect record—while it should be strived for—is unattainable. I have yet to find a more acceptable program.

This is one of the reasons why I supported the foreign aid program in years past, when it was conducted by the Eisenhower administration—even though, during those years, we have lost ground in Korea, in Vietnam, in Cuba, and in other areas—and even though, ignoring the pledge about liberating the captive nations, contained in the 1952 Republican platform, the administration had failed to act when the bread-and-freedom riots occurred in Poland in 1956 and later that year when the revolt broke out in Hungary.

I continue to support this legislation now for the same reasons. To state it briefly, in a world torn by the contest between freedom and tyranny, and battered by the frequently conflicting interests and desires of some 100 independent nations, there is no easy or cheap way to lasting peace and security. But let us be realistic. This is permanent legislation. Let us accept the criticisms and turn them in a constructive direction.

The attainment of our goals requires sacrifice and the best effort of all free men and women. For us in the United States, that sacrifice and that effort are embodied to a large extent in the bill before us and in our annual Defense Department appropriations.

In his request to Congress this year, the President requested a total authorization of $4,878,500,000. The Committee on Foreign Affairs, after conducting extensive hearings, cut the request of the Executive to $3,715,400,000. Of this amount, $1,915,400,000 is for operations in fiscal 1963. The balance of $1,800 million is a future authorization for the Alliance for Progress to cover fiscal years 1964, 1965, and 1966 at the rate of $600 million per year.

Mr. Chairman, your Committee on Foreign Affairs, acknowledging all these problems, worked for many weeks on this legislation. From the fiscal viewpoint, many complaints were heard about the great amounts spent for foreign aid when we have a balance-of-payments problem with its drain on our gold supply and an unbalanced budget. These protests, while seemingly valid on their face, do not take into consideration the fact that our foreign aid programs lend tremendous support to our domestic economy and do not to any large extent affect our balance-of-payments position. Some 82 percent of military assistance funds are spent in the United States and some 73 percent of the economic aid funds will be spent in the United States. These expenditures are a great factor in keeping in production the steel mills of Pittsburgh; the aircraft factories from Long Island to Los Angeles; the oil wells of Texas; the factories of Detroit, and the farms of the Great Plains. In short, almost every community and area in the United States is beneficially affected by our foreign aid operations.

In line with this, it is an admitted fact that $1.4 billion of business has been brought into the United States as a result of multilateral programs of coordinated procurement among the members of the North Atlantic Treaty Organization. I am particularly proud to have sponsored this amendment which is now contained in the last paragraph of section 502 of this bill.

In addition, the investment guarantee program of section 103(b)(2) for which $100 million is authorized gives wide security and opportunity to American business. The provision in section 104 for surveys of investment opportunities in less developed countries is another tool for the help of American businessmen.

The Alliance for Progress which places emphasis on self-help measures is an approach which has been long overdue. While large sums of money are involved and the authorization of $2.4 billion covers the next 4 years, during the first year of operations, significant gains have been made:

First. Bolivia has granted 71,000 land titles to small farmers.

Second. Brazil has adopted a 5-year development plan for its depressed northeastern region and has spent $100 million during the first year of operations.

Third. Columbia has enacted an agrarian reform program and is compensating the large landowners for their holdings.

Fourth. El Salvador has raised income tax rates, adopted minimum wage legislation and a monetary stabilization program.

Fifth. Uruguay has adopted its first income tax legislation. These accomplishments are a direct result of the impetus of the Alliance for Progress and are the best reasons for the continuance of the program. It is of extreme importance to note that 80 percent of the Alliance for Progress funds will be used for loans repayable in dollars.

This year your Committee on Foreign Affairs aimed at tightening up the administration of this program and included amendments to combat discrimination against American citizens—because of race, color, or religion—by countries benefiting from our aid; to protect American citizens against losses resulting from expropriation of their properties in foreign countries; to promote the use of private channels of trade in the purchase in the United States, by the governments of economically developed countries, of defense articles; and to tighten up the prohibition against assistance to governments indebted to U.S. citizens.

At this point, I would like to explain the two amendments which I proposed, and which were adopted by the Committee on Foreign Affairs.

COMMERCIAL SALES OF DEFENSE ARTICLES

The first amendment is contained in section 201(b) of the bill before the House. Its aim is to promote the use of private channels of trade by the industrial nations of the world when they purchase certain defense articles in the United States.

Under section 507(b) of the Foreign Assistance Act of 1961, the Department of Defense was authorized to act as a broker—or purchasing agent—for friendly countries and international organizations desiring to purchase defense articles or services in the United States.

This was good and well. The Congress put this authority in the law for a dual purpose: First, to provide this special service for the developing countries which may not have large and specialized oversea purchasing organizations; and, second, to encourage maximum utilization of U.S. defense articles and services, especially of surplus items.

What has developed, however? We find that the Defense Department has become the purchasing agent—or broker—for the military establishments of the industrialized as well as the less-developed countries. And, secondly, we find the Defense Department performing these services not only with respect to surplus military items, or items in its stocks, or classified items—but also with respect to items available commercially in the United States.

As a matter of fact, we find the Defense Department competing with—and taking business away from—legitimate private enterprise in the United States. And, as I said, this is not competition involving items in the stock of the Department of Defense; it is competition involving the ordering and purchase of new items, of items available in the open market.

There is no justification for this type of destructive and unnecessary Government competition with private enterprise.

The amendment embodied in section 201(b) is intended to put an end to the practices I have described.

The amendment will not affect the services which the Department of Defense is currently authorized to perform for the less-developed nations.

Further, it does not affect the sales of surplus military stocks, or of items in the inventory of the Department of Defense.

The Department will be permitted to continue to make these sales.

The only thing that section 201(b) prohibits is this: It forbids the Defense Department to act as a purchasing agent for the industrialized countries of the world with respect to new procurement of items generally available for purchase from commercial sources in the United States.

This is a modest restriction, and even that restriction can be waived under section 201(b) if the Secretary of Defense determines that such a waiver is in the national interest.

I believe that there is every reason for the enactment of this section.

PROHIBITION AGAINST AID TO GOVERNMENTS INDEBTED TO U.S. CITIZENS

My second amendment is contained in section 301(c) of H.R. 11921. Its purpose is to tighten the prohibition against assistance to foreign governments which are indebted to U.S. citizens.

As the law reads at present, U.S. assistance cannot be extended to a government which is indebted to any U.S. citizen for goods or services furnished to such government, when the American citizen has exhausted the available legal remedies and the foreign government does not deny or contest the debt.

The law, as presently written, does not apply to a breach of contract which occurs before the goods ordered by a foreign government are delivered. Further, the present law is ineffective with respect to a situation in which a foreign government decides not to honor certain debts of its predecessor government.

Section 301(c) of H.R. 11921 proposes to close these loopholes. It augments section 620(c) of the law in two respects:

First, by extending the prohibition of that section to debts arising from the ordering of goods and services from American citizens.

This should make a foreign government pause before it breaks a contract with an American firm without providing such a firm with adequate compensation.

And, second, by extending the prohibition of section 620(c) to cases in which the indebtedness of a foreign government arises under an unconditional guarantee of payment given by such government or any predecessor government.

We are trying to encourage the participation of private enterprise in the development of the less-developed nations. The best way to encourage such participation is by seeking fair treatment of American firms at the hands of foreign governments. The amendment embodied in section 301(c) of the bill does just that. It puts foreign governments on notice that they cannot mistreat private American enterprise without running the risk of losing assistance being provided by our Government.

Mr. Chairman, H.R. 11921 is one of the most important bills to be reported to the House for action. It is a policy bill. It implements our foreign policy, as well as our domestic policy. Its adoption is of the utmost urgency. Without it, the free world's defenses against the monolithic Communist giant will crumble—with it we can continue to fight, on a worldwide basis, for the principles upon which our Government is founded.

Mr. ZABLOCKI. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Chairman, I support the Foreign Assistance Act of 1962 not because I consider it to be any panacea or any automatic solution of all the problems that face the United States at the present time but because I consider it to be one more weapon in the armory that must be at the disposal of the President of the United States and the Government of the United States in the continuing conflict with communism in which we are engaged at the present time and the continuing struggle for the survival of the United States of America as we know it.

Some mention has previously been made in the debate of some of the reports of the Hardy subcommittee which have been critical of the operation of this program. The implication of the speaker was that one could not accept the Hardy committee recommendations and support this legislation at the same time. I am very proud to be not only a member of the Committee on Foreign Affairs but also a member of the Hardy subcommittee, and I have taken part in the hearings and the deliberations of this subcommittee. I am fully aware of the deficiencies in the administration of this program that have been demonstrated, but the fact that there have been deficiencies and defects shown in its administration is no reason why the program itself as a whole should not be continued.

We have seen deficiencies in the military program. Certainly we have seen waste demonstrated in that program. We have seen defects in the farm program and waste there, but that is not an argument for the abolition of these programs as entities.

It is an argument to which I subscribe with enthusiasm for a better administration of this program. I believe that the President, the Secretary of State, and Fowler Hamilton, the present director of the AID agency are devoted in the highest degree to improving the personnel and tightening the administration of this program. It is in this area of personnel selection and supervision, in my opinion, that the major defects and deficiencies have taken place.

Incidentally, it is my recollection that all the members of the Hardy subcommittee have voted for mutual security legislation.

Mention has also been made in this debate of the fact that this program is responsible for the deficit in the balance of payments that exists at the present time.

In this connection, I should like to mention several facts. It is true, as our committee report on this bill says, that there is some contribution to the imbalance in the balance of payments as a result of this program, but actually the major portion of the funds under this program are not sent abroad. It is not a pouring out of the gold of the United States into other areas of the world. The fact is that 73 percent of the funds spent for economic aid under present legislation in fiscal year 1962, will be spent directly in the United States and the Agency for International Development has set as its goal in the immediate future an expenditure of 80 percent of those funds. So 80 percent of these funds will be spent in the United States. It also should be emphasized that 82 percent of the military assistance funds which amount to $1.5 billion under this act are spent in the United States. So the great part of these funds are spent here.

Now where does the military imbalance that I have mentioned come from? The fact, of course, is that we have bases throughout the world. We have troops in Germany. We have naval bases. We have air bases in Spain, in the Azores and throughout the world. If we wanted to close them down and bring back the men who are stationed there, we could do that and avoid our annual expenditure of $3 billion and we could, therefore, eliminate this deficit in our balance of payments. But it just is not true that the deficit is due in a major degree to this foreign assistance program.

Mention has also been made of the disappointment that has been felt in the slow progress under another phase of this program, and that is the Alliance for Progress. I, too, share the regret that there could not have been greater progress in this program. But, the significant fact is, that we have a President who is now interested in trying to do something in this area. He is daring to put his prestige on the line in this vital sector where the issue is so much in doubt. We are entering the game in the ninth inning, with two outs and the score against us. But, an effort is being made to do something specific and effective and even if mistakes are made and even if there may be some setbacks, nevertheless the fact is that we are devoted to trying to help these people who are our neighbors in Latin America to bring democracy and progress to their countries with resultant beneficial effects to the security of the United States and the security of the hemisphere as a whole.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, in the past several weeks a steamroller lobby has been operating in Washington, advocating continuation of American assistance to the Communist regimes in Yugoslavia and Poland. I use the term "steamroller" because all the stops have been pulled out to so confuse the basic issue of using American taxpayers' money to strengthen our avowed enemies that logic and reason will have a difficult time prevailing on this question.

CALL OF THE HOUSE

Mr. GROSS. Mr. Chairman, the gentleman is making an extremely important statement.

I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Ninety-two Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 151]

Alford
Andersen, Minn.
Ashley
Ayres
Bennett, Mich.
Blatnik
Blitch
Byrnes, Wis.
Chiperfield
Coad
Collier
Curtis, Mass.
Davis, Tenn.
Dawson
Dooley
Flood
Frazier
Harrison, Va.
Hoffman, Mich.
Horan
Kearns
Kilburn
Kowalski
McSween
Mailliard
Meader
Morrison
Moulder
O'Brien, Ill.
Peterson
Powell
Riley
Roberts, Ala.
Saund
Shelley
Short
Smith, Calif.
Spence
Springer
Taber
Thompson, La.
Thornberry
Tollefson
Utt
Yates

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11921, and finding itself without a quorum, he had directed the roll to be called, when 389 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, the lengths to which the steamroller lobby has gone is perhaps best demonstrated by the sudden return to the United States of George Kennan, American Ambassador to Yugoslavia. Mr. Kennan has appeared on nationwide television advocating American assistance to the Communist regime in Yugoslavia. A feature article written by him appeared in the Sunday edition of the Washington Post, the effect of which was to charge the other body with exhibiting a dangerous ignorance of foreign policy problems by enactment of an amendment to the Foreign Assistance Act which prohibited American assistance to any country known to be dominated by communism or Marxism. The clear intention of the article to which I refer was to frighten and intimidate Members of this House from taking similar action on the bill now under consideration.

I believe a far greater danger to our security as a nation is involved in an act wherein an American Ambassador accredited to a foreign country, returns to the United States to lobby for legislation in support of the country to which he is accredited. This danger is compounded hundreds of times over when that Ambassador returns from a country ruled by a notorious Communist regime and argues that unless we provide the assistance to keep that regime in power, we will be endangering the security of the United States. I ask Members of this House whether they know of any case in the entire history of our country similar to this one. I know of none. This episode is a sad commentary on the life-long work of so many career diplomats who have served with fidelity, distinction, and honor the interests of the United States.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I am very happy to yield to my very able and distinguished colleague from Ohio.

Mr. HARSHA. Mr. Chairman, I would like to ask my colleague if he can tell us just how successful have been the advice and counsel of Ambassador Kennan on foreign policy.

Mr. FEIGHAN. The record of Mr. Kennan on foreign policy reflects a continuity of failures with respect to the Russian problem. Mr. Kennan, by his own admission, offered the containment policy and every Member of this House knows that this policy drove our country into political paralysis and a purely defensive position, politically and otherwise, from which the present and two previous administrations have found it extremely difficult to extricate themselves. It was Mr. Kennan's estimate in 1956 that revolt on an effective scale behind the Iron Curtain was impossible. The Hungarian freedom revolution of that same year put the lie to Mr. Kennan's views on this matter. Mr. Kennan has advocated a policy of strategic withdrawal from Europe, the effect of which would ultimately dismember the NATO alliance and thus give the Russians a free hand in all of Europe. In a series of six lectures over the British Broadcasting Company in 1957, a series known as Reith lectures, Mr. Kennan advocated policy lines calculated to force an acceptance of status quo with the Russians.

It may be coincidental that these lectures were broadcast at a time immediately preceding an emergency meeting of the North Atlantic Treaty Organization in Paris, called to consider the world wide propaganda victory achieved by the Russian success in launching the first earth satellite. The proposals advanced by Mr. Kennan in his Reith lecture series entitled, "Russia, the Atom and the West," clearly reflects his lack of confidence in the United States, as the leader of the free world community, to win a just and lasting peace. Mr. Kennan has many times defined his meaning of a status quo with the Russians—to him it means there is a finality to events which have taken place in central east Europe which have placed the yoke of Communist tyranny around the necks of the once free and independent nations in that part of the world. That policy would have expelled us from Europe. Free Berlin would have been taken over by the Russians, as they took over by armed force so many countries.

Among other things Mr. Kennan alleged that he did not know of a single person who had occupied himself responsibly with the problem of Yugoslavia who did not agree with him. As is well known, there are multitudes of competent authorities who have occupied themselves with the problems of Yugoslavia for many more years than Mr. Kennan has, who are in complete disagreement with his views. One such authority on Yugoslavia, the well known educator, author, and university professor, Dr. Slobodan M. Draskovich, is the author of the revealing book: "Tito—Moscow's Trojan Horse." At my request, Dr. Draskovich made a penetrating analysis of the Tito regime, its internal and external policies, and the effect of American assistance on such policies. I would like to share this scholarly analysis with Members of the House and I have obtained unanimous consent in the House to include this analysis—"Should the United States Give Aid to Communist Regimes":

SHOULD THE UNITED STATES GIVE AID TO COMMUNIST REGIMES

The problem of U.S. aid to Communist countries has served to underscore the growing importance of U.S. foreign policy in the cold war. Decisive points are clearly emerging in spite of all the complexity, vagaries, and changes in the international picture. The most significant and determinative factor in the struggle between freedom and communism in the world is U.S. foreign policy.

What our Communist enemies do is important, therefore we should continue watching closely their machinations and imperialistic intrigues in the whole world, particularly in our Western Hemisphere. The Communist-enslaved nations are also of great importance. Their peoples never chose to live under communism. They never had the opportunity of expressing their free will, because communism was imposed upon them. They do not want communism today and they dream and hope that the free world will not forget them, but give them the help which they so richly deserve. Paradoxical as it may seem, the enslaved nations are today more clearly aware of the true nature of communism and more resolutely and unwaveringly anticommunistic than most of the free nations. They closely watch our basic attitude in the cold war, our message to the world, our foreign policy, our wisdom, and above all our determination to fight and work for freedom as stanchly and devotedly as the Communists are working and plotting to destroy freedom in the world.

The elements of the main problems under discussion can best be grouped in three categories—the pertinent facts of the matter; the political analysis and evaluation of the facts; the basic aims and yardsticks of our foreign policy.

Since 1959 I have had the occasion of presenting every year a systematic survey of the main facts, events, statements, meetings, conferences, and developments pertaining to the problem of our relationship with Communist Yugoslavia. On this occasion, I do not intend to repeat those facts or the analyses which were presented on those occasions. The gist of the matter is that Yugoslavia since October 1944, when Tito was installed in power in Belgrade by the Soviet troops of Marshal Tolbukhin, as well as in its foreign relations with the U.S.S.R. or other Communist countries and with the West, particularly with the United States—one thing has certainly remained unchanged, and that is the basic character of the regime, which was communistic in 1944 and has remained communistic to the present day. This has not only been clearly established by all available evidence, but representatives of the Yugoslav regime themselves have not hesitated to speak bluntly, without any diplomatic circumspection or concern for the feelings and reactions of their Western benefactors.

Most significant among such statements is undoubtedly Tito's interpretation of Yugoslav foreign policy upon his return from his first visit to Asia, in February 1955. The standard approach of most Western observers is that from 1944 to 1955 the policy of the Yugoslav Communist regime had gone at least through three distinct and basically different phases: from 1944 to 1948 when Communist Yugoslavia followed faithfully the Moscow line; from the break with Moscow of June 28, 1948 to 1954, when the relations with Moscow were strained to the point of approaching open conflict; the phase of reapproachment through 1954, which culminated in Khrushchev's and Bulganin's visit to Yugoslavia in May and June 1955.

Tito had an entirely different opinion; "Our policy has always been the same, today as 7 or 8 years ago." Through his outspoken stand of complete solidarity, in peace and war, with the Soviet Union (Stalingrad, June 11, 1956), through his stand of wholehearted endorsement of the bloody Soviet intervention to smash the Hungarian anti-Communist uprising of October–November 1956, through his meetings and agreements with the Polish alleged "heretic" Gomulka, through all the attacks to which he was exposed from the Red Chinese as well as Soviet sources in 1958, through the deliberations and votes in the U.N., through the General Assembly in New York of September 1960, through the Neutralist Conference of Nonalined Nations in Belgrade in September 1961, the Yugoslav Communist regime never changed its thoroughly Communist policy, fitting precisely in the pattern, aims, and strategy of world Communist imperialism.

When our Ambassador to Communist Yugoslavia, Mr. George Kennan, after the Neutralists' Conference of September 1960, visited the Yugoslav Ministry of Foreign Affairs, to ask for explanations for the thoroughly pro-Soviet and thoroughly anti-American stand which Tito had taken at the Conference, the spokesman of the Ministry, former Yugoslav Ambassador to Washington, D.C., Leo Mates, calmly objected: "But, Mr. Ambassador, our policy has never been different."

Against that background, let us review, for the sake of obtaining a solid basis for evaluation, the main events and developments of the past 12 months.

In July 1961, Mr. Foy Kohler, who had just been appointed U.S. Ambassador to Soviet Union, testifying before the House Foreign Affairs Committee, spoke strongly in favor of the U.S. policy of aid to Communist Yugoslavia. He termed it "one of the best investments the United States has ever made in the foreign policy field" (New York Times, July 6, 1961). Exactly 1 week later, the Yugoslav Foreign Minister, Koca Popovic, after spending a few days in Moscow, issued a joint communique with the Soviet Foreign Minister Andrei Gromyko and the Soviet Premier, Nikita Khrushchev, which stated that "in all major international issues, the stand of the Soviet Union and Yugoslavia coincide or are identical."

The final Declaration of the Conference of Nonalined Nations, held in Belgrade from September 1 to 6, 1961, was unqualifiedly favorable to Moscow, and clearly against the United States. It endorsed the well-known Communist views on colonialism, coexistence, and historical transitions, foreign domination, and interference in the internal affairs of other countries. It endorsed Moscow's stand on Algeria, Angola, the Congo, and Tunisia. It condemned the U.S. policy in the Middle East, it denounced foreign bases as a "gross violation of the sovereignty" of the states where the bases have been established, it singled out the U.S. base at Guantanamo as an example of such violation, it sided with Cuba, against the U.S. position, it recommended that the representatives of Red China be seated in the United Nations.

If the foreign policy observers and experts of the free world were surprised and shocked, it was definitely not Tito's fault.

In October 1961, it was disclosed that six Yugoslav Communist pilots were being trained at a U.S. air base in Texas and that 135 Sabrejets were to be sold to Communist Yugoslavia. Moreover, information came to this country from a number of sources that the two Yugoslav ships which had loaded the cargo, *Gundulic* and *Tribovlje*, had stopped in Havana on the way to Yugoslavia and that part of the jets had been unloaded in Communist Cuba. Testifying before the Select Committee on Export Control of the House of Representatives, our Secretary of State, Mr. Dean Rusk stated that the Yugoslav Government had officially confirmed on January 27, 1962, that the Sabrejets were all inside Yugoslavia. Mr. Rusk seemed fully to trust the Yugoslav Communist Government, since he declared that the U.S. Government had a written assurance of the Yugoslav Government that transshipment of United States origin goods would not take place.

At approximately the same time as the training of Yugoslav Communist pilots and the sale of U.S. Sabrejets to Tito were disclosed, Tito gave an interview to the correspondent of a Japanese newspaper, Assahi, the gist of which was clearly expressed in the headlines of the New York Times of October 26, 1961: "Tito Calls His Aim Same as Soviet's—Says Rift Is Over Methods, Not Communist Objectives."

The only issue where Tito's stand at the Neutralists' Conference of September 1961 had been defeated by a great majority of votes was the issue of Germany. However, Tito did not wait long to repair the damage. In November 1961, speaking in Skoplje, he praised the Soviet Union, endorsed wholeheartedly its stand on Germany and especially on Berlin and advised the West to negotiate with Moscow. He also denounced the United States for exerting economic pressure on Yugoslavia at a time of great economic stress, in order to bring about a change of Yugoslav foreign policy.

In his New Year's message in 1962 Tito stressed that Communist Yugoslavia's main activity in international affairs was expressed in its "struggle against colonialism, in all its forms, in the struggle for the complete independence of colonial and semicolonial peoples, for a complete disarmament and ban of nuclear tests," whereby he left no doubt as to the identity of his views with those held in Moscow.

At the celebration of Castro's third anniversary of rise to power January 1, 1962, the information about Yugoslav ships delivering U.S. Sabrejets to Communist Cuba was substantiated by the appearance of some 30 Yugoslav officers in uniform on the reviewing stand. It was learned subsequently that the Yugoslav officers were jet pilots and antiaircraft specialists.

In the course of January, the Atomic Energy Commission approved the transfer of some 29 pounds of enriched uranium to Communist Yugoslavia.

On February 12, a 4-month atoms-for-peace training and research program began at the Argonne National Laboratory. Out of the 72 scientists and engineers attending the program, 11 were from Communist Yugoslavia.

The first months of 1962 were spent in developing trade and cultural relations with the countries of the Soviet bloc and in close cooperation and consultation with Colonel Nasser's regime in Egypt. One of the subjects of discussion was the problem of economic development and relations, since both Tito and Nasser regarded the Common Market as a threat to nonalined nations.

In April 1962, the Soviet Foreign Minister, Andrei Gromyko, returned the visit which Koca Popovic had paid to the Soviet Union in July 1961. After a few days of conferences with Tito and other representatives of the Yugoslav regime, a communique was issued which repeated, verbatim, the conclusion of July 1961, to the effect that the views of the Soviet Union and Yugoslavia on the main international problems were "similar or identical." Although little was disclosed about the talks, there were hints in the Yugoslav press that Communist Yugoslavia would join the Comecon (Council for Mutual Economic Assistance), the economic equivalent of the Warsaw military pact, with all the consequences which may ensue, rather than adhere to the Common Market.

On the same occasion, it was announced that the Chairman of the Presidium of the Supreme Soviet, Leonid Breznev, would soon pay a visit of state to Yugoslavia, which would be the first visit of the highest official of the U.S.S.R. to Communist Yugoslavia since the Communists seized power in that country. As for Yugoslavia's activities in Africa, it is worth recording the account of the well-known labor columnist, Victor Riesel, on Tito's aid to pro-Communist Ghana. Riesel describes in detail the very close cooperation between the Yugoslav Communist experts and their Ghanaian counterparts and stresses that at the same time as Tito was borrowing $4.3 million from the Export-Import Bank in Washington, D.C., he was giving lavish credits to Ghana, which was violently attacking over its official radio stations, AFL–CIO President George Meany for condemning Communist colonialism in Europe. In the same broadcasts where it denounced the United States, the Ghanaian radio was defending Red China and the Soviet Union, especially the brutal Soviet intervention in the Budapest uprising of 1956.

In May 1962, the Soviet Premier, Nikita Khrushchev, visited Bulgaria and Rumania, the two Soviet satellites in the Balkans. In both countries, but especially in Bulgaria (Varna), he spoke in very friendly terms of Communist Yugoslavia. The procedure would have been out of place or at least not very diplomatic, if it had not been carefully planned. As it was, Khrushchev was not expressing his personal views or communicating his momentary impressions, but was dictating the obligatory Communist line to be followed by all satellites.

No less significant was the visit of the Yugoslav Foreign Minister, Koca Popovic, to Latin America (Brazil, Chile, Bolivia, and Mexico) in May 1962. Popovic attempted to sabotage the Alliance for Progress and turn trade away from the United States. (Incidentally, all these four countries, opposed sanctions against the Communist regime of Fidel Castro in Cuba, at the Conference at Punta del Este in January 1962.) If we consider the policies which Yugoslav delegations have pursued and influence which various Yugoslav missions have exerted in Asia and Africa in the course of the last 10 years, as well as the general tone of the Yugoslav press and periodicals regarding international problems and the importance of Latin America in the Communist scheme of things, there is no room for guesswork regarding the purpose of Popovic's visit to Latin American capitals. While little was revealed in the press, Popovic and the Brazilian leftist Foreign Minister, Dantas, found it necessary to condemn the U.S. resumption of nuclear tests.

Popovic was most pleasantly surprised to receive an unexpected invitation to visit Washington, D.C., on his way back to Yugoslavia. He seized the opportunity to assure our President that in the present stage of world affairs ideological moments were playing a diminishing role, while national interests were decisive. He did not speak about Communist Yugoslavia's role in the Communist world imperialistic offensive. While Popovic was being received by President Kennedy, it was announced that Tito had been invited to spend his summer vacations in the Soviet Union.

The "religious" front was also very active. The "Patriarch" Alexey of the Russian Orthodox Church, which can hardly be considered more than an agency of the Soviet regime and its secret police, visited "Patriarch" German of the Serbian Orthodox Church. He was accompanied by the notorious "Bishop" Nicodemus (32 years old), who was the chief delegate of the Russian Orthodox Church at the meeting of New Delhi, in December 1961, when it was admitted to the membership of the World Council of Churches. Tito decorated "Patriarch" Alexey for services rendered to "peace and the development and consolidation of peaceful cooperation and friendly relations between the Soviet Union and Yugoslavia."

The press of the free world has recorded that during the parade of May 1, 1962, in Belgrade, the Yugoslav Communist regime displayed 20 new Soviet-made T–54 tanks, "the first such weapons the Yugoslav Communists have obtained since their 1948 ouster from the Soviet bloc" (New York Times, May 2, 1962). Unfortunately the same press has not registered that at the same time, 27 ships were being built in Yugoslavia for the Soviet Union, under supervision of Russian experts.

Even more surprising and disconcerting is that the free-world press paid no attention to the fact that at about the same time, the Russian Ambassador Alexei A. Yepishev left Yugoslavia and returned to Moscow, where he was appointed chief of the political department of the Red army (chief political commissar). To my knowledge, neither our diplomatic observers nor our newspapermen, nor our intelligence sources have ever informed us that Yepishev, who served in Belgrade since 1960, had never been a diplomat, but a colonel-general of the Red army. In Belgrade it is a matter of common knowledge that Yepishev was sent to Belgrade with the special and most important mission of working out plans for the rearming of the Yugoslav Army with Soviet weapons. His mission successfully accomplished, he is returning to the Soviet Union and being rewarded with one of the most important positions in the Soviet hierarchy.

According to reliable sources, the delivery of Soviet Russian weapons has been part of a secret Soviet-Yugoslav military pact. That pact will provide Yugoslavia with ground-to-air missiles and Yugoslav "cadres" are already training in the Soviet Union.

In June, an important Yugoslav "parliamentary" delegation, headed by Peter Stambolic, president of the Federal People's Assembly, member of the Central Committee of the League of Communists of Yugoslavia and member of the Federal Executive Council, visited the Soviet Union to work for the development of closer economic and cultural relations and the consolidation of peace through cooperation of the Socialist forces of both countries.

What do these pertinent and incontrovertible facts of Communist Yugoslavia's policy and relations with the free world and the Communist countries, mean? Two things immediately leap to the eye. First, Tito's record of the last 12 months is no different in essence from his record of the previous 17 years that he has been in power. Second, that the policy of Communist Yugoslavia has never been anything but Communistic. In view of the fact that in recent discussions the advocates of the policy of aid to Communist regimes have endorsed the concept of conditional aid and written it into the amendment of June 7, 1962, it is well to examine the conditions. With some variations in the wording between the time that they were first formulated and now, the condition could be stated as follows: (1) That the policy of a Communist regime should remain independent; (2) that a Communist government would take no part in any plan or program aimed at Communist world domination; (3) that it would be in the interest of the United States to give aid to such Communist regimes.

It is a well-known fact that semantics and semantic confusion represent a mighty weapon in the hands of the Communists, to create chaos in the minds of their enemies, disorientate them and lead them on courses of disaster and suicide instead of victory. When we consider the use of the word national independence by the promotors of a U.S. policy of aid to Communist regimes, we can distinctly see what havoc the Communists have wrought in our political ideas and upon our thinking. The first thing which must be said is that, as Friedrich Engels proclaimed, some 117 years ago, "communism is a new outlook on life," which has ideas, concepts, terms, yardsticks and aims, different and opposed to those of the liberal, bourgeois, democratic world against which they rose. So, their concept of national independence is not the American concept of national independence, as their concept of democracy is not ours, and their concepts of freedom, self-determination, free elections, education, etc., are radically different from the American concepts.

It is by taking our terminology, emptying the words from their real contents and giving them a distorted meaning, often the opposite of what they have originally meant, that the Communists have turned our ideas and words into weapons to destroy us. Therefore, in trying to interpret Communist policies, it is a suicidal mistake to take the political terminology, ideas and slogans, which the Communists have taken from the free world, in their original sense.

To speak of the independence of a free country from another free country makes sense. To speak of the independence of a Communist country from the center of world communism, the Soviet Union, and from the whole worldwide Communist conspiracy, does not. The essence of communism is not an internal, social, economic, etc., order, different from the order of free Western societies, but it is mainly and basically a worldwide conspiracy to destroy freedom everywhere and to establish a ruthless Communist dictatorship throughout the globe.

The essence of a Communist country, is that it participates in the Communist world imperialism, in the drive to extinguish freedom everywhere and install communism everywhere. If it does not, then it is not a Communist country. If it does, then there is no sense of talking of independence. Communist Yugoslavia is as Communistic a country as the Soviet Union or Red China. Tito, Kardelj, and other Yugoslav Communists have stated countless times that all disputes, differences and divergencies between Yugoslavia and Moscow pertain only to the ways and means for spreading and promoting Communist imperialism, never in any case to the essence of the struggle between freedom and communism. Tito, himself, alone and jointly with the other "national" Communist, Wladyslaw Gomulka of Poland, has ridiculed the very idea of "national" communism as a Western invention, which bears no connection to Communist realities.

It is a matter of record, well established and well-known, that Tito not only has never stood aloof from Communist world imperialism, but has played a key role in it, in all crucial areas of the cold war struggle. His most important service to Communist world imperialism was rendered in Asia, from 1952 to 1955, when he succeeded in convincing the Asians, or some of their leading politicians, that communism was no evil, except when combined with and used by imperialism. Otherwise, communism was a very fine idea and order, actually the best guarantee for the aspirations of the undeveloped Asian nations toward freedom, independence, progress, knowledge and a better life for everybody. He used the ensuing years to penetrate Africa, which he has done with the greatest success, with the help of our taxpayers' money. Africa is still a most important area of Tito's political action in favor of world communism. He has also unfolded a Communist diplomatic and political offensive in Latin America. To speak of the independence of Communist Yugoslavia from Moscow and the whole Communist world conspiracy is to disconnect words from any real meaning.

Those who claim that Tito's relations with Moscow have gone through a series of very turbulent phases, are partially right. But they are politically illiterate if they infer that during those phases Tito was undergoing metamorphoses, from a stanch Communist, to a nationalist, a democratic Communist, a neutralist, a moderately communistic Communist, and then back to a Marxist-Leninist purist. A few days ago, a fervent promoter of Tito and Titoism has stated that Tito "is a proud and independent man and he is a Yugoslav." What this author forgets is that Tito is a Communist. As he said himself in 1954: "I owe to our party every achievement I have made. I was an ignorant young man and the party took me, educated me, made me a man, I owe it everything." Whatever real and imaginary conflicts Tito may have had with Stalin and Malenkov and Khrushchev, they never affected in the slightest his being a Communist, i.e., a man completely and unchangeably dedicated to the destruction of the free world and to the worldwide victory of communism. Regardless of the state of his relations with Moscow or Washington, Tito was always promoting Moscow's aims in the world and always fighting for the defeat of the United States.

As for the difference between Communist Yugoslavia and the Soviet Union and the alleged evolution of the system in Yugoslavia toward Western concepts and practices, two considerations are in order. First, the greatest "deviation" from communism was committed in the Soviet Union itself, during the N.E.P. (New Economic Policy) period, 1921–24. Did the Soviet Union then stop being a Communist stronghold.

Second, uniformity in the application of Communist guidelines has never been a principle of Communist policies. This is a fallacy held and propagated by some Westerners who know very little about communism and thus have a very high opinion of it. But much before Nikita Khrushchev proclaimed in 1955 the principle of different way to socialism and communism, Lenin and Stalin had made it very clear that in order to succeed, Communists in every country had to make all possible efforts to adapt the practice to the conditions of the country which they are ruling. The Communist theory "gives only the general premises and directives, which are concretely to be applied differently in France than in Germany and in Germany than in Russia."

What too many Western observers have failed to observe is that the growing differences between communism in practice are simply the result of the spread of communism, which ruled before World War II some 200 million people, whereas it rules now nearly 1 billion people. Growing differences between Communist regimes in various countries stem from the rapid spread of communism and are a sign of Communist successes, not an indication of the disruption of Communist world monolithism of thought, which exists in the minds of some Westerners but not in the policies of the Communists.

It is precisely because of those differences, real and propagandistic, between Communist Yugoslavia and Communist Soviet Union, that Tito has been able to play a unique role in the Communist world imperialistic offensive. It is only owing to those differences that Moscow can leave to Tito to play the role of liaison officer between the world Communist revolution and the neutrals who believe in the possibility of being neutral in a life-and-death struggle between freedom and communism.

Those who assert that the curtailment of U.S. aid to Communist Poland and Yugoslavia would leave no alternative to those countries except to "reassociate themselves with Moscow," are completely dissociated from reality. Both Communist Poland and Communist Yugoslavia have always been and are today associated with the Soviet Union in the huge enterprise of spreading communistic power over the whole world. As long as these countries are ruled by Communists, that condition will not change, for the simple reason that "national communism" is a mirage of some Western circles which prefer to indulge in wishful political dreams than to face reality. Only free countries can be independent. So, talk of the independence of Poland and Yugoslavia makes sense only insofar as we are ready and determined to help them recover their freedom by rejecting their imposed Communist regimes.

The preceding considerations relative to the "independence" of Communist Poland and Yugoslavia or any Communist country, serve also to put the requirement for a Communist country "not to participate in any plan or program of world conquest" in proper perspective.

A Communist country is by Communist definition one that is participating in plans and programs of world conquest. A country which is not participating in such plans and programs is not a Communist country. It is precisely this participation which characterizes the Communist concept of independence. Various Communist countries, can go through periods of strained mutual relations, but what never changes is their foreign policy which supports the interest of the Communist powerholders to remain in power. And the vital precondition for attaining this objective is to keep the basic solidarity with all Communists and to keep working against the free world. Free people and free nations will destroy communism if communism does not destroy freedom everywhere.

In this connection the concepts contained in the letter which Mr. McGeorge Bundy, one of the assistants of the President sent recently to the other body is very disturbing. It deserves a close analysis. First, he asserts that in the Soviet Union an important battle is being fought between the aggressive and the conciliatory Communists, between the "hard-line" Communists and the conversely and necessarily "soft-line" Communists. U.S. foreign policy, according to Mr. Bundy, is to aid Communist Poland and Yugoslavia and thus exercise "a continuing and significant pressure in restraint of the more extreme and aggressive actions of world communism." If that aid were cut, he maintains such a curtailment would "play into the hands of those who are most hostile to the United States."

These few words contain a number of grave and dangerous errors. Where and when has Mr. Bundy found any evidence of hard-line and soft-line Communists? Where is the slightest evidence that there are any Communists anywhere who have any other aim than wiping "capitalism," i.e., the free world, above all the United States, off the stage of history? Where is the Communist, or Communist regime, who is harder or softer on this score? There are differences in tactics, hard and offensive ones and soft and soothing ones, destined to lull us into suicidal sleep. But those tactics are employed by all and any Communist, according to the circumstances and the needs of the moment, and are not attached or the distinctive mark of this or that Communist or group of Communists. The tough, hard-line Stalin, was the greatest and most successful protagonist of the soft-line tactics of the united fronts in the thirties and forties. And soft-line Khrushchev has used the most brutal and hard-line methods to smash the Hungarian anti-Communist uprising in 1956.

The distinction between adamant "Stalinists" who hate the United States and the "conciliatory" Communists who are allegedly inclined to practice real coexistence is purely imaginary. Khrushchev was until 1953 a most devoted, subservient and sycophantic henchman and executioner of Stalin. He was also, as late as the C.P.S.U. Congress of 1956 his most fervent glorifier. And then at the Congress of 1956 he made his devastating speech against the crimes of Stalin. But less than a year later, he again sang his praises and declared that as far as communistic dedication is concerned "we are all Stalinists." And then again at the XXII Congress of the Communist Party held in October 1961, he reiterated his denunciation and had Stalin's body removed from the Lenin mausoleum.

The second fundamental mistake of Mr. Bundy is that he implies the hard line is necessarily more harmful, while the softline is less harmful, if not outright friendly to the West. It is, however, a matter of historical record that the "soft" line of antifascism and united fronts in the early thirties and in World War II did more to promote communism and harm the West than all the venomous, extreme and outspokenly hostile propaganda of Moscow against the West, during the first 15 years of the Communist seizure power in Russia.

Third, it is certainly naive to believe that our help to Communists has restrained "the more extreme and aggressive actions of world communism." If the Communists deemed today that they are strong enough and ready, would they really be deterred by our delicate maneuvers? And why would the Communists, who have, not through their strength but owing to the Western policy of weakness, grown in a matter of years from 200 to 900 million people, now desist from further aggressive and imperialistic actions against the West and the United States, except for reasons of superior Western military power? By what stretch of imagination and distortion of logic should we be led to believe that our help to Communist regimes would restrain the Communist imperialistic fervor and make them less aggressive?

According to Mr. Bundy our policy of aid to the Communist regimes of Poland and Yugoslavia is maintaining "some range of choice within the bloc." This argument is untenable. Communist regimes established after World War II were not established by the people, but imposed by the Red army troops and Russian political influence and pressure. So, the Communist regimes of the world have no choice but to be on the side of Moscow. If they turn to the people for popular support, they will be wiped away. As for the oppressed peoples, they are allowed no choice whatsoever by the Communist regimes which control them. So, where is that freedom of choice? If it is the choice of Communist regimes to be either with Moscow or with Peiping, which—to say the least, is highly questionable, what importance has that choice for the people who remain Communist-enslaved in either case?

Finally, Mr. Bundy claims that the Proxmire-Lausche amendment of June 6, barring all aid to countries dominated by communism "would remove all opportunity for calculated responses and would freeze us out of any ability to affect affairs in these countries." It is difficult to make out what the formula of "calculated responses" means in terms of political and diplomatic reality. But if stopping aid to Communist regimes would deprive us of the ability to affect the affairs in those countries, then Mr. Bundy could not have produced a more compelling argument in favor of the cessation of all and any kind of aid to any Communists. The effect of our aid has not been, as claimed by the promoters of Tito, Gomulka and other Communist dictators, to promote the welfare of the people concerned or to advance U.S. national interests. It has been to strengthen the Communist regimes which are against their own people and against the United States and to weaken the resistance of the people who are against their imposed Communist regimes and friendly to the United States.

The advocates of aid to Communist regimes have very deftly promoted the confusion between help to the enslaved peoples and help to the enslaving Communist regimes, conveniently forgetting that the one precludes the other. It is a matter of undeniable fact that we have been helping not the oppressed peoples, but their oppressors. By doing that we could not, by any stretch of imagination, have helped the captive peoples. It has been asserted in the heat of recent debates that the tremendously important message of our experience with aid to Communist Yugoslavia has been to show to the peoples of the world that it is possible for a Communist regime to successfully defy Moscow. This is patently untrue. The enslaved peoples, in Yugoslavia or any other enslaved country are against communism as such, not just strictly Moscow communism or Peiping communism or Tito communism of Gomulka communism. The people do not want communism, under whatever label or pretense. Least of all when it is promoted and helped by Washington, which to all enslaved people is the beacon of freedom for all mankind and must never be allowed to appear as just a "western" Moscow or Peiping.

Far from convincing anybody that U.S. aid to Communist dictators was good for the people concerned and good for freedom, that policy is having the contrary effect—it is killing the hopes for freedom and emancipation of the enslaved. Instead of giving them the vision of freedom, it has restricted their hopes to the prospect that the imposed Communist regimes, helped, fed, armed, financed and promoted by the West, may eventually and temporarily relax their hold and become a little less inhuman and beastly. Thus, the people are deserted, they are left to the mercy of the Communist oppressors.

Any policy of help to Communist regimes can by no stretch of imagination or distortion of political logic serve the national interests of the United States of America. The three considerations, the three conditions for giving aid to Communist countries have never been fulfilled and can never be fulfilled.

Communist countries are not independent, they are necessarily engaged in plans and programs of world conquest and helping them is patently against the vital interest of our country.

And this leads us to the final and perhaps most fundamental question, and that is, What is the objective of our foreign policy in the cold war: to beat the enemy, to win, to destroy communism and make freedom prevail in the world, or is it to make accomodations with our mortal enemy, to strive for peace at any price and to set our national objective in the "liberalization" of communism and the granting of "rights" and "freedoms" under communism and only within the framework of Communist regimes?

If the latter should be true, then and only then our Ambassadors to Communist Poland and Communist Yugoslavia, John Moore Cabot and George Kennan are justified in passionately opposing any change in our policy of helping those Communist regimes.

Unless we clarify this most elementary and fundamental point, our deliberations will have no purpose or positive results. The mission of the United States in human history has not been to promote slavery and oppression, but to work for the greatest possible freedom and human dignity of individuals and nations. Today, more than ever, this is the mission and that must be the clear message of U.S. foreign policy. We hear only too often the talk of Communist "polycentrism." Far from meaning that communism is weakening, it means that the number of centers from which communism is spread in the world is increasing. And, by the same token, the number of centers from which freedom radiates is decreasing. Washington, D.C., and the Congress of the United States would betray their most sacred trust if, instead of calling forth freedom fighters in all lands and helping them to liberate themselves from imposed Communist regimes, they were to join the Communists in facilitating the realization of evil Communist schemes by aiding Communist tyrants throughout the world.

The dilemma of the U.S. foreign policy is: to side with the Communist regimes, which enslave their own people and work for the enslavement of the American people, or to side with the oppressed peoples and thus help bring about the greatest rebirth of freedom the world has ever known. Nothing less than the destiny of our Nation depends on the decision we make.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. JOHNSON].

Mr. JOHNSON of Maryland. Mr. Chairman, I know of no legislation of greater importance than that now before this body but before speaking on the merits of H.R. 11921, I wish to pay tribute to the very able chairman of the House Foreign Affairs Committee. Every member of the committee was treated with the greatest courtesy; every member had a chance to present amendments with full discussion and throughout the hearings, which extended over several weeks, an opportunity was given to all of us to present our views and to bring to this floor what we felt was a proper concept in our foreign aid program.

I also pay tribute to the minority members of the committee who likewise made a great contribution because the measure before us is without party lines;

it is a measure we hope will contribute toward peace and security throughout the world.

Mr. Chairman, all of us know there is a possibility, a looming shadow of world war III. In World Wars I and II we had time and distance as indispensable allies—those allies no longer exist.

In this time of tension, this period of perplexity and high emotions, we should all realize there are yet those peoples on earth who need our help. We must not deny sufficient help to those people who need to rise above poverty. The sands run swiftly in the hourglass of history. Some believe the hands on the clock are turning toward the midnight of mankind.

We recognize that distressed areas in any part of the free world weaken the strength of the whole free world. Even if there were no threats from communism, I wonder if this Nation can afford to live in an island of comparative luxury and ease while others exist in a sea of poverty, disease, and despair. The great question every Member must answer for himself is not, can we afford this program but rather, can we afford to do without it?

Recently Premier Khrushchev stated that the Communists were not behind every revolt throughout the world but they were indeed delighted to take the initiative and exploit the foment of the masses. I say it is time America took the initiative and I believe H.R. 11921 can be used as an effective means toward this end.

Let us not delude ourselves into believing the free world can withstand evergrowing Communist pressure by having allies that are economically weak. It is certain that substandard conditions, if allowed to exist, will serve only as the breeding ground for strife, discontent, and revolution. It is interesting to note that the areas where the Communists have succeeded in the past few years have been those in which people have been poorly fed and poorly educated.

It is indeed a prime concern to all of us as to whether the economic conditions of some 1½ billion people can improve their lot under a non-Communist system. Gentlemen, the people who will be affected by our decision, your decision and mine, have a per capita income ranging as low as $50 a year compared to the average of $2,500 a year in this great Nation.

I have often joined with critics of our foreign aid program. We have had deplorable waste and misapplication of foreign aid funds. Inept administration of foreign aid has brought forth widespread criticism and rightly so. Furthermore, I have suggested that we should carefully examine our generosity to so-called neutral nations. Since World War II we have conducted a policy of containment with respect to communism rather than engage in an all-out effort to roll back the Iron Curtain and in our efforts to aid needy nations we have given more than $8 billion alone to 23 so-called neutral nations. These nations pride themselves on their neutrality, but we should bear in mind when they met in a conference at Belgrade last year they issued a statement condemning the West as "colonists" and "imperialists." Not a word was said however, against Communist imperialism and aggression. Some of these neutralist nations have engaged in making war, yet proclaim themselves to be peace-loving countries. And above all, I do not believe we can appropriately preserve our democratic heritage by granting aid and assistance to avowed Communist nations and I also do not believe our espousal of the troika system which we have established in Laos will contribute to the peace and security of the world.

This great Nation has put on the cloak of world leadership. It will not remove the mantle of prestige by abandoning foreign assistance to those struggling masses which desire social and economic progress. The aid we offer must be no less adequate to the needs of the masses than the long-term assistance offered by the Communist bloc.

It is imperative that we make our foreign aid programs work better. And I believe this measure will make possible the better attainment of this goal.

Can we afford this new program?

Mr. Chairman, I do not believe we can afford at this time to do without it.

Mrs. BOLTON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. Hiestand].

Mr. HIESTAND. Mr. Chairman, the bill, as I read it, gives the President the discretion to award foreign aid to countries which have confiscated American property. It is at the discretion of the President. I feel the House should know from news dispatches that, I quote:

> Francisco Brochade da Rocha, Prime Minister of Brazil, elected yesterday, assumed the job, declaring that:
>
> 1. He would continue the foreign policy of friendship for Russia advocated by President Goulart.
>
> 2. He would continue Goulart's policy of hands off the Cuban dictatorship of Fidel Castro.
>
> 3. And he said of the United States:
>
> "The masses have already perceived that they are the victims of international capitalists who do not want to confine themselves to produce and to profit, but to prosper at the cost of impoverishment and spoliation of the country."
>
> Francisco da Rocha was handpicked by President Goulart to be Prime Minister.
>
> Da Rocha is a protege of leftist Governor Leonel Brizola, brother-in-law of Goulart. Da Rocha was Minister of Security and Justice in Brizola's Cabinet. Brizola said he was proud of Da Rocha's selection.
>
> Brizola, who openly espouses an anti-U.S. policy, runs the State of Rio Grande do Sol, has on two occasions illegally seized properties belonging to U.S. citizens, threatens to to do it again.
>
> Brizola has publicly cited Castro as heroic, while attacking the United States.

Mr. Chairman, I feel the House should know these facts and know what we are doing when we continue aid to a country which has merited much friendship and respect in the past, but whose present controlling interests do not seem to be in the best interests of world peace and amity with the United States.

Mr. Chairman, how can we continue to subsidize those who continue to rob us?

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. Walter].

Mrs. BOLTON. Mr. Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 6 minutes.

Mr. WALTER. Mr. Chairman, if I had not thought this matter through most carefully, if I were to be guided by emotions rather than by reason, I would undoubtedly be standing here today strongly urging support of an amendment curtailing the authority of the President. But, because I have weighed this matter carefully I feel it would be a terrible mistake if we departed from our present policy—the policy of Eisenhower and of Kennedy.

Not much effort is required from anyone to convince me that the present rulers of Yugoslavia and Poland are Communists. However, our policy is to provide aid and assistance to the people of the two countries—not to their rulers. This makes all the difference.

Freedom, democracy, and republican form of government are all based on people, not on rulers. It is among the people that the free world seeks friends and allies, not among rulers.

Rulers come and go. They are not indestructible. People are.

The last few years have made it abundantly clear that when time or other events provide for a change of Communist rulers who all derive their power from sources other than the people's will, the policies and acts of each of the succeeding rulers are gradually more influenced by the attitudes of the people.

Why? Primarily because of the fact that the Western free world has found ways and means to maintain contracts with the people, the Iron Curtain notwithstanding. And freedom is contagious.

Aid, such as food for the hungry and assistance in the people's legitimate striving for development and higher standards of living, is one of the elements of the beneficial contacts, beneficial for our side.

The policies applied in the last few years under Presidential determination in Yugoslavia and in Poland have permitted the United States to establish both moral and political bridgeheads in enemy territory. These policies have stimulated or actually caused profound changes. Changes not so much in the minds of the peoples of Yugoslavia and Poland, as they were always on our side, but changes evident in the thinking and even actions taken by members of the governing class of those countries.

It so happens that I am wearing two hats in matters touching on the related subjects of communism and national security. Thus, I have been privileged to observe the policies of Yugoslavia and Poland as they apply to free exchange of visitors and students with this country. I had the opportunity to observe personally the telling attitude of Yugoslavia during the tragic moments when the Hungarian freedom fighters fleeing from the onslaught of the Soviet armored might flocked over the borders of Marshal Tito's domain. Make no mistake about it, it was very difficult for Yugoslavia to grant asylum to these militant anti-Communists and to permit them freely to pass into the free world which opened its hospitality to them.

Mr. Chairman, the slow and laborious process of erosion of the Communist empire built by Stalin after World War II has begun. I say that although I am not convinced at all that the widely advertised so-called differences between the Red Chinese and Red Russians actually exist. I say that because my studies and my observations of the pattern of Communist behavior in this country and abroad have convinced me that the people behind the Iron Curtain and behind the Bamboo Curtain speak up, louder and louder, with every passing day. The Communist rulers hear it, they hear what began as a murmur and is now a voice.

Shall we now turn around, shackle the President, abandon our gains and let Moscow and Peking proclaim with glee: "See, this is the real United States of America which talks so much about its generosity but prefers to choke with its own food surpluses rather than to feed you."

I am allergic to notions of retreat.

I feel strongly against giving up positions, particularly those holding the potentiality of further advance. We now hold such positions within the Communist satrapies. We shall not abandon them.

I know that the overwhelming majority of Americans feel the same way. Americans like to face their foe, rather than turn their back to him.

I know that these feelings are shared by a very substantial majority of the House and I have no doubt but that the House will refuse to give up the advance positions we have attained in Yugoslavia and in Poland—political, defense, propaganda, and moral positions.

A moment ago I commented on the flight of the Hungarian freedom fighters into Yugoslavia. General Swing, who was then Commissioner of Immigration and Naturalization, and I were very much interested in seeing who these so-called freedom fighters were. We visited their camps in Yugoslavia. General Swing decided it was advisable to fly these Hungarians away from the camps in which they had been located.

In that connection, may I add parenthetically that the Yugoslavs encouraged these young Hungarians to set up their own camp councils through free election of their own people.

When we were discussing the possibility of chartered American commercial planes landing near these camps, one of the highest officials of the Yugoslav Government told us that we should direct our inquiries on the availability of appropriate airports to the American air attaché in Belgrade because he knew more about it than this high official of government. This struck me as being very significant because I am certain—as certain as I am that I am standing here today—that many, very many officials in the echelons below Tito do not subscribe to his philosophy.

Tito is not going to last forever, and it seems to me that we would be making a terrible mistake if we did not leave the door open until such time as we can negotiate with somebody else.

Mrs. BOLTON. Mr. Chairman, I yield the balance of the time on this side to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, one of my children asked me recently why many Members of the Congress, including this speaker, ask unanimous consent to revise and extend their remarks. Needless to say, one of the reasons is to correct whatever typographical errors may appear. Another reason is that one may think of things to say before he gets on his feet or well after he gets through, but not have so much inspiration during the limited time actually at his disposal. This permission gives us an opportunity to combine what we might have said with what we actually do say.

As I stand here, one of the last speakers during this debate on the bill, I find myself still wondering what specifically should be said about this program. So much has been discussed, sometimes rather heatedly, and yet so much probably still needs to be said. Perhaps the best way to begin is to say that I, myself, believe that this program is one that deserves our support. Although I personally feel the program needs reappraisal, I would venture the prediction that it will receive substantial support as it has in past years.

Nonetheless, having said this, I must admit, as one of my colleagues said to me on the floor, that this program is not popular. There are many reasons for this. Many criticisms have been brought out during the debate on Monday and again today. It is said that it is ineffective; that it is not getting the job done that we had hoped for originally; that we have failed to establish priorities; that we tend to give more consideration to the so-called neutrals, to those unfriendly to us, or perhaps to countries under Communist control than we do to our own friends. There are others who believe that it is too broad in scope; that it would be better if we could prune it drastically, both as to dollar amounts and the type of aid we provide. Criticism has been leveled at the committee, or perhaps the executive branch, because, it was said, too much of the information was highly classified. This was said to have contributed to the public lack of understanding about the program, which might otherwise receive more support.

I myself feel that there is much to be said for this argument about expense. I feel the drain on our supply of gold, the imbalance of payments, is a serious problem. There is no question about that. I do not think we can dodge that issue. The foreign aid program is one of the ways by which we put many dollars abroad, and obviously we do not get them all back. This drain does contribute to our imbalance. By and large, as has been said, most of the money for this program is spent in this country and not abroad. We should, of course, try to improve the program in as many ways as possible so as to leave more of our dollars here. We should make every effort to see that less is spent abroad, if that is possible. No one can argue that the military expenditures of this country and the foreign aid program are major reasons why we have this problem, and they need the closest scrutiny.

In today's papers I noticed that the Treasury Department is more confident than it has been that this problem is getting under control and they see a balance of payments by the end of 1963.

Another subject which has aroused considerable discussion is the question of whether or not Congress should take specific action with respect to expropriation of assets owned by individuals or corporations of the United States. I would like to call attention once again to the language regarding expropriation on page 12 of this bill. This new subsection seems to me both legitimate and an essential part of this bill, because it does give a very clear indication of our unwillingness to provide assistance to those countries which take actions inimical to our own interests. I do not mean that they should not have the right to expropriate, if they feel so inclined, but I do think that adequate compensation must be demanded.

The main question with respect to this section, it seems to me, is whether this authority should refer only to expropriations that may take place from now on. Or should aid also be withheld from any country in which expropriations have already taken place? This matter was thoroughly discussed by the committee. I myself feel that suspension of aid for future expropriations will serve as a warning to all countries. We thus indicate clearly that the climate in the foreign country is of particular importance. I do not believe, however, that we should provide a penalty against countries which have already expropriated property in order to hasten and accelerate the conclusion of satisfactory agreements.

In this connection I should like to comment briefly on the language in the expropriation subsection which authorizes the President to continue aid in those cases where he feels suspension would be inconsistent with the national interest. This provision has been criticized, but I feel it is most important. There are many reasons why it may be inadvisable to subordinate other foreign policy considerations to this problem of expropriation. For example, an agency within some country, or a political subdivision, may expropriate property. If all aid automatically had to be suspended regardless of the relationships between the United States and the foreign country in which the seizure occurred, the consequences might be disadvantageous to our own interests. The argument has been made that this will make it more difficult and not easier to come to satisfactory conclusions.

Mr. Chairman, I would like to take up the perplexing question of whether or not we should provide discretion to the executive branch to provide aid to Communist countries or to Communist-controlled countries. I fail to understand why this has been such a newsworthy issue. Why was it front-page news in the Washington Post of yesterday, and in the New York Times, that the President of the United States had felt it necessary to hold a bipartisan meeting of the leaders of Congress to see if some amendment could be worked out?

I myself feel that we should provide the executive branch of the Government with some degree of flexibility with respect to assistance to these countries. Theirs is the basic responsibility. Nonetheless, I feel very strongly it is the responsibility of Congress to express its concern and its hostility against continuation of such assistance unless the circumstances are so overriding and so vital to the interests of this country that the President should make an exception.

As a practical matter I see no particular gain in leaving this authority with the President of the United States, or the executive branch. Mr. Chairman, if we should deprive the President of this authority completely we would probably not upset in any way the vital security interests of the United States.

Very little aid now goes either to Poland or Yugoslavia.

I am not advocating that we eliminate the President's authority, but I feel that there has been, if I could borrow an expression, a ballooning of this whole issue beyond its fair proportions. I think it is somewhat of a tempest in a teapot, except as an indication of what I think is a legitimate concern on the part of the House of Representatives. There is a restiveness, I might say, and continuing dissatisfaction with the way the executive branch has handled its responsibility both in this and in other fields up to this point.

Mr. Chairman, I think it is entirely appropriate for that reason that we tighten the provisions presently contained in section 620(b) of the act which we passed last year, and in section 143 of the Mutual Security Act which was passed in 1954. In other words, we already have language which should severely restrict appropriations to these countries. I think we can tighten up that language still more.

Mr. Chairman, in conclusion, I feel a blanket restriction on executive authority to be unwise. I feel also it would not be very important, except as a demonstration of the unanimity or the strength of our own feelings here. Conceivably it might prevent flexibility needed in the case of future emergencies. There may be incidents in the future which the executive branch might logically like to capitalize upon. I am not sure whether we can anticipate any highly favorable developments in Yugoslavia or Poland or other countries behind the Iron Curtain but such events do happen. It does seem reasonable that we provide some form of authority to the negotiators, to our ambassadors in foreign countries. They then can, if they feel so inclined, take cognizance of a change in a regime, a change of heart, a move in the direction toward freedom, which we all hope will occur.

Mr. Chairman, I think I have said enough. I trust that we can discuss this bill during the amending process in the same spirit which we have seen evidenced so generally here so far.

Mr. Chairman, I would like at this point to pay special tribute to the very fair-minded, impartial and statesmanlike approach of our chairman, the gentleman from Pennsylvania [Mr. MORGAN].

Mr. RYAN of New York. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Chairman, on Monday, July 9, I presented to the House a proposal for an Inter-American Development Corps which would recruit large numbers of trained people from the United States, Western Europe, and Latin America itself to carry out development programs in Latin America. Economic progress depends upon the widespread diffusion of technical knowledge and skills, so that invested capital can be used productively.

Under the Marshall plan in Europe there were skilled people to undertake the rebuilding of war-ravaged economies. Latin America has no similar reservoir of talent. I think it essential that the Alliance for Progress emphasize the development of Latin America's human resources. This can be done by redirecting funds under the Alliance program.

I also think it important to provide the funds which the administration has requested, so that the Alliance for Progress, which is experimenting in many ways, can achieve its goals. Today I wish to comment on title VI of the Foreign Assistance Act of 1962, the Alliance for Progress.

The administration requested a total of $3 billion for a 4-year program for the Alliance for Progress—$600 million for fiscal year 1963 and $2.4 billion for fiscal years 1964 through 1966.

The Senate version of the bill, S. 2996, leaves intact the total $3 billion request, while specifying $600 million for fiscal 1963 and $800 million for each of the 3 subsequent years.

The version before the House, H.R. 11921, would authorize $600 million for each of the fiscal years 1963 through 1966, or a total of $2.4 billion. This represents a 20-percent cut from the executive department's request and the Senate bill.

Unfortunately, the Foreign Affairs Committee report on the Foreign Assistance Act is barren of reasons for effecting this cut. Newspaper accounts of the committee's action have speculated as to the motivation. According to Norman G. Cormish, of the UPI, in a story which appeared in the Washington Post on May 19, 1962, the cut "showed congressional dissatisfaction over the failure of some Latin American nations to push social and economic reforms in order to qualify for aid." Felix Belair, Jr., in the New York Times on May 24, 1962, also attributed the cut to "dissatisfaction with the lack of progress toward fiscal and land reforms throughout Latin America." According to Mr. Belair:

> Weeks of closed hearings on the bill developed the feeling of most members of the group that Fowler Hamilton, head of the Agency for International Development, and Theodoro [sic] Moscoso, director of the Alliance had "not been tough enough" on Latin American governments.

Certainly a basic premise of the Alliance for Progress is the willingness of the participating Latin American nations to improve their own institutions. The Charter of Punta del Este is explicit on this point. It outlines the basic institutional reforms which are prerequisites to economic modernization.

Some of the countries have taken steps to implement their part of the Alliance. Tax reform measures have been adopted in Venezuela, Colombia, Uruguay, Panama, El Salvador, Costa Rica, and Mexico. In several other countries, tax collection systems have been improved.

With regard to agrarian reform, Bolivia, Mexico, and Venezuela are well along in programs initiated prior to the Alliance for Progress. In Costa Rica and El Salvador legislation has been enacted and programs initiated, although the programs are more limited in scope. Proposals for land reform have recently been introduced in the congresses of Brazil, Chile, Nicaragua, and Peru. In Ecuador, Honduras, and Panama, plans for land reform are in preparation.

Nevertheless, it is true that the general performance in instituting reforms has not been spectacular. There is a tendency to consider the Latin American oligarchies as the major obstacle to the enactment of vital reforms. The conclusion then drawn is that all that is necessary to open the way to reform is to put pressure on the recalcitrant rich and powerful. This leads to demands that the State Department "get tough."

This oversimplified view is inimical to the ultimate success of the Alliance for Progress. We must understand the complex situation confronting many of the Latin American governments as they strive to fulfill their commitments to the Alliance.

The fact is that many other factors influence the pace of reforms in Latin America. The existence of stubborn, shortsighted oligarchies is but a part of the picture. Getting tough is not going to resolve the intricate and varied circumstances militating against prompt action. Indeed, such a policy can only lead to crushing disillusionment since it is bound to fail in its objective.

If we are going to pursue a realistic policy, we must understand the true circumstances obstructing rapid reforms in Latin America.

Of course, oligarchies will resist changes which they regard as threats to their privileged positions.

But we must not forget that the social and economic frameworks which the Latin Americans have agreed to reconstruct are rooted in over four centuries of practice. The Charter of Punta del Este was signed only last August—less than a year ago. It will take time for the Latin American governments to enact and implement complex legislation. We have only to recall how difficult it is to pass a tax bill here in Congress to get an idea of what is entailed in getting tax legislation through a Latin American congress.

Many of the smaller countries labor under a special burden. They simply do not have the technical knowledge to devise suitable tax and agrarian legislation. Even with the best of intentions, more time and assistance will be necessary to produce the essential prerequisites to participate in the program.

Some of the moderate, reform-bent governments have encountered difficulties of another nature. They have long been whiplashed by the left which is too impatient to wait and work for consented reforms. Now attempts to push sweeping changes, albeit constitutionally, stir up the wrath of the rightwing, which feels its vested interests threatened. We have witnessed the formation of unholy alliances between the extreme left and the extreme right, determined to destroy reform-minded, democratic governments—as in Venezuela. For political reasons, then, the innovators may find it prudent to go more slowly than either they or we would wish.

Furthermore, talk of social revolution, which is inherent in the Alliance for Progress, frightens the people who still control the resources in most of the Latin American countries. When one of our leaders or theirs talks about social revolution, they envisage a violent, armed revolution, and another $100 million wings off to Switzerland. I make no apology for the entrenched interests, but the conditions of a given country must be taken into account in order to achieve changes without tearing the whole structure apart.

Teodoro Moscoso told the Senate Foreign Relations Committee on April 16, 1962:

> We cannot be satisfied when so little has happened in relation to what must happen and when continued impatience at the rate of change and growth is necessary to stimulate the performance of the Latin American governments.

Of course, we are not satisfied. But an ultimatum to our Alliance officials to get tough will not solve the problem. It would risk provoking not only a traditional nationalistic reaction and a stiffening of conservative opposition, but a further flight of capital from Latin America.

In discussing the complexities involved in achieving Alliance goals, I have mentioned some of the principal obstacles in Latin America. I would not want to leave the impression that there has been no progress. Far from it. The mere existence of the Alliance for Progress is having a salutary effect.

Land and fiscal reforms are now matters of public debate throughout Latin America. This is no trifling accomplishment. A few years ago in some of the Latin American countries anyone who dared to preach such matters was branded an agitator or a Communist. Voices urging timely reform were often forcibly suppressed, and along with them any hope for economic and social progress. Now, under the aegis of the respectable Alliance for Progress, democratic innovators have become respectable members of their communities. No longer can they be silenced by spurious accusations or repression.

The emergence of forces seeking social and economic justice within a framework of freedom and consent is having laudable consequences. Formerly, desperate people in Latin America could find hope for change only in the glittering promises of the Communists or in violent upheaval. Now they have a democratic alternative.

These developments have deep significance for U.S. policy. In the past we faced a dilemma in trying to assist the Latin American people. Ironically, our assistance sometimes led to support of tyrannical regimes. On the other hand, if we withheld aid from a country with a dictatorial government, we were accused of being callous and indifferent to the plight of suffering neighbors.

Under the Alliance for Progress we are committed to direct our help only to those countries which are pushing Alliance goals. We are alined with the progressive forces; we repudiate those who would perpetuate unjust political or social conditions. The Latin American people can see clearly our intentions and purposes. Thus, the sting is pulled from a favorite Communist propaganda weapon; with the Alliance for Progress, the claim that the United States is interested only in its own security, and is indifferent to the welfare of the Latin American people, sounds hollow.

Above all, it is important to remember that we are engaged in a completely new concept of foreign relations. The Alliance for Progress is an unprecedented international undertaking, an attempt to bring revolutionary changes by evolutionary means.

Communist dogma claims that it cannot be done. Communists argue that only a totalitarian regime, abruptly sweeping away the past, can bring meaningful reforms. Cuba attests to their program: out with elections, out with individual liberties, out with foreign enterprise, out with private property.

We believe that freedom and economic justice go hand in hand.

In the Alliance for Progress we are frankly experimenting. Unforeseen problems will surely be encountered. Mistakes will be made. But to surrender to impatience or discouragement is to acknowledge the Communist argument that the problems of underdevelopment cannot be solved by democratic methods. Such defeatism is unthinkable.

In the 11 months since the Charter of Punta del Este was signed the Alliance for Progress has encountered a number of formidable problems. Questions central to the basic theory of the Alliance emerged almost at the start.

The charter of the Alliance presupposes the determination of the recipient countries to make drastic changes in their antiquated economic and social systems and their willingness to make the necessary sacrifices. The difficulty in establishing criteria of self-help measures which would qualify the Latin American Republics for assistance under the Alliance soon became apparent. What measures are to be used among 19 nations whose situations differ markedly? Who is to say whether one country is forging ahead and another dragging behind?

Another perplexing issue revolves around the question of emergency assistance. Shall Alliance criteria be discarded altogether in situations where an economic crisis threatens the stability of a democratic country?

Some of the Latin American countries appealed for and received emergency aid to tide them over periods of dangerous internal instability which imperiled their governments.

On page 22 of the report by the Senate Foreign Relations Committee on the Foreign Assistance Act of 1962, an AID official conceded that—

> From a technical standpoint, a large part of this billion dollars was not used directly for development, but for budget support and balance-of-payments loans. This kind of support, however, is directly related to development and is a necessary prerequisite. In many cases, it has meant the preservation of moderate governments which will, if given a chance, work toward goals of the Alliance.

Nevertheless, a continuation of bailout assistance on the basis of vague promises only prolongs the unsatisfactory conditions which the Alliance was designed to correct. Unfortunately, the prospect of receiving foreign aid has been one reason why countries have been able to avoid and postpone harsh decisions of fiscal discipline and reform. Moreover, bailout operations for political reasons to some countries have a tendency to undermine the determination to make self-help criteria stick in other cases.

Given the turbulent factors at play in Latin America and the divergent stages of economic, political, and social development in the Latin American republics, it is probably unrealistic to demand that rigid criteria be adhered to across the board.

While every effort should be made to cut down on bailout operations and to emphasize development assistance, I believe that the responsible executive agencies should be left free to make determinations in individual emergency cases. At the same time Congress will be scrutinizing those decisions.

A problem of a different nature concerns the administration of the Alliance. Life magazine called the Alliance's management a "googleplex." The Washington Post called it "a car with a half-dozen drivers." Newsweek reported in April:

> Many aid experts call it the sickest agency in Washington—torn by dissent, short staffed, mired in bureaucracy.

It is true that there has been confusion during the organizational stage. Arms of the Alliance spread throughout the executive agencies and cross into international organizations. The Departments of State, Agriculture, Commerce, Treasury, as well as the Export-Import Bank, the Peace Corps, the Development Loan Fund, the Organization of American States, and the Inter-American Development Bank all have a role to play. In the wings, not specifically a part of the Alliance machinery but very much engaged in some Alliance objectives, stand the International Monetary Fund, the International Bank for Reconstruction and Development, and branches of the United Nations such as the Economic Commission for Latin America and the Pan American Health Organization, a branch of the World Health Organization.

The different agencies engaged in Alliance activities use varying criteria as to what constitutes self-help. Sometimes they seem to be working at cross purposes.

But there are extenuating circumstances contributing to the problem.

For years our intellectual community largely ignored Latin America. Economists, academicians and journalists directed their attentions to other areas. Universities dropped Latin American courses from their curriculums. In giving grants, foundations overlooked Latin America. Many foreign service officers considered Latin American assignments less desirable than those in other areas. Young people did not turn to Latin American affairs for a career.

We are now paying for that cultural lag. We have no trained corps to assume responsibility. The good minds which have been brought in now to deal with Latin American problems need time and experience to learn that concepts applicable to other regions cannot be superimposed upon Latin America. Moreover, foreign aid officials, who for years have been instructed to deal on a project-by-project basis and to scorn all-over planning, now must change radically their thinking.

It is reassuring to know that efforts are being made to straighten out the Alliance's basic organization. In line with a Presidential task force recommendation, the aid program is being organized by areas rather than by functions, with Latin America one of the four areas. Alliance personnel, who were scattered through four different buildings, have been pulled into quarters in the Department of State, under the overall guidance of Teodoro Moscoso, the coordinator for the Alliance. Moreover, beginning in April, AID's Alliance men and the Department of State deskmen were brought together at the Department of State, so that the AID man and the State Department desk officer concerned with the same country can work closely together.

The question of organization which has plagued the Washington end of the Alliance has its counterpart in Latin America. Many, if not most, of the Latin American Republics simply do not have enough trained personnel to staff the administrative apparatus.

Mr. Chairman, I have discussed some of the major areas of difficulty in accomplishing the goals of the Alliance for Progress. Problems will inevitably arise in such a complex undertaking. Rather than become exasperated, we must examine the obstacles, develop new approaches, and strengthen the program's administrative machinery.

I question whether a punitive slash in funds for the Alliance for Progress is the way to proceed. It is not going to induce action in those countries where the pace of reform has been slow. Where the traditional elite are responsible for inaction, such a move on our part will be applauded by the very sectors we are trying to get moving. Those who are determined to hold the status quo at any cost fear and disapprove of the Alliance for Progress. They do not want to see the Alliance succeed. Thus, they will regard a cut in funds for the Alliance as an encouragement to continue their obstructionist tactics. On the other hand, a reduction in funds is likely to weaken the position of the progressive elements in Latin America.

I am hopeful that these points will be given consideration when the bill goes to conference. The full amount which the administration requested, and which the other body authorized, should be restored.

Mr. MORGAN. Mr. Chairman, I yield the remaining 10 minutes on this side to the gentleman from Illinois [Mr. O'Hara].

Mr. O'HARA of Illinois. Mr. Chairman, this is the close of 5 hours of general debate on a bill that envisions our hope of a brighter tomorrow when the scourge of a godless ideology will forever have been erased and in a world of freedom, economical as well as political freedom, freedom as much as is humanly possible from unnecessary want, freedom from ignorance, freedom from plagues of disease that, with effort, can be prevented, a world of economic and political freedom in which mankind can climb to heights never yet attained.

The subject has been covered in this debate with an understanding and an intelligence that do honor to the traditions of this historic Chamber. My colleagues speaking in opposition in the main have spoken with a restraint that on some previous occasions has not been manifest. I think this bespeaks the universal feeling of the Members of the Congress that the world is at one of the great epochal turning points in history and we dare not err in the direction of our judgments. There are honest differences of opinion on this phase and on that phase, and this is as it should be since, in the resolution of differences, comes forth the chart for our course. None knows that he is right. He advances the thoughts that come into his mind, and even as he argues his mind remains open to change, if the arguments advanced by one in disagreement appear to his reason as possessing more validity than his own.

What is it that we are seeking? What has been the objective of our foreign aid programs that started with lend-lease in 1940 and have been continued for 22 years under 4 Presidents and 11 Congresses? That is the question that each Member of this body should ask himself and if he finds the objective unworthy, he in good conscience should vote against this bill. If, on the other hand, he finds the objective good, an objective that must be reached unless we are to have a world of chaos and of continuing danger, I think he will agree with me that his vote should be "aye."

Progress is not made in the climate of brooding over past mistakes. We learn from our mistakes the technique of avoiding their repetition, even as a child learns to walk from the experience of many falls. If the objective of the foreign aid program is worthy and is necessary to our security, even to our survival, the program must not be thrown away because of past mistakes as a hat drenched by the rain but which can be reblocked and continue to serve its purpose.

As my good friend the gentleman from New Jersey [Mr. Gallagher] said:

> The overall goal is the establishment of a peaceful society of world order based on a system of independent nations.

Can anyone question the desirability of such an objective? Indeed, is there any alternative goal that will harmonize with what is in all our minds and deep in all our hearts?

Yet even an old nation cannot remain independent, subject to government by wish and will of its people, if ignorance and disease and gross inequalities in opportunities breed a discontent among its people that makes it easy prey to the evil designs of a Communist dictator.

With the new emerging nations unless there be a helping hand in getting their economies in order, and in launching constructive programs, there is no chance of escape from seizure by the godless hand of a godless ideology.

Mr. Chairman, I concede there is a place in the debate on foreign aid for that little word "giveaway." But the connotation is not that of those who apply it in opposition to the foreign aid program. Not to continue the foreign aid program would be to give away the world to the Communists. The defeat of this bill would be tantamount to giving away our place in the world of freedom of which we dream. It would be giving away the rich markets for the products of our factories that reasonably can be expected if we help the less-developed nations to a buying power for our goods. Yes, Mr. Chairman, if we wish to give away 700,000 American jobs and at a time when automation and other causes are contributing to a growing unemployment, all we have to do is defeat this bill. You will find the figures on pages 951 and 952 of the hearings, official figures supplied by our former distinguished colleague, Andrew J. Biemiller, now director of the Department of Legislation of AFL–CIO. These figures show that at least 700,000 jobs of U.S. workers are attributable to the foreign aid program.

So, Mr. Chairman, I accept as having application to this debate that little old word "giveaway" and I throw it back at those who brought it into this debate. I do not wish to give away the world to the Communists. I do not wish to give away the rich markets that our present investments in foreign aid are making possible for our future advantage and certainly I do not wish to give away 700,000 American jobs and at a time when we need jobs badly. So not being for such a giveaway, I shall vote for this bill.

This in my judgment is the best foreign aid bill that has ever been brought before the Congress. I think that is the feeling of all the members of the Committee on Foreign Affairs, including the

2 members who signed a minority statement, 2 out of the committee of 32. But, of course, I am not authorized to speak for them.

For my colleagues, the gentlewoman from Illinois [Mrs. CHURCH] and the gentleman from Indiana [Mr. ADAIR], I have both warm affection and a deep respect for their sincerity. They are reaching out for perfection, for something which as a miracle suddenly, as in a twinkling of an eye, will transform a world of change and of uneasiness into a world of order, of quietude and of paradise. I join with them in the prayer for that miracle. But they do not offer any alternative. That, Mr. Chairman, I contend is the all-important issue. Either we continue our foreign aid program strengthened and improved each year by the experiences of past years, or we give up the ship. Either we continue in our generation with the same faith and courage of those of other generations of Americans or we leave the field of battle, disorganized and disheartened, to the forces of communism.

It is easy to make talks against communism, and certainly communism should be exposed not only to our own people but to the peoples of the world as a godless ideology that reduces man to the lowest level of gross materialism. But, Mr. Chairman, the vote on this bill I maintain is the real test. There is no alternative program. Either we continue with our foreign aid or we abandon the world to communism. This would be the tragedy of the ages.

Let me assure this committee that communism is now standing on the last fringe of a lost battlefield. There is every indication of its complete collapse, the same collapse that always in the long history of mankind has come to ideologies that separated man from his faith in something higher and nobler than the drudgery and the hopelessness of animal existence. Does anyone in this Chamber desire that we give the shot in the arm to a collapsing and dying ideology by voting to end our effort at the very moment when we are on the brink of victory? If anyone really wishes to aid and abet the Communist cause, he will vote against this bill.

I have said that this is the best foreign aid bill that has come to the Congress in the 22 years of the history of foreign aid under 4 Presidents and 11 Congresses. I have not the time to go into detail, and indeed that would be repetitious after 5 hours of general debate during which the subject has been so thoroughly discussed. But permit me to emphasize one phase. There was a time when we gave large and occasionally unwise grants. There was a time when in our inexperience we gave loans that were too soft. Under the present program of the Agency for International Development, we are making loans repayable in dollars and the loans in many instances are being made to sound banking institutions in new emerging nations, furnishing these banks money to loan to small businesses, businesses that employ local personnel and use in their operations local products. Can anyone question the soundness of these loans? They will result in the building of local economies employing local people and using local products, and they will be repaid to the local banks exactly as similar loans are made and paid by the lenders in our own United States. And, of course, this inevitably means that the loans advanced by our country will be repaid. As chairman of the Subcommittee on Africa, I have examined the loans made to Africa under our new program, and in my opinion, they are all sound and all will be repaid in full and in American dollars.

Mr. Chairman, in closing I wish to express my deep appreciation of the privilege given me to serve on the Committee on Foreign Affairs. With every member of that committee, whether it was in the time of a Republican administration or a Democratic administration, there has been an unbroken adherence to the rule that politics ends at the ocean line. My distinguished and my beloved colleague from Minnesota, Dr. JUDD, certainly on party lines a faithful champion of the party of his conviction, voiced the sentiment of our committee, the sentiment on both the Republican and Democratic sides, when he said:

> I do not believe the Congress ought to take action that would handcuff the President of the United States and make it impossible for him to have the flexibility necessary to deal with new situations in the exercise of his responsibility for the conduct of our foreign relations. He knows more about developments in this field than we can possibly know.

The gentleman from Minnesota, Dr. JUDD, was speaking of the President of the United States. It is the President of the United States who has the responsibility in the conduct of our foreign policy. In the administrations of President Truman, President Eisenhower, and President Kennedy, I, with the gentleman from Minnesota, Dr. JUDD, and I think all of the members of our committee, gave full and loyal support to the President of the United States; and I cannot recall one instance when we were asked to vote a lack of confidence in the President of the United States by placing him in handcuffs. I trust that the members of this committee on the other side of the aisle will remember the gentleman from Minnesota, Dr. JUDD's counsel, when an amendment is offered denying to the President of the United States the flexibility that is required if emergencies should arise, great emergencies that require immediate action, and there is no time to reconvene the Congress. Mr. Chairman, we are on the eve of triumph over the evil forces of communism. This is not the time to err. This is not the time to take backward steps. This is not the time when victory is in sight to unfold our colors and to retreat. This is not the time to outmode the old, old rule that politics end at the ocean line. There is no alternative to the foreign aid bill that soon you will be voting on. Either this bill is passed, and relatively unchanged by amendment, or we abandon the field and give the world over to communism.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1962".

PART I—ACT FOR INTERNATIONAL DEVELOPMENT OF 1961

Chapter 1—Short title and policy

SEC. 101. The fifth paragraph of section 102 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting in the fifth paragraph, immediately after "religion.", the following: "The Congress further declares that any attempt by foreign nations to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access or in the exercise of any other rights available to American citizens, or the use by any foreign nation of assistance made available by the United States to carry out any program or activity of such nation in the course of which discrimination is practiced against any citizen of the United States by reason of his race, color, or religion is repugnant to our principles; and in all negotiations with any foreign nation with respect to any funds appropriated under authority of this Act, these principles shall be applied. The Secretary of State shall report annually on the measures taken to apply the principles stated above."

The CHAIRMAN. For what purpose does the gentleman from Texas [Mr. WRIGHT] rise?

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: In chapter I, section 101, on page 2 following line 15, insert the following:

"The Congress further declares that in the administration of programs of assistance under this Act, the highest practicable emphasis should be given to: programs providing for loans or loan guarantees for use by institutions and organizations in making repayable low-interest rate loans to individuals in friendly foreign countries for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, acquisition of tools or equipment needed by individuals for carrying on an occupation or a trade, or financing the opportunity for individuals to obtain practical education in vocational and occupational skills, and to those programs of technical assistance and development which will assist in carrying out and in preparing a favorable environment for such programs. While recognizing that special requirements, differing development needs and political conditions in various assisted countries will affect the priority of such programs and of each country's relative ability to implement them, it is further the sense of Congress that each such assisted country should be encouraged to give adequate recognition to such needs of the people in the preparation of national development programs."

Mr. WRIGHT. Mr. Chairman, this amendment goes to the very heart of what we are seeking to accomplish. Permit me to repeat here at the outset the essential provision of the amendment. The Congress in adopting this amendatory language would direct that our foreign assistance efforts be administered so as to place their prime emphasis upon—and I read:

> Programs providing for loans or loan guarantees for use by institutions and organizations in making repayable low-interest rate loans to individuals in friendly foreign countries for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, acquisition of tools or equipment needed by individuals for carrying on a trade, or financing the opportunity for individuals to obtain practical education in vocational and occupational skills.

Mr. Chairman, I believe that this amendment expresses the prevailing sense of the Congress concerning the proper and most effective direction for our foreign assistance programs. This amendment addresses itself to, and comes to grips with four of the most frequently voiced objections to the foreign aid program.

What do we hear when we hear thoughtful and constructive criticisms of the administration of the program? First of all, I think we hear that too much emphasis has been placed in the past upon outright grants rather than upon repayable loans. I think it has been a valid criticism in some cases.

Second, I think we hear that foreign aid money sometimes has not filtered down to the average people in those countries we are trying to assist.

Third, I believe we hear that the program has not always actively encouraged free enterprise, the individual ownership of farms, homes, and small businesses.

And, finally, I believe we hear that too much stress has been placed on some of the big grandiose projects that are too far removed from the lives of the average people to have much real grassroots impact.

To a greater or lesser extent, I think we must concede that there has been some validity in each of these objections.

Now the key words in this amendment are "repayable, low-interest rate loans." While these loans might be made available either through private American lending institutions or through local institutions and matching guarantees by local governments, their object is not governments but individuals—people.

This might be called a grassroots approach. I think it is a free enterprise approach. If we are to develop viable economies in these friendly nations of the world that we are trying to help, then those economies will have to be based on widespread, individual ownership and individual opportunity. That is what we have proven in the past 175 years as a nation. What the individual citizenry in these friendly countries has needed is not a handout—but a hand. In many of these countries the great bottleneck to developing healthy economies has been the utter lack of any system of available credit to a private citizen at other than usuriously and unconscionably high interest rates. This is perhaps the most basic of the reasons why these countries are underdeveloped and why they remain underdeveloped.

For countless generations in many of these lands, a person born into a low and modest situation has been condemned to remain forever in those circumstances. He has had no opportunity, no hope of ever bettering his own economic condition, of creating a more hopeful future for his children, no hope for education, no hope of ever actually owning a little house or having a few acres of his own, no hope of ever purchasing even the most rudimentary agricultural equipment, no hope of ever going into any sort of business for himself, or of achieving in any degree any better status.

This naturally has produced unrest. It creates dissatisfaction with the government. It has spawned revolution after revolution. This is the vacuum into which Castro came where 90 percent of the people did not own 1 inch of real estate, did not have one penny of equity, and could not get a penny's worth of equity in any real property because they could not get any credit.

This is the vacuum into which Castro came with his cruel promises and patented panaceas.

This is the cauldron of long-suppressed aspirations that the Communists have exploited. Where the people can see no hope of ever achieving their legitimate aspirations through the slow and orderly processes of evolutionary government, they turn in desperation to revolutionary means and this more often than not works against the interests of themselves as well as of the United States.

The way to save and strengthen democracy in the underdeveloped world is to show that these legitimate aspirations of the plain people can be achieved, and better achieved, through the processes of free government. It is to show that a strong and viable national economy can be built, and better built, upon the rock of individual opportunity. It is not good enough simply to tell them that communism is the wrong way. Let us show them that there is a right way. For there is a right way to achieve their legitimate objectives of improving individual opportunity for the average people. It is the way we have followed here in the United States. Let us show them the right way.

Consider what was done by Father Dan McLellan in Peru where he started what was regarded as a futile and hopeless project among the Indians in the mountainous country near Puno, Peru. The natives had no money, had no credit, and could not buy or rent land, could not afford to buy seed, fertilizer, or even the most rudimentary agricultural instruments.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. EDMONDSON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. WRIGHT] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WRIGHT. The story of what Father Dan McLellan did is perhaps one of the most inspiring stories I have ever heard. It is a success story, a story of the way in which a man who believed in people could help them, mainly just by believing in them. He did something nobody had previously dared do. The institutional lenders told him it was hopeless, that the Peruvian Indians were beyond help. He established a credit union among the poor Indians of this little village. He got together 23 of them. They were able to secure $30 among them to begin their credit union. But the plan worked and it grew so rapidly that from that modest beginning, within 2 years there were not 23, but some 400 members of this union, and credit unions sped throughout the entire country of Peru.

The first $150,000 that was lent in small amounts to individuals was repaid at such a fantastic rate of repayment that on this $150,000 there was a bad debt loss of only $80.

This proves to me what can happen when you give them a chance, a chance that they have never had, give them a chance to pull themselves up by their bootstraps where they never had any bootstraps before. You can build a sound economy through this free enterprise, individual ownership system. We believe in it, and if we believe in it we ought to be spreading it everywhere. I think it ought to be the basic approach to our foreign aid effort.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from Minnesota.

Mr. JUDD. What the gentleman is saying, I judge, is that we are finding in our work abroad what we long ago learned at home, namely, that the things people need most in order to increase production so they can improve their condition is, first, tools and know-how; and second, credit.

It does not do much good to give them the skills and the ability to farm better, if they do not have the credit by which they can acquire the tools or the seed or the fertilizer to enable them to use these new skills. What we have been trying to do in less-developed countries is share technical skills. We ought also to make available credit on a reasonable basis so that the people can do the things they have been taught. This is a sound program, and I think we ought to support it.

Mr. WRIGHT. I thank the gentleman for his comments and am greatly pleased that he agrees with what I have been trying to say.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield with pleasure to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to express the appreciation of one Member to the gentleman from Texas for his leadership with regard to this amendment. It is something that the Congress should say forcefully and eloquently in connection with this bill. I have no doubt that it reflects the views of the members of the Committee on Foreign Affairs, a majority of them on both sides of the aisle, and I honestly hope the amendment will be adopted unanimously.

Mr. WRIGHT. I thank the gentleman, and wish also to thank him for his own splendid and extremely helpful efforts in working with me in the drafting of this amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Florida.

Mr. FASCELL. I would also like to commend the gentleman from Texas for writing out this legislative policy language that the Committee on Foreign Affairs has stressed time and time again in its various committee reports, in its special committees on study missions around the world.

I recall the Pilcher subcommittee in the report of which committee this recommendation was made. I also recall the Selden subcommittee, and the chairman's own subcommittee. Therefore, it seems to me that emphasizing at this time these purposes which the committee has over and over again urged as administrative policy matters and writing it into legislative language is timely and urgent, and I therefore commend the gentleman.

Mr. WRIGHT. I thank the gentleman.

Mr. MORGAN. Mr. Chairman, the committee has worked closely with the gentleman from Texas on this amendment during the last 10 days. The amendment reflects a number of suggestions made by the committee.

As the gentleman from Florida stated, many of the committee reports in recent years have emphasized two points contained in this amendment.

After consultation with the ranking Member on the minority side, the committee has no objection to the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. WRIGHT].

The amendment was agreed to.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the distinguished chairman of the Committee on Foreign Affairs whether it is the intention of the committee to support an amendment to section 302 containing similar language to that inserted in the bill in the other body by a Senator from New York.

Mr. MORGAN. That amendment is going to be offered by the gentleman from New York [Mr. FARBSTEIN], and he can answer the question.

Mr. ROOSEVELT. I thank the gentleman. I will not make any further comment until the amendment is offered.

Mr. HALPERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALPERN:

On page 1, line 8, after "SEC. 101", insert the following: "(a)".

On page 2, between lines 15 and 16, insert the following: "(b)".

Such section is further amended by inserting after the seventh paragraph the following:

"It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act."

Mr. HALPERN. Mr. Chairman, this amendment expresses the sense of Congress that primary consideration should be given to those countries that do not divert their own economic resources to military or propaganda efforts supported by the Soviet Union or Communist China which are directed against the United States or other friends of the United States. Identical provisions, offered by the distinguished junior Senator from New York [Mr. KEATING] were adopted in the Senate bill.

The purpose of the amendment is twofold:

First, it sets forth that the aim of our foreign aid program is to encourage nations to be peace-loving, respectful of freedom and justice, and understanding of American ideals. This language should be permanently in the policy statement of this act to remind ourselves and the world that mere independence is not all we require—that there are other values and principles we cherish and we want to have these values understood and appreciated by those we choose to assist.

Second, the amendment serves as a useful warning against nations diverting their economic resources in military adventures aimed at other nations participating in this program. Their resources should be used for economic development—not for Communist-supported propaganda and military efforts. No nation is individually named but the amendment serves a clear warning to all.

In brief, the amendment provides guidelines for the program instead of the existing blank check to the Executive for discretionary authority.

Mr. Chairman, the American taxpayers are fed up with our granting of assistance to nations which use their economic resources to buy arms and military assistance from the Soviets. The amendment is aimed at meeting such a situation. It does not tie the President's hands in any way but it does set forth that we mean business.

Under this provision, a recommendation of reconsideration of aid to Nasser's Egypt, a flagrant example of abuse and misappropriation of our assistance, is clearly called for. American aid to Egypt may go as high as $200 million this year. At the same time Nasser is stepping up his propaganda broadcasts throughout the Middle East and in particular, Africa—stirring up hatred of so-called Western imperialism. Also, we are shocked to learn recently of Russia's sale of a number of late model super Migs to Nasser. This development emphasizes the need of reconsideration of our plans for aid to Egypt.

I would like, Mr. Chairman, if I may, to elaborate at this point.

Mr. Chairman, consistent with my amendment the statement of policy defining the objectives of section 102 stresses that the purpose of American assistance is to promote freedom and security in the world. If that is correct, I ask how can we aid a country like Egypt whose President Nasser has just publicly announced warlike plans and aggression? In a speech before the Egyptian National Congress of Peoples' Forces at Cairo University on July 2, Mr. Nasser bragged that his budget for military purposes has been vastly increased.

The U.S. taxpayer is to finance his domestic budget while Egyptian money is paid to the Soviet Union for munitions of war.

Mr. Nasser asked, and I quote:

> Why this budget? Because we are preparing. We are strengthening our air force, army, and navy.

He made it clear that now that the Algerian revolution has succeeded, the Arab world, led by the armies and Russian jets of Nasser's Egypt, should prepare for the final attack on Israel. He said that the Arab victory in Algeria was "the harbinger for the downfall of another base for imperialism in the Levant—and I mean Israel."

Those were the words of Mr. Nasser who is bankrupting his nation, putting it in hock, to buy Soviet jet bombers, and even the new Soviet Mig 21 jets that fire a missile of the Sidewinder type.

Mr. Nasser is counting on us to pick up the tab for his domestic needs while he holds forth as the Castro of the Near East. Nasser counts on our financing of a regime bent on war and aggression to relieve its domestic economy so that it can buy more jets from Russia and pay for more Soviet technicians and East German Communist jet pilots.

It would be interesting to compare what Nasser is paying for these mammoth purchases and what we are giving Egypt in loans and grants in the current and the next fiscal year. Can we permit the exploitation of our taxpayers for such ridiculously counterproductive purposes? This highlights the need for such an amendment as I am proposing.

I was shocked by the recent news that Egypt has received the first 40 of the Soviet Union's hottest jet fighter planes. These Mig-21's fly at 1,200 miles per hour, are armed with the deadly Sidewinder-type missiles and represent a terrible threat to the peace of the Near East.

Nasser has boasted that his new military budget amounts to $350 million, an amount approximately equal to the economic aid and loans we propose to make available to Egypt.

It seems to me that we must take a hard new look at the massive aid program pending for Egypt. Thus the need for the proposed amendment is apparent. The priority in an underdeveloped nation like Egypt, if its leadership were at all responsible, would be on human welfare and peaceful development. I do not see how we can in good conscience subsidize, however indirectly, the buildup of a dangerous war machine, geared to the Soviet military establishment. If Egypt requires spare parts for its jets, tanks, guns, or submarines, it is totally dependent on Russian depots and its army training programs are linked to camps and bases in the Soviet Union. Are we to facilitate the expansion of Soviet military supply liaisons with this nation? Or are we to serve notice we will not tolerate such circumstances?

There are other countries which might be mentioned. No nation is named specifically in the amendment. But, the purpose of the amendment is to put the principles cited here into the policy statement of the aid bill.

Mr. Chairman, this amendment offers clear guidelines for our aid program—it represents principles that I am certain every colleague supports. Therefore, I urge that the language of the amendment be written into the bill so that we do not abdicate our legitimate legislative concern over our foreign assistance program.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I wonder if the gentleman could enlighten me about his reference to the establishment of priorities that he contemplates under this language. I see no reference to any priority.

Mr. HALPERN. That is an obvious inference.

Mr. FRELINGHUYSEN. In your statement on the amendment you refer to the necessity of establishing priorities, or giving primary consideration to certain countries.

Mr. HALPERN. No; that is not necessarily spelled out in the amendment. It speaks for itself.

Mr. FRELINGHUYSEN. The gentleman used some such expression. The other expression the gentleman used was with reference to warning countries.

Mr. HALPERN. That is exactly right.

Mr. FRELINGHUYSEN. The language you advocate does not say that under certain circumstances aid will be withheld.

Mr. HALPERN. It is a clear-cut expression by Congress as spelled out in the declaration of policy, that we consider the attitude of each country toward the United States and its proper utilization of our funds for economic development and not for the diversion of its own funds for Soviet-supported propaganda or military efforts.

Mr. FRELINGHUYSEN. Then, this does not establish elimination of assistance to certain countries or establish priorities?

Mr. HALPERN. This is a clear guideline—I made clear in my statement, that it is an expression of the sense of Congress. In my extension of remarks I will clarify the point that you raised.

Mr. GALLAGHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment was submitted to the committee. We reviewed it. There has been unanimity of feeling as to the purpose of the amendment, and as such I am authorized to say that the committee will accept the amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Minnesota.

Mr. JUDD. We feel that wherever there are countries that are alined with the United States in this world struggle and have the courage to take a position to that effect, and other countries are lukewarm or even hostile to our positions, some priority ought to be given to the former. We should concentrate our efforts first on assisting those that are making the best effort they can with their resources for the same general purposes as our own. This is merely a reaffirmation of what we have always had as an objective of the foreign aid act, and I see no objection to the amendment; in fact, there are positive reasons for writing it out as our opinion a little more clearly than we have heretofore.

Mr. GALLAGHER. The gentleman is correct. Further I might add that it follows the guidelines of a policy that President Kennedy was concerned with following the Belgrade Conference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HALPERN].

The amendment was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since I was unable to get any time under the general debate limitation, I desire to take this opportunity to make reference to some of the special programs of the United Nations.

Members of the House will recall that last year, when the appropriation bill was before the House for the foreign aid program, I made an effort to limit the contribution of the United States to any special fund to not more than 50 percent of the amount to be expended, the theory being that if the United States is going to contribute more than 50 percent of the amount of any fund, it should exercise complete control over that fund, in my opinion.

Mr. Chairman, I notice on page 58 of the report on this bill the following wording:

> (b) Contributions to the United Nations expanded program of technical assistance and the United Nations special fund for the calendar years succeeding 1961 may not exceed 40 per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year.

When I first read that language, I had the impression it meant none of the contributions could exceed 40 percent. Yet, as I pointed out last year, in the United Nations Relief and Works Agency for the Palestine Refugees, for the year before, we had contributed 90 percent of the cost of that program while at the same time they were using our funds for buying surplus commodities, specifically wheat, from other countries. When I inquired of the Commission operating that program as to why they did that, representatives of that Commission stated that the price of American wheat was too high.

Mr. Chairman, I would like to ask the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], if the gentleman will enumerate some of the programs where we are now contributing more than 50 percent of the total cost of such programs, and to also indicate that when we reach that point in the reading of the bill, because I intend to offer an amendment to limit the contribution of the United States to any special program at not more than 50 percent. If the gentleman does not mind, would the gentleman give me the names of the programs in which we do spend more than 50 percent? I would appreciate having such information.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield, our contribution to the Organization of American States is 70 percent. Our contribution to the children's fund—UNICEF—is 44 percent. Our contribution to the Palestine Refugee Fund is about 70 percent. Those are the organizations which our contribution is over 50 percent as far as I can see after a quick review of the material I have with me.

Mr. JONES of Missouri. I wonder if the distinguished chairman could tell me if there has been a reduction in the amount of our contribution, say, to the United Nations Relief Works Agency for the Palestine Refugees? The gentleman said it was 70 percent now. As I recall, year before last it was 90 percent.

Mr. MORGAN. Yes. There has been a reduction. For this fiscal year it would be around 70 percent.

Mr. JONES of Missouri. Can the gentleman tell me—I dislike taking this much time—the justification for our contributing 70 percent to a program over which we have no control at all? Is that good business?

Mr. MORGAN. It is a vital part of the peacekeeping machinery in that area which is of great strategic importance to the United States. There are only four or five nations that contribute to this program.

Mr. JONES of Missouri. Permit me to ask the gentleman this question: Does not the gentleman think that any time we contribute 50 percent of the total cost of a program, by retaining complete control over it we could come more nearly to reaching our objectives and carrying out the announced purposes of that program than we could by contributing 70 percent and then letting some other country dictate how that money is to be expended?

Mr. MORGAN. I think we have pretty good control of that program. The head of the program has always been an American. He is now Mr. Davis and before it was Mr. Labouisse, former head of the foreign aid program.

Mr. JONES of Missouri. The head of the program of United Nation's Relief Works Agency was not an American. We had one American on it; we had one from New Zealand and one from Great Britain and we were outvoted.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. JONES] has expired.

The Clerk read as follows:

Page 2, line 16:

"CHAPTER 2—DEVELOPMENT ASSISTANCE"

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hardy: On page 2, after line 16, insert the following:

"TITLE I—DEVELOPMENT LOAN FUND

"Sec. 102. Section 201 of the Foreign Assistance Act of 1961, as amended, which relates to general authority with respect to development loans, is amended by adding at the end thereof the following:

"'(e) In carrying out this title, the President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.'"

Mr. HARDY. Mr. Chairman, I have a second amendment to another section of the bill that is identical in purport and practically identical in language. I ask unanimous consent that it may be considered with the amendment just read.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. Hardy: On page 7, after line 9, insert the following:

"(e) The President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans."

Mr. HARDY. Mr. Chairman, 2 years ago my subcommittee made a study of the operations of the Development Loan Fund. One of the principal matters to engage our attention in that study was a practice which had developed within that agency of earmarking, or setting aside funds for a particular government, subject to the later approval by DLF of projects or programs on which these funds could be used. We found that the so-called earmarking placed the Development Loan Fund under extremely strong pressure to approve something as rapidly as possible, whether the subject of the approval had been properly planned or not. Once the recipient government had been led to believe that we would give them aid in a certain amount, some of them took the view that DLF was being merely bureaucratic if it scrutinized too closely the use to which that aid was to be put. In illustration of this, we found that a $37.5 million earmark which was made to one country led to a situtaion in which DLF found it virtually impossible to deal with the government on a businesslike basis concerning particular projects. And in another country, a $40 million earmark placed the DLF Board in the position of trying to evaluate that country's proposed projects in terms of whether they fitted the earmark, rather than whether they benefited that country's economy. In connection with the $37.5 million earmark which I have just referred to, DLF's loan officer wrote:

> We are rapidly reaching a point in the use of the above allocation where the problems of the allocation itself constitute an obstacle to the orderly processing of applications.

As a result of these findings, the subcommittee recommended that the Congress consider appropriate legislation to put an end to the practice of "earmarking," under whatever name, and this the Congress did by writing into the DLF authorization in the 1961 program language substantially identical to the language contained in the two amendments which I am offering today, one of which applies to the DLF and the other to the Alliance for Progress.

One would have thought that the 1961 action of the Congress would have been sufficient to make clear the intent of the Congress and that henceforth the practice of earmarking or setting aside of aid funds in advance of proper planning would be discontinued. However, I find that this is not the case, and the Agency for International Development is now doing the same thing under another name. "Earmarking" is now known as contingent commitment.

Under the Alliance for Progress alone "contingent commitments," or "earmarkings," have totaled $851 million. This, of course, will result in tremendous pressures on our aid officials to approve projects and programs on which this money can be spent. And as these pressures increase, proper planning and orderly administration will decrease.

This, then, is the problem to which my amendments are addressed, and, as I have said previously, the language is substantially identical to the language which prohibited earmarking by the Development Loan Fund when that fund was a separate agency, and I hope the Chairman will accept them.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. As I understand the gentleman's amendment, this prohibits the advance commitment of development loan funds unless there is advance notice how the funds will be used or the President determines that it is in the national interest to use such funds pursuant to multilateral plans.

Mr. HARDY. That is correct.

Mr. MORGAN. I remember last year when we wrote the Foreign Assistance Act this section was omitted because the Executive said it was inconsistent when the basic emphasis was put on commitments for the Development Loan Fund. The gentleman has stated that his investigation has turned up what has changed his mind about the bill from 1961 to the bill this year.

Mr. HARDY. I have said to the gentleman they are now using the term "contingent commitment." The gentleman knows just as I do and everybody in this House knows that when the Department of State or the Agency for International Development announces one of these allocations of funds, in the eyes of the people in the recipient country it constitutes a firm commitment binding on the U.S. Government, because the people are not told in plain language that there is anything contingent about the commitment. The problems that this creates are manifest, and I trust that the amendments I am offering will remedy the situation.

Mr. MORGAN. The gentleman's amendment on page 7 applies to the Alliance for Progress?

Mr. HARDY. That is right.

Mr. MORGAN. Mr. Chairman, the committee is familiar with both these amendments and has no objection to them.

Mr. HARDY. I thank the gentleman.

Mr. RANDALL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RANDALL. Mr. Chairman, I wish to congratulate the gentleman from Virginia [Mr. Hardy] for his always worthwhile and I may add excellent efforts to improve the language and content of the foreign aid bills as they come before the House year after year. It is not simply a question of improvement of the language but in the effect of the amendments which have been adopted. It was particularly gratifying to many Members to see our colleague from Virginia offer two amendments subsequently accepted by the committee including an amendment under title I pertaining to the Development Loan Fund and another amendment under title VI concerning the Alliance for Progress. The wording of both amendments were substantially the same and are restrictive in that they provide that in carrying out the provisions of the title relating to the Development Loan Fund and also the Alliance for Progress:

> The President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.

Certainly there can be no question about the knowledgeability of the author of these amendments after one reads the recent report of the Foreign Operations Subcommittee of the Committee on Government Operations chairmaned by Mr. Hardy, which hearings were held in March and May 1962 and which were followed by a report on June 25, 1962 entitled "Commingling of the United States and Communist Foreign Aid." It seems to us that the wording of the gentleman's amendment requiring that an application for all funds over $50,000 must first be received and show that such funds will be used in an economically and technically sound manner, spells out one of the principal recommendations to the Department of State and the Agency for International Development as contained on page 3 of the June 25 report when it was recommended "that foreign aid agreements committing the United States to dollar expenditures be drawn with precision as to objectives and scope, with identification of all component parts with such specificity as to permit reasonably accurate estimates of the time and cost factors involved."

We believe the amendments are needed and will prove to be beneficial and by these remarks we associate ourselves with this effort and again commend the author, the gentleman from Virginia.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Virginia.

The amendments were agreed to.

The Clerk read as follows:

TITLE II—DEVELOPMENT GRANTS AND TECHNICAL COOPERATION

SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is amended as follows:

"(a) In section 211, which relates to general authority, add a new subsection (c) as follows:

" '(c) Not to exceed $1,000,000 of the funds made available for the purposes of this section in any fiscal year may be used for programs designed to promote the peaceful uses of atomic energy outside the United States and such programs may be carried out only in accordance with the requirements of this section.'

"(b) In section 212, which relates to authorization, strike out '1962' and '$380,000,000' and substitute '1963' and '$300,000,000', respectively.

"(c) Strike out section 213, which relates to atoms for peace."

Mr. JAMES C. DAVIS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. JAMES C. DAVIS. Mr. Chairman, some 15 years ago the Federal Government initiated a program of foreign aid assistance. The announced purpose of this program was to win friends and allies for the United States and, at the same time, make communism unwelcome wherever it might intrude. During this period the United States, through the taxpayers, has distributed to every corner of the globe—to the friendly, the unfriendly and the indifferent—over $100 billion in the form of foreign aid assistance. Yet, this expenditure, except in rare instances, has not strengthened our position in the great struggle between freedom and slavery.

Communism has experienced its greatest growth during the life of the foreign aid program. While our country has been handing out billions of dollars to court the friendship and stiffen the backbone of the world, communism has been gobbling up one country after another, and even Cuba, just 90 miles south of the Florida coast. Communism is also making inroads in Laos, the United Arab Republic, Iraq, Iran, Cambodia, Morocco, Ghana, Guinea and a number of recently created, halfsavage countries on the continents of Asia and Africa.

I have stated and repeated, again and again, on the floor of the House, at home and elsewhere, that I do not believe money will buy friendship. I feel that no person, or country, should have to be bribed to resist communism. You cannot buy friendship. You cannot buy loyalty. You cannot buy courage. Mr. Speaker, I would therefore like to again repeat my position that if we continue to pour our tax dollars down the drain we can destroy our own economy and make the free world easy prey to communism.

It is timely at this time when the House has under consideration H.R. 11921, the foreign aid authorization bill, for all freedom-loving Americans to voice their views regarding foreign aid and communism. I would like to insert herewith a telegram which I have received from the American Legion Auxiliary of Waldo M. Slaton Post No. 140 in Atlanta, which reads as follows:

Hon. JAMES DAVIS,
U.S. House of Representatives,
Washington, D.C.:

We wish to go on record as opposing all foreign aid to Communist and communistic dominated countries.

AMERICAN LEGION AUXILIARY, WALDO M. SLATON POST 140.

Mr. Chairman, I am in accord with the views expressed in this telegram.

The Clerk read as follows:

TITLE III—INVESTMENT GUARANTIES

SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is amended as follows:

"(a) Amend section 221(b), which relates to general authority, as follows:

"(1) In paragraph (1) strike out '$1,000,000,000' in the proviso and substitute '$1,300,000,000'.

"(2) In paragraph (2) strike out 'of not to exceed 75 per centum of any investment' and substitute 'in whole or in part of any loan investment for housing projects or assuring against loss of not to exceed 75 per centum of any other investment,', and strike out '$90,000,000' in the third proviso and substitute '$180,000,000'.

"(b) Amend section 222, which relates to general provisions, as follows:

"(1) In subsection (d) insert ', and out of funds made available pursuant to this title' before the period.

"(2) Add the following new subsection (f):

" '(f) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1963 to carry out the purposes of this title not to exceed $100,000,000 which shall remain available until expended.'

"(c) Amend section 224, which relates to housing projects in Latin American countries, as follows:

"(1) In subsection (b) strike out $10,000,000' in the second sentence and substitute '$60,000,000'.

"(2) In subsection (c) strike out 'and (e)' and substitute '(e), and (f)'."

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SANTANGELO: On page 4, after line 9, insert the following:

"(3) Add the following new subsection (g):

" '(g) All income derived from any investment in a foreign country which is guaranteed by the Federal Government in whole or in part under this title and which is made by a corporation or trust exempt from taxation under section 501 of the Internal Revenue Code of 1954, shall be subject to Federal income taxes notwithstanding that section, in the same manner and to the same degree as if received by any nonexempt corporation.' "

Mr. MORGAN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman reserves the point of order.

The gentleman from New York [Mr. SANTANGELO] is recognized for 5 minutes in support of his amendment.

Mr. SANTANGELO. Mr. Chairman, this amendment would subject income from investments in foreign countries to taxation when our Government guarantees the lender in whole or in part against loss. This subjects foreign investment income to taxation, but does not take away their tax exempt status in the United States as to other investments. The ordinary American taxpayer should not be called upon to assume the burden of meeting the governmental expenses of paying the taxes when certain favored groups are exempt from taxes on their income and their investments are guaranteed.

Who most likely will make these investment loans in foreign countries, if this bill is passed and succeeds? The groups making these mortgage loans or other type loans will be the money lenders—the banks, the insurance companies, the various pension trusts and the foundations. The income of the banks and the insurance companies are subject to taxation, but the income of the foundations and trusts are not subject to taxation.

It seems to me unfair, unwise, and unjust that a foundation like Rockefeller Foundation, Inc., with its portfolio of over $647,694,858, or the Rockefeller Bros. Fund, with assets of over $53 million, will have the right to place a $5 million mortgage in Venezuela or in any other South American country and have their mortgage loan guaranteed 100 percent by John Q. Public and that the income derived from this mortgage-loan investment shall be tax exempt.

It seems unfair that the Ford Foundation should use any of its $3,316 million of assets to make a mortgage loan in a South American or Latin American country, which loan is guaranteed 100 percent by the American public, and that the income from such investments should be exempt from taxation. If such investments were not guaranteed in whole or in part by the American Government and the American people, then some merit would exist for continuing their exemptions to carry out their charitable works. But it is wrong for the American public to guarantee an investment against all risk and that the income should not be subject to tax to carry out the many programs of foreign assistance which our country has embarked upon. The same arguments apply to pension trusts and other foundations which enjoy the same tax-exempt status.

The American taxpayer has supported foreign assistance programs, but I think the American public is unwilling that loans in foreign countries should enjoy tax exemptions as well as 100-percent guarantees. I trust that my amendment will pass.

Mr. MORGAN. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill, that it falls within the jurisdiction of the Committee on Ways and Means.

The **CHAIRMAN.** Does the gentleman from New York desire to be heard on the point of order?

Mr. SANTANGELO. I do, Mr. Chairman.

Mr. Chairman, while this bill is a foreign-aid bill, certainly section 103 refers to the fiscal provisions and indicates the direction, the trend in which interest from investment loans shall be redirected. It indicates that the interest on loan repayments can be reused for the purpose of additional loans or recurring loans.

While this bill is an authorization for foreign assistance, it contains certain provisions which are fiscal in nature and which are within the jurisdiction, I think, of the Ways and Means Committee. My amendment, while it has some facets and some aspects of the internal revenue laws which are subject to the jurisdiction of the Ways and Means Committee, I think it falls within the purview of this legislation, and I think the point of order is not well taken.

The **CHAIRMAN.** The gentleman from New York [Mr. SANTANGELO] offers an amendment, to which the gentleman from Pennsylvania [Mr. MORGAN] makes the point of order that the amendment is not germane to the bill H.R. 11921.

The Chair has had an opportunity to examine the amendment offered by the gentleman from New York. The gentleman's amendment refers to taxation of certain income developed from loans guaranteed under the provisions of the bill.

Taxation of income is not within the jurisdiction of the Committee on Foreign Affairs, and it is not within the purview of the bill presently before the Committee of the Whole.

The Chair, therefore, is constrained to sustain the point of order made by the gentleman from Pennsylvania.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS: On page 3, strike out lines 17 and 18.

Mr. GROSS. Mr. Chairman, when the annual multibillion-dollar foreign handout bill comes before the House, you hear more apologists speak in behalf of it, trying to alibi its shortcomings, waste, corruption, and worse—you hear more of this than on any other bill that comes before the House of Representatives. This has been true through the years, and I wonder if I could get from the chairman of the committee and the spokesman on the minority side, the gentleman from Minnesota [Mr. JUDD] to provide short statements as to the objective of this program. I do not understand what you propose to accomplish with the continuation of this foreign handout program. What is it you seek to do with these billions that you want to spend?

Mr. MORGAN. I will make my answer very short: We are just trying to hold our own in the cold war we are fighting. That is it, very, very simply.

Mr. JUDD. Would the gentleman care to have my answer at this point?

Mr. GROSS. I would welcome the gentleman's answer.

Mr. JUDD. It is very simple: We are trying to strengthen and increase the capacity of free countries to maintain their independence against strong, determined, and well-organized threats from without and within.

Mr. GROSS. From the Communists, that is?

Mr. JUDD. That is right. To the extent that the Communist conspiracy is not able to get control of the manpower, land, and resources of free countries around the world; we are thwarting the Communists drive toward domination of the world, including ourselves. Free countries want to defend their freedom; we want to help them become strong enough to defend their freedom. That is good for them; that is good for us.

Mr. GROSS. This is all very interesting because my good friend and cousin, the gentleman from Minnesota [Mr. JUDD] made a speech I want to refer to.

In February of this year he made a speech in St. Louis in which he said:

> The United States in its contest with Russia must wake up to the fact it is already fighting world war III.

We have spent $100 billion on foreign giveaways and we are now in a war with the Russians. What are we doing with this $11 billion program this year, if we are right now in the war? It has failed, the gentleman is saying in effect, this program on which we have already spent $100 billion, yet he supports the spending of another $11 billion of our tax dollars in this fiscal year.

Mr. JUDD. I did not say it has failed. I think it has succeeded extraordinarily well, considering the magnitude of the problems that it has had to deal with around the world.

Mr. GROSS. If the gentleman will read his speech in the St. Louis paper, he does not say that.

Mr. JUDD. I do not know what the paper said. I have frequently said we are in world war III. Thus far it has been fought with economic, political, propaganda, and subversionary measures. I want us to win that kind of war, so perhaps we will not have to fight an atomic war. There have been failures in the foreign aid program, but the program has not failed; it has succeeded in its major objective of helping countries to become better able to maintain their full independence.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. I am astounded, as is the gentleman from Iowa, with reference to the apologies that have been made. I have listened to the same speeches for 20 years. They do not change much at all. But I was absolutely shocked at the perversion of history and truth. I actually heard the amazing statement made today that Tito was a friend of the Hungarian freedom fighters. If there ever was a perversion of a historical fact, that is it.

Mr. GROSS. I thank the gentleman for his statement and I agree with him completely.

Mr. Chairman, to get to the amendment I have offered, I see no reason, after spending $100 billion in foreign aid programs since the end of World War II, why we should spend any more money. We have been told it was for the purpose of establishing a climate favorable to American investment in foreign countries. There is now a ceiling of a billion dollars on guarantees to American investors going overseas. Now you want to raise that another $300 million. What has happened to the expenditure of this huge amount of money that requires you to raise the ceiling another $300 million on the guarantee program? How in the world can you defend raising this ceiling in view of the expenditures that have already been made? This is the best evidence of the utter failure of the so-called foreign aid programs. I am opposed to making American taxpayers responsible for another $300 million dollars and I hope the amendment will be adopted.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

Mr. Chairman, this is one section of the program that has no shortcomings. There has been no waste and no inefficiency. It has been an extremely sensible phase of the program. There have been but two losses, and these have not been fully determined, one of $600 and another for approximately $9,000. In return for this the U.S. Government has received in premiums from these private concerns over $9 million, which has come back into the Treasury of the United States and is used as a reserve.

This has been a successful program. The reason for the increase results from a great number of private industries and concerns that have invested private capital in the development in these countries. The more private industrial development that these countries obtain inversely will be the amount of public aid necessary. This has been a successful program. This has been the reason for it as more people have been taking advantage of it. It has earned the United States money rather than cost the United States money.

Mr. Chairman, I urge defeat of the pending amendment.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. BRAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there are items in this foreign-aid bill for which it is difficult to find any possible justification. A striking example is the $7 million which is going to Ghana for beginning the construction of a great power-producing dam on the Volta River. While this amount is small, its approval is merely a foot in the door and the project will cost many times this amount before the dam and powerplant are finished.

Ghana perhaps has less need for this help than any country in north or central Africa. While still a British colony Ghana became very wealthy, for an African state. The chocolate industry was very successfully developed during those years and when Ghana became independent there was a billion dollars in the treasury with practically no indebtedness.

Nkrumah, the leader in Ghana, became hostile toward the West and closely allied himself with the Communists. Nkrumah was the principal African leader against the United States at the Belgrade Conference. Freedom has all but disappeared from Ghana under Nkrumah, and the papers are filled with attacks on the United States and praise for Russia.

Many will say that the people of Ghana are friendly toward the United States; that is true. Nevertheless, to assist Nkrumah would give him great prestige and would strengthen him in maintaining an iron hand over the lives and freedom of his own people, as well as encourage the other countries of Africa to be enemies of the West.

The result of the construction of this great Volta Dam would not only increase the strength and prestige of the Communists but would injure America and the West. Power from the dam will be used to produce aluminum in great quantities. There is today a surplus of aluminum throughout the world, and American aluminum manufacturers who employ American workers are being forced to curtail operations. Today the United States has stockpiled many times the aluminum that we need. By the exportation of aluminum, Russia and her satellites have greatly damaged the aluminum markets of the free world and enhanced their own. Only the naive would doubt that the aluminum produced by the power of this dam, regardless of who may technically own the aluminum factory, will contribute to the Communist ability to destroy the aluminum industry of the free world.

Furnishing money to build the Volta Dam will strengthen the position of our Communist enemy, Nkrumah; it will injure our friends in Africa; it will assist the Communist world in injuring the free economy of the West. Briefly put, furnishing this money would follow a pattern which we in America are developing. In trying to make friends of our enemies, we make enemies of our friends. Such a philosophy has never succeeded in helping the country which followed it, but apparently we naively believe that such can be accomplished by helping the Communist leader, Nkrumah.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Minnesota.

Mr. MACGREGOR. If I am correct, Nkrumah identifies himself publicly as a Marxist. Can the gentleman confirm that, based upon his visits to Ghana and elsewhere last year?

Mr. BRAY. There is no question but what that is the case. He takes pride in it, and has been one of the leaders against America and the free world, in Africa, and every place he has ever visited.

Mr. MACGREGOR. It is my understanding that the old French Congo capital of Brazzaville, generally on the west side of the Congo River, a country much friendlier than Ghana, is also interested in building a project similar to the Volta project.

Mr. BRAY. That is correct.

Mr. MACGREGOR. Will the gentleman comment with reference to this proposal for the Congo by way of amplification of the administration plan to go ahead with the Volta River project in Ghana?

Mr. BRAY. I firmly believe if we go ahead with the Volta-Ghana project, we will tend to alienate every country friendly to us in Africa.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Iowa.

Mr. GROSS. Nkrumah appeared on a nationwide television broadcast in Washington, when he was here 2 or 3 years ago. He was asked the direct question as to his political philosophy, and his boastful answer was that he is a Marxist-Socialist.

Mr. BRAY. I do not think there is any question about that. In addition to that, if we help Nkrumah in this matter, it will injure the people of Ghana of having a chance to really have a free country. These people of Ghana are friendly to the United States, and I frankly believe that one of the worst things we can do to these freedom-loving people of Ghana would be to go ahead with this project. We have countries in Africa, friendly to us that need help much more than Ghana.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. To arrive at the formula how this foreign aid is handed out, if he were really a friend of the United States of America, instead of denouncing it, do you think he would get the money for the dam?

Mr. BRAY. I do not care to try to answer that.

Mr. BRUCE. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Indiana.

Mr. BRUCE. Is it not also true that Nkrumah has shown through his hiring of convicted spy Alan Nunn May where his allegiance lies?

Mr. BRAY. I do not believe there is any doubt about it, but that Nkrumah is a Marxist all the way through.

Mr. JOHANSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems to me in this deliberation, as in so many, we are giving evidence of being obsessed with the illusion that we can achieve salvation by spending. I submit that cash is no substitute for courage and resoluteness. In that conjunction I point out that in his propaganda tirade before the so-called World Congress on Disarmament and Peace in Moscow yesterday, Soviet Premier Khrushchev has once more added proof to the statement of a prominent English authority on communism that the Communists have deliberately decided "to harness the fear of war instead of war itself to the Communist cause."

And he has given a new timeliness to the warning voiced some months ago by the distinguished columnist, Roscoe Drummond:

> Fear of war has almost continuously paralyzed Western policy [since the end of World War II] but fear of war has not paralyzed Communist policy.
>
> If we continue to be afraid of nuclear war while the Soviets are not afraid of nuclear war, we are going to end up losing diplomatically what we fear to lose in a nuclear war. If we keep stepping back from the Moscow-created brink every time Mr. Khrushchev says: "Give us a little something more or you will get yourselves destroyed by war," we will keep on losing the cold war and getting nearer to actual war.

Khrushchev's latest pronouncement boils down to two simple propositions—or more accurately, ultimatums:

First. Settle the Berlin issue on Khrushchev's terms or risk nuclear holocaust.

Second. Accept Soviet disarmament proposals with a blind faith that Khrushchev thereafter will agree to Western-proposed controls.

Does Khrushchev think we are idiots?

Does Khrushchev suppose for a moment that nuclear blackmail is the basis for good faith negotiations?

What fears of his own Russian people is Khrushchev seeking to hide behind his professed fears of Germany?

What internal weaknesses and difficulties within Soviet Russia does he seek to conceal through his campaign of bluff, bluster, bunkum, and blackmail?

Never was it more imperative that American leadership meet this campaign of intimidation with resolute firmness.

Never was it more imperative that we clearly and sharply differentiate between that which money and so-called aid can buy and that which only resoluteness and firmness can save.

Mr. Chairman, I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. FASCELL: On page 4, strike out lines 6 through 9 and substitute the following:
>
> "(f) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title."

Mr. FASCELL. Mr. Chairman, this amendment deals with the authorization for reserves in the investment guarantee section of this program. We have already heard that this section is a very fine part of our program, and implements one of the major aspects of it by aiding the private sector of assistance to foreign countries. It has worked admirably well.

Under the law we are required to carry reserves for the guarantees issued. We have just recently acted on an amendment dealing with the ceiling on the fund; that is, the face amount of the guarantees which can be issued under each type of risk identified in the bill. The bill seeks to put a $100 million ceiling on the amount of the reserve required by law. Therefore, in my judgment, it is very poor business for us to put an authorization limit on the amount of the reserves which are required and which would be fixed practically automatically by the amount of the face of the guarantees which we do limit by committee action.

We have a check in our committee in this fashion and there is the further check that all reserves would have to actually be appropriated and be subject to the appropriation process. The purpose of the amendment simply is to provide the authorization for the appropriation of the needed reserves to back up the guarantees which we authorize. I believe it makes for simplicity; it makes for better legislative process; it makes for better control; and it would eliminate a problem before our committee which we really should not have.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I will be happy to yield.

Mr. GROSS. I still do not understand exactly what the gentleman is attempting to do. Is the gentleman attempting to take off the ceiling of $100 million?

Mr. FASCELL. As I have explained before, I thought—I will be very happy to do it again—this deals with the ceiling on the reserves which are required by law to back up the guarantees which are authorized by the legislation. By legislative action we fixed a total amount of the guarantees which may be issued. The gentleman from Iowa just offered an amendment to reduce by $300 million the amount of guarantees which could be issued in the specific risk investment guarantees section. That amendment was defeated. That means, therefore, that with the adoption of this bill we could issue up to $1.3 billion in the specific risk guarantees section. By law we are required to carry reserves for that purpose.

The section my amendment deals with has to do with the amount of reserves. There is no point in fixing a limitation on the authorization for the amount of the reserves; this is controlled by the limitation on the face amount of the guarantees. So my amendment simply authorizes the reserves which are now required without placing a dollar limitation on the authorization of such reserves.

In other words, it cannot cost any more money than that which is already authorized, because you control it by the face amount which you authorize in the guarantee. It simply means that the Appropriations Committee will have to determine for themselves the proper amount of the reserves for the guarantees.

Mr. GROSS. We are now guaranteeing against civil strife, insurrection, convertibility of currency, war damage, confiscation or expropriation—what else?

Mr. FASCELL. I would simply say that we are not expanding the guarantee of risks. We are just guaranteeing that which the law now authorizes.

Mr. GROSS. I understand that, but we are doing all of those things, are we not?

Mr. FASCELL. We are guaranteeing in the present law——

Mr. GROSS. And I guess more.

Mr. FASCELL. We are guaranteeing those specific risks which are outlined in the law. We are not changing that in any respect.

Mr. GROSS. Does the gentleman have any idea what a businessman in the United States would have to pay to Lloyds of London as a premium on a guarantee against war damage, in this country?

Mr. FASCELL. I do not have the slightest idea, but if he could get the benefits that he would get under this program, and if our country could get the benefits which it gets under this program, whatever the cost, it would be worthwhile.

Mr. GROSS. Would the gentleman suggest that the businessmen or the industrialists of this country have this same program?

Mr. FASCELL. I would say that under FHA we have a similar type guarantee, and I am very happy that we do. I think it is a wonderful thing. If the businessmen of this country could pool their resources or agree to underwrite these kinds of risks, I think it would be wonderful.

Mr. GROSS. I did not know that under the FHA we were guaranteeing them against war risk or convertibility of currency.

Mr. FASCELL. Of course not.

Mr. GROSS. We are going to have a devaluation of the dollar if we do not stop this foolish business that we have before us today, this nonsense of a giveaway program. We will have a devaluation of the dollar which is going to mean very much the same thing that the businessman runs into in a foreign country with respect to convertibility of currency.

Mr. FASCELL. I am not sure that I agree with the gentleman from Iowa but I would simply say this: The amendment before the committee at this time does not deal with that. The section we are dealing with is one of the best in the whole program.

Mr. MORGAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time simply to say to the gentleman from Florida [Mr. Fascell] that this did not come before the committee during the markup of the bill.

Mr. FASCELL. That is true. One of the reasons is that the calculation of the amount of the reserve fund was not properly made. I am sorry I did not catch it myself, but I think it is obviously based on the amount of reserves we are required to carry for the amount of guarantees now in the program. The provision in the bill would have the effect of stopping this fine program. I agree with the chairman we did not catch this in the committee, but I think this is a very necessary amendment if we want this investment guarantee program to continue, which we have already authorized. By law we are required to carry a reserve. My amendment simply provides the authorization by which the Appropriations Committee can fix the amount of the reserve.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time to correct the gentleman from Iowa. We are not insuring against loss from civil strife. The gentleman knows the House voted that down in the two previous Congresses and that the gentleman from Iowa and the gentleman from Illinois were in complete agreement that the inclusion of coverage for losses resulting from civil strife would be ruinous to the entire insurance program. We have not opened our insurance program to civil strife.

Mr. GROSS. You insure against insurrection.

Mr. O'HARA of Illinois. The word "insurrection" has been used, but I wish to make it clear that it was not the legislative intent that insurrection should include "civil strife."

The Clerk read as follows:

TITLE IV—SURVEYS OF INVESTMENT OPPORTUNITIES

SEC. 104. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out "1962" and "$5,000,000" and substituting "1963" and "$1,500,000", respectively.

ALLIANCE FOR PROGRESS

SEC. 105. Chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development assistance, is amended by adding at the end a new title VI, as follows:

"TITLE VI—ALLIANCE FOR PROGRESS

"SEC. 251. GENERAL AUTHORITY.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. It is further the sense of Congress that vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and to adopt reform measures to spread the benefits of economic progress among the people are essential to the success of the Alliance for Progress and to continued significant United States assistance thereunder. The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

"(b) Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance under this title, the

President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este and, in particular, the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economic and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives; and (4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved. In making loans under this title from funds which are required to be used for loans payable as to principal and interest in United States dollars, the President shall take into account, in addition to the considerations named in the preceding sentence, whether financing could be obtained in whole or in part from other free world sources on reasonable terms. The provisions of sections 201(d), 202(b), 202(c), and 204 shall be applicable to such loans, and they shall be made only upon a finding of reasonable prospects of repayment.

"(c) The authority of section 614(a) may not be used to waive the requirements of this title with respect to funds made available for this title which are required to be used for loans payable as to principal and interest in United States dollars, and the authority of section 610 may be used to transfer such funds only to funds made available for title I of chapter 2 of part I.

"(d) In order to carry out the policies of this Act and the purpose of this title, the President shall, when requested by a friendly country and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to insuring a wider and more equitable distribution of the ownership of land.

"SEC. 252. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, for use beginning in each of the fiscal years 1963 through 1966, not to exceed $600,000,000 for each such fiscal year which sums are authorized to remain available until expended and which, except for not to exceed $100,000,000 of the funds appropriated pursuant to this section for use beginning in fiscal year 1963, shall be available only for loans payable as to principal and interest in United States dollars. In presenting requests to the Congress for authorizations for appropriations for fiscal years 1964 through 1966 to carry out other programs under this Act, the President shall also present the program proposed to be carried out from funds appropriated pursuant to the authorization contained in this section for the respective fiscal year.

"SEC. 253. FISCAL PROVISIONS.—All receipts in United States dollars from loans made under this title and from loans made for the benefit of countries and areas of Latin America under title I of chapter 2 of part I of this Act, notwithstanding section 203, shall be available for use for loans payable as to principal and interest in United States dollars in furtherance of the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended."

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 5, strike all of lines 17 through 20.

Mr. GROSS. Mr. Chairman, I will make this very brief. The amendment would strike out the language on page 5 which reads as follows:

The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

"On such terms and conditions as he may determine"—it is impossible to write a broader grant or delegation of power to any Chief Executive than is contained in that language. I am opposed to the continual grants of power by Congress to the Chief Executive. I say to you the Congress ought to retain its powers. It certainly ought to direct the expenditure of the billions of dollars it levies from the citizens of this country.

Mr. Chairman, I yield back the remainder of my time.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the same language that is to be found in existing law, in the development grant section. This provision merely applies it to the Alliance for Progress. On page 6 of the bill, the gentleman will see the conditions laid down which direct the President in his providing economic assistance to the countries in Latin America. This language, as I said, is already incorporated in the 1961 act with respect to other type economic aid. It is not new language. It has been included in the provisions governing the Development Loan Fund since 1956. It is very vital to the successful operation of the Alliance for Progress program, and I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. PELLY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PELLY: On page 8, strike out lines 1 through 9, inclusive.

Mr. PELLY. Mr. Chairman, this amendment would prevent the use of receipts from loans under the Alliance for Progress without further action by the Congress. The section, as now drawn, according to the committee report on page 17, provides that all receipts from loans made in Latin American countries, including those heretofore made under the Development Loan Fund in those countries, shall be available in the future for reuse—reloan—without further appropriation. While it is true that this is the same arrangement as now exists in the law for the Development Loan Fund worldwide, it nevertheless short circuits the regular annual appropriation process and thus removes from required annual scrutiny the needs of the program from year to year as conditions change. It is a further abdication by the Congress over expenditures from the Treasury. It is a form of backdoor financing. If the Alliance for Progress program must come to Congress annually for the $600 million appropriation authorized in the bill, then certainly it could, and should, also be required to present its case for the further use of any repayments from Latin American loans.

The provision would normally be subject to a point of order but that has been waived under the provisions of the rule under which the bill is being considered.

According to the committee report on page 17, at a recent date, some $333 million could eventually become available for further loans under the provisions of this section.

Why this $333 million of back-door spending? Why not a regular appropriation, with a yearly review—along with a request such as is provided for the $600 million in this bill?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. Only last year we had quite a fight in the House over back-door financing, did we not?

Mr. PELLY. I will say to the gentleman from Iowa that I think the House did a very effective job in cutting out a lot of back-door financing.

Mr. GROSS. By this same agency.

Mr. PELLY. By this same agency. It was on a larger scale, I believe, but the fact, however, is the same.

Mr. GROSS. This proposal in effect is another back-door financing operation. Where are the voices that were raised last year against back-door financing?

Mr. PELLY. I hope that the gentleman will let me say that the voices will be right here today. We can just strike out this back-door financing provision in the bill right now.

Mr. GROSS. I hope so, too.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the principle is not the same as we voted on a year ago on the matter of long-range financing. This involves no new money whatsoever. The moneys involved in this provision are moneys that have already been authorized and appropriated.

Section 203, fiscal provisions, reads as follows:

SEC. 203. FISCAL PROVISIONS.—All receipts from loans made under and in accordance with this title shall be available for use for the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended.

This is in existing law. This provision merely allows the revolving fund to receive the income that will be paid back from Latin American nations under the Alliance for Progress to be put in the revolving fund of the Alliance for Progress rather than being repayable to the Development Loan Fund.

I ask for the defeat of the amendment.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in discussing the financing of these loans, let it be understood that loan money as well as appropriated money is a drain on our gold reserves. Let nobody make a mistake that foreign aid is not a most powerful cause of inflationary pressures. Many people are aware that most foreign aid money is spent here in America and they think that because it is spent here there is no drain on our gold reserve and that it is not inflationary.

On both counts they are mistaken. Although the money is spent here, the goods and services are shipped overseas without any dollar return. Thus it positively is a severe drain on our gold reserve and also a heavy inflationary measure.

This is so because when the goods and services are shipped overseas without dollars returning, the supply of goods and services in the United States is severely decreased without any corresponding decrease in the demand for goods.

If that does not increase the inflationary pressure, I do not know what will.

Inflation is the cruelest form of taxation. It is felt by the worker and people from all income groups. The distressing thing about this inflationary pressure is that it will hurt fixed income groups most cruelly in that they have no means of retaliating.

I cannot condone the double taxation that will ensue if this measure passes. All groups are faced with direct taxation, but a second tax, brought about by inflation, is a tax on the cost of living and must be avoided.

The New York Herald Tribune of Sunday, June 24, in part states:

> European central banks have set a deadline of December 31 as the point at which they will no longer add to their holdings in dollars, apparently after deciding this was the maximum amount of time they would allow the American Government to improve its economic affairs.

The Herald Tribune went on and said:

> This, the Herald Tribune learned authoritatively, was the real reason why Walter Heller, Chairman of the President's Council of Economic Advisers, was dispatched to Europe to talk behind closed doors.
>
> Rumors have been rife in European capitals for the last 6 months that devaluation of the dollar is inevitable.

Mr. Chairman, these are things that we are facing—it is real irresponsible nonsense—regardless of amount of distress of the dollar abroad:

First. The administration's decision to step up deficit spending.

Second. Its failure to announce the recent gold losses and the replacement of gold lost from the Exchange Stabilization Fund.

Third. Canada has been in a bad position, but not nearly as desperate as ours.

Fourth. The United States loaned $285 million to India at three-fourths of 1 percent interest.

Fifth. There is the general fear that Congress will support the President's demand for $4.6 billion of foreign aid for fiscal year 1963, an action that could result in the collapse of our economy.

It certainly is necessary for the Congress to drastically reduce the $4.6 billion foreign aid appropriation. The fiscal 1963 budget must be balanced. This action should satisfy the European holders of some $23 billion of short-term credits redeemable in our gold.

I oppose the fiscal irresponsibility of this bill and I oppose the bill in its entirety.

Mr. MEADER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like the attention of the chairman of the committee to find out whether or not I understand the effect of the amendment offered by my colleague, the gentleman from Washington [Mr. PELLY].

By striking the first nine lines on page 8, it is my understanding that we would be removing a limitation upon the back-door spending activities of use receipts by the Development Loan Fund from repayments of loans.

It seems to be agreed that there is now authority for worldwide relending of receipts from repayment of development loans.

The provision on page 8 says that the receipts which are returned from loans made in Latin American countries should be used only for further relending in Latin America, that we cannot take $333 million received from loans made in Latin America, for instance, and lend it all to India.

If we remove this language from the bill, then there will be completely unrestricted authority in the Development Loan Fund so that the receipts from repayment of loans to Latin American countries need not be relent to Latin American countries but can be used anywhere else in the world.

By this amendment we would actually enlarge rather than limit the back-door spending authorized in existing law.

Now, if my colleague from Washington had offered an amendment to delete from existing law the back-door spending authority, I would have been happy to support it. But, it seems to me to adopt his amendment would be to enlarge their authority rather than restrict it.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. The gentleman is absolutely correct. This is a limitation. The amendment would enlarge the scope of money usable for other purposes.

Mr. ALGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had really hoped to have the opportunity of offering amendments to this bill, but I must be frank to state that I see no amendment on the horizon to make this bill acceptable to me, it is such bad legislation.

I think this bill is unconstitutional, it is illegal, it is immoral, it is suicidal and just plain downright foolish. I presented my views in Monday's debate, page 12988, CONGRESSIONAL RECORD, July 9, 1962. I realize that most Members cannot be influenced by debate here, but only by constituents and the White House. Yet, I cannot sit and listen to this debate for 2 straight days—and I will stay to the bitter end—without getting in my two cents during this period of amendment. I am in sympathy with those who will offer amendments, in whose efforts I wish to share, and I also realize that their efforts will be more fruitful than were I to present them, inasmuch as I will still be opposed to the measure, if and when the expected improving amendments are accepted. I cannot vote for the bill even after the amendments are accepted. And, I believe my views in opposition are those held by the majority of the people of this country. Woe to those Members who do not realize that the people of this country are aware of the faults of the foreign aid program and their disapproval of this bill.

I want to take my hat off to the gentlewoman from Illinois [Mrs. CHURCH], and the gentleman from Indiana [Mr. ADAIR] for their committee views. I lament the fact that more Members did not join with them in the minority report. I am looking forward to theirs and others' amendments, that may be offered, including the Adair, Bow, Casey, Hardy and Feighan amendments.

So, I had to get my two cents in today. How appalled I was at the lack of attendance last Monday during debate. There seems to be a like lack of attention here today, and I find very little to commend to the people of Dallas, that I have the honor to represent, in this kind of bad—yes, foolish legislation, giving our wealth away to the dedicated enemies, Communists and Socialists, and self-styled neutrals who take our money and denounce us, all the while we puzzle, and confound our friends and allies.

Mr. Chairman, for the benefit of those who may have forgotten that we are not dealing with new problems here, that these same objections to foreign aid as it is constituted, have been raised again and again, I would like to include some statements which have been made in the past. First, the excellent report by the chairman of the Foreign Operations Subcommittee on Appropriations, Mr. OTTO E. PASSMAN; second, the minority views to the report on the mutual security program for 1960 as prepared by Mr. PILCHER, Mrs. CHURCH, and Mr. ADAIR; third, the "Additional Views to the Mutual Security Report of 1961" by Mrs. CHURCH and Mr. ADAIR; fourth, my newsletter of June 20, 1959; sixth, my newsletter of August 1, 1959; seventh, my newsletter of August 19, 1961, and eighth, my newsletter of September 9, 1961.

> MARCH 15, 1962.
>
> MY DEAR COLLEAGUE: It is my privilege to again provide you with a recapitulation showing foreign aid funds available under the mutual security program for fiscal 1962. These are not all the funds available for foreign aid, but only the funds handled by the subcommittee which I have the honor to serve as chairman.
>
> Attached hereto is a verified statement showing amounts available for obligation and expenditure for the present fiscal year ending June 30, 1962. All of the funds will not be disbursed during fiscal 1962, but will remain available in either an obligated or reservation status. The annual funds for this program are again increasing, rather than decreasing as the Congress had hoped. For a comparison, I am listing below the amounts available for fiscal years 1962, 1961, and 1960.

1. Fiscal 1962	$10,078,319,114
2. Fiscal 1961	8,551,215,000
3. Fiscal 1960	8,111,521,750

> Each Member will make up his own mind as to whether it is in the interest of our country to permit the foreign aid program to again skyrocket to an amount in excess of actual needs to meet reasonable requirements. I base this statement on the type

of justifications upon which our Committee is forced to make recommendations.

I have just finished compiling an interesting recapitul tion showing the status of our gold reserves and balance of payments for the past 10 years. It is an alarming situation and is tied directly into foreign aid (some of the justifiers of the aid program try not to agree with this statement). Many of the recipient nations of our aid dollars are buying our gold without first establishing a need. If we permit this trend of substituting this Nation's wealth and dollars for common sense and reason to continue, chaos will be the result. If you would like to receive a copy of this recapitulation, it will be made available to you upon request.

Cordially yours,

Otto E. Passman,
Chairman, Foreign Operations Subcommittee on Appropriations.

Foreign aid funds by program and amount (available for expenditure in fiscal 1962)

1. Military assistance:		
Unexpended—June 30, 1961	$2,539,601,861	
New funds—Fiscal 1962	1,600,000,000	
New funds—Other	54,846,330	
		$4,194,448,191
2. Defense support:		
Unexpended—June 30, 1961	587,376,191	
Supporting assistance:		
New funds—Fiscal 1962	425,000,000	
New funds—Other	40,122,455	
		1,052,498,646
Total		5,246,946,837
3. Development loans (credits):		
Unexpended—June 30, 1961	1,471,245,007	
New funds—Fiscal 1962	1,112,500,000	
New funds—Other	2,680,000	
		2,586,425,007
4. President's contingency fund:		
Unexpended—June 30, 1961	192,298,987	
New funds—Fiscal 1962	275,000,000	
New funds—Other	9,180,231	
		476,479,218
5. Technical cooperation:		
Bilateral: Unexpended—June 30, 1961	129,988,610	
Bilateral development grants: New funds—Fiscal 1962	296,500,000	
		426,488,610
6. Technical cooperation:		
U.N.: Unexpended—June 30, 1961	15,821,808	
CTI organizations: New funds—Fiscal 1962	153,500,000	
CTI organizations: New funds—Other	4,843,908	
		174,165,716
7. Administrative expenses, AID:		
Unexpended—June 30, 1961	7,809,750	
New funds—Fiscal 1962	47,500,000	
New funds—Other	1,104,280	
		56,414,030
8. Administrative expenses, State:		
Unexpended—June 30, 1961	2,019,397	
New funds—Fiscal 1962	3,000,000	
New funds—Other	35,796	
		5,055,193
9. Development grants, specified: New funds—Fiscal 1962		$100,000
10. Investment surveys: New funds—Fiscal 1962		1,500,000
11. Alliance for Progress: Unexpended—June 30, 1961		600,000,000
12. Inter-American Development Bank:		
Unexpended—June 30, 1961		[1]
New funds—Fiscal 1962		110,000,000
13. International Development Association:		
Unexpended—June 30, 1961		[1]
New funds—Fiscal 1962		61,656,000
14. Peace Corps:		
Unexpended—June 30, 1961	$1,202,609	
New funds—Fiscal 1962	30,000,000	
		31,202,609
15. Special assistance: Unexpended—June 30, 1961		195,218,429
16. President's Asian Fund: Unexpended—June 30, 1961		50,971,860
17. Development assistance: Unexpended—June 30, 1961		32,188,853
18. Atoms for Peace: Unexpended—June 30, 1961		6,078,215
19. Intergovernmental Committee for European Migration: Unexpended—June 30, 1961		4,875,766
20. Escapee program: Unexpended—June 30, 1961		3,495,359
21. U.N. Children's Fund: Unexpended—June 30, 1961		3,262,720
22. U.N. Relief and Works Agency: Unexpended—June 30, 1961		3,174,673
23. U.N. Refugee Fund: Unexpended—June 30, 1961		800,000
24. Technical cooperation, OAS: Unexpended—June 30, 1961		774,666
25. Ocean freight: Unexpended—June 30, 1961		237,266
26. NATO science program: Unexpended—June 30, 1961		130,000
27. North Atlantic Treaty Organization: Unexpended—June 30, 1961		62,257
28. Joint control areas: Unexpended—June 30, 1961		15,[illegible]
Total funds available for expenditure in fiscal year 1962		10,078,319,114

RECAPITULATION

1. Unexpended funds (from prior fiscal years) June 30, 1961	5,849,250,114
2. New funds (appropriated), fiscal 1962	4,116,256,000
3. New funds (reappropriations, sales, and other), fiscal 1962	112,813,000
Total funds available for expenditure	10,078,319,114

[1] $532,700,000 unexpended funds for IDB and IDA not included in totals.

Minority Views of Mr. Pilcher, Mrs. Church, and Mr. Adair on H.R. 11510

For some years, as earnest participants on the committee considering the Mutual Security Act, we have felt compelled to be realistic and honest critics, not of what is sought to be done but of the inadequate planning and poor administration of the program. Despite efforts this year to make some improvements in this basic legislation, we can see no indication that the actual planning and administration of the program will be radically changed. As in previous years, we who find this present bill unsatisfactory again assert that we believe in mutual security. We do not believe, however, that the present measure, H.R. 11510, adequately meets the challenge to provide such mutual security. It does not present the new imaginative program which is so necessary to further the efforts of the United States to build peace and progress in this troubled world.

Despite conclusive evidence that, due to obvious uncorrected weaknesses, the program has failed to achieve the anticipated results toward the establishment of security in the free world, H.R. 11510, as reported out by the Committee on Foreign Affairs, authorizes an appropriation of $1,318,400,000, a reduction of $136,500 from the executive request. In addition, there are continuing authorizations, agreed to by the committee last year, for military assistance, the Development Loan Fund, and other smaller items, in the amount of $2,720,100,000. In other words, the total amount proposed to be appropriated for fiscal year 1961 is $4,038,500,000. Furthermore, under Public Law 480, additional funds will be made available to the mutual security program.

Last fall a study mission comprised of members of the Committee on Foreign Affairs completed a 40,000-mile tour to study the impact of U.S. foreign aid programs in the areas around the world. The chairman of this minority report was also chairman of the study mission. Another signer of the minority report accompanied him. In its report the study mission pointed up the reality and justice of our former criticisms. The final conclusions of the report had this to say about foreign aid:

"The study mission is convinced that a realistic review and reappraisal of our aid program is immediately necessary, and that greater supervision must be given to its operations. However noble the purpose or well advised the goal, the quality and success of performance remain an essential criterion of success. We have pointed out in this report specific cases of poor programing and excessive spending. There is indication in more than one instance that, as suggested by the Comptroller General in 1959, the field operations have actually been hampered by an excess rather than a paucity of funds. A far more vigorous effort, moreover, must be made to correct conditions and weaknesses that are known to exist and that have been pointed out again and again. There is some indication that blame for such weaknesses should be placed as much, if not more, on the planners in Washington than on those in the field. In any event, there is ample justification for our insistence that there be a complete revision of programs and operations.

"In fact, there is justification for insistence on a broader vision and a more imaginative approach. Such approach should aim to produce in the peoples of the world greater and more successful self-reliance and stable political institutions under which the people in each country could live in freedom and dignity with full enjoyment of economic progress under democratic institutions.

"What is desperately needed in this world to build sound bodies and sound minds is an adequate food supply and elementary education. In generations to come, grandiose dams and multimillion-dollar fertilizer plants might bring ultimate benefit, but we express again our fear of the inconsistent and strikingly dangerous gap between such grandiose projects at the top and the millions of human beings still starving, still untaught, who have neither the stamina to undertake nor the capacity to understand self-government. Without such understanding and capacity there is little chance for orderly progress. Such a course only adds to economic dislocation and confusion. Premature advance toward industrialization not only seriously strains the present capacity of countries but is bound to produce an insecure economic base. We would urge, therefore, that primary attention be given to food production and the teaching of at least elementary knowledge.

"Since the end of World War II, the United States has spent well over $80 billion in aid to the nations of the world. The program has assisted in the effort of keeping them free and improving their economic position. In recent years changing conditions in the United States and in the world require reappraisal and revision of the program. The struggle to maintain freedom and encourage economic development involves the future of all free nations and, therefore, must be regarded by them as a joint responsibility.

"The financial condition of the United States makes an expenditure each year of $3 to $4 billion an extremely difficult burden to carry. Such an effort can be justified only if the programs and obligations succeed in achieving their objectives. The American citizen today is paying more peacetime taxes than ever before. Interest on the public debt is taking approximately one-twelfth of all taxes collected. The American dollar, once the strongest and most sought after currency in the world, is selling at a discount in some countries (e.g., Canada, Switzerland, Belgium). Our gross national debt is approximately $292 billion.

"Those nations which the United States helped to rehabilitate after World War II, and which are now financially strong, should make every effort to assist, both militarily and economically, in strengthening the less developed countries. The United States should no longer carry so large a share of the military and economic assistance to the other free nations of the world.

"Furthermore, since 1947, the United States has so given to other countries its technical know-how and the dollars to develop it, that its own formerly unchallenged economic supremacy of the free world is under successful attack. The United States faces stronger economic competition than ever before—a competition that can have an immeasurable effect not only on our trade but on our industrial prosperity and the high living standards of our workers. Every possible wise step must be taken to protect our own position in world trade as well as the stability of the American dollar.

"These facts, in addition to the findings of the study mission, underlie our insistence for an immediate detailed examination and careful review and revision of programs and operations.

"In particular, the study mission comes back impressed by obvious evidence that ultimate failure is inherent in the program unless we can somehow develop plans and operations that will reach down to the people themselves of each country."

Paul G. Hoffman, in his pamphlet, "One Hundred Countries, One and One-Quarter Billion People," succinctly states the problems confronting underdeveloped countries:

"The underdeveloped countries need high-level manpower just as urgently as they need capital. Indeed, unless these countries are able to develop the required strategic human resources they cannot effectively absorb capital. But human resources of the less-developed nations have been shamefully neglected. Only a very small percentage of the people who live in these countries have ever had an opportunity to acquire an education and only a few have ever had positions of responsibility. There is a huge need for training of all types from on-the-job training of artisans to training in more complex technological and management sciences.

"Of all the resources required for economic development, high-talent manpower requires the longest leadtime for its creation. Dams, power stations, textile factories, and steel mills can be constructed in a few years, but it takes 10 to 15 years to develop managers, engineers, and the administration to operate them. The existence of such manpower, however, is essential if the countries are to achieve self-sustaining growth.

"Thus, while it is imperative that these countries survey their natural resources and draw up programs spelling out priorities for the strategic investment of capital in their development, so must they draw up some kind of a 'high-level manpower budget' for the next 10 or even 20 years. This should be an integral part of their development plan."

Eugene R. Black, President of the International Bank for Reconstruction and Development, in a speech made at Oxford University, England, on March 3, 1960, stated:

"We think that in administering economic aid quality is more important than quantity; even the most enthusiastic supporters of economic aid recognize that the outside world cannot provide more than a small margin of the resources needed; the really crucial economic and human resources must come from within. Therefore, it is only realistic, we think, to try to use economic aid primarily to promote proper standards in the art of managing a country's resources."

This present legislation in no sense gives the true picture of what is available for mutual security. Attention is directed to the following figures showing mutual security funds by program and amount available for expenditure for fiscal year 1960, which were inserted in the CONGRESSIONAL RECORD of March 31, 1960, by Hon. OTTO E. PASSMAN, chairman of the Subcommittee on Foreign Operations of the House Appropriations Committee:

Mutual security funds by program and amount (available for expenditure (fiscal 1960))

	Total available for expenditure
1. Military assistance:	
Unexpended, June 30, 1959	$2,547,998,755
New funds, fiscal 1960	1,331,247,000
Sale, military material, fiscal 1960	30,200,000
Total	3,909,445,755
2. Defense support:	
Unexpended, June 30, 1959	787,500,953
New funds, fiscal 1960	695,000,000
Sale, military material, fiscal 1960	500,000
Total	1,483,000,935
3. Development Loan Fund;	
Unexpended, June 30, 1959	782,010,480
New funds, fiscal 1960	550,000,000
Loan repayments, fiscal year 1960	15,700,000
Total	1,347,710,480
4. Development assistance, unexpended, June 30, 1959	97,768,490
5. Special assistance:	
Unexpended, June 30, 1959	173,389,255
New funds, fiscal 1960	245,000,000
Estimated reimbursement, fiscal 1960	100,000
Total	418,489,255
6. President's Asian fund, unexpended, June 30, 1959	85,846,438
7. President's contingency fund:	
Unexpended, June 30, 1959	139,789,149
New funds, fiscal 1960	123,753,000
Total	263,542,149
8. Technical cooperation bilateral:	
Unexpended, June 30, 1959	158,717,287
New funds, fiscal 1960	150,000,000
Estimated reimbursement, fiscal 1960	700,000
Total	309,417,287
9. Technical cooperation, U.N.:	
Unexpended, June 30, 1959	8,292,101
New funds, fiscal 1960	30,000,000
Estimated reimbursement, fiscal 1960	---------------
Total	38,292,101
10. Technical cooperation, Organization of American States:	
Unexpended, June 30, 1959	$1,307,960
New funds, fiscal 1960	1,200,000
Total	2,507,960
11. Joint control, unexpended, June 30, 1959	472,167
12. Atoms for peace:	
Unexpended, June 30, 1959	9,280,648
New funds, fiscal 1960	1,500,000
Total	10,780,648
13. North Atlantic Treaty Organization, unexpended, June 30, 1959	1,088,558
14. Intergovernment Committee for European Migration:	
Unexpended, June 30, 1959	10,829,222
New funds, fiscal 1960	7,371,000
Total	18,200,222
15. U.N. Refugee Fund:	
Unexpended, June 30, 1959	1,200,000
New funds, fiscal 1960	1,100,000
Total	2,300,000
16. Escapee program:	
Unexpended, June 30, 1959	6,887,757
New funds, fiscal 1960	4,632,000
Total	11,516,757
17. U.N. Children's Fund:	
Unexpended, June 30, 1959	8,925,635
New funds, fiscal 1960	12,000,000
Total	20,925,635
18. U.N. Relief and Works Agency:	
Unexpended, June 30, 1959	8,956,957
New funds, fiscal 1960	25,000,000
Total	33,956,957
19. Ocean freight:	
Unexpended, June 30, 1959	1,662,992
New funds, fiscal 1960	1,910,000
Total	3,572,992
20. Control Act, unexpended, June 30, 1959	119,101
21. Administrative expenses, ICA:	
Unexpended, June 30, 1959	4,956,497
New funds, fiscal 1960	38,000,000
Estimated reimbursement, fiscal 1960	800,000
Total	43,756,497
22. Administrative expenses, State:	
Unexpended, June 30, 1959	708,341
New funds, fiscal 1960	8,100,000
Total	8,808,341
Grand total	8,111,521,750

Mutual security funds by program and amount (available for expenditure (fiscal 1960))—Continued

	Total available for expenditure
RECAPITULATION	
Unexpended funds, June 30, 1959	$4, 837, 708, 750
New funds, appropriated, fiscal 1960	3, 225, 813, 000
New funds, other, fiscal 1960	48, 000, 000
Total	8, 111, 521, 750

INADEQUATE PLANNING AND POOR ADMINISTRATION

Since the end of World War II the United States has spent more than $80 billion to assist nations in remaining free and in improving their economic conditions. Newly independent nations seek to build prestige by building huge dams, steel mills, and superhighways before there is need for such grandiose projects. As a result the International Cooperation Administration has acceded to too many requests for such programs and there have been to many projects begun without proper planning, determination of need, or benefits to be derived. Too often the people at the grassroots do not derive any immediate benefits from these grandiose projects—but continue to live in poverty and hunger under circumstances which certainly are not conducive to economic well-being or the development of democratic processes. Too much emphasis has been placed on meeting the personal desires of the political leaders of the recipient governments and too little emphasis on the needs of the little people who, after all, determine the potential and the future of each country.

There is a true need for technical assistance in all of the underdeveloped nations, but such assistance should be given on the basis of a smaller number of better selected projects. A study mission, of which two of the signers of this minority report were members, found more than 600 projects in being in one country and more ready to be started before completion of the existing projects. The criticism that a multiplicity of projects has been undertaken is justified by the appended compilation showing aid to and projects in countries which the study mission visited (pp. 119–172).

In too many instances inadequate planning has resulted in the undertaking of impractical and unsuitable projects in underdeveloped nations which have led to excessive spending and waste of U.S. funds. We cite the following examples in support of these charges: A highway program in Vietnam on which the costs have skyrocketed from $18 million to $85 million, and may exceed $100 million before its completion; a fertilizer plant in Taiwan, started with foreign aid money and estimated to cost approximately $34 million, which is nonoperable because some of the equipment does not meet the specifications for the desired operations, and on which the Taiwanese Government has instituted proceedings against the manufacturer for contractual noncompliance; radio towers installed in Saigon which have never been put in operation because their utility is undetermined and their location in doubt.

As a further illustration, it seems worth while at this point to go into the problem of the Saigon water program in detail, and quote from the previously mentioned subcommittee report.

"Everyone agrees Saigon badly needs a new water system, but plans have bogged down in a heated dispute between two schools of thought. On one side is the International Water Corp. of Pittsburgh which believes in deep wells. It has done business in Saigon for 30 years and has drilled most of the city's wells. On the other side is the Hydro-Technique Corp. of New York which believes in dams and pipelines.

"Our foreign aid authorities gave the Hydro-Technique Corp. a $200,000 contract for a survey 2 years ago. Hydro-Technique came up with a report favoring a dam and filtration plant on Dang Nai River near Bien Hoa, 18 miles north of Saigon. From this plant a 72-inch pipeline would lead to Saigon. The International Water Corp. made several surveys, all of which showed again that deep wells are quite adequate. What is more, the International Water Corp. said they would be much cheaper and provide water much sooner. The Hydro-Technique pipeline project is estimated to cost $19.5 million to be put in by the United States. The International claims it can give Saigon all the water it needs indefinitely for $12 to $14 million. The Vietnamese seem to favor the dam and pipeline system, but the military of both Vietnam and the United States have raised the question of security. It was at Bien Hoa that two American military advisers recently were killed when Red terrorists tossed a grenade into a movie audience.

"It is pointed out that the 18-mile aboveground pipeline could be sabotaged and the already hard-pressed Vietnamese Armed Forces probably would have to furnish daily patrols, as well as guards for the river plant.

"In November 1959 the Development Loan Fund approved a $19.5 million loan for the water system and called for another survey. Who gets the contract for this survey and what it will cost, we do not know."

The most urgent need in many of the underdeveloped countries is the employment of manpower, which is one of their greatest economic resources. There is intense need for development of the agricultural regions and the implementation of small industries so that this excessive supply of manpower may be put to productive use, instead of the multimillion-dollar projects carried out by contract with large business firms only interested in making a profit, with little or no regard for the utilization of local manpower.

LOSS OF CONGRESSIONAL CONTROL

We regret that each year there is further shrinkage in the degree of control exercised over the program by the Congress. Progressive loss of control of funds inevitably leads to loss of administrative control. In the face of our repeated criticisms over the years of the administrative deficiencies in the foreign aid program, the executive branch this year requested an appropriation of $4,175 million for mutual security. During fiscal year 1959 total U.S. mutual security expenditures were $3,898 million. Despite the fact that we are being asked to continue to pour vast sums of money into the program, this request for funds in fiscal year 1961 makes no suggestion for strengthening congressional control over the programing and expenditure of funds. Nor is any recognition seemingly given to the fact that many of the projects do not have economic justification, let alone a defense requirement.

It is true that the bill for this year contains no authorization for military assistance. The mutual security law was changed last year so as to provide that for fiscal years 1961 and 1962 such sums as might be necessary could be appropriated for military assistance. This is an open-end authorization. There is no possible way to indicate just how much will actually be spent for the military under the unlimited amount authorized. We definitely feel that such authorization further weakens the control of the Congress over the funds and over the program.

In our judgment, the Congress made a serious mistake when it changed the pattern of congressional action as regards the military aid programs which previously had prevailed for nearly 10 years. It is urgent that we return to the original procedure whereby military assistance funds were annually authorized and annually appropriated.

BUREAUCRACY IN MUTUAL SECURITY PROGRAMS

The foreign-aid program is administered by an increasingly large number of personnel without any noticeable increase in efficiency. This has led to the creation of an entrenched, self-perpetuating bureaucracy, still growing in size, power, and inefficiency. In this regard, the figures speak for themselves. In December 1948, a total of 2,858 persons were employed in the economic aid program. Today there are more than 42,000 personnel employed in the administration of the mutual security program.

INADEQUACY OF INSPECTION

The Office of Inspector General and Comptroller was created in last year's mutual security legislation to undertake the required actions to correct a program warped with waste and inefficiency. It was hoped that the creation of such an office would bring to the program a fresh review through impartial inspection by competent personnel whose judgment would not be prejudiced though longtime association with the practices and operations under consideration. It was brought out in the hearings on the program this year that personnel who have worked with the International Cooperation Administration in various capacities throughout the years are now being employed in this new Office of Inspector General-Comptroller. We find no personal fault with those administering the Office of Inspector General-Comptroller but we do feel that the decision to place the inspection of the program in the hands of those who have been intimately associated with its development was a wrong decision.

DANGERS IN THE DEVELOPMENT LOAN FUND

The Development Loan Fund continues to be an adjunct of the foreign-aid program for the making of loans rather than grants. When the Development Loan Fund was created, many of us were given the impression that the making of loans to underdeveloped countries for economic development would result in a reduction of economic grant assistance. There has been no appreciable reduction in the use of economic grant assistance funds.

Testimony received during the hearings indicates that money in the fund has been earmarked for certain countries without having received from those countries specifications and plans for particular economic projects. As a result of this unorthodox and inefficient procedure, many countries with worthy projects have been denied the assistance that they require because of the lack of funds. Until sound methods are utilized, the Development Loan Fund cannot possibly achieve maximum success.

NEED FOR REVIEW AND REVISION OF MUTUAL SECURITY PROGRAM

In prior years we have expressed our strong conviction that a realistic and objective review of the mutual security program and the legislation by which it is implemented should be immediately undertaken. Although annual revision of the act has been made, the basic legislation has not been thoroughly considered or rewritten since 1954. We are hopeful that the entire mutual security legislation will be reviewed by the committee in the next session of Congress.

Again this year we urge a thorough study, a reappraisal, and a redefining of foreign policies and methods. What is needed is a deeper understanding of the fundamental problems, better programing, and more efficient administration. To continue to vote large appropriations for the mutual security program is not enough. To refuse to face the facts and in the very name of mutual security and freedom fail to demand adequate remedy for current deficiencies would be a negation of our congressional responsibility.

ADDITIONAL VIEWS

Previous statements of criticism of foreign aid programs and operations made by us over the years have pointed out our interest in mutual security, our dedication to peace, and our desire for friendship and understanding among peoples of all nations. We, of course, believe strongly in mutual security and hold in particular that our several commitments to aid and strengthen our allies and friends must be kept. In the past, however, in face of the obvious failure of the program to meet expectations and need, we have called repeatedly for a complete review and revision of foreign aid legislation.

This year we looked forward with much optimism to new legislation to be brought before the committee, in the hope that it would adequately meet the challenge that this country faces as the leader of the free world. We foresaw legislation that would carry at least indication of needed success. We foresaw furthermore the possibility of strengthening the bill that was offered, through essential amendments. Such amendments did not pass.

H.R. 8400 fails to meet the critical need as demonstrated by our world situation for new and practical vision; adequate new tools; built-in guarantees against repetition of former errors and miscreancy; and assurances of sufficient increased regard for U.S. interests. As sincere critics of past programs and past performances, we regret, perhaps more than others, that this new legislation fails to meet either our anticipations or the need.

At a time when our Nation faces new trial and challenge—a challenge that all Americans accept with requisite courage and determination—nothing less than the best should be considered acceptable or accepted.

The basic problem which this Congress must face is the one that we expressed to the Secretary of State on the first day of our hearings:

"The problem of why it is, after all these years, despite a noble goal and good intentions and unstinted appropriations, that we are presently where we are" (hearings, p. 90).

And the partial answer must be, noble goals and good intentions and billions of dollars are not, in themselves, enough.

We agreed in large part with and signed the supplemental views of the minority stated elsewhere in this report. We, too, agree that the note-issuing authority is not a necessary method or a proper method to finance long-term development loans.

We further agree, as regards the hope of the administration to obtain social reform in the countries to be aided that a new method of financing our program at home will not hasten reforms abroad—unless that method will ignore or minimize foreign policy objectives.

We agree with the supplemental views that the record does not justify the expressed fear that the Congress would fail to provide the funds needed to continue valid foreign assistance programs. The two signers of these additional views remain unconvinced, however, that "friends" can be won—or social reform necessarily imposed—through "dollar diplomacy." We particularly concur with the statement that the proposal for borrowing from the Treasury to meet the costs would weaken the control of Congress.

FISCAL RESPONSIBILITY REQUIRED

However, our criticism of H.R. 8400 goes further than the pointed objections raised in the minority supplemental views and must in good conscience be accordingly expressed.

At this critical moment in U.S. history, it is incumbent upon us to insist upon the most thorough and complete fiscal justification for any and all expenditures that Congress votes. This is all the more true in face of rising military costs. We must take a long hard look at all spending programs. As we already know, the budget deficit for fiscal year 1961 amounted to $3.9 billion—well beyond expectations; and it is estimated that in fiscal year 1962 the deficit will reach at least $5 billion. Our concern must be focused on the magnitude of expenditures in the foreign aid bill, not only for fiscal 1962, but in the years ahead.

MONEY REQUESTED AND SUMS AVAILABLE

The foreign aid bill for fiscal year 1962, as reported by the committee, specifically authorizes $4,355,500,000. The new sums will be made available despite an estimated unexpended balance as of June 30, 1961, of $5,443,412,000, of which approximately $145,500,000 remains unobligated. The bill, however, sets no overall cost on foreign aid beyond the $8,800 million in loans over 5 years, plus $1,368.5 million in grants to be made available in fiscal year 1962. It does give the President such wide authority to tap other programs and resources, including the military stockpiles and interest accruing from and repayments of previous loans, that the total authorization is far greater. An estimated total outlay of over $30 billion over the next 5 years is closer to reality; and this does not include $1,800 million in military aid for 1962, and sums appropriated in the succeeding years for military assistance, plus such sums as may be necesary to implement the act.

It is almost impossible indeed to get two agreeing estimates as to the actual amount of money contained in this bill (H.R. 8400). In the corresponding bill brought out by the Senate, which is essentially similar in amounts, Senator HARRY BYRD, chairman of the Senate Finance Committee, points out: "Assuming annual appropriation authorizations at the 1962 level throughout the period 1962–66, along with other available funds, the 5-year cost of foreign aid as contemplated in this bill (S. 1983) may be estimated at more than $36.6 billion." His estimate is based on the following chart which appeared on page 12903 of the CONGRESSIONAL RECORD for July 26, 1961:

Spending authority for U.S. foreign aid programs provided in S. 1983, as reported to the Senate, July 24, 1961 (5-year projection, fiscal years 1962–66)[1]

[In millions]

Page	Line	Authorization and program	Amounts authorized specifically: Fiscal year 1962	Amounts authorized specifically: Fiscal years 1963–66	Amounts authorized generally: Fiscal year 1962	Amounts authorized generally: Fiscal years 1963–66	Amounts provided from other sources: Fiscal year 1962	Amounts provided from other sources: Fiscal years 1963–66	Total: Fiscal year 1962	Total: Fiscal years 1963–66	Total
		Development assistance:									
6 6	9 12	Loans: Authority to spend from public debt receipts	$1,187	$7,600					$1,187	$7,600	$8,787
		Grants, etc.:									
11	11	Development grants	380			[1] $1,520			380	[1] 1,520	1,900
14 15	25 22	Authority to guarantee investments abroad	(1,100)						(1,100)		(1,100)
22	9	Surveys of investment opportunities	5			[1] 20			5	[1] 20	25
24	23	Contributions to international organizations and programs	154			[1] 614			154	[1] 614	768
27	13	Supporting assistance	450			[1] 1,800			450	[1] 1,800	2,250
27	18	Contingency fund	300			[1] 1,200			300	[1] 1,200	1,500
		Subtotal, grants	1,289			5,154			1,289	5,154	6,443
92	25	Administrative expenses	51			[1] 204			51	[1] 204	255
		Unexpended balances continued available:									
99	1	Appropriations and other authorizations			$3,108				3,108		3,108
51	21	Foreign currencies			631				631		631
		Subtotal, balances			3,739				3,739		3,739
		Other:									
45	3	Authority for Federal agencies to furnish service and commodities									
51	21	Authority to use foreign currency receipts from loans, Public Law 480 activities, etc., estimated					$1,000	$4,000	1,000	4,000	5,000
		Total, development assistance	2,527	7,600	3,739	5,358	1,000	4,000	7,266	16,958	24,224
		Military assistance:									
31	30	Grants, etc.	1,800	1,800		[1] 5,400			1,800	[1] 7,200	9,000
99	1	Unexpended balances of appropriations continued available			2,370				2,370		2,370
		Other:									
34	20	Authority to sell military stocks to foreign countries, etc.									

See footnote at end of table.

Spending authority for U.S. foreign aid programs provided in S. 1983, as reported to the Senate, July 24, 1961 (5-year projection, fiscal years 1962–66) [1]—Continued

[In millions]

Page	Line	Authorization and program	Amounts authorized specifically		Amounts authorized generally		Amounts provided from other sources		Total		
			Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Total
		Military assistance—Continued									
		Other—Continued									
35	10	Authority to contract for procurement of military stocks for sale to foreign countries, etc.									
37	5	Authority to use Department of Defense military stocks	$200	$800					$200	$800	$1,000
		Total, military assistance	2,000	2,600	$2,370	$5,400			4,370	8,000	12,370
		Grand total	4,527	10,200	6,109	10,758	$1,000	$4,000	11,636	24,958	36,594

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[1] Assuming 1962 level of appropriations.

In regard to the provision for development lending, moreover, certain realities must be faced. "There is no certainty as to the terms and conditions imposed on each and every loan. It will be possible for the Executive to make low- or no-interest-bearing loans, and long-term loans for as long as 50 years, with no principal payments in the first 10 years." If the Treasury Department has to borrow at 4 or 5 percent for the financing of development loans at low or no interest rates, it is conceivable that our national debt will invariably increase again, and as a byproduct spiraling inflation is bound to affect our economy. In addition, whatever the good intentions of the executive branch in providing that payment of interest and principal should be in U.S. dollars, we doubt whether such payment can be expected in the forseeable future from those countries receiving aid, particularly those countries which, in the opinion of the Administrator, might seem to be most in need of the "dreamed of" social reform or help.

INCREASED EXECUTIVE POWERS

If, however, it is difficult to obtain any reasonable estimate of the amount of moneys provided by this legislation, it is even more difficult to measure or estimate the amount of the increase of authority granted to the Executive. The bill grants unprecedented flexibility to the executive branch in the administration and manangement of the program.

Year after year Congress has continued to delegate to the executive branch more and more authority to spend ever-increasing amounts of money. This year the increased delegation of power to the Executive is greater than ever before and goes far beyond what is necessary. The danger, as is of course evident, arises from the fact that the President must delegate the responsibility for drawing plans and spending the money; and that, accordingly and necessarily, the careful supervision that he might give cannot be extended to the extent necessary. In this bill there are 51 grants of discretionary power to the President and 18 authorizations to disregard other laws which apply to foreign aid. While many of these grants of power have been in previous foreign aid legislation, in one form or another, it must be taken into consideration that heretofore the authorization has been limited to 1 year.

The ambiguity that exists concerning the authority granted to the executive branch is equaled if not surpassed by ambiguities of provisions within the bill. The committee made an effort to discover and remove such ambiguities. The fact remains, as is clearly visible to Members of Congress reading the legislation, that indefinite provisions open extensions of authority, waiving of previous laws, etc., make it exceedingly difficult to discover and estimate the exact degree of power that is being yielded by Congress to the executive branch. Even friends of the program have termed this bill a "legislative monstrosity." In fact, it might be said that most Members who vote for this bill if, in fact, anyone, could not possibly know all that he is voting for.

As one instance of the indefiniteness of authority, H.R. 8400 provides that "the President is authorized to make loans payable as to principal and interest in U.S. dollars on such terms and conditions as he may determine." This indefiniteness of course serves to increase already practically unlimited authority.

It must not be forgotten that the power to use funds without limitation at any delegated level is not only the power to spend but to initiate and carry through policies which might be completely unknown to the Congress—or which, in fact, could frustrate the will of Congress. It is difficult to believe that decisions of major importance or which concern the vital security of this Nation could be better made by bureaucratic executives, through use of the powers delegated to them, than by Members of the Congress responsible to the people who elect them.

We have made no attempt in this report to give a complete analysis either of the bill or of all our points of difference with it. Among such, we might mention its failure to make authorizations for definite appropriations to the international organizations so long provided for in previous corresponding acts. Here, again, the right of decision both as to beneficiary and amount is provided through the mere grant of a lump sum appropriated to the President. We also belong in the group of Members of this Congress who are opposed to the further weakening of the Battle Act (Mutual Defense Assistance Control Act). We, therefore, regret the amount set apart in the President's contingency fund that can be spent without regard to the provisions of the Battle Act. The contingency fund this year is $300 million.

CONCLUSIONS

However, although the defects of the bill are many, transcending all others is the relinquishment of congressional control over the program. The trend in the past has been for the executive branch to request, and to receive, ever greater flexibility; but now the Congress is requested abjectly to abdicate its powers and to grant a blank check to be cashed wherever, by whomever, and in whatever amounts as are designated by those in charge of the foreign aid program.

That continuation of congressional supervision is badly needed is attested to by the failures in past performance. The effectiveness of foreign aid has fallen far short of the millions of words spoken and the billions of dollars spent in its behalf.

Mr. Justice Douglas, in a speech at Mount Holyoke College on June 4, 1961, for instance, had this to say about the aid we have given since World War II:

"The underdeveloped nations that received our aid are mostly worse off for it * * *. The main impact of American foreign aid was to widen the gulf between rich and poor, helping to create the vacuum into which the Communists easily move."

The burden to the taxpayers of the United States, however, gives no promise of being lifted.

Confronting the present crises this Congress, therefore, should accept nothing less than reconsideration of past errors and adoption of adequate measures not only to correct such errors but to provide the effectiveness so long lacking. The Congress cannot and should not abrogate its responsibility nor permit the weakening by one iota of its power to inspect, to authorize, and to appropriate.

For Congress to relinquish the check on the program inherent in the congressional prerogative to authorize and appropriate is an abandonment of congressional responsibility. Only through retaining such power can we hope to regain and hold control of the foreign aid programs and the spending therefor. We repeat, this requires annual review of foreign aid operations coupled with requisite authorization and appropriation. As one responsible member of the Appropriations Committee put it recently, "If the administration gets the backdoor approach to foreign aid, the control will not be returned to Congress."

That must not happen.

MARGUERITE STITT CHURCH.
E. ROSS ADAIR.

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

JUNE 20, 1959.

The Mutual Security Act (foreign aid) passed 271 to 142 (ALGER against) after 3 days debate. Approximately $3,500 million was involved, mainly allocated to military assistance ($1,440 million), economic ($1,900 million)—which includes defense support ($750 million), Development Loan Fund ($700 million), technical assistance ($209 million), special assistance ($250 million)—and contingency fund ($100 million).

Military assistance goes to 37 countries (26 of these also get economic aid). Our 1,700 combat ships, 42,000 planes, and 900,000 men are increased by our allies by 2,500, 30,000 and 4.9 million respectively. We also maintain 250 oversea military installations to support our far-flung Strategic

Air Command (SAC). Since inception in 1949, the United States has spent $22 billion and other nations $122 billion in the joint military effort. (Yugoslavia got $800 million). NATO (North Atlantic Treaty Organization) gets most of the funds, although South America, the Mideast, Asia, and Far East are included.

Economic assistance ($1,900 million) is dispensed as Defense support. Development Loan Fund, technical assistance, and special assistance. Defense support goes to 12 nations—Korea, Republic of China (on Formosa), Vietnam, Philippines, Laos, Cambodia, Thailand, Pakistan, Iran, Turkey, Greece, and Spain. Actually, it is twofold: (1) Outright grant to help support economically the increased military capability, and (2) grants and loans to develop economically the industries and standard of living. The Development Loan Fund is continued and expanded by $700 million to provide increased loans, repayable in local currency (so this becomes a gift). Technical assistance is offered to 49 countries and 9 territories, designed to introduce innovations and increase skills, also to improve standards of living with emphasis on health, education, agriculture, industry to lay basis for long-term benefits. We provide (1) U.S. technical experts, (2) materials for demonstration projects, (3) education in this country for foreign people, (4) U.S. colleges contracting to organize educational institutions in foreign countries. Special assistance provides health and education programs in West Berlin, Afghanistan, Bolivia, Burma, Ethiopia, Haiti, Indonesia, Israel, Jordan, Liberia, Libya, Morocco, Nepal, Somalia, Sudan, Tunisia, and Yugoslavia. This is conceived to be "economic aid that is necessary to achieve political, economic, humanitarian or other objectives of the United States." The contingency fund is at the disposal of the President for discretionary use to further any aim of the act as the President may see fit.

Historically, foreign aid extends the lend-lease philosophy of World War II. Earlier, aid in World War I was in the form of loans with interest, some later canceled. After World War II, $3 billion was spent through UNRRA (United Nations Relief and Rehabilitation) in liberated countries to purchase goods for immediate needs. Then the International Monetary Fund was established for currency convertibility, and the World Bank for reconstruction loans. The Marshall plan for European economic recovery provided $5 billion a year for 4 years. Always, the overall purpose was twofold—(1) Survival from aggression; and (2) continuation of our free society. The magnitude of U.S. foreign aid is $124 billion since July 1, 1940, to June 30, 1959, $49 billion through World War II, and $75 billion since then (plus this bill). In addition, we have $3,420 million in international funds.

The area of agreement in debate over foreign aid includes recognition of the need for: (1) Disaster relief to other nations; (2) combating the threat of Soviet imperialism; and (3) stable economic relationships of the United States and other nations in their respective growths. The area of disagreement embraces everything else. Probably there are as many differing views as there are Members of Congress. Basically, there seem to be two prevalent attitudes. Some believe governmental foreign aid is necessary and permanent in the immediate and long-run interest of the United States, that weaker countries must be aided, that the national interest is in the humanitarianism of our Government. Others believe in the "fortress America" argument, that the United States must concentrate on its own military and economic strength, relying less on strong allies, and that humanitarianism or charity begins at home and is not, as now practiced, the role of government.

Perhaps arguments for and against will highlight these differences. For (1) help build a strong free world alliance essential to U.S. security; (2) help U.S. allies build adequate defenses without imperiling their basic economy; (3) provide a more economical defense for United States in money and manpower; (4) help deter Soviet aggression and to meet it more effectively if deterrence fails; (5) help raise living standards in the less developed areas and thus make Communist claims less attractive; (6) lay foundation for world prosperity by building self-sustaining economies; (7) Help develop favorable attitude toward United States; (8) Help stimulate increased private American investment in underdeveloped areas; (9) Help increase American exports and develop markets in underdeveloped areas; (10) Help provide employment for Americans.

Arguments against (generally in same order): (1) United States is providing much larger percentage (of its national income) on military contribution than the Allies. Are our allies really neutrals? Will these nations use these arms against each other or us? (2) United States is imperiling its own economy by giving away borrowed money. U.S. debt is greater than that of all the world, it operates at a deficit, its gold supply is being drained by these gifts to others, its currency is becoming "soft" in the world market; (3) Such outpouring of our wealth therefore is not the economical way. Anything imperiling our basic economic strength weakens (a) our military potential and capability, and (b) our freedom, now and for future generations; (4) We do not deter Russian aggression by spending when one of their own dedicated aims is to "spend us into bankruptcy." (5) The fallacy of communism successfully preying on poverty is not borne out in fact, though many accept it unquestioningly. Raising economic standards does not in itself dispel communism; (6) Self-sustaining economies cannot be imposed by U.S. dollars or know-how but by development from within the individual country; (7) The attitude toward United States will not be determined by monetary help. We cannot buy friends or allies; (8) Private American investments will result from presence and recognition of opportunity for profit; (9) Foreign aid as a subsidy for American business and employment is wrong. On the contrary, such aid has built industries abroad for which taxpayers paid and which now compete with our industries and our employment to U.S. detriment, although it may not be a permanent dislocation.

Unanswered questions include: (1) What is effect and relationship between foreign aid gifts and trade balance between recipient nations and the United States? (2) Has U.S. private investment gone up or down in these nations? (3) Have these nations benefited, measured by their economic growth? (4) How much buying is done abroad and in the United States with these foreign aid dollars? (5) How much have private U.S. banks loaned to private investors in foreign economic endeavors? (6) What relationships are there between the Export-Import Bank, the World Bank, and foreign aid's Development Loan Fund to particular nations? (7) Is the investment guaranty program sound? (8) How much Public Law 480 agricultural surpluses are given away in relationship to foreign aid, and how much and what happens to these local currencies thus generated? As I see it, the foreign aid program is self-defeating and is badly in need of review. We help neutrals or enemies and alienate friends. We rely on materialism when freedom, free enterprise, and deep-seated spiritual beliefs are our ruling precepts. We expound charity, simultaneously manipulating our gifts as instruments of foreign policy. This confuses everyone, including ourselves.

My conclusions are these: (1) Our Government intends that foreign aid shall be continuous and global; (2) the threat of Communist aggression rules out our continuing to dispense lavish foreign aid when our own economy is threatened and our defenses are inadequate; (3) in a number of recipient countries our foreign aid helps to strengthen political systems hostile to our own; (4) our foreign aid speeds rather than retards the growth of communism; it inflates our economy; it is partially responsible for the alarming flight of gold from our control; it is destroying our foreign markets and increasing unemployment among American workers; (5) by the very nature of the foreign aid we extend, it must be inefficient and wasteful; and (6) our governmental foreign aid program is unsound in principle.

My recommendations are these: (1) That our traditional generous private charity and governmental grants to relieve disaster be continued; that we encourage the expansion of our private missionary efforts; (2) That in countries which we are morally obligated to defend and which are directly threatened with Red aggression, military assistance—for the time being—should be continued, but on a realistic basis, (3) That foreign aid which directly or indirectly promotes governments that are hostile to our constitutional concepts of government be terminated immediately; (4) That so long as governmental foreign aid is continued, the recipient should pay a part of the cost of the proposed project; that our aid should terminate when the conditions on which that request is based have been remedied; that private technical, scientific, and educational assistance be extended only to friendly peoples who seek our aid on a cash or loan basis; (5) That until foreign aid is terminated, the Congress take steps properly to exercise close supervision and control over the manner in which all foreign-aid funds are being spent; that all future economic aid, plus what can be salvaged from unexpended foreign-aid funds, be diverted to and handled by the Export-Import Bank; (6) That the $3.9 billion requested by the President for the fiscal year 1960 be reduced $2 billion and that each year thereafter foreign aid be substantially reduced until terminated within 3 years; and (7) That military matters be left to our military and foreign affairs be left to the State Department, and their existing organizations, so we can dismantle the huge 12,500-person foreign-aid bureaucracy, and stop the duplication of effort.

WASHINGTON REPORT

(By Congressman Bruce Alger, Fifth District, Texas)

August 1, 1959.

The foreign aid appropriation (mutual security) bill and debate was history repeating itself (newsletters, June 20, 1959, March 4, May 17, 1958). The earlier $3.5 billion authorization (reduced from $3.9 billion request) was cut this go-round to $3.1 billion and passed 279–136 (Alger against). The component parts are: (1) Military assistance; (2) defense support; (3) Development Loan Fund; (4) development assistance; (5) technical cooperation; and (6) contingency fund.

Facts and figures from debate and hearings (1,781 pages): (1) Of 86 nations in the world, United States has given $82 billion to 76 nations since World War II; (2) U.S. foreign aid personnel has grown from 458 in 1948 to 53,600 in 1958; (3) 67 free nations' debt is $185 billion; the Soviet bloc has debt of $51 billion; the U.S. debt is $285 billion, $48 billion more than all the rest of the world combined; (4) total money available (unexpended $4.8 billion, this bill $3.1 billion) is $8 billion plus foreign currencies we own of $1.5 billion or approximately $9.5 billion (actually there's more); (5) yearly foreign aid includes other military expenditures than in foreign aid bill (over $1 billion) and surplus food gifts ($1 billion or more), approximating $5.5 billion. Add to this the yearly interest on $82 billion of foreign aid now part of the national debt, $3.1 billion, makes actual yearly foreign aid $8.5 billion; (6) over 2,000 separate projects have now been reduced to 1,450, many abandoned as impractical (9 pp., 60 specific projects documented in hearings); (7) Comptroller General of United States has audited and examined foreign aid, found it overprogramed and mismanaged, inefficient, etc., with too much money the chief cause of the trouble.

Random examples: (a) Graft, corruption, and profit from improper distribution and sales of aid materiel by foreign businessmen and officials; (b) military vehicles delivered could not be used, shortage of drivers and maintenance; (c) ammunition and equipment ruined because not properly stored; (d) 44 tires per truck stored in one nation; (e) 185 year's supply of particular ammunition on hand in one country and only one carburetor for trucks for entire army; (f) 4,000 tons excess ordnance materiel in one country's depot; (g) diversion, pilfering and thievery until military supplies were short in another country. (8) Civilian projects of all kinds are financed, many types of which Government cannot provide in our country (list of 113 such projects, p. 940, hearings); aid for education purposes has gone to over 50 countries, including Yugoslavia; (9) classification as secret or other security designation covers up glaring faults of the program; (10) 1,113 audit recommendations by ICA (International Cooperation Administration) and GAO (General Accounting Office) findings all show lack of planning and cost relationships; (11) military assistance, the most justifiable of the component parts, is replete with errors—(a) inadequate estimates of needs and costs; (b) inadequate relationship of cost and objectives to be achieved; (c) improper recordkeeping of total costs by country, and others; (12) groups that enjoy windfalls or are vitally interested are (a) printing and publishing industry, (b) motion picture industry, (c) shipping, (d) manufacturing, (e) export and import firms, (f) commercial banks, (g) colleges and universities, (h) clergy, (i) military. (13) "Loan" of Development Loan Fund is fictitious, repayable 80 percent in local currency which United States can't use; further, Congress has no control over this fund.

A few, even more than a few, instances of mistakes should not condemn such a program as foreign aid, but the almost endless examples of error, inefficiency, waste, mismanagement, overprogramming, lack of objectives, and underplanning, in many countries culminating in aiding our enemies (Yugoslavia, Poland, Indonesia, etc.) and alienating our friends proclaims these as basic faults that need correction, not acceptance and continuation. As a nation, we cannot spend ourselves rich. We cannot make ourselves secure by giving ourselves away. We cannot buy friends; they do not stay bought. The greatest fallacy is to ascribe aid as charity or "be thy brother's keeper" through foreign aid by our Government. The real Biblical meaning is the practice between individual human beings, not governments, which by nature must be impersonal and realistically self-interested. This fundamental difference and role of government needs to be studied. As I oppose big Federal spending where there is wastefulness or contradiction of purpose, am I negative or anti—as adduced in the last campaign?

Washington Report

(By Congressman Bruce Alger, Fifth District, Texas)

August 19, 1961.

Foreign aid occupied both the House and the Senate this week. Hottest debate revolved around the President's demand for 5-year authority to borrow directly from the Treasury (back-door spending, bypassing Congress constitutional responsibility), and continuing aid to Communist countries. I took the floor on 3 days to (1) object to the entire bill, (2) object especially to giving aid to Communist and Socialist countries, as well as neutral countries.

In opposition to the entire mutual security bill, I stated on Wednesday (Congressional Record, vol. 107, pt. 12, p. 16037): "In my opinion it is absolutely essential that we take a long hard look at the whole foreign aid program so that it may be revised to meet U.S. self-interest rather than to continue as a gigantic worldwide welfare scheme paid for by American taxpayers and which is not achieving the goal of stopping the spread of communism." Reasons for opposition to the bill:

1. Poor administration.

The bill will not provide improved administration, better recruitment in the personnel, the result being increased ineffectiveness, greater and more widespread scandals.

2. Back-door financing is wrong.

The 5-year loan authority totaling $7.3 billion represents a loss of congressional control and a loss of congressional scrutiny of the programs annually.

3. What is really needed is a complete review and revision of foreign aid legislation based on a self-interest statement of the United States.

4. Dollar diplomacy (throwing money at problems in an attempt to solve them) creates more problems in attempting to force our culture and our standard of living and social reforms on people and governments who take our money but do not want a different way of life than they now have.

5. The bill is not fiscally responsible. The bill and the report show no one knows the total cost; $30 billion over the next 5 years in the report, $36.6 billion according to Senator Byrd.

6. No terms or conditions on loans totaling $7.3 billion in the next 5 years. It will be possible for the Executive to make low or no-interest-bearing loans as long as 50 years with no principal payments in the first 10 years. According to Senator Byrd (Congressional Record, vol. 107, pt. 12, p. 15545) "interest on Federal debt, as it would be created by this bill (Senator Byrd figures the loan loss will be $8.8 billion in the next 5 years) for the loan program alone, computed at 3 percent, compounded annually for 50 years, would total $29.7 billion."

This would be nearly 3½ times the principal. That is to say that inasmuch as all of the money which would not be appropriated in the regular course must be borrowed at about 3-percent interest, if no interest is received from the countries to whom the loans are granted, the compounded interest on the loans made by our Government will be $29.7 billion.

7. Danger in tremendous increase in Executive power and control of spending. I oppose Congress delegating its authority as a violation of the oath we take to support the Constitution.

8. Too many ambiguities of the provisions within the bill which make it a legislative monstrosity.

9. Foreign aid is failing to achieve its objective—witness the growth of communism during our huge outpouring of money. It is self-defeating, causing us to lose, not win, the struggle with communism.

10. We are wrong in committing future Congresses to appropriations, a violation of congressional procedures and could be unconstitutional.

11. It further increases the pressure on our balance of payments. We continue to give away dollars which can be redeemed in gold when foreign nations already hold approximately the same dollar volume as we have gold. Any "run on the bank" would deplete our gold supply.

12. The foreign aid program is being sold as a subsidy for U.S. industry. This philosophy is wrong and endangers our economy. It will return to haunt us.

On Thursday and Friday I spoke against giving aid to our enemies. When we give aid to Communist Tito, to Poland, and other Communists, indeed, to Socialists like Nehru and those of India, we are giving aid to our enemies. When we give money to the Communist and Socialist governments we are aiding the philosophies and governments that are determined to destroy us. We will either win the fight or we will lose the fight. There will not be peaceful coexistence, which is a Communist line.

I stand with the American taxpayer who is footing the bill in saying we are sick of pouring out money to a dedicated enemy. Let us gird ourselves and not give a penny to any government that does not guarantee its people certain freedoms, freedom of election, freedom of press, freedom of speech, freedom of religion. We must make this agonizing reappraisal—to stop subsidizing an alien philosophy. Let us say that we will aid only dedicated friends, not our enemies, not the neutrals.

A bitter disappointment was the defeat of an amendment by Congressman John Bell Williams, of Mississippi, which would have prohibited aid to any country which voted in the United Nations to seat Red China. (The vote, 212 to 2.)

The mutual security bill passed the House late Friday evening, 287 to 140. It is an unfortunate truth that the few conservative victories limiting the bill (including reducing the 5-year authority of the President to yearly scrutiny by Congress) will be deleted in the conference with the Senate version and thus probably will not be in the final bill.

Washington Report

(By Congressman Bruce Alger, Fifth District, Texas)

September 9, 1961.

As predicted in my newsletter of August 19 a greatly amended foreign aid authorization bill was sent back to the House from conference and was approved on August 31, 290 to 132. The final bill authorized appropriations of $4,253,500,000 for foreign economic and military aid in fiscal 1962 and $1.5 billion in each of the following 4 years for Development Loan Fund long-term, low-interest development loans. The bill also authorized the President to establish a new foreign aid agency. The final bill did not include the long-term borrowing authority requested by the President. He had asked for authority to borrow $8.8 billion from the Treasury for the Development Loan Fund over a 5-year period fiscal 1962–66 to finance long-term, low-interest development loans. The final bill authorized $1.2 billion for fiscal 1962 and $1.5 billion a year for fiscal 1963–66, making $7.2 billion available for development loans over the 5 years but required annual appropriation of funds (at least a partial victory for those of us in the House who fought the transfer of responsibility for appropriations from Congress to the Executive.)

The foreign aid appropriation bill was whipped through the House in 1 day, September 5, by a record vote, 270 to 123. The bill as approved appropriated $3,357,500,000 for foreign aid, $896 million less than carried in the authorization bill, but $300 million more than recommended by the House Appropriations Committee.

One of my principal objections to foreign aid is the money we give to our enemies and so-called neutral nations. This objection was supported during the debate on the foreign aid bill by Congressman GLENARD P. LIPSCOMB, of California, who pointed out that the dollars of U.S. taxpayers are being sent to Cuba to bolster the Communist regime of Fidel Castro. Congressman LIPSCOMB, a member of the House Appropriations Committee, pointed to the report on the foreign aid appropriations bill. He said each year the President requests millions of dollars to cover U.S. contributions to international organizations. In just one instance, LIPSCOMB pointed out, the Pan American Health Organization is providing 32 Russian jeeps for a malaria eradication program in Cuba. Although malaria has a low incidence rate there, the eradication allotment in 1961 is $79,766, or 20 times the amount budgeted in 1958, before Fidel Castro came to power. This has been augmented by a $99,000 allotment from the World Health Organization Malaria Eradication Special Account, for the purpose of providing the Soviet jeeps to Cuba. The American taxpayer pays 66 percent of the cost of the so-called health plan for Cuba instigated by PAHO.

United Nations Special Fund: LIPSCOMB reminded Congress that this fund to which the United States contributes 40 percent on May 24 granted $1,157,600 to aid agricultural research programs in Cuba. U.S. contributions for the fiscal year 1961, both assessed and voluntary, amounted to $241,799,522 to over 50 international organizations and their related activities. According to Congressman LIPSCOMB, it appears that very few, if anyone, have ever attempted to figure out where this money actually goes, and actually what it is used for.

Add to these startling statements of how the U.S. taxpayer is contributing to countries dedicated to our destruction, the utter contempt for the United States and our ideals expressed by the delegates to the Conference of uncommitted nations at Belgrade last week, and the course we are taking to our own national suicide (newsletter of August 26) becomes more apparent. The nations present at the Belgrade Conference have been the recipients of $7.2 billion from the American taxpayers. Yet not one voice was raised in behalf of American policies. Not a single delegate protested a vicious attack on the United States by the Communist delegate from Cuba. On the other hand, no official action was taken by the Conference to condemn the Soviet Union for its wanton disregard of humanity for its devious use of 3 years of useless negotiations on banning nuclear testing to build up its own arsenal and then arrogantly begin testing within hours of an announcement that it would. No protests from the uncommitted nations for the enslavement of 17 million human beings in East Germany. While India's Nehru piously asks the United States to negotiate with the Communists on issues which are not negotiable, he utters not a word of protest at the brutal and barbaric invasion of Tibet and the inhuman atrocities practiced on her people by the Communists.

It's time we faced facts. The uncommitted nations are not uncommitted, nor are they neutral. For whatever reason, fear or self-interest, they are alined with Soviet Russia and when the chips are down, in the final contest between freedom and Communist slavery, they will be against us unless they are convinced that we are stronger and will win the battle. There are no moral grounds for neutralism in a fight to the death. Those countries which give aid and comfort to our enemy also become our enemies. My own position is opposed to foreign aid until it is used in the self-interest of the United States.

Mr. PELLY. Mr. Chairman, in view of the uncertainty as to the effect of my amendment, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. GROSS. I would have to object to that, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. PELLY].

The question was taken; and on a division (demanded by Mr. GROSS), there were—ayes 32, noes 81.

So the amendment was rejected.

The Clerk read as follows:

CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 106. Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended by striking out "1962" and "$153,500,000" and substituting "1963" and "$148,900,000", respectively.

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: On page 8, line 16, strike out the period and insert a semicolon, followed by a proviso reading as follows: "and is further amended by adding the words: '*Provided*, That the contribution of the United States to any special or cooperative fund of any international organization or program may not exceed 50 per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year after 1962.' "

Mr. JONES of Missouri. Mr. Chairman, this amendment would place a limitation of not more than 50 percent on any contribution to any international or cooperative program under the United Nations or elsewhere.

The reason I am offering this amendment is because, as I stated earlier in the day, and as stated by the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], there are several programs where we contribute 70 percent.

Mr. Chairman, last year I tried to get this amendment written into the appropriation bill, but it was ruled out of order because it was legislation. This is our opportunity. This would not have the effect of increasing any of the contributions, because in the present law there is already a limitation of 40 percent on the contributions to the United Nations Expanded Program of Technical Assistance, and also the United Nations Special Fund. This would mean that any time the United States feels justified in appropriating as much as 50 percent of any program or more than 50 percent, it will be a U.S. program, and we will have full control over it and it will not be subject to having other people try to tell us how we are going to spend our money.

Mr. Chairman, I yield back the balance of my time.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in most of the international organizations to which we belong the assessment on the contribution of the United States has been going down. For instance, our share of the U.N. budget dropped from 39 to 32 percent over a period of years; the special fund of the U.N. dropped from 46 to 40 percent; UNICEF dropped from 72 to 44 percent from 1954 to 1962. The NATO science program dropped from 50 to 33 percent, and it is now down to 24 percent for fiscal year 1963.

Mr. Chairman, the only organizations that the amendment offered by the gentleman from Missouri [Mr. JONES] is going to really hurt are some of our inter-American organizations. There are several of them, that are over 50 percent. It is true that we pay approximately 70 percent of the Palestine refugee program. The other is the Organization of American States to which our contribution is approximately 70 percent. Our contribution to most of the U.N. organizations, outside of the Palestine refugee program, is below the 50-percent figure. Several of the organizations to which we contribute over the 50-percent figure are in Latin America. Our contribution to the Pan American Union is 66 percent. There is also the American Institute of Geography and other inter-American programs such as the Pan American health program to which we contribute over 50 percent.

Mr. Chairman, the amendment offered by the gentleman from Missouri will be aimed directly at our inter-American organizations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 8, line 12, insert "(a)" immediately after "SEC. 106.", and immediately below line 16 on page 8 insert the following:

"(b) Such section 302 is further amended by adding at the end thereof the following: 'None of the funds appropriated pursuant to this section or any other law shall be used for the purpose of making any loans or grants to the United Nations (except for payment by the United States of its assessed share of the expenses of that Organization), or for the purchase of any bonds or other certificates of indebtedness of the United Nations, until such time as all members of the United Nations have paid in full their share of the expenses of that Organization, including their share of the expenses of United Nations operations in the Congo and the Gaza strip.' "

Mr. GROSS. Mr. Chairman, according to the latest United Nations report that I have seen, contributions due from member nations as of December 31, 1961, total $93,915,569.45. It is my understanding that some 72 nations have failed to pay their assessments for the United Nations Emergency Force in the Middle East, and 74 nations have not paid their assessments for the Congo operation. Of course, the United States has paid in full its assessments plus voluntary contributions. Few people realize that in 1961, in addition to paying our regular assessment of about $32 million for the Congo deal, we made a voluntary cash contribution of $15,300,000 to permit the assessments of a number of other nations to be reduced 80 percent. Among the countries to benefit were two Soviet-bloc nations, Bulgaria and Albania. Another country benefiting from that nefarious business was Communist Cuba.

Yes, we paid 80 percent of the costs of these three Communist countries and yet they will not even pay the other 20 percent.

Mr. Chairman, I think you all understand what my amendment purports to do; that is, to stop any further contributions to the United Nations over and above the regular assessments until and unless the delinquent countries pay up. I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS), there were—ayes 90, noes 78.

Mr. MORGAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. GROSS and Mr. MONAGAN.

The Committee again divided, and the tellers reported that there were—ayes 124, noes 112.

So the amendment was agreed to.

The Clerk read as follows:

Chapter 4—Supporting assistance

SEC. 107. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out "1962" and "$465,000,000" and substituting "1963" and "$440,000,000", respectively.

Chapter 5—Contingency fund

SEC. 108. Section 451 of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended as follows:

(a) Amend subsection (a) by striking out "1962" and "$300,000,000" and substituting "1963" and "$275,000,000", respectively.

(b) Amend subsection (b) by striking out "keep" and substituting "provide quarterly reports to" and by striking out "currently informed of the use" and substituting "on the programing and the obligation".

Chapter 6—Assistance to agrarian economies

SEC. 109. Section 461 of the Foreign Assistance Act of 1961, as amended, which relates to assistance to countries having agrarian economies, is amended by adding at the end thereof the following: "In such country emphasis shall be placed also upon programs of community development which will promote stable and responsible governmental institutions at the local level."

PART II—INTERNATIONAL PEACE AND SECURITY ACT OF 1961

Chapter 2—Military assistance

SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended which relates to military assistance is amended as follows:

(a) In section 506, which relates to conditions of eligibility, add the following new subsection:

"(c) Any country which hereafter uses defense articles or defense services furnished such country under this Act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance Act where such use is in violation of the provisions of this chapter or any agreements entered into pursuant to any of such Acts shall be immediately ineligible for further assistance."

(b) In section 507(a), which relates to sales, insert "not less than" before "the value" in the first sentence.

(c) In section 507(b), add a new sentence to read as follows: "No sales of unclassified defense articles shall be made to the government of any economically developed nation under the provisions of this subsection unless such articles are not generally available for purchase by such nations from commercial sources in the United States: *Provided, however,* That the Secretary of Defense may waive the provisions of this sentence when he determines that the waiver of such provisions is in the national interest."

(d) In section 510(a), which relates to special authority, strike out "1962" in the first and second sentences and substitute "1963".

PART III

Chapter 1—General provisions

SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

(a) In section 611(a), which relates to completion of plans and cost estimates, strike out "and II" and substitute ", II, and VI".

(b) Strike out section 618, which relates to economic assistance to Latin America, and substitute a new section 618 as follows:

"SEC. 618. USE OF SETTLEMENT RECEIPTS.—United States dollars directly paid to the United States under the Agreement Between the United States of America and Japan Regarding the Settlement of Postwar Economic Assistance to Japan may be appropriated or otherwise made available to the President in any appropriation Act, within the limitations of part I of this Act, to carry out the provisions of that part."

(c) In section 620(c), which relates to prohibitions against furnishing assistance to governments indebted to American citizens, insert "or ordered" after "furnished", insert "either" after "remedies and", and immediately before the period at the end thereof insert "or indebtedness arises under an unconditional guaranty of payment given by such government or any predecessor government".

(d) In section 620, which relates to restrictions on assistance to certain countries, add the following new subsection:

"(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency within such country—

"(1) nationalizes or expropriates or seizes the ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

"(2) imposes or enforces discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country fails within a reasonable time (not more than six months) to take appropriate steps to discharge its obligations toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, unless the President determines such suspension to be inconsistent with the national interest, and such suspension shall continue until he is satisfied that appropriate steps are being taken."

The CHAIRMAN. For what purpose does the gentleman from Indiana [Mr. ADAIR], a member of the committee, rise?

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 12, strike out lines 3 and 4 and insert in lieu thereof the following: "governmental agency within such country on or after January 1, 1962—

"'(1) has nationalized or expropriated or seized'".

On page 12, line 9, strike out "imposes or enforces" and insert in lieu thereof "has imposed or enforced".

On page 12, line 15, strike out "six months" and insert in lieu thereof "six months after such action or after the date of enactment of this subsection, whichever is later".

Mr. ADAIR. Mr. Chairman, this is one of two amendments which I propose to offer to that section of the bill relating to expropriation of American businesses by foreign governments. The effect of this amendment would be to make the expropriation provision now in the bill retroactive to January 1.

Mr. Chairman, I think all members of the Committee are aware generally of the background for this situation. It stems from the seizure of American business properties by foreign governments without adequate compensation.

The Foreign Affairs Committee wrote a provision in the bill relating to expropriation. In my opinion, this amendment and the other which I propose to offer will strengthen the hands of the Executive and will be a clear warning to all foreign governments that they cannot seize American-owned property with impunity. One cannot successfully argue that a sovereign state does not have the right to take property, but I can and vigorously do argue that they do not have the right to take it without giving speedy and adequate compensation for it.

It may be of interest to Members of this body to know that the other body has written a similar provision into the foreign aid bill which it passed.

There are a number of illustrations that could be given as to situations in which American industry has been seized or may be seized. Since January 1 of this year, the date to which my amendment would make this act apply, there has been, of course, the seizure of an I.T. & T. affiliate by a state of Brazil. Prior to this date there have been other seizures in Brazil, but, of course, my amendment would not apply to those.

My amendment if adopted, would apply also to the situation in which American-owned interests were seized by the Government of Ceylon. Another possibility is action by the Government of Mexico, according to recent news reports, with respect to mining interests there. There is a very great possibility that seizure or taxation not applicable to other businesses may be applied. The Government of Burma also has been talking about the possibility of seizing some American-owned business interests, according to news reports.

I think, therefore, Mr. Chairman, that if we are to protect American businesses abroad we ought to go back to this date January 1 of this year, making the act retroactive to that time so that the owners of property which has been seized may be protected.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. As I understand the gentleman's amendment, all it does is to say to foreign countries which have expropriated American property: "You must compensate the American owners or you do not share in our gifts and good graces."

Mr. ADAIR. My amendment together with the language of the bill.

Mr. ABERNETHY. No. 2, it goes back to the 1st of January which, therefore, should bring into consideration the horrible expropriation of the I.T. & T. property to which the gentleman just referred.

Mr. ADAIR. The gentleman is absolutely correct.

Mr. ABERNETHY. I think the gentleman's amendment is good. I think it ought to be adopted.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Indiana.

Mr. HALLECK. I just wanted to observe that some time ago, at the time of the expropriation in Brazil, I stated my conviction that certainly the least we could expect in circumstances like that would be just compensation. I am afraid that action will not be forthcoming so, as far as I am concerned, I shall support the gentleman's amendment.

Mr. ADAIR. I thank the gentleman.

Another thing that may be said in this respect is that if this amendment is added to the provisions now in the bill it is my opinion that it will strengthen our whole investment program abroad. Witness after witness told the Foreign Affairs Committee, as can be observed by reading the hearings, that if the Alliance for Progress, for example, is to be successful it must have a great contribution from private capital. Let me say to the Members of the House that if private capital is going to be invested abroad then it is going to be necessary that some assurance be given that property will not be seized without adequate and speedy compensation.

I regard this as a very important part of this bill, and I urge that my amendment be adopted.

Mr. HAYS. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, it seems to me that this amendment is one small step that we ought to have taken a long time ago. There are a lot of nations in the world that think, and think rightly, that they have been able to reverse the old established fact of economic life; namely, you cannot get something for nothing. They not only get it from the foreign aid program, but they get it by expropriation of American property.

It is about time that we tell them they cannot have their cake and eat it too. We must tell them that they cannot take American property on the one hand and share in the foreign aid program on the other.

I have come to the conclusion, after sitting on this committee for many years, that the democracies of this world may not survive. If they do not survive, it will be because they are not tough enough to survive.

I made a speech down here 5 years ago—nobody remembers it—in which I said if the Algerian nationalists are successful, and they were only successful because after they were defeated they were negotiated with, the Communist Ben Bella would take over the country and it would be against the West. Am I a prophet or not?

Will the Algerian people be better off under Ben Bella than they were under France? Of course, they will not. They will be the slaves and the pawns of another Communist government.

You talk about the Latin American countries. I do not think there is a person in this House who can dispute the fact that there is more capital going out of Latin America than the Alliance for Progress is putting in. Where is it going? It is going out from the people of Latin America, the wealthy class who are taking it off to Swiss banks where, when the hurricane comes, they think it will be safe. The Alliance for Progress has to succeed, but I do not think it can succeed unless there are stiff conditions laid down, and unless the countries are told: If you want to be saved you have to show a desire to save yourselves. They have to be told they cannot expropriate American property on the one hand and have the taxpayers of the United States come in and bail them out on the other hand.

If the people running this program have not the courage, and I am not sure but that under the new director they have—several of these programs have been suspended—if they have not got the courage, we should give them the moral backing and the tools to do the job and do it the way they ought to do it.

The amendment offered by the gentleman is one small step in the right direction, and I hope the amendment will be adopted.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the pending amendment.

The feelings as expressed by the gentleman from Indiana [Mr. Adair] are feelings shared by all members of the committee. He expresses the feeling that many of us share that foreign countries should not take advantage of our beneficence and at the same time insult us by expropriating our property without proper indemnification.

However, if we do not allow the President some flexibility, when aid would be cut off there would be no further basis for negotiations in reference to the property that has been expropriated. I do hope the committee will consider that flexible authority should be left within the President's discretion. The threat of cutting off aid would be a stronger weapon to achieve the desired result than an automatic termination which leaves no future basis of negotiation in good faith.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. This amendment relates only to the retroactive feature?

Mr. GALLAGHER. Yes. This amendment considers the retroactive feature; and, as such, the committee will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. Adair].

The amendment was agreed to.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendments offered by Mr. Adair: On page 12, beginning in line 20, strike out "unless the President determines such suspension to be inconsistent with the national interest,".

On page 12, line 23, immediately before the period insert the following: "and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection."

Mr. ADAIR. Mr. Chairman, if this amendment is adopted, it would make that part of the bill read as follows, and I will begin reading on line 14: "and such country fails within a reasonable time (not more than six months) to take appropriate steps to discharge its obligations toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken, and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection."

This amendment would remove from the bill the power which it now gives the President to waive the restriction against giving aid to countries which have expropriated without adequate compensation.

As the bill now reads, it provides in effect that this aid shall be withheld unless the President determines that such suspension shall be inconsistent with the national interest. My amendment would remove that right or power given to the President and would say in effect that so long as this expropriation is in existence without adequate and speedy compensation that there is no authority to continue foreign aid to the expropriating country.

Mr. Chairman, I think it is very necessary to say to such countries that we are not going to tolerate seizure of American businesses without proper compensation.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. As I understand the amendment, it relates to the former amendments, does it not?

Mr. ADAIR. Yes.

Mr. ABERNETHY. This is an implementation amendment. That is what it amounts to, is it not?

Mr. ADAIR. The gentleman is correct. It puts additional teeth in the bill.

Mr. ABERNETHY. In other words, you say by this amendment that if you expropriated our property, American property, at any time since January 1, your aid is to be cut off until you make compensation for the property?

Mr. ADAIR. The gentleman from Mississippi is correct. It makes it mandatory that there be no aid until the situation has been remedied.

And, I would say further to the gentleman and members of the committee that reference was made a few minutes ago to the fact that restricting amendments might stop negotiations between foreign governments and the American companies involved. The fact of the matter is that negotiations with respect to most of these situations have now virtually stopped. When the President of Brazil was in this country some time ago a statement was issued indicating that the negotiations would go forward and a settlement would be made. As a matter of fact, negotiations are not going forward. The proposals which have been made have come almost entirely from the company. Those which have come from Brazil or the State of Rio Grande do Sul are quite unacceptable.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from California.

Mr. COHELAN. I wonder if the gentleman could explain to me just what he means by "adequate and fair compensation" and how is this determined?

I can see this as an honest difference of opinion as between sovereign governments and how this could be determined.

Mr. ADAIR. As to the question of what is equitable and speedy compensation, the committee gave considerable thought and study to that, and was assured that those were words of particular meaning to international lawyers. They have been interpreted to, and do, mean exactly what they say, that the compensation must bear a fair relation to the true value of the property, and it must be in some kind of money that can be used, and not, for example, in local currency which could not be converted. Thus, a country would not be able to say, under this provision, "Here is 25 percent of the value of your property; now take that, and let that be enough for you."

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Could the gentleman give the House any idea of the value of the I.T. & T. property which was expropriated by the Brazilian state?

Mr. ADAIR. I think the value is generally stated as being between $8 and $10 million.

Mr. ABERNETHY. In other words, $8 million or $10 million worth of American property taken away from American citizens?

Mr. ADAIR. Yes.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. ADAIR. Mr. Chairman, I ask unanimous consent that I may proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. Could it be said that the first amendment offered by the gentleman from Indiana is no good without this amendment which the gentleman has offered now?

Mr. ADAIR. Well, certainly, this I think is the more powerful of the two amendments. They compliment each other, and each will become a great deal better and more valuable, if both are adopted.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, first I would like to commend the gentleman from Indiana, and state that I am in wholehearted agreement with the gentleman's first amendment. As the gentleman knows, the committee was deeply interested in this problem. The committee wrote a very strong section on expropriated property. However, in the case where a government or governments in certain areas change, and some change rather rapidly, and where a predecessor government has expropriated American property, how would the gentleman's amendment affect further dealings with the new government?

Mr. ADAIR. The new government, of course, would step into the shoes of the old government and would be expected to carry on bona fide negotiations along the lines mentioned in the bill.

Mr. ZABLOCKI. If the gentleman will yield further, depriving the President of this discretionary authority would make it impossible for him to deal with the new government even though it was most friendly to the United States, if there was any property expropriated by a predecessor government? Is that not true?

Mr. ADAIR. No, I would not agree with the gentleman. The President does not lose his power to negotiate. He does lose his power to continue to give aid. But there is nothing in here which says he could not negotiate.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Ohio.

Mr. HAYS. All the successor government would have to do is either compensate or give the property back. It would be just as simple as that, would it not?

Mr. ADAIR. The gentleman is correct.

Mr. PILCHER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Georgia.

Mr. PILCHER. In other words, the gentleman's first amendment is not any good without the second amendment?

Mr. ADAIR. It would be strengthened by the second amendment.

Mr. PILCHER. If the gentleman will yield further, some of us think we should not take this authority away from the President. But I think it would strengthen the hand of the President. The President does not run all of these programs. The State Department is running our foreign affairs. It is running all of this foreign aid program. It is not run by the President of the United States. I think the Secretary of State is one of the finest men we have had down there in years. Your State Department is running this foreign aid program all around the world. This just tells those countries that they have to cooperate with us if we cooperate with them. I think it will strengthen the hand of the President.

Mr. Chairman, I hope the gentleman's amendment is adopted.

Mr. ADAIR. I agree with the gentleman from Georgia. I think it would strengthen the hand of the President.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Indiana.

Mr. BRAY. I feel that this is an approach which we should have taken a long time ago. I wish to compliment the gentleman for his amendment.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Nebraska.

Mr. BEERMANN. I want to congratulate the gentleman because this answers a question which I asked in the debate on Monday. I feel that if we put this in all our bills, especially even in the farm bill, this would be a good example, and I commend the gentleman for his action. I think the House is taking a step in the right direction.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I may say that it is not true that the amendment just adopted would be ineffective without the second amendment. It would embrace the I.T. & T. seizure that has already taken place in Brazil, and yet the President would still have the flexible authority to negotiate in order to get that property back to the company or an indemnity paid for it.

The problem with respect to the pending amendment is that the section that appears on page 12 was the result of a unanimous effort on the part of the Committee on Foreign Affairs. The committee worked long and hard to arrive at the language that appears in the committee bill. One of the disadvantages of this amendment would be that it would take away any negotiating power the President possesses. In many countries the amount of the aid program is very small in scope while the property that may be expropriated may be of considerable value. It may well be that when negotiations have closed, the host country would consider that the company has been compensated by the aid cutoff. Additionally, the foreign aid bill is not the appropriate place for legislation dealing with expropriation. For these reasons we hope that the language in the committee bill will be adopted as it was reported out of the committee. That is the language on page 12, adopted by a unanimous vote by the members of the House Committee on Foreign Affairs.

We have accepted the retroactive provision which will help I.T. & T. On the other hand, if we accept this amendment the President's hands will be completely tied. At the time expropriation is made the matter stops with an automatic cutoff. Any automatic cutoff would make this program inoperable. For that reason I urge the defeat of the amendment.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman.

Mr. ADAIR. On the point that the wording in the bill had been agreed to by all members of the committee, that is true. This was the best wording that could be agreed to by all members of the committee. But I think the gentleman will recall that I reserved the right to offer what I regarded as strengthening amendments.

Mr. GALLAGHER. The gentleman is correct. As a result of the work of the gentleman and of the gentleman from Delaware, language was accepted by the entire committee. The gentleman is correct when he says that he reserved the right to offer this amendment after the committee had unanimously adopted the language in the bill.

Mr. McDOWELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Indiana has stated that there are certain purposes in his amendment. I disagree with the purposes which he has stated. This amendment has one main purpose and that is to take out of the hands of the President of the United States his constitutional rights in his direction of foreign policy. It would take that power out of the hands of the Executive and place it where? Of all places, in the hands of the Agency which administers this act, because this Agency and not the President would have to make this determination of whether or not a property in a foreign country meets the criteria in the language of the act, meets the criteria of 6 months in providing adequate compensation in the case of expropriation.

Not only is the Agency for International Development not adequately equipped to make such decisions but you would even have a question that could be taken to the courts involving a constitutional matter, and I think it would not aid the resolving of the matter of expropriation of American property in foreign countries.

There is no disagreement in our objective here, but I think we had better be cautious as to how we seek to achieve that objective under the gentleman's last amendment. I believe the gentleman from Indiana will agree with me that the Committee on Foreign Affairs in the last stages of this bill had this one problem, and he and I introduced contrary amendments with a view to trying to solve it.

We did meet and there were compromises on both sides. I think the language which we finally wrote into the bill by agreement between the gentleman from Indiana and myself, which was later unanimously concurred in by the whole committee, was adequate to meet most of the cases which not only have arisen in the past, and that we have now met by retroactive action to be sure that we took care of the case of the expropriation of the I.T. & T. property, but now we go further and try to so complicate this matter of adequacy of compensation for expropriation that we would seek to involve this matter not only in the courts in the countries involved directly but perhaps the Supreme Courts of both countries and perhaps the International Court.

I honestly believe this would do much to prevent any American company that is unfortunate enough to have its property taken from having the legal right to seek redress in the courts of the parent country and the courts of the United States and in the World Court. So I sincerely hope that the House will think very carefully before it, first, takes this power away from the President of the United States, which Congress has never done heretofore, and, second, consider the seriousness of the establishment of such a precedent before it does so.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this matter was discussed at some length in the committee. I think it would be very unwise if we should eliminate any power on the part of the President to determine whether or not it would be inconsistent with the national interest to continue assistance under certain circumstances.

We had a discussion, amongst others, with our distinguished former colleague, Frank Coffin, with respect to the basic policy involved. He thinks this would be a case of the tail wagging the dog if we should make it necessary to suspend assistance after there had been an expropriation without due compensation. The problem is one of the aspects of foreign policy.

This approach to procedure may be made not only by the country concerned but by any governmental agency thereof, and an expropriation might well be made by a subdivision of some country of great importance to us for strategic or economic or military reasons. In view of other foreign policy considerations, if the President could not waive the limitation provided by this section, I think we might well harm our national interest.

In my opinion, the expression of concern on the part of Congress with respect to expropriation is adequately protected in this provision. I was favorable myself to making it retroactive to the 1st of January, and I think that is something the President can live with. This is a case where the executive branch of the Government not only is entitled to but should receive some discretion. This is far more important than that we should give him that same discretion with respect to aiding Communist-controlled or Communist-dominated countries. I think we should vote down this amendment and accept the fact that this basic provision is going to be of great value to our country, past or present, with respect to these cases of expropriation.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Minnesota.

Mr. JUDD. I agree with the statement of the distinguished gentleman from New Jersey. We must keep our eye on the ball. It may be thought by some that we are carrying on foreign aid just to help other people. Rather, this program is primarily to help the United States, and I do not think it is wise for us to take action which may make us feel better by getting rid of some of our adrenalin in proper indignation over the behavior of some people or some local authorities in another country, if in doing so we injure the United States of America. I believe we must keep some flexibility in the hands of the President. We only have one President at a time, and our Constitution puts direction of our foreign relations in his hands. It seems to me, we would run the danger of injuring our own interests, if we take such drastic action as to allow no escape clause or discretion for the President of the United States to use in the exercise of the responsibility with which he is charged by the Constitution in the field of foreign relations.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman.

Mr. MOORHEAD of Pennsylvania. As I understand the statement of the gentleman from New Jersey, if a subdivision of a friendly country became Communist controlled, it could, if this amendment is adopted, expropriate and terminate automatically our assistance to that friendly country. In other words, if this amendment is adopted, we are giving a weapon to the Communists; is that not correct?

Mr. FRELINGHUYSEN. The situation is complicated enough without assuming that there is a Communist element involved here. The power to expropriate is an appropriate even though a not popular power of government, whether it is Communist controlled government or not that we are talking about. We can do nothing about it. The question is: Under what conditions can we demand just compensation and under what conditions should we refuse to provide additional assistance to that country? I do not think it is a question of Communist control.

Mr. MOORHEAD of Pennsylvania. But it is possible; is it not?

Mr. FRELINGHUYSEN. It is possible, but I do not think particularly we need to hypothesize that.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. The gentleman from Pennsylvania is correct in his statement, which is specifically the case in Brazil today where expropriation has been made by a province or a state. This amendment would terminate all assistance to the Federal Government of Brazil as a result of such action.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate the emotion that is being shown among the members of this committee. I know how sincere the gentleman from Indiana is and I know how deep is the resentment among all the members of the committee over the unlawful confiscation of American properties. In reference to the seizure of American property in other lands, the Committee on Foreign Affairs worked for a long time adequately to express our indignation and to provide the proper method of recourse in the proper language. The gentleman from Indiana [Mr. ADAIR] worked with the gentleman from New Jersey [Mr. GALLAGHER] and the gentleman from Delaware [Mr. McDOWELL], for several days trying to find the proper language. Now you want to change it, and even though your intentions are good and your objectives meritorious you are suggesting a change in language that does that which I think you do not wish to do. It is not easy to write in the proper language in the Committee of the Whole. Under the language proposed in the amendment, for the first time that I have any knowledge of, you take away the power of the President of the United States in the field of foreign relations. Think about it. Under the amendment of the gentleman from Indiana, if it is adopted, if tomorrow in Cuba there should be a new and friendly government, and if the new government wished to be given time to restore properties that had been taken away from Americans, the President would be powerless to extend that new government the needed additional time. If you adopt this amendment, you are doing the very thing that you wish not to do. You are giving a power to the Communists that they do not possess. You are giving that power to the Communists by tying the hands of the President of the United States to use his judgment when something should be done in the national interest, must be done immediately, or the moment of advantageous opportunity has been lost forever.

I have been brought up to believe that one always can have confidence in the President of the United States. I have always thought that when a man has achieved the Presidency of the United States he is giving the very best in him according to knowledge, and according to his ability, because all that is ahead of him is his place in history. I shall continue in that faith. During the administrations of President Truman, President Eisenhower, and President Kennedy, I always voted to give the President the full power to exercise his judgment in foreign affairs and to do or refrain from doing that which in his judgment was or was not in the national interest.

I acknowledge that we want to protect American property in other lands from unlawful and ruthless seizure. That is the common purpose of the President and of the Congress. Let us not be carried by emotion into the adoption of an amendment which well could defeat the very end we seek by taking from the President the power over foreign affairs given him by the Constitution and thus destroying that measure of flexibility invisioned by the makers of our Constitution as necessary for the effecting of worthy and desired ends.

I trust, Mr. Chairman, that this amendment will be defeated almost unanimously.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been brought out in the debate that during the committee consideration of the bill the amendment now before the House held up the markup for several days. The gentleman from Indiana and the gentleman from Delaware [Mr. McDOWELL] were appointed to work out proper language. The language brought back to the committee was voted by the full committee during the markup, but the gentleman from Delaware and the gentleman from Indiana each reserved the right to offer amendments to the bill on the floor.

The amendment would strike out the language "unless the President determines such suspension to be inconsistent with the national interest." It strikes out the additional power granted the President to make this act of determination.

It was pointed out a moment ago that a tiny state of some large nation could go Communist and bring this prohibition into effect. It could do more than that.

I want to say that some tribal chief or some subruler of some tiny state in a large nation who wanted to overthrow a government friendly to the United States, would be able to force us to cut off aid to a friendly country without this discretionary authority in the President.

I think the President deserves these powers and must have them in the conduct of our foreign policy, especially in the dangerous world in which we are living today. I think there will be no abuse of this authority by the President. He is going to be in there protecting the property of American firms, he is going to be in there to get a fair return on the property of any American company seized by a foreign nation.

The President needs this power. It is absolutely essential that this amendment be defeated.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Washington.

Mr. WESTLAND. I would remind the gentleman from Pennsylvania that the clause "and such suspension shall continue until he is satisfied that proper steps are being taken" is still left in the bill. Does not this give the President adequate authority? I do not know what "appropriate steps" means. The President might very well think that if Mr. Goulart, the President of Brazil, should write him a letter saying that they are starting to move in the direction of returning this property, would think that constituted "appropriate steps" and the President then would not have to suspend all aid to Brazil. The President still has some authority.

This amendment does not take away all of the authority of the President by a long shot.

Mr. MORGAN. The gentleman had better ask the gentleman from Indiana about the provisions of his amendment. I feel it does take away authority.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Indiana.

Mr. ADAIR. I would point out first, in answer to those who have expressed concern over this being too restrictive, that this provision still remains in the law:

> Such country fails within a reasonable time, not more than 6 months, to take appropriate steps to discharge its obligations.

And so forth. If that is not flexible, Mr. Chairman, I do not know what is. If a country cannot begin to do something in 6 months, then it will not do it in 6 years.

Mr. JUDD. Suppose a situation rose where the State of Pennsylvania or the State of Minnesota should take property that is owned by a foreign concern. Would we want that country to be able to call in all the American gold to which it has a claim? Sometimes it takes 2 or 3 years of litigation to wind up these seizures or expropriations, or in the case of land taken by eminent domain, or other procedures. It seems to me we are restricting without justification the authority of the President to handle our foreign relations in a way that will be best for our country.

The language now in the bill makes it perfectly clear. We do not want to injure our own national interests.

Mr. MORGAN. Mr. Chairman, I renew my statement that this would tie the President's hands.

Mr. CONTE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in support of the pending amendment. Let me make it crystal clear, however, that I am in favor of this authorization bill and that I intend to vote for it. Let me make it clear that my support for this amendment is in no way based on a desire to hamstring the President in his capacity as the representative of the United States in foreign affairs.

By this amendment, we are merely asking for the establishment of a condition precedent to any nation's acceptance of our assistance. We are concisely saying to the recipient nations that if they choose to confiscate American-owned property without just compensation, they will see an end to our aid at the end of 6 months.

Mr. Chairman, the purpose of the pending amendment to the Foreign Assistance Act of 1961 is primarily to provide economic assistance to the developing countries of this hemisphere and to the newly emerging nations of Africa and Asia.

Our experience in Europe has clearly demonstrated the importance of private investment in accelerating the aims of our foreign aid programs.

Mr. Chairman, there should be no debate among us as to the importance of private American enterprise and of similar firms in other lands in achieving the broad objectives of the development assistance programs. President Kennedy, in his message to the Congress on March 14, 1961, with respect to the Alliance for Progress, stated, and I quote:

> Private enterprise's most important role will be to assist in the development of healthy and responsible private enterprise within the Latin American nations * * * and, of course, the continued inflow of private capital will continue to serve as an important stimulus.[1]

This view was expanded upon by the President when he stated, and again I quote:

> It is impossible for us, of course, to supply the funds which are necessary for the development of Latin America. They must come through private sources. If local capital and American capital dry up, then all our hopes of a decade of development in Latin America will be gone.[2]

Mr. Chairman, the State Department is also on record as endorsing the President's statement. The Under Secretary of State, Mr. Ball, in an address to the Business Council at Hot Springs, Va., said, and I quote:

> Expropriation frequently involves the diversion of resources needed for the development of nations we are assisting. In many cases it means the transfer of property from competent private hands to governments that lack the managerial skill to provide efficient administration. By tending to spoil the climate for private investment it may deprive a developing nation of the inflow of needed capital that might otherwise be available. As a matter of Government policy we feel obligated to make known to the less-developed nations our views on the disadvantages inherent in expropriation. * * *
>
> Let me be quite precise at this point. We do not wish to discourage developing countries from adopting such measures as requirements for labor standards, systems of social security, progressive taxation, and the regulation of utilities. These are all familiar features of the American economic scene and we cannot disown them when they appear in an unfamiliar environment. In fact, within limits appropriate to their economic strength, we are anxious to see the developing nations adopt sound and progressive tax and labor laws and other measures designed to assure an increased sense of social justice and a broader base of participation in the fruits of economic progress.
>
> But when such measures are, in fact or in form, applied so as to discriminate against, and harass, foreign business enterprise, they can amount to what has been often called creeping expropriation. When this occurs, the U.S. Government is prepared to make its views known to the governments involved in no uncertain terms. * * *
>
> If, in the face of American advice a government proceeds with expropriation, I can assure you that the full diplomatic resources of the U.S. Government will be made available to see that fair treatment is accorded to the American business involved.[3]

Mr. Chairman, the excerpts I have just cited from Secretary Ball's address indicate that the State Department is well aware that our foreign assistance efforts will be dissipated unless expropriation, including "creeping expropriation" is thwarted. There is no justification to authorize the expenditure of public funds to assist countries who continue a course of action detrimental to themselves and to our own economy.

In spite of the reassuring statement of policy, the Secretary believes that the Congress should not enact legislation that would make it clear to foreign governments that expropriation, without prompt and adequate compensation, must result in the suspension of U.S. assistance. In this same address the Secretary said, and again I quote:

> After all, what we find most attractive about the economic system that has evolved in America is that it preserves a substantial element of free choice for the individual in the conduct of his economic life. It is thus consistent with the political principles on which we have organized our Government.
>
> Our very emphasis on the right to choose, it seems to me, precludes us from seeking to coerce any country into adopting an economic system of our choosing against its own free will.
>
> For this reason, the State Department has consistently opposed legislative proposals for automatic retaliation, by denial of aid, for example, against economic policies abroad that are inconsistent with our own notions of free enterprise. Such policies smack too much of gunboat diplomacy to be useful in today's more complicated world.[4]

Mr. Chairman, when investments are guaranteed in one form or another by U.S. taxpayers, expropriation results in a direct loss to our Government and hence reduces our ability to furnish assistance to nations who respect the rights of private property.

The Congress in Public Law 400, 82d Congress, stressed the role of private investment in achieving the aims of our mutual security and foreign assistance programs.

Mr. Chairman, I ask leave to insert excerpts from section 514 of that act at this point in my remarks:

> (b) To accomplish the purpose of clause (1) of subsection (a) of this section, under the coordination of the Director for Mutual Security, the Mutual Security Agency, cooperating with private business groups and governmental agencies to the fullest extent possible, shall encourage a greater participation by private capital in the guarantee program and shall develop broad criteria to facilitate such participation, including progress consistent with the purposes of the Act for International Development.
>
> (c) The Department of Commerce shall in cooperation with such groups and agencies (including the International Bank for Reconstruction and Development), conduct a thorough study of the legal and other impediments, foreign and local, to private investment abroad and the methods and means whereby those impediments can be removed or decreased and shall make recommendations thereon to the Director for Mutual Security.
>
> (d) The Department of State, in cooperation with other agencies of the Government concerned with private investment abroad, and taking into account the study and recommendations described in subsection (c) of this section, shall accelerate a program of negotiating treaties of commerce and trade, or other temporary arrangements where more suitable or expeditious, which shall include provisions to encourage and facilitate the flow of private investment to countries participating in programs under this act.
>
> (e) The Technical Cooperation Administration, taking into account the study and recommendations described in subsection (c) of this section, shall encourage and facilitate a greater participation by private industrial groups or agencies in private contracts awarded by the Administration, and shall, in cooperation with the Department of Commerce and the Mutual Security Agency, find and draw the attention of private enterprise to opportunities for investment and development in underdeveloped areas.[5]

Mr. Chairman, although during the years following World War II the United States—under both Democrat and Republican administrations—has been most generous in furnishing financial aid, many nations have sought to obtain a larger measure of control over the determination of projects and allocation of funds by insuring their administration by a multilateral organization. These proposals stem from the fact that some of the nations recently attaining independence incorrectly associate our public and private activities with a colonial imperialist approach.

Many debates in the Economic and Social Council of the United Nations have been concerned with the creation of a multilateral development fund. One suggestion popularly described as SUNFED—Special United Nations Fund for Economic Development—has been a recurring item on its agenda.

At Geneva during the summer of 1957, Dr. Neil Jacoby, the then U.S. Representative to the Economic and Social Council of the U.N., declared that bilateral programs in a conducive climate would accomplish far more.

Mr. Chairman, I ask leave to insert the following pertinent excerpt from Dr. Jacoby's statement at this point in my remarks:

> We now have before us the final and supplementary reports of the ad hoc committee on SUNFED. A majority of nations whose replies were analyzed in the reports of the ad hoc committee support the establishment of SUNFED in principle. We have noted, however, extremely few promises of financial support. Of those that have been made, many are conditional upon the participation of the major industrial countries. Even if these promises of support were fulfilled, what would they amount to in the aggregate? The prospect is that the assets of the fund would consist of a few million dollars in the form of a heterogeneous assortment of currencies, and, possibly, some contributions in goods and services. Is it reasonable that a new international financing agency, charged with gigantic tasks, should be established with such pitifully meager resources? Can

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[1] CONGRESSIONAL RECORD, 87th Cong., May 25, 1962, p. 9282.

[2] Ibid.

[3] Department of State press release, American Business Abroad, Hon. George W. Ball, May 12, 1962, pp. 5 and 6.

[4] Ibid., p. 7.

[5] Public Law 400, June 20, 1952, United States Statutes at Large, containing the laws and concurrent resolutions exacted during the 20th sess. of the 82d Cong. of the United States of America 1952 and "Reorganization Plans and Proclamations," volume 66, U.S. Government Printing Office, 1953, p. 146.

we pass lightly over all that is being done by private investors, by international lending agencies, and by the United States and other countries through bilateral programs to direct billions of dollars into economic development? In view of the vast scale of present international development financing, how can it be maintained that the establishment of a Liliputian SUNFED is the nostrum which will obliterate poverty among millions of people in large parts of the world? So to believe is surely to turn from reality to magic.

It has been said that, if the United Nations should fail to proceed immediately to the establishment of SUNFED, its authority with the peoples of the world would suffer and its moral credit would be threatened with exhaustion. In our considered judgment, Mr. President, it is the adoption of the resolution now before us that would have this effect. To set up a SUNFED at this time with so little prospect of appreciable financial support, with so many issues unresolved relating to the purposes it should serve and the manner in which it should operate, would be to doom it to failure from the outset. The distinguished representative of the Netherlands has ventured the opinion that if such an institution were established at this time, other countries including my own, without whose contributions SUNFED would lack resources to undertake a significant volume of operations, would soon become participants. Speaking for my own country, Mr. President, I see nothing to warrant this opinion. Indeed, if I correctly assess the temper of the American people and of our Congress, action to create SUNFED now without U.S. participation would more probably deter than attract subsequent participation.[6]

Mr. Chairman, prior to 1952, no responsible member of the United Nations openly supported the proposition that a nation's sovereign rights over natural resources included the privilege to nationalize private property without realistic and adequate compensation. However, a resolution was adopted by the United Nations General Assembly in 1952 which directed the Human Rights Commission to draft appropriate language with respect to the sovereignty of nations and to their inherent control over their natural resources, including the right to expropriate private property.

Mr. Chairman, in order that all my colleagues may be aware of the situation with respect to this proposal, I ask leave to include excerpts from the official record of the 18th session of the Human Rights Commission meeting in New York during the early months of 1954 at this point in my remarks:

PART II.—INCLUSION OF AN ARTICLE ON THE RIGHT OF PROPERTY IN THE DRAFT COVENANT ON ECONOMIC, SOCIAL, AND CULTURAL RIGHTS

40. The Commission discussed the question of the inclusion of an article on the right of property in the draft covenant on economic, social, and cultural rights from the 413th to the 418th meetings (E/CN.4/SR.413–418). At its seventh session (1951) the Commission has decided not to include "at this time" an article on the right to property. At the eighth session (1952) the debate on a draft article proposed by France was adjourned and the Commission did not take up the question during the ninth session (1953). At the 10th session the representative of France withdrew his proposal (E/2447, annex II, section A) and discussion centered on proposals to incorporate into the draft covenant a text based on the corresponding article of the Universal Declaration of Human Rights. No member of the Commission expressed opposition in principle to the inclusion of an article on the right of property. However, the Commission failed to adopt a unified text. Realizing the difficulty of drafting an article that would command the support of the majority, the Commission adjourned consideration of the question sine die (see par. 71 below).

The proposal of the United States of America

41. The representative of the United States of America proposed a draft article (E/CN.4/L.313) with the same wording as article 17 of the Universal Declaration of Human Rights. As later revised (E/CN.4/L.313/Rev. 1) to include the phraseology used to introduce various articles in the draft covenant on economic, social, and cultural rights, the article read as follows:

"The state parties to this covenant recognize that:

"1. Everyone has the right to own property alone as well as in association with others.

"2. No one shall be arbitrarily deprived of his property."

42. In support of this proposal, it was pointed out that there were precedents for incorporating in the covenant the text of articles taken from the declaration (specifically article 11 recognizing the right of everyone to adequate food, clothing, and housing) and it was argued that, being broadly drafted and compatible with all the legal systems, the text had the best chance of commanding a majority of votes in the Commission. Any attempt to be more elaborate and precise would likely accentuate the differences of views regarding property rights embodied in the social and political systems of various states, thus making any agreement on the subject extremely difficult, if not impossible.

Amendments to the proposal of the United States of America

43. The proposal did not satisfy a number of members, who felt that the more ample and definitive text on the lines of that proposed by the representative of France was required.

44. The representatives of Egypt, India, and Lebanon introduced a series of amendments (E/CN.4/L.316) to the U.S. proposal which incorporated certain features of the draft article of France. The amendments (in italic) would have altered the U.S. text to read as follows:

"1. The states parties to this covenant *undertake to respect the right of everyone* to own property alone as well as in association with others.

"2. This right shall be subject to the laws of the country in which the property is owned.

"3. No one shall be arbitrarily deprived of his property.

"4. Expropriation may not take place except for considerations of public necessity or utility as defined by law and subject to such compensation as may be prescribed."

45. Members who supported these amendments insisted that, while they agreed with the declaration article, it was also necessary to emphasize the duty of States to fulfill their obligations in respect of this right, to take into account the domestic jurisdiction of States in the matter of property rights, and to recognize that factors of public necessity or utility should govern expropriation with provision for the payment of compensation.

46. Some members felt that while the amendments of Egypt, India, and Lebanon correctly admitted the claims of domestic jurisdiction, they did not sufficiently recognize the criteria of reasonableness and justice, of general international acceptance, which should limit such claims. The representative of the United States of America proposed that the second paragraph of that amendment be changed to read (E/CN.4/L.318):

"The right shall be subject to such reasonable restrictions and regulations as may be imposed by law of general application in the public interest."

47. The discussion on expropriation showed a marked difference of views among the members. Some felt that the implied references to it in paragraph 2 of the amendments of Egypt, India, and Lebanon, and in paragraph 2 of the U.S. proposal were sufficient. There was also a difference of opinion on the amount of compensation to be paid in case of expropriation. While some agreed with the joint sponsors that the compensation prescribed might under exceptional circumstances be nominal, others held that compensation should in all cases be fair, just, or equitable.

48. Some members thought that the word "arbitrarily" in the U.S. proposal was too vague and carried no precise connotation, especially in international law. The representative of the Philippines proposed (E/CN.4/L.314) that the words "or unlawfully" should be added after "arbitrarily." The representative of Poland felt that the Philippine amendment should be modified so as to read (E/CN.4/L.319): "No one shall be arbitrarily, that is to say, unlawfully, deprived of his property."

49. Some members spoke of the importance of recognizing the interests of the community and of limiting the right of property in relation to the public interest, safety and morals, the general welfare, public order, and social progress. To this end the representatives of Chile and Uruguay proposed (E/CN.4/L.317) that the right of property be "subject to such limitations as the public interest and social progress required."

Alternative proposal by Chile

50. The representative of Chile considered that the best way to formulate the proposed article was to repeat the text of article 23 of the Inter-American Declaration of the Rights and Duties of Man adopted at Bogotá in 1948. He based his view on the fact that, in his opinion, it was the Commission's task to indicate not the limits within which this right should enjoy international protection, since that necessarily depended on the political system in force in each country, but the scope which should be given to the right of property in order to make it a human right, and, as such, fundamental and inalienable.

51. The text of the alternative proposal of Chile was as follows (E/CN.4/L.320/Corr.1):

"Every person has a right to own such private property, as meets the essential needs of decent living and helps to maintain the dignity of the individual and of the home."

The text proposed by the subcommittee

52. In an effort to reconcile the various points of view, the sponsors of the proposals and amendments were asked (E/CN.4/SR.-416) to constitute themselves into a working group or subcommittee to try to agree, if possible, on a single text. The subcommittee consisting of the representatives of Chile, Egypt, India, Lebanon, the Philippines, Poland, the United States of America and Uruguay, submitted the following text (E/CN.-4/L.321):

"1. The states parties to this covenant undertake to respect the right of everyone to own property alone as well as in association with others. This right shall be subject to such limitations and restrictions as are imposed by law in the public interest and in the interest of social progress in the country concerned.

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[6] Congressional Record, volume 104, part 1, pages 222 and 223.

"2. No one shall be deprived of his property without due process of law. Expropriation may take place only for considerations of public necessity or utility as defined by law and subject to such compensation as may be prescribed."

53. This text was adopted in the subcommittee by 5 votes to 1, with 2 abstentions. Some members however reserved their right to reintroduce their proposals and amendments in the Commission.

54. Amendments were proposed to the text of the subcommittee by the representatives of France (E/CN.4/L.322) and the United States of America (E/CN.4/L.323). The United States proposed that the right of property should be subject to such "reasonable" limitations as are imposed by law in the public interest, etc.; that no one should be "arbitrarily" deprived of his property; and that "just" compensation should be paid in case of expropriation. The representative of France wanted to define compensation as that "prescribed by the law and by the general principles of international law."

55. The word "reasonable" was considered by some members as providing an international standard without which there could be no international protection of the right of property, and reference was made, in this connection, to the use of the term "unreasonable" in article 23 of the draft covenant on civil and political rights. Other members maintained that the vague word "reasonable" would weaken the text and might lead to interference in the activities of States in the name of alleged international standards.

56. The expression "due process of law" was claimed by some members to have a particular meaning only in certain countries where it covered both substantive and procedural aspects. Whatever special meaning the Commission might wish to give to it might not be universally accepted. In any case, laws enacted by proper procedures might nevertheless be arbitrary and, therefore, the use of the word "arbitrarily" was to be preferred, especially since it had been used both in the Universal Declaration and in the draft covenant on civil and political rights. On the other hand, it was repeated that the word "arbitrarily" defied definition and carried no legal connotation unless it was synonymous with "unlawfully."

57. It was also argued that the idea of "just compensation" was already included in the concept of "due process of law," but if there was to be a reference to expropriation and compensation it was necessary to provide specifically that compensation should be just. Other members maintained that the word "just" was open to conflicting interpretations since it had no generally accepted international connotation.

58. The formula that compensation should be as "prescribed by the law and by the general principles of international law" was preferred by some members as the better way to obviate difficulties arising out of the conflict of laws. While domestic laws would ordinarily apply to all persons within the jurisdiction of a state, aliens would in addition enjoy the protection of international law. Aside from a feeling that the term "general principles of international law" was not sufficiently precise, other members thought that those words might affect article 1, paragraph 3, of the draft covenant relating to the permanent sovereignty of peoples over their natural wealth and resources.

59. Several members were opposed to the inclusion of any reference to compensation, feeling that it was unnecessary, because it was set forth in paragraph 2 of the draft article that expropriation should take place in accordance with the provisions of the law and a state might provide in its law all the provisions under which expropriation could be carried out. Some expressed the view that the general limitations clause; i.e., article 4 of the draft convenant on economic, social, and cultural rights, would provide sufficient safeguards against the abuse of the right of property.

Decisions of the Commission

60. The Commission voted first on the text submitted by the subcommittee together with amendments thereto (E/CN.4/SR.418).

61. Paragraph 1: The subcommittee's text read as follows:

"The states parties to this covenant undertake to respect the right of everyone to own property alone as well as in association with others. This right shall be subject to such limitations and restrictions as are imposed by law in the public interest and in the interest of social progress in the country concerned."

62. The first sentence was adopted by 17 votes to none, with 1 abstention.

63. The amendment of the United States of America (E/CN.4/L.323) to insert the word "reasonable" between the words "such" and "limitations" in the second sentence was rejected by 7 votes to 6, with 5 abstentions.

64. The original text of the first paragraph was adopted by 9 votes to 1, with 8 abstentions.

65. Paragraph 2: The subcommittee's text read as follows:

"No one shall be deprived of his property without due process of law. Expropriation may take place only for considerations of public necessity or utility as defined by law and subject to such compensation as may be prescribed."

66. The amendment of the United States of America (E/CN.4/L.323) to replace in the first sentence the words "without due process of law" by the word "arbitrarily", to be inserted before the word "deprived", was rejected by 9 votes to 6, with 3 abstentions, and the original text of the first sentence was adopted by 9 votes to 3, with 6 abstentions.

67. The first part of the second sentence, namely, the words "Expropriation may take place only for considerations of public necessity or utility as defined by law", was voted on separately and adopted by 12 votes to 1, with 5 abstentions.

68. To the rest of the second sentence there were two amendments submitted by France and the United States of America, respectively. The Commission decided by eight votes to seven, with three abstentions, to vote first on the amendment of France (E/CN.4/L.322) which was to replace the words "subject to such compensation as may be prescribed" by the words "and subject to the compensation prescribed by the law and by the general principles of international law." The part consisting of the words "and subject to the compensation prescribed by the law" was adopted by six votes to three, with nine abstentions, while that consisting of the words "and by the general principles of international law" was rejected by eight votes to seven, with three abstentions. The French amendment, as thus truncated, was rejected by 8 votes to none, with 10 abstentions. The amendment of the United States of America (E/CN.4/L.323) to replace the words "such compensation as may be prescribed" by the words "just compensation" was rejected by seven votes to six, with five abstentions.

69. The original text of the second paragraph (see par. 65 above) was adopted by six votes to five, with seven abstentions.

70. The text as a whole: No amendments having been adopted, the Commission voted on the original text of the subcommittee as a whole and rejected it by seven votes to six, with five abstentions.

71. The Commission did not proceed to vote on the proposals of the representatives of the United States of America and Chile and the amendments thereto, as it adopted (E/CN.4/SR.418) by 12 votes to 2, with 4 abstentions, a motion of the representative of Uruguay to adjourn sine die consideration of the question of the inclusion of an article on the right of property in the draft covenant on economic, social, and cultural rights.[7]

Mr. Chairman, it is obvious that the hopes and aspirations of the underdeveloped countries cannot be fully realized through grants or loans from multilateral organizations operating under the auspices of the United Nations, or by help from our own taxpayers. On the contrary, we have demonstrated through our own achievements what may be accomplished through private enterprise operating under the guarantees provided in our Constitution. We have not only provided the material resources to win two world wars, but our economy has been the bulwark for the reconstruction of devastated lands throughout the world after the holocaust of World War I and II. This experience cannot be minimized, and it is difficult to justify any additional funds for foreign assistance to those countries who refuse to benefit from our experience.

Mr. Chairman, I have compiled a list of the principal properties which have been expropriated without adequate compensation to the former owners under Cuban statutes enacted since the overthrow of Fulgencio Batista. A conservative evaluation of these properties would exceed $1 billion. If these funds had been invested in other countries or had been used to increase the productivity of our own economy, the ultimate result would have contributed to the Federal revenue.

Mr. Chairman, I include herewith a tabulation of the private properties that have been expropriated by the Castro regime in Cuba.

CUBA

U.S. affiliates, subsidiaries, and citizens whose properties were expropriated wholly or partly under agrarian reform law of June 3, 1959:

Compania Canadera Becerra (King Ranch), cattle ranch.

San Andres Ranch (Sumner Pingree and family), cattle ranch.

St. Mark's Land Cattle Co. (Jack Everhart), cattle ranch.

All sugarcane lands of companies operating mills (see list of "Sugar companies").

U.S. affiliates or subsidiaries expropriated by law 851 of July 6, 1960, Resolution 1;

Compania Cubana de Electricidad (Cuban Electric Co., American foreign power).

Compania Cubana de Telefonos (Cuban Telephone Co., I.T. & T.).

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[7] "United Nations Commission on Human Rights Report of the 10th Session," Economic and Social Council Official Records: 18th Session, supplement No. 7, Feb. 23–Apr. 16, 1954, pp. 7–9.

Equipos Telefonicos Standard de Cuba, S.A. (I.T. & T. subsidiary-manufacturing-assemblers telephone components).

Sinclair Cuba Oil Co., S.A., petroleum storage facilities, distribution system.

Esso Standard Oil, S.A. (Standard Oil of New Jersey), petroleum refinery, storage facilities, distribution system.

Texas Co. (West Indies) Ltd., petroleum refinery, storage facilities, distribution system.

Sugar companies (excludes lands nationalized by agrarian reform law):

Atlantica del Golfo S.A.

Baragua Industrial Corp.

Central Cunagua S.A. (American Sugar Refining).

Central Ermita S.A.

Cia, Agricola San Sebastian (Cuban-American Sugar Co.).

Cia. Azucarera Cespedes.

Cia, Azucarera Soledad.

Cia. Central Altagracia of West Indies.

Cia. Cubana S.A.

Cia. Azucarera Vertientes-Camaguey.

Cuban American Sugar Co.

Cuban Trading Co.

Florida Industrial Corp. of New York.

Francisco Sugar Co.

General Sugar Estates.

Guantanamo Sugar Co.

Macareno Industrial Corp. of New York.

Manati Sugar Co.

Miranda Sugar Sales Co.

New Tuimucu Sugar Co.

Punta Alegre Sugar Co.

United Fruit Co.

Banks, resolution 2:

Chase Manhattan Bank.

First National City Bank of New York.

First National Bank of Boston.

Resolution 3:

Burrus Flour Mills, flour milling.

Reynolds International de Cuba S.A., regional office.

Moore Business Forms de Cuba, business forms.

West Indies Perlite Manufacturing Corp., building materials.

Manufacturers General Electric S.A., electrical supplies.

Union Light Power Co. of Cuba.

Cia. Antilante de Lanchajes S.A.

Petroleo Cruz Verde S.A., petroleum exploration.

Cia. Cubana de Minas y Mineralos S.A., minerals.

Bethlehem Cuba Iron Mines & Co., iron ore.

Havana Coal Co., coal.

Regla Coal & Co., of Cuba S.A., coal.

Consolidated Development Corp., petroleum exploration.

Sun Oil Co., petroleum exploration.

Kewanee Inter-American Oil Co., petroleum exploration.

Cuban Gulf Oil Co., petroleum exploration.

Atlantic Refining Co., petroleum exploration.

ATESA Drilling Co.

Exploration Incorporated Rayflex.

Haliburton Oil Well Cementing Co.

John Bros. Co.

Productos Shulton de Cuba, S.A., toilet articles.

Max Factor Co., cosmetics.

Cuban Nickel Co., S.A., Nickel Processing Corp., U.S. Government-owned nickel plants.

Cuban Air Products Corp., oxygen equipment.

Orientes Products Corp.

Servicios de Gomas Pioneer, S.A. (Pioneer Tire Co.), tire recapping.

Compania Gas Liquido, S.A., liquid petroleum gas.

Gas Popular de Cuba, S.A., liquid petroleum gas.

H. D. Roosen Co., S.A.

Polyplasticos Industriales, S.A.

Sika Industrio-Quimica, S.A.

Home Products of Cuba, Inc.

Peison Romsi & Cia.

Armco International Corp., iron & steel products.

Mohawk Iron & Steel Corp., iron & steel products.

Fundicion MacFarlane, S.A. (J. MacFarlane and Family), foundry.

Reynolds Aluminum Co. of Cuba, aluminum foil, etc.

Manufacturers Kawneer de Cuba, S.A. (The Kawneer Co.), aluminum products.

Productos de Cobre de Cuba, S.A. (Phelps-Dodge Corp.), copper wire.

Ventanas de Caribe S.A., aluminum windows.

National Paper & Type Co. of Cuba S.A., paper and paper products.

Compania Papelera Flamingo S.A., paper and paper products.

Cuban American Metals Distributors, Inc.

International Carbon & Ink S.A., paper.

Industrias Metalicas & Electricas S.A.

Palm Clothing Co., clothing.

Cia. Nacional de Huatas S.A.

Elliot Knitting Mills, Inc. of Cuba S.A., textiles.

Exquisite Form Brassiere of Cuba S.A., clothing.

Tejidos Nina S.A., textiles.

Fabricantes de Colchones Americanos S.A., bedding.

Cia. Onix de Cuba S.A.

Consolidated Textile Mills, Inc., textiles.

Arrocera Texita S.A., rice mills.

Cia. de Refresco Canada Dry S.A., beverages.

Pan American Standard Brands, Inc., yeast.

Cuba Grapefruit, Inc.

Rancho Products Corp.

Alquizar Pineapple Co., Inc., pineapple.

General Distributors S.A.

Supermercados Eklon S.A., supermarket.

F. W. Woolworth Co., merchandising.

Sears, Roebuck & Co., merchandising.

Compania de Ferrocarril de Puerto Padre, railway.

Hershey Cuban Railway Co. S.A., railway.

Armour & Co., fertilizers.

Cia. de Cemente Cubana Portland (Lone Star Cement Co.), cement producer.

Cia. de Vidric Owens-Illinois, S.A. (Owens-Illinois Glass Co.), glass containers.

Continental Can Corp., metal containers.

Cia. Goodrich de Cuba (Goodrich Rubber Co.), rubber tires.

Firestone Tire & Rubber Co. of Cuba S.A., rubber tires.

Cia. Embotelladera Coca-Cola, S.A., beverages.

Minimax Supermercados, S.A., supermarkets.

Schering Pharmaceuticals of Cuba, pharmaceuticals.

Abbott Laboratories de Cuba, pharmaceuticals.

E. R. Squibb & Sons, pharmaceuticals.

Cuban American Line Supply Co.

Insurance companies:

Pan American Life Insurance Co.

Cia. de Seguros de Ingenios, S.A.

United States Life Insurance Co.

American Insurance Co.

Commercial Insurance of Newark, N.J.

The Home Insurance Co.

Insurance Co. of North America.

Johnson & Higgins, S.A.

Seguros Frenkel de Cuba, S.A.

American Insurance Underwriters of Cuba, S.A.

Occidental Life Insurance Co.

American National Insurance Co.

The Employer's Fire Insurance.

Firemen's Insurance Co. of Newark.

Great American Insurance Co.

The Hanover Fire Insurance Co.

Hartford Fire Insurance Co.

Maryland Casualty Co.

National Union Fire of Pittsburgh.

Phoenix Insurance Co. of Hartford.

Queen Insurance Co., Ltd., of America.

Saint Paul Fire & Marine Insurance.

Security Insurance Co. of New Haven.

The Unity Fire & General Insurance.

United States Fire Insurance Co.

Eagle Fire Co. of New York.

American Surety Co.

American International Insurance Co.

National Fire Insurance of Hartford.

Machinery, motor vehicles, accessories, and parts:

Power Machinery Co. S.A.

Power Equipment, S.A.

International Harvester of Cuba.

W. M. Anderson Trading Co. S.A.

Willys Distributors, S.A.

Agencia de Tractores y Equipos.

Iberia Machinery Co., S.A.

Autos Vokswagen de Cuba, S.A.

Piezas y Accessories K. W., S.A.

The United Shoe Machinery Co.

Remington Rand de Cuba S.A.

La Antillana, Cia. Comercial de Creditors, S.A.

Otis Elevator Co.

Fiberglass Distributors, Inc.

Compania de Ensamblaje de Aires Acondicionados, S.A.

Credites y Descuentos Mercantiels, S.A. (Ford Motor Co.), financing company.

General Motors Acceptance Corp., S.A. financing company.

Colon Independent Trading Corp., financing company.

Kodak Cubana, Ltd.

Railway Express Agency, Inc.

Hacienda San Andres, S.A., agriculture.

American Hatchery and Farms Co., S.A., agriculture.

Lone Star Farms, S.A., agriculture.

Granja Los Americanos, S.A., agriculture.

Lykes Bros., Inc., agriculture.

Simmons International, Ltd., mattresses.

Cuban Land and Leaf Tobacco, Inc., tobacco.

Calixto Lopez Cia., Inc., tobacco.

Rothchild-Samuel-Suignan, S.A., tobacco.

Duys & Co. Havana Tobacco Co., Inc., tobacco.

Rupping Havana Tobacco Co., S.A., tobacco.

Standard Havana Tobacco Co., S.A., tobacco.

Tabcalera Cubana, S.A., tobacco.

Rey del Mundo Cigar Co., tobacco.

Cia. Tabacalera de Rancho Boyeros, S.A., tobacco.

Hotels, restaurants, bars, etc.:

Hotels Internacionales, S.A.

Casino de Capri, S.A.

Presidente Corp., S.A.

Restaurant Eden Roc, S.A.

Isle of Pines Enterprises, S.A.

Compania de Hoteles La Riviera de Cuba, S.A.

Intercontinental Hotels Corp. of Cuba.

Cia. Hotelera Shepard, S.A.

Hotel Casino Deauville, S.A.

Hoteles Hilton de Cuba, S.A.

Hipodromo Jockey Club de Cuba, S.A.

Tintoreria Lux, S.A., dry cleaning.

Lavanderia La Cubana, laundry.

Tintoreria y Lavanderia Panam, S.A., dry-cleaning, laundry.

Caribbean Merchandising Co.

Filtrona Cubana, S.A.

Pan American Protecting Service, S.A.

Havana Docks Corp.

Standard Fruit & Steamship Co.

U.S. companies expropriated by law 890 of October 14, 1960:

Crusellas y Cia., S.A. (Colgate, Palmolive Peet), toilet articles.

Cia. Mennen de Bua, S.A., toilet articles.

Envases Industriales y Comerciales S.A. (W. R. Grace & Co.), specialties and paper containers.

Pittsburgh Plate Glass International, S.A., glass sales.

Sherwin Williams Co. of Cuba, S.A., paints, varnishes.

Du Pont Inter-American Chemical Co., Inc., paints, varnishes.

American Agricultural Chemical Co., fertilizers.

Tubos de Aluminio, S.A. (Colgate, Palmolive Pete), tubes for toiletries.

The Bohon Trading Corp.

Pan American Products.

Cia. Lithographiac de la Habana, S.A.

Gold Seal Hosiery, hosiery.

Tejidos Soltex, textiles.

Ribbon Fabric Co. of Cuba, S.A.

Swift & Co., meatpacking.

Los Precios Fijos, S.A.

Ferrocarilles Consolidados de Cuba, S.A. (consolidated railways of Cuba).

Reader's Digest (printing presses leased to expropriated firm).

U.S. affiliates, subsidiaries, and firms owned by U.S. citizens, which have been intervened:

Cia. Antillano de Acero (10 percent U.S. owned), manufacturing iron and steel rods.

Cia. Concordia Textile (U.S. Pres. in Cuba), textiles.

Cia. Industrial de Goma (U.S. Pres. in Cuba), rubber products.

Cia. Pepsi-Cola de Cuba (Pepsi-Cola Intl.), soft drink bottles.

Goodyear de Cuba (Goodyear Rubber Tire Co.), tires and tubes.

U.S. Rubber Co. Ltd., rubber shoes and products; tires and tubes.

Moa Bay Mining Co. (Freeport Nickel-Sulphur), nickel and cobalt.

Mr. Chairman, in addition to the expropriations in Cuba, there have been many other staggering losses to American investors.

Again, Mr. Chairman, I include herewith a list of expropriations since the end of World War II to be included in my remarks for the benefit of my colleagues:

Years 1945–50. Eastern Europe: General nationalization of land and business properties including U.S.-owned property in Yugoslavia, Poland, Czechoslovakia, Bulgaria, Rumania, and Hungary.

Settlement:

Claims agreement between United States and Yugoslavia, July 19, 1948—lump sum settlement.

Claims agreement between United States and Rumania, March 30, 1960—lump sum settlement.

Claims agreement between United States and Poland, July 16, 1960—lump sum settlement.

Claims of U.S. nationals against Czechoslovakia, Bulgaria and Hungary have been paid in part out of vested assets of respective countries in United States by legislation: International Claims Settlement Act of 1949, as amended, title III (Public Law 285, 84th Cong., Hungary, Bulgaria, Rumania) and title IV (Public Law 85-604—Czechoslovakia).

Communist China: General nationalization of land and business properties, including U.S.-owned property. United States does not maintain diplomatic relations.

Settlement: None concluded.

October 13, 1952, Bolivia: Nationalized tin mines including the Patino interests of which one company was partially owned by U.S. stockholders. None of nationalized companies incorporated in United States.

Settlement: Interim payments pending final settlement made to U.S. stockholders out of proceeds of tin sales under agreement between Bolivia and Patino interests in 1953, renewed in 1956. Final settlement now under negotiation between company and government.

March 5, 1953, Guatemala: Expropriation of 234,000 acres of subsidiary of United Fruit Co. for purposes of agrarian reform.

Settlement: United States submitted formal claim against Guatemala after company exhausted local remedies, but expropriation was rescinded by new government which took power in 1954.

July 26, 1956, United Arab Republic: Nationalization of Suez Canal Co. which had some U.S. stock ownership.

Settlement: Compensation agreement signed July 13, 1958, by United Arab Republic and representatives of stockholders. International Bank afforded good offices in negotiations between United Arab Republic and stockholders.

July 7, 1958, Argentine: Municipal government of Toberia in Buenos Aires province expropriated subsidiary of American & Foreign Power Co. (ANSEC)

Settlement: Overall settlement between government and company for this property and other properties expropriated seized and intervened previously by local governments in Argentina made November 28, 1958, with all American & Foreign Power electric facilities in Argentina transferred to Argentine Government. Settlement contract called for court evaluation of properties which was issued April 26, 1961, and accepted by company.

December 26, 1958, Yugoslavia: Nationalization of urban dwellings, business premises and underdeveloped building lots including U.S.-owned property.

Settlement: United States and Yugoslavia have agreed to begin negotiations soon for settlement of claims arising after 1948.

May 11, 1959, Brazil: Governor of Rio Grande do Sul issued order expropriating American & Foreign Power Co. holdings in state.

Settlement: Case now pending in Brazilian courts.

June 3, 1959, Cuba: Agrarian reform law provided for expropriation of estates over a certain size including U.S.-owned sugar plantations. U.S. note to Cuban Government protested inadequate provisions for compensation.

Settlement: None concluded to date.

July 5, 1960, Cuba: Law authorized nationalization of all U.S.-owned properties to be carried out as applied to particular properties by subsequent decrees. Law was in specific retaliation against United States cutting Cuban sugar quota. Probably all or nearly all U.S.-owned property in Cuba has been taken under this or other expropriation law. Several U.S. notes to Cuban Government protested discrimination and inadequate provision for compensation.

Settlement: None concluded to date.

1961, Ecuador: Sheraton Hotel.

Settlement: None concluded to date.

1962, Brazil: Governor of Rio Grande do Sul expropriated International Telephone & Telegraph properties in that State.

Settlement: Presently under negotiation between company and Government.

Ceylon: Requisition of certain assets of oil firms including American Caltex and Esso Cos. The new Government-owned Ceylon Petroleum Co. will use the seized properties to put itself into business and will sell cut-price Russian oil.

Settlement: Formal note from Ceylon Government received stating its intention to make prompt and effective compensation for all assets requisitioned. The foreign oil companies have been promised compensation, but they are not optimistic. A foreign bus company expropriated 3½ years ago has still not been paid for its properties.

1945–62, Mexico: From time to time Mexico expropriates U.S.-owned and other property under its agrarian reform program.

Settlement: While there has been no overall settlement of claims, there have been isolated instances of individual settlements.

Mr. Chairman, the pending amendment to the Foreign Assistance Act of 1961 includes the authorization of funds to support the investment guarantee program in the amount of $100 million. The committee report in commenting on this provision stated, and I quote:

> The committee is not satisfied with the rate of progress in issuing guarantees. The economic development of the countries eligible for investment guarantees will be retarded if private investment in such countries is delayed. The administrators of the program are urged to take whatever action may be necessary to speed up its operation.
>
> The act provides that the guarantee program, both on specific and general risks "shall be administered under broad criteria." There is need, now more than ever, for a more imaginative use of these guarantees if private enterprise participation in programs such as the Alliance for Progress is to take place. In Latin America, for example, the specific risk guarantees and housing guarantees can be used to encourage reinvestment of earnings or capital that would otherwise leave the area; they should also be available for the new investments of the U.S. investor who agrees to reinvest his compensation in whatever form received when governmental entities expropriate or buy him out, as is now proposed with respect to the recent utilities cases in Latin America.[6]

Apparently, the pending measure not only authorizes additional funds for economic assistance programs in other nations, but also provides guarantees to compensate our nationals whose properties may be expropriated by a country receiving U.S. aid.

Mr. Chairman, any contract whereby the U.S. Government guarantees an oversea investment should include an agreement by the investor with the U.S. Government to subrogate any claim against a foreign nation and to relinquish any assets in such country.

Mr. Chairman, Price Waterhouse & Co. in February 1962 published a booklet entitled "Summary Information Relating to Investments in Certain Countries." It contains key information for those considering private investments in various nations of the world. Data is furnished with respect to convertibility of exchange, remittance of profits, repatriation of capital, government policy as regards ownership by foreign interests, government guarantees regarding foreign and locally owned companies, guarantees against expropriation, investment guarantees available from U.S. Government and availability of local capital. Mr. Chairman, I ask leave to include the summary tables from this publication at this point in my remarks.

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[6] Foreign Assistance Act of 1962, report of the Committee on Foreign Affairs, June 7, 1962, p. 9.

Summary information relating to investments in certain countries

Country	Convertibility of exchange	Remittance of profits	Repatriation of capital	Policy as regards ownership by foreign interests	Government guarantees regarding foreign and locally owned companies	Guarantees against expropriation	Investment guarantees available from U.S. Government [2]	Local capita available
Aden	Restrictions exist towards dollar area but for normal trading readily obtainable.	Exchange control permission necessary but usually granted.	Exchange control permission necessary but usually granted.	Permission given if authorities satisfied as to introduction of some special skill which can not be supplied by Adeni controlled enterprise.	No legal difference between foreign-owned and locally owned companies.	Authority over all crown lands (all lands in Aden are crown lands) vested in the Governor. Leases from the Crown carry provision for fair compensation in cases of expropriation.	Yes	Yes.
Argentina	No restriction	No restriction	No restriction	No restriction except in a few exceptional cases (airplanes, defense zones, etc.).	No legal difference between foreign-owned and locally owned companies.	No guarantees, but laws prescribe that a fair compensation must be paid.	Yes	Little available.
Australia	Convertible, but all remittances abroad require exchange control approval which is normally given.	Approval required, but current profits may be remitted without restriction. Royalties or similar arrangements require prior approval of exchange control.	Authorization normally granted for repatriation to country of origin. Advance commitments not entered into, but approval withheld only in exceptional circumstances.	No restriction	do.	No guarantees. Commonwealth may acquire property on just terms for any purpose covered by the Constitution. States have sovereign powers including expropriation under various statutes, but in practice compensation is paid.	No	Yes.
Austria	Purchase and sale of foreign exchange are subject to control by Austrian National Bank.	Subject to control by Austrian National Bank.	Subject to control by Austrian National Bank.	No special restrictions; trading license required by all companies.	do.	Special law required for expropriation.	No	Do.
Bahamas	Convertible but purchases of foreign currency are subject to approval by exchange control.	Exchange control permission required but normally given if investment has been authorized.	Permission required but always given if investment has been authorized.	Foreign investment encouraged, particularly in tourist and industrial dedevelopments. Immigration policy seeks to protect existing local enterprises in retail sector. This does not apply to the Freeport where investment in any business may be made by arrangement with the company developing the area.	do.	Would require special legislation for any expropriation.	Yes	Yes, mainly through branch organizations of U.K., U.S.A., and Canadian finance houses.
Barbados (see Trinidad).								
Belgium (and Luxembourg).	No restriction. Imports and exports and certain services can be converted at official rate. Investments and profits at free rate.	No restriction	Authorization is normally given for repatriation of capital to the country of origin; however, a transfer guarantee should be obtained at the time of the investment.	No restriction	do.	do.	No	Yes.
Bolivia	No restriction (surcharge 2.2 percent of the selling rate).	No restriction (sometimes difficult to obtain large amounts).	No restriction (under the petroleum code, repatriation is limited to 20 percent per annum of total investment).	No restriction except in "reserved areas" or within 50 kilometers of national frontiers.	No legal difference between foreign owned and locally owned companies. Special guarantees to oil concessionaires and for investment in new industries.	No guarantees, but laws prescribe that compensation must be paid.	Yes	Little available.
Brazil	(1)	(1)	(1)	No restriction except in petroleum exploration, production and refining, fishing, aviation and coastwise shipping, newspapers and radio and industries in border areas.	No specific guarantees. Under Brazilian constitution all corporations organized under Brazilian law enjoy same rights and privileges.	No guarantees other than those contained in the constitution.	No	Do.

[1] At the date this booklet was printed the foreign exchange situation in Brazil continued to be uncertain and for this reason information relating to convertibility, remittance of profits, and repatriation of capital has been omitted. A supplementary report on Brazil will be issued as soon as conditions warrant.

[2] The Agency for International Development (AID) generally provides coverage of risks resulting from war, expropriation, and inconvertibility. However, in special circumstances, coverage of any risk including normal business risks is available. For full information AID should be consulted.

***Summary information relating to investments in certain countries*—Continued**

Country	Convertibility of exchange	Remittance of profits	Repatriation of capital	Policy as regards ownership by foreign interests	Government guarantees regarding foreign and locally owned companies	Guarantees against expropriation	Investment guarantees available from U.S. Government	Local capital available
Canada	No restriction	No restriction	No restriction	No restriction	None	No guarantees but laws prescribe that a fair compensation must be paid.	No	Yes.
Chile	Exchange freely convertible through bankers or brokers markets, depending on circumstances.	No restriction but Government approval must be obtained. Exchange to be purchased through brokers market.	As long as the capital was originally registered with the Central Bank, permission can be obtained for repatriation. Exchange to be purchased through brokers market.	No restriction except in petroleum exploration and refining, aviation and coastwise shipping and industries in northern border areas.	No legal difference between foreign owned and locally owned companies although special guarantees are awarded in some cases.	do	Yes	Do.
Colombia	Exchange is pegged for most imports and exports. For other transactions, a free exchange market exists.	No restriction	No restriction	No restriction except as regards airlines.	None except for normal constitutional guarantees of protection applying equally to foreign owned and locally owned companies.	No guarantees	No	Do.
Cyprus	Subject to control by the exchange control authorities.	No restriction, provided permission for investment granted.	No restriction provided permission for investment granted.	Permission is required unless investor is resident of sterling area.	No legal difference between foreign owned and locally owned companies.	do	No	Little available.
Denmark	No restriction	do	do	No restrictions except in a few exceptional cases (national defense and retail trade). Approval, generally obtainable, of Ministry of Commerce needed for investments exceeding DKr 40,000 per annum.	No legal difference between foreign owned and locally owned companies.	Expropriation possible only by special act of Parliament and compensation must be paid.	No	Yes.
Dominican Republic.	No restriction, but U.S. dollar exchange difficult to obtain. Ninety percent of proceeds of exports must be surrendered in return for local currency.	do	do	No restriction	do	Constitution allows expropriation only in the public interest and fair compensation must be paid.	Yes	Yes, but in very limited amounts.
Ecuador	do	do	do	No restriction	No legal difference between foreign owned and locally owned companies although special guarantees are granted in some cases.	No guarantees	Yes	Little available.
Fiji	Convertible but formal approval, normally given, required for remittances outside sterling area.	No restriction, but formal approval, normally given, required for remittances outside sterling area.	Repatriation, including capital gains, permitted except that formal approval, normally given, required for remittances outside sterling area.	No restriction	No legal difference between foreign owned and locally owned companies.	No provisions for expropriation of property other than land in special circumstances.	Yes	Yes, in limited amounts.
Finland	Restricted, but permission may be granted by the Finnish Central Bank.	Prior authorization of Central Bank required. Normally permitted on the basis of special application but limited to a certain percentage of the investment made in foreign currency.	Restricted, unless authorization is obtained at time of investment.	Special permission required. Also, Council of State permission needed for foreign land ownership or lease exceeding 5 years and for foreign investment in mining, banking, insurance, and transportation industries.	No legal difference between foreign owned and locally owned companies.	Expropriation of property would require special act of Parliament. Land may be expropriated for public use but full compensation must be paid.	No	Restricted at present.

Summary information relating to investments in certain countries—Continued

Country	Convertibility of exchange	Remittance of profits	Repatriation of capital	Policy as regards ownership by foreign interests	Government guarantees regarding foreign and locally owned companies	Guarantees against expropriation	Investment guarantees available from U.S. Government	Local capital available
France (including Algeria).	Convertible, but purchases of foreign currency are subject to general or special authorization which is usually obtainable for current payments.	Permission needed, but normally given if investment has been authorized by exchange authorities.	Permission needed, but normally given if investment has been authorized by exchange authorities.	No restrictions except in a few exceptional cases for reasons of national defense, etc. In a limited number of cases a majority holding by foreign interests may be refused by the authorities.	No legal difference between foreign owned and locally owned companies.	Certain guarantees contained in the treaty of establishment between France and the United States.	No	Yes.
Germany	No restriction	No restriction	No restriction	In general no restrictions, except establishment of a branch requires a permit. Defense Ministry scrutinizes companies wishing to operate in field of national defense.	do.	None, but the constitution only allows expropriation in the public interest under a law providing for fair compensation.	No	Yes.
Grenada (see Trinidad).								
Guatemala	do.	do.	do.	No restriction. Industrial Development Law of September 22, 1959, provides certain tax benefits for new industries and expansion of existing ones.	do.	No guarantees, but the Constitution only allows expropriation on grounds of public interest, collective need, or social benefit under a law providing for fair compensation.	Yes [3]	Some available.
Hong Kong	Exchange in all currencies is available on the open market.	do.	do.	No restriction	do.	No guarantees, but special law would have to be passed.	Yes	Yes.
Italy	Convertible, but subject to general or special authorization which is usually readily obtainable for current transactions.	do.	No restriction, if originally introduced for a "productive enterprise"; otherwise may not be permitted until after 2 years.	No restrictions, except where matters of national defense, etc., are concerned (e.g., ships, aircraft), also banking organizations.	do.	No guarantees, but laws prescribe that fair compensation must be paid.	No	Yes.
Jamaica	Restricted, but permission obtainable from the Ministry of Finance (exchange control section).	Restricted, but approval usually granted by the exchange control authority.	Restricted. Application for approved investment status must be submitted to the exchange control authority.	No restriction	do.	A special law would be required for expropriation.	Yes	Yes.
Japan	Subject to control by the Ministry of Finance, Ministry of International Trade and Industry and the Bank of Japan.	Restricted to banks, insurance companies, air line companies, steamship companies.	Restricted to validated investments after at least 2 years.	Validated investments are restricted, especially communications, transportation, broadcasting, television, utilities companies. Nonresident investments in domestic yen not encouraged. Yen investments by resident foreign persons and companies are not restricted except as mentioned above.	do.	No guarantees but laws prescribe that fair compensation must be paid.	No	Practically none.
Libya	Purchase of foreign currency can be made only against a permit which is granted at the discretion of the authorities.	Permission granted provided authorities are satisfied the profits are due nonresidents and, by review of audited accounts, that the profits are stated fairly.	Situation unclear. Seems probable that capital could be repatriated if an enterprise were to be liquidated but such cases have rarely arisen.	Permission given if authorities satisfied as to introduction of some special skill which cannot be supplied by a Libyan controlled enterprise. When this is not the case, effective control and a 51 percent share of profits must accrue to Libyan nationals. Currently, land may not be purchased by a non-Libyan.	No legal difference between foreign owned and locally owned enterprise except that special rules are applied to oil exploration companies.	There are no guarantees, nor does there appear to be any legislation on this subject.	No	Little available.

[3] However, agreement not in force until ratified by Guatemala's legislative body.

Summary information relating to investments in certain countries—Continued

Country	Convertibility of exchange	Remittance of profits	Repatriation of capital	Policy as regards ownership by foreign interests	Government guarantees regarding foreign and locally owned companies	Guarantees against expropriation	Investment guarantees available from U.S. Government	Local capital available
Luxembourg. (See Belgium.)								
Mexico	No restriction	No restriction	No restriction	Ownership in the petroleum industry, electrical utilities and railroads restricted to Government agencies, and lumbering and petrochemical industries restricted to Mexican entities. Mexican majority ownership required in numerous other industries.	No legal difference between foreign owned and locally owned companies.	No guarantees, but laws prescribe that a fair compensation must be paid.	No	Some available.
Morocco	Convertible but purchases of foreign currency are subject to approval by exchange control authorities.	Permission needed, but normally given if investment has been authorized by exchange authorities.	Permission normally given if investment has been authorized.	No restrictions except that if investment has a national interest the Government will also participate.	do	None	Yes	Little available.
Netherlands	No restriction	No restriction	No restriction	Permit required from currency control authorities on acquisition.	No legal difference between foreign owned and locally owned companies.	Constitution allows expropriation only in the public interest, by special act and compensation must be paid.	No	Yes.
Nigeria	Normally subject to approval by the exchange control authorities, except that banks are authorized to approve applications for payment of goods imported under open general import license. For countries in the sterling area, permission, in general, not required, though this may be changed shortly.	Permission needed, but normally given if investment has been authorized by exchange control authorities. Permission not required for sterling area countries though this may be changed shortly.	Permission needed, but normally given if investment has been authorized by exchange control authorities. Permission not required for sterling area countries though this may be changed shortly.	Generally no formal restriction but, if foreign perticipation is in activities considered adequately represented by Nigerian interests, restrictions may be placed. There are restrictions upon the ownership of land.	do	No guarantees but expropriation would require a special act of parliament.	No	Little available.
Norway	Freely convertible.	Permission necessary but currently obtainable.	No restrictions on investments made after July 1, 1950. Application for transfers relating to investments made before this date are treated liberally.	Authorization required for the import of private foreign capital and purchase of shares in Norwegian companies. Concessions are required for acquisition or lease of certain properties by a foreign company. Foreigners are limited to 40 percent interest in Norwegian ships. The election of foreigners as members of boards of directors is restricted.	Apart from regulations in the concession acts and the shipping law, no legal difference between foreign owned and locally owned companies.	Constitution allows expropriation only in the public interest (including development of industry), by special act of Parliament and compensation must be paid.	No	It is very difficult for foreigners or foreign controlled companies to obtain loans due to restrictions imposed by the Government and the Bank of Norway.
Okinawa	No restriction	No restriction	No restriction, other than compliance with terms of Joint Foreign Investment Board license.	No foreigner can carry on a business in the Ryukyu Islands unless he first obtains a J.F.I.B. license. There are restrictions on owning realty—land, buildings, houses, etc. Generally these can only be leased for not more than 10 years.	No legal difference between foreign owned and locally owned companies.	No guarantees	No	No.

Summary information relating to investments in certain countries—Continued

Country	Convertibility of exchange	Remittance of profits	Repatriation of capital	Policy as regards ownership by foreign interests	Government guarantees regarding foreign and locally owned companies	Guarantees against expropriation	Investment guarantees available from U.S. Government	Local capital available
Pakistan	Restricted and subject to the authorization of the State Bank of Pakistan.	Permission for remittance of current profits to the country from which the investment originated is generally granted.	Foreign capital in approved industries established after Sept. 1, 1954, may be repatriated at any time, to the extent of the original investment, to the country from which the investment originated.	Authorization must be received from Controller of Capital Issues. Otherwise no set policy regarding foreign participation in companies. In practice, foreign participation may be restricted to less than 50%.	None	No guarantees but Government has indicated that if an emergency requires expropriation, fair compensation will be paid.	Yes	Yes.
Panama	No restriction	No restriction	No restriction	No restriction in industrial, mining and wholesale activities. Retail business, professions, newspapers, radio, movies, advertising, etc., are restricted.	No legal difference between foreign owned and locally owned companies.	No guarantees other than that prescribed in the constitution which provides for payment of losses and damages.	No	Little available.
Paraguay	do	do	do	No restriction	Certain guarantees by law and by signed agreement between Paraguay and the United States.	There are certain guarantees contained in the foreign investment law and in an agreement between Paraguay and the United States.	Yes	Restricted.
Peru	do	do	do	No restriction except in insurance business, aviation, coastal, river, and lake shipping, radio, and petroleum.	Government guarantee for foreign loans available to Peruvian companies only. No statutory definition exists but 51 percent ownership by Peruvian nationals is normally required.	No guarantees other than those contained in the constitution.	Yes	Yes.
Philippines	Subject to certain regulations but generally convertible.	do	do	Exploitation of natural resources, water and air transportation, retail trade, rice and corn trade and certain others restricted to Filipino ownership and control in whole or in part. Until 1974, U.S. citizens are extended same rights as Filipino citizens.	No foreign investment law as such; property rights guaranteed by Constitution.	Provided for in Constitution.	Yes	Yes.
Portugal	Imports controlled by Government. Otherwise no restriction.	No restriction except that approval must be obtained from Bank of Portugal and it is sometimes difficult to obtain authorization for large amounts.	do	No restriction except where authorities consider the business concerned to be of national interest. In certain cases, state concessions impose obligations and restrictions in exchange for the concessionary rights.	No legal difference between foreign owned and locally owned companies.	None	Yes	Little available.
Puerto Rico	No restriction since U.S. dollars are the only currency.	No restriction, other than withholding taxes.	do	No restriction	No legal difference between foreign owned and locally owned companies.	Constitution and statutes allow expropriation only in the public interest and fair compensation must be paid.	No	Yes, generally in limited amounts.
Rhodesia and Nyasaland, Federation of.	Subject to control by the Bank of Rhodesia and Nyasaland.	Subject to control but permission readily granted for remittance in currency of origin of capital.	Subject to control but permission normally granted. Authorization for ultimate repatriation may be applied for at time investment is made.	No restriction apart from a few exceptional cases (e.g. automobile tires and petroleum refining).	No legal difference between foreign owned and locally owned companies.	No guarantees other than those contained in the Constitution.	No	Yes, but subject to control where it takes the place of foreign capital.

Summary information relating to investments in certain countries—Continued

Country	Convertibility of exchange	Remittance of profits	Repatriation of capital	Policy as regards ownership by foreign interests	Government guarantees regarding foreign and locally owned companies	Guarantees against expropriation	Investment guarantees available from U.S. Government	Local capital available
South Africa	Subject to control by the South African Reserve Bank.	Subject to control but permission readily granted for remittance of current profits in currency of origin of capital.	Subject to control but permission normally granted. Authorization for ultimate repatriation may be applied for at time investment is made.	No restriction apart from a few exceptional cases (e.g. air transport).	No legal difference between foreign owned and locally owned companies.	Expropriation possible only by or under acts of parliament and compensation must be paid.	No	Yes, but subject to control where it takes the place of foreign capital.
Spain (including Rio de Oro and Spanish Guinea).	Subject to general or special authorization.	No limit on "preferential" investments. Others limited to 6-8 percent of the foreign capital invested.	Repatriation may begin 2 years after commencement of business and may be completed in the succeeding 2 years by "preferential" companies and in 4 years by others.	Ownership is limited to 50 percent but can be extended with cabinet approval. Special rules apply to petroleum companies. Must have cabinet approval for investment in national defense industries and information media.	No legal difference between foreign owned and locally owned companies, but special rules are applied to oil concessionaires.	Certain guarantees against expropriation for reasons other than public interest and then only upon payment of fair compensation are written into Spain-United States "Investment guarantee programme."	Yes	Mainly concentrated in certain financial groups.
Sudan	Subject to approval by the exchange control authorities.	Permission for remittance to country from which the capital originated is normally obtainable without difficulty.	Permission normally given if investment has been authorized.	Permission required but normally obtainable without difficulty apart from special cases (such as retail trade or "import and export" business).	No legal difference between foreign owned and locally owned companies.	No guarantees	Yes	Little available.
Sweden	Restrictions exist but, in practice, freely convertible.	Permission normally given, providing that original investment had been authorised by exchange control authorities.	Permission required but normally given. Authorization may be obtained at time investment is made.	In general, no restriction. A foreign-owned company may not carry out air transportation, own ships, or engage in insurance business. Also, certain restrictions on ownership of real estate.	No legal difference between foreign owned and locally owned companies.	Expropriation would require a special bill by Parliament.	No	The Swedish Central Bank is pursuing a restriction policy regarding the granting of new loans by commercial banks.
Switzerland	No restriction	No restriction	No restriction	No restriction except in respect of acquisition of real estate.	do.	Constitution allows expropriation only in the public interest and fair compensation must be paid.	No	Yes.
Thailand	Subject to approval by the exchange control, Bank of Thailand.	Transfer of profits after taxes and after appropriation of reserves is normally permitted.	Permission to repatriate capital may be obtained upon liquidation of the enterprise in which the capital has been invested or upon submission of proof that such enterprise no longer requires the use of the capital.	No restriction	No legal difference between foreign owned and locally owned companies.	No guarantees	Yes	Little available.
Trinidad (and Barbados and Grenada).	Subject to control by exchange control authority.	No restriction on remittance in sterling. Remittance in other currencies subject to permission of exchange control authority which is granted automatically if "approved investment status" has been granted.	No restriction on repatriation in sterling. Repatriation in other currencies subject to permission of exchange control authority.	No restriction except as to ownership of land. It is desirable for "approved investment status" to be obtained in respect of foreign capital. Special concessions granted for approved investments.	No legal difference between foreign and locally owned companies except as to ownership of land by foreign owned companies.	Compulsory acquisition of land may be made for public purposes, when full compensation must be paid. No laws exist otherwise and "ad hoc" legislation would have to be enacted.	Yes	Yes, in limited amounts.
Uruguay	Except for speculative dealings, exchange is freely convertible.	do.	No restriction (5 percent of authorized capital must remain in Uruguay as long as the company retains local registration).	No restriction. Surcharge for absenteeism is made on real estate tax when owner maintains domicile abroad.	Protected by constitution.	Would require special law for any expropriation.	No	Restricted at present.

Summary information relating to investments in certain countries—Continued

Country	Convertibility of exchange	Remittance of profits	Repatriation of capital	Policy as regards ownership by foreign interests	Government guarantees regarding foreign and locally owned companies	Guarantees against expropriation	Investment guarantees available from U.S. Government	Local capital available
Venezuela........	At official exchange rate restricted to certain payments (essential importations, registered loans, limited profit remittances). No restriction in free market.	At official exchange rate partially restricted and subject to approval by Central Bank. No restriction in free market.	At official exchange rate subject to acceptance of capital registration and approval by Central Bank (at present usually not granted). No restriction in free market.	No restriction, except in specified businesses.	All corporations organized under Venezuelan law or registered to do business in Venezuela enjoy same rights and obligations.	No guarantees but laws prescribe that compensation must be paid.	No......	Yes, but generally in limited amounts.

Mr. Chairman, in examining the table which I have just placed in the RECORD, it should be noted that in many countries the only guarantees against expropriation are those contained in their constitutions. Brazil is among the nations with such a constitutional provision.

President Kennedy justifies his refusal to suspend assistance to Brazil in spite of the expropriations which have occurred in the province of Rio Grande do Sul because he believes it is unfair to penalize an entire country because of the action of one state. Mr. Chairman, all Americans who have followed Latin American affairs are aware of the means by which constitutions are set aside by those who are elected to office or seize power. I am confident that few of our citizens realize that the Governor of the province of Rio Grande do Sul happens to be the brother-in-law of the Brazilian President, who has visited Washington seeking aid and pleads that he cannot control the actions of this province. Under such conditions, investors cannot place much confidence in the written constitutions of unstable countries. They expect the support of their own government in their efforts to reduce the burden on our taxpayers when they undertake economic development by establishing private enterprises in developing countries. They have every right to expect that foreign assistance to a government which confiscates their property without compensation will be suspended. This is the least that we can do to support our own citizens. Superficially, the pending measure appears to meet this problem, as it provides for the suspension of assistance when expropriations occur for which equitable and speedy compensation in convertible foreign exchange as required by international law is not provided. However, section 301 permits continued assistance if "the President determines such suspension to be inconsistent with the national interest."

Mr. Chairman, realistically, the President's determination on such matters will be based upon recommendations by the State Department. Unfortunately, again, experience shows that the Department has not been successful in promoting and protecting the interests and investments of our nationals. In response to a request from the chairman of the Senate Committee on Foreign Relations for information concerning the expropriation of foreign investments owned by U.S. nationals, Mr. Frederick G. Dutton, an Assistant Secretary of State, stated and I quote:

> So far as is known, no complete list of expropriated property is maintained by any U.S. Government agency. Thus the enclosed list cannot be considered a complete record of all expropriations or actions of foreign governments affecting U.S. investments abroad for the period covered.[9]

Mr. Chairman, it is inconceivable that an Assistant Secretary of State is oblivious to the actions that have taken place in Brazil and in other nations whose policies undermine the success of U.S. foreign assistance programs including the Alliance for Progress.

Under such conditions, the Congress cannot authorize vast sums for assistance without maintaining constant surveillance with respect to the economic climate that prevails in other countries which influences private enterprise investments and the attainment of the goals of Government assistance programs.

Mr. Chairman, in 1957, during the 85th Congress, our distinguished colleague, the gentleman from Alabama [Mr. SELDEN], introduced a resolution (H.J. Res. 160) to establish a commission to study the conditions prevailing in countries that are the recipients of governmental aid and also benefit from U.S. private investment.

Mr. Chairman, the need of congressional review of the interrelationship of our foreign assistance program and private investments by our nationals is even greater today than it was in 1957.

During the course of the hearings before a subcommittee of the Committee on Foreign Affairs to consider House Joint Resolution 160, in February 1957, the gentleman from Alabama explained the need for a review by the Congress and the executive branch of our foreign economic policies:

> As you know, the United States has in the past few years expended billions of dollars to speed the recovery of war-torn countries and to encourage the development of undeveloped economies. It is the purpose of much of this aid to stimulate the growth of sound economies so that political stability will be encouraged and tensions reduced.
>
> It is generally conceded that an increase in the flow of private investment capital abroad would reduce the need for massive governmental aid in many areas. Private capital could accomplish many of the objectives of our governmental aid, particularly where the purpose of our assistance is to develop the local economy and thereby promote economic and political stability. Private capital could achieve the identical results without placing a heavy burden on the U.S. taxpayer. Needless to say, any relief from the heavy burdens of governmental expenditures would be welcome.
>
> Unfortunately, private concerns or private individuals are unwilling under present-day circumstances to send their capital into many areas of the world. There are numerous reasons for this reluctance. Some of these are fear of political revolution and disturbance, unfavorable tax conditions, limitation of the market area and limitations on profits to be earned. It is generally agreed, however, that one of the principal deterrents to private investment in many areas is the fear that the investment will be either confiscated, expropriated, or nationalized. In the last few years these fears seem to have been justified. The former concept of the sanctity of private property has been whittled away. The seizure of the oil properties in Iran and the seizure of the Suez Canal only highlight and emphasize the danger to which private capital overseas is subject. It is not unreasonable that private investors are loath to increase existing investments or to initiate new investments in areas where confiscation and nationalization have become national policy.
>
> There have been numerous surveys of American oversea investment and of the reasons why Americans invest and why they refuse to invest abroad. In almost every instance nationalization and confiscation have been mentioned as being among the principal deterrents to new investment. No corporation can afford to place millions of its stockholders' dollars in new plants abroad if the plant is in danger of being nationalized at any moment.
>
> With these thoughts in mind, House Joint Resolution 160, to create a Commission to study and make recommendations for the security of American foreign investments and the prevention of claims against the United States, is directed toward a study of these problems.[10]
>
> The principal point toward which the study of this Commission would be directed would be the question of the possibility and desirability of establishing a uniform code to protect the United States and its citizens

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[9] Foreign Assistance Act of 1962, report of the Committee on Foreign Relations on S. 2996, 87th Cong., 2d sess., S. Rept. No. 1535, p. 91.

[10] Protection of Private Investments Overseas, hearings before the ad hoc subcommittee of the Committee on Foreign Affairs, House of Representatives, 85th Cong., 1st sess., H.J. Res. 160, Feb. 28, 1957, pp. 4–5.

> from nationalization, expropriation, or confiscation of private and governmental investments abroad. It is contemplated that such a code or convention might eventually become worldwide in application. If such a code or convention governing nationalization, expropriation, or confiscation of private property abroad could be drafted and if sufficient signatories to such a code could be secured, the flow of American private investment would be facilitated.
>
> I realize that a code or a convention is nothing more than a piece of paper unless the signatories to the convention are willing and ready to implement its provisions in good faith. Although some nations might give such a convention only lipservice, the significance of the entering into force of such a code or convention would place a stigma on the high-handed practices of many governments and would constitute a start toward the establishment of a good climate for international trade and investment. However, should the contemplated study reveal that a code or convention is not feasible, ways, means, and methods may be developed as a result of the study whereby our bilateral or multilateral treaties of friendship, commerce, and navigation may be revised, brought up to date, and extended. The primary purpose of the resolution is to make a study which will result in the production of climates favorably conducive to trade, thereby affording to American oversea investments the security to which they are entitled.
>
> If the dangers of nationalization and of confiscation of private property are reduced, it is only natural to assume that the flow of private capital would increase, since one of the principal dangers to oversea investments will have been partially removed.[11]

Mr. Chairman, the former Deputy Assistant Secretary of State for Economic Affairs, Mr. Kalijarvi testified with respect to Mr. SELDEN's resolution, House Joint Resolution 160, 85th Congress. He referred to the treaties of friendship, commerce, and navigation which had been executed with other countries to strengthen the position of the U.S. investor. However, he stressed the limitations in both bilateral and multilateral treaties in establishing a uniform code for the protection of foreign investments.

Mr. Chairman, I include herewith excerpts from former Secretary Kalijarvi's testimony to be included at this point in my remarks:

> The experience of the Department of State over many years has convinced us that the bilateral treaty of friendship, commerce, and navigation offers the most practical means of affording treaty protection to American investors abroad. Multilateral negotiations have been found to produce unsatisfactory results, and the reasons are not difficult to perceive. There are great variances among nations as to the degree to which they are prepared to bind themselves legally to accord fair treatment, even among those which in fact, accord fair treatment in practice. Some countries with federal constitutions, including Australia, Canada, and the United States, have special problems which limit the commitments they can undertake. Efforts at general uniform arrangements tend to break down over the differences among individual countries and their varying legal systems and economies. Consequently, bilateral negotiations during which adjustments can be made to take care of individual differences, may be expected to produce the best results as far as U.S. interests are concerned.
>
> We have come to these conclusions after three major multilateral attempts to provide a uniform system of protection for international investment. Each resulted in failure. In 1929, an international conference met at Geneva under League of Nations auspices to consider a carefully prepared draft convention on the treatment of foreigners and foreign enterprises. Because of the reservations each country felt obliged to attach, the effectiveness of the proposed convention was so reduced that the project was abandoned. A second attempt was the section on economic development in the abortive ITO Charter, which, in order to accommodate the varying views of participating countries, equivocated on certain fundamental principles, including the standard of compensation in case of the expropriation of property.
>
> Differences between legal systems, between national policies, and differences as to economic interests created in each case insuperable obstacles to the establishment of uniform principles applicable to each of the many countries concerned. Experience over the past few years in the U.N. with resolutions designed to encourage private investment, which have stimulated strong reactions against any forthright declaration of principle, further indicate the futility of multilateral efforts under present conditions.[12]

Mr. Chairman, subsequent to Mr. Kalijarvi's testimony, my friend and distinguished colleague, the gentleman from Alabama [Mr. SELDEN], made an observation which is applicable to the problem we face today. He said—and I quote:

> I am getting increased demands each day from my constituents for reduction in the largest peacetime budget in this country's history. They have emphasized particularly our foreign-aid program.
>
> I hesitate to vote against any appropriation of American dollars that I am told must, in our own interest, be sent to foreign nations in order to promote the economic and political stability of those countries.
>
> Yet, I am certain that if we could induce more investments abroad that we could then safely cut some of our foreign aid programs. I am rather surprised and alarmed that the State Department would oppose the establishment of a commission created for the primary purpose of studying the problems and recommending measures for the security of American foreign investments. I regret that the State Department assumes the position that their aproach is the only approach that should be made. By its testimony, the Department of State would close the door to inquiries concerning the protection of our own investments that would require the Department to act in concert with Members of Congress as well as with representatives outside the Government. I regret that a position of such self-sufficiency is taken by our Department of State."[13]

Mr. Chairman, the Congress has repeatedly stressed the role of private enterprise and investment in furthering the foreign policy objectives of this Government. The language included by the 79th Congress and signed into law by President Truman reaffirmed the role of the private sector in furthering economic development. The Randall Commission in its review of our foreign economic policy objectives once again reiterated this position.

President Eisenhower knew the limitations of government to government programs. He realized that they could provide stimulus if the other factors necessary for private investment were present. So as to secure a better understanding on the part of our own citizens of the role of private enterprise in furthering our economic objectives, President Eisenhower asked a group of distinguished citizens to serve on a panel of advisers on the mutual security program. They were directed to study the impediments that stood in the way of additional private investment that would stimulate a larger flow of American capital overseas. Its chairman was the late Mr. Benjamin Fairless. Its report was presented on March 1, 1957, and I here include an excerpt from it:

> The importance of private capital: Foreign investment of private capital is far more desirable than investment by Government; and during the past fiscal year it appears that there was approximately $3.7 billion of new, private U.S. investment abroad. Such investments provide much more than capital to the cause of economic development, for they carry with them the initiative, the managerial skill, and the technical aptitude which have proven of great worth to the American economy.
>
> Moreover, private capital does not constitute a drain on the taxpayer. Indeed, to the extent that private capital can proceed, the burden on the American taxpayer can be reduced without impairment of that economic development of the free world which is so essential to the realization of American aspirations.
>
> Beyond that, private American capital can join more easily with private capital in other countries than can Government investment.
>
> We believe, therefore, that the U.S. Government should increase its efforts to make known, both at home and abroad, the productive contributions and possibilities of private capital. This can and should be done by our diplomatic missions and by friendships and commerce treaties. In our opinion, this effort has not been pursued thus far, with the vigor that the obvious benefits of such an undertaking would justify.
>
> We also believe that the Government should move promptly to increase the incentives for private investments abroad by providing more equitable taxation of foreign business income.
>
> In the aggregate, the role of foreign government is far larger than ours in determining the climate for private investment abroad; and this is a fact which should be continually emphasized. But shortcomings abroad are no excuse for failure on our part to remove the obstacles for which we are responsible.[14]

Regardless of every other consideration, private capital cannot flow freely to countries that refuse to respect the property rights of their own citizens and of foreign investors. The programs we have undertaken for foreign assistance represent gigantic expenditures which in relation to our present budgetary deficit and the level of our national debt must be approached with great deliberation. If we impose burdens on our citizens to support continued foreign assistance Government programs, we must insure that they have a reasonable chance to succeed. Considering the various programs which further foreign assistance in one way or another during the past 3 fiscal years, the Congress has made more than $27 billion available to the administration. The results of these expenditures in the underdeveloped areas have not been encouraging. The time has come when we will secure greater respect and cooperation in achieving our objectives by firmness in rejecting policies imposed abroad that result in the confiscation of billions of dollars in the assets of our citizens. A firm and resolute position to the effect that foreign assistance is undertaken on a mutual basis by the United States and the recipient country to provide a climate favorable for foreign investment as well as the mobilization of indigenous savings must be embodied in legislation by the Congress. Needless to say, this requires a complete suspension of foreign assistance without any Presidential discretion to those countries who squander our taxpayers' money and destroy the savings of our investors.

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[11] Ibid., pp. 5–6.

[12] Ibid., p. 14.

[13] Ibid., p. 28.

[14] Ibid., pp. 77–78.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. This amendment does more than establish a condition precedent. The adoption of this amendment would be a condition subsequent to an event already happening in Brazil. No matter how we view it, a condition precedent or otherwise, I think included in it is an automatic cutoff. I think we are in a delicate situation such as this. I think we should be guided more by the unanimous feeling of the committee who really put in a considerable amount of time and discussion on this amendment as it appears in the bill.

Mr. CONTE. I thank the gentleman. I am sorry I must disagree with him, because if this becomes law, it will be a document for all the recipient nations to see that aid will be cut off to any country after a 6-month period if it has confiscated American property without just compensation.

Furthermore, in answer to the argument of a member of the committee in regard to Brazil, it may be a person in a lower echelon of government who takes that property, such as the I.T. & T. But in that particular case the person governing the Province was also the brother-in-law of the President of Brazil, and if this were law today, the President could tell his brother-in-law to give the property back to the I.T. & T. or expect to see the end of our aid.

Mr. Chairman, I hope the amendment carries.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the author of the amendment if it is true that the last part of this paragraph 1, line 22 is left in; is that correct, "and such compensation shall continue" and so forth?

Mr. ADAIR. I will say to the gentleman, if he will yield, that that is correct.

Mr. ROOSEVELT. Then, may I ask him who the "he" that is left in refers to? Who is "he"?

Mr. ADAIR. The President.

Mr. ROOSEVELT. You have not referred to the President. There is no way to go back to the President.

Mr. MEADER. Mr. Chairman, if the gentleman will yield, look at line 25 on the previous page, where it starts.

Mr. ADAIR. Line 25.

Mr. ROOSEVELT. Your interpretation, then, is, which I want to make clear, that this still allows the President to lift the suspension if he is satisfied that appropriate steps are being taken?

Mr. ADAIR. That is my interpretation.

Mr. ROOSEVELT. I thank the gentleman.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to have the attention of the author of the amendment. I think the last colloquy here gets to the heart of the matter, and I think it ought to be crystal clear before anybody votes on it, that as long as any negotiation is going on, there is no mandatory cutoff involved; is that right?

Mr. ADAIR. That is my interpretation.

Mr. HAYS. And when the country which has expropriated refuses to negotiate for 6 months, then the mandatory cutoff prevails; is that correct?

Mr. ADAIR. That is right.

Mr. HAYS. In other words, as long as they are willing to show any kind of good faith whatsoever, they are not barred from foreign aid and the hands of the President are not tied at all.

Mr. ADAIR. The gentleman is correct.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I would like to know where in the amendment this point is brought out, because it is not contained in the amendment. It may be the intent.

It is not as objectionable as we view it as the language contained in the amendment.

Mr. HAYS. As I read the amendment, it is implied and implicit in the amendment that the cutoff only occurs after they refuse to negotiate for 6 months. The author of the amendment says that is what it means, and that is legislative history.

Mr. GALLAGHER. I think the gentleman is serving a worthwhile purpose in making legislative history, but I do not agree with the gentleman's statement.

Mr. HAYS. There are a lot of things in this bill that you have read back and refer back to. How many times have we debated in the committee exactly what something means? I am convinced the author of the amendment says what it means, and that is good enough for me.

Mr. Chairman, I did not intend to make a speech, but I wanted to get this clear. In view of the legislative history that has been made, if you vote this amendment down now it will amount to an open invitation to every nation in the world where there is any American investment, not to expropriate, because that word is used kind of loosely around here—expropriate means to take property and pay for it. What these countries are doing in smaller words and more emphatic language and in American English, they are stealing it. There is no expropriation involved in that.

Mr. Chairman, I do not want to tie the hands of the President. If I thought this would do so, I would be on my feet opposing the amendment. I feel as the gentleman feels, that he should have some power to negotiate. But I think this would strengthen his hand, because he could say "Look, if you people are not going to sit down and talk about this, I have no other alternative." If that will not bring them to the table, what would?

Mr. Chairman, what is the story in Latin America? I want to get this point clear: They tell us that our foreign aid in the Alliance for Progress program will only make up 2 percent of what needs to be done, that they have to have the other 98 percent from private capital. If we allow these nations to take American property, how much private capital are you going to get to go down to Latin America? I think the interest of the United States calls for us to say in unmistakable language "You cannot do this and get away with it."

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New York.

Mr. PILLION. Mr. Chairman, I would like to say as I have listened to this debate that the term "expropriate" or the term "appropriate" or the term "conversion" or the term "embezzlement" with reference to the taking of this property is not the right word to use. The word should be "grand larceny." I agree with the gentleman from Ohio.

Mr. HAYS. Well, I can use a surer word than that. It is "stealing." That is what it amounts to. When property is expropriated, I say again, you take property belonging to a foreign investor and you pay the owner for it. That is what the word means. It does not mean take it and say "that is too bad, boys; forget about it." In effect, that is what you are inviting these countries to do, if you do not write some tough language into this bill.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it would be most unfortunate if the Committee voted on this amendment, basing its action upon the statement made by my beloved friend, the gentleman from Ohio. He said that under this amendment if any government within 6 months showed a disposition to make a settlement, that is all it had to do. Now, let me read from the bill, "and such country fails within a reasonable time"—and that is limited, not more than 6 months—"to take appropriate steps to discharge its obligations toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange," and so forth; it is not quite as presented to this committee by my friend from Ohio.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. Yes, I yield to the gentleman. I am happy to yield to one whom I both respect and like.

Mr. HAYS. What does the gentleman think "appropriate steps" are?

Is the gentleman saying that if they sit down to the negotiating table, those are not appropriate steps?

Mr. O'HARA of Illinois. Mr. dear friend, it is not what you think or what I think; it is what the words themselves say. Let me read the words again.

Mr. HAYS. The words are "appropriate steps."

Mr. O'HARA of Illinois. If my dear friend will only listen to the words.

Mr. HAYS. Speak louder; I can hardly hear you.

Mr. O'HARA of Illinois. Well, I am willing to have a shouting contest here or elsewhere, if that would result in any benefit to our country, which I doubt. What my friend quotes are the two words "appropriate steps," I will quote the words that follow: "to discharge its obligation toward such citizen or entity, including equitable and speedy compensation."

That does not mean that if I owe a man a $5 bill and I go to him and say, "My dear friend, I owe you $5 and I am going to pay it back sometime," and he says, "When are you going to pay it back?" and I say, "Well I don't know how long, we'll negotiate." That would not satisfy him if we were armed with papers requiring "speedy compensation." This language makes it crystal clear that there shall be speedy compensation, and without the provision granting power to the President there is no flexibility permitting that settlement to be delayed a single day past what the word says, "speedy."

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield.

Mr. HAYS. I cannot stand here and define "speedy compensation"; but I remember a Supreme Court decision that said, "With all deliberate speed." And that was 10 years ago. So I would assume speedy compensation could drag on for a long time.

Mr. O'HARA of Illinois. I do not know that the creditor is always going to give the debtor all the time he wants when he has back of him a law that says speedy compensation. He is going to make the law work for him. Negotiation on repayment of a loan has never in law or commonsense been synonymous with speedy compensation.

Mr. FARBSTEIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, this is serious business. I do not think, when confusion reigns as it appears at this moment, that we should seek to legislate on the floor. The committee has considered this language. This is not a black or white field. It seems to be a gray field. There seems to be uncertainty as to the language. There seems to be uncertainty as to the definition of the language. I implore you, please do not run away with yourselves because of the emotion of the moment.

There is a little autonomous state in India that went Communist one year. The name of that state was Kerala. What happens if that state expropriates American property and makes no compensation therefor? Are you going to deny India aid simply because of the confusion in that little state where they were unable to get together to determine how and in what manner compensation should be paid, if at all? I repeat, please, ladies and gentlemen, do not run away with yourselves. This is very serious. I ask you to allow the committee to determine what is right under the circumstances and turn this amendment down.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield.

Mr. BECKER. I would like the gentleman to answer this question. Is he telling the House that we are here only to accept the committee recommendation, that we have no right to amend a piece of legislation?

Mr. FARBSTEIN. That is not so; I did not say that, I said there seemed to be confusion as to the meaning of the phrases; there seemed to be uncertainty as to the sentences and their significance. I do not think, because of the fact that this is such serious business, that we should attempt to legislate on the floor after the committee spent days and weeks to determine the proper language.

Mr. BECKER. There is no confusion in my mind, I will say to the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. Adair].

The question was taken; and on a division (demanded by Mr. Morgan) there were—ayes 153, noes 120.

So the amendment was agreed to.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Mills, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, had come to no resolution thereon.

UNITED NATIONS MUST BE PRESERVED

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, I rise to express shock and incredulity that the amendment offered by the gentleman from Iowa [Mr. Gross] was adopted by a division vote, and then by a teller vote. Unless we reverse this vote and defeat this amendment on a rollcall, the House will have written the first page of the obituary notice for the United Nations.

I think it demonstrates the folly of writing foreign policy on the floor of the House. Under our Constitution, foreign policy is the responsibility of the President. It is his prerogative, and here we have Members of the House saying that the United Nations shall not be supported. I think there was a great deal of emotion at the time of that vote. I do not believe it was realized that there were far-reaching implications in the amendment which says, and the language of the amendment is very clear, that, except for the United States assessed share of U.N. expenses, there shall be no loans and no grants to the United Nations and no purchase of United Nations bonds under this bill, or any other law, unless all members of the United Nations have paid in full their share of United Nations expenses, including operations in the Congo and the Gaza Strip.

The effect of this amendment would be to cripple the United Nations and place in the hands of other countries, even hostile governments, the ultimate decision as to whether or not the United Nations goes forward. The Soviet Union lost out in the Congo. It opposed the U.N. operations in the Congo, and it refused to pay its share. Does this mean that we should not continue this operation? Does this mean we should place in the hands of the Soviet Union the power to say that the people of the United States shall not contribute to the United Nations? That is the effect of the amendment. All the Soviet Union, or any other U.N. member, need do is to refuse, or to continue to refuse, to pay its share of special assessments, and the United States would be barred under this amendment from giving financial support to the U.N.

Mr. Speaker, I voted against this blow to the United Nations because I believe that our security and world peace depend upon the success of the United Nations—man's greatest experiment in international relations. I urge the House to defeat this unwise amendment before the vote on final passage of the Foreign Assistance Act of 1962.

Mr. YATES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, I just want to tell the gentleman from New York [Mr. Ryan] that I agree with his statement. I think he is absolutely right. I think the amendment cannot stand, if we are to continue as a member of the United Nations.

Mr. ASHLEY. Mr. Speaker, I want to associate myself very emphatically with the statements of the gentleman from New York. I do not think there can be any better demonstration of the ineptness of the Congress in the area of foreign affairs than the demonstration which has just taken place here on the floor of the House this afternoon.

ATHLETIC PROFESSIONALISM IN OUR SERVICE ACADEMIES

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. **STRATTON**. Mr. Speaker, there has recently been some discussion in the other body of practices followed by our three service academies in recruiting athletic personnel. The suggestion has been made that these practices are somewhat irregular.

Mr. Speaker, whatever may be said for other colleges and universities, I feel that athletic professionalism, recruiting midshipmen or cadets, not for their interest in the service but solely because of their athletic ability, has no proper place in any service academy. This is doubly so when, as it turns out, the procedures for admitting many of these athletes turn out to be quite different from those which the rest of the Nation's candidates for West Point, Annapolis, and the Air Force Academy are required to follow.

Mr. Speaker, I have always insisted on using the competitive examination for all of my own appointments to the Academy. My boys are selected on the basis of their standing on a written examination administered by the Civil Service Commission. They are picked without reference to their athletic ability or their politics. Each year I find some 70 or 80 young men in my district, competing—starting more than a year in advance of the date they plan to enter the Academy—for the few available appointments we have.

But, Mr. Speaker, apparently there is another way to get into these academies. You do not apply to the local Congressman or to the President of the United States or to the Vice President. You do not apply to the academies themselves. In fact, you do not even apply at all. You just catch the eye of some barnstorming Academy coach. He takes care of everything; there is not a thing to worry about—or so he tells you. And instead of applying and competing more than a year in advance of the entering date, these coaches tell you they can get it for you wholesale, fix it all up for you just a few brief weeks before the deadline—appointment, qualifying marks on college boards, and appropriate vacancy all to boot.

Or so they say. So they convince the unsuspecting victim, the lad who plays good football or basketball, but who does not know anything about the real proper and legal procedures for admission to our service academies.

Mr. Speaker, I make these assertions with some feeling because within the past few days there has come to my attention the details of just such a case, affecting a resident of my congressional district, and involving the U.S. Military Academy at West Point in my congressional district. It reveals a situation so irregular, so scandalous, so basically corruptive—of what our great service academies are supposed to stand for, and so personally unfair to our fine American boys that I believe it merits the immediate attention both of the Congress and of the Department of Defense.

The details of this case—and I have sworn affidavits to support them, copies of which I shall include following my remarks—are as follows:

Robert DeLuca, a senior at Linton High School in Schenectady, N.Y., a good student and a capable basketball player, was visited in March of this year in Schenectady by the West Point basketball coach, one George Hunter.

Mr. DeLuca had never applied to me for a congressional nomination to any service academy. He was not really interested in the service. In fact by March 1962, the date for making congressional nominations, except of persons already fully qualified for appointment, was 2 months past. Nevertheless, Coach Hunter promised young DeLuca an appointment to West Point if DeLuca could "raise my college boards a little."

Coach Hunter never told Mr. DeLuca that no such appointment could be legally made, or that no such promise could ever honestly be made by anyone. It might also be pointed out that Coach Hunter made this solicitation in the district and home city of a member of the House Armed Services Committee without ever notifying me of his action. In fact, the first time I became aware of any part of this situation was on June 29 when the boy's parents protested to me in Washington.

Coach Hunter then proceeded personally to obtain a congressional appointment for Mr. DeLuca without any application ever being made or filed by the boy himself. He advised Mr. DeLuca that this appointment would probably be from another State and a second or third alternate, and he further told him not to worry about this; it was standard procedure. Actually, what Coach Hunter undertook to do was in direct violation of the provisions of subsection (c) of section 4342, title 10, United States Code.

DeLuca subsequently received a third alternate appointment from the Academy dated April 15, 1962, nearly 3 months after the legal closing date for congressional appointments. The fact that young DeLuca himself was acting in complete good faith is attested by the publication of a story in the May 15 issue of the Schenectady Union Star, the details of which obviously came from the boy himself, to the effect that:

> The U.S. Military Academy today awarded Linton High Sharpshooter Bob DeLuca an alternate appointment, enabling the 17-year-old, 6-foot 1-inch, 180-pound senior to join the incoming class at West Point July 2.
>
> Sought by a dozen or so colleges, DeLuca already has passed all physical examinations and needs only a satisfactory score on the West Point achievement exams to make the appointment official.

At this point young DeLuca was told by Coach Hunter to let the other colleges, to which he had been considering making final application, know that "I would attend West Point," thereby, of course, cutting off his chances for a start on a college education this year in the event anything happened to his West Point entree. This possibility doubtless seemed remote to young DeLuca anyway, since the coach had said "he was sure that I would receive the necessary score on the college boards."

Mr. DeLuca took the qualifying college boards at West Point on June 11, 12, 13—although by regulation the final date for taking college boards was March 3, 1962.

On June 28, DeLuca received a formal notification from the Academy, dated June 21, that he had passed all his examinations—just as the coach had predicted he would pass them—but he was advised that there was no vacancy. As young DeLuca expresses it, however, "this appeared to be good news because the coach had stated that this would be sent to me and that everything would be all right."

The evening of the day the letter arrived, however, and only 3 days before young DeLuca was expecting to leave for West Point, he was called on the phone by Coach Hunter and told he had not been accepted after all.

As the boy's father describes it:

> That evening at 8 o'clock we received a call from Mr. Hunter, and he told us that my son didn't make it. This, he said, was due to the pressure from the Southern States on the Academy pertaining to athletes.

So this, Mr. Speaker, is standard procedure at West Point. A boy is recruited by the basketball coach with improper and misleading promises and with a proposal that in fact violates the law. The boy acts in good faith, since after all he is dealing with an agent of the U.S. Army, and on the advice of that agent he severs all other opportunities for a college education this year. Then, 3 days before he plans to leave for the Academy he finds out just how hollow the promises made as a part of this so-called standard procedure really are—he is rejected because of pressures.

What possible business, Mr. Speaker, do coaches have trafficking in congressional appointments anyway?

How can we ever expect to inspire confidence in the young men who apply through regular channels for Academy appointments when they learn that this kind of thing goes on as standard procedure?

How does West Point really expect to enforce its much-vaunted code of honor when the procedure by which some of its own cadets are encouraged to enter the Academy is based on impropriety and illegality?

How can we hope to recruit cadets with a sense of service motivation when many know that their major qualification for entrance to the Academy has been some special athletic ability?

This whole business, Mr. Speaker, amounts to nothing less than trifling with the lives and the futures of young men—trifling in the interest of an athletic professionalism that should have no proper place in any of our service academies. It is a dirty business and the U.S. Government ought to have no part in it.

Mr. Speaker, I am demanding that the Secretary of Defense give this young man, who has thus been made a pawn in this game of athletic professionalism, the West Point appointment that was promised to him by one of its own agents.

This is essential, it seems to me, to keep the Army honest. If the Army is going to get into this dirty business, then at least they had better see it through and keep faith with the boys and their families they have been playing so fast and loose with.

I want to see justice done to young Robert DeLuca, not only for his sake but for the sake of the Army. Let us get this business out in the open and let us make the top brass who are after all responsible for the actions of their subordinates, including coaches, take their medicine in public. I believe Robert DeLuca would make a fine, outstanding cadet. But he should have been told by the Academy what the rules and the law were, and should have been encouraged to apply in the regular way.

And then, Mr. Speaker, let us get to work and clean up this whole mess. I shall insist that the Secretary of Defense put an end once and for all to this rampant athletic professionalism in our service academies that threatens to make a mockery of the whole service academy appointment procedure.

And, Mr. Speaker, I am also requesting the respected chairman of our Committee on Armed Services, of which I am proud to be a member, to undertake a full-scale committee investigation of Academy appointment procedures in the light of the DeLuca case.

Mr. Speaker, the challenge of the Communist world demands the ablest and most dedicated leaders this Nation can find, whether military or civilian. If we allow these practices which have been uncovered in this case to continue, we can only impair the high quality of leadership we must demand from our military personnel in the years ahead if America is to win this fight against communism and for freedom.

Mr. Speaker, I include at this point copies of affidavits sworn to by Robert DeLuca and by his father, Valentine J. DeLuca:

JUNE 30, 1962.

My name is Robert DeLuca. I have just graduated from Linton High School, in Schenectady, N.Y. The first year in Linton I tried out for the basketball team and was awarded a berth on the junior varsity team. In my junior and senior years I had played on the varsity basketball team. For the basketball year of 1961–62 I was elected team captain.

One of the primary reasons for playing basketball was in hopes that I would receive a scholarship to attend college. I have maintained a solid B average throughout my 3 years at Linton. I have also held numerous offices in school. At the beginning of basketball in my senior year I received feelers from many colleges. Colgate, Brown, Columbia, New York University, and Cornell are some of the colleges that contacted me. I was primarily concerned with Cornell University and Colgate College; therefore, I did not acknowledge the letters that I received from the other colleges.

The basketball coach from West Point witnessed one of our basketball games during March. The following day he spoke with me at our school. He explained to me that he would like to have me play for him, and he felt assured that I would be accepted at West Point. He stated that I would have to raise my college boards a little and I would be assured a spot at the Academy. At the time I was not completely sold on the idea of the Academy; so he suggested I come down and visit the Academy. A few weeks later I spent the weekend at West Point with my family. After touring the Academy I realized that I really would like to go there. The coach explained to me that I would have to let him know if I wanted to attend the Academy, so he could obtain my appointment. I asked him if I could take the medical exam early, so if I failed it he would not have to waste an appointment on me. He agreed to this and arranged for the medical the following week at the West Point hospital. I journeyed to the Academy the following week and passed the medical exam. The coach then went ahead and obtained my appointment. He explained to me that it would probably be from another State and a second or third alternate. I was told not to worry about this; it was standard procedure.

Now that I received my appointment, he told me to tell all the other colleges I would attend West Point. He told me that he was sure that I would receive the necessary score on the college boards. He went on further to state that I would have to go to the Academy on June 11, 12, 13, to take the college boards and the physical aptitude tests. I went to West Point these 3 days and took the exams. Upon receiving the results, I learned that I had passed both the college boards and the physical aptitude test. Also contained in the letter that stated I had passed all the examinations necessary for entry was an item which stated that I could not attend the Academy because there were no vacancies. However, this appeared to be good news because the coach had stated that this would be sent to me and that everything would be all right.

The same day I received the letter, the basketball coach called and relayed the unfortunate news that I had not been accepted. This came as quite a shock to our whole family. We had all expected that I was accepted at the Academy and the fact that the news came just 3 days before I was supposed to have left.

This is the way in which this event happened to me and explained to the best of my ability.

ROBERT DELUCA.

SCHENECTADY, N.Y.
Witnessed this 2d day of July 1962:
IRWIN J. LINSEY,
Notary Public.

JULY 1, 1962.

My name is Valentine J. DeLuca, I am a resident of Schenectady, N.Y. I have a son who graduated from Linton High School this past month. He played basketball and was corunnerup for player of the year in this area and also made the all-county first team. After a March basketball game he was approached by coaches from Syracuse and Cornell Universities asking him if he would like to have a full scholarship to these universities. That evening the coach from Cornell came to our house and gave us all the details. The next day, Coach George Hunter from West Point talked to my son at his high school about going to the Academy and playing basketball for him. He was assured that he would get into West Point after he had checked his school record.

This offer seemed so great that my son turned down letters from Colgate, Brown, Cornell, Bucknell, and the University of Pennsylvania. In April we were invited down to West Point for the weekend and taken on a tour of the Academy. I must say that we were very much impressed and Robert was again assured that if he raised his college boards just 20 points from his December standing he would have no trouble in getting in the Academy. We were told that if he received an appointment from some other State not to worry about it. This came through just as we were told it would. At this time Mr. Hunter told my son to turn down all other colleges, and tell them that he was going to the Academy.

Robert went to West Point in June and took his physical aptitude and college boards which he passed very nicely. The physical aptitude he passed very easily, and he received a sufficient enough mark to assure his acceptance at the Academy. On the morning of June 26, we received a letter from the Department of the Army stating that Robert had qualified in all the exams, but there were no openings. Even this we were told to expect, so we still went ahead with our going away plans.

That evening, at 8 o'clock, we received a call from Mr. Hunter, and he told us that my son didn't make it. This, he said, was due to the pressure from the Southern States on the Academy pertaining to athletes. We feel that a great injustice has been done.

I would like to say that we do not hold Mr. Hunter responsible for what has happened. I'm sure he didn't mean what has happened, and he did all in his power to live up to his commitments. I would like to know if this is the honor code which is stressed so highly at West Point.

VALENTINE J. DELUCA.

SCHENECTADY, N.Y.
Witnessed this 2d day of July 1962.
IRWIN J. LINSEY,
Notary Public.

CAPTIVE NATIONS WEEK

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, it is fitting that we in the United States set aside a week to observe Captive Nations Week during which the problems of captive nations of the Soviet imperialists will be discussed.

It seems to me that the position of this Nation can be correctly stated in a very clear way: We are in favor of freedom and self-determination for all peoples—for the Poles and the Hungarians, for the Latvians and the Czechs, no less than for the rising nations and peoples of Asia and Africa. And for the Germans, west and east.

The age of Western imperialism and colonialism is long since past. This country has stolen no nations as a result of the wars that convulsed the first half of this century. We have been part of the victors, but we have exacted no tribute in land and peoples. This Republic has not acted the part of a conqueror seizing the spoils of battle.

The United States, I believe, has done what was in its power to heal the wounds of battle and to help all the sovereign powers, both friend and foe, restore a decent way of life and an effective economy.

The onetime colonial powers of Western Europe are no longer colonialists. Whatever errors they may have made 200 years ago, and a half century ago, the record shows that they have responded with sensitivity to the proper demand of subject peoples to handle their own affairs and settle their own destinies.

This is the record. It is a recital of fact, and we need have no fear of an examination of the record.

India and Pakistan, Indonesia and Burma, a dozen and a half countries of Africa—all, all of them, are free. The Western nations claim no special position regarding them. We are determined merely that they shall have the chance to develop their own methods and approaches to the splendid future opening to mankind, and that they shall not be subverted by the new colonialism and foreign intrusion of the Communist powers.

We are not compelled to atone for the past by spending all our time on our knees, apologizing to Soviet bully-boys in the diplomatic corps, while Soviet agents range up and down in an effort to capture the new Asian and African nations.

The facts of the postwar world are clear. The Soviet Union seized the Baltic States of Latvia, Estonia, and Lithuania. The Soviet Union pledged its word that after the war there would be free elections in these countries and in all the other nations of Eastern Europe that the Red armies had taken from the German troops. This pledged word has not been kept. It has not been honored.

Revolts of the workers and the peasants in Poland, East Germany and Hungary have been suppressed only by bloody slaughter or the threat of slaughter. A barbed-wire fence and a concrete wall have been built around the Soviets' closed society to keep their own people from getting out. Whenever they have a chance, still, to "vote with their feet" they get out to the West, to freedom, as fast and as numerously as they can.

We do no service to the puppet-controlled people of the captive nations by promising swift liberation that the deadly fact of nuclear menace makes impossible. Among the great powers, it is foolish to brandish bombs at each other for the sake of rhetoric or for leaders here to say in election campaigns irresponsible words that in truth all American political leaders know cannot be carried out.

It is equally irresponsible, I suggest, for Mr. Khrushchev in the Kremlin to brandish bombs at us, to play games of cat-and-mouse on the freedom of West Berlin and the security of the people of the German Republic.

We have an obligation to the men and women and children of the captive nations, I believe, that requires steady nerves and a firm devotion to the tradition that is a permanent part of the American system—the simple devotion to freedom.

These peoples will be liberated from the grasp of imperialism. They will regain their status, and we shall play a part in it.

We must show patience and courage and determination. We must recognize that no subject, captive people—held gripped by puppet rulers who are traitors to their own land—must ever be abandoned as hopelessly Communist, hopelessly lost.

Time is on our side. Time is on the side of those who fight for freedom and have the courage to hold on.

THE VISIT U.S.A. PROGRAM

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, as one who voted for the International Travel Act to promote travel to this country, I was very elated to read a very interesting article which appeared in a recent issue of Mainliner which is published by United Airlines.

The article follows:

SOME WORDS ABOUT THE VISIT U.S.A. PROGRAM

(By Voit Gilmore, Director, U.S. Travel Service)

The U.S. tourist has long been a familiar sight to inhabitants of foreign countries. Camera in hand, he wanders happily, dispensing over 2 billion U.S. dollars a year.

What hasn't been a familiar sight in this country is the foreign tourist. Visitors to the United States have been fewer, and they have been spending only about half the total of the U.S. tourist. The result has been an adverse effect on our Nation's balance of international payments. In fact, this difference in spending by U.S. tourists abroad and oversea visitors here accounted for roughly 40 percent of our total imbalance of payments last year.

One reason for this is that until about a year ago, the United States was lagging badly among the nations of the world in promoting tourism. In fact, it was the only major country without an official tourist promotion bureau.

This has been changed, however, and our Nation is making vigorous efforts to attract more visitors and reduce the imbalance of payments. Last year the Congress passed and the President signed the International Travel Act creating the U.S. Travel Service. Established as part of the Department of Commerce, it is the first Government agency organized for the express purpose of promoting travel to this country from abroad.

To attract visitors to the United States, the Travel Service drew up a three-pronged program to explore every facet of the international tourist market. The first step was to conduct market surveys in nine oversea countries to find out why people want to visit the United States, why they might not want to visit, why they think they can't come here and what will convince them that they can come and enjoy themselves. We found that hundreds of thousands now have both time and money to visit us, especially when using bargain "package" tours.

Second, we established offices in those nine countries and staffed them with experienced travel promotion managers who speak the language or languages of the regions they serve. Travel experts in these offices are working with carriers, travel agents and the public to advise on all aspects of travel to the United States of America.

Finally, we have supplied the oversea offices with advertising messages, press releases, feature articles, travel posters and a wide range of other promotional materials designed to stimulate interest in the United States and to support the local travel industry in developing tourism in the United States.

Today there is good evidence that people abroad are beginning to respond to our message. For example, a few months ago some 400 Swiss members of the Federation of Migros Cooperatives, a large European food chain organization, came to the United States and spent almost 3 weeks visiting major cities throughout the East and Midwest. Their trip was such a success that Migros is bringing several hundred more Swiss over this summer. Since last winter thousands of other international tourists have visited or are making plans to visit this country to tour our cities, talk with our people and see first hand what America is really like. These people come from all walks of life—electronics manufacturers from France, schoolteachers and engineers from Sweden, builders from England, accountants from Brazil, and winemakers from Chile.

Throughout our first year, the cooperation of people in the travel industry, both here at home and abroad, has been outstanding. We have found, for example, that the airlines, hotels, travel agents and other segments of tourism have been not only willing but anxious to tie in their efforts with ours in stimulating travelers to the United States.

The Federal Government has joined in to help eliminate some of the redtape that has heretofore impeded travel to the United States. Over 80 percent of all visas to visit the United States are now being issued around the world in less than 30 minutes. Various agencies are working to improve visitor greeting services at our borders and to improve language facilities for the newly arrived tourists.

A serious question with oversea visitors is whether or not they will be welcome in the United States. The kind of reception we give our new wave of visitors will have a heavy bearing on the success of the Visit U.S.A. program. We have the world's greatest tourist plant, more transportation, more restaurants, more entertainment, more visitor capacity—all the resources to provide more than adequately for the needs and wants of the international visitor.

We anticipate that when this wealth of tourist attractions is coupled with the genuine graciousness of the American people, the effect will produce a new wave of enthusiasm for the United States as a place to visit and enjoy. As President Kennedy said in his letter to the people of foreign lands:

"Traveling Americans have enjoyed friendly hospitality as guests in your country—and in other countries around the world. We offer the same warm welcome to you to visit in our homeland."

The July 2, 1962, issue of U.S. News & World Report reveals some very interesting statistics regarding this program. It appears that visitors from overseas increased 13 percent in the first quarter of 1962 above a year earlier. The U.S. consulate in London reports that visa applications in April and May ran 25 percent ahead of the same months last year. Travelers from West Germany were up 18 percent. The big factor in the increase seems to be the worldwide promotion by the U.S. Travel Service. Millions of posters and circulars—in seven languages—have been put out. Ad campaigns have been pushed in foreign newspapers and magazines. The aim is to narrow the "travel gap." American tourists last year spent a billion dollars more abroad than foreign travelers spent here. That was equal to about half of this country's troublesome balance-of-payments deficit. Travel promotion is new for the United States. The field was neglected until a year ago. In 1960, out of 25 countries, the United States ranked 23d on the amount spent on travel promotion. In contrast, the Congo appropriated three times the U.S. expenditure. Russia spent 20 times as much and the United Kingdom nearly 50 times.

PRAYER IN PUBLIC SCHOOLS

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, last week our Nation observed its national birthday. This year the celebration of the Fourth of July came at a time when many Americans are disturbed, and rightfully so, by the recent decision of the Supreme Court pertaining to the recitation of a prayer in public schools.

One of our leading newspapers, the Buffalo Evening News, of Buffalo, N.Y., had an excellent editorial on July 3 which I think is very significant at this time. I include this at this point:

OUR GOD-GIVEN RIGHTS

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights."

We Americans, as the Supreme Court itself has duly noted, are a religious people whose institutions presuppose a supreme being.

And no other institution makes this more clear than that most prized testament of our nationhood, the Declaration of Independence. Its ringing assertion of the rights of the human individual minces no words about where those rights come from.

They come from no government, no king, no beneficent earthling who, asserting the power to grant them, could also assert the power to take them away. Their source, rather, is our divine Creator—and the truth that this is so is held by the Founding Fathers to be self-evident.

In a week when the outlawing of an official prayer in one State's public schools has provoked wide discussion of the appropriateness, or even the constitutionality, of any governmentally sponsored acknowledgment of dependence on divine providence, it is well to ponder the full meaning of that powerful phrase: "All men * * * are endowed by their Creator with certain unalienable Rights."

For it is hard to have it both ways. If our rights come not from God, then they must come from government—or call it society, or other human beings. And if from government, not God, then how can they be unalienable? Whatever humans can give to other humans, or society can give to individuals, then surely those humans, or society, can also take away.

To assert that our rights are unalienable regardless of their source is thus an assertion one could make stick only so long as the rights were maintained by superior might.

But for each of us to assert that our rights are unalienable because they are divinely endowed is not only to make them precious to ourselves but to accept every other man's rights as having equal and enduring validity. And right here lies the very essence of our national creed—our religiously rooted but politically revolutionary belief in the dignity of every human individual and the sanctity of his basic human rights.

TOWARD FREER TRADE

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the impressive support given to the Trade Expansion Act by the House of Representatives, in response to President Kennedy's request, is a surprising and constructive development.

It reveals an awareness of economic and international realities, as they affect the United States in a changing world.

The success of the European Common Market and our determination to cooperate in free-trade progress may very well mark the turning point in the competition with communism. Khrushchev does not like the Common Market which so many other Western nations want to join. That is a good sign. It betrays his fear that an expanding free-trade area will leave the Communist bloc far behind.

The United States, with no tariff barriers separating the States, was the first to develop a large common market of its own. Its phenomenal success is being duplicated in Europe. When these two markets merge, as they will, eventually the whole free world will become one great trading area whose shared prosperity will make a mockery of communism and its economic propaganda.

The approval of the Trade Expansion Act would not have been possible without the overwhelming support given to it by the American press. As an example of that endorsement, I bring you the editorial titled "Toward Freer Trade," from the July 6, 1962, issue of the Lawrence Eagle-Tribune, published in Lawrence, Mass.:

TOWARD FREER TRADE

The large majority by which the House approved a modification of President Kennedy's foreign trade bill recorded an impressive victory for the administration. Indeed, it recorded the only victory of great importance for the administration during the present session of Congress.

As a victory, it was less impressive than the defeat suffered by the administration on the farm bill. The farm bill was strictly domestic legislation in which the vital issue of growing power by the Central Government was conspicuous. Its defeat was a severe setback to the forces in the administration that strive continually for Government management of the economy.

The issue of great power by the Central Government was conspicuous in the foreign trade bill, too, in the authority granted the President to reduce tariffs. But in the eyes of most Congressmen and, we think, in the eyes of most people, too, there is a difference between the exercise of great Federal power in domestic and in international affairs.

There was no great amount of disagreement on the principle of the foreign trade bill. There was disagreement principally on the means for coping with the harm freer trade can do at least temporarily to the American economy.

Both Democrats and Republicans recognize the great and growing prosperity that freer trade has brought to European members of the Common Market. They behold signs that the Common Market will be expanded with the promise that eventually it will bring about a European economic union that can be the foundation of a great European state, as rich or richer than the United States actually is or than Russia potentially is. They know that the Europeans can and will set up trade barriers against other countries unless there is a mutual reduction of tariffs. And they understood that the fate of the foreign trade bill could determine whether the United States shared in growing European prosperity or was isolated from it.

Finally, they understood that the ponderous operations of Congress and of commissions could not be relied on to adapt tariffs quickly enough to meet trade needs or take advantage of trade opportunities. So there was no impressive opposition to the principle of the bill.

Some American industries are bound to be hurt by freer trade. Others are bound to be helped. Theory is that help will surpass hurt. But acceptance of the theory does not mean the hurt can be ignored. Much of the opposition to the bill was raised in behalf of the hurt and modifications of the bill were made to meet the needs of the hurt. The fact that numerous Congressmen, with companies in their districts that seem bound to be hurt by freer trade, supported the bill indicates that efforts to ease the impact of the legislation attained considerable success.

These efforts provided some protective devices and Federal technical aid and financing to companies damaged by freer trade and financial help and retraining for displaced workers. Such help is politically necessary, but it is also dangerous. It could bring into being boondoggles as costly as any produced during the depression of the thirties.

But this risk, like the risk of greater Presidential power, is one that, we think, must be taken to enable the United States to advance toward the ideal of free trade and to take advantage of the opportunities inherent in the Common Market.

"ONE NATION, UNDER GOD, INDIVISIBLE"

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Supreme Court's decision that recital of an official prayer in the public schools of New York was a violation of the Constitution of the United States was itself a violation of the religious faith and traditions of the American people.

The reaction was swift and vigorous. From all sections of the Nation, rose a storm of protest. Reminding the Court that the Mayflower Compact, regarded as the beginning of democracy in America, opens with the words: "In the Name of God, Amen."

The Declaration of Independence says:

> And for the support of this Declaration, with a firm reliance on the protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor.

President Abraham Lincoln, in his famous Gettysburg Address, asked:

> That this Nation, under God, shall have a new birth of freedom.

In 1954, Congress amended the Pledge of Allegiance to the Flag by inserting: "under God."

A prayer opens each day's session of the Supreme Court, and each day's session of the U.S. Senate and the U.S. House of Representatives.

Justice Potter Stewart in his dissenting opinion stated that it was all summed up by the Supreme Court just 10 years ago in a single sentence:

> We are a religious people whose institutions presuppose a Supreme Being. *Zorach v. Clauson*, 343 U.S. 306, 313.)

The Court, in its recent and controversial decision, ruled as unconstitutional the use of an official prayer for recital by public school classes, even though participation by the pupils was not compulsory.

What most Americans fear is that this is only the beginning of a countertrend that will lead to the elimination of all references to the Deity in the pronouncements or functions of government, and will finally install secularism as our national religion.

The separation of church and state is basic to the American way of life. But the constitutional ban against the establishment of a state religion, does not mean that we should go to the other extreme and remove from Government-sponsored activities any mention of the Divine Creator of life; a concept that is shared by all creeds. Reverence for God is an inseparable part of the American heritage.

What will happen to our children if this unifying belief is undermined by the tyranny of a minority? How can we effectively oppose atheistic communism if we gradually repudiate the faith of our Founding Fathers and become but one system of materialism competing with another system of materialism?

From letters to the editor by average Americans, to the statements of clergymen, educators, and Members of Congress; the indignation of our people at the Court decision speaks for the authority of public opinion. Former President Hoover; the Reverend Dr. Billy Graham, Protestant evangelist; Richard Cardinal Cushing of the Roman Catholic Church; and many other respected leaders reflect the widespread character and sincerity of that indignation.

When the Court decides an issue contrary to our traditions and our spirit, we have a remedy under article V of the Constitution, that sets forth the procedure for amending it to express, through their representatives the will of the people.

I am, therefore, today introducing a House joint resolution "proposing an amendment to the Constitution, relating to the voluntary offering of prayers in public schools, public places, and before other public bodies in the United States," for the purpose of expressing our gratitude and reverence to God.

ADJUSTMENTS IN CIVIL SERVICE RETIREMENT ANNUITIES

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, the matter of adjustments in Federal civil service retirement annuities has become one of the most complex problems which faces the Congress on a recurring basis every few years—a condition for which the future holds no promise of improvement unless corrective action is taken.

According, I have today introduced a bill which will combine, in a single measure, the two elements that are essential for a sound and lasting solution to this problem.

First, my bill provides for a percentage increase in all existing annuities equal to the percentage of any general salary increase for active Federal employees approved this year, to compensate the annuitants for the increase in living costs, as reflected in the consumer price index of the Bureau of Labor Statistics, since their last annuity increase was granted in 1958. This provision is coupled with another, designed to accord fair and equal treatment to those who retire during the first 5 years after enactment, since otherwise they would have insufficient active service under the salary increase to bring their annuities up to a proper level. Annuities commencing during the 5-year period will be increased by gradually declining percentages of the percentage of any general salary increase granted in 1962.

Those adjustments to match any current salary increase have no relationship, of course, to changes in the general cost of living which may occur in the future. Therefore, the second feature of my bill incorporates into law the logical and highly equitable principle of providing for automatic additional annuity increases to be granted whenever in the future the consumer price index shall have risen by 3 percent or more. Should the general cost-of-living decline in the future by 6 percent or more—a most unlikely event—there would be a corresponding reduction in annuities, but in no case would the reduction exceed the aggregate amount of all annuity increases received under the bill.

Annuity increases under the bill are to be paid from the civil service retirement fund, so that the annuitants and their survivors will receive the increases without the necessity for separate appropriations.

Enactment of my bill will settle once and for all, upon a completely equitable and logical basis, the vexing, time-consuming, and often controversial problems which arise periodically with respect to granting fair treatment to our retired Federal employees and their survivors so that they may maintain a reasonably comfortable standard of living during periods of substantial changes in living costs.

TRADE RESTRICTIONS AND LUMBER

Mr. WESTLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WESTLAND. Mr. Speaker, 15 years ago 100 percent of the waterborne lumber shipments from the Pacific Northwest to Atlantic coast markets came from my native State of Washington and its neighbor, Oregon.

Although British Columbia mills captured some of this market, the lion's share went to Oregon and Washington until recent years. In 1959, we had 60 percent of the east coast waterborne timber market. This dropped to 55 percent by the end of 1960 and to 42 percent in 1961. Today British Columbia has the lion's share—72 percent.

Mr. Speaker, yesterday the Washington Post published an editorial pointing out a number of reasons the Pacific Northwest has lost this market. One reason is the Jones Act which prevents our shippers from using foreign bottoms. I introduced, on January 18, H.R. 9761 which would help correct the unfair advantage the Canadians enjoy. However, the responsible committee has not scheduled hearings. I hope that hearings can be held and action taken during this Congress.

The editorial tells about the effect capture of the Atlantic market by British Columbia mills has had on the Pacific Northwest in terms of lost jobs. I would like to point out that the more than 3,000 figure tells only part of the story. There has been a probable loss of jobs by more than 3,300 persons in direct lumber employment. However, including service and related community employment the loss is about 12,000 jobs.

Mr. Speaker, I include the editorial at this point in the RECORD.

TRADE RESTRICTIONS

The current difficulties of the softwood industry in the Pacific Northwest provide a graphic illustration of how an ancient restrictive practice can threaten the welfare of a large number of people and hamper the Government's efforts to expand international trade.

As recently as 1959 more than 60 percent of the lumber shipped, largely by water, to the Atlantic coast came from the States of the Pacific Northwest with British Columbia supplying most of the balance. Since then the shares have been reversed. At stake is the production of about a half billion board feet of American lumber and the loss of more than 3,000 jobs.

The difficulties of the softwood industry are attributable to 3 factors: the devaluation of the Canadian dollar which works to the advantage of the British Columbia lumbermen; the slightly more favorable terms on which the Canadians can purchase Government-owned timber; and the shipping cost advantage which the Canadians enjoy.

According to the Merchant Marine Act of 1920, known as the Jones Act, all cargoes shipped between Pacific and Atlantic coast ports must be carried in American flag vessels. This ancient practice of "cabotage," or reserving the coastal trade to American vessels, orginated in the reign of Edward III of England (1327–77). The British have wisely abandoned this practice long ago, but laws barring the use of foreign vessels in the American coastal trade have been in force since 1808. As a consequence, the American softwood producers must pay about $36 per thousand board feet on shipments between the Columbia River ports and Brooklyn while the Canadians, who are permitted to charter ships in the highly competitive world market, can ship at rates ranging from $4 to $11.

Clearly this is a case in which the welfare of the many is being sacrificed in order to protect the interests of the few. There are now only 13 American flag vessels on the coastal lumber run which employ a total of 455 men. Thus 455 jobs in the maritime industry are protected at the cost of more than 3,000 jobs in the softwood industry.

We hope the current efforts to repeal or modify the restrictive provisions of the Jones Act will succeed and that the recent appeals to establish a "temporary" import quota for Canadian softwood will be rejected. The erection of another trade barrier can only work to the disadvantage of both the American and Canadian economies, for such an act would surely touch off a series of retaliations. The public interest will be better served by permitting the Northwest softwood producers to compete on a more equal footing.

TEACHING OF ENGLISH IN PUERTO RICAN SCHOOLS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I was greatly disturbed by some recent news from Puerto Rico, and feel it should be brought to the attention of my colleagues in the House of Representatives.

The San Juan Star of June 26, 1962, contains an article about a new official policy of the island's secretary of education, Candido Oliveras. That policy is to deemphasize and even, in some cases, prohibit the use of English as a language of instruction in Puerto Rico's schools. Secretary Oliveras was quoted as saying:

> I don't believe that the schools * * * should be utilized as a means toward the Americanization of Puerto Rico.

As long as Puerto Rico retains close ties with the United States through its Commonwealth status, and does not seek independence, I would certainly think it to be in the island's best interest to encourage rather than discourage the use of English.

The need for stronger, not weaker, English instruction is demonstrated by the thousands of Puerto Ricans who come to the mainland every year in search of a brighter future. Their earning power, their ability to adjust to a new environment and their opportunities for a better life are impaired because they lack a knowledge of English. This, in turn, burdens public relief rolls and requires a reeducation that should not be necessary.

I would appreciate an expression of my colleagues' views on this matter to the end that we may explore possibilities for bringing about a change in this unfortunate policy.

I am the first to recognize a desire for noninterference in Puerto Rico's internal affairs, and to avoid Federal control of education anywhere. But in this case I feel that Puerto Rico is about to embark on a path that will needlessly handicap its own citizens and drive completely the wedge of a language barrier between our peoples.

The article, and an editorial from the same newspaper, follow:

[From the San Juan Star, June 26, 1962]

TEACH IN SPANISH DRIVE SET

(By Norman Gall)

Secretary of Education Candido Oliveras yesterday announced a new policy aimed at establishing Spanish, as much as is practicable, as the language of instruction in the island's private schools.

Oliveras' statement came at his news conference as a group of Puerto Rican laymen were protesting the use of English as the medium of instruction in 38 of the island's 71 Catholic schools. But Oliveras later stressed that his announcement had no relation to the church dispute.

Oliveras said he would invoke powers granted him under a 1958 law to supervise and establish standards for private schools.

However, he said teaching in English would be discouraged or prohibited only when evidence is obtained that an effort is being made to establish an entire system of English-speaking schools

He said that, pending a departmental study of private schools' instruction in English, he would consider first applying persuasive powers with private school authorities, and, if that failed, then possibly withdrawing the English-speaking school's accreditation.

However, Oliveras emphasized that parents would not be forced to send their children to Spanish-speaking schools against their wishes.

He explained that conditions under which creation of English-speaking schools would be continued as following:

1. Facilities needed for continental children who know insufficient Spanish.

2. Facilities demanded by Puerto Rican parents wishing English language instruction for their children.

3. Those schools where English must be the language of instruction because of a lack of qualified Spanish-speaking teachers.

"I don't believe that the public schools of Puerto Rico * * * should be utilized as a means toward the Americanization of Puerto Rico," Oliveras said.

"The schools of Puerto Rico are for Puerto Ricans and are to serve the good people of Puerto Rico with all their cultural values.

"Any intent to utilize the school for other purposes that are not purely instructional will encounter my opposition as administrator of this system," Oliveras said.

Oliveras also explained that he would use his discretionary accrediting powers to limit the number of new private schools endorsed by the education department to those meeting the exceptional conditions which he cited.

In a letter addressed to Archbishop James P. Davis, Bishop James McManus of Ponce and Bishop Alfredo Mendez of Arecibo, which was printed yesterday in another newspaper, a group of prominent laymen charged that English-speaking Catholic schools "gradually convert to English * * * as a result of which Spanish is being reduced to the category of an idiom appropriate for family, popular, and folkloric use."

The laymen also charged in their statement that some nuns try to influence pupils' parents to speak English among themselves and among their children in their homes.

The steps indicated by Oliveras to curb the spread of English through the island's private schools involve the education department's powers of accreditation.

THE TEACHING OF ENGLISH

Secretary of Education Candido Oliveras said yesterday he would implement, as far as possible, the objective of making Spanish the language of instruction in private schools.

Secretary Oliveras said he would recognize conditions that justified exemption from this policy. He listed them as:

1. When the parents of children in a private school want them taught in English;

2. In schools primarily intended for continental children; and

3. In schools where Spanish teachers are not available.

We sincerely hope that implementation of this policy will be guided by a careful weighing of the possible consequences to many thousands of youngsters whose futures are involved. We hear every day that thousands of former citizens suffer hardship on the mainland, and are deprived of numerous opportunities for a better life, because they lack a knowledge of English. This would indicate a need for more English teaching, not for less.

We can look around us in Puerto Rico and see on all sides men and women of prominence, whose families enjoy better homes and better lives, and whose children receive better educations, because the parents learned English in their youth. Secretary Oliveras is a shining example.

COMMUNICATIONS SATELLITE TELSTAR

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. McINTIRE. Mr. Speaker, yesterday the world thrilled to another American "first," when the communications satellite Telstar was successfully launched and made operational in space.

Every American can justly be proud of this outstanding accomplishment. And we of the State of Maine are particularly proud, for it was through the tracking and transmission station at Andover, Me., that, for the first time, live television was transmitted through a space satellite from the United States to France and England. The picture transmitted to France, I would like to mention, was one of the American flag against the background of the giant plastic bubble that houses the satellite tracking equipment at Andover, Me.

That this development will have a tremendous impact on the affairs of men throughout the world is certain, and each one of us can ardently hope that as it brings the peoples of the world closer together, so will it make the world a better place in which to live.

It is indeed encouraging to observe that this spectacular event was conducted without any cost to the taxpayer, with private ownership shouldering the $50 million cost associated with the achievement. Here once again we see the important part that private enterprise can play in the promotion of progress.

Compliments are certainly in order for the American Telephone and Telegraph Co., and, in this respect, I would like to commend Mr. Richard Davis, manager of New England Tel and Tel in Maine, and all of those associated with him in this superb effort.

It is indeed heartening to know that America is off to a flying start in this communications endeavor, and I want to say once again that Maine is certainly proud to have played an important part in an event which history will undoubtedly record as a breakthrough in the field of international communications through space.

I insert into the Record a pertinent article from the July 11 issue of the Wall Street Journal.

[From the Wall Street Journal, July 11, 1962]

Telstar and the Future

Yesterday's orbiting of Telstar may well have launched the age of instant worldwide communications. If this technological revolution succeeds, it will bring startling economic and perhaps even political changes as people are able to cut across national borders as never before.

But the experts caution that such a day is still a good ways off. It may take years, and lots more work, before the potentialities of communications satellites are fully realized. Meantime this new space venture raises complicated questions for both Government and industry.

Telstar itself is an achievement of private enterprise, though launched with Government facilities. It represents a considerable investment—estimated at nearly $50 million so far—and considerable risk on the part of American Telephone & Telegraph Co., whose Bell Laboratories developed the satellite. No one can say when there will be a return on the investment.

That is one of the questions. For, unless this new communications advance becomes commercially competitive, it may not get much use, no matter how great its potentialities for instantaneous television, radio, and telephone transmission. The administration seems aware of the problem; it supports a bill, now before the Senate, which would set up a closely regulated private corporation whose stock would be divided between the general public and the communications companies.

The proposal is under vigorous attack on the ground that it would constitute some kind of giveaway to private enterprise. Apart from the fact that private enterprise has already developed Telstar, such a result seems unlikely in the nature of the bill as it stands. If anything, the danger may be that the proposed corporation will be too much wrapped in Government control and regulation to permit sufficient profitability for the best results.

Some of those in Congress who object to this bill resent the whole idea that private enterprise should play any part in "civilian" space except as contractors to the National Aeronautics and Space Administration. We think the argument for Federal monopoly is a dubious one.

There is, for one thing, the question of sheer cost. NASA's expenditures, including the extremely expensive moon project, are rising rapidly. As opportunities emerge for private investment, it would make sense to let companies participate on their own instead of letting the taxpayer foot the whole bill. What opportunities beyond communications might attract private investment are not clear at this early stage, but certainly Telstar itself is proof that private enterprise can play a significant part in space.

Moreover, as the administration recognizes in its communications approach, private enterprise can play a significant part in space.

Moreover, as the administration recognizes in its communications approach, private ownership is very much in the American tradition. If more commercial possibilities do open up and companies are alert to them, the chances are excellent that the Nation's space effort would benefit, just as the Nation has always benefited from initiative, efficiency, and competition.

If, instead, private ownership were to be excluded as a matter of policy from the limitless reaches of space, then the Government monopoly might grow so vast as to dominate the economy. That is why we think Telstar is important not only in itself but as a starry symbol of the decisions that may do much to shape the future—in space and on earth.

COMPTROLLER GENERAL JOSEPH CAMPBELL LAUDED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, one of the great problems facing any large concern is the prevention of waste, the insuring that a dollar's value is received for every dollar spent. Since the U.S. Government is now the largest business in the world, it, of course, follows that the role of auditor and inspector general is the most demanding position of its kind in the world today. The U.S. Government, of necessity, is engaged in a fantastic number and variety of enterprises and procurement operations. It deals with all segments of the economy, with all regions, not only of this country, but of the world. Billions of dollars are disbursed each year and millions of transactions are involved.

The people of the United States are indeed fortunate in having so dedicated and able a public servant as Joseph Campbell serving in this capacity. Mr. Campbell, Comptroller General of the United States, serves as head of Congress own watchdog, the General Accounting Office. Under his direction, the General Accounting Office last year turned back over $38 million of overcharges in collections to the Federal Treasury. Every dollar of this amount represented a saving to the taxpayers of this Nation.

Mr. Campbell is one of those rare public officials of whom it is unnecessary to write an editorial when it is desired to commend him. A straight news story accomplishes this with even greater eloquence than could be mustered on the editorial page, because the facts speak so clearly and so favorably concerning his activities. The New York Times last Sunday described the operation of the General Accounting Office under Mr. Campbell's leadership in this language:

[From the New York Times, July 8, 1962]

Accounting Office Is Watching Over Spending

(By Cabell Phillips)

Washington, July 4.—The General Accounting Office, which reported on Monday a widespread conflict of interest among agents of the Commodity Credit Corporation in the sale of surplus cotton, is, in spite of its prosaic name, a tough and impartial inspector general of the Federal bureaucracy.

It was set up by Congress, and it reports only to Congress. Its mission is to watch how the executive agencies spend the money Congress appropriates.

In the process, it stumbles frequently upon some highly questionable practices, and occasionally upon some criminal ones. When it does, explanations, apologies, and corrective action are promptly forthcoming.

The agency is not widely known to the public. But within its jurisdiction it inspires much of the respect and awe accorded the Federal Bureau of Investigation. Its operatives, armed with slide rules rather than guns, can be as relentless in denying a $2 claim for a $1.50 taxi fare by a Government traveler as it can in exacting a few millions of unwarranted profits from a defense contractor.

Last year alone, it turned some $38 million of overcharges and collections back into the Federal Treasury.

And by preventive action—pointing out unnecessary purchases and bad management practices before they were consummated—it saved many millions more.

A number of the cases it has developed in the last year rest now with the Department of Justice for possible prosecution.

Monday's report on the cotton transactions was a fairly typical performance for the Government auditors, save for its magnitude.

In the course of a routine check of the Department of Agriculture's surplus commodity program late last year, they stumbled on a circumstance that excited their suspicions: hundreds of cotton brokers acting as official sales agents for the Commodity Credit Corporation were buying for their own accounts large quantities of surplus cotton that they had undertaken to sell for the Government.

SET UP IN 1921

After many weeks of digging the Government investigators found that in nearly every instance these purchases had been made at prices of less than $1 per bale above the corporation-established minimum, while cotton of the same type and quality selling on the open market was bringing up to $20 a bale above the minimum. The investigators estimated that these sales agents had sold $400 million worth of Government cotton to themselves at marginal rather than going prices, thus depriving the Government of its full return on the cotton.

The Comptroller General described this as a clear violation of the conflict-of-interest statute. The matter has been turned over to the Department of Justice "for further action."

The General Accounting Office came into existence in 1921 as one-half the product of the Budget and Accounting Act of that year. The other half was the Bureau of the Budget.

Students look upon this legislation as one of the most important milestones in providing orderly management for the Government's housekeeping and fiscal affairs. Earlier, each executive department had submitted its own budget to Congress and lobbied it through, without much regard to any overall program. Not only could the Congress not discern any cohesive program in appropriation requests, but also it had no means of checking on what happened to the money after it was voted.

Congress put the Budget Bureau in the executive establishment. But it kept the General Accounting Office as its own, assuring it freedom from any influence by the departments.

Some Presidents have looked upon the office with suspicion, as an interloper upon the sacred ground of executive privilege. President Wilson vetoed the first act of the kind for this reason. When Congress made the Accounting Office chief, the Comptroller General, a Presidential appointee (with a 15-year term), he relented.

President Hoover had a number of conflicts with the Comptroller General of his day, John R. McCarl. And when Mr. McCarl's term expired in 1936, President Roosevelt allowed 3 years to elapse before nominating a successor.

EX-COLUMBIA AID IN POST

The present occupant of the office is Joseph Campbell, a certified public accountant and former treasurer of Columbia University. He was appointed by President Eisenhower in 1954.

The General Accounting Office has two broad areas of responsibility—to audit the accounts of the Government and to handle certain claims and collections for the Government. It is in the first area that its most conspicuous work is done.

Originally, the Office undertook a virtually complete annual audit of each department and agency. This is both impossible and impracticable in a period when the Government spends upward of $93 billion a year.

Instead, the agency, in cooperation with the Budget Bureau, has installed standard accounting procedures throughout the Government and audits them on a sampling basis.

Its authority extends not only to Government agencies but also to persons and companies doing business with the Government on a fixed-fee, or noncompetitive, contract basis. This makes the Department of Defense, which has about $20 billion of fixed-fee contracts with private industry outstanding, the agency's biggest customer.

Government auditors do much of their work in the field, moving in teams on a Government installation or a contract site with little or no warning.

Most, in all probability, live out their careers in a tidily monotonous world where all the right figures are in the right columns. But occasionally they hit what they call a "soft spot." Then the incipient sleuth in each leaps eagerly forward.

In a case reported to the House Armed Services Committee this year, the Accounting Office said the Magnavox Co., of Fort Wayne, Ind., a large manufacturer of electronic communications equipment, had overcharged the Air Force more than $1 million on a $3 million contract.

The contract involved spare parts for a two-way aircraft radio system. Magnavox got the contract on the basis of cost estimates involving the subcontracting of part of the work.

OVERCHARGE ALLEGED

The company, however, began making the parts in its own plant at a substantial saving over its earlier estimate but concealed this from the Air Force, the Accounting Office said. The company, according to the Accounting Office, continued to collect from the Air Force on the basis of its original contract.

The company has refused so far to make a voluntary restitution of the alleged $1 million overcharge.

In 1957, the General Motors Corp. was charged with having received more than $17 million of unwarranted profits through a contract to build F-84 fighters for the Air Force. The company refunded $9 million to the Treasury.

In the 5 years since defense contracts became a special preoccupation of the Government auditors, they have reported 73 instances involving a total of nearly $66 million alleged to be excess and illegal charges. So far, $47 million has been returned. The cases involving the remaining $19 million are either in negotiation or in litigation.

Frequently the agency turns up instances of wastefulness and inefficiency within the Government departments.

SEVENTY-THREE CASES IN 5 YEARS

In May the agency told Congress it had found the Navy on the verge of buying $4 million worth of airplane engines of a type almost identical to one that the Air Force had in large surplus. It arranged a cost-free swap—and strongly urged the Department of Defense to tighten its centralized procurement operations.

One of the agency's more novel reports, announced a few weeks ago, was that it had found a house of prostitution operating in the Tonto National Forest, in Arizona.

This, however, was incidental to its finding that millions of square feet of timberland in national forests were being pirated by the holders of mining claims. The mining claims can be "patented" for as little as $2.50 an acre, but, the agency said, many of the patentees make no pretense of mining while stripping the land of lumber.

The Accounting Office is one of the few Government agencies that has managed to cut its manpower and improve its efficiency. It had 14,000 at the peak of the Korean war. Today it has 4,700.

The cases mentioned in the New York Times constitute only a very small fraction of the instances in which Mr. Campbell and his staff have saved the taxpayers millions of dollars, nor are their operations confined only to those instances where millions are involved. Frequently, with great skill and persistence, savings in the routine type of matter involving thousands, rather than millions, are made. An outstanding example of action by the General Accounting Office resulting in the recovery of moneys for the taxpayers which otherwise would have been unlawfully diverted was the collection of $176,000 in royalty overcharges due the Government from the Hazeltine Electronics Division of the Hazeltine Corp. In this case the price of certain contracts included cost estimates for royalties which exceeded by $125,600 the amounts actually paid to the licensor. Under seven contracts the firm did not report the amount of royalties paid as required by the contracts. Under 10 contracts the contractor did report to the Navy the amount of royalties paid, but the Navy took no action to obtain refunds of the amounts involved. Likewise royalty refunds were not paid on 15 Air Force contracts, although on the majority of the contracts reports were made.

The General Accounting Office discovered both laxity of auditing procedures by the Department of Defense and failure to report as required by the contract. The net result was a tightening of procedures, hopefully throughout the entire Defense establishment, and a saving of $176,000 to the taxpayers. All of us should be thankful for the diligent manner in which the General Accounting Office performs its duties and the very able leadership given this operation by Comptroller General Campbell.

THE FORGOTTEN MAN

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, it is with great pleasure that I rise today to speak for the forgotten American, the man forgotten in all the fulsome praise about the great achievement of the Telstar satellite.

Let me identify this man, for he has been forgotten by newspapers, television stations, commentators, editorialists; yes, even by Government.

Yet he is not a strange species. In fact there are about 48,240,252 of these forgotten men and women in the United States.

He is not unproductive. In fact in 1960 on the average he contributed about $815 to the Government; together he and his fellowmen contributed $39,348,016,000.

And although forgotten, he was not inconsequential in the Telstar satellite launching. Over the last decade he contributed some $25 billion to the space research and development that made the launching possible. He is contributing some $3.7 billion this year.

Actually, the great forgotten man in the Telstar achievement is the one essential man—the American taxpayer.

Last night and today he read or heard of the Telstar achievement. Wonderful achievement, he was told, a step toward a new global communication system, brilliant, historical.

"Wonderful achievement," he said.

But nobody—so far as I know—has let him in on the secret: the launching of the Telstar satellite is his achievement. He paid for it.

Instead he is told—and I am quoting a newspaper—the telephone company paid the Government for the cost of the launching. This is a new kind of accounting.

It ignores the cost of research and development that made the product possible. It ignores the various methods available to the telephone company to recoup the launching cost.

He is told that any contribution he did make is just like his contributions toward agricultural, medical, or similar federally financed research.

To equate this you have to feel there is no essential difference between the world's largest corporation and a farmer—no essential difference between a corporation and a citizen dying of cancer. You also have to forget that communication satellites basically are a public utility—something not quite like farmers or the sick citizen. Unlike agriculture and medicare, the development of this technology would not have been possible without taxpayers' dollars.

I ask you to join me in letting our American taxpayer know that at least some of us are willing to acknowledge he made the essential contribution through his taxes for our space program and for launching the Telstar satellite. Of all people, we should not let the taxpayer be the forgotten American.

THE COMMON MARKET AND THE AMERICAN FARMER

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to insert my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, the Common Market plan of the European Economic Community (EEC) embraces very serious implications for the American farmer. It is important that we examine just where we stand and how badly our agriculture may be hurt, unless the Common Market develops in a manner that will maintain access to our established and traditional markets in Europe.

The clearest discussion I have heard of the problems and the prospects of our agriculture in the Common Market was delivered by Mr. Peter T. Jones, Deputy Assistant Secretary for Trade Policy, Department of Commerce, before the Seventh Annual Convention of the National Plant Food Institute at White Sulphur Springs, W. Va., on June 11. With the consent of the House I am entering this discussion at this point in the RECORD in the thought that it will be helpful to all the Members of the Congress in understanding one of the most important economic developments of our time.

The text of Mr. Jones' address follows:

UNITED STATES AGRICULTURAL AND THE EUROPEAN COMMON MARKET

We are often told that ours is one of the industrial countries of a world most of whose nations are still agricultural. This distinction disguises the fact that it is often the industrial countries themselves that possess the most thriving agricultural economies, and the United States, for example, is a supplier of foodstuffs to a great many countries of the world.

Last year, the United States exported about $20 billion of goods abroad; of these, about one-quarter—$5 billion—were agricultural commodities. U.S. rice producers rely on exports for over half of their annual production. Wheat and cotton growers send almost one-half of their crops abroad. Forty-one percent of our soybeans are exported; 38 percent of our tallow and 29 percent of our tobacco are sold in markets overseas.

One out of every six acres of harvested land in the United States sends its produce to foreign markets. A full 15 percent of our farm production is exported, compared to only 8 percent of our nonagricultural output.

This is a point which doesn't have to be emphasized before this audience. You know already about the American farmer's heavy stake in world trade, and in far greater detail than I, for you are the people who have supplied the farmer with the nutrients and the know-how that have helped make our country's agricultural production the greatest in the world. What I want to do this morning is to focus attention on recent developments in the agricultural tariff policy of the European Common Market, and to try to suggest how they may affect our own farm production and what our response to them ought to be.

Western Europe has always been a major market for American agricultural exports. Tobacco from the colonies filled the holds of trans-Atlantic traders during the 18th century. American cotton stocked the mills of Victorian England. Our grain has helped feed a great many Europeans since the latter part of the 19th century.

This pattern has not greatly changed. In 1961 the United States exported $238 million of unmanufactured cotton to the six members of the European Common Market—France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg. This represented 27 percent of our total exports of cotton. We sent $180 million of wheat and flour and $187 million of feed grains to the same countries, which amounted to 14 percent of U.S. exports of wheat and flour, and 36 percent of our feedgrain exports. We sold them $97 million of tobacco—one-quarter of our entire tobacco exports. All told, the United States last year exported $1.2 billion of farm products to the Common Market. This came to about 24 percent of our total agricultural exports to the world, which were in turn almost one-quarter of our overall exports of all goods.

U.S. exports of farm products to the Common Market therefore represent a valuable portion of our total foreign sales. Subtracting a total of $220 million in imports, these exports earn for us a net total of almost $900 million. To a nation currently burdened with a recurrent balance-of-payments deficit, these sales are a vital source of income. To a farm industry marked by overproduction, they are an essential outlet for burgeoning supplies. To plant-food specialists like yourselves, they are a healthy stimulus to the continued high productivity of American agriculture.

Yet developments this year within the Common Market make it essential that prompt steps be taken if our access to the European agricultural market is to be maintained. As you know, the six Common Market members have already agreed on a tariff policy for manufactured goods; they are gradually eliminating their own internal tariff barriers against fellow members and establishing a common external tariff against the goods of outside countries, thus establishing a preference system for their own products. It has been a much more difficult proposition, however, for the six to agree on a common agricultural policy—in this area there were severe divisions of interest between low-price and high-price areas and low-tariff and high-tariff countries. Finally, in January of this year, the member countries after long deliberation agreed on an agricultural policy, thus removing one of the major obstacles to the further progress of the Common Market.

The most notable feature of the common agricultural policy is the "variable levy system," a device to adjust tariffs periodically to the rise and fall of world prices, and therefore to stabilize prices and production within the Common Market. Variable levies will apply only to a few commodities, but it is fair to say that they are commodities in which the United States has a strong export interest: wheat and feed grains, poultry, eggs, and pork. Though final arrangements have not yet been made for rice, it is probable that it too will fall under some such system.

For grain, the levy on imports from outside the Common Market will equal the difference between the lowest world market price, at the principal port of entry, and a target price set by each individual Common Market country. In addition, a small fixed charge will be imposed to insure a preferential position for Common Market grain. If, for example, the German domestic price for wheat were $2.25 a bushel and the price of imported U.S. wheat were $1.75, the tariff would be 50 cents a bushel plus the fixed charge on all non-EEC imports. Beginning in 1963, these target prices will start to be gradually harmonized, so that by 1970, at the latest, a common target price will exist for the entire Community. Meanwhile all tariffs on movement of grain within the EEC will have been abolished.

The levies on poultry, eggs, and pork will be somewhat different; they will consist of four elements, two variable and two fixed.

First, there is a variable tariff equivalent to the differential between feedgrain prices in the importing country and on the world market. This is designed to offset the favorable production costs outside the Common Market due to low feedgrain prices.

On top of this, there are two fixed charges which will gradually blend into one: A tariff equal to the tariff imposed on trade within the EEC of the commodity in question, and an extra tariff against imports from nonmembers designed to give a competitive edge to member countries. The internal EEC tariff will be gradually reduced to zero by 1970. In its place, the levy on trade with nonmembers will be raised, starting at 2 percent this year and rising to 7 percent as the intra-EEC tariff goes down.

Finally, there will be a so-called gate price to guard against dumping or "abnormally low" prices in third countries. A standard import price will be designated by the EEC countries, based on the normal prices of an efficient non-EEC producer. If poultry, eggs, or pork are offered at a price lower than this gate price, then an extra duty will be charged, equal to the difference between the offer price and the gate price.

These variable tariffs will come into effect on July 1 of this year.

At the same time, Common Market countries will start to establish common import regulations for fruit and vegetables. Uniform quality standards for the entire Community will be set, and a fixed common external tariff—not a variable levy such as will apply to the products I have just discussed—will be charged against imports from all non-members. In the event that fruit and vegetable production within the Common Market is disrupted by imports, a minimum price system for imports may be imposed or imports may be suspended, but the present fixed tariff arrangement will continue until serious disturbances are found to exist.

So far I have described only the restrictive aspect of the new Common Market agricultural tariff system. In one respect, however, it takes a major step toward trade liberalization. As the new tariff arrangements come into effect, individual EEC country quotas and other nontariff restrictions against imports from nonmembers will be terminated, though the time schedule for this, particularly for fruit and vegetable restrictions, is still unclear. These nontariff barriers to trade have been one of the greatest obstacles to U.S. agricultural exports in the past. National agricultural and marketing monopolies which regulate production and trade; restricted importing periods, according to which foreign crops are admitted only when there is no domestic production; bilateral agreements, by which import facilities are offered to only one country; compulsory mixing of homegrown grain in flour; special import taxes; and others—all these will be abolished by the individual EEC countries as the common agricultural policy takes effect. Trade restrictions in the form of tariffs are more visible than nontariff restrictions, and under the new policy the opportunities for indirect, unofficial controls are greatly reduced. Foreign exporters will know the precise rules that govern entry of their goods into Common Market countries instead of being faced with restrictive licensing arrangements or other indirect barriers which were subject to frequent change and innovation. And U.S. negotiators will be able to bargain more effectively for improved trade access when a clearly stated tariff schedule replaces this jumble of discretionary restraints and obstructions.

I would like to concentrate now on the possible effects of these new arrangements upon American agriculture, and to tell you about the steps which the administration has taken and is planning to take to insure the most favorable possible treatment of our products in the Common Market.

The most important determinant of whether U.S. agricultural access to the Common Market is to be maintained under the new tariff policy will be the level of the domestic target prices and gate prices to which the variable tariffs are geared. Say that the Germans set a gate price on poultry of 35 cents per pound when U.S. poultry could be sold at the German border for 30 cents per pound. The extra 5 cents tariff which this would create, in addition to other tariffs, might cut U.S. poultry out of the German market, while a 30-cent gate price would call for no extra duty at all. Our Government will take all possible steps to persuade the Common Market of the wisdom and expediency of setting reasonably low prices. This would enable their consumers to take advantage of the efficiency of American farming methods, which is generally higher than that in Europe. Of the 9 million farms in the Common Market, over 5 million are of 12 acres or less. A great many farmers hold small strips in several locations, and farm buildings are often poorly designed and placed—all of which makes it difficult to practice mechanized farming methods.

Poultry is the item about which we are currently most concerned. U.S. poultry and egg exports to the EEC have shown a dramatic rise in the past 5 years, due mainly to lifting of import restrictions in Germany. In 1957 we sold $2,685,000 worth to the EEC countries; in 1961 about $48 million, of which more than $40 million went to Germany. If import restrictions were removed in the rest of the Common Market, it is expected that U.S. poultry sales would abruptly rise even further. Poultry consumption per capita in the EEC increased almost twice as fast as in the United States between 1955 and 1960, yet the amount used per capita was still only slightly more than half that used in our country. U.S. poultry, including transatlantic shipping charges, is lower priced than any produced in Europe. Yet poultry is a product which the Europeans could rush into production on a large scale in a relatively short period of time. Chickens do not require the vast acreage that a land crop does, and their growing period is fairly brief. We are convinced that it would be uneconomical for the Europeans to attempt self-sufficiency in poultry, since we can mass-produce poultry at considerably lower cost than the cost in Europe today. Present indications are, however, that under the variable levy system, tariffs on poultry would be much higher than they are at present—more than double, in fact—and that this degree of protection may make it extremely difficult for U.S. poultry exporters to make sales in the European market on the scale that they might otherwise expect to.

Of the commodities affected by the new variable tariffs, wheat and feed grains constitute by far the most important in terms of dollar volume of U.S. exports. In 1961 we exported $180 million worth of wheat and flour to the Common Market. Of our wheat exports, about 70 percent was so-called quality wheat, the rest ordinary. The Common Market, thanks particularly to improved production in France and Italy, is rapidly approaching self-sufficiency in ordinary wheat; it would be foolhardy to expect imports of those grades of wheat to continue strong. Quality wheat, however, is a different matter. Indications are that EEC consumption will continue to outstrip domestic production at least through 1965, and that the demand for imports will therefore continue.

In feed grains U.S. exports to the Common Market, which totaled $187 million in 1961, appear fairly secure during this decade—provided access is granted. Though European production of feed grains has been growing, it has not kept pace with increased demand, and feed-grain requirements in the Common Market are expected to grow still further as a result of expanding livestock production.

It might be possible to shift land, especially in southern and northeast France, into feed-grain production, but in view of the European manpower shortage, it is questionable whether this could be accomplished by the end of the 1960's. And it is not likely that the Common Market would stimulate such conversion by means of high price supports which would injure the interests of domestic livestock producers. There are thus reasonable grounds for optimism in the feed-grain area, provided the EEC does not set an unduly high target price against which to measure its tariffs.

Government officials have watched the development of the EEC's common agricultural policy with careful scrutiny, and have taken steps which demonstrate their concern. Under Secretary Ball of the State Department and Under Secretary Murphy of the Agriculture Department, along with Mr. Howard Petersen, the President's Special Assistant on Trade, have been in repeated contact with Common Market representatives and have stressed this country's vital interest in maintaining our access to European markets. As a result, special interim agreements have been concluded between the United States and the EEC. The EEC has pledged not to take any action to make their import systems more restrictive during the period before implementation of the common agricultural policy on wheat, feed grain, poultry, and rice. Once the CAP has been adopted, the EEC has agreed to enter into negotiations with the United States regarding its exports of these products to the Common Market.

For quality wheat, a special undertaking has been made by the EEC: If, after the new variable tariff takes effect, U.S. exports of quality wheat should drop, the EEC will adjust the tariff to correct this decline.

Diplomatic representations on poultry are still continuing, particularly with the Germans, whom we are trying to persuade to take advantage of a special EEC rule which permits members to petition to adopt the lowest overall tariff imposed by any other member.

As for rice, of which we exported about $7 million worth in 1960, we are hopeful that a fairly liberal tariff schedule will be established for the EEC, since Germany and the Benelux countries produce no rice whatsoever and the bulk of their rice requirements consist of a medium and long grain type which is not produced in the rest of Europe either. But here again, unduly high price supports within the Common Market could cause considerable damage to our exports.

Our Government will continue to press diplomatically for reasonably open access to the Common Market for our farm products. We are concentrating on alleviating both tariffs and quota restrictions still in force. In order to make our case effective, however, we must be armed with a strong negotiating position. Just as in the United States, political considerations in the Common Market countries are not irrelevant to the question of high price support levels for farm products. Some 25 percent of the Common Market's population is still engaged in agriculture. What's more, extremely laborious and sensitive bargaining was required to obtain agreement among the six members on the outlines of the common agricultural policy. They can be expected to show reluctance to enter into another round of internal negotiations in order to safeguard the interests of the United States unless we can offer an attractive, realistic bargain.

This is one important reason why the President's new trade and tariff program is a matter of such urgency. Even with the benefit of the new tariff bargaining authority contained in the bill, it is not certain that we can obtain substantial reductions in Common Market agricultural tariff levels. But without such authority, it is difficult to see that we would have any chance of success at all.

Consider what happened in the most recent tariff negotiations under the General Agreement on Tariffs and Trade. Our negotiators were successful in obtaining tariff concessions from the EEC on a list of farm products which represented $765 million of the U.S. agricultural exports to the EEC in 1960—over 70 percent of our total such exports. Some extremely important products were covered: Cotton, our largest single farm export to the EEC at $238 million in 1961, was bound for duty free treatment; substantial reductions were obtained on oil seeds and vegetable oils and upon fruits. Prospects for increased exports in these commodities look extremely good. The tobacco tariff, which covered $85 million of exports in 1960, was reduced from 30 percent to 28 percent. And yet we were not able to go as far as we would have liked under the old negotiating authority. The tobacco reduction we still consider insufficient, and the EEC has agreed to enter into further negotiations on it. We could obtain only interim agreements on the variable tariff rates, not long-term arrangements such as would have been preferable. When the time comes to work out these long-term arrangements and to bargain for more favorable tariff reductions than in the past, we must go to the conference table armed with the authority to make strong, meaningful reciprocal agreements.

This is what the trade expansion act would provide. It would empower the President to enter into negotiations with our trading partners with the right to cut any tariff by as much as 50 percent. On certain special categories of items, tariffs could be reduced down to zero in bargains with the Common Market. These would include any article of which the United States and the Common Market together produce more than 80 percent of the exported value within the free world, or any agricultural product whose exports, in the judgment of the President, would be maintained or expanded by such action.

These bargaining tools would equip U.S. negotiators with far greater leverage than they have held under the trade agreements act that expires at the end of this month. It limits tariff cuts to 20 percent on any single item, which proved insufficient to arouse Common Market willingness to make effective reciprocal cuts on important items such as tobacco, as I have mentioned. The new authority would repair this weakness. Let me emphasize that the administration is not seeking greater tariff-cutting authority in order to make greater unilateral reductions in the U.S. tariffs, but rather to persuade our trading partners to exchange sizable tariff cuts of their own that would open their markets to our products. Trade agreements are made by swapping foreign tariff reductions on items we are in a position to export in large quantities for U.S. reductions on items which they can export. In the case of Europe, this would include trading EEC cuts on agricultural commodities for reductions of U.S. tariffs to a considerable extent on industrial products, since farm products are a major export category from the United States, but a minor export item from the EEC.

If we can secure such tariff reductions with the EEC and other free world nations, there is every reason to expect that our active export market in agricultural goods will continue to expand. The reason for this is simply that the greatest increases in food demand will in many instances come from abroad, where developing economies bring a population shift to the cities. There, people have to buy rather than grow their food, and there, higher incomes mean a greater range of choice of food products.

The statistical facts bear out this point impressively. Between 1950 and 1960, while consumption of farm products in the United States was increasing by only 14 percent, our agricultural exports increased 84 percent. During the past 5 years, our sales of farm products to the Common Market alone have risen 29 percent. As I said, the common agricultural policy of the EEC represents a possible barrier to this advance, but the bargaining powers in the proposed trade expansion act are our best chance of cutting through this barrier and maintaining our export momentum.

This proposed act also, I think, represents one of the most positive steps our country can take toward strengthening general economic ties among free world countries as well as improving our own domestic economy. The fast-moving economic growth of most of our trading partners is creating a growing demand for consumer and industrial products. The Common Market economy alone is expected to expand by a full 50 percent during this decade. As the standard of living of its population rises toward the level of our own, a great volume of sales will be made that were never possible before. For example, every 1,000 people in the EEC countries presently own only one-seventh the number of television sets owned by the same number of Americans, and about one-fifth the number of automobiles, refrigerators, and washing machines and one-fourth the number of radios. There is a vast potential here for exports, and with reciprocal tariff cuts between ourselves and the EEC such as the trade expansion act would make possible, it is a potential which American producers can help fill.

If we take no action to bring down tariffs, we risk losing a sizable share of our markets in the EEC, where we sold almost $4 billion of goods in 1961. In many of the Common Market countries our products must compete with products from the other Common Market member. Tariffs between EEC members are already being progressively reduced; in not many more years they will be eliminated entirely. Meanwhile, a common external tariff against all imports from nonmembers is being imposed. In the case of previously low-tariff countries such as Germany, this external tariff will be higher than that in force in the past. The net result will be this: U.S. exports will continue to pay a tariff, in some instances higher than before, while their European competitors pay no tariff whatsoever. Needless to say, the commercial consequences could be severe for U.S. products, unless we use our bargaining power to bring down the common external tariff, a move the Common Market has indicated its willingness to make if in return we can offer attractive new trading opportunities for its products.

The trade bill is designed, therefore, to keep open and to broaden where possible the supply lines that connect our country with the rest of the free world. The United States on balance is a strong net exporter: We send about $20 billion of goods overseas and import about $15 billion of foreign goods, some 60 percent of which do not compete with our own domestic products. Given a general expansion of trade through the lowering of tariff barriers, our export surplus can be expected to expand even further.

This is the commercial aspect of our foreign trade. There is a broader aspect which I think is no less important. International supply lines are also bonds of cooperation between the nations of the free world. They are signs that foreign trade between independent countries can be competitive without being acrimonious—a fact that Communist theorists have never recognized. Reduction of trade barriers between the United States and its trading partners—particularly within the Atlantic Alliance—would help forge a community of economic cooperation and strength much greater than the world has ever seen before. This would be a source not only of rapid development of economic potential throughout the world, but of reinforced unity among free world nations. In a world troubled by forces that seek to divide and to dominate, any step toward unity is a step toward peace. This is one of the major reasons why the administration believes the Trade Expansion Act of 1962 to be of urgent importance.

It has been a pleasure to be with you here today. Thank you.

THE BRITISH MEDICAL PLAN

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, in the barrage of "unfacts" issued by opponents about the King-Anderson health care bill, there has been an attempt to prove that the national health insurance system in Great Britain has been a colossal failure. An occasional British physician who visits our country, presumably with the assistance of his earnings from the British plan, has lectured American Medical Association audiences on the supposed defects of the system.

Well, Mr. Speaker, I think it high time that we gathered our information about the British plan from those who were intimately connected with it. And so I recommend an article by a former administrator of the British system which appeared in the Portland Reporter June 18, 1962. At the same time, I ask consent to insert an article on the same subject that appeared in the Washington Post issue of June 14, 1962, under the byline of Robert H. Estabrook.

[From the Portland (Oreg.) Reporter, June 14, 1962]

The Other Side of the Picture—British Medical Plan Called Success; History Lengthy, Support Widespread

(By Arthur S. Newman)

I am often amused, but sometimes greatly irritated, by the arguments bandied back and forth both in the press and on the air about the reasons why legislation should or should not be introduced to provide care for the older American men and women.

As a British citizen it is of course no concern of mine, or for that matter of any other visitor or nonnationals, whether such a scheme is merited. It would be a presumption on my part to submit any opinion for or against such a scheme. I should hesitate to abuse your hospitality by criticizing any proposals put forward by your Head of State. This is your problem, and I consider the American people are perfectly capable of settling this issue without the intervention of outsiders. Surely the convictions of men and women in this great country are strong enough without having to enlist the aid of highly paid lecturers from England. You note I say "from England" not "Great Britain," as I have very good friends from Scotland, Ireland, and Wales and do not want them after my blood.

So much has been written and quoted about the "miserable failure" of the national health scheme in Britain that I feel a short explanation of what is actually being done—at least as I see it—would not be amiss. For many years I had the privilege to assist in administering the British national health insurance scheme, and thus it may be understandable why I feel so strongly regarding the untrue statements of people who ought to know better, but who, it is obvious have very little knowledge of the actual working of the scheme.

One mystery which puzzles me is why our scheme in Great Britain is referred to as "socialized medicine." Why "medicine" when the scheme covers practically every eventuality from the cradle to the grave? Do the opponents use the term "socialized medicine" because it appears to slide off the tongue with the same contempt as Sir Winston Churchill pronounced the word "Nazi" during his broadcasts to the British people from 1939 onward?

It might be of interest if I explained that a form of national insurance was introduced into England in 1911 (yes, 50 years ago) by David Lloyd George who held the position of Liberal prime minister at that date. Governments which followed, Conservatives, Liberal, and Labor, appreciated the value of providing assistance to the sick and needy, and over the years amendments and additions have been introduced, until we have the national health insurance scheme as we know it today.

The most momentous changes came into force in 1947 when everyone, rich or poor, was included. These changes followed the recommendations submitted by Lord Beveridge—a Liberal. It is, however, true to say that it was a Labor government which made these recommendations law.

Can anyone honestly believe that Great Britain, or in fact any other country, would continue to operate a "dismal failure" after 50 years? "Dismal failure" is not how the scheme is described by the countless numbers of children, regardless of age, color, or creed, who, among other things, have their teeth and eyes regularly examined and corrected while at school, thus reaping untold benefits later in life. This is not the description given by the countless number of civilian war casualties who have been supplied with artificial limbs thus enabling them to take their rightful place in society. It is not the description given by many blind persons of both sexes, who have been and are still being trained in every conceivable trade from shorthand typists to viewers and inspectors in the electronics field, and now earn a living in competition with their sighted compatriots.

You need only ask any of the "homebound" sick and needy, the aged and infirm who are regularly visited by welfare workers and in many instances provided with a daily hot meal. These older people are fiercely independent, but because of their disabilities they might not have a daily hot meal without this service.

Ask the large number of disabled men, women, and children the arthritic, the hemiplegic, the one-armed or one-legged person who is provided with every type of gadget or aid to enable them to perform household and personal chores and thus be independent of outside help, ask their opinions—not a disgruntled medical man who perhaps would not fit in anywhere.

Have these "paid lecturers" ever discussed the scheme with those dedicated persons operating and those people residing in old peoples' homes, the spastics, the tubercular patient, the mental patient and countless others who have benefitted or are still receiving treatment under the shadow of the so-called dismal failure.

Last but not least ask the thousands of men and women who have been successfully rehabilitated after a long spell of hospitalization or from an illness resulting from an injury. Please do not mention the term "failure" to these people; they wouldn't understand what you meant.

This short letter only covers a fraction of the work undertaken by dedicated men and women. Of course this costs a whale of a sum of money, and no doubt there are some abuses to the scheme. I agree there is a lot of deadwood which could be done away with, there are many scroungers who will always take advantage of every loophole to obtain more than their fair share.

Each year there are hundreds of visitors to England who take advantage of the scheme to obtain free glasses, false teeth, hearing aids and even wigs. These people do not contribute a penny piece toward the cost of the scheme, yet among these are some of our severest critics. Have you noticed how many film stars wait until they reach London before they have a breakdown? Yes, there are many faults and we realize our shortcomings, but we do not propose to cut down the apple tree because there are a few rotten apples on it.

Another matter which riles me—why pick on England and hold her up as "the big bad wolf"? Why don't these critics try to recruit lecturers from the 20 other countries which are also operating a "dismal failure" and have done so for many years I refer to Australia, Belgium, Canada, Cyprus, Denmark, Finland, France, Irish Republic, Israel, Italy, Jersey, Luxembourg, Malta, Netherlands, New Zealand, Norway, Sweden, Switzerland, Turkey, and Yugoslavia.

Each year hundreds of doctors, nurses, and others who are primarily concerned with the care of the sick and disabled, visit England to study our scheme and to see at first hand the methods employed to help these people. I had the honor and the privilege to accompany many of these parties, which included men and women from every country in the world—including the United States and the U.S.S.R. Many weeks were spent in examining and studying every aspect of the setup in Great Britain. I can honestly say that without exception these visitors had nothing but praise for the manner in which we were tackling the problem.

After all isn't the problem "international" and not national? We were too busy to worry over "who was paying, but would receive nothing" or "who was not paying, but getting everything." The human being and his problems were our first concern.

When the scheme was first thrust upon the British public, the British Medical Association brought out the same big guns as the AMA are using today—with one exception. It did not resort to the import of highly paid lecturers from other countries to to damn the scheme. The opposition was understandable, and I must admit in those days I was as violent an opponent as any. However, having worked with the scheme and seen the end product, I have completely changed my tune. Today in England, with the exception of a few medical people who are voluntarily outside the scheme, the physicians, doctors, nurses, the welfare and social workers, are all wholeheartedly operating this act of Parliament. Like every other human being they have their faults, and moan and groan at times, but like their American counterpart, they are true to their oath, and dedicate their whole lives to the benefit of mankind.

BRITAIN LIKES ITS MEDICAL PROGRAM

(By Robert H. Estabrook)

LONDON.—How good is Britain's National Health Service? The question is pertinent in connection with President Kennedy's far less sweeping medical care plan for the elderly, and particularly with the many references to social medicine. Perhaps the fairest answer is: better than what the great majority of people had experienced beforehand.

Even today the Nation Health Act of 1946 is cited as the crowning achievement of the postwar Labor government. Under it all residents became entitled to "free" medical and dental care, medicines and hospitalization. Doctors, dentists, and druggists were enrolled. Virtually all dentists and all but about 600 general medical practitioners participate, although some also retain private practices.

Patients are encouraged to select "family doctors." They are thereupon entitled to medical and dental consultation, surgery by specialists when necessary, ambulance service, blood transfusions and rehabilitation. Hospitalization ordinarily is in general wards, but private rooms may be rented when available for $3.45 a day.

Certain modifications in free services have become necessary. There are now minimal fees for prescriptions, glasses, dentures, and appliances as well as for house calls, partly to discourage abuse. Employed persons also pay a special weekly insurance fee.

The system is financed 69 percent by National Government appropriation, 12½ percent by insurance fees and 8½ percent by local taxation. Direct charges to patients account for only about 4½ percent. Total expenditures of some $2.6 billion amount to about $50 per person per year. Doctors and local committees have a say in management of the program and in community health services.

Professional men are paid by the Government on the basis of the numbers of patients on their lists. Payment to doctors and dentists are set to yield average yearly incomes of around $6,800 and $7,000, respectively. The typical doctor in NHS has a patient list of 2,300 persons. Additional payments are made to doctors with smaller lists and to those getting started.

In practice there are, of course, some shortcomings. Hospital facilities are still inadequate for the demand, and staffs are underpaid. Patients complain of delays for selective surgery, though not for emergency care. Perhaps in part because of too low a fee schedule there is a shortage of new doctors; there are charges, vigorously refuted by Minister of Health Enoch Powell, that dissatisfaction has caused substantial emigration. Despite the introduction of fees, costs of the program have continued to rise and are now double those of a decade ago.

Among the most comprehensive critiques is a study by Dr. D. S. Lees published by the Institute of Economic Affairs. Dr. Lees cites the inadequacy of medical and dental training and hospital building programs as evidence of the drawback of centralized control and reduced freedom to innovate. There is no proof, he says, that the general health improvement is attributable to NHS.

Dr. Lees also contends that the market is superior to the ballot box as a means of demonstrating consumer preference; he protests that the NHS eliminates individual decisions on how much to spend for medical care. He suggests that the program move away from free services to an insurance system that would reimburse doctors in private practice, as in some Scandinavian countries.

Lack of public awareness of costs is probably the most serious criticism. Doctors and dentists also could object that NHS makes them in effect public employees with their remuneration dependent upon Government fiat. Bureaucracy can be infuriating, and one hears occasional grumbling by doctors and patients alike. Some persons elect to go outside NHS when speed or delicate care is essential. At the same time, eligible foreigners who use NHS often are pleased by the service.

One point stands out, apart from arguments over principle and quality: there is remarkably little complaint that NHS has destroyed the doctor-patient relationship which the American Medical Association holds so sacred. Indeed, some authorities contend that this relationship has been improved by removal of the financial barrier. Criticisms must be weighed against relief from personal money worries.

In short, even with its faults most Britons seem proud of their National Health Service. Almost never is anyone encountered who wants to repeal it and return to the old system.

TELSTAR BEST ARGUMENT FOR QUICK PASSAGE OF COMMUNICATIONS SATELLITE CORPORATION LEGISLATION

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, an important historical event took place yesterday. For the first time a communications satellite has beamed a television picture from the United States to Europe. Mr. Speaker, I could talk at length about active communications satellites and passive communications satellites. I could talk about low-altitude satellites and I could talk about synchronous satellites. I could talk about different kinds of rockets which are proposed to be used to place communications satellites into orbit. I could talk about persons in private industry and in Government who have been connected with the successful experiment. I could talk about plans for future communications satellite launchings.

All of these subjects would be important for Members of the Congress to know about. To my mind, however, one aspect of yesterday's historical event is of paramount importance to Members of Congress. This aspect is that Telstar represents not only a magnificent engineering achievement but also is an outstanding example of fruitful cooperation between private industry and Government agencies.

As all of you know, Telstar was placed in space as a result of a contract concluded between the National Aeronautics and Space Administration and the American Telephone and Telegraph Co. A.T. & T. developed Telstar and paid for its construction out of its own funds. In addition, it reimbursed NASA for the expenses incurred by NASA in launching and tracking the communications satellite.

Those of us who were privileged to witness some of yesterday's events were impressed over and over again by the manner in which private industry and Government agencies cooperated in making this joint venture a success.

Mr. Speaker, there are many persons of good will who have strong feelings about the respective roles to be played by private industry and by Government. Arguments have been advanced by such persons that only Government can carry on certain activities and that other activities should be carried on by private industry.

To my way of thinking, such views are rather old fashioned. If there ever was a time when a clear-cut line could be drawn between bona fide functions of Government and bona fide functions of private industry—and I doubt that there ever was—our present age of science and technology certainly renders such a line of demarcation out of date. In this day and age our Government supports scientific research in many, many fields. It does so not only in Government-owned laboratories but it supports such research through grants and through contracts with private research organizations.

I can conceive of no reason why Government and private industry cannot also be partners in operating projects which are vitally important to this Nation. What I have in mind, of course, is the operation of communications satellites.

On May 3, 1962, the House passed H.R. 11040, which provides for the establishment of a communications satellite corporation. The stock in this corporation would be owned in part by private communications carriers and in part by individuals and corporations who would subscribe to such stock. Under the legislation, the President would appoint three directors to sit on the board of directors of the corporation. Throughout the bill provision is made for close cooperation between the corporation and the Government agencies concerned with communications satellites.

Mr. Speaker, two committees in the other body have considered this legislation and have concluded, after extensive hearings and prolonged consideration, that the provisions of the bill are well suited to bring about the kind of partnership between Government and private industry which is desirable to operate the U.S. portion of any international communications satellite system which may come into existence.

Yesterday's magnificent success with Telstar in my opinion confirms the judgment of the House that fruitful cooperation between Government and private industry is possible. Mr. Speaker, I feel that no further proof is needed and it is my hope that action on H.R. 11040 will be completed so that we may go on with the task of bringing into existence an international communications satellite system which will benefit this Nation and other nations who are willing to cooperate in such an international joint venture.

PRESIDENTIAL TRANSITION BILL

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, I have today introduced a bill to enact the "Presidential Transition Act of 1962." The purpose of the bill is to promote the orderly transfer of the Executive power in connection with the expiration of the term of office of a President and the inauguration of a new President.

The measure would enact into law a recommendation made by President Kennedy on May 29, 1962. The President's recommendation, in turn, was based on the unanimous report of the Bipartisan Commission on Campaign Costs. The Commission's proposals have been approved by former Presidents Eisenhower and Truman and by former candidates Thomas E. Dewey, Adlai E. Stevenson, and Richard M. Nixon.

In the Presidential Transition Act of 1962 we are acting vigorously to overcome the confusions and uncertainties which have at times accompanied changes in administration. Our worldwide Communist adversaries are always ready to act at any moment of weakness in our governmental organization. The periods just before and after the inauguration of a new President, when new appointments to policy positions are being lined up and old officials are marking time and when new officials are busy learning their new responsibilities and absorbing background information, can be such moments of weakness.

The Presidential Transition Act will provide the President and Vice President elect with the offices, funds, personnel, and services to prepare to act immediately upon taking office. As the old administration leaves, the new one will fit right in, ready to carry out its duties and meet emergencies without dangerous delays.

The President and the Bipartisan Commission on Campaign Costs are to be complimented on pinpointing this area of danger.

We should certainly eliminate it.

FOREIGN AID PROGRAM

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I can understand the frustration which many Members of this body have expressed with respect to our foreign aid program and particularly with respect to assistance to Poland and Yugoslavia. I think, however, that they manifest their frustration in a mistaken and highly dangerous way.

It is a matter of deep distress to all Americans that the peoples of Poland, Czechoslovakia, Hungary, Yugoslavia, and other central European nations are ruled by Communist regimes. In a sense it is a matter of national conscience. If we had the knowledge 20 years ago that we have gained during the last two decades, there is reason to believe that the fate of these peoples might be different.

So it is understandable that we should feel frustration. What we want for the peoples of these countries is freedom—right now. But this is not the way of history. The loss of liberty can take place in a few moments; to gain it back takes longer.

One of the important questions before us today is whether it is in the best interests of the peoples of Poland and Yugoslavia—and ourselves—to prohibit any form of assistance to countries known to be dominated by communism or marxism.

The President of the United States, who alone has the constitutional authority to conduct our foreign affairs, has declared that such a prohibition is not in the best interests of the United States. Nor does this represent a departure from the policy of former Presidents Eisenhower and Truman. Even today they are unanimous in the view that a reversal of U.S. policy would sharply reduce any freedom of choice on the part of Poland and Yugoslavia and force them in the direction of closer ties with Moscow.

Secretary of State Rusk put it succinctly when he said:

> We are convinced that the present policy, supported by three administrations and fully tested by time and events, is effective and in the interests of this country.

Secretary Rusk's predecessor, Mr. Christian Herter, put it perhaps even more forcefully. He said:

> A policy of abandonment toward key areas of Eastern Europe would seem to me to be the ultimate in the "no win" policy we here discuss these days. Its logical outcome would seem to be either surrender or military conflict. Certainly we cannot "win" a competition in which we refuse to participate.

I completely concur with this position and agree that the central question is whether the President is to have available to him the authority to extend or not extend assistance at times and places where the available evidence indicates that our action would promote our own national security interests.

The longer I am in Congress, Mr. Speaker, the more convinced I become of the wisdom of the drafters of the Constitution in vesting sole authority for the conduct of our foreign affairs with the President of the United States.

Evidence that the Congress is competent to actively interject itself in this area in a responsible fashion is almost completely lacking, and I say this both from a historical point of view as well as from my experience of 8 years in this body.

LUMBER TARIFF

Mr. CLEM MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CLEM MILLER. Mr. Speaker, I am this day introducing a bill which will permit the use of our lumber tariff revenues to extend research for new uses of wood, a like measure to that introduced in the other body by the senior Senator from Washington [Mr. Magnuson].

There are those who argue the lumber industry is in most serious trouble. There is no doubt that our industry is under pressure. There is no doubt about great changes in the industry that are underway. Saw timber, dimension lumber, is the subject of a changing market. Plywood means something different today than it meant only a few years ago. Particle board, and the alleged waste called sawdust have established entirely new horizons.

Since timber is a renewable resource, since we have barely scratched the surface in applied research on greater yields, and hardly at all on the botanical possibilities of hybridization, all of this means that the long-range future of wood and wood products is one of great promise.

There is no reason why we cannot create a marketable tree of less than 20 years old, for example. There is no reason why we cannot make a particle beam as strong as any structural material presently on the market. Indeed, much of this great progress is already with us.

With this renewable resource, with chemistry, engineering and botanical investigation, the woodworking industry will continue as a cornerstone of our productive capacity.

We must adapt to these new conditions. We will do so.

The first industry will accommodate to these changes. It will do its part in research and marketing. The U.S. Government through the Forest Service will be working on applied research which will make better management of our forests possible. We also, all of us, realize that basic research must be undertaken that will advance the industry. Most will agree that this is primarily the responsibility of the Federal Government. Private industry, locked in an intensely competitive struggle, has no resources for the attack on basic research which could, at any time, result in a revolution within the industry itself.

It is the purpose of this bill to supply the sinews for this research, to supply the answers to our marketing problems. I hope we may get speedy attention to this legislation.

FISCAL RESPONSIBILITY AND THE UNITED NATIONS

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, the amendment which I offered and which was adopted this afternoon returned just a small bit of fiscal sanity to the operation of the Federal Government regardless of what anyone may say. It will not circumscribe the United Nations if those members who have been dragging their feet come in and pay the bills they agreed to pay when they became members of the organization. Let them conform to the Charter of the United Nations. Let them discharge their obligations and their responsibilities to the United Nations. That is all the amendment provides for. It tells the "deadbeats" this Nation is sick and tired of paying their legitimate bills.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. YATES. What happens under the gentleman's amendment if the Soviet Union refuses to pay its indebtedness?

Mr. GROSS. What happens with or without the amendment if the Soviet Union refuses to pay? The Soviet Union, being a member of the Security Council, has permanent membership in the United Nations and the veto and you cannot get them out whether they pay a dime to any fund.

Mr. YATES. Mr. Speaker, will the gentleman yield further?

Mr. GROSS. No, I have said enough at this time. The gentleman, of course, can speak on his own time.

STABBED IN THE BACK ON THE FOURTH OF JULY

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. UTT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. UTT. Mr. Speaker, "Stabbed in the Back on the Fourth of July." That should have been the headline in every American newspaper on the evening of the 4th and the morning of the 5th, but it was not. Why? The people must be numb, naive, or confused by what the President said in his speech at Independence Hall.

I was enjoying on TV what I thought was a great, powerful, and patriotic speech by the President, being delivered in the birthplace of American liberty, when, without warning, I felt the cold steel shaft plunged into the heart of this Republic.

So skillfully was this done, that the patient scarcely felt it. For 15 minutes, the President spoke of the greatness of our Founding Fathers, the Declaration of Independence, the Constitution, the economic system, and the spiritual faith that have made America great.

One hundred and eighty-six years of freedom, liberty, and independence, and now, he said, we are ready for "interdependence."

In one brief minute, he turned his back on independence and turned the American clock back 186 years. Interdependence is one step away from abject slavery, both in the rise and fall of every civilization. Is that what America wants? Political ties with Europe? We fought the Revolutionary War to break these bonds asunder. Is President Kennedy saying that America must be interdependent to survive? Is he saying that our economic structure has become so weakened since he took office that we must depend upon England, Germany, and Japan to bail us out? Forbid it, Almighty God. The chains of slavery, though cast of solid gold, are not the heritage that I want to leave to my children and my children's children.

What a coincidence. On July 5 comes the announcement from Tokyo that the Kennedy administration is urging Japanese firms to come to America and set up shop to help our balance-of-payments deficit. A Japanese spokesman said he was amazed that America was calling upon Japan to help stabilize and expand American economy.

There is no shortage of capital here for industrial expansion if the Government will create a climate for it and regain business confidence.

As I listened to our President turn his back on American independence, my heart saddened, and I recalled the words of Sir Walter Scott, penned over a century ago:

> Breathes there the man, with soul so dead,
> Who never to himself hath said,
> This is my own, my native land!
> Whose heart hath ne'er within him burn'd
> As home his footsteps he hath turn'd
> From wandering on a foreign strand!
> If such there breathe, go, mark him well;
> For him no Minstrel raptures swell;
> High though his titles, proud his name,
> Boundless his wealth as wish can claim;
> Despite those titles, power, and pelf,
> the wretche, concentred all in self,
> Living, shall forfeit fair renown,
> And, doubly dying, shall go down
> To the vile dust, from whence he sprung,
> Unwept, unhonour'd, and unsung.

I call your attention to an editorial from the Rockford Register-Republic of Rockford, Ill., July 5, 1962, entitled, "Road to Destruction," which amplifies the deep concern over the President's Fourth of July speech.

ROAD TO DESTRUCTION

Unless Congress puts a halter on him, President John F. Kennedy will commit the lives, the fortunes, and the sacred honor of the citizens of the United States to formation of a world government in which we will be outnumbered, outgunned, and outvoted.

Mr. Kennedy made his intentions clear in a July 4 speech at—of all places—Independence Hall. On the site where American patriots shucked off Europe's chains, the President made crystal clear his willingness to trade American independence for what he called interdependence. He suggested an alliance with the presently forming European Economic Community made up of six European nations.

But he went further than that.

The new United States-European alliance would "look outward to cooperation with all nations in meeting their common concerns," he said. Mr. Kennedy committed this country to helping the "developing nations to throw off the yoke of poverty" and to "lifting the weight from the shoulders of all."

For 17 years or more the citizens of the United States have given untold billions of their dollars to help the rest of the world. We have pursued this course to the verge of national bankruptcy. Our gold supplies have been sucked away. Our national wealth has been scattered across jungles and deserts and down international ratholes. Our national economy, depressed by debt and unbalanced budgets and confiscatory taxes, is presently balanced on a razor-thin fulcrum. It could slide any time into an abyss that would make the depression of the 1930's look like a Sunday school picnic.

And yet our President, who never met a payroll or turned a lathe or depended for his livelihood upon a weekly paycheck, talks glibly about surrendering our country to a regional and eventually to a world government where you-know-who would pay for lifting "the weight from the shoulders of all."

Unless Congress uses every means at hand to stop him, President Kennedy will put the United States right in the middle of the affairs of every two-bit country in the world. Unless Congress acts to preserve and protect the United States of America, Mr. Kennedy will succeed in his effort to reduce this Nation to the lowest common denominator.

> We view any such alliance as one that could easily lead this great, free nation into a position of subservience to worldwide mob rule. Such is the road to destruction.

THE NEW FRONTIER BOOKSHELF

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, I would like to bring to the attention of my colleagues a special program by the U.S. Information Agency which is pushing the writings of a few New Frontiersmen.

Deep inside the printed hearings of the State, Justice, Commerce, and Judiciary Appropriations Subcommittee, which have just been released, is testimony on a request for $158,210 for the fiscal 1963 U.S. Information Agency "Presentation Program."

The purpose of the program, as described by USIA, is "to insure that important American books and publications reach key people abroad, selected items are presented to foreign libraries, universities, schools, and other institutions and groups, and to leaders in government, the professions, industry, labor, journalism, and other fields."

In testifying on this request a witness, Gordon A. Ewing, Director, Information Service Center, submitted a list of "Special Presentation Items" for calendar year 1961. These items are comprised of unclassified projects costing $25 or more at list price. The list, according to USIA, is a compilation of orders received from field posts and justified by them in accordance with Agency instructions, which require explanations in support of presentation items costing $25 or more.

On scrutinizing the list which was submitted to the committee one runs across a number of amazing items—including a so-called New Frontier bookshelf. The "bookshelf" consists of eight volumes. A large number of sets of these books have been presented to foreign nations.

Included in this collection is a book by Ambassador to India John Kenneth Galbraith entitled "Economics and the Art of Controversy." The book is based on a series of lectures Galbraith made in 1954 and revised for publication in 1959.

Chester Bowles, the President's Special Representative and Adviser on African, Asian and Latin American Affairs has two books in the bookshelf. One is "Ideas, People, and Peace," which was published in 1958. The other is "The Coming Political Breakthrough." This one, you will be interested to know, as the cover proudly proclaims, "contains the full text of the Democratic Party's platform, including the parts not read to the TV audience during the convention." It was copyrighted in 1959.

United Nations bond salesman Harlan Cleveland is editor of a book on the New Frontier bookshelf entitled "The Promise of World Tensions," copyrighted by the Council on World Tensions in 1961. This book according to the remarks on the cover reaches "into some of the best minds of the Western World—Ralph Bunche, Lester Pearson, Adlai Stevenson, Arthur Lewis, Paul Hoffman, and others." It is further claimed on the cover that "the book covers steps for promoting world law, economic growth, and free communications."

W. W. Rostow, Counselor and Chairman of the Policy Planning Council of the Department of State, has a book in the bookshelf called "The Stages of Economic Growth," first printed March 1960.

Thomas K. Finletter has a book called "Foreign Policy: The Next Phase the 1960's," copyrighted in 1958, 1960 by the Council on Foreign Relations.

Also included in this collection are two books by President John F. Kennedy entitled "The Strategy of Peace" and "Profiles in Courage."

USIA says the list cost for the bookshelf is $6 per set. This is apparently in error because a simple addition of the costs indicated on the books produces a total of $7.85.

When USIA witnesses were before the committee to justify the expenditure of taxpayers' money for items such as this New Frontier pocket bookshelf, they concurred with the oversea post officials' explanation that they were intended to "demonstrate political and economic integrity and maturity of the administration," and to "increase understanding of current economic and political thought in the United States."

It is significant that the USIA made no attempt to present a balanced picture of American views. Instead, it is sending as representative of official position such items as Chester Bowles' volumes, one of which contains the Democratic Party platform, W. W. Rostow's book, Thomas K. Finletter's book, a book containing an article by Lester B. Pearson, leader of Canada's Liberal Party, and others.

The total cost of this program of spreading this USIA version of culture abroad is estimated for 1963 at just under $160,000, at discount prices. In this day and age of billions this may not seem to be a great sum. But cost is of relatively minor importance compared with the fact that Government officials, educators, professional people, and the rank and file citizens of foreign nations are being presented with an image of America that is simply not accurate.

Certainly the presidential election cannot be interpreted as a mandate to abandon the programs and system of Government which have made our country great. Yet, the all-star cast of liberal thought, as exemplified by much of the New Frontier bookshelf, appears to be attempting to do just that.

It must be a great source of comfort to the authors to know that they have a built-in market of taxpayers' money to see that their books are spread from one corner of the globe to another.

At the same time it must be small comfort to the taxpayers to know that their money is being spent in huge chunks to plug ideas and philosophies proven bankrupt in the history of man's experiments in government.

All in all, the obvious purpose of these bookshelf volumes is to present America as a Nation dedicated to socialistic pursuits, a Nation in which the Government is not a balance wheel but a mainspring of all economic life, and a Nation which calls on its people to sacrifice opportunity and individual initiative to contribute to a massive paternalistic entity judiciously run by dream spinners.

The thousands of volumes being sent overseas include more than just the New Frontier bookshelf.

Included in the assortment of publications are some which are highly commendable, but unfortunately these comprise a very small minority.

A look at the USIA presentation program is very revealing. In addition to pushing the New Frontier bookshelf, the Agency is spreading much illuminating reading material into faraway places.

For instance, we sent a leading sports magazine to Cambodian Government officials. We are sending the Washington Post and Times Herald to Prince Norodom Sihanouk in Cambodia, allegedly to "provide ruling Prince with factual information in free press of America on U.S. interest in supporting and helping free nations of the world to maintain their independence."

To Indonesia, to "demonstrate mutual interest in sports and to further relationships with important groups" as the USIA explains it, we sent four books on tennis to the Indonesian Lawn Tennis Association. This is indeed heady foreign policy.

Again in Indonesia, we sent five copies of a book, "Masters of Deceit," written by a man the USIA lists as John E. Hoover. To us here in America he is better known as J. Edgar Hoover, and we know him as a faithful, dedicated man who has built our FBI into a highly respected and admired organization.

John F. Kennedy's book, "Strategy of Peace," so impressed USIA that they had 25 copies of it sent to Cabinet-level officials in Indonesia, to "foster an image of President-elect Kennedy as a champion of peace." An additional 200 copies of the paperbound book was sent for presentation by senior USIS and embassy officers to leaders of opinion in government and professions.

To win the war in Laos we sent five books on "Theater in the United States" to the Ecole de Beaux Arts in Vientiane. So that Singapore officials can be guided, we sent structural drawings and specifications of apartments built by the New York City Housing Authority.

The Queen of Thailand received seven books of American short stories "to provide understanding of American literary achievement." Thailand Government officials and colleges received 50 copies of "Strategy of Peace" and 25 copies of "Profiles in Courage."

We gave the Vietnamese ideas by sending them 10 books on taxation, including "State Retail Sales Taxation" and "The Agenda for Progressive Taxation," and other tax books which could possibly bring the Vietnamese people the blessings of special taxes.

So that their concept of President Kennedy cannot waver, USIA gave Government officials in Vietnam 25 copies of "John Fitzgerald Kennedy," by James Burns, to "create a strong image of President Kennedy as a leader of America's destiny and that of the free world."

So that the Ethiopians will not lack information, we gave 200 copies of the World Almanac to various officials. In Ghana 10 copies of "Profiles in Courage" are supposed to "increase knowledge and appreciation of American political traditions."

Mr. Rostow's "Stages of Economic Growth," which is also part of the New Frontier bookshelf, is part of a shipment of 266 paperbacks which went to Nigeria to "improve the prestige of American educational system and American scholarship." Again, lest the Nigerians lose their roseate view of President Kennedy, we are sending them a generous supply of "The Kennedy Government," by Stan Apotowsky. This, we are assured by USIA, will "increase the high esteem which Nigerian leaders have of the U.S. administration."

They are having elections in Uganda during 1962, so the USIA sent political leaders 10 copies of "Making of a President," by T. H. White. This book will "provide political leaders with background information which will be useful in their elections in 1962."

Five hundred and fifty-two publications, under four titles, on disarmament went to Tanganyika and Zanzibar Government officials, "to support a nuclear test-ban treaty and the U.S. position on disarmament."

"The Liberal Hour" and "The Strategy of Peace" dominate a shipment of 689 books to India's civic leaders. And to make sure they do not forget who our President is, Bombay was sent 15 copies of "Profiles in Courage" and "John Kennedy: A Political Profile." Calcutta received 200 copies of the World Almanac. South India received 231 copies of the World Almanac.

The Indian Government officials received 30 copies of "Jacqueline Bouvier Kennedy," while key government leaders in the Karachi area got 150 copies of Kennedy's "Profiles in Courage" and 200 copies of "Strategy of Peace."

Iranian officials got 20 copies each of "Strategy of Peace" and "Profiles in Courage" to increase Iranian confidence in the United States by emphasizing the facets of American culture, character, and strength which make the United States a dependable friend and ally.

Pakistan received 350 copies of the same books. It also received 30 copies of "John Kennedy," by J. M. Burns, to create a better understanding of the United States. The United Arab Republic got 25 copies of "John Kennedy: A Political Profile," to balance off 400 World Almanacs.

British Guiana leaders received 1,000 copies of "Food for Peace" and 200 copies of "Highlights of President's Speech" designed to provide background information on building frontiers of freedom and progress and promote economic and social development. Dr. Cheddi Jagan received the New York Times to give current factual news to Prime Minister.

The USIA says "certain opinion leaders" in Nicaragua received 100 copies of "How Foreign Policy Is Made" which is to "create a better understanding of our foreign policy problems and issues." This project many here in the United States would welcome, as many believe our foreign policy is not made, but accumulated.

Denmark received 85 copies of "Profiles in Courage" to foster recognition of values in American civilization and emphasize the ability and integrity of American leadership. German Government officials got 25 copies of "John Kennedy: A Political Profile," while we sent the Netherland Society of International Affairs a subscription to "The Current Digest of the Soviet Press" to provide current information on the U.S.S.R. to important Netherlands political science centers. Portugal got 20 copies of "Profiles in Courage," to deepen belief in American political maturity.

British Members of Parliament received 25 copies of "CIO Challenge to the A.F. of L." Yugoslavia got 180 documents on disarmament. To make certain that the Yugoslavs are aware of what is going on, 10 copies of "Soviet Foreign Policy, 1917–41" went to government officials.

Our American system of free enterprise is being presented in the interpretive light of, for instance, the copies of "The Affluent Society," by Galbraith, which is going to educators in India. This book attacks our great industrial system, and labels it "tailfin" living.

These are but a few examples of the thousands of books, periodicals and miscellaneous publications going to create an "image" of the United States.

It is not difficult to see what kind of image of America can be created abroad as a result of distributing this type of literature around the world.

Our citizens and taxpayers I am sure will be appalled at learning for example that hundreds of sets of the New Frontier bookshelf have been distributed, and that one of the prime reasons given for this action is that these books are supposed to "increase understanding of current economic and political thought in the United States."

This may represent current thinking among a few, but in my opinion certainly not among most Americans, no matter what political party they are affiliated with.

The USIA presentation program is due for a major overhaul. If this is not done, it could well be scrapped for it is costly and may do far more harm than good.

THIRD LOOK AT VENEZUELA UNDER BETANCOURT

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Rousselot] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, our self-styled American liberals have one common occupational disease. They are always building up some unwholesome foreign rabble rouser as America's "white hope." These successive heroes continue to reign in the "liberal" hall of fame until they begin to smell.

Let me call the roll.

Twenty years ago, the "liberals" were having a passionate love affair with Josef Stalin. So recklessly did they sell themselves on the Russian dictator that there came a time during the war when it was unsafe politically for a public man to criticize Stalin. Dean Acheson and other Washington notables rushed to New York to praise Soviet Russia at the dinners of the Council on American-Soviet Relations. Madam Chiang Kai-shek, in the White House in 1943, trying to warn President Roosevelt that Stalin was not to be trusted, was told airily that the President did not believe we should bind Stalin with afterwar commitments; that we could depend upon his good faith as a gentleman. Later, Roosevelt's successor, Harry S. Truman, was to describe Stalin affectionately as "good old Joe."

What a rude and painful awakening the American people had from that experience. When we got the cobwebs out of our eyes we woke up to discover that our trance with Stalin had cost us Poland, East Germany, Hungary, Lithuania, Estonia, Latvia, and most of the Balkans. It had also prepared the way for the loss of the Chinese mainland. It cost us the humiliating Korean war.

Later, to our deep chagrin, we discovered that the Stalin whom American "liberals" had clasped to their bosom was so unclean that even Nikita Khrushchev and the high command of Russia itself found it necessary to hold their noses while they disowned him.

And then there was—and is—Tito. Grasping desperately for a straw, American "liberals" convinced themselves in 1948 that the arch-Communist Tito was no longer a Communist and should be supported as a buffer to Russia. We have supported him now to the tune of over $2 billion. We have armed him to the teeth with the most modern weapons and planes. And then, at Stalingrad, on June 11, 1956, he kicked the United States in the face by declaring:

> Yugoslavia, in time of war as well as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—the victory of socialism.

Another "liberal" hero exploded in our face.

HOW WE FOOLED OURSELVES ON CASTRO

And then there was Fidel Castro, the darling of the New York Times and Time and Life magazines. Castro was purely a synthetic American "liberal" creation. He would have done a quick fadeout in the Sierra Maestra Mountains if the New York Times had not sent Herbert Matthews to Cuba to give Castro the greatest phony buildup of our time. It was a dirty piece of journalistic business that even the Times itself now blushes to recall. But it sufficed to fool the headline-gulping American public. Overnight, Castro became a legend—the man who was heroically trying to bring to Cuba the democratic ideals of the United States.

When open-eyed American ambassadors on the scene—Arthur Gardner, Earl E. T. Smith, and Robert C. Hill—tried to warn the State Department that Castro was not a "liberal" at all—that he was a lifelong Communist—another "liberal," William A. Wieland, sitting at the Caribbean desk of the State Department, stopped this information from reaching the top authorities. At San Jose, in 1960, well-meaning Secretary of State Christian A. Herter was heard protesting to his staff, "Why have I not been told about any of this?"

The "liberal" pro-Castro dementia lasted long enough to deliver the strategic island of Cuba into the hands of Soviet Russia. And there it is today. Another belauded "liberal" hero has revealed himself as a deadly foe.

THE NEW HERO—BETANCOURT

Why am I recounting this dismal history? I am doing so because American "liberals" are engaged once again in their old folly of building up an enemy of America as the new favorite of our State Department diplomacy. The new hero is the tainted Romulo Betancourt, President of Venezuela.

Around Betancourt are clustered many of the same "liberals" who yesterday gushed over a Stalin, a Tito, and a Castro. Betancourt is the darling of the editorial writers of the New York Times. He is the protege of the Socialist Governor of Puerto Rico, Muñoz Marín, whom he allegedly bankrolled in 1948 when Muñoz Marín was making his first race for Governor. He is supported unquestioningly by the Americans for Democratic Action, with its high-placed members holding office in the present administration. He is press-agented tirelessly by a mysterious, hush-hush organization known as the Inter-American Association for Democracy and Freedom, which Betancourt himself helped to found in 1950. So brazen is this pro-Betancourt propaganda that it has almost succeeded in implanting in the American mind the incredible myth that Betancourt is on our side.

No greater lie could be sold to the American people at this time. No more dangerous distortion of the true Latin American situation could be brainwashed into the minds of the uninformed American public.

Let us look at the sales talk which the liberals are using to sell Betancourt to Americans.

The nub of the argument is that we need Betancourt because he is America's shield against communism. As the proof of Betancourt's "anticommunism," the "liberals" cite the fact that the official Communists have launched two armed uprisings against him in Venezuela in recent weeks.

Would they have done this, they ask, if Betancourt was not a threat to communism?

Of course, the joker is that the revolts were simply a civil war between two kinds of collectivists—the Castro kind and the Betancourt kind. They were naked struggles for power. They were as meaningless in the total anti-Communist picture as was the struggle between Beria and Khrushchev in Russia, after the death of Stalin. They were as irrelevant to those of us who are trying to save this hemisphere from communism as the present bitter struggle between Communist Khrushchev in Russia and Communist Enver Hoxha in Albania. Whichever wins, the United States loses.

WHATEVER THE LABEL THEY ARE ALL MARXISTS

The American people can have little understanding of the realities in present-day Venezuela unless we recognize the central fact of this cutthroat struggle for power which is raging between the Castro Communists and the Betancourt pro-Communists—the admitted Communists and the mask wearers. It is a contest which has already touched off two big splits in Betancourt's own Accion Democratica Party. The first was the seccession of the Rangel-led MIR in 1960. The second was the recent—1962—secession of the Ramos Jimenez-led ARS. Both have now joined the Castroites.

Those who visualize Betancourt's fight against the rebels at Carupane and Puerto Cabello as a struggle of anti-Communists against Communists have completely missed the meaning of these events. The leaders of the rebels who are defying Betancourt are Betancourt's own former disciples. Many of them were originally converted to communism by him. Even Castro himself, in whose name the revolts are launched, is a former Betancourt disciple. In the 1948 Red uprising at Bogotá, when Castro, by his own admission, killed two priests, it was Betancourt who saved Castro's life by intervening with the Colombia authorities. To picture Betancourt, in any sense, as a shield against such forces is fantastically absurd.

BETANCOURT'S OWN SELF-PICTURE

To get our bearings on this mixed-up Communist situation, let me repeat the facts which I stated in my first speech on this subject last September—see CONGRESSIONAL RECORD, volume 107, part 16, pages 20941–20947. Betancourt, a former party Communist, and for 5 years a functionary of the Communist International, began the career which has led to his present Accion Democratica regime in the early 1930's when he announced to his Venezuela Communist followers that he was going to adopt a new strategy. He was going to make Venezuela a Communist country without using the Communist name. At the time, he was the official leader of the Communist Party of Costa Rica. He wrote a series of letters to his Venezuela followers outlining his new course. In one of these letters, he wrote, significantly:

> We can erect, aside from the Communist International, a revolutionary party, with or without the name of communism, in open struggle against the Creole Petroleum and imperialist bourgeoisie. We will aspire to capture the political power in order to inaugurate our minimum revolutionary program (the one contained in the Barranquilla plan) with all possible additions.

How do we know about these letters? They were seized in a raid by the Colombian police on the secret Venezuelan Communist headquarters in Barranquilla. The Colombians turned over the letters to President Lopez Contreras of Venezuela. He published them in 1936 in an official government "Red Book." He published them again in 1953 in his autobiography.

The important fact about Betancourt is that, through all the twists and turns of his shifty political maneuverings of the past 30 years, through all the masquerades and the "democratic" posturings, Betancourt has never deviated 1 inch from this plan.

He believed in 1932 that he could make Venezuela a Communist nation by relabeling his Marxist movement as "liberal." He believes it today, as he sits at the shaky pinnacle of power in Caracas. A study of his government policies since he assumed the reins of government in 1958 show that they have followed the consistent pattern of weakening and demoralizing the capitalist system in Venezuela and softening it up for the eventual Communist takeover. The proof of his shrewdness is that he has been successful in gulling prominent non-Communist Americans into eulogizing and helping his subversive strategy.

AN AMERICAN ADMIRER

One of those who has swallowed Betancourt hook, line, and sinker is my friend and colleague from New York [Mr. RYAN]. On May 22, he placed in the CONGRESSIONAL RECORD a speech in which he repeated all the cliches of the Schlesingers, the Muñoz-Marins, and the Stevensons about the need for a "social revolution" in Latin America, and the further nonsense that to help this revolution is the way to beat communism. He drew a touching picture of noble Latin American "democrats" who were holding the line against Khrushchev and who should be given U.S. aid. He failed to tell us that these social revolutionaries—Castro and Guevara in Cuba, Paz Ostenssoro and Lechin in Bolivia, Goulart and Juliao in Brazil, Figueres in Costa Rica, Haya de la Torre in Peru, Arevalo in Guatemala, and of course Betancourt in Venezuela—are a prize collection of all the political Robin Hoods of Latin America, who have been shuttling in and out of the various Marxist movements for the last 25 years. He failed to say that virtually all of them have made a life career of United States-baiting, and of demagogic diatribes against "American imperialism." If none of them except Castro are doing this right now, it is because their jaws are so busy begging for Alliance for Progress handouts that they have had to suspend the anti-Yanquism until the money stops. If Mr. RYAN's hope of saving the Americas from Khrushchev's clutches is based on this array of "democrats," I am afraid he is in for a sad awakening. How these United States-haters will scuttle to Khrushchev once the Alliance for Progress well runs dry. And Romulo Betancourt will head the parade.

Another thing which the gentleman from New York ignores is the fact that the price of supporting these Latin American "social revolutionaries" is to throw to the wolves all of our traditional friends in the Latin American countries, among the conservatives and business classes. It is to walk out on all our American businessmen in Latin America who have invested $11 billion of American stockholders' money in the upbuilding of the hemisphere. We recently had an instance of the State Department scuttle-and-run policy in Brazil when Goulart's leftist brother-in-law expropriated the American-owned utilities. Secretary Rusk sat down with Goulart's Foreign Minister and accepted the seizures.

When I read the impassioned eulogy by the gentleman from New York of the Latin American social revolutionaries and of Betancourt, I thought the tune sounded familiar. And then I recalled the press interview of Senator HUBERT HUMPHREY on May 13 of last year. These are the words which the Senator from Minnesota contributed on that occasion to the Latin American debate:

> If we are going to make our influence felt in this great land, he intoned we must make our alliance now, before it is too late, with the non-Communist left-labor, students, the intellectuals and the other leaders of reform. This is the central truth of our approach to the terrifying dilemma of Latin America.

Unhappily, there is another central truth which neither Senator HUMPHREY nor the gentleman from New York has ever explained. It is that we have no possible way of drawing a line of demarcation between Latin American "non-Communist" leftists and pro-Communist leftists. The very "non-Communists" who will be recipients of American support and money, under the Humphrey proposal, like the Venezuelans Rangel and Ramos Jimenez, whom I mentioned above, may be in the very process of becoming Khrushchev Communists. Those of you who attended the Press Club dinner here in Washington in April 1959, heard Fidel Castro, already the ruler of Cuba, solemnly declare that he was going back to Havana "to fight the Communists." Many Americans believed him. Once we step into the jungle of the left, we find ourselves in an impenetrable thicket of devious motives and unpredictable shifts of allegiance.

To base our Latin American policy on the farfetched assumption that we can trust lifelong turncoats and masqueraders like Romulo Betancourt and Haya de la Torre to hold the line for us against Khrushchev is to show ourselves to be simpletons in foreign policy. Such men stay put only as long as we pay them and they find it self-serving to do so.

WINDOW DRESSING IN VENEZUELA

It is understandable that many Americans are deceived by the political shell game that Betancourt is conducting in Venezuela. With artful cunning, he is constantly window-dressing his regime in order to disguise the fact of its Tito communism. Particularly, before the visit of President Kennedy in December, he engaged in some furious housecleaning.

It has always been Betancourt's policy, since 1958, to keep the men with Communist records who are with him in the Accion Democratica discreetly out of sight. They are scattered all through the Government, but almost always in inconspicuous positions.

There were two important exceptions to this policy, as I pointed out in my speech last September. These were Raul Leoni, president of the Congress, and Jose Antonio Mayobre, Ambassador to the United States. Leoni has been a constant companion of Betancourt since the thirties, and was one of the "Barranquilla group" of Communist Party members to whom Betancourt addressed his famous 1932 letters. Mayobre was officially exposed as a Communist in 1936 by the Government of Venezuela and continued as an undisguised party member until 6 years ago.

After I made these facts public, Betancourt quickly got both men out of sight. Mayobre was recalled as Ambassador and given a financial post. Leoni was replaced by president of the Congress. We may be certain that they will reappear, as soon as Betancourt gets the billion dollars from the United States that he is now demanding.

But, Mr. RYAN, when he came up for air after his lengthy gushings over Betancourt, also invited a debate with me concerning the accuracy of some of the statements which I made in my speech of February 26—see CONGRESSIONAL RECORD, February 26, 1962, pages 2951–2956. Let me take up his rejoinders.

AN "AGRARIAN REFORM" WHICH DOESN'T REFORM

Since the prize exhibit of the Betancourt Presidency in Venezuela is his so-called agrarian reform, I will turn to this first.

In my speech of February 26, I pointed out the hokum in Betancourt's agrarianism. I explained that Betancourt does not propose an honest settlement of the vast undeveloped Venezuela lands, under the incentives of free enterprise, such as we accomplished in the United States under our Homestead Act. Instead, he is trying to sell a demagogic project of splitting up land already in successful cultivation, and settling upon it new occupants who have faithfully paid their cumshaw to Betancourt's Accion Democratica Party. Thus, as I pointed out, there is no net increase to the agricultural productivity of Venezuela but, instead, as the statistics show, a decline. And yet, President Kennedy, on his December Venezuela visit, was stampeded into promising millions of U.S. money to finance the extension of this phony program.

In the course of my speech, I cited some of the states in Venezuela which have accessible, fertile land which could be opened up, just as our Far West was opened up, if Betancourt honestly wants to do something for the Venezuela farmer.

The gentleman from New York has challenged my suggestions. He declares, with quotes from scientific authorities, that this land is either dry or ravaged by heavy floodwaters. I fully agree that some of the land in these states answers this description. It is this uncultivable section which his quoted authorities are talking about.

But does the gentleman from New York think that we are naive? The states which I named—Sucre, Monagas, Anzoategui, and Bolivar—cover a vast area almost as great as the area of California, with many topographical contrasts. Dr. Christs's description, which Mr. RYAN pulled out of its context, was not a description of all four states, but only of some areas. The official report of the Venezuela Development Corp., which is quoted as proof of the unsuitability of these lands, was a description only of the plateau region, not of the whole area. On the strength of these two random quotes, the gentleman from New York dismisses a whole potential agricultural empire.

Bolivar alone is a vast, forest-covered state which, if intelligently developed, could absorb a million or more homesteading Venezuelan farmers.

WHAT WAS DONE BEFORE BETANCOURT

The example of what could be done in the direction of genuine land reclamation through a policy which eschews politics was given convincingly during the preceding Perez Jimenez administration. The Turen irrigation project in the state of Portuguesa recovered an area of 30,000 hectares which is now one of the most productive areas of the Republic. Similarly, the Guarico Dam, in the state of Guarico, made possible the irrigation of 100,000 hectares of formerly unproductive land. It is now Venezuela's principal rice-producing area.

Yet another long-range example of agricultural engineering which was completed during the former administration was the building of the Trans-Andean road, which was planned in cooperation with the Organization of American States. This road made accessible a rich agricultural area which was not hitherto contributing to the nation's economy. Today, it is dotted with dairy and general foodstuff-producing farm units.

It is senseless to talk of agrarian programs until the precedent steps of land reclamation and water distribution have first been planned and taken. Betancourt has shown no serious interest in such a constructive engineering approach to Venezuela's farm problem. Instead he has proclaimed the revolutionary slogan of "share the wealth." Instead of adding new, rich areas to Venezuela's agricultural patrimony, he has preferred to break up the existent farms near Caracas and to launch Potemkin agrarian exhibits which he could show to President Kennedy at La Morita.

If Betancourt's much touted agrarian reform was actually helping the people of Venezuela, the results would show up sharply in increased food production. The contrary is the case. One of Venezuela's most important crops and foodstuffs is corn. During the previous administration, before Betancourt's "agrarian reform," Venezuela had become self-sufficient in corn production. After 3 years of Betancourtism, the U.S. Department of Agriculture announced on May 19, 1962, that it was taking steps to finance the selling of American corn and cotton to Venezuela in the amount of $8,800,000. Why is this necessary if the Betancourt agrarian program is working out successfully?

The gentleman from New York tries to show that Betancourt's land distribution program is a triumph of free enterprise, because the original owners of the land are compensated when their estates are broken up. But how are they compensated? Under Betancourt's agrarian law, the Instituto Agrario Nacional has the authority to determine whether the landowners shall be paid in cash or government bonds for the land taken for the agrarian projects. They have no recourse from the decision of the Instituto. Wherein, let me ask, does this differ from the policy of Fidel Castro? Castro also pays in bonds. When the gentleman from New York [Mr. RYAN] asserts that "even the gentleman from California does not claim that Betancourt has resorted to confiscatory measures," he is drawing a very thin, semantic line. Whether or not a landowner has suffered "confiscation" is an academic question when he finds himself with a fistful of Betancourt's government bonds in his hands in place of the land which formerly gave him his livelihood.

Incidentally, it is common talk in Caracas that if the landowner has the right connections with the Accion Democratica and approved parties he can obtain cash for his land. Those who are not pro-Betancourt politically must take bonds.

BETANCOURT'S REAL POSITION ON CONFISCATION

However, if the gentleman from New York wants to know what Betancourt actually thinks about confiscation in the moments when he is not striking poses to impress American "liberals," I refer him to page 145 of Betancourt's book "Politica y Petroleo," published in 1956. Here he will find Betancourt fulsomely praising former President Lazaro Cardenas, of Mexico, because he was able to put over a deal with American oil companies whereby they were forced to accept $25 million for the sale to the Mexican Government of oil properties conservatively valued at $250 million. This same Cardenas since then has frankly thrown off the mask, accepted honors from the Russian Government and headed pro-Communist activities and conferences in Latin America.

The gentleman from New York tries to have a little fun with my statement that "it is commonly whispered" that the agrarian reform division of the Accion Democratica has been shaking down applicants for land under the agrarian reform to the tune of 10 percent of their award. Of course, as the gentleman from New York [Mr. RYAN] well knows, anything critical of the Betancourt regime has to be stealthily whispered in Venezuela today lest it reach the ears of the dreaded Sotopol, the political police.

But this charge against Ramon Quijara, former head of this Accion Democratica Division is no longer whispered. It has been published in Revolucion, the Accion Democratica official paper. The circumstances are revealing. When the charges were first made against Mr. Quijara, the Accion Democratica scornfully denied them. But in January, Mr. Quijara walked out of the Accion Democratica and joined the new AR Party. To discredit him, Revolucion then proceeded to publish and acknowledge the charge. Apparently, corruption is all right to Revolucion, so long as it is committed by a member in good standing of the Accion Democratica.

But the gentleman from New York goes further with his preposterous attempt to picture Romulo Betancourt as a champion of free enterprise. He says that it was the conservative government of Perez Jimenez which actually promoted socialization in Venezuela.

> Under Betancourt—

He declares—

> the Government has been divesting itself of some of the dictator's acquisitions.

The instances which he selects to bolster this amazing assertion are unfortunate, to say the least. The Venezuelan Government, before the Betancourt Tito-Communist era, did not compete with established private industries. It created industries only when they were nonexistent and risk-capital was unwilling to launch them.

HALF-TRUTHS ABOUT FREE ENTERPRISE

He cites hydroelectric power. One of the great achievements of the previous administration was the hydroelectric complex on the Caroni River. It has permanently enriched the economy of Venezuela, and Mr. Betancourt himself is now benefiting from it. Private capital had been unwilling or unable to undertake this vast project. The Government stepped in and built it. By 1958, it was 80 percent completed. In a similar situation, the United States constructed such massive public works as Boulder Dam, the Grand Coulee, and TVA. Would the gentleman from New York contend that this proves that the United States is a noncapitalistic country? And yet he launches such an argument against Perez Jimenez on the basis of the Caroni project.

In connection with the Caroni project, it should be pointed out that the Betancourt government, with its all-time-high national tax and royalty revenues, has irresponsibly neglected to complete the "Siderurgica" steel producing plants which this hydro-project was constructed to power. Before Betancourt's advent, the Siderurgica units were scheduled to be completed by 1957. They were scheduled to be in full operation by 1963. Betancourt has left them uncompleted, thus wasting the potential of the power installations. Doubtless, he had more urgent use of the national revenues promoting the "social revolution."

The gentleman from New York says that Betancourt's regime has seen the elimination of the government-owned airline, LAV, and its consolidation with the new privately owned VIASA. He omits the explanation that LAV was not a Perez Jimenez creation; it had existed for 20 or 25 years and had pioneered aviation in Venezuela when private companies were reluctant to establish service. He says that the Perez Jimenez government "got into the airlines business." But LAV was a government-owned line in 1945–48 during the first Betancourt regime. Perez Jimenez inherited it from the preceding Accion Democratica junta.

The gentleman from New York offers in argument the fact that one of the hotels which were built under the preceding regime has been leased to an American hotel chain. If this is an indictment of the former government's record as a hotel builder, I fail to see the point. The government which took over power in 1948 after Betancourt's first three do-nothing years found Venezuela painfully lacking in modern hotels. It met this situation by a program of hotel building which has given Venezuela's cities one of the most up-to-date and expertly managed hotel chains in Latin America. It did this by government investment. Had the preceding government not taken this initiative, Mr. Betancourt would not have a hotel today to lease to the Sheratons.

My friend from New York seems at first glance to have a point when he cites telephone lines which were nationalized under Perez Jimenez. But again he leaves out the core of the situation. Formerly, the telephone system in Venezuela was operated by an English company. With the great expansion of the nation in the fifties, there was urgent need of an extension of the lines. The company, not wanting to take the risk, refused to build the lines. The government stepped in and constructed them.

But so far from the forced socialization which is implied, the government made the most pains-taking effort to induce the English company to remain in the field. It gave the company its choice of three alternatives: First to buy the new lines from the government; second, to continue to operate its old lines; and, third, to sell its old lines to the government. The company chose the third alternative, sold its lines at a fair price to Venezuela and withdrew from the field.

I cannot blame the gentleman from New York for latching eagerly onto every meager bit of information which presents Betancourt in a favorable free enterprise light. But why is it necessary for him to rewrite history in order to besmirch the former government?

THE DISMAL RECORD IN EDUCATION

In his endeavor to discredit the facts which I presented on February 26 concerning the sharp rise in educational costs under Betancourt, the gentleman from New York takes off on a tribute to Betancourt's record in education. I prefer to stake my case upon the evidence of someone closer to Venezuela than is my New York friend.

An eloquent picture of what is happening to Venezuela's public schools under Betancourt was given on May 19, 1962, in an editorial in La Esfera, the well known Caracas daily. Incidentally, La Esfera was an original supporter of the Betancourt regime. Here are excerpts from the editorial:

> The announcement made by education officials stating that all official secondary schools would be closed until 15 days before final examinations in July, has perplexed almost everyone. The excuse given by the authorities for such an absurd measure is that the secondary students have already

> learned the most important part of this year's academic courses. * * *
>
> The ease with which a statement of this magnitude is made by responsible officials, moves us to believe that our educational authorities lack responsibility in their judgments on the grave student problems facing the nation, or that with their all-founded optimism concerning what students and aspirants to a bachelor's degree have learned this year, they are trying to hide their impotence to insure the tranquillity that ought to be normal in places of study. Since the Government is incapable of maintaining secondary schools open while keeping order, it now tries to make us believe that having them closed down is the same as maintaining them open. The only reply that has occurred to the Government in the face of the violence promoted by extremist minorities is to paralyze educational activities when it would be so easy to identify the agitators who pose as students and expel those who do not respect academic discipline.
>
> The result of the measures undertaken by the government will be seen within a few years, when our present youth will have to take into their own hands the destinies of the nation. Then we will be aware, in all its tragic gravity, of the harm that is being done to the future of our nation with this policy of permitting that a few crazy Communists determine when classes may be given in Venezuela. Meanwhile, our official schools are falling into such a state of disrepute that even the leaders of the extreme left and the highest officials of the government send their children to foreign countries or register them in private schools which offer an infinitely superior education than that of the private lyceum.

Apparently, the gentleman from New York has been fooled by the glowing propaganda of the Betancourt government, boasting of public school plans and progress. The reality is something different, as La Esfera sadly points out.

THE TRUTH ABOUT THE DEBT SITUATION

In replying to my February 26 speech, the gentleman from New York once again brings up the question of Venezuela's national debt under the preceding Perez Jimenez government. He quotes a bank in London as his authority. But why go so far for evidence? Why not accept the judgment of our own First National City Bank.

On June 1957, the First National City Bank issued a report to its customers on Venezuela. Here is what it said about the national debt:

> External debt, other than the small Export-Import Bank loans, was liquidated a long time ago. Internal debt, consisting chiefly of government-guaranteed obligations of various autonomous organizations is relatively modest.

The contrast between the public finances of Venezuela prior to 1958 and the present chaos is so glaring as to be evident to everyone except those whose eyes are dazzled by the gleams of the social revolution.

Whenever the gentleman from New York discusses Venezuela finances, I am reminded of the old saying, "Mr. Parker made much darker what was very dark before."

Actually the subject of Venezuela's public debt is very simple. Betancourt took over the government in 1958 with virtually no foreign debt and with a domestic debt which could easily be liquidated, as it fell due, from the annual tax income of the nation.

In 3 years, Betancourt, by compelling the oil companies to pay their royalties in advance and by other exactions, has collected the largest national income in history. As the gentleman from New York points out, part of this income has been used to meet the short-term domestic debt of the country. This was a routine operation which any administration would have assumed. But the financial crime of the Betancourt regime is that during its brief rule it has already piled up a foreign debt of 2 billion bolivars. Every annual budget from 1952 to 1957, inclusive, was strictly in balance or showed a surplus. The bolivar has fallen in exchange value 37½ percent. What is important from the U.S. point of view, it has sent out a Macedonian call to President Kennedy to come to Venezuela's rescue with American money to the tune of $1 billion.

From various American-financed funds, Betancourt has already obtained $185 million of this handout. His pied pipers in the United States are desperately urging that we give him the rest.

ONLY THE LEFT PARTICIPATES IN POLITICS

The gentleman from New York really gets his foot into it when he endeavors to discuss Venezuela politics.

Again, my friend from New York torpedoes his own case when he boasts, as he does, that "there is not a single conservative party in Venezuela today." What a ghastly admission of the political coercion and terrorism being imposed, in the name of "liberalism," in Venezuela today. If the conservatives, who as late as 4 years ago constituted a majority of the politically active Venezuelan population, have no political voice today, it is because they are intimidated by the prevailing leftist parties. Remember, the Venezuela leader of the right, Gen. Castro Leon, is still lying as a prisoner in Betancourt's jail.

The argument that all the parties now participating in Venezuela elections lean toward the left does not prove that the majority of the politically informed Venezuelan people do not detest this leftist domination of the nation's political life. It simply demonstrates that the Venezuelans are under a reign of political terror in which conservatives only survive by remaining silent and politically inactive.

On the subject of voting, the gentleman from New York sees fit to take issue with my statement that in the election of 1958, although the Communist Party officially endorsed Betancourt's opponent, Larrazabal, heavy Communist voting precincts delivered their vote on election day to Betancourt. In refutation, he gives the vote of the city of Caracas, which was heavily pro-Larrazabal. What he conveniently ignores is the vote of the state of Zulia, the center of the Maracaibo oil district. The oil workers union in Maracaibo, since the uprising of 1958, has been the stronghold of the Communist Party. It is the bailiwick of Jesus Faria, who is reputed to be Khrushchev's top representative. In the presidential election, although the Machado-Faria Communists had endorsed Larrazabal, Faria delivered a heavy majority to Betancourt in Zulia. Similarly, the oil towns of the eastern oil district in the states of Monagas and Anzoategui, also under Faria's control, returned heavy pro-Betancourt majorities.

There is an interesting footnote to this vote bargain which Betancourt made with Faria in 1958. Although, in his desire to impress the United States, Betancourt has kept up a skillful pose of anticommunism, he has never made an attempt to clean up the Communist control of the oil workers union. This basic union, which has continuously harrassed the American oil companies throughout Betancourt's presidency with excessive wage and featherbedding demands, has led a charmed life under the present regime. When the gentleman from New York tries to wave away the fact of Betancourt's secret and sordid deals with the Communists, he finds himself upon treacherous and involved grounds.

THE REAL STORY OF BETANCOURT'S ELECTION

Since Mr. RYAN has brought up the subject of the 1958 presidential election, it will be enlightening to tell the true story. I do not believe that the real inside story has ever been disclosed to the American public. It throws a flood of light upon the tricks and Janus-faced political nature of Romulo Betancourt.

As the election neared, Betancourt determined to win the Presidency, but he was adroit enough to know that even if elected he would have to have support of the U.S. Department of State to remain in power. In the existent anti-Communist mood of Washington, he knew that with his own shady record he would have to put on a convincing act as an anti-Communist to get U.S. backing. Here is how he did it. Admiral Wolfgang Larrazabal, the Acting President, who was a candidate for the office, was a weak man, easily flattered and deceived. Betancourt, as a former President, established a sort of elder statesman ascendancy over Larrazabal's mind. He posed before Larrazabal as a man without political ambitions for himself. Up to the final hour of filing, Betancourt assured Larrazabal that he had no intention of running for the Presidency.

Not suspecting the double cross, Larrazabal came to Betancourt when the Communist Party endorsed him and asked Betancourt's advice whether he should accept the endorsement. This was the trap which Betancourt had set for the inexperienced admiral. Enthusiastically, he urged him to accept the Communist support as a way of uniting the country.

Larrazabal foolishly stepped into the buzz saw and announced his acceptance. Once the admiral had taken this irrevocable step, Betancourt leaped into the presidential race as the "anti-Communist" candidate. By this trick, he immediately secured the ex officio support of the American Embassy and of most of the community of American businessmen. Despite his scabrous pro-Communist record, Americans convinced themselves that he was the lesser of two evils. Poor Larrazabal lost the Presidency and was banished to some minor diplomatic post.

Americans who today are taken in by Betancourt's unctuous anti-Communist professions should not underestimate the chamelean gifts of this man who, for 30 years, has worked brilliantly for communism in Venezuela under the mask of a "liberal" non-Communist.

The gentleman from New York challenges my statement that there is something suspicious about the fact that in all his controversies with Communists Betancourt has never imprisoned the party leaders, the Machado brothers and Faria. Recently we have had the spectacle of Eduard Machado being picked up by Betancourt's police on his return from Moscow after the Puerto Cabello revolt, and immediately released. He says this is necessary since, as members of the Venezuela Congress, the official Communist leaders enjoy immunity.

WHY NOT OUTLAW THE COMMUNIST PARTY?

What he fails to point out is that if Betancourt is sincere in his pretended campaign against communism, a simple remedy is in his hand. All that he needs to do is to declare the Communist Party illegal. The majority of other Latin American countries have done this. Venezuela itself, under the preceding regime, illegalized the party in 1949. Why does Betancourt hesitate to take this obvious step? Is not the answer that he does not actually want to wipe out the Machado-Faria party—that, in fact, his whole contest with the official Communists is only a sham, intramural struggle for top power between two rival collectivist schools, both of which are working for the same end? Certainly his contradictory behavior seems to confirm such a supposition.

An interesting sidelight on the thinking of Venezuelan citizens on this subject is given by the letter of Marcial Contreras, which appeared recently in El Universal, the leading Caracas daily. Mr. Contreras wrote:

> In a great act held by the National Government in the salons of Miraflores Palace it was ordained that the Communist and leftwing revolutionary movement parties could no longer function as such within the nation. Greatly surprised and no less amazed, we have observed that these measures have limited themselves to the taking over of a few offices which already had been divested of any objects of value such as money, jewelry, stocks, and bonds and important documents. All of them had been carried to safer places, probably due to the fact that they were forewarned of what was to take place. When the forces of the National Guard arrived, they found broken-down premises whose doors bore signs announcing one or another type of party activity.
>
> In the meantime, the Communist newspapers continue their incendiary and insurrectional campaign, terrorist acts closely follow one another, Communist and extreme leftist leaders walk freely through the streets of our cities, Communist Congressmen continue their campaign of agitation within the nation's legislative bodies, professors and teachers continue indoctrinating children and youths under their jurisdiction, Reds still occupy executive positions within the government, the Marxist boycott of the proper functioning of the public administration is fully evident. Within the judiciary, vile vengeance takes place against innocent parties.
>
> I would like to know how the immobilization of the Communist and leftist parties in Venezuela functions, because, from what I can see, I just can't understand it.

The gentleman from New York does not accept the quotation which I reproduced from the February 15, 1937, Caracas E'Esfera in my February 26 speech. The purpose of this quote, it will be recalled, was to prove that Betancourt described himself as a Communist after 1932, when the Barranquilla letters were written. We have been told by Time magazine, in its 1960 cover story profile of Betancourt, that "he left the Communists in 1932 never to return." The 1932 date is generally used by Betancourt's admirers.

But if we will turn to a copy of the daily newspaper La Hora published in Costa Rica in September 1934, we will find Betancourt's signed statement that he was still a Communist, although no longer an official of the Communist Party.

The occasion of the statement was Betancourt's reply to an order of the Government of Costa Rica expelling him as a Communist. In this statement, after pointing out that he was not a member of the party central committee, Betancourt continued:

> It doesn't mean that I deny my Communist affiliation. I am and I will be a Communist. But I am not participating actively in the political struggles of Costa Rica.

How many more quotes does my New York friend require to convince him that Romulo is still one of the Comrades?

FREE ENTERPRISE ON THE TOBOGGAN

But over and above all these questions of detailed facts, there is the overriding issue of what Betancourt is doing to the free enterprise system of Venezuela.

Today the economy of one of the most richly endowed nations in this hemisphere is in a shambles.

Not only in Venezuela but throughout the world today, the free enterprise system is losing its control of events because it has lost the ability to distinguish its enemies. The clever Marxist-Leninist no longer broadcasts his intentions and makes frontal attacks upon capitalism. Instead, he calls himself a "liberal," or a "social planner" or, to use Dr. Arthur M. Schlesinger's favorite phrase, a "social revolutionary." Unsuspected and frequently unopposed by business leadership, he proceeds to doom capitalism by making its institutions unworkable. He destroys free enterprise by piecemeal.

The explanation of the paradox of why non-Communist Americans, like the gentleman from New York, defend a man like Betancourt is to be found in this planned confusion of our age. They have been fooled by the Marxist game of masks. They have lost the ability to recognize the enemy. If I have stressed on this floor the great danger of a State Department policy which bases itself upon such a pivot man as Betancourt, it is because Betancourt was one of the creators of this new strategy of the Marxists-Leninists. As I have pointed out, he announced his audacious plan of making Venezuela a Communist nation without using the Communist name 30 years ago. Today, he has fooled vast numbers of Americans into believing that he is no longer a proponent of communism.

But events speak more loudly than illusions. The free enterpriser, whether Venezuelan or American, who has to do business in Venezuela today knows what has happened to him, although he does not always know how. Betancourt has not expropriated industry, a la Castro. He has left the title deeds in capitalist hands, but he is systematically following policies which make them more and more valueless. He is forcing business into a profitless vise from which, he hopes, its only ultimate escape will be nationalization.

The larger American concerns are still hanging on, hoping the anticapitalist virus will run its course. But innumerable smaller concerns have given up the fight. The flight of capital, both American and Venezuelan, from the country in the last 4 years has mounted to well over $1 billion. It is continuing in despairful increase. The returned "old Venezuelan hand" who has been hounded out of the Venezuela business field by Betancourt's vindictive antibusiness policies is becoming a familiar figure in Latin American business circles in New York, Miami, New Orleans, and other cities.

THE ARGUMENTUM AD HOMINEM

When they are asked to answer these patent facts, the gentleman from New York and his school fall back upon the debater's old trick of argumentum ad hominem. To distract attention from the case against Betancourt, they set up a loud clatter against the shortcomings of his predecessor, Marcos Perez Jimenez.

Since my colleague from New York has made such an issue of Perez Jimenez's faults, I believe I should point out that the definitive word about this pro-American former President has been set down by a more distinguished man than I. Here are the words of President Eisenhower delivered November 12, 1954:

> His Excellency, Col. Marcos Perez Jimenez, in his position as President of the Republic of Venezuela, as well as prior to his assumption of this office, has shown an outstanding spirit of mutual aid and friendship for the United States. His healthy policy in economic and financial matters has facilitated the extension of foreign investments, his administration thus contributing to the greater welfare of his country and the rapid development of his immense natural resources.
>
> This policy carefully combined with public works programs of far reach has accomplished notable improvements in education, health, transportation, housing, and other important basic necessities. The total program has raised the general well-being of the Venezuelan people. Furthermore, his indefatigable energy and firmness of purpose has greatly increased the capacity of the armed forces of Venezuela for participation in the collective defense of the Western Hemisphere. The measures taken under his direction to prepare for the 10th Inter-American Conference at Caracas constituted a decisive determining factor toward its success. His

constant vigilance before the problem of Communist infiltration has kept his government alert for the removal of the menace existing against his own country and the rest of the Americas.

Venezuela in 1958, like West Germany of today, was an exemplar for all Latin America of how a nation could become rich by following the tenets of orthodox economics. In 3 short years, Betancourt and his pro-Communist entourage have swept this away. Venezuela under his leadership has become another tin cup country, holding out a mendicant hand to Uncle Sam to settle its problems with dollars. It has become a political pesthole of Communist intrigue and machination. President Kennedy who was rushed unprepared into a Venezuela visit last December by his inept Latin advisers should lose no time in disassociating himself from the ill-considered commitments which he made at the time.

LET'S STOP PUTTING ALL OUR BETS ON LEFTISTS

In this darkening hour of our Latin American policy, let us have a halt to the immature policy of trusting Socialists, dissident Communists and or pro-Communists to protect the hemisphere for us against Khrushchev. This is the policy of fools. Is it not about time that we grow up and recognize the hard fact that if this hemisphere is to be saved, it must be saved by ourselves, supported by the responsible and conservative people in every Latin American nation who think as we do. No one else is going to do the job for us.

Let us stop looking for painless ways to beat communism. This is a duty which the "gee whiz boys" around President Kennedy do not seem to comprehend, with all their Harvard degrees. They will not comprehend it if they keep on turning over U.S. Latin American policy to the Betancourts, the Haya de la Torres and the Muñoz Maríns. Let us not repeat the tragic mistakes we have made with Tito and other so-called independent Communists or Marxists.

TALKING BOOKS FOR QUADRIPLEGICS

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. CUNNINGHAM] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, as most of our colleagues know, the Library of Congress has a Division for the Blind which operates the talking books program. Under this program and in cooperation with various State and private nonprofit organizations, the Government provides record players for the homes of the blind. Blind persons then select books which they would like to "read" and the records set sent to them containing recordings of someone reading the book aloud.

Thus our blind citizens are given the benefit of "reading" books of current interest, and at the same time relatives and friends are relieved of the necessity of reading aloud to the blind persons.

I am introducing a bill today to extend the benefits of the talking books program to quadriplegics, persons who have lost the use of both arms and both legs or lost those limbs. These persons are in the same situation as the blind in that they are unable to read, because they are unable to turn the pages or operate the page-turning machines now available.

Many polio patients are nearly completely paralyzed and other persons have lost the use of their four extremities as a result of illness or accident. These people would benefit under this program of the Library of Congress, carried on in cooperation with the States and private organizations.

I believe that Members will find they can support this modest benefit for quadriplegics as a logical extension of the fine service now available to the blind.

A CHRONOLOGY ON THE DEFENSE SUPPLY AGENCY

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, late last month I took the floor of the House to comment on the operation of the supply and service functions of the U.S. Military Establishment under the new Defense Supply Agency. As a followup to this, I am placing in the CONGRESSIONAL RECORD a letter which I have written to the chairman of the Special Subcommittee of the Armed Services Committee, the gentleman from Virginia [Mr. HARDY], on this subject:

JULY 9, 1962.

Hon. PORTER HARDY, Jr.
House of Representatives,
Washington, D.C.

DEAR COLLEAGUE: You will recall the very extensive statement I made on the floor on June 26 concerning the necessary organization and operation of the supply and service activities of the Department of Defense.

You will recall further that I stated that I was also taking the time to correct a misconception or misstatement made by you in your opening statement on June 4, 1962, at the special two-man Subcommittee on Defense Agencies hearings, as to what the so-called McCormack-Curtis amendment was intended to do when it was presented by Mr. MCCORMACK. I further pointed out that, if one read pages 10909 through 10913, volume 104, part 8, CONGRESSIONAL RECORD, there is little excuse for misunderstanding as to what the amendment was intended to do.

I am now gravely disturbed to find further and serious misstatements of fact or misconceptions in the transcript of your hearings on June 27.

First, in addressing Mr. Vance, General Counsel of the Department of Defense, Mr. BATES stated:

"This particular amendment was never offered at that time and never considered by the committee. And the first time I heard of it was when it was offered on the floor."

You stated:

"And some of us have wondered whether or not—I mean in the light of developments that have taken place, some of us have wondered whether or not there was a particular reason it was not submitted to this committee while the bill was under consideration."

The following chronology shows conclusively that the amendment was submitted to the chairman of the House Armed Services Committee while the committee still had the bill under consideration and approximately a month before the bill was debated on the floor of the House:

On May 5, 1958, Mr. MCCORMACK expressed his surprise in a statement on the floor of the House that the President's reorganization bill had no specific recommendations in the supply and service fields, and his hope that the House Armed Services Committee would report a bill which would give the authority for the common supply and service functions to be operated in the most economical, efficient and effective manner.

On May 9, Mr. MCCORMACK wrote the following in a letter to Chairman VINSON:

"I have read with great interest your committee hearing of May 7, 1958, when the Honorable E. Perkins McGuire testified concerning supply and logistics.

"I am very pleased to note your interest in and approval of the single manager systems as they seem to me to afford an approach to economy and efficiency in the supply and service fields. As I mentioned on the floor on May 5, 1958, I sincerely hope that the committee sees fit to adopt stronger language to facilitate the necessary improvements in the supply and service areas."

Then, on May 13, 1958, Mr. MCCORMACK wrote to Mr. VINSON, as chairman of the Armed Services Committee, as follows:

"In further reference to my letter of May 9, 1958, I have had occasion to discuss the very important military reorganization bill with a number of people in both branches and both sides of the aisle particularly with respect to the need to facilitate improvement of the noncombatant supply and service activities within and among the defense agencies.

"I realize that it is difficult to provide for a uniform pattern of operation for these things inasmuch as some, like the supply single managers, may lend themselves to a centralized operation and others do not. For this reason I would suggest that the committee, at the proper place or places in the bill, insert some flexible language along the following lines:

"Notwithstanding any other provisions of law, the Secretary of Defense may provide for carrying out any supply or service activity common to more than one military department by a single agency or combination of agencies where he determines, after consultation with the Secretaries of the military departments concerned, that to do so will be advantageous to the Government in terms of economy, efficiency, and effectiveness."

On May 16, Mr. VINSON, as chairman of the Armed Services Committee, replied to Mr. MCCORMACK's letters of May 9 and 13:

"I have your letter of May 13 with further reference to your letter of May 9, with respect to the possibility of improving noncombatant supply and service activities within and among the Defense agencies.

"In view of the fact that I had completed a committee print of the Defense reorganization plan which I believed to embody an accomplishment of all of the principal objectives in the minds of the members of the committee, as well as those expressed by the President, and since I had the matter scheduled for committee consideration this morning, I was most reluctant to inject any other matter into that consideration. As a consequence, I did not offer your suggested language on the supply and service activities. However, I will have this matter checked with the Department of Defense to determine whether or not, in the light of the language today approved by the committee, such an amendment would be necessary or desirable. I believe that through this process we can be assured of the best results."

On June 12, 1958, during consideration of Mr. McCormack's amendment to the Defense reorganization bill on the floor, Mr. Vinson stated;

"The distinguished gentleman gave the gentleman from Texas [Mr. Kilday] and me and others the privilege of examining this amendment. We have examined it and know exactly what it means. * * *"

Second, you stated:

"It is quite obvious it had to be developed downtown. It wasn't developed up here."

On this point, in addition to the chronology already cited, the record shows that, when the Defense reorganization bill was being considered on June 12, 1958, Mr. Vinson said:

"I submitted this amendment to Secretary McElroy, and the record shows in the Armed Services Committee a communication from the Secretary of Defense to the effect that they have no objection to this amendment."

On June 17, 1958, in discussing the McCormack amendment before the Senate Armed Services Committee, Secretary McElroy said:

"We did not include it in our bill, but when Mr. McCormack brought the proposed amendment to the chairman of the House Armed Services Committee and he referred it to us, we were happy to concur in it."

Therefore, it is clear that the amendment originated on the Hill with Mr. McCormack and me and we are both proud of it. The record shows clearly that the amendment was only submitted to the Department of Defense by the Armed Services Committee through its chairman.

Third, in answer to a statement by Secretary McNamara as to whether there is some question in your mind as to the legality of the actions taken to establish a Defense Supply Agency, you stated in part:

"There is in my mind a serious question as to the legality of the actions which have been taken by the Department of Defense in this particular area. * * * Personally, I think you are way out in left field."

Mr. Vinson, chairman of the House Armed Services Committee, and Mr. Campbell, the Comptroller General, have expressed themselves as follows on this point:

In hearings on the military construction authorization, fiscal year 1963, March 23, 1962, Mr. Vinson said:

"Of course, the Secretary of Defense under his broad powers, has the authority to establish Defense agencies. We have already given him that authority. The law is already passed. And the Secretary has the authority.

"It may be wise later on to go in and see whether we were giving too much authority to permit these Defense agencies to be set up.

"But the Secretary is clearly within the law in establishing Defense agencies."

Comptroller General Campbell, in a letter dated May 25, 1962, to Honorable Chet Holifield, chairman of the Military Operations Subcommittee of the House Government Operations Committee wrote:

"From the language of the statutory provision referred to and its legislative history, it is clear that the Secretary of Defense is not only authorized to provide for the consolidation of supply management administration but that he has a congressional mandate to do so. The establishment of the Defense Supply Agency as the organization to centrally control the supply management of textiles and clothing as well as other common use items is entirely consistent with the literal wording of the statute and its intended purpose."

Finally, I would like to reemphasize to you and Mr. Bates that I have been perfectly clear as to what the amendment was intended to do ever since Mr. McCormack and I coauthored it and I continue to have no question about it.

I am convinced that Secretary McNamara is operating the Department of Defense on the basis of continued cooperation and discussion between the Department and the important congressional committees. I believe that the transcript of your hearing of June 4 will bear out my understanding that the Secretary did discuss in advance his proposed establishment of the Defense Supply Agency with the appropriate committee chairman and other members of the committees.

I concur completely with Mr. Hébert's statement that it is the greatest step forward that has been taken in Defense in years and years and that the Secretary should be complimented on it.

Secretary McNamara has my complete, unwavering and fighting support in his creation of the Defense Supply Agency under the authority of the McCormack-Curtis amendment.

He should have the support of every Member of Congress interested in seeing economy and efficiency in the Defense Department and of every taxpayer whose tax money has been thrown away in waste and duplication in the supply area.

I request that this letter be made a part of the official hearings of your special subcommittee.

Sincerely,

Thomas B. Curtis.

(Cc: Mr. McCormack, Mr. Vinson, Mr. Bates, Secretary McNamara, Senator Paul Douglas, Director David Bell.)

COMMEMORATING THE MORRILL LAND-GRANT ACT

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, in this centennial year of the Morrill Land-Grant Act, it is fitting that we stop and measure the accomplishments of Justin S. Morrill's proposal to use the proceeds from the sale of public lands for the establishment of institutions of higher education.

Although land-grant institutions number only 4 percent of the Nation's colleges and universities, they account for some 20 percent of the undergraduate students in the country and give 40 percent of all doctoral level degrees.

These institutions are noted for the wide variety of their curriculums at all levels of study. They were pioneers in making basic and applied research an integral part of their university work. And through their extension programs they have disseminated knowledge of all kinds far beyond the limits of their campuses.

It is especially noteworthy that these colleges place their emphasis on a student's ability and will to learn rather than on his family's status or economic position.

At a time when the Nation is facing the grave tests that now confront us, we are well served by having colleges and universities that are able to provide the education which we as a nation need, education which will allow our young people to meet and conquer the challenges they will have to face. For this the Morrill Land-Grant Act and the institutions that have grown up as a result of it share responsibility with the other great educational institutions in this country. I join in the salute to the Land-Grant Act and to those colleges and universities which have come into existence under it.

WHAT'S WRONG WITH THE STATE DEPARTMENT?

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Keith] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEITH. Mr. Speaker, I commend to the attention of my colleagues parts IV and V of an important new series on the State Department and the influences that shape our foreign policy. Written by Everett S. Allen of the New Bedford Standard-Times, this eight-part report reveals many of the reasons why our cold war foreign policy is the target of increasing criticism from both Republicans and Democrats alike.

With foreign assistance legislation pending before Congress, I think every Member will want to read and carefully consider these articles.

[From the New Bedford (Mass.) Standard-Times, June 28, 1962]

What's Wrong With the State Department?—IV: ADA Seen Working for Socialism

(By Everett S. Allen)

Washington.—The Americans for Democratic Action is, basically, a group of left-wing Democrats who hope, either as senior or junior partner of a labor alliance, to capture the Democratic Party and bring about a system that would amount to national socialism in America.

The socialism of the third force which the ADA seeks to impose upon the United States and the rest of the free world is the overwhelming issue of the day.

This is the conclusion of a study in depth of the ADA by the Republican Senate policy committee, which may be partial but may not be dismissed as either frivolous or inconsequential.

The expression "third force" refers to a liberal-labor coalition which is dissatisfied with both existing political parties and which seeks to capture and rebuild one of them, presumably on a strongly socialistic basis.

SURROUND KENNEDY

If this third-force thesis is accepted as reasonable, it warrants serious consideration, for although President Kennedy once said he had little in common with ADA'ers, they now surround him. Members or former members of ADA are in the Cabinet, the White House, and occupy at least 50 significant Federal posts.

The voice of this force is heard among Presidential consultants, in the Congress, in Africa, Vietnam, in Berlin, and in the State Department. It helps shape the course America is taking, wisely or otherwise, although most third-force champions never were elected to anything by anybody.

How much influence ADA wields in Government policy, including foreign aid and State Department thinking, is unmeasurable, yet the suggestion is that it is disproportionate considering this organization is a lobbying agency with fewer than 50,000 immediate adherents and a budget of less than $200,000 a year. Although ADA seems disappointed in degree with the Kennedy administration, it appears to feel lukewarmly cordial about the general course, and has, after all, done well in achieving representation and sympathy in high places.

It is not sufficient to argue that the ADA now is led by tired, old men as columnist George Sokolsky once suggested, because some of them are not so old after all, and if they are tired, it does not prevent them from being very busy and often very talkative.

IN IMPORTANT POSTS

Consider then that the following are present and past ADA'ers: Theodore C. Sorenson, special aid, speechwriter and confidant of the President; Arthur M. Schlesinger, Jr., Special Presidential Assistant; and nearly one-third of the Cabinet, including Secretary of Welfare Ribicoff, Secretary of Labor Goldberg, and Secretary of Agriculture Freeman. There are many other ADA members in important diplomatic posts such as J. Kenneth Galbraith, Ambassador to India, and Chester Bowles, Special Presidential Adviser on Asia, Africa and Latin-America.

ADA leaders have suggested if they have influence, it is simply "the influence of ideas and the ability to support those ideas with articulate persuasion." That's either inaccurate or an understatement, or both: An unknown number of times, an ADA'ers idea, whether supportable or not, affects U.S. foreign relations because of the job held by the individual who expressed it.

The following example will suffice: Last fall, at a news conference in New Delhi, Mr. Bowles commented that if India were attacked, help would be there the following morning from the United States. This is probably the first time the formulation of a military alliance ever was attempted at a press conference, but the pronouncement received big newspaper play and several hundred thousand Indians undoubtedly consider it an official American commitment.

As far as is known, Mr. Bowles neglected to ask any great number of Americans, in or out of Congress, whether they agreed with him on this one.

THE NATURE OF ADA

What is the nature of the ADA, which lists such admittedly articulate spellbinders among its fellows?

In 1955, when the AFL–CIO merged, ADA expressed hope it would spell the end of the political and economic philosophies "of the National Association of Manufacturers."

A year later, when Walter Reuther, president of the United Auto Workers, was ADA's keynote speaker, the organization spoke glowingly of "America's liberal-labor coalition."

Mr. Schlesinger, an ADA founder, in his book, "The Vital Center," wrote 8 years ago, "Walter Reuther may well become in another decade the most powerful man in American politics."

Although in 1952, ADA national chairman, Francis Biddle, former U.S. Attorney General, said that to suggest the ADA is left wing is preposterous, the organization since has identified itself as the non-Communist left and, moreover, its avowed principles support this description.

ON RECORD

In its 1950 policy statement, ADA stated, "We favor ample economic aid to Yugoslavia without political conditions." Two paragraphs later, the statement added, "We unequivocably condemn the Fascist regime in Spain and oppose granting of any aid to Franco's government, economic, financial or military."

Both Tito and Franco are dictators; the former is Communist and has pledged his nation to stand with the Soviet Union in peace and war; the latter has made military bases in Spain available to the United States as a defense against communism.

It also is noteworthy that in 1952, at the ADA convention, a resolution affirming a belief in free and competitive enterprise was soundly beaten.

It was the ADA, blessed and abetted by such persons as Mr. Bowles, G. Mennen "Soapy" Williams, now Assistant Secretary of State for African Affairs and Senator Hubert Humphrey (Democrat of Minnesota), former presidential aspirant—all influential in the present administration—which declared in 1955 that although Communist China is a totalitarian dictatorship imposing a regime of oppression on its own people and threatening world peace through its avowed expansionist aims, there would be inside the United Nations at least the opportunity of dealing with it more effectively.

THEORY DIDN'T WORK

It is interesting to conjecture why this theory didn't work when the Soviet Union, a U.N. member, mauled the Hungarians with tanks. Almost 6 years have passed and no one has dealt effectively with this matter yet.

There exists an interesting document indicating how the third force felt about the Soviet Union in the era of the New Deal, from which it acquired much of its philosophical heritage.

Harry Hopkins, F.D.R.'s alter ego and ardent supporter of Eleanor Roosevelt, who was and is a great ADA champion, had the following memorandum prepared. Playwright Robert E. Sherwood, an ADA wheelhorse and personal friend of Hopkins, said it was an excellent statement of the latter's own views:

1. In general, treat Russia as one of the three foremost powers in the world.

2. Establish the general policy throughout all U.S. departments and agencies that Russia must be considered as a real friend and must be treated accordingly and that personnel must be assigned to Russian contacts who are loyal to this concept.

3. Work to the general plan of assisting Russia to defeat Germany, of postponing a war between Japan and Russia until Germany is defeated.

4. Offer Russia very substantial credits on easy terms to finance her postwar rehabilitation and expansion.

5. Agree to assist in every proper and friendly way to formulate a peace that will meet Russia's legitimate aspirations.

This is a cogent expression of reasoning at least fallacious and at worst conspiratorial; because of it, not one of the high moral principles has been achieved for which World War II ostensibly was fought.

Instead, since the end of the war, more than 700 million persons have been forced under the yoke of communism; add these to the 215 million in the U.S.S.R. and it totals approximately one-third of the world's population. Russia meanwhile has been built up, principally with U.S. assistance, from a nation hardly able to defend its own frontiers, to a major military and industrial power which today poses the most serious threat to the world that ever confronted mankind.

This has come about because New Dealers and the third-force thinkers who have succeeded them accept the notion that theoretical economic communism, as distinguished from the political and ideological communism of the Soviet Union, is blood brother to the hybrid socialism which motivated the New Deal. Policymakers of the New Deal never far removed philosophically from the ADA, believed that the economic communism which the Russians profess assumed precedence in the Soviet scheme of things over the ideological and political communism they actually practice, and that the two were divorcible.

INFLUENCE IS STRONG

Hence they reasoned—and there are those in and about Washington who still do—all that is needed is to convince Russia beyond doubt that America is working for the same economic ends. This can be accomplished, they will still tell you today, by finding some common ground on which Russia and the West can meet and compromise their differences.

Thomas K. Finletter, former Cabinet member under Truman and an ADA enthusiast, declared in 1955 that it is important to keep the spirit of the New Deal alive and vigorous. There is evidence that this is being done.

The ADA's influence upon U.S. foreign policy is as unmistakable as it is unmeasurable. This organization is the intellectual and political vanguard in the United States of the so-called third force which is looked upon as the wellspring of tomorrow's brave new world.

The third force has been operating with spectacular success both in this country and abroad since the end of World War II. In the political spectrum, its source lies between truly representative government kept within legitimate bounds by constitutional limits and totalitarianism, which knows no bounds.

The third force emerges as a synthesis of economic communism and constitutional republicanism, a compromise of the two systems. The GOP Senate policy committee has termed it, "laundered communism masquerading as the welfare state, or dynamic democracy."

The third force is being made increasingly palatable and politically respectable by the humanitarian semantics of the ADA coterie, which hopes to be the managers or ruling class of the socialistic system this force aims to produce.

[From the New Bedford (Mass.) Standard-Times, June 29, 1962]

What's Wrong With the State Department?—V: Policy Is Traced to Establishment

(By Everett S. Allen)

Washington.—Dean Rusk would not now be Secretary of State had he not been acceptable to a private New York organization principally interested in U.S. relations with other countries. This is the considered opinion of a former member of the State Department who served under President Eisenhower and still is called upon by the White House for advice in diplomatic affairs.

"You have asked me," said the longtime diplomat who has been an Ambassador to several countries, "how a Secretary of State is chosen.

"Specifically, I suggest that Secretary of State Rusk was, among other factors, acceptable to the Council on Foreign Relations, Inc., located at 58 East 68th Street in New York.

"Call it 'the establishment' or whatever you will, this organization makes U.S. foreign policy. John Foster Dulles never made a move without checking McCloy (John J. McCloy, head of the council, and adviser to President Kennedy on disarmament) and the CFR.

AGAINST CHANGE?

"Fulbright (Senator Fulbright, Democrat, of Arkansas), was supposed to get Secretary of State, but Arkansas has racial problems that could prove embarrassing. Rusk was a safe compromise. Actually, filling the position is principally a matter of determining that there will be no change in foreign policy; there hasn't been any since World War II, despite Acheson's weak words or Dulles' strong ones."

If you subscribe to this theory, and it is neither new nor dismissable, you may logically incline toward the belief that the American two-party system either is dead or relegated to a minor role.

A prominent New Jersey businessman, Harold P. Poeschel, general agent of Bankers National Life Insurance Co., commented, "The rival political groups which are called Republicans and Democrats are rivals only for political power. In purpose, philosophy, and principle, they are identical. Both parties stand for international socialism and are controlled by international Socialists."

In defining this term, Poeschel, a Republican conservative who has suggested publicly that both 1960 party conventions were "rigged," added, "I am referring to the Rockefeller internationalist Council on Foreign Relations, generously financed by tax-exempt foundation money, which organization appears to be coercing our leaders in Government to an unconstitutional surrender of American sovereignty to world government under the United Nations."

MEMBERS LISTED

Poeschel also declared the "same internationalists would have been in control of our Government under a Nixon administration as are under the present Kennedy administration, for Nixon now is listed as a member of the CFR."

In the present situation, the influence upon the Federal Government of CFR could be considerable. In addition to McCloy and Rusk, the following also are members: Charles E. Bohlen, Assistant Secretary of State; Chester Bowles, Special Presidential Adviser on Asia, Africa and Latin-America; Adlai E. Stevenson, U.S. representative to the U.N.; Douglas Dillon, Secretary of the Treasury; Roswell L. Gilpatrick, Deputy Secretary of Defense; Paul H. Nitze, Assistant Secretary of Defense; William McC. Martin, Jr., Chairman of the Federal Reserve System; Felix Frankfurter, Supreme Court Justice; Gen. Maxwell Taylor, adviser to the President, and Arthur H. Dean, also a Presidential adviser.

Certainly CFR thinking has had an impact in the State Department in both Democratic and Republican administrations and the character of this outlook might fairly be described as more internationalist than partisan. Under the Eisenhower administration, Christian Herter, pacifist and Atlantic Union exponent, and Dulles, author of brinkmanship and the "agonizing reappraisal," were CFR members, and so was Ike himself, during his entire term in office. In the time of Truman, his Secretary of State, Dean Acheson, was a member of the CFR.

However modestly CFR may deny its influence upon Government, and undoubtedly it would disclaim any except that stemming naturally from individual contributions of its distinguished membership, it is a force to be reckoned with in both business and politics.

THEY'LL KILL YOU

Within the State Department, an invitation to a career diplomat to have "tea and talk" with the CFR members means that he is being looked upon with favor where it counts.

One U.S. diplomatic official received such an invitation and went to his friends, saying, "Shall I tell them the truth and cut my own throat?"

His friends, well schooled in such manners, replied, "That is where foreign policy is made. You criticize it and they'll kill you professionally."

The diplomat told the CFR bluntly what he thought was wrong with our foreign policy, why our friends were falling away, and he concluded by saying that we had to "lead or be lost."

There was virtually no applause when he finished. No one thanked him officially for appearing or speaking. Within a matter of days, several of his scheduled speaking engagements, nationwide, were canceled, and officials of two major American companies in which his family was financially interested suggested that he stop talking in this frank manner in public because it could hurt his career.

TAKEN SERIOUSLY

Although liberal writer Richard Rovere has written with tongue in check, albeit profitably, upon "the establishment" in American politics, there are those who take seriously the major impact upon this Nation of an amorphous nucleus of like thought, essentially nonpartisan, represented in influential places.

The following is an example of what one student of "the establishment" termed its ability to "mobilize voluntarily to hit at the same time":

Last October 31, the National Foreign Trade Council held its 48th convention at the Waldorf-Astoria Hotel in New York.

Selected to deliver the opening speech to this distinguished audience was Robert C. Hill of Littleton, N.H., a businessman, member of the New Hampshire State Legislature and former U.S. Ambassador, with an outstanding record of public service and a strong following in the Latin American Republics, where he lived for years.

Mr. Hill addressed 2,100 persons. In his address, he spoke objectively about the Alliance for Progress program, but concluded that it would not work without free enterprise.

When he had finished speaking, the audience gave him a standing ovation; it took him several minutes to shake hands with well-wishers who crowded about him.

ONE SENTENCE

In the New York Times of the following day, one sentence was employed to inform the readers that Mr. Hill had spoken. This sentence said he had "defended" free enterprise and thus was dismissed a major message that had required weeks of preparation and which capsuled the thinking of some of the best minds in American business and Government with whom Hill had consulted.

The last address of the 3-day convention was delivered by George W. Ball, Under Secretary of State for Economic Affairs. Mr. Ball, obviously tossing up an administration trial balloon, called for broad tariff reductions and a sharp departure from protectionism.

A total of 1,200 persons heard him. When he finished, there was only a spattering of applause and many of those who came up to him afterward did so to disagree sharply with what he had said.

The New York Times led its front page with Ball's remarks, which, its writer suggested, indicated Kennedy had decided to push for liberal trade policies.

PROPOSAL BY HERTER

Under the same head on page 1, a second story announced a proposal that the United States should form a trade partnership with Europe's Common Market. This proposition, which must have taken some time to prepare, was placed before Congress by Christian A. Herter, Secretary of State under Eisenhower, and William L. Clayton, Under Secretary of State for Economic Affairs under Truman. Thus, by coincidence, a ranking Republican and Democrat of two administrations bolstered the theory that the free world should "expand its economic community," tying this move in with the cold war at a time when it couldn't have been better for proponents of liberalized trade.

The Times also devoted all of page 16 to the Herter-Clayton proposition and in the same edition, published an editorial—which certainly was right on top of the news—commenting, "We agree with the Herter-Clayton report, released yesterday in Washington."

All of this was on November 2.

LIPPMANN ON SUBJECT

Also on November 2, Columnist Walter Lippmann, who writes ordinarily only twice week, Tuesday and Thursday (it just so happened that November 2 was a Thursday), distributed to his subscriber newspapers nationwide a column devoted to approval of the freer trade philosophy and the Clayton-Herter statement in particular, plus some commendatory remarks about what Mr. Ball had said.

All of this was good timing, if arranged, and spectacular, if not. It was, of course, followed on November 8 by a speech in New York by Douglas Dillon, Treasury Secretary, in which he said we must revolutionize reciprocal trade laws, and by a Presidential press conference November 9, when Mr. Kennedy said the United States should reshape foreign trade policy.

It was an effective kickoff for a highly controversial subject that is bound to have major effect, whatever happens, upon U.S. foreign policy. It would be interesting to know how many millions were reached within a matter of hours by this "bipartisan" recommendation that the United States should drop its tariffs if it wants to keep its friends.

THE TRADE BILL AND TWO-PRICE COTTON

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. Kornegay] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. KORNEGAY. Mr. Speaker, under leave to extend my remarks in the Record, I am including an editorial from my hometown paper, the Greensboro, N.C., Daily News, entitled "The Trade Bill and Two-Price Cotton," which appears to me to have considerable relevancy and substance at the present moment.

In this connection, I should like to refer to a discussion on the floor of the House on June 13, when my esteemed colleague, the gentleman from North Carolina [Mr. Alexander], under a special order, engaged in a very trenchant discussion of the problems of the textile industry and the status of the President's textile program. I had the privilege of joining in this colloquy, as did several other Members of this body, and all of us took the occasion to concur with and compliment the gentleman from North Carolina for bringing this problem to the attention and scrutiny of the House.

On that occasion, I stated on the floor of the House that the matter of two-price cotton "is one of the most indefensible propositions in this country today."

During the discussion on June 13, reference was made to point four of the President's seven-point textile industry program, covering all fibers. At that time the long delay of the Tariff Commission in rendering a decision on the recommendation of the Secretary of Agriculture, endorsed by President Kennedy, that the Commission make an investigation immediately under section 22 of the AAA to determine the desirability and feasibility of imposing an equalization fee on the cotton content of textile imports to offset the difference between United States and world prices of cotton was alluded to. A very strong and irrefutable case was made by Congressman ALEXANDER and other Members of this body for immediate action to remedy this completely indefensible price differential which has had such an adverse impact on our domestic cotton textile industry.

It is not necessary to recapitulate for this body the chronology of events leading up to the consideration by the Tariff Commission of this equalization fee on the cotton content of textile imports, but for purposes of emphasis, I should like to point out that on May 2, 1961, President Kennedy announced his seven-point assistance program for the textile industry. Six months later, on November 13, 1961, the Secretary of Agriculture requested action under section 22, and 8 days later President Kennedy endorsed the recommendation and requested the Tariff Commission to make an investigation and report, to be "completed as as soon as practicable." Hearings were held before the Commission from February 13 to February 23, 1962, during the course of which the Honorable CARL VINSON, chairman of our House textile conference group, and the Honorable WILLIAM J. BRYAN DORN, secretary of the group, along with myself and many other Members of the House interested in fiber and textile matters, appeared before the Commission and made strong and cogent representations in favor of the imposition of an equalization fee. On March 26, 1962, final briefs were filed in the case. Now, at this point, we had almost come the full circle of 1 year since the announcement of the President's textile industry assistance program, lacking a little over 5 weeks.

On June 13, 1962, when the gentleman from North Carolina, Congressman ALEXANDER, discussed the status of the textile program in the House, we had already closed the full circle of the year, and still no decision was forthcoming from the Tariff Commission under the section 22 investigation. Now we have come another 30 days from the date of that colloquy on the floor, and still no word from the Tariff Commission.

The editorial from the Greensboro Daily News for Sunday, July 1, 1962, points up this delay very graphically and places in proper perspective the urgency of action by the Commission in the context of the successful consideration in the House of the President's trade expansion bill. For this reason I wish to share this editorial comment with my colleagues and again to emphasize the compelling necessity for remedial action under section 22 of the AAA in behalf of the preservation and welfare of our domestic cotton textile industry; and further to say that I feel that any additional delay by the Tariff Commission in issuing an order on this proposition appears to me to be not only indefensible but dangerously dilatory in view of what is at stake and in view of the manifold efforts which have been exerted to secure prompt and proper remedy. To those of us who have been intensely interested in this matter, it is very discouraging to contemplate and endure this inexplicable time lag between acknowledgment and recognition of the problem and application of proper remedies. Since coming to the Congress, I have been intensely interested in proper steps for the preservation of our textile industry and the welfare of textile employees, not only because my district has a heavy concentration of textile manufactures but also because of my awareness of the vital worth of this industry to our national economy. As I said in my maiden speech on the floor of the House, on April 18, 1961, let us not by neglect and delay kill "the goose that laid the golden egg, which provided an omelet, metaphorically speaking, for every segment of our population involved in the operation of this farflung industry, which gives employment to millions of people." In the popular parlance of Washington, with regard to this pending proposition before the Tariff Commission—"Let's Go."

The editorial follows:

[From the Greensboro (N.C.) Daily News, July 1, 1962]

THE TRADE BILL AND TWO-PRICE COTTON

Now that the House has passed President Kennedy's trade bill, there is even less reason why the U.S. Tariff Commission should hold up on relieving the American textile industry of the ridiculous burden of two-price cotton.

Foreign textile plants today can purchase American-grown cotton for $42.50 a bale less than American mills must pay for it. The U.S. Government's policy forced the American cotton textile industry to pay $383,600,000 more for its raw cotton used in 1961 than the same cotton would have cost the industry's oversea competitors. Even closer home, the added cost to North Carolina mills last year was $113,914,407.

The reason for this monstrously unfair situation lies entangled in what appeared, at one time, to be a necessary subsidization of the price difference between U.S. and foreign cotton. But in the process the U.S. cotton manufacturing industry got kicked in the pants. And heaped on top of that, foreign textile manufacturers, using their cotton price advantage and cheap labor, began to flood the U.S. economy with cheap textile goods.

More than a year ago President Kennedy, acknowledging the inequity, directed the Department of Agriculture to recommend action to eliminate or offset the cotton price advantage afforded foreign manufacturers. The Secretary of Agriculture recommended an import fee on the cotton content of imported textiles equal to the export subsidy on raw cotton.

But somehow the U.S. Tariff Commission has never gotten around to issuing such an order, even though in such cases it usually acts promptly. This led some observers to believe that the Kennedy administration was holding up on the order until it got its trade revision bill through the Congress.

Now that bill is well on its way, and the U.S. Tariff Commission has no excuses. The inequity has been prolonged enough already, and even if there were no trade bill bargaining, the order is fair and ought to be issued.

DR. JOHN D. PORTERFIELD

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I would like to draw the attention of the House to the retirement on July 1 of this year of one of our distinguished commissioned officers of the Public Health Service.

This man is Dr. John D. Porterfield, Deputy Surgeon General of the Public Health Service, who is leaving after nearly 23 years of outstanding service to this Nation.

Born in Chicago, Ill., Dr. Porterfield is the fifth generation of physicians in the Porterfield family. He is a graduate of Campion Preparatory School, Prairie de Chien, Wis., of Notre Dame University, Rush Medical School of the University of Chicago, and Johns Hopkins University School of Hygiene and Public Health. He served his medical internship at the Public Health Service hospital in San Francisco.

Dr. Porterfield was commissioned in the Regular Corps of the Public Health Service in September 1939. During his service career, he made a number of contributions to Public Health Service programs in mental health, hospital facilities, venereal disease control, and research grants administration.

In 1947, he was granted leave of absence to become director of the Ohio Department of Health. He left that post in 1954 to become director of mental hygiene and correction. He was recalled to active duty in the Public Health Service in October 1956, as assistant to the Surgeon General for program planning, development, and evaluation, and promoted to the rank of Assistant Surgeon General on March 5, 1957. He became Deputy Surgeon General on September 30 of the same year.

A fellow of the American Medical Association and the American Public Health Association, Dr. Porterfield is past president of the American College of Preventive Medicine and a charter member of the American Board of Preventive Medicine. For several years, he has been chairman of the executive board of the American Public Health Association, and has served as chairman of the association's health officers' section, of the mental health section, and of the editorial board. He was the association's first representative on the Joint Commission on Mental Illness and Health.

Dr. Porterfield also is a consultant to the Committee on Medical Facilities of the American Medical Association's Council on Medical Services. In 1956–57, he was president of the Middle States Public Health Association, and has served as secretary and vice president of the Association of State and Territorial Health Officers.

Dr. Porterfield, in his service career, has exhibited the scientific statesmanship and leadership that typify our public health commissioned officers. His accomplishments over the years have reflected in the finest way the achievements of our Public Health Service. The American people may well be proud and grateful for the dedication and devotion this man has shown.

Dr. Porterfield will begin a new career soon as statewide Coordinator of Health and Medical Affairs of the University of California. As adviser to the president of the university he will be deeply involved in the development of proposed new medical schools, an activity to which I am confident he will make significant contributions.

On behalf of the American people I would like to thank him for his splendid services and wish him every success in the future.

DR. THEODORE J. BAUER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I would like to draw the attention of the House to the retirement on July 1 of this year of one of our distinguished commissioned officers of the Public Health Service.

This man is Dr. Theodore J. Bauer, Assistant Surgeon General and Chief of the Bureau of State Services, who is leaving after nearly 29 years of outstanding service to this Nation.

A leader in the field of public health administration, Dr. Bauer is widely known for his contributions in the area of communicable disease control, public health laboratory methods, and the development of new services and methods of care for the chronically ill and aged.

In the latter field he played a leading role in the planning and research that led to the passage by Congress of the Community Health Services and Facilities Act of 1961, which gives special attention to the chronically ill and aged, and he directed the intensive efforts that have gone into implementing this new legislation during the past year.

A native of Iowa City, Iowa, and a graduate of the University of Iowa College of Medicine, Dr. Bauer came to the Public Health Service in 1933. After service and training in several Public Health Service hospitals, he served for 3 years as the venereal disease consultant for 11 Western States and Alaska and Hawaii.

He was later the venereal disease control officer of Kansas City, Mo., for a year, and then served 5 years as the wartime venereal disease control officer for the city of Chicago and the medical officer in charge of Chicago's intensive treatment center for venereal disease.

In 1948 Dr. Bauer became Chief of the Service's Venereal Disease Division in Washington, and 5 years later was made Chief of the Communicable Disease Center in Atlanta, Ga.

Dr. Bauer received the Distinguished Achievement Award of the American Venereal Disease Association in 1953 for 19 years of activity in this field.

Previously he served as a member of the World Health Organization's Expert Committee on Venereal Disease Infections and Trepanematoses and on a special committee of the WHO on health laboratory methods.

During his career, Dr. Bauer has been a special lecturer on venereal disease control at the Georgetown University School of Medicine, associate professor of bacteriology and immunology at Emory University, and visiting faculty member at the Johns Hopkins University School of Hygiene and Public Health.

In addition to writing numerous professional articles and publications, Dr. Bauer has served as editor of the Journal of Venereal Disease Information and on the editorial board of the American Journal of Syphilis, Gonorrhea, and Other Venereal Diseases.

He has been a member of the governing council of the American Public Health Association for the past 2 years, and chairman of the association's evaluation and standards committee and a member of the technical development board.

In 1956 Dr. Bauer was named as Assistant Surgeon General of the Service and returned to Washington as Deputy Chief of the Bureau of State Services. In 1960 he was promoted to his present post, Chief of the Bureau.

He is a diplomate of the American Board of Preventive Medicine and Public Health, a fellow of the American College of Physicians, a fellow of the American Public Health Association, a member of the executive board of the American Venereal Disease Association, and a member of the advisory board of the Institute of Agricultural Medicine of the University of Iowa.

Dr. Bauer's fame as an authority on the control of venereal disease is justly merited. Throughout his career he has served with distinction in many important posts where his experience and dedication have contributed significantly to the success and advancement of community and national programs in public health. The respect and esteem in which he is held by his scientific colleagues and fellow workers in the health sciences are well known.

I would like to hope that Dr. Bauer's distinguished career is not really ended, because his professional skills and administrative experience are in great demand today. On behalf of the American people I want to express our appreciation for his outstanding service and wish him every success in whatever new career he may follow.

ADMINISTRATIVE REVISION IN TAX TREATMENT OF DEPRECIATION

Mr. MILLS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, tomorrow morning the Secretary of the Treasury will announce an administrative revision of the tax treatment of depreciation. This announcement comes after an intensive review of the problem by the Treasury and Internal Revenue Service and it marks a significant change in depreciation procedures.

As chairman of the Ways and Means Committee, I feel that I should alert every Member of the House to the fact that there is intense interest in this entire matter. I am certain you will find that many of your constituents will be watching this new development very closely. For this reason, I am inserting in the CONGRESSIONAL RECORD, at this point, the new "Internal Revenue Service Revenue Procedure," "Depreciation Guidelines and Rules," and statements describing the procedure issued by the President, Secretary Dillon, and Commissioner Caplin.

I am advised that these new guidelines will be published in U.S. Treasury Department Internal Revenue Service Publication No. 456, July 1962, which will be available from the Superintendent of Documents, Government Printing Office.

Mr. Speaker, I ask unanimous consent to insert in the CONGRESSIONAL RECORD at this point certain extraneous material which will include the new "Internal Revenue Service Procedures," "Depreciation Guidelines and Rules," and statements describing the procedure issued by the President, Secretary Dillon, and Commissioner Caplin.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The material referred to follows:

STATEMENT OF THE PRESIDENT

The Treasury has today completed its work on the first administrative modernization of Federal tax depreciation schedules and procedures in the 20 years since the present guidelines were issued. The new schedules, which will go into effect immediately, will automatically permit more rapid and more realistic depreciation than is presently taken on 70 to 80 percent of the machinery and equipment now used by American businessmen and farmers. The tax cut these changes will make possible—the net reduction in tax liabilities—will reach $1½ billion in the first year.

Although the executive branch has long been authorized by statute to allow reasonable deductions for depreciation based on obsolescence as well as wear and tear, the Internal Revenue's Bulletin F has never been changed since its publication in 1942, despite the vast and apparent changes in the rate at which modern machinery in a new age of technology can become obsolescent and require replacement. As a result, American businessmen have been handicapped in their efforts to expand and modernize their plants, to lay aside funds for reinvestment and to compete with the efficient, modern plants of other industrial nations.

The more realistic view of an asset's depreciable life, as contained in today's new guidelines, suggests schedules which average (for manufacturing industry) 32 percent less than those which have been covered in Bulletin F since 1942—and 21 percent less even than those currently in use by manufacturers covered in the Treasury depreciation survey.

In addition to these new schedules, the new rules issued today give our businessmen much greater freedom and flexibility in determining for themselves the rate at which their equipment is to be written off for tax purposes. Hereafter, that rate will not be questioned so long as it is consistent with actual practice in retiring and replacing machines. By encouragng American business to replace its machinery more rapidly, we hope to make American products more cost-competitive, to step up our rate of recovery and growth and to provide expanded job opportunities for all American workers.

Business spokesmen who have long urged this step estimate that the stimulus to new investment will be far greater—perhaps as much as four times greater—than the $1.5 billion made available. In any event, it is clear that at least an equal amount will go into new income-producing investment and eventually return to the Government in tax revenues most, if not all, of the initial costs.

This is a permanent change in the light of technological advance. Until these long-standing and outmoded handicaps to modernization were removed, it was difficult for American business to achieve its maximum productivity—and the highest possible productivity is urgently needed today to keep our costs and prices competitive with those of other nations, and to expand our economy fast enough to provide jobs for all who want them.

This is only part of the solution. In addition to modern and realistic depreciable lives, most major industrialized nations provide a special tax incentive for investment. The investment credit contained in the pending tax bill is needed to put American producers on a comparable tax footing with their foreign competitors, to increase our share of both foreign and domestic markets, and thus protect our balance of international payments and gold reserves.

The reform announced today has been carried out as quickly as possible, and goes as far as it is administratively possible to go to meet the investment needs of American business. I am hopeful that the Congress will do its part by enacting the investment credit.

Statement by Hon. Douglas Dillon, Secretary of the Treasury, on the Issuance of the New "Depreciation Guidelines and Rules"

The new guidelines and procedures for determining depreciation on machinery and equipment used by all American business constitute a fundamental reform in the tax treatment of depreciation that will provide a major stimulus to our continued economic growth.

This reform culminates a year of intensive study and work on the part of the Treasury with cooperation and assistance every step of the way by the Internal Revenue Service, substantial help from other Government agencies, and advice from countless businessmen, their lawyers, engineers, and accountants.

Successful completion of the job required us to examine the depreciation practices, present and prospective rates of economic obsolescence and the pace of technological change in American industry and in industry abroad. This enormous task has been completed with the greatest possible speed.

The reform we have achieved fully meets—while in no way exceeding—the requirement of existing law that reasonable allowances be given for depreciation.

Depreciation has been a major problem of U.S. tax policy for decades. As a deduction used in determining the taxable income of a business, it directly affects the rate of recovery of invested capital. For that reason, it plays a vital role in business investment decisions—a major factor in determining a nation's rate of economic growth. Faster economic growth is essential if we are to reduce unemployment and provide jobs for the millions of workers coming into the labor force. Equally important, the investment level is closely related to productivity, hence plays an important part in determining the competitive position of U.S. producers in world markets. We must be competitive if we are to reduce our balance of payments deficit and stem the drain on our gold stocks. Depreciation rates are, therefore, important not only to the welfare of business, but to the welfare of every American citizen.

Our depreciation practices have not been realistic for a great many years. Based essentially on taxpayers' past replacement practices, they have inadequately reflected the fast-moving pace of economic and technological change.

The new depreciation guidelines correct this fundamental flaw and the new rules for application of the guidelines recognize that economic obsolescence is a continuing factor in business life which our tax administration must take fully into account. The rate of depreciation permitted under the rules will not be tied to past history—it is tied to concurrent adoption of replacement practices consistent with the lives which are claimed for tax purposes.

The guidelines will not be allowed to become outdated, as was the case for so long with Bulletin F, which the new guidelines replace. Our revision of depreciation guidelines and rules recognizes that depreciation reform is not something that, once accomplished, is valid for all time. It reflects an administrative policy dedicated to a continuing review and up-dating of depreciation standards and procedures to keep abreast of changing conditions and circumstances. The experience under the new guideline lives, industry and asset classifications, and administrative procedures, will be watched carefully with a view to possible corrections and improvements. Periodic reexamination and revision will be essential to maintain tax depreciation treatment which is in keeping with modern industrial practices.

This depreciation revision will bring meaningful and lasting benefits to all of American business, agriculture, and mining.

The new guideline lives average 32 percent shorter than those established in Bulletin F. More significantly, they are—as our Treasury depreciation survey showed—15 percent shorter than the lives in actual use by 1,100 large corporations which hold two-thirds of all the depreciable assets in manufacturing.

In actual practice, we anticipate that these same companies will be able to take faster depreciation than that provided in the new guidelines. As a result, the depreciable lives they will actually use are expected to be 21 percent shorter than those in use now.

More rapid depreciation than presently taken will be immediately allowed under the new guidelines on 70 to 80 percent of the assets in use by American business today.

For all of our 12 million corporate and noncorporate businesses, we estimate that the potential increase in annual depreciation charges under the new guidelines will amount to 17 percent, or a total of $4.7 billion, in the first year. Because some businesses operate at a loss, and others may not choose to make immediate full use of the new guidelines, we estimate that the additional depreciation claimed on taxable returns in the first year will be $3.4 billion. In contrast, the increased annual depreciation charges resulting from enactment of accelerated depreciation in 1954 had—after 7 years—reached only $2.5 billion by last year.

The $3.4 billion potential increase in depreciation charges will mean a reduction in business tax liabilities, in the first year, of $1.5 billion. But this is a gross figure. A very substantial part, if not all, of this sum will be recouped promptly by the Government as higher depreciation charges increase the flow of cash to corporations and this money finds its way directly into new investment, thus creating jobs and taxable income for business and individuals.

The potential $4.7 billion in increased depreciation charges for business is also interesting when viewed in another light—namely, the extent to which it closes the so-called "depreciation gap." This "gap" was caused by the inflation of years past which meant that business had to replace its machinery and equipment at ever-rising cost, while the cash it retained through depreciation was based on the cost of its outworn assets. The gap is obviously hard to measure, but such important business organizations as the Machinery and Allied Products Institute have placed it at $5 to $8 billion a year.

Our new depreciation guidelines are not based on any estimate of the effects of inflation on replacement costs—nor could they be under existing law, even if we thought such a policy desirable. But the fact is that our depreciation reform standing alone, goes much of the way toward closing the so-called depreciation gap. Coupled with the investment credit, now pending before the Senate Finance Committee, the reform will close the gap entirely, because the depreciation equivalent of the credit is $2.9 billion.

This is not, however, the only reason why enactment of the credit is essential. Depreciation reform, important as it is, will not put American business on a comparable footing with its foreign competitors so far as tax treatment of investment is concerned.

The percentage of first-year cost recovery on investment in the United States is now only a little more than 13 percent. Because of special tax incentives for new investment granted by our nine friendly major industrial competitor nations, the average first-year recovery in those countries is 29 percent—more than twice our current figure. With this new revision, our percentage will rise to 16.7 percent—but still far short of equality. If, however, we couple the proposed 7-percent investment credit with the depreciation revision, this picture will change sharply. Our average percentage first-year cost recovery would then climb to 30.7 percent—higher than the average of the nine other nations and above the actual cost recovery allowed in all but two, Japan and the United Kingdom.

That is why we recommended the credit—because we believe it imperative to give American producers every legitimate assistance in meeting foreign competition. The administration has done its part with the completion of this depreciation reform. Further action must come from the Congress, and I hope that Congress will soon take favorable action on the investment credit.

Statement by Mortimer M. Caplin, Commismissioner of Internal Revenue, in Connection With the Release of new "Depreciation Guidelines and Rules"

The new depreciation guidelines and rules released today constitute one of the most significant revenue documents ever issued. For some time, technological improvements and other factors directly affecting the lives of many assets had created difficulties for both taxpayers and tax agents in considering depreciation.

The new guidelines give more liberal lives and meet the urgent need for an objective approach to depreciation, and should also eliminate many administrative problems. They have been designed to give taxpayers and tax agents a new concept consistent with our present law and regulations, and to translate into action our forward-looking objectives.

Release of the new rules and guidelines on depreciation is the first step. The Internal Revenue Service is planning a series of training programs to familiarize tax agents with this new tool for computing and testing depreciation. At a later date it is expected that seminars will be held for representatives of industry in our regional and district offices.

Our policy of encouraging voluntary compliance through reasonable administration of the tax laws requires the support and understanding of both taxpayers and the Internal Revenue Service. The new depreciation procedure, effective for income tax returns due to be filed on or after July 12, 1962, is part of this approach and two-way cooperation will assure its success.

Treasury Department Press Release—Depreciation Guidelines and Rules

The Treasury today made public IRS Revenue Procedure 62–21, embodying a basic reform in the standards and procedures used for the determination of depreciation for tax purposes.

The fundamental concept underlying the new procedure is that the depreciation claimed by a taxpayer will not be disturbed if there is an overall consistency between the depreciation schedule he uses and his actual practice in retiring and replacing his machinery and equipment. Demonstration of this overall consistency will be based upon broad classes of assets. Guidelines are established for each of these classes—in all cases shorter than those previously suggested for the guideline class as a whole—to assist in the determination of appropriate depreciable lives.

A central objective of the new procedure is to facilitate the adoption of depreciable lives even shorter than those set forth in the new guidelines—and shorter than those currently in use, even where current usage is already below the guidelines—provided only that certain standards are met and that subsequent replacement practices are reasonably consistent with the tax lives claimed.

The procedure becomes effective immediately and may be used in the preparation of any tax return due after the date of publication. The new guideline lives and new administrative procedures are applicable to all depreciable property, including existing assets as well as new acquisitions.

The procedure, while replacing the Bulletin "F" guidelines for depreciable lives, does not supersede existing rules, outstanding arrangements or established procedures for determining depreciation for any taxpayer who wishes to continue to use them.

GUIDELINE LIVES BASED ON BROAD ASSET CLASSES

The new, shorter guideline lives apply to about 75 broad classes of assets, rather than to explicitly detailed items of depreciable property. In most cases, a single industry guideline class will cover all the production machinery and equipment typically used in the industry. Certain assets in general use by all industries, such as automobiles and trucks and office machines and furniture, are covered by guideline classes which cut across industry lines. For most taxpayers, three or four guidelines will encompass all of their depreciable assets.

The emphasis in this broad class approach is on achieving a reasonable overall result in measuring depreciation rather than a needless and labored item-by-item accuracy.

Example: IRS' Bulletin F, which the new guidelines supersede as a benchmark for the determination of appropriate depreciable lives, sets forth:

For the hotel industry—18 separate specified lives for equipment used in hotels, ranging from 6 years on blankets and spreads to 20 years for fire alarm and prevention equipment. Hotel equipment is now encompassed in the guideline class for service industries, set at 10 years.

For ice cream producers—111 item lives ranging from 4 years for ice cream cans to 25 years for cast iron flavoring kettles. Equipment used by ice cream manufacturers is now covered in the guideline class for food products, at 12 years.

For soap producers—201 item lives, ranging from 4 years for fat acid pumps to 30 years for lathes used in making barrels. Soap manufacturers are now covered by the 11-year guideline for all machinery and equipment used in the chemical and allied industries.

THE OBJECTIVE RESERVE RATIO TEST

In many situations under Revenue Procedure 62–21, the use of an objective standard for determining the appropriateness of the depreciation taken comes into play. This standard is the reserve ratio, which is computed by dividing the depreciation reserve for a particular class of assets by the original cost (or other basis) of these assets.

The reserve ratio test measures the relationship between tax lives and replacement practice on a comprehensive basis with the objective of achieving a reasonable overall result.

Its use and its application to broad classes of assets will therefore end preoccupation with determination of specific item lives, which can burden both taxpayers and the Internal Revenue Service without necessarily achieving meaningful improvement in the fairness or realism of depreciation allowances.

The reserve ratio test may be used by the taxpayer as a means of automatically justifying his right to follow the depreciation practices he is using. It will, however, be used only in conjunction with established standards as a basis for imposing longer lives than those the taxpayer considers appropriate. Where the reserve ratio test is not met, the taxpayer will always be allowed, as at present, to demonstrate the reasonableness of the depreciation claimed on the basis of all the pertinent facts and circumstances.

The reserve ratio test embodied in Revenue Procedure 62–21 differs significantly from the rough rules of thumb which have in the past sometimes been used. The appropriate ratios set forth vary according to the method of depreciation employed, the depreciable lives used and the rate of growth of a taxpayer's assets.

While the reserve ratio test is more carefully designed than former tests based on the same general concept, it is, however, also more flexible. It takes into account the inevitable deviations from a theoretical norm by providing a range within which the reserve ratio may vary without signaling a possible need for adjustment of tax lives.

An important feature of the reserve ratio test is the latitude it allows taxpayers in the determination of their depreciable lives, provided they meet reasonable standards. The margin of tolerance contained in the reserve ratio table encompasses rates of replacement as much as 20 percent slower than the tax life used but only 10 percent faster. Thus the reserve ratio will more quickly indicate a taxpayer's right to faster depreciation writeoffs than the possibility that longer tax lives should be used.

The reserve ratio test is computed as follows:

1. The reserve ratio is determined by dividing the depreciation reserve for a particular class of assets by the original cost or other basis of these assets.

2. The rate of growth of the guideline class is ascertained by first computing the ratio of assets in the class at the close of the current year to the assets in the class at the close of a "base year"—where possible, an entire replacement cycle earlier. The taxpayer can then read his rate of growth from the table provided in the procedure.

3. The class life to be tested is then found.

4. The taxpayer's reserve ratio is then compared with the reserve ratio range selected from the reserve ratio table which is appropriate to the method of depreciation being used for the assets in that class, the rate of growth in the class and the test life for that class.

Example: Here is an example of how a taxpayer using straight line depreciation and a 10-year class life would compute—and find that he met—the reserve ratio test:

Cost of assets in guideline class	$10,000
Depreciation reserve	$5,200
Reserve ratio therefore is (percent)	52
Assets one replacement cycle earlier	$6,200
Ratio of present assets to base year assets	$1,219
Rate of growth (from growth table) (percent)	2
Test life used (years)	10
Appropriate reserve ratio range (from reserve ratio table) (percent)	44–56

NEW GUIDELINES IMMEDIATELY AVAILABLE TO ALL TAXPAYERS

Any taxpayer who wishes to use the new guideline lives—or a life longer than the guidelines—may do so initially as a matter of right and without question by the Internal Revenue Service for a period of 3 years. He may, if he wishes, shift to the use of the guideline classes and lives and depreciate all the assets in each class at a single rate, which in a majority of cases will be shorter than the rate he has been using. Or he may rearrange the individual lives used in his item accounts or his multiple-asset accounts, to reach an average equal to the guideline.

Example: A taxpayer with three assets comprising a guideline class is presently depreciating them at straight line as follows:

	Cost (or basis)	Life used	Depreciation rate (percent per year)	Straight line depreciation taken
Machine A	$12,000	12 years	8⅓ percent	$1,000
Machine B	10,000	8 years	12½ percent	1,250
Machine C	20,000	20 years	5 percent	1,000
Total	42,000			3,250

The depreciation the taxpayer is presently taking, item by item, equals a weighted average depreciable life for the three assets ($42,000 divided by $3,250) of 12.8 years.

Suppose the guideline has been set at 10 years.

He may shift to the class approach and the guideline life immediately and without challenge, thus taking an annual depreciation deduction of $4,200.

Or he may change his item lives to achieve a 10-year weighted average life. One such shift might be as follows:

	Cost (or basis)	Life used	Depreciation rate (percent per year)	Straight line depreciation taken
Machine A	$12,000	8 years	12½ percent	$1,500
Machine B	10,000	8 years	12½ percent	1,250
Machine C	20,000	14 years	7 1/10 percent	1,428
Total	42,000			4,178

MOVEMENT TO GUIDELINE UNQUESTIONED FOR 3 YEARS

Use of the guidelines, automatically allowed to all taxpayers at the outset, will continue to be accepted after the end of the 3-year transitional period unless there are clear indications that the taxpayer's replacement practices do not conform with the depreciation claimed and are not even showing a trend in that direction.

Taxpayers who have, in the past, been following replacement practices consistent with the tax lives previously used and who continue to follow practices consistent with the new lives claimed will automatically meet the reserve ratio test. They will, therefore, be allowed to continue indefinitely to use the tax lives at least as short as the guidelines.

In those exceptional situations where the taxpayer's depreciation reserve is initially above the appropriate reserve ratio range for the guideline life or rises above that range during the first 3 years, he will nevertheless be allowed to continue to use a life at least as short as the guideline for a 3-year transition period.

The new lives may be questioned beginning in the fourth year only if the use of the reserve ratio test shows that the taxpayer is not, in fact, moving toward a replacement practice consistent with the class life used for tax purposes. Movement toward a consistent retirement and replacement pattern will be considered to be demonstrated if the amount by which the taxpayer's reserve ratio exceeds the appropriate range is lower than in any one of the 3 preceding years. If a taxpayer with an initially excessive reserve meets this test in the fourth year and does so continuously each year thereafter, he will be permitted a period of years equal to the guideline life to reach the upper limit of the appropriate reserve ratio range. For example, if a taxpayer is using a 12-year guideline life, he would be allowed a period of 12 years, beginning with the first year under Revenue Procedure 62-21, to reduce his reserve ratio to within the range.

USE OF LIVES SHORTER THAN GUIDELINES PERMITTED

The guideline lives will not be treated as minimums. Shorter lives which have already been established or which may in the future be justified as reflecting the taxpayer's existing or intended replacement practices will be permitted.

Revenue Procedure 62-21 will not disturb the continued use of below-guideline lives which a taxpayer has already demonstrated to be realistic.

In addition, the procedure sets forth standards under which taxpayers, including those previously using lives below the guidelines, may establish still shorter tax lives concurrent with the adoption of more progressive replacement and modernization practices.

A taxpayer who has previously used lives shorter than the guidelines will be permitted automatically to continue to use these shorter lives if—

1. He has previously demonstrated his right to such shorter lives, or

2. He has used these lives for at least one-half of a replacement cycle and his reserve ratio falls within the appropriate range.

It is necessary that lives be in use for one-half a replacement cycle before the taxpayer's reserve ratio may be used as automatic justification for below-guideline lives because the reserve ratio will not reliably indicate whether shorter lives are justified when the life used has only recently been adopted.

A taxpayer who wishes to move for the first time to a below-guideline life or to reduce further an already below-guideline life will be allowed to do so automatically if—

1. His reserve ratio for the preceding taxable year is below the lower limit of the appropriate reserve ratio range; and

2. He has been using the life which he now wishes to reduce for at least one-half a full replacement cycle; and

3. The new life to which he wishes to move is no lower than the life which can be justified by the use of an adjustment table which is provided as part of the new procedure.

Example: A taxpayer has been using a 16-year class life, and has been using it for at least 8 years. He can automatically shift to a shorter life in the following situation:

Method of depreciation:	*Straight line*
Cost of assets in the guideline class	$10,000
Depreciation reserve	$4,200
Reserve ratio therefore is (percent)	42
Rate of growth (percent)	2
Life being tested (years)	16
Appropriate reserve ratio range (from reserve ratio table) (percent)	43–55
Life to which he may drop (from adjustment table) (years)	13.5

Taxpayers who do not meet the prescribed tests for automatic use of lives shorter than those prescribed in the guidelines, regardless of whether or not they have used them previously, may in all cases demonstrate their entitlement to such shorter lives on the basis of all the relevant facts and circumstances.

Relevant facts and circumstances include, but are not limited to, demonstration that:

1. The taxpayer (if other than a regulated public utility) is using the same depreciable life on his books as the one he is claiming for tax purposes.

2. The taxpayer actually intends to follow a more rapid replacement practice.

3. The taxpayer has previously followed replacement practices consistent with the depreciation allowances previously claimed.

4. The taxpayer makes abnormally intensive use of his assets.

5. A number of the assets in a guideline class were not new when acquired by the taxpayer.

6. The guideline class contains, for the particular taxpayer, a disproportionate number of relatively short-lived assets.

7. Extraordinary obsolescence affects the particular taxpayer.

The 3-year transition rule, which gives the taxpayer an interval of time following the effective date of Revenue Procedure 62-21 to bring his replacement practices into conformity with his tax depreciation claimed, will apply to those who move below the guidelines as well as those who shift to a class life at or above the guidelines.

Following expiration of the transition rule, the reserve ratio test will provide to all taxpayers a continual means of demonstrating that the tax lives being used correspond with replacement practices.

AMOUNT OF UPWARD ADJUSTMENT SPECIFIED

Where the depreciation claimed by the taxpayer proves to be significantly out of line and cannot be justified by the reserve ratio test or by a showing of facts and circumstances, adjustments will be called for. Revenue Procedure 62-21 provides tables which will indicate how much adjustment is appropriate, but in no case will depreciable lives be lengthened beyond the shortest which can be justified by all the facts and circumstances. Penalty rates, which have in the past been used in an attempt to correct past errors over a short period of time, will no longer be imposed. Lives will be lengthened merely to correspond with actual replacement practice.

In most cases, the life for the guideline class will be lengthened in accordance with the table for adjustment of depreciable lives, which is part of Revenue Procedure 62-21.

Example: A taxpayer who has been using a 12-year class life and who is unable to demonstrate that the facts and circumstances of his case justify use of that life would have the life lengthened in the following situation:

Method of depreciation:	*Double declining balance*
Cost of assets in guideline class	$10,000
Depreciation reserve for class	$6,500
Reserve ratio therefore is (percent)	65
Rate of growth (percent)	4
Life being tested (years)	12
Appropriate reserve ratio range (from reserve ratio table) (percent)	53–61
Life to which he would be lengthened (from adjustment table) (years)	15

Any necessary lengthening of depreciable lives will be put into effect no earlier than the first year in which the reserve ratio test is not met and the life cannot be justified on the basis of the facts and circumstances. The lives will not be lengthened for any earlier taxable year.

GUIDELINES NOT RETROACTIVE

This procedure will be effective immediately but will not apply to depreciation allowances for taxable years for which returns were due to be filed before the date of publication of Revenue Procedure 62-21.

Examination of the depreciation claimed for earlier taxable years will be made under previously established procedures. The new guideline lives set forth in the procedure will not be considered as evidence that these lives were the appropriate ones in previous years for a taxpayer who did not follow replacement practices consistent with the guidelines.

A taxpayer may, however, in certain circumstances resort to the reserve ratio table in this procedure to demonstrate that his replacement practice in past years supports the life claimed.

Example: A more complete and realistic example of the means of shifting present item depreciation accounts to the new guideline lives follows. It includes consideration of salvage value and the use of the double declining balance method of depreciation:

	Cost (or basis)	Life used	Method of depreciation	Salvage	Depreciation rate (percent per year)	Straight line depreciation	Actual depreciation taken
Machine A	$10,000	10 years	Straight line	$1,000	10 percent (times basis less salvage)	$900	$900
Machine B	5,000	8 years	do	$1,000	12½ percent (times basis less salvage)	500	500
Machine C	6,000	20 years	Double declining balance	Reserve $1,626	10 percent (times basis less reserve)	300	437
Machine D	15,000	15 years	do	$2,000	13⅓ percent (times basis less reserve)	1,000	1,733
Total	36,000					2,700	3,570

The depreciation this taxpayer is presently taking, item by item, equals a weighted average class life of 13⅓ years ($36,000 divided by $2,700).

Suppose the guideline for the class which these four assets comprise has been set at 10 years. The total depreciation taken at the straight line rate, which is used for purposes of testing and comparison, cannot therefore exceed $3,600 (the 10-percent straight line depreciation rate times the total basis).

This taxpayer has the following alternatives:

He may subgroup the items in the class according to the method of depreciation used and change the lives to achieve a 10-year weighted average life. One such shift might be as follows:

	Basis less salvage	Life used	Straight line depreciation rate	Straight line depreciation	Actual depreciation taken
Machines A and B	$13,000	7½ years	14 percent	$1,820	$1,820
Machines C and D	Basis, $21,000	12 years	8⅓ percent	1,749	2,894
Total				3,569	4,714

Alternatively, this taxpayer may change his item lives to achieve a 10-year weighted average life. One shift might be as follows:

	Basis less salvage	Life used	Straight line depreciation rate	Straight line depreciation	Actual depreciation taken
Machine A	$9,000	10 years	10 percent	$900	$900
Machine B	$4,000	5 years	20 percent	800	800
Machine C	Basis $6,000	15 years	6⅔ percent	400	583
Machine D	$15,000	10 years	10 percent	1,500	2,600
Total				3,600	4,883

DEPRECIATION GUIDELINES AND RULES

This volume presents new guidelines and rules for depreciation.

The introduction provides the business executive and others with a general view of the new procedure and the manner in which it is to be used. The new procedure, Revenue Procedure 62–21, consists of three parts.

Part I contains the new "Guidelines for Depreciation," which set forth the guideline classes and lives.

Parts II and III, intended basically for use by accountants and lawyers, include the administrative procedures, and illustrative reserve ratio and adjustment of class life tables and detailed instructions for their use.

Following part III a group of questions and answers is presented to answer some specific inquiries which may arise.

INTRODUCTION

Revenue Procedure 62–21 provides basic reforms in the guideline lives for depreciation and in the administration of depreciation for tax purposes. It sets forth simpler standards and more objective rules which will facilitate adoption of rapid equipment replacement practices in keeping with current and prospective economic conditions.

It will not, however, supersede existing rules, outstanding arrangements, or established procedures for those who wish to continue to use them.

The procedure becomes effective immediately and may be used in the preparation of any tax return due after the date of publication. The new guideline lives and new administrative procedures are applicable to all depreciable property, including existing assets as well as new acquisitions.

New guideline lives for machinery and equipment are set forth which, on the whole, average 30 to 40 percent shorter than those previously suggested for use by taxpayers. The new guidelines will automatically permit more rapid depreciation deductions than those presently taken on 70 to 80 percent of the machinery and equipment used by American business. They will not disturb the depreciation taken on the remaining 20 to 30 percent of business assets on which depreciation is now as fast as, or faster than, that provided in the new guidelines.

A central objective of the new procedure is to facilitate the adoption of depreciable lives even shorter than those set forth in the guidelines, or shorter than those currently in use, provided only that certain standards are met and that subsequent replacement practices are reasonably consistent with the tax lives claimed.

BASIC PRINCIPLES

Guideline lives based on broad asset classes

The new, shorter guideline lives apply to about 75 broad classes of assets, rather than to explicitly detailed items of depreciable property. In most cases, a single industry guideline class will cover all the production machinery and equipment typically used in the industry. Certain assets in general use by all industries are covered by guideline classes which cut across industry lines. For most taxpayers, three or four guidelines will encompass all of their depreciable assets.

The emphasis in this broad class approach is on achieving a reasonable overall result in measuring depreciation rather than a needless and labored item-by-item accuracy.

New guidelines immediately available to all taxpayers

Any taxpayer who wishes to use the new guideline lives, or a life longer than the guidelines, may do so initially as a matter of right and without question by the Internal Revenue Service for a period of 3 years. Use of guidelines will continue to be accepted thereafter unless there are clear indications that the taxpayer's replacement practices do not conform with the depreciation claimed and are not even showing a trend in that direction.

Use of lives shorter than guidelines permitted

The guideline lives will not be treated as minimums. Shorter lives which have already been established or which may in the future be justified as reflecting the taxpayer's existing or intended replacement practices will be permitted.

Thus the new procedure will not disturb the continued use of below-guideline lives which a taxpayer has already demonstrated to be realistic.

Moreover, the procedure sets forth standards under which taxpayers, including those previously using lives below the guidelines, may establish still shorter tax lives concurrent with the adoption of more progressive replacement and modernization practices.

Objective standards applied

An objective standard, the reserve ratio, is provided, which a taxpayer may use, in addition to existing standards and procedures, to justify his use of a below-guideline life or his right to shift to even more rapid depreciation schedules. The reserve ratio also gives the taxpayer a continual means of demonstrating that the tax lives he is using correspond with his subsequent replacement pattern.

Reserve ratio test not exclusive

The reserve ratio test may be used by the taxpayer as a means of automatically justifying his right to follow whatever depreciation practices he is using. It will, however, be used only in conjunction with established standards as a basis for imposing longer lives than those the taxpayer considers appropriate. Where the reserve ratio test is not met, the taxpayer will always be allowed, as at present, to demonstrate the reasonableness of the depreciation claimed on the basis of all the pertinent facts and circumstances.

Reserve ratio test an overall measure

The reserve ratio test measures the relationship between tax lives and replacement experience on a comprehensive basis with the objective of achieving a reasonable overall result.

Its use will therefore put an end to the preoccupation with determination of specific item lives, which can burden both taxpayers and the Internal Revenue Service without necessarily achieving meaningful improvement in the fairness or realism of depreciation allowances.

The reserve ratio test embodied in this procedure differs significantly from the rough rules of thumb which have in the past sometimes been used. The appropriate ratios set forth vary according to the method of depreciation employed, the depreciable lives used and the rate of growth of a taxpayer's assets.

While the test is more carefully designed than former tests, it is, however, also more flexible. It takes into account the inevitable deviations from a theoretical norm by providing a range within which the reserve ratio may vary without signalling a possible need for adjustment of tax lives.

An important feature of the reserve ratio test is the latitude it allows taxpayers in the determination of their depreciable lives, provided they meet reasonable standards. The margin of tolerance contained in the reserve ratio tables encompasses rates of replacement as much as 20 percent slower than the tax life used but only 10 percent faster. Thus the reserve ratio test will more quickly indicate the taxpayer's right to faster depreciation writeoffs than the possibility that longer tax lives should be used.

Rules for new businesses and other special situations

New businesses will initially have no reserves against their assets, and it is therefore unlikely that they will have high reserve ratios during the first replacement cycle. As a consequence, new businesses will generally be permitted to use the guideline lives throughout the first replacement cycle. Thereafter, like any other business, they will be permitted to continue use of the guidelines, so long as replacement practice is consistent with the lives used.

Justification for use of below-guideline lives by new businesses will rest upon a showing of all the relevant facts and circumstances; and use of such below-guideline lives, once justified, will likewise generally be permitted throughout one complete replacement cycle. The below-guideline life also may continue to be used by a new business, like any other, after the end of the first replacement cycle, so long as replacement practice is consistent with the tax lives being used.

In situations where the reserve ratio of a new business goes above the appropriate range, the taxpayer may justify the lives he is using on the basis of all the relevant facts and circumstances.

These same rules also apply to newly established guideline classes of older businesses.

Since the depreciation reserve of a new business or new guideline class is initially zero and will, therefore, remain relatively low for a period of years, existence of a low reserve ratio in a new business or new guideline class cannot be used, during the first replacement cycle, as automatic justification for movement to a life shorter than the one currently used.

Other situations in which the reserve ratio may not be a meaningful test include cases where it fluctuates widely because the guideline class contains relatively few assets which are retired at irregular intervals. In these situations, a low reserve may not be used to justify a shorter life and a high reserve may not necessarily indicate that replacement practices are inconsistent with the lives used. Examination of all the facts and circumstances is then called for.

Penalty rates will not be imposed

Where the taxpayer's replacement practice proves to be substantially out of line with the depreciation claimed, adjustments will be called for. The procedure provides tables which will indicate how much adjustment is appropriate. The lives will be lengthened to correspond to the actual replacement practice of that business. Penalty rates which have in the past been used in an attempt to correct past errors over a brief span of time will no longer be imposed.

Use of new guideline classes not mandatory

While conversion of taxpayer depreciation accounts to the new guideline classes will facilitate administration of depreciaton, taxpayers will not be required to change their bookkeeping systems in order to use the new procedure. A taxpayer who chooses to retain item accounts but who also wishes to use the new procedure will be required merely to identify those items according to the guideline classes. Those who wish to use the new procedure but also to retain multiple asset accounts which do not correspond to the guideline classes will need to furnish IRS with sufficient information to permit comparison of the lives used with those set forth in the guideline classes.

A taxpayer may, if he desires, simply choose to have his depreciation claims examined under the procedures used in the past.

The administrative revision of depreciation guidelines and practices contained in this procedure is based on a recognition that depreciation reform is not something which can be accomplished once and for all time. It reflects an administrative policy dedicated to a continuing review and updating of depreciation standards and procedures to keep abreast of changing conditions and circumstances.

RULES FOR APPLICATION

The fundamental concept underlying the new procedure is that the depreciation claimed will not be disturbed if the taxpayer's retirement and replacement practices are consistent with the life used.

The reserve ratio test provides a technique for establishing the consistency between the tax life used and the subsequent retirement and replacement policy of the taxpayer.

Taxpayers who wish to use the new guideline lives or any life longer than the guidelines may do so without challenge for the first 3 years under this procedure.

Taxpayers who have, in the past, been following replacement practices consistent with the tax lives previously used and who continue to follow practices consistent with the new lives claimed will automatically meet the reserve ratio test. They will, therefore, be allowed to continue indefinitely to use tax lives at least as short as the guidelines.

In those exceptional situations where the taxpayer's depreciation reserve is initially above the appropriate range for the guideline life or rises above that range during the first 3 years, he will, nevertheless, be allowed to continue to use a life at least as short as the guideline for a 3-year transition period.

The new lives may be questioned beginning in the fourth year only if the use of the objective reserve ratio test shows that he is not, in fact, moving toward a replacement practice consistent with the tax life used. Movement toward a consistent retirement and replacement pattern will be considered to be demonstrated if the amount by which the taxpayer's reserve ratio exceeds the appropriate range is lower than in any one of the 3 preceding years. If a taxpayer with an initially excessive reserve meets this test in the fourth year and does so continuously each year thereafter, he will be permitted a period of years equal to the guideline life to reach the upper limit of the appropriate reserve ratio range. For example, if a taxpayer is using a 12-year guideline life, he would be allowed a period of 12 years, beginning with the first year under this procedure, to reduce his reserve ratio to within the range.

A taxpayer who has previously used lives shorter than the guidelines will be permitted automatically to continue to use these shorter lives if:

He has previously demonstrated his right to such shorter lives, or

He has used these lives for at least one-half of a replacement cycle, and his reserve ratio falls within the appropriate range.

It is necessary that lives be in use for one-half a replacement cycle before the reserve ratio test may be used as automatic justification for below-guideline lives because this test may not reliably indicate whether shorter lives are justified when the life used has only recently been adopted.

The same transition and reserve ratio rules which apply to the taxpayer using the guideline lives will also apply thereafter to the taxpayer who justifies shorter than guideline lives on the basis of prior usage.

A taxpayer who wishes to move for the first time to a below-guideline life or to reduce further an already below-guideline life will be allowed to do so automatically if:

His reserve ratio for the preceding taxable year is below the lower limit of the appropriate reserve ratio range;

He has been using the life which he now wishes to reduce for at least one-half a full replacement cycle; and

The new life to which he wishes to move is no lower than the life which can be justified by the use of an adjustment which is provided as part of the new procedure.

The transition and reserve ratio rules applicable in other situations are similarly available thereafter to the taxpayer who moves for the first time to a below-guideline life or reduces an already below-guideline life.

Taxpayers who do not meet the prescribed tests for automatic use of lives shorter than those prescribed in the guidelines regardless of whether or not they have used them previously, may in all cases demonstrate their entitlement to such shorter lives on the basis of all the relevant facts and circumstances.

Relevant facts and circumstances include, but are not limited to, demonstration that:

The taxpayer (if other than a regulated public utility) is using the same depreciable life on his books as the one he is claiming for tax purposes.

The taxpayer actually intends to follow a more rapid replacement practice.

The taxpayer has previously followed replacement practices consistent with the depreciation allowances previously claimed.

The taxpayer makes abnormally intensive use of his assets.

A number of the assets in a guideline class were not new when acquired by the taxpayer.

The guideline class contains, for the particular taxpayer, a disproportionate number of relatively short-lived assets.

Extraordinary obsolescence affects the particular taxpayer.

Taxpayers will not be required to disturb their present depreciation accounts to qualify for the new guidelines and if they so desire may continue their present methods of justifying their depreciation deduction without regard to this procedure.

The comparison of the lives used by the taxpayer with the guideline lives will be facilitated if the taxpayer's depreciation accounts correspond to the guideline classes. Any taxpayer who is depreciating his assets in item accounts, or in multiple-asset accounts which do not correspond to the guideline classes, may therefore wish to regroup his assets for tax purposes in accounts corresponding to the guideline classes. However, he is not required to do so.

Even if a taxpayer does not regroup his assets in depreciation accounts corresponding to the guideline classes, he may qualify for the benefits of the new procedure by merely regrouping his assets annually for purposes of applying these rules.

In any event, the taxpayer will always have the option of having his depreciation allowances examined under presently established practices, in the light of all the facts and circumstances, without regard to this new procedure.

The reserve ratio test, which provides an objective basis for comparing the tax lives used and replacement practice, is computed as follows:

The reserve ratio is determined by dividing the depreciation reserve for a particular class of assets by the original cost or other basis of these assets.

The rate of growth of the guideline class is generally ascertained by first computing the ratio of assets in the class at the close of the current year to the assets in the class one replacement cycle earlier. The taxpayer can then read his rate of growth from the table provided in this procedure.

The appropriate "test life" is then found. This is:

The guideline life—if he uses a life equal to or longer than the guideline.

The life previously justified—where the taxpayer uses a below-guideline life which is equal to or longer than the life previously justified.

The life used in the preceding year—where the taxpayer wishes to establish a below-guideline life shorter than he has previously used.

The life used in the current year—where the taxpayer wishes to justify use of the life he has been using for half a cycle.

The life to which he has been lengthened—in all cases where an upward adjustment has been made.

The reserve ratio is then compared with the reserve ratio range selected from the reserve ratio table which is appropriate to the method of depreciation being used for the assets in that class, the rate of growth in the class and the test life for that class.

Upward adjustment in depreciable lives, where necessary, will be made in accordance with specified rules.

Where a depreciable life used by a taxpayer cannot be justified under any of the standards provided in this procedure, including the reserve ratio test and use of all pertinent facts and circumstances, the life will be lengthened in accordance with definite rules. However, the life will in no case be lengthened beyond the shortest life which can be justified by all the facts and circumstances. The adjusted life will be designed to reflect the taxpayer's current replacement practice for that class. Penalty rates will not be imposed to compensate for excess depreciation taken in the past.

The class life will be lengthened in accordance with the adjustment table provided with this procedure, and may be read directly from that table, where the life being lengthened is equal to or longer than the guideline or in other situations where the reserve ratio test is an appropriate measure of the conformity between depreciable life and replacement practice.

The class life will be lengthened to the shortest life previously justified, or to the guideline life if no shorter life has been previously justified, in cases where a below-guideline life was used and the reserve ratio test is inappropriate. In the unusual case where a below-guideline life has been adjusted but the taxpayer still fails to meet the reserve ratio test, even after adjustment, further adjustment may be made in accordance with the adjustment table.

Necessary lengthening of depreciable lives will be effective beginning only with the year in which the reserve ratio test is not met and the life cannot be justified on the basis of the facts and circumstances. The lives will not be lengthened for any earlier taxable year.

This procedure will be effective immediately but will not apply to depreciation allowances for taxable years for which returns were due to be filed before the date of publication of the procedure.

Examination of the depreciation claimed for earlier taxable years will be made under previously established practices. The new guideline lives set forth in this procedure will not be considered as evidence that these lives were the appropriate ones in previous years for a taxpayer who did not follow replacement practices consistent with the guidelines.

A taxpayer may, however, in certain circumstances resort to the reserve ratio table in this procedure to demonstrate that his replacement practice in past years supports the life claimed.

The new procedure, overall, will provide more realistic and more uniform treatment of depreciation. It will protect taxpayers from frequent adjustments in depreciation rates and will minimize needless controversy over the timing of the recovery of the cost of investment.

The experience under the new guideline lives, industry and asset classifications and administrative procedures will be watched carefully with a view to possible corrections and improvements. Periodic reexamination and revision will be essential to maintain tax depreciation treatment which is in keeping with modern industrial practices.

REVENUE PROCEDURE 62–21

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PART I. GUIDELINES FOR DEPRECIATION

Group 1. Guidelines for depreciable assets used by business in general

	Years
1. Office furniture, fixtures, machines, and equipment	10
Includes furniture and fixtures which are not a structural component of the building and machines and equipment used in the preparation of papers or data. Includes such assets as desks; files; safes; typewriters; accounting, calculating, and data processing machines; communications, duplicating, and copying equipment.	
2. Transportation equipment: Includes the following types of transportation equipment:	
(a) Aircraft (airframes and engines, except aircraft of air transport companies)	6
(b) Automobiles, including taxis	3
(c) Buses	9
(d) General-purpose trucks:	
Light (actual unloaded weight less than 13,000 pounds)	4
Heavy (actual unloaded weight 13,000 pounds or more)	6
2. Transportation equipment: Includes the following types of transportation equipment—Continued	
(e) Railroad cars (except cars of railroad companies)	15
(f) Tractor units (over-the-road)	4
(g) Trailers and trailer-mounted containers	6
(h) Vessels, barges, tugs, and similar water transportation equipment	18
3. Land improvements	20
Includes land improvements such as paved surfaces, sidewalks, canals, waterways, drainage facilities and sewers, wharves, bridges, all fences except farm fences, landscaping, shrubbery, and similar improvements. Includes agricultural land improvements not classified as soil and water conservation expenditures under the Internal Revenue Code of 1954.	
Excludes land improvements which are the major asset of a business, such as cemeteries or golf courses. The depreciable life of such land improvements shall be determined according to the particular facts and circumstances.	
Excludes land improvements of electric, gas, steam, and water utilities; telephone and telegraph companies; and pipeline, water, and rail carriers. (These improvements are covered under group 4.)	
4. Buildings:	
Includes the structural shell of the building and all integral parts thereof. Includes equipment which services normal heating, plumbing, air conditioning, fire prevention and power requirements, and equipment such as elevators and escalators.	
Excludes special-purpose structures which are an integral part of the production process and which, under normal practice, are replaced contemporaneously with the equipment which they house, support, or serve. Nonindustrial and general-purpose industrial buildings, such as warehouses, storage facilities, general factory buildings, and commercial buildings, are not special-purpose structures. Special-purpose structures shall be classified with the equipment which they house, support, or serve, and their depreciable lives determined by reference to the appropriate guidelines for the particular industries.	

Type of buildings:	Years
Apartments	40
Banks	50
Dwellings	45
Factories	45
Garages	45
Grain elevators	60
Hotels	40
Loft buildings	50
Machine shops	45
Office buildings	45
Stores	50
Theaters	40
Warehouses	60

Group 2. Guidelines for nonmanufacturing activities, excluding transportation, communications, and public utilities

In general, a single guideline class is specified for each industry included in this group. This single guideline class includes all depreciable property that is not covered by another guideline class. Thus, a single industry guideline class includes production machinery and equipment; special jigs, dies, molds, and similar equipment; powerplant machinery and equipment; special equipment; and special-purpose structures (as defined in guideline class 4 under group 1).

Where more than one guideline class is specified for a particular industry, each guideline class covers that portion of the total depreciable property appropriate to the class.

The guideline classes in this group exclude depreciable assets covered under group 1.

Years

1. Agriculture:

Includes commercial farms and ranches, agricultural and horticultural services and forestry enterprises. Excludes logging and sawmilling.

(a) Machinery and equipment---------- 10

Includes machinery and equipment used in the production of crops and livestock and in the onfarm processing of feeds. Includes fences, but excludes other land improvements.

(b) Animals:

Cattle, breeding or dairy---------- 7

Horses, breeding or work---------- 10

Hogs, breeding---------- 3

Sheep and goats, breeding---------- 5

Depreciable lives of animals not included in these guideline classes, such as race horses and fur-bearing animals, shall be determined according to the particular facts and circumstances.

(c) Trees and vines:

Includes trees and vines producing nuts, fruits, and citrus crops.

Due consideration shall be given in each producing region to the geographic, climatic, genetic, economic, and other factors which determine depreciable life.

(d) Farm buildings---------- 25

2. Contract construction:

Includes general building, special trade, heavy construction, and marine contractors.

(a) General contract construction---------- 5

Excludes assets used only in marine contract construction.

(b) Marine contract construction---------- 12

Includes assets used only in marine contract construction.

3. Fishing:

Includes the commercial catching or taking of fish and other aquatic animals and plants.

Due consideration shall be given in each segment of the industry and in each geographical location to the relevant economic, climatic, and other factors which determine depreciable life.

4. Logging and sawmilling:

Includes the cutting of timber and the sawing of dimensional stock from logs.

(a) Logging---------- 6

Includes logging machinery and equipment and roadbuilding equipment used by logging and sawmill operators on their own account.

(b) Sawmills---------- 10

Includes permanent or well-established sawmills.

Years

4. Logging and sawmilling—Continued

Includes the cutting of timber and the sawing of dimensional stock from logs—Continued

(c) Portable sawmills---------- 6

Includes sawmills characterized by temporary foundations, and a lack or minimum amount of lumber-handling, drying, and residue-disposal equipment and facilities.

5. Mining---------- 10

Includes the mining and quarrying of metallic and nonmetallic minerals and the milling, beneficiation and other primary preparation of such materials.

Excludes the extraction and refining of petroleum and natural gas and the smelting and refining of other minerals.

6. Recreation and amusement---------- 10

Includes recreation, entertainment and amusement establishments, such as bowling alleys, billiard and pool establishments, theaters, concert halls, and amusement parks.

Excludes facilities which consist primarily of specialized land improvements or structures, such as golf courses, swimming pools, tennis courts, sports stadiums and race tracks. The depreciable life of such facilities shall be determined according to the particular facts and circumstances.

7. Services---------- 10

Includes the providing of personal services such as those offered by hotels and motels, laundry and dry cleaning establishments, beauty and barber shops, photographic studios and mortuaries. Includes the providing of professional services such as those offered by doctors, dentists, lawyers, accountants, architects, engineers, and veterinarians. Includes the providing of repair and maintenance services.

8. Wholesale and retail trade---------- 10

Includes purchasing, selling and brokerage activities at both the wholesale and retail level and related assembling, sorting and grading of goods.

Group 3. Guidelines for manufacturing

In general, a single guideline class is specified for each manufacturing industry. This single guideline class includes all depreciable property that is not covered by another guideline class. Thus, a single industry guideline class includes production machinery and equipment; special jigs, dies, molds, and similar equipment; powerplant machinery and equipment; special equipment; and special-purpose structures (as defined in guideline class 4 under group 1).

Where more than one guideline class is specified for a particular industry, each guideline class covers that portion of the total depreciable property appropriate to the class.

The guideline classes in this group exclude depreciable assets covered under group 1.

Years

1. Aerospace industry---------- 8

Includes the manufacture of aircraft, spacecraft, rockets, missiles, and component parts.

2. Apparel and fabricated textile products---------- 9

Includes the manufacture of apparel, fur garments, and fabricated textile products except knitwear, knit products and rubber and leather apparel.

Years

3. Cement manufacture---------- 20

Includes the manufacture of cement.

Excludes the manufacture of concrete and concrete products.

4. Chemicals and allied products---------- 11

Includes the manufacture of basic chemicals such as acids, alkalis, salts, and organic and inorganic chemicals; chemical products to be used in further manufacture, such as synthetic fibers and plastics materials; and finished chemical products such as pharmaceuticals, cosmetics, soaps, fertilizers, paints and varnishes, explosives, and compressed and liquefied gases.

Excludes the manufacture of finished rubber and plastics products.

5. Electrical equipment:

(a) Electrical equipment---------- 12

Includes the manufacture of electric household appliances, electronic equipment, batteries, ignition systems, and machinery used in the generation and utilization of electrical energy.

(b) Electronic equipment---------- 8

Includes the manufacture of electronic communication, detection, guidance, control, radiation, computation, test and navigation equipment and components thereof.

Excludes manufacturers engaged only in the purchase and assembly of components. These manufacturers are included under guideline class 5(a).

Excludes manufacturers which, in addition to electronic equipment, also produce other equipment included under guideline class 5(a).

6. Fabricated metal products---------- 12

Includes the manufacture of fabricated metal products such as cans, tinware, hardware, metal structural products, stampings and a variety of metal and wire products.

7. Food and kindred products except grain and grain mill products, sugar and sugar products, and vegetable oil products---------- 12

Includes the manufacture of foods and beverages, such as meat and dairy products; baked goods; canned, frozen and preserved products; confectionery and related products; and soft drinks and alcoholic beverages.

Excludes the manufacture of grain and grain mill products, sugar and sugar products, and vegetable oils and vegetable oil products.

8. Glass and glass products---------- 14

Includes the manufacture of flat, blown or pressed glass products, such as plates, safety and window glass, glass containers, glassware and fiberglas.

Excludes the manufacture of lenses.

9. Grain and grain mill products---------- 17

Includes the manufacture of blended and prepared flours, cereals, feeds and other grain and grain mill products.

10. Knitwear and knit products---------- 9

Includes the manufacture of knitwear and knit products.

Years

11. Leather and leather products........ 11

Includes the manufacture of finished leather products, the tanning, currying, and finishing of hides and skins, and the processing of fur pelts.

12. Lumber, wood products, and furniture........ 10

Includes the manufacture of lumber, plywood, veneers, furniture, flooring, and other wood products.

Excludes logging and sawmilling and the manufacture of pulp and paper.

13. Machinery except electrical machinery, metalworking machinery, and transportation equipment........ 12

Includes the manufacture of machinery such as engines and turbines; farm machinery; construction and mining machinery; food products machinery; textile machinery; woodworking machinery; paper industries machinery; compressors; pumps; ball and roller bearings; blowers; industrial patterns; process furnaces and ovens; office machines; and service industry machines and equipment.

Excludes the manufacture of electrical machinery, metalworking machinery, and transportation equipment.

14. Metalworking machinery........ 12

Includes the manufacture of metal cutting and forming machines and associated jigs, dies, fixtures, and accessories.

15. Motor vehicles and parts........ 12

Includes the manufacture of automobiles, trucks, and buses and their component parts.

Excludes the manufacture of glass, tires, and stampings.

16. Paper and allied products:

(a) Pulp and paper........ 16

Includes the manufacture of pulp from wood, rags and other fibers and the manufacture of paper and paperboard from pulp.

Excludes paper finishing and conversion into cartons, bags, envelopes, and similar products.

(b) Paper finishing and converting........ 12

Includes paper finishing and conversion into cartons, bags, envelopes, and similar products.

17. Petroleum and natural gas:

(a) Drilling, geophysical, and field services........ 6

Includes the drilling of oil and gas wells on a contract, fee, or other basis and the provision of geophysical and other exploration services. Includes oil and gas field services, such as chemically treating, plugging, and abandoning wells and cementing or perforating well castings.

Excludes integrated petroleum and natural gas producers which perform these services for their own account.

(b) Exploration, drilling, and production........ 14

Includes the exploration, drilling, maintenance and production activities of petroleum and

Years

17. Petroleum and natural gas—Cont.

(b) Exploration, drilling, and production—Continued

natural gas producers. Includes gathering pipelines and related storage facilities of such producers.

Excludes gathering pipelines and related storage facilities of pipeline companies.

(c) Petroleum refining........ 16

Includes the distillation, fractionation, and catalytic cracking of crude petroleum into gasoline and its other components.

(d) Marketing........ 16

Includes the marketing of petroleum and petroleum products. Includes storage facilities and complete service stations.

Excludes petroleum and natural gas trunk pipelines and related storage facilities. Excludes natural gas distribution facilities.

18. Plastics products........ 11

Includes the manufacture of processed, fabricated, and finished plastics products.

Excludes the manufacture of basic plastics materials.

19. Primary metals.

Includes the smelting, reducing, refining and alloying of ferrous and nonferrous metals from ore, pig or scrap and the manufacture of castings, forgings and other basic ferrous and nonferrous metals products.

(a) Ferrous metals........ 18

(b) Nonferrous metals........ 14

20. Printing and publishing........ 11

Includes printing, publishing, lithographing and printing services such as bookbinding, typesetting, photoengraving, and electrotyping.

21. Professional, scientific, and controlling instruments; photographic and optical equipment; watches and clocks........ 12

Includes the manufacture of mechanical measuring, engineering, laboratory and scientific research instruments; optical instruments and lenses; surgical, medical and dental instruments and equipment; ophthalmic equipment; photographic equipment; and watches and clocks.

22. Railroad transportation equipment........ 12

Includes the building and rebuilding of railroad locomotives, railroad cars, and streetcars.

23. Rubber products........ 14

Includes the manufacture of finished rubber products and the recapping, retreading and rebuilding of tires.

24. Ship and boatbuilding........ 12

Includes the building, repairing and conversion of ships and boats.

25. Stone and clay products except cement........ 15

Includes the manufacture of structural clay products such as brick, tile and pipe; pottery and related products, such as vitreous-china, plumbing fixtures, earthenware and ceramic insulating materials; concrete; asphalt building materials; concrete, gypsum

Years

25. Stone and clay products except cement—Continued

and plaster products; cut and finished stone; and abrasive, asbestos and miscellaneous nonmetallic mineral products.

Excludes the manufacture of cement.

26. Sugar and sugar products........ 18

Includes the manufacture of raw sugar, sirup or finished sugar from sugarcane or sugarbeets.

27. Textile mill products:

(a) Textile mill products, excluding finishing and dyeing........ 14

Includes the manufacture of spun, woven or processed yarns and fabrics from natural or synthetic fibers.

Excludes finishing and dyeing.

(b) Finishing and dyeing........ 12

Includes textile finishing and dyeing.

28. Tobacco and tobacco products........ 15

Includes the manufacture of cigarettes, cigars, smoking and chewing tobacco and other tobacco products.

29. Vegetable oil products........ 18

Includes the manufacture of vegetable oils and vegetable oil products.

30. Other manufacturing........ 12

Includes the manufacture of products not covered by other guideline classes in group 3, such as the manufacture of fountain pens, and jewelry.

Excludes property used in the manufacture of products for which this guideline is clearly inappropriate. The depreciable life of such property shall be determined according to the particular facts and circumstances.

Group 4. Guidelines for transportation, communications and public utilities

Guideline classes specified for this group include depreciable assets other than those for which guideline classes are provided under group one. Special-purpose structures (as defined in guideline class 4 under group 1) are included in this group.

Where more than one guideline class is specified for a particular industry, each guideline class covers that portion of the total depreciable property appropriate to the class.

Years

1. Air transport........ 6

Includes the commercial and contract carrying of passengers and freight by air.

2. Central steam production and distribution........ 28

Includes the production and distribution of steam for sale.

3. Electric utilities:

Includes the production, transmission, and distribution of electricity for sale.

(a) Hydraulic production plant........ 50

(b) Nuclear production plant........ 20

(c) Steam production plant........ 28

(d) Transmission and distribution facilities........ 30

Each guideline class includes the related land improvements.

4. Gas utilities:

Includes the production, transmission, and distribution of natural and manufactured gas for sale.

(a) Distribution facilities........ 35

Years

4. Gas utilities—Continued:
    Includes the production, transmission, and distribution of natural and manufactured gas for sale—Continued
    (b) Manufactured gas production plant.............. 30
    (c) Natural gas production plant.............. 14
    (d) Trunk pipelines and related storage facilities.............. 22
        Each guideline class includes the related land improvements.
5. Motor transport, freight.............. 8
    Includes the commercial and contract carrying of freight by road. (Trucks, tractors and trailers are covered under guideline class 2 of group 1.)
6. Motor transport, passengers.............. 8
    Includes the urban and interurban commercial and contract carrying of passengers by road (automobiles, buses, and taxis are covered under guideline class 2 of group 1).
7. Pipeline transportation.............. 22
    Includes the private, commercial, and contract carrying of petroleum, gas, and other products by means of pipes and conveyors. Includes trunk pipelines and related storage facilities of integrated petroleum and natural gas producers.
8. Radio and television broadcasting.............. 6
    Includes commercial radio and television broadcasting.
9. Railroads:
    Includes the commercial and contract carrying of passengers and freight by rail.
    Excludes station and office buildings, floating equipment, storage warehouses, grain elevators, and other property classified in the following Interstate Commerce Commission road accounts: (16), (56), (21), (22) (included under group 1).
    Excludes property classified in Interstate Commerce Commission road accounts (8–12).
    Excludes transportation equipment (guideline class 2 of group 1).
    (a) Machinery and equipment.............. 14
        Includes property classified in the following Interstate Commerce Commission accounts:
        Road accounts: (26) Telegraph and telephone lines, (27) signals and interlockers, (37) roadway machines, (38) roadway small tools, (44) shop machinery. Equipment accounts: (51) Steam locomotives, (52) other locomotives, (53) freight-train cars, (54) passenger-train cars, (57) work equipment, (58) miscellaneous equipment.
    (b) Structures and similar improvements.............. 30
        Includes property classified in the following Interstate Commerce Commission road accounts: (6) Bridges, trestles, and culverts; (7) elevated structures; (13) fences, snowsheds, and signs; (17) roadway buildings; (18) water stations; (19) fuel stations; (20) shops and enginehouses; (31) power transmission

Years

9. Railroads—Continued
    (b) Structures and similar improvements—Continued
        systems; (35) miscellaneous structures; (39) public improvements construction.
    (c) Grading and other right-of-way improvements:
        Includes property classified in the following Interstate Commerce Commission Road accounts: (1) Engineering, (2½) other right-of-way expenditures, (3) grading, (5) tunnels and subways.
        To the extent that the asset is depreciable, the life shall be determined according to the particular facts and circumstances.
    (d) Wharves and docks.............. 20
        Includes Interstate Commerce Commisison road accounts (23) wharves and docks and (24) coal and ore wharves
    (e) Powerplant and equipment:
        Includes Interstate Commerce Commission road accounts (29) powerplant and (45) powerplant machinery.
        Electric generating equipment:
            Hydraulic.............. 50
            Steam.............. 28
            Nuclear.............. 20
        Steam, compressed air, and other powerplant and equipment 28
10. Telephone and telegraph communications:
    Includes the providing of commercial and contract telephonic and telegraphic communication services.
    Depreciable lives or depreciation rates established by the Federal Communications Commission and other governmental regulatory agencies are to be used in the computation of depreciation for tax purposes on all assets, including assets covered under group 1. Where depreciable lives or depreciation rates have not been established by any governmental regulatory agency, depreciable lives shall be determined according to the particular facts and circumstances.
11. Water transportation.............. 20
    Includes the commercial and contract carrying of freight and passengers by water. (Vessels, barges, tugs, and similar water transportation equipment are covered under guideline class 2 of group 1.)
12. Water utilities.............. 50
    Includes the gathering, treatment, and commercial distribution of water.

PART II. DESCRIPTION OF PROCEDURES TO BE FOLLOWED IN EXAMINING DEPRECIATION DEDUCTIONS

SECTION 1. In general.

Section 167 of the Internal Revenue Code of 1954 allows as a deduction in computing taxable income a reasonable allowance for depreciation of property used in a trade or business or of property held for the production of income. The purpose of the allowance is to permit taxpayers to recover through annual deductions the cost (or other basis) of the property over its useful economic life.

The determination of the useful economic life of an asset is a matter of judgment and estimate. For this reason, it is the policy of the Internal Revenue Service generally not to disturb depreciation deductions. Therefore, adjustments in the depreciation deduction should not be proposed unless there is a clear and convincing basis for a change. The procedures set forth herein are to be followed in determining whether there is a clear and convincing basis for a change.[1] These procedures are designed to provide taxpayers with a greater degree of certainty in determining the amount of their depreciation deductions and to provide greater uniformity in the audit of these deductions by the Internal Revenue Service.

These procedures will be used in connection with examinations of income tax returns the due date for the filing of which is on or after July 12, 1962 (without regard to extensions of time).[2] These procedures apply with respect to depreciation of assets acquired before the effective date of this revenue procedure as well as to depreciation of assets acquired after that date. However, any taxpayer has the option of having the depreciation claimed with respect to his various item or multiple-asset accounts examined individually under presently established procedures, without regard to this revenue procedure. Where this revenue procedure is not followed, the examination of depreciation will be made in accordance with the principles set forth in revenue rulings 90 and 91, C.B. 1953-1, 43, 44. However, bulletin F is withdrawn as a guide to examining officers for the determination of depreciable lives.

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[1] Since the prescribed guideline lives are expressed in terms of years, the procedures set forth herein cannot be applied to assets depreciated under the unit-of-production, machine-hour, or similar methods of depreciation. If any asset in a guideline class is depreciated under one of these methods, these procedures are not applicable to that guideline class. Whether depreciation claimed by the taxpayer with respect to that guideline class is reasonable will continue to be determined under Revenue Rulings 90 and 91, C.B. 1953–1, 43, 44. However, if a taxpayer using one of these methods changes to a useful-life method (expressed in terms of years) of computing depreciation for tax purposes in filing his income tax return for the first taxable year to which this revenue procedure applies or for the first taxable year ending on or after July 12, 1962, he will be deemed to have filed a timely application for consent to make such a change and such consent is hereby granted.

[2] This revenue procedure does not apply with respect to examinations of depreciation claimed for taxable years for which returns were due to be filed before July 12, 1962. The examination of depreciation claimed for such taxable years will be made in accordance with revenue rulings 90 and 91, C.B. 1953–1, 43, 44. Moreover, the guideline lives set forth in pt. I of this revenue procedure will not be regarded as evidence of the appropriate useful lives to be used where taxpayers did not follow retirement and replacement practices consistent with those lives during the years under examination. In general, any taxpayer will be permitted to use the reserve ratio table set forth in pt. III of this revenue procedure to demonstrate that his retirement and replacement practice supports the life used or a proposed change in the life used, provided that the circumstances are analogous to those set forth in sec. 3.02(a) or 3.03 (a) of pt. II of this revenue procedure. In this connection, however, the transition rule of section 5.03 of pt. II may not be used.

Where depreciation claimed in an income tax return is examined under this revenue procedure, the lives used by a taxpayer for his depreciable properties are first to be compared with the prescribed guideline lives set forth in part I of this revenue procedure. These guideline lives apply to broad classes of assets rather than to individual assets. Each of these broad classes is hereinafter referred to as a guideline class.

Initially, any taxpayer, will be allowed to use a class life for a guideline class which is at least as short as the guideline life for that class, even if a longer life has previously been used.

The comparison of the class lives used by the taxpayer with the guideline lives will be facilitated if the taxpayer's depreciation accounts correspond to the guideline classes. Any taxpayer who is depreciating his assets in item accounts, or in multiple-asset accounts which do not correspond to the guideline classes, may regroup his assets for tax purposes in depreciation accounts corresponding to the guideline classes, but he is not required to do so. Even if a taxpayer does not regroup his assets in accounts corresponding to the guideline classes, this revenue procedure may be applied by regrouping the assets annually, solely for the purpose of this revenue procedure.

Section 2 of this part sets forth the applicable rules where a taxpayer uses a class life equal to or longer than the guideline life and section 3 sets forth the applicable rules where a taxpayer uses a class life shorter than the guideline life. Section 4 sets forth the rules for determining the class life used by the taxpayer.

SEC. 2. Class life equal to or longer than the prescribed guideline life.

Where the class life used by a taxpayer is equal to or longer than the guideline life for a guideline class, the depreciation deduction claimed by the taxpayer for the assets in that class will not be disturbed if the taxpayer's retirement and replacement practices for that class hereafter are consistent with the class life being used. This consistency may be demonstrated either by the reserve ratio test set forth in section 5 of this part or by all the facts and circumstances.

The reserve ratio test is a technique for establishing objectively that the taxpayer's retirement and replacement practices for a guideline class are consistent with the class life he is using. If the test is met, the depreciation deduction for that class will not be disturbed.[3] In order to give taxpayers an opportunity where needed to conform their retirement and replacement practices with the class lives being used, the reserve ratio test will be considered to be met for the first 3 taxable years to which this revenue procedure applies. Any class life equal to or longer than the guideline life will not be questioned for such first 3 taxable years. Thereafter, if the test is not met, a taxpayer may by the use of presently established procedures demonstrate that his retirement and replacement practices are consistent with the class life being used.

SEC. 3. Class life shorter than the prescribed guideline life.

.01 In general: Where the class life used by a taxpayer is shorter than the prescribed guideline life for a guideline class, the depreciation deduction claimed by the taxpayer for the assets in that class will not be disturbed if the conditions of subsection .02, .03, .04, or .05 of this section are met. Subsection .02 sets forth the applicable rules where the class life used by the taxpayer for the taxable year under examination is shorter than the guideline life but equal to or longer than the class life used in the preceding taxable year. Subsection .03 sets forth the applicable rules where the class life used by the taxpayer for the taxable year under examination is shorter than the guideline life and also is shorter than the class life used in the preceding taxable year. Subsection .04 sets forth the applicable rules where the class life used by the taxpayer for the taxable year under examination is shorter than the guideline life and there were no assets in that guideline class in the preceding taxable year (as in the case of the first taxable year of a new taxpayer). Subsection .05 sets forth the applicable rules for taxable years subsequent to a year for which the class life was examined and accepted by the Internal Revenue Service.

.02 Class life equal to or longer than life used in preceding taxable year: Where the class life used by a taxpayer is shorter than the guideline life for a guideline class but is equal to or longer than the class life used by the taxpayer in the immediately preceding taxable year, the depreciation deduction claimed by the taxpayer for the assets in that class will not be disturbed if either paragraph (a) or (b) of this subsection applies.

(a) Class life justified by reference to its prior use: The depreciation deduction will not be disturbed if the taxpayer has used approximately the same class life for a period of years equal to at least one-half the class life used in the taxable year under examination, and the reserve ratio test set forth in section 5 of this part is met, thus demonstrating that the taxpayer's retirement and replacement practices are consistent with the class life used.[4]

(b) Class life justified by other factors: The depreciation deduction will not be disturbed if the class life used by the taxpayer is justified for the taxable year under examination on the basis of all the facts and circumstances (see subsec. .06 of this section).

.03 Class life shorter than life used in preceding year: Where the class life used by a taxpayer is shorter than the guideline life for a guideline class and is also shorter than the class life used by the taxpayer in the immediately preceding taxable year, the depreciation deduction claimed by the taxpayer will not be disturbed if either paragraph (a) or (b) of this subsection applies.

(a) Class life justified by prior retirement and replacement practices: The depreciation deduction will not be disturbed if the taxpayer's prior retirement and replacement practices indicate that such shorter class life is justified, as demonstrated by the following factors:

(1) the taxpayer's reserve ratio for the guideline class for the taxable year immediately preceding the taxable year under examination was below the lower limit of the appropriate reserve ratio range;[5] and

(2) the taxpayer has used approximately the same class life as the life used in such immediately preceding year for a period of years equal to at least one-half of the class life used in such preceding year; [6] and

(3) the shorter class life used in the taxable year under examination is not shorter than can be justified on the basis of the adjustment table for class lives.[7]

(b) Class life justified by other factors: The depreciation deduction will not be disturbed if the class life used by the taxpayer is justified for the taxable year under examination on the basis of all the facts and circumstances (see subsec. .06 of this section).

.04 Class life shorter than guideline life in the case of new taxpayer or new guideline class: Where the class life used by a taxpayer is shorter than the guideline life for a guideline class and there were no assets in that class in the immediately preceding taxable year (as, for example, in the case of the first taxable year of a new taxpayer), the depreciation deduction claimed by the taxpayer will not be disturbed if the class life used by the taxpayer is justified for the taxable year under examination on the basis of all the facts and circumstances (see subsec. .06 of this section).

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[3] In the context of this revenue procedure, not disturbing the depreciation deduction means not disturbing either the lives or salvage used by the taxpayer. Of course, the correct basis of assets must be used in computing the depreciation deduction. In addition, where the useful life of an individual asset must be used to determine eligibility for a special method of computing depreciation or for any other provision where eligibility depends on the useful life of the individual asset, such life must be determined for that purpose without regard to this revenue procedure. Examples of instances where the useful life of an individual asset must be so determined include (1) sec. 167(c) where the useful life of an asset must be 3 years or more to qualify for certain accelerated methods of depreciation, and (2) sec. 179 where the useful life of an asset must be 6 years or more to qualify for the additional first-year depreciation allowance. Moreover, the depreciation deduction claimed for an asset in the taxable year of its disposition may be governed by revenue ruling 62-92, I.R.B. 1962-26, 9.

[4] Because of the structure of the reserve ratio table, the fact that the reserve ratio test is met for a particular class life is not meaningful, for the purpose of justifying a class life shorter than the guideline life by reference to its prior use, unless that class life has been used for a substantial period of year. As to meeting the reserve ratio test where a class life has been used for a substantial period of years, the reserve ratio test will, because of the operation of the transition rule, be considered to be met for the first 3 taxable years to which this revenue procedure applies. See sec. 5.03(a) of this part.

[5] In some cases, the fact that the reserve ratio is below the lower limit is not meaningful in determining whether the use of a shorter class life is justified by the taxpayer's retirement and replacement practices. Since a new taxpayer or a taxpayer with a new guideline class of assets will necessarily have low reserve ratios, such fact is not meaningful until a guideline class has a history equal in years to the guideline life for that class. Similarly, this fact is not meaningful where the retirement or acquisition of assets in a guideline class produces a sudden and unusual decrease in a taxpayer's reserve ratio when compared with the reserve ratio for the immediately preceding taxable year. In these cases, the fact that a reserve ratio is below the lower limit cannot be used to justify a class life shorter than the guideline life. Whether the taxpayer's prior retirement and replacement practices for a guideline class justify the shorter class life used by the taxpayer must be determined on the basis of all the facts and circumstances.

[6] Because of the structure of the reserve ratio table, the fact that a taxpayer's reserve ratio is below the lower limit of the appropriate reserve ratio range for a particular class life is not meaningful, for the purpose of justifying a class life shorter than the guideline life by reference to prior retirement and replacement practices, unless that class life has been used for a substantial period of years.

[7] This table and the instructions for using it are set forth in sec. 3 of pt. III of this revenue procedure. If the taxpayer's reserve ratio for a guideline class is below the lower limit of the appropriate reserve ratio range, the adjustment table for class lives will indicate which shorter class life is consistent with the taxpayer's retirement and replacement practices. If the taxpayer uses an even shorter class life, it cannot be justified on the basis of the table, but must be justified on the basis of other facts and circumstances.

.05 Subsequent use of class life previously justified: Where the class life used by a taxpayer was examined by the Internal Revenue Service and was accepted by reason of subsection .02, .03, or .04 of this section, or where such class life was accepted on audit by the Internal Revenue Service under presently established procedures for examining depreciation (whether before or after the effective date of this revenue procedure), the depreciation deduction claimed by the taxpayer for the assets in that class in any subsequent taxable year based on that class life will not be disturbed if the taxpayer's retirement and replacement practices for that class are consistent with the class life being used. This consistency may be demonstrated either by the reserve ratio test set forth in section 5 of this part or by all the facts and circumstances.

The reserve ratio test is a technique for establishing objectively that the taxpayer's retirement and replacement practices for a guideline class are consistent with the class life he is using. If the test is met, the depreciation deduction for that class will not be disturbed.[8] In order to give taxpayers an opportunity where needed to conform their retirement and replacement practices with the class lives being used, the reserve ratio test will be considered to be met for the first 3 taxable years to which this revenue procedure applies. The previously justified class life will not be questioned during that period. Thereafter, if the test is not met, a taxpayer may by the use of presently established procedures demonstrate that his retirement and replacement practices are consistent with the class life being used.

.06 Facts and circumstances: Where a class life used by a taxpayer is shorter than the guideline life and has not been previously justified, a significant factor (except where the taxpayer is a regulated public utility) in determining whether the class life is justified for the taxable year under examination on the basis of all the facts and circumstances is the fact that the life used by the taxpayer in computing his depreciation deduction is the same as the life used in computing the depreciation shown on the taxpayer's books of account and financial statements.[9] Substantial weight should also be given to any other objective factors which indicate that the taxpayer intends to follow a more rapid retirement and replacement practice than is reflected in the guideline life and to whether the taxpayer has previously followed retirement and replacement practices consistent with lives previously used. Other situations in which the class life used by a taxpayer may be justified by the facts include situations (1) where there is an abnormally intensive use of assets, (2) where there are a number of assets in a guideline class which were not new when acquired by the taxpayer, (3) where there is extraordinary obsolescence which affects the particular taxpayer, and (4) where a guideline class of a particular taxpayer contains a disproportionate amount of relatively shortlived assets.

SEC. 4. Determining the class life used by the taxpayer.

.01 In general: For the purpose of comparing the class life used by a taxpayer with the guideline life for any guideline class, the class life is to be determined in accordance with the following rules:

.02 Taxpayer using guideline classes: If a taxpayer actually depreciates assets in a depreciation account corresponding to a guideline class, the class life is the same as the life used by the taxpayer in computing the depreciation allowance for that account. However, see subsection .04 of this section where salvage is a factor in computing depreciation for that account.

.03 Taxpayer not using guideline classes: If a taxpayer depreciates assets in item accounts or in multiple-asset accounts which do not correspond to the guideline classes, the assets will be regrouped (for the purpose of comparing the class life used by the taxpayer with the guideline life) in classes corresponding to the prescribed guideline classes. The class life used by the taxpayer for each class will then be determined by computing the weighted average of the lives used for the item or multiple-asset accounts coming within that guideline class.[10]

The weighted average of the lives used by the taxpayer for the assets falling within a guideline class is to be determined as follows (regardless of the method of depreciation used by the taxpayer): Compute the straight-line depreciation, based on the life used by the taxpayer with respect to each item account or multiple-asset account coming within the guideline class. Divide the total depreciation so computed into the total basis[11] of all the assets in such item or multiple-asset accounts to obtain the class life. See subsection .04 of this section where salvage is a factor in computing depreciation with respect to any assets in the guideline class.

.04 Salvage: In any case where salvage is a factor in computing the amount of depreciation claimed by a taxpayer with respect to a guideline class, the class life is determined by dividing the straight-line depreciation (computed by using the lives and salvage actually used by the taxpayer for all assets in the class) into the total basis (not reduced by salvage) of all assets in the class. For example, if the total basis of all assets in a guideline class is $1,000, and the taxpayer has used a life of 8 years for that class and has taken into account salvage of $200, he will be considered as using a class life of 10 years, since the annual straight-line depreciation based on the life and salvage used by the taxpayer for the assets in that class ($100) divided into the total basis of such assets ($1,000) is 10.

SEC. 5. Reserve ratio test

.01 In general: The reserve ratio test is an objective technique for establishing that the depreciation reserve for assets in a guideline class bears a reasonable relationship to the basis of those assets. In many cases, this test can be used to demonstrate that the retirement and replacement practices being followed by a taxpayer with respect to a guideline class are consistent with the class life being used. In cases where the test is not met, whether the taxpayer's retirement and replacement practices are consistent with the class life being used must be determined on the basis of all the facts and circumstances. Section 6 sets forth the rules for lengthening a class life where it cannot be justified by either the reserve ratio test or all the facts and circumstances.

Subsection .02 of this section sets forth the general rule for applying the reserve ratio test. Subsection .03 sets forth a transition rule. Because of the operation of the transition rule, the reserve ratio test will be considered met for the first three taxable years to which this revenue procedure applies.

Table 2 in part III of this revenue procedure sets forth the appropriate ratios of depreciation reserves to basis, taking into account the method of depreciation, the life, and the rate of growth for any particular guideline class. This table also prescribes upper and lower limits of acceptable ranges for reserve ratios. In addition, part III contains the rules for computing the taxpayer's reserve ratio for a guideline class and for selecting the appropriate reserve ratio range for that class from the reserve ratio table.

.02 General rule: Where the reserve ratio test is being used to demonstrate that a taxpayer's retirement and replacement practices with respect to a guideline class are consistent with the class life being used, the test will be met if the taxpayer's reserve ratio for that class does not exceed the upper limit of the appropriate reserve ratio range. Any taxpayer who has been retiring and replacing assets in a guideline class consistent with the life previously used and who continues to do so will not exceed the appropriate upper limit. Even if the taxpayer adopts a shorter class life after the publication of this revenue procedure, his reserve ratio will not exceed the appropriate upper limit, so long as his retirement and replacement practices are thereafter consistent with the shorter class life. In these situations, the taxpayer will satisfy the general rule for applying the reserve ratio test and the transition rule set forth in subsection .03 of this section will not be needed.

Where the taxpayer's reserve ratio for a guideline class does exceed the upper limit (and the transition rule does not apply), the taxpayer may, by the use of presently established procedures, resort to other factors to demonstrate that his retirement and replacement practices are consistent with the class life being used.[12]

.03 Transition rule: Where a taxpayer's retirement and replacement practices with respect to a guideline class have been inconsistent with the life previously used, the reserve ratio for that class may exceed the upper limit of the appropriate reserve ratio range and thus fail to meet the general rule for applying the reserve ratio test. If this occurs with respect to any one or more of the first 3 taxable years to which this revenue procedure applies, the following transition rule supersedes the general rule set forth in subsection .02 of this section:

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[8] See footnote 3.

[9] Where this factor is relied upon as a significant factor in justifying the class life being used, the life used by the taxpayer for tax purposes in succeeding years should continue to correspond to the life used in computing the depreciation shown on the books of account and financial statements if the taxpayer wishes to retain the benefits of the reserve ratio test under subsec. .05 of this section. If such lives do not correspond, the taxpayer may be required to justify the class life used in such succeeding taxable years on the basis of all the facts and circumstances pertaining to such years.

[10] If any multiple-asset account maintained by the taxpayer overlaps two or more of the prescribed guideline classes, the taxpayer should provide sufficient information to enable the weighted average of the lives for all the assets coming within each such guideline class to be computed with reasonable accuracy, considering the circumstances of the particular case.

[11] The term "basis" as used in this revenue procedure means cost or other basis, adjusted only as provided in sec. 1016(a)(1).

[12] In certain cases, the fact that the taxpayer's reserve ratio for a guideline class exceeds the upper limit of the appropriate reserve ratio range is not meaningful as an indication that the taxpayer's retirement and replacement practices are not consistent with the class life used. For example, the pattern of retirements and replacements of assets in a guideline class may produce wide fluctuations in a taxpayer's reserve ratio for that class whereby in some years the reserve ratio exceeds the upper limit of the appropriate reserve ratio range and in other years the reserve ratio falls below the lower limit of such range. Wide fluctuations of this nature in the reserve ratio may occur where a taxpayer's guideline class contains relatively few assets, most of which are retired at or about the same time. Immediately before the retirement of these assets, the reserve ratio would exceed the upper limit of the appropriate reserve ratio range; after their retirement, the reserve ratio would fall below the lower limit of such range.

(a) The reserve ratio test will be considered to be met for the first 3 taxable years to which this revenue procedure applies.

(b) The taxpayer will be given a period of years (commencing with the first year to which this revenue procedure applies) equal to the guideline life for that class to bring his reserve ratio within the upper limit of the appropriate reserve ratio range, provided the reserve ratio is moving toward the appropriate upper limit during this period. So long as the reserve ratio is moving toward this upper limit, the reserve ratio test will be considered to be met during this period.

(c) The reserve ratio will be considered as moving toward the appropriate upper limit so long as the amount by which the reserve ratio exceeds such upper limit for any taxable year during the period is lower than it was for any 1 of the 3 preceding taxable years.

If the reserve ratio for a guideline class has not come within the upper limit of the appropriate reserve ratio range by the close of the period described in paragraph (b) of this subsection, or if the reserve ratio is not moving toward such upper limit (within the meaning of par. (c) of his subsection) for any taxable year during this period after the first 3 taxable years, then the transition rule ceases to apply and the general rule set forth in subsection .02 of this section for the application of the reserve ratio test shall apply.

.04 Application of reserve ratio test in the case of a new taxpayer or a new guideline class: The guideline classes of a new taxpayer or a new guideline class of an existing taxpayer will necessarily have low reserve ratios for a period of years. Therefore, a new taxpayer or any taxpayer with a new guideline class will ordinarily be able to use the guideline life (or a shorter class life, if justified by all the facts and circumstances) for a replacement cycle, and, of course, thereafter if his retirement and replacement practices are consistent with the class life being used. If the taxpayer's reserve ratio for such a guideline class does exceed the upper limit of the appropriate reserve ration range during the first replacement cycle,[13] the taxpayer may, by the use of presently established procedures, resort to other factors to demonstrate that his retirement and replacement practices are consistent with the class life being used.

Sec. 6. Lengthening a class life which cannot be justified.

.01 In general: Where a class life used by a taxpayer cannot be justified under any of the rules set forth in this part, that life shall be lengthened in accordance with subsection .02 or .03 of this section.[14] However, a class life shall not be lengthened beyond the shortest life which can be justified for the guideline class under all the facts and circumstances for the taxable year under examination.[15] See subsection .04 of this section for rules relating to the taxable year in which a class life is to be lengthened.

.02 Lengthening a class life which is equal to or longer than the guideline life: Where a class life used by a taxpayer is equal to or longer than the guideline life for a guideline class, and the taxpayer's retirement and replacement practices are not consistent with the class life used, the class life shall be lengthened in accordance with the adjustment taxable for class lives.[16] This table and the instructions for its use are set forth in section 3 of part III of this revenue procedure.

.03 Lengthening a class life which is shorter than the guideline life: Where a class life used by a taxpayer is shorter than the guideline life for a guideline class and is not justified under any of the rules set forth in this part, the class life shall be lengthened as follows:

(a) In any case where the reserve ratio test may be used as a technique for demonstrating that the taxpayer's retirement and replacement practices are consistent with the class life used, and the consistency cannot be demonstrated either by the reserve ratio test or by all the facts and circumstances, the class life shall be lengthened in accordance with the adjustment table for class lives.[16]

(b) In any other case, the class life shall be lengthened to the shortest life previously justified for that guideline class, or to the guideline life if no shorter life has been previously justified.[17]

.04 Year in which class life is to be lengthened: If a class life is lengthened under subsec. .02 or .03(a) of this section, it shall be lengthened only for a taxable year for which (1) the reserve ratio test is not met (under the general rule or the transition rule for applying the test), and (2) the class life used cannot be justified on the basis of all the facts and circumstances. The class life shall not be lengthened for any earlier taxable years. If a class life is lengthened under subsection .03(b) of this section, it shall be lengthened only for a taxable year for which the class life used cannot be justified on the basis of all the facts and circumstances.

PART III. THE RESERVE RATIO TABLE AND THE ADJUSTMENT TABLE FOR CLASS LIVES AND INSTRUCTIONS FOR THEIR USE

Section 1. In general.

Part II of this revenue procedure utilizes a reserve ratio test in a number of instances. A reserve ratio is the ratio of the depreciation reserves for the assets in any guideline class to the basis[18] of those assets. The reserve ratio test is an objective technique which can be used to demonstrate that the retirement and replacement practices being followed by a taxpayer with respect to a guideline class are consistent with the class life being used. A taxpayer's reserve ratio also can be used to show that he is entitled to use a shorter class life than he has used in the past.

The reserve ratio test is made by comparing a taxpayer's reserve ratio for a guideline class with an appropriate reserve ratio range. Table 2 (reserve ratio table) is used to select the appropriate reserve ratio range. Table 3 (adjustment table for class lives) is used to determine an adjustment in the class life used by a taxpayer where an adjustment based on the table is indicated under part II of this revenue procedure.

Sec. 2. Instructions for applying the reserve ratio table.

The following rules are to be used in applying the reserve ratio table:

.01. Computation of taxpayer's reserve ratio: The first step in applying the reserve ratio table is to compute the taxpayer's reserve ratio for a guideline class. The reserve ratio is computed by dividing the total depreciation reserves for all the assets in that class (at the close of the taxable year) by the total basis of all those assets (at the close of that year).[19] For this purpose, however, if any portion of the basis of any asset in a guideline class is subject to amortization under section 168 or 169 of the 1954 code (or corresponding provisions of prior law) or is recovered by means of the additional first-year depreciation allowance provided by section 179 of the 1954 code, that portion shall be excluded from the total basis of all the assets in the class and any amortization or depreciation deducted with respect to that portion shall be excluded from the total depreciation reserves for the class.

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[13] Since the depreciation reserve for a new guideline class of a new or existing taxpayer is initially zero, it is unlikely that the reserve ratio will exceed the appropriate upper limit during the first replacement cycle. If this does occur, it will presumably occur toward the end of the cycle. Whether the fact that the upper limit is exceeded is meaningful depends on the facts and circumstances. See footnote 12.

[14] If the assets in a guideline class are depreciated in a number of item or multiple-asset accounts, the lives used by the taxpayer for such accounts should be lengthened so that the weighted average of such lives is equal to the lengthened class life.

[15] Where the class life is lengthened to the shortest life that can be justified on the basis of all the facts and circumstances, the lengthened class life may be used by the taxpayer in subsequent taxable years if the taxpayer's retirement and replacement practices thereafter are consistent with the use of that class life.

[16] In any case where the reserve ratio test may be used as a technique for demonstrating that the taxpayer's retirement and replacement practices are consistent with the class life used, and such consistency cannot be demonstrated either by the reserve ratio test or by all the facts and circumstances, the adjustment table for class lives provides a technique for determining objectively the class life which is consistent with the taxpayer's practices. If a class life used by the taxpayer is lengthened to a life longer than the guideline life, the class life may not be shortened subsequently until such time as (1) the reserve ratio decreases to a point within the upper limit of the reserve ratio range for the lengthened class life, or (2) a shorter life is justified by reason of other facts and circumstances. Furthermore, the lengthened class life may not be lengthened subsequently unless the amount by which the reserve ratio exceeds the upper limit of the appropriate reserve ratio range continues to increase for a period of at least 3 years, after which that life may be lengthened on the basis of all the facts and circumstances.

[17] Since the reserve ratio test is not available as a technique for justifying the class life used in cases to which subsec. .03(b) of this section applies, the initial adjustment to the class life used must be made without regard to the adjustment table for class lives. However, where the class life used by a taxpayer is lengthened under subsec. .03(b) of this section, the lengthened life shall be considered the class life used by the taxpayer for the purpose of applying the reserve ratio test. Normally, this test would be met. Thus, there would be no further adjustment to the class life, and that life may be used by the taxpayer in subsequent taxable years if his retirement and replacement practice thereafter are consistent with the use of that class life. However, if the test is not met and consistency cannot be demonstrated by all the facts and circumstances, the class life may be further lengthened under subsec. .02 or .03(a) of this section for the same taxable year for which the class life was lengthened under subsec. .03(b) of this section.

[18] The term "basis" as used in this revenue procedure means cost or other basis, adjusted only as provided in sec. 1016(a)(1).

[19] If the basis and depreciation reserve attributable to any asset in a guideline class have been removed from the asset and reserve accounts but the asset is still being used in the taxpayer's trade or business, that basis and depreciation reserve are to be taken into account in computing the taxpayer's reserve ratio for the class. If any multiple-asset account maintained by the taxpayer overlaps two or more guideline classes, the taxpayer should provide sufficient information to enable the portion of the depreciation reserve for that account which is attributable to assets falling within each guideline class to be determined with reasonable accuracy, considering the circumstances of the particular case.

.02 Selecting the appropriate reserve ratio range: The second step in applying the reserve ratio table is to select the appropriate reserve ratio range from the table. To identify the appropriate reserve ratio range for a guideline class, it is necessary to know (a) the method of depreciation being used for the assets in the guideline class, (b) the test life for the class, and (c) the rate of growth for the class.

(a) Method of depreciation: The method of depreciation used for the assets in a guideline class means the method actually used by the taxpayer in computing depreciation for tax purposes with respect to those assets, such as the straight-line method, the double-declining balance method, the 150-percent declining balance method, or the sum-of-the-years digits method. See subsection .03 of this section where a taxpayer uses more than one method of depreciation with respect to assets falling within a single guideline class.

(b) Determining the test life. The test life [20] for a guideline class is to be determined under the following rules:

(1) Class life equal to or longer than the guideline life: Where the class life used by a taxpayer is equal to or longer than the guideline life for a guideline class, the test life is the guideline life for that class, unless subparagraph (4) of this paragraph applies.

(2) Class life equal to or longer than life previously justified: Where the class life used by a taxpayer is equal to or longer than the life justified for a guideline class in a preceding taxable year under section 3.02, 3.03, or 3.04 of part II of this revenue procedure or under presently established procedures, the test life is the previously justified life, unless subparagraph (4) of this paragraph applies.

(3) Class life not previously justified: Where the class life used by a taxpayer is shorter than the guideline life for a guideline class and has not previously been justified—

(A) for purposes of section 3.02(a) of part II of this revenue procedure (class life justified by reference to its prior use), the test life is the class life used in the taxable year under examination;

(B) for purposes of section 3.03(a) of part II of this revenue procedure (class life justified by prior retirement and replacement practices), the test life is the class life used for the taxable year immediately preceding the taxable year under examination.

(4) Lengthened class life: Where the class life used by a taxpayer has been lengthened under section 6 of part II of this revenue procedure, the test life is the life to which the class life was lengthened.

(c) Determining the rate of growth [21] for a guideline class: The rate of growth for a guideline class may be determined from the rate of growth conversion table (table 1). To use that table, it is necessary to know (1) the asset ratio for the guideline class, and (2) the class life period for that class.

(1) The asset ratio: The asset ratio for a guideline class is computed by dividing the total basis of all the assets in the class at the close of the taxable year for which the rate of growth is being determined (referred to hereinafter as the growth rate year) by the total basis of all the assets in the class at the close of the taxable year ending one class life period earlier (referred to hereinafter as the base year).[22]

(2) The class life period: The class life period for a guideline class is a period of years equal to the class life used by the taxpayer for the class for the growth rate year.[23] Thus, if the class life used by the taxpayer for a guideline class for the growth rate year is 10 years, the class life period for that class is 10 years and the base year is the 10th taxable year preceding the growth rate year. However, see subparagraph (3) if the base year falls before the first taxable year to which this revenue procedure applies.

(3) Substitute class life period: To compute the asset ratio for a guideline class, it is necessary to know the total basis of the assets in that class at the close of both the base year and the growth rate year. Records adequate for this purpose may not be available for some taxable years preceding the date of publication of this revenue procedure. Therefore, if a base year with respect to a guideline class is a taxable year for which the income tax return was due to be filed before July 12, 1962, and the taxpayer does not have sufficient information to determine the total basis of the assets in that class at the close of that taxable year, then the earliest taxable year for which sufficient information is available may be used as the base year provided that (1) such substitute base year is not later than the first taxable year to which this revenue procedure applies, and (2) there are at least 2 taxable years intervening between such year and the growth rate year.[24] In this case, the period of years between the close of the substitute base year and the close of the growth rate year shall be considered as the class life period for the purpose of applying the rate of growth conversion table.

(d) Selecting the appropriate reserve ratio range: After the test life and the rate of growth have been determined for a guideline class, the appropriate reserve ratio range for that class is to be selected from the reserve ratio table, using (1) the method of depreciation used by the taxpayer for the class, (2) the test life set forth in the table which is closest to the test life determined for the class, and (3) the rate of growth for the class. The reserve ratio range so determined will consist of an appropriate reserve ratio, and upper and lower limits of a range for acceptable reserve ratios.

.03 Special rule where different methods of depreciation are used for assets falling within a single guideline class: If a taxpayer uses two or more different methods of depreciation with respect to assets falling within a guideline class, the appropriate reserve ratio range for that class is the weighted average of the separate reserve ratio ranges determined for the different methods of depreciation. The separate reserve ratio range for each method of depreciation is determined in accordance with subsection .02 of this section, using the test life and rate of growth for the entire guideline class in connection with each method.

(a) The upper limit: The upper limit of the weighted average of these separate ranges is computed as follows:

(1) multiply the upper limit of each separate reserve ratio range determined for a separate method of depreciation by a fraction, the numerator of which is the total basis of the assets in the guideline class as to which that method of depreciation was used and the denominator of which is the total basis of all the assets in that class; and

(2) total the resulting figures.

(b) The lower limit: The lower limit of the weighted average of these separate ranges is computed in like manner.

SEC. 3. Instructions for applying adjustment table for class lives.

.01 In general: Where the rules contained in part II of this revenue procedure indicate that a shorter class life used by a taxpayer may be justified by reference to the adjustment table for class lives, or that a class life used by a taxpayer should be lengthened in accordance with that table, the appropriate class life is to be determined from table 3.

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[20] The class life used by a taxpayer may vary from year to year. If there are variations, the representative class life for applying the reserve ratio table would be the average class life used by the taxpayer over a period of years. To avoid any difficulties that may be encountered in computing this average, par. (b) of this subsection provides test lives which should be used in various situations to select the appropriate reserve ratio range. Generally, the suggested test life is slightly more favorable to the taxpayer than an average of class lives used over a period of years. However, if a taxpayer is using the sum-of-the-years digits method of depreciation, an average of class lives may in certain instances be more favorable than the suggested test life. A taxpayer therefore has the option of using an average of the class lives used for a guideline class for the 3 taxable years preceding the taxable year under examination in lieu of the otherwise prescribed test life.

[21] Technically, the rate of growth for a guideline class is the average annual compounded percentage increase in the total basis of the assets in the class measured from the close of a base year to the close of the growth rate year.

[22] If a taxpayer does not maintain sufficient records to enable the rate of growth to be computed for a guideline class, the reserve ratio test cannot be applied. Consequently, whether the taxpayer's retirement and replacement practices are consistent with the class life being used would have to be determined on the basis of all the facts and circumstances.

[23] Where a taxpayer's guideline class has a history equal in years to less than the class life period (as, for example, in the case of a new taxpayer), the class life period will be considered to be the period of years between the close of the first taxable year of the guideline class and the close of the growth rate year, provided that there are at least 2 taxable years intervening between the first year and the growth rate year. Since a rate of growth cannot be computed for the first 3 taxable years of a taxpayer's guideline class, the reserve ratio test will be considered to be met during that period.

[24] Since the reserve ratio test is considered to be met for the first 3 taxable years to which this revenue procedure applies, it will generally not be necessary to compute the rate of growth during this period. However, if a taxpayer's reserve ratio for a guideline class exceeds the upper limit of the appropriate reserve ratio range in the fourth taxable year to which this revenue procedure applies, it will be necessary to determine the rate growth for that class for the three preceding taxable years in order to apply the transition rule set forth in section 5.03 of pt. II. These determinations unavoidably require information respecting base years before the effective date of this revenue procedure. If a taxpayer does not have sufficient information to determine rates of growth for these 3 preceding taxable years, the appropriate reserve ratio range for these taxable years will be considered to be the same as the appropriate range for the fourth taxable year to which this revenue procedure applies. In one situation, it will be necessary to compute the rate of growth for one of the first 3 taxable years to which this revenue procedure applies. This is where a taxpayer is seeking to justify a class life shorter than the guideline life under sec. 3.03(a) of pt. II of this revenue procedure for one of those taxable years.

.02 Using adjustment table to justify shorter class life: Where a shorter class life than used in preceding taxable years is to be justified on the basis of the adjustment table for class lives (see sec. 3.03(a) of pt. II of this revenue procedure), the shortest class life that can be so justified may be found in the second column in the table, opposite the class life used by the taxpayer for the year immediately preceding the taxable year under examination.

.03 Using adjustment table to lengthen a class life: Where a class life used by a taxpayer is to be lengthened under section 6.02 or 6.03(a) of part II of this revenue procedure, the class life to which the life used by the taxpayer should be lengthened may be found in the fourth column in the adjustment table for class lives, opposite the appropriate 3-year average class life. The 3-year average class life is determined by adding the class lives used by the taxpayer for the taxable year under examination and the 2 preceding taxable years and dividing the resulting total by 3.[35]

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[35] Since the class life used by a taxpayer for a guideline class may vary from year to year, a 3-year average is used to insure that the life used in applying the adjustment table is representative.

TABLE 1.—*Illustrative rate of growth conversion table* [1]

[In the appropriate class life period column, find the figure which most closely approximates the asset ratio. The corresponding rate of growth will appear in the marginal columns]

Rates of growth (percent)	Class life period 3	4	5	6	8	10	12	14	16	18	20	Rates of growth (percent)	Rates of growth (percent)	Class life period 3	4	5	6	8	10	12	14	16	18	20	Rates of growth (percent)
−4	.88	.85	82	.78	.72	.66	.61	.56	.52	.48	.44	−4	2	1.06	1.08	1.10	1.13	1.17	1.22	1.27	1.32	1.37	1.43	1.49	2
−2	.94	.92	.90	.89	.85	.82	.78	.75	.72	.70	.67	−2	4	1.12	1.17	1.22	1.26	1.37	1.48	1.60	1.73	1.87	2.03	2.19	4
−1	.97	.96	.95	.94	.92	.90	.89	.87	.85	.84	.82	−1	6	1.19	1.26	1.34	1.42	1.59	1.79	2.01	2.26	2.54	2.85	3.21	6
0	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0	8	1.26	1.36	1.47	1.59	1.85	2.16	2.52	2.94	3.43	4.00	4.66	8
1	1.03	1.04	1.05	1.06	1.08	1.10	1.13	1.15	1.17	1.20	1.22	1	10	1.33	1.46	1.61	1.77	2.14	2.59	3.14	3.80	4.60	5.56	6.73	10

[1] More detailed tabulations for determining rates of growth are available on order from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

NOTE.—Technically, the rate of growth for a guideline class is the average annual compounded percentage increase in the total basis of the assets from the close of a base year to the close of the growth rate year.

TABLE 2.—*Illustrative reserve ratio tables* [1]

SEC. I: STRAIGHT-LINE METHOD OF DEMARCATION

Test life	Rate of growth (percent) −4	−2	−1	0	1	2	4	6	8	10	Test life
3	51 46-59	50 45-58	50 45-58	50 45-58	50 45-57	50 45-57	49 44-56	49 44-56	48 44-55	48 43-55	3
4	51 46-60	51 46-59	50 45-59	50 45-58	50 45-58	49 45-57	49 44-56	48 44-56	48 43-55	47 43-54	4
5	52 46-61	51 46-59	50 45-59	50 45-58	50 45-58	49 44-57	48 44-56	48 43-55	47 43-54	46 42-53	5
6	52 47-61	51 46-60	51 45-59	50 45-58	50 45-58	49 44-57	48 44-56	47 43-54	46 42-53	45 41-52	6
8	53 47-62	51 46-60	51 46-59	50 45-58	49 45-57	49 44-57	47 43-55	46 42-53	45 41-52	44 40-50	8
10	53 48-63	52 46-61	51 46-59	50 45-58	49 44-57	48 44-56	47 42-54	45 41-52	44 40-50	42 39-48	10
12	54 48-63	52 47-61	51 46-60	50 45-58	49 44-57	48 43-56	46 42-53	44 40-51	43 39-48	41 37-46	12
14	55 49-65	52 47-61	51 46-60	50 45-58	49 44-57	48 43-55	46 41-52	43 40-49	41 38-47	39 36-44	14
16	55 49-65	53 47-62	51 46-60	50 45-58	49 44-57	47 43-55	45 41-51	42 39-48	40 37-45	38 35-42	16
18	56 50-66	53 47-62	52 46-60	50 45-58	49 44-56	47 43-54	44 40-51	41 38-47	39 36-43	36 34-40	18
20	57 50-67	53 48-63	52 46-61	50 45-58	48 44-56	47 42-54	44 40-50	41 37-46	38 35-42	35 33-38	20

SEC. II: DOUBLE-DECLINING BALANCE METHOD OF DEPRECIATION

Test life	Rate of growth (percent) −4	−2	−1	0	1	2	4	6	8	10	Test life
3	69 65-73	68 65-73	68 64-73	68 64-72	68 64-72	68 64-72	67 64-71	67 63-71	66 63-71	66 63-70	3
4	66 62-71	65 62-70	65 62-70	65 61-70	65 61-69	64 61-69	64 61-68	63 60-68	63 60-67	62 59-67	4
5	65 61-70	64 60-69	64 60-69	63 60-68	63 60-68	62 59-67	62 59-67	61 58-66	61 58-65	60 57-64	5
6	64 60-69	63 59-68	62 59-68	62 59-67	62 58-67	61 58-66	60 57-65	60 57-64	59 56-63	58 55-62	6
8	63 59-68	62 58-67	61 58-67	61 58-66	60 57-65	60 57-65	59 56-63	57 55-62	56 54-61	55 53-59	8
10	63 59-68	61 58-67	61 57-66	60 57-65	59 56-64	59 56-63	57 54-62	56 53-60	55 52-59	53 51-57	10
12	63 59-69	61 58-67	60 57-66	59 56-65	59 55-64	58 55-63	56 53-61	55 52-59	53 51-57	51 49-55	12
14	63 59-69	61 58-67	60 57-65	59 56-64	58 55-63	57 54-62	55 53-60	53 51-57	51 49-55	50 47-53	14
16	63 59-69	61 58-67	60 57-65	59 56-64	58 55-63	57 54-61	54 52-59	52 50-56	50 48-54	48 46-51	16
18	63 60-70	61 58-67	60 56-65	58 55-64	57 54-62	56 53-61	54 51-58	51 49-55	49 47-52	47 45-49	18
20	64 60-70	61 58-67	60 56-65	58 55-64	57 54-62	56 53-60	53 50-57	50 48-54	48 46-51	45 44-48	20

See footnotes at end of table.

TABLE 2.—*Illustrative reserve ratio tables* [1]—Continued

SEC. III: SUM-OF-THE-YEARS DIGITS METHOD OF DEPRECIATION

Test life	Rate of growth (percent) −4	−2	−1	0	1	2	4	6	8	10	Test life
3	62 57–68	62 57–68	61 57–67	61 57–67	61 56–67	61 56–66	60 56–66	60 55–65	59 55–65	59 55–64	3
4	64 59–70	63 59–69	63 58–69	63 58–69	62 58–68	62 58–68	61 57–67	61 57–66	60 56–66	60 56–65	4
5	65 61–71	64 60–70	64 60–70	63 59–69	63 59–69	63 58–69	62 58–68	61 57–67	60 56–66	60 56–65	5
6	66 62–72	65 61–71	64 60–70	64 60–70	63 59–69	63 59–69	62 58–68	61 57–66	60 57–65	59 56–64	6
8	67 63–74	66 62–72	65 61–71	65 61–70	64 60–70	63 60–69	62 58–67	61 57–66	60 56–64	58 55–63	8
10	68 64–75	67 63–73	66 62–72	65 61–71	64 61–70	63 60–69	62 58–67	60 57–65	59 56–63	57 54–61	10
12	69 65–76	67 63–73	66 62–72	65 62–71	64 61–70	63 60–69	61 58–66	59 56–64	58 55–62	56 53–60	12
14	70 66–77	68 64–74	67 63–72	66 62–71	64 61–70	63 60–69	61 58–66	59 56–63	56 54–60	54 52–58	14
16	71 67–77	68 64–74	67 63–73	66 62–71	64 61–70	63 60–68	60 57–65	58 55–62	55 53–59	53 51–56	16
18	72 67–78	69 65–75	67 63–73	66 62–71	64 61–70	63 59–68	60 57–64	57 54–61	54 52–58	51 49–54	18
20	72 68–79	69 65–75	68 64–74	66 62–72	64 61–70	62 59–68	59 56–64	56 53–60	53 51–56	50 48–53	20

SEC. IV: 150-PERCENT DECLINING BALANCE METHOD OF DEPRECIATION

Test life	−4	−2	−1	0	1	2	4	6	8	10	Test life
3	57 53–62	57 53–62	56 53–62	56 52–61	56 52–61	56 52–61	56 52–60	55 52–59	55 51–60	54 51–59	3
4	55 52–61	55 51–60	54 51–60	54 51–60	54 50–59	54 50–59	53 50–58	53 49–58	52 49–57	52 48–56	4
5	54 51–60	54 50–59	53 50–59	53 50–58	52 49–58	52 49–58	52 48–57	51 48–56	50 47–55	50 47–54	5
6	54 50–55	53 49–54	52 49–53	52 49–53	52 48–53	51 48–52	50 47–51	50 47–51	49 46–50	48 46–49	6
8	53 49–59	52 49–58	52 48–57	51 48–56	50 48–56	50 47–55	49 46–54	48 45–53	47 44–51	46 44–50	8
10	53 50–59	52 48–58	51 48–57	50 47–56	50 47–55	49 46–54	48 45–53	46 44–51	46 43–50	44 42–48	10
12	53 50–59	52 48–58	51 48–56	50 47–56	49 46–55	49 46–54	47 44–52	46 43–50	44 42–48	42 41–46	12
14	53 50–60	52 48–58	51 47–56	50 47–55	49 46–54	48 45–53	46 44–51	45 42–49	43 41–47	41 39–44	14
16	54 50–60	52 48–58	51 47–56	50 46–55	49 46–54	48 45–52	46 43–50	44 41–48	42 40–45	40 38–43	16
18	54 50–60	52 48–58	51 47–56	50 46–55	48 45–54	47 44–52	45 42–49	43 41–46	41 39–44	39 37–41	18
20	54 51–61	52 48–58	51 47–56	49 46–55	48 45–53	47 44–52	44 42–48	42 40–45	40 38–43	37 36–40	20

[1] More detailed tabulations of reserve ratio ranges for additional rates of growth and additional test lives are available on order from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

NOTE.—The ratio shown in the first row opposite each test life is the theoretically appropriate reserve ratio for a stabilized account growing at the indicated rate. This reserve ratio is calculated on the assumption that no asset is used for a period shorter or longer than the test life.

The range shown below each theoretical reserve ratio indicates the lower and upper limits of acceptable reserve ratios. The upper limit of the reserve ratio range is that reserve ratio which would result if all assets were held for a period 20 percent longer than the test life. The lower limit of the reserve ratio range is the ratio which would result if all assets were held for a period 10 percent shorter than the test life. The ratios shown are rounded to the nearest percent and will depart from mathematically calculated values to that extent.

TABLE 3.—*Illustrative adjustment table for class lives* [1]

Justifying a shorter class life by low reserve ratio [2]		Lengthening the class life in cases where reserve ratio test is not met [3]	
Class life used in the preceding taxable year	Appropriate class life	3-year average class life	Appropriate class life
3	2.5	3	4.0
4	3.5	4	5.0
5	4.0	5	6.5
6	5.0	6	7.5
8	7.0	8	10.0
10	8.5	10	12.5
12	10.0	12	15.0
14	12.0	14	17.5
16	13.5	16	20.0
18	15.5	18	22.5
20	17.0	20	25.0

[1] More detailed tabulations of adjustments for class lives for additional class lives are available on order from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

[2] See sec. 3.03(a) of pt. II of this revenue procedure.

[3] See sec. 6.02 and sec. 6.03(a) of pt. II of this revenue procedure.

QUESTIONS AND ANSWERS

GENERAL APPROACH

1. Question. Do the new guideline lives represent a liberalization of the depreciable lives contained in bulletin F or of the depreciable lives actually used at present?

Answer. Both. Because the guideline lives pertain to large classes of assets rather than to individual items, it is possible in prescribing these guideline lives to take into account technological changes and other economic factors which affect the useful life of assets to a greater extent than was possible in prescribing the lives contained in bulletin F. Similarly, because it is difficult for any taxpayer to show the effect of technological change, etc., on the life of an individual asset, the guideline lives will permit a shortening of depreciable lives actually used at present.

Thus, the new guidelines are substantially shorter than the bulletin F lives, and, for most taxpayers, are shorter than the lives presently being used.

2. Question. Won't these new guideline lives soon become out of date as is the case with the present bulletin F?

Answer. It is expected that these new guideline lives will be reviewed periodically to insure that they keep pace with technological developments and other factors which result in property becoming obsolete at a faster rate than expected. The guidelines will be easier to keep up to date than bulletin F because they deal with broad classes of assets rather than with thousands of individual items.

3. Question. At present, depreciation is based on the useful life of property in the taxpayer's own trade or business. How does this depreciation reform affect this approach?

Answer. The depreciation reform retains this approach. Every taxpayer should continue to base his depreciable lives on his own best estimate of the period of their use in his trade or business. The new reform provides guideline lives, based on analyses of statistical data and engineering studies and assessments of current and prospective technological advances, for each industry in the United States. The guidelines which have been developed are felt to provide reasonable standards for taxpayers in the various industries and if used will be presumed to be acceptable unless subsequent events show that they are not appropriate for a particular taxpayer's circumstances. Of course, to no extent do the new guidelines foreclose a taxpayer from using even shorter depreciable lives if his particular retirement and replacement practices are more progressive than those of the industry of which he is a part. Thus, under the depreciation reform, depreciation continues to be based on the concept of useful life of property to the taxpayer. However, wider latitude is provided for the taxpayer in making his own best estimate of useful life, and objective standards are provided wherever possible for determining when the taxpayer's estimate should not be disturbed.

4. Question. If this depreciation reform does not alter the useful-life approach to

depreciation, how does it provide for shorter lives and elimination of controversy?

Answer. The depreciation reform provides for shorter lives first by providing new up-to-date guideline lives for classes of assets in lieu of the average lives for individual assets set forth in bulletin F, and second by placing greater emphasis on the economic life of property to the taxpayer rather than its physical life. The reform will eliminate controversy by giving greater leeway to taxpayers in estimating lives, by making adjustments by examiners largely dependent on objective standards rather than individual judgments, and by the use of guidelines for broad classes of assets rather than myriads of individual items.

5. Question. Will this depreciation reform help only the taxpayer who has lagged in his replacement practices or will it also help the taxpayer who has been following progressive replacement practices?

Answer. Unquestionably the depreciation reform will benefit all taxpayers, although in different ways. As to those taxpayers who have been following more progressive replacement practices, so as to entitle them to continue using lives shorter than the new guidelines, the principal benefit of the reform lies in the elimination of controversy over what lives are proper. In addition, the Reserve Ratio Table will provide objective guides for establishing that a taxpayer is entitled to use even shorter lives than he has used in the past. Moreover, the progressive taxpayer may use even shorter lives if they are justified by all the facts and circumstances.

6. Question. Will this depreciation reform help the small taxpayer as well as the large corporation?

Answer. There are a number of aspects of the depreciation reform which will benefit the small taxpayer. First, there is the level at which the new guideline lives are set. These are substantially lower than the lives prescribed as a guide in Bulletin F. Therefore, all small taxpayers who heretofore have relied on Bulletin F in setting useful lives for some or all of their assets will benefit from the new lower guideline lives. Second, there is the use of the reserve ratios to show that useful lives even shorter than the guideline life are justified. This should be especially helpful to small taxpayers since in the case of a small taxpayer such things as variations in asset mix technological innovations, and purchases of some used assets are likely to have a greater impact on the proper life to be used in the future than in the case of a large taxpayer, yet the small taxpayer might well find it difficult to establish precisely what that impact will be. Third, the opportunity to support lives shorter than the guidelines by reference to the facts and circumstances of the particular case will be of special benefit to the small taxpayer. This will permit recognition of deviations from industrywide norms that are likely to occur in connection with small taxpayers. Fourth, the elimination of so-called penalty rates should be of major importance to the small taxpayer. Fifth, the transition rule for applying the reserve ratio test should be of special significance to those smaller taxpayers whose reserves have become unreasonably high because their past retirement and replacement practices have not conformed with the lives which they used for depreciation purposes. This transition rule will enable them to obtain the funds with which to adopt more progressive replacement practices. Finally, since use of the revenue procedure is optional, those small taxpayers desiring to remain under established procedures may continue to do so.

7. Question. In the case of a taxpayer who uses lives equal to the guideline lives, but fails to replace assets consistent with such lives, do the new guidelines and the reserve ratio test merely postpone for a number of years the controversy that exists today?

Answer. Even though in some cases lives used by taxpayers may be lengthened to a point above the new guideline lives, there are several important reasons why this will not result in the controversies that are present today. First, a taxpayer using the new guidelines will not be challenged unless and until his depreciation reserves are unreasonably high as compared with his depreciable assets. This removes the question of when to challenge lives from the ambit of the individual examiner's judgment and makes it subject instead to objective arithmetic standards, thus eliminating one of today's major areas of dispute and also achieving uniformity in the treatment of taxpayers. Second, where the lives used by a taxpayer are lengthened, the new lives will generally be determined objectively by the use of an adjustment table and thus will no longer be a matter of individual judgment. The fact that some taxpayers may in the future be required to use lives longer than the guidelines should not result in any significant controversies.

8. Question. In prescribing new guideline lives, does the depreciation reform merely shift the area of dispute from the question of useful life to the question of salvage?

Answer. No. If the class life being used by the taxpayer for all assets in a single guideline class is equal to or longer than the guideline life, then neither the lives nor the salvage used for individual items will be disturbed under the revenue procedure. If the class life, which is of course based on both the lives and any salvage used by the taxpayer, is shorter than the guideline life, it may be justified either by the objective tests provided or by all the facts and circumstances. Once justified, the class life, including the salvage, will not be disturbed in subsequent years so long as replacement practices are thereafter consistent with that life.

9. Question. How does this guideline approach compare with the Canadian approach to depreciation?

Answer. The guideline approach of the revenue procedure avoids the rigidity of the Canadian system. The guideline approach permits taxpayers to use lives shorter than the guideline lives whereas the Canadian system does not permit the use of lives shorter than the prescribed lives, regardless of a taxpayer's retirement and replacement practices. In addition, unlike the Canadian system, this reform provides a separate class for production machinery and equipment in each different industry. This permits obsolescence and other factors which affect the economic lives of assets to be taken into account in accordance with the facts relating to the particular industry.

10. Question. Will the new revenue procedure result in immediate changes in the organizational structure of the Internal Revenue Service for the handling of depreciation issues or questions?

Answer. No immediate organizational changes are contemplated. Detailed instructions will be issued and special training courses are planned for all technical personnel concerned with depreciation matters to insure uniform application of the depreciation reform. In addition, the Internal Revenue Service will watch closely progress in operating under the new procedure with a view to introducing organizational or procedural changes where necessary to assure effective administration.

GUIDELINE LIVES

11. Question. If some assets are used for a period of years longer than the guideline life, will the taxpayer be required to lengthen the life used in depreciating those assets or in depreciating assets which eventually replace those assets?

Answer. No. It is to be expected that some assets will be held longer than the guideline life. The guideline life is an overall life for a class which will include assets having a wide range of lives. The fact that a number of assets are held for periods longer than the guideline life does not in itself mean that the guideline life is inappropriate.

12. Question. Will a taxpayer be permitted to prove a life shorter than the guideline life for those assets which have a shorter life and use the guideline life for the other assets in that class?

Answer. No. In comparing the lives used by the taxpayer with the guideline lives, the class life being used for a guideline class must be determined with reference to the lives of all of the assets in that class. This is the only way that the new guideline lives will provide an effective test. Otherwise, the taxpayer would demonstrate shorter lives for all the shorter lived assets falling within a class, and would use the guideline life for all his longer lived assets. This would defeat the purpose of the broad class approach which is based on an overall guideline life for a class containing assets having a broad range of lives.

13. Question. Will a taxpayer who uses the new guideline lives be permitted to do so indefinitely?

Answer. A taxpayer using lives equal to or longer than the guideline lives will not be challenged at any time so long as his retirement and replacement practices are consistent with the lives being used. This consistency may be demonstrated by the reserve ratio test as well as by presently established procedures. In any event, the taxpayer will not be subject to challenge for at least the first 3 taxable years to which this revenue procedure applies.

14. Question. If a taxpayer wishes to continue using a class life longer than the guideline life for several years after the revenue procedure becomes effective, will he in later years be permitted to use the guideline life?

Answer. Yes.

15. Question. It appears from the revenue procedure that a taxpayer may regroup his assets in classes corresponding to the guideline classes, in order to facilitate comparing the class lives with the guideline lives and applying the reserve ratio test. Does this regrouping constitute a change in method of accounting which requires the consent of the Commissioner of Internal Revenue?

Answer. The regrouping of assets is not considered a change in method of accounting. Therefore the consent of the Commissioner is not required.

16. Question. Will the same method of computing depreciation (straight-line, declining balance, sum-of-the-years digits) have to be applied with respect to all assets falling within a single guideline class?

Answer. No. The taxpayer may use different methods of computing depreciation for different assets falling within a single guideline class provided that each method of depreciation is proper for the asset being depreciated. Thus, for example, the taxpayer may use the double-declining balance method of depreciation for the assets which he acquires new and the straight-line method for those he acquires used. However in order to compute the class life used for the assets in a guideline class for the purpose of comparison with the guideline life, it may be necessary to compute depreciation for all the assets in the class on a straight-line basis. It is to be emphasized that this straight-line figure is used only to determine the weighted average of the lives being used by the taxpayer and that it has no bearing on the actual method of depreciation that may be used.

17. Question. Where a taxpayer uses a class life equal to the guideline life, must that same life be used consistently?

Answer. This revenue procedure does not change present regulations. Under section 1.167 (a)-1(b) of the regulations, a taxpayer may modify depreciable lives for any taxable year in the light of conditions existing at the end of that year.

18. Question. How do the new guideline lives apply with respect to assets acquired used?

Answer. The guideline lives measure the expected useful economic lives of assets acquired new. It is not possible to prescribe guidelines for used assets since the useful life of any used asset depends upon its age at the time it is acquired. However, the fact that a taxpayer has a substantial amount of used assets in a guideline class would be taken into account as a factor demonstrating that a life shorter than the guideline life may be justified for that class.

RESERVE RATIO

19. Question. Apart from establishing that a taxpayer's reserve ratio falls within the range of acceptable reserve ratios, what use can be made of the reserve ratio test set forth in section 5 of part II of the revenue procedure?

Answer. The reserve ratio test will be useful to a taxpayer as an indication of whether his retirement and replacement practices are consistent with the class life being used. A taxpayer will be able to determine from the trend of his reserve ratios for successive years whether his practices are as progressive as he may believe them to be. Thus, the reserve ratio test will provide the taxpayer with information which may be useful in the making of business decisions as well as information which will be useful for tax purposes.

20. Question. Can a taxpayer whose reserves are high for the first taxable years to which this revenue procedure is applicable use a class life equal to the guideline life? Under what circumstances will he be permitted to continue using that life?

Answer. In order to give every taxpayer the opportunity to bring his practices into line with the new guideline lives, he will be allowed to use the new guidelines regardless of his present reserve ratios. He will be given a period of years up to a full replacement cycle to bring his reserves to an acceptable level, providing that the reserves are moving toward this level during this period.

21. Question. Isn't it normal to have fluctuations in the ratios of depreciation reserves to depreciable assets? Will these ordinary fluctuations result in a failure to meet the reserve ratio test?

Answer. It is normal to have a certain amount of fluctuation in depreciation reserve ratios. However the reserve ratio table has been devised to take this into account. The table provides a broad range for acceptable reserve ratios. This range is designed to provide a substantial amount of leeway before the ratio of a particular taxpayer will be considered unreasonably high.

22. Question. Suppose that the assets in a guideline class are actively used on the average for a period equal to the guideline life, but thereafter some are retained on a standby status instead of being retired. Will this result in the accumulation of unreasonable depreciation reserves so that the taxpayer eventually will fail to meet the reserve ratio test?

Answer. The reserve ratio ranges have been designed to provide a substantial amount of leeway to the taxpayer. Thus, a taxpayer will be able to continue to meet the reserve ratio test even though he retains some equipment on a standby basis. If the reserve ratio of a taxpayer retaining standby equipment fails to meet the reserve ratio test, the taxpayer has the opportunity to demonstrate that the class life used is appropriate on the basis of all the facts and circumstances.

23. Question. What will cause the depreciation reserves for a guideline class to become unreasonably high?

Answer. The reserves will become unreasonably high if a taxpayer's retirement and replacement practices are not consistent with the class life being used for depreciation purposes. Underlying factors causing this inconsistency might include (1) that the taxpayer's asset composition for a guideline class is not typical of the industry as a whole but consists primarily of assets with useful lives which are longer than the class life being used by the taxpayer, (2) that the taxpayer is leasing a substantial amount of assets having useful lives shorter than the class life used by the taxpayer for the guideline class into which the leased assets would fall if they were owned by the taxpayer, and (3) that the taxpayer is retaining and continuing to depreciate (in a multiple-asset account) assets which no longer are being used in the trade or business.

In addition, high reserves may be caused by the fact that a guideline class contains relatively few assets, most of which are nearing the end of their useful lives. This could be true even where the taxpayer's retirement and replacement practices are consistent with the class life used. In such a case, the high reserves could readily be explained and the class life used by the taxpayer could still be justified on the basis of the taxpayer's retirement and replacement practices.

24. Question. If the reserve ratio table indicates that a taxpayer has unreasonably high depreciation reserves, will the lives used by the taxpayer automatically be lengthened?

Answer. Not automatically. Unreasonably high depreciation reserves may be an indication, as under present practice, that the lives used by a taxpayer should be lengthened. However, the taxpayer will always be permitted to show, by the use of established procedures, that his retirement and replacement practices are consistent with the lives being used.

25. Question. If the taxpayer's reserve ratio would not be considered unreasonably high for the year under examination, may the examiner take into account, in examining that year, the fact that the reserve ratio becomes unreasonably high in a year intervening between the year under examination and the time of audit?

Answer. No. The examiner should be concerned only with the reserve ratio for the year under examination. The fact that the reserve ratio becomes unreasonably high in a subsequent year will not be considered in connection with an earlier year that may be under examination.

26. Question. If a taxpayer uses the guideline life for a class of assets but does not retire or replace assets consistent with that life, he will accumulate a high depreciation reserve. If that taxpayer subsequently is required to use a class life longer than the guideline life, would the depreciation reserve have to return to normal before he would again be permitted to use the guideline life?

Answer. This taxpayer could use the guideline life again as soon as he could show that his retirement and replacement practices were consistent with the guideline life. This consistency could be demonstrated in either of two ways: The first would be on the basis of all the facts and circumstances. The second would be if the taxpayer's reserve ratio declined to the point where it came within the reserve ratio range for the lengthened class life. Thus, the taxpayer would not have to "work off" the entire amount of the excessive depreciation previously deducted before again being permitted to use the guideline life.

27. Question. What does the theoretically appropriate reserve ratio mean?

Answer. The theoretically appropriate reserve ratio is the ratio of accumulated depreciation reserves to the total basis of the assets in a guideline class which results when the taxpayer for more than a replacement cycle has followed policy of additions to and retirements from that class consistent with the class life used.

28. Question. What do the upper and lower limits of the reserve ratio ranges represent?

Answer. The upper limit of the reserve ratio range is the reserve ratio for a taxpayer's guideline class which would result if the assets in that class were used for a period 20 percent longer than the class life used by the taxpayer. The lower limit of the reserve ratio is the reserve ratio for a taxpayer's guideline class which would result if the assets were used for a period 10 percent shorter than the class life used by the taxpayer.

29. Question. How does the reserve ratio table account for the fact that the timing of retirement of assets is dispersed about a class life, so that some assets are retired after a period of time shorter than the class life used by a taxpayer while other assets may last considerably longer than that life?

Answer. In practice, retirements in any guideline class will be dispersed about the class life used by the taxpayer. However, the theoretically appropriate reserve ratios in the table are based on the assumption that there is no dispersion in the retirement of assets, i.e., that all assets are retired exactly when they age to the class life used. This assumption is necessary because the dispersion factor for every taxpayer is different and it is therefore not feasible to take this factor into account.

Were a dispersion factor included in the mathematical computation of each appropriate reserve ratio, the resulting ratios would be smaller than the tabulated ratios in all cases. The upper and lower limits of the reserve ratio ranges would also be lower than indicated in the table. Thus, the effect of disregarding the dispersion factor is to provide an additional margin of leeway respecting the range of acceptable reserve ratios.

30. Question. During the past decade, the cost of depreciable equipment has risen substantially. How does the reserve ratio table take into account this fact that prices have been rising?

Answer. The structure of the reserve ratio table automatically compensates for past inflation. This is true because inflation causes both the taxpayer's reserve ratio and the appropriate reserve ratio range to decline. The taxpayer's reserve ratio falls because his relatively more expensive, recently acquired assets have had little depreciation charged against them, whereas relatively more depreciation has been charged against the older, less expensive equipment. Rising prices will also automatically push up the dollar basis of depreciable property, thus increasing the indicated rate of growth and lowering the appropriate reserve ratio range.

MISCELLANEOUS ASPECTS

31. Question. If a taxpayer wishes to use lives longer than the guideline lives, consistent with his replacement policy, will losses incurred on retirements be disallowed on the ground that depreciation based on the shorter guideline life was allowable (within the meaning of sec. 1016(a)(2) of the 1954 code) even though it was not claimed by the taxpayer?

Answer. No. The new lives are only guidelines. They will not be used to determine what is the allowable amount of depreciation. The taxpayer should claim the amount of depreciation that is appropriate for his own trade or business. He is not required to use the guidelines if he feels that they are too short to reflect his actual retirement and replacement practices.

However, if artificially long lives are assigned to assets for the purpose of manipulating the depreciation deduction, an adjustment to basis under section 1016(a)(2) of the code may be made for the depreciation properly allowable in the past even though it was not claimed and allowed. Present law is not changed in this respect by this depreciation reform.

32. Question. If a taxpayer's reserve ratio is below the lower limit, it is probable that the taxpayer is entitled to use shorter depreciable lives. Is this low reserve ratio an indication that the taxpayer has taken too little depreciation in the past and that the basis of the property should be reduced for depreciation which was allowable even though not claimed by the taxpayer?

Answer. No. The taxpayer's reserve ratio is not an indication that depreciation not taken was allowable under section 1016(a)(2). The rules concerning the application of section 1016(a)(2) are not affected by the revenue procedure.

33. Question. Questions often arise as to whether particular expenditures are deductible expenses or are capital expenditures which should be recovered through depreciation. How does this depreciation reform affect the resolution of these questions?

Answer. The depreciation reform does not affect the classification of expenditures as capital or expense. Questions in this area must be resolved on the basis of presently established principles. The depreciation reform affects only those expenditures which are properly chargeable to capital and recoverable through depreciation deductions.

34. Question. How will retirements of assets be treated under the depreciation reform?

Answer. The depreciation reform does not change the regulations dealing with the proper treatment of retirements of assets, how to determine whether a retirement is normal or abnormal, etc. The treatment of retirements will continue to be determined under the regulations under section 167. Thus, if a taxpayer is using a method of accounting under which no gain or loss is recognized at the time of a normal retirement of an asset from a multiple-asset account, the taxpayer may continue to use this method after the publication of the depreciation reform so long as this method clearly reflects income. If a taxpayer is using a method of accounting, as to either item or multiple-asset accounts, under which gain or loss is recognized upon disposition, then gain or loss will continue to be recognized under the present regulations applicable to the item or multiple-asset accounts.

35. Question. Section 167(d) and the regulations thereunder provide that the taxpayer and the district director may enter into an agreement as to the useful life of any property, and that the agreement shall be binding until such time as new circumstances come into existence. After the publication of the depreciation reform, will taxpayers be permitted to modify these agreements?

Answer. The adoption of the depreciation reform itself will be considered as a new factor which justifies a taxpayer in modifying any agreement previously made. Thus, if the taxpayer wishes to modify an agreement previously made, he should notify the district director in accordance with the regulations under section 167(d).

36. Question. Under the revenue procedure, the use of the same life in computing the depreciation deduction and in computing the depreciation shown on the books of account and financial statements is considered a significant factor in justifying a class life shorter than the guideline life. Does the significance of this factor vary according to the circumstances of the case?

Answer. Yes. This factor is significant in the case of a publicly-held corporation since the depreciation shown on the books of account and financial statements is published and has independent importance to stockholders and other persons outside the management of the corporation. In the case of a corporation which is not publicly held, the booking factor is also significant where the figures shown on the books of account and financial statements have independent importance to persons other than the owners of the corporation, such as lending institutions and fiduciaries for employee profit-sharing plans. The booking factor would be less significant in the case of a closely held corporation where the books of account and financial statements are not relied on by persons outside the corporation. Since regulated public utilities may be required to use depreciable lives for book purposes that differ from those used in computing the depreciation deduction, their booking practice is not a significant factor.

37. Question. If a class life used by a taxpayer is required to be lengthened because of a failure to retire and replace assets consistent with the life used, how much will the class life be lengthened?

Answer. The life will be lengthened to a point where it reflects the taxpayer's actual retirement and replacement practices; it will not be lengthened so as to compensate for the fact that excessive depreciation may have been taken in the past. This will result in the elimination of the present so-called penalty rates.

38. Question. If a class life used by a taxpayer is to be lengthened in accordance with the adjustment table for class lives, but the taxpayer maintains item accounts, how will the useful lives assigned by the taxpayer to each account be lengthened?

Answer. The taxpayer will lengthen those item lives which he chooses to lengthen so long as the overall class life is not shorter than the appropriate class life shown in the adjustment table.

39. Question. Can a taxpayer who changes from the unit-of-production method of computing depreciation to a useful-life method (expressed in terms of years) under the blanket consent contained in the revenue procedure justify a class life shorter than the guideline life by the fact that the reserve ratio for the guideline class is low?

Answer. Where the reserve ratio for a guideline class is lower than the lower limit of the appropriate reserve ratio range for that class, this fact will justify the use of a class life shorter than the guideline life only where the ratio reflects the retirement and replacement practices of the taxpayer during a substantial period of years. Under section 3.02(a) and section 3.03(a) of part II of the revenue procedure, the use of approximately the same class life for a substantial period of years is essential before the fact of a low reserve ratio becomes significant. Therefore, a taxpayer who changes from the unit-of-production method would not be able to justify a class life shorter than the guideline life by a low reserve ratio since he has not previously been using a class life expressed in years.

40. Question. How does the depreciation reform apply to a taxpayer using the retirement method of accounting or some other similar method?

Answer. The new guidelines and the procedures for using them are not applicable to a taxpayer using the retirement method of accounting. Any taxpayer who wishes to change from the retirement method to a useful-life method of depreciation must obtain consent from the Commissioner of Internal Revenue in accordance with the provisions of section 446(e) and the regulations thereunder.

41. Question. How does the depreciation reform apply to affiliated corporations which file consolidated returns?

Answer. The new guideline lives and the reserve ratio test are to be applied to each corporation separately, regardless of the fact that the corporations are members of an affiliated group which is filing a consolidated return.

42. Question. How does the depreciation reform apply in the case of a partnership?

Answer. The new guideline lives and reserve ratio test apply to the partnership as an entity.

THE STUDENT PRAYER DECISION OF THE SUPREME COURT

The **SPEAKER**. Under the previous order of the House, the gentleman from Georgia [Mr. JOHN W. DAVIS] is recognized for 30 minutes.

Mr. **JOHN W. DAVIS**. Mr. Speaker, all the furor over the school prayer decision by the Supreme Court makes it appropriate to examine for a moment the events that led to the first amendment to the Constitution.

As I have often said in public talks during the past several years, I am firmly convinced that the principal motivation of our forefathers in crossing the Atlantic to America was to escape the tyranny of a church-state combination and obtain religious freedom.

Most of the early settlers came from the British Isles, but quite a few came from continental Europe where religious persecution was even worse than in England. It would take a powerful reason indeed to cause a man to take his wife and children and to say to his father and mother and brothers and sisters, "I am leaving you and my native land and will never see you again. If I survive storm and shipwreck I will live in a land peopled by savages. But I had rather die than endure persecution for my religious beliefs."

In the England of that day a person who disagreed with the Government's church was guilty of both blasphemy and treason. The churchmen could and often did condemn his soul to eternal damnation of heresy, and the courts could order him beheaded or imprisoned.

Religion and religious thoughts preoccupied the minds of people in that day and time, and great amounts of time and effort were put into religious discussion, prayer, and church services.

There is no question in my mind but that this dream—this ideal—which existed in the minds of the early patriots caused not only their colonization to succeed where France, Portugal, and Spain had failed, but instilled in early Americans the fierce determination which ultimately enabled them to throw off the shackles of English rule.

In an address to the United Baptist churches in Virginia on May 10, 1789, George Washington said:

> If I could conceive that the general government might ever be so administered as to render the liberty of conscience insecure, I beg you will be persuaded, that no one would be more zealous than myself to establish effectual barriers against the horrors of

> spiritual tyranny, and every species of religious persecution.

All of which leads me to venture the guess that the Supreme Court's decision outlawing the prayer which New York State prescribed for its public schools would have been greeted with wild enthusiasm in the days of Paul Revere. It was, after all, against the backdrop of religious tyranny that the first amendment to the Constitution was written, and it is highly significant that this particular amendment occupies the No. 1 spot in our Bill of Rights.

The American pioneers, who risked being scalped in order to attend church and many of whom had family prayer and Bible reading every day, would never believe that their great, great, great grandchildren would utter cries of anguish simply because the State of New York was told by the U.S. Supreme Court not to compose the wording of a prayer to be used in the public schools.

During my trip home on the Fourth of July I found a number of people who simply did not understand the recent Supreme Court decision on the subject of prayers in schools.

Whether this was due to misleading headlines, or to the difficulty of writing about legal matters by reporters who are in a hurry I do not know, but in a nutshell here is what happened:

The State of New York had a law on its statute books which said that each child must pray the following prayer each day, or else stand silent:

> Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessing upon us, our parents, our teachers and our country.

The Supreme Court did not ban the utterance of this prayer in the New York schools. What the Supreme Court did say was that the State of New York had no right to establish an official State prayer, worded this way and in no other way, as the sole and exclusive government prayer of the State of New York. The Supreme Court ruled that the New York schoolchildren were entitled to some choice about what prayers they uttered.

Now that this law has been declared unconstitutional, the New York schoolchildren can still recite the same prayer that was prescribed, but now they would be saying it because they chose to do so—not because they are compelled by law to do so. Now they are free to say the Lord's Prayer if they prefer to do so, whereas before the Supreme Court decision they could not do so.

The officials of the State of New York had set themselves up as the judge of what prayer the schoolchildren of that State ought to say, if they said anything at all. The Supreme Court ruled that they had no right to do this.

The Supreme Court did not ban prayer in school. In fact, in writing its decision, the Court took great care to point out that the ruling went no further than the facts in the case before it.

As will be seen when the schools of Georgia open this fall, this Supreme Court decision does not ban reciting the Lord's Prayer nor does it prohibit the reading of the Bible in the classrooms. In Georgia, remember, the Lord's Prayer is recited not because some law requires it to be done but because the parents, teachers, and children feel that it is right.

I do not feel that the New York officials had any right to set themselves up as the judge of how a prayer ought to be worded, and I do not believe the people of Georgia would stand for any such tactic if our own Legislature tried to do the same thing.

I have yet to encounter a person who disagreed with me when he or she understood the question which was decided by the Court.

I say this so that those of you who are still laboring under the misapprehension that prayer was banned may know the truth.

Please know that I do now believe and always have believed in prayer. Just as importantly, I deeply believe that every person has the God-given right to pray in his own way and after his own fashion.

Although I have disagreed with the Supreme Court's rulings on more than one occasion in the past, in this particular instance I do not see how it could have ruled otherwise.

Let us suppose for a moment that the Court had ruled otherwise—that the State of New York had been permitted to establish an official prayer. Not only would 50 varieties of State prayers have soon sprung up across the Nation, but a first great step would have been allowed toward establishing a Government religion.

As our Founding Fathers wisely provided in the Constitution: Church and state should be kept separate and apart. We do not want Government control of our churches, neither do we want churches to control our Government.

The true responsibility of the religious life of the people of America rests on the parents, the clergymen, and the religious organizations. I hope the day may never come when government on any level, local, State, or Federal, is allowed to intrude upon this sacred ground.

Mr. Speaker, I should further like to call the attention of this body that on Sunday, July 8, 1962, leaders of nine Protestant denominations hailed the Supreme Court's recent decision which forbids any Government official from writing or prescribing prayers for use in public schools.

The 19 clergymen and lay leaders in a statement released Sunday by Harold E. Fey, editor of the Christian Century, an undenominational weekly published in Chicago, said:

> The Court's decision protects the integrity of the religious conscience and the proper function of religious and governmental institutions.
>
> It is neither sacrilegious nor antireligious to say that each separate government in this country should stay out of the business of writing or sanctioning official prayers and leave that purely religious function to the people themselves and to those the people choose to look to for religious guidance.
>
> The clergymen and lay leaders called upon the American people to study this decision, prayerfully and without political emotion.

The signers were: Hampton Adams, pastor, Park Avenue Christian Church, New York; Theodore Adams, pastor, First Baptist Church, Richmond, Va.; George C. Bonnell, pastor, Fifth Avenue Presbyterian Church, New York; Aubrey N. Brown, Jr., editor, Presbyterian Outlook, Richmond, Va.; Edwin T. Dahlberg, pastor, Delmar Baptist Church, St. Louis.

Truman B. Douglas, board of ministries, United Church of Christ, New York; Harold E. Fey, editor, Christian Century, Chicago; A. Raymond Grant, bishop, Oregon Methodist Area, Portland; Kyle Haselden, managing editor, the Christian Century, Chicago; Herschel H. Hobbs, pastor, First Baptist Church, Oklahoma City.

Frank E. Johnston, associate general secretary, American Baptist Convention, Valley Forge, Pa.; Dwight E. Loder, president, Garrett Theological Seminary, Evanston, Ill.; Malvin H. Lundeer, secretary, Lutheran Church in America, Minneapolis Minn.; Carlyle Marney pastor, Myers Park Baptist Church, Charlotte, N.C.; Edward O. Miller, rector, St. George's Episcopal Church, New York.

Samuel Miller, dean, Harvard University Divinity School, Cambridge, Mass.; W. Hubert Porter, associate general secretary, American Baptist Convention, Valley Forge; Richard H. Raines, bishop, Indiana Methodist Area, Indianapolis, Ind. and Edwin Tuller, general secretary, American Baptist Convention, Valley Forge.

In conclusion, Mr. Speaker, I should like to invite the attention of this body to the words of Jesus as set forth in Matthew 6: 6:

> But thou, when thou prayest, enter into thy closet, and when thou hast shut thy door, pray to thy Father which is in secret; and thy Father which seeth in secret shall reward thee openly.

THE HANFORD PROJECT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 20 minutes.

Mr. SAYLOR. Mr. Speaker, last year, many of us thought this House expressed its will in no uncertain terms when the administration attempted to foist the multimillion-dollar Hanford electric steamplant boondoggle on the American public. In three successive votes this body demonstrated that it would not be party to saddling the American public with a completely wasteful and unnecessary expenditure and emphatically rejected the Hanford project.

Mr. Speaker, I might be naive, but I would think the action of the House last year should have told the administrative agencies involved something, too. But we now know that at least one of these agencies seems to think Congress is simply a temporary obstacle to its ambitions. If it can bypass us, or browbeat us to gain its ends, it will do so.

At every turn we find the administration trying to end-run various committees of the Congress. When they get stopped in one committee, they fuzz up the legislation and try another committee—always hoping they can find a weak point. If the committees and Congress stand fast, then the bureaucrats try to figure some other way of achieving by administrative action what the Congress will not give them legislatively. Nowhere has this been more true than in the electric power field because this administration has big and costly plans for pushing public power. And there is no better example of this today than what the Bonneville Power Administration is trying to do with the Hanford project.

Mr. Speaker, not only is Bonneville trying to end-run the Congress on this Hanford thing, but it makes the cynical gesture of clearing its action with one of our committees—the wrong committee.

We are told that some public power group in the State of Washington is going to build this project and that the bureaucratic lawers for the Bonneville Power Administration and the Atomic Energy Commission claim no approval from Congress is necessary for this organization to proceed with the job. On the other hand, because a complicated contract with the Bonneville Power Administration concerning every phase of this questionable proposal is involved, the Bonneville administrator has said he will not proceed with the contract if the Appropriations Committees of the two bodies object.

I think the Bonneville administrator should be set straight on two counts. First, it is not for him to decide what committees of Congress shall or shall not have jurisdiction in a matter of this nature. Second, he picked the wrong committees. I would remind the administrator that Bonneville is part of the Department of the Interior and that all matters relating to that Department come under the direct jurisdiction of the Committee on Interior and Insular Affairs.

The administrator and others have told us that not a single cent of Federal money would have to be appropriated for the Hanford project at this time. Why, then, did he magnanimously offer to let the Appropriations Committees pass on this matter? Are we to believe that he did not know any better, or is there some other reason?

If our colleagues have had the time to study the proposed arrangement between Bonneville and the public power group which proposes to build the Hanford powerplant, it must be apparent that Bonneville is actually the real party of interest, and, in fact, stands to be stuck with the bill.

Is the Administrator now attempting to soften the way for when he comes back in a few years and asks for Federal funds to salvage the Hanford project by trying to put himself in a position of being able to say the Appropriations Committees approved the proposal?

That is just a passing thought; because, at the moment, I am more concerned with the matter of committee jurisdiction and the Administrator's blatant attempt to dictate how Congress shall act.

Generally speaking, it is the Committee on Interior and Insular Affairs which is the principal legislative committee having responsibility for the operations and activities of the Department of the Interior. And, unless something has happened in the past few days which has not been made public, the Bonneville Power Administration is a part of the Department of the Interior. In 1960 when we were considering proposals to set up a so-called basin account for the Bonneville Power Administration and its projects, the issue came before the Interior Committee. Only a month ago it was the Interior Committee that was holding hearings on the bill sponsored by Bonneville to establish a regional preference for the Pacific Northwest in the sale of Bonneville power.

Now, we have a situation where the Bonneville Power Administration is proposing to enter into a contract to take all the power from the Hanford project that will have such an impact on the whole system that I say it is a matter for the Interior Committee to look into—not the Appropriations Committee. In fact, the Joint Committee on Atomic Energy should also have an interest in this question. This Hanford project should be the subject of hearings by both the Interior Committee and the Joint Committee.

Mr. Speaker, and my friends in this House, this is a time when we are being called upon to make some very serious and basic decisions, in order to protect the future prerogatives and powers of the Congress as an equal partner in the governing of this great Nation of ours. From the very inception of this Government under the Constitution it has been the responsibility of the Congress to establish the basic policies of the Government and for the executive departments to administer these policies. The Department of the Interior should understand this separation of powers clearly, particularly since they were reminded of it so forcefully by my good friend and colleague, the chairman of the Interior and Insular Affairs Committee, the gentleman from Colorado [Mr. Aspinall], just last year.

On February 15, 1961, in a hearing before the Interior Committee on the policies, programs, and activities of the Department of the Interior, the gentleman from Colorado [Mr. Aspinall] told Secretary Udall:

> As a former member of the legislative department, you will realize that perhaps we are more jealous of our responsibility as legislators and makers of policy than should be * * * when you use the word "recommendations" you, of course, in our opinion, state correctly the position of the administrative department of Government, with the power to recommend and through the President to veto, and to administer the policy set forth by Congress.

Despite this positive reminder to the Secretary of the Interior concerning the powers and prerogatives of Congress, we now see the unusual spectacle of one of his underlings, the Bonneville Power Administrator, trying to tamper with the established rules of the House of Representatives by dictating which committee of this body shall consider a policy question of this magnitude.

As long as I am a Member of this body, I will not stand by idly while the executive attempts to dictate which committee of this House should consider a given matter. As the ranking minority members of this committee, I feel it is my duty to raise this issue here today. While the issue involved is important, the principle is even more so. It goes directly to the question of whether the legislative branch shall retain the responsibilities and authority granted it under the Constitution, or whether it shall become merely a rubberstamp operation for the executive. And I do not intend to see the Congress or its committees relegated to a back seat by an ambitious executive.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Taber (at the request of Mr. Riehlman), for 2 weeks, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. John W. Davis, for 30 minutes, today.

Mr. Feighan, for 15 minutes, today.

Mr. Saylor, for 20 minutes today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Feighan in his remarks today on H.R. 11921 and to include extraneous matter.

Mr. Betts.

Mr. Roosevelt and to include extraneous matter.

Mr. Conte to revise and extend remarks made by him in Committee of the Whole and to include immediately following his remarks a table and extraneous matter.

(The following Members (at the request of Mr. Devine) and to include extraneous matter:)

Mr. Laird.

Mr. Martin of Nebraska.

(The following Members (at the request of Mr. Albert) and to include extraneous matter:)

Mr. Evins.

Mr. Celler.

Mr. Anfuso.

Mr. Multer.

Mr. Inouye.

Mr. Blatnik.

Mr. Hébert.

Mr. Roush.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 68. Joint resolution providing for the designation of the week commencing October 14, 1962, as "National Public Works Week."

ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 53 minutes p.m.) the House adjourned until tomorrow, Thursday, July 12, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2281. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Alaska Railroad, Department of the Interior, for the fiscal years ended June 30, 1960 and 1961; to the Committee on Government Operations.

2282. A letter from the Assistant Secretary of the Interior relative to an application for a loan of $270,000 to the Orchard City Irrigation District in Delta County, Colo., pursuant to 71 Stat. 48; to the Committee on Interior and Insular Affairs.

2283. A letter from the Assistant Secretary of the Interior relative to an application for a loan by the Cassia Creek Reservoir Co. of $2,351,600 and grants of $105,000 for fish and wildlife purposes and $41,400 for flood control, pursuant to 71 Stat. 48; to the Committee on Interior and Insular Affairs.

2284. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of a proposed bill for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency; to the Committee on the Judiciary.

2285. A letter from the Administrative Assistant Secretary of the Interior, transmitting a report by the Department of the Interior covering grants made during calendar year 1961 to nonprofit institutions and organizations for support of scientific research programs, pursuant to Public Law 85-934; to the Committee on Science and Astronautics.

2286. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of the orders entered in the cases of certain aliens who have been found admissible to the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2287. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act was exercised in behalf of such aliens.

2288. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting plans for works of improvement relating to the following watersheds: South Sumter upper Tampa Bay, Fla.; Line Creek, Ky., and Tenn.; North Branch Mill Creek, Mich.; Nanticoke Creek, N.Y.; Dicks Creek, Little Muddy Creek, Ohio; Bajura, P.R.; and Kent Creek, Tex., pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

2289. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting plans for works of improvement relating to the following watersheds: Town Creek, Ala.; upper Blue River, Okla.; and Thicketty Creek, S.C., pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

2290. A letter from the Secretary, Department of Health, Education, and Welfare, relative to reporting the terms of the agreement, between the Board of Trustees of Howard University and the Secretary of Health, Education, and Welfare, for the transfer of Freedmen's Hospital, pursuant to Public Law 87-262; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DELANEY: House Resolution 722. Committee on Rules. A resolution providing for the consideration of H.R. 10966, a bill to fix the fees payable to the Patent Office and for other purposes; without amendment (Rept. No. 1971). Referred to the House Calendar.

Mr. MADDEN: House Resolution 723. Committee on Rules. A resolution providing for the consideration of H.R. 12135, a bill to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; without amendment (Rept. No. 1972). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H.R. 12450. A bill to provide for the payment of royalties by juke box operators to the owners of performance rights in copyrighted music and for the fair and orderly determination of the amount and distribution of such royalties, and for other purposes; to the Committee on the Judiciary.

H.R. 12451. A bill to authorize reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits; to the Committee on the Judiciary.

By Mr. CUNNINGHAM:

H.R. 12452. A bill to amend the act providing books for the adult blind so as to make books also available to quadriplegics; to the Committee on House Administration.

By Mr. DORN (by request):

H.R. 12453. A bill to amend section 503 of title 38, United States Code, to exclude from annual income determinations for death or disability pension amounts paid by a veteran, widow, or child for unusual medical expenses; to the Committee on Veterans' Affairs.

H.R. 12454. A bill to amend section 503 of title 38, United States Code, to provide that up to $10,000 in payments under policies of life insurance shall be excluded from income in determining eligibility of individuals for death pension, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 12455. A bill to amend section 503 of titl 38, United States Code, to exclude from annual income computations in determinations of entitlement to death pension all amounts paid by a spouse or child of a veteran for the expenses of the veteran's last illness; to the Committee on Veterans' Affairs.

By Mr. HOLLAND:

H.R. 12456. A bill to amend the Manpower Development and Training Act of 1962 with regard to reimbursement of the railroad unemployment insurance account; to the Committee on Education and Labor.

By Mr. KEARNS:

H.R. 12457. A bill to establish an Office of Cultural Affairs in the executive office of the Commissioners of the District of Columbia similar to the office of cultural affairs in the office of the mayor of the city of New York and to provide for the acquisition of Loew's Capitol Theater from the National Press Club in the District of Columbia for purposes of a much-needed municipal arts center, such as most other cities have; to the Committee on the District of Columbia.

By Mr. KYL:

H.R. 12458. A bill to establish an Office of Cultural Affairs in the executive office of the Commissioners of the District of Columbia similar to the office of cultural affairs in the office of the mayor of the city of New York and to provide for the acquisition of Loew's Capitol Theater from the National Press Club in the District of Columbia for purposes of a much-needed municipal arts center, such as most other cities have; to the Committee on the District of Columbia.

By Mr. LANE:

H.R. 12459. A bill to provide for the relief of certain enlisted members of the Coast Guard; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 12460. A bill to amend the Civil Service Retirement Act to authorize retirement with reduced annuity of employees attaining the age of 55 years and completing 25 years of service; to the Committee on Post Office and Civil Service.

By Mr. CLEM MILLER:

H.R. 12461. A bill to amend the Federal Employees Pay Act of 1945 to provide compensatory time off for officers and employees performing certain voluntary service at agency request, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. ST. GEORGE:

H.R. 12462. A bill to provide for equitable adjustments in annuities under the Civil Service Retirement Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SLACK:

H.R. 12463. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. SPENCE:

H.R. 12464. A bill to amend section 12(10) of the Area Redevelopment Act (Public Law 87-27, 87th Cong., 1st sess.); to the Committee on Banking and Currency.

By Mr. ZELENKO:

H.R. 12465. A bill to promote the foreign commerce of the United States through the use of mobile trade fairs; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of California:

H.R. 12466. A bill to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions; to the Committee on Ways and Means.

By Mr. ABERNETHY:

H.R. 12467. A bill to amend the act of June 4, 1948, as it relates to the appointment of the District of Columbia Armory Board; to the Committee on the District of Columbia.

By Mr. DERWINSKI:

H.R. 12468. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 so as to permit the use of foreign currencies accruing from the sale of surplus agricultural commodities in foreign countries having a Communist government to be used to make farm improvement loans to private enterprise farmers in those countries; to the Committee on Agriculture.

H.R. 12469. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 so as to impose certain limitations on sales of surplus agricultural commodities to countries having a Communist government; to the Committee on Agriculture.

By Mr. GREEN of Pennsylvania:

H.R. 12470. A bill to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her husband on the same basis as a single woman; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 12471. A bill to regulate the shipment of weapons into any State, territory, or possession of the United States or into the District of Columbia where the unlicensed possession of such weapons is illegal under the law of such State, territory, or possession, or of the District of Columbia, and for other purposes; to the Committee on the Judiciary.

By Mrs. HANSEN:

H.R. 12472. A bill to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce; to the Committee on Agriculture.

By Mr. HARDING:

H.R. 12473. A bill to release the right, title, or interest, if any, of the United States in certain streets in the village of Heyburn, Idaho, and to repeal the reverter in patent for public reserve; to the Committee on Interior and Insular Affairs.

By Mr. CLEM MILLER:

H.R. 12474. A bill to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce; to the Committee on Agriculture.

By Mrs. PFOST:

H.R. 12475. A bill to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce; to the Committee on Agriculture.

By Mr. THOMPSON of New Jersey.

H.R. 12476. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

Mr. PUCINSKI.

H.R. 12477. A bill to amend the act providing financial assistance for local educational agencies in areas affected by Federal activities in order to provide educational assistance under the provisions of such act to the District of Columbia and to make the change in the District of Columbia motor fuel tax law needed to insure that such assistance will be fully effective; to the Committee on Education and Labor.

By Mr. DOLE:

H.R. 12478. A bill to amend and extend for 1 year the present wheat program and to postpone the date of the 1963 wheat referendum to no later than August 10, 1962; to the Committee on Agriculture.

By Mr. FASCELL:

H.R. 12479. A bill to promote the orderly transfer of the Executive power in connection with the expiration of the term of office of a President and the inauguration of a new President; to the Committee on Government Operations.

By Mr. LANE:

H.R. 12480. A bill to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. GLENN:

H.J. Res. 808. Joint resolution granting consent of Congress to the State of Delaware and the State of New Jersey to enter into a compact to establish the Delaware River and Bay Authority for the development of the area in both States bordering the Delaware River and Bay; to the Committee on the Judiciary.

By Mr. COOLEY:

H.J. Res. 809. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963; to the Committee on Agriculture.

By Mr. SCRANTON:

H.J. Res. 810. Joint resolution proposing an amendment to the Constitution of the United States permitting the voluntary recitation of a prayer in public schools; to the Committee on the Judiciary.

By Mr. LANE:

H.J. Res. 811. Joint resolution proposing an amendment to the Constitution of the United States pertaining to the offering of prayers in public schools and other public places in the United States; to the Committee on the Judiciary.

By Mr. CAHILL:

H.J. Res. 812. Joint resolution granting consent of Congress to the State of Delaware and the State of New Jersey to enter into a compact to establish the Delaware River and Bay Authority for the development of the area in both States bordering the Delaware River and Bay; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. LANE: Memorial of the General Court of Massachusetts, memorializing the Congress of the United States to permit the operation of a free market for silver; to the Committee on Banking and Currency.

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to permit the operation of a free market for silver; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to immediately pass legislation permitting the recitation of nondenominational prayers in public schools; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 12481. A bill for the relief of Giuseppe Stellario; to the Committee on the Judiciary.

By Mr. BECKER:

H.R. 12482. A bill for the relief of Demetrios Haspoglou; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H.R. 12483. A bill for the relief of St. Joseph's Hospital; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 12484. A bill for the relief of Mrs. Chin Shui Ying and daughter Chin Oi Wan; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 12485. A bill for the relief of Dr. Woo Yoon Chey; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 12486. A bill for the relief of Dr. Jose Felix Garcia; to the Committee on the Judiciary.

By Mr. GOODELL:

H.R. 12487. A bill for the relief of Mary Gabriella Gomes; to the Committee on the Judiciary.

By Mr. KEARNS:

H.R. 12488. A bill for the relief of Tow-Chung Rhee; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 12489. A bill for the relief of Paolo Armano; to the Committee on the Judiciary.

By Mr. MORGAN:

H.R. 12490. A bill for the relief of Mrs. Delia Pili; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 12491. A bill for the relief of Toufic Renno; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

381. By the SPEAKER: Petition of Irving Segall, executive director, Master Furriers Guild of America, Inc., New York, N.Y., urging the Members of the Congress to preserve the constitutional rights of the citizens of the United States of America and to urge them to vote against the granting of extrajudicial powers presently being requested for the Federal Trade Commission; to the Committee on Interstate and Foreign Commerce.

382. Also, petition of William Capman, secretary, Commissioners of Fairmont Park, Philadelphia, Pa., relative to expressing support for the principles and purposes of the wilderness bill and urging its passage; to the Committee on Interior and Insular Affairs.

383. Also, petition of Taylor Green, president, Sarasota Project Alert, Sarasota, Fla., requesting an amendment to the Federal Constitution as is necessary so that open, humble acknowledgment of our dependence upon and our responsibility to our God is never restricted; to the Committee on the Judiciary.

SENATE

WEDNESDAY, JULY 11, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, we come with grateful hearts for quiet cloisters of the spirit where, in moments of reverential calm at the altar of Thy sustaining and forgiving grace, Thou dost restore our jaded souls.

We pray to be saved from giving to the tasks that await us anything less than our truest and best. Deliver us from any failure of self-control and from words spoken in haste or in passion.

With clear eyes, may we see Thee as our Father, our fellows near and far as our neighbors, and ourselves as our brothers' keepers. In that vision splendid of Divine Fatherhood and of human brotherhood, may we dream our dreams, fashion our lives, enact our laws, build our Nation, and plan our world until this shadowed earth, which is our home, moves in the orbit of Thy redeeming love.

We ask it in the hallowed name of Him for whose coming Kingdom we pray. Amen.

THE JOURNAL

On request of Mr. **Mansfield**, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 10, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on July 10, 1962, the President had approved and signed the following acts and joint resolution:

S. 1526. An act for the relief of Joey Kim Purdy;

S. 1943. An act for the relief of Hajime Sumitani;

S. 1969. An act to amend the Federal Aviation Act of 1958, as amended, to provide for supplemental air carriers, and for other purposes;

S. 2107. An act to amend title 14, United States Code, entitled "Coast Guard," to extend the application of certain laws relating to the military services to the Coast Guard for purposes of uniformity;

S. 2198. An act for the relief of Lise Marie Berthe Marguerite De Simone;

S. 2300. An act for the relief of Byron Wong;

S. 2355. An act for the relief of Filomena F. Schenkenberger;

S. 2606. An act for the relief of Patricia Kim Bell (Kim Booshin);

S. 2607. An act for the relief of Lee Hwa Sun;

S. 2633. An act for the relief of Susan Holt Lerke (Choi Sun Hee);

S. 2709. An act for the relief of Ernst Fraenkel and his wife, Hanna Fraenkel;

S. 2732. An act for the relief of Yoon So Shim;

S. 3025. An act to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company; and

S.J. Res. 201. Joint resolution to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed.

REPORT OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 468)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences:

To the Congress of the United States:

Pursuant to the provisions of the National Aeronautics and Space Act of 1958, as amended, I transmit herewith a report on the activities and accomplishments of the National Aeronautics and Space Administration for the period of October 1, 1960, through June 30, 1961. This is the fifth of these reports since the passage of the legislation establishing that agency, and supplements, in more detail, my annual report of January 31, 1962, which covered some of the same time period and reported on all agencies with responsibilities in the national effort in aeronautics and space.

Since the period covered by this report, the National Aeronautics and Space Administration, in cooperation with other agencies of the Government, has made substantial strides toward meeting our new and more ambitious aeronautics and space goals. This noteworthy progress, supported by the Congress, contributed to American leadership in many significant aspects in space accomplishments and has laid substantial foundation for greater successes in the future.

John F. Kennedy.

The White House, *July 11, 1962.*

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (S.J. Res. 68) providing for the designation of the week commencing October 14, 1962, as National Public Works Week, and it was signed by the President pro tempore.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. **Mansfield**, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. **Mansfield**, and by unanimous consent, the permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

On request of Mr. **Mansfield**, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Judiciary Committee was authorized to meet during the session of the Senate today.

On request of Mr. **Humphrey**, and by unanimous consent, the Subcommittee on Nominations of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

CONSIDERATION TOMORROW OF NOMINATION OF MATTHEW H. McCLOSKEY TO BE AMBASSADOR TO IRELAND

Mr. MANSFIELD. Mr. President, for the information of the Senate, and with the concurrence of the distinguished minority leader, I request that, notwithstanding any unanimous-consent agreements heretofore entered into, the Senate take up tomorrow, at the conclusion of the morning hour, the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador to Ireland.

The VICE PRESIDENT. Is there objection? The Chair hears none; and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

Report on Research Contract With CBS Laboratories

A letter from the Acting Director, U.S. Information Agency, Washington, D.C., reporting, pursuant to law, on a research contract with CBS Laboratories, a division of Columbia Broadcasting System, Inc., in the amount of $98,000, plus certain special technical expenses; to the Committee on Government Operations.

Audit Report on Alaska Railroad

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Alaska Railroad, Department of the Interior, fiscal years 1960 and 1961 (with an accompanying report); to the Committee on Government Operations.

Certification of Adequate Soil Survey and Land Classification, Cow Creek Unit, Trinity River Division, Central Valley Project

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Cow Creek unit, Trinity River division, Central Valley project (with an accompanying paper); to the Committee on Interior and Insular Affairs.

Applications for Loans Under Small Reclamation Projects Act of 1956

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an application for a loan under the Small Reclamation Projects Act of 1956 for the Orchard City Irrigation District in Delta County, Colo., in the amount of $270,000 (with acompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an application for a loan under the Small Reclamation Projects Act of 1956 for the Cassia Creek Reservoir Co. of Malta, Idaho, in the amount of $2,351,600 (with accompanying papers); to the Committee on Interior and Insular Affairs.

Temporary Admission Into the United States of Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Banking and Currency:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PERMIT THE OPERATION OF A FREE MARKET FOR SILVER

"Whereas the present silver policies of the United States prevent the operation of a free market for silver; and

"Whereas the lack of a free market results in an artificially high price for silver to the detriment of millions of consumers in the United States and thousands of workers in Massachusetts; and

"Whereas the President of the United States has submitted legislation to the Congress designed to permit the operation of a free market for silver; and

"Whereas the Senators from the Commonwealth of Massachusetts have cosponsored legislation designed to permit the operation of a free market for silver: Therefore be it

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to take immediate section to permit the operation of a free market for silver through the enactment into law of either S. 2420, S. 2885, or H.R. 10384; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress and to the Members thereof from the Commonwealth.

"Adopted by the house of representatives, June 26, 1962.

"WILLIAM C. MAIERS, *Clerk*.

"Adopted by the senate, in concurrence, June 28, 1962.

"THOMAS A. CHADWICK, *Clerk*.

"Attest:

"KEVIN H. WHITE,
"*Secretary of the Commonwealth*."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION 15

"Concurrent resolution memorializing Congress to grant a national charter to the Polish Legion of American Veterans

"Whereas the Polish Legion of American Veterans has existed for the past 30 years, with current membership of approximately 25,000 American citizens of Polish descent; and

"Whereas members and auxiliaries' members, as a major portion of their official benevolent and charitable activities, devote substantial and sustained efforts in aid of all classes of veterans in the United States—in hospitals, rest homes and wherever and in whatever their need may indicate; and

"Whereas the Polish Legion of American Veterans and auxiliaries foster the development of American citizenship, civic and community welfare and progress: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*, That the Congress of the United States be and hereby is memorialized to enact legislation now before it to grant a national charter to the Polish Legion of American Veterans; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the Senate, the Speaker of the House of Representatives, and each Michigan delegate to the Congress of the United States, and to the commander of each State Polish Legion of American Veterans.

"Adopted by the house March 7, 1962.

"NORMAN E. PHILLES,
"*Clerk of the House of Representatives*.

"Adopted by the senate June 26, 1962.

"BERYL I. KENYON,
"*Secretary of the Senate*."

Resolutions of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO IMMEDIATELY PASS LEGISLATION PERMITTING THE RECITATION OF NONDENOMINATIONAL PRAYERS IN PUBLIC SCHOOLS

"*Resolved*, That the Massachusetts House of Representatives hereby urges the Congress of the United States to immediately pass legislation setting in motion the necessary process for amending the U.S. Constitution permitting the recitation of nondenominational prayers in our public schools; and be it further

"*Resolved*, That the Massachusetts House of Representatives urges upon the Congress the importance of authorizing local authorities in accordance with local custom and practice to provide for the voluntary recitation of nondenominational prayers in public schools; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"Adopted by the house of representatives, June 28, 1962.

"WILLIAM C. MAIERS,
"*Clerk*.

"Attest:

"KEVIN H. WHITE,
"*Secretary of the Commonwealth*."

A letter in the nature of a petition from Joseph Mitchell, of Columbus, Ohio, relative to a formula for world peace; to the Committee on Foreign Relations.

A resolution adopted by the Mississippi State Baptist Encampment and Youth Assembly of the Mississippi Baptist Association, protesting against the decision of the U.S. Supreme Court regarding prayer in the New York public schools; to the Committee on the Judiciary.

The petition of Francisco Cepero, of Santurce, P.R., praying for a redress of grievances; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILLIAMS of New Jersey, from the Committee on Banking and Currency, without amendment:

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes (Rept. No. 1703).

By Mr. MANSFIELD, from the Committee on Rules and Administration, without amendment:

S. 3408. A bill to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons (Rept. No. 1715);

S. Res. 350. Resolution increasing the limit of expenditures for the Committee on Finance;

S. Res. 357. Resolution increasing the limit of expenditures by the Committee on Government Operations under Senate Resolution 250, 87th Congress (Rept. No. 1705);

S. Res. 358. Resolution to increase the amount of funds for the investigation of juvenile delinquency (Rept. No. 1706);

S. Res. 360. Resolution authorizing additional funds for an investigation of migratory labor (Rept. No. 1707);

S. Res. 362. Resolution to study the nondiplomatic activities of foreign governments (Rept. No. 1708);

H. Con. Res. 413. Concurrent resolution authorizing the printing of additional copies of "Supplement to Cumulative Index to Publications of the Committee on Un-American Activities—1955 Through 1960 (84th, 85th, and 86th Congresses)," 87th Congress, 1st session (Rept. No. 1709);

H. Con. Res. 415. Concurrent resolution authorizing the printing of additional copies of the publication entitled "Cumulative Index to Publications of the Committee on Un-American Activities, 1938–54," 84th Congress, 1st session (Rept. No. 1710);

H. Con. Res. 417. Concurrent resolution authorizing the printing of additional copies of House Report No. 1278, parts 1 and 2, 87th Congress, 1st session (Rept. No. 1711);

H. Con. Res. 454. Concurrent resolution authorizing the printing of additional copies of the "Hearings on Small Business Problems Created by Petroleum Imports" (Rept. No. 1712);

H. Con. Res. 476. Concurrent resolution providing for additional copies of hearings on Judicial Review of Veterans' Claims, 87th Congress, 2d session (Rept. No. 1713); and

H. Con. Res. 480. Concurrent resolution authorizing the printing of a report entitled "Motor Vehicles, Air Pollution and Health" as a House document, and providing for additional copies (Rept. No. 1714).

By Mr. MANSFIELD, from the Committee on Rules and Administration, with an amendment:

S.J. Res. 195. Joint resolution creating and establishing the Capitol Commission (Rept. No. 1717); and

S. Res. 359. Resolution authorizing the creation of a Subcommittee on Intergovernmental Relations (Rept. No. 1716).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite (Rept. No. 1718).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 4449. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes (Rept. No. 1719); and

H.R. 12180. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders (Rept. No. 1720).

ACQUISITION OF, AND CONVEYANCE OF CERTAIN PROPERTY IN DISTRICT OF COLUMBIA TO INTERNATIONAL MONETARY FUND—REPORT OF A COMMITTEE (S. REPT. NO. 1721)

Mr. SPARKMAN, from the Committee on Foreign Relations, reported favorably without amendment, the joint resolution (H.J. Res. 714) authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters, and submitted

a report thereon; which joint resolution was placed on the calendar, and the report was ordered to be printed with an illustration.

WORK HOURS ACT OF 1962—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1722)

Mr. McNAMARA. Mr. President, from the Committee on Labor and Public Welfare I report favorably without amendment, the bill (H.R. 10786), to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of Senators GOLDWATER and TOWER.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Michigan.

REPORT ENTITLED "NATIONAL PENITENTIARIES"—REPORT OF A COMMITTEE — SUPPLEMENTAL VIEWS (S. REPT. NO. 1704)

Mr. LONG of Missouri. Mr. President, from the Committee on the Judiciary I submit a report entitled "National Penitentiaries" pursuant to Senate Resolution 57, 87th Congress, 1st session, as extended, together with the supplemental views of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and the junior Senator from Missouri [Mr. LONG].

Mr. President, I ask unanimous consent that the report, together with the supplemental views, be printed.

The VICE PRESIDENT. Without objection, the report will be received and printed, as requested by the Senator from Missouri.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:

One hundred and seventy-four postmaster nominations.

By Mr. MAGNUSON, from the Committee on Commerce:

Ned Colden Austin and Richard James DeRycke, for permanent appointment in the Coast and Geodetic Survey; and

Daniel F. Leary, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HART:

S. 3527. A bill for the relief of Jose L. Rodriguez; to the Committee on the Judiciary.

By Mr. HART (for himself and Mr. MCNAMARA):

S. 3528. A bill to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. HART when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK (for himself and Mr. BURDICK):

S. 3529. A bill to amend the Manpower Development and Training Act of 1962 with regard to reimbursement of the railroad unemployment insurance account; to the Committee on Labor and Public Welfare.

By Mr. CLARK (for himself, Mr. WILLIAMS of New Jersey, Mr. CASE, Mr. JAVITS, and Mr. SCOTT):

S. 3530. A bill to authorize establishment of the Tocks Island National Recreation Area in the States of Pennsylvania and New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. HILL:

S. 3531. A bill to amend the Public Health Service Act to provide greater flexibility in the organization of the Service, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. HART:

S. 3532. A bill to confer jurisdiction on the Court of Claims to entertain, hear, and determine a motion for a new trial on the claim of Robert Alexander; to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. DOUGLAS):

S. 3533. A bill to amend section 3 of the Federal Deposit Insurance Act to include within the definition of "State banks" branches of foreign banks authorized under State law to accept deposits; to the Committee on Banking and Currency.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICH.

Mr. HART. Mr. President, I introduce, for appropriate reference, on behalf of myself and my colleague, the senior Senator from Michigan [Mr. MCNAMARA], a bill to establish the Sleeping Bear Dunes Lakeshore, in Michigan.

This new bill (S. 3528) replaces the earlier bill (S. 2153). We are requesting the Senate Interior Committee now to focus its consideration on this new bill.

Since introduction a year ago of the original bill proposing the preservation of the Michigan shoreline at Sleeping Bear Dunes, it is my good fortune to be able to report today that much progress has been made toward resolving some of the difficult questions posed by that first bill.

Mr. President, there have been numerous public and private meetings, much thoughtful correspondence, a public hearing by the Subcommittee on Public Lands of the Senate Interior Committee, and immeasurable effort on the part of many groups and individuals. To those who have written, met, and talked goes much of the credit for bringing this new bill into being.

The Michigan Parks Association, the Michigan United Conservation Clubs, the Sleeping Bear Dunes Citizens Council, the Michigan Bear Hunters Association, the members of the Michigan State Conservation Commission, and the staff of the Michigan State Department of Conservation, the Benzie County Board of Supervisors, the Traverse City Motel Owners Association, the local chambers of commerce, private property owners associations all have made constructive and helpful contributions to the new bill.

While it is difficult to single out individuals from among the many who have contributed, I would be remiss if I did not express our thanks to persons such as Harold Titus, Judge Ormond Danford, and Jack Benzenberg, of Traverse City; Custer Carland, of Frankfort; Harold McClure, of Alma; W. K. McInally, of Jackson; and John Beukema, of Muskegon.

Three weeks ago I outlined the features of the new bill in Traverse City. We expect to have many such meetings in the area and elsewhere in the State before this proposal reaches its final form.

In recent years, as the Congress and the Department of the Interior have moved their attention from creating national parks out of public lands in the West and have turned their attention to providing new recreation and park developments in the highly populated Middle West and East, totally new policy problems have presented themselves. At times these problems have seemed insurmountable. Yet we know that solutions must be found which will permit ours and future generations to enjoy America's magnificent outdoors and prevent the disappearance of these unique corners of creation behind no trespassing signs.

In the year Senator MCNAMARA and I have worked on preserving two shoreline areas in Michigan, it has become clear to us that each new area suggested for preservation requires special legislative tools to meet the peculiar problems of each separate area.

One year ago Congress established a new National Seashore Area at Cape Cod. At Cape Cod the central problem was the preservation of long-established historic communities and a stabilization of the area to preserve a part of our American historical heritage. New formulations were necessary to accomplish this purpose. The continuation of these historic communities became an essential part of the seashore proposal. This was accomplished.

At the Pictured Rocks on Michigan's Lake Superior shoreline we needed to evolve a proposal which would permit the continued utilization of a basic timber resource while preserving and providing access to a unique portion of our American shoreline. A short time ago we introduced a new bill—S. 3364—proposing methods for accomplishing this objective.

At the Sleeping Bear Dunes area the knotty problem is how to protect homes and cottages from threat of condemnation and provide a logical formula for the compatible development in the area of public enjoyment and continued private use as the people presently residing there have known it. Senator McNamara and I believe we have accomplished this dual objective in the new bill which we are introducing today.

The new bill protects homes from condemnation. It provides for continued commercial activities compatible with the development of the area for recreation purposes. The tax base so important to local communities and schools is substantially preserved. New methods of providing for greater local and State participation in managing the lakeshore area have been evolved. Hunting and fishing would be permitted under State law.

The plan for public development of this area by the National Park Service provides for a separate system of park roads designed to open the undeveloped areas within the boundaries for public access and effectively to divert traffic from the present residential developments.

Our new bill for the establishment of the Sleeping Bear Dunes National Lakeshore will preserve for our generation and future generations 1 of the 12 remaining segments of our Nation's shorelines designated in the Department of the Interior's shoreline survey as warranting and justifying national recognition. This survey and the resulting thorough field and ground studies in the late 1950's were the basis for our starting the legislative consideration.

This lakeshore will bring to the area and to the State of Michigan economic benefits in terms of increased tourist revenues equivalent to the establishment of 10 average-sized Michigan industries.

No one who has sought access to our Great Lakes shoreline can be unaware of the private development which has closed off mile after mile to public access. "The disappearing shoreline" is no myth.

The new bill we are introducing today has the following features:

First. Inland lakeshore residential areas will be set up and permanently protected from condemnation. New construction will be permitted in these areas and likewise protected. Precise boundaries of these areas will be determined jointly by a Lakeshore Advisory Commission and the Secretary of the Interior.

Second. The Secretary of Interior will not be allowed to develop land for public use within the inland lake residential areas for 25 years.

Third. Outside the inland lakeshore residential areas, no dwelling constructed before July 1, 1961, could be condemned if it is within an area that is adequately zoned. The new feature, additionally limiting condemnation: even if such dwelling is not in a zoned area, the owner may protect it by granting a mutually protective scenic easement. In other words, a private agreement comparable to a zoning code.

Fourth. In any condemnation proceedings, the fair market value will be determined under full judicial protection.

Fifth. Hunting and fishing rights to be protected, under State law.

Sixth. The following commercial land uses will be specifically permitted within the park: marinas, commercial farms, orchards, rental cottages, camps, crafts and arts studios, and Christmas tree farms. As far as we know, all businesses currently within the proposed park fall into one of these categories.

Seventh. The membership of the local-State Lakeshore Advisory Commission is expanded from 5 to 10 members, and the Commission is given a key role in the final determination of the boundaries for the inland lakeshore residential areas.

Eighth. The Secretary of Interior is directed to prepare and implement a land and water use plan, including provision for the management and utilization of renewable resources.

Ninth. If a citizen elects to sell his property to the Government and is under hardship, the Secretary is directed to give priority to that case.

Tenth. The Secretary is directed to develop any public use areas in a manner that will not diminish the value and enjoyment of improved residential property.

It is our hope that this proposal will receive the fullest kind of scrutiny and discussion over the months ahead. Suggestions and criticisms will continue to be welcome. Certainly no claim is made that "this is it—the final, best answer." I am sure further discussion and hearings will refine and improve the bill.

At the beginning of the new Congress, it will be our intention to introduce a measure substantially along these lines but reflecting any additional constructive ideas that are presented to us in the interim. It is our belief that the July 1, 1961, cutoff date which has been a part of the definition of "improved property" should form an integral part of any new bill in the next Congress.

In order that Members of Congress and all interested citizens may have in one place the fullest information with respect to this new legislation, I ask unanimous consent that there be inserted in the Record at this point the text of the new bill, questions and answers on the new bill, and a summary of its provisions.

Mr. President, I believe we are on the right track and that with the new provisions which have been evolved, the proposal is receiving ever wider support within the proposed boundaries and within the State of Michigan generally.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, questions and answers on the bill, and summary will be printed in the Record.

The bill (S. 3528) to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes, introduced by Mr. Hart (for himself and Mr. McNamara), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to preserve for the benefit, inspiration, education, recreational use, and enjoyment of the public a significant portion of the diminishing shoreline of the United States and its related geographic and scientific features, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to take appropriate action, as herein provided, to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore.

(b) In developing and preserving the Lakeshore, substantial reliance shall be placed on cooperation between Federal, State and local governments to apply sound principles of land use planning and zoning. Such land use plans and local zoning shall provide an alternative to the necessity for the Secretary to use his condemnation authority.

(c) With establishment of appropriate local zoning by-laws, authority to condemn improved property and property situated within an inland lakeshore residential area is suspended by this Act. In instances where owners of such property desire to sell they may retain right of use for specified periods. In developing the Lakeshore full recognition shall be given to protecting the private properties for the enjoyment of the owners.

Sec. 2. The area comprising that particular land and water depicted on the map identified as number NS-SBD-7000, "Proposed Sleeping Bear Dunes National Seashore," dated June 15, 1961, which is on file and available for public inspection in the office of the National Park Service of the Department of the Interior, is hereby designated for establishment as the Sleeping Bear Dunes National Lakeshore. An exact copy of such map shall be filed for publication in the Federal Register within thirty days following the date of enactment of this Act.

Sec. 3. As soon as practicable after the date of enactment of this Act and following the acquisition by the Secretary of an acreage within the boundaries of the area designated for inclusion in the Lakeshore which in his opinion is efficiently administrable for the purposes of this Act, he shall establish the Sleeping Bear Dunes National Lakeshore by publication of notice thereof in the Federal Register.

Sec. 4. (a) There is hereby established a Sleeping Bear Dunes National Lakeshore Advisory Commission. Said Commission shall terminate twenty-five years after the date the lakeshore is established.

(b) The Commission shall be composed of ten members, each appointed for a term of two years by the Secretary, as follows:

(1) four members to be appointed from recommendations made by the counties in which the lakeshore is situated, two members to represent each such county;

(2) four members to be appointed from recommendations made by the Governor of the State of Michigan; and

(3) two members to be designated by the Secretary.

(c) The Secretary shall designate one member to be Chairman. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(d) A member of the Commission shall serve without compensation as such. The Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this Act on vouchers signed by the Chairman.

(e) The Secretary or his designee shall consult with the Commission with respect to matters relating to the development of the lakeshore and with respect to the provisions of sections 9, 12, and 13 of this Act.

(f) Any member of the Commission appointed under this Act shall be exempted, with respect to such appointment, from the operation of sections 281, 283, 284, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5. U.S.C. 99) except as otherwise specified in subsection (g) of this section.

(g) The exemption granted by subsection (f) of this section shall not extend—

(1) to the receipt or payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment; or

(2) during the period of such appointment, and the further period of two years after the termination thereof, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter concerning which the appointee had any responsibility arising out of his appointment during the period of such appointment.

Sec. 5. In administering the lakeshore the Secretary shall permit hunting and fishing on lands and waters under his jurisdiction in accordance with the laws of Michigan. The Secretary, in consultation with the Michigan Department of Conservation, may designate zones and establish periods where and when no hunting shall be permitted for reasons of public safety, administration, or public use and enjoyment. The Secretary shall, after consultation with such Department, issue regulations, consistent with this section, as he may determine necessary to carry out the purposes of this section.

Sec. 6. (a) The administration, protection, and development of the lakeshore shall be exercised by the Secretary, subject to the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 and the following), as amended and supplemented, relating to the areas administered and supervised by the Secretary through the National Park Service; except that authority otherwise available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

(b) In the administration, protection, and development of the area, the Secretary shall prepare and implement a land and water use management plan, which shall include specific provision for—

(1) development of facilities to provide the benefits of public recreation;

(2) protection of scenic, scientific, and historic features contributing to public enjoyment; and

(3) such protection, management, and utilization of renewable natural resources as in the judgment of the Secretary is consistent with, and will further the purpose of, public recreation and protection of scenic, scientific, and historic features contributing to public enjoyment.

(c) In developing the Lakeshore the Secretary shall provide public use areas in such places and manner as he determines will not diminish the value or enjoyment for the owner or occupant of any improved property located thereon.

Sec. 7. Nothing in this Act shall be construed as prohibiting any governmental jurisdiction in the State of Michigan from assessing taxes upon any interest in real estate retained under the provisions of section 10 of this Act to the owner of such interest.

Sec. 8. (a) The Secretary is authorized, subject to the provisions of sections 9 and 13 including the limitations on condemnation of this Act, to acquire by donation, purchase with donated or appropriated funds, condemnation, transfer from any Federal agency, exchange, or otherwise, the land, waters, and other property, and improvements thereon, and any interests therein comprising the area depicted on such map.

(b) In exercising his authority to acquire property under this Act, the Secretary shall give immediate and careful consideration to any offer made by an individual owning property within the lakeshore to sell such property to the Secretary. In considering any such offer, the Secretary shall take into consideration any hardship to the owner which might result from any undue delay in acquiring his property.

(c) Any property or interests therein, owned by the State of Michigan, or any political subdivisions thereof, may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within such area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of this Act.

(d) The Secretary shall make every reasonable effort to acquire property through negotiation and purchase. Where agreement is not reached and condemnation proceedings are filed, the owner of such property shall be paid the fair market value thereof as determined in said judicial process.

(e) In any case where the owner and the United States agree, the power of condemnation may, notwithstanding any other provisions of this Act, be used as a means of acquiring a clear and marketable title, free of any and all encumbrances.

(f) In exercising his authority to acquire property by exchange, the Secretary may accept title to non-Federal property located within the area designated for inclusion and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within such area. Properties so exchanged shall be approximately equal in value: *Provided*, That the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged. The Secretary shall report to the Congress on every exchange carried out under the authority of this Act within thirty days from its consummation, and each such report shall include a statement of the value of the properties involved and of any case in which equalization payments are made or received.

Sec. 9. (a) The Secretary shall, at the request of any township or county affected by this Act, assist and consult with the appropriate officers and employees of such township or county in establishing zoning bylaws for the purposes of this Act.

(b) The Secretary's authority to acquire property by condemnation shall be suspended with respect to all property situated within an inland lakeshore residential area and all improved property located within the area designated for inclusion in the lakeshore for one year following the date of enactment of this Act. Thereafter such authority shall be suspended with respect to such property during all times when the affected counties or townships have in force and applicable to such property a duly adopted, valid zoning bylaw approved by the Secretary in accordance with the provisions of subsection (d) of this section. Such authority shall also be suspended with respect to any such property, notwithstanding the fact that the county or township in which it is situated does not have in effect and applicable thereto a duly adopted, valid zoning bylaw so approved, if the owner thereof donates to the Secretary a mutually protective scenic easement covering its future development, approved by him in accordance with the provisions of subsection (e) of this section.

(c) The Secretary may terminate the suspension of his authority to condemn such property referred to in subsection (b) covered by a zoning bylaw, amendment, or easement if such property becomes the subject of a variance, exception or use which fails to conform substantially or is substantially inconsistent with any such zoning bylaw, amendment, or easement. Notice in writing stating the basis for the Secretary's intention to exercise his power of termination must be given the owner sixty days prior to any exercise of this power. Discontinuance of the variance, exception or use shall reinstate the suspension of the Secretary's authority to condemn. Willful, continued or repetitive abuse of the sixty-day period of notice involving the same improved property shall relieve the Secretary of the responsibility of giving further sixty days notice in terminating the suspension of his authority to condemn such property.

(d) Any zoning bylaw or amendment thereto submitted to the Secretary for approval for the purposes of this Act shall be approved, except as otherwise provided in subsection (f) of this section, by him if such bylaw or amendment contains provisions which substantially contribute to the effect of (1) prohibiting the commercial and industrial use (other than a use for a commercial purpose as authorized under section 14 of this Act) of all property within the boundaries of such area which is situated within the county or township adopting such bylaw or amendment; and (2) promoting the preservation and development, in accordance with the purposes of this Act, of such area comprising the lakeshore by means of acreage, frontage, and setback requirements. Such approval shall not be withdrawn or revoked for so long as such bylaw or amendment remains in effect as approved.

(e) Any easement submitted to the Secretary for approval for the purposes of this section shall be approved by him if the instrument conveying such easement contains provisions which are no more stringent than those which would have been necessary for approval of a valid zoning bylaw covering such property in accordance with subsection (d).

(f) No zoning bylaw or amendment shall be approved by the Secretary under this Act which (1) contains any provision which he may consider adverse to the preservation and the development, in accordance with the purposes of this Act, of such area, or (2) fails to have the effect of providing that the Secretary shall receive notice of any variance granted under and any exception made to the application of such bylaw or amendment.

Sec. 10. (a) Any owner or owners of property situated within an inland lakeshore residential area or of improved property located within the area designated for inclusion in the lakeshore on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain, for a term of not to exceed twenty-five years, or for a term ending at the death of such owner or owners, the right of use and occupancy of such property for any residential purpose which is not incompatible with the purposes of this Act or which does not impair the usefulness and attractiveness of the area designated for inclusion. The Secretary shall pay to the owner the value of the property on the date of such acquisition, less the value on such date of the right retained by the owner. Where any such owner retains a right of use and occupancy as herein provided, such right during its existance may be conveyed or leased for noncommercial residential purposes in accordance with the provisions of this section.

(b) Any deed or other instrument used to transfer title to property, with respect to which a right of use and occupancy is retained under this section, shall provide that such property shall not be used for any purpose which is incompatible with purposes of this Act, or which impairs the usefulness and attractiveness of such area and if it should be so used, the Secretary shall have authority to terminate such right. In the event the Secretary exercises his power of termination under this subsection he shall pay to the owner of the right terminated an amount equal to the value of that portion of such right which remained unexpired on the date of such termination.

Sec. 11. As used in this Act, the term "improved property" means a detached, one family dwelling, construction of which was begun before July 1, 1961, together with so much of the land on which the dwelling is situated, such land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the lands so designated. The amount of the land so designated shall in every case be at least three acres in area, or all of such lesser acreage as may be held in the same ownership as the dwelling, and in making such designation the Secretary shall take into account the manner of noncommercial residential use in which the dwelling and land have customarily been enjoyed: *Provided, however*, That the Secretary may exclude from the land so designated any beach or waters on Lake Michigan, together with so much of the land adjoining any such beach or waters, as the Secretary may deem necessary for public access thereto. If the Secretary makes such exclusion, an appropriate buffer zone shall be provided between any residence and the public access or beach.

Sec. 12. (a) As used in this Act, the term "inland lakeshore residential area" means in part the following described areas together with adjacent waters:

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 1

Beginning at the point of intersection of the east line of section 36, township 27 north, range 15 west with the south shore of Little Platte Lake, thence south to the northeast corner of section 1, township 26 north, range 15 west thence west along the north line of section 1 to the point of intersection with the east one-sixteenth longitudinal line of section 1, thence south along the east one-sixteenth longitudinal line to its point of intersection with the east right-of-way of Deadstream Road, thence southeasterly along the east right-of-way of Deadstream Road a distance of one-quarter mile, then due west to the shore of Platte Lake, thence northwesterly along the shore of Platte Lake to its point of intersection with the east one-sixteenth longitudinal line of section 27, township 27 north, range 15 west, thence continuing westerly along the shore of Platte Lake a distance of 300 feet, thence north to the south right-of-way of Michigan Highway 22, thence easterly along the south right-of-way of Michigan Highway 22 to a point of intersection with the east right-of-way with Deadstream Road, thence continuing easterly along the south right-of-way of Michigan Highway 22 for 250 feet, thence continuing south and southeasterly along a line 250 feet distance from and parallel to the east right-of-way of Deadstream Road until said line intersects the west line of section 27, township 27 north, range 15 west, thence south to the east right-of-way of Deadstream Road, thence continuing southeasterly along the east right-of-way of Deadstream Road to a point on the east right-of-way of Deadstream Road which point is northwesterly 1,600 feet along the east right-of-way of Deadstream Road from the point of intersection of the east right-of-way of Deadstream Road and the east line of section 35, township 27 north, range 15 west, thence north 25 degrees east to the south shore of Little Platte Lake, thence southeasterly along the south shore of Little Platte Lake to point of beginning.

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 2

Beginning at a point on the south line of section 34, township 27 north, range 15 west, which point is 660 feet east of the southwest corner of section 34, thence east 1,056 feet, thence north to shore of Platte Lake, thence southeasterly along the shore of Platte Lake, to its point of intersection with the north line of section 12, township 27 north, range 15 west, thence west along the north line of section 12 to the northeast corner of the northwest quarter, northwest quarter, section 12, thence south a distance of 1,320 feet more or less to south right-of-way of a public highway, thence westerly along the south right-of-way of said public highway to the east line of section 11, township 26 north, range 15 west, thence south on east line of section 11 to the northeast corner, southeast quarter southeast quarter northeast quarter, section 11, thence west 660 feet, thence north 660 feet, thence west 660 feet, thence north to a point 300 feet south of north line of section 11, thence west to the west line of section 11, thence north 300 feet more or less to the south right-of-way of a public highway, thence northwesterly along the south right-of-way of said public highway to its point of intersection with the east-west quarter line of section 3, township 26 north, range 15 west, thence west along the east-west quarter line to a point 660 feet east of the northwest corner northwest quarter southwest quarter, section 3, thence north to point of beginning.

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 3

Beginning at a point on the east line of section 33, township 27 north, range 15 west, which point is 1,056 feet north of the southeast corner of section 33, thence west 330 feet more or less to the north right-of-way of a public highway, thence west along the north right-of-way of said public highway to its point of intersection with the east sixteenth longitudinal line of section 33, thence north to the northeast corner of the northwest quarter southeast quarter of section 33, thence east to the shore of Platte Lake, thence southeasterly along the shore of Platte Lake to its point of intersection with the east line of section 33, thence south along the east line of section 33 to point of beginning.

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 4

Beginning at the point of intersection of the west line of section 27, township 27 north, range 15 west with the south right-of-way of Michigan Highway 22, thence northeasterly along the south right-of-way of Michigan Highway 22 to its point of intersection with the west sixteenth longitudinal line of section 27, thence south along the west sixteenth longitudinal line to the southwest corner, northeast quarter southwest quarter of section 27, thence east 500 feet, thence south to the north shore of Platte Lake, thence southwesterly along the shore of Platte Lake to its point of intersection with the north sixteenth latitudinal line of section 33, township 27 north, range 15 west, thence west 200 feet along the north sixteenth latitudinal line of section 33, thence north to the line of section 33, thence east to the southwest corner of section 27, township 27 north, range 15 west, thence north along the west line of section 27 to point of beginning.

LITTLE TRAVERSE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 1

Beginning at the point of intersection of the north shore of Little Traverse Lake with the north-south quarter section line of section 10, township 29 north, range 13 west, thence north along the north-south quarter section line a distance of 280 feet, more or less, to the north right-of-way of a public road encircling the north shore of Little Traverse Lake, thence easterly along the north right-of-way of said public road to point where it intersects the north-south quarter section line of section 12, township 29 north, range 13 west, thence west to the shore of Little Traverse Lake, thence westerly along the north shore of Little Traverse Lake to point of beginning.

LITTLE TRAVERSE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 2

Beginning at the point of intersection of the south shore of Little Traverse Lake with the east line of section 14, township 29 north, range 13 west, thence south along the east line of section 14 to its intersection with the south right-of-way of Michigan Highway 22, thence westerly along the south right-of-way of Michigan Highway 22 to its point of intersection with the north-south quarter section line of section line of section 14, thence south on the north-south quarter section line to its intersection with the east-west quarter section line, thence west on the east-west quarter section line to the west line of section 14, thence north on the west line of section 14 to the south shore of Little Traverse Lake, thence easterly along the shore of Little Traverse Lake to point of beginning.

GLEN LAKE INLAND LAKESHORE RESIDENTIAL AREA

Section 31, Township 29 North, Range 13 West

Beginning at the intersection of the south line of section 31 with the east right-of-way of County Highway 616, thence northerly along east right-of-way of County Highway 616 to the point of intersection with the west line of the southeast quarter of fractional northwest quarter, thence due north 880 feet more or less along the west sixteenth longitudinal line to the south right-of-way of a road running northeasterly across the northeast quarter of fractional northwest quarter, thence along south right-of-way to a point 100 feet west of the north-south quarter section line, thence north to the north line of section 31, thence west along the north section line, section 31 to point of intersection with the east right-of-way of County Highway 616.

Section 30, Township 29 North, Range 13 West

Thence along the east right-of-way of County Highway 616 across the extreme southwest corner of section 30, township 29 north, range 13 west.

Section 36, Township 29 North, Range 14 West

Thence continuing along east right-of-way of County Highway 616 across the extreme northeast corner of fractional section 36.

Section 25, Township 29 North, Range 14 West

Thence northerly along the east right-of-way of County Highway 616 to the north line of section 25.

Section 24, Township 29 North, Range 14 West

Thence continuing northwesterly along the east right-of-way of County Highway 616 to the projected intersection of the west right-of-way of a north-south county road in the northwest quarter southwest quarter of section 25, thence southerly along the north-south county road to the south line of section 24.

Section 25, Township 29 North, Range 14 West

Thence south along the east right-of-way of said county road 1,110 feet more or less to intersection with an east-west county road, thence westerly along the north right-of-way of the east-west county road to the west line of section 25, township 29 north, range 14 west.

Section 26, Township 29 North, Range 14 West

Thence continuing westerly along the north right-of-way of said county road from the east line of section 26 to a point where the north right-of-way intersects the north line Government lot 3 to section 26, township 29 north, range 14 west, thence west along north line of Government lot 3 to the west line of section 26, township 29 north, range 14 west.

Section 27, Township 29 North, Range 14 West

Thence west along the north line of Government lot 1 to the northwest corner of Government lot 1, thence south on the west line of lot 1 to the south right-of-way of Lake Street, thence south along the south right-of-way of Lake Street to the intersection of a north-south county road, thence southwesterly along the west right-of-way of said county road to its intersection with Michigan Highway 22, thence across M22 to the west right-of-way, thence southwesterly along the west right-of-way of M22 to the south line of section 27, township 29 north, range 14 west.

Section 34, Township 29 North, Range 14 West

Thence west along the north line of section 34 to a point which is 400 feet west of the northeast corner of Government lot 1, section 34, township 29 north, range 14 west, thence south 200 feet, thence west 430 feet, thence south 805 feet, thence west 485 feet more or less to the west line of Government lot 1, thence south on the west line of Government lot 1 to the southwest corner Government lot 1, thence east 144 feet more or less to a point 661.49 west of the northeast corner of Government lot 2, section 55, township 29 north, range 14 west.

Thence south 8 degrees 45 minutes west 131.9 feet, thence north 81 degrees 02 minutes west 335.0 feet, thence south 8 degrees 45 minutes west 100 feet, thence south 30 degrees 37 minutes west 149 feet, thence south 89 degrees 38 minutes west 225.0 feet, thence south 18 degrees 13 minutes west 235 feet, thence north 71 degrees 30 minutes west 45 feet, thence south 18 degrees 30 minutes west 450 feet, thence south 71 degrees 30 minutes east 400 feet, thence south to the south line Government lot 2, thence east on the south line of Government lot 2 to a point 418.35 feet east of Glen Lake on the south line of Government lot 2.

Thence south 15 degrees 43 minutes west 100 feet, thence west 50 feet, thence south 2 degrees 59 minutes west 1,100.12 feet, thence west 43.1 feet, thence south 200 feet, thence west 50 feet, thence south 775 feet, thence west 225 feet, thence south 434 feet to the south line of section 34 township 29 north, range 14 west, thence east along the south line of section 34 to the west right-of-way of Michigan Highway 22.

Section 3, Township 28 North, Range 14 West

Thence south 24 degrees 36 minutes west to a point on the west right-of-way of M22 directly opposite a point on the centerline of M22 which is south 24 degrees 36 minutes west 387.4 feet from the north line of section 3, thence north 65 degrees west to a point which is 228.27 feet from the centerline of M22, thence south 25 degrees west 100 feet, thence south 65 degrees east 46.17 feet, thence south 25 degrees west 225 feet, thence north 65 degrees west 400 feet, thence south 27 degrees 15 minutes west 130 feet more or less to the north right-of-way of a public road listed as Forest Glen Road. Thence northwesterly along the north right-of-way of public road to the west line of section 3, township 28 north, range 14 west, thence south along west line of section 3 to the south right-of-way of said public road.

Section 4, Township 28 North, Range 14 West, and Section 33, Township 29 North, Range 14 West

Thence north 61 degrees 39 minutes west 186 feet along south right-of-way of said public road, thence south 16 degrees 28 minutes west 351.77 feet to the shore of Glen Lake, thence north 67 degrees 41 minutes west 200 feet, thence north 63 degrees 10 minutes west 160.48 feet, thence north 50 degrees 39 minutes west 39.52 feet, thence north 38 degrees 00 minute east 367.16 feet to south right-of-way of public road, thence northwesterly along the south right-of-way of said public road to the west line of section 32.

Section 32, Township 29 North, Range 14 West

Thence continuing northwesterly along the south right-of-way of said public road to the north line of section 32, thence west along the north line of section 32 to the shore of Glen Lake.

Section 29, Township 29 North, Range 14 West

Thence continuing northwesterly along the shore of Glen Lake from the intersection of the shore of Glen Lake with the south line of section 29, township 29 north, range 14 west, to a point of intersection of the shore of Glen Lake with the east line of Government lot 2, thence north along the east line of Government lot 2 to the south sixteenth latitudinal line, thence west along the south sixteenth latitudinal line to its intersection with the west line of Government lot 2, section 29, township 29 north, range 14 west, thence south on the west line of Government lot 2 to the shore of Glen Lake.

Thence westerly and southerly along the shore of Glen Lake to a point 664.77 feet east and 1,308.75 feet north of the southwest corner of Government lot 1, section 29, township 29 north, range 14 west, thence north 89 degrees 39 minutes west 236.33 feet to the east right-of-way of Michigan Highway 109, thence southerly along the east right-of-way to a stake on the east right-of-way of M109 located north 345.5 feet and north 89 degrees 12 minutes east 1,190 feet from the northwest corner of Government lot 1, section 31, township 29 north, range 14 west.

Thence from stake on east right-of-way of M109 north 89 degrees 12 minutes east 229.5 feet, thence south 18 degrees 03 minutes west 400.0 feet.

Section 31, Township 29 North, Range 14 West

Thence south 89 degrees 12 minutes west 1,242.0 feet to the west line of Government lot 1, section 31, township 29 north, range 14 west, thence south along the west lines of Government lots 1, 2, and 3, section 31, to the southwest corner of Government lot 3, thence east on south line of Government lot 3 to the west right-of-way of M109 thence southeasterly along the west right-of-way to its intersection with the east line of section 31, township 29 north, range 14 west, thence north along east line of section 31 to the shore of Glen Lake.

Section 32, Township 29 North, Range 14 West

Thence from the intersection of the south shore of Glen Lake with the west line of section 32, township 29 north, range 14 west, southeasterly along the shore of Glen Lake to intersection with the south line of section 32.

Section 5, Township 28 North, Range 14 West

Thence from the intersection of the north line of section 5, township 28 north, range 14 west, and the south shore of Glen Lake southeasterly along the shore of Glen Lake to its intersection with the east line of section 5, township 28 north, range 14 west.

Section 4, Township 28 North, Range 14 West

Thence from the point of intersection of the shore of Glen Lake with the west line of section 4, township 28 north, range 14 west, south on the west line of section 4 to the south right-of-way of a public road lying on the south line of Government lot 5, thence east along south right-of-way of said public road to its intersection with Michigan Highway 22, thence east across M22 to the south right-of-way, thence northeasterly along M22 to a point 476.5 feet west and 1,519.0 feet north of the southeast corner of the southeast quarter of the southwest quarter of section 4, thence south 400 feet, thence east 476.5 feet, thence north on the east line of the southeast quarter southwest quarter, section 4, to a point of intersection with the south sixteenth latitudinal line, thence east on the south sixteenth latitudinal line to a point on the west boundary of a cemetery which point is north 89 degrees west 222.75 feet from the intersection of the south sixteenth latitudinal line with the east line of section 4, thence south to the southwest corner of said cemetery, thence south 89 degrees east 222.75 feet to the west line of section 4, thence continuing east on the same bearing 33 feet more or less to east right-of-way of a public highway.

Section 3, Township 28 North, Range 14 West

Thence north to a point 554.2 feet south and 33 feet east of the meander corner at the north end of the west line of section 3, township 28 north, range 14 west, thence east 233.0 feet, thence north 374.14 feet to centerline of a public highway, thence south 69 degress 55 minutes east 49.01 feet, thence north 0 degree 47 minutes west 11.3 feet, thence east to north right-of-way of said public highway, thence southeasterly along north right-of-way of said highway to its intersection with the south right-of-way of a private road listed on the plot of McFarlane Woods numbered 2 as Beech Tree Road, then southeasterly along the south right-of-way of Beech Tree Road to the northeast corner of lot numbered 14 of McFarlane Woods numbered 2, thence north 37 degrees 24 minutes east to the shore of Glen Lake, thence southeasterly along the shore of Glen Lake the intersection of the shore of Glen Lake with the south line of section 3, township 28 north, range 14 west.

Section 10, Township 28 North, Range 14 West

Thence from the intersection of the shore of Glen Lake with the north line of section 10, township 28 north, range 14 west, and continuing southeasterly along the shore of Glen Lake to the east line of section 10.

Section 11, Township 28 North, Range 14 West

Thence continuing from the intersection of the shore of Glen Lake with the west line of section 11, township 28 north, range 14 west, southeasterly along the shore of Glen Lake south 54 degrees 28 minutes east 525.6 feet, thence south 66 degrees 33 minutes east 900 feet, thence south to the north line of the southeast quarter southwest quarter, thence east to the northeast corner of the southeast quarter southwest quarter, thence north along the west line of the northwest quarter southeast quarter 726.0 feet, thence east 538.56 feet to centerline of highway, thence east to a point 626.0 feet west of the east line of section 11, township 28 north, range 14 west, thence north 544.5 feet more or less to south right-of-way of County Road 616, thence east along highway to the east line of section 11.

Section 12, Township 28 North, Range 14 West

Thence continuing east from the west line of section 12, township 28 north, range 14 west along the south right-of-way of County Road 616 to a point where the south right-of-way intersects the east-west quarter section line, thence continuing east to a point 2,090.0 feet east of northwest corner of the northwest quarter southwest quarter, thence north 5 degrees 02 minutes west to the south right-of-way of County Road 616, thence northeasterly along the south right-of-way of County Road 616 to a point where the south right-of-way bears north 11 degrees 22 minutes west, thence northerly along the east right-of-way of County Road 616 to the southwest corner of the village of Burdickville, thence north 52 degrees east along the south boundary of the village of Burdickville to the west right-of-way of Division Street, thence south 51 degrees east 22.0 feet, thence south 9 degrees west 244 feet, thence south 81 degrees east 165 feet, thence south 9 degrees west 20 feet, thence south 81 degrees east 148.5 feet, thence north 9 degrees east 264.0 feet to the south right-of-way of a public road, thence north 81 degrees west 148.5 feet along south right-of-way of said public road, thence northerly to a point on the north right-of-way directly opposite the point on the south right-of-way, thence north 112 feet to a point which is 257.7 feet east of the east right-of-way of Division Street on the north line of section 12, township 28 north, range 14 west.

Section 1, Township 28 North, Range 14 West

Thence beginning at a point 380.08 feet west of the southeast corner of Government lot 2, section 1, township 28 north, range 14 west, thence north 13.13 feet, thence north 42 degrees 35 minutes west to the south right-of-way of County Road 616, thence northeasterly along the south right-of-way of County Road 616 to its intersection with lot numbered 18 of "Billmans Pioneer Park", thence south 117.5 feet, thence continuing northeasterly along the south lines of lots numbered 18 to numbered 1 of "Billmans Pioneer Park" to a point of intersection with the east line of Government lot 2, section 1, township 28 north, range 14 west.

Section 6, Township 28 North, Range 13 West

Thence north 48 degrees east 110 feet, thence north 42 degrees west 115 feet, to west line of section 6, thence north along west section line to the east right-of-way of County Highway 616, thence northeasterly along County Highway 616 to the north line of section 6, township 28 north, range 13 west, and point of beginning.

(b) In addition to the areas described in subsection (a), additional acreage may be designated for inclusion in inland lakeshore residential areas, except that the total combined acreage of all inland lakeshore residential areas shall not exceed, in the aggregate, 3,500 acres. This additional acreage shall be in close proximity to the shorelines of the inland lakes, or the areas described in subsection (a), but in no event shall any additional acreage be added under this subsection if the effect of such addition would be to include substantially the entire shoreline of an inland lake within an inland lake residential area. This designation shall be made by the Secretary only upon recommendation and after consultation with the Lakeshore Advisory Commission.

(c) No new public use or access areas shall be opened or developed in the inland lakeshore residential areas by the Secretary for a period of twenty-five years from the establishment of the lakeshore.

Sec. 13. In any case, not otherwise provided for in this Act, the Secretary's authority to condemn shall be suspended with regard to commercial property used for commercial purposes in existence on July 1, 1961, so long as the use thereof would further the purposes of this Act, and such use does not impair the usefulness and attractiveness of the area designated for inclusion in the lakeshore. The following uses, among others, shall be considered to be uses compatible with the purposes of this Act: Commercial farms, orchards, motels, rental cottages, camps, craft and art studios, marinas, and Christmas tree farms.

Sec. 14. The Secretary shall furnish to any interested person requesting the same, a certificate indicating, with respect to any property located within the area designated for inclusion as to which the Secretary's authority to acquire such property by condemnation has been suspended in accordance with provisions of this Act, that such authority has been so suspended and the reasons therefor.

Sec. 15. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The questions and answers and summary presented by Mr. Hart are as follows:

QUESTIONS AND ANSWERS ON SLEEPING BEAR DUNES NATIONAL LAKESHORE PROPOSAL

Isn't there too much land in public ownership in Michigan already?

The real question is, how much land suitable for recreation does Michigan have in public ownership? Land-use experts tell us, on the basis of a recent inventory, that we have in public ownership and suitable for recreation approximately 367,000 acres, or just over 1 percent of the State's total area of 36.5 million acres.

While the vast blocks of green which represent State and National forests on our highway maps suggest that enormous areas are publicly owned contiguously, the platbooks show instead that the actual public holdings within these widespread boundaries are very checkered, with numerous blocks of private holdings interspersed. And it is generally the best pieces which are privately owned, since most of the public ownership came through tax reversion and relatively few really choice recreation spots were allowed to revert.

Isn't 77,000 acres too much?

There is no magic in any specific number of acres. What needs to be done is to set aside an area of sufficient size to incorporate the nationally unique scenic and scientific features to be found at Sleeping Bear. These include the Empire Dunes, the Platte Plains, South Manitou Island, and the closely associated inland lakes. This can be done without condemning any existing homes or towns. Precise boundaries will be set by the Congress after testimony from all interested groups and individuals.

The new proposal is based on the principle that public recreation and the development and preservation of the lakeshore area is compatible with the protection of continued existing private residential and commercial uses within the area. The new concept of inland lakeshore residential areas is proposed to limit somewhat the land area that would be available for public development and involuntary taking.

Every study and analysis of our increasing population's use of outdoor recreation facilities in the years ahead indicates that areas such as Sleeping Bear Dunes will be intensively used. Too small an area would bring not only overly intensive public use of key beauty spots all seek to preserve, but also could well mean intensive commercial and residential development up to the boundary lines of a small lakeshore.

Isn't Sleeping Bear too far from population centers to be a good choice?

Twenty million people and every principal city in the neighboring States of Ohio, Indiana, Illinois, and Wisconsin are within an easy day's drive of northern Michigan. The Detroit metropolitan area is 5 hours away, Grand Rapids, 4.3 hours, and Monroe, 5.6 hours.

We have in the North Central States 25 percent of the Nation's land, 29 percent of the population, but only 14 percent of the public recreation area—local, State, or Federal.

The Outdoor Recreation Resources Review Commission's 1962 report, under the chairmanship of Laurance Rockefeller, stated in its first finding: "Driving and walking for pleasure, swimming, and picnicking lead the list of the outdoor activities in which Americans participate, and driving for pleasure is most popular of all."

Wouldn't it be preferable for the State of Michigan to expand the existing State parks, with the help of Federal matching funds?

If the so-called "save our shorelines" bill (S. 543) is passed by the Congress, Michigan would receive its share of $25 million of Federal funds, designed to help the 50 States preserve remaining stretches of shoreline. These Federal funds must be matched by the State on a 50–50 basis.

The survey of the Nation's shoreline that pinpointed Sleeping Bear Dunes, Pictured Rocks, and Huron Mountains as being of national significance and entitled to be included in the National Park System, identified 37 other stretches of Michigan shoreline of lesser magnitude and many of them closer to population centers, which were recommended for State and local acquisition. S. 543 is designed to help Michigan save areas such as these before they are destroyed for recreation purposes.

If S. 543 money is used for Sleeping Bear, it will not be available for use in the rest of Michigan and it will not permit acquisition and maintenance in this area of a lakeshore sufficiently prominent to attract tourists from all over the Nation.

What about the homeowners? Are they going to be driven out?

It is not the purpose of the bill to obtain existing homes and cottages within the proposed lakeshore area. The new bill, by removing the power of condemnation if local governments zone private property or individual homeowners grant scenic easements, sets forth a plan by which public development can proceed along with continued private residential ownership. A particularly important new feature is the establishment of inland lakeshore residential areas where residential development under zoning could continue and the power of condemnation would be suspended over all property.

In addition, the new bill has incorporated many safeguards to protect the rights of property owners and to assure them a minimum of changing conditions from the beauty they are presently enjoying.

What about the local tax rolls?

It is a matter of record that national parks have resulted in improved economic conditions for surrounding communities.

If the proposed lakeshore area were established, accommodations for tourists—hotels, restaurants, motels, service stations, food stores, and a multitude of other service establishments would develop outside the area, providing investment opportunities and local employment. It is estimated that some 1,200,000 visitors would spend nearly $11 million annually in the immediate vicinity. About 25 percent of this amount, some $2,700,000 would probably remain in the area as wages and profits; at the average rate of Michigan's manufacturing payrolls and salaries, the equivalent of over 500 manufacturing jobs. Stated in another way, $11 million expenditures for recreation is equivalent to the output value of over 10 average sized Michigan manufacturing establishments.

This increased economic activity, plus the fact that all existing homes not voluntarily offered for sale would remain on the local tax rolls, should result in a sharp increase in total assessed valuation in the counties and school districts involved.

Isn't this going to cost too much?

It is estimated that under the new Hart-McNamara bill $21.5 million would be spent in Michigan by the Federal Government over a 25-year period in land acquisition, capital improvements (scenic drives, etc.) and operation.

Of the roughly estimated $17 million of total property value within the proposed boundaries, approximately $3 million represents the estimated valuation of undeveloped land. The remaining $14 million worth of property is mostly homes and cottages which are not intended to be acquired under the new proposal unless voluntarily offered for sale to the Government. In many instances, of course, these may never be sold for incorporation into the lakeshore, but remain in private ownership in perpetuity.

Whether the taxpayer's money should be spent for preserving a portion of our heritage for future generations to enjoy, each man must answer for himself. We know that without action by Government, the choice areas are soon acquired for private use or commercial development.

The Congress of the United States, in establishing the Outdoor Recreation Resources Review Commission, declared that it was in the public interest "to preserve, develop, and assure accessibility to all American people of present and future generations such quality and quantity of outdoor recreation resources as will be necessary and desirable for individual enjoyment and to assure the spiritual, cultural, and physical benefits that such outdoor recreation provides" (Public Law 85-470).

SUMMARY OF PROVISIONS OF NEW SLEEPING BEAR DUNES BILL (S. 3528)

PREAMBLE

The purpose of this bill is to propose to Congress the preservation of portions of the Michigan Sleeping Bear shoreline and related areas for the benefit and enjoyment of present and future generations. A key feature in this legislation is its recognition that existing residential and many commercial uses can continue to exist in private ownership and be compatible with the public development of the lakeshore. This is made an explicit purpose of the bill, reflecting the suggestions of many local groups and individuals.

Federal, State and local governments all are to be involved in the planning and management of the land and water resources within the boundaries.

SECTION 2

Seventy-seven thousand acres of land and water on the Lake Michigan shore, including South Manitou Island, are designated as the area within which the Sleeping Bear Dunes National Lakeshore is to be developed.

SECTION 3

Within the boundaries established by section 2, the Secretary of the Interior is directed to establish the Sleeping Bear Dunes National Lakeshore when he determines that sufficient acreage has been acquired for efficient administration as a national lakeshore.

SECTION 4

This section provides for a Lakeshore Advisory Commission to serve and consult with the Secretary of the Interior for a period of 25 years. Four members would be appointed from nominations made by Benzie and Leelanau Counties, four from recommendations by the Governor of the State of Michigan, and two would represent the Secretary of the Interior. The Secretary of the Interior is directed to consult with the Commission in developing the plans for the lakeshore. He is to consult with the Commission particularly on the problems of local zoning ordinances, the delineation of the inland lakeshore residential areas, and commercial activities permitted within the lakeshore.

SECTION 5

This section makes possible the continuation of hunting and fishing on the lands and waters within the lakeshore under the laws of the State of Michigan. The Secretary would work with the Michigan Department of Conservation in designating zones and times when no hunting would be permitted because of public safety or intensive recreation use of an area. This section assures the continuing reliance upon the State conservation department to set overall policies protecting hunting and fishing activities. The language of this section has been based on the recommendations of the Michigan United Conservation Clubs, the Michigan Conservation Department, and the Michigan Bear Hunters Association.

SECTION 6

This section sets out in general terms the manner in which the Sleeping Bear Dunes National Lakeshore would be developed and administered. It provides for the same high standards maintained in other national parks and lakeshore areas. In addition, the Secretary would be directed to develop a land- and water-use management plan which would recognize the importance of protecting and managing the renewable natural resources within the area. This is particularly important in terms of management of the timber for wildlife purposes. Numerous conservation groups and the State conservation commission have underlined the importance of this new language.

In developing the recreation and public use areas, the Secretary is directed to protect the property values and the privacy of private home and cottage owners located within the lakeshore. This is a key feature in the new bill's policy, recognizing that private ownership within the lakeshore is compatible with the development of public recreation and preservation of scenic values. The Michigan Parks Association was helpful in evolving this new concept as well as other language of the new bill.

SECTION 7

Until private property is transferred to the Secretary, of course, it remains on the tax rolls. If advantage is taken of the provision for 25-year estate (sec. 10), section 7 authorizes the property to be taxed for local purposes.

This provision has been included because of the expressed desire of local school and county officials to minimize the tax loss in the period when undeveloped land would be acquired and before new development, brought into the counties as a result of the lakeshore, would raise the overall property evaluation throughout the area.

SECTION 8

This section gives the Secretary of the Interior authority to acquire property for this lakeshore and spells out the limitations which Congress would set on the Secretary's authority to acquire property.

Lands owned by the State of Michigan or by the counties could be acquired only with the consent of the State or counties. Authority to acquire by condemnation would be expressly limited as explained later in sections 9 and 13. Because of concern expressed by individual property owners at the public hearing on the earlier bill, as well as suggestions made by counsel for the Sleeping Bear Dunes Citizens Council, the Secretary is directed to make every reasonable effort to acquire property—which in almost every instance would be undeveloped property—through negotiation and voluntary sale. In the event that agreement over price is not reached voluntarily and the Secretary should move to acquire the property through condemnation proceedings, the bill makes it explicitly clear that the fair market value would be determined only pursuant to a court proceeding.

Individual property owner concern was also expressed at the public hearing that the Secretary should be directed to acquire property expeditiously in hardship cases where the owner was willing to sell. This has been spelled out in the new bill.

SECTION 9

One of the two key ways in which the Secretary's power to condemn property would be suspended would be through the adoption of a county or township zoning ordinance covering the property.

The Secretary at the request of a township or county is directed to consult and assist with the development of zoning bylaws. The Secretary is directed by the act to approve local bylaws if they meet specific objectives spelled out in the act. These objectives are (1) the prohibition of commercial and industrial uses, with the exception of specific commercial uses which would not be incompatible with the lakeshore development; and (2) the preservation and orderly development of the area through the usual acreage, frontage and setback requirements of local zoning ordinances.

Throughout the lakeshore, homes and cottages constructed before July 1, 1961, would be protected from condemnation if properly zoned or if under scenic easement (as provided in sec. 10). In addition, the power of condemnation is suspended over all properties—commercial, residential, and undeveloped—within the specified inland lakeshore residential areas.

If properly zoned, new construction in accordance with the zoning ordinance would be permitted within the inland lakeshore residential areas. The rewriting of the provisions of section 9 resulted from the suggestions and comments on the original bill in the testimony of the spokesmen for the Sleeping Bear Dunes Citizens Council. For example, concern was expressed over possible arbitrary change in zoning standards by the Secretary of the Interior; township zoning, as well as county zoning, has been included; and provision has been made for orderly new residential development in areas where such development has already taken place along the lakeshore of the inland lakes.

In the event that homes and residential property throughout the lakeshore or the inland lakeshore residential areas were not zoned or at some future time zoning ordinances adopted were declared invalid or were repealed, provision is made whereby the individual property owner by granting a mutually protective scenic easement over his property can suspend the power of the Secretary to condemn his property. This is a "safety valve" to underline the overall intent of the bill; namely, that with minimum guarantees against unsightly uses of undesirable commercial uses, private ownership of improved property can continue in perpetuity within the lakeshore.

This is a new feature and one designed to give the fullest possible protection to the private owner.

Neither the zoning bylaws nor the easement would be retroactive.

SECTION 10

This section is of importance to homeowners interested in voluntary sale of their property to the Government but desiring to retain the use of their home for their lifetime or a period of up to 25 years. The Secretary would pay cash to the owner based upon an agreed-upon price, less an amount representing the value of the years of use which the property owner would retain.

SECTION 11

In all of those portions of the lakeshore other than the special inland lakeshore residential areas, the term "improved property" has special significance in the bill since its definition sets forth the type of property over which the Secretary's power of condemnation is suspended by provisions for zoning or scenic easements. "Improved property" means a one-family dwelling on which construction was begun prior to July 1, 1961, and adjacent land owned by the same owner considered reasonably necessary for the enjoyment of the home. The homeowner would be guaranteed up to 3 acres adjacent to his home.

The only exception involves homes fronting on Lake Michigan. In these instances land which the Secretary might require for public access to Lake Michigan adjacent to the home could be condemned. Proper buffer zones would be maintained. This exception does not apply to lakeshore frontage on the inland lakes, a point not satisfactorily established in the original bill.

SECTION 12

Here is set forth the description of the various inland lakeshore residential areas on Platte Lake, Little Traverse Lake, and Glen Lake. In addition to these described areas, which amount to approximately 2,700 acres of land, provision is made whereby the Lakeshore Advisory Commission may add to these inland lakeshore residential areas to increase them so that their total acreage would be not more than 3,500 acres. This flexibility is designed to provide room for adjustment of boundaries and hardship cases.

The idea of establishing special inland lakeshore residential areas came from the very clear indication that there were special problems involving the more intensively developed shorelines of the several inland lakes. Concern was expressed that acreage would be acquired by the Government adjacent to existing homes, and that property owners would be "picked off one by one." In addition, a number of individuals owned undeveloped lots and intended to build cottages and homes on the shorelines of the inland lakes, where residential development was already fairly intense. To meet these and other problems, the concept of inland lakeshore residential areas is being proposed in the new bill. If adequately zoned or if individual property owners grant scenic easements, the power to acquire property by condemnation would be suspended over all property within these areas.

New construction conforming to easement or zoning requirements could proceed on the undeveloped property within an inland lakeshore residential area.

The Secretary of the Interior would be prohibited from developing any additional public use or public access areas within the inland lakeshore residential areas for a period of 25 years after the establishment of the lakeshore. The Secretary could acquire land offered voluntarily for sale but could not develop such land for public use during the first 25 years.

SECTIONS 13 AND 14

It is the intention that commercial uses not incompatible with the overall purpose of the lakeshore could continue. The Secretary's power to condemn such properties built prior to July 1, 1961, would be suspended by section 13. Under section 14 the Secretary is directed to issue a certificate indicating that his authority to acquire such commercial property by condemnation has been suspended.

The specific uses recognized by the act as compatible include commercial farms, orchards, motels, rental cottages, camps, craft and art studios, marinas, and Christmas tree farms. Other uses might also be considered compatible.

It is expected that orderly expansion and repair and development of these recognized compatible commercial uses would be permitted both within the inland lakeshore residential areas under the zoning ordinances and in the remaining parts of the lakeshore under agreement with the Secretary of the Interior as part of the issuance of his certificate indicating a suspension of condemnation of the commercial property.

SECTION 15

This is the usual authorizing clause for the appropriation of funds to carry out the provisions of this act. A number of questions have arisen as to Congress willingness to appropriate the necessary funds. The most comparable example is the action of Congress this year in proceeding to appropriate funds for acquisition of properties at the Cape Cod Seashore in sufficient amounts to provide for orderly acquisition and establishment of the Cape Cod Seashore area.

TOCKS ISLAND NATIONAL RECREATION AREA, PA. AND N.J.

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to authorize establishment of the Tocks Island National Recreation Area in the States of Pennsylvania and New Jersey, to be administered by the National Park Service. I am joined in sponsoring this measure by my distinguished colleagues from New Jersey [Mr. Case and Mr. Williams], New York [Mr. Javits], and Pennsylvania [Mr. Scott].

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3530) to authorize establishment of the Tocks Island National Recreation Area in the States of Pennsylvania and New Jersey, and for other purposes, introduced by Mr. Clark (for himself and Senators Case, Williams of New Jersey, Javits, and Scott), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. CLARK. Mr. President, last year, as my colleagues will recall, Congress approved the creation of the Delaware River Basin Commission, composed of the Governors of the States of New Jersey, Delaware, New York, and Pennsylvania, and the Secretary of the Interior. This Commission is given responsibility for the planning, conservation, and development of the water and related land resources of the Delaware River basin. The Commission has recently approved a comprehensive plan for the development of the basin prepared by the Corps of Engineers. As part of this plan, they approved a recommendation that some 47,000 acres of land be acquired around the proposed Tocks Island Reservoir—to be located on the Delaware River about 6 miles above the Delaware Water Gap—and that this land, in conjunction with the 15,000-acre reservoir, be developed into the largest water recreation area between the Great Lakes and the Atlantic Ocean. It will be the first such area in the East to be called a national recreation area.

This proposal thus has the approval of the Governors of the four States concerned and of the executive branch of the Federal Government. Speaking for Pennsylvania at least, I can say that it has the approval of all concerned. To my knowledge, no voices have been raised against the proposal in any of the public hearings held by the Corps of Engineers, by the Delaware River Basin Commission, and by the States concerned.

Construction of the Tocks Island Dam itself will presumably be authorized in the omnibus public works bill which we will pass later in the session. It has been recommended by the administration and, since it has the approval of the States affected and has no opposition within those States, there appears to be no reason to believe it will be removed from the omnibus bill before passage.

I am introducing this bill today in the hope that we can settle the question of recreation development at the time the omnibus bill is passed, so that recreation planning can proceed concurrently with planning of the dam itself.

As has frequently been noted, the eastern coast of the United States has already become the world's first "megalopolis"—an almost continuous belt of urbanization stretching over 400 miles from Maine to Virginia. For the millions of people living and working in this maze of concrete and steel it is essential that we preserve and develop for recreational use the few remaining areas where expanses of pure water are available and trees still outnumber telephone poles. The reservoir at Tocks Island will be the largest fresh water reservoir located near the most people of any in the United States—and probably in the entire world. Some 30 million people live within 100 miles of Tocks Island—only slightly farther than many of them travel in a single day to and from their jobs. And it is estimated that about 7 million people will visit the recreation area annually. It will be 30 miles long, with a shoreline of 100 miles.

Mr. President, I ask unanimous consent that a recent editorial from the Philadelphia Inquirer emphasizing the need for a national recreation area in the East and an article by Hugh Scott—no relation to my colleague who is cosponsoring this measure—which appeared in the Inquirer magazine in December 1960, be inserted at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit I.)

Mr. CLARK. Mr. President, from the economic point of view, development of recreation resources is one of the wisest steps we can take. In the Commonwealth of Pennsylvania today—where 373,000 people are still out of work—the recreation industry is our No. 1 growth industry. It accounts for over $1 billion in annual income in our Commonwealth; yet, relative to its potential, it is still probably our most underdeveloped industry.

The bill I have introduced will enable planning and preliminary land acquisition for the recreation area to begin at the same time that land for the reservoir is acquired. It authorizes the Secretary of the Army to acquire the necessary lands and, when practicable, to transfer jurisdiction to the Secretary of the Interior who will develop a land and water use management plan including provisions for public outdoor recreation benefits, preservation of scenic, scientific, and historic features contributing to public enjoyment, and utilization of natural resources consistent with these objectives. Hunting and fishing shall be permitted within the area in accordance with the laws of Pennsylvania and New Jersey.

EXHIBIT I

EAST NEEDS NATIONAL PARKS, TOO

While a Federal plan submitted to Congress by President Kennedy for 10 new national parks offers some important and attractive features, it still leaves the crowded East largely neglected in respect to such great outdoor recreational areas.

This 10-park program, before Congress since March 1, seemingly needs a little shoving, and the administration is setting about to get as much of it as the national legislators can be induced to approve.

With the approval it would be necessary to provide $63,075,000 for land acquisition for nine of the projects. The 10th, and the only one for the eastern section of the country, is the Sagamore Hill National Historic Site in New York—a memorial to Theodore Roosevelt.

The other sites, topped by a 332,000-acre Canyonlands National Park in Utah, spread westward from Indiana, Missouri, and Kansas to the Point Reyes National Seashore in California. They include a highly worthwhile proposal for an ice age national scientific reserve in Wisconsin.

Comparable projects in the East are limited. One is the Cape Cod National Seashore in Massachusetts, approved last year. It is to be hoped that the administration, and Congress, will give some attention to the need for adequate national parks near thickly populated eastern cities. Before long, without Federal action, there won't be many park areas for these districts remaining available.

TO DEVELOP THE DELAWARE

(By Hugh Scott)

If you've never heard of Tocks Island, don't be disturbed. Sitting in the Delaware River a few miles above the water gap, its past charm has rested mostly on its obscurity. Few knew the name of this slim island and, until recently, fewer thought it important.

Now, suddenly, Tocks Island is getting $177,380,000 worth of public attention. That, at least, is the estimated cost of building the proposed Tocks Island Reservoir and Recreation Area, a 62,000-acre land and water playground that would attract an estimated 7 million visitors to this section of the upper Delaware each year.

This area would start at the Delaware Water Gap and reach almost to Port Jervis. It would include a 37-mile-long lake or reservoir with a surface area of about 15,000 acres and a shoreline of 100 miles. The reservoir would be formed by the Tocks Island Dam to span the Delaware some 5 miles above the water gap. Bordering the reservoir would be some 47,000 acres of recreational land.

All these facts and figures are in the comprehensive plan recently completed by the Philadelphia District of the Army Corps of Engineers. Recommendations for action on the project are to be made to Congress early next year. However, the Engineers are most directly concerned with the dam and reservoir. For their prime purpose is to make the Delaware behave in the most useful way.

Actually, a whole series of dams and reservoirs is planned by the Engineers for the Delaware River basin. But this one is the only dam proposed for the river's main channel, and it is by far the largest. In developing their plans for this and other dams, the Engineers asked the National Park Service to survey recreational resources and needs of the Delaware River basin.

The Park Service decided that there are few, if any, regions in the Nation that have a greater need for additional recreational land and water space. Some 30 million people live within 100 miles of Tocks Island, which is a relatively short distance for a vacation-hungry citizen. And, of these, some 7 million should visit the recreation area each year.

The Water Resources Association, which exists to tell the public about the Delaware River basin, feels that this Park Service estimate is low. "This would be the largest recreational area in the eastern United States," the association's president, Charles R. Bensinger, points out. "It would have a magnetlike attraction for those interested in camping, swimming, hunting, fishing, hiking, boating, water skiing and allied activities. We feel that the 7-million-a-year visitor figure well may be doubled soon after the project is completed."

Of the total ($177,380,000) cost of the Tocks Island project, $87,771,000 would be paid for by the Federal Government. The remaining $89,609,000 would be split between the States of Pennsylvania, New Jersey, and New York, and the New Jersey Power & Light Co. This utility has agreed to develop the hydroelectric power potential of the Tocks Dam.

In its recommendations for the Tocks Island Recreational Area, the Park Service selected 10 sites for development. These are shown on the accompanying map. The largest is the Wallpack Bend Recreational Area in New Jersey, which would extend approximately 11 miles upstream from a point 2 miles above the dam. This section alone would furnish 14,000 acres of playground space, including perhaps 50 miles of shoreline.

Pivotal in this whole project, of course, is the Tocks Island Dam. This will rise 160 feet above the river bed and will be 3,200 feet long. It will contain 3,500,000 cubic yards of earth and rock, and will form a 37-mile-long body of water varying from a half mile to a mile and a half in width, and having a normal depth of slightly over 100 feet at the dam.

Obviously, a lot of now dry land in the area is going to become very wet. Obviously, too, a lot of inhabitants—other than ducks—are going to have to move. Generally these people favor the dam, because of its flood control value and because of its value in water conservation. Many also feel that the recreational area will be of almost equal value. These people are mostly troubled by the uncertainty. They'd like to know what's going to happen, and when.

Certainly, there'll be some changes made. John K. Britton, of Bushkill, Pa., vice president of the Tocks Island Property Owners Association, recently listed most of the changes that may come to the Pennsylvania side of the project. Two hundred homes, for example, would be destroyed. Seven hotels and six motels would be casualties, along with four churches, two firehouses, and two post offices.

Some 27 miles of Route 209 would be made suitable only for boat travel, and the town of Bushkill would disappear. Other casualties on the Pennsylvania side would include a theater, a school, four stores and seven restaurants; a lumber yard, a golf course, and seven service stations.

These and other properties will be acquired in the usual way. First, three qualified, licensed appraisers from the area will set a value on each piece of property. If the owners do not wish to sell at these appraised prices, they can appeal to the courts for a higher valuation. All property owners, the Corps of Engineers points out, will have plenty of time to vacate their properties.

At present the Tocks Island Dam is recommended for completion during 1975.

FDIC INSURANCE OF U.S. BRANCHES OF FOREIGN BANKS

Mr. JAVITS. Mr. President, on behalf of myself and the Senator from Illinois [Mr. DOUGLAS], I introduce, for appropriate reference, a bill to authorize the Federal Deposit Insurance Corporation to extend insurance to deposits in U.S. branches of foreign banks. The bill could have a very favorable effect upon our international trade relations and balance of payments by attracting foreign deposits within the United States while at the same time affording a basis for reciprocal benefits to be given to U.S. banks abroad. For these reasons the banking community in New York State in 1960 sponsored legislation which authorizes foreign bank branches to do business within the State; the present bill would permit the FDIC to insure deposits in foreign bank branches when the States so authorize them to carry on banking activities. It should be noted that the branches would be required to meet the standards of both State banking law and the Federal Deposit Insurance Act, and the FDIC would not be required to extend insurance but would only be authorized to do so when in its judgment the criteria set out in the act have been met.

I ask unanimous consent that there be printed in the RECORD at this point in my remarks a memorandum explaining the bill in greater detail.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The bill (S. 3533) to amend section 3 of the Federal Deposit Insurance Act to include within the definition of "State banks" branches of foreign banks authorized under State law to accept deposits, introduced by Mr. JAVITS (for himself and Mr. DOUGLAS), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The memorandum presented by Mr. JAVITS is as follows:

MEMORANDUM—IN SUPPORT OF LEGISLATION TO AMEND SECTION 3 OF THE FEDERAL DEPOSIT INSURANCE ACT

The attached bill proposes to amend the Federal Deposit Insurance Act, to permit the Federal Deposit Insurance Corporation to insure deposits made in U.S. branches of banks incorporated under the laws of foreign countries. This amendment, which is in furtherance of the broad national policy under which the Federal Deposit Insurance Corporation was created, is made necessary because of new developments in U.S. and international banking, which were not contemplated or considered when the existing statute was enacted.

FOREIGN BRANCH BANKING IN THE UNITED STATES

Under the laws of the State of New York, foreign banks are now permitted to receive deposits at branches located within the State, under provisions similar to those applicable to State banks. Foreign lands, including banks from France, Israel, and the United Kingdom, have already established branch offices in New York at which deposits are being received, and leading banks from Italy and Japan are in the process of establishing such branch operations.

There is no provision in the present Federal Deposit Insurance Act under which U.S. branches of foreign banks can obtain Federal Deposit Insurance for their U.S. operations. This bill would permit the Federal Deposit Insurance Corporation, in its discretion to insure the deposits in U.S. branches of foreign banks.

The proposed legislation would make an important contribution toward implementing U.S. policy of encouraging international trade on a free and equitable basis, by giving depositors in U.S. branches of foreign banks the same protection they would receive in domestic institutions. The bill could also have an appreciable effect on reducing the continuing outflow of U.S. gold reserves. Federal deposit insurance of deposits in these branches might well encourage foreign holders of dollar credits to deposit their dollar funds in U.S. branches of banks with which they are familiar due to regular dealings at home, where such persons might otherwise continue to redeem such credits in gold.

The New York State legislation authorizing such banking operations, enacted in 1960, was sponsored by the New York Clearing House Association, which described the objectives of the legislation in a memorandum to the New York Legislature dated January 15, 1960:

"The longstanding policy both of the United States and of the State of New York has been to encourage domestic enterprises to expand abroad. The road to such expansion must obviously be a two-way street. New York banks cannot hope that their presence abroad will be welcomed when their foreign hosts are admitted to New York State only on a discriminatory basis."

In approving this legislation, Governor Rockefeller reiterated the national importance of the new branch banking privilege for foreign banks, stating as follows:

"New York is the only great banking center in the world which does not permit branching privileges to foreign banks. Our banking industry employs great numbers of our citizens and contributes significantly to the economy of our State. If we are to foster the continued growth of this industry and maintain our favored position as a world banking center, we must permit other free nations the same privileges which we expect of them. Such reciprocity will bind the free world to us by the powerful ties of growing international commerce and will result in economic advantages to our State."

While the New York Clearing House Association and the Governor were speaking of New York State, these principles apply equally to the United States as a whole.

As a result of this legislation, banks which previously maintained agencies in New York have reconstituted them as branches, doing a regular commercial banking business. Branches of foreign banks may carry on most banking activities permitted State banks under State law, and their supervision, powers, and general business activities are subject to requirements substantially similar to, or even stricter than those applicable to comparable State banking institutions. In New York State, branches of foreign banks must maintain assets in the State equal to 108 percent of the branch's deposits and other liabilities.

FEDERAL DEPOSIT INSURANCE POLICY

One of the basic purposes of the Federal Deposit Insurance Corporation is to protect the individual depositor against the unforeseeable contingencies which may strike a banking institution despite the most careful operation and supervision. The public confidence in our banking system, which developed out of the establishment of Federal deposit insurance, revived and maintained confidence in the Nation's banks and contributed greatly to their growth and role in America's pre- and post-war economic development. The importance to banks and depositors of Federal deposit insurance is evidenced by the fact that, at the end of 1960, 13,451 out of 13,999 banks in the United States participated in Federal deposit insurance (FDIC Annual Report for 1960, dated June 8, 1961). Federal deposit insurance is not a substitute for scrupulous management and careful supervision by responsible banking authorities, and such supervision and management is present in the case of U.S. branches of foreign banks under State law. Banking operations in such branches are required to meet American banking and regulatory standards.

THE PROPOSED LEGISLATION

The proposed bill amends section 3 of the Federal Deposit Insurance Act so as to include within the definition of "State banks" any branch in the United States of a bank incorporated under the laws of a foreign country, if such branch is permitted to receive deposits and is supervised by State banking authorities in substantially the same manner as banks incorporated in such State. These provisions assure that the same degree of responsibility will be exerted as to such banks as is now exerted over State banks which are presently eligible for Federal deposit insurance. Thus, they offer the broadest protection to FDIC, to the public, and to other banks and their branches, while achieving the type of equality and reciprocity which was a key consideration in permitting such branch banking operations to be established under State law.

The foreign bank's branch, if insured by FDIC, would have to meet the accounting, reserve, and other standards of FDIC in addition to its State requirements which, in New York State, require establishment of separate earmarked reserves.

The foreign bank's branch would not be entitled to automatic coverage, as is a national member or a national nonmember bank of the Federal Reserve System. Rather, each of these branches would be in the position of a State bank, so that it may apply for insurance, which may be granted only upon examination and approval by FDIC's Board of Directors. The applicant branch would thus have to meet the requirements of section 6 of the Federal Deposit Insurance Act, which sets out the criteria to be considered by FDIC's Board of Directors in determining whether it will insure an institution's deposits. The Board would have to consider with respect to such branches, as it does as to State banks, the following important criteria in deciding whether insurance is to be granted:

1. The financial history and condition of the bank;
2. The adequacy of its capital structure;
3. Its future earnings prospects;
4. The general character of its management;
5. The convenience and needs of the community to be served by the bank; and
6. Whether or not its corporate powers are consistent with the purposes of the Federal Deposit Insurance Act.

The protection of domestic bank deposits is clearly in the public interest. The combination of State control, FDIC supervision, and strict statutory requirements provide ample safeguards for these branches. Basic policy considerations involving our economic relations with foreign nations and our balance-of-payments situation make the enactment of this legislation timely.

PUBLIC WELFARE AMENDMENTS OF 1962—AMENDMENTS

Mr. WILEY. Mr. President, I submit an amendment to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, which would put back in the bill that is currently being considered by the Senate the language of the bill in the House affecting voucher payments in cases of abuse of funds under the aid to dependent children program.

The language which has been struck through which I ask to be included in the Senate version of the bill reads as follows:

USE OF PAYMENTS FOR BENEFIT OF CHILD

SEC. 107. (a) Section 405 of the Social Security Act is amended to read as follows:

"USE OF PAYMENTS FOR BENEFIT OF CHILD

"SEC. 405. Whenever the State agency has reason to believe that any payments of aid to families with dependent children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of protective payments as provided under section 406(b)(2), or in seeking appointment of a guardian or legal representative as provided in section 1111, or in other action authorized under State law which is deemed necessary to protect the interests of such child; and any such action taken by the State agency pursuant to such State law, other than denial of such payments with respect to such child while in the home of such relative, shall not serve as a basis for withholding funds from such State under section 404 and shall not prevent such payments with respect to such child from being considered aid to families with dependent children."

Mr. President, for the information of the Senate to show the backing this proposal has, I ask unanimous consent to have printed in the RECORD, an editorial from the Milwaukee Journal of Tuesday, June 26, 1962, and a resolution of the Milwaukee County Board of Supervisors on the voucher issue.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table; and, without objection, the editorial and resolution will be printed in the RECORD.

The editorial and resolution presented by Mr. WILEY are as follows:

CONTROVERSIAL BUT SENSIBLE

A representative of the Federal Department of Health, Education, and Welfare calls a proposal that got its start in Milwaukee County the "most controversial" issue in the public welfare reform bill now before Congress. The proposal has also been made something of an issue by organized labor.

The recommendation is simply for tighter control over use of aid to dependent children (ADC) funds. In cases in which mothers misuse ADC money, it is urged that vouchers be issued instead of cash to pay the rent, grocery bills, utility bills, and so forth.

The proposal runs counter to social work doctrine. This doctrine argues that welfare recipients can't be made to stand on their own feet if they aren't allowed to handle money. For this reason the Federal Government, which pays about 50 percent of ADC costs, requires that all payments be in cash.

Generally speaking, the doctrine is sound. But how can it be justified in cases in which money is persistently misused? What is controversial about demanding that in such cases reasonable controls be established for the good of the children involved as well as the mothers?

The welfare bill has been amended to the extent of permitting cash payments to be made to third parties in some ADC cases. But this is a cumbersome procedure if there is no competent close relative. Court appointed guardians can hardly do the grocery shopping.

Too broad use of vouchers might turn welfare departments into collection agencies for merchants. Vouchers can also be misused. Recipients can sell them for cash to dishonest merchants or purchase items to which they are not entitled. But these dangers can be curbed by close administration and limiting the use of vouchers to a small percentage of the ADC cases in a county, say 5 percent.

The Milwaukee County proposal—which was earlier endorsed by the county board of supervisors and the State legislature and has now been approved by the county board of public welfare in telegrams to Senators WILEY and PROXMIRE—is realistic. It deserves to be incorporated in the welfare legislation.

RESOLUTION TO REAFFIRM COUNTY BOARD POSITION ADVOCATING FEDERAL LEGISLATION TO ALLOW LIMITED USE OF VOUCHERS IN AID TO DEPENDENT CHILDREN CASES, AND TO COMMEND CONGRESSMAN ZABLOCKI AND UNITED COMMUNITY SERVICES OF GREATER MILWAUKEE FOR THEIR STANDS IN SUPPORT OF SUCH LEGISLATION

Whereas on May 8, 1962, the Milwaukee County Board of Supervisors adopted a resolution authorizing an official delegation to attend the U.S. Senate Finance Committee public hearings on bill H.R. 10606, relating to changes in the aid to dependent children (ADC) program; and

Whereas, pursuant to such resolution, the chairman of the county board finance committee and the director of the county department of public welfare did testify before the Senate Finance Committee on May 15, 1962, in support of an amendment previously introduced in the Congress by Representative CLEMENT J. ZABLOCKI at the request of the county board, which amendment would give local governments discretionary authority in appropriate ADC cases to pay monthly benefits in commodity or voucher form, and also to demand from those recipients who do receive monthly benefits in cash an accounting of the expenditure thereof; and

Whereas it was subsequently reported in the daily press on May 30, 1962, that Congressman ZABLOCKI, the county board of supervisors, and the county department of public welfare were all assailed by the director of the Milwaukee County Labor Council's community service activities for advocating this welfare amendment; and

Whereas the accusations so reported are totally undeserved, especially in view of the facts that when committees of the county board of supervisors held public hearings on this measure on November 21, 1960, and on April 27, 1962, no representative of organized labor made any appearance against it, and when committees of the 1961 Wisconsin legislature also held public hearings on two similar resolutions (both of which were thereafter adopted) labor spokesmen did not voice objection to the same: Now, therefore, be it

Resolved, That the Milwaukee County Board of Supervisors, in annual meeting (continued) duly assembled on June 26, 1962, hereby reaffirms its position in favor of Federal legislation to allow limited use of vouchers in aid to dependent children cases, and urges the U.S. Senators from Wisconsin to make every possible effort to have section 107(a) of the aforementioned bill H.R. 10606, which section would allow States to delegate authority to local governments to make voucher and other restricted payments, and which was recommended for deletion by the Senate Finance Committee on June 14, 1962, restored to said bill on the floor of the Senate; and be it further

Resolved, That the Milwaukee County Board of Supervisors hereby commends Congressman CLEMENT J. ZABLOCKI and the United Community Services of Greater Milwaukee for their forthright stands in support of such amendment for limited use of both vouchers and accounting controls in ADC cases; and be it further

Resolved, That the county clerk immediately transmit certified copies of this resolution to U.S. Senators ALEXANDER WILEY and WILLIAM E. PROXMIRE, Congressman CLEMENT J. ZABLOCKI, the United Community Services of Greater Milwaukee, and the Milwaukee County Labor Council as an indication of the Milwaukee County Board of Supervisors' position in this matter.

Mr. LAUSCHE submitted an amendment, intended to be proposed by him to the amendments proposed by Mr. ANDERSON (for himself and other Senators) to House bill 10606, supra, which was ordered to lie on the table and to be printed.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1963—AMENDMENT

Mr. McNAMARA. Mr. President, I send to the desk an amendment to H.R. 10904, the Appropriations Act for the Departments of Labor, Health, Education, and Welfare and related agencies, for the fiscal year ending June 30, 1963, and ask that it be printed.

The purpose of my amendment is to increase the proposed appropriation for "Manpower development and training activities" in the Labor Department budget from $50 to $100 million, the latter figure being the amount authorized by Public Law 87–415, the Manpower Development and Training Act of 1962.

At an appropriate time, I shall detail my reasons for seeking to restore the appropriation to the full $100 million authorized under the act.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

AMENDMENT OF TITLE VI OF MERCHANT MARINE ACT, 1936—REFERENCE OF BILL

Mr. MANSFIELD. Mr. President, at the request of the Committee on Commerce, I ask unanimous consent that that committee be discharged from the further consideration of the bill (S. 3511) to amend title VI of the Merchant Marine Act, 1936, with respect to the operation of vessels as to which operating-differential subsidy is paid, introduced by the Senator from Maryland [Mr. BUTLER], and that the bill be referred to the Committee on Labor and Public Welfare.

The VICE PRESIDENT. Without objection, it is so ordered.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 11, 1962, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 68) providing for the designation of the week commencing October 14, 1962, as "National Public Works Week."

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DIRKSEN:

Résumé of service of Senator WILEY, of Wisconsin.

LAUNCHING OF THE COMMUNICATIONS SATELLITE TELSTAR

Mr. PASTORE. Mr. President, as chairman of the Senate Commerce Committee's Subcommittee on Communications, and as an American citizen, I am thrilled by the launching of the communications satellite Telstar, last evening.

Beyond my personal and official participation there was the exciting consciousness that far across the ocean other people were instantly sharing in the achievement. Thus the curtain rose on a drama of the space age that, through the magic of television, makes the whole world next door neighbors.

My congratulations go to every last man and woman of our Government and of the American Telephone & Telegraph Co. for their part in making this progress possible. I am sure I echo the grateful sentiments of every American, for every American takes justifiable pride today in the triumph of the Telstar satellite, and pays tribute to the courage, confidence, and capability of American enterprise that put it into orbit.

It is a peaceful demonstration of America's desire that the world shall be in such close communication as only the use of outer space can accomplish.

It is to the glory of American science and to the credit of American private enterprise, in partnership with its Government, that man has made this significant beginning in an era when mankind needs to come into the closest communication physically and spiritually, when neither time nor space shall separate men, nor hates or fears divide them.

As the hour of the Telstar's launching approached, an editorial in the New York Times spoke fairly and forcibly on the essentiality of pooling public and private talent for maximum progress in this challenging age. I ask that the New York Times editorial of July 10, 1962, be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SPACE COMMUNICATIONS SATELLITE

The planned launching this morning of the Telstar communications satellite marks another dramatic thrust in man's penetration of the mysteries of space. The satellite, sent into orbit through a partnership of industry and Government, inaugurates a new era in communications.

Its readiness for experimental use focuses fresh attention on the merits of the administration-backed bill, which the Senate is about to debate, creating a private corporation to own and operate the U.S. portion of a global satellite system. The probability that such a system will be operating by 1965 represents an incalculable advance, and there is understandable controversy over the rules the Government should set to insure that the benefits for us and the world will be fully realized.

The bill, similar to one already passed by a House vote of 354 to 9, would make half the stock in the new corporation available to the general public and half to the common carriers in the communications field. The private stockholders would elect 6 of the corporation's 15 directors, the communications companies 6, and 3 would be appointed by the Government. The Federal Communications Commission would regulate rates and services under powers broader than any it now exercises.

The measure's foes contend that it proposes a "giveaway" of the fruits of huge sums in Government-financed research to a private monopoly more interested in profit than in the satellite's great potentiality for service. Special fear is expressed that the corporation would be dominated by the American Telephone & Telegraph Co., which would supply 80 percent or more of its traffic. Government ownership along the lines of the Tennessee Valley Authority is the alternative these critics favor.

Supporters of the bill insist that safeguards in the proposed legislation prevent one-company domination and make the private corporation a promising instrument for integrating the satellite into the privately operated communications pattern that prevails in this country. The validity of these hopes would depend on the stringency of the powers assigned to the FCC and on the adequacy of the funds and staff it got for the most exacting regulatory task in its history.

Among the specific requirements it would have to enforce is a guarantee that all present and future communications companies have access to the satellite and its ground terminal stations on a nondiscriminatory basis under "just and reasonable" charges and conditions. The FCC also would have a mandate to police the manner in which facilities were allocated and interconnections supplied to insure competition. Effective follow-through on these requirements is a sine qua non for proper public protection.

The "giveaway" argument has no greater force in this field than it does in agriculture, mining, aircraft development, electronics or any of the dozens of other areas in which Government-paid research has long provided benefits for both public and private users. Few experts believe a commercial satellite system can approach the break-even point in less than 5 years. The primitive state of present knowledge is indicated by the Pentagon's recent decision to scrap Project Advent, on which it had already spent $170 million in an attempt to develop a synchronous satellite that would travel in equatorial orbit 22,300 miles above the earth.

What is needed now for maximum progress in military and commercial applications is a pooling of public and private talent. The Telstar, developed by A.T. & T. and hurled into orbit by a Government rocket, indicates the virtue of such cooperation. Its first uses for transatlantic television transmission will reflect a similar partnership—private broadcasters on this side of the ocean and Government-run networks in Europe. With rigorous FCC supervision, the same pattern, embodied in the projected corporation for satellite communications, could permit the United States to play its full part in extending to all sections of the globe the high purposes of service to mankind offered by this newest gift of science.

Mr. PASTORE. Mr. President, in this competitive world, I say, there is no prize and little prospect for the "second best."

Here, with Telstar, America has achieved a "first." Let us keep that pace of partnership of private industry and powerful government. We shall stay first with a long pull, a strong pull, and a pull all together.

THE LAST MILE TODAY

Mr. PASTORE. Mr. President, once in a while a newspaperman writes a human interest story that deserves to be classed as a classic. Such a story is "The Last Mile Today," as George Popkin wrote it for the Providence Bulletin of July 5, 1962.

The story deserves its front page 3-column prominence, and I wish that the Record could reproduce the picture of a mailman's greeting from his friends on his last day on his route—the last day of their letter carrier, Reginald V. D. Davis.

I will quote just a few lines from the story. They read:

> Some people think it's important that Mr. Davis is a Negro—and that he delivered the mail in a white neighborhood which adored him.
>
> Said Mr. Davis, "It's easy to be nice to people who are nice to you." He looked around at his public—"These are the nicest people in the world," he added.

That is the mood of the whole story, refreshing in a time when it is ever so important that people should be "nice" to one another; and I ask unanimous consent that "The Last Mile Today" be printed in the Record at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Last Mile Today

(By George Popkin)

You'd think Reginald V. D. Davis was walking the last mile today as housewives ran to their windows, waving sorrowful farewells. Children cried out their goodbys, Dogs barked in melancholy tones.

And you'd be right. Mr. Davis was walking his last mile—as a Providence postman. After almost 35 years of unusual service he's retiring.

Some mailmen deliver the mail. When Mr. Davis rang a doorbell, letters in hand, he brought friendship and understanding as well.

Now that he's leaving, tears of regret threaten to flood an entire neighborhood.

Here's where Mr. Davis practiced his trade—that of first-class human being—on Chapman Street, New York Avenue, Toronto Avenue, Georgia Avenue, Carolina Avenue, Ohio Avenue, and Indiana Avenue.

Some people think it's important that Mr. Davis is a Negro. And that he delivered the mail in a white neighborhood which adored him.

Said Mr. Davis: "It's easy to be nice to people who are nice to you."

He looked around at his public. "These are the nicest people in the world," he added.

Thereupon, the collected housewives began moaning. Small boys began groaning. And the dogs started barking in melancholy tones again.

How did Mr. Davis earn this tribute? Let his admirers speak:

Thomas F. Kelly, of 251 New York Avenue, has lost both his legs because of poor circulation. Let him speak first.

Remarked Mr. Kelly, as he sat in his wheelchair: "He's my righthand man. I don't know what I'll do without him. He takes me wherever I want to go, on his own time. I've plenty of relatives, but I tell you this—he's my righthand man."

Mr. Kelly looked up at the bright sun, squinted a little, and said: "I've never seen anyone like him in my life. All he wants to do is do things for people."

Michael Coakley of 267 New York Avenue sounded desperate. "I don't like this at all, I don't like his leaving at all," he said. "He's the best mailman we ever had. He's such a jolly fellow and he'd do anything for you."

The neighbors stood around talking, blocking Mr. Davis' last post. They talked about the time he delivered some mail at 7 a.m. on his own because of serious sickness in a family. Of how he would take the boys to Benson's Animal Farm on an outing. Of how he took old folk shopping and delivered them safety to their door.

"I'm so sorry to see him go," declared Mrs. Loretta Daniels of 171 Indiana Avenue. "There was a lady here with no way to get around, and he'd take her shopping. When any of the boys act up and it looks like they might get in trouble, he talks to them. I never saw anything like it."

"Reggie," as he is known from Allens Avenue to Eddy Street, scraped his feet a bit nervously as the compliments poured forth.

"I've known him for 11 years and he's been a wonder in the neighborhood," commented Mrs. John Gomes of 185 Indiana Avenue. Mrs. Matthew J. Murphy of 175 Indiana Avenue nodded assent.

Mrs. Bernard J. Duffy of 167 Indiana Avenue remarked: "He's really a wonder. He's interested in everyone. Ready to do anyone a favor."

The voices swelled and they began to sound like a petition that Mr. Davis not retire.

"I'll be around," Mr. Davis assured. "You all know where I live. I'm not so far away." (He lives at 328 Smith Street in Cranston.)

The lamentations continued. "I'll see you at the supermarket," the retiring mailman consoled. "And I'll be around to pick up the kids for a ball game, or something."

While the householders discussed a future without Mr. Davis, the subject of discussion talked of other things.

"I tell you," he philosophized, "I found out this. There's always a reason if someone's miserable. You've got to understand people. I brought the mail and I knew someone was waiting for a letter from her sister. Or I knew the news probably was bad and I hated to come up the stairs."

"Reggie" had trouble with only one dog in his 11 years in the neighborhood. "He (the dog) has trouble with everyone," observed Mr. Davis with a shrug of the shoulders.

Still, people stood around in little knots, talking about the end of an era. "He just can't retire," someone was saying.

But Mr. Davis was calling it a day. Regulations allow him to retire at 55 after 34 years of service, and the bachelor plans to travel and see the world.

"After that," he said, "who knows? I'll probably do something else to keep busy. I started out as a carrier in 1942 in South Providence, you know, after being a mail handler in the old Gaspee Station."

Mr. Davis reflected upon the future. "I'll start out at 6:30 in the morning at the Edgewood Station picking up the mail. It'll be good to be able to sleep. I'll take it easy for a while."

Then he reflected upon the past. "I was born on Benevolent Street," he said. "My parents were Mr. and Mrs. Arthur Davis. It's been a long time."

Still, unhappy voices continued their songs of regret. "We just got to have him stay," someone was saying.

Retirement beckoned a step away—but Mr. Davis' feet dragged a trifle as he moved ahead into new pastures. He kept looking over his shoulder.

PER JACOBSSON OPPOSES TAX CUT NOW

Mr. PROXMIRE. Mr. President, on Sunday Mr. Per Jacobsson, the distinguished Chairman of the Board of the

International Monetary Fund, a man who is recognized as one of the truly outstanding bankers in the world, appeared on "Meet the Press." I think it is very important in view of newspaper reports to the effect that international bankers favor a tax cut for America now to point out that this eminent international banker Mr. Per Jacobsson says he is against a tax cut now; that he supports the position of President Kennedy, and he does so on the basis of vast experience with economies all over the world.

I ask unanimous consent that the transcript of "Meet the Press" of Sunday, July 8, 1962, be printed at this point in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

MEET THE PRESS

(Produced by Lawrence E. Spivak)

July 8, 1962.

Moderator: Ned Brooks.

Guest: Per Jacobsson, Chairman of the Board and Managing Director, International Monetary Fund.

Panel: Marquis Childs, St. Louis Post Dispatch; Donald Rogers, New York Herald Tribune; Edwin Newman, NBC News; Lawrence E. Spivak, permanent panel member.

Mr. Brooks. This is Ned Brooks, inviting you to "Meet the Press."

Our guest today is one of the world's foremost economists, Mr. Per Jacobsson, Chairman of the Board and Managing Director of the International Monetary Fund. Mr. Jacobsson is a leading authority on money. He has acted as adviser to many governments and he has written extensively about monetary problems.

A native of Sweden, he served on the economic staff of the League of Nations and with the Bank for International Settlement in Switzerland. The Fund he now heads is a specialized agency of the U.N. which works for freer expanded world trade, seeking in this way to raise standards of living and facilitate economic development.

Now we are ready to start the questions with Lawrence E. Spivak, permanent member of the "Meet the Press" panel.

Mr. Spivak. Mr. Jacobsson, as you know there is a great deal of concern in this country that we are heading for a recession. Do you think we are heading for recession or depression?

Mr. Jacobsson. I don't think we are heading here in this country for a recession. My belief is that the improvement that has taken place this year—and it is quite remarkable—will continue. I do not even think that the decline of the stock exchange will greatly influence the trend of business in this country over the next few months or even into the beginning of next year.

Mr. Spivak. Are you saying then that you don't think the stock market is a reliable indicator of future business?

Mr. Jacobsson. I think there are times when the stockmarket clearly anticipates a business decline, but on this occasion I believe it was quite a different situation. I know very many wise men who for a long time had expected an adjustment on the stock exchange, thinking that prices were too high, people believing there would be a continuation of inflation and not having understood that we were in a new era with more stable prices and what has been called an end of the postwar inflation.

Now this adjustment may be just as well a sign of strength as a sign of weakness.

Mr. Spivak. Well, Mr. Jacobsson, there has been growing agreement in this country that we need a tax cut in order to stimulate business. Am I to understand from what you have said that you think we are not heading for economic trouble and that we don't need a tax cut to stimulate business?

Mr. Jacobsson. You say there is growing agreement in this country on a tax cut, but when I read the newspapers this morning I found a number of people said this was at the wrong time and [that it was] not needed now. I think still it is a very open question. The question of the tax cut has very much to do with two problems, one, whether one has to expect a setback in business, and I do not believe there will be a setback in the coming months, I think the improvement will continue, not at the high rate that had been expected, but still at a steady rate.

Secondly, some people believe there has to be a tax cut because they want a higher deficit in the budget, which, of course, is quite another question. There will be, as we know, a deficit, a fair amount already under present provisions so that some people think that this deficit is large enough to give the impetus to business that is needed in this situation.

Mr. Spivak. There has been agreement in this country on the part of labor leaders, on the part of the president of the chamber of commerce and on the part of most politicians that a tax cut is needed to stimulate business. The disagreement has been on when the tax cut should come and where the tax cut should come.

Do I understand you now to say we are not heading into a recession and we do not need a tax cut now and we may not need it at all?

Mr. Jacobsson. I believe that it would be very valuable to have a tax cut as the President has promised in 1963, when it can be done without a major budget deficit, taking all things into consideration. But if I understand those people rightly who ask for a tax cut now, they want to have that in order to increase the deficit in the budget in order to give greater stimulus through the budget deficit and they hope also perhaps that lower taxes will lead to more spending.

In my opinion this is probably not needed. We shall know more in the autumn, and I think when the President said that he would prefer to maintain the schedule that he had indicated earlier in the year, to have the tax cut next year, I think that his preference is also mine.

I was asked a few months ago by a lady at a dinner the following question: She said "I have heard, Mr. Jacobsson, that you are in favor of a deficit in the budget."

She looked at me as if I had been in favor of sin, so I replied to her that under certain conditions a deficit in the budget can be valuable, that it often came in recessions in the past and it can be useful. But there should be measure and moderation in everything, and as we know that already this year, for the fiscal year 1963, there will be a deficit of, let us say, $4 billion at least, and that in the next 6 months which is the weak period of revenue for the Government, there will be borrowing, taking care of the seasonal deficit, of up to $9 billion, some of us may think these deficits are sufficient for all practical purposes to give the impetus needed without any addition being needed now and that with this deficit it is possible to maintain the improvement in the balance of payments, while with much larger deficits it may not be so easy to do so.

* * * * *

Mr. Brooks. Now resuming our interview, our guest today is one of the world's foremost economists, Mr. Per Jacobsson, the Managing Director of the International Monetary Fund. You have just met Lawrence E. Spivak, permanent member of our panel.

Our other reporters today are Marquis Childs, of the St. Louis Post Dispatch; Donald Rogers, of the New York Herald Tribune; and Edward Newman, of NBC News. We will continue the questions with Mr. Childs.

Mr. Childs. Mr. Jacobsson, when I was in Detroit the other day some of the automobile manufacturers said to me—they pointed out that American wages were three times as high for comparable work as German wages.

Now do you think when these tariffs are lowered and the Common Market is in effect that American industry will be able to cooperate in spite of this high wage level?

Mr. Jacobsson. The higher wages in the United States are a problem when these wages are compared with the wages in Europe. But I doubt whether the difference is as great as three times now, because wages in Europe have risen much more quickly recently than here in the United States. The increase in Germany has been for 2 years at the rate of 10 percent a year and Germany revalued its currency 5 percent. It is an increase internationally of 25 percent in 2 years. And in the same period the increase here has not been more than 5 to 6 percent.

Mr. Childs. You wouldn't think governmental action was necessary to try to reduce our wage level?

Mr. Jacobsson. No, but I think the government policy of having given guidelines for a moderation in increase in wages is very important, and I should think moderation in increase in wages here, within the limits of productivity and a continuation of the boom in Europe, with the increase in wages, will perhaps bring us nearer to an equilibrium than I for my part dared to hope 1 or 2 years ago.

Mr. Childs. On the other side of this coin you hear from business and industry about the profit squeeze in this country which it is claimed to have cut down plant investment. Is this a serious matter too in our economy?

Mr. Jacobsson. As long as there is an inflationary rise in prices, profit margins are always very large. Industry gets used to them. When we have a period of stability in prices profit margins will be narrower and that means industry will have to pay more attention to costs. That is also a reason for moderation in taxes on industry, and I think that is what the President has in mind in his tax cut next year. At least one of the purposes.

Mr. Rogers. I'd like to go back to the deficit for just a minute. There is a little bit of confusion, I think, in the minds of the public, and perhaps a little bit of inconsistency. You say that you are in favor of the deficit and you say you are in favor of a deficit because this will stimulate the economy—deficit spending will. By the same token or at the same time you say you are not worried about the economy, that you don't think there is a recession over the horizon, as some of the indicators seem to imply. I don't see why, if that is so, that you favor a deficit at this time. I wonder if you would explain that please, Mr. Jacobsson.

Mr. Jacobsson. Obviously there is quite good business at present because the gross national product is 7.5 percent higher than a year ago, which is an improvement of considerable proportions. Not as high as expectations but if those expectations had not been published, I think the Government could have been very proud of what happened. And I think it will continue. There is unemployment and I think there is a need to expand purchasing power in this country, even with a certain expansion, moderate, in the money supply. And at a time when there is not a great deal of direct business borrowing, a Government deficit of moderate proportion may help to even achieve the monetary expansion that otherwise would be difficult to arrive at.

Mr. Rogers. Do you think our deficit spending has an adverse effect on other foreign capitals adverse effect on the dollar?

Mr. Jacobsson. I think a moderate deficit would be accepted in European capitals as a normal thing. Because even before 1914 in a recession, when Government revenue was not as large a deficit was usually incurred and that has been a normal element in business cycle remedies, even before 1914. But, of course, if it goes beyond what one regards as the proportion that could be financed without inflation, then people would be nervous.

Mr. Newman. Mr. Jacobsson, there are economists who regard the devaluation of the American dollar as inevitable, eventually. Do you agree with that? Do you think it is?

Mr. Jacobsson. Certainly not. I do think that for a few years, American costs and prices were on the high side in relation to other countries and that there was a problem that could have been serious. But we have had two developments clearly before us. One is the moderation in price and cost increases here in the United States and the very rapid increase in money wages in almost all the countries on the continent in Europe, at the rate of 10 percent a year in Germany, of 8 to 9 percent in France, and this is very important. Secondly, there has been quite an impressive increase in exports to these countries, and an export surplus here of around $5 billion a year which I think will be maintained this year which shows, at least to me, that there can be no question of any considerable overvaluation of costs and prices in this country.

Mr. Newman. I take it then that you do not agree with those who say the price of gold should be raised?

Mr. Jacobsson. I do not believe the price of gold should be raised. I believe there are grave political reasons against it and I do not think it would improve the conditions of this country because I think other countries would devalue at the same rate as the dollar so the relative position would not be changed to any important degree.

Mr. Spivak. Mr. Jacobsson, you recently said in a U.S. News interview that in order for our economy to live without inflation there must be a restraint upon wage increases.

Looking at our economy today as I know you have, do you think there has been that restraint?

Mr. Jacobsson. I think there is a restraint, in comparison with what happens in other countries. After all, it is one of the rules of life that you cannot avoid all mistakes but you must make less mistakes than others. And I think the United States now is making less mistakes than others. Last year the official figure for wage increases was 2.7 percent. I believe that this year it will probably be something similar and these are moderate increases compared with those in other countries.

Perhaps it would be better for this country and for business expansion internally, if the wage increases were even more moderate. But I believe the action of the administration and the understanding of labor leaders is that wage increases must be moderate, and attention has to be paid to costs.

Mr. Spivak. You seem to be a lot more optimistic about our economic position than a great many of our politicians are. You think the wage increases are OK; you feel we haven't had too much of a deficit. Will you tell me why we haven't had a more rapid economic growth, then?

Mr. Jacobsson. You know, I regard an increase in the gross national product from one year to another at the rate of 7.5 percent as quite an impressive increase. I think if it hadn't been for the published aims of higher figures, people would be rather proud of what has happened, and I think there is a chance that this will continue. And I have seen the improvement in the balance of payments. I think, on the whole, present policies are those that are called for in the present situation. And I would give them the run of the business for the time being and therefore make no sudden change now. In fact, I believe that a steady improvement, not artificially produced, will be more helpful even to unemployment. Because, after all, we don't want to see a sudden improvement in employment, with a setback after, but a steady increase may be really what is most suited to this economy at the present moment.

Mr. Childs. Mr. Jacobsson, some critics have been saying that because of the vulnerability of the dollar to worldwide demand, present arrangements to stabilize currency are not adequate and they have been advocating a kind of international Federal Reserve System.

Do you think something like that is called for, now?

Mr. Jacobsson. You know, in my work I have to always consider what is possible at any given time. And last year the fund proposed with the help of interested governments, a borrowing arrangement, leading to an increase in the fund resources, of $6 billion. That has been voted now and we hope to have it all voted in a few months' time. Six countries out of the 10 have already accepted it fully, with votes of parliament and all proper legal decisions taken. Thus, we have gone a long way in providing sufficient resources to meet any speculative attack on any currency.

Mr. Childs. You, I know, recently came to the rescue of the Canadian dollar, in a kind of emergency situation. Could you do the same thing if the American dollar were suddenly under severe attack?

Mr. Jacobsson. We could already provide a very fair amount for the U.S. dollar and in a few months' time when we get this borrowing arrangement ratified there is no opposition in any country to it—we can do it even more easily. We provided $1 billion, not only through the fund but through the help of friendly governments, for the Canadian Government within 4 to 5 days.

The quota of the United States in the Fund is $4,125 million, and I think the Fund could—already now but certainly in a few months' time when the borrowing arrangement is ratified, provide help speedily without any difficulty.

Mr. Rogers. Do you see any analogy in the attitude of foreigners now between the American dollar as toward the Canadian dollar, say, 6 months ago?

Mr. Jacobsson. Certainly not. The Canadian dollar was known to be under pressure already last autumn. There was a certain evening out of the situation earlier this year. It came under pressure, again. The Canadians have a deficit on current account of the balance of payment. It was at the rate in the first quarter of this year of $350 million. If you take the U.S. balance of payments calculated in the same way, there was here a surplus of $850 million. So the situation in Canada and in the United States is very different indeed and the rate of the budget deficit was very different. Now the Canadian Government has taken certain very useful measures to remedy their situation but it is my opinion that the same policy is not needed here in this country and that the attitude of foreigners is certainly not the same toward the U.S. dollar and the Canadian dollar.

Mr. Brooks. Gentlemen, we have about 2½ minutes. Mr. Newman.

Mr. Newman. Mr. Jacobsson, you said a few minutes ago the United States was making fewer mistakes than some others. Who are the others who are making more mistakes than we are?

Mr. Jacobsson. Now that is a very invidious question.

You will have seen that in Germany. Dr. Erhard has said that though he regrets to intervene in a private and free economy, he thinks that Germany, too, has to have a price and wage policy. So obviously difficulties occur elsewhere as those we know in this country.

Mr. Newman. Isn't what is happening in those countries simply that large groups of workers are beginning to demand a larger share of the national product that perhaps they were denied before?

Mr. Jacobsson. That is part of the story, but I want to say this: The boom in Europe is continuing. The new orders in Germany in May increased by 12 percent for home orders and 5 percent for foreign orders. The boom in Europe is continuing.

Mr. Rogers. May I ask you a direct question: Are you in favor of tax reform to relieve the pressure on business so they can increase productivity?

Mr. Jacobsson. That is partly why I am in favor of it, largely for that purpose, but not in order to increase the deficit in the budget.

Mr. Spivak. Mr. Jacobsson, there have been repeated European rumors that there is a possibility at least of dollar devaluation. Do I understand from what you have said that you see no danger at all of our having to devalue the dollar?

Mr. Jacobsson. I think the situation this year is immensely much better than a year ago and I think among my friends in Europe, who are probably different from a number of speculators, the confidence in the dollar has increased over the last year and that I see no great distrust in the dollar.

Mr. Childs. I would like to come back to Mr. Spivak's question about the stock market. You said you thought this was a healthy development. Do you think the market has now—the price of securities has now stabilized at a fairly reasonable level—in the present market?

Mr. Jacobsson. This is a difficult question. I think there was a danger of a tailspin. I think that we see now that the plane has sufficiently lifted off the ground so that it will continue and we have no real danger of a crash before us.

Mr. Newman. Well, what conclusion do you draw from that fact about the function that the stock market plays? Does it play a legitimate part in the economy or does it simply mislead us?

Mr. Jacobsson. I believe in a market economy, but I believe markets can be wrong. But I believe markets have a tendency to correct themselves and I believe perhaps bureaucrats have not always the same tendency to do so.

Mr. Brooks. Gentlemen, at this point we are going to have to suspend our questions. Thank you very much, Mr. Jacobsson, for being with us.

FOOD AID TO RED CHINA WOULD BE A DISASTROUS MISTAKE

Mr. PROXMIRE. Mr. President, Columnist Joseph Alsop comments in this morning's papers on the issue of this Nation providing grain to Communist China. He points out that sometime last December a conference was held in the executive branch and it was decided we would be wise to provide such grain. Mr. Alsop, with great wisdom, argues that it is very possible, although not likely, that the Communist Chinese government may be crumbling. While hunger is a brutal instrument to use, and no one likes to use it, nevertheless this is a brutal contest between communism and freedom. I think it would be a real disaster for us to send that grain to the Communist Chinese government to distribute to its people under present circumstances. Such a shipment might conceivably save the Red Chinese government from collapse.

I strongly commend the article of Mr. Alsop, and I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRAIN FOR COMMUNIST CHINA?

(By Joseph Alsop)

As of today, the U.S. Government stands at least three-quarters committed to give massive aid in food to the Chinese Communists, on condition that the Peiping government asks for this aid, and on other conditions not publicly stated.

This is a deeply important though little understood governmental posture; and it will be useful to begin by showing how the Government got into this posture.

Some time ago, in brief, west coast grain dealers, apparently acting on speculative impulse, asked whether they could enter into contracts to sell American surplus grain to Communist China, on the pattern of the existing Canadian, Australian and French contracts. This inquiry touched off a round of the usual governmental committee meetings.

The meetings included the Assistant Secretary of State for Political Affairs, George McGhee; the Assistant Secretary for the Far East, Averell Harriman, and other interested and quasi-interested parties. The meetings produced a negative answer to the west coast grain dealers. But they also revealed some sentiment, though by no means a unanimous sentiment, for providing grain for China in response to a direct request from the Chinese government, and under conditions controlling the grain's distribution and the attendant publicity which the Chinese Communists would find very hard to meet.

Subsequently, the President at a press conference was asked whether he would provide grain for China. He answered, quite simply, that we had not been asked to do so. Leading American and foreign newspapermen at once inquired what was behind this answer. On the basis of information from the highly placed officials who favor feeding China, these newspapermen then published the flat, unqualified report that we would indeed feed China at China's request. And this report has not been denied to this day.

For the Communists, this kind of undenied publication constitutes an invitation. For the rest of the world, it constitutes, as noted above, at least a three-quarters commitment. The President and the other top policymakers did not intend getting into this posture. But they have got into it, and the question thus arises whether it is a good posture to be in.

In this connection, another series of Government meetings last December is decidedly relevant. In these rallies, the representatives of the huge intelligence apparatus joined with other policymakers, to consider a crucial question. The question was whether the Chinese Communist system might break down under the strain of its own cruelties and follies.

At that time, the fearful character of the present situation in China was hardly beginning to be appreciated in Government circles. In Government, official estimates made in the past, however deeply erroneous, always exercise much influence on present official opinion. Hence the December rallies reached the judgment that the Chinese Communist regime could not and would not break down under any circumstances.

In the subsequent grain-for-China meetings, this high-powered (but wholly illogical) December judgment had much influence. Government being Government, any judgment by any highly placed committee is always assumed to be as true as holy writ, until, as so often happens, it is proved to be laughably incorrect.

On the basis of the December judgment, therefore, the grain-for-China advocates could argue, and did argue, that "we know that the Chinese Communist system is not going to break down anyway. So nothing will be lost, no opportunity will be sacrificed, if we feed Communist China at Communist China's request. And we shall also gain by doing the big-hearted, humane thing before all the world."

The December judgment was illogical, simply because human ingenuity has never constructed a system of government which is immune to final breakdown if the government's follies, failures, and cruelties pass a certain point. This feat of political design may perhaps be accomplished in the H-bomb age, but it has not been accomplished yet, in Communist China or anywhere else. For instance, if the Chinese Communist army suddenly sides with the people, as the Hungarian Communist army did, the regime of Mao Tse-tung will come to an end, there and then.

What is more important, however, is the fact that the grounds for the December judgment have been drastically altered in the interval. Under pressure of new and better statistics from Hong Kong, the experts have reluctantly retreated (for all experts hate changing estimates) from an estimated Chinese diet level of 1,800 calories per person per day, to an estimated diet level of about 1,500 calories per person per day.

This is a difference between general misery and potential catastrophe. Furthermore, the experts are veering toward a tentative forecast of another deficient harvest in China this year, which means, if correct, that China's downward spiral will continue. Hence there is now a clear possibility (though nothing like a certainty) that the Communist regime may suffer some kind of final breakdown. In this light, the question of grain for China will be examined in a final report.

SENATOR FROM SOUTH DAKOTA

Mr. MUNDT. Mr. President, I hold in my hand the certificate of appointment by Gov. Archie Gubbrud, of South Dakota, of JOSEPH H. BOTTUM, JR., duly appointed Senator from the State of South Dakota.

The VICE PRESIDENT. The clerk will read the certificate.

The certificate of appointment was read, and ordered to be placed on file, as follows:

CERTIFICATE OF APPOINTMENT

STATE OF SOUTH DAKOTA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of South Dakota, I, Archie Gubbrud, the Governor of said State, do hereby appoint JOE H. BOTTUM a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of Francis Case, is filled by election as provided by law.

Witness His Excellency our Gov. Archie Gubbrud, and our seal hereto affixed at Pierre, S. Dak., this 9th day of July in the year of our Lord 1962.

ARCHIE GUBBRUD,
Governor.
[SEAL]
ESSIE WIEDENMAN,
Secretary of State.

The VICE PRESIDENT. If the Senator-designate will present himself at the desk, the oath will be administered to him.

Mr. BOTTUM, escorted by Mr. MUNDT, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to him by the Vice President, and was subscribed by him.

SHARP EASING IN MARGIN REQUIREMENTS ON STOCKS CONTRASTS WITH TIGHT CREDIT ELSEWHERE

Mr. PROXMIRE. Mr. President, on Monday the Federal Reserve Board reduced margin requirements from 70 percent to 50 percent. This was greeted by many as a welcome stimulus to the stock market. However, I feel that we should put it in the context and in the perspective of all the actions of the Federal Reserve Board, particularly those in recent months.

The fact is that the Federal Reserve Board is now following a tight money policy, a policy which has resulted in the diminution of our free bank reserves from $500 million to $300 million. It is following a policy which has increased interest rates all along the line, which has created a situation which undoubtedly will result in a rationing of credit in many sections of the country.

Under these circumstances, Mr. President, it makes no sense to me that whereas the Federal Reserve Board makes it harder to borrow to buy a home, makes it harder to borrow to buy an automobile, makes it more difficult for a small businessman to borrow, it should make it easier for the speculator in the stock market to borrow.

While I recognize there is nothing sacred about margin requirements, and that they should vary, it seems to me there should be a consistency on the part of the Federal Reserve Board. If the Federal Reserve Board wishes to stimulate the economy—and I think this would be a commendable attitude on its part—it seems to me what it should do is to act in such a way as to create more bank reserves, to make credit more readily available, to reduce interest rates. It could stimulate the economy in this way as well as by making it easier for speculators who wish to invest in the stock market to do so.

Mr. President, I yield the floor.

MISSIONARY TAX RULING

Mr. BENNETT. Mr. President, I ask unanimous consent that Revenue Ruling 62–113 contained in the Internal Revenue Bulletin for July 9, 1962, be printed in the RECORD.

There being no objection, the ruling was ordered to be printed in the RECORD, as follows:

SECTION 61—GROSS INCOME DEFINED

(26 CFR 1.61–1: Gross income: Rev. Rul. 62–113; also sections 151, 170; 1.151–2, 1.170–1)

"Treatment, for Federal income tax purposes, of (1) payments made to a missionary from a church fund as reimbursement for travel and living expenses incurred in the service of his church, (2) contributions to the church fund by the parent of the missionary, and (3) direct payments by the parent for the support of the missionary."

Advice has been requested as to the treatment, for Federal income tax purposes, of (1) payments made to a missionary from a church fund as reimbursement for travel and living expenses incurred away from home in the service of the church, (2) contributions to the fund by the parent of the missionary, and (3) direct payments by the parent for the support of the missionary.

In the instant case, the work of the local congregation in the field of missions is carried on by missionaries who are specially called from the congregation to devote their full time to missionary service for a period of specified duration and who are ordained for this purpose. The congregation has a number of missionaries presently serving missions in various parts of the world on a voluntary noncompensated basis. Some of these missionaries are supported in whole or in part by their parents, some pay their expenses from their personal savings, and some have their traveling and living expenses entirely or partially reimbursed or paid from a church fund maintained for that purpose.

The local congregation, through the contributions of its members, maintains the fund and members are encouraged to make personal contributions to the fund. All contributions to the fund are expended in pursuance of the purposes of the fund and no part thereof is earmarked for any individual.

From this fund, missionaries are reimbursed for certain qualified living and traveling expenses incurred in the service of the church where such expenses are not covered by amounts received by the missionaries directly from their parents, from relatives or friends, or from their own savings. In order to justify reimbursement for his expenses, each missionary is required to submit a monthly report listing his receipts and expenses and in no case is the fund to supply amounts greater than the reports can validate.

The taxpayer's son is one of the missionaries from the local congregation. The son is not married and has no income or means of support except for (1) amounts provided by the taxpayer and (2) the reimbursements of living and traveling expenses made to him by the church from the fund. More than one-half of the son's total support for the calendar year was provided by payments made by the taxpayer directly to him. Although the taxpayer made contributions to the church fund after the son became a missionary, he had done so over a period of years before his son's departure for the mission and he contemplates continuing to do so.

Question 1. Are amounts paid by the fund to reimburse the missionary for expenses incurred away from home in the service of the church required to be included in the gross income of the missionary?

Answer. Section 61 of the Internal Revenue Code of 1954 and section 1.61-1 of the Income Tax Regulations provide, generally, that gross income includes all income from whatever source derived unless excluded by law.

In the instant case, the missionary is motivated by religious conviction and a desire to donate services to his church. He is engaged in rendering gratuitous services to his church. Under these circumstances, reimbursement by the church to the missionary, or the direct payment by the church, of any of the expenses involved does not constitute income to the missionary but represents the repayment by the church of advances made by the missionary on behalf of, and at the request of, the church. Accordingly, such amounts are not includible in the missionary's gross income for Federal income tax purposes. See Revenue Ruling 57-60, C.B. 1957-1, 25, as modified by Revenue Ruling 60-280, C.B. 1960-2, 12.

Question 2. Are moneys contributed by the taxpayer to the fund established by the local congregation deductible as charitable contributions?

Answer. Section 170 of the code provides for the deduction, in computing taxable income, of charitable contributions, the payment of which is made within the taxable year to certain organizations described therein. Section 262 of the code provides, generally, that no deduction shall be allowed for personal, living, or family expenses.

If contributions to the fund are earmarked by the donor for a particular individual, they are treated, in effect, as being gifts to the designated individual and are not deductible. However, a deduction will be allowable where it is established that a gift is intended by a donor for the use of the organization and not as a gift to an individual.

The test in each case is whether the organization has full control of the donated funds, and discretion as to their use, so as to insure that they will be used to carry out its functions and purposes.

In the instant case, the son's receipt of reimbursements from the fund is alone insufficient to require a holding that this test is not met. Accordingly, unless the taxpayer's contributions to the fund are distinctly marked by him so that they may be used only for his son or are received by the fund pursuant to a commitment or understanding that they will be so used, they may be deducted by the taxpayer in computing his taxable income in the manner and to the extent provided by section 170 of the code.

Question 3. May the taxpayer claim a personal exemption deduction for his missionary son?

Answer. Section 151(e) of the code provides, in general, with certain exceptions relating to children who have not attained the age of 19 and are students, that a taxpayer may claim an exemption of $600 for each dependent (as defined in section 152 of the code) whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $600; but, the exemption shall not be allowed for any dependent who has made a joint return with his spouse for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins. The term "dependent" as defined in section 152 of the code includes a son of a taxpayer who, for the calendar year in which the taxable year of the taxpayer begins, received over half of his support from the taxpayer.

Since the reimbursements from the fund are not includible in the missionary's gross income, his gross income for the calendar year is less than $600. Accordingly since the amounts furnished by the taxpayer directly to his son and used for his support constitute more than one-half of his total support for the calendar year, the taxpayer is entitled to a dependency exemption for his son.

THE VISIT OF PRESIDENT CHIARI

Mr. HUMPHREY. Mr. President, recently the President of the Republic of Panama, Hon. Roberto F. Chiari, visited the city of Washington, and received from our Government the fullest honor and courtesies. He was welcomed by all. He and President Kennedy conferred with respect to problems of the Panama Canal and Panama; and, it is to be hoped, with results that may prove mutually beneficial to the two countries.

President Chiari has been a successful businessman; and this background must be of substantial value in the discharge of his high responsibilities and duties as chief executive of his nation. Like so many of his countrymen he speaks English fluently, in addition to his native Spanish. He is a man of solid traits and pleasing personality.

His father, the late Rodolfo Chiari, a popular and successful figure in the economic and political life of Panama, was President of the republic in the early 1920's. This is the only instance in the history of the Panamanian Republic in which father and son have each been elected to serve the constitutional term of 4 years as President.

Advisers accompanying the incumbent President on his visit included don Ricardo M. Arias, former President of Panama, and the chief contender against President Chiari in the election of 1960.

While in Washington President Chiari delivered an interesting and timely address before the Organization of American States touching the solidarity of the American nations, and the policy which should be pursued by it in dealing with dictatorships.

I ask unanimous consent to have printed in the Record the indicated address, together with an editorial commenting thereon, appearing in the Star & Herald, of Panama, on the 16th of June.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address of His Excellency Roberto F. Chiari, President of the Republic of Panama, at a Special Session of the Council of the Organization of American States, Held in His Honor at the Pan American Union on June 13, 1962

Mr. Chairman, members of the Council of the Organization of American States, Mr. Secretary General, ladies and gentlemen, I most sincerely thank you for this homage you have arranged in my honor and the cordial words with which the chairman has given me such friendly welcome. Because of them, I shall never forget this pleasant visit that, as President of the Republic of Panama, I have had the good fortune to make to this central headquarters of the inter-American regional system.

One cannot come here without immediately receiving the strong and lasting impression that the unity of the American nations is not, should not be, and cannot be a fiction, for here the ideals and aims common to all of them become an objective reality. One gets the impression, at the same time, that those ideals and aims mark the only path of solidarity and cooperation that can lead these nations to the greatest prosperity and happiness for each of them within the framework of the greatest cohesion, assistance, and security for all as a united hemisphere in the midst of the convulsed, politically unstable, and economically dislocated world in which we live. That world around us is putting to the test mankind's ability to achieve, on a stable, permanent basis, a better and more dignified life for all human beings.

The task is not a simple one and all of you are reliable witnesses to the problems and conflicts that present themselves every day and of the difficulties and obstacles that must be faced in the necessary effort to find solutions for them that will not only be just but that will manage to maintain or reestablish sincere harmony, with the crises that had to be faced and the vehemence and acrimony of the debates forgotten.

The changeability of political, social, and economic phenomena and the ceaseless flow of history make ideas that were taken as dogmas yesterday lose authority today or tomorrow, or make concepts that have acquired definitive solidness evolve in their ideological content, in the interpretation of them, or in the results of their application in an environment of circumstances changing in time or in space.

The Americas give us many examples of this disturbing reality, but this fact, rather than discouraging us, should encourage and stimulate us to excel, just as the storm tempers the character of the sailor and inflames his determination to dominate the elements that are threatening to annihilate him.

During the wars for independence, it was common for the peoples to help each other in the struggle to free themselves from the colonial yoke; and it was common for the armies to cross frontiers to come to the aid or comfort of their brothers who suffered reverses in the battle for freedom.

Once the independence of the new nations that emerged from the overthrow of the Spanish colonial system was consolidated, the universal principle of self-preservation made new doctrines arise that would insure the integrity of the personality of each of them and the inviolability of their independence and sovereignty. These doctrines served as measures of common defense first against any attempt at colonial reconquest; then against territorial expansion of stronger nations against their weaker neighbors by force; and also, against U.S. political expansion in certain regions during the period of the now discarded policy so well described as that of the "big stick."

This was how two fundamental principles began to appear that rapidly became keystones of the inter-American regional system: the principle of self-determination of peoples and that of nonintervention.

These are principles that, after having acquired definitive standing in American international law, have gone on to become basic standards in world law.

But time does not halt its march and evolution follows its course, which is not always creative and often is destructive.

Thus we are already, not without disturbing doubts, seeing these basic principles of nonintervention and self-determination of peoples drifting toward a new formula of eyes shut and hands off, which were not exactly their original meanings.

This new formula would seem to be leading, and we have already seen examples of this, toward an almost complete indifference to the fate of brother peoples who, within their own boundaries, are deprived by force of all chance for self-determination, and for whom the principle of nonintervention, carried to its most extreme interpretation, becomes a universal condemnation to live forever subject to the oppression that incurably afflicts them.

It is necessary carefully to review these concepts in order to find clear definitions for them that, while reaffirming their primary philosophical bases, would not close the door to possible collective measures intended to assure all the peoples of the Americas, within their own boundaries, of their freedom, their right to control their own destiny, and their right to reestablish, when they have been deprived of it by force, the rule of representative democracy, which is the essence of the American regional system.

Political problems, without any doubt, rest on economic problems, and it is impossible to solve the former without first finding an adequate solution to the latter.

So long as there are peoples and communities that live at an economic sublevel of miserable bare subsistence; so long as the economic and social level fails to provide every man, woman, and child with the means to lead a healthful life; so long as the cultural and educational level fails to give every individual the means to obtain the basic training he needs to earn his living in accordance with his vocational aptitudes; so long as the farmworkers; lacks the tools necessary for a level of production that would make it possible for him to live decently and lack access to markets where he can sell his products at reasonable prices; so long as the city worker lacks opportunities for employment and wages that would make it possible for him fully to meet his own needs and those of his dependents; so long as a small class controls all the wealth and the masses of the people are deprived of minimum decent conditions for living; so long as these things persist in Latin America there can be no stability in political institutions, and the germ of rebellion, of sedition, and of subversion will be there, latent, waiting for the propitious moment for the outbreak that will offer the people hopes of obtaining something that is promised them even though it may seem illusory, when they are convinced that they cannot hope for anything from the regime that they rightly hold responsible for their misery and desperation.

In this hour of uncertainty, of urgency, and of pressure, the Alliance for Progress has arisen as a torch of hope. Its goal is the raising of the economic, social, and cultural levels of the Latin American peoples. All the needy and the disinherited of the hemisphere have put their faith in it. The present governing classes bear on their shoulders the responsibility for seeing that it does not end in a noisy and sorrowful failure, and they must not expect mercy when the masses of the people exact such responsibility from them.

Let us pray that the Alliance for Progress, through the combined and coordinated effort of all, will result, as it must and as there is no valid reason why it should not, in the longed-for dawn of the redemption of the Latin American masses.

Mr. Chairman, members of the Council, Mr. Secretary General, I want to take this solemn occasion to reaffirm the Republic of Panama's faith in the Organization of American States; to pledge all our efforts to make this institution, which is a symbol and synthesis of the purest ideals and aims of the hemisphere, ever more efficient, fruitful, solid, and strong; and to voice fervent hopes that it will always meet with success in the noble mission it is called upon to fulfill.

Finally, I want to express again my deep appreciation for this meaningful ceremony with which you have honored me, for which the Government and people of Panama also thank you.

Thank you very much.

CHIARI SCORES RESOUNDINGLY

President Roberto F. Chiari, placed a burning finger on a running sore in Latin American politics which has been negating the right of the people of certain Latin American Republics to be as nationally free and independent as they are internationally free and independent when he warned that "the principles of nonintervention are being interpreted under a new formula of eyes shut and hands off."

This interpretation, the President of Panama told a special session of the Council of the Organization of American States (OAS), is leading the American world toward an almost complete indifference regarding "the fate of our brother people."

As an example of the damage which this indifference is causing, President Chiari pointed to the fact that there are people who, within their own boundaries "are deprived by force of all chances of self-determination and for whom the principle of nonintervention has become a universal sentence to live forever subject to the oppression that incurably afflicts them."

Our President is to be congratulated for having had the courage to speak out loud and ringingly a conviction which must undoubtedly have been evident to many of Latin America's leading statesmen, but who, because of partisan or nationalistic reasons, preferred to remain silent.

It is the current insane policy of eyes shut and hands off, as regards nonintervention by one American state in the affairs of another American state, that prevents action to straighten out the internal conditions, now working to the detriment of the integrity and dignity of the people of those Latin American nations which are saddled with a dictator who seeks to rule forever, and in some cases who even dares to designate a successor who would serve as a rearguard defense if things ever got too hot while he made good his escape to some other country to evade possible punishment by the people he had ill treated for so long when his power was unchallengeable.

Very often we have heard the question asked by fleeing and despairing citizens of some country under the iron rule of a dictator, as to why the United States does nothing to put an end to the disgraceful conditions existing in their dictator dominated country. Invariably we have heard them reminded of the fact that there is a convention whereby the Western Hemisphere nations, at a Pan American meeting held in Montevideo, agreed that intervention by one American country in the affairs of another American country was forever banned and that the United States was a party to that convention and therefore could only look on and pity those who the nonintervention principle had abandoned to the merciless exploitation of the clique favored by the new order.

Since that convention went into effect there has been epidemic of dictatorships throughout Latin America and new millionaires have been moving out of the ranks of the politicos to emigrate from those countries where they had exercised political preeminence, to settle down as moguls in some fashionable European resort, with an inexhaustible bank account, accumulated by magic. While the people of the country they deserted, are being torn and sundered with revolutions as the ambitious underlings they left behind sought to take over command of the nation in order to dispose of what was left in the depleted national treasury. This is possible only under the eyes shut and hands off policy that prevails.

PROPOSED MAMMOTH CAVE PARKWAY

Mr. COOPER. Mr. President, there is pending before the Senate, S. 2474, introduced by me in the 87th Congress on August 28, 1961, and referred to the Committee on Interior and Insular Affairs, and which provides for the appropriation of a sum not exceeding $175,000.

Its text follows:

A bill to provide for an appropriation of a sum not exceeding $175,000 with which to make a survey of proposed national parkway extensions or connections to Blue Ridge Parkway, Great Smoky Mountains National Park, Foothills Parkway, Mammoth Cave National Park, and Natchez Trace Parkway, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a sum not exceeding $175,000 is hereby authorized to be appropriated out of the Treasury of the United States, to be used by the Department of the Interior through the National Park Service and by the Department of Commerce through the Bureau of Public Roads, with which to make a survey, now directed, of the route of proposed national parkway extensions or connections to Blue Ridge Parkway, Great Smoky Mountains National Park, Foothills Parkway, Mammoth

Cave National Park, and Natchez Trace Parkway. An estimate of the cost of construction of an appropriate national parkway, comparable with the Blue Ridge Parkway and the Natchez Trace Parkway, over the indicated route, together with such other data as may be of value, shall be obtained through the said survey, hereby authorized, for the purposes of determining the feasibility and desirability of constructing the proposed national parkway, or any portions thereof. Final report of such survey, accompanied by full information and data, with recommendations, shall, at the earliest possible date, be made and submitted to the Congress of the United States for its consideration.

If the measure is enacted, a sum not exceeding $175,000 will be authorized, through the Department of Interior by the National Park Service, and through the Department of Commerce, by the Bureau of Public Roads, to make the indicated survey for the proposed national parkway. This is procedure recommended by the National Park Service and the Interior Department in dealing with national parkway proposals. If such report is favorable, there usually follows the enactment of legislation specifically authorizing the establishment of the proposed national parkway, with a prescribed route, conditions which must be made, together with authorization of required appropriations.

The proposed parkway might, at least for the present, and for the sake of convenience, be called the Mammoth Cave Parkway.

It would extend from the northeastern line of the Great Smoky Mountains National Park in North Carolina and Tennessee via the Lincoln Birthplace Farm at Hodgenville, Ky.; Mammoth Cave National Park, to Natchez Trace Parkway, to some point south of Nashville. The proposed parkway would close the gap in the present parkway system between Great Smoky Mountains National Park and Natchez Trace.

This would make a total of something like 1,400 miles of national parkway, beginning at Front Royal, Va., and running southward over the crest of the Blue Ridge Mountains in the Shenandoah National Park to a point south of the southern boundary of that park; and thence about 471 miles via Asheville, N.C., to the western boundary of the Great Smoky Mountains National Park; thence, probably, through eastern Tennessee to Cumberland Gap National Historical Park; and thence by way of Cumberland Falls, Lincoln Birthplace Farm, Mammoth Cave National Park in Kentucky; and thence to Natchez Trace Parkway, south of Nashville, Tenn.

On April 9, 1962, a hearing was held on this bill before the proper subcommittee of the Committee on Interior and Insular Affairs. Representations in behalf of the bill were made by a former member of the House of Representatives, Maurice H. Thatcher, of Kentucky, president of the Eastern National Park-to-Park Association and vice president of the Mammoth Cave National Park Association. I also testified in behalf of the measure, the enactment of which I most earnestly favor.

In Congress, some years ago, Mr. Thatcher introduced and brought about the enactment of the bill providing for the establishment of the Mammoth Cave National Park. He has long been an earnest conservationist and advocate of the proposed parkway.

Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD, the text of Mr. Thatcher's testimony before the subcommittee.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF FORMER CONGRESSMAN MAURICE H. THATCHER AT THE HEARING ON S. 2474, BEFORE SUBCOMMITTEE OF SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, ON APRIL 9, 1962, RE DISCUSSION OF PRELIMINARY SURVEY OF NATIONAL PARKWAY PROPOSAL UNDER ACT OF CONGRESS

Mr. THATCHER. May I interject that I think the act of Congress is appropriate because of these other departmental connections. While the National Park Service has certain discretion in the use of certain funds, it might require an act of Congress to compose the situation as between the Department of Commerce, the Department of Interior, and the Department of Agriculture. I think, myself, that is the fact; that Congress should act so as to tie all these Departments together and get these amendments in with the inclusion of the agricultural amendment that has been proposed more recently.

It is not exceeding $175,000. It is not a lump sum of $175,000. It is not exceeding that amount. That figure was the estimate that was arrived at after consultation with Mr. Wirth, the National Park Director. He thought that would be ample to cover the maximum requirements.

So, I think, it is necessary to have an act of Congress. I suppose in the recent enactment by the Congress concerning the extension from Great Smoky Mountains down toward Atlanta, of 150 miles of suggested parkway, congressional action was considerd necessary. That is comparable to the present proposal, exactly.

Senator BIBLE (chairman of subcommittee). I suppose the plain truth of the matter is that if this becomes law, it gives a higher priority to the project than if you simply rely on existing authorizing language in a general act that authorizes the Interior and the Congress to proceed.

I suppose you give a greater dignity and weight and priority to this project. If this becomes law then you are going to stand a better chance of securing an earlier appropriation than if this did not become law. I think that is what it boils down to.

Mr. THATCHER. That all enters into it.

Senator BIBLE. I have no further questions.

Senator LONG. I am very much in favor of developments of this kind, but I just wondered about the statement made in regard to the attitude of the Budget Bureau.

Mr. THATCHER. May I say there has been a recent change in attitude. I think the National Park Service has always been friendly to this project. I may say that I have no interest except that of a purely public welfare character. I pay my own expenses on these matters, and never think about reimbursement, because I am interested in the national park situation. In 1931, I organized the Eastern National Park-to-Park Highway Association, and have been its president ever since. It approves this proposed legislation. Also, I am a vice president of the Mammoth Cave National Park Association, which has likewise approved the proposed enactment.

As Senator COOPER said, I was the author of the legislation that created the Mammoth Cave National Park in Kentucky. After that I organized the indicated Eastern National Park-to-Park Highway Association—informal in character—and I had a meeting here in April 1931, and proposed, and there was adopted by representatives from Kentucky, North Carolina, including Senator Bailey, and from other affected States, a proposal for an Eastern National Park-to-Park Highway, linking up historic routes, scenic and historic, 2,400 miles, through Tidewater Virginia, Yorktown, Jamestown, Washington, Shenandoah National Park, and on to Kentucky, the birthplace farm of Lincoln and the Mammoth Cave National Park, and down to the Great Smokies and back to the Natural Bridge, and thence to the beginning at the National Monument in Yorktown. That was not a Government authorization, but it had the informal approval of the National Park Service.

At that time I was deeply interested in connecting the National Parks by established highways which did pass by or through scenic and historic spots. They were largely the fruition of the old buffalo traces because the buffaloes were the best engineers. They took the lines of least resistance. These roadways on this map that was made by the National Park Service at that time indicate the picture. I will file that.

Senator BIBLE. This may be made a part of the record.

Mr. THATCHER. The proposed parkway in Tennessee and Kentucky passes through outstanding areas of beautiful scenery and historic values, with notable State parks en route.

There has been no Government expense attached to that, at all. After we agreed on it, all that was necessary to do, of course—Mr. Albright, then National Park Director, was present at that meeting—we undertook to have the highway commissions to build up those roadways to proper standards. That has pretty well been done. This proposed national parkway is entirely different because it is not commercial. These are commercial roads.

The park-to-park parkway system is a wonderful system. In 1953, following this action, and because of the Blue Ridge Parkway development, it seemed to me that we ought to have a connection to close this gap between the Great Smoky Mountains National Park and the Mammoth Cave National Park, and the Shenandoah, the three great national parks now established, and then to Natchez Trace Parkway which had been authorized and which would give us approximately 1,400 miles of continuous parkway without trucks and without hotdog stands and billboards anywhere along the way. It is a wonderful thing to connect the National Park System in this way. The Skyline Drive through the Shenandoah National Park is 105 miles in length; the Blue Ridge Parkway 471 miles; the proposed parkway about 350 miles; and the Natchez Trace Parkway 451 miles.

I think ultimately if we are to survive as a Nation, that all the national parks should be thus connected. It is for pleasure, entertainment, and for instruction in the historic values and natural beauties of the country, that we have established our national parks. There is nothing like a national parkway because it is exclusively for passenger traffic, with its own landscaping and the protection of the highways against billboards, commercial enterprises, and distractions of that sort. It does seem logical that we should have this extension made, 350 miles through Kentucky and through Tennessee. Both ends of it will be in Tennessee. Tennessee is also interested. It would make a continuous distance there of something like 1,400 miles and would serve a great purpose.

I think there is an awakening in this country, certainly on the part of the administration, to increase our national parks, our national monuments and our national parkways.

In 1953 the first bill was introduced. I drew that bill because I was a friend of the idea. Congressman Robison, one of my successors, introduced it; the Bureau of the Budget never cleared it. I think it had the good will of the National Park Service, which, I believe, has always felt kindly toward the proposal because they believe it is a natural evolution. It was never cleared with the Budget Bureau, until recently.

Mr. Siler later introduced the bill in the House and Senator Cooper, in the Senate—identical measures. Through the years we have had bills, beginning in 1953, dealing with this question. Now there is a more liberal attitude on these matters, and we feel that the time is ripe for this action to be taken. This survey has to be made and all the elements have to be considered and then the recommendation has to be made. I hope that it may be favorable. Then after that, the Blue Ridge Parkway should have been completed by the time this survey is made, if it is made; and the Natchez Trace Parkway will be practically completed; and then there might be available funds for this proposal, if Congress so determines. Then Congress will determine the whole question on its merits. I think this survey should be made for this purpose, and I think it is logical that these national parkways should be provided. Thereby travel to the national parks will be greatly increased, with resulting benefit to all.

When I was in Congress, the Lincoln birthplace farm had been taken over in 1916 by the Federal Government when Mr. Wilson was President, with the assurance that the Government would maintain and improve it. The Government never spent a dollar on it for improvements.

The Lincoln Farm Association conveyed this property, 110 acres, to the National Government by deed. The National Government accepted by an enabling act. It was not broad enough to provide for improvements and maintenance. The result was that in the 10 years that followed, the Lincoln farm grew up in bushes and briars. All the underground region, which is cavernous, was choked and overflowing. It was a national scandal. There was a memorial built by the schoolchildren, under the auspices of the Lincoln Farm Association, which houses the traditional cabin in which Lincoln was born, on the well-known spot above the Lincoln spring. I introduced a bill authorizing the appropriation of $100,000 to redeem that long period of neglect, and obtained its enactment.

I wrote into that bill the provision that henceforth the authority is for Congress to make all appropriations necessary for the care, maintenance, and improvement of this national shrine. This was in addition to the $100,000 to build the roads, comfort stations, pavilion, and the simple accessories that were needed, and the roads from the highway (U.S. 31-E). There was no paved road into the farm from the public highway. People mired up there constantly, in the mud. In the plaza, where the flag is displayed, there was muck, 10 inches deep; but it is all paved now, with all needed structures, native stone walkways, cleared surface, and undergrounds reamed out: all done under the indicated $100,000 appropriation, and converted into a place of beauty. The work was done under the War Department, by the Quartermaster General's organization. The farm is open to the public, free; and with paved parking facilities and all other accommodations provided, hosts of people visit the farm throughout the year. The whole is administered by the National Park Service. The birthplace farm is located on the proposed parkway, as shown by the map I am submitting. Proponents earnestly hope that—if and when authorization is given for the survey—the national park at Cumberland Gap—so greatly historic—Cumberland Falls and Cumberland Lake, and other beauty and historic sites, with State parks en route, will be on the parkway route recommended by the National Park Service. The true mission of a national parkway is to connect national parks and monuments, with reasonable accommodation as to scenic and historic areas and sites.

Mr. Chairman, I have some figures which I would like to submit, contained in a letter to me—with the same to Senator Cooper—dealing with existing national parkways, written by the National Park Director's office.

Senator Bible. The letter to which you refer will be made a part of the record, Mr. Thatcher.

I think you have made a fine showing on this. I think we have a very full record on it.

Mr. Thatcher. It is a most wonderful thing; and we say, gentlemen, eventually it is bound to come, and why not now? It takes some time to make a survey, and then to construct a national parkway.

Senator Bible. Surely.

Mr. Thatcher. We can trust the National Park Service to do that fairly and equitably—the survey. They have to consider the question of donations of land, the question of purchase of lands. All these things enter into the picture for consideration. When the survey is made, if it is favorable, then Congress can pass on conditions that should be imposed. As regards the Mammoth Cave National Park, I participated in the campaigns to raise the funds required to buy the needed lands and cave systems. I went before the joint session of the Kentucky Legislature after the Mammoth Cave National Park bill was enacted, and I spoke in behalf of a proposal for State funds for the indicated purpose. Senator Logan, who was then attorney general, also spoke in support of the proposal. He was from the Green River region, as I was originally. Thereupon the legislature voted $1.75 million for the project. We raised, also, a million dollars by private donations. With the $2.75 million, thus raised, we bought the lands and cave units required, and they were donated to the U.S. Government for national park purposes. I wrote and obtained the enactment of the enabling act of Congress. I also wrote the act whereby the Kentucky Legislature ceded the State's police power over the areas involved, and did other things of that sort. So, I have been all through this from the beginning. This is my sole interest, because I am concerned about the adequate development of the national park projects of the Nation; and I am also deeply interested in tying together the national parks of the Nation with an adequate system—as an ultimate goal—with adequate connecting parkways as means for transportation so that they may be truly enjoyed in safety and comfort, and in pleasure. That is the purpose of the National Park System.

Senator Bible. Thank you very much, Mr. Thatcher. You have made a very effective witness. I know of your continuing interest in this parkway problem, and your earlier interest when you were in the Congress on the problem of national parks, monuments, and highways. Your testimony will be very helpful. We will see if we can't move this forward.

Mr. Thatcher. May I file some things in corroboration of what I say?

Senator Bible. Yes, the record will be kept open for anything you may wish to add or amend.

Mr. Thatcher. I have tried to cover it in a general sort of way. I am filing, also, exhibits M. H. T. 2, 3, 4, 5, 6, 7, 8, 9, 10, which are self-explanatory.

Senator Bible. I think you covered it very well. I am going to call one witness from the National Park Service, and you might like to hear him. We assume that all of the departments are friendly to this idea because they have all acquiesced in it. All of the reports have been made a part of the record.

Mr. Thatcher. The bill before you now (S. 2474) requires one amendment, and that is the one suggested by the Department of Agriculture; and that is acceptable to proponents of the bill if it is acceptable to the Interior Department, and I suppose it is simply for the purpose of harmonizing the situation growing out of the fact that there are different controls of public lands which may be involved.

Senator Bible. It is certainly good to see you, Congressman Thatcher.

Mr. Thatcher. Thank you, Senator Bible.

Senator Bible. It is certainly good to see you. I think it is a fine thing when one who spent as many fine years in Congress keeps up his interest in governmental affairs after you have retired. This is what keeps you young.

Mr. Thatcher. That is one of the things that kept me in Washington; national parks and Panama Canal and isthmian matters.

Senator Bible. Thank you very much.

Mr. Thatcher. Thank you very much, sir.

Senator Bible. It is nice to have you here this morning.

Mr. Thatcher. I have drawn a map which I will file and my map is approximately the same as this map as to route A, which is the route by Cumberland Gap National Historical Park. A shorter route starts near Gatlinburg. The other one—which proponents hope to see approved—starts at Cosby on the Foothills National Parkway which is 51 miles long and the construction of which has just begun, as I understand. It extends along the foothills, about 51 miles, and there are only a few miles constructed. They are working on that. Our preferred route ties in with the Foothills Parkway, and then makes the extension. In that same connection, if I may add, the Blue Ridge Parkway was an industrial recovery enterprise, you might say. It was with that idea in mind. So was Natchez Trace Parkway.

There are in Tennessee and eastern Kentucky distressed areas caused by the coal situation there. That would only be an incidental consideration, but it is important; and contains an element considered in the Blue Ridge and Natchez Trace enterprises.

Kentucky is an outstanding national park State, and has a most important system of State parks; and it pays to the U.S. Government very heavy excise taxes on liquors and tobacco. These are supporting considerations for the present proposal.

Senator Bible. But it would be something to consider.

Mr. Thatcher. It will be in line with the National Industrial Recovery Act purposes. It goes through regions that really could be helped in this construction—if it is ultimately made.

Senator Bible. Thank you very much. I have no further questions.

TRIBUTE TO THE LATE DEAN A. L. STONE

Mr. METCALF. Mr. President, 17 years after the death of Dean A. L. Stone, beloved head of Montana State University's School of Journalism, journalism school graduates everywhere, who were fortunate to have known the dean, still recall with love and affection his wise and generous counsel.

For most, the memory of Dean Stone means classes in the well-known "Shack," built during World War I days, with the wind and snow from Hell Gate

Canyon seeking out the cracks and chilling the hands and feet of the embryo journalists. For others, it brings a memory of the dean in his office on the second floor of a shining new journalism school some 20 years later. For still others, it brings a memory of a very kind, a very understandable, lovable, and inspiring gentleman of the old school, complete with flowing black tie, who gave unceasingly of himself. When he died in 1945, he left behind an inspiration and a memory which will live on for all Montana journalism school students, past and present.

It is appropriate that a 1919 graduate of this same journalism school, Clarence K. Streit, Rhodes scholar, distinguished author and four times nominated for the Nobel Peace Prize, should deliver this year's seventh annual tribute to the dean with his address, "The Press, Atlantic Union, and World Peace." I commend his tribute to my colleagues, to all the dean's students wherever they may be and to everyone concerned with freedom of the press, and I ask unanimous consent that the tribute be printed in the Record.

There being no obligation, the tribute was ordered to be printed in the Record, as follows:

Dean A. L. Stone Address: The Press, Atlantic Union, and World Peace

(By Clarence K. Streit)

THE PROBLEM

Everyone, it seems, favors freedom of the press—yet everyone wants to control the press. Even the editors and reporters do.

As an old reporter and foreign correspondent I want to testify that not only sound instinct but hard experience has prompted newspapermen to insist on free and equal dissemination of news throughout the world as an essential to peace.

Of course, as every reporter and editor knows, when you print the facts freely you very frequently make someone fighting mad; you can get anything but peace by printing the news freely. I have gotten into trouble more than once that way myself—ranging from the time the Rumanian Government expelled me in 1927 because of my dispatches to the New York Times, all the way back to the time when, as editor of the Missoula County High School paper, the Konah, I printed an editorial denouncing the sophomore class for having gone on a sleigh ride the night when I thought they should have been out rooting for the basketball team.

The widespread desire to get opinion and news freely printed is pretty much like the widespread desire for an international police. Everyone wants to get the other fellow policed, and everyone wants to read all the lowdown about him, too—but a good many lose their enthusiasm when it comes to being policed themselves, or having the lowdown printed about themselves, or opinions contrary to their own.

Nonetheless, I am convinced that free news is essential to peace. Indeed, I would go further; I would say unhesitatingly that I value freedom of the press even more than peace, and you know how highly I value peace.

One of my major purposes in writing "Union Now" was to advance the freedom of the press. I would sacrifice peace to secure the freedom of the press—and free, above all, from government control. I know of no surer guarantee of peace than to have the press free in every civilized country. But I also know, as does every experienced newspaperman, that we are very far from that goal now.

First, let us face the fact that in most countries the press is not and never has been long free from government control, direct or indirect. This control results primarily from the tremendous importance of the press to those in power. As a rule, the more a country is exposed to danger, the more important the press becomes to the government and the more liable the government is to control the press. Thus, during the past war, the press lost some of its freedom even in the most democratic countries, and more in England, which was closer to the enemy, than in America which was farther away.

Secondly, there are certain countries which not only have never enjoyed a press free from government control but whose ruling philosophy insists on government ownership and operation of all the communication media.

THE LESSON IN 1944

What to do when you face—as we do now in Russia—a formidable power that is a one-company, one-newspaper nation, and is determined to "bury" us, and confident our grandchildren will be Communists? Various ideas have been proposed. One of the first to come to naught was a proposal in 1944 by the heads of the Associated Press and the United Press—then respectively Kent Cooper and Hugh Baillie—that the United States seek to get all other nations to sign a "free news treaty" with us, pledging free and equal dissemination of the news as a prerequisite of peace. I opposed it at the time on the ground that even if signed it would prove to be "a dangerous delusion." Since this delusion has persisted, although it has taken various other forms, let me quote from a talk I gave on the subject on September 29, 1944:

"Suppose that the free news pledge is signed by all the nations, even the governments that allow no freedom of the press at home and that uphold the principle that the government should own and control all the press. What is the result? Will those governments really give foreign correspondents, our correspondents, a freedom that they refuse to allow their own people? Will they allow their people to talk as freely and safely to our correspondents as we allow our people to talk to their correspondents? If not—if the correspondent cannot get news freely, or report it without endangering the life and liberty of his news source and meeting himself all sorts of artificial difficulties designed to make his further work impossible and cause his paper to recall him—if that is the real situation, then where is the reciprocity in the agreement, and what is its value?

"The heart of the matter

"Here is the heart of the matter: There is simply no way in which the press can freely tell the American people of the true state of affairs in our country, and what our Government is doing or planning, without all the rest of the world knowing everything that we know. There is simply no way for the British press, or the French press, to tell the British and the French people the true situation in those countries, and what their Governments are doing or planning, without every potential enemy knowing as much as they or we know.

"That is why a free press and free news can be a most effective engine for peace. The freer the press is in any country, the less possible it is for that country or its government to launch or to prepare to launch war against any other country, least of all the only kind of aggressive war that needs to be feared in these modern times—surprise attack.

"But the other side of the medal is this: This situation dangerously exposes the free press countries to aggression by other governments whose control of the press allows them to conceal what they are really planning, allows them to prepare a surprise attack as the Nazis did, and the Japanese did.

"A reasonable guess

"I do not know from what country aggression may next bring war upon the world, but I am willing to wager that the aggressor government will be a government that controls the press of its country even in peacetime.

"Even in the best conditions the danger remains. We have fought on the same side with countries whose government controls the press, where we have all the ties of alliances and comradeship in war to help us work out our relations with them peacefully, where we have the greatest hope that government control of the press may gradually give way to freedom of the press. Even there, I would warn you as earnestly as I can that we are dangerously discouraging freedom of the press in those countries, and dangerously encouraging every aggressive element in them, to gain control of those countries, when we leave the free press democracies divided into sovereign nations, when we fail to unite their power behind their free press as only a common federal union government can unite it.

"Let me remind you that in World War I, Italy and Japan were our allies, as Soviet Russia is in this war. I would say that the divisions among the Americans, British, and French contributed decisively to deliver Italy to the fascists—I was Rome correspondent of Philadelphia's Public Ledger when Mussolini entered that city. I also saw how the divisions among the three great democracies helped decide in favor of the militarists in Japan the struggle between them and the Japanese newspapermen I used to know in the twenties who were struggling for freedom of the press in Tokyo. I would add that these same divisions contributed decisively, too, to deliver the free press of the Weimar Republic in Germany to the Nazis.

"If we are to avoid once again not only losing the peace but seeing even our Allies in one war become our enemies in the next war, if, for example, we are to encourage—as I certainly would—everyone in Soviet Russia who would free the press and live with us in peace, we had better cease to identify the freedom of the press with decision, and weakness and anarchy. We had better identify it with the power that comes from free union.

"How does division of the free press democracies into sovereign nations encourage militarism abroad? Take the case of Japan. After World War I we sought peace by a naval disarmament treaty based on the theory that we could gain peace by dividing equally the naval power of the Americans and British, and giving the Japanese a lower quota, and the French and Italians a still lower one. Those were the days of peace by the 5-5-3 ratio in naval power—five for us, five for Britain, and three for Japan. The result was that the militarists in Japan could hope (a) to build up secretly to greater naval power than either America or Britain, and (b) to keep the two divided and tackle them separately, or to tackle one when the other was engaged in war in Europe. And that is exactly what happened.

"Had we sought peace in 1920 by uniting the naval power of the democracies, had the ratio been not 5 to 3 but 10 to 3, or 12 to 3—as it would have been by combining the power of the United States, Britain, and France in a federal union of the free—there could have been no such hope to encourage militarism in Japan.

"Look at the matter from another angle. Change the date from 1920 to 1950 and change the Big Three from America, Britain, and Japan to America, Britain, and Soviet Russia. Picture them engaged in the poker game of diplomacy. Picture a poker game in which Uncle Sam and John Bull have all their cards on the table.

"Why? Because they have a free press, free speech, free elections, congressional or parliamentary check on the Executive. Because their people are accustomed to knowing—and want to continue knowing—how the Government spends their taxes, and how it is planning to keep them out of war. We, the American people, cannot know this without the British Government and the Russian Government, and everyone else, knowing as much about our cards as we do. The same is true of the British people. But it is also true that neither we, nor the British, nor anyone else, can have a better knowledge of the Russian Government's game than the Russian people have.

"And so an attempt to secure our free press and other freedoms peacefully through a Big Three setup is like a poker game in which the cards of Uncle Sam and of John Bull are visible on the table, with the searchlight of the press playing on them—and even up their sleeves and under the table to see that nothing phony is going on, and trying, with no real success, to reach that end of the table where the master of the Soviet press sits with his cards hidden in his hand."

THE CHALLENGE AND ANSWER

Such was the picture of 1950 that I painted in the 1944 speech I have been quoting without change—except for some obvious interjections—and you remember what happened in 1950: the surprise attack on Korea.

We have sought to save our great stake in this deadly poker game by trying to get the master of the Kremlin to play with his cards, too, on the table. When we failed to get him to pledge free dissemination of news, we tried other similar but weaker moves—such as the "open skies" proposal that once made such hopeful headlines though it offered us nothing more in information than a swift bird's-eye view of the surface of vast Russia. We have acclaimed as great successes getting a Nixon talk or a Kennedy speech heard or printed in Russia—in a lopsided exchange for all the space our press gave the master of the Kremlin in exclusive interviews that so many correspondents have prided themselves on—plus the inevitable blaze of publicity our press invariably gives Mr. K. on his trips here.

We have tried all sorts of ideas and tricks aimed at getting the master of the Kremlin to unveil at least a part of his hand—methods as superficial as trying to cure smallpox by putting salve on the pocks. They soothed momentarily, they diverted our attention from the real cure, and, whatever the progress they seemed to make at the time, they left us always in worse danger. How to meet such a challenge? Let me give the answer I gave in 1944:

"I know of only one way to play safely a game where you have to spread your cards on the table and the other man doesn't. It is to have so strong a hand that nothing can possibly defeat it. To put such strength behind our free principles is a matter of life and death to them, and to us and our children. How can we do this? By ceasing to leave the cards of the democracies divided among a dozen sovereign nation players, by ceasing to play their aces against each other, by putting their cards together in one hand played by a Federal union of their sovereign citizens."

A free Atlantic community

I pointed out then that by uniting our power under a common Federal Atlantic government merely for such common purposes as the defense of freedom of the press, the free Atlantic community would have an unbeatable hand—all four aces, and the joker. And at the end of the war, with much of Russia destroyed, and the United States holding an atomic monopoly, an Atlantic union would have held the ace of clubs (military power), the ace of spades (industrial power), the ace of diamonds (raw material power), the ace of hearts (moral and prestige power) and the joker—the power to expand all these powers by admitting other democracies to the union.

Clearly, the free Atlantic community does not have as great relative power now as it had when the war ended. Why? Because, instead of federating the free, we tried first to gain peace and freedom by the curious idea—once more popular than it is now—that the way to establish law and order was to unite the bad men with the vigilantes and their children, all on an equal basis, in a Virginia City that girdled the globe, called the United Nations. Henry Plummer would have relished this extension of his famous Montana system for getting the law-abiding to strengthen the hand of the lawless. A little following of the old trails, which Dean Stone, the man we are honoring tonight, loved to write about, sufficed to keep some of us from being surprised when the United Nations proved ineffective, and the United States had to supplement it with a separate vigilante organization of the North Atlantic democracies, known as NATO. But this was merely uniting them in a military alliance—and alliances, as General Eisenhower pointed out in his first report to NATO in 1952, "throughout history have been weak and notoriously inefficient."

The resulting weakness has not yet led us to try to gain by our own free Federal principles the unbeatable hand we need in order to win with cards democratically face up. Instead this weakness has led us to try to win by trusting to the dictator's system rather than our own—and turning down our cards too.

Some of our mistakes

Though we have been doing this only little by little, we are doing it more and more. To defend our free rights from Communist invasion we have let our own Government increasingly invade those rights itself. We have already gone so far in adding to the power of the military and the industrial brass which go hand-in-hand in modern times that even General Eisenhower's farewell advice when leaving the White House stressed the grave danger to democracy that is inherent in this.[1] We have also drifted increasingly toward relying for salvation on such things as secrecy and spying which are as fatal to freedom as they are essential to dictatorship and characteristic of tyranny. Let us at least cease fooling ourselves, and recognize that in adopting these practices we are copying dictators—not our Founding Fathers.

True, one must sometimes fight fire with fire, but we have already had occasion to learn—with the U-2 and Cuba, for example—that we can burn ourselves that way more than we do the enemy. How badly must we burn ourselves before we fight fire with less dangerous and despotic means?

True, in the past it has proved safe for our democracy to sacrifice freedom of the press and other freedoms and submit to such things as censorship in time of war. But in the past we have done this for never more than 4 years and our present gradual enthronement of these methods of despotism and militarism has now already gone on for 17 years—ever since 1945. Worse still, though we have changed administrations three times in these 17 years, spokesmen of the present one tell us even more insistently than did their predecessors that we must reconcile ourselves to "enduring the present tensions for many years to come." Ten years ago they spoke of "perhaps 30 years of tension to come." Now they warn us of endless years, with no perhaps about it.

Termites of tyranny

How long can the structure of our freedom stand up while it is being eaten away from within, year after year, by these termites of tyranny—by a spy system that is already vast, and has billions to spend without any real accounting to us; by mushrooming governmental secrecy, already covering conveniently no small amount of corruption, inefficiency and blundering; and by concentrated power in a few men—money power, military power, punishing-without-due-process power, pushbutton power—already far greater than such concentrated power was in World War II?

Twenty-one years of this already—if we go back to the beginning of 1941. Americans are now being drafted into the Armed Forces who never lived under any other regime than this. With 30 more years of this situation, two generations of Americans, parents and children, will have grown from infancy to manhood in an ever more rottening structure of freedom—which continues to appear from the outside deceptively solid. How long can we let tyranny's termites feed on our freedom, and hope to have any of it left for our grandchildren? Is it surprising that Mr. K., as he watches us practicing his political principles instead of our own, confidently predicts that our grandchildren will be the subjects of history's worst type of dictatorship.

You may think I am too alarmist. That is what people thought in 1944 when I warned of that postwar poker game with our Soviet ally.

Let me tell you a little incident that indicates how far the termites have already gone. I was talking only last month to a former Cabinet member—one of the men who was closest to his President. I was telling him of the talk I had had that day with a man who has held very high office under more than one President, and who had given me some very disquieting information about the possibility of Mr. K. risking atomic war. The former Cabinet officer was as impressed as I had been; he said: "I must phone him about this." Then he added, as if thinking out loud: "No, I'd better not talk to him on the phone on such a subject. I'll arrange to see him." Clearly he felt he could no longer trust our once trustworthy telephone in a discussion of even this subject, which was not tagged "secret" or "classified." And already he took this telephone tapping as a matter of course, to be accepted without complaint.

Where will we be after this termite of tyranny has gone on gnawing away for even 10 years more.

The contrast between the policy of the American Society of Newspaper Editors right after the war and now is another significant indication of how the security for freedom of the press has meanwhile declined. Around 1946 I recall attending a dinner of the ASNE where the guests of honor were Russian editors whose trip through the United States the society, as I recall, had sponsored in the hope that if they only saw with their own eyes the contrast that our freedom offered they would return home converts to freedom. (That basic idea has died hard—if it has yet died—for I recall attending another ASNE dinner only a few years ago, just after Castro came to power, when Castro was the guest of honor.) But since 1946 the situation in Washington itself has so deteriorated that in recent years one of the major fights of the ASNE has been to preserve free information in the United States from the trend to classify as secret more and more information that once was public.

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[1] On Jan. 17, 1961, President Eisenhower warned: "In the councils of our Government we must guard against the acquisition of unwarranted influence * * * by the military-industrial complex * * * We must never let the weight of this combination endanger our liberties." And he warned against another enemy that is growing like a mushroom in the dark: "We must also be alert to * * * the danger that public policy could itself become the captive of a scientific-technological elite."

With such termites gnawing away, the wonder to me is not that Senator GOLDWATER should attack the administration policy as a "no win" policy. The wonder is that his opponents should do so little to rouse the public to the gravity of the danger to freedom inherent in any policy that presupposes that our democratic structure can withstand indefinitely the termites that flourish in such prolonged conditions of tension. Only the most radical extremists will grow in these conditions, and the way they are already growing is in itself another ominous sign.

The only safe policy for freedom

For more than a quarter century I have contended that the only safe policy for freedom is one that promises—and can reasonably hope to deliver—decisive victory in good time. All that has happened in that quarter century makes me believe this only the more firmly now. But this does not mean that I share the view that the alternative to the no-win policy is to seek to win by war. That is a fearfully dangerous alternative, and one that I have always sought to avoid, With the exception of the period when we were already in World War II, my aim, before that period and ever since, has been to win for freedom without another world war, by the only means that permit this—by putting behind freedom in good time the proverbial power that lies in union; in other words, by federating the free Atlantic peoples.

Although Atlantica cannot gain—alas—as much power by federation today as it could have gained by union in 1939, or in 1949, or in 1959, it can still gain by union now enough power to turn the tide decisively, I believe, and win without war. I give my reasons for that estimate in chapter 2 of my current book, "Freedom's Frontier—Atlantic Union Now." Tonight I have time to say only: Rate freedom's existing power as you will; by federating it politically and economically we would certainly make it much greater than that of the United States alone. Mr. K. could no longer hope to surpass it by 1970, or 2000. Moreover, in that period federation would immensely stimulate the growth of freedom's power in every field—not only in per capita production and standards of living, but on the political, military, scientific, educational, and moral sides. These factors are so interrelated that, when combined the federal-union way, their power becomes immensely greater than by any other combination of them. Federation raises their power as a straight flush does that of five cards.

You may think that instead of five aces—as in 1939 and 1949—freedom now holds only an ace, king, queen, jack, and 10. If those cards are combined the alliance or confederation way, in different sovereign suits, you have only a straight, which is not too hard to beat in the poker game the world is in.

If, however, all five cards belong to the same suit, this one change, which seems so slight, makes the hand 255 times stronger—an unbeatable royal flush. Similarly, when freedom's power is no longer divided among different nations but united in one Atlantic federal union, its hand becomes unbeatable.

The power of Atlantica

The Atlantic Community has not yet begun to gain the strength that comes from organic union. Here is our vast reservoir of unused power. It costs us nothing to harness this power—except the loss of prejudices and ideas that are contrary to our basic free principles. The power Atlantica would gain is not only the cheapest, but the kind that would most impress Moscow, and Peiping, for three reasons:

First, the Communists have made a fetish of unity. They have carried their monolithic unity to the extreme of tyranny. They bank on this extreme unity, which is inherent in communism, and on the extreme disunity which they believe is inherent in free enterprise and individual liberty, to deliver our grandchildren to their system. The glasses that we Atlanticans wear magnify for us even microscopic dangers and difficulties to freedom in union—but those that the Communists wear magnify immensely in their eyes the proverbial strength and other advantages that Atlantic union would bring us.

Secondly, the Communists know that they cannot possibly begin to compete with us in the kind of power that union brings. For one thing, they have already practically exhausted this resource, which we Atlanticans have hardly started to harness. They have carried unity to such extremes that the Kremlin is now trying to decentralize industry to some degree to increase efficiency. And they know that whereas the assets they had, or have, are relatively little developed, the nations of Atlantica include the most highly developed ones on earth; they have the kind of assets whose power can be most quickly multiplied by the inherent magic of union.

Atlantic union would most impress the Communists because, thirdly, it would come with the force of surprise as would nothing else we could do. One reason why may suffice. The creation of this union by common agreement would prove that a basic Marxist dogma is unfounded. The Communists believe that greed for profits must inevitably drive the capitalist countries into cutthroat competition and conflict for markets. This has all too often been true, but the Thirteen States, by their great experiment in Federal Union, proved that free enterprise states can—by applying between them their basic principles instead of sacrificing them—create a much richer Common Market. From it everyone benefits, by the elimination of trade barriers and other nationalistic rivalry, and by the continued competition of free enterprise. The latter requires that the competition be the peaceful, healthy one between citizens or corporations. The unhealthy, war-producing competition of nations results from the doctrine of national sovereignty—not from the principles of capitalism. The latter are, in fact, contrary to that doctrine.

By taking the road to Atlantic federation we knock out this keystone of Communist ideology. We prove that "St." Lenin and "St." Marx were completely wrong in their teachings on this essential point. We cannot deliver a blow that is more bewildering and devastating to the Marxists, inside and outside Russia, than this is.

In these and other ways Atlantic union now would not merely provide the unbeatable hand that freedom must have to win while continuing to play with cards face up, but would set in motion forces that would end, I believe—for reasons I explain in chapters 12 and 13 of "Freedom's Frontier"—in the eventual breakdown of the Communist dictatorship from within.

The encouraging support

Here is a way to meet the challenge freedom faces that would save freedom by applying our own time-tested free Federal principles to create the United States of Atlantica—not by hoping merely to edge ahead in the present neck-and-neck arms race which is bound to end in suicidal war, nor by continuing to deliver freedom gradually to dictatorship, from within, without a struggle, through the termites of tyranny that fatten on unending years of tension.

Here is a policy that has long enjoyed very respectable support—not a crackpot to the carload—and has gained increasingly impressive backing in recent years.

Let me cite quickly only four items.

1. In 1960 both Houses of Congress, after 12 years of consideration, authorized the creation of a U.S. Citizens Commission on NATO and empowered it to organize an Atlantic Convention of citizen delegates from the NATO nations to explore stronger Atlantic unification.

2. In January 1962 this Atlantic Convention met for 10 days in Paris. It was composed of 90 distinguished delegates under the chairmanship of former Secretary of State Herter. It ended its debates with a unanimous declaration that "our survival as freemen, and the possibility of progress for all men, demand the creation of a true Atlantic Community within the next decade," and an urgent recommendation "that the NATO government promptly establish a special government commission to draw up plans within 2 years for the creation of a true Atlantic Community, suitably organized to meet the political, military and economic challenges of this era."

3. The International Movement for Atlantic Union, whose president I have the honor to be, began less than 2 years ago to organize a small Honorary Council and a somewhat larger Advisory Council as a means of mobilizing leaders who were ready to stand up and be counted for outright Atlantic "federation." Its Honorary Council now includes Prince Bernhard of the Netherlands, the Earl of Avon (formerly Prime Minister Eden), former Secretary of State Herter, former Foreign Ministers Beyen of Holland, von Brentano of Germany, Martino of Italy, Pearson of Canada; former Premiers Schumann of France and van Zeeland of Belgium. The latest to join is former NATO Secretary General Spaak, now Belgian Foreign Minister—the first such minister in office to do this.

The Advisory Council has more than 400 members from all walks of life, an even more distinguished and representative cross section of the Atlantic Community than was the Atlantic Convention. We have not yet published this list—but I'll give you a quick taste: Lord Aldington, vice president of the British Conservative Party; Warren Atherton, former national commander of the American Legion; William Bennett, Premier of British Columbia; Arthur Burns, chairman of the Council of Economic Advisers to President Eisenhower, and Leon Keyserling, its chairman under President Truman; Gaston Eyskens, former Premier of Belgium; Adm. Thomas Kinkaid; Herschel Newsom, master of the National Grange; Paul Rykens, retired chairman of Unilever, the Netherlands; Maurice Schumann, recently named Minister of National Planning in France; Gov. John Volpe of Massachusetts.

4. As recently as February 9, I had the pleasure of seeing the first presidential aspirant come out squarely for Federal union of the free. Ending his three Godkin lectures at Harvard on "The Future of Federalism," Gov. Nelson Rockefeller said: "The Federal idea, which our Founding Fathers applied in their historic act of creation in the 18th century, can be applied in the 20th century in the larger context of the world of free nations—if we will but match our forefathers in courage and vision. Sweeping as this assertion may be, I believe it to be anything but an academic proposition. Quite the contrary, it is a matter of cold political realism. * * * Anything less than a grand design—a major idea and a lofty sense of purpose—is too puny for the times in which we live."

THE DISAPPOINTING PRESS

Such is the newsworthy support that this policy of Atlantic union has been getting in recent years. But how much of this news have you read in the press, or heard over the air? Here is a policy for saving the freedom of the press, and all our freedoms, that you might think a good many papers would crusade for—if only for self-interest. Here is a policy whose rise you might think would be carefully followed and fully reported in a free press.

What does the record show? As an old newspaperman, still in love with the profession and fully aware of its difficulties, I regret deeply to have to report that precious few papers have adequately reported this story, and the great majority have almost always ignored it, or played it down. Even fewer—a very precious few—have crusaded for it in the grand tradition of the free press.

The lonely splendor

The newspaper that shines out in both respects in lonely splendor is not, I am saddened to say, my old paper, the New York Times, but the Memphis, Tenn., Press-Scimitar. Its editor, Edward Meeman, is one of the truly great editors of our country. I wish I had time to tell you of how he has handled this story in the 15 years I have followed his work, and of the truly astonishing products and byproducts that have resulted in city, State, National, and international affairs. These results have included the decisive defeat of the Crump machine in Memphis, its replacement with a commission government, the election of ESTES KEFAUVER as U.S. Senator and the start of his career as a candidate for the presidency, and through his untiring work at home and abroad, the bringing about of that Atlantic convention of which I spoke. Some day historians will wonder why our generation hasn't had imagination and judgment enough yet to give Edward Meeman all the Pulitzer Prizes, melted into one. What he has done shows most devastatingly what the press might have done everywhere—and can still do. Instead—well, let me go back to those four developments I mentioned, and tell you very briefly how the press generally handled this story:

1. The road the Atlantic convention resolution traveled through Congress was beset with conflict after conflict; it offered at least half a dozen good news pegs in a year. But if the AP, UPI and such papers as the New York Times hung a single paragraph on these pegs, our search has not revealed it. Consider a few of the items that were ignored: Item one—Secretary Herter reversed the Acheson-Dulles policy of 10-years standing on this proposal. Item two—the Senate Foreign Relations Committee voted it out 8 to 7. Item three—the Senate passed it after long debate by a vote of only 51 to 44, witnessed by at least 20 reporters in the Press Gallery (I saw them), with every presidential candidate in the Senate voting for it, and Vice President Nixon, who didn't need to stick his neck out, giving it the public endorsement that put it through while Senators Kennedy and JOHNSON voted "yes", but said nothing. Item four—the House committee approved it unanimously in an election year despite the close Senate vote. Item five—the House, after killing six innocent-looking but fatal amendments on the floor, passed it 288 to 103. And not a word about any of these stories in the leading papers of the country—except three or four lines in fine print in the summaries of bills passed by Congress in the New York Times and Washington Post.

2. Turn to the Atlantic convention. Our press did give this meeting wide news and editorial attention, just before it met and during the first 2 of its 10 days—particularly Mr. Herter's keynote speech. But thereafter, it dropped the discussion—except to report such world-shaking news that some of the delegates had gone to Berlin and seen the wall, or gone to the Arc de Triomphe in Paris and laid a wreath on the Unknown Soldier's Tomb.

When the convention reached its conclusions and issued its declaration, which I have quoted, the UPI and AP sent good stories—but our clipping service showed that far fewer papers printed anything about the unanimous recommendations of those 90 eminent Atlanticans compared to those who reported the keynote speech of 1 U.S. delegate. Still fewer among those who had editorialized on the prospects of the meeting expressed any opinion on the results. The New York Times, I am glad to say, was this time a shining exception: It ran three editorials in a fortnight on the convention and found that "Atlantic union is on the march * * * begins to look like a historic inevitability."

But the only paper in the world which covered every day of the convention through a special correspondent it had sent to Paris was the Memphis Press-Scimitar, whose Milt Britten did so excellent a job that a number of other Scripps-Howard papers also ran his dispatches.

3. Turn now to all those former Prime Ministers and Foreign Ministers who have come out for Atlantic federal union by joining the Honorary Council of the International Movement. When these men make a speech, the press reports it. Believe me, it is far harder to get such statesmen to commit themselves continuously to Atlantic federation than to say some pious generalities on Atlantic unity in a soon forgotten speech. Yet, though a press release was given on each statesman who joined the IMAU Council, and the significance of his action was made clear, the only one to get even a paragraph was, to my knowledge, Mr. Herter—in the New York Times.

4. I came to the last of my four illustrations—Governor Rockefeller's Harvard lectures. The New York Times gave them a column—but no editorial, as yet. The agencies sent good stories, and the Washington Post, Providence Journal, and San Francisco Chronicle ran editorials adequately reflecting the importance of the story. But the number of important leaders who had not heard of the Governor's stand when I spoke to them about it and to whom I was the first to bring any news of this important development speaks for itself on the press, TV-radio coverage of this event. And, it was an event. I have waited so long—more than a quarter century—to see a presidential aspirant take this kind of stand for the federalist principles of the Founding Fathers that I'm now expecting to see, at long last, man bite dog on the next street corner.

A conspiracy of silence

What is the explanation of this record of the freest press in earth on this story that has in it all the elements of a good news story, and more—that has in it even history, history in the making? It is not surprising that some find a sinister explanation, a conspiracy of silence, and they are not all laymen. So experienced a veteran newspaperman as W. K. Kelsey wrote in the Detroit News-Times just before the Atlantic convention met: "Perhaps the American press will break what has appeared to be a conspiracy of silence regarding this affair's genesis and development. * * * It [the convention] is worth watching—if we are permitted to watch."

I happen to know the reasons for this veteran's doubt that the press would permit the public to watch this convention; perhaps I'll have time to tell them to the students at the school of journalism of Montana State University where I speak tomorrow morning. All I can say here is that he has good cause to be cynical, but still I'm not. The layman may think that the press plays up the dangers of dictatorship and war, and the billions spent on security via an armaments rat race, so that continuing billions will be spent on this empty answer—and part of the money will reach the press in advertising and circulation. I don't wonder that this may seem to be a plausible explanation to those who don't know the newspaper game from the inside as I do—but it is not the explanation to me and I feel sure it wasn't what Mr. Kelsey meant.

To me the explanation is nothing so juicy or sensational. It is simply that the press has fallen into some bad ruts—or rather, has gradually dug itself into some dangerous ruts—in its evaluations of what is news, and what is the role of the press in a society of free people. What these ruts are—that is another speech, and the hour is late.

THE CONCLUSION

I do not expect the press soon to give the same attention to efforts to win for freedom by effective union, without war, that it gives to the attempt to win by disguised disunion, and spending billions on arms. Nor am I such an optimist as to expect the press to be good enough—for quite a while—to play up the efforts to unite the free as much as it does the evidence of disunity in NATO.

But is it too much to hope that the press and TV will cease building up the lunatic fringe on the right and left, by giving the publicity it does to the most crackpot Birchite allegations, and to picketing at the White House for the most half-baked plans for peace and disarmament? Is it too much to ask that the press should treat such items as less important news than the efforts of reasonable men, with highly respectable support, to avoid the twin dangers of war and of endless tension and win decisively for freedom of the press by time-tested plans—even though they do not resort to wild denunciation or sensational methods, but appeal to sober commonsense.

Surely it is not too much to hope that the news and editorial pages should at least cease to play down or ignore major developments in this field. Indeed, I would hope for a little more than that. I would hope that newspapermen and newscasters and schools of journalism would take a fresh look, a hard look, at their present criteria for deciding what is news, and for evaluating its relative importance and general interest, and at the responsibility of the press to take an active hand in meeting constructively the present challenge to its freedom. I would suggest that they investigate whether they have not gradually sunk into some very deep ruts in all these regards—ruts that are not in their interest nor in the public interest, and that are highly dangerous to continued freedom of the press in the world we live in now.

I would like to see Montana help lead the way to a better sense of news values and press responsibilities. I feel sure that nothing could so please Dean Stone than that we, his foster children, should blaze new trails when old ones lead to dark and bloody ground.

THE TURNING POINT

Mr. THURMOND. Mr. President, I am pleased to call to the attention of the Senate a new book which presents in a very lucid and interesting style of writing many hitherto unexposed events surrounding one of the most gripping and important presidential elections in the history of this country. The name of the book is "The Turning Point: Jefferson's Battle for the Presidency." It was written by Mr. Frank van der Linden, the distinguished Washington correspondent for the Nashville, Tenn., Banner and the Greenville, S.C., News. Mr. van der Linden has been a leading newsman in Washington for 17 years, after finishing Lenoir Rhyne College and serving as a news reporter in his hometown of Hickory, N.C. Many have been impressed with Mr. van der Linden's capabilities as a reporter and news analyst. Now, with the publication of

"The Turning Point," many more will be impressed with his abilities as a writer, historian, and researcher.

This is Mr. van der Linden's second book, his first being entitled "Dark Horse." This was the story of James K. Polk's election to the Presidency in 1844. In addition to his work as a Washington correspondent, Mr. van der Linden has also written many magazine articles on American history and has appeared as a panelist on the NBC network program, "Meet the Press," on a number of occasions.

For sheer drama and historical significance few events in this country's history can match the presidential election of 1800 when Thomas Jefferson—after 35 deadlocked ballots in the House of Representatives—finally wrested victory from Aaron Burr, his Vice-Presidential running mate.

Working from original correspondence, documents, papers, and firsthand accounts of participants, Mr. van der Linden reconstructs the events of the 4 years leading up to 1800, and sheds new historical light on the tense political and personal battle that finally resulted in Jefferson's victory.

To provide a colorful counterpoint to his main story, Mr. van der Linden has drawn on the diaries and correspondence of a most remarkable couple—Samuel Harrison Smith, who was editor of the first newspaper in Washington, D.C., the National Intelligencer, and his brilliant wife, Margaret Bayard Smith—whose confidences add background, warmth, and sparkle to "The Turning Point."

The daughter of a stanch Federalist, Margaret defied her family and gave her heart to Smith, a radical editor who fought for Jefferson. The letters they wrote during their 4-year courtship give revealing glimpses of the issues, events, and political personalities of the day and, incidentally, of the emotions of two young people in love.

"The Turning Point" is thus a kaleidoscopic view of the United States during one of its most momentous periods. It includes scenes of Philadelphians fleeing the yellow fever epidemics; newspaper editors fighting in the streets; Congressmen in pitched battle on the House floor; young lovers strolling on the banks of the Schuylkill and the Raritan; politicians electioneering on the sidewalks of New York. Above all, it paints an unforgettable picture of the raw frontier capital on the Potomac, and the men who dominated its affairs.

Mr. van der Linden spent 8 years in the research and writing of this remarkable and revealing book, and his diligent attention to his detailed research work has already rewarded Mr. van der Linden with a number of favorable book reviews.

I ask unanimous consent to include at this point in my remarks, Mr. President, four of the reviews which "The Turning Point" has received since its July 4 publication date. They are from the New York Herald Tribune of July 4, the Greenville News of July 4, the Nashville Banner of July 6, and the Washington Post of July 8.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, July 4, 1962]

THE TURNING POINT

(By Maurice Dolbier)

"The Turning Point," Jefferson's battle for the Presidency, by Frank van der Linden. Illustrated, 371 pages, Robert Luce, distributed by David McKay.

This is the story of the making of the President, 1800, in an election even more breathtakingly narrow and more dramatic in all its circumstances than the Kennedy-Nixon race described in Theodore White's bestseller.

In 1796, after two terms in the Presidency, George Washington retired from public life—"I desire to be buffeted no longer in the public prints by a set of infamous scribblers"—and battle was joined between the two factions that had arisen in the new Nation during his administration—the Federalists, led by Washington's Secretary of the Treasury, Alexander Hamilton, and the Republicans, headed by Washington's Secretary of State, Thomas Jefferson.

ADAMS BY THREE VOTES

In the 1796 election, Jefferson and John Adams were their parties' candidates for the Presidency, and the vice-presidential candidates were New York's Aaron Burr and South Carolina's Thomas Pinckney. But the voting was done by electors in the States, who voted for individuals, and the result was disconcerting to all concerned. The Federalist, Adams, won the Presidency by only three votes, and complained against Hamilton's almost successful attempt to undermine him in favor of Pinckney. The Republican, Jefferson, who had said that "the Vice Presidency is the only office in the world about which I am unable to decide in my own mind whether I would rather have it or not," became Vice President. Pinckney and Burr felt (and probably had been) betrayed.

In the next 4 years, passions continued to mount. The Republicans were denounced as atheistic rabble ready to sell out their country to revolutionary France; the Federalists were denounced as monarchists and Anglophiles, traitors to the principles for which the American Revolution had been fought. Mobs fought in the streets of Philadelphia; there were even fights, with hickory sticks and firetongs, between Members of the House of Representatives.

THE LONG TIE

In 1800, the electoral results was a 73 to 73 tie between Jefferson and Burr, and the decision in electing a President devolved upon the House of Representatives—one State, one vote. Federalists, who were in a congressional majority, toyed with the idea of naming one of their men as an interim President (there were threats that if this happened, Republican troops would march upon the new Capital of Washington from Virginia, Maryland, and Pennsylvania, and counterthreats from the Federalist militia of New England), and with the idea of throwing their support to Burr, as the lesser of two evils (a course desperately opposed by Hamilton).

Thirty-five times the weary Congressmen voted; 35 times the battle lines held firm. Then, before the 36th ballot was taken, Representative James Bayard, of Delaware, announced that he was shifting his vote from Burr to Jefferson, and the deadlock was ended.

Washington Correspondent Van der Linden has written a most tensely exciting account of these passionate and decisive political wars of the early Republic, and has also attempted the difficult task of maintaining a scrupulous objectivity (though, on the whole, he doesn't trust Burr any more than Jefferson and Hamilton did). He has also had the good fortune to run across a series of love letters in the Manuscript Division of the Library of Congress, and his book recounts the tender and happy-ending romance of Margaret Bayard, member of a stoutly Federalist family, and the young Republican editor, Samuel Harrison Smith, founder of the first newspaper in America to appear both morning and evening on the same day, the New World, and the first newspaper to be published in Washington, D.C., the National Intelligencer.

[From the Greenville (S.C.) News, July 4, 1962]

BOOK ABOUT JEFFERSON ELECTION IS OUT TODAY

(By Frank van der Linden)

WASHINGTON.—Frank van der Linden, Washington correspondent for the Greenville News, is the author of "The Turning Point," a book being published today by Robert B. Luce, Inc., of Washington, D.C.

Appearing, appropriately, on the Fourth of July, the book tells of the secret intrigues which enabled Thomas Jefferson to win the Presidency while the Nation neared the verge of civil war in the revolution of 1800.

Irving Stone, author of the No. 1 bestseller, "The Agony and the Ecstasy," wrote to Publisher Luce: "Thank you for sending me 'The Turning Point: Jefferson's Battle for the Presidency,' by Frank van der Linden.

"I think it is an important contribution to the study of American history, well researched and interestingly written. Jefferson's battle for the Presidency is one of the most exciting stories in our national background."

LOVE AFFAIR CITED

"The book will have additional interest for the general reader because of the love affair between Samuel Harrison Smith and Margaret Bayard, and the part their National Intelligencer played in the Jefferson election * * * I want to use the book in my own research in the novel about Abigail and John Adams."

L. H. Butterfield, editor in chief of the "Adams Papers," and nationally famous authority on the Jefferson era, wrote this about "The Turning Point."

"Mr. van der Linden has produced from his rich sources a rattling good narrative. He has mingled the story of national politics at the end of the 18th century with the human story of Samuel Harrison and Margaret Bayard Smith in a highly ingenious, instructive and entertaining way."

Publisher Luce says "The Turning Point" is historically important because it publishes, for the first time, the love letters of the Smiths in the Manuscript Division of the Library of Congress, and these "provide a colorful counterpoint to the main story" of Jefferson's election.

"The daughter of a stanch Federalist, Margaret defied her family and gave her heart to Smith, a radical editor who fought for Jefferson." In a further twist of plot which seems stranger than fiction, the deciding ballot in the election, which was settled in the House of Representatives, was cast by Margaret's cousin, Delaware Congressman James A. Bayard.

Besides being written by the veteran correspondent of the Greenville News, the book has a special interest to South Carolina because the State played a pivotal role in Jefferson's election. His Federalist foes were President John Adams and Gen. Charles Cotesworth Pinckney of Charleston.

SOUTH CAROLINA HAD PART

Pinckney was ostensibly running for Vice President, but many Federalists hoped he would become President by carrying his home State, so great was his popularity there.

South Carolina was the last State to vote. The legislature, meeting at Columbia in December, was closely divided. After an intense struggle, it gave all eight Palmetto electoral votes to Jefferson and his running mate, Aaron Burr. That enabled Jefferson to defeat Adams, 73–65.

However, Jefferson and Burr tied 73–73 in electoral votes and the House of Representatives must break the tie. The Federalists controlling the House conspired to make Burr President, just for spite.

The battle raged on the 35 deadlocked ballots until Jefferson finally triumphed. The book relates the charges of bargains, deals and trades for votes and it has, in this respect, a most modern ring. So does this acid description of Jefferson, in the words of Federalist Congressman Robert Goodloe Harper of South Carolina.

JEFFERSON DISLIKED

"I take him to be of a weak, wavering and indecisive character, always pursuing visionary theories. * * * Like most literary men, greatly liable to flattery, and so devoted to popular applause that he cannot be relied on for the performance of any duty which might require him to risk it by a manly, decisive conduct in difficult situations.

"I might think him fit to be a professor in a college, president of a philosophical society, or even Secretary of State; but certainly not the First Magistrate of a great Nation."

[From the Nashville (Tenn.) Banner, July 6, 1962]

LIVELY STORY OF JEFFERSON-BURR CRISIS

(Reviewed by James H. Scott)

"The Turning Point," by Frank van der Linden, 371 pages, Washington, D.C.

Every American who has been exposed to even a smattering of history knows that Thomas Jefferson was the principal author of the Declaration of Independence, ultimately President of the United States, and is looked upon by the Democratic Party of today as the patron saint of their political organization.

And the name of Aaron Burr strikes a familiar chord as well. Was he not the man who shot the Federalist, Alexander Hamilton, to death in a duel? True, but he was more than that. But for fate, a great deal of political maneuvering and finally the good sense of patriots, he, and not Jefferson, would have become the third President.

This is the story woven by Mr. van der Linden, whose name is a familiar one to readers of the Nashville Banner which he serves as chief of its Washington bureau.

Written in narrative form, the author has intertwined the history of that momentous presidential election with the story of an enterprising journalist and his wife. Through painstaking research he has relied upon the diaries and correspondence of Samuel Harrison Smith, editor of the National Intelligencer, and those of his wife, Margaret Bayard Smith. This on-the-spot coverage adds zest and readability, making the history of the moment come alive.

Few of those of us who might be called casual readers of history fully appreciate the precipice on which this embryonic Nation teetered in 1801 when it devolved upon the House of Representatives to break the electoral vote tie between Jefferson and Burr.

At the outset, Burr was but an announced candidate for the Vice Presidency; he too, was a Republican—to the surprise of some, this being the same banner carried by Jefferson.

The Federalist candidate, President John Adams, had run third in the knotted race. Thus, the Federalists, realizing their power was on the wane, muddied the already turbulent political waters.

In those days, the second man on the ticket became the Vice President. But in this instance, Burr, instead of stepping aside for Jefferson, the people's choice, became consumed with a gnawing ambition. He wanted the Presidency.

On a cold and snowy day the House began its deliberations. Vote after vote was taken but neither man could gain a majority of States. The ballots were tallied and tallied and it wasn't until the 36th vote that Jefferson mustered the necessary majority. It was a Federalist—who had put nation above party—that broke the snarl.

What would have happened if the deadlock had remained up to Inauguration Day? A nation, leaderless, may have cast aside the Constitution and civil war may have ensued. From this crisis, many of the faults of our election system were corrected. The young nation might not survive another one.

In his foreword, Mr. van der Linden states: "Jefferson's victory marked the turning point in Ameria's early political history, ending the Federalist Era of artistocratic rule and opening the way to the age of modern democracy." Thus this crisis served the best interest of the people for ages to come.

Those of us personally acquainted with Mr. van der Linden's energetic work in behalf of this newspaper as its Washington correspondent can readily appreciate the dedication and zeal which he put into this important book.

"The Turning Point" belongs on the shelf of every person with historic curiosity. Too, it is one that will fascinate those with an interest in politics, for this is a story of early day political infighting for the highest of stakes—the Presidency of the United States of America.

[From the Washington Post, July 8, 1962]

POLITICS VIES WITH ROMANCE

(Reviewed by J. R. Wiggins)

"The Turning Point," Jefferson's battle for the Presidency, by Frank van der Linden.

Frank van der Linden has written an interesting book about two subjects. One is the romance between Samuel Harrison Smith and Margaret Bayard. The other is the story of the presidential election campaign of 1800, the tie vote between Jefferson and Burr, and the struggle in the House of Representatives to choose the President.

Both stories are well worth the telling and each of them might have occupied an entire volume.

The romance of the first editor of the National Intelligencer and Margaret Bayard is a tale filled with interesting insights into the problems of the 19th-century editor and the difficulties of life in Washington. Interesting as the story of this romance is and as well told as it is, van der Linden leaves his audience wishing to know more about the young couple and their interesting personalities.

The description of the Jefferson-Burr crisis in the House sheds some new insight on the finagling and politicking of a very remarkable American political crisis. If it was Van der Linden's purpose to explain completely the mystery of the contest in the House, however, one cannot believe that he quite achieves complete success.

The story of that crisis alone would occupy several volumes, and perhaps it would be beyond the ingenuity and research of any historian now living really to put together all the pieces. The book does not fully establish any new proof of the participation of Jefferson in any of the commitments made to secure the votes of the nine States needed to complete his election.

While the author's point of view is that of a critic and derogator of Burr, it must be acknowledged that as far as actual evidence of Burr's intervention during the struggle in the House is concerned, the story hardly does him any credit.

It does, however, make evident again that Aaron Burr could have ended the whole crisis in a moment by a simple declaration of his unwillingness to accept election even if it were tendered to him. Van der Linden makes it very clear that despite several invitations to do this, Burr carefully declined to take himself out of the race.

At the same time, while the struggle was on in the House, Burr expressly and repeatedly declined to make any commitment to the Federalists that might have won him the States that he needed. This may reflect more credit upon his ingenuity than his integrity, because, as Van der Linden says, he could not have picked up Federalist support without waiving Republican support.

It is a good thing to have this story retold at this juncture, for it pictures America in a kind of a formative crisis through which many young countries today are passing. To read the story of the chaos and confusion and uncertainty of this American interlude is calculated to make Americans somewhat more patient with the misfortunes and mischances of embryo states that are now experiencing the same stage of growth.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If there is no further morning business, morning business is closed; and, without objection, the Chair lays before the Senate the pending business.

AUTHORIZATION OF APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The Senate resumed the consideration of the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MANSFIELD. Will the Presiding Officer state for the benefit of Senators what is the status of the amendments of the Senator from Wisconsin, relative to allocated time?

The VICE PRESIDENT. The Parliamentarian informs the Chair that the amendments have not yet been offered. When the amendments are offered and are pending, there will be 30 minutes on each amendment.

Mr. KERR. Mr. President, I move that the action of the Senate yesterday, whereby amendments were adopted to the bill, be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, is the Senator from Wisconsin prepared to offer his amendments at this time?

Mr. PROXMIRE. Yes.

The VICE PRESIDENT. The Senator from Wisconsin may offer his amendments. The Parliamentarian informs the Chair there will be 30 minutes of debate on each amendment, 15 minutes on each side.

Mr. PROXMIRE. Mr. President, I call up my amendments 7-10-62—D, and ask unanimous consent that the reading of the amendments may be dispensed with and that they may be printed in the RECORD.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

The amendments are as follows:

On page 18, line 3, immediately after the section number "SEC. 6.", insert the subsection designation "(a)".

On page 19, after line 23, insert the following new subsection:

"(b) Section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473), is amended by adding at the end thereof the following new subsection:

"'(c) To the maximum practicable extent, purchases of and contracts for property or services shall be made by the Administration by formal advertising. No such purchase or contract, or any category thereof, may be entered into by negotiation unless the Administrator has determined that the use of advertisement for bids for such purchase or contract, or category thereof, would impair the accomplishment of the purposes of this Act. Each such determination shall (1) be made in writing, (2) contain a full and complete statement of the facts and circumstances relied upon by the Administrator in making that determination, (3) remain on file in the Administration for not less than a period of three years, and (4) at all times during that period be available for inspection by any officer or employee of the General Accounting Office designated by the Comptroller General to inquire into compliance by the Administration with the requirements of this subsection.'"

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield to me with the understanding that he will not lose his right to the floor?

Mr. PROXMIRE. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time necessary for the call of the roll not be charged to either side.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield myself 7 minutes.

Mr. President, the amendment which I called up and which is now pending would provide an additional requirement that NASA insist upon competitive bidding in procurement unless it can show that such competitive bidding would be impractical or unless it can show that it would frustrate the purposes of the act. In that case the Administrator must make such a determination in writing. It must be a full and complete statement of the facts and circumstances. The statement must remain on file for 3 years. It is to be at all times available for inspection by the GAO and the Comptroller General.

The reason I have prepared the amendments is that the record of NASA on competitive bidding has not been good. It has not been nearly as good as the record of most other agencies. The competitive advertised bidding procurement by NASA has constituted 9 percent of its direct contract awards, with negotiated competitive bidding making up 56 percent, and 35 percent going to negotiated contractors without competition.

The proposed authorization represents by far the biggest increase in authorized spending that the Congress will have before it from any agency this year on a percentage basis. It represents an increase from $1.7 to $3.7 billion. It seems to me that we have an obligation to the American taxpayer to see that the money is spent as economically as possible. All Members of Congress know, and all thoughtful people who have studied the subject recognize, that by far the most economical, fairest, and most efficient method of any procurement is by advertised competitive bidding. Under that system we know it is necessary for the contractor who supplies a service to the Government to do so at lower prices and on the basis of competition with other contractors.

I also feel very strongly that what has been written in articles appearing in such magazines as Fortune, Business Week, and others which I asked to have printed in considerable volume in the RECORD yesterday, is true.

The impact of the increased authorization, especially in coming years, will be adverse to small business. We know that space contracts will be bigger and fewer. There is no question that small business will have a much more difficult time in obtaining procurement contracts under those circumstances.

The record is replete with the statistics showing that small business receives a very small proportion of contracts based upon negotiated bidding. For example, in defense activities small business receives about 10 percent of negotiated contracts, but it receives a large proportion of the contracts based upon advertised competitive bidding. In defense procurement small business receives nearly 50 percent of the contracts based upon advertised competitive bidding. My proposal is in the interest of small business at a time when we are authorizing a huge increase in funds for an agency which will have a greatly magnified consequence on American business. It will have an impact on our economy similar to that of the automobile and the television industries when they first began to grow and develop. It is most important that we should provide this proposed competitive bidding safeguard for small business.

There is no question that when such an agency as NASA expands—with such devastating rapidity—there is sure to be an increase in Government influence and interference with the economy. There is no question that in instances in which the agency places its procurement on a negotiated basis, particularly with a sole source, it is necessary for the Government to step in and regulate the company, to watch it with extreme care, and audit it at every step of the way to prevent cost padding and waste. There must be all kinds of redtape under Government control, but in the case of advertised competitive bidding, free enterprise can function with a minimum of Government regulation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. Will the Senator compare for me briefly the status in which NASA would be with respect to competitive bidding if the Senator's amendment were to be agreed to, and the present status of competitive bidding in that agency?

Mr. PROXMIRE. Yes. I was coming to that question. I can deal with it now. At the present time it is necessary for the National Aeronautical and Space Agency to comply with the Armed Forces Procurement Act, the same as the Defense Department and other agencies must do.

In order for any of these agencies to procure on some other basis than competitive bidding, it is necessary for them to meet one of the 17 exceptions. These exceptions are frequently broad, especially in one case. Exception 11 of the Procurement Act is so broad that 59 percent of the exceptions made by NASA have fallen into that one category. I will read it into the RECORD.

Exception 11 provides exemption from competitive bidding whenever "the purchase or contract is for property or services that he—the Administrator of NASA—determines to be for experimental, developmental or research work, or for making or furnishing property for experiment, test, development or research."

Obviously a great deal of what NASA—this primary research agency—does—in fact, most of what NASA does—can fall into that category. In fact 59 percent of the exceptions made by NASA in its procurement have fallen into that particular category.

My amendment would provide that in addition to meeting the exception, it would be necessary for the Administrator to find that it is impractical to rely on competitive bidding—he must specifically find that it is impractical. In the case of such procurement, the Administrator would also have to make that finding in writing and make it available to the GAO.

Mr. CLARK. How would that tie in with the present requirement of competitive bidding in the Department of Defense? Would the standard proposed by the Senator from Wisconsin be a stricter standard?

Mr. PROXMIRE. It would be a stricter standard than that in the Department of Defense. I think a stricter standard would be justified, first, because the agency is expanding very rapidly and, second, because the NASA agency is not a defense agency, and the same kind of requirements we have to meet situations of great urgency in the Department of Defense of our Nation do not apply, in my judgment, to space, although space is very important.

We want to move ahead as rapidly as we can. But it seems to me that when we are spending enormous and vastly increasing sums of money which are not for defense, we should require at least the minimum attention to competitive bidding, particularly in view of the fact that NASA has the poor record in competitive bidding to which I referred.

Mr. CLARK. My next question has to do with the impact of the amendment of the Senator from Wisconsin on institutions of higher learning. I am desirous of seeing to it that the Commonwealth of Pennsylvania begins to get some of the contracts for research and development in the space field which it does not now have. The institutions of higher learning in Pennsylvania are quite capable of carrying out the kind of work that has been concentrated in a few States heretofore. Would the amendment of the Senator from Wisconsin have any adverse effect on the efforts of Governor Lawrence, myself, and many others, to persuade NASA to put some of its research and development fieldwork in some of the universities of my Commonwealth?

Mr. PROXMIRE. Frankly, it was the intention of the Senator from Wisconsin—and I think that is the way the amendment would be construed—to assure that there would not be competition between universities for NASA work. The exception in the law now provided is that the purchase or contract for any university, college, or other educational institution is exempted.

I feel that the Administrator would have every right to say that such competitive bidding would frustrate the intent of the act if he should try to set up a competitive system between universities. It would not work. It would not be practical.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, I yield myself an additional 2 minutes.

Such a system would not work. It would not be practical. I would be opposed to it. It is my construction of the amendment that it would be perfectly possible, every time such a procurement was made for the Administrator merely to say—and I speak in respect to a university or an educational institution and not to a corporation or a company operating for profit—that under such circumstances competitive bidding would not be applicable or appropriate and would frustrate the purposes of the act.

In conclusion, the amendments recognize that it is necessary for the National Aeronautics and Space Agency to make a great deal of its procurement in big systems. With research and development and technology advancing at a terrific rate of rapidity, and only a few well qualified companies available, it is difficult for the Administration to have a very good record of advertised competitive bidding. I would not expect them to show a percentage of 80 percent or even 40 percent of advertised competitive bidding. But certainly 9 percent is an extraordinarily low rate. It is not adequate. It seems to me that we can insist on this requirement, which at least would make it necessary for the Administrator to find that it is impracticable to have competitive bidding before he resorts to negotiations.

Mr. President, I reserve the remainder of my time.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. HART. In the judgment of the Senator from Wisconsin, would his proposal ease or make more difficult the effort to broaden the sources of space supplies?

Specifically, I have in mind, as the Senator has indicated, that there are relatively few sources from which the agency can procure. That may be regrettable.

Mr. PROXMIRE. That is correct. The amendment would open it up. A number of people in Wisconsin have come to me who have told me that they wanted to have a chance to do research in space. They wanted to do that very much. However, they felt that they were too small and did not have an opportunity to bid to the extent which would permit them to grow and thus provide an additional source of procurement.

Mr. HART. Is it the Senator's judgment that such sources could submit lower bids than the skilled people who now submit the bids?

Mr. PROXMIRE. Under some circumstances, they could. I shall shortly call up my second amendment, which relates to a study of scientific manpower.

Our real shortage, after all, is in the scientific manpower field.

Mr. HART. I apologize. I did not know that two amendments were being considered.

Mr. PROXMIRE. One amendment is now pending, but I shall call up my second amendment, which provides for a study of scientific manpower.

Mr. President, I reserve the balance of my time.

Mr. KERR. Mr. President, I yield myself 5 minutes.

The Senator from Wisconsin does not seem to be aware of the fact that NASA is operating under the Armed Services Procurement Act in the same manner and under the same specifications under which the Defense Department is operating.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. KERR. I did not ask the Senator to yield on his time. He will have some time of his own.

Mr. PROXMIRE. Certainly.

Mr. KERR. NASA has the same requirements with reference to procurement, advertising, purchasing, and certification by the Administrator, that the Defense Department has.

The Senator from Wisconsin has stated that he wants it arranged in such a way that small business can get a share of the advertised items. The fact is that a much bigger percentage of advertised offerings are accepted by NASA than by the Defense Department. In the closing half of the last calendar year, 66 percent of all of NASA's contracts and transactions, including not only those advertised, but also those competitively negotiated, were with small business.

The Senator from Pennsylvania was interested in the university part of it. The amendment of the Senator from Wisconsin provides:

> (c) To the maximum practicable extent, purchases of and contracts for property or service shall be made by the Administration by formal advertising. No such purchase or contract, or any category thereof, may be entered into by negotiation unless the Administrator has determined that the use of advertisement for bids for such purchase or contract, or category thereof, would impair the accomplishment of the purposes of this act.

The fact is that in the past year 56,000 contractual transactions, all told, were had with NASA, including those with educational institutions. The effect of the Senator's amendment would be that it would be necessary for the Administrator to provide certification for each one of these 56,000 transactions.

He would not have time, in the 365 days of the year, to do that, even if that were all that he had to do.

Mr. President, I ask unanimous consent that my complete statement, including a summary by the then Assistant Secretary of Defense, Mr. Perkins McGuire, in answer to the Senator's remarks be placed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KERR

NASA has the identical statutory authority for contracting as the Army, Navy, and Air Force are provided under the Armed Services Procurement Act of 1947, chapter 137, title 10, United States Code. Section 301(b) of the National Aeronautics and Space Act specifically places NASA under the same law. The Congress determined to provide for NASA's procurement affairs in this way because NASA and the various agencies of the Department of Defense deal to a considerable extent with the same industries and face similar contracting problems. It is NASA policy to prescribe procurement regulations which, to the maximum practicable extent, are consistent with policies and procedures adopted by the Department of Defense. This avoids conflicting procurement regulations and, therefore, simplifies and minimizes the difficulties which industry faces in dealing with the Government and with NASA in particular.

Two requirements already in the present statute and in NASA regulations bear upon the amendment offered by the Senator from Wisconsin. First, formal advertising must be used whenever possible. Second, even if a contract has to be negotiated, rather than formally advertised, competition must nevertheless be obtained from several competent sources whenever this is possible. In my judgment, NASA has followed these rules consistently and conscientiously.

When the procurement statute became law in 1948, the Congress had carefully studied the question of whether all contracts could be made by formal advertising. It finally came to the realistic conclusion that there were certain types of situations—17 categories, in fact, specified in the Armed Services Procurement Act—where the public interest makes it proper and desirable that contracts be made by negotiation rather than advertising. Two of these 17 categories authorize waivers of formal advertising for competitive bids where the procurement involves research and development items, or contracts with educational institutions. These two alone represent a very large percentage of NASA total purchases by negotiation; in fact, 84 percent of the total negotiated dollar volume for the last half of calendar 1962 are in these two categories. Moreover, in all procurements for research and development of over $100,000 the Administrator now does make a personal determination when formal advertising is not possible. No personal determination by the head of the agency is required by the law for contracts with educational institutions, since formal competition is response to advertising is not a practicable method for the Government to follow in utilizing the unique capabilities of a given institution of learning.

I recognize, as did the Senator from Wisconsin in his remarks yesterday, that only 9 percent of NASA's current procurement by dollar volume is awarded through formal advertising.

It is difficult to make a comparison of this figure with the DOD experience. The NASA procurement program is substantially all concerned with R. & D. functions, while the DOD, in addition to research and development effort, has a substantial volume of procurement of standardized military hardware, housekeeping items, as well as other consumer goods available in the commercial market. Many of these standard items lend themselves to formal advertising under detailed specifications. This element in the DOD purchases is, therefore, absent in large degree from NASA procurement. Nevertheless, it is significant that DOD from July 1961 to April 1962 awarded approximately $22 billion, of which 12.7 percent was by formal advertising; 26.6 percent by competitive negotiations, and 60.7 percent by noncompetitive negotiation. The most recent NASA record for a 6-month period ending December 1961 was 9 percent, 42 percent, and 49 percent, respectively.

The Senator from Wisconsin yesterday used some DOD procurement figures which indicated small business gets a much larger share of advertised procurement than it does of negotiated contracts. I believe he quoted as much as 50 percent of the advertised offerings went to small business. Again, I cannot be certain that the NASA figures are on the same comparable base, but small business in the closing half of the last calendar year was awarded 66 percent of all NASA's contractual transactions including not only those advertised, but also those competitively negotiated. As a matter of fact, 20 of NASA's 100 biggest contracts are held by small business concerns.

The NASA figures I have cited are based upon the proportion of transactions going to small business, not the dollar volume, which is much less. The proposed amendment of the Senator from Wisconsin evidently assumes that an enforced increase in formal advertising will automatically produce for small business a larger percentage of the procurement dollars.

This view again does not take into full account the nature of things which must be purchased to meet the Government's needs. The fact is that the large dollar contracts for complex items, such as new aircraft, missiles, engines, and spacecraft, are beyond the resources of small business concerns to handle even if all such procurements could be formally advertised. In the R. & D. field especially it is this category of contracts in the civilian space field as well as the R. & D. fields of defense procurement which obligate the large majority of R. & D. dollars and which can only be handled by negotiation.

Now what will be the result if the Administrator of NASA were required, as the Senator from Wisconsin proposes, to review a detailed justification and sign a determination to waive advertising each time a purchase is negotiated, regardless of its type or its amount? During the first 6 months of the past fiscal year, NASA had 56,000 contractual transactions all told. The great majority of these were for small items such as supplies and equipment for the field laboratories, and, as I stated earlier, the great bulk of these—some two-thirds of all transactions—go to small business now. If Mr. Webb were required to make a personal determination in such procurements, he would not have time to do much else in managing the overall space program.

If the agency staff, instead of using the legal exceptions for items under $2,500, were required by statute to advertise formally or to write a specific justification for waiver each time for execution by the Administrator, then the cost of the paperwork would, in many instances, exceed the cost of the purchased items, to say nothing of the cost in time and manpower frustrated by this built-in procedural delay. The consequences for the success of the space program are obvious.

Finally, let us look at the close interrelationship between NASA and DOD contracting. NASA now obtains almost one-fourth of its total work through orders placed in the other Government agencies, and, in fact, 23 percent of its total dollar volume was actually placed on contract through awards made by the Department of Defense. This arrangement is a very convenient and economical way for NASA to purchase certain items already in development by DOD in that it avoids the costs of separate contracts, separate tooling, and duplicate contract services. It would be a serious disruption if the intent of the Senator's amendment were to inhibit this flexibility in having the DOD handle these items for NASA, since the basic procurement authority of the two agencies is now identical.

This uncertainty is one of many which point up the question raised in my mind by the amendment of the Senator from Wisconsin. I am confident there is not a serious problem involving the competitive aspects of NASA procurement act and, in fact, feel that this new space program has thus far been handled in a way which has produced an amazing amount of the most spirited competition throughout industry. However, if there be even a potential problem, as the Senator from Wisconsin implies, then this problem springs from the same elements which characterize the defense procurement programs. The Congress adopted a special procurement law to meet the exigencies of such procurement situations, and this law has been in effect for 14 years. The regulations stemming from this statute have been progressively refined and improved to keep abreast of the problems which, experience has revealed, need attention.

Now that questions are being raised about the merits of competitive negotiation of R. & D. contracts as an alternative to formal advertising, I thought it might be well to review the history of procurement by our Government. Perhaps in this way we might familiarize ourselves with some of the advantages and disadvantages of various procedures and be in a better position to judge the desirability of current procurement practices.

The task of making such a historical review is quite formidable but I find that such an effort has been attempted and was concisely presented to the Procurement Subcommittee of the Committee on Armed Services in 1960 by the then Assistant Secretary of Defense (Supply Logistics) Perkins McGuire, which follows this statement.

What this proposed amendment would attempt to do is to change this procurement law for NASA, but not for the military departments. It would seek this without congressional hearings and without thoughtful consideration of what effect this exception would have on NASA's effectiveness with DOD and with industry. The change would be confusing to contractors as well as NASA. It will increase the cost to the Government in the complicated procurement process and delay this vital space program at the very time a national goal has been established to speed up this promising technological effort.

If the present procurement law is not achieving the results of obtaining competition and increasing the amount of formal advertising as much as some may feel can be done, then amendments to the basic procurement law should be proposed. These should affect all the agencies and departments which operate under its criteria, hearings on it should be held, and thoughtful consideration given to the results.

I conclude that this authorization act for the civilian space program is not the vehicle to cause a change in a basic procedural statute which safeguards such a large portion of the Government's total procurements. I urge that this body disapprove the amendment.

HISTORICAL DEVELOPMENT OF PROCUREMENT METHODS

In this second presentation, we will discuss the history and development of our two methods of procurement, formal advertising and negotiation. As is well known, our present law, chapter 137 of title 10, United States Code, which amended and codified the Armed Services Procurement Act of 1947, requires DOD contracts for property or services to be formally advertised, except under 17 specific situations where negotiation may be used. It may not be so well known, however, that for over 150 years the Congress, in times of peace and of war, has concerned itself with the problems of military procurement, including the uses of formal advertising and negotiation. Many laws have been enacted over this span of years. In fact, even a brief reference to these laws should impress one with the understanding and awareness of the Congress to the problems of military procurement and with the dispatch and foresight with which it has responded to them.

We wish to discuss first, in somewhat summary form, a general introduction to the historical development of our present law, and secondly, in the light of that background, the specific history and development of each of the 17 exceptions. We feel it will shed much light upon the whys and wherefores of our present law, policies and procedures concerning these two methods of procurement.

INTRODUCTION

Military procurement began, of course, even before the founding of our Nation. The problem of equipping and supplying the forces of George Washington must have been as complex in those days as the problems of the missile and space age are today. Our Nation was still an infant when familiar questions arose—Who should control military purchasing?—How should it be accomplished?

In 1792, Congress provided that War Department supplies would be purchased by the

Treasury Department. Just 6 years later in 1798, however, the War Department and the newly created Navy Department were authorized to procure all the supplies and services needed for the military and naval services.

In 1809, the first Federal statute requiring advertising for bids appeared. In pertinent part it read:

"All purchases and contracts for supplies or services which are or may, according to law, be made by or under the direction of either the Secretary of the Treasury, the Secretary of War, or the Secretary of the Navy, shall be made either by open purchase, or by previously advertising for proposals respecting the same."

Although a literal reading of this early statute would indicate contracting officers had a choice between two equally available methods of procurement—open purchases or advertising for proposals, the Attorney General interpreted it to require advertising except where public exigencies necessitated immediate contract performance. In the latter case, procurement of urgently required items could be made in the open market in the manner of ordinary commercial transactions.

Subsequent statutes developed specific ground rules for advertising. In 1842, a law dealing with stationery supplies and printing required:

(i) Advertising for bids once a week for at least 4 weeks in a newspaper published where the work was to be performed;

(ii) Description of the required supplies or services in the advertisement;

(iii) Sealed bids opened under the direction of the procurement officer in the presence of at least two persons; and

(iv) Award to the low bidder, provided he could furnish security for the Government in case of default.

In 1843, a statute added another requirement—the preparation of an abstract of bids. In 1852, contracts were required to be advertised at least 60 days before award and the presence of bidders at the bid opening was authorized. These requirements are quite similar to those now set forth in section 2305 of chapter 137.

In 1860, a landmark statute was passed. It was later incorporated in section 3709 of the Revised Statutes and, in pertinent part, provided:

"All purchases and contracts for supplies or services, in any of the departments of the Government, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require the immediate delivery of the articles, or performance of the service. When immediate delivery or performance is required by the public exigency, the article or service required may be procured by open purchase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals."

The particular significance of this statutory provision was the requirement of advertising with only two exceptions—contracts for personal services and contracts where public exigencies necessitated immediate performance. This statute, with certain exceptions which will be referred to later, continued to regulate the placement of military contracts until World War II.

Additionally, one further and important exception to section 3709 of the Revised Statutes must be mentioned. Not only the courts, but also the Attorney General and the Comptroller General consistently ruled that advertising was not required under that statute in circumstances which made competition impracticable, such as the existence of only one source. From these early days on, then, in cases where only one source was available, neither the War nor Navy Department utilized the procedures of formal advertising to effect such procurements.

Less than 2 weeks after Pearl Harbor, the Congress enacted title II of the First War Powers Act of 1941. This authorized the President to empower agencies connected with the war effort to enter into contracts without regard to existing provisions of law, wherever such action was deemed to facilitate prosecution of the war. On December 27, 1941, Executive Order 9001 implemented the act and authorized the War and Navy Departments to make contracts without compliance with statutory requirements for formal advertising. Again, on March 3, 1942, another positive step was taken. The Chairman of the War Production Board prohibited all contracting by the formal advertising method unless specially authorized. For the duration of the war, the great bulk of military procurement was negotiated under the authority of title II of the First War Powers Act.

At the close of World War II a study was initiated for the purpose of developing peacetime procurement methods. The proposed bill which evolved from that study was transmitted to the Congress by the Acting Secretary of the Navy who stated that its primary purpose was to permit the War and Navy Departments to award contracts by negotiation when the national defense or sound business judgment dictated the use of negotiation rather than the more rigid formal advertising procedures. The Senate Committee on Armed Services in commenting on the purpose of the bill in its report stated:

"This bill, as amended, provides for a return to normal purchasing procedures through the advertising-bid method on the part of the armed services, namely, the War Department, the Navy Department, and the U.S. Coast Guard. It capitalizes on the lessons learned during wartime purchasing and provides authority, in certain specific and limited categories, for the negotiation of contracts without advertising. It restates the rules governing advertising and making awards as well as fixing the types of contract that can be made."

This bill was eventually enacted as the Armed Services Procurement Act of 1947. While it was codified in 1956, with minor amendments in chapter 137 of title 10, United States Code, this basic law has governed defense procurement for 12 years. The flexibility which its drafters and the Congress built into it has enabled DOD to operate under it in times of peace, the Korean hostilities, and the present cold war. It was and still is a good law. While this characterization is directed toward its provisions for formal advertising and negotiation, the same comment could be made of its other provisions. We sincerely believe this basic law is equal to the tremendous task we face today and visualize in the foreseeable future. This is not to say that some helpful amendments might not appropriately be made.

Mr. KERR. The fact is, if the Senator wants to change the Armed Services Procurement Act, under which NASA operates, with all the specifications now applicable to the Defense Department, he should move to amend the Armed Forces Procurement Act, which is constantly under review by the Armed Services Committee of the Senate. The Department of Defense spends between $45 billion and $50 billion a year; whereas NASA has thus far spent a little less than $2½ billion a year.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Missouri.

Mr. SYMINGTON. As I understand the able Senator from Oklahoma, what he was saying is that NASA, from the standpoint of small business, operates under the same legislation under which the Department of Defense is operating. Is that correct?

Mr. KERR. That is correct.

Mr. SYMINGTON. I ask the Senator whether it is not a fact that in this astronautic and space work there is at least as much necessity for negotiated bidding, because the art is so new. In general, and at the risk of oversimplication, this is the type and character of work for which the average small business does not have as adequate skilled research and engineering capacity as the larger firms have. But small business can and does have every opportunity to obtain subcontracts from the prime contractor.

Mr. KERR. The Senator is correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. I yield myself 5 additional minutes.

Mr. SYMINGTON. I ask my able friend from Oklahoma if he does not believe that really the best way to obtain savings in this field is through maximum improvements in management?

Mr. KERR. Yes.

Mr. SYMINGTON. I notice that the Secretary of Defense has stated that within 5 years we will have a $3 billion saving, $750 million saving this year, because of the small amount of unified operation he has already established, under his authority that which he can do without the necessity of additional legislation.

Now I have already noticed some criticism in Congress with respect to some of Secretary McNamara's fine work incident to getting maximum return for the taxpayers' defense dollar.

Does not the Senator agree with me, if we were to establish arbitrary rules which made it necessary, as the able Senator has pointed out, to get into more administrative redtape, in order to see that small business would receive business it might delay the whole space program to the point where, in addition to mismanagement and waste, it could affect the security of the Nation?

Mr. KERR. I agree with the Senator. The other amendment could place restrictions on the number of personnel that NASA can employ. It would be contradictory to the effect of the pending amendment, because if the pending amendment were adopted it would require a great increase in the personnel of NASA in order to carry out its provisions.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. KERR. I yield.

Mr. SYMINGTON. I was not going to bring up a discussion of the second amendment at this time. I was not on the floor during the debate yesterday, but have read the RECORD. As I understand it, my able friend from Wisconsin, for whom I have the greatest respect, believes it might not be proper to put more money into the space field, because we are not putting enough money into the educational field. That is my understanding, from reading the RECORD. But two wrongs do not make a right.

I would think that as to this problem of education, the best way to handle it would be to give research and development to those companies which can do the job; and also have legislation passed which would require more colleges and more universities and more medium and small businesses to be brought in so they could handle the type and character of research for reputable bidders in this field. Does not the Senator agree?

Mr. KERR. I agree. I would say further that the very language of the Senator's amendment would impair the opportunity of the Administrator to continue his program of negotiating with State universities and colleges. The effort to increase the number of those trained in science necessary for work in the space field, would be curtailed, impaired, or destroyed.

Mr. SYMINGTON. Mr. President, will the Senator from Oklahoma yield time to permit me to make a short statement?

Mr. KERR. Will the Senator from Missouri let me yield, first, to the Senator from Mississippi? I do not want to run out of time.

Mr. STENNIS. I thank the Senator from Oklahoma for yielding to me.

It is largely for the purpose of emphasis that I wish to refer to the very fact the Senator from Missouri has mentioned, with regard to the present effectiveness of the procurement of materials and commodities by the Department of Defense, headed by Secretary McNamara. In his recent announcement, the Secretary announced savings for this year, and the possibility of up to $3 billion in savings in the years to come. I commend him highly for his outstanding effort in that field.

Is it not true that if such good progress is being made by the Department of Defense, NASA, operating under the same system, certainly would be doubly challenged to keep up at the same relative pace?

Mr. KERR. The Senator from Mississippi is correct. I am not sure but what NASA has already demonstrated that it is meeting the challenge.

Mr. STENNIS. The honor is well distributed. I commend what the Senator from Oklahoma and the Senator from Missouri have said.

Mr. KERR. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 5 minutes remaining.

Mr. KERR. I will yield a minute and a half to the Senator from Missouri; however, I would appreciate it if he would allow the Senator from Wisconsin to close his part of the debate.

Mr. PROXMIRE. Mr. President, since it is my amendment that is under consideration, I would appreciate it if I might close.

Mr. KERR. Mr. President, I yield a minute and a half to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, the record will show that in August 1957, at a time when most people were disinterested in the space program, a member of the previous administration appeared before the Subcommittee on Military Appropriations of the Senate Committee on Appropriations and asked for an additional $43 million. Saying at that time the reason he was asking for the additional money was to make certain the United States would be first in space.

Within a few weeks, the first Russian sputnik was launched, and it was many months before this country was able to launch a comparable satellite.

I hope the able Senator from Wisconsin will not at this time attempt to jeopardize the future of the space program by seeking to place any further limitations on the provisions which Congress has already imposed for small business. I know of no Member of this body who has worked harder than has the senior Senator from Oklahoma, a man of long business experience, to analyze this budget. He has done his best to eliminate all unnecessary expenses. I hope everything possible will be done to make certain that the space program is administered with maximum efficiency for the taxpayers, and in the interest of national security.

Mr. STENNIS. Mr. President, will the Senator from Oklahoma yield me 1 minute?

Mr. KERR. Mr. President, I yield 1 minute to the Senator from Mississippi.

Mr. STENNIS. Mr. President, as a member of the subcommittee who attended all the hearings which followed the launching of Sputnik No. 1, and who heard all the military as well as scientific witnesses in that field, starting with Wernher von Braun, General Schriever, and others of that caliber, and also as one who followed through to a considerable degree the development of the space program, as a member of the Committee on Aeronautics and Space Sciences, I am satisfied, based upon that experience, that the position of the Senator from Oklahoma in opposing the amendment to the bill is correct. I believe the present law and present system are working remarkably well in a field which is still a pioneer field and requires great latitude for its operations.

Mr. PROXMIRE. Mr. President, I yield myself the remainder of my time.

I have the greatest respect for the Senators who have just spoken. Certainly, they are among the ablest men in the country, particularly in the fields of defense and space. Nevertheless, I honestly feel that they have not read my amendment. My amendment does not stifle the Space Agency at all. It provides:

> No such purchase or contract, or any category thereof, may be entered into by negotiation unless the Administrator has determined that the use of advertisement for bids for such purchase or contract or category thereof, would impair the accomplishment of the purposes of this act.

If the Administrator finds that competitive procurement would restrict or restrain operations, all he has to do is to say so, and to justify it in a written statement, made available to the General Accounting Office.

The fact is that small business has been hurt by the failure of our procurement program. Small business does get some of the contracts, I find that in 1961 it received 15 percent of the contracts for the NASA program. Yet small business does about 40 percent of the Nation's work and comprises about 90 percent of the corporations.

The Senator from Oklahoma said I was not aware of the fact that the Space Agency now operates under armed services procurement practices. Of course I am aware of it. I said so in my original presentation, in reply to the Senator from Pennsylvania. I pointed out, however, that so far as NASA is concerned, there is an exception through which a truck could be driven. Exception 11, which is in the Armed Forces Procurement Act, title 10 of the United States Code, subsection 2304, provides that if the purchase or contract is for property or services which the Administrator determines to be for experimental, developmental, or research work, or for making or furnishing property for experiment, then the purchase or contract is exempted from advertised competitive bidding. I submit that that provision exempts most of what NASA does. The fact is that 59 percent—three-fifths—of all their contracts come within this particular category. Under my amendments they can still have this exemption, provided the Administrator simply finds that it would be impracticable and would frustrate the purposes of the act to advertise for competitive bidding.

It seems to me that my amendment is moderate. I recognize that NASA contract awards are huge, often amounting to $100 or $200 million. I realize that under those circumstances many of the contracts have to be awarded, of course, on the basis of negotiated bidding. Nevertheless, a detailed, written explanation to the General Accounting Office and to Congress of each decision to depart from competition should be provided, and can be provided, especially for these few big contracts. Far from weakening the program, the program would be benefited.

I spoke this morning with experts in the General Accounting Office. They pointed out that on every justification for exemption from competitive bidding, there are now two or three routine paragraphs, boilerplate requirements, that are filed, to show that the exceptions in the Procurement Act are being made. What I am asking for, and what the GAO has said they would prefer, is a detailed explanation of why a project cannot be submitted to advertised competitive bidding.

I have the greatest admiration and respect for the people in our defense industry. They are wonderful and able people, but they are human beings. The fact is that when they negotiate with other human beings in the Defense Department or in NASA, it will be found over and over again that there is featherbedding—there is waste. There was waste at Canaveral. A hundred dollars a day were paid to some individuals for doing simple jobs. You will never find this under competitive bidding.

I say there should be a different standard for NASA than for Defense. NASA does different work. It is not absolutely vital for the country. In NASA there should be a limited, moderate requirement that the Administrator make these findings for exceptions from competitive bidding in writing.

Mr. President, I will yield back the remainder of my time if the Senator from Oklahoma will yield back the remainder of his time.

Mr. KERR. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. PROXMIRE. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, on the question of agreeing to the amendments of the Senator from Wisconsin, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Arkansas [Mr. FULBRIGHT] are necessarily absent.

I further announce that, if present and voting, the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN] and the Senator from New Mexico [Mr. CHAVEZ] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Texas [Mr. TOWER] is absent on official business and, if present and voting, would vote "nay."

The result was announced—yeas 23, nays 72, as follows:

[No. 114 Leg.]

YEAS—23

Aiken
Allott
Bartlett
Boggs
Byrd, Va.
Carroll
Douglas
Gore
Javits
Keating
Kefauver
Kuchel
Long, La.
McGee
Morse
Moss
Muskie
Neuberger
Pastore
Pell
Prouty
Proxmire
Williams, Del.

NAYS—72

Anderson
Beall
Bennett
Bible
Bottum
Burdick
Bush
Butler
Byrd, W. Va.
Cannon
Capehart
Carlson
Case
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Dworshak
Eastland
Ellender
Engle
Fong
Goldwater
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Johnston
Kerr
Lausche
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McClellan
McNamara
Metcalf
Miller
Monroney
Morton
Mundt
Murphy
Pearson
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Wiley
Williams, N.J.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—5

Chavez
Ervin
Fulbright
Jordan
Tower

So the amendments were rejected.

Mr. KERR. Mr. President, I move to reconsider the action by which the amendments were rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I call up my amendments designated "7-10-62—E," ask unanimous consent that the reading of the amendments be dispensed with, and that the amendments may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

The amendments are as follows:

At the end of page 19, add the following new section:

"SEC. 7. (a) There is hereby established a commission to be known as the Space Program Manpower Commission (hereinafter referred to as the 'Commission'), which shall be composed of seven members appointed by the President from individuals prominent in science, education, or public affairs. Members of the Commission shall serve as such during the pleasure of the President. The President shall designate one member of the Commission to be Chairman of the Commission, and one member to be Vice Chairman thereof.

"(b) Each member of the Commission shall receive compensation at the rate of $50 per diem for each day in which he is engaged in the performance of the duties of the Commission, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of such duties.

"(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. Four members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(d) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

"(e) The Commission shall conduct a thorough study and evaluation of the impact of the United States aeronautic and space efforts on United States scientific, research, development, and education resources, with special reference to the training and most efficient use of scientific and engineering manpower. Such study shall include, but shall not be limited to, projections of expected future requirements of the space program in terms of scientific manpower and other resources, the effects of the space program on other private and public research and development efforts, and the implications of the space program for the education and training of scientists and technicians.

"(f) The Commission shall submit a report of its activities and the results of its investigation and study (including recommended legislation) to the President and the Congress not later than June 1, 1963. The Commission shall cease to exist on the date of the submission of such report.

"(g) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

"(h) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this section; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairman or vice chairman.

"(i) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this section, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and tesimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"(j) Appropriations for 'Research, development, and operation' appropriated pursuant to this Act may be used to carry out the provisions of this section."

On page 20, line 1, strike out "SEC. 7." and insert in lieu thereof "SEC. 8.".

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the amendments.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I yield myself 5 minutes.

This amendment provides for a scientific manpower study, a study which would be made by a commission to be appointed by the President specifically for the purpose. The commission would go out of existence in June of 1963.

This is a study which I think is mandatory if we are to proceed responsibly with the NASA authorizations which will have such a great impact on scientific personnel. I am deeply concerned, of course, with the great increase in the cost of NASA's program, with the enormous increase in spending. But I honestly believe that, important as is the $2 billion increase in cost, even more important are the very serious consequences of these huge expenditures on the extremely scarce scientific manpower available for scientific effort in defense, education, industry, and space in this country.

It may be that NASA can proceed as rapidly as planned, or even more rapidly, but we do not know. We are entering into a field which I think involves the most crucial asset of the free world and, I might add, the asset which is most seriously challenged. I refer to scientific brainpower. We are asked to take steps which, according to competent testimony, may take some of our best scientific people out of defense work, out of university education, and put them into work for an agency which, although it is very important, does not directly relate to defense.

I challenge the Senator from Oklahoma and other Senators who oppose the amendments to tell me from where these scientists will come. NASA had to pick up 2,000 additional scientists and engineers last year. It will be necessary for NASA to pick up more thousands this year, and thousands more in the year to follow. From where will they come? The top scientific experts in this country are extremely worried about this situation.

I do not know of a man better able to testify on this question than Dr. James R. Killian, Jr. Dr. Killian is chairman of the Massachusetts Institute of Technology Corp., which is perhaps the greatest scientific education institution in our country. Dr. Killian was also a science adviser to former President Eisenhower. He is extremely well qualified to speak on the subject of science education, space, and military needs. On December 19, 1960, Dr. Killian said:

> The United States must decide whether it can justify billions of dollars for man in space when its educational system is so inadequately supported.
>
> The Nation must seek to determine whether it is now proceeding too rapidly in this area and whether it can manage the present man-in-space program without weakening other important national programs, including defense.
>
> The U.S. public should insist on a space program that is in balance with our other vital endeavors in science and technology and that does not rob them because they currently are less spectacular.
>
> True strength and lasting prestige will come from the richness, variety, and depth of a nation's total program and from an outpouring of great discoveries and creative accomplishments on a wide front by its scientists and engineers.

That is exactly what my amendment would accomplish. NASA would not be limited. But the amendment would assure us that in the coming year, before we act on another large authorization bill of the kind now before the Senate, we would know what we are doing. A study would be available. We would have the facts and figures.

Frankly, I was inclined to submit an amendment which would limit NASA's right to take scientists and engineers from industry and the universities. I did not do so. It would be extremely difficult to do so. The necessary data are not available. The study I have proposed would make possible a determination of whether we should take such action and whether it would be wise and necessary. The study would give us the kind of intelligence we would need.

Dr. Howard A. Meyerhoff is the Executive Director of the Scientific Manpower Commission. On the question of the impact of the kind of legislation proposed on the availability of scientists and engineers, he said:

> I have been working on the scientific and engineering manpower problem for nearly 10 years, and even if I apply my imagination to my knowledge, I frankly do not know where these people are coming from, unless we are prepared to cut back sharply on the use of competent teachers in our institutions of learning and on research and development in industry and in other Government agencies.
>
> The only conclusion I can reach is this: The NASA's manpower requirements have not been integrated and therefore have not been seen in perspective in relation to other overall needs in education, industry, and Government. At no time and under no administration has the executive branch of Government given serious attention to this vital aspect of national welfare, and private agencies like the Scientific Manpower Commission lack the resources and the power to perform the task. The complimentary problems posed by NASA and NIH point the dire need to strengthen the manpower function of the Office of Emergency Planning or to create a new agency for the specific purpose of dealing with the problem.

That is exactly what I am asking for in my amendment. We know that there is a shortage of scientific manpower in the field of defense. We are made aware of it every day. We have read in the newspapers about the shortage. It is a fact. There is a great shortage in education. We are creating fewer, not more, engineers and scientists.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. I yield myself 1 more minute.

We now have fewer engineers and scientists graduating from our universities than we had a few years ago.

The fundamental challenge of Russia today is not military. On the basis of the best evidence we can get, we are winning the military challenge. The challenge is not economic. We are winning the economic challenge.

Every American should recognize that Nicholas Dewitt, the outstanding expert in our country on education in Russia, has pointed out in a very comprehensive and extremely competent study of education in Russia that Russia is creating scientists and engineers fully as competent as our own, at the rate of 125,000 a year to our 45,000 a year.

Unless we have the necessary understanding, unless we have the order, unless we have the proper organization so that we can put our top scientific manpower in the proper positions, the authorization before the Senate could really wreak havoc in the field of scientific education, defense, and industry.

My amendment merely would provide for a study which would make available the necessary intelligence.

Mr. President, I reserve the remainder of my time.

Mr. KERR. Mr. President, I yield myself 5 minutes.

I ask unanimous consent to have printed at this point in the RECORD a brief statement of manpower aspects of NASA's space program, including a transcript from the Washington Post of January 16, 1962, quoting the President at his press conference of January 15.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MANPOWER ASPECTS OF NASA'S SPACE PROGRAM

The junior Senator from Wisconsin yesterday offered two amendments to the NASA authorization bill. One amendment called for the President to appoint a Space Program Manpower Commission. I do not believe this to be an appropriate amendment to this authorization bill. The Senator from Wisconsin stated that the space program was depleting the scientific and engineering manpower resources of the country. He also stated there was no discussion in the hearings on how we propose to meet the problem.

To place the manpower aspects of the space program in perspective, I would like to review some of the facts.

During the fiscal year 1962 just ended, NASA had its largest increase in new personnel since it was established in 1958. This increase was 5,828 new employees, of which 2,858 were scientists and engineers. In the previous 3 years, the total of new employees was only 3,243. I am excluding from this figure the transfer into NASA of some 5,500 employees to carry on the work of the Von Braun team. This large group, however, was already existing in the Government. The 1963 budget requires a smaller increase than the year just closed. It requests only 3,450 new employees, of which about 1,150 will be scientists and engineers.

Even during this fiscal year, the year of NASA's largest planned increase, the percentage of the Nation's total pool of scientists and engineers required by NASA for its intended operations, amounted to only two-tenths of 1 percent of the Nation's total of 1.4 million.

NASA's scientists and engineers now total 8,300, which is only half of 1 percent of the Nation's scientists and engineers.

The Senator from Wisconsin stated that NASA's recruiting drive to add 2,000 scientists and engineers was very successful and has already had an alarming impact on the Nation's scientific and engineering resources.

NASA informs me that throughout its recruiting drive this past year, no company, educational institution, or Government agency protested its loss of scientists and engineers formally or informally to NASA except for one specialized governmental program. As soon as this occurred, an agreement was made with the program director to obtain his permission prior to any offers of employment.

NASA's organized recruiting drive has depended primarily on volunteers in response to news stories or advertisements. Individuals generally were not approached and requested to apply. A study of the sources of NASA's recruitment during fiscal year 1961 showed that 23 percent of its scientific and engineering hires came from other Government agencies, 21 percent were new college graduates, and 56 percent came from non-Government sources. NASA's recruiting drive has had no significant impact on the educational institutions for only 12 professors were hired in the entire agency as a result of the recent recruiting drive.

NASA has also cooperated with industrial firms who were laying off scientists and engineers due to large cutbacks in contracts—for example, General Electric and the cutback in the nuclear aircraft program.

> NASA's success in its recruiting stems from the very great appeal of its new and vital program. It is an endorsement of the space program when so many volunteer for service with NASA in spite of the lower pay scales compared with industry which is the source of the majority of the scientists and engineers coming to NASA.
>
> Lastly, NASA is cooperating with the other Government agencies and the National Science Foundation to determine the scientific and engineering manpower needs to sustain the Government programs planned for the coming years. The projected manpower needs both inside the Government and the needs generated by Government contracts are being studied cooperatively under the leadership of the National Science Foundation.
>
> In addition, you will recall that President Kennedy called attention to factors influencing the overall manpower situation in his January 15, 1962, press conference. At that time the President announced he had assigned the task of recommending methods of increasing the Nation's supply of scientists and engineers to the President's Science Advisory Committee, the Federal Council for Science and Technology, and the National Academy of Sciences.
>
> It is my best judgment that the space program has not, at least as yet, had any detrimental impact on the Nation's scientific and engineering manpower resources. It has had the beneficial impact of more fully utilizing these resources on a program vital to the future of the Nation.
>
> There will be scarcities in certain space sciences and highly specialized engineering categories and NASA's best estimates on this are being contributed to those who are working on this program.
>
> NASA's own program for research in colleges and universities will help increase the supply of trained graduates for research and development work.
>
> I don't minimize the importance of growth in the Nation's capability in scientific and technical education. However, I do not believe the way to enhance the growth is by creating a specialized commission of one year's duration to look only at the space program in relation to a much broader and more complicated resources picture embracing all technology.
>
> As I indicated earlier, there are other agencies of the Government with whom NASA is cooperating which should be in a position to help us identify the nature of whatever problem may lie ahead and recommend specific steps to facilitate their solution.
>
> I urge this amendment not be incorporated in the particular authorization bill before this body.

Mr. KERR. The President had referred to the fact that there were not as many scientific and engineering graduates in 1960 as there had been in 1951, and that the number of students had fallen in 1960 as compared to 1951. The President said—

> This is a matter of growing concern. It is more than a matching of numerical supply to anticipate a demand, for this alone would be difficult. Because of the seriousness of this problem for the long-range future of the United States, I have asked my Science Advisory Committee, in cooperation with the Federal Council for Science and Technology, to review available studies and other pertinent information, and to report to me as quickly as possible on the specific measures that can be taken within and without the Government to develop the necessary and well-qualified scientists and engineers and technicians to meet our society's complex needs—governmental, educational, and industrial.
>
> In undertaking this task, the committee will draw on the advice and assistance of individuals and agencies, including the National Academy of Sciences, which will shortly begin at my request a new study of scientific and technical manpower utilization.
>
> To all those who may be within the sound of my voice or who may follow your stories in the papers, I want to emphasize the great new and exciting field of the sciences and, while we wish to emphasize always the liberal arts, I do believe that these figures indicate a need on the national level and also a great opportunity for talented young men and women. I hope that their teachers and their school boards, and they, themselves, and their families, will give this matter consideration in developing their careers.

In other words, the President of the United States has already appointed such a committee, drawing on the scientific personnel and agencies of the Government to cooperate with him in ascertaining the information referred to by the President as being necessary, and by the Senator from Wisconsin in his statement.

So, first, there is such a committee now in existence appointed by the President to make the study which the Senator from Wisconsin would seek to have made by his amendment.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. SYMINGTON. Again I express my respect for the knowledge and ability of the Senator from Wisconsin. It seems to me that basically he wishes to save money for the taxpayer. In this connection there are many things with respect to Government I am not certain about. But in my own mind I am certain we already have sufficient boards, committees, commissions, and bureaus. In the present case the problem can be handled, as I see it without establishing an additional commission.

During World War II in certain fields we had severe personnel shortages. For example, I remember that at one time tool engineers were in critical shortage. In those days electronics was a new industry. There was a very great shortage of skilled scientists and engineers in that field. A priority was therefore established by this Government.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. I yield myself 5 additional minutes.

Mr. SYMINGTON. Under Director Webb and Secretary McNamara there is a maximum of cooperation. Therefore, when we come to the problem of such shortages, it can be handled now as it was handled during World War II; namely, the heads of NASA and the Defense Department can get together and agree on what priority various orders should have, what is needed most and most quickly.

That was the only way it could have worked in World War II with the shortages in research and development obtaining at that time.

It is now becoming more and more clear that we do not have enough engineering and research talent in these great new fields of astronautics, electronics, and space nuclear energy, and so forth. No commission or committee or board or bureau will satisfy that shortage.

In my opinion the Senator from Wisconsin made a good point yesterday when he talked about the lack of adequate effort in the educational field for research and development engineers. But the proposed Commission could not decide anything that cannot be decided by the Department of Defense and NASA together, on a priority basis. In the second place, no Commission is going to give us more engineers and research students to handle the grave problems we face today because of these very shortages.

I thank the Senator.

Mr. KERR. I thank the Senator for his pertinent remarks. I would say in that regard that the Director of NASA always discusses with DOD the requirements with reference to a given project for scientific personnel available in a given organization with whom negotiations are underway. They still carry on unofficially some sort of deliberation and consideration leading to the decision of priorities in connection with the available scientific and engineering personnel. That was the program of the Department of Defense during the war.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. SYMINGTON. The NASA people and the Department of Defense people have the normal and natural advantages of a buyer, a buyer discussing such a matter with a seller, in this case the corporations supplying the goods. The Government Department in question can specify the priorities they think are necessary from the standpoint of national security and in recognition of shortages that exist. Does not the Senator agree?

Mr. KERR. I agree with the Senator. I would say further that the whole question of scientific personnel and scientific education has been placed by the President under a new scientific agency created by Executive order under the reorganization authority, and which has become effective under action of Congress. Dr. Wiesner has been nominated to be Director of the agency, and his nomination is before the Senate for consideration and confirmation.

As the President's scientific adviser, Dr. Wiesner, has had the Science Foundation and the Academy of Sciences working on this problem ever since he came into the Government at the beginning of the administration. He has been working to develop the very information for the President, with availability to the Congress, which the Senator from Wisconsin is seeking to obtain by the appointment of a Presidential commission.

Mr. President, if the Senator from Wisconsin wishes to press his proposal he should go to the Committee on Government Operations. In that regard I remind Senators that early this year the distinguished Senator from Arkansas [Mr. McCLELLAN] introduced proposed legislation of a similar nature to that which the Senator from Wisconsin is offering as an amendment to the pending bill. That bill is now under consideration by the Government Operations Committee, where it should be considered.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. I yield myself 2 additional minutes.

I refer to S. 2771, a bill to establish a Commission on Science and Technology.

I ask unanimous consent to have printed in the Record at this point a statement on the amendment, dealing specifically with a statement made by the distinguished Senator from Arkansas [Mr. McClellan] explaining and justifying his bill.

There being no objection, the statement was ordered to be printed in the Record, as follows:

One of the major policies set forth in the bill I am introducing points up the need for the improvement of policies for recruiting, training, and utilizing scientific and engineering manpower, and the bill specifically includes as one of its major objectives the assurance of the conservation and efficient utilization of scientific and engineering manpower. The effective reorganization and coordination of existing and proposed Federal science and technological activities, as proposed by the bill, would tend to eliminate unnecessary duplication and waste of scientific and engineering manpower now being used in duplicating and uncoordinated programs operated or sponsored by the Federal Government.

Hearings were held on S. 2771 in May and it is my understanding that further hearings will be held this session. I respectfully submit that Senator Proxmire's amendment should be defeated in view of the fact that the matter is already properly under consideration by the Government Operations Committee.

Mr. KERR. I remind Senators that hearings on the bill were held in May, and that further hearings will be held this session. I respectfully suggest to the distinguished Senator from Wisconsin, if he has views on the matter, that he appear before the Committee on Government Operations and express them in connection with the proposed legislation introduced by the distinguished Senator from Arkansas, which in reality has for its purpose the same objective which the amendment of the distinguished Senator from Wisconsin would have, which amendment he seeks to attach to the pending authorization bill.

Therefore not only is the amendment unnecessary, but it is also inappropriate as an amendment to the space authorization bill.

Mr. PROXMIRE. Mr. President, I yield myself 4 minutes.

The Presidential suggestion for a study to which the Senator from Oklahoma has referred was placed in the Record by me last January. It was dealt with in the President's press conference. I agree with the President that study complements but does not duplicate what I seek to accomplish by my amendment. The Presidential study to which the Senator from Oklahoma has referred is a study to review available studies and other pertinent information, and I now quote from the President "to report to the President as quickly as possible on the specific measures that can be taken within and without the Government to develop the necessary and well-qualified scientists and engineers and technicians to meet our society's complex needs—governmental, educational, and industrial."

This Presidential study will require 15 or 20 years, to have real effect, because we are not now enrolling into our universities and colleges freshmen who are interested in going into science and engineering in the same proportion as heretofore. What I am proposing is a study that will determine immediately the limited available supply as of June 1963 in view of the terrific impact on the limited number of scientists by this huge authorization.

My amendment would seek a determination as to where we are going to get the needed scientists, what priorities should be established, and what effects, specifically, the space authorization bill would have on scientific manpower in defense and education and other areas.

We cannot wait hopefully while we graduate more scientists who will be trained, experienced, and available in 1975 or 1982 to do the job that must be done in the next few years.

It seems to me, with all respect for the very distinguished and able Senator from Oklahoma, that the proposal in the bill as it stands now would not provide within the next year the kind of intelligence and understanding that we should have now.

I support the President 100 percent in his desire for a long-range study. He is asking how we can better develop and train more scientists, how we can secure a greater supply of scientists and engineers, how we can encourage more students to enter this field. But that would help 10 years from now. This bill will have its effect next year and the immediately following years. My amendment would deal with this presently available supply. There is now a serious shortage. That shortage would be made more serious by the authorization before us, which amounts to $2 billion, for two reasons. The relationship between the amount of money expended and the labor is as high as in the case of this authorization as in any authorization that has come before us. Most of it would go into wages and salaries. Furthermore, the combination of wages and salaries is heavily weighted on the side of scientists. This happens at a time when there is an extraordinary limitation on available scientific personnel.

That is why my amendment which provides for a commission to study the problem and then go out of business on June 30, 1963, is appropriate to the authorization bill now before the Senate. It does not contradict what the Senator from Arkansas [Mr. McClellan] has proposed or what the President is studying. I believe the amendment to be most essential because of the serious impact on the limited scientific personnel available—even more serious than the great impact on the economy and the taxpayers.

This is a responsible amendment to enable Congress to act with its eyes open, not shut or half shut, as they are now.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield me 2 minutes?

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the distinguished Senator from Pennsylvania.

Mr. CLARK. Mr. President, as some Senators know, I am chairman of the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare. In that capacity, it was my privilege to bring to the floor of the Senate and help to pass the Manpower Development and Training Act of 1962, which is now law.

Title I of that act directs the Secretary of Labor, with the assistance of the Secretary of Health, Education, and Welfare, to conduct a continuing series of studies concerning the manpower needs of the country in the interest of staffing freedom. The studies will deal not only with ditchdiggers; they are to deal also with nuclear physicists.

I believe that manpower planning is one of the most important problems which we should be attempting to solve. I am happy to say that under that act the Secretary of Labor is directed to utilize other Government agencies to help to solve them.

One of the chief bottlenecks to our progress, as the Senator from Wisconsin says, is insufficiency of scientific manpower. I believe a special study by a special commission of our present and foreseeable needs for scientific manpower would be most useful. I think such a study should be conducted under nonpartisan auspices, by which I mean that no one who has a particular interest in acquiring scientific manpower should conduct the study. A presidential commission would therefore be an excellent device, particularly since it would be a temporary commission, which would report by the middle of next year for the guidance of the administration and Congress.

Mr. President, for these reasons I intend to support the amendments of the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Pennsylvania.

Mr. KERR. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 4 minutes remaining.

Mr. KERR. I note the presence in the Chamber of the distinguished Senator from Arkansas [Mr. McClellan], chairman of the Committee on Government Operations. Since I have taken the liberty to say that if the amendments were to be considered, they should be considered by his committee, I should like to ask him if he has any comment to make on the amendments.

Mr. McCLELLAN. Mr. President, the Committee on Government Operations, of which I am the chairman, has before it Senate bill 2771, which I introduced some time ago. The committee is making preparations for hearings on the bill. I do not know that it will be possible to complete action on the bill at this session; that is doubtful. However, the bill has a serious purpose, namely, to establish a commission for the purpose of conducting a study and making such recommendations to Congress as the committee believes are pertinent to present conditions.

Mr. KERR. I presume the Senator's committee is available to the distinguished Senator from Wisconsin [Mr. PROXMIRE] if he wishes to be heard on the bill or to offer amendments.

Mr. McCLELLAN. Of course, the committee is available to any Member of Congress. Its forum will be made available to all who are interested in the subject matter or who have something constructive to offer in the form of evidence or suggestions.

Mr. KERR. Either with reference to the bill before the Senator's committee or another of a similar nature.

Mr. McCLELLAN. Of course. In my judgment, this is a subject which requires the collective wisdom of the best minds. I do not think it is a project to be considered without minute attention.

Mr. KERR. I thank the Senator from Arkansas.

Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I understand I have only 2 minutes remaining. My proposal is for a specific study for a specific purpose. I should like to read from Dr. Meyerhoff's letter to me. He said:

> These observations have dealt solely with the effect on the new supply of graduates, but the demand for experienced men and women will have—indeed, is already having—an alarming impact because this need must be met by pirating. NASA has been making a vigorous attempt to add 2,000 highly trained people to its staff before the end of the fiscal year that has just closed. From reports that have reached me, I must conclude that the agency has used all the methods, good and bad, devised by industry to persuade men to change employers. I have no statistical information on the number of people thus recruited but the cries of anguish from several companies suggest that NASA met with a considerable measure of success in its efforts.

What would my proposal accomplish? This is the heart of it:

> Such study shall include, but shall not be limited to, projections of expected future requirements of the space program in terms of scientific manpower and other resources, the effects of the space program on other private and public research and development efforts, and the implications of the space program for the education and training of scientists and technicians.

Mr. President, this is the logical, appropriate, and only place for this kind of amendment.

The Senator from Arkansas [Mr. McCLELLAN] is concerned with a very important study. He has every reason to consider it in great detail. But this is the appropriate place to propose the kind of study my amendment would authorize. We must not overlook what could be a devastating impact on scientific personnel in education, in industry, and in defense from this particular authorization. Most of this huge authorization—a vast amount of it, at least—would be used for scientific personnel in all these areas.

For this reason, I press my amendments. I yield back the remainder of my time. I understand that the yeas and nays have been ordered.

The **PRESIDING OFFICER.** All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. HICKEY in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendments of the Senator from Wisconsin [Mr. PROXMIRE]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Arkansas [Mr. FULBRIGHT] are necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], and the Senator from New Mexico [Mr. CHAVEZ] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Texas [Mr. TOWER] is absent on official business. If present and voting, he would vote "nay."

The Senator from Arizona [Mr. GOLDWATER] is detained on official business. If present and voting, he would vote "nay."

The result was announced—yeas 12, nays 83, as follows:

[No. 115 Leg.]

YEAS—12

Bartlett
Carroll
Clark
Douglas
Gore
Hart
Humphrey
Javits
Kefauver
Morse
Neuberger
Proxmire

NAYS—83

Aiken
Allott
Anderson
Beall
Bennett
Bible
Boggs
Bottum
Burdick
Bush
Butler
Byrd, W. Va.
Cannon
Capehart
Carlson
Case
Church
Cooper
Cotton
Curtis
Dirksen
Dodd
Dworshak
Eastland
Ellender
Engle
Ervin
Fong
Gruening
Hartke
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Jackson
Johnston
Jordan
Keating
Kerr
Kuchel
Lausche
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Monroney
Morton
Moss
Mundt
Murphy
Muskie
Pastore
Pearson
Pell
Prouty
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—5

Byrd, Va.
Chavez
Fulbright
Goldwater
Tower

So Mr. PROXMIRE's amendments were rejected.

Mr. KERR. Mr. President, I move that the vote by which the amendments were rejected be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, before a final vote on the bill, which I understand, under the unanimous-consent agreement, is about to be taken, I ask unanimous consent that two brief statements relative to subjects discussed by the Senator from Wisconsin yesterday appear at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

NASA–JPL CONTRACT

Yesterday the distinguished Senator from Wisconsin raised a question concerning the nature of certain contractual relationships between the California Institute of Technology and the National Aeronautics and Space Administration as they relate to the operation of the Government-owned facility known as the Jet Propulsion Laboratory. As I stated yesterday, this is a unique organization of experienced space scientists and engineers who have a prime responsibility for certain key NASA assignments in the development, testing, and flight of unmanned explorations of the lunar environment and the planets.

Yesterday, I reported that the space agency leaders have gone into this contract carefully, and are satisfied that it is a reasonable and an economical arrangement for the Government, including the management fee of $1,200,000 paid Cal Tech. This fee amounts to about one-half of 1 percent of the total dollar volume of work assigned JPL. I now offer for the record a more complete explanation of the current arrangements Cal Tech has made for managing this Laboratory. This material was recently submitted to the NASA Administrator, Mr. Webb, under date of June 20 by the Cal Tech president, Dr. Lee A. DuBridge. If there is no objection, and in the interests of the time available for limited debate, I include the views of Cal Tech at this point in the RECORD:

JUNE 21, 1962.

Mr. JAMES E. WEBB,
Administrator, National Aeronautics and Space Administration, Washington, D.C.

DEAR MR. WEBB: The House of Representatives Appropriations Subcommittee has recently expressed interest concerning various aspects of the contract the California Institute of Technology has with your agency for the management and operation of the Jet Propulsion Laboratory.

In view of the current relationships which have been solidly developed over a period of years, I think it important that you have the attached statement which outlines the background of Cal Tech's operation of this Government-owned laboratory, and the nature of the current contract with NASA.

Sincerely,

LEE A. DUBRIDGE,
President, California Institute of Technology.

THE NASA–CAL TECH–JPL RELATIONSHIP

All but one of the research and development laboratories participating in the NASA space program are both Government-owned and directly operated by the Government (i.e., by NASA). The one exception is the Jet Propulsion Laboratory in Pasadena, Calif., which, though owned by the Government, is operated under a contract with a nonprofit educational institution—the California Institute of Technology. Certain Congressmen have raised the question as to why this exceptional arrangement exists, and have raised doubts as to whether it is wise to continue the arrangement. This paper is an attempt to set forth certain background facts, and certain arguments and opinions relating to this question.

This discussion can most conveniently be broken down into three parts relating to the past, the present, and the future of JPL.

I. THE PAST

The Jet Propulsion Laboratory was founded by the California Institute of Technology in 1943. It was initially intended as a field station in which to carry on rocket and jet propulsion studies related to its first specific project—the development of jet assisted takeoff (JATO) equipment for aircraft. The original piece of land on which the first laboratory buildings were constructed was purchased by the California Institute, and the institute retained title to this land until 1948. The initial staff of JPL consisted entirely of members of the faculty and staff of the California Institute of Technology, and JPL was operated as a branch of the Guggenheim Aeronautical Laboratories of Cal Tech (GALCIT). The proposal for the JATO development came from this Cal Tech group—then headed by Dr. Theodore von Karman—and the (then) U.S. Army Air Corps agreed to finance the operations through a contract with the California Institute of Technology.

The JATO development was highly successful, and soon equipment was ready for manufacture and installation on military aircraft. A new, independent corporation—the Aerojet Engineering Corp. (now the Aerojet-General Corp.)—was organized to undertake production of JATO units under an Air Corps production contract.

In the meantime, Jet Propulsion Laboratory activities extended to other projects involving rocket and jet propulsion technology using both solid and liquid propellants. By the end of the war, large liquid-propelled rockets had been developed on an experimental basis which achieved record altitude flights and had the potentiality of carrying a military warhead to a ballistic range of 50 miles or more. These were the largest rockets developed in this country and were exceeded in size only by the German V-2 rockets.

At the end of the war, the California Institute anticipated that the Jet Propulsion Laboratory, wholly devoted to military work, would be terminated along with other war development laboratories. However, the United States Army believed that there were important future military applications for large rockets, as the success of the V-2 had demonstrated. Therefore, the California Institute was asked to continue the Jet Propulsion Laboratory operation, broadening its activities to include general research in jet propulsion technology, rocket aerodynamics, electronic guidance and control, and related areas of basic research.

As a service to the military establishment, the California Institute agreed to continue the operation under contract—though, since it was evident that more land would now be required and permanent buildings should be constructed, the property was sold to the Government. The Government acquired adjacent property and began a modest building construction program. This transference of title of Jet Propulsion Laboratory property to the Government made no difference in the nature of the operation. The research and development program was evolved year by year within the laboratory itself, proposals were made to the Government—principally U.S. Army Ordnance—and final programs and budgets were worked out by mutual agreement. Cal Tech assumed the responsibility of seeing that these programs were effectively carried out, was responsible for employing personnel, setting personnel policies and practices (including salary scales), and retaining intimate ties with the Guggenheim Aeronautical Laboratories and other departments on the campus.

In 1950, with the advent of hostilities in Korea, U.S. Army Ordnance requested Cal Tech to expand the Jet Propulsion Laboratory program to include the development and engineering of a military rocket vehicle for battlefield use. This vehicle was to be an engineered version of the experimental rocket known as the Corporal, which had been the result of several years of research and development work at Jet Propulsion Laboratory. At this time the administration and board of trustees of the California Institute raised the question with the Government as to whether it was appropriate for a university to carry on such a program, and whether the Government should not take over Jet Propulsion Laboratory directly. However, the highest Defense Department officials—including Mr. K. T. Keller, who was then overall coordinator of the U.S. missile program—made special pleas to the board of trustees to continue the contract operation as a service to national defense. The trustees agreed, and the Corporal program was carried on into the production phase with the Firestone Tire & Rubber Co. of Los Angeles receiving the production contract. At the same time development was begun on an improved version of such a military rocket using solid propellants, known as the Sergeant. This was carried also through production design phases, with production being undertaken (and now in process) by the Sperry Rand Corp. in Salt Lake City.

This period saw considerable expansion of the facilities and personnel of the Jet Propulsion Laboratory, to the point where it was a substantially larger operation than all the rest of Cal Tech put together. This required the recruitment of additional key scientific and administrative personnel, though the major leadership still stemmed from the original Cal Tech group. Overall direction and coordination of the laboratory, however, was still carried on by a joint faculty-trustee committee appointed by the board of trustees and headed then, as now, by Dr. Clark B. Millikan, director of the Guggenheim Aeronautical Laboratories (now the Graduate Aeronautical Laboratories) of the intstitute.

During this period close liaison was established between Jet Propulsion Laboratory and the Army Ordnance Redstone Arsenal at Huntsville, Ala., headed by Dr. Wernher von Braun. Under agreement with Army Ordnance these two organizations developed a high-altitude, long-range rocket for tests of reentry heads for IRBM and ICBM missiles. The result of this collaboration was the Jupiter-C missile, of which the first stage came from the Redstone Arsenal, and the upper stages were designed and built at Jet Propulsion Laboratory. The first Jupiter-C was successfully fired in September 1956, attaining an altitude of 650 miles and a horizontal range of 3,700 miles—both of which were records as of that date. The very first flights showed that the reentry head was successful and it was unnecessary to carry on additional flights, even though partially completed Jupiter-C units were available.

At that time the Army was not authorized to participate in the space program, though Jet Propulsion Laboratory and Redstone had jointly proposed the use of the Jupiter-C to launch an earth satellite. After the successful launching of the Russian sputnik, however, the Army was asked to attempt such a launching, and the Jet Propulsion Laboratory-Redstone group successfully launched Explorer I within 90 days of the authorization of the project. It was then evident that the Jet Propulsion Laboratory-Redstone combination provided the country with its most powerful space-capsule launching capability. They were responsible for the successful launching of Explorers I, III, IV, and VI, as well as Pioneer III (which ascended to an altitude in excess of 63,000 miles) and Pioneer IV which atttained escape speed and went past the moon into a solar orbit.

When NASA was organized, it was clear that this team consisting of the Jet Propulsion Laboratory and the Army Ballistic Missile Agency (as the Redstone Arsenal was now called) would be essential facilities for the civilian space program. Though the U.S. Army was reluctant to relinquish either of these organizations, the decision for transfer was made, and was wholeheartedly concurred in by the California Institute of Technology. It was felt then, as now, that participating in the civilian space program was a more appropriate activity for a university-operated laboratory than continued military development. During the military development period (1950–57) the ties between Jet Propulsion Laboratory and the campus of the institute had been attenuated, since the institute faculty were more interested in basic research than in military engineering and development work. With the reorientation of the Jet Propulsion Laboratory activities under NASA, the ties between the campus and Jet Propulsion Laboratory have been rapidly built up and the growing interest on the campus in space science research has led to a fruitful collaboration between the academic departments and the Jet Propulsion Laboratory.

II. THE PRESENT

This situation continues at the present time. The laboratory is operated under a management contract with NASA; the employees are all employees of the California Institute of Technology and operate under personnel policies which apply to all parts of the California Institute. The salary scales at Jet Propulsion Laboratory are essentially those applying on the campus, with only a small salary differential at the professional levels in favor of Jet Propulsion Laboratory employees as recompense for the fact that the latter have only limited consulting privileges and do not have faculty tenure. The top salaries at Jet Propulsion Laboratory, however, are no greater than the top administrative and professional salaries on the campus.

Under the agreement with NASA, Cal Tech has agreed to manage a Jet Propulsion Laboratory program directed at deep space research, taking full responsibility for the management of this program as a part of the NASA space program. The activities and achievements of Jet Propulsion Laboratory under NASA direction need not be detailed here. Suffice to say that the policies under which the Laboratory operates under the new arrangement are the same as the policies which have been in force since the beginning of Jet Propulsion Laboratory, with due regard to the change in technical goals of the program agreed upon with NASA, and such changes in Government regulations and requirements as are promulgated from time to time.

The Cal Tech contributions to the management of the Jet Propulsion Laboratory may be summarized as follows:

1. Technical management: Although overall technical direction of Jet Propulsion Laboratory is delegated to its Director (Dr. W. H. Pickering, who also holds the title of Professor of Electrical Engineering at Cal Tech, having been a member of the Cal Tech faculty since 1936), it is the institute's responsibility to assure itself that the Director is highly competent, and it would be the responsibility of the California Institute to find a successor to Dr. Pickering if and when he should resign or retire. The president and trustees of Cal Tech believe (as do the boards of directors of most companies) that when they have chosen a chief

executive officer in whom they have confidence, he should be given broad authority to manage the enterprise under his direction. The faculty and board of trustees, however, maintain continuous contact with the administration of the Laboratory, thereby assuring themselves of the competence of the director and his top technical staff.

Though the institute does not attempt to give day-to-day direction to the technical operations of the Laboratory, a strong faculty group appointed by the trustees (headed by Dr. Clark B. Millikan, and including the president and provost) periodically reviews the work of the Laboratory, advises the Director on problems of staff, the maintenance of liaison with key scientists on the campus and elsewhere, and considers overall policy problems concerned with the mutual relations between the institute, the Jet Propulsion Laboratory, and NASA.

2. Business and fiscal management: The business and fiscal operations of the Jet Propulsion Laboratory are under the direct supervision of the institute's vice president for business affairs (George W. Green) who is responsible to the president of the institute and the board of trustees. All auditing ing and payroll operations for the Jet Propulsion Laboratory are carried out in the institute business offices on the campus under the same policies and procedures in force for other institute affairs, with due regard to relevant Government regulations and requirements. The Jet Propulsion Laboratory accounts are audited (along with all other institute accounts) by the independent auditing firm of Price Waterhouse & Co., and the Government auditing is supervised by the U.S. Army Audit Agency, which is also responsible for auditing all other Government contracts pertaining to campus operations. Salary policies for the entire institute, including the Jet Propulsion Laboratory are established by a joint committee, directed by the vice president for business affairs, in order that consistent practices in regard to salaries, fringe benefits, vacations, etc., are in force for the entire institute staff. Nonacademic and nonprofessional personnel salary scales are the same on the campus and at the Jet Propulsion Laboratory and are kept closely coordinated with the area rates for corresponding positions. Professional salaries are slightly higher at the Jet Propulsion Laboratory than on the campus for reasons already indicated—namely, the restricted consulting privileges and lack of academic tenure. At the top ranks, however, there is no salary at the Jet Propulsion Laboratory—including that of the Director—which exceeds the corresponding top salaries on the campus. These top salaries are very substantially below current industrial salaries and, while in line with our academic salaries, they are, at the upper levels, somewhat in excess of Government civil service salaries. Cal Tech has a reputation for excellent personnel policies, and the Jet Propulsion Laboratory staff members are happy to be Cal Tech employees and they believe they enjoy better working conditions than they would under civil service.

The vice president for business affairs also gives overall supervision to the contractual operations of Jet Propulsion Laboratory—that is, the placement and writing of subcontracts with industrial or other concerns. All such contracts are reviewed by top legal and fiscal officers selected by the institute, and major legal questions are referred to the institute's legal counsel, the well-known firm of O'Melveny & Myers, of Los Angeles.

The care with which all expenditures and contractual matters are supervised is illustrated by the fact that during the fiscal year 1961 the total expenditures disallowed under the contract were only $9 out of a total budget in excess of $90 million. Comparable records were achieved in previous years. This is an example of the meticulous care which has been exercised to protect both the institute and the Government.

3. Intangibles: It is impossible to estimate or evaluate the intangible benefits which accrue from the Jet Propulsion Laboratory being operated by a world-famous educational institution, like the California Institute of Technology. The prestige of being employed by such an institution, the privileges of association with its faculty, the use of its library, the participation in the Cal Tech Management Club and other organizations, the privilege of attending all institute lectures, seminars, etc., all enhance greatly the attractiveness of a Jet Propulsion Laboratory position and improve the possibility of securing and maintaining competent professional scientists and engineers. The effectiveness of this association is illustrated by the fact that, even though the Jet Propulsion Laboratory salary scales are below the scales in the southern California aerospace industry, the number of top people attracted away by industry has been very small indeed over the many years. It is impossible to estimate how many of the top staff would leave the Jet Propulsion Laboratory if they were put under Government civil service operations involving, for many of them, a serious financial loss and making the many industrial positions open to them far more attractive. There is no question that such a transfer would cause a major disruption in the Laboratory work.

Costs of Cal Tech management: The total budget of the Jet Propulsion Laboratory for fiscal year 1962–63 is expected to be in the neighborhood of $213 million. The budget for all other institute operations (instruction and research) will be about $18½ million. Thus Cal Tech is responsible for a Jet Propulsion Laboratory budget which is many times as large as all other institute operations combined. This is a heavy burden of responsibility which the institute is bearing as a service to the Government. Yet, the total reimbursement to the institute to cover all of its indirect, or overhead, costs and risks is only approximately 1 percent of the total direct costs. Of this amount slightly less than one-half is made up of directly identifiable overhead costs determined under the formula provided by the Bureau of the Budget Circular A–21. However, this circular was not intended for large off-campus operations of this type, and it ignores or fails fully to reimburse the institute for many costs and responsibilities which it assumes. In some cases the institute's interpretation of these rules differed from the Government estimates by $100,000 to $200,000—a deficit which the institute's private funds cannot cover. For this reason the institute has requested that a management fee of slightly over one-half of 1 percent of the 1962–63 budget (a lesser percentage if the budget rises in future years) to serve as a management allowance. Although most industrial and most nonprofit (noneducational) corporations would charge a management fee of up to 5 percent in addition to overhead, the Cal Tech reimbursement is only a little over one-tenth of this figure. For this management allowance, Cal Tech offers the following services:

1. A substantial amount of time of members of the board of trustees and of the faculty who serve on the Jet Propulsion Laboratory committee.

2. The privilege of Jet Propulsion Laboratory personnel consulting with faculty members, visiting scientists, and others, plus the privileges of the Cal Tech library, of attending and participating in scientific and engineering seminars, and other institute activities.

3. Skilled, competent, and conscientious technical and fiscal overview, as already described.

4. Active collaboration of a group of Cal Tech faculty interested in various aspects of space sciences—e.g., cosmic rays, geophysics, astronomy, radio-astronomy, etc.

5. The maintenance of a 20-year-old tradition of excellence, of good management, of cordial relations.

6. The avoidance of the very severe disruption which would come from severing one arm of Cal Tech from the remainder of the body (even though the arm is a large one).

7. The use of the Cal Tech name and reputation as an endorsement to prospective employees and to the public of the integrity of the Jet Propulsion Laboratory scientific program.

III. THE FUTURE

Unless the administration of NASA sincerely believes that the California Institute of Technology contributes significantly to the continued success of Jet Propulsion Laboratory, and that direct Government operation would not be better in the long run, it would be desirable to initiate plans for terminating this relationship. Termination will become more difficult each year and, if the present 3-year contract is to be the final one, it is not too early to discuss plans for the future.

Careful examination of the advantages and disadvantages of such termination, however, should be made. This examination could be looked at under the following headings:

1. Financial: Under civil service the Jet Propulsion Laboratory salary scale would be somewhat lower than at present. However, the salary reductions would involve only a relatively small percentage of the top-level scientific and professional personnel who are at salaries above $20,000 per year. The savings would probably not exceed $200,000 and such a change would, no doubt, result in the loss of many of these key personnel.

The Cal Tech overhead costs (currently under $1 million per year) would certainly be as great—and probably even much greater—if the Government took over the same business, fiscal, and administrative operations as Cal Tech now is responsible for. The saving in the management allowance would be compensated by substantial additional costs in headquarters operations to insure adequate technical and administrative management.

2. Quality of personnel and program: The intangible benefits of being a part of an educational institution which has attained the very highest standards in scientific and engineering work, high ideals for the scientific competence of its staff, excellent personnel policies, are hard to evaluate in terms of dollars. However, since, for a given program, it is believed that under the Cal Tech contract Jet Propulsion Laboratory affairs are managed at least as economically as under Government operations, these intangible benefits come at no net cost to the Government and constitute a qualitative bonus which would be relinquished under direct Government operation.

3. The disrupting effect of change: Because of the 20-year history of Jet Propulsion Laboratory as one division of the California Institute of Technology, the amputation of this division would be substantially disrupting for a long period of time. No doubt, in time, the wounds would be healed, but the question would still remain as to whether any advantage to the Government would have resulted which would be worth the cost. There is no evidence that Jet Propulsion Laboratory would perform any more effectively, more efficiently, or at lower cost under Government operation—and, indeed, it can be argued that the reverse is true.

Lee A. DuBridge,

President, California Institute of Technology.

Pasadena, Calif.

Relationship of Project Surveyor to Lunar Program

In the course of his discussions yesterday, the distinguished junior Senator from Wisconsin, according to the printed Record, left the impression that by 1966 NASA expects to have a manned lunar flight. In questioning the validity of the Surveyor Project, an unmanned lunar exploration program, the Senator stated, "Because of the problems with respect to reliability of the spacecraft, it is expected to be well into 1966 before any meaningful data can be obtained. By that time NASA expects to have a manned lunar flight, and therefore the Surveyor spacecraft might not be of much service."

I do not know the basis for his statement by the Senator from Wisconsin, but I have carefully checked to determine whether there has been any change in the objectives set forth last year by President Kennedy in regard to the achievement of manned lunar flight.

Last year the Congress, on the recommendation of the President and the National Aeronautics and Space Council, which is composed of representatives of the NASA, the Department of Defense, the Atomic Energy Commission, and the State Department, made the national decision to land a team of U.S. explorers on the moon during the present decade. This is a goal that had previously been contemplated without official designation for the following decade. As of last year, the objective of the United States was established to make this exploration in this decade. The Nation began marshaling scientific, technical and physical resources toward this end. Our basic goal insofar as time is concerned has not changed. This program will be difficult and at times dangerous for individuals volunteering for specific missions. Our committee has been reassured that the urgency of this program will not prompt those in positions of responsibility to forgo all reasonable safety precautions. And safety sometimes takes time.

It would be unfortunate, therefore, to leave unchallenged in the Record the impressions that NASA "expects to have manned lunar" in 1966. This may be a hope, but it is not a stated goal. The goal was expressed by President Kennedy last year in these words:

"I believe that the Nation should commit itself to achieving the goal before the decade is out of landing a man on the moon and returning him safely to earth."

Before landing a man on the moon, it is expected that manned circumlunar flight will be achieved. However, 1966 has not been the stated timing of such an objective and I believe the record should be clarified to that extent.

The **PRESIDING OFFICER.** The question is on agreeing to the committee amendment in the nature of a substitute for the bill.

The amendment was agreed to.

Mr. **KERR.** Mr. President, I move that the vote by which the committee amendment was agreed to be reconsidered.

Mr. **MANSFIELD.** Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The **PRESIDING OFFICER.** The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The **PRESIDING OFFICER.** The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 11737) was passed.

Mr. **KERR.** Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. **PASTORE.** Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **KERR.** Mr. President, I move that the Senate insist on its amendment and request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Kerr, Mr. Russell, Mr. Magnuson, Mr. Wiley, and Mrs. Smith of Maine conferees on the part of the Senate.

PUBLIC WELFARE AMENDMENTS OF 1962

The **PRESIDING OFFICER.** The unanimous-consent agreement with respect to the public assistance and welfare bill (H.R. 10606), comes into effect at this time.

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. **MANSFIELD.** Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. **MANSFIELD.** What is the pending question?

The **PRESIDING OFFICER.** The pending question is on agreeing to the amendments offered by the Senator from New Mexico [Mr. Anderson] for himself and other Senators to the public assistance and welfare bill.

Mr. **MANSFIELD.** A further parliamentary inquiry, Mr. President.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. **MANSFIELD.** It is my understanding that, while the Anderson amendments are the pending question, they will not be voted upon until next Tuesday, at a time certain, and that in the meantime other substitutes or amendments may be offered under a time allocation. Is that correct?

The **PRESIDING OFFICER.** The Senator is correct.

Mr. **ALLOTT.** Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment offered by the Senator from Colorado will be stated.

The **Chief Clerk.** It is proposed, on page 75, to strike out, beginning with line 3:

Mr. **DIRKSEN.** Mr. President, will the Senator yield?

Mr. **ALLOTT.** I yield.

Mr. **DIRKSEN.** May I inquire whether the distinguished Senator from Colorado has one or more amendments, and whether he expects record votes on them?

Mr. **ALLOTT.** The Senator from Colorado has several amendments, but does not anticipate asking for a record vote.

Mr. **DIRKSEN.** Can the Senator from Colorado give us some intimation as to how much time he will require on them?

Mr. **ALLOTT.** The Senator from Colorado thought he would probably offer about four amendments this afternoon.

Mr. **DIRKSEN.** Very well. I thank the Senator.

The **PRESIDING OFFICER.** The amendment offered by the Senator from Colorado will be stated.

The **Legislative Clerk.** It is proposed, on page 75, to strike out beginning with (3) on line 10 through the word "Act" on line 12.

Mr. **LAUSCHE.** Mr. President, will the Senator from Colorado yield me 3 minutes from the time on the bill?

Mr. **ALLOTT.** Mr. President, I ask unanimous consent that I may yield the distinguished Senator from Ohio 3 minutes from the time on the bill, with the understanding that I shall not thereby lose my right to the floor.

The **PRESIDING OFFICER.** Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

Mr. **LAUSCHE.** Mr. President, I send to the desk, for printing under the rule, an amendment which I intend to offer. The amendment would deal with the Health Insurance Benefits Advisory Council which would be created under section 1712, on page 37, of the Anderson amendments.

The section would provide that there be created a Health Insurance Benefits Advisory Council, consisting of 14 members. The 14 members would be appointed by the Secretary of the Department of Health, Education, and Welfare. The section provides, in part:

> Not less than four of the appointed members shall be persons who are outstanding in the fields pertaining to hospitals and health activities.

My amendment contemplates identifying 12 of the prospective appointees by way of occupation. My amendment would provide that:

> 'Of the appointed members, not less than three shall be actuaries, not less than three shall be persons who are outstanding in the fields pertaining to hospitals and health activities, not less than two shall be members of the medical profession, not less than two shall represent management, and not less than two shall represent labor.

The purpose of my amendment is to have on the Advisory Council persons who are members of professions which are directly interested in the sciences and arts connected with the program. I would provide for the appointment of three actuaries. In my opinion, actuaries are vital to the efficient operation of the Advisory Council. I would provide for three members who are acquainted with the management of hospitals. I believe such appointments are vital. I would provide that not less than two members shall be members of the medical profession, that two shall represent management, and that two shall represent labor.

Under the language of the Anderson amendments only four persons would be identified as persons having experience in hospital management. I think the presence on the Advisory Council of actuaries is absolutely needed to insure that fiscally the system, if it is adopted, will be efficiently operated.

I thank the Senator from Colorado for yielding me this time.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

The Senator from Colorado has the floor.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. How much time have I remaining on the amendment?

The PRESIDING OFFICER. The Senator has yielded 4 minutes. The Senator has 26 minutes remaining.

Mr. ALLOTT. I thank the Presiding Officer.

Mr. President, we are considering today a health care proposal which, if enacted, would destroy America's unique system of competitive medicine and could bankrupt the social security system.

It would dilute the quality of medical care to the detriment of the patient. It would drastically change the original concept and purpose of the Social Security Act. It would shamefully exploit our elderly for political purposes. It would tax many of the poor to provide health care for many of the rich. It would encourage dependency rather than independency.

Mr. President, this proposal relies on compulsion and denial of freedom; it proclaims the state superior to the individual; it violates Judeo-Christian teachings because it rejects the divinity of man.

The measure before us was hastily conceived. It is nothing more than an expanded version of what is known as the King-Anderson bill. The bill is basically bad. The cloak of compromise does not change its defects or conceal its inherent dangers. It is still "a medicare wolf in sheep's clothing."

Yet, Mr. President, Congress is being asked to abandon its customary rules and traditional procedures and to hastily approve a proposal which would not become effective until January 1, 1964. Let us not be stampeded into making a hasty decision on a hastily conceived measure.

That great American, Abraham Lincoln, once said:

> If we could know first where we are, and whither we are tending, we could better judge what to do and how to do it.

There are many questions still unanswered.

It is often generalized that the elderly of this Nation are unable to pay their medical bills and that most of them are in poor health. But as far as I have been able to determine, there are no facts or figures as to how many—I repeat: how many there are over 65 who need and want medical and hospital care and do not get it.

I am certain, however, that the health care problems of the aged definitely are not of the magnitude as represented by some wishing to exploit them for political purposes.

No one wants anyone, regardless of age, to suffer from the lack of medical care.

But the problem before us is to determine the most sensible way to help those who need help without sacrificing the present high quality of medical care available to the Nation and without starting this Nation down the road to socialized medicine.

The measure now before us proposes to provide health care to everyone over 65, whether it is needed or not. Somebody might need it; so everybody gets it. This is a shocking disregard for the taxpayers' money.

This health care proposal is based on the false premise that most of the aged are ill and poor.

A quick sampling of surveys and studies made in various sections of the country indicate the problem of our aged citizens is an overexaggerated one.

For example: The Fort Wayne, Ind., News-Sentinel recently reported that "a documented survey—see reference 1—provides indisputable evidence that Indiana's senior citizens are, for the most part, in position to finance their own health needs. Of the 445,510 Hoosiers age 65 or over, 94 percent are caring for themselves either out of private income, savings, insurance, pensions or other nonwelfare sources."

The survey pointed out that 300,560 of the aged group own their own homes and 367,000 are eligible and covered for health and accident insurance by commercial insurance companies, Blue Cross, Blue Shield, or by veterans' benefits.

The survey also revealed that out of 4,357 hospital admissions for those over 65 only 84 patients, or 1.93 percent, were unable to pay or make arrangements for payment of their hospital bills.

Another study was made in Greene County, Mo.—see reference 2—where the residents are described as being in the middle-to-low income group, with farming and small manufacturing the basis of the economy.

One portion of the study included patients of 18 physicians doing mixed family care and specialty practice. The survey disclosed that patients over 65 are responsible for only 9 percent of the unpaid bills.

A 100-bed, general medical and surgical hospital also was surveyed. A study of the unpaid bills at this hospital revealed that the 65-and-over group has the best record for payment of hospital bills. Of the 857 elderly patients treated during an 11-month period, only 15 percent failed to pay their bills.

A survey conducted—see reference 3—at the Billings, Mont., Deaconess Hospital disclosed that almost 95 percent of the hospital bills of 559 aged patients were paid within 6 months.

Spot surveys by three Blue Cross plans—see reference 4—indicate that the majority of hospitalized persons 65 and over either are having the cost of hospitalization paid by health insurance or are paying the cost from personal resources.

Results of the 1-day surveys in Texas, Oklahoma, and northeast Ohio showed:

First. Eighty-three percent of the 2,596 persons 65 or older who were in 60 northeast Ohio hospitals last February 7 were covered by health insurance or had the resources to pay their bills.

Second. 61.2 percent of the 1,300 aged persons in 44 Oklahoma hospitals last March 14 had health insurance or private resources, and the remaining 38.8 percent were receiving either old age assistance or medical assistance to the aged through the Kerr-Mills law.

Third. 70.9 percent of the 5,701 aged patients in 480 Texas hospitals on April 11 had some form of health insurance coverage.

A survey—see reference 5—of 296 patients, aged 65 or older, who were treated at Staats Hospital in Charleston, W. Va., in a 1-year period showed that only 1.5 percent did not pay their bills.

Patients over 65—see reference 6—at the Tucson, Ariz., Medical Center had a far smaller percentage of uncollectible bills than patients under 65, according to a study by M. G. Wolfers, president of the Arizona Hospital Association.

This study, which included 1,960 patients 65 or over, revealed that only 0.36 percent of their hospital bills were unpaid.

In the State—see reference 7—of Vermont, which I am told has a higher percentage of its population over age 65 than any other State, a survey showed that 80.7 percent of the aged said they would pay doctor bills through health insurance, from savings, or with current income.

The fact is that there is considerable evidence that the majority of people over 65 are able to finance their own health care.

Additional evidence is found in the studies made by the Conference of Catholic Charities in three lower-middle-income parishes in St. Louis, Cleveland, and Buffalo.

The report stated:

> When asked who would pay for hospitalization if it were necessary, between 80 percent and 90 percent of all the aging in all studies said they had hospitalization insurance, savings, or potential help from children and relatives. The Buffalo study, which had the only further analysis of this kind, found 7 percent who would turn to welfare organizations and 5 percent who said they did not know what they would do.

Of the approximately 65,000 persons age 65 or over in the State of Montana—see reference 8—about 6,500 require assistance through public welfare and the remaining 58,500 are able to provide their own living expenses and medical care through investments, savings, current employment, pensions and health insurance.

Studies show that the overwhelming majority of aged patients in Delaware—see reference 9—can and do pay their hospital care. Of the aged admissions in Delaware hospitals, 86.2 percent paid the hospital bill in full.

These are only a few examples of studies conducted by various groups, but they provide proof that the problem has been blown out of proportion. There are some of our aged who are needy, or near needy, but to generalize about a group of 17 million on the basis of a relatively few individual cases is exploitation.

The Right Reverend Monsignor A. C. Dalton, director of Catholic hospitals, archdiocese of Boston—see reference 10—told the Senate Subcommittee on Problems of the Aged:

> From all that I have observed, heard, or read, it is my opinion that the problem of our aged citizens is an overexaggerated one. Reliable authorities appear to be unanimous in stating that the vast majority of those 65 years and over present no special problem; they can handle their own situations well or have them handled satisfactorily by those near and dear to them. It is with regard to the minority that any problem exists * * *. Public interest focuses upon this minority all out of proportion. This is no doubt due to the rapidly increasing number of these aged citizens and the fact that such an increase was neither foreseen or well prepared for. The result is a certain amount of confusion and not a little hysteria in trying to arrive at a sane and sensible solution.

Aged persons value their independence and may be resentful if ready-made plans for their welfare are thrust upon them, according to a study conducted by the Catholic—see reference 11—University of America's Bureau of Social Research among 466 aged residents of Wilmington, Del., and among 130 persons 60 years of age or older living in Wilmington suburbs.

The bureau concluded that while there is a minority of aged persons who are "desperately poor or seriously ill," Wilmington's senior citizens as a group appear to be financially independent, socially well adjusted, and in good health.

The study showed that more than two-fifths of both men and women surveyed believe they are financially able to provide comfortably for themselves the rest of their lives. Another two-fifths can pay ordinary expenses. Nearly 62 percent of the men and 54 percent of the women own their own homes or apartments.

Some 71 percent of the men and 67 percent of the women either had not been confined to bed, or had been confined 6 days or less by illness in the preceding year.

More than two-thirds of all respondents spent either nothing or less than $100 for medical care in the preceding year. Approximately four-fifths had been attended by private physicians rather than at hospital clinics for minor illnesses in the preceding 5-year period.

More than two-thirds said they would pay for long-term hospitalization through hospital insurance and/or savings.

"The most striking feature of this whole analysis," the bureau said, "is the relative economic independence of such a very high proportion" of both men and women.

A study of a random cross section of all older persons in the United States disclosed that the health care problems of the aged definitely are not of the magnitude they have been purported to be.

This study, conducted by the National—see reference 12—Opinion Research Center of the University of Chicago, revealed that only 9.6 percent of persons aged 65 and over said they could not pay a medical bill of $500. More than 90 percent said they have available means to meet such a bill.

Findings of the Federal Reserve Board disclosed that the liquid assets of persons 65 and over are up and are growing faster than the assets of any other age group during the last decade.

G. Warfield Hobbs—see reference 13—a New York banker and chairman of the National Committee on Aging, said he believed the whole country will vote more effectively and intelligently and with less emotion on health care legislation if the people are more aware of the financial facts of life concerning our aged citizens. He pointed out that our present indigent aged are diminishing both by numbers and by proportion, and are being replaced with the newly aged who are increasingly able to care for themselves.

Mr. Hobbs has warned that if sentiment or politics carries us overboard on a permanent basis to solve the temporary financial problems of a segment of the aged population, "we may find in the future that we are providing perhaps more than necessary for a very large and self-supporting aged group at the expense of other age groups."

As proof that the new generation of older citizens is attaining better financial independence, Mr. Hobbs cited figures showing that the number of aged receiving public assistance reached a high of 2,789,000 in 1950, but 9 years later there was a decrease to 2,394,000, despite the fact there were 3 million more in the aged group. The reduction continues at a rate of about 3,000 a month in spite of a net gain in the number of aged of about 30,000 a month, he said.

Dr. Willard C. Rappleye—see reference 14—in his report as president of the Josiah Macy, Jr., Foundation said:

> Planning for the long-term future under conditions which exist then should be given more consideration rather than creating permanent legislation for a temporary phase of our economy.

Some economists believe that in the not too distant future old-age assistance will have been reduced to an insignificant proportion, and that a great majority of our elderly will be self-respecting and financially independent based upon a combination of social security benefits, private pensions, private savings and insurance, and wider homeownership.

Today, those over 65—see reference 15—account for about 9 percent of our total population, and, despite the retirement majority, they still receive about 8 percent of all personal incomes.

In many respects, the aged are better off than any other group. In addition to having higher liquid assets and higher percentage of homeownership, their financial obligations are significantly less and they enjoy tax advantages not available to younger citizens.

I am sure most of us have heard the statement that 60 percent of our aged have incomes of $1,000 a year or less. This figure, while accurate, is totally misleading. It includes dependents, many of whom have no individual incomes of their own. It would be equally accurate, and just as misleading, to say that nearly 65 percent of all Americans had incomes of $1,000 or less a year. Facts are of little significance until they are examined and interpreted by reason.

The report—see reference 16—of the planning committee for the White House Conference on Aging estimated the total income of the over-65 population in the United States from all types of private investments at from $4,300 to $8,300 million a year, or approximately 17 to 28 percent of the total cash income of the group. This includes dividends, interest on savings, annuities, rents, royalties, and the like. Thus, at a conservative estimate, a total of from $75 to $150 billion worth of income-producing assets would appear to be owned by this age group.

This is a healthy figure, especially in view of the fact that it does not include such non-income-producing assets as homes occupied by the elderly or the value of businesses in which the over-65 age are still actively engaged.

There are two facts that must be kept in mind in evaluating the economic status of the aged:

First. Income alone is not a valid yardstick for measuring the financial situation of the aged.

Second. Our elderly are not a homogeneous group from either a financial or health standpoint.

To generalize that the aged are in poor health is just as misleading as to state that most of the elderly are on the brink of bankruptcy.

Doctors tell us that most older people are in good health. They explain that there are no such things as diseases of the aged. There are diseases among the aged, just as there are diseases to be found in any age group.

It is true, however, that there is a greater degree of chronic illness among older people. But it is important to understand what is meant by the term "chronic illness." It means a recurrent condition, or one that persists over a period of time.

It is significant to note that only 14 percent of the aged with chronic ailments experience any significant limitation of activity. Only 5 percent have major limitations of mobility.

There are many examples of the chronically ill who lead perfectly normal lives. Several years ago a diabetic represented the United States on the Davis Cup team. He was chronically ill, but with the help of insulin he led a normal life. President Franklin Delano Roosevelt was chronically ill as the result of polio. I need not comment on the active life he was able to lead.

Just as there has been misunderstanding about the financial status of the aged there also has been confusion about the health of our aged. Chronic illness has been interpreted by some to mean that most older people are sick and debilitated. It is false to assume that the majority of our aged required constant medical attention. We would be less than honest with ourselves if we enacted legislation on the premise that most of our aged are ill and unable to pay for medical care.

A study conducted by the National Retired Teachers Association and American Association of Retired Persons among the organizations' members revealed that 87 percent consider themselves in reasonably good health. Eighty-six percent of the 150,000 members reported that they had medical or hospital insurance.

Voluntary health insurance and prepayment plans, which permit persons of all ages to protect themselves against the cost of unexpected illness and accidents, have made a phenomenal growth. This growth has been referred to as one of the great social advances of our time.

Health insurance is now available to all aged everywhere. Today, more than 9 million, or 53 percent, of the aged already have health insurance. The number covered has tripled in the last 10 years and the elderly are purchasing health insurance at a faster rate than any other age group.

In 1937, less than 4 percent of the population of the United States had any form of health insurance. Ten years later in 1947, about 30 percent were covered. Today, an estimated 75 percent of the total population have some voluntary health insurance coverage.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Does the Senator from Tennessee wish to yield time?

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. How does the Senator from Tennessee wish to dispose of the time consumed in the quorum call?

Mr. GORE. Mr. President, I ask unanimous consent that the time consumed in the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND rose.

Mr. HUMPHREY. Mr. President, how much time remains on this amendment?

The PRESIDING OFFICER (Mr. METCALF in the chair). The Senator from Minnesota has 30 minutes in opposition.

Mr. HUMPHREY. How much time does the Senator from Florida desire?

Mr. HOLLAND. I could conclude in from 5 to 8 minutes.

Mr. HUMPHREY. Mr. President, I yield 10 minutes to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, I appreciate the courtesy of the acting majority leader in yielding time to me. I am not speaking in favor of any single amendment or in opposition to any single amendment. I am speaking in opposition to the absurd procedure under which we find ourselves operating at this time, and in an effort to show that we are wasting our time in considering the important question of medicare for the aged in the way it is now being considered.

The bill before the Senate relates to important amendments to the body of our welfare legislation. It is a bill of many pages. The report of the Committee on Finance, which gave consideration to the various proposals which are embodied in the public welfare amendments of 1962, as the measure is styled, is 82 pages in length. That bill and the report relating to it are based upon hearings held by the Committee on Finance, as shown by the printed hearings, consisting of 603 pages. The hearings represent 4 full days of intensive work in the Committee on Finance and the study of the proposed measures by the many witnesses who appeared before that committee, including, of course, the official witnesses who are charged with the administration of the welfare acts.

Prior to the time the Committee on Finance considered the bill, it had been discussed at great length in the House of Representatives. Long hearings had been held upon the bill in that body, also. I do not have before me the volumes of the printed record of the hearings held by the House committee, but I understand they were even longer, both in terms of duration of the hearings and the extent of the printed record, than is the case with the Senate committee documents on the subject. I have already stated that the printed hearings of the Senate committee comprise 603 printed pages, and that the Senate report comprises 82 printed pages.

But, Mr. President, we now find that, notwithstanding the fact that none of those printed pages had to do with the subject of medicare, which was being handled in separate proposed legislation, subjected to long hearings in the House committee, but which has not yet come up for hearings in our own Finance Committee, we are confronted with four long amendments—as well as various shorter amendments to each of them—which have to do with the subject of medicare.

The first is the amendment proposed by the distinguished Senator from New Mexico [Mr. ANDERSON], for himself and a group of our colleagues; and that amendment alone consists of 79 printed pages; and it existed for the first time as a proposal at the time when it came to us in the form of this amendment, representing, as it did, a compromise between the ideas of its distinguished authors—that is to say, the Senator from New Mexico [Mr. ANDERSON] and various other authors; and, so far as I know and believe, the bill had never seen the light of day until a few hours before the time when it came here as a proposed amendment to the Welfare Act amendments of 1962. Yet, Mr. President, though it has not been subjected as a unified measure to hearings, either in the House committee or in the Senate Finance Committee—and I repeat that no hearings on this general subject have yet been held in the Senate Finance Committee—we are expected, on the basis of the debate on the floor of the Senate, and notwithstanding our committee duties and our other duties, and without the benefit of comment by the administrative agencies and all others who have very vital interests in connection with this measure, to decide upon it and pass upon it—each of us from the background of his own experience—and determine whether the provisions contained therein are wise.

To complicate the matter further, there are three other proposals on this subject. One of them has already been voted upon; it is the amendment proposed by our colleague, the distinguished Senator from Kentucky [Mr. MORTON]. A second voluminous amendment has been proposed by the distinguished Senator from Massachusetts [Mr. SALTONSTALL], on behalf of himself and other Senators; and a third has been proposed by the distinguished Senator from Connecticut [Mr. BUSH], on behalf of himself and certain other Senators. But, Mr. President, not one of those four measures is identical with any of the others. Not one of them is exactly like anything else that has ever been considered before by the Senate. Not one of them is exactly like the proposal which has been subjected to hearings before the House committee—and again I comment on the fact that our own Finance Committee has not heard testimony on any of these measures, nor has it given us the benefit of its consideration and its recommendations in regard to any of them. Notwithstanding all these important facts, we are expected to emerge from debate of this kind with a wise answer to a question which transcends in importance and in public interest all the other proposals included in the amendments to the Welfare Act of 1962 put together.

My own mail—and I am certain this is also true of the mail of other Members of the Senate—on the subject of medicare is several hundred times greater than the amount of mail I receive upon the various other important items included within the purview of the pending bill—that is to say, the amendments to the Welfare Act of 1962. Furthermore, the amount involved in increased taxes is greater, and the amount involved in burdens upon certain employed taxpayers is greater. Yet, Mr. President, without the benefit of any study, we are expected to arrive at a wise answer to this problem, which is a question of first impression to most Members of the Senate.

I do not challenge the principle or the high purpose of any of the distinguished Senators who have offered these amendments; but I call attention to the fact that whereas they may have had a chance individually to study this subject and to come forth with these long, involved proposals as to what they think we should do in the field of medicare, that opportunity has not been afforded all 100 Members of the Senate; and the proposals now before us have not been supported by a study by our Finance Committee and by its recommendations directed to all of us.

So, Mr. President, I cannot think of anything more absurd than for us to attempt out of such a situation to arrive at a wise or defensible answer; and, therefore, so far as I am concerned, I do not propose to vote for any of the proposed amendments dealing with the field of medicare. I feel that if I did vote for any one of them, I would be voting without the guidance and without any kind of recommendations or advice from those who, under law, are charged with administering laws in this field, and also without the recommendations and advice and guidance of the Members of our own body and our colleagues at the other end of the Capitol who, as members of an appropriate committee, are charged with bringing forth proposed legislation in this field.

Thus, Mr. President, I shall not vote for any of these amendments.

Furthermore, Mr. President, it seems to me that Senators who are offering these amendments——

The PRESIDING OFFICER (Mr. PELL in the chair). The time yielded to the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield additional time to me?

Mr. HUMPHREY. Mr. President, I yield 5 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 more minutes.

Mr. HOLLAND. I thank the Senator from Minnesota.

I was about to say that it seems to me that Senators who are offering these amendments are practicing what is referred to in the Constitution as "cruel and unusual punishment," not only upon Members of the Senate who have to listen to this long and involved debate, regardless of whether they must run, this year, for reelection, but particularly upon the Members of the Senate and the Members of the other body who must run for reelection this year, because this is probably the most controversial subject matter to be discussed by the people of the United States in recent years; and certainly this question is entitled to, and must have, the careful study and consideration, not only of the respective committees of the Senate and the House, but also of those who are learned in this field and who have devoted a large portion of their lives to finding out the answers to the question of what is the best way to take care, under democratic principles, of the undoubted need of many older persons in our country who do not have sufficient means to assure themselves and their loved ones of hospitalization, medical care, and surgical care.

I realize that not all of these measures go that far, and perhaps none of them covers all of these fields. However, these proposals are submitted as the answers to the undoubted need of millions of older U.S. citizens for hospital care, medical care, nursing care, and care by doctors and surgeons. Such subject matter is entitled to better handling and more serious handling than this, especially in view of the fact that we know that the body at the other end of the Capitol is not likely to give serious consideration to a measure which originates here as a rider, and particularly when it knows that this proposal has not been studied by our committee. I would think much less of those who represent the legislative arm of our Government at the other end of the Capitol if I thought they would regard with great seriousness a measure which would come out of debate of this kind and out of proposals so casually advanced as those which are now before us.

So, Mr. President, I hope the Senate will reject these amendments, will insist upon handling this subject in the regular manner, and will insist that this subject matter is of sufficient seriousness and gravity to be entitled not only to ordinary handling by our committees, but also to the most careful handling by them—the most careful handling possible for so delicate, complicated, and difficult a subject.

Therefore, Mr. President, I hope the Senate will, in a showing of wisdom in connection with so controversial a subject matter, refuse to place the stamp of its approval upon any of the four proposed amendments which deal in a general way with the subject of medicare for our aged.

I thank my distinguished friend, the Senator from Minnesota, for yielding to me; and I now yield the floor.

Mr. HUMPHREY. Mr. President, how much time is left on this side?

The PRESIDING OFFICER. Fifteen minutes remain.

Mr. HUMPHREY. What is the pending question?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Colorado to the Anderson amendment.

Mr. HUMPHREY. Mr. President, I shall make a brief comment. The amendment, as I understand, strikes item (3) in line 10 through line 14, which includes item (4) of the bill, H.R. 10606, "Part E—Miscellaneous Provisions, Studies, and Recommendations."

The Senator from Colorado seeks to strike out the following language:

> The feasibility of providing additional types of health insurance benefits within the financial resources provided by this act; and the effects of the deductibles upon beneficiaries, hospitals, and the financing of the program.

It is my view that the language which the Senator from Colorado seeks to strike out should be sustained and maintained in the bill. These provisions went through committee hearings in both the House and the Senate. Careful consideration was given to the provisions. It seems to me the purpose is merely to provide additional information to the Congress and to the executive branch, within the limitations set down in items (3) and (4).

I am particularly concerned about the language which affects the deductibles upon beneficiaries, hospitals, and the financing of the program.

I am hopeful the amendment of the Senator from Colorado will be rejected.

The PRESIDING OFFICER. Does the Senator from Minnesota yield back his time?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado to the Anderson amendments.

The amendment was rejected.

Mr. ALLOTT. Mr. President, I ask unanimous consent that the pending Anderson amendments be temporarily laid aside and that the Senate proceed to the consideration of the amendment which I now send to the desk.

The PRESIDING OFFICER. Without objections, it is so ordered. The amendment offered by the Senator from Colorado will be stated.

The LEGISLATIVE CLERK. It is proposed on page 33 to strike out the matter appearing on lines 7 through 12 and insert in lieu thereof the following: "and for each of the succeeding fiscal years' ".

Mr. ALLOTT. Mr. President, I want to express my sincere appreciation for the remarks of the distinguished Senator from Florida. I concur wholeheartedly in his approach to this question, and, as I shall develop in later portions of my amendments and speeches, I also think this question should be considered by the Finance Committee.

As I stated earlier when I spoke on my previous amendment, 11 times as many persons are protected against hospital expense as there were in 1940; more than 24 times as many have surgical insurance; and more than 30 times as many are protected against medical expense other than surgical.

By far the most rapidly growing part of this health insurance picture is the growth in coverage of the elderly. And most of this growth has occurred in the past 10 years.

A survey conducted in 1952 disclosed that 26 percent of all persons past 65 had some form of health insurance protection. Today, 53 percent of the aged are protected.

This growth is even more impressive when we consider that an estimated 25 percent of those 65 and over are not even in the market for health insurance, since their health care is financed in other ways. If we subtract this group, who either do not need or do not want health insurance, we find that 68 percent of those over 65 who want this protection already have it.

It is known that some 13 percent of the aged are eligible to receive health care as beneficiaries of Federal-State old-age assistance or medical assistance to the aged programs. There are many others who do not need, desire, or believe in health insurance. This group includes those being cared for by the Veterans' Administration, by medicare, by general assistance, or by other local public and private agencies. There also are those whose private incomes and resources are sufficiently large to make it unnecessary for them to have insurance coverage.

The number of our elderly who will have health insurance coverage will increase because of the trend by insurance companies to allow and encourage persons to continue their health insurance on an individual basis when they retire. This fact, coupled with a continuing expansion in coverage among the total population, means that more and more individuals will be reaching 65 with health insurance still in force.

It has always been an important provision in Blue Cross and Blue Shield contracts that subscribers who desire to do so may elect to continue their coverage after leaving their groups, or after reaching age 65.

In 1951, 5 percent of Blue Shield enrollment, or about a million members, were 65 or older. Today, Blue Shield subscribers over 65 total more than 3,250,000. There also are more than 5 million Blue Cross subscribers over 65.

In the past 10 years, total Blue Shield enrollment increased 133 percent, but the number of persons over 65 covered by Blue Shield increased 225 percent.

A survey made 2 years ago by the Health Insurance Institute showed that 7 out of every 10 workers covered under group policies can retain their coverage after retirement.

A few years ago most hospital policies sold by private insurance companies terminated at age 65. Today, more than 60 policies or programs offered by major insurance companies are guaranteed renewable for life.

In recent months there has been a dramatic increase in the number of individual and group health insurance contracts being made available to persons over 65.

A report issued in January of this year by the Health Insurance Institute contained not a complete list, but a representative selection of the policies from which noninsured over-65 persons can select health insurance protection. More than 70 programs, covering a wide range of benefits, were listed in this report.

A major medical expense program developed in Connecticut, in which private insurance companies in the State pooled resources and risks, offers comprehensive coverage for a variety of services to anyone over 65 in that State. This pioneering venture is now spreading to other States.

In January of this year the National Association of Blue Shield Plans announced a new, national low-premium plan, providing a broad scope of medical and surgical benefits in hospitals and nursing homes for the aged. I am told that as of this date 66 of the 70 Blue Shield plans have approved participation in the new plan, and 53 of these already have received their local medical society's approval and cooperation.

This brief summary of the growth of voluntary health insurance in this country should indicate to all that the number of aged in this country who need but do not have health insurance comprise a group that is steadily shrinking. Congress should not adopt any program that would lead to the decline, if not the demise, of voluntary health insurance in this country.

The measure we are considering would substitute a compulsory system of Government health care financing for a private voluntary system that has shown phenomenal growth and an ability to provide a financial cushion against medical expenses for millions of Americans.

Our voluntary health insurance programs are versatile enough to offer a wide selection of policies to meet the needs and pocketbooks of most citizens; they are available now to all who need and want them, and they are adequate enough to meet the needs of this Nation.

Fastest growing of all types of coverage is major medical expense. These plans provide payment—after a deductible amount—for 75 to 80 percent of virtually all expenses incurred as a result of catastrophic illness, up to limits as high as $10,000 or $15,000. In just the last 8 years, the number of persons protected under these programs has grown from 2 million to more than 35 million—a 1,700-percent increase.

Not only has there been a great growth in the quality of coverage, but also in the quality of coverage. A study published by the Brookings Institution showed that health insurance covers 88 percent of all hospital expenses incurred by beneficiaries, and 81 percent of all surgical expenses.

Other studies—the latest made in 1960—bear out these percentages.

Mr. President, it is important for us to consider in our deliberations here today that the vast majority of our aged population is neither disabled by illness nor verging on bankruptcy. There are some who are, but programs are available to provide for their health care needs.

In 1960 this Congress wisely enacted the Kerr-Mills law to provide medical care for those who need it and cannot afford to pay for it. This law is now on the books and is being rapidly implemented. It enables individual States to guarantee to every aged American who needs help the health care he requires. The law also is designed to benefit older persons who are paying their day-to-day living expenses, but who could not afford to meet the cost of a serious or prolonged illness.

As I pointed out earlier, the problems of the aged vary with the individual States. The Kerr-Mills law enables each State to pattern its program to meet its own particular needs.

The growth of health insurance in this country has been little short of phenomenal in the past quarter century. A variety of health insurance policies are available now to all who are able to purchase them. The Kerr-Mills law already is available in most States to help those who need help.

Msgr. John O'Grady, secretary of the National Conference of Catholic Charities, has said that too many workers in the field of aging are, in effect, not seeing the forest for the trees. By concentrating on the small minority of our aged who represent an extreme situation—medically, emotionally, socially or economically—they are winding up with a distorted picture.

They have magnified the problems of a minority segment to such an extent that their image of the total group has become blurred.

Each year those who reach retirement age are better equipped financially to live self-sufficiently. The aged are bringing with them, into their years of retirement, the protection of pension plans, which an ever-increasing number of employers are setting up. And, as most of them have carried health insurance during their working lives, they have learned to value its protection and continue it after retirement.

The problem of financing the health care of our older nonindigent people comes closer and closer to solution each day.

The problem is a diminishing one. The dramatic change in the economic status of the aged is most noteworthy. Only 14 percent of the aged over 65 receive public assistance today whereas 22 percent were receiving public aid in 1950.

Economists predict that this improvement will continue at an accelerating pace. We are dealing with a diminishing problem. There is no crisis. There is no need to make a hasty decision now on a hastily conceived proposal.

I should like to digress for a moment from my prepared remarks to say that there is no need at this time to make a hasty decision on a proposal now offered to the Senate as an amendment to the public welfare bill, which in itself exceeds 75 pages, which the Senate Committee on Finance has had no opportunity to hear.

I should like to comment on this phase of the question later. Anyone who knows of the workings of the U.S. Senate must recognize that the entire work of the U.S. Senate depends upon the slow and perhaps painful but also logical consideration of measures which come before it. Members of the Senate are required to a great degree to depend upon the logical, objective, and thorough consideration which the committees of the Senate give to questions which come before us.

Despite the propaganda, the problem is a constantly diminishing one. It is a diminishing problem because it is being met by self-reliant individuals, by sympathetic families, by health insurance, and by private agencies and public programs such as the Kerr-Mills law.

The medical care system in this country has been largely responsible for the ever-increasing length of life expectancy. It has given millions a chance to live when they might have died a few years ago.

More and more people are passing the 65-year milestone into the era we commonly call old age. Only 1 person in 10 born in 1900 could expect to live to age 65, and then only to live 3 or 4 years longer. But today more than 66 percent will survive beyond age 65 and not for 3 or 4 years but for 15 or more additional years.

More than 4,400,000 Americans are living today who would have died if the 1937 death rate had continued at that level.

Our system of medicine has known no peer in history. Yet, if we adopt this health care proposal now before us we will be taking the first big step toward replacing our system with government medicine which has been tried and found wanting in country after country.

Similar health care proposals have been before Congress in the last three decades, but each time they were blocked by an upsurge of public protest.

I add at this point, Mr. President, my own mail on this question over a period of months has been running in excess of 90 percent against the medicare proposal.

I am sure my esteemed colleagues are aware of the present public sentiment on this issue as evidenced by the mail Members of Congress have received.

The most recent Gallup poll also confirms the fact there is a rising tide of sentiment against the proposal for financing medical care for the aged through an increase in social security taxes.

In his latest poll released this month, Mr. George Gallup, director of the American Institute of Public Opinion, said:

> The last few months have seen a dropoff in public support for the administration's proposed social security financing of such health benefits. Since March, an increased number of voters have swung over to the belief that such aid for the Nation's older citizens could be better handled privately.

A year ago the Gallup poll reported that 67 percent of the people favored the administration's plan over private programs. In March of this year, the poll showed that 55 percent favored the social security approach. In the latest poll, announced this month, only 48 percent of the people favored the King-Anderson bill over private programs. This is a substantial shift in sentiment away from the administration position.

It is clear that this proposal is losing ground as more people understand it and what it really would do to them individually and to the Nation as a whole.

A survey conducted by the American Press magazine among newspaper editors and announced in the publication's April 1962 issue showed that 78 percent of the editors opposed the King-Anderson bill and that 84 percent favored a private program over a Government plan. It is reasonable to assume that most of these editors reflect the majority opinion of their readers.

The June 1962 issue of Nation's Business magazine reports the results of a survey of students in 17 public and private medical schools throughout America.

The magazine said the study showed:

> Greater Federal activity in health care would cause many young Americans to abandon the study of medicine. * * *
>
> All but a small number of the students interviewed feel that more Government interference would drag down the quality of treatment available to the public, impede medical research, reduce incentives for top performance by doctors and discourage many bright young people from entering the profession. * * *
>
> The survey showed that medical students overwhelmingly oppose proposals for providing medical care for older citizens under the social security system.

One of the principal reasons why many are opposed to the King-Anderson bill is the fact that the proposal would force the workers and employers of this country to pay increased taxes to provide health care for millions of the elderly who are financially able to pay for these services themselves.

Mr. President, I have used the term "King-Anderson bill" because, as I explained earlier, the Anderson-Javits amendment now pending before the Senate is a slightly disguised and modified version of the original King-Anderson bill, no matter how it is attempted to be interpreted.

There has been considerable confusion about how much additional payroll taxes wage earners and employers would be compelled to pay if this proposal became law.

At the present time, a worker making $5,200 a year is paying $3\frac{1}{8}$ percent on a wage base of $4,800 or $150 a year. His employer is paying the same amount. Starting January 1, 1963, the worker will pay $3\frac{5}{8}$ percent on $4,800 or $174 a year and again his employer will match it.

The King-Anderson bill calls for a double-barreled tax increase—a tax increase of one-fourth of 1 percent for employees and employers alike, three-eighths of 1 percent for the self-employed, plus a $400 boost in the tax base from $4,800 to $5,200.

By January 1, 1964, when the King-Anderson bill—or the Anderson-Javits amendment—would go into effect, the worker making $5,200 would pay $3\frac{7}{8}$ percent on the new wage base or $201.50. Again his employer would match it with another $201.50. The tax increase for this measure would be $27.50 a year for each worker and the same amount for his employer—a total of $55.

This amounts to a 16-percent tax increase for employee and a like increase for employer.

Two more social security tax increases already are approved and scheduled to go into effect in 1966 and 1968.

The tax jumps to $4\frac{1}{8}$ percent for the worker, matched by employer, in 1966, and to $4\frac{5}{8}$ percent in 1968.

If the King-Anderson bill—or the Anderson-Javits amendment—becomes law hiking the tax base to $5,200, every social security tax boost now scheduled and all future increases will be paid on that new base.

And these figures are based on the lowest estimated cost of the proposed plan. No nation which has tried similar medical care programs ever has been able to estimate the cost correctly, and some insurance actuaries believe the estimates for the King-Anderson proposal are unrealistically low.

The young man entering the labor market at age 21 would be forced to pay this tax for at least 44 years, while today's retired, many of whom are well-to-do and who have not contributed a dime to the program, could get the benefits free.

This social security approach places the burden of meeting the cost of the program only on low-income workers and then on a gross income up to $5,200. The secretary earning $5,200 a year would pay the same social security tax as her boss earning $52,000 a year.

It has been estimated that 40 percent of taxable income in the United States is not subject to social security tax.

If medical care for the aged is a national problem, it should be financed from general revenues as provided in title VI of Public Law 86–778.

There has not been time to fairly assess the Kerr-Mills program or the many new private insurance plans for the elderly. They deserve a fair trial.

The Federal grant-in-aid program for the medical care for the needy and near-needy is designed to help those who actually need help—not to arbitrarily established groups. It preserves voluntarism, permitting the nonneedy to take care of themselves. It follows the traditional Federal-State organizational structure of our Nation. And it places administrative responsibility and authority where it belongs—on the local government, which understands and is close to local problems.

The Kerr-Mills law does not waste tax dollars on aged people who are perfectly willing and able to take care of their own medical care costs. It preserves the high quality of medical care now available in this country by maintaining the patient's free choice of doctor and the doctor's freedom to treat his patients in an individual way.

To adopt the King-Anderson bill—or the Anderson-Javits amendment—would be to meddle with the free practice of medicine—a system that has given this Nation the best medical care in the world. It would be the beginning of an irreversible program that eventually would expand until it covered every man, woman, and child in this country.

We cannot strengthen this Nation by copying medical systems under which one country after another around the globe has lost leadership in science and medicine. We cannot strengthen this Nation by substituting medical failure for medical success. I urge you to reflect on the consequences of such a radical measure and to heed the lesson taught in England. The British have given us a history lesson we cannot afford to ignore.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a table of references keyed to the remarks I have made, showing the sources and authorities for the figures and statistics I have given.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REFERENCES

1. Fort Wayne, Ind., News-Sentinel, January 16, 1962, page 1. Survey by Commission on Aging, Indiana State Medical Association.

2. New Medical Materia magazine, May 1962, page 58.

3. Reported in the AMA News, March 5, 1962.

4. Reported in the AMA News, May 14, 1962.

5. Reported in the AMA News, December 28, 1959.

6. Reported in the AMA News, April 17, 1961.

7. Reported in the AMA News, July 11, 1960. Survey by Vermont State Medical Society's Committee on Aging.

8. House Ways and Means Committee hearings, July 24–August 4, 1961, page 578.

9. House Ways and Means Committee hearings, July 24–August 4, 1961, page 1220.

10. October 14, 1959.

11. Reported in the AMA News, May 14, 1962.

12. Financial Resources of the Aging by National Opinion Research Center, University of Chicago, released November 1959.

13. Reported in the AMA News, May 16, 1960.

14. Reported in the AMA News, May 16, 1960.

15. "Our Changing Economy," syndicated column by Maurice H. Stans.

16. Britannica Book of the Year—1961.

17. Modern Maturity magazine, June-July 1961.

Mr. ALLOTT. Mr. President, I should like to propose a parliamentary inquiry at this time.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. ALLOTT. Is it in order for me to withdraw the amendment which I have proposed?

The **PRESIDING OFFICER.** It is in order for the Senator to do so.

Mr. ALLOTT. How much time do I have remaining?

The **PRESIDING OFFICER.** The Senator has 5 minutes remaining.

Mr. ALLOTT. I withdraw the amendment which I previously proposed.

The **PRESIDING OFFICER.** The amendment is withdrawn.

Mr. ALLOTT. Mr. President, I send to the desk an amendment to the Anderson amendment and ask that it be read.

The **PRESIDING OFFICER.** The amendment will be stated.

The LEGISLATIVE CLERK. In the Anderson amendment, identified as "6-29-62—A," it is proposed to strike the language beginning on line 1, page 1, through line 25 on page 74.

Mr. ALLOTT. Mr. President, much has been said and is being said on the subject of medical assistance for our elderly citizens. Yet for some reason we seem no closer to the truth today than ever before. The amendment I have offered would strike the so-called Anderson-Javits amendment. I venture to suggest that the large bulk of confusion has been induced by a deliberate effort to confuse, that the entire matter has become submerged in a morass of conflicting testimony that appeals to the emotions rather than to reason.

Much of what I will say today has been said before but if we are to understand this problem in its entirety and the effect of our actions not only upon the aged of our country but on future generations as well, the time we spend in reviewing the facts will be time well spent.

The subject of medical care of our senior citizens is a grave and complex one, and cannot be dismissed with a few pat, cavalier statements. Neither is it a subject that should be charged with emotionalism, arbitrarily resolved in accordance with the whims of an administration that seeks only to enhance its power regardless of the harm that will be done. This administration seems to be more concerned with the means rather than the end and I propose therefore to set the record straight.

In order to set the record straight we must first define the problem. The problem concerns the individual, the community and the country as a whole. The problem needs to be examined with regard not only to the plight of our elderly people, but with respect to the role that is played by the family, various institutions and the government of the States in assisting the elderly to meet the growing costs of medical care. This problem is in danger of becoming, and has indeed become, a political football and it is time we cried "enough." The administration is so emotionally involved in trying to get its way with this matter that it refuses to concede that the problem is already in a fair way being solved.

Rather than give the law of the land a chance to work, the administration would prefer to hold up the legislative processes concerning other important problems still to be solved by the Senate and the House, while it drags red herrings across our path. As a result the time we spend here will serve to delay needed legislation further.

At the same time through a lack of cooperation from the administration the law of the land which was enacted to provide the assistance that the elderly most desperately need is not being implemented with the deliberate haste that it deserves and the elderly of certain areas of our country are being deprived of the assistance they require.

It apparently matters not to this administration that our senior citizens are being deprived of their rights as long as the majority gets its own way with them. I suggest, Mr. President, that when the results of this recalcitrant attitude of the administration are weighed in the balance, that they are found wanting.

None of us are insensible to the needs of our senior citizens. All of us are gravely concerned regarding the problems of those who arrived on this earth before us and to whom we owe so much. We who are their sons and daughters have benefited from their labor and sacrifices on our behalf. They provided for us in our early years with the sweat of their brow; they watched over us and they guided us; they nursed us through our illnesses in the far watches of the night and through dark hours of despair. They saw to our education to the best extent of which they were capable, doing without in order that we might have advantages which they to a large degree could not afford themselves.

Even those who were childless were joined with our parents in achieving the scientific breakthroughs, the medical progress, the engineering marvels, the great strides in transportation, in education, in every phase of our modern life, so that we came into a life of advantages far greater than they themselves had enjoyed.

Who are the elderly of today but the workers, the scientists, the engineers, the teachers, the ministers, of yesterday? And now as they reach their sunset years, and as others reach them tomorrow, next year, and the years to come, their security and dignity is on our conscience. Now in the twilight of their years, some of our senior citizens are in need of assistance and it is and will continue to be the responsibility of all of us to see that they get it. We must see to it that they enjoy their remaining years in peace and dignity, not as wards under the benevolent despotism of an all-powerful Federal Government, but as free citizens able to live their own lives in gracious fulfillment.

Many of the facts and tables from which I will quote are from already published reports, but if we are to bring this problem to light in its true perspective, then these facts will bear repetition.

The problem is simply this: How many of our senior citizens need assistance in meeting the costs of medical care; what kind of medical care do they need; how much do they need; what will it cost; how is the required assistance to be given to them?

It is a well-known fact that since the early part of this century the proportion of the population which represents people of age 65 and over has doubled and that by 1980, about 10 percent of our population, something over 24 million people, will be 65 years of age or older. At the same time, that is, by 1980, the proportion of the population of working age will be less than it is today. So, whatever the cost, and rising as it will, to take care of an ever-increasing quantity of people in the elderly bracket, payment for those costs will have to come from an ever-diminishing group of wage earners.

Further factors bearing on the problem are that the majority of the aged are women and this proportion increases with age, the proportion of married persons drops with increased age and the proportion of the population age 65 or over varies not only State by State but further by county within States. To summarize, the essential facts are that our aged population is increasing with greater longevity among women and an uneven geographical distribution.

By the beginning of 1964 Social Security Administration estimates the total population 65 or older will be about 9 percent or approximately 17,900,000 persons. As I said a moment ago, not only the oldest age group, but also the youngest, will grow faster than the rest of the population. Between 1950 and 1960, while the number of persons 65 years of age or older increased by 34.7 percent, the number of those under 20 years of age increased by 34.4 percent. At the same time the increase in the group 20 to 64 years old was only 6.9 percent. This latter is the age group, of course, in which are the vast majority of those actively employed.

To interpret this information in another way, it might be said that while the younger group is growing very fast and those in the oldest group are growing very fast, those in the middle group, who would have to provide the money to pay for this program, are not increasing nearly so fast.

As I have said, the increase in the group 20 to 64 years old was only 6.9 percent. This latter is the age group, of course, where we find the vast majority of those actively employed. It represented 57.9 percent of the total population in 1950 and only 52.3 percent of the population in 1960. In this same decade there was an actual decline of 9.2 percent in the number of persons 20 to 29 years old. This is the age group which was made up of persons born during the prewar years when the birth rate was low.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two tables published by the Bureau of the Census. One shows the total U.S. population and population age 65 and over for the years from 1920 to 1980. The second depicts the shifting percentage composition of the population by age group.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Total U.S. population and population age 65 and over, 1920–80

Year	Total population (millions)	Population age 65 and over	
		Number (millions)	Percent of total population
1920	106.0	4.9	4.7
1930	123.2	6.6	5.5
1940	132.1	9.0	6.9
1950	151.3	12.3	8.2
1960	179.3	16.6	9.2
1970	208.2	19.5	9.4
1980	245.4	24.5	10.0

Source: U.S. Bureau of the Census: U.S. Census of Population: 1960, vol. I, for 1920 to 1960 data; "Illustrative Projections of the Population of the United States by Age and Sex, 1960 to 1980," series P-25, No. 187 (Nov. 10, 1958), p. 16, for 1970 and 1980 projections. Projected data are series III of the 4 series prepared and are based on an assumption of relatively high birth rates. The projections exclude data for Alaska and Hawaii.

Percentage distribution of U.S. population, by age, 1900 to 1960

Year	Percent of population			
	Total	Under 20 years	20 to 64 years	65 years and over
1900	100.0	44.3	51.4	4.1
1910	100.0	41.9	53.6	4.3
1920	100.0	40.8	54.6	4.7
1930	100.0	38.8	55.8	5.5
1940	100.0	34.4	58.7	6.8
1950	100.0	34.0	57.9	8.2
1960	100.0	38.5	52.3	9.2

Source: U.S. Bureau of the Census, U.S. Census of Population: 1960, vol. I. Because of rounding, items may not add to totals.

Mr. ALLOTT. Mr. President, a steady increase in the proportion of the aged group in the population during the last 60 years is apparent. The proportion of the population that is under 20 has not followed a consistent pattern. Predictions for this segment of the population over the next two decades are difficult because this birth rate depends on economic developments, social trends, and changing attitudes regarding the desired size of families but I think that it is safe to say that the proportion of the working age group will be less in 1980 than it is in 1960. Factors that are inhibiting the growth of this age group are military service and the emphasis on higher education which reduces the number of those available for employment.

I believe the two tables which I have just placed in the RECORD support this conclusion adequately.

It should be further noted at this point that the greatest relative increase among the over-65 population has been at the upper end of the age scale. Data from the 1960 U.S. Census of Population show that, among the aged, the older the group, the greater has been its proportionate growth. Between 1950 and 1960 the following increases in population were registered in the specified age groups:

Increase in population from 1950 to 1960

Age group:	*Percent*
65 to 69 years	24.8
70 to 74 years	38.6
75 to 84 years	41.1
85 years and over	60.8

The geographic distribution of the aged is also worthy of note. In 18 States at least 10 percent of the population was age 65 or over on April 1, 1960. The heaviest proportionate concentrations of aged persons were in the Plains States and New England. Iowa and Missouri respectively had 11.9 percent and 11.7 percent of their populations age 65 and over. Florida, with 11.2 percent, had the largest ratio of 65 and over persons of any State outside these regions. In only eight States, Alaska, Arizona, Hawaii, Nevada, New Mexico, North Carolina, South Carolina, and Utah, was less than 7 percent of the population in the age group with which we are here concerned. The highest rate of growth in the aged population took place in Florida and Arizona. Here, the number of persons age 65 or over more than doubled between 1950 and 1960. California and Nevada have had rises in their aged population of over 50 percent in each of the past two decades. However, because of the rapid growth in the total population in Arizona, California, and Nevada, the proportion of the total represented by the aged has not changed significantly. Indeed, the proportion over 65 in Nevada declined from 1950 to 1960.

An excellent examination of the economic factors affecting our elderly people can be found in a report prepared by the Blue Cross Association and the American Hospital Association. This report is based on factual data supplied from a number of sources, including the U.S. Bureau of the Census, the Social Security Administration, and others.

Mr. President, I ask unanimous consent that this statement may be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLOTT. Mr. President, I believe we should now turn our attention to medical developments and changing health patterns as they affect the people with whom we are concerned. For many reasons of advances in medical science and improvements in our environment there has been a marked increase in life expectancy from 1920 to 1960. For example, in 1920 male babies could be expected to live for an average of 53.6 years. In 1960 male babies could be expected to live an average of 67 years. At the same time there has been an increased exposure on the part of the aging population to chronic disease.

The decline in the death rate is in great measure attributable to the enormous advances made in the control and elimination of infectious diseases but the pattern here is that while pneumonia and influenza, tuberculosis, and diarrhea and enteritis are all but conquered we now find ourselves faced with increasing incidents of heart disease, cancer, and cerebral vascular diseases.

It has been said, then, that chronic illness, in contrast to acute illness, is much more prevalent among the elderly than among those under 65.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the percentage of persons having chronic conditions, by age and sex, in the United States, July 1957–June 1958.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Percentage of persons with chronic conditions, by age and sex, United States, July 1957–June 1958

Chronic conditions	Males			Females		
	All ages	Under 65 years	65 years and over	All ages	Under 65 years	65 years and over
Percent of persons with at least 1 chronic illness	39.1	36.0	75.2	43.5	39.8	80.6
1 chronic condition only	23.1	22.9	26.2	22.8	22.4	26.9
2 chronic conditions	9.3	8.3	21.3	10.7	9.8	19.9
3 or more chronic conditions	6.7	4.8	27.7	10.0	7.6	33.8

Source: U.S. National Health Survey, "Limitation of Activity and Mobility Due to Chronic Conditions, United States, July 1957–June 1958," U.S. Public Health Services Publication 584-B11 (July 1959), cited in Mortimer Spiegelman, Ensuring Medical Care for the Aged, Pension Research Council Publication (Homewood: Richard D. Irwin, Inc., 1960), p. 51.

Mr. ALLOTT. Mr. President, what is the outlook for the future? While it is difficult to forecast accurately, there is very good reason to believe that science will continue to improve the state of the medical art, and that our people will live longer; and it is, therefore, likely that a greater portion of the population will live to older ages than even now are extrapolated.

In examining the needs of our elderly, we must consider the costs of medical care and must note the increase that has taken place within the past several decades. While the consumer price index rose 70 percent from 1929 to 1959, the medical care index rose 105 percent; and from 1950 to 1960, the percentage rise in the medical care index was approximately twice that of the overall index, and more than that of any other major CPI component. There are many reasons for this, of course. Inflation has taken its toll here, as it has everywhere else. There are other factors, also. While a manufacturer can automate with machine tools to offset the rise in labor costs, a hospital can automate only a small part of its clerical functions. The surgeon must still perform the surgery; an anesthetist cannot be replaced by a punched card; a scrub nurse cannot be replaced by a conveyor belt. In addition, science has introduced into the medical world an ever-widening scope and an ever-increasing complexity of services. Labor costs have risen significantly, through the correction of extremely low wages, shorter workweeks, the increase in hospital personnel, and the higher costs of personnel who are better trained, in order to be more efficient and skillful, and who can meet the demands of today's medical science for higher standards of care. In the factories, new techniques often result in smaller labor forces in specific areas, while in the hospitals, new techniques and services result in the need for more and better trained personnel and equipment, rather than less. As an illustration, I request unanimous consent to have printed at this point in the RECORD a news report from Time magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FREEZING FOR PARKINSON'S

The movies that Manhattan's Dr. Irving S. Cooper showed to the American Medical Association last week were heart rending even to medical men familiar with the ravages of disease. There were pictures of adult victims of Parkinson's disease, or "shaking palsy"—men who could not stay the agitated tremor of their rigid, half-clenched hands, or could not walk except in jerky petits pas. There were children suffering from nerve disorders similar to Parkinsonism. During an attack, a pretty girl of 11 was doubled up, her whole body distorted and shaking. A boy the same age was bent backwards; eventually, said Dr. Cooper, his back and legs might arch until his head touched his heels.

All those pictures were of people who had not yet been operated on by Dr. Cooper. Next, the inventive neurologist paraded the same grateful postoperative patients before the professional audience. Ex-Coal Miner Arnold Smith, 46, has been so completely freed of the palsy that he has taken up a new career as a physiotherapy aid at the Whitesburg Memorial Hospital in Kentucky. Remarkably erect Joan Harris, now 15, of Larchmont, N.Y., is doing well in school. The boy, 13, is as straight as a spruce, and supple as a birch. But there were still more surprises to come. These patients, like famed Life photographer Margaret Bourke-White, were operated on by techniques that Dr. Cooper, 39, now considers outmoded. The patients he really wanted to show off were the next to be presented: a housewife and a schoolgirl on whom he operated by freezing a pea-sized portion of the brain.

CROSSED CONNECTIONS

Parkinsonism (the cause of which is unknown in most cases) is a disorder of nerve cells near the thalamus deep in the brain. The affected nerve cells keep on firing impulses for muscle contraction when the contractions are not necessary. Effective treatment consists of somehow interrupting these misfiring nerves.

Dr. Cooper's first approach, back in 1952, was to sever an artery supplying the nerve-cell complex. Though many patients got relief, several died, and an equal number were left worse off than before their operation. Next he tried injecting absolute alcohol into part of the brain near the thalamus. Then Dr. Cooper put the alcohol into the thalamus, as in Photographer Bourke-White's case.

THREE IN ONE

But the neatest, cleanest way to kill a specific segment of tissue in a living body is by rapid deep-freezing. Dr. Cooper's newest technique, used in almost 200 cases in the past year, is to put the patient on the operating table under a battery of X-ray machines. Using a local anesthetic, he saws out a dime-sized piece of the skull, then inserts a three-in-one tube, only 2 millimeters (less than one-twelfth inch) in diameter. The tube slips painlessly through the insensitive brain to the deep-lying thalamus. The tube's outer layer is a vacuum insulator; the innermost bore carries liquid nitrogen supplied at minus 196° C.; the middle layer is for warmed and gaseous nitrogen to escape.

When the X-rays show that the tip of the tube is in the thalamus, Dr. Cooper lets in enough liquid nitrogen to drop the tip temperature to zero or minus 10° C. This knocks out the nerves, but does not destroy them. He asks the patient to raise an arm, or leg, or both: If the patient has full control of his limbs, with no tremor remaining, the tip is in the right place.

Then Dr. Cooper admits more liquid nitrogen, to drop the tip temperature to minus 40° or minus 50° C. In less than 5 minutes, this rapid freezing kills the offending, misfiring nerve cells. If the freezing extends a bit too far and the patient becomes unable to move his arm satisfactorily, Dr. Cooper has 30 seconds in which to correct the error and rewarm the thalamus. Most patients can be out of bed the same day and out of the hospital within a week.

Now that nitrogen injection kits are being manufactured, other neurosurgeons, still skeptical, will try to duplicate Dr. Cooper's results. Awaiting the benefits of his bold pioneering are at least 300,000 U.S. victims of Parkinsonism, a lifelong affliction, of which doctors say: "Patients don't die of this disease—they die with it."

Mr. ALLOTT. Mr. President, it has been reported that the small special equipment developed for the operation referred to in the article which I have submitted for the RECORD would cost $5,000 per unit, certainly not an overwhelming figure when we think of the misery and agony such equipment will do away with, but, nevertheless, an illustration of the fact that every step of progress is costly.

Not only must we be concerned with the increasing cost of rendering hospital services of one sort and another; another factor in those costs is the increase in the per capita use of hospitals. As further improvements in medical science are inaugurated, we can expect that they will spur continued growth in the demand for health services. Hospitals and doctors are doing their best to maximize the result per dollar cost, by introducing efficiencies in their procedures and organization; but even as these are improved, we can expect the standards of care to be raised, the scope of services to be expanded, and consumer demand to continue to grow.

At this point I should like to state that in my personal conversations with the superintendents of many hospitals, and particularly in my conversations with the superintendents of hospitals in my own State, I have been impressed by the very great efforts they have made to try to find ways to reduce hospitalization costs. Some of the plans they have thought of and have considered show a maximum of objective thinking in their attempts to deal with this problem. They know what the problem is. But it is not possible to place, as I have stated, hospital patients on a conveyor belt and, by placing a screw here and a nut there, expect to have them repaired.

So it is obvious that hospitalization costs will constantly increase. But I should like to make very clear that, in my opinion, the personnel involved—the hospital superintendents and all the other administrative personnel of the hospitals—are devoting their best energies in the endeavor to find new ways to prevent further increases in hospitalization costs.

As examples of the kind of costs I am talking about, it is well to consider that while we gratefully hear of someone whose life has been saved through the use of an artificial heart, or that a cancer has been arrested through the use of a cobalt machine, very few of us know that an artificial heart-lung machine costs about $45,000, a cobalt machine about $30,000, and X-ray movie cameras cost from about $20,000 to $50,000. As these newly developed machines are added to the hospital inventories, they require more, rather than less, people to operate them. True, the equipment is expensive; but the outstanding cost for these new services is that for the new, trained personnel to operate the equipment.

These costs will continue to rise as medical science continues to develop, because as fast as the new services and equipment are developed, the public or the consumer demands that their use be made available to him. So as time goes by, medical care will become more complex and more costly.

Let us now take a look at what these costs mean to the individual consumer. In 1958, the annual per capita gross expenditures by noninstitutionalized citizens for personal health care was $177 for persons 65 and over, and less than half this amount, or $86, for persons under 65. The Department of Health, Education, and Welfare recently estimated that the total public and private annual expenditures for health care of the aged was nearly $5 billion. Total health expenditures for all persons in the United States in the year ended June 30, 1960, were $26.5 billion—$20.3 billion private expenditures and $6.2 billion public expenditure. It would appear, then, that the health bill for persons 65 and over, although they constitute less than 10 percent of the total national population, represents almost 20 percent of total national expenditures for health. Not only are the health-care expenditures for aged persons greater than those for their younger counterparts, but in recent years they have been increasing at a greater rate. A Health Information Foundation study compared two 12-month periods—1952–53 and 1957–58. Between the two periods, the gross per capita expenditures for elderly persons increased by 74 percent, while for all persons the rise was only 42 percent.

One of the difficulties apparent here is that the higher per capita health-care expenses incurred by the aged come at a time when family income has declined. As a result, health-care costs take a disproportionately large part of the elderly family's income.

As of 1958, hospital-care expenditures represented a greater proportion of the total health-care outlays for the aged than for those under 65. From 1952-53 to 1958 the greatest absolute increase among the types of medical expenditures for the elderly was for those for hospital services. For all major types of physicians' services—home calls, hospital calls, office calls, and surgery—expenditures for aged persons are substantially higher—from 26 to 105 percent higher—than those for all individuals.

In addition, hospital care for the elderly costs much more than that for younger persons. If we examine the history of hospitalized persons, we find that those over 65 incurred an average expenditure of $552, compared with an average of $168 for persons of all ages who were hospitalized. These figures are for the years 1957-58.

The PRESIDING OFFICER. The time available to the Senator from Colorado has expired.

Mr. HUMPHREY. Mr. President, has the Senator from Colorado used all of the 30 minutes available to him on the amendment?

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Let me inquire whether the Senator from Colorado wishes to have additional time made available to him. I think so highly of my friend that I wish to cooperate in every way possible.

Mr. ALLOTT. I am very grateful to the Senator from Minnesota, even though I do not seem to have impressed him this deeply before. So I shall be grateful to have additional time made available to me.

Mr. HUMPHREY. Would an additional 10 minutes be helpful to the Senator?

Mr. ALLOTT. Of course.

Mr. HUMPHREY. Then, Mr. President, I am glad to yield 10 additional minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 additional minutes.

Mr. ALLOTT. I would like now to turn to the utilization of health facilities and services by the aged. Aged persons utilize most health-care services to a considerably greater degree than the population as a whole. They are admitted to hospitals more frequently and stay longer. They are the predominant users of nursing homes and other long-stay institutions. They require and use a greater volume of physicians' services. They spend more on drugs. They do spend less for dental service than the population as a whole.

How is the financing of health care for the aged managed? A National Health Survey provides the most recent and comprehensive nationwide data on hospital insurance coverage. The survey was conducted during the period of July 1958 to June 1960.

The study showed that two-thirds of all persons discharged from short-stay hospitals met at least some of their hospital charges through insurance. Half of the aged discharged patients had some part of their bills covered by insurance. Some portion of hospitalization charges was covered by insurance for 63.3 percent of the persons age 65 to 69; for 53.9 percent of those between 70 and 74; and for 37.5 percent of those 75 and over.

Among all persons discharged from short-stay hospitals who received some insurance benefits, 75 percent had at least three-fourths of their bills paid by insurance. Of those 65 and over who received insurance benefits, 59.2 percent had at least three-fourths of their hospital charges covered.

The net result is that among the discharged patients, at least three-fourths of the hospital bill was covered by insurance for 51.3 percent of the persons of all ages, 30.3 percent of the persons 65 and over, and 20.2 percent of those 75 and over. It is interesting to note that hospital insurance coverage, particularly for the aged, is largely dependent upon employment. In a 1957 study of aged persons, it was found that less than 4 out of every 10 persons 65 and over had some form of voluntary health insurance. Almost all of those with health insurance had hospitalization, approximately two-thirds had coverage for inhospital doctor visits, and about one-fifth had coverage for physicians' home or office visits. Fifty-seven percent of all aged persons with health insurance had first obtained such coverage through a job, either their own or their spouse's.

About one-sixth of the elderly persons studied were uninsured but had been insured in the past. Nearly half of the formerly insured persons had obtained insurance through their work. The principal reasons given for terminating insurance were retirement from employment, belief that coverage was too expensive, and dissatisfaction with the benefits offered.

Half of the aged who had no health insurance said that they would be interested in obtaining such insurance, but felt that they either could not afford it or could not obtain it. The rest of the uninsured group either did not want insurance or were not interested.

A study of the uninsured in 1958 indicated that persons who did not have health insurance were more likely to be found among these groups: nonwhites, unmarried individuals, full-time housewives, retired persons, members of low-income families, residents of rural farm areas, and the aged. For 12 percent of the uninsured persons of all ages, coverage could be obtained through work by either the uninsured individual or other members of his family. However, only 1 percent of the uninsured persons 65 and over could obtain coverage in this way, and no coverage was possible through work for approximately 99 percent of the uninsured aged.

A 1957 survey by the Bureau of Old-Age and Survivors Insurance showed insurance paid at least part of the hospital, surgeon, and inhospital physician costs for 54 percent of the OASI beneficiary couples with a member hospitalized in general hospitals and 48 percent of the hospitalized single beneficiaries. Slightly more than 30 percent of the hospitalized beneficiaries had at least half of these costs paid by insurance; 7 percent had all these costs so paid.

The survey also found that the percentage of those who received hospital care during the year was higher among those who had insurance—14.2 percent—than among those who did not—8.8 percent.

A 1958 study indicated that average hospital bills increase with patients' age and, moreover, that older persons pay a larger proportion of such charges out of pocket without the help of insurance. The data also suggested that not only do fewer of the aged than of the young have health insurance, but that those who do have insurance have poorer protection than their juniors.

Data provided by Blue Cross plans show that between 4.3 and 5.1 million persons age 65 and over are covered by Blue Cross. Some 24 percent of all Blue Cross group subscribers are now included in enrolled groups that have provisions for continuing retirees as part of the groups. Provisions for employer contributions toward the cost of this arrangement are increasing. Some 25 percent of all Blue Cross subscribers are persons who have left employment where they were covered on a group basis, or who enrolled as individuals—a large segment of this group are persons 65 or more.

About 4 to 4¼ million persons age 65 and over are covered by commercial health insurance. Of these, 750,000 are insured under group plans and about 1 million are covered under mass enrollment programs. The remaining aged—about 2.5 million—covered by insurance companies have individual policies.

There are many programs of private health insurance which are of assistance to the aged. Coupled with these, as I will later show, the Kerr-Mills law is being made a workable solution to the problem of assisting the elderly to obtain and pay for the assistance they need.

What, then, is the problem? A few of the major points are these:

Half of the aged persons in the United States have money income of less than $1,000 a year. Although the older persons have somewhat higher than average asset status when compared with younger persons, much of their assets are difficult to convert into purchasing power. A mortgage-free home is a fine thing to have, and actually represents a type of income, because the owner does not have to pay rent; but such assets are difficult to convert into purchasing power.

The aged have higher medical expense. They use hospital and medical services more. On the average, the aged spend considerably more than the rest of the population for hospital care and significantly more for all the other elements of medical care except for dental care. Like all of us, they face rising medical costs, and these costs have been rising faster than any other item in the Consumer Price Index. Because of the nature of medical science, it is likely that medical care costs will continue to rise faster than other items in the Consumer Price Index. We know that, as among all age groups, the costs of medical care fall unevenly and unpredictably; that while some have few medical expenses in a given year, others have very high expenses. We know that the incidence and prevalence of illness are greater among the aged, and we know that once the aged become ill, they are more likely to remain ill.

We know that fewer of the aged are covered by prepayment or insurance than persons below 65. We know that the coverage of the aged is of lesser benefit quality, in general, than the coverage of younger age groups. We know that in the past few years, prepayment and insurance have made impressive strides in coverage of the aged and in removal of many restrictions. Various public programs such as those covering free or reduced rate mental and tuberculosis care, are widely available. It is not only the aged who experience low income, high medical expenses, and low protection. To a lesser extent, the younger population contains persons in a similar plight. But more of the aged are caught in the problem of low income and high medical expenses, and their economic position is unlikely to change, a hope that is not denied to the younger. Because of their fixed position, they are more vulnerable to the costs of inflation.

The PRESIDING OFFICER. The additional time of the Senator from Colorado has expired.

Mr. HUMPHREY rose.

Mr. ALLOTT. Does the Senator have in mind speaking on this particular amendment?

Mr. HUMPHREY. The Senator primarily has in mind cooperating with the Senator from Colorado.

Mr. ALLOTT. I shall be pleased if the Senator will yield me another 10 minutes.

Mr. HUMPHREY. I am glad to yield the Senator 5 minutes at this time.

Mr. ALLOTT. I am glad to have it. I appreciate the Senator's courtesy.

The PRESIDING OFFICER. The Senator from Colorado is recognized for an additional 5 minutes.

Mr. ALLOTT. Mr. President, what are the requirements, then, of a health assistance program? The requirements can be simply stated. It should be based on free enterprise and freedom of choice which, God willing, will always be the posture of Americans. It should be established on a sound and reasonable basis for providing assistance to individuals over 65 who otherwise would experience difficulty in paying for medical care.

Mr. President, it is important to repeat that latter phrase—"who otherwise would experience difficulty in paying for medical care." There are many who are able to take care of their own problems quite satisfactorily in their own way without any assistance from anybody, least wise the Federal Government.

Such a program needs to be administered at the State and local level, where the problems of the people within the State are better understood and more efficiently handled.

And finally, such a program should be made financially feasible for the States in order that they can implement it.

Mr. President, I now propose to show that the Kerr-Mills law meets the requirements better than the proposal which we have before us today.

Mr. President, if I may have the attention of the distinguished acting majority leader, I have in mind offering another amendment. This is a convenient time for me to interrupt my discourse. If the Senator wishes to reply to the argument on the amendment, to use the remainder of his time, I inform the Senator it is my intention to withdraw the amendment.

Mr. HUMPHREY. I suggest that the Senator proceed according to his announcement and withdraw his amendment. I know the Senator has strong convictions on these matters and wishes to express those convictions, as he has done so well today. We can proceed to consider the other amendments. I shall be more than happy to yield back any remaining time I have on this particular amendment. If the Senator will withdraw the amendment, we can proceed to consideration of other amendments.

Mr. ALLOTT. Mr. President, if the Senator has yielded back his remaining time——

Mr. HUMPHREY. I yield back my remaining time.

Mr. ALLOTT. I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HUMPHREY. Does the Senator intend to offer another amendment?

Mr. ALLOTT. Mr. President, I offer the amendment which I send to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out the language beginning on line 18, page 57, and ending on line 15, page 75, of the Anderson amendments.

KERR-MILLS ACT

Mr. ALLOTT. Mr. President, as I have suggested, I now intend to discuss certain provisions of the law relating to the Kerr-Mills Act.

It has been the custom under the present administration, as well as in past administrations, to hold White House Conferences, in which experts in a particular field are called together in an effort to work out recommendations for solving some of the problems facing the Nation. One such conference was called, for a meeting in January of 1961 to discuss the problems, potentials, and challenges of an aging population. For 4 days, more than 2,500 delegates met in Washington, D.C. The results of that conference cover a variety of subjects.

We are fortunate that on May 15, 1961, the Special Committee on Aging of the U.S. Senate, under the able guidance of my good friend and colleague, the Senator from Michigan [Mr. McNAMARA], issued a document which I now hold in my hand. It is the committee print of the White House Conference on Aging, and I would call special attention to page 37 of the committee print, which is entitled "Policy Statement and Recommendations—Institutional Care." Since the recommendations by the experts on the subject of our senior citizens deals directly with the matter under consideration by the Senate, I should like to read from the report.

On page 37, after a preliminary statement, the Report by the White House Conference on Aging says:

> Adequate care cannot be provided without sufficient financing, both for construction and for provision of services. Costs should be kept to the lowest possible level consonant with high-quality care, through planning, efficient management and economical use of facilities. No needed care should be denied because of inability to pay, nor should the financing mechanism create impediments to the proper utilization of the various types of facilities, including the home. Everything possible should be done to encourage voluntary prepayment groups to expand and broaden their coverage for aged individuals, and further, to extend such coverage over the whole institutional care spectrum, and to care in the home. Local, State, and Federal Government financing will be required in increasing amounts to supplement individual resources and voluntary prepayment. Existing Federal State, matching programs will provide effective, economical, dignified medical care for our elderly citizens who need help. The implementation of such programs should result in the high quality of medical care desired. Compulsory health care inevitably results in poor quality health care.

I repeat, "Compulsory health care inevitably results in poor quality health care." I would like to point out, for the benefit of any of my colleagues who might have entered this Chamber toward the end of my statement, that I was not reading from the Republican platform of 1960. I was reading from the committee print published by the Special Committee on Aging, listing the recommendations of the White House Conference on Aging of January 1961.

The minority views hold to the contrary, and urge what is tantamount to medical care under social security, although it is not specifically referred to as such. It is worth noting that in July of 1962, just as in the early days of 1961, the people of this country continue to hold steadfastly to the view reflected by the majority in the White House Conference. My mail has been running overwhelmingly against the King-Anderson-Javits approach, that is to say, medical care for our senior citizens under social security.

It appears to me that in the deliberations which are now taking place in this Chamber we are disregarding the considered judgment of experts as well as the wishes of the majority of the people in this country. From my State of Colorado there was a delegation to this White House Conference which included Robert L. Knous, our Lieutenant Governor, the chairman of the Governor's Commission on Aging. In addition, the following persons were also in attendance:

Dr. Albert H. Rosenthal, District Regional Director of HEW; Mr. Riley Mapes; Dr. William T. Van Orman; Miss Charlene J. Birkens; Dr. Roy L.

Cleere, head of our State medical office; Dr. Franklyn Ebaugh; Dr. Richard Haney; Dr. Heber Harper; Mr. Samuel Janzen; Mrs. Ray Landis; Mr. Archie G. Maine; Mr. Herrick Roth; Mrs. Edith M. Sherman; Dr. Lennig Sweet; Mrs. Leslie E. Taylor; Mr. Franklyn Stewart; Mr. Bernard Teets, Director of our State Department of Employment Security; Mr. Lindsay E. Waters; Dr. John Zarit.

The severest critics of the Kerr-Mills approach to medical care for those over 65 point to the fact that the act has simply not accomplished the purpose. Apart from the fact that I consider it ill-reasoned to expect a program of this magnitude to be functioning at peak performance 22 months after enactment—just as unreasonable as criticizing our space program for its inability to reach the moon in the relatively short time it has been in existence—there is also the fact that the executive branch has not been pursuing the implementation of Kerr-Mills as assiduously as the program warrants. During the hearings before the House Subcommittee on HEW Appropriations, Secretary Ribicoff made the following statement:

> Now, administratively, we want to get results. One important task was the problem of getting out the results of the White House Conference. Thirty-seven separate publications have been issued.

On the other hand, and as I will point out in just a moment, the Department of HEW, with appropriated funds at its disposal, has not been moving forward in an effort adequately to put Kerr-Mills into full operation as the Congress intended. I commend the Secretary for disseminating the results of the White House Conference, and find myself only disappointed that the recommendations have not been followed, at least as they apply to Kerr-Mills.

At this point I must go outside my prepared statement and remark upon one of the great failures and frailties of the Congress and the great structure of Government that we have. An hour or so ago the Senate voted upon an amendment proposed by the distinguished Senator from Wisconsin which would provide for a commission to study manpower needs and the assets available for our space program.

His amendment provided for the appointment of a council to make such a study. I voted against the amendment, not because I am not convinced that there is a need. There is a great need for such a study. I voted against the amendment because the council would meet, much money would be expended, and then even before a report of the study was published or before the council had arrived at a conclusion, the chances are about 90 to 1 that the people in the space agency, the Congress and the administration, would go galloping off without paying any attention to what the council had reported anyway.

We have followed such a procedure on the question of taking care of our aged. I am astounded that we in the Congress again and again appropriate money to various commissions, agencies, and bureaus to investigate aspects of certain questions, and then before even a report of the study is prepared, we pass impressive and extensive legislation involving hundreds of millions of dollars which does not even take into consideration the findings of the various commissions so appointed, because the commissions have not yet reported.

In the present instance, we are asked to do it again, and we shall repeat the process again and again. I wished to refer particularly to the vote today on the amendment of the Senator from Wisconsin, because I think it is perfectly obvious that while the need the Senator from Wisconsin had in mind is very great, the results from such a study would never have seen the light of day. If they did see the light of day, they would wilt as fast as a fresh violet plucked from a mountain meadow.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to the distinguished Senator from Nebraska.

Mr. HRUSKA. First, the Senator from Colorado is making a fine contribution to the discussion at hand. He handles his material well and shows that he has become a student of no mean knowledge on the subject.

I should like to ask the Senator from Colorado whether or not it is true that on occasion, instead of overstudying a subject or a pending measure, we do not get into it enough by way of our legislative process, and the measure which is before the Senate—the so-called King-Anderson-Javits proposal—is probably a good example of that point. No committee hearings have been held. There has been no documentation of the various points of view or of the provisions of the bill. No estimate of cost that I know of has been formulated by any Government authority which would normally be consulted on the question. Would the Senator have any comment upon that particular aspect of the proposed legislation to which his amendments are directed?

Mr. ALLOTT. I certainly do have. I wish to thank the distinguished Senator for his contributions. It is true both ways. I was particularly interested in the fact that while we paid attention to what the White House conference for the aged did, we have turned around and pursued the most inconsistent, illogical, and almost immature approach to a question like the one pending before the Senate, which would affect the lives of most of us, God willing, and certainly the lives of many individuals. We would do so by seeking to jam through the Senate an amendment which would take the social security approach to the health care for the aged.

It is a measure which would have great tax consequences for every employer and employee, and its provisions are completely inadequate. Sometime within the next few hours I shall probably get to that aspect of it. It is completely inadequate for the needs.

We are asked to commit hundreds of millions of dollars to a program in a field which is already adequately serving or could adequately serve the people, and yet we would do so without even letting the measure go to the Senate Committee on Finance, the committee upon which we must depend to study these questions and make recommendations. We are asked to act on the measure without a report or a recommendation from that committee.

Mr. HRUSKA. Mr. President, I thank the Senator for yielding to me.

Mr. ALLOTT. I thank the Senator. His thoughts have been most helpful.

In recognition of the fact that among our senior citizens, there are those unable to meet the costs of medical, hospital and other related treatment, the Congress, in 1960, passed the Kerr-Mills bill which, in essence, provides for a Federal financial participation in State programs established to meet these needs. To provide for those 65 and over already covered by old-age assistance, the bill would increase those benefits to cover the medical aspects.

While I shall discuss that point later, I think it is only appropriate to call attention now to the fact that the Anderson-Javits amendment, which we are now considering, would provide no medical care outside of a hospital or certain designated nursing homes. For those over 65 not covered by old-age assistance, the Kerr-Mills bill authorized medical coverage in specified amounts.

Kerr-Mills has the benefit of the customary legislative process, and was accorded complete committee hearings and consideration—culminating in a report by the Senate Committee on Finance dated August 19, 1960.

Mr. President, each of us who was here at the time had an opportunity to study that report. It was Report No. 1856, 86th Congress, 2d session. It stands as a tribute to the unanimity of feeling regarding the bill, that the vote on final passage was 91 to 2 in favor of passage. And yet, scarcely has the time elapsed in which to implement this legislation, and the Senate is now being asked to junk it and start afresh.

What is proposed is that we pile this monstrosity on top of it. If we do so, we will have a real situation on our hands.

Opponents of Kerr-Mills urge that the act be set aside, almost before the ink is dry, despite the fact that better than 24 States have enacted legislation in reliance upon its permanency. It is difficult to conceive how a program, concurred in by 91 Members of this body, only 22 months ago should now become unworkable or, as the Special Senate Committee on Aging concluded:

> It proves that Kerr-Mills cannot, of itself, solve that problem which our committee has found to be the most persistent and frightening one confronting millions of older people and their children in all parts of the country—the problem of assuring economic access to medical care for all our older people on a decent, self-respecting basis.

Before this body relegates to the ashcan a program upon which a substantial number of States have relied, a program which a number of States have implemented by legislation, a program which was and is dedicated to fulfilling the needs of our senior citizens, it would be very useful to examine the act in detail in order to clear the air of misunderstandings and have clearly in mind what the objectives of the Kerr-Mills bill are, and what its accomplishments have been in the brief period it has been law.

The Senate Finance Committee, reporting on H.R. 12580, the social security amendments of 1960, said as follows:

> In this 25th anniversary year of the Social Security Act, the committee has examined proposals relating to almost every title of the Social Security Act. As a result of our consideration, the committee is reporting a bill which makes changes and improvements in all of the programs encompassed by this legislation. The major issue presented to the committee this year has been the increasing cost of adequate medical care for older people. The evidence presented to the committee indicated that these costs derive, to a large extent, from the fact that impressive improvements have been made in medicines and medical technology, which assist in better diagnosis and treatment, and from improved hospital and other facilities and their wider availability to the public. The knowledge that these costs are unpredictable and sometimes very heavy, especially for our older men and women living on reduced retirement incomes, has been a matter of grave concern to this committee. As a result we are recommending a program of Federal assistance in providing through the cooperation of the States, an expanded program of medical care for persons aged 65 and over. Under this proposal, the Federal share of existing old-age assistance plans will be substantially increased to encourage States to strengthen their medical programs for these people or to initiate new programs. In addition, Federal money will be made available, on a generous matching formula, to assist the States in aiding those aged persons, many of them otherwise self-sufficient, who need help only in meeting the costs of medical care of a very expensive nature.

In the event that the successful implementation of Kerr-Mills has not proceeded with such dispatch as its detractors would wish, the responsibility must, in part, at least, be borne by HEW. Under questioning by Representative Melvin Laird and Chairman John E. Fogarty at recent hearings of a House Appropriations Subcommittee, Secretary Ribicoff admitted he had hired only one professional staff member, although Congress had provided $145,000 to employ a staff of 18. Further questioning also brought out that little has been done by the Department to implement the 600 recommendations of the White House Conference on Problems of the Aging. One of them, dealing specifically with medical care for the aged, I discussed a moment ago.

Mr. President, I ask unanimous consent to insert in the Record at this point in my remarks an excerpt from the hearings before the House Committe on HEW appropriations on January 30, 1962.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Reference to Appropriate House Hearings Before the Subcommittee on HEW Appropriations, January 30, 1962—Part I

Pages 104 and 105:

"Mr. Fogarty. What did Mr. Kent [works for the Secretary, studying the Conference recommendation and developing legislation to carry them out] originally ask of the Bureau of the Budget?

"Mr. Kelly. In his supplemental request?

"Mr. Fogarty. Yes.

"Mr. Kelly. I am going to have to act from memory, Mr. Chairman. My memory is we went over there with a request for 21 additional positions, and we came up to the Congress with a request for 18 positions. And we have an operating plan for utilizing 14 of those jobs that the Congress gave us, and we are requesting 3 additional positions in 1963.

"Mr. Fogarty. How much did you get; how much did the Congress give in that supplemental last year?

"Mr. Kelly. They gave us the whole 18 positions as requested.

"Mr. Cohen. Yes. I think $145,000, if I recall correctly.

"Mr. Fogarty. And how much of it was put in reserve, if any?

"Mr. Kelly. Well, I know it was four positions. I do not recall the amount. But out of the 18 positions, 4 were withheld.

"Mr. Fogarty. Percentagewise, that is a pretty good clip.

"Mr. Kelly. Yes, sir. We had to save eight jobs in the Office of the Secretary. Four of them were in the special staff on aging.

"Mr. Fogarty. Four out of eighteen?

"Mr. Cohen. I think, while there is a tremendous need there, Mr. Chairman, I might say I worked with Mr. Kent on trying to recruit some of these people——

"Mr. Fogarty. I understand he has had problems. But I think I am going to find the same fault I found with everybody over the past 10 or 12 years. I do not think you are going fast enough or far enough."

Pages 105 and 106:

"Mr. Fogarty. You gave me a breakdown but I have forgotten. About how many people have been added to the special staff on aging, and when were they added?

"Mr. Cohen. I have here the two additional people in the information branch reporting to duty on January 29. One person has been recruited to the field operations branch, reporting to duty in February. A fourth person on research and training branch has been recruited and reporting to duty in March.

"Those are the four professional positions in the increase.

"Mr. Fogarty. What year are you talking about?

"Mr. Cohen. This year, sir. Right now.

"Mr. Fogarty. January 29, you mean yesterday?

"Mr. Cohen. Yes, sir. Reported to duty yesterday. That is January 29—two of them.

"Mr. Fogarty. Well, I would not brag about that kind of action, would you?

"Secretary Ribicoff. Well, it is pretty hard to find people sometimes."

Pages 106 and 107:

"Mr. Fogarty. What are you going to do, give up?

"Mr. Cohen. No, sir.

"Secretary Ribicoff. We are keeping on trying.

"Mr. Cohen. We are keeping on trying. Mr. Kent is going ahead. I talked to him several times.

"And we have now prepared a position description for each of these positions and we are advertising them and circularizing so we can see if we cannot get some more people interested in them. I think there is a great need in this area, and I would hope we could expand it.

"Mr. Fogarty. That is what I was hoping for, too, when Mr. Kent was named. I do not see that he is doing much better than those before him. There is, and has been, a lot of talk about this for years as you well know.

"You have been talking about it, but as of today, January 30, nothing much has been accomplished with that supplementary appropriation. That is a fair statement, is it not?

"But the White House Conference came up with about 600 recommendations, and how many of those recommendations have been put into effect?

"There was a lot of talk at that conference about a blueprint for action.

"Mr. Cohen. What we have done, of course, has been a continual exploration of this problem. Over on the Senate side, in connection with the Senate hearings, we have moved wherever there were some legislative recommendations.

"Mr. Fogarty. Was there ever an advisory committee appointed?

"Secretary Ribicoff. No. An advisory committee has not yet been officially appointed, but——

"Mr. Fogarty. I think last August was the last time I talked with you.

"Mr. Cohen. Yes.

"Mr. Fogarty. And you told me it was right around the corner.

"Mr. Cohen. We have been clearing the people and discussing them. I would hope that we can formally appoint them very shortly.

"Mr. Fogarty. What do you call 'shortly'; a month from now or next year?

"Mr. Cohen. Before the end of this year.

"Mr. Fogarty. The fiscal year or the calendar year?

"Mr. Cohen. Fiscal year."

Page 107:

"Mr. Fogarty. What happened to the Federal Council on Aging?

"Mr. Cohen. The Federal Council on Aging has been more or less inactive, and I think it is Mr. Kent's intent to reactivate the Federal Council.

"Mr. Fogarty. There is nothing being done now, is there? They have not met in a long time?

"Mr. Cohen. I think we have had one meeting. I think there has been one preparatory or one planning meeting to see what they worked out."

Pages 108 and 109:

"Mr. Fogarty. Well, the thing I am after and have been after for 10 or 12 years is action.

"I was just amazed to find that the first man hired under last year's supplemental appropriation was put on yesterday."

Page 109:

"Mr. Laird. You have been passing that money around, though. You have been looking for anybody who would like to do a little consulting work, have you not?

"Secretary Ribicoff. I have not. I know Mr. Kent is sincere and hard working and a self-starter; and I have the utmost faith in him. If you give Kent a reasonable period of time, he will have a staff that you will be proud of, Mr. Chairman. And I would like to see where Mr. Kent stands next September, frankly.

"Mr. Fogarty. You call a reasonable length of time——

"Secretary Ribicoff. Well, I would say that the moneys available in October, I would like to see the results next September 1.

"Mr. Fogarty. How long has Mr. Kent been on the job? How long has he been in office?

"Mr. Cohen. I think he came something like July 1. * * * As the Secretary stated, I hope you will wait until he has an opportunity to appear before you, Mr. Chairman.

"Mr. Fogarty. Oh, I will. He will be given every opportunity, of course. He will not be shut off. He can talk as long as he wants to.

"But from what I already know, I am still afraid I am going to be disappointed in the action so far."

Pages 1084 and 1085:

"Mr. Fogarty. We thought this was a real important program last summer. When you asked for a supplemental appropriation we were led to believe it was necessary and needed. In fact, I thought more was needed.

"Now tell us what you have done with these funds.

"Dr. Kent. At present, on our supplemental, we have 14 positions—7 professional, and 7 clerical. The seven clerical were easy to fill and we filled five. We have not filled the other two because we will wait until we have the complement of professionals. In terms of professionals, we have filled four; for two more we have tentative acceptances and two that we are negotiating for, which includes one vacancy on the regular staff.

"Mr. FOGARTY. You think you have done as well as you could but I think a better job could have been done. I think if I were in your position, when you came down here last summer, that I would have known that these jobs were hard to come by. There is a general impression around from the groups that I have talked to, and I have talked to a great number of them, that there is no real program in aging. Every group that I have talked to has been disappointed in the lack of action to initiate one."

Mr. ALLOTT. Mr. President, geared as it is to the needy, Kerr-Mills Act is designed to authorize Federal participation in approved State plans which provide medical assistance first, on behalf of aged recipients of old-age assistance; and, second, for aged persons not on old-age assistance whose incomes and resources are not sufficient to meet the costs of necessary medical services. The act has the following provisions:

MEDICAL ASSISTANCE FOR THE AGED WHO ARE NOT RECIPIENTS OF OLD-AGE ASSISTANCE

Under this program, States can receive Federal funds to help pay the cost of medical services for persons aged 65 and over who are not recipients of old-age assistance, but whose income and resources are insufficient to meet such costs. States may choose among a broad scope of medical services, but the services for which they pay the costs must include those of both an institutional and noninstitutional character. The law is specific in outlining the scope of care and services that may be provided including: inpatient hospital services; skilled nursing-home services; physicians' services; private-duty nursing services; physical therapy and related services; dental services; laboratory and X-ray services; prescribed drugs, eyeglasses, dentures and prosthetic devices; diagnostic, screening and preventive services; and any other medical care or remedial care recognized under State law.

In considering the merits of these two proposals we must consider what is now offered by present law and the paltry, parsimonious, limited benefits that would be offered under the King-Anderson-Javits amendments.

However, as under the law before the 1960 amendments, there can be no Federal participation in payments with respect to medical services furnished an inmate in a nonmedical public institution or to a patient in a mental or tuberculosis institution. Persons with a diagnosis of tuberculosis or psychosis may be covered for 42 days of care in a general hospital.

To qualify for Federal matching grants, State plans for medical assistance must meet certain requirements already in the act and still applicable to old-age assistance as well as the new program—the requirements, for example, that the program be in effect in all political subdivisions, provide for financial participation by the State, and insure proper and efficient administration. In addition, under a State plan for medical assistance for the aged, no enrollment fee or charge may be imposed as a condition of eligibility, and under regulations prescribed by the Secretary the State must furnish assistance to State residents absent from the State. Reasonable standards for determining eligibility and the extent of medical assistance are required. There must be a provision that no lien can be imposed during a recipient's lifetime on account of payments under the plan—except pursuant to a court judgment concerning incorrect payments—and that adjustment or recovery is permitted only after the death of the recipient and spouse. A State may not impose an age requirement higher than 65, and no resident of the State and no citizen of the United States may be excluded. Federal Government participation in the total amount expended by the States for medical assistance for the aged under a Federal matching percentage will range from 50 to 80 percent under a formula based primarily on per capita income.

MEDICAL CARE FOR RECIPIENTS OF OLD-AGE ASSISTANCE

Under the amended title I of the Social Security Act, as formerly, there is no Federal requirement as to the scope of medical services that the States provide for old-age assistance recipients. However, the Kerr-Mills Act made additional funds available to the State for expansion of such services for recipients of old-age assistance.

An additional plan requirement for old-age assistance under title I is the same as one that applies to medical assistance for the aged—the State plan must include reasonable standards for determining the eligibility for patients in a medical institution as the result of diagnosis of psychosis or tuberculosis for 42 days after such diagnosis is permitted for old-age assistance as well as for medical assistance. The law, continues, however, to exclude from the matching provision money payments of such patients. Before the amendments the maximum average monthly payment for old-age assistance in which the Federal Government would participate was $65. This amount included both money payments to the individual and vendor payments for his medical care. The Federal Government will continue as before to share in such expenditures for old-age assistance up to four-fifths of the first $30 of the average monthly payment, with variable matching ranging from 50 to 65 percent in the remainder up to $65 based on the relationship of the State's per capita income to the national per capita income.

For States with average monthly payments of more than $65, the 1960 amendments provide for Federal participation in additional expenditures except that such participation will be limited to the amount of the average vendor medical payments up to $12 a month, or the amount by which the total average payment exceeds $65, whichever is less, with the Federal share ranging from 50 to 80 percent based on per capita income. For States with average monthly payments of $65 or less the Federal share in average vendor medical payments up to $12 a month will be an additional 15 percent over the usual Federal percentage applicable to the amount of payments falling between $30 and $64. This percentage, when added to the usual Federal percentage for the second part of the formula for payments, will give a total Federal share of 65 to 80 percent. The additional Federal share of 15 percent will also be available to States with average monthly payments of more than $65, when it is advantageous to them as an alternative to the method described above. The Federal Government also pays 50 percent of the cost of administering State plans under the Kerr-Mills Act.

Kerr-Mills is legislation designed to accommodate the two pressing problem areas—namely, by providing those persons over 65 who are covered by programs of old-age assistance with an expansion of medical coverage and by also providing medical assistance to those persons who have reached 65 but who are not recipients of old-age assistance. Of the more than 17 million persons in these classifications, the Senate Finance Committee figures indicate that approximately 10 million persons might meet eligibility requirements. The number actually affected will depend upon the number of States participating, and the eligibility standards formulated by such States. Each year, after all State plans are in full operation, an estimated one-half to 1 million persons among these 10 million may become ill and require payments. The number of recipients per year 1961–63 as listed in the budget, fiscal year 1963, is: 1961, actual, 80,400; 1962, estimate, 495,500; and 1963, estimate, 729,300.

The argument is often made that Kerr-Mills is inadequate and insufficient to meet the pressing needs as they exist today. The Finance Committee figures do not give umbrage to such a position. It should be borne in mind in the coming year better than 72 percent of those senior citizens who will require medical attention will be taken care of under Kerr-Mills—and this assumes no further implementation on the part of the States not presently participating. When there is taken into account the fact that the establishment of such a State program cannot be accomplished overnight, every indication suggests that Kerr-Mills is doing the job which the Congress felt should be accomplished, and rapidly. At this point, it would be well to have a list of the States which are participating in the Kerr-Mills program. They are as follows:

Alabama, Arkansas, California, Connecticut, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Utah, Washington, West Virginia, Guam, Puerto Rico, and the Virgin Islands.

THE MEANS TEST

In an effort to discredit the Kerr-Mills Act, the opponents have resorted to emotionalism. There is a tendency to cloud the real issue by casting adjectives about and thus attempt to discredit what is a perfectly proper administrative aspect of the program in terms of the purpose which it was intended and does serve. Kerr-Mills came to grips with a problem which faced us, namely, how to provide adequate medical and hospital care to our senior citizens incapable of providing it themselves. In reporting the bill, the Committee on Finance called attention to the purpose of the medical assistance aspect for the aged not receiving old-age assistance:

> The bill would amend existing title I to make it clear that States may extend their assistance programs to cover the medically needy. The bill would give the States a financial incentive to establish such programs where they do not exist or to extend such programs where they are not adequate in coverage or comprehensive in the scope of benefits. Benefits under a State program may be provided only for persons 65 years of age or over to the extent they are unable to pay the cost of their medical expenses. Under this program, it will be possible for States to provide medical services to individuals on the basis of an eligibility requirement that is more liberal than that in effect for the States old-age assistance programs.
>
> It would cover all medically needy aged 65 and over; it would cover every such person including those under the social security system, railroad retirement system, civil service system, or any other public or private retirement program whether such person is retired or still working, subject only to the participation in the program by the State of which they are resident; it would cover the widows of such workers as well as their dependents who meet the age 65 requirement and are unable to provide for their medical care. There are many individuals who have not worked under the social security program or any other retirement program for a sufficient time to ever become eligible for retirement benefits; this is another needy group which would be able to receive medical assistance under the health plan endorsed by the Finance Committee.

The report to the Special Committee on Aging, in discussing the means test, uses descriptions such as "humiliating," "degrading." The act, itself, has two provisions covering this subject, one of which applies to a State plan which includes old-age assistance and the other to a State plan which includes medical assistance. Section 2(10) (A)—the State agency shall, in determining need for assistance, take into consideration any other income and resources of an individual claiming old-age assistance; (B) include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of such assistance; section 2(11) (D), include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of such assistance; (E) provide that no lien may be imposed against the property of any individual prior to his death on account of medical assistance for the aged paid or to be paid on his behalf under the plan—except pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual—and that there shall be no adjustment or recovery—except, after the death of such individual and his surviving spouse, if any, from such individual's estate—of any medical assistance for the aged correctly paid on behalf of such individual under the plan.

There is nothing onerous, nothing degrading, humiliating in these requirements. There is nothing in that language suggestive of a pauper's oath; and any such suggestions are eminently unfair to the purposes and objectives of the program. Quite obviously, if an individual is capable of taking care of his or her medical needs, then in the American tradition, such individual would want to do so. But, it should be borne in mind that the people this legislation is trying to help are those without adequate funds to help themselves. Does it not stand to reason that an inquiry of one sort or another must of necessity be made, in order to arrive at a determination as to the applicant's eligibility? It was never the intent of Congress to oblige anyone seeking this assistance to be embarrassed, and certainly no one would condone such treatment outside the realm of emotionalism, leading to the unavoidable conclusion that, since the act was intended for the needy, some determination of this need must be made. Since those who are going to be helped are of modest means, does not a fair and reasonable test have to be applied in order to make that determination? It should be remembered that there are Federal and State funds involved, and there is the duty upon those charged with administering the program to see that the funds are properly applied.

The charge that the means test is demeaning is not well documented. However, if experience were to show that, in reality, an undue hardship is being placed upon those persons seeking assistance, then the obvious remedy is to amend the requirements, not discard the program. The minority report to the Special Committee on Aging carries the suggestion that one way to remedy this, if a problem in fact exists, is through an amendment to the present law stipulating that a simple statement setting forth details of the individual's finances, submitted under oath, by the applicant for aid would be presumed valid in determining eligibility.

In an effort to bring all the facts into their proper perspective, it should be noted that Kerr-Mills was designed to provide assistance to senior citizens as and where needed. The need factor cannot be too strongly underscored. Approximately 2.5 million, or 16 percent of our population, at the 65 age level or above, receive public assistance. Beyond that there are those having incomes adequate to cover living expenses, but inadequate to take care of hospital and medical expenses of a protracted nature. But, regardless of numbers, it is the needy who must be considered, and it is just that purpose which Kerr-Mills, in its full and complete implementation, will accomplish.

Kerr-Mills was intended to supplement, not supplant. In this connection, Dr. Vetalis V. Anderson, president of the Colorado State Medical Society, wrote to me recently, outlining the society's proposal to implement the medical assistance for the aged portion of Kerr-Mills. Dr. Anderson does point out that the plan has been submitted to the Colorado General Assembly Legislative Council for study. I ask unanimous consent that Dr. Anderson's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COLORADO STATE MEDICAL SOCIETY,
Del Norte, Colo., May 1, 1962.

Senator GORDON L. ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: The Council on Governmental Relations of the Colorado Medical Society, working closely with Mr. John J. Vance of Colorado Blue Shield, has drafted a proposed method implementing the medical assistance to the aged portion of the Kerr-Mills law (Public Law 86–778). In the hopes of obtaining passage of this plan or some revision thereof, at the next session of the Colorado General Assembly, we have submitted our plan to the assembly's legislative council for study.

We believe that you will also be interested in knowing something about our proposed implementation of the medical assistance to the aged portion of the Kerr-Mills law in Colorado. The object of implementing this portion of Public Law 86–778 is to help those persons in Colorado who are over age 65 and acknowledged to be presently, or potentially, medically indigent, and who for one reason or another are not eligible for the OAP medical care program.

Our proposed medical assistance to the aged program recognizes the first dollar needs of the very indigent, but mainly its help is directed at the catastrophic expenses which can represent financial hardship to even the reasonably affluent aged members of society.

The program would not replace the benefits available through the many voluntary prepayment plans in existence, but is designed to encourage self-help and enrollment in such plans, and to supplement them through an extension of benefits. We propose that certain base plan benefits be established, the cost of which constitutes a deductible feature which must be borne in whole or in part by the medical assistance to the aged recipient. When the medical assistance to the aged recipient finds the benefits of his base plan are exhausted, or when similar services have been paid out-of-pocket by the recipient with no base plan coverage, then the protection of this medical assistance to the aged extended benefit approach becomes applicable.

It is recognized that the potential medical assistance to the aged recipients vary in degree of medical indigency. Each can help himself to some degree and self-help is the foundation of this approach, although recognition is given to the extreme indigency status of some classes of medical assistance to the aged recipients.

The base plan constitutes the deductible services, the cost of which the individual must bear, either through membership in prepayment plans or as an out-of-pocket expense at the time the service is incurred. In the case of real indigency, the cost of the base plan would be subsidized by medical assistance to the aged.

Any voluntary hospital-medical prepayment plan would be eligible to underwrite the base coverage at whatever rates the individual organization felt were warranted, providing the plan offered the precise benefits set forth by the Colorado Department of Public Welfare, administrators of the plan, on a noncancellable basis, and were approved by the Colorado Insurance Department as reputable firms.

We propose that the base plan coverage include complete hospital benefits up to 30 days per year; outpatient service; nursing home benefits of 30 days[1] a year at an allowance of up to $5 per day when under the care of a physician in a licensed nursing home; home nursing service during any 30-day convalescent period each year with daily visits if necessary at an allowance of up to $3 per nursing visit; medical-surgical benefits in the hospital or doctor's office and home calls by a physician at a rate of up to two calls each year during a 30-day convalescent period following hospital care.

The medical assistance to the aged is proposed in the form of subsidization of the cost of the base benefits for the very indigent, thereafter in extended hospital and medical benefit protection, applicable only after the base benefits are exhausted. The medical assistance to the aged program would renew the base benefits (except for the nursing home care) as often as medically necessary, with each renewal after the first subject to a minimal payment by the recipient on the basis of his financial condition. Our proposed program omits convalescent nursing home services, in the belief that such service beyond that provided in the base plan, is of a custodial rather than of a medical nature, and is therefore a cost of living, not a medical cost.

There are some unknowns in our cost estimates of the proposed program, but we feel that this is not an insurmountable obstacle. Much of the cost of base benefit renewal can be ascertained from OAP experience, which discloses in the last fiscal year that only 860 cases out of 20,754 admissions required more than 30 days of acute hospital care. We believe that a liberal estimate of the cost of this program would be $3 million of State money to be matched by Federal funds under the Kerr-Mills law.

We hope this rather lengthy explanation of our proposed medical assistance to the aged program will give you some idea of what we believe can be done for Colorado's needy and near-needy aged. We feel that this is the proper solution to the medical care problems of this aged group in Colorado and could be adapted by every State in the Nation.

Sincerely,

V. V. Anderson, M.D.,
President.

Mr. ALLOTT. Mr. President, my State has already in effect an old-age pension, health, and medical care program which it adopted in 1956. At that time, a limitation of $10 million was placed upon the funds to be earmarked for carrying out the program. Therefore, while we have a good program presently operative, the constitutional limitations will have to be amended in order to adopt the MAA program under Kerr-Mills.

Mr. President, I now withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Colorado is withdrawn.

Exhibit 1

Economic Factors

SUMMARY

Money income: Eleven out of every twelve persons 65 and over received some cash income in December 1960. Slightly more than half of this income came from private and the balance from public sources. Social security and other forms of public insurance accounted for the bulk of public income and employment accounted for the bulk of private income. Over one-third of the estimated aggregate income of $32 billion received by the aged was represented by earnings from employment.

Employment status: Of the elderly men who worked in 1959, 54 percent held full-time jobs for more than half the year. Over half of the elderly working women held part-time jobs, and 36 percent of them worked full time for more than 26 weeks. Employment of the aged involves a significant amount of part-time, or part-year work. The prevalence of work decreases with age and, among those who continue to work, self-employment becomes more dominant. In late 1959, the percentage of aged men looking for work was less than the rate for all men. Their length of time out of work was greater. For most aged who work, income from their jobs is only one source of total income. Often public sources are also involved.

Retirement: The number of workers covered by private pension plans in the United States increased from 2.7 million in 1930 to 20.2 million in 1959, or from 5.4 percent to 29.1 percent of the civilian labor force. The typical pension pays 25 to 40 percent of average earnings before retirement. The vast majority of pensioners are covered by Old-Age, Survivors, and Disability Insurance. Roughly, 50 percent of private retirement programs have vesting provisions and the percentage is growing. Private pensions and individual annuities represented slightly less than 6 percent of the estimated aggregate income of persons 65 and over in 1960. In 1959, as in the preceding 4 years, private pension plans took the largest single share of employer-employee contributions to employee-benefit plans.

Of the public income-maintenance programs, OASDI is by far the most important. It now covers 9 out of every 10 workers and is paying benefits to nearly two-thirds of the aged population. In August 1961, the average individual benefits were $75.77 per month. In December 1960, average monthly benefits were $123.90 for man and wife, and $57.70 for an aged widow.

The railroad and Federal retirement systems provide higher pension benefits than the OASDI program. Benefits paid by State and local governments vary widely. These programs generally require direct participation by the employee.

Two types of public benefits based on demonstrated need and derived from general tax revenues are old-age assistance benefits and payments to wartime veterans for non-service-connected disabilities. The former vary considerably by State, ranging in July 1961 from $35.32 to $114.26 a month. The national average was $67.99. Veterans 65 or over are eligible for monthly pensions based on disability, unemployability, and low income. The benefits range from $40 to over $150 a month.

Distribution of money income among the aged: In 1960, less than $1,000 in total money income from all sources was received by 52.7 percent of all noninstitutionalized aged individuals; 27.1 percent of the men and 73.9 percent of the women were in this income group. The median income of aged persons was approximately 83 percent higher in 1960 than in 1950 as measured in 1960 dollars. Money income of $5,000 or more was received by 11.8 percent of the men and 1.7 percent of the women in 1960.

In 1959, of the 6.2 million families headed by persons 65 or older, money incomes for half were below $2,830 and for one-fourth were below $1,620. The average family comprised 2.6 members of whom three-fifths were 65 or over. Of the 3.6 million elderly persons living alone or with nonrelations in 1959, incomes of half were below $1,000 and of four-fifths below $2,000.

The per capita income of families headed by persons 65 and over, in 1958, was only 58 percent as much as that for families whose head was between 55 and 64, but it was 81 percent as much as that for families headed by persons 25 to 34 years old. The income position of the aged is more fixed than for the younger age groups. Many of the younger families are in transition to larger incomes; the aged are not.

Assets: Of the spending units with heads 65 and over, 13 percent did not report owning any liquid assets, corporate stock, equity in home, other real estate, or unincorporated business in 1960. An additional 23 percent held less than $5,000 in such assets. Approximately 40 percent had assets valued at $10,000 or more. All together, half had assets of $8,000 or more. Equity in home was the most important type of asset in terms of value. The type of asset held by the largest percentage of spending units was liquid assets. The pattern of holdings was similar to spending units with heads between 45 and 64. Younger spending units had considerably less than those headed by aged persons. In regard to aged OASI recipients alone, in 1957, 10 percent of the retired couples, 33 percent of the single retired workers, and 27 percent of the aged widows had no net worth (value of selected assets—major portion of total assets—less reported debt). On the other hand, 48 percent of the retired couples, 39 percent of the single retired workers, and 32 percent of the aged widows had a net worth of $10,000 or more. The data show quite a spread in asset position among the aged.

In regard to liquid assets, in early 1960, more of the aged spending units had no liquid assets than all spending units (30 percent versus 24 percent), but more had at least $2,000 in such assets (40 percent versus 25 percent). Twelve percent of the aged units had over $10,000 in liquid assets alone. Among the aged, those with the smallest incomes are likely to have the least liquid assets.

One of seven aged spending units had corporate stocks or bonds in 1960. The median equity greatly exceeded that of younger spending units. Most of these aged spending units also had significant bank accounts and savings bonds.

In 1959, 66 percent of the nonfarm family units headed by persons 65 or over owned their own homes. Of these homes, 83 percent were free of mortgage debt. In contrast, 58 percent of all nonfarm family units owned the homes in which they resided and 44 percent of these homes were mortgage free. In 1960, the median equity in their own homes of aged spending units who were homeowners was $9,700. Home ownership was positively correlated with level of savings and with income. For example, in 1957, among OASI beneficiaries, 8 of 10 couples with incomes of $5000 or more owned nonfarm homes, but less than two-thirds of those with incomes below $1,200 were owners.

In 1957, 56 percent of the spending units with aged heads owned a life insurance policy, compared to 79 percent of all spending units. The value of the insurance was, in general, enough to cover burial expenses.

In 1959, a survey showed that 69 percent of the aged spending units were entirely free of debt, as compared with only 32 percent of spending units of all ages. Only 11 percent of units headed by elderly persons had mortgage debt (versus 31 percent for all units), and 26 percent of the older group had personal debt (three-fifths under $200) compared to 60 percent of all spending units.

The aged tended to look upon savings and other assets as resources to be used to meet expenses only in a dire emergency. This was particularly true of housing.

Noncash income: Noncash income probably plays a more important role in the well-being of elderly people than it does in the case of younger adults. In 1957, among OASI beneficiaries four of five couples and three of five nonmarried persons had noncash income of one or more of the following types: imputed rental value of an owned home, rent-free housing, food homegrown or obtained without cost, medical care provided free or at someone else's expense. It has been estimated that the value of noncash income of the aged amounted to $3 billion in 1958.

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[1] In addition to the 30 days of convalescent nursing home care, provision is made for an additional 12 months extended care in a person's lifetime.

Tax position of the aged: In 1957, 6.5 million of more than 16 million persons 65 and over filed an income tax return. Of these, 3.2 million returns were taxable. The Federal and State Governments have special tax provisions for the aged. For example, the Federal Government gives special consideration to age itself, blindness, public and private retirement benefits, and medical expenses. Certain taxes, other than those on income, may be unfavorable for the aged.

Budgetary needs: It is estimated that, on the average, persons over 65 have somewhat lower living costs than their younger counterparts. Budgets for the aged have been worked out by various government agencies. These budgets are calculated to support a modest but adequate living. They have several limitations which are noted in the text. Within these limitations, the fact that many aged fall below the threshold of adequacy is shown. It is also noted how many of the aged are well above the threshold and presumably able to meet living expenses.

The economic picture of the aged is mixed. Not all are in a difficult position. A significant segment of the aged, however, have neither the monthly income nor the capital assets to withstand protracted economic adversity. The aged who are disadvantaged differ from the younger disadvantaged mainly in the fact that their position is relatively immune to change either through prospective employment or otherwise.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MILLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLER. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The Chief Clerk. It is proposed to strike out all in line 19, page 2, after "(4)," and all of lines 20, 21 and 22, and insert in lieu thereof the following: "it is a duty of government to provide necessary hospital and medical services for those citizens, young and old alike, who cannot otherwise obtain such services."

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Iowa will state it.

Mr. MILLER. Do I correctly understand that 30 minutes is allocated on each side of the amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. MILLER. I yield myself 30 minutes.

Mr. President, I ask unanimous consent that 3 minutes from the opposing side be extended to the distinguished Senator from Pennsylvania [Mr. Clark] and that his remarks appear at this point in the Record.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. Not at all; the time is gladly yielded.

The PRESIDING OFFICER (Mr. Metcalf in the chair). Is there objection? The Chair hears none; and the Senator from Pennsylvania may proceed.

JAILING OF DR. MARTIN LUTHER KING

Mr. CLARK. Mr. President, in today's press I note an article which indicates that Dr. Martin Luther King has been jailed in Georgia for having been convicted of violating a street and sidewalk assembly ordinance, in leading a street demonstration without a permit in Albany, Ga., last December 16.

Dr. King has stated that he believes this conviction was unjust; I suggest that it was unwise as well as unjust.

Dr. King was offered the option of paying a fine of $178 or going to jail for 45 days. He exercised his option by accepting the jail sentence. This was a sound decision.

At the trial, which was held in February in Albany, Ga., Dr. King testified that the demonstration for which he was arrested and jailed was strictly a nonviolent march on the city hall, to pray and to seek to have talks with the commissioners, who had been unwilling to permit a public demonstration in opposition to the erection of serious racial barriers discriminating against the Negro race in the city of Albany, Ga.

I say that this conviction and the jailing of Dr. King are unwise because they merely tend to emphasize that there are still, unfortunately, areas of our country in which the Constitution of the United States, as represented by the 14th amendment, is not in effect. This I deplore.

Mr. President, it has been my pleasure to know Dr. King personally. I have the highest regard for his integrity. I believe firmly in the objective he is seeking to bring about—which is, in short, that all American citizens, regardless of their race, creed, or color, are entitled to the equal protection of the laws and are entitled to the privileges and immunities of citizens of the United States. It occurs to me that those who do not agree with the Constitution of the United States, as I have stated it, are doing their cause no good and much harm by arresting, convicting, and sending to jail an idealist, a man of great force, great ability, and great eloquence, who is doing much to bring to the attention of all America, and to the attention of the world at large, the fight for the principles in the Declaration of Independence and in the Constitution of the United States.

I extend to Dr. King my heartfelt sympathy; and for the public record I wish to state my strong disagreement regarding both the justice and the wisdom of the the action taken by the Georgia court.

I ask unanimous consent to have printed at this point in the Record the news article to which I have referred, which was published today in the New York Times.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, July 11, 1962]

Dr. King Is Jailed for Georgia Protest

Albany, Ga., July 10.—The Reverend Dr. Martin Luther King, Jr., Negro integration leader, and a fellow minister went to jail today to emphasize their nonviolent defiance of racial barriers.

Dr. King and the Reverend Ralph Abernathy, both of Atlanta, were convicted in recorder's court of having violated a street and sidewalk assembly ordinance by leading a street demonstration without a permit last December 16.

Recorder A. N. Durden sentenced them to pay $178 fines or spend 45 days in prison. They spurned both the fines and freedom on bond through appeals and went to jail to await assignment to prisoner street gangs.

A 1960 jailing of Dr. King led to a train of events that some observers said may have swung the presidential election to John F. Kennedy.

In that case Dr. King was taken in handcuffs to prison to serve 4 months on a traffic count brought in Decatur, an Atlanta suburb. Mr. Kennedy called Mrs. King to express sympathy and his brother, Robert F. Kennedy, now Attorney General, telephoned the judge to inquire about bond.

CALLS WERE PUBLICIZED

The calls were widely publicized and some commentators suggested they may have influenced enough Negro votes to give the Democratic candidate * * *. Mr. Kennedy's margin was narrow in some key States.

After 2 days in prison, Dr. King was released and the sentence later was cut to a $25 fine and 6 months' probation. He had originally been given a 12-month suspended sentence on a driver's license charge, and 4 months of the suspension had been revoked after his arrest in an Atlanta sit-in.

The integration leader today assailed both the Albany ordinance used in his latest trial and the court that convicted him. He called them unjust and said he would be "just as wrong if I paid a fine under the circumstances."

Dr. King, the president of the Southern Christian Leadership Conference, said that he was courting neither martyrdom nor publicity, but merely expressing his conviction or the principles involved.

Mr. Abernathy concurred. He declared that someone had to break unjust laws for the sake of this and future generations.

TWO OTHERS CONVICTED

Two Albany Negroes were convicted on the same charges, but received lighter sentences. Solomon Walker was given a choice of a $100 fine or 30 days in jail; Eddie Jackson, a $25 fine or 10 days.

Mr. Walker, an insurance salesman, appealed to gain freedom on bond because "I have to make a living." Or, Jackson said he would serve his time.

The 4 Negroes were among more than 700 arrested in this south Georgia city during December for marching in protest against segregation practices. The police said Dr. King and Mr. Abernathy led a group of some 250 demonstrators.

Dr. King testified at the trial, held in February, that the demonstration was strictly nonviolent—a march to the city hall to pray and seek to have talks with the commissioners.

Dr. King is associate pastor of the Ebenezer Baptist Church in Atlanta. His father is pastor.

Mr. CLARK. Mr. President, I thank the Senator from Iowa for his courtesy in yielding to me.

Mr. JAVITS subsequently said: Mr. President, I wish to identify myself with the objective being sought by Dr. Martin Luther King in his protest acceptance of a jail sentence instead of paying a fine for an alleged violation of a street and sidewalk assembly ordinance in leading a street demonstration without a permit in Albany, Ga. The distinguished senior Senator from Pennsylvania [Mr. CLARK] spoke on this subject just a few minutes ago. I was to have coordinated my remarks on this subject with his, but I was engaged in a conference and could not be here.

As a lawyer, I express no opinion as to whether Dr. King's conviction is proper or not; the courts will decide that. But as a Senator, I say it is tragic in our country to have thus to call attention to a deprivation of civil and moral rights, as Dr. King is doing, with the eminence and distinction he enjoys in his field, and in the leadership of the Negro people.

I predict that such an invocation of serious, drastic remedies in a situation of this kind will not result in subduing or repressing the demand for equal opportunity which is typified by the protest of Dr. Martin Luther King, but will, if anything, accelerate it.

I believe it is our duty to subscribe to and identify ourselves with the fact that the object sought is the right one. It is tragic that in our country attention has to be called to it by this means.

TRIBUTE TO MISS FRANCES KNIGHT AND TRANS WORLD AIRLINES

Mr. CARLSON. Mr. President, will the Senator from Iowa yield, so that I may ask unanimous consent to be allowed 2 minutes in which to make a brief statement?

Mr. MILLER. Mr. President, inasmuch as I have already yielded myself 30 minutes, I now ask unanimous consent that, instead, I be permitted to yield myself 28 minutes, and also yield 2 minutes to the distinguished Senator from Kansas, so that he may make his statement, to appear at this point in the RECORD.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection? Without objection, it is so ordered.

Mr. CARLSON. Mr. President, I appreciate very much the kindness and courtesy of the distinguished Senator from Iowa [Mr. MILLER].

I should like to use these 2 minutes to commend the Passport Office, under the direction of Miss Frances Knight, and also Trans World Airlines, Inc. Both went out of their way, last week, to see that one of my constituents flew out of New York for Austria in time for her brother's funeral.

On the morning of July 5, I received a frantic long-distance telephone call from Dr. Gertrude Denning, professor of German at Emporia State Teachers College, at Emporia, Kans. She had received word that her brother had passed away in Austria the night before. Dr. Denning explained that the application for renewal of her passport had been sent to Washington on July 2, and that she must leave New York City on the evening of July 6.

I immediately contacted the Passport Office, and talked to Mrs. Lee Alsop. No application could be located. Not until around 11 o'clock on the morning of July 6 did the application arrive. By this time, Dr. Denning was en route to New York via TWA. TWA picked up the passport, had someone meet Dr. Denning in New York, to advise her the passport was on its way, and in a few hours delivered the passport to her. Thanks to Mrs. Alsop, of the State Department, and Miss Judy Cox, of TWA, Dr. Denning was able to take a 7 o'clock plane out of New York for Europe.

When one hears so much criticism about our civil servants, for whom I have the greatest respect, I think this incident is worth noting. As ranking minority member of the Post Office and Civil Service Committee, I have worked constantly in their behalf. I am sure Mrs. Alsop's efforts are repeated numerous times daily by the majority of our civil servants; but this particular case meant so much to Dr. Denning and to me that I felt it worth calling to the attention of the Senate.

Mr. President, I thank the Senator from Iowa for his courtesy in yielding this time to me.

Mr. MILLER. I am glad to yield to the distinguished Senator from Kansas.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

The PRESIDING OFFICER (Mr. METCALF in the chair). The Senator from Iowa is recognized for 28 minutes.

Mr. MILLER. Mr. President, I am opposed to President Kennedy's medicare program, sometimes called the King-Anderson bill, and now before us substantially in the form of the Anderson-Javits amendment. My principal objections are twofold, as follows:

First. The Anderson-Javits amendment would provide benefits to anyone over 65 years of age, regardless of his or her financial need.

Second. The social security program is proposed as the vehicle for financing the program, notwithstanding the serious financial situation the social security program is in today. I propose to elaborate on these reasons in the course of my remarks.

There are a good many misunderstandings about President Kennedy's so-called medicare program, now modified and incorporated in the Anderson-Javits amendment. One of these is that by making payments into the social security program during their working years, people will be building up an insurance fund out of which their medicare needs—hospital and nursing-home care, as covered by this amendment—can be met after they reach age 65. But such is not the case. In 1959, the Supreme Court of the United States made this clear, in the case of Fleming against Nestor, in the following statement:

> Persons gainfully employed, and those who employ them, are taxed to permit the payment of benefits to the retired and disabled, and their dependents. Plainly the expectation is that many members of the present productive force will in turn become beneficiaries, rather than supporters of the program. But each worker's benefits, though flowing from the contributions he made to the national economy while actively employed, are not dependent on the degree to which he was called upon to support the system by taxation.

Note the words "not dependent." Social security benefits to those over 65 are not met by payments made during their working years, but are met by taxes paid by current active workers. This is why it is misleading to talk about this program as health insurance. It is not insurance at all. If it were, the millions of people now retired under the social security program would not receive any medicare benefits at all, because they never paid anything into the social security program for them; and the millions who are in the middle age bracket would receive only a fraction of the medicare benefits, because they would have paid into the social security program only a fraction of the taxes needed to meet the cost of the benefits. The value of the benefits of those who have paid nothing at all for them is estimated at between $10 and $20 billion. The value of the benefits in excess of taxes that will be paid in by the worker and his employer, for all present active workers is estimated at $15 to $40 billion. The result is that the young people who will be entering the labor force in the future must make up between $25 and $60 billion of benefits which the recipients have not paid for. This is not insurance at all. It is a windfall that the present generation is proposing to receive at the expense of future generations.

The statement has been made that this is desired by the younger generation in order that their older relatives may have some medical benefits. I do not question that statement insofar as it applies to our older citizens who cannot afford decent hospital, nursing home, and even doctor's care. But I certainly do question it as far as concerns those who can afford these essentials. I do not believe that our young people want to be taxed to pay for benefits for people who can afford them. And I do not believe those who can afford them are selfish enough to want a free ride on the backs of their children and our future generations.

I do not know how many of the some 15 million people 65 and over who would become eligible for these medicare benefits under this amendment can afford to pay for them. Apparently, of the 12 million 65 and over under social security now, some 1.2 million of them are excluded from benefits by reason of their earned-income receipts. But there are many, many others who are receiving pensions, rental income, interest income, and dividend income who could afford these medicare benefits too. It is common knowledge that, to protect their social security retirement pensions, many older citizens convert their self-employment income into nonworking income of the kind I have referred to. Others have built up substantial property holdings as nest eggs to cover contingencies such as prolonged illness and catastrophic disease. Others have built up accident and health insurance programs which, either in full or in part, would take care of their hospital and nursing home needs, as well as doctor bills. It is grossly unfair to give these people a windfall at the expense of younger people, with families, who are trying to make ends meet right now. The inequities of the situation which this amendment would create are aggravated by the fact that these same people can deduct for income tax purposes the entire cost of their medical needs, whereas those under 65 cannot do so. In fact, I would estimate that most of those under 65 never receive the benefit of any medical expense for income tax purposes, because the tax law is so arranged that either they use an optional standard deduction—in which those with medical expenses are treated the same as those without medical expenses—or the arbitrary 3 percent of their adjusted gross income exceeds their medical expense so that no deduction at all is received.

Note also that while the medical expenses of our older citizens are higher than those of our younger people, these younger people are beset by medical expenses for their children, clothing and education costs of their children, mortgage payments on their homes, costs of home furnishings and appliances, and automobiles. Many of these older citizens have no automobiles—they are retired and do not need one in connection with their work—they own their own homes, which have long since been furnished, their families are raised and are out on their own. Their food and clothing costs are much less. I am not suggesting that this is not as it should be. After long years of hard work, this is a financial situation which should only naturally develop. What I am saying is that, in this state of affairs, it is unfair to ask the future generations of our Nation to pay for hospital and nursing home care for those older citizens who can afford to do so, themselves. Indeed, I would suggest that those older citizens who can afford to do so are resentful of the appeal to selfishness which this amendment contains.

The only way to cure this amendment of this inequity is to modify it to provide for exclusion of benefits of those who can afford them, or for partial exclusion of benefits of those who can afford some of them. I suggested to the distinguished Senator from New Mexico [Mr. ANDERSON] last week in a colloquy that one approach would be to take the income-from-work test now used in scaling down or eliminating social security payments. The defect here, however, would be that people receiving income from rentals, interest, or dividends would not be excluded, and these people might well be even better able to afford their hospital and nursing home expenses than some of those receiving income from wages or self-employment. As I pointed out in my colloquy with the distinguished Senator from Kentucky [Mr. MORTON] last Friday, income from long-term capital gains which—to the extent of 50 percent—is not recognized for income tax purposes represents economic income and should be reflected in determining eligibility.

If it be suggested that all of this would be administratively cumbersome, the answer is that the States are doing this right now in determining eligibility for old age assistance and aid to dependent children; and while it may be administratively cumbersome, it is necessary to prevent taxation of people to pay expenses of others who can afford to pay for them—perhaps even better than those who are being taxed.

My colloquy with the Senator from New Mexico [Mr. ANDERSON] brought out the point that, under the Anderson-Javits amendment, the cost of catastrophic disease or illness of people under 65 would not be covered. Accordingly, I suggest that, from the standpoint of the duty of government to provide for those citizens who cannot provide for themselves, this amendment is grossly deficient. In addition to the case I referred to in the colloquy, let me give the Senate some other cases. The first three are hypothetical, but are based upon facts of actual cases given to me by a practicing physician. The fourth is quoted from a recent article in Medical Economics:

Case No. 1, Mr. A., age 40, fell at work 7 years ago and severed his spinal cord, causing permanent total paralysis of both his legs. For 2 months his insurance company assumed responsibility for his hospital bills. After that, he paid his own way until he had liquidated all his assets. He lost his home, his car, and his savings. Having become a pauper, he at last became eligible for public welfare and has been on the welfare rolls since. This injury has caused extensive hardships to the patient and his entire family. His lot has recently been somewhat improved, but only by his winning a lawsuit which was drawn out over the years and was in itself most unpleasant.

Comment: This man was working in a State (not Massachusetts) which has grossly inadequate liability laws for workingmen. Another individual with a similiar injury, but properly insured, has maintained his home intact and since his injury has had two sons graduate from college with honors. Legislation providing coverage for all individuals struck with catastrophic illness would prevent the hardship suffered by Mr. A. and his family.

Case No. 2. Mr. B., age 45, worked 20 years in a satisfactory manner for company X. One year ago he had a heart attack. After a 3-month convalescence, Mr. B. was ready to return to light work. Company X, and all others to which he has applied for work, refuses to hire him unless the doctor will certify he has returned to normal and is physically capable of doing any job in the plant. Since this cannot be done, Mr. B. is being denied his rightful employment and is being forced to do either menial odd jobs about the town or accept charity. The reasons company X will not hire him involve seniority rules and bumping rights written into their contract with the local union, and unrealistic State liability laws regarding heart disease and symptoms related to it which appear on the job.

Comment: Legislation aimed at making a place in industry for partially disabled men is sadly needed. Many companies would hire such people if they could control what type of work they did, and if liability laws were made more realistic.

Under the Anderson-Javits amendments, this person would be left out in the cold.

Case No. 3. Mr. C., age 32, was a partner in a small contracting business. His job was to operate and maintain the heavy machinery. This required extreme physical exertion, long hours, and exposure to the elements. Three years ago he developed acute Bright's disease (kidney trouble) and almost died. Convalescence was slow and painful. As time went by, it became apparent that he could not resume his previous occupation, and he was advised to learn a new trade. He applied to the State rehabilitation commission for help. For several months he went to interviews, filled out forms, and watched the bureaucrats shuffle papers. Then his wife went to work, friends loaned him money, and he went to a school for laboratory technicians for 1 year. On graduation he applied for and obtained a job as part of a research team in one of our finest hospitals. The rehabilitation commission did nothing.

Comment: Our Federal Legislature could set up a true rehabilitation (retraining) program available to anyone disabled by illness. It would be much more economical to get these people back to work than to pass out pensions, which is all our rehabilitation commission ever seems to do. The Federal Government has demonstrated what a great job it can do with the VA rehabilitation program.

I point out that under the Anderson-Javits amendments Mr. C would be left out in the cold.

Case No. 4. L. D. was a 37-year-old machinist living in Milwaukee, married, with two children. In 1956, he was crossing a street one evening on the way home from work when a car struck him and broke his hip. The driver was at fault but had minimal insurance and too few assets to be worth suing.

L. D.'s fractured hip became infected (osteomyelitis). He spent the next 3 years in a plaster cast from chest to toes, and at this writing has had more than 20 operations. He'll never walk again; he'll be in pain for much of the rest of his life; he'll need further operations approximately once a year.

L. D.'s tragedy isn't only medical, but financial. His bills are astronomical; so far he owes the hospital alone more than $25,000. His savings have vanished. His health insurance, as always in such cases, was a cruel disappointment. His earnings have stopped for good; and he worries day and night.

Comment: This is a case where the Federal Government could return this man to society at the same economic level he had reached prior to his horrible injury, if they would back everyone, regardless of age, color, etc., who is struck down by catastrophic illness.

The Anderson-Javits amendments would leave this individual out in the cold.

All of these cases are those of young people. All of them are what one might call catastrophic situations. All of them should be covered by the Government, at least after the point is reached that the people involved cannot afford to pay for their medical and hospital bills. However, the Anderson-Javits amendments would not take care of them at all.

Another unfairness which the amendments would perpetrate is that by covering everyone over 65, regardless of his financial need, the benefits going to those who are in need would inevitably be reduced. In fact, this is one reason why the benefits provided by the amendments are inadequate to take care of a catastrophic situation. If adequate coverage is to be extended, then the cost of the entire program will have to be greatly increased—if everyone is going to be covered. By limiting coverage to those who are in need, we would not face such a dilemma. Costs would be kept down, and the benefit coverage would be kept high. Indeed, I believe I speak for a great many people when I say that I am more concerned about coverage for people such as those referred to in the foregoing examples than I am about coverage for someone who happens to be over 65 years of age and who has the wherewithal to meet the costs of his medical and hospital care.

One of the most controversial features of the Kennedy medicare program, as reflected in the pending amendments, is that it is proposed to finance it by payments into the social security system. Millions of people are now working under social security and are (between themselves and their employers), making payments for what they hope will be a reasonable pension during their retirement years. Unfortunately, the purchasing power of these social security pensions has been steadily eroded by inflation. And so, Congress has periodically increased the amount of the pensions in order to preserve the purchasing power of the pensioners. The social security taxes have not been increased proportionately, however. The increase in taxes has largely been scheduled to meet the increased numbers of people coming into retirement status. Accordingly, more and more of the burden of paying for these unfunded social security benefits has been shifted to future generations.

In the June 29, 1961, issue of the Wall Street Journal, an article by Mr. Ray M. Peterson, vice president of the Equitable Life Assurance Society, points out that if social security taxes had ceased in 1950, the trust fund would have covered 113 percent of the benefits promised for the future for those then in receipt of payments; but if taxes should cease in 1965, only 20 percent of the benefits for those then on the rolls would be covered, with no provision at all for those not retired. Such a state of affairs would not exist if social security taxes had been increased in the amount needed to pay for increased benefits and for the broader coverage of workers. But they were not increased. The decision was made by Congress to shift the burden on to our future generations—the same ones, I might add, to whom is being passed a national debt of over $300 billion.

This was, perhaps, the easy way out for Congress and those now covered by social security. It would have been fairer either to have increased the social security taxes or to have appropriated the difference needed out of the general fund into which taxes paid by everyone are funneled. We are running into a similar problem now with respect to the retirement of our Federal civil service employees. In the July 2 issue of the Washington Evening Star, a timely article by Joseph Young, staff writer for the Star, calls attention to the present unfunded liability of the civil service retirement fund of $32 billion and to warnings by CSC officials that the fund will go bankrupt by 1980 if additional means of financing it are not secured. Mr. Young reports that a considerable number of Members of Congress believe the situation poses a greater threat to the civil service retirement system than any plan to coordinate the retirement system with social security as the administration is expected to advocate next year. Such a solution, of course, would merely shift the burden on to future generations. A fairer way of handling it would be to increase the amounts contributed by Civil Service Commission employees to the retirement fund, or to make appropriations from the general fund to make up the deficit, which is what we are doing today.

However, Mr. Young says that if the civil service retirement fund's liability increases to a point where the Government would have to begin to pour billions of dollars into the fund each year in order for it to meet its obligations, the Congress might then very well be in a mood to reduce civil service retirement benefits, merge it with the social security system or abandon it entirely. In the face of this financial mess of our civil service retirement system, it is now reported that the Senate Civil Service Subcommittee will approve a bill giving retired Federal workers and their survivors an immediate 10-percent increase in annuities. We will trust that the subcommittee comes up with the solution of not only how to finance this increase but how to clean up the financial mess which the increase will worsen.

Anyone can see that if the benefits are increased, someone is going to have to pay the freight. It probably will not come from increases in the contributions made to the retirement system, because that would be unpopular. It probably will not come from appropriations from the general fund, because the budget is already badly unbalanced, and the future is as bad as the present.

The quick, easy answer is to pass the whole load on to the backs of future generations by integrating the system with the social security system. That is why, no doubt, the administration is reported as planning to take this action.

I call attention to the plight of our civil service retirement system as a parallel to the plight of our social security system. The trust fund is practically used up. As graphically pointed out in an excellent article in the July 2 issue of U.S. News & World Report, entitled "The Untold Story of Your Social Security," there is now some $22 billion on hand in the social security trust fund. The value of future contributions to be made by workers now covered by social security and their employers is some $282 billion. Thus, between the balance in the trust fund and the amounts present workers will pay in, we have a total of $304 billion to fund the benefits which are to be paid to those now retired and those now working when they retire. The pension money required for this purpose, however, is estimated to amount to $624 billion, leaving a "gap," as the article puts it, of $320 billion—a deficiency to be made up by taxes to be paid by future generations of workers and employers. This is a most serious situation. It is a most unfair heritage to pass on to our future generations, and let it be made clear that this $320 billion deficiency is in addition to the $300 billion plus national debt which is also being passed on to the future generations.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **MILLER**. Mr. President, I withdraw my amendment. I send to the desk an amendment and ask that it be stated.

The **PRESIDING OFFICER**. The amendment of the Senator from Iowa will be stated.

The Legislative Clerk. The Senator from Iowa [Mr. Miller] proposes an amendment to the Anderson amendments on page 2, line 13, to strike out the word "most" and insert in lieu thereof the word "some."

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Iowa.

Mr. **MILLER**. Mr. President, as if that is not enough, it is now reported that the administration is thinking about coordinating the civil service retirement system with the social security system, thus letting the social security system absorb the serious deficit of $32 billion in the civil service retirement fund. That would add up to a $352 billion social security debt being passed on to future generations.

Now the Anderson-Javits amendment comes along, proposing to pile another $25 to $60 billion on top of that. This is nothing less than selfishness—a free ride for people who are unwilling to pay the cost of their own program and who desire to let the future generations of the United States pay for it.

I ask unanimous consent that the U.S. News & World Report article to which I have referred be printed in the Record at this point in my remarks, along with the examples set forth on page 47 and the table set forth on page 48 of the article.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE UNTOLD STORY OF YOUR SOCIAL SECURITY

Check your own social security, and you'll probably find you are getting a bargain. Check your grandson's, and it's a different story. Reason: Pensions for this generation must be paid, in large part, by future generations.

To answer questions now being raised:

This is to be the untold story of your social security. It concerns the pensions to which you are entitled in retirement, or if disabled, and to payments to your survivors in event of death.

Social security is a vast system. Old-age and survivors insurance alone in this year will involve benefit payments of more than $13.2 billion. And the total is to grow steadily over the years ahead.

In 4 of the last 5 years, payments to persons drawing benefits have been exceeding income from payroll taxes. Some alarm has been expressed about this deficit between outgo from the social security reserve fund and income into the fund.

That, however, is not the story to be told.

Payroll taxes rose on January 1. They go up again on next January 1. Money flowing into the reserve fund, as a result, once again will begin to total more than money flowing out. Fears about the safety of the fund will subside.

A fact—and questions: A hard and little-understood fact, however, will remain to raise questions.

The fact is this: Benefits promised to people now covered by old-age and survivors insurance total an estimated $624 billion. Reserves now on hand total around $22 billion. Taxes to be paid by people now covered by social security to support pensions are to be an estimated $282 billion.

That leaves $320 billion in benefits to present policyholders to be paid by someone else. Who will that be?

The answer, in simple terms, is that this deficit, if it is to be paid, will have to be paid by future workers at tax rates now in the law. Otherwise, persons now in the pension system would have to pay sharply higher taxes.

Pension bargains for people of the present are to become pension burdens for workers of the future.

These workers of the future will pay substantially higher taxes on their earnings—taxes earmarked for social security. They will work over a longer span of life, paying higher taxes all the way, in order that the 68 million others now covered by social security can enjoy pensions and other promised benefits.

ONE MORE WINDFALL?

It now is proposed that hospital insurance for retired persons be added to the social security system. Once again, if this type of insurance is added, older people will get a bargain. Those retired when the plan would take effect would become entitled, at no cost, to hospital and nursing care valued at thousands of dollars.

Here would be a windfall for persons now retired and those who will retire in years shortly after the plan takes effect.

The tab for the cost would be picked up—as it is being picked up for old-age and survivors insurance—by employers and by those who go on working. In the end the cost would fall on employers and on generations not yet working.

In a word: social security programs, to date, represent a gigantic bargain for persons retired, soon to be retired, or fairly well along in years.

For relatively small payments these people are assured of an income on retirement. Men are assured that, when they die, their wives will go on getting an income. There is further assurance that minor children will get checks in event of the man's death. A binding promise is made of a monthly check in event of total disability.

Once the hospital-care program is in the law, pressure will grow to cover hospital costs for all persons covered by social security, whether working or retired. The final step might possibly be to cover doctor bills as well.

IDEA: PAY LATER

In each case, planning rests on the idea that future generations will get and pay much of the bill for those who are getting, or stand to get, the bargains of the present. All of this is part of the strong trend toward special advantages for older people at the expense of the Nation's younger people.

Young people with children to educate, with a house to furnish and pay for, with saving to do if there is to be any venturing, with insurance payments to make, get few favors. Payroll taxes, increased eight times in the past 13 years, will be increased three more times for old-age and survivors insurance. Hospital insurance would mean another tax. Then, at some point, there will be unpaid bills from social security promises to meet.

Old people, all of the time, are getting more and more advantages. People age 65 and older get a double exemption on personal income tax. If retired, they get a special retirement credit against income tax. The social security pension—for which they paid little—bears no tax. All their bills for medical and hospital care are deductible for income tax purposes.

All of this raises the question whether young people with more votes than old people will go on giving the breaks to the elderly.

FOR YOUNG: ALTERNATIVES

Two courses would be open to them if ever they wanted to get out from under what is to be a growing burden.

1. Inflation of prices can be accepted while a determined effort is made to keep individual pension benefits from rising. In this way, inflation could be used to reduce the pension burden, since pensions would represent a smaller part of an inflated national income.

2. Taxes could be used to take away some of the advantages enjoyed by retired persons. One tax reform now under study calls for taxation of social security income. There is some pressure to end many other special deductions extended to older people.

However, experience in the United States and Europe indicates that old people will go on getting their bargains and young people will continue to bear their rising burdens. In Europe there is a strong trend toward shifting to employers a larger and larger part of the social security burden.

The generous attitude of young people is attributed to two factors.

One of these factors is the realization that sometime they, too, will be old and will want some favors.

The other factor is that the young people see social security as a means of spreading the risk that comes from being forced at some point, for most, to care for their own parents.

AS IT'S DONE ABROAD

To fill out the untold story of social security, U.S. News & World Report asked its staff members in Europe to explain how those countries—with long experience—have met the rising burden of welfare programs:

West Germany: The idea of national pension plans got its start in Germany. Two world wars, ending in two defeats and destruction of currency, destroyed the pension systems. Yet each time these systems have come back stronger than ever.

To finance old-age pensions, employers and employees each contribute 7 percent of the gross wage. For health insurance they each contribute an added 4.8 percent. An added 0.7 percent goes for sick pay, special leaves, family allowances. On top of it all, employers contribute an average of 16 percent for other fringe benefits. Payroll additions for social security amount, overall, to approximately 45 percent.

Benefit payments in recent years have been adjusted to compensate for price rises. Young people do not appear to object to the burden they carry.

Great Britain: Welfare costs now account for more than a third of all Government spending. Workers covered by welfare programs and their employers pay special taxes that pay less than half of welfare costs. In the case of health insurance, $3 out of every $4 come from general taxes.

Government subsidizes the whole welfare program, and political pressure is constantly on the side of larger benefits. There is pressure to cut down defense spending so welfare can expand.

Sweden: A 6-percent sales tax was introduced in Sweden 2 years ago to help meet the skyrocketing costs of welfare. Social security benefits now account for 15 percent of national income, compared with 7 percent before World War II.

In 1960, government, central, and local, carried 69 percent of welfare expenses, workers 20 percent and employers 11 percent. Now the pressure is to increase the employers' burden.

France: Social welfare in France extends from maternity grants, family allowances, rent allowances and hospitalization to old-age pensions and death benefits. The expense falls mainly on employers, who pay about 30 percent on their payrolls. The employee contributes about 6 percent on maximum pay of $1,920 a year.

Italy: Social security in Italy includes old-age pensions, unemployment insurance, health insurance, maternity benefits, family allowances and some subsidized housing. The Government contributes 25 percent to the retirement pension fund.

Employers' contributions amount to a tax of about 50 percent of payrolls. Workers contribute approximately 11 percent of their earnings.

In Western Europe as a whole, social security benefits now approximate 15 percent of national incomes. The range, according to official figures, is 12.6 percent in the Netherlands to 16.4 percent in France.

The trend in Europe is toward more and more social services, with heavier and heavier taxes on employers, plus larger contributions by the Government out of general revenues. This suggests that, in the United States, as the years go on, the Government, too, will be called upon to support the pension fund in addition to the payroll taxes that now are scheduled.

Social security taxes and how they grow

	Rate paid by worker, matched by employer	Maximum paid by worker matched by employer
1937–49	1 percent on 1st $3,000 of pay	$30.00
1950	1½ percent on 1st $3,000 of pay.	45.00
1951–53	1½ percent on 1st $3,600 of pay.	54.00
1954	2 percent on 1st $3,600 of pay	72.00
1955–56	2 percent on 1st $4,200 of pay	84.00
1957–58	2¼ percent on 1st $4,200 of pay.	94.50
1959	2½ percent on 1st $4,800 of pay.	120.00
1960–61	3 percent on 1st $4,800 of pay	144.00
1962	3⅛ percent on 1st $4,800 of pay.	150.00
1963–65	3⅝ percent on 1st $4,800 of pay.	174.00
1966–67	4⅛ percent on 1st $4,800 of pay.	198.00
1968 and after	4⅝ percent on 1st $4,800 of pay.	222.00

ANOTHER INCREASE COMING?

To provide for hospitalization and nursing home care for the aged, President Kennedy now urges an extra one-quarter of 1 percent in the payroll tax. The tax base would rise from $4,800 to $5,200. The maximum tax then would be raised to $201.50 next January 1, and go on up to $253.50 by 1968.

NOTE.—The social security tax on self-employed persons, first covered in 1951, is 1½ times the tax on employees.

IS YOUR SOCIAL SECURITY A BARGAIN?—HERE ARE SOME EXAMPLES

Example A: A worker who retired in 1940 at age 65. Wife the same age. Before retirement, worker and employer had paid social security taxes for 3 years. Total tax, worker and employer combined: $180. Since retirement, this man and his wife have been drawing benefits for 22½ years. Total benefits to date: $24,973.

Example B: A worker who retired last January 1 after paying the maximum social security tax since 1937. Total tax paid by worker and employer: $2,868. Add interest at 3 percent, and this contribution to the pension fund becomes $3,714. Pension from now on will be $121 a month for the worker, plus $60.50 for his wife if she also is 65 years old. If both live out their normal life expectancy, then total benefits for man and wife: $32,074.

Example C: College graduate starts working in 1962, pays maximum social security tax until retirement in the year 2005. Total tax paid by worker and employer: $18,564. Add interest at 3 percent, and this contribution to the pension fund becomes $36,226. Pension for man and wife, after retirement, will be at a rate of $190 a month. Total benefits, normal life: $33,664.

Example D: Young man gets a job in 1968, pays the maximum tax from then until retirement in the year 2011. Total tax, worker and employer: $19,092. With interest at 3 percent, this is worth $37,954. Assume this man is a widower, with no dependents. He lives 2 years after retirement, and dies at age 67. Total benefits, 2 years: $3,048.

Mr. MILLER. Mr. President, the backup figures or computations which support the conclusions set forth in the article I have asked to have printed were prepared by Mr. Robert J. Myers, Chief Actuary of the Social Security Administration. They are set forth in a table showing the results of liberalizing amendments of 1958, 1960, and 1961 which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Balance sheet cost analyses of OASDI system, 1958, 1960, and 1962 intermediate cost estimates at 3 percent interest

PRESENT VALUE OF TAXABLE PAYROLLS

[In billions]

Item	Jan. 1, 1958 1956 act	Jan. 1, 1958 1958 act	Jan. 1, 1960 1960 act	Jan. 1, 1962 1961 act
Present members	$2,876	$3,038	$3,204	$3,279
New entrants	6,795	7,202	7,583	7,747
Total coverage	9,671	10,240	10,787	11,026

PRESENT VALUE OF BENEFITS AND ADMINISTRATIVE EXPENSES

Present members	$486	$543	$587	$625
New entrants	335	377	404	431
Total coverage	821	920	991	1,056

PRESENT VALUE OF SCHEDULED CONTRIBUTIONS

Present members	$194	$231	$254	$282
New entrants	563	641	682	719
Total coverage	757	872	936	1,001

EXISTING FUND

Present members	$23	$23	$22	$22
New entrants				
Total coverage	23	23	22	22

ACTUARIAL BALANCE, SURPLUS (+) OR DEFICIT (−)

Present members	−$269	−$289	−$311	−$321
New entrants	+228	+264	+278	+288
Total coverage	−41	−25	−33	−33

NOTE.—Present members are all living persons (including beneficiaries) who have earnings credits, as of the given date. New entrants include those participating in the system at any time after the given date who had no earnings credits before that date.

Mr. MILLER. An additional table prepared by Mr. Myers discloses that the per capita deficit for present members of the social security program is $4,679. This means that, on the average, everyone in the social security program today—both retired and working members—is passing on to our future generations a debt amounting to $4,679.

I ask unanimous consent that this table be printed in the RECORD at this point in my remarks, along with a final table showing the deficit for present members as a percentage of current taxable payroll, also prepared by Mr. Myers.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Per capita deficit for present members, 1958, 1960, and 1962 intermediate cost estimates at 3-percent interest

NUMBER OF PRESENT MEMBERS [1]

[In millions]

Item	Jan. 1, 1958, 1956 act	Jan. 1, 1958, 1958 act	Jan. 1, 1960, 1960 act	Jan. 1, 1962, 1961 act
Active workers	56.7	56.7	58.4	[2] 59.0
Retired workers	6.3	6.3	7.9	[3] 9.6
Total	63.0	63.0	66.3	68.6

DEFICIT FOR PRESENT MEMBERS

[In billions]

	$269	$289	$311	$321

PER CAPITA DEFICIT FOR PRESENT MEMBERS

	$4,270	$4,587	$4,691	$4,679

[1] Active workers taken as average of calendar year average figures for current and previous year (coverage in effect). Retired workers are primary beneficiaries in current payment status as of date given. Although survivor beneficiaries are not included in the count of "present members," all dollar figures include liabilities for survivor benefits.

[2] Average for March, June, and September 1961 (coverage in effect).

[3] Estimated, using 9.4 million actual as of end of October 1961, plus assured 100,000 monthly increase.

Deficit for present members as percentage of current taxable payroll, 1958, 1960, and 1962 intermediate cost estimates at 3-percent interest

CURRENT TAXABLE PAYROLL [1]

[In billions]

Jan. 1, 1958, 1956 act	Jan. 1, 1958, 1958 act	Jan. 1, 1960, 1960 act	Jan. 1, 1962, 1961 act
$181	$181	$202	$214

DEFICIT FOR PRESENT MEMBERS

[In billions]

$269	$289	$311	$321

DEFICIT AS PERCENTAGE OF CURRENT TAXABLE PAYROLL

[Percent]

149	160	154	150

[1] Taxable payroll for previous calendar year, e.g. calendar year 1961 for valuation of Jan. 1, 1962.

Mr. MILLER. The proponents of the Anderson-Javits amendment make considerable point over the fact that the social security tax would be increased only one-fourth of 1 percent for employees and one-fourth of 1 percent for employers in order to finance the program. I ask unanimous consent that a table showing the social security tax rate for 1962 and future years, both as now constituted and as it would be if this program were adopted, be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EMPLOYERS AND EMPLOYEES

[Percent]

Years	Now	Bill
1962	3	3
1963–65	3½	3¾
1966–68	4	4¼
Thereafter	4½	4¾

SELF-EMPLOYED

1962	4½	4½
1963–65	5¼	5⅝
1966–68	6	6⅜
Thereafter	6¾	7⅛

Mr. MILLER. It would be far more fair to our future generations if this proposed modest increase were greater, so that the program would be on a pay-as-you-go basis instead of $25 to $60 billion unfunded. If I understand this argument of the proponents, we might as well ask for an increase of one-eighth of 1 percent instead of one-fourth of 1 percent in social security tax. "This would make it easier for the present generations and who cares about how much more of a load will be placed on our future generations" is what their argument comes down to.

However, let us not be so naive as to think that this is where the social security tax increase will stop. We know from the history of the social security program that the trend is to bring more people into the program and to increase the benefits. When this is done, either the tax must be increased or the burden on future generations will be just that much greater. Social security taxes have been moving steadily upwards—although not enough to prevent the load on future generations from being increased even more. This program is not going to be able to satisfy the needs of people who are met with catastrophic illness or disease, or who have large doctor bills, and who do not have the wherewithal to pay for them. As time goes on, these areas of need will be covered, and this will mean a further boost in the social security tax—unless benefits to those who do have the wherewithal to pay for their medicare costs are dropped from coverage.

Mr. Wilbur J. Cohen, Assistant Secretary of the Department of Health, Education, and Welfare testified that over the next 10 years, the earnings base for social security taxes might well go from $5,200, as proposed in the amendment, to $9,000. If this were to happen, we might just as well tack the social security tax on as an addition to the individual income tax instead of having separate taxes. The rate is likely to go up too. If all people, young and old alike, were covered under a program of hospital and medical care, the rate would be at least 10 percent on employer and employee alike; and let me make it clear that such a rate is a flat rate applied against gross salaries and wages—not against net income, as is the case with the income tax.

Some opponents of the Anderson-Javits program have insisted that the Kerr-Mills Act should be given a reasonable opportunity to work, and that if this is done, the need for coverage will be met—at least for catastrophic disease and illness cases. I would hope that implementation of the Kerr-Mills Act by the States to the point of giving it a full opportunity to become effective would rapidly take place. Doubtless it is imperfect in some respects, but a reasonable trial period will isolate these imperfections and enable the Congress to make a sound determination of what is required. Enacting legislation at this time is legislating in the dark, if we used no more than the factual data available to us in connection with the Anderson-Javits amendments.

One of the features of the Kerr-Mills Act is that it permits benefits only on the basis of need. However, one of the defects at the same time is the wide variance in need among the definitions of the various States.

In more than half of the 24 States which have so far passed enabling legislation or appropriations, or both, to implement the Kerr-Mills Act, the value of the home occupied by an applicant is disregarded. The range extends from Hawaii, with a limit of $14,000, to Arkansas, which specifies $7,500. In many States some valuations are exempt from need considerations. Differences exist in the amount of personal property allowable and that permitted to be used for business or income-producing purposes.

A single person may retain a cash reserve of $300 to $2,000, depending on his residence. A married couple may retain a cash reserve of from $600 to $3,000, depending on residence.

The face or surrender value of health insurance policies is exempt in a few States. A reasonable amount is exempt in another. Up to $1,500 may be retained by a single person, and $2,000 by a married couple in other States.

Monthly incomes allowable—in some cases the annual allowance has been divided by 12 to compute this figure—range from $83 to $250 for a single person, and from $125 to $325 for a couple. Limits differ in one State, Louisiana, depending upon whether hospital or physician services are required. In a few States the applicant's total resources are evaluated without regard to individual limits, and then compared with maintenance levels established by the State welfare department, to determine eligibility.

In a pamphlet entitled "State Finances and Medical Care Programs for the Aged," prepared for the 20th annual meeting of the National Taxpayers' Conference and Tax Foundation Conference on Federal Affairs, held in Washington, D.C., from February 3 to 7 of this year, at page 9, there appears a table showing State property-income eligibility requirements for medical assistance recipients under the Kerr-Mills provisions.

I ask unanimous consent that the table may appear at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*State property-income eligibility requirements for medical assistance recipients under Kerr-Mills provisions as of Feb. 7, 1962*

Legend: S=single person; M=married couple; E=exemp.

State	Real property		Personal property	Cash reserve, liquid assets, etc.	Surrender value of life insurance	Monthly income limit	
	Home	Except home				Single	Married
Alabama	E	$1,000				$100	$150
Arkansas [1]	$7,500		$2,500	S$300 M600		100	125
California	$5,000		1,200			(2)	(2)
Connecticut [3]	E	S$900 M1,300		M1,300	(4)	129	183
Hawaii	14,000	300		Yes	Yes	Yes	Yes
Illinois	Yes	Yes	Yes	Yes	$1,000	150	200
Kentucky	E	E		S$750 M1,000		100	150
Louisiana	E	1,000 [5] 5,000	[5] E (7)	S1,000 M1,500	S1,500 M2,000	[6] 250 [8] 125	[6] 325 [8] 175
Maine	E	S500 M800	[5] S1,000 [5] M1,500	S500 M800	S500 M800	125	175
Maryland	E		$2,500			95	130
Massachusetts	E	E		S2,000 M3,000	E	150	225
Michigan	[9] E	E	1,000	S1,500 M2,000	E	125	166
New Hampshire	E	4,000		S500 M800		100	150
New York	E		E	S1,050 M1,550	500	150	217
North Dakota	E	$2,500				100	150
Oklahoma [10]	8,000		[11] 1,500 [5] 2,500	S700 M1,000	[12] 1,000 [12] 2,000	125	166
Oregon	E	1,500		S1,500 M2,000		125	166
Pennsylvania	[10] E	[7] [9] S1,500 [7] [9] M2,400				125	200
South Carolina	E	E	E	S500 M800	[12] 1,000 [12] 2,000	83	150
Tennessee	[14] 10,000		S1,000 M1,500			83	125
Utah	10,000			S1,000 M2,000		110	170
Washington	[13] E	[13] E	(15)	(15)	(15)	(15)	(15)
West Virginia	$4,000			S1,000 M1,500		125	250

[1] Residence required: 3 out of last 5 years. All other States have no durational requirement.
[2] Not to exceed medical, personal, and home and certain debt costs.
[3] Program to begin Apr. 15, 1962.
[4] Reasonable amount exempt.
[5] Income producing.
[6] Maximum allowable for hospitalization benefit.
[7] Automobile exempt.
[8] Maximum allowable for physicians' services.
[9] Plus furnishings.
[10] Plus certain other agricultural/domestic exemptions.
[11] Tools of trade.
[12] Face value.
[13] Liens executed after death of recipient.
[14] Or equity of $4,000.
[15] Excess considered as available to meet medical expenses.

NOTE.—Data for Idaho not available.

Mr. MILLER. The point to be drawn from this table is that one of the defects under the Kerr-Mills Act is the wide variance between various States in the definition of "need." That does not mean that the Kerr-Mills Act could not be improved; nor does it mean that the Anderson-Javits amendment could not be improved, by cranking in a need factor along the lines of the colloquy which I had with the Senator from New Mexico [Mr. ANDERSON] last week.

A great many people have been fearful that implementation of the amendment would result in a medical system or a Government health program in the United States which would be not unlike the one in Great Britain—not necessarily overnight, but over a period of time; in other words, that sooner or later we would get into a system such as the British people have been suffering under for the last several years.

Dr. John R. Seale, a member of the medical profession of Great Britain, made an address before the House of Delegates of the California Medical Association in San Francisco on April 24 of this year, in which he discussed the operations and the defects, as well as some of the benefits, of the British National Health Service.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the address delivered by Dr. John R. Seale.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE BRITISH NATIONAL HEALTH SERVICE—THE WINDS OF CHANGE

(By John R. Seale, M.D.)

My purpose in visiting with you is to clarify the current debate on the part government should play in the control and finance of medical care in a democracy. This is merely an extension of what I am trying to do in my own country. There is no place for an Englishman to tell American citizens what they should or should not do—not since the Boston Tea Party—but I may be able to illuminate some of the issues involved. This is my third visit to the United States, and as I lived near Boston for a whole year when I was at Harvard in 1958, I have for long taken a particular interest in events in your country.

There is a book on the British National Health Service which is to be published in London at the end of April by one of our Conservative Members of Parliament who is also a physician. He states, in passing, that the medical system in the United States is by no means perfect—in no country is it perfect—but he goes on, "If my history of the British National Health Service can help the Americans to avoid some of the pitfalls into which we in Britain have so clearly fallen, then my efforts in the writing of this book will have been worth while." If my talk to you has the same effect then it also will have been worth while.

The organization sponsoring my visit to your country is the American Medical Association. I am myself a member (though, of course, not a representative) of the British Medical Association, and as I am a physician it is appropriate that my talk should be sponsored by an association of physicians. I have no particular interest in, or knowledge of, the details of the present proposals for financing medical care for the aged in the United States, which represents a domestic political issue which as an Englishman is no concern of mine. On more general issues, however, I believe that my views coincide with most of the American medical profession, and also with most doctors in other nations of the Western World.

I have been witnessing for several years what I believe to be the progressive destruction of the excellence of the medical profession in Britain as a result of excessive control of the profession by the state, and it would appear that the British experience is revelant to other countries. I have no doubt that in the long run not only does the medical profession suffer from total nationalization of medical care, but the people themselves suffer also.

The AMA has often used events in the British Health Service as propaganda against Government intervention in medical care. In doing so it has nearly always painted a uniformly black picture which being both inaccurate and lacking in analytical profundity has in my opinion weakened its case in the United States and has caused much offense in Britain. I hope that I shall be able to show from a review of trends in Britain that although the state has a part to play in medical care the extent of its intervention should be strictly limited.

Before turning to the British National Health Service I wish to draw your attention to the fundamental difference between the National Health Service, as I shall call it, and the medical care provided by it. The failure to draw this distinction has caused endless confusion in discussion about the National Health Service on both sides of the Atlantic. The National Health Service is an organization for financing, administering and distributing medical care. It is not the medical care itself.

Let me illustrate. When I was a senior resident in internal medicine at St. Mary's Hospital in London an American was admitted to the ward suffering from a coronary thrombosis. He was particularly impressed with the excellence of the nursing care he received, which is considerably better than that usually available in American hospitals. He assumed, incorrectly, that this excellence was evidence of how good the National Health Service was. He did not know that the high quality of the British nursing profession had been built up from almost nothing in the 100 years that followed the pioneering efforts of Florence Nightingale, and the National Health Service took over this profession with its high standards and ideals—it did not create it. The National Health Service is not the nursing profession, it is not the doctors, it is not even the hospitals, nearly all of which were built long before it was thought of. It is only a financial and administrative organization, although the structure of the organization does, in the long run, affect the quality of medical care provided by it.

You will find that I am highly critical of the National Health Service because, in my view, it is damaging the health professions and the quality of medical care available to the people of Britain. Doubtless many of you will have heard, quite correctly, of the excellent care received by many people under the National Health Service, but before you assume that my analysis is inaccurate, once again let me remind you that this excellence which does exist may do so in spite of, and not because of, the National Health Service.

Medical care of all forms is provided in Britain through the health service which is operated by the state and was created in 1948 by the Labor government in power at the time. The state provides medical care free of direct charge to the entire population irrespective of income, thus relieving the individual of much of the financial hardship associated with illness. All hospital and specialist care are free, all the services of general practitioners are free, and there are only nominal charges of 30 cents for prescribed drugs, and small charges for dental treatment. The act of Parliament laid upon the Central Government the responsibility of providing these services itself, and to enable it to do so the private and city hospitals were nationalized, the state pays specialists a salary, and it pays general medical practitioners a modified form of salary. Although the health service is partly financed by compulsory insurance payments, nearly 80 percent of the cost has been covered by general taxation.

To make available to all the medical care they require, free of charge, is a very attractive proposition to the people, although a utopian intention, because what is required is largely a subjective concept. Certainly there was immense support from the general public and from the national press for a health service of this type at the time, and in many ways it has remained popular over the years. The climate of the times in Great Britain in 1946 when the National Health Service bill was passed by Parliament was favorable to extension of the activities of the state. Emerging from a world war which had lasted 6 years we had come to accept a degree of control of the individual by the state from which we have since moved away in almost all fields, except for health. In recent months, however, several of our economists have been questioning the basic arguments for nationalizing medicine, but even more important, signs of strain in the state service are now developing which suggest that it contains fundamental defects. There is a growing awareness that the wholesale nationalization of medical care 14 years ago was a mistake and the damage done may take a long time to repair.

The provision of free medical care does, of course, reduce the risk of financial ruin for the individual through illness, a highly desirable objective. But a system which provides it brings new problems. Although the patient does not pay directly for medical care at the time he consumes it, nurses, doctors, dentists, and other health workers still have to receive an income in return for the services they provide. These incomes are no longer derived from the people as patients paying fees or voluntary insurance premiums—they come from the people as taxpayers. The problem of paying directly for medical care as a patient is merely shifted to the problem of paying taxes—and taxes are no more popular than direct payments for medical care. Furthermore, if the taxes are entirely raised by the Central Government, then it, through the Department of the Treasury, tends to exercise direct control over the hospitals and the health professions.

Although the cost of the service to the taxpayer has worried both the public and the Government ever since it started, a new, more complex, and more important problem is developing—the quality of medical care available in the Service. So much attention has been devoted to keeping down costs that the effects on quality—indeed the importance of quality—have been inadequately perceived. But the quality of medical care received is vital for if it is not high the patient may lose his health, happiness, and sometimes his life. If a child dies during an appendectomy because the surgeon is inadequately trained, or the anesthetist is inexperienced, or the intravenous pentothal is defective, the fact that the operation is performed free of charge is little consolation to the bereaved parents. Direct payment for medical care does not by itself guarantee high quality, but neither does provision by the state.

Ever since the state service started successive governments have thus been faced with a dilemma and I fully appreciate the difficult position in which they are in. On the one hand the Government has attempted to provide medical care of the quality and quantity acceptable to the electorate; on the other hand they have tried to limit expenditure of tax funds as much as possible. Although the two objectives tend to be mutually exclusive, the issues are not of minor importance to the Government. The whole nation is intensely interested in the level of taxation, and in the effectiveness of its state-operated health service, almost the only channel through which it now obtains medical care—money and life interest us all a great deal. If the cost is too high or if the quality of medical care available is too low then a government could fall from power. Troubles in the health service strike at the very heart of political activity.

So far, as the most articulate public critics of nationalized medicine have leveled their attacks at high cost rather than low quality, the politicians and the health departments have naturally done likewise. We must not forget that the Government tends to do what the people want in a democracy, even though the wishes of the people may be harmful to themselves in the long run if their opinions have been based on inadequate information. Democracy itself can be no more than a facade if the people are not well informed. To lower public expenditure the Government can either increase the share of cost borne by the patient and private insurance, or cut down expenditure on the service itself. It has been considered politically inexpedient so far to raise substantially the cost to the patient, and little serious thought has been given to encouraging the expansion of private health insurance. Great efforts, however, have been directed to curtailing total expenditure on the service itself with a success which is not generally realized.

How has cost been kept down over the last 10 years or so? By efficiency in the use of material and human resources? Economy with efficiency have been the aims of the state authorities for 10 years and in principle they are highly desirable objectives. However, economy in practice often means cheapness and this carried too far tends to impair efficiency.

The easiest way to economize is to cut capital expenditure. Capital was the first casualty in the economy campaign in the hospitals. It should be recalled that one of the primary arguments in favor of nationalizing the hospitals in 1946 had been the view that capital expenditure on them under the old system before the war had been inadequate, and that after the damage and neglect of the war years only the state could afford the huge investment required to modernize them. Nevertheless, according to a Government-sponsored report on the cost of the health service, annual capital expenditure on the hospitals in the first 6 years after nationalization, at constant prices, was only one-third of that spent in the 1930's. The proportion of the total capital investment of the nation devoted to hospitals, already so low in 1949, fell substantially for 8 years and has only been rising since 1957. It was not until 1962, 14 years after the state monopoly was created, that detailed plans for a major rebuilding of the hospitals have been put forward. Because most of the capital which has been spent has gone toward patching and mending old buildings few entirely new hospitals have been completed since the end of the war, although another 20 or so are now under construction. To economize on capital in the hospitals, in which labor is the major item of cost, and in which much of the plant is already obsolete, is contrary to the principles of sound management. Much of the energy of doctors and nurses has, as a result, been wasted as they work in inefficient surroundings which have been perpetuated by an excessively narrow pursuit of economy.

A policy of stringency tends to lower the incomes of those who work in any organization dominated by this aim. For doctors in a nation where the state has a virtual monopoly in medical care, it becomes almost the only buyer of their services, because private practice is of necessity severely curtailed. Most people believe that governments spend their money raised by taxation very lavishly, but it should not be forgotten that the state is not always generous. The state has in fact used its immense power over doctors, nurses, and other health professions, to obtain their services inexpensively. These professions are particularly vulnerable when faced with a monopoly employer because they will not harm their patients by striking against their employer.

I shall not trouble you with the details of the prolonged struggles over earnings between the medical profession and the state. According to the English economist, D. S. Lees, in his recent book, "Health Through Choice," between 1950 and 1959 the real incomes of general medical practitioners fell by one-fifth while those of the community in general went up by about as much. Even with the much publicized increase in doctors' pay in 1960 they are still no better off than they were 10 years ago. This can be said of few other sections of the British working community and contrasts strongly with the trend of medical incomes in most other countries in the Western World.

The fall in the earnings of doctors in hospitals has been more complex. All are paid salaries and many grades of hospital doctors receive considerably lower real incomes today then they did in the early days of the National Health Service. Probably more important than the fall in real incomes of any particular grade, however, is the rapid expansion of medical appointments with low salaries compared with expansion of those with high salaries. This was not so in the first 4 years of the Service, but between 1953 and 1960 the number of senior, relatively well-paid specialists increased by 8 percent while the number of residents and interns increased by 21 percent. In the case of general surgery in the last 9 years the number of senior specialists has actually been reduced. The result has been that surgeons have remained in junior posts as residents on low pay for many years—indeed often till middle age. For the purpose of this paper I define middle age as the age of 40. During the long years as a resident the surgeons have often been undertaking, according to a recent Government-sponsored report, the same work as a consultant. But the salary of a resident is only about half that of a consultant. Increasingly the demand for doctors in the nationalized hospitals has been for those who are willing to provide their services for low prices.

Is the policy of economy in doctors' earnings having any effect on the quality of medical care available in the nationalized hospitals? Many young doctors are showing themselves unwilling to accept the prices offered for their services by the state and they dislike the rigidity, and the impairment of their professional freedom, in the system in which they work. The rigidity and restriction of their freedom does, I believe, follow necessarily upon finance and responsibility being vested in the hands of central government. With the state virtually a monopoly employer of doctors they must either accept the terms offered by the state, or leave the country, or leave their profession. Large numbers have left the country. In the 10 years of the 1930's, that is, before nationalization, an annual average of 27 doctors with British degrees registered for practice in Australia, according to official Australian sources. But in the last 5 years the annual rate has been 225. The 1959 figure of 256 in the 1 year was almost equal to the total for the entire 10 years of the 1930's. In the last 8 years an average of over 200 British doctors emigrated to Canada each year according to the Canadian Department of Immigration. In the 1 year, 1960, more doctors (162) trained in England and Ireland passed their State boards examination in the United States than did in the whole 10 years of the 1930's. In short, in the last 10 years the number of British doctors going to Australia and North America has been well over five times the rate prevailing in the 1930's, is over five times the general rate of emigration, and the total of 600 a year is equivalent to one-third of the annual output of the British medical schools. The reasons for their departure is, in my opinion, that in Australia and North America the professional freedom of doctors is greater, the opportunity to practice medicine well, particularly in general practice, is greater, and the financial rewards are more appropriate to the years of study, the long hours of work, and the heavy responsibility which doctors carry.

To sustain the large loss of doctors by emigration there has not been a correspondingly high output from the British medical schools. The number of medical students in training has fallen continuously from 14,200 in 1950 to 12,300 in 1959. In spite of the steady fall in the early years of the 1950's a committee recommended a further 10 percent cut in the intake of students in 1957. As a result the number of students in training is now no greater than it was before World War II in spite of a rise in population and in spite of the increased complexity in medical practice which has characterized the last quarter of a century.

To aggravate the shortage of doctors in Britain due to high emigration and low recruitment, the rate of retirement of elderly doctors is now rising steeply. This reflects the uneven age distribution of British doctors—an unusually large number of men entered the medical profession after the end of the First World War in 1918 and these are now reaching retiring age. In the next 5 years about 60 percent more doctors will reach the age of 65 as did in the last 5 years.

As the supply of doctors with British degrees has been falling the hospitals have relied increasingly on doctors from overseas to take temporary posts. By 1960, 41 percent of all junior hospital posts in England were filled by doctors trained outside the British Isles (nearly 4,000 doctors from overseas), and the proportion is rising rapidly. Most come from India and Pakistan. The total number is now equivalent to well over 2 years of output of the medical schools. In the region around Sheffield, an area in the north of England, 26 of the 74 hospitals have no doctors at all below the grade of consultant (that is under the age of about 40) who were trained in Britain. Increasingly the medical staff of the hospitals is a rapidly shifting labor force recruited from abroad, most of which does not intend to settle in Britain. These young doctors from overseas arrive with little experience, but once they have become highly competent they return to their own lands.

The effect on the quality of medical care in hospitals was described by several of the speakers in the now famous debate in the House of Lords on the shortage of doctors on November 29 last. There is no system whereby the hospitals are made to keep within specified standards for the training of postgraduate doctors from overseas. Large numbers of these, instead of receiving training and experience under supervision at the postgraduate institutes for which Britain is famous, are being used for what in economic terms, might be described as inexpensive medical labor.

Difficulty in language is one of the major problems because of the short time many remain in Britain. Not only do some of the doctors have the greatest difficulty in communicating with their patients, they also have difficulty in talking with other doctors. The language difficulties of interns from abroad has been a problem in U.S. hospitals, but the American Hospital Association has imposed a compulsory linguistic test which now insures a knowledge of English before a hospital appointment is made. In Britain there is at present no such test though doubtless one will soon be imposed.

I have spoken a good deal about how the nationalization of medicine has affected the earnings and conditions of work of the doctors. But again how has it affected the patient, without whom the doctor has no function? Up until the present the patients have been cared for satisfactorily, particularly those who have been acutely or severely ill. Now there are signs that a crisis has been reached, particularly in the emergency departments of the hospitals, and in the maternity services. This has been extensively documented recently in Britain in official and nonofficial publications, and doubtless many of you will have read of it.

I have concentrated on troubles in the supply of doctors because they are the most essential of the skilled personnel providing medical care. If the supply fails then there is real trouble ahead and I should remind you that the future supply of doctors in your country is by no means assured. However, the effects of the National Health Service are also beginning to show in the nursing profession and in other health professions with unhappy consequences for the patients. The cumbrous administrative structure of the health service, described by our present Minister of Health as "lumbering Leviathan," often impedes the efforts of the individual in it to work well. I have stated on many occasions in my publications that the undoubted success of much of the state health service up till the present in providing medical care of high quality has been due to the abundant stock of human, moral, and material capital which it inherited in 1948. British doctors, and British nurses have for long had a worldwide reputation for excellence. Few will doubt that the material capital—that is the hospital buildings and equipment—has been allowed to run down. It is now becoming apparent that the human and moral capital of the health professions has also been consumed but only partially replenished. Until recently there has been no clear evidence of declining quality of medical care, but this is the problem which is now emerging in nationalized medicine which is as yet only imperfectly appreciated, but which will dominate the medical care field in Britain in the 1960's. The National Health Service, which started with such high hopes and great expectations, is now moving into a phase which has many of the characteristics of high tragedy.

I think there are some lessons of general interest to be learned from these recent occurrences. It has been an error to assume that the major problem in medical care is cost. If the burden of payment is removed from the patient then all will be well was the oversimplified approach of the 1940's. This is just not true. Of equal or greater importance is quality of medical care available. This is a complex concept, and somewhat intangible, just as the concepts of freedom and patriotism are, but their complexity and their intangibility makes them no less important.

It would be absurd to suggest that cost is of no importance. But surely the objectives one wishes to attain in any form of health system is, first, to insure that there is available in a nation medical care of high quality, second, to insure that no individual shall be unable to obtain medical care for financial reasons, and, third, to insure that he shall not be financially ruined because of medical expenses alone. In the United States, possibly in no country, have these objectives been achieved. But they can be approached by a great variety of means, and it was certainly not necessary to nationalize all the medical facilities and personnel, and provide all medical services free, as happened in 1948. This achieves the last two objectives, but impairs the achievement of the first. The state has an important part to play—in your country for instance the treatment of mental disease and of tuberculosis and many other health problems have for long been a function of public authorities—but the individual also has a part to play. It is the preservation of a reasonable balance between the right and duties of the state and of the individual which is the hallmark of a free but responsible society. In my country, this delicate balance has been disturbed in the field of health but we shall be making efforts to restore it. The realization that some change is needed is just beginning to dawn.

In the United States also the winds of change are blowing strongly. With an aging population the problem of financing medical care for the elderly becomes more important, and the citizens of a prosperous nation do not wish to be exposed to the risk of reduction to penury by ill health. There is no easy solution, there is no complete solution, but do not fall into the error of assuming that the state, by usurping the responsibilities of the individual, will provide all the answers.

You may think from what I have said that medicine in Britain is in trouble. Indeed this was precisely what was said by the British Medical Journal in its leading article commenting on the now famous debate in the House of Lords last November. But to assume that this is all there is to be said about the situation would be erroneous. The British may be slow to change their minds but once they realize that change is necessary they are well able to bring it about. Furthermore, it is when they see that a situation is particularly disastrous that they are at their best.

You may be wondering why I should be here to tell you of these troubles in my own country. It is only in part because I hope you will avoid some of the errors which we have made. It is also because I do not wish you to misunderstand what is happening in Britain as you read reports of further events in the health service in the years ahead. My three strongest emotions are love of my country, of my family, and respect for my profession, and I do not wish you to underestimate the potentialities of my country to remedy an unfortunate situation.

I can only remember dimly as a child the episode in 1938 now known as Munich. At that time the vast majority of my fellow countrymen was behind Mr. Chamberlain, the Prime Minister, in his policy of peace—at almost any price. We now accept this was a mistake. Few British thought at the time, that there would be war, and none wanted it. But as events unfolded in the early months of 1939, as we perceived the abyss toward which we were heading, then a great change came over the people and we moved toward war in September as if we had always known that it was coming. It was, however, only after the shattering defeat of our armies in France in May 1940, that we really showed our worth. All the rest of the world, all informed opinion in the United States, wrote us off as finished. The Germans even demobilized some of their fighting divisions. Yet in England we took it entirely for granted that we would continue to fight alone against Nazi Germany. This we did for more than a year until the United States came to our assistance and together we marched forward to final victory.

So if you think that the British will never change their nationalized health service because they like the state to provide free medical care for all, and if you think that because medicine is in trouble we shall not remedy it, then I suggest that you think again. When my fellow countrymen come to realize from the course of events that they have taken a wrong turning, changes will be made, and if we are in real trouble then we will get out of it. After all—we have done so before.

Mr. MILLER. Mr. President, I think it well to point out that some of the benefits which are claimed for the British National Health Service are not those that came about as a result of that program. They were those which were already in existence at the time the program was started.

Some people talk about their friends in Great Britain thinking that the medical care which they receive under the National Health Service is satisfactory. Then they attempt to justify the program which is being presented to Congress on the basis of the fact that things are satisfactory over in Great Britain.

The only reason why they have been as satisfactory as they have been thus far has been the fact that these are benefits which have carried over from the system that existed prior to the National Health Service. Since the National Health Service has gone into effect, according to those who know, the medical program furnished to the people of Great Britain has deteriorated. They now have a situation whereby they cannot get enough persons to go to medical schools for training as doctors. The level of medical students today is about the same as it was back in the 1930's, even though the population has been increasing steadily. They have been bringing doctors in from overseas. This is not a good situation.

Then, of course, there is the problem of the doctor-patient relationship, which is a precious and important heritage in the medical profession of the United States.

Mr. President, the situation with respect to the number of medical students in British medical schools is something that has given much concern to members of the British Government. One reason why the situation has arisen has been that under the British National Health Service the Government has what most people would consider to be socialized medicine. In my arguments against the Anderson-Javits amendment or the Kennedy medicare program, I have refrained intentionally from using the phrase "socialized medicine." To be fair about it, I think it can be pointed out that there could be a great difference between the British National Health Service as now constituted and the situation which would exist in the United States if the program of the Anderson-Javits amendment were implemented. However, that does not make it right. Whether the Anderson-Javits program is socialized medicine or is not socialized medicine is not, in my judgment, the question.

The points, as I have already emphasized, are first, that under the Anderson-Javits amendment we would drain off the benefits from those who need them, dilute those benefits, and tax the people for benefits for those who can afford them. I think that is unfair; and second, the social security system would be used to finance the program although it is already in a very shaky financial condition. It will not get any better, and it will get much worse if we keep putting generations by increasing the coverage more burdens on the backs of future and the benefits under this program. I think it would behoove the people who are so eager to have the social security system embrace all of the proposed new coverages and benefits to watch out lest the social security system become bankrupt some day, or lest the coverage and the benefits be reduced.

When future generations come into the heritage we are leaving them and begin to run Congress, I wonder whether they will be satisfied with the heritage the present generation will have left to them. They could cut back the benefits, scrap the program, or have an entirely new program financed out of general taxation, any of which would be fairer than what we will be passing on to them by the actions we have been taking in the last several years.

I do not know whether a majority of the people in my State of Iowa favor the Anderson-Javits amendment or not. On the basis of the correspondence I have received, my guess is that a substantial majority of them are opposed to it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Hospital Care for Older People," published in Wallaces Farmer for February 17, 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Hospital Care for Older People—Iowa Farm Folks Split on Linking Hospital Care to Social Security

Should the social security tax be raised to pay hospital bills for folks 65 or over? This is one of the projects the present Congress is arguing over.

What you pay the doctor is not an issue here. If the bill is passed, it would only help on hospital expenses. Patients would use Blue Shield or private insurance policies to help with medical expenses.

About half of Iowa's farm families carry some kind of hospital insurance. What older folks sometimes worry about is the prospect of a serious illness that would not be covered by limited hospital insurance. And the ones that have no insurance are naturally still more concerned over the health hazards of advancing years.

The Wallace's Farmer poll asked Iowa farm people what they think about the social security proposal. Those who had heard about it were asked:

"President Kennedy is urging that a hospital insurance plan be added to the social security program. The plan would help pay hospital costs for men and women when they reach 65. Social security payments would be increased to cover cost of the plan. On an income of $3,000 a year, the added social security payment would be $11.25 a year. * * * Do you approve or disapprove this proposal?" Here are the results:

[Percent]

	Men	Women	Total
Approve	44	39	41
Disapprove	39	39	39
Undecided	17	22	20

Last year's bill provided for hospital care up to 90 days. The patient would pay the first $10 of hospital costs per day for the first 10 days. After that (up to 81 days for a single illness), the social security insurance would pay all the hospital bills.

Cost of nursing home service was also covered, up to 180 days.

The new 1962 bill hasn't been worked out in detail yet. Costs may differ a little, but the betting is that the benefits will be about the same.

Older men, as you might expect, liked the plan better than younger ones:

[Percent]

	24 to 34 years	35 to 49 years	50 to 64 years
Approve	28	44	57
Disapprove	44	42	32
Undecided	28	14	11

Farmers with gross incomes of less than $5,000 a year liked the plan better than did those with more money. But men with gross incomes of $10,000 or more still gave the bill an approving vote of 42 percent.

Farm women voted much as the men did except that very few young women (21–34 years) were undecided. They divided almost evenly for and against the plan.

One young farm woman in Buena Vista County wondered if the plan would hold together until she was 65. She said: "I'll have to pay for it but I sure want some security that my hospital bills will actually be paid when I'm 65."

The mother of a young farmer in Taylor County said emphatically: "No. Take my son. He doesn't get as big an income as his dad and he still has to pay more for social security than he can afford."

There was a family split on a farm in Wright County. The man, now getting social security payments, approved the hospital plan. But his wife said:

"I'm over 65 but I disagree. I think it's putting an awful burden on the young people. If we can afford to pay for our own, we should."

A middle-aged farmowner in Webster County said: "I'd approve hospital insurance for old people on social security. Goodness knows they can't afford it at present."

A young man in Greene County said: "I just wonder how much hospital insurance you can really get for that money. Maybe they'll have to increase the tax more."

Blue Cross, Blue Shield, and other private organizations are moving to provide help for older people without bringing in social security. Blue Cross, for instance, is talking of a plan whereby folks of 65 or over would pay $10 or $12 a month for hospital insurance providing 60 days of hospital care a year.

Blue Shield suggests a $3 a month fee for older people to cover medical expenses. This would be open to couples with incomes below $4,000 a year.

In each case, special provisions of some kind would be made to help those with incomes so low that they could not meet these monthly charges for Blue Cross and Blue Shield.

Wallace's Farmer will report details on these and other plans as they develop. The new social security bill will assume definite form soon and farmers will know in more detail what the administration proposes. Until then, many farmers will be like the man in Jackson County, Iowa, who said: "I would need to know more before I vote yes or no."

Mr. MILLER. Mr. President, the article contains the results of a poll taken among Iowa farm people. It is not a complete coverage, but it is a poll of a type which quite often adequately represents a good cross section of the thinking of Iowa farm people. It points out that there is an almost even split between those who approve and those who disapprove with about one-fifth of those polled being undecided. I suggest that on the basis of the way the questions were asked, the people who voted in the poll, both for and against the proposal, did not have a good background of the facts behind the questions which were asked. I am well satisfied that if they knew the facts, if they knew that the program would pay benefits to those who can afford them as well as to those who are poor and cannot afford them, they would not have voted for the program.

In fact, my mail is running about 10 to 1 against this program. I am trying to weed out of my mail those letters and other communications which are prompted by pressure group action. I am trying to arrange the correspondence on the basis of spontaneous opinion. To date it is almost unanimously opposed to the proposed program, although many persons would favor some kind of program to cover catastrophic situations.

The State of Iowa, which I have the honor to represent, has passed an enabling law with respect to the Kerr-Mills Act. Unfortunately, the legislature was not able to appropriate any money to implement that act. What will be the action on this subject in the next session of the legislature is difficult to forecast; but I assume, on the basis of results in other States, and if Congress does not go off the deep end and pass the type of program that is envisaged by the Anderson-Javits amendment, that not only the Iowa Legislature, but also a great many other legislatures, will find a way to pass a reasonable appropriation to implement the Kerr-Mills law, so that catastrophic situations can be covered.

Mr. President, the problems of my State in connection with the consideration of this subject in the last session of the legislature are well set forth in an article entitled "Should Iowa Aid 'Medically Needy'?" published in the Waterloo Daily Courier of February 28, 1961. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Should Iowa Aid "Medically Needy"?—Assembly Ponders Federal Aid Plan

(By Dave Dentan)

On the last legislative day before the recess, the House Committee on Public Health filed a bill in Des Moines to authorize participation in the Federal matching program for medical aid to those past 65 who are not indigent but are living on small incomes.

The bill is primarily an enabling act, since it carries no appropriation and does not establish the minimum of income and savings which would make a citizen eligible for the aid.

The program involved is the "medical aid for the aged" (MAA) authorized by the Kerr-Mills bill which passed the last session of Congress. Six States already have programs in operation, using Federal grants which pay from 50 to 60 percent of the cost.

The bill filed in the Iowa House would make the State board of social welfare and county welfare boards the administrators of the program, subject to advice from a council representing various professional associations, such as the Iowa State Medical Society and the Iowa Hospital Association.

All Iowa residents over age 65, with one exception, would be eligible for the aid, according to the bill, if such a resident "has not sufficient income or other resources of his own, or available to him to provide himself with such needed medical care and services."

The one exception is that the beneficiary under this program could not be a recipient of old-age assistance. Iowa already provides medical (doctor's fees and outpatient laboratory services) care for those receiving old-age assistance.

This care has been costing on the average $7.48 a month per recipient. This could be increased to $12 a month under another provision of the Kerr-Mills bill if Iowa wants additional Federal matching funds for this purpose.

Some officials also argue that if hospital and surgical care is to be given to the "medically needy" in their home towns, the same benefits should be given to the "medically indigent" (the recipients of old-age assistance). This latter group receives hospital and surgical care, except for emergencies, at University Hospitals, Iowa City.

The MAA program for the "medically needy" is intended to aid those aged who, after a lifetime of hard work and rearing a family, are able to support themselves in their old age except for unusual medical care—particularly the lengthy and costly catastrophic illness.

A program for a large part of this group would be needed even if the program of President Kennedy for compulsory hospital insurance under the social security program were adopted by Congress this year.

Iowa has approximately 325,000 residents past age 65, of which 35,000 are receiving old-age assistance and 215,000 are receiving retirement benefits under the social security program.

This leaves an estimated 75,000 who are receiving neither. About 65 percent of these, if they are typical of the older group generally, would have incomes of less than $1,500 a year.

Various estimates may be obtained of the probable need for the individual in any group ruled eligible for the MAA program. The Health Insurance Institute lists $177 as the average actual yearly expenditure for medical care for those 65 and over.

Medical care standards would improve, however, if more financial resources were made available. On the other hand, some deductible feature might be incorporated in the program under which the individual would contribute the first $100 to $500 of cost of an illness, perhaps depending on income.

On a different basis, the Iowa Department of Social Welfare estimates that some 42,403 Iowans (including many receiving social security retirement) would apply for aid under an MAA program and might need an average of $250 each. (This would be the actually sick group, so the average would be higher than for all old persons.)

If this estimate were used, the program would cost some $10,600,750 a year, of which the Federal Government would pay 58.48 percent.

A more moderate and limited program could be devised. There are about 178,709 persons past age 70 in Iowa who are not receiving old-age assistance. According to a recent study of the elderly, 30 percent would have no resources for an emergency. If the average assistance were $100 for each of these 53,613 medically needy persons, the total cost would be $5,361,300 a year, of which the Federal Government would pay 58.48 percent.

The figures for this calculation were furnished by R. J. Quackenbush, executive secretary of the Iowa Nursing Home Association.

Governor Erbe in his budget message suggested that surpluses in the fund accumulated to pay the Korean bonus could be used to finance a beginning on the program. Such use would hinge on a determination, either by the attorney general or the courts, that the money could be legally used.

Some legislators indicate a desire to delay enactment of the MAA program until Congress determines what action it will take on the Kennedy hospitalization program under social security. But others point out that some program will be needed for needy Iowans not receiving social security benefits and that the proportion of Iowans in this category is considerably higher than the national average.

In any case, the bill introduced in the House is written in such broad terms that it could be used (1) to let the board of social welfare prepare a program based on the amount of money available or (2) permit the attachment of amendments to define more precisely the rules of eligibility.

The Journal of the Iowa State Medical Society declares that a State appropriation of at least $2,500,000 is needed to get the program underway.

Mr. MILLER. Mr. President, in the Des Moines Register of May 22 there appeared an excellent article entitled "Doctors Say It Does Not Meet Needs"—referring to President Kennedy's medicare program. I ask unanimous consent that the article be printed at this point in the Record, in connection with my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Doctors Say It Does Not Meet Needs—See a Step Toward British System

New York, N.Y.—Leaders of the American Medical Association, Monday, denounced President Kennedy's medical care for the aged plan as a cruel hoax aimed at establishing welfare state medicine for everyone.

"Don't mistake it," an association official declared in a paid, national televised reply to Mr. Kennedy's Sunday speech here.

"England's nationalized medical program is the kind of thing they have in mind for us eventually."

Mr. Kennedy urged passage of the King-Anderson bill, commonly known as medicare. It would pay some hospital and other medical bills through social service taxes. Doctor bills generally would not be covered.

The AMA representatives said the public was in danger of being blitzed, brainwashed and bandwagoned into swallowing a plan that would disrupt health services and turn individual patients into impersonal numbers.

ELEMENT OF NEED

The plan would cover millions who don't need it and ignore millions of others who do, said Dr. Edward R. Annis of Miami, Fla., a surgeon who is chairman of the AMA national speakers bureau. He added:

"Our fees are not involved. Our practice of quality medicine is. Your health is."

In an impassioned plea, he urged viewers to consult the "one they know and trust—your doctor" about what the Kennedy plan would do to American medicine.

"There are only a few things which touch so close to God and the relationship between a doctor and his patient is one of them," he said, charging that the Kennedy plan seeks to undermine it.

CROWDLESS GARDEN

The doctors' reply to Kennedy was filmed in Madison Square Garden, the same place where Mr. Kennedy Sunday addressed a cheering crowd.

But instead of a crowd scene for a backdrop, the AMA spokesmen appeared in an empty, silent arena, its vast expanse littered with paper, broken balloons and decorations left from the Kennedy rally.

An association spokesman estimated cost of the show, carried on paid time over the National Broadcasting Co. network, at $75,000. The group had asked for equal time to reply to Mr. Kennedy's half hour address, but was turned down. Mr. Kennedy's speech was carried free.

AMERICAN SYSTEM

Dr. Leonard D. Larson of Bismarck, N. Dak., association president, spoke briefly. He said the administration's program would deprive older people of "the American system of medicine, based upon the private doctor treating the private patient."

In the last 20 years alone, he said, this system has "added 10 years to the life of every American."

Dr. Larson said the King-Anderson bill would not cover 3 million over-65 people not eligible for social security benefits, and thus probably most in need of medical aid.

At one point, Dr. Annis held up a copy of the King-Anderson bill and said: "This bill is a cruel hoax and a delusion."

ADDED TAX

He said it would add as much as 17 percent to the working American's payroll tax to give medical care to "the rich, the well-to-do and the comfortable, as well as those of low income.

"Whether they need it or not; whether they want it or not—they'd be in," he said.

"Now, there is some more interesting reading in here for those on social security who genuinely need medical aid. Just what would you get under King-Anderson? You can read it as we did. For a hospital room containing one, two, or three other people—it would still cost you $10 a day for the first 9 days of your hospitalization. That's $90.

"After you left the hospital or nursing home, you wouldn't be eligible for further hospital benefits for at least 3 months. Don't have a relapse or get sick again. To get into the hospital you'd apply in writing and get the certification of a doctor.

PAY DOCTOR

"You'd have to pay for your doctor, and you'd have to pay for a private duty nurse if needed. And you can also read if your illness required hospitalization for more than 30 days, it'd have to be passed on by a special committee who'd have to consider a lot of other people too, don't you know. After all, the Government has to treat everyone fair and equal, don't you know.

"They know all about how to make things exactly alike—like human illnesses. Like a broken toe * * * and cancer. A bed is a bed. Thirty days is thirty days. Your doctor won't decide. The committee will decide—when it meets.

"Do you know that you'd have to pay the first $20 of each diagnostic study you'd get at the hospital as an outpatient?

"Do you know that the only drugs that would be paid for are those you'd get at the hospital or nursing home—and that many important drugs used today do not appear on the list approved for hospitals and that a prescription made out by your doctor in his office or your home is not covered by the King-Anderson bill? Do you know that in order to get into a nursing home for your maximum of 150 units of service—you'd have to go to the hospital first?

DOCTOR BILLS

"Maybe some of you are still thinking in the back of your heads, what are the real reasons the doctors are so dead set against this King-Anderson bill? You may believe that it must have something to do with doctors' fees * * * our income.

"But, do you know what? The King-Anderson bill doesn't even cover most private doctor fees. Doctors would probably make more money, not less, under King-Anderson * * *. Anyone knows there is more money in mass production.

"But that is beside the point. The American system of medicine is a system of quality medicine * * * not mass production medicine. It is a system of private medicine, practiced by private doctors treating private patients, free to make decisions based on the patient's specific medical needs—and nothing else."

KERR-MILLS ACT

Dr. Annis claimed that the Kerr-Mills medical aid for the aged law, passed by Congress in 1961, provided means for caring for the elderly who need financial assistance in meeting medical costs.

The Kerr-Mills law, he said, "is a desirable supplement" to "one of the greatest social advances of our generation—the spectacular growth of private, voluntary health insurance systems to which millions of Americans already belong."

MEANS TEST

In reply to charges that obtaining aid under the Kerr-Mills plan requires submitting to a "means test" that is "degrading and undignified," Dr. Annis said: "When you apply for the low rent benefit of public housing—don't you have to prove that your income is below a certain level? This is a means test. A test of your means.

"And when you apply for social security, aren't you asked to prove that your wage earnings are below a certain amount? Is this degrading or undignified? Well, that's a means test, isn't it?—a means test for social security itself.

"A means test is a desirable protection for those who are really needy, as against those who are merely greedy."

The King-Anderson bill would not repeal the Kerr-Mills Act. If the King-Anderson bill were passed, the Kerr-Mills Act could continue to provide medical care for needy persons not covered by social security, in those States that fully implemented the act. (Iowa has passed an enabling act, but has not provided any money to put it into operation.)

IOWA HOSPITALS OPPOSE MEDICARE

The Iowa Hospital Association has reaffirmed its stand against any plan to provide medical care for the aged under the Federal social security program.

The association in 1960 voted to oppose the plan and reaffirmed this stand at a meeting of the board of trustees and officers last Friday in Spirit Lake.

An association statement, made public Monday said:

"We are convinced that the solution to the medical-care-for-the-aged problem can be found within the framework of this country's existing system of private voluntary health care."

Mr. MILLER. Mr. President, in the March 1961 issue of the Iowa State Medical Society Journal appeared an interesting and timely article entitled "Colorado's Plan for Administering Medical Aid for the Aged." I ask unanimous consent that the article be printed at this point in the RECORD in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COLORADO'S PLAN FOR ADMINISTERING MEDICAL AID FOR THE AGED

In Colorado, a medical service plan for elderly people with little or no income has been administered throughout the past 3 years by Blue Cross and Blue Shield, under contract with the State welfare department. The arrangement—virtually identical with that which is being proposed by several of the groups that will furnish services under the MAA program in Iowa—meets with the enthusiastic approval of all the parties involved.

EVERYONE IS PLEASED WITH THE ADMINISTRATION

As a part of a study that a team of investigators made last year for the Health Information Foundation, an instrumentality of the commercial (non-Blue Cross-Blue Shield) health insurance companies,[1] about 100 participants in the Colorado program—physicians, hospital administrators, welfare officials, pensioners, and Blue Cross-Blue Shield executives—were interviewed individually. Every single one of them declared that the administrative arrangement has worked well.

"With Blue Cross administering the program," a county welfare director explained, "we have no problems with hospitals—no difficulty about admissions and no time-consuming conferences about charges and the like."

An orthopedic surgeon stated: "Physicians' acceptance of this program was largely due to its use of Blue Shield. If the same program had been set up through a State bureau, we would have had a completely different reaction to it."

A State welfare official declared: "By using the existing channels—Blue Cross and Blue Shield—we avoided any conflict with physicians and hospitals and held down our paperwork, too."

A hospital administrator observed: "Existing Blue Cross and Blue Shield controls have held abuses to a minimum in this program—far less than would be found in a Government program."

THE SCOPE OF THE PROGRAM

Before we present an outline of the administrative setup, a brief sketch of Colorado's payments and service benefits is in order. In September 1937, every indigent beyond 60 years of age, in that State, began receiving a pension. The amount has been raised several times since then, and is now $107 per month, less other income. On January 20, 1957, the Colorado medical care plan for pensioners went into effect, and an amendment to the State constitution decreed that $10 million per year—no more and no less—should be budgeted for its support. All pensioners are eligible for its benefits.

Originally, patients were allowed 30 days of hospitalization per admission, and readmission might succeed discharge without the patient's stepping outside the door and reentering it. Last fall, in what may have been only the first in a series of curtailments, the limit was reduced to 21 days per admission, and unless the attending physician requests an extension, a period of 30 days must elapse between discharge and readmission. Emergencies are given special consideration, thus preventing hardship, and it is thought that the change in rules is helping to stem overutilization.

Pensioners entering nursing homes agree to pay the proprietors $100 per month, retaining for themselves just enough money to pay for their clothing and incidentals. The State makes direct payments to the nursing homes in varying amounts, depending upon the facilities and services that the institution is able to provide, and upon the type of care that the particular patient must have. These sums may not exceed $95, and at present average $67 per patient per month. From the pensioner's relatives, the proprietor may collect additional amounts, provided that the total from all sources does not exceed $250 per month for any particular patient.

Pensioners are provided surgery and inpatient medical care much as they would be if they held Blue Shield service contracts. Those in nursing homes are provided two doctor's calls per month, and as many as two more when they are acutely ill. Those who live at home are entitled to a noncumulative, two office or home calls per quarter at State expense. Consultants' and surgical assistants' fees are covered, as in Blue Shield contracts.

Prescription drugs, except cortisone and its compounds, are furnished to patients at State expense, but dietary supplements, household remedies, and personal care items are not. In many instances, because Colorado has counties without hospitals and even without doctors, its elderly people must travel long distances to obtain health care. In such cases, the plan covers transportation.

THE FUND'S "DEFICIT" IS A BOOKKEEPING FICTION

The pensioners' medical care plan in Colorado is proving more costly than was anticipated, and as has already been mentioned, curtailments of benefits have been undertaken in an effort to curb overutilization. The annual budget for the fund was permanently set at $10 million 3 years ago, and expenditures over that amount are technically "deficits" that Federal grants under the provisions of the Kerr-Mills Act cannot formally erase. But when, by dipping into general funds, Colorado spends Kerr-Mills money for its eldercare program, during this and ensuing years, only the most rigid purist can say that it is spending improperly.

ADMINISTRATION HAS A MINIMUM OF COMPLICATIONS

Blue Cross and Blue Shield began administering the Colorado hospital-care and physician-service arrangements on February 1, 1958, less than a month after the inauguration of the medical care plan, and they have continued doing so ever since. Payments for nursing home care and for transportation of patients are made directly to the vendors by the welfare department. Drugs are purchased direct from retail pharmacies, and claims from druggists are audited by a committee of independent pharmacists.

A medical advisory committee containing representatives of the State medical society, the osteopathic association, the pharmacal association, the hospital association, the dental association, the State department of health, the State association of county commissioners, the National Annuity League, the State chamber of commerce, the League of Women Voters, and the county welfare directors' association was set up by the State welfare department to guide it in implementing and perfecting the program.

Blue Cross and Blue Shield were selected to administer the bulk of the old-age pensioners' medical care program partly because they already had the machines and personnel to do the job. They could carry out the details of the program for less money than the State welfare department could do the work in its own offices. And just as importantly, less paperwork would devolve upon the suppliers of services.

Each of the eligibles receives a card resembling a Blue Cross-Blue Shield identification, and he presents it to his doctor when he seeks medical care outside the hospital, and presents it at the hospital when his doctor has requested his admission there. The hospital's paperwork is limited to (1) confirming the patient's eligibility, since despite the card, the patient may no longer be entitled to service; (2) billing Blue Cross when the patient has been discharged; and (3) notifying the local welfare office by post card when the patient has left the institution. Normally, the physician whose patient has been hospitalized has only one form to complete—a standard statement for services rendered, which he sends to Blue Shield. If the patient needs an extension of his hospitalization, the doctor must fill in another form, which goes to the director of medical services at the State welfare department. The doctor must send individual billings to Blue Shield for his visits to nursing-home pensioners and for visits to or from pensioners who live at home.

Blue Cross and Blue Shield must keep their lists of eligibles current, and must see to it that the billings that are presented to them are for covered services and that their amounts conform with the fee schedules that have been negotiated between the suppliers and the welfare department. They pay the hospitals and doctors, and bill the welfare department, adding their administrative fees to the sums that they have paid out, and attaching an IBM card for each pensioner-patient and a list of all disbursements.

The State welfare department determines the financial eligibility of each elderly applicant, passes upon requests for extensions of hospitalization and for readmission within 30 days after discharge, provides the nursing home, drug, and transportation parts of the program, and reimburses Blue Cross and Blue Shield.

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[1] Reich, William T., and Anderson, O. W.: Colorado's Medical Care Program for the Aged, Health Information Perspectives No. a2, Health Information Foundation, 420 Lexington Avenue, New York City 17, 1960.

CONCLUSION

The Colorado State Department of Welfare retains ultimate responsibility for its pensioners' medical care program, and its management contracts with Blue Cross and Blue Shield would not prevent it from imposing new controls, if such seemed desirable.

Since Blue Cross-Blue Shield administration has saved money, lessened paperwork and promoted good relations between the welfare department and the suppliers of health services in Colorado, it is probable that a similar arrangement would work advantageously in Iowa.

Mr. MILLER. Finally, Mr. President, I wish to point out that a study of the frequency of hospital admissions of major and minor economic importance in the old and the young was conducted by Dr. J. Robert Browning, of Plymouth, Mass. The study represents a compilation of data by the staff of the records room and the business office of the Jordan Hospital, in Plymouth, Mass. I believe the conclusions of the study merit the attention of the Senate; and they are as follows:

First. Catastrophic illness occurs in significant numbers in both young people and old people.

Second. Most periods of hospitalization are of minor economic importance, regardless of age group.

Third. True need for aid is related to economic severity of illness, rather than age.

Fourth. Further data analysis in a similar manner is needed from other areas of the country.

Fifth. If confirmatory data is obtained, a reappraisal of the approach to the solution of current medical problems is needed.

Mr. President, let me say, in conclusion, that I do not question the motives or the desire for a better society which prompt those who have submitted this amendment but I think it is a waste of the time of the Senate, for it is common knowledge that if the amendment is adopted by the Senate, it will not be adopted by the House. As recently as last week, we heard arguments to the effect that we should not take action on bills or amendments which will not be acted on by the House. Yet we are consuming many days of valuable time of the Senate in working on a measure which will not be dealt with by the House. I think that is most unfortunate.

However, since it has been decided that this matter will be brought to a head in the Senate, I wish to say that, since this measure will not be passed by both Houses at this session of Congress, regardless of predictions by some who like to indulge in wishful thinking, I desire to have it clearly understood that one benefit will come from this debate—namely, the American people will receive a full disclosure of the arguments in connection with this problem.

I hope that what I have said this afternoon will assist in formulating public interest along the right lines in connection with this most important problem.

The PRESIDING OFFICER. The time available to the Senator from Iowa has expired.

Mr. MILLER. Mr. President, I yield the floor.

The PRESIDING OFFICER. Does the Senator from Iowa withdraw his amendment?

Mr. MILLER. I do.

The PRESIDING OFFICER. The amendment of the Senator from Iowa has been withdrawn.

Mr. JAVITS. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Is the pending question on agreeing to the Anderson amendments to the bill?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Mr. President, I call up my amendment which is identified as "6–29–62–B." I offer the amendment on behalf of myself, the Senator from Kentucky [Mr. Cooper], my colleague [Mr. Keating], and the Senator from California [Mr. Kuchel].

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. It is proposed to strike out section 1716, and insert in lieu thereof the following:

"CHOICE OF BENEFITS

"Sec. 1716. (a) Any individual entitled to health insurance benefits under section 1705 may elect, in lieu of the health insurance benefits provided in other sections of this title, to receive payment of insurance premium benefits.

"(b) For the purposes of this section 'payment of insurance premium benefits' means payment to the insurance carrier of premiums on a private health insurance policy of which such individual is the beneficiary, but such payment shall not exceed $100 per calendar year.

"(c) The term 'private health insurance policy' means a health insurance policy which (1) conforms with standards established by regulations promulgated by the Secretary, (2) is offered by an insurance organization licensed to do business in the State wherein such policy is offered, (3) is guaranteed renewable at the option of the insured individual, (4) provides benefits which the Secretary determines to be of a value which is not less than the value of the health insurance benefits provided in other sections of this title, and (5) provides that such organization will, after the expiration of the usual grace period, notify the Secretary of any lapse in payment of premiums on such a policy by any individual eligible to receive health insurance benefits under this title. Such term shall include, with respect to any individual eligible to receive such benefits, any group policy if (i) such policy otherwise conforms to the requirements prescribed by the preceding sentence, and (ii) such individual has been covered by such policy for a period of not less than one year immediately preceding the date he attains 65 years of age.

Mr. JAVITS. Mr. President, I give notice that I shall substitute another amendment for this one; and I ask unanimous consent that immediately after the morning hour tomorrow, I may proceed in accordance with the unanimous-consent agreement.

Mr. HUMPHREY. Mr. President, will the Senator from New York withhold his request for a moment?

Mr. JAVITS. Yes, Mr. President.

Mr. HUMPHREY. As the Senator from New York may recall, immediately after the morning hour tomorrow, the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador to Ireland, will be called up; that has already been ordered. Therefore, will the Senator from New York modify his request accordingly, so that following the vote on that nomination, the Senator from New York may proceed?

The PRESIDING OFFICER. Let the Chair state that the Parliamentarian informs the Chair that when the bill is laid down tomorrow, unless the Senator from New York uses the time available to him tonight, he will automatically have that time tomorrow.

Mr. JAVITS. And will I be entitled to recognition to speak upon my amendment at that time, before the recognition of any other Senator to speak on my amendment?

The PRESIDING OFFICER. As the Chair understands, under the unanimous-consent agreement the Senator's amendment is the pending business; and on tomorrow, if he then seeks recognition, he will be entitled to it.

Mr. JAVITS. As soon as the unfinished business is laid before the Senate?

The PRESIDING OFFICER. Yes.

Mr. JAVITS. Mr. President, I thank the Chair; and I announce that I wish to proceed in that way. I gather that that has the concurrence of the acting majority leader.

Mr. HUMPHREY. Yes.

Mr. President, I appreciate the action of the Chair in clarifying the situation, so that the Senator from New York fully understands his rights under the agreement. As I understand, after the Senate acts tomorrow on the nomination of Mr. McCloskey to be Ambassador to Ireland, the Senator from New York will be entitled to the floor.

The PRESIDING OFFICER. Yes; after the Senate acts on that nomination and after the unfinished business is laid down, the Senator from New York will then be entitled to address himself to his amendment.

ORDER OF BUSINESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the brief time I wish to use now in submitting two statements for the Record not be charged to the time available to either side under the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

INTERNATIONAL TRADE

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate an article from the July 3 issue of the Washington Post. The article, written by Walter Lippmann, is on international trade. Mr. Lippman foresees the imminent entry of the United Kingdom into the European Common Market and the proposed trade bill as the first steps toward a new era of freer trade for the non-Communist world. While this potential economic unity of the West could have the widest beneficial effects, it would place great strains on our present system of international monetary exchange. Excessive gold flows and currency speculation presently plague the

West's economic growth. Yet, the fear of gold-reserve loss must not prejudice long-term oversea investment and the maximal allocation of our resources.

Just as the Federal Reserve System was initiated to provide monetary stability and flexible control to our Nation's currency, a modern method of international monetary exchange must be instituted if the free world is to achieve its full economic potential.

I commend Mr. Lippmann's article to my colleagues, and ask unanimous consent to have it printed in the Record at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

The World and the Dollar

(By Walter Lippmann)

With its impressive vote on the trade bill, the House has made a far-reaching contribution to peace and prosperity. The bill should now go through the Senate without crippling amendments, and the country will then have equipped itself to deal with coming events in Europe.

It is now fairly certain that M. Jean Monnet and the friends of an enlarged and liberal Common Market are prevailing over the advocates of an exclusive and restrictive Franco-German Europe. The aspects have become good that the Six will come to terms with Great Britain. If so, we shall in the not too distant future be negotiating for a low-tariff trading area comprising in various arrangements the non-Communist world.

It is probable that this creative movement in the Western World will acquire a momentum that will soon carry the transatlantic partnership to a critical problem that will have to be solved in the near future. It will have to be solved if the enlarged trading arrangements are to work. The expanding world economy must have a more stable and a more nearly adequate world currency.

In order to do away with the chronic exchange troubles that now plague sterling and the dollar, there will have to be some kind of international reserve system that does for the world economy what our own Federal Reserve System does for our own national economy.

It has become increasingly evident that the gold withdrawals and the so-called vulnerability of the dollar are an international problem that could not be solved, even theoretically, by the United States alone. This is not a new discovery. It was foreseen by financial experts during the war, and it has been discussed actively here and abroad since the first serious gold crisis at the end of 1958.

M. Monnet and his colleagues have been at work on it for a long time, and there is already in existence highly effective common action by the central banks to regulate gold movements. There is also discussion in Europe and in Washington that looks forward to the pooling of the monetary reserves of the Common Market and from there on to an arrangement with the United States.

We should begin now to prepare our minds for the effort of solving the international monetary problem. For while the skilled cooperation of the central bankers is dampening down speculative attacks against the dollar, there is no use hiding it from ourselves that in the financial markets of the world the dollar is regarded as vulnerable.

Between 1949 and 1960, foreign gold reserves and dollar holdings had risen some $27 billion, and of that amount the United States contributed more than $21 billion in the form of gold withdrawals and short-term liabilities convertible into gold.

The feeling in the financial market that the dollar is vulnerable arises from a realization that we are at the end of a period and of a policy. For some 13 years we have promoted European recovery and, as an essential part of it, we have carried out an immense operation for the redistribution of the excessive gold stocks that we accumulated during and just after the World War.

The operation to redistribute gold has had to come to an end because under the rules of the game, for good but transient reasons, as we chose to play it, it is a one-way street. Anyone, except an American citizen, who has American dollars can convert them into gold. On the other hand, an American citizen who has dollars or sterling or francs or marks cannot convert them into gold.

Under these rules of the game we have invested abroad, we have given aid and made loans abroad, we have stationed American troops abroad. All of this has placed dollars abroad that can be converted into gold on demand.

But if, for example, a loan is repaid, no gold can move from Europe to America. Until 1958 this worked well enough because we had such a very big stock of gold. But as the gold stock has been drawn down while the liquid claims have increased, the time has come when the claims to our gold are bigger than the supply of gold.

This does not mean, of course, that the United States became insolvent under President Eisenhower in 1958. Far from it. Our investments abroad are very much larger than our liabilities. But our assets are long term and they are not convertible into gold, whereas our liabilities are short term, are hot money, and under the rules of the game as we alone, except for Switzerland, play it, are freely convertible into gold.

The dollar is not vulnerable because President Eisenhower and President Kennedy, jointly or severally, are less virtuous and responsible than they should be. The dollar is vulnerable because we are attempting to operate unilaterally a gold exchange standard for the whole non-Communist world.

The time has come to share the burden by agreeing on a multilateral gold exchange standard. There is a need to put an end and there is an opportunity to put an end to the chronic exchange troubles in London and New York—with the overhanging threats of international deflation, or of exchange control, or of emergency restrictive tariffs, or of devaluation.

There is no imminent threat of any of these disasters. But because these disasters are not excluded by formal and public institutional measures—such as an international reserve system—we are entering what promises to be a period of greatly expanding world trade and of economic growth with unsteady nerves and with diminished confidence.

CAPTIVE NATIONS WEEK

Mr. HUMPHREY. Mr. President, this week marks the third anniversary of Captive Nations Week. Since the enactment of the joint resolution by Congress in 1959, Captive Nations Week has become an official event, to be observed with due solemnity throughout the country.

The nine European countries which constitute the captive nations have been subject to Soviet control since the end of the last war. In addition to these nations, with a population of 90 million, 17 million Germans in East Germany share a similar fate. Thus, more than 100 million Europeans who enjoyed freedom under their own sovereign and independent governments in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania, and in Germany before Hitler's rise to power, are today imprisoned in their homelands behind the Iron Curtain. These countries are the Soviet Union's satellites in Europe, and, though nominally independent, they and their citizens enjoy no more freedom than do the citizens of the Soviet Union. Caught behind a seemingly impenetrable and immovable Iron Curtain, the people of these countries look to the free West and to America for inspiration and for their eventual deliverance. On the third anniversary of Captive Nations Week, let us all hope and pray that the future holds freedom for all those imprisoned in their homelands.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, I do not believe there is other business to come before the Senate at this time.

Therefore, I now move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 10 minutes p.m.) the Senate adjourned until tomorrow, Thursday, July 12, 1962, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

Record of Alexander Wiley, U.S. Senator

EXTENSION OF REMARKS

OF

Hon. EVERETT McKINLEY DIRKSEN

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Wednesday, July 11, 1962

Mr. DIRKSEN. Mr. President, a U.S. Senator, elected by the people, responsible to the people, finds it necessary from time to time to report upon his record of service. For 23 years the distinguished senior Senator from Wisconsin [Mr. Wiley] has served the citizens of Wisconsin and the Nation in the U.S. Senate. During this tenure he has voted for and against many pieces of legislation, supported or opposed causes, as he felt best would serve the interests of the people and the Nation.

Realistically, a résumé of 23½ years of service, involving literally thousands of such actions, can only touch upon the highlights. Nevertheless, I request unanimous consent to have a brief summary of the service of the senior Senator from Wisconsin printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Wiley—Senior Republican, U.S. Senate

As the senior Senator from Wisconsin, Senator Wiley is now senior Republican of the U.S. Senate. In addition, he serves on the following committees: (1) Aeronautical and Space Sciences; (2) Foreign Relations—African Affairs; European Affairs; and Canadian Affairs Subcommittees, and (3) Judiciary—Patents, Trademarks and Copyrights; Antitrust and Monopoly; Constitutional Rights; Refugees and Escapees; and Juvenile Delinquency Subcommittees.

UNIQUE HONORS

Under three Presidents, Senator WILEY has served his country in the following posts: delegate to the Interparliamentary Union Conference in Oslo, Norway, in 1939; head of the U.S. delegation to the Empire Parliamentary Conference in Bermuda, in 1948; delegate to the Japanese Peace Conference in San Francisco in 1951; delegate to the Council of Europe in Strasbourg, France, in 1951; In 1955 and 1957, representing the United States at Conferences of the Interparliamentary Union in Helsinki, Finland and London, England. In addition, he served, in 1954, as delegate to the Inter-American Economic Conference at Rio de Janeiro; and in October, of 1958, attended the International Meeting on Copyrights and Patents in Lisbon, Portugal, as well as elected vice chairman of the U.S. delegation to the NATO Parliamentarians Conference held in Washington, D.C., in 1959.

PEACE

Senator WILEY has supported the following actions:

1. A strong ground-sea-air defense, including "more punch" in jet-nuclear-missile-space forces.
2. An effective counteroffensive on political, economic, cultural, ideological, and other nonmilitary fronts.
3. Strengthening the alliances of free nations, including NATO, CENTO, SEATO, ANZUS, and the OAS, to serve as a bulwark against outspreading of communism.
4. Establishment of a Disarmament Agency designed to better formulate and execute U.S. policy aimed toward safeguarding, control, and reduction of armaments.
5. Strengthening our civil defense program.
6. Creation of a Peace Corps for (a) meeting human and economic needs in less-developed countries by free ideas and tactical know-how, instead of gifts of dollars; and (b) providing an indirect nonmilitary counterforce to communism.

ECONOMIC PROGRESS

Senator WILEY has consistently supported such actions as providing a healthy economic outlook for income and goods producing, job-creating enterprises; establishing good wages for U.S. workers and relentlessly trying to find jobs for the unemployed; creating a fair competitive climate, particularly for small business; and adopting realistic labor-management policies.

FATHER OF THE SEAWAY

The Great Lakes-St. Lawrence Seaway is generally regarded as the most important single piece of legislation affecting Wisconsin and other Great Lakes States in this century. Often regarded as "father of the seaway," Senator WILEY introduced and fought for the seaway bill until its enactment as Public Law 358, urged speedy deepening of the Great Lakes connecting channels—to bring economic benefits of deep-sea shipping through the seaway to all States around the Great Lakes; supported improvement and development of Wisconsin port and harbor projects for taking advantage of deep-sea shipping; urged revision of Great Lakes traffic patterns to channel more trade and commerce through Wisconsin and other Great Lakes ports; urged overall expansion of trade and commerce through the Great Lakes-St. Lawrence Seaway.

FOR THE FARMER

For the farmer, WILEY worked for expanding markets at home and abroad; establishing a Dairy Research Laboratory to find new industrial uses for milk; combating livestock disease; strengthening the cooperative movement; eliminating barriers to the free flow of milk in interstate commerce; preventing oleo or other substitutes from usurping dairy markets; protection against too-great a flow of imports that would jeopardize domestic markets for U.S. producers; adoption of realistic and helpful, not punitive, regulations by the Food and Drug Administration, USDA, and other agencies; a realistic price-support program for dairying; expansion of the school milk and school lunch programs—providing an important outlet for dairy and other farm products; establishment of uniform milk sanitation standards; adoption of special assistance programs to aid farmers in drought-stricken areas of the State; a national food reserve policy.

FOR THE VETERAN

Original cosponsor of the World War II GI bill of rights; a Wiley bill gave a national charter to American Veterans of World War II; legislation to encourage employment of disabled veterans; construction of a new veterans hospital at Wood, Wis.; legislation to liberalize compensation pensions and other benefits for veterans, their widows and dependent children; cosponsored a resolution to establish a Veterans' Committee in the U.S. Senate.

FOR WISCONSIN

Senator WILEY advocated improved highways, airports, rail-water-air service; development of port and harbor, and flood control projects; expanded trade and commerce; modernized post offices and armories; Federal contracts for Wisconsin business—bringing in income and creating jobs; protection for the interests and rights of the Menominee Indians; establishment of the Ice Age National Scientific Reserve for including Wisconsin moraines in the national park system—now receiving favorable consideration in Congress; opposed shipping rates discriminatory to Wisconsin and lake shippers; supported efforts to improve economic outlook for forest industry—including expansion of research; fought Chicago water steal.

AGING CITIZENS

For aging citizens WILEY proposed: liberalization of social security benefits for folks over 65, including more allowable "extra earnings," without reduction of benefits; adoption of a realistic medical care program; liberalization of Federal laws and regulations to encourage more housing for the elderly; allowing more surplus foods for the indigent; expanded opportunities for employment; greater efforts to make older folks feel at home in—and a part of—the civic, church, social and economic life of the community.

HUMAN RIGHTS

For human rights, he supported enactment of effective civil rights legislation; urged more Federal judges: to dispense effective, timely justice—and eliminate huge logjams in the courts; urged public defenders to represent indigent defendants in district courts; supported tougher laws against interstate crime.

TRADE AND COMMERCE

For trade and commerce he urged greater market research for everincreasing capacity of factories and farmers; urged studies by Department of Commerce for improving U.S. trade patterns and policies; urged fair consideration of Great Lakes interests in rate-setting for shipping; supported greater utilization of Wisconsin and Great Lakes ports for shipment of material under government, as well as nongovernmental programs.

CONSERVATION

For conservation: Senator WILEY served as newly appointed member of the National Forest Reservation Commission, with responsibility for policymaking over national forest lands; improving fish, game, and other wildlife programs; supporting efforts for conversion of saline water to useful purposes; fought for fair apportionment of Federal funds to States, including Wisconsin, under the Pittman-Robertson Act for Wildlife Restoration; support of a realistic national wilderness preservation system; generally improved soil, water, and forest conservation programs.

INTERNAL SECURITY

Sponsored compilation and updating of Internal Security Manual, a compendium of all U.S. laws and Federal regulations relating to internal security; supported tough laws to crack down on U.S. Communists, including Internal Security Act of 1950; supported legislation to restrict Communist travel.

FOR THE TAXPAYER

Fighting inflation; advocating needed reform of the U.S. tax system; proposed establishment of Hoover-type watchdog commission to keep "closer tabs" on skyrocketing Federal expenditures; and urged adoption of national pay-as-you-go economic policy.

LABOR

Proposed establishment of Special Commission on Manpower Needs of Space Age; urged study of unemployment problems; adoption of fair, realistic laws to protect interests and rights of workers; supported improved wage levels and policies, including consistent—as warranted—increase in minimum wage levels.

FOR YOUTH

Encouraged antidelinquency and youth development programs; proposed stiffer penalties against distribution of obscene literature for youth; and urged crackdowns on drug peddlers, particularly among young people.

PROMOTING TOURISM

Supported establishment of Natural Outdoor Recreation Review Commission; encouraged greater local-State-Federal efforts to expand tourism in Wisconsin; annually invites U.S. Senators and their constituents to a vacation in Wisconsin; urged greater cooperation among Lake States for promoting tourism in Great Lakes region.

Questionnaire Results, 1962

EXTENSION OF REMARKS

OF

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. MARTIN of Nebraska. Mr. Speaker, in March of this year, I mailed out some 56,000 questionnaires to constituents in the new Third District of Nebraska asking their opinions on 19 different items.

In view of the large spending programs which predominate in the Congress, it is refreshing to note the clear thinking of the fine people in the new Third District of Nebraska.

Let me review with you, briefly, some of the answers received on the more pertinent questions. Of the replies received, which totaled approximately 7,500, 74 percent were opposed to the Freeman farm proposals; 64 percent favored the Government getting completely out of agriculture, with 27 percent opposed and 9 percent "not sure."

In reply to the question, "Is the United Nations doing a good job?" it is interesting to note that only 22 percent voted "yes"; 45 percent voted "no," and 23 percent "not sure."

In regard to the Federal Government's role in our educational system, it is interesting to note that one of the highest percentages of "no" votes in the poll was in reply to the question on Federal assistance for public schoolteachers' salaries—89 percent voted "no." In regard to Federal funds for school construction, 80 percent voted "no."

On the question, "Do you favor the United States placing a complete economic blockade around Cuba?" 82 percent voted "yes," with 8 percent voting "no," and 10 percent "not sure." This is indicative of the danger which our people feel exists from a Communist nation entrenched in the Western Hemisphere.

In reply to a question on the approval of the purchase of $100 million in U.N. bonds, 76 percent voted "no," 10 percent voted "yes," and 14 percent "not sure."

Question No. 10 asked whether Congress should pass a new Reciprocal Trade Agreements Act, and 63 percent voted in opposition, 26 percent voted "yes," and 11 percent "not sure."

On question No. 18, regarding legislation which I have introduced to bring labor unions under the provisions of the Sherman Antitrust Act and eliminate monopolies in the field of labor, I am happy to report that 83 percent of the returns from the district concur in this action, with only 7 percent in opposition and 10 percent "not sure."

We have heard, Mr. Speaker, a great deal about the popularity of the President, as shown by various polls across the country. I asked the question, "Do you think President Kennedy is doing a good job?" and in answer to this inquiry, 25 percent voted "yes," 43 percent "no," and 32 percent "not sure."

This reassures my belief that the citizens of my district, and also throughout the country, are not in agreement with the President's proposals for more Federal control and more socialization of our people.

I hope that my colleagues will study seriously the results of this poll listed below and give heed to the feelings and thoughts of the American people in regard to some of the proposed Federal programs.

Questionnaire results, 1962

[In percent]

	Yes	No	Not sure
1. Do you favor—			
(a) the proposed Freeman farm program?	10	74	16
(b) the Government getting completely out of agriculture and allowing the farmer to operate entirely on his own?	64	27	9
(c) a middle course farm program, between the strict controls of the Freeman program and no Federal controls at all?	46	36	18
2. In view of some 50 Soviet nuclear tests in past months, do you agree that the United States should resume testing of nuclear weapons in the atmosphere?	78	10	12
3. Since Colonel Glenn's recent successful space flight, do you feel that there should be another summit conference between Premier Khrushchev and the President?	19	64	17
4. Is the United Nations doing a good job?	22	45	33
5. Should the earning limits for those drawing social security payments be raised?	51	38	11
6. Should the Federal Government provide funds for—			
(a) Public school construction?	16	80	4
(b) Public school teachers' salaries?	7	89	4
(c) Loans and scholarships for college students?	36	55	9
(d) Grants for outstanding elementary and secondary school teachers to attend universities for further study on the subjects they are teaching?	27	63	10
(1) Should full responsibilities for primary and secondary education be left to State and local communities?	80	8	3
7. Do you favor removal of the Berlin wall, by force, in an effort to restore free access between East and West Berlin?	27	46	27
8. Do you favor the United States placing a complete economic blockade around Cuba?	82	8	10
9. Do you feel the Congress should approve the purchase of $100,000,000 worth of U.N. bonds, which would be 50 percent of the total bond issue?	10	76	14
10. Do you think the Congress should pass a new Reciprocal Trade Agreements Act giving the President broad powers to make across-the-board tariff cuts on imports?	26	63	11
11. Do you think the Congress should appropriate $460,000,000 for Federal assistance in the construction of public fallout shelters?	8	82	10
12. Do you favor—			
(a) Continuation of the Peace Corps?	47	34	19
(b) Doubling the size of the Peace Corps, as proposed by the President?	24	58	18
13. Do you believe the Federal Government should require withholding of taxes on dividends and interest?	29	57	14
14. Do you believe the President should be given standby authority to raise or lower taxes at his discretion?	4	92	4
15. Do you favor the administration's proposal to give postal and other Federal employees a pay increase?	17	69	14
16. Do you favor a mass Federal immunization program to vaccinate every child age 5 and under, regardless of need, for diphtheria, whooping cough, tetanus, and polio at a cost of $35,000,000?	20	73	7
17. Do you favor Federal loans to help build and equip centers for group practice by doctors and dentists?	10	82	8
18. Do you favor legislation to bring labor unions under the provisions of the Sherman Antitrust Act, which would eliminate monopolies in the field of labor?	83	7	10
19. Do you think President Kennedy is doing a good job?	25	43	32

Senator John Sherman Cooper Speaks at Connecticut Republican State Convention

EXTENSION OF REMARKS

OF

HON. MELVIN R. LAIRD

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. LAIRD. Mr. Speaker, on June 4, 1962, the senior Senator from Kentucky, the Honorable JOHN SHERMAN COOPER, made an outstanding address before the Republican State Convention in Hartford, Conn. Not only did Senator COOPER pay high tribute to the senior Senator from Connecticut, the Honorable PRESCOTT BUSH, but he articulately outlined a course of action for Republicans in the 1962 congressional campaign.

Under unanimous consent, I include in the CONGRESSIONAL RECORD the speech of my respected friend, Senator COOPER:

It is a great honor to address this convention. I was glad when Senator BUSH asked if I could do so.

Senator BUSH is the best informed Member of the Senate on fiscal and monetary matters—but he is more. Responsible in his speech and votes, humane and progressive, a man of conviction and integrity, he is one of the most influential Members of the Senate. We will miss his leadership. All of us, I know, are sad that he has decided to retire. But an element of that decision was that Connecticut has many Republicans capable of representing it ably and effectively. And I am sure that the candidate you select will succeed him.

I

The 1962 elections are of critical importance. For the American people—in choosing between the two parties—are called upon to determine the basic direction of our country's economic and foreign policies.

This statement may sound extravagant. But the record of contradictions and failures of the Kennedy administration bears out the truth of my statement. For its failure flows essentially from its inability to determine its own economic philosophy. It flows also from its lack of faith in the private enterprise system, and from its lack of faith in the traditional processes of our Government.

The election this fall will be a turning point. The people will reverse the trend of the Kennedy administration.

Here in Connecticut, and across the Nation, the Republican Party will lead the way. This is the year of victory for our party. We will win a Republican victory in Connecticut, will elect a Republican House of Representatives, and gain Republican seats in the Senate.

II

Two years ago, the President promised the American people that a Democratic administration would lead our country to a new frontier of unparalleled economic growth, of confidence, of prosperity, and of leadership in the world.

The Kennedy administration has been favored by the continuing surge of growth and confidence fostered by the Eisenhower administration. The boxscore of bills pushed through by the Democratic majority appears impressive. I am always surprised that the President's advisers, and even some political pundits, think that a box-score is more important than the substance of the bills. They are the bills he has contended were necessary to get the country moving again—to bring jobs, prosperity, and economic growth.

But as Senator **Dirksen** recently said, they have been the agents of "shrinkmanship" instead of "growthmanship": Nearly 4 million people are still unemployed in our country. Business failures have increased 11 percent. Mortgage foreclosures are up 40 percent, the biggest 1-year increase since the depression of 1932. Farmers' costs are at an alltime high, and the parity ratio is the lowest in over 20 years. The cost of living is the highest in U.S. history. And the outflow of American gold from our shores continues. This is a state of affairs in which our party finds no pleasure. For we believe—as does the country—that the American economy is basically strong.

The slack indicates a lack of confidence in the Democratic administration's policy.

But it goes deeper. The root of the uncertainty and lack of confidence which plague our country today lies, first, in the administration's inability to determine its own economic philosophy and, second, in its obsessive reach for power.

III

On the one hand, the President promises steady progress toward a balanced budget. He has spoken of extraordinary measures to stop the outflow of gold. He has made world trade a chief issue in his program.

But in practice, the administration is enamored by the Keynesian policy of deficit spending. The Congress is asked day by day to commit itself to great programs of spending—without priorities—which make it impossible to balance the budget; which increase the outflow of gold; which discourage investment necessary for competitive world trade, and which strike at confidence. There is no evidence that the President and his administration are yet willing to obey his own injunction of sacrifice asked of the American people.

The President has assured private enterprise that he respects it as the chief agent of economic growth and trade, and the source of jobs. But in practice, the doubt lingers whether his administration trusts the free economic system.

Both industry and labor have their compulsions for power. There is agreement that these compulsions must be regulated, and this the Congress has done since the days of Theodore Roosevelt. The President must speak out at times if he believes industry and labor contravene the national interest. I am not here to dispute the right of the President to speak up in the recent steel episode, but it is a fact that the raw display of compelling governmental power raised disquiet in the ranks of industry and labor alike as to whether the Presidency will be used to coerce, or to appeal to public opinion.

Our private enterprise system has given this country unparalleled prosperity and power. Rightly used, it is an aspect of our free system of government. If it is to be successful, it must be trusted, encouraged, and strengthened by sound governmental policies.

The administration must make up its mind about its fiscal and monetary policies. It must decide whether it will trust and encourage our free enterprise system. The American people can influence this choice this fall. They must set the administration straight, and it is the task of the Republican Party to lead the way.

IV

The second source of uncertainty and lack of confidence which I mentioned earlier—the administration's obsessive drive for power—strikes at the very heart and nature of our governmental system.

The unique contribution which the founders of the Republic made to representative government is the division of power which our Constitution defines. They were political philosophers and they knew that the core of republican institutions was centered in the denial of arbitrary power to the executive—whether a king or president.

The Republican Party has listed 25 delegations of power sought by the President. I cannot read the long list. But among them are found the President's request to give to "experts" in the Department of Agriculture control over the agricultural economy, and authority for the President to initiate a vast $2,600 million public works program to be financed by funds drawn from such agencies as the Federal Deposit Insurance Corporation, and even the World Bank—without approval by the Appropriations Committees. The worst features of this proposal were exposed and defeated by the Republicans in the Senate. The President has asked the Congress to transfer to him limited authority over the taxing power—the "power of the purse"—the very power which, centuries ago, our forebears determined must be held by the representatives of the people. And I cite his request to create a Department of Urban Affairs, even though it has support in many cities of our country. Stripped bare, the proposal was based upon the philosophy of the administration that it could decide what was best for the people better than the local officials whom the people themselves elected.

Who would exercise these powers taken from the Congress? I have no doubt that the plan was conceived by the academicians and theoreticians in the administration. We will not be anti-intellectual, for they have their place in government. But the country ought to reject this quest for power to be exercised by inexperienced men, whose judgment is unknown, and reject their desire to arrogate to themselves the powers of the Congress, and to set their judgment above the people.

Essentially this transfer of power would remove from congressional debate, and from the scrutiny of public opinion, a substantial part of the specifics of legislation.

It is a reactionary trend in representative government. It expresses a lack of confidence in the judgment of the Congress—and of the people.

In this election the people must reject this policy, which I judge the most fundamental issue they will be called upon to decide.

V

I have been speaking of the proper functions of our Government, and of domestic and economic policies. But economic policy cannot be separated from foreign policy. Our military strength, the strength of our allies—our very ability to defend this country—rest upon a strong and stable economy in which our people and the people of the world have confidence.

World crises and danger will continue to manifest themselves in different ways, but their essential cause remains. It is the unchanging and steely objective of the Soviet Union that communism shall triumph over our country, and over freedom itself. Our confrontation with the Soviet Union and the threat of nuclear war have prescribed imperatives of foreign policy upon which there has been general agreement by both parties.

The years since World War II have been darkened by danger, but 1961 and 1962, with the crises of Berlin, Laos, and Cuba, have been particularly unhappy. I point out that during these crises the Republican Party acted responsibly. Even when the Cuban disaster shook the confidence of our Nation and its allies, our party rejected any temptation to use it for political capital. For we knew that the President must be supported and the country unified, when the security and prestige of the Nation are at stake.

But I must say, for the people should remember it, that the responsible conduct of the Republican Party stands out in sharp contrast to the behavior of many Democratic leaders following the U-2 affair in 1960, when Chairman Khrushchev, attacking President Eisenhower, struck at the United States itself.

Here I want to make a suggestion which I think would be helpful in increasing the confidence of our own people, and of our allies, about our military capability to defend freedom and to deter war.

During the 1960 campaign, the President and other Democratic candidates derogated the military strength of the Nation. The phrase "missile gap" was used again and again to imply that the Soviet Union possessed greater power in missiles. Yet, shortly after the administration came to power, the Secretary of Defense and other officials declared that the United States possessed preponderant power, and that the missile gap was a myth. But, the uncertainty and lack of confidence in our military strength, which the 1960 campaign engendered, remains. I do not believe it will be wholly removed until the President expiates the wrong of 1960, and reveals to our people the strength which we possessed in 1960, as well as the strength we possess today. For it is a fact that our missile strength, and our space program which now thrills the world, were initiated, planned, and largely developed under the administration of President Eisenhower.

VI

The record of the Democratic Party will bring Republican victory this year. But this election year is also a testing time for the Republican Party. It gives the opportunity to define and fight for broad objectives in harmony with the national interests, and to firmly establish our party's philosophy. This is the time to build not alone for victory this year, and for victory in States and local communities, but for the presidential victory which shall be ours in 1964.

We can strengthen the affirmative and humanitarian record which already is ours. We can prove again that ours is the party of responsibility.

1. The Republican Party is the one party of fiscal responsibility. Since World War II, with the exception of 1951, when Korean war taxes swelled revenues, the only balanced budgets were provided by President Eisenhower and the Republican Congresses of 1947 and 1948. The only major tax cuts since World War II were enacted by Republican Congresses. And even as a minority party, it has been the Republican Members of Congress who have fought to restrain spending, and to maintain order in fiscal and monetary policy against the weight of the Democratic majority.

2. While we Republicans give weight to fiscal responsibility, we shall not neglect human needs. Unemployment, education, decent housing, the health of our people—none of these can be neglected.

These are human problems with which we must be concerned, not as a matter of politics or votes, but as a matter of humanity and justice. Justice is the ultimate objective of free government. And the neglect of these needs will deny, as the great Republican conservative Robert Taft contended, the equal opportunity which our free system promises to all its people.

3. The Republican Party will continue its fight for full civil rights for all of our people. The Democratic record on civil rights is one of complete failure, for it will not risk offending the southern wing of its party. What was its record this year? It introduced one bill of doubtful constitutionality, and then abandoned it. In contrast, the Eisenhower administration fought to

successful enactment the civil rights bills of 1957 and 1960.

As the party of Lincoln, born to assure freedom, we have the great opportunity to stand united, and to fight for equal rights and freedom for all our citizens, regardless of race, color, or religion.

4. The Republican Party has demonstrated its responsibility in the field of foreign policy. We will maintain the military and economic strength on which our security depends: We will be faithful to our commitments throughout the world. But we must resist the arguments of extremists who dream of isolation, who believe that honest negotiation is appeasement, and who cannot understand that our support of the United Nations and our assistance to other countries contribute also to our security and leadership in the world. For the United States alone possesses, as Winston Churchill said, the decisive power to maintain freedom in the world.

VII

The President asks for the election of an overwhelming Democratic majority in the Congress, not to exercise its powers, but to rubberstamp the administration's proposals, and to assist in the transfer of congressional power to the Executive. He asks the election of Democratic State and local governments that would be tied to the National Government to stifle criticism, local independence and initiative. What we need is a Congress—a Republican Congress—and State and local officials who have respect for their responsibilities; who will subject the proposals of the administration to public examination; who will support them when they are right, and reject them when they are wrong.

The central idea of our Government is, as Lincoln said in 1856, "the equality of man." And his familiar words in his Gettysburg address that "government of the people, by the people, and for the people, shall not perish from the earth," spoke of his powerful sense of the mission of representative government at home and for the world.

Connecticut is one of the cradles of freedom and representative government. It has the great opportunity this year to lead the way to Republican victory. It has the opportunity to assert, as Lincoln did, the central idea and the mission of our party, and of free government itself.

Findlay, Ohio, Sesquicentennial Celebration

EXTENSION OF REMARKS

OF

HON. JACKSON E. BETTS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. BETTS. Mr. Speaker, during the War of 1812 when General Hull was leading his army from Cincinnati to Detroit, some of his troops built a fort on the banks of the Blanchard River in northwestern Ohio. It was named Fort Findlay after Col. James Findlay, who commanded one of the contingents of Hull's forces. From that beginning it grew into a trading post, later a village, and is now the city of Findlay, Ohio, a municipality with a population of 30,000 people. From July 21 through July 29, 1962, it will be celebrating the sesquicentennial of its origin as Fort Findlay.

Its history as a typical American community is one of which its citizens are justifiably proud. Situated in one of the rich agricultural areas of the country, it is recognized as an important factor in the farming activity of the Nation. At one time it was in the heart of an oil and gas development area and has made substantial contributions to industry in connection with these resources. In addition to these natural endowments, it has developed into a center of manufacturing and many products bearing the name of Findlay are shipped into every corner of the world.

Throughout the years, pride of community has led its citizens to make it one of the most beautiful and attractive small cities in the country. Its wide, tree-lined streets and stately homes have attracted national attention.

Many of Findlay's citizens have brought recognition to their hometown. Probably one of the most outstanding is Tell Taylor who wrote the world famous song "Down by the Old Mill Stream." The Blanchard River where Colonel Findlay erected his fort 150 years ago is the old mill stream of Mr. Taylor's memorable composition.

Findlay is enthusiastically preparing to engage in the sesquicentennial celebration in the coming days. An indication of the high caliber of events scheduled for the occasion is the appearance of Gen. Alfred Gruenther, president of the American Red Cross. His speech on July 23 will be a highlight of the many gala events over a 1-week period.

Because Findlay is my hometown, I take particular pleasure in calling the attention of my colleagues to this historical event and I am sure they will join me in extending congratulations and best wishes to the citizens of this fine community.

Memorial Day Speech at U.S.S. "Arizona" Memorial by Hon. Olin E. Teague, of Texas

EXTENSION OF REMARKS

OF

HON. DANIEL K. INOUYE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. INOUYE. Mr. Speaker, I have only recently been able to obtain a complete text of a Memorial Day speech which was delivered at the site of the U.S.S. *Arizona* Memorial at Pearl Harbor, Hawaii, on May 30, 1962. While I was not among the fortunate to have witnessed its delivery, I have, nevertheless, received many glowing remarks in compliment to its content and to the man who delivered it—our colleague and friend, the Honorable OLIN E. TEAGUE.

In stirringly memorializing our honored dead, Congressman TEAGUE brought into focus at the same time the reality and need for continuing vigilance if we are to preserve our freedom and our way of life. His speech is one for all Americans to become familiar with, and I, therefore, under unanimous consent, include it in the RECORD.

MEMORIAL DAY SPEECH BY REPRESENTATIVE OLIN E. TEAGUE AT SITE OF THE U.S.S. "ARIZONA" MEMORIAL, PEARL HARBOR, HONOLULU, HAWAII—MAY 30, 1962

It is in a spirit of deep and sincere humility that I stand on this spot—for the second time—to join with you in doing honor to the 1,100 young men who are entombed forever beneath these waters, and to all the other young men and women who so generously gave their lives so that we could live free.

I can think of nothing in my adult life that has moved me more than did Memorial Day here 2 years ago. The beauty and devotion which characterize the celebration of this day here at the site of the *Arizona* disaster, and up at the Punchbowl National Cemetery should set a model for all the other 49 States to follow. Nowhere else is the gratitude toward our heroic dead so alive as it is in Hawaii—and this is a proud tradition which I hope and pray will never grow dim.

Upon this sacred spot we honor the specific heroes who surrendered their lives beneath these waters on December 7, 1941—those tragic youngsters who gave their lives when they were in full bloom. It is the saddest and most embittering effect of war that the best of our young men are the first to be lost.

And, as a result of the treacherous deed that was perpetrated here, hundreds of thousands of other fine young men—chosen from among the best in their native lands—eventually gave up their lives so that freedom and decency and human dignity could survive. We also honor them upon this day.

In Hawaii, of course, the occasion of Memorial Day has special significance. It is ironic, but true, that in this troubled world of ours good may spring from evil. So, these splendid young men who lie forever entombed beneath these waters, did not die in vain. Even in death they have made us all their debtors, and the fruits of their sacrifice still grow and blossom and multiply with each passing day.

I have mentioned a date which, when I first wrote it down, surprised me a little. We are approaching the 21st anniversary of Pearl Harbor. The sons of many of those who lie here will soon be of age, eligible to vote, to assume the responsibilities and the prerogatives of a man. A new generation has grown up—a generation of adults to whom Pearl Harbor is not even a memory, just a name and a date and the answer to a question in a history book.

Have we prepared a world for this new generation worthy of the sacrifice of these honored dead who lie here?

Certainly we have made great material gains in the past 21 years. The advances in science have been greater than in any comparable period in the world's history. We can send human beings into space—we can circle the earth in orbit—we contemplate an exploration of the moon. The whole world of television has come into being during these 21 years. The miracle of the jet is a product of this time. So is the rather disconcerting miracle of nuclear fission.

But, when we come right down to it, progress can exist only in the human heart, the immortal soul of man. Have we kept spiritual pace with our materialistic progress?

All the evidence isn't in yet, but there is grave cause for concern. At a time when we pay tribute to the superlative courage of those who died that we might live, it is perhaps well that we pause to take stock of the kind of courage in our workaday world today.

In the face of the worldwide challenge of world communism, too many Americans have become hysterical. We find, on the one hand, a hard core of frustrated superpatriots—so called—who have apparently lost faith in the democratic processes that have made this country great. These are the extremists who have made themselves self-appointed guardians of our liberty, who would make democracy safe by suppressing it and stifling it.

Those who blandly say we should risk enslavement before we should risk annihilation apparently consider freedom as something which we possess by ourselves, free of all encumbrances, with no strings attached.

This is simply not true. We do not own our freedom—we hold it in trust for those who will come after us. Our freedom belongs to countless generations of young men who fought and died that we might inherit this precious gift from them. It belongs to the veterans of Valley Forge, the heroes of Gettysburg, the doughboys of the Argonne, the honored dead who lie here.

The freedom we now hold in sacred trust was dearly bought with human suffering. We must guard it with our lives. We are not masters of this freedom, we are but its stewards.

When we hear these cries, we may very well ask ourselves, is this what has happened to the American dream? Is this what has happened to the tradition of courage and determination which welded this Nation of ours into the strongest power the world has ever known?

If this were true, then those whom we honor today did indeed die in vain.

But, it is not true. These two extremes represent a small minority among our citizens—a loud minority, a highly vocal minority and a highly active minority, but their numbers are inconsequential. Unfortunately, the majority, the sensible, disciplined patriots, are inclined to take our own good sense for granted. We do not advertise our patriotism and as a result we do not make our ideas work for us as effectively as they should.

We have become rather complacent about our virtues. So, today—instead of looking backward, as we usually do on Memorial Day, I feel we can best honor and serve our heroic dead by looking forward, and in so doing we must analyze and evaluate our own role in the maintenance of the freedom which these have died to save.

Freedom has died in many ways in the history of the world. It has died on the battlefields. It has died through deception and intrigue, in revolution, and in the selfishness of leaders. But, most often and most shamefully, freedom has died in its sleep. This could happen to us.

Never in history has freedom been won or lost in a single day. There are always causes underlying the victory or the defeat—causes stretching deep into the social fabric of the land.

We must all accept the fact that we are today engaged in a war. It is not as yet a nuclear war, and we hope and pray that it will never come to that. But, despite the dire prophecies of the defeatists, we are far better prepared to fight such a war than is our adversary. We know the insanity that lies in all-out nuclear warfare, but we must not be terrified by the prospect. We could—if forced to—destroy half the population and three-quarters of the industrial potential of Soviet Russia within 24 hours. This is a distressing thought—a painful thought if one believes, as I do, in the essential brotherhood of man, but it is far more consoling than the quite inaccurate idea that we could not compete with world communism in a nuclear war, or any war.

The war we are engaged in is mostly cold—but it is nevertheless vital to our survival. We are not, as yet, winning the cold war. For a nation renowned for its salesmanship, we have not had enough success in selling to the world the most valuable commodities of all—the commodities everyone needs and wants—peace and human freedom.

Our trouble is that our world has become a neighborhood before it was able to become a brotherhood. Modern methods of transportation and modern weapons have forced on us a togetherness before we were socially, politically, economically or morally mature enough to handle it. And yet—after 21 years—we should have reached that degree of maturity. We must reach it if we are to survive.

We live in an age of paradox. We must, at one and the same time, be dedicated both to military strength and to arms control; to security and to negotiation; to assisting new nations toward freedom and self-respect without accepting their interpretation of all issues affecting us.

Unfortunately, if we cannot do all these things we shall not be able to do any of them. Our ability to mature sufficiently as to master these paradoxes will determine more than just our ability to survive, it will determine the extent of our worthiness to survive.

I hope we need shed no blood in winning the cold war. But, we must be prepared to make less dramatic sacrifices—and many of them. We need a new sense of self-dedication—a new sense of self-denial. We need to rekindle the spirit of selflessness among our people, the desire to work toward the salvation of the world. The pursuit of peace cannot be passive, it must be active, thoughtful, constant. Peace will not be handed to us on a silver platter, it must be earned, it must be won.

I am afraid we have—too many of us—become soft. We have become complacent. We look to the Government to do those things we should do ourselves. We have assumed the role of spectator in the quest for peace when we should be down on the field participating. We have—far too many of us—sought to evade our own responsibilities by blaming our failures on others. We have the extreme rightwingers who find "Communists" under every bush and try to blame all our troubles on those whom they so designate. And we have the extreme liberals who try to place the blame upon the rightwingers. And we have the moderate middle-of-the-roaders who blame them both.

But, in reality, blame for all our failures must be shared among us all. And the credit for our final victory must also be shared among us all. The victory will not be won by a few selected supermen—it will be won by ordinary people like you and me. And we must work to win it.

So, my friends—on this solemn day of remembrance, let us dedicate ourselves anew to the enormous task that lies ahead of us. Let us, together, ask God Almighty to create in us clean hearts and to renew the spirit within us. For if each of us does have the spirit renewed within us, we shall be able to find our common road to peace and victory.

Let us together pray for a regeneration of our people so that we shall be able to face and overcome the moral challenge of our age. We must start this massive process now—and we must start it within ourselves.

Those who sleep beneath these waters have been most generous toward us. They gave the noonday of their lives to us so that we could have our full share of tomorrows. They remain imprisoned within this shattered hulk that we could be free.

They have passed on to us the most precious gift that man can inherit. It is our duty to them—and our duty before God Almighty—to pass on that gift to future generations—and pass it on in better condition than that in which it was when we received it. Those whom we honor here are dead for the rights of men, for people like you and like me. All they ask is that we do not fail them. All they ask is that we do not make a mockery of their sacrifice.

We must dedicate our efforts—our hearts—our minds—and our souls—to the task of keeping faith with those who had so much faith in us—and who gave to us so generously a treasure greater than the wealth of all the kingdoms of the world.

Thank you and God bless you.

Congressman John D. Dingell's Remarks on Hospital Discrimination, Sixth National Imhotep Conference, May 25, 1962

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. CELLER. Mr. Speaker, during his four terms in the Congress of the United States I have had the pleasure of watching the vigor, drive, integrity, and intelligence of young JOHN DINGELL, Congressman of Michigan's 15th District. He follows in the footsteps of his illustrious father, whose years of dedicated service are memorable. I was friend of the father as I am of the son. Indeed, the apple has not fallen far from the tree. There is in the House of Representatives no more forthright, liberal, and no more able and aggressive Member of Congress. He has stood forth vigorously against legislation which would hurt small business by repealing the antitrust laws, has been one of the principal fighters for civil rights legislation, and was one of the leading participants in the maneuverings which resulted in enactment into law of the civil rights bills of 1957 and 1959. He was the author of one of the very first bills to include hospitalization for the aged within the framework of the Social Security Act, and his vigorous endeavors on behalf of that great cause have in large measure contributed to the present consideration by the Congress of the King-Anderson bill, of which Congressman JOHN D. DINGELL is a cosponsor, to provide for hospitalization for the aged within the framework of the social security program.

However, no action by our good friend and colleague, the Honorable JOHN D. DINGELL, reflects more credit on him than his vigorous opposition to racial discrimination against the sick, the aged, the helpless, the maimed, the injured, mothers in childbirth, the newborn, the afflicted, and the suffering and dying.

I am referring to Congressman DINGELL's vigorous opposition to racial discrimination in hospitals. Evil weed though our racially discriminatory practices are, this perhaps is the worst of all and strikes hardest at that segment of our population least able to defend itself against such discriminatory practices.

I am including in the Appendix of the CONGRESSIONAL RECORD, pursuant to permission granted, a speech made by our friend and colleague, Congressman **John D. Dingell**, before the Sixth National Imhotep Conference held under the auspices of the National Medical Association, the Medico-Chirurgical Society of the District of Columbia, and the National Association for the Advancement of Colored People, at the Fifteenth Street Presbyterian Church in Washington, D.C., on May 25, 1962.

This is the most telling criticism of a particularly pernicious form of racial discrimination which I have seen, and for that reason deserves inclusion in the Congressional Record.

The speech follows:

Mr. Chairman, officers, and members of this Sixth Imhotep Conference, I would like to express my deep gratitude for the privilege of being present today to discuss with you not only a medicosociological situation, but what I am sure you will agree is one of the most odious and hurtful aspects of our racial discriminatory practices.

I refer to the problem of racial discrimination in staffing and in admissions of patients to hospitals.

Although the practice of racial discrimination in our Nation is an evil growth, perhaps no fruit borne by it is more noxious than the practice of discrimination against the sick, the aged, the helpless, the maimed, the injured, mothers in childbirth, the newborn, the afflicted, and the suffering and dying.

It is for this reason that, whenever the opportunity was presented, I have opposed this vicious practice, both by sponsorship of appropriate legislation and by offering and supporting amendments to do away with it.

The Hill-Burton Act is a great piece of humanitarian legislation. It has, in and of itself, contributed as much as any other single piece of legislation now on the books to making good medical care available to the American people generally.

The Hill-Burton Act has poured $1.5 billion in Federal funds into construction and expansion of 5,500 hospitals and similar institutions and has so stimulated construction to change a critical shortage to a point nearing adequacy.

Some 2,000 hospitals and other health care facilities have been constructed, in whole or in part, in 11 Southern States through Hill-Burton grants in the amount of $562,921,000 of the $1,550,214,062 spent since the start of the program.

Ninety-eight of these hospitals are segregated. Most of the rest of the facilities admit Negroes in segregated wings, segregated wards, in hospital basements, in halls, and in other places where by practice and tradition they put Negro patients, but would never think of placing white patients.

Concurrent with this are discriminations against practitioners of medicine of the Negro race which not only deny physicians an adequate opportunity to utilize their talents and training on behalf of their patients but which deny them the right to earn a decent living. One doctor in discussing the situation said he could treat his patients if they could be cared for in the alley but that he could not if they had a condition requiring hospital care.

In this matter, there have been bright spots and, although the situation is bad, it is slowly improving, but not without enormous effort by right-thinking people.

As in other aspects of the problem of segregation, the North is different in the practice of the vices of discrimination, if only as to amount and degree.

A recent study was conducted in 14 communities. The investigators assumed the most reliable single index of integration to be, "In a given place what percentage of Negro doctors is affiliated with predominantly white hospitals?" This is indeed an important criterion, but I believe it would be helpful to have it compared with the percentage of patients, white and colored, and their respective relationship to the percentage of population in institutions in the area.

The findings, at any rate, are interesting:

Percentage of Negro doctors affiliated with white hospitals

Community:	*Percent*
Gary, Ind	82
New York (Brooklyn)	71
Philadelphia	28
Los Angeles	25
Indianapolis	23
Boston	21
Detroit	16
St. Louis	11
Chicago	7
Kansas City, Mo	5
Washington, D.C	4
Atlanta	0
Nashville	0
New Orleans	0

Much of this evil is rooted in the Hill-Burton Act itself, which had language in it which read as follows, setting forth in clear terms what was then thought to be the law with regard to the due-process clause and the equal-protection-of-the-law clause and segregation:

"Such hospital or addition to a hospital will be made available to all persons residing in the territorial area of the applicant, without discrimination on account of race, creed, or color, but an exception shall be made in cases where separate hospital facilities are provided for separate population groups, if the plan makes equitable provision on the basis of need for facilities for each such group."

The milestone school case of *Brown* v. *The School Board* and others since have shown that this is not the law, and that it is impossible to have equal and separate since the two are mutually exclusive and contradictory.

I am proud of my sponsorship of legislation to slay this evil, H.R. 10535.

I am sure you understand the enormous difficulty of securing enactment of forward-looking social legislation. Many here in this room participated in the grassroot action which brought about enactment of the Civil Rights Acts of 1957 and 1959, and in the misfortune which befell the friends of equality in the recent Senate filibuster which destroyed for this session chances of meaningful legislation in the area of voting and literacy tests.

There is, however, another bright spot, much like that created by the courageous actions of the freedom riders, the sit-ins, and the plaintiffs in school integration cases. I refer to the filing of suit against two hospitals in Greensboro, N.C., to declare unconstitutional the "separate but equal" provision of the Hill-Burton Act. One defendant, the Cone Hospital, has received $1,229,552.50 in Federal aid. It accepts Negro patients under special circumstances and conditions. The Long Hospital, also a defendant, which refuses to accept Negro patients at all, received $1,596,301.60 in Federal funds.

The Department of Justice has intervened in this matter on behalf of the Federal Government and has asked that the separate but equal provisions of the Hill-Burton Act be held unconstitutional. I am assured that the Department will vigorously press its participation in the suit.

A similar suit is pending in Orangeburg, S.C., against the Orangeburg Regional Hospital, which maintains segregated waiting rooms, wards, and other facilities. The thrust of this suit is that the hospital's practices violate the due process clause and the equal protection of the laws provisions of the 14th amendment. In excess of $300,000 has been granted this hospital by the Federal Government.

The striking thing about this pattern of segregation of hospital facilities is that it clearly does not conform to the now segregationist doctrine of separate but equal. The facilities are separate but clearly unequal in quantity and quality in a very striking way.

In many cases grantee institutions not only do not furnish separate but equal facilities but simply refuse to admit Negro patients. Where Negro patients are admitted it is to such scandalously inadequate facilities as to factually affirm the finding of the school cases that separate but equal is impossible of achievement as an inherent contradiction in terms.

There are many concrete examples of the way this works out in practice. In heavily Negro counties in Mississippi and other Southern States, in older institutions Negro patients were kept in attics, halls, and basements. In some new institutions they are now given 40 segregated beds per hundred. In Birmingham, Ala., with a population in the area of 750,000, equally divided between white and Negro citizens, in 10 hospitals there were only 574 beds allocated to Negro patients, and some 1,762 for whites. Beds for Negro patients were broken down to 134 beds for crippled children, 73 obstetrical beds, and 367 beds for medical and surgical cases.

In Atlanta, Ga., out of some 4,000 beds available in the metropolitan area, only 680 are available to Negro patients. Some Atlanta hospitals which refuse to admit Negroes were constructed or improved in part with Hill-Burton grants.

There was recently brought to the attention of the Secretary of Health, Education, and Welfare a hospital in Augusta, Ga., that had previously received Federal assistance and was applying for an additional $400,000. This hospital refuses pediatric or maternity care to colored persons. Facilities for Negroes are limited to 12 beds in the basement. Ironically the requested $400,000 is for expansion of the "white" facilities.

Limitation of time and space precludes elaboration but the pattern is clear, quite uniform, and drearily repetitious. It can be substantially duplicated in most cities in the South. However, by way of further example of northern practice let us take just one city in the North, my hometown of Detroit, Mich.—in fact the same structure appears in nearly all parts of the country.

The Michigan Chronicle, a weekly newspaper of excellent repute, ran a series which both set forth the situation and led to its substantial improvement.

One Detroit hospital was found to have for all intents and purposes refused Negro obstetrical cases. The Chronicle quoted the Detroit Medical Society which found that three hospitals discriminated against Negroes in the admission and placement of patients. In another hospital it was found that of 24 internships available annually only 1 went to a Negro. With a turnover of one-third of its 54 residencies annually, this same hospital has never trained a Negro resident. Only one of four major hospitals in the Detroit area had substantially complied with fair and nondiscriminatory practices.

Happily, I can report that by cooperation of city government, the hospitals, and organized medicine in the area, these discriminatory practices are now being remedied and we hope will soon be eradicated.

There are many factors in this situation which have an unusual relationship of both cause and effect at the same time in this pattern of discrimination.

Perhaps the worst is degradation and hardship on our Negro citizens of an economic, physical, and spiritual sort when their resources are at their lowest because of illness.

Another is the impact on Negro physicians and surgeons. While Negroes comprise 10 percent of the population, Negroes comprise only 2.2 percent of physicians. There is 1 white physician for 770 people, and 1 Negro physician for 4,567 nonwhites, according to Negroes and Medicine by Reitzes.

This work shows that in almost every southern State and locality the percentage of Negro doctors to patients and the number of Negro doctors in absolute terms is declining. The average age of practitioners is increasing.

There are a number of facts hard to explain except in terms of discrimination. Generally, exclusively Negro hospitals are old, makeshift, crowded, substandard, and often hand-me-downs from the white community which has erected a new commodious plant.

In the South, Negro medical students are nearly forced to receive their degrees from Negro schools or to go north. The Journal of the National Medical Association in 1961 reported that 11 southern medical schools did not admit Negro students.

Although the practice appears to have suffered substantial reduction, State medical and especially local societies are reported to deny Negro physicians membership or limit them to a sort of junior participation without the cares of dues paying or voting, and eating dinner with their white colleagues at membership functions.

This denial of membership in medical societies often will deny Negro physicians membership on hospital staffs.

There is also a tendency for hospitals to make new staff appointments from board-certified specialists. In 1947 there were 93 such Negro specialists; in 1952 there were 190; and in 1957 there were 320. Still today only about 1 percent of all such board-certified specialists are Negroes.

Although there is an increasing percentage of nonwhite interns and residents in non-Negro hospitals that percentage is not yet representative.

The work of eliminating discrimination by enactment into law of the proposal of Senator JAVITS and myself will not eliminate the problem of discrimination in the practice of medicine and care of the sick. It now appears that the courts will act before the Congress in striking down as unconstitutional the separate but equal doctrine as embodied in Hill-Burton. As I pointed out when I introduced this bill, this provision of Hill-Burton cannot stand the test of the courts on the scales of constitutionality after the decision in *Brown* v. *The School Board*.

I do not need to say that elimination of this one form of the evil in this field will leave much other work to be done by dedicated and courageous civil libertarians. I hope that this success which is soon to come will be followed by a new and vigorous rededication by all Americans to the principles of equality and a renewed drive to eliminate the last vestiges of racial discrimination from our dear land.

Telstar: World TV Satellite Successful

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. EVINS. Mr. Speaker, on yesterday many of us witnessed one of the most important developments in the field of communications since the invention of the telephone—the successful launching and subsequent transmission of a televised picture across the Atlantic Ocean by way of a communications satellite.

This satellite called Telstar was launched by the National Aeronautics and Space Administration for the American Telephone & Telegraph Co. as the first joint public-private space venture. Both are to be commended for their success and for their contributions which have again shown that this Nation is first in space.

Mr. Speaker, I think it was important and significant that the first live transatlantic televised picture was the picture of a waving American flag. The transmission of this picture marks a new era in communications and it has been predicted by those quite familiar with yesterday's launching that a communications system, using several satellites, perhaps as many as 40, would provide a worldwide communications network which could be used to transmit television, telephone calls or other information through electronic devices to every part of the world.

Much credit for this new advance and scientific achievement should go to NASA which perfected the rocket system and made the successful launching.

Many think there may be more practical benefits from this type of utilization of space than from attempting to reach the moon. The very practical nature of this space development was clearly demonstrated yesterday.

Mr. Speaker, all connected with the Telstar program should be commended and congratulated for this signal achievement.

Statement in Support of Licensing and Regulation of Private Employment Agencies in the District of Columbia

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following statement I presented to the Senate District of Columbia Subcommittee on Public Health, Education, Welfare, and Safety, on June 26, 1962, in support of S. 3259, a bill introduced by the distinguished Senator from Oregon, Mr. MORSE. Senator MORSE is also chairman of the subcommittee which held the hearing.

I have introduced similar legislation in the House, H.R. 11358, and I hope that action can be taken in this area in the near future.

My remarks follow:

STATEMENT OF HON. ABRAHAM J. MULTER

Mr. Chairman, I appreciate the opportunity to say a few words in support of this legislation introduced by you.

I have long felt that the private employment agencies in Washington needed more specific regulation than the present law requires. Abuses have crept into the business practices of some of these agencies, particularly with regard to the charging of fees, and it is time for us in the Congress to do something about it.

You and I were both thinking along these same lines at about the same time. As you said on the floor of the Senate on May 4:

"There has been increasing concern expressed by victimized clients, community organizations, and the press regarding a number of abuses attributed to some private employment agencies in the District of Columbia."

On April 17, 1962, I introduced a bill, H R. 11358, to license and regulate the private employment agencies in Washington. This bill closely follows the New York State law in this regard and is quite similar to the "model law" proposed by the Department of Labor's Bureau of Labor Standards. It is my understanding, Mr. Chairman, that your bill embodies the provisions proposed by the Bureau.

When I introduced my bill I stated in my remarks on the floor of the House that I was introducing it for study and comment. I suggested that all of those interested in the proposed legislation come forward and express their views on the bill and I have received a number of such suggestions and comments from private employment agencies and other interested parties in the District of Columbia. I assume that you have or will hear from them.

During the 1st session of the 88th Congress I expect and hope that the House District Committee will set hearings on my bill and I know that the information developed here by your subcommittee will be of great assistance.

I believe that this is an area which needs careful and serious consideration so that we can arrive at a bill which will do the job that needs to be done without harming anyone in this business. Those who operate legitimate employment agencies and who are fair and equitable in their treatment of their clients need have no fear. We are not out to "get" anyone. We do intend to try to prevent the abuses too prevalent in this field of endeavor.

One of the most important abuses to which I refer is the complete lack of fee regulation. For example, under present law there is no ban on registration fees. This practice, which amounts to paying for something on the assumption that you will get it, is particularly unfortunate. The assumption is very often not valid. The person who is looking for employment may feel so anxious about it that he may try to cover a number of agencies which charge such fees in the hope that one of them may be able to help him. On the other hand, the agency now has some of the unemployed person's money and may not feel that they can help him, or may even not take the trouble to help him. Although in some cases this fee is returnable if the agency cannot find a job for the applicant, in others it is not.

In the matter of fees there is no maximum set on what can be charged by the agency in placing a person with an employer. It has been noted in the press recently that fees in the District of Columbia range all the way from 25 to 120 percent. There is no excuse for the charging of such exorbitant placement fees. They result because there is no regulation.

A further aspect which needs to be curbed is fee splitting between agency and employer.

There should be a further provision in the law for the examination and approval by the District government of application forms used by the agencies.

I would strongly urge that the following provisions also be included in any bill adopted by the Congress:

That no license be issued to any agency until a bond in the amount of $2,000 is furnished to the Commissioners. That the bond furnished shall be in favor of any person claiming damages against the agency.

Agencies should not be permitted to induce employees to resign a job in order to receive their services, or to require applicants for their services to subscribe to any publication or incidental service or to contribute to the cost of advertising, or refer any persons to employment known by the agency to be injurious to health or morals, or refer any persons to employment where there is a strike, or use any name or advertising device which may be similar to or reasonably be confused with the name of a Government agency.

No agency licensed under this proposed law should be permitted to charge in excess of 10 percent of the gross cash wages paid to any person placed for employment which lasts for 90 days or less, or more than 20 percent for employment which lasts for more than 90 days or more than 5 percent of the first year's salary, if the employment is guaranteed by contract for an annual salary except that in no case shall the fee received be more than 2 weeks gross cash wages.

A most important provision which should be included is for the return of the fee to the applicant if the employee or prospective employer refuses to accept or cannot accept the conditions of the employment. The return of the fee should also be required if the employment is discontinued, through no fault of the applicant, within 30 days, except that the agency may retain a portion of the fee that would be in proportion to the time already employed.

These are some of the most important reasons why private employment agencies in Washington should be licensed and regulated. I do not doubt that the majority of the agencies are honestly operated by businessmen who do an excellent job for those in need of employment. These agencies have nothing to fear since they would undoubtedly be perfectly willing and able to comply with these proposed regulations. It is the others who must be made to comply—which would mean stopping the practices which bring them into opposition to ethical practices.

Thank you.

Defense Costs Reduction

EXTENSION OF REMARKS

OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. HÉBERT. Mr. Speaker, last week the Honorable Robert S. McNamara, Secretary of Defense, addressed a memorandum to the President in which he outlined the progress achieved in reducing defense costs.

Secretary McNamara, aware of my long and continuing interest in this subject, was thoughtful enough to send me a copy of his memorandum to the President.

I replied to the distinguished Secretary of Defense early this week and because of the interest generated by Secretary McNamara's report to the President, I call to your attention to my reply in which I have elaborated on a number of points made by Secretary McNamara. My letter to him follows:

JULY 10, 1962.

Hon. ROBERT S. MCNAMARA,
Secretary of Defense,
Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I was happy to receive your letter of July 6, 1962 containing the memorandum given the President on the cost reduction program of the Department of Defense.

There are several portions of the memorandum which are of special interest.

I note that you lay heavy emphasis on setting inventory requirements at realistic levels and "using existing inventories more efficiently".

I was chairman of the Subcommittee on Procurement in the 82d Congress. Our inquiries resulted in our presentation of and the enactment of the Defense Cataloging and Standardization Act of July 1, 1952 (66 Stat. 318) creating an identification system for military inventory.

Under a special provision in the bill, its coverage was extended to the whole of the Government in 1953 by Reorganization Plan No. 6 (67 Stat. 638). But the responsibility for administration was put in your office.

I have been following the semiannual reports made to this committee under this act; and I am glad to find that this law has enabled you to deal effectively with inventory.

I hope that your explorations of the Cataloging and Standardization Act, now chapter 145 of title 10, will lead to further savings in inventory by reducing the number of items; increasing the interchangeability of items; and reducing the storage space thereby through standardization.

The Hoover Commission estimated that our bill would save $4 billion a year. I have patiently awaited Executive action. Your reports show action, Mr. Secretary, and I am hopeful that the full potential of this act will be used.

I am particularly interested in your observations on competitive bidding. My subcommittee began studies on this subject 12 years ago when negotiated procurement in the Department of Defense was 94 percent of all actions taken. It has since been reduced to 87 percent; and it must go down further.

I was especially interested in your comparison of sole source prices and competitive prices. Year by year, Congress after Congress, my subcommittee has harped on competitive procurement. We have held extensive hearings, explored and exposed the excessive costs in sole source procurement.

While there is still too much sole source procurement, I hope that your influence will seep through the procurement echelons so that the last tier of buyers will share your motivation and determination in this matter.

I know how hard your task will be. Do read my subcommittee report issued February 7, 1952. It will show you that, because of my subcommittee's intervention, the Government was able to save $420,000 by competitive bidding on a $2,300,000 sole source price, and still get the product it wanted.

Now I want to tell you that I have addressed a letter to the Navy Department inquiring about a sole source procurement of this same article. My subcommittee, over 10 years intervening, by constant inquiry and prodding, is witness to two Navy sets of specifications for this article, the last written in 1961. A qualified products list has been set up. Nevertheless, one of the firms on the qualified products list which was consulted on specifications in September 1961, was refused bid documents on this same article in June 1962. I am waiting for the answer. I think we in Congress have a very clear understanding of some of your problems.

Somehow, the determination in procurement offices to hang on to sole sources must be broken if costs are to be reduced. You have estimated a saving of 25 percent on the dollar in competition, which I accept, though I think it is on the conservative side. So, I am delighted with your interest in the problem; and I am pleased that you have advised the Congress, as you have the President, of your findings to date.

I am getting a little tired, as I am sure most Members of Congress are, of hearing speeches by procurement specialists, "outside advisers," study groups, and papers from the newest and most expensive fad—"studies" by nonprofit organizations.

There has been no dearth of study, but there has been a marked absence of action; and I am glad you are addressing yourself to that phase of the problem. The principles have been proven beyond doubt, as my subcommittee hearings and reports will demonstrate.

I frequently read of concern in the executive department that congressional criticism disturbs morale. Very little space seems to be given to the cause of the criticism. The preferred role seems to be martyr's crown rather than a cured patient.

I note also your reference to the Defense Supply Agency, for which you availed yourself of the McCormack-Curtis amendment. I am reminded of the conferences which you held with Members of Congress, myself among them, when this undertaking was launched.

I think the program has great potential for common-use items; and I believe Congress will follow the matter with a great deal of interest. And I congratulate you for timely exchanges of information with the Congress.

In the field of procurement, there is a wealth of information and interest in the Congress; and the exchange of that information with your Department will not only be useful but productive.

Thank you for the opportunity of reading your "Memorandum on Cost Reductions."

Sincerely yours,

F. EDW. HÉBERT,
Chairman.

Address by Representative George H. Fallon at National Limestone Institute Convention

EXTENSION OF REMARKS

OF

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. BLATNIK. Mr. Speaker, recently our able colleague, the gentleman from Maryland, GEORGE H. FALLON, was presented with the National Limestone Institute's Distinguished Service Award for outstanding contribution to our Nation's highways. George Fallon was a featured speaker during the institute's 17th annual convention in Washington and under leave to extend my remarks I include his statement, as follows:

STATEMENT OF HON. GEORGE H. FALLON

It is always a great pleasure for me to participate in one of the annual meetings of the National Limestone Institute.

I am especially glad to have the opportunity to be with you today so that I can give you an especially significant up-to-the-minute report on the progress of highway legislation. This is true because, on Tuesday of this week, the House Public Works Committee ordered reported to the House of Representatives the Federal-Aid Highway Act of 1962.

This is the legislation introduced by me early in this session of Congress, and which is of prime interest to you and to every segment of the highway industry.

The most essential section of this bill is that carrying authorizations for the A-B-C program for the next 2 years.

I am pleased to be able to tell you that the bill approved by the committee carried out the original intent of the bill I introduced in 1956 and that was the gradual acceleration of the A-B-C program. As you may recall, in the 1956 act it was specified that we increase the A-B-C program by $25 million per year, until such time as the level of $1 billion a year is reached. You may also recall the discussions last year when highway revenue legislation was before the Congress. It was then that the administration suggested that in view of the limitations on the Highway Trust Fund the increase be $25 million every 2 years, rather than every year.

In studying the highway program this spring, the Subcommittee on Roads concluded that it was vitally important to keep the A-B-C program in balance with the interstate program, and that annual increases of $25 million in the A-B-C authorizations are the minimum amounts we should raise it to keep the A-B-C program in proper balance.

Accordingly, the bill cleared by the committee, provides for $950 million to be apportioned to the States this summer for fiscal year 1964 and an additional $975 million to be apportioned next year for fiscal year 1965.

These apportionments are to be matched by the States, generally, on a 50-50 basis, so we are talking about a total ABC program for the 2 years of about $3.8 billion.

This represents a very substantial market—in which you are all interested—for aggregates. In testifying before our Roads Subcommittee, the Federal Highway Administrator gave us a breakdown of the distribution of construction costs on the Federal-aid highway systems. He told us that during the 5-year period, 1957-61, approximately $13 billion was expended for construction of which $2.2 billion or roughly 17 percent was spent for aggregates. A total of 1.4 billion tons of aggregates was used during the period.

We can expect that at least 75 percent of the A-B-C expenditures will go into construction; thus the 1962 highway bill provides a conservative estimate of $450 million market for aggregates. So that is, I think, of substantial interest to those who are present at this meeting.

In addition, the bill provides substantial increases in those road programs which the Federal Government conducts in the land which constitutes the Federal domain—principally, but by no means exclusively—in the Western States. These include the programs for forest highways, forest development roads and trails, public land highways, public land development roads and trails, national park roads and trails, national parkways, and Indian reservation roads and bridges. For these seven categories of roads, the bill would authorize a total of $163 million for fiscal year 1964 and $184 million for fiscal year 1965. The largest increases are for an expanded program in the construction of development roads and trails in the national forests.

The bill provides that the Federal Government shall encourage and assist the States in setting up and administering programs for the relocation of families and businesses who are displaced as a result of Federal-aid highway construction.

As the impact of interstate construction is felt in the cities, we have been confronted with an increasing problem in relocating the people who live in the paths of the new expressways. In many cities, we have made a deliberate effort to locate the new highways through slum areas, not only to avoid taking high-priced land, but also to permit the highway program to serve as an instrument in slum clearance. This means, of course, that many of the families which must be moved are low-income families who often have no place to go and who cannot afford to pay moving expenses.

The problem first came before Congress last year. We deferred action because the matter had not been fully studied and there was no estimate whatsoever of the costs of the proposed program. During the winter the Bureau of Public Roads looked into the matter and provided some necessary information. After prolonged discussion, the Roads Subcommittee approved a relocation procedure which embodies some of these points:

1. It provides for control at the State level, rather than concentrating authority in Washington.

2. It limits expenses chargeable to the highway trust fund.

3. It will not result in undue delay in the construction of urban highways; in fact, we expect that by helping to solve the relocation problem, the urban construction program will be expedited.

The bill provides that State highway departments, in applying for Federal participation in a project for rights-of-way acquisition or actual construction must assure the Secretary of Commerce that there exists one or more feasible methods for the relocation of displaced families. The bill also provides that relocation payments up to $200 in the case of an individual or family, and up to $3,000 in the case of a business concern or nonprofit organization may be considered as a part of the costs of highway construction. Such costs would then be eligible for reimbursement in the same manner and to the same extent as other Federal-aid highway construction costs; that is the Federal Government would pay 90 percent on interstate projects and 50 percent on A-B-C projects.

Another problem which has become increasingly serious with the acceleration of urban highway construction, is that of assuring proper coordination between the work of highway planners and the plans for improvements in other forms of transportation. Such coordination is highly desirable, of course. In every State the highway department has made efforts to assure proper coordination. Nevertheless, some difficulties have occurred in cases where highway plans have reached an advanced stage before other plans came into the picture. It appears desirable, therefore, to spell out in Federal law, the principle that transportation planning should be continuous, comprehensive, and cooperative.

We have written into the 1962 bill a requirement that, beginning July 1, 1965, the Secretary of Commerce shall not approve any program for projects in an urban area of more than 50,000 population unless he finds that such projects are based on a continuing, comprehensive transportation planning process carried out cooperatively by States and local communities formulated with due consideration to the effect of future development of all forms of transportation in urban areas.

The bill provides for some changes in the allocation of Federal-aid funds for highway planning and research.

The arrangement, under existing law, is this: 1½ percent of the money apportioned for the interstate and A-B-C programs is earmarked for planning and research purposes. It is not necessary, however, that—under the law now—the earmarked funds be used exclusively for the intended purposes and a State now can divert some of the money to construction.

My bill would change present practice by making the 1½-percent money available for planning and research purposes only. It would also provide for planning and research purposes an additional one-half percent of the A-B-C apportionments but only at the request of the State highway department. The net effect is to increase expenditures for highway research and planning, which we believe is very desirable in all fields—especially in the field of aggregates, in an area where there is a distinct need for long-range and vigorous research programs.

The highway program is using the available aggregates to the best advantage so that crippling shortages do not occur in every phase of highway construction. Research activities are necessary so that we may constantly improve the quality of the highways we build and assure the most economical facilities for the motoring public.

There you have the highlights of the 1962 highway bill. A number of changes were suggested to the committee—some good and some not so good. Some of them we feel—seeing as how we have a balanced trust fund—that it is very tempting for some of these people to suggest that part of this money be used for other than highway construction but our committee is always on guard that this trust fund will be used for no other purpose than that specified in the 1956 act—and that is for the building of highways. Give the people the good highways we promised them. They are paying for them and in many cases they are paying for highways that they haven't even gotten yet. But it is our purpose to give these people safe, up-to-date highways so that they get not only their money's worth but also to expand the economy and protect the motorists.

And I always, in my duties on the Hill, value the counsel of the members of the Limestone Institute whether these suggestions come directly from you, or come through the association of which you are a member, the American Road Builders' Association.

In concluding, I want to commend you and your competent president, Bob Koch—who often calls on me when he thinks he may be able to help—for your support of the Federal-aid highway program. I think we are on schedule and financially, at the present time, it looks like we will be able to meet all the necessary expenditures that come through the apportionments to the States both in keeping the Interstate System on schedule and in the acceleration of the A-B-C roads. Although the Interstate System is big and fancy and gets a lot of attention—it is my belief that the A-B-C roads, which I always consider the veins and body of the road program, are as necessary as the Interstate System. And it is necessary for us to see that the feeder roads that go into the system are brought up to date and the new ones built that are necessary so that we can put the motoring public on the Interstate System. Without them it would be impossible to do so.

Again, I want to thank you for the opportunity of meeting with you.

Question. I was wondering one thing, Congressman, which you had made mention of and which I don't quite understand in the act, and that is the research and planning part where 1.5 percent is set aside for research and planning and then you made mention of another 0.5 percent. Now it was something about the States' participation. I would like to have that point cleared up if I may, please.

Answer. Well, as you recall, any of the States could use up to 1.5 percent for research and planning under the 1956 act. If they didn't use it for research and planning they could convert the money for construction purposes. In the bill this time, the 1.5 percent must be used over a period of 2 years for research and planning. If not, it goes back to the trust fund. The extra 0.5 percent is entirely up to the States whether they want to use it, and if they don't use it, they can put that back into construction. But the 1.5 percent must be used for research and planning or it goes back into the trust fund. The 0.5 percent, if they don't use it, they can divert it over to construction.

Question. Now do I understand correctly that the research and planning is still the States' prerogative—whether they want to do it or not?

Answer. That's correct.

Question. The Federal bureau does not move in on it?

Answer. No.

Question. As we know, the present interstate program is to be completed around 1972.

Answer. That is correct.

Question. Can you tell us what some of the thinking is now among those who are going to be doing something about future programs of this nature. In other words, we know that the present planning, and roads are being built—but some of them are being overcrowded already and certainly by 1972 we won't have everything built that will be needed. What is the thinking as to the future type of roadbuilding program that is needed?

Answer. I believe that there are two problems that lie ahead. One is, of course, the problem of meeting the impact of traffic that lies ahead. So that will mean that this road program will have to continue beyond 1972. I mean by this that, before 1972 we are going to realize that we will have to have a program on top of this program in order to meet the demands of the traffic. Secondly, we are going to have to find a means of assisting the States in the heavy job of maintenance, which will come along in the next 10 years on these big highways through the States.

So there will be two problems we will have. Financing—helping to finance—the maintenance of the highways that we are building and also a program on top of this program that we are working on at the present time.

Question. Do you mean to imply that there will be a Federal-aid maintenance program?

Answer. It seems to me that we are building these large and expensive highways and that there will be a demand from the States for the Federal Government to assist in the maintenance of these highways and I feel that with the taxes that we are collecting now—and the amount of funds is going to increase—the trust fund is going to increase as more automobiles are on the road—and that we will not only be able to finish the construction but start thinking about helping with the maintenance.

H.R. 11222—Farm Bill

EXTENSION OF REMARKS

OF

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. ROUSH. Mr. Speaker, I am inserting in the RECORD communications between Mr. Charles B. Shuman, president of the American Farm Bureau Federation, and myself. Following the vote on the farm bill, I received the following letter from Mr. Shuman:

AMERICAN FARM BUREAU FEDERATION,
Chicago, Ill., June 27, 1962.

Hon. J. EDWARD ROUSH,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ROUSH: We want you to know that the good judgment, courage and statesmanship you showed in voting to recommit H.R. 11222 are deeply and sincerely appreciated.

The House's rejection of this unsound legislation was a victory for farmers, consumers, and taxpayers. The only losers were the empire builders who want to take over the management of our farms.

The Nation owed a vote of thanks to every Member of the bipartisan majority that voted to send the bill back to Committee despite tremendous pressure from the executive branch.

We will continue to work with the Congress in the development and passage of constructive farm legislation.

Very truly yours,
CHARLES B. SHUMAN,
President.

The letter disturbed me and my answer to him was as follows:

JUNE 29, 1962.

Mr. CHARLES B. SHUMAN,
President, American Farm Bureau Federation, Chicago, Ill.

DEAR MR. SHUMAN: I trust that you will understand the intent of this letter. I have personally never held any grudge or personal animosity toward the Farm Bureau or any of its officers. As a matter of fact, I have enjoyed the friendship of many of your people, particularly those who represent your organization in the State of Indiana.

There were certain statements in your recent letter which pointed out to me, however, why many do bear animosity toward your organization. It emphasized to me why many consider your organization to be a tool in the hands of the Republican Party.

To be more specific, I refer to your statement that the only "losers were the empire builders." I disagreed with the legislation presented for our consideration but I must disagree with your inference that the motivation of the administration was anything other than one which was directed toward the best interest of our country.

You also cite "tremendous pressure from the executive branch." If anyone should have been in a position to observe such pressure, it was I. As I stated on the floor during debate, there was never any undue influence exerted against me on this vote by any of my Democrat leaders or the administration. Nor has there been any hint of recrimination since that vote.

It is in good faith that I make the suggestion that your organization adopt a more positive attitude and that you offer your wholehearted cooperation to the administration in developing the constructive farm legislation which is so badly needed.

I voted against the farm bill not because of any pressure from your organization nor any other group of individuals, but because of my conviction that this was not in the best interest of the country nor the people of the district I represent.

Now I am very eager to work for the passage of a bill to replace the one which was defeated.

Yours sincerely,
J. EDWARD ROUSH,
Member of Congress.

His gracious response was received promptly and it is as follows:

AMERICAN FARM BUREAU FEDERATION,
Chicago, Ill., July 3, 1962.

Hon. J. EDWARD ROUSH,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. ROUSH: I appreciate your recent letter and I was particularly pleased to have your constructive criticism. I am glad that you were not subjected to "tremendous pressure from the executive branch." I have been advised by some other Members of the Congress that the pressure on them was considerable. I also noticed the news story which indicated that the Democratic leadership in the House had protested to President Kennedy regarding the lobbying activities of the executive branch.

Your comment on my use of the phrase "empire builders" is well taken. I am sure that administration leaders, mistaken as they may be, believe that they are working in the best interest of our country.

I have consistently tried to stick to issues without impugning the motives of our opponents. I regret this lapse and I will try to avoid a recurrence.

Regardless of their good intentions, administration leaders in the Department of Agriculture have proposed farm legislation which is very dangerous and not acceptable to most farmers. I do appreciate your recognition of this fact and we will be pleased to work with you in every way possible to find a sound solution for these difficult problems.

Very truly yours,
CHARLES B. SHUMAN,
President.

The Wall Street Journal Is Wrong

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. ROOSEVELT. Mr. Speaker, the following editorial on the Government's construction set-aside program appeared in the Wall Street Journal on Monday, July 2, 1962:

HELP NOBODY CAN AFFORD

People who appear before congressional committees frequently want the Government to do something for them, but spokesmen for a number of construction companies are asking the opposite. They have told a Senate subcommittee they want the Government to stop trying to do something for them.

Specifically, they want a stop put to the Small Business Administration's set-aside program, which is supposed to help small companies obtain contracts for public works projects. "Set-aside" means that the SBA earmarks certain projects on which only small firms are allowed to bid.

The builders contend that among these firms are some of doubtful competence which the SBA itself, through its loan program, has helped to put in business in direct competition with established builders. But if a company's qualifications are questioned, the SBA simply issues a certificate of competence attesting that the firm is qualified to bid on public projects. Evaluation of competency, the builders assert, is properly a function of Federal contracting agencies with long experience in the field, and not of SBA officials.

The practical consequence of the SBA's set-aside procedures is that bidding is limited to firms designated as "small" by SBA standards, whether qualified or not. For instance, a low bidder on a Government project was ruled ineligible by SBA because he wasn't small enough. The next lowest bidder was given the job, which as a result cost the taxpayers 23 percent more than it should have.

Now all this may seem a very peculiar way to preserve competitive enterprise—a purpose for which the SBA was established—and to build public works at the lowest possible cost. But it is only to be expected when normal business procedures can be set aside by a Government agency seeking to aid a special group.

In five paragraphs, this editorial contains five major errors, which is a very poor average.

Error 1:

> People who appear before congressional committees frequently want the Government to do something for them, but spokesmen for a number of construction companies are asking the opposite.

This implication is completely incorrect.

The so-called spokesmen represent only the large contractors, who object to the fact that certain jobs are set aside for small contractors.

The only ineligible contractors are those who have done more than $5 million in business annually for 3 consecutive years. This group represents just 10 percent of all contractors, who already get more than 60 percent of the Government's construction business. Plainly, they want more. According to an SBA poll, the vast majority of general contractors—86.7 percent—favor the set-aside program.

Error 2:

> The builders contend that among these firms are some of doubtful competence which the SBA itself, through its loan program, has helped to put in business in direct competition with established builders.

While technically correct—some builders do contend this—the Wall Street Journal compounds the false implication.

Small businesses are handicapped in securing the long term, low interest financing that is available to big business. Therefore, Congress authorized the SBA to make loans to qualified small business. It is untrue that firms who borrow from SBA are "of doubtful competence." Certainly small construction firms receiving SBA loans may bid on Government contracts, and when their bids are accepted their performance rating has been just as high as that of other firms.

Error 3:

> If a company's qualifications are questioned, the SBA simply issues a certificate of competency attesting that the firm is qualified to bid on public projects.

The Journal captiously makes the certificate sound like a whitewash, which it is not. When the low bidder is an unknown small firm and the second low bidder is a well-known construction firm, the contracting officer is often tempted to reject the low bid unless the SBA makes a study to see if the low bidder is qualified. A certificate of competency is issued only after thorough study by SBA experts, and then only for that particular job. Thousands of small firms have obtained construction contracts, but only 30 percent of them have obtained these by certificates of competency.

Error 4:

> The practical consequence of the SBA's set-aside procedures is that bidding is limited to firms designated as "small" by SBA standards, whether qualified or not.

Dead wrong—contracts are awarded only to firms considered to be qualified, and this consideration is made by the contracting officer, not by the SBA.

Error 5:

> A low bidder on a Government project was ruled ineligible by SBA because he wasn't small enough. The next lowest bidder was given the job, which as a result cost the taxpayers 23 percent more than it should have.

A firm knows, by the $5 million 3-year standard, whether or not it is eligible before the bidding starts. Occasionally large firms submit false bids—sometimes below cost—to embarrass the set-aside program. They know the Government has no way to hold them to the bid because their size makes them ineligible. All Government contracting officers know of this strategy and, I trust, most Members of Congress know of it. If it is news to the Wall Street Journal, it is news to almost no one else.

As to saving the taxpayers' money, the Government construction engineers know in advance just about how much a job will cost. If the bids are too high on a job set aside for small business, the Government simply rejects them all and opens the bidding to large and small alike.

Thus the Government is amply protected on an individual project. But more important, the Department of Defense and the General Services Administration, the two largest Government contracting agencies, have told Congress that if small firms were not encouraged to compete for contracts by the set-aside program, the lessening of competition would cause a rise in prices. So the set-aside program is not only beneficial to small business, it has the overall effect of saving the taxpayers' money.

While newspapers are certainly entitled to express their opinions, freedom of the press is sorely abused when the editorial privilege is used to present statements that are deliberately misleading.

The Wall Street Journal has given a dubious performance.

Robert Wysocki Heads New York State Squires

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1962

Mr. ANFUSO. Mr. Speaker, it has come to my attention that one of my constituents, Robert W. J. Wysocki, has recently been elected as State chief squire, which is the highest position in the New York State Circle of Columbian Squires. For those who may not be familiar with this organization, I want to relate that the organization of the Columbian Squires is the junior order of the Knights of Columbus.

The Columbian Squires was started some 37 years ago by the Reverend Brother Barnabas, F.S.C., and it has since grown considerably throughout the country. New York State is the largest jurisdiction of the organization, with some 13 percent of its membership located there. It is this jurisdiction that Mr. Wysocki will head.

Mr. Wysocki resides in the Greenpoint section of my congressional district in Brooklyn. We are very proud of his election to this high position and there is no doubt in my mind that he will bring honor to his family, his friends, and all those who are associated with him. The people of Greenpoint feel honored that one of their own has been chosen for this important post.

I want to take this opportunity of congratulating Mr. Wysocki and his family and to wish him a most successful term as leader of his organization. He is an example for all our youth in proving that many opportunities still exist for young people who choose the path of service to their fellow men.

SENATE

THURSDAY, JULY 12, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of all grace and love: Pressed and pursued by the high concerns of public service and welfare, in this day of swift global change we come day by day to this altar of prayer, that our spirits may be steadied with the realization that back of all the dark tragedies of these bewildering days there is a permanent good toward which we strive, the blue sky above the clouds to which we must be loyal if our lives are to be saved from futility and frustration at last.

God the all-righteous One,
Man hath defied Thee:
Yet to eternity standeth Thy word:
Falsehood and wrong shall not tarry
  beside Thee:
Give to us peace in our time O Lord!

We ask it in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 11, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on July 11, 1962, the President had approved and signed the following acts:

S. 2130. An act to repeal certain obsolete provisions of law relating to the mints and assay offices, and for other purposes;

S. 2309. An act for the relief of Tio Sien Tjiong; and

S. 2586. An act for the relief of Alexandra Callas.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Permanent Subcommittee on Investigations, of the Committee on Government Operations, was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the postmaster nominations.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. DODD, from the Committee on the Judiciary:

Edward C. McLean, of Connecticut, to be U.S. district judge for the southern district of New York.

By Mr. HRUSKA, from the Committee on the Judiciary:

Edward J. McManus, of Iowa, to be U.S. district judge for the northern district of Iowa; and

William C. Hanson, of Iowa, to be U.S. district judge for the northern and southern districts of Iowa.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar, beginning with the postmaster nominations, will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BURDICK, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1161. A bill to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation (Rept. No. 1723).

By Mr. JORDAN, from the Committee on Agriculture and Forestry, without amendment:

H.R. 10595. An act to facilitate the sale and disposal of Government stocks of extra long staple cotton (Rept. No. 1724).

THE DESIGN PROTECTION ACT OF 1962—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 1725)

Mr. HART. Mr. President, from the Committee on the Judiciary, I submit a report to accompany the bill (S. 1884), to encourage the creation of original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying, with amendments, and the individual views of the Senator from Tennessee [Mr. KEFAUVER].

I ask unanimous consent that the report, together with the individual views, be printed.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Michigan.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN:

S. 3534. A bill for the relief of Dr. Mohammed Adham; to the Committee on the Judiciary.

By Mr. BEALL:

S. 3535. A bill to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center to extend the time during which appropriations may be made for the purposes of that act; to the Committee on the District of Columbia.

By Mr. CHAVEZ:

S. 3536. A bill to amend section 101 of title 38, United States Code, to extend full wartime benefits to persons who served in the Armed Forces of the United States in Mexico or on its borders during the period beginning on March 8, 1916, and ending on April 6, 1917, and to extend full wartime survivor benefits to the survivors of such persons; to the Committee on Finance.

By Mr. BIBLE:

S. 3537. A bill for the relief of Douglas Sum Fong; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 3538. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the city of Henderson, Nev.; to the Committee on Interior and Insular Affairs.

(See the remarks by Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 3539. A bill to authorize the Administrator of Veterans' Affairs to convey to the city of Jackson, Miss., certain lands situated in such city which have been declared surplus to the needs of the Veterans' Administration; to the Committee on Government Operations.

By Mr. MONRONEY (for himself, Mr. RANDOLPH, Mr. MORTON, and Mr. SMITH of Massachusetts):

S. 3540. A bill to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Louisiana:

S. 3541. A bill authorizing the modification of the Mississippi River, Baton Rouge to the Gulf of Mexico, Barge Channel through Devils Swamp, La. (Baton Rouge Harbor); to the Committee on Public Works.

(See the remarks of Mr. LONG of Louisiana when he introduced the above bill, which appear under a separate heading.)

CONVEYANCE OF CERTAIN LANDS TO CITY OF HENDERSON, NEV.

Mr. BIBLE. Mr. President, on behalf of my colleague, the junior Senator from Nevada [Mr. CANNON], and myself, I introduce, for appropriate reference, a bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the city of Henderson, Nev.

At the present time, approximately 87 percent of the 110,000 square miles that make up the State of Nevada is owned by the Federal Government. As a result of this ownership, most of the communities in Nevada are landlocked, and the city of Henderson falls in this category. Any growth by the city can take place only after acquiring some of the federally owned land. This bill provides that approximately 6,200 acres of land will be sold to the city after appraisal for its fair market value.

The city of Henderson is the industrial center of Nevada. Its industries contribute greatly to our defense efforts. It is hoped that if Congress gives its approval to this measure additional industries will see their way clear to move into this industrial complex.

This proposed legislation is vitally needed if the city of Henderson is to continue its growth, and I trust this proposal will receive prompt attention by the Congress.

The **VICE PRESIDENT**. The bill will be received and appropriately referred.

The bill (S. 3538) to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the city of Henderson, Nev., introduced by Mr. BIBLE (for himself and Mr. CANNON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

MONRONEY BILL WOULD OUTLAW JURISDICTIONAL STRIKES ON AIRLINES

Mr. MONRONEY. Mr. President, on behalf of myself and Senators RANDOLPH, MORTON, and SMITH of Massachusetts, I introduce a bill and ask for its appropriate reference.

The **VICE PRESIDENT**. The bill will be received and appropriately referred.

The bill (S. 3540) to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry, and for other purposes, introduced by Mr. MONRONEY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. MONRONEY. Mr. President, this proposed legislation is aimed at solving, in a way that guarantees fairness and provides proper court appeals, the jurisdictional problems that have beset the airline industry for several years.

This bill provides that when a strike, or the threat of a strike, occurs in the operation of an airline, on a finding by the National Mediation Board that the labor dispute involves jurisdictional matters the President may then submit such dispute to a Jurisdictional Disputes Board, which would be established by this bill. The bill applies solely to the operation of airlines.

The Board is then empowered to take jurisdiction over the dispute, to conduct hearings, and to make a final determination of the jurisdictional dispute, which shall be binding upon all parties involved.

Such a finding is appealable to the proper courts to guarantee the justice of the findings. During the consideration of the dispute by the Jurisdictional Disputes Board, no labor organization, its agents, or the air carriers may strike or lock out or change the terms and conditions of employment out of which the dispute arose. Obligation to observe this requirement is enforcible by order of any U.S. district court having jurisdiction.

After the Board's findings, the award shall be final and binding unless upset by the court, and shall be enforcible by the U.S. district court.

The Jurisdictional Disputes Board would be appointed by the President and would serve until the determination of the case is reached. The bill provides that the determination shall be made within 60 days from the date the Board is established, unless extended by stipulation of the parties. Each board would be established to handle individual jurisdictional disputes and would expire on completion of its findings.

The current airline strike, for which I see no genuine justification, was started by the airline flight engineers on June 23. It has been going forward since that date, with no hope of settlement in sight. The Eastern engineers, numbering 575, have put all but 200 of Eastern Air Lines' 18,000 employees out of work. They have been sitting idle, without pay, except for the 200 of those 18,000 who have remained at work, because 575 willful men have shut down the airline, inconvenienced more than 30,000 air travelers, cut services to 115 cities in 28 States, and grounded 208 aircraft.

The loss to the airline in revenue of about $1 million already has forced the airline to apply to the Civil Aeronautics Board for a huge subsidy. There has been no progress in any way in settling this purely jurisdictional issue since the engineers walked out on June 23.

Mr. President, I feel it is high time that the Congress acts to give some degree of finality to the settlement of jurisdictional strikes in the airline industry. In entirely too many cases, we have seen the Nation's vast airline industry paralyzed by a jurisdictional strike or walkout involving the Air Line Pilots Association and the flight engineers.

This type of strike, which so adversely affects our national air transport system, and renders unemployed tens of thousands of other airline workers who have no dispute at all with the airlines, is not a strike by workers against management. It is a strike of one union against another.

It is not a genuine strike over wages or working conditions. It is a strike over which union will handle which job in the operation of the aircraft.

Management is powerless to settle this kind of jurisdictional strike. If it holds in favor the engineers, the pilots walk out; or if it holds in favor of the pilots, the engineers walk out.

Over the horizon, there is a strike threatening Pan American, our big international airline, with 17,000 employees to be affected. Down the road is the strike being threatened against American, affecting 23,000 employees. All those employees are threatened with idleness by this small group which insists on a backward interpretation of the old prop-driven, reciprocating motor days. The National Mediation Board, after hearings, determined that the duties of flight engineer and pilot on jet aircraft did not differ to such an extent to entitle them to representation as a separate craft. This determination was sustained by the courts. Threat of an industrywide strike over this decision brought a new study by a President dential commission headed by Professor Feinsinger. Again merger was recommended. But the flight engineers persisted. On June 16, they decided to strike, but withheld the information as to what lines and when, later announcing it would be Trans World Airlines.

After the Trans World strike threat, and after weeks of bargaining, in which the Secretary of Labor and representatives of management and the engineers met, they agreed on the engineers' right in the cockpits and a proper representation in the merger of the unions if they saw fit to merge.

It is about time that the Congress passed some law that would enable the public, the airlines, and the workers to have some kind of relief against willful men who think of nothing except the interest of a small group of union czars sitting in Idlewild telling the employees of the airlines of the Nation that they can be unemployed while they fight over vanity and the preservation of a monopoly over a certain type of job that no longer requires the skill that once was required.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. RANDOLPH. Mr. President, the Senator from Oklahoma states the seriousness of this problem. It is not a problem of tomorrow, but of today. As a fact, it is a problem of yesterday. It is a matter which the Federal Government must consider as an imperative challenge. Congress, certainly the Senate cannot delay longer its attention to this impairment of an essential portion of our air transport system.

I shall not go into a repetition of the lucid language by my colleague, the Senator from Oklahoma, because he has well set forth the situation, but I do indicate that in the State of West Virginia this is a matter which goes deeper than a disruption of needed airline service. It is a condition which results in serious deterrent of the growth of the State and the wellbeing of our citizens. The strike is not only a stoppage of planes but it adversely affects business. In connection with the operation of flights of Eastern Air Lines at the Kanawha Airport at Charleston and the Tri-State Airport in Huntington, we are cognizant of the breakdown of bargaining which keeps the aircraft grounded. The people of West Virginia who depend upon the services of this scheduled carrier realize the ill effects. Our people are alarmed. Telegrams of protest to me are evidence of the widespread discontent.

For the record, I will indicate that in 1961, in Charleston and Huntington, Eastern handled 124,228 passengers. In that year this carrier originated in those two areas of West Virginia 568,014 pounds of cargo.

I am in earnest in these vigorous remarks. I join in support of the proposal; and I remember that not many days ago in this forum I joined my colleagues, the Senator from Oregon [Mr. MORSE] and the Senator from Oklahoma [Mr. MONRONEY], in pledging that affirmative efforts would be formulated. This approach may not be the best device, but hearings should be held in the Labor and Public Welfare Committee, on which I serve, on the problem.

I am not critical of the delay in the introduction of legislation except to warn that this strike moves into its third week. It is, I repeat, a serious situation. I cosponsor this measure, believing that I act in a responsible manner in doing so.

Mr. HOLLAND. Mr. President, I congratulate warmly the Senator from Oklahoma. I have been waiting for a long time to hear vigorous words such as his from someone who is an authority in the field. The Senator from Oklahoma is the chairman of the subcommittee of the Senate which deals with the entire field of aviation. I hope that his words will be followed by early action of the Senate.

I have been moving in this direction for years now. I have pending on this subject S. 88, which might go a little further than is suggested in the bill offered by the Senator from Oklahoma. I shall not quibble about the distance to which the Senator would go. I wish to support the Senator in anything to bring relief.

What has been said by the distinguished Senator from West Virginia [Mr. RANDOLPH] could be multiplied many times in its application to the city of Miami and to the city of Hialeah, in which several thousand employees and many thousands of travelers are affected by the current strike each day.

I hope the Senate will finally be aroused to take some action in this field. I have talked several times recently with the able Secretary of Labor. I had hoped he would come out for the administration with some suggestion, and I believe that is imminent.

I hope the Senate, without letting innocent people continue to suffer, will soon take action in this field.

Mr. JAVITS. Mr. President, New York has been seriously disrupted by the Eastern Air Lines strike, as have many other cities in the country. This does not mean, necessarily, we have to take action which may be unwise.

I agree with the Senator from Oklahoma, who graciously offered me the opportunity to join in sponsorship of his bill, that there is a serious problem, but I did not think it wise to join as a cosponsor, as a member of the Committee on Labor and Public Welfare.

The Senator has pointed out for all of us the real deficiency in the Railway Labor Act as well as in the National Labor Relations Act. In the final analysis one does not know what to do about major strikes which tie up major elements of the transportation system except to come to the Congress. Therefore, I wish to state advisedly, as a member of the Committee on Labor and Public Welfare, I shall consider it my duty to do everything I humanly can to get an immediate hearing on the bill. I agree that the Senate and the Congress must and should act in the national interest.

The Senator from Oklahoma has given us his proposal, his prescription. There may be others. Congress is charged with the responsibility of determining what is the best approach. The Congress is the final residual basis of authority. That we must act in a situation of this character I have no doubt.

I hope very much that other colleagues on the committee, including the Senator from West Virginia [Mr. RANDOLPH], will assist me in getting committee attention promptly directed to the problem.

MODIFICATION OF THE DEVILS SWAMP PROJECT ON THE MISSISSIPPI RIVER

Mr. LONG of Louisiana. Mr. President, I introduce, for appropriate reference, a bill to authorize a modification of the Mississippi River, Baton Rouge to the Gulf of Mexico, barge channel through Devils Swamp, La.

The purpose of this bill is to provide for the completion of the 5-mile barge canal known as the Devils Swamp project, and to add to the existing authorization, the construction of suitable dikes and other retaining structures, for the construction and future maintenance of the project, in order to provide additional industrial sites with water frontage which are now needed to permit the normal development and expansion of the industrial and commercial activities of the locality.

The bill that originally authorized this barge canal provided for a canal 5 miles in length, but indicated that only half of this canal would be dug, and the second half would follow when the industrial development warranted it. The bill failed to state that necessary retaining dikes would be provided to prevent the spoil from returning to the river and that would make it possible for the banks of the river to be improved to an extent that they would attract the desired industrial development.

In spite of this inducement, the industrial development in this area is both obvious and imminent. It is time to build the second half of the project. However, it should be built in such a way that this development should be encouraged rather than retarded.

The cost of constructing retaining dikes is insignificant when compared with the benefits that will be accrued from the project. Further, as inducement to the Federal Government, local interests matched the Federal Government 50–50 on the cost of the first half of the project. No such matching funds should be required for the second half of the project, and what has already been contributed should be considered as more than adequate to cover a fair contribution toward the land enhancement that will accrue from the judicious disposal of the material that is removed from the river in connection with the construction of the channel.

I move the earliest possible completion of this needed project and hope that it will be included in the omnibus public works authorization bill that I feel certain will be approved by this Congress.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3541) authorizing the modification of the Mississippi River, Baton Rouge to the Gulf of Mexico, barge channel through Devils Swamp, La. (Baton Rouge Harbor), introduced by Mr. LONG of Louisiana, was received, read twice by its title, and referred to the Committee on Public Works.

REVENUE ACT OF 1962—AMENDMENT

Mr. KERR. Mr. President, I submit an amendment to section 13 of H.R. 10650 which is in addition to the amendment which I submitted on July 10, 1962. I feel that this is a most important amendment because it eliminates from coverage under section 13 those foreign corporations which promote the export of products manufactured, produced, grown, or extracted in the United States. It also benefits those foreign subsidiaries which promote the licensing abroad of patents, secret processes, and other like property owned by U.S. companies. The foreign subsidiaries who would be eligible would be those having 75 percent or more of their income from export trade activities. To the extent that the profits from such export trade activities were reinvested in assets used in export trade business, deferral of U.S. tax will be continued. In the case of certain agricultural products, a 50-percent requirement is subsituted for the 75-percent requirement. A detailed explanation of the amendment is as follows:

II. DETAILED EXPLANATION OF AMENDMENT

A. Definition of export trade corporation: An export trade corporation would be a controlled foreign corporation 90 percent or more of the gross income of which for a 3-year period immediately preceding the close of the taxable year was derived from sources without the United States and 75 percent or more of the gross income of which for such period constituted export trade income. The rule would be reduced to 50 percent in the case of export trade income derived in respect of agricultural products grown in the United States.

B. Definition of export trade income. Export trade income would consist of four categories described as follows:

First. Sale of U.S. exports: Income from the sale of U.S. exports together with various kinds of service income rendered in connection with the sale or in connection with the installation or maintenance of such property.

Second. Licensing of U.S. patents, and so forth: Income derived by the foreign corporation from the conduct of a foreign license and technical assistance program. Here, the foreign subsidiary would receive commissions, fees, and so forth, for negotiating and servicing license agreements between unrelated foreign users and U.S. companies which acquired or developed and owned certain patents, copyrights, secret processes, and so forth. It would be required that the U.S. company owning such intangible rights be the same company that manufactured or produced export property in respect of which the export trade corporation earns income under the preceding paragraph.

Third. Income from rentals and use of U.S. exports: The third category would consist of rentals or other income received from unrelated parties for the use of property manufactured in the United States—for example, rentals on equipment—and a related kind of income; namely, the income attributable to the use by the controlled foreign corporation of U.S.-manufactured property used in the rendition of services, and so forth, to an unrelated party. Under the latter category, if the controlled foreign corporation rendered services to an unrelated foreign person that part of the compensation received from the unrelated person which was attributable to the use of technical equipment manufactured in the United States would be treated as export trade income. Unless such income were readily ascertainable, it would be assumed that it was that part of the profit which the depreciation on the U.S. equipment bore to the total cost of earning the income.

Fourth. Interest income from financing of export income: The final category would consist of interest income received by the controlled foreign corporation on credit advanced by it to unrelated persons in connection with transactions giving rise to export trade income.

C. Definition of export trade assets: Export trade assets are the assets which are eligible for reinvestment out of the export trade profits of a controlled foreign corporation. These would be limited to, first, working capital reasonably necessary for the production of export trade income; second, inventory of U.S. export property; third, facilities located outside the United States for the storage, packaging, handling, transportation, or servicing of export property; or, fourth, evidences of indebtedness from unrelated persons in connection with payment for export trade income.

D. Definition of export trade expenses: The amount of profit of an export trade corporation eligible for reinvestment is limited to either 10 percent of its gross receipts or 1½ times its export trade promotion expenses, whichever is lesser. Export promotion expenses means ordinary and necessary expenses paid or incurred for the purpose of producing export trade income and include a reasonable allowance for salaries, rentals for property used in the export business, depreciation on property used in such business, and a reasonable allocation of all other ordinary and necessary expenses of the controlled foreign corporation allocable to the production of export trade income provided that at least 90 percent of each such category of expenses is incurred outside of the United States. If less than 90 percent of each such category is incurred outside the United States, then the amount of the profit eligible for reinvestment would actually be limited to 1½ times the amount incurred outside the United States.

E. Export property: Export property, the kind of property the sale or use of which gives rise to export trade income, is defined as any property or any interest in property manufactured, produced, grown, or extracted in the United States.

F. Treatment of export trade corporation: If a controlled foreign corporation qualifies as an export trade corporation, then, in lieu of the amount of subpart F income, it would normally be taxable on under section 951(a)(1)(A), it would be taxed only on the following amounts:

First. That part of its subpart F income which does not result from export trade income.

Second. That part of its subpart F income which exceeds either 10 percent of its gross receipts or 1½ times its trade promotion expenses. It is expected that in many cases the 10-percent limitation will serve as reasonable assurance that intercompany pricing has been proper. In such cases the application of section 482 would be unnecessary.

Third. That part of its subpart F income which is within the 10-percent or 1½-times rule, but which is not reinvested in export trade assets. Investment in export trade assets means the annual increase in such assets so that in order to obtain deferral with respect to such export trade income, the controlled foreign corporation must continue to grow and continue to expand its investment in inventory, credit extension, foreign warehouses, and so forth. If in any year there was actually a net decrease in the amount of such investments, the net decrease would in such year constitute income which would be taxed to the U.S. shareholders.

G. Consolidation: Provision is made for several controlled foreign corporations which are in a single chain of ownership to be consolidated for purposes of meeting the requirements and gaining the benefits of the amendment. The chain of controlled foreign corporations eligible for consolidation would consist of a single controlled foreign corporation and its 80 percent owned subsidiaries and sub-subsidiaries. Each company in the chain has to qualify as an export trade corporation.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Finance.

TO PRINT AS A SENATE DOCUMENT THE CONFERENCE REPORT ON H.R. 11131, TO AUTHORIZE CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS (S. DOC. NO. 107)

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Washington [Mr. Jackson], I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11131) to authorize certain construction at military installations. I ask unanimous consent that the report be printed as a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

NOTICE OF HEARING ON NOMINATION OF NOEL P. FOX TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF MICHIGAN

Mr. HART. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, July 19, 1962, at 10:30 a.m., in room 2228 New Senate Office Building, on the nomination of Noel P. Fox, of Michigan, to be U.S. district judge, western district of Michigan, vice Raymond W. Starr, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Missouri [Mr. Long], the Senator from Nebraska [Mr. Hruska], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. COTTON:

Remarks made by Senator Bush on the "Dana Clark Show."

Letter dated June 22, 1962, from President Kennedy to John D. Pemberton, Jr., executive director, American Civil Liberties Union, conveying best wishes for the biennial conference of the American Civil Liberties Union.

THE 100TH ANNIVERSARY OF ARMY MEDAL OF HONOR

Mr. SALTONSTALL. Mr. President, I am reminded today of a statement made by President Eisenhower as he bestowed the Army's Medal of Honor on a young hero of the Korean war. In words which expressed the sentiments of the Nation, and indicated his personal esteem of our Nation's highest award for gallantry in action, the President said:

> Son, I would rather have the right to wear this than be President of the United States.

This story comes to mind, Mr. President, for today is the 100th anniversary of the authorization of the Army's Medal of Honor. It was on this date, a century ago, that President Lincoln signed a congressional resolution which provided for the preparation of Medals of Honor to be presented "to such noncommissioned officers and privates as shall most distinguish themselves by their gallantry in action, and other such soldierlike qualities."

The law was amended, in 1863, to apply to officers, as well.

Over the years, the Medal of Honor has come to be much more than a handsome, five-pointed star, laurel wreathed in green enamel, and held by a white starred ribbon of blue silk. It is a token of national esteem. It is the ultimate symbol of our national gratitude.

The Army's Medal of Honor, epitomizing valor and heroic action, stands at the apex of a pyramid of honor. This pyramid, created by precedent and procedure, is built in recognition of the various degrees of courage and service to the Nation. All deeds of honor in combat deserve recognition; but only those of truly extraordinary personal bravery which clearly lifts the individual far above his comrades are worthy of our Nation's highest award.

The soldiers who have won the Medal of Honor are the flower of our American manhood—strong, hardy, full of the vigor, courage, and idealism of our Nation. They come from cities, towns, villages, and farms throughout the United States. They represent every rank, from private to general. They are soldiers who wrote in the tumultuous tide of war truly magnificent pages in the history of freemen.

Each one knew of the enormity of the sacrifice his Nation was calling upon him to make, for when men have been long in battle and have thought deeply about their situation, there comes at last the awareness of ultimate responsibility—the realization that one must go ahead, that a nation may live.

Today, a grateful nation is honoring these men. Some of them are still compiling distinguished records in our Nation's Armed Forces. Others have returned to civilian life. And many lie beneath the lands and seas of all the continents. But our memory of them and of their deeds is still sharp and clear in our minds.

The winners of the Medal of Honor purchased our legacy of freedom with their deeds. It is now our duty to preserve that legacy, enhance it if possible, and then transfer it safely to the next generation.

In preparing ourselves to live up to our responsibilities as the champion of freedom for the free world, we should reflect on the heroic example of the winners of our Nation's Medal of Honor. Inspired by their example, we can renew our strength to meet successfully the challenges which lie before us, as we work together for the cause of peace with honor.

Mr. CASE. Mr. President, on the occasion of the 100th anniversary of the signing by Abraham Lincoln of the law establishing the Congressional Medal of Honor, I congratulate the 14 New Jersey residents who have received the Nation's highest award for valor.

New Jersey is honored to have among its residents men who have been recognized for courage and valor in defending our Nation.

Luther Skaggs, president of the Congressional Medal of Honor Society, an organization chartered by the Congress, has informed me that New Jersey has one of the largest numbers of members in his society. This society has as its goal "to protect, uphold, and preserve the dignity of the medal and its individual holders."

In a statement prepared by Mr. Skaggs he pays particular tribute to Benjamin Kaufman, 925 Bellevue Avenue, Trenton, N.J. Mr. Kaufman, former national commander of the Jewish War Veterans, won his Congressional Medal of Honor during World War I. At that time a first sergeant, Kaufman was leading an infantry patrol in the Argonne Forest, France, in October 1918, when a burst of machinegun fire shattered his right arm. Hurling grenades with his left hand and brandishing an empty pistol in his useless right hand, he made a one-man charge on the enemy machinegun nest, capturing a prisoner and scattering the rest of the crew. He brought the machinegun, his prisoner, and his empty pistol back to the American lines under intense enemy fire.

The other Congressional Medal of Honor winners from my State are: Stephen R. Gregg, 130 Lexington Avenue, Bayonne, N.J.; Hector A. Cafferata, Crestwood Drive, R.F.D. 1, Dover, N.J.; Francis X. Burke, 132 Kensington Avenue, Jersey City, N.J.; Capt. Carlton R. Rouh, 414 Chestnut Avenue, Lindenwold, N.J.; John W. Meagher, 22 Cliff Street, Jersey City, N.J.; Samuel M. Sampler, 434–B Whitman Drive, Haddonfield, N.J.; Franklin E. Sigler, Long Hill Road, Little Falls, N.J.; Allan L. Eggers, Sand Spring Road, Morristown, N.J.; Capt. Freeman V. Horner, 2 Hensing Drive, Mount Holly, N.J.; Nicholas Oresko, 31 Benjamin Road, Tenafly, N.J.; Frank J. Bart, 1100 West Street, Union City, N.J.; Carl Emil Petersen, 427 Hyatt Street, Avenel, N.J.; and William A. Shomo, 107 Crescent Avenue., Waldwick, N.J.

As a Senator from New Jersey, I join with the residents of all States in honoring these men who have been recognized for deeds of courage performed on the field of battle. We shall always appreciate their great contribution toward preserving our Nation.

COOPERATION OF GOVERNMENT AND PRIVATE ENTERPRISE IN SUCCESSFUL ORBITING OF TELSTAR SATELLITE

Mrs. SMITH of Maine. Mr. President, the brilliant success of the Telstar communications satellite on Tuesday of this week gave me one of the emotional highlights of my life.

It was my privilege to be present at the ceremony and to view the closed circuit coverage of this historic event.

When the Vice President of the United States and the chairman of the board of the American Telephone & Telegraph Co. talked with each other by telephone through the Telstar that was 3,000 miles above the earth, I was extremely proud that I had once been a member of the telephone company.

My thoughts flashed back many years ago to those nights when I was a switchboard operator in my hometown of Skowhegan—of how I made connections for the callers in Skowhegan. Now I was watching Telstar make connections not only between Andover, Maine, and Washington, D.C., but across the Atlantic Ocean between the United States and France and Britain.

Yes, there was a great thrill in my pride that I had been an employee of the company that had made this remarkable achievement. The sound of success Tuesday night over the satellite communications system of the telephone company was like the time when, as the switchboard operator in Skowhegan, I first heard the beautiful voice of the man I was later to marry.

And I had great pride in the fact that the key point of this tremendous operation was in my home State of Maine at Andover.

But the deepest feeling that I had was as a member of the Senate Committee on Aeronautical and Space Sciences and the faith that I had that freemen and private industry could work in full cooperation with the Government. Others have not had that faith.

Tuesday night my faith was fully vindicated, for it was the great teamwork between the Government and private industry that produced the magnificent achievement—that proved the superiority of freedom and free enterprise over the Communist system of slaves and enslavement in which the government controls all.

Tuesday night brought complete vindication to the faith I had in private enterprise and to the support that I had given in committee on legislation to give private enterprise its proper role in this wondrous space exploration program.

DEATH OF COUNCILMAN STANLEY ISAACS

Mr. JAVITS. Mr. President, I have the sad duty of announcing to the Senate the passing from this earth and our life of a very, very distinguished New Yorker, and a very close friend of mine, Councilman Stanley Isaacs, who was almost as synonymous with New York City as is City Hall and the Mayor of New York. He passed away last night, but the newspapers have not yet carried the news. Radio and television have.

It is with great sadness that I announce this news to the Senate. I think the distinction and eminence of my close friend and fellow New Yorker was of such a character as to deserve mention here on the floor of the Senate.

Stanley Isaacs was not only one of our most luminous citizens, but he carried in his heart as he did in his mind a deep feeling and love for the people of New York and for New York as a great metropolitan example of communal living which was unique in our time.

He served us for a great part of his life. He was deeply beloved by New Yorkers of all ranks, stations, and parties. He was a one-man minority and a one-man conscience for the people of New York, and he lived a very honored life.

He came under fire and attack from time to time, but always realized the affection and trust of his fellow citizens, and won their confirmation, which is the pride of every American.

So I extend my deepest sympathy to Mrs. Isaacs, who is also a close friend of mine and my wife's. I know I express the feeling of many, many Americans, and certainly of every New Yorker, in mourning the loss of a man who could be described as our No. 1 New Yorker—other than our mayor—Councilman Stanley Isaacs.

Mr. President, I ask unanimous consent to include in the Record as a part of my remarks the biography of Councilman Isaacs from "Who's Who."

There being no objection, the biography was ordered to be printed in the Record, as follows:

Isaacs, Stanley Myer, United States, attorney, public official; born New York City, September 27, 1882; son Myer S. and Maria (Solomon); B.A., Columbia University, 1903, M.A. 1904; L.L.B., New York Law School, 1905; married Edith Somborn, May 18, 1910; children: Myron S., Mrs. Helen Herrick. Associated with law firm, M. S. & I. Isaacs, since 1942, member of firm, 1905–19; associated with real estate, building and investments, 1919–38. Member, city council, New York, since 1941. Republican minority leader since 1949; president, Borough of Manhattan, 1938–41; chairman, local draft board No. 164; consultant on labor problems, Office of Secretary of War, World War I; member, advisory commission, New York State Conference on Social Work, president, 1944; executive board, New York State Commission on Discrimination in Housing. President, United Neighborhood Houses, since 1932; member, board of directors, Citizen's Housing and Planning Council, New York; board of trustees, Roosevelt Memorial Association; advisory commission, National Council on Naturalization and Citizenship; Citizen's Commission on Children; United Service for New Americans; New York Fund for Children, Inc.; advisory board, Play School Association; New York Division, American Friends of Hebrew University; college commission, Public Education Association; trustee at large, Federation of Jewish Philanthropies of New York; State board, New York Chapter, Americans for Democratic Action; board of directors, Institute of Practical Politics, 1952; vice president: United Jewish Appeal, Greater New York; Baron de Hirsch Fund; honorary trustee: Ednl Alliance, president, 1933–37; James Weldon Johnson Community Center; trustee, West End Synagogue; treasurer, Dalton Schools, Inc.; member, advisory board, Wiltwyck School for Boys. Recipient, awards: Brooklyn Philanthropic League, for activities on behalf of Settlement House, 1938; Fine Arts Federation for distinguished service to the fine arts, 1941; City-Wide Tenants Council, for meritorious housing service, 1941; Felix M. Warburg Memorial Award, Federation of Jewish Philanthropies, for 25 years' service, 1948; citation, United Neighborhood Houses, for 50 years' service in settlement movement, 1951; award, New York Young Republican Club, for civic service, 1953. Clubs: Republican City; City Athletic; Yorkville Neighborhood; The Judeans. Home: 14 East 96th Street, New York, N.Y. Office: 475 Fifth Avenue, New York, N.Y.

Mr. KEATING. Mr. President, the tragic death of Stanley Isaacs, member of the New York City Council, and a beloved figure to all who knew him, will be an irreparable loss to the people of New York.

He was for many years the only Republican member of the city council, in which capacity he served all the citizens of that city, without regard to party affiliation. He spoke for all the people, regardless of race, religion, and nationality. He stood for honesty and integrity in government.

Mr. President, his death will be a great loss to the great city of New York. His shoes will not be easily filled, for he was a man with breadth of wisdom and honesty of judgment in all his public and private dealings. He did not look for the limelight, but where he saw neglect, indifference, or corruption he did not hesitate to expose or to oppose it. New York City and the Nation need more men like Stanley Isaacs. May his efforts be an example and an inspiration to others who face the high responsibilities and continuing challenges of our city government.

My deepest sympathy goes to Mrs. Isaacs and to Stanley's other relatives and his thousands of friends.

EQUAL-TIME SUSPENSION

Mr. JAVITS. Mr. President, I should like to bring to the attention of my colleagues an editorial which appeared in the Washington Post of July 12, 1962, in connection with the hearings now being conducted by the Communications Subcommittee of the Senate Commerce Committee on various measures to suspend the equal-time requirement of section 315 of the Communications Act.

Among the measures being considered is Senate Joint Resolution 196, introduced by myself and the Senator from Pennsylvania [Mr. Clark], which calls for continuing, for the period of the 1962 congressional campaign, the experiment begun with the Kennedy-Nixon debates of 1960. The editorial squarely supports the principle behind this measure, that the benefits of continuing the experiment in public information clearly outweigh whatever risks may be involved.

I ask unanimous consent that the editorial be printed in the Record at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Political Debate Pattern

The question of removing the barriers to political debates on television and radio is, basically, one of using the public airwaves for a public purpose. The chief arguments for modification or repeal of section 315 of the Federal Communications Act come from the broadcasting industry. But the primary benefits would go to the candidates, in terms of free radio and TV time, and to the voters in terms of more complete information about the personalities and the issues involved in the campaigns. Congress can scarcely avoid the conclusion, therefore, that the lifting of section 315 for the 1962 campaigns would be a good bargain.

In the past Congress has been reluctant to free broadcasters from the legal requirement of providing equal time to all candidates running for an office because it has feared that abuse might develop. Given full discretion in the matter, some broadcasters might favor one candidate over another and thus exercise undue influence upon the electorate. Important minority parties might be shut out from television and radio coverage. It is generally conceded, however, that the Kennedy-Nixon debates in 1960 were eminently fair, and the general record of broadcasters for nonpartisanship in the presentation of candidates is good.

If the necessity of extending equal time to fringe candidates is relaxed for the campaigns this fall, political debates will be heard in California, Michigan, Massachusetts and various other States. The pattern of debate that is now well established leaves the broadcasters very little chance for favoritism even if they were so disposed. There is also strong precedent for fair treatment of third parties and fringe candidates if this can be done without putting them on a par with the major contenders. To our way of thinking, the advantages from relaxation of the present rigid rule are great enough to justify Congress in extending that policy and relying upon other means of coping with abuses when and if they should develop.

WHY COMMUNIST CHINA IS HUNGRY

Mr. JAVITS. Mr. President, communism's greatest defeat lies in the field of agriculture, and its greatest failure is in Communist China. Starvation conditions in this country can be blamed directly on the drive by Communist leaders to transform China's ancient and traditional forms of agriculture into the Communist mold. The delicate balance that Chinese farmers had developed through generations of trial and error was scrapped and the results have been disastrous.

A highly informed report on conditions inside China and the reasons why the damage which has been done may take many years to repair was published recently by Valentin Chu, a former newspaper correspondent in Shanghai and later in Hong Kong. I ask unanimous consent to have printed in the Record his article entitled "The Faminemakers: A Report on Why China Is Starving," which appeared in the New Leader, June 11, 1962.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Faminemakers—A Report on Why China Is Starving

(By Valentin Chu)

In the third century, B.C., the ruler of a Chinese kingdom suffering from a severe famine sought advice from the sage Mencius. The king had been energetically shifting his people and his resources about the country in an all-out effort to alleviate the starvation and to govern effectively. Yet the nation failed to prosper. He wondered why.

Mencius told the king: "If the seasons of cultivation are not interfered with, the grain will be more than you can eat. If close-knit nets are not cast in the pools and ponds, the fish and turtles will be more than you can eat. If axes enter the hills and forests only at the proper time, the wood will be more than you can use. But your dogs and swine eat the food of men, and you curb them not. People are starving by the wayside, and you open not your granaries. When people die, you say: 'I am not responsible; it is the year.' What difference is this from stabbing a man to death and saying: 'I am not responsible; it is the weapon'?"

Twenty-two centuries later Mao Tse-tung, the ruler of another Chinese empire suffering from famine, is energetically moving his people and his resources all over the country in a similar effort to govern effectively. He, too, must wonder why hunger remains the plague of his people. And it is something to wonder about. For during the decade 1949–59 Communist China's food increase was seven times its population increase.

Even under the severest natural conditions, there should have been enough reserve to forestall a famine. The answer to this riddle can only be understood after a long look at both China's traditional agricultural economy and the program of the present regime since its takeover in 1949.

The land of China, slightly larger in area than the United States, is hardly ideal for agriculture. China is more mountainous than the United States, the U.S.S.R. or India. Almost 70 percent of its land is over 3,000 feet above sea level, and only 15 percent is under 1,600 feet. Its climate varies from subtropic summer to Siberian winter. Arable land on the mainland amounts to 264 million acres, or only one-tenth the total area. Of this, 30 percent is good soil, 40 percent medium quality and the rest inferior. To maintain a subsistence level four-fifths of China's population has to toil on one-tenth of its land. In Soviet Russia, half of the population works on one-eleventh of the land to provide a meager standard of living. In the United States, one-eighth of the population farms one-fifth of the land to create a national overweight problem and pile up great surpluses.

The trouble with the Chinese is that the fecundity of their soil can never match the fecundity of their loins; in their land it is easier to breed than to feed. But too little arable land and too large a population are not the only problems. In China a year without natural calamities is indeed a year for thanksgiving. The country's peasants have always been at the mercy of their eroded mountains and capricious rivers.

China's history records 1,397 serious droughts since Christ was born. Floods have also been disastrous. The Huai River, draining an area 6 times the size of the Netherlands but without a mouth of its own, flooded its valley 979 times in 2,200 years. The mighty Yangtze River, the world's third longest, in whose valley nearly half the population lives, had 242 floods and droughts in 265 years. From mythical times there have been attempts to tame the Yellow River, known as "China's Sorrow." This 2,900-mile river, with a basin equal in area to Italy, Switzerland, and Norway combined, devastated its plain 1,500 times in 3,000 years, and made 9 major changes of its course, swinging its mouth in wild arcs up to 500 miles long.

Add to all this frequent dust storms in the arid northwest, typhoons along the coast, insect pests everywhere, rare but severe earthquakes, and it can be seen that the lot of the Chinese peasant has been tied to natural calamities. Because the peasants obtain three-quarters of their food directly from their own land, when famine strikes it always means hunger and often means starvation. One million people were killed in the 1887 flood alone. Some 800,000 lost their lives in the great earthquake of 1556, and another 246,000 perished in a similar disaster in 1920.

Moreover, after many centuries of exploitation by a vast farming population, China has very little natural vegetation left. Forests make up only one-tenth of its total area (about 80th down the list among the world's countries on a percentage area basis). The waterholding capacity of the soil is therefore extremely poor, and excessive runoff is a major cause of floods. Another major cause is the breaching of dykes. The Yellow River, the world's siltiest, deposits enough sediment on its delta to fill up one and a half Empire State Buildings daily. For hundreds of miles it flows between dykes on a riverbed high above the surrounding countryside, with the silt raising the bottom continuously. A single breach can empty the entire river on to the flat, densely populated Yellow Plain for as far as the eye can see, sometimes inundating the region for as long as a year. Many other rivers in North China have similar skyway river beds between precarious dykes, and floods in this area are the most destructive. When too much water goes to one place, there is bound to be too little elsewhere. And in China drought occurs oftener than floods, is even more destructive and more extensive in area, and lasts longer.

Since historically China is a land of catastrophes, it is tempting to conclude that the current famine is just one of those things. This is not so. True, Peiping has publicized the natural causes and played down other factors. But the present famine is due not so much to sudden dramatic blows from nature as to the grave errors of a bureaucracy highly efficient in control but childishly lacking in commonsense. A sizable portion of the floods and droughts which China has suffered during the past few years have been aggravated, and at times directly caused, by a decade of pseudoscientific methods in farming, irrigation, and soil treatment. Each year since the Communists came to power in 1949, the total area of farmland affected by natural calamities has risen steadily: It was only 13 million acres in 1950; 29 million in 1954; 38 million in 1956; 78 million in 1958; 107 million in 1959; and 148 million in 1960. It is safe to assume that the 1961 total, although never officially announced, was probably at least as large as 1960's.

What China is now facing is no common natural disturbance, affecting a few provinces for a short time. It is a nationwide exhaustion of the land and the people, the cumulative result of 12 years of abusing nature and human nature. Peiping's search for a breakthrough in agriculture has resulted in a breakdown.

In the beginning, the Chinese Communists attempted to implement a titanic program of farm mechanization on the Russian or American scale. But unlike either the Soviet Union or the United States, both of which have vast plains that are thinly settled, China's huge population is extremely dense wherever the land is arable. Most of the farmland consists of cut up wet paddies or terraced hillside plots where modern tractors are of no use. The United States has 5 million tractors, the U.S.S.R. 1.7 million. China has fewer than 33,500 tractors, with some 6,700 in disrepair, but despite their limited usefulness this is less than 4 percent of the number required as estimated by the regime. In October 1957 the People's Daily, Peiping's official organ, finally had to admit: "It is too early to talk about general mechanization. We have no oil, too few animals. Steel is expensive. The cost of machinery is prohibitive."

Attention was then turned to semimechanization, which meant improved animal-powered farming implements. The glamour star of "semimechanization" was the double-wheel double-share plow, an ordinary all-metal plow pulled by animals. With great fanfare, Peiping turned out 3.5 million double plows in 1956 and 6 million in 1957. But they were a flop. Not only were they too heavy for China's wet paddies and terraced fields; they were also badly manufactured, with many brandnew plows missing parts. Soon peasants all over the country refused to use what they called the "sleeping plow." Peiping accused the peasants of hostility toward innovations and backward conservatism. But 6 months later the production of a new, lighter model was announced.

Lately, the regime has been encouraging the use of small, handmade instruments. The quality of the newly made small implements, however, leaves much to be desired. A recent People's Daily editorial recalled wistfully the days of the pre-Communist peasant, when "a hoe would last three generations * * * the property of the man who used it, repaired it and cared for it." Today a hoe often does not last one season, especially when it is made of the "steel" from the backyard furnaces. Nor does the peasant own it, repair it or care for it. Instead, the small implements are "lost, wasted or destroyed * * * left scattered in the open air in the fields where rains and winds ruined them."

Mechanization having failed as a panacea, Peiping has been trying its luck with fertilizer. Each winter since 1957 tens of millions of peasants and city residents have been taking part in fertilizer marches. With gongs clanging, drums beating and red pennants fluttering in the scented breezes, these brigades, singing and moving in military formation, transport their precious commodity to the fields. In wooden buckets, bamboo baskets, tin cans and earthern pots slung from bamboo poles, or in makeshift carts pulled by children, the brigades carry the excrement of China's 700 million human beings and 265 million farm animals, plus sewage silt, garbage, river mud, peat, green meal, fumigated earth, chimney ashes, brackish water and industrial waste.

For all its bizarreness, the fertilizer drive is intended to make up for a real agricultural deficiency. Communist China produces less than 3 million tons of chemical fertilizer a year; it needs at least 10 times that amount. Peiping cannot afford to build enough modern fertilizer plants or to import fertilizer from abroad, and China must still depend largely on compost. The population daily returns to the earth, in the form of manure, more than 700 tons of phosphorus, 1,200 tons of potassium, and a large amount of nitrogen. Yet human and animal excrement, green compost, and river mud have been used by Chinese farmers for 40 centuries. Thus, the fertilizer drive has not really increased fertilizing strength, even though mixing compost with adulterating ingredients has increased the total tonnage.

In the summer of 1958, after it took over direct control of agriculture, the party ordered nearly half of the cropland deep plowed and close sown. But such practices demand discretion and careful coordination with fertilization. The regime acted indiscriminately, with the result that many plants either weakened or died, and much soil was debilitated. By the fall of 1959, Peiping conceded: "What we gained was not up to what we lost."

Further damage was caused by the so-called battle of crops. In its early stages, this involved an ambitious simultaneous assault on agriculture, fishing, animal husbandry, and forestry. The result was a reduction in the food crop. The regime then reversed its policy: Concentrate on food crops; ignore subsidiary activities. So the party kanpu (cadre) had hundreds of thousands of acres of cotton, hemp, tea, mulberry, peaches, oranges, lychees, and bamboo razed and turned into unstable, unfit, ill-conditioned fields for wet rice, wheat, and potatoes.

In agricultural China each valley and plain has its own special combination of soil, climate and economic requirements. Over the centuries, the peasants have learned which crops are the best and the most profitable. In a silk-producing area near Canton, for example, the peasants engage in fish culture as a sideline. They use the waste from the silkworms to feed the fish, then dig up the fertile mud from the fish ponds to fertilize mulberry trees, the leaves of which are fed to the silkworms. Everything is used, nothing wasted. When the mulberry trees in a village near Canton were razed by zealous party robots to plant rice, the entire cycle of agricultural economy was upset. Similar disruption was caused by plowing too deeply, sowing too closely, planting too early, using the wrong crops or wrong seeds, employing too much or too little or inadequate fertilizer, and not fallowing fields that should have been fallowed. All these mistakes dealt the harvests a severe blow.

The 1959 locust disaster is another enlightening example of the party bureaucrats' knack for worsening natural calamities. In early April of that year, peasants in Honan discovered some young locusts and reported their find to the commune's kanpu. But the kanpu scolded the peasants: "The corn and soybean have just sprouted and the wheat will ripen soon. We don't even have enough people for weeding and fertilizing. How can we divert labor for insect pests We must take care of urgent business first." The peasants then appealed to the county party commissar. They were again pushed aside: "Little ghost and big fright. You saw an insect and you bring us a heap of blind words. We shall have an insect-destroying campaign some day anyway. Why make the fuss now?"

Two months later the crops in two counties were eaten up by locusts in 1 night. Immediately the provincial party secretary pushed the panic button and issued a set of "Regulations Pertaining to the Swift Extermination of Locusts." During 3 days in mid-June, 1.3 million peasants were hurled into a sea of locusts for an epic extermination battle. By then, however, it was too late. Crops, grass, and tree leaves on a million acres in 48 counties in Honan were stripped clean. The locusts next invaded the neighboring provinces of Anhwei, Kiangsu, and Shantung, damaging nearly 5 million acres of farmland in 179 counties. Peasants from 6 to 80 were pressed into the fight. Airplanes were used to spray insecticide. But the spraying, done with frenzy and inexperience, killed 100,000 farm animals. By Peiping's own estimate, insect pests damage 10 percent of the country's grain, 20 percent of the cotton, and 40 percent of the fruits every year.

Given China's limited means, water conservation seems the only practical means of improving the country's agriculture. In sheer quantity, China has plenty of water, but its distribution is lopsided. Every year 668 cubic miles of water flow over the mainland's 3.6 million square miles of land, averaging 12 tons of water for each person daily. Three-quarters of this water, however, is in the Yangtze Valley and south of it. North China has less than 5 percent.

The regime claims that during the first 10 years of its rule the nation's irrigated area increased from 40 to 180 million acres. Officials figures speak of 40 billion man-days used to dig 105 billion cubic yards of earth equivalent to 450 Panama Canals, or a wall 3.3 feet high and wide girdling the earth 2,000 times. The work, according to Peiping, consisted of building or repairing some 60 large reservoirs, 1,000 medium ones, 4 million small reservoirs and canals, 74,600 miles of dikes, 15 million farm weirs, and 10 million wells.

The official statistics are impressive. One imagines millions of Chinese peasants, antlike and faceless, digging and hauling all over the land, disciplining the savage rivers and salving the fields with gentle moisture. With this image in mind, it is even possible to rationalize that the misery of millions forced to labor today might bring some good to additional millions who will inherit the land tomorrow. But the fact is that China's water conservation efforts have done more harm than good. Indeed, they are an important factor in the current famine.

Until 1957, Peiping concentrated its energies on big, hydroelectrically oriented dams. Many of these expensive projects were either ill planned or badly executed. The largest and most important project was a TVA-like system to regulate the Yellow River and its tributaries; by the time the river passed the vicinity of Kaifeng and reached the flat Yellow Plain, its flow was to be controlled. When the project was initiated, Peiping proudly announced that the Yellow River, perhaps the world's most unmanageable body of water, would not only be tamed forever, but that by 1961 its lower reaches would be crystal clear.

The key to the Yellow River system was to be the mammoth Sanmen Gorge Dam, at a point just before the river leaves the mountains. To protect it, 59 high dams were to be constructed in the upper river. By 1956 half of the high dams were completed. The same year, floods destroyed or silted up almost all of them. Despite a Chinese specialist's warning to reexamine the whole plan, the Sanmen Gorge Dam, with a 1-million-kilowatt powerplant, was started in 1957. The dam was planned, model tested, and supervised by Russian technicians. Because of structural defects, its design and construction had to be altered time and again. In 1958 there was another flood, and this time 70 percent of the swollen water came from below the Sanmen Gorge. An official technical journal, Water Conservation and Power, then admitted this proved that even after the completion of the project, major floods could not be prevented.

Another big pride of Communist China's hydraulic engineering is the much-ballyhooed Futseling reservoir and powerplant in Anhwei. This project was completed with Russian aid in 1954. Soon after the Huai River overflowed its banks and inundated the entire plain the reservoir was supposed to protect. Five years later the reservoir was still not functioning: The sluice gates had turned out to be heavier than designed, and it was feared that they would not open when the reservoir was filled with water. A similar fate befell the Yungting Reservoir tunnel near Peiping, which was also opened with a loud blast of propaganda. After the hosannas came the flood, inundating 7 million acres and washing away 2.6 million houses. Then there is the incident of the Tahuofang Dam, the country's second biggest reservoir, near Fushun in Manchuria. After a year's work on it, construction had to be halted in 1954 because it was discovered that the structure "had the consistency of rubber."

Some of the mistakes are almost unbelievable. During the dry season, fields in many areas could not get a single drop of water even though the reservoirs were full. It was discovered that no one had been ordered to build water conveyance systems for the reservoirs—no sluice gates, no canals, no ditches. In June 1959, the People's Daily summed up the results of many of the large-scale projects: "There are reservoirs without water, reservoirs with water but without aqueducts. A great number of flood-prevention works which have to be renewed yearly were not renewed, or, if they were started, were not finished." And Water Conservation and Power reported that a number of hydroelectric dams were leaking badly, that many reservoirs "look all right as long as water is not let in," and that on some projects equipment was installed but no power could be produced. Medium and small works, by Peiping's own admission, have fared even worse.

Water conservation is a complicated science. It requires detailed study, careful surveys and coordinated planning. The planners must have intimate knowledge of river flow, flood history, silt content, topography, soil characteristics, water tables, weather patterns and the needs of surrounding areas. But Peiping has never had any overall water conservation plan. Technical direction often has not matched actual working conditions. Quality has always been less important than quantity and speed. For large projects, there has never been enough steel and cement available. For smaller ones, only earth and stone have been used because of shortages. Everywhere substitute materials and short cuts in construction have been favored—and praised as technical innovations. Is it any wonder that China has registered such spectacular water conservation failures?

The dam fiascoes touched off an orgy of canal digging in 1958–59. Peiping finally realized that the much-vaunted huge projects, which had so impressed foreign visitors, often turned out to be mere monuments to stupidity. In 1958, the year of the Great Leap Forward, it turned its attention from big dams to regional irrigation projects of medium and small dams, wells and, especially, canals.

In August of that year, the Party Central Committee announced a stupendous project: a network of canals which would criss-cross the entire area of the China Plains and link the three great rivers—the Yellow, the Yangtze and the Huai. The canals were to be of five sizes, ranging from small irrigation ditches to large ones accommodating 3,000-ton ships. They would serve as inland waterways, as a gigantic reservoir, and as a water-regulating system to bring water from south to north China. When the plan was announced, millions of peasants had already been digging for months. By early 1960 half of the canals in some provinces were completed.

But after months of confused experience, the small canals proved inadequate. They were too numerous, creating problems for future farm mechanization. They were also too small, providing little protection in times of flood or drought. To further complicate matters, the village kanpu in charge of digging were unclear about the various canal measurements, and they varied greatly. In the winter of 1958 the plan was revised: Small canals already dug were abandoned or filled up; medium and large canals were dug at relocated sites.

The frenzied canal digging created problems undreamed of in the Communist philosophy: The canals took away much valuable farmland. They leaked badly (in many cases 60 percent of the water escaped). In some areas where the water table was near the surface, excessively deep canals drained the land, creating an artificial drought where none had existed. In other areas, mainly in dry north China, where the water table was low and the soil unleached, water leaking from the canals raised the water table, thus accentuating capillary action through the lime-rich earth. This brought up harmful salts and alkali from the subsoil and formed a crust on the surface after evaporation, spoiling formerly dry but good farmland. By 1959, the People's Daily sensed something was wrong: "During the past 1 or 2 years, the alkalization of much soil in many irrigated areas in the north has spread." But the canal digging went on. In 1960, the same paper again reported that saltpeter, which normally appears only in serious drought, had affected millions of acres of farmland. And in April 1961, the Kuang Ming Daily noted that "arable land is continuously shrinking and alkalized soil spreading."

In a country like China, where the water balance has already been upset by centuries of intensive cultivation and population weight, the best place to store water is not behind big dams or in sloppy canals, but underground near where it falls. Not surprisingly, Peiping has also had insanely grandiose forestation plans. The original great vision program—no longer mentioned today—consisted of a number of bold forestation projects, which included two "Green Great Walls." One was to be a 1,000-mile protective windbreaker, starting from the Chinese-Korean border, winding along the China coast, and ending at the mouth of the Yangtze. The other, equally long, was to be a forest shield against the sand from Outer Mongolia. It was to start from the vicinity of the Old Silk Road in Kansu, cut across the sand dunes of the Alashan Desert and the Ordos Desert in Inner Mongolia, and end at the great bend of the Yellow River.

In early 1956, a campaign to "green up China in 12 years" was begun. The job would be easy: "if every one of the country's 500 million peasants plants 2 trees each year, we shall have 1 billion trees in a single year." Peiping believed that in 12 years it could change China's arid land, barren hills, and deserts into 160 million acres of sylvan delight. So millions of school children were ordered to plant trees all over the country. In most cases the entire program consisted of digging holes, inserting cuttings or saplings, and watering them for a few days. Then the human sea surged in other directions, for other campaigns, and the trees were left to die of thirst.

While forestation surged up and died off, deforestation seemed to progress systematically. Forest fires and the incidence of tree diseases have increased. Artificial deforestation has also been on the increase, especially since 1958. Farm cooperatives and communes have set their cattle to graze on saplings, and have chopped down roadside trees and whole forests for timber or to "open virgin land." During the 1958 steelmaking campaign many mountains were stripped bare for fuel. A commune in Kwangtung close-shaved 13 forest-covered hills in one swoop. Timber industries in forest areas, led by quota-conscious kanpu, competed with each other in cutting down big and small trees without replanting. Even saplings were not left to protect the soil, which soon became barren. Since the 1958 great leap, the Chinese have been too busy making steel, digging canals, and fighting calamities to worry about reforestation. But deforestation is continuing at an even faster pace, reducing the already poor moisture-capturing capacity of the soil, extending the erosion area, heightening excessive runoff of rainwater, and insuring severer damage from floods and droughts for generations to come.

The foolish squandering of resources and manpower on big, haphazard projects before 1958, and the wanton canal digging since then, has deteriorated the water and soil in China's richest farming regions. It is no coincidence that the worst droughts of the past 4 years have taken place in the very provinces where millions dug canals from 1957 to 1959. The entire hydrologic cycle in China is now upset by faulty water conservation and deforestation. Communist China has unwittingly changed nature.

While food coming out of the earth is decreasing, crops already harvested are increasingly spoiled or wasted. For centuries wasting food was considered a sin in China. Under the Communists a good deal of food is unnecessarily spoiled. Many granaries are haphazardly built; others are created from decrepit temples or ancestral shrines; still others are without doors and windows—though all have fences or walls to prevent theft. One year an investigation revealed serious conditions in grain storage in seven provinces. In Kwangsi, for example, of the 740,000 tons of grain inspected, 83 percent was spoiled by worms. One granary reported 10 percent of its grain mildewed. Another, in Shensi, had 30 percent mildewed and 40 percent sprouting. The party kanpu in charge of food supply in the communes are nicknamed by the peasants: "The Five Don't Knows": They don't know how much grain is harvested; don't know how much is eaten; don't know how much is in the commune kitchen; don't know how much is stored in the granaries; and don't know how long the store will last. When famine became acute late in 1960, a People's Daily editorial revealed that the total amount of grain stored in Communist China was unknown. It launched a national campaign to weigh the stored grain, explaining: "We shall only know the real situation if we weigh and clearly account for the food grain collected." Since 1961, Peiping has imported grain. The real situation, apparently, is now known.

The efficiency of China's farm labor, low in the old days because of inadequate equipment, has been lowered even further by Peiping's administrative epilepsy. The peasants always worked hard; each knew what to do and how to do it with the limited means available. Today, they are told how to plow, when to sow and what to plant. They are pressed into a robot army and maneuvered with human-sea strategy and commando tactics.

In the winter of 1955, many millions were "volunteered" into constructing dams and dikes. The following summer, when it was found that subsidiary farm work had slumped to half its normal amount, they were shunted back to the fields. In some provinces the party ordered up to 40 percent of the peasants to stick to subsidiary farm work, although drought was spreading. Left unharvested, much rice and sweet potatoes were damaged by the drought. When this was discovered, the peasants were hurried back to plant more food crops. Meanwhile, the half-finished dams and dikes they had left were damaged by floods.

In 1958 some 60 million people, most of them peasants, were told to make village steel, creating a labor shortage on the farms. In many areas fertilizer was not put into the fields and rice was not harvested in time. Forty percent of the land in Hopei Province that needed sowing was left untended. In north China cotton and potato picking were not done on time. Elsewhere 650,000 tons of tobacco leaves were plucked but unsorted, and the damp leaves began to spoil. For three consecutive winters, up to 70 million peasants were commandeered to dig canals. More recently, the peasants have been recruited to fight flood and drought. The number of calamity fighters now exceeds 10 million in each seriously affected province. When the fertilizer drive was on, 80 million had to forage for manure. When there was a coal shortage, 20 million were sent to the hills to dig for dubious fuel.

The madcap use of farm labor is responsible for at least one unnatural disaster, the "weed calamity." This term was coined by the Communists to denote fields left unplanted or unattended which subsequently were found covered with weeds. The weed calamity first came to light in 1959. By the fall of 1960 weeds were reported in at least 13 provinces, from northern Manchuria to Kiangsu, and covered 20 percent of China's farmland. In many areas the weeds were taller than the crops. In Shantung one-third of the farmland was covered by weeds, which at places grew so thick that a man was unable to walk into the fields. Soon the Ministry of Agriculture sounded another alarm, this time to fight weeds. Peasants, city people, students, civil servants, and even soldiers were ordered to forsake whatever they were doing and hand-pluck weeds from the fields. In Hopei, 6 million were mobilized; in Shantung, more than 7 million. In Liaoning, two-thirds of the students and civil servants from the cities were diverted to the countryside. In Shansi, half of the total farm labor was used.

The more the peasants work under the party's blundering policy, of course, the less they produce. And the less they produce, the more they have to work. The end result is debilitating famine.

At present, an ordinary resident in show cities like Peiping and Shanghai receives small ration of inferior rice or flour, plus a monthly allotment of about half a pound of pork, 3 ounces of sugar and 3 ounces of edible oil. For a small quantity of vegetables, he has to line up as early as 3 a.m. Eggs, poultry, and fish have virtually disappeared. The peasant in the commune receives much less—usually two bowls of semiliquid gruel or paste, made from bad cereals, gritty flour or sweet potatoes, for each meal.

Since 1959, Communist China has officially ordered the eating of rice husks, bean waste, potato leaves, pumpkin flowers, wild plants, and algae. During the past two winters, each province sent from a half a million to 3 million peasants and city dwellers to forage for wild plants in the hills. Newspapers praised the high nutritive value of wild plants and recommended recipes for these and other novel foods. Rice straw, soaked in lime solution, dried, ground into powder and mixed with flour, is made into cakes and served in restaurants upon surrender of ration coupons.

China's streets and villages, formerly cluttered with friendly dogs and cats, are now empty of domestic animals. Common birds, such as sparrows, pigeons, crows, and cuckoos, are also gone. Some 2.2 billion sparrows were systematically exterminated as predatory birds in a nationwide campaign. The campaign ended when a sizable increase in predatory insects was noted.

The appearance of a wild rabbit or a crow in China today is an occasion for a mass hunt for extra food. Sweet potatoes, turnips, and other vegetables grown in city suburbs must be guarded throughout the night, or they will be stolen by city people who raid the fields and sometimes eat the loot on the spot. Beggars openly wait by restaurant tables for leftover food, often grabbing food from the patrons. Policemen merely shrug at such petty crimes. The black market is growing, supplied by corrupt Communists controlling food supply centers. Black market rings sometimes have their own sampans and armed escorts.

Until late 1960, Communist China limited food parcels from Hong Kong and Macao. Immediately after the restrictions were lifted, the tiny Hong Kong post office was buried under a daily avalanche of 50,000 food parcels from frantic relatives; at present, more than 200,000 parcels are sent daily. The little British colony now has more than 1,000 firms specializing in sending food parcels to China. Not long ago, Hong Kong Communist newspapers eagerly quoted a Japanese visitor to China who said, "I did not see any hunger in Peiping." On the same pages where this story appeared were advertisements of firms offering to deliver food parcels to China, with such screaming titles as "Fast, Fast, Fast" and "Rocket Speed."

A normal man in the Far East, according to the United Nations Food and Agriculture Organization, requires a minimum of 2,300 calories of food daily. In food-short India, according to a United Nations survey, the daily average intake is 2,000 calories. In prewar China it was 2,234 calories. At present, a great number of Chinese peasants, who must put in 14–18 hours of hard labor a day, receive less than 1,000 calories.

Like most Asian countries, China has always had major public health problems. Modern doctors number only 1 to every 10,000 people. Except for those in the big cities, people have to depend on the traditional herb doctors, who are good at common ailments but have little knowledge of contagious diseases and surgery. In certain rural areas diseases like schistosomiasis (a chronic intestinal malady involving enlargement of the liver and spleen), hookworm and beriberi have always been common. But the bulk of the population has fared well, perhaps, because of strong immunities and wise eating habits. Except for fresh fruits, the Chinese have never eaten uncooked food or unboiled water. And most Chinese food is eaten piping hot.

During the first few years of Communist rule, a real attempt was made to improve health. Notable were the campaigns of fly-swatting, rat-exterminating and street-sweeping, all amply reported by foreign visitors. But since the mid-1950's, and particularly since the Great Leap, conditions have changed drastically. Drinking water in the communes is no longer boiled because of fuel shortage, although in many villages water is often taken from polluted creeks and ponds. Manure, green compost and garbage are handled with bare hands during the fertilizer drives. (Newspapers often praise fertilizer heroes who, after handling manure, refuse to wash their hands as a patriotic gesture.) And collective working and living without adequate sanitary precautions has resulted in widespread food poisoning and epidemics.

According to recent refugee information, one out of three or four peasants have dropsy. It is not uncommon for laborers working in the fields to collapse and drop dead suddenly. A former Government technician from Nanchang has reported that in his bureau 20 percent of the civil servants had liver inflammation or infectious hepatitis. A nurse from Peiping said 10 percent of her colleagues were hospitalized. Hospitals in all cities are full of patents suffering from hepatitis and other diseases, but only serious cases are admitted. Tuberculosis is also spreading widely, but sufferers are not even treated because TB is less alarming than other prevalent diseases. Many babies are born dead. Families of people who die have to make reservations at the busy crematoriums; those who supply firewood get priority.

These grisly first-hand accounts are supported by the official press in its guarded but still revealing stories. In July 1959 the Honan Peasant's Daily, a provincial paper not even allowed outside Honan, divulged that many peasants were dying from malnutrition and overwork. During two summer weeks in 1959, 367,000 peasants collapsed and 29,000 died in the fields of Honan. In the same summer 60,000 peasants collapsed after 6 days and nights of flood-fighting with little sleep or rest. Other press reports reveal that during similar periods 7,000 peasants died in the fields in Kiangsi, 8,000 in Kiangsu and 13,000 in Chekiang.

Epidemics have been developing in China for 4 years, though their full extent is not known. At first the press was able to cover up the situation, but during the past 2 years there have been partial admissions and reports of "seasonal contagious diseases." Moreover, the Minister of Health, Li Te-ch'uan, recently admitted that in 1959 a total of 70 million cases of schistosomiasis, filariasis (parasitic worms in the blood), hookworm, and malaria were treated. She has also admitted that influenza, measles, diphtheria, and spinal meningitis are spreading at water conservation sites, in commune nurseries, and primary schools. In April 1960, too, the People's Congress revealed that kalanazar (infection of the liver, spleen and bone marrow, especially prevalent among children) was spreading; that ke-shan (a disease caused by infected water) had erupted in Inner Mongolia; and that there was large-scale chemical poisoning in industrial cities. Six months later, an emergency public health committee warned that careless handling of manure, garbage, and dirty water had spread "all kinds of diseases: schistosomiasis, tapeworm, hookworm, diphtheria, typhus, liver inflammation and animal diseases."

Actual epidemic conditions have never been publicly reported. They can only be gathered from press reports about large numbers of public health teams rushing madly from cities to unnamed rural areas at short notice. In the spring of 1960, some 500,000 city people from eight provinces were sent to the countryside to enforce emergency public health measures. In the summer of that year, 110,000 were sent to villages in Szechwan, 60,000 to Huana, and 2,000 to Fukien. According to refugees, cholera killed 30,000–50,000 in Kwangtung last year alone. After the plague spread to Hong Kong, Macao, Indonesia, and North Borneo, Peiping finally admitted the outbreak of cholera to the Geneva Red Cross.

The regime is worried not so much about the people's suffering, however, as it is about the loss of manpower. The basic rule was sternly laid down by the People's Daily in late 1959: "The point of departure is production. It must be our unwavering determination in fighting pests and extinguishing diseases that this work shall be subservient to production. Public health as a purpose in itself—a bourgeois way of thinking—should not be permitted."

When a government fails to fill its people's stomachs, it finds it even harder to wash their brains. Escapees report that food riots occurred throughout South China in 1960 and 1961, with many killed. Tens of thousands of peasants have deserted famine-stricken northern Kiangsu and converged on once-prosperous Shanghai, searching for food. Other groups are moving from Chekiang into Fukien. Of course, only last month 70,000 from Kwangtung sought refuge across the border in Hong Kong.

In December 1960, workers at the Anshan steel mills and the Fushun coal mines, China's biggest steel and coal centers, staged a strike demanding food and cotton as wages. Later, in Sian, students of 38 colleges and high schools turned a memorial meeting into an antihunger demonstration. Similar demonstrations broke out in Szechwan cities. In Hunan, soldiers sent to pursue granary robbers deliberately let the thieving peasants escape. In an Army barrack in Kiangsu, soldiers refused to get out of their beds for morning drills, protesting against short rations, which have now affected all the armed forces. And a strong, well-organized underground movement is making its presence felt repeatedly in Shanghai, where most of modern China's revolutions have begun.

All this could be a mere straw in the wind. Impulsive demonstrations and spontaneous food riots are no match against a monolithic regime with a powerful secret police and armed forces. But if overt resistance is not effective at the moment, the conditions breeding it are likely to persist and will probably get worse. Thus the monolithic picture could be deceptive. No one realizes this more than the Chinese Communists themselves. Peiping recently resuscitated the regional political bureaus to tighten its control over the provinces. It has replaced militiamen in strategic areas with regular troops, and steadily moved stored grain from the communes to bigger granaries near cities, which are easier to guard.

Communist China is estimated to have 2.5 million regular troops and 20 million militiamen. The militia is no longer trusted because it is part of the local peasantry. Nearly 90 percent of the regular troops are recruited from the peasantry. Their families, who formerly received special privileges, are now living the same hard life as other peasants. The morale of the regular troops will become an increasingly significant factor if peasant livelihood is not improved. Furthermore, among the peasants and water conservation workers there are 10 million demobilized soldiers. These veterans are the bitterest and the most articulate complainers. Since 1958, a vast number of low-level kanpu, who have been sent to the countryside to live, work and eat with the peasants, have been infected. They have been repeatedly blamed by Peiping for being afraid of the peasants and for their "misguided sentimentality."

It would be highly unrealistic to ignore the significant realinement of forces which has taken place in China during the past few years. Many Westerners tend to appraise the Communist regime by simply gawking at its production statistics, or weighing its military equipment, or guessing what is up its diplomatic sleeves. They seldom try to probe into the crosscurrents of China's complex economy, or the subtle psychological undertow of its silent millions. This is food for thought for the free world.

NEW GUIDELINES FOR TAX DEPRECIATION

Mr. HUMPHREY. Mr. President, yesterday the President of the United States announced the new guidelines for tax depreciation of business assets. This particular announcement, to my mind, is of great significance to the well-being and the prosperity of the American economy.

The Treasury Department acted within the authority of the present tax law to modernize, revise, and update our so-called depreciation schedules. The press release or statement of Mr. Mortimer M. Caplin, Commissioner of Internal Revenue, is explicit as to what this new policy means to our economy. I quote now from what Mr. Caplin said:

> The new guidelines give more liberal lives and meet the urgent need for an objective approach to depreciation, and should also eliminate many administrative problems. They have been designed to give taxpayers and tax agents a new concept consistent with our present law and regulations, and to translate into action our forward looking objectives.

I ask unanimous consent that the statement of Mr. Caplin, along with the statement of the President of the United States, the statement of the Treasury Department entitled "Depreciation Guidelines and Rules," as well as the statement of Secretary of the Treasury Douglas Dillon, be printed at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. McCarthy in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Secretary Dillon, in commenting upon the revised procedures for determining depreciation on machinery and equipment by American business, noted that in the past our depreciation practices have not been realistic for a great number of years. He called to our attention that the new guidelines will average 32 percent shorter than those that have been established in so-called Bulletin F.

I note that this particular action on the part of the Treasury Department and the President has had a very salutary effect insofar as investment opportunities are concerned in the State of Minnesota and the Midwest.

Some months ago the present Presiding Officer [Mr. McCarthy], Representative Blatnik, and I addressed a letter to the Secretary of the Treasury and the Secretary of Commerce, asking that the administration consider modernization of depreciation schedules, shortening that time so as to afford accelerated depreciation and to offer some tax incentive for investment. We followed that letter by a number of visits to the Treasury Department, urging prompt action.

It is my view that the action which has been taken will have a more immediate effect upon the economy than even a tax cut, even though it should not be regarded as a substitute for that worthy endeavor.

The revisions will offer a huge incentive for new capital investment in mining equipment, such as taconite, in logging and sawmilling equipment, in production and conversion equipment in the pulp and paper industry, in new electronics production equipment, and other industries of substantial importance throughout the country, and particularly in the State of Minnesota.

I ask unanimous consent that a statement which was issued by myself as of yesterday on this matter be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Minnesota Democrats Hail "Huge Federal Tax Incentives" for New Capital Investment in Mining and Other Major Industries of Minnesota

Senators Hubert H. Humphrey and Eugene J. McCarthy and Congressman John A. Blatnik (all Democrat-Farmer-Labor, Minnesota) today hailed the Wednesday announcement by the President of revisions in schedule F tax depreciation procedures and guidelines.

"This revision provides a major incentive for economic expansion and development in northeastern Minnesota and other areas," they said. "It will have a more immediate effect than a tax cut."

They said the revisions will offer "a huge Federal incentive for new capital investment in mining equipment (such as taconite) in logging and sawmilling equipment, in production and conversion equipment in the pulp and paper industry, in new electronics production equipment, and other industries of substantial importance in Minnesota."

"In the taconite industry, for example," they pointed out, "companies contemplating a major investment in Minnesota will now be able to plan a complete tax writeoff of the capital equipment costs in just half the time of the old schedule—a reduction from 20 years to 10 years, on the average.

"Such a company, determining to invest, for example, $400 million in a new taconite processing plant, could expect to 'take home' in cash some $55 million more during the first 5 years than it could have under the old schedules. In the first year alone—under the new schedule—such a new taconite company could expect to increase its cash flow by $20,800,000 over the old schedule."

The Minnesotans pointed out that, together with the proposed investment credit act or other reduction in corporate taxes now under consideration by the Congress, companies wishing to build new taconite or other iron ore processing plants in Minnesota would have "as good as or better a tax situation than Erie and Reserve Mining had from the 1950 emergency certificates initiated in the Congress by Congressman Blatnik."

"The President's announcement comes 7 months after the Minnesota congressional delegation representing the iron mining areas of Minnesota first urged the Secretary of the Treasury to consider this major tax incentive, and after solid assistance from the Secretary of Commerce," Humphrey said.

He termed the announcement "a giant step to offset the competition from Canada and other areas which have been offering heavy tax incentives to American investors—incentives which clearly have been the overwhelming cause for the investments in recent years in Canadian mining operations by U.S. companies."

"To summarize the effect of the President's announcement," the three Members of Congress said in a joint statement, "investors in taconite plants and in many other major production units in Minnesota will be able to recover their original investment money in about half the time.

"In mining, in the logging and pulp and paper industries, in electronics and other major Minnesota industries, investors are now encouraged to invest in newer, more efficient plants, and thereby to provide new employment opportunities."

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an editorial in this morning's Washington Post, entitled "Sound Tax Reform," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Sound Tax Reform

With the publication of its new guidelines for tax depreciation of business assets the administration has accomplished a sweeping fiscal reform that will confer enormous benefits upon the American economy.

For the past two decades American industry has operated under the severe handicap imposed by the regulations of the Internal Revenue Service's Bulletin F which were retrospective in spirit and frequently administered in an arbitrary or capricious fashion. Moreover, they made no provision for the rising costs of capital goods or the obsolescence induced by the rapid pace of technological change.

The new regulations are a most impressive example of modern fiscal craftsmanship for which Treasury Secretary Douglas Dillon and his staff deserve the highest praise. Their new guidelines, which establish flexible but objective criteria for determining the taxable lives of depreciable assets, forge a strong and significant link between the tax practices of business enterprises and their capital replacement policies. Firms which rapidly replace or augment their stock of capital assets will be entitled to commensurately larger depreciation allowances. By thus increasing the corporate cash flow, the new regulations should provide a powerful stimulus to investment. At the same time depreciation allowances will be reduced for those corporations whose reserves are excessive relative to the value of their assets.

The immediate impact of the new guidelines, which increase depreciation allowances by shortening the lives of business assets, will be a $1.5 billion corporate tax reduction. One may take exception to the administration's optimistic estimates of the short-term effects of this tax cut upon investment and the level of economic activity at a time when there is considerable excess capacity, but there can be little doubt that the longer term impacts will be salutary.

While the depreciation reform is a vital step in the right direction, Secretary Dillon ably demonstrated that it does not complete the task of placing American industry on an equal footing with foreign competition. There still remains a depreciation gap—the difference between the new depreciation allowances and the replacement costs of capital equipment—which can only be closed by the passage of the investment credit provision of the revenue act now pending before the Senate Finance Committee. President Kennedy underscored the importance of this vital legislation when he stated:

"The reform announced today has been carried out as quickly as possible, and it goes as far as it is administratively possible to go to meet the investment needs of American business. I am hopeful that Congress will do its part by enacting the investment credit."

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an article from the New York Times of today, entitled "Business Taxes Are Cut 1.5 Billion by Treasury," with the subheadline, "Writeoffs Sped—Depreciation Action Is Intended To Spur Economic Growth," be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Business Taxes Are Cut 1.5 Billion by Treasury; Dividend-Levy Plan Fails—Writeoffs Sped—Depreciation Action Is Intended To Spur Economic Growth

(By John D. Morris)

Washington, July 11.—The Kennedy administration gave business a $1,500 million tax cut today in the form of more liberal allowances for depreciation of machinery and equipment.

The Treasury issued new rules and guidelines that will enable business concerns and individual businessmen, including farmers and other self-employed persons, to deduct the cost of machinery and equipment from their taxable income more rapidly than most of them are now permitted to do.

The Treasury's action, culminating years of study that began during the Eisenhower administration, was a long-awaited and welcome gesture to business. It was designed to stimulate investment in modern and more efficient facilities, and these increase the country's productivity, spur economic growth and employment, and enable American producers to compete more effectively for world markets.

President Kennedy declared: "By encouraging American business to replace its machinery more rapidly, we hope to make American products more cost-competitive, to step up our rate of recovery and growth, and to provide expanded job opportunities for all American workers."

EARLY IMPACT FORESEEN

While the new depreciation procedures are aimed at achieving long-range goals, officials said they were likely to have an immediate impact on the lagging national economy.

Secretary of the Treasury Douglas Dillon declined to estimate the extent of the impact either immediately or over the long range. However, he observed at a news conference that Roger M. Blough, board chairman of the United States Steel Corp., had recently said that the steel industry would immediately invest the entire tax saving in new equipment.

This alone would amount to about $40 million in the next 12 months, Mr. Dillon noted.

If the year's overall tax savings of $1,500 million were similarly invested, according to administration economists, an increase of at least $3,750 million in the gross national product would result, and employment would rise proportionately.

The gross national product is the dollar value of all goods and services produced in a year. The present rate is about $544 billion.

Some economists believe the actual increase in the gross national product over the long run might range as high as $15 billion a year under the new depreciation rules.

President Kennedy and Secretary Dillon issued statements in which they emphasized that the new depreciation procedures represented only half of a two-part plan.

The other part, a special tax credit on new outlays for machinery and equipment, is embodied in a tax revision bill passed by the House on March 29 and now before the Senate Finance Committee.

The committee approved the bill's tax-credit provisions today but rejected another feature—a 3-year transition period.

PREDICTIONS NOTED

In his statement on the new depreciation procedures, President Kennedy quoted estimates by some business spokesmen that perhaps as much as four times the amount of tax savings would be invested in new machinery and equipment.

"In any event," the President said, "it is clear that at least an equal amount will go into new income-producing investment and eventually return to the Government in tax revenues most, if not all of the initial costs."

The President and other officials estimated that the new procedures would automatically permit "more rapid and more realistic depreciation" on 70 to 80 percent of the machinery and equipment of businessmen and farmers.

The Treasury action represented the first time since 1942 that the tax depreciation system had been overhauled by administrative action. The last major changes were made by legislation in 1954. A law passed in that year allowed greater deductions in the first few years of the "useful life" of business facilities.

PROCEDURE 62-21

The useful life of such an asset is the number of years over which tax deductions for depreciation must be spread. Until today, the guidelines established in 1942 for determining the useful, or depreciable, lives of more than 5,000 separate items had been in effect without change except for a few additions and revisions last fall for the textile industry.

The items were listed in a green-covered Treasury pamphlet entitled "Bulletin F." They ranged from mules, which were assigned useful lives of 10 years, to blast furnaces, 15 years, and warehouses, 75 years.

In today's action, the Treasury replaced Bulletin F with a maroon-covered pamphlet destined to be known by tax lawyers and accountants as "Revenue Procedure 62-21."

The new bulletin substitutes fewer than 100 categories of depreciable property for the old pamphlet's 5,000 items. For example, office furniture, fixtures, machines and equipment used by business in general are lumped together and given a depreciable life of 10 years.

However, there are still a number of individual items, such as "horses, breeding or work, 10 years" and "portable sawmills, 6 years."

NEW AVERAGE 12 YEARS

The average depreciable life of manufacturing assets listed in the 1942 bulletin was about 19 years. But many companies, by individual negotiations with the Internal Revene Service, were permitted to use shorter lives. The actual average, according to Treasury estimates, is now about 15 years.

The guidelines published today allow an average life of about 12 years, according to Under Secretary Henry H. Fowler.

All taxpayers, under the new rules, will be allowed to switch to depreciable lives as short as those specified by the new guidelines, and pay taxes on that basis, for at least 3 years without challenge by the Internal Revenue Service.

At the end of 3 years, the Internal Revenue Service will use an arithmetical formula to indicate whether the guidelines are suitable in individual cases. Known as the "reserve ratio" formula, it is designed to determine whether the depreciation deductions taken by a concern are consistent with its actual practice in retiring and replacing machinery and equipment.

A GUIDE, NOT A RULE

If the ratio exceeds designate levels, the taxpayer will be subject to possible increases in the useful lives over which his tax deductions must be spread. However, the reserve ratio test will be used as a guide rather than a binding rule, the Treasury said. Individual taxpayers, officials explained, may be able to justify more advantageous treatment by presenting other pertinent facts and circumstances.

Some taxpayers already are taking deductions at a faster rate than the newly published guidelines suggest. They may continue to do so, the Treasury said.

Other taxpayers now within the guidelines may want to go beyond them and are free to do so, officials said, if the reserve ratio formula does not indicate that their new depreciation rates are too fast. In that event, other pertinent facts and circumstances will be weighed before a change is ordered.

The same considerations will prevail, the Treasury said, in cases where taxpayers are already taking deductions at a faster rate than the guidelines suggest and decide to move to an even faster basis.

NO PENALTY TAXES

Penalty taxes no longer will be imposed on those who claim depreciation deductions at a faster rate than the Internal Revenue Service determines to be justified. Instead, the Service will merely adjust future deductions to compensate for any such miscalculations.

The procedures are effective tomorrow. That is, they may be applied to all tax returns due after tomorrow. Included are all returns for the calendar year 1962 as well as corporation returns for fiscal years starting after last April 1 and returns by nonincorporated businesses for fiscal years starting after last March 31.

Secretary Dillon said nearly all of the initial $1,500 million in reduced taxes would be reflected in lower Treasury revenues in the present Federal fiscal year, which started July 1. This removed any remaining hope that the budget for the year would be balanced. President Kennedy projected a precarious surplus of $500 million last January.

* * * * *

Mr. Dillon declined to estimate the revenue effect in future years. He noted that increased depreciation allowances would exceed $1,500 million a year of the desired increases in new outlays for machinery and equipment resulted. However, he said, the resulting rise in economic activity would yield greater total revenues and probably offset any longrun loss.

Revised depreciation guidelines for the textile manufacturing industry were put into effect on the old item-by-item basis last October 11. Taxpayers in that industry may now either use that method or the new procedures established today.

EXHIBIT 1

STATEMENT BY MORTIMER M. CAPLIN, COMMISSIONER OF INTERNAL REVENUE, IN CONNECTION WITH THE RELEASE OF NEW DEPRECIATION GUIDELINES AND RULES

The new depreciation guidelines and rules released today constitute one of the most significant revenue documents ever issued. For some time, technological improvements and other factors directly affecting the lives of many assets had created difficulties for both taxpayers and tax agents in considering depreciation.

The new guidelines give more liberal lives and meet the urgent need for an objective approach to depreciation, and should also eliminate many administrative problems. They have been designed to give taxpayers and tax agents a new concept consistent with our present law and regulations, and to translate into action our forward looking objectives.

Release of the new rules and guidelines on depreciation is the first step. The Internal Revenue Service is planning a series of training programs to familiarize tax agents with this new tool for computing and testing depreciation. At a later date it is expected that seminars will be held for representatives of industry in our regional and district offices.

Our policy of encouraging voluntary compliance through reasonable administration of the tax laws requires the support and understanding of both taxpayers and the Internal Revenue Service. The new depreciation procedure, effective for income tax returns due to be filed on or after July 12, 1962, is part of this approach and two-way cooperation will assure its success.

STATEMENT BY THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY, ON THE ISSUANCE OF THE NEW DEPRECIATION GUIDELINES AND RULES, JULY 11, 1962

The new guidelines and procedures for determining depreciation on machinery and equipment used by all American business constitute a fundamental reform in the tax treatment of depreciation that will provide a major stimulus to our continued economic growth.

This reform culminates a year of intensive study and work on the part of the Treasury with cooperation and assistance every step of the way by the Internal Revenue Service, substantial help from other Government agencies, and advice from countless businessmen, their lawyers, engineers, and accountants.

Successful completion of the job required us to examine the depreciation practices, present and prospective rates of economic obsolescence, and the pace of technological change in American industry and in industry abroad. This enormous task has been completed with the greatest possible speed.

The reform we have achieved fully meets—while in no way exceeding—the requirement of existing law that reasonable allowances be given for depreciation.

Depreciation has been a major problem of U.S. tax policy for decades. As a deduction used in determinging the taxable income of a business, it directly affects the rate of recovery of invested capital. For that reason, it plays a vital role in business investment decisions—a major factor in determining a nation's rate of economic growth. Faster economic growth is essential if we are to reduce unemployment and provide jobs for the millions of workers coming into the labor force. Equally important, the investment level is closely related to productivity, hence plays an important part in determining the competitive position of U.S. producers in world markets. We must be competitive if we are to reduce our balance-of-payments deficit and stem the drain on our gold stocks. Depreciation rates are, therefore, important not only to the welfare of business, but to the welfare of every American citizen.

Our depreciation practices have not been realistic for a great many years. Based essentially on taxpayers' past replacement practices, they have inadequately reflected the fast-moving pace of economic and technological change.

The new depreciation guidelines correct this fundamental flaw and the new rules for application of the guidelines recognize that economic obsolescence is a continuing factor in business life which our tax administration must take fully into account. The rate of depreciation permitted under the rules will not be tied to past history—it is tied to concurrent adoption of replacement practices consistent with the lives which are claimed for tax purposes.

The guidelines will not be allowed to become outdated—as was the case for so long with Bulletin F, which the new guidelines replace. Our revision of depreciation guidelines and rules recognizes that depreciation reform is not something that, once accomplished, is valid for all time. It reflects an administrative policy dedicated to a continuing review and updating of depreciation standards and procedures to keep abreast of changing conditions and circumstances. The experience under the new guideline lives, industry and asset classifications, and administrative procedures, will be watched carefully with a view to possible corrections and improvements. Periodic reexamination and revision will be essential to maintain tax depreciation treatment which is in keeping with modern industrial practices.

This depreciation revision will bring meaningful and lasting benefits to all of American business, agriculture, and mining.

The new guideline lives average 32 percent shorter than those established in Bulletin F. More significantly, they are—as our Treasury depreciation survey showed—15 percent shorter than the lives in actual use by 1,100 large corporations which hold two-thirds of all the depreciable assets in manufacturing.

In actual practice, we anticipate that these same companies will be able to take faster depreciation than that provided in the new guidelines. As a result, the depreciable lives they will actually use are expected to be 21 percent shorter than those in use now.

More rapid depreciation than presently taken will be immediately allowed under the new guidelines on 70 to 80 percent of the assets in use by American business today.

For all of our 12 million corporate and noncorporate businesses, we estimate that the potential increase in annual depreciation charges under the new guidelines will amount to 17 percent, or a total of $4.7 billion, in the first year. Because some businesses operate at a loss, and others may not choose to make immediate full use of the new guidelines, we estimate that the additional depreciation claimed on taxable returns in the first year will be $3.4 billion. In contrast, the increased annual depreciation charges resulting from enactment of accelerated depreciation in 1954 had—after 7 years—reached only $2.5 billion by last year.

The $3.4 billion potential increase in depreciation charges will mean a reduction in business tax liabilities, in the first year, of $1.5 billion. But this is a gross figure. A very substantial part, if not all, of this sum will be recouped promptly by the Government as higher depreciation charges increase the flow of cash to corporations and this money finds its way directly into new investment, thus creating jobs and taxable income for business and individuals.

The potential $4.7 billion in increased depreciation charges for business is also interesting when viewed in another light; namely, the extent to which it closes the so-called depreciation gap. This gap was caused by the inflation of years past which meant that business had to replace its machinery and equipment at ever-rising cost, while the cash it retained through depreciation was based on the cost of its outworn assets. The gap is obviously hard to measure, but such important business organizations as the Machinery & Allied Products Institute have placed it at $5 to $8 billion a year.

Our new depreciation guidelines are not based on any estimate of the effects of inflation on replacement costs—nor could they be under existing law, even if we thought such a policy desirable. But the fact is that our depreciation reform standing alone, goes much of the way toward closing the so-called depreciation gap. Coupled with the investment credit, now pending before the Senate Finance Committee, the reform will close the gap entirely, because the depreciation equivalent of the credit is $2.9 billion.

This is not, however, the only reason why enactment of the credit is essential. Depreciation reform, important as it is, will not put American business on a comparable footing with its foreign competitors so far as tax treatment of investment is concerned.

The percentage of first-year cost recovery on investment in the United States is now only a little more than 13 percent. Because of special tax incentives for new investment granted by our nine friendly major industrial competitor nations, the average first-year recovery in those countries is 29 percent—more than twice our current figure. With this new revision, our percentage will rise to 16.7 percent—but still far short of equality. If, however, we couple the proposed 7 percent investment credit with the depreciation revision, this picture will change sharply. Our average percentage, first-year cost recovery would then climb to 30.7 percent—higher than the average of the nine other nations and above the actual cost recovery allowed in all but two, Japan and the United Kingdom.

That is why we recommended the credit—because we believe it imperative to give American producers every legitimate assistance in meeting foreign competition. The administration has done its part with the completion of this depreciation reform. Further action must come from the Congress, and I hope that Congress will soon take favorable action on the investment credit.

STATEMENT OF THE PRESIDENT

THE WHITE HOUSE.

The Treasury has today completed its work on the first administrative modernization of Federal tax depreciation schedules and procedures in the 20 years since the present guidelines were issued. The new schedules, which will go into effect immediately, will automatically permit more rapid and more realistic depreciation than is presently taken on 70 to 80 percent of the machinery and equipment now used by American businessmen and farmers. The tax cut these changes will make possible—the net reduction in tax liabilities—will reach $1½ billion in the first year.

Although the executive branch has long been authorized by statute to allow reasonable deductions for depreciation based on obsolescence as well as wear and tear, the Internal Revenue's Bulletin F has never been changed since its publication in 1942, despite the vast and apparent changes in the rate at which modern machinery in a new age of technology can become obsolescent and require replacement. As a result, American businessmen have been handicapped in their efforts to expand and modernize their plants, to lay aside funds for reinvestment and to compete with the efficient, modern plants of other industrial nations.

The more realistic view of an asset's depreciable life, as contained in today's new guidelines, suggests schedules which average (for manufacturing industry) 32 percent less than those which have been covered in Bulletin F since 1942—and 21 percent less even than those currently in use by manufacturers covered in the Treasury depreciation survey.

In addition to these new schedules, the new rules issued today give our businessmen much greater freedom and flexibility in determining for themselves the rate at which their equipment is to be written off for tax purposes. Hereafter, that rate will not be questioned so long as it is consistent with actual practice in retiring and replacing machines. By encouraging American business to replace its machinery more rapidly, we hope to make American products more cost competitive, to step up our rate of recovery and growth and to provide expanded job opportunities for all American workers.

Business spokesmen who have long urged this step estimate that the stimulus to new investment will be far greater—perhaps as much as four times greater—than the $1.5 billion made available. In any event, it is clear that at least an equal amount will go into new income-producing investment and eventually return to the Government in tax revenues most, if not all, of the initial costs.

This is a permanent change in the light of technological advance. Until these longstanding and outmoded handicaps to modernization were removed, it was difficult for American business to achieve its maximum productivity—and the highest possible productivity is urgently needed today to keep our costs and prices competitive with those of other nations, and to expand our economy fast enough to provide jobs for all who want them.

This is only part of the solution. In addition to modern and realistic depreciable lives, most major industrialized nations provide a special tax incentive for investment. The investment credit contained in the pending tax bill is needed to put American producers on a comparable tax footing with their foreign competitors, to increase our share of both foreign and domestic markets, and thus protect our balance of international payments and gold reserves.

The reform announced today has been carried out as quickly as possible, and goes as far as it is administratively possible to go to meet the investment needs of American business. I am hopeful that the Congress will do its part by enacting the investment credit.

DEPRECIATION GUIDELINES AND RULES

The Treasury today made public IRS Revenue Procedure 62-21, embodying a basic reform in the standards and procedures used for the determination of depreciation for tax purposes.

The fundamental concept underlying the new procedure is that the depreciation claimed by a taxpayer will not be disturbed if there is an overall consistency between the depreciation schedule he uses and his actual practice in retiring and replacing his machinery and equipment. Demonstration of this overall consistency will be based upon broad classes of assets. Guidelines are established for each of these classes—in all cases shorter than those previously suggested for the guideline class as a whole—to assist in the determination of appropriate appreciable lives.

A central objective of the new procedure is to facilitate the adoption of depreciable lives even shorter than those set forth in the new guidelines—and shorter than those currently in use, even where current usage is already below the guidelines—provided only that certain standards are met and that subsequent replacement practices are reasonably consistent with the tax lives claimed.

The procedure becomes effective immediately and may be used in the preparation of any tax return due after the date of publication. The new guideline lives and new administrative procedures are applicable to all depreciable property, including existing assets as well as new acquisitions.

The procedure, while replacing the Bulletin F guidelines for depreciable lives, does not supersede existing rules, outstanding arrangements, or established procedures for determining depreciation for any taxpayer who wishes to continue to use them.

GUIDELINE LIVES BASED ON BROAD ASSET CLASSES

The new, shorter guideline lives apply to about 75 broad classes of assets, rather than to explicitly detailed items of depreciable property. In most cases, a single industry guideline class will cover all the production machinery and equipment typically used in the industry. Certain assets in general use by all industries, such as automobiles and trucks and office machines and furniture, are covered by guideline classes which cut across industry lines. For most taxpayers, three or four guidelines will encompass all of their depreciable assets.

The emphasis in this broad class approach is on achieving a reasonable overall result in measuring depreciation rather than a needless and labored item-by-item accuracy.

Example: IRS Bulletin F, which the new guidelines supersede as a benchmark for the determination of appropriate depreciable lives, sets forth:

For the hotel industry—18 separate specified lives for equipment used in hotels, ranging from 6 years on blankets and spreads to 20 years for fire alarm and prevention equipment. Hotel equipment is now encompassed in the guideline class for service industries, set at 10 years.

For ice-cream producers—111 item lives ranging from 4 years for ice-cream cans to 25 years for cast-iron flavoring kettles. Equipment used by ice-cream manufacturers is now covered in the guideline class for food products, at 12 years.

For soap producers—201 item lives, ranging from 4 years for fat acid pumps to 30 years for lathes used in making barrels. Soap manufacturers are now covered by the 11-year guideline for all machinery and equipment used in the chemical and allied industries.

THE OBJECTIVE RESERVE RATIO TEST

In many situations under Revenue Procedure 62–21, the use of an objective standard for determining the appropriateness of the depreciation taken comes into play. This standard is the reserve ratio, which is computed by dividing the depreciation reserve for a particular class of assets by the original cost (or other basis) of these assets.

The reserve ratio test measures the relationship between tax lives and replacement practice on a comprehensive basis with the objective of achieving a reasonable overall result.

Its use and its application to broad classes of assets will therefore end preoccupation with determination of specific item lives, which can burden both taxpayers and the Internal Revenue Service without necessarily achieving meaningful improvement in the fairness or realism of depreciation allowances.

The reserve ratio test may be used by the taxpayer as a means of automatically justifying his right to follow the depreciation practices he is using. It will, however, be used only in conjunction with established standards as a basis for imposing longer lives than those the taxpayer considers appropriate. Where the reserve ratio test is not met, the taxpayer will always be allowed, as at present, to demonstrate the reasonableness of the depreciation claimed on the basis of all the pertinent facts and circumstances.

The reserve ratio test embodied in Revenue Procedure 62–21 differs significantly from the rough rules of thumb which have in the past sometimes been used. The appropriate ratios set forth vary according to the method of depreciation employed, the depreciable lives used and the rate of growth of a taxpayer's assets.

While the reserve ratio test is more carefully designed than former tests based on the same general concept, it is, however, also more flexible. It takes into account the inevitable deviations from a theoretical norm by providing a range within which the reserve ratio may vary without signaling a possible need for adjustment of tax lives.

An important feature of the reserve ratio test is the latitude it allows taxpayers in the determination of their depreciable lives, provided they meet reasonable standards. The margin of tolerance contained in the reserve ratio table encompasses rates of replacement as much as 20 percent slower than the tax life used but only 10 percent faster. Thus the reserve ratio will more quickly indicate a taxpayer's right to faster depreciation writeoffs than the possibility that longer tax lives should be used.

The reserve ratio test is computed as follows:

1. The reserve ratio is determined by dividing the depreciation reserve for a particular class of assets by the original cost or other basis of these assets.

2. The rate of growth of the guideline class is ascertained by first computing the ratio of assets in the class at the close of the current year to the assets in the class at the close of a "base year"—where possible, an entire replacement cycle earlier. The taxpayer can then read his rate of growth from the table provided in the procedure.

3. The class life to be tested is then found.

4. The taxpayer's reserve ratio is then compared with the reserve ratio range selected from the reserve ratio table which is appropriate to the method of depreciation being used for the assets in that class, the rate of growth in the class and the test life for that class.

Here is an example of how a taxpayer using straight-line depreciation and a 10-year class life would compute—and find that he met—the reserve ratio test:

Cost of assets in guideline class: $10,000.

Depreciation reserve: $5,200.

Reserve ratio therefore is 52 percent.

Assets one replacement cycle earlier: $8,200.

Ratio of present assets to base year assets: 1.129.

Rate of growth (from growth table) is 2 percent.

Test life used: 10 years.

Appropriate reserve ratio range (from reserve ratio table): 44 to 56 percent.

NEW GUIDELINES IMMEDIATELY AVAILABLE TO ALL TAXPAYERS

Any taxpayer who wishes to use the new guideline lives—or a life longer than the guidelines—may do so initially as a matter of right and without question by the Internal Revenue Service for a period of 3 years. He may if he wishes, shift to the use of the guideline classes and lives and depreciate all the assets in each class at a single rate, which in a majority of cases will be shorter than the rate he has been using. Or, he may rearrange the individual lives used in his item accounts or his multiple-asset accounts, to reach an average equal to the guideline.

Example: A taxpayer with three assets comprising a guideline class is presently depreciating them at straight line as follows:

	Cost (or basis)	Life used	Depreciation rate (percent per year)	Straight line depreciation taken
Machine A	$12,000	12 years	8¼ percent	$1,000
Machine B	10,000	8 years	12½ percent	1,250
Machine C	20,000	20 years	5 percent	1,000
Total	42,000			3,250

The depreciation the taxpayer is presently taking, item by item, equals a weighted average depreciable life for the three assets ($42,000 divided by $3,250) of 12.8 years.

Suppose the guideline has been set at 10 years.

He may shift to the class approach and the guideline life immediately and without challenge, thus taking an annual depreciation deduction of $4,200.

Or he may change his item lives to achieve a 10-year weighted average life. One such shift might be as follows:

	Cost (or basis)	Life used	Depreciation rate (percent per year)	Straight line depreciation taken
Machine A	$12,000	8 years	12½ percent	$1,500
Machine B	10,000	8 years	12½ percent	1,250
Machine C	20,000	14 years	7⅒ percent	1,428
Total	42,000			4,178

MOVEMENT TO GUIDELINE UNQUESTIONED FOR 3 YEARS

Use of the guidelines, automatically allowed to all taxpayers at the outset, will continue to be accepted after the end of the 3-year transitional period unless there are clear indications that the taxpayer's replacement practices do not conform with the depreciation claimed and are not even showing a trend in that direction.

Taxpayers who have, in the past, been following replacement practices consistent with the tax lives previously used and who continue to follow practices consistent with the new lives claimed will automatically meet the reserve ratio test. They will, therefore, be allowed to continue indefinitely to use the tax lives at least as short as the guidelines.

In those exceptional situations where the taxpayer's depreciation reserve is initially above the appropriate reserve ratio range for the guideline life or rises above that range during the first 3 years, he will nevertheless be allowed to continue to use a life at least as short as the guide line for a 3-year transition period.

The new lives may be questioned beginning in the fourth year only if the use of the reserve ratio test shows that the taxpayer is not, in fact, moving toward a replacement practice consistent with the class life used for tax purposes. Movement toward a consistent retirement and replacement pattern will be considered to be demonstrated if the amount by which the taxpayer's reserve ratio exceeds the appropriate range is lower than in any one of the 3 preceding years. If a taxpayer with an initially excessive reserve meets this test in the fourth year and does so continuously each year thereafter, he will be permitted a period of years equal to the guideline life to reach the upper limit of the appropriate reserve ratio range. For example, if a taxpayer is using a 12-year guideline life, he would be allowed a period of 12 years, beginning with the first year under Revenue Procedure 62–21, to reduce his reserve ratio to within the range.

USE OF LIVES SHORTER THAN GUIDELINES PERMITTED

The guideline lives will not be treated as minimums. Shorter lives which have already been established or which may in the future be justified as reflecting the taxpayer's existing or intended replacement practices will be permitted.

Revenue Procedure 62–21 will not disturb the continued use of below-guideline lives which a taxpayer has already demonstrated to be realistic.

In addition, the procedure sets forth standards under which taxpayers, including those previously using lives below the guidelines, may establish still shorter tax lives concurrent with the adoption of more progressive replacement and modernization practices.

A taxpayer who has previously used lives shorter than the guidelines will be permitted automatically to continue to use these shorter lives if:

1. He has previously demonstrated his right to such shorter lives, or

2. He has used these lives for at least one-half of a replacement cycle and his reserve ratio falls within the appropriate range.

It is necessary that lives be in use for one-half a replacement cycle before the taxpayer's reserve ratio may be used as automatic justification for below-guideline lives because the reserve ratio will not reliably indicate whether shorter lives are justified when the life used has only recently been adopted.

A taxpayer who wishes to move for the first time to a below-guideline life or to reduce further an already below-guideline life will be allowed to do so automatically if:

1. His reserve ratio for the preceding taxable year is below the lower limit of the appropriate reserve ratio range, and

2. He has been using the life which he now wishes to reduce for at least one-half a full replacement cycle, and

3. The new life to which he wishes to move is no lower than the life which can be justified by the use of an adjustment table which is provided as part of the new procedure.

Example: A taxpayer has been using a 16-year class life, and has been using it for at least 8 years. He can automatically shift to a shorter life in the following situation:

Method of depreciation: Straight line.

Cost of assets in the guideline class: $10,000.

Depreciation reserve: $4,200.

Reserve ratio therefore is 42 percent.

Rate of growth is 2 percent.

Life being tested: 16 years.

Appropriate reserve ratio range (from reserve ratio table): 43 to 55 percent.

Life to which he may drop (from adjustment table): 13.5 years.

Taxpayers who do not meet the prescribed tests for automatic use of lives shorter than those prescribed in the guidelines, regardless of whether or not they have used them previously, may in all cases demonstrate their entitlement to such shorter lives on the basis of all the relevant facts and circumstances.

Relevant facts and circumstances include, but are not limited to, demonstration that:

1. The taxpayer (if other than a regulated public utility) is using the same depreciable life on his books as the one he is claiming for tax purposes.

2. The taxpayer actually intends to follow a more rapid replacement practice.

3. The taxpayer has previously followed replacement practices consistent with the depreciation allowances previously claimed.

4. The taxpayer makes abnormally intensive use of his assets.

5. A number of the assets in a guideline class were not new when acquired by the taxpayer.

6. The guideline class contains, for the particular taxpayer, a disproportionate number of relatively short-lived assets.

7. Extraordinary obsolescence affects the particular taxpayer.

The 3-year transition rule, which gives the taxpayer an interval of time following the effective date of Revenue Procedure 62-21 to bring his replacement practices into conformity with his tax depreciation claimed, will apply to those who move below the guidelines as well as those who shift to a class life at or above the guidelines.

Following expiration of the transition rule, the reserve ratio test will provide to all taxpayers a continual means of demonstrating that the tax lives being used correspond with replacement practices.

AMOUNT OF UPWARD ADJUSTMENT SPECIFIED

Where the depreciation claimed by the taxpayer proves to be significantly out of line and cannot be justified by the reserve ratio test or by a showing of facts and circumstances, adjustments will be called for. Revenue Procedure 62-21 provides tables which will indicate how much adjustment is appropriate, but in no case will depreciable lives be lengthened beyond the shortest which can be justified by all the facts and circumstances. "Penalty rates," which have in the past been used in an attempt to correct past errors over a short period of time will no longer be imposed. Lives will be lengthened merely to correspond with actual replacement practice.

In most cases, the life for the guideline class will be lengthened in accordance with the table for adjustment of depreciable lives, which is part of Revenue Procedure 62-21.

Example: A taxpayer who has been using a 12-year class life and who is unable to demonstrate that the facts and circumstances of his case justify use of that life would have the life lengthened in the following situation:

Method of depreciation: Double declining balance.

Cost of assets in guideline class: $10,000.

Depreciation reserve for class: $6,500.

Reserve ratio therefore is 65 percent.

Rate of growth is 4 percent.

Life being tested: 12 years.

Appropriate reserve ratio range (from reserve ratio table): 53 to 61 percent.

Life to which he would be lengthened (from adjustment table): 15 years.

Any necessary lengthening of depreciable lives will be put into effect no earlier than the first year in which the reserve ratio test is not met and the life cannot be justified on the basis of the facts and circumstances. The lives will not be lengthened for any earlier taxable year.

GUIDELINES NOT RETROACTIVE

This procedure will be effective immediately but will not apply to depreciation allowances for taxable years for which returns were due to be filed before the date of publication of revenue procedure 62-21.

Examination of the depreciation claimed for earlier taxable years will be made under previously established procedures. The new guideline lives set forth in the procedure will not be considered as evidence that these lives were the appropriate ones in previous years for a taxpayer who did not follow replacement practices consistent with the guidelines.

A taxpayer may, however, in certain circumstances resort to the reserve ratio table in this procedure to demonstrate that his replacement practice in past years supports the life claimed.

Example: A more complete and realistic example of the means of shifting present item depreciation accounts to the new guideline lives follows. It includes consideration of salvage value and the use of the double declining balance method of depreciation.

	Cost (or basis)	Life used	Method of depreciation	Salvage	Depreciation rate (percent per year)	Straight line depreciation	Actual depreciation taken
Machine A	$10,000	10 years	Straight line	$1,000	10 percent (times basis less salvage)	$900	$900
Machine B	5,000	8 years	do	$1,000	12½ percent (times basis less salvage)	500	500
Machine C	6,000	20 years	Double declining balance	Reserve $1,626	10 percent (times basis less reserve)	300	437
Machine D	15,000	15 years	do	$2,000	13⅓ percent (times basis less reserve)	1,000	1,733
Total	36,000					2,700	3,570

The depreciation this taxpayer is presently taking, item by item, equals a weighted average class life of 13⅓ years ($36,000 divided by $2,700).

Suppose the guideline for the class which these four assets comprise has been set at 10 years. The total depreciation taken at the straight line rate, which is used for purposes of testing and comparison, cannot therefore exceed $3,600 (the 10-percent straight-line depreciation rate times the total basis).

This taxpayer has the following alternatives: He may subgroup the items in the class according to the method of depreciation used and change the lives to achieve a 10-year weighted average life. One such shift might be as follows:

	Basis less salvage	Life used	Straight line depreciation rate	Straight line depreciation	Actual depreciation taken
Machines A and B	$13,000	7¼ years	14 percent	$1,820	$1,820
Machines C and D	Basis, $21,000	12 years	8⅓ percent	1,749	2,894
Total				3,569	4,714

Alternatively, this taxpayer may change his item lives to achieve a 10-year weighted average life. One shift might be as follows:

	Basis less salvage	Life used	Straight line depreciation rate	Straight line depreciation	Actual depreciation taken
Machine A	$9,000	10 years	10 percent	$900	$900
Machine B	$4,000	5 years	20 percent	800	800
Machine C	Basis, $6,000	15 years	6⅔ percent	400	583
Machine D	$15,000	10 years	10 percent	1,500	2,600
Total				3,600	4,883

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JAVITS. I have conferred with the Senator from Minnesota rather constantly on tax policy. I agree with him that the new depreciation schedules, which have been long overdue, will be of real benefit to business; but I hope very much we will now move into completing action on the tax bill, which is being voted on in the Finance Committee, get it to the floor of the Senate and vote on it, so that it may produce additional revenue; get that done and then have a look at the need for some tax reform, perhaps tax reduction, in order to deal with the present exigencies.

I agree with the Senator from Minnesota that this action has been needed. It is not so much a question of amount as it is the right placement of the relief at a point where it can do the most good to our economy today.

I agree with the Senator thoroughly that that is the virtue of this readjustment of depreciation schedules.

Mr. HUMPHREY. I thank the Senator. I add that the Secretary of the Treasury, in announcing this particular revision of the depreciation schedules, made note of the fact that this was but a first step, even though a vital step in the right direction. Other things need to be done. Of course, he strongly recommended the investment credit provision for the Revenue Act, now pending in the Congress.

There are some of us who feel that the most important development which could take place for the stimulation of the economy—to give it the momentum it really needs to absorb unemployment, to move us along toward the goal of a $600 million gross national product—would be a reduction in both corporate and individual taxes. It is my view that this is needed. I shall continue to press as best I can for the acceptance of that point of view.

SIGNIFICANCE OF THE SAFETY LOCK AGAINST ACCIDENTAL WAR—NEED FOR REPORT BY U.S.S.R. ON SIMILAR SAFEGUARD

Mr. HUMPHREY. Mr. President, the Nation has welcomed word from the White House that the United States has devised a secret electronic "safety lock" to prevent accidental or unauthorized firing of nuclear weapons.

This research program demonstrates, again, the dedication of President Kennedy and of his administration to the goal of reducing the danger of war, whatever be the nature of the danger.

COMMENDATION OF JOINT COMMITTEE

At the same time, I wish to commend the Joint Committee on Atomic Energy. Its long standing expert interest in this subject was very aptly described July 10 by the distinguished Senator from New Mexico [Mr. ANDERSON]. He traced year by year, step by step, the origin of this historic development in safety on nuclear weaponry.

I would only add that this issue, in all its diplomatic-military implications, has naturally been of deep interest, as well, to the Subcommittee on Disarmament of the Committee on Foreign Relations. As chairman of that subcommittee, may I point out that our concern has been with the full range of hazards of war—war by hostile calculation, by miscalculation, by escalation, by unauthorized decision, by human error, mechanical flaw, or man-machine mistake.

Almost everyone realizes that the hazard of accidental war, in particular, tends to increase with the onrush of technology everywhere. More and more nations will be developing nuclear capability and delivery power and/or will be requesting the right to share in that capability or power. More and more individuals of different background, viewpoint, training and authority will be involved. This means there will be more and more risk with every development. Let me sum up now a few observations on accidental conflict, per se:

OPEN AND CLOSED SOCIETIES

There are naturally two phases to avoidance of accidental nuclear war: Avoidance of a mishap within an open society; that is, by the United States and other nations of the free world.

Avoidance of a mishap in a closed society; that is, by the U.S.S.R., Red China, or Communist bloc nations, when the latter develop or receive nuclear capability and delivery power.

ONE NATION'S ERROR—MANY NATIONS' GRAVE

As the popular song states, it "takes two to tango." But, it only takes one nation to commit a nuclear mistake, and all nations would thereafter suffer.

The United States and the U.S.S.R., in particular, carry an awesome obligation to themselves and to mankind. The most powerful nations owe to all nations, including the very smallest, a firm assurance that the fullest precautions have been taken against the triggering of an accidental holocaust.

After all, no nation, large or small, is in a position to tell this spinning globe: "Stop. We're getting off." We are all on one shrinking danger-filled planet.

U.S. ACTION ON ITS RESPONSIBILITY

The United States has clearly recognized its obligation to itself and to the world—not only to adopt precautions, but also to inform the world on the outline of these safeguards. The White House announcement illustrates, once again, America's sense of responsibility as well as the candor of our open society.

LACK OF KNOWLEDGE OF U.S.S.R.'S SAFEGUARDS

But the U.S. news is in stark contrast to the ominous silence on the subject of safety precautions on the part of the U.S.S.R. The free world, thus, remains in almost complete ignorance as to safeguards which may have been taken by the Kremlin. We assume and hope such safeguards exist and, indeed, "must exist," particularly within an authoritarian society, where decisionmaking is centralized.

But we do not know to what extent collective leadership in the Kremlin may control the use of nuclear weapons or whether a single man—Khrushchev alone—has the power to press the button. Moreover, we do not know what the practices of command and control are in the Red army, Red navy, and Red air force, from highest to operational levels and back. We do not know, for example, what procedures exist in the U.S.S.R. to prevent Soviet escalation of conventional war.

MY 1961 SENATE RESOLUTION

In order to help make available to the world the information to which it is entitled, I offered on September 5, 1961, Senate Resolution 203, 87th Congress. It would express the desire of the Senate that the President "instruct the U.S. Representative to the United Nations to propose in the Security Council, and to press for adoption by the Council, a resolution calling upon the member states which possess weapons or capabilities in nuclear warfare to report at the earliest possible date, to the extent consistent with the reasonable requirements of national and international security, of the organizational, procedural, mechanical, and other precautions or safeguards which they have taken to prevent accidental nuclear conflict."

The United States has, of course, everything to gain and nothing to lose from such reports, since we already have released so much information on the subject.

Since September, in various public statements, I have repeatedly urged that safeguards against accidental war be recognized as a unilateral, bilateral, and multilateral obligation on all sides. It is hardly sufficient if the free world has foolproof safety locks but the U.S.S.R., or, later, Red China, does not.

STATE DEPARTMENT PRAISED RESOLUTION'S AIM

On April 26, 1962, Assistant Secretary of State Frederick Dutton officially responded to the Senate Foreign Relations Committee's inquiry as to reaction on Senate Resolution 203. I have been authorized by the chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT], to make public the State Department's reply. Mr. Dutton's letter stated:

> The problem toward which Senator HUMPHREY's resolution is directed is one of the most important facing our civilization. The Department is in full accord with the objectives of the HUMPHREY resolution to provide for what he described in the Senate speech on July 31, 1961, as "complete reciprocity" in the exchange of information on this subject between the U.S., U.S.S.R. and other nuclear powers.

Mr. Dutton then expressed doubt that even the passage of a Security Council resolution would result in Soviet disclosure of what Russia regards as highly classified data.

It will be recalled that, I, too, had realistically mentioned that chances of disclosure might be very modest, but were certainly worth the effort. It is for this reason that I feel that the United States should not hesitate to urge the Security Council to request the reports, as my resolution originally urged.

Mr. Dutton did soundly point out that steps to minimize the danger of accidental war are now part and parcel of the Disarmament Treaty proposals which the United States has submitted to the U.S.S.R.

KEEP THIS SUBJECT ON GENEVA AGENDA

And so, I now express the hope that the United States will maintain the initiative and that it will keep high on the agenda of the Geneva discussions this particular phase; namely, precautions to alleviate the possibility of accidental nuclear conflict through a nuclear accident in the weaponry department. We must never lose faith that a so-called impossible agreement can be achieved. No stone must be left unturned in our quest for security and peace.

EDITORIALS ON SAFETY LOCK

Gradually, the subject of accidental war has gained increasing consideration. Most discussion has, however, revolved around the U.S. efforts to minimize the danger. This phase of the discussion is, nevertheless, to the good. I submit that accidental war is a danger which deserves attention not only by this country but also by every major power.

In its July 9 edition, the Washington Evening Star published an important editorial on the new U.S. safety lock. I congratulate the Star for this valuable expression on a subject whose significance can hardly be overestimated.

I welcome the keen understanding manifest, too, by the Baltimore Sun. On July 8 it, likewise, editorialized on the U.S. phase of this momentous subject.

SILENCE ON U.S.S.R.'S OBLIGATIONS TENDS TO GIVE CONSENT

It would be very good for mankind if there were similar editorials in the press of every free nation—in England, in France, in India, in Brazil, and everywhere else. It would be especially valuable if the editorials focussed on the Soviet phase—that is on the Soviet's obligation to mankind. Silence as to the Soviet's obligation may be interpreted by the U.S.S.R. as giving consent to its refusing to speak up. Silence, I feel, must not give consent. The world should speak up for its rights—the right not to be plunged into a war not of its making or of its choice because of the possible absence of Soviet precautions.

Mr. President, I have spoken on the subject repeatedly. I repeat that the scientific community is deeply concerned over the possibility of nuclear conflict due to accident or the failure of intricate mechanisms in nuclear warheads or in atomic bombs.

We know that aircraft carry atomic weapons. We know that the Soviet Union has such weapons. We know that the Soviet Union has atomic and nuclear weapons which are carried by plane or by rocket. I submit that it is the duty of every nation on the face of the earth to demand that the Soviet Union reveal the precautions that have been taken to prevent an accident, or an explosion of one of those weapons, particularly in our missile and rocket age.

Our Government has gone to great length and expense to see to it that there is a safety lock upon these weapons that would prevent their being triggered accidentally. We have no information thus far as to what the Soviet Union is doing in this direction. We have no information as to who has control over the possibility of the firing of a nuclear weapon.

The world knows that in the United States the responsibility rests with the President of the United States. The world knows that not even our NATO allies can utilize nuclear weapons without the express order and command of the President of the United States because nuclear weapons are under the control of the Government of the United States in our alliance under the terms of NATO.

We have no information whatsoever on the subject from the Soviet Union. I recognize that certain practical people will say, "You will never be able to get such information from the Soviet Union." That does not mean that we should not demand it. The Soviet Union constantly harasses us. The Soviet Union asks us question after question at every conference. They besiege us with points of view and argument in conference after conference.

I suggest that we indulge ourselves in a constant inquiry of the Soviet Union in every conference in the United Nations with every means that we have available as to what precautions that country is taking as a nuclear power to prevent an accidental war through the accidental triggering of a nuclear weapon which could cause a major catastrophe.

I ask unanimous consent that the Evening Star and Baltimore Sun editorials to which I have referred, together with Secretary Dutton's reply of April 26, be printed at this point in the RECORD.

There being no objection, the letter and editorials were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., April 26, 1962.

HON. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to your letter of September 12, 1961 requesting the Department's comments upon Senate Resolution 203, submitted by Senator HUMPHREY on September 5, 1961. The resolution recommends that the President instruct the U.S. representative to the United Nations to propose in the Security Council a resolution calling upon nuclear powers to report "to the extent consistent with the reasonable requirements of national and international security," the measures which they have taken to prevent "accidental nuclear conflict."

The problem toward which Senator HUMPHREY's resolution is directed is one of the most important facing our civilization. The Department is in full accord with the objective of the Humphrey resolution to provide for what he described in the Senate speech on July 31, 1961, as "complete reciprocity" in the exchange of information on this subject between the United States, U.S.S.R., and other nuclear powers. However, we are doubtful that a Security Council resolution will cause the Soviets to disclose information which they have so far regarded as highly classified.

The Department believes that the objectives of the Humphrey resolution of preventing accidental nuclear conflict can be met most effectively by discussions within the framework of the disarmament negotiations now going on in Geneva. The "Outline of Basic Provisions of a Treaty on General and Complete Disarmament in a Peaceful World" which was announced by the President and submitted to the Geneva Conference on April 18, 1962, contains a number of proposals designed to reduce the risk of war by accident, miscalculation or failure of communications. In stage I, for example, the outline contains provisions for advance notification of military movements; for an exchange of military missions between, for example, NATO and the Warsaw Pact organization; and for improvement of communications between heads of government, such as the installation of a direct telephone line for use by President Kennedy and Premier Khrushchev. In addition, the outline proposes creation of an International Commission on Reduction of the Risk of War where methods for reducing the risk of accidental explosion of nuclear weapons and many related measures could be discussed.

The Soviet Union has shown interest in discussing some of these proposals as limited measures which might be agreed to separately from any comprehensive disarmament agreement. The U.S. delegation at Geneva has urged that priority be given to this subject which is already on the agenda of the Conference. The U.S. and U.S.S.R. representatives, as permanent cochairmen of the Conference, have been and will be discussing these matters privately, and this may offer the most fruitful method of achieving the objective of Senator HUMPHREY's resolution.

In this context, the Soviet Union may be more willing than heretofore to consider seriously the dangers of accidental nuclear conflict as well as the mutually useful step of exchanging information as a means of ensuring against nuclear war by accident or miscalculation. The Department believes in this way effective progress can be made in achieving the exchange of information recommended in Senate Resolution 203.

The Department has been advised by the Bureau of the Budget that from the standpoint of the administration's program, there is no objection to the submission of this report.

Sincerely yours,
FREDERICK G. DUTTON,
Assistant Secretary.

[From the Washington Star, July 9, 1962]

SAFETY LOCK ON THE BOMB

The disclosure that the United States has developed a secret electronic device to safeguard against accidental or unauthorized detonation of any of our atomic weapons should help to ease fears both here and abroad of such a mistake. The news will be especially welcome among our NATO allies where we have batteries of atomic missiles deployed for instant use in event of an atomic attack on the West.

President Kennedy is reported ready to ask Congress for funds with which to complete development of the device and to begin its manufacture and its distribution to our atomic outposts. Once installed, it will be impossible for a nuclear warhead to be triggered off either by an accidental pushing of the discharge button or by the reaction of a panic-stricken field commander or of a disordered mind. The trigger may be operated, but nothing will happen until a commander in supreme authority, acting under Presidential command, actuates the safety lock on the trigger by means of a coded radio signal.

The safety lock consists of an electronic mechanism to control an electrical circuit operating the detonator. Until the circuit is completed by the transmission of a signal from the controller, the detonator will not fire, no matter how many times the trigger button is depressed. The system is similar to the mechanism of a gun—until the gun is cocked the trigger will not fire the shell.

The added safety feature will be installed first on our intermediate range missiles already deployed in Europe and later on all other missiles intended for use against an enemy. It is a timely improvement, for there has been increasing concern among our allies as well as among Communist and neutralist countries over the possibility of a cataclysmic accident that might set off a nuclear war feared by everyone.

[From the Baltimore Sun, July 8, 1962]

Command and Control

The nuclear age has brought with it, as William Faulkner said in his Nobel Prize address 12 years ago, a general and universal physical fear. It is a fear that will persist until the peoples of the earth learn to live in peace—which is to say that it may persist through the rest of mankind's story. Meanwhile, any least mitigation of the terrible peril of nuclear destruction is most welcome.

Some of the fear arises from the possibility of accidental or unauthorized firings of nuclear warheads, and much scientific and organizational effort has gone into methods of preventing such firings on the part of the United States. In this country the President alone may order a nuclear detonation, in peace or war. By law, he has command of these weapons. The problem has been to see that he also has full control. Procedures have been worked out making unlikely any unauthorized firing on the decision of one or two individuals anywhere down the chain of command, but the procedures are not considered fully secure under all circumstances.

Now a tighter security is in prospect through a device of "electronic locking," for which the President has requested an appropriation of $23 million. Its details are necessarily secret, but it is believed to be something along the principle of a television channel switcher, allowing for remote—and selective—control and command of all American nuclear warheads in alert status.

To find comfort in this is perhaps but one more measure, one further reminder, of the doom that depends over our race if we do not find a way to peace; but, in the context of the nuclear age we have created, comforting it is.

TRIBUTE TO SENATOR LONG OF LOUISIANA—A HISTORIC EDITORIAL

Mr. ELLENDER. Mr. President, I ask unanimous consent that at the conclusion of my remarks an editorial from the New Orleans Times-Picayune be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ELLENDER. In this editorial, the New Orleans newspaper strongly endorses my colleague, Senator Russell B. Long, for reelection.

Mr. President, this is a historic editorial. In all probability, it marks the end of an era of political warfare which has torn Louisiana asunder for the past 30 years.

In the history of the Times-Picayune, the newspaper has never endorsed a Long. Since 1929, the hostility between the Long faction and the Times-Picayune has been open and bitter. However, the progress of the State of Louisiana required that sooner or later men be allowed to judge each other for what they are, without regard to old quarrels and enmities. This day has now dawned in Louisiana.

Mr. President, I firmly predict the beginning of a political and economic stability which will free Louisiana once and for all from the shadow of suspense and fear that has caused so many businesses and industries to shy away from our State in favor of other areas with resources far inferior to our own. I believe that an era of peace and progress has now begun, which will propel the State of Louisiana into its rightful position of national prominence as an industrial and business center. Therefore, I would term this editorial from the Times-Picayune truly historic.

Exhibit 1

Russell B. Long Deserves Reelection to the U.S. Senate

In the years past, Senator Russell B. Long has taken positions and performed acts which we believe merited criticism by this newspaper.

Nevertheless, on his record in the Congress, we believe that Senator Long is entitled to reelection.

This record, analysis shows, is a record of independence. It reflects that the Senator has not been awed by the power of the Kennedy administration but has done his own thinking and voting.

In many vital fields Senator Long has opposed the Kennedy administration. He fought efforts to tighten Federal control of education through so-called Federal aid to education. He fought the administration's so-called civil rights bills. He has opposed the continuance of foreign aid to satellites of the Soviet Union.

When amendments to foreign aid legislation which would have prohibited assistance to Communist-controlled nations were rejected, Senator Long voted against foreign aid appropriations.

Senator Long voted against several bills which would have lowered voter qualifications. These votes were on the Keating-Kefauver proposal to reduce from 1 year to 90 days the residence requirements for voting for President in the District of Columbia and on the Randolph amendment to reduce the District of Columbia residency requirement from 1 year to 6 months period. Both of these proposals had the support of the Kennedy administration. He also spoke and voted against the proposal to reduce the voting age from 21 to 18, supporting the Long-Holland amendment which became part of the District election bill.

The Senator is pledged to vote against the bill for medicare under social security and to oppose tax legislation to provide for withholding of dividends and interests on savings accounts.

Senator Long first went to the Congress in 1948 to fill the unexpired term of the late Senator John H. Overton. The campaign in which he was nominated was a strenuous, hard-fought one. In 1950, up for election to a full term, Senator Long won handily, defeating two opponents by a topheavy vote. At the end of his first full term in the Senate, in 1956, he was unopposed for reelection. That no one qualified to run against him, it seems to us, was a mark of commendation of his record.

During his 14 years in Washington Senator Long has gained several important committee assignments. He is a member of the Senate's important Finance and Foreign Relations Committees and of the Joint Committee on Internal Revenue and Taxation. By virtue of his seniority, he is the third ranking majority member of the Finance Committee — outranked only by Senator Harry F. Byrd, of Virginia, and Senator Robert S. Kerr, of Oklahoma. That Senator Long has been effective in protecting the interests of the constituents whose need for protection is great, it seems to us, is demonstrated by the continued utilization of Fort Polk—for which he has made strenuous efforts. Senator Long is in a position to render outstanding service to the Nation and to Louisiana. We believe that he should be returned to that position where he is rendering such a service. The Times-Picayune recommends the reelection of Senator Russell B. Long on his record.

OWEN D. YOUNG

Mr. KEATING. Mr. President, it is with great sorrow that I note the passing of one of New York's great citizens, Owen D. Young, yesterday, at the age of 87.

His country will remember him best for his brilliant and dedicated service during the difficult years between the First and Second World Wars. There was no one who labored harder, or with more understanding, than Owen Young as he represented the United States, first at the Allied Reparations Conference of 1924, and again at the Paris Reparations Conference of 1929. His presence at the conference table in 1924 and his marvelous ability for conciliation was thought to be largely responsible for allied acceptance of the Dawes plan, of which he was the coauthor. He was eagerly encouraged to chair the Reparations Conference of 1929, and again, his abilities as a negotiator were largely responsible for the important diplomatic results.

Mr. Young was also widely respected as an industrialist, the head of two large and important American corporations—General Electric and RCA. He also had a lifelong interest in politics, and his counsel was eagerly sought after in both the Nation and the State. Mr. Young was a political independent, but he offered his services to five Presidents of both political parties.

The list of Mr. Young's accomplishments are impressive, but he will best be remembered in my State as a good friend, a good neighbor in the Van Hornesville area he loved, and a beloved man. Mr. President, the New York Times contained an editorial comment on Owen D. Young's passing which very eloquently expresses the loss which my State and the entire Nation has suffered. I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Statesman of Finance

Owen D. Young, who died in Florida yesterday in his 88th year, had a career in the classic American pattern. Born on a farm in upstate New York, where his ancestors had lived since before the American Revolution, he had to work his way through school, college, and law school. He became a pattern-setter of enlightened industrialism as chairman of General Electric and the Radio Corp. of America. His contributions of time, wealth and energy to the general good included efforts to help forge a durable peace after World War I through the Dawes plan and the Young plan for German reparations.

Mr. Young, a believer in early retirement, went back to the family farm at Van Hornesville in his early sixties. But he scarcely stayed retired, so many people wanted his advice and help. He would not run for high office, but he could give good counsel to those who did. His neighbors, too, came to find out what he thought about issues, and when they as milk producers went on strike, Mr. Young refrained from shipping the milk of his own farm to market. Characteristically, he also arranged a settlement of the quarrel. At a great old age, he was still a figure to look up to.

THE IMPASSE ON APPROPRIATION BILLS

Mr. DIRKSEN. Mr. President, I have just read a letter which the Senator from Virginia [Mr. ROBERTSON] addressed to the Speaker of the House on July 11, 1962, in which he redirects attention to a bill which was introduced in the 1st session of the 87th Congress for the creation of a joint committee on the budget.

I notice that in the bill there is a provision that such a joint committee is to select its own chairman, and that the chairmanship would rotate between the House and the Senate, with the chairmanship going to the House of Representatives in the even-numbered years and to the Senate in the odd-numbered years. The bill provides also that such a joint committee would make thorough and continuing investigations, and equip itself with an adequate staff.

In view of the impasse which has been reached by the House and the Senate with respect to appropriation bills, and the fact that they have not yet been sent to conference for disposition, it would occur to me that out of the comity and better feeling that might eventuate from a joint committee on the Federal budget, the matter comes into sharp focus now and merits some attention. It has been approved by the Senate on other occasions, but it has never had House approval.

I join with the distinguished Senator from Virginia in uttering the hope that the House might give the proposal some attention, because I believe that at long last it will allay some of the apprehensions, some of the friction, and some of the difficulties which are presently being encountered, and out of which might come some truly sweet fruit.

I am not insensible to the fact that at the moment the House and Senate have agreed upon the designation of a subcommittee composed of Members of each of the two bodies for the purpose of exploring the difficulty in which we presently find ourselves.

Therefore I believe this suggestion is very much in point at the present time.

By way of precedent, I would note the fact that the Joint Committee on Internal Revenue Taxation, the members of which represent the Ways and Means Committee of the House and the Senate Finance Committee, rotates the chairmanship every year, and that system has worked out splendidly and has developed in good feeling, to say the least, among the members who serve on that joint committee.

I do commend this letter to all who are interested and, in connection with my remarks, if the letter has not yet been inserted in the RECORD, I ask unanimous consent that it may be printed now as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON BANKING
AND CURRENCY,
July 11, 1962.

Hon. JOHN W. MCCORMACK,
House of Representatives,
Washington, D.C.

DEAR JOHN: You will, of course, recall that when I was in the House I served for 10 years on the Ways and Means Committee. Under the Constitution, all revenue bills must originate in the House, and the Ways and Means Committee was one of the first committees to be created in the First Congress. But soon after the adoption of the amendment to authorize the Federal income tax, the Ways and Means Committee of the House and the Finance Committee of the Senate agreed to the establishment of a Joint Committee on Internal Revenue Taxation, which was to be the official staff for both House and Senate on all matters involving taxation. It was further provided that the chairmanship or control, so to speak, of that joint committee should appropriately alternate between the House and the Senate. You know, of course, how very efficiently that joint committee has functioned. The days when I was a House conferee on tax bills, a conference would be held on the House side as often as on the Senate side, and Mr. Doughton would preside as often as the chairman of the Senate Finance Committee.

It has been the source of some disappointment to me that the House Appropriations Committee always has been opposed to the creation of a similar Joint Committee on the Budget, because if we had had such a committee we would not now have a most unfortunate impasse as to where conferences are to be held and who is to preside.

On four different occasions the Senate has, I believe, unanimously passed a bill to create a Joint Committee on the Budget, but, as you will recall, the House has never agreed. The last bill passed the Senate last year and has been pending on the House side ever since. I enclose the Senate report on that bill, which is still pending before the House Rules Committee, and also invite your attention to a statement contained in Senate Document No. 11, 87th Congress, 1st session, pages 195–218, and write this letter to express the hope that the bill will have your support.

Frequently I have commended the work done by the House Appropriations Committee on the bills that have come to us. They have had a larger staff than we; they have had more time to consider the bills. Certainly, it would be in the interest of economy, efficiency and comity if we could have a joint staff to study all of the ramifications of appropriations that will soon amount to $100 billion a year and assemble the same information for both branches of the Congress. A few years ago we authorized a measurable increase in the staff of both the House and Senate committees.

In other words, I want to see a joint committee of genuine experts selected from the standpoint of merit only and the other employees of the House and Senate committee would be mere clerical workers.

With all good wishes, I am,
Sincerely yours,
A. WILLIS ROBERTSON.

CAPTIVE NATIONS WEEK

Mr. DOUGLAS. Mr. President, in 1959, I introduced in the Senate a resolution to designate the third week in July as Captive Nations Week. On the third anniversary of the enactment of this resolution, it is fitting that we should consider the tragic plight of the captive people.

The Communists never grow tired of accusing the West of colonialism and imperialism. But it is time people everywhere became aware that in some areas of the world colonialism has just begun. It is not actually colonialism, it is slavery. In Eastern Europe and in east and southeast Asia, the Communists have taken over peoples who were once free and independent, such as the Poles, the Ukrainians, the Georgians, the Lithuanians, the Cossacks, and the Tibetans. We have sorrowfully come to call these people the "captive nations." In 1959, the Congress and the President authorized the designation of 1 week as Captive Nations Week to express the hope of the American people for the earliest possible liberation of these captive people.

The problem of the captive nations is, today, a major eyesore in international relations, to all free-thinking and freedom-loving men and women. The enslavement by the Soviet Union of those once free peoples and nations from the Baltic to the Black Sea to the Pacific Ocean is a moral crime against humanity and a legal crime against international law and custom. But if we, for 1 minute, surrender them to Communist control by recognizing that present domination as permanent or right, we will be committing an even greater crime against the historical conscience of men, past, present, and future. Therefore, we must never cease to denounce this tyranny and to keep alive the hopes of the captive peoples behind the Iron and Bamboo Curtains. For the Communists realize that these embers of freedom and coals of hope are the major deterrents to the formation of an effective, unified force that will solidify and spread their tyranny. Premier Khrushchev's tirades against the celebration of Captive Nations Week are the proof of the pudding. The yearning of the captive peoples for freedom and their unwillingness to fight for the Communist tyranny are a thorn in Khrushchev's side and a major hope for peace.

We must never forget the symbolic importance of Captive Nations Week for those new and neutralist nations in the developing areas of the world. Our observance this week is a pointed reminder to them of the inevitable fate of those who try to cooperate with the Communists. It is a warning to them not to jump from the frying pan of Western colonialism into the fires of Communist imperialism.

Lastly, Captive Nations Week is a reminder to the people of the United States of the close ties we share with the people of Eastern Europe and Asia as ethnic brothers and brothers in the cause of freedom.

For these reasons, I was proud to sponsor the Captive Nations Resolution in 1959. I feel that the symbolic and practical purposes of Captive Nations Week are of overwhelming importance to every American, to every person in the world, in these desperate times when we are struggling for our ultimate survival.

In dealing with the Communists, one of our major advantages is their failures. As a system of government, they have time and time again failed the people they have subjugated, industrially and agriculturally. As human beings, it is hard for us to know that people are starving and homeless. It is only natural to want to help these people in every way we can. It is, after all, not they who have failed, but the Communist system. The fact that our own system of freedom and private initiative has worked almost too well and given us not only abundance, but also surpluses, makes it even harder to deny aid to those who must suffer because of Communist failures. Above all, I do not want to help the Communists and so I would oppose aid that would in anyway strengthen their hand. But, if there is a way, with our eyes open to the dangers involved therein, to share our abundance of food in a fair and well-identified manner, then I am for that. Generosity, almost to a fault, has always been an American characteristic of which we can be proud. And, given close supervision and alertness, I can think of no place where there is more real need for the expression of our generosity and humanitarian instincts than in the captive nations and among the refugees who have escaped from them.

To obtain the goal of liberation of the captive nations, we will need not only to utilize our generosity and abundance, but all courses to action at our disposal to press for action on civil rights, self-determination, and free elections for the peoples of the captive nations. It is to this end that we have set aside this week to rededicate ourselves in our purposes and to renew our struggle to achieve these ends.

FORWARD ON TRADE

Mr. LONG of Hawaii. Mr. President, President Kennedy's trade bill is truly one of the most significant pieces of legislation under consideration at this session of Congress. Its importance, and the need for Senate approval, are outlined in an editorial of the Honolulu Advertiser of Tuesday, July 10, 1962. I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Forward on Trade

The House of Representatives did two things when it passed the Kennedy administration's trade expansion bill.

It set in motion machinery to revitalize the American economy and it struck a blow for free world unity.

At present, the American economy is sluggish. It has been slowed by unemployment, underemployment of our productive capacity and a slow rate of economic growth. It has been vitally affected by the economic boom in Europe.

The emergence in recent years of the European Common Market—a six-nation economic alliance—poses both a promise and a threat. In clearing away tariff barriers among themselves, the Europeans have created a lush market of more than 200 million consumers.

At the same time, however, the Common Market has built new tariff walls to minimize competition from nonmember nations. The objective of the trade bill is to give the President the authority he needs to lower American tariffs on certain goods in return for similar reductions by the Common Market.

This will do two things. It will enable us to hold our present markets in Europe, which now buys 30 percent of all goods this country sells abroad. Further, it will open up new opportunity for American business in perhaps the richest, fastest growing market in the world.

Thus, President Kennedy had good reason to call this bill the year's most important single piece of legislation. The Senate should waste no time following the lead of the House in passing the bill.

If it does, President Kennedy will be given for a period of 5 years more power than any previous President to negotiate tariff-cutting trade agreements with European and other countries.

He also will be given the power to help domestic industries and workers who may be injured by dislocations resulting from the increased interlocking of the American and European economies.

The benefits of the bill, however, greatly outweigh such passing disadvantages. One important consequence of the bill will be to strengthen the Atlantic community, thus providing a bulwark against communism.

THE SUPREME COURT AND THE ESTABLISHMENT OF RELIGION

Mr. BUTLER. Mr. President, on July 1, 1962, the Reverend Dr. Iain Wilson, pastor of Franklin Street Presbyterian Church, Baltimore, Md., preached a very profound sermon in connection with the establishment-of-religion clause of the Constitution of the United States, as interpreted by the Supreme Court. Inasmuch as he spoke from notes, unfortunately he was unable thereafter to reproduce the entire sermon, at the request of large numbers of persons in Baltimore City.

However, he has prepared a preface explaining the situation; and the preface is followed by a number of his notes which are excellent and very profound. I ask unanimous consent that they be printed in the body of the Record, in connection with my remarks.

There being no objection, the preface and the notes were ordered to be printed in the Record, as follows:

Notes on the Supreme Court and the Establishment of Religion

(By Dr. Iain Wilson)

Preface

The notes that follow are based upon parts of a sermon preached in the Franklin Street Presbyterian Church, Baltimore, on July 1, 1962. Several persons who heard the sermon urged that it be made available in printed form. Unfortunately, as I was preaching from brief headings rather than from a prepared text, and as no tape recording was made, I cannot reproduce the sermon as it was delivered. What I have therefore attempted to do is to recapitulate some of the principal observations which I made regarding the Supreme Court's recent decision on prayers in the New York public schools. It is with great reluctance that I have done so, because I realize that the subject calls for a much fuller and more carefully wrought treatment than I have been able to give, in the brief time available. I must therefore repeat what I tried to say in the sermon, that these remarks are an expression of personal conviction, and are not made in the spirit of a directive to others, but as one person's small contribution to a debate which ought to bring about a soul searching on the part of every thoughtful American, and which I pray will lead us to a deeper and firmer understanding of what we are and what we stand for, through the recurrent crises of history, and above all in an age when secularism has established such an ascendancy within Western Christendom, and aggressive official atheism has commandeered huge areas of the world, with the explicit intention of stopping short at nothing less than the domination of all humanity.

Iain Wilson.

Baltimore, *July 6, 1962*.

On June 25, 1962, the Supreme Court of the United States ruled that the Constitution had been violated by the use of a prayer in the daily routine of public schools in the State of New York. Despite the fact that "its observance on the part of the students is voluntary," the use of this prayer was held by the Court, with one dissenting opinion, to be a breach of the first amendment's provision that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof"—a provision which applies to the States by virtue of the 14th amendment.

Since the decision was announced, there has been considerable discussion of its meaning and implications in the public press and elsewhere, and this discussion is likely to continue. It is desirable that there be as full a respect and as candid an understanding as possible between all who are interested, including ministers and their congregations. Most of us, too, will recognize the need for an all-round exercise of restraint and courtesy in the discussion of what is a controversial and often emotion-charged question. Already there have been wild and hotheaded exchanges between supporters and opponents of the Court's decision, but the gravity of the issue and its very nature—having to do with man's relationship to the ultimate—should produce a willingness to listen carefully to the other man's point of view, and to keep a check upon our own tongues.

The significance of the Supreme Court's decision clearly goes far beyond the particular situation in connection with which it was delivered. This wider significance is indicated quite specifically both in Justice Douglas' concurring opinion, and in Justice Stewart's dissenting opinion. The decision, in fact, calls into question several other features and practices of our official life as a nation. It is quite possible, and indeed probable, that in time the question regarding these other features and practices will be raised. As and when this happens, the possibility exists that these features and practices will also be ruled unconstitutional, and will therefore be illegal, and brought to an end.

There seems, for example, to be no reason in law or logic why future Supreme Court decisions should not proceed to rule as unconstitutional the prayer with which its own sessions have always been opened: "God save the United States and this honorable Court."

There seems to be no reason in law or logic why the practice of opening the daily sessions of the Senate and the House should not be ruled as violating the Constitution of the United States.

There seems to be no reason in law or logic why the offering of prayers by clergy of the Roman Catholic, Jewish, Orthodox, and Protestant groups at the inauguration of our Presidents should not similarly be regarded as "an establishment of religion" and therefore unconstitutional.

There seems to be no reason in law or logic, in the light of the decision given on June 25, why the provision, on the Federal payroll, of chaplains to the Armed Forces, should not be ruled as a violation—indeed, a gross violation—of the first amendment.

There are other features and practices of our official life as a nation which might similarly be challenged—including that congressional legislation by which the President calls for a National Day of Prayer, the use of such phrases as "under God" in the Pledge of Allegiance to the Flag, or "In God we trust" on our national coinage, and the tax exemptions granted to religious institutions—but these instances suffice to show that the Supreme Court's decision will be regarded as encouraging by all who for any reason wish to divorce religious faith from any connection with our national institutions.

There is no reason to assume that the Supreme Court will not be requested to rule on these features and practices, either seriatim or in toto. There is even less reason, in view of the precedent set by the June 25 decision, and the general tenor of its arguments, to assume that the Supreme Court will affirm that such features and practices are consistent with the provisions of the first amendment.

The possibility exists then, real and not wholly remote, of an end to all official recognition by the Federal and State Governments of the religious dimension in national life and experience, on the ground that such recognition is unconstitutional, and amounts to an "establishment of religion."

If that is what the majority of the citizens of the United States really want, well and good. I do not believe that the churches of this country would wish to compel—least of all, with governmental aid—an unwilling or hostile majority of its citizens to comply with religious formulas or observances which they inwardly reject.

Many of us, however, are not yet convinced that the Nation as a whole desires such a termination of official recognition of religious faith. The Supreme Court's decision—which of necessity deals primarily with law, rather than with public opinion, although by no means indifferent to the latter, especially in those portions of the decision which describe the origin of the first amendment—has not brought us nearer to this conviction.

We are not ready, therefore, to withdraw from the debate.

There are two absolutely fundamental questions which must be raised. The first is: What is meant by the words "establishment of religion" in the first amendment? The second is: Does the New York prayer actually constitute an establishment of religion"?

Perhaps we should begin with the second of these questions, although it seems very presumptuous for one who is a layman in legal matters even to query the announced findings of the Supreme Court, which of course is an answer to this second question. However, the Court's decision was not unanimous, and Justice Stewart in his dissenting opinion states flatly that "I think this decision is wrong," and proceeds to support his statement with arguments which deserve respect. The layman, therefore, may be excused from the charge of presumption if he, also, with a genuine sense of the majesty of the law and the authority of the Supreme Court, still ventures to query its decision.

Furthermore, Justice Black, in delivering the Court's decision, says: "It is true that New York's establishment of its regents' prayer * * * does not amount to a total establishment of one particular religious sect to the exclusion of all others."

Justice Douglas, in his concurring opinion, also concedes that he "cannot say that to authorize this prayer is to establish a religion in the strictly historical meaning of those words."

Yet, even after such admissions and the embarrassing ambiguity they involve, the Supreme Court says that the New York prayer is "a practice wholly inconsistent with the establishment clause" (of the first amendment).

It is difficult to understand how the prayer can simultaneously be judged "wholly inconsistent" with the establishment clause, and yet not be found altogether guilty of doing that which the clause forbids.

It is clear that the answer to this second question depends upon the answer to the first question—What is meant by the words "establishment of religion" in the first amendment? Let us therefore consider that question.

There can surely be no doubt that what Madison and others had in mind, as the first amendment was articulated, was that the Government of the United States should not relate itself organically to any one church or denomination, or afford special favors or recognition to any one church or denomination, to the detriment of others or the victimization of those who professed no particular creed. In other words, the first amendment deals with relationships between the institutions of government and religion, and aims at maintaining a clear structural separation between organized government and any particular ecclesiastical organization. There is no implication that there either can or ought to be a total separation between a religious understanding of the nature of reality and the moral attitudes engendered by such an understanding, on the one hand, and the active life of men in social, economic or political decisions, on the other hand. It is a known matter of fact that the founders of the Nation were for the most part sincerely religious men, whose political motivations were closely related to the concepts of human worth and the proper designing of human society, which derived from their religious beliefs. It is because of this that there was no sense that a breach had been made in the Constitution, when the Supreme Court opened its sessions with prayer, or when there gradually took shape, in the course of history and national experience, those other symbols of the recognition that, as the Supreme Court itself said in 1952: "We are a religious people whose institutions presuppose a Supreme Being."

If, then, the first amendment is intended simply to keep the organized institutions of religion and the state independent of one another (as they still are), and if the New York prayer neither fuses nor tends to fuse those institutions (nor does it), then it is difficult to see anything unconstitutional in the use of the prayer, and the reason for the ambiguity of the Supreme Court's statements would appear to be a failure to observe consistently that distinction which was fundamental and clear to Madison—namely, the distinction between religious faith per se and the organized churches and denominations.

The decision has been made, however, and we may now anticipate a further series of moves to eliminate prayers from public schools across the Nation, and to eradicate other similar symbols both of the religious factors in our national origins and of the vital connection which many of us still believe exists between our concepts of the nature and task of our American society, and the will of the Ruler of all the nations.

In the meantime, the debate as to the constitutionality of these practices will continue, and with it a new exploration of the whole mysterious relationship between religion and society. In many ways, this is something for which to be grateful, for it ought to lead to a self-scrutiny that is enlightening for religious believers and sceptics alike, and could conceivably result in a more wholesome relationship between them. One hopes that the debate will be unhurried and general and profound, and that it will reach some worthy conclusion, but in the present distracted and fidgety condition of public thinking there seems to be little real prospect of such a national engagement with the problem as will truly correspond to its magnitude and gravity. Nor, to be candid, does the content of the Supreme Court decision itself aid us greatly in this situation, for from a historical, philosophical, not to say theological, standpoint (and in this case, these are surely as relevant and necessary standpoints as the purely legal one) it is not a very impressive document.

It is simply not enough to say that the Supreme Court has the task of interpreting the Constitution, and to leave it at that, in a question of this nature. Certainly, the Constitution and its integrity are as necessary to the proper functioning of the body politic of the United States as is the skeleton to the human body. But just as the skeleton is essentially the enabling framework about which the body in its multiplicity of limbs, tissues and organs is assembled and mobilized, so there is assembled and mobilized about the Constitution that complex totality of experiences and impressions, and the rich emotional energies, traditions, sociological and cultural groupings and interchanges which are a people, and in which totality, as a matter of simple fact, the specifically religious element is present and active, and from which it cannot be excised without a crippling effect upon the whole.

Yet, if the logic of the Supreme Court's decision is followed through to the end, it is nothing less than such an excision that is in view. If the United States officially disowns every form of religious recognition the Nation will be wounded at its heart.

I, for one, am not willing supinely to let this happen, without protest or without argument: for I cannot see any necessity to eliminate all official recognition of the religious dimensions in the Nation's life, or of that which religious faith had done and is doing both in establishing our national goals or in supplying the dynamic thrusts toward those goals. Least of all can I see such a necessity, when there is as yet no evidence that the manner of such recognition as exists is distasteful to the majority of our citizens.

It is true that the rights of minority groups must be protected. It is largely because of the moral convictions about the worth and sanctity of the individual which are held by the majority of believers that these rights are protected as assiduously and solicitously as is actually the case in the United States. Despite our real and much-publicized failures, there is no country in the world in which public conscience is more exercised than it is in America, by the problem of securing minority rights. But it seems to me that we must now recall that the majority also has rights, and insist that it is neither a tyrannical nor an intolerant spirit that leads us to defend them, to decline to yield them to the hands of a highly vocal minority, who are not in fact being victimized, and who seem to us to be profoundly defective in their comprehension of the nature of nationhood.

We "believers," as "believers," also have a stake in this Nation. We do not agree that the symbols of America's recognition that she is indeed "under God" should now be jettisoned. We believe that it would be a bitter day for the Nation, when prayers were no longer offered at the inauguration of Presidents, and when our children were required by law to pledge allegiance to the flag while they were simultaneouly forbidden by law even to mention any obligation to a law and a power transcending the evanescent forms of human society. We believe that it would be a sickening day for our Nation, when there were no longer any chaplains to share the hard experiences of our soldiers, to give them the Sacraments, to befriend them in God's name as they die, and to bury their bodies reverently.

We believe, too, that the more seriously we Americans bring ourselves and our institutions under the guidance of that Power greater than ourselves, who is the source of wisdom and holiness and love, the more certain it is that we shall fulfill the destiny for which the Nation was brought into being, and become what our truest patriots have always longed that we should become—a blessing to all mankind.

BASCOM TIMMONS

Mr. YARBOROUGH. Mr. President, more than 50 years as a newsman covering the great events of our Nation from the vantage point in Washington is one of the most signal experiences of our time. Such an experience has come to Bascom N. Timmons, a native of Collin County, Tex., who today, at 72 years of age, is still an active correspondent, and is listed in the Congressional Directory as representing 20 newspapers.

Twenty-five years ago I visited the Capital of the United States, and brought with me an admonition from a friend, "Do not leave Washington until you have met and visited with Bascom N. Timmons."

I called on him at his office in the National Press Building; and I will never forget his friendly, searching inquiries and his informed comments on the Texas scene.

He knew events there as though he were still living in Texas, although he had left there 25 years before.

To know Bascom N. Timmons is to admire his intellectual integrity, his news reporting honesty, and his great depth of character.

He has authored three successful biographies: "Garner of Texas, a Personal History," New York, Harper, 1948; "Portrait of an American, a Biography of Charles Gates Dawes", New York, Holt, 1953; and "Jesse H. Jones, the Man and the Statesman," New York, Holt, 1956. He also was the author of a perceptive and informative series of articles on the late Speaker Sam Rayburn, written for newspapers, and incorporated from the Congressional Record in the book, "Sam Rayburn, Late a Representative from Texas," published in the 2d session of the 87th Congress.

I ask unanimous consent to have printed in the Record an article captioned "Old Days in Capital; Newsman Reminisces." The article, which was written by Bascom N. Timmons, was published in the Washington Star on July 4, 1962.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Evening Star, July 4, 1962]

Newsman Reminisces

(By Bascom N. Timmons)

It was torrid in Washington on July 4, 1912. But I had become accustomed to heat of all sorts for I had covered the Republican National Convention at Chicago, which saw the William Howard Taft-Theodore Roosevelt split and the birth of T.R.'s Bull Moose Party.

From Chicago I, with other newspapermen, had gone directly to Baltimore, where, after more than a week of steamy day and night sessions, the deadlock between Champ Clark and Woodrow Wilson was broken. On the afternoon of July 2, on the 46th ballot, Wilson received the two-thirds majority then necessary to nominate in a Democratic National Convention.

And there was an incident which made that Fourth of July a pleasant one for me. At approximately 2:30 in the afternoon of that day I got a job on a Washington newspaper. A Washington newspaper friend helped me celebrate the occasion by taking me for a drive around the city in his second-hand Pope-Toledo automobile.

THE 48-STAR FLAG

He drove down Pennsylvania Avenue to where the flag of 48 stars floated over the Capitol Dome for the first time—Arizona and New Mexico having been admitted as States since the last Independence Day. My automobile-owning friend did not negotiate the Washington street intersection circles very expertly.

He had been one of the holdout horse and buggy men to the last but he told me the high cost of horse living had decided him to buy gas rather than oats. He predicted that the then remaining horse population of Washington would go down rapidly and automobiles increase by leaps and bounds. He proved a true prophet.

I had always wanted to be a Washington newspaperman and now at the age of 22 and with 6 years of writing experience I was.

SHADOW OF CHANGE

Fat William Howard Taft was President of the United States that year, but the shadow of change, as always, hung over Washington. Mr. Taft was in a three-way presidential race with Theodore Roosevelt and Woodrow Wilson and there was no doubt that with Mr. Roosevelt and President Taft dividing the Republican vote Mr. Wilson would surely be elected.

There were some eminent figures among the newsmakers in Washington in 1912 as there have been in the five decades of pageant since. There were no press handouts, press conferences, press relations men or professional image makers then. A reporter dealt directly with the great men themselves and got to know them all.

Edward Douglas White, who had been a Confederate soldier, was Chief Justice of the United States and on the Supreme Court also sat John M. Harlan, Oliver Wendell Holmes, Charles Evans Hughes, Joseph McKenna, William R. Day, Horace H. Lurton, Willis Van Devanter, and Joseph R. Lamar.

THREE GREATEST SENATORS

In the Senate were Elihu Root, of New York; John Sharp Williams, of Mississippi; and Charles A. Culberson, of Texas; who I think are the three greatest Senators I have known. There were also John H. Bankhead and Joseph F. Johnston, of Alabama; Martin and Swanson, of Virginia; William E. Borah of Idaho; Shelby M. Cullom, of Illinois; Albert B. Cummins, of Iowa; Henry Cabot Lodge, of Massachusetts; James A. Reed, of Missouri; Isador Rayner and John Walter Smith, of Maryland; Boies Penrose, of Pennsylvania; Benjamin R. Tillman, of South Carolina; Joseph Weldon Bailey, of Texas; Robert M. La Follette, of Wisconsin; and Francis E. Warren, of Wyoming.

In the House of Representatives Champ Clark was Speaker and Oscar W. Underwood of Alabama was the Democratic leader. There were also Henry D. Clayton, J. Thomas Heflin, and Richmond Pearson Hobson, of Alabama; Joseph T. Robinson, of Arkansas; Joseph G. Cannon and James R. Mann, of Illinois; John Nance Garner, of Texas; Victor Murdock, of Kansas; Joseph Ransdell and Arsene Pujo, of Louisiana, Joseph W. Fordney, of Michigan; Pat Harrison, of Mississippi; George W. Norris, of Nebraska; Claude Kitchin, Edward W. Pou, and Charles M. Stedman, of North Carolina; James M. Cox, of Ohio, and John W. Davis, of West Virginia (the 1920 and 1924 Democratic presidential nominees), Nicholas Longworth, of Ohio; Martin Littleton and Sereno E. Payne, of New York; James F. Byrnes, of South Carolina; Cordell Hull, Joseph W. Byrns, and Finis J. Garrett, of Tennessee; Albert S. Burleson, of Texas; and Carter Glass, of Virginia.

FAME FORGOTTEN

(I think Uncle Joe Cannon and Nance Garner were the two most colorful Members of Congress I have known.)

Philander Knox was Secretary of State, and, I think with the possible exception of Charles Evans Hughes, the ablest man who has held that post in my Washington time. (Strange how names of men who once marched high in the history of the Nation are forgotten.)

At the three most important Embassies were Ambassador James Bryce, of Great Britain, J. J. Jusserand, of France, and Count J. H. Von Bernstorff, of Germany. There have never been three more able Ambassadors in Washington at any one time.

Still the Nation's greatest hero was Admiral George Dewey, the victor at Manila Bay, who in Washington lived in retirement. Frequent visitors were J. P. Morgan, Andrew Carnegie, Chauncy M. Depew, Buffalo Bill Cody and Enrico Caruso.

It took $689,881,334 to run the entire Federal Government in 1912. The Government took in $692,609,204 and the day I went to work in Washington announced a Treasury surplus for the year. There was no income tax. A constitutional amendment making woman suffrage possible had not passed.

PROCESSION OF EVENTS

Since then have come the eight Presidents, beginning with Mr. Wilson, a complete turnover several times in the Supreme Court. In Congress only Carl Hayden, who was a Representative from Arizona in 1912 and now is a Senator, remains. Brig. Gen. John J. Pershing and young Capt. Douglas MacArthur became our most noted military figures of the 20th century.

There are memories of two World Wars and a great depression; of 13 presidential races and more than double that number of major party national conventions; of knowing 18 presidential nominees of the major parties, 8 of whom won and 10 of whom lost (a couple of whom lost twice and one who both won and lost); of covering such assignments as the League of Nations debate, the Money Trust and the Teapot Dome investigations; of news trips in this and other lands.

I think it will be readily granted that the last half century has seen some notable events in Washington. The next half century may be even more momentous. I won't know about much of that.

ANTITRUST MEANS ECONOMIC FREEDOM

Mr. KEFAUVER. Mr. President, frequently during these recent days the enforcement of the antitrust laws is interpreted as being antibusiness. The exact opposite is in truth the fact because the antitrust laws constitute the protector of the American free competitive enterprise system. The very able head of the Antitrust Division of the Department of Justice, Judge Lee Loevinger, made an address on this subject before the American Society of Corporate Secretaries in Atlantic City on June 19. Judge Loevinger's address should be read by all businessmen. It traces the history of antitrust laws and concludes that antitrust laws and their proper enforcement are in the spirit of the American Constitution and the American people and that antitrust means equal economic opportunity for all in a free system.

Judge Loevinger's presentation is an exceptionally splendid one. I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ANTITRUST MEANS ECONOMIC FREEDOM

(Address by Lee Loevinger, Assistant Attorney General in charge of the Antitrust Division, U.S. Department of Justice, prepared for delivery before the American Society of Corporate Secretaries, Atlantic City, N.J., June 19, 1962)

The term "antitrust" is an anachronism, although the idea it represents is as contemporary as the human spirit. To understand both the word and the idea it is best to begin by looking at their history.

From the beginning of recorded history, man has been concerned about the exercise of economic power. The oldest known legal code is that of a Sumerian king who ruled in the 24th century, B.C. This code set forth laws on clay tablets providing for removal from office of the "grabbers" of the citizens' oxen, sheep and donkeys, for setting up and enforcing an honest system of weights and measures, and for protecting widows and orphans against the wealthy and powerful. Similiar provisions are in the code of the Babylonian king, Hammurabi, of the 21st century, B.C., and in ancient Chinese legal codes. An edict of the Roman Emperor Zeno in A.D. 483 prohibited any monopolizing and price fixing among competitors under penalty of forfeiture of all property and perpetual exile.

The first reported English case on restraint of trade was in 1415. The court held that such a contract was unenforcible and went on to say that the party who tried to enforce it should be sent to jail. The English courts first held that a monopoly was against the public interest and illegal in 1602. Parliament passed a statute outlawing monopoly in 1623. Blackstone's commentaries on the laws of England, published in the 1760's, said not only that monopolies are illegal but also that any party injured by a monopoly might sue and recover treble damages and double costs. Laws enacted in France in 1791 declared illegal any combination of persons for the purpose of charging a certain price for services. Article 419 of the penal code promulgated by Napoleon in 1810 made it a criminal offense to attempt to bring about an artificial rise or fall in the price of foodstuffs or other goods by combining or monopolizing.

During the 19th century, there was an explosive development in the means of production, transportation, and communication. As a consequence, markets became national in scope and economic organizations grew to unprecedented size. Accompanying the industrial and technological changes were two important legal developments. The first was the emergence of the corporation in its modern form. The second was the discovery of several means of combining the economic strength of different enterprises. One of the most effective of these legal devices was the so-called voting trust by which control of the shares of a number of corporations was brought into the hands of a single trustee or group of trustees. This served effectively to centralize the operations of the corporations and to eliminate competition between them. By this means, large concentrations of economic power were built up and these became popularly known as trusts.

In the latter half of the 19th century, the opinion developed in the United States that State laws were inadequate to cope with the growing power of the great trusts. Public sentiment demanded an effective national "antitrust" law. As the term "trust" in this sense meant essentially what we mean today by monopoly, so the term "antitrust" meant essentially "antimonopoly."

By the latter part of the century, such sentiment was sufficiently widespread and powerful to secure results. In 1889, an antitrust statute was passed in Canada, and the following year, 1890, the Congress of the United States passed the Sherman Act, which remains the basic antitrust statute of this country.

THE OBJECTIVES OF ANTITRUST

The objectives of the antitrust laws are the economic aims of the American people. The first, and the most obvious purpose is to avoid exploitation of the consumer by maintaining reasonable prices and good quality. It is the assumption of the antitrust laws that this can best be achieved by the maintenance of competition.

The second objective is economic efficiency, which it is thought will result from an impersonal and automatic control of prices, products, the quality of goods, and, perhaps, most important, the allocation of manpower and resources. Our economic system is based on the premise that the automatic and impersonal action of the market is likely in the long run to be more effective and more efficient than personal judgment, whether exercised through government power or private monopoly.

In the third place, it is believed that we will insure technological and economic progress best by a full utilization of the diversity that a free competitive market offers. Our great resource of individual inventiveness and personal initiative can be fully utilized only in a free enterprise system. Under a system of cartels or of monopolies, inventions and technological innovations will be employed only within the confines of the cartel or monopoly with established power over the relevant field. The contributions of outsiders are neither encouraged nor permitted. By keeping the economy free, we offer both opportunity and incentive for the widest participation, and thus for utilization of the full range of diversity, individual talent and energy which is possessed by the entire population.

As one of our greatest judges, Learned Hand, has said, the Sherman Act is based on these premises: "That possession of unchallenged economic power deadens initiative, discourages thrift and depresses energy; that immunity from competition is a narcotic, and rivalry is a stimulant, to industrial progress; that the spur of constant stress is necessary to counteract an inevitable disposition to let well enough alone. * * * [C]ompetitors, versed in the craft as no consumer can be, will be quick to detect opportunities for saving and new shifts in production, and be eager to profit by them." (*U.S. v. Aluminum Co.*, 148 F. 2d 427.)

Fourth, it is a premise of the antitrust laws that by maintaining the widest possible area of freedom in the economic realm, we maintain the conditions and lay the foundation for political democracy and civil liberties. To illustrate this point, it is necessary only to suggest the situation that might exist were the economy to be composed of a series of cartels or of a single monopoly. Then an individual skilled in a business, craft, or profession might find only a single employer within the economy. The overwhelming majority of people would most surely be under great restraint and personal freedom would be dependent on the tolerance of the employer. This, of course, is precisely the situation that does exist in countries where the economy is wholly socialized. Monopoly is merely slightly less extensive in its effect.

The U.S. Supreme Court has recently recognized these objectives of the antitrust laws in an opinion which declared:

"The Sherman Act was designed to be a comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade. It rests on the premise that the unrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest material progress, while at the same time providing an environment conducive to the preservation of our democratic, political, and social institutions." (*Northern Pacific* v. *United States*, 356 U.S. 1.)

Finally, it should be added, that by seeking to maintain and preserve economic freedom, the antitrust laws secure something which is valued as an end in itself. Freedom needs no justification or ulterior purpose. Freedom itself is something that the American people believe to be good, and is an essential part of that ethical system in which the individual and the welfare of the individual represent the ultimate standard of value.

THE ALTERNATIVE METHODS OF ACHIEVING ECONOMIC AIMS

Although there is infinite variety of detail possible, there are a limited number of basic methods by which society can achieve its economic aims. All of the methods involve the existence of some laws which control or limit economic activity in some degree. Any society which has a business and economic system is based upon a legal order. Most business enterprises, such as corporations, partnerships, trusts, and joint ventures, are creations of the law, as are such elements of business itself as money and credit, bills and notes, contracts, property and, most basic of all, the reasonable expectation of law and order. The law which creates these economic instruments also specifies their use and limitations.

Basically, there are three alternative methods of securing economic objectives. The first is by a limitation on the form and extent of economic power. This is the method of competition or free enterprise. The second is by a government determination of the standards of economic performance. The government's determination may be made effective either by the imposition of sanctions for failure to comply with the standards of performance, or by the offering of incentives for such compliance. There are many variations of this method, but they all involve the determination by government itself of the kind and quality of economic performance that is sought. This is the method of regulation. The third alternative is the control of major economic institutions by government through ownership. This is the method of nationalization or socialism.

All governments utilize some elements of each of these methods to some extent. In the United States the post office system is owned and operated by the Government and thus may be regarded as a socialized enterprise. The transportation industry is largely subject to governmental control and, therefore, is an example of the method of regulation. However, with respect to the greater part of the economy, the American method is that of private enterprise operating freely within the broad limits set by legal rules required to maintain competition. This is the general method of American law. In other fields than the economic, conduct or activities which are thought to be undesirable are prohibited, and citizens are left free to engage in the pursuit of their own interests so long as they do not commit acts that are forbidden. To prescribe and require conduct that is thought to be desirable would leave a much narrower area of freedom to the citizen and would require a much greater governmental apparatus to administer.

Both theory and experience indicate it to be more practical and more efficient, particularly in the economic realm, to have the limited prohibitions of law protecting a wide area of freedom and to permit the widest possible discretion for the individual, rather than to subject extensive areas of economic life to either government regulation or government ownership.

THE PRINCIPLES OF ANTITRUST

As business and economic activity have expanded and developed in complexity through the years, so has the law. Thus, the simple principle of limiting the form and extent of economic power now has been embodied in a very large number of statutes. There are antitrust statutes applicable to numerous specific situations such as those involving import and export trade, those involving special or partial exemptions or administration procedures and those applicable to particular businesses ranging from packers and stockyards to ocean carriers. The are provisions relating to the issuance of injunctions, to damage suits by private parties and by the government to limitations of time within which action may be brought, to the procedural effect of judgments, to securing testimony before grand juries, and to many other similar matters.

However, detailed, technical and complex as the body of statutes may be, there are, basically, four simple principles of the antitrust laws. The first principle, contained in section 1 of the Sherman Act, is that all contracts, combinations, and conspiracies in restraint of trade are prohibited. In this usage, the word "trade" may be understood as meaning "competition." Thus, the first and most general principle is simply that all combinations to restrain competition are prohibited.

The second principle is in section 2 of the Sherman Act and is that it is prohibited to monopolize or attempt to monopolize or combine or conspire to monopolize any part of trade.

The third principle, in section 7 of the Clayton Act, is that no corporation shall acquire or merge with any other corporation where the effect may be substantially to lessen competition or tend to create a monopoly.

The fourth principle is in section 2 of the Clayton Act, commonly known as the Robinson-Patman Act. This provides that it is unlawful to discriminate in price, directly or indirectly, between different purchasers of the same or similar commodity where the effect may be to lessen competition or tend to create a monopoly. This statute permits differentials that make only due allowance for differences in cost of manufacture, sale, or delivery and contains a number of other specific provisions. This act seeks to spell out with some certainty the circumstances which involve illegal price discrimination and those in which price differentials are permitted. However, the attempt to write rules that are certain and specific has probably created as much difficulty and confusion as would exist if the law stated merely a general principle against discrimination and left detailed construction to the discretion of the courts.

There are some other additional specific provisions of the law, such as prohibitions against tying agreements and against interlocking directorates. In essence, these are merely efforts to specify and emphasize particular practices which are thought to constitute restraints of trade or of competition.

THE EFFECTIVENESS OF ANTITRUST LAWS

There has been a continuing debate among businessmen, lawyers, and economists as to the effectiveness of the antitrust laws almost since their passage. These criticisms, however, have by no means been consistent.

Some businessmen assert that the antitrust laws are too rigid, restrictive, and inflexible. They say that these laws have put business in a straitjacket, that it is necessary in the modern age for business to grow bigger than ever and that it cannot grow and expand as it should with the antitrust laws in effect.

It is asserted by some businessmen that the antitrust laws are too indefinite and uncertain. They say that because of this uncertainty they cannot know how to comply with the antitrust laws.

On the other hand, there are critics who say that the antitrust laws are not rigorous enough. They assert antitrust has not succeeded in preventing the concentration of economic power, that business in America has grown bigger than ever before, that competition has given way to administered prices. They argue that the antitrust laws serve only as a symbol with which to satisfy the public while monopolistic businesses grow ever larger and more powerful.

Another group believes business should be subject to greater limitation and that antitrust is not adequate to provide this in contemporary circumstances. The underlying assumption of this viewpoint is that competition is no longer a reliable governing principle for the economy. It is interesting to note that faith in the efficacy of competition is rejected by those who believe that we must have Government regulation in one form or another and by those who advocate socialism as well as by those who contend that business should be permitted to form cartels or exercise monopoly power.

It is significant that the criticisms of the antitrust laws are inconsistent and contradictory to each other. Some business critics claim that the laws are at once too rigid and inflexible and also too uncertain. However, it is impossible for the laws to be both flexible and certain at the same time. To the degree that the laws are flexible and adaptable to different circumstances they are uncertain, since judgments will differ as to their application. To the degree that the laws are certain and definite they are rigid and inflexible.

The antitrust laws combine both flexibility and certainty, or generality and detail, by the same method as most of our important laws. The basic principles of the laws are stated in broad general terms. This requires the laws to be interpreted in the course of application to specific situations. Thus a body of judicial precedents is built up by the decisions in specific cases, which supplements the statutes and provides guides to the meaning of the laws.

This is the common law method of developing legal doctrine and is fundamental to our system of government. For example, the legal principle of most common and general application is the rule imposing liability for negligence. This rule states generally that anyone who fails to exercise the care of a reasonable man and thereby injures another must pay for the damages caused. This is a principle of wide application stated in simple and general terms and most flexible in its application. The interpretation or application of this principle has given rise to literally tens of thousands of cases which give specific content to the general rule.

Similarly, Chief Justice Hughes stated, the Sherman Act, as a charter of freedom, "has a generality and adaptability comparable to that found to be desirable in constitutional provisions. It does not go into detailed definitions which might either work injury to legitimate enterprise or through particularization defeat its purposes by providing loopholes for escape. The restrictions the act imposes are not mechanical or artificial." (*Appalachian Coals* v. *U.S.*, 288 US 344).

Early in the history of the antitrust laws, the Supreme Court declared that the Sherman Act was to be applied in a reasonable manner, which would not interfere with the power to carry on business by all normal methods, but which would prohibit all acts and practices that restrained competition. Over the years, the courts have recognized that certain practices are of a kind the statute clearly intended to prohibit. Thus the Supreme Court has held that certain acts are unreasonable per se and therefore illegal. The practices that are conclusively presumed to be unreasonable are principally price fixing of every kind, agreements among competitors for the allocation of customers or territories, group boycotts, the pooling of profits by competitors, and other similar types of agreements not to compete.

As to these practices which are per se unreasonable, and therefore illegal, there is great certainty and little flexibility. On the other hand, practices which are not per se unreasonable must be judged by their purposes and probable effects in the light of all the economic circumstances. As to these practices, there is considerable flexibility but correspondingly less certainty. This antithesis of certainty and flexibility is not a peculiarity of the antitrust laws, but a logically inescapable element in all law.

The argument that the antitrust laws are not rigorous enough, is, of course, completely inconsistent with the claim that the laws are too rigorous. The validity of this argument necessarily depends upon the view that is held as to the economic structure that this country should possess. But generally the argument is rested upon the assertion that economic concentration is increasing despite the antitrust laws.

Unfortunately there is dispute among scholars and others both as to whether economic concentration has increased significantly in this country during this century and also as to the nature and validity of the criteria by which such concentration may be measured. In any event, it is clear that there is still a large degree of competition and freedom in the economy generally. This appears to be due in great measure to the antitrust laws.

It is, of course, impossible to make a rigorous proof of any historical cause and effect. No one can measure the degree to which basic legal principles have influenced social development. For example, the concept of "due process of law" has certainly had a profound effect on the course of American history. But it is difficult to specify and impossible to quantify that effect. Likewise, the principles of antitrust have had a substantial effect upon economic structure according to the testimony of most observers and business participants although the degree of influence is incommensurable.

Those who criticize the antitrust laws on the ground that competition is ineffective or outmoded have yet to make either a cogent theoretical argument or a practical demonstration that there is any better alternative social model. The experience of this country would certainly seem to offer at least some evidence to the contrary.

One of the first great antitrust cases resulted in the dissolution of the Standard Oil combination in 1911. Now, half a century later, the oil companies which resulted from the splitting up of the Standard Oil combine, are large and prosperous and are among the largest corporations of the country. On the other hand, many railroads, airlines and other regulated enterprises are in obvious financial difficulty. Clearly there are numerous complex causes. However, this suggests at least that regulation and restriction of competition is no guarantee of prosperity, and that competition enforced by antitrust action is no barrier to prosperity and growth. There are numerous industries in which antitrust action has taken place and in which business has grown large and prosperous. Indeed the critics who claim that the antitrust laws are too rigorous can point to no specific example where they have prevented the growth or development of American industry in any field.

In an event, no system of regulation or of Socialist incentives has yet been suggested that will secure all of the purposes and objectives of the antitrust laws. It is possible that regulation or Government ownership might avoid exploitation of the consumer and unduly high prices. There is no serious reason to doubt that this will be true in practice over any substantial period, but the point may be conceded for the sake of argument. However, it is clear that neither regulation, Government ownership, nor monopoly, will furnish that automatic and impersonal control of prices and allocation of resources which is most likely to insure economic efficiency without reliance upon the fallability of human knowledge and judgment. Further, the stimulation and utilization of diversity which generate technological progress can hardly be achieved by any other method than that freedom which is protected by antitrust principles.

It is noteworthy that since the end of World War II many of the other industrial countries of of the world, particularly in Europe, have adopted new or substantially strengthened statutes against restrictive business practices. Japan adopted such a statute in 1947; Austria in 1951; Norway, Sweden, and Ireland in 1953; France in 1954; Denmark in 1955; Great Britain and Netherlands in 1956; Germany and Finland in 1957; Belgium, Israel, and Canada in 1960. Moreover, broad provisions against restraints on competition were contained in the treaty establishing the European Coal and Steel Community in 1951, and also in the Treaty of Rome establishing the European Economic Community (or Common Market) in 1957. The treaty setting up the European Free Trade Association or the "Outer Seven," in 1960 likewise contained provisions on the subject. While there are numerous differences and a variety of detail among these statutes and treaties, it is significant that all, like our own antitrust laws, seek the maintenance of competition and the elimination of what we call restraint of trade.

Prof. Albert Coppé, vice president of the High Authority of the European Coal and Steel Community and a distinguished economist, has said:

"Even among those of us who looked for great results from the Common Market there was astonishment at the swiftness with which the intensification of competition produced a considerable increase in investments. In various sectors of the Community's industries, investments are now going up swiftly. There has been a 40 percent increase in coal mine investments, and an increase of nearly 50 percent in the steel industry as compared with the first years of the Common Market.

"With this increase in capital investment has come increased productivity in the Community's industries. Certainly productivity is the key to higher living standards in a modern industrial economy. Therefore, another lesson to be learned from our experience is that by establishing a climate of competition it becomes possible—because it becomes commercially necessary—to increase investments, boost productivity, and thus contribute to higher living standards." (Speech at St. Mary's University, San Antonio, Tex., Oct. 3, 1957.)

Beyond the economic benefits, probably the most important purpose achieved by the maintenance of a free enterprise system through the antitrust laws is the establishment of conditions that foster and permit political democracy and civil liberty. Neither government regulation nor any of the alternative theories or schemes yet suggested would afford conditions of individual economic freedom to nurture political democracy and civil liberty as antitrust and free enterprise do.

Without suggesting either that the antitrust laws are perfect or that they are the sole cause involved, it may be observed that their purposes have been largely achieved. The United States has developed a free and competitive economy and has made unprecedented technological progress. It has increasingly made more goods available to more people and has maintained an economic system with a very large degree of individual freedom, opportunity for initiative and political democracy. These achievements are surely the result of both the underlying philosophy that produced the antitrust laws, and the existence and enforcement of the laws themselves.

ENFORCEMENT POLICY

The enforcement of laws can be more or less efficient or vigorous, but, if it is honest, it cannot be partisan or political. The enforcement of the Federal laws, particularly the antitrust laws, over the years has been honest, nonpartisan and nonpolitical. Differences of opinion as to application of general antitrust principles to particular cases can and do exist among conscientious lawyers. However, there has been relatively little differences among those charged with enforcement of Federal antitrust laws as to the principles that should apply.

The basic antitrust enforcement policy is, and we believe always should be, to achieve the objectives of the law by securing compliance. The enforcement policy of this administration does not seek to impose penalties upon business, to secure injunctions or to win cases for the sake of a statistical record. Indeed, we believe that the effectiveness of antitrust enforcement cannot be measured by statistics. Were the program of enforcement perfectly effective, there would be universal voluntary compliance and litigation would be confined entirely to borderline cases in which the application of general principles required full judicial inquiry and determination. No such utopian condition seems imminent or prospective. However, such a hypothesis emphasizes the point that statistical measures of cases filed are not a good indication of the effectiveness of enforcement activity.

With respect to the specific cases that are brought, there is an inescapable burden of discretion on enforcement officials since manpower and money are limited. There always are more complaints than it is possible to investigate fully and more potential cases than it is possible to prosecute.

Within this area of discretion, the selection of cases is now being made on the basis of economic significance and potential contribution to the achievement of antitrust objectives. Enforcement activity is not fashioned to fit any preconceived ideas as to which sections of law should be enforced or which areas of business should be prosecuted. While errors of judgment are always possible, enforcement policy now is guided solely by the policy and standards of the statutes on the basis of the specific facts in each case. Despite some published opinions to the contrary, enforcement policy and activity under the present administration has been neither punitive nor hostile. For example, the proportion of criminal cases filed in 1961 was the lowest of any year in the last decade.

In the past, enforcement officials sometimes have suggested that one section of the antitrust statutes might be more important or more effective than another. The announced policy of this administration to enforce all sections of the law with equal vigor has led some writers to the erroneous conclusion that we are less vigorous with respect to certain statutes than those who talked more emphatically about them. Specifically it has been asserted that we are bringing fewer cases under the Celler-Kefauver Antimerger Act than the preceding administration. The fact is, however, that the largest number of cases brought under this statute in any year prior to 1961 was 11, while 18 such cases were filed in the year 1961. Furthermore, of the 18 cases filed in 1961, 5 were actually brought to trial during that calendar year and 1 additional case was brought to trial within 1 year of the date on which it was filed. As many merger cases were tried in 1961 as were tried during the preceding decade.

This does not mean that all mergers are automatically challenged by the Antitrust Division. On the contrary, the number of cases is relatively small in relation to the total number of mergers. The Antitrust Division examines over a thousand mergers a year. Between 1 and 2 percent of these mergers are challenged in court.

In this connection, the Antitrust Division is guided by the statements of the courts that mere size is not an offense against the antitrust laws, but that market power is one of those economic circumstances relevant in certain cases. Practices such as price fixing which are unreasonable per se are equally forbidden for all businesses whether big or small in market power. On the other hand, a far wider range of practices is prohibited only as the practices appear to be unreasonable in the setting of economic circumstances. In such cases the relative market size of the enterprise involved clearly is of importance. For example, an acquisition or merger by a company that is already very large in relation to its market is far more likely to lessen competition substantially or tend to create a monopoly in violation of the antitrust laws than a similar transaction by a small company.

Most of the investigations and cases of the Antitrust Division are in response to complaints received. These come in at the rate of more than 100 a month. Of the total number of complaints received only about 13 percent develop into major investigations and less than 5 percent in the filing of a case. A most significant fact is that of all the complaints received over two-thirds are from businessmen themselves. The great majority of the investigations made and the cases filed under the antitrust laws are the result of requests by business for legal protection.

THE SPIRIT OF ANTITRUST

In the final analysis, therefore, the antitrust laws are truly pro-business. By keeping the economy free, by preventing restrictive and unfair practices, and by permitting equality of opportunity for all, they have maintained the conditions that permit and foster the growth of American business. The antitrust laws, in this respect, may be likened to the laws that regulate traffic. Nearly everyone is annoyed at some traffic laws and indignant after receiving a traffic ticket. But most reasonable men recognize that without traffic laws and officers to enforce them no one could drive safely on the crowded public highways.

In the same manner it is antitrust enforcement that keeps the economic highways free and open to business. If it were not for enforcement of the antitrust laws there might be one or two businesses able to survive and drive others off the highway or out of the field. However, the overwhelming majority of businesses, literally more than 99 percent of all present business enterprises, would have little chance of prosperity or even survival without such protection.

Beyond this, the antitrust laws offer one common ground upon which those of varying political and economic viewpoints can, and indeed must, meet if Americans are to work together in building greater economic strength for the future. The concept of pluralism in the organization of power is the one positive and practical program that can challenge the strength of tyranny arising from the monopolistic concentration of power under the totalitarian systems.

The matter was well stated by Fortune in an editorial in July 1948:

"Unique among those institutions which have tended to preserve America's flexible, dynamic, and competitive society is the Sherman Antitrust Act, passed 58 years ago by a Republican Congress and currently being applied in a way that may profoundly affect U.S. enterprise. * * * Redemption can come only as freemen everywhere come to see that liberty is meaningful only as power, political as well as economic, is dispersed, and that the high road to such dispersal lies through the cultivation, not the elimination, of private property, and the broadening, not the constriction, of the market. But within the context the Sherman Act does make sense—a signpost from the past providentially preserved into the present. We may not be able and we may not wish to recreate the exact ideal society envisaged by its framers. They too were unsure and did not know all the answers. What they did know was that the free society rests on the idea of limited power and that there are moral reasons for insisting on this which transcend any economic considerations. Let us, therefore, apply the letter of the Sherman Act as best we can to our complex industrial society—preserving its spirit to fight the deadly statist tyrannies of our time."

This is the spirit of the antitrust laws, as it is the spirit of the American Constitution and the American people. This is the spirit that moves and guides the present enforcement of the antitrust laws. In this spirit, antitrust is truly probusiness, but is much more than that. Antitrust means free enterprise. It means equal economic opportunity for all in a free society.

The basic vision of the antitrust laws is that freedom can exist only where it is established and protected by law, and that the law must secure a pluralistic rather than a monopolistic organization of power in every realm. This concept is built into the very structure of our Government. The Constitution itself provides for a system of checks and balances by organizing the power of Government into three separate and coordinate branches. The purpose of the founders of the Nation was to guard against tyranny by preventing too great a concentration of power in the hands of one or a few. In the economic, as in the political realm, we must insure that power is organized on a pluralistic, not a monopolistic basis. The spirit of antitrust is the spirit of liberty, and its method is the most practical means of securing and maintaining liberty that mankind has yet learned.

PROPOSED FEDERAL TAX REDUCTION

Mr. BYRD of Virginia. Mr. President, on June 29, 1962, the Chamber of Commerce of the United States, through Mr. Ladd Plumley, president, announced its recommendations for immediate Federal tax reduction with a statement that its committee on taxation was "not unmindful of the immediate impact of rate reduction on the imbalance in the budget."

I replied to this action by the board of the U.S. Chamber in a letter to Mr. Plumley dated July 6. My letter was made a part of the RECORD on July 9. Copies of this letter were sent to executive officers of State chambers of commerce.

After my letter to Mr. Plumley had been mailed I received a letter dated July 5 from Mr. Plumley regarding the action which had been taken by the U.S. Chamber board.

Subsequently, on July 11 I received a memorandum dated July 10 from Mr. Arch N. Booth, executive vice president of the Chamber of Commerce of the United States. The memorandum was addressed to "Members of the Senate Finance Committee," and it enclosed a "copy of a wire to executives of State chambers of commerce" and a copy of a letter to Mr. Herschel C. Atkinson, executive vice president of the Ohio State Chamber of Commerce, at Columbus.

I have replied to Mr. Booth's memorandum. I ask unanimous consent that my reply to Mr. Booth, the text of Mr. Plumley's letter of July 5, and Mr. Booth's memorandum to Senate Finance Committee members, with enclosures, be published in the RECORD as a part of these remarks.

There being no objection, the letters, memorandum, and enclosures were ordered to be printed in the RECORD, as follows:

JULY 11, 1962.

Mr. ARCH N. BOOTH,
Executive Vice President, Chamber of Commerce of the United States, Washington, D.C.

MY DEAR MR. BOOTH: I am in receipt of your memorandum dated July 10, 1962, addressed to "Members of the Senate Finance Committee" which said:

"To help set the record straight about recommendations made by the Chamber of Commerce of the United States for cutting Government expenditures and for cutting individual and corporate income taxes, the attached is sent to you."

To this memorandum you attached two enclosures: (1) a copy of wire sent to executives of State chambers of commerce, and (2) a letter to Mr. Herschel C. Atkinson, executive vice president, Ohio State Chamber of Commerce, Columbus, Ohio.

In your wire to State chamber executives you say in part:

"Senator BYRD's July 6 open letter to President Plumley and his letters to State chambers both fail to present accurately our position on reduction of tax rates and Federal spending. Recent board action in no way deviates from policy positions set for the chamber by its member organizations.

"The national chamber has consistently pressed for reduction of Federal spending. This year alone we have detailed more than $5 billion in constructive cuts and urged congressional action. We insist every needless expenditure be eliminated.

"These two major positions are inseparable and must be considered together."

In your letter to Mr. Atkinson, you say in part:

"As stated in the July 6 issue of our publication Washington Report, the national chamber coupled its tax proposal with a demand for reduced Government expenditures."

In my letter of July 6 to President Ladd Plumley of your organization, I said in part:

"I was astonished and dismayed by the June 29 action of the board of the U.S. Chamber of Commerce recommending immediate Federal tax reduction without equal reduction in expenditures," and that "I was shocked by the fact that * * * you would propose tax reductions with admitted recognition of 'imbalance in the budget,' and that you would do so with minimum emphasis on expenditure reduction."

I said further that:

"It is untimely, dangerous and panicky for the president of the U.S. Chamber of Commerce at this time to say delay in tax reduction 'courts the disaster of a recession in the United States' which may spread to Canada and Europe."

I submit that these statements by me are in no way at variance with the two statements attributed to President Plumley, released by the U.S. Chamber of Commerce on June 29, relative to immediate reduction in Federal taxes.

If I misinterpreted the June 29 action by the U.S. Chamber board, I am in company with the authors of every public comment on the matter which I have seen to date.

I do not think I misinterpreted the action. I quote in part, but directly, from a letter dated July 5, 1962, from Mr. Plumley to me:

"Some suggest a cut in Government spending must precede rate reduction. But the experience we have had in recent years argues that forces in power may demand more spending rather than less.

"To await the day when spending is cut, as propitious for reducing tax rates, may be to wait in vain. Experience again shows clearly that Federal spending preempts Federal revenues even before they are received.

"To the chamber membership, the question is one of seeking among alternatives * * * although the various alternatives, we admit, are fraught with dangers.

"To us, the immediate cut of tax rates—so burdensome to private initiative and accomplishment—is a first step."

I would appreciate a reconciliation of all of the statements made by you and Mr. Plumley on this subject and a complete statement of the position of the U.S. Chamber of Commerce with respect to immediate reduction of taxes with or without compensating reduction in expenditures.

Very sincerely yours,

HARRY F. BYRD.

The full text of Mr. Plumley's letter of July 5 to me follows:

CHAMBER OF COMMERCE
OF THE UNITED STATES,
Washington, D.C., July 5, 1962.

Hon. HARRY F. BYRD,
U.S. Senate
Washington, D.C.

DEAR SENATOR BYRD: Some recent press commentaries suggest that you may be viewing the national chamber askance, particularly in view of a recent statement on tax-rate revision.

As a principal means of transmission of that statement, let me assure you—if such assurance is indeed necessary—that the chamber has not rejected the facts of fiscal responsibility.

For some years now, as you may recall, the chamber has been urging both the reduction of less-essential Federal expenditures and the advisability of lowering the corporate and individual income-tax rates.

This year, we are doing the same, but with even more emphasis.

Many suggest that tax-rate reduction would bolster the economy. Much sound testimony to Congress from tax specialists supports this view. There is increasingly more general recognition of the harm that high rates may cause.

The problem, briefly, is when and how to bring these cuts about, and what specifically should the cuts be.

Here, of course, is a point where honest opinion may differ.

Some suggest a cut in Government spending must precede rate reduction. But the experience we have had in recent years argues that forces in power may demand more spending rather than less.

In the year of our highest GNP, we have witnessed a $7 billion deficit. Another is already abuilding, we are advised for this year. And there is much administration comment to support the merit of deficit spending for years to come.

To await the day when spending is cut, as propitious for reducing tax rates, may be to wait in vain. Experience again shows clearly that Federal spending preempts Federal revenues even before they are received.

What then is the alternative? If we are to live with deficit spending, how best may we turn it to our advantage?

In effect, as I see it, that is the debate that is best conjured up by the chamber's suggestion for acting now on tax-rate revision.

Currently, there is talk of recession, perhaps this fall, next spring. Inevitably, suggestions will come for more Federal spending—to combat this economic trend.

Yet, many propose that immediate tax-rate reduction would forestall this economic possibility and turn us into new ways of economic growth.

We are aware, from past experience, that this Nation cannot spend itself into prosperity—out of the Federal Treasury. Yet we have reason to believe that just that course may be attempted, if the signs pointing to recession deepen.

To the chamber membership, the question is one of seeking among alternatives, although the various alternatives, we admit, are fraught with dangers.

To us, the immediate cut of tax rates—so burdensome to private initiative and accomplishment—is a first step.

It is our way of declaring a form of cold war against forces depriving the economy of its full measure of growth.

Granted some temporary and immediate cost, it provides a measure of offensive action which—used wisely—can effectively combat the negative outmoded approaches to the problems of economic development.

I should welcome the opportunity to sit down with you—in your office, or mine—and discuss these problems with objectivity.

It needs no words from me to express our appreciation of your stand for us in the Congress. We know you act in the best interests—as you see them—of us all.

If there is difference of opinion, at best it is but temporary. And if the facts support one side or another more comfortably, I should like to have the privilege and opportunity of presenting your views more widely to our chamber membership.

Cordially,

LADD PLUMLEY.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, D.C., July 10, 1962.

Members, U.S. Senate Finance Committee:

To help set the record straight about recommendations made by the Chamber of Commerce of the United States for cutting Government expenditures and for cutting individual and corporate income taxes, the attached is sent to you.

Cordially yours,

ARCH N. BOOTH.

[Copy of wire sent to executives of the State chambers of commerce]

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, D.C., July 10, 1962.

Senator BYRD's July 6 open letter to President Plumley and his letters to State chambers both fail to present accurately our position on reduction of tax rates and Federal spending. Recent board action in no way deviates from policy positions set for the chamber by its member organizations.

The national chamber has consistently pressed for reduction of Federal spending. This year alone we have detailed more than $5 billion in constructive cuts and urged congressional action. We insist every needless expenditure be eliminated.

These two major positions are inseparable and must be considered together. The national economy is now at a critical point where action is essential. Future balanced budgets, fiscal sanity, and continued economic growth depend upon reduction of needless Federal spending and removal of present tax rate deterrents.

ARCH N. BOOTH,
Executive Vice President.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, D.C., July 10, 1962.

Mr. HERSCHEL C. ATKINSON,
Executive Vice President,
Ohio Chamber of Commerce,
Columbus, Ohio.

DEAR HERSH: Your July 9 day letter to Senator HARRY F. BYRD states, "Ohio chamber board has taken position that major reduction of Federal expenditures and downward tax adjustments are inseparable."

As stated in the July 6 issue of our publication, Washington Report, the national chamber coupled its tax proposal with a demand for reduced Government expenditures.

I'm sorry you didn't call to learn the details of the national chamber's recommendation for cutting Government expenditures and for cutting individual and corporate income taxes. The national chamber has presented 19 separate recommendations to congressional committees in support of our contention that more than $5 billion can be trimmed from appropriations. Additionally, we have taken a position for deficit-cutting postal rate increases—against debt ceiling hikes—and against standby public works authority.

Our positions are quite similar—almost identical—yet you have implied important differences of opinion and you have implied no expenditure reduction effort by the national chamber in your wire to Senator BYRD, copies of which you sent to the members of the Senate Finance Committee and the House Ways and Means Committee.

Thank you for sending copies of your communications.

Cordially yours,

ARCH BOOTH.

ALASKA'S LAND-GRANT COLLEGE PERSONIFIES ITS MOTTO: AD SUMMUM

Mr. GRUENING. Mr. President, 5 years before the signing of the Treaty of Cession of Russian America to the United States, President Abraham Lincoln signed the Morrill Act into law. The date was July 2, 1862.

In the 100 years which have elapsed since the signing of the Morrill Act its value has far exceeded the hopes of Congressman Justin Smith Morrill, of Vermont. The Morrill Act offered to each State, Federal land upon which to build a college. It is significant that today there are land-grant institutions in each of the 50 States and in Puerto Rico.

Justin Morrill brought the colleges to the people. For today 1 of 3 high school graduates attend college rather than the 1 of 1,500, the ration in 1862.

As the States availed themselves of this remarkable Federal plan, certain of their leaders saw the need to work together to resolve mutual problems. By 1885 the Association of State Universities and Land-Grant Colleges was formed.

In 1862 32 million Americans could, if funds were available, have sought admittance to the Nation's 203 colleges. One hundred years later 180 million Americans are served by more than 2,000 institutions of higher learning. One-fifth of nearly 4 million enrolled students attended land-grant colleges. Millions more have attended or graduated from them, among them 25 of the 42 living American Nobel Prize winners, according to Chancellor John T. Caldwell, of North Carolina State College, president of the Association of State Universities and Land-Grant Colleges.

The land-grant institutions during this historic centennial year have named chairmen to coordinate appropriate events at the colleges. Dr. Arthur S. Buswell, dean of statewide services, heads the University of Alaska Centennial Committee.

The Morrill Act has been described often during its century of service, but I particularly like the recent definition offered by my able colleague the senior Senator from Vermont [Mr. AIKEN] when he opened the land-grant centennial exhibit at the National Archives in Washington, D.C.

He said:

> Many thousands of words have been used to define the land-grant college system.
>
> The Morrill Act of 1862 has been called the Magna Carta of American education, and "the emancipation proclamation for those striving for higher education."
>
> It is both of these but the land-grant college laws, as a whole, are something more: They are designed to teach people how to do for themselves.
>
> This fundamental objective is embodied in the original Morrill Act. It is the intent and the spirit underlying subsequent legislation—the Morrill Act of 1890, the Hatch Act of 1887, the Smith-Lever Act of 1914 and the Bankhead-Jones Act of 1935.

That the senior Senator from Vermont [Mr. AIKEN] should open the land-grant centennial exhibit is appropriate. The principal proponent of the Morrill Act, U.S. Representative Justin Morrill, represented Vermont in the U.S. Congress for nearly 50 years.

Fifty-five years after the signing of the Morrill Act, the Alaska Territorial Legislature by its acts of May 3, 1917, accepted the land grant and created a corporation known as the Alaska Agricultural College and School of Mines, which had been established by the 63d Congress, during the first term of President Woodrow Wilson.

The University of Alaska actually dates from July 4, 1915, when the Honorable James Wickersham, Alaska's delegate to the U.S. Congress, laid the cornerstone on college hill near Fairbanks on land set aside by the Congress on March 14, 1915.

The doors of Alaska's first public institution of higher learning opened September 18, 1922, to six students, but not until July 1, 1935, was it named the University of Alaska by act of the Territorial legislature. In the following 40 years its enrollment has grown to nearly 1,000 at the home campus. The scope of its instruction increased substantially in 1953 when the Territorial legislature authorized the university to cooperate with qualified school districts in the setting up of community colleges. Four such colleges have been established in Anchorage, February 8, 1953; Ketchikan, fall of 1954; Juneau-Douglas, fall of

1956; and Palmer, fall of 1961. A fifth is planned at Sitka.

Students attending these institutions may take courses for academic credit at the freshman and sophomore level. These courses and their instructors are approved and supervised by the university. They are offered in the evening and local school facilities are utilized.

Justin Morrill, according to my friend, the senior Senator from Vermont [Mr. AIKEN], believed the land-grant idea to be a commonsense plan for extending the advantages of education to all American people. Justin Morrill realized that education was essential for effective, intelligent, and informed popular government. How well his concepts apply to the development of the public higher education system in Alaska, a State one-fifth the size of the entire United States yet whose progress constantly has been impeded by its inadequate highway system. Thus, as education at the college level is brought closer to more Alaskans because of the Morrill Act and its subsequent expansion, it is possible to teach people how to do for themselves, as my friend from Vermont suggests.

President Kennedy in his message on education sent to the Congress February 6, 1962, said:

> No task before our Nation is more important than expanding and improving the education opportunities of all our people.

Alaskans are working to implement his statement.

Since the University admitted its first 6 students, taught by 6 faculty members, it has grown in size to nearly 1,000 students and 93 faculty, and a Stanford University School Planning Laboratory study anticipates an enrollment of 3,500 by 1970. The 1962 enrollment figure is implemented by students attending the Community Colleges and hundreds participate in noncredit courses.

The University of Alaska is the farthest north institution of higher learning in the Western Hemisphere. Located only 125 miles from the Arctic Circle, it offers 4 year courses leading to bachelor's degrees in agriculture, arts and letters, biological science, business administration, chemistry, civil engineering, education, electrical engineering, general science, geophysics, home economics, mining engineering, geological engineering, metallurgical engineering, geology, physics, and wildlife management. Graduate programs leading to the master's and doctor's degrees also are offered.

Since 1922 four men have served as president of the institution. The first was Dr. Charles E. Bunnell, a former U.S. district judge, in whose honor Bunnell Memorial Building is named. He came to Valdez, Alaska, in 1900, as an educator, taught school there, then served as district judge of the fourth division bench before assuming his duties December 7, 1921.

Handicapped in the matter of appropriations by largely uninterested and often hostile legislatures more or less dominated by absentee interests whose chief preoccupation was to take as much as they could out of Alaska and leave as little as possible, Bunnell struggled heroically to keep the institution alive. To his pertinacity, to his vision, to his determination, exercised unflaggingly for a quarter of a century, that the advantages of higher education should be available to Alaska's youth, Alaska owes the survival of its one State university.

Dr. Terris Moore succeeded Dr. Bunnell as president of the University of Alaska, July 1, 1949. He served until October 31, 1953.

Dr. Moore, known as the "flying" president, visited many parts of the then-Territory in his airplane. Today he works for the Army Research and Engineering Center in Natick, Mass., and in 1959 in Alaska set what is believed to be the high altitude landing record for fixed wing aircraft.

His successor, President Ernest N. Patty, immediately began to build the academic and physical plant of the University of Alaska. Long familiar with the university, Dr. Patty joined the faculty in 1922 as a professor of geology and mineralogy. In 1926, President Bunnell had appointed him dean of the college and head of the School of Mines. Dean Patty had entered private business in 1935, but returned in 1953 when the board of regents elected him president of the university. Fortunately a different attitude from that which had plagued President Bunnell now prevailed in the legislatures.

Dr. William R. Wood succeeded President Patty in the fall of 1960 as president, coming to Alaska from Nevada where he was academic vice president of the University of Nevada and director of the Desert Research Institute.

Thus in 1962 the University of Alaska looks ahead in this era which has been called the age of technological leapfrog. In his inaugural address of October 23, 1960, President Wood said:

> Let us build the University of Alaska to be the northernmost star in the intellectual firmament—a polar guidemark for freemen everywhere.

And the University of Alaska is taking the giant strides necessary to achieve this goal. The most modern of facilities will enable students and faculty to pursue new forestry research, help erase water pollution, advance in biological science, and develop the untapped resources of the vast northland on a campus which will include 100,000 acres.

A great center of Arctic and sub-Arctic research is in the making at the University of Alaska. Daily more people become aware of Alaska's geographic location, of the State's strategic implications for global relations.

The university is the closest of all U.S. institutions of higher learning to Asia. The polar route makes it a near neighbor to the universities of the Scandinavian countries and northern Europe. Jet travel puts it less than 7 hours away from New York City and the colleges of the Atlantic seaboard.

We of Alaska know that it is inevitable that our university becomes a distinguished regional world center for research and advanced studies. As President Wood has said:

> It is precisely the right place at the right time in history. Not only the State, but the Nation is concerned that great strides toward the fulfillment of this destiny be undertaken promptly.

Thomas Jefferson has written:

> If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be.

Written in 1816, the Jeffersonian comment epitomizes the purposes of all colleges for we must keep informed of progress. No substitute exists for thinking people.

"We live today in the first era of changing fact," according to Mr. J. Lewis Powell, an official in the Department of Defense. When someone says "what goes up, must come down" remind him, suggests Mr. Powell, that there are more than 50 satellites orbiting the earth which went up but have not come down and will not until a button is pressed.

If we are to keep informed of progress, of actual changes in fact, we must make sure that we do not repeat as new experience that which has been learned and digested previously.

The president of the University of Alaska concurs.

In his inaugural address of 1960 he said:

> It is easy to educate for yesterday. Mediocrity loves it. Besides it is cheaper. The worthless usually is. Higher education for the 21st century will require the most strenuous efforts of our toughest minds. It will be very, very expensive. As expensive by comparison as a Polaris missile is to a World War I torpedo—and as necessary for survival as the Polaris. Yet there is little choice open to us as a people. We go forward militantly into the 21st century intellectually and ethically armed or we shall stand still and be dragged into it to generate into ignorance and mediocrity and oblivion.

And I agree with his statement that "governments exist for the benefit of men; men do not exist for the benefit of governments."

The century of progress in education since inception of the land-grant college program attests to this.

A university enshrines the soul and spirit of the people it serves. It can be the dynamo which sparks their intellectual urge. It may serve as their leader, beckoning to greater heights of purpose, service, and achievement.

So appropriately "Ad Summum" is the University of Alaska's motto; and on its seal is depicted Mount McKinley, the continent's highest eminence, which, 160 miles to the southwest, is visible on a clear day from the campus.

The struggle to the summit is never easy. The University of Alaska needs much to fulfill its mission. The purpose to attain it has never been firmer among the regents, president, faculty, student body, and alumni—and among the people of Alaska generally. It is in the national interest that this goal of a great university, not only serving the people of America furthest north and west, but also being the center of Arctic and sub-Arctic research and knowledge for the free world, be achieved.

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION — AMBASSADOR TO IRELAND

The PRESIDING OFFICER. Under the order entered on yesterday, the Senate will now proceed to consider, in executive session, the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

The question is, Will the Senate advise and consent to this nomination?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN obtained the floor.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. Is the Senate in the morning hour?

The PRESIDING OFFICER. The Senate is in executive session. The question is, Will the Senate advise and consent to the nomination of Matthew H. McCloskey to be Ambassador to Ireland?

Mr. KEATING. Will the Senator from Alabama yield?

I do not wish to delay the proceeding in any way. I wish to address the Senate for 4 or 5 minutes on a different subject. If it is agreeable, I can do so at this time. However, I can defer my remarks.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that I may yield 5 minutes to the distinguished Senator from New York without losing my right to the floor.

The PRESIDING OFFICER. As in legislative session, without objection, it is so ordered.

TELSTAR SUCCESS POINTS UP NEED FOR SATELLITE COMMUNICATIONS BILL

Mr. KEATING. Mr. President, this week the American Telephone & Telegraph Corp. joined forces with the Government of the United States in launching a crucially important satellite—the first link in this country's planned communications network in outer space. The launching was a total success and television transmittals were completely successful. Fifteen hours after its launching from Cape Canaveral, our scientists were able to demonstrate this success by flashing a television beam from Andover, Maine, to the satellite, and from there to another ground receiving station in France. No one who saw the taped image of that program, with the flag of the United States furling against the huge white dome of the transmitting station, could fail to be thrilled by the magnitude and the potential of what we had done. In Europe, the French and British are already contesting their own claims and efforts to participate.

A.T. & T. paid $3 million for this launch, Mr. President, and it contracted to reimburse the Government whether the launch was a success or failure. A comparable public venture, the Space Agency's Project Relay, which is financed by the American taxpayer, is still on the ground, and will not be launched for another 2 months. In the meantime, Telstar is providing the company and the country, valuable information which will be used to develop and improve our vital communications network. The point is obvious, Mr. President. Private initiative, when it is allowed to function in cooperation with the Government facilities, can do the job, and can do it well. Project Telstar is an unqualified success.

I wish I could say the same about the space communications bill that we are attempting to launch in this Chamber. We have heard more than a week of debate on the bill already, and more is scheduled for the near future. If all of this talk were for the purpose of writing the best and most farsighted bill possible, there could be no objection, but, such, unfortunately, is not the case. The sole purpose of this extended debate is to talk the communications satellite bill to death, to block its passage in the current session of Congress, so that its opponents can look for some more convincing arguments next year.

I deplore the use of this tactic, Mr. President, in this or any other legislative struggle, and I would venture to predict that it will not be successful. The launching of the Telstar can only lend weight to our arguments. We must act now, with a private satellite in orbit, if we are to have an effective partnership of Government and private enterprise in the rapidly expanding world of space exploration. If we do not work out this partnership now, it is quite certain that we will have lost the chance, for A.T. & T.—which the opponents of this bill profess to fear so much—will have gone ahead and established its space communications system alone. If the opponents of this bill continue to stall, they will have succeeded in accomplishing the very thing they profess to oppose—the establishment of a monopoly.

The time to act is now, Mr. President, while we have a chance sensibly and effectively to regulate this new venture without the scandals and acrimony which accompanied the regulation of railroads 75 years ago. The time is now, Mr. President, while we are on the threshold of this great venture, to approve this model space age legislation. From the past, we can learn that governments and nations have always prospered in the transfer of new discoveries and techniques from public to private hands. From the future, we can catch a glimpse of the limitless horizons of our potential in space and a consequent realization of the overriding significance of what we do today.

Mr. President, the only reasonable choice before the Senate now is: Will we approve an organized cooperative venture? Or will we permit individual and possibly in future haphazard efforts by anyone who wants to go ahead

The British and French dispute over who should have filmed what first is just the kind of thing we can expect here unless we act promptly. Needless and undignified conflict can be avoided by approval of the bill now before us.

Mr. President, the whole country seems to be alert to this new effort. Only the Senate is not. Two very fine editorials appeared in the New York papers this week which eloquently pinpoint the reasons for moving ahead promptly. I ask unanimous consent that these editorials—from Tuesday's New York Times and Wednesday's Herald Tribune—be included in the RECORD at the conclusion of my remarks, and I commend them to the particular attention of those Senators who intransigently oppose the measure.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 10, 1962]

THE SPACE COMMUNICATIONS SATELLITE

The planned launching this morning of the Telstar communications satellite marks another dramatic thrust in man's penetration of the mysteries of space. The satellite, sent into orbit through a partnership of industry and Government, inaugurates a new era in communications.

Its readiness for experimental use focuses fresh attention on the merits of the administration-backed bill, which the Senate is about to debate, creating a private corporation to own and operate the U.S. portion of a global satellite system. The probability that such a system will be operating by 1965 represents an incalculable advance, and there is understandable controversy over the rules the Government should set to insure that the benefits for us and the world will be fully realized.

The bill, similar to one already passed by a House vote of 354 to 9, would make half the stock in the new corporation available to the general public and half to the common carriers in the communications field. The private stockholders would elect 6 of the corportions 15 directors, the communications companies 6 and 3 would be appointed by the Government. The Federal Communications Commission would regulate rates and services under powers broader than any it now exercises.

The measure's foes contend that it proposes a giveaway of the fruits of huge sums in Government-financed research to a private monopoly more interested in profit than in the satellite's great potentiality for service. Special fear is expressed that the corporation would be dominated by the American Telephone & Telegraph Co., which would supply 80 percent or more of its traffic. Government ownership along the lines of the Tennessee Valley Authority is the alternative these critics favor.

Supporters of the bill insist that safeguards in the proposed legislation prevent one-company domination and make the private corporation a promising instrument for integrating the satellite into the privately operated communications pattern that prevails in this country. The validity of these hopes would depend on the stringency of the powers assigned to the FCC and on the adequacy of the funds and staff it got for the most exacting regulatory task in its history.

Among the specific requirements it would have to enforce is a guarantee that all present and future communications companies have access to the satellite and its ground terminal stations on a nondiscriminatory basis under just and reasonable charges and conditions. The FCC also would have a mandate to police the manner in which facilities were allocated and interconnections supplied to insure competition. Effective followthrough on these requirements is a sine qua non for proper public protection.

The giveaway argument has no greater force in this field than it does in agriculture, mining, aircraft development, electronics, or any of the dozens of other areas in which Government-paid research has long provided benefits for both public and private users. Few experts believe a commercial satellite system can approach the break-even point in less than 5 years. The primitive state of present knowledge is indicated by the Pentagon's recent decision to scrap Project Advent, on which it had already spent $170 million in an attempt to develop a synchronous satellite that would travel in equatorial orbit 22,300 miles above the earth.

What is needed now for maximum progress in military and commercial applications is a pooling of public and private talent. The Telstar, developed by A.T. & T. and hurled into orbit by a Government rocket, indicates the virtue of such cooperation. Its first uses for transatlantic television transmission will reflect a similar partnership—private broadcasters on this side of the ocean and Government-run networks in Europe. With rigorous FCC supervision, the same pattern, embodied in the projected corporation for satellite communications, could permit the United States to play its full part in extending to all sections of the globe the high purposes of service to mankind offered by this newest gift of science.

[From the Herald Tribune, July 11, 1962]

A WORK OF PEACE: TELSTAR BLAZES A TRAIL IN THE SKIES

Even in an age which is well-accustomed to scientific marvels, there is something special about yesterday's successful launching of Telstar, the "switchboard in the sky," at Cape Canaveral.

For this new satellite, built by private industry—the American Telephone & Telegraph Co.—and launched by Government—the National Aeronautics and Space Administration—dramatizes with rare immediacy the changes to be wrought in our lives by the strides of space technology.

A new era has been opened in human communication. The launching of Telstar means that the continents will be linked together more closely and securely than ever. Stations in space will transmit signals with incredible speed, ease and accuracy around the globe, opening new pathways for intercontinental television, radio and telephone.

Telstar is an answer to those who have wondered what part private industry was going to play in forging the scientific advances of the future. It is an answer, too, to those who have wondered what practical, not to say immediate, benefits there were in man's forward surge into space.

Even as it races through space right now, the solitary space device of its type, Telstar has cut a new channel through the heavens for men to communicate with one another. And it is inevitable that within a short time there will be other Telstars girdling the globe, removing virtually all limits from men's ability to exchange words, ideas and thoughts with one another across the oceans, mountains and deserts that separate them physically.

America's new star in the skies bears one other indisputable and praiseworthy distinction. It is a work of peace. Telstar threatens no one, menaces no one, does not carry within itself the potential of disaster. It seeks to build, not to destroy.

All those who had a hand in putting it into space can view their work with satisfaction, and the country in which it was developed can present it to the world with pride. Indeed, perhaps we can all repeat today, in wonderment and gratitude, the words with which Samuel Morse more than a century ago inaugurated the telegraph age: "What hath God wrought."

EXECUTIVE SESSION — AMBASSADOR TO IRELAND

Mr. SPARKMAN. Mr. President, I am prepared to suggest the absence of a quorum. It has been indicated to me that some Senators have asked that it be a live quorum. Therefore, I would suggest that we start out with a request for a live quorum, so that Members of the Senate may be notified immediately.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

[No. 116 Ex.]

Aiken
Allott
Anderson
Bartlett
Beall
Bennett
Bible
Boggs
Bottum
Burdick
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Capehart
Carlson
Carroll
Case
Chavez
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Dworshak
Eastland
Ellender
Engle
Ervin
Fong
Goldwater
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Murphy
Muskie
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

Mr. KUCHEL. I announce that the Senator from Texas [Mr. TOWER] is absent on official business.

The PRESIDING OFFICER (Mr. HICKEY in the chair). A quorum is present.

The question is, Will the Senate advise and consent to the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland?

Mr. SPARKMAN. Mr. President, the question before the Senate is, Will the Senate advise and consent to the nomination of Matthew H. McCloskey, of Pennsylvania, to be U.S. Ambassador to Ireland?

The Committee on Foreign Relations held hearings on the nomination, and held the nomination for 2 or 3 days, while there was committee discussion of the nomination.

Finally, on Monday of this week, the committee, by a large majority, voted to recommend to the Senate that the nomination of Mr. McCloskey, to be U.S. Ambassador to Ireland, be confirmed.

It is the feeling of the majority of the committee that Mr. McCloskey is in every way fitted for this position, and will make a good ambassador.

In the committee, there was some opposition to confirmation of the nomination; and the Senator from Delaware [Mr. WILLIAMS] is prepared to discuss the nomination from that point of view.

At this time, I shall not say more.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. Yes; or I am ready to yield the floor.

Mr. WILLIAMS of Delaware. I should like to have the Senator from Alabama yield in order that we may get the record straight.

Will not the Senator from Alabama agree that on the day when the committee held its first hearings, the day when Mr. McCloskey appeared before the committee, the questions concerning certain of his business deals which later were raised, had not been before any of us at that time?

Mr. SPARKMAN. That is correct.

Mr. WILLIAMS of Delaware. I think that should be made clear because, as the Senator from Alabama knows, at the time when the committee held the public hearing at which Mr. McCloskey routinely appeared—no question as to his eligibility had been raised.

Mr. SPARKMAN. That is correct. As a matter of fact, the question was raised by the Senator from Delaware at one of the subsequent meetings.

Mr. WILLIAMS of Delaware. Yes; in executive session.

Mr. SPARKMAN. And that was the reason why we had the series of meetings—in order to get before us the necessary records, so that the Senator from Delaware might have an opportunity to examine them.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Alabama yield further?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. Will not the Senator from Alabama also agree that after these records were brought to the committee, the nomination was ordered by the committee to be reported favorably to the Senate without the members of the committee having had an opportunity—even if they had desired to do so—to read the records prior to the taking of that vote?

Mr. SPARKMAN. Well, I would say the committee was satisfied with what had been presented before it, and felt that a full case had been presented, and on that basis proceeded to recommend to the Senate that the nomination be confirmed.

Mr. WILLIAMS of Delaware. That is only correct to a certain extent. But I return to the point that the rather serious questions which have been raised—and if the reports were accurate they would raise a serious question as to his eligibility—were not before the committee in time for the members of the committee to examine them before they voted on the question of reporting the nomination to the Senate. I point that out inasmuch as I had raised the questions, the reports were brought to my attention, and I examined them, but other members did not have this opportunity. So I am not saying that I, personally, did not have an opportunity to examine the reports. I did examine them; and after I had examined them I still had some unanswered questions. I do not believe it was fair to the other members of the committee to have to rely only on what I said and not have an opportunity to see the reports themselves.

In short, am I not correct when I say that the reports were not made available to the committee in time for the other members of the committee to examine them before the taking of the vote?

Mr. SPARKMAN. Mr. President, I could make a rather long speech anticipating the opposition that the Senator from Delaware is going to present. It seems to me this matter might better be presented by the Senator from Delaware's going ahead and presenting his opposition, because my statement will be predicated upon matters he is mentioning now.

Just briefly, I will say the committee was convinced, from all it heard, including what the Senator from Delaware said he had found in the voluminous reports, that there was no validity to the opposition raised against Mr. McCloskey; that it was based upon rumor, and in order to sustain it, it was necessary to draw an inference upon an inference. Anyone who has practiced law knows that is not a proper way of presenting evidence, either in a civil or criminal case.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I think we can develop this point later, after the Senator from Delaware has presented his argument.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. The Senator says these allegations were based on idle rumors which could not be supported. Is it not true that one of those allegations, which involved a $25,000 payment to a Government official, was substantiated? It was shown that payment had been made although it had not been followed through to ascertain who was responsible for the payment?

Mr. SPARKMAN. Oh, yes; payment had been made, but it was made by a man who had no connection whatsoever with Mr. McCloskey. As a matter of fact, the Senator from Delaware said—and I hope he will check me on this—that he could not vote for Mr. McCloskey because he was associated with Mr. Wolfson, for whom Mr. Weber was working, or with whom he had been associated, and Mr. Weber was the man who had made the payment to a Mr. Knapp.

As a matter of fact, I shall show by the record, as we proceed, that Mr. McCloskey was not at the time connected with Mr. Wolfson. I think the Senator from Delaware used the term "partnership." There was no partnership. There was no association. There was no connection between Mr. McCloskey and Mr. Weber, and Mr. McCloskey stated he did not know Mr. Knapp at all.

We have gotten into the heart of this opposition, but that is the situation, and I can show it.

Mr. WILLIAMS of Delaware. Did I correctly understand the Senator to say it was his understanding that the Mr. Weber who handled this payment had no connection with Mr. McCloskey and that Mr. McCloskey did not know him?

Mr. SPARKMAN. No. I said Mr. McCloskey said he did not know Mr. Knapp. I said it was he to whom the payment was made by Mr. Weber. The Senator from Delaware said that he was working with Mr. Wolfson. But there was no connection at that time between Wolfson and McCloskey, and McCloskey has said he had nothing to do with Weber, so far as this payment is concerned, if the payment was made, and that he had never known Mr. Knapp, the man to whom the payment was made.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. I know the Senator wants to be accurate on this, and I have great respect for him, but I think if he will examine the record which he has before him on his desk—in fact, a little later I will give him the page—he will find Mr. Weber did state that while he was working for Mr. Wolfson it was his suggestion that he and Mr. Wolfson and Mr. McCloskey get together and that he was the go-between for Mr. Wolfson and Mr. McCloskey. The record will support that statement.

He was working for them at the time they were negotiating for the purchase of the shipyard. It was Mr. Weber who had acted as the go between for getting the two men together, and it was he who paid the Government official—a Government official who was in a key position to have helped anyone bidding on the shipyard.

I think the Senator will admit that part is true.

I said in the committee, and I repeat here, that to trace down exactly who actually furnished the money is difficult. We do know who passed the money. It is in the record. It was Mr. Weber, who was working for Mr. Wolfson, who had been to see Mr. McCloskey, and who was working for the two of them when they were working together——

Mr. SPARKMAN. Had been to see Mr. McCloskey when? I think the element of time comes into this question. I will present my statement when the time comes. I would rather the Senator from Delaware proceed.

Mr. WILLIAMS of Delaware. If the Senator has some element of time for us to consider I wish he would proceed, because I want to make this clear. He was working for them while they were negotiating for the yard, and the payment was made after the contract was signed.

Mr. SPARKMAN. Let me make it clear. I have stated that the Foreign Relations Committee, by an overwhelming vote, has voted to recommend to the Senate the confirmation of the nomination of Mr. McCloskey, and I think it ought to be confirmed. I am willing to rest my case on that. If the Senator from Delaware wants to make a case against him, it is up to him to proceed. I am not supposed to stand here and defend Mr. McCloskey before the case has been made against him; and I invite the Senator from Delaware to proceed, if he wants to oppose the confirmation.

Mr. WILLIAMS of Delaware. I will in a moment, if the Senator will yield for a question.

Mr. SPARKMAN. I have yielded the floor. I will yield if the Senator wants to ask a question.

Mr. WILLIAMS of Delaware. Was there not a suggestion on another payoff that when the Justice Department attempted to investigate, the tax returns of the two individuals involved could not be produced, that presumably they had been lost, and on that excuse they stopped the investigation? Was not that part of the report?

Mr. SPARKMAN. Mr. President, if I remember correctly, there was a series of grand jury investigations, and no bill was ever found. It was investigated by a grand jury as late as 1955, during a Republican administration, and still no bill was returned.

Mr. WILLIAMS of Delaware. During which time the charge was outlawed. The statute of limitations had run.

Mr. SPARKMAN. I do not believe the Senator has any proof of that. The Senator implied that in the committee hearings, and I questioned it.

Mr. WILLIAMS of Delaware. I am not an attorney.

Mr. SPARKMAN. I have not looked at the statute. I do not know whether the statute of limitations runs against a proposition like this. It does not in the case of fraud, and I do not believe it runs against a case of bribery of a Government official. There is no statute of limitations in such a case, if I understand the law correctly.

Mr. WILLIAMS of Delaware. As a layman, I shall not pursue that point. The Senator may be right, but that all the more raises the question as to why this case was allowed to be pigeonholed.

Is it not true that when this matter was presented to a grand jury nearly 6 years later an important witness for the Government concerning this payoff had died, and in the other case was the claim not made that the tax returns of the two participants involved had been lost? Allegedly the Treasury Department could not find them, even though they admitted that those two tax returns had been filed in offices as much as 600 or 800 miles apart? Was that not called to our attention? Is that not one of the unanswered questions?

Mr. SPARKMAN. It was called to our attention that some of the income tax files were missing, but there was nothing to show there was any connection between the income tax returns and what was alleged to have happened. There again, one would have to rely upon a supposition that there was a connection.

I have a letter from the Department of Justice, which I am prepared to put into the RECORD, showing the matter was investigated, showing that Mr. McCloskey himself was called before the grand jury, and that following the hearings no bill was returned.

I want to point out something else. I referred to the grand jury investigation during the Republican administration. There was a hearing held in Congress on this matter during a Republican Congress, the 80th Congress. It was a House investigation, and the chairman of the subcommittee was a very fine and esteemed Member of Congress from the State of Oklahoma, with whom I served, Ross Rizley.

Ross Rizley was chairman of the subcommittee. I submit to anybody who reads the hearings of the subcommittee, there is not one single word which would tie Matt McCloskey to any such charges as the Senator from Delaware implies.

Not only that, but the subcommittee never did even call Mr. McCloskey before it.

This was a Republican subcommittee. Matt McCloskey had been one of the most active people in this country in the Democratic cause, and this was a Republican congressional subcommittee presided over by a very fine Republican Representative in Congress, who later was appointed to be a Federal judge and who is serving today as a Federal judge in the State of Oklahoma. They found "no bill." They did not even file a report. There was nothing in the hearings which would tie Matt McCloskey to any of these things the Senator from Delaware is threatening to parade before us.

The suggestion was made in our committee, after the Senator from Delaware raised this question, based on such tenuous rumors and inferences, that we might call Mr. McCloskey and ask him pointblank about these things, and the Senator from Delaware said, "No, I don't care about having Mr. McCloskey appear."

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield? I think we should get the record straight.

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. I said I did not think we should call Mr. McCloskey until after we got the representatives from the departments in and we had had an opportunity to study the reports and establish the facts for our own information. Then we should have talked with Mr. McCloskey.

Mr. SPARKMAN. I do not agree with the Senator from Delaware on that.

Mr. WILLIAMS of Delaware. The Senator has the report.

Mr. SPARKMAN. The Senator has the transcript before him.

Mr. WILLIAMS of Delaware. I do.

Mr. SPARKMAN. I looked at it a few minutes ago. My recollection is that it shows the Senator from Delaware said, "No; I don't care about having Mr. McCloskey up here."

Mr. President, again I do not care about presenting my case before the opposition has been presented. I have a letter from Mr. McCloskey. I asked him pointblank about the matter. I asked him to write me a letter and state exactly what was his connection. I have the letter here. At the proper time I shall read it.

Mr. WILLIAMS of Delaware. Mr. President, I suggest to the Senator that he read it at this time.

Mr. SPARKMAN. I am not ready to read it. If the Senator from Delaware is going to present his case, I should like to have him present it. Then I will present mine.

Mr. WILLIAMS of Delaware. I will present my arguments, but first I express regret that this is being handled in this manner on the Senate floor.

Mr. SPARKMAN. I am ready for a vote, Mr. President, at any time.

Mr. WILLIAMS of Delaware. I appreciate the fact that the Senator from Alabama is ready for a vote. In fact, the Senator said that he was ready for a vote before he ever examined the report in the committee. I appreciate that. However, I think we are entitled to have answers to these serious questions.

As the Senator pointed out, when it was suggested that we ask Mr. McCloskey to come back before the committee I said that in all fairness to Mr. McCloskey, or to any other man—whether it be Joe Doakes or Sam Smith—I did not think we should bring any man before the committee to ask him questions pointblank until we had first examined the record and submitted to him a copy of what we were investigating and the questions which were bothering us.

At that time I had not seen any reports, other than those which had just been brought to me. I made it clear that these questions should be treated as allegations, but I also thought we should examine them. They could not be ignored.

Mr. SPARKMAN. We got those reports.

Mr. WILLIAMS of Delaware. We did, and I studied them.

Mr. SPARKMAN. We gave the Senator from Delaware time to study them. Then, after that was in, the people from downtown, from the Maritime Administration, called and said, "We found one more file. We found it in a warehouse down at Franconia."

These are old files. They have been stored away. A search was made everywhere to get any files pertaining to this transaction. They sent that file to us.

On Friday, when the committee met for the purpose of voting on the nomination, the Senator from Delaware said that he had had only the night before to look at that file—or perhaps only that morning, I am not sure. We passed the nomination over until Monday, with the understanding that we would not even vote on Monday if the Senator needed more time, or if he wanted time to discuss it. We said in that event we would carry the vote over until Tuesday.

On Monday the Senator came in, and apparently was fully prepared for the question to come to a vote before the committee. A vote was taken. Someone suggested that we call up Mr. McCloskey and the Senator said, "No; I don't want Mr. McCloskey to come up here."

Mr. President, I think we have shown every reasonable courtesy to the Senator from Delaware. We operate in the Foreign Relations Committee very much on a nonpartisan basis. Certainly we have never tried to bulldoze anything through or to run anything over on any Senator. I think we have been as considerate of the Senator from Delaware as any committee or any group of Senators could be. I respectfully ask that the Senator now proceed to state his case, and then I will answer as best I can.

The PRESIDING OFFICER. The Senator from Alabama yields the floor.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS of Delaware. Mr. President, before beginning I should like to point out, as the Senator from Alabama said, when I came into the committee meeting on Monday morning after having the files over the weekend, I did state that so far as I was concerned I was ready to vote unless the committee would help in getting some of the answers to the questions raised. I made the suggestion that it might be a more orderly procedure and that Senators might be able to more intelligently cast votes, if some of the other members of the committee had sufficient interest in the problem to read the reports. Apparently the Senator from Alabama and some of the other Senators were so convinced as to the merits of the nomination that they were not interested in reading the reports.

That is a matter of record. I had the reports at home over the weekend. They were not in the committee, and I do not think the other committee members even saw them until after the vote was taken. Why ask for these reports if they were not going to be read?

As to asking Mr. McCloskey to come before the committee, I did make a suggestion that we should first examine these reports and satisfy ourselves as to some of the background and then get Mr. McCloskey to come before the committee to discuss the allegations if it were thought necessary.

I still think that would have been the more orderly procedure to follow. I think that would have been the proper method to follow, and it would have been fairer to Mr. McCloskey.

As to the fact that the Foreign Relations Committee favorably reported the nomination, the committee did, but it was far from a unanimous vote.

My good friend from Alabama praised so highly our good Republican colleague in the House of Representatives, former Representative Rizley, who conducted the investigation. Mr. Rizley, according to the Senator from Alabama, saw absolutely nothing wrong with anything that happened in this transaction. Apparently the Senator from Alabama was under the illusion that he saw nothing wrong with regard to the alleged payment to a Government official.

Let us examine what Mr. Rizley had to say on the subject. I wish to quote what Mr. Rizley said:

> You and Mr. Knapp had a promotional scheme—

He was speaking to Mr. Weber, the man who made the payment to the Government official—

> You and Mr. Knapp had a promotional scheme. You did not own anything, and the promotional scheme had not worked out at the time of his death. I want to tell you, Mr. Weber, sometimes we are pretty gullible, but I am not gullible enough to believe that $25,000 was paid to Mr. Knapp, who was an official of the Maritime Commission, because you and he had a promotional scheme that had not worked out at the time of his death. You ought to tell the committee the truth. You ought to tell the committee you paid him that $25,000 because he furnished you information about the inventories at the St. John's Shipyard. It is as plain as the nose on your face.
>
> I am going to insist that the Federal Bureau of Investigation investigate this thing to the fullest extent. This kind of thing, coming before a congressional committee, and your telling us that you paid $25,000 to a Government official for a promotional scheme of some kind, it does not make sense.

That is the statement by Representative Rizley, whom the Senator from Alabama has just quoted as having investigated this case, and that was his opinion.

Perhaps I do not understand the English language, but if I had such a statement made to me, I do not think I would consider that I had been exonerated.

Furthermore, I emphasize that this same Mr. Weber was working with Mr. Wolfson and Mr. McCloskey in their attempt to buy this shipyard, and the payment referred to was made to this Maritime employee while they were negotiating with that agency.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BUSH. I thought I came to the Chamber almost at the beginning, but I still do not understand what this is all about. Has the Senator made his statement?

Mr. WILLIAMS of Delaware. No; I am starting.

Mr. BUSH. I thought the Senator was pointing out the situation.

Mr. WILLIAMS of Delaware. The Senator from Alabama had claimed that those questions had already been investigated by the House committee under the chairmanship of Representative Rizley and presumably he was under the impression that Representative Rizley had seen nothing wrong with it. So I thought I would first quote Representative Rizley's own conclusions. If I understand the English language, he most certainly did see something wrong with it.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SPARKMAN. I did not say a word about Mr. Rizley's not finding anything wrong with "it," in the sense that the Senator from Delaware is talking about the transaction, when Weber paid Knapp $25,000. Of course, that was wrong. What I am saying is that there is no connection between that and Matt McCloskey. I asked the Senator from Delaware to show the connection if he can. There is none whatsoever.

Mr. WILLIAMS of Delaware. That is the point on which I am asking the help of the Senator from Alabama in establishing before we vote. Mr. Weber was working for and being paid by Mr. Wolfson. Mr. McCloskey and Mr. Wolfson were working together with Mr. Weber to get the shipyard. During the negotiations a Government employee was paid $25,000. Let us find out who put up this money. I start my remarks by saying that our ambassadors are the official representatives of the people of the United States of America, and our country to a large extent is judged based upon the degree of respect and confidence which the citizens of the respective countries have in our official representatives. We cannot expect the citizens of any country to respect and to have confidence in our ambassadors unless first the men and women who are appointed to these positions can command it from our people at home.

In the selection of our ambassadors it is the responsibility of the President to nominate only those who, based upon their personal experience and ability, have the proper qualifications and whose integrity is above reproach. There should be no doubt as to their character or qualifications.

It was never intended that these ambassadorships be passed out as political plums or on the basis of the individual's contribution to the political party.

If in the course of the consideration of one of these nominations questions concerning his character or integrity are raised these questions cannot be ignored.

In fairness to the nominee they should be explored and, if untrue, rejected, or if substantiated, taken into consideration. This does not mean that a nominee should be rejected on unsubstantiated rumors; however, on the other hand it does not mean that a nominee should be confirmed without such reports being given some attention.

After Mr. Matthew H. McCloskey's nomination as our Ambassador to Ireland had been received reports came to the attention of the committee which if true raised a question concerning Mr. McCloskey's eligibility. I called these allegations to the attention of the full committee in executive session with the request that the appropriate departments be asked to comment and to produce certain records to substantiate or repudiate the charges.

The committee complied with this request; however, I was very much disappointed that when on Monday they decided to vote on the confirmation of Mr. McCloskey they did so without having fully examined the reports or comments which had been furnished.

The Senator from Alabama has confirmed the fact that the vote was taken before the members of the committee had even had an opportunity, had they so desired, to read the report. That does not go for myself. I had, with the permission of the committee, carried the reports home over the weekend. Personally I am not complaining, but I did think that when questions as serious as the ones now presented are raised, at least some members on the majority side of the committee should be sufficiently interested in those questions to study them.

The fact that the man against whom the charges were made was a prominent member of and a heavy contributor to a political party should not entitle him to any special consideration.

Assuming that the nominee is innocent, why is anybody afraid to have the charges investigated?

The reports did not arrive until late Friday evening, and while I had an opportunity to examine them over the weekend, other members of the committee did not see the reports until after the nomination had been voted on and some of the Senators here today who voted at that time have never seen those reports as yet.

In fact, one of the reports requested was not received until yesterday morning, 48 hours after the nomination had been reported. One of those reports was delivered to my office 48 hours after the nomination had been approved. As one who did examine the reports, I was not at all satisfied with the answers furnished concerning what I consider to be two serious allegations. Before discussing those allegations I wish to point out that in my opinion it would have been far better and far more fair to Mr. McCloskey to have explored those questions in the executive sessions of the committee, at which time the individuals involved could have had an opportunity to present their answers. I still feel that way today. I discussed the question with the acting chairman of the committee this afternoon and pleaded with him to take the nomination back to the committee and at least let the committee hear the evidence in executive session, before we discussed it on the floor of the Senate. Then the members of the committee could render their decision on the question as to whether it should come before the Senate, or not.

However, the membership of the committee decided otherwise. Last Monday the committee insisted upon approving the nomination even before the reports from the respective agencies had been examined. Therefore, under the circumstances, I am confronted with no choice other than to present to the Senate today my reasons for opposing the confirmation of Mr. McCloskey as an Ambassador.

First, I wish to state that based upon my examination of these reports I am convinced that the allegations are not entirely unfounded. There is not only a serious question in my mind concerning the propriety of some of the transactions but also an even more serious question as to why the transactions were not pursued more diligently by the Department of Justice.

I shall discuss those charges in two separate phases. The first deals with Mr. McCloskey's participation with Mr. Louis Wolfson in the procurement of the St. Johns River shipyard at Jacksonville, Fla., and the questionable procedures of the sale as well as the fact that during the negotiation a Government official of the Maritime Commission, from which agency this shipyard was obtained, was paid $25,000.

In fairness to Mr. McCloskey it should be pointed out in the beginning that he has denied any connection with Mr. Louis Wolfson's company which bought this particular shipyard; however, I will show that he was not as far removed from the transaction as he claims. Mr. McCloskey confirms that in the beginning of the negotiations he was working with the Maritime Commission on behalf of Mr. Wolfson. It should also be pointed out that both men have denied having any part in the payment of the Government agent or that any political influence had been exerted upon the Maritime Commission which would have obtained special consideration for Mr. Wolfson's company.

Likewise they both denied they had received any special or favored consideration in their proposal to buy the yard. I shall now let the record speak for itself as to what happened.

In 1945, the Maritime Commission decided to dispose of the Government-owned St. Johns shipyard in Jacksonville, Fla., which when originally constructed during the early war years had cost the Government $19,262,775.

On October 30, 1945, this yard was advertised by the Maritime Commission as being for sale with bids scheduled to be received no later than December 4, 1945.

Prior to the bidding Mr. Louis Wolfson, who was operating as the Florida Pipe & Supply Co., had contacted Mr. Matthew McCloskey in Philadelphia enlisting his assistance and participation in the acquisition of this surplus yard.

First Mr. McCloskey tried on behalf of Louis Wolfson and himself to buy this yard from the Maritime Commission on a negotiated basis at around a million and a half dollars; however, the Commission refused to sell the yard on a negotiated basis and called for sealed bids. McCloskey & Co. submitted two bids which were opened with the bids of other companies on December 4.

When the bids were opened on December 4, 1945, it was found that two other companies each had bid higher than Mr. McCloskey.

At this point I ask unanimous consent to have printed in the RECORD a list of the bids that were submitted in answer to the first request of the Maritime Commission.

There being no objection, the bids were ordered to be printed in the RECORD, as follows:

Bid No.	Bidder	Bid	Date of bid	Date bid received	Terms	Use of property	Conditions	Scope of bid
1	M. B. Ogden	$1,915,000	Dec. 3, 1945	Dec. 4, 1945	Cash on transfer of title $25,000 deposit acceptance of offer.	Steel fabrication employing 200 to 400 men.	Title to be free of all liens and encumbrances.	Entire shipyard, including 8 tanker hulls now at yard, and all materials and supplies unsold and located in yard on Dec. 3, 1945 (date of bid). Also includes Enterprise engine.
2	M. B. Ogden	1,755,000	do	do	Same	Same	Same	Same as above but excludes 8 tanker hulls.
1	St. Johns River Shipbuilding Co.	1,650,000	Oct. 15, 1945	Oct. 15, 1945	$250,000 on acceptance of offer, balance in 13 months in 13 monthly payments.	Portion for general shipbuilding and repair work—balance of yard for marine terminal facilities.	Free of liens and encumbrances. Any materials and supplies sold or removed from inventory since Nov. 21, 1945, to be deducted from purchase price.	Entire shipyard not including 8 tanker hulls and including all materials and supplies as of Nov. 21, 1945. Excludes Enterprise engine for hull 94. Bidder requests privilege of meeting highest bid.
2	do	1,625,000	Dec. 4, 1945		$300,000 on acceptance of offer, balance 30 days after execution of sale contract.	Same	Same	Same.
1	McCloskey & Co.	1,530,000	do		Cash—deposit of $75,000 in hand.	Unknown	In event bid is not accepted on or before Dec. 6, 1945, bidder has option to withdraw.	Entire shipyard, excluding 8 tanker hulls, and including all materials and supplies as of Nov. 21, 1945. Includes Enterprise engine for hull 94.
2	do	1,675,000	do		$500,000 cash on execution of sale contract. Balance in 12 equal monthly installments.	Same	Same	Same.
1	City of Jacksonville	300,000	Dec. 1, 1945	Dec. 3, 1945	Cash	1. Municipal light plant 2. Extension of municipal docks and terminals 3. Recreational areas 4. Additional water supply	None	Land and buildings (apparently excluding facilities, equipment and machinery, and supplies, materials, etc.).

NOTE.—An industrial user places Maritime Commission in a favorable position to dispose of power contract with city of Jacksonville either to city or to such user. Value of Enterprise engine (new) $113,445; surplus salable price per Surplus Property Administration, $90,000.

Appraisal and bid data: St. Johns River Shipbuilding Co. plant, Jacksonville, Fla. Terminals and Real Estate Division, USMC—Dec. 10, 1945.

Mr. WILLIAMS of Delaware. From this report it can readily be seen that two companies had outbid Mr. McCloskey and Mr. Wolfson. In fact, the M. B. Ogden Co.'s highest bid was $1,915,000 as compared with Mr. McCloskey's highest bid of $1,675,000. Likewise, the St. Johns River Shipbuilding Co.'s cash bid was higher than Mr. McCloskey's cash bid.

The St. Johns River Shipbuilding Co. should not be confused with the St. Johns River shipyard which was being sold.

Based upon these bids it was evident that there was no chance of McCloskey's and Wolfson's obtaining the yard. Therefore a process was started to justify a rejection of the bids.

I am not putting any evidence in the RECORD to support the fact that Messrs. McCloskey and Wolfson were together on the bid because this point is admitted in the committee hearings; there is no question about it. In fact, the bids were submitted as shown by the record for him and Mr. Wolfson under Mr. McCloskey's name. There is no question about the fact that they were operating together. That is admitted.

On December 11, 1945, 7 days after these bids had been opened, the Florida Pipe & Supply Co., owned by Mr. Wolfson, wired the Maritime Commission and offered to buy the yard, indicating they would pay more than the other cash bid.

The following day, on December 12, 1945, the Maritime Commission rejected all bids and 6 days later, on December 18, 1945, advertised a new request for bids on the sale of this yard.

In advertising for the sale of this yard it was made very clear by the Commissioners that priority would be given to a bidder who would indicate intention to utilize the yard as a continuing shipyard rather than to dismantle it; however, the record shows that between the date of advertising for these bids—December 18, 1945—and the date upon which they were to be opened—January 3, 1946—while other bidders were given the impression by the Maritime Commission that their bids should be on a basis of keeping the yard in use, Mr. Wolfson and Mr. McCloskey were given to understand that if they bought the yard there would be no restrictions as to its continued use. In other words, they would be free to dismantle and junk it. With this inside knowledge Mr. Wolfson and Mr. McCloskey had a definite advantage in bidding.

As evidence of these completely opposite terms, I cite the following official records.

Messrs. Sidney G. Rose and Philip Moskowitz, of Cincinnati, Ohio, were prospective bidders on this shipyard and had contacted Mr. H. J. Marsden, a member of the Commission, concerning the terms of the sale. On January 2, 1946, this company asked for an extension of time, and on that same date Mr. A. J. Williams, Secretary of the Commission, replied rejecting the extension; however, attached to the Maritime official records there was a pencil notation on the original file copy initialed by Mr. H. J. Marsden summarizing his telephone conversation with this concern.

At this point I should like to read the telegram and the pencil notation thereon. From the notation it can readily be seen that Mr. Marsden, as a member of the Commission, as late as the day before the final bidding was closed was telling prospective bidders that the position of the Maritime Commission was to sell the yard for marine purposes and to keep it in operation. The telegram is dated January 2, 1946, and reads:

JANUARY 2, 1946.

SIDNEY G. ROSE AND PHILIP MOSKOWITZ,
Cincinnati:

Your telegram January 2 to H. J. Marsden referred to me for reply. Commission cannot extend time for receiving bids as requested.

A. J. WILLIAMS.

Mr. A. J. Williams was the Secretary to the Maritime Commission.

However, there appears a pencil notation on the original file copy of the telegram, as follows:

Discussed above on phone with Mr. Moskowitz January 3, 1946. He stated they were interested in bidding for dismantling purposes. Explained our position on selling for marine purposes and he will carefully consider before bidding on Tampa yard.

H.J.M.

JANUARY 3, 1946.

"H.J.M." stands for H. J. Marsden, a member of the Maritime Commission.

Later, when being questioned by a congressional committee on this same subject as to the position of the Maritime Commission on the terms of the sale, Mr. Marsden stated:

Mr. WISE. What was your position on the Commission's policy on selling for marine purposes on January 3, 1946?

Mr. MARSDEN. As I recall, regulation 20 was issued on December 22, 1945, so at about that time the document was being analyzed.

Mr. WISE. You told him the Maritime Commission was going to sell for marine purposes and not for dismantling purposes?

Mr. MARSDEN. If that is my handwriting.

Mr. WISE. And that was your understanding at that time?

Mr. MARSDEN. If that is my handwriting, yes.

Mr. WISE. And that was the day the bids were opened.

Mr. JENKINS. As of January 3, 1946, then, your previous answer that there was no official or unofficial change in what you understood to be the Commission's policy is correct, in view of this notation?

Mr. MARSDEN. Yes.

Mr. JENKINS. So that as far as you knew on January 3, 1946, the policy of the Commission still was that this property would be disposed of to those who would use it for marine purposes only?

Mr. MARSDEN. Apparently so.

Let us remember that the date to which they refer is the day on which the bids were being opened. This is the day upon which all these bids were being opened, and this is the Commissioner speaking as to their policy for selling the yard.

Mr. JENKINS. So that I am correct that any dealings you had with prospective bidders, or they with you as agent of the Commission, were on the basis of this understanding that the property would be disposed of only to those who would use it for marine purposes?

Mr. MARSDEN. The bidders were bidding on the basis of the advertisement.

Mr. JENKINS. Did you talk to any of them besides Mr. Ogden?

Mr. MARSDEN. I imagine they were all in my office at one time or another.

Mr. JENKINS. And you told them all the same thing, did you not?

Mr. MARSDEN. My telegram to Mr. Ogden, of course, was in reply to a letter. If the others asked the question, I would have told them the same thing.

Mr. JENKINS. Did you at any time tell them bids would be received for any use other than marine purposes?

Mr. MARSDEN. Yes. I said if they wished to submit a bid for other than marine purposes, they could do so, and it would be held in abeyance.

Mr. WISE. Held in abeyance for future consideration if shipyard not sold for marine purposes.

Mr. JENKINS. So that all bidders except the successful one dealt on the proposition the use would be for marine purposes?

Mr. MARSDEN. I could not say.

Mr. JENKINS. So far as you were concerned, they did?

Mr. MARSDEN. If they asked me.

However, while the Maritime Commission was telling other bidders that they should compute their bids on the basis of keeping the yard in operation and not on the basis of dismantling it, the record shows that one of the Commissioners admitted that they had told the Florida Pipe & Supply Co., one of Mr. Wolfson's companies that their bids would be considered for other than marine purposes. In other words, they could bid and subsequently dismantle the yard if they saw fit.

As evidence of this I quote the testimony of Mr. Marsden in which he confirmed this point. Mr. Marsden was the Assistant Director of Terminals, Operating Contract Division, U.S. Maritime Commission and was being questioned in a congressional hearing—

Mr. WISE. In other words, at the very end of December the Florida Pipe & Supply Co. did receive information to the effect that bids would be received on a term basis, and if the bids were interesting enough the property might be used for other than marine purposes?

Mr. MARSDEN. Yes.

Therefore we can see very clearly from their testmony and from the telegram notation that while the other bidders were being told that the shipyard was being sold for marine purposes, Mr. Wolfson and Mr. McCloskey were being told otherwise. The Maritime Commission recognized that it would bring more money if there were no restrictions.

Based upon this testimony it can readily be seen that the Commission as late as the day before the bids were opened was telling the other bidders that the yard would be sold on the basis of keeping it in operation. However, the bid of the Wolfson-McCloskey group was accepted with the understanding that there were no conditions attached, and they did subsequently dismantle the yard.

Recognizing the possibility, however, that some argument may be raised as to the authority to sell this surplus yard to a person who admittedly was going to junk it, Mr. Wolfson and his group just 4 days prior to the date of the opening of the bids—January 3, 1946—bought a controlling interest in the Tampa Shipbuilding Co., and had that company submit two bids.

At the same time Mr. Wolfson under his other company, the Florida Pipe & Supply Co., had also submitted two bids.

At this point I ask unanimous consent that all the bids received on January 3, 1946, for this shipyard be printed in the RECORD.

There being no objection, the bids were ordered to be printed in the RECORD, as follows:

EXHIBIT NO. 310

Appraisal as of Nov. 13, 1945	Total value	Land	Buildings	Substructures and underground installations	Railroad tracks	Machinery and equipment	Materials and supplies
Physical value	$3,778,800	[1] $949,625	[2] $976,583	$125,000	$243,525	$1,084,586	$399,481
Market value	2,553,678	756,000	683,608	50,000	[3] 5,250	750,210	290,610

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[1] Based on sales of small tracks.

[2] Based on reproduction costs less depreciation.

[3] Salvage value of excess railroad tracks (main tracks included in land value).

Bid No.	Bidder	Bid	Date of bid	Date bid received	Terms	Use of property	Conditions	Scope of bid
1	Tampa Shipbuilding Co.	$2,226,500.00	Jan. 3, 1946	Jan. 3, 1946	25 percent on transfer of title, balance in 12 equal monthly payments with interest at 3½ percent.	Unknown	Free of encumbrances. Option to withdraw bid if not accepted on or before Jan. 4, 1946.	Entire yard as advertised plus 1 of 8 tanker hulls plus option for 120 days to purchase all or any of remaining tanker hulls at $300,000 each. Does not expressly exclude *Enterprise* engine.
2	do	1,926,500.00	do	do	do	do	do	Entire yard as advertised.
1	St. Johns River Shipbuilding Co.	1,850,550.98	Dec. 31, 1945	do	Cash	do	None	Do.
[1] 1	Florida Pipe & Supply Co.	1,850,000.00	Jan. 3, 1946	do	Unknown	do	do	Do.
[1] 2	do	1,350,000.00	do	do	do	do	do	Personal property (al. inventories and equipment excluding 8 tankers, land, and buildings).
1	M. B. Ogden	1,761,000.00	do	do	Cash	Steel fabrication plant and utilization of ship repair facilities.	Title to pass to buyer within 15 days.	Entire yard as advertised.
1	City Commission of the City o Jacksonville, Fla.	400,000.00	Dec. 28, 1945	do	do	1. Municipal light plant. 2. Extension municipal docks and terminals. 3. Recreational areas. 4. Additional water supply.	None	Land and buildings.

[1] Offer received in form of telegram 12:10 p.m. Jan. 3, 1946, at Mail and File Section, Marine Corps. No deposit received. Details of offer vague.

NOTE.—An industrial user places Maritime Commission in a favorable position dispose of power contract with city of Jacksonville either to city or to such user.

Value of *Enterprise* engine (new), $113,445; surplus salable price per Surplus Property Administration, $90,000.

Appraisal and bid data: St. Johns River Shipbuilding Co. plant, Jacksonville, Fla. Terminals and Real Estate Division, USMC, Jan. 4, 1946.

Mr. WILLIAMS of Delaware. Mr. President, this shipyard had been advertised as being for sale on cash terms. An examination of the above bids shows that the St. Johns River Shipbuilding Co. submitted the highest cash bid, which was $1,850,550.98. That was the highest cash bid on record, and under the terms of the sale as advertized, they were entitled to the yard unless all bids were rejected.

The two bids of the Florida Pipe & Supply Co. were both below the St. Johns' bid, but Mr. Wolfson's newly acquired Tampa Shipbuilding had two bids, both of which were higher than the St. Johns River Shipbuilding Co. bid, but both the Tampa Shipbuilding bids were based on a 25-percent time payment with the remainder on an installment basis to be paid in 12 monthly installments with interest at 3½ percent per annum and thereby did not qualify as cash bids, but Mr. McCloskey and Mr. Wolfson had friends in court. The Senator from Alabama has claimed that McCloskey was out of the transaction and had no connection with Mr. Wolfson or any interest in the bidding. I disagree, but as I said awhile ago, I shall let the record speak for itself concerning the extent to which Mr. McCloskey was interested.

The record shows that on January 9 Commissioner John M. Carmody called Mr. McCloskey and told him of the difficulty and suggested that if they wanted the yard one of the bids would have to be changed to a cash bid, presumably indicating that such change in their bid would be acceptable.

The following day, on January 9, 1946, Mr. McCloskey, who insists that he had no connection nor any interest in the later Wolfson bidding, wired the Commission as follows:

ATLANTIC CITY, N.J., *January 9, 1946*.

Cmdr. JOHN M. CARMODY,
U.S. Maritime Commission,
Commerce Building:

Confirming telephone conversation I have been authorized to say for the Tampa Shipbuilding Co. that their proposal for the purchase of the St. Johns River Yard they will pay cash when settlement is made.

M. H. MCCLOSKEY, Jr.

How can Mr. McCloskey claim that he had no interest in the bidding in the face of that telegram? I have had a little experience in business—not to the extent of dealing in shipyards worth a couple of million dollars—but I find it hard to accept the fact that here was a man who signed his name to a telegram authorizing a change in a bid—a $2 million bid—from an installment basis to a cash basis and then saying, "I did not have anything to do with it; I was not even interested." I have more respect for Mr. McCloskey's business judgment than to think he would put his name to a $2 million commitment unless he were a part of the deal.

The telegram is a matter of record; there is no argument about it. The Senator from Alabama has been furnished a copy of it.

Mr. BUSH. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BUSH. Is McCloskey a lawyer, or was he representing Wolfson as an attorney? What was his connection?

Mr. WILLIAMS of Delaware. I do not know whether he is a lawyer or not. It is my understanding, based upon a reading of the record, that McCloskey and Wolfson were engaged in this venture with the idea that they would buy the shipyard together. Whether they changed their plan later or not, I do not know; neither do I know what the final disposition was, but this telegram was dated 6 days after the bids had been opened.

I know that Mr. McCloskey was working with the Maritime Commission on this case. The record shows that the bid of the Tampa Shipbuilding Co. was changed after the bids had been opened. This was a highly irregular procedure. They were sealed bids. One of the bids, the Wolfson-McCloskey bid, was changed from an installment basis to a cash basis, thereby making it the highest bid. The authorization for the changed bid was made by Mr. McCloskey. That is a matter of record. The change was subsequently confirmed by the company.

But Mr. McCloskey authorized the change of this bid, after the bids had been opened. Here is Mr. McCloskey's authorizing telegram which later was confirmed by Wolfson. This change of their bid from an installment bid to a cash bid automatically placed it $75,000 higher than the St. Johns River Shipbuilding Co. cash bid. This change was made on January 9.

The very next morning before 11 o'clock, on January 10, 1946, the Maritime Commission officially approved the changed bid and publicly announced to the press that Mr. Wolfson's company was the successful bidder.

Mr. SALTONSTALL. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SALTONSTALL. Will the Senator be good enough to read the telegram or letter or restate the telephone conversation which stated that the one company would not have continued as a maritime enterprise?

Mr. WILLIAMS of Delaware. Yes. The Senator from Massachusetts is referring to a notation which appeared upon the telegram sent January 2 by A. J. Williams, Secretary of the Commission, to a prospective bidder in Ohio. The notation on the telegram was initialed by H. J. Marsden, a member of the Maritime Commission. The telegram and the notation read as follows:

JANUARY 2, 1946.

SIDNEY G. ROSE,
PHILIP MOSKOWITZ,
Cincinnati:

Your telegram January 2 to H. J. Marsden referred to me for reply. Commission cannot extend time for receiving bids as requested.

A. J. WILLIAMS.

(Pencil notation on original file copy: Discussed above on phone with Mr. Moskowitz January 3, 1946. He stated they were interested in bidding for dismantling purposes. Explained our position on selling for marine purposes and he will carefully consider before bidding on Tampa yard. (H.J.M. Jan. 3, 1946).)

After the bids were received by the Commission and opened on January 3 the record shows that McCloskey was contacted by a member of the Commission who called him on the telephone and suggested that if they wanted the yard they would have to change the bid from an installment bid to a cash bid. It was McCloskey's telegram, not Wolfson's telegram, which authorized the change.

Thus, upon Mr. McCloskey's authorization, later confirmed by Mr. Wolfson, one of the Tampa Shipbuilding Co. bids was changed from an installment bid to a cash bid, thereby placing it approximately $75,000 higher than the St. Johns River Shipbuilding Co. cash bid. The next morning, on January 10, 1946, the Maritime Commission officially approved this changed bid and publicly announced the sale.

As evidence that this was recognized by the Commission as a change in bids after the bids had been opened I quote from the testimony of one of the Commissioners when later questioned upon this subject by a congressional committee. Certainly none of the other bidders were given such an opportunity, and unquestionably this favored treatment of Mr. McCloskey was a testimonial to his political influence.

I quote:

> Mr. Wise. You called McCloskey.
>
> Mr. Carmody. Yes; but I told my colleagues I had called McCloskey to ask whether he would change his bid—that is, not change it, but pay cash.

I should like to emphasize that point. This was a Commissioner of the Maritime Commission calling Mr. McCloskey on January 8, 6 days after the bids were opened, and following this call Mr. McCloskey sent his telegram to the Maritime Commission authorizing a change in the bid. In the face of this, how can Mr. McCloskey say he had nothing to do with this transaction. It was his telegram that guaranteed that the amount would be paid in cash.

I continue quoting from Mr. Carmody's testimony:

> Mr. Wise. Did you point out to the Commission that nobody else had been asked if they would modify their bids?
>
> Mr. Carmody. I do not know that I called it to their attention.
>
> Mr. Wise. I believe you testified that you knew before the final action of the Commission that St. Johns said they would pay more?
>
> Mr. Carmody. Almost always the second or third high bidders say they would pay more if given another shot.
>
> Mr. Wise. Do you sometimes give them another shot?
>
> Mr. Carmody. If all bids are thrown out, yes.
>
> Mr. Wise. In this case, was Tampa Shipbuilding Co., the only one that got another shot?
>
> Mr. Carmody. I do not say they got another shot.
>
> Mr. Wise. You will admit they changed their bid from an installment bid to a cash bid?
>
> Mr. Carmody. Yes.

Not only were Mr. McCloskey and Mr. Wolfson given an opportunity to change their bid after the bids had been opened but also the record shows that during the course of the negotiations an official of the U.S. Government working at the time of the sale for the Maritime Commission—as the resident plant manager of the St. Johns shipyard in Jacksonville—was paid $25,000.

This payment was made by Mr. Fred Weber, who was an employee of Mr. Wolfson's company. Mr. Weber's duties as an employee of the Wolfson company were to work with Mr. McCloskey and the Maritime Commission toward getting the shipyard.

Mr. Weber's testimony under oath before the committee of the Congress confirmed the payment to the Government official, although, while admitting the payment, he claimed that it was not for assistance in obtaining the shipyard but said that they had talked about forming a partnership and that when the idea was abandoned he gave him $25,000. Who ever heard of paying a Government official $25,000 as a part on an abandoned partnership which had never been organized and upon which no one had ever advanced any money?

It was admitted that no partnership had been formed, that no corporation had been formed, and that no money had been spent and no commitments made. He claimed they were just talking about forming a partnership and in substance said that after abandoning the idea of forming it he decided he would pay him $25,000.

But, Mr. President, who ever heard of paying $25,000 for a partnership which never was organized and on which no money was paid?

I point out that the payment of this $25,000 to this Maritime official was made during the period when the negotiations for purchase of the shipyard were going on; and the payments were made by Mr. Weber, who was on Mr. Wolfson's payroll and who was working with Mr. McCloskey and Mr. Wolfson in connection with buying the shipyard.

Mr. BUSH. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER (Mr. Pell in the chair). Does the Senator from Delaware yield to the Senator from Connecticut?

Mr. WILLIAMS of Delaware. I yield.

Mr. BUSH. Who was the one who received the $25,000?

Mr. WILLIAMS of Delaware. Mr. David K. Knapp, the plant manager of the St. John's shipyard, at Jacksonville, Fla. He was an employee of the Maritime Commission and as such would be in a key position to give any bidder inside information as to what the plant was worth, its condition, and so forth—a particular advantage in connection with bidding on the yard.

There has been no dispute that the payment of the $25,000 was made to this Government official during the process of the negotiation and was made by a man who was working with both Mr. McCloskey and Mr. Wolfson. There is no question about that. The evidence shows that Mr. Weber, the man who paid this Government official, was drawing a salary of $50,000 from one of Mr. Wolfson's companies. Whether the $25,000 payment came from this amount or not is not clear. But, knowing human nature, it is obvious that a man who then was working for someone else was not paying $25,000 out of his own pocket. Someone reimbursed him, we can be sure of that point. What I want to know is—who did it?

Representative Rizley, a prominent Member of the House of Representatives in the 80th Congress, investigated this charge some years ago and referred the case to the Department of Justice. I shall read again what Mr. Rizley said when Mr. Weber was before him and was trying to justify the payment of the $25,000:

> Representative Rizley. You and Mr. Knapp had a promotional scheme. You did not own anything, and the promotional scheme had not worked out at the time of his death. I want to tell you, Mr. Weber, sometimes we are pretty gullible, but I am not gullible enough to believe that $25,000 was paid to Mr. Knapp, who was an official of the Maritime Commission, because you and he had a promotional scheme that had not worked out at the time of his death. You ought to tell the committee the truth. You ought to tell the committee you paid him that $25,000 because he furnished you information about the inventories at the St. John's River shipyard. It is as plain as the nose on your face.
>
> I am going to insist that the Federal Bureau of Investigation investigate this thing to the fullest extent. This kind of thing, coming before a congressional committee, and your telling us that you paid $25,000 to a Government official for a promotional scheme of some kind, it does not make sense.

Furthermore, the record shows that at about the same time this payment of $25,000 was made by Mr. Weber to the Government official, Mr. Weber had signed a contract with Mr. Wolfson, whereby he was to receive $50,000 for his services while working on the purchase arrangements for the shipyard.

It is apparent to me, at least, that Mr. Weber was acting as a middleman for this payoff. There is no argument but that the Maritime Commission official who accepted the $25,000 was in a key position to assist Mr. Wolfson and Mr. McCloskey in evaluating the yard; nor is there any question but that they did get favored treatment. They were allowed to change the bid, after the bids were opened, from an installment bid to a cash bid, and it is also clear that before they entered their bids for the shipyard they had inside information which could have been obtained only from someone in the Maritime Commission. The exact appraisal was $1,926,208; and the successful bid, after the bid had been changed from an installment basis to a cash basis, was $1,926,500—or a difference of only $292.

As evidence that perhaps they did have inside knowledge of that confidential appraisal, I shall submit now, for the record, a statement by Mr. Alvin J. Register, of Jacksonville, Fla., who was the official Government appraiser. I shall submit that statement, as well as other statements.

Mr. Register, in his testimony before the committee, was describing the highly confidential nature of these appraisal reports, and he also confirmed the fact that at the time there was plenty of evidence in the Jacksonville area that information contained in his report—which was supposed to be secret and which had been mailed to the Washington office—had been leaked or transmitted to some of the bidders.

I now quote from Mr. Register's testimony:

Mr. Jenkins. It is interesting to note that your total value of land and buildings amounted to $1,926,208, which is within a very few hundred dollars of the bid submitted by the successful bidder. That is correct, is it not?

Mr. Register. Yes, sir.

Mr. Jenkins. The bid was submitted January 3, 1946, after your appraisal was a matter of record in the Maritime Commission?

Mr. Register. Yes, sir.

Mr. Jenkins. It makes an interesting coincident.

Mr. Holifield. So far as you know, you did not release your appraisal to any source but the Maritime Commission?

Mr. Register. I did not.

Mr. Jenkins. It was for their private information, was it not?

Mr. Register. It was for their own use. I do a great deal of work for the Justice Department, and for the Army and Navy, and their contracts always provide that the information is confidential.

Mr. Holifield. You did not reveal that figure to any other source than your employers?

Mr. Register. That is right.

* * * * *

I would like to say I had different calls while that appraisal was being made. Mr. Glover Taylor was representing Ogden, and he lives three doors from me, and I am his son's godfather. He came down, and I said: "Glover, I am sorry, but I cannot let you see it."

In a week or two I got a call from Charlie Murchison, and he said he had talked to someone in Washington and they told him he could see the appraisal. I said: "If they did, you will have to get a letter from Washington." That is the last I heard of Charlie.

Joe Glickstein called me up.

Mr. Jenkins. Who is he?

Mr. Register. An attorney for Tampa Shipbuilding Co. He wanted to know if he could borrow the appraisal. I said "No." He said: "I have already seen it."

Mr. Jenkins. When was that?

Mr. Register. It may have been in December or January. I do not remember the date.

I have known Jim Merrill all my life. I was raised across the street from him and am godfather of his son. I would not reveal it to Jim.

Mr. Jenkins. Mr. Register, it all goes to show that mind reading and mental telepathy are not lost arts.

Mr. Register. Then I was in Miami on the appraisal of the Palm Beach Biltmore Hotel for the Navy, and while I was in Miami, Mr. McKey told me he had a copy of my appraisal.

Mr. Wise. Do you remember when that was?

Mr. Register. It was in the first part of December or latter part of November.

Mr. Wise. The chairman will remember there was testimony that Mr. Page had sent this appraisal to Mr. McKey.

But you refused consistently to disclose it?

Mr. Register. Yes.

Mr. President, now, I shall submit for the Record certain communications which clearly show that this information was leaked. The secret report had first been forwarded to the Maritime Commission here in Washington by Mr. Register, the official appraiser.

Instead of keeping this highly confidential information in their Washington office, the Maritime Commission allowed this report to be sent to a man working in one of Mr. McCloskey's shipyards in the Jacksonville area.

I quote the following exchange of communications which speak for themselves:

U.S. Maritime Commission,
Washington, D.C., October 22, 1945.

Mr. J. Alvin Register,
Jacksonville, Fla.

Dear Mr. Register:

* * * *

You will realize that this appraisal and your own are wholly confidential and should not be made known to anyone, and in particular to any employees of McCloskey & Co., which company is negotiating for the acquisition of the shipyard, facilities, stores, materials, and supplies.

Very truly yours,
Paul D. Page, Jr.,
Solicitor.

Now I shall read a telegram which was sent by Paul D. Page, Jr., dated November 26, 1945, addressed to R. M. McKey, who at that time was stationed in Miami, Fla.:

November 26, 1945.

R. M. McKey,
Miami, Fla.:

Relet and retel November 23. Baker on way to Tampa. Hope you can meet him there. As soon as possible send me estimate of date you can furnish appraisal and also furnish preliminary figure as soon as possible. We are much pleased with appraisal of St. Johns Yard made by Alvin Register, of Jacksonville. Am mailing you copy for reference but wish it returned as soon as practicable.

Paul D. Page, Jr.

And on December 1, 1945, from Miami, Mr. McKey sent the following wire to Mr. Paul D. Page, Jr., Maritime Commission, Washington, D.C.:

Miami, Fla., December 1, 1945.

Paul D. Page, Jr.:

Have not received copy of Register's St. Johns Yard appraisal. Please send to me care of Ehrman, at McCloskey Yard, Tampa, Fla.

R. M. McKey.

Here we find this highly confidential report going from the Maritime Commission here in Washington to a man in Tampa, and it is to be mailed in care of someone at the McCloskey Yard.

Mr. CARLSON. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CARLSON. I think at this point it might be well to state who Mr. Page was.

Mr. WILLIAMS of Delaware. He was the Solicitor of the Maritime Commission.

Mr. McKey was working in the McCloskey yard at Tampa on another appraisal project. Why was this appraisal report on the St. John's project sent to a man who was working in the McCloskey yard?

This is another question upon which no answer has been supplied.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MORTON. Who is McKey?

Mr. WILLIAMS of Delaware. R. M. McKey was a Florida real estate dealer who at the time was working with the Maritime Commission on another project at the McCloskey yard.

Mr. MORTON. He was not an employee of McCloskey?

Mr. WILLIAMS of Delaware. He was an employee of the Government working on the yard. Presumably McCloskey was doing other work for Maritime and McKey was supervising the work. He had nothing to do with this appraisal, and therefore there was no reason to send him the report.

Mr. MORTON. He was the one who requested it?

Mr. WILLIAMS of Delaware. He was the one who requested it.

Mr. MORTON. Does the Senator maintain that through him they got the bid on the yard?

Mr. WILLIAMS of Delaware. I only say it was sent down to a man on the McCloskey yard, and the bid which came back was just $292 higher on a near $2 million bid than the appraisal. Maritime had a rule in which it could not be sold below the appraised valuation. Therefore the appraised valuation was highly confidential and not available to those who would be bidding.

As yet no one has advanced a logical reason for the appraisal reports being sent to this real estate dealer in case of the McCloskey yard; and what is even worse the administration apparently does not care. At least they appear determined not to let us get a chance to get the answers.

Mr. MORTON. Was this yard, once it was sold, dismantled?

Mr. WILLIAMS of Delaware. Yes.

Mr. MORTON. And those who bid on the yard, except for that one company, felt they had to keep it in operation?

Mr. WILLIAMS of Delaware. Those who bid on the yard, based on the testimony of Mr. Marsden, felt they were bidding on the yard on the understanding that preference was going to be given to those bidders who would keep the yard in operation, yes. Mr. Wolfson and Mr. McCloskey, however, had been told differently.

Mr. MORTON. Nevertheless, the yard was dismantled.

Mr. WILLIAMS of Delaware. It was dismantled, and as I said the records indicate that the McCloskey group knew in advance they could submit a bid accordingly, and that it would be considered.

Mr. MORTON. Does the Senator have any idea of the salvage value of the cranes and other equipment in the yard that were sold?

Mr. WILLIAMS of Delaware. I do not know. There was testimony at the time which partially answered that question. The appraised value was based on the value of the buildings and land, which was near $2 million without too much valuation being placed on the machinery. This was on the basis of keeping the yard in operation. At the time this question was first asked they had sold about $1½ million worth of equipment from the yard alone, and they were still in the process of selling more equipment.

I understand that this was an unusually profitable deal.

Mr. MORTON. And they still had the property?

Mr. WILLIAMS of Delaware. Yes.

Mr. MORTON. Does the Senator from Delaware recall that in 1946, right after the war years, there were priorities on heavy machinery and cranes and the rest of the heavy equipment that was to be found in shipyards, and it was almost impossible to obtain such equipment? It was a seller's market, was it not?

Mr. WILLIAMS of Delaware. Yes, and that is why the yard was worth so much more if they were assured of permission to dismantle it. The record also shows that later Maritime negotiated with Mr. Wolfson's group, and in return for a $2,000 addition to the bid they turned over to Mr. Wolfson a substantial amount of unidentified equipment which was in the yard at that time. How much Mr. Wolfson and Mr. McCloskey got for the equipment is not known. In fact, from what I read in the records of the Maritime Commission, they did not know just how much equipment they let go for $2,000.

Mr. MORTON. Is it the Senator's proposal to recommit the nomination?

Mr. WILLIAMS of Delaware. Yes. I think it should be recommitted and we should get some answers to these many questions.

Mr. MORTON. Then the Foreign Relations Committee, made up of senior distinguished Members of this body, could give a judicious, fair hearing, and take evidence, and bring the nomination back to the Senate, rather than have us try the case on the floor of the Senate, could they not?

Mr. WILLIAMS of Delaware. Yes. I thought that should have been done in the beginning. I do not think the U.S. Senate is the place where this matter should be discussed, but under the circumstances we had no choice. I am one who believes that any man, including Mr. McCloskey, should be considered innocent until proven otherwise.

If I were Mr. McCloskey I would have demanded an opportunity to appear before a congressional committee to answer these charges; that is, if I were innocent. I do not think it is fair to have the Senate vote on the integrity of a man without our having had an opportunity to explore all of the facts. That is the reason why I suggested to the committee that we get answers to these questions before the nomination was reported. Of what are they afraid?

We got some information, but I was very much disappointed that the vote was rushed into before the Members were given an opportunity to study it. I had been extended the courtesy, which I appreciated, to take home over the weekend some of this material, and I did have an opportunity to study it.

But I still have been unable to get answers to some of the most disturbing questions, such as who put up the money to "pay off" a Government official.

To show the Senate the tremendous burden of studying the reports I show the Senate the voluminous reports they sent down. They are here on my desk now. I ask Senators in all fairness, how was anyone to study this material here on the floor of the Senate this afternoon? This is some of the material they sent down. It is on that fact that I am basing my argument for a recommittal. I had to work nights and over the weekend in order to become even partially familiar with the case. Certainly, the committee should make a judicial review of the material. That is why it was sent for.

Mr. MORTON. I commend the Senator from Delaware for his diligence in this matter. Speaking for myself, I hope his motion will be to recommit. I dislike to vote against any presidential nomination for an ambassadorial post or any other position. The President has a right to name his own appointees, and the Senate has the responsibility of advising and consenting.

I hope this nomination will be recommitted to the Foreign Relations Committee. I am sure the committee, with the help of the distinguished acting chairman, the Senator from Alabama, will give its support.

Mr. WILLIAMS of Delaware. I thank the Senator. I think that is the proper procedure. A study of these allegations should have been made before the nomination was sent to the Senate.

Mr. President, I return to the discussion of the highly confidential appraisal report which was sent to a Florida real estate dealer, who at the time was working in the McCloskey Yard at Tampa.

Thus we find that this highly confidential appraisal report was sent to a man working in the McCloskey plant in Jacksonville just 1 month prior to the closing bid date.

The fact that the successful bid of $1,926,500 was so close to the $1,926,208 appraisal is not without significance.

Furthermore, if Mr. McCloskey had no interest in the ultimate procurement of this yard, then why on January 9, 1946, 6 days after bids had all been in, did he personally wire the Maritime Commission authorizing the change of Mr. Wolfson's bid from that of an installment basis to a cash basis? The record also shows that Mr. Wolfson subsequently paid each of Mr. McCloskey's sons $5,000, $5,000 to Mr. McCloskey's lawyer in Harrisburg, Judge Pannell, and $5,000 to Mr. Charlie Finley, listed as an associate of Mr. McCloskey. Nor can I find where anyone has asked Mr. McCloskey to what extent he later participated in the profitable deal.

The question is asked, "If there were anything wrong, why did the Department of Justice not act?"

The Senator from Alabama made that point—if there were something wrong, why did not the Department of Justice handle the case at the appropriate time?

That is a good question and one upon which I too would like to have the answer. Why was the report on these allegations allowed to gather dust in Justice's files?

Representative Rizley stated very clearly at the time that he was going to forward the charges to the Department of Justice for investigation, and I understand he did so. I point out that this case was referred to the Department of Justice somewhere between 1947 and 1949, but there is no record that it was given any attention at all until 1952, at which time another committee in the House of Representatives directed a second inquiry to the Department of Justice asking for a report.

Following this later inquiry the Department of Justice under Attorney General McGranery did appear before a grand jury seeking indictment, and the grand jury returned no true bill.

Normally this would mean that the validity of the allegations had been discredited; however, that is not altogether true in this case because during the interval in which these reports were pigeonholed in the Justice files, the Government official who would have been the key witness died and many witnesses were gone. The Department of Justice even now has refused to indicate to what extent this transaction was examined and to what extent it was ever presented to the grand jury.

The fact that the charges lay dormant in the Department of Justice files between 1947 and 1952 is not too surprising when we remember that this was only one of the many failures of the Department of Justice during that spectacular era when they ofttimes demonstrated a noticeable reluctance to pursue certain prosecutions.

And even today they insist upon not talking about the $25,000 pay-off to a Maritime official during these negotiations. No mention of this important point is made in their report to the Foreign Relations Committee, nor is there any mention of the favored treatment which Mr. McCloskey and Mr. Wolfson got from the Government in their attempt to buy this surplus shipyard.

The administration proceeds on the theory that no one went to jail and therefore no one was guilty. That completely ignores the fact that there is a moral code as well as a criminal code.

But this was not the only time that Mr. McCloskey was involved in an alleged payoff to a Government official.

Before I go into the next allegation, though, I should like to point out one further established fact. This yard was advertised for sale. Bids were opened on January 3, 1946, and the yard was declared sold on January 10, 1946, before it even had been officially declared surplus by the Maritime Commission. This, too, was a highly irregular transaction in itself.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MILLER. I have two questions to ask the Senator. If the Senator has not already done so, would the Senator make it clear for the record why the Maritime Commission sent the appraisal report to the Maritime Commission employee at the McCloskey Yard in Tampa?

Mr. WILLIAMS of Delaware. There is no justification for that at all. However, it is an established fact that it was sent. There has been no one, to my knowledge, who has given any explanation as to why the report would be sent to this man who at the time was working at the McCloskey yard.

A suggestion was made by one Commissioner that if this man wanted to make an appraisal report himself, he might want to see how it was done.

I do not accept that. If this man was going to be hired as an appraiser he should know how to make his own report; otherwise, he was not qualified to do so, anyway.

I see no basis for it, but the exchange of telegrams clearly shows that the report was sent.

At this point I should like to discuss briefly the fact that this yard was sold before it had ever been declared surplus by the Commission. I quote again from the testimony before the congressional committee:

> Mr. Jenkins. Were you acting under the Surplus Property Act? As I understand, this property had not been declared surplus at the time these bids were received and accepted.
>
> Mr. Skinner—

Mr. Skinner, for the record, was general counsel of the Maritime Commission.

> Mr. Skinner. I thought we were acting under the Surplus Property Act.
>
> Mr. Jenkins. Would that not be a factor on which your opinion would be based? I am a lawyer, and I think if I were in your position I would want to know if this property was being disposed of under the Surplus Property Act or if the situation was somewhat different.
>
> Mr. Skinner. As I said a while ago, the Maritime Commission cannot sell the Washington Monument, and I assumed it was declared surplus.
>
> Mr. Jenkins. But it would be one of the factors in the situation which would lead you to believe that a change in the conditions of the bid was not such a change as would invalidate the bid?
>
> Mr. Skinner. Yes.
>
> Mr. Jenkins. And the factor of whether the property had been declared surplus, and whether you were operating under the Surplus Property Act, would be a vital factor?
>
> Mr. Skinner. I am not sure but that Public, No. 5, which gave the Commission authority to build the first 200 Liberty ships, which were called the ugly ducklings, did not also give the Commission authority to dispose of surplus property.
>
> Mr. Jenkins. Let us go back to your opinion to Commissioner Carmody. That opinion was based upon the assumption that the property had been declared surplus and that you were therefore acting under the Surplus Property Act?
>
> Mr. Skinner. Yes.
>
> Mr. Jenkins. As a matter of fact, that was not the situation at the time these bids were received and accepted. Now, that being so, does it in any way change your opinion as to whether or not this Tampa Shipbuilding Co. had a right to alter the conditions of its bid?
>
> Mr. Skinner. Then I would say the Commission had no authority to sell at all.

Thus we find that this $19 million shipyard was sold for about 10 percent of its original cost before it had even been declared surplus.

I repeat—this shipyard had not been properly declared surplus by the Maritime Commission whereby it could legally be sold, and that fact is confirmed not only by the testimony of Mr. Skinner, general counsel, but also by a letter I find in the record, dated January 7, 1946, addressed to Admiral Land and signed by our colleague Stuart Symington, who at that time was Surplus Property Administrator.

I read the letter:

> Surplus Property Administration,
> *Washington, D.C. January 7, 1946.*
>
> Vice Adm. E. S. Land,
> *Maritime Commission,*
> *Washington, D.C.*
>
> Dear Admiral Land: We understand that the Maritime Commission is considering bids to purchase the St. Johns' River Shipbuilding Co. yard, located at Jacksonville, Fla., received as a result of an invitation to bid issued by the Commission.
>
> As you know, our Regulation 20, on "Surplus Marine Industrial Real Property," was issued on December 22, 1945, after the invitation to bid was made.
>
> We request that, in view of the issuance of this regulation during the course of the transaction, you take no final action with regard to the acceptance or rejection of bids for this yard until you have submitted the matter to us for consideration.
>
> If the property cost the Government $1 million or more the matter should be submitted to the Attorney General before final decision of disposal.
>
> Sincerely yours,
> W. Stuart Symington,
> *Administrator.*

This letter was dated January 7, 1946, yet the bids for the sale of the yard had been opened on January 3, 4 days previously. The yard was declared officially sold only 3 days later, on January 10.

Here again we find another highly questionable procedure involved in this case.

Did Mr. McCloskey and Mr. Wolfson have so much influence that, working in conjunction with the Maritime Commission, they could circumvent the law at will?

Mr. MILLER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MILLER. The second question I wished to ask the Senator was whether the Department of Justice had given any reason or justification for its failure to respond to the inquiry of the committee regarding the degree to which it had gone into this case. I believe the Senator commented earlier that the Department of Justice had not responded. I wondered if any endeavor was made to give a reason for failing to do so.

Mr. WILLIAMS of Delaware. If the Senator will bear with me a moment, I think I have the comment by Attorney General McGranery himself.

Mr. SPARKMAN. Mr. President, I think I can help the Senator, if the Senator will yield.

Mr. WILLIAMS of Delaware. I yield to the Senator from Alabama.

Mr. SPARKMAN. As a matter of fact, I think the Senator is in error. The FBI did investigate this, and reported in 1949. I think the Senator from Delaware overlooked that.

Mr. WILLIAMS of Delaware. I did not overlook the fact that the FBI did its job and properly reported its findings to the Justice Department. I said that the Department of Justice, after getting the report, did nothing at all. For some strange reason the report lay there nearly 5 years until 1952.

I did not question the fact that it went to the Department of Justice. What I want to know is, Why was no action taken? That is one of the answers I am trying to get.

Mr. SPARKMAN. May I correct myself. It was the Criminal Division of the Department of Justice which, on March 23, 1949, advised that following an investigation in the matter it had been concluded that circumstances were not sufficient to support a criminal action. The case was closed. That was in 1949.

Mr. WILLIAMS of Delaware. The record shows that at the time it was presented to the grand jury by Attorney General McGranery the key witness—that is, the Government official who had been paid—was dead.

Mr. MILLER. Mr. President, if I might make comment, I believe the point which the Senator from Delaware was getting at was that while we have information regarding the disposition of the case, as the Senator from Alabama has pointed out, it is my impression that the committee tried to ascertain to what degree the Department of Justice had gone into the question and that the Department had not been responsive to that inquiry. I think the committee has been apprised, as the Senator obviously has, regarding the disposition of the case. The question which seems to be raised by the Senator from Delaware is: To what degree did the Department go into the case? Is that not a proper understanding?

Mr. WILLIAMS of Delaware. That is right. The best explanation I have, and I shall put the entire article in the Record, is the one which was given by former Attorney General McGranery as it appeared in the Washington Evening Star of Saturday, August 9, 1952. It is entitled "Shipyard Acquisition by Wolfson's Group To Reach Grand Jury—McGranery To Act on 6-Year Old Charges—Transit Head Puzzled."

As the Senator from Alabama has pointed out, the information was sent to the Department of Justice long before that time. I shall quote what Mr. McGranery told the reporter:

> Mr. McGranery indicated he had no explanation for the 6-year delay and said an earlier decision should have been made. It was understood that the matter first was sent to the Justice Department by the General Accounting Office.

So Mr. McGranery, the acting Attorney General in 1952, said he did not know why it had been acted on. I do not know either. I still am puzzled and still want the answer.

Mr. President, I ask unanimous consent that the article in the Evening Star to which I have referred be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Shipyard Acquisition by Wolfson's Group To Reach Grand Jury—McGranery To Act on 6-Year-Old Charges—Transit Head Puzzled

Attorney General McGranery is planning to send to a grand jury 6-year-old charges of irregularities in the purchase of a Jacksonville, Fla., shipyard by a group headed by Louis E. Wolfson, chairman of the board of the Capital Transit Co.

Allegations in connection with the surplus property purchase of the St. John's River Shipyard have been hanging fire in the Justice Department, without action, since 1946.

The first indication of Mr. McGranery's interest in the case came from a House subcommittee investigating the Justice Department. The matter came to light when the House group began looking at delays in the Department's handling of cases.

DISPOSED OF AS SURPLUS

The subcommittee said the shipyard was acquired by the Maritime Commission in 1942 at a reported cost of $19.5 million. In 1945, a decision was made to dispose of the yard as surplus property. Bids were asked, and in 1946 the yard was sold for $1,928,500 to the Tampa Shipbuilding Co., which is controlled by Mr. Wolfson.

Reached in Miami, Mr. Wolfson told the Star by telephone he was "at a loss to understand" why the matter has come up. He said the charges have been "kicked around by every politician in Washington and Florida," and added:

"I thought the matter was completely clear and clean."

PURCHASE HELD UP MONTHS

Mr. Wolfson said hearings were held on the charges in 1947 by the House Expenditure Committee and that the actual purchase was held several months before it was cleared.

He said the most serious charges were that the purchase would give Tampa Shipbuilding a monopoly in that area and that the company had access to records other bidders did not have. These charges, he said, were made by an officer of the old St. Johns company, who was second highest bidder to Tampa Shipbuilding.

Actually, he said, the approximate 10 percent of original cost figure Tampa Shipbuilding bid was higher than the Government was getting for many other surplus installations.

Tampa Shipbuilding Co. was acquired by the Wolfson group in 1945. During the next 2 years, it had between $25 and $30 million worth of contracts to build French ships, Mr. Wolfson said.

USE OF FACILITIES MADE CLEAR

He said part of the St. John's facilities were used for the French ships, "part for other work in the yard, and we liquidated the other part of it." This use of the facilities was made clear at the time of the bidding, he added.

In a statement, the House subcommittee yesterday quoted Mr. McGranery as saying he believed the complaints were "well founded" and was ordering the evidence presented to a grand jury.

At a press conference later, however, the Attorney General said the grand jury presentation has not yet been made. But he told reporters he will direct such action after further investigation by the Justice Department's Criminal Division.

Mr. McGranery indicated he had no explanation for the 6-year delay and said an earlier decision should have been made. It was understood that the matter first was sent to the Justice Department by the General Accounting Office.

Mr. WILLIAMS of Delaware. One of the points I make is that there has been strange reluctance on the part of those in authority to pursue this question. To what extent the case was presented to the grand jury in 1952 I do not know. The point is that the report was pigeonholed 5 years, or until the key witness was dead. I think we should find out from the Department of Justice whether the full facts were all presented to the grand jury. I recall that during that particular period I had occasion to criticize many situations on the floor of the Senate in which criminal cases had been sent to the Department of Justice but then put on the shelf or not presented to the grand jury in such a manner that the grand jury could render an indictment.

I am not saying that such a thing happened in the present case. I merely quote from Attorney General McGranery, who also was puzzled as to why the case lay in the files of the Justice Department for 6 years while nothing was done about it.

There was a second allegation in connection with Mr. McCloskey's activities and one which certainly cannot be ignored.

This is an allegation which should have been explored first by a congressional committee, but since the committee refuses to take any action and in view of the serious nature of the charge plus the strange circumstances surrounding the manner in which the Justice Department handled the case, I have no alternative other than to discuss it here today.

A second allegation was made; namely, that several years ago Mr. McCloskey was involved in the payment of several thousand dollars to an employee in the legislative branch of our Government for his assistance in obtaining favorable consideration on Government contracts and allegedly for his assistance in the enactment of certain legislation which would have benefited Mr. McCloskey and his company. At this point I accept that statement as a rumor. This allegation was likewise referred to the Department of Justice. Presumably an investigation was started, but the record shows that the investigation was dropped. I was advised, since the question arose, that it was dropped on the flimsy excuse that when the Department of Justice requested the tax returns of the participants involved in the payment they found that the Treasury Department had "lost" the returns of both taxpayers for the particular years in question.

That explanation is a little farfetched for me to swallow, particularly when we take into consideration where the tax returns of the parties were filed. The returns in those particular years were filed in two different offices which were from 600 to 800 miles apart.

I just do not believe that happened, and if these tax returns were missing then I want to know why.

I would like to know a little more about this case. However, based upon that strangely convenient excuse, the Department of Justice apparently pursued the case no further. There appears to be no evidence that either of the parties involved was questioned. If so, I have no knowledge of it. But it is a fact that the original allegations were based upon something that could be accepted as more than mere rumor.

Mr. President, it is based upon these circumstances—alleged payoffs to public officials for the use of their influence, the special favors which were granted, such as being allowed to change bids after the bids were opened, and so forth—all of which are still being ignored and unanswered—that I base my opposition to the confirmation of Mr. McCloskey.

In my opinion our Ambassadors as the official representatives of our country should be men whose integrity is above suspicion.

When questions of the type I have suggested here arise, I think the committee in charge of such nominations has the responsibility at least to study the questions before reporting the nomination to the Senate for confirmation to a high public office.

There is a moral code which has been ignored here.

The Senate has before it a nomination which has been recommended by a majority of the committee. But I challenge any of the majority members of that committee who so voted to say that he has read the reports to which I have referred. I know the committee members have not done so.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. In view of the presentation by the Senator from Delaware and the case he makes on an incomplete and inadequate presentation of all the facts, what is the Senator's recommendation?

Mr. WILLIAMS of Delaware. I intend to move that the nomination be sent back to the committee in order that the committee may go into all the factors involved and report back to the Senate with a recommendation based upon its study of the points involved.

I do not think it is fair to call for a yea-and-nay vote on the confirmation of the nomination of Mr. McCloskey on the basis of what I have presented. I recognize that there are two sides to all questions. The Senate is not the place in which the case should have been presented. I did not want to press it here, but I had no other choice.

I am very much disappointed that there was not more interest on the part of the administration in the question. I felt that when the points were made, someone should have called for a further investigation.

Mr. DIRKSEN. Mr. President, will the Senator yield further?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. How much time was devoted to the question by the committee?

Mr. WILLIAMS of Delaware. Adequate time was devoted at the first hearing. I find no fault from that standpoint and raise no question in respect to time. But when Mr. McCloskey appeared before the committee—so far as I was concerned, and I think so far as any other member of the committee was concerned—we had heard of none of the allegations to which I have just referred. Therefore Mr. McCloskey was not questioned on them, nor was any point raised. For that reason the transcript of the official committee hearings shows none of those questions. They were raised later and brought up in executive session. I felt then that we should have reopened the hearings and pursued the question further.

Mr. DIRKSEN. Has the transcript of the hearings been printed?

Mr. WILLIAMS of Delaware. I do not think it has. But if it has been printed, the original transcript would not show any of the points I have mentioned because they were not raised at that time. The transcript of the proceedings of the executive session has not been printed and therefore is not available.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. I was one of the four members of the Committee on Foreign Relations who voted in the committee the other day not to approve the appointment of Mr. McCloskey. I did so because I felt that since questions had been raised by the Senator from Delaware, it was not fitting for the committee to vote approval of the nomination of Mr. McCloskey without further examination into the presentations which had been partially made by the Senator from Delaware at that time. It seemed to me that a more thorough examination of the question was necessary.

The statement has been made that the committee overwhelmingly approved the nomination of Mr. McCloskey. It is true that 9 members of the committee voted for confirmation of the nomination, but 8 members of the committee either voted against it or did not vote. So I would not call the approval overwhelming, since only 9 of the 17 members of the committee voted to approve the confirmation.

I still believe that the nomination should not have been slid over quite so easily and readily by the committee after the Senator from Delaware had raised before the committee the questions he has mentioned. There should have been a much more thorough investigation before Mr. McCloskey's nomination was confirmed.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MORTON. I followed with interest the closing remarks of the Senator from Delaware. I wish to clear up one question. Were two income tax returns lost?

Mr. WILLIAMS of Delaware. I was told that two income tax returns were lost. They related to the second alleged payoff.

I wish to be fair. I have no information which would prove that the charge relating to an alleged payoff had any foundation whatsoever. I emphasize that point because I do not want to be unfair to Mr. McCloskey. It may not be true, but again it may be true. We should find out. What I find fault with is the manner in which the question was brushed off so casually by the Department of Justice when it was called to its attention. I decided to check the case. The tax returns of the two participants involved, presumably the taxpayer who paid the bribe and the one who received it, were called for. I was told that the Department of the Treasury could not locate the tax returns. They had been destroyed or were lost. Therefore they said the question could not be pursued any further.

I could not accept that flimsy explanation. The tax returns of those two individuals were filed in two separate offices, 600 or 800 miles apart, and they did not both get lost at the same time.

Mr. MORTON. They were in separate offices?

Mr. WILLIAMS of Delaware. Yes.

Mr. MORTON. Are these two taxpayers still alive today?

Mr. WILLIAMS of Delaware. I can say "Yes" in one instance, and I believe I can say "Yes" with reference to both of them.

Mr. MORTON. Were they businessmen?

Mr. WILLIAMS of Delaware. One of them was a former employee of one of the branches of Congress.

As Members of Congress we have a responsibility to follow through on this allegation that this employee, one of our own legislative employees, was accepting money for assistance in getting a contract.

I wish to make it clear that this is an allegation only, and I, as one Member of the Senate, have nothing to prove it at this time, but that does not mean that it can just be ignored.

Ordinarily I would not discuss it on the floor of the Senate, except that we have been put in this position where we must do it. I am doing it with the explanation that it is an allegation, and I am bending over backward in indicating that it may not be true. But at the same time, when an allegation such as this is made—that there has been a payoff to one of our own employees of Congress—we cannot brush it off and say, "This is inconsequential." We have that responsibility in Congress. The Department of Justice has an equal responsibility. Someone had a greater responsibility than to come back and say, "We have tried to get the tax returns; but the Treasury Department lost the tax returns of both these individuals, so we dropped it."

Mr. MORTON. Does the Senator feel that these two individuals have incomes of over $10,000 a year?

Mr. WILLIAMS of Delaware. Yes.

Mr. MORTON. Does not the average person with an income of over $10,000 a year keep a copy of his income tax return?

Mr. WILLIAMS of Delaware. There are a great many ways that this could have been established with adequate time. I am confident of that. I think I could get an answer to clear up this point if I had the chance.

Certainly we can find out whether or not the allegation is true or false. What are they afraid of? Why not let us try to get the information?

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. If the distinguished Senator from Delaware will permit, I should like to ask the Senator in charge of the nomination, the Senator from Alabama [Mr. SPARKMAN], whether this is not a good suggestion, that we send the nomination back to committee rather than ask for its approval with a cloud upon it. I say that because the Senate should not deal unfairly with Mr. McCloskey by rejecting the nomination, or approve it and send him forth as the Ambassador of this country with some doubt about all this, except after some real answers are given to the questions asked by the Senator from Delaware.

Mr. SPARKMAN. Mr. President, I do not see that there can be any end if that kind of procedure is to be followed. I believe the members of the Foreign Relations Committee will back me up when I say that there was no suggestion made at any time by any member of the Foreign Relations Committee that we hold further hearings.

Mr. WILLIAMS of Delaware. I beg the Senator's pardon.

Mr. SPARKMAN. A suggestion was made that we get these records.

Mr. WILLIAMS of Delaware. Get the records and then read the reports.

Mr. SPARKMAN. We got the records and we gave the Senator from Delaware all the time he requested. He did not ask for an extension beyond Monday.

Mr. WILLIAMS of Delaware. I beg the Senator's pardon. He is in error.

Mr. SPARKMAN. We voted on it on Monday. Let us remember that this thing has been raked over the coals a dozen different times. There was made available to every member of the committee who wanted to read it a summarized FBI report covering all the different inquiries that had been made, and studies by the Criminal Division of the Department of Justice, and the grand jury investigation, and even referring to hearings which were held before the committee. Every Member who wanted to read it had an opportunity to do so. I read it, and I am sure that the Senator from Delaware read it also.

Mr. WILLIAMS of Delaware. I read it, but why did the junior Senator from Alabama and the other Members express some interest?

Mr. SPARKMAN. I do not see any end to it. I should like to say this also. Had the Senator from Delaware asked for specific witnesses to be called before the committee, I am certain the committee would have granted the request.

Mr. WILLIAMS of Delaware. I should like to reply very briefly to the Senator's statement. I want the record to be clear that I told the Senator from Alabama and the other members of the committee that if they insisted on voting Monday I would have no choice but to vote "no" and take the case to the Senate floor.

I said I was prepared to vote and that I would vote against the nomination. However, I said that I would have to pursue the matter on the floor of the

Senate. The Senator from Vermont and other Senators will confirm the fact that I suggested that this matter should be more thoroughly examined. If I do not quote the Senator from Alabama correctly, I hope he will correct me, but if I recall correctly at that time he admitted that he, too, was disturbed about these charges but he said that he would just as well vote on it, though. The Senator admitted that he had not seen the report.

Mr. SPARKMAN. I believe the Senator is wrong. I did not say I was disturbed.

Mr. WILLIAMS of Delaware. We are now discussing a report which both the Senator from Alabama and I have read, a report which confirmed what I had said; namely, that the second allegation had been dropped because the two tax returns had been lost. I ask him is that not true? The Senator read the report.

Mr. SPARKMAN. Back in 1941.

Mr. WILLIAMS of Delaware. No, but I do not care when it was. It was dropped on the flimsy excuse that the returns had been lost, although the two tax returns had been filed 600 miles apart.

Mr. SPARKMAN. There was nothing there. The Senator has admitted that this is nothing but a rumor, that he had nothing to draw on, but that he wanted to report it to the Senate. He admitted it was not enough to try a man on, but nevertheless he wanted to bring it before the Senate. It was a rumor. I submit that there was no connection between Mr. McCloskey and anyone else, except a rumor.

Mr. DIRKSEN. I merely wish to point out that there are four Members of the Senate who serve both on the Senate Finance Committee and the Senate Foreign Relations Committee, including the chairman of the Foreign Relations Committee. Every Member of the Senate knows that the members of the Finance Committee have been in almost continuous session for months. The marvel is that as much spadework has been done on this subject as the Senator from Delaware could contrive, in view of the heavy load that he carries on the Finance Committee, as its ranking minority member.

I believe that gives point to the suggestion made by the Senator from Delaware that if additional time is available, a thoroughgoing job can be done in this case. I believe we owe it to Mr. McCloskey, we owe it to the Senate, and we owe it to the people to make sure that when the imprimatur of the Senate is placed upon one who is to represent us abroad that he go out of here without any doubt of any kind whatsoever.

Mr. WILLIAMS of Delaware. Of course I agree fully with the Senator from Illinois. However, if we get a report of an alleged payoff to an employee in our legislative branch we have the responsibility of not brushing it off and saying, "We don't believe it." The Department of Justice had an even greater responsibility. It should not merely have asked the Treasury Department for the tax return and then accept the answer, "Well, we lost both of them."

I want to know a little bit more about that particular case. I am willing to ask these questions with the clear understanding that it has not been proven, and I hope it never will be proven, not only from Mr. McCloskey's standpoint but also from the standpoint of the reputation of Congress. However, I will not let this go unchallenged. I want more than an expression of the Justice Department, "We tried to look into this." Let us remember that at that time both these men were living. I think they are both living now.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CARLSON. I stated at the conclusion of the rollcall vote in committee that I regretted sincerely that I had to vote against reporting the nomination favorably to the Senate. After hearing some of the questions that were raised by the distinguished Senator from Delaware I felt impelled to vote against the nomination.

The acting chairman will remember, since we are talking about the executive session, that as soon as the chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT], called the committee to order, a motion was made immediately to report the nomination. Had it not been for some of the questions raised by the Senator from Delaware, we would probably have reported it within 3 minutes.

When these questions were raised it did cause some concern among members of the committee. I am one of those Members of the Senate who believe that the President is entitled to every consideration with respect to his nominees. As a matter of fact, I am one of the members of the Foreign Relations Committee who have said that our foreign ambassadors and foreign service officers should not all be career people. There are posts around the globe which need outstanding businessmen and men having means. I have visited some of the posts around the world where it would not be fair to send a career man and expect him to pay the expenses. So we need business and professional people. For that reason, it was very difficult for me to vote against the nomination of Mr. McCloskey.

But I am convinced, after hearing the discussion and reading some of the records—at least, some of the copies of the material which has been presented here today—that this is a nomination which should have further thought. I sincerely regret that it was not presented to the committee as it has been presented today.

As I said, I disliked to vote against reporting the nomination to the Senate; and if I am forced to do so today, I shall have to vote against the confirmation of the nomination really and truly regretfully.

Mr. KEATING. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. It has been my intention all along to vote for confirmation of this nominee. Nevertheless, I had hoped that these questions might be cleared up. Does the distinguished Senator from Delaware believe that it would take another several days of hearings to inquire into the matter?

Mr. WILLIAMS of Delaware. No, I do not think it would take too long. I think the committee would be more than willing to act expeditiously; they should do so. I do not ask any Member of the Senate to accept what I have said, although I have tried to be as accurate and as fair as I could. Frankly, I have tried to bend over backward to be fair to Mr. McCloskey.

But the flimsy excuse that was given for the loss of the tax returns was a little more than I could swallow. There is no question that there was a payoff to the Maritime Commission official. There is no question that that payoff was made by a man who was in the employ of Mr. Wolfson. There is no question in the record that at that time Mr. Wolfson and Mr. McCloskey were operating together in connection with negotiations for a shipyard. It is conceivably possible that neither of them knew anything about or had anything to do with the payoff, but I would like to know more about the transaction.

It is also possible that they put up the money and used the man as a go-between. I think they have a responsibility to answer. There is an allegation that there was a payoff to an employee of the legislative branch. That too must be answered.

Mr. KEATING. Was Mr. McCloskey himself questioned?

Mr. WILLIAMS of Delaware. No, he was not.

Mr. KEATING. He certainly should have an opportunity to straighten out this situation. It would be unfortunate to have him represent the United States while he was under any cloud of doubt.

Would the Senator from Delaware, in moving to recommit the nomination, be willing to place a time limit on having the Committee on Foreign Relations report back? If that were done, would the Senator from Alabama, and all other Senators handling the nomination, agree that it was in the interest of everyone, including the nominee, to have the situation cleared up, and that that might be done in a week or 10 days, or in some relatively short length of time?

Mr. WILLIAMS of Delaware. I would have no objection, although I do not believe it would be advisable to set a time limit which might be too short to do the job. The Senator knows how time limitations sometimes operate, particularly when the Senate operates as it has been recently. At the same time, I think I may say that the investigation could be made expeditiously. So far as I, myself, am concerned, the nomination could be reported back in 72 hours; that could be done and a report could be made. No effort would be made to delay action by me. I do not think any member of the committee would suggest that there has been undue delay. I did not try to prevent the nomination from coming to a vote when I saw that the committee was insistent upon voting.

After the nomination had been reported I told the majority leader that I would cooperate with him whenever he desired to bring it up. I do not think it would be necessary to place a time limit on reporting back; I do not think that would be wise.

Mr. KEATING. My only reason for suggesting a time limit is that a motion to recommit a nomination is usually or frequently construed as a vote against the nomination. I am not prepared to vote against the nomination. However, I would vote for a week or 10 days in which the committee might consider the subject further. I should like to be sure, as I am certain other Senators would, of just what we are voting on and what the record is.

I appeal to the Senator from Alabama to accept such a motion, if a time limit were placed on reporting back on the nomination, so as to insure that there would be no delay in bringing the matter back to the Senate.

Mr. WILLIAMS of Delaware. I would have no objection to that, although I am not sold on it.

Mr. CAPEHART. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CAPEHART. Under the circumstances, since the matter has been brought out so forcefully by the able Senator from Delaware, I should think that Mr. McCloskey himself would insist upon a hearing and insist upon being heard by the committee. I know that if I were in McCloskey's place, I would want to come before the committee and clear the matter up.

Does not the Senator from Delaware believe that we owe to Mr. McCloskey an opportunity to do that? Otherwise, there would always be a cloud over his character and always be a cloud over the transaction. I should think he would be the person to ask for the hearing, rather than to have the Senator from Delaware ask for it. I cannot conceive of a man like Mr. McCloskey not asking to be heard in order to clear up the situation.

Mr. WILLIAMS of Delaware. I appreciate the Senator's statement.

Mr. CASE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CASE. The distinguished Senator from Delaware has rendered a very great service to the Senate and the country. I would not be prepared to vote for the confirmation of the nomination on the state of the record as it is. However, I should, perhaps, wish to demur to the suggestion of the Senator from New York [Mr. KEATING] that there be a time limit on reporting back the nomination. I would not be happy to have it reported back in 72 hours or even a little longer time, because I do not think that would be long enough to examine into the question fully.

I do not believe it should be the responsibility of one single Senator—and perhaps the hardest working Member of the Senate—to carry the full load. That ought to be done by the committee staff and perhaps by members of the executive branch of the Government. I think the nomination should be referred back to the committee with the clear understanding that it is not the sole responsibility of JOHN J. WILLIAMS to carry the load alone.

Mr. WILLIAMS of Delaware. I appreciate the Senator's statement. I think the nomination should be referred back to the committee. There will be no prejudice on my part in sending it to some committee of which I am not a member. What disturbs me is that when the nomination was before the committee these serious questions were raised, and it was agreed that they were serious questions and should be answered. After we got some of the answers there was not enough interest on the part of some to study them. That is what bothers me. I think that in fairness to Mr. McCloskey the questions should be studied. We cannot let the situation be brushed off.

Mr. AIKEN. I express the hope that the Senator from Delaware will not agree to a time limit for the hearings, because when evidence has been lost or mislaid, often it may continue to be lost or mislaid until after the time limit has expired.

I am not really distressed, because I recall that the Senator from Delaware told the committee on the morning we acted on the nomination that if the committee was determined to vote anyway, he would not take any more time in presenting the case before the committee but would present it on the floor of the Senate. This he has proceeded to do. I think we are all sorry that he was put in a position where he felt obliged to do that.

If there is to be an investigation of the subject, I think there should be expert investigators. Perhaps two of them would be enough, one to represent each side of the political picture. But I certainly hope the matter will be cleared up.

I did not vote against Mr. McCloskey in committee because I had anything against him; I felt that the committee was sliding the nomination through too fast.

I also add that the first hearing on the nomination of Mr. McCloskey was a very short one, because I was a few minutes late in arriving for the hearing, and I met Mr. McCloskey and the distinguished senior Senator from Pennsylvania [Mr. CLARK] already leaving the committee. So the hearing could not have lasted more than a few minutes.

Mr. WILLIAMS of Delaware. I thank the Senator from Vermont. Before I move that the nomination be recommitted, I should say that all the bidders were being told to bid upon the St. Johns River shipyard, which was surplus, on the basis that it would be kept in operation as a marine facility. I should like to quote again from the testimony before the committee in which Marsden confirmed the fact that the Wolfson group bid on the yard knowing they could dismantle it.

I quote from the testimony:

> Mr. WISE. In other words, at the very end of December the Florida Pipe & Supply Co. did receive information to the effect that bids would be received on a term basis, and that if the bids were interesting enough, the property might be used for other than Maritime Commission purposes?
>
> Mr. MARSDEN. Yes.

Again I point out that there are many strange circumstances: The bids were changed; one group was allowed to make a different type of bid; there was an alleged payoff in one instance, to a Government official, and, in another instance, to the employee of the legislative branch.

These are serious charges, and there is enough evidence to justify having the committee at least study the report.

Therefore, Mr. President, I move that the nomination be recommitted; and I ask for the yeas and nays.

Mr. KUCHEL. Mr. President, I join in the request for the yeas and nays.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that, without losing my right to the floor, I may yield for 5 minutes to the Senator from Washington [Mr. JACKSON].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I shall be very brief.

I have known Mr. McCloskey for several years. Everything I have known about him indicates that he has been a highly successful businessman. He is respected in the city of Philadelphia and in the State of Pennsylvania.

In my judgment, based on his long record of successful business enterprise and his interest in public affairs, he would be a fine representative of our country.

Mr. SPARKMAN. Mr. President, I wish to speak briefly before the vote is taken.

First of all, I wish to make clear that I was not presiding over the committee; the chairman of the committee was present at the time when those proceedings took place.

A few minutes ago the Senator from Illinois said that four members of the committee were on the Finance Committee. It so happens that all four of those members were present on the day when the vote was taken, and, as I recall, all the way through.

I believe the record will show that I was present every time the nomination was considered. I think there were four meetings. There was the initial hearing with Mr. McCloskey; and there were other meetings, at which these questions were raised and discussed within the committee. I think I know what took place.

What has surprised me is the request for additional hearings, when at no time during the discussions in the committee, so far as I recall, did anyone ask for hearings, except that on one occasion it was suggested that Mr. McCloskey be called before us and asked the question point blank; but the Senator from Delaware said, "No; I do not care about having Mr. McCloskey come before us."

But now it is moved that the nomination be recommitted.

We were furnished the records. We were furnished the FBI summary of what took place, and every one of these questions was raised in that summary.

This case has been investigated. Let Senators remember that these events occurred in 1945 and 1946; and in 1947 a House subcommittee, headed by our good friend Ross Rizley, then a Republican Member of the House of Representatives from the State of Oklahoma, went into the subject thoroughly. That subcommittee hearing has been quoted at considerable length by the Senator from Delaware.

Senators should also remember that the subcommittee did not attach enough significance to Mr. McCloskey's connection with all the things which have been discussed, even to ask him to appear before the subcommittee. Members of the Maritime Commission—Commissioners and employees—appeared before the subcommittee as did Mr. Wolfson and other persons who were connected with the case; but at no time did the subcommittee call Mr. McCloskey before it.

Furthermore, all the subcommittee did was to transit to the Department of Justice testimony relating to the payment of $25,000 to an employee of the Maritime Commission. That was investigated by the FBI and by the Criminal Division of the Department of Justice; the whole case was investigated by them. That was in 1949. It has been said that the case lay in the Department for 6 years, without action. But it did not. The report was made in 1949; and it was reported that the subject had been most carefully investigated, and that no basis for criminal action had been found. The case was reopened in 1952; and in 1953 it was reported that no basis for criminal action had been found.

In 1955, if I correctly recall, the case was referred to a grand jury.

This case has been gone over and over; and the result has been the same every time. That is the record which was before us in the committee. When does one stop persecuting a man or stop dragging things over and over?

I say to some of my friends who have been listening quite attentively to the statement by the Senator from Delaware that there were two series of bids. Mr. McCloskey was definitely connected with the first series of bids. The bid was submitted in his name. The reason for that was that he was associated with Mr. Wolfson; at that time it was the policy of the Maritime Commission—or it appeared that it would be the policy of the Maritime Commission—to accept bids only from qualified shipbuilders or shipyard operators. Mr. McCloskey was both. He became associated with Mr. Wolfson, to help Mr. Wolfson, and he made the bid.

When that was over with, Mr. Wolfson, according to his testimony, wanted to pay Mr. McCloskey between $50,000 and $100,000, to reimburse him for the expenses he had incurred; but Mr. McCloskey said, "I don't want anything." He said, "If you want to, pay my two sons, and Mr. Finley"—I believe that was his name—"and the lawyer, for they have been working on this case. They have had expenses, and you can reimburse them." He reimbursed them at $5,000 each.

That was all Mr. McCloskey got out of this transaction.

As the Senator from Delaware has said, those bids were rejected or thrown out. At that time there was a kind of negotiated bidding process, or at least it was limited to a group of experienced shipyard operators or shipbuilders.

Then it was decided to open the contract to competitive bids. But Mr. McCloskey was not interested in it, for he did not want it for himself. Mr. Wolfson submitted two bids. I believe the Senator from Delaware said that by the time it was over, there were four bids. I do not know; but, as I recall, there were two prime bids. Mr. Wolfson owned a substantial share in two different companies, and each of them submitted a bid. But Mr. McCloskey had absolutely nothing to do with that procedure.

The Senator from Delaware read the telegram Mr. McCloskey sent; and that is true. Mr. John Carmody, who was a member of the Maritime Commission, testified that he called up Mr. McCloskey, who then was in New Jersey, I believe.

Mr. CAPEHART. At Atlantic City.

Mr. SPARKMAN. Yes; at Atlantic City, N.J. Mr. Carmody called him, and, as I understand, asked for an interpretation of a certain paragraph in the bid. Page 1484 of the Rizley subcommittee hearings shows that the first telegram was sent by Mr. D. W. McArthur, Jr., vice president of the Tampa Shipbuilding Co. It quoted a paragraph of the bid, and stated, "This paragraph automatically makes our offer as an all-cash offer, if the Maritime Commission so desires."

He was construing what was meant by that paragraph.

It was not a case of changing the bid, but he said this is something that is under the control of the Maritime Commission, and, under the paragraph I quoted, it automatically makes it a cash offer if the Commission wants it that way.

Following that, Mr. McCloskey sent a telegram, and I think Mr. Wolfson's testimony shows that Mr. McCloskey got in touch with him in Florida, and told him the question was whether this was a cash bid or purely an installment bid. Mr. McArthur then sent this telegram, speaking for the company, and Mr. Wolfson transmitted that information to McCloskey, and McCloskey wired Carmody saying, "I have been authorized."

That is the only way that my friend from Delaware tries to connect Mr. McCloskey with Mr. Wolfson in this second set of bids. There is absolutely no other connection anywhere.

It was the employee of Mr. Wolfson, Mr. Weber, who made the $25,000 payment to Mr. Knapp of the Maritime Commission. Mr. Weber testified before the committee and said it was for the purchase of a partnership arrangement they had gone into, and that is why Representative Rizley sent it to the FBI. I think Mr. Rizley lectured Mr. Weber on it.

I think all of us felt they were doing a little under-the-table deal. There is no question about it. But how does one connect Mr. McCloskey with it when he was not even connected with Wolfson? First of all, it is not shown that he was connected with Wolfson, except that Mr. Weber was an employee of Wolfson; but Mr. McCloskey was not even associated with Wolfson.

I cannot believe that Senators will accept that kind of timorous, farflung rumor, depending on gossip, to convict a man or to say he should not be accepted for the position to which he was nominated.

Let us be fair. Let us stick to real evidence. No wonder the FBI, no wonder the grand jury, have turned this matter down repeatedly. That is all they ever had to go on. It is not right or fair to be dragging these things up in regard to a man who has the reputation, integrity, and character that we all know Matt McCloskey has.

I think all of us who know him will say that he would make a good Ambassador to Ireland. He would make a good Ambassador. He would make a good representative of this country. It is not fair to reject him on these rumors and reports.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. Did I correctly understand the Senator to say that there was no financial relationship, but only friendship, between Wolfson and McCloskey, and it was Wolfson's employee who admittedly paid $25,000 to the Maritime Commission man? There was no relationship at all between McCloskey and Wolfson at any time?

Mr. SPARKMAN. No, not at all—wait a minute. Between McCloskey and Wolfson?

Mr. SALTONSTALL. Yes.

Mr. SPARKMAN. Yes. I said during the first series of bids.

Mr. SALTONSTALL. Were they not partners?

Mr. SPARKMAN. McCloskey was working with Wolfson on the first series of bids.

Mr. SALTONSTALL. But McCloskey called the Maritime Commission——

Mr. SPARKMAN. Wait, and I will go over that again.

Wolfson testified in the Rizley hearings that subsequent to the first set of bids McCloskey had no connection with him. McCloskey was helping him out as a shipbuilder and a shipyard builder and an expert. At that time the policy of the Maritime Commission was that, in order to be considered, there had to be a tie-up with someone with experience in this type of work. McCloskey was to help Wolfson, but then the Commission rejected those bids and changed its policy and threw the contracts open to competitive bidding to anybody who wanted to bid.

During the second series of bids, there was no connection whatsoever between

McCloskey and Wolfson. McCloskey came into the telegram situation in this way: He was in Atlantic City, and Mr. Carmody, of the Commission, knowing that McCloskey was connected with Wolfson in the first set of bids, evidently thought he was still connected with him. So he called him.

I gather that he must have asked him for an interpretation of a paragraph in the bid. McCloskey did not know. He called up Wolfson in Florida. After he called Wolfson and told him about this call from Carmody and pointed out what he wanted to know about it, Mr. McArthur, vice president of the Tampa Shipbuilding Co., which Wolfson was connected with, quoted the language of the bid:

> This paragraph automatically makes our offer as an all-cash offer if the Maritime Commission so desires.

Evidently Wolfson called up and reported to McCloskey what had been done, and McCloskey sent a telegram to Carmody in which he said this:

> Confirming telephone conversation I have been authorized—

He was not doing it on his own, but he had been authorized by Wolfson, apparently—

> to say for the Tampa Shipbuilding Co. that their proposal for the purchase of the St. Johns River yard that they will pay cash when settlement is made.

That was his sole connection with it.

Before the Senator from Massachusetts asked his question, I was just about to say that the Senator from Delaware has been quite clever in developing this argument. Do Senators realize how many characters he has brought into play in this discussion? Go back and follow his argument and find one connecting link with McCloskey other than what I have told the Senate here. It is not there.

When this question came up, I called Matt McCloskey and I said, "Before I take this matter to the floor, I want to hear from you and whether or not you had anything to do with this payment." He said, "I never had anything whatsoever to do with it." I said, "I would like you to write me a letter."

He wrote this letter on July 9, addressed to me as acting chairman of the committee. I should like to read it. I hope Senators will listen to it:

> DEAR SENATOR: First may I say how much I appreciate the favorable report of the committee on my nomination as Ambassador to Ireland.
>
> I understand some members of your committee have raised questions with regard to the purchase of a Government shipyard by Tampa Shipbuilding Co., a company controlled by Louis Wolfson.
>
> I was not a partner of Mr. Wolfson on this purchase and had no interest in that company. We had an understanding concerning an earlier bid, but that was not renewed after the Government rejected all bids. I positively did not participate in the second bid. All I did was to transmit a message about making an all-cash payment, as was explained by Mr. Carmody to the House subcommittee.
>
> That subcommittee—the Subcommittee on Surplus Property of the Committee on Expenditures in the Executive Department—made extensive investigations in 1947 of this sale of the St. Johns River shipyard. I understand your committee had the complete file before you. You will note that the House subcommittee never even called me as a witness.
>
> The only other question is whether I may be able to shed some light on a $25,000 payment alleged to have been made to David R. Knapp, a subject which the House subcommittee did not fully resolve.

That was the question submitted to the Department of Justice.

> I want to assure you for the record that I never knew Mr. Knapp, and that I have absolutely no knowledge of payments, if any, that may have been made to him.
>
> Sincerely,
>
> MATTHEW H. MCCLOSKEY

That is his signature. I think everyone who knows Matt McCloskey knows he is worthy of belief.

I have a letter from the U.S. Department of Justice. It is addressed to the Senator from Arkansas [Mr. FULBRIGHT]. It is dated June 29, and reads:

> DEAR SENATOR FULBRIGHT: This is in response to your request, transmitted by the Department of State, with respect to an alleged report submitted by the Department of Justice to a grand jury in the District of Columbia with reference to certain bids for the purchase of the St. Johns River shipyard in which Mr. Matthew McCloskey and Mr. Louis Wolfson were involved. This transaction occurred shortly after World War II.
>
> After the culmination of the sale of the shipyard by the Government, complaints were received by the Department of Justice containing allegations that Federal law had been violated with respect to the manner of receiving and awarding bids. These allegations were thoroughly investigated by the Department of Justice, and culminated in the presentation of evidence to an investigatory grand jury.
>
> Mr. McCloskey appeared as a witness before the grand jury, which heard all available evidence with respect to the transaction. At the conclusion of the Government's presentation, the grand jury returned a no true bill.
>
> As you realize, the Department of Justice cannot make available to you evidence submitted to a grand jury. I can, however, assure the committee that the Department of Justice is not in possession of any new evidence with respect to this matter and, on the basis of all presently available evidence, there is no reason to take issue with the conclusion of the grand jury that no violation of Federal law occurred.
>
> I hope this information will be helpful to the committee.
>
> Sincerely,
>
> NICHOLAS DEB. KATZENBACH,
> *Deputy Attorney General.*

I should like to take the time of the Senate to mention one thing further. It concerns what the Senator from Delaware very properly discussed, in regard to the "carryings on" of the Maritime Commission. I refer to the irregularity in regard to bids.

Mr. McCloskey had nothing to do with that. He was not tied to it in any way. He was out of the picture during all that time. He was in it only when bidding was restricted to men with shipyard experience. The bids were all rejected. From that time on he was out of it.

Mr. McCloskey says so in his letter. Mr. Wolfson says so in his sworn testimony before the Rizley subcommittee.

There has been talk about how thoroughly the Committee on Foreign Relations went into this subject. This perhaps is the most extensive study made anywhere. Senators can examine the bulky files which came from the Maritime Commission until they are blue in the face, and they will not get as much from them as from the hearings. The Senator from Delaware demonstrated that part by the extent to which he has quoted from the hearings.

The witnesses were sworn. According to the sworn testimony of Mr. Wolfson, Mr. McCloskey had nothing to do with him or his activities after the first bids were rejected.

So all this talk about the irregularity of opening the bids would make a bad picture for the Maritime Commission.

If the Senator from Delaware were making a speech critical of the Maritime Commission as it then existed, he would be perfectly right and logical in so doing, but that has no connection with Matt McCloskey.

I ask Senators to keep these relevant things in mind, because they are material in considering a case of this kind. There ought to be some semblance of orderly presentation and some tie in with the evidence which is sought to be used.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from New York.

Mr. KEATING. May I ask the Senator whether there was any witness before the Committee on Foreign Relations in connection with this nomination?

Mr. SPARKMAN. No witness was called before the Committee on Foreign Relations. I repeat that I do not recall that any Senator at any time asked that any witness be called.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. The Senator knows full well that after these questions had come up we asked for the reports and for further information.

Mr. SPARKMAN. Yes.

Mr. WILLIAMS of Delaware. Before the reports were received, as the Senator from Kansas pointed out, the committee convened on Monday morning, and before it had been in session 3 minutes a motion was made to report the nomination before even the reports had been read.

Mr. SPARKMAN. Just a moment——

Mr. WILLIAMS of Delaware. I think the Senator will agree that I suggested that the reports should be examined and evaluated.

Mr. SPARKMAN. Yes.

Mr. WILLIAMS of Delaware. Before the vote.

Mr. SPARKMAN. Yes.

Mr. WILLIAMS of Delaware. The reports were not even read by the Senator from Alabama because he admitted that he did not read them.

Mr. SPARKMAN. Yes; I admit that. The Senator from Delaware has mentioned at least twice, and perhaps three times, the fact that within 3 minutes of the meeting of the committee a motion was made to report the nomination. I think every Senator knows that is the way to open a subject for discussion. That is all it does. We remained in session as long as the Senator from Delaware wished to stay. At no time did he ask for a witness.

I believe I suggested, "Let us call McCloskey and ask him point blank, to his face, about this charge." The Senator from Delaware said, "No, I do not want him here."

Mr. WILLIAMS of Delaware. The Senator does not have the record quite straight. I said that we should not call Mr. McCloskey until after we had done the spadework in connection with examination of the reports, then we could call Mr. McCloskey if it were necessary.

Mr. SPARKMAN. I have invited the Senator from Delaware to read the minutes.

Mr. WILLIAMS of Delaware. I have read them.

Mr. SPARKMAN. I think the Senator has them before him.

Mr. WILLIAMS of Delaware. I have.

Mr. SPARKMAN. I have read them. I do not believe my memory is quite that faulty.

Mr. WILLIAMS of Delaware. I know that the Senator from Alabama, in all fairness, will agree that I pointed out the importance of obtaining information on the allegations and suggested that the reports should first be studied by the committee.

Mr. SPARKMAN. I know that. I tried to obtain those reports. I asked Dr. Marcy, the staff director, to furnish those reports in order that I might have an opportunity to study them.

Mr. WILLIAMS of Delaware. After the vote had been taken.

Mr. SPARKMAN. After the vote had been taken.

Why dig back through all those reports, when the testimony taken by the Rizley committee is available? The Senator from Delaware knows politics as well as I do. The Senator knows that politics plays a part. If there had been anything "rotten in Denmark," a Republican committee and a Republican Congress certainly would have brought it out against the Democrats.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yet that was not done.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I had yielded to the Senator from New York [Mr. KEATING].

Mr. WILLIAMS of Delaware. Will the Senator yield to me?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. In order that the RECORD may show the facts as to how the House committee felt about the question I ask unanimous consent again that Mr. Rizley's comments on this payoff again be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> Mr. RIZLEY. You and Mr. Knapp had a promotional scheme. You did not own anything, and the promotional scheme had not worked out at the time of his death. I want to tell you, Mr. Weber, sometimes we are pretty gullible, but I am not gullible enough to believe that $25,000 was paid to Mr. Knapp, who was an official of the Maritime Commission, because you and he had a promotional scheme that had not worked out at the time of his death. You ought to tell the committee the truth. You ought to tell the committee you paid him that $25,000 because he furnished you information about the inventories at the St. Johns River shipyard. It is as plain as the nose on your face.
>
> I am going to insist that the Federal Bureau of Investigation investigate this thing to the fullest extent. This kind of thing, coming before a congressional committee, and your telling us that you paid $25,000 to a Government official for a promotional scheme of some kind, it does not make sense.

Mr. SPARKMAN. I agree with what he said. I believe I so stated a while ago. I agree with what he said. He was lecturing Mr. Weber. He did the right thing. He referred the question to the Department of Justice.

Mr. WILLIAMS of Delaware. That is correct. In 1952 Mr. McGranery said he did not know why the case had lain there 6 years without any action.

Mr. SPARKMAN. Mr. McGranery apparently had not looked up the records. The Criminal Division had made a report in 1949.

Mr. WILLIAMS of Delaware. Mr. McGranery was the Attorney General of the United States under a Democratic administration. I am not criticizing him. I am only quoting what he said. He said the case was "pigeonholed" for 6 years before he took office.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from New York.

Mr. KEATING. Among his many other fine attributes, the Senator from Alabama is an excellent lawyer. He will realize the difficulties which face one who is not a member of the committee in casting a vote on this question with the rather sketchy information available. In my judgment as a lawyer, while he has performed a great service, the Senator from Delaware has not sustained the burden of proof against confirmation of the nomination of Mr. McCloskey. If the vote were on the known merit of the nominee alone, I would certainly give it my full support. If the motion to recommit is defeated, I shall vote for confirmation. When the appointment was announced, I felt that Mr. McCloskey would be an ideal Ambassador to Ireland, since he had a background which would bring about closer ties between our country and Ireland. I felt that all of us would like to see such a result.

However, it is very difficult, in the light of the record, for Senators who have no more knowledge than what has been brought out in the debate, to vote intelligently on the question. I do not like to vote to recommit the nomination, because such a vote is generally construed to mean that we are trying to kill or to bury the nomination, which is certainly not my intention.

I do not want to do an injustice to the nominee, such as the injustice that was done to Lewis Strauss when confirmation of his nomination as Secretary of Commerce was rejected and a blight was cast on a great American. I do not want to do that to a man like Mr. McCloskey. Whatever the result of the first vote, I expect to vote in favor of Mr. McCloskey's nomination on the basis of what has been said today, for a case against him has not been documented.

I appeal to the Senator from Alabama to allow a 1-week or a 10-day further study of the question. In order that there might be no delay, I would amend the motion to recommit in order to direct that the committee report the nomination back to the Senate within a period of 1 week, 10 days or 2 weeks. I would propose some definite length of time. It is not fair to the Senate, to Mr. McCloskey, or to the President of the United States indefinitely to delay confirmation of the nomination.

Mr. SPARKMAN. Quite respectfully I say to the Senator from New York, first, that had there been a request for the committee hearings on the nomination to be carried over for additional hearings, I have no doubt in my mind that the committee would have granted the request.

Second, if the committee had carried the question over a week, and then reported the nomination, we would have exactly the same condition as now exists. I do not see how we could go into the subject more thoroughly than we have already done.

Mr KEATING. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. KEATING. Did I correctly understand the Senator to say that no request for time to have further hearings was made?

Mr. SPARKMAN. Yes. I have made that statement time after time. We gave all the time that was requested.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. COOPER. I should like to address myself to a factor which is involved, and one I think we must take into account today. I speak of the necessity we have to rely on the committee's full judgment. I do not know Mr. McCloskey. I never heard anything about these matters until today. I do not know anything about his record, or the facts which have been adduced.

Many Senators, including myself, find themselves in difficulty. Senators have great respect for the Senator from Delaware. His record is proof that he does not lightly make charges on the floor of the Senate unless he has some information about them. He has developed the facts which in his judgment, point to the need for further investigation. Similarly, all Senators hold the Senator from Alabama [Mr. SPARKMAN] in the same high respect. We accord to him the same respect, and regard for his judgment that we give to the Senator from Delaware. After examining the records, the Senator from Alabama believes that no further study or investigation is needed. But what about the other Members of the Senate? We depend very much upon the judgment of the members of the great committee which has reported the nomination. It is composed of able and outstanding Senators. We give great weight to its judgment in the field of foreign affairs. We have regard for its judgment with respect to the men and women that are nominated to posts in the Foreign Service of our Government.

But we look to their judgment and findings on specific issues. We do not have that judgment today on the questions that have been raised. I do not think we should be called upon today to make a decision as between the advice of the Senator from Delaware and that of the Senator from Alabama, great as is our respect for them. I believe we have the right to rely upon the decision of the full committee on these matters.

Mr. SPARKMAN. Did not the committee report the nomination after a vote of 9 to 4 in favor of confirmation of the nomination?

Mr. COOPER. Yes. The Senator from Alabama knows that I am not trying to divert his attention. As I understand the facts, there was no discussion, no debate, and no decision was made by the committee upon the records and the facts referred to by the Senator from Delaware. There may not be anything in them, but there should be a decision.

Mr. SPARKMAN. Oh, no. I wish to disabuse the mind of the Senator on that point. There were four sessions of the committee. The first session was limited to hearing Mr. McCloskey. Then the question which the Senator from Delaware has suggested arose, and there were three subsequent sessions at which those subjects were discussed in the committee.

We had fully anticipated voting last Friday on the question of confirmation. But when Friday came, the Senator from Delaware said, "I received the records from the Maritime Commission only this morning. I have not had time to study them."

So we agreed to postpone action until Monday. In order to place the question on the agenda, we suggested Monday. If the Senator from Delaware had wished more time, we could have deferred action until Tuesday.

The committee convened on Monday. Apparently the Senator from Delaware was ready. I think the Senator from Delaware will realize that prior to the meeting he said informally that he was ready to go ahead. He intended to vote against confirmation, but other committee members might vote as they saw fit. He did not ask for additional time. Had he done so, the nomination would not even have been put on the agenda.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. COOPER. May I complete my statement?

Mr. SPARKMAN. I yield to the Senator from Kentucky.

Mr. COOPER. I am glad the Senator has developed the point further. But I still say that these questions have been raised——

Mr. SPARKMAN. They can always be raised. They can be raised at any time.

Mr. COOPER. I understand. But they have been raised chiefly on the floor by discussions of the Senator from Delaware [Mr. Williams]. We have heard his discussion of the unsettled issues, and the expression of his judgment that they deserve further study by the committee; and similarly we have heard the discussion and judgment of the Senator from Alabama. We have respect for both Senators. Since the question has been raised on the floor we are left in doubt. Not enough in my view to vote against the measure, but I am left in doubt and I am sure there is doubt in the minds of other Senators. The Senator can help us. Our confidence in the committee could not be increased, for it is of the highest but the Senator would add to its laurels if he would take the nomination back to the committee for a few days, return it to the Senate, and provide us with the committee's specific judgment on the questions that have been raised.

Mr. SPARKMAN. My own feeling is that such action would not effect any changes. The nomination would be returned in exactly the same situation as exists today. Such action would cast a cloud on the nominee's value as Ambassador to Ireland. He would be an excellent Ambassador, and I am ready to vote on the motion.

Mr. HICKENLOOPER. Mr. President, as usually happens when a question is raised about a Presidential nominee, certain distressing facets and certain difficulties arise. I believe that the Members of the Senate want to act with proper consideration and respect, not only for the President's prerogative in nominating a person but also in full consideration of the Senate's responsibility in advising and consenting to the nomination. There is that dual responsibility.

As a member of the Committee on Foreign Relations I sat through at least two of the meetings of the committee. In the first meeting, when Mr. McCloskey's nomination came up, I raised a question which received some comment. It was a public hearing. I raised the question with Mr. McCloskey, in view of the fact that he was the head of a solely owned family corporation which had done $100 million or $200 million worth of business with the Federal Government, and had also, for the past 7 years, acted as money raiser and contributor to the Democratic funds. I raised the question whether he had canvassed the law which makes it a crime for anyone who is doing business with the Federal Government and receiving funds from the Government to contribute money or to solicit money for political purposes. I merely raised the question as to whether he had read the law and whether he, as practically the sole owner of the corporation, which was family owned, and which had done that amount of business and had continued to do that amount of business with the Government, and who as an individual in the activity of raising money for the party, had contravened that statute in his activities.

I did not allege that he had or had not. I merely asked whether he had looked into the law. He said he had not. He said he had not thought anything about it and that he assumed that everything he had done was all right.

I read the statute to him and asked him if he would look into it, or whether he would seek some advice on that point as to whether there was any contravention by him of the statute.

The committee, on direction of the chairman, asked for a legal opinion from the proper source. I believe it was from the Department of State. The opinion came to the committee that Mr. McCloskey as an individual was separate from the McCloskey corporation as a corporate person; and therefore he, McCloskey, as a private individual, could contribute money and raise money, and in so doing would not violate that statute, because the McCloskey corporation, which was a solely owned corporation, was a separate corporate person, and that it was the one that had been doing business with the Government.

I accepted the opinion, in spite of the fact that Mr. McCloskey probably received large salaries and dividends as a result of the very profitable business which he had done with the Government.

Well, that opinion fully satisfied my original question, and I raised no more point on that score from a legal standpoint. As a lawyer I would surmise that that opinion was technically correct; that probably he had not technically violated the law, and I left the matter there.

Mr. SPARKMAN. Mr. President, will the Senator agree to have the opinion placed in the Record?

Mr. HICKENLOOPER. I am not raising any issue on it. I hope I have fairly stated the legal opinion.

Mr. SPARKMAN. Yes, indeed. Will the Senator agree that the legal opinion go in the Record?

Mr. HICKENLOOPER. It is all right with me.

Mr. SPARKMAN. It shows the reasoning that was followed.

I ask unanimous consent that the legal opinion of the State Department be printed in the Record at this point.

There being no objection, the opinion was ordered to be printed in the Record, as follows:

Department of State,
Washington, June 25, 1962.

The Honorable J. W. Fulbright,
Chairman, Committee on Foreign Relations, U.S. Senate.

Dear Mr. Chairman: In connection with the consideration by your committee of the nomination of Mr. Matthew H. McCloskey to be U.S. Ambassador to Ireland, the question was raised by Senator Hickenlooper whether Mr. McCloskey might have been in conflict with 18 United States Code, section 611.

Since the committee's question relates to a criminal statute whose enforcement is under the jurisdiction of the Department of Justice, I have referred the question to that Department. I enclose the answer of the Department of Justice contained in a letter dated June 25 from the Deputy Attorney General. The conclusion of the Department of Justice is that the activities of Mr. McCloskey do not, so far as the record shows, violate 18 United States Code, section 611.

I trust that this information will answer the question raised at the hearing on June 21.

Sincerely yours,

Abram Chayes,
The Legal Adviser.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., June 25, 1962.
Hon. ABRAM CHAYES,
Legal Adviser, Department of State, Washington, D.C.

DEAR MR. CHAYES: You have requested the Department of Justice to express its opinion with respect to a question raised by Senator HICKENLOOPER during the hearing conducted June 21 by the Senate Committee on Foreign Relations on the nomination of Matthew H. McCloskey to be Ambassador to Ireland. The transcript of the hearing (pp. 8 and 9) indicates that Senator HICKENLOOPER desired to know whether Mr. McCloskey might have violated 18 U.S.C. 611 by reason of the fact he was treasurer of the Democratic National Committee and solicited political contributions at the same time a family-owned corporation, McCloskey & Co., was engaged in the performance of construction contracts with the Federal Government.

The statute involved reads as follows:

"Whoever, entering into any contract with the United States or any department or agency thereof, either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof, or selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, during the period of negotiation for, or performance under such contract or furnishing of material, supplies, equipment, land, or buildings, directly or indirectly makes any contribution of money or any other thing of value, or promises expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

"Whoever knowingly solicits any such contribution from any such person or firm, for any such purpose during any such period—

"Shall be fined not more than $5,000 or imprisoned not more than 5 years, or both. June 25, 1948, c. 645, 62 Stat. 724."

The statute does two things. It forbids a person who has a contract with the Federal Government of the kind described in the statute from making a political contribution during the period of negotiation for or performance under the contract. It also forbids anyone from soliciting a political contribution from such a person during such period of time.

Title 18, United States Code, section 611 would not be applicable on the facts disclosed to any activities of Mr. McCloskey. The fact that he was a shareholder of a company doing business with the Federal Government did not prevent him from making personal political contributions. The statute is confined to contributions by individuals who contract in their personal capacity with the United States and does not extend to shareholders of corporations holding such contracts. A broader construction would, for example, preclude shareholders in many of the major American corporations from making political contributions.

Mr. McCloskey's relationship with McCloskey & Co. before or during the time he was treasurer of the Democratic National Committee and soliciting political contributions on its behalf would have no bearing on the question of whether he violated the provisions of the second paragraph of 18 U.S.C. 611 since the offense there proscribed is related to the business activity of the person solicited and not the solicitor.

Sincerely,
NICHOLAS DEB. KATZENBACH,
Deputy Attorney General.

Mr. HICKENLOOPER. As I said, that was certainly no point of objection to Mr. McCloskey's confirmation. I felt the question had been answered from the legal standpoint in accordance with accepted principles of law.

The Senator from Delaware, who is one of the most perceptive and astute Members of the Senate, and whose accuracy in his investigations and inquiries is uncanny, began to develop the fact that there was some confusion with regard to Mr. McCloskey's activities several years ago in connection with Mr. Wolfson in some shipbuilding operations, and that in connection with this entire rather complicated ball of wax of several years ago in connection with the shipbuilding operation there were many questions raised as to whether certain individuals involved in the matter were culpable or not.

The committee said, "Well, Senator WILLIAMS has asked for the files in this matter. We will postpone it until the files arrive." I believe it was on Friday that the files arrived. They are very voluminous. I have seen the outside of the files. I have noted the volume of them. I have not seen the files that are contained in the envelopes. The files apparently were delivered on last Friday. On Monday, I believe it was, we had a meeting. I believe it is fair to say—although this is my own interpretation and it may be wrong—that at least as I understood the position of the Senator from Delaware it was that if the committee were determined to go ahead and vote on Monday, that is all he could do; namely, he would vote if the committee were determined to vote, but he would vote against the nomination.

The Senator from Delaware has the files on his desk, and Senators can see the extent of those files.

On Monday I had no opportunity whatever to look into them myself, and I am sure no other member of the committee, including the Senator from Delaware, had had any opportunity to examine the voluminous contents of the files.

We discussed the matter for some time. I believe that both the Senator from Delaware and the Senator from Alabama are correct on the question of whether a motion was made 3 minutes after the meeting convened. The Senator from Delaware is correct that a motion was made almost immediately after the meeting convened. But I also agree with the Senator from Alabama that very often this procedural motion is made and then discussion is had afterwards.

So I do not dwell on that point.

However, the Senator from Delaware developed enough information based upon former investigations to develop enough unanswered questions, questions which were not satisfactorily resolved, and which were never cleared through to a terminal finding, to develop the idea that some of this investigation was stopped because of the mysterious inability to locate the income tax returns of two persons who were alleged to have been culpable in connection with some of the procedures that could not be pursued, and, for some reason or other the matter was left dangling.

I have seen no summary except what one might call the raw files, which consist of a tremendous stack of papers. I do not know whether there is any organization or compilation to these papers. It would take a person several days merely to go through and identify what these papers mean. Anyone who looks at the stack of papers on the desk of the Senator from Delaware will agree with that. No one can do it, let alone digest the contents of these papers and come to any kind of conclusion as to what the connotation is and any kind of reliable satisfaction as to whether or not sufficient question has been raised to warrant action.

Nevertheless, the committee proceeded to a vote on Monday morning. I did not object to a vote at that time, although it was generally agreed that many questions had been raised which were unanswered. But when the question came to a vote, I passed. It was not because I did not want to face up to an issue. It was for two reasons: First, I did not feel that on the rather meager, thoroughly unsatisfactory record which had been made before the Committee on Foreign Relations—and it was very meager—I wanted to cast a negative vote on the confirmation of the nomination, because I felt I was not necessarily justified at the time in doing so. I felt that on the same unsatisfactory record—that is, the many answers not given, the many loose ends hanging, and the question of whether moral responsibility, to say nothing of legal responsibility, might be involved—I should not vote in favor of the nomination at the time. So I asked to pass, and I did pass, when the committee voted on the nomination.

Mr. President, this is an important nomination. I said at the outset that I have respect for the responsibility of any President in making his nominations. But I have an equal respect for the responsibility of this body in advising and consenting to a nomination. We cannot avoid that responsibility and we must assume it.

On many occasions in the past I have voted for the confirmation of nominations to important offices of persons whom I would not have appointed had I had the appointing power. But I did not feel in those particular cases that there was a sufficient, concrete reason for me to vote "nay" in the face of the responsibility of the Executive who must work with those people. But I have on occasions voted against the confirmation of certain nominations when I thought there was sufficient reason for the Senate to exercise that discretion and determination.

But today I feel doubtful about this nomination, as I felt doubtful last Monday. I feel, with these questions having been raised, with the answers still somewhere in the mysterious distance, with the Senate's obligation to meet the responsibility of this body in the confirmation of the nomination, and also the responsibilities in view of the questions which have been asked, and the responsibility of the Committee on Foreign Relations, the ends of competent administrative action would be best served if the nomination were referred back to the Committee on Foreign Relations, and I myself would favor limitation of time. I would not wish to support an indefinite referral of the nomination back to the committee, but I suggest that a reasonable limitation of time—let us say a week—be fixed to try to arrive at a satisfactory termination of the unsettled questions which have been raised. I say this in view of the fact that I did not vote for or against the confirmation of the nomination when it came to a vote, because I could not be satisfied on either score. I did not want to do an injustice to an individual, and I did not want to do an injustice to my responsibility. Had I been forced by the committee to vote, I would have voted one way or the other. But our committee is a courteous committee, and if a member asks to pass on a vote, that privilege is usually accorded; and it was in this case.

But under these circumstances, I feel that it would be better for our representation, it would be better for the whole controversy, if a referral were had for a limited period of time. I have not discussed the question at all with the Senator from Delaware, but I wonder if the Senator from Delaware would comment or give his views on the question of a limited period of referral; that is, a request to the committee to return a report on the nomination, one way or the other, within 5 or 6 days or a week.

Mr. WILLIAMS of Delaware. Mr. President, in all fairness, we have a responsibility to resolve the question one way or the other. In moving to recommit the nomination, I had no intention in the world of holding up a report. I made clear what I thought the issue is. While I would not wish to specify a time, still, if the Senator from Iowa wishes to suggest a time limitation I would not object to one. If the work could be done in a week that would be all right. That is up to the wisdom of the other members of the committee. If a report could be made earlier than that that would be even better.

Mr. HICKENLOOPER. In his original motion, the Senator from Delaware merely moved that the nomination be referred back to the committee. I myself feel that it would not be unreasonable to request that the committee report back within a certain period of time, a period sufficient to allow the committee to examine into these questions a little more extensively and to try to find more acceptable answers to some of the questionable matters, so as to serve the interests of the diplomatic corps and the whole Nation. I sincerely believe that that would be the better course of action.

Mr. KEATING. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. KEATING. This question was discussed a little earlier. I myself do not wish to vote for a straight motion to recommit. I would vote for a motion to provide more time to the committee to examine into the question. I would favor a limited time. Certainly we should not be charged with seeking to push or to delay the nomination. This is an important office; it should be filled. I think perhaps 1 week is short. July 26 would be 2 weeks from today.

How would the Senator from Iowa feel about a proposal to have the committee report back by July 26, provided always that the committee should report the nomination back earlier if it could do so?

Mr. HICKENLOOPER. The Senator from Delaware has the files in his possession. I think he has more knowledge of the complexity of the work than I do. I have no preconceived ideas as to the time. What date did the Senator suggest?

Mr. KEATING. July 26.

Mr. WILLIAMS of Delaware. I suggest that 2 weeks is a reasonable time; and if it can be done sooner, so much the better. If there were some unexpected development which made it necessary for the committee to ask for additional time I am sure that such a request would be granted.

Mr. President, if the Senator from Iowa will yield I should like to ask unanimous consent to modify my motion to provide that the committee be instructed to report back on the nomination within 2 weeks.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that I may yield to the Senator from Delaware for the purpose of his amending his motion, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that my motion be modified to provide that the committee shall report back within 2 weeks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, as I understand, the motion of the Senator from Delaware now provides that the nomination be referred back to the Committee on Foreign Relations and that the committee be requested to report back on the nomination within 2 weeks from this date.

Mr. WILLIAMS of Delaware. That is correct.

Mr. HICKENLOOPER. Being in the position I am, and with the attitude I have, I sincerely believe that this would be the course of wisdom and would contribute much to the confidence which Senators would have in the final action of this body. I hope the motion of the Senator from Delaware will prevail—again, I say, in the public interest.

Mr. CLARK. Mr. President, I have known Matthew H. McCloskey, Jr., since 1933. I have been closely associated with him since I returned from the service in 1945 and reentered politics.

During that long period I have known him as a man of integrity, ability, good judgment, and compassion.

His fine wife, his splendid children, and his numerous grandchildren have all been a credit to the city of Philadelphia and the Commonwealth of Pennsylvania.

In my judgment he is eminently qualified for the position to which he has been nominated by the President of the United States.

Almost everyone in public life and, I suspect, everyone in this room today has at one time or another been subject to calumny, attack, and charges of improper conduct. Matthew H. McCloskey, Jr., has risen above all such unfounded charges. He is an outstanding citizen, not only of the Commonwealth of Pennsylvania, but of the United States of America.

I hope the Senate will support the good reputation in which he is universally held by all objective observers, by rejecting the motion to recommit.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The question is on agreeing to the modified motion of the Senator from Delaware that the nomination be recommitted, with certain instructions.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HICKENLOOPER (after having voted in the affirmative). On this vote, I have a pair with the Senator from Arkansas [Mr. FULBRIGHT]. If he were present and voting, he woud vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. MORTON (after having voted in the affirmative). On this vote, I have a live pair with the Senator from Arizona [Mr. HAYDEN]. If the Senator from Arizona were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN] and the Senator from Ohio [Mr. LAUSCHE] are absent on official business.

I further announce that the Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from Kansas [Mr. PEARSON] are necessarily absent.

The Senator from Texas [Mr. TOWER] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Kansas [Mr. PEARSON] would each vote "yea."

The result was announced—yeas 30, nays 62, as follows:

[No. 117 Ex.]

YEAS—30

Aiken
Allott
Beall
Boggs
Bottum
Bush
Butler
Capehart
Carlson
Case
Cooper
Cotton
Curtis
Dirksen
Dworshak
Fong
Goldwater
Hruska
Javits
Keating
Kuchel
Miller
Mundt
Murphy
Prouty
Saltonstall
Smith, Maine
Wiley
Williams, Del.
Young, N. Dak.

NAYS—62

Anderson
Bartlett
Bible
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carroll
Chavez
Church
Clark
Dodd
Douglas
Eastland
Ellender
Engle
Ervin
Gore
Gruening
Hart
Hartke
Hickey
Hill
Holland
Humphrey
Jackson
Johnston
Jordan
Kefauver
Kerr
Long, Mo.
Long, Hawaii
Long, La.

Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Monroney
Morse
Moss
Muskie
Neuberger
Pastore
Pell
Proxmire
Randolph
Robertson
Russell
Scott
Smathers
Smith, Mass.
Sparkman
Stennis
Symington
Talmadge
Thurmond
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—8

Bennett
Fulbright
Hayden
Hickenlooper
Lausche
Morton
Pearson
Tower

So the motion, as modified, was rejected.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

The nomination was confirmed.

Mr. HUMPHREY. Madam President, I merely wish to note for the RECORD that there was a tremendous vote of support and affirmation for Mr. McCloskey to fill this honored position of Ambassador to Ireland.

This man's life represents a good deal of what is America. He comes from a very humble background, and has been a very successful and honorable businessman who has made a tremendous contribution to his country, to his party, and to what I believe to be the best interests of the American economy.

I wish to note also that on the vote prior to the confirmation of the nomination we witnessed what no one should be at all surprised to see, a rather partisan division. I am sure Mr. McCloskey would be the first to recognize that this was not unexpected. After all, Mr. McCloskey has been an effective, hardworking partisan for the Democratic Party. Above all, he has been a fine man and a good citizen.

In all good humor, we recognize these developments today were to be expected. We also recognize that on the final vote to confirm the nomination, the Senate almost to a man—I believe I heard but one dissenting voice—voted to confirm the nomination of Matthew McCloskey to be Ambassador to Ireland.

Mr. KEFAUVER. Madam President, I would not wish to permit the occasion to pass without saying a word of tribute to Matt McCloskey; his life, his work, and his accomplishments. I have known him since the early 1940's socially, in political matters in respect to which he has assisted the Democratic Party, and in many public service efforts in which he has been involved. As a person he is an outstanding citizen. He has done a lot for this country. He has a fine outlook. He is a man of high character and good standing. I know he will be a very successful and distinguished Ambassador to Ireland of whom we can all be proud.

Mr. SPARKMAN. Madam President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. SPARKMAN. Madam President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PROHIBITION OF TRANSPORTATION OF GAMBLING DEVICES IN INTERSTATE AND FOREIGN COMMERCE

Mr. DIRKSEN. Madam President, I ask the Presiding Officer to lay before the Senate the message from the House on S. 1658.

The PRESIDING OFFICER laid before the Senate the message from the House of Representatives insisting upon its amendment to the bill (S. 1658) entitled "An act to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce," and requesting a conference with the Senate on the disagreeing vote of the two Houses thereon.

Mr. DIRKSEN. Madam President, I move that the Senate disagree to the amendment of the House, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. EASTLAND, Mr. KEFAUVER, Mr. JOHNSTON, Mr. DIRKSEN, and Mr. HRUSKA conferees on the part of the Senate.

TRIBUTES TO THE LATE JAMES T. BLAIR, JR., AND MRS. EMILIE CHORN BLAIR

Mr. SYMINGTON. Madam President, all Missourians were saddened by the news of the tragic death today of one of our most distinguished citizens, former Gov. James T. Blair, Jr., and his gracious wife.

Governor Blair was a member of one of the leading families in Missouri and had a long and outstanding career of public service.

He began the practice of law in 1924 in Jefferson City, and a year later was elected city attorney of that city.

In 1928 he was elected to the Missouri House of Representatives, and during the session of 1931 was elected majority floor leader—the youngest man ever to hold that office.

He also served for 8 years on the Jefferson City Board of Education, and was mayor of Jefferson City from April 1947 until 1949 when he became Lieutenant Governor of Missouri.

He was elected Governor in 1956 and served until 1960.

He also was a distinguished leader during the Second World War, serving on active duty in the European theater. He was awarded the Air Medal, the Bronze Star, Legion of Merit, Presidential Unit Citation, 11 battle stars, and the Arrowhead.

Jim Blair was a great friend and his service to the people of Missouri will be long remembered. As his record shows, he was elected to a series of public offices and served in the tradition of a family that dates back through many decades of Missouri history.

My wife and I join in sending deepest regret to the members of the Blair family, and I take this opportunity to express my deep sense of personal loss at the death of Gov. James T. Blair, Jr.

Madam President, I yield to my colleague.

Mr. LONG of Missouri. Madam President, Missourians were saddened today by a tragic accident which claimed the lives of former Gov. James T. Blair, Jr., and his wife, Mrs. Emilie Chorn Blair.

Jim Blair won the respect and affection of his fellow Missourians through a lifetime of devoted public service. His public career began in 1925, when he was elected city attorney of Jefferson City. During service as a member of the Missouri House of Representatives, he was elected majority floor leader, the youngest man ever to hold that office. He was also the youngest man to serve as president of the Missouri State Bar Association.

A working Democrat, whether serving as a party committee member or elected public official, Jim Blair traveled the length and breadth of Missouri, speaking in behalf of other candidates and in his own successful campaigns for Lieutenant Governor and Governor of Missouri.

Jim Blair, along with millions of other Americans, interrupted his career to serve his country in the Armed Forces. During service in the European theater he won 11 battle stars, the Air Medal, Bronze Star, Legion of Merit, and other awards. He remained devoted to this service and was a colonel in the Air Force Reserve and Air National Guard.

Missouri and the Nation will miss James T. Blair, Jr., and his wise counsel.

Along with countless Missourians, I share a deep sense of personal loss.

Jim Blair was my friend.

Although Jim Blair's career was cut short by untimely death, his public service was monumental. It will serve as a memorial to a great Missourian, one for all of us to emulate.

Mr. KEFAUVER. Madam President, I join the distinguished Senators from Missouri in expressing sympathy and regret over the passing of Jim Blair, who was one of our finest public servants. He was one of our Nation's best men. Jim Blair attended law school at Cumberland University, Lebanon, Tenn. He had many close friends and associates in Tennessee. On most of our public occasions he would come to visit the Volunteer State. He was beloved in our State. I had the privilege of knowing Jim Blair first in the late 1940's and being in close contact with him during the years since then. He was a public servant of the highest order. He was a great friend. He was always thoughtful. He was one of our Nation's greatest war heroes. I know that he made a great contribution to the future of the State of Missouri in the various areas in which he served. My wife and I join in expressing sympathy over the passing of Jim Blair and his wife.

Mr. TALMADGE. Madam President, will the Senator yield?

Mr. SYMINGTON. I yield to the distinguished Senator from Georgia.

Mr. TALMADGE. I desire to join the distinguished senior and junior Senators from Missouri and also the distinguished Senator from Tennessee in expressing my deep regret upon hearing the sad news that the distinguished Governor of Missouri and his wife, Jim Blair, met with a tragic accident today. It was my privilege to have known Jim Blair over a period of several years. Two years ago I had the honor of visiting the great State of Missouri at the request of the distinguished senior Senator from that State and addressing the Missouri Cotton Producers Association. The then Governor Blair was kind, generous, and hospitable enough to lay aside his great duties as chief executive of that State, attend the gathering, and present me to the audience. I appreciate that fact very much.

I always held Governor Blair in very high esteem. He was a man of honor, character, integrity, and great ability. His loss is not only a tragic blow to the State of Missouri, but to our entire Nation.

Mrs. Talmadge joins me in extending sympathy to the people of Missouri and to the members of his family. I thank the Senator for yielding to me.

Mr. CANNON. Madam President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CANNON. I, too, wish to extend my deepest sympathy to the citizens of the great State of Missouri for the loss of a great man and a great lady. I had the pleasure of serving during the war in the same organization with Jim Blair. To some degree I have kept in contact with him over the years. I thought very highly of him. I was deeply shocked to learn of this great loss to the State of Missouri. I join in extending deepest sympathy to the people of Missouri, to Jim Blair's relatives and to his many friends. I thank the Senator for yielding.

CONTINUATION OF CIVIL GOVERNMENT FOR TRUST TERRITORY OF PACIFIC ISLANDS

Mr. ANDERSON. Madam President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate bill 2775.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2775) to amend the act of June 30, 1954, providing for a continuance of civil government for the Trust Territory of the Pacific Islands, which was, in line 5, strike out "$15,000,000" and insert "$17,500,000: *Provided*, That not more than $15,000,000 is authorized to be appropriated for the fiscal year 1962".

Mr. ANDERSON. Madam President, as recommended by the Department of the Interior, the bill would have removed the $7.5 million ceiling on expenditures for the trust territory. The Senate increased the authorization to $15 million, with a limitation of $13 million for the fiscal year 1963. The House raised the ceiling to $17.5 million, with a $15 million limitation for fiscal year 1963, based on later justifications submitted by the Office of Territories.

Madam President, I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

ONE HUNDREDTH ANNIVERSARY OF CONGRESSIONAL MEDAL OF HONOR ACT

Mr. MONRONEY. Madam President, today marks the 100th anniversary of our Nation's highest award for valor and courage in the armed services of the United States. On July 12, 1862, President Lincoln signed into law Senate Joint Resolution 82 creating the Army Medal of Honor, the predecessor of the Congressional Medal of Honor. Since that date the Congress and the Armed Forces have zealously guarded the integrity of this highest of awards, to the end that it might signify only the most outstanding and courageous acts above and beyond the call of duty. To this date only 3,166 such awards have been made. Over 1,500 of these medals were awarded in the Civil War, and since then Congress has been ever more restrictive in the awarding of this great honor. Less than half of the 644 Medal of Honor winners of World War II and the Korean conflict lived to receive their awards personally.

The first action which resulted in an award of this coveted medal occurred on February 14, 1861, when Lt.—later Brig. Gen.—Bernard J. D. Irwin, assistant surgeon of the 7th Infantry Regiment, led a party to rescue some 60 men of his regiment who were surrounded by the Chiricahua Apache Indians under the leadership of their famous chief, Cochise, in what was then Arizona Territory. The records of the deeds of the Medal of Honor winners during the last hundred years leave one humbled by their incredible acts of valor, patriotism, and courage on the battlefields of the world in the cause of liberty.

I am proud to report that since Oklahoma became a State in 1907, 18 of its residents, not all now living, have received the Medal of Honor, and I ask unanimous consent to have printed at this point in the Record the names of those great Oklahomans.

There being no objection, the names were ordered to be printed in the Record, as follows:

Oklahoma Congressional Medal of Honor Winners

Tony K. Burris, Ernest Childers, John R. Crews, Ernest Edwin Evans, Donald J. Gott, George Price Hays, Frederick F. Henry, Harold G. Kiner, Richard M. McCool, Jr., Troy A. McGill, Jack C. Montgomery, John N. Reese, Jr., Samuel M. Sampler, Albert E. Schwab, John Lucian Smith, Jack L. Treadwell, Harold L. Turner, Leon Robert Vance, Jr.

Mr. MONRONEY. Madam President, I also request unanimous consent to have printed at this point in the Record the entire list of the living Medal of Honor winners.

There being no objection, the list was ordered to be printed in the Record, as follows:

Living Congressional Medal of Honor Winners

Lucian Adams, Capt. Stanley T. Adams, Joseph B. Adkinson, Edward C. Allworth, Maj. Frank L. Anders, Beauford T. Anderson, Rear Adm. Richard Antrim, Thomas E. Atkins.

William Badders, John H. Balch, Lt. Col. William E. Barber, Maj. Van T. Barfoot, John L. Barkley, Pvt. Carlton W. Barrett, Frank J. Bart, Capt. James M. Bart, Bernard P. Bell, Stanley Bender, Capt. Edward A. Bennet, Vito Rocco Bertoldo, Arthur O. Beyer, Melvin E. Biddle, Arnold L. Bjorklund, David B. Bleak, Lt. Col. Orville E. Block, Paul Bolden, Col. Cecil H. Bolton, Robert E. Bonney, Vice Adm. Joel T. Boone, Col. Gregory Boyington, Herschel F. Briles, Capt. Maurice L. Britt, Capt. Bobbie Evans Brown, Capt. John D. Bulkeley, Lt. Francis X. Burke, Maj. Lloyd L. Burke, Herbert Burr, James M. Burt, Richard E. Bush, Robert E. Bush.

Hector A. Cafferata, Donald M. Call, Tedford H. Cann, Chris Carr, Rear Adm. Robert W. Cary, Justice M. Chambers, William R. Charette, Maj. Ernest Childers, Clyde L. Choate, Francis J. Clark, Mike Colalillo, Maj. H. A. Commiskey, Sr., James P. Connor, Charles H. Coolidge, Jesse W. Covington.

Clarence B. Craft, Sfc. William J. Crawford, John R. Crews, Sgt. Jerry K. Crump, Francis S. Currey.

Edward C. Dahlgren, Peter J. Dalessandro, Capt. Michael J. Daly, Col. Charles W. Davis, John Davis, Col. R. G. Davis, Raymond E. Davis, Maj. Gen. William F. Dean, Lt. Col. J. J. DeBlanc, Maj. Ernest H. Dervishian, Abraham DeSomer, John F. DeSwan, Cpl. Duane E. Dewey, Capt. Carl H. Dodd, Lt. Gen. James H. Doolittle, Desmond T. Doss, Maj. Gen. James C. Dozier, Jesse R. Drowley, Russell Dunham, Maj. Robert H. Dunlap.

Thomas Eadie, Daniel R. Edwards, Allan L. Eggers, Walter D. Ehlers, Henry E. Erwin, Forrest E. Everhart.

James H. Fields, Lt. John William Finn, Lt. Col. Almond E. Fisher, Adm. Frank J. Fletcher, Capt. Eugene B. Fluckey, Arthur J. Forrest, Brig. Gen. Joseph Foss, Vice Adm. Paul F. Foster, Comdr. Hugh C. Frazer, Brig. Gen. Eli T. Fryer, Leonard A. Funk, Jr., Col. Harold A. Furlong, Rear Adm. Samuel G. Fuqua.

Brig. Gen. Robert E. Galer, Marcario Garcia, Comdr. Donald A. Gary, Robert E. Gerstung, Lt. Comdr. Nathan G. Gordon, Harlol A. Gorman, Ora Graves, Col. Allen J. Greer.

Stephen R. Gregg, Earl D. Gregory, Sydney G. Gumpertz.

William Edward Hall, Maj. Gen. P. M. Hamilton, Brig. Gen. H. H. Hanneken, Joseph G. Harner, William G. Harrell, Lt. Col. Raymond Harvey, M. Waldo Hatler, John D. Hawk, David E. Hayden, Lt. Gen. George P. Hays, Sgt. J. R. Hendrix, Rodolfo P. Hernandez, Silvestre S. Herrera, Lt. Comdr. Rufus G. Herring, Frank C. High, Ralyn M. Hill, Capt. Freeman V. Horner, William C. Horton, Brig. Gen. James H. Howard, Lt. William R. Huber, Lt. Comdr. Thomas J. Hudner, M. Sgt. Paul B. Huff.

Einar H. Ingman, Jr., Lt. Comdr. Edouard V. M. Izac.

Arthur J. Jackson, Capt. Douglas T. Jacobson, Gen. Leon W. Johnson, Oscar G. Johnson, William J. Johnston.

Col. John R. Kane, James E. Karnes, Phillip C. Katz, Benjamin Kaufman, William Keller, Charles E. Kelly, Thomas J. Kelly, Brig. Gen. John T. Kennedy, Robert S. Kennemore, Dexter J. Kerstetter, Maj. Gen. Cash E. Kilbourne, Gerry H. Kisters, Alton W. Knappenberger, M. Sgt. Ernest R. Kouma.

John C. Latham, Col. William R. Lawley, Robert E. Laws, Daniel W. Lee, Hubert L. Lee, Capt. John H. Leims, Brig. Gen. Charles A. Lindbergh, M. Sgt. Jake W. Lindsey, Berger H. Loman, Sfc. Jose M. Lopez, Rear Adm. George M. Lowry, Jacklyn H. Lucas, Gen. Douglas MacArthur, Charles A. MacGillivary, M. Sgt. Thomas E. McCall, Capt. David McCampbell, Adm. Bruce McCandless, Lt. Col. Joseph J. McCarthy, Lt. Comdr. R. M. McCool, Jr., Lt. James H. McDonald, Capt. Charles McGaha, Vernon McGarity, John R. McKinney, S. Sgt. A. L. McLaughlin, Capt. Frederick V. McNair.

Col. George L. Mabry, Jr., Sidney E. Manning, Melvin Mayfield, Robert D. Maxwell, John W. Meagher, Gino J. Merli, Lt. Col. Reginald R. Meyers, Maj. Edward S. Michael, Lt. Comdr. John Mihalowski, Harry Herbert Miller, Lt. Col. Lewis L. Millet, James H. Mills, Hiroshi H. Miyamura, 1st Lt. Ola L. Mize, Jack C. Montgomery, Sterling L. Morelock, Lt. Col. John C. Morgan, Maj. Audie L. Murphy, Capt. Raymond G. Murphy, Lt. Col. Charles P. Murray.

Ralph G. Neppel, Maj. Robert B. Nett, Beryl R. Newman, Henry N. Nickerson,

George H. O'Brien, Comdr. Joseph T. O'Callahan, Capt. Carlos C. Ogden, Rear Adm. Richard H. O'Kane, Richard W. O'Neill, Nicholas Oresko, Maj. Gen. E. A. Osterman.

Col. Mitchell Paige, Samuel Parker, Carl Emil Petersen, Lt. Comdr. Jackson C. Pharris, Francis J. Pierce, Jr., John A. Pittman, Everett P. Pope, Thomas A. Pope, Leo J. Powers, Arthur M. Preston.

Rear Adm. Lawson P. Ramage, Capt. E. V. Rickenbacker, George Robb, Brig. Gen. Chas. D. Roberts, R. G. Robinson, M. Sgt. Cleto L. Rodriguez, Capt. Joseph C. Rodriguez, Capt. Donald K. Ross, M. Sgt. Wolburn K. Ross, Ronald E. Rosser, Capt. Carlton R. Rouh, Donald E. Rudolph, Sfc. Alejandro R. Ruiz, Rear Adm. Thomas John Ryan.

Samuel M. Sampler, Sfc. J. E. Schaefer, Henry Schauer, Gen. C. F. Schilt, Oscar Schmidt, Jr., Otto Diller Schmidt, Rear Adm. H. E. Schonland, Maj. Edward R. Schowalter, Jr., Lt. Col. Robert S. Scott, Lt. William Seach, Lloyd M. Seibert, Charles W. Shea, Lt. Col. William A. Shomo, Gen. David M. Shoup, Franklin E. Sigler, Robert E. Simanek, Lt. Col. Carl L. Sitter, John C. Sjogren, Luther Skaggs, Jr., James D. Slayton.

Col. John L. Smith, Maynard H. Smith, William A. Soderman, R. K. Sorenson, Junior J. Spurrier, Rear Adm. Adolphus Stanton, Capt. James L. Stone, Capt. George L. Street III, Lt. Col. James E. Swett.

Edward R. Talley, Max Thompson, Lt. Col. Calvin P. Titus, Maj. John J. Tominac, Lt. Col. Jack L. Treadwell, Thomas L. Truesdell, George B. Turner.

Michael Valente, Gen. A. A. Vandegrift, Louis M. Van Iersel, Dirk J. Vlug, Jacob Volz, Jr., Forrest L. Vosler.

Reidar Waaler, Lt. Col. Kenneth A. Walsh, Col. Keith L. Ware, W. D. Watson, Ernest E. West, Capt. Eli L. Whiteley, Capt. H. B. Whittington, Paul J. Wiedorfer, Brig. Gen. W. H. Wilbur, Chas. Henry Willey, Herschel W. Williams, Maj. B. F. Wilson, CWO Harold E. Wilson, Col. Louis H. Wilson, Brig. Gen. Rosewell Winans, M. Sgt. Homer L. Wise.

Alvin C. York.

Col. Jay Zeamer, Jr., Lt. William Zuiderveld.

Mr. MONRONEY. The Washington Post on July 1, 1962, featured in the Sunday magazine section called Parade an article, entitled "Courage," by the president of the Congressional Medal of Honor Society, Luther Skaggs of Washington, D.C. The purpose of the society is to protect, uphold, and preserve the dignity of the Congressional Medal of Honor and the individuals who have won it. The story of Luther Skaggs' heroism is typical. In July 1944, Marine Pfc. Skaggs engaged in an assault against the Japanese on Guam, was critically wounded when a Japanese grenade lodged in his foxhole, exploded and shattered one leg. Improvising a tourniquet, Skaggs propped himself up in his foxhole and continued to pour a devastating fire upon the enemy with rifle and grenades for 8 hours before being forced to crawl unassisted to the rear to seek medical aid. As a result of this action, Mr. Skaggs, like many of his fellow veterans, lost one leg, but he continues to this day to serve his country and the Congressional Medal of Honor Society.

In his article Mr. Skaggs points out that there are countless unsung heroes of the battlefields who have died in the most heroic and valiant fashion with no one present to witness their courage. Just so, he states, there are countless unsung heroes in civilian life who resist the "freedom destroyers of the extreme right and left" by their private, quiet courage and innate sense of justice. Mr. Skaggs also calls attention to the fact that now is not the time for any American, regardless of how gloriously he may have served his country in the past, to rest upon his laurels, because this country owes its citizens nothing if those citizens are not willing to serve their country whenever and wherever necessary.

Madam President, in this month which is the 100th anniversary of the Medal of Honor and the 186th year of this Nation's independence, I deem Mr. Skaggs' remarks important enough that this Congress and all of the people of our country should give thoughtful attention to them, reminding themselves of the sacrifices and heroic deeds which form part of the magnificent heritage of this great land, now a lighthouse of liberty throughout the world. Our job is not yet done. It will never be done as long as free people desire to preserve their liberties.

Madam President, I also ask unanimous consent to have printed in the RECORD at this point the article, "Courage," by Mr. Luther Skaggs, who knows so well the meaning of the word.

I wish also to acknowledge the patient and painstaking work done by Mr. Larry Cates, formerly of Eufaula, Okla., in researching this material for a tribute of respect to our American heroes who have been awarded the Congressional Medal of Honor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COURAGE

(By Luther Skaggs, president, Congressional Medal of Honor Society)

One hundred years ago this month, Abraham Lincoln signed into law a bill creating the Congressional Medal of Honor, the Nation's highest award for valor. Today there are 293 living Americans, 46 of whom served in World War I, who hold this treasured decoration. More than half of the 644 Medal of Honor winners of World War II and the Korean conflict received their awards posthumously. They came from all walks of life: bus drivers, businessmen, actors, auto racers. They had one thing in common: they loved our country.

Most of those who survived have returned to civilian life; some have chosen to remain with the Armed Forces. All of them are a part of America. The purpose of the Congressional Medal of Honor Society is not to set these men apart from their fellowcountrymen. Rather, it is to protect, uphold and preserve the dignity of the medal and its individual holders.

Courage is not restricted to those who have been honored for deeds performed on the field of battle. In all of America's wars, many men have fallen, unseen and unsung, with no one to witness their courage. So, too, there are countless unsung heroes in civilian life.

This Wednesday, July 4, the Nation once again observes the anniversary of its independence. That freedom was won and held, not alone on the battlefield, but in the everyday lives of all our citizens. It is held today by the courage of individuals who speak out against injustice, who resist the freedom-destroyers of the extreme right and left. This is the private, quiet courage of the true American.

We who hold the Medal of Honor feel that we were called upon to do a job for our country which was our responsibility as American citizens.

This country owes us nothing other than the opportunity to serve again if necessary.

TRIBUTE TO A GREAT CIVIC LEADER

Mr. SCOTT. Madam President, the story of Milton J. Shapp, Pennsylvania civic leader, is worth bringing to the attention of a larger audience than that which had an opportunity to read about him in the magazine section of the Sunday Philadelphia Bulletin of July 8, 1962.

I ask unanimous consent to include this very interesting article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COFFEE BREAK WITH MILTON J. SHAPP—9-DAY WEEK; 28-HOUR DAY

(By Loni Stinnett)

We got our first glimpse of Milton Jerrold Shapp when he came through the door of the multimillion-dollar Jerrold Electronics Corp., of which he is chairman of the board, exactly at 10 o'clock sharp, just as his secretary had predicted he would.

Brisk and businesslike, he wore a sport coat and a hat at a jaunty angle. A well-built, youngish man of 49 with alert brown eyes and a shy smile, he shook hands cordially and wasted no time getting our coffee break underway. As we walked from the reception room to his office, secretaries jumped to attention. In a matter of seconds we were settled in a mahogany-paneled conference room, coffee in hand.

"My wife did all this," he said with an all-inclusive wave of his hand. The room could easily have been transplanted to a country home and used as a den. Decorated in tan and brown with chairs and tile-topped tables of Danish modern, it is softly lit and spotted with plants.

Mr. Shapp removed his jacket and leaned forward in his chair and his shirtsleeves to get down to business, his elbows resting on his knees. He told us that his wife, in addition to being the company's official decorator, is also one of its directors and has been since the company was started in 1947.

We also learned that he was born and raised in Cleveland, Ohio, wanted at one time to be a doctor (but couldn't pass Latin), a musician (violin), a composer and a playwright, that he is a 1933 graduate of Case Institute of Technology in Cleveland and that his company, currently valued at $12 million, was started on $500 and a revolutionary idea. It builds master television antennas for towns with poor television reception due to location or topography.

The future industrialist first came to Philadelphia in 1935 to open a sales office for a radio parts company, liked the city and went into business for himself as a manufacturer's representative. Then he went into the Army where he wound up with Mark Clark's occupation forces as officer in charge of broadcasting in Austria.

It wasn't to be his last association with international affairs. Mr. Shapp currently is serving as a consultant to the Director of the U.S. Peace Corps, an operation which he describes as fabulous. He is in good position to know—he personally suggested the idea to the Kennedy administration.

It all began back in 1960, just 2 weeks before the presidential election, when Mr. Shapp sat next to Robert Kennedy, now U.S. Attorney General, on a TWA plane bound for Pittsburgh. His being there was not accidental. He had tried to see Mr. Kennedy while he was in Philadelphia but was unable to. Learning that he was taking the flight west, Mr. Shapp bought a ticket and joined him.

During the trip he outlined his plans for dissemination of the ideals of democracy throughout the world, was asked to put it all in writing. Eight days later the plan was presented to the public by Presidential Nominee John F. Kennedy in a foreign policy speech in San Francisco.

Today the Peace Corps is a fait accompli and Milton Shapp has turned his tremendous energy and facile mind to a variety of other projects, many of them philanthropic. One current and passionate interest is the development of human resources, as it affects both humanity and national prosperity.

"With the resources we have in this country, both human and natural, we should have permanent prosperity," he said, speaking slowly in a firm, quiet voice that demands attention.

"I'm writing a book about it in colloboration with Dr. Ernest Jurkat, the economist. He's the man who worked with the city on the plans for Penn Center and the Eastwick project.

"The book is called "No Need for Recession" and it will be published next year. Anyway I've worked out a formula that is explained in the book: W=R×HT. In other words, wealth is the product of resources multiplied by human talent. Human talent is the sum total of our knowledge, skills, and physical abilities multiplied by motivation, the point here being that all the skills and knowledge in the world will get you nowhere if they aren't properly motivated.

"We need especially in this area to develop the abilities of the Negroes and the Puerto Ricans and to give them hope for the future. Many of them are being wasted. They need to be trained and then given the opportunity to use their training."

He put down his coffee cup and raised a warning finger. "You know the surest way to a welfare state is not to give people the knowledge they need to become independent and not to give them the opportunity to use their skills if they have them. Seventy-eight percent of the people on the relief rolls today did not finish high school, and half of them didn't pass the eighth grade. Only 19 percent have finished high school and only 3 percent have post-high school training. Which simply proves that people without knowledge are a drain on our economy."

We asked Mr. Shapp if he, personally, were doing anything to rectify the situation. He leaned back in his chair and looked down at the palms of his hands as if he might find the answer there, then looked up at us rather sternly.

"If you took a walk through this company," he said, "you'd see that it's a little United Nations. That's one thing I'm doing. I also spend a lot of time trying to talk my business associates into doing the same thing."

"Have you been successful at that?" we inquired.

"How do you measure success?" he asked in turn. "I think businessmen are beginning to realize that they've got to pay for the development of human resources or else pay to keep people on relief. It isn't me, it's the current trend—and I'm very happy to see it happening."

In addition to hiring qualified persons from minority groups at Jerrold Electronics and its four subsidiary companies, Mr. Shapp has gone a giant step beyond in applying his theories.

He has set up 2 foundations which provide for 118 annual scholarships for young people who would otherwise be deprived of further education and training.

The Shapp Scholarship Foundation offers 18 scholarships contingent on only three conditions: The applicant must be a member of a minority ethnic group, he must be able to gain academic admittance to the college of his choice, and his need for funds must be such that without help he could not go on to college.

The second, more extensive, Shapp Foundation provides 100 tuition-free scholarships to the Berean Institute Vocational Training School at 20th and College Streets, of which Mr. Shapp is executive director. Its president is Dr. William H. Gray, pastor of the Bright Hope Baptist Church, and plans for its expansion, now under consideration, would add academic courses to the curriculum. Included would be a pre-civil service program and a special language course, which Mr. Shapp feels is necessary since youngsters from culturally deprived families often find the language barrier difficult to bridge.

The father of three children, Mr. Shapp lives with his family in a modest 7-room house in Merion Station. His two younger children, Richard, 13, and Joanne, 11, attend Bala-Cynwyd Junior High School and his older daughter, Dolores, 20, is an exchange student at the University of Vienna from the University of California.

He has just been named chairman of the Committee for Constitutional Revision of Pennsylvania and to the Governors Committee of 100 for Better Education. As diverse in his activities as in his interests, he has lectured at the Army War College on Soviet economics (the result of a recent trip there to visit Russian corporations) and teaches a course in problem analysis and decision-making at St. Joseph's College for a salary of $1 a week. He also composes music and has written the score and lyrics for a musical comedy which is a satire on business.

"There isn't time to do all those things," we declared, getting more overwhelmed every minute.

"Yes, there is," Mr. Shapp laughed. "If you start your day at 5 o'clock in the morning. That's when I do my writing—between then and about 7 or 8. Altogether I'd say I put in a 9-day week, 28 hours a day."

Realizing that our visit had cut his day back to only 26 hours we thanked Mr. Shapp for the coffee and made our way out to the elevator. On our own this time, we noted that the secretaries went right on with their work.

EXEMPTION OF FOWLING NETS FROM DUTY

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 6682) to provide for the exemption of fowling nets from duty, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD of Virginia. I move that the Senate insist upon its amendments and agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

PUBLIC WELFARE AMENDMENTS OF 1962

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. MORTON. Madam President, there is some apprehension in the State of Kentucky that the existing arrangements for placement of children in foster home care may be upset by the provisions of H.R. 10606. The welfare functions in Kentucky have been reorganized on a number of occasions. Until recently the Department of Child Welfare, which has had responsibility for placement of children in foster homes, has been in a separate agency from the one which administers aid to dependent children under title IV of the Social Security Act. Within the past few months a State statute has been passed which places both of the former departments, along with a number of other State agencies, in what is termed a Health and Welfare Agency. In view of the fact that there have been a number of organizational changes within recent years some persons question whether even this arrangement is likely to be a permanent one, believing that the chance that it will not is such that proper safeguards to maintain existing practices in the field of child welfare should be considered in relation to this bill.

It is my understanding from the Department of Health, Education, and Welfare that insofar as can be determined, the new Health and Welfare Agency would be considered a single State agency responsible for both the administration of the aid to dependent children program and of the child welfare services program. Under such circumstances, no problem would arise.

Public Law 87–31 of this Congress deals with the subject of foster home care of certain children and its provisions in this respect would be made permanent by H.R. 10606. Among those provisions is one for "use by the State or local agency administering the State plan, to the maximum extent practicable, in placing such a child in a foster family home, of the services of employees, of the State public welfare agency referred to in section 522(a)—relating to allotments to States for child welfare services under part 3 of title V—or of any local agency participating in the administration of the plan referred to in such section, who perform functions in the administration of such plan." This provision would seem to assure that so long as the health and welfare agency is responsible for the administration of both the aid to dependent children program and the child welfare services program that there would be maximum utilization of the child welfare services program and that there would be no threat to existing arrangements.

Moreover, the Senate Committee on Finance adopted an amendment to H.R. 10606—section 155 of the bill under consideration—which permits the responsibility for placement and care of children in foster homes to be the responsibility of an agency other than the agency responsible for the administration of aid to dependent children if such agency is a public agency which has in effect an agreement with the agency administering title IV, the aid to dependent children program, which assures a suitable plan for the children. This latter section would be in effect for 1 year ending with the close of June 30, 1963. For that year and on a continuing basis if the section is continued, the role of the child welfare services agency would seem to be assured whether it remains a part of the health and welfare agency of the State or if some further reorganization should take place, since maximum utilization would be required for the services of the Department of Child Welfare under section 408 and even though separate from the agency responsible for administering aid to dependent children it would be authorized to operate under an agreement with such agency if the amendment adopted by the Committee on Finance becomes law. Under these circumstances, it is unthinkable that a traditional responsibility for placement by the child welfare services agency would be upset by the enactment of this legislation.

WHAT PRICE FOR MEDICARE?

Mr. BENNETT. Madam President, this discussion of providing certain health-care benefits to our senior citizens has not to date adequately touched upon what I regard to be one of the significant points with which this body should be concerned. We have heard discussion of the needs of our senior citizens and we have had presented to us a number of proposals for accomplishing this purpose. I repeat, however, that the most essential factor has been missing in all the discussion of the last few days. I refer to the cost of providing benefits of the type proposed by the Senator from New Mexico and several of his colleagues.

The Social Security Administration, and particularly its Actuary, whom we have all long since come to admire for his ability and knowledge in the area of forecasting costs of providing social security annuity coverages, has no firsthand knowledge of the cost of providing health care benefits. While it is true that the social security program has a history of workability, never has it been tested with a provision of handling health care on a service basis. I take exception, therefore, to the statement that we can rely upon the tried and tested social security mechanism. This mechanism has never been either tried or tested in an area such as we are discussing today.

COSTS ARE UNPREDICTABLE

The uncertainty of the costs of providing these health care benefits is shared by the Chief Actuary of the Social Security Administration. In a document published last July by the Department of Health, Education, and Welfare, this uncertainty of predicting costs for medical-care benefits is stated in concrete terms. Let me quote a few key phrases of this Actuarial Study No. 52. In this document the following is stated:

> Long-range actuarial cost estimates, by their very nature, can present the general range of costs but cannot be a precise forecast of future experience.

The report states:

> Nonetheless, precise estimates are not possible because of such unknowns as the extent of hospital utilization by persons who have not had insurance in the past, but who would have benefit coverage under the provisions of the bill.

Further:

> Another major difficulty in making costs estimates for hospitalization benefits is the extent to which hospital costs will rise in the future.

These qualifications which the Chief Actuary has been careful to spell out, and I commend him for this, have been lost sight of as we glibly talk about providing health care benefits at a cost of one-half of 1 percent of a $5,200 payroll base.

In view of the lack of experience of the Social Security Administration in this particular area, are we risking a serious blow to the social security mechanism without careful examination of the true cost level? Is there any group which has adequate experience in providing health care benefits, and has such a group made such experience available to the Congress?

There is, of course, such a group. I refer to the health insurance business, including insurance companies as well as the Blue Cross and other such plans. Health insurance has been provided to the American public, in one form or another, since before the turn of the century. Currently, some 136 million Americans of all ages have some form of voluntary health insurance and in many instances a major portion of the premium for such protection is provided by the employer. In fact, in excess of 9 million of our current senior citizens have this protection and this 9 million figure is 3 times what it was several years ago.

INSURANCE INDUSTRY VERSUS GOVERNMENT ESTIMATES

Now, what does the insurance business say about the true cost of providing benefits such as are contained in the amendments proposed by Senator ANDERSON and his colleagues? Last July, in an appearance before the House Committee on Ways and Means, the insurance business presented detailed actuarial cost estimates for these benefits. They were testifying, of course, with respect to H.R. 4222. Since the benefits proposed by the junior Senator from New Mexico with respect to the OASI population are essentially the same as those contained in H.R. 4222, these estimates are applicable.

Let me recite the nature of the dollar differences as well as the tax requirements as between actuaries experienced in providing medical insurance benefits and Government statisticians with no such experience.

First. Benefits provided under H.R. 4222 would cost $2.2 billion in 1963 as compared with the administration's estimate of $1 billion. In 1964, with the nursing home provision available for the entire year, the total cost would rise to $2.5 billion. The administration's estimate for this year is again $1 billion.

Second. By 1983, the anual cost of H.R. 4222 would be $5.4 billion while the administration has estimated that by 1990 costs will reach only $2½ billion.

Third. The level premium costs of H.R. 4222, as defined by the Social Security Administration, are 1.66 percent on a $5,200 taxable earnings base while the administration's estimate is only 0.66 percent. While it is not strictly comparable, the administration estimates this level premium requirement basis. In our judgment, this is unrealistic.

The insurance companies' estimates are based upon the actual claim experience of insurance companies as well as Blue Cross and Blue Shield plans gathered by the New York State Insurance Department. Its long experience would indicate that this substantial actual data is far more reliable in predicting cost than is unverified data obtained from household interviews of a limited sample of the aged population as is the case of the data of the administration.

ADMINISTRATION'S ESTIMATES UNREALISTIC

In the opinion of insurance actuaries, the administration has greatly overestimated the effect of the deductible.

Further, the administration's estimate of cost has not made an adequate allowance for future increases in hospital and related health care costs.

Furthermore, it is believed that the administration's cost estimates have not been realistic as to the ultimate costs of the skilled nursing home benefits.

As the Senate is well aware, OASDI taxes prior to this year are scheduled to reach 9¼ percent in 1968. Within 6 years it is the estimated cost of H.R. 4222 added to the 9.25 percent tax rate, workers earning up to $5,200 per year would, jointly with their employers, be subject to total OASDI taxes of 10.91 percent. Secretary Ribicoff has indicated that a 10-percent total social security tax rate appears to be about the maximum which should be imposed. Based on these estimates, the addition of health care benefits would result in a total OASDI tax which would exceed this practical limit.

It is well to observe that this estimated tax of nearly 11 percent would cover only those benefits provided and beneficiaries presently eligible under H.R. 4222. Once enacted, pressures would be engendered to remove the present deductible provision, to cover more forms of health care to provide care for longer periods of time, and to lower the age limit.

Although I am no actuary, I have spent time in a careful reading of the actuarial appendix filed by the insurance business. This analysis is based, as I have indicated, upon actual claim experience of insured lives under both insurance company policies as well as those of Blue Cross and Blue Shield plans. Such experience indicates a hospital utilization rate per aged person per year ranging from 2.6 days at the lower ages to 6.0 days at ages 80 and over. According to the American Hospital Association, the average cost per day in a hospital in 1960 was about $32. Hospital costs have been rising annually at an average increase of about 7 percent. Assuming that such per diem costs increase by only 5 percent between 1960 and 1964, the cost per day in a hospital should be about $38 in that year. A projection of the cost per day and the aforecited hospital utilization by the aged produces the estimated costs predicted by the insurance business.

The Government's statisticians, on the other hand, have used a hospital per diem of about $29, and let me call your attention to the fact that this per diem that they have used is even less than the actual costs in a hospital today, let alone what it will be by 1964. The Government's statisticians have based their hospital utilization on information obtained in a survey conducted 6 years ago among some 5,000 OASI beneficiaries. In that survey, such persons were asked how frequently they went to a hospital and how long they stayed. Statistical experts tell me that the range of sampling error, memory error, and other such factors make surveys of this type, for purposes of predicting hospital utilization, completely unreliable. This is one major reason why the insurance business believes that the Government has underestimated the true costs of the health care benefits.

COSTS THREE TIMES PREDICTION

There are a number of other reasons why the true cost will be about three times what some Government statisticians predict. Again, the Government people have used household interview material, and in this instance, a survey among about 600 persons, to measure the financial effect of the up-to-$90 deductible contained in the health care benefit provisions. The insurance business, on the other hand, utilized actual claim experience with deductible provisions. They note with exactitude that the financial effect of the deductible will be considerably less than that predicted by the administration. This represents a second reason for the understatement of the Government's estimates.

A third reason for the understatement rests in the fact that there will always be a certain amount of what insurance actuaries call "extra utilization and longer hospital stays" under a governmental program as compared with a program of insured lives. Governmental programs in Saskatchewan, British Columbia, Great Britain, and elsewhere, have all experienced considerable increases in utilization over what existed prior to the organization of the plans. The insurance business, in developing its estimates, added an allowance of 5 percent for such extra utilization. There is no evidence that any similar allowance was provided for by the Government's statisticians.

A fourth and perhaps the most significant reason why the half of 1 percent is not realistic lies in the area of future hospital costs. The cost per day in a hospital, as I have indicated, has been rising by some 5 to 7 percent a year. All knowledgeable authorities in the hospital field predict a continuance of this yearly percentage increase for the foreseeable future. In fact, Assistant Commissioner of Health, Education, and Welfare Wilbur Cohen, himself, has testified before a governmental body to this very effect. Built into the insurance business' estimate therefore is an allowance for future increases in the cost of a day in hospital. No similar allowance is contained in the Government's estimate of the cost of these benefits. In fact, and I repeat, the hospital per diem amount used by the Government is actually less than what is being charged for a day in hospital today.

ANDERSON PROPOSAL INADEQUATELY FINANCED

There are a number of other reasons contained in this actuarial study which make me feel that the cost aspect of these health care benefits is an overwhelmingly important matter for the Senate to consider. If this amendment to H.R. 10606 with its present proposal of financing the benefits of a half of 1 percent is passed, I predict that within a short period the administration will be back with a request for an increase in the tax, or else benefits will be paid out via further deficit financing.

My comments to this point have been concerned with only that portion of the proposal of the Senator from New Mexico which have to do with the OASI aged population. The Senator proposes to provide these same health care benefits to the non-OASI aged at a net cost to the Government of $50 million per year. I have studied this figure with some care and I cannot conceive of such a small amount. Where he predicts a gross cost of a quarter of a billion dollars, I have good reason to feel the gross cost will approach half a billion dollars per year with a net cost of about a third of a billion dollars. I have equally good reason to feel that this third of a billion dollars which will have to be paid out of the Treasury each year will not wash itself out in a few years but will continue into the indefinite future. Let me recite the reasons why I feel this aspect of the cost of H.R. 10606 is equally unsound.

ERRORS IN ANDERSON'S ESTIMATES

With respect to the cost of providing benefits to non-OASI eligibles, the Senator from New Mexico—CONGRESSIONAL RECORD, June 29—assumes a cost of $250 million to provide coverage to "2½ million aged people." The Senator indicates that the net cost of covering such aged persons would be only $50 million in that the Government would derive a savings of some $200 million via lesser payments under public assistance and veterans programs. These estimates are totally unrealistic for reasons outlined below.

The Senator's estimates are erroneous because:

First. He has understated the number of aged persons not eligible for either OASI or railroad retirement benefits.

Second. He has understated the cost of providing health benefits to those eligible under this provision of his amendment.

Third. He has overstated the savings which the Government would realize under its public assistance and veterans programs.

With respect to the number of aged who would be eligible, the Senator from New Mexico derives his figure as follows. As of January 1964, there will be 17.9 million aged persons. Of this number, he says, a quarter of a million, while not eligible for either social security or railroad retirement, would be covered under the Federal civil service governmental health insurance plan. Subtracting this quarter of a million, he incorrectly arrives at 17½ million. He then indicates that about 15 million aged persons are eligible for either social security or railroad retirement, leaving a remainder of 2½ million aged persons who would require health care benefits to be financed from general revenue. According to the Social Security Administration, Department of Health, Education, and Welfare, there will be 17.9 million persons at age 65 and over on January 1, 1964.

Excluding the quarter of a million Federal civil servants—even this figure may be high—leaves a remainder of 17⅔ million—not 17½ million. According to the same governmental sources, there will be 14.4 million aged persons eligible for OASI and an additional quarter of a million for railroad retirement benefits—not already included under OASI. By subtraction, there remains 3 million aged persons not covered by either OASI, railroad retirement, or having benefits by reason of being Federal civil servants, who would qualify for health care benefits from the general revenue.

SAVINGS OVERESTIMATED

The junior Senator from New Mexico estimates that the cost of caring for each non-OASI eligible would be $100. The insurance business has presented detailed actuarial cost estimates to the effect that the cost per OASI eligible should approximate $141 in 1964. The non-OASI aged population is, according to governmental estimates, a significantly higher age group than is the OASI aged population. This being the case, the cost per person among the non-OASI aged should be even higher than $141. Apart from this, and using a base cost of $141 per person, with an allowance of 10 percent for the cost of administering these benefits, the cost in 1964 for providing health benefits to the non-OASI eligible population should approximate $465 million—compared with the Senator's estimate of $250 million. We are unable to substantiate the basis for the Senator's estimate that this aspect of his proposed program would result in a savings of $200 million.

There is a presumption that such an estimate is unduly optimistic. According to the Social Security Administration, public assistance expenditures for general hospital care in 1960 totaled $100 million. Such expenditures were for aged persons under old-age assistance of which about one-third are also covered under OASI. If it is assumed that the OASI and non-OASI public assistance recipients used hospital care at about the same amounts, then about $67 million was expended by both Federal and State Governments to provide general hospital care in 1960. The Federal Government's share of this $67 million approximates $45 million, or two-thirds. In 1960, the Veterans' Administration spent $165 million for general hospital care. It is to be noted that the very large majority of veterans are covered under OASI. The saving to be derived by way of this program is, therefore, questionable.

Apart from the above, and accepting the $200 million savings—as indicated this is very likely too high—we estimate the net cost to the Federal Government, for providing health benefits to the non-OASI aged population, to be $265 million in 1964 with the likelihood that this figure could well be in excess of one-third of a billion.

NOW OASI AGED COSTS WILL CONTINUE

One other aspect of the Senator's estimate is open to question. The Senator indicates, in the aforestated CONGRESSIONAL RECORD, that the "annual cost of the provision would drop sharply—and eventually wash out altogether." It is difficult to accept this statement in light of the fact that, according to the Social Security Administration, there would still be by the year 1980, 217 million aged persons not eligible for OASI benefits. By that year, according to the insurance business' estimate of the cost of providing such health care benefits, the cost per person will be in excess of $200. Thus, 16 years from now the Federal Government would still be providing, from the general revenue, approximately one-third of a billion dollars to provide coverage to this group of the aged population.

Madam President, the Senate of the United States has a history of careful thought prior to approving any piece of legislation. Since the Anderson amendment is a fiscally unsound proposal, I urge its rejection by this body.

AMENDMENTS TO THE RAILWAY LABOR ACT

Mr. MORTON. Madam President, I have joined with the Senator from Oklahoma [Mr. MONRONEY], the distinguished chairman of the Aviation Subcommittee of the Senate Commerce Committee, in sponsoring amendments to the Railway Labor Act which would authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry.

I need not remind my colleagues that the necessity to enact the amendments has been prompted by the widespread disruption of passenger, mail, and cargo service resulting from the jurisdictional walkout of the flight engineers against Eastern Air Lines. While only Eastern is struck, we have faced the possibility in recent weeks that at least two other major air carriers might also be affected.

The airlines industry constitutes a major segment of our national transportation system, and the consequences of the flight engineers' strike against Eastern are sufficiently alarming to predict that any jurisdictional strike nationally would be disastrous. I have never believed in compulsive settlement of a labor dispute, preferring to leave arbitration to labor and management. However, the Eastern strike, because of its jurisdictional nature between two unions, lends weight to the belief that we should have a more responsible mechanism for settlement of such disputes when the general public interest is so drastically affected.

I would like to take a few minutes to discuss the impact of the Eastern walkout on Kentucky. Eastern serves Louisville, Owensboro, Lexington, and Bowling Green directly, Henderson via Evansville, Ind., and Ashland through the Ashland-Huntington airport in West Virginia.

Louisville, in particular, has been very hard hit by the strike. The loss of service has been extremely inconveniencing to the business community and air travelers. I can testify to the inconvenience because of my own personal experience since June 23 when the walkout started. Louisville, my hometown, generally is one of the easiest cities to reach by air from Washington. Now it is one of the most difficult.

Louisville is the hub of an air transportation system which radiates flights into the entire eastern half of the United States, into Canada and to Puerto Rico. During 1961, Eastern had 13,983 flights involving some 782,831 available seats through Louisville. For the first quarter of 1962, 3,341 flights carried 195,068 available spaces.

Eastern enplaned 225,322 passengers at Louisville in 1961, and 59,101 during the first quarter of 1962. The 59,101 represented 56.5 percent of all passengers enplaned at Louisville. Of this percentage, 52.7 percent were originating passengers and the balance passengers from connecting airlines. The loss of more than 56 percent of service to a community the size of Louisville is a staggering blow.

Similarly, Lexington has lost the service of an airline that originated 40.7 percent of its passenger service during the first 3 months of 1962; Ashland, 51.2 percent; Owensboro, 86 percent; Bowling Green, 100 percent, and Evansville, Ind., 48.6 percent.

In addition, Louisville has suffered the loss of airmail, airfreight, and air express service which carried a total of 3,458,689 pounds in 1961 and 992,616 pounds through March 31, 1962. Other cities in Kentucky showed the effects of losses in this same area. Some 185 Eastern ground personnel in Kentucky have been idled by the strike, and I have no way of calculating the damage done to the many service industries which rely on Eastern.

Eastern has asked the Civil Aeronautics Board for a subsidy approximating $24 million to carry it through the rest of the year. This is a direct assessment of strike damage on the general taxpayers of this country. The impact on the local taxpayers also will be felt. The loss of landing fees at the various Eastern-served airports in Kentucky means that any deficits incurred by the local air boards by reason of this revenue loss will have to be made up by the community taxpayers.

I have not been able to detect any appreciable progress in efforts to mediate the dispute, although Secretary Goldberg has assured me that every effort is being made to reach an agreement and terminate the strike. I feel that the general public has been moderate in its attitude so far, but as the strike lengthens I anticipate a rise in public demand for settlement.

I have had prepared, Mr. President, a series of tables showing the extent of Eastern's service and operation in Kentucky for 1961 and the first quarter of 1962 and their importance to the communities affected. I ask unanimous consent that the tables be printed in the RECORD.

I also ask unanimous consent that there be printed in the RECORD numerous telegrams and letters I have received from Louisville and the need for a settlement; an editorial from the June 21 issue of the Louisville Times, entitled "Airline Dispute: A Struggle for Jobs," and the text of the letter, dated July 9, from Mr. Malcolm A. MacIntyre, Eastern's president, to shareowners, employees, and friends.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EASTERN AIR LINES SERVICE IN KENTUCKY

Eastern's flight schedule lists service from Louisville to the following cities: Ashland, Ky./Huntington, W. Va.; Atlanta, Ga.; Atlantic City, N.J.; Baltimore, Md.; Birmingham, Ala.; Boston, Mass.; Bowling Green, Ky.; Cape Canaveral, Fla.; Charleston, W. Va.; Charlotte, N.C.; Chattanooga, Tenn.; Chicago, Ill.; Tampa & St. Petersburg/Clearwater, Fla.; Dothan, Ala.; Raleigh/Durham, N.C.; Evansville, Ind.; Lexington/Frankfort, Ky.; Greensboro/High Point/Winston-Salem, N.C.; Greenville, S.C.; Hartford, Conn./Springfield, Mass.; Huntsville, Ala.; Indianapolis, Ind.; Jacksonville, Fla.; Miami, Fla.; Milwaukee, Wis.; Minneapolis/St. Paul, Minn.; Montgomery, Ala.; Muscle Shoals, Ala.; Nashville, Tenn.; New York, N.Y.; Newark, N.J.; Orlando, Fla.; Owensboro, Ky.; Palm Beach, Fla.; Philadelphia, Pa.; Providence, R.I.; Roanoke, Va.; Rome, Ga.; St. Louis, Mo.; Tallahassee, Fla.; and Washington, D.C.

Eastern Air Lines service in Kentucky

	Number of flights departing (similar number of flights arriving)		Total seats available on departing flights (similar number inbound)		Passengers enplaned including connections		Passengers deplaned	
	1961	1st quarter of 1962	1961	1st quarter of 1962	1961	1st quarter of 1962	1961	1st quarter of 1962
Louisville	13,983	3,341	782,831	195,068	225,322	59,101	234,649	59,404
Lexington-Frankfort	2,807	637	110,370	29,394	22,763	4,718	23,188	4,462
Ashland-Huntington	3,021	726	121,638	33,061	21,878	5,366	19,705	4,635
Owensboro	792	169	27,394	6,631	7,962	1,824	3,001	661
Bowling Green	1,224	249	50,818	9,960	3,379	703	2,979	548
Evansville	3,346	860	171,426	47,125	35,547	9,660	34,140	9,287
Total	25,173	5,982	1,264,477	321,239	316,851	81,372	317,662	78,997

	Pounds of airmail boarded including connections		Pounds of air express boarded including connections		Pounds of airfreight (originating)		Total outbound cargo (mail, express, and freight)		Number of ground employees (flight personnel are not based in Kentucky) 1961
	1961	1st quarter of 1962	1961	1st quarter of 1962	1961	1st quarter of 1962	1961	1st quarter of 1962	
Louisville	1,418,392	418,146	1,077,161	285,532	963,136	288,938	3,458,689	992,616	139
Lexington-Frankfort	176,185	34,842	112,076	23,305	311,073	101,884	599,334	160,031	10
Ashland-Huntington	63,373	18,420	42,023	9,646	130,820	36,245	236,216	64,311	11
Owensboro	11,269	2,578	23,704	5,971	163,118	43,124	198,091	51,673	4
Bowling Green	10,938	2,598	26,366	10,464	57,052	15,523	94,356	28,585	3
Evansville	136,000	55,000	209,000	59,000	388,000	90,000	733,000	204,000	18
Total	1,816,157	531,584	1,490,330	393,918	2,013,199	575,714	5,319,686	1,501,216	185

Percentage of participation by airlines in total number of enplaning passengers (including connecting passengers outbound) at Louisville for 1st quarter of 1962

	Number	Percent
Eastern Air Lines	59,101	56.5
American Airlines	19,310	18.2
Trans World Airlines	10,211	9.7
Delta Air Lines	8,708	8.2
Piedmont Airlines	4,654	4.4
Ozark Air Lines	3,298	3.0
Total	105,282	100.0

Percentage of participation by airlines in total number of originating passengers (not enplanements; connecting passengers not included) in the following Kentucky cities

	1961	1st quarter of 1962
Louisville:		
Eastern Airlines	51.5	52.7
American Airlines	19.6	18.3
Delta Air Lines	9.1	7.0
Ozark Air Lines	3.6	3.8
Piedmont Airlines	5.1	5.8
Trans World Airlines	11.1	12.4
Total	100.0	100.0
Lexington-Frankfort:		
Eastern Air Lines	35.5	40.7
Delta Air Lines	37.8	35.7
Piedmont Airlines	26.7	23.6
Total	100.0	100.0
Ashland-Huntington:		
Eastern Air Lines	50.7	51.2
Allegheny Air Lines	17.9	17.3
Piedmont Air Lines	31.4	31.5
Total	100.0	100.0
Owensboro:		
Eastern Air Lines	85.7	86.0
Ozark Air Lines	14.3	14.0
Total	100.0	100.0
Bowling Green: Eastern Air Lines	100	100
Evansville:		
Eastern Air Lines	52.0	48.6
Delta Air Lines	38.7	42.1
Lake Central	9.3	9.3
Total	100.0	100.0

LOUISVILLE, KY.,
July 12, 1962.

Hon. THRUSTON MORTON,
Senate Office Building,
Washington, D.C.:

We respectfully ask any action that may help settle the strike of flight engineers against Eastern Air Lines. The stoppage is seriously affecting business life of Louisville and the Kentuckiana area.

W. H. MCCORD,
President, Central School Supply Co.

LOUISVILLE, KY.,
July 12, 1962.

Senator THRUSTON B. MORTON,
Washington, D.C.:

Unnecessary strike, Eastern Air Lines, definite handicap to our normal business operations. Should be settled at once, and steps taken to prevent reoccurrence.

ARCHIBALD P. COCHRAN,
Chairman, Anaconda Aluminum Co.

LOUISVILLE, KY.,
July 11, 1962.

THE PRESIDENT,
The White House,
Washington, D.C.:

The continued strike on the Eastern Air Lines system is producing deep and unfavorable effects on our community's economy. If the Government is powerless to effectively intervene should not legislation authorizing such intervention be immediately enacted?

THOMAS A. BALLANTINE,
Member, Aviation Committee,
Louisville Chamber of Commerce.

FORT KNOX, KY., *July 11, 1962.*

Senator THRUSTON B. MORTON,
Washington, D.C.:

I would greatly appreciate any effort your office could render to expedite settlement of the Eastern Air Lines strike. This strike has affected the economy of Louisville and Fort Knox. Eastern serves 60 percent of the air service for our city. Military personnel at Fort Knox, Ky. depend heavily on air travel. This strike has put unnecessary hardships on our servicemen's travel.

J. T. WATSON.

LOUISVILLE, KY., *July 9, 1962.*

Senator THRUSTON B. MORTON,
U.S. Senate Office Building,
Washington, D.C.:

This community is seriously feeling the continued strike at Eastern Air Lines, and your efforts to bring about a prompt settlement of the dispute are appreciated.

JOHN H. HARDWICK,
President, the Louisville Trust Co.

LOUISVILLE, KY., *July 6, 1962.*

Senator THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.:

I wish to take this opportunity to inform you that the current Eastern Air Lines flight engineers strike is greatly inconveniencing the people of Louisville and my business travels. It is my hope that you will use all influence possible to effect a speedy settlement of this strike, which appears to be unnecessary and a great inconvenience to the traveling public.

J. B. AKERS.

LOUISVILLE, KY., *July 6, 1962.*

Senator THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.:

I wish to inform you that the flight engineers strike fo Eastern Air Lines has been of great inconvenience to me businesswise, as well as personally. Today my daughter is required to wait 4 hours alone in Chicago because proper connections could not be obtained due to the Eastern strike. I trust you will exert all influence possible to expedite the settlement of this dispute, which is an unnecessary inconvenience to the traveling public.

A. P. BONDURANT.

LOUISVILLE, KY., *July 9, 1962.*

Senator THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.:

Eastern Air Lines strike has caused 300 people to be out of work in Louisville. Louisville airlines travel service paralyzed. Government should take a stand in public interest against featherbedding. Settlement of this strike important to the economy of 27,000 people. Louisville needs Eastern Air Lines service.

MILTON L. TROST,
STEIN BROS. & BOYCE.

LOUISVILLE, KY., *July 9, 1962.*

Senator THRUSTON B. MORTON,
U.S. Senate, Washington, D.C.:

The airlines strike is seriously hampering business in this community. We shall appreciate your emphasizing the seriousness of this situation to those in Government whose efforts might speed a solution.

HUBBARD G. BUCKNER,
Vice President, First National Lincoln Bank of Louisville.

LOUISVILLE, KY., *July 11, 1962.*
Senator THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.:

The Eastern Air Lines strike is causing us great concern. Will you urge President to make every effort to bring it to an end.

JAMES M. BROWN,
Secretary-Manager, Louisville Automobile Club and AAA.

LOUISVILLE, KY., *July 10, 1962*
Hon. THRUSTON MORTON,
U.S. Senate, Washington, D.C.

DEAR THRUSTON: Considerable concern is being shown throughout the Commonwealth of Kentucky as well as the community of Louisville over the continued strike of Eastern Air Lines. 60 percent of the total air service to Louisville alone is handled by Eastern with 6,000 people per week coming into the city and same number departing. Figures of this proportion are bound to have a tremendous effect on the economy of the community and it is therefore requested that you use every means within your power to bring the strike to an early conclusion. I am sure you are well aware of the extreme inconvenience caused to many travelers as the only air service to Louisville from Washington is Eastern Air Lines.

H. DEAN BURGISS,
Vice President, Liberty National Bank & Trust Co. of Louisville.

LOUISVILLE, KY., *July 10, 1962,*
Sen. THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.:

The jurisdictional strike that has grounded Eastern Air Lines is affecting business operations in the Louisville area. Further delay caused by this dispute may seriously affect the economy of our community.

We respectfully request that you use your influence to bring about a settlement of this dispute immediately.

D. F. PARROT,
President, Avery Building Association.

LOUISVILLE, KY., *July 10, 1962.*
Hon. THRUSTON B. MORTON,
U.S. Senate,
Washington, D.C.:

You are fully aware of the importance of the air service provided by Eastern Air Lines to the Louisville metropolitan area.

This current strike is severely hurting commercial and business activity of our community. May I respectfully urge your active effort to secure a settlement in this situation.

P. BOOKER ROBINSON,
President, Citizens Fidelity Bank & Trust Co.

ERLANTER, KY., *July 11, 1962.*
Hon. THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.:

I respectfully request your personal attention be given to help settle the jurisdictional dispute between the airline pilots and the airline engineers unions which currently has closed down the Eastern Air Lines operation.

This operational shutdown is having an adverse effect on our local economy and the absence of a carrier as large as this one must advertently affect the national economy. Again I respectfully request your assistance in helping to settle this dispute as soon as possible.

DELBERT REGAN.

CINCINNATI, OHIO, *July 11, 1962.*
Senator THRUSTON B. MORTON,
Senate Building,
Washington, D.C.:

Although Eastern is not the dominant air carrier at Greater Cincinnati Airport, the flight engineers strike is causing great inconvenience to many here plus depriving the airport of much needed landing fees. Urge that you support aviation legislation which will forbid such jurisdictional disputes and provide for mandatory arbitration.

ARVEN H. SAUNDERS,
General Manager,
Greater Cincinnati Airport.

LEVY BROS., INC.,
Louisville, Ky., July 10, 1962.
Hon. THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORTON: The effects of the Eastern Air Lines strike and work stoppage are already being seriously felt by many in Louisville.

Several hundred people are now unemployed as a direct result of the airline strike and suppliers such as gasoline, food, transportation, and others are feeling the effects very seriously.

In addition to my position at Levy Bros., I am also interested in the Watson Travel Agency of Louisville and although we are usually able to complete ticketing arrangements, the cost to the customers has increased considerably. In many instances, it is necessary to route a customer to Chicago by way of Cincinnati.

I do hope that you will use your influence to urge further negotiations in a speedy settlement of the strike.

Very cordially yours,
STUART G. LEVY, Jr.

OFFICE EQUIPMENT CO.,
Louisville, Ky., July 9, 1962.
Hon. THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORTON: As a businessman I am deeply concerned by the loss of over half of Louisville's scheduled air service. I urge that you do all possible to settle the Eastern Air Line's dispute and restore this badly needed service.

With kind personal regards, I am,
Cordially,
E. J. LEBLANC,
President.

[From the New York Times, July 11, 1962]

SUBSIDIES ARE NO ANSWER

The fogginess of the boundaries between private and public enterprise is reflected in the petition filed by Eastern Air Lines for a Federal subsidy of nearly $24 million to cover its needs for the rest of this year. Since 1938 Eastern, the country's fourth largest domestic air carrier, has had no subsidy in excess of its conventional allowance for flying mail. Now it is in a complex financial squeeze, every phase of which involves some aspect of Government involvement. The upshot is a request to Uncle Sam to make up the difference between the line's anticipated revenues and the sum needed to give it a 9 percent return on investment.

Eastern's most pressing problem, of course, is the grounding of all its planes by the 18-day-old strike of flight engineers. This began after the engineers rejected a settlement formula negotiated by Secretary of Labor Goldberg and endorsed by President Kennedy in a parallel dispute at Trans World Airlines. Government slowness in approving a strike insurance plan under a mutual aid pact with other airlines has kept Eastern from recouping some of its losses. It also complains of Government authorization of too many competitive routes, too low fares and too onerous service requirements when its planes are aloft.

Observers suspect that the motive for the entire petition is to speed Government action on the proposed merger of Eastern and American Airlines. The merger plea deserves prompt consideration on its merits, and certainly the financial condition of both lines is a relevant factor. But a resumption of Government subsidies should not be entertained as an alternative. This is the worst way to "solve" the problems of the airlines or any other industry.

[From the Louisville Times, June 21, 1962]

AIRLINE DISPUTE: A STRUGGLE FOR JOBS

The threat of a crippling strike in commercial aviation has been lifted, for the time being at least, but the thorny problem that brought it on has yet to be solved. This is a bitter and longstanding dispute between pilots and flight engineers over job rights on jet airliners.

It's not a new quarrel, but one that dates back to the advent of jet service. If the Kennedy administration, which is to be credited with the present truce, along with reasonableness on the part of the Engineers' Union leaders, can work out a lasting solution that will be fair to all concerned, it will have performed a real service to the industry, its employees, and the flying public.

That is a large order, but the progress Labor Secretary Arthur J. Goldberg has made to date is encouraging. Until last weekend a tieup on three of the Nation's major airlines—Eastern, Pan American, and Trans World—seemed imminent. President Kennedy intervened with a demand that the dispute be submitted to arbitration. The Flight Engineers International Association then agreed to limit the walkout to TWA. Now it has agreed to postpone any work stoppage on that line temporarily while Mr. Goldberg and his staff continue mediation.

From the viewpoint of the air-traveling public, it is high time that the jurisdictional row which is the root of the trouble was settled once and for all. Over the past 4 or 5 years it has caused one interruption of air service after another, a classic example being a seemingly silly wildcat strike by Eastern Air Lines pilots 2 years ago because Federal Aviation Agency safety inspectors were occupying cockpit seats reserved, so the pilots insisted, for members of the Air Line Pilots Association, an AFL-CIO affiliate as also is the rival Flight Engineers Union.

NOT JUST A GAME

For all its comic opera overtones, this 1960 walkout was more than a silly game of musical chairs. It was a grim fight for jobs, an episode in the continuing dispute with which Secretary Goldberg is wrestling today. The seat in question was that of the third pilot. Its occupancy by an FAA inspector was objectionable to the ALPA for no other reason, apparently, than that it exposed the utter uselessness of this job.

There lies the heart of the matter. FAA has said all along that three men are enough in the cockpit of a jet airliner. In the issue at hand, the question is who should be dropped—the third pilot or the flight engineer. It is proposed that the third crewmember be a combination pilot-engineer. The engineers, who are responsible for a plane's mechanical performance in flight, have resisted pilot training out of fear that this would put them under ALPA's jurisdiction and at the bottom of the union's seniority list. Thus the third pilots, with some retraining, would grab the engineers' jobs. That, at least, is the way the engineers see it, and the fact that they are outnumbered seven to one by the pilots gives substance to their fears.

This explains why they have been reluctant to accept President Kennedy's arbitration proposal. As the New York Times expressed it in an editorial Sunday, the engineers "have become convinced that the Government's approach is based on expediency rather than objectivity." It went on to say:

"They fear that the end result of all the proposals will be the gobbling up of their craft and their union by the larger and more powerful pilots' union, their traditional enemy. The engineers, whose union was formed in 1948 out of resentment against the pilots' refusal to take in a group they regarded as 'glorified mechanics,' have no confidence of survival under any of the suggested solutions. * * * Compulsion rarely produces a satisfactory solution in such situations. The rights of the flight engineers obviously are not entitled to precedence over those of the Nation, but they should not be infringed merely because the union is small and the hardship it is creating great or because the President wants to demonstrate that he can be as tough on labor as he was on the steel industry."

This may perhaps do an injustice to Mr. Kennedy's intentions, but certainly it expresses clearly enough the importance of a wholly objective approach to a problem which urgently needs to be solved once and for all, and in the fairest manner humanly possible.

Eastern Air Lines, Inc.,
New York, N.Y., July 9, 1962.

To the Shareowners, Employees, and Friends of Eastern Air Lines:

Because of a strike by the Flight Engineers Union against Eastern Air Lines as of 1 p.m., e.s.t., June 23, 1962, all of Eastern's flights were canceled, all offices closed and all but a few of our 18,000 employees released.

This is the third strike in less than 4 years, the second in less than 16 months to be imposed on Eastern Air Lines by the same union, which have caused severe hardships on many communities and on the public, has cost Eastern over $44 million in lost revenues, and has cost employees millions of dollars in lost wages.

The issues in each strike have been the same, namely, the question of rights of union representation and qualifications for the third crew seat in jet aircraft where the Government, and the airlines' managements and both the unions for the pilots and flight engineers all agree that although we are now using three pilots and a flight engineer in jet cockpit crews, three men constitute an adequate crew for safe and efficient jet operation.

This current strike against Eastern Air Lines, which the President of the United States has called "the height of irresponsibility" on the part of the Flight Engineers Union, effects an average of 30,000 travelers a day and is increasing Eastern's loss of revenue at approximately $1 million a day. It is due to the rejection by the Flight Engineers Union of recommendations of six independent factfinding boards appointed by the President, mediation by the Secretary of Labor and other Government officials and the long painstaking efforts made by Eastern's management to effect a peaceful settlement.

Because the issues involve not only Eastern and other major air carriers but the basic law governing all airline labor you should have this summary of the facts:

Some of the major air carriers and most of the smaller airlines have been operating jets with three man crews. Eastern and other major carriers have been using four men—three pilots and a fourth crewmember with flight engineer qualifications. From their own and the industry experience, these carriers have now determined that the third pilot is not necessary for safe, efficient jet operation. All Government agencies all of the Presidential factfinding boards, and the unions of the pilots and flight engineers, independently, agree that jet crews should be made up of three men only.

Although the pilots union has not raised the question of representation and has made no effort to modify the flight engineer union representation on Eastern, the flight engineers have made this a strike issue by insisting that the company agree to contract provisions which would guarantee to the Flight Engineers Union perpetual, separate representation rights on the third seat in jet cockpits. Not only is the company prohibited by law from granting such guarantees where two or more unions are involved, but even the U.S. Government has no power to do this under existing laws and labor practices.

As the law is presently constituted the National Mediation Board has complete jurisdiction over all questions involving employee representation. When the National Mediation Board, however, ruled that pilots and flight engineers composing the three man crews on United Air Lines should select one union to represent them, the Flight Engineers Union, in February 1961, launched an illegal strike against Eastern and six other airlines, forcing Eastern to close down at the peak of its winter travel season. Eastern sought and secured an order from a Federal district court for the flight engineers to return to work which the union's members ignored.

A suit to collect approximately $3 million from the Flight Engineers Union in damages resulting from their 1961 strike is pending in a U.S. district court which has also instituted an investigation of union officials and certain union members as to whether their refusal to comply with the court's back-to-work order constitutes criminal contempt.

When court action and all other efforts by Government and management failed to end the strike in February 1961, the Secretary of Labor, on behalf of the President of the United States, requested Eastern to take its flight engineers back to work without reprisal, so that a special board appointed by the President could study the issues and recommend a permanent solution. Eastern agreed to that request and also accepted this board's recommendations which were handed down in October 1961, and which the President personally endorsed as being fair and equitable for all parties.

After notifying the President that they also accepted, the flight engineers later refused to settle on the basis of these recommendations. In February of 1962 when they again set a strike date the President appointed an emergency Presidential board under the Railway Labor Act to recommend an equitable basis for the resolution of all issues outstanding between the Flight Engineers Union and Eastern Air Lines. This board endorsed the previous board's findings on the crew complement question and on economic issues recommended that Eastern grant its flight engineers liberal pay increases of approximately 10 percent retroactive to April 1960, plus additional increases in 1962 and 1963 which, in effect, represent an increase of 44 percent in flight engineer pay since 1959.

Despite total losses of $28 million in 1961, Eastern also agreed to accept the principles of these recommendations.

The Flight Engineers Union refused to accept the recommendations of both Presidential boards and again threatened to strike when a 10-day period of mediation, undertaken by the Secretary of Labor and other Government officials, on behalf of the President, failed to effect settlement in the case of Eastern, Pan American, and Trans World. The President requested that all parties accept arbitration for all issues in dispute. The company accepted, but the flight engineers refused both the President's offer and the President's public appeal that they reconsider their action.

After new strike threats against the three carriers a strike was called against TWA. Secretary Goldberg again interceded and succeeded in making a settlement of the dispute between the Flight Engineers Union and TWA. The terms of this settlement, it was hoped, would form the basis for settlement of the same issues on Eastern and Pan American. Despite Eastern's repeated efforts, however, the Flight Engineers Union refused to meet with company representatives even to discuss the terms of the TWA agreement as a basis for settlement. The Flight Engineers International Union officials also announced their intention of fighting acceptance of this agreement when it was submitted to the TWA chapter members for ratification, and on June 22 set a strike date of 1 p.m., e.s.t., June 23 against both Eastern and Pan American. Further mediatory efforts were fruitless and, at the time set, picket lines were thrown up and the flight engineers walked off the planes.

As a consequence all of Eastern's operations were immediately canceled for these compelling reasons:

In the week before the strike was called public apprehension caused by the union's strike threats resulted in the loss of approximately $1 million in revenues. That Eastern's popular air shuttle, where no reservations are required, had a 20-percent reduction in traffic is a clear indication of the loss from this source. Because of the public's fear that we might not operate and that they would be stranded, advance reservations fell off sharply.

Our experience in the past few years, when attempts were made to operate under restraining orders and temporary court injunctions, with their overhanging strike threats, or to maintain partial operations, have shown that such expedience could only have the effect of causing the public even greater inconvenience and of multiplying these losses. These growing trends clearly indicated that Eastern could rapidly get into a position where operations would result in a loss of between $300,000 and $400,000 a day. Under these circumstances, the only prudent course was to cancel all operations in order to minimize public hardships, halt further losses, and to conserve the company's assets to the maximum extent possible.

Pan American secured a temporary restraining order, which permitted them to operate initially for 3 days, then for 10 days, then for 23 days (on a day-to-day basis), while hearings are being held on a temporary injunction plea. Pan American could do this because its circumstances are considerably different. Compared with Eastern's multitude of daily flights, PAA operates comparatively few, all of which are long range and international. Because of the nature of this operation they can realize profits despite irregular operations and heavy cancellations. Eastern, on the other hand, is in its lowest traffic period. Its more than 1,400 regularly scheduled daily flights are on highly competitive routes where irregularity of operation would not only create confusion and inconvenience for the traveling public but, for the reasons cited earlier would result in unbearable losses.

Apart from doubts as to legal validity in this instance, however, Eastern's experience has clearly demonstrated that temporary restraining orders or even injunction by the courts, as our governing Railway Labor Act is presently constituted, cannot solve the basic issue but can only make another and always more costly strike inevitable. All authorities agree that we can no longer afford to rely on temporizing measures of expediency. We, meaning the carriers, the Pilots and Flight Engineers Unions and the Government, must find a prompt and permanent resolution of this unnecessary, recurring issue which has cost you, the public, and the industry, so heavy through the years.

At the moment the outlook for a settlement through any means that have so far been employed is clouded. The TWA vote on a possible pattern settlement is still pending. The course being taken by litigation is indefinite and any decision reached there is subject to immediate appeal and reversal.

Those who have given most thoughtful consideration to the problem are now convinced that it can perhaps only be resolved by amending the governing Railway Labor Act to require compulsory arbitration of disputes involving two or more unions on any air carrier where, in the judgment of the President, the dispute threatens the welfare and economy of the American people.

Not only as an American citizen, but as one whose interests are directly affected you have an important stake in the outcome of this matter. An expression of your convictions in this respect addressed to the Secretary of Labor and to your representatives in both the Senate and the House will be helpful in their consideration of any legislation to correct the present intolerable situation and to prevent future needless and destructive disruption of the Nation's air transportation system.

The directors of Eastern Air Lines have fully endorsed the course Eastern's management has taken of cooperating with the Government's efforts to find a solution to these problems either by negotiated settlement or by final and binding determination of all issues under new legislation.

In urging your support we also wish to express grateful appreciation of your understanding and patience in these difficult times.

Sincerely,
MALCOLM A. MACINTYRE,
President and Chief Executive Officer.

EFFECTS OF THE FLIGHT ENGINEERS STRIKE ON EASTERN AIR LINES

1. On operations: Average of 424 daily flights canceled between 115 cities including service to Canada, Bermuda, Puerto Rico, and Mexico.

2. On the public service—Domestic: More than 30,000 travelers a day, nearly 15 percent of total domestic air travelers affected. Includes approximately 70 percent of all air travelers between New York and both Boston and Washington, who depend on the air shuttle, and about 50 percent of all air travelers between the Northeast and the South and Southwest.

There is no service at all to 8 communities; 13 other cities have lost all trunkline service, and from 30 to 50 percent of current air travel is disrupted in such major communities as Miami, Washington, Boston, Atlanta, Charlotte, Louisville, Jacksonville, New Orleans and San Juan, P.R.

International: There is no U.S.-flag service between New York and Montreal or New York and Mexico City, and that to and from Bermuda is cut 50 percent.

3. On employees: Approximately 17,500 of a total of 17,906 employees have been released. Only a skeleton force is retained to maintain flight equipment and facilities and for other essential housekeeping activities. Employee losses in salaries and wages, approximately $400,000 a day, $12 million a month.

It is estimated that the income of an additional 20,000 employed in providing collateral services to Eastern Air Lines is also adversely affected.

4. Cost of the strike: A minimum of $1 million a day in lost revenues alone. In the first 4 months of 1962 Eastern Air Lines only earned approximately $350,000.

5. Data on flight engineers: Eastern employs 575 flight engineers. Present average pay ranges from $12,000 to $18,000 per year. Pay increases recommended would average cash payments of $2,000 per man and a 44-percent increase since 1959.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Madam President, I send to the desk a modified amendment and ask that it be stated.

The PRESIDING OFFICER. The modified amendment of the Senator from New York will be stated.

Mr. JAVITS. Madam President, I ask unanimous consent that reading of the amendment may be dispensed with, and in lieu of reading, that an explanation of the amendment be printed as part of my remarks.

The PRESIDING OFFICER. Without objection, reading of the amendment is dispensed with, and the amendment and explanation may be printed in the RECORD.

The modified amendment is as follows:

On page 14, line 17, insert "after December 1963" after "month".

On page 15, lines 8 and 9, strike out "(as defined in section 210(i)".

On page 23, between lines 11 and 12, insert the following:

"States and United States

"(h) The terms 'State' and 'United States' shall have the same meaning as when used in title II."

Beginning with line 1, page 45, strike out all to and including line 5, page 49, and insert in lieu thereof the following:

"OPTION TO BENEFICIARIES TO CONTINUE PRIVATE HEALTH INSURANCE PROTECTION

"SEC. 1716. (a) In lieu of payments to a provider of services under an agreement under this title, payments may be made to an eligible carrier under an approved plan with respect to services, for which payment would otherwise be made under the preceding provisions of this title (hereinafter in this section referred to as 'reimbursable health services'), which are furnished by such provider of services to any individual entitled to health insurance benefits under this title if such individual elects to have payment for such services made to such carrier.

"(b)(1) An individual may make an election under subsection (a) with respect to the approved plan of an eligible carrier only if he was covered by an approved plan of such carrier (or an affiliate thereof) continuously during whichever of the following periods is applicable—

"(A) if the month in which such individual becomes entitled to health insurance benefits under this title is any month in 1964 or January, February, or March of 1965, the 90-day period ending with the close of the month before such month, or

"(B) if the month in which he becomes so entitled is April 1965 or a subsequent month, the period beginning January 1, 1965, and ending with the close of the month before the month in which he becomes so entitled or, if shorter (i) in the case of a plan meeting the requirements of clause (A), (B), (C), or (D) of subsection (c)(5), the one-year period ending with such close of such month, or (ii) in the case of a plan meeting the requirements of clause (E) of such subsection, the 2-year period ending with such close of such month.

"(2) An individual may make an election under subsection (a) in such manner and within such period as the Secretary may prescribe, but in no event more than 3 months after the month in which such individual becomes entitled to health insurance benefits under this title; and an individual shall be permitted only one such election. An election so made may be revoked at such time or times and in such manner as may be so prescribed, and shall be effective at the end of the 90-day period following such revocation or, if later, the end of the benefit period (as defined in section 1704(c)), if any, of the individual during which such revocation is made or, if a benefit period begins during such 90-day period, the end of such benefit period.

"(c) To be approved for purposes of this section with respect to an individual, a plan must—

"(1) be an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement provided by a carrier for the purpose of providing or paying for some medical or other type of remedial care:

"(2) with respect to the period before an individual becomes entitled to health insurance benefits under this title, include provision of, or payment for the cost of—

"(A) inpatient hospital services, with no greater deductible and limitations than are applicable in the case of inpatient hospital services which constitute reimbursable health services, or

"(B) in the case of a plan meeting the requirements of clause (A), (B), (C), or (D) of paragraph (5), inpatient hospital services to the extent provided in subparagraph (A), but without application of the deductible under section 1704(a)(1) and with a limitation of forty-five days on the duration of such services;

"(3) with respect to the period during which an individual is entitled to health insurance benefits under this title, include provision of, or payment to providers of services for the cost of—

"(A) all reimbursable health services, or

"(B) in the case of a plan meeting the requirements of clause (A), (B), (C), or (D) of paragraph (5), such reimbursable health services, but without application of the deductible under section 1704(a)(1) and with a limitation of forty-five days on the duration of inpatient hospital services;

"(4) include provision of, or payment for part or all of the cost of, some additional medical or other type of remedial care not included as reimbursable health services; and

"(5)(A) be a group plan, or a continuation of a group plan which is available to individuals on conversion of a group plan after their separation from the group, or (B) be issued by a corporation, association, or other organization which is exempt from income tax under section 501(c) of the Internal Revenue Code of 1954, or (C) be a prepayment group practice plain, or (D) be a plan which the Secretary determines, on the basis of available data, is likely to result in a ratio of acquisition costs to payments with respect to the cost of medical or any other type of remedial care which is not greater than the ratio of such costs to such payments in the case of most of the group plans approved under this section, or (E) in the case of a plan which does not come within clause (A), (B), (C), or (D), be issued by a corporation, association, or other organization which (i) is licensed in the 50 States and the District of Columbia to issue insurance covering all or any part of the cost of medical or any other type of remedial care and, in the most recent year for which data are available, has made payments with respect to the cost of such care aggregating at least 1 percent of all such payments in the 50 States and the District of Columbia, or (ii) is determined by the Secretary to be national in scope, or (iii) is licensed to issue insurance covering part or all of the cost of such care in the State with respect to which it requests eligibility hereunder and, in the most recent year for which data are available, has made payments with respect to the cost of such care aggregating at least 5 percent of such payments in such State.

"For purposes of paragraph (5)—

"(6) a 'group plan' issued in any State is a plan which meets the requirements established by the law of such State for such plans or, in the case of a plan in a State in which there is no State law establishing requirements for such plans, which—

"(A) is issued to employers for their employees, or to unions for their members, or to other associations for their members who are bound together by a single, mutual interest other than insurance, and

"(B) covers at least 10 persons in the group;

"(7) the 'acquisition costs' of a plan are costs directly related to the sale of coverage under such plan to individuals, including costs such as costs of advertising, commissions and salaries of agents, and salaries and other expenses of field staff directly involved in the sale of coverage under the plan.

"(d) A carrier shall be eligible for purposes of this section if it—

"(1) is a corporation or other nongovernmental organization which is lawfully engaged in issuing plans described in subsection (c)(1) in the State with respect to which it requests eligibility under this section;

"(2) agrees that any information provided in connection with any approved plan will be accurate and complete;

"(3) agrees, in the case of any individual who has made an election under this section with respect to an approved plan and who revokes such election (including termination of such coverage by such individual or the carrier), to continue to make payments under such plan with respect to him until his revocation is effective (or would be effective if such termination were considered a revocation) as provided in subsection (b) (2);

"(4) agrees to provide the Secretary, on request, such reports as may reasonably be necessary to enable him to determine the amounts due, under any plan with respect to which an election has been made under this section, on account of reimbursable health services and the administrative expenses of the carrier in connection therewith, and agrees to permit the Secretary to determine the accuracy of such reports;

"(5) agrees to make payments for reimbursable health services to providers of services, or to provide reimbursable health services, with respect to individuals who have made an election under this section in the same amounts, under the same conditions, and subject to the same limitations as are applicable in the case of such services for which payments are made under the preceding sections of this title; and

"(6) agrees not to impose any fees, premimums, or other charges with respect to reimbursable health services for individuals entitled to health insurance benefits under this title.

"(e) If a plan ceases to be approved under this section or a carrier ceases to be an eligible carrier or ceases to do business, any individual who has made an election under this section and is covered by such plan or by a plan of such carrier shall be deemed to have revoked his election under this section and such revocation shall, notwithstanding subsection (b)(2), be effective immediately upon such cessation; except that the limitations applicable under such plan shall apply with respect to the benefit period (as defined in section 1704(c)), if any, of such individual existing at the time of such cessation.

"(f)(1) An eligible carrier shall be paid from time to time amounts equal to the payments made or the cost of services provided by it for reimbursable health services under approved plans with respect to individuals who have made an election under this section, and in addition, such amounts as the Secretary finds to be the administrative costs of such carrier which are reasonably necessary to the provision of or payment for the cost of reimbursable health services for such individuals under an approved plan, except that such additional amounts for any year may not be more than 50 per cent greater than the comparable part of the cost of administration of this title.

"(2) In the case of a plan to which subparagraph (B) of subsection (c)(3) is applicable, the limitations and conditions of payment for reimbursable health services under the preceding sections of this title shall be modified in accordance with such subparagraph; and for such purposes the maximum units of reimbursable health services (within the meaning of section 1704(b)) for which payment will be made under this title shall be 105 units."

The explanatory statement submitted by Mr. Javits is as follows:

Explanation of the (Javits, Cooper, Kuchel, Keating) Amendment to the Anderson Amendment to H.R. 10606, Striking and Inserting a New Section 1716 "Option to Beneficiaries To Continue Private Health Insurance Protection"

The purpose of this amendment is to offer the individual an opportunity to purchase or continue a private health care plan which would give him the statutory benefit of 90 days of hospitalization with a deductible, or under group and similar plans 45 days of hospitalization with no deductible, in addition to other health care benefits.

The amendment permits any individual entitled to health insurance benefits for the aged, under proposed title XVII of the Social Security Act, at his option to elect to have payment for those benefits he uses be made to an eligible private carrier under an approved plan.

An approved plan must include the benefits under the statutory plan plus some other health care benefits to be provided by the private carrier. Except that as an option in place of the 90-day hospital benefit with a deductible of $10 a day for 9 days, specified private plans could offer a 45-day hospital benefit with no deductible.

Qualified to offer the option of either the 90-day hospitalization benefit with the deductible, or the 45-day hospitalization benefit paying "first costs," would be group insurance plans, prepayment group practice plans, nonprofit plans, and plans (generally "mass enrollment" plans) having acquisition costs comparable to those of approved group plans. Other nongroup plans must offer the 90-day hospital benefit, and could qualify if the carrier did business in the 50 States and wrote at least 1 percent of the health insurance business, was determined by the Secretary to be otherwise national in scope, or did at least 5 percent of the health insurance business within a State in which it sought to write business under this bill.

Private plans must include medical or other health benefits in addition to those reimbursed by the Government. No fee, premium, or other charge to the individual could be made for the reimbursable benefits. The carrier would be paid the reasonable administrative costs of providing the reimbursable benefits, but not to exceed 150 percent of Government costs for the same functions.

An individual must make the election to continue a private health plan within 3 months after becoming entitled to health insurance benefits, and is permitted one such election; he may later revoke that election if he desires. He must have been covered by the approved plan for 1 year prior to becoming eligible for health insurance benefits in the case of group and nonprofit plans, and for 2 years in the case of commercial individual policies (except that coverage for 90 days is sufficient for those becoming eligible prior to April 1965, and coverage beginning January 1, 1965, is sufficient for those becoming eligible in or after April 1965, if less than 1 or 2 years).

The private plan is required to include only the 90- or 45-day inpatient hospitalization benefit during the period before the individual becomes eligible under the program; after he becomes eligible, the plan must also provide all auxiliary benefits such as skilled nursing facility, home health, and outpatient hospital diagnostic services.

Mr. JAVITS. Madam President, the amendment would amend the Anderson amendments which are pending before the Senate, and is the definitive provision for an option to beneficiaries to continue private health insurance protection, which has been under discussion for a number of days, to replace that part of the bill which relates to the subject.

The reason for submitting the amendment at this time is to perfect the Anderson amendments, in view of the fact that it is well known to all Senators that the Senator from Massachusetts [Mr. Saltonstall], the Senator from Connecticut [Mr. Bush], and perhaps other Senators will be proposing complete substitutes for the consideration of the Senate. It is therefore important that the Senate have before it the definitive provisions of the measure offered by the Senator from New Mexico [Mr. Anderson] when it considers substitutes. It is my belief that the amendment which I am submitting is acceptable to the Senator from New Mexico [Mr. Anderson]. Obviously there will be adequate opportunity to debate its merits pro and con as we go along and to debate the amendments of the Senator from New Mexico. I therefore hope that I may make a brief explanation of my amendment. As I understand, the Senator from Massachusetts [Mr. Saltonstall] is prepared to present his substitute.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. ANDERSON. I wish to say to the Senator from New York that I appreciate very much his consideration of the amendment. I appreciate the many long hours he has put into it, along with many of us. This is the matter having to do with options. If the Senator from New York is agreeable, I would be happy to modify my amendment to include the text of the amendment that he has submitted as his amendment.

Mr. JAVITS. I ask only that the Senator from New Mexico indulge the Senator from New York for about 10 minutes while I explain my amendment. Then I shall be glad to have the Senator do that.

Mr. ANDERSON. Will the Senator permit me to make two other modifications?

Mr. JAVITS. Certainly.

Mr. ANDERSON. Madam President, I also send to the desk an amendment to the Anderson amendment identified as "6-29-62—A," which reads:

> On page 21, lines 17 and 18, strike out "decision of the physician members" and insert in lieu thereof "finding (after opportunity for consultation to such attending physician) by the physician members".
>
> On page 23, line 10, insert "(after opportunity for consultation to such attending physician)" after "finding".
>
> On page 28, line 6, insert "(by the physician members of the committee or group)" before "pursuant".

The amendment would make it clear that the patient's physician would be consulted before the hospital staff committee or other groups reviewing utilization makes a finding that the patient's continued stay in a hospital or skilled nursing facility is not medically necessary. It was expected that such consultation would take place as a matter of course. However, so that there can be no question or misunderstanding, my amendment is modified to that extent.

I also send another amendment to the desk. This is an amendment to the Anderson amendment identified as "6-29-62—A" which reads:

> One page 75, line 13, insert "and use of the option" after "deductibles".

I modify my amendment to that extent. I am very happy to accept the language of the Senator from New York.

I modify my amendment further by striking the original language and putting in the option language which has been the result of many hours of thoughtful and faithful consideration of this problem in an attempt to encourage free enterprise as much as possible. I thank the Senator from New York and his associates for the many hours of work that they have devoted to the preparation of the option.

Mr. JAVITS. Madam President, I yield myself 10 minutes. Unless other Members of the Senate desire to be heard in connection with the amendment which I have sent to the desk, at the conclusion of my remarks, I will yield back the balance of my time, because I understand the Senator from Massachusetts [Mr. SALTONSTALL] desires to proceed.

Madam President, the health care insurance bill in which I and my Republican colleagues have joined with Senator ANDERSON is the inclusive and most comprehensive bill on medical care for the aging to come before the Congress. It goes far beyond the original King-Anderson proposal and incorporates the essential principles which my colleagues and I have been working for and which are consistent with the declarations of the 1960 Republican platform.

Madam President, I should like to emphasize to the Senate that "this is it," so far as the Anderson proposal is concerned. This is the definitive package which we hope the Senate will accept.

Madam President, what has been achieved? First, all persons who are 65 years of age and older are now entitled to health care benefits under the bill, including those who are not presently covered by social security. This brings into the programs an estimated 3 million persons who would have been excluded under the old King-Anderson bill.

Of great importance, too, is the new provision establishing a separate medical trust fund for purposes of financing this program. We shall be able, then, to see exactly how much has been collected, how much paid out for this medical care program, and how much it is costing the social security system.

A third principle which I have maintained refers to State administration, and a measure of such State participation has also been provided as well as private administration of the Government program.

An opportunity is also given to individuals to select or continue their private insurance plans.

This amendment may be termed the "freedom of choice" amendment. It gives private enterprise a considerable share on a voluntary basis in the health care program, by substantially liberalizing the option to beneficiaries in section 1716 of the bill now before us and by offering a choice of hospital benefit programs which a beneficiary thinks is best suited to his needs.

In addition, this private health insurance protection, which would give the individual much more than the statutory benefits, would actually cost the individual much less than he would otherwise have to pay for such increased protection because the carrier would not be permitted to charge a premium for that part of the health insurance benefit which is reimbursable by the Government.

The amendment introduced by my Republican colleagues strikes out the present section 1716 in the pending amendment and substitutes under the same heading another provision. It adds to the private insurance option for individuals now in the bill, which must contain the same benefits as the statute makes generally available, an alternative preventive care benefit program. This is a truly preventive care option which has as its base the actuarial equivalent of the proposed statutory benefits and is offered to groups, mass enrollment and nonprofit plans; it features 45 days of hospital coverage without any deductible.

This is in addition to other benefits.

I cannot emphasize too strongly the critical importance of what has been accomplished.

Thus the individual has the freedom to choose between continuing his private insurance protection with a choice of benefit programs or the standard proposed statutory benefits program. The private insurance carrier has an unprecedented opportunity to provide as an addition—for a fair premium—a well-rounded preventive care health program. A policy could be written to contain the following as sample benefits, according to reliable estimates:

For a premium of $7.50 a month per person, built upon the basic coverage which will be provided by the bill, there can be added to the basic coverage any number of doctors' visits at home or office, for which the carrier will pay $6 toward the office visit, and $4 toward the home visit.

Also, there will be provided, in addition, diagnostic, X-ray, and laboratory fees on a schedule of items costing from $2 to $50.

Also surgery in or out of the hospital, from $350 on a schedule of items.

Also specialist consultation of $15 to $25.

Madam President, based upon the same estimates, for only $3.30 a month, the carrier could offer on a similar basis:

Out-of-hospital diagnostic services.

Surgery.

Medical care in the hospital.

These extremely generous programs, which have been prepared for me by a health insurance organization, carry out the geriatrics emphasis on preventive care and could thus result in a substantial reduction in the hospital utilization—and subsequent lower cost to the Government—if participated in on a large scale. They preserve the doctor-patient relationship, provide for competition and give private enterprise a tremendous incentive to participate in this vast health care effort. Let no one regard the benefits program I have outlined as the last word. Even it can be improved, and I think that private enterprise has the creativeness to come up with many different kinds of valid benefits that are possible in this context.

Since this bill would go into effect on January 1, 1964, the individual beneficiary must hold his private insurance or group plan for at least 3 months prior to the time he becomes eligible for social security benefits during the first year and quarter after December 31, 1963, or for 1 year after March 1965.

After the individual becomes entitled to social security benefits or reaches age 65, if he is not covered by social security, his private insurance plan would also have to provide all the other statutory health benefits, such as skilled nursing facility, home health services and outpatient hospital diagnostic benefits. If the beneficiary became hospitalized, the Government would reimburse the carriers for the cost of the statutory benefits or the equivalent 45-day hospital plan. The carrier would also be paid for its reasonable administrative costs in connection with the benefits for which it is reimbursed but not over 1½ times the estimated cost of administration to the Federal Government. No premiums or other fees would be charged to beneficiaries in connection with these reimbursable health services.

This amendment thus makes it possible and attractive for private enterprise to take a substantial role in this great nationwide effort. It means, further, that health care insurance is not going the road of socialized medicine, as its critics have charged, nor in fact a road comparable in substance to that pursued in other countries.

The proposal now before the Senate is a distinctly American approach to a problem which all of us recognize. The fact is—and it cannot be repeated too often—that our older citizens need more medical care at a time when their incomes and earning power are too low for them to be able to afford the kind of care they need.

With this amendment in the bill we stand on the threshold of a new era in American health care. It is tremendously gratifying to me that we have reached this point. For many years I have supported a program of health care insurance for the aging, because I believe it is an urgent domestic need which we can no longer delay meeting.

I have contended for the very program, in essence, which the Senator from Massachusetts [Mr. SALTONSTALL] will place before the Senate today. But I have accepted the social security approach to finance this program because I am convinced that that is the way to have the program enacted into law, and also because I believe the American people want to pay for it in this way.

Madam President, this is the essence of my presentation to the Senate. I do not wish to run down any other plan. But I am now convinced that this is the only way in which we will get anywhere. I am also convinced that it is essential if we are to get anywhere, at long last, in this field.

On another occasion I shall argue that two points have been raised with respect to adding the health care program to the public welfare bill. I am particularly aware of the fact that there has been what is tantamount to the most comprehensive inquiry and investigation of this whole subject which it is possible to have in American public life—perhaps not directly in the hearings on the bill, but certainly in what has taken place in this field within the past 3 or 4 years. I have on my desk, by way of physical exhibits—and Senators are welcome to a mimeographed summary of the documents which I have before me—a sample of the hearings, investigations and reports which have taken place within the last 3 or 4 years on the subject of health care for the aged. This subject has been reviewed as few other subjects in American public life have been reviewed. The evidence is all before us.

In addition, the precedents are overwhelming and complete to the effect that the Senate has absolute constitutional policy and power to do precisely what it would be doing if it were to adopt the Anderson amendment.

The other day it was said that I made certain statements in the debate in 1960. I shall quote what was quoted to me in connection with my views. The Senator from Oklahoma [Mr. KERR] quoted me, and I again quote the statement:

> Mr. President, I think the hard nut of the issue is: Do we wish to inaugurate in the social security system what is for all practical purposes a health care scheme? I would not say that it is exactly what the British do, but it is very much like it. The point is that we would for the first time inaugurate a system by which we would have a national responsibility for the health care of the people.

I wish to make it very clear that what has been done by the amendment which is incorporated in the amendment of the Senator from New Mexico [Mr. ANDERSON] is exactly what I hoped to accomplish in 1950. We are no longer inaugurating a British-type system; we are inaugurating an American-type system, because under this system we are opening the whole plan to the winds, to the effect of competition. We are giving the individual a choice which is thoroughly American. We are giving him the choice of being under either a Government administered plan or a privately administered plan. The choice is his. I believe that that proposal definitely negates the principal concern, which I expressed, quite properly, in 1960.

Finally, with respect to the advocates of social security financing, I said at that time:

> I hasten to refute any idea that a social security approach is "un-American." Of course it is not. I only point out that the question of context, of the way in which we live, our national attitudes, is an important consideration in making what is really a fundamental and a very important sociological decision. I wish to emphasize that point. I shall not go to Bermuda, nor will grass grow in the streets, if the Congress decides that way, but I think it would be a profound and important departure from anything we have ever done before, with great sociological implications. I therefore urge my colleagues who are thinking about it, and I know many are, to consider it in those terms as well.

Madam President, because there is universal coverage in the Anderson proposal, because there is a completely open option in respect to the private enterprise system, I urge the Senate today, to consider the plan as a thoroughly American plan, entirely congenial and wise for our institutions, and entirely necessary in the public interest. I pointed out—and I shall do so again—that this is a completely Republican approach, one which should be extremely congenial to Senators on this side of the aisle. It is what we contended for in 1960. Our idea is now incorporated in what has been presented. This can never again be termed a partisan issue. There is now a bipartisan approach, one which does credit to the issue, credit to the elder citizens, and credit to the political processes of the Nation.

I salute my colleagues and friends, the distinguished Senator from New Mexico [Mr. ANDERSON], the distinguished Senator from Kentucky [Mr. COOPER], the distinguished Senator from New York [Mr. KEATING], and the distinguished Senator from California [Mr. KUCHEL], for seeing the direction which this health care program must take.

Mr. KEATING. Madam President, will the Senator yield?

Mr. JAVITS. Madam President, I yield 3 minutes to my colleague from New York.

Mr. KEATING. Madam President, I commend my colleague from New York for all his work in this field, and specifically for the work which he and other Senators have done to help to produce the new amendment.

The amendment which has been offered would provide an even greater opportunity for free enterprise to work hand in hand with Government. The expansion of this free enterprise option will make it much more attractive for group health associations, corporate health plans and private insurance companies to write large numbers of comprehensive health insurance programs for the elderly. If anything, it will increase the number of health care policies held by people over 65. It should also encourage younger people to join good group health plans before they retire, because they will now be guaranteed that this coverage will continue to be available to them at a limited and reasonable cost after they reach age 65.

The five major changes which we have made largely obviate the problem or fear of Federal control. Private companies are encouraged to cooperate. The amendment specifically says that no attempt shall be made to interfere with the traditional free practice of medicine by physicians. State and local control, AMA–AHA certification of hospitals and other related revisions in my mind clearly refute the unfounded charge by those who contend that no material changes have been made. The fact is that this proposal is vastly different from the original King-Anderson bill which we had before us.

The new proposal retains the social security principle of financing. It is true that it has added many important features. It is evidence of the kind of cooperation and progress which is needed in this field if we are to move forward with legislation, rather than try to devise some political issue.

I congratulate not only my distinguished senior colleague from New York, but also the distinguished senior Senator from New Mexico [Mr. ANDERSON], for the time, perseverance, patience, and personal attention which they have so generously devoted to the bill and to the long, careful, and helpful meetings which have been held on the modifications which are now included in it. I sincerely hope the bill will have the support of all Senators.

Mr. JAVITS. Madam President, I yield 4 minutes to the distinguished Senator from Kentucky.

Mr. COOPER. Madam President, I join with the distinguished junior Senator from New York [Mr. KEATING] and other Senators in commending the senior Senator from New York [Mr. JAVITS] for the leadership he has shown in developing amendments to the original proposal of the Senator from New Mexico [Mr. ANDERSON]. I also pay my tribute to the Senator from New Mexico for the willingness he has shown to consider the amendments which have been proposed, and to accept them.

To me, at least, the amendment which we now offer adds great strength to the original amendment offered by the Senator from New Mexico, in which several of us joined as cosponsors. The amendment in which we joined a few days ago provides the option that a person eligible for health insurance benefits may make the decision to rely solely on the benefits provided by payments that can be made under the bill. These benefits are, first, up to 90 days' hospitalization, but with a $20 to $90 charge; second, up to 180 days in a skilled nursing facility; third, up to 240 home visits by a public or private nonprofit home health agency; and, fourth, outpatient hospital diagnostic services, with a $20 charge during any month.

Or, the individual can choose, in place of the means provided by the bill, to subscribe to or continue a private insurance policy, or to join a prepayment group practice plan, which offers medical, surgical, or other benefits in addition to the benefits provided by the Government program—for the Government share of which no premium could be charged.

Under the amendment we have offered today—again developed under the leadership of Senator JAVITS—individuals could also choose group or nonprofit plans providing a 45-day hospitalization benefit with no deductible charge against the individual, for which the Government would reimburse the private plan.

I point out that it has not been claimed that the hospitalization and other benefits provided by the original Anderson amendment can meet the full medical costs of most older persons. Perhaps only 40 to 50 percent of medical cost would be met. The remaining medical costs must be met out of pocket, through private supplemental insurance through Kerr-Mills, by the charity of doctors and through higher charges by hospitals and doctors to those who can pay—or else they will not be met. Our amendment integrates needed private insurance protection with the Government program, and does so in a way that makes it possible for these additional health needs to be met, and in a much better way than the original administration proposal would do.

To those who are concerned about the role of Government in guaranteeing a degree of protection for older persons against the high costs of their medical care, I answer that this bill—with the changes and improvements which have been secured by the Senator from New Mexico [Mr. ANDERSON], together with the leadership of the Senator from New York [Mr. JAVITS] and the cooperation of other Senators—brings into the program all types of private health insurance plans, will permit them to handle needs which they cannot now cover at a cost which older persons can well afford, and provides an opportunity for individuals to secure through private plans a broad range of benefits and a useful choice of benefits.

Madam President, I also address myself to the point referred to by the Senator from New York at the conclusion of his remarks; that is the real question involved in this debate, which revolves around the question of whether we should support a program financed through the social security system. I say frankly that this matter has been on my mind ever since I have been in the Senate. When I first came here, the Senate was then discussing in 1947 and 1948 a health program; and after all these years, I have accepted this method for a health insurance program, as I have accepted it for the existing social security retirement and other benefits. The persons who pay the compulsory payroll deduction are eligible for benefits from the social security trust fund. Under this bill, persons who pay into the health insurance trust fund will receive benefits from the trust fund, through hospitals and other providers of health services.

The real issue we are called upon to decide is whether it is possible to provide for the minimum health needs of persons over 65 in any other way. I do not think so.

And I do not think it is necessary to study statistics in order to reach that conclusion. I only need to travel through my own State and my own county, and to visit people's homes; I do not need any great mass of statistics. I can draw upon my own experience and can use my own eyes. I have come to the conclusion that there is no other possible way to provide for the minimum medical care of the great mass of people over 65 years of age.

The services of doctors, often free in the case of many in need, and the increasing use of private insurance plans—valuable as they are, and they will continue—will not meet the needs of millions who are deprived of the opportunity to obtain the same extent of hospital care and nursing care as those in more fortunate financial circumstances.

I think it proper that these people should have an opportunity to provide for their future care, by payments into the health insurance trust fund of the social security system during their working years. Medical care is important to persons over 65 years of age—and often is as important as housing, food, clothing, and security from dependency, all the purpose of the social security system.

That is my basic reason for supporting the bill.

Madam President, so far as I am concerned, after all these years, I have made up my mind. And I have made my decision on the basis that these human needs should be met.

Mr. JAVITS. Madam President, I yield 2 minutes to the Senator from California [Mr. KUCHEL].

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. KUCHEL. Madam President, my purpose in rising is to pay a highly deserved tribute to a great American and a great Senator. Some of us on this side of the aisle will not turn our backs on the need of so many people at this time and in the future; and we on this side of the aisle, under the leadership of the Senator from New York [Mr. JAVITS], have had conferences with the Senator from New Mexico [Mr. ANDERSON], in the effort, not to reap partisan advantage, but to solve this problem as Senators and as American citizens.

So I rejoice in the progress which has been made by us under the leadership of the Senator from New York, and I have cooperated fully and will continue to cooperate fully with him; and at the same time I compliment the Senator from New Mexico [Mr. ANDERSON] for the completely unpartisan fashion in which the bill has been improved to the point where it merits approval by the overwhelming majority of Members of the Senate.

Mr. JAVITS. Madam President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 minute.

Mr. JAVITS. Madam President, I ask to have printed in the RECORD, as part of my remarks, a list of the volumes which are available to demonstrate the manner in which this matter has been given the most detailed attention and study by a number of committees in the past few years.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Problems of the aging

Number of volumes	Year	Title	Committee
1-13	1961	Hearings: Problems for the Aging	Subcommittee on Federal and State Activities of Special Committee on Aging.
1-3	1961	Hearings: Nursing Homes	Subcommittee on Nursing Homes, Special Committee on Aging.
1-4	1961	Hearings: Retirement Income of Aging	Subcommittee on Retirement Income of Special Committee on Aging.
1-5	1961	Hearings: Housing Problems of Elderly	Subcommittee on Housing for Elderly of Special Committee on Aging.
2-14	1959	Hearings: Aged and Aging in the United States (pt 1 exhausted—summary attached).	Subcommittee on Aged and Aging of Labor and Public Welfare Committee.
1-14	1960	Background Studies Prepared by State Committees for White House Conference.	Do.
1	1959	Hearings: Federal Programs for the Aged and Aging	Do.
1	December 1960	Report: Aging Americans—Their Views and Living Conditions	Do.
1	1960	Study: Condition of American Nursing Homes	Do.
1	1960	Report: Directory of Voluntary Organizations in Field of Aging	Do.
1	1960	Report: Aged in Mental Hospitals	Do.
1	1960	Hearings: Aged and Aging in United States (S. Res. 65). Report: Aged and Aging in United States.	Do.
1	1959	Survey: Major Problems and Solutions in the Field of the Aged and Aging.	Do.
1	1959	Hearings: National Organizations in the Field of Aging	Do.
1	March 1961	Report: Action for the Aged and Aging	Do.
1	July 1959	Hearings: Hospital, Nursing Home and Surgical Benefits for OASI Beneficiaries (H.R. 4700).	House Ways and Means Committee.
1	April 1960	Testimony: Health Needs for the Aged	Subcommittee on Aged and Aging, Labor and Public Welfare Committee.
1	Nov. 1959	Analysis: Rising Costs of Public Education Trends in the Supply and Demand of Medical Care.	Joint Economic Committee.

Mr. JAVITS. Finally, Madam President, I thank my friends and colleagues—and I assure Senators that I am not now indulging in rhetoric—for their trust and their very real and most helpful support. This result could not have been obtained without it. I am most grateful to them. Furthermore—and this is even more important—I believe the people of the United States should be very grateful to them for having achieved, together with me, the very marked advance which we have recorded today.

At this time I yield to the Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. Madam President, I do not wish to use any great amount of the time available to those on this side. I merely wish to announce that I accept the amendment of the Senator from New York, and modify my amendment accordingly.

The PRESIDING OFFICER. The amendment of the Senator from New Mexico will be modified accordingly.

Mr. SALTONSTALL. Madam President, I call up my amendments identified as "7-9-62—N", to House bill 10606. I offer the amendments on behalf of myself, the Senator from Vermont [Mr. AIKEN], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Hawaii [Mr. FONG], the Senator from Delaware [Mr. BOGGS], and the Senator from Vermont [Mr. PROUTY].

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 1, in line 4, it is proposed to strike out "Public Welfare Amendments of 1962" and insert in lieu thereof "Public Welfare and Health Insurance for the Aged Amendments of 1962".

On page 100, line 16, strike out "II" and insert in lieu thereof "III".

On page 100, line 18, strike out "201" and insert in lieu thereof "301".

On page 100, line 23, strike out "202" and insert in lieu thereof "302".

On page 100, between lines 15 and 16, insert the following:

TITLE II—HEALTH INSURANCE FOR THE AGED

SEC. 201. This title may be cited as the "Health Insurance for the Aged Act".

SEC. 202. The Social Security Act is hereby amended by adding after title XVI the following new title:

"TITLE XVII—MEDICAL BENEFITS FOR THE AGED

APPROPRIATION

"SEC. 1701. For the purpose of assisting the States to improve the health care of aged individuals of low incomes by enabling them to secure, at cost reasonably related to their incomes, protection either against the expenses of preventive and diagnostic services and short-term illness treatment or against long-term illness expenses, there are hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine. The sums made available under this section shall be used for making payments to States with State plans submitted by them and approved under the title.

"State plans

"SEC. 1702. The Secretary shall approve a State plan under this title which—

"(a) provides for establishment or designation of a single State agency to administer or supervise the administration of the State plan;

"(b) provides that each eligible individual (as defined in section 1705(a)) who applies therefor (and only such such an individual) shall be furnished whichever of the following he may elect:

"(1) preventive, diagnostic, and short-term illness benefits, which, for the purpose of this title, shall consist of payment on behalf of an eligible individual of the cost incurred by him for the following medical services rendered to him to the extent determined by the attending physician to be medically necessary (but subject to the limitations in section 1706)—

"(A) inpatient hospital services for not to exceed twenty-one days in any enrollment year, except that at the request of the individual days of skilled nursing-home services may be substituted for any or all of such days of inpatient hospital services at the rate of three days of skilled nursing-home care for one day of inpatient hospital services;

"(B) physicians' services furnished outside of a hospital or skilled nursing home, on not more than twelve days during any enrollment year;

"(C) ambulatory diagnostic laboratory and X-ray services furnished outside of a hospital or skilled nursing home to the extent the cost thereof is not in excess of $100 in any enrollment year;

"(D) organized home health care services for not more than twenty-four days in any enrollment year; and

"(E) such additional medical services as the State may elect (subject to the limitations in clauses (E) (vi) and (vii) of paragraph (2) and to the limitations in section 1708); or

"(2) long-term illness benefits, which, for purposes of this title, shall consist of payment on behalf of an eligible individual of 80 per centum of the cost above the deductible amount incurred by him for the following services (hereinafter in this title referred to as 'medical services') rendered to him to the extent determined by the attending physician to be medically necessary (but subject to the limitations in section 1706)—

"(A) inpatient hospital services for not to exceed one hundred and twenty days in any enrollment year;

"(B) surgical services provided to inpatients in a hospital;

"(C) skilled nursing home services;

"(D) organized home health care services;

"(E) such of the following services as the State may elect (subject to the limitations in section 1708)—

"(i) physicians' services;

"(ii) outpatient hospital services;

"(iii) private duty nursing services;

"(iv) physical restorative services;

"(v) dental treatment;

"(vi) laboratory and X-ray services to the extent the cost thereof is not in excess of $200 in any enrollment year;

"(vii) prescribe drugs to the extent the cost thereof is not in excess of $350 in any enrollment year; and

"(viii) inpatient hospital services in excess of one hundred and twenty days in any enrollment year; or

"(3) private insurance benefits, which, for purposes of this title, shall consist of payment on behalf of such individual of one-half of the premiums of a private health insurance policy for him up to a maximum payment for any year of $60;

"(c) provides for granting an opportunity for a fair hearing before the State agency to any individual whose claim for benefits under the plan has been denied;

"(d) provides for payment of enrollment fees, payable annually or more frequently, as the State may determine by eligible individuals applying for long-term illness benefits or diagnostic and short-term illness benefits under the plan, the amounts of such fees to be determined by a schedule established by the State and approved by the Secretary as providing fees the lowest of which is equal to not less than 10 per centum of the per capita cost for the enrollment year involved of the benefits provided and the remainder of which vary in relation to the come (as defined in section 1705(b)) of the individuals;

"(e) includes provisions for individuals who, for the enrollment year involved, would not be eligible individuals but for the provisions of section 1705(a) (2);

"(f) includes such methods of administration as are found by the Secretary to be necessary for the proper and efficient operation of the plan, including—

"(1) methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods;

"(2) methods to assure that the applications of all individuals applying for benefits under the plan will be acted upon with reasonable promptness;

"(3) methods relating to collection of enrollment fees for long-term illness benefits or diagnostic and short-term illness benefits under the plan, except that the State may not utilize the services of any nonpublic agency or organization in the collection of such fees, and

"(4) methods for determining—

"(A) rates of payment for institutional services, and

"(B) schedules of fees or rates of payment for other medical services,

for which expenditures are made under the plan;

"(g) sets forth criteria, not inconsistent with the provisions of this title, for approval by the State agency, for purposes of the plan, of private health insurance policies;

"(h) provides that no benefits will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2, aid to dependent children under the State plan approved under section 402, aid to the blind under the State plan approved under section 1002, aid to the permanently and totally disabled under the State plan approved under section 1402, or aid or assistance under a State plan approved under title XVI (and for purposes of this paragraph an individual shall not be deemed to have received such assistance or aid with respect to any month unless he received such assistance or aid in the form of money payments for such month, or in the form of medical or any other type of remedial care in such month (without regard to when the expenditures in the form of such care were made));

"(i) provides safeguards which restrict the use or disclosure of information concerning applicants for and recipients of benefits under the plan to purposes directly connected with the administration of the plan;

"(j) includes (1) provisions, conforming to regulations of the Secretary, with respect to the time within which individuals desiring benefits under the plan may elect for any enrollment year between the types of benefits available under the plan and may apply for the benefits so elected for such year and (2) to the extent required by regulations of the Secretary, provisions, conforming to such regulations, with respect to the furnishing of benefits described in paragraph (1) or (2) of subsection (b) to eligible individuals during temporary absences from the State;

"(k) provides for establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for any persons, institutions, and agencies, providing medical services for which expenditures are made under the plan; and "(l) provides that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports. Notwithstanding the preceding provisions of this section, the Secretary shall not approve any State plan under this title unless the State has established to his satisfaction that the medical or any other type of remedial care, together with the amounts, if any, included in old-age assistance in the form of money payments on account of their medical needs, for recipients of old-age assistance under the State plan approved under title I will be at least as great in amount, duration, and scope as the diagnostic and short-term illness benefits included under the State plan under this title;

"(m) makes provision (1) authorizing employees' pension or welfare funds to contribute to the payment of enrollment fees under the plan for or on behalf of eligible members or beneficiaries of such funds, (2) authorizing employers (including the State or any political subdivision thereof when acting as an employer) to contribute to the payment of their employees' enrollment fees under the plan, and (3) permitting any employee, or member or beneficiary of an employees' pension or welfare fund, to authorize his employer (including the State or any political subdivision thereof when acting as an employer) or trustee or other governing body of such fund to deduct from his wages or from such fund, as the case may be, an amount equal to his enrollment fees under the plan and to pay the same to the State agency administering the plan.

"Payments

"Sec. 1703. (a) From the sums appropriated therefor, each State which has a plan approved under section 1702 shall be entitled to receive, for each calendar quarter beginning with the quarter commencing July 1, 1963, an amount equal to (1) the Federal share for such State of the total amounts expended during such quarter by the State under the plan as long-term illness, diagnostic and short-term illness, or private insurance benefits, plus (2) one-half of the total of the sums expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.

"(b) Payment of the amounts due a State under subsection (a) shall be made in advance thereof on the basis of estimates made by the Secretary, with such adjustments as may be necessary on account of overpayments or underpayments during prior quarters; and such payments may be made in such installments as the Secretary may determine. Adjustments under the preceding sentence shall include decreases in estimates equal to the pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered by the State or any political subdivision thereof, with respect to benefits furnished under the State plan, whether as the result of being subrogated to the rights of the recipient of the benefits against another person, or as the result of recovery by the recipient from such other person, or because such benefits were incorrectly furnished, or for any other reason.

"(c) For purposes of subsection (a), (1) expenditures under a State plan in any calendar year shall be included only to the extent they exceed the amount of the enrollment fees collected in such year under the State plan, and (2) expenditures under a State plan for preventive diagnostic and short-term illness benefits or for long-term illness benefits in excess of $128 multiplied by the number of individuals enrolled for benefits under such plan in such year shall not be counted.

"Operation of State plans

"Sec. 1704. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of any State plan which has been approved under section 1702, finds—

"(1) that the plan has been so changed that it no longer complies with the provisions of section 1702; or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision;

the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to parts of the State plan not affected by such failure) until the Secretary is satisfied that there is no longer any such noncompliance. Until he is so satisfied, no further payments shall be made to such State (or payments shall be limited to parts of the State plan not affected by such failure).

"Eligible individuals

"Sec. 1705. (a) For the purposes of this title, the term 'eligible individual' means, with respect to any enrollment year for any individual, an individual who—

"(1) (A) is 65 years of age or over,

"(B) resides in the State at the beginning of such year, and

"(C) meets, with respect to such year, the income requirements of subsection (b); or

"(2) (A) resides in the State at the beginning of such year, (B) was an eligible individual for the preceding enrollment year, and (C) paid enrollment fees under the plan for the preceding enrollment year or had a private health insurance policy and the State made payments under the State plan toward the cost of the premiums of the policy during such year.

"(b) For the purposes of this title, the income requirements of this subsection are met by any individual with respect to any enrollment year if, for his last taxable year (for purposes of the Federal income tax) ending before the beginning of such enrollment year—

"(1) he did not pay any income tax, or

"(2) (A) his income did not exceed $3,000 in the case of an individual who, at the beginning of such enrollment year, was unmarried or was not living with his spouse, or

"(B) the combined income of such individual and his spouse did not exceed $4,500 in the case of an individual who, at the beginning of such enrollment year, was married and living with his spouse.

"(c) The term 'income' as used in subsection (b) means the amount by which the gross income (within the meaning of the Internal Revenue Code of 1954) exceeds the deductions allowable in determining adjusted gross income under section 62 of such Code; except that the following items shall be included (as items of gross income):

"(1) Monthly insurance benefits under title II of this Act,

"(2) Monthly benefits under the Railroad Retirement Acts of 1935 and 1937, and

"(3) Veterans' pensions.

Determinations under this section shall be made (in the manner prescribed by the Secretary by regulations) by or under the supervision of the State agency administering or supervising the administration of the plan approved under section 1702.

"Benefits

"Sec. 1706. Subject to regulations of the Secretary—

"(a) (1) Except as provided in paragraph (2), the term 'medical services' means the following to the extent determined by the physician to be medically necessary:

"(A) Inpatient hospital services;

"(B) Skilled nursing-home services;

"(C) Physicians' services;

"(D) Outpatient hospital services;

"(E) Organized home care services;

"(F) Private duty nursing services;

"(G) Therapeutic services;

"(H) Major dental treatment;

"(I) Laboratory and X-ray services; and

"(J) Prescribed drugs.

"(2) The term 'medical services' does not include—

"(A) services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases; or

"(B) services for any individual who is a patient in a medical institution as a result of a diagnosis of tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days.

"Inpatient Hospital Services

"(3) The term 'inpatient hospital services' means the following items furnished to an inpatient by a hospital:

"(1) Bed and board (at a rate not in excess of the rate for semiprivate accommodations);

"(2) Physicians' services, nursing services, and interns' services; and

"(3) Nursing services, interns' services, laboratory and X-ray services, ambulance service, and other services, drugs, and appliances related to his care and treatment (whether furnished directly by the hospital or, by arrangement, through other persons).

"Surgical Services

"(c) The term 'surgical services' means surgical procedures provided to an inpatient in a hospital, other than those included in the term 'inpatient hospital services', including oral surgery, and surgical procedures provided in an emergency in a doctor's office or by a hospital to an outpatient.

"Skilled Nursing-Home Services

"(d) The term 'skilled nursing-home services' means the following items furnished to an inpatient in a nursing home:

"(1) Skilled nursing care provided by a registered professional nurse or a licensed practical nurse which is prescribed by, or performed under the general direction of, a physician;

"(2) Such medical supervisory services and other services related to such skilled nursing care as are generally provided in nursing homes providing such skilled nursing care; and

"(3) Bed and board in connection with the furnishing of such skilled nursing care.

"Physicians' Services

"(e) The term 'physicians' services' means services provided in the exercise of his profession in any State by a physician licensed in such State; and the term 'physician' includes a physician within the meaning of section 1101(a)(7).

"Outpatient Hospital Services

"(f) The term 'outpatient hospital services' means medical and surgical care furnished by a hospital to an individual as an outpatient.

"Organized Home Health Care Services

"(g) The term 'organized home health care services' means—

"(1) visiting nurse services and physicians' services, and services related thereto, which are prescribed by a physician and are provided in a home through a public or private nonprofit agency operated in accordance with medical policies established by one or more physicians (who are responsible for supervising the execution of such policies) to govern such services; and

"(2) homemaker services of a nonmedical nature which are prescribed by a physician and are provided, through a public or private nonprofit agency, in the home to a person who is in need of and in receipt of other medical services.

"Private Duty Nursing Services

"(h) The term 'private duty nursing services' means nursing care provided in the home by a registered professional nurse or licensed practical nurse, under the general direction of a physician, to a patient requiring nursing care on a full-time basis, or provided by such a nurse under such direction to a patient in a hospital who requires nursing care on a full-time basis.

"Physical Restorative Services

"(i) The term 'physical restorative services' means services prescribed by a physician for the treatment of disease or injury by physical nonmedical means, including retraining for the loss of speech.

"Dental Treatment

"(j) The term 'dental treatment' means services provided by a dentist, in the exercise of his profession, with respect to a condition of an individual's teeth, oral cavity, or associated parts which has affected, or may affect, his general health. As used in the preceding sentence, the term 'dentist' means a person licensed to practice dentistry or dental surgery in the State where the services are provided.

"Laboratory and X-Ray Services

"(k) The term 'laboratory and X-Ray services' includes only such services prescribed by a physician.

"Prescribed Drugs

"(l) The term 'prescribed drugs' means medicines which are prescribed by a physician.

"Hospital

"(m) The term 'hospital' means a hospital (other than a mental or tuberculosis hospital) which is (1) a Federal hospital, (2) licensed as a hospital by the State in which it is located, or (3) in the case of a State hospital, approved by the licensing agency of the State.

"Nursing Home

"(n) The term 'nursing home' means a nursing home which is licensed as such by the State in which it is located, and which (1) is operated in connection with a hospital or (2) has medical policies established by one or more physicians (who are responsible for supervising the execution of such policies) to govern the skilled nursing care and related medical care and other services which it provides.

"Miscellaneous definitions

"Sec. 1707. For purposes of this title—

"Federal Share

"(a)(1) The 'Federal share' with respect to any State means 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the Federal share shall in no case be less than 33⅓ per centum nor more than 66⅔ per centum, and (B) the Federal share with respect to Puerto Rico, the Virgin Islands, and Guam shall be 66⅔ per centum.

"(2) The Federal share for each State shall be promulgated by the Secretary between July 1 and August 31 of each odd-numbered year, on the basis of the average per capita income of each State and of the United States for the three most recent calendar years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the eight quarters in the period beginning July 1 next succeeding such promulgations.

"(3) As used in paragraphs (1) and (2), the term 'United States' means the fifty States and the District of Columbia.

"Deductible Amount

"(b) The 'deductible amount' for any individual for any enrollment year means an amount equal to $175 of expenses for medical services (determined without regard to the limitations in clauses (A) or (E) (vi) or (vii) of section 1702(a)(2)) which are included in the State plan and are incurred in such year by or on behalf of such individual, whether he is married or single, except that, in the case of an individual who is married and living with his spouse at the beginning of his enrollment year, it shall be an amount equal to $300 of expenses for medical services (so determined) incurred in such year by or on behalf of such individual or his spouse for the care or treatment of either of them, but only if application of such $300 amount with respect to such individual and his spouse would result in payment under the plan of a larger share of the cost of their medical services incurred in such year. Subject to the limitations in section 1708, the $175 amount referred to in the preceding sentence may be reduced for any State if such State so elects; and in case of such an election the $300 amount referred to in such sentence shall be proportionately reduced.

"Enrollment Year

"(c) The term 'enrollment year' means, with respect to any individual, a period of twelve consecutive months as designated by the State agency for the purposes of this title in accordance with regulations prescribed by the Secretary. Subject to regulations prescribed by the Secretary, the State plan may permit the extension of an enrollment year in order to avoid hardship.

"Private Health Insurance Policy

"(d) The term 'private health insurance policy' means, with respect to any State, a policy, offered by a private insurance organization licensed to do business in the State, which is approved by the State agency (administering or supervising the administration of the plan approved under section 1702), which is noncancelable except at the request of the insured individual or for failure to pay the premiums when due and which is available to all eligible individuals in the State.

"Cost

"(e) The per capita cost of long-term illness benefits or diagnostic and short-term illness benefits for any year or other period shall be determined by the State, in accordance with regulations of the Secretary, on the basis of estimates and such other data as may be permitted in such regulations.

"Election of medical services to be provided by State

"Sec. 1708. Any election by a State pursuant to the provisions of clause (E) of paragraph (1) or the provisions of paragraph (2) of section 1702(b) or of the second sentence of section 1707(b) shall be valid for purposes of this title for any enrollment year or other period determined by the Secretary only if an election is also made by the State under the other of such provisions so that, in the judgment of the Secretary, the per capita cost of benefits under paragraph (1) of section 1702(b) and the per capita cost of benefits under paragraph (2) of such section for such period after such elections bear the same relationship to each other as the per capita cost of benefits under each such paragraph for such period without such elections bear to each other.

"Advisory Council on Health Insurance

"Sec. 1709. (a) There shall be in the Department of Health, Education, and Welfare an Advisory Council on Medical Benefits for the Aged (hereinafter referred to as the 'Council') to advise the Secretary on matters relating to the general policies and administration of this title. The Secretary shall secure the advice of the Council before prescribing regulations under this title.

"(b) The Council shall consist of the Surgeon General of the Public Health Service and the Commissioner of Social Security, who shall be ex officio members (and one of whom shall from time to time be designated by the Secretary to serve as Chairman), and twelve other persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to the civil service laws. Four of the appointed members shall be selected from among representatives of various State or local government agencies concerned with the provision of health care or insurance against the costs thereof, four from among nongovernmental persons who are concerned with the provision of such care or with such insurance, and four from the general public, including consumers of health care.

"(c) Each member appointed by the Secretary shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office shall expire as follows: four shall expire two years after the date of the enactment of this title, four shall expire four years after such date, and four shall expire six years after such date, as designated by the Secretary at the time of appointment. None of the appointed members shall be eligible for reappointment within one year after the end of his preceding term.

"(d) Appointed members of the Council, while attending meetings or conferences of the Council, shall receive compensation at a rate fixed by the Secretary but not exceeding $50 a day, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently.

"Savings provision

"Sec. 1710. Nothing in this title shall modify obligations assumed by the Federal Government under other laws for the hospital and medical care of veterans or other presently authorized recipients of hospital and medical care under Federal programs.

"Planning grants to States

"Sec. 1711. (a) For the purpose of assisting the States to make plans and initiate administrative arrangements preparatory to participation in the Federal-State program of medical benefits for the aged authorized by title XVII of the Social Security Act, there are hereby authorized to be appropriated for making grants to the States such sums as the Congress may determine.

"(b) A grant under this section to any State shall be made only upon application therefor which is submitted by a State agency designated by the State to carry out the purpose of this section and is approved by the Secretary. No such grant for any State may exceed 50 per centum of the cost of carrying out such purpose in accordance with such application.

"(c) Payment of any grant under this section may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine. The aggregate amount paid to any State under this section shall not exceed $50,000.

"(d) Appropriations pursuant to this section shall remain available for grants under this section only until the close of June 30, 1964; and any part of such a grant which has been paid to a State prior to the close of June 30, 1964, but has not been used or obligated by such State for carrying out the purpose of this section prior to the close of such date, shall be returned to the United States.

"(e) As used in this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

"Technical amendment

"SEC. 1712. Effective July 1, 1963, section 1101(a)(1) of the Social Security Act (as amended by section 541 of this Act) is amended by striking out 'and XVI' and inserting in lieu thereof 'XVI and XVII'."

Make appropriate changes in the table of contents of the bill.

Mr. SALTONSTALL. Madam President, I ask for the yeas and nays on the question of agreeing to my amendments.

The yeas and nays were ordered.

Mr. SALTONSTALL. Madam President, on behalf of myself and Senators AIKEN, SCOTT, FONG, BOGGS, PROUTY, and COTTON, I have called up the amendment which we offer as a substitute for the Anderson amendments. Except for minor technical changes, this amendment is similar to S. 937 which nine Senators, including myself, joined in cosponsoring last session. The only significant change is that, on the basis of information furnished by the Department of Health, Education, and Welfare, the deductible feature applicable to one of the three options in the bill has been reduced from $250 to $175 for a single person and from $400 to $300 for a couple.

My colleagues and I offer this proposal because we believe it offers the most constructive approach to providing a sound, voluntary medical care program for our older citizens. It would supplement the Kerr-Mills plan which is geared to providing assistance to the medically indigent, by offering a medical program to those aged persons of modest incomes not eligible under Kerr-Mills.

As our older citizens have come to constitute a larger percentage of our population, increasing attention has understandably been devoted to the special problems which confront them. The life span of the American people has increased 20 years since 1900, largely as a result of advances made in the fields of medicine, drugs, and hospital care. The 1960 census reported 16.6 million Americans 65 or over, and it is estimated that by 1970 there will be more than 20 million in that age group.

One reflection of our concern for this segment of our population is the increasing attention which is being given to the difficulties some of these citizens encounter in meeting their medical costs. The sharp increase in longevity has been accompanied by serious budgetary problems for many individuals required to finance those extra years after relinquishing full-time jobs. This financial situation has been aggravated by rising costs of medical care. Hospital costs have tripled in the last 15 years and people over 65 years of age spend, on the average, more than 2½ times as long in the hospital as those under 65. It has been estimated that hospitalization which cost $8 or $9 per day in 1947 has risen to $30 and $35 today. It has become virtually impossible for many of our older citizens to finance the medical treatment they require. The question is not whether such a problem exists, but how it can best be met. We are debating the question of who should receive help in meeting their medical expenses and how this help should be paid for.

The enactment of the Kerr-Mills Act in 1960 provided tangible evidence of congressional interest in helping to relieve some of the financial medical burden of our elderly. It marked a significant step forward and all of us are indebted to the senior Senator from Oklahoma [Mr. KERR], for his leadership in advancing that legislation. Kerr-Mills has been implemented in 24 States, Puerto Rico, Guam, and the Virgin Islands, and is in the process of being approved in 10 other States. As of April 1962, 96,000 persons were participating in the program. Massachusetts was one of the first States to participate in the program and its benefits are among the most liberal. In fact, as of April, Massachusetts, along with three other States, received 90 percent of the total payment issued by the Federal Government under the present law.

Kerr-Mills is helpful legislation. I believe, however, that a further medical assistance program is needed to supplement it, to help persons who, although not meeting the "medically indigent" criteria of Kerr-Mills, possess modest incomes insufficient to enable them to meet their basic medical demands. The amendment presently before us, would, in my estimation, provide such a program.

Like the Eisenhower administration medicare bill, which I sponsored in 1960, this amendment embodies the following essential principles: First, it is a voluntary program and not one based on compulsory social security financing; Second, it involves Federal-State matching and State administration; Third, it offers benefits to meet the specific needs of an aged participant; and, Fourth, it requires some participation on the part of the individual participating in the program.

Our amendment provides 3 optional plans from which participants can select the one they best feel is suited to their individual needs. Total costs of $100 to $128 per person per year would include a modest enrollment fee paid by the individual participant and Federal-State matching based on the per capita income of the State.

OPTIONS

The three options offered to participants would be as follows:

PREVENTIVE CARE PROGRAM

First, a diagnostic and short-term illness plan emphasizing preventive medicine. The minimum program offered under this plan is estimated to cost an average of $100 per person per year and would provide: first, 21 days of hospitalization—or equivalent skilled nursing home services; second, 12 physicians' visits in home or office; third, diagnostic laboratory and X-ray services up to $100; and, fourth, organized home health care services up to 24 days.

States could also expand this preventive plan to include a maximum package which would provide, first, 45 days of hospital care or equivalent nursing home care; second, physicians' services for 12 home or office visits; third, total costs for ambulatory diagnostic laboratory and X-ray services; and, fourth, 135 days of home health care services. It would also include any other type of medical services provided for by the State plan. Aside from the enrollment fees, the Federal and State Governments would contribute to the cost of this maximum program up to a combined total of $128. Any cost in excess of $128 would be borne by the State.

Statistics show that preventive care is needed more by aged persons than long-term hospitalization, which is emphasized in the Anderson proposal and which encourages the overutilization of already heavily burdened hospital facilities. In our opinion, it is desirable to emphasize preventive features in a health program. It is wiser and less costly to seek to keep a man healthy and ambulatory than to wait until he becomes chronically ill.

No deductible is included in this diagnostic and short-term illness plan, although participants would pay an enrollment fee expected to range from $10 to $12.80.

MAJOR ILLNESS PROGRAM

The second alternative is a long-term major illness plan which contains a deductible feature of $175 for an individual or $300 for a couple. The basic plan would provide, following the deductible, 80 percent of the costs of, first, 120 days of hospitalization; second, up to 365 days of nursing home services; third, surgical services provided in a hospital; and, fourth, full home health care services. The minimum program which could be provided here is estimated to cost $100 per person per year.

A State could expand this long-term illness plan to include 80 percent of the following costs after payment of the first $175: First, 180 days of hospital care; second, full nursing home care; third, full home health care services; fourth, surgical services in hospital, office or home; fifth, first $200 laboratory and X-ray services; sixth, first $350 of prescribed drugs; and, seventh, other physicians, major dental and private duty nurse services. Again, the Federal and State Governments would contribute to the cost of this maximum program up to a combined total of $126 per person per year.

This second comprehensive package would benefit an individual or a couple who are worried about a major illness which would hospitalize them for a long period of time. The inclusion of surgery, physicians, major dental and private duty nurse services provides a more attractive long-term plan than the Anderson amendment.

PRIVATE INSURANCE PROGRAM

The third option encourages the purchase of a private insurance plan by enabling the Federal Government and the State to share up to one-half of the cost of an insurance premium purchased by an aged person up to a maximum of $60 per year. The total cost is not limited so that the individual retains a wide choice of plans.

Many insurance firms have been expanding and improving their programs for the aged and should be encouraged to formulate more liberal policies for the elderly at moderate rates. In fact, one salutary result of the continuing discussion of this important subject has been to stimulate private health plan groups to accelerate their efforts to improve and expand their programs.

In Massachusetts, Governor Volpe recently signed into law the Massachusetts-65 program which enables insurance carriers to pool their resources in developing new forms of insurance protection for our senior citizens. Connecticut, New York, and Mississippi have also authorized this type of pooled action. It is also my understanding that Blue Cross-Blue Shield is working on a low-cost medical program for the aged which it may submit next fall.

ELIGIBILITY

Eligible for benefits under our amendment would be all persons aged 65 or over who did not pay a Federal income tax in the preceding year or whose income for Federal tax purposes in the preceding year was $3,000 or less—$4,500 for a couple—and who are not receiving medical care under old-age assistance or other Federal medical assistance program. Under our substitute means test, a person will not have to pauperize himself to receive assistance, yet only those persons who are financially in need can qualify. This is in contrast to the Anderson proposal which allows participation regardless of income or wealth. It is estimated that 12.3 million aged persons would qualify under our program. HEW estimates that, based on 75 percent anticipated participation, the annual cost would be about $1 billion.

ADMINISTRATION

Administration of this program would be vested in the States after the Secretary of Health, Education, and Welfare confirmed that a State plan met the standards set forth in this amendment and approved those provisions for which specific standards are not stipulated. I believe this medical program should be State administered and not federally oriented, because by being closer to the needs of its people, a State is able to tailor its program more effectively to meet the requirement of its senior citizens. In addition, a State-administered program would avoid cumbersome Federal control and extensive regimentation over the plan's services and payments.

FINANCING AND ENROLLMENT FEE

A basic feature of our substitute is that it would be financed out of general revenues—except for the enrollment fees—on a Federal-State matching basis rather than under a compulsory social security system. The Federal share would be based on the per capita income of each participating State but would be no less than 33⅓ percent nor more than 66⅔ percent of the cost in any State. The Federal Government would also pay one-half of a State's administrative costs. In addition, each participant would be required to pay a small enrollment fee—$10 to $12.80 yearly minimum. This enrollment fee would be determined by the State and would be based on a minimum of 10 percent of its average per capita cost of the program. Payment of this fee by employers or under welfare or pension funds is permitted.

To my mind, the question of how the funds are raised to implement a program of health benefits is crucial. I am opposed to the social security method of financing and therefore I am opposed to the Anderson-Javits amendment.

Many improvements have been made in S. 909—the administration bill—as it has been modified by the efforts of a bipartisan group of Senators, of whom the Senator from New Mexico [Mr. ANDERSON] and the Senator from New York [Mr. JAVITS] have been the leaders. All are to be commended for their efforts to strengthen the original measure and for the success they have achieved. The Senator from New Mexico [Mr. ANDERSON] and the Senator from New York [Mr. JAVITS] have worked particularly hard to this end and they deserve recognition for their contribution. Those of us who have joined together in the substitute I am now offering are also glad to acknowledge our heavy debt to the Senator from New York [Mr. JAVITS].

Despite the improvements which were made in the original Anderson bill during the deliberations of the bipartisan group to which I have referred, the bill remains predicated on a feature which I find objectionable: the program is to be financed largely by means of taxes levied on our social security system.

The administration proposal would be financed by increasing the social security tax on employees, employers, and self-employed persons and by raising the tax base from $4,800 to $5,200. Under present law, an employer and employee pay 3⅛ percent or $150 apiece per year in social security taxes. By 1968 this tax will increase to 9¼ percent and will cost employee and employer $222 apiece per year. If the administration proposal is approved, another one-half of 1 percent will be added to the tax and each would be paying $253 in 1968. At the same time, a self-employed person who is now contributing $225 in social security taxes will be paying $331 in 1968. If the administration plan is adopted, he will be paying a total of $379 instead of $331. This is an alarming increase over a span of 6 years in social security taxes. Where will it stop?

Everyone who has worked to come up with a satisfactory plan in this area knows how difficult it is to prevent certain inequities from creeping into any system which can be devised. But it seems to me that a socal security based system of medical care contains a major, glaring injustice. Unquestionably it is a regressive tax. It is not based on ability to pay which is the traditional way in which we have distributed the tax burden but rather places a far greater relative burden on persons with limited incomes. Percentagewise, the worker earning $5,200 would be paying a greater percentage of his gross income in support of the program than would a person earning in excess of this figure. Use of the general revenue approach, on the other hand, means that the costs will eventually be borne by those most able to pay. I firmly believe this is the preferable way of raising the money.

It has been said in debate that citizens seem to prefer a social security based system and that therefore it should be supported. There is increasing evidence that the Nation is having second thoughts about this method of financing. To cite one example, the most recent Gallup poll on the subject notes a rather sharp decline of 7 percentage points since March in support of a social security based system. Among the people most directly involved in the matter—those citizens aged 60 and over—the decline in support was even greater—9 percentage points. The gap is thus rapidly being narrowed.

VOLUNTARY VS. COMPULSORY

I also object to the compulsory health care financing of social security. I much prefer our traditional democratic principles of voluntary participation and free choice. The initiative of our citizens and our Federal, State and local governments has helped make us probably the healthiest Nation in the world today. Our facilities and know-how are unsurpassed and people come from all over the world to take advantage of them. We can continue best to contribute to the greatness of our country by helping resolve the medical needs of our elderly in the true American spirit—putting our shoulders to the wheel and solving this problem through voluntary programs and methods. I submit that the support of the medical profession is likely to be much more enthusiastic in connection with this voluntary participation plan than under a social security based program.

SUMMARY

In summary, our amendment calls for a voluntary program rather than one based on compulsory social security financing. It places the financial burden on those most able to pay rather than establishing a regressive tax which falls most heavily on those income groups least in a position to pay the costs. It provides options so that an individual may select the plan which best meets his needs. It involves Federal-State matching and State administration. It requires some participation on the part of individuals enrolled in the program. I hope it will prevail.

I hope the amendment may be substituted for the Anderson amendments.

I yield 20 minutes to the Senator from Hawaii.

Mr. FONG. Madam President, I commend the distinguished senior Senator from Massachusetts for his very clear, direct, and excellent statement on the substitute amendment, which I am privileged to cosponsor with the distinguished senior Senator from Vermont [Mr. AIKEN], the distinguished junior Senator from Pennsylvania [Mr. SCOTT], the distinguished junior Senator from Delaware [Mr. BOGGS], the distinguished junior Senator from Vermont [Mr. PROUTY], and the distinguished senior Senator from New Hampshire [Mr. COTTON].

Of all the health insurance measures offered in this Congress, I am firmly convinced the best by far is the pending plan.

At the outset, I pay tribute to the senior Senator from New York [Mr. JAVITS], whose yeoman work produced this plan 2 years ago and whose constant endeavors continued to improve it since then. We were proud to join him as cosponsors of the earlier versions. I for one deeply regret we must part company with our colleague, Senator JAVITS, a pioneer in the health insurance field who is now cosponsoring the social security plan of the junior Senator from New Mexico [Mr. ANDERSON].

We thought the Javits plan was best 2 years ago, and we still hold those views.

Our plan offers medical benefits most closely tailored to the special needs of those age 65 and over.

Our plan offers the greatest protection against Federal encroachment upon the practice of medicine.

The cost of our plan is moderate, and the Federal share of costs is widely and fairly distributed among all taxpayers in accord with their taxable income.

Our plan provides for States, rather than the Federal Government, to establish and administer medical plans which must meet minimum benefit requirements.

Our plan permits and encourages continuation of private health insurance plans for those 65 and over who prefer such protection.

Our plan permits freedom of choice—freedom to individuals to select the benefit package which best fits their individual circumstances; freedom to choose their doctor; freedom to choose their hospital; and freedom to participate or not to participate in the program.

Our plan is the only proposal which places the emphasis where it belongs—that is, on preventive care and on medical care, rather than preponderantly on hospital care.

Under the Saltonstall amendment, persons 65 and over of modest income would have three benefit packages to choose from: a preventive, diagnostic, short-term illness plan; a long-term so-called catastrophic-illness plan; and private voluntary insurance.

Covered by our plan would be some 12 million persons 65 or over. These are substantially all the aged persons who may need assistance toward their health care costs.

Persons qualifying for old-age assistance medical care or Kerr-Mills medical care would be covered by existing programs. Of the estimated 17 million persons in the 65-and-over age bracket more than 2½ million are receiving old-age assistance and an estimated 1 million more are eligible for Kerr-Mills medical assistance.

Eligibility provisions of the Saltonstall amendment are very liberal. There is an age requirement of 65 years or over. There is a residence requirement in that a person would be permitted to enroll in a plan under the State in which he had resided at the beginning of the enrollment year.

There is an income requirement which is very liberal and which will avoid a means test for the overwhelming majority of senior citizens.

Any person 65 or over would be eligible who did not pay any Federal income tax for the taxable year immediately preceding the enrollment year. As the junior Senator from New Mexico [Mr. ANDERSON] stated on the floor of the Senate last Friday, "about 80 percent of the aged have no tax liability."

Thus, 80 and perhaps 90 percent of those 65 and over would automatically qualify. It is a very simple matter to verify Federal income tax returns and there would be no need for the administrators of this program to pry into the bank accounts and assets of individuals.

Those elderly persons who have no financial worries do not constitute part of the national problem and since the well-to-do are not part of the national problem, there would be no justification for using Federal funds in their behalf.

Therefore, some ceiling on income for eligibility is necessary and is included, just as old-age assistance contains a means test; just as aid to dependent children requires a means test, aid to the blind, aid to the permanently and totally disabled, low-rent public housing, school lunch program, veterans pensions, and some veterans hospitalization for non-service-connected disability all have means tests. Yet they are not condemned for that. Indeed, this represents a prudent use of the taxpayers money in that it goes to those who most need assistance.

I want to emphasize that the income ceiling test would operate in relatively few instances. More than 80 percent of those persons 65 and over would qualify on the basis of having paid no Federal income tax for the preceding year.

The fact that relatively few investigations would be required to verify eligibility would keep down administrative costs. It would avoid many of the complaints against investigative costs incurred under Kerr-Mills.

The distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] has already described the provisions of our plan. I want to say that I am in complete accord with the excellent exposition of my colleague. He has masterfully stated why we cosponsors feel compelled to offer a substitute for the Anderson-Javits social security plan.

I shall not delay the Senate by repeating terms of the amendment, but ask unanimous consent that a summary of the three options be presented in the RECORD at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

OPTION NO. 1: PREVENTIVE, DIAGNOSTIC, AND SHORT-TERM ILLNESS PLAN

1. Minimum of 21 days hospitalization a year.
2. Three days of nursing home care for each unused hospital day approved by the State.
3. Twenty-four days of home health service per year.
4. Twelve days of surgeons' and physicians' services per year, outside of hospital.
5. Diagnostic, laboratory, and X-ray services up to $100 per year.
6. No deductibility and no coinsurance; this pays for all specified costs beginning with the first dollar of such costs.
7. Permits individual to obtain protection before chronic illness should set in. The individual obtains benefits as soon as needed.
8. Benefits are fully adequate from a medical point of view for the average health care needs of the older citizens in short-term illness cases.
9. By giving priority to preventive care, we help avoid the hazard of overcrowding hospitals and other institutional facilities.

(NOTE.—These are services toward which the Federal Government would render financial assistance; States could enlarge benefits at State cost. Individuals applying for benefits would be required by the States to pay enrollment fee of at least 10 percent of per capita costs of benefits provided.)

OPTION NO. 2: LONG-TERM CATASTROPHIC ILLNESS PLAN

1. Minimum of 120 days per year in hospital.
2. Surgical services to hospital inpatients.
3. Skilled nursing home services 365 days a year.
4. Organized home health care services 365 days a year.
5. Such of the following services as the State may elect to assist up to 80 percent of cost: physicians' services; outpatient hospital services; private duty nursing services; physical restorative services; dental treatment; laboratory and X-ray services up to $200 a year; expensive drugs up to $350 a year.
6. Government pays 80 percent of the cost of above services; individual 20 percent. Deductible of $175 if single; $300 if married, each year, although the State could reduce the deductible amount in the plan it offers.

(NOTE.—These are services toward which the Federal Government would render financial assistance. States could enlarge benefits at State cost. Individuals applying for benefits would be required by the States to pay enrollment fee of at least 10 percent per capita cost of benefits provided.)

OPTION NO. 3: PRIVATE HEALTH INSURANCE

An individual might select a private health insurance policy toward which premiums the Federal Government and the States would share up to one-half, but not more than $60, each year.

Mr. FONG. Madam President, the minimum cost for either the preventive-care package or the catastrophic-illness benefits package is estimated at $100 a year. The Federal Government would be permitted to contribute toward an expanded benefit package up to a total cost of $128 per year. This feature of our health insurance plan would encourage States to expand their benefits beyond the minimum stipulated in the bill.

An example of the maximum package benefits under the preventive care option would be: physicians' services, 12 days office and home; inpatient hospital services, 45 days; unlimited ambulatory, X-ray, and laboratory services; unlimited organized home health care services; skilled and nursing home services, 135 days. States so desiring could, of course, go beyond this, but this is what could be offered if the Federal Government contributed a maximum of $128 toward preventive care services and if the States are willing to go that far.

So, for those who want preventive care and want the costs met starting with the first dollar, without any deductibles or coinsurance, there is a very good plan under this amendment, all for a small enrollment fee.

This preventive care program providing between 21 days hospital care at minimum and 45 days at maximum without any deductible and without any sharing of costs between patient and the Government, meets the real need of the great majority of the elderly. The U.S. Government statistics show that the general average hospital stay is 21 days. Ninety percent stay an average of 14 days, while only 10 percent of the aged hospitalized stay more than 31 days per year in the hospital.

Also, by providing diagnostic and preventive care starting with the first-dollar costs, early care is made available which could preclude long chronic illness stays.

For those who can take care of themselves, unless they run into a bad problem, there is a long-term catastrophic illness plan under which they pay the first $175 of costs in long illness, and 20 percent of the balance of costs, plus a small enrollment fee.

A Federal contribution of $128 toward long-term or catastrophic illness would permit such services as 180 days hospital care; 365 days skilled and nursing home care; 365 days organized home care service; surgical procedures; laboratory and X-ray services up to $200; physicians' services; dental services; prescribed drugs up to $350; private-duty nurses; and physical restorative services.

Every person hospitalized under the Anderson-Javits plan would pay a minimum of $20 up to a maximum of $90 for hospitalization care, plus all surgeons' fees and doctors' fees, plus major medical expenses. If a person decides to have protection against the latter, he would have to buy insurance under some private arrangement and pay premiums accordingly.

The Saltonstall plan more closely approximates the varying needs and varying pocketbooks of those age 65 and older than any other plan before Congress.

The costs of these benefits would be financed by Federal-State matching funds and individual enrollment fees based on a State-determined schedule with the lowest fee not less than 10 percent of per capita cost. The Federal share would be based on per capita income of each participating State, but no less than 33⅓ percent nor more than 66⅔ percent. Federal matching funds would be available to States on programs costing up to $128 per capita. States would be reimbursed for one-half of the administrative costs.

Inasmuch as persons 65 or over who desire health insurance protection would, under the Anderson-Javits bill, which does not provide surgical or doctors' costs or medical care, need to buy insurance covering doctors' fees and major medical expenses, there should be no objection to the very modest yearly enrollment fee requested of individuals under the Saltonstall plan which would be somewhere between $10 and $12.80 a year.

Furthermore, the fact that the elderly individual is contributing in some part toward the costs of the health insurance benefits—and these are very generous benefits—will give him the feeling of entitlement to these benefits, rather than a feeling that he is being given charity.

Much ado has been made about the social security principle under which each covered wage earner contributes toward the benefits he or his family would eventually derive. Because it is a contributory system, it is said, the wage earner's attitude is that he is not a charity case. He is said to believe his contributions build up rights for him to claim at such time as he or his widow or surviving children should qualify for them.

The medical insurance plan I have cosponsored, through its requirement for enrollment fees for participating individuals, also removes our plan from the category of charity. Under our plan the individual also will be buying rights, through the enrollment fee, in much the same way as wage earners do through social security taxes.

The Anderson-Javits plan has no monopoly on the concept of buying rights. The social security system has no monopoly on the concept of buying rights.

As a matter of interest, what will happen to the rights the wage earner bought when he exhausts the admittedly skimpy benefits available to him under the Anderson-Javits plan after he becomes age 65 in event illness strikes?

Somehow, he must provide for payment of doctor bills and surgeon's fees, for private nursing, for expensive drugs, and for all the other major medical expenses. Those costs may be such that he may have to ask for assistance under Kerr-Mills and be subject to the means test and all that.

The so-called rights he bought through years of contributions to the social security health insurance fund may—and I predict will—if the Anderson-Javits bill is enacted and benefits remain the same, prove to be very illusory and temporary and fleeting and not at all satisfactory.

The idea that only the social security contributory system will protect an individual's rights is fallacious. An individual also obtains rights when he pays an enrollment fee as under the Saltonstall plan and when he pays private insurance premium fees.

One of the striking features of the current controversy over medical care for the aged has been the administration's insistence upon financing through social security. Even by so doing, its health insurance plans fall far short of meeting the well-known medical cost needs of those 65 and over. Only from 18 to 30 percent of the average medical costs of the elderly would be covered by the administration-endorsed Anderson-Javits plan.

This is woefully inadequate health insurance for our Nation's senior citizens.

Why then are the benefits not greater? The answer in part is that the costs would be too great and the social security taxes on wage earners and on employers would have to be raised too sharply at one fell swoop.

Since this is the case, why does not the administration agree to finance the costs of a comprehensive medical plan our of general revenues and spread the cost burden among a greater number of our citizens according to their ability to pay?

Why does the administration insist on social security financing even though it hurts the low wage earner the most?

I am advised that 53 percent of the wage earners in America earn less than $5,000 a year. They need every cent for day-to-day living expenses. Why does the administration insist on taking $27.50 from them every year to pay for health insurance for somebody else?

There is another consideration regarding social security financing that is most disturbing. There is grave doubt that the proposed increases of one-fourth of 1 percent on employee and one-fourth of 1 percent on employers, plus raising the amount of taxable wages from $4,800 to $5,200, will yield sufficient revenue to make the administration's medical care program actuarially sound. Is the health insurance trust fund to be in as bad shape as the other social security trust funds? The existing social security fund faces a deficit of $320 billion. This is more than our total national debt incurred mainly in three major wars.

General revenue financing, which is proposed in the Saltonstall plan, spreads the responsibility amoung all the people who are able to pay taxes, in proportion to their ability to pay. The social security approach is practically a sales tax approach. It taxes those at the lowest end of the wage scales—in other words, those least able to pay. Why should only the wage earners pay the cost of health insurance for the aged? If this is a national problem, and it is generally agreed it is, why should not all taxpayers bear the burden?

Social security financing of health insurance for the aged means wage earners under 65 years of age will pay the costs of a medical care program for persons over 65. Meantime, of course, the under-65 wage earner must also pay out of pocket for medical care for himself and his family. Then, when he reaches age 65, he will not receive one cent of his contributions to the health insurance fund unless he becomes ill and is hospitalized. At that, the benefits under the Anderson-Javits social security plan would pay only 18 to 30 percent of average medical costs of the aged. After paying all these years, the wage earner would discover that he would still have to pay 70 to 72 percent of his medical costs after age 65.

Costs under the Saltonstall plan range from an estimated $970 million total for the minimum benefits to $1.190 billion for the maximum, assuming 9 million persons of the 12 million eligible aged participate. Of the $970 million estimated total cost for the minimum benefits, the Federal share would be $420 million. The State share would be $455 million, and enrollment fees of individuals would produce $95 million. Of the $1.190 billion dollar total cost for the maximum benefits, the Federal share would be $520 million; the State share would be $550 million; and enrollment fees of individuals would produce $120 million.

Estimates of first-year costs of Anderson-Javits range from $1.5 to $2.4 billion, which would require increases in the social security taxes on both wage earners and employers. Individual wage earners would pay the tax and then as consumers along with other consumers would pay more for goods and services produced by employers. The social security tax on employers is a direct cost of doing business and would have to be passed on to consumers in higher prices.

Thus, one of the direct effects of the Anderson-Javits social security increase will be to raise prices of things Americans buy. It will also put American products at a greater competitive disadvantage with foreign producers.

In conclusion, among the advantages of the plan I am cosponsoring with Senator SALTONSTALL, I wish to stress the following:

First, it is voluntary.

Second, it is practical, for it builds upon progress already made by mutual and private insurance organizations.

Third, it is keyed to those of the aged who need financial assistance toward adequate health insurance.

Fourth, it does not put undue strain on the Federal Treasury because it provides for State sharing of the costs and for contributions from individuals.

Fifth, it avoids Federal interference with the practice of medicine. The States would set up their separate programs in accord with the wishes of their citizens and States would have primary supervision over the structure and administration of the program.

Sixth, it places the burden of the Federal cost on all American taxpayers—unlike the Anderson-Javits plan, which puts the burden of costs all on the wage earners and employers.

Seventh, it provides benefits suited to the special health needs of the aged: namely, home, outpatient, and nursing-home care. It recognizes that different individuals have different medical-care needs.

Eighth, it conforms to our traditional American way of caring for health problems. It avoids experimentation in a new approach which is untested and untried and which is fraught with potential dangers to our customary private doctor-patient relationship and to our entire medical and health system, which up to now has made very great progress in the battle against disease and illness.

It is risky to embark upon a program which might discourage young people from entering the medical profession, which demands so many years of study and training. We do not have sufficient numbers of doctors and nurses now, under our present system of nongovernment medicine. A compulsory medical-care system financed under social security might worsen the situation. Why should we take that risk; and, particularly, why take it when there is a better remedy at hand; namely, the measure proposed by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL]?

Our hospitals are strained to capacity now. Why embark on a program which emphasizes hospital care, and which can only result in greater strain on our hospitals? Especially, why do it when there is a better remedy at hand?

Even the sponsors of the Anderson-Javits plan admit the benefits of their measure do not begin to meet the needs of our elderly people? They why embark on such an inadequate program, which falls so far short of these needs? Our plan is so far superior in terms of benefits to the Anderson-Javits plan that there is no comparison.

If the Anderson-Javits amendment is adopted, many, many elderly persons will be greatly shocked to learn how little of their total medical bills is covered. They will unquestionably have to protect themselves insurance-wise against major medical and surgical costs which are the bulk of the medical-care costs confronted by our aged.

We believe the Anderson-Javits bill is an inadequate bill. It is an experiment fraught with far-reaching and perhaps undesirable consequences for young and old alike.

As my able colleague from Massachusetts said a few moments ago, there is no dispute as to the need for helping our senior citizens obtain adequate protection against the high costs of illness at a time when their incomes may be limited. There is a need which remains unmet today. The dispute arises as to how best to meet that need.

We all recognize that one of the greatest fears of the elderly is that they will be stricken with a costly illness that may wipe out their savings, rendering them destitute and possibly impoverishing their children, as well. It is a matter of uppermost concern to our senior citizens who are not wealthy; and we must respond.

We are also aware of the amazing advances in medicine over the past two decades, which have served all our people of whatever age. Medical research expenditures have multiplied, producing new medicines and drugs which have saved many lives and conquered many diseases. New equipment has been developed to give finer care for those who are stricken. All these improvements have added to the cost of medical care, in hospitals and clinics and in all fields of medicine.

More and more people have sought protection against these rising costs through private insurance, and the benefits and the coverage of these insurance plans have been greatly liberalized, especially over the past 5 years.

Two years ago Congress recognized the high cost of medical care for our elderly by enacting the Kerr-Mills program to provide Federal and State financial assistance to those persons over 65 who are otherwise self-supporting, but cannot meet the costs of medical care. The somewhat stringent means test in that law, however, leaves a gap—a health-protection-for-the-aged gap.

Today we are trying to devise a method to close that gap. Sponsors and supporters of the Saltonstall voluntary health insurance plan, now before us, believe ours is preferable to the Social Security method of closing the health protection gap for senior citizens of America.

Our plan preserves the dignity and the rights of our senior citizens.

Our plan is not disruptive of our American medical system, which is the finest in the world.

Our plan is reasonable in cost, and spreads the cost burden more equitably.

I urge the Senate to adopt this amendment.

Mr. SALTONSTALL. Mr. President, I yield 15 minutes to the Senator from Vermont [Mr. PROUTY].

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senator from Vermont is recognized for 15 minutes.

Mr. PROUTY. Mr. President, there are now almost 17 million Americans over age 65. More than 44,000 of these citizens are in Vermont. Many of them find it difficult, if not impossible, to obtain adequate medical care, because of inability to pay for it.

As earnings from employment go down, or cease altogether, most persons 65 and over must get along on limited resources. It is sad to note that a very high portion of the aged have incomes which fall far below the threshold of adequacy.

On a nationwide basis, 52.7 percent of our older people receive less than $1,000 a year in cash income; 76.4 percent of our older people have a cash income under $2,000; and 86.4 percent have annual incomes of $3,000 or under.

The median income of aged persons in 1960 was $950. Only 11.8 percent of the men and 1.7 percent of the women received $5,000 or more.

It is one of the tragedies of life that when income is at its lowest level, the incidence of illness is at its highest. The percentage of persons with three or more chronic ailments is more than four times greater for the 65-and-over category than for those below 65. The number of bed disability days a person a year is nearly 100 percent higher for older people than for those for all other age groups.

Added to these unfortunate situations is the fact that the costs of medical care have risen sharply during the past decade. In truth, the percentage rise in the medical-care index was approximately twice that of the overall index.

We have here, then, a problem national in scope and importance. It requires a national solution. It is our responsibility to find one.

The essential question facing the Senate is whether the public interest and the interest of the aged will be better served by the existing law—the Kerr-Mills Act, which perhaps has not been on the statute books long enough to make it possible to determine its efficacy—the Anderson amendment, or the Saltonstall substitute, of which I am a cosponsor.

As each Senator must, I have to ask myself which will do the most for older persons in my State and which program is devised in the most sensible and equitable manner.

The Anderson amendment, because of built-in defects, would do little to provide care for our older citizens in Vermont. The amendment gives the appearance of offering benefits in the way of nursing-home-care services, but the appearance is a mirage. In order for a nursing home to be eligible under the amendment, it would have to be affiliated with a hospital. There are only two—at most three—nursing homes of this type in the entire State of Vermont. The Mary Fletcher Nursing Home has 43 beds, and the Bishop DeGoesbriand Home has 80 beds. Both of these are now operating at approximately 75 percent of capacity.

The Thompson House, which has a tie-in with the Brattleboro Memorial Hospital, has a capacity of 32 beds. It is full at the present time, and there is a waiting list.

The other 189 nursing homes in Vermont would not qualify, even though they provide excellent nursing-home care.

It is only fitting and proper now to ascertain within the limitations I have specified just how much nursing-home care the Anderson amendment would make available to senior citizens in Vermont. We have established the fact that there are only three eligible nursing homes in Vermont. We have also established the fact that the total capacity of the three eligible homes is 155. We have further established the fact that the Brattleboro Thompson House is 100 percent occupied, and that the two Burlington nursing homes have an occupancy rate of approximately 75 percent, or 93 out of 123 beds.

Thus, Mr. President, in the entire State of Vermont, which has 44,000 persons over the age of 65, there are waiting for occupancy only 30 nursing-home beds, and there are eligible for occupancy only 155.

I think it would be well to look at the experience our State government has had to date with nursing-home care. That experience makes it unmistakably clear that the Anderson amendment falls so short of the mark that it would almost be humorous, if human life were not at stake.

I said previously that we have 44,000 persons over the age of 65 in Vermont. Of these, 5,500 are already covered under a State-administered program of nursing-home care for recipients of old-age assistance. Assuming that the health needs of the 38,500 older persons not receiving old-age assistance are similar to those of retired people receiving this assistance, a potential of some 4,000 elderly Vermonters would immediately be eligible for nursing-home care under the Anderson amendment.

So, Mr. President, excluding our old-age-assistance cases, we have about 4,000 older Vermonters who should have nursing-home care now; and the Anderson amendment provides that they can have it at Government expense if they can get in the 155 eligible beds in Vermont or in the 30 eligible nursing-home beds not occupied.

I do not like to play games with the health and happiness of any person, and I think that the Anderson amendment does precisely this with respect to 16 million Americans over age 65. It simply gives them nursing-home care with one hand, and takes it away with the other.

Since the Anderson proposal will be of virtually no help to Vermont in regard to nursing-home care, it is only appropriate to inquire about what it would do in the way of making available hospital care.

We have in the State of Vermont 23 nonprofit general hospitals, with a total of 1,791 beds; and 1 privately operated general hospital, with 24 beds—or a grand total of 24 hospitals and 1,815 beds. In view of the fact that a hospital must, for all practical purposes, be accredited by the Joint Commission on the Accredition of Hospitals, under the terms of the Anderson amendment there would, therefore, automatically be excluded 9 of Vermont's 24 hospitals. So the elderly sick people in many of these communities could expect no help from the Anderson amendment if they went to their local hospital, because the amendment would not pay their institutional room and board bill.

Tragic to say, most of the nine ineligible hospitals are in relatively smaller communities to which elderly rural people look for their hospital services. It has been estimated that among the aged in Vermont, there will be some 2.5 percent hospital confinements a month, or roughly 963 a year. This figure does not include the hospital confinement of persons age 65 and over who are under old-age assistance.

The Anderson amendment would, on the one hand, encourage hospitalization; and, on the other, it would make ineligible for participation 9 out of 24 hospitals and 251 out of 1,815 hospital beds, many of which are in areas of greatest need.

I am not satisfied with this kind of program; and I am sure that thousands of Vermonters will not be, either, when they find that their Government policy is not good at their local hospital.

We have seen, then, Mr. President, that, according to the best data made available to me, only 3 of Vermont's 192 nursing homes would be eligible for participation in the Anderson program, and over one-third of Vermont's hospitals would be ineligible.

I am proud to say that under the Saltonstall amendment, of which I am a cosponsor, all nursing homes and hospitals licensed by the State would be able to help the thousands of elderly citizens of my State who want a good hospital-care program.

To turn to another point, one of my principal objections to the King-Anderson bill was its predominant reliance on inpatient hospital services, rather than on preventive care. Eighty percent of the long-term King-Anderson expenditures were dedicated to such inpatient hospital services. I am even more distressed by the Anderson-Javits amendment, whereby almost 90 percent of its long-term benefit costs would be for hospital services. In the first year, almost 98 percent of the cost would be hospital benefits.

The Saltonstall substitute places the stress where it should be: on preventive care.

If the Federal Government is going to spend a great deal of money, I think it is important that it spend the money to help older people maintain health, instead of simply spending it to cure sickness.

The cooperative-type health plans have demonstrated beyond question that when plans undertake to provide preventive medical care, they succeed in cutting down tremendously hospital utilization. This is important because hospital costs have risen about three times as fast, in the past 30 years, as have medical costs generally; and it is patently clear that the best single way to reduce expenses for medical care is to keep people as healthy as possible and out of hospital beds.

It is very interesting to compare the results achieved by cooperative-type health plans that deal in both medical and hospital services with the results from voluntary plans that simply deal with hospital care.

The facts are absolutely astounding. In 1956, Blue Cross subscribers nationally used an average of 995 days of hospital care per 1,000 persons covered. In Michigan the figure was 1,100 days per 1,000 persons covered. However, members of Group Health Cooperative of Puget Sound used only 562 days of hospitalization per 1,000 members; and at the Group Health Association, of Washington, D.C., the figure was only 546 days. On the average, 10 of each 100 Blue Shield subscribers in New York City are hospitalized each year, compared to only 8 out of 100 subscribers to the direct-service Health Insurance Plan of Greater New York.

In view of these facts, I think it is highly unfortunate that the Anderson amendment places its emphasis on hospital care.

It should be noted, also, that the Saltonstall proposal takes cognizance—but the Anderson one does not—of the fact that the needs of elderly persons vary greatly, according to their health situation, their financial situation, and the availability of institutional facilities. It does this by providing a voluntary plan for medical care for the aged which contains three options, any one of which may be selected by the individual covered. The plan would benefit all persons 65 or over who are not on public assistance and whose income is no more than $3,000 per year, for a single person, or $4,500 per year, for a married couple. It is common knowledge that about 94 percent of persons age 65 and over have a total annual income of less than $5,000. It is within this group that real health-care problems are found. The Rockefellers would not be eligible under the Saltonstall proposal; and why should they be? They would, however, be entitled to help under the Anderson amendment.

Let us look at some of the preventive health services available under the Saltonstall amendment. Under the first option there will be required, as an absolute minimum, program payment for 12 home or office visits with a physician, the first $100 of ambulatory, diagnostic, or X-ray services, and up to 135 days of visiting nurse or other home health care. There is also, under the same option, a minimum hospital and nursing home program; but the first option in the entire Saltonstall approach is one with stress on preventive care, and that will prevent our running the risk of overutilization of hospital and other institutional facilities.

For the individual who is not concerned about the first few dollars of medical-care costs, but who needs to obtain protection against long and serious illness, there is a major medical expense program with a reasonable deductible. This second option provides for an absolute minimum of 120 days of hospitalization, up to a year of full nursing-home service, and all home health-care services. Provision is also made in this option for surgical services up to 80 percent of the cost incurred after the first $250. If the States found it desirable or appropriate, they could reduce the amount of the deductible as they might see fit.

There is still another option which takes into account the sentiments and need of those who wish to choose a private health insurance policy tailored to meet their requirements. Under the third option in the Saltonstall program, an individual could receive 50 percent of his premium expense for a private policy, but the Government contribution would not exceed $60 a year.

We have seen that when a plan does not include preventive health services, hospital utilization jumps tremendously. No one can deny that the Anderson plan will do this; and the most fantastic thing of all is that it will increase utilization at the same time that it makes ineligible great numbers of nursing homes and hospitals.

In contrast, the Saltonstall proposal will take advantage of all hospital and nursing-home facilities recognized as adequate by State law, and will guard against overuse of these facilities, by helping people to stay healthy, rather than by simply curing their sickness.

Of all the health-care proposals, the Saltonstall measure offers the wisest approach to the health needs of persons over age 65. It builds upon the foundation already laid by nonprofit and commercial insurance organizations. It allows each individual to select the option most in keeping with his own needs. It does not interfere, as the Anderson amendment does, with the standards that have been set by the States for their hospital and nursing homes. It requires cooperation between the Federal Government and the States, and only token contributions from policyholders.

Last of all—although this is one of the most important points of all—it will be financed in the soundest and most equitable manner—out of general revenues which are derived from taxpayers according to their ability to pay.

The medical-care program under the Anderson amendment would accelerate a dangerous trend which is placing a disproportionate tax burden on younger workers and is making more tenuous the relationship of tax contributions to benefits received.

Although few persons stop to think about it, the tax which would support the Anderson program would be steeply regressive. The heaviest tax burden would be placed on those least able to bear it.

In addition, it is inequitable and economically unsound to finance this program, which is national in scope and concern, from a regressive tax imposed only upon a limited segment of the economy—its working men and women.

Within recent years there has been a trend of liberalization of the old-age survivors and disability insurance system which will have the effect of greatly increasing the ratio of taxes paid to benefits received for our younger workers. The Anderson medical-care plan would not only continue this trend, but would aggravate it.

An actuarial study released by the Social Security Administration has estimated that workers over age 20 in 1958—the present members of the system—and their employers will pay, as a class, only about 42 percent—21 percent each—of the value of their benefits. On the other hand, workers who were under age 20—the so-called new entrants—and their employers will pay 169 percent—84.5 percent each—of the value of their benefits. The disparity would be much more marked, of course, if aged workers were compared to the new entrant class. Moreover, these figures do not reflect the liberalizations enacted by the 1958 and 1960 social security amendments.

It should be clearly understood that under the Anderson plan there would be no relationship between the individual's tax payment and the medical benefits he would receive or between his former earning capacity and the benefits he would receive. Moreover, there would be no relationship between the medical benefits received and the individual's need for them. A man could receive full benefits under the Anderson medical program even though he was independently wealthy, and even though he was continuing to work and to earn at his normal rate.

An increase in the regressive social security tax would place an even heavier burden on the low-income family. Such a method of taxation may be justifiable when there is a direct relationship between tax contributions and benefits payable; but it is inappropriate, and often inequitable, when applied to a benefit scheme, such as that presented in the Anderson program.

The Tax Foundation has recently concluded a study, the purpose of which was to determine the relative tax burden borne by families in various income classes. The results confirm what already was obvious: The taxes levied to support social insurance programs are the most regressive class of taxes presently imposed by the Federal, State, or local governments.

In 1958, every family with an income under $2,000 paid over 6 percent of that income to support the Federal Government's "social insurance" programs—principally social security. This is more than twice the rate paid by families with incomes between $8,000 and $10,000, and five times the rate paid by families with incomes of $15,000 or more. A table, prepared by the Tax Foundation, illustrates graphically that these social insurance taxes are far more regressive than the much maligned sales and excise taxes levied by the Federal and State and local governments.

These facts cannot be answered by the assertion that the absolute size of social insurance taxes is small. In 1958 the Federal social insurance levies accounted for almost 40 percent of the total tax burden on families with incomes under $2,000, and more than 20 percent of all the taxes, State, Federal and local, which such families paid. Moreover, the social insurance levies have the effect of unbalancing the whole tax burden, with much higher rates for those with incomes in excess of $15,000. However, the social insurance taxes tipped the scales so that families with incomes of less than $2,000 paid a higher total rate of taxes than that paid by any other class of families, except those with incomes of $15,000 or more.

Furthermore, the number of persons affected is large. In 1957, more than 12 million families and unattached individuals had incomes of $2,000 or less. Three-fourths of those were under age 65.

Moreover, I am not at all sure that all of the American people—including those who are in favor of the new medical-care program—are aware of the tax increases scheduled in the social security law which are necessary to finance the program we already have. We should keep in mind the fact that we are already committed to a 50 percent increase in the social security payroll taxes by 1969, even if we make no further liberalizations. If the Anderson proposal were accepted by Congress, the ultimate tax rate in 1969 would be nearly double the present rate. Right now, an employee making $2,000 a year pays a social security tax of $60. By 1969, he will be paying $90, even if there are no liberalizations. If the Anderson bill became law, that worker would probably be paying close to $110.

On the basis of the facts I have already given, it seems to me that the social security method of financing medical care for the aged would be both inequitable and economically unsound, and cannot be justified on the basis of a return commensurate with the burden.

We have a social security system because there is a great need for it. As a class, the aged have found it difficult or impossible to provide for their security in old age. The object of the social security system is to replace some of the wages lost because of old age, disability, or death. The object is to provide income maintenance for a group which otherwise would have insufficient income to assure a decent and dignified existence. However, the problem of low income is not restricted to persons over 65. Indeed, as I have mentioned, in 1957 about three-fourths of the families and unattached persons with incomes under

$2,000 were composed of younger workers and their families. Under the existing financing arrangement, these younger workers with low incomes are the ones who must bear the heaviest social security tax burden. What sense or equity is there in increasing this burden? What sense does it make to take from one low-income group and give to another? I can see none. These younger workers with low incomes not only bear a disproportionate part of the burden of supporting the aged, but they must also find somewhere the resources with which to feed, clothe, and house their families. Moreover, they must educate their children, of whom there are several million. This must be done from income, which, according to the Bureau of Labor Statistics, would not be sufficient by half to maintain a family of four on an adequate standard of living.

Even if social security financing were not regressive, it would still be objectionable as a means of financing medical care for the aged, because it is imposed only on workers and their employers. Assuring adequate medical care for the aged is an obligation which ought to rest on the whole economy, not just on the workers.

At the present time, the issues of underemployment and national growth are much before the public. I think we should not blind ourselves to the possible adverse effects of steadily increasing social security taxes. When social security was inaugurated, the idea was to provide a basic "floor" of protection. Taxes were to be small, so that the individual would be able to retain at least a part of his freedom to save and invest as he saw fit. If the President's medical care and other proposals are accepted, we shall be heading toward a level equal to about 10 percent of the present taxable payroll, if not more.

A further question is whether steeply increasing social security taxes on employers, who pay about half of the cost, would constitute a barrier to the employment of additional workers. It is worth noting that in Great Britain, a tax similar in effect is levied, with the avowed purpose of discouraging the use of labor manpower. At the present time we are looking for ways to find more jobs, not fewer jobs. But even if we were not now experiencing what is called a recession, we should realize that social security tax rates are intended to be permanent, and that the future may hold similar fluctuations in business activity.

Our society has progressed to the point where we can no longer tolerate a lack of adequate medical care for the senior citizen. We can, and must, find a way to make up for this lack. Likewise, there are in our population other groups who have not had an equal share in the products of our affluent society. Our obligation to these other groups is no less than our obligation to the retired workers.

Even if the Anderson medical-care plan would solve the medical problems of the aged, it would do so at the cost of heaping even heavier burdens on other groups who are in no better economic straits than are the aged. The largest single source of general revenue is the progressive tax on personal income. The progressive income tax places the heaviest burdens on those best able to bear them. It excuses from paying income taxes many of the families with incomes under $2,000 per year, because it is recognized that to reduce their disposable income would be to reduce their ability to purchase the necessities of life. It seems to me that any Federal medical program for the relief of the aged must be financed out of Federal general revenue. Otherwise, we would be creating as many inequities as the ones we would eliminate.

The defenders of a payroll-tax method of financing medical care argue that even with its regressive features, it would be preferable to the general-revenue approach, because it would make the people cost-conscious. I maintain that the effect would be the opposite. The people and the Congress are being misled by talk of prepaid medical insurance and contributions. We have been conditioned to ignore the regressive characteristics, by talk of benefits earned or related in some manner to contributions. It is time that we wake up to the fact that expenditures for a medical-care program under social security would be no different from Government expenditures for any other welfare program, and that they should be evaluated in the same way.

In summary, then, Mr. President, I believe the Saltonstall amendment is far superior to the Anderson program.

The Saltonstall amendment builds upon the progress made by commercial and nonprofit insurers. The Anderson amendment makes only an empty gesture in this direction.

The Saltonstall amendment allows the individual to choose what is best for him from among three options. The Anderson proposal offers basically only one package.

The Saltonstall amendment emphasizes the maintenance of health, as well as the curing of illness; but the Anderson amendment touches only the latter, and does so in an ineffective manner.

The Saltonstall amendment would make full use of the wonderful hospitals and nursing homes we have throughout the country. The Anderson amendment would impose arbitrary standards, and in some States, such as Vermont, would declare ineligible for participation virtually every nursing home in a State.

Last of all, the Saltonstall amendment recognizes the great contributions which our senior citizens have made to this country, and imposes upon all taxpayers, according to their ability to pay, the obligation to provide decent health services. The Anderson amendment keeps the heaviest financial burden upon the low-income and middle-income workers, and lets off virtually scot free the millionaire and multimillionaire class.

For these reasons, I give my wholehearted support to the Saltonstall amendment, which is preferable in almost every way to the Anderson program.

Mr. SALTONSTALL. Mr. President, the Senator from Pennsylvania is on his way to the Chamber and will speak briefly on my side of this question.

If the Senator from New Mexico would like to speak at this time, it may be convenient for him to do so.

Mr. ANDERSON. Mr. President, I shall make a few remarks at this time.

One of the first things to which I want to invite attention to is the statement made by the Senator from Hawaii [Mr. FONG], which I find on page 13 of his prepared text:

> The existing social security fund faces a deficit of $320 billion.

I wish to deal with that question, because I think it would be too bad if over the country there should be that impression when people are paying into the social security fund and wondering if their money is reasonably well managed.

The question has has arisen, Is the social security system sound?

The answer is, "Yes." There are $20 billion in the old age and survivors insurance fund, and $2 billion in the disability fund. The OASI fund is expected to increase very sharply, reaching $79 billion in the year 1980. Under the long-range estimates, it is estimated that by the year 2000 the fund will reach $137 billion.

Social security financing is scrutinized by the Congress and checked by the executive branch of the Government.

The most recent advisory council on social security financing made a review of this question in 1959. It was composed of distinguished economists, private insurance actuaries, bankers, financial counselors and representatives of insurance and labor.

The finding in 1959 was that the "present method of financing the old-age, survivors, and disability insurance program is sound," and "based on the best available cost estimates, that the contribution schedule enacted into law in the last session of Congress makes adequate provisions for financing the program on a sound actuarial basis."

That report was submitted by a very fine group of persons.

In addition, I wish to quote a very interesting comment by Mr. R. A. Hohaus, senior vice president and chief actuary of the Metropolitan Life Insurance Co. He said:

> This financing method has proven sound because Government has been alert to the need for constant vigilance, due to the very nature of social insurance itself and the dynamic character of our society and our economy.

The reports I have given the Senate were interesting, but the Committee on Finance of the Senate, in its report on the social security amendments of 1961, also had some comment on it. By the way, that is Report No. 425, 87th Congress, 1st session:

> It can reasonably be presumed that a social insurance system under Government auspices will continue indefinitely into the future. The test of financial soundness is not then a question of whether there are sufficient funds on hand to pay off all accrued liabilities. Rather the test is whether the expected future income from taxes and from interest on invested assets will be sufficient to meet anticipated expenditures for benefits and administrative costs. The concept of "unfunded accrued liability" does

> not have the same significance for a social insurance system as it does for a plan established under private insurance principles, and it is quite proper to count both on receiving contributions from new entrants to the system in the future and on paying benefits to this group.

Finally it said:

> The intent that the system be self-supporting (or actuarially sound) can be expressed in law by a contribution schedule that, according to the intermediate cost estimate, results in the system being substantially in balance.

That was signed by a very interesting group of members of the Finance Committee. I submit that their judgment was pretty good.

Mr. President, the distinguished and able Senator from Massachusetts and his colleagues have offered a proposal aimed at the solution of a problem that deeply concerns us all—the problem of the high health care costs of the aged. Under the Senator's proposal the Federal Government would share in the costs of State programs designed to furnish health benefits to aged persons of limited income. The aged person would pay an enrollment fee related to his income and would have a choice of long-term or short-term benefits under a State plan or payment toward an approved health insurance policy.

I respect the sincere concern of the Senator from Massachusetts about the problems aged persons face in paying for needed health care. But I believe Senators should consider carefully whether enacting a program such as that proposed by the Senator would be a realistic solution of the problem. We have on the statute books now the medical assistance legislation of 1960 which bears many similarities to the Senator's proposal. It is, as we know, a generous law. It authorizes the States to establish programs of medical assistance for the aged which could, if the States so desired, provide practically all of the benefits that would be provided under the Senator's proposal. Under this 1960 legislation, the income test that an aged person must meet in order to be eligible for health benefits could be every bit as liberal as in the Senator's proposal.

But Senators know what has happened under this legislation. Only about half of the States have taken the opportunity to establish new programs of medical assistance for the aged, and most of those which have programs in effect sharply restrict the scope of benefits provided. Only three States have plans in operation which meet the Department of Health, Education, and Welfare's definition of a comprehensive medical care program. Moreover, most of the income tests under State medical assistance programs severely limit the number of aged persons who can participate. In some instances the income limits tend to be more rigid than the tests for old-age assistance. Moreover, almost 90 percent of all medical assistance for the aged payments are made in four of the wealthiest States.

The experience under the medical assistance legislation demonstrates, I believe, that a proposal such as the Senator's is inadequate as the primary means of financing costs of health care for the aged. The simple fact is that many States simply do not have available to them the funds required to set up adequate medical assistance programs. They are unable to do so even under existing law where the Federal Government pays 50 to 80 percent of the costs. How then could they be expected to set up still another program such as the Senator proposes under which the Federal share would be only 33⅓ to 66⅔ percent?

I emphasize that I do not oppose the Kerr-Mills legislation. I supported it in committee. I supported it on the floor of the Senate. The Federal-State programs employing income tests or means tests are needed and will be with us for many years. But I believe that basic health insurance for the aged should be furnished through the social security system.

Many persons have said that my amendment is compulsory. All taxes are compulsory, whether people pay income taxes or into the social security system. It is said that financing through general revenues will be easier on the working classes. If the funds come from the general revenues, they would be taken from income taxes, where there is a sliding scale. The people know that, and they still want health insurance under social security in order that they may have these benefits as a matter of right. No amount of talking will persuade them otherwise.

The coverage of physicians' services has been a hot issue in many parts of the world, particularly in Canada at the present time, and it is left out of the Anderson amendment. It is a pretty warm issue. I do not believe the Senate wants to deal with it now. The same benefits provided under the Saltonstall proposal can be provided under the medical assistance for the aged program, and the Federal Government will pay 50 to 80 percent. Why should a State go to this new program when it gets 50 to 80 percent under present law and would get only 33⅓ to 66⅔ under the Senator's proposal?

The Gallup polls have been mentioned. It is an interesting subject.

The results of three Gallup polls dealing with the public's attitude toward financing the health care of the aged have been published since June 1961. In the first poll, respondents were asked if they would favor or oppose a social security tax increase to pay for old-age medical insurance. The results showed 77 percent favored this kind of measure and 26 percent were opposed.

In April and again in June of this year the public's attitude on the subject was surveyed again, but the question was posed in an altogether different manner. The respondents were told that two different "plans" were being discussed in Washington for meeting hospital costs for older persons and then they were asked to express a preference between the two. "One plan," it was stated, "would let each individual decide whether to join Blue Cross or buy some form of voluntary health insurance. The other plan would cover persons on social security and would be paid by increasing the social security tax deducted from paychecks." It is impossible for anyone to determine what this first "voluntary plan" means. Of course, right now aged people can join Blue Cross or buy private insurance, but few can afford the high cost of adequate insurance. But since it was described as a "plan," it suggests that something new will be offered, and since there is no mention of financing, many respondents no doubt jumped to the conclusion that some miraculous health insurance plan had been developed that the elderly could afford without help from Government or increased taxes.

Considering the two alternatives, it is indeed remarkable that such a high proportion voted for social security. In the April and June surveys, 55 and 48 percent, respectively, voted for the social security plan as opposed to 34 and 41 percent, respectively, for the voluntary plan. But since the first alternative was so vague, the results of the two surveys cannot be said to indicate any trend, so far as I can see.

Much of the appeal which the social security program has for Americans is attributable to the fact that benefits are paid regardless of savings, pensions, investments and the like. The success of the program in preventing dependency among the older people, the disabled, and the survivors of deceased workers, is attributable to the fact that the benefits are payable without regard to any other resources that people may have. This approach enables people to supplement their basic protection afforded by the social security program with benefits under employer pension plans and whatever additional protection they can afford. It encourages them to save and to plan for their old age, so that they can expect to live their remaining years with dignity and self-respect.

I could go on at length on this question. I do not intend to do so. I only say that the program being considered is one which we have considered in the past and which has been rejected. I am sure it was rejected with sound judgment on the part of the Senate. I hope it will be rejected again.

Mr. SALTONSTALL. Mr. President, I yield 10 minutes to the Senator from Pennsylvania [Mr. Scott].

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. Scott] is recognized for 10 minutes.

Mr. SCOTT. Mr. President, the mythological Procrustes was a tidy man. Believing that his overnight guests should fit exactly into the spare bed in the guestroom, he took it upon himself to tailor the guest accordingly.

Those too short were stretched upon the rack until they were long enough. Those too tall were shortened through the simple expedient of amputating an appropriate length of the offending legs.

Uniformity was thus achieved—not enjoyably for the guest, perhaps. But Procrustes felt that the big thing in life was to find simple solutions.

I have heard the arguments which have accompanied the introduction of the Anderson and subsequent amendments, from which I have been able to draw two general conclusions:

First, every Senator believes—as I do—that the problem besetting our elder citizens of how to finance the cost of their health care, needs to be solved. We differ in terms of the means we should adopt—not the ends we are seeking.

Second, we drift easily into the error of considering the aged as a homogeneous group, all with just the same sort of problems. Upon consideration, I think we all realize that this is not true: that our older population has not a uniform need for help either in terms of health care or the means with which to pay for it.

Bearing this in mind, let us beware of Procrustean solutions.

Yet, are not the Anderson amendments Procrustean in their approach? I suggest that they are, Mr. President. The able junior Senator from New Mexico proceeds from the mistaken premise that the very fact of having attained an arbitrary age is proof of universal need. He argues that his own proposed package of benefits is suited to the uniform health requirements of better than 17 million people. He suggests that one master plan—a Federal plan—offers the best solution.

I ask my friend if his proposal does not share some of the drawbacks inherent in Procrustes' solution?

The problem of financing adequate health care has concerned me for many years, Mr. President. In fact, I sponsored a National Health Act as an alternative to the Ewing health plan when I was a Member of the House of Representatives. It may interest the Senators to know that this proposal was backed by the senior Senator from New York [Mr. JAVITS] and cosponsored by the Senator from New Jersey [Mr. CASE] and the Senator from Kentucky [Mr. MORTON] who were also Members of the House in 1949; and by former Vice President Nixon, then a House Member.

Our measure rested upon the common conviction that Federal and State resources were required; that membership should be made available in voluntary prepayment plans for everyone, regardless of age or financial condition; and that the beneficiary's income should determine the degree to which Government funds would be used in meeting premium costs. Even then, we believed that the benefits to be provided should be broader than institutional care, flexible enough to fit the individual's particular requirements, and extensive enough to cushion those covered against the shock of catastrophic illness.

It seems to me that these criteria are still valid and should be invoked in our search for the means whereby we can best help the aged meet the costs of their health care.

It is for this reason that I support the Saltonstall amendments.

As the Senators know, the amendments offer three options.

First, there is the basic option—a first-dollar program covering up to 21 days of inpatient hospital services in any one enrollment year; an alternative of skilled nursing home services up to 63 days; 12 home or office visits by a physician; the first $100 of ambulatory diagnostic laboratory and X-ray services; 24 days of organized home health care services; and any additional health or medical services an individual State might elect to provide.

Second, there is an option designed to protect the person whose circumstances are such that first-dollar coverage is of less importance.

Under this phase of the amendments, the individual may elect to subscribe to a plan covering the major portion of a long-term or catastrophic illness. The beneficiary would pay 20 percent of the cost after a deductible of $175 for a single person, or $300 for a couple. In return he would be eligible to receive 120 days of inpatient hospital care; inpatient surgical costs; skilled nursing home services; and any of a number of other services elected by the individual State.

The third option provides that a covered individual over 65 who does not enroll in a State-administered medical plan could receive half of his premium expenses for a private health insurance policy approved by the State, this amount not to exceed $60 a year.

Instead of flatly assuming that every person over 65 is medically indigent, the Saltonstall amendments base eligibility on a realistic but generous income qualification—$3,000 a year or less for an unmarried person, $4,500 a year for a couple.

Instead of imposing a regressive tax on those least able to pay for it—the young, productive worker of modest means—the amendments propose to meet the program's cost through general revenues.

Instead of offering a rigid package of benefits, the amendments provide flexibility in every direction.

Instead of using the insurance companies as disbursing agents, the amendments include an option under which the insurance company would act as the insurer.

Instead of orienting health care to institutions—medically unsound to begin with and certain to cause overuse and wasteful abuse—the Saltonstall amendments contain the necessary alternatives to institutional care.

Instead of federally regulated health care, the amendments would allow the individual States to tailor their programs to fit the problem.

Instead of thrusting aside the Kerr-Mills law as a failure, the amendments would change and supplement the general health laws and give Kerr-Mills a chance to prove it will work if given a fair trial. Presently, some States have been sabotaging the administration of the Kerr-Mills Act, to advance the political push behind the King-Anderson bill.

Further, Mr. President, the Saltonstall amendments do not propose a revolutionary, irreversible plan susceptible to mushroom growth and bureaucratic waste. Not only do they meet the test of fiscal responsibility, but also they would preserve for the States their traditional right to care for their own in the way their experience has proved best.

In summation, I ask the Senators to consider whether or not a more flexible program of benefits could be made available, or whether any other measure seeking to provide health care for the aged includes—as this amendment does—an emphasis on preventive care.

I urge that the Members of this body support the Saltonstall amendments for the reasons I have given and for the reasons advanced by the sponsor of the amendment.

Let us, Mr. President, tailor our legislation to fit the needs of the aged. Let us not, in haste or under the pressures of political expediency, fall into the Procrustean error of distorting the problems of the aged to fit the rigid confines of the administration proposal.

I am for medical care for those who need it. I prefer to support a genuine bill which provides for medical as well as hospital care. The amendments are geared to meet the actual needs of those over 65 years and will not result in a system which heavily taxes all, regardless of need, for hospital services administered less ably and competently than they presently are, by indifferent Government employees, with no personal interest in the problems of the patients.

Mr. President, I yield back the remainder of my time.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from New York [Mr. JAVITS] is recognized for 5 minutes.

Mr. JAVITS. Mr. President, it is not often that a Senator takes the floor when amendments are offered, as the amendments are offered, which were his own creation, and finds himself in a different position from the one he was in when the proposal was first developed, as this was, in August of 1961.

I am very grateful to my colleagues for the delicacy with which they have treated me in this connection. I also wish to say to my colleague from Massachusetts especially, and to others who have joined him in this proposal as a substitute, that they have helped to bring us to the pass in which we are now.

They have helped to make a major advance in respect to the proposal which I hope will become a statute on the books. For example, had I not had the necessary support for extending any health care idea to all persons over 65, whether or not on social security, which was represented by the overwhelming vote on the Republican side of the aisle in 1960, I do not believe that, with the best will in the world, the Senator from New Mexico [Mr. ANDERSON] could have swung his legions over to that idea. So already something has been accomplished.

I believe also that the opening of the door in respect of some option to admit the private enterprise system can be very heavily attributable to the kind of solid support which that measure has had on this side of the aisle. So I think that no matter what has happened, a real contribution has been made.

We ought to consider the points with respect to which we are together. First, we are together on the fact that we want universal coverage. That is being accomplished. Everyone now agrees to that.

Second, we are together on the fact that we want a trust fund. That is being accomplished. Everyone agrees.

Third, we are together on State administration. Everyone agrees to that now.

Fourth, we are together on the question of opening the program to private enterprise to some extent, which we all agree upon. Such a provision will be incorporated in whatever plan may prevail.

Where we have parted company is essentially in the method of financing and in the income test. As to an income test, it represents a compromise with the existence of the Kerr-Mills Act. The Kerr-Mills Act is the fundamental income test measure. I therefore believe it would be incompatible now to have a health plan of any kind, whether it was the measure of the distinguished Senator from Massachusetts [Mr. SALTONSTALL], the measure of the distinguished Senator from New Mexico [Mr. ANDERSON] and myself, or anyone else's, which is constructed on yet another income test.

We have one income test, which is pretty much at the discretion of the States, as the Senator from New Mexico has said. Therefore, I think whatever we now do must be relieved of the idea of an income test. We have been through that subject. We must now be thinking of some other kind of health care legislation. The most critical element is the method of financing.

That point brings me to the only reason I have taken the floor. I am most regrettably compelled to vote against the Saltonstall substitute. I appreciate the many fine arguments made in support of the amendment. Some I have had the privilege of acknowledging myself. I shall be compelled to vote against the amendment for the fundamental reason that I am convinced by the lapse of time that the people who will be paying the bill under the social security tax really want to pay it. That is a fundamental point which I think my colleagues must understand as to my thinking.

I am intellectually convinced with the sixth sense of a politician—I have no proof, no Gallup poll—that people want to pay the tax. They want the dignity and substantiality which payment of the tax would bring for them in the future.

Under those circumstances I think we cannot help but say, "All right; if that is it, then let it be pay as you go."

No matter how we slice the general revenue approach it would take a considerable amount out of the Federal Treasury, whether the plan might be the plan of the Senator from Massachusetts [Mr. SALTONSTALL], which has a minimum price tag of roughly $500 million, or my plan of 1960, which had a minimum price tag of roughly $600 million or $650 million. Those amounts would come out of the general Federal Treasury.

I am convinced that citizens want to pay the tax. I think we ought to let them pay it, especially as the plan would be protected by the options and other provisions which would prevent the plan from becoming a bureaucratic monstrosity.

Finally I say to my dear friends and colleagues that I am convinced that no other measure would pass. There is not a chance that one could pass.

We hear remarks about there not being any chance of the measure becoming law because of the action of the other body. We can worry about that point if we can get the measure through the Senate. We know that if we did not have a social security plan, we would not have the support of the administration. We would not have the support of the powerful voting bloc on the other side of the aisle.

In August of 1960 it was demonstrated that we could not do without that support. We would then have nothing. That is the point at which every Senator, in his own heart and conscience, must make his decision. We can either vote for the best thing we want to vote for and then walk away from the situation and say, "I have done the best I can and that is as far as I can go," or we can bow our heads slightly, which is what I am doing in order to get what I think is the best chance for a law. Representing 17 million people in the State of New York, I believe in good conscience that it is my duty to modify somewhat my views, which I hold sincerely and deeply, to seek a law to provide medical care for people over the age of 65.

Whatever may be the decision of other Senators, which I respect and honor, it is not enough for me to say, "I voted for the best plan I could."

I am sorry if it cannot be done that way. It cannot be done. That is not the prescription for me. In my opinion, the aged need medical care under some system, and the proposed measure is the only way I can see that squares with my conscience to secure the passage of a law on the subject.

Finally, I point out that the proposal is in a pretty good Republican tradition. As I recall, none other than Senator Taft himself came to the same conclusion with respect to Federal aid to education after going through much the same process I have gone through in the past couple of years.

Though Senator Taft has been hailed as "Mr. Republican" with the belief that such a title represents a conservative point of view, I hail him as Senator Taft who had enough courage and wisdom to change his views when it was necessary to achieve a great national objective, which is what I have to do in the present case.

I honor my colleagues, and appreciate greatly the time yielded to me by the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I yield myself 2 minutes in order to summarize.

My substitute amendment for the Anderson amendment would provide a voluntary program rather than one based upon the compulsory social security financing. It would involve Federal-State matching funds and State administration. It would offer benefits to meet more specific needs than what the Anderson substitute provides for an aged participant. It would require some participation on the part of the individual participating in the program.

One point that appeals to me especially is that the plan would provide for appropriations, and would not be based upon social security. Therefore, the Congress could exercise more control over it, since Congress would have the measure before it each year to determine what it should do and how it should carry on. That is highly essential.

Essentially, our substitute amendment would provide greater benefits than the Kerr-Mills plan, which is already law. I believe it would modify the Kerr-Mills bill in helpful ways. I hope that the amendment may be substituted.

Mr. President, I am prepared to yield back the remainder of my time if the Senator from New Mexico is likewise prepared to yield back the remainder of his time.

Mr. ANDERSON. Mr. President, if a quorum call can be arranged, I will yield back the remainder of my time.

Mr. SALTONSTALL. Mr. President, I yield back the remainder of my time.

Mr. ANDERSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendments of the Senator from Massachusetts [Mr. SALTONSTALL] in the nature of a substitute for the amendments of the Senator from New Mexico [Mr. ANDERSON]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Florida [Mr. SMATHERS], the Senator from Ohio [Mr. YOUNG], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I further announce that the Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Washington [Mr. MAGNUSON], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from Kansas [Mr. Pearson] are necessarily absent.

The Senator from Texas [Mr. Tower] is absent on official business.

The Senator from South Dakota [Mr. Bottum] is detained on official business, and his pair has been previously announced.

If present and voting, the Senator from Utah [Mr. Bennett] would vote "yea."

Mr. KEATING (after having voted in the negative). On this vote I have a pair with the distinguished Senator from South Dakota [Mr. Bottum]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore I withhold my vote.

The result was announced—yeas 34, nays 50, as follows:

[No. 118 Leg.]

YEAS—34

Aiken
Allott
Beall
Boggs
Bush
Butler
Capehart
Carlson
Cotton
Curtis
Dirksen
Dworshak
Ervin
Fong
Goldwater
Hickenlooper
Hill
Hruska
Jordan
Kerr
Long, La.
Miller
Morton
Mundt
Murphy
Prouty
Robertson
Saltonstall
Scott
Smith, Maine
Thurmond
Wiley
Williams, Del.
Young, N. Dak.

NAYS—50

Anderson
Bartlett
Bible
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carroll
Case
Clark
Cooper
Dodd
Douglas
Ellender
Engle
Gore
Gruening
Hart
Hartke
Hickey
Holland
Humphrey
Jackson
Javits
Johnston
Kefauver
Kuchel
Long, Mo.
Long, Hawaii
Mansfield
McCarthy
McGee
McNamara
Metcalf
Monroney
Morse
Moss
Muskie
Neuberger
Pastore
Pell
Proxmire
Randolph
Russell
Smith, Mass.
Stennis
Symington
Talmadge
Williams, N.J.
Yarborough

NOT VOTING—16

Bennett
Bottum
Chavez
Church
Eastland
Fulbright
Hayden
Keating
Lausche
Magnuson
McClellan
Pearson
Smathers
Sparkman
Tower
Young, Ohio

So the amendments of Mr. Saltonstall and other Senators, in the nature of a substitute for the Anderson amendments, were rejected.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendments were rejected.

Mr. ANDERSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, I should like to inquire of the distinguished majority leader whether this is the final action for the day, what is likely to transpire tomorrow, and what will be the first order of business to be laid before the Senate.

Mr. MANSFIELD. Mr. President, in response to the question asked by the minority leader, let me say that there will be no further votes tonight.

I understand that the distinguished Senator from Connecticut [Mr. Bush] will offer his amendment in the nature of a substitute, which will be the pending question at the conclusion of morning business tomorrow.

Mr. DIRKSEN. Mr. President, in view of the progress made thus far, I should like to ask the majority leader about the possibility of a Saturday session.

Mr. MANSFIELD. Mr. President, it is not anticipated at this time that there will be a Saturday session. It is hoped, however, that tomorrow other amendments may be disposed of, in addition to the Bush substitute. I do not know whether there will be any rollcall votes tomorrow; but Senators should be prepared, in case there are some.

Mr. DIRKSEN. I should also like to ask the distinguished majority leader whether, if there were a hiatus, the appropriation bill for the Department of Health, Education, and Welfare might be called up before Tuesday, when the Senate will vote on the Anderson amendments.

Mr. MANSFIELD. If there were a long enough hiatus, that would be a possibility for Monday.

Mr. DIRKSEN. But not a real possibility, I assume.

Mr. MANSFIELD. A slight possibility.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session tonight, it adjourn until 12 o'clock noon, tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. BUSH. Mr. President, will the Senator from Montana yield, so that I may offer my amendment?

Mr. MANSFIELD. I yield.

Mr. BUSH. Mr. President, I offer my amendment identified as "7–9–62—O," and ask that it be stated.

The legislative clerk read as follows:

On page 1, line 4, of the bill strike out "Public Welfare Amendments of 1962" and insert in lieu thereof "Public Welfare and Health Insurance Amendments of 1962".

On page 100, line 16, of the bill strike out "II" and insert in lieu thereof "III".

On page 100, line 18, of the bill strike out "201" and insert in lieu thereof "301".

On page 100, line 23, of the bill strike out "202" and insert in lieu thereof "302".

On page 100, between lines 15 and 16, of the bill insert the following:

"TITLE II—HEALTH INSURANCE PROTECTION SUPPLEMENT

"Short title

"Sec. 201. This title may be cited as the 'Health Insurance Protection Supplement Act of 1962'.

"Findings and declaration of purpose

"Sec. 202. (a) The Congress hereby finds and declares that (1) the heavy costs of health care in some cases threaten the financial security of aged individuals who are beneficiaries of the insurance system established by title II of the Social Security Act, (2) while an increasing percentage of such individuals can and do qualify and pay for voluntary health care insurance, others cannot afford much insurance, (3) many of such individuals are, accordingly, forced to apply for private or public aid, thereby aggravating the financial difficulties of private and public welfare agencies and the burdens on the general revenues, (4) voluntary health care insurance in its many forms has exhibited an ever-increasing ability to meet the health care needs of those elderly individuals who can afford to pay the premiums therefor, (5) both voluntary health care insurance and the voluntary system of providing health care in the United States should be encouraged and not crippled, (6) Federal and State revenues from income and premium taxes on carriers of such insurance and on the providers of health care should be supported and not diminished, and (7) it is in the interest of the general welfare that financial burdens resulting from health care services required by elderly individuals who are beneficiaries of the insurance system established by title II of the Social Security Act be met by channeling any Federal funds through voluntary mechanisms, leaving to State and local programs (such as the medical assistance for the aged programs established pursuant to title I of the Social Security Act) the responsibility of providing otherwise unmet needs for health care services on the part of individuals not covered by such insurance system.

"(b) Therefore it is the purpose of this title to provide to elderly recipients of benefits under title II of the Social Security Act an additional cash benefit of up to $9 per month for the sole purpose of reimbursing them for expenses incurred by them in paying the premium costs of such voluntary health care insurance as they may desire to subscribe to; to preserve State regulation of insurance as provided by the so-called McCarran Act (Public Law 15, Seventy-ninth Congress, approved March 9, 1945) by properly leaving to the States the control of health care insurance contracts the payment of the premiums of which are reimbursable under the provisions of this title; and to encourage the continued phenomenal development of the unique United States system of voluntary health care and health insurance.

"Amendments to the Social Security Act

"Sec. 203. The Social Security Act is amended by adding after title XVI the following new title:

" 'TITLE XVII—HEALTH INSURANCE PROTECTION SUPPLEMENT

" 'Definitions

" 'Sec. 1701. For purposes of this title—

" 'Health Insurance Protection

" '(a) The term "health insurance protection" means an enforceable contract (i) which is with a carrier (as defined in subsection (c)) under which the carrier agrees to provide, pay for, or reimburse the cost of, health care services, and (ii) which is guaranteed renewable or noncancellable and under the terms of which the premium rates cannot be changed with respect to any individual unless such rates are uniformly changed with respect to all other individuals in the same class or category as such individual;

" 'Health Care Expense

" '(b) The term "health care expense" means part or all of the cost of any of the items listed in section 6(b) of title I; and

" 'Carrier

" '(c) The term "carrier" means a voluntary association, corporation, partnership, or other nongovernmental organization—

"'(1) which is subject to the jurisdiction of the official or agency established by State law for the purpose of regulating and supervising carriers of insurance which offer policies of health care insurance operating within the State, reviewing and approving the form and content of such policies, and examining and approving the reasonableness of the benefits provided thereunder in relation to the amount of the premium charges therefor; and

"'(2) which is lawfully engaged in providing, paying for, or reimbursing the cost of, health care services under individual or group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the carrier, including a health benefits plan duly sponsored or underwritten by an employee organization.

"'Entitlement to benefits

"'Sec. 1702. (a) Every individual who—

"'(1) has attained the age of sixty-five;

"'(2) is entitled to monthly insurance benefits under section 202; and

"'(3) has selected a carrier which has obligated itself to provide health insurance protection to such individual which is guaranteed renewable or noncancellable and under the terms of which the premium rates cannot be changed with respect to any individual unless such rates are uniformly changed with respect to all other individuals in the same class or category as such individual, for a period not less than twelve months in duration, shall be entitled to a health insurance protection supplement for each month for which he is entitled to such benefits under section 202, beginning with the first month with respect to which he meets the conditions specified in paragraphs (1), (2), and (3).

"'(b) For the purposes of this section—

"'(1) a carrier shall be deemed to have obligated itself despite the existence of a contractual power in the carrier to terminate such obligation for fraud, overinsurance, nonpayment of premium, or other reason permitted by the insurance laws of the State wherein such individual resides; and

"'(2) an individual shall be deemed entitled to monthly benefits under such subparagraphs of section 202 for the month in which he died if he would have been entitled to such benefits for such month had he died in the next month.

"'Health insurance protection supplement

"'Sec. 1703. (a) The health insurance protection supplement shall be a monthly sum equal to one-twelfth of the annual cost of health insurance protection in force for or on behalf of an eligible individual, but in no event shall such sum exceed nine dollars per month.

"'(b) The health insurance protection supplement shall be paid monthly by the Secretary to or on behalf of such eligible individual upon certification not less often than once each year of evidence satisfactory to the Secretary that a carrier has obligated itself (as provided in section 1703(a)(3)) with respect to such individual. Certification by a carrier so obligated shall be satisfactory evidence to the Secretary.

"'(c) Upon receipt of an assignment by an eligible individual of his health insurance protection supplement to a carrier, the Secretary shall pay such supplement to such carrier.

"'Overpayment

"'Sec. 1704. In the event health insurance protection for an eligible individual is terminated during a period for which health insurance protection supplement has been paid, the recipient of the supplement shall refund to the Secretary an amount equal to the amount of the premium for such protection which is attributable to that portion of such period which follows the date such protection was terminated. In default of such refund and in the discretion of the Secretary, the provisions of section 204 (relating to overpayments and underpayments) shall apply.

"'Application of certain provisions of title II

"'Sec. 1705. The provisions of sections 206, 208, and 216(j), and of subsections (a), (d), (e), (f), (h), and (i) of section 205, shall also apply with respect to this title to the same extent as they are applicable with respect to title II.

"'Payment of health insurance protection supplement

"'Sec. 1706. (a) Payments of health insurance protection supplement provided under this title shall be made by the Secretary, prior to audit or settlement by the General Accounting Office, from the Federal Old-Age and Survivors Insurance Trust Fund.

"'(b) Notwithstanding any provision to the contrary contained in subsection (a) or (b) of section 201, there is hereby authorized to be appropriated to the Federal Old-Age and Survivors Insurance Trust Fund (in the manner provided in subsection (a) of section 201) an amount equal to 100 per centum of the taxes received and covered into the Treasury by reason of the increase in tax rates provided by section 201 of the Health Insurance Protection Supplement Act of 1962.'

"Technical amendments

"Suspension in Case of Aliens

"Sec. 204. (a) Subsection (t) of section 202 of such Act is amended by adding at the end thereof the following new paragraph:

"'(9) No payments shall be made under title XVII with respect to services furnished to an individual in any month for which the prohibition in paragraph (1) against payment of benefits to him is applicable (or would be if he were entitled to any such benefits).'

"Persons Convicted of Subversive Activities

"(b) So much of subsection (u)(1) of such section as follows subparagraph (B) thereof is amended by (1) inserting '(i)' after 'whether', and (2) by inserting 'and whether such individual is entitled to payment of a health insurance supplement under title XVII,'.

"AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

"Changes in tax schedules

"Self-Employment Income Tax

"Sec. 205. (a) Section 1401 of the Internal Revenue Code of 1954 (relating to the rate of tax on self-employment income) is amended to read as follows:

"'Sec. 1401. Rate of Tax.

"'In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax as follows:

"'(1) In the case of any taxable year beginning after December 31, 1961, and before January 1, 1963, the tax shall be equal to 4.7 percent of the amount of the self-employment income for such taxable year;

"'(2) In the case of any taxable year beginning after December 31, 1962, and before January 1, 1966, the tax shall be equal to 5.8 percent of the amount of the self-employment income for such taxable year;

"'(3) In the case of any taxable year beginning after December 31, 1965, and before January 1, 1968, the tax shall be equal to 6.6 percent of the amount of the self-employment income for such taxable year;

"'(4) In the case of any taxable year beginning after December 31, 1967, the tax shall be equal to 7.3 percent of the amount of the self-employment income for such taxable year.'

"Tax on Employees

"(b) Section 3101 of such Code (relating to rate of tax on employees under the Federal Insurance Contributions Act) is amended to read as follows:

"'Sec. 3101. Rate of Tax.

"'In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the following percentages of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b))—

"'(1) with respect to wages received during the calendar year 1962, the rate shall be 3⅛ percent;

"'(2) with respect to wages received during the calendar years 1963 to 1965, both inclusive, the rate shall be 3⅞ percent;

"'(3) with respect to wages received during the calendar years 1966 to 1967, both inclusive, the rate shall be 4⅜ percent; and

"'(4) with respect to wages received after December 31, 1967, the rate shall be 4⅞ percent.'

"Tax on Employers

"(c) Section 3111 of such Code (relating to rate of tax on employers under the Federal Insurance Contributions Act) is amended to read as follows:

"'Sec. 3111. Rate of Tax.

"'In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121(b))—

"'(1) with respect to wages paid during the calendar year 1962, the rate shall be 3⅛ percent;

"'(2) with respect to wages paid during the calendar years 1963 to 1965, both inclusive, the rate shall be 3⅞ percent;

"'(3) with respect to wages paid during the calendar years 1966 to 1967, both inclusive, the rate shall be 4⅜ percent; and

"'(4) with respect to wages paid after December 31, 1967, the rate shall be 4⅞ percent.'

"Effective Dates

"(d) The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1962. The amendments made by subsections (b) and (c) shall apply with respect to remuneration paid after December 31, 1962.

"Railroad retirement amendments

"Health Insurance Protection Supplement Under the Railroad Retirement Act

"Sec. 206. (a) The Railroad Retirement Act of 1937 is amended by adding after section 20 of such Act the following new section:

"'Health insurance protection supplement

"'Sec. 21. (a) For the purposes of this section, and subject to the conditions hereinafter provided, the Board shall have the same authority to determine the rights of individuals described in subsection (b) of this section to have payments made on their behalf for health insurance protection supplement within the meaning of title XVII of the Social Security Act as the Secretary of Health, Education, and Welfare has under such title XVII with respect to individuals to whom such title applies. The rights of individuals described in subsection (b) of this section to have payment made on their behalf for health insurance protection supplement shall be the same as those of individuals to whom title XVII of the Social Security Act applies and this section shall be administered by the Board as if the provisions of such title XVII were applicable, references to the Secretary of Health, Education, and Welfare were to the Board, references to the Federal Old-Age and Survivors Insurance Trust Fund were to the Railroad Retirement Account, and references to the United States or a State included Canada or a subdivision thereof.

"'(b) Except as otherwise provided in this section, every individual who—

"'(A) has attained age sixty-five, and

"'(B)(i) is entitled to an annuity, or (ii) would be entitled to an annuity had he ceased compensated service, and, in the case of a spouse, had each spouse's husband or wife ceased compensated service, or (iii) had been awarded a pension under section 6, or (iv) bears a relationship to an employee which by reason of section 3(e), has been, or would be, taken into account in calculating the amount of an annuity of such employee or his survivor,

shall be entitled to have payment made for health insurance protection supplement referred to in subsection (a), and in accordance with the provisions of such subsection. The payments for health insurance protection supplement herein provided for shall be made from the Railroad Retirement Account (in accordance with, and subject to, the conditions applicable under section 10 (b) in making payment of other benefits) to or on his behalf to the individual entitled thereto, or, upon assignment by any such person, to the carrier providing such health insurance protection.

"'(c) No individual shall be entitled to have payment made for health insurance protection under both this section and title XVII of the Social Security Act. In any case in which an individual would, but for the preceding sentence, be entitled to have payment made for health insurance protection under both this section and title XVII of the Social Security Act, payment for such protection shall be made in accordance with procedures established jointly by the Secretary of Health, Education, and Welfare, and the Board for the purpose of minimizing duplication of requests for payment of such protection under both this section and title XVII of the Social Security Act, and preventing any duplication of such payment.

"'(d) A request for payment for health insurance protection supplement filed under this section shall be deemed to be a request for payment for such supplement filed as of the same time under title XVII of the Social Security Act, and a request for payment for health insurance protection filed under such title shall be deemed to be a request for payment for such supplement filed as of the same time under this section.

"'(e) The Board and the Secretary of Health, Education, and Welfare shall furnish each other with such information, records, and documents as may be considered necessary to the administration of this section or title XVII of the Social Security Act.'

"Amendment Preserving Relationship Between Railroad Retirement and Old-Age, Survivors, Disability, and Health Insurance Systems

"(b) Section 1(q) of such Act is amended by striking out '1960' and inserting in lieu thereof '1962'.

"Amendments to Railroad Retirement Tax Act

"Tax on Employees

"Sec. 207. (a) Section 3201 of the Railroad Retirement Tax Act is amended by striking out ': *Provided*' and inserting in lieu thereof the following: '. With respect to compensation paid for services rendered after the date with respect to which the rates of taxes imposed by section 3101 of the Federal Insurance Contributions Act are increased with respect to wages by section 205(b) of the Health Insurance Protection Supplement Act of 1962, the rates of tax imposed by this section shall be increased, with respect only to compensation paid for services rendered before January 1, 1965, by the number of percentage points (including fractional points) that the rates of taxes imposed by such section 3101 are so increased with respect to wages: *Provided*'.

"Tax on Employee Representatives

"(b) Section 3211 of the Railroad Retirement Tax Act is amended by striking ': *Provided*' and inserting in lieu thereof the following: '. With respect to compensation paid for services rendered after the date with respect to which the rates of taxes imposed by section 3101 of the Federal Insurance Contributions Act are increased with respect to wages by section 205(c) of the Health Insurance Protection Supplement Act of 1962, the rates of tax imposed by this section shall be increased, with respect only to compensation paid for services rendered before January 1, 1965, by twice the number of percentage points (including fractional points) that the rates of taxes imposed by such section 3101 are so increased with respect to wages: *Provided*'.

"Tax on Employers

"(c) Section 3221(a) of the Railroad Retirement Tax Act is amended by striking out '$400; except that if', and inserting in lieu thereof the following: '$400. With respect to compensation paid for services rendered after the date with respect to which the rates of taxes imposed by section 3111 of the Federal Insurance Contributions Act are increased with respect to wages by section 205(c) of the Health Insurance Protection Supplement Act of 1962, the rates of tax imposed by this section shall be increased, with respect only to compensation paid for services rendered before January 1, 1965, by the number of percentage points (including fractional points) that the rates of taxes imposed by such section 3111 are so increased with respect to wages. If'.

"Amend the tables of contents of the bill so as to strike out the matter describing the contents of title II of the bill and inserting in lieu thereof the following:

"'TITLE II—HEALTH INSURANCE PROTECTION SUPPLEMENT

"'Sec. 201. Short title.
"'Sec. 202. Findings and declaration of purpose.
"'Sec. 203. Amendments to the Social Security Act adding a new title XVII to such Act to provide for a health insurance protection supplement.
  "'Sec. 1701. Definitions.
    "'(a) Health insurance protection.
    "'(b) Health care expense.
    "'(c) Carrier.
  "'Sec. 1702. Entitlement to benefits.
  "'Sec. 1703. Health insurance protection supplement.
  "'Sec. 1704. Overpayment.
  "'Sec. 1705. Application of certain provisions of title II.
  "'Sec. 1706. Payment of health insurance protection supplement.
"'Sec. 204. Technical amendments.
  "'(a) Suspension in case of aliens.
  "'(b) Persons convicted of subversive activities.
"'Sec. 205. Amendments to the Internal Revenue Code of 1954.
  "'(a) Self-employment income tax.
  "'(b) Tax on employees.
  "'(c) Tax on employers.
  "'(d) Effective dates.
"'Sec. 206. Railroad retirement amendments.
  "'(a) Health insurance protection supplement under the Railroad Retirement Act.
  "'(b) Amendment preserving relationship between railroad retirement and old-age, survivors, and disability insurance systems.
"'Sec. 207. Amendments to Railroad Retirement Tax Act.
  "'(a) Tax on employees.
  "'(b) Tax on employee representatives.
  "'(c) Tax on employers.

"'TITLE III—GENERAL

"'Sec. 301. Meaning of term "Secretary".
"'Sec. 302. Effective dates.'"

Mr. HRUSKA. Mr. President——

Mr. MANSFIELD. I yield to the Senator from Nebraska.

Mr. HRUSKA. I thank the Senator from Montana for yielding to me.

Mr. President, I am deeply disturbed and somewhat amazed by the position in which the Senate of the United States finds itself today. Never in my experience in this deliberative body have I found so many, who should believe in deliberate and careful solutions of the problems facing our Nation, so bent on hasty and uninformed action. Actually, it frightens me when I think of what could happen, not only here today, on this particular measure, but in terms of the precedent that it could set for future legislation.

Just what is the situation, and why am I deeply disturbed? First, revenue-raising legislation including the social security programs and amendments thereto must originate in the House of Representatives. At the present time the appropriate House committee has under active consideration proposals to provide medical care for the aged. The Senate Finance Committee in its wisdom earlier this year rejected an attempt to consider such proposals prior to action by the Ways and Means Committee. Thus, we are faced with a situation in which certain Members of the body are proposing to circumvent the orderly and tested procedure of the Congress of the United States. They propose to circumvent the House Ways and Means Committee, the House of Representatives, and the Senate Finance Committee, and offer a measure which has not been considered by any regularly constituted committee of either House of Congress.

I pose this simple question: Who knows what is contained in detail in the wording of this 75-page amendment? Certainly there are many questions which I should like to ask of specialists in the medical field, the hospital field, the insurance field, and other related fields, as to the meanings of certain words and phrases as applied to this particular legislation. Have the sponsors of this amendment constituted themselves an ad hoc committee of the Senate to consider such legislation? If so, I think we should be furnished with reports of their conversations and inquiries with experts whom they certainly should have consulted in proposing this legislation. Any regular committee would have done so. Certainly, if the regular course had been followed, we would today have had both printed hearings and a carefully written report before us, to assist us in making a wise and sound decision. These elements are sadly lacking.

But let us go one step further. Let us assume that the Senate departs from its usual depth of wisdom, and acts favorably upon this amendment. Is it conceivable that the other House would act as blindly, without any further information than what we have today?

But should even this happen and should this many-headed monster become law, to what could the administrator of its many parts turn, to determine the intent of the legislative body? Neither hearings nor reports would be available, and the only expert testimony would be the utterances of uninformed Members of this body during the debate now in progress.

Abhorrent as it is to circumvent well-established procedure, there is one other element which I believe should give pause to those who would support H.R. 10606. This measure, contrary to the amendment which is being offered to it, was thoroughly discussed and reported by the Ways and Means Committee and debated by the House of Representatives; and hearings were held by the Senate Finance Committee, and the bill was reported to the Senate. A number of important changes in the basic welfare statutes are involved. To saddle such a well-considered bill with a totally ill-considered amendment could be disastrous to H.R. 10606. The technique of attempting to saddle a well-thought-out piece of legislation in the public interest with an amendment highly controversial in nature, ill-considered by the Congress, and not directly related to the principal measure, should now, and always, be avoided, if a sound legislative process is to survive.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a well-reasoned editorial from the July 4 issue of the Lincoln, Nebr., Journal.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Lincoln Evening Journal and Nebraska State Journal, July 4, 1962]

NO IMPROVEMENT IN MEDICAL CARE BILL

A group of U.S. Senators from both parties has wrapped a new cover around the much-disputed program for medical aid to the aged. But it still is the same merchandise with the same defects.

The new compromise version of the plan makes little change of any significance. It would give a recipient the choice of having his hospital bills paid directly from social security funds or taking social security funds to pay for his own private health insurance plan. It also would extend hospital benefits from social security to persons not covered by social security and who have not contributed to it.

Still retained in the Senate compromise are two of the most objectionable features of the original bill:

Use of the social security approach to pay for medical care.

Extension of Federal funds for medical payments to all persons over 65, regardless of need.

The idea of using social security for medical benefits is dangerous, discriminatory, and a violation of accepted Federal tax concepts.

Advocates of this avenue might, first of all, heed the advice of President Roosevelt when the social security program was established in 1935. He warned Congress against "extravagant action" and said that if the program were "too ambitious" its whole future would be endangered.

Already the social security tax is taking 3⅛ percent of most workers' paychecks up to a maximum of $4,800 a year. Even without adding medical benefits, the rate is scheduled to go to 4½ percent, about a 50-percent increase, by 1969. Medical benefits from social security not only would increase the rate by one-fourth percent but would raise to $5,200 the maximum on which it is paid. This would add $25.50 a year in social security taxes.

Surely this is passing the danger point of making the social security program "too ambitious," even for Franklin Roosevelt.

Placing medical benefits under social security would mean that young workers particularly would be paying higher and higher taxes for years to pay the medical costs of older persons. Any worker who died before reaching age 65 presumably would lose the investment he had made for his medical protection in old age.

These features are clearly discriminatory.

Inherently, the social security tax bears heaviest on the lower-income groups. Because the tax applies only on income up to $4,800 a year (or $5,200 if medical benefits are added), any earnings above these figures are not subject to social security taxation.

By adding a little sugar coating, the Senate should not try to force the Nation to swallow such a toxin as this.

CONSIDERATION OF CERTAIN MEASURES REPORTED FROM COMMITTEE ON RULES AND ADMINISTRATION

Mr. MANSFIELD. Mr. President, at this time I desire to call up certain measures now on the calendar, to which there is no objection, and which have been cleared on both sides with the interested Members. They have been favorably reported from the Committee on Rules and Administration. I ask unanimous consent that in each instance, with the exception of the first one, there may be printed at the proper point in the RECORD pertinent parts of the reports relative to the respective measures.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED LIMIT OF EXPENDITURES FOR THE COMMITTEE ON FINANCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1663, Senate Resolution 350.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 350) increasing the limit of expenditures for the Committee on Finance was considered and agreed to, as follows:

Resolved, That the Committee on Finance hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-seventh Congress, $12,000, in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

INCREASED LIMIT OF EXPENDITURES FOR COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1664, Senate Resolution 357.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 357) increasing the limit of expenditures by the Committee on Government Operations under Senate Resolution 250, 87th Congress, was considered, and agreed to, as follows:

Resolved, That S. Res. 250, Eighty-seventh Congress, second session, agreed to February 7, 1962, is amended by striking out the amount "$400,000" on page 5, line 19, and inserting in lieu thereof the amount "$500,000".

The excerpt submitted by Mr. MANSFIELD from the report (No. 1705) is as follows:

Pursuant to Senate Resolution 250, agreed to February 7, 1962, the Committee on Government Operations was authorized to expend not to exceed $400,000 from February 1, 1962, through January 31, 1963, for the continued operation of its Permanent Subcommittee on Investigations. Senate Resolution 357 would authorize the expenditure of an additional $100,000 for that purpose.

Justification for the expenditure of the additional funds is expressed in a letter to Senator MIKE MANSFIELD, chairman of the Committee on Rules and Administration, from Senator JOHN L. MCCLELLAN, chairman of the Committee on Government Operations, which letter (with accompanying budget) is as follows:

U.S. SENATE,
COMMITTEE ON
GOVERNMENT OPERATIONS,
June 29, 1962.

Hon. MIKE MANSFIELD,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

MY DEAR SENATOR: This letter supplements and explains Senate Resolution 357, 87th Congress, 2d session, which was introduced in the Senate, June 28, 1962. This resolution seeks additional funds for the continued operation of the Permanent Subcommittee on Investigations for the period from February 1, 1962, through January 31, 1963. This resolution has been considered and unanimously approved by the Senate Committee on Government Operations.

At the time of the appearance of the chairman before your committee earlier this year it was anticipated that a budget of $400,000 would be sufficient for the subcommittee to operate effectively. The chairman said at that time that it was possible that unforeseen developments might arise requiring greater expenditures than were contemplated at that time. Such circumstances have, in fact, come about and have greatly increased the workload of the subcommittee.

Since the appearance of the chairman before your committee the Permanent Subcommittee on Investigations has concluded hearings on two major investigations. The first of these dealt with the excessive profit realized by firms engaged by Government agencies responsible for the research and production of missiles. In addition to extensive travel by staff members during the preliminary inquiry there were 14 days of hearings held during which the subcommittee heard testimony from approximately 60 witnesses. Many of these witnesses came from distant points which increased the travel expenses paid to them.

The second of the major hearings dealt with the American Guild of Variety Artists, with particular emphasis on the degree to which this labor organization actually protected its own members when it had a clear duty to do so. In addition to the travel by members of the staff essential to the assembly of the material, it was necessary to bring many witnesses from distant points for testimony here. The hearings on this subject lasted for 9 days during which time the subcommittee heard testimony from 56 witnesses.

The subject matter which really makes it necessary to exceed the original budget, however, is the current investigation being conducted into the operations of the Department of Agriculture and the relationship of the Department to Billie Sol Estes. This is an extremely complex and demanding inquiry. In order to assemble the material necessary to make an orderly presentation of the facts, it has been necessary to augment our regular staff. Approximately 50 staff members are presently working on this case. About 40 of these are additional staff members who have been attached to the committee on a temporary basis. Accordingly our expenses have been far in excess of the budget we anticipated last January. It is estimated that the expenses of our first series of hearings alone will be approximately as follows:

Salaries	$42, 257. 35
Recording proceeding	3, 000. 00
Travel and per diem, investigators	25, 000. 00
Witness fees and travel	20, 000. 00
Office supplies and postage	1, 500. 00
Documents and miscellaneous	2, 000. 00
Telephone and telegraph	10, 000. 00
Total	103, 757. 35

I am attaching a proposed budget which includes and supersedes the budget submitted by the subcommittee to your committee in January of this year. As I have stated hereinbefore, this proposed budget calls for a total availability of funds of $500,000 for the year. This is taking into account the fact that of the funds made available under Senate Resolution 250, $279,730.18 remain unexpended; however, a considerable amount of this amount is already committed for expenses incurred during May and June.

In the coming months the subcommittee faces the task not only of completing the complicated Agriculture Department-Billie Sol Estes case, but also has other subject matter which should receive attention. It will not be possible to accomplish this with the $400,000 made available by Senate Resolution 250, passed on February 7, 1962. Accordingly, it is requested that an additional $100,000 be made available to the subcommittee bringing the total available for the year from February 1, 1962, through January 31, 1963, from $400,000 to a total of $500,000.

Sincerely yours,

JOHN L. MCCLELLAN,
Chairman.

INVESTIGATION OF JUVENILE DELINQUENCY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1665, Senate Resolution 358.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 358) to increase the amount of funds for the investigation of juvenile delinquency was considered and agreed to, as follows:

Resolved, That section 4 of S. Res. 265, Eighty-seventh Congress, second session, authorizing an investigation of juvenile delinquency in the United States, agreed to February 7, 1962, is amended by striking out "$178,000" and inserting in lieu thereof "$198,000".

The excerpt submitted by Mr. MANSFIELD from the report (No. 1706) is as follows:

Pursuant to Senate Resolution 265, agreed to February 7, 1962, the Committee on the Judiciary was authorized from February 1, 1962, through January 31, 1963, to expend not to exceed $178,000 for an investigation of juvenile delinquency in the United States. Senate Resolution 358 would authorize the expenditure of an additional $20,000 for that purpose.

Justification for the additional expenditure is expressed in a letter from Senator THOMAS J. DODD, chairman of the Subcommittee To Investigate Juvenile Delinquency, transmitted to Senator MIKE MANSFIELD, chairman of the Committee on Rules and Administration, by Senator JAMES O. EASTLAND, chairman of the Committee on the Judiciary, which letters (with accompanying budget) are as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
July 6, 1962.

Re Senate Resolution 358.

HON. MIKE MANSFIELD,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed herewith are copies of the budget to accompany Senate Resolution 358 which was approved by the Committee on the Judiciary at its meeting on June 28, 1962. The additional $20,000 is required to carry on the investigation of juvenile delinquency.

The letter setting forth in detail the program of the subcommittee from the chairman, the Honorable THOMAS J. DODD, is enclosed for the information of the Committee on Rules and Administration and for consideration at its forthcoming meeting.

Sincerely,

JAMES O. EASTLAND,
Chairman.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE TO INVESTIGATE
JUVENILE DELINQUENCY,
June 13, 1962.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: A copy of a resolution to increase by $20,000 the money for the work of the Juvenile Delinquency Subcommittee for this year is attached to this letter together with a copy of a budget to show how these additional funds would be spent.

The three major investigations being conducted by the subcommittee have developed into wider studies than originally anticipated.

Our probe of the television industry, which was started during the 1st session of the 87th Congress, has been continued this year. Although we are presently in the concluding stages of this study, there is still much work remaining in analyzing the testimony and the many documents connected with this hearing. In order to do a competent and thorough job, it will be necessary to retain the services of a consultant who is expert in the field of the television medium and its effect on children. This investigation has received widespread support from all parts of the country. We have received thousands of letters from people in all walks of life, from parents to corporation presidents and even television broadcasters, who feel the investigation was necessary and is having a beneficial effect. I believe that the mass of evidence we have obtained can be most helpful in determining what can be done about the crime, violence, brutality, and improper sex on our television screens.

We are also working on the problem of the illegal traffic in narcotics and teenage drug addiction. Hearings were held during the month of May, and we hope to schedule further hearings on this longstanding and difficult problem. As one of the primary sources of the deadly narcotic drugs appears to be the Republic of Mexico, much of our investigative work has been in or near that country in an effort to establish the points of origin and methods of transporting and distributing heroin. Witnesses have been called from the west coast and other border areas as they have firsthand information on this traffic which I am sure will be helpful. As our investigation developed, we obtained information which necessitated the calling of persons we had not originally scheduled as witnesses. For these reasons, this study is proving to be more costly than we had anticipated.

Another study which has involved staff travel to the west coast is the mail-order traffic in firearms. Many of the distributors of these items have headquarters in that area of the country. We have had a number of conferences with agencies and individuals concerned with this traffic in the hope that a legislative proposal could be worked out that would be realistic and have the full support of all groups concerned with the sale and distribution of hand guns. We believe that we have been able to accomplish this, and if such legislation, which would keep these lethal weapons out of the hands of the juvenile, the mentally unbalanced, and the criminally inclined, were enacted it would be a real contribution to the safety of the community. As the offending firms are on the west coast, the majority of witnesses will be from that area which will in turn raise the cost of our proposed hearing on this subject.

I hope that you will agree that these projects should be properly completed and will introduce this resolution as soon as it is feasible.

Sincerely,

THOMAS J. DODD,
Chairman.

ADDITIONAL FUNDS FOR INVESTIGATION OF MIGRATORY LABOR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1666, Senate Resolution 360.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 360) authorizing additional funds for an investigation of migratory labor was considered, and agreed to, as follows:

Resolved, That section 4 of S. Res. 273, Eighty-seventh Congress, second session, authorizing an investigation of migratory labor, agreed to February 7, 1962, is amended by striking out "$50,000" and inserting in lieu thereof "$70,000".

The excerpt submitted by Mr. MANSFIELD from the report (No. 1707) is as follows:

Pursuant to Senate Resolution 273, agreed to February 7, 1962, the Committee on Labor and Public Welfare was authorized from February 1, 1962, through January 31, 1963, to expend not to exceed $50,000 for a study of migratory labor. Senate Resolution 360 would authorize an additional $20,000 for that purpose.

Justification for the additional expenditures is expressed in a memorandum to Senator MIKE MANSFIELD, chairman of the Committee on Rules and Administration, from Senator HARRISON A. WILLIAMS, JR., chairman of the Subcommittee on Migratory

Labor of the Committee on Labor and Public Welfare, which memorandum (with accompanying revised budget) is as follows:

U.S. SENATE,
COMMITTEE ON LABOR
AND PUBLIC WELFARE,
SUBCOMMITTEE ON MIGRATORY LABOR,
July 9, 1962.

MEMORANDUM

To: The Honorable MIKE MANSFIELD, chairman, Committee on Rules and Administration.

From: Senator HARRISON A. WILLIAMS, JR., chairman, Subcommittee on Migratory Labor.

Re Senate Resolution 360 (87th Cong., 2d sess.) amending Senate Resolution 273, authorizing a comprehensive study of migratory labor.

The Committee on Labor and Public Welfare has unanimously approved Senate Resolution 360, which amends Senate Resolution 273, 87th Congress, 2d session, so as to authorize an expenditure of $70,000 for the conduct of the activities of its Subcommittee on Migratory Labor, in lieu of $50,000 authorized in the original Senate Resolution 273. The effect of Senate Resolution 360 is to provide an additional $20,000 which is necessary to carry out the work of the Subcommittee on Migratory Labor through the remainder of its period of authorized activities. The background on and need for Senate Resolution 360 now follow.

On February 7, 1962, the Senate approved Senate Resolution 273 authorizing an expenditure of funds not to exceed $50,000 by the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, from February 1, 1962, through January 31, 1963, to examine, investigate, and make a complete study of any and all matters pertaining to migratory labor.

Pursuant to this resolution, the Subcommittee on Migratory Labor has undertaken an extensive study of the many critical problems that confront the farm employer and the migratory farmworker.

Expenditures of the subcommittee for the period beginning February 1, 1962, through June 30, 1962, amount to $26,554.68. Based upon anticipated cost factors, future monthly expenditures are estimated at $6,200, or a total of $43,000 for the remainder of the subcommittee's authorized period of activity; thus there would be an estimated total expenditure of $70,000 for the subcommittee's work during the entire period of its authorized activities, that is February 1, 1962, through January 31, 1963.

Inasmuch as $50,000 has previously been provided for subcommittee expenditures, it is estimated that an additional $20,000 is necessary for the subcommittee to carry out its duties and responsibilities as established by Senate Resolution 273.

The need for additional funds results primarily from the increasing complexity of the migratory labor problem itself, making necessary a commensurate expansion of subcommittee activities which were unforeseen during the preparation of the budget for Senate Resolution 273. Typical of the conditions which have required expanded subcommittee activities are the following:

1. It was earlier anticipated that a major portion of the pertinent information concerning migratory labor could be obtained without the necessity of making additional field trips to the site of farming operations, to labor camps and to related facilities providing health and safety protection, sanitation or transportation for migratory workers. This expectation was reasonable in view of the extensive field trip activities and research, undertaken by the subcommittee during 1960 and the information obtained therefrom. Despite such activities in 1960, however, the subcommittee's overall workload required additional legal research and field work. The subcommittee has accordingly made supplementary field trips and has undertaken expanded legal analysis of such matters as housing, transportation, sanitation, and other critical problems facing the farm employer and the migratory farmworker.

2. Of the several legislative measures under consideration by the subcommittee, S. 1129, because of its scope and complexity, has required more legal research and analysis than was originally anticipated. The import and long-range implications of this legislative measure for farm employers and migratory farmworkers alike required the subcommittee to make numerous firsthand observation trips and to engage in extensive consultations with farm employers concerned with the legislation.

3. Because of these and other work conditions, travel requirements have been somewhat greater than estimated. The demands of the work also made it essential to employ one additional professional and clerical assistant, whose services were not anticipated at the beginning of the session. In this regard it is noteworthy that the subcommittee's expanded activities, taking into account the addition of one professional and one clerical assistant, have resulted in an estimated expenditure for personnel as follows: Approximately $15,000 for majority professional staff; approximately $14,000 for minority staff; and approximately $26,000 for supporting clerical and research assistants.

For the foregoing reasons the subcommittee most respectfully requests that the Committee on Rules and Administration approve Senate Resolution 360, and submits the attached revised budget relative thereto.

HARRISON A. WILLIAMS, Jr.

NONDIPLOMATIC ACTIVITIES OF FOREIGN GOVERNMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1667, Senate Resolution 362.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 362) to study the nondiplomatic activities of foreign governments was considered, and agreed to, as follows:

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a full and complete study of all nondiplomatic activities of representatives of foreign governments, and their contractors and agents, in promoting the interests of those governments, and the extent to which such representatives attempt to influence the policies of the United States and affect the national interest.

SEC. 2. For the purposes of this resolution the committee is authorized (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, such technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $50,000 for the period ending January 31, 1963, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 4. The committee shall complete its study by June 30, 1963, but it shall submit to the Senate not later than January 31, 1963, such results of the study herein authorized together with such recommendations as may be found to be appropriate.

The excerpt submitted by Mr. MANSFIELD from the report (No. 1708) is as follows:

Senate Resolution 362 would authorize the Committee on Foreign Relations, or any duly authorized subcommittee thereof, to expend not to exceed $50,000 from the date of enactment of the resolution through January 31, 1963, "to conduct a full and complete study of all nondiplomatic activities of representatives of foreign governments and their contractors and agents, in promoting the interests of those governments, and the extent to which such representatives attempt to influence the policies of the United States and affect the national interest."

Additional information relative to the purposes of the proposed inquiry is contained in the report of the Committee on Foreign Relations to accompany Senate Resolution 362 (S. Rept. 1679, 87th Cong.) and in a letter to Senator MIKE MANSFIELD, chairman of the Committee on Rules and Administration, from Senator J. W. FULBRIGHT, chairman of the Committee on Foreign Relations, which letter (and accompanying budget) is as follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

Hon. MIKE MANSFIELD,
U.S. Senate, Washington, D.C.

DEAR SENATOR: There has been referred to the Committee on Rules and Administration Senate Resolution 362, to authorize a study of nondiplomatic activities of representatives of foreign governments by the Committee on Foreign Relations. This resolution was reported to the Senate July 9, 1962.

Briefly, the resolution authorizes the expenditure of $50,000 by the Committee on Foreign Relations within the period ending January 31, 1963, to study the nondiplomatic activities of representatives of foreign governments, their contractors and agents and the extent to which such representatives, contractors, and agents attempt to influence the policies of the United States and affect the national interest. This study, which informally began more than 3 months ago, stemmed from growing concern of committee members over the increasing use by foreign governments of nondiplomatic means to influence the conduct of U.S. foreign policy. The committee expects to file its final report by June 30, 1963. It will, however, file an interim report not later than January 31, 1963, containing such results and recommendations as may at that time be appropriate.

The complete background of the committee's study under this resolution is described in Senate Report 1679, which is enclosed. The report also contains the committee's proposed budget for the requested $50,000.

I hope the Committee on Rules and Administration will give this resolution favorable consideration at your next meeting in order that the Senate can thereafter give it early consideration.

Sincerely yours,

J. W. FULBRIGHT.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1675, Senate Resolution 359.

The **PRESIDING OFFICER.** Is there objection?

There being no objection, the resolution (S. Res. 359) authorizing the creation of a Subcommittee on Intergovernmental Relations was considered and agreed to, as follows:

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by subsection 1(g)(2)(D) of rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of intergovernmental relationships between the United States and the States and municipalities, including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86-380, approved by the President on September 24, 1959.

Sec. 2. For the purposes of this resolution the committee, from the date of approval of this resolution to January 31, 1963, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,400 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1963.

Sec. 4. Expenses of the committee, under this resolution, which shall not exceed $40,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The title was amended so as to read: "Resolution authorizing a study of intergovernmental relationships between the United States and the States and municipalities."

The excerpt submitted by Mr. Mansfield from the report (No. 1716) is as follows:

This resolution would authorize the Committee on Government Operations, or any duly authorized subcommittee thereof, from the date of enactment of the resolution through January 31, 1963, to expend not to exceed $40,000 "to examine, investigate, and make a complete study of intergovernmental relationships between the United States and the States and municipalities, including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86-380, approved by the President on September 24, 1959."

The amendment adopted by the Committee on Rules and Administration, pro forma in nature, would amend the title more properly to reflect the purpose of the resolution.

The purposes of the contemplated inquiry are more fully expressed in a letter to Senator Mike Mansfield, chairman of the Committee on Rules and Administration, from Senator Edmund S. Muskie, chairman of the Subcommittee on Intergovernmental Relations of the Committee on Government Operations, which letter (with accompanying budget) is as follows:

U.S. Senate,
Washington, D.C., July 9, 1962.

Hon. Mike Mansfield,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: I am enclosing a copy of Senate Resolution 359, authorizing the creation of a Subcommittee on Intergovernmental Relations which I reported from the Committee on Government Operations on June 29, 1962. The resolution has the unanimous approval of the Committee on Government Operations.

The Government Operations Committee has become increasingly aware of the complexity of the problems affecting the relations between the Federal, State, and local governments. Three members of the committee—Senator Ervin, Senator Mundt, and I, are members of the Advisory Commission on Intergovernmental Relations. From time to time, the Government Operations Committee has been assigned legislation related to the problems of intergovernmental relations, some of which has been developed in the Advisory Commission.

We have proposed the establishment of a permanent Subcommittee on Intergovernmental Relations because we believe that such a subcommittee could make a fruitful contribution in the area of intergovernmental relations by offering solutions to specific problems and illuminating general problems affecting all levels of government and their relationships.

Since its establishment in 1959 as a permanent organization, the Advisory Commission on Intergovernmental Relations has made remarkable progress. Its 10 reports have been treated with great respect, and 3 of its 11 recommendations for congressional action have been adopted. It is clear that, as the Commission gains momentum, it will provide more legislative recommendations for the consideration of Congress. Some of its present proposals are pending before the Government Operations Committee and we may anticipate that more will be referred to the committee in the future.

In the last 3 years, because of the workload in other subcommittees of the Government Operations Committee, special subcommittees have been set up to conduct hearings on legislation involving intergovernmental relations. We believe that the need and the growing responsibility for action in the intergovernmental relations field can best be served by the establishment of a new permanent subcommittee with a small, competent staff. Such a subcommittee would not trespass on the responsibilities of other subcommittees. The proposed budget for the remainder of this Congress would total $40,000. I am submitting with this statement a copy of the proposed budget.

The proposed subcommittee would be in a position to develop more adequate information on the problems of intergovernmental relations, would be able to hold hearings, to which Advisory Commission recommendations and other legislative suggestions would be given appropriate consideration, and would give interested parties from all parts of the country an opportunity to comment on proposals in the intergovernmental relations field.

There are bills now pending before the Government Operations Committee which could be referred appropriately to a Subcommittee on Intergovernmental Relations. We anticipate that the work of the subcommittee could begin this summer and that fall hearings on general problems affecting intergovernmental relations problems could be scheduled.

We believe the proposed subcommittee could make a major contribution to the strengthening of our Federal system and to the enhancement of cooperation between all levels of government.

We hope the resolution will meet with the favorable consideration of the Committee on Rules and Administration.

Sincerely,

Edmund S. Muskie,
U.S. Senator.

CENTENNIAL ANNIVERSARY OF SIGNING OF MORRILL LAND-GRANT ACT

Mr. MANSFIELD. Mr. President, on July 2 there was a celebration of the centennial anniversary of the establishment of the land-grant colleges in this country. On that day, and subsequently, a number of Members of both the House and the Senate made speeches and inserted in the Record remarks relative to their views concerning the great progress and contributions made as a result of the signing of the Morrill Act, 100 years ago.

I ask unanimous consent to have printed at this point in the Record a statement concerning what one should know about land-grant colleges and universities. The statement explains in brief detail the purpose of the land-grant colleges, and states how many there are, their size, purpose, and so forth.

There being no objection, the statement was ordered to be printed in the Record, as follows:

What You Should Know About Land-Grant Colleges and Universities

What is a land-grant college?

A land-grant college is one which was established under the terms of the Land-Grant Act. The Land-Grant Act of 1862 provided a grant of 30,000 acres for each Senator and Representative in Congress. This land was to be sold and the proceeds from the sale invested. The income would be used to establish and endow, as Justin Morrill defined it, "at least one college (in each State) where the leading object shall be, without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and mechanic arts, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life."

Who was Justin Smith Morrill?

Justin Smith Morrill was the son of a blacksmith-farmer from Vermont. He served nearly half a century in the Senate and House and, perhaps because he had had to leave school in his early teens, he worked for legislation to help higher education throughout his congressional career.

How many land-grant colleges are there now?

There are 68, at least 1 in each of the 50 States and Puerto Rico.

Which is the largest?

The University of California, which includes the Berkeley, Los Angeles, and six other campuses throughout the State, has about 52,000 students. There are presently 8 campuses altogether—when 3 new ones are added soon, there will be 11.

The University of California is a State university. Is there a difference between a State university and a land-grant university?

Arizona, Connecticut, California, Massachusetts, Delaware, Minnesota, and Wisconsin are among the 34 States which have one major State university which is the land-grant institution. Several States, however, have two major State universities, only one of which is a land-grant university. In Michigan, for instance, Michigan State University at East Lansing is the land-grant institution. Two private colleges—Cornell and Massachusetts Institute of Technology—also received land-grant funds.

What was the beginning of the legislation which created this new kind of education?

We are celebrating the 100th anniversary of the first Morrill Land Grant College Act on Monday at National Archives because President Lincoln signed the legislation into law on July 2, 1862. But it took Senator Morrill more than 5 years to push the legislation through Congress and it did not become law until after one President—James Buchanan—had vetoed it. Among the most important contributors to the land-grant idea was a Yale-educated teacher in Illinois, Jonathan Baldwin Turner, who aroused people to the necessity for public higher education and helped to draw up plans for achieving this deal.

What subjects do land-grant schools teach?

Every subject, from architecture to zoology. There are 29 nursing schools and 14 medical schools in land-grant institutions, for example. They are serving as training quarters for one-third of the Peace Corps projects and also train about half of the officers for the Armed Forces educated through the ROTC program.

Where was the first land-grant college?

This is a matter of definition. Iowa's legislature was first to accept the terms of the Land-Grant Act of 1862, giving Iowa State University a claim to the honor. Michigan State University, established in 1855, was the pioneer among present-day institutions in agricultural instruction—emphasized in the Land-Grant Act. Kansas State University was first to be designated by the State legislature as a land-grant institution. Rutgers, the State university of New Jersey, is the oldest institution now a land-grant university, having been established in the colonial period.

How long have land-grant colleges been coeducational?

Some have accepted women since they first opened their doors. Today, they enroll one-fifth of the women in college—in fact, 20 percent of the entire college population of the United States.

Why was the Land-Grant Act considered revolutionary?

It embodied the idea that everyone with the ability to absorb a higher education should have the chance to attend college; second, it provided the incentive on a national scale to bring this concept of equal educational opportunity to life; third, the land-grant institutions brought democracy in subject matter as well as in opportunity. Agriculture and engineering, for example, were recognized as appropriate subjects for university study. Fourth, they conducted research from the very beginning. Model farms were set up to help professors and students discover, through experimentation, better ways of farming. Fifth, land-grant institutions were among the first in the Nation to have laboratories for the study of science.

Have land-grant colleges made special contributions to higher education in the United States?

Aside from opening the college doors to young people who could not otherwise have afforded a higher education, they have contributed to the Nation's health and welfare through research. For instance, agricultural research is responsible for the fact that today one American farmworker grows enough food for himself and 26 other people. Streptomycin, the drug used to control and treat tuberculosis, was discovered at Rutgers, the State University of New Jersey. Dicumarol, the chemical which helps dissolve blood clots and prevent heart attacks, was discovered at the University of Wisconsin. Another example of land-grant contributions to the Nation is the fact that, of 42 living Nobel Prize winners who were educated in the United States, 25 of them earned one or more degrees at a land-grant university.

Which are the land-grant colleges and universities?

Auburn University, Auburn, Ala.

Alabama Agricultural and Mechanical College, Normal, Ala.

University of Alaska, College, Alaska.

University of Arizona, Tucson, Ariz.

University of Arkansas, Fayetteville, Ark.

Agricultural, Mechanical and Normal College, Pine Bluff, Ark.

University of California, Berkeley, Los Angeles, and other campuses in California.

Colorado State University, Fort Collins, Colo.

University of Connecticut, Storrs, Conn.

University of Delaware, Newark, Del.

Delaware State College, Dover, Del.

University of Florida, Gainesville, Fla.

Florida Agricultural and Mechanical University, Tallahassee, Fla.

University of Georgia, Athens, Ga.

Fort Valley State College, Fort Valley, Ga.

University of Hawaii, Honolulu, Hawaii.

University of Idaho, Moscow, Idaho.

University of Illinois, Urbana, Ill.

Purdue University, Lafayette, Ind.

Iowa State University, Ames, Iowa.

Kansas State University, Manhattan, Kans.

University of Kentucky, Lexington, Ky.

Kentucky State College, Frankfort, Ky.

Louisiana State University, Baton Rouge, La.

Southern University, Baton Rouge, La.

University of Maine, Orono, Maine.

University of Maryland, College Park, Md.

Maryland State College, Princess Anne, Md.

University of Massachusetts, Amherst, Mass.

Massachusetts Institute of Technology, Cambridge, Mass.

Michigan State University, East Lansing, Mich.

University of Minnesota, Minneapolis, Minn.

Mississippi State University, State College, Miss.

Alcorn Agricultural and Mechanical College, Lorman, Miss.

University of Missouri, Columbia, Mo.

Lincoln University, Jefferson City, Mo.

Montana State College, Bozeman, Mont.

University of Nebraska, Lincoln, Nebr.

University of Nevada, Reno, Nev.

University of New Hampshire, Durham, N.H.

Rutgers University, New Brunswick, N.J.

New Mexico State University, University Park, N. Mex.

Cornell University, Ithaca, N.Y.

North Carolina State College, Raleigh, N.C.

Agricultural and Technical College of North Carolina, Greensboro, N.C.

North Dakota State University, Fargo, N. Dak.

The Ohio State University, Columbus, Ohio.

Oklahoma State University, Stillwater, Okla.

Langston University, Langston, Okla.

Oregon State University, Corvallis, Oreg.

Pennsylvania State University, University Park, Pa.

University of Puerto Rico, Rio Piedras and Mayaguez, P.R.

University of Rhode Island, Kingston, R.I.

Clemson Agricultural College, Clemson, S.C.

South Carolina State College, Orangeburg, S.C.

South Dakota State College, Brookings, S. Dak.

University of Tennessee, Knoxville, Tenn.

Tennessee Agricultural and Industrial State University, Nashville, Tenn.

Agricultural and Mechanical College of Texas, College Station, Tex.

Prairie View Agricultural and Mechanical College, Prairie View, Tex.

Utah State University, Logan, Utah.

University of Vermont, Burlington, Vt.

Virginia Polytechnic Institute, Blacksburg, Va.

Virginia State College, Petersburg, Va.

Washington State University, Pullman, Wash.

West Virginia University, Morgantown, W. Va.

University of Wisconsin, Madison, Wis.

University of Wyoming, Laramie, Wyo.

Mr. MANSFIELD. Mr. President, I also ask unanimous consent to have printed at this point in the Record a statement by the President of the United States on July 2, 1962, on the centennial anniversary of the signing of the Morrill Land-Grant Act.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by the President of the United States on the Centennial Anniversary of the Signing of the Morrill Land-Grant Act, July 2, 1962

On this date 100 years ago, the Congress of the United States sent to the White House an act calling for the establishment of people's colleges and setting forth the grant of Federal lands to help the young States found them.

To President Abraham Lincoln, whose education came from such great struggle and sacrifice, the signing of the Morrill Act must have been one of the most satisfactory experiences in his illustrious career. For here was a revolutionary idea in education that went beyond the classic arts and the traditional professions.

The Morrill Act put higher education within reach of all Americans. It pushed back the old horizons of learning by introducing and developing new disciplines in agricultural and industrial development.

Now there are 68 land-grant institutions in all of the 50 States and in Puerto Rico. They enroll almost 20 percent of the country's college students. They grant 40 percent of all doctorate degrees—half of the doctorates in the physical sciences, engineering, and the health professions; a fourth of the doctorates in the arts and languages, in business, commerce, and educational training; and all of the doctorates in agriculture. They train nearly half of all Regular and Reserve officers entering the Armed Forces through the military programs of civilian institutions.

The contributions of the land-grant institutions are by no means fully realized, or their new potentials exhausted. Their influence is felt around the world. Our friends in developing countries look to these institutions not only as models for developing higher education, but as advisers and partners as well.

We pause now to recognize the great fulfillment of the land-grant concept on this anniversary. We also see now an ever-enlarging role for these institutions in our country's future. They have demonstrated fully that such responsibilities can be met.

Mr. MANSFIELD. Mr. President, I am delighted that so many Members of Congress, on both sides of the aisle in both the House and the Senate have joined in commemorating this anniversary, because of its great significance in every State of the Union; and I am extremely happy that the President of the United States has also joined in commemorating it.

The PRESIDING OFFICER. Is there further business to come before the Senate at this time?

ADJOURNMENT

The PRESIDING OFFICER. Is there further business?

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that, under the previous order, the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 10 minutes p.m.) under the previous order, the Senate adjourned until tomorrow, Friday, July 13, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 12, 1962:

U.S. District Judge

Noel P. Fox, of Michigan, to be U.S. district judge for the western district of Michigan, vice Raymond W. Starr, retired.

Charles H. Carr, of California, to be U.S. district judge for the southern district of California. (A new position.)

CONFIRMATIONS

Executive nominations confirmed by the Senate July 13, 1962:

Diplomatic and Foreign Service

Matthew H. McCloskey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Postmasters

ALABAMA

Rayburn Webster, Winfield.

ARIZONA

Helen S. Slaughter, Alpine.
Cassenia E. Crowder, Morristown.
Frances L. Roberts, Winkelman.

ARKANSAS

Doris H. Beasley, Cherry Valley.
Alice V. Perdue, Louann.
Genevieve E. Gillham, Royal.
Buel R. Tatom, Stamps.
Homer Pace, Wilmar.

CALIFORNIA

Bryon H. Alexander, Jr., Culver City.
Robert J. Hazard, Edwards.
Joe L. Roberts, Etna.
Noel F. Ricauda, Fontana.
James A. Cummings, La Habra.
Jimmy L. Pierce, Lamont.
Faye P. Bertagna, Montgomery Creek.
John W. Milam, Oakdale.
Luke A. Brazo, Pico Rivera.
Ted Ballew, Pollock Pines.
Hector G. Godinez, Santa Ana.

COLORADO

Robert B. Mitchell, Salida.

CONNECTICUT

Joseph A. Whalen, Lakeville.

FLORIDA

Robert D. Young, Avon Park.
William A. Holland, Fort Lauderdale.
Ellis Solomon, Fort Myers.
Hartley A. Graves, Jr., Fruitland Park.
Curtiss W. Hale, Hollywood.
Austin T. Drinkwater, Orange Park.
Marjorie V. Judy, Polk City.
Leonard R. Dyer, Tangerine.
J. Douglas Arnall, Venice.

GEORGIA

Oris W. Wood, Dalton.
Roy C. Knight, Dexter.
Ellis L. Stephens, Millen.
Amos S. Roberts, Pinehurst.
William G. McRee, Watkinsville.
Paul W. Vaughn, Jr., Williamson.

IDAHO

Roy B. Fields, McCall.
J. D. Petty, Meridian.
Anna R. Lake, Roberts.

ILLINOIS

William A. Guthrie, Farmington.
Sereno Leoni, Highwood.
Walter L. Randall, Lewistown.
Carl L. Karlson, Nachusa.
Richard T. Cahill, Ontarioville.

INDIANA

David M. Stanley, Boone Grove.
Elisha H. Layman, Commiskey.
Eugene Hampton, Darlington.
R. John Boch, Decatur.
Ralph J. Rochner, Ewing.
Samuel T. Swan, Leavenworth.
Lola H. Van Zile, Leo.

IOWA

Herbert D. Wilson, Alden.
John P. McNerney, Des Moines.
Carl M. Dudden, Grundy Center.
Elsie D. Messamaker, Harvey.
Orval A. Kennedy, Milo.
John M. Kuster, Persia.
Glen L. Penniman, Sac City.
Kingsley M. Schaudt, Slater.
Floyd P. Collins, Tracy.
Harry P. Healey, Victor.

KANSAS

Gladys E. Higbee, Formoso.
Helen I. Ziegelmeier, Gem.
Harry F. Brown, Offerle.
Claire B. Sparling, Oneida.
David C. Tippet, Parsons.
John D. Beighley, Smolan.

KENTUCKY

Charles Cornett, Hazard.
Eldon W. Bradley, Sebree.

LOUISIANA

Dwight C. Spates, Sulphur.

MARYLAND

Loise S. Copes, Brooklandville.

MASSACHUSETTS

William P. Dorval, Chicopee.
William H. Friedrich, Easthampton.

MICHIGAN

Dorman S. Jurden, Adrian.
J. Milton Dietrich, Conklin.
Louis A. Haight, Holland.
John F. Alton, Houghton Lake.
Paul L. Beyett, Keego Harbor.
Raymond C. Donaldson, Lapeer.
Lawrence G. Chappel, Marlette.
Lawrence W. Church, Olivet.
James A. Gonyea, Ossineke.
Richard A. Herman, Sodus.

MINNESOTA

Frank J. Petric, Babbitt.
Donald B. Solem, Bingham Lake.
Richard H. Wojciechowski, Foley.
Grace K. Pearson, Grasston.
John V. McGree, Hastings.
Harold O. Thoen, Lanesboro.
Gerhardt F. Proehl, Otisco.
William A. Silliman, Windom.

MISSOURI

Carl H. Bridges, Bolivar.
Robert M. Blackwell, Bonne Terre.
Lewis B. Papin, Chaffee.
Archie M. Neff, Goodman.
Harvey A. Slentz, Hayti.
Ernest E. Dexter, Hunnewell.
Theodoric C. Bland, Kansas City.
Jacqueline D. Prenger, Loose Creek.
Kenneth E. Mauzey, Mendon.
Rolan Gooch, Jr., Purdin.
Robert E. Midyett, Ravenwood.
C. Eldridge Griswold, Salisbury.
Russell L. Cuneio, Sullivan.
H. Edith Sims, Trimble.
John Ichord, Waynesville.

NEBRASKA

Ellsworth C. McKay, Atkinson.
Ruby M. Pump, Bennett.
Walter H. Hoelting, Lawrence.
Vincent L. Nelson, Palisade.

NEVADA

Robert H. Lias, Las Vegas.
Wilberta G. Reid, Searchlight.

NEW HAMPSHIRE

Gerard C. Laperle, Colebrook.

NEW MEXICO

Jack S. Feerer, Logan.
C. Sue Willhoit, Malaga.

NEW YORK

John F. Larkin, Brewster.
Frank W. Palange, Camillus.
Donald F. Andrews, Conklin.
Eli Zwick, High Falls.
Albert J. Hart, Lynbrook.

NORTH CAROLINA

Charlie Y. Patton, Jr., Brevard.
Ophelia F. Roberts, Coats.
Thadious W. Hooper, Cullowhee.
Mildred S. Bartlett, Kure Beach.
Mollie A. Dunn, Lumber Bridge.
Evans L. Caudle, Midland.
Allen L. Olive, New Hill.
Leonard Staley, Sophia.

NORTH DAKOTA

Elaine G. Majkrzak, Thompson.

OHIO

John E. Lynch, Ashtabula.
Robert E. Glick, Ashville.
David M. Bennett, Baltimore.
Paul C. Spitler, Bellbrook.
Ernest Ramsey, Bergholz.
James F. Reed, Cherry Fork.
Clarence K. Basinger, Columbus Grove.
Walter M. Pietras, East Orwell.
Frances H. Stockham, Friendship.
John A. Schadle, Higginsport.
Charles L. Elicker, Marion.
John F. Clark, Millersport.
John J. Ellis, New Paris.
Frank J. Calogero, North Kingsville.
Marvin W. Sprague, Williamsburg.

PENNSYLVANIA

Erma I. Gibson, Bolivar.
Robert M. Lewandoski, Harborcreek.
Lewis T. Layton, Jr., Langhorne.
Martin F. Monaghan, Lost Creek.
Richard S. Krebs, Milton.
Howard H. Gaine, Penns Park.
Edgar F. Rader, Jr., Stockertown.
Philip Polka, Washington Crossing.
Howard F. Mitchell, West Middlesex.

SOUTH CAROLINA

George C. Sumners, Cameron.

TENNESSEE

Glen R. Powers, Ardmore.
James R. Culp, Clifton.
Kenneth H. Jennings, Powell.

TEXAS

Millard E. Guess, Millsap.

VIRGIN ISLANDS

Aubrey C. Ottley, Charlotte Amalie.

VIRGINIA

M. Vincent Wright, Fries.
Edwin F. Chapman, Greenbackville.
Douglas D. Dickerson, Parksley.
J. Floyd Bates, Richmond.

WASHINGTON

Clinton E. Walcher, Conway.
Arthur T. Koski, Deep River.
George A. Henson, Jr., Du Pont.
Taft Hergert, Endicott.

Helen M. Eddy, Kingston.
Lincoln A. Kaiser, Kirkland.
John B. Walli, Lacrosse.

WISCONSIN

James N. Pomes, Three Lakes.

WYOMING

James P. Berry, Big Horn.
Jefferson A. Kaul, Pinedale.

COAST AND GEODETIC SURVEY

Subject to qualifications provided law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be ensigns

Ned Colden Austin.
Richard James DeRycke.

To be lieutenant (junior grade)

Daniel F. Leary.

To be ensigns

Stephen Z. Bezuk
David G. Hickerson
Gerald W. Hohmann
Richard H. Allbritton
Frank H. Branca
Richard A. Rader
Stanley J. Ruden
William L. Newton III
Edward R. Dohrman
Christopher E. Krusa
Kenneth B. Young
Richard P. Williamson
Allan Jenks
Alfred W. Cecil
James J. Lium
Bruce L. McCartney
Larry L. Lewis
James F. Reeve
Michael J. Pazuchanics

* * *

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 12, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Amos 5: 24: *Let judgment run down as waters, and righteousness as a mighty stream.*

O Thou whom we worship and adore as the Supreme Being and Sovereign Ruler of the Universe, give us this day a clear and luminous vision of Thy divine purposes and power.

We beseech Thee to temper our minds with a finer essence of faith and fidelity, of comradeship and cooperation, as we seek to do what Thou dost will and command.

Help us to see that there is no way out of the world's misery and confusion than the way of the Prince of Peace whom Thou didst send to make us mindful of Thy love and the worth and dignity of man.

Inspire us to covet for the children and youth of our land a desire to cultivate their spiritual nature and aspire to contribute to the integrity and greatness of our beloved country.

In Christ's name we offer our prayer. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11737. An act to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KERR, Mr. RUSSELL, Mr. MAGNUSON, Mr. WILEY, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

EASTERN AIR LINES JURISDICTIONAL STRIKE

Mr. JONAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONAS. Mr. Speaker, Eastern Air Lines has now been closed down since June 23 by a jurisdictional strike between two rival unions.

This strike, which does not involve a dispute between the company and employees over wages or working conditions, has cost the jobs of 18,000 employees with a daily loss in pay of $367,000, and is costing the company $1 million a day in loss of revenue. It is costing the Municipal Airport in Charlotte, N.C., about $3,000 a week in loss of landing fees and rents and has grounded more than 60 daily flights in and out of this one city alone. It is causing hardship to the public by disrupting air service in the many communities served by Eastern Air Lines.

It is intolerable that such a strike should be permitted to continue. The public interest should be considered and must be paramount over the claims of two rival unions.

As the guardian of the public interest, it is time for Congress to take a hand in this situation. Further delays increase the losses and compound the damages.

Congress is not powerless to act to protect innocent bystanders and safeguard the public interest. I urge the appropriate committees of Congress to take action forthwith and propose legislation designed to outlaw such jurisdictional strikes. I believe Congress should promptly enact legislation to accomplish this objective and am sure the country would applaud such action.

NO INVOLUNTARY SERVITUDE BY LAW, REGULATION, OR FIAT

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks?

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, I take this time to call the attention of our colleagues in the House to page 13070 of the RECORD for Tuesday, July 10, 1962, where U.S. Senator BENNETT, of Utah, set forth in the other body an unusually clear, concise, and succinct analysis not only of the results of the many polls that were taken by 52 different Congressmen—thus far reported in the RECORD—but approached the problem of compulsory care of the aging under the social security tax, from the point of view of whether or not it should be included under social security at all; in other words, on the question of age rather than need. Also, he has pointed out the lack of due process if indeed this is attached to the Public Welfare Amendments of 1962 in the other body. Perhaps the only omission in this complete and updated compilation is that real need has never been proved, or that the entire study is a Federal problem in lieu of a local, or at most a problem of the several States.

Finally, Mr. Speaker, I would like to call attention to that fact that three different sovereign nations of the world have upheld the anti-involuntary servitude principle under their various constitutions, just as we have prescribed in the 13th amendment and our Constitution no involuntary servitude by law, regulation, or fiat in this country. This includes personal services. I strongly urge the entire Congress to pensively ponder this last thought, and thoroughly review the Senator's erstwhile contribution. Why should we avoid due legislative process? Why should we rush this new approach and buy at considerable expense—a pig-in-a-poke? Why should we not give existing law, the Kerr-Mills bill of the 86th Congress, a real chance?

CALL OF THE HOUSE

Mr. O'HARA of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 152]

Alford
Bennett, Mich.
Blitch
Boykin
Coad
Curtis, Mass.
Davis, Tenn.
Donohue
Flood
Frazier
Hoffman, Mich.
Holifield
Horan
Kearns
Kowalski
McSween
Peterson
Pfost
Powell
Riley
Rivers, S.C.
Saund
Smith, Miss.
Spence
Taber
Thompson, La.
Ullman
Utt

The SPEAKER. On this rollcall 407 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ASSISTANCE ACT OF 1962

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11921, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 301, ending on line 23, page 12, of the bill.

Are there further amendments to this section?

Mr. CASEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASEY: On page 12, line 23, strike the quotation mark and immediately below line 23 insert the following:

"(f) No assistance shall be furnished under this Act, as amended, to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act. For the purposes of this subsection, the phrase 'Communist country' shall include specifically, but not be limited to, the following countries:

"Peoples Republic of Albania,
"Peoples Republic of Bulgaria,
"Peoples Republic of China,
"Czechoslovak Socialist Republic,
"German Democratic Republic (East Germany),
"Estonia,
"Hungarian Peoples Republic,
"Latvia,
"Lithuania,
"North Korean Peoples Republic,
"North Vietnam,
"Outer Mongolia—Mongolian Peoples Republic,
"Polish Peoples Republic,
"Rumanian Peoples Republic,
"Tibet,
"Federal Peoples Republic of Yugoslavia,
"Cuba, and
"Union of Soviet Socialist Republics."

Mr. CASEY. Mr. Chairman and Members of the House, this is the same amendment which this House adopted last year on the foreign aid authorization bill. We saw last year how the Senate refuced to adopt such an amendment. The conference committee took our amendment out and threw it down the drain. But this year we saw how the other body, acting first, adopted practically the same amendment. That was an indication to me that they have been hearing from people who are tired of their tax money going to the support of Communist dictators.

Mr. Chairman, the main issue here is aid to Yugoslavia, Poland, and the biggest culprit, in my opinion, is Yugoslavia. We have fattened Tito to the tune of $2,279 million in the last 15 years. Putting that in simple figures which I can understand, that represents about $415,000 a day for every day in the past 15 years.

Mr. Chairman, if we think the people of Yugoslavia know where this money is coming from, we have another think coming. This aid started 15 years ago. A man who is now 25 years old in Yugoslavia was 10 years old at that time, at the time it was started. He looks to the great Tito for all of these blessings that have been bestowed upon him. What have we received for it? Yugoslavia continues to issue joint statements with Russia about how their aims and their policies are identical and the same. They vote against us consistently on all major issues in the United Nations.

Mr. Chairman, those who want to continue this aid, what are they afraid of? The gentleman from Ohio [Mr. HAYS] yesterday said the democracies will survive if they are tough enough. Of what are we afraid? Are we afraid they will issue these statements more frequently? Are we afraid that they will not take as much of our free money as they have had in the past?

They had a May Day parade just a few days ago and there were 20 Russian tanks in that parade. Does that show that they are getting away from the Soviet bloc, if they were ever out of it?

We are talking here about stopping giving the taxpayers' money to a Communist country that is dedicated to the defeat of our way of life. Our taxpayers are sick and tired of our Government's withholding money from their paychecks and sending it over there. There are 18½ million people in Yugoslavia, just about twice the number there are in the State of Texas. We have been throwing money away, sending it over there, building them up so that Yugoslavia can compete with us; steel mills, chemical plants that are going to compete with the very workers whose money they are using to build them. I think it is utterly ridiculous.

I am tired of hearing about flexibility. This thing has been so flexible that it has been wrapped around our neck. You talk about the prerogative of the executive department. I notice that the executive department lowered the taxes yesterday, I thought that taxes was our responsibility.

You hear the statement made, "Well, I am against giving aid to Yugoslavia, but I do not think that we ought to tie the Executive's hands." I think there comes a point where it is the responsibility of this House to say how the money is going to be spent. If you want to make this flexible, why not just make a lump-sum appropriation and say, "Spend it any way you want to."

In other sections of this bill you have taken the position of saying how the money is going to be spent and how it is going to be administered. And it is recognized by the other committees of this House; the distinguished chairman of the Committee on Ways and Means and his honorable members saw fit in the trade bill to make a clear finding that Yugoslavia is communistic and should not be favored. You had your Select Committee on Export Control that made a finding in their report, in spite of the strong testimony of Secretary Rusk, that Yugoslavia is not an independent Communist country; they have grave doubts about it, and feel that they have strong ties with Russia.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield.

Mr. SISK. I am a member of that committee and I would challenge the gentleman's statement. I know he wants to be accurate. I was there when Secretary Rusk made his statement, and it seems to me that the evidence is pretty clear that based on the information we have, Yugoslavia is not under Soviet domination.

The CHAIRMAN. The time of the gentleman from Texas [Mr. CASEY] has expired.

Mr. HALEY. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. CASEY] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SISK. Mr. Chairman, will the gentleman yield further?

Mr. CASEY. Certainly.

Mr. SISK. Mr. Chairman, I do not feel it would be factual to state that our investigation shows that they are under the domination of the Soviet Union. The fact is rather that all the evidence which we were able to get would indicate that they are independent of the Soviet Union.

Mr. CASEY. Will the gentleman agree with me that my statement is correct that his committee's report states that there is doubt that they are completely free of the Communist bloc?

Mr. SISK. It is my understanding that our report indicates that there would be some doubt whether or not Yugoslavia in the event of war between the United States and the Union of Soviet Socialist Republics would take sides with us.

Mr. CASEY. There is some doubt of that; I think there is some good doubt of it.

Mr. SISK. It is not my understanding that the report indicates any specific doubt about their independence at the present time from the Soviet Union.

Mr. CASEY. Mr. Chairman, if the gentleman will look at his report again I think he will find that it cites the Russian tanks there as some basis for doubting that they are completely free of any domination by Russia. Now I will agree with the gentleman and concede that his committee finds that they are completely independent; I will even suggest that you take that position and have your committee take that position. But what is the difference between an independent Communist and one in the bloc? That is what I want to know.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Florida.

Mr. HALEY. I do not think there is doubt in any person's mind as to where this armament we are sending to this country would stand in case of emergency. I do not think any Member of this Congress thinks it would be on our side. I think the gentleman's amendment here today points up just one question, and one question alone. I think that the Congress should adopt the amendment because I think the American people are tired of sending their hard-earned taxpayers' dollars over to support Communists who have been dedicated and say they are dedicated to the destruction of this country. I think the amendment should be adopted.

Mr. CASEY. I thank the gentleman.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Washington.

Mr. PELLY. The select committee met last fall. Since then Tito has changed his policy and has warmed up to Moscow. I would like to associate myself with the gentleman. I fully support his amendment. I think conditions have changed considerably since the time the select committee made their report.

Mr. CASEY. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Iowa.

Mr. GROSS. On the subject of doubt, the gentleman's amendment is designed to remove all doubt as to the position of those of us who are opposed to support of the Communists wherever they may be.

Mr. CASEY. That is exactly right. There seem to be some in the State Department who feel, in case of doubt go ahead and spend the taxpayers' money.

Mr. GROSS. I commend the gentleman's amendment and certainly will support it.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I would like to commend the gentleman from Texas on his amendment. I am going to support it. I think the proponents of aid to the Communist-bloc nations are overlooking one of the fundamental laws of human nature. That is exactly this, and this is the thing we are attempting to do by giving foreign aid to the Communist nations; that is, an effort to buy friends. I cannot buy a friend as an individual, and neither can the United States buy friends at the international level. I will support the amendment.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from New York.

Mr. PILLION. Is there any question in the gentleman's mind that Yugoslavia and the Communist Party in control of Yugoslavia are part of the Marx-Lenin philosophy?

Mr. CASEY. There is no doubt in my mind. I think we are setting a horrible example to our neighbors to the south by continuing aid to Communists when we want them to set up a democratic form of government.

Mr. PILLION. There is no question in the mind of anyone in this country, is there, that the acknowledged leader of all of the Communist countries, including Yugoslavia, is the Soviet Union, and the acknowledged personal leader is Mr. Khrushchev? There is no question about that, is there?

Mr. CASEY. Not at all.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MORGAN. Reserving the right to object, Mr. Chairman, I am not going to object, but I think any Member that uses 10 minutes has plenty of time to present his amendment. If there is any further extension of time over 10 minutes I will have to object.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield.

Mr. ROGERS of Florida. I support the gentleman in this amendment. I think the best reason that we can find to show that Yugoslavia is not independent is to look at its vote in the United Nations down the line in support of Russia. Secondly, if we will look throughout the world, we will find that when we stopped giving aid to Egypt on the Aswan Dam and Russia came in and started giving aid to Egypt, at the time when Russia gave its greatest aid to Egypt that was when Nasser turned on the Communist Party and has been berating communism ever since.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I want to make one statement and, if I still have the time, I will yield to the gentleman.

I want to state this. The opponents of this amendment say, well, we should just express a strong concern and give the Executive notice of the congressional intent. We gave notice last year when the House adopted this amendment and that notice was not heeded. Just look at the last year's gifts and grants to Yugoslavia alone and you will find they paid no attention to the congressional intent. I think it is time for us to nail it down.

I yield to my colleague, the gentleman from Pennsylvania.

Mr. FULTON. The gentleman started to touch the point I want to make. After all, President Kennedy is my President just as he is yours. I believe this amendment will be taken to be a vote of no confidence in the President's discretion. I feel the President should have the discretion on foreign policy because this House of 437 Members certainly cannot determine in advance what should be done to handle a particular situation involving the basic security of the United States.

Mr. CASEY. The Executive had that discretion for the past 16 years and look what they have done with it.

Mr. Chairman, I hope my amendment is adopted.

Mr. FEIGHAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FEIGHAN. Mr. Chairman, I have a substitute amendment. Is it proper for me to offer the amendment at this time?

The CHAIRMAN. The Chair will recognize the gentleman at the proper time.

Mr. MORGAN. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. MORGAN to the amendment offered by Mr. CASEY: Strike out the period at the end of the second sentence and insert in lieu thereof the following: "unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism."

Mr. MORGAN. Mr. Chairman, of course, this is just an amendment to the Casey amendment.

The basic issue is not whether the House of Representatives or any individual Member of the House of Representatives is for or against communism. I do not believe there is any question on this point. I am sure every Member of the House of Representatives is a determined opponent of communism and wants to do everything that can be done to win the cold war.

Neither is the basic issue here a question of whether Tito is a Communist. I am ready to concede that Mr. Tito is a Communist.

The basic question is whether or not the Congress shall tie the President's hands so that he cannot pursue a particular course of action in cold war strategy under any circumstances. Is it proper or desirable for the Congress to block out the United States from the very important and vital battlefield of the cold war.

Under our Constitution, the conduct of our foreign policy is placed in the hands of the President and he is responsible for defending the security of the United States. I do not think the Congress should try to write cold war strategy into the law.

We cannot anticipate future developments among the European satellites. We do not know when a new leader may replace an old one or when an existing government may decide that it has a chance to free itself from the domination of Moscow.

If the United States is to do anything for the enslaved nations before the complete overthrow and disintegration of the Soviet dictatorship occurs, the President needs to have discretion to act with a free hand for maneuver.

The Congress has a right and an obligation to let the Executive know how it stands on major issues. If the Congress opposes giving aid to Yugoslavia and to Poland, it should say so. But the Congress should not go further and tie the hands of the President.

It is one thing to tell Mr. Tito what we think of him. It is another thing for the Congress to require a course of action which would cut off the contacts of Yugoslavia with the United States and with Western Europe and drive that country right back into the Soviet bloc.

I have talked with many, many Americans who have visited Yugoslavia. Just recently, I talked with a distinguished American and a businessman from my district who had made a trip into Yugoslavia.

After the action in the other body to cut off aid to Yugoslavia he wrote me a letter. He felt so strongly about this that he wrote several articles in our local newspaper, articles about the lack of freedom he had in the Soviet Union and the freedom he had enjoyed in Yugoslavia. He was able to travel in Yugoslavia, he was able to do whatever he wanted to do there, he was able to talk to the people. He wrote this series of articles on the freedom that he had observed and had enjoyed. And I am sure that many, many other distinguished Americans, as the distinguished gentleman from Pennsylvania [Mr. WALTER] yesterday stated in his remarks about his visit to Yugoslavia, have had similar experiences. In that country we have now a progressive younger leadership. I hope this House does not in any way attempt to tie the hands of the President.

The President is in a better position than the Congress to know what the real situation is in Yugoslavia and in Poland, and what action is most appropriate. President Truman, President Eisenhower, and President Kennedy have been in complete agreement that it was in the best interest of the United States to give aid to Yugoslavia.

The information available to the Executive from all sources indicates that Tito wants to retain his independence and that he does not want to submerge himself or his country within the Soviet bloc.

I urge as strongly as I possibly can that the Congress leave decisions of this nature to the President.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. PILLION. In October of 1960 the Communist Party throughout the world met in Moscow. One of the main resolutions adopted by the 84 or 85 Communist Parties, including Yugoslavia, was that the war to destroy the United States and the free world nations and institutions shall be renewed. The gentleman knows Yugoslavia was a signatory to that Moscow resolution.

Mr. MORGAN. I say that is no reason for tying the hands of the President.

I know that Yugoslavia did not attend the meeting of the 81 Communist Parties in December 1960, it did not participate in the 22d Party Congress and it is not a member of the Soviet-controlled Council for Economic Assistance.

Mr. PILLION. The gentleman admits that, does he not?

Mr. MORGAN. I certainly admit that, but that is no reason to tie the President's hands.

Mr. JUDD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I do not think I need to take second place to anybody in this House in the matter of determined opposition to anything that would bring aid or comfort to Communist regimes anywhere in the world. I have opposed our aid to Yugoslavia from the beginning, with the one exception of food during the 1949–50 drought. As the gentlewoman from New York [Mrs. KELLY] so well knows, she and I have tried each year in committee to get the Executive to stop giving aid that will help strengthen any Communist dictatorship and its control over the people of the country.

I opposed the military assistance which brought Tito into power before the end of the war. I opposed UNRRA aid to Tito because he could and did use our relief supplies to eliminate opposition and to entrench his tyrannical regime in Yugoslavia. I felt that we should not help him after he got kicked out by Stalin. He had no place to go except to us. I argued that he ought to be required to give freedom to his people in return for our aid. I believe we might have had a democratic or non-Communist regime to deal with there today, instead of Tito.

My judgment has been and it is today that our aid to Yugoslavia has done more to stabilize Tito's control than it has helped the forces of freedom there. Certainly I agree that Tito would not be on our side in any war with the Soviet Union. But, Mr. Chairman, our objective is to prevent such a war. If we were to take a step that might force him back into the arms of the Kremlin, as some fear would happen, that would enhance the Kremlin's hopes of victory, encourage it to overreach itself, and increase the danger of the war we want to prevent.

This matter has been dealt with not only by this administration but by two previous ones as well. Under all three, strong statements have been made in Congress that it was not wise to give such aid. Yet all three Presidents—Truman, Eisenhower, and Kennedy—have felt that based on the information they had and the total picture that was available to them, it was better for the interests and security of our country to ignore our views and give various types and amounts of aid to Yugoslavia. But it is not true to say that the administrations have paid no attention to the wishes of the Congress reflecting the views, I think, of a majority of our people. For example in fiscal year 1961, we gave $57 million worth of aid to Yugoslavia. In fiscal 1962, certainly due in part to the Casey amendment last year and the known attitude of the Congress, the aid was cut down to less than $1 million, other than the sale of surplus agricultural commodities.

The Executive did pay attention to the wishes of the Congress.

Are we now going to write prohibition saying that the President cannot give 1 cent of aid, even if a situation developed that would make aid advisable? That would amount to a veritable handcuffing of the President of the United States in the conduct of our foreign affairs, which, under the Constitution, as I read it, he is charged with directing.

Look for a moment at what the two amendments before us would do.

First, they say that we are against aid to countries controlled or dominated by communism. That is the Casey amendment. Then, the amendment offered by the chairman of the Committee on Foreign Affairs says that while we are against such aid, the Congress thinks it would be a mistake, it is our judgment that it should be cut down and eliminated, at the same time we know that the President of the United States who is charged with the conduct of our foreign affairs, has access to information that is properly not available to us, and he can overrule our prohibition if he finds and reports to the Congress that, first, the assistance is vital to the security of the United States not just useful, not just important, not just in our national interest, but vital to the security of the United States. Is the Congress to say that even under such circumstances the President must remain helpless to do what, with his superior information, he believes it is vital to our security that he do?

Mr. Chairman, I have talked as much about preserving the Constitution of the United States as anybody here. May I say to my friends on my side of the aisle, perhaps we talk more than others about the Constitution; we do not want the executive or the judicial branches invading the prerogatives of the legislative branch. Yet it is urged that we now turn around and disregard the division of powers and duties in the Constitution which puts the direction of our foreign policy in the hands of the Executive. I want to be for the Constitution of the United States. If the President wants to take the responsibility of overruling our views, he must have that authority.

In volume 102, part 7, page 9875 of the RECORD, I said on this very point:

> Mr. Chairman, I sympathize entirely with what the gentlewoman from New York [Mrs. KELLY] is trying to do, as I have all these years. But I think the direction of foreign policy must come from the President, and so I shall support the Williams amendment to allow the President to continue the aid if he determines it to be in our national interest. That unquestionably puts the President on the spot.

The President then was Eisenhower.

> But that is the proper thing to do; it should be his responsibility to make the decision, just as it is ours to express our views in favor of stopping the aid.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent (at the request of Mr. JUDD), he was allowed to proceed for 3 additional minutes.)

Mr. JUDD. Mr. Chairman, if we adopt the amendment offered by the gentleman from Pennsylvania [Mr. MORGAN] to the amendment offered by the gentleman from Texas [Mr. CASEY], we will be saying that we are against assistance to Communist countries; but the President can furnish it if he finds and promptly reports to the Congress that, first, such assistance is vital to the security of the United States. He will have to take the responsibility of that decision, as he is charged with doing.

Second, he has to find that the recipient country is not controlled by the international Communist conspiracy. This would allow him to give aid in the case of Yugoslavia. In some of the other countries, I do not see how he could give aid under this act because he could hardly torture that language to find that the country is not controlled by international communism.

Third, he must also find and report that the assistance will promote the independence of the recipient country from international communism.

We Republicans recently adopted a statement of policy. In essence we said in that statement that our country should support measures that will help encourage the efforts of countries and people to remain independent or to become independent. This amendment takes the same position.

Mr. Chairman, I do not believe we can rightly deny the President the opportunity to exercise his judgment in this field where he has the primary responsibility. Taxes are ours; foreign policy is his—with guidelines laid down by us.

So a vote for the Casey amendment amended by the Morgan amendment, is a vote against aid to Communist-dominated countries. And it is a vote for our form of government, our Constitution. We of the legislative branch express our views, and I do as emphatically as the gentleman from Texas, or anybody else. We prescribe guidelines, criteria; but at the same time we respect and preserve the proper role of the President.

I hope the amendment offered by the gentleman from Pennsylvania to the Casey amendment will be adopted, and then the Casey amendment as amended will strengthen, not weaken, both our world position and our constitutional position.

Mr. FEIGHAN. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN as a substitute amendment:

"(f) No assistance shall be furnished under this Act and no commodities may be sold or given under the Agricultural Trade Development and Assistance Act of 1954, as amended, to any country holding membership in the Warsaw Pact or the—Comecon—Council for Mutual Economic Assistance, or to any country whose form of government is based upon the Marxian-Lenin concept of dictatorship of the proletariat supported by a single party which selects and controls all candidates for public office, and which prohibits or restricts freedom of assembly, freedom of speech, freedom of religion, freedom of movement, and the right to dissent. This restriction may not be waived pursuant to any authority contained in this Act."

Mr. FEIGHAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Chairman, my amendment differs from the amendment offered by the gentleman from Texas [Mr. CASEY] because under the Casey amendment, if a country overthrows a Communist regime and establishes a free government, the President could not give aid to any of the countries listed in his amendment, but my amendment would permit the President to give assistance to any country that overthrows any Communist regime.

The continuation of American assistance in any form to the Communist regimes of Yugoslavia and Poland is a vital issue to all the American people. The American people are remarkably well informed on the intention of the Communists to destroy our free way of life and to replace it with the system of tyranny and despotism common to all Communist regimes. They have gladly poured out their material resources to stem the tide of communism and to strengthen the cause of freedom everywhere in the world. They recognize the life-and-death character of the war which the Communists have declared upon all free people. They have carried the burdens demanded by this threat at great sacrifice, but our people have demonstrated a growing discontent with the practice of our Government to use their hard-earned money to provide economic assistance to any Communist regime. This tide of public resentment has not yet reached its full crest. The danger signs are everywhere that if we continue the bankrupt course of sharing our material strength with Communist regimes, the American people will soon demand a total stop to all foreign-assistance programs. This would be a great tragedy, because I believe that our foreign-assistance programs, when properly oriented, have made and can continue to make a significant contribution to the willing of a free and peaceful world.

The overriding issue before this body today is whether or not we favor supporting Communist regimes anywhere in the world. This has become the central issue, because the record of performance with regard to Yugoslavia over the past 14 years is so balanced against U.S. interests that we can no longer disregard the dangerous consequences of such aid.

That record shows that our intention was to encourage Tito to pull away from the Communist bloc, as a means of fragmenting the Communist empire, but that our intentions have been thwarted and defeated. The Communist regime in Yugoslavia has made it abundantly clear that it marches shoulder to shoulder with the Russian Communists toward the goal of communizing the world. Moreover, that record identifies, beyond any reasonable doubt, the decisive influence our assistance has had in maintaining and strengthening the grip of the Tito regime over the peoples of Yugoslavia.

We have given the Tito regime over $2½ billion in assistance during the past 14 years without bringing about any substantive change in the internal policies of that regime or influencing in the slightest the comradely relations between the Titoites and the Moscovites. The peoples of Yugoslavia have been the primary victims of our good intentions and the American taxpayers have been the secondary victims of these intentions.

The case of American assistance to the Communist regime in Poland differs from that of Yugoslavia only in the amount of assistance extended by the United States. The Communist regime in Poland has received in excess of $1 billion from the United States during the past 6 years. Gomulka's regime was compelled in 1956 to make concessions to the people of Poland as a last resort to avoid a total political revolution such as occurred in Hungary in 1956. Under these circumstances American assistance to that Communist regime was inaugurated.

Mr. Chairman, what is the situation today? Most of the concessions granted to the people of Poland in 1956 have been completely withdrawn or have been tightened up to the extent that they are meaningless. The Gomulka regime today is just as oppressive as any other Communist regime insofar as the basic freedoms are concerned. But it is more skillful in the use of camouflage to cover its policy.

To demonstrate my point, let me point out that only a few weeks ago Cardinal Wyszynski, the Catholic Primate of Poland, publicly denounced the confiscatory tax measures imposed by the Gomulka regime on the last Catholic seminary in Warsaw. The Cardinal pointed out that the taxes assessed by the Communist regime were of such an exorbitant nature that it would be necessary to dispose of the seminary itself in order to raise the funds to meet these taxes. Here the record shows the more we give the Communist regime of Poland, the tighter they draw the noose of oppression and persecution around the necks of the people, the God-fearing people of Poland.

Mr. Chairman, I am convinced beyond any doubt that we can loosen this noose of tyranny and persecution by denying the Communist regime in Poland any further American assistance. A vote for this amendment is a vote for freedom and a vote against tyranny and despotism.

Mr. Chairman, with reference to the question—are we going to tie the hands of the President—that is not an issue in this instance. The issue is whether or not Congress is willing to establish an incentive plan under which the Communist regimes anywhere may be given a clear choice, the choice of abolishing the Russian-style system of tyranny which they have imposed upon the people of the captive nations, or face the wrath of the people which shall surely come as a consequence of the growing failures of these Communist regimes.

Mr. Chairman, it is clear that such Communist regimes must find food resources which they do not now have if they are going to survive. It is equally clear that their Russian masters cannot supply these needed food resources because the agricultural system of the Soviet Union has provided a dismal failure. It should be clear to every Member of this House that the national security interests of the United States are best supported when we offer tottering Communist regimes our assistance, only on a condition that they demonstrate their desire to reform and to disassociate themselves from the Russians.

Mr. Chairman, this issue is very clear—whether or not we are going to support Communist regimes, and let us not hide behind this cloak, this specious cloak, of flexibility for the President. Mr. Chairman, I am in favor of the power of the President being exercised as he should exercise it, but this is a problem for the Congress of the United States to determine, whether we as Members of Congress representing our people vote to give their hard-earned money to support Communist regimes which are dedicated to the destruction of our way of life, our freedoms, our basic human freedoms.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I would be happy to yield to the gentleman from Ohio.

Mr. ASHLEY. I have listened very carefully to the gentleman. However, I have a problem.

The gentleman says that our national security interests are best served by cutting off assistance of any kind to Poland and Yugoslavia. This is absolutely contrary to what President Truman has said, what President Eisenhower said, and what President Kennedy said. And these men have had the constitutional authority for the conduct of our foreign affairs.

Mr. FEIGHAN. I am very glad to answer that.

Mr. ASHLEY. Please.

Mr. FEIGHAN. In the first place, President Truman gave aid to Yugoslavia only after Tito and the Yugoslav regime was kicked out of the Russian bloc by Stalin; the Truman administration gave aid to Tito only as an experiment, only as an effort to keep Tito permanently out of the Russian bloc. As far as President Truman is concerned, let the record show that it was his bold and courageous action in launching the Greek-Turkey aid program that closed the Yugoslav-Greek border. The book by Djilas, "Conversations With Stalin," reveals that it was Stalin who directed Tito to close the border to guerrilla action because of the heat produced by the Truman doctrine. That was an entirely different situation from that under consideration now.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield.

Mr. PUCINSKI. Did I understand the gentleman to say that Cardinal Wyszynski publicly denounced the Gomulka regime?

Mr. FEIGHAN. Yes, indeed. I put it in the RECORD of June 27, beginning at page 11125.

Mr. PUCINSKI. Does the gentleman know of any other Communist country in the world where the spiritual head of that country can make that kind of a denunciation in public?

Mr. FEIGHAN. If the gentleman will read my remarks, he will observe that Cardinal Wyszynski prophesied that he probably would be put in jail, just like Cardinal Mindszenty and others. Let me quote directly from Cardinal Wyszynski on this vital question:

> I know that in telling you all this I am going to lay myself open to attacks in the press. I am the guilty one, the troublemaker, the instigator, the one who sows division in society; I shall be accused of all that, I know; but I prefer to be accused today rather than in 50 years' time.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. FEIGHAN] has expired.

Mr. CEDERBERG. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio have permission to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. MORGAN. Mr. Chairman, I served notice that 10 minutes on each amendment was plenty of time, and I am therefore impelled to object.

The CHAIRMAN. Objection is heard.

Mr. FRELINGHUYSEN. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

> Amendment offered by Mr. FRELINGHUYSEN to the substitute offered by Mr. FEIGHAN: Strike out the period at the end of the amendment, insert a comma and the following: "unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism."

Mr. FRELINGHUYSEN. Mr. Chairman, as the reading of my amendment indicates, the language which I have offered as an amendment to the substitute offered by the gentleman from Ohio [Mr. FEIGHAN] is identical to the language offered by the gentleman from Pennsylvania, the chairman of our committee, to the amendment offered by the gentleman from Texas.

At this stage of the debate, perhaps, no one's mind will be changed by what is said. At the very least this debate has shown we are all agreed that we are united in our desire to defeat the international Communist conspiracy. The question which we are now discussing affects the best way in which we can promote this end, and our own national interests.

I would like to point out that this language will very severely restrict the already limited authority of the executive branch with respect to Communist-controlled or dominated countries.

Much attention has been given to Yugoslavia. Section 143 of the Mutual Security Act of 1954 spells out specifically the restrictions which already apply to any aid to Yugoslavia. The President must continuously assure himself, first, that Yugoslavia continues to maintain its independence; second, that Yugoslavia is not participating in any policy or program for the Communist conquest of the world; and, third, that the furnishing of such assistance is in the interest of the national security of the United States.

In section 620(b) of the Foreign Assistance Act passed last year there is this general provision:

> No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

The language which we now have before us would put further restrictions on the ways and the type of aid which we can provide and the positive finding which the President must make before he could be authorized to provide any assistance.

The suggestion from the gentleman from Ohio, it should be pointed out, would eliminate even Public Law 480 assistance to such countries as Poland and Yugoslavia. As we all know, such aid is relatively modest at the present moment. It seems very inadvisable for us to restrict not only aid under this act but aid under Public Law 480.

I should like to repeat also that the President must find that such assistance will be vital to the security of the United States. We require a very direct finding and a report to the Congress in order to make it possible for him to furnish any assistance. We must have a finding, again, that the country is not controlled by the international Communist conspiracy and will further promote the independence of that country.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. FRELINGHUYSEN] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I desire, first of all, to compliment the gentleman upon his cogent statement. I have read the Morgan amendment, and what the gentleman says is precisely true. The President must make an affirmative finding and report to the Congress. These findings must be conjunctive. He must make three specific findings with reference to each and every decision to grant aid to any country.

Does the gentleman not agree that in writing these amendments as proposed by the gentleman from Texas and the gentleman from Ohio, limited by the amendment offered by the chairman of the committee, we are writing a specific policy into law with respect to aid to any country that might be involved?

Mr. FRELINGHUYSEN. I agree with the gentleman.

Mr. ALBERT. Are we not for the first time establishing guidelines with which the administration must comply, and are we not for the first time making it mandatory that the administration conform to those guidelines?

Mr. FRELINGHUYSEN. The gentleman is correct.

Mr. ALBERT. If the gentleman will yield further, I would like to say that it seems to me that this compromise meets the situation. I, for one, will be insistent that the Congress call upon the administration for a precise and complete accounting of its compliance with both the spirit and the letter of this amendment, if this amendment, as amended, is adopted.

Mr. FRELINGHUYSEN. I thank the gentleman.

We must remember that we provide aid not only to the governments of these countries, but to some extent also to the peoples of these countries. We have had expressions of opinion with respect to the conditions in Poland.

Because of the tradition of close connections between our country and the Polish people, should we make it impossible for us to provide assistance to the building of a hospital in Krakow, Poland? Or provide them with food if the circumstances warrant?

Impatience has been expressed that we have not accomplished enough with the discretionary authority which the previous Presidents have had. I might point out that the situation in Yugoslavia has changed substantially, at least in part, because we have expressed interest in the breakaway that occurred when Stalin kicked Tito out back in 1948. There has been an opening in Yugoslavia to Western ideas and influences. English has replaced Russian as the second language in the country. American films and books are popular. The Voice of America is not jammed. More than two-thirds of Yugoslavia's trade is now with the West. All these things are solid evidence that the monolithic character of the Soviet conspiracy has been broken to some extent. To me this is an eminently desirable trend, in the best interests of our own country.

The gentleman from Minnesota has mentioned the fact that the Republicans have adopted, with very little disagreement, a statement of principles only last month. I was one of six Members of the House which drafted this declaration. I would like to quote very briefly from this statement, because it does represent what I believe. The language which we are now considering, I believe, would incorporate, would embody, this philosophy:

> Demands for assistance by those who hang back from the struggle between freedom and slavery do not deserve the high priority that the pressing needs of freedom's friends should have.
>
> Aid to our sister American Republics is, by law, conditional upon progress toward development of free institutions. Aid should not be extended to any Communist state that will not accept equally stringent conditions.

I submit that the language we are now considering applies these equally stringent conditions. I recognize that there are those who say that under no circumstances should we provide any aid to the enemy, in whatever form he appears. But, it seems to me, we should be able to let the President differentiate between the types of enemies.

If a Gomulka rises in some other country, it might well be in our own national interest to move to help that breaking away of a Communist-dominated country. It is not simply a question of whether we do or do not favor Communist regimes anywhere. It is not simply a question of whether they are Communist or not. If they are moving in our direction, if they are showing some desire or ability to get out from under the Communist conspiracy, it seems to me we should be in a position to move rapidly. We should be able to exercise the kind of authority and provide the kind of aid that we have in the past, in the best interest of this country.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman.

Mr. KITCHIN. I would like to ask the gentleman a question concerning the three instances in which the President, according to the gentleman from Oklahoma, must make an affirmative finding. I see in No. 2, the recipient country is not controlled by the internationalist Communist conspiracy. Then No. 3, that such assistance will further promote the independence of the recipient country from international communism. Does that or does it not create a paradoxical situation? How can you find both? I would like the record to speak out on that particular subject, if the gentleman can answer.

Mr. FRELINGHUYSEN. I am glad the gentleman brought that out at this time. Yugoslavia would be as good an example as any. There might be a finding, perhaps, that Yugoslavia is not controlled by international Communist conspiracy and, yet, no finding that assistance will promote the independence of that country from the tentacles of the international Communist conspiracy, which they project either by trade or politically. There must be a finding on all three points. It does not seem to be inconsistent in any way to have this triple requirement. Subsection 2, in effect, is in existing law but subsection 1 and subsection 3 add further restrictions to present law.

Mr. WALTER. Mr. Chairman, I am convinced that if we ban all assistance, including even food, to Yugoslavia and Poland, under any condition, we will be handing the Soviet Union a tremendous propaganda weapon to use very effectively against us everywhere. It will cite our action as proof that the United States is not really interested in humanity.

I also am convinced that if we take this step we will be depriving our friends behind the Iron Curtain—and they number in the millions—of one of their most effective anti-Communist and pro-American arguments. We will be depriving them of concrete proof of the friendship of the American people for the hungry, underprivileged, and freedom-loving people throughout the world, no matter who they are and whether or not they are the victims of totalitarian oppressors.

We are not dealing here with the weapons of war. We are talking about assistance and people who need it. We are not talking about help to Tito and Gomulka who, like all rulers, cannot last forever—and I do not require any proof that either of these people are Communists—we are talking about continuing the Kennedy and Eisenhower policies of seeking and helping friends and allies among people rather than among rulers.

Whether or not we are succeeding, I think is answered very well by a pamphlet that came to me a moment ago. I obtained it from the committee. It is entitled "Results of the U.S. Assistance to Poland and Yugoslavia." I recommend it to all of you.

We all know Moscow wants the enslaved peoples to feel that they have been abandoned by the free world. If we cut off the possibility of sending them even food, they will feel abandoned indeed.

What will the result of this be?

Their resistance to the Communist oppression will be undercut, and this means that our own security will be weakened. Many authorities are firmly convinced that for years one of the major deterrents to world war III has been the resistance of enslaved people to their Communist masters. Help Moscow break that resistance and you increase the potentialities of Communist aggression.

Mr. Chairman, erosion of the Communist empire has begun even though that empire is still making gains outside its borders. More and more, the people behind the Iron and Bamboo Curtains are speaking up. There is no doubt that the Communist rulers hear their voices.

Shall we now reverse ourselves, shackle the President, and abandon the gains that have been made through our contacts with and help to the people of Yugoslavia and Poland?

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Is it not true that food is a weapon of war? And that when we are supplying food to Communist regimes, which incidentally at the same time are exporting food, that the food that we give primarily goes to the Communist elite?

Mr. WALTER. No; I will answer the gentleman. The food does not go to the Communist elite. I saw how food was being distributed in Yugoslavia. I know that the people all over that country know where that food came from. They told me so. They knew very well that they got this assistance from the United States.

By supporting the amendment of the distinguished gentleman from New Jersey [Mr. FRELINGHUYSEN] and the gentleman from Pennsylvania [Mr. MORGAN], we can indicate our strong opposition to the regime in Poland and in Yugoslavia and at the same time not interfere with the President in carrying out his responsibilities imposed on him by the Constitution of the United States.

Mr. BARRY. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Chairman, I have no illusions that any argumentation that I might present would change the vote of anyone in the Chamber. However, there are certain facts I would like to lay before the Members of this body.

As our minority leader, the gentleman from Indiana [Mr. HALLECK] has often said to the Republicans of this House, a Congressman is only as good as his information.

I do not wish to impose upon the judgment of any of you, but I would like to supply some of the information contained in the pamphlet that was received from the State Department only this morning, which the gentleman from Pennsylvania [Mr. WALTER] referred to a few moments ago.

Further, I would like to state that I have not been to Yugoslavia, although I was in Poland over the Easter holidays.

In Poland the Voice of America broadcasts are unjammed. That is fact No. 1.

Fact No. 2: In Yugoslavia English has replaced Russian as the most widely taught language in the country.

Fact No. 3: American and western books are readily available at bookshops.

Fact No. 4: The Voice of America broadcasts are unjammed.

Fact No. 5: The U.S. Information Service is permitted to carry out a program on a greater scale than in any eastern European country.

Fact No. 6: American and western European newspapers and magazines are sold on newsstands.

Fact. No. 7: The New York Times and Herald Tribune are subscribed to by 70 libraries.

In Poland 220 primary schoolteachers questioned on novels, on whether they like Polish or Soviet novels, and they were asked to list them along with American novels, the 220 schoolteachers did not list a single Communist writer. Radio Warsaw, on the other hand, was greatly offended by this, and reported to the people that the children of the schools embraced the capitalistic school system in their essays.

Let us go to Yugoslavia for a minute. There have been two books published in Yugoslavia: first, "The New Class," by Milovan Djilas; and second, "Conversations With Stalin."

Both books shook the Communist world and came out of the present climate of Yugoslavia.

You may be interested to know that in Yugoslavia newspapers they carry Associated Press and UPI dispatches.

Mr. FEIGHAN. Does the gentleman know that Djilas is in jail for dissenting. Both "The New Class" and "Conversations With Stalin" by Djilas were forbidden to be printed in Yugoslavia and forbidden to be distributed in Yugoslavia. Djilas went to jail the second time after "Conversations With Stalin" was printed in the United States.

Mr. BARRY. In Poland the Catholics, who make up 95 percent of the population, enjoy the basic freedom of worship. In Poland I observed over the Easter holidays that they worshiped 4 days. They worshiped on Good Friday, they worshiped on Saturday, they worshiped on Easter Sunday, and they topped it off by flocking to the churches again on Easter Monday.

I have been told there were 2,000 new churches built in Poland since the war. I personally went to some of these churches to inspect them. I saw that the mortar was new. I went into the churches—I saw them crowded. I saw them worshiping God in the same way we worship God in this country.

In Yugoslavia, harsh repression of religion abruptly ended in 1949. A law was passed in 1953 to normalize relations between church and state. Archbishop Stepinac was released from prison in 1951. The Moslems are represented in Yugoslavia too. The Moslem assembly in 1957 thanked the Tito regime for the fact that they were "completely free" to worship God in their own way.

What about the facts on the socialization and collectivization of farmland? In Yugolsavia only 12 percent of the farmland is presently collectivized. In Poland only 13 percent is presently collectivized.

What about our trade with Yugoslavia and Poland? In 1948 our exports to Yugoslavia amounted to $8 million. Our exports for 1961 rose to $153 million How about imports? Five million dollars in 1948 and $40 million in 1961.

How about Poland? In 1948 exports were $55 million; in 1961, $74 million; imports, 1948, $1.2 million and in 1961, $41.3 million.

Now, under our Public Law 480, we had an agreement with the Polish Government which makes it possible that some of these soft currencies will be repaid in U.S. dollars at a future date. We do not have that sort of an agreement with some of the non-Communist countries. Under Public Law 480, commodity support, the zlotys received from our sales are used to support CARE and Church World Service, and the Children's Hospital in Krakow.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PILLION. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. BARRY] may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from New York.

Mr. PILLION. I am most disturbed by the language of the amendment. As I view the language, Red China and Cuba could both become eligible for aid under that language, because neither country is under the military, political, or economic control of the international Communist conspiracy; in fact, "international Communist conspiracy" is a very vague and loose term. Cuba is not a Communist country because of its control by Khrushchev or by its control by the Soviet Communist Party. It is a Communist country that has welcomed and associated itself not under control of Moscow and Khrushchev and the Communist Party, so that the amendment that is before the House today completely nullifies the intent and purpose of the two original amendments.

Now, can the gentleman tell me what "international Communist conspiracy" is?

Mr. BARRY. I will be very happy to say to the gentleman I will give him the results of the past when Yugoslavia split with the Soviet Union in 1948:

First. Russia was cut off from direct access to the Mediterranean.

Second. Yugoslavia ended her intervention in Greece, with the closing of the border, where infiltration into Greece had made it almost impossible for the Government of Greece to win their victory, which they later did win, after this border was closed.

Third. Albania was isolated.

Fourth. We were able to get a compromise on Trieste.

Fifth. Now, mind you, we are not the only ones interested in whether we maintain a cordial relationship with Yugoslavia. Italy will be able to forgo concentrating on its borders and can now relax and allow its Government to concentrate on internal procedures. This is what they have been doing in the last 7 or 8 years which has resulted in a boom in the Italian economy.

There is a belief that has gone about that there is no advantage to a Communist country not being dominated by the Kremlin. But let me say this to the Members of the House: The great Communist myth which existed for years, was that the Soviets dominated everything. But when Yugoslavia broke this myth it led to the split which broke, second, in East Germany, then third, in the bloody uprising in Poland and, fourth, in the revolt in Hungary. All of these breaks were made possible by virtue of the fact that the myth was broken when Yugoslavia broke from the Kremlin.

Mr. OSMERS. Mr. Chairman, I rise to give my support to the amendment by the gentleman from New Jersey [Mr. FRELINGHUYSEN]. Many of you know that I have vigorously opposed many of President Kennedy's proposals and programs. However, under our Constitution, the President is given the responsibility for the conduct of the foreign affairs of our Nation. If he is to discharge this all-important responsibility, he must have enough flexibility to take advantage of every situation anywhere in the world, particularly with reference to cracks in the solid front of the Communist bloc.

I have no more desire than has any other American to assist communism with my taxes. But all of us know in our hearts that there are millions of people behind the Iron Curtain in countries such as Poland, Czechoslovakia, Hungary, Yugoslavia, and even in China and the U.S.S.R., who cherish liberty and have the same love of freedom that we ourselves have. We know this because many of our most loyal freedom-loving Americans are descended from those who came from these very nations. It would be sheer folly, Mr. Chairman, for the U.S. Congress to slam the door, categorically, on all of these people. We would thereby force them still more firmly into the arms of the international Communist monster.

May I urge my colleagues to give President Kennedy the same latitude which we gave President Eisenhower. The amendment by the gentleman from Pennsylvania [Mr. MORGAN] and the one by the gentleman from New Jersey [Mr. FRELINGHUYSEN] should be supported. It is my frank opinion that the proposals offered by the gentleman from Texas [Mr. CASEY] and the gentleman from Ohio [Mr. FEIGHAN] should not be adopted without these amendments.

Mr. BOW. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Bow moves that the committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BOW. Mr. Chairman, it is a little difficult to get the floor here today with the Committee taking up most of the time and giving extra time.

Mr. Chairman, I should like to bring the House back to the constitutional question which was raised by my distinguished colleague, the gentleman from Minnesota [Mr. JUDD] and by others who are fearful that we may invade the prerogatives of the President. I should like to remind the gentleman that the same Constitution says that no moneys shall be spent unless appropriated by the Congress of the United States. So the responsibility of how money is spent is placed upon the Congress, and we are not invading the province of the President. We are retaining for ourselves the rights of this House.

Mr. Chairman, this is an authorization bill to authorize appropriations to be made. If we attempt to do these things in appropriation bills, such bills are subject to the point of order of legislating upon an appropriation bill. So this is our opportunity to exercise the prerogatives of the House of Representatives—you as the Representatives of the people—in determining the manner in which the money of the people will be spent.

Mr. Chairman, I think it is unfortunate that before the final vote is taken we have gotten so far away from the excellent statement made by the gentleman from Texas [Mr. CASEY], who outlined what this cost is to the American people, what it is doing to us and what it is taking from us. So I simply wanted to get us back, Mr. Chairman, to the Constitution and our constitutional responsibility. We are not invading any province of the President, but we are exercising that which we should and must do.

Mr. Chairman, I yield back the balance of my time.

Mr. FULTON. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I want to say I do not think that we on this motion should now defeat this foreign aid program completely. So the motion should be voted against—the motion offered by the gentleman from Ohio [Mr. BOW].

Mr. Chairman, I agree with the gentleman from Pennsylvania [Mr. MORGAN] and likewise with the gentleman from New Jersey, and support their amendments. I believe that we must go ahead with our U.S. foreign aid programs on the basis of having confidence in the President, whomever the President might be. When the President was President Truman, I stood here and said that he had charge of the foreign policy of the United States under the U.S. Constitution, and that our U.S. security lies within the discretion of the President on foreign policy. We in Congress cannot each have all the current secret advice and facts to which the President has access. Therefore, we must trust our President. As a strong Eisenhower supporter, I reemphasized that feeling when President Eisenhower was President.

I believe firmly that President Kennedy is our President of the whole country. I have confidence in him as I have known and worked with him for a long time, and this is no time for partisanship. I would like to say both to our Democratic and Republican friends that the language of these amendments is clearly sufficient to do what Congress feels should be done; to protect the prerogatives of the House as well as the separation of powers, and to protect the security of the United States. There is no doubt that is true. I would like to hear from anybody who feels that the language is not sufficient in any respect. But if you do not have confidence in the President and feel that the language is sufficient, then you should vote that "no confidence" in the President of the United States. I strongly oppose such a vote of no confidence.

As a Republican and a stanch supporter of this country I do not believe I can do that, and therefore I feel that we should, regardless of party, vote either for the amendment of the gentleman from New Jersey or the amendment of the gentleman from Pennsylvania.

May I shortly give some history of myself? History will show that I was the first Member of this House of Representatives who offered an amendment to bar all aid to Yugoslavia, when U.S. foreign aid legislation first was debated in the Truman administration. I have consistently been against military aid to Tito or any dictator government, or for the giving of military planes to Tito, of any kind or variety. But I have been to Poland and I have been to Yugoslavia. When I arrived in Yugoslavia I was told I was one of four people in Congress whom they least expected to see. I asked who they were. One was the gentleman from Pennsylvania, Mr. Walter; another was the Congresswoman from New York, Mrs. Kelly; the third was the late Senator McCarthy, of Wisconsin, and the fourth was myself. Because of the tense situation there I stayed with our Ambassador, Mr. Riddelberger, in his house, without disclosing that I was other than a newspaper publisher. But I found that the Yugoslav people had not changed. I found a wonderful, warmhearted people who liked the West, just as Congressman "TAD" WALTER said. I was welcomed everywhere. I wanted to see if religion was free in Yugoslavia, so I went to the church and when it was time for the service, asked the man in charge to let me toll the bell. He stood aside and let me ring the church bell.

In Poland I went out to see how the workers were trying to get along. They are poor but they are church members. Ninety-five percent of the Polish people are members of the Catholic church, and I think it is wonderful; and I am a Presbyterian.

Mr. Chairman, we should not abandon these good people in Eastern Europe of these captive countries because these governments are governments by force imposed upon them against their will.

In conclusion, I say to you that if you vote against the Morgan and Frelinghuysen amendments, you vote against confidence in the President of the United States. Also, the wording of these amendments, their provisions, is adequate for our complete protection. They have been gone over carefully and a good workable compromise reached.

So I strongly recommend this compromise rather than the extreme views of my other friends whose views I respect highly; but likewise I disagree with strongly.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Ohio [Mr. BOW].

The preferential motion was rejected.

Mr. GALLAGHER. Mr. Chairman, I rise in support of the substitute.

Mr. Chairman, I would like at this time to try and set the record straight as to what is contained in this amendment. First of all, there is no aid to Poland slated in this bill. There is no aid to Yugoslavia slated or scheduled or provided for in this bill. What is involved in this debate, in the amendment of the gentleman from Texas, is whether or not we shall have a shift of policy. There can be no more anti-Communist in this body than the gentleman from Pennsylvania [Mr. WALTER]. The amendment of my colleague from New Jersey [Mr. FRELINGHUYSEN] would allow all of us to march just as strongly against communism as the gentleman from Texas [Mr. CASEY], the gentleman from Pennsylvania [Mr. WALTER], and the gentleman from Ohio [Mr. FEIGHAN].

We can express our will, our hatred, if you want to put it that way, of communism and all that it stands for by voting for the amendment of my colleague from New Jersey.

But at the same time let us keep in mind that there is no aid in this bill for Poland. There is no aid in this bill for Yugoslavia. What this amendment really seeks is to shift the policy that has been the policy of three administrations.

Do we really want to tell off Mr. Tito at the expense of the national interest? This is what is involved. Are we more interested in the appearance of being anti-Communist than we are being anti-Communist, and allowing our President, whoever he may be, to do something to exploit the cracks that are now appearing in the Communist bloc? This is the issue here today.

We have already expended $2.4 billion, as the gentleman from Texas stated. Are we going to write this off and say we made a serious mistake now, when it may not cost us another penny? There is not another penny involved in this bill that we must give to Yugoslavia. There is not another penny involved in this bill that we must give to Poland. I think the record ought to include that this is the issue: Shall we continue a long-range policy that can bear great results?

All that is involved now is the question of whether we are going to enjoy the momentary satisfaction of telling Tito off or are we going to have a cold calculated policy based on the best interests of the United States. Tito is not a very desirable character to any of us. I have heard the argument, let the Communists starve, let us not give them any food; let the people fight for freedom. But we are not offering them freedom instead of food. We did not give the Soviet Union or Red China any food. They are just as Communist as they can be. So we are not going to prove anything by allowing a revolt to ferment in Poland. Nowhere in the world are the people more friendly to us than the people of Poland, nowhere do people show greater contempt for communism than do the Polish people despite the Russian divisions that surround them. However, this is really not the issue. What is involved is the interest of the United States. Shall we tie the hands of our President, who is entrusted by the Constitution to conduct foreign policy? Shall we here today start a new precedent of congressional estoppel in the conduct of foreign affairs. It is an extremely delicate matter, only the President has access to intelligence reports and the reports of our ambassadors. Only he bears the final responsibility of proper evaluation in the light of our national interest. Our foreign policy cannot be conducted in the darkness of ignorance, emotion or local appeal.

We cannot tie our President's hands and still expect him to guide us through these perilous times.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. No; I will not, unless I get additional time. Then I will be very happy to yield.

Mr. FEIGHAN. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GALLAGHER. I yield.

Mr. FEIGHAN. The gentleman said he does not want a revolt in Poland. The revolt would not be against the United States, as the gentleman implied, it would be against the yoke of tyranny of the Communist regime over the necks of the people.

Mr. GALLAGHER. I did not say I did not want a revolt. I have heard this theory of making profit out of distress. Mr. Stalin had this theory before World War II. He said, "Let the Germans suffer. Let the Nazis run their course, and after Hitler communism will take over." But 20 million Russians were killed and there were additional millions of people slaughtered throughout the world because Hitler came to power. We cannot make a profit out of the distress of others. The only thing that could happen is that if the people in Poland starve they may well be goaded to revolt and then be stomped on. Useless slaughter is not the answer to communism as Hungary proved.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I just answered the gentleman's question.

Mr. FEIGHAN. I just got the gentleman 2 additional minutes.

Mr. GALLAGHER. And you are using 4.

Mr. FEIGHAN. If the people revolt they will be revolting against the regime, and we must not forget the strong possibility that there will be a revolt by all other Communist-dominated nations and we would have a total revolution which the Red empire, the Red army, or no other army in the world could suppress.

Mr. GALLAGHER. I disagree but I thank the gentleman very much.

Mr. FEIGHAN. And do not forget when the Hungarians revolted, we stood shamefully by without giving them any recognition, I mean even apart from military assistance.

Mr. GALLAGHER. Mr. Chairman, I would like to request 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GALLAGHER. I do hope we will stand shoulder to shoulder in support of the amendment offered by the gentleman from New Jersey [Mr. Frelinghuysen].

Mr. JUDD. Mr. Chairman, will the gentleman yield for a comment on the remarks of the gentleman from Ohio?

Mr. GALLAGHER. I yield to the gentleman.

Mr. JUDD. If we were to pass the Casey amendment without the Morgan amendment, or the Feighan amendment without the Frelinghuysen amendment, we would make it impossible for the President at the moment of such a revolt to go in and give assistance to the people revolting.

Mr. GALLAGHER. Absolutely, the gentleman has made an excellent point.

Mr. JUDD. I thought it was a mistake to build up the Communist tyrants, but that has been done. Are we today to take action which would tell the people who feel we are their only hope, that we are now going to abandon them? Rather, let us send them a message that we stand by them. Let us not destroy their hope of receiving assistance at the right moment, and thereby discourage them from broader and stronger resistance, and ultimate revolt.

Mr. GALLAGHER. The gentleman has made an excellent point. This is what is involved. In this policy of the United States, shall we have a policy wherein our President can exploit the cracks in the Communist wall as they appear? Our policy is aimed at encouraging nationalism in the Communist empire. If the Communist empire should break up into a series of national states, they no longer pose a threat to the United States. It is the supernational concept of communism with sabotage and with subversion that is a threat to the United States. The amendment of the gentleman from Texas would throw back into the Communist orbit anyone who seeks to break away from the Communist orbit and irrevocably commit them to the Soviet Union. Our policy gives these nations in the Communist bloc hope and faith and an opportunity of choice. This is what is involved.

Certainly it is easier to come up here and say, I am anti-Communist and that we should cut off aid to the Communist countries. But nobody can be more anti-Communist than the gentleman from Pennsylvania [Mr. Walter]. He has proven that throughout his career here in the Congress of the United States. That is why we walk shoulder to shoulder with him in trying not only to oppose communism but to allow our President to have sufficient flexibility to exploit the cracks in the Communist bloc.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments close at 3:15 p.m. with the last 10 minutes reserved to the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. FEIGHAN. Mr. Chairman, reserving the right to object, would that preclude the offering of another amendment to this section?

The CHAIRMAN. It would not preclude the offering of an amendment to this section.

Is there objection to the request of the gentleman from Pennsylvania that all debate on the pending amendments close at 3:15 o'clock with the last 10 minutes to be reserved to the committee?

Mr. BRUCE. Mr. Chairman, I object.

Mr. HARSHA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes and to revise and extend my remarks.

Mr. HAYS. I object.

Mr. HARSHA. I want to thank the gentleman from Ohio for refusing me the additional 5 minutes.

Mr. HAYS. The gentleman is one of those objecting to additional time for Members on this side.

Mr. HARSHA. I have not objected to any such request.

Mr. HAYS. Make your speech for the platform, make your speech for the record, get it over with.

Mr. HARSHA. I did not object to any Member having additional time. I sat here patiently for 2 hours seeking recognition and never once objected to any other Member having additional time. The gentleman is absolutely wrong. I thank the gentleman from Ohio [Mr. Hays] for his courtesy in refusing me the additional time to express my beliefs. I certainly feel that any Member should have sufficient time to express his views on this important amendment.

Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Ohio [Mr. Feighan]. I had a similar amendment at the desk but because of the procedure I was not able to offer my amendment. However, the purpose is the same and my amendment would accomplish the purpose of prohibiting any further aid to Communist countries. I believe the substitute offered by my colleague from Ohio will accomplish this same purpose, therefore I rise in support of it.

Mr. Chairman, in my humble judgment it makes no more sense to strengthen a Communist economy than to arm it. The military potential of a nation is directly dependent upon its economic stability. If a nation has a strong economy it can maintain and support a strong military force. If its economy is shaky and unstable it cannot support such a military force and it ceases to become a potential threat to the security and wellbeing of the United States. Giving aid in any form to a Communist government strengthens its economy and thereby enhances the military potential of that government.

Aid to Communist nations can only serve to enhance international communism. On the basis of the record, aid to communism is always detrimental to our country. It permits them to use this aid to cover up their own shortcomings and to put down unrest and internal strife.

It serves to build up their lagging economy and frees their funds, resources, and manpower for other purposes detrimental to the welfare and security of America and the free world. It perpetuates an evil system designed and dedicated to the destruction of this country and assists them in tightening their stranglehold on the dominated peoples of the world.

When we provide these Communist governments with assistance, it, in effect, tells the people forced to live under the Red regime that the United States looks with favor upon what that Communist government is doing. We delude and deceive the citizens of those nations into believing that our Government looks with approval upon and is in sympathy with the Communist government.

Such aid helps Communist leaders to strengthen their personal dictatorships. It lengthens and worsens the misery and the agony of the people in the Communist-ruled nations. It makes their slavery look permanent and it breaks, perhaps beyond repair, their hopes for liberation and their faith in the United States as leader of the free world and as champion of democracy.

Many of the people who live within the satellite nations want to rise in revolt against the suppression of freedom. A suppression imposed upon them by international communism and abetted by our assistance. However, experience has demonstrated that within these nations the ability to revolt, when the people face a strong economy and military force, can never become a reality.

There have been revolutions, as we know, within these countries. Revolutions that anticipated help from the United States, yet that help never came to those revolting and they were subdued. Diabolically though, we help the very form of government that is coercing those who want their freedom, so that the people who are brave enough to stand up for their rights and their belief in God are lead to believe that there is no help for them from the free world, but rather that the United States approves of their captivity by communism. No, the slaves and captives of communism are not helped by our aid to Communist governments. Such aid merely perpetuates their slavery and breaks their will to revolt.

It seems foolhardy to take tax dollars away from American citizens and use them to sustain a government that is dedicated to the destruction of every principle we as a nation believe in. This is certainly not in the best interest and security of our Nation.

We are spending more money than ever before during peacetime on our defenses to defend our country against Communist aggression, yet we turn around and give aid to those countries who are a part of the Communist movement. This is foolhardy.

Furthermore, these same Communist nations that are receiving our assistance turn right around and provide Russia and Cuba with aid and supplies. I am sure the Members of Congress would rebel against the United States providing direct aid and assistance to Cuba and Russia. Why then do it indirectly or through the back door?

Some will say that Tito and Yugoslavia are troublesome to Russia, a source of contention to her and independent of Russia. That is not borne out by the facts.

All reports now indicate that Tito and Khrushchev are getting along very well. Tito still provides aid and support to nations that are admittedly part of the international Communist movement. You have only to look at the recent Belgrade conference to see Tito's attitude toward Russia. He endorsed the Khrushchev proposal for disarmament and criticized severely the United States insistence on controls and inspections. He approved in so many words of Russia's resumption of nuclear testing. He criticized U.S. policies in Latin America and praised Castro for his resistance to American intervention in the Cuban revolt. This certainly is not the action of a neutralist nor of a government independent of and a source of trouble to Russia.

And what of Poland? Poland has been furnishing supplies and finances to Cuba; money and funds with which to build her economy. Now if Poland has the funds to do this, she certainly does not need hard-earned American tax dollars and farm commodities to help her. To give these Red countries aid removes the necessity of Russia to give them help and permits Russia to then use her resources to aid the uncommitted countries and, in effect, defeats the very purpose of our foreign policy. Much of our aid and assistance is diverted to the leftist and so-called neutral countries in the name of and under the guise of the Communist economic movement. This is certainly not in the best interest of the free world.

After 14 years and billions of dollars in aid and assistance to Poland and Yugoslavia, we have still not seen either of them shake the chains of Russia, rather their ties grow stronger. Our aid, regardless of our motives, helps them over the rough and the lean years, encouraging an illusion of progress and approval by the United States. Its time to call a halt. How much longer do we have to live with the illusion that we are helping them establish their independence of international communism? What is wrong with writing so-called guidelines in this law to express the will of this House and the people of these United States.

I urge the adoption of this amendment by the gentleman from Ohio [Mr. FEIGHAN].

Mr. BRUCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is with a certain amount of reluctance that I rise in opposition to men I have respected over the years and continue to respect most highly; namely, the chairman of the Committee on Un-American Activities, the gentleman from Minnesota [Mr. JUDD], and others, but I cannot do less. I just believe they are wrong in this particular case.

The issue is whether or not we shall continue to aid those who are part of a conspiracy to destroy us. It is not a question of whether we are tying the hands of the administration; it is a question of whether we are tying the hands of the Congress of the United States and the people of the United States.

What is involved here? We try as thoroughly as we can in my office in the few hours that we have left over, to read and study as thoroughly as possible, including the hearings that are held by both bodies of the Congress. I for one cannot go home to my district, and I cannot face myself unless I at least try to stop aid to North Vietnam and to stop aid to Castro in Cuba, because that is what we are talking about.

There was a mission from North Vietnam that went up into the Soviet satellites in 1960, and another one in 1961.

Have we read the press conference of the delegate who returned to North Vietnam, where American men are now engaged in conflict as advisers? It is reported Poland had promised 7 million rubles to North Vietnam in 1961. Are we going to leave the door open for aid to Poland to be transferred to North Vietnam?

In the other body, the Internal Security Subcommittee has held hearings and received testimony. Let me read you a little bit of it:

YUGOSLAVIA

"COMMUNIST THREAT THROUGH THE CARIBBEAN, PART III," GEN. C. P. CABELL, DEPUTY DIRECTOR, CIA—PAGE 167, NOVEMBER 5, 1959—HEARINGS BEFORE INTERNAL SECURITY SUBCOMMITTEE

Mr. SOURWINE. General, are there any significant pro-Communist sympathies among the various Eastern European minority groups living in Latin America, such as the Yugoslavs, Poles, the Czechs, and the Hungarians?

General CABELL. The satellite countries and Yugoslavia also seek to influence the local emigre groups. In Chile, the Yugoslav group has been cultivated by the Yugoslav Embassy. The Titoist brand of communism has met a sympathetic response from the Chilean Socialists who form part of the political alliance which includes the Communist Party.

"COMMUNIST THREAT TO THE UNITED STATES THROUGH THE CARIBBEAN, PART VII," MAY 2, 3, 4, 6, 1960—INTERNAL SECURITY SUBCOMMITTEE—PAGE 340

Senator Keating. You have spoken of the large number of Chinese agents there. Are there Russian agents in Cuba?

Father Aguirre. There are, too. Yes. But I think there are more Chinese than Russian.

Senator Keating. Are there any agents from other Communist countries?

Father Aguirre. Always. Especially from Yugoslavia and Czechoslovakia.

"COMMUNIST THREAT TO THE UNITED STATES THROUGH THE CARIBBEAN, PART VI," PAGE 318—INTERNAL SECURITY SUBCOMMITTEE—TESTIMONY OF EDWARD J. WHITEHOUSE, MAY 26, 1960

Mr. Sourwine. Now the Cubana Airlines pilots reported to you as Communists. Is one of them Cesar Alarcon?

Mr. Whitehouse. Yes.

Mr. Sourwine. Is he a pilot or copilot?

Mr. Whitehouse. He is a copilot. And he is very close to Raul Castro, and Victor Pina. As a matter of fact, he took the trip with Victor Pina to—they say they went to Yugoslavia to buy the—arrange for the purchase of the Mig's of the Cuban Air Force.

Mr. Sourwine. This is a new subject. Let's pursue it. We will come back in a moment. You tell us Cuba has arranged for the purchase of Mig's, fast aircraft.

Mr. Whitehouse. Yes; it is pursuit airplane.

Mr. Sourwine. Is that a jet aircraft?

Mr. Whitehouse. Jet.

Mr. Sourwine. Made in Czechoslovakia?

Mr. Whitehouse. I don't know where they are made.

Mr. Sourwine. Or made in Russia?

Mr. Whitehouse. I think they are made in Russia.

Mr. Sourwine. But the purchase was arranged through Czechoslovika?

Mr. Whitehouse. Yugoslavia.

Mr. Sourwine. And Victor Pina and Cesar Alarcon went to Yugoslavia to arrange this purchase?

Mr. Whitehouse. Yes; and then stayed abroad for more than a month.

Mr. Sourwine. How many of these aircraft were bought; do you know?

Mr. Whitehouse. I was given an amount of 16.

Is there any question in the minds of anybody but what Yugoslavia and Poland have played the game of the international Communist conspiracy? Is there any doubt in anybody's mind? I would point out we are talking about tyranny.

A study just this week issued a report that 60,000 refugees have escaped from Yugoslavia in the last 5 years. What are they escaping from—this new socialistic experiment?

I would point out that the revolt in Poland, if it were of such description, came before we sent aid to Poland.

That came before, not as the result of it. A move toward independence was not the result of aid from us. It established itself because we were not giving aid, because the oppression became unbearable. As to Yugoslavia, the friction between Tito and Stalin came when we were not giving aid to Yugoslavia. It was the result of our not helping them.

Now, what has happened since? The rapprochement appears obvious. Read the newspaper accounts over the last several months. Tito and Khrushchev have been having a new wedding feast. Read the papers and see the pictures of Castro's people in Cuba with Tito's men.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. ZABLOCKI. Mr. Chairman, I move to strike out the last word.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. In an effort to agree on time, I ask unanimous consent that all debate end at 3:30 on this amendment and all amendments thereto, the last 10 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DERWINSKI. Mr. Chairman, reserving the right to object, I do not think we have any objection to the gentleman stating a specific time, but I think it is quite irregular to include in the time element the request of the last 10 minutes for the committee.

Mr. MORGAN. I do not think it is irregular. I have been a member of the committee for 20 years, and that is the usual practice.

Mr. FULTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. Is the time limited on the amendment and the amendments thereto and the substitute and the substitute amendment but not on the whole section?

Mr. MORGAN. That is right.

The CHAIRMAN. The request includes the amendment and all amendments thereto now pending at the desk, except it does not close debate on the section.

Is there objection to the request of the gentleman from Pennsylvania?

Mr. BECKER. Mr. Chairman, further reserving the right to object, when the chairman put the question he said "all amendments thereto." Does this preclude the other amendments at the desk?

The CHAIRMAN. No. Only those which are addressed to the pending amendment.

Mr. BECKER. I thank the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the amendments offered by our distinguished chairman of the committee, Dr. Morgan, and the gentleman from New Jersey [Mr. Frelinghuysen]. We have heard repeatedly today that we should stop giving aid to Communist countries. Now, what is the record? Of the number of countries that were enumerated in the Casey amendment—and there were more than a dozen—only two countries have received any assistance. In the case of Poland this assistance, in recent years, has consisted only of the sale of Public Law 480 agricultural surpluses and credits for nonstrategic items. In the case of Yugoslavia, as was stated before, there is no specific authorization of assistance contained in this bill.

I want to repeat that only two countries have received assistance from the United States in one form or another, and these are the two countries that have veered away from the policies of the Kremlin. These are the countries that we hope will further break away.

Mr. Chairman, as the amendment which has been offered by our distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. Morgan], states in the third proviso, even these countries will be unable to obtain assistance from us unless the President finds that such assistance will further promote the independence of the recipient countries from international communism—precisely what we are attempting to do in the case of Yugoslavia and Poland.

I hope no one in this House, not any of my colleagues, would for one moment think that I am soft on communism. I will place my record on that point against the record of any Member of the House of Representatives. I am just as firmly anti-Communist, I am just as firmly against Tito as any other Member of this House. But are we talking about aiding Tito? There is no aid promised Tito in the bill before us. I was in agreement with my colleagues on the Foreign Affairs Committee when we wrote in the restrictions on aid to Yugoslavia, and I opposed military aid to Tito. I continue to oppose military aid to Tito today.

Mr. Chairman, we must bear in mind, however, that when we speak of such countries as Poland and Yugoslavia, that we are referring to people who are under Communist domination not by their own choosing. In some respects, the other free world countries are at fault for having allowed these eastern European nations to be subjugated by communism. From our standpoint, therefore, we have at least a moral obligation to ease their plight, to help them regain their liberty. How can we do it? Right now, only through our assistance and related programs.

At one time I questioned any type of assistance to any Communist country. But I modified my position. Let me tell you why. I met numerous people who were escapees and refugees from Poland and other bloc countries and who are as opposed to aiding the regimes of those countries as I was at the time. Yet they said we ought to find some ways and means to bring aid to the people of those countries so as to give them hope and confidence in our concern for them.

One of the means selected to achieve those objectives was the American-sponsored hospital to help children in Poland, a pediatric hospital, which is presently being constructed in Krakow. This is a very important project—as important as our surplus foods which combat hunger among the Polish people—as important, I say, to the spirit and the will to resist Communist pressures on the part of the people of Poland. We must, therefore, continue these types of projects.

In truth, Mr. Chairman, I believe that the issue before us can be boiled down to a simple proposition:

Are we going to fight the cold war with one hand tied behind our back?

Are we going to declare certain areas of the world—certain countries like Poland or Yugoslavia—as being off limits to us?

Are we going to condemn the countries of Eastern Europe—and other countries which may fall temporarily under Communist domination—to perpetual Communist bondage?

Are we going to tell the Soviet Union, "You can continue to try to subvert the free world, but we are not going to exert any effort for the cause of freedom in any land that comes under your influence or domination?"

This, in truth, is the issue before the House, and I for one refuse to fight communism by having my hands tied behind my back; neither would I tie the President's hands behind his back.

I trust, therefore, that the House will vote down the amendment by Mr. CASEY.

Mr. Chairman, I would like, at this point, to answer a charge made earlier: a statement was made earlier to the effect that we should not sell our surplus farm commodities to Poland and Yugoslavia because those countries, in turn, resell these commodities—or furnish like commodities—to the Soviet Union and other bloc countries.

This is simply not true.

All of our Public Law 480 agreements with Poland and Yugoslavia contain careful and detailed provisions prohibiting the transshipment of the commodities involved to any Communist country. The executive branch has reported to the Committee on Foreign Affairs that they have no evidence whatsoever of any violation of these provisions.

Furthermore, the fact is that Poland in particular, and Yugoslavia to a lesser extent, are food-importing—not exporting—countries.

Poland, for instance, purchases wheat grains and other foodstuffs from the United States as well as from the Soviet Union. This year, in addition to purchasing agricultural commodities from the United States, Poland will purchase an estimated 400,000 tons of wheat grains from the Soviet Union.

According to the executive branch, we have sold the following commodities to Poland since 1957: wheat and flour, feed grains, cotton, tobacco, nonfat dry milk, fats and oils, and rice.

International trade statistics available to our Government indicate that between 1955 and 1960 Poland has not shipped any of these commodities to the Soviet Union.

It is also known that 90 percent of Poland's exports of food and agricultural produce is sold in the West.

As far as Yugoslavia is concerned, since 1954 we have sold the following types of agricultural commodities to that country: wheat and flour, cotton, nonfat dry milk, fats and oils, dry edible beans, and lemons.

Information available to our Government, covering the period through 1960, indicates that Yugoslavia has not shipped these types of commodities to the Soviet Union.

Mr. Chairman, in conclusion, I believe that the adoption of the amendments of the gentleman from Pennsylvania, Dr. MORGAN, and the gentleman from New Jersey [Mr. FRELINGHUYSEN], is vital to the best interests of our country.

I strongly urge the adoption of these amendments.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOLLAND. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Chairman, I would like to express my support for the continuing support to Poland.

It is my firm belief that aid to Poland must be included in this legislation for to discontinue it now would be disastrous. Not only would we be playing directly into the hands of the Soviet Union, but we would also be turning our backs on our own fellow citizens of Polish descent.

There is, in America, no stronger fighter against communism and all it represents than our Polish Americans; and this is an inherent quality, inbred in these lovers of freedom.

The many members of the Polish National Alliance who reside in my congressional district are living examples of a nationality group devoted to the ideals of democracy. This they learned from their parents, grandparents, and great-grandparents. It is not just recently acquired.

I think it might be very fitting to point out to the Members of Congress, right now, that our Founding Fathers—the architects of our Nation and our own Constitution—used, as a guide and a reference, the first Constitution of an independent Poland, written in 1572.

This nation, as you well know, has since that time been overrun by both the East and by the West. However, that innate love of freedom and democracy has not died during these intervening centuries. It has been driven underground, by force, but it is there continually smoldering.

We cannot, at this time, refuse to aid these people.

We cannot turn our backs on them.

We cannot, by cutting off aid, throw water and extinguish that fire.

Our Polish-American citizens, members of the Polish National Alliance, are ever helping and assisting their relatives and friends who have remained in Poland. They know that only with the additional help furnished by the American Government will there be a chance of that country regaining its freedom.

We must, Mr. Chairman, see that the people of Poland are given every encouragement possible to carry on their fight for independence. Our Nation is pledged to assist those seeking freedom and democracy throughout the world.

We cannot afford to lose the faith such people have in us.

I am sure the majority of Members of this House feel as I do—and will support the necessary provisions which will assure the people of Poland continued aid from us.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DERWINSKI].

Mr. GUBSER. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Illinois.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DERWINSKI. Mr. Chairman, all I can possibly hope to do in 3 minutes is to review as quickly as possible the basic facts that we ought to keep in mind. First of all, let us remember that the government of Tito was imposed on the people of Yugoslavia by the force of Soviet arms in 1944. We have no one to thank for that but international communism. The government of Poland was imposed on the people of Poland by the force of Russian arms in 1944. Then, at the very same time that the Polish Underground Army revolted against the Nazis, in Warsaw, the Polish Communist puppet government, hiding behind the protection of the Russian armies stood 50 miles away watching the freedom of the Polish people being destroyed.

There are a number of other points. The gentleman from New Jersey [Mr. GALLAGHER], a member of the committee, made an amazing statement earlier, that a Communist country if independent of international communism is not a menace to the United States and world peace. Communism is bad per se, and the condition of the people of any country now behind the Iron Curtain is not going to be improved or democracy advanced one iota if the government temporarily claims to separate from the Soviet Union.

Another point to remember when we are talking about tying the hands of the President and entering into the Executive's realm, is that one of our great Presidents, Woodrow Wilson, in his famous 14 points of World War I, enunciated a doctrine that has been one of the keys of our foreign policy since then; that is the self-determination of people. The people of Poland and the people of Yugoslavia and the people of any other Communist government do not have the right of self-determination.

Basically the amendments offered by the gentleman from Ohio [Mr. FEIGHAN] and the gentleman from Texas [Mr. CASEY] are sound and should not be subject to restrictive and gutting amendments. Furthermore, as a matter of practical legislative commonsense, what you know will happen and what I know will happen is that when the House passes this bill and we include either the Casey or the Feighan amendment, our conferees and the Senate conferees will sit down and work out language acceptable to the State Department. Ultimately you are going to have a foreign aid authorization bill approved that is not going to have the muscle and the strength of either the Feighan or the Casey amendment.

One other point I want to make and that is that you cannot develop an effective, aggressive, progressive foreign policy and turn around and finance governments which are Communist. As a matter of fact by the Feighan or Casey amendment what you are saying to any people in any country is, "Change your Communist government and we will give you aid." This is implicit in the amendment. We are prohibiting aid to them when they are under the control of communism; we give it instinctively when they free themselves.

In addition, Mr. Chairman, yesterday I delivered to the White House, at the request of the United Serbian Organizations of America, petitions containing thousands of signatures, opposing further foreign aid to the present Communist government of Yugoslavia, and objecting to the rumored official visit of Marshal Tito to this country. The petitions read as follows:

> We, the undersigned, Americans of many racial, ethnic, and religious backgrounds consider the possibility of a visit by Yugoslav Communist Dictator Tito to the United States as a humiliating disgrace to the Government and to the people of the United States, for the following reasons:
>
> 1. Being a Communist, Tito is a proven enemy of the United States (he killed four of our aviators several years ago), and is an ideological and most certainly a military ally of the Soviet Union in any future conflict.
>
> 2. Tito is a Communist tyrant who has killed tens of thousands of innocent people during and after the World War II and still holds thousands of political prisoners jailed, his recent "amnesty" notwithstanding. These prisoners are fighters for freedom and believers in democratic ideals.
>
> 3. Tito is a godless man, a doublecrossing agent of world Communist conspiracy, who hates America and everything she stands for.
>
> Therefore, we the undersigned, herewith petition the President of the United States to reject any and all plans for an official invitation of this tyrant, because such an act would be contrary to the interest of the United States of America as well as of the peoples of Yugoslavia and would further perpetuate his regime of tyranny and fear.
>
> Furthermore, we plead with you, Mr. President, to order an immediate stop of all American aid to Communist Yugoslavia and by such an act to give a chance to her oppressed peoples to bring down their hated Communist jailers.

Mr. Chairman, I feel petitions of this nature reflect the tremendous grassroots feeling of the American public on the subject and serve as a vivid reminder of the desire of the American public for the development of an affirmative, effective, imaginative foreign policy, rather than continue along the road to appeasement and dangerous coexistence.

We in the House have a tremendous opportunity, and I believe, an obligation to the American people to prohibit aid to any and all Communist governments. Such aid perpetuates and expands the strength of the Communist system, and works against the long-range interests of the citizens suffering under Soviet-imposed regimes.

I also call to the attention of the Members of the House practical alternatives to the present aid to Communist countries. Yesterday, for example I introduced a bill which would provide for use of our accumulated foreign currencies in Communist countries for direct loans to the owners of private farms, in order to develop private enterprise behind the Iron Curtain. This is the type of program we should develop to advance a firm, progressive, effective foreign policy.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, on yesterday the committee adopted an amendment which in effect would suspend all foreign aid to any country which expropriates American investments without fair compensation. I trust that when the House votes on that particular amendment it is retained in the bill. I think it is time for us to give strong notice to all nations that we expect fair treatment for our citizens from those who are the recipients of our assistance.

The Members are familiar with the attempt by the Brazilian State of Rio Grande do Sul to take over the properties of the International Telephone & Telegraph Co. with only token compensation. We are told that Latin American legislatures are considering legislation designed to take over other American properties. Reference was made in the debate yesterday to expropriation by other countries.

It seems to me that we should not tolerate the practice on the part of some countries of taking our aid with one hand and expropriating American investments with the other. To tolerate such practice would be to earn the title of "Uncle Sucker" for our own country.

For too long a time our foreign policy has had a large element of appeasement in it. It is time for us to firm up that policy. A step in this direction would be the adoption of the amendment.

Mr. Chairman, I rise also in support of the two amendments which seek to eliminate aid to Communist controlled or dominated countries. It seems to me that such aid serves only to build up the strength of the Communist conspiracy which seeks to destroy us. It does not assist the cause of the free world. Of course, we have great sympathy for the enslaved people who must live under the heel of a Communist dictator, but by supplying aid to that dictator we only prolong the day when those people might obtain their freedom.

The arguments that we must have confidence in our President and that we must not tie his hands are not valid in the context in which they have been advanced. The President makes his decisions upon the advice of certain State Department and White House people. It is in these that we do not have confidence.

If the argument about tying the President's hands had real merit then why haven't we, over the years, simply passed a one-page authorization bill providing $4 billion or so a year for distribution as he saw fit to those nations of the world which he felt needed aid. But we have never done that. We have spelled out the amounts of money and the terms under which he might or might not use it. And that is all that is being done under those amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I feel left out today. The State Department failed to call at my office and leave one of those alleged fact sheets that have been quoted from here today. Unlike the Democratic whip who sends me a telegram urging me to be present to vote for the Democrat position, the State Department has overlooked me and I feel neglected.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. HAYS. I say this sincerely. The State Department does not know what a big whip the gentleman carries, and we are going to try to advise them of that.

Mr. GROSS. I thank the gentleman.

These individuals who say they want to cut off foreign aid to the Communists and then offer amendments to provide that someone else makes the decision as to whether it will be done, remind me of the old saying that all of you have heard:

> Mother, may we go to swim?
> Yes, my darling daughters.
> Hang your clothes on a hickory limb,
> But don't go near the water.

That is what the Frelinghuysen amendment says and that is what the Morgan amendment says. I intend to support the Feighan amendment, preferably the Casey amendment. I want Congress to say, and mean it, that the time has come to stop supporting these Communist dictators. We have had enough of this expensive pandering. There is no constitutional reason why we should delegate this decision to any President; and I am opposed to any amendment to that end.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. NEDZI].

Mr. NEDZI. Mr. Chairman, this week's debate on the foreign aid bill has again illustrated the wisdom of placing responsibility of conducting foreign policy in the hands of the President. In the nature of things the President is better equipped to handle the intricacies of foreign policy than is a body of 437 men and women which addresses itself to this problem for 3 or 4 days and attempts to anticipate conditions which this policy must meet over the forthcoming year.

In the conduct of foreign policy there are many instruments available to our Government. Some are heavyhanded and some are extremely subtle. It does not serve us well to deprive ourselves of every instrument except the meat cleaver.

One unfortunate aspect of this debate is that when we as a nation have to publicly discuss our every motive in rendering certain carefully limited assistance to other nations, the psychological impact of such assistance is diminished.

Tact and delicacy are necessary skills in the art of diplomacy. To spell out every possible tangible and intangible benefit arising from our aid to Poland as we have endeavored for all to read in the RECORD, is not diplomacy. It is the antithesis of diplomacy. It does not help our cause.

I recognize that the Members of Congress, as elected representatives of the people, should be informed as to our foreign policy and the elements which comprise our foreign policy. Nevertheless, there are some instances where restraint should be shown.

The foreign aid bill does not direct that aid be given to Poland and Yugoslavia. It merely allows the President the discretion to decide how, when, and whether this aid should be given. In my judgment, the President, whether he be Republican or Democratic, should have this discretion. In either case, I am confident that America's self-interest would be his primary consideration. We should not tie his hands. Rather, we should allow him maximum flexibility and bargaining power to deal with admittedly complex and changing situations as circumstances demand.

The event of 1956 should be borne in mind. The events of that year made clear the fact that the Communist block of nations is not monolithic. The so-called October revolution in Poland, the uprising of Hungary, and the rumbling in the Kremlin itself, put on public display the difficulties which do exist between governments in the Communist bloc.

Our aim, generally, is to play these differences to the advantage of the West. Of course, some benefits will accrue to the Communist governments.

If there were not some benefits to them, we would not be allowed in. But there are advantages for us also. It is the President's responsibility to weigh the advantages and disadvantages—in the short run and in the long run—and to make such adjustments as conditions demand.

Our present aid to Poland is not only pragmatic but it is humanitarian. I, for one, am not ashamed to have elements of humanitarianism in our foreign policy, for this is in the tradition of America. Is it better to have our surplus food rot in warehouses than to ease to some extent the hardships of the Polish people?

The majority of Poles, I am convinced, are not only Western-oriented but they are anti-Communist. Why then surrender our opportunity to continue direct contact with them in a manner which is cautious, judicious, and realistic. What does America benefit if the Western windows of light into Poland are shut off? What does it benefit us to curtail the American presence in Poland? I remind you that we are in Poland and Yugoslavia to an extent that we are not in Czechoslovakia and the other satellite nations.

If the advantages to us are not dramatic in the short run we must remember that we are playing for the long run and what is certain to be a long and difficult contest with Communist tyranny.

If the situation confronting us in the conduct of our foreign policy in Eastern Europe is subtle and sophisticated, then our policy and the instruments in our policy must be subtle and sophisticated. For these reasons, Mr. Chairman, I favor the amendment to the amendment.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty-three Members are present, a quorum.

The Chair recognizes the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, in the brief time allotted to me I merely want to point out something that has not yet been mentioned today, whether or not the Polish people have affection for us, whether they know what we have been doing for them.

I should like to remind you of Vice President Nixon's tour through Poland, when he was literally mobbed, not by crowds with rotten eggs and tomatoes, but by crowds with affection and flowers. I think we should bear this in mind and ask ourselves in this very difficult political and moral issue, What will happen to this reserve of good will if we turn our backs on these people who have demonstrated to us that they admire us and that they have a bond with us.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I yield to no man in this House of Representatives in my opposition to communism or in my dislike for Tito or Gomulka. But, the simple fact of the matter is that we are in a world struggle and clash with the Communists, and if we do not vest in the leader of the United States, the President and the chief conductor of our foreign policy the discretion to make intelligent judgments in the light of the needs of the United States, then we tie our hands in this life and death struggle. If we do not give the President power to exploit the cracks and splits as they appear in the Communist conspiracy, then we are denying ourselves, perhaps, the principal weapon which we can use in the conduct of the cold war. Let us take a little bit of a look at what is happening by reason of the utilization of this weapon of assistance where it serves our purpose.

As a result of our assistance Yugoslavia achieved such measure of independence that Yugoslavia could vote in the U.N. with the United States on the troika proposal of the Russians which might have conceivably destroyed the U.N. since to replace the Secretary General of the U.N. with a troika composed of Communist, neutral, and representative of the free world would have nullified almost any action in the interest of world peace by the U.N. This did not further the Communist world conspiracy.

Yugoslavia voted with the United States on the question of peacekeeping operations by the U.N. in the Gaza strip and voted against the Soviet Union.

Yugoslavia voted with the United States on the atomic testing resolution which was critical of the Soviet Union.

Yugoslavia voted with the United States in the U.N. on the U.N. bond issue and against Russia.

Let there be no mistake. The Government of Yugoslavia and Poland are Communist, the people are not free. They probably will not be otherwise for some while.

But if we deny this weapon to ourselves we may never be able to exploit cracks in the Iron Curtain to free those or any of the other captive nations.

Some freedom of religion exists in these two lands. Peasants own their own lands there in substantial amounts. Some freedom of speech exists in these lands. These things exist nowhere else behind the Iron Curtain. Let us not tell these people we turn our back on their efforts to freedom and self-determination.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, I rise in support of the Casey amendment and in opposition to the amendment to it offered by the chairman. I believe the Morgan amendment would completely nullify the Casey amendment. Let us not think for a minute that Yugoslavia is going to go into a dither if we do not give them a lot of support.

The World Bank, as of today, has announced a $30 million loan to Yugoslavia to help finance electric power development, which is a regular loan duly secured, and it is a sound loan, albeit of American dollars.

The announcement in the Wall Street Journal came in the midst of a vigorous struggle in the Congress over economic support to Communist countries. But even though the United States is the largest financial backer of the World Bank, a United Nations affiliate, bank officials said that they doubted the Yugoslav loan would seriously entangle their institution in a congressional debate. The World Bank's charter, these officials said, expressly forbids it to take political considerations into account in its lending.

Mr. Chairman, this bill would still be a heavy drain on our gold reserve. I mentioned that yesterday on page 13140 in the RECORD, and I hope some of the Members present will read that statement.

Mr. Chairman, I am opposed to the bill as a whole as it is now.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I rise in support of the Morgan and Frelinghuysen amendments. I do not know why it is that it is so necessary that Members of the House repeatedly go on record, for home consumption, as being against communism when in the very act of doing so they may inadvertently be aiding communism. Who is not opposed to communism? But why it is necessary for us to take a subject which basically involves a complex international chess game and reduce it to such ultimate simplicity that it is seen totally in black or in white? I think that the Feighan amendment, improved as it would be by the Frelinghuysen amendment, would be sheer disaster.

It seems clear that under the Feighan amendment it would be virtually impossible for the Executive under some circumstances to make Public Law 480 surplus food available to the Yugoslavs or to the Poles, when it would as a matter of strategy be desirable to do so. I think it is a poor amendment, and therefore I support the Morgan and Frelinghuysen amendments.

The CHAIRMAN. The gentleman from New York [Mr. BECKER] is recognized for 1½ minutes.

Mr. BECKER. Mr. Chairman, in a minute and a half I would just like to point out one or two things about my amendment. Let me say to those who are talking about help for Poland that we all want help for Poland just like we want help for the Lithuanians, the Estonians, the Latvians, and all the others; but let me remind you that the minister from Poland is now in Cuba and is giving away the very food we are giving the people of Poland—whether or not it is the identical food or their own I could not say, but despite that these negotiations are going on.

Another thing to take into consideration is that this bill is going to provide $4,878 million. Every dollar of this money is borrowed money. We do not have a dime in the Treasury to give to anybody today; we are running deficits, we are running a deficit of approximately $7 billion this year. So where is this money coming from that we are giving away? I will tell you where: We are giving away the money of our children, grandchildren, and great-great-grandchildren. Make no mistake about it. We are putting this burden on them. But we sit here today, willingly and gleefully, calling attention to what wonderful giveaway people we are. We are Santa Claus. We are giving away the money of our children, grandchildren, and great-great-grandchildren, spreading it all over the world. Money we do not have.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORHEAD] is recognized.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, it was said on the floor today that the purpose of the Foreign Aid Act is to buy friendships. If this were true I would not support any of the bill because I know that we cannot buy friends anywhere in the world, including Yugoslavia and Poland.

No, Mr. Chairman, among nations friendships are ephemeral. I fought in World War II. One of our allies was Russia, and our enemies were Germany, Italy, and Japan.

The only constant factor for us to consider is the interest of the United States. In 1848, in England Lord Palmerston said:

> We have no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow.

It is in the interest of the United States to do everything possible to break up the Communist bloc. The President of the United States is in a far better position to determine whether a limited amount of aid to Yugoslavia and Poland will be in accordance with this eternal interest of the United States.

I support the Morgan amendment and the Frelinghuysen amendment.

The CHAIRMAN. The gentleman from Missouri [Mr. CURTIS] is recognized.

Mr. CURTIS of Missouri. Mr. Chairman, this is a basic foreign policy decision. I want to point out that there is not a constitutional question involved. In my judgment, Congress has the ultimate decision on foreign policy; it has the power to declare war, and certainly we properly have a concern on anything leading up to it.

What is the policy decision? Shall we give aid to countries with Communist governments? A legitimate and good reason appears to be because we might be able to split the Communist bloc.

What are the reasons against it? The Communist governments wherever they exist are not by the consent of the governed, but are imposed by oppression and force. To help the people of Communist countries we must not at any time give assistance to the Communist government that is saddled on their backs.

This is a legitimate area of disagreement, a legitimate area for the Congress to make a decision. In my judgment, we should exercise this policy decision here in Congress and tell the Executive as a matter of policy we do not believe it is wise to aid Communist governments.

Mr. Chairman, under permission to revise and extend my remarks, I wish to place in the RECORD my remarks of June 16, 1959, during debate on the foreign aid authorization bill of that year.

Regrettably all the points I made then remain unconsidered and not acted upon to this date. The committee report and debate this year demonstrate again the complete lack of study and basic theory in this program.

Until we start doing our homework our foreign aid program will continue to be costly and largely ineffective, indeed if not damaging, to our Nation.

The remarks follow:

Most complicated subjects, and certainly foreign aid is complicated, come within the jurisdiction of several committees. One place where the subject matter itself may be made whole again after its Balkanization, is on the floor of the House during debate. Giving an opportunity for those on committees which study certain aspects of the subject, to participate in the debate will help.

The Ways and Means Committee, for example, has within its jurisdiction the Reciprocal Trade Act which covers the basic aspects of the problems of foreign trade. Does the Foreign Affairs Committee believe it can properly consider the subject of economic or military aid apart from the subject of international trade and trade balances and all the economic evaluations that must go into this study?

The Ways and Means Committee has within its jurisdiction the Western Hemisphere Trading Act which many seek to extend to the entire world. This involves the question of how we tax American capital investment that goes abroad. Does the Foreign Affairs Committee believe it can properly consider the subject of economic and military aid apart from the subject of American private investment abroad?

The Banking and Currency Committee has within its jurisdiction many subject matters that are important in evaluating the problems involved in the mutual security program. The Agriculture Committee with Public Law 480 is involved. The Joint Economic Committee deals with certain aspects of the problem which are important, not the least of which is its evaluation of Russia's economic capabilities. The Armed Services Committee, the Committee on Interstate and Foreign Commerce as well as other committees deal with certain aspects of this important and complicated subject.

The gentleman from Florida in closing the oral debate on this important legislation, and an admirable job he did, asked the rhetorical question. What more can we do than improve the program each year as we have been?

I think the answer is clear. Start consolidating the multifarious programs we have that relate to the countries abroad. One way would be to promote a little liaison between the various committees of the Congress that deal with various aspects of the same matter.

For example, if it is to be trade not aid, let us start relating the various programs we have which relate to international trade with those which relate to aid. If we say loans instead of grants, let us start relating the various programs which promote loans with those which deal with grants. If we say private enterprise rather than Government aid—people to people—let us start relating the private programs to the governmental programs.

Now I stated that I was going to pose some questions to the committee in my extension of remarks in the hope that when I get time under the 5-minute rule the committee may be able to answer the questions. These questions relate largely to the fiscal aspects of the entire subject of our foreign relations, not just the fiscal aspects of what is called the mutual security program:

1. What has been the increase or decrease in trade in dollar amounts between the United States and the individual recipients of aid under this program in the past year? Has trade increased or decreased?

2. What has the increase or decrease of American private investment been in these countries in the past year, in dollar amounts?

3. What has been the increase or decrease in gross national product of these countries? And in per capita gross national product?

4. How much offshore procurement—in dollars—has there been last year in each of these countries? Has it been increasing or decreasing over a period of the past few years?

5. How much did private U.S. banks lend to investors in the economic endeavors—also social and political endeavors—of these countries?

6. How much did the Export-Import Bank lend last year and what are the balances and record of payment? The same question in regard to the International Bank for Reconstruction and Development?

7. What is the ratio of Development Loan Fund loans to loans received from other free world sources?

8. Has the Development Loan Fund, indeed, served the purpose of cutting down the requests for outright grants as it was intended to do? Congressman FORD testified earlier this year that this had been the the case. What did the committee find the dollar figures to be on the cutback? In relation to the amount of loans?

9. The committee's report on the operation of the investment guaranty program is ambiguous. On page 44 the committee

states that only $160 million out of $500 million remains available and applications now exceed $1 billion. Yet on the very next page the committee quotes, I suppose with approval, the statement of the chief of the investment guaranty division, as follows:

"It is our belief that the war risk guarantee, to make any appreciable contributions to the stimulation of private investment, should be broadened to include revolution, insurrection, and civil disturbances arising therefrom."

Well, a program that attracts a $1 billion backlog certainly sounds like one that is making an appreciable contribution. If the division chief thinks $1 billion is not an appreciable contribution I believe the committee and the Congress should have some idea what he thinks the adjective "appreciable" means. $20 billion?

10. What is the total amount of Public Law 480 funds that are presently available for the same purposes listed in the mutual security bill? The committee report seems to list only those funds obligated. What the Congress needs to know is what funds have been generated and how much agricultural surplus there is available that might reasonably be generated into Public Law 480 funds in the ensuing fiscal year?

11. What is the total amount of counterpart funds available for these programs? Again the committee seems to report those which have been obligated, not those which are available? What additional counterpart funds—if any—are still generated and might be generated in the ensuing fiscal year?

12. What are the unobligated balances previously appropriated for this program? The obligated but unspent funds are listed but it is hard to figure the unobligated balances.

13. What are the dollar balances of trade of the countries benefiting under this program?

14. On page 64 of the report the committee devotes a paragraph to "Use of Excess Government Property for Economic Assistance," and states—

"There is now authority to utilize excess property under the act either by purchasing it at the price established in accordance with law by GSA or the holding agency, or possibly in special circumstances at no cost in accordance with applicable regulations."

Now we are talking about sizable sums when we get into surplus property. We have been disposing of around $7 to $8 billion of surplus property generated by the military establishments a year for several years. In the report of the Appropriations Committee on the military appropriation bill this year it was stated that there is about $26 billion of surplus property waiting to be disposed of in the Military Establishment. We have been averaging about 8 cents on the dollar on the property sold.

Just how much surplus property in dollar value does the committee think might be channeled into the foreign aid program for this fiscal year? A couple of billion or maybe only a few hundred million?

It is obvious, from the few questions I have posed, the work that must be done in order for us to get on top of our foreign aid programs. Right now we have no reasonable idea whether we are promoting trade not aid, loans instead of grants, whether we are building economies abroad or damaging them. We are completely bogged down in a miasma of sentimentality.

If we really want to help people abroad and cope with the dynamism of international communism we had better start getting our accountants into the act to replace our Lady Bountifuls.

On June 30, 1955, I took the floor of the House during the debate on the mutual security authorization bill—page 8273, daily Congressional Record. I have reread what I said then and I regret that it remains largely true today. This program is still fiscally irresponsible. "It hurts badly the cause of fiscal responsibility for which I hope we are still working; it hurts the cause of a balanced budget; it hurts the possibilities of a tax reduction; and, to reiterate, it badly hurts the very program it seeks to advance."

Every year except 1955 I have voted for the mutual security authorization bills to express my accord for the objectives of the program. Each year just as consistently I have voted against the mutual security appropriation bills when it became apparent to me that the Appropriations Committee was not going to put the fiscal responsibility into the program that I thought was needed.

This year it looks as if I shall vote to rerecommit this bill to the committee in the hopes that some sense can be made out of the tangled mess. In my judgment we still need a program which will meet the stated objectives of the mutual security program, but this bill, I am afraid, will damage rather than help these objectives.

Mr. Chairman, now, in 1962 we have added to these points the balance-of-payments problem which has now caught up with the United States. Our private trade balances are good, our private foreign investment portfolio is sound; in fact these are our areas of strength in our international economic posture. The foreign governmental aid programs are based upon and limited to these strengths.

Very obviously we can no longer afford a foreign aid program of the size set out in this bill. We are undermining the very strengths which would support reasonable foreign aid programs in the future.

The economies, consolidations and directions I pointed out as highly desirable in 1959 are now imperative in 1962. We can have a foreign aid program which would amply meet our needs in international affairs but to have it we must do our homework. This bill should be recommitted and a proper one worked up. The Congress should remain in session until this is done.

The **CHAIRMAN**. The Chair recognizes the gentleman from Illinois [Mr. Pucinski].

(By unanimous consent, the time allotted Mr. Boland, Mr. Yates, and Mr. O'Hara of Illinois was given to Mr. Pucinski.)

Mr. **PUCINSKI**. I yield to the gentleman from Massachusetts [Mr. Boland].

Mr. **BOLAND**. I thank the gentleman from Illinois.

Mr. Chairman, I rise in opposition to the Feighan amendment. This amendment would scuttle any assistance to Poland and Yugoslavia. It would tie the hands of the President of the United States in dealing with these two countries. It would substitute the judgment of the Congress for that of the President in the field of foreign policy. It is a clear and emphatic interference with the constitutional prerogatives of the executive department of the Government of the United States.

Mr. Chairman, I firmly believe that the President of the United States should be given discretionary power in this legislation. The amendment proposed would deprive the President of the flexibility necessary for the effective conduct of foreign policy. It would restrict the executive branch, charged with the conduct of the Nation's foreign policy in providing limited, nonmilitary assistance to countries such as Poland and Yugoslavia when it is in our national interest. Under the present law, no aid can be extended to Yugoslavia unless the President determines that: First, Yugoslavia continues to maintain independence; second, Yugoslavia is not participating in any policy or program for the Communist conquest of the world; third, the furnishing of assistance is in the interest of the U.S. national security.

This discretionary authority was granted to former President Eisenhower by the Congress. President Kennedy merely seeks a continuation of this authority.

AID TO POLAND

Mr. Chairman, I have been deeply distressed by mounting opposition to further aid to Poland. There is ample evidence that assistance extended to Poland during recent years has benefited the Polish people. It has helped to maintain a bond of friendship and sympathy between the people of Poland and the people of the United States—many of whom are of Polish descent and have relatives in Poland. At the same time, it has tended to lessen Poland's dependence on Moscow.

Our program of aid to Poland has been a bipartisan commitment.

Indeed, this program has been an American commitment to the Polish people who by a remarkable display of courage and willpower have managed to establish some measure of independence from Moscow and have succeeded in demanding for themselves a broader range of internal freedom.

What are the basic political facts of our aid program to Poland?

We are not, first of all, deluding ourselves that the Gomulka regime will somehow be magically transformed into a democratic government. But what we do know is this: that since 1956 Gomulka has relaxed internal tensions in Poland and that he has permitted some measure of internal freedom. This was, of course, a political necessity: he had to do it in order to win at the very least the reluctant support of the Polish people in his struggle for political survival. At the same time Gomulka established a new relationship of quasi-independence in Polish-Soviet relations which effectively weakened what appeared to be a monolithic Soviet bloc of unified, tightly organized, and rigidly controlled states.

In a word, Gomulka was forced to compromise with the Polish people, and in so doing he inevitably turned loose forces—deep-rooted anti-Communist forces—that in the long run might well prove to be beyond his control.

Let me stress one of these forces: Polish catholicism.

One of Gomulka's first acts during the critical weeks late in 1956 and early 1957 was to release Cardinal Stefan Wyszynski from prison and restore many of the religious freedoms denied the Poles under the previous Stalinist regime. During the next 5 years Cardinal Wyszynski made the Roman Catholic Church in Poland the rallying point for Polish nationalism and Polish resistance to communism. In a word, he made the church the conscience of the nation. And in so doing he proved himself to be a vigorous, courageous leader, indeed a genuine hero of our times. Cardinal Wyszynski has never ceased to meet the regime in open conflict in his efforts to protect, retain, and, where possible, expand the area of religious freedom. And this he has done in defiance of the regime's asserted political power.

This is only one example of the desperate assertion of freedom that manifests itself now and then in Poland. This is only one of the powerful forces that stir in Poland today. And, this is one of many factors that has made Poland an "in between" nation-state in the configuration of international politics today.

Mr. Chairman, I would like to read telegrams I have received from Polish organizations in my district and State protesting this amendment:

Congressman EDWARD P. BOLAND,
House of Representatives,
Washington, D.C.:

It is important for the United States to maintain contact with the people of Poland who occupy a key position in East Central Europe and their resistance against communism. We urge you to vote against Senate amendments in foreign aid bill restricting President's authority to provide help to Poland whenever he finds this to be in the interest of the United States.

ST. MICHAEL'S SOCIETY, POLISH NATIONAL ALLIANCE LODGE 717, POLISH PULASKI CLUB.
EASTHAMPTON, MASS.

We earnestly ask that you support further aid to Poland. This is not time to abandon the Polish people.

ANNA JANUSZEWSKI,
Eighth District Chairman, Polish Women's Alliance of America, Dorchester, Mass.

Mr. Chairman, the Polish people have been extremely friendly to the United States. Many of them are coming to this country to visit with their relatives living in my congressional district. Others have been fortunate and have come here permanently to join their loved ones who emigrated to our shores decades ago. They are deeply religious people and vehemently anti-Communist. They are aware of the great benefit our assistance has been in their determination that the Polish people will remain free and independent of the yoke of the Soviet Communist regime. We cannot and must not let them down in this historic struggle. We can help by defeating this amendment this afternoon.

Mr. PUCINSKI. Mr. Chairman, I rise in support of the Frelinghuysen and Morgan amendments.

I rise in support of these amendments, not only because of my own firm judgment that these amendments would help speed the ultimate collapse of international communism but also because of the judgment of many other people.

I should like to tell the Members of the House that the Polish-American Congress, which has chapters in 33 States, representing some 7 million Americans, firmly supports the program of continued help to the people of Poland. The Polish National Alliance, representing American citizens in some 38 States throughout the country, is for this program. The Polish Woman's Alliance and the Polish Roman Catholic Union are in favor of it. Neither one of these organizations has to take a back seat to anybody in their violent opposition to the Communist regime that now holds some 30 million Polish people enslaved in Communist bonds. But these responsible, reputable organizations, despite their strong denunciation of the Communist regime in Poland, support continued aid to the people of Poland because they know the program will result in ultimately bringing freedom to these people. These responsible American organizations know how to distinguish between the people of Poland—who are victims of communism—and Poland's Communist rulers. These organizations know that continued help to the people of Poland strengthens the bonds between these people and America. You can be certain that should a showdown come with Russia, the people of Poland would be solidly on our side—the side of freedom and justice.

Let me tell you what the amendments offered by both the gentleman from Texas [Mr. CASEY] and the gentleman from Ohio [Mr. FEIGHAN] would do if adopted without the Frelinghuysen-Morgan perfecting amendments.

First of all, they would bar sending any CARE food packages to any country behind the Iron Curtain. The CARE program has been one of the most successful programs this country has ever had. It is a program paid for voluntarily by American people out of their own pockets. They make these $1 contributions, and they send these packages to people behind the Iron Curtain. They would also stop the completion of the Children's Hospital in Krakow which this Congress has approved and which is being built in Krakow, Poland, with counterpart funds. What a monument it would be to American charity for Mr. Khrushchev to say cynically that these wealthy Americans are going to deny to the children of Poland the completion of this hospital. Khrushchev could make such an arrogant boast if we fail to approve the Frelinghuysen-Morgan amendments to the Casey amendment.

It is even entirely conceivable, in my judgment, that the 40 percent of Americans who have relatives in Iron Curtain countries could not send any packages of their own to these relatives if either one of these amendments were adopted without the perfecting language of the Frelinghuysen-Morgan amendments.

I am talking about packages that American citizens buy in the grocery stores, wrap together and send to their fathers and mothers and relatives behind the Iron Curtain.

Under the gunshot approach of those two amendments offered by the gentleman from Ohio [Mr. FEIGHAN] and the gentleman from Texas [Mr. CASEY] we conceivably could interrupt that program.

Mr. Chairman, I say to you this is a time for logic. Nobody can quarrel with the statement made by the gentleman from Texas [Mr. CASEY] or the gentleman from Ohio [Mr. FEIGHAN] that we consider Gomulka and Tito despotic Communist rulers. But that is not the issue here today. The issue is whether the President shall continue to have authority to exploit ever-growing weaknesses in the Iron Curtain for the benefit of the United States and freedom.

A Polish trade mission has been cooling its heels in Washington since the spring of 1961. This administration and the previous administration has held up further economic aid to Poland, and I hope this trade mission continues cooling its heels until the Polish people again regain their freedom. I was the first one in 1961 to state right here in the well of the House—shortly after Premier Gomulka attacked the United States—that the patience of the American people was not inexhaustible, and that Gomulka must assume full responsibility if the United States suspends any further aid to the people of Poland. Thus, no assistance has been given Poland since that time and we have not provided for any aid in this bill.

If you will read the amendments offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN] and the gentleman from Pennsylvania [Mr. MORGAN] this clearly establishes the doctrine that we will give assistance to the victims of communism only when the President has demonstrated to the Congress of the United States that such assistance is vital to the security of the United States, that the recipient governments are not controlled by the international Communist conspiracy, and that such assistance will further help the people of that recipient country get rid of their Communist rulers.

Now, if you really want to do something to free these 180 million victims of communism behind the Iron Curtain today, I say have the courage to support the Frelinghuysen-Morgan amendment and then proceed to vote on the Casey amendment.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from New York.

Mr. BARRY. I want to say that I, too, have visited with various Polish groups throughout the country and confirm what the gentleman has just said to this body.

Mr. PUCINSKI. If the gentleman will permit, the chairman of the House Committee on Un-American Activities, the gentleman from Pennsylvania [Mr. WALTER], most eloquently stated the case when he said that there is nothing Mr. Khrushchev would like better; no greater victory could be handed to him, than to divide the hopes of the people behind the Iron Curtain with those aspirations of Americans to ultimately free them from Communist rule. I associate myself with the gentleman's remarks. And, may I say, as chief investigator of the Katyn Massacre Committee, which in

1952 wrote the first indictment against the Soviet Union, charging them with the mass murder of 15,000 allied soldiers in World War II, I take a back seat to no one in my violent hatred for the Communists, and these organizations I mentioned, the Polish-American Congress and the Polish-American Alliance, as well, take a back seat to no one. But we feel these unfortunate victims of communism behind the Iron Curtain can best be helped to regain their freedom by continuing to give the President authority to determine under what conditions can continued American assistance help them regain freedom.

I hope the amendment is adopted.

Mr. YATES. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, the gentleman from Illinois [Mr. PUCINSKI] has made a most impressive statement. He has clearly and emphatically pointed out the hamstringing effect which the amendments offered by both the gentleman from Texas [Mr. CASEY] and the gentleman from Ohio [Mr. FEIGHAN] would have upon our foreign policy. If either amendment were adopted, it would destroy the flexibility which the President of the United States so vitally needs to counteract the Communist threat in the important European theater.

Mr. Chairman, from some of the speakers, one gets the impression that all that is involved in this debate is a question of standing up to be counted on the basis of being for or against communism. Nothing is further from the truth. No Member of this body is for communism, or the Communist cause. All of us look to the day when the Communist threat to the free peoples of the world shall have been extinguished. The real question presented today, as it is every day, is how best to oppose the Communist threat.

Yes, we can vote for these amendments and stop all assistance to the Communist-dominated countries. We can, by accepting the amendments of the gentlemen from Texas and Ohio build a wall along the borders of Yugoslavia and Poland, between these countries and our own, sealing off these people from contact with people of our country and locking them into Russia. That is exactly what the amendments of the gentlemen would do. All sympathetic contact with the free world, all tangible assistance of any kind would be prohibited. Even CARE packages and packages from relatives could no longer be sent. The Iron Curtain would truly become impenetrable.

The people of the satellite countries would be forced to look to Russia completely for their survival.

The gentleman from Ohio argues that prohibition of aid might spark revolt in all of the Communist satellite countries. How could such a revolt possibly succeed if all hope of assistance from the United States were extinguished, which would be the case if the gentleman's amendment were to prevail. It is argued that this is not the gentleman's purpose—that the amendment is not intended to be so inflexible. He speaks of legislative intent. Legislative intent by a discussion on the floor is not in order where the words of the amendment are so clear and all inclusive that no explanation is needed to determine their meaning or effect.

These people have not given up their struggle for independence and freedom. The Poles particularly will not accept atheistic communism. They are very much interested in America and American ideas. The visit of our Vice President 2 years ago gave them an opportunity to show their affection for the people of America whom the Vice President represented—and their response was overwhelming.

On the important question of religion, too, the Polish people continue to maintain their ancient allegiance to the church. The church maintains a nationwide program of religious education for children, as well as a Catholic university and seminaries. Cardinal Wyszynski, the Polish primate, recently traveled to the Vatican and received a diplomatic passport from the Polish Government. The Government recognizes a number of religious holy days as national holidays.

Mr. Chairman, we must have patience and wisdom if we are to win against the Communists. It is easy to become emotional. This has been a longtime program, but the problem of dealing with the Communist threat is not an easy one, and will not be disposed of quickly. We must not curtail our ability to deploy our strength. The President, as Chief Executive of the Government, must be given wide latitude and freedom with which to employ a wise, aggressive, and flexible foreign policy.

Will these amendments serve the best interests of the people of the United States? I do not believe that they will. I believe they would be injurious to our national interest, and I urge their defeat.

The **CHAIRMAN.** The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, yesterday I offered an amendment to prevent the use of receipts from loans under the Alliance for Progress without further action by the Congress. The amendment I refer to was an anti-back-door spending provision to eliminate short circuiting of the regular annual appropriation process. Instead, under my amendment receipts from loans would have returned to the U.S. Treasury and stayed there unless an appropriation was made in accordance with the Constitution.

After I offered this amendment my colleague from Michigan [Mr. MEADER] sought recognition and raised an issue as to the effect of the amendment. He said that by striking the first nine lines on page 8 it was his understanding that we would be removing a limitation upon the back-door spending of receipts by the Development Loan Fund from repayments of loans. In other words, he asked as to whether by adoption of my amendment the committee would not be enlarging rather than limiting back-door spending under existing law.

The gentleman from New Jersey [Mr. GALLAGHER], a member of the Committee on Foreign Affairs, thereupon stated that he was absolutely correct. He said the amendment would enlarge the scope of money usable for other purposes.

Later, after the vote, Mr. Chairman, the matter was checked by myself and the gentleman from Michigan [Mr. MEADER] and we found that the gentleman from New Jersey [Mr. GALLAGHER] had given an answer which was not correct. I know that this was not intentional; however, the net result was that Members became confused and as a result my amendment was defeated. Actually my amendment would have prevented the reloaning of repayments of some $600 million of loans under the Alliance for Progress without a regular appropriation.

Mr. Chairman, I can only say that I regret very much that this confusion existed because I believe the majority of the Members of the House are unalterably opposed to back-door spending and had they not been confused my amendment would have been adopted. A majority of Members, I am sure, favor a regular annual review of all expenditures.

I mention this, Mr. Chairman, because I wish to call it to the attention of the Members so that when the appropriations bill comes to the House this situation will be remembered. In other words, I hope that in the appropriations bill there will be language limiting the reloaning of any repayments on the $600 million.

Now, Mr. Chairman, if I might briefly discuss the bill. First, let me say that I strongly support the Casey amendment; or even better the Feighan substitute, both of which would stop aid to Communist countries. I oppose the Morgan and Frelinghuysen amendments; these two amendments would simply allow the State Department to continue, as in the past, to recommend aid to Communist countries.

The question has been raised as to the constitutional right of the President to conduct our foreign affairs. I would not want to interfere with any such authority but certainly no one can question the constitutional right of the Congress to appropriate funds to whatever countries the representatives of the people feel should be assisted. Therefore, I do not support any amendments to give the President discretion over aid. I think the State Department has and will continue to take advantage of this discretion and continue, as in the past, to strengthen our enemies.

Mr. Chairman, when this legislation comes to final passage, for the first time since I have been in Congress I will be compelled to vote against a foreign-aid bill. I have always voted to reduce the amount of foreign aid but I have always voted for foreign aid.

In this instance, in excess of $6 billion remains unspent from previous years. In addition, I think there is plenty of authority to appropriate more, or at least as much as we can afford, without passage of this bill. This bill would authorize $4.6 billion more.

Since I voted against increasing the debt ceiling and since I have continually advocated cutting down on Federal spending, I do not see how in good conscience I can vote for this $4.6 billion. I think the $7 billion deficit which we had last year plus the estimated $4 billion deficit for this year is very serious. If a tax cut is imposed on top of this $4 billion deficit we could end up a year from now with another $12 billion in the red.

Therefore, Mr. Chairman, I urge the defeat of this bill and shall so vote.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. Wright].

Mr. WRIGHT. Mr. Chairman, this amendment surely expresses the wish of the American people. Certainly Americans do not want any part of their tax money spent to assist Communist countries. Clearly the Congress would be derelict if it failed to provide such a prohibition against aid to such countries.

A clear expression from the Congress at this time should help and not hinder our efforts to split these satellite countries from the Communist bloc. We must make it clear to them that if they want our assistance they must demonstrate by deeds as well as words that they are truly independent of the Russian domination. We must never leave the impression that the way to elicit our assistance is to oppose us. An impression of that kind could only leave us open to attempted blackmail. That would be the worst thing we could do.

Such a statement from the Congress is needed at this time, and I hope it will pass overwhelmingly. In this way we can send the word throughout the world that, while we wish well to all men, there is a limit to our beneficence, a limit to our patience, and that such help as we have to give will be given to our friends.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. Cramer].

Mr. CRAMER. Mr. Chairman, I take this time for the purpose of first stating that it is going to be my intention to offer an amendment at a later period to this section, in view of the fact that previously Congress passed an amendment providing for authority in the President for a trade embargo on Cuba, to put that statement of principle and purpose in effect by also giving him the authority to cut off dollars and other things of value going to Cuba in the way of indemnity or ransom, meaning the $62 million which Castro is demanding for prisoners rather than tractors.

But, I take this time to ask a question with regard to the pending amendment. No. 1: As I understand, the Feighan amendment involves and prevents aid under Public Law 480 foodstuffs whereas the Casey amendment does not; is that correct?

Mr. BARRY. That is correct.

Mr. CRAMER. I also understand that neither one of these amendments nor the amendments to the amendment would accomplish the objective that I just mentioned of cutting off directly or indirectly moneys or other things of value going to Cuba or Castro in the form of indemnities or ransom; is that correct?

Mr. JUDD. If the gentleman will yield; any money from this bill could not be used for indemnities or ransom, unless the President exercised the waiver already voted. I do not know any place he could get dollars for that purpose except from the contingency fund in this bill, so I presume such payments could not be made.

Mr. CRAMER. And is it true that neither of these amendments prevents the sending of any CARE packages, as the gentleman from Illinois [Mr. Pucinski] implied, to Poland or Yugoslavia? None of these amendments would prevent CARE packages being sent to these countries?

The CHAIRMAN. The time of the gentleman from Florida has expired.

The gentleman from Ohio [Mr. Bow] is recognized for 1½ minutes.

Mr. BOW. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from New York [Mr. Goodell] is recognized for 1½ minutes.

Mr. RIEHLMAN. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from New York.

Mr. RIEHLMAN. Mr. Chairman, I ask unanimous consent to extend my remarks following those of the gentleman from New York [Mr. Goodell].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOODELL. Mr. Chairman, I have taken this time because I think that the Feighan and the Casey amendments should be clarified in one respect. I do not believe intentionally, but I believe that it has been implied here that if a rebellion developed in Yugoslavia or in Poland the Feighan amendment and the Casey amendment would prevent us from giving aid to the rebels. It is my understanding, based upon the reading of them, that these amendments would bar aid to countries that are members of the Warsaw Pact or who are Marxist and Leninist, and the rest of the requirements. Would rebels fighting in these countries against their Communist regimes be eligible for our aid? I presume it is Mr. Feighan's intention that aid, under his amendment, could go to such rebels. Is that correct?

Mr. FEIGHAN. If the gentleman will yield, that is absolutely correct as far as my amendment is concerned.

Mr. GOODELL. As a matter of legislative history, that is certainly the intent of the gentleman's amendment?

Mr. FEIGHAN. If the gentleman will yield further; yes.

Mr. GOODELL. There is one other point which I wish to bring up, and which I would like to get clarified: Certainly under this amendment it would not bar relatives from going to our stores and buying food and sending it to their relatives behind the Iron Curtain, would it? I ask that question of the author of the amendment, the gentleman from Ohio [Mr. Feighan].

Mr. FEIGHAN. If the gentleman will yield further; absolutely not. It would not stop CARE packages that do not include——

Mr. MORGAN. Oh, yes; it would.

Mr. FEIGHAN. CARE packages that have Public Law 480 products in them; yes, but not packages that are given through the free generosity of the American people themselves.

Mr. GOODELL. In other words, CARE packages which are privately financed and privately purchased and sent over would not be affected?

Mr. FEIGHAN. They absolutely would not be.

Mr. GOODELL. In other words, sending relatives behind the Iron Curtain such packages would not be affected?

Mr. FEIGHAN. No.

Mr. CONTE. In regard to the CARE packages, we now pick up the ocean freight. Under this amendment that would be cut off?

Mr. FEIGHAN. That is correct, but only insofar as the shipment of CARE packages to Communist regimes is concerned.

Mr. GOODELL. In other words, Government aid for transportation of CARE packages would be cut off by the Feighan amendment only to the extent that those packages were being shipped to Communist regimes.

Mr. RIEHLMAN. Mr. Chairman, I definitely feel that we need to place some restrictions on the extension of economic assistance to countries controlled by Communist and Marxist regimes. It is my firm conviction that dollars pumped into these regimes serve only to strengthen the hand of their rulers and further discourage and oppress interior democratic forces. I do believe, however, that the President must have some flexibility, some latitude, in the administration of this program so that if a situation ever should arise where it was felt vital to our interests that some form of assistance be made available his hands would not be tied.

I believe the amendment offered by the gentleman from Texas [Mr. Casey] as amended by the amendment offered by the gentleman from Pennsylvania [Mr. Morgan] will place the necessary restrictions on this form of assistance and at the same time give the President the desired flexibility. So I will support the amendment of the gentleman from Pennsylvania with the thought that this body's concern about economic assistance to Communist countries, particularly Yugoslavia and Poland, will be weighed very carefully at the White House and at the State Department when that type of assistance is under consideration.

I hasten to emphasize my belief that the people of these countries, not their rulers, will be allies of the West in the long run. I do not believe that Tito and Gomulka can ever be counted on to sever their ties with Moscow or even to make any significant move away from the Soviet orbit. The people who live under the iron fist of their dictatorships may one day force a significant break in the chains that bind them to the Kremlin, but we will only be prolonging their emergence from slavery by giving sustenance to their dictators. I am willing, however, to give the President the flexibility to act in this area when such action is felt vital to our interests.

The CHAIRMAN. The gentleman from Minnesota [Mr. BLATNIK] is recognized for 1½ minutes.

Mr. BLATNIK. Mr. Chairman, 1½ minutes is not very much time in view of the very able arguments which already have been presented on both sides. It might be helpful, however, to briefly summarize the reasons for having undertaken aid to Yugoslavia, and later Poland.

The primary purpose for aid to these two countries from its inception has been to serve American national interests. Our national interest through this aid has been served in several ways: first, independence movements within the Soviet bloc are encouraged to maintain their viability; second, it probably has encouraged further factionalism within the Soviet bloc; and, third, it is concrete evidence of our continued commitment to the forces of national independence from Soviet power. Besides, we will not have much if our objectives are not fully achieved, but will have gained substantially should the goals of this aid be only partially achieved. This course of action has been bipartisan; it was initiated by President Truman, earnestly carried on by President Eisenhower and now continued under President Kennedy. Continued commitment by the United States and its allies to keeping the door open to these two countries will likely bring about in greater measure positive advantages in the future.

Mr. Chairman, the question is, What does the Casey amendment or the Feighan amendment offer by way of gain? I say and submit to the Members of the Committee that we have nothing to gain and much to lose.

Mr. Chairman, in conclusion, it is rather ironical in this era of fast-moving change and advance, with Telstar up above us, which within a period of 24 hours has made an increasingly small world much smaller and assured that we will be able to look into the backyard of those in far-off lands via television, radio, and telephone, that we might turn back the clock on the diplomatic and economic front, thwarting the promise of this threshold in effective world communication.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio [Mr. FEIGHAN]. With regard to the discussion as to whether the aid now being given by the United States to Communist countries is viewed with favor by Mr. Khrushchev, a rather significant column appeared just a week ago in the Allen-Scott Report, a nationally syndicated column by Robert S. Allen and Paul Scott. Let me quote from that report:

> Cuban dictator Fidel Castro is under direct and explicit Kremlin orders to make two immediate far-reaching changes in policy.
>
> * * * * *
>
> Castro has been bluntly told that Premier Khrushchev considers U.S. economic aid urgently essential for Iron Curtain satellites, and no obstacles to their getting it are to be permitted.
>
> Poland is seeking an additional 1.5 million tons of U.S. wheat and barley, as well as other economic aid. Other satellites also want assistance.
>
> It is apparent that Castro's swashbuckling antics and bombastic tirades are viewed by Moscow as a hindrance to wangling much-needed U.S. food and goods, and the Cuban dictator, in effect, has been ordered to "pipe down."

I have not read any refutation of the facts stated in this column. If they are true, and there has been no refutation of them, then it indicates very clearly that our aid is playing into the hands of the Communists, and I think we can find better places for our funds than to help Communist countries.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, there may be some in the House today who have the impression that under the program for the coming fiscal year there is no money possible for Yugoslavia. Such is not the case. I have in my hand the "classified" volume which is available to all Members of the House, and if Members care to do so they can note that there is money, the amount of which I shall not disclose because it is classified, for loans that may be made to Yugoslavia in this fiscal year.

Mr. MORGAN. If the gentleman will yield, there is money for programing, but no commitments of that money.

Mr. ADAIR. The Members of the House can read that it is available and that it may well be used; and there may be requests for future years. In other words, it is here, if the executive authority decides to use it.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. LINDSAY. If the State Department did not overclassify as much as they do, they might get more support for their program.

Mr. ADAIR. I think it is unfortunate that facts of this kind are classified, but I would again call attention of the Members to the fact that the information is here, if they want to read it.

In conclusion, Mr. Chairman, let me say that we must fight communism wherever it exists, and to do so must have the strongest tools possible. Therefore, I urge that we adopt a strong amendment, of which there are two possibilities before us now, to combat the Communist menace. Either the proposal of the gentleman from Texas [Mr. CASEY] or the proposal of the gentleman from Ohio [Mr. FEIGHAN] would greatly strengthen the bill.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, one of the issues that has just been brought up in the debate is whether or not CARE packages would be affected. CARE packages would be cut off completely, because the authorization for the payment of freight, which is necessary under this act, would be eliminated.

I would like to make another point, that there is no aid granted under this bill to Yugoslavia. There is a small amount, our distinguished Chairman mentioned, to Yugoslavia, if the President so determines. But it is a very small amount. In effect, adoption of such a provision would write off completely the $2.4 billion that has been expended. It would be the greatest waste of all time for we would prevent by our impatience seeing the fruition of this long-range policy.

We should stop looking at the Communists as giants too fearsome to behold. Communism as an ideology is failing. The Communist monolith has cracks in its seams. What we are trying to do by this policy is to give the President sufficient authority to exploit the cracks, wherever they exist, in the Communist bloc. They will occur in the future; witness the great breach that is now widening between the Soviet Union and the People's Republic of China.

Further, the conduct of foreign policy should be based on intelligence reports, on the reports of our ambassadors and a proper evaluation of these reports can only be made by the Chief Executive. It cannot be made in the darkness or ignorance of the real facts or in the heat of an emotional debate unrelated to the real situation with absolutely no knowledge of what the necessities of our national interests require. We should allow the President to exercise that prerogative, regardless of what party he heads. We granted this right to President Eisenhower. Let us not take it away from President Kennedy. This is not a political matter; this concerns the national needs of our country.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield.

Mr. CONTE. Mr. Chairman, will the us the effect on Austria and Italy and Greece if Yugoslavia is dropped back into the Soviet bloc?

Mr. GALLAGHER. There would be an effect, without doubt. That is one of the intracacies in the great balance of power that exists today. Furthermore, if a revolution should take place such as the one in Hungary, this amendment would have the effect of preventing us from giving any aid whatever to those who revolted.

The CHAIRMAN. The Chair recognizes the gentleman from Delaware [Mr. MCDOWELL].

Mr. McDOWELL. Mr. Chairman, I want to read two telegrams. The first is addressed to me and reads as follows:

> Hon. HARRIS B. MCDOWELL, Jr.,
> *House Office Building,*
> *Washington, D.C.:*
>
> The Polish Roman Catholic Union of America comprised of 200,000 Americans of Polish origin and of Catholic faith urges you to support President Kennedy's policy of helping people of Poland by giving them sorely needed aid. We further urge you to oppose any amendments to the foreign aid bill which would in any way restrict aid to Poland. In aiding freedom-loving people of

Poland we will strengthen them in their vigorous opposition to communism.

Polish Roman Catholic Union
of America.
Chicago, Ill.

The second telegram is addressed to the Honorable John W. McCormack, Speaker of the House, Washington, D.C. It reads as follows:

> Do not forsake Poland in her hour of need and give her aid. The Polish people are definitely the best friends we have behind the Iron Curtain. The aid given the Communists through help to Poland is negligible and should not be considered. I speak from personal experience back in 1945 and from the experience of many late observers. Denial of aid would be a crushing blow to the morale of the people. Never mind the government but consider the enslaved people.
>
> Stephen S. Woznicki,
> *Bishop of Saginaw.*

Mr. OSTERTAG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Chairman, I am one who holds the firm conviction that the Congress not only possesses the right but the responsibility to establish a clear-cut policy in the matter of aid to Communist regimes. There is no issue here as to the separation of power or authority as between the executive branch of our Government and that of the Congress.

It seems to me that the basic and fundamental issue involved is that of aiding an enemy. I can see where under certain circumstances we might well lend assistance. But to me, we have reached the point where the lines must be drawn and a soft policy abandoned. We have in substance, four propositions before us. The Casey amendment, the Casey amendment as amended, the Feighan amendment and the Feighan amendment as amended.

I am inclined to believe that the Casey amendment as amended, is the right approach. In any event both the Casey and Feighan amendments as amended do provide the limitations and guidelines necessary and take with them a policy which is definite in the matter of aid to Communist nations. These proposals as amended, do give the Executive sufficient authority or flexibility within certain bounds which should make clear our overall policy in this matter.

Mr. Chairman, I hope that from here on out that the national security and the cause of freedom will be strengthened by this decision and I believe we are at last moving in the right direction.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Judd].

Mr. JUDD. Mr. Chairman; two brief points. Further reference should be made to the grave dangers that might develop if Yugoslavia were to go back into the Soviet bloc. Russia had submarine bases on the Adriatic and the Mediterranean until the split came in 1948; Russia does not have submarine bases there now. If we consider how badly threatened Greece, Italy, and the whole Mediterranean area would be if the Soviet Union again had submarine bases there, I think we will recognize the problems that both President Eisenhower and President Kennedy have had to keep constantly in mind in carrying out their responsibility for the protection of the security interests of our country.

The gentleman from Ohio [Mr. Bow] has stated that Congress has the power under the Constitution to say what the moneys it appropriates may or may not be used for. There is no question about that. Nobody disputes its power or right to refuse to provide money to support the foreign policy of our country or to support our Armed Forces, or even to pay our own salaries. But under the Constitution, it is not the function or duty of the Congress to conduct our foreign policy, just as it is not our function to command our Armed Forces. Our Republic was founded with a division of functions or duties, as well as of powers.

When the President said in the recent steel price dispute that he was acting in the national interest as the representative of the people, I strongly disagreed. He was not elected to be the representative of the people in domestic matters. You and I were elected to be the representatives of the people in domestic matters. The President's obligation is to "take care that the laws be faithfully executed"—the laws that you and I pass as the representatives of the people.

But the President is the representative of the American people in the conduct of our foreign affairs—within such guidelines as the Congress may establish. That is what these amendments do. The Casey and Feighan amendments state our belief that aid to Communist countries is unwise and should stop. The Morgan-Frelinghuysen amendment lays down strict and tough guidelines for him to follow if he believes that he should, nevertheless, give aid in carrying out the function, the duty, the responsibility which the Constitution places on him, not on us, to conduct our foreign affairs.

So it is my view that the Morgan and Frelinghuysen amendments should be adopted. The Feighan amendment as amended, should be defeated, and the Casey amendment, as amended by the Morgan amendment, should then be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Hays].

Mr. MORGAN. Mr. Chairman, I yield 5 minutes of the Committee's time to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I am sure there have been times in the 14 years I have been here that my friends on the Republican side have thought I have been a little political once or twice. But, I would like to remind them and my colleagues on the Democratic side as well that three times in the last 4 or 5 years I have stood in the well of this House opposing taking away from President Eisenhower the same power that the Casey amendment wants to take away from President Kennedy. I opposed the Democrat who offered that amendment. I think you will remember yesterday I opposed my own chairman. Now I am supporting the Morgan amendment today for a variety of reasons. I am honest, frank, and sincere in saying I do not want to embarrass anyone. I am sure the people who have offered these amendments are just as sincere as I am. But, how does Mr. Khrushchev feel about this? We all want to defeat communism, and he is the chief architect of it. What does he say? These are his words. He said:

> Poland is now being wooed like a bride. Why? Because the wooers want something. They want to find elements in Poland that can be used against the people's government, against the building of socialism—

A word he uses as the equivalent of communism—

> and against the Soviet Union.

And he is so right. That is exactly what the aim of this is. Mr. Khrushchev does not speak idly. He spends more time denouncing NATO than almost anything else, and he does not bother denouncing things that do not hurt him. He would not have said this if he was not feeling the pinprick of the fact that our aid is helping Poland against him and helping the Polish people to resist the masters that have been forced upon them. What does he say about Yugoslavia? He said:

> Why do the American imperialists praise you? Why do they give you wheat? What is this Yugoslav socialism—

He means communism—

> that this could please the American imperialists? They scent as it were something not quite socialist about you.

He said, in other words, they scent as it were something not quite Communist in you. This is precisely what they like. This is the law of the class struggle and Mr. Khrushchev was so right again. Oh, yes, he is feeling the jab of these moves in our foreign policy and he does not like it. So he talks against it. What is the fact about aid to Yugoslavia? I will say to you, I probably have as many Serbs in my district as anybody in the United States and there is nobody who hates Tito more than the Serbs do. All of the Serbian people who have contacts with Yugoslavia can tell you that the Serbs in Yugoslavia hate Tito like the Devil hates holy water. And I have been to Yugoslavia and I can testify to that myself.

Now what does Commonweal, the great Catholic magazine, say about this? It says:

> The wisest thing the country can do is to play the situation by ear, always leaving open the possibility at given moments of either suspending aid or increasing it.

That is not the end of the quotation. What have we done under the Ambassador to Yugoslavia at the present time? We have cut aid by 90 percent over what they were getting before he went there, at his recommendation. He says, they have to come in and ask for it and show that what they ask for is worth something. What kind of aid have they been getting? They have been getting technical assistance, which consists of bringing Yugoslavs here and exposing them to the capitalist system and to democracy. The gentleman from Pennsylvania [Mr. WALTER] can tell you and any student who has studied this program can tell you that that is the greatest thing you can do.

I told Khrushchev right in the Kremlin at a reception when we were arguing about this point, and he was telling me what freedom there was in the Soviet Union, how people were free to travel in the Soviet Union. It was not so. He said: "Why don't your people understand?" I said: "Mr. Prime Minister, I will tell you what I will do; if you will let them come I will go back to Washington and introduce a bill to bring a million Russians to America for a visit and pay the charges."

He looked at me in amazement and then said: "Why would you do such a thing as that?" And I said: "Because when they got back home you would have a million of the damnedest, most dissatisfied Russians you ever saw or heard of."

Why do you think they have an Iron Curtain up? They have it up because they do not want their people to know why and what democracy is.

I sponsored a young college student from Hungary. He was a leader in the revolution and he was a very brilliant student. He graduated with honors in his class from the Ohio State University, yet he could not speak a word of English when he got here; and his wife graduated second highest in her class of psychiatric nursing. I said to him, when he had learned to speak English and we could converse freely: "Why did you risk everything when you were one of the chosen people? You were a student. You had your way being paid at the university; why did you risk everything to revolt?"

And he said: "Because I was on the University of Budapest basketball team and it was sent to Switzerland, and there I saw what I had always suspected, that everything the Communists told us was exactly the opposite. I saw that the West was superior in every way, the people dress better, they eat better, they have freedom."

And he said, "We in the University of Budapest concluded that from that day on anything the Communists told us was probably just the opposite of what it should be."

Do you want to shut the gates of freedom to the Yugoslav people? Do you want to hamstring the opportunity of the President to seek out and enlarge cracks in the Iron Curtain? Oh, it is popular to be against communism, and I am against it just as much as anybody else—I like to be popular—but I am for the Morgan amendment. And may I say the parliamentary situation is such that the vote will come first on the Morgan amendment. Then the vote will come on the Casey amendment.

I urge you not to vote to fetter the hands of the President.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORGAN] is recognized for a minute and a half.

Mr. MORGAN. Mr. Chairman, I yield my time and the remainder of the time of the Committee to the distinguished Speaker of the House.

The CHAIRMAN. The gentleman from Massachusetts [Mr. MCCORMACK] is recognized for 6½ minutes to close the debate on these amendments.

Mr. McCORMACK. Mr. Chairman, for many years as a Member of the House and as majority leader I have been proud, and now, as Speaker, I am proud of the fact that in the field of national defense and of foreign policy that we acted in a bipartisan angle. I urge the following of that course in connection with the pending amendments.

In past years, under President Eisenhower and President Truman, whether the Democratic or the Republican Party controlled the House, we always recognized and respected that under the Constitution the President was the sole repository in the field of foreign affairs, as well as Commander in Chief of our Armed Forces. We always wisely provided for a continuance of Executive flexibility and Presidential judgment. Why should the House today deny to President Kennedy certain discretionary powers within congressional guidelines that we have given to previous Presidents?

Why should the House today take away from President Kennedy—and he is our President without regard to party—the discretionary authority contained in the Morgan-Frelinghuysen amendments, which the President needs to carry out our governmental policy in the most delicate area of our foreign relations?

I have stood as majority leader in the well of this House advocating that proper discretionary power be vested in our Chief Executive in past years for President Dwight D. Eisenhower as well as President Harry S. Truman. So did our beloved friend, Speaker Sam Rayburn. How well do we remember his dramatic speeches when the question came up of completely depriving the President of all his Executive power.

In the 80th Congress, when President Truman was our Chief Executive, JOE MARTIN and CHARLIE HALLECK gave the same bipartisan leadership.

In the 83d Congress, with President Eisenhower in the White House, and when Joe Martin was Speaker and Charlie Halleck majority leader, Sam Rayburn and I supported and worked with them in a bipartisan manner.

I might say the overwhelming Democratic Members of the House followed our leadership, joining with our Republican friends in defeating efforts to tie the hands of the President in the field of foreign affairs.

I refer to this history "least we forget."

The President bears the responsibility of conducting our foreign policy in the manner stated in the Constitution. To completely tie his hands at any time would be unwise, and particularly at this period of the world's history it would be dangerous.

Last year President Kennedy recommended an increase of over $6 billion in our national defense, and for the present fiscal year over $3 billion more. This represents firm and courageous leadership on his part.

Furthermore, it is evident that unrest and tensions exist and are on the increase in the Communist-dominated part of the world, and even in the Soviet Union and Red China.

We should give the President such discretionary power to capitalize on and increase such unrest and tensions.

It is difficult to see history in the making, but it is being made at the present time here and abroad throughout the world.

One of the great reserve strengths we have is the more than 100 million persons in Poland, Hungary, Czechoslovakia, East Germany, and other Communist-dominated countries that despise communism, who are praying for their early deliverance from their Communist oppressors, and for the restoration of their independence and liberty. They look to America with hope, to the Soviet Union with despair.

Are we by the adoption of the provisions completely restricting the President going to send the message to them that we are closing our eyes and our thoughts to those millions of enslaved persons, keeping in mind the enslaved people who hate and despise communism? In Poland it is safe to say 98 percent of the people not only despise but hate communism. In Hungary, only a few years ago, what happened? There was a desire of the people for liberty, and think of the bravery they manifested on that occasion.

What about the unrest in East Germany?

What about the unrest in Red China?

What about the manifestations we see there?

Do we want to tie the hands of our President? Are we going to close the opportunities of our Government to capitalize on those situations?

Mr. Chairman, the legislative situation is very simple. We have two substitutes. We have the Casey substitute and we have the amendment offered by the gentleman from Pennsylvania [Mr. MORGAN] to that substitute. I urge adoption of that amendment.

Then we have the amendment offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN], to the substitute offered by the gentleman from Ohio [Mr. FEIGHAN]. I urge that the Frelinghuysen amendment be adopted. The first vote will be on the Morgan amendment to the Casey substitute, the adoption of which I strongly urge. Then we come over to the Frelinghuysen amendment to the Feighan substitute. I urge the adoption of that amendment. At that time I urge that the Feighan substitute be defeated.

Then we come back to the Casey amendment as amended by the Morgan amendment. I urge adoption of that amendment as amended. That amendment expresses the thoughts and views of this body but at the same time it reserves the constitutional power and discretion of the President of the United States.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include an article.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Chairman, the Congress plays a key role in the formulation of our Nation's foreign policy, and through its activity in this field it affects the lives of millions of people far beyond our borders. When we exercise our responsibilities in these grave matters it is imperative that we devote our best abilities to a sober consideration of all the facts, and make our decision in terms of the best interests of our country, without resort to inflated statements designed to capture headlines at home or provide material for campaign literature.

I am not convinced that the Senate lived up to these high standards when it prohibited aid to Communist or Marxist countries. The Senate moved hastily to go on record as opposed to communism; so hastily that the full implications of its action were never explored in debate; and indeed so hastily that at first surplus foods and fibers under Public Law 480 were included in the prohibition of aid, and then rapidly excluded, with a result that the language of the present amendment leaves uncertain whether Public Law 480 sales agreements are excluded or not.

The policy of three administrations over the past 14 years has been based on the assumption that lasting change in the Communist world must be effected from within, and that we should encourage these changes by supporting those who inaugurate them when such support is required and is likely to be productive. This policy has had some very real results, as can readily be seen by comparing the condition of the Soviet bloc today with that of 14 years ago.

The monolith of international communism does not in fact exist. Beneath the Stalinist surface seethed tendencies toward nationalism, Russophobia, pluralism, and even the germs of liberal democracy. In Yugoslavia the nationalist drive was strong enough to create a split, and we moved in with the support necessary to permit the existence of an independent nation. As Yugoslavia's relations with the free world expanded there came ideological revisionism, and while this revisionism may not have gone far enough to suit us, it is officially termed by every orthodox Communist Party in the world today as the leading threat within the Communist movement.

Is it true, as the critics of aid to Yugoslavia have said, that our assistance to that country has been wasted? that Yugoslavia's divergence from the bloc is a sham designed to beguile us? If so, the Yugoslavs have played the game very well indeed, for they have supplied us with strong evidence of their divergence from the monolithic Communist family. Seventy percent of Yugoslavia's trade is now with the West. In Yugoslavia 12 percent of the farmland is collectivized, contrasted with an average of about 90 percent in all other bloc countries, with the exception of Poland. Over 1 million free world tourists visited Yugoslavia in 1961. Yugoslav students come to the United States in ever-increasing numbers, while there is only a trickle from the other Communist countries. And in the United Nations, Yugoslavia has voted "yes" while Russia voted "nyet" on such major issues as support of the Congo operation and the U.N. bond issue.

The Communists have gone to great lengths to present to their peoples an image of a world irrevocably split in two hostile and irreconcilable camps. The case of Yugoslavia destroys this image, for it is not a member of the capitalist camp, but on the other hand has given its people the most rapidly rising standard of living in the Communist world, it has disbanded the hated collective farms, and has expanded the area of personal freedom to a degree which no other Communist regime has thought possible. With the catalyst of Stalin's death and the lack of a sure hand in the Kremlin this so-called disease spread to Poland, Hungary, and beyond.

It is difficult for us in the West to understand why it was the example of Yugoslavia which inspired the other peoples of Eastern Europe to demand reforms, when the free world offers so much more. But the freedom and the standard of living which we enjoy seem totally unattainable to these peoples, who have Soviet armies encamped on their soil. Yugoslavia is different—it did succeed, with our help, in moving away from Moscow but it did not move so far that the Soviet leaders felt compelled to unleash their armies to protect their empire. This is the pattern for change within which Eastern Europe must work. The penalties for moving too fast were set in Hungary.

Without the assistance offered Yugoslavia by the United States, small in amount as it has been, and without the open encouragement it has received from the free world, Yugoslavia would have been forced to return long ago to dependence on and subservience to the Soviet Union. Without the hope of such assistance and encouragement from the free world in the future, there will be no example for other Communist countries to follow of an increasingly independent and democratic Yugoslavia.

I think that all of us here would grant that the virus which was born in Yugoslavia had a profound effect immediately after the death of Stalin. The question which we must answer is whether or not it still operates today. I think that it clearly does, and that its implications are increasingly dangerous for orthodox communism.

The Chinese Communists apparently agree, as do their Albanian, North Korean, and North Vietnamese comrades. They see that the so-called revisionists have set in motion forces which are almost impossible to contain in the long run, and they insist on a hard line toward them. The Soviets, on the other hand, wish to play down the seriousness of the Yugoslav threat for tactical reasons. The existence of the dispute with Tito has proven a great embarrassment in Khrushchev's attempts to win over the emerging nations, which, like Yugoslavia, demand a position outside the blocs. By restoring normal state-to-state relations with Belgrade he hopes to disguise his ideological objections to national communism.

It is this issue, then, which has led to the exacerbation of the latent Sino-Soviet dispute. A byproduct of the current dialogue is the invasion of the Soviet Empire by the Chinese, who have snatched the Kremlin's Balkan satellite, Albania. This blow to Soviet prestige could never have been delivered but for the existence of an independent Yugoslavia through which Soviet forces could not move.

Pressures for reform are evident within every Communist regime in the world today, and even Khrushchev was forced to acknowledge the trends toward internal autonomy at the most recent Congress of the Soviet Communist Party. These pressures can be traced to Yugoslav revisionism, which has awakened the latent aspirations of all the peoples of the bloc.

Revisionism and divergent trends within the Communist empire will in time, lead to the erosion of Communist ideology, and will make it increasingly difficult for the Kremlin to maintain its centralistic control over other nations. The Soviet bloc is entering a period of crisis: a crisis more significant, if less dramatic, than that of 1948. This is a time when we should give the Executive more, and not less, freedom to tailor our policies to new developments. Let us remove this debate from the realm of emotionalism and slogan, and act with the imagination and foresight which the situation demands. This is certainly a time for a responsible bipartisan foreign policy. Let us give the President, in this time of crisis and opportunity, the flexibility in the field of foreign affairs that his predecessors have had.

Mr. Chairman, in the issue of the July 1, New York Times magazine published an article by Former Secretary of State Christian Herter entitled "Poland? Yugoslavia? Why Help Communists?" In it Mr. Herter puts the bipartisan case for aiding nations whose relative independence is more important to us than their Marxist ideology. When the Committee rises I intend to ask unanimous consent to insert this article in the RECORD at this point in the debate.

POLAND? YUGOSLAVIA? WHY HELP COMMUNISTS?

(By Christian A. Herter)

Emotion is rarely a reliable guide to sound policy decisions. Yet all of us are tempted at one time or another to speak out or act in anger against situations not to our liking. More often than not, we discover anew that we cannot end our troubles merely by opposing them. In the conduct of international relations, we are far more likely to achieve our goals by careful planning and the quiet and skillful use of diplomatic tools than by harsh words and hasty decisions.

A case in point is our relationship with the countries of Eastern Europe. Few of the numerous problems that confront us in the world generate more frustration or arouse more controversy than this. Many of us, and more of our ancestors, came from that arc of states that runs through the heart of Europe from Poland to Rumania. It distresses us to know that most of the people now living in those countries are ruled by regimes they neither approve of nor respect. We blame ourselves, in part, for not successfully opposing their absorption into Moscow's empire. And we find it galling that we can do so little now to promote their freedom and independence.

Against this background of concern and frustration, it is not at all puzzling that we should occasionally lash out at the Communist rulers and all their works, that we should seek to end or prevent any action on our part that might lend them comfort or prestige. This feeling was reflected most recently by the action of the Senate in voting to ban any assistance to countries "known to be dominated by communism or Marxism."

This sweeping restriction was modified the following day by a second amendment to the Foreign Assistance Act, sponsored jointly by the Democratic and Republican leadership in the Senate, which permitted the use of surplus agricultural products for foreign assistance in some circumstances. Even so, the surplus products are not to go to any country participating directly or indirectly in any policy or program for the Communist conquest of the world or to one that is controlled by any country promoting the Communist conquest of the world.

At almost the same time, the Ways and Means Committee of the House was sending to the floor a foreign trade bill that would exclude Poland and Yugoslavia from most-favored-nation treatment under our system of tariffs.

These actions in the Congress sought to reverse policies followed by three administrations, two Democratic and one Republican, for a dozen years and more. I am certain that the frustrations mentioned earlier played an important part in these actions. Also at work was the feeling that the assistance given Poland and Yugoslavia in recent years had produced no tangible results from the point of view of our interests. There was understandable irritation that Polish and Yugoslav leaders frequently criticized the United States but not the Soviet Union. Some legislators argued that it made no sense for the United States to go out of its way to ease the economic problems of Communist regimes.

"I am not able to understand how we would help people to get free by making their tyrant masters stronger," one Senator said during debate on the foreign assistance amendment. It was a question that many Americans have asked themselves. Why should we help a Communist government?

The first and most obvious answer is that our policy is not designed primarily to help governments but rather to help the unfortunate people of the countries concerned. That it helps the governments, we recognize, of course. But for any realistic judgment, we need to look at the total effect, not merely the most obvious one; the subtle and indirect consequences of action are frequently more important than those readily discernible.

For a fuller answer, we must know just what it is that we have done to assist Poland and Yugoslavia. We should consider the reasons that convinced Presidents Truman, Eisenhower, and Kennedy that such aid was in the security interests of the United States. Finally, we should study the results of this policy. Only then can we judge whether the course we have pursued has produced useful results, and whether it should be continued.

In the years immediately following World War II, Yugoslavia was probably the most militant and extreme of Moscow's recently acquired satellites. That very extremism created problems. Tito, in those days, was, if anything, more Stalinist than Stalin himself and his militancy created intra-bloc problems of discipline and control. Stalin sought to take over the Yugoslav party from within. When that failed he engineered the exclusion of Tito and his followers from the Cominform.

The Soviet dictator calculated that without his support, the Yugoslav Communists would quickly be brought to heel. He was wrong, and it proved to be one of his most serious blunders. For Tito had broken the so-called "monolithic unity" of the Communist bloc, the winds of nationalism and independence began to blow and their erosive effect on Moscow's control have become increasingly apparent.

Yugoslavia's break with Moscow and its pursuit of an independent course produced significant political and strategic advantages for the United States and the rest of the non-Communist world. Soviet power was rolled back from the Adriatic Sea and from Italy's northeastern border. Austria's southern boundary was freed from Moscow's control. The closing of Yugoslavia's borders to Greek Communists sounded the death knell for the latter's effort to win over Greece.

Other consequences flowed from Yugoslavia's independent course, to the obvious advantage of both the Yugoslavs and the West. The pace of development accelerated and living standards rose. Foreign trade increased and more than two-thirds of it was with non-bloc countries. Cultural and technical contracts have grown and new bonds of friendship have been established. Over the past decade, thousands of Westerners have visited Yugoslavia and come to know firsthand that country, its progress and problems, and its intelligent, able and fiercely independent people. And many Yugoslavs have been able to see the West and to compare its reality with the propaganda stereotypes.

We know that the present course has been welcomed by most young Yugoslavs and by broad segments of the population at large. We should harbor no illusions, however, as regards the present political leadership and its basic Communist orientation. Nonetheless, President Tito is a proud and independent man, and he is a Yugoslav. However much he might welcome readmission to the bloc, he is not likely to consider it on terms of less independence than he demanded in 1948. And from Moscow's viewpoint, such a demand could only stimulate the forces of nationalism which already have caused the Kremlin incalculable trouble.

The danger in the present situation is that a drastic revision of U.S. policy along the lines of the proposed Senate amendment would sharply reduce Yugoslavia's freedom of choice. A harsh stiffening of our policy and a modest softening of Moscow's might convince the men in Belgrade that they had only one road open to them. The hand of those who all along have favored a reorientation of Yugoslav policy in the direction of closer ties with Moscow would be incredibly strengthened; those whose orientation has been toward the West would be left with few effective arguments or defenses.

In testimony before a House committee earlier this year, Secretary of State Dean Rusk said: "We believe the question answers itself as to whether we would prefer that the Yugoslavs fall back into dependence on the Soviet bloc and thus reorient their country toward the East. We are convinced that the present policy, supported by three administrations and fully tested by time and events, is effective and in the interests of this country."

There are elements of both similarity and considerable difference in the situations in Poland and Yugoslavia. Like the Yugoslavs, the Poles are a proud and independent-minded people. But they are also realists and they know that their geographic position creates special problems for them. Bordering the Soviet Union and athwart the main lines of communication between the Soviet state and East Germany, Poland knows that any overt moves in the direction of a rupture with Moscow would produce the most severe kind of repression. It does not enjoy the kind of relative isolation from the Soviet Union that made Yugoslavia's break with Moscow possible.

During the first decade after World War II, Poland's Communist leaders were docile followers of Stalin and careful executors of his policies. American policy toward the Warsaw regime paralleled that toward the other members of the Soviet bloc. But in 1956, revolt against blind acceptance of the Soviet pattern erupted in Poland. Wladyslaw Gomulka, who had been jailed by the Stalinists, assumed power on the crest of this Poland-first demonstration.

The new Polish leader had to walk the narrow ledge between his basic loyalty to Moscow and to Marxism-Leninism and his comprehension of the demands of his own people for liberalization and more freedom. Forced collectivization of farmlands was halted. Pressures on the Catholic Church were reduced. Limitations on contacts with the West were relaxed and the Warsaw Government moved to improve its long-neglected relations with nonbloc countries.

As we watched these developments from Washington, we concluded that they should not pass unnoticed. In October 1956, the late Secretary of State John Foster Dulles declared:

"The captive peoples should never have reason to doubt that they have in us a sincere and dedicated friend who shares their aspirations. They must know that they can draw upon our abundance to tide themselves over the period of economic adjustment which is inevitable as they rededicate their productive efforts to the service of their own people, rather than of exploiting masters. Nor do we condition economic ties between us upon the adoption by these countries of any particular form of society."

A few days later, President Eisenhower said:

"The United States has made clear its readiness to assist economically the new and independent governments of these countries. We have already—some days since—been in contact with the new Government of Poland on this matter. We have also publicly declared that we do not demand of these governments their adoption of any particular form of society as a condition upon our economic assistance. Our one concern is that they be free—for their sake, and for freedom's sake."

Since 1957 these expressions of interest and support have taken the practical form of credits and deliveries of surplus farm products. There has been a significant and fruitful growth in technical and cultural exchanges. Thousands of Americans and Poles have come to know each other well, whether as official visitors or as tourists. Well-known Americans, such as former Vice President Nixon, who have visited Poland, have been overwhelmed with the warmth and friendliness of their reception by the Polish people.

The Poles know the economic assistance from the United States has helped to raise their standard of living. They know that grain imports from America have permitted their farmers to concentrate on other agricultural products that earn hard currency on world markets. Their farm situation, the best by far in the Soviet bloc, has enabled them to resist pressures for tighter controls and possibly a reversion to the hated collectivization.

They know, too, that help from the United States has permitted the Government in Warsaw to steer a course freed of dominance from Moscow than would otherwise have been possible. There have been reports lately of discouraging developments within Poland that we can only read with regret. New pressure is being exerted against the Catholic Church by the Government. The authorities have expanded controls over the press and the schools. Nevertheless, the Polish people enjoy a measure of freedom unknown in any other bloc country. And Polish farmers still own more than 85 percent of the land under cultivation, whereas in other bloc countries that percentage or more is under the stultifying hand of collectives.

Nor has Gomulka surrendered his views on the right of each state to determine and follow its own "road to socialism" without being rigidly tied to the Soviet model. Following the 22d Soviet Communist Party Congress last fall, Mr. Gomulka in his report said: "Every party is fully independent and autonomous and bears full responsibility for the country it rules and for its policy in the country."

There is evidence of many other significant differences between the views held in Moscow and those dominant in Warsaw on both domestic and foreign issues. While the Soviet Union has been stressing the desirability of expanding intrabloc trade, Poland has been establishing a privileged sector of industry producing primarily for Western markets.

As we look at these and other facts of life inside the Soviet system, it is more important than ever for us to distinguish between the myths and the realities. This is particularly vital as we consider our policies toward Yugoslavia and Poland. The basic objective of our policy in both countries has been to encourage their independence and freedom for their people.

Critics of the course we are and have been following tend, I think, to regard the public statements of Tito and Gomulka on foreign policy matters as the only valid evidence of what is happening in their two countries. Each expression of friendship for Moscow is read as a sign of our own failure. Those who would have us turn our backs on those most friendly to us in Poland and Yugoslavia seem surprised to discover with some regularity that Messrs. Tito and Gomulka are still Communists.

Surely this is not the time to walk away from the competition. I can think of few actions on our part that would be more welcome in Moscow than that. If I were Mr. Khrushchev, I would surely heave a sigh of relief if I knew that Poland's and Yugoslavia's windows to the West were being bricked over. Never have the signs of internal disarray been more obvious within the Soviet empire than they are today. Never have the forces of autonomy and independence been more evident.

There is a puzzling inconsistency in all of this that we should consider. We have all heard words of warning about the effectiveness of Moscow's penetration of an increasing number of countries through trade-and-aid offensives. Yet some of us who seem most alarmed at this intensified competition are among those who would deliberately deprive ourselves of the opportunity to carry on this brand of peaceful competition within the bloc itself.

One of our problems, I believe, is our impatience and our desire to find clear-cut and quick answers. Given the complexities of our world, there are few such answers short of devastation. We must gird ourselves for the long, hard pull that this kind of competition requires. The search for shortcuts can drive us into hasty and emotional decisions that only create new problems.

A policy of abandonment toward key areas of Eastern Europe would seem to me to be the ultimate in the "no-win" policy we hear discussed these days. Its logical outcome would seem to be either surrender or military conflict. Certainly we cannot win a competition in which we refuse to participate. And if we hope for internal tension and turmoil as the outcome of our inaction, we must in good conscience be prepared for the consequences of such a development.

I doubt that that is what we want. I doubt that such an outcome would serve well the interests of freedom or independence of our friends in Eastern Europe.

The question of our policy is sometimes phrased as one of aid for Communist governments versus no aid. That is not the real issue. The central question is whether the President is to have available to him the authority to extend or not extend assistance at times and places where the available evidence indicates that such action would promote our own national-security interests.

It is also a matter of our overall posture toward peoples now living under unwanted Communist rule. If they and their governments know they cannot count on us for urgently needed help, they will suit their actions and their policies to fit that fact. If they realize that such help might be forthcoming in certain circumstances, their actions could be quite different.

Two years ago, as Secretary of State, I expressed my views on this matter in a speech to the American Bar Association in Washington. I said then:

"We have tried to encourage any trend toward greater freedom within the Communist bloc. We aided Yugoslavia, whose break with the bloc compounded the difficulties of maintaining monolithic Soviet control over the remaining Eastern European states. We are helping Poland. We have sought through exchange programs and other personal and cultural contacts to broaden the exposure of the Soviet people to outside influences. * * *

"If we hold to our course, I believe that these trends will continue and will work in our favor. Basically our policy is running with the grain of history."

My reading of the situation in which we find ourselves today only reinforces that conviction.

Mr. RANDALL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RANDALL. Mr. Chairman, before the debate today we had some advance knowledge of the probable introduction of the amendment to H.R. 11921 by the gentleman from Texas [Mr. Casey]. We became interested in his proposal to restrict our assistance to Communist countries. We decided to associate ourselves with the effort to express the sense of the Congress, particularly as to Yugoslavia. One of the biggest culprits to be fattened by our aid has been Marshal Tito, to the tune of $2,219 million in the past 2 years. Someone made the computation that this has averaged about $415,000 a day. The Casey amendment when offered went beyond Yugoslavia and Poland and contained the very restrictive language "no assistance," which would, of course, prohibit a disposition of our farm surplus under Public Law 480.

In our opinion, there is just no compromise with Tito of Yugoslavia. Whether he is on our side or not can best be determined by looking at the vote in the United Nations where he has supported Russia 44 times, and voted with us only 6 times in the past 2 years. In the 1962 May Day parade in Belgrade, for all to see, were new Soviet-made T-54 tanks.

Our greatest interest in some restriction upon assistance to Yugoslavia was generated by the incident last fall when certain planes which were then described as "obsolete" were sold to Yugoslavia, and their fliers were then trained here in the United States. During the fall of 1961 we received a storm of protest over this incident, but because it was an act of the executive branch, there was not very much we could do about it. We kept the matter in mind and became determined that we would in some way give expression or voice to the views of our constituents who so strongly opposed the 1961 sale of these planes to Yugoslavia. We concluded the proper time to make an expression of protest against Yugoslavia would be in support of an amendment as first proposed by the gentleman from Texas.

However, in the debate which followed immediately the introduction of the Casey amendment, the chairman of the House Foreign Affairs Committee, the gentleman from Pennsylvania [Mr. Morgan], offered an amendment to the Casey amendment by modifying the absolute provision of "no assistance," accompanied by the provision against waiver in the following words:

> Unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism.

According to our view, the Morgan amendment eliminates a possible objection to the Casey amendment because it is true that long before the advent of President Kennedy, the Congress did give a latitude of discretion to President Eisenhower and to former President Truman. But here, in the Morgan amendment, for the first time, is a situation in which the Congress is saying to the President, or to describe it better, is telling the President, that we are against any further aid to Communist countries and such is the sense of the Congress. Under the strict terms of the Casey amendment, we could not have given one cent to any of the 18 countries named. This would have precluded any help to Cuba in the event of a possible revolution. The wording of the Morgan amendment leaves nothing to guesswork. It is a strong directive to the President, much more than just a guideline. In effect, the Morgan amendment says to the Chief Executive, who directs our foreign policy: "You, Mr. President, may be in possession of more detailed information than is available to the legislative branch, but we are so against any further aid to the so-called Communist countries, that if there is any exception to be made, you must make a finding and a conclusion and promptly report to the Congress, according to the three provisions set out in the Morgan amendment, the most important of which is the finding that such assistance is in some way vital to our own security. Then there must be the further finding that the recipient is not controlled by some international Communist conspiracy and that such assistance will help toward the independence of the recipient country from its past or present entanglement with international communism."

The Casey amendment when supplemented by the Morgan amendment, in our opinion, is not simply just a guideline for the President. The House of Representatives has written into the

Foreign Assistance Act of 1962 a provision which makes it mandatory that the President conform to these guidelines. We say this because unless the President conveys to the Congress the information that the recipient is not a part of the international Communist conspiracy, then the strict provisions of the Casey amendment of "no assistance" become immediately applicable. Those who fear that this will eliminate flexibility and lose us our friends in the countries enumerated—including many people who may hate their Communist masters—in our opinion should have no worry as to whether this amendment will tie the hands of the President. This was not the issue and the truth of the matter is there need be no concern, in any event, because the President still has widespread power as Commander in Chief of all of our Armed Forces, and more particularly, has wide delegated authority through the Central Intelligence Agency with a large reservoir of funds which can be used in the event of a revolt in any of the countries enumerated in the original Casey amendment.

It is our opinion that the House, if it adopts the Casey amendment as modified by the amendment offered by the chairman of the House Foreign Affairs Committee, has expressed itself very firmly against further aid to Communist countries and for the first time has required of the Chief Executive by our mandate that any exceptions to the hard and fast "no assistance" provision be justified by the equally strict provisions of the Morgan amendment.

Mr. GEORGE P. MILLER. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. Donohue] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I would very earnestly request each Member of the House to studiously and conscientiously reflect upon this proposed amendment to forbid any further extension of our limited assistance to people who, through no fault of their own, are presently living under the domination of the Kremlin.

Perhaps no feature of this measure will have a greater long-range effect upon world freedom and keeping alive the submerged desire for personal and national liberty that still burns in the hearts and minds of millions of oppressed people.

The amendment proposed here is unquestionably well meant but it is, indeed, extremely doubtful that it could accomplish its well-meant purpose; as a truth it is, rather, more likely to defeat, in the long run, its inherent objective. The operation of the amendment, if accepted, could well serve to progress and promote the very achievement of monolithic unity of the subjugated, smaller nations, under Soviet leadership, which is precisely what we must persevere in trying to prevent. It is plainly obvious that the people of the oppressed countries to whom our limited help, under this program, has been given, have exercised persistant and significant pressures in restraint of the more extreme and aggressive actions of the Communist dictatorship.

The policy we have thus far been pursuing in this particular matter, under this program and under Presidents of both parties, has proved its effectiveness in contribution to our overall foreign policy design.

Under our Constitution there is great and serious obligation upon the President to promulgate and direct our foreign policy. To place such a severely restrictive limitation upon his power of direction and discretion, at this time, could be disastrously misinterpreted abroad and dangerously hinder the President in the effective discharge of probably, today, his major responsibility.

With particular reference to Poland, our foreign aid relations with that country certainly have been constructive. Our present policy has reflected our recognition of Poland's unique position within the Soviet sphere. It has demonstrated our willingness to take advantage of the opportunity to make the friendly concern of the people of the United States felt in Poland. It has served to sustain and expand the great reservoir of good will toward the United States which the people of Poland have always possessed for us. Primarily important, it has encouraged and nourished the great spirit and tradition of freedom and liberty that has characterized the Polish people and nation from their beginning. Let us remind ourselves that tyrants and dictators come and go in this strange world but the great masses of ordinary decent people remain forever.

Let us, therefore, continue to work together to defeat the evil designs of the Communist dictators; let us continue to place our traditional trust in the President of the United States; let us continue to demonstrate good and wise concern for fellow human beings while we decry their tyrannical rulers; let us pray the Almighty for His help and guidance in our noble objective for world freedom and let us, in that spirit, reject this amendment while we harmoniously cooperate for the preservation of freedom for ourselves and decent people everywhere.

Mr. BOGGS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOGGS. I would appreciate it if the Chair would explain exactly what the voting situation is on the amendment offered by the gentleman from Texas [Mr. Casey], the amendment offered by the gentleman from Pennsylvania [Mr. Morgan], the substitute offered by the gentleman from Ohio, and the amendment to the substitute.

The CHAIRMAN. If the gentleman from Louisiana would permit the Chair to respond to the parliamentary situation, the Chair would advise that the vote first will occur on the amendment offered by the gentleman from Pennsylvania [Mr. Morgan] to the amendment offered by the gentleman from Texas [Mr. Casey]. The next vote will occur on the amendment offered by the gentleman from New Jersey [Mr. Frelinghuysen] to the substitute amendment offered by the gentleman from Ohio [Mr. Feighan]. The next vote will occur on the substitute offered by the gentleman from Ohio [Mr. Feighan]. The last vote then occurs on the Casey amendment.

Mr. BOGGS. That is, provided the amendment in the nature of a substitute offered by the gentleman from Ohio as amended by the gentleman from New Jersey is voted down?

The CHAIRMAN. The vote finally occurs on the Casey amendment whether the substitute is agreed to or not. It would be the Casey amendment as amended by the substitute if the substitute is agreed to.

The question now occurs on the amendment offered by the gentleman from Pennsylvania [Mr. Morgan] to the amendment offered by the gentleman from Texas [Mr. Casey].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now occurs on the amendment offered by the gentleman from New Jersey [Mr. Frelinghuysen] to the substitute offered by the gentleman from Ohio [Mr. Feighan].

The amendment to the substitute was agreed to.

The CHAIRMAN. The question now occurs on the substitute as amended by the gentleman from Ohio [Mr. Feighan].

The question was taken; and on a division (demanded by Mr. Feighan) there were—ayes 44, noes 201.

Mr. FEIGHAN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the substitute amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Texas, as amended.

The question was taken; and on a division (demanded by Mr. Judd) there were—ayes 277, noes 4.

So the amendment as amended was agreed to.

The CHAIRMAN. Are there other amendments to this section of the bill?

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Hardy: On page 12, after line 23, insert:
>
> "(f) The President shall adopt regulations and establish procedures to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries."

Mr. HARDY. Mr. Chairman, until recently it never occurred to me—and it probably never occurred to anyone here—that it would be necessary to include in the foreign aid bill a provision which would prohibit the use of our aid in a manner promoting or assisting the foreign aid programs of Sino-Soviet bloc countries. However, in a recent study my subcommittee made into certain aspects of our aid program in Cambodia, it developed that our aid funds were being expended in various ways which resulted in aiding Russian and Chinese Communist aid projects. We found, for instance, that commodities which were imported into Cambodia under our aid were incorporated into a hospital built by the Russians as their number one propaganda showpiece in southeast Asia and that the United States furnished equipment which made the hospital operational when the Russian-designed powerplant proved inadequate. Needless to say, the United States got no credit for this. My subcommittee found also that our aid officials provided Cambodia with radio studios which they knew would be used in conjunction with the Chinese Communist gift to Cambodia of a powerful radio broadcasting complex.

The amendment which I have offered is designed to prevent the commingling of United States and Sino-Soviet bloc aid in any manner which is inconsistent with the best interests of the United States.

I urge the acceptance of this amendment.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I have had consultation with the leadership on both the majority and minority sides of the Committee on Foreign Affairs. I am aware that the gentleman in his recent hearings developed some evidence of commingling of American aid with Soviet aid. I think this amendment is directed to correcting that situation. The committee has no objection to the amendment.

Mr. HARDY. I appreciate the position of the committee, and I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. Hardy].

The amendment was agreed to.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Byrnes of Wisconsin: On page 12, after line 23, insert the following: "Notwithstanding any other provisions of law, no monetary assistance shall be made available under this Act to any government or political subdivision or agency of such government which will be used to compensate owners for expropriated or nationalized property and, upon finding by the Administrator that such funds have been diverted by any government for such purpose, no further assistance under this act shall be furnished to such government until appropriate reimbursement is made to the United States for sums so diverted."

Mr. BYRNES of Wisconsin. Mr. Chairman, the purpose of this amendment is very simple. We spent a lot of time yesterday talking about expropriation. I believe, however, an examination will show that we have still in the law a loophole that would permit, even under the amendment adopted yesterday, the furnishing of assistance to a country of U.S. dollars, in order to pay compensation to the individual whose property was expropriated. Such a loophole is simply an encouragement to expropriate. My amendment says that they shall not use American aid funds furnished through this program for the payment of compensation for nationalization or expropriation. It would close the door to such a practice. I talked the matter over with the chairman of the committee and with both sides of the committee, and my understanding is that there is no objection to the basic purpose of the amendment.

Mr. MORGAN. Mr. Chairman, that is correct. I am in sympathy with the objective of the amendment. I was somewhat disturbed when the amendment was first submitted to me that where we were encouraging land reform the amendment might cause some interference with that. But I have taken a more careful look at the amendment and I feel that we could take it to conference and if there is any question about it, we could iron out the difficulty in conference.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. JUDD. The purpose of this amendment is to make sure that a country which nationalizes, expropriates, or otherwise seizes American-owned property, cannot reimburse the owner by using funds provided that country in this AID program. Is that correct?

Mr. BYRNES of Wisconsin. That is correct. It is to prevent making our taxpayers finance nationalization or expropriation in these countries. It simply says that it shall not be done with American dollars furnished under this program. I think everybody certainly will agree that that should not be tolerated.

Mr. JUDD. I agree with the gentleman and support his amendment.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. HAYS. Mr. Charman, I am certainly in sympathy with the gentleman's idea. I do share some concern—and perhaps the gentleman can shed some light on it—over cases where they have condemnation proceedings, where they are breaking up large estates for purposes of land reform, whether those would be adversely affected.

Mr. BYRNES of Wisconsin. Let me suggest that where a highway is going to be built under this program and they have to go in under condemnation proceedings to take over land, that is certainly part of the project authorized, and this amendment would not interfere with such a project. I have no idea that it should.

Mr. HAYS. That is right; or in the case of an estate of thousands of acres being redistributed to small holders, the gentleman's amendment would not apply.

Mr. BYRNES of Wisconsin. I think the question that should be asked is whether it is part of an approved assistance project, that is, a project which our Government agrees is essential to the development and advancement of the country.

I think there are two problems. In one case the foreign government takes over an American plant or facility simply for the purpose of eliminating the American ownership. This should not be financed by the American taxpayers. In the other case we may have American facilities where the American owners may desire to have the government buy them out with U.S. dollars. This type of operation should not be financed at the expense of the American taxpayer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. Byrnes].

The amendment was agreed to.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Adair: On page 12, insert the words "or subdivision" in line 3 after the words "governmental agency".

On page 12, insert a comma after the word "country", in line 14 and add thereafter the words "Government agency or Government subdivision".

Mr. ADAIR. Mr. Chairman, the changes proposed by these amendments are quite simple. They make it very clear that the provisions of the expropriation section apply not only to central governments, but to political subdivisions thereof. Among others, the gentleman from New Jersey [Mr. Joelson] has suggested that such a clarification be made in the law.

Mr. MORGAN. Mr. Chairman, these two changes are corrective amendments that the gentleman from Indiana and the gentleman from New Jersey cleared with the committee this morning?

Mr. ADAIR. That is correct.

Mr. MORGAN. We have no objection, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

Mr. BOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 10, after line 22, insert a new section as follows:

"Sec. 301. None of the program funds (except those for military assistance) made available as a result of authorizations made herein or appropriations made pursuant to authorizations carried herein shall be expended during any month following the close of a preceding month in which the U.S. Daily Treasury Statement indicates that withdrawals from the general fund had exceeded deposits."

Mr. BOW. Mr. Chairman, the purpose of my amendment, as you know, is to stop deficit spending for foreign aid, to put an end to the practice of borrowing money so that we may give it away.

In commenting on this amendment in general debate, I pointed out that this Government of ours has failed to live within its income for 26 of the past 32 years and that the national debt of this country of ours has been increased $32 billion since the end of the Korean war in 1952.

Let me point out that the steadily increasing expenditures of these years have outstripped the revenue despite the fact that we have an almost confiscatory rate of taxation.

Further, let me say that the reason for the spending and for the deficit is not, as many people suppose, the cost of the defense effort. Instead, the Government has failed to live within its income primarily because nondefense expenditures have increased 65 percent during the 1954-61 period, while defense expenditures during the same period increased only 1 percent.

Mark you this, that every minute of every day, every minute of every day and every night, the interest on our public debt is costing us $17,690. Every time the clock ticks the minute—interest—$17,690. What has happened during this period of time when we have been so liberal with $90 billion throughout the world—and some tell me it is more than $90 billion—has anyone ever figured what the interest has been on that $90 billion? What has happened to the buying power of the dollar largely as the result of the deficit spending that we have been engaging in? The dollar is worth less than half of the prewar dollar of 1939. The latest official cost-of-living index figure which I will read to you is at a new alltime high of 129.1 percent of the 1937-49 dollar.

Someone today has said something about the flow of gold. Since January 1 of 1958, our national gold holdings have declined by over $6,300 million. Our gold supply is disappearing at the rate of $4 million per day. We are in a most precarious condition in this respect.

Notwithstanding all of these facts, we continued during the past several years, and we are asked to continue in the future, the insane policy of borrowing money for lavish expenditures abroad. Everyone admits that much of it is being lost in projects that are not proper. Mark you this, with our public debt of today of over $300 billion, the total debt of the entire free world, the other countries of the free world, is $100 billion less than our total. When you take all the countries of the world and consider their debt, it is $100 billion less than the debt of this Nation.

It seems to me, Mr. Chairman, we have got to consider the United States of America when we contemplate the spending of funds in sums of this amount.

Some reference has been made in these debates to a tax reduction, a tax reduction because we face a recession, and it is needed to bolster the economy of the United States of America. We are asked to give a tax reduction; but at the same time we have a bill before us today to spend $4,800 million, with the interest alone for this year and the rest of the time it is out amounting to $190 million every year—the interest alone on what they are trying to get today, $4,800 million, will cost us $190 million every year.

If we are faced with a recession, if we have to reduce taxes in order to bolster the economy of this country, it seems to me, Mr. Chairman, we had better look twice before we continue expenditures of this kind.

Mr. Chairman, the American people are not receiving the kind of down-to-earth information concerning the relative economic ability of this country and the other nations of the world that would permit them to make a realistic decision on foreign aid.

In his testimony to the Foreign Affairs Committee, Dr. Elgin Groseclose referred to the delusion that the United States is the predominant economic power of the world with resources so much vaster than all the rest of the world that we can afford to pour out our wealth in unending and unlimited streams.

Dr. Groseclose referred to this as the Paul Bunyan concept of the United States, and he explained, correctly, I believe, that the American people have been fed this diet from infancy on up, in schools and at home, for generations.

It might have been true in the past.

The figures I have quoted to you, the staggering debt we have imposed upon ourselves, certainly illustrate that this is no longer true. It is time we woke up from our delusions of grandeur and faced the fact that we are going broke in a world where other nations are growing wealthier and that our dollar is, in fact, at the mercy of foreign creditors over whose activities we have no control.

Here are some of the facts concerning the United States.

At the end of World War II we accounted for two-thirds of the world production of iron ore. Now our share is less than one-fourth.

Twenty years ago we accounted for two-thirds of the world's production of oil. Now we are down to 40 percent and still declining.

At one time we produced 65 percent of the world's copper. We now produce only one-fourth.

And still we pose as the economic giant that can afford to tax its citizens heavily and throw their money to the four corners of the earth on gratuities of doubtful value.

The British Ambassador, Sir David Ormsby Gore, illustrates the attitude that is taken by a mature and sophisticated nation. Since maturity and sophistication seem to be two factors that the administration would like to add to the American image, I think the Ambassador's advice merits your attention.

When asked whether the United Kingdom contemplated a more extensive program of aid to underdeveloped nations, Sir David replied:

> The first thing to say, in answer to this question, is that, of course, you can't do a great deal in the way of aid until you are earning a good surplus. You can't invest a deficit in foreign countries.

Sir David went on to say that his Government would like to do more for others in the future—

> But, I think, our first priority at the present time is to strengthen our own economy, so that we do generate resources which will enable us to expand the help we are giving.

What a refreshing contrast to the reasoning advanced by our own leaders.

Constantine Brown, in a recent column, reported on an interview with a director of one of the great banking institutions in Switzerland. Mr. Brown quoted the unnamed financier as follows:

> You are still the richest country in the world, not only in raw materials but in inventive genius, know-how, and daring. But at the rate of your expenditures for domestic progress, defense, and particularly your indiscriminate desire to help the rest of the world, regardless of its desserts, you will not be able to continue to discharge this self-imposed obligation without serious consequences. The gold outflow should be a real warning.
>
> Your rate of taxation—direct, indirect, and invisible—has not yet reached the saturation point, but you are not far from it. Since it is obvious that all your political men are pledged to the continuation of this role of the world's good Samaritan, I cannot see the end of these expenditures.
>
> The outflow of gold is continuing at a more alarming pace than the average American citizen and even your lawmakers realize.
>
> Despite your present efforts, it will be difficult for you to regain your position in the world markets because of the high and increasing cost of production.
>
> In order to gather the necessary funds to continue your gigantic self-imposed task from cradle to grave, the income tax collector will become more arbitrary and increasingly consider the taxpayer as a lemon which must be squeezed to the last drop. And in the long run, this will cause you serious trouble.

I have only one point of difference with the Swiss banker and that is his reference to "all your political men."

Not all of our political men "are pledged to the continuation of this role of the world's good Samaritan."

I am vigorously opposed, and I trust that a majority in this House will recognize the folly of our position, and the dangers to the future of America, by adopting my amendment this afternoon.

We are spending ourselves to destruction for no useful purpose.

At least we can limit our charity to amounts that are left over from our revenue after we have taken care of our own pressing and almost overwhelmingly expensive domestic programs.

There is a policy of one of our allies—no deficit spending for foreign aid. I say to you, my colleagues, I realize what a futile effort this may be, but there will probably be taken up on this floor legislation to reduce taxes to support the economy of the United States because, they say, we are heading for a recession. Yet, we are still willing to go into further deficit spending for the purpose of carrying out these commitments in foreign aid. It seems to me, Mr. Chairman, we have to be realistic. The time has come when we have to give consideration to the United States of America as well as to the nations throughout the world.

Mr. Chairman, I think the time has come that we take a good, hard look at our own financial situation and if we have a surplus that we continue these programs. So long as it is deficit, let us not do it.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there have been plenty of times since I have been a member of the Committee on Foreign Affairs that I have thought we were spending too much on foreign aid. There has not been a year since I have been on the committee that I have not offered in the committee an amendment to cut the funds in one category or another and sometimes in several. I did it this year. I supported the Zablocki amendment which cuts $600 million out. I offered amendments of my own on the contingency fund and others. I am sympathetic to anyone who wants to realistically try to cut the cost down. I am not going to disagree with the arguments by our colleague, the gentleman from Ohio [Mr. Bow] about the outflow of gold. But how are you going to go about this? Let me tell you what his amendment would do. Even in a year when we had—and I hope we will have such a year some day, we had a couple of them during the Truman administration—even in a year when we would have a balanced budget and surplus, there would be months in the year when we would have to suspend the foreign aid program. Why? Because in some months the money comes in faster than in other months. The Members of the House have backed up the committee on the theory that you have to have a long-range planning program. We voted for the Alliance for Progress program. If the gentleman's amendment is adopted, we would go back to a month-to-month basis. Now can you imagine back in your district, where a school district wants to build a school and you let the contract out and then they could work a month on the building of that school and then for 2 months the money might not come in fast enough and they would have to suspend the building? Then when the tax collection time came around, the money would come in and then for 2 or 3 months they could work. Then the slack period would come again and they would have to suspend. I say to you, ladies and gentlemen of the House, let us be realistic about this thing. This amendment is just hopeless. Nobody could operate under it. It would cause the program to be the most wasteful and impractical boondoggle that the world has ever seen. I could even see some sense to an amendment which placed it on a yearly basis, but on a monthly basis there is just no way that you could make the program work. I think the Members can see that and I do not think I need to say anything else.

I ask, Mr. Chairman, that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Bow].

The amendment was rejected.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rogers of Florida: On page 11, after line 14, insert the following:

"(c) In section 620(a), which relates to prohibitions against furnishing assistance to Cuba, amend the first sentence to read as follows: 'No assistance shall be furnished under this Act to the present Government of Cuba, or to any country which furnishes assistance to the present Government of Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.' "

And reletter the following subsections accordingly.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment to H.R. 11921. The amendment is to section 620(a), a section relating to the prohibition against furnishing assistance to Cuba. The amendment would prohibit U.S. assistance to any country furnishing assistance to the present Government of Cuba.

Mr. Chairman, the United States has fully declared its position on the present Government of Cuba. This Nation has severed diplomatic relations with the Castro Communists. Our foreign policy annals contain a white paper which bitterly criticizes the Communist takeover of Cuba. The United States has also halted the generous sugar quota granted prior to the Castro regime. This quota became an economic mainstay for the Cuban people, and was granted at the expense of our own U.S. sugar industry and its consumers. Fortunately, that situation has been somewhat rectified by the new Sugar Act, and we have increased the marketing quota for our own domestic producers.

We are learning now that the Castro regime is undergoing serious difficulties in Cuba. The Caribbean Communists no longer obtain U.S. dollars for their exports. These exports were cut as a result of the House passing of legislation banning trade with Cuba on September 15, 1961. This action strengthened the hand of the Executive, and was followed by the President's proclamation of February 3 which put a final halt to the influx of Cuban goods coming into the United States. Clearly, this action has weakened the Communist stronghold in Cuba. Shortages of food have been reported, and staples of the Cuban diet have been rationed.

There are further signs of economic difficulty in Cuba. When this Nation severed the Cuban sugar quota, the Soviet Union moved quickly to restore the stability of the Cuban crop by agreeing to barter a generous quota of Cuban sugar for Russian consumption. It has just been announced that the Cuban sugar crop is failing. In fact, it is 1.5 million tons short of its expected tonnage this year. This announcement, surprisingly enough, came from the No. 2 Communist in the Castro regime, Blas Roca, who is largely responsible for the agrarian reform inaugurated in Cuba shortly after the Communist seizure.

Mr. Chairman, it is evident that only the Congress can maintain public pressure on the Cuban situation. Without the efforts of the Congress there would have been no ban on Cuban trade. Without the efforts of the Congress, the Cuban sugar quota would not have been materially reduced. It must be recalled that at the Organization of American States Conference held this spring at Punta del Este, there was in attendance a group of knowledgeable Members of Congress who were highly influential in gaining the strong actions against Castro which were achieved. Without this distinguished delegation, which represented both Houses, I venture to say that Fidel Castro and his Cuban Communists would have gotten off with only token chastisement.

In short, Mr. Chairman, without the constant efforts of the Congress, public attention would be diverted from one international flareup to another. If this were permitted, the thorn of Cuban communism would evoke only sporadic criticism, and would be allowed to return to temporary obscurity while still another trouble spot bid for the attentions of our foreign policymakers. Congress reflects public indignation. The people of America are still indignant about Fidel Castro.

The committee has again this year exercised its wisdom in reporting a mutual security bill which retains the provision prohibiting assistance under this act to the present Government of Cuba. My amendment would go further and lessen the possibility of Cuba getting assistance from other nations purportedly friendly to us.

I ask that this House approve prohibiting assistance to any country which gives assistance to Cuba. Why should we do indirectly what we would not do directly? During the debates on the 1961 foreign aid bill last year, the committee saw fit to adopt this same amendment which I offer again this year. Unfortunately, the amendment was not retained in conference. I urge the committee to exercise its position and authority in the field of foreign affairs, adopt this amendment, and insist on its acceptance in conference.

Mr. MORGAN. Mr. Chairman, this is similar to the amendment the gentleman from Florida offered to the bill last year. In conference his amendment was shortened. The amendment provides for a Presidential determination. With the Presidential determination the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. FINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fino: On page 12, line 23, strike out the quotation mark, and immediately below line 23 insert the following:

"(f) No assistance shall be furnished under this Act and no commodities may be sold or given under the Agricultural Trade Development and Assistance Act of 1954, as amended, to any country which does not share the view of the United States on the world crisis. This restriction may not be waived pursuant to any authority contained in this Act."

Mr. FINO. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. FINO. Mr. Chairman, once again, this Congress is being asked to perpetuate the errors of the past and authorize the expenditure of billions of American dollars for the support of not only Communist governments but neutralist nations as well.

We are told that by giving foreign aid to the neutral nations of the world we are strengthening our position relative to the Communists and advancing the ideals of Western civilization. I question whether this is so.

It seems to me that the facts, as they now stand, demonstrate the futility of the expensive program to shore up the governments and economies of the neutralist nations.

After spending almost $100 billion on foreign aid in all forms since 1945, the hard-pressed American taxpayer is entitled to know exactly where he stands. He is entitled to know how much longer we will persist in these expensive errors.

If you will recall, at the end of World War II, we were told that foreign aid was necessary to revive nations devastated by war. We were further told that foreign aid was necessary to prevent the advance of communism into Western Europe.

The success of the Marshall plan and the program of aid to Greece and Turkey are unquestioned. Here we were building on political and economic structures somewhat similar to our own and working with leaders experienced in the art of self-management.

But now, Mr. Chairman, although our objectives have been achieved in Western Europe, we are still engaged in spending billions and billions of American dollars each year in a vain—yes, even futile—effort to repeat our success throughout the world. Most of the nations of the world are receiving today some kind of aid from the United States.

But we must ask ourselves this question: Are conditions the same as those which prevailed in Western Europe and prospered the generous American policy of aid? Of course not.

The neutralist nations, Mr. Chairman, present entirely different problems in development.

In Korea, Laos, and elsewhere it has been demonstrated that huge sums of money may be poured into an area with a disappointingly low level of economic resurgence as a result.

We have found, regretfully and expensively, that many of the neutralist nations do not have the resources to back up a program of economic expansion. Others have the resources but lack the leadership to shape a policy of economic growth. We fool ourselves if we think that merely making money available will meet either of these perplexing situations.

Last year, this Congress appropriated $1,112,500,000 for development loans. To this date only $112 million of that sum has been obligated. Why? The reason is simply that the nations to which the money was made available were not interested or unable to carry out on their own initiative the domestic policies required to make foreign aid effective.

These domestic policies include such elementary reforms as changes in feudal land-tenure systems and the institution of equitable taxation schedules.

It should be quite evident by now that foreign aid to the neutralist nations has not won them over to our way of political thinking.

Let us consider Yugoslavia. After 14 years and over $2⅓ billion of U.S. money, this country is still a Communist dictatorship that has agreed with Soviet Russia on bomb tests, on the German issue, and on colonialism. In other words, there is no difference between the foreign policy of Yugoslavia and the foreign policy of Soviet Russia. And, if anyone had any doubts about the friendly relationship between these two Communist countries, those doubts were resolved on May 17 when Khrushchev visited Tito. On that occasion, Khrushchev said:

> Our relations were rather strained previously but now I can say with satisfaction that our relations are good.

Is it not wonderful? This is after pouring over $2 billion into Yugoslavia and after her resources have been freed by American aid.

Let us look at India. Here is another classic example. We have, in the past 10 years, pumped over $3.3 billion of aid into this country. Under this foreign aid program more is going to India—even after the Communist aggressive methods she used in overrunning and stamping out tiny Goa. Have we influenced India? Have we made a friend out of India? Hardly.

We have not only been assailed and condemned by India but now even threatened. She has asked that we furnish her with fighter jetplanes, otherwise she will buy them from Soviet Russia. The part that is more difficult to swallow is that India will be using our foreign aid money to buy Soviet jets.

To show her gratitude for all the help we have given, Nehru recently said in a speech before the Indian Parliament:

> The United States has always adopted an anti-Indian attitude to almost all matters that have been of passionate interest to us.

What nonsense. We find ourselves in hot water with Portugal because we did not support her charges against India on the Goa grab. Now Portugal wants more money from us for renewal of our rights to use the strategic base in the Azores.

To get an even better idea of the close relationship between Soviet Russia and India, all we have to do is look at Russia's recent vote in the U.N. Russia cast her 100th veto to kill a U.S.-supported proposal for renewal of India-Pakistan negotiations on Kashmir which India claims as her property.

What about Egypt? Well, she has been the beneficiary of millions of American dollars. Now we are told that Nasser wants more money but only on his own terms. As we understand the picture, Nasser will not accept aid from the United States unless we promise to keep Israel out of the European Common Market. In other words, Egypt wants the United States to help her with our money to tear down and cripple the economy of a truly great democracy.

There is more of this kind of nonsense. Let us take South Vietnam which we have defended from North Vietnam. They tell us that they will accept $22 million of foreign aid but no strings attached. They refuse to spend the money in our own country for U.S.-made goods. What price gratitude?

Let us take a look at Poland. This is another country which has a definite Communist government and yet has been recipient of our extreme generosity. The American taxpayers are entitled to ask: After these many years and dollars, what have we, or for that matter the Polish people, gotten from almost $1 billion of aid?

Another Communist-line follower is Indonesia. Here is a country which is not content being left alone. No. She is threatening to grab property of the Netherlands. The interesting part about Indonesia is that she accepts financial aid not only from the United States but from the Communist camp as well.

How friendly have these countries been to our cause?

Let us take a close look at Burma, Ceylon, Indonesia, and India. All of them refused to become members of the Southeast Asian Treaty Organization. Ceylon, recipient of our American aid, expropriated American oil installations which, according to reports, now distribute Soviet oil. And who was critical of our role in Laos? None other than India.

How are we doing south of the border? How neighborly are our Latin American neighbors? Six Latin American States, including Brazil, with billions of foreign aid, refused to join us in reading Castro out of OAS. This kind of abstentions at Punta del Este can give us a clear picture of the Latin American distaste for American policy. Let us not forget Brazil which has expropriated some $14 million of American private property.

Mr. Chairman, for years I have urged a complete reevaluation of this entire foreign aid program. Today, more than ever, the need is urgent. Especially when we are told by the Committee on Government Operations that U.S. foreign aid has been commingled with Communist funds in building a Russian-financed hospital in Cambodia for which the Soviet Union received credit. And in constructing two radio studios which, when completed, became an adjunct for a Chinese Communist gift to the Cambodian Government of a radio broadcasting station.

As the situation now stands, it would appear that we have established in this country a new organization called the ASPCC—the American Society for Prevention of Cruelty to Communists. The members of this society complain that if we cut our aid to these neutralist nations and Communist countries, our efforts to win them over to our side will be wrecked. This is pure and simple nonsense. As one newspaper recently put it:

> We might just as well give the money to Khrushchev directly so that he can buy spades to bury us with.

Another newspaper hit the nail right on the head when it commented on these Washington weepers. It said:

> Why not give aid to some more countries? How about setting a big program of U.S. aid for Red China, hoping to woo it to our side? Why not resume diplomatic relations with Castro, put them high on our aid list and forget his thefts of American property and crimes against the Cuban people?

Why, if we were to follow Russia's policy we would be better off. Russia carefully picks its recipients of aid and gives only with strings attached. They seem to be doing much better with much less money.

It is time that we confronted all of these neutralist nations with our mounting disturbance and indignation. It is apparent that the only way they will understand our displeasure is to declare strongly, firmly, and finally that there will be no further aid for neutrals.

Looking at this entire foreign aid mess with its pitiful results, I say the time has come to call a halt to this tremendously costly program.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I ask unanimous consent that the Fino amendment be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk again read the Fino amendment.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Ohio.

Mr. HAYS. I just want to express sympathy for the wife of the author of this amendment. Presumably when she disagrees with him, her funds are cut off.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, the Communist strategy all along has been to try to divide the strong free nations and subvert the weak. Our strategy has been to try to unite the strong and strengthen the weak, so that they too cannot be subverted. If there is anything that would play into the Communist's hands, however unintentionally, more than this amendment would do, I do not know what it would be. It would divide us from both strong and weak nations everywhere.

The United States is not trying to make subservient satellites; the United States is trying to help other countries become strong, self-reliant, and independent. To try to dictate what policies other countries must follow would be injurious to our own national interests. I trust that the amendment will be rejected.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Illinois.

Mr. YATES. Would not this amendment destroy NATO in the event one of our NATO allies tended to disagree with us?

Mr. GALLAGHER. Yes. I might also add that we can take as an example any one of the NATO nations—Italy, for example, could very well be cut off over a disagreement in the United Nations from all of the programs within the NATO complex. Further wherever there is a multilateral program such as malaria control, UNICEF, and the various health programs all funds would have to terminate if any one nation would disagree with us at anytime. We would be prohibited from participating in them. So there would be far-reaching results if this amendment were adopted.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman.

Mr. DINGELL. I would like to ask the author of the amendment if he can name to us one nation which would qualify for assistance if we adopted the gentleman's amendment.

Mr. GALLAGHER. The gentleman has brought out a worthwhile point, and I think on the basis of the arguments the amendment should be voted down, and I so urge the committee.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Minnesota.

Mr. JUDD. Of course, when it is required that they share our world view, the question might be asked, What is our own world view? It is not unanimous or fixed.

Mr. GALLAGHER. That is the point. There is no standard of measurement in the amendment; therefore no basis of understanding could prevail were a dispute to occur.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from New Jersey.

Mr. JOELSON. I would like to say this: Why make a nation agree with us on the world crisis when we have demonstrated here today that we cannot agree with one another? How can we expect the rest of the nations to agree with us? The amendment is so vague as to be meaningless. Where can you ever expect complete agreement?

Mr. GALLAGHER. Mr. Chairman, the gentleman makes an excellent point. I urge that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. Fino].

The amendment was rejected.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cramer: On page 12, line 23, strike the quotation marks at the end thereof, and add thereafter the following:

"(e) In section 620, which relates to prohibitions against furnishing assistance to Cuba, add after the word 'Cuba' the following: 'and the President shall take such action as is necessary to prevent the direct or indirect transfer of dollars or other things of value for indemnity, redemption, or ransom to Cuba'."

Mr. CRAMER. Mr. Chairman, I have spoken on this issue before on the floor of the House as appears in the Record, page 9546, May 31. I am serious in offering this amendment. I think it is a good amendment, and if read in conjunction with the existing language I think you will agree with that.

Mr. Chairman, Congress wrote into this section some time ago, section 620, a prohibition against furnishing assistance to Cuba, and other countries, the following language:

> No assistance shall be furnished under this act to the present Government of Cuba.

Quoting further:

> As an additional means of implementing and carrying into effect the policy of the preceding section, the President is authorized to establish and maintain a total embargo upon all trade between the United States and Cuba.

Now, my amendment simply puts that embargo into effect, and puts some teeth and some meaning into it by preventing ransom, or indemnity dollars, from going to Communist Castro. In other words, what difference does it make if you cut off trade with Cuba, both direct and indirect, which the President has done, even indirectly keeping tobacco from coming in from Canada and the Canary Islands by invoking the Trading With the Enemy Act, if you permit dollars to go to Cuba in the form of ransom? Little has been accomplished. Sixty-two million dollars being demanded by Castro is as much as 3 years of tobacco trade. As a matter of fact, this ransom deal has more lives than a cat. I thought it was dead last year when the President of the United States, in effect, endorsed the tractors-for-prisoners deal and then withdrew his endorsement in October when the President and the administration said—and it was publicly announced—that it was withdrawing any and all support of the indemnity demand or payment for tractors thereunder.

In April of this year Fidel Castro asked not for $20 million worth of tractors for prisoners; he asked for $62 million worth of American dollars in ransom and indemnity to be paid for prisoners. That, now, is being indirectly endorsed by the administration through the following means: On December 6 of last year the administration condoned the payment of contributions to be made to the Alien Cuban Families Committee for Raising Money for Prisoners and in effect ruled that those contributions were tax deductible. This means that the taxpayers of the United States are going to end up paying about one-half of all such indemnity and ransom payments in the form of lost revenue.

Mr. Chairman, permit me to read to the Members the reasoning of the administration in so ruling, and I quote a letter from the Secretary of the Treasury:

This is Secretary Dillon's letter in April to me which he says was concurred in by the Attorney General and by the Secretary of State. And this will be the policy of the United States of America unless this amendment is adopted. Listen to this as the interpretation of the foreign policy of the United States of America, quoted by the administration:

> Throughout history the redemption of prisoners has been regarded as a charitable activity.

I asked the Secretary: Since when? I asked him how could he equate charity with giving aid to the enemy. I asked this administration whether the ransoming of prisoner enemies which the President himself has so declared Fidel Castro to be by his invoking of the Trading With the Enemy Act—since when has the ransoming of prisoners from the enemy by this most powerful and free country ever been considered a "charitable activity"?

I ask that question of the administration and of the Secretary of State and by this amendment I say never—I say never in the history of this country has this country at any time paid ransom for prisoners—and that we never should.

And if they are going to pay ransom, does it make sense to pay ransom in this instance when there has been no ransom paid for the U.S. citizens, many in uniform, who fought for their country in South Korea but are still being held prisoners in North Korea and in Red China?

Do you hear a clamor being raised for their freedom by the administration? No.

After the administration put 1,200 cigarmakers in my district out of work in an effort to try to cut off money from going to Castro in the form of imports of tobacco, now the administration is indirectly backing the proposal for $62 million to go to Communist Cuba in the form of ransom anyway. And I read just on Wednesday, June 27, where there was formed a new ransom committee made up of American citizens in the United States—shades of the old tractor committee.

So we are right back where we started. And you will remember that a distinguished Member of the other body raised the question, If a U.S. citizen tries to raise money to go to an enemy country, is he not violating the Logan Act? I ask further, is not an alien committee violating the Trading With the Enemy Act?

And who is on that committee, on the new ransom committee? The committee of 51 prominent persons includes the First Lady's sister, Princess Lee Radziwell, of Paris, and certain American citizens which has been organized in the drive for $62 million.

This recent formation of this committee plus the President's recent endorsement of this raising of ransom seems to me to necessitate a statement of policy by Congress opposing dollars for Castro. This is what the President said in his press conference Wednesday, June 27, 1962—

> Question. The organization of a committee to raise $62 million to ransom the invasion prisoners held by Castro was announced yesterday. One of its members was your sister-in-law, Mrs. (Lee) Radziwell. Do you approve of public subscription to ransom these prisoners, and don't you think this money would contribute a great deal toward easing Castro's economic difficulties?
>
> Answer. I am not informed about it. She is a citizen and is free to make a judgment and anyone who wishes to contribute is certainly free to do so. I certainly sympathize with the basic desire which is to get a good many hundreds of young men out of prison whose only interest was to free their country. So I am not critical of any efforts made in this field.

I, too, sympathize with the prisoners but I oppose paying ransom to Communist Castro—the enemy under any guise or excuse and I am amazed at support for such action.

Mr. Chairman, I ask that the amendment be agreed to.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that the amendment be rereported.

The CHAIRMAN. Without objection, the Clerk will rereport the amendment.

The Clerk rereported the amendment offered by the gentleman from Florida [Mr. CRAMER].

Mr. MORGAN. Mr. Chairman, I would like to ask the gentleman who is the author of the amendment whether his amendment concerns only ransom dollars.

Mr. CRAMER. Ransom dollars or other things of value such as tractors. But it only involves ransom or indemnity. It does not involve, even though I am in favor of it, the cutting off of the payment of dollars to employees at Guantanamo Bay, for instance.

Mr. MORGAN. This amendment would not prevent the United States from paying for our rent or other expenses at our Guantanamo base.

Mr. CRAMER. It would not. It was purposely worded to that effect; although, as I stated previously, I still feel we could cut the dollars we are paying at Guantanamo Bay, if the administration were willing.

Mr. MORGAN. It would not cut off the right of our people to pay for the water and electric lights at Guantanamo?

Mr. CRAMER. No, it would not. It has not that intent or purpose.

Mr. MORGAN. It only concerns ransom dollars?

Mr. CRAMER. That is correct.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. JUDD. Do I understand correctly that the gentleman's amendment would not make it impossible for us to assist in the transportation of refugees to the United States by commercial airlines, as we have been doing?

Mr. CRAMER. It has nothing to do with that whatever.

Mr. JUDD. That would not be considered as a part of providing ransom, would it?

Mr. CRAMER. I do not see how it possibly could.

Mr. MORGAN. Also, we pay pensions in Cuba to some of the pensioners of the Spanish-American War. This would in no way interfere with the pension rights of veterans in that country?

Mr. CRAMER. It certainly would not, I would say to the distinguished chairman.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. There was a statement made that our State Department or the Secretary of State has made no effort to release the prisoners held in China. I was assured 2 weeks ago in reply to my inquiry that every effort is being made for the release of those prisoners or an accounting of those prisoners to be made by Red China.

Mr. CRAMER. My statement was that there has been no committee formed for the purpose of gathering money for ransom. That was my statement.

Mr. GALLAGHER. I am glad to hear that statement.

Mr. CRAMER. There never has been in the history of this country.

Mr. MORGAN. I understand that the gentleman's amendment concerns only ransom payments. I understand also that it would not affect the pay at Guantanamo and the Trading With the Enemy Act would not be affected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 103, noes 110.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CRAMER and Mr. GALLAGHER.

The Committee again divided and the tellers reported that there were—ayes 134, noes 137.

So the amendment was rejected.

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. FEIGHAN: On page 12, line 23, strike out the quotation mark and immediately below line 23 on page 12 insert the following:
>
> "Any assistance furnished under this Act to any country dominated or controlled by communism or Marxism shall become effective only after the beneficiary government has agreed to and has permitted accredited American voluntary agencies the opportunity to establish, direct, and supervise nongovernmental relief programs through which the freely given gifts of the American people are made available to the needy in such country regardless of race, color, creed, or political convictions."

Mr. FEIGHAN. Mr. Chairman, this amendment provides very simply that no assistance shall be given to Communist countries until they permit the American-accredited voluntary agencies to be established, to direct and to supervise nongovernmental relief programs that are supported by the American people.

My purpose in offering this amendment is to strengthen the hand of President Kennedy by allowing the elasticity of judgment and discretion which has been advocated by many supporters of aid to the Communist regimes in Yugoslavia and Poland. The amendment which I propose strengthens the hand of President Kennedy in negotiations with the Communist regimes of Yugoslavia and Poland and any other Communist-dominated countries which might join the international Communist breadline which has existed for some time in Washington. It provides the President with political leverage which he does not now have to cause all recipient governments to honor the provisions of the Declaration of Human Rights by the United Nations. It is the stated purpose of our foreign assistance programs to promote and advance the cause of human freedom and opportunity throughout the world. The amendment which I have proposed conforms to the letter and spirit of that objective.

It is a well-known fact that accredited American voluntary agencies have been excluded from operations in every country under Communist domination. Their exclusion results from their practices of distributing American relief to the needy in foreign countries without discrimination as to race, color, creed, or political convictions. I might note in this connection that all Amerian voluntary agencies participating under Public Law 480 are required to adhere to this principle and this basic principle expresses fundamental Americanism. The U.S. Government has well-established procedures for accrediting voluntary agencies for work abroad, and Members of Congress can be sure that such agencies as are accredited have demonstrated records of achievement in all fields of relief and assistance to needy people.

I do not believe it is asking too much of regimes in countries which will benefit under the requirements of this provision to demonstrate their good faith, confidence in, and friendship for, the American people. This is the least we can ask of those regimes. If they do desire friendship with the American people, if they do seek an accommodation with the United States, they will not hesitate to welcome with open arms the good works of American charity for which these voluntary agencies are known favorably the world over. Refusal on the part of any regime to permit these American voluntary agencies an opportunity to establish, direct, and supervise nongovernmental relief programs would provide clear evidence of their lack of confidence in, and absence of friendship for, the American people.

I urge the adoption of this amendment as a means of demonstrating American friendship for the needy people in all countries requiring a special Presidential determination because of the character of the regimes in power. In our worthy desire to help needy people in other lands, we must be certain that the programs we support will strengthen the bonds of friendship and understanding on a people-to-people basis. The amendment I have offered has no other objective but this. Any regime that will not permit accredited American voluntary agencies to come in and extend the warm hand of friendship and assistance to the poor and the needy and the downtrodden without regard to race, religion, or political convictions, creates an irremovable doubt in my mind as to its honesty and intentions.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Ohio.

Mr. HAYS. Will the gentleman tell us what effect his amendment would have on Spain if the Lutheran services wanted to establish branches all over Spain.

Mr. FEIGHAN. It has no effect whatever. Spain is not a country which is included in the amendment because Spain is not controlled by a Communist regime and Spain is not listed among the countries in the amendment by the gentleman from Texas [Mr. Casey].

Mr. HAYS. Does not the gentleman think it ought to apply to Spain?

Mr. FEIGHAN. If the people of Spain were under a Communist regime, I would certainly think it should apply to Spain with equal force and effect.

Mr. HAYS. I am glad to get that on the record.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from California.

Mr. ROOSEVELT. Would not the effect of this amendment be just what was complained about before, if the country refused to allow these agencies to exist then the CARE packages could not be admitted?

Mr. FEIGHAN. Would the gentleman repeat that question?

Mr. ROOSEVELT. Has not this amendment exactly the same trouble with it that the previous amendment had, as was previously pointed out, with relation to CARE packages? In other words, if the country did not set up or allow these agencies to be set up, then CARE packages could not get to these people behind the Iron Curtain?

Mr. FEIGHAN. But this amendment would permit CARE packages or any other voluntary packages to be sent directly to people, as distinguished from governments. It would prohibit government-to-government gifts, such as those under Public Law 480, unless the recipient or beneficiary country permits American accredited voluntary agencies to make distribution of foods, clothing, and medicines to the needy within that country.

Mr. ROOSEVELT. If they refuse it, then the relations of American citizens to CARE packages would be cut off?

Mr. FEIGHAN. If you mean CARE packages that include Public Law 480 products and are covered by free transportation, the answer is yes, unless the beneficiary government permits accredited American voluntary agencies to operate within that country. It has nothing to do with freely given gifts by the people of the United States sent to individuals in Poland or Yugoslavia or any other nation controlled by a Communist regime.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio.

Mr. Chairman, I think this deals with the general subject that the committee has spent all afternoon on. It is a new method of denying assistance to the governments named in the amendment that was adopted. The gentleman's amendment raises again an issue which the House has already dealt with.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. The Chairman is absolutely correct.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I beg to differ with the distinguished chairman of the Committee on Foreign Affairs, because under this amendment any nation which is named in the Casey amendment can receive CARE packages or any other gifts from American people, provided they permit the voluntary accredited agencies of America to operate and to distribute within their country. Absolutely every nation could accept them, and we could give it to them, including the Government.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS. If it is such a good amendment, why do you not apply it to everybody?

Mr. FEIGHAN. It does.

Mr. HAYS. You said it did not apply to Spain. I do not want to cut Spain off, but if this is such a great opportunity—and you are a good friend of Spain and so am I—and if your amendment is so good, why not apply it universally?

Mr. FEIGHAN. Because Spain is not a Communist country in the first place. Secondly, accredited foreign organizations are making this distribution.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. The great weakness of this amendment is that it creates a new factor, a private agency which may not be in favor with the Government, that is, a charitable organization that may or may not be in good standing in a particular country, or where there may be a personality clash. This will immediately have an effect in various foreign countries. Some of these agencies presently carry on their good work in Yugoslavia and Poland.

Mr. FEIGHAN. They do not. They are not permitted to operate in Poland.

Mr. GALLAGHER. The Catholic Charities operates in Poland and similar agencies operate in Yugoslavia.

Mr. MORGAN. I think the amendment does not accomplish what the gentleman intends, and I ask the House to vote it down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Feighan].

The amendment was rejected.

The Clerk read as follows:

"CHAPTER 2—ADMINISTRATIVE PROVISIONS

"Sec. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

"(a) In section 621, which relates to exercise of functions, delete '(a)' and strike out subsections (b), (c), (d), and (e).

"(b) Amend section 624, which relates to statutory officers, by striking out subsection (d) and redesignating subsection (e) as subsection '(d)', inserting in paragraph 2(A) of redesignated subsection (d) ', and programs being conducted by United States Government agencies under Public Law 86–735,' after 'Peace Corps', and inserting in paragraphs (5) and (7) of redesignated subsection (d) ', and Public Law 86–735' after 'part II of this Act'.

"(c) Amend section 625, which relates to employment of personnel, as follows:

"(1) In subsection (b) strike out 'seventy-six' in the first sentence and substitute 'one hundred'.

"(2) In subsection (d) add the following proviso before the period at the end of paragraph (2): ': *Provided further*, That, whenever the President determines it to be important for the purposes of this Act, the President may initially assign personnel under this paragraph for duty within the United States for a period not to exceed two years for the purpose of preparation for assignment outside the United States; however, the authority contained in this proviso may not be exercised with respect to more than thirty persons in the aggregate'.

"(d) In section 629(b), which relates to status of personnel detailed, strike out '624 (e)' in the first sentence and substitute '624(d)'.

"(e)(1) In section 634(d), which relates to reports and information, strike out 'In January of each year' and 'preceding twelve months' in the first sentence and substitute 'At the end of each fiscal year' and 'fiscal year' respectively.

"(2) After the first sentence of such section 634(d) insert the following: 'There shall also be included in the presentation material submitted to the Congress during its consideration of amendments to this Act, or of any Act appropriating funds pursuant to authorizations contained in this Act, a comparison of the current fiscal year programs and activities with those presented to the Congress in the previous year and an explanation of any changes.'

"(f) In section 635(h), which relates to general authorities, strike out 'and V' and substitute ', V, and VI' and strike out 'made'.

"(g) In section 637(a), which relates to administrative expenses, strike out '1962' and substitute '1963'."

Mr. FARBSTEIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FARBSTEIN: On page 14, immediately below line 10, insert the following:

"(e) In section 634(a), which relates to reports and information, insert the following before the period at the end of the second sentence: 'and on progress under the freedom of navigation and nondiscrimination declaration contained in section 102'."

Mr. FARBSTEIN. Mr. Chairman, this amendment is a conforming amendment. It seeks to conform the House bill under consideration to the Senate bill, which carries identical language and has been adopted insofar as the subject of discrimination is concerned.

It requires the President to report annually on the progress being made on the congressional declaration in the Foreign Assistance Act of 1961, which says "it is the policy of the United States to support the principles of increased economic cooperation and trade among countries, freedom of the press, information and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion."

The Congress has for years been deeply concerned over the disturbing practice of Arab discrimination not only against Americans of the Jewish faith, but also against American business, whether Jewish or not, so long as they do business with Israel. I might suggest that the same applies to discrimination by any country against Americans of whatever religious affiliation. Both bodies have repeatedly expressed this concern through a series of resolutions designed to serve notice on the administration that it must call a halt to a policy of allowing foreign governments to deprive some American citizens of their rights. It is, however, a grim fact of diplomatic life that such congressional expressions have been consistently ignored and frustrated.

It is not my intention to repeat what has been said here on this subject in the past, dozens and dozens of times; but I think it must be pointed out again that the very nations which insist upon exercising these various forms of discrimination against Americans of the Jewish or any other faith are among the major recipients of U.S. foreign aid dollars collected from the taxes of all American citizens.

How can we reconcile such a state of affairs? Are we to accept the bitter-end insistence by Arab states that they are still at war with Israel and that what flows from this fanatical position in an all-out economic and psychological war against Jews of all nations—especially American Jewish citizens and certain segments of American business, by other countries against individuals of religious faiths other than that of their own.

The Congress has already indicated on several occasions that its answer is a resounding "no."

Mr. Chairman, the amendment I introduced during committee hearings on the Foreign Assistance Act, and which has been written into the bill now under consideration—in an effort to go beyond mere congressional expressions, requires the Secretary of State to report annually on the measures taken to enforce the principles stated in the House version of the foreign aid bill.

This amendment I am now offering requires the President to report annually to Congress, on steps being taken to counter Arab and other discrimination, and the original amendment making the same request of the Secretary of State, will be constant reminders to the administration that a more forceful approach needs to be taken toward eliminating these practices which are, in effect, an insult to this Government. It is my sincere hope that these amendments will serve more effectively to accomplish what previous congressional resolutions have been unable to do.

Hon. EDNA F. KELLY, Hon. HERBERT ZELENKO, and Hon ALFRED E. SANTANGELO join with me in the above remarks I am pleased to state.

Mr. TOLL. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Pennsylvania.

Mr. TOLL. Mr. Chairman, the Government of the United States has always regarded the protection of the essential rights and liberties of its citizens as its prime responsibility. American history records numerous attempts by foreign powers to discriminate against American citizens. To cite some examples, one need only look to the strong censures by the State Department of Germany, and Danzig from 1938 on, protesting discriminatory procedures levied against the members of the Jewish faith. In 1939 the U.S. consul in Danzig stated that the United States declines to recognize the rights of other nations to apply measures to American citizens which would have the effect of arbitrarily dividing them into special classes and subjecting them to differential treatment.

The continuing Arab boycott of American citizens and industry doing business with Israel is a campaign of intimidation aimed against non-Jews as well as Jews, and, in fact, any organization or individual with even the most tenuous relationship to Israel. Intrusions upon the sovereignty of the United States and discriminatory abuses visited upon its citizens is without justification in American law or tradition. Firm insistence by our Government on our venerated principles of morality and law have guided American policy and protected American rights in the past. This proposal is consistent with all our past efforts to insure that the protection of American liberties is extended to our citizens in all areas of the globe; it is consistent with the basic principles of American life and our treasured heritage; and, furthermore, it upholds and advances American prestige at home and abroad by demonstrating our continued devotion to freedom and equality.

The United States has always prided itself on trying to practice fairplay and serving the highest interests of justice. Our Founding Fathers revolutionized political philosophy when they set the pattern for the struggle of the common man for equality and freedom. Millions look to us for guidance and leadership and we can give them moral principles by which they can govern their future. American ideals, thought, and principles have long been beacon lights guiding the nations of the free world. This measure can only further the spread and adoption of equality and freedom for all.

The foremost leaders of our era are all agreed that the surest and swiftest road to a relaxation of international tension and the promotion of lasting peace is a cognizance of humanity's common goal—world recognition of human equality. America has been and must continue to be the vanguard of liberty. It is our duty as the foremost nation of the world to continually manifest our belief in human dignity. We must set an example for the world that our Government will not tolerate discrimination practiced against any citizen of the United States by reason of his race, color, or creed. We cannot hope for adoption of our principles by other nations unless we first prove our faith in them. I rise in support of this amendment as a great stride forward in the preservation of human liberty and the promotion of world peace.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Chairman, I commend my colleague from New York for his amendment, and join him in urging its enactment. Let the world know that our Government cannot countenance discrimination by foreign nations against our citizens because of their race, color, or religion. Let those nations receiving our aid, especially, know that the eyes of the Congress of the United States are upon them, and that the President of the United States has been required henceforth to report to Congress each year his progress in overcoming this lamentable state of affairs.

This problem has been a sore point since 1956, Mr. Chairman. The Arab States and the Arab League have organized extensive boycotting and blacklisting efforts against Americans of the Jewish faith. These absolutely illegal activities have been extended to American firms, regardless of the faith of their owners or managers, if they do business with the State of Israel, or are believed to be supporting the Israelis in any way.

When we were a young nation we went to war in defense of the rights of American citizens traveling or trading abroad. Now that we are a great and powerful nation, it is strange that we permit other nations to abuse our citizens and business firms in this way. Today we hear reports that President Nasser brazenly insists that he will not accept our aid unless the United States attempts to keep Israel out of the European Common Market. Despite this effrontery, our aid to Nasser's Egypt will perhaps actually be increased. In my opinion such action would be deplorable.

This amendment has been in the Foreign Assistance Act in one form or another since 1956. The language of this year's provision differs from that of previous years, and we have reason to believe that action may finally be taken to end these invidious attempts at discrimination against American citizens. I urge its adoption and its forthright implementation by the administration.

Mr. FRIEDEL. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Maryland.

Mr. FRIEDEL. Mr. Chairman, I wish to commend the gentleman from New York [Mr. FARBSTEIN] and associate myself with his amendment. I wish to state also that I am in hearty support of the amendment.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Chairman, I believe the amendment offered by the gentleman from New York [Mr. FARBSTEIN] is long overdue.

For too long we have tolerated discrimination against American citizens in many of those nations which owe their very survival today to American assistance. It is incredible to think that we would permit American soldiers to be denied the right to serve their country and the cause of freedom in any nation of the world simply because of their religious beliefs.

And yet we know that even at this late date there are nations in the Middle East and the Arab Republic who have refused to permit American soldiers to enter these countries because they happen to be of the Jewish faith.

Mr. Chairman, I hope the President will put the full spirit of this amendment into effect as quickly as possible. I do not know how anyone can justify further assistance to any country which would bar any American from traveling or doing business in that country solely because of his own personal religious beliefs. Assisting such countries with American taxpayers' money makes a mockery out of our own Bill of Rights. I am firmly convinced that we have permitted Nasser and the Arab nations to discriminate against American citizens on the basis of their religion much too long, and this fallacious policy has served only to weaken respect for the United States.

Mr. Chairman, I regret that the language incorporated in this amendment does not go further, but I am told by members of the Foreign Affairs Committee that this amendment will help the President seek a more equitable solution to this problem in the Middle East. My own feeling is that the language should be stronger.

Recently I included in my questionnaire which I sent to my constituents, the following question:

> Do you favor denying further loans or other aid to Egypt until Nasser opens the Suez Canal to free access by all nations?

While the final results of my questionnaire are still being tallied, I can report that on the basis of incomplete returns, more than 80 percent of my constituents answered in the affirmative. This figure becomes particularly significant when you take into consideration the fact that I represent a highly cosmopolitan district in which no single religious or ethnic group predominates.

Thus, the fact that 80 percent of those answering the questionnaire in my district recognized that Israel along with all the other nations of the Middle East should have complete access to the Suez Canal reflects the mature judgment which Americans of all religious faiths and ethnic backgrounds display toward this whole problem of discrimination in the Middle East.

It is for this reason that I am very happy to support the amendment offered by the gentleman from New York and I sincerely hope the administration will implement it to the fullest extent in our future dealings with the Middle East.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman from New York has presented an excellent amendment and a most forceful statement in support of it. I will vote for his amendment. I believe we must press the Department of State for greater aggressiveness in carrying out the intent of Congress that American citizens be protected from discrimination because of race or religion. The Department tends too easily to dismiss our purposes with a mild letter of protest, and the offending States continue their abhorrent practices.

I have been protesting for years against the manner in which the State Department looks the other way in connection with the discriminatory tactics practiced by the Arab States against Americans of the Jewish faith. On May 29, 1957, I took the floor on the Department of Defense appropriations bill to protest against the flagrant religious discrimination against American military personnel by Saudi Arabia, and I have made my objections known periodically since that time. Unfortunately, little progress, if any, has been made in eliminating the disgraceful, demeaning and intolerable attitudes and treatment of Americans of Jewish faith, and for that matter, of all firms dealing with Israel.

Freedom of religion is a cornerstone of the American way of life. The failure of the Department of State to insist upon observance of this basic American principle deprives a substantial number of Americans of their constitutional rights.

Unfortunately, this is but one example of a Department of State attitude which has been evident for many years, an attitude which accords special consideration for Arab nations. This view is frequently exhibited in the strained relationship between Israel and the Arab nations. Israel is a nation whose traditions of individual freedom and democracy closely resemble our own. This little land has furnished a haven for the refugees of the nations of all the world. It has lifted itself by its boot straps to a flourishing and prosperous position.

Its present high development, its very existence was assured only after a bloody war in which it defeated the might of the Arab nations which refused to agree with the decision of the United Nations recognizing Israel's nationhood. The Arab nations threaten Israel daily that they will drive the people of Israel into the sea.

The tenuous armistice between the Israeli and Arab nations is frequently broken by gunfire and border fights. The possibility of war is never far away, and the demands for military strength rob the belligerents of wealth and resources which could be so well used to bring prosperity and a higher standard of living for their people. It is said that peace is not possible—but has a real effort been made? If it has, the world does not know of such an effort. If it has, it should not be discontinued. The search for peace must go on, for it is inevitable that outbreaks like the recent bloody interchange between the Syrians and the Israelis which resulted in a United Nations investigation will be repeated unless a more permanent peace is established in the region.

To this end I wrote a letter to President Kennedy on April 5, 1962, as follows:

APRIL 5, 1962.

Hon. JOHN F. KENNEDY,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am much concerned with the form of the resolution proposed to be sponsored by the United States to censure Israel on the occasion of its recent altercation with Syria. Certainly we should make no precipitate judgments in condemnation of one of the belligerents without having made a thorough investigation of the facts surrounding the situation, including possible provocation for reprisals. In my opinion a resolution of the type proposed will not serve the cause of peace in the Middle East. On the contrary, it may increase existing tensions.

In 1960 the platform of our party stated: "We will encourage direct Arab-Israel peace negotiations, the resettlement of Arab refugees in lands where there is room and opportunity for them, an end to boycotts and blockades, and unrestricted use of the Suez Canal by all nations." I believe it would serve our national interests and promote the cause of world peace were we to use this occasion as a means to "encourage direct Arab-Israel peace negotiations" in accordance with our party's pledge, by an appropriate resolution in the United Nations.

For many years we have supported efforts by the United Nations directed—and justifiably—toward keeping the Arabs and the Israeli apart as belligerents. I believe the time has come now for us to take steps which may result in bringing them together as peacemakers.

With kindest personal regards.

Sincerely yours,

SIDNEY R. YATES,
Member of Congress.

Mr. Chairman, I know it is our avowed national intention that peace prevail in the Middle East. Yet, one wonders whether our Middle East foreign aid program tends to that purpose. One wonders whether our economic aid to certain Arab nations will bring peace or war to the Middle East. As we give economic assistance to Egypt, for example, its own resources are being diverted toward the purchase of arms from the Communists. The gravity of the situation was presented pointedly last month by Columnist Roscoe Drummond in an article entitled "U.S. Funds Help Nasser Mass Offensive Arsenal." The article reads as follows:

SOVIET ARMS TO EGYPT—U.S. FUNDS HELP NASSER MASS OFFENSIVE ARSENAL

(By Roscoe Drummond)

WASHINGTON.—From all the information I can gather, there is reason to view with alarm President Nasser's mounting acquisition of Soviet arms and our indirect role in helping him.

I am not suggesting that Egypt should be denied American aid because Nasser wants to remain an unalined neutralist; I am not suggesting that the United States should not give assistance to a country which also gets aid from the Soviet Union.

This is not the problem. This is not the reason I feel we must view where General Nasser is heading with new concern and take a fresh, hard look at what we are doing.

What is happening is:

Nasser is acquiring a formidable, ominous, aggressive—not defensive—military arsenal from Moscow.

To pay for these arms, he is imperiling still further all prospect that his regime can solve its economic and social problems peacefully within the existing boundaries of Egypt.

American aid to Egypt just about equals the resources which Nasser is diverting from Egypt's internal needs in order to purchase new and large-scale arms from the Soviets.

It seems to me that this trend of events presents a dangerous picture—and a dangerous potential. The very least we can do is to reexamine our part, however indirect, in bringing it about.

Obviously the Egyptian-Soviet arms traffic cannot be calculated precisely. But there is a variety of informed sources and, by cross-checking them, it is possible to make a careful computation. It is no overstatement to say that Egypt put approximately $68 million into Soviet military equipment in 1961. The figure will go to $85 million in 1962. A total of $145 million will be spent for modern, complicated Soviet weapons to be delivered during the next 2 years.

This breaks down in a way that does not make good reading for Egypt's neighbors. The principal items are these:

TU-16 long-range jet bombers—20 this year, 40 more contracted. Operating radius is 1,800 miles.

Mig-19 fighter bombers—70 this year, 40 more to come next year.

Mig-17—Nasser now has 140 and is in the process of selling half of them to get the more modern Mig-21.

IL-28 bomber-transports—60 now on hand, no more contracted for.

T-54 medium-heavy tanks—90 by the end of the year, 400 more to come.

Stalin-3 heavy tanks—60, 40 more coming.

T-34 medium tanks—500 already acquired.

Armored personnel carriers—600 by the end of 1962, 1,000 more contracted.

Naval equipment—at least 1 Soviet destroyer and 7 more submarines, bringing the total to 7 destroyers and 12 submarines. Ten of them are oceangoing.

All of this is in addition to Soviet arms delivered to Egypt before 1960, including 60 or more IL-14's, now used as transport planes, a large number of the now obsolescent Mig-15's, and a huge amount of Soviet medium and small tanks, heavy artillery, recoilless guns, small arms ammunition, and electronic equipment.

As a result of these Soviet deliveries, Nasser has announced he is doubling the number of army divisions from three to six, two of which apparently will be armored divisions.

The price tag on Soviet arms, delivered and contracted for from 1961 through 1964, is estimated at not less than $298 million. This is 60 percent of the estimated market value. Egypt pays on long-term loans at 2 percent.

Over this period United States and International Monetary Fund will contribute to the Egyptian economy an amount equal to, perhaps even greater, than Nasser is withdrawing from his economy to buy these weapons.

This looks like an uneconomic, unproductive, unhealthy and undesirable enterprise.

Mr. Chairman, one wonders whether the cause of peace is served by such policies. If our Department of State is actively working to bring a peaceful settlement between the Arab nations and Israel, it would be well if there were some manifestation of such action, so that the world would know of our interest and our intention. If it has not yet taken such steps, it would be well if such steps were taken as promptly as possible.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Illinois.

Mr. COLLIER. Mr. Chairman, I rise in support of the amendment of the gentleman from New York because I am in complete accord with the intent of it. However, I hasten to say that I think the amendment lacks the teeth needed to effectively stamp out the discriminatory practices of the Arab nations against the Israel people and against all others of the Jewish faith.

We have been repeatedly told that as a nation we seek to preserve and foster the principles of human dignity and the freedom of individuals of all nations from suppression, persecution, and abuse. Yet we have been "fencing" with the issue for years. We offer high-sounding declarations of principle but avoid the positive action which is demanded in this matter. Mere words will not meet the issue squarely. It is high time we let it be known to all nations of the world that we just do not intend to tolerate discrimination where American aid is being given. Unless we do so, we can expect no different conduct on the part of the Arab States than in the past. And we will still be dealing in high-sounding verbiage 5, 10, and 20 years from now.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Iowa.

Mr. GROSS. It is discretionary with the President whether he uses this power or not, or what is it?

Mr. FARBSTEIN. Yes; it is discretionary, except he has to report annually, just as well as the Secretary of State must report annually, on the progress made in connection with this amendment.

Mr. ROOSEVELT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the distinguished gentleman from New York [Mr. HALPERN] and myself appeared before the Committee on Foreign Affairs in an attempt to secure from the committee a much stronger declaration on this point.

Mr. Chairman, as the distinguished gentleman from New York has said, this is an improvement and yet it must be recognized that we have favored this now for many, many years. The gentlewoman from New York [Mrs. KELLY], in the committee tried to give the intent of Congress some implementation, leaving in it a proviso of Presidential discretion, which is exactly what we have done with relation to foreign aid as it related to non-Americans.

Mr. Chairman, it has seemed to me and to some others that perhaps the time has come to protect Americans and American citizens from the kind of discrimination which is practiced against them by some other countries in the world. Nevertheless, Mr. Chairman, I think we should give perhaps one more chance to the Executive to see if it can really go forward and produce results. The Middle East is a delicate area of diplomatic activity.

It is true that some results have already occurred. For instance, the Department of Commerce as the result of work this year no longer advertises the business bids of some countries which included a disqualifiation of American firms of Jewish orientation. Similarly, there are some advances on eliminating from the passport-visa information certain information which would tend to discriminate against American citizens. That much further progress needs to be made there can be no question.

Mr. Chairman, I would certainly like to draw attention to the fact that the National Community Relations Advisory Council with its 6 national constituent organizations and 62 local supplementary councils has urged strongly the amendment of the gentleman from New York.

They resolved as follows:

ARAB DISCRIMINATION AGAINST AMERICAN CITIZENS

There has been no abatement of the intensity of Arab discrimination against American citizens because of their religious beliefs. The major wrongs sustained by American Jews at the hands of Arab States over the past several years still remain to be corrected.

Congress has repeatedly declared in foreign aid legislation, "that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in granting of personal or commercial access or any other rights, otherwise available to U.S. citizens generally, is repugnant to our principles." Nevertheless, there has been no evident progress in the elimination of these discriminatory practices.

Therefore, we call upon the Government of the United States to preserve the integrity of American citizenship by:

(a) continuously challenging in appropriate diplomatic channels the continued flagrant violations of the rights of American citizens;

(b) ending the screening of citizens for Government service abroad on racial or religious grounds;

(c) rejecting provisions in all treaties and executive agreements which either implicitly or explicitly deny to American citizens rights of travel, employment or trade because of their religion or race; and

(d) calling upon the Federal and State antidiscrimination agencies to insure that there be no yielding to the religious or racial prejudice of Arab countries in the hiring or placement of Americans.

We look forward to the enactment by Congress of a provision in the pending foreign aid bill which would require the President to report to Congress annually on progress made in the elimination of such discrimination.

I only say, and I think it would be well to reemphasize, that if solid progress is not revealed next year in the reports of the President and the Secretary of State then the Congress must give real implementation to the long-expressed and basic principles of this and other Congresses.

Mr. HALPERN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York. It strengthens the so-called antidiscrimination provisions of this act by requiring the President to report annually on measures taken to implement these provisions. It is similar to legislation I have introduced in the House earlier and is identical with the Senate amendment.

The amendment adds teeth to the measures voted in previous years. I fully agree with its objectives—what is needed at this time is that it be fully implemented.

It is not just a question of reports. It is what actually transpires in the ensuing year in the administration of the program. The reports provide an ideal opportunity for a new look and a continuing surveillance.

I welcome the purpose of this amendment. I consider the clear antibias language of section 102 in this bill as a long step forward—as a vast improvement over last year's act. I look to the amendment and the wording in the bill before us to provide real progress in this field.

Let me frankly state that I would have preferred even stronger antidiscrimination language in the bill itself—mandatory language—clearly setting forth that we would sever aid forthwith if the discrimination nonsense continued. This is provided in the bills introduced by the gentleman from California [Mr. ROOSEVELT] and myself. But the committee assures us that the language in the bill, as amended in committee, sets forth without qualification that discrimination against Americans by countries receiving American assistance is repugnant to our principles and that these principles shall be applied in all negotiations with any foreign nation. I take this to be quite meaningful. The committee used the affirmative word "shall" and no reasonable man should misinterpret the intent. The bill also requires the Secretary of State to report annually on the measures taken to apply these principles. And, now, this amendment would go even further. It requires the President to report on the progress under the antidiscrimination declarations of the act.

But, Mr. Chairman, what will these reports consist of? Just receiving a report that problems exist is not enough. The legislative history of the antibias provisions clearly require detailed reports of accomplishment. We cannot emphasize enough that we mean business and that the executive department must take heed.

In the past, it would seem that some of our State Department career officials have ignored the will of Congress on this issue.

The continuing Arab boycott and blockade, known only too well to the Members of this House, is an obvious example. Americans continue to be flagrantly victimized by the discriminatory policies of the Arab States, recipients of many hundreds of millions of our dollars, despite the fact that since 1957 our foreign assistance acts have deplored such tactics and expressed the sense of Congress that American aid be denied such offending nations.

To bring this issue home, let me cite a situation that I personally experienced. I am exhibit A, Mr. Speaker. Last year, while the Kingdom of Saudi Arabia was receiving our aid, I was not even permitted to visit the famed American-built airfield at Dhahran. Indeed, I had the sad and humiliating experience of trying for an entire year to obtain a visa to visit American-financed projects in that country. I still have not succeeded. Why? My religious faith.

The State Department did absolutely nothing except to make apologies for Saudi Arabia by explaining how tender and sensitive Arab feelings were in this connection. This is typical of the State Department attitude that we must appease admittedly discriminatory Arab tactics in order to serve diplomatic ends. I fail to see how much has been accomplished by such appeasement, a depressing departure from American dignity and tradition. We need only to look at so many of the Arab States' votes in the United Nations. We need only to look at the treatment we received at the hands of Saudi Arabia in connection with the airfield we built there. Despite every conceivable sacrifice of principle and decency, we were kicked off this field last April.

The American taxpayers pay taxes without regard to race, color, or creed to finance these foreign aid programs. Yet, ironically, if an official of the Agency for International Development happens to be of Jewish faith, a number of Arab States will not even let him in to give them our assistance. How ridiculous can a situation be?

Let me point out, too, that several Arab States not only bar Americans of Jewish faith from access to their territory, but have entered into a coordinated boycott undertaking to punish American merchant ships and manufacturers solely because these firms, regardless of the personal religious convictions of their owners, dare to trade with Israel, a democratic state friendly to America and closely alined with the free world. This boycott also applies to American firms whose officers or employees are of the Jewish faith.

Protests to the State Department against this intolerable situation since Congress went on record in 1957 to eliminate it, have brought us only a vague concoction of evasive gibberish. The Department has sent alibi after alibi to explain why our principles have not been applied, rather than really taking action in the spirit of the legislation.

I am sure that many colleagues on both sides of the aisle have filing cabinets full of the same kind of alibi letters that I get, which the State Department probably numbers Arab alibi letter No. 1, Arab alibi letter No. 2, No. 3, No. 4, and so forth. These letters ignore the sense of Congress as expressed since 1957 and even maintain that adherence to the intent of our legislation would constitute what it calls coercive tactics. The Department appears to follow a line of apologizing to the Arabs and for the Arabs.

When will we reassert our right to respect in the family of nations? The least we can do is to refuse to finance regimes that dip our flag in the dirt by intolerable demonstrations of bigotry against millions of our citizens.

Our historic national tradition has charted proud precedents. In 1885, the United States refused to accept protests by Austria-Hungary on the appointment of our Ambassador to that kingdom because the designee's wife happened to be of Jewish birth.

In 1911, the United States abrogated a trade treaty with czarist Russia, in effect since 1832, because of Russian mistreatment of American citizens of Jewish faith.

In 1924, we protested to Switzerland against exclusion of Americans of the Mormon faith.

Our vigorous, repeated protests to Fascist Italy and Nazi Germany are also part of that history.

I respectfully submit that the time has come when we must set forth standards of conduct by recipient nations toward U.S. citizens as qualification for our economic assistance. We owe it to the self-respect of the American public, as well as to the highest national interest, to now firmly reiterate a strong position and insist on fulfillment of the will of Congress.

Surely, the antidiscrimination measure is consistent with the President's own expressed objective, which he enunciated to Congress, but, which apparently has not been implemented by the State Department. The President has said on various occasions that he wants foreign aid linked with the promotion of social justice and morality. I might add that the platforms of both our political parties make strong pledges to combat foreign discrimination against Americans, on a basis of religion, especially through travel barriers, boycotts, and blockades.

If these principles are to be realized and not just remain as high-sounding ideals, Congress must take action.

I feel this amendment is a long step forward. This is the least we can do, at this late date, to try to remedy a situation which has persisted too long. It is apparent that compromise of principle has marred our national countenance. The day is past when we can sit quietly and permit nations soliciting our assistance to discriminate against our citizens with impunity. Either that day is gone or our national dignity, our heritage, are going sadly undefended.

Let the State Department and executive department head this determined, clearly expressed declaration of the Committee and the avowed will of the American people as reflected in the unequivocal language in the bill and buttressed by the legislative history of this amendment.

We shall eagerly await the reports and in the forthcoming year shall expect the kind of action that will provide Congress with a real picture of results.

Mr. Chairman, here is a golden opportunity for the administration to back up its assurances of action in this field.

Mr. RYAN of New York. Mr. Chairman, I ask unanimous consent to extend by remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Chairman, I support this amendment to include the language of section 302(E) of S. 2996 in the House bill before us. This section, which has been approved by the Senate, requires the President to report to Congress after the close of each fiscal year on the progress under the freedom of navigation and nondiscrimination declaration contained in section 102.

On Monday when I debated the issue of Arab discrimination on the floor, I outlined the nefarious activities of the Arab States in discriminating against American business firms, tourists, military and civilian personnel, and other U.S. citizens. The United States must vigorously protect the rights of its citizens. The proposed amendment is a necessary step toward the resumption of responsibility by our Government in protecting its citizens and in declaring its firm commitment to equal treatment for all Americans regardless of race, color, or religion.

It is imperative that Congress receive Presidential reports on the progress made in implementing the declaration of Congress as expressed in the Foreign Assistance Act of 1961 and in the present bill. Congress has the right to know what is being done to eliminate discrimination against Americans and to carry out the spirit and principles enunciated in section 102 of the act. This amendment will obligate the President to inform the Congress on this issue every year so that further progress can be made. I urge all of my colleagues to support this amendment.

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KUNKEL. Mr. Chairman, I am strongly in favor of the Farbstein amendment and urge its adoption.

The antibias language of section 102 in the present foreign aid bill is much stronger and better than that contained in the similar bill of last year. Even so, it could be criticized more easily on the grounds of being too soft rather than of being too severe.

Remember, the present section 102 still gives the President discretionary authority. This amendment is a much-needed, added indication and warning that the Congress desires and expects the aims of section 102 to be carried out. It is a reminder that Congress wants to know whether these purposes are being implemented.

An American citizen is an American citizen. Regardless of creed, race, or color, he is entitled to the full rights and privileges whether at home or abroad. We should not permit foreign nations to classify our citizens.

Mr. CORMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Chairman, I rise in support of the amendment requiring annual reports from the President and Secretary of State on the progress made in fighting discrimination in countries receiving our aid.

During a trip I made to the Middle East a few years ago, I saw what this sort of discrimination can mean to a people—in this case, the Jewish people. It spells the kind of restrictions on travel, commerce and individual freedom which we in America would find intolerable. It closes to the people of Israel one of the great avenues of commerce. And above all, it poses a constant threat to their safety, and to the security of the entire world.

The primary purpose of our foreign aid program is to raise the living standards of the developing nations. The restrictions on commerce and communications imposed against the State of Israel by the Arab nations has substantially frustrated the effort in the entire Middle East area. To permit indefinite continuance of the Arab blockade is totally inconsistent with the aid program itself.

And what of its application to Americans themselves? To the same Americans, I might add, who pay taxes that go, in part, to foreign assistance to Arab nations. The answer is simple: the same anti-Semitism that the Arabs practice on their Israeli neighbors is also aimed at Jews of U.S. citizenship. American GI's are barred from service in these lands. American travelers of Jewish faith are excluded. The thoroughness of the bigotry is such that even motion picture companies filming in these areas must carefully screen out actors and actresses of Jewish faith.

Mr. Chairman, I have never advocated that the Congress should impose undue restraint on the authority of the executive branch of Government. I feel that, in times such as these, our Nation must be equipped to react to international challenges when they occur—and that the President is the most logical authority to exercise this authority. Thus, I will not say that I believe we should automatically cut off aid to Arab nations, or any other nation, which practice discrimination against American citizens.

However, I will say that the moral force of America must be brought to bear whenever and wherever these bigotries are found. I believe that our State Department and aid agency and the President himself must make it clear to these nations that our patience is not inexhaustible.

For these reasons, I support the amendment offered here now.

Mr. MORGAN. Mr. Chairman, as the gentleman from New York stated, this amendment is contained in the bill passed by the Senate. After consultation with members of the Foreign Affairs Committee on both sides of the aisle, the committee has no objection to it.

Mr. ROONEY. Mr. Chairman, in urging the adoption of the pending amendment, I should like to commend its author, the gentleman from New York [Mr. FARBSTEIN], who has taken the lead in combating discrimination and its consequences for many years.

I have long been very much disturbed over the discrimination practiced in the Middle East against American citizens of the Jewish faith. I firmly believe that American aid under the pending bill should be denied in toto to any nation which practices discrimination against Americans of the Jewish faith or against American firms because of the fact that they do business with the State of Israel. I trust that the committee will now accept this amendment without further debate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. PASSMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PASSMAN: On page 14, after line 7, insert the following:

"(3) Amend subsection (f) to read as follows:

"'(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act with respect to specific projects shall be deemed to be obligated for the services of personnel employed by agencies of the United States Government (other than the agencies primarily responsible for administering Part I or Part II of this Act) as well as personnel not employed by the United States Government.' "

Mr. PASSMAN. Mr. Chairman, the reason why I am proposing this amendment to section 625(f) is because members of the Foreign Operations Subcommittee were in Spain in May checking into the mutual security program in that country and during our visit there we discovered that the AID agency was using the authority of section 625(f) to obligate fiscal year 1962 funds for the employment of 25 AID agency employees in fiscal year 1963.

When we returned to this country we checked downtown and ascertained that they were also using the same authority to obligate fiscal year 1962 funds for the employment of three AID agency employees in Greece in fiscal year 1963.

In my opinion, the AID agency does not need the authority to obligate funds in 1 fiscal year for direct-hire personnel for services to be rendered in the following fiscal year or subsequent fiscal years. This is especially true of obligations for AID agency employees.

The amendment I have proposed will eliminate this loophole but will allow the agency to employ personnel from other U.S. Government agencies for the duration of a project agreement.

The distinguished chairman of the committee has agreed to accept the amendment and I would like to ask the chairman if he agrees with me that the intent of the amendment is to preclude the AID agency from obligating funds for direct-hire personnel beyond 1 fiscal year where the appropriation is available only on a 1-year basis.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. After the gentleman returned from one of his inspection trips he called the attention of the Committee on Foreign Affairs to the necessity for this amendment. I feel that he has rendered a real service in presenting this amendment. I believe there has been some abuse of section 645(f) which should be corrected. The committee accepts the amendment.

Mr. PASSMAN. I thank the distinguished gentleman from Pennsylvania.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The amendment was agreed to.

The Clerk read as follows:

Chapter 3—Miscellaneous provisions

SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended as follows:

"(a) Section 643, which relates to saving provisions, is amended by striking out subsection (d).

"(b) Section 644(m), which relates to definitions, is amended by striking out "as grant assistance" in subparagraphs (2) and (3).

"(c) Section 645, which relates to unexpended balances, is amended by inserting 'this Act or' after 'pursuant to'."

PART IV—AMENDMENTS TO OTHER LAWS

SEC. 401. Part IV of the Foreign Assistance Act of 1961, as amended, is repealed, which repeal shall not be deemed to affect amendments contained in such part.

SEC. 402. Section 2 of the Act of August 1, 1956 (70 Stat. 890), as amended, is further amended by adding after paragraph (a) the following new paragraph:

"(b) for the purpose of promoting and maintaining friendly relations with foreign countries through the prompt settlement of certain claims, settle and pay any meritorious claim against the United States which is presented by a government of a foreign country for damage to or loss of real or personal property of, or personal injury to or death of, any national of such foreign country: *Provided*, That such claim is not cognizable under any other statute or international agreement of the United States and can be settled for not more than $15,000 or the foreign currency equivalent thereof."

SEC. 403. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935, as amended (22 U.S.C. 276), is amended by adding at the end thereof the following: "Not less than two of the principal delegates to each of the Conferences of the Interparliamentary Union shall be members of the House Committee on Foreign Affairs, and not less than two of such delegates shall be members of the Senate Committee on Foreign Relations."

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 16, line 15, strike the period and the quotation marks, and add the following:

"*Provided further*, That not less than two of the principal delegates to each of the Conferences of the Interparliamentary Union shall be members of the House Committee on Ways and Means, two from the Senate Committee on Finance, two from the House Committee on Appropriations, two from the Senate Committee on Appropriations, and there shall be three observers selected from among the citizens of the United States, representative of business, agriculture and labor, whose annual income each and from all sources shall not exceed $10,000."

Mr. GROSS. Mr. Chairman, I hope this whole provision is stricken from the bill, but if it is going to be retained in the bill, I want to spread the good things of life to some other people. I know of no reason why the Committee on Foreign Affairs should inject themselves into the Interparliamentary Union any more than the Committee on Ways and Means which writes the revenue laws. I know of no reason why the Members of the other body, and the members of the House committee, should not have a nice junket along with the rest of them. Then, the Committee on Appropriations ought not to be overlooked because it actually provides the cash on the barrelhead for these junkets. Then, I think there ought to be three representatives of the taxpayers at large from over the United States, these down-to-earth people that some bleed for so much, and do so little about. I think they ought to be represented on these junkets. I think they ought to know how the foreigners feel, and look and act and dress and dine. Yes, I have provided that some of our common, ordinary, grassroots, garden variety of citizens observe how these congressional junketeers operate.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman and I hope he will include some of them in his NATO junketing group.

Mr. HAYS. Well, that is just what I was trying to get to. I invited the gentleman from Iowa numerous times, and if he will go, I will assure him a spot on the delegation this year.

Mr. GROSS. The gentleman from New York [Mr. ROONEY] nominated me at an Interparliamentary Union meeting for one of its junkets. Incidentally, Members of the House had to go over to the other side of the Capitol to meet with Members of the other body just as does the House Committee on Appropriations. I do not recall who presided, whether it was a Member of the other body or a Member of the House, but I had to tell Mr. ROONEY that if nominated and elected I would not serve. So I am not a candidate—I am not in the market for a NATO junket.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am delighted to yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I would just like to say, I think the gentleman from Iowa might have been greatly benefited if he had accepted the invitation.

Mr. GROSS. The gentlewoman from New York, of course, is entitled to her opinion about what would benefit the gentleman from Iowa.

Mr. Chairman, I think I have made my case for the amendment. I yield back the balance of my time.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I could probably agree with the gentleman that this might be a bad precedent for the Foreign Affairs Committee to inject itself into this whole situation. I supported the amendment in committee. I have given it a good deal of thought since. I had understood that the gentlewoman from New York was going to offer an amendment to strike out the section. If she does, on second thought I would be inclined to support it. Therefore I would ask for the defeat of the amendment offered by the gentleman from Iowa.

But I will repeat for the benefit of the new Members who were not here 10 years ago a story I told then. There were a couple of old Quakers in my hometown who were arguing about the merits of travel. One of them had traveled a great deal back in those days, he had gone to Europe and other places. So when he got back they were sitting around the square and the one who stayed home said: "Nathan, dost thee not know that a rolling stone gathers no moss?" And the other said: "Oliver, thee may be right, but it gets a lot of polish."

Mr. JOELSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take much time. However, some of these amendments that are offered by the gentleman from Iowa with tongue in cheek are sometimes taken seriously by the House, as happened yesterday. I remind you that yesterday the House scuttled the United Nations in 7 minutes of debate.

That happened in what is supposed to be the greatest deliberative body in the world. I regret the action.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure the gentleman from Iowa offered his amendment in good faith. We have heard the arguments and there has been adequate discussion. I hope the committee votes down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mrs. ST. GEORGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ST. GEORGE: On page 16, line 7, strike out section 403, beginning with line 7 through line 15.

Mrs. ST. GEORGE. Mr. Chairman, I think this section 403 of the bill might well be subject to a point of order. Leaving that aside, however, I think it certainly should be stricken from this bill. First of all, it is quite obvious that whoever was the author of the section did not know very much about the work or the functions of the Interparliamentary Union. No one can be a member of that union unless he or she is an elected representative sitting in an acknowledged parliament. For that reason every Member of this House and every Member of the Senate has an equal right. There is no committee of this House and there is no committee of the Senate which can decide who shall go and who shall not go. We all are equals. The only thing that restrains us at all, I might say to our good friend from Iowa, is lack of funds. For that reason we take only a limited number of people to these meetings.

The meetings are held in various countries. They are the one place where we can talk with parliamentarians and only parliamentarians of the other nations, no bureaucrats, no diplomats, but people representing the peoples of the world. This is the only and oldest international organization of its kind. It was founded in 1878 and it has existed ever since.

I can assure the Members of this House who have never been on one of these conferences they would do well to avail themselves of the opportunity. They can learn a great deal. They can meet people from behind the Iron Curtain, and can know exactly what those people stand for and how they operate.

A great many of us here talk about things, and I am guilty of it too, that we know very little about. I, for one, have learned a great deal at these conferences of the Interparliamentary Union. It is my very deep regret I will not be able to attend this year as, unfortunately, the conference will be held at the end of October, which will be right at the end of our campaign for reelection. Therefore, only a very limited number of our own delegates will be able to attend this Interparliamentary Union meeting. This is a regret to me, as I said before, but, Mr. Chairman, this section has no place whatsoever in this bill, and I think it should be stricken. The Interparliamentary Union should go on as it has in the past as a union of parliamentarians equal among themselves, making their own rules and regulations, but of course going to the House Appropriations Committee for what funds that committee is willing to give them, and that is all they can get.

Mr. ADAIR. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from New York.

It is with considerable regret I find myself in opposition to the distinguished gentlewoman from New York.

First of all, it ought to be pointed out that on the matter of a point of order, in my opinion, this matter is properly present in this bill. Members will recall that last year an item relating to the Interparliamentary Union was included in this bill, an additional authorization, yet was found to be proper and appropriate. If that was proper, then the provision in this section is proper.

Mr. Chairman, as to the reason for this proposal which I submitted in committee, on most of the other interparliamentary groups—NATO, Canadian, Mexican, and the like—there are found to be serving members of the Committee on Foreign Affairs. Many times in the Interparliamentary Union group this is not the case.

We have heard repeatedly here in the last few days of the necessity for maintaining close relationships throughout the world, of maintaining a unified foreign policy. If we are to do that, it is highly desirable that some members of the Committee on Foreign Affairs be included in the interparliamentary delegation.

Please observe that the number suggested is by no means enough to control the delegation. There are at least 11 Members from the House, ordinarily. In proposing this amendment, I purposely limited it so that members of the Committee on Foreign Affairs could not control or unduly influence it. I did think at the time it was highly desirable that there be a liaison between the interparliamentary delegation and the Committee on Foreign Affairs. If we are to have this closely cohesive foreign policy, if we are to understand what the attitude of various legislative groups must be, then it is quite important that there be at least a minimum representation from the committee.

Therefore, I urge that the amendment offered by the gentlewoman from New York be defeated.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. May I say in answer to one statement the gentleman has made, that I have been on these conferences for a number of years, and I have never been to a conference where the Committee on Foreign Affairs was not represented. So I cannot imagine what the gentleman is referring to. As a matter of fact, we have always had representation from that committee, which is quite natural, but I do not think the committee has any right to insist that it be represented in this particular instance.

That is one of my main reasons for appealing that this part of the bill be stricken.

Mr. ADAIR. If the gentlewoman feels that the committee should be represented——

Mrs. ST. GEORGE. I did not say "should." I said quite naturally that they would be represented, because you yourself have been in conference with me, and I think you will remember.

Mr. ADAIR. Yes, I have been.

Mrs. ST. GEORGE. And I am sure you wanted to go, and that is the only reason anyone should go, I will say to the gentleman, in my opinion.

Mr. ADAIR. I will say to the gentlewoman that there is very great potential for good in these meetings. I think a great amount of information can be obtained and the attitudes of parliamentarians from around the world can be tested. But, I also think that the matter of liaison and association between the interparliamentary group and the Foreign Affairs Committee is important.

Mr. MORGAN. Mr. Chairman, since the bill has now been read, I wonder if we could fix the time to vote on the whole bill. I ask unanimous consent that all debate cease in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Chairman, I will have to object to that. I have an amendment up there.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 15 minutes.

Mr. BARRY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARRY. May I ask how many amendments there are at the desk?

The CHAIRMAN. The Chair has no way of knowing.

Mr. GROSS. We do not need this time limitation. We are not going to take much more.

The CHAIRMAN. Permit the Chair to suggest that we dispose of this amendment first.

Mr. COOLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have been affiliated with the Interparliamentary Union for about 16 years. The late Senator Alben Barkley, of Kentucky, who later became Vice President of this great Republic, caused me to become interested in the work of the Interparliamentary Union. He was at that time president of the American group, and as president of the American group he designated me as a delegate to the annual conference, which was held in 1946 in Cairo, Egypt. At that meeting Lord Stansgate, of England, was elected president of the Interparliamentary Union.

I have attended most of the conferences of the Interparliamentary Union since 1946. Annual conferences have been held in many of the capitals of the world, and I have been rather regular in attending these important meetings of this great international organization. Every year I have been named as a delegate, but I did not attend the conference in Bangkok, the ancient city of Siam, nor did I attend the conference in Rio de Janeiro. I am certain that at all of the conferences America has been well represented.

In the old days before the President authorized the use of special mission planes and authorized transportation for wives of delegates, all delegates were forced to pay their wives' traveling expenses to and from the conferences. This was changed during the Truman administration. Since attendance at these conferences was considered of great importance and delegates from other countries were most always accompanied by their wives, President Truman authorized wives of delegates to accompany their husbands.

Even after wives were authorized to fly on special mission planes to Interparliamentary Union conferences, we have not been able to prevail upon Members to attend the conferences, and on many occasions we have actually recruited Members and wives to attend the conferences.

When we speak of the "American group" of the Interparliamentary Union, we mean every man and woman in both Houses of Congress. Every Member of the Congress is a member of the "American group." We did not have enough Members at the last conference, which was held in Brussels, and I am certain that any Member of Congress who would like to attend the 1962 conference in Brazil will have an opportunity to attend. As my colleague, Mrs. St. George, has said, the number of delegates is limited only by the amount of money provided for the use of the American delegation.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. HAYS. How does one find out about the meetings? I will be very frank with the gentleman. I am not antagonistic to his group, as he knows. And, further, as he knows, I had a part in getting additional funds for the organization. But there is a great undercurrent among the membership, a feeling that this matter is kind of secret in the fact that most Members do not know when they meet.

Mr. COOLEY. Each year public announcement is made on the floor of the House and on the floor of the Senate by some Member interested in the activities of the Interparliamentary Union and all interested Members are invited and urged to attend, and to take part in the activities and deliberations of the group, and to indicate their availability as delegates to conferences.

During the early days of my association with the Interparliamentary Union I was requested by Senator Barkley, the president of the American group, to make announcements on the floor of the House, and he made announcements on the floor of the Senate. We would always indicate the time and the place of the meeting. Frequently meetings were held in the Old Supreme Court Room. At other times meetings were held at other places. Notice of the meetings was always published in the Congressional Record.

Mr. HAYS. Now, some Member told me this just a bit ago. He said what happens is they make an announcement late Thursday, after everybody has gone, that they are going to meet Friday morning. Would it be too much trouble for the gentleman, or whoever is in charge, to send a letter to every Member advising them when it is going to meet?

Mr. COOLEY. Notices of meetings are always in the Congressional Record.

Mr. HAYS. I know, but a good many Members do not read the Record that carefully.

Mr. COOLEY. I certainly have no objection to Members being notified by letter, but please do not charge me with that responsibility. Senator Gore is now president of the group. Since I have been attending the meetings, Senator Barkley, of Kentucky, was the first president of the American group, with whom I served; the next was Senator Ferguson, and then the late Daniel Reed of New York, with whom I served for several years. For 2 years I served as president of the American group. I know that during that 2 years ample and adequate notice of all meetings was given. Notwithstanding the notice given, still we had to recruit Members to attend meetings. We even recruited the gentleman from Indiana [Mr. Adair] who is responsible for the provision in the bill now under consideration. We invited and urged him to attend the conference in Warsaw, Poland. The gentleman from Indiana [Mr. Adair] attended the conference and was apparently very much interested in the work of the Union.

Mr. Chairman, the Interparliamentary Union was not created by this Congress. It is an international organization.

With more than 60 nations of the world now affiliated with it, the lawmakers and the parliamentarians from these 60-odd nations represent perhaps two-thirds of all the people on earth. The Interparliamentary Union was organized in Paris more than 7 years ago. Our Government has been affiliated with the Interparliamentary Union from its very inception and I am quite certain that Members of our Congress have attended all of the meetings which have been held during all of this time. Russia and many of the Soviet satellites, all recognized governments, are now affiliated with the Interparliamentary Union, and everything indicates that in recent years the Soviets have tried to take it over and to control it, but fortunately, this has not happened. Russian delegates attend the conference in grand style; they come in great numbers, they bring with them a large staff of secretaries, interpreters, and aids and they entertain lavishly and most of all, very cordially. They talk of friendship and peace. They remind us of the fact that their countrymen died side by side with our countrymen and that their countrymen and our countrymen fought and bled and died in war and ask us the question, "Why can't we live for the same things for which our countrymen died?" Unfortunately they do not seem to understand the difference between slavery under their system and freedom under our system.

Mr. Chairman I have been honored by the American group of the Interparliamentary Union. I have served as a member of the Council of the Interparliamentary Union. At one of these international conferences I was elected a member of the executive committee of the international organization and I served on the executive committee for 4 years. The rules and regulations of the organization provide that no member of any country is eligible for membership on the executive committee for more than 4 years at a time. Since no American delegate could succeed me we had to wait for 2 years. After the expiration of 2 years I was again elected a member of the executive committee. I am now serving the second 4-year term. This I understand is the longest period of time that any individual has ever served as a member of the Executive Committee of the Interparliamentary Union. I did not seek this honor. I was not a candidate but still I was elected. I do not consider this honor as a personal honor. I know that I was elected to the executive committee because of my interest in the work of the Union but most of all because I was an American delegate and representing the greatest nation on earth.

Mr. Chairman, the distinguished chairman of the Committee on Foreign Affairs has for many years been interested in the work of the Interparliamentary Union. He knows and I am certain that he will now agree with me that he has been urged to attend annual conferences of the Interparliamentary Union. I know and most of us know that the distinguished chairman of the Committee on Foreign Affairs is a very busy man and he cannot possibly find time to attend the many international conferences which are annually being held. The gentleman from Pennsylvania, Chairman Morgan, knows that at any time he wants to attend a meeting of the Interparliamentary Union, he, or any other member of his committee, will be welcomed.

I think that it would be a fine thing if the gentleman from Pennsylvania, Chairman Morgan, could dignify the American delegation by attending these very important conferences. Other members of his great committee and members of the Senate Committee on Foreign Relations have from time to time attended these important meetings.

Mr. Chairman, I would like to know how [Mr. Morgan] feels about this matter.

Mr. MORGAN. If the gentleman will yield.

Mr. COOLEY. I yield.

Mr. MORGAN. I was invited by the President of the Interparliamentary Union on the House side to be a delegate last year, and I have received other invitations in the past.

Mr. COOLEY. I assure the gentleman as one who is devoted to the efforts and activities of the Union that in the future, ample notice of the meetings will be given. I will discuss the matter with Senator Gore, the president of the American group, and suggest that he have a letter written to both Houses of Congress advising as to the time and place of future meetings.

The next conference will be held in Brasilia, the new capital of Brazil, in late October of this year. If any Member of the House interested in attending the conference will communicate with me I shall be very glad to cooperate in every way in giving advice concerning the meeting, the agenda, and the conference.

Mr. Chairman, I know that there are Members of this House who now agree with me that I have begged and tried to persuade them to attend these conferences but I am very much afraid that at the next meeting, which will be held in Brazil this fall, it will be difficult to find Members who are available and who would like to attend the meeting.

Mr. Chairman, the gentlewoman from New York, Mrs. KATHARINE ST. GEORGE, has been a faithful friend of the Interparliamentary Union. She understands and appreciates its programs and purposes and the importance of our participation in the future activities of this important international organization.

The gentlewoman from New York [Mrs. ST. GEORGE] has distinguished herself in the activities of the Union. She was unanimously elected chairman of one of the most important committees of the Union and she presided with great competence, becoming dignity, and complete impartiality. KATHARINE ST. GEORGE is held in high esteem by parliamentarians around the world. Our dear colleague knows what she is talking about and I hope that the amendment she has offered will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York.

The amendment was agreed to.

Mr. BARRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRY: On page 16, after line 15, insert the following:

"SEC. 404. The first section of the Act entitled 'An Act to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization,' approved July 11, 1956, is amended by adding at the end thereof the following: 'Of the appointments made by the Speaker of the House not less than two shall be members of the Foreign Affairs Committee.'"

Mr. HAYS. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman makes a point of order against the amendment.

The gentleman will state it.

Mr. HAYS. Mr. Chairman, I make a point of order against it. It deals with an act of Congress which is a separate act, and which is not contained in this bill. Since section 403 has been stricken, there is nothing in this bill about any interparliamentary group whatever. Therefore it is not germane to the bill.

The CHAIRMAN. Does the gentleman from New York [Mr. BARRY] desire to be heard on the point of order?

Mr. BARRY. Mr. Chairman, I do not.

The CHAIRMAN. The Chair is prepared to rule. The gentleman from New York [Mr. BARRY] offers an amendment to which the gentleman from Ohio [Mr. HAYS] makes a point of order that the amendment is not germane to the bill.

The Chair has had an opportunity to read the amendment and to observe its contents. Just a moment ago section 403 was stricken from the bill. That section was the only section that had anything to do with any international group. This amendment refers to parliamentary conferences of the North Atlantic Treaty Organization. The bill itself has the purpose of further amending the Foreign Assistance Act of 1961, as amended, and for other purposes.

The Chair is of the opinion that the amendment offered by the gentleman from New York [Mr. BARRY] under the circumstances goes beyond the purport of the bill, and therefore sustains the point of order raised by the gentleman from Ohio [Mr. HAYS].

Mr. BARRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRY: On page 16, after line 15 insert the following:

"SEC. 404. Section 101(f) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended to read as follows:

"'(f) obtain rates of exchange applicable to the sale of commodities in European countries under such agreements which are not less favorable than the highest of exchange rates legally obtainable from the Government or agencies thereof in the respective countries.'"

Mr. COOLEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BARRY. Mr. Chairman, the amendment which I am proposing is intended to assure that our surplus farm commodities are sold on best possible terms—specifically, at rates of exchange not less favorable than the highest rates legally obtainable from the governments, or governmental agencies, of the purchasing countries.

This amendment will clarify the law in this particular respect, and should strengthen the hand of the executive branch in negotiating these agreements.

In addition, my amendment—which, by the way, applies only to the countries of Europe—will resolve a serious problem that has arisen with respect to our governmental expenditures in Poland.

This problem was called to my attention during my recent visit to Poland. It needs to be remedied. The only reason I did not attempt to correct it while the Foreign Assistance Act of 1962 was being considerd by the Committee on Foreign Affairs, is that I did not receive executive department comments on the proposed amendment in time.

The problem, briefly, is this:

Under the law presently in effect, as implemented since last December, we have been getting very little mileage for each dollar that we spend on our diplomatic, consular, and other activities in Poland.

Up to last December, executive agencies could get 55 zlotys for each dollar programed for Poland. The dollars—appropriated to these agencies by Congress—never left the United States. The agencies transferred them to the Commodity Credit Corporation. In return, the CCC allowed them to draw on our Government's zloty account in Poland. They could obtain 55 zlotys for each dollar transferred to the CCC.

As of last December, that rate was changed from 55 to 1, to 24 to 1.

In other words, the dollar cost of our programs in Poland went up 129 percent.

In the last 6 months, for instance, the new rate at which our agencies can draw zlotys increased the operating expenses of our Embassy in Warsaw by $170,000.

It has increased the cost to our research program in that country by more than $2 million, and it will continually increase the dollar value of our Government's contribution to the construction of the American Research Hospital for Children in Cracow, by $3,800,000. There is no valid reason for this change. It does not save us any dollars. It impairs the effectiveness of our program in Poland. All it really does on the positive side, if you want to call it that, is to save us some zlotys which we cannot spend any other place but Poland and of which we own a very large amount—over $400 million worth.

The amendment which I am proposing would remedy the situation to permit the Treasury to disburse zlotys at a rate more favorable to the success of our program in Poland and at the same time it would assure that we obtain the highest rate of exchange legally obtainable from the Government of Poland for any surplus commodities sold to that country in the future.

The CHAIRMAN. Does the gentleman from North Carolina insist on his point of order?

Mr. COOLEY. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. COOLEY. Mr. Chairman, the amendment here is to Public Law 480, which is the Agricultural Act, and the particular section to which it is addressed is section 101(f) of Public Law 480. That is not now before the House. The gentleman's amendment is not germane to any section of the bill. I therefore insist on the point of order.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. BARRY. Mr. Chairman, I should like to say that this seems very germane to our foreign policy. Specifically with respect to this act, this gives us a greater return for the amount of money we are spending in Poland.

The CHAIRMAN. The point of order was based on the question of germaneness to the bill before the Committee, not the purpose of the amendment. Does the gentleman desire to be heard on the point of order?

Mr. BARRY. No.

The CHAIRMAN. Does the gentleman concede, therefore, that the amendment is not germane to the bill?

Mr. BARRY. I would like the Chair to rule on it.

The CHAIRMAN. The burden of proof is always on the person who proposes an amendment. The Chair understood the gentleman to say that perhaps the amendment was not germane.

Mr. BARRY. I believe it is germane. Therefore, I am asking for a ruling to sustain my belief.

The CHAIRMAN. The bill before the Committee, H.R. 11921, to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, refers, of course, to the act of 1961. In the act of 1961 itself specific provision was made for amendment of the Agricultural Trade Development and Assistance Act of 1954, to which the amendment offered by the gentleman from New York refers.

The Chair believes that the subject matter of the Agricultural Trade Development and Assistance Act of 1954 is included within the purview of the Foreign Assistance Act of 1961, which is the bill before the Committee and, therefore, feels that the amendment offered by the gentleman from New York [Mr. BARRY] is germane to the bill. The Chair overrules the point of order.

The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 16, immediately after line 15, insert the following:

"SEC. 404. (a) Subsection (b) of section 502 of the Mutual Security Act of 1954 is amended by inserting immediately before the last sentence thereof the following new sentences: 'No such report shall contain any miscellaneous item or other item grouping together under a general heading expenditures for dissimilar purposes but shall specify, item by item, each individual expenditure. Each such report shall specify by dates the total length of each trip outside the United States made by such committee, subcommittee, member, and employee in connection with which expenditures are being reported, and by dates the length of time spent in each foreign country on such trip.'

"(b) Subsection (b) of section 105 of the Legislative Branch Appropriation Act, 1961, is amended by inserting immediately before the last sentence thereof the following new sentences: 'No such report shall contain any miscellaneous item or other item grouping together under a general heading expenditures for dissimilar purposes but shall specify, item by item, each individual expenditure. Each such report shall specify by dates the total length of each trip outside the United States made by such committee, subcommittee, member, and employee in connection with which expenditures are being reported, and by dates the length of time spent in each foreign country on such trip.'"

Mr. HAYS. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. HAYS. Mr. Chairman, I make a point of order against the amendment on the ground again that there is nothing in this bill relating to the expenditure of committee funds, of select or special committees, or traveling committees and, therefore, the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman from Iowa [Mr. GROSS] desire to be heard on the point of order?

Mr. GROSS. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from Iowa concedes the point of order. Therefore, the Chair sustains the point of order.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the ungermaneness of my amendment is the penalty for yielding to the gentlewoman from New York. The section to which it would have applied was stricken by her amendment and therefore my proposal was no longer in order. I would like you to know, however, that one chairman of a committee of the House of Representatives spent over a thousand dollars in miscellaneous expenses on a trip that he took to Europe last year, and I happen to believe that the taxpayers who foot the bills ought to know something about the miscellaneous funds that are spent so profusely by some traveling Members of the Congress. My amendment, among other things, would have made them list the purposes for which the money was spent.

Now we are almost at the end of this bill. It is not my desire to take any particular length of time, but I would like to emphasize that there is here being authorized, as I understand it, $4,660 million of new money for this latest foreign giveaway program, and there is $6,200 million unexpended in the pipeline. There is also available and scattered around the world some $3 billion or more in various foreign currencies that can be expended. Thus the $4,660 million of new money in this bill is only a part of the huge amount available for spending this year on foreign aid throughout the world. This business has to come to an end. When? I do not know. I do know that it is making a major contribution to bankrupting the United States of America. I do not have to tell you that bankruptcies of individuals and organizations are increasing every day in this country. One of the reasons is that the Federal taxpayers are being bled white to support programs of this kind. The day will come when this program must be eliminated altogether. That day, apparently, is not here now. For myself, I want no part of the further sinking of this country into the morass of debt, bankruptcy, and inevitable dictatorship. For I predict, that given time, that is exactly the eventual fate of this Nation.

Mr. Chairman, I yield back the balance of my time.

Mr. BROOMFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, even as a member of the House Foreign Affairs Committee, as a firm advocate of the positive benefits a sound, efficient foreign aid program can have upon our own national interests, and the promotion of freedom and security in this troubled world, I have been reluctant to speak in regard to H.R. 11921, the foreign aid authorization bill we are considering today.

I have given this bill and its provisions, its directions, its aims, a great deal of thought and consideration. I have noted, with approval, some of the amendments which have been offered and which have been passed by the House of Representatives.

I think the Congress is attempting to steer the Agency for International Development in the proper direction in the development portions of our programs, and I think this is proper and correct.

I hope that the administration takes note of these changes of direction, and that it acts upon them promptly, efficiently, and with energy.

Last year, when the foreign aid bill was before us, I had high hopes for the future of our oversea programs. I thought that Congress had provided a proper vehicle, an effective instrument by which we could spread our own belief in freedom, in the dignity of man, and help those who are less fortunate than ourselves to help themselves.

Unfortunately, all these hopes have not come to pass. The vehicle we created here in Congress last year seems to have developed engine trouble.

It is sputtering, coughing, stalling, and wasting gas, and the mechanics who have made the proper diagnosis of the troubles within the Agency have not been permitted to even lift up the hood to see what is wrong inside.

Part of the problem, I am convinced, is that the AID agency is more interested in the instruments on the dashboard, in something called measurable progress than it is in actually getting to where it is supposed to be going.

There seems to be a dangerous preoccupation with such things as economic indicators within the Agency, the "country planning" approach which puts everything in terms of gross national product, per capita income, balance of trade, balance of payments, as if these indicators of and by themselves are the sole reason for our program overseas.

There is a prime concern for dollars, for investment capital, and a notable lack of concern of what is actually happening among the people of the country we are attempting to assist.

Yet, we know that these economic indicators can give us false readings. We know, for instance, that if the rich become richer and the poor remain without hope, without the barest necessities of life, that our economic indicators will go up. We will see a rise in the average per capita income. We will see an increase in the gross national product. We may even see improvements in the balance of trade. But each of us will realize that we really have made no progress and that we have simply increased the chances for a Castro or a Khrushchev to walk in and take over.

I think the AID agency must have a clearer picture in the minds of its officials as to what we are trying to do abroad. Is simply increasing the gross national product of a particular country enough? Will this automatically mean that the threat of a Red takeover has been lessened? Does it mean that our ultimate aim of peace, freedom and justice has been realized? I do not think so.

Part of the problem, I believe, is that AID is attempting to work from the top down with its programs and projects in too many instances. There has not been enough spadework in specific terms.

Those of my colleagues who are from farm areas know exactly what I mean. The first lesson any farmer learns is the necessity of getting his hands dirty. He knows the need of first preparing the soil before the seed is planted so that his crop—if the Government will permit him to grow a crop—is established in a firm foundation.

Only after the soil is adequately prepared and the climate is right does he start planting his seed.

AID seems to be approaching the problem differently. It scatters its seed in the form of dollar bills on the ground and then gives them a bit of water in the form of words and regulations. Some of these seeds do bear fruit, to be sure, but I think our yield could be increased tremendously if there were a better understanding on the part of AID that growth should not be measured in terms of how many seeds we scatter but rather in terms of what these seeds bring about in the way of true economic, social, and political progress.

Throwing dollars at our problems abroad is not going to make them go away. Economics alone is not going to satisfy the hunger in the souls as well as the stomachs of men.

What we need in AID more than anything else is adequate preparation, adequate understanding of the forces, the desires, the longings which are working on the people of Latin America, of Africa, of Asia. What we need is for AID to concentrate on the basic dignity of man, his potential, his dreams, if you will, of a better life ahead for himself and his children.

We cannot even begin to touch these needs if we keep AID up at the Federal level in its dealings with other governments. We cannot feed money into a central government and hope that some of it will trickle down through the bureaucratic weedpatch to those we in Congress are really attempting to assist. What we need in AID is the determination on the part of that Agency's officials to get their hands dirty, to till the soil before they plant, to insist upon adequate preparation before we plant our seed capital, and if the government we are attempting to assist is unwilling or unable to do this vital job of preparation, then I think it is up to our Government to go down to the local level to the people to assure that this preparation is carried out.

The main commodity we have to offer the people of the world is not dollars. It is hope. Hope for their children and their children's children. To feed that hope, we must create confidence. To create this confidence, we need tangible results within the AID programs which people can see, can understand, can evaluate.

I think the House has made some notable steps in this direction by its approval of amendments which will help these people at the grassroots level, which will help them acquire a decent home, which will increase their own power to make their own decisions about their own futures, which will give them the means of providing themselves and their children with an adequate education.

I urge my colleagues to join me in support of this bill, this authorization, not only in terms of the dollars it provides to solve our problems abroad, but more importantly in my mind the direction, the approach, the guidelines it gives to the executive branch of our Government on the direction we believe foreign aid should take so that our citizens will benefit to the maximum degree in a free, peaceful, and vital world.

Mr. ROBISON. Mr. Chairman, many of those who addressed themselves today to the difficult issue of aid to Communist or Communist dominated or controlled countries, saw fit to preface their remarks with self-serving declarations attesting to their strong anti-Communist feelings, or something to that effect.

Mr. Chairman, I do not think the basic issue was that simple.

One's vote for or against the Frelinghuysen or the Morgan amendments to either the Feighan substitute or the original Casey amendment, could not be construed as a measure of one's antipathy to communism or one's awareness of the menace of the international Communist conspiracy.

Rather—if such votes were a measure of anything—they would only, to some extent, measure our respective evaluation of foreign aid, in its various aspects, as a weapon for use in winning the cold war. Now, obviously, there is room for much honest difference of opinion concerning the value of that weapon.

Around the Nation—as well as here in the Halls of Congress—the extent of that difference seems to depend upon the foreign aid frustrations of the moment—and this program has been full of inevitable frustrations. I, for one, have always considered our foreign aid program to be both a useful and a necessary weapon for us to use in prosecuting the cold war. Thus I have supported that program against the annual temptation to go along with those who, alarmed by its more obvious failures and oblivious of its less obvious concurrent successes, have urged that we ought to "throw the baby out with the bath water." In fact, if the cold war—as now seems to be the case—shifts from a contest which may ultimately have to be fought out on some conventional battlefield to one which seems more likely to be decided in the arena of world politics and economics, I am inclined to believe that the modern-day version of foreign aid—with proper administration—may well become an indispensable weapon in that conflict.

In any event, is it not certain that our best hope for winning that war—without an all-out atomic holocaust in which no one could win—lies with the billion or so people who are now held captive behind the various Iron Curtains that the tyrants of international communism have erected? Shall we abandon them altogether—and thus, perhaps, permit them in turn to abandon hope? Or shall we rather—while expressing our disapproval of the sort of aid that tends in any way to strengthen or perpetuate their Communist dictators and masters—continue to grant our President, whoever he may be, the power to extend to those captive people such assistance under this act, as well as under the Public Law 480 program, as—in the judgment of the President—is both vital to the security of the United States, and will promote the independence of the recipient people from international communism?

It seems to me that the latter course is the course we must follow, and my votes were so dictated.

Let it be further noted, that the language of the Morgan amendment together with the language of the vehicle to which it was attached, greatly strengthens the present act insofar as our expression of congressional disfavor toward indiscriminate aid to Communist nations is concerned and, for the first time, lays down certain guidelines which the President must observe in granting any aid under that policy. I think this was sufficient.

One last thought—which others also expressed: Under our Constitution, it is the President who determines foreign policy. That is his sole responsibility. Those of us—and I include myself in such group—who have resisted the attempts of the Chief Executive to invade what we have considered to be the constitutional prerogatives of Congress, were obligated to be equally vigilant against any comparable legislative attempts to invade the defined area of duty and responsibility of the President. Anything else would have been highly inconsistent—regardless of the provocation—and would have tended to further break down that wall of separation of powers upon which our form of government has been based.

Mr. GOODELL. Mr. Chairman, I have in the past voted, reluctantly, for foreign aid, feeling that the program is so vital to our national security that, with all its faults, it must be passed. There is now approximately $6.6 billion in the pipeline of foreign aid. This $6.6 billion will continue to flow whatever we do today.

Now what would the defeat of this bill accomplish? It would, I hope, shock the administration and those who have been, for years, pouring our money indiscriminately and almost automatically into every trouble spot in the world. It would require a thorough reevaluation and recasting of foreign aid.

There is real danger today, Mr. Chairman, that this country is overextending itself. Our balance of payments is more than $2 billion out of balance. We have given $61 billion in economic aid and $29 billion in military assistance since 1946. This total of $90.5 billion has done an incredible job of revitalizing the free world. Where it has been used to reconstruct industrialized countries, such as the Marshall plan aid to Western Europe, it was remarkably successful. But our aid to underdeveloped nations requires drastic revision and rethinking. Such aid is often, too often, wasteful and unrealistic.

I will continue to favor imaginative and prudently administered foreign assistance, but I am tired of assurances that things will be changed, while things go on and on as they have been, wasting our hard-earned money. There has been no significant change in this program under President Kennedy. Unless we do something drastic, the people administering this program will go on ignoring our well-intended congressional amendments to improve the aid program. I am voting "no" today in hopes that I can vote "yes" on a sensible foreign aid program later in this session.

Mr. ROGERS of Florida. Mr. Chairman, I would like to say at this point that I feel the Congress is making strides in reducing the size of outright gift assistance in the foreign aid program. The American people have felt this gift program has been allowed to get far out of proportion, and is a program which occupies an unnecessarily large segment of our national expenditures. I feel that this Nation is spending far too much money as it is, and that we are spending excessive amounts on our own domestic front. We are certainly spending too much in foreign aid, and foreign aid is one area which we would do well to drastically reduce.

In 1959, I offered an amendment in the House which directed the President to conduct a country-by-country study of those nations receiving bilateral grant assistance from the United States and to present to the Congress a specific plan whereby such gift assistance would be progressively reduced and eventually terminated. The amendment was sponsored in the Senate by the distinguished majority leader, Senator MANSFIELD, of Montana. Adoption of this amendment marked the first positive expression of congressional intent that gift and grant assistance be reduced. This amendment had the support of President Kennedy while he served as a Senator in the other body.

The first report was filed by Secretary of the Treasury Dillon, who was then Under Secretary of State. The report contained the encouraging news that plans were underway to terminate within 5 years more than half of the 22 economic-grant programs underway at that time.

As a result of the specific planning carried out under the direction of the Congress in this amendment, requests for gift and grant assistance in the year following the adoption of the amendment amounted to a reduction of $115 million. The amendment was adopted for fiscal year 1960 only. However, in 1961 the committee saw fit to adopt the same amendment which I offered, and insisted on its retention in conference. As a result, it is now part of the permanent law, and I am hopeful that next year the committee will again approve its position in the law. I have been advised that under the direction provided by this amendment, the gift and grant requests this year amounted to $145 million less than last year's request. In short, this amendment may be credited with reducing $260 million in gift and grant aid during the first 3 years of its life.

I commend the Committee on Foreign Affairs for its insistence that this amendment be adhered to by those responsible for this phase of the foreign-aid program. There has been a reduction in these programs in conformance with the intent of Congress as set forth in this amendment, and in addition in conformance with this amendment there has been a shift from out-and-out giveaways to loans and repayable assistance.

In fiscal year 1961 the loan portions of U.S. foreign aid amounted to approximately 34 percent of the total program. In fiscal year 1962 loans amounted to 40 percent of the total program. In the bill before us for fiscal year 1963 loans amount to 50 percent of the entire program.

Mr. Chairman, we are making strides. I commend the committee for retaining the gift and grant reduction amendment which I offered last year and hope the committee will continue this insistence in its future decisions.

Mr. WHARTON. Mr. Chairman, I have again followed the report and more especially, the comments of the members of the Committee on Foreign Affairs, who have spent much time and effort delving into the subject of mutual security and foreign assistance and who, because of their travels and firsthand information, have become authorities in this branch of our national expenditures.

From year to year when this bill comes before the House, we are promised a complete reexamination of the entire matter and legislation that is more responsive to our international interests and our fiscal situation. Now it is pointed out that fewer checks upon Executive action than ever are provided in the present measure and the net result again is described as disappointing with an impressive array of instances of poor planning and faulty administration. The mounting cost of administering the program is especially disturbing in view of the size of our ever-rising national debt, the limit of which has been increased three times during the past year, now setting a world's record of $308 billion for any and all nations.

The tendency over the years has been a marked increase in foreign aid requests with little or no apparent effort from the executive department to curb or control the situation. The most recent example would be the Chief Executive's highly publicized trip to Mexico, wherein modesty certainly was not exercised in connection with aid grants to that country. The proposed $20 million in that case, with possibly $40 million more to be anticipated, will be used for agricultural assistance, seeds, fertilizer, technical aid, and the like. More corn and wheat will be grown in Mexico, which is now reported to export 300,000 tons a year to Castro. Farmlands in Mexico, including benefits to their farmers, are closely controlled by their Government leaving only a pittance for the tiller of the soil, so that the winners in the end will be their bureaucrats and Castro.

It is reported instances of this nature that destroy our confidence in the overall program and cause us to question the continuance of loosely planned foreign handouts. I for one will again favor a more restricted and better supervised system of foreign aid.

Mr. O'BRIEN of New York. Mr. Chairman, every Member of this House is aware that the President of the United States is responsible for the foreign policy of the United States.

It is risky business to attempt to write foreign policy on the floor of the House through amendments tying his hands.

I refuse to accept the theory that President Kennedy, in his handling of our foreign policy, should be more restricted than was President Eisenhower.

We have no desire to add muscle to the Communist giant. However, I reject the suggestion that we are willing to abandon hope for the hapless lands which are held in Red bondage by force and force alone.

If we can chip a stone here and there from the wall behind which these helpless people are chained we should do so.

Russia knows, and we know, that if a showdown comes, these peoples in the satellite countries will provide the Achilles heel of the Red empire.

I am convinced that our President will use his powers wisely and discreetly and that no aid will go to any country under the sun unless it is designed to help the ultimate good of the United States and the free world.

Perhaps my stand will not win applause from the uninformed at the end of the bar, but it is one which I must take if I am to be honest with myself and concerned with the advance of the cause of freedom.

These are my convictions. They have been bolstered by the stand taken by the gentleman from Pennsylvania [Mr. WALTER].

Anyone who stood here or elsewhere and said the gentleman from Pennsylvania was soft toward communism would be hooted into silence.

He favors this power for the President. So do I.

Mr. SAYLOR. Mr. Chairman, regardless of the stand on foreign aid previously taken by my colleagues, it is abundantly clear that we cannot afford it. Today, we find ourselves at the end of our economy rope, and continuation of the present huge foreign aid program will soon collapse our economy.

For 17 years or more, the citizens of the United States have given untold billions of their dollars to help the rest of the world. We have pursued this course to the verge of national bankruptcy. Our gold supplies have been sucked away. Our national wealth has been scattered across jungles and deserts and down international ratholes. Our national economy, depressed by debt and unbalanced budgets and confiscatory taxes, is presently balanced on a razor-thin fulcrum. It could slide any time into an abyss that would make the depression of the 1930's look like a Sunday school picnic.

Moreover, I hold that there is no need for this full scale aid which the Congress is now being pressured to provide. The Western European economy is flourishing, and Japan has staged an amazing recovery from World War II, so great in fact that our President is asking Japanese industrialists to erect plants in our country. These industrialized countries need no help.

The emerging countries, recently liberated from colonialism, need teachers, missionaries, doctors, agricultural and sanitary personnel, and other technical assistance because they face a long evolutionary process before they can take their place among modern nations. Peoples who seek technical assistance, and who are willing to support at least part of it, should be aided.

The Alliance for Progress sponsors have made an authorized pledge to Latin America of $20 billion in 10 years despite the fact that these countries have invested an estimated $10 billion outside their own countries. If Latin Americans have so little confidence in the stability of their own governments, why should the Congress shift this aid burden to the backs of the U.S. taxpayers. These countries must be told that they cannot expropriate American property on the one hand and have the taxpayers of the United States come in and bail them out on the other.

I have grave doubts about the Alliance for Progress. I am of the opinion that if and when stable Latin governments guarantee property rights to outside investors, ample private capital will become readily available.

Foreign aid advocates hold that our "economic assistance could within two decades catalyze self-sustaining economic growth in most of the underdeveloped free world." Others argue that it "is the best instrument available to the United States for encouraging the growth of politically mature democratic societies." This doctrine has proven most erroneous. Take Brazil, for instance. Our aid to Brazil began in 1942, and despite total aid of over $2 billion and private capital investment of $1.3 billion, its financial position is desperate and her government unstable. Similar aid failures have occurred in Korea, South Vietnam, Laos, Turkey, Cuba, Bolivia, and elsewhere. In other words, the basic assumptions on which the aid program is predicated are unsound.

We are committed to assist certain areas which are directly threatened by Red aggression—Korea, Formosa, southeast Asia, and Berlin at present come under this classification. While this assistance must continue, all such aid should be carefully rescreened with a view to its reduction. I see no reason why we could not extend the Monroe Doctrine over South Korea and then gradually withdraw our garrisons there. Our Okinawa Air Force is within striking range of all North Korea.

The NATO ground force will soon be increased to 30 divisions. The Soviets have 175 regular divisions and some 300 divisions in reserve. Therefore, the NATO divisions cannot be considered an effective war deterrent. In the final analysis, we must admit that our troops in West Germany are there to convince Europeans that should the Red army invade, we will be in the war from the moment the first bomb is dropped. Why then do we need six divisions? Would not a reinforced brigade suffice as a token force?

Surely if we are providing the strategic striking forces for the free world, conventional forces for southeast Asia and perhaps elsewhere, prosperous Europe should provide its own peacetime garrisons. West Germany is exceedingly prosperous and there is no reason, militarily or economically, why we should continue to garrison that state. Our troops there spend some $600 million annually which is a strong factor in our continuing unfavorable balance of payments. A program for the gradual withdrawal of our West German garrison is long overdue. In Berlin and southeast Asia the situation is entirely different. Under present circumstances, we cannot withdraw our troops from these areas.

The Senate was wise to deny financial aid to Commuist satellites Yugoslavia and Poland. Similar action should be taken to include all other countries under Communist domination or leanings, and aid should be denied every country which expropriates American property without prompt and fair compensation.

Mr. Chairman, economic aid should be limited principally to technical assistance. This restriction would work no hardship. There are now eight agencies with lending power of many billions of dollars—the Export-Import Bank, Inter-American Development Bank, International Development Association, International Monetary Fund, World Bank, International Finance Corporation, Inter-American Social Progress Trust Fund, and the Agency for International Development. In addition, there will be a carryover of unexpended aid funds from fiscal 1962 an amount estimated between $5 and $6 billion.

Sending comedians abroad to entertain for the State Department is unnecessary because foreign nations are already laughing themselves sick at this foreign aid program. The Joey Adams' troupe to Afghanistan proved conclusively the inanity of the State Department's cultural program. Congress should be particularly interested in the fact that this so-called funny man was drawing $1,200 a week of taxpayers money for his sojourn halfway around the world. The average taxpayer has been given to believe that these entertainers contribute their talent gratis, whereas in fact they are riding high on Treasury funds in their world tours.

The President has placed responsibility for our unfavorable balance of payments where it belongs:

> It is the combination of the $3 billion that we spend keeping our defense forces overseas, and combined with assistance we give in other ways, which provides for our dollar drain.

This administration is employing a series of economic stratagems in a desperate attempt to hide our chronic unfavorable balance of payments. But the one sure cure is to stop our lavish oversea spending. Annually, the U.S. Government spends more than $6 billion overseas. This is principally for economic aid, military assistance, and the spending by and for our oversea forces. So long as this huge spending continues, our unfavorable balance of payments will continue, and enable foreigners to amass nearly $23 billion short-term credits redeemable in gold. When foreign aid began, our gold reserves stood at $24.5 billion—it now stands at $16.4 billion—$11.5 billion must be retained by law to strengthen our currency. This leaves less than $5 billion in free gold to meet potential demands totaling nearly $23 billion.

If our economy is to survive, we must maintain a sound dollar. It is obvious that Europeans hold our economy at their mercy, and watch it like a Shylock. If we return to a sound economy, the dollar will be respected; foreigners will invest their dollar holdings rather than buy gold. On the other hand, if we continue our present aid program, as the dollar value worsens, foreign held dollars will draw down our gold.

Largely because of multibillion-dollar gifts from Washington, foreign countries have been able to establish industries which undersell ours. Our industries pay high wages and taxes; industry abroad pays low wages and benefits from its government subsidies or favorable tax treatment. We have given much of the world our latest technology, machinery, and know-how. As a consequence, foreign products are being dumped on our market, and depressed areas result with widespread unemployment. No one advocates lower wages for Americans, but lower taxes, both corporate and personal withholding, would improve the competitive position of our industry.

Our so-called mutual security assistance gives our industrialized allies an additional impetus to their flourishing economies by underwriting much of their defense burden. In both world wars, our genius for industrial production was decisive in our victories. The serious decline of our industry as a result of foreign competition is undermining our defense effort and threatens our survival.

The claim that aid money spent at home strengthens our economy is pure sophistry. The administration's argument that two-thirds of aid money is spent in the United States is inaccurate. Here are the figures taken from AID Operations Report of December 31, 1961. Fiscal year 1959, 47 percent; 1960, 41 percent; 1961, 44 percent; and the first half of 1962, 60 percent.

Doubtless Government contracts for foreign aid materials have brought profits to U.S. firms and may have influenced them and their workers to support foreign aid. However, when a manufacturer's product is given away, rather than strengthening our economy, it siphons off our wealth. Money spent for goods and services to be used as foreign aid creates consumer buying power, but not consumer goods for Americans. Hence such foreign aid is by its very nature inflationary.

Were foreign aid expenditures drastically reduced, taxes could be lowered. The people, with increased buying power, would alleviate the unemployment situation and create a boom.

Mr. Chairman, I am compelled to conclude that strong measures are vital if we are to recover economic stability. The President himself realizes this and "has ordered his Council of Economic

Advisers to study Western Europe's budget, tax and economic policies to find out, if it can, what makes Europe run while America walks."

The President does not need to send his Economic Advisers to Europe to find what "makes Europe run while America walks." Europeans are too understanding of the folly of foreign aid, too thrifty, and too mindful of their taxpayers to scatter foreign handouts to the four corners of this world to the tune of some $5 billion annually. If we will but cut foreign aid to the bone, our economy also will run instead of walk. The American taxpayer should be relieved of carrying the weight for the whole world.

For years, we have been giving away our billions all over the world, to "keep countries from going Communist." It has been a poor investment, for more and more countries and areas turn left in spite of our billions.

Some Americans say we should continue to give away our savings because it is the charitable thing to do, and we can afford it. Is it? Can we? We have been pouring out our earnings for years to people, most of whom tax themselves at lower rates than we pay in order to make gifts to them. And many, many of these nations who not only accept our gifts but demand more, are no nearer self-support nor the self-respect it brings, than when we started to pay their bills.

If foreign aid simply makes foreign nations expect it, and if it does not prevent the spread of communism or its blood-brother "neutralism," are we not simply making more and more countries more attractive prey for Communist aggressors? Are we not just supplying the wealth that will make those areas worth conquering, without forcing them to use our aid to make themselves strong enough to resist our common enemy?

Where is the charity—where is the good sense or decency—in that?

Mr. ASHBROOK. Mr. Chairman, it is well past the time for the United States to take a long, hard look at our foreign aid programs. Not only from a standpoint of our fiscal position—this administration has spent more than $10 billion in excess of what we had to spend since it came into office—but from the viewpoint of what foreign aid as a program is doing throughout the world. Most Americans have believed that we should help others to the extent that we can, on a short-term basis, to allow them to help themselves. This is not only the right thing to do but it is in the interest of the free world fight against communism.

I believe, my colleagues, that the public is catching on to the sheer waste and stupidity of the program and will no longer tolerate such inefficiency as abounds in foreign aid. In truth, most of the statements on the floor today and yesterday by the bill's proponents contained more apologies for foreign aid than anything else. Unless some serious effort is made to tailor foreign aid to a workable, efficient program it will collapse of its sheer obesity. Guidelines must be established that assure that people of the countries receiving aid will truly be benefited. Too many examples can be cited of lining the pockets of the ruling class. In Latin America today, for example, there is little argument that more capital is fleeing to Swiss banks and other safe retreats than we are asked to pour in to help.

Let us take a look at just where this aid has gone. The figures given are the minimum since other means of channeling our dollars have been devised by the bureaucrats who promote this program. Some of it, of course, went for good purposes and assisted our neighbors in their fight for freedom. Too much, however, went to those who want our money but call themselves neutral although judged by their votes in the United Nations, their public pronouncements and actions they seem more friendly to Khrushchev and company. Here is the official breakdown of our foreign aid program:

Foreign aid as of June 30, 1961

Austria	$1,170,100,000
Belgium-Luxembourg	1,935,200,000
Denmark	822,200,000
France	9,423,600,000
Germany (Federal Republic)	4,993,900,000
Berlin	127,000,000
Iceland	62,600,000
Ireland	146,200,000
Italy (including Trieste)	5,517,000,000
Netherlands	2,416,000,000
Norway	1,024,500,000
Poland	509,400,000
Portugal	370,600,000
Spain	1,470,300,000
Sweden	108,900,000
United Kingdom	8,668,300,000
Yugoslavia	2,132,400,000
Regional	2,237,300,000
Burma	93,900,000
Cambodia	263,600,000
China, Republic of	3,894,500,000
Indochina (undistributed)	1,535,000,000
Indonesia	558,000,000
Japan	3,462,500,000
Korea	4,486,600,000
Laos	301,200,000
Malaya	21,800,000
Philippines	1,555,700,000
Thailand	571,800,000
Vietnam	1,895,900,000
Regional	316,100,000
Greece	3,073,500,000
Iran	1,012,500,000
Iraq	65,300,000
Israel	709,100,000
Jordan	230,900,000
Lebanon	86,100,000
Saudi Arabia	46,600,000
Turkey	3,094,900,000
United Arab Republic	295,000,000
Nicaragua	42,500,000
Panama	58,600,000
Paraguay	39,500,000
Peru	334,300,000
Uruguay	72,300,000
Venezuela	73,300,000
West Indies Federation	11,500,000
Oversea Territories	4,800,000
Regional	111,100,000
Ethiopia	115,000,000
Ghana	4,000,000
Guinea	3,800,000
Liberia	73,300,000
Libya	154,000,000
Yemen	11,300,000
CENTO	23,200,000
Afghanistan	145,700,000
Ceylon	65,300,000
India	2,383,900,000
Nepal	39,400,000
Pakistan	1,255,700,000
Regional	854,200,000
Argentina	460,500,000
Bolivia	191,700,000
Brazil	1,376,500,000
Chile	$364,600,000
Colombia	249,500,000
Costa Rica	68,700,000
Cuba	52,000,000
Dominican Republic	8,800,000
Ecuador	84,300,000
El Salvador	10,000,000
Guatemala	117,400,000
Haiti	80,400,000
Honduras	34,900,000
Mexico	600,000,000
Morocco	194,700,000
Nigeria	6,200,000
Somali Republic	9,100,000
Sudan	44,100,000
Tunisia	135,200,000
Oversea Territories	60,900,000
Regional	21,600,000
Nonregional	3,336,200,000
Total all countries	84,090,800,000

Actual costs, according to the International Cooperation Administration, have exceeded $5 billion per year since the inception of the program. The yearly breakdown is as follows for our foreign aid program:

[In billions of dollars]

1946–48	14.4
1949	8.4
1950	5.2
1951	4.6
1952	4.0
1953	6.8
1954	5.8
1955	5.2
1956	5.6
1957	5.4
1958	5.4
1959	5.8
1960	5.3

This is the iceberg above the surface. A closer study of our foreign aid which goes under other labels would run the amount up considerably—probably by as much as 50 percent. Only today Yugoslavia got a loan from the World Bank which is largely subsidized by U.S. taxpayers.

President Kennedy wants $4.9 billion of our tax money to go into the foreign aid program next year, about $1.6 billion more than Congress gave him last year. The Congress has seen fit to cut about $200 million of it. Most Americans have believed that we should assist needy nations wherever possible. After the war, we all accepted the idea that we should assist war-torn Europe and we did. Next we were sold the idea—and we bought it—that we should help so-called underdeveloped countries although now we see many of these same countries flooding cheap products into our country and getting thereby aid on the one hand and our jobs on the other. What we have never accepted, however, is the idea that obviously was there all of the time—foreign aid forever.

On February 2, 1962, Presidential Adviser Chester Bowles, an ardent one-worlder, said "foreign aid will be with us all our lives." He added that "it can be expected countries with Communist leanings will receive such aid." It can be shown time and time again that we have the complete paradox of spending billions for defense—why for defense? Because of the Communist criminal conspiracy—and at the same time millions flow through our foreign aid syphon to the very countries threatening the peace of the world.

Probably the biggest fallacy in the whole job of selling the foreign-aid program is that of overselling. President Kennedy flatly states that every dollar of the $4.9 billion aid is vital to this country and to world security. The truth probably never will be known as to how badly mismanaged and how extravagant the program is but enough of the iceberg is visible above the surface to know it is downright deplorable.

Last month, the House Foreign Affairs Committee released a report which told the American taxpayer nothing new. It stated that "moneysaving does not appear to be an important objective in the administration of U.S. aid." A few of the examples of poor administration cited were first, a $5.3 million military aid project in Turkey which has produced nothing in 5 years; second, a $10 million project in Korea which was supposed to get underway 4 years ago but has not been started; third, waste of $300,000 in South Vietnam on trucks that could have been bought cheaper; and, fourth, an $11 million highway project in Vietnam approved 2 years ago which is not even on the drawing boards yet.

If we were merely spending money unnecessarily it would be bad enough. Unfortunately, this money is being used to promote socialism and totalitarianism in many of the recipient countries. We are encouraging socialistic reform in South America. Our Government is showing countries how to force up the price of coffee and tin—to the adverse interest of American consumers—by government control. Free enterprise and the free market are not encouraged.

Because of our weakness in giving leadership, we invite the stealing of American property. Does this cut off foreign aid? No. Starting with the recognition of Communist Russia in the early days of the first Roosevelt administration our policy has allowed the stealing of American property with impunity. Pro-Red Castro stole billions in American property during the Eisenhower administration and evoked little protest. President João Goulart, of Brazil, literally stole American property last fall and then comes to Washington to get the red carpet treatment and speak before a joint session of Congress. No aid should go to any country which steals American property.

Another fallacy is the argument that the Soviets will give aid to the underdeveloped countries if we do not and thereby advance the cause of communism. Except in the early days of the program, foreign aid has done very little to check the growth of communism. The Soviet Union talks of financial assistance to countries and we make the mistake of assuming that their aid is similar to ours. It is not by any stretch of the imagination. They do not give bona fide financial aid except in rare situations. They give Soviet bloc credits for payment of Soviet technicians, labor, and so forth, and almost always force the recipient country to make a reciprocal deal. They use very few grants and classify most of their assistance as loans. They do not use our handout method but endeavor to tie the country to them by use of credits for periods of 10 or 15 years, thereby exerting influence in the country for many years after our large grants are forgotten.

The Agency for International Development—AID—which dispenses the billions in foreign aid admitted in March that it was possible that U.S. aid was mingled with Soviet aid in 18 nations. This was revealed only after a House subcommittee uncovered the fact that materials purchased by American aid had been used in the construction of a Soviet-sponsored hospital in Cambodia. AID said there was not anything startling about this because the Communists help us once in a while, too.

Every dollar is needed? A few weeks ago we read of Emperor Haile Selassie using several million of our foreign aid dollars to refurbish his yacht with gold wallpaper and the trimmings fitting for a potentate. The gentleman from Ohio, Representative Wayne Hays, Democrat, recently raised the roof after learning that American taxpayers were footing the bill for $3,000 a month salaries to Congolese Cabinet members through our foreign aid. These are but a few examples of what we are doing.

We are constantly told that we "owe" foreign aid. Even to the extent, the dogooders say, that we should borrow to give it away. This is precisely our position of the past few years. Our deficit spending has been almost exactly the amount of our foreign aid. We have more national debt than the combined debt of all those whom we are aiding and our gold reserves are running out. Everything points to a situation which would make reasonable men wonder but the Congress and the President continue on their merry way. Make no mistake about it, my colleagues, the public has had its fill of this Alice in Wonderland approach to domestic and international issues. The public is not so gullible or so easily misled. The public surely understands the Communist criminal conspiracy better than does the State Department. More commonsense prevails among the people back home than you give them credit for. They are generous, they are humanitarian, they want to help their neighbor but they are also interested in the solvency of their Republic.

Speaking of our interest, it is significant to watch the efforts of the Kennedy administration in watering down the Senate-passed version of the aid program as it relates to foreign assistance to Communist countries. Here is one issue with which the public is concerned and, in my opinion, has a very definite understanding. I urge a rollcall vote on this matter so the constituents back home can find out who is for giving our taxpayers' money to further communism. Let those who so believe answer at the polls.

The most fallacious of all arguments is given to support aid to Yugoslavia, Poland, and the other Soviet satellites. I absolutely oppose aid to Communist countries. The worst perversion of history is perpetrated to justify this aid. We are told that conditions are better in these countries since our aid money has flowed to their governments. This is true. There was unrest before our aid because communism did not work well and the people began to protest. Our aid has made conditions better and helped tranquilize them. They now think communism works and they will be more content. A double blow is dealt because those who are working against communism within these countries are hampered in their efforts to return these countries to the free world. The United States looks like a complete fool to these patriotic freedom fighters. Take the time to talk to some of these Polish or Yugoslavian anti-Communists. They are bewildered at the foolishness of America in assisting their oppressors. We are told by the State Department and the administration that this foreign aid helps people and not governments but the facts do not substantiate these arguments. The Communist tyrants will never be forced to face the wrath of their subjects as long as we bail out their tottering regimes.

U.S. policy on foreign aid has, in my judgment, been wavering, unrealistic, and susceptible to blackmail. A good example was cited by Time magazine in February of this year when it told of Uruguay's Chief of State, Victor Haedo, bluntly asking Secretary of State Dean Rusk:

> Tell me, that aid you promised, when is it coming in?

Rusk replied:

> Very soon, Mr. President, just as soon as Congress approves it.

Haedo then snapped:

> Well, then, it will be received by our grandsons.

Secretary Rusk as usual just took it rather than explaining to President Haedo that we were doing them a favor, after all, and he should be more worried about complying with the conditions we have laid down for the Alliance for Progress.

Such is not the case, however, in our friend-buying and foolishness in the foreign aid program. A general loss of respect can be expected if we continue to go in this direction.

Probably the most regretable tactic is that of telling the people we must continue these handouts to prevent the Communists from taking over. "An empty stomach is a Communist workshop," we are told. This completely overlooks the historical nature of communism which is a criminal conspiracy and not a philosophy. Highly developed countries like Poland and Czechoslovakia were taken over by subversion, not hunger—subversion and our lack of responsible foreign policy, I should say. Those who would frighten us in to believing that the Communists will take over unless we pour our dollars by the billion never try to answer the China riddle or the fact that communism and socialism have never really solved any problems in the countries of the world. The Chinese have communism and they are hungry. Except for our aid the people of Poland and Yugoslavia would probably be in revolt.

All one needs to do is to read the headlines and articles in our newspapers. The Washington Star of June 9, 1962, carried an article in which it was stated:

> Anti-American demonstrations spread in South Korea today. The U.S. Army ordered American military personnel in the Seoul area restricted to base except for official business.

U.S. aid to Korea as of June 30, 1961 was $4.6 billion;

The New York Times of June 9, 1962:

> Colombo, Ceylon.—Minister of trade Tikiri Banda Ilangaratne announced today the Government seizure of further properties of Esso, Shell, and Caltex oil companies in Ceylon.

U.S. aid to Ceylon has been $63 million.

New York Times of June 11, 1962:

> Athens.—The Government appealed to farmers today to limit wheat-growing on the ground that it deprived Greece of substantial United States aid in agricultural surpluses.

Greece has received $2.95 billion in U.S. aid.

We hear a lot about the Common Market and how they are going to be the whiz kids in economic competition from now on. Well, we have given the Common Market countries $22.8 billion in U.S. aid.

On May Day, 1962, President Sukarno, of Indonesia, declared that he had brought respectability to that country's Communists because he was convinced that they were beneficial to the young nation. While trying to establish a Socialist state himself, he noted in a speech before the closing session of the Communist Party Congress:

> I am very happy to have removed the Communist phobia from the minds of our people. Two years ago communism was regarded as Satan and Devil by the majority of the Indonesian people.

Now, that is real progress. We have literally poured foreign aid dollars into that country—over one-half billion dollars—and he has pursued a policy which in his own words has removed the "phobia" about communism. Indonesia has been purchasing cruisers, destroyers, and submarines from Poland and Yugoslavia to strengthen her military establishment for the proposed takeover of Dutch New Guinea. More of what the gentleman from Minnesota, Representative Walter Judd, referred to as our policy of "trying to make friends out of our enemies by making enemies out of our friends."

In Ghana, we have helped build a despotic reign of terror with our support and dollars. President Kwame Nkrumah is running a police state, yet only last year the United States pledged $133 million to help finance a huge power dam and aluminum plant on the Volta River. Item: On May 1, 1962, it was announced in Moscow that President Nkrumah had been awarded the Lenin Peace Prize.

Another Lenin Peace Prize winner, President Sekou Touré found the way to make the dollars jingle. Though toeing the Communist line, he claims his little country of Guinea is threatened by Communist takeover.

In Cambodia, Prince Norodom Sihanouk has said:

> Be sure of one thing: in spite of all the disapproval of the West I will never abandon my friendship with the Chinese and the Russians. I will never give them up.

That is all right, we will drop $270 million in that country because, after all, there is a chance.

Trade and aid has been stepped up during the Kennedy administration to the Communist bloc countries. Secretary Rusk artfully sells the idea that Communists are not really Communists if they live in Yugoslavia, Poland, and so forth. Item: we build a steel mill for Poland at the same time they are offering $32.1 million to India as a long-term loan. These facts would be humorous if they were not so tragic.

On June 22 of this year, Prime Minister Cheddi B. Jagan, of British Guiana, acknowledged that he could be described as a Communist, according to a New York Times article. Dr. Jagan was giving evidence before a commission inquiring into the February riots at Georgetown and said he believed the Communist creed of "each according to his ability; each according to his need." Yet, he will be holding his hands out for our foreign aid and we will give it to him. Will he build a free government or a Communist government with this money? You answer the question.

On the same day, Prime Minister Jawaharlal Nehru complained bitterly that the United States and Britain had voted against India in the United Nations Security Council's consideration of the dispute over Kashmir. He said that their actions cast "doubt" on their good will toward India and that all the good will built up over the years "is washed out in one stroke" by a "speech made and a vote cast." Now, that is a good example of the success of our foreign aid program. We have given India over $2.4 billion but it is all washed out in one stroke. Will we not ever wake up? You do not have to use anything more than commonsense to see what is happening and how foolish we are. Mr. Nehru continued:

> Speeches made by the U.S. Representative in the Security Council meeting on Goa hurt us, annoyed us, irritated us, angered us.

India votes with the Communist bloc more often than with us and that is not supposed to annoy us, irritate us, anger us—no, we just continue pouring out the dollars. Does this make good sense?

Our latest spat with India is over their purchase of Mig fighters from Russia. It appears the issue will be settled and they will not buy them from the Russians. Krishna Menon will reluctantly agree to purchase of British or French planes provided they are paid for by U.S. dollars. Another victory for our hard-hitting State Department and the foreign aid bureaucrats.

What should we do about foreign aid? The answer is the same as it is in the realm of domestic waste, duplication, and inefficiency—turn off the tax dollar spigot. Foreign aid was founded on a humanitarian instinct at a time of dire need. It has been maintained by overselling its need—indeed, some say that we "owe" it—on a false understanding of what the Communists are doing. In 1948, 450 people were employed to administer the program. Thirteen years and over $80 billion later, this staff had grown to 12,000 persons who direct 2,000 projects with an additional 9,000 persons engaged in military assistance alone. We are long past due the time when we should examine this giveaway program very closely, cut it drastically, and use it only where we are promoting the cause of freedom.

Mr. YOUNGER. Mr. Chairman, in the past I have supported the foreign aid authorizations and appropriations even though with increasing doubt and reluctance.

This year the bill authorizes an increase in appropriations over the previous years. The total money amounts to $4,600 million and this is in face of the fact that the Agency for International Development on June 30 of this year had unexpended funds of over $6.5 billion. True, much of it is obligated but a lot is not. The organization also has $3 billion in foreign currency which can be used in the various countries with which we deal. If our own finances were sound, this increase in expenditures might be justified, but the facts are that we have just closed fiscal year 1962 with a deficit in excess of $7 billion and we are facing a known deficit in 1963 of $4 billion. Should a tax cut be passed, the deficit could easily run from $10 billion to $12 billion.

Our economy is on the move but, unfortunately, in the wrong direction. Unemployment is increasing. The House recently by a slim margin increased the debt limit. I was one of those who voted against increasing the limit.

The bill before us is one of those pieces of legislation which will make it necessary to increase the debt limit again if the bills are to be paid.

The outflow of gold continues and this bill is one of the prime contributors to this outflow. The bill also contains only recommended curtailment of furnishing funds to Communist-controlled countries and so it is apparent that we will continue to furnish funds to strengthen the dictators' hold on several of these Communist countries.

In the face of all of these facts, it does seem illogical and foolhardy to pose among nations as the great giver when we are hard pressed in our own country.

For the first time since I have been in Congress, I feel impelled to vote against this foreign assistance program.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. Mills, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, pursuant to House Resolution 689, he reported the bill back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

This bill was ordered to be engrossed and read a third time and was read the third time.

Mrs. CHURCH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. CHURCH. I am.

The SPEAKER. The gentlewoman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. CHURCH moves to recommit the bill, H.R. 11921, to the Committee on Foreign Affairs.

(By unanimous consent, the previous question was ordered.)

The SPEAKER. The question is on the motion to recommit.

Mrs. CHURCH. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ADAIR. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 250, nays 164, not voting 22, as follows:

[Roll No. 153]

YEAS—250

Addabbo
Albert
Anfuso
Arends
Ashley
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baldwin
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Beckworth
Bennett, Fla.
Blatnik
Boggs
Boland
Bolling
Bolton
Boykin
Brademas
Breeding
Brewster
Bromwell
Brooks
Broomfield
Broyhill
Buckley
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Celler
Chelf
Chiperfield
Clark
Coad
Cohelan
Conte
Cook
Cooley
Corbett
Corman
Curtin
Daddario
Dague
Daniels
Dawson
Delaney
Dent
Denton
Diggs
Dingell
Dominick
Dooley
Downing
Doyle
Dulski
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Evins
Fallon
Farbstein
Fascell
Feighan
Fenton
Finnegan
Fino
Fogarty
Ford
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Giaimo
Gilbert
Glenn
Gonzalez
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagen, Calif.
Halleck
Halpern
Hansen
Harding
Hardy
Hays
Healey
Hébert
Hechler
Herlong
Holifield
Holland
Huddleston
Inouye
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilburn
King, Calif.
King, Utah
Kirwan
Kluczynski
Kunkel
Lane
Lankford
Lesinski
Libonati
Lindsay
Loser
McDowell
McFall
Macdonald
MacGregor
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Mass.
Mathias
Matthews
Meader
Merrow
Miller, Clem
Miller,
  George P.
Miller, N.Y.
Milliken
Mills
Monagan
Montoya
Moorhead, Pa.
Morgan
Morrison
Morse
Mosher
Moss
Multer
Murphy
Natcher
Nedzi
Nelsen
Nix
Norblad
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Patman
Perkins
Peterson
Philbin
Pike
Pirnie
Price
Pucinski
Purcell
Quie
Randall
Reuss
Rhodes, Pa.
Riehlman
Rivers, Alaska
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Schneebeli
Schweiker
Schwengel
Scranton
Seely-Brown
Selden
Shelley
Sheppard
Sibal
Sisk
Slack
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Staggers
Stratton
Stubblefield
Sullivan
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Tupper
Udall, Morris K.
Ullman
Vanik
Van Zandt
Vinson
Wallhauser
Walter
Watts
Weis
Westland
Whalley
Widnall
Wilson, Calif.
Wright
Yates
Zablocki
Zelenko

NAYS—164

Abbitt
Abernethy
Adair
Alexander
Alger
Andersen,
  Minn.
Anderson, Ill.
Andrews
Ashbrook
Ashmore
Baker
Baring
Battin
Becker
Beermann
Belcher
Bell
Bennett, Mich.
Berry
Betts
Bonner
Bow
Bray
Brown
Bruce
Burleson
Casey
Cederberg
Chamberlain
Chenoweth
Church
Clancy
Collier
Colmer
Cramer
Cunningham
Curtis, Mo.
Davis,
  James C.
Davis, John W.
Derounian
Derwinski
Devine
Dole
Dorn
Dowdy
Durno
Findley
Fisher
Flynt
Forrester
Fountain
Garland
Gathings
Gavin
Goodell
Goodling
Grant
Gross
Gubser
Hagan, Ga.
Haley
Hall
Harris
Harrison, Va.
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hemphill
Henderson
Hiestand
Hoeven
Hoffman, Ill.
Hosmer
Hull
Ichord, Mo.
Jarman
Jennings
Jensen
Johansen
Jonas
Kilgore
King, N.Y.
Kitchin
Knox
Kornegay
Kyl
Laird
Landrum
Langen
Latta
Lennon
Lipscomb
McCulloch
McDonough
McIntire
McMillan
McVey
Mack
Martin, Nebr.
May
Michel
Minshall
Moeller
Moore
Moorehead,
  Ohio
Morris
Moulder
Murray
Norrell
Nygaard
O'Konski
Passman
Pelly
Pilcher
Pillion
Poage
Poff
Ray
Reece
Reifel
Rhodes, Ariz.
Rivers, S.C.
Rogers, Fla.
Rogers, Tex.
Roudebush
Roush
Rousselot
Rutherford
St. George
Saylor
Schadeberg
Schenck
Scherer
Scott
Shipley
Short
Shriver
Sikes
Siler
Smith, Calif.
Smith, Va.
Steed
Stephens
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thomson, Wis.
Tollefson
Tuck
Van Pelt
Waggonner
Weaver
Wharton
Whitener
Whitten
Wickersham
Williams
Willis
Wilson, Ind.
Winstead
Young
Younger

NOT VOTING—22

Alford
Blitch
Curtis, Mass.
Davis, Tenn.
Donohue
Flood
Frazier
Hoffman, Mich.
Horan
Kowalski
McSween
Mason
Pfost
Powell
Rains
Riley
Roberts, Ala.
Saund
Taber
Thompson, La.
Utt

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Davis of Tennessee for, with Mr. Thompson of Louisiana against.

Mr. Donohue for, with Mrs. Riley against.

Mr. Frazier for, with Mr. McSween against.

Mr. Kowalski for, with Mr. Alford against.

Mr. Roberts of Alabama for, with Mrs. Blitch against.

Mr. Powell for, with Mr. Mason against.

Mr. Curtis of Massachusetts for, with Mr. Hoffman of Michigan against.

Mr. Rains for, with Mr. Utt against.

Mr. Flood for, with Mr. Taber against.

Until further notice:

Mrs. Pfost with Mr. Horan.

The result of the vote was announced as above recorded.

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make corrections as to the section and subsection numbers in connection with the amendments adopted by the committee.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, pursuant to House Resolution 689, I call up the bill S. 2996 and move to strike out all after the enacting clause of the Senate bill and insert in lieu thereof the text of the bill H.R. 11921 as passed.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1962".

PART I—ACT FOR INTERNATIONAL DEVELOPMENT OF 1961

Chapter 1—Short title and policy

SEC. 101. (a) Section 102 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting the following sentence at the end of the sixth paragraph: "It is further the sense of Congress that support for the peaceful uses of atomic energy should be continued, in furtherance of the purposes of this part. It is further the sense of Congress that it is desirable that the programs of assistance under this part to each country receiving such assistance, as well as such country's own programs of economic development, should be reviewed by Advisory Committees appointed by the President to advise the President and the Congress whether such programs will be effective in achieving the purposes of this Act and in bringing about the economic development of such countries."

(b) Such section is further amended by inserting after the seventh paragraph the following:

"It is the sense of Congress that requests for appropriations to carry out programs of assistance under this Act should be accompanied by information with respect to the priorities assigned among the countries receiving assistance for the fiscal year for which appropriations are requested.

"It is further the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act."

(c) Such section is further amended by inserting at the end of the last paragraph the following new sentence: "It is the sense of Congress that, where feasible, the United States Government invite friendly nations to join in missions to consult with countries which are recipients of assistance under this part on the possibilities for joint action to assure the effective development of plans for the economic development of such recipient countries and the effective use of assistance provided them; and that the President may request the assistance of the International Bank for Reconstruction and Development in bringing about the establishment of such missions."

Chapter 2—Development assistance

Title II—Development Grants and Technical Cooperation

Sec. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is amended as follows:

(a) In section 211(a), which relates to general authority, strike out "In so doing" in the second sentence and substitute "In furnishing assistance to countries and areas under this title".

(b) In section 212, which relates to authorization, strike out "1962" and "$380,000,000" and substitute "1963" and $300,000,000", respectively.

(c) Strike out section 213, which relates to atoms for peace.

Title III—Investment Guaranties

Sec. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is amended as follows:

(a) Amend section 221(b) which relates to general authority, as follows:

(1) In paragraph (1) strike out "$1,000,000,000" in the proviso and substitute "$1,300,000,000".

(2) In paragraph (2) strike out the words preceding the first proviso and insert in lieu thereof the following: "where the President determines such action to be important to the furtherance of the purposes of this title, assuring against loss of any loan investment for housing projects with appropriate participation by the private investor in the loan risk and in accordance with the foreign and financial policies of the United States, or assuring against loss of not to exceed 75 per centum of any other investment due to such risks as the President may determine, upon such terms and conditions as the President may determine".

(3) In paragraph (2) strike out "$90,000,000" in the third proviso and substitute "$180,000,000", and after the word "guaranty" insert the following: "in the case of a loan shall exceed $25,000,000 and no other such guaranty".

(b) Amend section 222, which relates to general provisions, as follows:

(1) In subsection (d) insert ", and out of funds made available pursuant to this title" before the period.

(2) Add the following new subsection (f):

"(f) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1963 to carry out the purposes of this title not to exceed $100,000,000, which shall remain available until expended."

(c) Amend section 224, which relates to housing projects in Latin American countries, as follows:

(1) In subsection (b) strike out "$10,000,000" in the second sentence and substitute "$60,000,000".

(2) In subsection (c) strike out "and (e)" and substitute "(e), and (f)".

Title IV—Surveys of Investment Opportunities

Sec. 104. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out "1962" and substituting "1963".

Alliance for Progress

Sec. 105. Chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development assistance, is amended by adding at the end a new title VI, as follows:

"Title VI—Alliance for Progress

"Sec. 251. General Authority.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. Accordingly, the President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

"(b) Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance to countries and areas under this title, the President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este, and in particular the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economic and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives; and (4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved. In making loans under this title from funds which are required to be used for loans payable as to principal and interest in United States dollars, the President shall take into account, in addition to the considerations named in the preceding sentence, whether financing could be obtained in whole or in part from other free world sources on reasonable terms and the efforts made by recipient nations to repatriate capital invested in other countries by their own citizens. The provisions of sections 201(d), 202(b), 202(c), and 204 shall be applicable to such loans, and they shall be made only upon a finding of reasonable prospects of repayment.

"(c) The authority of section 614(a) may not be used to waive the requirements of this title with respect to funds made available for this title which are required to be used for loans payable as to principal and interest in United States dollars, and the authority of section 610 may be used to transfer such funds only to funds made available for title I of chapter 2 of part I.

"(d) In order to carry out the policies of this Act and the purpose of this title, the President shall, when requested by a friendly country and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to insuring a wider and more equitable distribution of the ownership of land.

"(e) In furnishing assistance under this title, consistently with and for the purposes of section 601(b)(4) of this Act, the Agency for International Development or any other departments and agencies designated by the President shall provide such assistance as may be determined by the President to be necessary from time to time in order to make effective the efforts of the Commerce Committee for the Alliance for Progress, established under the Department of Commerce.

"Sec. 252. Authorization.—There is hereby authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, not to exceed $600,000,000 for use beginning in the fiscal year 1963 and not to exceed $800,000,000 for use beginning in each of the fiscal years 1964 through 1966, which sums are authorized to remain available until expended and which, except for not to exceed $100,000,000 of the funds appropriated pursuant to this section for use beginning in the fiscal year 1963, shall be available only for loans payable as to principal and interest in United States dollars."

Chapter 3—International organizations and programs

Sec. 106. Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended by striking out "1962" and "$153,500,000" and substituting "1963" and "$148,900,000", respectively.

Chapter 4—Supporting assistance

Sec. 107. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out "1962" and "$465,000,000" and substituting "1963" and "$400,000,000", respectively.

Chapter 5—Contingency fund

Sec. 108. Section 451 of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by striking out "1962" and substituting "1963".

PART II—INTERNATIONAL PEACE AND SECURITY ACT OF 1961

Chapter 2—Military assistance

Sec. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

(a) In section 506, which relates to conditions of eligibility, add a new subsection as follows:

"(c) The President shall regularly reduce and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate all further grants of military equipment and supplies to any country having sufficient wealth to enable it, in the judgment of the President, to maintain and equip its own military forces at adequate strength, without undue burden to its economy."

(b) In section 507(a), which relates to sales, insert "not less than" before "the value" in the first sentence.

(c) In section 510(a), which relates to special authority, strike out "1962" in the first and second sentences and substitute "1963".

(d) In section 511(b), which relates to restrictions on military aid to Latin America, strike out "military assistance programs" and insert "grant programs of defense articles".

PART III

Chapter 1—General provisions

Sec. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

(a) In section 606, which relates to patents and technical information, strike out subsection (c).

(b) In section 610, which relates to transfers between accounts, designate the present language as subsection (a) and add the following new subsection:

"(b) The authority contained in this section and in sections 451, 510, and 614 shall not be used to augment appropriations made available pursuant to sections 636(g) (1) and 637 or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses."

(c) In section 611(a), which relates to completion of plans and cost estimates, strike out "and II" and substitute ", II, and VI".

(d) Strike out section 618, which relates to economic assistance to Latin America, and substitute a new section 618 as follows:

"Sec. 618. Use of Settlement Receipts.—United States dollars directly paid to the United States under the Agreement Between the United States of America and Japan Regarding the Settlement of Postwar Economic Assistance to Japan may be appropriated or otherwise made available to the President in any appropriation Act, within the limitations of part I of this Act, to carry out the provisions of that part."

(e) Amend section 620, which relates to restrictions on assistance to certain countries, as follows:

(1) Amend subsection (c) to read as follows:

"(c) No assistance shall be provided under this Act to the government of any country which is indebted to any United States citizen for goods or services furnished or ordered where (i) such citizen has exhausted available legal remedies, which shall include arbitration, or (ii) the debt is not denied or contested by such government, or (iii) such indebtedness arises under an unconditional guaranty of payment given by such government, or any predecessor government, directly or indirectly, through any controlled entity: *Provided*, That the President does not find such action contrary to the national security."

(2) Add the following new subsections:

"(e) In any case in which the President determines that a nation or a political subdivision thereof has after January 1, 1962, (1) nationalized, expropriated, or otherwise seized the ownership or control of the property of United States citizens or entities referred to in section 221(b), or (2) imposed upon or enforced against such property or the owners thereof discriminatory taxes or other exactions, or restrictive maintenance or operational conditions not imposed or enforced with respect to property of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States, and has failed within six months following the taking of action in either of such categories to take steps determined by the President to be appropriate and adequate to remedy such situation and to discharge its obligations under international law toward such citizens and entities, including the prompt payment in convertible foreign exchange to the owner or owners of such property so nationalized, expropriated, or otherwise seized, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which a final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President shall suspend assistance under this Act to such nation until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

"(f) Assistance to India under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, during the fiscal year 1963 shall not exceed the value of funds obligated or committed for such assistance during the fiscal year 1962.

"(g) No assistance shall be furnished under this Act and no commodities may be sold or given under the Agricultural Trade Development and Assistance Act of 1954, as amended, to any country known to be dominated by communism or Marxism. This restriction may not be waived pursuant to any authority contained in this Act.

"(h) Nothing contained in subsection (g) shall be deemed to prohibit assistance under the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, if prior to furnishing such assistance the President finds (1) that a recipient country is not participating directly or indirectly in any policy or program for the Communist conquest of the world, and (2) that such recipient country is not controlled by any country promoting the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States, and (4) that the President notifies the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives of his intention to furnish such assistance."

Chapter 2—Administrative provisions

Sec. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

(a) In section 621, which relates to exercise of functions, delete "(a)" and strike out subsections (b), (c), (d), and (e).

(b) Amend section 624, which relates to statutory officers, by striking out subsection (d) and redesignating subsection (e) as subsection "(d)", inserting in paragraph 2(A) of redesignated subsection (d) ", and programs being conducted by United States Government agencies under Public Law 86-735," after "Peace Corps", and inserting in paragraphs (5) and (7) of redesignated subsection (d) ", and Public Law 86-735" after "part II of this Act".

(c) Amend section 625, which relates to employment of personnel, as follows:

(1) In subsection (b) strike out "seventy-six" in the first sentence and substitute "one hundred and twenty-five".

(2) In subsection (d) add the following proviso before the period at the end of paragraph (2): ": *Provided further*, That, whenever the President determines it to be important for the purposes of this Act, the President may initially assign personnel under this paragraph for duty within the United States for a period not to exceed one year pending assignment outside the United States."

(d) In section 629(b), which relates to status of personnel detailed, strike out "624 (e)" in the first sentence and substitute "624(d)".

(e) In section 634(a), which relates to reports and information, insert the following before the period at the end of the second sentence: "and on progress under the freedom of navigation and nondiscrimination declaration contained in section 102".

(f) In section 635(h), which relates to general authorities, strike out "and V" and substitute ", V, and VI" and strike out "made".

(g) Amend section 637, which relates to administrative expenses, as follows:

(1) In subsection (a) strike out "1962" and "$50,000,000" and substitute "1963" and "$55,000,000", respectively.

(2) In subsection (b) strike out "to the Secretary of State".

Chapter 3—Miscellaneous provisions

Sec. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended as follows:

(a) Section 643, which relates to saving provisions, is amended by striking out subsection (d).

(b) Section 644(m), which relates to definitions, is amended by striking out "as grant assistance" in subparagraphs (2) and (3).

(c) Section 645, which relates to unexpended balances, is amended by inserting "this Act or" after "pursuant to".

PART IV—AMENDMENTS TO OTHER LAWS

Sec. 401. Part IV of the Foreign Assistance Act of 1961, as amended, is repealed, which repeal shall not be deemed to affect amendments contained in such part.

Sec. 402. Section 2 of the Act of August 1, 1956 (70 Stat. 890), as amended, is further amended by adding the following new paragraph:

"(b) For the purpose of promoting and maintaining friendly relations with foreign countries through the prompt settlement of certain claims, settle and pay any meritorious claim against the United States which is presented by a government of a foreign country for damage to or loss of real or personal property of, or personal injury to or death of, any national of such foreign country: *Provided*, That such claim is not cognizable under any other statute or international agreement of the United States and can be settled for not more than $15,000 or the foreign currency equivalent thereof."

Sec. 403. Section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256, approved September 21, 1961) is hereby amended by inserting the word "abroad" after the word "expositions". The amendment made by this section shall not be applicable with respect to any fair or exposition within the United States for which an appropriation has been provided.

Sec. 404. The first section of the Act authorizing participation in the Interparliamentary Union (22 U.S.C. 276) is amended to read as follows:

"An appropriation of $48,000 annually is authorized, $21,000 of which shall be for the annual contributions of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and $27,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group."

PART V—MIGRATION AND REFUGEE ASSISTANCE PROGRAMS

Sec. 501. This part may be cited as the "Migration and Refugee Assistance Act of 1962".

Sec. 502. (a) The President is hereby authorized to continue membership for the United States in the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of refugees and migrants and to enhance the economic progress of the developing countries by providing for a coordinated supply of selected manpower, there are hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee for the effectuation of its purposes, and all necessary salaries and expenses incident to United States participation in the Committee.

(b) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

(1) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or in behalf of whom he is exercising his good offices;

(2) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the defense, or to the security, or to the foreign policy interests of the United States;

(3) for assistance to or in behalf of refugees in the United States whenever the President shall determine that such assistance would be in the interest of the United States: *Provided,* That the term "refugees" as herein used means aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from a country of the Western Hemisphere; (B) cannot return thereto because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life;

(4) for assistance to State or local public agencies providing services for substantial numbers of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) for (A) health services and educational services to such individuals, and (B) special training for employment and services related thereto;

(5) for transportation to, and resettlement in, other areas of the United States of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) and who, having regard for their income and other resources, need assistance in obtaining such service; and

(6) for establishment and maintenance of projects for employment or refresher professional training of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) and who, having regard for their income and resources, need such employment or need assistance in obtaining such retraining.

(c) Whenever the President determines it to be important to the national interest, not exceeding $10,000,000 in any fiscal year of the funds made available for use under the Foreign Assistance Act of 1961, as amended, may be transferred to, and consolidated with, funds made available for this part in order to meet unexpected urgent refuge and migration needs.

(d) The President shall keep the appropriate committees of Congress informed of the use of funds and the exercise of functions authorized in this part.

(e) Unexpended balances of funds made available under authority of the Mutual Security Act of 1954, as amended, and of the Foreign Assistance Act of 1961, as amended, and allocated or transferred for the purposes of sections 405(a), 405(c), 405(d), and 451(c) of the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the purposes of this section and may be consolidated with appropriations authorized by this section. Funds appropriated for the purposes of this section shall remain available until expended.

Sec. 503. (a) In carrying out the purposes of this part, the President is authorized—

(1) to make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, Government or Government agency, whether within or without the United States, and international and intergovernmental organizations; and

(2) to accept and use money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purposes.

(b) Whenever the President determines it to be in furtherance of the purposes of this part, the functions authorized under this part may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 (65 Stat. 7), as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

Sec. 504. (a) The President is authorized to designate the head of any department or agency of the United States Government, or any official thereof who is required to be appointed by the President by and with the advice and consent of the Senate, to perform any functions conferred upon the President by this part. If the President shall so specify, any individual so designated under this subsection is authorized to redelegate to any of his subordinates any functions authorized to be performed by him under this subsection, except the function of exercising the waiver authority specified in section 503(b) of this part.

(b) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this part. Such funds shall be available for obligation and expenditure for the purposes for which authorized in accordance with authority granted in this part or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred. Funds allocated or transferred pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

Sec. 505. (a) Funds available for the purposes of this part shall be available for—

(1) compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purpose of this part, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of funds of the United States Government as may be necessary to accomplish the purposes of this part;

(2) employment or assignment of Foreign Service Reserve officers for the duration of operations under this part;

(3) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchange;

(4) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

(5) expenses authorized by the Act of August 1, 1956 (70 Stat. 890–892), as amended; and

(6) all other expenses determined by the President to be necessary to carry out the purposes of this part.

(b) Except as may be expressly provided to the contrary in this part, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this part shall continue in full force and effect until modified, revoked, or superseded under the authority of this part.

Sec. 506. Subsections (a), (c), and (d) of section 405 of the Mutual Security Act of 1954, as amended, subsection (c) of section 451 of the said Act, and the last sentence of section 2(a) of the Act of July 14, 1960 (74 Stat. 504), are hereby repealed.

Sec. 507. Until the enactment of legislation appropriating funds for activities under this part, such activities may be conducted with funds made available under section 451 (a) of the Foreign Assistance Act of 1961, as amended.

Mr. MORGAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Morgan: Strike out all after the enacting clause of the bill S. 2996 and insert in lieu thereof the provisions contained in H.R. 11921 as passed by the House, as follows: "That this Act may be cited as the 'Foreign Assistance Act of 1962'.

"PART I—ACT FOR INTERNATIONAL DEVELOPMENT OF 1961

"Chapter 1—Short Title and Policy

"Sec. 101. (a) The fifth paragraph of section 102 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting in the fifth paragraph, imediately after 'religion.', the following: 'The Congress further declares that any attempt by foreign nations to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access or in the exercise of any other rights available to American citizens, or the use by any foreign nation of assistance made available by the United States to carry out any program or activity of such nation in the course of which discrimination is practiced against any citizen of the United States by reason of his race, color, or religion is repugnant to our principles; and in all negotiations with any foreign nation with respect to any funds appropriated under authority of this Act, these principles shall be applied. The Secretary of State shall report annually on the measures taken to apply the prinicples stated above.'

"(b) Such section is further amended by inserting after the seventh paragraph the following:

"'It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act.'

"The Congress further declares that in the administration of programs of assistance under this Act, the highest practicable emphasis should be given to: programs providing for loans or loan guarantees for use by institutions and organizations in making repayable low-interest rate loans to individuals in friendly foreign countries for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, purchase of tools or equipment needed by individuals for carrying on an occupation or a trade, or financing the opportunity for individuals to obtain practical education in vocational and occupational skills, and to those programs of technical assistance and development which will assist in carrying out and in preparing a favorable environment for such programs. While recognizing that special requirements, differing development needs and political conditions in various assisted countries will affect the priority of such programs and of each country's relative ability to implement them, it is further the sense of Congress that each such assisted country should be encouraged to give adequate recognition to such needs of the people in the preparation of national development programs.

"Chapter 2—Development assistance

"Title I—Development Loan Fund

"SEC. 102. Section 201 of the Foreign Assistance Act of 1961, as amended, which relates to general authority with respect to development loans, is amended by adding at the end thereof the following:

" '(e) In carrying out this title, the President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.'

"Title II—Development Grants and Technical Cooperation

"SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is amended as follows:

"(a) In section 211, which relates to general authority, add a new subsection (c) as follows:

" '(c) Not to exceed $1,000,000 of the funds made available for the purposes of this section in any fiscal year may be used for programs designed to promote the peaceful uses of atomic energy outside the United States and such programs may be carried out only in accordance with the requirements of this section.'

"(b) In section 212, which relates to authorization, strike out '1962' and '$380,000,000' and substitute '1963' and '$300,000,000', respectively.

"(c) Strike out section 213, which relates to atoms for peace.

"Title III—Investment Guaranties

"SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is amended as follows:

"(a) Amend section 221(b), which relates to general authority, as follows:

"(1) In paragraph (1) strike out '$1,000,000,000' in the proviso and substitute '$1,300,000,000'.

"(2) In paragraph (2) strike out 'of not to exceed 75 per centum of any investment' and substitute 'in whole or in part of any loan investment for housing projects or assuring against loss of not to exceed 75 per centum of any other investment,', and strike out '$90,000,000' in the third proviso and substitute '$180,000,000'.

"(b) Amend section 222, which relates to general provisions, as follows:

"(1) In subsection (d) insert ', and out of funds made available pursuant to this title' before the period.

"(2) Add the following new subsection (f):

" '(f) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.'

"(c) Amend section 224, which relates to housing projects in Latin American countries, as follows:

"(1) In subsection (b) strike out '$10,000,000' in the second sentence and substitute '$60,000,000'.

"(2) In subsection (c) strike out 'and (e)' and substitute '(e), and (f)'.

"Title IV—Surveys of Investment Opportunities

"SEC. 104. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out '1962' and '$5,000,000' and substituting '1963' and '$1,500,000', respectively.

"Alliance for Progress

"SEC. 105. Chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development assistance, is amended by adding at the end a new title VI, as follows:

" '*Title VI—Alliance for Progress*

" 'SEC. 251. GENERAL AUTHORITY.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. It is further the sense of Congress that vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and to adopt reform measures to spread the benefits of economic progress among the people are essential to the success of the Alliance for Progress and to continued significant United States assistance thereunder. The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

" '(b) Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance under this title, the President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este and, in particular, the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economic and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives; and (4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved. In making loans under this title from funds which are required to be used for loans payable as to principal and interest in United States dollars, the President shall take into account, in addition to the considerations named in the preceding sentence, whether financing could be obtained in whole or in part from other free world sources on reasonable terms. The provisions of sections 201(d), 202(b), 202(c), and 204 shall be applicable to such loans, and they shall be made only upon a finding of reasonable prospects of repayment.

" '(c) The authority of section 614(a) may not be used to waive the requirements of this title with respect to funds made available for this title which are required to be used for loans payable as to principal and interest in United States dollars, and the authority of section 610 may be used to transfer such funds only to funds made available for title I of chapter 2 of part I.

" '(d) In order to carry out the policies of this Act and the purpose of this title, the President shall, when requested by a friendly country and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to insuring a wider and more equitable distribution of the ownership of land.

" '(e) The President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.

" 'SEC. 252. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, for use beginning in each of the fiscal years 1963 through 1966, not to exceed $600,000,000 for each such fiscal year which sums are authorized to remain available until expended and which, except for not to exceed $100,000,000 of the funds appropriated pursuant to this section for use beginning in fiscal year 1963, shall be available only for loans payable as to principal and interest in United States dollars. In presenting requests to the Congress for authorizations for appropriations for fiscal years 1964 through 1966 to carry out other programs under this Act, the President shall also present the program proposed to be carried out from funds appropriated pursuant to the authorization contained in this section for the respective fiscal year.

" 'SEC. 253. FISCAL PROVISIONS.—All receipts in United States dollars from loans made under this title and from loans made for the benefit of countries and areas of Latin America under title I of chapter 2 of part I of this Act, notwithstanding section 203, shall be available for use for loans payable as to principal and interest in United States dollars in furtherance of the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended.'

"Chapter 3—International organizations and programs

"SEC. 106. (a) Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended by striking out '1962' and '$153,500,000' and substituting '1963' and '$148,900,000', respectively.

"(b) Such section 302 is further amended by adding at the end thereof the following: 'None of the funds appropriated pursuant to this section or any other law shall be used for the purpose of making any loans or grants to the United Nations (except for payment by the United States of its assessed share of the expenses of that Organization), or for the purchase of any bonds or other certificates of indebtedness of the United Nations, until such time as all members of the United Nations have paid in full their share of the expenses of that Organization, including their share of the expenses of United Nations operations in the Congo and the Gaza strip.'

"Chapter 4—Supporting assistance

"SEC. 107. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out '1962' and '$465,000,000' and substituting '1963' and '$440,000,000', respectively.

"Chapter 5—Contingency fund

"SEC. 108. Section 451 of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended as follows:

"(a) Amend subsection (a) by striking out '1962' and '$300,000,000' and substituting '1963' and '$275,000,000', respectively.

"(b) Amend subsection (b) by striking out 'keep' and substituting 'provide quarterly reports to' and by striking out 'currently informed of the use' and substituting 'on the programing and the obligation'.

"Chapter 6—Assistance to agrarian economies

"SEC. 109. Section 461 of the Foreign Assistance Act of 1961, as amended, which relates to assistance to countries having agrarian economies, is amended by adding at the end thereof the following: 'In such country emphasis shall be placed also upon programs of community development which will promote stable and responsible governmental institutions at the local level.'

"PART II—INTERNATIONAL PEACE AND SECURITY ACT OF 1961

"Chapter 2—Military assistance

"SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance is amended as follows:

"(a) In section 506, which relates to conditions of eligibility, add the following new subsection:

" '(c) Any country which hereafter uses defense articles or defense services furnished such country under this Act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance Act where such use is in violation of the provisions of this chapter or any agreements entered into pursuant to any of such Acts shall be immediately ineligible for further assistance.'

"(b) In section 507(a), which relates to sales, insert 'not less than' before 'the value' in the first sentence.

"(c) In section 507(b), add a new sentence to read as follows: 'No sales of unclassified defense articles shall be made to the government of any economically developed nation under the provisions of this subsection unless such articles are not generally available for purchase by such nations from commercial sources in the United States: *Provided, however,* That the Secretary of Defense may waive the provisions of this sentence when he determines that the waiver of such provisions is in the national interest.'

"(d) In section 510(a), which relates to special authority, strike out '1962' in the first and second sentences and substitute '1963'.

"PART III

"Chapter 1—General provisions

"SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

"(a) In section 611(a), which relates to completion of plans and cost estimates, strike out 'and II' and substitute ', II, and VI'.

"(b) Strike out section 618, which relates to economic assistance to Latin America, and substitute a new section 618 as follows:

" 'SEC. 618. USE OF SETTLEMENT RECEIPTS.—United States dollars directly paid to the United States under the Agreement Between the United States of America and Japan Regarding the Settlement of Postwar Economic Assistance to Japan may be appropriated or otherwise made available to the President in any appropriation Act, within the limitations of part I of this Act, to carry out the provisions of that part.'

"(c) In section 620(a), which relates to prohibitions against furnishing assistance to Cuba, amend the first sentence to read as follows: 'No assistance shall be furnished under this Act to the present government of Cuba, or to any country which furnishes assistance to the present government of Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.'

"(d) In section 620(c), which relates to prohibitions against furnishing assistance to governments indebted to American citizens, insert 'or ordered' after 'furnished', insert 'either' after 'remedies and', and immediately before the period at the end thereof insert 'or indebtedness arises under an unconditional guaranty of payment given by such government or any predecessor government'.

"(e) In section 620, which relates to restrictions on assistance to certain countries, add the following new subsection:

" '(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

" '(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

" '(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps to discharge its obligations toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

" '(f) No assistance shall be furnished under this Act, as amended, to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

" 'Peoples Republic of Albania,

" 'Peoples Republic of Bulgaria,

" 'Peoples Republic of China,

" 'Czechoslovak Socialist Republic.

" 'German Democratic Republic (East Germany),

" 'Estonia,

" 'Hungarian Peoples Republic,

" 'Latvia.

" 'Lithuania.

" 'North Korean Peoples Republic.

" 'North Vietnam,

" 'Outer Mongolia-Mongolian Peoples Republic,

" 'Polish Peoples Republic,

" 'Rumanian Peoples Republic,

" 'Tibet,

" 'Federal Peoples Republic of Yugoslavia,

" 'Cuba, and

" 'Union of Soviet Socialist Republics.

" '(g) Notwithstanding any other provision of law, no monetary assistance shall be made available under this Act to any government or political subdivision or agency of such government which will be used to compensate owners for expropriated or nationalized property and, upon finding by the Administrator that such funds have been diverted by any government for such purpose, no further assistance under this Act shall be furnished to such government until appropriate reimbursement is made to the United States for sums so diverted.

" '(h) The President shall adopt regulations and establish procedures to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries.'

"Chapter 2—Administrative provisions

"SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

"(a) In section 621, which relates to exercise of functions, delete '(a)' and strike out subsections (b), (c), (d), and (e).

"(b) Amend section 624, which relates to statutory officers, by striking out subsection (d) and redesignating subsection (e) as subsection '(d)', inserting in paragraph 2(A) of redesignated subsection (d) ', and programs being conducted by United States Government agencies under Public Law 86-735,' after 'Peace Corps', and inserting in paragraphs (5) and (7) of redesignated subsection (d) ', and Public Law 86-735' after 'part II of this Act'.

"(c) Amend section 625, which relates to employment of personnel, as follows:

"(1) In subsection (b) strike out 'seventy-six' in the first sentence and substitute 'one hundred'.

"(2) In subsection (d) add the following proviso before the period at the end of paragraph (2): ': *Provided further,* That, whenever the President determines it to be important for the purposes of this Act, the President may initially assign personnel under this paragraph for duty within the United States for a period not to exceed two years for the purpose of preparation for assignment outside the United States; however, the authority contained in this proviso may not be exercised with respect to more than thirty persons in the aggregate.'

"(3) Amend subsection (f) to read as follows:

" '(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act with respect to specific projects shall be deemed to be obligated for the services of personnel employed by agencies of the United States Government (other than the agencies primarily responsible for administering Part I or Part II of this Act) as well as personnel not employed by the United States Government.'

"(d) In section 629(b), which relates to status of personnel detailed, strike out '624(e)' in the first sentence and substitute '624(d)'.

"(e) In section 634(a), which relates to reports and information, insert the following before the period at the end of the second sentence: 'and on progress under the freedom of navigation and nondiscrimination declaration contained in section 102'.

"(f)(1) In section 634(d), which relates to reports and information, strike out 'In January of each year' and 'preceding twelve months' in the first sentence and substitute 'At the end of each fiscal year' and 'fiscal year' respectively.

"(2) After the first sentence of such section 634(d) insert the following: 'There shall also be included in the presentation material submitted to the Congress during its consideration of amendments to this Act, or of any Act appropriating funds pursuant to authorizations contained in this Act, a comparison of the current fiscal year programs and activities with those presented to the Congress in the previous year and an explanation of any changes.'

"(g) In section 635(h), which relates to general authorities, strike out 'and V' and substitute ', V, and VI' and strike out 'made'.

"(h) In section 637(a), which relates to administrative expenses, strike out '1962' and substitute '1963'.

"Chapter 3—Miscellaneous provisions

"SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended as follows:

"(a) Section 643, which relates to saving provisions, is amended by striking out subsection (d).

"(b) Section 644(m), which relates to definitions, is amended by striking out 'as grant assistance' in subparagraphs (2) and (3).

"(c) Section 645, which relates to unexpended balances, is amended by inserting 'this Act or' after 'pursuant to'.

"PART IV—AMENDMENTS TO OTHER LAWS

"SEC. 401. Part IV of the Foreign Assistance Act of 1961, as amended, is repealed, which repeal shall not be deemed to affect amendments contained in such part.

"SEC. 402. Section 2 of the Act of August 1, 1956 (70 Stat. 890), as amended, is further amended by adding after paragraph (a) the following new paragraph:

"'(b) for the purpose of promoting and maintaining friendly relations with foreign countries through the prompt settlement of certain claims, settle and pay any meritorious claim against the United States which is presented by a government of a foreign country for damage to or loss of real or personal property of, or personal injury to or death of, any national of such foreign country: *Provided*, That such claim is not cognizable under any other statute or international agreement of the United States and can be settled for not more than $15,000 or the foreign currency equivalent thereof.' "

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 11921) was laid on the table.

Mr. MORGAN. Mr. Speaker, I move that the House insist on its amendment to the bill S. 2996, and request a conference with the Senate.

The motion was agreed to.

The Speaker appointed the following conferees: Mr. MORGAN, Mr. ZABLOCKI, Mr. HAYS, Mrs. BOLTON, and Mr. JUDD.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 1658) entitled "An act to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. KEFAUVER, Mr. JOHNSTON, Mr. DIRKSEN, and Mr. HRUSKA to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6682) entitled "An act to provide for the exemption of fowling nets from duty," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

AMENDMENT OF SMALL BUSINESS ACT

Mr. PATMAN submitted a conference report and statement on the bill (S. 2970) to amend the Small Business Act.

MEDAL OF HONOR

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I wish to call the attention of the House to the fact that on this date, a century ago, President Abraham Lincoln signed the congressional resolution which provided that Medals of Honor be presented to those soldiers who had most distinguished themselves by gallantry in action. The U.S. Army, I am happy to report, is celebrating this centennial with appropriate ceremonies throughout the world.

Through the years, the Medal of Honor has come to represent devotion to the Nation above and beyond the normal call of duty. Behind every Medal of Honor, whether worn proudly by its winner, or whether encased in black velvet and cherished by a bereaved but proud family, there is a heroic tale. It is a tale of fearlessness in the face of death and utter disregard of life in the fulfillment of deeply felt responsibility. The citations accompanying each medal awarded read differently, but each tells a story of transcendent valor.

We have reason to be grateful, Mr. Speaker, to our far-sighted predecessors in the 37th Congress who authorized this medal. For they well understood that the Nation's highest award for bravery ought to come from all the people and that it should be awarded in the name of their elected representatives.

The resolution authorizing the Medal of Honor was in keeping with an ancient and noble tradition. Since time immemorial, men have felt the need for tangible symbols which articulate their most sublime ideals, beliefs, and emotions. In biblical times, we recall, David's army carried into battle the Ark of the Covenant, the most sacred possession of the Chosen people. The mighty legions of Imperial Rome, historians tell us, defended their standards—the Eagles—to the death. Plumed Crusaders rallied to the crests and pennants of those to whom they had sworn allegiance. And in our own Revolution, we know how our patriot forebears defended crude home-made battle flags with unflinching spirit and tenacity.

So it is, Mr. Speaker, that material objects—often meaningless in themselves—are invested with the traditions and aspirations of nations, thereby taking on a unique spiritual significance. Such has been the case with the Medal of Honor.

The Medal of Honor is not the Army's oldest medal. General Washington authorized the Purple Heart during the Revolution. It honored and still honors those who have shed their blood for their country. Nor is the Medal of Honor the only medal awarded for bravery. But the Army has created a system of decorations in ascending order, with the lowest awards being the most widely distributed and the Medal of Honor reserved as the supreme award. Through legislation, precedent, and procedure, a "pyramid of honor" has been built and the Medal of Honor is at its pinnacle, epitomizing valor and heroic action. The Army has recognized that there are degrees of courage and service to the Nation over and above that normally given by a good soldier. While all these deeds deserve recognition, there remains to be singled out those extraordinary acts of personal bravery that clearly lift an individual above his comrades. Thus members of the Army of the United States, who demonstrate extraordinary heroism in actual conflict, become eligible to receive the Army's Medal of Honor.

While courage is common in combat, and while all men who face fire must be brave, only 2,199 heroes have received the coveted Army Medal of Honor since its institution 100 years ago.

To protect the medal and to preserve its luster, the Nation has taken several steps. The medal may be awarded only by the President of the United States. To single out the awardees, the Medal of Honor Roll was established by the Congress in 1916. In 1961 an amendment to the law provided that at the age of 50, each Medal of Honor awardee may have his name inscribed on this honor roll and receive the sum of $100 a month for life. Sons of Army Medal of Honor recipients, otherwise qualified, are not subject to quota requirements for admission to the U.S. Military Academy. These are some of the ways a grateful nation attempts to make the Medal of Honor recipients a breed apart.

The men whose names are inscribed on the Medal of Honor Roll have exemplified the ideal on which the medal was founded. It is an ideal which has its wellsprings in all that is best in human courage. Looking back over our history, we can see it is Ticonderoga, Gettysburg, the Marne, Normandy, and Heartbreak Ridge. It is an Iowa farm home, a mountaineer's cabin, a big city apartment, an Indian reservation. For all of these have sent forth their men to write the pages of freedom's history.

It is the 14-year-old drummer boy who, severely wounded and under heavy fire, remained on the field at Vicksburg until he had reported to General Sherman the need for more cartridges. It is the doughboy who single-handedly captured a German machine gun emplacement and forced his prisoners to carry our wounded to safety. It is the sergeant on Leyte who deliberately threw himself on a live grenade to save his comrades.

It was with the Medal of Honor that a grateful nation honored these supremely brave men and those others who gave the last full measure of devotion.

Today, when our Nation has critical need of the spirit and fervor that inspired the men who won the Army's Medal of Honor, it is well to reflect on that medal's history and on the tradition of valor it represents. Consideration of that history and tradition will strengthen us in our convictions and will, I trust, inspire all Americans to so act that their own lives reflect those high ideals and traditions that the Medal of Honor represents, and for which its winners have sacrificed so much.

DIRECTOR OF THE FBI SHOULD BE APPOINTED BY THE PRESIDENT AND CONFIRMED BY THE SENATE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a letter from the Assistant Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker—

> The President * * * shall nominate, and by and with the Advice and Consent of the Senate, shall appoint * * * all * * * Officers of the United States, whose Appointments are not herein otherwise provided for, * * * but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

Thus reads the mandate of article II, section 2 of the Constitution. By its clear language only inferior officers may be appointed without confirmation by the Senate. In the light of this provision it is surprising to discover that the Director of the Federal Bureau of Investigation is neither appointed by the President, nor confirmed by the Senate. Indeed, although there are numerous statutes which impose specific duties upon the FBI or its agents, the existence and organization of the Bureau itself rest entirely on administrative orders of the Attorney General.

The Director is designated by the Attorney General under a 92-year-old statute which authorizes him to require any officer of the Department to perform any duty required of the Department or any officer thereof—5 U.S.C. 311. Exercising this authority in 1908, Attorney General Bonaparte set up a small staff to handle investigations. In the following year this group was given the name Bureau of Investigation. Its present director, J. Edgar Hoover, was assigned to this post in 1924 by the then Attorney General, Harlan Fiske Stone.

Perhaps this position was properly treated as an inferior office in 1908. At that time there was no Lindbergh antikidnaping law, no fugitive felon law, no penalties for interstate transportation of stolen property, or for the destruction of aircraft.

Crime was typically an isolated and sporadic occurrence. It had not yet become the tightly organized and well financed interstate and international organization it is today. Nor was the Nation then honeycombed with a network of spies and saboteurs bent on undermining our Government to serve a foreign power.

Whatever the situation a half century ago, the position of Director of the FBI clearly is no longer an inferior office. It is anamolous that scores of lesser officers in the Department of Justice, notably all U.S. attorneys and U.S. marshals, are appointed by the President and confirmed by the Senate, but the Director of the FBI is not.

To develop and maintain an organization capable of outwitting spies, kidnapers, and the master minds of organized crime, without infringing the civil liberties of the citizen or becoming an instrument of political blackmail, demands the highest order of courage, integrity, experience, and capacity for leadership. As the framers of the Constitution recognized, the probability that the best available man will be appointed to high office is enhanced, when the responsibility for selection is lodged in the Chief Executive, and made subject to careful scrutiny by the Senate. We can no longer afford to entrust the great responsibilities discharged by the FBI to an agency whose existence and leadership are left to the discretion of a cabinet officer. The time has come to give it an assured legal status by passing a law to provide for its organization and functions. The time has come, too, to require that its director be appointed by the President, with confirmation by the Senate. By this action, we will give the people the greatest possible assurance that the high standards of service attained under J. Edgar Hoover will be perpetuated.

Mr. Speaker, I am, therefore, introducing a bill today to provide that the Director of the Federal Bureau of Investigation shall hereafter be appointed by the President, by and with the advice and consent of the Senate; and I would like to include, under unanimous consent, Mr. Speaker, the letter of Mr. Harold F. Reis, Acting Assistant Attorney General, Office of the Legal Counsel, dated May 25, 1962, at this point in the RECORD:

DEPARTMENT OF JUSTICE,
Washington, D.C., May 25, 1962.

Hon. ROBERT H. MICHEL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MICHEL: The Attorney General has requested me to reply to your letter of May 10, 1962, in which you inquire whether the appointment of a new Director of the Federal Bureau of Investigation would require the advice and consent of the Senate. Under the law, the Attorney General and his assistants in the Department of Justice are authorized to give legal advice only to the President and the heads of departments. I therefore regret that I cannot render the opinion requested by you.

For your information, however, I wish to outline briefly the legal considerations underlying your inquiry. Under article II, section 2, clause 2 of the Constitution, the President shall appoint the officers of the United States, by and with the advice and consent of the Senate. Congress, however, has the power to vest the appointment of inferior officers in the President alone, the courts of law, and the heads of departments. 5 U.S.C. 300 authorizes the Attorney General to appoint officials vested with the authority for the execution of duties of detection and prosecution of crimes against the United States and the maintenance, etc. of criminal identification records. The predecessor to this section served as the basis for the appointment in 1924 of Mr. Hoover by Attorney General Stone.

The Code refers to the current Department of Justice Appropriation Act as the source of 5 U.S.C. 300. This would seem to be technically incorrect because from 1928 on, the Department of Justice Appropriation Acts have not contained a clause expressly authorizing the Attorney General to appoint the FBI personnel. A proviso to that effect was included in the Department of Justice Appropriation Acts for the fiscal years 1922 to 1928, but not in the subsequent ones. The House Judiciary Committee, which supervises the preparation and publication of the United States Code (1 U.S.C. 202), apparently felt that this proviso constitutes permanent substantive legislation which does not have to be repeated annually.

A similar position was taken by the staff and possibly by the Subcommittee on Revision of the Laws of the House Judiciary Committee itself, which has been preparing legislation enacting title 5 of the United States Code into positive law and transferring to title 28 some of the sections now found in title 5. The comments on proposed 28 U.S.C. 533, which would confer on the Attorney General the authority to appoint special agents of the Federal Bureau of Investigation, explain that the section would be derived from the proviso of the Department of Justice Appropriation Act for fiscal 1922—enacted in 1921—which vested in the Attorney General authority to appoint officials charged with the detection and prosecution of crimes. Revision of title 5, United States Code, entitled "Government Organization and Personnel," report from the Committee on the Judiciary, House of Representatives, to accompany H.R. 8748, 86th Congress, 2d session, committee print, page 118. The provisions of the United States Code, of course, establish prima facie evidence of the law. (Act of June 30, 1926, sec. 2, 44 Stat. (pt. 1) 1.)

I hope that the information contained in this letter will be of assistance to you.

Sincerely,

HAROLD F. REIS,
Acting Assistant Attorney General,
Office of Legal Counsel.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time for the purpose of inquiring from the majority leader as to the program for tomorrow and the balance of the week.

Mr. ALBERT. Except for a resolution which is to be taken up by unanimous consent, this completes the legislative business for today.

On tomorrow, we will have the conference report on the bill S. 2970, the small business administration bill; and the bill H.R. 8050, the sugar and honey bee bill, to agree to the Senate amendment.

Mr. HALLECK. As I understand it, that will require unanimous consent?

Mr. ALBERT. That will be called up under unanimous consent, and it will require unanimous consent to consider H.R. 8050.

Mr. HALLECK. I think I probably should announce at this time for the information of the Members that certain minority members of the Committee on Banking and Currency have indicated to me the probability of their making a motion to recommit the conference report on the Small Business Administration bill.

Mr. ALBERT. I would like to make a statement for the benefit of the Members of the House. The chairman of the Committee on Agriculture, the gentleman from North Carolina, has just advised that he would like for us to program the farm bill on Monday, subject, of course, to a rule. I am announcing that at this time so that Members may know that we may have important business on Monday. The program will be announced generally for next week on tomorrow.

Mr. HALLECK. I thank the gentleman.

REFERENDUM ON NATIONAL MARKETING QUOTA FOR WHEAT

Mr. BREEDING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 809) to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963.

The Clerk read the title of the joint resolution.

The **SPEAKER.** Is there objection to the request of the gentleman from Kansas?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, and I shall not object, I understand that this resolution extends the wheat referendum from July 25 until the end of August; is that correct?

Mr. BREEDING. Yes, to August 31.

Mr. HOEVEN. I withdraw my reservation of objection, Mr. Speaker.

Mr. DOLE. Mr. Speaker, reserving the right to object, and I shall not object, I might point out as the gentleman knows that this makes it very late, should this August 31 date ever come to pass, for western Kansas wheat producers.

Mr. BREEDING. Yes, I agree with the gentleman from Kansas and I, myself, am not well satisfied with the date of August 31. But, actually, the Secretary can announce a referendum on any date between now and August 31. July 25 is right on us, which is the law today. So if we are going to have additional farm legislation, it seems to me the only thing we can do is to adopt this measure.

Mr. DOLE. The gentleman knows that they start seeding wheat in western Kansas in the latter part of August. I certainly hope they can be considered later when we get into this farm bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the joint resolution, as follows:

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963, may be conducted not later than August 31, 1962."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUBCOMMITTEE ON FEDERAL AID TO PUBLIC HIGHWAYS PROGRAM OF THE COMMITTEE ON PUBLIC WORKS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Federal Aid to Highways Program of the House Committee on Public Works may meet while the House is in session tomorrow afternoon.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

RESPECTING CURRENT ACTIVITIES OF THE SMALL BUSINESS ADMINISTRATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, as chairman of the House Select Committee on Small Business, I have noted with considerable satisfaction the report of the Administrator of the Small Business Administration for the last 6 months of the calendar year 1961.

Since small business comprises more than 95 percent of the U.S. total business population, its problems merit due consideration. When the Congress passed the Small Business Act, it was declared in unequivocal language that—

> It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise.

The Honorable John E. Horne, the Administrator of that important agency, has given concrete evidence of his desire to fully implement such policy of the Congress. It is reflected in the increased tempo of activities in aiding and assisting the small business segment of the economy. The report of the SBA indicates that small firms were given a greater measure of assistance than in any previous 6 months' period in the history of that agency. A record number of business loans, amounting to more than $215 million, were approved. Through joint action of the SBA and the various Federal purchasing agencies more than $1 billion was established for set-asides for small business bidding. The SBA was of particular help in restoring or replacing businesses and homes damaged by hurricanes and other catastrophes. In every sphere of the SBA's activities the emphasis has been on how better to aid and assist small business because of the able administration of Mr. John E. Horne. For this, he deserves public commendation. I, therefore, wish to call to the attention of my colleagues in the Congress a press release issued by the SBA in regard to its latest report. It is as follows:

> The Small Business Administration's services to the Nation's small businesses continued to expand during the last 6 months of 1961, Administrator John E. Horne reported in the agency's 17th semiannual report, issued today.
>
> The report indicated that small firms were given a greater measure of assistance during the period July-December 1961 than in any previous 6-month period in the history of SBA. Some of the highlights of the period were:
>
> Approval of a record 3,768 business loans for more than $215 million to help small firms expand, modernize, and improve their operations.
>
> More than $1 billion of proposed Government purchases were set aside for small business bidding through joint action by SBA and purchasing agencies.
>
> Licenses were issued to 145 privately owned small business investment companies to provide long-term loans and equity capital to small firms. The capital available to these companies nearly doubled, and the SBIC's stepped up their rate of financing small business.
>
> More than 3,700 disaster loans were approved to help restore or replace businesses and homes damaged by such disasters as Hurricane Carla and other catastrophes.
>
> More than 40 loans for nearly $6 million to State and local development companies to help them finance small business, and SBA began processing Area Redevelopment Administration loan applications for industrial and commercial projects.
>
> Increased emphasis was placed on managerial assistance activities and more than 160 administrative management courses for small businessmen were held in cooperation with leading educational institutions.
>
> Efforts to encourage and help small firms to engage in foreign trade were stepped up.
>
> The report indicated that the record level of SBA services to small businesses during the July-December 1961 period was made possible by several factors. These included amendments to the Small Business Act and the Small Business Investment Act; a continuing program to improve the operation and administration of SBA; closer liaison with other agencies having small business programs, and an intensified program to inform more firms of the services available to them from SBA.
>
> With respect to the economic position of small business, the report pointed out that

> at the end of 1961, the Nation's 4½ million small businesses were in better economic health, and could look forward to a considerably brighter future than had been true only a few months earlier.
>
> During the latter months of 1961, there was a decline in the number of business failures, an increase in the number of business incorporations and an expansion in the growth of the small business population.
>
> The report discusses in detail all SBA's activities during July–December 1961. Copies are available at all the agency's field offices.

Mr. Speaker, this 17th semiannual report of the Small Business Administration shows what can and should be done by SBA in furthering the cause of small business. It also points up the need for Congress to furnish SBA adequate resources to expand its services and do an even better job for America's 4½ million small businessmen. Unfortunately, this has not been done during recent months. For lack of adequate funds, Mr. Horne was required last December to take administrative action to reduce the maximum allowable loan from the statutory $350,000 to $200,000. In March of this year, and for the same budgetary reasons, Mr. Horne was forced to discontinue giving formal approval to loan applications except on an urgency basis. And finally, lack of conference committee action on the second supplemental appropriation bill of 1962 further impaired SBA's programs.

I recommend that this Congress pay closer attention to what is happening to the Small Business Administration and take appropriate action to bolster its valuable programs.

THE VALUE OF CONSIDERED CORRESPONDENCE

Mr. CLEM MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CLEM MILLER. Mr. Speaker, occasionally there comes to each of us a communication which is so well thought out, so temperately and modestly phrased, yet at the same time so clear and unequivocal, that it is a very special pleasure to read and worth much time to ponder and digest.

Such a letter recently crossed my desk. At a time when it is so very difficult to attend to our myriad duties, I have read this letter several times, and thought about its contents at length.

This is the stuff out of which considered judgments are made, whether one agrees precisely with the view expressed or not. The felicity of approach makes for a consideration that its strident counterpart would furnish the base for rejection.

Constituents write to their Congressman for many purposes—to unload their own fears and frustrations; to exhort and encourage; and to illuminate understanding by a sharing of thoughts. This letter is of the latter sort. It seems to me this is the most useful and productive sort of correspondence to those of us harried by the constant appeals of our legislative life.

Here is the letter:

> MY DEAR MR. MILLER: Recently a good deal of controversy throughout the Congress has had me concerned, and I have written you to express my views on the Supreme Court decision against public school prayers. On the whole I believe the majority opinion has been misunderstood.
>
> The specific decision concerned a simple but extensively used prayer composed and recommended by the New York State Board of Regents to be used in all public schools. Perhaps the statewide significance of the prayer prompted the Justices to deny it so soundly. The words and syntax of a prayer said daily would be fixed in every child's mind, whether he repeated the prayer or not. Certainly no such prayer could be constructed so delicately so as not to favor one religion over another. The best scheme is to let both religious training and public education be strong, but entirely separate. This idea, I should think, is very much in the American tradition.
>
> Members of the Congress seem to lack faith in the Justices' decision. God has not been banned from the classroom. Indeed, comments such as, "Our Founding Fathers expressed their faith in God's guidance in the American state papers," are wholly appropriate and rather wonderful, but prayer is more personal and a definite part of theology. Unthinking proposals from Congress against this decision would discredit the Court and accomplish little else.
>
> I have no way of knowing how you stand on this issue, sir, and as for myself I have no legal voice—I'm 18 years old—but I encourage you and your fellow Congressmen to understand that the decision was not meant as a blow to religion but as independence from religion, a continuance of an American idea of separation of religion and public institutions.
>
> Respectfully yours,
>
> ROBERT PATENAUDE.
>
> BLUE LAKE, CALIF.

DETERMINED EFFORTS TO ACHIEVE MEANINGFUL AND REALISTIC DISARMAMENT AND ARMS CONTROL

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. COHELAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COHELAN. Mr. Speaker, the U.S. Arms Control and Disarmament Agency recently prepared a detailed summary of developments during the first 3 months of the current Geneva Disarmament Conference.

Although no substantial progress has been made at the Conference to date, the Agency quite correctly points out that—

> Even if no agreement is reached in the near future, the conference offers useful opportunities to advance U.S. interests by communicating our point of view to other nations, by demonstrating that disarmament is a complicated task which cannot be achieved by sweeping and propagandistic proposals, by establishing the common interests of all nations in turning down the arms race, and by defining the issues properly so that practical steps can be taken toward their resolution.

In closing its report, and in recognition of the fact that the Conference is resuming its deliberations on Monday, July 16, the Agency makes the following important policy statement:

> If the Conference is to achieve even a limited degree of success, a genuine spirit of cooperation coupled with a sustained and honest search for fair and practical solutions will be required. The United States, for its part, remains determined to contribute to the work of the Conference in just this manner.

Mr. Speaker, this is a significant document regarding our efforts to attain a meaningful program of arms control and disarmament—a program which is essential to any lasting foundation of world peace—and I commend it to our colleagues' attention:

U.S. ARMS CONTROL AND DISARMAMENT AGENCY—SUMMARY OF DEVELOPMENTS AT THE CONFERENCE OF THE 18-NATION COMMITTEE ON DISARMAMENT, MARCH 14–JUNE 15, 1962

INTRODUCTION

> Up to now, there has been no substantial progress toward agreement at the 18-nation Disarmament Conference on any arms control or disarmament measures.
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> Progress, however, cannot be expected to come quickly in this field because the distrust on both sides is very deep. Yet, the awesome nature of modern armaments is such that the United States must continue to press for the greater security that could come to all nations from effectively verified arms control and disarmament agreements. Although more and more resources are directed toward improving armaments, nations are, on balance, enjoying less and less security.
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> The United States remains hopeful that in time other nations, including the Soviet Union, will come to see that an unrestrained arms race poses a greater threat to their security than disarmament under effective control. Moreover, there are various measures short of disarmament which may be negotiable in the not too distant future. These include agreements to limit the danger of war by accident, miscalculation or failure of communication, to prevent the spread of nuclear weapons and to ban nuclear weapon tests.
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> The 18-nation Committee is the best forum for disarmament negotiations which has been utilized since World War II. The eight new members, chosen to represent geographical areas of the world not represented by the NATO and Warsaw Pact Powers, are making a responsible contribution to the deliberations. Moreover, as cochairmen of the Conference, the United States and Soviet representatives have full opportunity to meet together to exchange views and conduct negotiations under circumstances in which polemics serve no useful purpose.
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> The Conference has provided the United States with an unusual opportunity to communicate its views to the other nations present, and to demonstrate its own sincere desire for meaningful disarmament agreement. In United Nations debates and in speeches elsewhere, the Soviets have sometimes used disarmament as a propaganda weapon against the United States. Because the time for debate was limited, or the forum not conducive to probing analysis, the Soviet approach has not always been successfully revealed in its true light.
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> In this Conference, however, adequate opportunity is provided for full analysis and debate. As a result, the Soviet participation has often been revealed as superficial and propagandistic. In contrast, U.S. participation has been constructive and conscien-

tious, as illustrated by the U.S. disarmament plan submitted on April 18, 1962—the most detailed and comprehensive plan put forward by any country at any disarmament conference.

Even if no agreement is reached in the near future, the Conference offers useful opportunities to advance U.S. interests by communicating our point of view to other nations, by demonstrating that disarmament is a complicated task which cannot be achieved by sweeping and propagandistic proposals, by establishing the common interests of all nations in turning down the arms race, and by defining the issues properly so that practical steps can be taken toward their resolution. The subject of arms control and disarmament is so urgent and important a subject that continuing international discussion of it is inevitable and the United States believes that the negotiations at Geneva offer one of the best available methods of prevailing upon the Soviet Union to accept its responsibility to heed the conscience and aspirations of the world community for genuine peace and security through safeguarded disarmament agreements.

A detailed summary of the first 3 months of negotiations is set forth below.

GENESIS OF THE CONFERENCE

Following the walkout on June 27, 1960, of the Soviet Union and its four allies from the Geneva Ten-Nation Disarmament Conference (made up of representatives from the United States, the United Kingdom, France, Italy, Canada, the U.S.S.R., Bulgaria, Czechoslovakia, Poland, and Rumania), the United States actively pursued efforts to resume negotiations on disarmament in the firm belief that it was one of the most pressing unresolved matters in the international field.

However, although efforts were made during the remainder of 1960 and early in 1961—particularly at the 15th United Nations General Assembly session—to renew negotiations, little headway was evident until June 1961, when bilateral discussions between the United States and the U.S.S.R. began in Washington, D.C. These discussions, which were later continued in Moscow and New York, were undertaken to achieve two objectives: Agreement on the composition of a new disarmament committee, and establishment of a framework of principles which could govern the resumption of negotiations on disarmament.

On September 20, 1961, the United States and the U.S.S.R. agreed on a joint statement of principles to guide future negotiations. The statement, in setting forth general and complete disarmament as a goal recognized both the need for international peacekeeping machinery to accompany advances toward achieving general and complete disarmament and the possibility of deciding upon and carrying out initial disarmament measures even before agreement on an entire disarmament program. The necessity for adequate control was also recognized, although the U.S.S.R. refused to accept the U.S. position that verification procedures should apply not only to forces and armaments disbanded or destroyed but also to the agreed levels of retained forces and armaments.

Agreement on the composition of a negotiating forum followed on December 13, when the United States and U.S.S.R. agreed to invite to the membership of the former Ten-Nation Committee on Disarmament Brazil, Burma, Ethiopia, India, Mexico, Nigeria, Sweden, and the United Arab Republic.

These two agreements were welcomed by the 16th session of the United Nations General Assembly, which called upon the Committee to undertake negotiations "as a matter of utmost urgency" and to report back to the United Nations Disarmament Commission by June 1, 1962.

In response to this, the 18-nation Committee began its sessions in Geneva on March 14, 1962.

THE STRUCTURE OF THE CONFERENCE

The structure of this Conference is unique when viewed in the light of previous post-World War II disarmament conferences. To expedite the vast and complex task before it the Conference established three separate forums.

Plenary meetings of the Conference are confined to efforts aimed at resolving the primary task of developing a treaty on general and complete disarmament. To deal with certain individual measures which need not await agreement on a total disarmament program and which might serve to lessen international tensions, the Conference created a committee of the whole.

Finally, to provide for a continuation of negotiations on the controlled cessation of nuclear weapon testing, the Conference established a subcommittee, consisting of the three nuclear powers—the United States, United Kingdom, and U.S.S.R. These three nations had been engaged in negotiations on this matter since 1958.

The Conference has also devised two other innovations. First, it designated the United States and U.S.S.R. as permanent cochairmen of the Conference—this in addition to rotation of the chair on a daily basis among all members of the Committee—to provide continuity in the work of the Conference. And, second, to permit such free-ranging discussions as might be desired on some or a number of specific problems, the Conference instituted the procedure of informal sessions when deemed useful. This, in effect, permits all delegates to discuss matters on an off-the-record basis, since no verbatim records of these sessions are maintained.

Although the plenary, the Committee of the Whole, and the test ban subcommittee are the only forums thus far established by the 18-nation Committee, it is possible that as the Conference proceeds, additional subcommittees may be established to facilitate its work as discussions become more detailed and specific disarmament measures are explored in greater depth.

BASIC DOCUMENTS AND PROPOSALS BEFORE THE CONFERENCE

The plenary meetings of the Conference have been centered on two basic documents:

The United States "Outline of Basic Provisions of a Treaty on General and Complete Disarmament in a Peaceful World" and the Soviet Union's "Treaty on General and Complete Disarmament Under Strict International Control." Although both documents are similar in that they propose a three-stage program for the reduction and eventual elimination of national military establishments, there is a considerable difference in the approach of the two plans toward this objective.

The U.S. program is designed to permit the nations of the world to stop the arms race at an agreed time, to freeze the military situation as it then appears, and then to shrink military establishments to zero. The aim in this would be to keep the relative military positions of the parties as closely as possible to what they were at the beginning by cutting all armaments and armed forces by approximately one-third of the initial size in each of the program's three stages. At the same time, it emphasizes the development of peacekeeping machinery to insure that, as national arms are scaled down and eventually eliminated, international peace and security will be fully and fairly safeguarded.

The Soviet Union's program, on the other hand, in its three stages, places its emphasis on reducing selected categories of armaments in the claim that the threat or danger of nuclear war is directly linked to the presence of those categories of armaments in national arsenals. It seeks the elimination of all nuclear weapons carriers in the first stage and the total elimination of nuclear weapons during the second stage. Reductions of other arms and armed forces are to take place during each of the three stages to assure their total elimination by the end of stage three. The Soviet plan also advocates reliance upon a strengthened United Nations to keep the peace during and after the disarmament process.

In the plenary sessions, the delegations are attempting to meld these two plans into one treaty which would be the product of the Conference. Although no substantive differences have yet been overcome, the Conference has worked out an almost fully agreed initial draft preamble to the treaty. At present, it is engaged in a similar effort to draft common language setting forth the treaty's general introductory provisions.

As concerns the disarmament measures per se, a number of the plenary sessions have been devoted to an exposition by the Western and Soviet bloc members of the merits of the United States and U.S.S.R. programs. As these discussions have proceeded, certain major differences have come clearly to the foreground. And it is these differences that the Conference will have to resolve if it is to proceed to draft provisions for the first and then subsequent stages of the treaty.

Key among these is the matter of a 100-percent cut in nuclear delivery vehicles as proposed in the first stage of the Soviet plan as opposed to the 30-percent cut in this and other armaments as proposed in the first stage of the U.S. program. The United States believes that total elimination of delivery vehicles in the first stage is not only impractical because of the difficulties of control and implementation but would also cause a grave strategic imbalance in the world, which the more gradual across-the-board reductions of the American plan would avoid. Moreover, although the Soviet bloc nations believe the elimination of delivery vehicles would virtually overcome the threat of nuclear war the Western nations consider that this threat will continue to exist under the Soviet program since, unlike the U.S. program, no provision is made in the first stage in the field of actual nuclear disarmament.

The time period for the carrying out of disarmament measures also looms as a problem. The U.S. program has not fixed an overall time period for the implementation of general and complete disarmament in the belief that this can only be determined when certain unknown factors—transition period between stages, implementation of verification arrangements, etc., become clear. The United States has set a 6-year time period for the first two stages, however, but has emphasized that this is an estimate and that in fact the completion of these two stages could take longer or, indeed, a shorter period of time. The Soviet plan, on the other hand, sets a 4-year time period for completion of the total program roughly allotting 15 months for the carrying out of the measures in each of its three stages. While the Soviet bloc nations believe the U.S. time period is too long, the Western nations feel the 4-year period is too short a time to implement such a far-reaching program in view of the great international changes which will accompany such disarmament as well as the vast technical problems involved.

A further point of difference is the important matter of control or verification. In the view of the Western nations, the Soviet position of control over disarmament would forgo the essential need to know, in addition to what has been destroyed, whether levels are being adhered to and also whether any weapons have been secretly hidden. The Soviet bloc nations claim that this is control over armaments and would mean

Western espionage inside the U.S.S.R. The Western nations feel this attitude reflects an unwillingness on the part of the Soviet Union and the other bloc nations to recognize that reasonable controls are necessary in the absence of confidence between East and West that each side will honestly fulfill its disarmament obligations.

Finally, there is the question of peacekeeping machinery. Both plans make some provision for this but in the U.S. plan the emphasis and obligations in this area are considerably greater than in the Soviet plan. This stems from a different philosophy on the part of East and West. The Western nations believe that disarmament by and of itself will not usher in a peaceful world and, therefore, as national armaments are scaled down, international institutions, including a United Nations peace force, must be gradually strengthened to insure the security of all nations. The Soviet bloc nations contend that disarmament and peace are synonymous and, therefore, the United Nations along with a peace force consisting of only national contingents operating under a three-bloc type command and used only if no permanent member of the Security Council vetoes its employment will suffice.

The Committee of the Whole has before it proposals for the consideration of the following items: the cessation of war propaganda; cutoff of production of fissionable materials for use in weapons; reduction of the risks of war by surprise attack, miscalculation or failure of communications; measures to insure that outer space will be used for peaceful purposes only; establishment of nuclear free zones; measures to prevent further dissemination of nuclear weapons; and conclusion of a nonaggression pact between the NATO countries and the countries of the Warsaw Treaty.

Discussions within the Committee have been centered on the cessation of war propaganda. The cochairmen were asked to consider the proposal for a declaration against war propaganda. Negotiations between them lasted 6 weeks, and culminated in an agreed text, approved by both Governments. This was presented jointly by the United States and U.S.S.R. to the Committee of the Whole on May 25, where it was unanimously approved by the Committee and referred to the plenary for definitive action. When the Conference met May 29 to take final action on the declaration, the Soviet Union submitted amendments to the text it had fully approved as binding on its Government 4 days earlier which completely changed the character of the agreed-upon declaration. Among other things, the Soviet amendments called for enactment of laws making any form of war propaganda a criminal offense, a provision which the United States had rejected previously as contrary to freedom of speech and the press guaranteed by the American Constitution. The United States declared the Soviet amendments to be unacceptable, and in view of their abrupt about-face stated that it would not be fruitful to reopen negotiations on war propaganda at this time.

The United States and the other Western nations have urged that the Committee take up as its next item one of the proposed measures which would involve at least some degree of disarmament or of reduction of the risk of war, such as cutoff of the production of fissionable materials for use in weapons, measures to reduce the risk of war by surprise attack, miscalculation or failure of communications, or measures to prevent the placing into orbit of weapons of mass destruction.

The Soviet Union insisted on Committee consideration of a second item it favors; namely, measures to prevent the further dissemination of nuclear weapons. The United States suggested, in a compromise move, that consideration be given concurrently to its item of reducing the possibility of war by surprise attack, miscalculation or failure of communications and the Soviet item on the establishment of nuclear-free zones in various parts of the globe. The Soviet Union did not accept this proposition and sought to block discussion of any item advanced by the West. The discussion in the Committee then pressed for a proposal submitted by the United Arab Republic which would leave to the Committee the determination of priority items after the Committee had heard the views of both the United States and U.S.S.R. as to why each favored discussion of their respective items. The Soviet Union's acceptance of this procedure, which permits discussion of new topics within the Committee, was welcomed by the United States, for it believes that agreement on one or some of the items it has requested be considered could lead to an early reduction of the present levels of international tension, thereby paving the way for broader agreements in the disarmament field. It has led to discussion within the Committee both on measures to reduce the possibility of war by accident and measures to prevent the further spread of nuclear weapons.

The Subcommittee on a Treaty for the Discontinuance of Nuclear Weapon Tests has been concerned with three proposals.

At the subcommittee's initial session, the three nuclear powers focused their attention on the United States-United Kingdom position as set forth in their April 18, 1961, treaty, and the Soviet proposal of November 28, 1961. In essence the United States-United Kingdom draft treaty called for the establishment of an international system of internationally built and operated control posts, an international system of inspection—including the right of conducting a limited number of on-site inspections of unidentified events—and an international control commission to supervise verification arrangements which were to be aimed at insuring the cessation of all nuclear weapon tests in all environments. The Soviet proposal called for the exclusive use of existing national detection equipment to police a test ban in the atmosphere, underwater, and in outer space with an unpoliced moratorium on underground tests pending the development of a control system for general and complete disarmament.

Given the wide gap between the two sides on this matter, the eight new delegations, in an effort to avoid the impasse which threatened to develop in the three-power subcommittee, submitted, on April 16, 1962, a joint memorandum containing ideas and suggestions which they commended to the United States, United Kingdom, and U.S.S.R. for consideration. The memorandum suggested "establishing by agreement a system for continuous observation and effective control on a purely scientific and nonpolitical basis," and outlined in broad terms the principles on which such a system should be based.

Shortly after its introduction, the Soviet Union, interpreting these principles in such a manner as to make them appear similar to its November 28 proposal, formally announced that it had accepted the memorandum as a new basis for negotiation. The United States and United Kingdom also accepted the memorandum as a basis for negotiation, but made it clear that in so doing they were not prepared to consider it as the exclusive basis for negotiation. As the United States understands the document, the eight cosponsors suggested reliances both on national detection networks and on new stations to be joined together in one international agreed system. This system would be subject to supervision by the new international commission. Such a commission would be responsible for assessing the nature of suspicious event (which might be nuclear explosions) and also for obliging parties to the treaty to permit onsite inspections in those cases where this was deemed essential.

Although the memorandum was introduced in an effort to make further progress toward a controlled test ban, the Soviet Union, by demanding that it be accepted as a basis for negotiation within the narrow limits of its interpretation (total reliance on national detection systems, an almost powerless international scientific commission, and inspection by invitation of the suspect country only) has blocked for the moment any opportunity for joint three-power exploration of the memorandum's provisions.

The 18-nation Conference has completed 13 weeks of intensive deliberations. For the most part, the discussions during this period have been conducted in a businesslike manner. There is no doubt that the constructive contributions being made by the eight new nations in these deliberations have had a positive effect in creating and, in general, sustaining this desirable attitude.

On May 31, 1962, the cochairmen, at the request of the Conference, transmitted an interim progress report to the United Nations, covering the period from March 14 to June 1, 1962.

The Conference then agreed to recess from June 15 to July 16, 1962, in response to the desires of some of the delegations to have time for reflection and consultation with their governments.

It is clear that when the Conference resumes its deliberations and moves further into the substantive aspects of the disarmament problem, it will be faced with great difficulties. In all three areas, i.e., general and complete disarmament, individual measures, and the nuclear testing question, major differences exist between the positions of the allied and the Communist nations. This means that if the Conference is to achieve even a limited degree of success, a genuine spirit of cooperation coupled with a sustained and honest search for fair and practical solutions will be required. The United States, for its part, remains determined to contribute to the work of the Conference in just this manner.

J. ALLEN OVERTON, JR.

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. Byrnes] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I should like to call the attention of my colleagues to the fact that J. Allen Overton, Jr., recently concluded noteworthy service as a member of the U.S. Tariff Commission. With that agency, where 2½ years of his tenure were spent as Vice Chairman, and with the Department of Commerce, where he served as Deputy General Counsel for more than 3 years prior to his appointment to the Tariff Commission by President Eisenhower in 1959, Mr. Overton has made a major contribution both to the Government and the people of this country.

A truly dedicated public servant, Mr. Overton was an officer in the U.S. Air Force during World War II. In accepting his request to resign from the Tariff Commission as of May 31, 1962, President Kennedy warmly acknowledged Mr. Overton's work, saying:

> Your contribution to the Commission has benefited not only this administration but the Nation as a whole, and I most sincerely thank you.

J. Allen Overton, Jr., is furthering an outstanding career—one that ideally combines accomplishment and service—as administrative vice president of the American Mining Congress. I know that his many friends in the House of Representatives and throughout the Government, as well as his admirers from various walks of life, join me in wishing him continued success as he assumes his new job with one of this country's leading national organizations.

ROSTOW PROPOSES END TO NATIONHOOD

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROUSSELLOT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, Dr. Walt Whitman Rostow, Chairman of our State Department Policy Planning Board, has written a book entitled "The United States in the World Arena," in which he proposes an end to our nationhood. The book is discussed in a review by Alice Widener which appears in the June 29–July 13, 1962, issue of U.S.A. I believe the review will be of interest to my colleagues. The text follows:

WALT WHITMAN ROSTOW ON "AN END TO NATIONHOOD"

(By Alice Widener)

PART I

An end to our nationhood

This is the goal of the present Chairman of our State Department Policy Planning Board, Prof. Walt Whitman Rostow, as set forth, 1960, in his magnum opus "The United States in the World Arena."

Indubitably, Professor Rostow enjoyed as a private citizen the right to advocate the end of our nationhood, that is, abolition of the United States of America. But holding such a revolutionary view, how was it possible for him to take the oath required of every official of the U.S. Government? The oath is:

"I do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies foreign and domestic; that I will bear true faith and allegiance to the same; that I take the obligation freely without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God."

The Constitution of the United States assures to the people of our Nation the right to bear arms to secure its freedom, to execute its laws, suppress insurrections and repel invasions.

Professor Rostow acknowledges this constitutional right as "the root" of our sovereignty. To abolish it, he would first tear out the root and then "pass other functions upward from unilateral determination" to a federalized world organization under effective international law.

Professor Rostow describes this federalized world organization as a "great human watershed." But he does not find it "easy or particularly useful" to peer far beyond the time when it would be created.

Military force—once the watershed is established—would be exerted in "global domestic politics." He sees the world policed by "freely moving inspectors" taking up "their initial posts from one end of the world to the other."

Then—Professor Rostow assures his readers—"the nightmare passes." There will be, however, "a special dimension in global politics with special meaning for Americans."

What will this American role be?

So to conduct the world's affairs "as to avoid a dissolution of the federal machinery and civil war."

In other words, Americans are to be chiefs of police in a world police state with inspectors roaming everywhere at will.

What is the rationale behind this plan to abolish the United States?

Professor Rostow asserts (p. 549) "the nature of modern weapons in a context other than American monopoly is a danger to the national interest sufficiently grave to justify acceptance of important constraints on the nation's sovereignty." Immediately, he qualifies the word "constraints" with the sentence "Put another way, it is a legitimate American national objective to see removed from all nations—including the United States—the right to use substantial military force to pursue their own interests."

Where does this "right" rightfully belong? Only in "an international arena of power." Professor Rostow describes the right to use substantial military force merely as a "residual right" (though it is guaranteed in article I of our Constitution) and believes that in order to create an international arena of power (no qualification used—such as "just" or "beneficient" or "subject to divine providence") there must be "an end to nationhood as it has been historically defined."

Power But Not Peace

Obviously, Professor Rostow does not foresee a world without violence or threat of violence. In an utterly peaceful world inhabited by peace-loving and peace-keeping people, there would be no need for "military force" to carry out "global domestic politics."

His plan is for creation of such a force to such an end. All that would be accomplished under Professor Rostow's plan to abolish the United States would be to use its military force for enforcement of "global domestic politics." In such politics, the policies might or might not be to Americans' own best interests, and might therefore be used against Americans to deter their effort to break up the world police state or engage in civil war against it.

"Good" Communism

What about that somewhat difficult problem—the present-day Communist threat?

Ah, the United States must mobilize its "strength, will, and imagination" to induce the Communist bloc—by persuasion only—to release "the forces for good" within it (p. 538).

There is a process of change "going forward slowly and irregularly in the Soviet Union"—Professor Rostow asserts (p. 479).

Undoubtedly.

And the more it changes, the more it remains the same—wholly dedicated to creation of a single world Socialist state under Soviet hegemony, an end justifying any means of class warfare, subversion, duplicity, brutality and naked aggression.

What really is the Soviet Union—a success or failure?

In Professor Rostow's opinion (p. 479) our Nation is confronted by the challenge "represented by the military, economic, diplomatic, and intellectual success of Soviet society and by its ability to maintain itself as an ongoing system."

Professor Rostow acknowledges that the Soviet society "appears to deny every fundamental value of Western and American life." Nevertheless, he is sanguine about our ability to persuade it to release "the forces for good within it," and he is willing to put an end to our own nationhood—i.e., abolish the United States—in hopes that once a federalized world state is set up, the Communists who, he admits, "deny every fundamental value of Western and American life," will obey the dictates of an uncodified and chimerical "international law."

U.S. Waterloo?

Let us suppose, for the sake of argument, that the Communists would agree to join a federal world government and that all nuclear weapons were destroyed by all nations. In our "special role" as policemen—the role that Rostow envisages for us—would we be called on to put down a Soviet or Red Chinese "class struggle" against the world government? What would we try to do? Subdue the Communist bloc by means of nonnuclear warfare, or invade Russia as Napoleon and Hitler tried to do at such stiff-corpse wintry cost?

Would the numerically inferior American "world police" (joined by other federated nations' limited forces) try to put down in hand-to-hand fighting a civil war against the federal world state waged by Red China and the Soviet Union?

PART II

Professional gap

Surveying the world from the Center for International Studies at Massachusetts Institute of Technology, it seems that Professor Rostow wrote his book "The United States in the World Arena" under absolute but wrong technological conviction that there was and would be for a long time a "missile gap" between the United States and Soviet Union, a gap in favor of the Reds. In fact, the professor was so convinced of its existence that on page 531 of his tome he almost slangily refers "to the reality of the gap."

In setting forth his "historical" analysis of the post-Stalin period in the Soviet Union, Professor Rostow fearfully and gloomily describes the dire predicament of our country after the Soviet satellite launching of 1957 and "increasing reports of successful Soviet tests of ICBM's."

Professor Rostow writes (p. 293):

"The capabilities inherent in the Soviet satellite were widely understood to mean that the United States was foreseeably, if not immediately, vulnerable to direct attack for which no means of defense existed, an attack that could bypass Western Europe. Third, and perhaps most powerful, the Soviet performance confirmed the image, long cultivated by Communist propaganda, that in the decisive area of science and technology the Soviet Union was outstripping the complacent old front runner (us)—an image of tremendous importance in Asia, the Middle East, and Africa.

The 1960 campaign theme

In a scathing critique of the Eisenhower administration, the professor concludes (p. 397) "As of 1958 it is not yet inevitable that the United States and the free world stand defenseless in the face of Soviet ICBM's at some point in the future, or without effective recourse in the face of limited military assault; nor is it yet inevitable that India, Indonesia, and Egypt go the way of China; nor is it yet inevitable that the United States and Europe fail to recapture a basis for joint initiative in military, economic and political affairs. The events from Suez to sputnik to the foreign exchange crisis in India to the Middle East crisis of 1958 were a warning of dangerous trends. The outcome hinges in part on decisions taken within the Communist bloc; but it will mainly depend on what Americans do or fail to do from the present forward."

Does all the foregoing sound very familiar? Of course. It became the dominant theme of one side during the 1960 presidential campaign, the side that won.

Rostow's new national portrait

Immediately, Professor Rostow went to the White House and then to the State Department in an effort to determine what Americans should do from the present forward. And what they should do—he carefully builds his book to show—is to persuade the Communist bloc to live up to the good within it and to abolish the nationhood of the United States as the best means of persuasion.

Coming from him, is such a revolutionary view most unexpected? Not at all. Anyone who kept track of what he was doing and thinking since 1955 would find him doing what comes naturally to an academician, social scientist and economic theorist of his intellectual pretensions.

On October 2, 1955, the New York Times reported from Cambridge, Mass.: "Evaluation of Society's Role in History Made Possible [sic] by Carnegie Foundation Grant." The Times went on to say: "A social scientist at Massachusetts Institute of Technology has undertaken to develop a new national portrait of the United States in a world setting. Under the 3-year grant from the Carnegie Foundation of New York, Dr. Walt W. Rostow, a professor of economic history, is directing the study. New frontiers [sic] of knowledge now are being sought in the social as well as in the natural sciences, Dr. Rostow said. Dr. Rostow's project will examine our role in what he calls the foreign policy revolution."

There it is. The idée fixe upon which Dr. Rostow fixed his studies and, of course, came up with a prefixed solution—abolition of our nationhood as it has been historically defined.

What could be a more ideal situation for an ambitious man than to be lavishly subsidized for 3 years at a center for international studies, to be able to gather around himself a group of like-minded "scholars," and then to set about guiding a thinking process directed at a foregone conclusion?

In the preface to his brainchild—which evidently was mature in embryo at the inception of gestation—Professor Rostow makes grateful acknowledgment to 67 persons among whom are: Max Ascoli, Richard M. Bissell, Jr., Robert Bowie, Chester Bowles, William Bundy, Jerome Frank, Morris Janowitz, George Kennan, Henry Kissenger, Max Millikan, David Riesman, Arnold Rivkin, Eugene Rostow, Paul Samuelson, Arthur Schlesinger, Sr., Arthur Schlesinger, Jr., Ordway Tead, and Jerome Wiesner.

Despite the roster of advisers, the work is Rostow's own. "Responsibility for the final judgments [not opinions—judgments] rests, of course, wholly with the author," the professor proclaims.

Let us examine the quality and farsightedness of these "judgments."

Truly, they are amazing:

(1) There was "the reality of the gap"—a "reality" which President Kennedy was forced to admit, soon after he entered the White House, did not exist.

(2) The Soviet Union—in Rostow's "judgment"—was an "economic" success. Yet Soviet economic failure—and Red Chinese economic failure too—is now obvious to the meanest intellect, and the world press is full of cartoons about the empty Red horns of plenty.

(3) "Nor is it yet inevitable that the United States and Europe fail to recapture a basis for joint initiative in military, economic, and political affairs." Here is quite a judgment. Even Khrushchev himself is in a dither over the triumph of initiative in the European Common Market.

(4) In the entire volume of 550 pages there is only a slight recognition of the importance of the European Common Market.

(5) In the entire volume of 550 pages there is not a single mention of Cuba which, to someone aspiring to the task of foreign policy planning for the United States, should have loomed as a major Communist threat in 1958 and 1959 to the United States, to the entire Caribbean area, and to the whole Western Hemisphere.

Historian's bias

As well as faulty judgment, Professor Rostow's book exhibits a parti pris that is almost embarrassing. On page 233, he refers to "The decision by Truman, in January 1950, to proceed with the production of a hydrogen bomb," but far be it from Rostow to mention the name of Dr. Edward Teller, "father of the H-bomb." However, Rostow devotes space to attacking the Eisenhower administration's "inherent weakness in innovation" which—Rostow claims—"was accentuated to some degree by a deterioration in relations between the Government as a whole and the scientific community.

This is a leftist canard. Inevitably, as Rostow's slanting of history stacks to the left allegations based on emotional and not rational reaction, the author continues his biased critique of the Eisenhower administration's relation with scientists, "The climax of this process," Rostow writes, "was the withdrawal of security clearance to Robert Oppenheimer in 1954 on evidence which had altered in no significant respect since his postwar clearance in 1947."

This—to anyone who knows the facts—is a wholly biased and inaccurate statement.

J. Robert Oppenheimer's security clearance was denied in 1954 partly on his own testimony of that very year about his having in the past told "a tissue of lies" to investigating military intelligence officers. In the official findings of the Atomic Energy Commission's Personnel Security Board, May 27, 1954, there is evidence that Dr. Oppenheimer continued his associations with "an alleged Communist espionage agent"—Haakon Chevalier—long after 1947, that is, up until 1953.

Moreover, Professor Rostow's historical judgment absolutely disregards the fact that J. Robert Oppenheimer opposed manufacture of the H-bomb and sought to prevent it. By omitting any mention of this, Rostow evidently absolves him of it, but Rostow indicts the Eisenhower administration for having permitted an alleged missile gap.

In his historical analysis, Rostow does not quote a single word of the official AEC findings about Oppenheimer, but Rostow quotes Oppenheimer on pages 316, 317 and 318 of "The United States in the World Arena." The quotation is taken from an article in Foreign Affairs of July 1953 containing material which—Rostow reports—was leaked by Oppenheimer with Dean Acheson's official permission, while Oppenheimer was a member of what Rostow describes as an Acheson-appointed "special committee in 1952 which worked in secret down to the turn of the year."

It is clear that Walt Whitman Rostow and J. Robert Oppenheimer form a mutual admiration society. For the January 1958 issue of Foreign Affairs, J. Robert Oppenheimer wrote the article "An Inward Look" which declares (p. 210):

"In brief, we have come upon a problem of the greatest gravity for the life of our people by matching ourselves against a remote and unloved antagonist.

"Something of the same kind appears to be happening in a quite different area. This has to do with the ability of our Government—in fact, with the ability of our institutions and our people through our Government—to determine national policy in those areas that have to do with foreign affairs, and strategy, military and political. To quote Mr. W. W. Rostow in an address to the Naval War College late in 1956: 'I do not believe we as a nation have yet created a military policy and a civil foreign policy designed to fulfill [our purposes] and to exploit the potentials for social and political change favorable to our interest within the Communist bloc. Historically, the United States has thrown its energies into the solution of military and foreign policy problems only when it faced concrete, self-evident dangers.' "

PART III

In his book, "The United States in the World Arena," what does Professor Rostow advise for our exploitation of the potentials for social and political change favorable to our interest within the Communist bloc? That we should deny all alternatives other than "persuasion." But Khrushchev has boasted that he and his fellow Communists will be persuaded to give up their Marxism-Leninism only "when the shrimps whistle." If anybody is to be "persuaded" to give up their nationhood and the fundamentals they hold most dear—as Khrushchev recently recognized—it is those Americans and British who would rather be Red than dead, and are perfectly ready to take steps in that direction which would lead to the hoisting of a Red flag over an America entirely divorced from its nationhood as historically defined.

Historian's past

In the introduction to "The United States in the World Arena," Prof. W. W. Rostow writes, "This book is one man's effort to define where his society has come from; where it stands; what dangers it confronts; and in which directions lie an appropriate response. The origins of this book lie in the receding past."

The author recites a part of his past, beginning with the period 1943–45 when he was assigned (by the OSS) to work in London in the British Air Ministry, and continues, "In the decade that followed, while pursuing my profession as economic historian, I was also called upon from time to time to participate in public affairs and to write about them. In 1947–49 I worked as special assistant to the executive secretary of the Economic Commission for Europe, in Geneva."

Neatly, the professor skips over the identity of this commission and its executive secretary. Actually the commission was the United Nations Economic Commission for Europe and its Executive Secretary during 1947–49 was the notorious Swedish Socialist Gunnar Myrdal, author of the work that transferred the Marxian class struggle from within nations to among nations—rich and poor—"An International Economy."[1] This book by Myrdal—who frequently makes his points by citing quotation from the writings of W. W. Rostow—calls for redistribution of wealth in the world among the rich and poor nations, and for the creation of one socialist world.

Rostow, a SUNFED fan

Gunnar Myrdal was a stanch advocate of the United Nations Special Fund for Economic Development (SUNFED) and so was Rostow. When it became evident that the U.S. Government would not support the SUNFED plan—a scheme for outlay of billions of dollars of capital in government-to-government grants from the advanced nations to the backward nations—Professor Rostow and his colleague at MIT, Prof. Max Millikan, proposed to highest officials of the U.S. Government a "Proposal for a New Foreign Economic Policy" known as the Millikan-Rostow report. It called on the United States to provide a new long-term capital fund of from $10 to $12 billion to be available for loans and grants (to the underdeveloped nations) over an initial 5-year period and for a "longer period, at least a decade." The professors called for "an international sharing of the burden" of economic aid to the backward nations, then figured our fair U.S. share at about 74 percent, to which colossal sum "the narrow criterion" of profitability or repayment from revenues derived from the projects they deemed as irrelevant.

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[1] Harper & Bros., publishers, 1956.

As is the case in the West-rejected United Nations SUNFED plan, fulfillment of the Millikan-Rostow report would entail all the well-known Socialist schemes for international price stabilization, an international food and fibers bank, international currency control, and virtually all other measures contained in the Havana Charter of 1947, a proposal firmly rejected by Congress under the Truman administration.

Prof. W. W. Rostow's "The United States in the World Arena" calls for virtually all that Gunnar Myrdal's "An International Economy" calls for—a taxing of the people in the rich nations for the benefit of the hordes in the poor ones. This would, of course, entail the socialization of the American economy, and Professor Rostow's economic proposals in his 1960 tome call for exactly that.

Before examining his economic proposals—which practically ignore the serious U.S. deficit in the balance of international payments, and dangerous loss of gold and the perilous position of the U.S. dollar—it is well to take note of two recent pronouncements in the American press.

Oversold foreign aid

On June 9, 1962, the New Bedford (Mass.) Standard-Times carried a column by Eric Sevareid (longtime "liberal commentator for the Columbia Broadcasting System) which was headed "Foreign Aid Re-Examined." Mr. Sevareid reported:

"The massive American foreign aid program is moving through the congressional labyrinth * * * but it is highly likely that this is the last year the program will emerge in roughly the shape and size outlined by the President. Something has happened. Responsible Members of Congress, including some of the most liberal and enlightened Members are simply losing their illusions as to what money, food, arms, and exported expertise can and cannot do in and to underdeveloped nations.

"The privately growing suspicion that every President from Truman through Kennedy has wildly oversold the prospective economic and political results from America's generous interventions is now becoming a conviction. This may come as a shocking sentiment in many high-minded American citizens. If it does, it can only be because they lack firsthand experience of Africa, Asia, and Latin America."

Mr. Sevareid, who was for many years an ardent spokesman for the mammoth U.S. economic foreign aid program, concluded: "We have to ask ourselves why we assume that intervention by foreigners in totally alien cultures can produce economic levels, political institutions, and social mores in 10 or 20 years of the kind produced in Western societies only after many generations."

Some enlightenend and responsible Members of Congress issued on May 22, 1962, an official report on the "special study mission to the Far East, south Asia, and the Middle East." This mission comprised Representative J. L. PILCHER (chairman), and Representatives HARRIS B. MCDOWELL, THOMAS F. JOHNSON, WALTER H. JUDD, and E. ROSS ADAIR. They concluded:

"The objectives of U.S. aid are usually expressed in large orbital words such as economic development, the promotion of democratic institutions, and the maintenance of national independence. The achievement of any one of these would be commendable; anything beyond that would be miraculous.

"It is the view of the study mission that the United States phase out more of the large programs, sharpen its focus on a few key problems, and reduce its personnel."

To the overall study mission report, Representatives PILCHER, JOHNSON and ADAIR added a supplement which states:

"If our Nation, for pure humanitarian reasons, desires to improve the life of people in underdeveloped nations through direct charity, then we will find ourselves engaged in one of the most massive and endless giveaway programs ever conceived, which, in the long run, would do very little indeed to put these people on their feet.

"Another factor we feel most important as we consider foreign aid programs is the constant effort put forth to impress upon the Congress the necessity of foreign aid as a means of keeping nations on our side in our cold war struggle with the Soviet Union. We have heard statement after statement to this effect until we find ourselves arriving at one positive conclusion: We are simply endeavoring to purchase friends—in other words, dollar diplomacy. It was obvious to us on the recent tour that economic development does not function successfully with this type of political intrigue.

"The idea in the minds of our people that we can buy the favor of other people has produced a discordant view of our Nation in the eyes of other countries. It appears to us, in certain countries where we are trying to exert influence, a tendency to make exorbitant demands upon us exists, and the demand upon us to increase our contributions or be faced by their move toward the Communist sphere of influence, we find most disturbing and disgusting."

Rostow's 75-year plan

Foremost among a clique of intellectuals seeking to impress upon the Congress the need for almost limitless U.S. economic foreign aid to the underdeveloped nations has been our present chairman of the State Department Policy Planning Board, Prof. Walt W. Rostow. From the time in 1947 when he became special assistant to Gunnar Myrdal, Executive Secretary of the United Nations Economic Commission for Europe, Professor Rostow has devoted a main part of his very great intellectual energy as an economic historian to devising arguments for more and more U.S. foreign economic aid.

Actually, he wants our country to underwrite "the modernization" of Asia, the Middle East, Africa and Latin America. In his book "The United States in the World Arena," Professor Rostow makes the sweeping assertion (p. 413): "It is, therefore, as sure as anything can be that the central international problem for the future is the organization of a world community in which the United States, Western Europe, Japan, and Russia are joined by powerful industrial states in Asia, Latin America, the Middle East, and Africa—in about that order; and that, within something like 75 years, the bulk of the presently underdeveloped areas will have attained economic maturity."

Rostow's touchstone

This development will—in Rostow's opinion—diffuse power in the world. This diffusion of power will, Rostow sincerely believes, be the "touchstone" for change in communism. He see this change occurring (p. 417) "in the policy which looks to indefinite expansion of the power wielded from Moscow; change in the policy which abnormally constrains the standard of consumption of the Russian peoples; and change in the system of centralized dictatorial power backed ultimately by a secret police. It is, of course, possible to envisage radical alterations in the policy and domestic institutions of Russian society which would move in these directions still under the name of communism."

What would be the results of this Communist change in policy—according to Rostow's view? He explains (p. 422), "A different course of policy would require, however, that the notion of Moscow-controlled world domination be explicitly abandoned, that an effective system of international arms control be established in cooperation with the United States, and that Russia accept status as one among a group of major nation states, seeking its security by multilateral arrangement on the world scene."

Rostow's vision: U.S.-U.S.S.R. partnership

Such a transformation—Rostow concedes—had not occurred during the post-Stalin period of 1953–58. Nevertheless, Professor Rostow believes, "Some Russians may have even begun to define an alternative: namely, to exploit the transient primacy of the Soviet Union and the United States to create a system of armaments control so solid and secure that it would guarantee a world of reasonable and orderly politics by the time the new nations come to maturity."

PART IV

Professor Rostow outlines the range of American choice as (pp. 436–442):

"First, a policy of unilateral disarmament and passive resistance."

Second, a policy of armed withdrawal to the American Continent.

Third, a policy of limited withdrawal to the level of alliance with Western Europe and Japan.

Fourth, a revived policy of the free world partnership.

He declares "the optimum policy still open to the United States is the fourth" and he sees its problematic success dependent on our ability to perform "an act of persuasion."

How to abolish the United States of America

Thereafter, his long and tortuous argument as to the best means of persuasion for inducing the Communist bloc and all other nations to join with us in a plan for a peaceful Federalized World Government leads to his conviction that we must work toward "an end to nationhood as it has been historically defined."

For such conversion of America, there must be a great change in what Professor Rostow describes as our "domestic base." To change it—he asserts—America must "shift the balance of its common life in moral, philosophic, administrative, political, and economic dimensions" (p. 476).

In other words, we must revolutionize our entire existence.

To what must we adapt ourselves?

Here is Professor Rostow's outline:

"First. The acceptance of the fact that Americans might have to die for limited objectives of a political or strategic nature and not simply in a once-for-all moral crusade.

"Second. The Nation [must] consider in new terms the meaning of its commitment to the democratic process with the underdeveloped areas also in relating its outlook and policy to the mutations of communism in Yugoslavia and Poland and to the processes of change going forward slowly and irregularly in the Soviet Union."

The third and most important of the changes we must face—in Professor Rostow's view—is the validity of instinctive assumption that democracy in the American image is everywhere and automatically the wave of the future and morally right.

The Soviet Union—he explains—is a military, diplomatic, intellectual, and economic success and (p. 480) it "threatens to outstrip the performance of free, democratic, and virtuous America."

This overwhelming Red success—Professor Rostow believes—"is the most direct of assaults on the moral foundations of American life. It raises not simply the question of whether the United States may be defeated in war—hot or cold—but also the question of whether the principles of social organization which lie at the heart of the American conception of its nationhood are correct, for in one essential dimension, Americanism as an articulated creed has consisted in the faith that virtue and success converged, and that this convergence was a model and guide to humanity at large."

Rostow's revolutionary solution

How to cope with this problem?

Ah, this Chairman of our State Department Policy Planning Board, who falls into ecstasies over Soviet success and trembles in fear of the possible defeat in war of an America clinging to virtue as the principle of its articulated creed, has a marvelous solution, a revolutionary foreign policy which he postulated in 1955 and then spent 3 years discovering during Carnegie Foundation subsidized research at the MIT Center for International Studies.

Rostow's revolutionary solution?

Strive toward putting an end to American nationhood and toward stripping the United States of substantial military power to defend itself.

To achieve our new national purpose, Rostow declares (p. 485) Americans must apply more effectively their capacity to innovate.

Alining himself fully with those intellectuals who now constitute in our country a ruling class obsessed with the great depression and Hitler, and who interpret most current events in the light of these past events, Rostow outlines (pp. 486–487) the transition of the United States in its effort to mitigate its evils during the 1st quarter of the 20th century and after the great depression and Hitler.

In the former period, he relates, there arose in influence among us the thinking of the British school. Carefully he refrains from identifying this school, but he mentions Pigou, John Maynard Keynes, and Robertson in the field of economics.

In the latter period, Rostow explains, the great depression and Hitler played a role in shifting the balance of American intellectual life. To correct the great depression, he points out that the British (Socialists) had developed theoretical structures which were immensely helpful. Rostow goes on to say, "Hitler's contribution was even more direct. His policies drove or detached from Europe a substantial number of scholars who, whatever their particular intellectual tradition, brought into the heart of American universities a respect for theoretical concept and virtuosity."

This is a most biased and indeed slanderous evaluation of American universities. Were they devoid of respect for theoretical concept prior to Hitler? Were our universities barren of virtuosity?

It is unnecessary to cite a spate of examples to prove the flat error of this. One is sufficient—the Harvard of George Santayana!

Rostow declares that "in the 1930's American natural science—even more than social science—was strengthened by the inflow of Europeans seeking refuge." He goes to say "In many dimensions—from the Manhattan Project to the administration of the war economy, from the development of radar to the design of the Bretton Woods institutions, from the choice of strategic bombing targets to the psychological testing of officer-candidates—this new generation of [refugee] American theorists left their mark."

Indeed these intellectuals did! Or rather, they left their marks—some good, others absolutely disastrous to all that was typical and best in American society. Some of these refugees from fascism and nazism in Europe—such as Arturo Toscanini, Ludwig Von Mises, F. A. Hayek and many others—brought along to our country a fierce and true dedication to freedom and true independence. Others—far too many others who reached high places in our universities and government—brought along to our country their own fanatical devotion to Marxism and injected it into the intellectual bloodstream of the nation. Infatuated with the Soviet Union "as the first land of socialism," these Marxist intellectuals—with whom Professor Rostow appears to be so compatible—had a vested interest in propagandizing, fostering and worshipping "Soviet success."

PART V

The few keymen

To meet its alleged challenge and to create necessary "innovation" in our American society, Professor Rostow has outlined the changes he believes necessary in the entire structure of our government.

"It is the President, above all, who must identify and if possible anticipate urgent new communal problems," declares Rostow on page 506 of his book "The United States in the World Arena." He goes on to state that such vital changes as strengthening the staff of the National Security Council, restructuring the Department of Defense, and widening the permanent civil service in the various arms of foreign policy "should not obscure the fact that in its most important dimensions the performance of the executive branch will depend on the person of the President and a few key men around him."

Pages and pages of the book are then devoted to examination of economic ways to innovate in America which—Rostow says—"bear on the Nation's willingness and ability to allocate increased resources for communal purposes." (p. 521)

Back of black Monday

The economic policies of innovation under a strong President surrrounded by a few key men may not yet be fully understood by the American public in the late spring and early summer of 1962, but it seems that glimmerings of comprehension are filtering through.

There was black Monday in the stock market—a reflection of current events and lack of confidence in "the few key men." And—when the facts in Rostow's book become more widely known—there will very likely be many black Mondays, Tuesdays, Wednesdays, Thursdays and Fridays—to say nothing of Saturdays and Sundays.

Ten-year plan for depression

What Rostow really calls for in "The United States in the World Arena" is a 10-year plan for depression in our country.

On page 523 of his book, Rostow—who is himself one of the "key" men and perhaps the principal "key" man, states: "It would be unwise for Americans to face the problems of the next decade without preparing to contemplate an increased degree of austerity; that is, a decline in the rate of increase, or stagnation, of the private consumption level or, even, an absolute decline in private consumption per head."

Such a decline—over a period of 10 years—spells only one thing: a 10-year planned depression. The success of the mass production, mass consumption, free enterprise economy in America depends on increased private consumption per head.

What our domestic welfare requires—asserts Rostow in his socialist 10-year plan for America—is "substantial expansion in overhead capital" to meet "public sector commitments" for welfare at home and worldwide welfare to the underdeveloped nations.

Going much further than John Maynard Keynes, Rostow declares "It is not enough to accept the quasi-Keynesian view that public outlays must be accommodated, in some compensatory way, to the degree of exuberance in the private economy (p. 524).

"The issue for the American agenda is then how to shift the focus of national politics from the problems which have obsessed the Nation since the Civil War to the issues of communal survival and communal development which are, in fact, now and foreseeably central to the Nation's life and its welfare."

Pausing for a moment's breath in his communal rhapsody, Professor Rostow asks the rhetorical question (p. 525): "Does this whole argument come merely to a plea for higher taxes?" He answers, "Not necessarily, but increased taxation may well be required."

The subtle tools

Why not "necessarily?"

Because, according to Rostow, "if necessary, there are ways other than taxation to constrain private consumption and release resources for the public sector."

What are these other ways?

"The Nation has acquired, for example," declares Rostow (page 525) "a considerable experience in manipulating the rates and terms of mortgages and installment credit. There are even more subtle tools available to the society which may be illustrated with respect to the most obvious marginal item in American private consumption, that is, the large automobile."

Coming up: Horsepower tax?

Running into the homestretch of his plan to socialize and then abolish the nationhood of the United States, Rostow declares "The wisdom of large cars is a legitimate communal issue and belongs on the public agenda. A systematic public reappraisal of present private transport methods might lead the Nation to alter the pattern of its demand for automobiles even without a horsepower tax or some other fiscal device."

At this point, it would seem prudent to point out to Americans that one out of every six of us in employed either directly or indirectly through the automobile manufacturing industry in our country. It consumes 67 percent of rubber and 20 percent of steel. Automobile retail sales in America for 1961 accounted for $55 billion of our national business, and the motor vehicles industry paid $10.6 billion in Federal, State, and local taxes alone. The motor users' taxes amounted alone to $4.27 billion in 1961.

To cut down on the size of our cars would mean cutting down on the materials purchased to make the cars. Such retrenchment inevitably would decrease private gainful employment among Americans and increase urgent need in "the public sector" of the United States for "overhead welfare (relief) capital."

Six of one; two dozen of the other

As a means toward constraining the private sector of the American economy for the benefit of the public sector (which is, in sum, wider socialization of the economy) Rostow advocates (p. 527) "stable prices with rising money wages" as a "more realistic goal."

Pushing his argument for price but not wage controls further and further, Rostow calls on page 529 of his book for "a price-wage treaty."

Does this sound familiar?

For someone advocating a 10-year depression for America as a way of "innovation" designed to constrain and then smash its traditional capitalism, what could be more effective than a federally imposed price control-wage increase treaty? And how better to smash capitalism than by imposing Federal controls over "private consumption per head" among Americans?

Six of one; half dozen of the other

Given such Federal controls, what would be the essential difference between a Rostow and a Moscow economy?

Why should constraint of private consumption be limited to limitation on the size of automobiles? Why not limit the size of houses, the kinds of foods, the styles of shoes, the models of TV sets?

PART VI

Our little island

Why not?

It all depends on one's vision of America.

Prof. Walt W. Rostow views it essentially (p. 543) as "a continental island off the greater land mass of Eurasia."

He defines Eurasia to include "Asia, the Middle East, and Africa as well as Europe."

Keeping his eyes averted from Latin America, Professor Rostow declares that "various combinations of power in Eurasia have been and remain a potential threat" to our Nation's interest, and he declares that "the combined resources of Eurasia, including its military potential, have been and remain superior to those of the United States."

What Professor wants America to preserve is a power balance between our country and Eurasia—military and ideological—which will permit us to exist in the face of current and foreseeable challenges.

Among these, he declares (p. 549), "is the problem of using American power and influence to tame military force by effective international accord."

This poses the problem of how to use our effective military power. Ah—sighs Rostow—"foreign policy is full of painful choices." He explains:

"There may be times when in order to maintain military positions action must be taken which will conflict with the norms of the American ideological interest; and there may be occasions when it will be proper to take military risks to permit movement toward ideological objectives."

What is the real American interest—the best expression of its ideological objectives?

In Rostow's view it is creation of "a federalized world organization under effective international law." To achieve such an ideological objective, we must recognize Soviet success and the superiority of Eurasia, do nothing to risk the exertion of Soviet nuclear power, restrict all our own fighting to infantry brush-fire war fighting and socialize our own economy for the benefit of the underdeveloped nations. Such action on our part—Professor Rostow obviously believes—will be effective in persuading the Communist bloc to enter into a federalized world government under international law.

What is this law to be?

Understandably exhausted toward the very end of his literary exertion, he waves away the main question with the disdainful admission that it is "not easy or particularly useful to peer far beyond the time" when the Federalized World Organization is attained.

"American regional interest"—he grants—"would still continue to embrace elements from the long sweep of the past."

Undoubtedly, Professor Rostow expects these elements eventually to disappear—like the snows of yesteryear.

After all, why should they persist after the Chairman of our State Department Policy Planning Board has had his way and we citizens have all come to understand that it is "an American interest" to see an end to nationhood as it has been historically defined?

What meaning would such an element as the Stars and Stripes have on top a flagpole stuck in the soil of a mere island off continental Eurasia?

It would make much more sense to bow down before Soviet success, acknowledge our inferiority to the Eurasian continent, and forfeit our constitutional right to use substantial military force to pursue our own interests.

When an end to our nationhood as it has been historically defined has been achieved, what American worthy of the name will give a damn whether some character climbs up a pole to fly a Red flag over what was once the United States?

With Prof. Walt W. Rostow in our State Department as Chairman of its Policy Planning Board, it seems that Nikita Khrushchev wasn't so far out of line in his recent comments in Rumania.

Why should Khrushchev trouble his head about shooting off rockets at us or risking the life of a single Russian in a "brushfire" or "infantry" war somewhere in southeast Asian jungles?

When the right time comes, he or his successor can orbit across the seas to attend the ceremonies when the Red flag is flown by "Americans" over a regional island off the Eurasian continent, an island once called the continental United States of America.

HANFORD REACTOR PROPOSAL DESIRABLE

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington [Mrs. May] may extend her remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. MAY. Mr. Speaker, the Joint Committee on Atomic Energy has just concluded 2 days of public hearings on the proposal of the Washington Public Power Supply System to finance, construct, and operate electric generating facilities at the new production reactor at Hanford, Wash. During the course of the hearings an excellent record was established, which, I believe, shows the overwhelming advantages of the proposal to the Nation. When the Atomic Energy Commission authorization bill is brought before the House of Representatives next week, I am confident that the Members of the House will approve the proposal if the judgment is on the merits of the plan.

Today, all Members of the House of Representatives received a letter signed by the members of the congressional delegations from Washington, Oregon, and Idaho, urging our colleagues in the House to support the project. The letter describes, in brief, the advantages of the proposal, which, as you know, does not require any Federal appropriations.

Realizing that not all Members may have had opportunity to read our letter, I submit the letter to be printed at this point in the Record:

> Dear Colleague: The undersigned members of the congressional delegations from Washington, Oregon, and Idaho urge your support of a project which is of the utmost importance to our area and to the Nation, and which has tremendous bipartisan support in our respective States. We refer to the proposal of the Washington Public Power Supply System, an organization of local public agencies, to finance, construct, and operate electric power facilities utilizing waste steam from the new plutonium production reactor now nearing completion at Hanford, Wash.
>
> We realize that a proposal last year for Federal installation of power facilities at Hanford was the subject of considerable controversy. However, the new proposal is entirely different from that which was last considered by the Congress. The new proposal eliminates objections which formerly were raised to the effect that such a plan required expenditure of Federal funds, and that it would place the Federal Government in the commercial steam electric generating business outside of the Tennessee Valley. The new proposal does not require any Federal appropriations, and the power itself would be produced by a non-Federal agency and made available both to local public agencies and to the region's privately owned power companies through an exchange arrangement with the Bonneville Power Administration.
>
> This proposal also has the following advantages: It would (1) give the Government its only opportunity to recoup the $25 million that has been spent to date on the convertibility features of the reactor; (2) permit the utilization of a resource that otherwise would be wasted; (3) fill a critical need for power in the area: (4) make maximum use of these defense facilities for peaceful purposes.
>
> In order to achieve these and many other advantages, we understand an amendment will be offered to the Atomic Energy Authorization Bill specifically to authorize installation of non-Federally owned generating facilities at Hanford. Such an amendment will not authorize expenditure of any Federal funds, as no Federal money will be required for construction of the Hanford power facilities. In fact, this amendment will make it possible for the United States Government to receive from $31 million to $125 million for steam that otherwise would be wasted from the Hanford project. We therefore urge your support of such an amendment.
>
> Sincerely yours,
>
> Julia Butler Hansen, Walt Horan, Don Magnuson, Catherine May, Thomas M. Pelly, Thor C. Tollefson, Jack Westland, Edwin R. Durno, Edith Green, Walter Norblad, Al Ullman, Ralph R. Harding, Gracie Pfost, Members of Congress.

BETRAYAL

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. McVey] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McVEY. Mr. Speaker, any nation which forsakes its spiritual values must inevitably embrace material values. Three decisions recently handed down by the U.S. Supreme Court on the same day would seem to reflect that this Nation is forsaking its spiritual values. One of these decisions with which nearly everyone in America is shocked and sickened has the effect of preventing the voluntary recitation of a nonsectarian prayer of schoolchildren in the classroom. Of the other decisions, one held that it is proper for our postal department to deliver magazines which are admittedly published for homosexuals, and the other held that it is not against the law to be a dope addict.

A belief in Almighty God has been one of the principal threads woven into the fabric of our law and our Government. Every student of law is aware of the fact that for centuries both English law and American law have embraced moral law. The belief in God is the soul of the law and without this soul it will become a terrible instrument of oppression, rather than the protector of human rights. Therefore, it may be that while the Supreme Court was doubtless well intentioned in rendering these decisions in the interest of protecting individual rights, that they may actually have perverted the intent of the Constitution and that this perversion has in fact slain the soul of the law.

This is the fear of many Americans who are writing from the far corners of the land demanding the impeachment of the Chief Justice. These people believe that under his leadership the Supreme Court is eroding the Constitution and ultimately our way of life.

History has proven that the will of the people is oftimes right. And it may behoove our honorable Justices to come down from their ivory tower for a few moments in order to be reminded that in the end it is the people and not the judges who write the supreme law of our land—the Constitution.

I believe in the doctrine of separation of church and state, but by no stretch of the imagination can I see that offering a nonsectarian prayer in a classroom where the children are not required to participate, unites church and state, any more than offering a prayer at the opening of each session of Congress. For this reason I agree with the many constituents who have written and asked that a constitutional amendment be adopted protecting our right to communicate with our God at any time and place.

Mr. Speaker, after much study and deliberation I have introduced a House joint resolution which states in part:

> In due acknowledgment and gratitude to Almighty God for His blessings on our Nation, the right of the people to pray in all public and private places shall not be violated.
>
> This amendment shall not be interpreted so as to result in the establishment of any particular ecclesiastical organization, or in the abridgement of the rights of religious freedom, or freedom of speech and press, or of peaceful assemblage.

PROPAGANDA VERSUS NEWS

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, Howard K. Smith has brought to the American Broadcasting System a recent example of propaganda under the guise of news analysis. Mr. Smith presented a 30-minute nationwide television show on Wednesday, April 25, which contained very misleading and highly controversial statements as "factual news analysis." I wonder if his sponsors, the Nationwide Insurance Co. of America, listen and analyze his statements each week and consider what they would mean if believed and acted upon by Members of this body and by the American people as a whole.

Let me quote but a few of the more startling examples of what Mr. Smith said about the repercussions of what he called the chief news of the past week.

> In America today it is widely believed that Government spending is evil, when in fact it is essential not only to spend but to increase government expenditures.
>
> In fact, the debt is essential—probably it would do us good to increase the debt.
>
> In fact, a succession of balanced budgets would lead us into ever deeper recessions and not out of them.
>
> Contrary to the prevailing myth, the American Government, as modern governments go, is not spending much—almost certainly not enough to face our basic problems and compete in the modern world.
>
> Today our national debt is half that proportion. (As in the year 1947 and as related to gross national product. It is 55 percent of our gross national product and our economy is weak.
>
> In fact, balancing our budget tends to be restrictive and hurtful to the Nation.
>
> No modern President has so ardently advocated balancing the budget as President Eisenhower did. But, though he had control of all the instruments [except Congress, I might parenthetically add], he disbalanced our budgets and engaged in deeper deficit financing than any peacetime President we have ever had.

To add to his own factual assertions, Mr. Smith brought in as his guests Dr. Walter Heller, the President's chief economic adviser, and Dr. Francis Bator, of MIT, one coming from the same school of economic thought. Dr. Heller said:

> We have to raise the demand to create jobs to absorb the labor that shows up now in our unemployment figures.

And Dr. Bator urged:

> We ought to devote a larger proportion of our resources to such things as education and public health and research and foreign aid.

And this should be done through greater Federal expenditures and the control they bring.

Mr. Speaker, I have long suspected that these were the goals of our current administration in light of increases in the debt ceiling, deficits for fiscal year 1962, and even probable deficits for fiscal year 1963 in spite of promises to the contrary. I have also suspected that the facts of our economic life have become myths to many of our congressional colleagues. I was thus pleased to note this admission by the President's economic adviser and also gratified to note that the transcript of this program was included by the gentleman from Pennsylvania, Representative RHODES, on May 10 as an example of breaking down the popular myths which are being used to block the progressive legislation that is needed to meet America's urgent national and international needs.

If fiscal responsibility is a myth and if it is a fact that greater spending, higher deficits, and zooming national debt ceilings benefit our Nation, then how can the U.S. economy be weak today as Mr. Smith claims, with our constant deficits and our increases of the national debt ceiling every year or two. How can business be beset with shrinking profit margins; how can the stock market show a loss of confidence in our enterprise system; how can our dollar be discounted on the international market; and how can unemployment still loom on the horizon when every one of the suggestions of Mr. Smith, Mr. Heller, and Mr. Bator for higher spending and more Government encroachment into the economic life of the Nation have become a fact under the New Frontier?

Mr. Smith is a bit mixed up. The Government cannot create jobs—it can only create conditions in our private enterprise system in which our dynamic American economy can flourish. To deliberately increase spending, the national debt, and unbalanced budgets in normal times is to downgrade investment, the dignity and worth of the individual, and the vitality of our private enterprise system which has made our Nation great.

I could take a good deal of time criticizing Mr. Smith for his misuse of the airways to disseminate this propaganda and to attempt to foist the approach many of the highly placed advisers in the Kennedy administration would have us take to economics on the American public. The comments I have heard and the letters I have read in protest over this show indicates that all the American people have not been deceived.

IS THE KENNEDY ADMINISTRATION SPENDING ENOUGH?

In America, one news commentator cannot take myths, add muddled thinking, and come up with facts. Neither can one news commentator ridicule established principles of economics and thereby convince thinking Americans that black is white, or that night is day. Not even by the use of loaded techniques of presentation nor by presenting "experts" on just one side of a question can Mr. Smith lead the American people toward the degradation of national bankruptcy. However, I would here warn the radio and television networks that their responsibility is somewhat greater than a mere presentation of so-called interpretive reporting without weighing most carefully the question of accuracy and factual, unbiased, and balanced presentation. Mr. Smith could have presented his economic treatise honestly by stating that it was the line advanced to some degree by the President's Council of Economic Advisers. But he should then advise his listeners that many prominent economists differ with this line of thinking. Hence this becomes one side of one of the great national issues of the day.

Now, in light of President Kennedy's Yale address it becomes probable that Howard K. Smith was acting as a pawn in a carefully laid plan to propagandize the people on a basic issue that requires serious debate.

OPERATION BOONDOGGLE

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HARVEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, I have never been a proponent of foreign aid and neither have I voted for such programs except the Marshall plan and in the years 1953–54. I reluctantly agreed to support foreign aid proposals in 1953–54, but only with the assurance that the responsible agency would be overhauled and the administration of aid funds would be vastly improved.

Seeing no appreciable change in this program after the assurances made to me, I have refused to support foreign aid expenditures since that time. I saw at firsthand in certain areas of the world that our money was not accomplishing what the Congress had intended nor what the Congress had been told would be accomplished.

The 1962 phase of Operation Boondoggle is designed only to commit more tax money to programs over which we have no control or basic responsibility. I am well aware of how hard my constituents must work to earn their living, so I know how many of them must sacrifice to keep their taxes current with the Federal Government. But the Federal Government certainly sets a poor example for its citizens when it gets further into debt and does not necessarily require payment of a nation's past debts before new and exorbitant credit is given.

The United States has been on its present foreign aid binge since 1946. I would be the first to state that our early acts of assistance did much good in Western Europe and in other parts of the world. But our common sense seems to have been dulled by initial success and, instead of decreasing our assistance as countries were enabled to help themselves, we seemed to have forced more dollars on them and others. Our foreign aid expenditures have been jumping by leaps and bounds each year, through both Democrat and Republican administrations, and I think it high time we realize we are not much better off now than we were.

Not only is the Congress being asked to expend more funds each year for foreign aid, but we are also being asked to give the President another blank check to spend the seemingly limitless funds of the poor American taxpayer. Under proposed legislation now before the Congress, the President would give assistance on terms and conditions he may determine, without congressional review. This follows the same old pattern of the past 18 months during which the Congress has been pressured, cajoled, and demanded to turn over additional powers to the executive branch. It seems that the further we advance in time from the Declaration of Independence, the more we forget just why our forefathers wanted to cut the strings with a dictatorial and uncompromising King George III who wielded absolute power.

Not only is our foreign aid program not accomplishing lasting and permanent results, but we seem to lose one friend per hundred million dollars expended. A recent event occurred in Brazil where an American-owned company was expropriated without reimbursement to the owners. Under the present foreign aid proposal the President could suspend aid to countries which violate basic property rights. This is no guarantee against future occurrences of this nature, however, as the wording of the legislation is nullified with the phrase, "unless the President determines such suspension of aid to be inconsistent with the national interest." In the language of the average American taxpayer, this means that the President can still do as he pleases in such matters, the Congress notwithstanding.

I am still of the opinion that this Nation could, and should, begin a concerted effort to decrease our foreign aid commitments. I am voting "No" to the present proposal as a protest against a wasteful, ineffective program.

WHAT'S WRONG WITH THE STATE DEPARTMENT?

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEITH. Mr. Speaker, I respectfully commend to the attention of my colleagues the final installments in an important new series of articles on the State Department and influences that shape our foreign policy.

Written by Everett S. Allen, of the New Bedford, Mass., Standard-Times, this is a highly critical analysis and one that should be given the widest possible circulation.

In previous articles Mr. Allen, an award-winning newspaperman, has dealt with such matters as the censorship of speeches, administrative inefficiency, and the influences of such organizations as the ADA on foreign policy. These concluding chapters continue this close examination of the State Department and deserve the careful consideration of Congress.

The above-mentioned articles follow:

[From the New Bedford (Mass.) Standard-Times, June 10, 1962]

WHAT'S WRONG WITH THE STATE DEPARTMENT?—VI—ADA–UNIONISTS MEDDLE IN U.S., FOREIGN AFFAIRS

(By Everett S. Allen)

WASHINGTON.—The impression persists in Washington, from the presidential staff down to the State Department, that George Meany, president of the AFL–CIO; Irving Brown, U.N. representative of International Confederation of Free Trade Unions, and Jay Lovestone, AFL–CIO international representative, are Fascists.

Brown formerly was the AFL's European representative before the AFL and CIO merged.

This evaluation of what top-flight Washington thinks of Meany, Brown, and Lovestone was given to me by a high-ranking official of the AFL–CIO, who is anti-Reuther, and he added:

"In general, the pseudo-liberals consider the Reuther element (colleagues and disciples of Walter Reuther, president of the United Auto Workers) more liberal and humanitarian than the anti-Reuthers, and tend to cooperate with them. That's the picture in Washington.

FLOWERS FOR DEAD

"These liberals have a notion that Meany is unfit, as are all 'reactionaries,' to speak for labor. This is a source of infection.

"It was better under Eisenhower. If Ike needed labor representation, he'd pick some. Now, Stevenson designates both Meany and Reuther as advisers. You know what this is? It's flowers for the dead. Neither of them gets to any anything: Stevenson says it, and what does he know about labor?"

The reason for this bitter complaint, without ever getting into the matter of whether Lovestone and Brown were, in the incisive language of Westbrook Pegler, "noisy Bolsheviki giving loyalty to Soviet Russia" before abandoning communism, is obscure, but calculable.

In 1954, President Eisenhower dismissed Spencer Miller, Jr., career unionist, from his post as Assistant Secretary of Labor for International Affairs. Raymond Moley, veteran Washington correspondent, wrote at that time that when Miller's story was told, it might disclose "the vast influence of Lovestone and other outsiders" in the Departments of Labor and State.

ADA ON INSIDE

In 1955, Pegler obtained a copy of Miller's story and wrote: "He [Miller] flatly charges that Lovestone personally chose his own political followers for the post of labor attaché in American embassies all over the world. * * * Miller was canned for opposing Lovestone's machinations."

Now, things have changed within the labor world. The Meany-Brown-Lovestone axis has been squeezed out; as far as the anti-Reuther people in organized labor are concerned, the liberal-labor axis, as exemplified by ADA adherents, has the inside track to the White House, and, by implication, to the State Department.

This anti-Reuther spokesman suggested to me that the labor attaché program presently is "in a state of flux," adding there "certainly has been some pressure" exerted through G. Mennen "Soapy" Williams, Assistant Secretary of State for African Affairs, and Chester Bowles, special Presidential adviser, to pick the right people.

BOWLES ADA FOUNDER

Bowles was a founder of ADA and Williams, when elected Governor of Michigan in 1948, said ADA was a "major factor." Reuther has been an ADA keynote speaker on several occasions. It also is fair to point out that when Williams was Governor, although he was highly sensitive about it, he owed his position and much of his policy to Reuther. Governor Williams even vetoed a safe-and-secret voting proposal filed by a Michigan State representative who said it was necessary to free his constituents from "fear and intimidation" by the UAW. The bill applied to several congressional districts in and near Detroit which have a long, public, documented history of rough stuff by Reuther's goon squads; the voting measure passed the House and Senate of the Michigan Legislature.

This action by Williams suggests he may be a supporter of the "big-brother-knows-best" philosophy of government and if so, this would tie in well with the liberal-labor doctrine espoused in high places here. This doctrine, in the words of an admittedly prejudiced senior Republican Senator, the late Styles Bridges, of New Hampshire, is that "an omnipotent State can be obedient to the popular will, that the apparatus of such a State can be so affected by benevolence that it can produce through such coercive measures as compulsory union membership, enforced fraternization, a confiscatory, share-the-wealth tax system, and a strong, centralized bureaucracy, a guaranteed annual wage for everybody, complete freedom from want for all and total economic welfare from cradle to grave for the entire populace."

WOULD BE ESSENTIAL

In the last interview I had with Senator Bridges before his death in November 1961, he declared gravely, "According to this theory, the state becomes omnipresent, omnipotent, yet somehow remains marvelously flexible so that the individual has complete freedom of action even though relying upon Government for assurance of food, drink, lodging, education, medical services, and burial charges."

In this case, the state would not wither away as in the precepts of Marxism-Leninism, because a powerful state would be essential. Senator CLARK, Democrat, of Pennsylvania, an ADA'er, has suggested the state's full force must be utilized.

Labor influence, as represented by the Reuther-ADA philosophy, finds its way into State Department policy by means other than the labor attaché program.

My AFL–CIO informant, a national-level official with many years in the labor movement, commented, "It probably could not be specifically said that Victor Reuther (Walter's brother, and also a UAW official) campaigned for Willy Brandt, mayor of West Berlin, in last fall's German national elections, because he spoke to and for private organizations. Still, Victor had the blessing of persons close to the White House in so doing, a factor which must have been at least suspected by some of his audiences."

ADENAUER LEFT OUT

"Notice, however, that Konrad Adenauer—who, interestingly, is not a Socialist as is Brandt, but a Catholic conservative—did not accompany Vice President Johnson and Bohlen from Bonn to West Berlin * * *."

(Adenauer was Brandt's successful opponent for the West German chancellorship. Bohlen, special assistant to Dean Rusk on Soviet affairs, is best known in State Department circles for the "blunder of the age"—official and public admission of U–2 espionage activities when the Russians captured one of our planes. Bohlen later bragged of this decision which, in the words of a State Department colleague "shook all of our alliances around the world.")

Johnson and Bohlen spent 5 hours in Bonn with Adenauer, a conservative, and a weekend in West Berlin with Brandt, a Socialist.

"Why?" I asked my informant. "Why didn't Adenauer at least go with them to West Berlin?"

"They wanted Brandt to have all of the play possible in hopes it would help him get elected on September 17, when the Berlin crisis might still be the major issue. (This was August 18–19.) Also, they were afraid to play up Adenauer in West Berlin because he tends to stand fast and what they really want in Germany is an accommodation."

BRANDT SPOKESMAN

It is interesting in the light of "playing up" Brandt that in the period of border crisis after he had talked with Johnson, the Berlin mayor said his discussions with the Vice President "went far beyond the Berlin issue" and he predicted there would be no war, but a series of East-West talks in the fall.

By coincidence, Rusk said in the United States on the same day that he did not expect Berlin events to lead to war, adding, "We do expect negotiations to take place after full preparation."

In terms of protocol, it might have been more fitting if Adenauer had made the statement that Brandt did—or if Brandt had not made it at all, since it involved national policy at the chief of state level. But perhaps Adenauer would not have been satisfied to speak so softly and so hopefully of getting along better with the Communists when they had just belted us soundly by violating the four-power agreement.

As for seeking an East-West accommodation in Berlin, this AFL–CIO official referred to a full-page ad in the July 20, 1961, Washington Post and other newspapers, commenting, "Walt and Vic (Reuther) have tried to forget this, because it once was embarrassing, but now it seems to be the White House policy in the making, and Mr. Rostow (Walter W., State Department Policy Planning Council chairman) is trying hard to sell it."

The ad was sponsored by the National Committee for a Sane Nuclear Policy, Inc., of 173 45th Street, New York. Walter Reuther was listed as a sponsor, and Victor Reuther as a member of the board of directors. The ad called for:

Creation of an arms-free Germany.

Withdrawal of all foreign armed forces from German territory and their replacement by U.N. garrisons.

Reduction of German military forces.

Permanent establishment of the German-Polish border at the Oder-Niesse line.

Eventually an arms-free Central Europe, with the "process of disengagement" including Czechoslovakia and Poland and "perhaps Hungary, Denmark, and Norway."

Supervision of Berlin through an authority formed by the U.N. or other international body, with continued supervision of the Big Four.

The advertisement said the issue of Berlin is not just whether the Soviet Union is right or the United States is right, but whether there should be "extermination without representation." It said the Soviet Union has "served notice it intends to take the law into its own hands. The United States need not do the same. The United States can bring the issue of Berlin before the U.N. It can argue its position in the context of world law. It can attempt to mobilize world public opinion."

SWORD TRIUMPHS

It is not cynical to recall that in the cases of Russia versus Hungary, Communist China versus Tibet, and India versus Goa that the nation which chose to take the law into its own hands triumphed soundly over those which sought the relief of world law and public opinion. This is no argument for anarchy but simply proves that most nations today, as with most individuals, would rather look the other way than get mixed up in anything.

Finally, it is worth noting that the AFL–CIO has opened a drive in New York to help the Algerian labor movement, a campaign described as an effort to keep Communists out of the Algerian General Workers Union. American unions similarly aided European labor organizations after World War II. Labor organizations abroad have even stronger influence in government than do ours in many cases; at the risk of oversimplifying, it may be suggested that their political viewpoint is primarily socialistic.

Thus, with money and manpower, American unionism is aiding in shaping the destinies of other nations to an unknown degree and as such has a voice in U.S. foreign policy, as well as the emerging character of these foreign governments, an influence for which it is responsible but for which it cannot be made to bear responsibility.

[From the New Bedford (Mass.) Standard-Times, July 1, 1962]

WHAT'S WRONG WITH THE STATE DEPARTMENT?—VII—SECURITY CONTROVERSY IS MAJOR WASHINGTON WOE

(By Everett S. Allen)

A former high-ranking officer of the Soviet Army, now in the United States, declared privately the other day, "We never thought we would have equal military power with the West, so we determined to infiltrate the basic institutions and to get into policy positions in Government.

"Everything I helped to plan 25 years ago now has come to pass."

A former State Department official, who has firsthand knowledge of the Department's security procedures and who has been intimately acquainted with the Federal Government for 27 years, asserted, "I have never seen such a policy control by Reds."

What do these statements mean in terms of the State Department, which, over the years, has dismissed more security risks than any other Federal department?

REASON FOR CONCERN

Whether or not there are Communists in the State Department is a matter of sharply divided opinion in Washington. Most of the knowledgeable persons to whom I have talked over a period of 18 months believe there are not, but they suggest it is not so important to answer the question of how many Communists are in Government, but rather to determine who in Government is doing what the Communists want done, for whatever reason.

In any event, foreign policy critics believe that if the Kennedy administration's concept of the domestic Communist problem can be measured by its handling of the State Department's Security Bureau there is reason for serious public concern.

Last December, although J. Edgar Hoover, Director of the FBI, has asserted there are more Communist spies in the world today than ever before and infiltration by Communist agitators in the United States is increasing, 25 security experts were dismissed from the State Department.

Hoover said as recently as last month that no nation in history "has been so subjected to thievery by an organized coterie of conspiratorial fanatics" as has the United States and that "the Communists seek information of all types (including) * * * diplomatic data."

DEPRIVED OF RESPECT

Yet the State Department's Security Bureau was further deprived of respect if not consequence when its administration was turned over to two unqualified political appointees, Salvatore Bontempo and his deputy, Michel Cieplinski. These two, totally inexperienced in national security, attempted to follow in the footsteps of former FBI and Intelligence personnel. The fact that Bontempo quit under fire a brief 6 months later—charged from several sides with knowing nothing about a critically important job—is no credit to those who appointed him and suggests they may have thought it was not important.

The demolition of the security bureau ostensibly was in the name of economy although this would be difficult to prove because the State Department did, in fact, receive a 1962 appropriation of $133 million for the salaries and expenses of its security section.

Security personnel whose jobs were eliminated were informed this action was necessary because Congress failed to appropriate $500,000 in additional funds for the foreign aid program.

This reasoning is as fascinating as it is fantastic and suggests, as at least one congressional committee has concluded, that the State Department would do well to hire a reasonably competent bookkeeper from the outside world to keep its financial statistics in the proper columns of the ledger.

BUREAU CUT 12 PERCENT

For this State Department argument says, in effect, that because Congress reduced the appropriation to Poland or Yugoslavia, striking a blow at Reds abroad, we must allow Reds at home to score a victory by knocking to pieces a vital security program.

It also is indicated that the Department reduced its security bureau by 12 percent, whereas normal departmental reduction for economy reasons is only 4 percent. This makes the entire move appear less like money-saving than appeasement of the vocal leftwing which does not to this day differentiate between irresponsible, publicity-seeking investigations and necessary security agencies.

President Kennedy reacted angrily last January when a reporter charged two "well-known security risks" had been recently put on a State Department task force to help reorganize the office of security.

Now it is true that no Government department or agency ever has termed either William Arthur Wieland, alias Montenegro, or J. Clayton Miller security risks. But the State Department did not help a controversial and confused situation when it made Wieland and Miller available to TV networks "to give network representatives some guidance" on the story, without giving newspapermen an opportunity to question them. The State Department also hinted at possible libel action to the newspapers immediately following the President's press conference, thus effecting a slight delay in press association movement of the story pending legal advice.

CENSORSHIP BY THREAT

From all of this, including the unique Presidential outburst, the inherently suspicious citizen might wonder about the qualifications of Wieland and/or Miller, for there is in this incident an unusual aura of governmental sensitivity to criticism. United Press International veteran, Lyle C. Wilson, called the State Department action "censorship by threat" and that's what it seems to have been, official denials notwithstanding.

In any event, Wieland and Miller, whether they have anything to do with security or whether they simply pass papers, still hold their State Department jobs; the former, at least, closely linked with official poor judgment in Washington that brought Castro into power in Cuba, remains controversial.

Currently, the State Department says bravely that despite the fact good security men have been lost to security work, secretaries with experience in the field have been lost through economy, and morale has been lowered—all this in a department steadily increasing in size—"there will be no lowering of security standards and practices, no emasculation of the Office of Security."

If not, it is difficult to see why not. One former head of the Department's Bureau of Security and Consular Affairs said that when he left there was still a great deal to be done in improving security methods and he believes the cutback in domestic security personnel will be a serious handicap.

STATEMENTS CHECKED

Matters of security are difficult for newspapermen to run down, even as was the oblique case with Wieland and Miller, which, on the record, does not involve security at all.

A well-informed former State Department official, with more than a quarter-century's experience with the Federal Government, made certain statements to me regarding the professional qualifications of Walt W. Rostow, the State Department's chief planner, and Harlan Cleveland, Assistant Secretary of State for International Organizations, including the U.N.

I went to the State Department and placed these statements before them in the form of questions. These are the Department's answers, which I have reason to believe were given painstaking and relatively high-ranking attention:

1. Regarding Rostow: There is no record of any denial of security clearance by the State Department security office or by an Under Secretary in a previous administration. The Department felt it was not appropriate to comment further on what happened in a previous administration.

2. Regarding Cleveland: Secretary of State Rusk did personally approve a 90-day security clearance waiver, pending an FBI check and Senate confirmation. Acting under Department authority, Mr. Rusk authorized Cleveland to fill a sensitive position subject to satisfactory completion of a full field investigation within 90 days. The Secretary of State authorized this appointment on February 2, 1961, on the basis of a partial FBI report and because of the need for Cleveland's services. The FBI check was completed before February 20, when Cleveland was confirmed by the Senate, and February 23, when he took the oath of office. If the Department's Security Office was involved in any way, it was not so indicated.

CONFLICT ILLUSTRATED

In a personal letter, Mr. Rusk made virtually the same reply to Representative GROSS, Republican, of Iowa, stating that the full investigation gave complete security approval to Cleveland, although declining to forward to Mr. GROSS copies of the FBI report or evaluation of this report, if any. The Secretary indicated the information at hand was satisfactory to him at the time he granted the temporary waiver by executive privilege.

The major conflict of views in Washington relative to the matter of internal security, a controversy of long standing, is well illustrated by the following:

Writing in the ADA World in December 1953, Arthur Schlesinger, Jr., now a Presidential adviser, stated, "It cannot be said that the handling of the (Harry Dexter) White case was one of the proudest chapters of the Truman administration. On the other hand, it was a natural, if somewhat slipshod, solution of a confused problem at a time (1946) when the climate of opinion was wholly different."

In contrast, and in the same period of time, Attorney General Brownell declared on November 6, 1953, that White was known to be a Communist spy by the very people who appointed him to the most sensitive and important position he ever held; namely, U.S. Director of the International Monetary Fund.

HOMOSEXUAL PROBLEM

Nor do all questions of security involve matters of communism, subversion, or loyalty. The following excerpt is from testimony last June before the Senate Internal Security Subcommittee by Robert C. Hill. Under discussion are those that were employed in the State Department who were severed because of homosexual tendencies or admissions of being a homosexual.

Question. Do you have any estimates of the number within the State Department?

Answer. When I served as Assistant Secretary of State for Congressional Relations I was told by the officer responsible for conducting investigations on this problem that about 1,400 had been severed from the Department of State since 1948.

Question. That is out of how many employees?

Answer. I think at the time there were 21,000 employees.

Question. You remember, sir, telling the committee that you knew there were 75 security risks in the Department in whose cases security hearings had been recommended by the responsible officer but who had been cleared for security without such hearings?

Answer. There is an Executive order I believe, that still exists that if there is adverse information in the file regarding an individual, the Attorney General and the Secretary of State may waive that information if they believe it is inconclusive.

[From the New Bedford (Mass.) Standard-Times, July 2, 1962]

WHAT'S WRONG WITH THE STATE DEPARTMENT?—VIII—POLICY OFTEN DECIDED AT LOW LEVEL

(By Everett S. Allen)

The sprawling State Department is the weakest administratively of any department in the Federal Government. Being operated like a country grocery store, it is chronically unable to react effectively to crisis. A former Assistant Secretary of State, who knows the workings of the Department intimately, offered this private evaluation in precisely those words.

He also declared:

State has too many personnel and too much is left to the "team."

One of the most glaring aspects of inefficiency is that officials with responsibility accept the judgment of underlings because of heavy volume of business. Some lower level officials take advantage of this, presenting papers to be signed at the end of a busy day, knowing they will be hastily read and little understood by the signer.

There are persons both in and out of State, capable of influencing U.S. policy thinking, who "do not share our beliefs in free enterprise because they are by nature Socialists. They do not think our way of life can survive in this age."

The Soviet Union "manipulates" the Department of State. This does not mean that State is teeming with Communists, but rather that the manipulation is accomplished "unconsciously, because of the type of education and background of the American involved."

A principal product of this education and background, as reflected in U.S. policy, is the belief that, if basically undisturbed, "democracy and communism can emerge in fusion after an accommodation. Proponents of this thesis frequently cite the fusion of protestantism and catholicism as an example of what they mean.

"Actually, such a theory is no more than a comforting chimera; it is neither possible nor practical. Many of the experienced foreign service officers know this well, but they are considered reactionary by the Presidential appointees and the White House staff, this coterie being principally to blame for the birth and implementation of the policy of 'fusion.'

"This is no deep-laid conspiracy. It is simply the impact of educated and well-intentioned persons who have power and influence, who are convinced they are right and who are actually dangerously wrong."

The State Department should reestablish and strengthen its security bureau because "it must check its own personnel; you can't expect the FBI to take over a job as big and as constant as this."

Department incompetents "should be fired, which they never are, instead of just being shuffled about until their most recent error is forgotten or can be swept under the rug."

We have so overemphasized "world opinion" that the State Department in some instances actually has allowed foreign governments to choose the U.S. ambassadors they want. "Obviously," said the former Assistant Secretary, "Leftist governments will pick leftist Americans, and any foreign government will try to get someone they can control. The question is: Are we supposed to serve the host country or ourselves?"

The United States demonstrates patience to the point of weakness. "We have met several hundred times with Red China in Poland, a supreme demonstration of fruitlessness that simply lowers our prestige in the eyes of others. Don't you think for once we ought to pick up and go home? Wouldn't that be the dignified thing to do?"

The President should, either by Executive order or congressional legislation if necessary, move for reexamination of the State Department by an independent study group with the aim of total reorganization. The Department "should be overhauled by an efficiency team and made to operate like a business organization instead of an amorphous club aimed in great degree at self-perpetuation and much too inclined to suspect itself of infallibility."

HOOVER FOR OVERHAUL

A Department overhaul has been considered several times. Herbert Hoover had similar ideas when he was President and set the matter in motion, too, but F.D.R. vetoed the idea and nothing happened.

More lately, there was another serious effort in this direction and it is interesting to see what transpired.

Beginning in July 1953, under the sponsorship of Donold B. Lourie, newly appointed Under Secretary for Administration, the Department of State paid Robert Heller & Associates, a firm of management engineers, nearly $250,000 for a 10-month effort to improve administrative management in the Department.

On May 16, 1956, the Committee on Government Operations reported on this matter, reaching the following conclusions:

"This is the most recent of a series of attempted reorganizations of the Department which have accomplished virtually no significant results.

"Major changes were suggested during this period and subsequently were resisted by the Department. When it is remembered the subcommittee's review came more than a year after Heller had concluded its work, it is clear the Department has no intention of taking action unless it has to."

CONFIDENTIAL FUNDS USED

"The Department paid for the management survey out of confidential funds which Congress appropriated specifically for emergencies arising in the consular and diplomatic service. If not technically illegal, this use of such funds was of doubtful propriety.

"The Department has so divided its lines of authority and responsibility that managerial control is next to impossible.

"A move begun in 1949 to decentralize administrative operations has * * * actually degenerated to the point of decontrol. The regional bureaus tend to hold aloof from accepted policies and services of the administrative areas of the Department and to oppose suggested improvements in basic practices. The result in terms of administrative management is that there now are five Departments of State instead of one.

"The way the Department manages its funds is irrational, complex and self-defeating."

TELEGRAPHIC TRAFFIC HIT

To cite one item of the Heller report which supports the congressional committee's dour findings, the management engineers estimated telegraphic traffic of the State Department could be reduced in 1955 so that more than $225,000 could be saved in that fiscal year through employment of certain recommended procedures.

The State Department's answer to this was that they had reached the conclusion their present regulations were adequate to attain the results for which the Heller proposals had prescribed precise procedures. Yet by April 8, 1955, the State Department found it necessary to direct the attention of all officials to the fact that telegraphic traffic was getting out of hand, having reached the highest volume since February 1953.

Mr. Lourie resigned at the end of 1953, a disillusioned man. The final note of irony is that in 1956, a brandnew, noncongressional committee recommended as the principal key to reorganizing and strengthening the administrative management of the State Department prompt designation of a suitably qualified individual for the position of Deputy Under Secretary for Administration.

"That," ruefully commented Congressman PORTER HARDY, Democrat, of Virginia, member of the Committee on Government Operations, "is exactly what Congress thought it was doing in 1953, when it enacted Public Law 2, providing for Mr. Lourie's appointment."

WORKING LEVEL CALLS SHOTS

A fair idea of how uncooperative the State Department can be was outlined to me by Mr. HARDY, a member of the subcommittee assigned to report on the Heller study.

Said the Virginia Congressman, "We asked the Heller Co. for their worksheets, so we could see what they found and what they recommended. They wouldn't give them to us without a subpena. I didn't think that was necessary, but that's what we should have done, because the State Department got them all and we never got any. Heller had to turn the sheets over to the State Department, because State was their client.

"So, in compiling the report, we were forced to do the best we could to reconstruct what Heller had done."

I asked Hardy what he thought was principally wrong with the Department. He replied, "The working level is accustomed to calling the turn on what its superiors do. There is influence from the working level that superiors often do not even know. I feel the need to check the analyses, the people who make the evaluations."

Hardy isn't alone in subscribing to this theory.

Commenting on this same situation, Senator DODD, Democrat of Connecticut, said he believed there were instances, the Congo situation among them, when the President, the Secretary of State and those responsible for policy at top level did not "have access to all the facts or have not been properly briefed."

ASKS CRITICAL REVIEW

The Connecticut Senator asserted, "I believe that nameless subordinates at [State Department] desk positions have been responsible for many of our policy disasters. I believe that the continuity of disasters under both Democratic and Republican administrations can be traced to a continuity in this personnel at desk level.

"I believe that the time has come for a critical review of this entire situation and that those responsible for briefing us into disaster after disaster should be dismissed or transferred to non-policy-making posts, where their penchant for wrongheadedness can do no harm."

Senator JACKSON, Democrat, of Washington, chairman of the Subcommittee on National Policy Machinery, asserted: "The State Department needs more respect for comprehensive forward planning. The Department as a whole attaches too little importance to looking ahead in foreign policy, and is too wedded to a philosophy of reacting to problems as they arise.

"State needs more officials who are good executive managers; the administration of foreign policy has become big business. This places a high premium on the ability to manage large-scale enterprises, to make decisions promptly and decisively.

THEY STAY THERE

"Round pegs in square holes are a luxury we cannot afford."

Republicans, too, have evinced grave concern over the problem. Congressman BRUCE, Republican, of Indiana, declared: "What is wrong in Foggy Bottom? What is wrong in the State Department? It has not been Republicans. It has not been Democrats. It is an entrenched group that is never elected. They stay there. Administrations come and administrations go. Why these things happen, I do not know.

"I simply say they do and the time is past when we can sit silently by and wring our hands and issue white papers."

It is indeed, because even those who will not admit we are losing do not go so far as to suggest we are winning and there are Americans old fashioned enough to believe that in war, "cold" or otherwise, one has to be doing either one or the other.

WHAT IS TO BECOME OF THE AMERICAN TAXPAYER?

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HARSHA] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARSHA. Mr. Speaker, sometimes it is extremely difficult to understand the reasoning behind some of the programs that are foisted upon Congress in view of the circumstances today. Sometimes one wonders if the proponents of some of this legislation ever knew the value of a dollar or if they ever worked for a living.

One of these programs that is difficult to swallow when you know some of the facts and circumstances surrounding it is foreign aid or foreign giveaway as some have characterized it.

The House of Representatives undoubtedly will pass the foreign aid bill for fiscal 1963. The original request for funds for this program was for $4.8 billion, fortunately it was reduced somewhat.

However, even the reduced amount is too much under present-day circumstances. As of June 30, 1962, there was an unexpended balance in the foreign assistance fund of $6.8 billion, yet a request was made for an additional $4.8 billion. Records and surveys show that our balance-of-payments deficit is not changed appreciably by our trade, that is exports and imports, but that our foreign aid program is the greatest cause of imbalance in the flow or exchange of dollars and demands upon our gold reserves.

If this one bill were all of our foreign aid program that would be one thing, but it is not. It is only a parcel of it.

For example, in this year's foreign aid bill there is an authorization for $148 million for various programs of the United Nations. In addition to this $148 million which is labeled a "voluntary" contribution we pay an annual assessment to the United Nations of approximately one-third of its total budget, somewhere around $35 million. This sum is not in this bill but in addition to it. Then there is the $100 million bond issue to support the United Nations on top of this. While this was delayed by the House amendment I feel sure the amendment will be stricken out in conference thereby paving the way for the bond issue.

In addition to that, the United States will contribute financial support during fiscal 1963, to more than 65 other international organizations and programs. How much these contributions will amount to is anybody's guess. It is difficult to determine because funds for these programs will be buried in various departmental appropriations. But rest assured it is not an insignificant amount.

That is not all; there is still more. During the period of July–December 1961, programing of surplus agricultural commodities under Public Law 480 totaled $1.8 billion, bringing to $15.8 billion the total value of products shipped overseas since the beginning of operations under this act in July of 1954.

No one could object to this use of our surplus commodities, however, they are sold for local currency; that is, the currency of the country receiving the commodities. This currency is retained in the foreign country and 83 percent of the money realized from these shipments is either loaned back or granted to that same country for development projects including loans to private industry. This money is over and above the sums authorized in the foreign aid bill. It is unreasonable to suggest that the foreign aid authorization be reduced by a sum equivalent to this expenditure?

You often hear the argument that much of our foreign aid money is repaid to the United States and that we do not actually lose in the long run. Here is an example of how it is repaid. From September 1945 to April of 1952 we gave Japan the sum of $1,889 million for economic assistance on the assumption that the United States would be repaid. In January of this year the U.S. Government entered into an agreement to settle this claim against Japan for only $490 million.

This year's foreign aid bill provides that we approve that settlement and use $25 million of the payment for educational and cultural exchanges between the countries and the balance to be used to develop markets for Japanese products in Asia and elsewhere and for long-term development loans in foreign countries. Not one cent of it is to be returned to the U.S. Treasury.

I wonder how many of the American taxpayers would like to settle their tax obligations on a similar or comparable basis? These are only a few of the questionable practices involved in foreign aid. Is it any wonder some of these programs are difficult to accept?

Yesterday, on the floor of this House, I called attention to the fact there appeared in the Washington Daily News an article stating that much of the $20 million President Kennedy gave to Mexico through the Alliance for Progress during his recent visit there, would be used to grow corn and wheat for shipment to Communist Cuba. I asked the chairman of the committee if there were any provision in the foreign aid bill to prevent this sort of thing—I could find none. The distinguished chairman advised me that I was correct that there was no limitation in the bill.

I asked further if the committee gave any consideration to encouraging the recipients of our aid to not use the funds to benefit Cuba and to join with the United States in the embargo of Cuba. I received no direct answer to my question.

Then, Mr. Speaker, I pointed out that the $20 million was only a beginning, that we were going to give Mexico at least $60 million, and that much of this money was to be used to clear jungle land and to construct a dam to irrigate land that is now arid to raise corn and wheat which are in such great surplus in this country.

The chairman informed me I was relying on a news report. That the results of the negotiations of the two Presidents had not been made public as yet. Certainly, Mr. Speaker, I was relying on the news report—how else could I get the information if the President had not as yet made the negotiations available to the Congress? But I would like to point out, Mr. Speaker, that the article represented that the information came from the Mexican Agricultural and Colonization Affairs Department.

Furthermore, I do not see how we can intelligently vote on the Alliance for Progress section of this bill unless and until we do have the facts and results of the negotiations of the two Presidents.

If these facts as reported in the news article be true and to my knowledge they have not been refuted, how in good conscience can we ask the American farmer to cut down on his production, because of our huge surpluses—yet tax him and the American public to obtain funds for foreign aid to be given to Mexico to in turn clear off nonusable land and irrigate arid land to raise the very products we have in such surplus? And on top of that allow them to ship these supplies to Cuba.

Mr. Speaker, do we not owe some obligation to our own citizens? How long will the American taxpayers stand for this shoddy treatment? Not long, I hope. Mr. Speaker, I cannot, in good conscience, support this bill.

PETER KIHSS: A CREDIT TO HIS PROFESSION

The SPEAKER pro tempore. Under the previous order of the House the gentleman from New York [Mr. Halpern] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, one of New York's most respected members of the fourth estate resides in the district I am privileged to represent in this House. I refer to Peter Kihss of 186-18 Avon Road, Jamaica, who has served on the staff of the New York Times for many years and enjoys an unexcelled reputation for journalistic ability and veracity.

In his community Mr. Kihss is highly regarded for his civic consciousness and for his tireless work for good causes. He is truly a credit to his profession and to his community. I am proud indeed to have such a constituent.

That is why I am concerned over certain remarks made by one of our colleagues, appearing on page 3868 of the March 12 issue of the Congressional Record, which could be interpreted as a reflection on the fine reputation Mr. Kihss enjoys. His unblemished character is sufficient answer in itself. But, in the interest of fairness, I feel the situation should be fully clarified—and through the same forum.

Therefore, so that the record may be complete, I desire to include at this point some pertinent paragraphs from a letter which Mr. Kihss addressed to me:

> In the insert in the Record of March 12, Representative Ashbrook stated, "Mr. Kihss uses an evasion of the truth to elevate the stature of the leftist meeting" referring to a story written by me in the New York Times of March 8. This was a story describing a Young Americans for Freedom rally at Madison Square Garden as "packed by an enthusiastic crowd of 18,000 persons." Mr. Ashbrook based his attack on another paragraph which said Senator Humphrey was the main speaker at a counterrally by Americans for Democratic Action and college young Democratic groups in St. Nicholas Arena, and which added that the hall had a capacity of 4,000.
>
> The story involved appeared in the city (first) edition. The Garden rally began at 8 p.m. and so it was possible to report the size of its crowd as well as the picketing by 1,200 opponents then underway with their plans to join others of their views at the arena rally. The arena rally did not get started until 9 p.m.
>
> Edition schedules did not make it possible to report in the city edition the eventual turnout for the arena rally, but I made the point that the arena's capacity was only 4,000. As I pointed out, anyone could deduce that the arena crowd could not possibly match the Garden rally.
>
> The second and later edition stories all carried an attendance figure for the arena rally—1,200 of the pickets, plus 1,800 others, a total of 3,000. It is obvious therefore that there was no "evasion of the truth to elevate the stature of the leftist meeting."

Mr. Speaker, this statement is truly convincing and I trust my colleagues will take full cognizance of the facts.

I appreciate the opportunity afforded me through this unanimous consent motion to clarify this issue. And, in so doing, I wish to extend to Mr. Kihss my compliments on his fine work and well-earned, untarnished reputation. May he enjoy many more years of courageous reporting in the admirable tradition of the great newspaper he serves.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. Hemphill, for Friday, July 13, and Monday, July 16, 1962.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Halpern (at the request of Mr. Devine), for 10 minutes, today.

Mr. Schwengel (at the request of Mr. Devine), for 15 minutes, tomorrow, July 13, 1962.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Roosevelt to revise and extend his remarks on the bill passed today and to include extraneous matter.

(The following Members (at the request of Mr. Devine) and to include extraneous matter:)

Mr. Barry.
Mr. Fino.
Mr. Moorehead of Ohio.
Mr. Dooley.
Mr. Poff.
Mr. Schadeberg.

Mr. Kearns.

Mr. Jensen.

(The following Members (at the request of Mr. Rosenthal) and to include extraneous matter:)

Mr. Bailey.

Mr. Magnuson.

Mr. Santangelo.

Mr. Boland.

Mr. Thompson of Louisiana, notwithstanding it exceeds the limit and is estimated by the Public Printer to cost $1,050.

ADJOURNMENT

Mr. ROSENTHAL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p.m.) the House adjourned until tomorrow, July 13, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2291. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 5, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on Sachems Head Harbor, Conn., authorized by the River and Harbor Act, approved July 3, 1958; to the Committee on Public Works.

2292. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1962, submitting a report, together with accompanying papers and illustrations, on an interim report on the Departee Creek, Ark., requested by a resolution of the Committee on Flood Control, House of Representatives, adopted March 20, 1944; to the Committee on Public Works.

2293. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1962, submitting a report, together with accompanying papers, on a letter report on Lake Pontchartrain, La., Seaplane Base in the vicinity of New Orleans, authorized by the River and Harbor Act, approved March 2, 1945; to the Committee on Public Works.

2294. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 4, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on the Sallisaw Creek, Okla., requested by a resolution of the Committee on Public Works, House of Representatives, adopted March 15, 1949; to the Committee on Public Works.

2295. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 17, 1962, submitting a report, together with accompanying papers and illustrations, on an interim report on the North Branch of the Potomac River, Md., and W. Va., requested by resolution of the Committee on Public Works, U.S. Senate, adopted September 14, 1955, and other resolutions by that committee and by the Committee on Public Works, House of Representatives, listed in the report (H. Doc. No. 469); to the Committee on Public Works and ordered to be printed with illustrations.

2296. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 11, 1962, submitting a report, together with accompanying papers and an illustration on the Great Lakes harbors study, interim report on the Green Bay Harbor, Wis., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 470); to the Committee on Public Works and ordered to be printed with one illustration.

2297. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 6, 1962, submitting a report, together with accompanying papers and an illustration, on the Great Lakes harbors study, interim report on the Oswego Harbor, N.Y., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 471); to the Committee on Public Works and ordered to be printed with one illustration.

2298. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 4, 1962, submitting a report, together with accompanying papers and illustrations, on a review of the report on and a survey of the Illinois River and tributaries, Wisconsin, Indiana, and Illinois, requested by resolutions of the Committee on Flood Control, House of Representatives, adopted July 28, 1937, and May 14, 1941, and authorized by the Flood Control Act approved August 11, 1939 (H. Doc. No. 472); to the Committee on Public Works and ordered to be printed with seven illustrations.

2299. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 21, 1962, submitting a report, together with accompanying papers and illustrations, on a survey of the streams at and in the vicinity of Alamogordo, N. Mex., authorized by the Flood Control Act approved July 3, 1958 (H. Doc. No. 473); to the Committee on Public Works and ordered to be printed with 18 illustrations.

2300. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 30, 1962, submitting a report, together with accompanying papers and an illustration, on the Great Lakes harbors study, interim report on the Muskegon Harbor, Mich., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 474); to the Committee on Public Works and ordered to be printed with one illustration.

2301. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 18, 1962, submitting a report, together with accompanying papers and illustrations, on a review of the reports on the Papillion Creek and tributaries, Nebraska, requested by a resolution of the Committee on Flood Control, House of Representatives, adopted July 23, 1946 (H. Doc. No. 475); to the Committee on Public Works and ordered to be printed with illustrations.

2302. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 4, 1962, submitting a report, together with accompanying papers and illustrations, on a review of the reports on the Red River in Natchitoches and Red River Parishes, La., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted March 11, 1957, June 20, 1957, and April 21, 1950, submitted also in response to a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 25, 1938 (H. Doc. No. 476); to the Committee on Public Works and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on Disposition of Executive Papers. Report pursuant to 57 Stat. 380; without amendment (Rept. No. 1973). Ordered to be printed.

Mr. PATMAN: Committee of conference. Conference report on S. 2970; without amendment (Rept. No. 1974). Ordered to be printed.

Mr. COOLEY: Committee of conference. House Joint Resolution 809. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963; without amendment (Rept. No. 1975). Ordered to be printed.

Mr. COOLEY: Committee on Agriculture. H.R. 12391. A bill to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes; with amendment (Rept. No. 1976). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 12492 A bill to amend title II of the Social Security Act to provide that epilepsy shall constitute disability for purposes of entitlement to disability insurance benefits and the disability freeze; to the Committee on Ways and Means.

By Mr. BREEDING:

H.R. 12493. A bill to amend section 9(d) (1) of the Reclamation Project Act of 1939 (53 Stat. 1187; 43 U.S.C. 485), to make additional provisions for irrigation blocks, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CRAMER:

H.R. 12494. A bill to authorize assistance under the Area Redevelopment Act in the case of any area which has been adversely affected by the imposition by the United States of an embargo on the importation of products from Communist or Communist-dominated countries; to the Committee on Banking and Currency.

By Mr. FOGARTY:

H.R. 12495. A bill to amend the Internal Revenue Code of 1954 so as to restore competitive equality to retailers and other distributors with respect to certain sales to business and other organizations; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 12496. A bill to repeal the depletion allowance for oil and gas wells in the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 12497. A bill to amend section 204(a) of the Interstate Commerce Act so as to authorize the Interstate Commerce Commission to encourage the adoption by the several States of laws in conformance with the Uniform Vehicle Code, published by the National Committee on Uniform Traffic Laws and Ordinances, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEARNS:

H.R. 12498. A bill to amend the act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide for the John Philip Sousa Concert Shell on the Mall near the National Gallery of Art and the U.S. Capitol Building, and to provide for the Joseph P. Kennedy, Jr., children's cultural programs for underprivileged children; to the Committee on the District of Columbia.

By Mr. KING of New York:

H.R. 12499. A bill to increase the annual income limitations governing the payment of pension to certain veterans and their dependents; to the Committee on Veterans' Affairs.

By Mr. MICHEL:

H.R. 12500. A bill to provide that the Director of the Federal Bureau of Investigation shall hereafter be appointed by the President, by and with the advice and consent of the Senate; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 12501. A bill to amend section 23A of the Federal Reserve Act; to the Committee on Banking and Currency.

By Mr. PRICE:

H.R. 12502. A bill to provide for the establishment of a national cemetery in Madison or St. Clair County, Ill.; to the Committee on Interior and Insular Affairs.

By Mr. SIBAL:

H.R. 12503. A bill to amend paragraph 1529 (a) of the Tariff Act of 1930 with respect to the classification of certain hair rollers and curlers; to the Committee on Ways and Means.

By Mr. BONNER:

H.R. 12504. A bill to equalize the pay of the Commandant of the Coast Guard with that of the chiefs of the other branches of the Armed Forces; to the Committee on Merchant Marine and Fisheries.

By Mr. COLLIER:

H.R. 12505. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for additional education or training; to the Committee on Ways and Means.

By Mr. GIAIMO:

H.R. 12506. A bill relating to the power of the States to impose use tax assessments with respect to sales in interstate commerce; to the Committee on the Judiciary.

H.R. 12507. A bill to prohibit the letting of contracts for professional services through competitive bidding; to the Committee on Government Operations.

By Mr. HARRIS:

H.R. 12508. A bill to amend the Public Health Service Act to provide greater flexibility in the organization of the Service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT:

H.R. 12509. A bill to permit the county of Los Angeles, Calif., to grant an easement over certain property heretofore conveyed to such county by the United States for park and recreational purposes; to the Committee on Armed Services.

By Mr. SHELLEY:

H.R. 12510. A bill to amend the Internal Revenue Code of 1954 to make it clear that a voluntary employees' beneficiary association may retain its tax-exempt status even though it enters into certain nonprofitmaking administrative arrangements with another organization providing pension or vacation benefits for its members and their dependents; to the Committee on Ways and Means.

By Mr. SANTANGELO:

H.R. 12511. A bill to amend the Internal Revenue Code of 1954 to provide that the income from obligations guaranteed by the United States under the Foreign Assistance Act of 1961 shall be subject to income tax when received by organizations otherwise exempt from tax; to the Committee on Ways and Means.

By Mr. WHARTON:

H.R. 12512. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIS:

H.R. 12513. A bill to provide for public notice of settlements in patent interferences, and for other purposes; to the Committee on the Judiciary.

By Mr. McDOWELL (by request):

H.J. Res. 813. Joint resolution to amend the joint resolution of May 17, 1938, in order to establish an association to assist the Board of Regents of the Smithsonian Institution in promoting the national collection of fine arts; to the Committee on House Administration.

By Mr. McVEY:

H.J. Res. 814. Joint resolution to require that the right of the people to pray in all public and private places not be violated; to the Committee on Judiciary.

By Mr. BRAY:

H.J. Res. 815. Joint resolution proposing an amendment to the Constitution of the United States permitting nonsectarian prayer in public schools or other public places if participation therein is not compulsory; to the Committee on the Judiciary.

By Mr. KEARNS:

H.J. Res. 816. Joint resolution to protect the gold reserves of the United States by immediately suspending the sale to foreign nations of gold belonging to the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. MOSHER (by request):

H.J. Res. 817. Joint resolution providing that the day on which the presidential election is held shall be a legal holiday, and for other purposes; to the Committee on the Judiciary.

By Mr. CELLER:

H. Res. 724. Resolution providing for the consideration of Senate Joint Resolution 29, a resolution proposing an amendment to the Constitution of the United States relating to the qualifications of electors; to the Committee on Rules.

By Mr. PELLY:

H. Res. 725. Resolution to amend the rules of the House of Representatives with respect to the enactment of certain legislation; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to immediately take the necessary steps to give to the citizens of this Nation an opportunity by constitutional amendment to determine whether or not prayer shall be permitted in the public schools, which was referred to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 12514. A bill for the relief of Maria B. Barreda; to the Committee on the Judiciary.

By Mr. BATTIN:

H.R. 12515. A bill for the relief of Albin D. Molohon of Billings, Mont., to the Committee on the Judiciary.

By Mr. BROYHILL:

H.R. 12516. A bill relating to the effective date of the qualification of the profit-sharing plan of the Arlington Realty Co. as a qualified trust under section 401(a) of the Internal Revenue Code of 1954; to the Committee on the Judiciary.

H.R. 12517. A bill for the relief of Mrs. Rose Jacobson Solkey; to the Committee on the Judiciary.

By Mr. BROYHILL (by request):

H.R. 12518. A bill for the relief of Mrs. Yok Sun Lee and her minor son, Mark Tom; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 12519. A bill for the relief of Maria Lonardo; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H.R. 12520. A bill for the relief of Mrs. Percida Cango; to the Committee on the Judiciary.

H.R. 12521. A bill for the relief of Josefa Cantoria Domingo; to the Committee on the Judiciary.

H.R. 12522. A bill for the relief of Fedora Llamas; to the Committee on the Judiciary.

H.R. 12523. A bill for the relief of Josefa A. Salazar; to the Committee on the Judiciary

H.R. 12524. A bill for the relief of Dr. Restituto S. Ruiz and his wife, Lydia Mallavo Ruiz; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

384. By Mr. ANFUSO: Petition of employees of the Evins Shoe Co., of New York favoring the stoppage of importation of shoes from foreign countries; to the Committee on Ways and Means.

385. By Mr. ANFUSO: Petition of the Legislative Committee, Local 485, IUE, AFL–CIO, with several signatures, favoring passage of the King-Anderson bill; to the Committee on Ways and Means.

386. By Mr. MONAGAN: Resolution of Baltic States Freedom Committee unanimously adopted at rally of June 17, 1962; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Lt. Col. John H. Glenn, Jr., Honored

EXTENSION OF REMARKS

OF

HON. TOM V. MOOREHEAD

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. MOOREHEAD of Ohio. Mr. Speaker, it is a privilege to announce to the House of Representatives that Lt. Col. John H. Glenn, Jr., has been chosen by the editors of Dixie Business to receive the Great American Award for 1962. This is another rightly deserved honor bestowed upon Lieutenant Colonel Glenn for his magnificent contribution to our Nation's space program. It is in recognition of the courage and dedication he has displayed throughout his illustrious career. Lieutenant Colonel Glenn, as you know, is a product of that part of southeastern Ohio which I have the honor to represent here. It is with great pride that we view his accomplishments and the great regard in which he is held by the people of the world.

With this new award, Lieutenant Colonel Glenn joins the illustrious company of distinguished men and women who have been recipients of the Great American Award. Among these have been: 1955, Dr. Charles F. Kettering; 1956, Cecil B. DeMille; 1957, Helen Keller; 1958, Dr. Tom D. Spies; 1959, Senator Lister Hill; 1960, Oveta Culp Hobby; and 1961, Dr. R. M. Wilson.

I am certain that all of my colleagues here join me in congratulating Lt. Col. John Glenn in having achieved this new honor. We also congratulate the editors of Dixie Business for adding the name of Lieutenant Colonel Glenn to its roster of eminent citizens who have been honored for their achievements and contributions to mankind.

Remarks by Senator Bush on the Dana Clark Television Show

EXTENSION OF REMARKS

OF

HON. NORRIS COTTON

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, July 12, 1962

Mr. COTTON. Mr. President, recently the distinguished senior Senator from Connecticut [Mr. BUSH] appeared on the "Dana Clark Show," on NBC television. His remarks on that occasion covered some very fundamental questions before Congress and before the American people. I was very much impressed by his remarks, which I heard; so much so that on my own initiative I should like to ask unanimous consent that the remarks of the Senator from Connecticut may be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS MADE BY SENATOR BUSH ON THE "DANA CLARK SHOW" ON NBC TELEVISION

Thank you, Mrs. Clark. I'm very happy to avail myself of your invitation to talk about some of the issues that we are dealing with in this session of the Congress, and will likely be dealing with until around the 1st of October. The sessions of the Congress seem to be getting longer and longer each year. Last year it was October 1 when we got out, and now it appears that we might even invade the month of October with our presence here in Washington.

One of the most significant issues that the Congress is faced with is a very broad issue, and I'll give some illustrations of what I mean here—is the desire of the President of the United States to increase the power of the executive branch. That is to say, to put more power in the hands of the President of the United States. Now there's only one place that he can go to get that additional power, or at least certainly one of the places, if the court could be called a second power. One of the places is the Congress of the United States. So if you're going to increase the power of the President, you've got to take power away from some place else, and what he proposes to do is to take it away from the Congress.

You see we've had a system of checks and balances under our Constitution since it was first signed, and first adopted, and this has worked out very well. We have the three coequal branches, the legislative, the executive, and the judicial, and it's been this system of checks and balances that have made our Government work so well. Sometimes it seems a little bit slow, but at least one branch has been a check upon the other, and no complaints have been made about a concentration of power, which was of course what we came away from Great Britain to get away from the concentration of power when we were only a colony.

So the President has decided that he should put more power—have more power—in the Office of President, and has made various requests to the Congress to implement that desire upon his part. One of the first recommendations that he made in this connection was to give him standby discretionary power to cut taxes. In other words, to put it simply, if at any time he thought that the economy could be stimulated by a tax cut, he would have the power without going to Congress, to make such a cut, within limits that had probably previously been established by the Congress. It might be $2 billion, $4 billion, $5 billion, or it might be for a given length of time, such as 6 months or a year. But nevertheless what he asked the Congress to do is to give up—hand over to him this power to reduce taxes, at will, at any time that he thought best. Now of course this is asking for a very great political weapon. One can imagine the effect of a President suddenly reducing taxes about 2 or 3 weeks before an election, and this would of course be a very popular move, as everybody likes to have taxes go down, and he would assume full credit for it.

But that isn't the only reason, although it is a reason for opposing it. The reason is that the Constitution gives the Congress a duty, and an obligation to fix the taxes, to raise the money for the Government, and to raise and lower taxes is definitely the congressional responsibility. So I think it's fair to say that it's unlikely that this Congress will go all the way with the President in this move to increase his power by giving him discretionary power to cut taxes. Another illustration of his desire for increased power for his office came with the so-called standby public works bill. Here he requested $2,600 million public works to go onto the shelf, so to speak, so that at any time he felt that a big public works program would stimulate the economy then he could trigger this authority and put the public works bill to work all over the United States, or wherever it seemed best to him to do it.

This bill also involved a financing of it, which was most unusual, because it provided that he would have authority to take funds out of the Federal Deposit Insurance Corporation, or the Federal Savings and Loan Insurance Corporation, even funds designated for our contribution to the World Bank, and thus bypass the appropriation processes of the Congress.

Well this was too much for the Congress and many of you will recall that this public works bill was very greatly changed and the authority which he asked for in respect of invading the trust funds and pledged funds was denied him, and the bill was cut about in half, with $750 million passed for immediate use, and another $750 million to become available in July of 1963. This latter one which was a deferred authority was almost defeated in the Senate.

There are just two examples of where he has asked for discretionary power to be vested in him at the expense of the Congress of the United States. A third illustration might be offered in the so-called trade bill, the bill which has to do with the control of tariffs and international trade. In this bill he has asked for authority to cut tariffs across the board any time at his discretion, by some 50 percent, or even to cut tariffs to zero, when ourselves and the Common Market countries control 80 percent of the world's trade. This power of course is most unusual. We must have an extension of the Trade Agreements Act, or a new Trade Agreements Act, but many of us feel that the President's power should be restricted to making tariff reductions on a gradual, selective, and reciprocal basis, so that we make sure we're getting quid pro quo all the time from concessions that we may make to the Common Market.

This bill also gave him a very substantial grant of power in connection with what's called trade adjustment—I call it, too, the life adjustment phases of the bill. Under this provision of the bill he would have authority to extend aid to companies or organizations that have been put out of business by tariff reduction, and the aid that he would be able to give them would be in the form of loans or technical help from the Department of Commerce or the Government in some department. Well, giving loans to a company that's been put out of business is a little bit like throwing an anchor to a drowning man, and this is a very controversial phase of the bill, which I know the Senate will want to examine very closely. It also gives him power to put workers who have been disemployed by Government action on the dole—to give them relief money for long periods, also to offer to them another retraining program, and also it provides for funds for moving them from one State to another if they can't find in their own State places of employment for their new skills. So you see it gives the President a great deal of power over the lives of the workers, and I have felt that this is one of the harsher, more cruel aspects of the trade bill.

It also provides that when the President makes the decision, there is no appeal—

there is no appeal to the court, there is no appeal to the Congress, there is no congressional veto, and of course it leaves unsolved some of the major problems in connection with international trade, as for instance the major sources of friction indeed between ourselves and the Common Market countries. For instance, it does nothing to solve the very great difference between us and these countries in respect to East-West trade. They are shipping goods, even strategic goods behind the Iron Curtain, with considerable freedom, where we are very restrictive in that, because we don't want to build up their economic and military potentials, and we feel that our allies are much too generous and liberal in their trade behind the Iron Curtain. It also leaves unsolved our differences with General DeGaulle, who is very anxious to establish a nuclear striking force of his own, and it also leaves unsolved the very serious question of Japan and the Latin American countries, who like ourselves, are in a large measure dependent on world trade in order to survive.

But in this bill, while it states that we will continue the most favored nations policy, and thus give to Japan and the Latin American countries all the concessions that the President might write into an agreement with the Common Market, it imposes no such obligation upon them, and would thus leave them dependent upon the United States as the only big market for their expansion for taking care of their needs to export, and a country like Japan, as in the case of Great Britain has got to export, or they simply will die.

I feel, and I've felt that these related matters are so important that the President ought to call a conference of the free nations and consider these matters—these related matters all at once in connection with the whole question of international trade, and the matter of trade concessions. The Common Market is a mutual protection society, and we mustn't think of it as a charitable institution that's going to treat us very generously. We've got to be in a position to use our bargaining power to the very limit if we're going to protect the interests of the United States.

Thank you very much, Mrs. Clark.

The National Lottery of Ecuador

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Ecuador. Like a number of other lotteries of Spanish-speaking nations, the national lottery of Ecuador exists not for the benefit of the general treasury but rather for the benefit of numerous charities.

In South America, lotteries support many hospitals, asylums, orphanages and the like that would be otherwise aided and maintained by the Government. Ecuador is one of the nations in which the profits of the national lottery are directly channeled to these institutions.

In 1961, the gross receipts of the national lottery of Ecuador came to over $3¼ million. One-third of this money was turned over to charitable organizations.

Mr. Speaker, we in America could benefit immeasurably if moneys that now flow into the pockets of gangsters and professional gamblers could be diverted into a national lottery and utilized for the benefit of our own people. A national lottery in the United States could produce over $10 billion a year in new revenue.

Summary of a Survey Made in the 26th Congressional District of New York

EXTENSION OF REMARKS

OF

HON. EDWIN B. DOOLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. DOOLEY. Mr. Speaker, the following is intended as a summary and review of a survey I made among my constituents of the 26th Congressional District of New York. The district which I am proud to represent constitutes the eastern half of Westchester County with a population of approximately 420,000.

The survey which went to every household generated a tremendous and impressive response. Some 34,000 questionnaire cards were returned to my office. These cards in many instances represented the thinking of several persons in the same household. On many of the cards were written astute and penetrating comments, while thousands of informative letters were generated expressing supplemental viewpoints.

The 34,000 returns bore out my belief that Westchester County deserves the reputation of having the most educated populace of any county in the country. It has been said that Westchester possesses more high school and college graduates than any other similar geographic area, along with the highest average family income in the United States.

Every survey has its limitations. Brevity in questioning does not permit comprehensive answers embracing all facets of an issue. Yet from my survey I was able to observe definite patterns of thought among my constituents. Even with the multitude of answers and the helpful interlineations on the questionnaires, I still form my own opinion and come to a final judgment on each of the issues confronting Congress. However, it is gratifying to feel that on most major issues my position approximates that of my constituents.

Medical care for the aged under social security brought an affirmative response from 21,334 persons or 61.5 percent of the total. The wording of the question obviously failed to delineate closely any one of the specific plans, and since the survey was made many significant changes have been made in the legislative approach to the medical care problem.

Question No. 2 was limited to the issue of Federal aid to teachers' salaries because many spokesmen from both of our major political parties have been generally agreed on the need for limited Federal aid to school construction. Most of the controversy has revolved around the question of direct Federal assistance for increasing the salaries of teachers.

The widespread endorsement for freer trade and lower tariff protection was perhaps brought about by the recent success of the European Common Market along with the historical dependence of Westchester County on the nearby export and import industries of the port of New York. In this regard, this summer I joined with many of my Republican colleagues in the House in supporting the bipartisan Trade Expansion Act of 1962.

The results of question No. 4 indicate to me an inherent distrust on the part of suburbanites against any proposal that might transfer local and State governmental decisions to Washington. I was pleased that my vigorous opposition to the recommendation to create a new Department of Urban Affairs earlier this year corresponded to the sentiments of so many of my constituents.

The overwhelming feeling against an extensive Federal-State fallout shelter program is at variance with more recent polls released by the Kennedy administration. I am nevertheless convinced that disenchantment with fallout shelters continues to prevail among many constituents.

Question No. 6 underlines my previously expressed belief that the vast majority of Americans saw the need for resumption of atmospheric nuclear testing long before the official pronouncement by the President. This explains the sober support which President Kennedy received throughout the country when he announced his decision.

Few areas are more dependent upon railroad commuter facilities than is Westchester County. The nearly 2 to 1 support for Federal aid to commuter railroads indicates that many of my constituents recognize how many billions of tax dollars would be wasted on new multilane highways if our mass transit facilities are permitted to fall into disuse and eventual bankruptcy.

The most evenly divided opinion was expressed on question No. 8, where 52.9 percent were in favor and 43.7 percent were opposed to U.S. purchase of United Nations bonds.

When as many as 95 percent of any group agree as they did on question No. 9, there must be a compelling reason. I believe the residents of Westchester County stand with nearly all Americans in recognizing that a retreat from our firm position of principle in West Berlin might very well be the prelude to complete Western surrender to communism.

Mr. Speaker, thank you for affording me the opportunity to present this report to Members of the House of Representatives. Because this survey of public opinion met with so much widespread approval and acceptance, I plan for this to be the first in a series of annual reports.

Final results of survey conducted by Congressman Edwin B. Dooley *among residents of Westchester County, New York's 26th Congressional District, February–July 1962*[1]

Do you favor—	Total number answered [2]	Number			Percent		
		Yes	No	No opinion	Yes	No	No opinion
1. Medical care for the aged under social security	34,690	21,334	13,321	35	61.5	38.4	0.1
2. Federal aid for teachers' salaries	34,725	14,203	19,620	902	40.9	56.5	2.6
3. Lower tariff protection for freer trade	34,423	24,131	8,743	1,549	70.1	25.4	4.5
4. Creation of a Department of Urban Affairs	34,429	12,911	19,934	1,584	37.5	57.9	4.6
5. Extensive Federal-State fallout shelter program	34,381	7,942	25,098	1,341	23.1	73.0	3.9
6. Suspension of atmospheric nuclear testing	34,316	8,407	24,982	927	24.5	72.8	2.7
7. Federal aid for commuter railroads	34,585	21,349	12,105	1,131	62.1	35.0	2.9
8. U.S. purchase of U.N. bonds	34,290	18,139	14,985	1,166	52.9	43.7	3.4
9. Firm U.S. stand in West Berlin	34,601	32,871	1,314	416	95.0	3.8	1.2

[1] Questionnaire was sent to approximately 100,000 households throughout Westchester County. The responses, in perhaps the majority of cases, represented the composite opinion of both husband and wife, or in numerous cases that of a group of adults residing at the same address.

[2] The column entitled, "Total number answered," indicates that a relatively small number of respondents failed to answer all of the questions.

Foreign Aid Bill

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. JENSEN. Mr. Speaker, George Washington pleaded, "Let us maintain friendly relations with all nations, but foreign entanglements with none."

I have listened to this debate in the House, on the so-called foreign aid bill, for the past 3 days with great concern and misgivings.

Here we have a bill to take $4,800 million from the already overburdened American taxpayers and send it to many foreign government heads to spend almost at their own discretion, even though our national debt is today greater than the debt of all the nations on this earth combined.

We have already donated gratis over $90 billion for this program with little or no results. Worldwide revolutions, strife, hunger, and cold wars are still the order of the day in many of the foreign lands we seek to help with our taxpayer's billions.

We have not heeded George Washington's admonition which was in short, "Let us maintain friendly relations with all nations, but foreign entanglements with none."

To the contrary Mr. Speaker we have become entangled in foreign squabbles even to the extent of sending millions of our finest American youth to fight and die in three wars across the seven seas during the past 45 years. Yes, they helped win those wars but yet there is no peace, and peace will not prevail in those troubled lands until the destitute people there are provided with more of the fruits of their own labors, such as we enjoy in the United States of America under our constitutional free private enterprise system of government.

It has been my personal privilege to visit many people in many of the foreign lands where revolutions, strife, hunger, and cold wars prevail today. That condition will continue to prevail so long as the powerful rich, and rulers, and the ruthless land barons in most of the world's troubled spots own almost every acre of land, chattels, and property of every nature while the downtrodden multitudes slave to earn their daily bread. Mr. Speaker, I say advisedly that next to communism, the greatest curse of this world is the ruthless powerful land barons.

Every American should thank God that one of our first Congresses passed the Homestead Act which provided in short that no one could homestead more than 160 acres of land in the United States of America. Had that act not been adopted, America would, without doubt, have suffered the same fate that has befallen so many nations of the Old World, as I have just explained.

As everyone knows it is the inherent desire of every human on earth to own property as proof witness the fact that revolutions are nonexistant against the Governments of India, Pakistan, Formosa, and Thailand, just to name a few nations where land reform programs have been put into effect since World War II.

Cuba is the exception where Castro refused to deal fairly with the former owners of land and property. He chose the ruthless course of rolling heads and then took control of all property using his communistic power to put his own dictatorial ideas into a Cuban land reform program which is doomed to failure, as Castro himself is doomed in all his devilish doings.

What has our aid to many nations accomplished for the downtrodden multitudes? The answer is just about exactly nothing so far as assisting them in their desire for a better life for themselves and their children. The truth of the matter is, that in far too many nations our dollars have enriched the already rich and powerful land barons, and it is in those lands where the youth have determined that a new order of government be instituted. Hence they are the leaders of the revolutions just as our Thirteen Colonies revolted against the British Crown and for about the same reasons.

Now of course the Communists are giving lipservice to these revolutionary forces, but the facts are that only a small percent of these young people are Communists at heart. They are to a great extent high school and college students, whose sole purpose is to bring about a better life for the people of which they are a part, and they resent the fact that little or none of our U.S. aid trickles down to the needy multitudes.

It is for these reasons, Mr. Speaker, that I cannot find it in my heart to support this bill or any foreign aid bill since the shooting stopped in the Korean war.

I have previously stated on this floor that I would support a bill to spend up to a billion dollars annually to send food feed, fiber, medicine, doctors, and nurses to starving, ragged, sick people across the seas as that and only that can be justified, and only that is appreciated.

And only that will prove to those people that our way, and not the Communist way, is the best course to follow. But first the rich, the present rulers, and the land barons must follow the lead of those other many nations who have established a good, fair, workable land reform program; for until that is done in many of these troubled lands there will be no peace.

I hope the United Nations will act effectively in urging such reform since the U.S. Congress and the powers that be in our Government have for years taken the position that world peace and friendship can be bought with American dollars by the billions, or with threats of bullets, to match Communist threats.

It should be clear to every deep-thinking person at this late date that the course we have followed will never bring peace to this troubled world.

National Guard

EXTENSION OF REMARKS

OF

HON. RICHARD H. POFF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. POFF. Mr. Speaker, I just had one of the most interesting, instructive and inspiring experiences of my life. I have just returned from Camp A. P. Hill, Va., where the 1st Battle Group, 116th Infantry, Virginia Army National Guard, under the command of Col. Samuel "Jack" Light is encamped for its 2-week active duty training tour.

For the first time, I had a firsthand opportunity to observe this unit in action. Through the courtesy of Maj. Gen. William C. Purnell, commanding general, 29th Infantry Division, Army National Guard, we visited every quarter of the training and bivouac area and observed the officers and troops in the course of an actual military exercise.

Mr. Speaker, if every unit in the National Guard and Reserve system is receiving the same quantity and quality of instruction, then we have nothing to fear about the future of that system and most certainly nothing should be done to decimate its ranks or deemphasize its mission. Although the men work hard and long hours, and although they are living in the kind of environment they could anticipate in actual combat, I am happy to report that the relationship between officers and men is exemplary and the total morale is at the highest possible level. These men know what they are doing; they know how to do it; and they enjoy doing it. I was also greatly impressed with the caliber of the moral and spiritual guidance available to them in the persons of the two chaplains.

Mr. Speaker, Virginia and the Nation at large have every reason to feel extremely proud of the young men who have dedicated themselves to the service of their country in this way.

A Resolution—House Resolution 324—To Establish a House Committee on Captive Nations

EXTENSION OF REMARKS

OF

HON. HENRY C. SCHADEBERG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. SCHADEBERG. Mr. Speaker, in the Congressional Record of June 15 of this year I posed these questions: "Is enough being done not only to hold in check the Communist offensive but to reverse it?" and, "Have we settled for merely stemming the Communist tide of world conquest, or is it really our intention to roll it back?" These queries bear repeating and they require the right answers. I dare to state as loudly as I can that not enough is being done to both check and reverse the Communist offensive; that the United States has not settled, and will never settle, for merely stemming the Communist tide of world conquest; and that it most assuredly is our intention to roll it back. Does anyone dare to disagree with that?

On the subject of our national defense—our preparedness for mutual security and defense of the free world—there is always proper emphasis on the fact that we maintain and improve our military strength only for defense purposes, to deter aggression or to defeat it. We speak the truth when we say that we are not a warlike people. We do not want war. We will neither provoke nor start war. When we insist that our military establishment is for deterrent and defensive use only, we are being completely honest, and most of the world knows it.

It is obvious, therefore, that we are not going to launch a military offensive to achieve the declared objective of liberation of and freedom for enslaved peoples everywhere.

What then? While our military remains armed to the teeth and ready to defend, what is wrong with launching a peaceful offensive to help the enslaved peoples of the world break their shackles? I mean an all-out offensive. We are at war—with the Communists—albeit for the most part a nonshooting war. When we wake more fully to the realization that we are in a war, we will see the absolute necessity of going onto the offensive, not letting up until the war is won.

The bill I sponsored to establish a House Committee on the Captive Nations—House Resolution 324—is one means of implementing our noble professions. Such a committee would devote much time and energy to seeking new avenues over which a peaceful offensive could roll forward. I offer the following recommendation:

That the United States introduce in the General Assembly of the United Nations on a regular and unrelenting basis—say, once a month—a resolution charging the Soviet Union with warlike and aggressive action and the subjugation of nations against their will. Each month a different enslaved country could be cited. Ambassador Stevenson is a most eloquent orator. He has been known to speak with deep and sometimes moving articulation. I would like to see him lead such a crusade in the United Nations. Have we not the right to expect that the entire free world would give wholehearted support to such resolutions? And do we not have the right to expect that enough of the so-called neutral nations to insure adoption of such resolutions would vote with us?

The time for unrestrained and sustained nonshooting attack has long since passed. Now—today—is the best time that remains to begin this all-out fight that we must know we will have to wage, sooner or later. I urge that the Rules Committee speed my resolution or one like it to the floor of the House and that this body in turn waste no time in passing it. Some bills can wait. This one cannot. This is my message in observance of Captive Nations Week, July 15 to July 21. My hope and prayer is that the message will prove to be more than just words. Only the Congress can make it so.

American Telephone & Telegraph Co. and National Aeronautics and Space Administration Commended for Launching Telstar, First Commercial Venture Into Space Satellite Communications

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. BOLAND. Mr. Speaker, the success of the American Telephone & Telegraph Co.'s first venture into full-scale satellite communications from its station in Andover, Maine, on Tuesday paves the way for an eventual new communications superhighway through space.

Americans watching their television sets in their living rooms should have been gratified to realize that it was a combination of American free enterprise and government ingenuity that was responsible for the historymaking earth-to-space and back-to-earth program showing Vice President Lyndon Johnson in Washington talking by telephone with American Telephone & Telegraph Co. Chairman Frederick Kappel in Maine.

As a member of the House Appropriations Subcommittee which makes money available to the National Aeronautics and Space Administration for space research and rocket launchings, I was particularly proud of this cooperative effort by NASA with A.T. & T. in the Telstar satellite launch from Cape Canaveral. Telstar is the forerunner of a revolutionary new global communications system. The launching of this satellite was the first commercial venture into space and it demonstrated the vast new communications capability opened by satellites by relaying the first transatlantic television broadcast. Last night the first east-to-west transatlantic television broadcasts were relayed from England to France and were received in the United States.

Mr. Speaker, I want to take this opportunity to congratulate Chairman Kappel of the American Telephone & Telegraph Co. and all of the employees of A.T. & T. and the Bell Laboratories, and the National Aeronautics and Space Administration who labored so long and hard to make this first commercial venture into space satellite communications a gigantic success and first for American free enterprise.

Biennial Conference of American Civil Liberties Union

EXTENSION OF REMARKS

OF

HON. PAUL H. DOUGLAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, July 12, 1962

Mr. DOUGLAS. Mr. President, I ask unanimous consent that a very stirring letter which President John F. Kennedy addressed to the American Civil Liberties Union at its biennial conference be printed in the Congressional Record. President Kennedy's message should be taken to heart by all Americans.

There being no objection, the letter was ordered to be printed in the Record, as follows:

TEXT OF MESSAGE FROM PRESIDENT KENNEDY TO ACLU BIENNIAL CONFERENCE

THE WHITE HOUSE,
Washington, D.C., June 22, 1962.

JOHN DEJ. PEMBERTON, JR.,
Executive Director, American Civil Liberties Union:

Please express to all of the participants of the biennial conference of the American Civil Liberties Union my best wishes for a constructive session. During the 43 years of its existence the American Civil Liberties Union has played a significant role in defending our basic democratic freedoms. Your voice has always been raised clearly and sharply when our liberties have been threatened. America is a stronger nation for your uncompromising efforts.

This country has passed through many periods of national peril. Now we are again in a period when risks are great, our burdens heavy, and our problems incapable of swift or easy solution.

It is in times such as these that many men, weak in courage and frail in nerve, develop the tendency to turn suspiciously on their neighbors and leaders. Unable to face up to the dangers from without, they become convinced that the real danger is from within. Our hard-won freedoms are frequently abandoned in an effort to escape the burdens of responsible citizenship. At this moment in our history, the energies of all patriotic Americans must be focused primarily on our vital central problems.

If we are to give the leadership the world requires of us, we must rededicate ourselves to the great principles of our Constitution—the very principles which distinguish us from our adversaries in the world. Our Nation needs the services of organizations and citizens who will remain vigilant in the defense of these principles.

John F. Kennedy.

Congressional Delegations Endorse Hanford Proposal

EXTENSION OF REMARKS

OF

HON. DON MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. MAGNUSON. Mr. Speaker, within a few days the House will consider an amendment to the atomic energy authorization bill to authorize installation of nonfederally owned power generating facilities at the Government's new plutonium production reactor at Hanford, Wash.

All members of the congressional delegations from Washington, Oregon, and Idaho have joined in a letter sent to each Member of the House in bipartisan support of the proposed project. In the letter we point out the advantages of the proposal made by the Washington Public Power Supply System, an organization of local public agencies, to finance, construct, and operate electric power facilities which would utilize waste steam from the reactor.

Under leave to extend my remarks, I include the letter as follows:

July 10, 1962.

Dear Colleague: The undersigned members of the congressional delegations from Washington, Oregon, and Idaho urge your support of a project which is of the utmost importance to our area and to the Nation, and which has tremendous bipartisan support in our respective States. We refer to the proposal of the Washington Public Power Supply System, an organization of local public agencies, to finance, construct, and operate electric power facilities utilizing waste steam from the new plutonium production reactor now nearing completion at Hanford, Wash.

We realize that a proposal last year for Federal installation of power facilities at Hanford was the subject of considerable controversy. However, the new proposal is entirely different from that which was last considered by the Congress. The new proposal eliminates objections which formerly were raised to the effect that such a plan required expenditure of Federal funds, and that it would place the Federal Government in the commercial steam electric generating business outside of the Tennessee Valley. The new proposal does not require any Federal appropriations, and the power itself would be produced by a non-Federal agency and made available both to local public agencies and to the region's privately owned power companies through an exchange arrangement with the Bonneville Power Administration.

This proposal also has the following advantages: It would (1) give the Government its only opportunity to recoup the $25 million that has been spent to date on the convertibility features of the reactor; (2) permit the utilization of a resource that otherwise would be wasted; (3) fill a critical need for power in the area; (4) make maximum use of these defense facilities for peaceful purposes.

In order to achieve these and many other advantages, we understand an amendment will be offered to the atomic energy authorization bill specifically to authorize installation of nonfederally owned generating facilities at Hanford. Such an amendment will not authorize expenditure of any Federal funds, as no Federal money will be required for construction of the Hanford power facilities. In fact, this amendment will make it possible for the U.S. Government to receive from $31 million to $125 million for steam that otherwise would be wasted from the Hanford project. We therefore urge your support of such an amendment.

Sincerely yours,

Julia Butler Hansen,
Member of Congress.
Walt Horan,
Member of Congress.
Don Magnuson,
Member of Congress.
Catherine May,
Member of Congress.
Thomas M. Pelly,
Member of Congress.
Thor C. Tollefson,
Member of Congress.
Jack Westland,
Member of Congress.
Edwin R. Durno,
Member of Congress.
Edith Green,
Member of Congress.
Walter Norblad,
Member of Congress.
Al Ullman,
Member of Congress.
Ralph R. Harding,
Member of Congress.
Gracie Pfost,
Member of Congress.

Support for University Extension Legislation

EXTENSION OF REMARKS

OF

HON. CLEVELAND M. BAILEY

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. BAILEY. Mr. Speaker, several weeks ago the Committee on Education and Labor reported my bill, H.R. 11340, to the House. This bill provides a modest matching grant program to State universities and land-grant colleges to support programs of general extension education.

The legislation is modeled after existing law and is designed to accomplish in general fields what has been accomplished by Federal encouragement in agriculture and home economics.

The bill had bipartisan support when originally introduced in the House. An identical bill has been introduced in the other body by the distinguished senior Senator from Oregon [Mr. Morse].

I invite the attention of my colleagues to the eminent list of cosponsors, from both sides of the aisle, in the other body. They are:

Mr. Morse, Mr. Aiken, Mr. Boggs, Mr. Bush, Mr. Carlson, Mr. Case, Mr. Clark, Mr. Cooper, Mr. Dodd, Mr. Fulbright, Mr. Gruening, Mr. Hart, Mr. Humphrey, Mr. Kefauver, Mr. Long of Missouri, Mr. McCarthy, Mr. McGee, Mr. Metcalf, Mrs. Neuberger, Mr. Pell, Mr. Prouty, Mr. Proxmire, Mr. Randolph, Mr. Scott, Mr. Smith of Massachusetts, Mr. Wiley, Mr. Williams of New Jersey, and Mr. Yarborough.

Ten Years of Work and Accomplishment in Congress

EXTENSION OF REMARKS

OF

HON. T. A. THOMPSON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1962

Mr. THOMPSON of Louisiana. Mr. Speaker, I want to thank my colleagues in the House for their friendship and cooperation in the accomplishment of so much for the people of my district and State. I have received every kind consideration and help from the membership of this body. When I was elected to Congress in 1952, I resolved then that I would to the best of my ability represent the people of the Seventh Congressional District of Louisiana in such manner that they would not regret the confidence they had placed in me by electing me as their Representative. I feel that I have not betrayed their confidence, as I have exerted every effort in their behalf during my five terms as their Congressman.

The people whom I represent are a great and enlightened people and it has been a pleasure and privilege to represent them in the U.S. Congress. They have made much progress in the past 10 years and I feel that by teamwork with my colleagues from Louisiana and with the cooperation of the membership of this body, I have had an important part in this progress and in helping them to attain a better standard of living. I feel justly proud of my record in their behalf.

We have made gains for our farmers, our workingmen, our industries; we have made progress in the development of our natural resources, flood control, navigation, our public buildings and public roads programs, research programs and in other areas. Our educational systems are being improved; our public health programs are better; our elderly citizens are enjoying more security, and, in spite of tragedies such as

Hurricane Audrey and Hurricane Carla and other such reverses, generally, my people are going forward to a better and better life for all citizens.

However, Mr. Speaker, even though much has been gained, we still have many problems facing us—some local in nature, yet many of national importance. I shall continue to work for a lowering of the great tax burden on our people, which is now higher even than the taxes on many of the peoples we are assisting through our foreign aid programs. We must continue our efforts to find ways to help our farmers and small businesses. We must continue our efforts to see that both labor and management are able to receive returns commensurate with their efforts. We must continue to conserve and develop our natural resources to the ends that we will make the best use of these God-given bounties. I feel that our Government is not spending the proper amount of money to develop the Nation's natural resources and thereby help in maintaining a higher standard of living for many Americans. I feel very strongly that we should give more attention and consideration to developing more and better institutions of learning. I hope that soon every child in the Nation will have the opportunity to receive the maximum education and training to prepare himself for the day when he will assume our responsibilities.

My people, Mr. Speaker, are a God-fearing people, who worship under the freedom established when this country was founded and they will not have this freedom taken away from them. At times, we have found that even our own Supreme Court has unduly interferred in the everyday affairs of our people—a free people. I have received many communications objecting to its recent decision with reference to school prayers.

I feel that we must move quickly to overrule the Supreme Court in such matters as the decision to stop the saying of prayers by children in our schools. We cannot argue with the prohibition against the establishment of a religion, but I do not feel that it is wrong or undesirable to recognize our dependence upon God and to share and to participate in the spiritual heritage upon which our great Nation was founded. I do not believe that the desire of the overwhelming majority of our people to recognize this dependence has changed. Neither do I believe that it should be denied because a small minority finds it offensive. It is inconceivable to me that this decision will be allowed to stand because, after all, the American people are the ones who set the rules for the governing of our country. I fear that if this decision is allowed to stand, a very small minority of atheists and some whom I believe to be subversive will prevail in not allowing any public statements of faiths to be made, whether it be opening prayers in this Congressional Chamber, invocations at gatherings, or even the mention of God in our Pledge of Allegiance to the Flag.

It has been my practice, Mr. Speaker, always to go back to the people for advice in matters affecting them locally and in matters affecting our Nation and the security of our people. In representing the people in the Congress, I have found that a Member is helped greatly by his constituents giving him the benefit of their views and comments on legislation and on other matters of interest to them. My people have been very helpful and I am gratified that so many have contacted me on matters of mutual interest in connection with my work here in Washington.

Mr. Speaker, in serving the people of one's district, it seems that we must all be constantly alert to the activities of our Government's various departments and agencies in Washington, as well as to legislative proposals under consideration. It has happened that some departments in their interpretation of laws have placed entirely different ideas and regulations into effect from those contemplated by the membership of the Congress when the laws were passed. Recently, the Department of Agriculture, without prior notification, made certain determinations involving price supports on an important agricultural product of my area which alarmed me greatly. While the Department has been cooperative in nearly every instance, I have found that in order to protect the interests of the farmers in my district, I have had to assign one member of my staff to constantly check its activities insofar as the farmers of my district are concerned. I had to do this because of the importance of knowing of administrative rulings sufficiently early to be able to see what the reaction of my farmers would be so that I could make representations to the Department before harmful regulations were issued.

This is not because we do not have many great and well qualified men in the Department of Agriculture, Mr. Speaker, but because often they do not know of the actual situation that exists in my area of Louisiana, which is the great cotton, rice, sweet potato, and cattle growing area. I feel that the Agriculture Department should give Members of Congress information as to any contemplated move affecting agricultural products, such as price supports and other matters important to farmers, sufficiently early for the Members to confer with their farmers to determine what the impact of these planned moves will be upon them and so that they can take the necessary action to protect the farmers.

I think it is generally known, Mr. Speaker, that I have waged a continuous battle for our farmers. I led the fight in the House in 1955 and was able to get an additional 39,000 acres for our rice farmers and in 1956, I was able to obtain 9,500 more acres for planting than Secretary of Agriculture Benson would have given them. No other State received any increase at the time the 9,500 acres was secured for Louisiana rice farmers. After years of work in establishing markets for our rice, both domestic and foreign, I, as a member of the Louisiana team in Washington, was able to convince the Department of Agriculture that we should receive a 10-percent increase in rice acreage. Louisiana ricegrowers planted approximately 47,000 more acres of rice this year than last year as a result of these efforts.

I assisted in getting an additional 4,835 acres for our cotton farmers in 1956 and in having the cotton acreage frozen in an effort to insure that cotton acreage in our areas would not be further cut.

Many of our small farmers have suffered under the type of farm legislation developed by those who do not understand the plight of our Louisiana farmers. Our country needs the small farmer, Mr. Speaker, and I shall continue my efforts to preserve the family-type farm. I have constantly engaged in efforts to help our farmers and have managed to alleviate some of their hardships by having several of the parishes in my district declared disaster areas when crops failed because of lack of rainfall or because of flooding from too much rainfall.

With the help of my Louisiana colleagues, I was able to have the free feed grain program instituted and continued in some areas until June 30, this year, to assist our farmers who suffered damage to their grasslands and crops from salt water intrusion in Calcasieu and Cameron Parishes.

Mr. Speaker, because of the help I have received from the membership of this body in my accomplishments for my people during my five terms in Congress, I believe the letters of thanks and appreciation I have received from the people of my district and State are really meant to express their thanks to each and every Member of the House. In order to indicate to you the appreciation of my people, I commend to this body just a few of the letters I have received.

It is my sincere belief that such representations by my people should be stated to this body because in serving the American people, we must all be cognizant of their feelings in order that we can do an ever better job for them. We in this body are really not individual lawmakers, Mr. Speaker; we each have the great responsibility of putting into effect the wishes of the American people, and in doing that, we are truly what the name of this body implies—a House of Representatives.

The following letters will indicate the appreciation of my people for my work in their behalf:

Crowley, La., *March 1, 1961.*

Dear Congressman: This morning we were very pleased to receive your wire co-signed by Senators Ellender and Long and Congressman Willis concerning the action being taken in connection with the industry's request for increased rice acreage in our State.

Naturally, we are concerned over the final outcome of the Department's determination and will be indebted to you for this information as soon as it is available to you.

We assure you that we do appreciate your splendid cooperation in this matter.

Respectfully,

S. J. Constantin,
President, Independent Rice Mill, Inc.

Creole, La., *October 14, 1961.*

Dear Congressman Thompson: I wish to take this opportunity to thank you and the rest of our congressional delegation for your efforts in helping get the grain program through to feed the stricken cattle after Hurricane Carla.

Thanking you for past favors and with personal regards,

Sincerely,

J. H. Meaux.

Whereas the Senators and Congressmen from the rice-producing areas in the United States have kept fully informed of the rice situation and of supply and demand problems with respect to U.S. rice, and

Whereas in evaluating this situation and these problems recently, they came to the conclusion that additional production of rice was needed in the United States to meet necessary demands and as a result of such conclusions, very seriously and urgently petitioned the Secretary of Agriculture to announce a national acreage allotment at least 20 percent greater than the minimum allotment in effect in 1961, and

Whereas such action on the part of the elected representatives of farmers in the rice-producing areas has been effective and a national acreage allotment included an increase of 10 percent above the minimum acreage has been announced by the Secretary of Agriculture: Now, therefore, be it

Resolved, That American Rice Growers Cooperative Association, acting through its board of directors in meeting duly assembled, a quorum being present, do hereby express our appreciation to the Honorable T. A. Thompson, Congressman from Louisiana, Seventh District and the Honorable Edwin E. Willis, Congressman from Louisiana, Third District, for their forceful and enlightened action on behalf of rice producers in the United States and that a copy of this resolution be transmitted to each of said Congressmen.

CERTIFICATE

I hereby certify that the above is a resolution adopted by the board of directors of American Rice Growers Cooperative Association in a meeting duly noticed, convened and held at Beaumont, Tex., on Friday, January 5, 1962, a quorum being present.

George B. Blair,
Secretary.

Rayne, La.,
April 12, 1962.

Dear Congressman Thompson: Thank you for your prompt assistance in procuring for me not only the copy of the bill in re rice allotment transfers, but, also, the committee report explaining the background of the legislation.

I will look forward to the pleasure of seeing you in Crowley on April 25.

Yours very truly,

E. E. Edmundson, Jr.

Lake Charles, La.,
April 28, 1956.

Your outstanding leadership in the writing and handling of the rice acreage legislation is one of the most striking examples of dynamic action we have seen in the legislative branch of the Government. The rice producers are most grateful for your help.

Louisiana Farm Bureau Federation,
H. G. Chalkley,
Chairman, Rice Committee.

Lake Charles, La.,
May 21, 1962.

Dear Mr. Thompson: You have helped us so much in the past in getting aerial photographs in record time that I am again calling on you for help. Enclosed is an order with check of John A. Bel, et al., to cover cost thereof. Your help in expediting this order is sincerely appreciated.

Yours very truly,

John A. Bel, et al.,
W. D. Blake, *Manager*.

[From the Lafayette (La.) Slemco Power, July 1962]

Our Friends in Washington

Past performance is a good criteria to use when separating your real friends from the fair weather variety. You can't tell who these friends are merely by hearsay, or by listening to someone with an ax to grind. It's an old saying, but it still holds true today—actions speak louder than words.

Because they have consistently acted for the betterment of their constituents and because over the years we have seen them perform conscientiously and dedicatedly in the service of rural people, we know who our friends are in Washington. * * *

The simple fact is that Senator Long and Congressman Thompson have long since convinced us by their behavior in the Halls of Congress that the Slemco consumer has no stancher or more dependable friends than they. This is not purely prejudice, but a statement of fact that anyone can confirm for himself by simply checking Congressional Records.

Never have these two sincere solons given us reason to doubt their motives. Where the cause of the farmer or rural subscriber was concerned, there we would find these Congressmen in the forefront of the battle. More important, they have won countless victories for the folks back home.

In view of such efficient past performance * * * we should not for one moment jeopardize the monumental services these dedicated public servants have rendered us over many years. * * * Let us express our appreciation by sending them back to Washington.

DeRidder, La.,
February 10, 1962.

Dear Ashton: The Federal hatchery has just completed the fall stocking of the Bundicks Lake in Beauregard Parish.

The Bundicks Lake commission and I thank you for the speed in which this project was completed. I, also, know the people in Beauregard Parish are very grateful.

On your next trip to this area, maybe we can catch a fish.

Sincerely yours,

J. Burley Ledoux,
Chairman,
Bundicks Creek & Game Commission.

Alexandria, La.,
May 23, 1962.

Dear Congressman Thompson: We wish to acknowledge your joint telegram of May 22 advising REA has granted our loan. This money will be used as a direct benefit for the rural farm people of this area, as well as supporting the overall economy.

I am sure your efforts in the past have caused these benefits to accrue to the farm people, of which our company is glad to be a part.

Thanking you and with best regards.

Sincerely,

P. E. Randol,
President,
Louisiana Rural Electric Corp.

New York, N.Y.,
February 14, 1962.

Dear Mr. Thompson: First, let me express my sincere appreciation to both you and your most efficient secretary, Mrs. Harrison, for your cooperation and friendly help on the occasion of my visit to your office last week. For your information, I had a very helpful meeting with Mr. Cross at the Department of Agriculture.

During our talk in your office, you will recall that I spoke with you about the possibility of having some Federal agency utilize the vacant warehouses situated in Crowley, La. You asked me at that meeting to give you an outline of the situation so that you could bring it to the attention of proper persons and agencies in the Federal Government.

* * * * *

Again, my sincere thanks for your cooperation.

Very truly yours,

Robert Q. Hanisee, Jr.

Home address: Crowley, La.

Rayne, La.,
February 13, 1961.

Dear Congressman Thompson: This is to acknowledge the two letters I received from you concerning the rice acreage allotment I wrote to you about. I want to take this opportunity to thank you for all you did to try to help me in this matter. I certainly appreciated the time you gave to my problem and the interest you showed.

* * * * *

I would again like to thank you for trying to help me obtain some rice acreage allotment, although I was unable to get anything. I know you did all you could to help me and I am grateful.

Sincerely,

Edgar Trahan.

Baton Rouge, La.,
May 24, 1961.

Dear Congressman: This is to ackowledge your letter of May 15. It is deeply appreciated. You state that the livestock industry should be removed from the agriculture bill—the cattlemen of the State of Louisiana, and particularly your district, shall learn of the good news from me.

If all of our Representatives and Senators from Louisiana would take the same attitude, the cattlemen of Louisiana would go to bed and sleep. Your influence with any other Member of Congress will be appreciated pertaining specifically to the beef cattle industry.

Yours very truly,

Louisiana Cattlemen's Association,
Oscar Evans, *President*.

Lake Charles, La.,
January 4, 1962.

Dear Sir: Pardon me for bothering you with this small item, but I need this map for some soil conservation work immediately and was told that by sending the order to you, I would get quicker action.

Thanking you for your help and consideration in the past and, also, for this, I remain

Yours truly,

George E. Greathouse.

Grand Chenier, La.,
May 26, 1961.

Dear T. A.: I am enclosing an order for aerial photographs, which I had taken of my place here in Grand Chenier. This material is needed as soon as possible and I thought maybe you could get these photographs for me sooner than I could get them. Your help on this matter will be sincerely appreciated.

Your consideration and help on the various issues in our area have really been appreciated. I think you are doing a fine job as a Representative from this district.

Thanking you and sending my very best wishes, I remain,

Sincerely,

D. Y. Doland.

Mr. Speaker, as a result of my constituency's having sent me to Congress five successive terms, I have gained seniority in this body which is of much importance in my efforts to serve my people. Many of my accomplishments for the people of my district, of course, are due to my important positions of seniority on two major committees of the House—the Committee on Public Works and the Committee on Merchant Marine and Fisheries. Of the 20 Democrats on the Public Works Committee, I rank No. 8 in seniority; I am No. 4 on the Subcommittee on Flood Control; No. 3 on the Subcommittee on Watershed Development; and No. 8 on the Subcommittee on Roads. I changed from the Subcommittee on Public Buildings and Grounds to the Subcommittee on Roads at the beginning of my second term in Congress in order that I might assist my people in getting their fair share of the Interstate Highway System program which was being developed at that time.

Of the 19 Democrats on the Committee on Merchant Marine and Fisheries, I rank No. 5 in seniority, I am No. 2 on the Subcommittee on Merchant Marine and No. 4 on the Subcommittee on Fisheries and Wildlife Conservation. During the 84th, 85th, and 86th Congresses, I was chairman of a Special Subcommittee on Ocean Freight Forwarders which held hearings on the east and west coasts and drafted legislation relative to the industry which was enacted by the Congress.

My two committees consider and act upon legislation regarding flood control, navigation, water pollution control, water conservation, public buildings, public roads, conservation of wildlife and fisheries, matters relating to ocean and river transportation and shipping interests and many other matters of vital importance to my district and State. My district and State are blessed with much fresh water—many lakes and navigable streams—which add to our wealth and recreation; however, they, also, present problems in the matter of flood control. I have worked untiringly for and have been successful in obtaining many long-needed flood control and drainage projects for our areas. One of the most important of these was the Bayou Courtableau project which is saving our people millions of dollars in flood damages.

I was successful in 1959 in getting legislation through Congress for authorization and money to rid our streams and navigable channels of water hyacinths. This aquatic pest had been causing damages of $30 million annually to Louisianians. A new appropriation is obtained each year to continue the program. One million dollars was obtained for this work in fiscal year 1962.

I have worked many years to secure a low-level dam on the Calcasieu River above the city of Lake Charles to halt salt water intrusion that has spread far up the Calcasieu and its tributaries. The dam would assure a dependable supply of pure water needed by rice farmers and timberlands of the area, as well as for industrial purposes. I have now obtained approval of the project, at a cost to the Federal Government of $3,310,000 and $43,000 to local interests, and it is included in the omnibus flood control and rivers and harbors bill this session.

My people have now seen the commencing of the Calcasieu River and Pass project. The Calcasieu River is one of two existing waterways in Louisiana capable of accommodating seagoing traffic. It connects Lake Charles, the center of an area rich in oil refineries, petrochemical and allied industries, with the sea lanes of the world. With the assistance of our Louisiana Senators, I obtained approval in July 1960, of my bill providing for the widening and deepening of this waterway, together with other improvements, at an estimated cost of $16,992,000. Work on the project was begun in April of this year. The channel will be extended 2.2 miles upstream to permit seagoing ships to reach the ore grinding facilities of the Lake Charles Harbor and Terminal district. And I am hopeful now of having the channel extended still farther upstream, as far as the west fork of the Calcasieu River. This will open up vast new areas for industrial development which will mean more jobs for our people. I have obtained approval of my resolution providing $20,000 for a survey by the Corps of Engineers.

Another of my particular projects was the creation and development of the Port of Krotz Springs. This port is destined to grow into an industrial asset for the entire eastern part of the district.

The Cameron Channel has been dredged and a project approved to continue its maintenance at a depth of 9 feet. Funds have been provided for a full survey of the Mermentau River, including its upper reaches—Bayou Nezpique, Bayous Carron and Grand Louis, Bayou Des Cannes, and many others. My position on the Public Works Committee keeps me in touch with the U.S. Engineers and enables me to work continuously on further development of drainage and flood control along all our streams and their tributaries.

The Interstate Highway System, legislation for which was developed in my committee, has been routed through Lake Charles, Welsh, Crowley, and Jennings, curving near Opelousas on its destination to Baton Rouge. Work is well underway on this 41,000-mile superhighway. When completed, motorists will be able to travel on the system safely, at relatively high speeds, with a minimum of mental stress, from any major city to any other in the conventional limits of the United States without facing a stop sign or a traffic light or a railroad or highway intersection.

Mr. Speaker, in my first term, as a member of the Subcommittee on Public Buildings and Grounds, I authored the original legislation under which a nationwide lease-purchase buildings program was begun. Because of my efforts in connection with this program, I was able to obtain the first public building project to be approved and built in the United States since World War II—a $2 million post office and Federal building at Lake Charles. A new post office and Federal building is now being planned for Opelousas and I am sure approval of this project will be realized soon. We have a new post office at Sulphur, a new post office for Church Point has been approved and new and improved facilities have been obtained for many other communities in my district during the last several years. Many more, where needed, will be obtained in the near future.

The following letters will indicate to you the appreciation of my people for efforts and accomplishments for them in matters handled by my committees:

LAKE CHARLES, LA.,
September 22, 1961.

DEAR CONGRESSMAN THOMPSON: Thank you for the good news contained in your telegram of the 20th concerning the inclusion of $100,000 reported in the public works bill for initiation of the deepening and widening of Calcasieu River and Pass.

With best regards.

Sincerely,

ALFRED E. ROBERTS,
Mayor of Lake Charles.

LAKE CHARLES, LA.,
January 11, 1962.

DEAR CONGRESSMAN: Thank you very much for your letter of January 4, 1962, to which you were kind enough to attach a report from Col. Edward B. Jennings, district engineer, reporting the status of the work underway and proposed for the Calcasieu River and Pass Ship Channel.

This is wonderful news and I would like to express my appreciation for your actions in securing these funds.

It is with warm good wishes to you that I state that we know that your continued interest and continued actions in our behalf will be largely responsible for making our new enlarged ship channel a reality.

Sincerely yours,

JOHN H. GROH,
Port Director, Port of Lake Charles.

LAKE CHARLES, LA.,
February 13, 1962.

DEAR CONGRESSMAN: Enclosed herewith for your information is a copy of proposed dam project site.

I realize that you are very busy at this particular time with your duties and responsibilities to the Congress, yet you have never been too busy to assist your constituents. With this in mind, I would like for you to advise me whether there will be any hope for you to introduce a resolution to authorize the Corps of Engineers to continue the ship channel from the Highway 90 bridge crossing the Calcasieu River to the point of intersection with the dam project. You and I have discussed this project before and I believe that you agree with me that this channel should be extended to the dam site.

Sincerely,

ISREAL LAFLEUR.

MAY 5, 1962.

From: Beaumont Enterprise.

The South City Bypass Association, led by Harold Scaife, president, Thursday night endorsed U.S. Representative T. A. THOMPSON, of Ville Platte, for reelection. The endorsement was by a vote of 207 to 2, Scaife said.

The meeting was held in the parish courthouse as an aftermath of the association's April 26 meeting in Baton Rouge with the highway department when the department agreed to purchase the bypass route property within the next fiscal year.

* * * * *

Tribute was paid by Scaife to Congressman THOMPSON, declaring that without THOMPSON's assistance in Washington and in Baton Rouge, the association's objective could never have been realized.

THOMPSON was also lauded by Scaife for many other civic and industrial projects in Calcasieu and adjoining parishes, stating, "These projects have been realized only through THOMPSON's presence in Washington."

Said Scaife, "THOMPSON's accomplishment in opening up the purchases of right-of-way for the South City Bypass route will stimulate the lagging economy that has plagued our area for the past 3 years and will place hundreds of people in all walks of life back on a payroll, especially the laboring and construction people."

The association president also pointed to the value of harmonious teamwork in a common purpose, terming it "the most potent weapon that can be turned loose on a society."

LAKE CHARLES, LA.,
June 4, 1962.

DEAR CONGRESSMAN THOMPSON: I have never had the pleasure of meeting you, even though I have voted for you in the past and I am anxious to see you elected again.

My home is located on the bypass south of Lake Charles. We are very grateful to you for what you did for us, and I will be looking forward to meeting you when you are in Lake Charles.

With every wish for your success in the election.

Yours truly,
B. P. BABINEAUX.

VINTON, LA.,
October 31, 1961.

DEAR CONGRESSMAN THOMPSON: First, may I thank you for your time and consideration shown our attorney, Mr. Peter Ciambotti, last month at the Intracoastal Waterway System Convention. We do appreciate your interest and sincerely solicit your cooperation.

In this letter I will not try to bring you up to date on all of the Vinton Harbor and Terminal activities, but plan to in a personal meeting with you at your convenience in the very near future.

* * * * *

May we respectfully request an audience with you on your next trip to this area.

Thanking you again for your sincere cooperation, I remain,

Sincerely yours,
D. J. MOREAU, Jr.,
President,
Vinton Harbor & Terminal District.

LAKE CHARLES, LA.,
June 8, 1959.

DEAR MR. THOMPSON: It will be of interest to you to know that at the meeting of the Calcasieu Rod and Gun Club a few evenings ago, Mr. Jack Perkins, who is manager of the Lacassine Wildlife Refuge, reported that the Bureau had made available $25,000 for levee repair, that there are three draglines presently at work, and that with the anticipated $31,000 for the purpose which has already been budgeted by the Bureau, an adequate completion of the repair is expected.

Allow me to take this means of thanking you for your interest and effective assistance in this connection and for your kind letter of March 26.

With all good wishes.

Sincerely yours,
V. L. WHARTON,
Osteopathic Physician.

LAFAYETTE, LA.,
January 25, 1962.

DEAR MR. THOMPSON: We are indeed late in sending you our heart warming thanks for the help you gave in our battle with the Highway Department of Louisiana.

On November 9, 1961, we settled with a small loss, but here, after moving into a larger house, we hope we can have a happier 1962. The next highway project sure better miss us.

Wish we could do more than just say, "Thanks." Here's to a happy New Year to you.

Sincerely,
Mr. and Mrs. BILLY WINGATE.

LAKE ARTHUR, LA.,
July 16, 1960.

DEAR MR. THOMPSON: I was very happy to hear from you.

* * * * *

We, here in Lake Arthur, believe that you are the man for the job. We further wish to thank you very much for having helped to approve our application for Federal aid through the stream pollution department for our new sewerage project which will be in process shortly.

* * * * *

Yours very truly,
R. J. BERTRAND,
Mayor of Lake Arthur.

VILLE PLATTE, LA.,
October 14, 1957.

DEAR SIR: My sincerest appreciation for your help in behalf of the Bayou Nezpique watershed project. I am sure it will be a big help to the community.

* * * * *

With best regards,
Sincerely,
DORESTAN FONTENOT.

LAKE CHARLES, LA.,
October 18, 1960.

DEAR T. A.: I want to thank you personally for the time you took to discuss the Mermentau jetties project with my wife and me recently. In spite of other pressing duties you expended time and effort to get an investigation of this project going.

You may have noticed that the people of Grand Chenier and Creole appreciated your conscientiousness by voting a solid block for your reelection.

Any time you are in Lake Charles, drop by our house for a homecooked meal.

With best regards, I am,
Yours very truly,
HARVEY J. SIMS, Jr.

My record during my five terms in Congress will show that I have been alert to the problems of my fellow veterans in insuring their proper treatment by the Government which they served. I have assisted our men in the armed services and their families when called upon for help in their problems in every case in which I could possibly be of help. Such requests always receive prompt and careful attention by me and my staff. The following letters indicate the sincere appreciation of these families for my efforts in their behalf:

CROWLEY, LA., *August 1961.*

DEAR MR. THOMPSON: I wish to thank you on behalf of my entire family for the interest and action which you have shown in bringing to a conclusion the settlement of my claim with the Veterans' Administration. Mr. Mitchell, editor of the Crowley Daily Signal, contacted you in my behalf.

* * * * *

As another direct result of your action, a claim which I filed in December, 1960, for dental care has been placed before the Judiciary Committee and I received notice to report to a local dentist.

* * * * *

Again, may I say, "Thanks." If I can in any way be of assistance to you as one of your constituents, please contact me. It is heartening to know that our Congressmen are truly interested in us as individuals when the case so merits.

Respectfully yours,
RICHARD E. COLTON,
Sergeant, First Class, U.S. Army, Retired.

LAKE CHARLES, LA.,
October 11, 1961.

DEAR MRS. HARRISON: Thank you for your response to the letter I wrote T. A. with regard to the Air Force Mission for Chaplains. I appreciate your following through on this and recommending Sam Nader as a participant to the Methodist Commission for Chaplains.

With best regards, I am,
Cordially yours,
KELLY, WEBER & CO., INC.,
VORIS KING,
President and General Manager.

CROWLEY, LA.,
March 19, 1962.

DEAR CONGRESSMAN: Mr. A. J. Leger, of the Lyons Point community, has a son-in-law in the Navy. He is in my office now and has asked that I contact you to ascertain if there would be a possibility of your assisting his son-in-law to obtain shore duty at some closely designated place in order that he may be close to his family.

I explained to Mr. Leger that this was somewhat out of your professional duties, but that I felt certain that if there were any possible way that you could assist him to be reassigned to shore duty nearer home, I knew you would be glad to do it.

In deep appreciation for any assistance you may give Mr. Leger, I remain,

Sincerely yours,
ELTON A. ARCENEAUX,
Sheriff, Acadia Parish.

VILLE PLATTE, LA.,
June 18, 1961.

DEAR MR. THOMPSON: I received your telegram advising me that my husband would be transferred to a base near home. I would like to thank you for all the trouble you have gone through for us and let you know that we never will forget this.

Yours truly,
Mrs. CHARLES LOFTON.

LAKE CHARLES, LA.,
October 18, 1961.

DEAR MR. THOMPSON: Due to unavoidable circumstances, I am late in writing to thank you for your efforts and trouble in enabling me to obtain relief from my recent active duty assignment.

My family and I appreciate this very much and if at any time there is anything I can do for you, do not hesitate to call on me.

Sincerely,
STANLEY S. LEVY, D.D.S.

KINDER, LA.,
January 17, 1961.

DEAR CONGRESSMAN: Just a word of thanks for your efforts in securing the release of Pvt. Donald Lormand from the Army.

I personally appreciated your interest and efforts and, also, the Lormand family expresses their gratitude.

Best wishes to you in this New Year.

Sincerely,
M. G. ASH,
Pastor, First Baptist Church.

BELL CITY, LA.,
December 12, 1961.

DEAR CONGRESSMAN THOMPSON: Mr. Gragg, William, his family, and I wish to express our appreciation and gratitude for your prompt attention and interest in our problem. There are no words to explain just what William's release means to our entire family. This incident has made us realize as we never have before just what the title "Representative" really means to the average citizen.

The only thing I can think of to say is "God bless you and your family at this Christmas season and throughout the coming year."

Sincerely,
Mrs. RAY GRAGG.

Fort Eustis, Va.,
November 5, 1961.

Dear Congressman Thompson: Just a few lines to let you know I received your most welcomed cable and letter, I hope this finds you in the best of health and happiness. As for myself and family, just fine, thanks to you and the fine people who work for you. I only wish I could put into words what I feel inside. You have done so much that it is almost impossible to express just how I feel.

* * * * *

It seemed to me that I had lost everything I fought for and believed in. I had never felt so bitter and fouled up in my life. My chances for remaining in the service were 1,000 to 1. All of the board members told me how sorry they were that I would have to give up so many years, but the regulations were set. I had given up and started looking for a job. My commanding officer had talked with some people in Texas for me and I was offered a GS–9 as an auto inspector, if I could pass the test. I took the test and passed it. Then I received your wire. When I read it, I felt as though someone had taken a hundred-pound weight off my chest. The Army finally sent me a copy of 616–41. Now I feel like I'm still wanted, and it does mean a lot to a man.

I would like to say thank you all very much for all the help and kindness that you showed to me. May God bless and keep you fine people.

Gratefully yours,

Sp5c. Stanley M. Oakes.

Melville, La.,
December 17, 1961.

Dear Representative Thompson: My orders have been changed and I am now assigned to Camp Irwin, Calif., rather than Korea. I appreciate the interest you have shown in this matter. My thanks go out to you. I realize you have a busy job to do and I sincerely appreciate the time you took to help me.

Again, a sincere thank you from my wife, two children and myself.

Sincerely,

Harry J. Kerreman,
Captain, Medical Corps,
U.S. Army Reserve.

Fort Detrick, Md.,
September 13, 1961.

Dear Congressman: It is an understood fact that the men on duty in the armed services will remain as that protecting entity which conserves our liberty and freedom. Although my release from the service was not accepted, I assure you that I remain complacent and willing to accept responsibility which is now my duty to bear.

With gratitude and sincere appreciation for the effort you put forth in trying to obtain for me an early release, I thank you very much.

I realize now that I was selfish and did not consider the problems that face you. You, I am sure, are overburdened by demands which are of great importance to us, the citizen. Again, I thank you from the bottom of my heart for your most sincere efforts.

Respectfully yours,

Gilbert A. Durand.

Rayne, La.

Lake Charles, La.,
June 11, 1962.

Dear Mrs. Harrison: In March I telephoned you concerning our son, Russell D. Warner, Jr., who was slated to return overseas and we asked help in retaining him in this country until certain treatments which I needed coud be carried out.

We wish to thank you for your instant assistance. Russell finished his tour at Fort Polk, La., I was able to get the required daily treatments and we appreciate more than words can express the action you took.

From local conversation we hear that Congressman Thompson is well liked and we gather he has many strong supporters in this area. Please convey our thanks to Congressman Thompson, and know that we will do all we can to help him in the coming election.

Very truly,

Mrs. R. D. Warner.

Austin, Tex.,
May 7, 1962.

Dear Sir: I would like to express my appreciation for your help in getting me reassigned to a base in Louisiana so that I might be closer to my parents during their illness and hospitalization in Oakdale, La.

Proper data concerning this request for reassignment has now cleared squadron level and is being processed through channels for approval of proper authorities.

Thanking you again for your help in this matter, I am,

Respectfully yours,

A1c. Ivan C. Walker.

Chicago, Ill., *November 20, 1961.*

My Dear Congressman: At this late date, I wish to express my special thanks and those of all of us at United Packers, Inc., for the yeoman's service you rendered in assisting us to get temporary deferment for Mr. Guy J. Manaster in order to avoid delay in opening of the new United Packers' plant in Opelousas, which is in a certified depressed area and the new industry is vitally needed to give employment.

Your prompt and effective cooperation was much appreciated and will be long remembered.

Respectfully yours,

Arthur J. Bernstein,
Chairman, Board of Directors of United Packers, Inc.

Welsh, La., *January 8, 1962.*

Dear Mrs. Harrison: I wish to write a letter to thank you for your very prompt and effective action based on my telephone request for assistance in the case of Pfc. Charles Porter. Your help has succeeded in having him assigned at New Orleans and this is of great help to his dying mother, and the family.

I do not like to have to ask for such help, but I do certainly appreciate the manner in which you handled the situation so quickly and with such fine results.

Yours very truly,

A. Eliot Burnham,
Publisher, the Welsh Citizen.

Ville Platte, La.,
March 26, 1962.

Dear T. A.: I want you to know that I deeply appreciate your interest in Gary's case. He called over the weekend to say his orders have arrived. As of tomorrow morning, he will be in supplies department and will receive an 8-week training course before he is shipped out.

I know that what you did for him took up a lot of your important time, but I want you to know that I am most grateful to you for your untiring efforts in his behalf. I do appreciate everything.

Sincerely,

Joyce L. Steckler.

Lake Charles, La.,
March 5, 1961.

Dear Mr. Thompson: I want to thank you for your help in obtaining approval of my husband's transfer from Wright-Patterson AFB in Ohio to Chennault AFB here in Lake Charles, which is my hometown.

Nothing that I could write down would describe our gratitude. I speak for my husband, Airman James E. Webb, and my parents, Captain and Mrs. Donnie Spell, as well as for myself. We have told all our friends and relatives of your kind attention to our problem, and will continue to praise your quick response to the problems of your people. It is very heartening to know we have someone like you representing the people of the Seventh District of Louisiana.

Sincerely yours,

Mrs. James E. Webb.

Opelousas, La.,
February 17, 1962.

Dear Mr. Thompson: I received your telegram notifying me of my son's transfer and I was very happy to receive this news. I realize that without your help, this transfer could not have been made possible.

Both my son and I give you our sincere gratitude for helping us out of this problem.

Sincerely yours,

Oscar Moreau, Jr.

APO 46, New York, N.Y.,
June 7, 1962.

Dear Mr. Thompson: I received a call from a contact in our AG office here yesterday stating that my application for early release had been approved and was on its way back to me. The promptness of approval was remarkable. I am sure your interest in my my case was the reason.

Again, I wish to thank you for your help, kind consideration and prompt service over the past 18 months and I will be looking forward to seeing you.

Sincerely yours,

B. J. Monier.

Darmstadt, Germany,
April 1, 1962.

Dear Mr. Thompson: I am trying to express my belated "Thank you so very much" for helping me to get placed on orders back to Germany. I am now back and all has turned out so very good. My wife and her family, also, wish to express their "thank you" and we are all very happy.

And, also, since I received your last letter, I have been blessed with a new little girl, born a week ago. I am a very happy and lucky man. Thank you again very much.

With best regards,

Sp1c. and Mrs. Robert F. Morgan.

Lake Charles, La.,
May 28, 1962.

Dear Mr. Thompson: I wish to take this belated opportunity to extend to you my sincere and heartfelt appreciation for your interest in regards to the illness of my father-in-law, Jeff Wilkins, and your efforts in the matter which, eventually, were very instrumental in my transfer back to Lake Charles, La.

This is to advise you that I arrived at Chennault Air Force Base February 19, 1962, from Loring Air Force Base, Maine. Again, my thanks for your wonderful assistance in my behalf.

Sincerely yours,

M. Sgt. Roy E. Walker.

Eunice, La.,
July 25, 1961.

Dear Congressman: I have received your reply on Private Cormier's deferment from oversea duty until February 1, 1962.

Please be advised that I am happy and the parents of Joseph are happy and satisfied with the results. * * * They asked me to write you and thank you for them and if at any time you need some help, call on them.

* * * * *

Again, I want to thank you for your splendid cooperation in this worthy case, and if at any time we can be of any assistance, please call on us.

Sincerely,

Adam Daigle,
Chief of Police.

Eunice, La.,
November 29, 1961.

Dear Mr. Thompson: Just a few lines to let you know that I have been stationed at Fort Polk, which is conveniently close to my home. Had it not been for you, of course, I would have returned overseas. Let me take this opportunity to express my sincere appreciation and gratitude for your generosity. Brenda is doing very well now and I should be a father in 10 days or less. My mother is doing quite well in spite of the tragedy.

• • • • •

Also, keep in mind that I am available at all and any times to assist you in anything possible. Thank you again for your kindness and assistance.

Sincerely yours,

Lyndon P. Pousson.

Iowa, La.,
September 19, 1961.

Dear Sir: I received your correspondence with the telegram received by your office concerning my application for a 45-day deferment on September 18. I would like you to know that I greatly appreciate your personal interest in this matter and offer my sincere thanks to you for the manner in which you have acted.

Again, I wish to thank you for your interest and cooperation.

Yours very truly,

John R. Denison.

Sulphur, La.,
September 29, 1961.

Dear Mr. Thompson: I want to express my sincere and grateful appreciation for your superb cooperation in my being discharged from the U.S. Army Reserve. All I had hoped for was a transfer to standby, but my family and I were overwhelmed with joy in my being discharged. We all know that without your help, this very important decision would possibly have never been accomplished. Your promptness in seeing that my application was considered played a great role in obtaining approval of my request.

If I can ever do anything for you in return for this great favor, please do not hesitate to call on me. A conscientious Congressman who looks after his people is certainly a great statesman in anyone's book, particularly my own.

Again I want to thank you for your help in my case.

Yours very truly,

Alvin P. Guidry,
Pharmacist.

Metairie, La.,
August 2, 1961.

Dear Mr. Thompson: My father, Wilder J. Carriere, entered the VA hospital on August 20. It is a great relief to us to see the fine care that he is given and also the optimism that the doctors hold for his future.

My family and I again wish to thank you for making this opportunity possible. Your splendid cooperation and many kindnesses are most deeply appreciated.

Sincerely,

Mrs. William C. Lloyd.

Opelousas, La.,
January 13, 1962.

Dear Congressman Thompson: Thank you very much for your promptness and efforts in regard to securing compensation for me.

Respectfully,

Homer R. Case.

Iowa, La.,
December 4, 1961.

Dear Congressman Thompson: This is to express my appreciation for your help in getting my veteran's pension. I shall remember it when I might be of some help to you. I shall, also, tell my friends about it.

Praying God's blessings upon you and yours, I am,

Gratefully,

Reverend Maurice Aguillard.

Pitkin, La.,
June 23, 1961.

Dear Mr. Thompson: After careful thought, I have come to the conclusion that what you did in the House of Representatives regarding the Rules Committee vote was the best for the State of Louisiana. I backed you in the last election * * * and in the future elections coming up, I will back you again.

I wish to take this space to thank your secretary for the favors she performed for me through your office while I was in Washington, D.C.

Best wishes and thanks for the favors done.

Sincerely,

William I. Dingwall.

Opelousas, La.,
December 1, 1960.

Dear Congressman: I am taking this opportunity to write and thank you for what you did in behalf of my husband's application for disability treatment and compensation for his service-connected disability.

• • • • •

Yours sincerely,

Mrs. Gladys Devillier.

Westlake, La.,
April 4, 1961.

Dear Mr. Thompson: I am writing to you to express my gratitude for what you did in my behalf toward my veteran's claim. I deeply appreciate it and it will not be forgotten. Thank you very kindly.

Sincerely yours,

George W. Dunham.

Mamou, La.,
April 5, 1961.

Dear Congressman Thompson: This will acknowledge receipt of your letter of March 28.

Personally, and on behalf of Mr. Daire, I wish to sincerely thank you for the diligent and expeditious manner in which you gave your support to Mr. Daire.

Again, thanking you and with kindest personal regards, I am,

Very truly yours,

Tate & Tate,
By Paul C. Tate.

Washington, D.C., *July 2, 1962.*

Dear Mr. Thompson: I wish to invite you to attend the 17th Annual Convention of the Blinded Veterans Association to be held at the Warwick Hotel, Philadelphia, Pa., from August 7 through 11, 1962.

As executive director of the Blinded Veterans Association, I am fully aware of the time and effort you have devoted to this organization. The BVA was chartered by the Congress of the United States because of the bill you introduced and supported so vigorously. Being chartered by Congress has been of inestimable value to the success of our program of services to this Nation's war blinded.

It is because of this that I would like to have you as my personal guest at our convention this year.

Very truly yours,

George M. Gillespie,
Executive Director,
Blinded Veterans Association.

Mamou, La.,
April 17, 1961.

Dear Ashton: I have brought to the attention of the members of our local American Legion post the fruits of your efforts in behalf of ———.

I wish to add that your remarks at the Legion convention at Crowley, La., created quite a number of favorable comments. On behalf of the American Legion post of Mamou, let me again express our appreciation for the manner in which you have always worked for our veterans.

Sincerely yours,

Warren Pierrotti,
Chairman of Claims,
American Legion Post No. 123.

Metairie, La.,
June 27, 1962.

Dear Congressman Thompson: In behalf of the World War I buddies of your district and all of Louisiana, I wish to express our appreciation for your stand on our pension bill and your signing (discharge) petition No. 4 to release our bill, H.R. 3745.

Our buddies shall long remember your friendship.

Sincerely,

Paul E. Seidler,
National Regional Commander.

Baton Rouge, La.,
June 27, 1962.

Dear Congressman: We wish to thank you for the efforts in behalf of the 30,000 veterans of World War II and their families who are still living in Louisiana. We have just received information from our Washington office that 192 Congressmen have signed discharge petition No. 4 and among the three Louisiana Congressmen who have signed is your name.

With best regards,

Sincerely yours,

Howell B. May,
National Regional Vice Commander,
Veterans of World War I, 10th Region.

Pitkin, La.,
March 13, 1962.

Dear Sir: I want to write and say we surely do appreciate your help you gave us. Mr. West received his compensation check and it surely was a great help to us.

• • • • •

I want to say thank you again for your help.

Sincerely yours,

Mr. and Mrs. Curtis West.

The work of a Congressman in our modern-day life is varied and exacting. I receive many, many requests for assistance in many types of problems. The 18 years I served in my State government before coming to Congress helped greatly toward qualifying me to engage in all facets of governmental work as a U.S. Representative. I have many visitors from the district to my office. I have received many groups of schoolchildren and have always endeavored to see that they were given every opportunity to learn the workings of their Federal Government because I believe this to be of major importance in their education.

My activities in Washington for my district have been many. This year, I was chairman of the Louisiana State Society Mardi gras ball in Washington. Many people do not realize it, but tourism is Louisiana's fourth largest industry. In recognition of that fact, I dedicated the ball to "Lovely Louisiana" so that we could help let people know of Louisiana's beauties and wonders. Our ball each year, at which the main feature is a tableau of the court of the king and queen of the Mardi gras, attracts hundreds of topflight figures from governmental, military, and diplomatic sets, in addition to the Louisiana colony in Washington. The queens of the Louisiana festivals are princesses in the Mardi gras court. The ball gives us an unequaled opportunity to advertise Louisiana's products in a setting which attracts national attention.

This year, with the fine cooperation of some of Louisiana's leading citizens and industries, I gave the Nation's Capital its first Mardi gras parade. Seven beautiful floats depicting Louisiana industries and products made up the parade. One of these floats was later entered as Louisiana's float in the National Capital Cherry Blossom Festival parade and won first place.

My only purpose and ambition in Washington is to serve the people of southwest Louisiana in a manner that will reflect credit upon them and gain for them those services which a deserving people should receive from their Federal Government.

The following letters will indicate to you the appreciation of my constituents for my efforts for them:

Farmers Home Administration, USDA,
Alexandria, La., March 13, 1962.

Dear Mr. Thompson: My visit to your Washington office recently was indeed a pleasure and a rare privilege. The discussions with you were informative and the many courtesies shown me are appreciated.

I always welcome the opportunity to discuss the Farmers Home Administration program and I assure you that your continued interest in this agency's loan program is appreciated.

Sincerely yours,
F. L. Spencer,
State Director.

Kinder, La.,
July 27, 1961.

Dear Congressman: Please forgive us for not writing sooner to express our sincere appreciation for the many courtesies and help you extended to us on our recent visit to Washington. Please convey our thanks to your fine staff and very nice and courteous secretary.

We received the yearbooks you sent in fine shape. Again, thanks and keep up the good work.

Sincerely,
Mr. and Mrs. Walter J. Richard.
Mr. and Mrs. Clarence A. Richard and Children.

Eighth U.S. Civil Service Region,
New Orleans, La., March 14, 1962.

Dear Mr. Thompson: I had to take a minute's time to express my sincere appreciation to you, Mrs. Harrison and your staff for the kindness that was extended me Saturday, March 3, when I was in Washington for the Louisiana State Society Mardi gras ball.

The work involved in planning and organizing such a gala event, I know, is tremendous and you certainly are to be complimented on the manner in which it was handled and the enjoyment that was experienced by all those in attendance. This was my first opportunity to attend the Washington carnival ball and I can say with all sincerity that it was an exceptionally well planned function that is certainly an achievement.

Please express my thanks to all, particularly Mrs. Harrison. With kindest personal regards.

Sincerely,
C. H. Lofink,
Manager.

Lake Charles, La.,
June 19, 1961.

Dear T. A.: My thanks to you and your fine staff for the time and thoughtful attention shown Byron and me during our recent stay in Washington. It was a pleasure to see you again and have lunch with you and Congressman Morrison.

I am looking forward to seeing you on your next visit to Lake Charles.

Yours very truly,
James R. St. Dizier.

Calcasieu Parish,
Area 3, Civil Defense,
Lake Charles, La., July 25, 1961.

Dear T. A.: Enjoyed my visit with you and, also, enjoyed that wonderful Louisiana coffee.

Sorry I was unable to attend the birthday party. I gave copies of the newspapers to several friends. Give my regards to Mrs. Harrison and the others of your very efficient staff.

Warmest personal regards.

Sincerely,
Larry W. Stephenson,
Director.

Opelousas, La.,
April 18, 1961.

Dear Representative Thompson: I am writing this letter on behalf of my mother-in-law, Mrs. Louis Taylor.

Mrs. Taylor wishes to express her deep and sincere appreciation for your consideration in her husband's case. She, also, speaks for all of the Taylor family in saying, "Thanks," for your time, interest and your kind consideration.

May God assist you in your every strive in life.

Yours very truly,
Mrs. Novella Taylor.

De Ridder, La.,
August 7, 1961.

Dear Congressman Thompson: I received your last letter a few days ago and have, also, received one from the social security office advising me that I will receive this pension. There is no way I can thank you enough for your helping me in this matter, as well as in so many others. If there is ever a time that I can do anything for you, I would count it a favor to me to be of any help to you.

I shall always be in your debt. I can only say thanks again, and may God bless you in your work and give you the best of health.

Yours sincerely,
Mr. and Mrs. George L. Vore.

Oakdale, La.,
May 31, 1962.

Dear Sir: I have been advised by the Social Security Administration that my application for disability social security payments has been approved.

I want to sincerely thank you for your efforts in helping to obtain this for me. If I can ever be of any assistance to you, I would be happy for you to call upon me. Again, thanking you, I am,

Yours truly,
L. E. Coullard.

Lake Charles, La.

Dear Mr. Thompson: I am writing you to thank you in the case of my father's social security claim. My father received approval of his claim, thanks to your efforts. You will never know how much we all appreciate your untiring efforts put forth in this matter. I know that our Representatives are sent to Washington to serve the people of their districts and States, but I have found out they do not all follow this policy, and are not all as conscientious as you in this regard.

I wish to thank you again and if I or any of my folks can be of any help to you at any time, please do not hesitate to call on us.

I remain,
Respectfully yours,
Daniel K. Thompson.

Hackberry, La.,
March 23, 1962.

Dear Congressman Thompson: I wish to express my appreciation to you for helping me receive my social security disability benefits. It is most considerate of you to take time out of your busy schedule to help me with this matter.

The Reverend Oakly Lee, of Maplewood, asked me to thank you for helping and showing the interest you have in this case.

I will certainly continue my support of you, as I have done in the past.

Sincerely yours,
Delbert D. Sheffield.

Oakdale, La.,
March 14, 1961.

Dear Congressman: I realize you perform many courtesies that you receive little or no thanks for, but I will not be numbered with the thankless ones. So on behalf of myself and my son, Kenneth, I want to thank you for showing personal interest in Kenneth's difficulties and starting the ball rolling. I heartily wish for you many successful years as our fighting legislator.

Respectfully,
Frank Cole.

University of Southwestern Louisiana,
August 24, 1960.

Dear Congressman Thompson: I acknowledge receiving your letter concerning Clegg Chaumont, Jr., of Oberlin, La.

I am indeed happy to be able to tell you that Clegg's application for a national defense student loan is being held in my office and just as soon as national defense student loan funds are received, his application will be given every consideration.

Also, I am happy to tell you that Southwestern has been able to offer Clegg student employment, which will assist him in paying his college expenses.

I assure you that it is a pleasure to assist young men and young ladies in whose behalf you contact us.

Sincerely yours,
Leo L. Hebert,
Director, Student Employment and Scholarship.

Lake Charles, La.,
February 19, 1959.

Dear Congressman Thompson: Last year I wrote you seeking your help in attempting to admit my brother, Sam Monticello, into the Veterinary College at Texas A. & M. Through your influence and help through the proper channels, last week my brother was enrolled in the College of Veterinary Medicine at Texas A. & M.

Please accept my sincere gratitude, along with that of my mother and Sam, for your prompt interest in our case. We hold you not only as a statesman, but as a friend.

Respectfully yours,
Mrs. Claire M. Elder.

Lake Charles, La.,
June 28, 1962.

Dear Mr. Thompson: Please accept my apologies for not acknowledging your recent letter before this time; however, due to many intervening circumstances, I was unable to write you before now.

I wish to express my deep appreciation for the expeditious and effective manner in which you helped me in getting information from the Veterans' Administration, which I had been unable to accomplish locally. I expect to apply immediately for school in order to obtain my commercial pilot's license.

My wife and I wish to take this opportunity, also, to wish you success in your campaign and to offer our support, as well as any assistance which we might be able to give.

Thank you again.

Very truly yours,

John C. Louviere.

Crowley, La.,
March 13, 1961.

Dear Mr. Thompson: We have your letter of March 7 in reply to our request for * * * saying that you are purchasing these publications for our library.

We appreciate your thoughtfulness and generosity. All of these books will be a valuable addition to our library.

With very kindest regards, I am,

Sincerely yours,

Mrs. Virginia Wilkins,
Librarian.

Lake Charles, La.,
May 3, 1962.

Dear Sir: The Lake Charles High School Band and I wish to express our most sincere appreciation for your fine work in arranging an invitation to the 1963 Cherry Blossom Festival in Washington, D.C.

The attending publicity from your press releases was most favorable and has done much for the morale of our band and school.

Thank you. We hope to see you in Washington next year.

Respectfully yours,

Russell W. Cronin, Jr.,
Band Director.

Austin, Tex., *April 26, 1962.*

Dear Mr. Thompson: This letter, I hope, will in some way express my deep appreciation for your kind response to my letter of March 22. I was extremely happy to get the information which you sent. I was, also, proud to think that you had gone to the trouble of securing this information for me. It has always been my belief that the Government—State and Federal—and the people should cooperate for better understanding and their mutual benefit. Sir, you personify the kind of official that I truly believe makes the best Representative of his people, one who is genuinely interested in the opinions of those he represents.

Young people today hear too much of the corrupt way their Government is run. I agree that this is true to some extent, but a great deal of this verbiage is spoken in ignorance.

* * * *

In closing, I would again like to express my deep appreciation for your cooperation.

Yours truly,

Charles L. Keigley.

Crowley, La.

Baton Rouge, La.,
February 16, 1962.

Dear Mr. Thompson: I would like to express to you my sincere gratitude for your assisting me in having my national defense loan approved. You will never realize how much it means to me and I'll always remember you for your kind deed.

Thank you again, very much.

Sincerely,

Kenneth Deen.

Starks, La.

Grambling, La.,
February 9, 1962.

My Dear Friend: Your letter of February 5, 1962, has been received and I am very proud to inform you that Miss Barbara Tolbert has already been given a national defense loan. I trust that she will do well in her grades, for if a student fails, this loan cannot be renewed. Many students are being benefited by this very fine service. There was no other way for them to get an education and the loans are highly appreciated.

It will certainly be a pleasure to have you visit us at Grambling College when time permits. You will be amazed at its growth.

I will certainly try to come by and see you when I am in Washington.

Very sincerely yours,

R. W. E. Jones,
President, Grambling College.

Sulphur, La.,
April 28, 1962.

Dear Mr. Thompson: Thanks again for your many efforts in my behalf, both this year and last. Becoming a West Point cadet has been my goal and ideal for several years, and I am very grateful for this opportunity. I shall do my utmost to become a worthy cadet.

Sincerely yours,

John Thomas Hoskins.

Port Barre, La.,
May 7, 1962.

Dear Mr. Thompson: Thank you for your telegram of April 24 advising me that I am qualified for Annapolis and, also, the opportunity you gave me to take the examinations to qualify.

* * * * *

I will make every effort to assure that you will not be disappointed in having given me the opportunity for this honor.

Respectfully yours,

John E. Futral, Jr.

Maplewood, La.,
September 13, 1960.

Honorable Sir: My wife and I have just recently returned to Louisiana after taking our son, Ralph, to West Point for his final year. Let us again thank you for having given him the opportunity to attend this fine school.

Returning home by way of Washington, D.C., we were quite impressed by your efficient staff, and especially the courteous way we were received by your secretary, Mrs. Clara Harrison.

Congratulations on your victory in the election.

Yours truly,

W. F. Pollard.

U.S. Air Force Academy,
Colorado Springs, Colo.,
October 23, 1959.

Dear Congressman Thompson: I wish to express my deepest gratitude for the opportunity which you have given me. After 4 months here at the Academy, I have come to be very proud of the Air Force and the Academy. I intend to work hard as I can to make you and the Air Force equally as proud of me.

My only hope at present is that I will be able to justify the faith and confidence which you placed in me by giving me your nomination.

Thanking you again, I remain,

Very sincerely yours,

Berthold R. Reinstein,
Cadet, Fourth Class, U.S. Air Force.

Sulphur, La.

I was able to save many of our small post offices from being discontinued in the reorganization of the Post Office Department by convincing the authorities in Washington that these offices serve a real purpose in that they are truly the center of activity in many of our smaller communities. I have been successful in obtaining rural route extensions in my district amounting to over 550 miles since 1957, as well as establishment of new mail routes, in my efforts to obtain mail delivery service for all our rural families.

I have helped in obtaining increases in pay for our postal workers and other Federal workers. My discharge petition to bring legislation providing for pay increases for these employees to the floor for consideration in the 86th Congress—1960—is the only discharge petition to be successful and result in legislation since the 75th Congress—1938. Over 225 motions to discharge have been presented to the House since the 72d Congress—1931—and only 2 have resulted in legislation. One of the two was mine to grant pay increases to postal and Federal workers.

It was through my efforts that the employees in the Agriculture Stabilization and Conservation Service Committee offices were included for the salary increases given other Department of Agriculture employees.

I have given attention to development of rural electrification and telephone service, assistance to our trapping and fishing industries, better weather reporting facilities in the gulf areas. I have worked to obtain more funds for research in agriculture, for more uses of southern pine, for the soil conservation program, the pest control program, and other assistance to agriculture. I have introduced legislation which would set up country-by-country quotas for the importation of shrimp in order to help preserve our domestic shrimp industry and I am working to see that small loans can be made to our shrimp fishermen so they can bring their equipment up to date and earn better livings.

I have assisted many small businesses to secure loans through the Small Business Administration, businesses which otherwise would have been forced into bankruptcy, which, necessarily, would have meant the loss of jobs by many of our people.

I submit the following to you as evidence of my efforts and accomplishments for my people:

Dallas, Tex.,
January 26, 1962.

Dear Congressman Thompson: I read your letter at our staff meeting this morning, and needless to say, it was a wonderful morale booster.

Naturally, I am proud of my staff, which, as you mentioned to Mr. Summerfield, is capable of "evaluations fundamentally sound." I also am proud of the fine understanding and cooperation we receive from our Members of Congress.

We are glad to get your requests and recommendations, Congressman Thompson, for they always are reasonable and based on a desire to provide better postal service to your constituents—our patrons.

With this kind of support, I am confident that we will be able to make still greater improvements on a service-need basis in Louisiana and the Seventh District.

Sincerely,

Geo. A. Gray,
Regional Operations Director, Post Office Department.

IOWA, LA.,
February 3, 1962.

DEAR MR. THOMPSON: Thank you so much for your letter of January 26, 1962, and for your efforts in my behalf in having my annuity account corrected. I have just received a check dated January 30, 1962, to cover the error in my account.

I really appreciate the prompt action in this matter, and I am telling all of my friends that you accomplished in 3 days what I had not been able to do in 3 months.

I can assure you that we of the postal group are grateful for your efforts in our behalf. I am a member of the former National Postal Transport Association which is now affiliated with the Federation of Postal Clerks.

Sincerely yours,
JOHN R. LEBLANC.

OPELOUSAS, LA.,
March 2, 1962.

DEAR CONGRESSMAN THOMPSON: The members of the Ladies' Auxiliary, Branch 1530, of the National Association of Letter Carriers, Opelousas, La., take this opportunity to sincerely thank you for your stanch support of the pay raise.

We of this area shall always support you in your endeavors to improve the conditions of the people you represent.

Sincerely,
LADIES' AUXILIARY, BRANCH 1530.

BASILE, LA.,
January 23, 1962.

Telegram: "Your action and support of equipment allowance bills pending in the House Committee is appreciated.

"WILLIS J. FRUGE,
"ZENON FONTENOT,
"Rural Mail Carriers."

BATON ROUGE, LA.,
June 7, 1962.

DEAR MR. THOMPSON: As a supervisor in the Baton Rouge Post Office, I am most grateful for the interest shown and the support that you have given to legislation presented in behalf of postal employees.

Your favorable consideration and support of this fair and just bill, H.R. 10210, will be appreciated.

Sincerely yours,
O. J. MICAUD.

FRANKLINTON, LA.,
September 23, 1961.

Representative T. A. THOMPSON,
Washington, D.C.:

USDA-ASCS employees are deeply grateful to you for your assistance in approval of S. 739.

W. P. GREER,
President, Louisiana Association of ASC Employees.

SULPHUR, LA.,
June 22, 1962.

DEAR SIR: I did receive a copy of H.R. 11040, with committee reports, on June 18, 1962, in reply to my letter of June 14.

This prompt action on your part is certainly appreciated.

Yours very truly,
WILLIAM L. HENNING,
President, Cameron Telephone Co.

WASHINGTON, D.C.,
May 7, 1962.

DEAR T. A.: This is to say thank you very much for your help in the passage of H.R. 11040 on satellite communications. All of us are deeply grateful.

Sincerely,
JASPER DORSEY,
Manager, Government Relations, American T. & T. Co.

EUNICE, LA., *January 31, 1962.*

DEAR REPRESENTATIVE THOMPSON: May we express our sincere appreciation for your unlimited and enthusiastic cooperation in securing approval of the above application. Without such we are certain that our task would have been far more difficult.

You may be confident that the proceeds to be forwarded from SBA will be used in a manner that will reflect your trust and confidence. Should the occasion arise, you may be certain that we shall exert every effort to recompense for your cooperation.

With best regards, we are,

Respectfully yours,
MANUEL TRUCK & EQUIPMENT CO., INC.,
GLADNEY L. MANUEL, *President.*

SULPHUR, LA., *December 14, 1961.*

DEAR MR. THOMPSON: Just a note to bring you up to date on the Small Business Administration disaster loan.

I certainly do appreciate the efforts that you have made and that which your executive secretary, Mrs. Clara Harrison, had made in our behalf. I would like to extend to both of you my sincere wishes for a pleasant Christmas season.

Best personal regards.

Sincerely,
WALTER J. BINNINGS,
President, Calship, Inc.

WESTWEGO, LA.,
May 23, 1962.

HONORABLE SIR: We wish to thank you for your very gracious cooperation with our Mr. Novotny in his complaint that Small Business Administration policy appeared to be violated in the letting of a Government contract in this area by the 8th Naval District. Your cooperation resulted in investigation wherein it was disclosed that the 8th Naval District and the Small Business Administration were not aware that sufficient competitive small businesses exist in the area to justify electronic work being established as a small business setaside. We are very happy to report that we are completely satisfied with the explanations and the consideration extended by officials of the 8th Naval District and Mr. Will Rogers of SBA.

Again, for Mr. Novotny and the entire group, please let me express our thanks and appreciation for your expeditious attention to Mr. Novotny's request for the investigation mentioned in our first paragraph.

Sincerely,
ELECTRONIC SERVICES, INC.,
HENRY A. CRAYON, JR.

[From the Opelousas Daily World, Feb. 5, 1961]

LETTERS TO THE EDITOR

DEAR SIR: I generally agree with you in your editorials, but this time I am sorry to disagree.

You call the majority of our Louisiana Congressmen the "packing quintet." I prefer to call them "Louisiana's unpacking quintet."

And I am gratified to know that our own Congressman THOMPSON voted with the majority to unpack the Rules Committee. Also, it is a disappointment to me to find * * *

Had H.R. 127 failed, the rules in the new Congress would be fixed by Republican Leader CHARLES HALLECK and Rules Committee Chairman HOWARD SMITH, a Virginia Democrat, as conservative as he is canny, and it would have left President Kennedy's second week as President as gloomy as his first week was glorious.

We have a tidelands bill coming up. What the majority of our Congressmen did, may help. It certainly will not hurt.

The Rules Committee controls the flow of bills to the House floor for action, and you may recall that in the last Congress, the conservative coalition, 6 out of 12 Members constantly damned the liberals and damned their bills.

A certain brand of cigarettes claims it "unlocks the flavor" of tobacco. Our Louisiana Congressmen unlocked the door of the Rules Committee and have rendered a service to our State, the South, and the Nation.

I should like to congratulate them.

J. D. LAFLEUR, Sr.
VILLE PLATTE, LA.

("Prof" LaFleur, as he was endearingly called by his students and close friends, has been a leader in Louisiana's educational system for many years.)

LAKE CHARLES, LA.,
August 10, 1961.

DEAR CONGRESSMAN THOMPSON: Thank you for your recent mailing re the House Rules Committee.

At the time of the original vote upon the enlargement of this committee, I wrote to you urging your vote against this increased membership—in my official capacity as president of the local medical society (Calcasieu Parish).

Speaking as an individual, I wish to go on record as approving your action—contrary to my written wishes at the time. Subsequent events have shown that the whole story was not available to local voters—certainly not to me. This shows, I believe, that organizational matters appertaining to the House or Senate should properly be the concern of the Members and it is virtually impossible for the individual citizen to be cognizant of every nuance of such situations. I applaud your action in spite of the unfavorable press at the time.

Sincerely yours,
J. M. SWAIN, M.D.

MORGAN CITY, LA.,
May 5, 1962.

DEAR CONGRESSMAN THOMPSON: We appreciate your interest in H.R. 946 concerning low interest loans for shrimpers. Your support in this matter is of great help to our industry.

Thanking you for past favors, we remain,

Sincerely,
TWIN CITY FISHERMAN'S COOPERATIVE ASSOCIATION, INC.
IRA MATT,
President and General Manager.

NEW ORLEANS,
June 18, 1962.

DEAR CONGRESSMAN THOMPSON: The Commission is certainly pleased to learn of the passage of the bill providing funds for increased biological research on shrimp in the Gulf of Mexico. Please be assured of the commission's sincere appreciation for your support of the appropriation of these funds.

W. D. GUNN,
Director, Gulf States Marine Fisheries Commission.

TALLAHASSEE, FLA.,
February 19, 1962.

DEAR CONGRESSMAN THOMPSON: There is attached hereto a copy of the recommendations of the steering committee to the National Shrimp Congress which have been adopted by the National Shrimp Congress as representing the policy of the domestic shrimp industry and outlining its immediate and long-range needs.

You have always shown a keen interest in this valuable fishery and the industry is grateful for your continuing support.

At this time we are in critical need of increasing the gear research and exploration activities of the Bureau of Commercial Fisheries in connection with shrimp.

The domestic shrimp industry will be most grateful for your leadership in resolving these major problems.

Very sincerely yours,

William R. Neblett,
Executive Director, National Shrimp Congress, Inc.

The job of a Congressman can best be done if there is cooperation and teamwork between him and his local and State officials and I have worked with local governmental agencies and officials at every opportunity. I have made many friends in Washington among the Representatives and Senators from other States and I have worked constantly and effectively with the "team" of the Louisiana delegation. Through this type of cooperation and teamwork, much has been accomplished in parishes and municipalities throughout my district. All of the work of the Congressman is not on the floor of the House. For instance, through my friendly influence with the telephone company's representative, I was able just recently to have a new telephone system installed for the town of Leonville.

I have assisted in having approval given to the Area Redevelopment Agency program for St. Landry, Evangeline, and Acadia Parishes to provide new job opportunities for residents in these areas. With the cooperation of local officials, I was successful in having these three parishes and Allen Parish designated as "depressed areas" by the Federal Government.

I am working with the officials of the Fish and Wildlife Service of the Federal Government in an effort to obtain a better break for our sportsmen in the matter of regulations on waterfowl—both season and bag limit.

I have been alert to the problems of labor and the workingman, and my efforts in the future, as in the past, will be toward development of more opportunities for employment, a better standard of living, and, thus, the assurance of a better future for our children.

I have taken an active part in the fight to keep the Federal Government from encroaching on our State's rights in the matter of control of our natural gas industry. Since I was first elected to Congress, I have helped in the effort to restore what is rightfully ours in the tidelands controversy. I feel confident that one day we will be successful through an act of Congress in giving back to the States those submerged lands that properly belong to the States.

I am opposed to Federal aid to education. I feel that any move to give Federal aid to education would inevitably bring on Federal control of education and I am unalterably opposed to the centralization of control of education in any bureau of the Federal Government. As long as the people of our parishes and State meet the costs of operating our schools, the matter of school policy and operation will remain with the local officials and people.

I have constantly engaged in a battle for more economy in government. I feel very strongly that the United States must live within its income and must liquidate its indebtedness if it is to survive. I shall continue to insist that our country be operated on a balanced budget. I feel that we cannot afford to spend ourselves into bankruptcy trying to save other nations from the same fate. We must look to the solving of the many problems of our own if we are to remain strong. I have always opposed our foreign aid programs, especially giving foreign aid in money. Of course, if the peoples of the world are hungry, we should give them food; if they need clothing, we should send them fiber—both of which we have in surplus. I believe that nations, like people, can be helped best in a manner that will not rob them of their self-respect and sense of responsibility.

We must continue our fight to defeat communism. I believe this can best be done if we continue to develop our natural resources, continually strive for a higher standard of living for our farmers, businessmen, labor, and all our citizens and by setting an example to show other nations that we are free from oppressions of religion and expression and free to pursue our ambitions toward a better and happier life. Through this example, rather than through our extravagant attempts to buy friendship, we would win their lasting confidence and respect.

Our Nation today is stronger than it has ever been. I cannot go along with those who try to make our people believe that our Government and our Nation are weak. I cannot help but condemn those who make almost a profession of destructively criticizing our form of government and its officials and trying to take away the faith of our people in our Government and its officials, whether it be local or national. These persons do more harm than the known subversives because they spread their criticisms under the guise of patriotism, while the subversives are held to be suspect at the outset. I am convinced that we will continue to expand our standards of living and be strong enough to leave a wonderful heritage for the generations to come.

The following letters indicate the appreciation of my constituency for my efforts on these matters:

Opelousas, La., *June 8, 1962.*

Dear Congressman: On behalf of the St. Landry Parish Area Redevelopment Administration, please accept our sincere thanks and appreciation for your taking time out of your busy schedule to meet with us in Washington June 5.

We believe this project is a natural for our area and its establishment would open up new fields that we can hardly conceive of at this time. We are aware of the Area Redevelopment Administration cost involved, but with the assistance of other branches of the Government, the success of the project could be assured.

I trust that your coming campaign in this district will secure for you another term of fine representation for your constituents and if we can be of any assistance to you here, please call on us.

Again, many thanks and with kindest personal regards, I remain.

Very truly yours,

James P. Doherty,
Vice President, American Bank & Trust Co.

Morgan City, La.,
July 5, 1962.

Dear Congressman Thompson: I wish to acknowledge with sincere appreciation your recent actions with regard to H.R. 9158 relative to Coast Guard approval and supervision of construction of deep water structures. Your informative telegram on June 6 was especially appreciated.

Had this piece of legislation, H.R. 9158, been enacted it would have resulted in an unwarranted expense to both the taxpaying public and to our industry.

With best regards.

Yours very truly,

Offshore Operators Committee,
J. W. Greely, *Chairman.*

Washington,
September 21, 1961.

Dear Congressman Thompson: I am sorry I did not get by before you had to leave. I just wanted to thank you in person for the favors you have done for me.

I have just come from Coast Guard Headquarters, and I am happy that everything seems to be coming out all right.

Thank you for your help, and good luck.

Sincerely,

Edward H. Walsdorf III.

Eunice, La.

Lake Charles, La.,
May 8, 1961.

Dear T. A.: I enjoyed my brief visit with you while in Washington.

I realize that you have been very persistent in your efforts to secure the continued use of Chennault Air Force Base. It seems that we are a long way from realizing a solution to this problem.

By continuing to explore every possibility, perhaps a new economic return can be secured. I know that the Chennault Air Force Base Committee is looking forward to working with you later this month.

Thank you for your hospitality in Washington.

Yours truly,

Parker Ledbetter,
General Manager, Lake Charles Association of Commerce.

Lake Charles, La.,
January 30, 1961.

Dear Representative Thompson: I wish to inform you that I am receiving the Congressional Record and I thank you for your kindness in sending it to me.

I also appreciate your sending me copies of the veterans' bills which I request from time to time.

Sincerely,

E. L. Faulk.

(Mr. Faulk was chaplain of the Spanish-American War Veterans chapter in Louisiana.)

Opelousas, La.,
January 16, 1962.

Dear Congressman Thompson: Just a line to thank you for sending me the Congressional Record which I enjoy very much. Your interest is sincerely appreciated.

With every good wish for a successful session, I am,

Sincerely,

Jack R. del Bueno.

DeRidder, La.,
June 1, 1961.

Dear Mr. Thompson: My husband and I want you to know we sincerely appreciate the consideration that was shown us by you and your office in our son's trouble. We won't forget our friends in the future, either.

Thank you so much.

Sincerely,

Mr. and Mrs. Richard A. Loftin.

LAKE CHARLES, LA.,
June 22, 1962.

DEAR T. A.: I am deeply appreciative of the many courtesies and favors which you have extended to me in the past and would like to offer any assistance I can to you in the upcoming election.

If I can be of any help, won't you let me know?

Very truly yours,
MAC'S CAMERA SHOP,
MAC.

LAKE CHARLES, LA.,
July 8, 1962.

DEAR SIR: This is to advise you that our daughter was seen as an outpatient at the Heart Institute on June 20, 1962. Dr. Eugene Braunwald wants to see her next year in June if she gets no worse. She will have open-heart surgery probably before her sixth birthday.

We were very well pleased with the way everyone treated us there. We want to thank you for the help you have given us in getting Dr. Braunwald and Dr. Kleminson to see Carolyn.

Sincerely yours,
Sgt. and Mrs. VARISE FONTENOT.

LAKE CHARLES, LA.,
March 14, 1960.

DEAR MR. THOMPSON: Today I received your letter dated March 11, with the enclosure from the consul in Beirut. I want to thank you for the interest you have taken in this matter, and wish there were some way to show our appreciation.

We are a good-sized family here and I want you to know that we are with you 100 percent and will always be. I hope we may see you the next time you are in Lake Charles.

Thanking you again, I am,

Yours truly,
T. S. NAGEM.

LAKE CHARLES, LA.,
April 3, 1962.

DEAR MR. THOMPSON: I have received from Senator ELLENDER a letter informing me of your role in making available the CONGRESSIONAL RECORD to me and I wish to express my deep appreciation for this courtesy and service. I shall see to it that many others have access to this document besides myself.

Thank you for your courtesy in furnishing me the CONGRESSIONAL RECORD, and with kindest regards, I am,

Sincerely,
R. GORDON HOLCOMBE, M.D.

LAKE CHARLES, LA.,
March 26, 1962.

DEAR ASHTON: Your letter of March 21 instant received and also the flag which was delivered for the municipal airport through the courtesy of Maj. Gen. John Hester.

In behalf of our airport authority for Airport District No. 1 of Calcasieu Parish, please accept our thanks for this nice gift.

All regretted very much that you could not be present.

Sincerely,
E. R. KAUFMAN,
President.

WASHINGTON, D.C.,
June 11, 1962.

DEAR MR. THOMPSON: We appreciate your letter of June 4, and we are glad to inform you that the recertification of the workable program for community improvement for the town of Vinton, La., has been approved.

Your continued interest in the work these communities are doing to upgrade their housing and their neighborhoods should serve as an inspiration to them.

Sincerely yours,
ROBERT C. WEAVER,
Administrator, Housing and Home Finance Agency.

MAMOU, LA.,
February 27, 1961.

DEAR CONGRESSMAN THOMPSON: We have now heard from the 4th Army Headquarters advising that the town of Mamou has been placed on the prospective bidders list published for the information of property disposal officers and that invitations to bid will be sent to us.

On behalf of the town of Mamou, I want to sincerely thank you for your effective assistance in this matter.

With kindest personal regards and best wishes, I am,

Very truly yours,
TATE & TATE,
PAUL C. TATE.

I am confident that the future holds many great things for our areas in the Seventh District and all the State of Louisiana. My 28 years in Government service qualify me to know what our problems are and to work effectively for their solution. I feel that ability plus experience are more necessary during these troubled times than ever before. I know that seniority is all-important in Congress. The more seniority a Congressman has, the more attention his requests receive from Government agencies and the more effective his representation of his people. The late Speaker Sam Rayburn, Speaker of the House of Representatives longer than any other Speaker in history, had the following to say regarding seniority:

> It takes a while for a man to learn and get established and gain his full influence. He doesn't reach his full usefulness his first term, or two terms. And the worst thing a district can do for itself, if it's got someone here doing his job, is to keep changing its Congressman. A man makes a record here about the way he does in business, or in law, or anything else; it's hard work that makes the difference.

With my ever-mounting seniority in Congress, it is my hope that, as Representative of the Seventh District, I may play a part in future accomplishments for our areas and the State of Louisiana.

What Goes—Did You Know 100 Tons of Gold Goes to France?

EXTENSION OF REMARKS
OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 12, 1962

Mr. KEARNS. Mr. Speaker, I learned today from the Secretary of the Treasury's office that France paid $293.4 million on her debt. This leaves a balance of $965.9 million outstanding. However, France also purchased 100 tons of our gold at $35 an ounce which would amount to $112.5 million. If this is to be the pattern of future debt repayments, we may be better off if those who owe us money just continue to be indebted.

We must all become alerted to the decline of our gold supply. As of today we have a balance of $16.3 billion in our gold reserve.

Fourteen years ago, we had approximately $24.6 billion in gold accumulated at Fort Knox, Philadelphia, and Denver. Now, according to the latest figures, we have dissipated over $8 billion of our gold supply.

I want this to be known—I am not criticizing any department because I realize each foreign country can demand any and all payments in gold. However, we should now take steps to insure that additional gold does not leave this country.

The American dollar is still the acknowledged medium of exchange in world trade. To insure that this continues to be the case, it is mandatory that in the future we do not let any additional gold pass through our fingers and from our shores. I have, therefore, introduced the following resolution today whereby no further gold can leave our shores:

> JOINT RESOLUTION TO PROTECT THE GOLD RESERVES OF THE UNITED STATES BY IMMEDIATELY SUSPENDING THE SALE TO FOREIGN NATIONS OF GOLD BELONGING TO THE UNITED STATES, AND FOR OTHER PURPOSES
>
> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any other provision of law, no department, agency, or instrumentality of the United States may (1) sell any gold except for industrial, professional, or artistic use within the United States, or (2) pay or redeem in gold any obligation of the United States.

Personally, Mr. Speaker, I do not think Presidents Roosevelt, Truman, Eisenhower, and Kennedy have kept the American people properly informed on the gold issue.

I have tried to get a resolution through Congress which would enable the elected representatives to count the gold in our depositories. As of this date—no action. This is most unfortunate, for an accounting of this type would serve to reassure the American public.

Tax Credits for Private School Enrollees

EXTENSION OF REMARKS
OF

HON. ROBERT R. BARRY

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 12, 1962

Mr. BARRY. Mr. Speaker, on July 4 of this year the Associated Press carried a suggestion by Abraham Ribicoff, Secretary of Health, Education, and Welfare, that a Federal tax credit be extended to parents who send their children to private schools. Such a credit, said Mr. Ribicoff, would recognize "in fairness, at least, a part of the burden which private-school parents are lifting from the shoulders of the taxpayer of the local communities."

I am happy to learn that Mr. Ribicoff is willing to support such a tax credit, and would like to point out that during the last session of Congress I introduced a bill for that very purpose—H.R. 5589. At that time, I pointed out in a speech on the House floor that tax incentive is presently given to produce barrels of oil or shoe machinery, and to entertain business clients at nightclubs; and that it is surely far more important to encourage people to spend their money for education. I would also like to mention that in response to my annual questionnaire, over 60 percent of the voters of New York's 27th Congressional District went on record in favor of a tax credit to offset tuition costs and local school taxes. Therefore, Mr. Speaker, I am pleased to find that at least one high ranking administration official has also taken the position that a tax credit would be an effective way to provide Federal aid to education without the danger of attendant Federal control.

For those of my colleagues who may not have read Secretary Ribicoff's remarks, I would like to insert in the Congressional Record at this point the following article from the New York Times of July 5:

> School Tax Credit Pushed by Ribicoff
>
> Washington, July 4.—A Federal tax credit for parents who send their children to private schools can be justified on the ground of fairness, Abraham A. Ribicoff said today.
>
> The Secretary of Health, Education and Welfare, who plans to resign to seek the Democratic nomination for Senate in Connecticut, told a reporter that his recent suggestion of a tax credit was his personal idea, not an administration position.
>
> "As I have stated publicly recently," he said, "serious consideration must be given to new approaches to remove the bitterness from the debate over aid to private schools and colleges.
>
> "One of those approaches, which I have suggested, calls for tax credits or deductions recognizing, in fairness at least, a part of the burden which private-school parents are lifting from the shoulders of the taxpayer of the local communities."
>
> Also worth exploring, Mr. Ribicoff said, are the following:
>
> A broader use of public funds in higher education, and further use of auxiliary services of direct benefit to the child in public and private schools, such as lunches, health care, bus transportation, and textbooks.

Organizations Exempt From Taxation Should Pay Taxes on Income on Foreign Investments if Investments Are Guaranteed by Federal Government

EXTENSION OF REMARKS
OF

HON. ALFRED E. SANTANGELO

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 12, 1962

Mr. SANTANGELO. Mr. Speaker, on July 11, I moved to amend the Foreign Assistance Act of 1961 to tax the income of exempt organizations when this income was produced by obligations guaranteed by the United States. However, my amendment was ruled out of order as not germane to the bill and as being within the jurisdiction of the Committee on Ways and Means. For this reason, I have today introduced a bill appropriately amending the Internal Revenue Code of 1954 to achieve the same result which my amendment would have accomplished. I also intend when the appropriations bill comes up to move to add an amendment that no part of the appropriations for the Foreign Assistance Act may be used to guarantee obligations acquired by American organizations which are tax exempt. Many of these exempt organizations accumulate money for long periods of time without using it for the stated charitable purposes.

On March of this year I introduced another bill, H.R. 10979, which would tax excessive accumulations of exempt organizations—but would not tax the income which is promptly used for charitable purposes. It seems unfair that an organization should be able to earn income in a foreign country and be guaranteed against all loss by the United States and then not pay any tax on such income. I feel this subject warrants the attention of every Member of Congress and I hope the Ways and Means Committee will be able to take up this subject at the earliest possible time.

HOUSE OF REPRESENTATIVES

Friday, July 13, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Ephesians 6: 10: *Finally, my brethren, be strong in the Lord, and in the power of His might.*

O Thou Eternal Spirit, we rejoice that Thou didst lead our beloved country safely from its perilous beginnings through many dangers and difficulties to this day of grace.

Grant that in these times of great need, when the minds of men are confused and anguish fills their hearts, we may reassure ourselves that Thy spirit can deliver us from those fears which deplete our strength and dissipate our energy.

We earnestly beseech Thee to emancipate us from all feelings of coldness and complacency toward those moral and spiritual values which are mediated to us through prayer and the teachings of Thy Holy Word.

May we ascribe unto Thee all the praise through Jesus Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

> H.R. 10595. An act to facilitate the sale and disposal of Government stocks of extra long staple cotton; and
>
> H.J. Res. 809. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

> S. 2775. An act to amend the act of June 30, 1954, providing for a continuance of civil government for the Trust Territory of the Pacific Islands.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2996) entitled "An act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes", agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Fulbright, Mr. Sparkman, Mr. Humphrey, Mr. Mansfield, Mr. Wiley, Mr. Hickenlooper, and Mr. Aiken to be the conferees on the part of the Senate.

MILITARY CONSTRUCTION AUTHORIZATION FOR FISCAL YEAR 1963

Mr. VINSON submitted a conference report and statement on the bill (H.R. 11131) to authorize certain construction at military installations, and for other purposes.

IMPORTATION OF ADULT HONEY BEES

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8050) to amend the act relating to the importation of adult honey bees, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

> Page 2, after line 10, insert:
>
> "Sec. 3. (a) Section 202(c)(4) of the Sugar Act of 1948, as amended, is amended by inserting '(A)' after '(4)', and by adding at the end thereof the following new subparagraph:
>
> "'(B) Of the quantity authorized for purchase and importation under subparagraph (A), the President is authorized to allocate to countries within the Western Hemisphere, for the six-month period ending December 31, 1962, an amount of sugar, raw value, not exceeding in the aggregate seventy-five thousand short tons, and for the calendar years 1963 and 1964, an amount of sugar,

raw value, not exceeding in the aggregate one hundred and fifty thousand short tons.'

"(b) Section 202(e) of such Act, as amended, is amended by adding at the end thereof the following new sentence: 'The provisions of this subsection shall not apply to sugar exported by any foreign country to the United States to fill any allocation made to it under subsection (c)(3)(C).'

"(c) Section 204(a) of such Act, as amended, is amended to read as follows:

"'(a) The Secretary shall from time to time determine whether, in view of the current inventory of sugar, the estimated production from the acreage of sugarcane or sugarbeets planted, the normal marketings within a calendar year of new-crop sugar and other pertinent factors, any area or country will be unable to market the quota or proration for such area or country. If the Secretary determines that any domestic area or foreign country will be unable to market the quota or proration for such area or country, he shall revise the quota for the Republic of the Philippines by prorating to it an amount of sugar which bears the same ratio to the deficit as the quota for the Republic of the Philippines determined under section 202(b) then in effect bears to the sum of such quota for the Republic of the Philippines and of the prorations to foreign countries named in section 202(c)(3)(A) then in effect; and shall allocate an amount of sugar equal to the remainder of the deficit to foreign countries within the Western Hemisphere named in section 202(c)(3)(A): *Provided,* That no part of any such deficit shall be prorated or allocated to any country not in diplomatic relations with the United States. If the Secretary determines that the Republic of the Philippines will be unable to fill its share of any deficit determined under this subsection, he shall allocate such unfilled amount to foreign countries within the Western Hemisphere named in section 202(c)(3)(A): *Provided,* That no such allocation shall be made to any foreign country not in diplomatic relations with the United States. In making allocations to foreign countries within the Western Hemisphere under this subsection, special consideration shall be given to those countries purchasing United States agricultural commodities. If the Secretary determines that neither the Republic of the Philippines nor the countries within the Western Hemisphere named in section 202(c)(3)(A) can fill all of any such deficit whenever the provisions of section 202 (c)(4) apply, he shall add such unfilled amount to the quantity of sugar which may be purchased pursuant to section 202(c)(4), and whenever section 202(c)(4) does not apply he shall apportion such unfilled amount on such basis and to such foreign countries in diplomatic relations with the United States as he determines is required to fill such deficit.'

"(d) Section 207(e)(2) of such Act is amended by adding at the end thereof the following new sentence: 'The provisions of this paragraph shall not apply to any allocation made to a foreign country under section 202(c)(3)(C).'

"(e) Section 213 of such Act, as amended, is amended—

"(1) by striking out '(4)' each place it appears in subsections (a) and (b) thereof and inserting in lieu thereof '(4)(A)';

"(2) by striking out 'paragraph (3) of section 202(c)' in the first sentence of subsection (c) thereof and inserting in lieu thereof 'paragraphs (3) and (4)(B) of section 202(c)'; and

"(3) by striking out '(4)' each place it appears in the first sentence of subsection (c) thereof and inserting in lieu thereof '(4)(A)'.

"(f) The amendments made by this section shall be effective as if they were enacted as a part of H.R. 12154 entitled 'An Act to amend and extend the provisions of the Sugar Act of 1948, as amended', Eighty-seventh Congress, second session."

Amend the title so as to read: "An Act to amend the Act relating to the importation of adult honeybees, and to amend certain provisions of the Sugar Act of 1948, as amended."

The **SPEAKER**. Is there objection to the request of the gentleman from North Carolina?

Mr. **ASHBROOK**. I object, Mr. Speaker.

Mr. **COOLEY**. Mr. Speaker, will the gentleman reserve his objection for a moment?

Mr. **ASHBROOK**. The gentleman will.

Mr. **COOLEY**. I would just like to say to the House that I suppose all of us are now aware of the fact that we have no sugar program in operation in America. Each day we face a delay, boatloads of sugar may be dumped on our market——

Mr. **HALLECK**. Mr. Speaker, is there or is there not objection?

Mr. **ASHBROOK**. I reserved the right to object.

Mr. **COOLEY**. I was just trying to explain to my friend how important it is for us to enact this legislation. The bill is H.R. 8050, the honeybee bill to which the Senate has attached an amendment to correct, to some extent the mistakes made by that body's revision of the sugar bill recently passed by the Congress. I do not agree with the procedure that has been followed. I do think that the Senate and the administration have made a great concession in the direction of the House sugar bill. This amendment comes back here providing for an additional 150,000 tons of sugar to be allocated to countries in the Western Hemisphere. Our committee considered it very carefully. We have communicated with the White House, and I have assurance from the White House as to how this sugar will be allocated. I know that 130,000 tons will go to the Dominican Republic and 20,000 tons to the Argentine. And that is almost what the House bill provided. We gave Argentina 20,000 tons, but the Senate forced us to give it up. We had 200,000 tons of quota for the Dominican Republic plus 150,000 tons of the Cuban so-called fallback. Now, the administration is willing to embrace country quotas and the premium principle and to abandon the recapture clause on this 150,000 tons.

I will say to my friend in all seriousness that the director of the sugar branch told us that if we went along without a sugar program for as much as 2 weeks, it might very well prove disastrous to the sugar industry of America.

I would like to say one other thing, that eventually our domestic producers of sugar, sugarbeets, and sugarcane, cannot avoid bankruptcy unless we have this program in operation. I do hope that the gentleman will reconsider and will let this bill go to the White House and let the program continue in operation.

Mr. **CONTE**. Mr. Speaker, if the gentleman will yield, I would like to direct this question to the chairman. I can understand the predicament that this legislation is in, but, by the same token, I just cannot understand why an important bill such as the sugar bill is held up every year until the very last moment and then brought out here on the floor of the House where it becomes a question of either accepting it as is or not. We do not have an opportunity to study the bill or work our will. It is like putting a gun to our heads, saying that if we do not adopt this bill, the law is going to lapse, and havoc will be raised with the sugar market in the United States and all over the world.

Mr. **COOLEY**. The delay here cannot possibly be attributed to the Committee on Agriculture. All of last session, time and again, I requested the administration to give us recommendations. We received no recommendations. All of this session, January, February, March, and on down the line I asked for recommendations and we did not receive any recommendations, and we suspected we were then being maneuvered into a position where we would be forced to ask for a straight extension of the existing Sugar Act. Anticipating that situation, I announced that we would hold hearings, even though and notwithstanding the fact that we had not received any recommendations from the administration. So, we cannot possibly be blamed.

We started the hearings. We heard all the people who wanted to be heard, representatives of the domestic industry, representatives of foreign sugar suppliers, and we went into executive session. We did the best we could. We brought the bill out here. We did what we thought was right. This House approved it by a vote of 4 to 1 after the committee had reported it by a vote of 6 to 1. You cannot blame the committee or the House for delaying it.

We wrote the quotas in our committee, and after we wrote them in the bill I sent word to the Director of the Sugar Branch in the Department of Agriculture asking him to review these quotas, and following his advice we made certain adjustments.

Later, as we all know, after the House had passed the bill, the other body embraced the global quota and premium recapture propositions which the House had rejected. We went to conference with representatives of the Senate and, in order to get a bill at all, we of the House had to submit to striking out the quota the House had provided for Argentina and to reductions in quotas for other countries. This was calculated to offend a lot of our neighbors to the south. I am told that 18 ambassadors went to the State Department to protest the action of the Senate, and after the visit of our President with the President of Mexico, the whole picture changed.

We then were requested to give our views concerning this 150,000 tons in the honey bee bill, H.R. 8050. Speaking for the committee, I said "We do not care if you take 150,000 tons, 250,000 tons or 350,000 tons; you can do what you please with it," because that is what we wanted to do. Under our bill, before the other body changed it, we allocated every single pound of sugar that will be consumed in our domestic market, that which is produced domestically and that which comes in from foreign sources.

Mr. CONTE. If the gentleman will yield further, I do not know where we can lay the blame. I will, of course, take the gentleman's word that the executive branch of the Government did not come up here with a recommendation in due time. But I do know that we have wasted a lot of time in this session. Some of us have been here faithfully day in and day out, but we have had only Tuesday-to-Thursday sessions. There was ample time to take up this legislation and consider it.

Mr. Speaker, we pick up the newspapers every day and read many stories about lobbying on this sugar bill which do not sound too good on the surface. It is unfortunate that we could not have the time to explore some of the stories that have appeared in the newspapers. I think the gentleman from Ohio [Mr. ASHBROOK] who objects, has a good point. If they have wasted all this time already, they can waste another weekend.

Mr. COOLEY. I understand how the gentleman feels about it, and I say that I could share the gentleman's views, but for the situation which could very well result from a further delay in enacting this law. I do not like the idea of the other body taking the honeybee bill and putting a sugar amendment onto it—150,000 tons of sugar—and sending it over here to the House. But this is the way they decided to do it, because it happened to be a bill reported originally by our Committee on Agriculture, relating to the importation of adult honey bees. They found out over there that they had not acted on the House-approved H.R. 8050 and, therefore, they put this sugar amendment on that bill.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Speaker, the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY] has stated his case very well. I see no reason whatsoever why this legislation should be delayed. It will serve no useful purpose and it will only mean that a rule will be requested if an objection is made today. I agreed that the bill might be brought up today, and I hope there will be no objection.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, I had objections to this bill in the committee. I object to the proposition that the Congress permit the Executive to buy premium sugar and thereby use the Sugar Act as a foreign aid program. I disagree with the distinguished chairman, the gentleman from North Carolina [Mr. COOLEY] on the global quota idea where we have a recapture provision whereby no premiums would go to any country. However, if any premiums are to be paid, the principle which has been in effect to date, should still apply that the country who receives them should be determined by the Congress.

The gentleman from North Carolina [Mr. COOLEY] read in the committee a letter from the President which indicates how the 150,000 tons of additional sugar is going to be divided. If the gentleman from North Carolina has that letter with him, I think it should be read. If the gentleman would read it now the Members will know how this 150,000 tons will be allocated and I have indicated that I would not object because this letter determines as clearly as if it were written into law that Argentina will get a 20,000-ton quota and the Dominican Republic will get 130,000 tons.

Mr. COOLEY. Mr. Speaker, if the gentleman will yield further——

Mr. ASHBROOK. I yield briefly to the gentleman from North Carolina.

Mr. COOLEY. I would be glad to read the letter.

Mr. ASHBROOK. I would say to the gentleman from North Carolina that I intend to object. If the gentleman wants to go ahead with the discussion, that is perfectly all right.

Mr. COOLEY. The gentleman intends to object notwithstanding the situation which we have discussed?

Mr. ASHBROOK. That is correct.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Colorado.

Mr. DOMINICK. I understand the status of the sugar bill is that it has passed the House and Senate and the conference committee, and is now before the President for his signature.

Mr. COOLEY. I understand it is on the President's desk.

Mr. DOMINICK. Is my understanding correct, then, that the President is saying to the Congress that unless we pass this bill, he is going to veto the sugar bill?

Mr. COOLEY. I do not think so.

Mr. DOMINICK. I do not see any reason why the passage of this bill has anything to do with putting into effect an act that is going to represent an advantage to sugar growers in the United States. It seems to me there is no necessity for moving so rapidly on this as long as the bill is before the President. We can take action on this in the regular course of events.

Mr. COOLEY. Of course we can. But I would like to insert in the RECORD at this point—and I ask unanimous consent to do so—a letter from the President which indicates clearly that he is cooperating with us and cooperating with Congress in an effort to correct mistakes which were made in the sugar bill now on the President's desk.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The letter referred to follows:

THE WHITE HOUSE,
Washington, D.C., July 12, 1962.

HON. HAROLD D. COOLEY,
House of Representatives,
Washington, D.C.

DEAR HAROLD: If H.R. 8050 should be enacted into law in substantially the same form as it was returned to the House of Representatives from the Senate, it will, as you know, afford the President authority "to allocate to countries within the Western Hemisphere, for the six-month period ending December 31, 1962, an amount of sugar, raw value, not exceeding in the aggregate seventy-five thousand short tons, and for the calendar years 1963 and 1964, an amount of sugar, raw value, not exceeding in the aggregate one hundred and fifty thousand short tons."

This sugar would be entitled to a premium payment.

It is my intention to use this authority to allocate 130,000 tons annually to the Dominican Republic, in recognition of that nation's economic dependence upon sugar and its problems of transition from the Trujillo regime; and to allocate 20,000 tons annually to Argentina. Argentina is the only Western Hemisphere nation which requested a quota but was not granted one by the Sugar Act Amendments of 1962. Since the allocable amount for the remainder of calendar year 1962 is one-half the annual allocations, it is my intention to reduce the calendar year 1962 allocations to the Dominican Republic and Argentina proportionately.

Sincerely,

JOHN F. KENNEDY.

Mr. COOLEY. The mistakes in the sugar bill now before the President were made by the other body when its conferees insisted upon the House Members agreeing to take away from Argentina the little quota we gave them and to take away from the Dominican Republic 150,000 tons plus 10,000 tons, or 160,000 tons.

The President feels it would be unfortunate for him to sign a bill with that net result. I think he would like very much for this bill to be on his desk when he signs the sugar bill, which is there now. The time expires, I think, Saturday night for the President to act on the sugar legislation.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I have been very curious to know, since seeing the accounts of the unconscionable fees paid lobbyists just exactly what these people do to justify the claims they make against the several nations that receive these allotments.

Mr. COOLEY. Mr. Speaker, will the gentleman yield further to me?

Mr. ASHBROOK. I yield.

Mr. COOLEY. Mr. Speaker, I would like to say to my friend that I do not know what these so-called lobbyists or lawyers do. I do know this, that they prepare their cases well. They come into our committee room and testify before our 35-man committee; they present arguments as to why the people they represent should participate in our program. They discuss the trade balance between our Nation and the nation they represent. They go into the field of production. They show what a burden they have and show the importance of sugar to the economy of each of these countries. Some very well prepared statements are presented to our committee. I have known of no lobbying outside of the committee room.

Mr. WALTER. The impression I got that these people were peddling influence is not a correct one?

Mr. COOLEY. Of course not. The greatest lobby, I suppose, that ever existed was here in Washington in 1956, when we were writing a sugar bill. The quotas in the Senate bill were made in 1956, when Cuba had the lion's share of our market, and Cuba spent more than $700,000 then, lobbying here in Washington. I had the record checked by a member of my staff.

Mr. WALTER. How did they spend it?

Mr. COOLEY. Lord in heaven only knows. They spent it on maybe 150 lawyers; they had lawyers from all over the country.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Massachusetts.

Mr. CONTE. With reference to what the gentleman from Pennsylvania has just brought out, this has bothered me no end. If these quotas are justified country by country, why does not the committee write a provision into the bill that no country shall receive a quota for sugar if it pays any fee for lobbying?

Mr. COOLEY. Mr. Speaker, I am sorry, I did not quite hear what the gentleman said.

Mr. CONTE. Why does not the committee insert a provision in the bill that no country shall receive a quota for sugar if it pays a fee for lobbying?

Mr. COOLEY. I do not know how the gentleman feels about it, but some people talk about lobbying as if it is some sort of an unusual or rare thing.

Mr. CONTE. There is nothing wrong with lobbying. But why do they need a lobby on a sugar bill?

Mr. COOLEY. Why do they need a lobby? I just tried to explain all that I know about the service that the lobbyists perform, and that is to come before committees of Congress, as they have the constitutional right to do, and file their petition.

Mr. CONTE. Why do not the embassies of the various countries send a representative up to the committee and thereby save the fees that they now pay for lobbying?

Mr. COOLEY. Washington is wrapped up in protocol. Ambassadors and foreign diplomats cannot with propriety appear before committees of Congress. They work only through the State Department. Foreign governments and foreign interests desiring to present petitions to Congress must of necessity arrange for some American citizen to present their petitions. The right to petition Congress is a right guaranteed by the organic law of the land.

This is a sacred right approved by the Founding Fathers of our Republic. I have great faith in the integrity and the patriotism, the honesty, and the courage, yes, even in the incorruptibility of all the members of the House Committee on Agriculture, both Democrats and Republicans, and I am happy in the thought that our committee was unanimous on most of the important votes taken. The bill reported was the monument of long and laborious effort on the part of devoted and dedicated public servants, all working in the interests of all of the people of our country. If there is anything evil or unholy about the sugar bill which is on the President's desk, if it is bad and not in the national interest, and if the decisions which have been made were influenced by graft or greed or bribery I am quite certain that the President, in the exercise of the powers of his great office and the responsibilities vested in him, will veto the bill. If it is a good bill and in the interest of the people of our country I am certain he will sign it.

Mr. LANGEN. Mr. Speaker, I object.

The SPEAKER. Is the gentleman reserving the right to object?

Mr. ASHBROOK. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. GEORGE P. MILLER, TEAGUE of Texas, KARTH, MARTIN of Massachusetts, and FULTON.

THE ILL-ADVISED U.N. AMENDMENT

Mr. JOELSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. JOELSON. Mr. Speaker, I want the CONGRESSIONAL RECORD to note my opposition to the amendment offered by the gentleman from Iowa during the debate on the foreign-aid bill. This amendment concerning the denial of U.S. grants or loans to the United Nations passed by a teller vote. I voted against it. It would scuttle the United Nations and unwittingly play into the hands of the Communists.

As a young man I enthused at the fact that the institution of the United Nations rose out of the ashes of World War II. I never then thought I would someday be given the honor of sitting in the U.S. House of Representatives. Nor did I think when sworn as a Member of the House that this body would impede the United Nations.

The United Nations has not been all that millions of Americans, had hoped it would be, but it is still our last best hope for peace on earth. Yet after 7 minutes of debate we, who are supposed to be the greatest deliberative body in the world, undermined the foundations of that world organization.

What have we done in denying grants or loans to the United Nations until and unless all member nations have paid in full their share of expenses, including operations in the Congo? We have merely told Russia: "If you want to wreck any United Nations police action against aggression, just withhold payment to the United Nations."

Why did Russia not pay its share of the United Nations Congo action? The answer is simply because the operation was against the best interest of Russia. If this amendment stays in the law, the United Nations Congo operation which has been a thorn in Russia's side will come to a halt.

In fact, under the amendment, if the Reds should tomorrow invade South Korea, the Soviet Union and its satellites could avoid United Nations resistance by the simple expedient of holding back their United Nations payments. This is a monstrous folly which invites world war III.

Let us have the courage to be patient and not expect overnight solutions. I am glad that the Senate version of the foreign aid bill does not include this disastrous provision, and I hope that the Senate-House conferees will delete it. If I did not think this likely, I might have found it nesessary to vote against the entire foreign aid bill.

We have had provocation, but we reacted hastily and foolishly. What we have sown in petulance, we can reap in regret.

PORT OF NEW YORK AUTHORITY

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, there appeared in the New York Times this morning a rather short article which I should like to bring to the attention of my colleagues. It reads as follows:

> The Port of New York Authority voted unanimously yesterday to pay former Gov. Thomas E. Dewey's law firm an $85,000 fee for successfully handling the appeal of Austin J. Tobin, its executive director.
>
> In recommending that the agency commissioners approve the $85,000 fee, S. Sloan Colt, the chairman, read into the record a letter from the former Governor that noted:
>
> "On our usual basis to regular clients, our fee would be something over twice this amount. However, having in mind the public nature of the authority and the cause involved, my partners and I prefer to bill on the reduced basis."

Mr. Speaker, on behalf of all of the people of Queens County, which has two of the largest port authority installations, La Guardia Airport and New York International Airport, I want to publicly thank the former Governor of New York for the consideration that he has shown for the people of the State of New York, and for the fiscal responsibility he has once again exhibited.

THE HONORABLE JOHN STELLE

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. **PRICE**. Mr. Speaker, American war veterans last week lost a devoted friend.

On Friday, July 6, the Honorable John Stelle, former Governor of Illinois, and a past national commander of the American Legion, died in Barnes Hospital, St. Louis, Mo. On Monday, July 9, Gov. Otto Kerner, other State officials, and two past national commanders of the American Legion attended funeral services for Mr. Stelle at his home city of McLeansboro, Ill.

The veterans of America never had a better friend than John Stelle. For many years he gave of his services in behalf of every worthwhile program in the interest of the veterans and our Nation's servicemen. He was in the forefront of those in the American Legion who sponsored legislation in behalf of the veterans. As a member of the Legion's legislative committee for years he, with others, was responsible for many benefits for the veterans, and in particular for the disabled veteran.

He was the champion of great causes and a vigorous supporter of measures designed to promote our national defense.

John Stelle was elected national commander of the American Legion on November 21, 1945, at the 27th national convention in Chicago, climaxing a colorful record of American Legion service from his local post to the national organization, of which he was one of the founders.

He served his State of Illinois with honor as State treasurer, Lieutenant Governor, and Governor. He was a successful businessman. He was an attorney of distinction. Outstanding on the list of his great accomplishments for the American Legion was as chairman of a special committee which in 1944 was charged with the responsibility of drafting and steering through the Congress of the United States to its final enactment the GI bill of rights. He witnessed the signing of that act by President Roosevelt.

As a soldier in World War I he won his captain's bars on the battlefield.

To his widow and to his fine family I extend my sincere sympathy.

GOVERNMENT PROCUREMENT ABUSES

Mr. **WILSON** of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. **WILSON** of Indiana. Mr. Speaker, if there is any doubt in the mind of any Member of this House about bribery, fraud, and graft in the procurement of electronic equipment by the Defense Department, I would suggest the doubters read today's Washington Post, page 3, section A. There they will see where the Federal Bureau of Investigation yesterday arrested two Defense Department employees at Shrewsbury, N.J., on charges of bribery. These men are both high-ranking civilian employees in the area of procurement that specializes in electronics. They are William J. Laverick, 49, and Harrison F. Tryon, 48. The FBI says, according to the Post, that its agents saw these men accept a total of $1,500 from a manufacturer's representative. It said these two men were in a position to pass on the award of Government contracts to an electronics manufacturer.

Mr. Speaker, this is what I have contended all along. So long as a handful of individuals in the Defense Department, and many times one individual can act as judge, jury, witness, and prosecutor, we are going to have this kind of corruption. So long as one individual can direct tax money to a company to develop an item, which company is later to be the only one allowed to bid on production of the item, the stage is set for bribery and graft.

The companies merely play the game by the rules laid down. Thankfully, in this one case, a company became tired of being taken to the cleaners and did something about it.

This is exactly the kind of practice I have been talking about, and it is widespread. I want to predict to you that the FBI is going to find more such people as it continues.

For the benefit of the Members of Congress who are backing me to the hilt and who are deeply concerned about this matter, I assure you I am going full steam ahead. In spite of all efforts by people in high positions to gag me, I want you to know I have just begun to fight.

In conclusion, Mr. Speaker, I want to direct the attention of my colleagues to the Appendix of today's daily RECORD where a full story of this latest example of corruption is detailed.

In explaining the articles, I want to make public at this time the cooperation and support given to me in this area by the writer of the articles, Mr. Charles Nicodemus, of the Chicago Daily News. Mr. Nicodemus has been an almost priceless asset to me since we met many weeks ago.

Mr. Nicodemus is doing a wonderful job, in the truly great tradition of the American newspaperman. By digging out the facts, by being industrious and by taking the side of the taxpayer, he has been able to get the biggest story of the year in Washington. The results of the arrests made at Shrewsbury, N.J., could save the taxpayers millions.

I congratulate Mr. Nicodemus on his work and his stories. I want to be the first to say that the Washington press corps should officially recognize this young man's excellent work. He has done a magnificent job. I think that as this story unfolds—and you have heard but a small part of it so far—you will agree with me: Charlie Nicodemus should be given a priority consideration for a Pulitzer Prize for his excellent work.

RELOCATION OF FAMILIES DISPLACED BY FREEWAY PROJECTS

Mr. **KYL**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. **KYL**. Mr. Speaker, I believe we should commend the Commissioners of the District of Columbia for their willingness to hold up freeway projects until provision is made for relocation of families which would be displaced by such projects.

Engineer Commissioner Frederick J. Clarke, speaking at an awards banquet of the Washington Building Congress Monday, July 9, 1962, declared:

> We can no longer proceed with massive demolition as we did in the southwest (urban renewal) area. And until we can provide adequate housing, or undertake the renewal in slow stages, we can't move ahead.

Engineer Commissioner Clarke pointed out that District highway construction dislocates about 700 families a year and renewal programs uproot about 1,000 more. The Adams-Morgan urban renewal project in northwest Washington, "will leave a 2,000-family deficit, and we will be lucky to achieve a housing balance in the second precinct."

Mr. Speaker, the urban renewal programs in the Nation's Capital are displacing more families than highways. Urban renewal programs must be held up just like highway programs until adequate housing is found for those who will be displaced.

In addition to the 2,000 families which will be displaced by the Adams-Morgan urban renewal project, 150 small businessmen are to be displaced. These 2,000 will be mostly colored families as has been the case in previous large-scale urban renewal programs in the District. Unless adequate housing is provided in advance of such projects, the inevitable result is crowding, and hardship, and a host of social and economic problems. An action designed to help the community can actually lead to even greater problems than are cured.

There are only 15,000 people in the Adams-Morgan urban renewal now. Two thousand families constitute at least half of the area's population.

This would seem entirely too high a cost for the dubious benefits which urban renewal will contribute in this specific area.

After the Federal Government puts in millions of dollars, half of the present population will not be able to live in the Adams-Morgan area. This is a distressing local situation which should have much more planning.

FAA HAS POWER TO END EASTERN AIR LINES JURISDICTIONAL STRIKE

Mr. **JONAS**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONAS. Mr. Speaker, the Eastern Air Lines strike, which has continued now since June 23, does not involve a dispute between labor and management over wages and working conditions. It is a dispute between rival unions to determine which will handle which job in the operation of commercial aircraft.

While I favor permanent legislation to outlaw such jurisdictional strikes, I believe the administration has the power today, without additional legislation, to end this strike by making the issue academic. This could be done by the Administrator of the Federal Aviation Agency promulgating a rule determining the composition of a flight crew.

On yesterday there was introduced in the Senate a bill—S. 3540—which would authorize the President to establish boards to resolve such jurisdictional disputes. But this is permanent legislation and before enacted it must follow committee hearings in both House and Senate and floor action by both bodies. Such a bill cannot move through Congress rapidly enough to force a settlement of this strike before additional losses and damages occur. A settlement of the current strike, which has cost the jobs of 18,000 Eastern Air Lines employees with a daily loss in pay of $367,000, is costing Eastern Air Lines $1 million a day in loss of revenue and is causing substantial hardship to the traveling public by disrupting air service in the many communities served by Eastern, cannot wait on congressional action. Every day this strike continues will increase the losses and extend the hardships being caused by it.

It seems to me that the public interest demands that the administration take action available to it which would bring about a resumption of air service. I hope that it will take such action promptly.

AID TO THE REDS

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, in case some of us do not know exactly what we did yesterday, I was delighted to see the whole matter made very clear this morning in the Washington Post by a screaming headline on the front page which said: "President Voted Power To Aid Reds."

Mr. Speaker, I yield back the balance of my time.

ANNOUNCEMENT

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I asked for this time to inform the Members of the House that under previously granted permission I will address the House for a maximum of 30 minutes and possibly less after the legislative program and special orders today. The subject of my remarks will be the Atomic Energy authorization bill, and they will be directed specifically to the two amendments which will be offered which will authorize the Atomic Energy Commission to sell waste steam to a non-Federal entity for the generation of electricity in generating facilities which will be planned, paid for, constructed, and operated without 1 cent of Federal appropriations. It is estimated that the sale of this steam will bring into the Treasury of the United States between $3 million and $125 million, according to the length of time in which the reactor is operated on a dual capacity basis, and it will bring that money in without 1 cent of additional Federal appropriations.

CALL OF THE HOUSE

Mr. DOMINICK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 154]

Addabbo
Alford
Anfuso
Baker
Barrett
Bass, N.H.
Belcher
Bennett, Mich.
Blitch
Bolling
Boykin
Brooks, Tex.
Buckley
Cahill
Carey
Celler
Chamberlain
Clark
Curtis, Mass.
Curtis, Mo.
Daddario
Davis, James C.
Davis, Tenn.
Dawson
Denton
Donohue
Dooley
Dorn
Evins
Farbstein
Fenton
Fino
Flood
Fogarty
Frazier
Frelinghuysen
Gathings
Gilbert
Glenn
Gray
Green, Oreg.
Griffin
Harding
Harrison, Va.
Hays
Healey
Hemphill
Hoffman, Mich.
Horan
Jones, Ala.
Kee
Kelly
Keogh
King, Utah
Kowalski
Latta
Lindsay
Loser
McCulloch
McIntire
McMillan
McSween
McVey
Macdonald
Madden
Martin, Mass.
May
Meader
Michel
Miller, N.Y.
Monagan
Moore
Morse
Moulder
Multer
Norrell
O'Brien, N.Y.
Pfost
Philbin
Pilcher
Powell
Rains
Randall
Riley
Roberts, Ala.
Rogers, Tex.
Rostenkowski
Roush
St. Germain
Santangelo
Saund
Scranton
Seely-Brown
Sibal
Smith, Miss.
Spence
Stafford
Stratton
Taber
Thompson, La.
Thompson, N.J.
Tupper
Ullman
Utt
Van Pelt
Van Zandt
Wharton
Williams
Wilson, Calif.
Wilson, Ind.
Winstead
Yates
Zelenko

The SPEAKER. On this rollcall 319 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORITY OF SMALL BUSINESS ADMINISTRATION

Mr. PATMAN. Mr Speaker, I call up the conference report on the bill (S. 2970) to amend the Small Business Act, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. McDONOUGH. Reserving the right to object, Mr. Speaker, the conference report was signed only by the Democratic members. The Republican members refused to sign. The purpose of not signing was because under suspension of the rules on July 2 it was understood that the funds in the Small Business Administration would be kept separate. We agreed to those terms and did not object to the bill's coming up under suspension. Since the conference, these two funds have been brought under one fund, the disaster loan fund and the major loan fund of the Small Business Administration. For these reasons, I am withholding my objection until a full explanation of this situation is brought to the attention of the House.

The SPEAKER. Is there objection to the statement's being read?

Mr. McDONOUGH. I have no objection to that, Mr. Speaker.

Mr. GROSS. Reserving the right to object, Mr. Speaker, I assume the gentleman from Texas will take ample time to explain the bill?

Mr. PATMAN. Yes.

Mr. GROSS. The gentleman, we understand, will be in control of every minute of the time. I should like to have that assurance.

Mr. PATMAN. I will, of course, yield half the time to the other side.

Mr. McDONOUGH. Do I understand that the gentleman will yield equal time to our side?

Mr. PATMAN. Of course, I have control of the time, but I will yield time to the minority.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1974)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2970) to amend the Small Business Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That (a) subsection (c) of section 4 of the Small Business Act is amended to read as follows:

"'(c) There is hereby established in the Treasury a revolving fund, referred to in this section as "the fund", for the Administration's use in financing the functions performed under sections 7(a), 7(b), and 8(a) and under the Small Business Investment Act of 1958, including the payment of administrative expenses in connection with such functions. All repayments of loans and debentures, payments of interest, and other receipts arising out of transactions financed from the fund shall be paid into the fund. As capital thereof, appropriations not to exceed $1,666,000,000 are hereby authorized to be made to the fund, which appropriations shall remain available until expended. Not to exceed an aggregate of $1,325,000,000 shall be outstanding at any one time for the purposes enumerated in the following sections of this Act: 7(a) (relating to regular business loans), 7(b) (relating to disaster loans), and 8(a) (relating to prime contract authority): *Provided*, That the Administration shall report promptly to the Committees on Appropriations and the Committees on Banking and Currency of the Senate and House of Representatives whenever (1) the aggregate amount outstanding for the purposes enumerated in sections 7(a) and 8(a) exceeds $1,222,000,000, or (2) the aggregate amount outstanding for the purpose enumerated in section 7(b) exceeds $103,000,000. Not to exceed an aggregate of $341,000,000 shall be outstanding from the fund at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958. The Administration shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the outstanding cash disbursements from the fund, at rates determined by the Secretary of the Treasury, taking into consideration the current average yields on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities as calculated for the month of June preceding such fiscal year.'

"(b) It is the sense of the Congress that the regular business loan program of the Small Business Administration should be reviewed by the Congress at least once every two years. It is further the sense of the Congress that the Small Business Administration should submit its estimated needs for additional authorization for such program to the Congress at least one year in advance of the date on which such authorization is to be provided, in order to assure an orderly and recurring review of such program and to avoid emergency appeals for additional authorization. Compliance by the Small Business Administration with the foregoing policy will enable the Congress hereafter to provide additional authorization for such program on a two-year basis.

"SEC. 2. (a) The Small Business Administration is empowered to make loans (either directly or in cooperation with banks or other lenders through agreements to participate on an immediate or deferred basis) to assist any firm to adjust to changed economic conditions resulting from increased competition from imported articles, but only if (1) an adjustment proposal of such firm has been certified by the Secretary of Commerce pursuant to the Trade Expansion Act of 1962, (2) the Secretary has referred such proposal to the Administration under that Act and the loan would provide part or all of the financial assistance necessary to carry out such proposal, and (3) the Secretary's certification is in force at the time the Administration makes the loan.

"(b) The Small Business Administration's authority to make loans under this section shall be in addition to and separate from its authority to make loans under the Small Business Act. With respect to loans made under this section the Administration shall apply the provisions of sections 314, 315, 316, 318, 319, and 320 of the Trade Expansion Act of 1962 as though such loans had been made under section 314 of that Act.

"(c) There are hereby authorized to be appropriated, without fiscal year limitation, such sums as may be necessary to carry out this section.

"(d) This section shall take effect on such date (on or after the enactment of the Trade Expansion Act of 1962) as the President may specify in a proclamation duly published in the Federal Register but in no case later than 60 days after the date of the enactment of such Act."

And the House agree to the same.

WRIGHT PATMAN,
ALBERT RAINS,
ABRAHAM J. MULTER,
W. A. BARRETT,
Managers on the Part of the House.

WILLIAM PROXMIRE,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
PAUL H. DOUGLAS,
EDWARD V. LONG,
MAURINE NEUBERGER,
J. GLENN BEALL,
J. K. JAVITS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2970) to amend the Small Business Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying and conforming changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

REVOLVING FUND AUTHORITY

The Senate bill amended section 4(c) of the Small Business Act to increase the total amount authorized for the SBA revolving fund from $1,200,000,000 to $1,450,000,000. The portion which could be outstanding at any one time for regular business loans and prime contract authority (presently $725,000,000) was consolidated with the portion which could be outstanding for disaster loans (presently $150,000,000) and the combined total was increased to $1,109,000,000. The portion which could be outstanding at any one time for functions under the Small Business Investment Act of 1958 was increased from $325,000,000 to $341,000,000.

The corresponding provision of the House amendment amended section 4(c) of the Small Business Act to increase the total amount authorized for the SBA revolving fund to $1,935,000,000, of which $1,434,000,000 was set aside for regular business loans and prime contract authority, $160,000,000 was set aside for disaster loans, and $341,000,000 was set aside for functions under the Small Business Investment Act of 1958.

The conference substitute increases the total amount authorized for the SBA revolving fund to $1,666,000,000, with $1,325,000,000 being set aside (on a combined basis, as in the Senate bill) for regular business loans, prime contract authority, and disaster loans, and $341,000,000 being set aside for functions under the Small Business Investment Act of 1958. The combined increased authorization under the conference substitute is intended to meet estimated needs for a 2-year period (fiscal 1963 and 1964) as contrasted with the 1-year period contemplated by the Senate bill and the 4-year period contemplated by the House amendment.

The agreement of the conferees upon this increased authorization was predicated upon their belief that SBA's business loan program should be reviewed at least every two years. In order to assure adequate time for consideration, the estimated business loan program needs for SBA for an additional two years should be submitted to the new Congress when it convenes in January 1963, and this process then should be repeated as necessary every two years as each new Congress convenes, in order to provide for an orderly and recurring review of this program by the Congress and to avoid emergency appeals by SBA for additional authorization. The conference substitute includes a provision expressing the sense of the Congress to this effect.

The Senate bill required that SBA report promptly to the Appropriations and Banking and Currency Committees of the Senate and House whenever the aggregate amount outstanding from the revolving fund for regular business loans and prime contract authority exceeds $1,012,200,000 or the aggregate amount outstanding for disaster loans exceeds $96,800,000, in order to ensure that a disproportionate part of the pooled funds is not used for any one of the specified purposes. The House amendment (since it did not provide for pooling of funds) contained no corresponding requirement. The conference substitute follows the Senate bill, appropriately modifying the dollar amounts involved in order to reflect the conference agreement upon a 2-year authorization (discussed above).

LOANS TO IMPORT-INJURED FIRMS

The House amendment added to the Senate bill a new provision (sec. 2) which would empower the Small Business Administration to make loans to firms injured by imports, where the Secretary of Commerce (1) makes an appropriate certification pursuant to the Trade Expansion Act of 1962 (if enacted), and (2) requests that SBA furnish financial assistance, provided the Secretary's certification is in force at the time the Administration makes the loan.

The conference substitute follows the House amendment with amendments designed to indicate clearly that this provision does not take away from the Secretary of Commerce any of the authority given him under the provisions of the Trade Expansion Act or limit such authority in any way. The new section 2 would have the effect of making SBA a qualified agency for Trade Expansion Act purposes in certain respects in which its existing authority is deficient.

As amended by the conference substitute section 2 would make applicable to the new SBA loan program several sections of the Trade Expansion Act which cover the interest rate, maturity, standards, and various administrative provisions which would be applied to such loans. The House amendment would have incorporated by reference the provisions of the Small Business Act which relate to certain loan terms, standards, and other administrative provisions. The conferees agreed that the use of the applicable Trade Expansion Act provisions relating to standards and terms for these loans would promote desirable uniformity in the administration of the program as contemplated by the Trade Expansion Act.

The conferees wish to state emphatically that in agreeing to this section, as amended in conference, it is not their intention that the Secretary of Commerce must refer all adjustment proposals to the Small Business Administration. The Secretary, of course, has the sole authority to determine which proposals shall be referred to the Small Business Administration. The conferees wish to state also that in those cases where the SBA declines to grant financial assistance in whole or in part, the Secretary of Commerce will be able and should exercise his residual lending authority under the Trade Expansion Act if he determines that such assistance is necessary to carry out the adjustment proposal and it is not their intention that this section will change his residual authority in any way. It is recognized that there may be cases in which SBA will decline to render financial assistance which the Secretary of Commerce deems necessary for the effective carrying out of an import-injured firm's adjustment assistance proposal, and that the Secretary's residual authority will be used in such cases.

The conferees added to section 2 a new subsection (d) which provides that the section will take effect on such date (on or after the enactment of the Trade Expansion Act) as the President may specify in a proclamation duly published in the Federal Register but in no case later than 60 days after the enactment of the Trade Expansion Act.

WRIGHT PATMAN,
ALBERT RAINS,
ABRAHAM J. MULTER,
W. A. BARRETT,
Managers on the Part of the House.

The SPEAKER. The gentleman from Texas is recognized for 1 hour.

Mr. PATMAN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the major provisions of S. 2970 relate to increases in authorization of the revolving fund that finances SBA lending and investment company activities, and an expansion of SBA lending authority under carefully circumscribed conditions which will enable SBA to make loans to companies injured by imports.

With respect to the revolving fund: The conference bill provides for an overall revolving fund of $1,666 million, an increase of $466 million over the present fund authorized. I am sure that the Members understand that no part of the revolving fund can be used until funds are appropriated for such purpose.

Within the overall revolving fund authorization, the conference bill provides limitations on the amount that may be outstanding at any one time for SBA activities. Thus, no more than $341 million may be outstanding with respect to SBA functions under the Small Business Investment Act of 1958. This represents an increase of $16 million over the present ceiling.

The bill also provides that no more than $1,325 million may be outstanding at any one time for business and disaster loans and SBA's prime contract authority function under the Small Business Act.

The point has been made that the minority is dissatisfied because in the conference report we merged the disaster loan authority with the general lending authority. Personally, I do not care. I see no reason why they should be segregated. I do not see why they should be pooled together. It does not make any difference. It is just the matter of accounting for the funds.

This was called to the attention of Mr. Horne, and I want the minority members to listen to this letter which I received from Mr. Horne. I will read the letter relating to this:

SMALL BUSINESS ADMINISTRATION,
Washington, D.C., July 12, 1962.
Hon. WRIGHT PATMAN,
Chairman, Subcommittee on Small Business, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that the action taken by the conferees on S. 2970 to combine the business and disaster loan authorizations is causing some concern with respect to future provisions for disasters. I thought, therefore, that it would be appropriate for me to outline to you a proposal for managing this combined authorization that will, in my opinion, provide more than adequate funds for disaster purposes.

The authorization provision at the present time for disaster loans is $150 million, and this amount I understand was used in computing the needs of both programs in developing the total figure estimated for the needs through 1964. If the combined authorization is adopted, I will earmark $150 million of it for the disaster loan activity.

If disaster loan demands during fiscal years 1963 and 1964 reduce the uncommitted balance of the $150 million below $25 million, I will transfer from the balance available for business loans such amounts as may be necessary to preserve an uncommitted balance of $25 million to meet new disasters. I believe that management of the programs along these lines will assure sufficient funds to meet disaster requirements, provided, of course, appropriations are made in keeping with authorization.

With kind regards, I am,
Sincerely,
JOHN E. HORNE,
Administrator.

The conference bill combines the business, prime contract, and disaster loan authorizations to provide some additional flexibility. Included in the combined authorization is an amount necessary to provide for increased business loan activity for 2 years, the current fiscal year 1963 and the fiscal year 1964. The conferees believe that the business loan program of the SBA should be reviewed every 2 years and the bill so provides. In order to assure adequate time for such review, the estimated business loan program needs for SBA for an additional 2 years should be submitted to the Congress when it convenes in January 1963. This process then should be repeated as necessary every 2 years as each new Congress convenes. This will provide for an orderly and recurring review of this program by the Congress and should avoid emergency appeals by SBA for additional authorization.

We hope to avoid the current situation whereby appropriations action on the SBA budget request would have been dependent on almost simultaneous increase in the revolving fund authorization. By projecting needs 2 years in advance, these emergency situations will be avoided.

Because of lack of available funds for business loans, as of June 30, 1962, SBA had tentatively approved some 1,200 loans aggregating approximately $44 million, and some $18 million for Investment Act loans. Formal approval and disbursement of these loans are awaiting the availability of funds. At the same time, not one disaster loan has been held up for lack of funds. This is due to the insistence of SBA Administrator John Horne that adequate reserves be established for disaster loans.

The Senate bill required that SBA report promptly to the Appropriations and Banking and Currency Committees of the Senate and House whenever the aggregate amount outstanding from the revolving fund for regular business loans and prime contract authority exceeds $1,012,200,000 or the aggregate amount outstanding for disaster loans exceeds $96,800,000 in order to insure that a disproportionate part of the pooled funds is not used for any one of the specified purposes. The House amendment—since it did not provide for pooling of funds—contained no corresponding requirement. The conference substitute follows the Senate bill, appropriately modifying the dollar amounts involved in order to reflect the conference agreement upon a 2-year authorization—discussed above.

Section 2 of the conference bill is expressly dependent on the enactment of the Trade Adjustment Act of 1962 (H.R. 11970).

Under the Trade Expansion Act of 1962, after a firm is determined eligible to apply for adjustment assistance, it must present a proposal for its economic adjustment. Before a firm can receive financial assistance, first, its proposal must be "certified" by the Secretary of Commerce, who will then, second, refer each certified adjustment proposal to "such agency or agencies as he determines to be appropriate to furnish the financial assistance necessary to carry out such proposal."

Section 2 of the conference bill would empower SBA to make loans to firms that suffer injury as a result of competition from imported articles, but only after certification and referral by the Secretary of Commerce.

Most applicant firms will probably be small. Since SBA is the agency with the broadest statutory authority, as well as the greatest experience in the field of business loans, most proposals requiring financial assistance will most likely be referred to SBA.

But there would be some situations beyond the purview of SBA's existing authority: firms which are not small business concerns, and firms requiring loans in excess of $350,000 or for periods in excess of 10 years. The proposed Trade Expansion Act would treat this problem by setting up a new residual lending authority in the Department of Commerce. However, it is also contemplated that Commerce, "to the maximum extent possible," would provide such assistance "through existing agencies." In many cases, therefore, it seems likely that SBA facilities, staff, and experience will be used. Section 2 of S. 2970 would enable the Department of Commerce to utilize the experienced personnel and facilities of SBA in the first instance, and thus avoid setting up lending facilities of its own and the unnecessary expense for additional personnel to man such facilities. In cases where SBA declines to grant financial assistance, the Secretary of Commerce will be able to exercise his residual lending authority under the trade bill if he "determines that such assistance is necessary to carry out the adjustment proposal"—section 312(c) of H.R. 11970.

The terms and conditions of such loans would be as prescribed under the proposed Trade Expansion Act.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McDONOUGH. The gentleman stated that the reason they could not get their money was because Congress had not acted. Surely the gentleman does not include the action we are taking here today. He refers to previous actions of the House in which authorizations were granted but the Appropriations Committee did not act upon them. There are some $190 million at the present time involved in the present controversy between the Senate and the House as to who is going to sit as chairman of conference committees.

Mr. PATMAN. That is true.

Mr. McDONOUGH. So the urgency is not the result of this committee's not acting.

Mr. PATMAN. The gentleman is correct about the Appropriations Committee. After all, it is the fault of Congress. There are hundreds and hundreds of these applications pending with the Small Business Administration, of business men asking when they can get their money and they have to tell them they cannot because Congress has not acted. Let us not add to that delay further.

Let us pass this bill quickly. I know that the $85 million is a supplemental appropriation. They expected to get the money there, but the Committee on Appropriations did not act. But that is a part of the Congress. We did not act.

I would like to explain what is behind this report. When we brought the bill up here under suspension of the rules, the distinguished gentleman from California is correct, we were going to stand by the action of the House and ask for a segregation of these funds. That is exactly what we wanted to do. I am for doing it right now. We had a conference. The Senate would not take our bill. They selected conferees, as is traditional in this body, and we selected conferees. We met in a room halfway between the House and Senate.

The SPEAKER pro tempore (Mr. BASS of Tennessee in the chair). The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I yield myself 3 additional minutes.

Mr. Speaker, and meeting there we discussed the differences for hours and hours. We had another meeting. We discussed these differences.

A conference presupposes a free conference. To say you will never yield, that you will always remain adamant, means there is no conference. You cannot have a conference unless somebody yields, because that is what a conference is for.

In our conference with the Senate we yielded much less than the Senate did. In fact, we yielded very, very little. The House yielded on one point only. That is on disaster loans. We wanted to have disaster loans separate from the general fund. That is what the House wanted to do but the Senate would not agree to it. And, after discussing all of these amendments for hours, and hours, and hours, finally we got down to that one, and the House voted to yield on that point. We got practically everything we wanted from the Senate. We got it all. So I think we were fortunate, if you are going to give and take. We gave about as little as conferees could and we took about as much as conferees could possibly get under the circumstances. So I think we made a good deal.

You cannot get exact justice. You can get equal justice under law, but you cannot get exact justice. I remember the time when I first came to Congress there were 21 third-party Members in this body. When the progressive administration of Franklin D. Roosevelt came along with social security and many other things they had been advocating for a long period of time, when they were proposed in Congress these Members would find some excuse to vote against each and every bill that came up for consideration, although it had in it 99½ percent of what they had always advocated. But they said, "We believe in exact justice. That one-half of 1 percent is a matter of principle, and we are not going to yield."

Therefore, they voted against everything. You do not hear of any third party Members being here any more. They were knocked off one at a time as the elections came up because they were unyielding. They wanted exact justice, they were not willing to accept equal justice under the law. So I think we have perfected a good compromise here.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. BECKWORTH. I want to commend the gentleman from Texas for the splendid job he has done on behalf of small businessmen throughout the years. I do want to bring one matter to his attention.

I had a visit from a small businessman in the congressional district I have the honor to represent. I have made for him 10 or 15 appointments in the last 3 days. He is still here. He is amazed at the difficulties he has been confronted with when he undertakes to get Government help. I had him over to the Small Business Committee yesterday afternoon. I know the gentleman is doing his best, and the committee is too, and I think the gentleman deserves the blessing of all of us.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Speaker, over the years the record is clear that there has been widespread bipartisan support for legislation assisting small business concerns. The present Small Business Administration was created under the previous Republican administration. In all fairness, I hasten to add the SBA was a successor to other small business agencies set up during Democratic administrations.

The most recent instance of bipartisan support for small business legislation occurred less than 2 weeks ago. This House on July 2, under suspension of the rules, passed by a voice vote the small business bill which is the subject matter of this conference report.

Mr. Speaker, this legislation in the House originated with hearings before Subcommittee No. 2 of the House Banking and Currency Committee on H.R. 11020 which was the administration bill. We of the minority took exception to two basic provisions of that bill: First, the bill proposed a merger of the three lending authorizations into one revolving fund; and, second, the bill would have removed completely the dollar appropriation authorization limits on these programs.

We objected to the merger of the lending program authorizations because they represent three distinct functions, each with different problems. For instance, there is the regular small business loan program with which we are all familiar and essentially in agreement. There is the disaster loan program which has done so much to assist our citizens in rehabilitating their homes and businesses after the ravages of great natural disasters. Finally, there is the Small Business Investment Act program, a very promising but relatively new one with its own special problems.

We objected to removal of the stated dollar appropriation authorizations because that would take away from our committee its effective control over the manner in which these programs are developed and administered. In short we were against liquidating the jurisdiction of the House Banking and Currency Committee.

Mr. Speaker, as the bill progressed, we were pleased to note that progress was being made in meeting these points of objection raised by the minority. Dollar limitations were retained on the authorizations and by specific amendment the disaster loan authority was maintained as a separate authorization and increased by $10 million to a total of $160 million. Then when the bill was called up under suspension of the rules, a committee amendment offered by the distinguished chairman of Subcommittee No. 2, completed the process of bringing the bill completely in conformity with the position of us of the minority. The bill had our wholehearted support.

We sincerely regret that as this bill comes back from conference a grave error, in our opinion, has been made. The conference substitute merges the disaster loan authority with the regular small business loan authority. We think that is wrong. No one can tell when natural disasters will again strike to plague our people. The only way the Congress can be sure there will be funds available to assist our people in rehabilitating their homes and businesses when disasters occur is to maintain the disaster loan program as a separate and distinct authorization—a trust fund if you please—to be available without any question and for the specific purpose for which the authority was granted. That is just plain, good commonsense.

It is true there is a provision in the Conference Report requiring the SBA to alert the Congress when disaster loans exceed a certain amount. In itself that reflects real concern about the availability of authorization for disaster loans. But there are months when the Congress is not in session. Should a series of disasters then occur, the Congress simply would not be here and hence could not do anything about increasing the authorization. The original approach of the House passed bill, namely a separate and distinct and inviolate authorization, is the only sound approach to this problem.

Mr. Speaker, the Administrator of the Small Business Administration himself has recognized the basic soundness of our position. In a letter under date of July 12, to the chairman of our Subcommittee No. 2, he has stated and I quote: "If the combined authorization is adopted, I will earmark $150 million of it for disaster loan activity." We commend the Administrator for this action. He offers a written commitment to make clear he will so administer the program as to make the disaster loan authority inviolate which is the way it should be.

This action by the Administrator of course meets our basic objection. But, Mr. Speaker, this is an odd way to forge legislation. No longer would the provisions of the bill be controlling. Now it would be this commitment of the Administrator made by letter, completely outside of the provisions of law, which actually would govern. By letter, in effect he would be unmerging the merged authorizations.

Mr. Speaker, I invite expression from Members of this body as to how we should proceed. It would be our thinking the Congress ought to do this job right. We ought to send this bill back to conference with instructions to the conferees to reinstate the separate dollar authorization for disaster loans and report back forthwith. It ought not to take more than 10 minutes' time as there would no longer be any basis for disagreement on the part of the Senate conferees. The Administrator's commitment has made any other action by the conferees a moot question.

We have no intention to delay unnecessarily this legislation but we think the Congress should take a little extra time to do this job right. If it is the will of the Members of this body, a simple motion to send this bill back to conference with appropriate instruction can put this legislation in the form it should be in to become law.

CALL OF THE HOUSE

Mr. KEARNS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 155]

Alford
Alger
Andersen, Minn.
Anfuso
Baker
Barrett
Bass, N.H.
Belcher
Bennett, Mich.
Blitch
Boggs
Bolling
Boykin
Buckley
Cahill
Cannon
Carey
Celler
Chamberlain
Chiperfield
Curtis, Mass.
Curtis, Mo.
Daddario
Davis, James C.
Davis, Tenn.
Dawson
Denton
Donohue
Dooley
Dorn
Evins
Farbstein
Fenton
Fino
Flood
Fogarty
Frazier
Frelinghuysen
Glenn
Gray
Green, Oreg.
Griffin
Harrison, Va.
Hays
Healey
Hemphill
Hoffman, Mich.
Horan
Jennings
Jones, Mo.
Kee
Kelly
Keogh
King, Utah
Kowalski
Latta
Lindsay
Loser
McCulloch
McIntire
McMillan
McSween
McVey
Macdonald
Madden
Martin, Mass.
May
Meader
Michel
Monagan
Moore
Moorehead, Ohio
Morse
Multer
O'Neill
Pfost
Philbin
Pilcher
Powell
Randall
Riley
Roberts, Ala.
Rogers, Tex.
Rostenkowski
Roush
St. Germain
Santangelo
Saund
Scherer
Scranton
Seely-Brown
Sibal
Sikes
Smith, Calif.
Spence
Stafford
Stratton
Taber
Thompson, La.
Thompson, N.J.
Tupper
Ullman
Utt
Van Pelt
Van Zandt
Wharton
Winstead
Yates
Zelenko

The SPEAKER. On this rollcall 328 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

IMPORTATION OF ADULT HONEY BEES

Mr. ELLIOTT, from the Committee on Rules, filed the following privileged resolution (H. Res. 726, Rept. No. 1978), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution the bill H.R. 8050, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

AUTHORITY OF SMALL BUSINESS ADMINISTRATION

The SPEAKER. The gentleman from New Jersey has 3½ minutes remaining.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. When I have finished my remarks.

Mr. Speaker, when the point of no quorum was made I was reminding the House of the position that we had taken at the time this bill was originally passed when we, the full House, had insisted upon the separation of the disaster loan funds of the Small Business Administration. What the minority is trying to do now is to seek the restoration of that provision which was knocked out in conference with the Senate.

The letter from the Small Business Administrator proves the wisdom of the position of the minority Members, as he recognizes the position that we have taken, that separation of funds should continue in the law. We are particularly desirous of this with respect to the disaster loan fund which we feel is extremely important and should be left inviolate. A motion will probably be offered to recommit the conference report to effect this purpose and to assert the will of this House as the bill passed the House. A vote for this would not be on whether or not you are for or against the Small Business Administration, but if you are for provisions to insure that the disaster loan fund will remain separate, as it is at the present time.

I now yield to the gentleman from California.

Mr. ROOSEVELT. I think the gentleman is assuming something that is not true. The Administrator says he, of course, will earmark certain funds for the disaster loan functions because this is natural in the ordinary course of business. But I think on top of all that, the gentleman's fear that there may not be funds available for disaster loans if Congress should not be in session is not justified.

It can be readily disproved because out of the total revolving fund of $1,666 million, $340 million of that comes out of the SBA. That means $1,325 million left. The conference report clearly indicates that the minute the amount of $1,222 million of regular loans has been reached, at that point the committees of the Congress must be notified. Therefore, immediately we are on notice that it may be necessary to go into the disaster loan fund area, and inquiries can be made, and any proper steps can be taken. It seems to be that the flexibility which is greatly needed in this matter can be retained without any of the dangers which the gentleman seems to be afraid of.

Mr. WIDNALL. I would like to call the attention of the gentleman from California to the fact that we should not rely on Executive direction in as important a matter as disaster loan funds. A lot of us are concerned about that.

Mr. PATMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Speaker, I am going to support this legislation, but I cannot let this moment pass without calling attention to section 2, and I will read one line which will give you an idea of what I am coming to, the new provision which would empower the Small Business Administration to make loans to firms injured by imports.

A few days ago we were told that the trade expansion bill is going to help the economy of the country. Now we find that the first piece of legislation of any consequence to come before us has to carry in it domestic aid.

I voted for the foreign aid bill yesterday. I voted for it for the simple reason that now we will have our own domestic industries benefiting from foreign aid legislation. However, in voting for this legislation, I find myself in the same position as the mother who, after telling her child repeatedly to stay away from the hot stove, had to bind up the wound of the child after it touched the hot stove.

This is the first time in the history of the United States or any other known government since the beginning of time where the legislative body knowingly creates a condition which spells out disaster to its own economy. Those of you who believed you were voting for legislation to help the country's economy had better read section 2 of this act before you today. I cannot do anything but vote for it. I also agree on segregation of the funds, if it can be done under a system that would guarantee that the disaster funds would be applicable to the

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loans being made for the disasters caused by the passage of the Trade Expansion Act. This is the first time legislation has contained direct reference to relief for self-inflicted injury as its main feature.

Just this week I received correspondence from 69 Members of this House, out of which group I think only four voted against the trade bill, asking consideration for increased tariffs on lumber, because the lumber industry is about to become extinct in the United States, as we now know the lumber industry.

On Wednesday of this coming week the walnut veneer people have a very special meeting seeking relief either by quota or by tariff increases because we are shipping out of the United States veneer walnut logs which are in short supply domestically to other countries. They are making plywood and shipping it back to the United States, destroying the sawmills in the United States of America as well as the plywood industry.

Mr. Speaker, we have reached the stage where 57 percent of all of the hardwood plywood used in this country is imported, and we have reached the stage where some of the largest sawmills in the Northwest have had to close because they do not have the logs to cut. We are being outbid for our raw materials. We are, in a sense, becoming the same type of nation that is mentioned in the foreign aid bill as an underdeveloped nation, because they are strictly producers of raw material and not producers of manufactured and consumer goods. This Nation is shipping rawhides abroad which come back to us in the form of shoes, and leather goods of all kinds. This is perfectly all right if done on a legitimate trade basis. Every person knows that trade must take place between countries and between units. But, trade, to be successful, must be equitable.

Mr. Speaker, I only asked for three amendments, and after 2 years of hearings I did not have a chance to present them to this House. But, I will remember that, because dad told me many years ago that 6½ years do not make 7, and in the last 6 months you can catch up for all of the damage done the first 6½ years. Now, remember this, I told you then, and I am going to repeat it to you now, that if the full impact of the new trade bill is put into full force by the President of the United States, within 3 years this Congress will have to come in and put into the Trading Act of this Nation the very three covenants that I asked for, the very simple covenants that are contained in every trade agreement in every nation on the face of this earth that trades anything, and particularly the governing sections of the GATT negotiations and agreements.

Mr. PATMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Speaker, I merely wish to direct the attention of the House to the issue before us. It is not the trade bill; it is not the dollar amount in the conference report. All we are discussing is the segregation of funds for disaster loans.

I would like to call to the attention of the House that this bill had the support of the minority as it cleared the committee; it had the support of the minority on the floor. All we are trying to do is to provide protection for the Small Business Administration program. I think in the long run the merits of our position will be approved. I think it was not practical, it was not necessary, for the House to recede on this issue. I would suggest that we support the motion to recommit with instructions to stand firm on this one point.

Mr. PATMAN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ROUSSELOT].

Mr. ROUSSELOT. Mr. Speaker, I rise in support of the motion to recommit.

The issue is very simple. We are not against this bill on this side. We supported it in committee. The issue is very clear, to keep these two funds separate. This trust fund for disaster activity has always been separate, but now we are going back on what has been the tradition of this agency. The gentleman from California raised the point that the agency could somehow provide for it if it was not incorporated there. There are no contingency funds in this bill. I think it is important that these disaster loans always be available and that we define them very clearly. That is the intention of the motion to recommit. It is not intended to kill the bill. It can be brought back immediately.

Mr. McDONOUGH. Mr. Speaker, I have not further requests for time.

Mr. SLACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. SLACK. Mr. Speaker, my experience with the Small Business Administration has not been entirely satisfactory.

I realize that processing loans is a difficult task, however, it appears to me that much of the redtape could be eliminated.

For an example, an applicant will complete the SBA loan application, usually through his accountant, then after a waiting period of some time, he is asked for additional information. After this information is submitted, the applicant experiences another waiting period, then is asked for more information. To my knowledge this process goes on in some cases for months.

Now, after each request for additional information, the applicant must again call in the accountant, thereby increasing each time his expense in submitting this application. He may wind up with an expense of a couple of thousand dollars, only to be denied the loan.

It appears to me that the SBA could revise the forms to include at least most of the information required to make a decision from the original application.

DO NOT RECOMMIT THIS CONFERENCE REPORT

Mr. PATMAN. Mr. Speaker, the suggestion has been made that this conference report should be recommitted and the minority will make such a motion. I hope that recommittal is not urged. It would be an extreme action of this House which would result in further delay of the small business people all over the Nation in obtaining disbursements of loans on which they have spent weeks and months attempting to get approved.

Mr. Speaker, it is hard enough for a small businessman and it is difficult enough for a small businessman to get a loan approved. It has to be a good loan in every way, shape, form, or fashion, or it has no chance of approval. After a small businessman goes to the trouble of employing an accountant and getting all of the necessary help such as engineering experience and professional aid of different kinds, he may drive sometimes hundreds of miles to the nearest SBA office to pursue his application. Oftentimes he is sent back to obtain more information and more proof. He gets such information and proof and he goes back to the SBA office. He spends days and weeks and months and hundreds of dollars that he does not have and which he is borrowing in order to pursue an application to obtain a loan that is based upon sound security. Finally, that good day comes when his application is approved. Then what is told him? The same thing that has been told to an average of three small businessmen in each and every district that we represent here in the United States—three on an average have been told this: "We cannot pay you the money. We do not have it. Congress has not acted. We will have to wait on Congress." That is what they are told today.

Mr. Speaker, over 1,200 applicants who have been approved for a total amount of more than $44 million are having to sit on the sidelines and wait until Congress acts.

Now, do we want to be a party to a further delay to a situation like that? That is what our Republican friends are asking us to do, to add insult to injury—pour salt into wound. In other words, after causing these applicants all that trouble, cause them unusual delay and unnecessary delay. I do not think they want to urge such action.

Mr. Speaker, what do they have on which to base this? It is certainly not good logic and reason, the way I view it. Personally, I would like to see the loans segregated under certain rules and limitations which would be in the public interest. It is all right with me. I do not care. The loans are segregated—I mean, the disaster loan is segregated from the other loans on the books of the Small Business Administration.

Mr. Speaker, we have a good Administrator, the Honorable John Horne. Does anyone think he is going to sit idly by and not have a sufficient reserve fund with which to take care of distress loans at all times—disaster loans? Of course, he is not that kind of a man. He is a good Administrator who uses good judgment and discretion. He will always have it available. He says so in the letter. What more does one want? All one wants is a good Administrator, and he will do the rest. However, he should certainly have some discretion in the use of this money. But if the question is up here to vote to segregate the funds—I voted for it before; and I would vote for it again—we do not have that simple a question before us. After we passed the bill it went to the conference. The conference must be a free conference at which either side can give or take. If one never yields, one never gets anything in a legislative body. Making laws is a process where one must give and take. One cannot get everything one wants. It is better sometime to take a little bit of something than a whole lot of nothing.

You must compromise. Without compromise there is no legislation. Legislation itself is the result of compromise. Therefore, whenever we go to conference with the other body and we come out by yielding one little point only and the other body yields on several substantial points, that is a good trade. That is what we brought back. The fact that we failed to get into law one little point is small in comparison. This is a small point, because this is being done just the same anyway.

PLEASE DO NOT TRY TO RECOMMIT

I beg you gentlemen not to insist on recommitting this bill. No further delay should be tolerated because there are hundreds of these people who have loans already approved and cannot get their loans disbursed because Congress has not acted.

Let us not say that the House will not act, that we will send it back to conference and delay them still further. I urge you not to expect exact justice every time, not to expect a 100-percent victory when dealing with a coequal body. That body has as much right to insist upon their viewpoint as do we. There is no such thing as exact justice anyway. You can get equal justice and we are getting equal justice right here. The passenger who weighs 100 pounds and buys a ticket for transportation on an airplane or a streetcar or a railroad train pays the same rate for that transportation as a passenger who weighs 400 pounds. That is not exact justice; it is equal justice. The customer who goes into a shoestore and buys a pair of No. 6 shoes pays the same price as the customer who buys a No. 12 pair. That is not exact justice, but it is equal justice. The baldheaded man will always pay the same price for a haircut. So you cannot get exact justice every time.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ROUSSELOT. First of all, this is not the only point on which we yielded to the Senate. There was $500 million involved on which we yielded. That was made abundantly clear. Now the gentleman says that we yielded only on one point.

Mr. PATMAN. What was the $500 million? I do not know what the gentleman is talking about.

Mr. ROUSSELOT. In the general loans.

Mr. PATMAN. Certainly.

Mr. ROUSSELOT. So the gentleman yielded on another point.

Mr. PATMAN. The Republicans pressed that until they got us to yield approximately $500 million against the interest of the small businessman.

Mr. ROUSSELOT. But you gave that up.

Mr. PATMAN. We had to do it.

Mr. ROUSSELOT. By voting for the motion to recommit we could bring this right back so that the disaster fund will remain separate and intact. We could bring that back in 10 minutes; the gentleman knows that.

Mr. PATMAN. The gentleman is assuming that we will have charge of it.

Mr. ROUSSELOT. The gentleman will have charge of the conference.

Mr. PATMAN. No. There is another body that we must deal with and that other body sometimes does not act quickly. It is possible that they would consider that this was just a frivolous matter and pay no attention to it. There is this matter of delaying the hundreds of applications of small businessmen who have filed their applications and cannot get them approved, or cannot get the money. So we would further be delaying them. The other body might consider this so frivolous that they might decide not to take it up for awhile. I do not know what their decision would be.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. ROOSEVELT. I wonder if my colleague from California, if they did go back to conference, would agree to restore the $500 million that his colleagues took out. Would they be willing to put that $500 million back?

Mr. ROUSSELOT. I did not vote for the additional amount. The committee had it in here. But if that is the only way to get this back, I would support it.

Mr. WIDNALL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Speaker, I would like to call attention to the fact that there is not one single loan that is being delayed by action on this bill. Action on the appropriation bill has been responsible for the delay on these loans. Do not let any Member be under a misapprehension as to what is going on here with respect to this bill. This does not affect any existing applications.

Mr. PATMAN. The gentleman can make that argument as up to now, but from now on the Appropriations Committee under the law cannot make the appropriation. We must have this authorization in order to make the appropriation.

Mr. McDONOUGH. I am sure the gentleman is familiar with the fact that $190 million of funds is still available. They are not pinched to the point where they are going to lose anything by it.

Mr. PATMAN. On a supplemental the gentleman would be correct, but that time passed on June 30. Now they need the authorization for the fiscal year, and they do not have it.

Mr. McDONOUGH. The authorization previously passed is still subject to action. The Appropriations Committee can act.

Mr. PATMAN. Anyway, I feel that a vote for recommitting this conference report would be a motion to delay these hundreds of people getting disbursements of their funds. I hope the House will not recommit the conference report.

The **SPEAKER.** The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR WEEK OF JULY 16

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I have asked for this time in order to ask the majority leader to advise us of the legislative program for next week.

Mr. ALBERT. The action just taken on the conference report concludes the legislative program for this week.

Monday is Consent Calendar day.

The gentleman from Georgia [Mr. VINSON], chairman of the Committee on Armed Services, will call up the conference report on the military construction authorization bill, H.R. 11131. House Resolution 726, a resolution to agree to Senate amendments to H.R. 8050, the honey bee bill, will also be called up Monday.

There are two suspensions programed for Monday:

S. 1824, providing an additional judicial district for Florida; and

H.R. 8983, construction of a bridge at Cape Hatteras National Seashore Park.

Tuesday is Private Calendar day.

Also on Tuesday we will consider H.R. 11974, the Atomic Energy Commission authorization bill, with 2 hours of general debate.

On Wednesday there will be the conference report on the bill S. 167, the Antitrust Civil Process Act. Also H.R. 12135, the Federal Highway Act of 1962, with 2 hours of general debate.

On Thursday there will be H.R. 12391, the general farm bill, with 2 hours of general debate.

On Friday we will take up the State, Justice, Commerce, and the judiciary, and related agencies appropriations bill for 1963.

This announcement, of course, is subject to the usual reservation, that conference reports may be brought up at any time and that any further program may be announced later.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. HOEVEN. Did I understand the majority leader correctly when he said that the honey bee bill would be called up by the chairman of the Committee on Agriculture?

Mr. ALBERT. On Monday.

Mr. HOEVEN. It is my understanding that the Committee on Rules will

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have jurisdiction and will handle the time. Am I mistaken?

Mr. ALBERT. The rule will be called up on Monday, I will say to the gentleman.

Mr. HOEVEN. Is that not the only issue, and there will be no time for general debate?

Mr. ALBERT. That is correct, on the honey bill.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN. I understand on this so-called honey sugar or sugar honey bill or something, there will be a resolution that will come up and it will be under the control of the Committee on Rules.

Mr. ALBERT. That is correct.

Mr. BROWN. And not under the control of the Committee on Agriculture?

Mr. ALBERT. That is correct.

Mr. BROWN. So we will have a different type of debate on the sugar bill this time.

Mr. ALBERT. It is a resolution to agree to the Senate amendment.

Mr. BROWN. I understood the gentleman to say he had scheduled for Thursday the general farm bill.

Mr. ALBERT. The gentleman is correct.

Mr. BROWN. There has been some little difficulty encountered in connection with that. A rule, as I understand, has been granted which is on a more or less tentative or temporary basis which may or may not be reconsidered on Tuesday of next week when the Rules Committee meets, and, if so, some different action might possibly be taken.

Mr. ALBERT. Of course, the announcement of the program is always made subject to the reservation that changes may be made. But the intention now is to call up the farm bill on Thursday next.

The SPEAKER. The time of the gentleman has expired.

AMERICAN NEWSPAPER GUILD

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, this week the city of Buffalo, N.Y., was host to more than 250 delegates who attended the 29th annual convention of the American Newspaper Guild from all over the United States and Canada.

Opening the convention, President Arthur Rosenstock said that in cities with daily newspapers, 1,417 of 1,487 hear only from a monopoly press. And the vested interests of many of these gladiators for press freedom hold tight tentacles around the throats of radio and television. Mr. Rosenstock added that 64 million newspapers are bought every day in the United States and Canada, and that signs point to a booming morrow for our industry.

Another significant statement made by the president of the guild was that Congress may not abridge the press but any mortal man or a number of grasping men may abridge it, twist it, or stifle it.

Since the daily press is often criticized by Members of Congress for its lack of courage to print a certain side of a story, or for its distortion or omission of facts to slant the true meaning, I find Mr. Rosenstock's remarks very interesting.

All of us are supporters of the principle of freedom of the press, and we all want this freedom maintained. We can all agree, I am sure, that there is no stronger bulwark of democracy than freedom of the press.

But there are always temptations to use the news columns to reinforce editorial opinion in one way or another. Because of the tremendous influence exerted by the printed word read by millions of people in the daily newspapers of our country, it is of utmost importance that the news columns remain as free of bias as is humanly possible.

We, in Buffalo, N.Y., are extremely fortunate in having two daily newspapers that can be counted upon to maintain the highest standards of news reporting. Mr. Rosenstock took notice of this in his praise of our Buffalo newspapers.

In his speech warning of the danger of press monopoly and mergers, Mr. Rosenstock recognized a more attractive newspaper picture in our city. He commented:

> Right here in Buffalo, and politics and coloration aside, are two major papers, the Buffalo Evening News and the Courier Express, that bear witness to what we are saying. They are highly readable, successful, and most important—independent.

I am proud of our local press.

Under leave to extend my remarks, I wish to include the following editorial from the Buffalo Evening News, dated July 10, 1962:

WELCOME, ANG

> Buffalo has more newspapermen in town this week than it has seen since the city had six English language dailies. They are here, 250 strong, as representatives of 31,000 members of the American Newspaper Guild (AFL-CIO) throughout the United States and Canada. So it is in a spirit both of civic hospitality and of fraternal pride—particularly in the craftsmanship of those among our own staff who are hosts at this convention—that we bid the guild welcome.
>
> The primary business of the guild, as a trade union, is to bargain with newspapers for the best terms it can get on behalf of its members. So we would not expect the oratory about newspaper economics to sound the same in the Statler-Hilton this week as it would at a meeting of publishers, or editors—or classified advertising managers, they being the last national convention of newspaper people to whom Buffalo played host.
>
> While ample room for differences exists between the guild view and the typical newspaper management's view of what a sound newspaper operation requires, our shared concerns are obviously much greater than any differences. Among these are, of course, a mutuality of interest as frontline defenders of press freedom, open meetings and records, and freer access to news sources. And at least equally crucial, in these days of frequent mergers and more and more one paper towns, is our common interest in the basic economic health and survivability of competitive journalism in America.
>
> However much the causes may be disputed, the fact that every large city has seen a rapid decline in recent years in the number of its newspapers—and newspaper jobs—is a matter of deep and abiding concern among all newsmen, editors, and publishers no less than reporters and copy readers. Here in Buffalo, as the guild's president noted, we are almost unique in having not only one but two "readable, successful and most important—independent" newspapers. We wish, with the guild, that the same could still be said of far more cities—and we are delighted to have it hold this year's convention where competitive, home-owned newspaper journalism does still flourish.

U.S. TRAVEL SERVICE

Mr. MACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MACK. Mr. Speaker, as cosponsor with Senator MAGNUSON of the legislation by which Congress last year created the U.S. Travel Service, I have a continuing interest in the progress of this new agency.

I was, therefore, considerably concerned by the appearance in the press last weekend of articles reflecting unfavorably on the U.S. Travel Service. They appeared to be based entirely on testimony by the U.S. Travel Service Director, Mr. Voit Gilmore, and other agency officials, before the appropriations subcommittee headed by our distinguished colleague, the gentleman from New York [Mr. ROONEY]. This testimony was given before the subcommittee on February 7, 1962, but, under the customary procedure, became public information with the publication of the printed hearings last week.

The gentleman from New York [Mr. ROONEY] and the other members of this subcommittee should be commended for the thoroughness of their scrutiny of the Travel Service's appropriations requests. I have great respect for the gentleman from New York [Mr. ROONEY]. His diligence as chairman of the Subcommittee on Appropriations for the State, Justice, and Commerce Departments has saved the taxpayers of this country many millions of dollars over the last several years. I should not want my remarks to be interpreted in any way as criticism of the gentleman from New York [Mr. ROONEY] or his colleagues on the subcommittee.

I do feel, however, that during the more than 5 months which have elapsed between Mr. Gilmore's appearance before the subcommittee and the publication of the testimony the U.S. Travel Service has been able to demonstrate that the money being spent on its activities is having concrete results.

It is indeed still too early to assess fully the accomplishments of this program. As my colleagues know, the Congress created U.S. Travel Service to sell foreigners on the idea of visiting the United States. Some 2 million Americans travel abroad each year but only about 600,000 foreign visitors have been coming to the United States. This resulted in a $1.1 billion gap between what American tourists spent in foreign countries and what foreigners spent here that has been a considerable factor in our international balance-of-payments deficit.

Americans, I am sure, will continue to travel abroad in great numbers so that it was never the contention of the sponsors of this program that the travel dollar deficit would be erased. But we do hope for progress in that direction and I believe that the results achieved so far are encouraging.

Statistics compiled by U.S. Travel Service indicate that oversea visitors to the United States in the first 4 months of 1962 totaled 147,000—an increase of 16 percent in comparison with the same period of last year. It has been estimated that each visitor spends an average of $520 in the United States. This does not include, of course, the cost of transportation since these costs usually are paid in foreign currency in the country of origin. Thus, during the first 4 months of 1962, the spending of foreign tourists in this country totaled $76,440,000, which represents an increase of $5.4 million as compared to the first 4 months of 1961. At this rate the increase would be $16,200,000 on an annual basis and it should be more because the winter months are a comparatively slack season for tourists.

Most of the major countries in which the U.S. Travel Service has been active in the last year shared in the increase in the number of persons who traveled to this country. In Europe France recorded an increase of 52 percent, Switzerland gained 25 percent, United Kingdom was up 11 percent, Germany increased 11 percent, and Italian visitors increased almost 7 percent.

In South America Colombia recorded the highest increase with an outstanding 34 percent, Brazil was up 21 percent, Venezuela reached 18 percent.

There was also a 19-percent increase in the number of visitors from Australia.

A recent poll of American Express offices overseas reveals that the merchandising efforts of U.S. Travel Service through press, advertising, international trade fairs, and travel clinics are paying off—predicting increased success for the U.S. Travel Service in its second year.

Group travel, professional groups, and packaged sales are up 5 to 25 percent in London, Paris, Edinburgh, Frankfurt, Glasgow, Amsterdam, Bern, Copenhagen, Lucerne, Naples, Rome, Vienna, and Zurich. The greatest volume impact is felt in the United Kingdom, France, and Western Germany.

Visa issuances are up 20 percent in London, according to the U.S. Embassy, with 75,000 visitors from Great Britain expected in 1962.

U.S. Travel Service advertising in France is also paying off, according to John E. Watson, Director of U.S. Travel Service, Paris. Thirty-five groups have been announced, mostly by charter; 16 travel agents in Paris offer escorted tours with French-speaking couriers. September will find an estimated 1,500 Frenchmen visiting New York to attend two large congresses—the Fifth International Food Congress and the Eighth International Accountants Congress. Visa issuances are up 30 percent with close to 25,000 French visitors estimated by the U.S. Embassy.

Although the effect of the "Visit U.S.A." program has not been felt to any extent in the Far East as yet, travel to the United States is up 10 to 30 percent from Tokyo, Bombay, Calcutta, New Delhi, Karachi, Manila, and Sydney according to American Express managers in those areas.

Tourism from South America is due to boom, with an estimated 112,000 pleasure and business visitors expected. Heaviest travel will be from Bogotá, Rio de Janeiro, São Paulo, Caracas, and Santiago.

SUBSIDY FOR DOMESTIC PRODUCERS OF MICA

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Speaker, I am today introducing a bill to establish a program for the purchase and resale of domestically produced, newly mined, processed mica and mica ore. The purpose of this bill is to establish a subsidy for domestic producers of mica under a new approach which, I believe, will result in benefit to the taxpayers of our country which will far exceed the cost of the program.

The mica purchase program terminated on July 7 of this year. We are told that at the time of its termination there was in the strategic and critical stockpile a sufficient supply of mica to meet the needs of our country in case of war for a period of 3 years. There is serious question in my mind as to whether this is an adequate amount of mica to meet the potential needs of our country in view of current world conditions.

This also is a matter of great economic concern. Every mica mine in the United States is closed today, according to the information which comes to me. These mines are of particular significance to the congressional district in North Carolina which I am privileged to represent. The same can be said of the areas of New England and in South Dakota where mica mining constitutes such an important phase of the economy of those regions. Approximately 3,500 people, miners and processors, are now unemployed as a direct and proximate result of the cessation of our Federal mica program, thus making them eligible for unemployment compensation and/or public welfare funds.

One of the problems facing the domestic mica industry is the difficulty which it had in competing with foreign mica. There is an unfair competitive situation which results in a breakdown of our American mica prices as a result of the importation of cheap mica from other areas of the world. Unless immediate and effective action is taken our mica mines will remain permanently closed and our people who were formerly employed in the production of mica will face a bleak economic future.

The bill which I have today introduced calls for a new type of Government purchase program. It would shift from the General Services Administration to the Department of the Interior the authority to make purchases of additional mica for a period of 5 years. Each 90 days during the life of the proposed program an auction shall be held and acquisitions of mica during the previous quarters shall be sold to domestic users and fabricators. The funds received by the Secretary of the Interior for such ore would then be used for the purchase of additional mica ore and for expenses involved in carrying on the program.

Another feature of the bill is that it would provide for payments to the producers at the level established at the time the General Services Administration stockpile purchase program terminated in July 1962. It will be seen, therefore, that the subsidy will be limited to the difference between the amount received from the sale of mica and the total purchase price paid by the producers. Furthermore, the bill provides that the subsidy can never exceed $1 million in any one year and that the program will be suspended during any year in which the $1 million is exhausted and will not again become effective until the next fiscal year.

In this connection, Mr. Speaker, I would point out that under the purchase program which was recently terminated the price of domestic mica purchased for stockpile has amounted to approximately $2½ million per year, which is a much greater amount than can possibly be involved at the taxpayers' expense during the life of the program fostered by the legislation which I am introducing today.

I earnestly and conscientiously feel that the proposed program should be enacted into law for two principal reasons. The first reason is that I believe there is great question as to whether the amount of mica in our present stockpile is adequate to meet our potential national security needs. The second reason is that the program recommended in my bill would in the final analysis be a saving to the taxpayers in that the cost of maintaining the program would be far less than the cost of supporting welfare payments to the many skilled mica workers who have been displaced by reason of the termination of the mica purchase program during this month. In that connection I would point out that approximately 50 percent of the working people in three counties of western North Carolina are faced with unemployment by reason of the termination of the mica program, and I believe that these people should be given serious consideration as we deal with this legislation which is so important to them.

Mr. Speaker, I believe that the approach provided for in the bill which I have introduced is consistent with the

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national interest and will be productive of great benefits to the people of western North Carolina. While I believe this sincerely, I must in all candor say that the situation confronting our people is so critical that I am perfectly willing to accept the suggestions of my colleagues in Congress and members of the executive branch of our Government if they have a better approach than mine to this serious problem.

I urge, Mr. Speaker, that prompt and favorable action be taken by the Congress to set up a mica program which will be consistent with the best interest of all of us.

A PROPOSAL TO CURB TRANSFER OF LEGISLATIVE POWERS TO THE CHIEF EXECUTIVE

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I take this means of advising my colleagues that yesterday I introduced House Resolution 725 to change the rules of the House so as to limit the delegation of our legislative powers under the Constitution.

House Resolution 725 would add a new provision to rule XXI of the House Rules so that no bill or joint resolution granting any additional authority, which is vested under the Constitution of the United States in the legislative branch, to the President for any purpose shall be received or considered in the House if it contains a provision granting any such additional authority for a period of more than 2 years.

Mr. Speaker, the President has asked Congress for broad discretionary powers to lower income taxes as a potential business stimulant, institute and speed up public works and finance such projects out of funds set aside for other purposes and to adjust tariffs.

Under the Constitution the sovereign rights of the people are retained to the people by limiting the term of elected Representatives in Congress to 2-year terms. The people's rights are only extended to us for 2 years.

These basic rights include the making and levying of taxes and tariffs and the withdrawing of funds from the Federal Treasury by appropriations only.

My resolution would limit any delegation of these sovereign rights by the Representatives of the people beyond the period of our 2-year length of office.

Thus the people would be assured of two things: First, that their Representatives, at least once every 2 years, would be required to deliberate upon the propriety of abrogating their constitutional authority to the Executive; and, second, that the people, at least every 2 years, could approve or disapprove of whether a Representative had exercised proper judgment in the delegation of legislative authority to the Executive. Any new Representative could pass on the matter. His rights would not have been previously exercised by his predecessor.

Frankly, Mr. Speaker, I do not approve of giving the President powers which the Constitution confers on Congress but since Congress has seen fit from time to time to transfer its own authority to the executive branch, I think a 2-year limitation as to time is essential. The broad trend toward concentration of Federal authority in the White house and even greater current demands for blank check Executive powers requires a limitation on further inroads on congressional responsibility.

I hope, Mr. Speaker, the Committee on Rules will grant a speedy hearing on this resolution and that any of my colleagues who are interested will express their views to the chairman of that committee.

STEALING THE SECRETS OF OUR UNPROTECTED DRUG INDUSTRY

Mr. ROUDEBUSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUDEBUSH. Mr. Speaker, American manufacturers of drug and pharmaceutical products are being needlessly damaged by foreign competitors.

I refer to the practice of foreign companies who are stealing the secrets of our unprotected drug industry.

To correct this harm to American business, I submitted on May 3, 1961, for consideration of this body, H.R. 6811, which has as its purpose the protection of American manufacturers from theft of patent rights and formulas of drug and pharmaceutical products.

The critical need for this legislation was graphically illustrated this week in a column by Mr. George E. Sokolsky, printed in the Washington Post on Wednesday, July 11, 1962. Mr. Sokolsky grasps the problem fully in his article in which he describes the damage to American firms who spend millions annually to pioneer and discover new products, only to see them stolen by foreign firms who risk no capital in research.

As Mr. Sokolsky illustrates, and as I have stated on numerous occasions before this body, one of the largest purchasers of these drugs produced from stolen patents is the U.S. Government.

It is incomprehensible that the ingenuity, initiative and great competence of our scientists and businessmen are being harmed by actions of our own Government.

Mr. Speaker, I submit herewith for the examination of the entire membership of this body the outstanding article by Mr. Sokolsky:

STEALING OUR PRODUCTS

(By George E. Sokolsky)

It is not enough that we give European countries military and economic aid, but some of them arrange their laws to damage American firms by encouraging the stealing of the results of American ingenuity and competence. This has long been true in the drug business, in which Americans spend hundreds of millions of dollars in research only to find that European firms, mostly Italian, steal their products.

These thefts have been encouraged indirectly by the Pentagon, which purchases these stolen products. The Italians can, of course, be the lowest bidders, because they have no cost of research and development, their own cost for obtaining the drugs being the corruption of American employees who do the actual stealing for the Italians and the microfilm on which the results of research are photographed.

The American Cyanamid Co., one of America's foremost chemical enterprises and the owner of the Lederle Laboratories, has gone into court in a suit against Sidney Martin Fox, a former employee, and his company, Kim Laboratories, Inc., obtaining an injunction against Fox and his associates, who, they claimed, conspired with other employees "to divulge confidential information to the conspirators relating to the production of antibiotics and steroids, and that they did use this confidential information belonging to the plaintiff in the development, research, improvement, and manufacture of pharmaceuticals, selling them to pharmaceutical companies."

The theft of cultures and documents was disclosed by other employees who swore to affidavits. There ought to be a law about industrial and scientific espionage to make both punishable by a death sentence to discourage further attempts.

The injunction signed by Justice Arthur Markewich states:

"It is also demonstrated that the defendants are continuing with foreign firms through the activities of defendant Fox and other conspirators. * * * The power of the court to redress a wrong by civil and provisional remedy is not shackled by a plea of prejudice with respect to pending proceedings arising out of resort to the fifth amendment."

Between 1960 and 1961, Italian pharmaceutical companies were manufacturing and selling large quantities of broad spectrum antibiotic drugs. This surprised American manufacturers because it takes many years of research to learn how to make these drugs and requires a large staff of doctors, chemists, biologists, and pharmacologists to work on the projects and runs into costs amounting to many millions of dollars.

It is usually known in a technical industry when work is being done. It was known that no research of this nature was being done in Italy. When purchases were made in Italy by the American Government, the American Cyanamid Co. took a look-see.

In an affidavit, Walter R. Mansfield says: "* * * the loss in sales to the U.S. Government alone amounted to more than $4 million during the period from October 1959 to April 1962 because the Italian companies, in the absence of such research and development costs, were able to bid at substantially lower prices. In fact, Italian-made tetracycline and chlortetracycline have been used exclusively to fill the requirements of the U.S. Government since the middle of 1959. How the Italian companies came into possession of the trade secrets, cultures, and highly technical know-how required to produce these valuable antibiotics was not known to Cyanamid."

SEVEN AID RECIPIENTS BAR DOLLAR PLAN

Mr. HARVEY of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, as an afterthought of the action of the House yesterday in passing the foreign aid bill, I would call attention of my colleagues to an article in today's New York Times.

Seven countries whom we have assisted generously in the past have rejected a plea on the part of our Government to reciprocate.

Under unanimous consent, I include this article following my remarks:

BID TO EASE U.S. DOLLAR OUTLAY IS REJECTED BY SEVEN AID RECIPIENTS

(By E. W. Kenworthy)

WASHINGTON, July 12.—Seven nations receiving U.S. aid have refused to let this country sell a small part of its holdings of their currencies to American tourists for dollars.

The countries are Burma, India, Indonesia, Israel, Pakistan, Poland, and Yugoslavia.

Syria and the United Arab Republic have agreed to permit the sales.

The United States had hoped to make a slight improvement in its currency balance by this method.

The currencies have accumulated from the sale of surplus agricultural commodities. Congress in 1954 authorized the President to accept payment in local currencies.

Under Public Law 480, and by agreement with the purchasing country, the United States has used these currencies to defray some of the local costs of its embassies. Twenty-five percent of the receipts are also available for local loans to American businessmen.

A major portion of the receipts, usually over 50 percent, is lent to the purchasing country to pay local costs of development projects.

These uses have not absorbed the receipts, however, and the United States has a large accumulation of many currencies.

Last September, Congress amended the law to permit the sale of these currencies to American tourists.

When American tourists purchase local currencies abroad for dollars, this represents a dollar outgo. If they purchase the local currency from the U.S. Treasury, there would be no dollar loss.

However, such local currency sales would be made only with the agreement of the countries involved.

The U.S. Government, after long study, concluded that it held currencies of nine nations far in excess of foreseeable needs. Thereupon it entered into negotiations for the right to sell the currencies to American tourists.

The seven countries refusing the U.S. request argued that it was inconsistent with a principal aim of American foreign-aid policy, which was to help the underdeveloped countries build up their foreign exchange.

The American negotiators readily concede this point. But they emphasized that the dollars lost would be trifling compared to the sums received in direct foreign aid and to the dollars they had saved through purchases of surplus products in local currency.

CONGRESS VIEW STRESSED

These nations, the American negotiators suggested, could well afford to lose a few dollars if it would enhance their credit with the U.S. Congress, which appropriates aid money.

There was some surprise here that India, Poland, and Yugoslavia in particular should have refused the U.S. request when the administration has been battling on Capitol Hill to prevent adoption of amendments to the aid bill that would limit assistance to the three countries.

It was also regarded as ironical that the two countries that agreed to the U.S. request had received much less aid than any of those that refuesd, except Burma.

The following table gives the value in dollars of the foreign currency of the nine countries held by the United States:

Burma	$32,730,000
India	1,005,496,000
Indonesia	88,643,000
Israel	42,632,000
Pakistan	172,715,000
Poland	3,860,000
Syria	21,630,000
United Arab Republic	168,467,000
Yugoslavia	171,433,000

RACIAL DISCRIMINATION IN HOUSING

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, on July 5 the President at his press conference, in replying to a question, stated that he would issue an Executive order against racial discrimination in federally assisted housing "when we think it would be in a useful and appropriate time."

On July 11 in testimony before the House Housing Subcommittee on legislation to extend the authorization for direct loans for elderly persons housing, Dr. Weaver, the Administrator of the Housing and Home Finance Agency, conceded, in reply to my question, that this elderly persons housing program had a requirement that the housing be available to all elderly persons without regard to race, creed, color, or national origin.

He also stated that the antiracial discrimination provision in this program had been inaugurated by his predecessor, Mr. Norman P. Mason, who served as Administrator of the Housing and Home Finance Agency under the Eisenhower administration.

Mr. Speaker, there is evidence that this administration, notwithstanding its many protests against racial discrimination, is minimizing if not consigning to oblivion even a modest antiracial discrimination provision it inherited from the Eisenhower administration.

Administrator Weaver's predecessor had published for distribution to all would-be sponsors of elderly housing projects a brochure containing all the information about the program. In this brochure there is this statement:

> The borrower will establish occupancy standards which extend equal opportunity to all regardless of race, creed, color, or national origin.

This administration, in February 1962, decided to revise the brochure on this program and did so with a publication entitled "Senior Citizens Housing Loan Program—Fact Sheet."

This is the publication distributed to the public and to all persons writing to the Agency about this program.

The new so-called fact sheet contains all the information of the Eisenhower administration publication, but has eliminated the requirement that the borrower of these funds establish occupancy standards for the project without regard to race, creed, color, or national origin.

Mr. Speaker, this is an amazing performance—amazing coming from an administration which during the 1960 political campaign cried that with "a stroke of the pen" racial discrimination could be ended in all federally assisted housing.

The action of this administration in deleting the antiracial discrimination provision in its literature, and in continuing discrimination in two elderly housing programs, represents in my opinion a cynical rejection, or at least a cynical minimizing of its own repeated protests and promises in the area of civil rights and housing.

RETURNING AIR NATIONAL GUARD UNITS DESERVE NATION'S SALUTE

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I want to take this opportunity to note that contingents of the Air National Guard units which have been serving on active duty these past 10 months are beginning to return from their European bases. Onondaga County, N.Y., said goodby to two of these units last fall—the 138th Tactical Fighter Squadron and the 108th Aircraft Control and Warning Flight. We watched with great pride as they answered the call to duty with speed and skill and served their country so admirably during the following months.

These men have demonstrated time and again the stuff of which America is made. They have demonstrated to the world that America is ready, willing, and able to lay down the plow and pick up the rifle when the occasion so requires.

We in Onondaga County are extremely proud of the job done by our men, just as the whole country is proud of all the reservists and Air National Guardsmen who answered the call last fall.

We now welcome them home with open arms and express a great appreciation for a job well done. These men are a credit to their communities and to their country. We salute them and wish them Godspeed in their return to civilian life, as I know their presence has been sorely missed in their homes and their skills sorely missed in our communities.

To these returning warriors we say, "Welcome back and thanks for a job well done."

CALIFORNIA WINE INDUSTRY

Mr. CLEM MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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national interest and will be productive of great benefits to the people of western North Carolina. While I believe this sincerely, I must in all candor say that the situation confronting our people is so critical that I am perfectly willing to accept the suggestions of my colleagues in Congress and members of the executive branch of our Government if they have a better approach than mine to this serious problem.

I urge, Mr. Speaker, that prompt and favorable action be taken by the Congress to set up a mica program which will be consistent with the best interest of all of us.

A PROPOSAL TO CURB TRANSFER OF LEGISLATIVE POWERS TO THE CHIEF EXECUTIVE

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I take this means of advising my colleagues that yesterday I introduced House Resolution 725 to change the rules of the House so as to limit the delegation of our legislative powers under the Constitution.

House Resolution 725 would add a new provision to rule XXI of the House Rules so that no bill or joint resolution granting any additional authority, which is vested under the Constitution of the United States in the legislative branch, to the President for any purpose shall be received or considered in the House if it contains a provision granting any such additional authority for a period of more than 2 years.

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Frankly, Mr. Speaker, I do not approve of giving the President powers which the Constitution confers on Congress but since Congress has seen fit from time to time to transfer its own authority to the executive branch, I think a 2-year limitation as to time is essential. The broad trend toward concentration of Federal authority in the White house and even greater current demands for blank check Executive powers requires a limitation on further inroads on congressional responsibility.

I hope, Mr. Speaker, the Committee on Rules will grant a speedy hearing on this resolution and that any of my colleagues who are interested will express their views to the chairman of that committee.

STEALING THE SECRETS OF OUR UNPROTECTED DRUG INDUSTRY

Mr. ROUDEBUSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUDEBUSH. Mr. Speaker, American manufacturers of drug and pharmaceutical products are being needlessly damaged by foreign competitors.

I refer to the practice of foreign companies who are stealing the secrets of our unprotected drug industry.

To correct this harm to American business, I submitted on May 3, 1961, for consideration of this body, H.R. 6811, which has as its purpose the protection of American manufacturers from theft of patent rights and formulas of drug and pharmaceutical products.

The critical need for this legislation was graphically illustrated this week in a column by Mr. George E. Sokolsky, printed in the Washington Post on Wednesday, July 11, 1962. Mr. Sokolsky grasps the problem fully in his article in which he describes the damage to American firms who spend millions annually to pioneer and discover new products, only to see them stolen by foreign firms who risk no capital in research.

As Mr. Sokolsky illustrates, and as I have stated on numerous occasions before this body, one of the largest purchasers of these drugs produced from stolen patents is the U.S. Government.

It is incomprehensible that the ingenuity, initiative and great competence of our scientists and businessmen are being harmed by actions of our own Government.

Mr. Speaker, I submit herewith for the examination of the entire membership of this body the outstanding article by Mr. Sokolsky:

STEALING OUR PRODUCTS

(By George E. Sokolsky)

It is not enough that we give European countries military and economic aid, but some of them arrange their laws to damage American firms by encouraging the stealing of the results of American ingenuity and competence. This has long been true in the drug business, in which Americans spend hundreds of millions of dollars in research only to find that European firms, mostly Italian, steal their products.

These thefts have been encouraged indirectly by the Pentagon, which purchases these stolen products. The Italians can, of course, be the lowest bidders, because they have no cost of research and development, their own cost for obtaining the drugs being the corruption of American employees who do the actual stealing for the Italians and the microfilm on which the results of research are photographed.

The American Cyanamid Co., one of America's foremost chemical enterprises and the owner of the Lederle Laboratories, has gone into court in a suit against Sidney Martin Fox, a former employee, and his company, Kim Laboratories, Inc., obtaining an injunction against Fox and his associates, who, they claimed, conspired with other employees "to divulge confidential information to the conspirators relating to the production of antibiotics and steroids, and that they did use this confidential information belonging to the plaintiff in the development, research, improvement, and manufacture of pharmaceuticals, selling them to pharmaceutical companies."

The theft of cultures and documents was disclosed by other employees who swore to affidavits. There ought to be a law about industrial and scientific espionage to make both punishable by a death sentence to discourage further attempts.

The injunction signed by Justice Arthur Markewich states:

"It is also demonstrated that the defendants are continuing with foreign firms through the activities of defendant Fox and other conspirators. * * * The power of the court to redress a wrong by civil and provisional remedy is not shackled by a plea of prejudice with respect to pending proceedings arising out of resort to the fifth amendment."

Between 1960 and 1961, Italian pharmaceutical companies were manufacturing and selling large quantities of broad spectrum antibiotic drugs. This surprised American manufacturers because it takes many years of research to learn how to make these drugs and requires a large staff of doctors, chemists, biologists, and pharmacologists to work on the projects and runs into costs amounting to many millions of dollars.

It is usually known in a technical industry when work is being done. It was known that no research of this nature was being done in Italy. When purchases were made in Italy by the American Government, the American Cyanamid Co. took a look-see.

In an affidavit, Walter R. Mansfield says: "* * * the loss in sales to the U.S. Government alone amounted to more than $4 million during the period from October 1959 to April 1962 because the Italian companies, in the absence of such research and development costs, were able to bid at substantially lower prices. In fact, Italian-made tetracycline and chlortetracycline have been used exclusively to fill the requirements of the U.S. Government since the middle of 1959. How the Italian companies came into possession of the trade secrets, cultures, and highly technical know-how required to produce these valuable antibiotics was not known to Cyanamid."

SEVEN AID RECIPIENTS BAR DOLLAR PLAN

Mr. HARVEY of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, as an afterthought of the action of the House yesterday in passing the foreign aid bill, I would call attention of my colleagues to an article in today's New York Times.

Seven countries whom we have assisted generously in the past have rejected a plea on the part of our Government to reciprocate.

Under unanimous consent, I include this article following my remarks:

BID TO EASE U.S. DOLLAR OUTLAY IS REJECTED BY SEVEN AID RECIPIENTS

(By E. W. Kenworthy)

WASHINGTON, July 12.—Seven nations receiving U.S. aid have refused to let this country sell a small part of its holdings of their currencies to American tourists for dollars.

The countries are Burma, India, Indonesia, Israel, Pakistan, Poland, and Yugoslavia.

Syria and the United Arab Republic have agreed to permit the sales.

The United States had hoped to make a slight improvement in its currency balance by this method.

The currencies have accumulated from the sale of surplus agricultural commodities. Congress in 1954 authorized the President to accept payment in local currencies.

Under Public Law 480, and by agreement with the purchasing country, the United States has used these currencies to defray some of the local costs of its embassies. Twenty-five percent of the receipts are also available for local loans to American businessmen.

A major portion of the receipts, usually over 50 percent, is lent to the purchasing country to pay local costs of development projects.

These uses have not absorbed the receipts, however, and the United States has a large accumulation of many currencies.

Last September, Congress amended the law to permit the sale of these currencies to American tourists.

When American tourists purchase local currencies abroad for dollars, this represents a dollar outgo. If they purchase the local currency from the U.S. Treasury, there would be no dollar loss.

However, such local currency sales would be made only with the agreement of the countries involved.

The U.S. Government, after long study, concluded that it held currencies of nine nations far in excess of foreseeable needs. Thereupon it entered into negotiations for the right to sell the currencies to American tourists.

The seven countries refusing the U.S. request argued that it was inconsistent with a principal aim of American foreign-aid policy, which was to help the underdeveloped countries build up their foreign exchange.

The American negotiators readily concede this point. But they emphasized that the dollars lost would be trifling compared to the sums received in direct foreign aid and to the dollars they had saved through purchases of surplus products in local currency.

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These nations, the American negotiators suggested, could well afford to lose a few dollars if it would enhance their credit with the U.S. Congress, which appropriates aid money.

There was some surprise here that India, Poland, and Yugoslavia in particular should have refused the U.S. request when the administration has been battling on Capitol Hill to prevent adoption of amendments to the aid bill that would limit assistance to the three countries.

It was also regarded as ironical that the two countries that agreed to the U.S. request had received much less aid than any of those that refuesd, except Burma.

The following table gives the value in dollars of the foreign currency of the nine countries held by the United States:

Burma	$32, 730, 000
India	1, 005, 496, 000
Indonesia	88, 643, 000
Israel	42, 632, 000
Pakistan	172, 715, 000
Poland	3, 860, 000
Syria	21, 630, 000
United Arab Republic	168, 467, 000
Yugoslavia	171, 433, 000

RACIAL DISCRIMINATION IN HOUSING

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, on July 5 the President at his press conference, in replying to a question, stated that he would issue an Executive order against racial discrimination in federally assisted housing "when we think it would be in a useful and appropriate time."

On July 11 in testimony before the House Housing Subcommittee on legislation to extend the authorization for direct loans for elderly persons housing, Dr. Weaver, the Administrator of the Housing and Home Finance Agency, conceded, in reply to my question, that this elderly persons housing program had a requirement that the housing be available to all elderly persons without regard to race, creed, color, or national origin.

He also stated that the antiracial discrimination provision in this program had been inaugurated by his predecessor, Mr. Norman P. Mason, who served as Administrator of the Housing and Home Finance Agency under the Eisenhower administration.

Mr. Speaker, there is evidence that this administration, notwithstanding its many protests against racial discrimination, is minimizing if not consigning to oblivion even a modest antiracial discrimination provision it inherited from the Eisenhower administration.

Administrator Weaver's predecessor had published for distribution to all would-be sponsors of elderly housing projects a brochure containing all the information about the program. In this brochure there is this statement:

> The borrower will establish occupancy standards which extend equal opportunity to all regardless of race, creed, color, or national origin.

This administration, in February 1962, decided to revise the brochure on this program and did so with a publication entitled "Senior Citizens Housing Loan Program—Fact Sheet."

This is the publication distributed to the public and to all persons writing to the Agency about this program.

The new so-called fact sheet contains all the information of the Eisenhower administration publication, but has eliminated the requirement that the borrower of these funds establish occupancy standards for the project without regard to race, creed, color, or national origin.

Mr. Speaker, this is an amazing performance—amazing coming from an administration which during the 1960 political campaign cried that with "a stroke of the pen" racial discrimination could be ended in all federally assisted housing.

The action of this administration in deleting the antiracial discrimination provision in its literature, and in continuing discrimination in two elderly housing programs, represents in my opinion a cynical rejection, or at least a cynical minimizing of its own repeated protests and promises in the area of civil rights and housing.

RETURNING AIR NATIONAL GUARD UNITS DESERVE NATION'S SALUTE

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I want to take this opportunity to note that contingents of the Air National Guard units which have been serving on active duty these past 10 months are beginning to return from their European bases. Onondaga County, N.Y., said goodby to two of these units last fall—the 138th Tactical Fighter Squadron and the 108th Aircraft Control and Warning Flight. We watched with great pride as they answered the call to duty with speed and skill and served their country so admirably during the following months.

These men have demonstrated time and again the stuff of which America is made. They have demonstrated to the world that America is ready, willing, and able to lay down the plow and pick up the rifle when the occasion so requires.

We in Onondaga County are extremely proud of the job done by our men, just as the whole country is proud of all the reservists and Air National Guardsmen who answered the call last fall.

We now welcome them home with open arms and express a great appreciation for a job well done. These men are a credit to their communities and to their country. We salute them and wish them Godspeed in their return to civilian life, as I know their presence has been sorely missed in their homes and their skills sorely missed in our communities.

To these returning warriors we say, "Welcome back and thanks for a job well done."

CALIFORNIA WINE INDUSTRY

Mr. CLEM MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CLEM MILLER. Mr. Speaker, I am most pleased with the privilege to present the considered views of the California wine industry on acceptable trade policy for our United States. This statement is dispassionate and objective, which is particularly meritorious in view of the stormy relationship which has existed in the past.

Our fine wine industry has always been confronted with major annoyance and discrimination from abroad. It has been difficult for our grape and wine growers to view this with equanimity.

It has been particularly difficult for us in view of the lack of understanding for our own American industry which has existed, much of this in official circles. This has explicably colored the attitude of the industry toward trade policy, and, in particular, the importation of foreign wines.

California wines hold high rank in the markets of the world. They are a tribute to any household. They enhance any table. They invade the cosmopolitan markets of other nations. The industry holds its head proudly.

All this causes a reconsideration within our industry representatives. And there are other considerations as well. They realize the condition that the world finds itself in. They are very aware of the increased integration of the world's economies. They know of the liberating vitality in the free exchange of goods.

With all of this they have begun to overrule the natural feelings of the past, and to adopt the new policies which will reflect this new spirit. The industry only asks that this exchange be truly reciprocal. It asks that where we make great concessions in the interest of national policy that our friends from overseas make comparable concessions. It asks that where we extend a friendly hand, we are not then discriminated against by those nations we seek to assist.

The California wine industry freely admits the excellence of the fine wines of Europe. Our industry does not seek to depreciate or deprecate these truly great wines. We welcome these wines to our shores. We ask only equality—the competition for good trade, and the elimination of barriers imposed by others. I wish to pay my tribute to our wine industry for its magnanimity and its objectivity. I know this statement will receive careful consideration in the weeks to come. This statement of policy is that of the board of directors of the Wine Institute, May 28, 1962:

Foreign Trade Policy Statement of Wine Institute

FOREWORD

The winegrowers of California, as do Americans everywhere, have an important stake in our Nation's foreign trade. We have developed a statement of policy to make our position plain. In drawing up this statement of policy we have been mindful that we must measure our industry's objectives against the needs and goals of the United States as a whole. These objectives are:

1. To maintain stability in the market for all wines of quality, including foreign wines.

2. To assure foreign producers an opportunity to share the expanding American demand for wine.

3. To avoid abnormal marketing of low priced, inferior wines from abroad, for this would discourage sales of both American and foreign quality products.

4. To establish true reciprocity—the free movement of wines throughout the world by means of equitable trade agreements. These agreements would eliminate the present nontariff barriers against American wines in Europe and elsewhere.

We believe these objectives conform in principle to a sound national policy: the furtherance, by realistic and practical means, of the freest flow of goods and services among the nations of the free world.

STATEMENT

The development of a sound and effective foreign trade policy by the U.S. Government is of vital concern to every segment of the American economy. The wine industry recognizes that under modern-day conditions, including the growing economic and political cohesion of Western Europe (the so-called Common Market), and the probable further extension of this cohesion in the economic field, and possibly to a certain extent in the political field, an early examination is called for of the economic and political policies that should be drawn up and executed by the United States during the next few years, with a view to those considerations which have the best permanent value for the United States, its economy, and its citizens.

We recognize that the interests of the citizens of the United States are to some extent divergent in this problem. We also realize that there are many areas of common interest.

We believe that, in general, it could be to the best interest of the United States to have the freest flow of goods and services among the nations of the free world, to the extent that this objective can be taken by realistic and practical means. The treaty of Rome established this as a general principle for trade among France, Italy, Germany, and the Low Countries. We note, however, that on January 14, 1962, at Brussels, the general principles of the treaty of Rome were considerably modified with respect to the interchange of agricultural commodities.

The necessity for special provisions on agricultural commodities, including wine, is clearly understandable. Agricultural commodities are subject to wide variations in supply, demand, price, grade, and quality. These wide variations exist not only within the Common Market itself, but between the Common Market and other agricultural producing countries, including the United States. It should be noted that the grape and wine industry of the United States is faced with recurrent surplus problems and is presently endeavoring to control internal surpluses with the aid of Federal and State marketing orders.

We note that the Brussels agreement established as a general principle that individual member states might legally resort to safeguard measures should there be great disturbance or threat of disturbance in their own domestic market.

We further note that specific agreements were worked out with respect to a large number of individual agricultural commodities, including wine. We call attention to the fact that the control and protection of the domestic market with regard to wine, particularly between France and Italy where controls are required because of the existence of historic surpluses which must not be permitted by one country to demoralize the market of another, is based on a quota restriction, coupled with a further requirement that the wines within the quota must be of high quality.

The California wine industry, like that of Europe, is endeavoring to maintain reasonable stability in the marketplace in spite of domestic surpluses on the one hand and on the other, a presently healthy active competition from abroad.

The Wine Institute firmly believes that the American consumer should have available a selection of good wines from the vineyards of Europe which comply as do all American produced wines with the Federal Food, Drug and Cosmetic Act and the U.S. Internal Revenue Code, and it welcomes the competition of her famous brands. However, like the local markets of Europe, the American market cannot absorb appreciable quantities of low quality wines without serious harm to the industry as a whole.

In order to assure the continued and increased consumption of good wine, both American and foreign, and to maintain reasonable stability in the marketplace, we strongly urge the development and use of quotas, by countries of production, by price categories and size and fill of containers for all wines and brandies entering the United States from foreign countries. Such quotas should be established by the U.S. Government unilaterally or by Executive agreement with a foreign country or group of countries. Wine and brandy entering the United States from foreign countries or groups of countries should be subject to established quotas, by the United States, and the total of the established quotas for all countries should constitute the national quota for a base year. We also urge that in the development of quotas, consideration be given to uniformity of standards of size and fill for foreign wine and brandy entering the United States that will be equivalent or comparable to the permissible standards of size and fill of the United States. Such quotas should reflect the principle that the sale of low quality wines be restricted and that the sale of fine quality wines be encouraged, and should provide for the continued opportunity for foreign wine producers to participate in the growth of the American market.

To illustrate:

France: Table wine exports to United States, base year 1960, 2,040,813 gallons:

Twenty percent of all sales were at $2.50 or less per gallon (case prices, per gallon, f.o.b. port export, export tax).

Sixty percent of all sales were from $2.51 to $6 per gallon.

Twenty percent of all sales were at $6.01 or higher per gallon.

Quota, first year:

Twenty percent, 400,000 gallons at $2.50 or less per gallon.

Sixty percent, 1,200,000 gallons at $2.51 to $6 per gallon.

Twenty percent, no quota on sales at $6.01 or higher per gallon.

Quota, second year: Use total sales of previous year as base and follow 20-60-20 formula. This approach allows increases in total volume of sales but in the two lower price categories increases in quotas are only possible providing there has been increased sales in the highest price category.

The Bureau of the Census has available to it all the data necessary for establishing similar types of quotas for the different basic types of wine coming from each of the principal wine-producing countries. Different quota arrangements than the one above illustrated might be necessary in individual instances.

In order to allow the United States to meet the problems caused by the development of the European Economic Community and to allow the American wine industry to compete in the continued orderly development of the American market, we believe the Congress in drafting progressive trade legislation should provide for the United States to match European economic moves step by step. We believe it is necessary that such legislation should—

Permit and direct the President, when necessary, to utilize the same techniques for orderly change used by the European Economic Community such as tariffs, quotas, commodity agreements.

Instruct the President to grant no further concessions to the European Economic Community and any country that discriminates against U.S. products.

Direct the President to withdraw existing trade concessions from any foreign country which continues to discriminate against U.S. products after proof of discrimination has been presented to the country in violation.

Modify our present most-favored-nation policy for tariff concessions. We suggest that tariff concessions be available only to those countries who individually or jointly have tariff agreements with the United States. Countries which do not reciprocate with the United States should not receive the benefit of tariff concessions. The President should be directed to withdraw any concessions from individual countries which maintain nontariff barriers.

All provisions of law designed to prevent demoralization of the domestic market, such as the existing countervailing duties provisions, should be thoroughly enforced and if such enforcement is not forthcoming a mandate from Congress to that effect should be issued.

Notwithstanding other provisions of such legislation relating to agricultural products, provide that tariff concessions shall not be given to any foreign country on an agricultural commodity or product thereof which is in surplus in the United States.

We believe that the foregoing propositions should be expressed in legislation by the Congress and that the facilities of the Department of Agriculture supplemented by industry through advisory committees should be made freely available to the President in formulating international agreements with respect to any agricultural commodities under this legislation.

Mr. CLEM MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CLEM MILLER. Mr. Speaker, I wish to draw attention to the present-day maturity of a great California industry. This is spelled out in an article by John D. Weaver, appearing in Holiday magazine, September 1961. It gives an accurate and interesting account of the California wine industry.

The achievements of this industry impels us to cast a fresh, appraising eye over our old ideas about wines. It seems France has been regarded by Americans as the very synonym for fine wine. Since Roman times, there can be do doubt France has produced distinguished vintages. Rabelais wrote long passages extolling the wines of France, two centuries before this country came into existence.

Thus, our respect is well founded. It takes time for great wines to come into being. Our California wines have now come into their own. It is established opinion, all over the world, by those who know wines, that our California wines are of the best. This high quality and high standard of production of our American wines now demand respect. Over the past century we in California have developed a tradition of distinctive wine production. Our vines prosper in the rich soil and favorable climate of California, and particularly in the district I am privileged to represent. Our casks and fermentation processes are closely watched to protect the health of the consumer to a degree that would startle continental wineries. The result is an excellent selection of delicate wines not to be surpassed anywhere in the world.

I am confident that Mr. Weaver's article, which follows, will supplement our knowledge of this great and rising industry:

THE VINEYARDS OF CALIFORNIA

(By John D. Weaver)

Although I have lived in Los Angeles for 20 years, I had never explored the California wine country until last spring. "Don't drink the water," a friend warned me before I set out, then added as an afterthought, "And don't drink the wine." He was right about the water, but wrong about the wine. American wines, I discovered, are somewhat in the same position as American literature before Emerson declared its independence of England. Our wines, like our literature, are capable of standing on their own sturdy feet but they still bear the "domestic" stigma. As I drove happily from winery to winery, I felt rather like an expatriate American stumbling for the first time across the work of Mark Twain.

The countryside in spring was a blend of the Atlantic seaboard and the California coast range, of pink dogwood and gnarled manzanita, of lilac and redwood, snowball bushes, and camellias. The budding vineyards were ablaze with yellow mustard, the gently sloping hills sprinkled with orange poppies and blue lupine. Deer darted out from pine and cypress groves. Magpies gossiped on every fencepost. Sheep and white-faced cattle were grazing in the foothills, the lambs standing knock-kneed in the range grass, the calves bawling, an occasional colt frisking on its spindly, uncertain legs.

Spring is the quiet time when the vines are leafing and the young wines of the last crush are being tested in the laboratory and tasted in the wood. The winegrower scrambles up a ladder to the top of a 2,000-gallon oak cask, carrying a curved glass tube—the French pipette, the American "wine thief." Samples of the aging wine are "thiefed" from the cask and released into tulip-shaped tasting glasses. The wine is held to the light for color, then swirled, sniffed, and tasted. The swirling releases the wine's aroma (the fragrance of the grape) and bouquet (the fragrance of the wine). What the nose detects, the palate confirms, perhaps elaborates. This is the time of decision, when the wine is either graduated to the bottle or held back in the wood.

The winemaking cycle begins in September, when the grapes of the new vintage are harvested. This is the time of fairs and festivals, the start of the winegrower's new year. The vineyards come alive with pickers, the roads with trucks. The wineries are drenched in the overpowering fragance of freshly crushed grapes. Visitors walk into a montage of whirling crushers, flowing troughs and bubbling tanks. They see the grapes crushed and stemmed, the free-run juice, or must, pumped into tanks where fermentation is touched off by wild yeasts. The fermented juice becomes wine through the conversion of sugar to alcohol. It is essentially a simple, natural process, ageless and universal.

A new vintage, like a newborn child, is a perpetual source of wonder, its character as yet unformed, its future unpredictable. Wine is a living thing. As it grows, it takes on individual traits. In the equable climate of California, vintages are much alike, but to the makers of wine each crush is as distinct as the children of a large family. One may be harsh, another smooth; one mellow with age, another sour. The precocious child may never fulfill his promise, whereas the backward wine, apparently born to the ignominy of a commercial blend, may turn out in 10 or 15 years to be the family's pride.

"With children and wine, you should always use gentle guidance, never rigid regimentation," John Daniel, Jr., tells guests at his Inglenook Vineyards, speaking as a father and as a winemaker.

The wineries are always open to visitors, who are piloted through grapy forests of oak and redwood casks and tanks, where white hoses lie coiled like cobras on freshly washed floors, and into dark, cool, limestone tunnels, where the wine ages in carved-oak cooperage. Their tour completed, visitors are ushered into the tasting room, where they learn to distinguish among generic labels which bear the name of the wine's characteristic grape. Thus, a burgundy becomes a binot noir, a beaujolais, a gamay. a chablis, a chardonnay, a sauterne, a sauvignon blanc or semillon. Cabernet sauvignon is the aristocratic grape of the red wines of Bordeaux, the Englishman's claret.

Innocents abroad in the wine country are often surprised to discover that most of the vineyards of California and the Continent are planted in the same classic varieties of Old World grapes grafted onto the same New World rootstock. This marriage of convenience came about because of phylloxera, an American vine louse which slipped across the Atlantic on some native cuttings in the mid-19th century and, after nearly wiping out the European wine industry, hitchhiked home on foreign vines to decimate the California vineyards. The louse was finally subdued by mating the European vines (Vitis vinifera) with phylloxera-resistant American roots (Vitis rupestris).

The California vineyards have recovered from phylloxera, but they have yet to recover from a more devastating blight—prohibition. This folly not only laid waste the vineyards, a few of which survived by producing sacramental and medicinal wines, but also changed the drinking habits of an essentially temperate people. The California vines have sprung back to life since the long drought, but the growers, in one generation, have not been able to graft a wine tradition onto a Martini root stock.

"California is superior in all the conditions of soil, climate and other natural advantages to the most favored wine-producing districts of Europe," Agoston Haraszthy told the State legislature in 1862. Haraszthy was a high-born Hungarian political exile who settled in California after founding Sauk City, Wis. When he reported to the California Legislature, he had just returned from a 5-month trip to the Côte d'Or, Johanniesberg, Asi and Málaga Vineyards in Europe, where he had purchased 100,000 cuttings, of some 300 grape varieties, which established European vines in the north coast vineyards of California.

Count Haraszthy (he picked up the title in Wisconsin) had been experimenting with European vines ever since his arrival in America. One spring day in 1852 he was looking over a bale of imported cuttings, some of which had come from Hungary, when he noticed a faded inscription which seemed to identify a certain vine as a "Zinfandel," a variety he had never tracked down. He planted the cuttings in his vineyards south of San Francisco and was delighted to discover these curious Zinfandel vines were highly productive. The reddish-black grapes grew in large, heavy clusters. The fragrant, fruity Zinfandel wine, with a distinctive flavor reminiscent of a freshly crushed blackberry, proved worthy of the now legendary grape of California's vineyards.

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Colonel Haraszthy (he went in for titles) later developed the Buena Vista estate in Sonoma, where at one time he controlled some 6,000 acres, the world's largest vineyard. It is now the property of Frank Bartholomew, the president of United Press International, who has a deep affection for the count, whose restless, imaginative spirit still seems to hover over the Buena Vista Vineyards. The Bartholomews may have felt the presence one Sunday afternoon in November 1943, when they were spending a weekend in Sonoma. As they were driving with friends through Haraszthy's old estate, overrun with weeds and scrub growth, someone casually remarked that the property was to be sold next day in competitive bidding at Sacramento.

"We had no intention of buying a vineyard," Bartholomew recalls, "but we fell in love with the place. We broke open our piggy banks, cashed in our E bonds, put the bite on our friends and next morning at 10 o'clock, there we were in Sacramento."

The Bartholomews have now restored the two old stone wineries. Visitors, with the pleasant feeling of having wandered into a French clos, park beside a brook, shaded by eucalyptus trees, one of which is thought to be the largest in California. In a candlelit underground tasting room the Buena Vista wines are set out for sampling. Some visitors ask for the Green Hungarian, since only one other California winery (Souverain) makes it. Others prefer a Pinot Noir or a chilled Chardonnay. The history-bent sentimentalist will select the Buena Vista Zinfandel and, in the count's own cellars, toast the happy accident which entrusted this distinctive California red wine to Haraszthy's hands, like a waif left in a church doorway.

Plaques on the restored winery and in Sonoma's historic plaza salute Haraszthy as "the father of California viticulture," but his real monument is to be found in the vineyards themselves. Grapes now grow from the Mexican border to the Oregon State line, some 800 miles away. Of the 5½ billion pounds of grapes harvested each year, half are eaten, dried for raisins, or squeezed into grape juice. The other half goes into wine.

The warm inland valleys, where the grapes develop less acid and more sugar, produce the dessert wines which, with the aperitifs, account for three-fourths of California's wine production; the prestige, if not the profits, of the industry rests on its finer table and sparkling wines, most of which are made within a leisurely hour's motoring from San Francisco Bay. It is the cool, moist air from the bay which provides natural air conditioning for the north-coast vineyards. Santa Clara to the south, Livermore to the east, and, to the north, separated by the Mayacamas Mountains, the Napa and Sonoma Valleys.

The Indians named the valley "Sonoma," or "many moons," because they believed 7 different moons rose above the mountains to the east. Sonoma, since the days of the Spanish padres, has always been a winegrowing region. Gen. Mariano Vallejo, the amiable Mexican commandante, was a discriminating maker of wine. Sonoma is one of the rare tile-and-adobe California towns which has managed to preserve much of its pueblo past without lapsing into the self-consciousness of Santa Barbara or the unrelenting quaintness of Carmel. A choice of accommodations is offered between the 20th century (El Pueblo Motel) and the 19th (The Country Inn). A recent visitor from London, a young woman in tweeds and sensible shoes who had picked the Country Inn, could be heard humming in her room, delighted to have discovered a provincial English inn tucked away in the American wilderness of standardized creature comforts.

The Valley of the Moon, as no visitor can escape noticing, is Jack London country. London's ranch is in nearby Glen Ellen, where he settled with his second wife and soon fell victim to the 1909 eucalyptus boom which hit California as a result of a shortage of eastern hardwoods. He planted nearly 150,000 trees, hoping to make a killing which would liberate him from the agonizing necessity of having to write for a living. Before he was through, he managed to drop close to $50,000.

While London was planting his trees, an Italian immigrant, Samuele Sebastiani, was peddling his robust red wines in 5- and 10-gallon kegs to quarry workers hacking at the Sonoma hillsides for cobblestones to pave the streets of San Francisco. Sebastiani's son, August, now sits in the front office of the family winery, just 10 feet from where he was born 47 years ago. Over a bottle of his excellent Barbera, we got to talking about the old days, when his father had set himself up in business with a 501-gallon stave tank and enough grapes to fill it. Those days August felt, were long gone.

"I still buy grapes from some of the same farmers who used to sell to my father and they still treat me like a kid," August said, "but the small winegrower is dying off. Unless you operate on a large scale, you can't make a profit, not after you've spent $4,000 on a tractor and another thousand on a diskplow."

August, like many local winemakers, hangs out at a lively Sonoma landmark, the Swiss Hotel, which faces the plaza on West Spain Street. The Swiss Hotel has a $3 bill, issued by the Farmers & Merchants Bank of Memphis, Tenn., on May 1, 1854, framed above its bar. In the dining room, no less rare, Ted and Helen Dunlap serve real bread, a yeasty surprise for palates resigned to presliced loaves of reclaimed cleansing tissue. Much of the conversation of the winemakers and grape farmers these days centers on their wealthy new neighbor, whose hilltop winery was modeled on his own photographs of the famed Clos Vougeot in Bordeaux.

The new neighbor is James D. Zellerbach, former Ambassador to Italy and board chairman of the Crown Zellerbach Corp. At the Hanzell Vineyards (Zellerbach contracted his wife's name, Hana, and his own), the retired diplomat has planted some 16 acres of Chardonnay and Pinot Noir grapes in terraced vineyards. Ivan Schoch, a Napa Valley grower who seems continually amused by the human scene ("The fun of this business is the assorted individualists who cast such gigantic sparks into the atmosphere"), likes to tell of the time he replanted the Hanzell Vineyards after the first young vines had been washed out.

"With newly cleared land, you always have trouble with displaced wildlife, especially the birds. I was called in to do something about them. We set up a series of small carbide containers which could be exploded at intervals. Unfortunately, nobody thought to tell Mrs. Zellerbach about them. She drove up to the house one day just as the heavy artillery cut loose and it scared the life out of her. It scared the birds, too, for a while, but they soon caught onto the idea. Now we have a sort of border patrol of schoolboys stationed around the perimeter with .22 rifles. They're getting the job done."

Northwest of Sonoma, Route 12 plunges abruptly into the redwood empire of the Russian River Valley, where sawmills along the road darken the sky with burning waste. It was the fur-trading Russian colonists entrenched in this rugged mountain country who prodded the Spanish into establishing the Sonoma Mission in 1823 to discourage further czarist expansion in California. When Frol R. Kozlov, First Deputy Premier of the Soviet Union, visited the valley a few years ago, he revealed an unexpected familiarity with the workings of providence by remarking, "God must have meant this place especially for vineyards."

The country was opened to winemaking early in the 1880's by the three Korbel brothers, who cleared the land and planted vines around burned-out redwood stumps too formidable to be dislodged. With a long champagne-making tradition behind them, the three Heck brothers—Adolf, Paul and Ben—acquired the Korbel Vineyards in Guerneville 7 years ago. The Hecks, a close-knit, good-humored, hard-riding family, have added a Hollywood touch by installing on their ranch a swimming pool in the shape of a champagne bottle.

Visitors are received in the old Korbel depot, built in 1876, or in what used to be the brandy room, now a spacious reception room with a semicircular bar constructed from an old redwood fermenting tank. The winery still specializes in bone-dry champagnes made by the tedious, traditional methods of Epernay. The Hecks have no truck with the controversial plastic cork, which has set off secondary fermentation in California champagne circles.

"Our yeast is the big secret," Dolf Heck told me over a bottle of Korbel champagne brut. "Yeast is the most important thing in making champagne. We got ours in Europe in 1938. That's what makes the difference."

A California champagne is priced according to the process by which it is made. The process must be identified on the label, but to understand the terms it is advisable to visit the Weibel champagne cellars, a mile south of Mission San José on Route 21, where the different processes can be observed. Weibel makes a variety of table wines and a new specialty, Tangor, but is best known in California's largest producer of champagne. For its finest champagnes, made from the Chardonnay grape, Weibel uses the traditional method of bottle fermentation, which simply means that the secondary fermentation (this is what makes the bubbles) takes place in the bottle, as the label must state. Under the bulk process, the fermentation is carried out in tanks lined with glass or stainless steel, a laborsaving method which reduces both the price and the quality.

Napa is the Indian word for plenty, and nowhere in the wine country are so many vineyards huddled so closely together as in the upper reaches of this valley. South on Route 29, from Calistoga to St. Helena, wineries bob up on either side of the road, like resort hotels along the Strip in Las Vegas. Having bedded down in St. Helena at the El Bonita Motel ("Yes," the owner winced when I discreetly brought up the subject of gender, "I know, but it was that way when I bought the place, and I can't afford to change the name"), I had to choose between turning right toward Rutherford and Oakville or left through St. Helena. I turned left, heading for Charles Krug. It was an excellent choice.

Although the old winery still bears the name of the Prussian who pioneered winemaking in the Napa Valley, it is now in the hands of the two Mondavi brothers, Robert and Peter. Bob is the family salesman, Peter the scientist. Both have a warm, lively humor; both are dedicated winegrowers. Like so many of the younger men in the industry, they are quick to try new processes, challenge old concepts. On Sunday afternoon guests gather on the lawn beneath towering oaks and, in blind tastings, pit Mondavi wines against comparable foreign ones.

"We do a little better than 50–50," Bob Mondavi said when I asked how the local wines came out in the test. While we were on the subject, he wanted to know if I had ever tried a blind tasting of American soft drinks. I hadn't. "Try it sometime," he said. "You may be surprised."

The sugary carbonated concoctions which confuse the Amreican palate in childhood are of more concern to California winemakers than the cocktails which maul it in later life. The average American, I learned from the Wine Institute, drinks 12 gallons of soft drinks a year compared to only nine-tenths of a gallon of wine. Some of the larger commercial wineries have capitulated to this sweet tooth by offering flavored wines with a high sugar content. Others have sought an honorable compromise, such as Paul Masson with its Emerald Dry and Charles Krug with its not-so-dry Chenin Blanc.

Across the road from Charles Krug, at the Christian Bros., I had a delightful visit with Brother Timothy, admired his corkscrew collection and, when an old friend dropped by, heard about the time Brother Timothy was invited to a black-tie affair in San Francisco and politely wrote back to ask if a reversed white collar would do just as well. At Louis M. Martini, I joined a 45-minute winery tour, which is virtually a seminar on oenology. At Beringer Bros. I drank a glass of Barenblut in a massive stone-and-timber Rhineland mansion built in 1883. At Inglenook, the tasting room turned out to be a handsome museum of carved oak, with stained-glass windows, ancient goblets, German lamps, and Flemish glass. Next door, at Beaulieu, I was enchanted with an arbor of topped, trellised sycamores which led to the magnificent formal gardens landscaped to focus on Mount St. Helena.

The contrasting cultures of the California wine country are nowhere so strikingly highlighted as in the Napa Valley. John Daniel, Jr., of Inglenook is the great-nephew of a seafaring Finn. André Tchelistcheff, Beaulieu's production manager, is a French-trained Russian. Louis M. Martini, a towering figure in the industry, is an Italian peasant-philosopher, rooted in the soil from which he sprang. Hanns Kornell, whose champagnes are among California's finest, is a German refugee who arrived in the United States with $2 in his pocket. Jack Taylor, at the Mayacamas Vineyards, is a quietly humorous Englishman. "Please don't give up now! You're almost there," a sign warns approaching visitors as their feeling of being lost in the Mayacamas Mountains begins to crystallize into certainty.

The Napa growers meet once a month at the Miramonte in St. Helena, where Signora Basilio Lucchesi prepares their luncheon, but their daily meeting place is El Real, a Rutherford restaurant where they sit around a long table with a red-checked cloth. This is their club, coffeehouse and forum. To understand what is going on in the California wine country, it is not enough to tour the wineries and taste the wines. The picture must be filled in with a visit to El Real.

"Ninety percent of all wine, American and foreign, is ruined in this country by mishandling," I heard André Tchelistcheff contend, starting a discussion which ended with most of his colleagues in agreement but inclined to scale the figure down. All of them have had cases returned, the wine spoiled from storage in an overheated warehouse or from standing upright on the shelves of a package store, the corks dried and shrunk, the wine oxidized.

"We have no wine merchants in America," Tchelistcheff pointed out, "That is the missing link in our chain. It is a tragedy."

A French maitre de chai, who produces a distinguished, perhaps a great, red wine, can safely assume the bottle will be placed on its side in a cool, dark place and, on achieving maturity, will be decanted with care and drunk with respect. The California wine maker must assume his wine may be left standing on a retailer's shelf, possibly for years. If the wine finds its way to a sophisticated palate, it will be dismissed as "vinegar" and the blame fixed not on the seller but on the maker.

When the subject of inexpensive California wines, many of which are sold in half-gallon jugs, was tossed into play, Tchelistcheff suddenly became enthusiastic. He spoke of Gallo's remarkable technical resources, which reminded me of the impressive research and development department I had recently visited at Italian Swiss Colony in Asti. "Our vin ordinaire," Tchelistcheff said, "is incomparably superior to that of any other country." Louis M. Martini agreed. "It's true," he said. "The vin ordinaire here is made by master wine makers with modern equipment. In Europe it is made by anybody, anywhere, under any conditions."

As I left St. Helena, I noticed two signs, one welcoming visitors to "this world-famous winegrowing region," the other advertising "New Homes, Home Sites, and Large Walnut Orchard Lots—Liberal Financing." I remembered the latter sign as I drove southeast into Livermore, then southwest to Santa Clara Valley, where burgeoning subdivisions and shopping centers pose a new and serious threat to the north-coast vineyards.

"We survived phylloxera and prohibition," an alliterative grape farmer told me, "but I don't know whether we're going to survive people."

The tract-home blight is threatening Sonoma and Napa valleys; it is well advanced in Livermore, where new housing has crept to the edges of vineyards first planted in the early 1880's by James Concannon, of County Galway, and Carl Wente, of Hanover, Germany. Their grandchildren now run the vineyards.

Livermore is a saucerlike basin in the heart of the coast range, some 40 miles east of San Francisco. Hemmed in by high, rolling hills, its gravelly soil was for years a rich, sheltered source of tomatoes, sugarbeets, grain and grapes. The quiet, horsy city of Livermore, where Haraszthy used to buy his pacers, is now a bustling center of nuclear research. Its population in the last 10 years has shot up from 4,300 to 16,000. The figure will top 70,000 by 1980, the chamber of commerce predicts, thus dooming vineyards which produce what many regard as California's finest white wines.

"We have a low water table here," Karl L. Wente told me, "so this population explosion is draining us dry."

Karl, like John Daniel, Jr., the Mondavi brothers and the Concannon brothers, James and Joseph, just across the road from Wente brothers, is a third-generation wine maker, typical of the college-trained farmer-scientists who are now coming into control of the north coast vineyards. The late Herman Wente, Karl's uncle, was for years the industry's elder statesman. Herman was the winemaker, his brother Ernest, Karl's father, the grape farmer. Karl is both, equally at home in the cellar and in the fields.

MEDAL OF HONOR

Mr. STEED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEED. Mr. Speaker, July 12 is a milestone in the history of the Medal of Honor, the highest military award for bravery that can be given any individual in the United States.

This citation, not the concept of any single individual but the product of the needs of the times, grew from the critical early days of the War Between the States. Several statutes have had a part in its history. But none was more significant than Senate Joint Resolution 82 of the 37th Congress, signed a century ago today by President Abraham Lincoln. Sponsored originally by Senator Henry Wilson, of Massachusetts, this measure created the first Army Medal of Honor, to be awarded in the name of the Congress to such noncommissioned officers and privates as most distinguish themselves in action and other soldierlike qualities.

A bill enacted a few months earlier had already established the first Navy Medal of Honor, limited to petty officers, seamen, and marines. Senator James W. Grimes, of Iowa, sponsored this measure, which became law December 21, 1861.

First action to result in an award of the medal occurred prior to the establishment of the award in 1861. On February 14 of that year Lt. Bernard J. D. Irwin, an assistant surgeon, led a party to rescue 60 men of the 7th Infantry Regiment surrounded by Apache warriors under Cochise, chief of the Chiricahuas, in Arizona territory. For his role in this mission Lieutenant Irwin eventually was awarded the medal 33 years later.

First actual presentation of a medal came March 25, 1863, to six survivors of the famous runaway railroad train raid led by James J. Andrews in an unsuccessful effort to destroy Confederate communications in northern Georgia prior to a Union offensive in 1862. The seven, exchanged and returned to Washington, received the citation from Secretary of War Edwin M. Stanton.

Prior to World War I those of officer rank received the Medal of Honor only by special act of Congress. During that conflict the laws governing the program were revised and overhauled. An appropriation bill for the Navy for the fiscal year 1916 was approved with the proviso that a suitable Medal of Honor should be devised for officers.

In 1918 the Congress enacted a precise statute to govern the entire process of protecting and perpetuating the award. This law—40 Stat. 870—clarified questions on the Army Medal of Honor and at the same time established the Army Distinguished Service Medal, Distinguished Service Cross, and Silver Star.

The 77th Congress passed a law to provide for the award of the Navy Medal of Honor, Distinguished Service Medal, and Navy Cross, paralleling the conditions for the award of the Army medal. With its enactment the Congress had established a single standard to apply in all branches of the military services.

In retrospect at this centennial point in the history of the Medal of Honor, two major policies can be seen as responsible for the success of the Congress in establishing and maintaining its principle:

First, the Congress has woven a mantle of safeguards around the dignity of the medal, unyieldingly insisting that every statutory step be of a quality that strengthens the foundation which upholds the Medal of Honor as the Nation's highest recognition of true valor above and beyond the call of duty.

Second, the Congress has carefully cultivated the public recognition of the medal as the symbol of national expression of honor and respect for the individual who without reservation, in a private moment of truth, rises to the highest level of self-sacrifice. It is fitting that this citation should be awarded by the elected representatives of the people.

Eighteen citizens of my own State, Oklahoma, have won the Medal of Honor, 12 while serving in the Army, and 6 in the Navy. It is appropriate today to recall their names:

MEDAL OF HONOR WINNERS, OKLAHOMA

ARMY

First. Childers, Ernest, second lieutenant, 45th Infantry Division, Tulsa.

Second. Crews, John R., staff sergeant, 63d Infantry Division, Golden.

Third. Hays, George Price, first lieutenant, 3d Division, Okarche.

Fourth. Kiner, Harold G., private, 30th Infantry Division, Enid.

Fifth. McGill, Troy A., sergeant, 1st Cavalry Division, Ada.

Sixth. Montgomery, Jack C., first lieutenant, 45th Infantry Division, Sallisaw.

Seventh. Reese, John N., Jr., private, first class, 37th Infantry Division, Pryor.

Eighth. Sampler, Samuel M., corporal, 36th Division, Altus.

Ninth. Treadwell, Jack L., captain, 45th Infantry Division, Snyder.

Tenth. Turner, Harold L., corporal, 36th Infantry Division, Seminole.

Eleventh. Burris, Tony K., sergeant, first class, 38th Infantry Regiment, Blanchard.

Twelfth. Henry, Frederick F., first lieutenant, 38th Infantry Regiment, Clinton.

NAVY, U.S. MARINE CORPS, U.S. COAST GUARD

Thirteenth. Evans, Ernest Edwin, commander, U.S. Navy, Pawnee.

Fourteenth. McCool, Richard M., Jr., lieutenant, U.S. Navy, Tishomingo.

Fifteenth. Schwab, Albert E., private, first class, U.S. Marine Corps Reserve (born in Washington, D.C.).

Sixteenth. Smith, John Lucian, major, U.S. Marine Corps, Lexington.

AIR FORCE

Seventeenth. Vanse, Leon Robert, Jr., lieutenant colonel, Army Air Corps, Enid.

Eighteenth. Gott, Donald J., first lieutenant, 8th Air Force, Arnett.

DEVELOPMENT OF TRANSPORTATION AND RELATED FACILITIES IN U.S. CAPITAL AREA

Mr. STEED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEED. Mr. Speaker, I have introduced today H.R. 12531, a bill to authorize and direct the Architect of the Capitol and the Administrator of the National Capitol Transportation Agency to carry out a joint project to prepare preliminary plans and estimates of cost for the development under the parking plaza east of the U.S. Capitol Building of a transit subway and terminal, tourist reception centers, a parking garage, and shopping and restaurant facilities for the convenience of congressional employees and visitors to the Capitol.

Washington's critical traffic congestion problem is reflected in the very serious conditions which exist today in Congress' own front yard—conditions which promise to become even worse in the years ahead. There is far from adequate parking for visitors to the Capitol and for Members of Congress and their staffs. Buses carrying visitors to the Nation's Capitol are scattered throughout the capital area and facilities for receiving visitors are grieviously inadequate. And we are threatened by proposed highways which would detract from the beauty of the U.S. Capitol. Transportation to and from the Capitol during hours of peak travel is intolerably bad and figures to get worse.

The U.S. Capitol is a source of pride to all Americans. It should be superior to anything which exists elsewhere in the world reflecting the pre-eminence of the United States in world affairs. In order to achieve this it is essential that we vastly improve the transportation, tourist reception, and related facilities in the U.S. Capitol area. H.R. 12531 would accomplish this. It would require the Architect of the Capitol and the administrator of the National Capital Transportation Agency to submit by January 30, 1963, a detailed plan for the most modern, attractive, convenient transportation facility in the world. This facility would consist of a subway terminal connecting the subway facility which the National Capital Transportation Agency is planning in the National Capital region, a large mezzanine with restaurant and shopping facilities, and a large parking garage.

The bill deserves the immediate attention and full support of Congress.

GOOD EXAMPLE OF UNIONISM

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Becker] may extend his remarks at this point in the body of the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BECKER. Mr. Speaker, today I would like to call the attention of the House to the Amalgamated Meat Cutters and Butcher Workmen's Union of North America, AFL–CIO, for taking action against one of its locals which exemplified the best interests of trade unionism in our country. This 350,000-member organization through its leaders, Jack Lloyd, president; Patrick E. Gorman, secretary-treasurer; and Joseph Belsky, vice president, placed local No. 474 of New York in trusteeship and suspended its officers for staging a wildcat strike against First National Safeway Stores, a retail food chain, which was in direct violation of the international union's own constitution. The act of this local impaired the rights and union security of its 2,200 members. Local No. 474's suspended officers failed to hold a secret ballot strike vote as provided for by law and moved overtly in other directions contrary to the true democratic principles of trade unionism. The courageous way in which the international officers of the butchers' union responded in this situation is most refreshing to the entire cause of labor in the United States. Mr. Lloyd, Mr. Gorman, and Mr. Belsky deserve only the highest commendation for this forward action to protect the interests of members of local No. 474.

ANOTHER BLOW TO BUSINESS

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the Saturday, June 23, Washington Post, reported another blow by the administration at the confidence of the business community of this country. Director of the Bureau of the Budget David Bell, in what the Post—not often noted as a close critic of the present administration—calls a sleeper, buried in a special Budget Bureau study, asks that the Government put a ceiling on reimbursed compensation of the leading executives of businesses which do this Nation's defense work. This ceiling, suggested as $25,000, is aimed at research and development contractors and fringe benefits, expense allowances and, presumably, retirement programs, would not be allowed as evasions.

The President has asked why business views his administration with some distrust. He wonders wherein can there be imagined an antibusiness element in his official family. I trust Director Bell's "sleeper" will help the President understand this better.

To spell out this proposal more fully, I am placing in the Record the Washington Post article reporting it:

Budget Chief To Seek Ceilings on Pay of Executives in Defense Firms

(By Robert T. Hartmann)

David E. Bell, Budget Director, told Congress yesterday that the administration is studying a way to put ceilings on the salaries paid top executives and experts of defense firms doing billions of dollars worth of business with the Federal Government.

Bell suggested that some private research and development salaries above $25,000 might be controlled by administrative order as part of the contract-making power of executive agency heads.

Evasions by the way of fringe benefits, expense allowances, and stock option plans will be ruled out under the regulations, which are currently being drafted by the Budget Bureau along with the Labor Department's Bureau of Labor Statistics, it was learned.

PREPARATIONS OVER

"We have also already begun preliminary work within the Bureau on the means of establishing controls over salaries and related benefits for contractors where competitive bidding does not prevail," Bell told the legislators. "On the questions of cost reimbursements policies, we are about to pass from the factfinding stage to the policy-making stage."

Bell, testifying for the second day before the House Military Operations Subcommittee headed by Representative CHET HOLIFIELD, Democrat, of California, conceded that many defense and space firms would have no alternative but to accept the contract with federally imposed salary scales or "fold up shop."

Under questioning by the subcommittee counsel, Herbert Roback, Bell said, "We think the Government should place a limit on salaries it would reimburse a contractor for." Companies could, presumably, augment this sum as much as they chose out of the profit portion of their contract.

PAY IS HIGH

According to figures supplied by the Bell study, 76.4 percent of all executives of major private firms doing research and development for Federal agencies are paid over $25,000 a year, and 3.9 percent over $50,000. Among technical specialists and engineers, roughly half would be subject to any over-$25,000 ceiling.

The salary-fixing sleeper was buried in a special Budget Bureau study submitted to President Kennedy last April 30 by Bell, a former Harvard economist, and signed also by Secretary of Defense McNamara, Space Administrator James E. Webb, Civil Service Commission Chairman John W. Macy, Jr., Chairman Glenn T. Seaborg of the Atomic Energy Commission, Director Alan T. Waterman of the National Science Foundation and Jerome B. Weisner, White House science adviser.

The policy outlined by Bell would presumably apply to research and development contracts made—with private profit and nonprofit corporations by all these agencies.

EUROPEAN COMMON MARKET

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. MOORE] may extend his remarks in the body of the RECORD at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MOORE. Mr. Speaker, this House having just recently passed the Foreign Trade Act of 1962, and since a lot of the debate that occurred during the discussion of this bill is still fresh in the minds of my colleagues, I think it is well to call to their attention an article appearing in today's Washington Post.

This article written by Gaston Coblentz indicates that members of the European Common Market, and particularly, a Common Market vice president, Robert Marjolin, are not at all impressed with what was done or what was requested of us to do by the President.

How well I remember the strong words advanced that the European Common Market was a challenge. That enactment of this legislation would afford the President the necessary flexibility that would permit the President to see that American goods would not be discriminated against. That enactment of this legislation would open a broad new market area for American goods. That a friendly economic atmosphere would be created between the Common Market and the United States. That it was necessary to meet the Soviet economic threat to aline ourselves with the European Common Market.

How hollow these observations now sound when in reading that a vice president of the European Common Market questions the motives of the United States in this new trade legislation. Mr. Marjolin, a Frenchman, said, "that it would not be a simple matter when the United States and the Common Market begin negotiations," and further that it would be necessary for the Common Market to determine whether the aim of our trade legislation was to provide genuine equality between the United States and the Common Market in the spirit of Mr. Kennedy's recent call for interdependence.

The vice president of the Common Market said today action would have to be examined to see whether its primary motives were, instead, to solve Washington's balance-of-payment problem. We now have had a warning that the European Common Market would demand that we repeal the Buy American Act.

This should once and for all put the minds of our economists straight. The supposedly advantageous position given us by the trade act is null and void. In my opinion this trade legislation will bring forth the most severe repercussions on our American economy since the original act was advanced in the early 1930's. That the members of the nations of the European Common Market are on their feet economically, they could care less what happens to their friend, their ally, and the nation and its people that have preserved their national existence.

Mr. Speaker, under unanimous consent, I include this article from the Washington Post in the CONGRESSIONAL RECORD as part of my remarks:

EUROPEAN QUESTIONS J.F.K.'S TRADE MOTIVES

(By Gaston Coblentz)

PARIS, July 12.—A high and influential official of the European Common Market has called for a close examination of the motives behind President Kennedy's Trade Expansion Act and has warned that the United States will find the Common Market a hard bargainer in future transatlantic tariff negotiations.

This glimpse of things to come was furnished by Common Market Vice President Robert Marjolin at a closed meeting in Luxembourg this week of the Finance Ministers of the six member nations of the Common Market.

Marjolin, a Frenchman, welcomed Mr. Kennedy's "constructive" plan for removing barriers to world trade. But he said that it would not be a simple matter when the United States and the Common Market begin negotiations after Congress' expected passage of the administration's program.

The Trade Act would give Mr. Kennedy broad authority to carry out reciprocal reductions with the Common Market and other countries and thus to protect the U.S. world trade position in the face of the Common Market's mounting economic power.

However, Marjolin said, it would be necessary to determine whether the aim of the Kennedy legislation was to provide genuine equality between the Common Market and the United States in the spirit of Mr. Kennedy's recent call for "interdependence."

He said that the Trade Act would have to be examined to see whether its primary motive was, instead, to solve Washington's balance-of-payments predicament by seeking trade advantages for the United States.

He cited, for example, the "Buy-American Act" and questioned whether its maintenance would be acceptable to the Europeans, even in the framework of Mr. Kennedy's overall plan for lower tariff barriers.

Common Market officials said Thursday that Marjolin's statement was not intended to question the underlying virtue of the Kennedy trade program. They said that the Common Market regards the Trade Act as "an excellent basis for cooperation within the free world."

CHOICE BETWEEN FREEDOM AND FEDERAL REGULATION

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, we are at a crossroad which will have profound effects on our Nation, and more particularly in my own home State of Michigan.

Which road we take will determine to a large degree what will happen to our children, what work they will pursue, how prosperous and how free they will be.

Our choice is between freedom and Federal regulation. It is between permitting the dynamic forces of a free economy to work to our advantage, or submitting to the static friction of a controlled economy in which business, industry and workers are manipulated by an all-powerful, unfeeling central bureaucracy.

Most of the bills we will consider in the remainder of this session of Congress will have some implication on which direction we will take.

Whether they be tax laws, farm bills, or Federal Trade Commission authority, each should be considered in terms of whether it increases the basic freedom of our people to seek their own goals, or whether it is an infringement upon this vital force of freedom.

Unfortunately, there are those in high places in this administration who seem to deem themselves as the great high potentates and prophesiers of our future. These appointed officials further seem to feel that they have some sort of divine right to regulate our economy, our people, our business, our workers, our industry.

They want to pull strings and make us dance. They want to have us bound hand and foot by governmental dictate. They want our taxpayers to pay the piper and let themselves call the tune.

To these men, "incentive" is a nasty word, "free enterprise" is a phrase which should be banned from our vocabulary, and "competition" is looked upon with loathing and horror.

These self-appointed grand viziers of our Nation and its people preach togetherness at all costs, and they want to be the ones who control this group of citizens living in ecstatic, idealistic, unrealistic, convivial bliss.

Happily, there has been some realization of what these men are attempting to accomplish, and there has been resistance in Congress to attempts to relinquish basic powers and basic rights to an all-powerful central government.

We have taken some steps toward freedom here in Congress which, if they are pursued vigorously and realistically by the administration, will result in greater freedom, greater opportunity for our workers and our economy.

We passed the Trade Expansion Act which will result in greater opportunity for our products to find markets abroad, and consequently will mean more opportunity and better paying jobs for our workers here at home.

The President recently announced a new depreciation policy under authority given him earlier by Congress which is another step toward freedom, and which will permit industry to invest in new plants and equipment it will need to take advantage of the rapidly expanding markets throughout the free world.

The House rejected an outlandish farm bill which was a virtual bread tax on the consumer, a bill which would have created an even larger army of Government dictators, an even larger opportunity for more Billie Sol Estes', and finagling and fraud for acreage allotments, and which would have increased the cost of food to the housewife.

If this bill had passed and become law, the farmer would have been dependent not upon what he knew about farming but whom he knew in Washington and the Agriculture Department.

We have seen the Federal Trade Commission seeking the power to circumvent the courts and the normal judicial procedures to which even suspected murderers are subject.

The Federal Trade Commission wants Congress to give it the authority to bypass, by departmental edict, what manufacturers should or should not do prior to court cases. However, I have been noting in the newspapers lately that a large number of Federal Trade Commission cases have been thrown out of court, or have been defeated in court. In essence, we would be giving the Federal Trade Commission the power to break the law of our land and to thwart the basic rights accorded each of us under the Constitution.

We have seen witchhunts by Government agents on those who dared to stand up in a committee of the House and Senate and oppose an administration recommendation.

We have seen cases in which those who testified have, within a period of weeks, been called in for a fine-tooth combing of their income tax statements, often with no other reason except that a man was determined to stand up for his rights.

We have seen business browbeaten, doctors slandered, civil rights trampled upon, by persons who never have been elected to public office.

We have had business firms told that if they did not play ball, if they did not convince Congressmen that they should vote in a particular way on a particular issue, they might suddenly find themselves without defense contracts.

After all these actions, after all these bullying tactics, we then find concern among these appointed officials when they find the stock market jumping up and down like a yo-yo. They wonder why the floor suddenly drops out from under stock prices which have been relatively stable and on the rise for months and even years.

They wonder why economic indicators take a nosedive, why retail sales drop, why unemployment remains a problem, why business is hesitant to make an investment in the future.

There is one lesson that these economic advisers, these men who are wielding the club of central governmental power with such indiscretion, should realize and realize quickly: You cannot beat business over the head on one hand, and then feed it a carrot with the other.

A famous Russian psychiatrist by the name of Pavlov tried the same experiment with a dog and he drove it insane. If this practice persists, our Nation's economy could well suffer the same fate, and we would see a manic-depressive cycle which could become incurable despite the economic "wonder drugs" the administration feels it holds in its hands.

What must be realized is that the best thing the Federal Government can do is provide the proper climate for economic growth, the proper climate for increased employment, the proper climate for a continuing, lasting prosperity, and then step back, out of the way, so that this growth can take place.

We should have learned our lesson from two nations which lived under the thumbs of tyrants, West Germany and Japan, that a controlled economy, directed by an all-powerful central government, can only lead to chaos.

Both of these countries turned to economic freedom for business, and both are now realizing the highest rates of economic growth ever recorded in human history. Unemployment in these countries is less than 1 percent. Living standards are not just growing, they are leaping forward. New jobs are being created faster than they can be filled, and the current problem is finding enough workers to fill them.

Why do not we look at this lesson and learn? Why do not we use that which we at first created, to our own benefit and the benefit of our citizens? Why do we turn to economic bully-boys, to straitjacket regulations, to anchors around the neck of progress instead of freedom for our economy and our people?

If our economy had a voice and could express itself, I think it would have one statement it would like to convey to this administration, and that is: "Get out of the way so that we can go forward."

Mr. Speaker, I think all of us in the House of Representatives, in the Congress, and indeed throughout the Nation, should keep these truths in mind during the remainder of this session of Congress. We have not done too much so far. We have not as yet had a single appropriation bill reach the President, even though we are well into the current fiscal year.

Let us hope that the logjams, the controversies and the disputes can be settled in the best interests of our citizens in the trying days ahead, and that we move in the direction of freedom.

THE STATE DEPARTMENT: A "COUNTRY STORE" APPROACH

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEITH. Mr. Speaker, throughout the week I have placed in the RECORD a series of articles on the State Department by Everett S. Allen. This documented report on the influences that determine U.S. foreign policy contains some very disturbing assertions, among which is the charge that the cold war is being lost because of the hodgepodge nature of an ill-administered State Department that is unable to meet any crisis effectively.

I commend to the attention of my colleagues an editorial from the Standard-Times of New Bedford, Mass., commenting on this series of very revealing, disturbing articles:

THE "COUNTRY STORE"

In a series of exclusive articles recently published in the Standard-Times, a former diplomat compared the sprawling, ill-administered State Department with a "country grocery store," because its hodgepodge qualities prevent it from meeting any crisis effectively.

Thus, as the series stated, the nasty truth is that the cold war against communism is being lost in Washington.

An ever-increasing number of both Republicans and Democrats, in and out of Congress, are asking why this has to be.

Most Americans, regardless of party, find it inexplicable that Secretary of State Rusk would warn a veteran Congressman not to emphasize the captive nation issue against the Soviet Union. Areas like the Ukraine, said Rusk, are "traditional parts of the Soviet Union," and the issue would place the United States in the "undesirable position of seeming to advocate the dismemberment of an historical state."

Who could have fed Rusk such nonsense? How could the United States dismember the Ukraine from the Soviet when, officially, the Soviet already has done it? The Ukraine, says the Soviet, is a separate state and is, indeed, a U.N. member. It is, of course, a perfect example of the captive nation.

And why would the key policymaker of the State Department, Walt W. Rostow, Chairman of the Department's Policy Planning Council, assemble for the President's guidance a document advocating abandonment of Quemoy and Matsu, a U.N. General Assembly seat for Communist China and a two-China policy for the United States?

Everett S. Allen's documented series of articles takes up these questions. His conclusions are grass-level ones, substantiated by those who have been through the mill and relatively simple to place into effect.

The State Department, Mr. Allen suggests, has resisted organization changes urged by professional surveys; it does not punish incompetence; it has permitted lower working levels to call the shots; it has allowed its internal security apparatus to disintegrate; it has overemphasized world opinion and has been patient to the point of looking weak and ineffectual.

But the major weakness, emphasized time and again by Mr. Allen's informants, is the impact of educated and well-intentioned persons who are either Socialist-minded or believe communism and democracy can be fused. The policy voiced at the top often comes from this persuasive, fuzzy-thinking lower echelon.

If it were possible to paraphrase these constructive articles, we might do so by quoting the late Senator Robert A. Taft who called for a "clear, definite and consistent foreign policy, administered by men who have no past mistakes to support, no prejudices except against communism, no consideration except the liberty and peace of the American people."

As constituted, the State Department apparently cannot fulfill the requirements of today's complex and critical foreign affairs.

The remedy is to reorganize the Department, to remove or at least reassign to less vital roles those who have been found wanting, and to reduce this vital agency to an efficient and maneuverable size.

President Kennedy obviously is aware of this need, for in a recent address to Foreign Service officers, he was critical of the Department for delays and failure to arrive at decisions.

It is imperative that the President and Congress shall go further, for it is long past time for a thorough reexamination of the State Department with the aim of producing a clearer and stronger American policy to wage the cold war.

HON. JOHN H. DENT, OF PENNSYLVANIA

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEARNS. Mr. Speaker, I want to pay a much deserved tribute to the gentleman from Pennsylvania, Congressman JOHN DENT, for the fine contribution he has made through his tireless efforts and research in trying to solve many problems that confront us and for the fine administration of his committee of which I happen to be the ranking member. I think the Congress owes a debt of gratitude to the gentleman from Pennsylvania, JOHN DENT, for what he has done.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

STRIKE OF EASTERN AIR LINES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. KITCHIN] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. KITCHIN. Mr. Speaker, I today filed a bill identical with S. 3540 filed in the other body yesterday afternoon by the Honorable MIKE MONRONEY. This bill, in substance, would establish a permanent means of avoidance of instances similar to the one that the eastern section of our country now faces regarding the airlines strikes, principally that of Eastern Air Lines. The bill deals only in jurisdictional strikes and does not embrace any management-labor disputes which would establish a precedent for compulsory arbitration in that area.

I am advised that there is a possibility under the present law that the Federal Aviation Agency probably has jurisdiction to effect a settlement of the present strike in which jurisdictional disputes are in existence in Eastern Air Lines. If this is true, the Federal Aviation Agency should take immediate steps in the public interest to effect an expeditious settlement. If such steps are not taken, or if the Federal Aviation Agency does not have such jurisdiction, I feel it imperative in the public interest to have legislation similar to that which I have filed today become immediately available to effectuate a settlement in these jurisdictional disputes.

CONGRESSIONAL MEDAL OF MERIT FOR THE HUMANITIES

The SPEAKER. Under the previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 15 minutes.

Mr. SCHWENGEL. Mr. Speaker, 100 years ago President Lincoln signed a bill that provided for the awarding of the Congressional Medal of Honor to those who in periods of crisis, and mostly wartime, have made significant contributions and gone beyond the call of duty to protect and promote the cause of liberty and freedom. I might say that the act that made that possible was offered by a distinguished Senator from Iowa, Senator Grimes. I only came to know of this since I prepared these remarks, so under my permission to revise and extend I will try to have this documented and will comment further about it.

Mr. Speaker, my purpose today in taking the floor is to advocate a similar proposition that is utterly without partisanship. It is what may be called a unifying goal that can have all of us, on both sides of the aisle, pulling together. My bill, which I am introducing today, Mr. Speaker, would enable the Congress of the United States, officially and ceremonially, to give its recognition in a personal and a most dramatic form, to the support of the humanities upon which our system of freedom has been built and with which we became great.

This bill merely asks that the Congress be authorized to present a Congressional Medal of Merit to an American who has, in the opinion of Congress with the advice and consultation of respected authorities, made significant contributions to those humanities and arts that have served to strengthen and promote the American ideal here and abroad.

It is as simple, as limited, as forthright as that.

The bill itself specifies that the award is to be made not necessarily regularly, but periodically; that is, from time to time as great men or women in our society appear who are worthy of what we propose shall be a very high and distinguished award.

There are many reasons for proposing such an award. The intrinsic value would be of relatively little cost to the taxpayer and yet would have great value to the Nation which makes it possible for all people within our country to make individual and collective contributions toward a more abundant life.

After discussing the idea with many of my friends, some of whom have a skeptical and critical turn of mind, there seems to be no valid reason to argue against it. On the other hand, the affirmative reasons seem compelling. This recognition, it seems to me, would fill a sadly needed gap in our national recognition of the humanities and the arts.

Mr. Speaker, there are few who would argue when we observe that the American idea in international public relations is that the image of our country has been unfairly, viciously, and incredibly distorted. Too often they have been too successful in this.

The record shows clearly that no nation in the world at any time in the whole of human history has contributed so much of itself, in terms of legislation, in dollars, in dedication, in sheer educational genius to the uplift of its own people by education. Our celebration of the 100th anniversary of the Morrill Land-Grant Act is a recent, spectacular example, notable but not exceptional. This effort on behalf of education—and particularly in the humanities as well as in science—is, of course, the stone at the head of the corner in the structure of our system of government.

Not only by public—that is with governmental and legislative appropriation—but from private sources, an immense treasure has poured from our people as a whole, into the needs of the education of the individual and the masses providing more opportunity than has been offered by any other system or way of life.

This is an extraordinary record and it stands out as one of the high water marks in the story of American civilization.

Yet, a vast proportion of mankind from one end of this planet to the other sees our society as selfishly centered in a dynamic plunge toward materialism in its most oppressive and allegedy ugly forms. We are accused of perpetually boasting about our gross national product now reaching toward $600 billion annually. Our most altruistic motives and our unrivaled and unprecedented generosity, as indicated by foreign aid from lend-lease and the Marshall plan to the Agency for International Development, have been tortured into a picture that presents us as doing it all from motives of self.

Our enemies say there is not a drop of the milk of human kindness in any of this. Yet nothing but a Judaeo-Christian philosophy inspires most of this phenomenal program for the help of those less fortunate than we are. We know that and our enemies, of course, know it. But, up to now, this is not the portrait that has been given the world to see. Up to now we seem to have lacked the skill or the will, or both, to represent our actions for what they are.

The blame, in my judgment, rests in large part on those who willfully and deliberately bear false witness against us. But part of the blame, and no small part, rests without a shadow of a doubt upon our own shoulders. We have in the first instance shown a very limited talent for international public relations. We can advertise among ourselves gadgets and filter cigarettes, and shoes with spike heels or no heels at all, and mouth washes. But the greatest product of all time, the product that makes our contribution to the story of man the equal of anything that has been yet produced by the Graeco-Roman and the Judaeo-Christian civilization, that story we have been unable to peddle as successfully as we can, or should, to the millions on this earth who seem to misunderstand us.

We can sell cosmetics and beer but we have yet to learn how to sell liberty.

And liberty is our foremost product.

This bill that I propose to the House today will not of itself remedy this situation. But it is a significant step in the direction of throwing a national shaft of light on our true portrait as a people who appreciate and therefore recognize the great artists among us—artists in stirring literature, artists in any of the arts, and artists in the area that we refer to generally as the humanities. The gesture of bestowing such a medal of merit on the greats in these fields would have the effect of personalizing and dramatizing, of advertising and doing honor not only to the individual who has been chosen, but to the Congress itself and to the American people. This, says this award, in part, is what we truly are, a people who have respect for and bestow honor upon the outstanding personalities in American culture, in the broad but important area of the humanities.

This, Mr. Speaker, is really the burden of my message and my bill.

Inherent in the bill are provisions designed to prevent unwise or unthought-out decisions in the matter of making the proposed awards. Thus the awards are to be made by a joint committee of the House and the Senate. This committee is to name its own chairman. The committee will be composed of four Members of the House of Representatives, two from the majority party and two from the minority party, and four Members from the Senate also equally divided between the two parties. These are to be appointed by the Speaker and the Vice President. The chairman of this committee is authorized to receive recommendations as to whom the Medal of Merit shall be awarded. This is so stated in the bill. Moreover, the committee may seek recommendations from and the advice and assistance of a committee of experts in this area. By experts I mean, for example, as provided in the bill, the Librarian of Congress, the Secretary of the Smithsonian Institution, the National Music Council, the American Studies Association, the Modern Language Association, the American National Theater and Academy, the American Academy of Arts and Letters, and such other organizations and individuals as may be regarded advisable.

The only money mentioned in this bill is an authorization of $2,500 per award to carry out the provisions of this act.

It may be inevitable and vital to our defense in our time to explode a missile-borne hydrogen bomb 200 miles in the air. And it may be inescapable that the story of such a bomb will fill the newspapers and the communication media of the world more prominently than any other event of the day. But I maintain that this—however, inescapable in the world that now surrounds us—ought somehow to be offset by exposing to mankind another side of our civilization and our culture.

This award aims to do that.

This award aims to do for the man of letters and the arts what we have already done so well for the heroes who do valiant things on the field of battle beyond the call of duty to protect our country and our way of life. We have the Congressional Medal of Honor. No American lives who would not cherish such a decoration. Is it not time we had a medal for those men and women in our midst who achieve immortal distinction in the humanities? Thus our own people may be moved to a deeper recognition of their own folklore and a better understanding of themselves, and the world around us will see us more and more as we really are: great in our economy, of course; great in defense, of course; foremost in living standards for the mass of our people, but great and outstanding also in the humanities and our general culture.

I should like to call attention to the fact that the president of the Congressional Medal of Honor Society made a very pertinent comment on this matter the other day. He is Luther Skaggs, who won his medal by leading a Marine assault against the Japanese on Guam in World War II. He said:

> Courage is not restricted to those who have been honored for deeds performed on the field of battle. In all of America's wars, many men have fallen, unseen and unsung, with no one to witness their courage. So, too, there are countless unsung heroes in civilian life.

I remark here only that among these unsung heroes in civilian life are the Americans this bill aims to accord this great national distinction. The medal, it is proposed, will be of gold, but its real gold rests in its glory for the recipient and for us all as a nation, for having produced the type of genius who serves his country and mankind.

If, by this bill, we give the endorsement of the Congress of the United States to this side of American life, by this award of merit, we are performing, I believe, a service to American history, to the American people, and to the men and women among us who deserve our recognition.

In fact, Mr. Speaker, if Congress should give further public affirmation of the humanities it would reflect an interest in promoting a fine kind of patriotism through the encouragement of learning, writing and teaching of history. Moreover, it would develop a greater appreciation of literature, art, music and philosophy of America and the interpretation of the American ideals through these arts that are so worthwhile and seem so necessary in the battle for the minds and hearts of people everywhere today. And, we should remember also that it is in the understanding and the living of the philosophy of our forebearers which make us different and great.

I ask only that we do for ourselves what the Nobel Prize and kindred awards have thus far been doing for us. Let the Congress of the United States, officially and ceremonially, give due recognition to the achievements of our outstanding minds, and help them and us on the path to cultural immortality.

HOW TO STOP MERRYWOOD FROM RUINING THE POTOMAC: TURN OFF THEIR WATER

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, the natural beauty of the Potomac from Great Falls to Mount Vernon has recently been threatened by the action of the Fairfax County, Va., Board of Supervisors in rezoning the Merrywood property so as to permit three high-rise apartment buildings, to house 1,000 families. Despite protests from friends of the Nation's Capital throughout the country, the land speculators who propose the Merrywood project are going merrily ahead.

In an effort to stop Merrywood and similar spoliations up and down the Potomac, I introduced H.R. 12137 on July 14, 1962. This bill, which is now before the House Committee on Interior and Insular Affairs, would authorize the National Capital Planning Commission to review any changes in local zoning ordinances made after January 1, 1962, and to declare them inoperative where they would "materially impair the national historic, scenic, conservation, or recreational interest in the Potomac between Great Falls and Mount Vernon."

The pendency of H.R. 12137, unfortunately, has not stayed the hand of those bent upon destroying the skyline of the Potomac palisades. The Fairfax County supervisors have scheduled a hearing for July 26 on whether to weaken zoning further and allow buildings with an additional 30 feet in height, or three additional stories.

A 7.3-acre tract adjoining the Merrywood estate on the Potomac has recently been advertised for sale as "Potomac riverfront apartment land," at a price of more than $635,000. The advertisement, published in the Wall Street Journal, reads in part:

> Adjoining land just purchased and rezoned for $16 million luxury high-rise apartment. No other apartments in area. Land this close to Washington and on Potomac River is practically unavailable.

The wholesale devastation of the Potomac which many have foreseen is coming ever closer. H.R. 12137, by permitting the National Capital Planning Commission to invalidate ordinances permitting buildings that would ruin the skyline, can prevent the devastation. But a second string to the conservationist bow is needed.

Accordingly, I have today introduced H.R. 12536, forbidding the use of District of Columbia water and sewerage facilities for projects along the Potomac which would impair its natural beauty. The full text of H.R. 12536 follows:

H.R. 12536

A bill to help preserve the natural beauty of the Potomac River between Great Falls and Mount Vernon; to prevent the use of District of Columbia facilities by projects which would impair the natural beauty of the Potomac; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Potomac River between Great Falls and Mount Vernon is linked in the Nation's consciousness with the Nation's Capital. The Potomac's historic, scenic, conservation, and recreational values as an adjunct of the Nation's Capital depend upon the preservation of its present largely unspoiled character. The Congress has an interest in the Potomac River between Great Falls and Mount Vernon because it is not only an important interstate river, but because it is a part of the Nation's Capital environment.

SEC. 2. No facilities (including, but not limited to, the District of Columbia water system, the District of Columbia sanitary sewage works, or the Dulles International Airport sanitary sewer) of the District of Columbia or of the Washington District of the Corps of Engineers, Department of the Army, shall be made available for the use or benefit of any multifamily residential project or any commercial or industrial project the construction of which is commenced after January 1, 1962, and which is located within one-half mile of the water's edge at high tide on either side of the Potomac River in the States of Virginia or Maryland between Great Falls and Mount Vernon unless such project shall first have been considered by the National Capital Planning Commission, and such Commission, after a hearing with reasonable notice to interested parties, shall have found that such project will not materially impair the national historic, scenic, conservation or recreational interest in the Potomac River between Great Falls and Mount Vernon.

SEC. 3. The Board of Commissioners of the District of Columbia and the Secretary of the Army shall not permit any services (including but not limited to the furnishing of water from the District of Columbia water system, the treatment and disposition of sewage by the District of Columbia sanitary sewage works, or the carrying of sewage in the Dulles International Airport sanitary sewer) which they or any of their agencies or instrumentalities pursuant to authority granted by the Congress have contracted or agreed to furnish, or hereafter contract or agree to furnish, to the governing body of any town, city, or county in the States of Virginia or Maryland or to any agency or instrumentality thereof, to be made available to or used by or for the benefit of any multifamily residential project or any commercial or industrial project the construction of which is commenced after January 1, 1962, and which is located within one-half mile of the water's edge at high tide on either side of the Potomac River in the States of Virginia or Maryland between Great Falls and Mount Vernon unless such project shall first have been considered by the National Capital Planning Commission, and such Commission, after a hearing with reasonable notice to interested parties, shall have found that such project will not materially impair the national historic, scenic, conservation or recreational interest in the Potomac River between Great Falls and Mount Vernon.

While H.R. 12536 will not furnish complete protection against those who would despoil the Potomac, it would go a long way, since in many areas of Fairfax and Arlington Counties, Va., and Montgomery and Prince Georges Counties, Md., the District of Columbia's water and sanitary sewer systems are the only ones available to developers.

For example, the Merrywood project can secure water only from the city of Falls Church, Va., system, which in turn secures its water under a contract with the Army Corps of Engineers from the water supply at Dalecarlia. It can only dispose of its sewerage through the Pimmit Run sewer system, which crosses Chain Bridge into the District of Columbia system, and is treated by the District of Columbia.

Since the National Capital Planning Commission has already expressed its disapproval of such eyesores as the contemplated Merrywood project, the enactment of H.R. 12536 would leave the proposed three 17-story apartments, and their 1,000 families, without water or sewerage. I would hope that this prospect, Mr. Speaker, would encourage the Potomac Palisades promoters to give up their ill-conceived venture and go away.

The Congress surely does not wish to subsidize promoters who seek to ruin the Potomac in the vicinity of the Nation's Capital by furnishing them with water and sewerage facilities. Under H.R. 12536, the National Capital Planning Commission would be empowered to deny these facilities to projects which threaten the natural beauty of the Potomac.

ATOMIC ENERGY AUTHORIZATION BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 30 minutes.

Mr. HOLIFIELD. Mr. Speaker, under previous permission granted by the House, I have been granted the privilege of extending my remarks at this point in the RECORD. I intend to include under this permission which was granted various documents, including copies of amendments which will be offered during the course of the consideration of the Atomic Energy Authorization bill on Tuesday next, as announced by the distinguished majority leader.

Mrs. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I am delighted to yield to the gentlewoman from Washington.

Mrs. HANSEN. Mr. Speaker, may I express the appreciation of the delegations of the States of Idaho, Oregon, and Washington, for the very fine work which the Joint Committee has done in holding these hearings on behalf of the Hanford project. We are deeply interested in our area in the conservation of this steam and the economy of the project.

Mr. Speaker, I do want to associate myself with the remarks of the gentleman from California [Mr. HOLIFIELD] and to express the appreciation of the delegations from these States. I thank the gentleman for yielding.

Mr. HOLIFIELD. I thank the gentlewoman for her remarks. I know well of the gentlewoman's interest in this matter. The gentlewoman has conferred with me, as have other colleagues of the gentlewoman from the Northwest on this matter on many occasions.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I would be glad to yield to the gentleman from New Mexico.

Mr. MORRIS. Mr. Speaker, and Members of the House, I want to take this opportunity not only as a member of the Joint Committee on Atomic Energy to commend my chairman, the gentleman from California [Mr. HOLIFIELD], for his diligence and excellent work on this project, but on behalf of all the taxpayers of the United States.

Mr. Speaker, the proposition that has been worked out with reference to the utilization of the steam from the Hanford reactor will, in my opinion, make $130 million for the taxpayers of this Nation over the lifetime of the reactor.

I would like to ask the gentleman from California [Mr. HOLIFIELD] if that is a reasonable statement?

Mr. HOLIFIELD. That is a reasonable statement. While we cannot predict exactly the amount of income which the Government will receive, the schedule of payments which the power groups in the State of Washington are willing to pay are as follows: For the first 7 years they will pay to the Government $3 million. For the first 10 years that sum will accumulate to $31 million. If the reactor operates for 15 years, the amount received by the Federal Government would be $65 million. If it operates for 24 years, the amount received would be $125 million. Now, there is reasonable expectation, of course, that the reactor would last much longer than that. As a matter of fact, the Washington power groups are bonding themselves to the extent of $131 million to build the generating facilities. This is an important point. I am glad the gentleman from New Mexico [Mr. MORRIS] brought it up. This will not cost the Federal Government $1. The moneys for the generating facilities will be put up by non-Federal entities. It will be done under 30-year bonds. If the reactor should operate in a dual capacity for a period of the life of the bonds, it is estimated that the sum would jump from $125 million for 24 years to $155 million for 30 years, which is the life of the bonds. We cannot guarantee, and the Federal Government makes no guarantee, of operating this reactor any longer than the national defense needs require.

So there is no risk or obligation on the part of the Federal Government to operate this reactor beyond the defense needs. But, of course, we would not be building a $195 million reactor unless we thought that there was some long-term period of operation involved. Otherwise the Congress would not be justified in building the reactor in the first place. It is built for the purpose of supplying plutonium for our weapons. It is built in a design which will allow it also to produce a great deal of steam; in fact, enough steam to produce 800,000 or more kilowatts of electrical energy. This is a tremendous amount of electrical energy, and under the terms of the amendments which members of the committee will offer, this 800,000 kilowatts, or more if there happen to be more, will be made available to both public and private power purchasers on a nondiscriminatory basis; the same terms, the same price as the public power groups in Washington obtain.

Of course, this offer would be extended to them on the same nondiscriminatory basis. If they wish to participate they may; if they do not, they do not have to. There is nothing mandatory about their participating. But the financial interests of the private power people would be served by participation because the power that will be available will be available at the Bonneville rate, which is roughly $17.50 an annual kilowatt, I understand. This is cheaper than any other type of electricity can be produced with new hydro projects, as I understand it, or with fuel-fired boilers.

Mr. MORRIS. Mr. Speaker, will the gentleman yield further?

Mr. HOLIFIELD. I yield.

Mr. MORRIS. Mr. Speaker, as I recall, this proposal that we now intend to present to the Congress differs from the proposals previously presented in that in our previous proposals the Federal Government would build the generating facilities. In this proposal they would be built by the Washington Public Power Association with one-half of the power funds produced from this waste steam being offered to private companies on a nondiscriminatory basis as the gentleman stated. In fact, we are encouraging, by the language of these amendments, participation by the private power companies in the area.

Mr. HOLIFIELD. And we are making mandatory by these amendments that 50 percent of the total amount of power be offered to private people. It is not a matter of policy, if the Congress adopts the amendments, but a mandatory obligation, because the Atomic Energy Commission is specifically directed not to deliver any of this steam to the generating-facility group unless they first determine that a fair and impartial offer has been made both to public and private business on exactly the same basis.

The gentleman spoke of the difference in the legislative item that was offered last year in June and defeated by the Congress. In the extension of my remarks I am going into some detail on this but as long as the colloquy is now taking place, let me say this.

Under the provision last year the Federal Government would have designed the generating facilities, it would have constructed the generating facilities, it would have paid for the generating facilities, and it would have operated the generating facilities. None of these things takes place under the present arrangement. A non-Federal group will design the facilities. They will construct them. They will pay for them. They will operate them. And they will direct the distribution of the power under the mandate of the Congress, according to our amendment.

Mr. MORRIS. As I recall also, the only way this could be taken over or operated by the Federal Government would be a subsequent action by the Congress of the United States, just as takes place in any other legislation we pass here in the Congress.

Mr. HOLIFIELD. That is correct. This generating facility that is planned will be privately owned, nonfederally owned, and in the quite unlikely event that it would be taken over by the Federal Government or its agencies it would have to be taken over by direction of the Congress of the United States. The whole plan would have to be placed before the Congress before that could be disposed of. There is a very definite reason for this. In the first place, there is a provision also in the amendment which requires in the event that such action takes place, the contracts which are originally signed would have to be carried out by the succeeding entity, if it happened to be the Federal Government.

Mr. MORRIS. During the life of the contract?

Mr. HOLIFIELD. During the life of the contract. In other words, if a private power company signs a 20- or 30-year agreement to buy power, and if a public body signs it, that has to be carried out if the facility is operated by the Federal Government agencies when and if Congress authorizes a purchase.

Mr. MORRIS. I want to commend my chairman of the Joint Committee on Atomic Energy once again for his leadership in this very important program.

Mr. HOLIFIELD. I thank the gentleman. I want to pay tribute to his constant attendance at the committee and the interest he has shown during our extensive hearings on this matter and his cooperation at all times for the good of the taxpayers.

I want to say this, that the individual that votes against this proposal is voting to kick a possible $125 to $150 million of revenue in the face on the part of the Federal Government, without expenditure on the part of the Federal Government over that which has already been authorized by the Congress.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. First, I want to say that I have opposed this project in the past and felt I had good grounds for it. I have followed it with interest. I am certainly not against the objective you are trying to obtain, but I have some real misgivings about public power against private power, as the gentleman probably knows.

I have a few questions I would like to ask: First, I want to ask this. In case we did not act and went ahead with the building of this facility, is there not some provision under the present law under which we could enter into agreement with some private utility so we would not have to lose all this steam about which the gentleman is talking?

Mr. HOLIFIELD. If I understand the gentleman's question, for more than 2 years now the private utilities have had an opportunity to come in and build the generating facilities.

The former Chairman of the Commission, Mr. McCone, contacted the private utilities in this region and asked them if they wanted to take over the opportunity of constructing generating facilities. There were no takers. No one came up and said they would like to purchase the steam. At the present time the Bonneville system, as you know, sells about 35 percent of its power to the private power people or to the private corporations, and under the new setup there would be a 50-percent disposal of this block of power to the private power people, if they wished to participate and 50 percent to the public power people, if they wish to take 50 percent. Have I answered the gentleman's question?

Mr. SCHWENGEL. Yes, in part at least. Let me ask one further question. You made reference to the $130 million bond issue and you say that the Government would not be obligated in any sense to issue those bonds?

Mr. HOLIFIELD. That is right.

Mr. SCHWENGEL. Who would issue the bonds?

Mr. HOLIFIELD. The bonds would be issued under the name of the Washington Public Power Supply System. It would be an obligation on the 16 public power distributing entities within that association. They would be the ones who would have to stand good for the bonds. There is no obligation on the Federal Government at all to pick up these bonds under any circumstances.

Mr. SCHWENGEL. Under what authority were these public power facilities established in Washington? Was it not under national legislation of some kind?

Mr. HOLIFIELD. No, they were established under the laws of the State of Washington and they are what is known as a Washington Municipal Corp.

Mr. SCHWENGEL. Then the municipal corporation would be responsible?

Mr. HOLIFIELD. The 16 groups that formed the Washington Public Power Supply System will be responsible and would be the obligators on the bonds.

Mr. SCHWENGEL. And if that went bad, then the people who own these facilities, the 16 facilities, organized under the laws passed by the State of Washington, I presume, and the taxpayers would be responsible to pay these bonds?

Mr. HOLIFIELD. It is hardly likely that the consumers of this electricity would allow this free steam, you might say, or almost free, it is free from the standpoint of the fact that you do not have to build boilers and use fuel or have to build hydroelectric facilities in order to get this power—it is hardly likely that they would allow this to go bad. I cannot see under any circumstances how they would.

Mr. SCHWENGEL. That is probably true, but I was trying to establish the point that the private interests in the region and the taxpayers somewhere may be responsible in that area.

Mr. HOLIFIELD. The consumers of the electricity would be responsible and would be entirely responsible for the present bonds on these public power bodies.

Mr. SCHWENGEL. And if that does not turn out right, we would be responsible and would have to carry the load?

Mr. HOLIFIELD. We who?

Mr. SCHWENGEL. The Congress.

Mr. HOLIFIELD. No. Let us assume this arrangement continued for a bonding period of 15 years of the 30 years. At that time, let us assume that a certain percentage of the bonds would be paid off. Let us assume at that time the highly unlikely probability that for some reason the bonds would go sour. The first and only obligation by the receiver or by whoever purchased these bonds would be against the signatories on the bond obligation and that would be the 16 separate power distribution and in some instances production systems. It would not be upon the Congress unless the Congress said, We will step into the picture and pay off the bonds and obtain the facilities and operate them. But there would be no reason in the world for the Congress to do that, that I know of.

Mr. SCHWENGEL. Why would not some responsibility rest on the Congress? We are passing the legislation to make it possible for these bonds to be issued. Does not that fasten responsibility on the Congress?

Mr. HOLIFIELD. No, we would not have any responsibility. This matter was covered thoroughly in the hearings. Furthermore, an amendment will be offered explicitly directed to the point that no Federal moneys will be involved in this.

Mr. SCHWENGEL. Then what is the need of this legislation, if we are not obligated? Somebody has to grant them authority to build the plant.

Mr. HOLIFIELD. We are granting authority to the Atomic Energy Commission to dispose of what would otherwise be waste steam, and the Atomic Energy Commission comes under the jurisdiction of the Congress.

Mr. SCHWENGEL. Is it not possible to find another remedy which would put this matter in the field of private enterprise?

Mr. HOLIFIELD. This is a non-Federal enterprise, and the private companies will have an opportunity to participate up to 50 percent. Is not that a reasonable arrangement?

Anyway, the opportunity on the part of the private companies has lain dormant all this time. They had had the opportunity to come in, but they have not come to our committee, nor have they come to the Atomic Energy Commission and asked for any kind of authorization.

Mr. SCHWENGEL. There is something wrong with the law, then, or else it is not an economic proposition. If this steam is so valuable I would think that private enterprise would have been interested.

Mr. HOLIFIELD. One might think so, but let us not interpose our judgment upon the judgment of the people who are willing to risk $130 million to build this plant. That is their business. They are not under the jurisdiction of Congress. They come to the Congress and ask for only one thing, that is, permission to buy steam under an arrangement whereby the bonds can be discharged over a period of 30 years.

Mr. SCHWENGEL. I assure the gentleman I will follow this discussion with a great deal of interest.

Mr. HOLIFIELD. I will assure him that he will have a number of Members on his side of the aisle, some of them on the committee, who will be taking the same position the gentleman now speaking takes, because we have gone into this matter thoroughly and we have an opportunity here for the Federal Government to recover from a minimum of $3 million to a maximum of $125 million over a 24-year period without any additional expenditure or obligation on the part of the Federal Government to do anything that would cost the Federal Government or any of its agencies—and when I say this I am talking about the AEC and the Bonneville agency—without any obligation on their part to do a thing to bring this income back into the Treasury of the United States. Otherwise they are going to blow this steam into the air. This is a completely different approach than was brought before the Congress last year. This does not require a dime of Federal money, nor are we going to authorize it or ask to have appropriated $1 of Federal money.

Mr. SCHWENGEL. I cannot help but feel that this would be the first time in history that such a thing has happened.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. MORRIS. I can understand how the gentleman from Iowa feels that this would not be the first time that the Government found itself blowing steam into the air, but I want to assure my good friend from Iowa that this is purely and simply an authorization for the AEC to sell a byproduct of the reactor operation in Washington. That is all it is. Very simply it is an authorization for them to sell it and to realize from the sale a possible $130 million without the expenditure of any money.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. JENSEN. Mr. Speaker, I just want to state that I have inserted in the RECORD a fact sheet relative to the Hanford proposal. I invite every Member of Congress and the public generally to read those facts and figures.

Mr. HOLIFIELD. I will be very happy to read the matter that the gentleman has inserted in the RECORD. The gentleman knows of my high respect for him. The gentleman also recognizes the gentleman from Iowa and I have seen differently on this matter in the past. I will invite the gentleman from Iowa to read the facts which I have placed in the RECORD under previous consent of the House; and by mutually reading each other's material, I am hoping that the gentleman from Iowa may be brought to see that a vote for this amendment, which will be offered, will be an economy vote that will bring revenue into the Federal Government without obligation on the part of the Federal Government to spend any additional money in this project than already authorized and obligated.

Mr. JENSEN. The facts and figures prove otherwise.

Mr. HOLIFIELD. I beg to differ with the gentleman.

Mr. JENSEN. We have differed before, but we still remain good friends. I respect the gentleman. He is an important Member of this Congress, but we disagree agreeably.

Mr. HOLIFIELD. That is right.

Mr. JENSEN. So I shall only say, as the gentleman has said to me, that he, too, read the facts which I have inserted, and if he will read them and think the matter over I feel quite sure he will come around to our way of thinking.

Mr. HOLIFIELD. I could only pledge to the gentleman that I will read the material he has placed in the RECORD.

Mrs. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentlewoman from Washington.

Mrs. HANSEN. We are discussing steam here, which is a byproduct of the Hanford reactor. Is there not one more important point to be remembered, and that is the item of conservation? We have in all of the Northwest a deep interest in conservation. Members of the Isaac Walton League are writing continuously warning about the condition of our rivers. I wonder if the Joint Committee has considered this phase particularly, too.

Mr. HOLIFIELD. Yes. The testimony has been that departure from the present operation of the present operating Hanford reactors, in which the river water is used to cool the reactor, then the cold water taken in and the warm water turned back into the river, there have been some statements—I am not an expert in this field, I may say to the gentlewoman—that this is detrimental to fish life. In this instance the heat will not be turned back into the river, but would be turned to generators and to the extent—I do not know what the extent of the damage might be to fish life, if the heat of the Columbia River does damage fish life, and to that extent this amount of heat would not pertain.

Mrs. HANSEN. I thank the gentleman. We are interested in conservation out there, we are deeply concerned with this problem. We would also like the gentleman to remember that unless this project is adopted and provision made for the power interests to develop, the needs for power will be pledged and there will be the necessity for further hydroelectric projects to be constructed there at a time when all the research necessary on the fish program has not yet been completed. This is the most important phase, as far as the people who are interested in conservation are concerned. We appreciate the gentleman's statement.

Mr. MAGNUSON. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Washington.

Mr. MAGNUSON. I wish to commend the gentleman from California for his statement, and particularly for laying before the House some of the facts surrounding this proposed Hanford project. I wish to emphasize, as he has and as others have, that here is a chance for an economy vote for every Member of the House. I fail to see how anyone who understands the matter can fail to support it, because there is potential substantial revenue which will redound to the benefit of the Federal Treasury.

I also wish to emphasize a point which has just been raised by my colleague, the gentlewoman from Washington [Mrs. HANSEN] and that is that our part of the country, the Pacific Northwest, is acknowledged to be facing a major power shortage as early as 1965, and certainly this 800,000 or 900,000 kilowatts of power will go a long way toward alleviating that threat and, as she suggests, perhaps making unnecessary some great Federal expenditures in the way of new hydroelectric dams. I hope that the Members of the House will, before this matter comes up next week, acquaint themselves with the facts surrounding the situation, and I am sure, if they do, they will see the wisdom of supporting this Hanford proposal.

Mr. HOLIFIELD. I thank the gentleman.

Mr. NORBLAD. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Oregon.

Mr. NORBLAD. I would like to join the gentlewoman from Washington in expressing our concern on the matter of the conservation issue. We in Oregon feel the same way she does about it, realizing the damage that may be done in the future in connection with the salmon runs on the Columbia River. And, I am for it 100 percent.

Mr. HOLIFIELD. I appreciate the gentleman's support.

HANFORD NEW PRODUCTION REACTOR

Mr. Speaker, the Joint Committee on Atomic Energy has voted to authorize the introduction of two amendments to the fiscal year 1963 AEC authorization bill, H.R. 11974. These amendments will be offered at the appropriate time when the bill is called up for consideration on the floor of the House.

In order that the Members of the House may have advance notice, I am including these amendments as part of my remarks along with an analysis of the amendments.

The amendments refer to Program Justification Data No. 63–1000 and for the further information of the Members, I am appending this data to the analysis of the amendments.

Now, Mr. Speaker, I wish to place before the Members, the facts regarding the sale of byproduct steam from the Hanford new production reactor. A great deal of misinformation has been placed in the CONGRESSIONAL RECORD during the past few weeks. It is information which is inaccurate and misleading. In addition, a great deal of it is obsolete in view of the amendment which were drafted and approved by the Joint Committee on Atomic Energy on July 12.

I will set forth briefly certain facts which I hope will clarify the subject.

In my opinion this legislation is sound from every standpoint. It is an economy vote if ever there was one. It offers the opportunity to recapture for the U.S. Treasury up to $125 million from the sale of otherwise wasted byproduct steam from the Hanford new production reactor. It will make available approximately 800,000 kilowatts of electricity to public and private utilities and industry in the Pacific Northwest. All this can be done without 1 cent of additional Federal expenditure.

The facts of this proposal are simple and straightforward:

First. There is no line item in the AEC authorization bill appropriating any money for the purpose of selling byproduct steam from the Hanford new production reactor.

Second. Congressional action on the 1961 authorization bill was to prohibit Federal expenditure of $95 million for generating facilities to utilize the byproduct steam.

Third. The Atomic Energy Commission offered to sell the byproduct steam to private and public power entities.

Fourth. The Washington Public Power Supply System is the only entity that has offered to buy the byproduct steam. Washington Public Power Supply System is a group of 16 utility districts in the State of Washington.

Fifth. The Washington Public Power Supply System in order to be able to buy the steam is willing to bond itself for approximately $131 million for the construction of the necessary generating facilities.

Sixth. The Washington Public Power Supply System and the AEC have negotiated the terms for a lease of 13 acres of land from AEC for the generating site near the reactor, and a contract for the purchase of the byproduct steam.

Seventh. Under the agreement, the AEC retains complete freedom to operate and control the plutonium-producing reactor according to the defense needs of our Nation.

Eighth. The estimated income to AEC for the byproduct steam over various periods of operation is as follows: First, 10 years, $31 million; second, 15 years, $60 million; and third, 24 years, $125 million.

This schedule is based on dual-purpose—plutonium and steam—operation of the reactor. We cannot predict accurately the period of time for which plutonium for weapons will be needed. It is highly probable that such operation will continue for a minimum of 10 years and unless an effective disarmament agreement is consummated with the Soviets, the operation could continue many more years.

Remember, the steam will be made as a byproduct whether it is sold or wasted.

It is a national resource. If it is sold it will recover many millions of dollars to the Treasury. If it is not sold, it will waste a national resource and deny to the economy of the Northwest States of Washington, Oregon, and Idaho electric energy of 800,000- to 900,000-kilowatt capacity.

The people of this area are willing to bond themselves to purchase and install their own generating facilities.

They do not ask for $1 of Federal expenditure.

They offer to pay the Federal Government for steam which otherwise will be wasted. The estimated return to the Federal Government will run from a minimum of $3 million to a maximum of $125 million.

Ninth. The arrangement will also assist Bonneville Power Administration to firm up and thereby make salable large quantities of surplus peaking capacity and secondary electric energy which otherwise would be wasted to meet a need for additional firm power to supply publicly and privately owned public utilities, cooperatives and industries in the Pacific Northwest. The mutual exchange of power would also result in more economical operation of the Columbia River power system.

Tenth. This arrangement will also serve an important national defense purpose. In the event the United States no longer needs plutonium for weapons purposes, or enters into a disarmament agreement, the new production reactor will be operated by Washington Public Power Supply System for electric power only. If international circumstances should later require resumption of plutonium production for weapons purposes, this can be accomplished in the new production reactor in a few days. This would save 2 years' time and many millions of dollars standby costs if the plant were only a single-purpose reactor.

These then are the issues.

Shall the AEC be authorized to sell byproduct steam from the Hanford plutonium reactor for millions of dollars of revenue? Shall we be able to serve national defense and economy in keeping this valuable production plant in instant standby condition?

Mr. Speaker, I am extending my remarks at this point to include the two amendments, an analysis of these amendments, and the program justification data referred to in the amendments:

Amendment to H.R. 11974 Adopted by the Joint Committee on Atomic Energy on July 12, 1962

On page 15, after line 5, add the following new section:

"Sec. 112. The Commission is authorized to enter into arrangements with non-Federal entities in accordance with the basis for arrangements described in Program Justification Data No. 63–1000, for the construction and operation of electric energy generating and transmission facilities at the Hanford new production reactor and under any such arrangements energy produced shall be delivered and disposed of in accordance with the basis for arrangements described in said Program Justification Data No. 63–1000: *Provided*, That all expenses of modifications of the Hanford new production reactor made at the request of the non-Federal entities, and all expenses of constructing and operating such electric energy generating and transmission facilities shall be borne by the non-Federal entities."

Further amendment of amendment to H.R. 11974 adopted by Joint Committee on Atomic Energy on July 12, 1962: ": *Provided further*, That the Commission shall not conclude any contract for the sale of steam to a non-Federal entity unless the Commission determines that such entity has first offered 50 per centum participation in the arrangements described in Program Justification Data No. 63–1000 to privately owned organizations on a nondiscriminatory basis: *And provided further*, That no Federal agency may acquire the generating facilities from the non-Federal entity without prior congressional authorization and in the event of such authorization the generating facilities shall be acquired subject to contracts then in existence for disposition of the electrical energy produced by the facilities."

Analysis of Committee Amendments to H.R. 11974 Adopted by the Joint Committee on Atomic Energy July 12, 1962—Authorizing Arrangements for Utility Proposal To Construct and Operate Electric Generating Facilities at the Hanford New Production Reactor

The purpose of these amendments, which add a new section 112 to the AEC fiscal year 1963 authorization bill (H.R. 11974), is to provide specific authorization for certain arrangements between the Atomic Energy Commission and the Washington Public Power Supply System, a group of 16 utility districts in the State of Washington, for the sale of byproduct steam, and the construction and operation of electric generating facilities at the Hanford new production reactor, an Atomic Energy Commission production facility. The arrangements would require that the electric energy generating facilities be built and operated by Washington Public Power Supply System, at its own expense. The arrangements further provide that electric energy produced by the generating facilities, having rated capacity of 800,000 kilowatts, would be transferred to the Bonneville Power Administration under power exchange agreements with public and private utilities in the Pacific Northwest.

BACKGROUND

1. Authorization of the new production reactor in 1958: The new production reactor was authorized by the Congress in 1958 as project 59–a–5 of Public Law 85–590, "Production reactor facility for special nuclear materials, convertible type, Hanford, Wash., $145 million." The purpose of the reactor is to produce plutonium for the nuclear weapons program. The convertible type of reactor authorized for this purpose is a reactor with certain design features which would permit the utilization of the heat (steam) generated in the plutonium production process for the production of byproduct electrical energy. The authorization did not include funds for the construction of the necessary plant and equipment additions required for the generation of electric energy.

2. Congressional action in the 87th Congress, 1st session: In 1961, the administration proposed the Federal construction of the electric generating plant at the new production reactor. This proposal would have required the authorization of $95 million of Federal funds for the construction of the facilities and in addition, would have required the Atomic Energy Commission to operate the electric plant. The Congress did not authorize the expenditure of Federal funds for this purpose.

3. The Washington Public Power Supply System proposal: Recently, a group of public utility districts in the State of Washington, comprising the Washington Public Power Supply System, proposed to build and operate the facilities at their own expense and without any Federal expenditures. Proposed contractual arrangements have been negotiated among the participating parties which include the Washington Public Power Supply System, its participating utilities, the Atomic Energy Commission, and the Bonneville Power Administration. The contracts have not been signed as yet.

Under these contracts, Washington Public Power Supply System would construct and operate the electric generating facilities at its own expense. AEC would sell the otherwise wasted new production reactor steam to Washington Public Power Supply System at a price, approved by the Federal Power Commission, which could result in the receipt by the Commission of from $31 to $125 million over a 10- to 24-year dual purpose period.

The participating utilities would turn over the entire output of the new production reactor generating facilities to the Bonneville Power Administration under appropriate power exchange agreements.

4. Comptroller General's ruling: These contracts were reviewed by the General Counsel of the Atomic Energy Commission and the Regional Solicitor of the Bonneville Power Administration, respectively. Each concluded independently that its agency had ample legal authority for these arrangements. However, on July 7, 1962, in response to a request for an opinion on the legality of these arrangements from the Atomic Energy Commission, the Comptroller General ruled that the AEC could not enter into these arrangements without further congressional authorization.

5. Joint Committee hearings: In order to decide as to an appropriate future course of action, including any necessary amendments to the AEC fiscal year 1963 authorization bill, the Joint Committee commenced hearings on July 10, 1962, continuing through July 11, 1962. In the course of these hearings, the Joint Committee thoroughly reviewed every phrase of these proposed arrangements. Among the witnesses who testified were the following: Hon. Robert Wilson, Commissioner, U.S. Atomic Energy Commission; Mr. Joseph Hennessey, Acting General Counsel, AEC; Mr. George F. Quinn, Director, Division of Production, AEC; Mr. Charles F. Luce, Administrator, Bonneville Power Administration; and Mr. Owen Hurd, Managing Director, Washington Public Power Supply System.

In addition, the committee received an extensive number of letters and documents pertaining to the Washington Public Power Supply System proposal. These hearings are now being printed for the use of the members. In the interim, the staff of the Joint Committee has prepared a committee print entitled "Utility Proposal for Powerplant Addition to Hanford New Production Reactor," compiling in one place, all of the available background materials pertinent to a consideration of the Washington Public Power Supply System proposal.

6. Committee action on amendment to AEC authorization bill: On July 12, 1962, the Joint Committee on Atomic Energy, in an executive session, adopted two amendments to the AEC fiscal year 1963 authorization bill (H.R. 11974). The amendments provide specific authorization for arrangements, pursuant to Program Justification Data No. 63–1000, for the construction and operation of electric generating facilities at the Hanford new production reactor by the Washington Public Power Supply System. Program Justification Data No. 63–1000 is attached to this analysis.

Text of Amendments

AMENDMENT TO H.R. 11974 ADOPTED BY THE JOINT COMMITTEE ON ATOMIC ENERGY ON JULY 12, 1962

On page 15, after line 5, add the following new section:

"Sec. 112. The Commission is authorized to enter into arrangements with non-Federal entities in accordance with the basis for arrangements described in Program Justification Data No. 63–1000, for the construction and operation of electric energy generating and transmission facilities at the Hanford new production reactor and under any such arrangements energy produced shall be delivered and disposed of in accordance with the basis for arrangements described in said Program Justification Data No. 63–1000: *Provided*, That all expenses of modifications of the Hanford new production reactor made at the request of the non-Federal entities, and all expenses of constructing and operating such electric energy generating and transmission facilities shall be borne by the non-Federal entities."

Further amendment of amendment to H.R. 11974 adopted by the Joint Committee on Atomic Energy on July 12, 1962: ": *Provided further*, That the Commission shall not conclude any contract for the sale of steam to a non-Federal entity unless the Commission determines that such entity has first offered 50 per centum participation in the arrangements described in Program Justification Data No. 63–1000 to privately owned organizations on a nondiscriminatory basis: *And provided further*, That no Federal agency may acquire the generating facilities from the non-Federal entity without prior congressional authorization and in the event of such authorization the generating facilities shall be acquired subject to contracts then in existence for disposition of the electrical energy produced by the facilities."

ANALYSIS OF AMENDMENTS

The basic amendment adds a new section 112 to the AEC fiscal year 1963 authorization bill (H.R. 11974).

The Atomic Energy Commission is given specific authorization "to enter into arrangements with non-Federal entities in accordance with the basis for arrangements described in Program Justification Data No. 63–1000 for the construction and operation of electric energy and transmission facilities at the Hanford new production reactor."

This method of authorizing complex contractual arrangements is a standard form of authorization followed by the Joint Committee and the Congress in the past. For example, see section 109(d) (authorizing arrangements with the Florida West Coast Nuclear Group and the East Central Nuclear Group) and 109(e) (authorizing arrangements with the Pennsylvania Power & Light Co. and the Westinghouse Corp.) of Public Law 85–590 and section 109(c) of Public Law 87–315 (authorizing arrangements with

Dairyland Power Cooperative and the Allis-Chalmers Manufacturing Co.).

Under the proposed arrangements, the Washington Public Power Supply System would build and operate electric generating facilities at the new production reactor, on 13 acres of land leased from the AEC. All costs of constructing and operating the electric generating facilities will be paid for by Washington Public Power Supply System. Any modifications in the new production reactor itself, which are requested by Washington Public Power Supply System, and approved by the Commission, will likewise be paid for by Washington Public Power Supply System.

The Commission would, in return, deliver any steam energy in excess of its needs, and produced incident to the operation of the new production reactor, to Washington Public Power Supply System. Washington Public Power Supply System will make fixed payments to the Commission for such steam, regardless of quantity or quality delivered. These payments could range up to $125 million depending upon the period of dual purpose operation, according to a schedule which is part of the "Program justification data."

If plutonium production ceases, AEC will lease the new production reactor to Washington Public Power Supply System, for the purpose of producing steam energy.

The justification data specifically provide that:

"The Commission will be compensated in advance for all costs associated with modifications of the new production reactor and construction and operation of the generating facilities in connection with this arrangement which the Commission would not have had if it had not entered into the arrangement. At no time will the Commission be required to expend its own funds. Those costs which result from activities which the Commission agrees to undertake shall be paid for from funds advanced to the Commission by Washington Public Power Supply System."

The amendment further provides that "energy produced shall be delivered and disposed of in accordance with the basis for arrangements described in said Program Justification Data No. 63-1000."

Under these arrangements, the Washington Public Power Supply System will issue revenue bonds to obtain funds to build the project. The output of the new production reactor plant will be sold and delivered to the participating utilities at Vantage, Wash. The participating utilities may include publicly and privately owned utilities, but all are initially customers of the Bonneville Power Administration. Each participating utility will purchase a fractional share of the Hanford output for which it will agree to pay the same fractional share of the total annual costs of the project.

The participating utilities, as a group, will jointly deliver into the BPA system at Vantage their respective shares of the output of the new production reactor generation. In exchange, Bonneville will make energy and capacity available to each participating utility at its load centers, under the terms of its power sales contract with BPA. The amount of power which BPA will make available to such utilities will be an amount equal in value, under the current BPA rate, to the utilities' share of the annual costs of operating the electric generating facilities and amortizing the capital investment.

After the end of each contract year the actual costs will be determined and an appropriate adjustment in energy will be made under the remaining months of the current contract year, if such actual costs differ from the estimated costs.

The Government may acquire the project (1) prior to the time when all bonds and other obligations have been paid by assuming the outstanding balance of such obligations, or (2) upon the termination of the agreement. In either event, prior congressional authorization would be required. Moreover, under the final proviso of the further amendment, such authorization would be subject to contracts then in existence, and participating utilities would be assured a continuation of their power supply as though Washington Public Power Supply System were still owner of the generating facilities.

Three provisos then follow:

The first proviso is to the basic amendment and requires that "all expenses of modifications of the Hanford new production reactor made at the request of the non-Federal entities, and all expenses of constructing and operating such electric energy generating and transmission facilities shall be borne by the non-Federal entities."

Although it is clear from the "Program justification data" that all reactor modification expenses as well as the costs of constructing and operating the electric generating facilities will be paid for by the Washington Public Power Supply System, without any Federal expenditures, it was thought desirable to specifically spell out this requirement in the law.

The final provisos which are included in the further amendment concern arrangements and guarantees to private organizations.

The second proviso requires that "the Commission shall not conclude any contract for the sale of steam to a non-Federal entity unless the Commission determines that such entity has first offered 50 per centum participation in the arrangements described in Program Justification Data No. 63-1000 to privately owned organizations on a nondiscriminatory basis. * * *"

This provision guarantees that the Commission would not enter into any contract with Washington Public Power Supply System, until it (the AEC) had determined that there had been an offer to privately owned organizations (including private-investor owned utility companies) of 50 percent participation in the arrangements. Thus, privately owned organizations, under contracts with Washington Public Power Supply System would have the right to obtain up to one-half of the new production reactor output and enter into necessary power exchange argeements with BPA for the distribution of the energy.

Such an offer would have to be on a "nondiscriminatory basis." Thus, private organizations, to the extent of their proportionate share of new production reactor energy, will be able to obtain this energy without regard to existing provisions of law, granting preference to public power groups and imposing pull-back limitations on private organizations.

The third proviso requires that "no Federal agency may acquire the generating facilities from the non-Federal entity without prior congressional authorization and in the event of such authorization the generating facilities shall be acquired subject to contracts then in existence for disposition of the electrical energy produced by the facilities."

As noted earlier, there are certain contingencies under which the Federal Government might acquire the new production reactor electric generating facilities. In this event, congressional authorization would be required for such acquisition.

In order to guarantee the rights which are granted to privately owned organizations under the second proviso, as well as the rights of all participating utility districts, this third proviso requires that if the Government acquires the electric generating facilities, such acquisition would be subject to existing contractual rights and obligations. Thus, privately owned organizations could be assured that under no circumstances would their share of new production reactor electric energy be subject to the provisions of any law respecting preference or "pull back."

Moreover, if privately owned organizations become parties to exchange contracts, BPA's obligation to make deliveries of power to them under the contracts in the event of a regional power shortage would be the same as its obligation to make deliveries of power to public agencies.

PROGRAM JUSTIFICATION DATA—No. 63-1000, PHASE I

A. PARTIES

The Atomic Energy Commission and the Washington Public Power Supply System, Kennewick, Wash., a municipal corporation, joint operating agency and publicly owned utility organized under the laws of the State of Washington, and composed of 16 public utility districts.

B. DESCRIPTION OF PROPOSED ARRANGEMENT

1. Objective: The objective of this proposed arrangement is to sell to Washington Public Power Supply System excess steam energy produced in the course of operating the new production reactor, for the production, in generating facilities constructed and operated by Washington Public Power Supply System, of large quantities of power, 800,000 kilowatts rated capacity. The Commission, through the sales of such excess steam energy, would recover appreciable sums of money, thus reducing the cost of plutonium to be produced in the new production reactor. Furthermore, programatic objectives of the Commission would be accomplished through contribution to the Nation's nuclear power development program. The arrangements for distributing the power generated by Washington Public Power Supply System are outlined in phase II. During periods when the Commission is not operating the new production reactor for its own purposes, the new production reactor would be leased to Washington Public Power Supply System to permit its continued operation for steam production. Such a lease arrangement would assist in shortening the period required to resume production activities and lower standby costs should national defense interests require such resumption.

2. Location: Hanford, Wash.

C. GENERAL FEATURES OF PROPOSED ARRANGEMENT

1. Land lease: The Commission will make available approximately 13 acres of land on which Washington Public Power Supply System will construct necessary facilities to permit generation of power. Under the lease Washington Public Power Supply System will be limited in its use of the land to the purposes set forth therein; namely, to construct and operate generating facilities. Washington Public Power Supply System will have rights of ingress and egress as well as certain easements for transmission lines and supporting structures. The Commission will have the right to terminate the lease with reasonable notice if the land is misused or disused, or if Washington Public Power Supply System becomes insolvent. If the lease is terminated prior to expiration, the Government may elect to acquire the facilities, in which case it will be required to assume the outstanding indebtedness of Washington Public Power Supply System under the bonds issued for this project. The Government will have an option to take title to the generating facilities, without cost, upon expiration of the lease. Washington Public Power Supply System will pay the Commission rent charges of $1,000 for the first year and $10 per year thereafter. The expiration date of the lease will be the same as that of the contract. (See 13 below.)

2. Construction of generating facilities: Washington Public Power Supply System will

construct, at its expense, the necessary generating facilities.

3. Modifications in new production reactor: The Commission agrees to make certain modifications in the new production reactor which are requested by Washington Public Power Supply System and which are acceptable to the Commission, to be paid for by Washington Public Power Supply System, to improve the quality and dependability of the steam for the generation of electric power.

4. Delivery of steam energy: Upon completion of the generating facilities and during periods when the Commission is operating the new production reactor, the Commission will, consistent with the safe, efficient, and effective operation of the new production reactor, make available to Washington Public Power Supply System all steam energy in excess of the needs of the Commission produced incident to the operation of the new production reactor.

5. Commission review of designs, plans, and specifications relating to generating plant: The Commission will have the right to review all designs, plans, and specifications relating to construction and modifications of the generating facilities and approve any features which the Commission determines could affect the safe and effective operation of the new production reactor or of other plants and facilities of the Commission.

6. Commission inspection rights: The Commission will have the right to inspect at all reasonable times the construction of the generating facilities and the operation of those facilities, during both the dual-purpose and power-only phases, to assure that the safety, efficiency and effectiveness of the new production reactor and other Commission facilities is not impaired. The Commission will have comparable inspection rights concerning the new production reactor during the power-only phase. In addition, the Commission, as a consequence of inspection, during both the dual-purpose and power-only periods, may require Washington Public Power Supply System to undertake certain programs in order to assure the safety, efficiency, and effectiveness of the new production reactor and other Commission plants and facilities.

7. Commission direction of operations during emergencies: During any period in which the Commission determines that an emergency exists relating to the safety and effectiveness of the new production reactor, the Commission may direct all actions and operations involving the generating facilities, and involving the new production reactor during periods when it is leased to Washington Public Power Supply System, until the emergency is terminated.

8. Transition to power-only operation: At times when the Commission gives notice to Washington Public Power Supply System that dual-purpose operation is to be suspended, Washington Public Power Supply System will take necessary steps to satisfy any licensing requirements which may be a condition precedent to its operation of the new production reactor and will undertake any necessary modifications in the generating facilities necessary to accommodate power-only operation. The Commission at the same time agrees to undertake necessary modifications of the new production reactor which are acceptable to the Commission, to be paid for by Washington Public Power Supply System. The Commission will then tender to Washington Public Power Supply System the new production reactor under a lease agreement described in paragraph (9) below.

9. New production reactor lease: Under the terms of the lease, Washington Public Power Supply System will be required to use the new production reactor solely for the production of steam energy to operate the generating facilities. Washington Public Power Supply System will comply with the provisions of the basic contract pertaining to use, maintenance, and operation of the new production reactor. The Commission will have the right to terminate the lease if the new production reactor is not used in the manner provided for in the lease and in the basic contract. Washington Public Power Supply System will pay the Commission rent charges of $1,000 for the first year and $10 per year thereafter. The expiration date of the lease will be the same as that of the contract. (See (13) below.)

10. Recapture of new production reactor by Commission: The Commission will have the right, at all times when the Washington Public Power Supply System is operating the new production reactor, to recapture the new production reactor for production or other purposes.

11. Compensation to Commission for costs of activities undertaken by Commission: The Commission will be compensated in advance for all costs associated with modifications of the new production reactor and construction and operation of the generating facilities in connection with this arrangement which the Commission would not have had if it had not entered into the arrangement. At no time will the Commission be required to expend its own funds. Those costs which result from activities which the Commission agrees to undertake shall be paid for from funds advanced to the Commission by Washington Public Power Supply System.

12. Charges for steam energy: Washington Public Power Supply System will pay to the Commission fixed charges for steam during all periods of dual-purpose operation. Fixed payments will be made irrespective of the quantity or quality of steam energy delivered or available, in accordance with the following schedule:

Years of dual-purpose operation	Millions of dollars	
	Annual payment	Cumulative payment
1	0.1	0.1
2	.1	.2
3	.2	.4
4	.2	.6
5	.6	1.2
6	.8	2.0
7	1.0	3.0
8	10.0	13.0
9	10.0	23.0
10	8.0	31.0
11	6.7	37.7
12	6.7	44.4
13	6.7	51.1
14	6.7	57.8
15	6.7	64.5
16	6.7	71.2
17	6.7	77.9
18	6.7	84.6
19	6.7	91.3
20	6.7	98.0
21	6.7	104.7
22	6.7	111.4
23	6.7	118.1
24	6.9	125.0
Each year after 24	5.0	

13. Term and termination: The duration of the contract shall be from its execution until the revenue bonds issued by Washington Public Power Supply System have been paid or retired and shall continue thereafter so long as Washington Public Power Supply System continues to own and operate the generating facilities. The contract may be terminated by the Commission in the event the land lease or the new production reactor lease is terminated by the Commission.

14. Miscellaneous provisions: Certain additional miscellaneous provisions are also contained, such as the Commission's agreement to—

(a) Make available without charge previously prepared studies, designs, plans, etc., which are necessary for the design, construction, and operation of the generating facilities.

(b) Provide certain supplies and services to the extent that the Commission determines that they are available, at the expense of Washington Public Power Supply System.

(c) Conduct certain technical studies concerning the relationship of the new production reactor to the generating facilities and vice versa, at the expense of Washington Public Power Supply System.

(d) To the extent and under the same terms and conditions that the Commission would provide comparable materials and services to other licensees, make available special nuclear material for fuel and perform fuel-cycle services for power-only operation.

(e) The contract has other provisions relating to Government property, patents, security, availability of information and reports, and various standard clauses required in all contracts to which an agency of the United States is a party.

PROGRAM JUSTIFICATION DATA—No. 63-1000
PHASE II

A. NAMES OF CONTRACTORS

Trilateral contracts among the Bonneville Power Administration (BPA), the Washington Public Power Supply System, and individual participants (currently public utility districts in the State of Washington but may include other publicly, cooperatively, or privately owned utilities or industrial firms in Bonneville marketing area).

B. DESCRIPTION OF PROPOSED ARRANGEMENT

1. Objective: The objective of this proposed arrangement is to make it feasible for Washington Public Power Supply System to purchase and pay for the byproduct new production reactor steam. The arrangement would also assist BPA to firm up and thereby make salable large quantities of surplus peaking capacity and secondary electric energy which otherwise would be wasted to meet a need for additional firm power to supply publicly and privately owned public utilities, cooperatives and industries in the Pacific Northwest. The mutual exchange of power would also result in more economical operation of the Columbia River power system.

C. GENERAL FEATURES OF PROPOSED ARRANGEMENT

1. Financing construction and operation of the works, plants, and facilities for generation and transmission of power and energy project: The supply system will issue revenue bonds pursuant to the bond resolution of the supply system to obtain the funds to build the project. It will sell the output of the plant, delivered at Vantage, Wash., to the participating utilities, which may include publicly and privately owned utilities, but all are initially customers of Bonneville Power Administration. Each participating utility will purchase a fractional share of the Hanford output for which it will agree to pay the same fractional share of the total annual costs of the project, including bond amortization.

2. Term: Commencing at 12 p.m. on the date of execution and ending when the revenue bonds are paid, continuing thereafter until notice of termination is given by the Administrator.

There in an additional termination provision for the period prior to the commencement of commercial operation of the project if, during such period, the AEC discontinues construction of new production reactor, or the continuation of the agreement becomes economically unjustified. In the event of such termination, the Government will reimburse the Supply System for costs incurred up to the date of termination. (These provisions principally relate to the contingency of an international agreement affecting the project.)

3. Construction of the project: The supply system will construct the project and the transmission facilities required to connect into the Bonneville system at Vantage, Wash.

4. Exchange of energy and payment of project annual costs: The participating utilities, as a group, will jointly deliver into the BPA system at Vantage their respective shares of the output of the new production reactor generation. In exchange, Bonneville will make energy and capacity available to each participating utility at its load centers, under the terms of its power sales contract with BPA. The amount of power which BPA will make available to such utilities will be an amount equal in value, under the current BPA rate, to the utilities' share of the annual costs of the Hanford project.

If privately owned organizations, as participants, become parties to exchange contracts, BPA's obligation to make deliveries of power to them under the contracts in the event of a regional power shortage would be the same as its obligation to make deliveries of power to public agencies.

After the end of each contract year the actual costs will be determined and an appropriate adjustment in energy will be made under the remaining months of the current contract year, if such actual costs differ from the estimated costs.

If any participant should no longer have a power sales contract with BPA, the Government will make available exchange electric energy in an amount which is equal to the quotient obtained by dividing his monthly share of the project annual costs by the average cost per kilowatt-hour for firm power under the prevailing rates to other participants of the same class who are customers of the Government. The rate of delivery of such energy will be determined by dividing such energy in average kilowatts by 60 percent.

5. Scheduling arrangements: The operation of the project will be scheduled by the Government dispatcher.

6. Operation and maintenance of the project: The supply system will operate and maintain the project. Planned outages will take place, if possible, when the Government's commitments are least affected.

7. Ownership of facilities and option to acquire: Ownership of the project during the term of agreement will be in the supply system. The Government may acquire the project (1) prior to the time when all bonds and other obligations have been paid by assuming the outstanding balance of such obligations or (2) upon the termination of the agreement. In either event, prior congressional authorization would be required.

8. The supply system-AEC agreement: The supply system and the AEC will have entered into an agreement for construction and operation of the project. The AEC agreement, to which the supply system obligates itself, will be attached to the agreement.

9. Accounts: The supply system will keep accurate records and accounts for the project which will be annually audited by a firm of certified public accountants. A copy of this audit will be furnished the BPA.

10. Other provisions: The contract has other provisions relating to insurance, maintenance of reserve funds, waivers of default, notices, assignment, arbitration, rates, and various standard clauses required in all contracts to which an agency of the United States is a party.

EASTERN AIR LINES STRIKE

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. KORNEGAY] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KORNEGAY. Mr. Speaker, in availing myself of the opportunity to introduce a bill for the purpose of providing a much-needed remedy for preventing jurisdictional strikes in the airlines industry, I should like to state that the disastrous effects of the strike of the flight engineers on Eastern Air Lines is appalling to contemplate. It is unthinkable that a small group of individuals could perpetrate such a disruption of the national economy, the public interest, and the convenience of the traveling public in such a flagrant fashion. Not only is this action "the height of irresponsibility," as President Kennedy has stated; it is also the height of arrogance and the depth of self-interest and arrant disregard for the comfort, convenience, and rights of the many for the selfish interests of the few.

I have received many letters and telegrams from my congressional district, where are located two major airports served by Eastern Air Lines, protesting this strike and demanding that some action be taken in the Congress to protect the public and the economy against such unwarranted disruption of orderly airline schedules. Even before this influx of protests was received in my office, however, and within 5 days after the strike was called, I sent a telegram to the President urging him to employ the powers and prestige of his Office to rectify this deplorable situation in the public interest. I have no information that any progress has been made toward the settlement of this dispute and therefore feel that immediate action by the Congress is not only desirable, but imperative, in order to provide the President with the necessary tools to do the job.

The loss resulting from this strike to 18,000 other employees of Eastern Air Lines, the loss to the company, and the loss to business concerns and private citizens, not only in the matter of convenience, but in cold cash, is incalculable and indefensible. One is led to the inescapable conclusion that there is a lacuna or missing link in our labor laws which must be met by appropriate legislation to prevent these jurisdictional strikes against the public interest and convenience in this important industry. The background of this controversy, and the developments leading up to this wholly unjustified action by the flight engineers, is too well known to be repeated here, but I should like to recite a few of the most appalling effects of the strike on our economy, on national and international public service, and on other employees of Eastern Air Lines.

The damage done to the flight operations of Eastern Air Lines, according to information received in my office this morning, is that an average of 424 daily flights have been canceled between 115 cities including service to Canada, Bermuda, Puerto Rico, and Mexico.

In terms of domestic public service, more than 30,000 travelers a day—or nearly 15 percent of total domestic air travelers have been affected. This percentage includes approximately 70 percent of all air travelers between New York and both Boston and Washington, dependent on the air shuttle, and about 50 percent of all air travelers between the Northeast and the South and Southwest.

Eight communities have no service at all; thirteen cities have lost all trunkline service, and from 30 to 50 percent of current air travel is disrupted in many major communities.

In terms of international public service, there is no U.S.-flag service between New York and Montreal or New York and Mexico City, and service to and from Bermuda is cut 50 percent.

In terms of the human element, approximately 17,500 out of a total of 17,906 employees have been released by Eastern, with only a skeleton force retained to attend to housekeeping activities. Losses in salaries of employees amount to approximately $400,000 a day, or $12 million a month. In terms of cost to the company of this unwarranted work stoppage, Eastern Air Lines is experiencing a minimum of $1 million a day in lost revenues alone. In addition, it is estimated that an additional 20,000 people employed in providing collateral services to Eastern Air Lines are also adversely affected.

Eastern Air Lines employs 575 flight engineers. This is what 575 individuals have been able to do, under our present labor laws, to millions of people. I believe that my colleagues in the House will agree that the time has come to call a halt and to recognize that this kind of situation is not democracy in action—it is irresponsibility rampant, bravado gone berserk.

Mr. Speaker, I repeat, it is time to call a halt, and I believe this bill, to amend the Railway Labor Act, will solve these jurisdictional hassles in the airline industry in a fashion that is fair, nonretaliatory, and in the interest of the general public, the airlines, airline employees, and organized labor.

Briefly, the bill, which relates exclusively to the operation of airlines, provides that when the National Mediation Board finds, in the occurrence of a strike or strike threat, that the dispute involves jurisdictional matters, the President may submit such dispute to a Jurisdictional Disputes Board, proposed by this bill to be established. Thereupon the Board is empowered to handle the dispute, conduct hearings, and reach a final determination on the jurisdictional dispute, to be binding upon all parties concerned.

The bill provides for the Board's determination to be appealed to the appropriate courts to assure the justice of the Board's findings. While the dispute is under consideration by this Board, no labor organization, its agents, nor the air carriers may engage in strike or lockout or render any change in terms and conditions of employment out of which the dispute emanated. This requirement is enforcible by order of any U.S. district court having jurisdiction of the matter.

Unless set aside by the court, the award stemming from the Board's findings is to be final and binding and enforcible by the U.S. district court.

The Jurisdictional Disputes Board is to be composed of a chairman and such other persons as the President may determine and the Board continues to serve until the case is resolved, which shall be limited to a 60-day period from date of establishment of the Board, unless the parties stipulate an extension of time. These are individual boards established to handle individual jurisdictional disputes and they expire on completion of the task at hand.

Mr. Speaker, it is my sincere feeling that this is a matter of great national importance, and it is my hope that swift action will be taken by the Congress on this bill in order to put the planes of Eastern Air Lines back in the skies and to avoid disabling jurisdictional disputes of this nature within the airlines industry in the future.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Clark (at the request of Mr. Toll), on account of personal business.

Mr. Rostenkowski (at the request of Mr. Rosenthal), for Friday, July 13, and Monday, July 16, 1962, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Reuss, for 10 minutes, today, and to revise and extend his remarks.

Mr. Holifield, for 30 minutes, today, to revise and extend his remarks, and include extraneous matter.

Mr. Rutherford (at the request of Mr. Albert), for 45 minutes, on Tuesday, July 17.

Mr. Gallagher (at the request of Mr. Albert), for 1 hour, on Wednesday, July 18.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Smith of Virginia.

Mr. Breeding.

Mr. Harris and to include a speech made in New York by Mr. Rogers of Texas.

(The following Members (at the request of Mr. Albert) and to include extraneous matter:)

Mr. Celler.

Mr. Pucinski in two instances.

Mr. Pillion (at the request of Mr. Schwengel) and to include extraneous matter.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 809. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1962.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2775. An act to amend the act of June 30, 1954, providing for a continuance of civil government for the Trust Territory of the Pacific Islands.

ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until Monday, July 16, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2303. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 4, 1962, submitting a report, together with accompanying papers, on a letter report on the Stump Creek at Sykesville, Pa., authorized by the Flood Control Act approved July 3, 1958; to the Committee on Public Works.

2304. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on Black Creek, S. C., requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 31, 1957; to the Committee on Public Works.

2305. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 4, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on the Arkansas River from Tamaha, Okla., southeastward and San Bois Creek and tributaries, Oklahoma, requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 27, 1950; to the Committee on Public Works.

2306. A letter from the Assistant Secretary of the Interior, relative to a request by the Georgetown Divide Public Utility District of El Dorado County, Calif., that its loan be increased from $3,877,670 to $4,637,000, an additional $759,330, pursuant to 71 Stat. 48; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee of conference. Conference report on H.R. 11131; without amendment (Rept. No. 1977). Ordered to be printed.

Mr. THORNBERRY: Committee on Rules. House Resolution 726. Resolution taking H.R. 8050 from the Speaker's table and agreeing to Senate amendments; without amendment (Rept. No. 1978). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts:

H.R. 12525. A bill to amend the Internal Revenue Code of 1954 so as to restore competitive equality to retailers and other distributors with respect to certain sales to business and other organizations; to the Committee on Ways and Means.

By Mr. KEOGH:

H.R. 12526. A bill to amend section 172 of the Internal Revenue Code of 1954 to provide a 7-year net operating loss carryover for certain regulated transportation corporations; to the Committee on Ways and Means.

By Mr. KITCHIN:

H.R. 12527. A bill to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KYL:

H.R. 12528. A bill to provide for the planning, authorization, and establishment of regional parks, monuments, historical parks, and seashores, recreational areas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'BRIEN of Illinois:

H.R. 12529. A bill to provide for the free entry of one nuclear magnetic resonance spectrometer and one mass spectrometer for the use of the University of Illinois; to the Committee on Ways and Means.

By Mr. WHITENER:

H.R. 12530. A bill to establish a program for the Government purchase and resale of domestically produced newly mined processed mica and mica ore; to the Committee on Interior and Insular Affairs.

By Mr. STEED:

H.R. 12531. A bill to authorize the preparation of preliminary plans and estimates of cost for the development under the parking plaza east of the U.S. Capitol of a transit subway and terminal, a tourist reception center, and garage, shopping, and restaurant facilities for the convenience of Members of the Senate and House of Representatives and their staffs, employees of the U.S. Capitol, and others; to the Committee on Public Works.

By Mr. BARING:

H.R. 12532. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the city of Henderson, Nev.; to the Committee on Interior and Insular Affairs.

By Mr. BONNER:

H.R. 12533. A bill to amend the Merchant Marine Act, 1936, to develop the American merchant marine and promote the foreign commerce of the United States through the use of mobile trade fairs; to the Committee on Merchant Marine and Fisheries.

By Mr. KING of California:

H.R. 12534. A bill to suspend until June 30, 1965, the import tax on certain copper-bearing materials; to the Committee on Ways and Means.

By Mr. KORNEGAY:

H.R. 12535. A bill to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H.R. 12536. A bill to help preserve the natural beauty of the Potomac River between Great Falls and Mount Vernon; to prevent the use of District of Columbia facilities by projects which would impair the natural beauty of the Potomac; and for other purposes; to the Committee on the District of Columbia.

By Mr. SHELLEY:

H.R. 12537. A bill to establish a Federal commission on the disposition of Alcatraz Island; to the Committee on the Judiciary.

By Mr. SCHWENGEL:

H.J. Res. 818. Joint resolution to establish a joint congressional committee for the purpose of awarding a Medal of Merit to citizens of the United States who have made significant contributions to the humanities and the arts; to the Committee on Rules.

By Mr. KEARNS:

H.J. Res. 819. Joint resolution establishing the Commission on Art and Antiquities of the Capitol, and for other purposes; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H.R. 12538. A bill for the relief of Ioannis Athanasios Elenis; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 12539. A bill for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency to the Committee on the Judiciary.

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SENATE

FRIDAY, JULY 13, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Lt. Col. Charles P. Pitts, Chaplain, U.S. Army, 49th Armored Division, Fort Polk, La., offered the following prayer:

Philippians 4: 7: *And the peace of God, which transcends all our power of thought, will be a garrison to guard your hearts and minds in Christ Jesus.*

Almighty God, our Heavenly Father, guide, we pray Thee, these men to whom Thou hast committed the government of our Nation. Grant to them wisdom and understanding. Help them this day to know Thy holy will and to fulfill Thy divine purpose.

Grant that through their leadership the citizens of this Republic will cultivate and maintain the institutions, the principles, and the habits of a responsible and disciplined freedom. Amid the yearnings of our troubled world, may this freedom bring peace to all men.

Today, we pray, create within each of us renewed faith, desire for righteousness, and the rule of empathy.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. Humphrey, and by unanimous consent, the reading of the Journal of the proceedings of Thusday, July 12, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on July 12, 1962, the President had approved and signed the act (S. 2679) for the relief of John Axel Arvidson.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment to the bill, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Morgan, Mr. Zablocki, Mr. Hays, Mrs. Bolton, and Mr. Judd were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution (H.J. Res. 809) to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963, in which it requested the concurrence of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. Humphrey, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETING DURING SESSION OF THE SENATE

On request of Mr. Humphrey, and by unanimous consent, the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Edwin R. Price, of Maryland, to be a member of the Federal Coal Mine Safety Board of Review.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

U.S. DISTRICT JUDGES

The Chief Clerk read the nomination of Edward C. McLean, of Connecticut, to be U.S. district judge for the southern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Edward J. McManus, of Iowa, to be U.S. district judge for the northern district of Iowa.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William C. Hanson, of Iowa, to be U.S. district judge for the northern and southern districts of Iowa.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

EDWIN R. PRICE

Mr. HUMPHREY subsequently said: Mr. President, the President of the United States transmitted to the Senate today the nomination of Edwin R. Price, to be a member of the Federal Coal Mine Safety Board of Review. The nomination was referred to the Committee on Labor and Public Welfare. Thereafter the chairman of the Committee on Labor and Public Welfare, the Senator from Alabama, [Mr. Hill], reported the nomination favorably, and it is now at the desk. I ask unanimous consent, as in executive session, that the Senate may proceed to its consideration.

The VICE PRESIDENT. The nomination will be stated.

The legislative clerk read the nomination of Edwin R. Price to be a member of the Federal Coal Mine Safety Board of Review.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

Without objection, the nomination is confirmed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The **VICE PRESIDENT.** The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **VICE PRESIDENT.** Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

S. 2916. A bill to change the names of the Edison Home National Historic Site and the Edison Laboratory National Monument, to authorize the acceptance of donations, and for other purposes (Rept. No. 1726);

H.R. 8484. An act to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes (Rept. No. 1729);

H.R. 9273. An act to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants (Rept. No. 1728).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 2399. A bill to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia, and for other purposes (Rept. No. 1727).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated June 29, 1962, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 3542. A bill to amend the Federal Food, Drug and Cosmetic Act with respect to feed for animals; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of Massachusetts:

S. 3543. A bill for the relief of Dr. Domenic Lim; to the Committee on the Judiciary.

S. 3544. A bill authorizing modification of the project for Gloucester Harbor, Mass.; to the Committee on Public Works.

By Mr. CLARK:

S. 3545. A bill for the relief of Dr. Mamdouh S. Younes; and

S. 3546. A bill for the relief of Dr. Woo Yoon Chey; to the Committee on the Judiciary.

By Mr. KUCHEL:

S. 3547. A bill to provide for protection of the shore from Surfside to Newport Beach, Calif.; to the Committee on Public Works.

By Mr. CHAVEZ:

S. 3548. A bill to suspend temporarily the application of certain provisions of the act of June 13, 1906, as amended by the act of October 4, 1961 (75 Stat. 775), to articles produced through handicraft industry by members of tribes, bands, or groups of American Indians; to the Committee on Commerce.

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT, RELATING TO FEED FOR ANIMALS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Food, Drug, and Cosmetic Act with respect to animal feed.

The purpose of this bill is to improve the administration of the food and drug laws and to correct needless inequities among feed suppliers which have arisen in the course of the administration of the food additives amendment to the Federal Food, Drug, and Cosmetic Act.

When the Congress enacted the food additives amendment to the Federal Food, Drug, and Cosmetic Act it expressly excluded from the definition of the term "food additive" any substance which was in use and approved prior to September 6, 1958. This provision has been interpreted and applied by the Food and Drug Administration as though it created merely an exemption for the particular user at a particular place rather than for the substance itself. As a result, feed manufacturers and users of livestock feed are faced with a highly discriminatory situation. Some feed suppliers are permitted to use ingredients in formula feeds which are denied to other feed suppliers. In other instances feed suppliers are permitted to use certain ingredients in older and less efficient plants which were in existence prior to September 6, 1958, but are prohibited from using the same ingredients in feeds produced in newer and more modern plants or in improved formulations. Where one supplier is permitted to use an ingredient as having been approved, whereas other suppliers are prohibited from using the same ingredients, it is clear that an intolerable competitive situation exists. Farmers are in a quandary. They are not able to obtain the type of feed they want and need from their regular suppliers and are compelled to search out new or unknown sources of supply.

We have a situation where citizens are not being treated equally under the law. Economic advantage is being given to one competitor over another. In such a situation the public interest is not being served.

The bill which I have just introduced will eliminate this obviously unfair and unnecessary result. It will permit the Food and Drug Administration to treat all feed suppliers and feed users alike. It will also give greater protection to the public than is presently accorded under existing law. At present, any ingredient which was in use prior to September 6, 1958, can continue to be used by certain users even though it could not be approved today by virtue of section 402(c) (3), the provision popularly known as the Delaney clause. The bill which I have introduced will permit the Food and Drug Administration to stop the use of an ingredient, even though it may have been approved before the effective date of the food additives amendment, if such an ingredient could not be approved under section 402(c)(3) of the act as it would be revised. On the other hand, if an ingredient is safe and is permitted to be used by one feed manufacturer, the Food and Drug Administration will have authority to permit its use upon the same basis by other feed manufacturers. Farmers will then be able to obtain the type of feed they need from their regular suppliers.

Both the former Secretary of Health, Education, and Welfare and the present Secretary have recognized the discrimination and unfairness which now exist under the present provisions of law, and both have pointed out the need for corrective action. My bill will provide the corrective action and at the same time not impair the basic principle of the Delaney amendment.

The only point in which my bill differs from the recommendation of the Secretary has to do with the extent to which power is to be given to the Secretary to withdraw sanctions or approvals granted prior to September 6, 1958. In my bill the withdrawal authority is coordinated with the operative provisions of the bill and is limited to feed ingredients which are subject to the Delaney clause. Under my bill the Secretary would be given the power to withdraw any approval granted to a carcinogenic substance, regardless of when such approval was granted, if the Secretary determines that it could not currently be approved under the provisions of this bill. The Secretary's recommendation on the other hand, in effect, asks for authority to eliminate completely the prior sanction provision which the Congress wrote into the 1958 act. This gives rise to an issue which affects many substances other than feed ingredients. It is not necessary to inject this broader issue into this bill since it will be fully considered in connection with the consideration of major food and drug legislation which the administration has recommended and is pending before the other body.

I hope the Committee on Labor and Public welfare will take prompt action on this measure so it can be enacted into law during this Congress.

The **VICE PRESIDENT.** The bill will be received and appropriately referred.

The bill (S. 3542) to amend the Federal Food, Drug, and Cosmetic Act with respect to feed for animals, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

PUBLIC WELFARE AMENDMENTS OF 1962—AMENDMENTS

Mr. LAUSCHE. Mr. President, I submit amendments, intended to be proposed to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

If agreed to, the amendments would allow individuals who are members or adherents of any recognized church or religious sect, the tenets or teachings of which forbid its members or adherents from accepting social insurance benefits of the type provided by the insurance system established by title II, to become exempt from the provisions of the law, if a certificate is filed by members of such church indicating that such individuals do not want coverage.

In submitting the amendments I am motivated by the fact that in Ohio there are a substantial number of Amish people. Their religious teaching prohibits them from accepting any aid from Government to care for their aged, their unemployed, their sick, and their incapacitated.

The principle of the Amish is that by moral and divine law they are bound to take care of their own. They protest vigorously that if they were compelled to become members of the social security system, they would be coerced or at least persuaded to abandon the teachings of their church.

I submit the amendments in behalf of the Senators from Pennsylvania [Mr. Clark and Mr. Scott], the Senator from Arizona [Mr. Goldwater], and myself. The Amish people make the argument that they fully subscribe to the idea of giving to government that which is government's, but leaving to themselves and giving to God that which is God's. They contend that they want no largesse. They will take care of their own. All they ask is that they be spared compulsion and dictation in that field.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. YOUNG of Ohio. I commend and congratulate my colleague, the senior Senator from Ohio.

The Amish people, to whom the Senator has made reference, are among the finest citizens of our State of Ohio. They are entirely sincere in their religious views and beliefs, which they have followed for many years. I am very happy that the Senator has submitted his amendments. I would be glad to be a cosponsor and have my name attached to it. I congratulate the Senator. I hope the amendments will be agreed to.

Mr. LAUSCHE. Mr. President, I am very glad to have my colleague join in sponsorship of the amendments. I shall add his name to the amendments.

The VICE PRESIDENT. The amendments will be received, printed, and will lie on the table.

Mr. McNAMARA. Mr. President, I submit an amendment, intended to be proposed by me, to the amendment of the Senator from New Mexico [Mr. Anderson] to House bill 10606. I ask unanimous consent that the amendment be printed in the Record, together with some brief explanatory remarks explaining its import.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment and explanatory remarks will be printed in the Record.

The amendment is as follows:

On page 13, strike lines 13 through 25 and insert in lieu thereof the following:

"(c) For the purposes of this section a 'benefit period' with respect to any individual means a period of consecutive days—

"(1) beginning with the first day (not included in a previous benefit period) (A) on which such individual is furnished inpatient hospital services or skilled nursing services and (B) which occurs in a month for which he is entitled to health insurance benefits under this title, and

"(2) ending with the 90th day thereafter on each of which he is neither an inpatient in a hospital nor an inpatient in a skilled nursing facility (whether or not such 90 days are consecutive), but only if such 90 days occur within a period of not more than 180 consecutive days."

The explanatory remarks presented by Mr. McNamara are as follows:

My amendment is a technical one intended to correct wording in the definition of a "benefit period" which would have led, I am sure inadvertently, to results not intended by the proponents of the Anderson amendment.

Studies conducted by the Special Committee on Aging have shown us that there is good reason to believe that many older people, suffering from chronic diseases and who have been hospitalized for long periods, could be better taken care of at home at much greater satisfaction to themselves, and at less cost to anyone, if they could be given intermittent hospital care, say, for 1 or 2 days a month.

While the Anderson amendment quite properly is designed to encourage the movement of patients as quickly as possible from hospitals to nursing homes and then to their own homes, the language of that amendment, as it now stands, would inflict a serious penalty on people in need of such intermittent hospitalization. It provides that after he had received 150 units of care, a beneficiary would never again be eligible for any services under the bill until he had been out of the hospital or nursing home for a continuous period of 90 days. That could mean that some individuals might receive only one period of benefits throughout their entire retirement lives.

My amendment simply provides that a beneficiary will be entitled to begin a new benefit period after he has been out of the hospital and nursing home for a total of 90 days in a 6 months' period. The 90 days would not have to be consecutive. In other words, the older person who did require brief periods of intermittent hospitalization could receive it without endangering his entitlement to future benefits.

I am advised that the Department's experts have agreed that acceptance of my amendment will have an altogether negligible effect on the costs of the program.

Mr. MORSE. Mr. President, on behalf of myself, and the Senator from Ohio [Mr. Young] I send to the desk an amendment to House bill 10606, which I ask to have printed, so that it may be taken up on Monday. I have an understanding with the leadership that it will be taken up on Monday.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. CLARK. Mr. President, on behalf of Senators Goldwater, Lausche, Young of Ohio, and myself, I submit an amendment to the pending bill (H.R. 10606), to place the Amish and others with serious religious scruples against receiving social insurance benefits on an optional coverage basis under the social security laws.

I see no valid reason why the Government of the United States should continue to force those of the Amish faith, who probably number not more than 3,000, under the compulsory coverage features of the social security laws in violation of their basic religious beliefs.

We have attempted to draft the proposal in such a way that its scope is precise and narrow, and to meet the administrative objections which have been voiced in the past.

I intend to call up this amendment at the appropriate time early in the coming week.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

REVENUE ACT OF 1962—AMENDMENTS

Mr. KERR. Mr. President, I submit two additional amendments, intended to be proposed by me, to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes.

The first amendment provides generally for the taxation as ordinary income of gain from the sale or exchange to a controlled foreign corporation of a patent, invention, model, design, copyright, secret formula or process, or similar property. Under section 13 of the House bill there would be taxed to U.S. shareholders of controlled foreign corporations income derived from the use or other means of exploitation of patents, copyrights, and exclusive formulas and processes substantially developed in the United States or acquired from related U.S. persons. This provision requires the determination of imputed income from the use of the patent, copyright, formula, or process.

My amendment obviates the need under the House bill to determine the amount of income generated by such use. It replaces the provision in section 13 of H.R. 10650 but curbs the abuse at which such provision was directed by insuring that patents will be transferred abroad in arm's length transactions producing a full U.S. tax at the time of transfer or on an annual basis. It taxes the sale of a patent, copyright, or like property to a controlled foreign corporation at ordinary rates in cases where only capital gains or no tax would be paid under present law. This tax will be imposed on the proceeds whether the transfer is made on a license, sale, or transfer for stock basis.

My second amendment adds a new section to H.R. 10650 to eliminate artificial tax incentives to capital movements arising out of the computation of the foreign tax credit.

At the present time a U.S. corporation doing business in Canada through a branch may be subject to a Canadian tax greater than the U.S. tax. For example, the profits of the branch might be subject to the normal 50-percent Canadian corporate rate plus a tax of 15 percent on the remaining profits of the branch which are not reinvested in certain assets in Canada. The combined Canadian tax, therefore, might be 57½ percent. The foreign tax credit allowed by the United States on such income, however, would be limited to 52 percent, the amount of the U.S. tax. Thus, the corporation would have an unused foreign tax credit representing the extra 5½ percent of Canadian tax.

In order to avoid wasting the foreign tax credit, taxpayers in this situation have transferred idle funds normally invested in the United States to bank accounts or investments in Canada to produce additional investment income subject to only a 15-percent withholding tax in Canada. In such a situation there is available to the U.S. corporation as a credit against the U.S. tax on such investment income not only credit for the 15-percent Canadian tax on such income, but also the unused credit for Canadian tax on its operating profits which is in excess of the 52-percent U.S. rate. Thus, the present foreign tax credit computation provides strong artificial incentives for corporations in similar situations to transfer short-term investment funds from the United States to countries such as Canada which impose low rates of tax on such investment income.

My proposed amendment to the foreign tax credit provisions would add a new limitation on the amount of foreign tax credit. This limitation would operate by having the amount of available foreign tax credit computed separately with respect to interest income and all other income. The separate computation would prevent the averaging of low rates of foreign tax on interest income with higher rates on noninterest income. Exceptions for two types of interest income would be made: First, interest derived from any transaction which is directly related to the active conduct of a trade or business in a foreign country or a possession of the United States; and second, interest received from a corporation in which the taxpayer owns at least 10 percent of the voting stock. The limitation based on the separate computation for interest income would be made on a per country basis and rules would be provided in the case of a taxpayer electing the overall limitation to carry out the separate per country computation for interest income. Special transitional rules for carrybacks and carryforwards are provided. Finally, the amendment would be effective with respect to taxable years beginning after the date of the enactment of the Revenue Act of 1962, but only with respect to interest resulting from transactions consummated after April 2, 1962.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on Finance.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL—AMENDMENT

Mrs. NEUBERGER. Mr. President, I sent to the desk an amendment, intended to be proposed by me on behalf of myself, the Senator from Vermont [Mr. Aiken], and the Senator from Michigan [Mr. Hart], to the Department of Labor-Department of Health, Education, and Welfare appropriation bill, H.R. 10904. The amendment would increase the appropriation for the President's Commission on the Status of Women from $175,000 to $250,000, which will still be $7,500 below the budget item approved by the Bureau of the Budget.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. SPARKMAN. Mr. President, on behalf of the chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Foy D. Kohler, of Ohio, a Foreign Service officer of the class of career minister, to be Ambassador to the Union of Soviet Socialist Republics.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

NOTICE OF EDUCATION SUBCOMMITTEE HEARINGS ON S. 3477 AND S. 2827—ADDITIONAL COSPONSOR OF BILL

Mr. MORSE. Mr. President, the Education Subcommittee of the Senate Committee on Labor and Public Welfare has scheduled hearings upon S. 3477, the General University Extension Education Act of 1962, for 9:30 a.m., July 26, 1962, in room 4232, New Senate Office Building, and upon S. 2827, the Adult Literacy Act of 1962, at 9:30 a.m. the following day, July 27, 1962, in the same location.

All witnesses who desire to be heard upon either of these bills should make their requests to be heard known in writing to the committee staff, room 4230, New Senate Office Building, as soon as possible in order that time may be allocated to them. It is anticipated that due to the number of potential witnesses on each of the bills, time may be at a premium; therefore, the subcommittee will appreciate receiving at least 24 hours in advance, 50 copies of the written statement covering the testimony. It may also be necessary to restrict to a 5- to 10-minute period the time allotted to each witness. For this reason it is hoped that each witness desiring to present oral testimony, do so with the understanding that his brief oral statement will be followed in the printed hearings by the full text of the prepared statement. I can assure each witness that full consideration will be given by the subcommittee to all written statements presented to the subcommittee, even though no oral statement is made.

Mr. President, it gives me great pleasure to ask unanimous consent that at the next printing of the bill, S. 3477, that the name of the distinguished senior Senator from South Carolina [Mr. Johnston], be added to the bill as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes; that the House agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. George P. Miller, Mr. Teague of Texas, Mr. Karth, Mr. Martin of Massachusetts, and Mr. Fulton were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2775) to amend the act of June 30, 1954, providing for a continuance of civil government for the Trust Territory of the Pacific Islands, and it was signed by the Vice President.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 13, 1962, he presented to the President of the United States the enrolled bill (S. 2775) to amend the act of June 30, 1954, providing for a continuance of civil government for the Trust Territory of the Pacific Islands.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. WILEY:

Excerpts from address prepared for delivery by himself over Wisconsin radio and television stations, May 12 and 13, 1962, on the subject of "Tourism."

By Mr. COTTON:

Report by Senator Murphy to his constituents highlighting the problems surrounding the proposed Trade Expansion Act.

EDITORIALS SUPPORT RACHEL CARSON'S PLEA FOR PESTICIDE REFORMS

Mr. PROXMIRE. Mr. President, a few weeks ago I called attention to three recent articles in the New Yorker magazine by the distinguished author, Rachel Carson, which described in frightening detail the biologic havoc being wrought on the surface of our planet by indiscriminate use of pesticides and chemical poisons. Many of us remember her moving book "The Sea Around Us," which evoked the magnificent panorama of life beneath the oceans. In that book she movingly conveyed to the general reader her love and understanding for the world of nature.

Now, in her New Yorker articles, which are to be incorporated in a book to be issued soon, she has provided chilling evidence of the widespread, sometimes apparently irreversible, damage done to the plant, insect, and animal kingdoms of our countryside through the application of powerful poisons of various kinds. Her purpose in the articles was plainly, in part, to shock—but also to describe and explain, and thus to bring about some badly needed caution and reform.

To a considerable extent, the widespread use of these poisons is the result of deliberate Federal Government programs. Undoubtedly, these efforts have been both well intended and, in many cases, justified and effective. A return to the irritating mosquito bogs that marred the state of nature in the pre-DDT days of yore would not necessarily constitute progress. However, it is abundantly clear, on the basis of Miss Carson's gloomy recital, that in a great many instances the use of pesticides has gone well beyond the bounds dictated by good judgment.

I believe that an independent, authoritative public review of this matter is urgently needed. If the danger is less than Miss Carson suggests, then it would be important to set the record straight. If, on the other hand, as seems likely, this is an area in which important reforms are urgently needed, then it should begin at once. Our already much-abused planet cannot forever withstand the punishment visited on it by man in his sometimes ill-considered efforts to warp his environment to his needs.

Recent editorials in the Washington Post and in the New York Times also called attention to the need for action in response to the situation described by Miss Carson. I ask unanimous consent that the two editorials be printed at this point in the RECORD.

There being no objection the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 13, 1962]

ON CONTROLLING PESTS

Rachel Carson's series of articles in the New Yorker on insecticides have performed a signal service in alerting the public to the hazards of indiscriminate use of powerful chemical poisons. It is no reproach to Miss Carson to note that her case is deliberately one sided. In light of popular indifference to the damage that pesticides can inflict on man and nature, a jolt was needed. Her negative case is virtually as powerful as the poisons she deplores.

As Miss Carson carefully documents, insecticides have in some areas decimated birds, injured human beings who have been careless in their use, poisoned fish, and altered the balance of nature. It is also evident that resistant pest strains have in some cases developed that require new and frequently more toxic poisons to achieve pest control. And there is surely cause for concern in the lack of knowledge about the effect of human ingestion of insecticides.

But for better or worse, insecticides have become an essential element in food production. Without use of sprays, from 25 to 50 percent of apples would be despoiled by worms, and comparable levels of damage could be wrought on crops as varied as alfalfa and cranberries. It would be wholly unreasonable to decry all pesticides, but it is not out of order to call for greater control, more research, and broader public education in an area where a momentary blessing can become an enduring blight.

The Government already has a Federal Pest Control Review Board, comprising representatives of five departments. But the gears of bureaucracy can become jammed. For example, the Department of Agriculture initiated a major campaign against the fire ant before the Fish and Wildlife Service had a chance to study the potential harm. The havoc was considerable; in some areas, it took 3 years before the quail population returned to normal levels. Now a less toxic pesticide is being used against the fire ant, and the Fish and Wildlife Service insecticide research budget has jumped from nothing to $883,000 since 1956.

There is need for intensive study of alternative methods of pest control. In some cases, as with alfalfa, resistant hybrid forms may provide better protection than the spray gun. The Japanese beetle can be combatted, as Miss Carson points out, by spreading a milky disease fatal to the insect or by employing parasites that feed on the grubs. In other cases, specific insecticides that kill only a single species can be developed (as in the case of fruit flies and the fire ant) averting the havoc of broad-spectrum poisons. Or new insecticides that limit harm to wildlife can be found.

Beyond this, some form of public inquiry, possibly by a presidentially appointed panel, could do much to focus attention on the perils of indiscriminate spraying. If, as manufacturers of pesticides assert, the reports of damage are inflated, an inquiry could allay alarm. But if, as Miss Carson contends, the new poisons are threatening the extinction of wildlife and menacing the health of human beings, then assuredly a full-scale investigation could provide the groundwork for a legislative remedy.

[From the New York Times, July 2, 1962]

RACHEL CARSON'S WARNING

Rachel Carson, who has charmed readers with her rhapsodic accounts of the natural life of the sea and the seashore, has written a three-part series for the New Yorker that few will read without a chill, no matter how hot the weather. Her subject is the controversial one of our increasing use of chemical poisons in a generally unsuccessful effort to eliminate insect pests and the extent to which we are, in the process, subjecting ourselves to the hazard of slow poisoning through the pollution of our environment. It is controversial because it involves Government policies and affects an important source of profits for the chemical industry.

Miss Carson will be accused of alarmism, or lack of objectivity, of showing only the bad side of pesticides while ignoring their benefits. But this, we suspect, is her purpose as well as her method. We do not combat highway carelessness by reciting statistics only of the millions of motorists who return safely to their garages, nor do we find a cure for disease by boasting of the reduction in mortality rates. Miss Carson does not argue that chemical insecticides must never be used, but she warns of the dangers of misuse and overuse by a public that has become mesmerized by the notion that chemists are the possessors of divine wisdom and that nothing but benefit can emerge from their test tubes. If her series helps arouse enough public concern to immunize Government agencies against the blandishments of the hucksters and enforce adequate controls, the author will be as deserving of the Nobel Prize as was the inventor of DDT.

PUBLIC HEALTH SERVICE AUTHORITY ON RADIATION HAZARDS BACKED IN CAPITAL TIMES ARTICLE

Mr. PROXMIRE. Mr. President, a recent article in the Capital Times of Madison, Wis., reviewed the current situation concerning radioactivity hazards. Written by the Capital Times' able Washington correspondent, Ivan Kaye, the article provides a thoughtful analysis of the fallout problem.

I was pleased to note that Mr. Kaye calls attention to the bill I have introduced to vest central authority over radioactivity as it affects the public health and safety in the Public Health Service. He writes:

> With the Federal Government now under increasing pressure to provide authoritative guidance, there is expected to be considerable support for Senator WILLIAM PROXMIRE's bill to put the Public Health Service in complete charge of the health and safety problems arising from radiation.
>
> This approach, many here feel, would centralize Government policy in a vital and highly confusing area. Ideally, it would eliminate contradictory reports and studies by competing Government agencies and make the planning of countermeasures easier.

It is my hope that my bill will receive prompt congressional action, and I am glad to note the evidence of support for it that Mr. Kaye describes.

I ask unanimous consent that the article I have referred to be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NUCLEAR FALLOUT: THE GRISLY EQUATION

(By Ivan Kaye)

WASHINGTON.—In the great sweep of history, with its chronicle of the rise and fall of empires, the fate of 110 unborn children does not bulk very large.

And yet, it is the prospect of 110 deformed children, who would not otherwise be crippled, that has cast a kind of moral fallout over the American conscience as it tries to come to terms with the current nuclear tests.

Another element in the grisly equation is the estimated 2,000 leukemia and 700 bone cancer deaths over the next 70 years directly attributable to radioactive fallout.

And hovering upon the diplomatic horizon, like some dark and ominous cloud, lies the inevitability of future bomb tests.

If the Russians resume testing, Prof. Russell H. Morgan of the Johns Hopkins University estimates that the dosage of iodine 131 to the thyroid would probably exceed radiation protection guides in several cities.

Professor Morgan served as Chairman of the U.S. Public Health Service's National Advisory Committee on Radiation. The Committee came out with a strong criticism of the Federal Government's handling of the whole radiation problem, and recommended a great expansion of research and surveillance measures by the Public Health Service.

It called for a large increase in appropriations for such work, to reach an eventual outlay of $100 million by 1970. This year, some $16 million will be spent on radiation study and monitoring.

The White House sat on the Committee's critical report for 3 weeks, leading some observers to speculate that the delay arose because the whole subject of fallout is highly embarrassing to a government that is in the process of conducting nuclear tests.

The administration had uttered the strongest condemnations of the Russian tests, but the adjectives have been pruned from those reports discussing American nuclear experiments.

Critics blessed, or cursed, with good memories have not forgotten that President Kennedy, in urging a nuclear test ban last fall at the United Nations, used such terms as "the poison of radioactive fallout," "polluting the atmosphere," and "contamination of the air."

He was talking about the Russians, and his language was as eloquent as his indignation was justified; but a test by any other nation is a test just the same.

In its own defense, the administration can cite the report issued recently by the Federal Radiation Council, a part of the Executive Office of the President.

The report came out with depressing estimates of leukemia and bone cancer deaths over the next 70 years, and administration defenders point to this candor as proof that the Government will tell the truth about radiation dangers to the American people.

The report also said that the genetic damage from testing was less than that received from normal background radiation. It is filled with qualifying and cautioning statements, however, and admits that neither its conclusions nor its statistical estimates of disease and death are fixed.

There are some basics, however, that nobody disputes. It is agreed that radioactive substances resulting from a nuclear explosion are absorbed by plants, which are then eaten by animals and man. Since man also eats animal food and drinks milk, he is prone to acquire more and more of the radioactive substances.

The four nuclear fission products that have caused the greatest concern are strontium 90, cesium 137, carbon 14, and iodine 131.

Strontium 90 bears a strong chemical resemblance to calcium, and concentrates in the bones and bone marrow. It is thought to play some part in bone cancer and leukemia, or cancer of the blood-forming organs. Blood cells are formed in the bone marrow.

Iodine 131, which loses half of its radioactivity in 8 days, concentrates in the thyroid gland, and is thought to lead to cancer if found in too great an amount. It is especially dangerous to babies, whose rapidly developing thyroids have a tendency to collect relatively large quantities of iodine.

Cesium 137 and carbon 14, which may be found in any kind of tissue, are thought to present dangers to the reproductive organs, and thus to contribute to the genetic damage of future generations.

Radioactive substances are said to cause two types of damage to body tissue, somatic and genetic. Somatic damage includes diseases of the whole body, such as leukemia.

Genetic damage involves changes in the genes, the transmitters of hereditary characteristics. Such changes are called mutations, and scientists are in general agreement that mutations usually turn out for the worst. Genetic deformities are passed from generation to generation, causing misery far beyond anything that can now be imagined.

Prof. H. Bentley Glass, a widely known geneticist on the Johns Hopkins faculty, has told the Joint Congressional Committee on Atomic Energy that recently discovered birth defects resulting from damaged genes must now be added to previous estimates of detrimental mutations resulting from radiation.

Glass added grimly that no one could say at the present time how many mongoloid idiots and sexually maldeveloped types had been produced by radiation.

While scientists agree that any radiation is bad for the genes, there is widespread disagreement over the acceptable dosage for general body cells.

The rise during May of iodine 131 levels in the milk in Minneapolis, Des Moines, and St. Louis alarmed many citizens, and brought new demands for a more definitive information program by the Government.

The fact that the levels fell in June has not solved the basic problem, which continues to be the public confusion generated by the administration's failure to answer fully a number of questions about the radiation hazard, or to suggest a program of countermeasures.

The only comprehensive survey of radiation and the human diet to be done in the United States has been made, not by the Government, but by the Consumers Union.

The private agency did receive some money for the study from the Atomic Energy Commission and the Public Health Service, but its conclusions do not have the policymaking potential that the findings of a Government study would have.

The Consumers Union survey showed that the Government's system for checking radiation levels was highly deficient with regard to speed and overall effectiveness. Information was not available about strontium 90 in the food, the survey reported, until 3 or 4 months after the food had been eaten.

With the Federal Government now under increasing pressure to provide authoritative guidance, there is expected to be considerable support for Senator William Proxmire's bill to put the Public Health Service in complete charge of the health and safety problems arising from radiation.

This approach, many here feel, would centralize Government policy in a vital and highly confusing area. Ideally, it would eliminate contradictory reports and studies by competing Government agencies and make the planning of countermeasures easier.

Professor Morgan and the National Advisory Committee on Radiation have already suggested that the first countermeasure against iodine 131 would be the placing of all children of early age, lactating mothers, and pregnant women on evaporated or powdered dry skim milk. This would only be done in areas where the levels had exceeded permissible limits.

The committee, however, had no definitive answer to the problem of countermeasures against strontium 90.

Milk, which has been getting the worst publicity as a carrier of strontium 90, was stoutly defended by Cornell Biologist C. L. Comar at a recent Joint Atomic Energy Committee hearing.

Professor Comar, a member of the Food Protection Committee of the National Academy of Sciences, told the committee that the strontium-calcium ratio of milk was one-tenth that of plants.

He said that milk was thought to be the main carrier because it had been used as a measurement for strontium 90 levels, and had thus received a large amount of negative publicity.

While the statistics fly back and forth, and the debate over fallout rages, there are those here who still feel that in the last reckoning, when all the studies have been completed, there will remain the unanswered moral question of the 110 unborn children.

KENNEDY'S HEW APPROPRIATION REQUEST ADEQUATE

Mr. PROXMIRE. Mr. President, the Senate will soon be considering the appropriations bill for the Departments of Labor, and Health, Education, and Welfare. I have introduced an amendment, which has been oriented, which would have the effect of reducing the amounts provided in this appropriation to the level of the President's budget.

I fully recognize and applaud the fine work that has been done by these two Departments and their many subsidiary agencies and bodies. Like all Senators and all citizens, I hail the splendid achievements in particular of the medical research performed by the National Institutes of Health and the Public Health Service. An important part of the immense strides forward in medical knowledge that have been taken in the past 15 years has been due to the Federal funds advanced to the National Institutes of Health and related research programs.

PRESIDENT KENNEDY BACKS MEDICAL RESEARCH

President Kennedy similarly has given his enthusiastic endorsement to the great accomplishments of medical science in recent years. In his message to Congress on health last February 27, the President said:

> Medical research, supported to an increasing degree over the past 15 years by the Federal Government, is achieving exciting breakthroughs against both cancer and heart disease as well as on many other fronts. We can now save one out of every three victims of cancer, compared to only one out of four saved less than a decade ago. Our nationwide cancer chemotherapy program is saving many children and adults who would have been considered hopeless cases only a few years ago. And advances in heart surgery have restored to productive lives many thousands, while full prevention of many forms of heart disease seems increasingly within our reach.
>
> We must, therefore, continue to stimulate this flow of inventive ideas by supporting medical research along a very broad front. I have proposed substantially increased funds for the National Institutes of Health for 1963, particularly for research project grants, and the training of specialists in mental health. Expenditures by the Institutes in 1963 are estimated to exceed $740 million, an increase of more than $100 million from the current year and a fourfold increase in the last 5 years.

I want to call special attention to the President's statement that he has "proposed substantially increased funds for the National Institutes of Health for 1963. Expenditures by the Institutes in 1963 are estimated to exceed $740 million, an increase of more than $100 million from the current year and a fourfold increase in the last 5 years."

This budget estimate for "substantially increased funds" will, according to the President "continue to stimulate this flow of inventive ideas by supporting medical research along a very broad front."

Anyone who reads the full text of President Kennedy's message on health, from which I have quoted, can have no doubt about his devotion and enthusiasm to medical research and steady advances along the entire health front. It is printed in the hearings on the Labor-Health, Education, and Welfare appropriation, where it appears on pages 324 to 331.

PROXMIRE AMENDMENT UPHOLDS PRESIDENT'S ESTIMATES FOR LABOR-HEW

The amendment that I have offered fully endorses the President's support for medical research and the other governmental activities covered in this appropriation. But it rejects the increases, amounting to a total of $247 million in the full Labor-HEW appropriation, and including a reduction of $120.4 million in the appropriations to the National Institutes of Health.

The President's budget request for NIH for fiscal 1963 is $780.4 million—which already was $40 million above the amount the President estimated in his health message for 1963, and that figure was a fourfold increase in the past 5 years.

The $900 million proposed in the bill approved by the Senate committee would make this a fivefold increase. This, I submit, is the kind of fiscal inflation that runs a serious risk of throwing budgetary caution to the winds.

A recent article in Science magazine, published by the American Association for the Advancement of Science, provides an excellent summary of recent thinking on the question of Federal funds for medical research. It was written by their staff reporter, Mr. D. S. Greenberg, and I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

News and Comment—Medical Research Funds: NIH Path Through Congress Has Developed Troublesome Bumps

Important elements in both the Senate and the House are showing increasing dissatisfaction over Congress' decade-long honeymoon with medical research.

There is no possibility of reversing the role of the Federal Government as the principal source of funds for medical research; it is well established in that role, and there is no demand for reducing support or developing alternative sources of funds. What is stirring the discontent is the generous and uncritical attitude that Congress regularly takes toward the budget of the National Institutes of Health, which is the principal channel for Federal funds for medical research and allied activities. Along with defense and beating the Russians to the moon, medical research has regularly found no built-in opposition on Capitol Hill. NIH, perhaps uniquely among Federal agencies, goes to its appropriations hearings prepared, not to defend its budget requests, but to explain, in response to friendly questioning, why it is not asking for more. The outcome of these hearings invariably has been appropriations above the administration requests. Since there is no political mileage in opposing medical research, the appropriations have regularly been passed by both Houses, despite the grumblings of a few critics. These grumblings have risen year by year along with the NIH budget, until at present they constitute what NIH officials regard as something more serious than mere background noise from fiscal conservatives.

The critics are dissatisfied, first, with Congress practice of giving NIH more than the administration has requested for it, and then, with NIH's procedures for supervising the use of the money by its research grantees. The opposition is expected to come to a head shortly when the Senate takes up an NIH money bill that provides a total of $900.8 million, which is $120.4 above the administration's request. Leading the opposition is Senator William Proxmire, Democrat, of Wisconsin, who has introduced an amendment to cut the appropriation back to the administration's figure. In previous years, such efforts were considered unlikely to meet with success, but last year a similar amendment, offered by Senator Prescott Bush, Republican, of Connecticut, attracted 37 votes and lost by a margin of only 13. Pressure in behalf of the expanded appropriation would increase if the margin narrowed, but a few years ago there was no possibility whatever of lining up 37 senators against enlarging the NIH appropriation.

The House has already passed its version of the NIH budget, adding only $60.4 million to the administration's request. The bill in that Chamber went through without any significant effort to sidetrack it or lower the amount (the vote was 371 to 24), but the opposition for next year is finding sustenance in a report issued last week by the intergovernmental relations subcommittee of the House Committee on Government Operations. The gist of that report was that NIH is pouring funds into medical research without making very much of an effort to keep track of how the funds are being used. NIH officials, in testimony before the subcommittee, did not dispute the charge that their followup on grants is quite limited; they argued, rather, that the most productive method in financing research is to pick good people with good projects and let them carry out their work without encumbering them with excessive reports or visiting inspectors. The subcommittee, expressing a skeptical view of human nature, doubted that this was a wise way to deal with Federal funds. The report came too late to have any effect on the NIH budget in the House, but it is being cited in the Senate in support of the argument that generosity puts no pressure on NIH to watch its pennies.

The congressional generosity enjoyed by NIH is a phenomenon that produces envy and puzzlement in other agencies—with the exception again of defense and space, which, so far, have not had to fear for their funds. To receive the full request year after year would be considered a paradisiacal state of affairs by most agencies, but NIH has consistently done far better than that. At the same time, its growth has been phenomenal, and would have been so even if Congress had been merely content to go along with administration requests. In 1953 the administration request was $55 million; Congress appropriated $59 million. By 1960 the request had risen to $294.2 million; Congress raised this to $400 million. In the fiscal year that ended last month, the administration asked for $583 million; Congress appropriated $783 million. Last year the administration counteracted congressional generosity to a limited extent by refusing to permit NIH to spend some $60 million of its appropriated funds. This step helped promote economy, but it also produced dividends of congressional ill will that the administration, in its troubled relationship with Capitol Hill, would rather not acquire.

RETURN ON INVESTMENT

Underlying the congressional ferment over the NIH budget is the imponderable of what is a proper return on investment in medical research. Since no one is for disease and Congress is in favor of science and understands very little about it, the presumption has always been in favor of those who advocate larger expenditures. This presumption accounts for the unparalleled success enjoyed by the heads of the appropriations subcommittees that handle the NIH budget—Congressman John E. Fogarty, Democrat, of Rhode Island, and Senator Lister Hill, Democrat, of Alabama. As lay students of medical research they have no peers in their respective houses; when a critic rises to question their advocacy of a larger budget, they can cite medical "breakthroughs," achieved and just around the corner, ad infinitum. As their witness, they cite the truly phenomenal results that have been achieved through the burgeoning of medical research under Federal financing, and implicit in their defense of the bigger budget is the possibility that the budget cutters may unwittingly eliminate the one project that may find the key—to who knows what? It is not easy to stand in opposition to these arguments. Even so devoted and astute a budget slicer as Congressman H. R. Gross, Republican, of Iowa, finds himself on difficult terrain when he takes on medical research. Gross has a good time terrorizing the State Department, but when he takes to the floor to debate the NIH appropriation, he generally manages no more than a few pot shots. For example, in a recent House debate he noted that a report on NIH grants contained a list which stated "'applicant, type of institution,' and then the heading is 'discipline.' I am curious to know what discipline means in this connection," Gross said.

The ranking Republican on Fogarty's subcommittee, Melvin R. Laird, of Wisconsin, explained to Gross that "these are fields of medical science."

"I am just curious to know what the word means," Gross went on. "Is it a medical term, or what is it?"

"It is generally used in medicine. It is a specific field of study," Laird explained further. Gross, apparently satisfied, then went on to pick lightly on other matters.

(It should be noted, however, that Gross and other skeptics do have their influence on the congressional guardians of NIH, who, in turn, have a great deal of influence on NIH. In the same debate, Gross demanded information on a previous expenditure of "some $89,000 for a study of behavioral cocktail parties." Fogarty replied that "we immediately took this up with the Public Health Service (the parent of NIH), and I understand the project has been discontinued." In other instances, NIH has been advised by its congressional friends that it would be advisable to steer away from funding studies that easily lend themselves to ridicule. However, it would be incorrect to assume that NIH employs this principle as a guiding star in selecting projects, or that Fogarty expects it to. When critics leaped on NIH for supporting Prof. Harry Harlow's study of relations between infant monkeys and their mothers, Fogarty's subcommittee stoutly defended the project and came close to denouncing the critics as ignoramuses.)

While Fogarty and Hill have led the way in assuring NIH of a generous and ever-growing supply of money, NIH itself is encountering increased congressional concern over the manner in which it is using the money. Economical operation is a "holy grail" for Congress, and as the NIH budget grows—and therefore attracts more congressional attention—NIH officials are pressed to assure Congress that they are keeping a sharp eye on the taxpayer's dollar.

In testifying before the Government Operations Subcommittee, James A. Shannon, NIH Director, simply was not talking the language of Congress when he testified that, in providing funds for research "selection of good men and good ideas—and rejection of the inferior—is the key. All susbequent administrative actions having to do with the adjustment of budgets and so forth are essentially trivial in relation to this basic selection process."

GRANT IS A TRUST

Shannon added: "The research grant is, in essence, a trust. It is an award made to an individual or group after a critical examination of past performance and of the proposed line of research. Once the award is made, the use of granted funds is left to the investigator and the institution. They are accountable for exercising the trusteeship responsibility."

"Are you suggesting," Shannon was asked, "that the scientists who prepare budget requests for their research projects are best qualified to determine the minimum requirements of the project?"

"Who else could do it better than they?" he replied.

The questioner proceeded, and it soon became plain that Shannon and the committee were operating in different worlds: "Isn't it a human tendency for people to ask for the funds they would like to have if past experience suggests these are the amounts they might get?"

Shannon replied: "we have never operated our business that way. Nor do we believe that most scientific groups in the country have an asking and a selling price for their product, which is research activity. I think we get a realistic appraisal of what they need to do the job. What they ask for is the result of their best judgment."

Shannon conceded that NIH has been slow in responding to a committee report, issued last year, which urged NIH to develop tighter supervision over the use of its money. But he maintained (1) that it is difficult to recruit personnel who can exercise meaningful supervision, and (2) that the supervisory function properly belongs to the universities and other institutions where the research takes place.

"What is to prevent a scientist," he was asked, "from getting a substantial grant for experiments on white mice and deciding, instead, that Paris in the spring is nice and taking a trip around the world and occasionally dropping in at medical schools so long as he is careful to turn in a report in which he has all the receipts for travel?"

Shannon replied that "the discipline of the institution is our only protection against precisely what you said. We have no internal devices that protect us from that." He added that any scientist who sought to divert funds for such travels would probably run afoul of his institution, and, if he did not, his failure to produce results in his research would make it difficult for him to obtain a renewal of his grant.

"What you are saying," a committee staff member suggested, "is that it would be difficult for anybody to get two trips around the world on the basis of a grant for white mice."

Shannon and his associates at the hearing rejected this interpretation but failed to win the committee over to their confidence in the self-discipline of the scientific community.

The outcome of the hearing was a report which has been warmly received by those Senators who have been planning this year's attack on another expanded NIH budget. The closing remarks of the report are: "It appears that Congress has been overzealous in appropriating money for health research. The conclusion is inescapable * * * that the pressure for spending increasingly large appropriations has kept NIH from giving adequate attention to basic management problems. The committee expects NIH to give high priority at this time to the task of correcting its management deficiencies and strengthening its capacity for the effective and efficient operation of these vital health programs."

The mounting congressional opposition represents no immediate danger to NIH's growth. The administration regularly seeks larger annual budgets for NIH, and there is no significant effort afoot to reverse this practice. But the congressional habit of adding to the administration requests is now coming within range of the opposition, and if it should succeed, the opposition would very likely start probing into the administration budget, which might easily yield some cases that would not promote the cause of generous budgets for medical research.—D. S. GREENBERG.

FOOD SHORTAGE IN COMMUNIST COUNTRIES

Mr. LAUSCHE. Mr. President, I call the attention of my colleagues to an article which appeared in the Washington Post of this morning, written by Joseph Alsop. He discusses the famine condition which existed in Soviet Russia in 1920, and he points out in this article that the American Government, through Herbert Hoover and his American Relief Organization, rushed to the Soviet Union food which was needed by the people of that country. Mr. Alsop states:

> Herbert Hoover and his American Relief Organization responded to the appeal. They worked in the Soviet Union for over 2 years. In the end, they got official credit from the Kremlin for saving no less than many millions of Russian lives. The wiser students of Soviet history also credit Herbert Hoover and his American grain for saving the Russian revolution; for the entire structure of Soviet communism was falling apart under the strain of hunger when Hoover came to the rescue.

Mr. Alsop writes further:

> The 17 million persons massacred by Josef Stalin in the 10 years between 1929 and 1939 would not have been massacred. The countless millions of others who languished and died in the Soviet labor camps would have been saved. Poland, Hungary, and the rest of Eastern Europe would not be in chains. China might be a free, rather than a slave, state. Russia, too, would have built her national power on a less ugly foundation.

This experience in saving communism in Russia ought to be a lesson to us in our approach to what we shall do in regard to Red China. Red China is in distress. Her harvests have been practically nil. As Lenin did in 1920, Red China may well, in 1962, call upon our Government for food. The immediate impulse, motivated by humanitarianism, would be to send the food. Cuba under Castro might some day ask for food. But let us remember that if we save communism in China and save communism in Cuba, we may later find ourselves paying the same destructive price that the world had to pay as the consequence of our saving Red Russia in 1920 by sending food there.

I ask unanimous consent that the entire article by Joseph Alsop to which I have referred be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MORAL BALANCE SHEET

(By Joseph Alsop)

The latest information about the recent, major deployment of the Chinese Communist army completes a strikingly interesting and telling pattern.

In the first phase, large numbers of additional troops were moved into the areas along the Taiwan Strait from which an attack on the Nationalist-garrisoned offshore islands might be launched. The question promptly arose whether the intention was offensive, or whether this was really a defensive movement, caused by Chiang Kai-shek's frequent public threats to attempt a landing on the mainland this year.

Now, however, additional troops have been moved into a much larger area, extending from northeast Kwang-tung Province, up the coast to the northern part of Fukien Province. The inland boundary of the reinforced area is a rough arc. And this arc in turn bounds the area within which it would be practical for Chiang Kai-shek to give air cover to a force being parachuted into China.

One must always keep his fingers crossed in such cases. But the new evidence makes the redeployment of the Communist army appear even more strictly defensive than was at first supposed. Apparently this huge and costly troop movement has really been undertaken because the Peiping leaders are afraid—afraid of a landing by Chiang, but even more afraid of their own people, and maybe even afraid of some units of their own army, without whose help no Nationalist landing could succeed.

The Peiping leaders do well to be afraid. If this year's Chinese harvest is as bad as the last three, which now seems quite possible, China will be almost in the position of the Soviet Union in 1921.

In 1920, the tax collectors of the new Soviet Communist state had even seized the seed grain of the Russian peasantry. In 1921, the weather was also unkind. Famine stalked the whole Russian land. And the Soviet commissars were driven to appeal for help to the capitalist world, through Maxim Gorky, the great writer.

Herbert Hoover and his America Relief Organization responded to the appeal. They worked in the Soviet Union for over 2 years. In the end, they got official credit from the Kremlin for saving no less than many millions of Russian lives. The wiser students of Soviet history also credit Herbert Hoover and his American grain with saving the Russian Revolution; for the entire structure of Soviet communism was falling apart under the strain of hunger when Hoover came to the rescue.

It is exasperating, nowadays, to recall this long-forgotten exercise in misplaced humanitarianism. For imagine the consequences if Hoover had not hurried to the rescue.

The 17 million persons massacred by Josef Stalin in the 10 years between 1929 and 1939 would not have been massacred. The countless millions of others who languished and died in the Soviet labor camps would have been saved. Poland, Hungary, and the rest of Eastern Europe would not be in chains. China might be a free, rather than a slave, state. Russia too would have built her national power on a less ugly foundation.

Though exasperating, however, it is needful nowadays to recall Hoover's rescue mission, for two excellent reasons. On the one hand, some leading officials of the Kennedy administration lean toward sending a similar food mission to Communist China, if the Peiping leadership asks for it. Indeed, as shown in the last report in this space, the Government is in a measure publicly committed to do just this.

On the other hand, it is silly to suppose that we can make this kind of quasi-commitment with complete safety, looking generous before the world with no risk of having to meet our commitment.

If worse comes to worst in Peiping, as it may well do this autumn if the harvest is bad, the Chinese Communist leaders are perfectly capable of following the example that Lenin set in 1921. Lenin swallowed his pride and controlled his hostile suspicions under dire pressure of necessity. So may Mao Tse-tung. Lenin allowed U.S. supervision of Hoover's grain distribution. So may Mao Tse-tung.

Hence the quite likely prospect of another bad harvest in already starving China demands an immediate new look at this half or three-quarters committed posture the Government has partly accidentally got itself into. The moral balance sheet needs casting up.

Last time, millions of lives were saved; everyone involved felt big and generous and humane; but Soviet communism was saved too, with incalculably evil results. The lives immediately saved weigh very light in the balance, in fact, against the lives subsequently lost, or warped, or spent in darkness because the Soviet Communist system was saved.

Do we really want to do the same thing all over again, when there will be a better than even chance of the entire structure of Chinese communism falling apart if we hold our hands? For if the food request is made, it will only be made because the odds have turned heavily against Mao, and because Mao understands the odds.

LAOS: THE KEY TO THE MAINTENANCE OF U.S. INTERESTS IN SOUTHEAST ASIA

Mr. GOLDWATER. Mr. President, Laos is the strategic key to southeast Asia, and we are handing that key to the Communists without a struggle. Most of us seem to conceive of Laos as a faraway place, indefensible and unimportant. Somehow we have been led to believe that if a line is to be drawn, it should not be so drawn to include Laos, and that its defense would be politically mistaken and tactically impossible. After reading a paper prepared by Brig. Gen. Rothwell Brown, an authority on Laos, I seriously question these assumptions. I believe we have failed to look at Laos in its proper perspective, giving full weight to its geographic location and its relation to the defense of southeast Asia. Rather, we have dealt with Laos as an isolated area somehow divorced from the realities of international politics.

During the Eisenhower administration many said that the generals, such as Maxwell Taylor and James Gavin, for example, who had important professional judgments to give on military policy were not being adequately heard. I am sure that many of my colleagues on the other side of the aisle will join with me in urging that a general who has a seasoned professional judgment on the strategic significance of Laos may be heard. I am not speaking of just another retired general, but one who knows Laos intimately as the result of his service there.

Rothwell Brown was chief of the Programs Evaluation Office of the U.S. Operations Mission in Laos from 1956 to 1959. In that capacity he was responsible for the supply of American military equipment to the Royal Lao Army. General Brown has spent a number of years in various assignments in the Far East. Just before going to Laos, he was deputy chief of our Military Assistance and Advisory Group in South Vietnam. For most of the last half of the 1940's, General Brown served in China and Korea. He was assigned to the ill-fated Marshall mission in China. General Brown knows what it is to fight in Southeast Asia. He served with the forces under General Stilwell's command that fought the Japanese successfully in northern Burma during World War II. Mr. President, I shall ask that General Brown's memorandum on Laos be inserted in the RECORD at the conclusion of my remarks.

General Brown points out that the French failed in their defense of Indochina because they tried to defend, not the strategic mountain passes into the great River Valley, but the difficult lowlands and delta areas. The failure of this strategy was symbolized by Dien Bien Phu, where, as General Brown notes:

> They tried to hold the "bottom of the soup bowl" and gave up to the enemy the great mountain ring along their defensive position.

Mr. President, I believe we are about to duplicate the tragic errors already written into the French story. Can we really defend the remainder of Southeast Asia from the lowlands of Thailand? Every Member of this body should ponder this question as he reads the Brown paper.

There is another parallel with those years of French disaster. What the French had lost through their misconceived military strategy was ratified politically by the Geneva Accords of 1954. Here, the strategic mountain barrier to the north of the Red River was lost to the West. Shall we duplicate these mistakes by our encouragement of a coalition with the Communists in Laos? As I have read the daily papers over the past few weeks, how it seems that we have read all this before, except the error is by far more serious this time. As General Brown notes, after the Communist acquisition of the mountain barrier to the north of the Red River, there remained still a secondary mountain barrier to Communist expansion. This ran just north of the 17th parallel that divides North and South Vietnam, then along the northern boundary of Laos, then to the junction of Laos, Thailand, and Burma. By pushing for a coalition government in Laos we have devised the political means to lose permanently this second mountain barrier to the Communists. So one day we who criticized the French strategy may find ourselves trying to defend southeast Asia from the lowlands after having presented the Communists with the key high ground.

My military experience has been in the Air Force. But I think I know enough about the doctrines taught at such places as the Infantry School to know the importance of seizing and controlling the high ground. Let me quote General Brown, a man trained in land warfare in southeast Asia:

> A glance at any relief map in any good atlas will show clearly that below the mountains of Laos and west of the mountains along the coast of Vietnam, there lies a great alluvial plain capable of tremendous agricultural development, but certainly lacking in major military defensive positions. Therefore, it is quite clear that once the mountain barrier is breached, the problem of defending the heartland of southeast Asia becomes exceedingly difficult.
>
> The strategic importance of Laos, therefore, lies not in its industry which is nonexistent, not in its material resources, not in its people, but purely in its geographical location and in the defensive nature of its mountains and jungles.

For over a year, the Kennedy administration has pursued with resolution worthy of a better cause the objective of a neutral Laos governed by a coalition regime that includes Communists. Unfortunately, in advocating neutrality as the best solution to the Laos problem, the administration has obscured the vital necessity of retaining Laos within the sphere of American and free-world influence.

A neutral Laos is a pipedream for two reasons:

First of all, coalition government is one of the prime weapons in the arsenal of Communist conflict techniques. It has been used successfully, along with other aspects of multidimensional warfare in Poland, Hungary, Rumania, Bulgaria, Czechoslovakia, and China. In France, Spain, and Finland, coalition as a means of takeover was ultimately unsuccessful, but did not fail before inflicting deep wounds upon the political life of these countries.

Participation in parliament through legal means often yields to the Communists' official representation in the cabinet; and invariably, the Communists hold on in an effort to secure control of the police through the ministry of interior, control of the armed forces through the ministry of defense, and control of the courts through the ministry of justice. If the Communists cannot gain direct control of these key posts, they insist on their going to a neutralist faction, because they know that of all political groups in the country the neutralist faction offers the least resistance to infiltration and eventual Communist control.

There is a classic pattern of Communist behavior to be observed here. As the history of coalition governments demonstrates, the "small" price paid for peace in the short run becomes costly in the long run for the forces of freedom. Nothing short of brute force can dislodge Communists from the inner circles of government and, if they are not dislodged, complete Communist domination of the country is but a matter of time.

Mr. President, the second reason why Laos cannot exist as a neutral entity relates to its geographic position in southeast Asia. Control of Laos by the Communists would give them ready access to the heartland of southeast Asia. The strategic importance of Laos derives from its mountains, with their jungle cover. They form the last barrier to Communist expansion into the southeast Asian heartland. Once these mountains are breached, as General Brown points out, the vast foodstocks, the almost limitless raw materials, the great around-the-world air lanes, and the ports of the whole sweep of oceans from Calcutta to Shanghai lie exposed to the Communists. The great alluvial plain lying below the mountains of Laos and west of the mountains of South Vietnam is capable of tremendous agricultural development, but it lacks major military defensive positions. The rivers which course through the plain are at best only limited obstacles. It is therefore apparent that, once the mountains of Laos are breached, defense of the rest of the southeast Asia mainland becomes exceedingly difficult, and would require a massive buildup in the forces required to be successful.

Some observers, appalled by the terrain of Laos and the absence of a modern rail and road net there, contend that Laos is no country in which to fight. Let me remind them, however, that we have modern aircraft, cargo-troop carrying and assault helicopters, and perfected airdrop techniques developed especially for warfare in rugged terrain. Let me point out further that the cost of holding the mountain line in Laos would be a small fraction of the cost in men, money, and materiel required to defend the rest of southeast Asia, once that line were permanently lost.

Each month the price that may have to be paid by American troops for the defense of southeast Asia grows, and will continue to grow unless Laos is kept out of the Communist hands. And each month that we delay and indicate lack of determination, the will of our Asian Allies to fight for their survival as free people will deteriorate. As the dream of Lao neutrality fades into the reality of a Communist takeover, we must be prepared either to reestablish the mountain barrier in Laos or to concede the eventual loss of southeast Asia.

Few Americans seem to realize the terrible consequences that are likely to follow the loss of Laos. As long as Laos remains as a great sponge through which the Communists must squeeze their military forces, and which absorbs their men, money, and orders as they strive to subvert the peoples to the south, their influence can be contained by reasonable military and security forces. But now that the Communists are on the threshold of seizing power in Laos, their men, money, and orders can flow almost unchecked deep into Thailand, Cambodia, South Vietnam, and Malaya. This is a great challenge. Communism is on the march. Laos must remain within our sphere of influence or everything will fall to the Communists.

Cambodia, already having close ties with Red China, could not remain neutral if Laos goes. Once the Communists take over Laos, Cambodia is likely to topple. Communist supplies from North Vietnam and Laos could then transit the important Mekong River through the American-built port of Phnom Penh to the support of Viet Cong guerrillas in South Vietnam. With South Vietnam torn asunder by guerrilla bands, the poor farmers and peasants would probably give up hope and throw in their lot with the Communists in a vain hope of achieving some kind of peaceful life. Thus, Cambodia may well provide the next test of will for the United States. What would the United States and the Western Powers do were it to go behind the Bamboo Curtain? With Phnom Penh, the first port on the great trade routes sweeping past Singapore, in their hands, the Communists would then be in a position to destroy every foreign business based in Cambodia. All raw materials, including the lac of Laos, would be directed into Communist channels. All manufactured goods would come from Communist sources. This is not idle conjecture, it is the pattern of Communist conquest the world over. We seem unwilling to take a stand in Laos where the mountains offer favorable defensive positions. Would we then fight in the jungles and swamps of Cambodia?

With Laos in Communist hands, the position of Thailand would become extremely difficult. With Cambodia going Communist, the whole eastern border of Thailand would be vulnerable. Would the West permit Thailand to move against Cambodia or support her in such a move? Would the West support Thailand if she were to occupy those areas of Laos west of the Mekong River, in order to interpose the full length of the Mekong as a defensive line against the Communists? Without making these two moves the Thai could not defend themselves.

Initially, the Communists would not have to cross the Mekong with military forces. There are thousands of refugees from North Vietnam in northeast Thailand who were settled there after the French Indochinese War. They are, to a large extent, regimented and controlled by Communist agents today. With the Communists just across the river and not far beyond the mountains, subversive activities would increase to a crescendo. These refugees already require extensive policing, soon they are likely to be a major security problem. Also thousands of overseas Chinese live in Thailand. The subversive pressures that could be brought to bear on them exceed the imagination of most westerners. Remember, they have innumerable family members in Red China. As they see Communist power grow at the West's expense, these Chinese would have to throw in their lot with their blood brothers, even though they have no liking for communism. There is no other place for them to go, as recent events in Hong Kong proved. The law of survival would prevail.

In the perilous situation that would follow a Communist seizure of Laos, Thailand might make some initial military moves to strengthen her internal security and to guard her borders. But even if she would occupy Cambodia and extend her borders to the Mekong, it is extremely doubtful that Thailand could maintain, for an indefinite period, the major increase in military forces necessary for that task. Furthermore, the increased costs to the United States for this stepped-up military program in Thailand could not be easily met in view of our other commitments. The force levels required would be most uneconomical to support and far in excess of those that would have been required to hold Laos.

All in all it is highly doubtful that Thailand could be persuaded to maintain a strong military posture for the long pull. Our vacillating policies with respect to Laos have caused the Thai to doubt our determination to resist actual Communist aggression. There is every reason to believe that Thailand would seek a position of neutrality, if we continue our absurd policy in Laos. Though this may at first seem to offer hope of preserving some semblance of independence, the hope would likely be short-lived. Communist pressures would be far too great and Thailand consequently would cave in.

If Cambodia, South Vietnam, and Thailand fall under Communist control, Malaya, which only a short time ago defeated a 12-year Communist guerrilla war within its borders, would again be exposed to infiltration and eventual conquest. This would pave the way for a link-up with the already strong Communist elements in Indonesia. Burma would fall like a ripe plum. The Communists could pour troops down the old Burma road into the Shan states and on Rangoon. However, this would probably be unnecessary, since the Communist apparatus in Burma would be available to seize power.

How fast this train of events would run depends upon many factors. Chief among these would be our determination to fight a major war in the defense of southeast Asia, for it could be saved in no other manner. I have already mentioned the heavy costs required to defend southeast Asia without Laos, costs that the American people might not be willing to pay. And unless they were willing, the rest of southeast Asia would surely go behind the "bamboo curtain."

Once southeast Asia is gone, the pressure upon Japan and the Philippines to the north, upon India, the Middle East, and Africa to the west, and upon Australia and New Zealand to the south would become almost intolerable. The Huks could rise again in the Philippines. Men, money, and subversive agents would flow into the islands in an unending stream. Although we might make desperate efforts to hold the islands, the costs in men and materiel might well exceed our capabilities. Japan, cut off from the raw materials of southeast Asia it desperately needs and deprived of markets there for its manufactured goods, would either have to be completely subsidized by the United States and the West, or move irrevocably into the Communist orbit. With the Philippines and Japan gone, the strategic importance of Taiwan and Okinawa would be seriously limited.

India and Pakistan would be outflanked and the Middle East could be either bypassed for easier picking later or whipped up into violent revolutions. The seeds are already planted in Africa and it would take little to force them into full growth throughout the entire continent, from Algeria to South Africa.

To the south, Australia and New Zealand would be deprived of their best markets for their growing industries and cut off from their main sources of raw materials. Slow stagnation would undoubtedly weaken the determination as well as the defensive capabilities of these two countries, long before any actual aggressive moves could be made in their direction. Meanwhile, they would be under military pressures from Communist missiles, submarines, and long-range aircraft far more effective than those available to the Japanese in World War II, even though they had established bases throughout the South Pacific.

What I have just set forth is the "falling domino" thesis to which I fully subscribe. I am convinced that Laos is the key domino in the pile which, if removed, will result eventually in the crumbling of the pile. The loss of southeast Asia would sever the economic lifelines of Europe and of the United States. With southeast Asia in their hands, the Chinese Communists could gain enough rice and foodstocks to feed their starving people and thereby strengthen their rule on the China mainland. With the natural rubber, oil, tin, iron, coal, and other raw materials of this great and rich area, China could develop the industry it now lacks, and thereby develop to the fullest the potentially great power available to them.

This is a rich prize for the Red Chinese—food for its starving peoples, unlimited materials for its industrial development. Who can doubt for a moment that once clear of the mountains of Laos and within reach of these riches spread before them, they would move to seize them?

And what would our prize be? We would have lost vital raw materials and markets which absorb millions of dollars worth of European and American products. Every major port in one of the greatest trading areas of the world would be under Communist control. Every round-the-world airlane would be under Communist control.

If it seems incredible that all of this could stem from the loss of Laos to the Communists, take a good hard look at the map and see how the mountains of Laos are the keystone in the arch of freedom for all of southeast Asia. Let the Communists pull out this keystone and the whole arch will come tumbling down, block by block. With southeast Asia under Communist control, progressive expansion is inevitable. There might be delays and periods of quiescence while the two partners, Russia and Red China, agree to division of the spoils, but they would continue to move forward.

We can retain Laos in the free world, and without recourse to a nuclear holocaust. Russia is unlikely to risk over Laos the destruction of what has taken her over 40 years to build. Russia still counts on subversion, the slow but steady progress in one country after another, and on the steady erosion of free world's willpower to achieve ultimate victory. Once Laos is Communist and the Red Chinese start their takeover of southeast Asia, however, there can be no turning back on either side. In spite of Russian hopes, the United States will never accept Communist slavery, and the very policy of appeasement and neutrality in Laos which is supposed to avoid the possibility of general nuclear war may be responsible ultimately for such a war.

In closing, I would like to recall a warning from Winston Churchill's "Gathering Storm." England, he noted, backed away from the crises of the Rhineland, Austria, and Sudetenland—in each case, where the aggressor could have been stopped without any major war, more likely without any war at all. That England backed away made a major war inevitable, and that war occurred over Poland, the most indefensible place of all for England to defend. Is Laos to be our Rhineland, our Austria, our Sudetenland? Is our course in southeast Asia the road to war? Thinking Americans should read and ponder well what is said by General Brown, who knows whereof he speaks.

I ask unanimous consent that there be printed as a part of my remarks a paper prepared by Brig. Gen. Rothwell H. Brown, U.S. Army, retired, entitled "Laos: The Key to the Maintenance of U.S. Interests in Southeast Asia."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LAOS: THE KEY TO THE MAINTENANCE OF U.S. INTERESTS IN SOUTHEAST ASIA

(By Rothwell H. Brown, brigadier general, U.S. Army, retired, White Stone, Lancaster County, Va., May 25, 1962)

INTRODUCTION

In preparing this memorandum on Laos it has been necessary to consider Laos, not as a country, but as a piece of real estate, occupying a strategic position between the Chinese Communists on the north and the peoples of South Vietnam, Cambodia, Thailand, Malaya, and Burma to the south. It is in these countries, not in Laos, that there exist surplus food and vast unexploited resources. It is impossible to discuss Laos as a separate country. In the first place, it was put together by the French out of three tiny insignificant little kingdoms. In the second place, except for the fact that it exists as a geographical entity on today's maps of the world, it has only a vague history from which one can hardly judge present-day activities or forecast the future. And lastly, it has no industry, it has no seaport, it has no railroad, it has no roads, it has no viable economy, and its people, for the most part, still live on a primitive barter basis. Its people are not warlike and it has no ambitious ruler capable of arousing even a semblance of national pride among its various tribes and people. It is unfortunate for its rather simple peaceful people of mixed tribal loyalties, mixed religions, and mixed ethnic backgrounds that it has become a piece of property which is vital to Communist and to U.S. interests and, therefore, to those of the free world in southeast Asia. And, it is doubly unfortunate that the loss of Laos to the Communists will have tremendous repercussions as far away as Australia and India and deep into Africa.

It is in this context that we must examine the position of Laos. The remarkable thing is that Berlin, which is strategically indefensible, has become a showcase of Western civilization and has also become a symbol of our determination to stand fast. On the other hand, Laos, which is strategically and militarily defensible in spite of a great deal that has been said and written to the contrary, has become a symbol of frustration, has been written off as indefensible, and has become an indication to our friends and allies in this part of the world of our lack of determination to face up to our commitments.

It is unfortunate that this small, mountainous, jungly, primitive kingdom, lacking sufficient population to protect its borders and lacking sufficient resources to develop a modern viable economy, has become a pawn in the great struggle for the world. Although we did not create this clash, the fact remains that it exists, it is a part of our lives, and will remain a part of our lives for many years to come. The future is always obscure, but if the past offers any guidelines for prediction, it would appear inevitable that one of the two opposing ideologies must go forward and the other be defeated. It is, therefore, essential that we understand the vital significance of Laos and the necessity for its retention within the sphere of U.S. influence in the great global conflict in which we are involved.

THE STRATEGIC SIGNIFICANCE OF LAOS

Laos is strategically important solely because of its geographical location as a buffer between the Chinese Communists and their cohorts, the North Vietnamese, on the north and those countries of southeast Asia which lie below the mountain kingdom.

Consequently, it is unlike most other countries or areas in the world which, if occupied by the Communists, would further their designs for world conquest, or which, if retained in the U.S. sphere of interest, would further the interests of the United States and therefore those of the free world. Many countries are strategically important because of their population, their industries, their capability to furnish surplus agricultural products to world markets or for their natural resources. Other countries may be strategically important because they afford lines of communications either by sea, by major rivers, or by an extensive road net into other vital countries. Still other countries may be strategically important because they protect vast and extensive sea or air lines of communication. The strategic importance of Laos does not stem directly from any of these considerations. However, due to its geographical location in which it stands as a mountain buffer north of great material resources, the great around-the-world sea and airlanes of communication and vast resources in exportable agricultural products, its strategic importance is paramount to other countries rather than to its own mountains, valleys, and indigenous population.

Long before the end of World War II the Chinese Nationalist Government clearly recognized that the Red River Valley, in what is now North Vietnam, was of critical importance in giving the Chinese control over the whole northern section of what had been French Indochina before the war. Long before the end of General Stilwell's campaign in Burma the Chinese generals under his command were secretly planning to move their forces from northern Burma into the Red River Valley. As a matter of fact, the Chinese Nationalist Government did send some forces into this area at the end of the war, ostensibly to receive the surrender of the Japanese forces in the area. Under various pressures from the French and because of the critical situation developing in China with respect to the Chinese Communists under Mao Tse-tung, these forces were withdrawn. Before the French could consolidate their position in Hanoi, Ho Chi Minh had started his great "liberation movement." That the Communist tie-in with Ho Chi Minh was but dimly understood at that time is immaterial. The fact remains that the Communists recognized that the great eastern reaches of the Himalaya Mountains would have to be breached if they were some day to continue their expansion southward. With great forethought, therefore, they set about breaching these mountains by occupying the great Red River Valley.

THE IMPORTANCE OF THE MOUNTAIN BARRIER

Mountains have always been historic defensive lines. They have always been major obstacles in warfare, both ancient and modern, from the days of Hannibal right down to the days of Gen. Mark Clark fighting his way up the Italian Peninsula. This is not to say that mountains and even major mountain chains as great as the Himalayas are impassable, for such key defensive areas have always been breached where the aggressor was determined and the opposition weak and undecided.

In actuality, the key line of defense against Communist encroachment to the south and into southeast Asia lies along these great eastern fingers of the Himalaya Mountains north of the Red River Valley and running approximately along the old border between China and French Indochina. Strategically, the French were completely correct in massing their effort to hold their French Indochina colony against the Vietminh in the Red River Valley, but they lacked appreciation of the fact that the mountain passes into the great valley area, as poor a means of military movement as they seemed to European eyes, held the real key to the retention of all of the great Red River Valley. For the most part the French confined their efforts to a series of uncoordinated maneuvers in the delta area itself, an area in which they were not particularly well equipped to fight, an area in which the population could be easily terrorized by the Vietminh, and an area which allowed the Vietminh to receive supplies freely over the mountain passes from China. While the final failure of the French may have been influenced by their inability to combat the sweeping tide of nationalism on the crest of which Ho Chi Minh was riding into power, from a purely military standpoint the French failed because they tried to defend the more difficult lowland and delta areas, and failed to block and hold the few mountain passes which would have prevented the flow of supplies, men, and money to Ho Chi Minh in the rice paddies of North Vietnam. The failure of French strategy is disclosed in their tactical failure at Dienbienphu where, on a small scale, they committed the same error that they had committed on a large scale throughout the Red River Valley. At Dienbienphu they tried to hold the "bottom of the soup bowl" and gave up to the enemy the great mountain ring around their defensive position.

With the loss of North Vietnam to the Communists, as agreed upon in the Geneva Accords of 1954, the great strategic barrier north of the Red River Valley was lost to the Western World. However, there still remained a very difficult secondary barrier to Communist expansion. This barrier runs from just north of the 17th parallel, which was agreed upon as the division between North and South Vietnam, across the northern boundary of Laos and on the northern junction of Laos, Thailand, and Burma. These mountains are not extremely high, though some of them run up to 10,000 or 12,000 feet, nor is the jungle growth particularly rank, and not nearly as impenetrable as much of the jungles of northern Burma and Assam in India. However, they do present a very formidable obstacle in the path of any major invasion coming in from the north and directed toward South Vietnam, Cambodia, Thailand, and the eastern reaches of Burma. The Mekong River, at the point where it comes into Laos, is not a navigable river down which an invading army can flow. The upper reaches of the Mekong are extremely shallow in the dry season and filled with very dangerous rocks and rapids in the monsoon season. A very limited number of passes exist between Red China and Laos, the best near Muong Sing in the northwest, and, of course, the Mekong comes down through the mountains. There are a few passes into Phong Saly and Sam Neua provinces, and some minor passes on the eastern border with Vietnam. By far the easiest entry into Laos runs from Quang Tri on the northern coast of South Vietnam, across the waist of southern Laos to Savannakhet. Most of the passes terminate in small villages, and only a few connect with even primitive roads running on into the heartland of Laos.

The Communists, having broken through and seized the main mountain barrier north of the Red River Valley, were completely aware of the vital necessity to their cause of maintaining control over as many as possible of the passes from North Vietnam into Laos. This they did in spite of the Geneva Accords. When the Vietminh troops, which had swept down to the outskirts of Luang Prabang in 1953, withdrew in accordance with the Geneva Accords, they did not withdraw all the way out of Laos, but maintained their control of the two northern provinces of Phong Saly and Sam Neua. From these two provinces their communication lines ran back directly to Hanoi and Ho Chi Minh. That these limited roads and trails appeared rather insignificant to Europeans and Americans, thinking in terms of autobahns, throughways, and freeways, did not in the least mitigate their importance to the Communist cause. Through retention of the passes through this northern barrier of mountains along the Laos border the Communists have been able to launch the attacks which have culminated in practically all of Laos coming under their control.

A glance at any relief map in any good atlas will show clearly that below the mountains of Laos and west of the mountains along the coast of Vietnam, there lies a great alluvial plain capable of tremendous agricultural development, but certainly lacking in major military defensive positions. Therefore, it is quite clear that once the mountain barrier is breached, the problem of defending the heartland of southeast Asia becomes exceedingly difficult.

The strategic importance of Laos, therefore, lies not in its industry which is nonexistent, not in its material resources, not in its people, but purely in its geographical location and in the defensive nature of its mountains and jungles.

CAN AMERICANS FIGHT IN LAOS?

Military experts trained for modern warfare, schooled in the new techniques of atomic warfare, and raised in the great battles of World War II in Europe have failed to see the great significance of the mountains of Laos as a defensive military obstacle of paramount importance. Some of our military planners and civilian strategists have stated that Laos was no country in which to fight. A great many of our military experts have stated flatly that American soldiers with our modern equipment could not fight in Laos. Many of them have failed to remember the successful struggle that American forces had in their battles up the mountains of Italy against the defensive positions of the Germans.

As a matter of fact, American soldiers under General Stilwell and Gen. Frank Merrill proved conclusively in World War II in northern Burma that American soldiers could fight in the mountains, and that they could fight in the jungles of northern Burma, jungles far more dense than any in Laos. They also proved that they could fight in these regions with limited air support from a single supply base in Calcutta nearly 3,000 miles away from the area of conflict.

It is, therefore, unreasonable from a military standpoint, to assume that American soldiers, if need be, could not fight in the mountains and jungles of Laos. Furthermore, since World War II we have developed air transport to a point undreamed of in the days when "Uncle Joe" Stilwell was fighting in Burma. We have planes of far greater capability than the little L–5's, the C–47's, P–40's, and P–51's available in the northern Burma campaign. In addition, we have developed the helicopter into an instrument of cargo-troop carrying and assault capacity which makes it an ideal weapon in mountain and jungle warfare. And, finally, the port of Bangkok, with its rail net stretching within a few miles of the Lao border at three critical points, would give American forces a short and high capacity supply line. Considering the probable utilization of Saigon and Phnom Penh as well, logistics is no great problem.

CONSEQUENCES OF THE LOSS OF LAOS

The Mekong River, which is for a considerable portion of its length the border between Thailand and Laos, is not a formidable military obstacle. In the dry season it can be crossed very easily with native boats, sampans, and cargo-carrying junks. Even at the height of the monsoon season, when the river may rise as much as 45 feet and when the current is exceedingly swift, it is still not a difficult barrier for either native or modern military forces. The only barrier protecting the great heartland of southeast Asia, Thailand, Cambodia, and South Vietnam lies in the mountains of Laos.

It is, therefore, apparent that the strategic significance of Laos extends far beyond the country itself. It is not pleasant to contemplate the 2 to 2½ million people of Laos falling to the Communists, but were it not for the strategic barrier which the mountains provide, the actual loss of this small segment of the world's population would probably not be earthshaking. It is extremely doubtful if the Chinese Communists, the North Vietnamese, or even the Pathet Lao will ever be able completely to subjugate the Meo people, the Kha, the Black Thai and many of the other tribes who live in the mountains. To the Communists this is not necessary. Once they can place their agents along the whole border of Laos, the great softening-up process of all of the other countries of southeast Asia will start. As long as the Communist forces were held north of the mountains, as long as Laos was acting as a great sponge through which Communist agents, their money, their orders, and their doctrine had to be squeezed before they could reach the man in the streets of Bangkok and Saigon, or the little peasant in his rice paddy, their great subversive program could not have tremendous impact. Once they have breached the mountains and reach the Mekong Valley, their agents will move freely throughout Thailand, Cambodia, and South Vietnam, and will once again flow down the Malay Peninsula which has just been quieted after nearly 12 years of warfare.

There is in this vast area a tremendous population of oversea Chinese. Although southeast Asia has been the home of these people, in many cases for centuries, they still remain Chinese. They are extremely important businessmen in every country in southeast Asia. The pressures which can be brought to bear upon them when Laos falls to the Communists will be almost unimaginable to Americans and Europeans. What this great mass of oversea Chinese will do is a source of constant worry to every government in the area. Since they cannot flee, and the refugee problem in Hong Kong brings this into sharp focus, they will have to make the best of a bad situation, as Chinese businessmen have always done in the past. They will throw in their lot with their brothers in blood, the Chinese Communists, even though they have no actual liking for communism as such.

Prince Sihanouk of Cambodia has proclaimed that communism is the wave of the future and that Cambodia and all of southeast Asia must be prepared to make peace with the coming conquerors. Cambodia has established very close ties with Red China, and the Communist diplomatic and trade missions exert great influence in the Cambodian Government. With the fall of Laos, Cambodia will throw its full weight on the scales to the side of the Communists. This will give the Red Chinese sea and river routes to the hinterland which they would have difficulty in supplying solely over the mountain routes. It will also give the Communists control over their first major port on the great sealanes sweeping past Singapore. It is hopeless to expect that Cambodia will stand up against Communist pressures. It is practically in the Communist camp now, its neutrality is little more than a pretense, the deadly virus of subversion is in the bloodstream of the country and the alliance with communism lacks only formal announcement.

Although the Mekong River is not a major trade artery such as our Mississippi River, due to falls and rapids in the river near the Lao-Cambodian border, and again in its upper reaches, nevertheless it will permit the Communists to ship tin and lac out of Laos over routes under their control. And the river route will be invaluable in supplying their military forces, particularly those in southern and central Laos. With the port of Phnom Penh under their control, raw materials can be shipped out to Communist-bloc countries, manufactured products can be shipped in and distributed throughout the area, and United States and European business interests can be squeezed out and destroyed. By far the greatest danger lies in the flow of military hardware which could be shipped through this port. The Western Powers would then be faced with a very difficult decision. Should they block off the port of Phnom Penh, or should they permit military supplies to flow freely into Cambodia?

South Vietnam is now fighting with its back to the wall against limited forces receiving limited supplies through Cambodia. Should this trickle of supplies be increased to a flood, which could easily happen, the position of South Vietnam would deteriorate rapidly, and the cost to the United States, from a military and economic aid standpoint, could easily become astronomical. Thailand, which is very alarmed by the progress of Communist sentiment in Cambodia, would also have to make a difficult choice. Should it attack and occupy Cambodia for the protection of Thailand? Would the Western Powers acquiesce in such military action even though they themselves would take no part in it? These are indeed critical probabilities which will undoubtedly occur if Laos falls entirely to the Communists.

With Communists controlling Laos, the position of Thailand also becomes extremely dangerous and difficult. A large area of Laos, north and west of Vientiane lies west of the Mekong River. This will afford the Chinese Communists and the Vietminh direct access into the northern reaches of Thailand without even the barrier of the Mekong River as a defensive position. Also, a considerable portion of Laos south of Pakse lies west of the Mekong River. Any Communist buildup of troops across the Mekong River in these areas would threaten the rail lines running directly into Bangkok.

It is extremely doubtful if Thailand can continue its present handsoff position with respect to Laos, should it find Laos definitely in Communist hands. Thailand may then be forced into occupying Cambodia and into pushing its borders all the way to the Mekong River in an effort to achieve the best defensive position available. It will have to maintain strong military garrisons along the full length of the Mekong indefinitely. Further, a very uneconomical force level, as far as the United States is concerned, will be required to preserve internal as well as border security. Whether we can even get them to take and then maintain such a military posture of readiness for a long-term pull is highly problematical. Our vacillating policies with respect to Laos have caused the Thai to doubt our intentions of remaining firm in the face of actual Communist aggression in southeast Asia. Thailand will undoubtedly make some initial military moves to strengthen her borders, but in the long run she will undoubtedly seek a neutralist position in the vain hope that she can preserve some semblance of independence. She did this at the time of the Japanese invasion and will probably do it again. The Thai will to fight is only as strong as our determination and we certainly have not given them great confidence in it. They will fight alongside of us, but they cannot be depended upon to carry the ball alone.

A retreat into neutrality may seem to offer respite to Thailand, but it will be based upon wishful thinking. There are many thousands of oversea Chinese in Bangkok, and thousands more throughout the country. There are many thousands of refugees, some Black Thai, some Vietnamese, located in northeast Thailand where they were settled after the French-Indochina war. Many of these refugees are still regimented and controlled by North Vietnamese agents. All of these peoples are susceptible to subversive pressures and all of them add immeasurably to present internal difficulties in Thailand. Thai Premier Sarit keeps as tight a control as he can over these refugees, but with Laos in Communist hands the tempo of Communist subversive activities will increase to a crescendo. These always restless refugees could easily blow the lid off. Therefore, the ability of Thailand to retain its independence as a neutralist nation is highly improbable.

As the pressure of Communist subversion, money, agents, and smuggled arms increase throughout Thailand, these pressures are bound to filter down into the Malay Peninsula. This peninsula was pacified only after 12 years of war, when the Thai Government cleaned up its southern provinces as a sanctuary for the Malayan Communists. Should this area of Thailand again become a haven for Communist activities, Malaya would not long survive.

With Cambodia, Thailand, and Malaya rapidly going Communist, the link-up with Sukarno in Indonesia would not be long delayed. How far the evil would spread and how rapidly would depend solely upon how long it would take the Chinese Communists to seize control and whether the Russian Communists would endeavor to slow the onward march of the Chinese by withdrawing air and other support which they now furnish.

Once South Vietnam, Cambodia, Thailand, Malaya, and Indonesia are under control by Red China or even controlled through some division between the Russians and the Red Chinese, the pressures which would be brought to bear upon the Philippines, Australia, Japan, India, and Africa will become almost intolerable. Thus, it is seen the strategic importance of Laos extends far beyond this tiny mountain kingdom, this quiet land of the million elephants and the white parasol. The loss of this little country can cause the cancer of communism to grow far faster and far more venomously that most people in America realize. Let us examine for just a minute some of the things that will take place with the loss of the Kingdom of Laos and the resultant loss of South Vietnam, Cambodia, Thailand, Burma, and Malaya.

First and perhaps foremost the Communists will control one of the greatest export rice-producing areas in the world. Although the amount of rice available for export from southeast Asia is limited in comparison with the amount of rice which can be grown on the same amount of land in Louisiana and California, nevertheless these countries, year after year, do have a large export surplus of rice and other agricultural products. To the Red Chinese, who have suffered 4, if not 5, years of desperate famine, this food must seem like the pot of gold at the end of a rainbow. Once they break through the mountain passes of Laos and see this golden harvest before them, who can believe they can be restrained from making every effort to seize it?

Again, the Red Chinese, who have not been able to complete their grandiose industrial programs, who have been in the main cut off from their former Western sources of supplies and have been dependent upon the Soviets, cannot help but look with greedy eyes on the vast material resources of the area lying south of Laos. The United States, with its vast complex of synthetic rubber plants, is no longer dependent upon rubber from Malaya, and Indonesia, but think what a rich prize this will be for the Red Chinese. Further, China, which has had little success in developing its oil fields, would be overjoyed at having access to the great fields of Indonesia. The great tin mines of Malaya, the coal and iron ore deposits, as limited as they may appear to European eyes, offer tremendous industrial hope to the Red Chinese. This is a great prize and one which they will not give up once they have reached a position in Laos from which they can launch a major effort for these riches.

From the viewpoint of the United States and those European countries which engage in international trade and commerce, the loss of the round-the-world air routes, all of which now pass through southeast Asia and which could be controlled, curtailed, or shut off with a single word from Moscow or Peiping, would indeed be crippling. Furthermore, Communist control of the major sea routes running past Singapore and the control, if not closure, of most of the ports of southeast Asia would hamstring all of our commercial firms engaged in selling millions of dollars' worth of our finished products and in purchasing necessary raw materials. This could be a most serious economic blow and might easily lead to a major curtailment in the growth of the European Common Market. It would certainly have major repercussions in the entire industrial system of the United States. Commercial shipping would find it not only unproductive but economically disastrous to have to reroute all of its round-the-world shipping south of Australia.

We do not have to look back any further than the years 1941–45 when this whole vast area was under the control of the Japanese to see how difficult it was to fight a global war with these great airways and seaways in the hands of an enemy. In the hands of the Communists, the difficulty would be even greater; modern Communist missile, air, and submarine bases could reach areas denied to the Japanese.

For a great many years the Red Chinese have been making desperate efforts to woo Japan away from its ties with the United States and with the Western World. For practically all of modern history, Japan's great market for its industrial products was on mainland China, and it was, in turn, the great purchaser of raw materials from this same area. It has been extremely difficult in the years since the war for the Japanese to adjust their entire economy to a world market which did not include the China mainland. Many Japanese businessmen believe that sooner or later Japan must establish economic and trade relations with the Red Chinese if it is going to go forward in its great program of economic and industrial expansion. One of the reasons that the Japanese Government has been able to withstand the pressures, from both the Red Chinese and their own business people, is the fact that they have been able to find markets for their products in the United States and, to a very great extent, throughout southeast Asia. They have also been able to buy, in this area, tremendous quantities of raw materials which they require to keep their industrial empire humming. Should southeast Asia fall to the Communists, it is extremely doubtful if the United States and Europe could absorb the exports now flowing from Japan to southeast Asia. There is, therefore, great reason to believe that, should southeast Asia fall to the Communists, the Japanese would be forced to enter into economic and trade agreements with both the Red Chinese and Soviet Russia. Further, there is every possibility that such trade agreements would carry the Communist stipulation that economic and military ties with the Western World be cut. The

United States and Europe would then be faced with the problem of either subsidizing Japan, which we could not undertake under any circumstances, or of having Japan move irrevocably into the Communist orbit.

The question of the Philippines is difficult to analyze. Their ties with the United States are only a little over 50 years old. We left them to struggle along under a Japanese occupation because we did not have the forethought to build up sufficient military forces prior to World War II to protect them. With southeast Asia in Communist hands, the subversive activities of the Huks who are still a potent underground force in the Philippines would undoubtedly come to renewed life. Money, men, and orders would flow from southeast Asia into the Philippines and a state of complete chaos would soon result. Although we might make desperate efforts to hold the Philippines, the very nature of the islands makes their retention extremely difficult in the face of active internal subversion ruthlessly fostered by outside money and ideology. The expense of this operation to the United States could well be more than the people of the United States would stand. Once our active support was withdrawn, the Philippines would have no recourse but to follow Japan into the Communist orbit. With Japan and the Philippines Communist-controlled, or even oriented in this direction, the retention of the two strategic outposts, Taiwan and Okinawa, is problematical. Certainly their strategic value would be extremely limited.

The loss of this vast area will have the most serious implications for Australia and New Zealand, though the full impact might not be felt for some years while the Communists digested their new conquests. However, it seems certain that the loss of these great markets by Australian and New Zealand industry and the loss of cheap raw materials would seriously handicap their industrial growth and would probably result in weakening their military and economic determination long before any actual Communist move against them could possibly take place. British entry into the European Common Market will make these southeast Asian markets even more important.

There is every reason to believe that Burma would fall like a ripe plum into Communist hands, once Thailand and Malaya were taken over. The Chinese Communists are perfectly capable of pouring military forces over the old Burma Road into the Shan States and deep into Burma, should this action be necessary. However, it is doubtful if the Burmese would hold out very long, once Thailand had fallen. In Burma the Red Chinese would get a really great prize of rice which they need for their starving millions at home.

And finally, India, which has already been penetrated on its northern borders by the Red Chinese, which has pursued a very peculiar neutralist policy under Nehru and which may well have at its helm Krishna Menon, who certainly has Communist inclinations, would be under terrific pressure to throw in the lot of its 450 million people with the coming wave of communism. Menon could easily sell this program to the Indian peasants who have not reached a very high economic standard under Nehru.

SUMMARY

And so we see that from the mountains of Laos, the evil spreads in ever-winding circles. With India either Communist or really neutralized, the great Communist encirclement outlined by Lenin and first placed in execution by Stalin would have swung from China through southeast Asia across India and before long it would have penetrated deeper and deeper into Africa.

It is a very strange thing that such a small, poverty-stricken, totally innocent country should have become such a tremendous keystone in the arch of independence and freedom for so many people. But its mountains and its jungles, which create a barrier which must be penetrated before the riches of southeast Asia can be seized, make this country the most strategically critical country in this whole vast area.

The progression of Communist conquest as outlined above is probably inevitable if Laos falls completely into Communist hands. The speed with which the total conquest would be consummated is, of course, difficult to judge. We would certainly, as we have done recently, back up Thailand in its defense as long as there was any heart in Thailand to defend itself, but once the heart had gone out of the Thais, it would be impossible for us to supply the forces to prevent its inevitable takeover. The same would be true in South Vietnam. Whether we would actually go in and occupy Cambodia is problematical. It appears likely that each country in its turn, seeing that ultimate victory was not going to be achieved by the Western World, would seek for itself the best terms possible under the agelong requirement of self-preservation. The process of takeover would go slowly at first perhaps, but then extremely rapidly once either the cost of a major occupation of all of southeast Asia by the United States became unbearable, or as one by one our allies in SEATO and NATO withdrew their support. The cost of the retention of Laos is infinitesimal in comparison with the cost of trying to regain southeast Asia after it is lost.

CAUSES OF THE DETERIORATION OF THE FREE WORLD'S POSITION IN LAOS

The causes of the deterioration of the free world's position in Laos are not easy to trace. Every country involved can point to some particular policy as having been the wrong one to follow, from its own isolated viewpoint. However, in the main, the overall difficulty probably lies in the fact that the Communists have known exactly what they wanted, Laos. They have known why they wanted it, and they have been determined to take control. For our part, we have never been certain as to what we really wanted in Laos, nor why we wanted Laos at all. We have, therefore, confronted determination with vacillation.

These basic differences in approach have, of course, simply been the woof and the warp on the hand loom of history. Many conflicting threads have been woven into the complete tapestry until it now resembles a patchwork quilt, not a work of art. To attempt to trace the reasons behind the selection of all the individual threads now woven into the cloth would be extremely tedious and might obscure, rather than clarify, present issues. The selection of threads and colors from which has emerged the pattern we see today has resulted from the conflicting ambitions and desires of the peoples in the area itself, and the conflicting ambitions, desires and degrees of determination of the Western Powers as opposed to the directed drive of the Communists.

However, it might be wise to trace a few of the difficulties of the past, since they do throw light on the present and may be a guide for the future. Many of the difficulties which are now coming to a head in Laos probably spring from a basic misjudgment on the part of the French following World War II: That they could put their empire in French Indochina back together again and go ahead doing business at the same old stand and in the same old way as they had before the war. They also spring, of course, from the loss of China to the Communists. Had the Chinese Nationalists remained in power, although China has always had as her ambition the control once again of her old suzerain territory in the Red River Valley or North Vietnam, it is highly improbable that the Nationalists would have fought the French for this territory. Diplomatic pressures by the United States, Japan, England, and France would have forestalled actual occupation. Finally, in considerable degree, the trouble stems from our involvement in the Korean war and the distaste of the American people for war in faraway countries which they do not consider significant. Therefore, when it became obvious that the French could not hold North Vietnam against the Vietminh with Chinese Communist backing, the United States, although it supplied better than two-thirds of the material resources used by the French in their war, was unwilling to commit its own military forces.

Unfortunately, American military and diplomatic strategists in Washington, many of them extremely able and capable people but most of them more familiar with warfare and diplomacy in Europe than in southeast Asia, could not see that the eastern reaches of the Himalaya Mountains north of the Red River Valley held the strategic defensive key to all of southeast Asia.

It is difficult to tell at this time if the French recognized that Laos was the great secondary barrier to southward expansion by the Communists. In the years before the war the three tiny kingdoms had been linked very tenuously by the French. The area had always been the least productive, the most difficult to penetrate and control, and the least politically homogeneous of all the areas of French Indochina. At the end of the war, when the Japanese persuaded the King of Luang Prabang to declare his independence, the French had little difficulty in driving the Lao Issara (free Lao), those who wanted real independence, into exile. They retained considerable loyalty and close ties with the Lao all during their struggle with the Vietminh. With the loss of their colonial empire inevitable, the French acted as midwife for the new country and persuaded it to retain its link with France in the French Union. Actually, the Communist threat appears to have been but little understood. French actions were motivated largely by the desire to retain influence in as much of the old French Indochina as possible, although being forced to give up political control.

TRAINING THE ROYAL LAO ARMY

One of the great weaknesses in the position of the United States with respect to South Vietnam, Cambodia, and Laos resulted from the State Department's interpretation of the military clauses in the Geneva Accords. Since the United States was not a signatory, it is difficult to understand just why our State Department, over the protests of Secretary Dulles, should have insisted upon interpreting the Accords to our definite disadvantage. In general terms the Accords stated that foreign military forces in French Indochina were not to be increased above those already in place at the time of signing. As a result of our logistic support of the French we had some forces in South Vietnam, and very limited forces in Cambodia. We had no American forces in Laos. When the French withdraw the bulk of their forces to Algeria, the Commander in Chief, Pacific (CINCPAC) proposed very strongly that the U.S. forces be moved in, in exact proportion to match French withdrawals. This would have maintained in these countries the necessary balance of military strength required to preserve their internal security and to establish well trained indigenous military forces. Secretary Dulles supported this position, but was informed by the Legal Adviser of the State Department that this would be a violation of the Geneva Accords. The State Department, by insisting upon its very narrow interpretation of the Accords that the military clauses applied on a country-by-country basis and not upon overall military strengths, hamstrung our military efforts in the area for more than 4 years. The International

Control Commission seized upon this State Department interpretation and made it one of their basic operational tenets.

During the years 1954–59, as the military situation in South Vietnam, Cambodia, and Laos continued to deteriorate, the State Department remained adamant in its interpretation. No military assistance advisory group (MAAG) was permitted to be established in Laos, and those in South Vietnam and Cambodia were never permitted realistic expansion. Actually, these last two military missions were increased in size and in the scope of their logistic support by introducing short-term groups of specialists. They provided valuable assistance, but were always handicapped by the temporary nature of the assignment of personnel. The State Department did not relent in Laos until 1959, by which time the military posture of the Royal Lao Army was almost beyond repair. In South Vietnam the stepped-up intensity of Communist attacks forced a major buildup in our personnel. By 1961 the policy was dead, but the damage has been done. Time, training time, had been lost over the years and could not be made up.

A further difficulty, and not an insignificant one, arose from the gentlemen's agreement or understanding that the French would have the responsibility for training all military forces in the three countries, and that U.S. personnel would engage mainly in supply functions. This probably came about because at that time the French had the greatest preponderance of combat forces in the area while the United States had mainly technical and supply personnel.

This separation of responsibility for supplies and training between the two countries was most unfortunate. France became deeply involved in the war in Algeria, and the best of her officers and men were recalled from South Vietnam, Cambodia, and Laos. Those who remained were frankly not of the highest caliber. Many of those who remained were dissatisfied with their assignment, since most of them actually came from the French Army in Algeria and claimed Algeria, not France, as their homeland. Furthermore, the French persisted in conducting training along conventional lines and in the military techniques which had been futile in fighting the Vietminh in North Vietnam. With all the good will in the world at the top military and governmental levels and at the highest echelons in both French and United States military forces overseas, the actual operations of day-to-day training and logistic support resulted in considerable friction and difficulty at the working level.

As a result of the State Department's misinterpretation of the Geneva Accords, the Pentagon was not only unable to establish a MAAG in Laos, it was prohibited from sending any active duty military personnel into Laos to supervise the supplying of American military equipment to the Royal Lao Army. At first the Director of the U.S. operations mission to Laos (USOM) attempted to administer the military program with his civilian staff. Because these people lacked military training and technical know-how, the program soon bogged down. In order to circumvent the State Department's position on active duty military personnel, a very small group of ex-military personnel was authorized to operate under control of the Director of USOM Laos. The initial group consisted of personnel recruited from wartime reserve officers and enlisted men who had never held a rank higher than that of major. They were employed in a civilian capacity and were not subject to normal military discipline. Some of them were specialists of dubious capabilities. Some were motivated by a spirit of adventure. Some went only because of the 25 percent extra pay offered for assignment in Laos. In any case, this small military control group called the Programs Evaluation Office was too small, too untrained and too lacking in authority and prestige to cope with the sad military situation existing in Laos.

The French flew in to the airfields at Savannakhet, Vientiane, Xieng Khouang, and Luang Prabang vast quantities of American military equipment left over from the French-Indochina war. Great quantities of it were also shipped up the Mekong River through Cambodia, portaged over the rapids and on to their cantonment at Pakse. Very little inventory control was exercised. Storage facilities for this equipment were almost nonexistent throughout Laos; that which the French constructed or rented was totally inadequate, so tremendous quantities of this material simply rusted away in open storage, particularly during the monsoon season.

The French, who were given the responsibility of training the Lao Army, initially exercised military control over the army and commanded the Lao Army down to and including squads. They made no attempt to train Lao replacements for French officers and noncommissioned officers so that the Lao could eventually take over technical and command positions in their own Royal Army. At the time the Royal Lao Government finally decided to take over command of its own army with its own officers and noncommissioned officers, very few of them had actually received any military training beyond that of a sergeant in a combat organization. A considerable number of officers and men in the Lao Army had fought with the French and had remained loyal to them during the French Indochina War, but even these Lao had never risen to any real positions of command responsibility, and none of them had ever been given either technical or logistic training.

By 1956 both the combat training and the technical and logistic training of the Lao Army had deteriorated to such an alarming extent that CINCPAC, Adm. Felix B. Stump, finally obtained the permission of the Department of Defense to increase the number and the military capability of personnel in the Programs Evaluation Office. Yet by 1959, in spite of Admiral Stump's efforts, the Programs Evaluation Office had been increased to a personnel strength of only 30 as against a minimum requirement of 60. This group was somewhat more effective, but certainly fell far short of being able to accomplish the required mission of straightening out the logistic situation of the Lao Army. The Programs Evaluation Office was still blocked from having responsibility for training.

During the period 1957–59 it became quite obvious that the French, who had reduced their officer training strength materially as soon as the Lao had forced them to relinquish their command positions, were not going to train the Lao Army either technically, logistically, or for combat. The State Department still insisted upon abiding by its misinterpretation of the terms of the Geneva Accords and refused to permit the establishment of a military assistance advisory group of Regular Army officers in Laos. However, by 1959 the situation had become so critical that the State Department was finally forced to accede to the request of the Lao Government and the Department of Defense for the establishment of such a military aid mission in Laos.

During the period 1958–59, in an effort to secure training in the repair of American equipment, an attempt was made to import approximately 100 highly skilled Filipinos, all ex-officers or ex-soldiers of the Philippine Army, all highly qualified and trained in the repair of U.S. military equipment and all trained as instructors. This project was planned in 1957 and after being referred to Washington, London, Paris, and then back to Laos, was finally placed in execution in the spring of 1959. This group, which should have been utilized to instruct and train Lao technicians, soon found itself caught up in full-scale warfare and its services were utilized in actual repair of equipment until the time that the mission had to be withdrawn.

The military assistance advisory group to Laos was set up in the spring of 1959 (though not named as such nor permitted to wear the uniform until 1961), was not fully staffed until late 1959, and had just begun to develop its operating plans for training the Lao Army for combat and for maintaining its equipment when it was caught up in the war. It is extremely difficult to train foreign soldiers and it is doubly difficult to conduct training while troops are engaged in actual fighting. The years from 1954, when the first military survey of Laos was made, until the fall of 1959 were largely wasted. The French conducted almost no training of the Lao Army. The Programs Evaluation Office was too small and therefore ineffective. The military assistance advisory group was established too late. Time ran out and the lost years could not be recovered during the trying months of warfare which existed in Laos since 1960.

Unfortunately, some of our diplomats in southeast Asia did not recognize the importance of having a trained and efficient army in Laos. Some complained to Washington about the amount of money that it cost to maintain a 25,000-man army in Laos. A great many people in Washington recommended almost yearly that this army be reduced to 15,000. Furthermore, some of the American diplomats in southeast Asian countries where there were U.S. military aid programs were extremely reluctant to have Lao military students sent to the military schools in their countries for fear that the International Control Commission or Moscow or Peiping would complain that we were violating the spirit of the Geneva Accords. Again, extremely valuable time was lost. On the other hand, the Royal Lao Army, which was faced with active guerrilla warfare on the borders of Phong Saly and Sam Neua Provinces and which was confronted with rather widespread Communist subversion throughout Laos, was extremely reluctant to send its key officers and enlisted men out of the country to schools for the length of time necessary to give them adequate training. This was understandable, but it reduced the training level materially. All in all, the Lao Army was poorly officered, poorly trained, and lacking in a sound military posture.

However, one of the most difficult morale problems which the Lao Army faced resulted from the fact that the State Department and the International Cooperation Administration withheld the pay of the Lao Army in order to force acceptance by the Royal Lao Government of policies and procedures agreed upon by U.S. officials but disliked heartily by the Lao. It mattered little to the army that some of the political decisions enforced in this manner were beneficial. The fact remains that the Lao Army knew that the United States had withheld its pay for as long as 3 and 4 months on several occasions before war broke out in 1960. The morale in the Lao Army was definitely undermined by this tactic. The fact that this policy has been pursued since the outbreak of the war has certainly not increased the fervor with which the little soldiers in the Royal Lao Army have been fighting.

Also, to add confusion to the minds of the soldiers loyal to what they considered to be the non-Communist government of Laos was the fact that for many months the United States continued to pay those elements of the Royal Lao Army which had revolted and had gone over to the Communist side. This is a commitment that is difficult to reconcile. Then, when Washington decided that a neutralist government with Souvanna Phouma as Prime Minister and with his half brother Souphanouvong, a Communist, in the Cabinet, was the only solution to the problem of Laos, it withheld the pay of the Royal Lao Army soldiers loyal to Prince Boun Oum in January 1962.

Under the circumstances, the deterioration of the Lao Army is understandable. First, responsibility was divided along completely unrealistic lines from a military standpoint, between the French and the United States. The two horses simply could not pull together, even with the best intentions in the world on the part of the highest officials in their respective Governments. The Lao Army was never given adequate training, logistically, technically, or combatwise. Its pay was constantly withheld to achieve U.S. political aims of which the soldier in the Lao Army had little cognizance. There is little reason to attach blame to the Royal Lao Army. The wasted years were not their responsibility, but ours. These people could have been made into good soldiers. The fact that they were not was due to circumstances completely beyond their control.

THE ECONOMIC AID PROGRAM

With respect to our economic aid program, a great deal has been written, most of it unfavorable. There have been many attempts to criticize the economic aid program in Laos; there have been many attempts to explain it, and there have been a few attempts to praise it; but in general, the economic aid program has led to great frustration in the United States and to even greater frustration in Laos. Just as the military aid program was set up initially on a very limited basis with not the haziest idea of the strategic importance of Laos, so the economic aid program was likewise established without a clear understanding of the needs or difficulties involved. The first chief of the International Cooperation Administration mission to Laos was a very young man, an economist, but definitely not an engineer. Had he been given some highly trained engineers and other capable assistants, there is evidence that he might have established a sound program. As it was, he found himself in the very difficult position of being not only inadequately staffed with regard to the number of personnel made available to him, but almost completely understaffed with respect to personnel with the outstanding capabilities required to meet the manifold problems of Laos.

There is little reason to go back over the economic aid program with the view of criticizing. Many of the people in the aid program tried very, very hard. Many of them were simply incapable of performing the type of work required of them, and unfortunately, some of them were adventurers who came to Laos simply because of the very high differential in pay offered for service there.

The Director of the U.S. Operations Mission to Laos soon found himself involved in an almost impossible situation created by the fact that the United States had pegged the Lao kip at a rate of 35 to 1 U.S. dollar when, in fact, the U.S. dollar could purchase anywhere from 80 to 100 Lao kip in the money markets in Bangkok and in Hong Kong. This led inevitably to manipulation of the currency, the purchase of import licenses with no intent to import material, but simply to get dollars with which to buy kip on the black market and then to turn these into dollars at the State Bank at the rate of 35 to 1. There is no question that some unscrupulous Lao made tremendous fortunes in the manipulation of import licenses and in black market operations in kip. On the other hand, this was not the entire cause of the failure of the aid program but was only one facet of it. Even after this was corrected by State Department action devaluing the kip to 80 to 1, the aid program did not produce results commensurate with the amount of money supplied under the program.

There were many reasons for this: Many of them, again, go back to the fact that a totally inadequate and untrained staff continued to plague all of the directors of the economic aid program. The economic aid program did get a road built from Vientiane to Luang Prabang through a contractor who went into the contracting business in Bangkok when he saw that there was easy money to be made in Laos. The scandals of this contract have been aired in congressional investigations and need not be gone into here except to say that the road which was built under this contract was not much of a road even in dry weather and was impassable in wet weather. USOM so delayed executing an equipment maintenance contract that the American materiel utilized in the road-building contract was soon rendered almost completely useless. But, worst of all, not a Lao was trained to operate or maintain the heavy engineering equipment so that someday they would be able to do this kind of work for themselves. Each successive director of the economic aid program to Laos recognized that one of the main difficulties in the country lay in its almost total lack of roads and the fact that, during the French Indochina War, practically every bridge on every road in the country had been destroyed. Survey after survey was made by experts sent out from Washington. Grandiose programs for road construction were laid down on paper, but these programs were so costly that they could never be placed into execution. Consequently, so little road construction was done that by the time the Pathet Lao war broke out again in 1960, the roads had not been materially improved since 1954.

Again every director of USOM Laos recognized that communications were a very serious problem. Provincial governors could not communicate with officials within their province. The Lao Government could not communicate with its provincial governors. Rumors were rife all over Laos and accurate information could not be gotten out to the people. Again, as in the case of the road program, extensive surveys of the communications system were made. Execution of such plans would have been very expensive so very little was done to implement them, and it was not until actual hostilities broke out that the military was forced to improve the communications net. It would have been far better if these long-range plans had been broken down into yearly segments and some improvement made in the communications system each year, against a sound master plan. As it was, some piecemeal improvements were made, but communications remained grossly inadequate.

One of the main difficulties in operating in Laos, both in military and in the economic aid missions, lay in the language difference. Far too few Americans sent to Laos were proficient in French, and no course of instruction in English for military personnel and for government officials was inaugurated until 1958. While the language barrier is not an insurmountable one, it does lead to dependence upon interpreters, and necessitates that everyone file documents in both English and French. It can lead to lack of precision in understanding by both parties. If an immediate course in English had been instituted in 1954, a trained cadre of military and government officials fluent in English could have been developed well before 1958. This would have permitted military officers to have been sent in large numbers to American military institutions and schools and a great number of government officials could have been sent to technical and business schools in the United States.

The French did offer some instruction for both military and government officials in France. However, this schooling did not meet the requirements of the U.S. military aid program nor of the U.S. economic aid program, not so much that the French schooling was inferior, but because of the fact that all of the equipment being furnished to Laos was American-made equipment. The problem of storage, inventory, nomenclature, and distribution could be met in a satisfactory manner only by using American procedures and American textbooks. American technology was not taught to the personnel attending schools in France and this difficulty plagued both the military and the economic programs from their inception and still persists at the present time.

A further difficulty which existed mainly in connection with the economic aid program lay in the fact that only a handful of Lao had ever received civil service or political training in France. French training programs were insufficient to create a trained corps of government officials. In other words, no trained civil service existed. If the language barrier had been broken beginning in 1954, by 1958 and certainly by 1959 the nucleus of a trained civil service could have been developed in Laos through American schooling. Accusations of cupidity or even downright crookedness were frequently made of Lao officials when, in fact, they were acting purely in ignorance. Now this is not to say that a few sharpshooters did not make money out of the aid program, they did, but by and large most of the Lao officials were honest, but incapable of performing normal government functions.

DIPLOMATIC ERRORS

However, the greatest cause of the deterioration of the U.S. position in Laos arose from the lack of a firm position in our State Department. Secretary Dulles, who traveled indefatigably, was so well aware of the realities in southeast Asia that he had created SEATO almost single handedly. Had he been able to continue as Secretary of State, the situation would never have been permitted to drift from bad to worse in Laos, for he was a great advocate of positive action. After his retirement and death there was no strong voice in the State Department with the authority to maintain a positive policy. With the retirement of Mr. Walter Robertson, who tried so mightily to carry on the policies of Mr. Dulles, there remained no one who realized the importance of retaining Laos as a buffer for all of southeast Asia. Consequently, most policy papers on Laos were formulated on a day-to-day basis to meet specific actions initiated by the Pathet Lao or to meet changes in the Royal Lao Government. The initial appreciation of the strategic importance of Laos to southeast Asia died away. In large part, the attitudes of the State Department seemed to be that Laos was unimportant, that we probably did not have any business there in the first place, and that the whole messy problem of Laos would disappear if it was just ignored. Many who were assigned to Laos in those years went out with high hopes, but soon found that they were unable to accomplish their specific tasks, due to lack of support from Washington. Some resigned, some feigned illness and were sent home, others relaxed and simply rode out their normal tour of duty, doing as little as possible. Those who sincerely tried to do something constructive lived in almost complete frustration.

The lack of top caliber personnel, highly motivated and extremely well versed in French, hampered the efforts of every Ambassador to Laos. Proper planning was almost impossible. This was brought out clearly in the elections of 1958, when the Ambassador, Horace H. Smith, who had just arrived in Laos, found that no overall plan for selling the free world concept to the people of Laos had been developed. He also found that the Pathet Lao had thousands of agents carrying their message to every village, hamlet, and rice paddy in the country. With great determination and tremendous vigor, the Ambassador pulled together an emergency preelection plan. In order to accomplish this plan, his staff had to be beefed up with additional personnel from all of the surrounding countries. Many of those were top-class people, but they were not familiar with Laos, the time available to them was incredibly short, and in spite of everyone's sincere desire and a powerful support effort by CINCPAC, the preelection program could hardly be called successful. Although the pro-Western members of the General Assembly were able to win a majority, nevertheless, supporters of the Pathet Lao achieved a major success in the election.

If this preelection campaign, which was of vital importance to the U.S. interests in the country, had been recognized as vital in Washington, the preelection buildup with personnel, supplies, and material could have been started sufficiently in advance of the election to have really carried an impact commensurate with its cost.

The Joint Chiefs of Staff, particularly its Chairman, Adm. Arthur W. Radford, and the Chief of Naval Operations, Adm. Arleigh Burke, were fully aware of the strategic importance of Laos. The Army was not desirous of becoming involved in that part of the world, but understood its vital importance. The Air Force not only built up fairly strong air components in the armies of our allies, but embarked upon a major construction program of strategic airfields from which either local or U.S. forces could give air support to operations if it should be necessary. But all through the years after Mr. Dulles' death the State Department continued to give only lip service to the importance of Laos, and the military chiefs were blocked from developing and executing realistic plans for the area. Their position was increased in difficulty by the fact that the civilians in the Office of the Assistant Secretary of Defense for International Security Affairs generally sided with the State Department rather than with the military. And so under State Department guidance things just drifted along. One Ambassador sent out with the blessings of State was a vigorous opponent of all military aid programs. And at one time the Ambassadors of two of the adjacent countries were not even on speaking terms with each other, and completely blocked the development of coordinated actions so necessary in such a closely identified area.

The confusion engendered by the lack of a firm policy was apparent to many, but on the surface, at least, everything must have appeared smooth to those in Washington until the actual revolt engineered by Capt. Kong Le broke out in Laos in August 1960. Incursions into Laos in the past had been brushed aside as never having occurred or as of no importance. But a homegrown revolt by the parachute battalion of the Lao Army could not be swept under the carpet. Ambassador Winthrop Brown tried to pull things together, but the conflicting policies flowing out of Washington caused more confusion than Kong Le's revolt. The change from apathy to action is not made easily. Now that the fat was really in the fire there was a great scramble to make sure that someone else, preferably someone in Laos, and most preferably a Lao, got the blame. Actually, the Americans in Laos all through the years preceding the revolt, during the revolt, and the now active Communist war were able to accomplish only those things which Washington wanted accomplished and for which it furnished adequate tools—men, money, and backing, with money the least important.

If this lack of firmness and lack of a clear-cut policy in Laos pertained only to our relationship to that country, it might not have been so bad. Unfortunately, our friends and allies in this area were frequently bewildered by the twists and turns in American policy. Policy statements which were made in Washington one day were frequently countermanded within a few days. All too frequently they were never executed because of a policy shift; never fully explained to the public or to the heads of governments in the area. This lack of a firm policy undoubtedly encouraged Kong Le and undoubtedly encouraged the Pathet Lao. It certainly discouraged Prince Sihanouk of Cambodia who declared openly that sooner or later communism would be the winner in southeast Asia, and it bewildered our stanchest friends in South Vietnam and Thailand.

Running like a thread all through American policy decisions for Laos has been the reluctance of the French and the British, as Cochairmen with Russia of the Geneva Accords, to acquiesce in the utilization of the military power of SEATO in solving the Lao problem. There appear to have been many occasions when our southeast Asian allies in SEATO were completely ready and capable of coming to the aid of the Royal Lao Army, but they were always withheld from this course by United States reluctance to move in this direction without British support. It is difficult to assess just how much our NATO commitments influenced our reluctance to utilize SEATO in southeast Asia, but certainly both the State Department and the Department of Defense appear to have leaned over backward in their relationship with France and England as members of NATO.

Ever since the outbreak of hostilities and the active invasion of Laos in 1960 in the Muong Sing area by the Pathet Lao and by Chinese Communists in 1962, the State Department has continued to vacillate. Although State appeared on the surface to have decided to back Prince Boun Oum and General Phoumi, there is considerable evidence to support the belief that right from the start it considered a negotiated peace preferable to an all-out effort to back up Prince Boun Oum and General Phoumi in the war. It may be perfectly true that Prince Boun Oum and General Phoumi were incapable either of rallying sufficient strength to their cause or of driving or inspiring their soldiers to a point where they could have wrested a military victory from the Pathet Lao. On the other hand, there were many very strong opponents of the Pathet Lao and the Communist movement in Laos, and out of this group a team could have been welded which, with proper support, would have been able to hold the country for the free world.

In the absence of a positive policy since 1954, the decision to seek a negotiated peace may seem the only course offering hope. However, the gamble that we are now taking, that Prince Souvanna Phouma and his half-brother, Prince Souphanouvong, can establish a truly neutralist government in Laos, is one of the greatest gambles upon which this country has ever placed its chips. The history of every other country in which a coalition government has been formed with Communists in the cabinet is a clear indication of how big a chance we are taking. Every one of these countries has gone Communist.

If the gamble is being taken to buy time in which to regroup ourselves and to come up with a new policy, free of the pressure of war, then it would appear that we are buying time for the Communists rather than for ourselves. In spite of protestations by Souvanna Phouma that he wants to be friendly to the United States, and incidentally to be friendly also to the Communists, there is considerable evidence to suggest that Souvanna Phouma may pay back the score for the day when in 1958 the United States overthrew his government and forced him out as Prime Minister. Furthermore, everyone who has met the Pathet Lao leader, Souphanouvong, has recognized immediately that he is a man of tremendous capabilities, mentally alert, highly educated, and deeply dedicated to the Communist cause. Oil and water do not mix, and it seems highly improbable that a satisfactory emulsion can be created out of shaking up two royal princes in a neutralist bottle.

Therefore, if we are buying time through the creation of a neutralist government, we must accept the fact that we are exchanging time for militarily defensible real estate. This will not be a postponement of the ultimate decision of whether we will retain Laos as a great buffer for southeast Asia; it will be a decision to let it go, for Communist it will go, and it will carry along with it, sooner or later, the rest of southeast Asia. Unfortunately, in this particular case, time has no great value, but the real estate remains of prime consideration.

MILITARY AND OTHER MEASURES WHICH MIGHT BE UNDERTAKEN TO RETAIN LAOS IN THE SPHERE OF INFLUENCE OF THE UNITED STATES—ACTION AGAINST NORTH VIETNAM

An immediate end to hostilities in South Vietnam and in Laos would occur if military pressure by the U.S. 7th Fleet were to be employed against Haiphong, Hanoi and the whole Red River Valley stronghold of Ho Chi Minh. This is the source of all Communist power in South Vietnam, Laos, and North Vietnam. It is extremely vulnerable to the aircraft carrier task forces of the U.S. 7th Fleet. There is every probability that a firm movement in this direction, even now, might bring a halt to all external activities on the part of the Vietminh without actual military engagement. On the other hand, the area is wide open to the power of the 7th Fleet, and should military action follow a decision to force the issue, the Vietminh could be put out of business. Skillful publicity preceding such a move and emphasis on the determination of the United States to meet its commitments in South Vietnam and Laos in a manner which will free these countries completely from the terrorist attacks and actual invasions by armed forces now going on, would mute world opinion, though our so-called neutralist friends would probably take to their microphones in a way that they did not over Goa and New Guinea. We will never get everyone to love us but this action would undoubtedly make a lot of people and countries respect us.

Initially, this operation could be conducted entirely by elements of the 7th Fleet. Should there be any attempt at escalation by the Red Chinese, some American troops might have to be committed on the ground to seize and then hold the airfields, but certainly the bulk of ground forces could be drawn from our SEATO allies. This operation has many aspects in its favor. It would stop the wars of attrition in South Vietnam and Laos. It would break the stronghold of the Vietminh in North Vietnam, and offer an opportunity for reuniting all of Vietnam under one government. It would also move the great protective barrier for southeast Asia back up to the eastern fingers of the Himalaya Mountains where it logically, militarily, and economically belongs, and it would free the secondary barrier along the borders of Laos from Communist penetration and subversion.

The immediate question which arises in consideration of this military maneuver is what the escalation factor might be. No one what the Red Chinese reaction might be, or can predict, of course, the actual reaction of the Chinese Communists. However, if the action were carried out quickly and with complete determination, and if helicopter forces were employed and then backed up immediately, so as to seal off the mountain passes leading from China into North Vietnam, the area could undoubtedly be held without too much difficulty against any probable Chinese Comunist capability. The Chinese have had 4 or 5 years of famine; a great deal of their industrial support and technical support from Russia has been withdrawn. Chinese Reds in Peiping are not at the present time on the very best of terms with their cohorts in Moscow. Although Russia has been furnishing heavy transport planes in support of the Pathet Lao, there is every reason to believe that Russia does not want to get involved in a major war at the present time, and that she would therefore not back up the Red Chinese, should the United States seize the Red River area. Russia has not committed her own troops in any war since 1945, and there is no reason to believe that she would commit her strength in a war as far off as Vietnam. If this action produced no other result than a new peace treaty in which we would be talking from a position of greatly increased strength, it would be well worth the gamble.

LIBERATION OF LAOS

A second course of military action lies in calling upon the SEATO allies to move into Laos for the purpose of restoring a pro-Western Royal Lao Government. This action could be accomplished with a minimum commitment of U.S. ground forces. It should be sufficient to back up our SEATO allies in such a maneuver with air and logistic power. The South Vietnamese could be assigned to occupy southern Laos, thus completely blocking off the flow of supplies down the Ho Chi Minh trail. The Thais could be given the mission of moving into northwest Laos and of occupying the area from Muong Sing through Nam Tha to Luang Prabang. Filipino troops could be utilized in seizing the Plaine des Jarees. Should Australian and Pakistani troops be available, they might be given air drop missions with the objectives of seizing Sam Neua and Phong Saly Provinces. With American naval power and shipping and some additional port and railway help, supplies for this operation could flow through Hue, Saigon, Phnom Penh and Bangkok in sufficient quantities to meet all combat requirements. Once Laos was occupied by the SEATO powers, negotiations could be conducted from a position of absolute strength to assure the formation of a suitable pro-Western government in Laos. SEATO powers could remain as a protecting force until the Lao Army was completely reconstructed and adequately trained at which time the SEATO powers could withdraw their troops.

A great deal has been written and said to the effect that Laos would be an extremely difficult country in which to fight. This is not true. Conditions would be difficult, but not insurmountable. With a preponderance of airpower, with a preponderance of helicopters, the lack of roads would become a hindrance to the enemy more than to the SEATO forces. Actually, once the country is occupied, it lends itself admirably to defensive operations. Routes into the country are few, the road net is extremely limited, and all passes from China and North Vietnam into Laos can be easily blocked by limited forces with training and determination, backed up by adequate logistic support.

This operation has the distinct advantage of coming within the legal commitments of the SEATO nations, for although Laos is not a signatory, it has been specifically brought under the protective umbrella of SEATO. It has the further advantage that identifies all of the countries of southeast Asia with a concerted, not a unilateral, attempt to protect them from the onward march of Communist power.

PARTITION OF LAOS

A third military possibility lies in letting Thai military forces occupy all of those areas of Laos which now lie west of the Mekong River, thus bringing the barrier of the Mekong River between Thailand and the Communists, for its length from the border of Burma to the border of Cambodia. At the same time, the South Vietnamese, with United States 7th Fleet backing and probably the help of United States amphibious forces, should be permitted to drive across the waist of Laos from Quang Tri to Savannakhet. The little Kingdom of Champassak, one of the three original principalities, could then be recognized as a separate little kingdom and the capability of the Vietminh to use Laos as a channel for their aggressive actions against South Vietnam would be eliminated.

This partial military solution presents one major strategic drawback. It presents the barrier of the Mekong as a defensive line, rather than the mountain ranges of northern Laos. A determined enemy would undoubtedly leap over this barrier with subversion and could undoubtedly cross it easily with military forces. This temporary stopgap measure might, to some extent, relieve the pressure on South Vietnam, but it would increase tremendously the pressure on Thailand, and it would give to the Communists the great mountain range which now bars them from the riches of southeast Asia. This operation would probably result in less possibility of escalation than the other two military measures. The Vietminh would undoubtedly be well satisfied for some time to consolidate their hold in Laos north of Quang Tri and Savannakhet. It is highly doubtful that the Chinese Communists would do more than engage in a terrific propaganda war, should this plan of action be placed in effect. However, it has one very major and serious drawback. While it buys time, it gives up all important real estate to the enemy, and simply postpones for a limited period the great decision as to who will control southeast Asia.

NEUTRALIZATION OF LAOS

Of course, there is the solution which we now appear to be embarked upon, to make a show of military strength along the borders of Laos but not within Laos itself. Following this there will be an attempt to negotiate a withdrawal of Pathet Lao, Vietminh, and Chinese Communist troops back to the 1962 truce lines in the hope that they can be persuaded to withdraw entirely at a later date. Finally, we will insist upon attempting to establish a so-called neutralist country whose neutrality will be guaranteed by Russia, Red China, the United States, and perhaps the United Nations, and enforced by an International Control Commission probably made up along the lines of its former composition of Poles, Indians, and Canadians. With the Poles taking their orders from Moscow, neutrality will be a farce.

This course of action is now being pursued by the State Department. It appears to present several advantages. No U.S. military involvement in Laos will be required, no involvement of the military forces of the SEATO nations will actually be required in Laos itself, and a neutralist government would go its own peaceful way, disturbing neither its Communist neighbors to the north, nor providing frustration, anxiety, and worry for its neighbors to the south. Of course, such a plan presumes that this neutralist government will stop the flow of Vietminh personnel, money, and supplies into South Vietnam, and it also presupposes that the Communists will not gain control of the Lao Government and change it from a neutralist into a Communist controlled and dominated country. It also presupposes that a neutralist Laos will not engage in subversion activities in Thailand or in Cambodia, and further that Cambodia will continue to preserve its lukewarm neutralist status, rather than throw in its lot with the Communists.

The caveats upon which this policy is founded are obviously rather shaky. Actually, the whole plan rests upon the integrity, and friendship, courage, and determination of one man, Prince Souvanna Phouma. Looking back through the last 8 years in Laos, it appears that this is a tremendous responsibility which is being placed upon one individual whose personal ambitions and personal inclination are not too well known to those who are sponsoring him, but who obviously does not possess the cold-blooded determination of his half-brother, Souphanouvong.

One of the serious difficulties presented by this policy is that all of those who have been loyal to Prince Boun Oum and to General Phoumi and by inference, to the United States, will have no power in any neutralist government in Laos, and therefore such influence as the United States might hope to retain in Laos will be weak, and finally entirely eliminated.

The Communists, who feel that they are winning this struggle, will undoubtedly put a great many difficult stipulations in the way of their acceptance. They will insist upon the post of Minister of Defense in the Cabinet. They have already indicated that the American military aid mission to Laos will have to be withdrawn as a part of their price for joining the so-called neutralist government. The departure of American military advisers will create a vacuum which will be filled immediately by Vietminh and Red Chinese advisers, though they may be disguised as actual Lao under the banner of the Pathet Lao. It is quite obvious that, with the withdrawal of American military aid and advisers to Laos and with the substitution of Vietminh advisers, the neutralist attitude which Washington hopes for would not last very long.

As an additional price for cooperation, the Pathet Lao will undoubtedly demand the post of Minister of the Interior in the Lao Government. This will give them complete control of all police and all local security forces throughout the country. With the army and the police completely dominated by the Communist element of a neutralist government, the end is inevitable.

So, regardless of how inefficient Prince Boun Oum and General Phoumi may have been, regardless of how ineffective the Lao Army has been, the purchase of temporary peace through the formation of a neutralist government will only postpone the total loss of the Western position in this area of the world. Laos will certainly go Communist, and when it goes, all of southeast Asia will go, even though we fight a long and bloody delaying action.

THE RISKS INVOLVED

Now many will say, as they have been saying for years, that we cannot risk the chance of escalation by engaging in any aggressive military moves in Laos or elsewhere in southeast Asia. The fact that General Ridgway, when he was Chief of Staff, is reported to have recommended the use of tactical nuclear bombs to President Eisenhower as a means of rescuing the French from their encirclement at Dienbienphu throws some people into a tizzy. Such people fail to realize that the small-yield tactical nuclear bomb or weapon is in our military arsenal for the simple reason that it is a relatively cheap and highly effective weapon. The use of such small-yield weapons would not automatically result in escalation into all out major thermonuclear war any more than would the use of conventional bombs. To deny ourselves the use of these weapons derived from our money and advanced technology is just as though a boxer went in the ring determined not to use a right cross because it was a knockout punch. There is no moral stigma attached to the use of these small-yield weapons when the security and freedom of millions of people are at stake. We should therefore be prepared to use these weapons to block the passes from the north if they could be held in no other manner. But with conditions as they are today in Red China there is little probability that they can force us into such a tight situation that they will be required. Let us not lose sight of our ultimate weapon, in which General Stilwell and General MacArthur placed such an abiding faith, our soldiers, sailors, and airmen.

Of course, any small-scale war in southeast Asia can escalate into the major atomic holocaust which every country is trying to avoid. However, even in the event that we use small-yield nuclear bombs to seize and hold the Red River Valley and the mountains and thus free Laos and South Vietnam from aggression, there is a greater possibility of a tremendous uprising in China against the Communist masters of the country than there is of setting off Armageddon. The Chinese peasant, after years of oppression and starvation, is ripe for revolt and Peiping knows it. Positive military action in the Red River area, with the announced objective of confining our efforts to this one area, would result in establishing a peace throughout southeast Asia which might endure for years.

Khrushchev will howl, he will utter dire threats and so will Peiping, but they will not even mount a small-scale Korea. Red China is in no position to launch a major war and Mao Tse-tung knows this. Khrushchev is not going to blow up the world, including all that it has taken over 30 years to create in Russia, over North Vietnam or Laos. As long as there is hope that he will win the world by attrition through subversion and by the erosion of the determination of the rest of the world to be free, he is not going to risk the destruction of Russia by U.S. might. They are out to conquer the world, but their timetable does not call for its premature destruction in which they, too, would be included.

In every case in which they have been met with determination and military action which has produced a position of strength for the West, Communists have pulled in their horns. Escalation is always a possibility We face this question daily in Berlin. We must face it as realistically in southeast Asia. It is far better to accept the limited possibility of escalation in southeast Asia than to accept the certainty that this whole area will move into the Communist sphere of influence. It cannot be retained unless we have the courage to accept the lesser risk which is certainly worth the prize: security and peace in the area and a definite block on the master plan of Communist encirclement.

These are great and vital stakes for which we are playing and one cannot help but remember the old lines:

"For want of a nail a shoe was lost."

And just as the lost shoe led to the loss of the kingdom, so may the loss of the mountain kingdom of Laos lead to the loss of freedom throughout the world. And further, let us remember that from time immemorial to present times—Japan in 1931, Munich in 1938 and Cuba in 1961—the price of appeasement has always been paid in blood.

THE CASE FOR WORLD PEACE THROUGH LAW

Mr. HUMPHREY. Mr. President, I would like to direct my colleagues' attention to a very fine statement on world peace through law. This article by John C. Satterfield, president of the American Bar Association, appeared in the June issue of the American Bar Association Journal, and I think it is well worth the time of lawyers and laymen alike. I have had a longstanding interest in this subject, and Mr. Satterfield expresses my feelings very eloquently in the following words:

> World peace through law is not a slogan of visionaries and idealists; it is the cherished objective of the realist. It is the program of all those interested in a life free of fear, in a life dedicated to the development of the individual rather than his destruction; in a life dedicated to securing the advantages of economic progress, rather than the poverty of economic waste.

I ask unanimous consent that the article be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD PEACE THROUGH LAW

(By John C. Satterfield)

During recent months I have met with lawyers from more than 100 nations at the Continental Conferences on World Peace Through Law which were held at San Jose, Costa Rica, for the lawyers of the Americas; at Tokyo for the lawyers of Asia; at Lagos, Nigeria, for the lawyers of Africa; and at Rome for the lawyers of Europe. By means of simultaneous translation equipment I have heard lawyers from more than 100 nations confer frankly and fully concerning what lawyers can do in these perilous times to preserve liberty under the law and to maintain world peace through law.

Also I have attended institutes held in the United States under sponsorship of the American Bar Association and State bar associations at which some of the best-informed leaders in the United States have spoken concerning communism, its tactics, objectives, and strategy. They have discussed what the people of the United States and the free world, and particularly the legal profession in our country, can do to prevent the Iron Curtain from being drawn around the two-thirds of the people of the world who are now free, and ultimately to cause the Iron Curtain itself to crack under the sheer weight of truth and right and the coordinated action of the people of the free world.

In this day, when new nations are rising in ancient lands and the people of all nations are reexamining the fundamental relationship of man to man, and man to government, the legal profession of the United States has a greater opportunity and a graver responsibility than has rested upon the members of any profession in the history of the world.

There are great lawyers, jurists, and thinkers in the legal field in every continent. There are countries in which rules of human conduct have been formulated into statutes and codes many centuries before America was discovered. When we turn the pages of their histories, we find countries whose peoples for centuries have been laying the foundation of and formulating the fundamental concepts which are the basis of philosophy, art, science, law, and all those things which make up our modern civilization.

Nevertheless, the position of the legal profession in the United States today is unique. The more than a quarter of a million lawyers in the Nation have the ability, the desire and the resources available to them in the United States whereby they can assist and encourage the lawyers (and, through them, the governmental, professional and business leaders) of other countries to recognize, adopt, and maintain those fundamental principles of law through which every individual may enjoy the rights of life, liberty and the pursuit of happiness, may attain equality in the eyes of the law, and may secure a stable form of government.

After sitting around the conference table and listening to full and free discussions by lawyers from the nations of every continent, I am convinced that the true sentiments and desires of the lawyers of free nations of the world are expressed in the consensus adopted at the Asian and Australasian Conference held in Tokyo last September:

"We remind mankind that under the rule of law the individual may live in freedom, in dignity, and in peace. In the absence of the rule of law the individual becomes the subject of arbitrary power over all political, economic, and social life. He lives under tyranny and apprehension in fear and bondage.

"We therefore call upon the peoples of the world to support this program for world peace through the rule of law as the imperative of our day. In recognition of the power of public opinion in building a world of law, and to reverse the current senseless trend toward war, we further call upon all mankind to take the immediate and practical step of communicating to their government leaders and United Nations representatives, through every possible means, their full support of the above recommendations and the program of world peace through law as herein set forth."

The attitude of many heads of government embodied in messages to the Continental Conferences on World Peace Through Law was epitomized in the address of Hayato Ikeda, Prime Minister of Japan, who said at Tokyo:

"It has consistently been the ideal and sincere aspiration of all the Japanese people to protect freedom and justice, maintain world peace and contribute to the promotion of human welfare. To realize this ideal, I believe that we must protect the fundamental rights of individuals through law and establish social order through law and further that all international disputes should be settled in accordance with the principle of the 'Rule of Law'."

As I said in my address to the Conference of the Americas at San José, Costa Rica:

"Faced with this potentiality of devastation by atomic war if no peaceful method is found by which the legitimate aspirations of nations can be realized and their differences peacefully resolved when these aspirations conflict, lawyers have a clear obligation to their profession, to their respective nations, and to mankind.

"Within nations where the rule of law prevails, citizens create governments to protect certain guaranteed rights based on their conception of the nature of man. Protection of these rights safeguards each citizen and fosters the evolution of a dynamic society capable of permitting him to lead a meaningful life in freedom without undue interference from either the state or other members of society. Law may be perverted to protect unjustly the status quo and to frustrate legitimate plans for reform and development. But this can only occur in cases where the law does not reflect truly the ideals and morals of the people. Law truly responsive to the people will be a vehicle for peaceful change and progress.

"One of the most frightening characteristics of our modern society is its apathy and cynicism with regard to the great issues which are a constant source of conflict between nations, and its fatalistic and resigned attitude toward the prospect of war. Too often we hear the cliche: "There has always been war, there will always be war.' At the risk of being overdramatic, I ask—what more can be said, what evidence must be presented, what more can be done to demonstrate that the next war will be the end of civilization as we know it? Must we go through Armageddon to realize that total destruction is not a remote prospect, but an immediate threat? We must say—'Never again will nations go to war with each other.' And we must henceforth so act that this glorious assertion becomes a realization.

"World peace through law is not a slogan of visionaries and idealists; it is the cherished objective of the realist. It is the program of all those interested in a life free of fear, in a life dedicated to the development of the individual rather than his destruction; in a life dedicated to securing the advantages of economic progress, rather than the poverty of economic waste. What is more realistic and practical than the desire for survival? What effort is more worthwhile than that of mobilization for peace, rather than for war?"

This challenge must be met if civilization as we know it today is not to be destroyed either by a nuclear holocaust or by the "salami process," whereby Communists liken the free world to a salami which is to be gradually taken, one slice at a time, until the salami no longer exists.

The more than 100,000 members of the American Bar Association are represented in their effort to fulfill this tremendous responsibility by the Committee on World Peace Through Law under the chairmanship of Charles S. Rhyne; the Committee on Relations with Lawyers of Other Nations under the chairmanship of David Cottrell, Jr.; the Committee To Cooperate with Cuban Lawyers in Exile under the chairmanship of John R. Burton; and the Committee of Peace and Law Through United Nations under the chairmanship of W. St. John Garwood.

In addition to participation in the four continental conferences, the chairmen of our committees and I have had repeated conferences with representatives of the State Department, the Department of Justice, the Agency for International Development, the Organization of American States, the Inter-American Bar Association, the Federal Bar Association, numerous State and local bar associations, and representatives of many of the leading law schools of the United States, to determine specifically how the role of law and lawyers in a troubled world may become more significant and effective.

We have observed a broad awakening on the part of the Federal Government to the realization that, while social and economic development is of great importance, development of the law and legal institutions tuned to modern times is just as important.

This is evidenced by statements of leaders in Government. For example, the Attorney General of the United States, Robert F. Kennedy, recently said after returning from a trip to Indonesia, Japan, and other countries:

"Unless we are able in the next decade to convince the people of foreign countries—and particularly the students—that we are true to our ideals and that prosperity and decent health can be achieved in a system that preserves individual liberty, we will lose the cold war, no matter how much money we spend on aid."

Secretary of State Dean Rusk said at a special meeting of the Council of the Organization of American States:

"One of my illustrious predecessors, the first Secretary of State, Thomas Jefferson, defender of the rights of man, declared: 'Laws and institutions must go hand in hand with the progress of the human mind.' The human mind has opened up vast possibilities for improved welfare and it has fractured the isolation of our societies, one from the other. Our laws, institutions, and societies must reflect these facts and the impulses they have released."

The detailed actions which may be taken to fulfill the responsibility of the legal profession in the United States has been the subject of study by our committees and the organizations and agencies with which we have consulted. The work of the Committee on World Peace Through Law will soon be the subject of an article in the Journal and next month I shall detail in the president's page some of the actions which are being considered by our other committees. The old saw is still true: "Actions speak louder than words."

DR. SHAW RETIRES

Mr. BARTLETT. Mr. President, it was with a great deal of regret that I saw the announcement of the retirement of Dr. James R. Shaw, Assistant Surgeon General and Chief of the Division of Indian Health.

Dr. Shaw has had a very distinguished career and his work with the Indian health program is one of the great public health achievements of the past decade.

Dr. Shaw began his work with the Indians in 1953 when he became Chief of the Branch of Health of the Bureau of Indian Affairs in the Department of the Interior. The program was transferred to the Department of Health, Education, and Welfare several years ago.

Under his leadership and direction greater progress has been made since the Federal Government took over responsibility for the health of 380,000 Indians and Alaska natives.

Here are some examples:

The death rate from tuberculosis has decreased 74 percent in many areas.

Infant mortality has fallen almost 20 percent.

Influenza, pneumonia, gastroenteric diseases and trachoma have been reduced in a spectacular manner.

Sanitation facilities on Indian reservations have been constructed under Dr. Shaw's guidance—a vital step in the prevention of many deaths and much illness directly related to environmental conditions.

In shaping the Indian health program, Dr. Shaw applied the concept of preventive, therapeutic, and restorative medical care under a single administration. To meet the unique needs of the program, new categories of health workers have been developed—such as community workers, sanitarian aids, home visitors, and interpreters.

Early in his assignment, Dr. Shaw recognized the psychological and practical importance of encouraging the natives of my State to take an active role in improving their own health. Only recently the Public Health Service dedicated a new $3 million, 50-bed hospital at Kotzebue, Alaska, which is only 150 miles from the Soviet Union.

This hospital not only takes care of Aleuts, Indians, and Eskimos, but also has treated Russian sailors on many occasions.

The Division of Indian Health is now in the process of planning construction of yet another hospital at the farthermost point on the North American Continent. It will replace an old building at Point Barrow which, you may recall, is where one of our most illustrous citizens—the humorist Will Rogers—lost his life in a crash with Wiley Post.

The programs established by Dr. Shaw have application internationally and have elicited the interest of health officials from many nations.

Only this year, Dr. Shaw received the Gorgas Medal, awarded annually by the Association of Military Surgeons, for his outstanding initiative and leadership in advancing health progress among the Indians and Alaska natives.

While I regret the departure of Dr. Shaw, I am glad to state that Dr. Caruth J. Wagner will be his successor.

Dr. Wagner has been Chief of the Division of Health Mobilization in the Office of the Surgeon General for the past 2 years. In this position he has been responsible for planning and developing a program which would assure adequate health services for the civilian population of this country in the event of a national emergency.

In this connection, I would like to point out that the 50 hospitals of the Division of Indian Health will probably be of great value in the event of a national emergency since they are located in isolated regions and a plan has been mapped out to send casualties to central hospitals and then to other areas.

Dr. Wagner is not new to Washington. He first came here in 1957 to be Director of Training and Professional Standards in the Public Health Service's Division of Hospitals.

REGIONAL PREFERENCE OF PACIFIC NORTHWEST WITH RESPECT TO BONNEVILLE POWER ADMINISTRATION

Mr. MUNDT. Mr. President, I understand that earlier today the Senate Interior Committee ordered reported with amendments S. 3153, which has the practical effect of giving the Pacific Northwest a regional preference on all power produced by the Bonneville Power Administration. In my opinion this is bad legislation. By establishing a regional preference for federally produced power S. 3153 departs completely from the principle that public agencies should be granted a preference to Federal power.

The principle of the public agency preference has been premised on the reasoning that since Federal power projects are financed by taxes collected from all regions, the power produced should be available with equal impartiality within as large an area as is economically feasible. S. 3153 violates this principle and attempts to give a priority call on Federal power to the immediate area in which that power is produced. If this new principle governing the utilization of Federal power is to be established for the Pacific Northwest, then it should also be established for every other Federal power-producing region in the United States. If the Senate moves to consider S. 3153, I intend to offer amendments granting all power users in North and South Dakota a first call on the power produced by our great hydroelectric projects on the Missouri River.

Prior to the reporting of S. 3153 I conveyed my views and intentions respecting this bill in a letter to Senator ANDERSON, copies of which were transmitted to the members of the Subcommittee on Irrigation and Reclamation. I ask unanimous consent that the text of this letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 12, 1962.

Senator Clinton P. Anderson,
Chairman, Committee on Interior and Insular Affairs, Senate Office Building, Washington, D.C.

Dear Clint: Since the introduction of S. 3153 to give the Pacific Northwest first call on electric energy generated at Federal plants in that region, there have been developments which have given me increasing concern with respect to the Federal power in the Missouri Basin.

As witnesses for the bill testified at both the Senate and House Subcommittee hearings, its purpose is to protect electric consumers in the Northwest from loss of their exclusive use of Bonneville power.

It has been acknowledged that Bonneville's nonpreference customers now are purchasing more than half of the total energy from Federal plants in the Columbia River Basin. Under the present Bonneville Act, municipalities, cooperatives, and other preference customers within economic transmission distance outside the Northwest have a greater right to the power than these private users in the Northwest.

Some have agreed that the Northwest situation is "unique" in that the area is solely dependent on hydroelectric power. This power has always been extremely low-cost power. In fact, in view of the 1961 BPA deficit of approximately $15 million, it would seem that rates charged are actually below cost.

Some large power consuming industries have undoubtedly located in the Northwest because of this low-cost power. Half of all the Federal power in the United States is located in the Northwest.

However, any "uniqueness" of the Northwest situation stops here. It certainly does not extend to all future Federal power installations or future power consumers in the Northwest. But S. 3153 would extend this Chinese wall to include both future power plants and future consumers.

As you know, Federal Power Commission Chairman Joseph C. Swidler testified at the Senate committee hearings that "* * * we do say that in principle we are against regional preferences because they stand in the way of the best use of the Nation's resources for the benefit of the whole country."

Federal Power Commissioner Ross, in a statement at Portland, Oreg., on June 15, said, "I think it could be very dangerous and would set a precedent for other areas. I don't like to see the local interest concept increased any more than it is."

The Portland Reporter of June 18, carried an article entitled, "Majority of FPC Opposes Regional Preference," which says in part:

"The majority of the Federal Power Commission is opposed to the regional preference clause in the bill now before Congress for protecting the Northwest against export of Federal power needed at home.

"Though Commissioners Lawrence J. O'Connor and Harold C. Woodward did not meet with the press with the others, it was indicated they likewise did not approve of the regional preference principle."

REA Administrator Norman Clapp in a speech before the American Public Power Association in San Juan, P.R., on May 17 said:

"Yet we must not overlook the responsibility of the Federal Government to serve all regions. The taxes which develop Federal projects from which low cost electricity is generated come from all regions. The ultimate benefits should be available with equal impartiality.

"To accept as permanent legal restrictions upon the free flow of Federal power benefits where the economic restrictions have disappeared would be an equally tragic mistake. It would not only violate the basic rights of American citizens to share in the development of their natural resources as a nation, but would also undoubtedly hamper the full utilization of the economies available to the consumer in the advancing technology of the electrical industry.

"We have long recognized the value of developing a free flow of trade and commerce among the States. The Constitution is expressly committed to it. The same values are to be found in the free flow of electricity from region to region. We cannot afford provincialism and parochialism in our power supply planning. We may need some temporary devices to cushion the adjustment from present patterns of marketing to the new ones soon to be available, but we must also plan ahead for the ultimate utilization of our power resources on a national—not regional—scale."

There were predictions at the hearings that other Federal power producing regions would be forced to seek the same protection for themselves if this legislation were passed. This would result in erecting a series of walls around the river basins of the Nation, which already is coming to pass. Senator Barry Goldwater, of Arizona, recently announced that at the request of the Arizona Power Authority he has asked you to amend the bill in committee to extend regional preference to all major river basins if and when it is reported. If this is not done, he intends to offer such an amendment if the bill reaches the floor of the Senate. The Senator's announcement was preceded by a similar statement by Congressman Gubser, of California, that he will seek the same protection for the central valley area of that State.

I believe you will agree that these developments justify me in my concern for the protection of the interests of South Dakota with respect to the very large Federal hydroelectric installations on the Missouri River. South Dakota has a capacity of nearly 1½ million kilowatts installed at the Federal plants at Big Bend, Fort Randall, Oahe, Gavins Point, and Angostura Dams and in North Dakota there is Garrison Dam with a present capacity of 240,000 kilowatts and ultimate potential of 400,000 kilowatts. These Missouri River plants represent a vital resource of these two States for which they certainly are entitled to the same protection as may be granted the States of the Pacific Northwest for Federal power there.

As you know, half the output of Big Bend Dam is reserved for use within South Dakota. This was the only consideration my State obtained for the flooding of much of its richest river bottom land to provide flood control for the downstream States. While I can understand the very legitimate interest of Senator Goldwater and the Arizona Power Authority in protecting their area in the face of this proposed Pacific Northwest regional preference, I am, nevertheless, concerned by the effect of Senator Goldwater's amendment to extend to all river basins the regional protection proposed for the Northwest; for this would destroy even this limited degree of protection in the Big Bend reservation for South Dakota, just as Montana's interest in Hungry Horse power is destroyed by the Northwest regional preference under the bill as introduced.

You are aware that Senators Mansfield and Metcalf asked your committee for the continuance of priority for Montana not only with regard to Hungry Horse power but also that to be produced at Libby, Knowles, and Yellowtail dams.

There can be no question that S. 3153 is bad legislation and should not be passed. If, nevertheless, it is reported favorably by your committee, equal protection should be given all major river basins. With respect to the Missouri River Basin, I shall go further, however. If regional preference for Federal power is to be the Government's policy in place of the existing principle of preference for public agencies, South Dakota and North Dakota should be given first call on all Federal energy generated within their borders, both as to existing plants and any that may be constructed in the future. I enclose a copy of the amendment I propose with the request that the bill be so amended if reported. Otherwise, I shall offer my amendment at the proper time in the event S. 3153 is reported favorably in its present form.

By copy of this letter, I am making my position known to each of the members of the Senate Committee on Interior and Insular Affairs and the congressional delegations of South Dakota and North Dakota.

Cordially yours,

Karl S. Mundt,
U.S. Senator.

Amendment to S. 3153

In line 1 of the title to the bill, page 1, insert after "Pacific Northwest" the words "and North Dakota and South Dakota." Delete the words "that region" in lines 2 and 3, and insert "their respective regions."

Add section 9 at page 8 as follows:

"Sec. 9. Any contracts of the Secretary for the sale or exchange of electric energy generated at, or peaking capacity of, Federal plants in the States of North Dakota and South Dakota for use within any other area shall be subject to limitations and conditions corresponding to those provided in sections 2, 3, 6 and 7 for any contract for the sale, exchange, or transmission of electric energy or peaking capacity generated within the Pacific Northwest for use outside the Pacific Northwest."

SMOOTH PUBLIC RELATIONS TECHNIQUE BY TREASURY DEPARTMENT CANNOT HIDE THE FACT THAT THE U.S. GOLD RESERVE AGAIN HAS DECLINED

Mr. GRUENING. Mr. President, according to news stories appearing in the New York Times and the Washington Post today, Friday, July 13, 1962, this Nation's supply of monetary gold has dropped to its lowest level since August 9, 1929. This most certainly cannot be interpreted as good news.

Yet I read in the New York Times that—

> The Treasury Department took unusual pains yesterday to soften the impact of the sizable gold outflow in the latest week after 7 weeks without change. Since May 16, the gold supply has shown no attrition, although numerous reports have indicated that central banks overseas have been accumulating U.S. dollars.

Further in the New York Times story I learned—

> Some Wall Street observers yesterday were admiring what they took to be the monetary and fiscal authorities' smooth public relations technique in surrounding the renewal of the gold outflow with such heartening counterweights as Mr. Roosa's statement, the French prepayment of debt, and other fortuitous developments.
>
> "If we had to have another gold loss," one money market expert said, "it couldn't have come at a better time. The stock market's been much healthier the past 10 days or so, and the business community on the whole seems quite happy with the new depreciation allowances."

Well, I suppose the continuing decline in our gold reserves had to make someone happy.

The mining industry which produces our gold supply is not happy.

The elected representatives from the States where mining once was a major industry are not happy.

The U.S. Treasury Department ought not be happy.

I am distressed with the news story reference to "the monetary and fiscal authorities' smooth public relations technique in surrounding the renewal of the gold outflow with such heartening counterweights as Mr. Roosa's statement."

I understand Under Secretary of the Treasury Robert V. Roosa is heartened by the repayment by France of $293,400,000 of debt owed to the United States. I also read that France simultaneously purchased $112 million worth of gold from our reserves.

No one is displeased that the stock market is healthier.

But I see no reference to the fact that only recently were margin requirements for the purchase of stocks lowered from 70 to 50 percent. This action at the time seemed closely attuned to that word "subsidy," yet no hue and cry arose to suggest that the action would imperil this Nation's finances.

I hope it does not for I assume that the men who are knowledgeable in this area have ascertained that the reduction would not upset our friends in other lands.

Consequently, I see no reason to believe that a subsidy for newly mined domestic gold would imperil our world monetary stability in the slightest.

Gold miners receive today the same price for their commodity that was paid them in 1934. Fenced in by a pegged price they have not been able to operate with even a slight margin of profit.

Legislation has been introduced which would correct this deplorable situation. It is incorporated in Senate Joint Resolution 44, about which I have commented on previous occasions.

I do not criticize the Federal Reserve Board's action in lowering margin requirements. I simply suggest that spades ought to be called spades and that equitable treatment should be accorded all segments of our economy. Whether the word is "subsidy" or "reduction" or "aid" the result is the same.

Mr. President, I ask unanimous consent that the full text of the news stories appearing in the New York Times and the Washington Post be reprinted in the Congressional Record at this time.

There being no objection, the news stories were ordered to be printed in the Record, as follows:

[From the New York Times, July 13, 1962]

Gold Stock of United States Falls 137 Million; Loss for Week Is Biggest in 8 Months and the First Since May 16; Supply at 33-Year Low; Bulk of Purchase Made by France—Other Reports Soften the Impact

The biggest weekly loss in 8 months hit the Nation's supply of monetary gold in the week ended on Wednesday, the Federal Reserve Bank of New York reported yesterday.

After almost 2 months without change, a loss of $137 million during the latest week reduced the total supply of U.S. Treasury gold to $16,298 million, its lowest level since August 9, 1929. The gold supply then totaled $16,270 million.

The week's gold loss resulted from a $112 million purchase by France and a $25 million purchase by Switzerland. The French purchase actually amounted to $112,500,000, but in reporting gold exchanges involving foreign agencies, the nearest whole million figure is used.

Since January 1, the U.S. gold loss has aggregated $592 million. In the 1961 period the net loss amounted to $216 million.

CAUSE OF GOLD SALES

Foreign nations buy gold from the United States after they have accumulated excess dollars as a result of international commerce and from investment and other disbursements of U.S. funds abroad, including short-term capital outflows. The Treasury is committed to sell gold at the rate of $35 an ounce to foreign central banks and other international agencies.

The Treasury Department took unusual pains yesterday to soften the impact of the sizable gold outflow in the latest week after 7 weeks without change. Since May 16, the gold supply has shown no attrition, although numerous reports have indicated that central banks overseas have been accumulating U.S. dollars.

At yesterday's press briefing at the Federal Reserve Bank in New York, copies of correspondence between French Finance Minister Giscard d'Estaing and Secretary of the Treasury Douglas Dillon were distributed.

PREPAYMENT INDICATED

The letters indicated that France was prepaying $293,400,000 of debt owed to the United States at the same time it was buying $112,500,000 in gold.

This huge repayment will serve to strengthen the U.S. balance-of-payments position—the relationship between total payments to foreigners and total receipts from foreigners. Last year, the U.S. payments deficit amounted to $2,500 million.

So far this year, according to a statement Tuesday by Under Secretary of the Treasury Robert V. Roosa before the House Banking and Currency Committee, the deficit has been much lower. It is now running at a rate of $1 billion to $1,500 million a year.

A copy of Mr. Roosa's optimistic comments also was distributed yesterday when the gold loss was announced at the press briefing in New York.

VIEW ON WALL STREET

Some Wall Street observers yesterday were admiring what they took to be the monetary and fiscal authorities' smooth public relations technique in surrounding the renewal of the gold outflow with such heartening counterweights as Mr. Roosa's statement, the French repayment of debt and other fortuitous developments.

"If we had to have another gold loss," one money market expert said, "it couldn't have come at a better time. The stock market's been much healthier the past 10 days or so, and the business community on the whole seems quite happy with the new depreciation allowances."

At the press briefing yesterday, the Federal Reserve Bank also reported that business loans at major New York City commercial banks rose by $35 million in the latest reporting week. This compared with a drop of $47 million during the year-earlier week.

LOAN TO GEORGIA-PACIFIC

Much of the week's increase could be attributed to a $125 million loan to the Georgia-Pacific Corp. for use in buying the Crosset Co., an Arkansas lumber concern. The Chase Manhattan Bank and First National City Bank participated with the Bank of America in advancing the funds.

Net free reserves, the New York Central Bank reported, rose to $521 million in the week ended on Wednesday, on daily average, compared with a revised level of $424 million. This increase in the commercial banking system's lending capacity resulted from a sizable increase in cash flowing back into bank vaults after the July 4 holiday.

The Federal Reserve System was a net seller of securities in the open market late in the reporting week in an attempt to absorb some of this increased liquidity. The full effects of these open market operations are not expected to be felt until next week, however.

[From the Washington (D.C.) Post, July 13, 1962]

Gold Stockpile Falls By $137 Million

The U.S. gold stockpile was reduced by $137 million during the week ended Wednesday after remaining unchanged 7 weeks, the Federal Reserve Board said yesterday.

The decline was the steepest 1 week loss in 8 months.

The dip was due to sales of $112 million in gold to France and $25 million to Switzerland.

At the close of business yesterday U.S. reserves totaled $16,298 million, the lowest since August 9, 1939.

The gold outflow for this year now stands at $592 million, compared with a loss of $216 million for the corresponding period of 1961.

Wednesday the Treasury disclosed that France was buying gold at the same time it was prepaying more than $293 million of debt owed the United States. Earlier this week the Swiss National Bank disclosed it had bought $25 million in gold from the U.S. Treasury.

ONE HUNDREDTH ANNIVERSARY OF SIGNING OF MORRILL ACT

Mr. CHURCH. Mr. President, the 100th anniversary of the signing of the Morrill Act, which established the land-grant colleges, came while I was in Idaho. I had intended to join in the observance of this significant date in the Senate. I ask unanimous consent that an article written by Mr. Rafe Gibbs, director of information for the University of Idaho, be printed at this point. Mr. Gibbs' excellent article expresses very well the importance of the land-grant colleges to Idahoans as well as all Americans.

There being no objection, the article was ordered to be printed in the Record, as follows:

Idaho Observes Morrill Act Centennial

July 2, like July 4, marks a great day in the progress of our Nation. On July 2, 1862, two self-educated men played leading roles in a movement that has brought higher education to millions of American youths who might otherwise never have set foot on a college campus.

While America was torn apart by the Civil War, Representative Justin Smith Morrill, son of a Vermont blacksmith, fostered a bill to establish throughout the United States land-grant colleges, with the Federal Government endowing them with land. The idea was revolutionary, because the colleges were to give emphasis to agriculture and the mechanical arts. Specific courses were not prescribed and academic subjects were not to be neglected, but the movement was a definite break from the tradition of the classical colleges then dominating the American scene. Too, the classical colleges were for the few. The land-grant colleges were to be for the many—especially, as Morrill said, for the "sons of toil."

On July 2, 1862, President Abraham Lincoln, himself a son of toil, signed into law the bill which has become known as the Morrill Act. The 100th anniversary of that act is now being commemorated.

We of Idaho have special reason to honor the occasion. The Morrill Act made possible the establishment at Moscow of the University of Idaho on January 30, 1889—while Idaho was still a territory with a scattered population of little more than 80,000.

When the university first opened its doors in 1892, there were only about 30 students on hand. This fall, there will be close to 5,000 students. Many State and National leaders are graduates of Idaho's land-grant university. This year's winner of the Pulitzer Prize in history, one of the world's leading nuclear scientists, a top man in areospace medicine, the Governor of one of our island mandates—all are graduates of the University of Idaho.

Our Nation is stronger, healthier and more prosperous because of the research of land-grant universities and colleges. In Idaho, we are particularly proud of the fact that Edward Danforth Eddy, Jr., in his book "Colleges for Our Land and Time," singled out the University of Idaho as an example of what one land-grant institution has accomplished in agricultural research throughout the years:

"Developed and introduced disease-resistant fieldbeans for Idaho farm production which saved Idaho's bean industry; originated the Idared and Idajon apples and Lamida cherry; developed a nationally recognized brucellosis (Bang's disease) control; developed control of potato ring-rot and other potato diseases; introduced improved grain cereal varieties—wheat, oats, barley; developed control of such animal parasites as sheep and wood ticks, cattle grubs and lice; adapted use of phosphate fertilizers to increase quality and yield of Idaho crops; determined sources of mechanical damage to potato tuber and developed improved harvesting equipment for reducing such damage; developed post treating methods estimated to save Idaho farmers more than a million dollars in the next 20 years; and developed effective control for lygus bug in Idaho's alfalfa and red clover seed industry."

Idahoans, as do all Americans, owe much to the century-old land-grant college movement.

POTENTIAL THREAT TO U.S. FRUIT EXPORTS

Mr. ENGLE. Mr. President, when the United Kingdom joins the European Common Market, U.S. fruit exporters may face a serious tariff disadvantage unless adequate safeguards are taken.

The United Kingdom is a very important export market for U.S. fruits and fruit products. The fate of these exports to the British market and other countries in Europe will depend to a large degree on answers to the following questions:

First. Will an additional tariff handicap be imposed on our fruit exports to the British market as a result of the United Kingdom's inclusion in the European Common Market?

Second. Currently, Commonwealth exporters ship fruits to the British market free of duty. When the United Kingdom merges with the EEC, how will this affect the preferences extended to Commonwealth shipments to the British market? In addition, will such preferences be extended to Commonwealth shipments to other Common Market countries?

California is first in agricultural exports in this country, and I am naturally concerned about the potential threat to our fruit exports. Thirteen other Senators—from the South, West, and East—share my concern, and on July 10 we sent a joint letter to Under Secretary of State George W. Ball. In our letter we asked the State Department to take steps to protect our fruit exports. We called on the Department to urge that the Commonwealth preferences not be extended into other Common Market countries and that the existing preferences be progressively eliminated, without detriment to U.S. fruit exports.

For a long time our exporters of fruits and fruit products have suffered from handicaps other than tariff barriers. They have been plagued by the unfair quota and licensing restrictions and the unreasonable seasonal and packaging requirements—in violation of GATT—that continue to limit U.S. fruit imports by Western European countries.

In another letter to Under Secretary George Ball, I joined 17 other Senators in urging that steps be taken for the immediate removal of these unfair nontariff barriers.

I commend the attention of my colleagues to both letters, and ask unanimous consent that they be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Commerce,
July 10, 1962.

Hon. George W. Ball,
Under Secretary of State, Department of State, Washington, D.C.

Dear Mr. Under Secretary: We are seriously concerned about the potential threat to exports of U.S. fruits and fruit products if the European Economic Community is expanded to include the United Kingdom and possibly other countries, unless adequate safeguards are provided for U.S. fruits.

The United Kingdom is an extremely important export market for U.S. fruits and fruit products. The present United Kingdom most-favored-nation tariffs are considerably below the external tariffs of the Common Market for most of these items. So we expect that the United States will urge that the United Kingdom, as a member of the EEC, will oppose adoption of external community tariffs for fruits and fruit products at rates higher than a weighted average of the present EEC-United Kingdom tariffs.

Of importance also is the problem of Commonwealth preference. Currently, Commonwealth exporters ship fruits to the British market free of duty. We are anxious to learn of the duties these Commonwealth exporters will face in the United Kingdom if it merges with the EEC. It is our understanding that, under the GATT, existing United Kingdom preferences to Commonwealth countries may not be increased.

In this connection, we agree with the policy indicated by the Department of State—that the present Commonwealth preferences should be abolished under such a merger. In attaining this objective, however, we want to make sure that the competitive position of U.S. exporters, in relation to Commonwealth suppliers, is not impaired at any time. This applies particularly to any phasing-out period.

In short, we want to be sure that the existing Commonwealth preferences will not be extended into other EEC countries and will be progressively eliminated, without detriment to U.S. fruit exports.

Your attention to this important matter will be appreciated.

Sincerely yours,
George D. Aiken,
U.S. Senator.
Wayne Morse,
U.S. Senator.
A. Willis Robertson,
U.S. Senator.
Thomas H. Kuchel,
U.S. Senator.
Henry M. Jackson,
U.S. Senator.
Robert C. Byrd,
U.S. Senator.
Maurine B. Neuberger,
U.S. Senator.
Warren G. Magnuson,
U.S. Senator.
Spessard Holland,
U.S. Senator.
George A. Smathers,
U.S. Senator.
J. Glenn Beall,
U.S. Senator.
Jennings Randolph,
U.S. Senator.
Clair Engle,
U.S. Senator.
John G. Tower,
U.S. Senator.

U.S. Senate,
Committee on Commerce,
July 10, 1962.

Hon. George W. Ball,
Under Secretary of State,
Department of State,
Washington, D.C.

Dear Mr. Under Secretary: On March 16, 1961, and again on June 29, 1961, a number of Senators wrote to you concerning the necessity for immediate removal of nontariff barriers on imports of U.S. fruits by Western European countries.

Although since that time there has been some mitigation of the nontariff barriers which limit U.S. fruit imports into these countries, many barriers in violation of GATT still remain. Some of the principal ones are seasonal restriction, quotas, and licensing, unreasonable packaging requirements, delayed announcements of opening dates.

The most important problems occur in the following areas:

Citrus fruits: The United Kingdom restrictions on imports of citrus fruit items from the dollar area are as follows:

(a) Fresh grapefruit: Imports prohibited during the period October 1 through March 31, which is the peak U.S. harvesting period. Imports permitted from all other areas during this period, including non-Commonwealth countries.

(b) Canned grapefruit sections: A quota permits annual imports of less than one-fourth of prewar volume.

(c) Grapefruit and orange juices: A token quota for annual imports permits only a small fraction of potential volume.

(d) U.S. frozen citrus concentrate: This recently developed item is handled only in very limited quantities in the United Kingdom. While it could be imported under the quotas for citrus juices, the firms receiving licenses for such quotas are using them to continue their business on single strength juice. Thus, without removing or at least enlarging the quota, markets for this new specialized product simply cannot be developed.

These quotas affect imports from the dollar area; imports from all other world-producing areas may be made without restriction. This is in violation of the GATT. Without these restrictions the market would take easily four times the present volume. Supporting tables are attached as enclosure I.

FRESH APPLES AND PEARS

(a) United Kingdom imports from Northern Hemisphere producing areas are still limited by annual quotas.

(b) Imports into Belgium, France, West Germany, Austria, Denmark, Ireland (except pears). Norway, Sweden, and Switzerland from the dollar area are still prohibited until opening dates are announced—usually after the bulk of indigenous supplies are marketed. Belgium, France, Germany, Norway, and Switzerland authorize imports from other European suppliers while, at the same time, imports from the dollar area may be prohibited. These barriers are reviewed in detail on pages 19 and 20 in "Prospects for Foreign Trade for Fruits, Vegetables, and Tree Nuts," issued by the U.S. Department of Agriculture, January 1962, a reprint of which is attached as enclosure II.

We understand that waivers granted Belgium and West Germany under the GATT are due to expire this fall. We want to be sure that they are not extended. Tables showing prewar and current volume exports are attached as enclosures III and IV.

France: The imports of U.S. fruits and fruit products are restricted more by France than by any other Western European country. At the present time only fresh lemons, fresh grapefruit, fresh summer oranges, lemon juice, grapefruit juice, raisins, natural condition prunes in sacks, and tree nuts (except walnuts) may be imported into France without restriction. A flagrant nontariff barrier requires U.S. processed prunes to be packed in 50-kilo boxes (approximately 110 pounds), thus prohibiting the sale of U.S.-processed prunes in consumer or wholesale packages.

Unless we want these nontariff barriers to be permanently embedded in the import policies of these countries, especially those of the Common Market, they must be eliminated now.

Therefore, we request your assurance that a renewed, vigorous effort will be initiated to remove these barriers. We would appreciate a complete confidential briefing on your plans in this regard at a mutually agreeable time in the immediate future.

Sincerely yours,

GEORGE D. AIKEN, WAYNE MORSE, SPESSARD HOLLAND, GEORGE A. SMATHERS, J. GLENN BEALL, CLIFFORD P. CASE, JENNINGS RANDOLPH, CLAIR ENGLE, MAURINE B. NEUBERGER, WARREN G. MAGNUSON, LEVERETT SALTONSTALL, A. WILLIS ROBERTSON, THOMAS H. KUCHEL, HENRY M. JACKSON, JACOB K. JAVITS, ROBERT C. BYRD, KENNETH B. KEATING, JOHN G. TOWER.

THE FLYING TIGER LINE'S PERFORMANCE IN PACIFIC AIRLIFT SHORTAGE

Mr. ENGLE. Mr. President, it has been well recognized by the Members of Congress and Department of Defense officials who have been most directly concerned with developing adequate airlift capability to meet wartime military requirements, that a serious deficit exists in our combined military and civil cargo airlift capability to meet these requirements.

The current emergency situation in the Pacific demonstrates most dramatically the value of developing both military and civil cargo airlift capability, and the very vital contribution that our civil cargo carriers make in assisting the military in meeting emergency airlift requirements.

Since 1957, both the Congress and the Department of Defense have urged the civil air carriers to procure more of the modern types of cargo aircraft, for assignment to the civil reserve air fleet, in order that the deficit in our national air-cargo capability might be overcome. Incentives have been provided to civil carriers participating in the civil reserve air fleet in the form of a reasonable percentage of participation in MATS peacetime airlift operations. Congress has also appropriated funds for the expansion and modernization of the MATS fleet, in order that MATS might more adequately meet its share of responsibility for wartime airlift.

It has come to my attention that when the current serious shortage of airlift developed in the Pacific late last month, MATS called upon the Flying Tiger Line to assign all of its fleet of 10 turbine-powered CL–44 aircraft to the military lift. The Flying Tiger Line immediately withdrew from commercial service all of their CL–44 aircraft which were not already in military service and made these available to MATS—in addition to six of their piston-powered cargo transports. This left the Flying Tiger Line with only four airplanes to carry on their commercial airfreight operations until the current emergency subsides. This, of course, constitutes a serious handicap and detriment to the commercial operations of this cargo airline.

However, they offered the Government complete cooperation and immediately granted the Government's request for this assistance, as they have in so many times past, during the Korean lift and in other emergency situations. The Flying Tiger Line provided the most extensive civil augmentation airlift of any air carrier during the Korean lift.

I wish to read for the RECORD a copy of a teletype which was sent to all Flying Tiger stations, domestic and overseas, on June 27, 1962, by Robert W. Prescott, president of the Flying Tiger Line, calling for the fullest possible cooperation with MATS in this emergency.

[To be posted on all bulletin boards and sent to all stations, domestic and overseas]

JUNE 27, 1962.

To All Flying Tiger Flight and Support Personnel:

MATS headquarters informed us yesterday that there was a very serious shortage of airlift in the Pacific, and they were unable to secure this lift through the normal channels. There is a clause in our MATS contract which enables them, under declaration of emergency by the Secretary of Defense, to requisition all of our equipment.

In order to cooperate in every way possible with the Department of Defense we have put our remaining two CL–44's into the Pacific operations beginning the 1st of July. All 10 of our cargo jets and 6 of our connies will be assigned to military service. This will leave only four connies on domestic airfreight. We will have to get along as best we can until this emergency is over.

Meanwhile we may have to ask the CL–44 domestic crews to fly the Pacific for the first couple of weeks. I am asking each of you urgently to do all you can to keep the planes moving with an absolute minimum of delay.

In the long years of controversy in Congress as to whether civil carriers should carry a reasonable share of MATS traffic, there has always loomed doubt about the responsiveness of civilian carriers in emergencies. This is our opportunity to demonstrate again, as we did in the Korean lift. We need your help.

ROBERT W. PRESCOTT,
President.

In response to the wishes of the Congress and the Department of Defense, the Flying Tiger Line has procured and assigned to the civil reserve air fleet more of the modern types of cargo aircraft than has any other U.S. airline. In fact, many U.S. carriers have continued since 1957 to participate in the MATS peacetime airlift procurement program without procuring any new modern cargo aircraft whatever. However, these carriers have maintained in the reserve fleet older types of aircraft, which are required by the military until such time as they may be replaced by more modern and capable equipment.

During the fiscal year just ended, the Fying Tiger Line procured and added to the civil reserve air fleet, 10 modern turbine-powered cargo aircraft, at a capital cost to the company of $55 million. All the remainder of this carrier's fleet, 10 Super H Constellation aircraft, also continue to be allocated to the civil reserve air fleet. These Constellation aircraft are the most modern piston-powered cargo aircraft in existence.

All of the all-cargo airline's aircraft are convertibles, which are immediately convertible for the carriage of either passengers or cargo. This convertibility is highly useful to the Department of Defense, as it offers valuable flexibility in wartime emergencies.

The contribution of turbine-powered cargo aircraft by the Flying Tiger Line to the civil reserve air fleet, combined with those procured by other all-cargo carriers, has brought the total of these giant cargo jets in our reserve fleet to 21—at a capital cost to those cargo carriers of $100 million. The cargo carriers are not subsidized, and these transports have been added to this reserve military component without capital cost to the Government. These aircraft constitute the most critically important segment of our civil reserve air fleet.

For all of these reasons, it is extremely important that the cargo carriers be encouraged by the Government in their growth and welfare. These carriers are cooperating with the Congress and the Government in the most splendid manner, by doing everything possible to upgrade the cargo airlift capability of the United States as rapidly as possible, through their own financial resources. Furthermore, the Flying Tiger Line is today clearly demonstrating how quickly these cargo carriers will respond to military emergency airlift requirements.

These are the reasons also why it was so important and necessary in the national interest to assure that the cargo carriers would be permitted to continue passenger as well as cargo charter operations under the statutory authority we provided in the bill S. 1969 which was passed by the Congress on June 28 this year.

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TELSTAR

Mr. KERR. Mr. President, the success of the Telstar communications system experiment has now been demonstrated in historic dimensions. From the moment the rocket was fired at Cape Canaveral early Tuesday morning to put this satellite into orbit, this has literally been a space shot heard around the world. The first "shot heard 'round the world," according to Emerson's immortal hymn, was fired in 1776 for freedom and progress. That, however, was a shot fired by embattled farmers calling men to do battle for freedom. The shot that launched Telstar was a shot fired to inspire free people everywhere to mobilize their resources in a mighty effort for understanding and peace. Already, this satellite has served to eliminate distance between this continent and the Continent of Europe, and between this continent and the British Isles.

The success of the Telstar experiment within the past 48 hours has provided this Nation and its communications industry with the proof of performance needed to move promptly ahead with a worldwide communications satellite system.

Many, many thousands of persons deserve credit for the success of this Telstar experiment. Our commendations and congratulations go to the scientists and engineers with the National Aeronautics and Space Administration and to their coworkers and fellow countrymen employed by the Bell Telephone System and by 1,809 other business organizations who participated, through contracts, in the organization of the experiment.

I would call to your attention that of these 1,809 U.S. business firms which were called upon to provide parts or services for this experiment, a total of 1,387 are in the small business category. I am advised that approximately $10 million worth of contracts, or approximately one-third of the total cost of the Telstar experiment, went to these small businesses. I am further advised that private concerns located in more than half of the 50 States of the Union participated in this undertaking which has attracted worldwide attention and acclaim.

It is fitting, also, that we pause at this time to pay special tribute to the dedicated engineers and scientists and communications employees of Great Britain and France. Their diligence and cooperation have figured heavily in this experiment.

Telstar's success again emphasizes the value of government and industry cooperating in research and development, whether it be in space, agriculture, medicine, or communications. What we have witnessed this week is perhaps the greatest single technical breakthrough for our industrial economy since the development of the jet aircraft for our commercial aviation industry. Our jet aircraft fleet is the result of government and industry cooperating in research and development over a period of many years. I noted the other day that since the start of commercial jet service 4 years ago, planes built by one major U.S. company alone have carried more than 25 million passengers for a total of 42 billion passenger miles. The jet aircraft has been a revolutionary breakthrough in transportation. A communications satellite network promises benefits, in a few short years, to a far greater number of people throughout the world. We can make such a prediction now because Telstar has proved that a communications satellite system will transmit television pictures, still pictures and other illustrative material, the printed word, and scientific data faster and with greater accuracy than by any other international system in use today.

Telstar's impact upon international television is easily recognized. Perhaps of equal importance to the free world will be the benefits which communications satellites will have upon our news media, as well as upon our telephone and telegraph services. Telstar already has been used for the transmission of news. This indicates a dramatic potential comparable to the development of the rotary press. During the first moments of the initial experiment via Earth Station No. 1 at Andover, Maine, Telstar was employed, along with "data speed" equipment, to transmit a news story at the fantastic speed of 1,000 words per minute. The first transoceanic transmissions also carried pictures for publication in newspapers overseas. In fact, the satellite has received and sent pictures, telephone conversations, and news stories simultaneously.

These experiments were made possible through the cooperation of many private companies operating under the incentives of free enterprise. Telstar, like a multitude of other products and services brought into being through our free enterprise system, opens up new opportunities for innovations and new opportunities for business enterprises not only in this country but throughout that fortunate part of the world where free enterprise prevails.

This technical breakthrough would not have been possible without these inventions and innovations of our free enterprise system. And each of the 1,809 business organizations participating in the development of this experiment, under the sponsorship of the A.T. & T., has contributed some item or some service which, as our worldwide communications satellite system develops, will be required in greater and greater quantity.

Some of the features of the Telstar experiment are the result of research in metallurgy by firms primarily interested in supplying parts for less glamorous earthbound technologies. Some of the electronic devices incorporated into this experiment were first designed by private industry as fundamental equipment for our military missiles. No one can say at this point, with any degree of certainty, how many thousands of people contributed ideas which culminated in this fantastic new device. But I am told that the experiment involves the direct participation of almost 2,000 contractors, providing everyday things such as nuts and bolts, as well as such sophisticated items as special plastic coatings, solar cells, and transistors.

The members of the Senate Aeronautical and Space Sciences Committee recently had the opportunity to examine a working model of Telstar. The inventive genius of our free enterprise system is apparent in each detail of this marvelous new communications instrument. Many of its components are extremely complicated. Some of the contractors in this project supplied special sheets of platinum, for instance which were developed over many years of highly complicated research. Others supplied unusual—and so far as I am concerned, unheard of—ceramics needed for certain insulating purposes.

Another item in Telstar which represents a vast field of knowledge, passed on from the research of private enterprise over several decades, is the nickel-cadmium battery. And then there are plastics of several kinds, capacitors, and highly intricate electronic devices of almost microscopic smallness. The list of items that spring from our private enterprise ingenuity and contribute to Telstar and its magnificent success is almost endless.

Perhaps you noted, as I did, that at the base of the huge tracked vehicle which moves the giant 340-ton antenna about under the radome, there was a scrub brush to keep the track clean. I am told these brushes cost 19 cents each.

The satellite alone has 15,000 component parts. Each of them, like the lowly scrub brush, is a product of American free enterprise.

The success of this very complex experiment adds new significance to the bill H.R. 11040, which would establish a privately owned, Government-regulated U.S. corporation to build and operate a worldwide communications satellite system. Now that our scientists and engineers and thousands of industrial workers have proved the workability of such a system, it is time for the Senate to act, to move ahead.

To move ahead—this is what the President and we here in the Senate have been asking of our free enterprise system. Now in this instance, a potential new industry which will call for products and services of thousands of enterprises is waiting for us to act. Who now is holding up this new enterprise? Certainly not the other body which voted out the bill by a vote of 354 to 9. Not the Aeronautical and Space Sciences Committee nor the Commerce Committee, both of which held extensive hearings and then reported the bill favorably. Not NASA, nor the FCC, nor industry itself. There has been no delay in the research, developmental, or experimental areas, and there must not be any further delay in establishing an operational system.

Our progress thus far has indeed been phenomenal, but it has goaded the Russian bear to make a mighty effort. Congress should promptly charter a corporation to build, maintain and operate a worldwide system of communications satellites. Congressional considerations started over a year ago. The debate here on the floor started nearly a month ago and has now boiled down to the question: Government ownership versus private enterprise. Telstar proves the vigor and dynamics of private enterprise, not the prelude to its demise. The space age of private enterprise is just beginning. Government ownership is not an advanced, forward-looking, progressive attitude. Let us move forward, not backward.

While this Congress has spent 15 months in holding hearings, debating and considering all the aspects involved in establishing an international satellite communications system, business has acted, and has produced. We, in turn, can do no less. We, too, can produce—can produce, can pass—a bill that will permit the new voice "heard round the world" to continue to be heard.

ORDER OF BUSINESS

Mr. BUSH obtained the floor.

Mr. HUMPHREY. Mr. President, is there any further morning business?

The VICE PRESIDENT. Is there further morning business?

Does the Senator from Connecticut desire recognition in connection with morning business?

Mr. HUMPHREY. Mr. President, can we get to the legislative business now? What is the pending business?

The VICE PRESIDENT. Is there further morning business?

If there is no further morning business, the Chair lays before the Senate the unfinished business.

PUBLIC WELFARE AMENDMENTS OF 1962

There being no objection, the Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. YOUNG of Ohio. Mr. President——

Mr. HUMPHREY. Mr. President, I yield to the Senator from Ohio 1 minute.

Mr. YOUNG of Ohio. I need more time than that.

Mr. HUMPHREY. Whatever time the Senator from Ohio may wish.

The VICE PRESIDENT. The Senator from Connecticut is recognized.

Mr. BUSH. Mr. President, I shall be glad to yield to the Senator from Ohio for an insertion.

Mr. MANSFIELD. Mr. President, the Senator from Ohio wants to make a brief statement. He withheld the statement in the morning hour. If the Senator from Connecticut will give the Senator from Ohio time, it will be appreciated.

Mr. BUSH. I shall be glad to yield the Senator from Ohio 5 minutes.

The VICE PRESIDENT. The Senator from Connecticut yields to the Senator from Ohio 5 minutes.

Mr. YOUNG of Ohio. I may need more time.

Mr. HUMPHREY. The Senator from Ohio will get more time.

IN SUPPORT OF THE ADMINISTRATION HEALTH CARE PROGRAM FOR THE ELDERLY

Mr. YOUNG of Ohio. Mr. President, on occasion, the public welfare amendments of 1962 which are being debated at this time are referred to as a compromise of the King-Anderson health care for the elderly bill.

In some respects, I assert the legislative proposal we are considering, and which I wholeheartedly support, is an improvement over the original bill now in the committee on Ways and Means of the House of Representatives. This is a most meritorious legislative proposal. It takes a step forward toward adequate hospital, medical, and surgical care insurance for elderly men and women within our social security program. By its tax provisions it continues to leave our social security system as an actuarially sound old-age and survivors and disability insurance system.

This pending proposal includes within its beneficent provisions health insurance coverage not only for those eligible for social security to be financed through social security contributions, but also for possibly 2½ million elderly men and women who do not have social security coverage. This is a most significant step forward because most of these 2 million plus elderly men and women are the very ones who need most the hospital and health protection which this pending proposal would give.

The best estimate is that at the outset the appropriation necessary will amount to $50 million a year from our general revenue funds. In this group are men and women, many of whom have been on relief and practically all of whom are in indigent circumstances, or nearly so; in other words, dependent on charity or upon the generosity of close relatives, some of whom are themselves in modest or needy circumstances. This amount will decrease rapidly, as the life expectancy of these men and women is not great. Following a comparatively few years, there will be no appropriation required.

Furthermore, all of us look forward to the time when our social security—our old-age and survivors and disability insurance sytem—will cover all employed and self-employed, and cover them adequately, so that on retirement they will receive an ample return from the premiums they have paid during their working years. The dignity of every elderly man and woman in our Nation is involved in the legislative proposal we are considering.

Something deep inside an elderly man or woman is offended if, after a lifetime of constructive work in employment or as a self-employed individual, all he or she receives is a mere handout.

Fortunately, our social security system provides that following retirement those who are covered may retire in dignity and comfort and may be assured as long as they live that the insurance payments from the social security fund will continue.

The amendments proposed by the distinguished Senator from New Mexico [Mr. ANDERSON], and those associated with him, contain provisions for a separate trust fund for the health benefits, and for use of private voluntary organizations in the task of providing hospitalization for elderly persons.

Robert J. Myers, Chief Actuary of the Social Security Administration, has given assurances that this proposal is actuarially sound. He gave the same assurances in 1959 and 1960, under the Eisenhower administration, when he occupied the same position. Financing would be accomplished by raising the earnings base from $4,800 to $5,200 per year and by an additional one-fourth of 1 percent for employees and employers and three-eighths of 1 percent for self-employed persons.

The cost of this protection to the individual would not be excessive. In terms of dollars, the employee who earns $4,800 a year would pay $12 a year more than under present law. The employee earning $5,200 or more would pay $17.68 additional a year toward health insurance.

Mr. President, the American people want and need this legislation. In my own State of Ohio there are approximately 950,000 people who are over 65 years of age. These amendments would provide coverage to over 900,000 of these people.

Reference has been made to the Kerr-Mills bill in the course of this debate. I voted against the Kerr-Mills bill, which was enacted into law during the Eisenhower administration.

Only 88,000 people in the country have benefited as a result of the enactment of the Kerr-Mills bill, and not one individual in my State of Ohio has received any assistance as a result of that law.

Regarding the proposal before us, the American Medical Association remains the lone major holdout, still fighting a desperate battle to distort and to confuse the issue with cries of "socialized medicine" and "Government control."

At first the house of delegates of the American Medical Association—now composed of 212 members, a large majority of whom are political doctors and only 40 of whom are general practitioners of medicine—objected to the original King-Anderson bill because, they claimed, it would exclude 2½ million people from coverage. At present we are considering proposed legislation which would provide coverage for these 2½ million people, yet the political doctors of the AMA still oppose it.

The VICE PRESIDENT. The time of the Senator from Ohio has expired.

Mr. YOUNG of Ohio. Mr. President, I ask for an additional 5 minutes.

The VICE PRESIDENT. The Senator asks for an additional 5 minutes.

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the Senator from the time on this side.

Mr. BUSH. Mr. President, I ask unanimous consent that that be with the understanding that I do not lose my right to the floor.

Mr. YOUNG of Ohio. That is fully understood.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. YOUNG of Ohio. The political doctors of the American Medical Association opposed social security at the time it was enacted into law. In 1936 they supported the presidential candidate who proposed repeal of the Social Security Act, and who carried only two States in the Union. If any candidate for the Presidency should now propose repeal of the social security law, he would not carry even one State of our Union.

Mr. President, although this question has been compromised by a bipartisan agreement, and the 2½ million needy elderly men and women have been included within the beneficent coverage of the bill, these political doctors now say this is just another version of the old King-Anderson bill. The AMA remains faithful to its policy of opposing anything and everything which is progressive and forward looking. By "AMA" I mean the house of delegates, which operates that group. I do not mean the rank-and-file physicians and surgeons of the country. Judging from the mail from my own State of Ohio, I feel that a majority of the physicians and surgeons are in support of the legislation which we are now considering.

May I say that there is one provision I personally do not like, but as most legislation is a matter of compromise, I shall accept it. I refer to the feature providing that the hospitalized individual must pay $10 toward his hospital bill up to the 10th day as an inpatient in a hospital. In other words, an elderly person must be prepared to pay as much as $90, and in some instances this may be a genuine hardship.

It is stated that this is on the principle of $50 or $100 deductible property damage insurance. I do not like this illustration. We are dealing with very ill elderly men and women, many in most unfortunate and needy circumstances. We are dealing with our fellow human beings, not with automobiles, or other chattels.

We do not want colossal debt to be the penalty that afflicts an average family if some loved elderly person in that family requires extended hospital care.

At the outset I favor placing this program on a complete coverage basis. However, if that cannot be had, I will go along and support the measure, as I enthusiastically do, believing that later the provision will be eliminated.

Mr. President, the fear of numerous nuisance claims is groundless. I assert that most persons are, like myself, fearful of hospitals. We do not want to go into them. We do not want to be sent there in a limousine. We all have intimate knowledge of the fact that loved ones, near and dear to us, have been taken to a hospital on one or two occasions—and then the end. So, I feel that the $90 deductible provision is unnecessary. I do not join in any views expressed that if we remove this feature there will be an excess of requests for hospitalization.

Mr. President, I am proud to be a longtime and wholehearted advocate of the social security financing principle. I voted for such a bill in 1960 because it provided a method through which people during their working years can build adequate protection against heavy medical costs in their later years. I firmly believe that the social security system is the only method through which older people can be relieved of some of the fear of rising and unpredictable health costs. It is only through our social security system that workers can provide for themselves. We must make it possible for them to do so.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I am happy to yield to the distinguished senior Senator from Minnesota.

Mr. HUMPHREY. I commend the Senator from Ohio on his excellent statement in support of the health care program under the terms of social security. I agree with what the Senator has said with reference to the bill. The provision for a $90 payment on the part of an individual when he goes to a hospital for first 9 days was inserted in the bill as a compromise feature. Its removal would improve the bill. I do not think that the plan would result in abuse. The Senator is correct. Nevertheless, I support the bill and have for a long time. The Senator might be interested to know that the first piece of legislation that I was privileged to cosponsor when I came to the Senate, and of which later I was the main sponsor, was a measure which would provide hospital care for persons age 65 and over under the social security system.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. YOUNG of Ohio. I thank the distinguished Senator from Minnesota. What he has said fortifies me in the views I have expressed today.

Mr. BUSH. Mr. President, for the information of the Senate, I announce that I intend to ask for a yea-and-nay vote on my amendment. It will not require more than an hour for me to explain the amendment, so that if there is not too much debate on it, the whole process should not consume more than an hour and a half. I would be most cooperative in trying to hold the situation in check in case there are Senators who wish to get away early today. But I serve notice that I intend to ask for a yea-and-nay vote on the amendment.

I yield to the Senator from Illinois [Mr. Dirksen] such time as he may require.

THE BROADCASTING INDUSTRY

Mr. DIRKSEN. Mr. President, Mr. Ward L. Quaal, director of television station WGN, delivered a very impressive address to the Radio and Television Executives Club at Toronto, Canada. I believe it is worthy of being examined, and I ask unanimous consent that it may be made a part of my remarks.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by Ward L. Quaal

In the course of a year's time, each of us in broadcasting has a good many opportunities to address the general public on various segments of our industry. There are times, quite frankly, when we do not always relish these extracurricular assignments. However, when my good friend of many years, Andy McDermott, invited me to address this distinguished body, I accepted promptly and with much pleasure.

Over the years, I have had as close a relationship with the Canadian broadcasting industry as any American broadcaster, in view of my participation as an industry representative in all conferences having to do with the North American Regional Broadcasting Agreement since 1946. In fact, one of my most rewarding experiences in radio and television was my participation in the marathon-length NARBA conferences of the fall of 1949 held in the Windsor Hotel in Montreal.

We did not accomplish all that we set out to do, but the series of meetings did afford another forum for broadcasters and members of the Federal Communications Commission of the United States to get to know you good people better and to attempt to resolve with you the broadcasting problems that involved not only our two great countries, but other segments of the North American broadcasting region.

I think that most of you in this room today know that the company of which I am operating head; namely, WGN, Inc., is a wholly owned subsidiary of the Chicago Tribune Co. The faith of the Tribune Co. in your great and growing country is dramatized through one's review of the rapid expansion of the firms in your Nation which are owned in whole or in part by our parent organization. Among the principal subsidiaries of the Tribune Co. are the Ontario Paper Co., Ltd., the Quebec North Shore Paper Co., Ltd., the Quebec & Ontario Transportation Co., Ltd., Marlhill Mines, Ltd., Baie Comeau Co., and the Illinois Atlantic Corp.

In addition, the Tribune Co. owns 60 percent of the Manicouagan Power Co. and 36 percent of the British Canadian Aluminum Co., Ltd. Today, our company is one of the major employers in all of Canada. We are proud, indeed, of the genuine spirit of good will which manifests itself in all of our relationships with the Government of Canada, the business communities at our points of operation and, above all, the general public.

When he called me several months ago asking me to appear before you today, our mutual good friend, Andy McDermott, stated that he wanted me to stress radio in my remarks and that I am happy to do at this visit with you. We in the States and you good people in Canada share many wonderful things together—our traditions, our open borders, our priceless democratic way of life and the radio waves that are heard, in many cases, the length and breadth of both of our countries.

I have been in the radio industry since 1935 and in television since its first year of infancy as a commercial medium. I still feel today, as I have throughout these 27 years, that radio is the greatest mass communications medium of all time.

On two different occasions, early in the period of his Presidency, I heard the Honorable Dwight D. Eisenhower refer to radio and television as "media to inform the people fully, fairly, and freely, to hearten their spirit with healthy entertainment, to encourage in every possible way aspiration toward a better state of all mankind. These are the high purposes to which you are dedicated."

It is a tragedy, therefore, that in the United States it is being so badly misused in so many instances, in so many areas. When we went to war in 1941, we had a few more than 800 radio stations licensed and operating. Today, we have approximately 4,000 stations, combining AM and FM, with more than 3,500 being in the AM field alone.

This "population explosion" has wrecked the onetime solid front of sound engineering standards. The Federal Communications Commission, by its wholesale granting of licenses with reckless abandon, has become the midwife of the rock-and-roll formula. This trashy programing has attracted to our industry the "Johnny come latelys" the "experts of expediency" and the "quick capital gains boys." Such people in a day can ruin the good programing efforts and public relations of the pioneers who made this industry so great and made its service so vital to the people of the United States.

Think of it, gentlemen, the city of Albuquerque, N. Mex., with a population of 204,000, has 15 radio stations, not to mention 3 television properties. Phoenix, Ariz., with approximately 600,000 people, has 17 radio stations and 13 FM stations, plus 4 television stations.

Now, let us examine what happens when engineering standards are thrown out the window. In the city of Phoenix, a metropolitan area that has had the most constant growth of any in our country, the then 15 radio stations reporting to the Federal Communications Commission in 1960 showed a total loss of $62,000. Orlando, Fla., because of its proximity to Cape Canaveral, is the second greatest growth area in our country today. In 1960, the last year for which complete figures are available, the eight radio stations in that market reported a profit before taxes of $8,200 among them.

Let us examine some other markets in the Nation.

Broadcasting magazine has summarized information from the FCC's official records for the years 1950 and 1960, showing what has happened to income (before taxes) in radio as station growth has continued.

In the statistics below, for selected cities, revenue given is that received by stations after the normal 15 percent agency commission. Income shown is that before taxes:

BALTIMORE

In 1950: 10 stations with $3,554,865 total revenue; income, $816,590.

In 1960: 15 stations with $5,669,599 total revenue; income, $872,989.

BIRMINGHAM, ALA.

In 1950: Nine stations with $1,883,973 total revenue; income, $389,245.

In 1960: 12 stations with $2,261,206 total revenue; income, $101,712 loss.

ATLANTA

In 1950: 11 stations with $2,861,627 total revenue; income, $863,870.

In 1960: 18 stations with $4,470,376 total revenue; income, $547,195.

FORT WORTH

In 1950: Six stations with $1,559,827 total revenue; income, $209,237.

In 1960: Nine stations with $1,711,873 total revenue; income, $14,163.

PHOENIX

(Population doubled last decade)

In 1948: Five stations; income, $204,000.

In 1955: Nine stations; income, $50,000 loss.

In 1960: 15 stations; income, $62,000 loss.

Taking entire States as examples, in Utah, 13 stations in 1948 shared $137,000 income before taxes. In 1960, 28 stations in that State shared a loss of $51,000. In California in 1948, 93 stations shared $1,447,000 income. In 1960, 192 stations shared $1,665,000. In the State of North Carolina, 84 stations shared income before taxes in 1948 of $872,000. In 1960 in that State, 160 stations had a small income; namely, $842,000.

This is the reason that we have stressed in all of our filings with the Commission, involving both radio and television, that ours is an industry where increased competition does not necessarily mean a better product for the consumer, because if a man cannot make a profit in any business, he results to a routine that often departs from standards of integrity. The figures above demonstrate very aptly why so many stations have taken the cheap routine in programing and community service.

At the recent convention of the National Association of Broadcasters in Chicago, the traditional program featuring the FCC panel of seven members answering questions of delegates evolved the issue of the damage to the U.S. radio industry stemming from too many stations. One broadcaster, in a written question to the FCC panel, asked what was going to be done to elevate engineering standards, at which point the veteran and highly respected Commissioner T. A. M. Craven replied: "We have the finest in engineering standards, but they have been ignored."

As I meet with you today, I feel my entire trip is worthwhile, for this platform affords me an opportunity to publicly compliment your Canadian Board of Broadcast Governors, which is less liberal than our Federal Communications Commission in regard to the granting of licenses. Through your great wisdom, you have acted in the public interest.

As a fellow North American broadcaster, I hope and pray that you will continue to hold inviolate the position of your six clear channels and that, in time, you will grant power beyond 50,000 watts to them. In Canada, as well as the United States, the clear-channel system is really the only effective means of serving better rural and small-town areas which, for economic reasons, cannot support stations of their own. Your clear channels and ours are a precious national and natural resource.

With further reference to the station population explosion in radio in the United States, I might add that we have learned the hard way that in our business additional competition does not necessarily mean a better product for the consumer. In fact, quite the opposite is often true. When a businessman cannot make a profit, he resorts to all types of substandard approaches. I regard the broadcaster who disseminates nothing but "rock and roll" and other trashy, noisy programing as being guilty of thievery of the very populace he has been licensed to serve.

Recently, a fellow broadcaster said to me: "Quaal, no matter what statements we make about radio today, we can best describe our State in five short words: We are in a mess."

Yes, we are, and it can be dramatized by comparing 1946 and 1960 in our country. In that 14-year span, our population showed an enormous increase from 140 to 184 million people. The number of radio homes increased from 34 to 53 million. The Census Bureau estimates that we had 97.7 million sets in American homes and 47 million automobile receivers in 1960.

While the total number of radio homes has increased since 1946 from 34 to 53 million, the reported income before taxes of all U.S. radio stations, exclusive of those owned and operated by the networks, reflected a decrease, mind you, from $57 million to $51 million. As stated earlier in these remarks, a great many of my associates in broadcasting are losing money. In fact, roughly one-third of America's radio stations reported a loss for 1960. About 30 percent managed to keep their feet out of red ink, reporting a profit of less than $5,000.

In the words of the distinguished Chairman of the Federal Communications Commission, the Honorable Newton N. Minow, "The United States has become a nation wired for sound, motorized or on foot." Today, radio follows us wherever we go, and that is why programing in the aural medium must be designed for individual listening. We must cater to the mobile audience, persons going to and from work, the motorist on our highways, the homemaker in her kitchen or laundry room or den, the hobbyist as he plies away in his workshop. And, now, with the development and the perfection of the pocket radio, we visit each day the gardens of our community, the beaches, the ski lodges and toboggan slopes, the grandstand, the subway, fishing streams and cottages and camps in the woods.

Radio, in our country and yours, will continue to be a highly personalized medium, and by 1970, we predict that we will have 250 million receivers in use in homes and automobiles in the United States. In 1970, we predict radio will be very much patterned after today's newspapers, with programs departmentalized just like your newspaper of last evening or this morning. News, sports, public affairs and programs designed for the personal needs of the listener will dominate broadcast fare.

Chairman Minow, of our FCC, and LeRoy Collins, president of the National Association of Broadcasters, are in the process now of making plans for preparatory meetings prior to the holding of a U.S. radio conference. It is hoped that through these sessions, which will be of substantial length, we will be able to undo, so to speak, at least some of the damage precipitated by the departure from sound consideration in granting of licenses.

Some of you are old enough to remember, I am sure, the U.S. Radio Conference called in the mid-1920's by the Honorable Herbert C. Hoover who, as Secretary of Commerce, had responsibility for radio licensing under our Bureau of Standards. At that time, our radio highways of our Nation had become traffic clogged by almost total removal of engineering consideration. We are rapidly approaching that state of chaos today, and we hope that in the forthcoming meetings we will find the essential corrective approaches to return U.S. radio broadcasting to a more sound footing.

In meeting with other broadcasters, one often feels presumptuous in addressing himself to the business practices of our industry. Yet, I feel we are long overdue, gentlemen, in making broadcasting not just a business, but a profession. Quite frankly, I think radio's best years lie ahead of us if each of us, as its stewards, are mindful of our responsibilities to the various communities we are privileged to serve.

Radio station owners should take inventory of their management. Are these men and women trained for their responsibilities in this sensitive profession? Are these people equipped to be responsible stewards in an industry that embraces so much of the time of the waking hours of every citizen? People make radio and television what it is.

Let us face it, friends, some persons have no business in this industry. In the words of the highly respected Charles Brower, president of B.B.D. & O. (Batten, Barton, Durstine & Osborn, Inc.), "There is no business that so thoroughly punishes the clumsy amateur. In a business such as ours where boys and girls become men and women rapidly, you have got to have a lot more than heart. You have got to have that—plus responsibility, sensitivity, judgment, and understanding."

Where we have good management today, that veteran and trained personnel must devote considerable hours each week to the buildings of future executives for this radio industry. In short, I respectfully recommend that each one of us devote more time to so-called injob training of our better young people for their roles as tomorrow's leading broadcasters.

In addition to teaching these youngsters about some of the phases in which we feel we have attained some proficiency, we should stress, above all, religious adherence to rate cards to the point where they are regarded as a daily bible. We must attempt to bring into reality at the earliest possible date implementation at every station of a single rate card.

I know of one move that would do more to encourage national advertisers to devote more of their budget to radio. Let us make it easy for them to buy this great and dynamic medium and, after they make the purchase, let us have them feel confident in the buy that they have made. This cannot be done if we operate on a double set of standards. Our basic responsibility is, of course, our programing.

Better programing, through balanced broadcast fare, is really the only way to improve our lot as a medium and as an instrument of community service. You can have the finest building, the best equipment, the most talented sales and promotion personnel, but without good, sound, balanced programing, you might just as well not be in business.

In preparing these remarks, I debated with myself as to whether or not I should speak of the WGN story. I have elected to be more than a bit presumptuous by addressing myself briefly to the period from August 1, 1956, to the present when I have had the good fortune to serve as the head of operations for WGN radio and television. In August of 1956 WGN radio (and television) were operating in the red, in disrepute in the industry and the community for lack of quality standards in broadcasting. This situation was quite a paradox, for then, as now, the Chicago Tribune has been greatly respected as a newspaper, even by those who disagree in whole or in part with it editorially.

The Tribune, throughout its history, has been a vital force in and contributor to not just the community of Greater Chicago, but the Nation as well. For years, broadcasters had been puzzled about this incongruous situation, where a great newspaper failed to harness effectively its radio and television operation.

The board gave me absolute autonomy and applauded my efforts to chart a course along the high road. First, we literally threw out $242,000 worth of pitch and mail-order business and commercial religion from the radio station alone. We dispensed with $597,600 of the same type of substandard commercial traffic on the television station.

Soon the red ink turned to pink and, finally, black, so much so that in the last quarter of 1956, the profits of WGN, Inc., were better than for any 12-month period prior thereto. The upgrading continued. All rock and roll, including the so-called "Top 10 on WGN," was removed from the schedule in early 1957. More varied program formats were offered so that we could say with pride and justification that we had something for everybody, catering, of course, to the adult audience.

WGN radio joined the NAB radio code, but adopted its own standards, far more restrictive in nature. We expanded our program staff, our farm department, increased our sports activity, developed the largest and, we feel, best staffed newsroom in the city and, perhaps, the Nation.

Where are we today? We have the largest circulation in radio in Chicago and second nationally. In gross billings, WGN radio leads in Chicago and, as best we can determine, we are a healthy second nationally, with our only competitor for this honor being east of the Hudson. More home and automobile radios are tuned to WGN radio each week than to any other Chicago station because of the balance we have instilled in the programing and due to the quality of the overall operation.

Radio in the United States is, unfortunately, in a relatively weak position today. The success of WGN is shared by only a handful of stations. They, too, have found that the road of quality, integrity and responsibility pays the most dividends. Our sales record in 1960 was such that some wondered if we could ever "top" it. We managed to do so by 5 percent in 1961. I can say without hesitation and in spite of the climate involving national advertisers in their use of radio in the United States that WGN radio this year should show an improved position over 1961 by approximately 10 percent. This proves it can be done, but you have to have the faith in yourself and faith in this vibrant force of aural communications.

Like its sister radio station, WGN television does not have the benefit of network service. Yet, over a 12 months' period of time, according to Nielsen, it finds itself in second place in total quarter-hour audience leadership. Also, WGN television is in a virtual tie for second place in the market among four commercial television stations and records an annual gross billing far in excess of one of the network-owned-and-operated television stations in Chicago.

The gross billings of WGN television are such as to find it in sixth or possibly tied for fifth position nationally. These are impressive facts, but they can be better and we are setting out to make them so in the months and years to come.

Our friend, Andy, told me that you good people might like to hear a bit about the recently concluded hearings into the operation of Chicago television stations as conducted by the Federal Communications Commission. As you may know, section 403 of the Commission's rules permits it to initiate an inquiry of this type at any time. The Commission stated that this was legislative in nature, that it would use the hearings to determine from public witnesses and from representatives of the licensees as to whether or not the five Chicago television stations, four commercial and one educational, were attempting to ascertain the needs of the community and if said needs were being served.

During the week of March 19, a parade of 99 witnesses from the general public was heard, in many cases, each with a specialized interest in mind or, if you will permit me to use the vernacular, an ax to grind. I am proud to say that over 60 of these persons, without any solicitation whatsoever from WGN television, spoke in laudatory terms of our operation as a dedicated Chicago-oriented entity in television. While I am grateful for their generous remarks and hope that I can live long enough to express my appreciation with additional programing in the public interest, I must stand opposed to the hearing in principle.

When I appeared before this FCC inquiry in Chicago on April 12, I supported the position taken by LeRoy Collins, president of the National Association of Broadcasters, who termed the proceedings "ill advised, unfair, and unwarranted." To his descriptive phrase, I added the word "unfortunate," because I feel the Commission should not have instituted hearings of this nature at a time when the three network-owned-and-operated Chicago television stations are awaiting their license renewals.

Bear in mind, the licenses of WGN television and WTTW, the educational station in our city, were renewed on November 22, 1961, for the 3-year license period commencing December 1, 1961, concluding December 1, 1964.

I stated in my testimony that if one or all of us has erred as a licensee, we should have been called to an accounting in Washington, under the normal quasi-judicial processes of the Federal Communications Commission, with all rights of due process to the stations involved. In the course of the March 19 week of testimony by public witnesses, many of these individuals made sweeping assertions without any consideration of the facts involved. The licensees were not permitted through counsel to cross-examine these public witnesses.

The underlying statutory philosophy of the Communications Act of 1934, as amended, is set forth in section 303 of this instrument, authored by the late Senator Wallace White, of Maine, and mentioned no less than 13 additional times in the statute.

This all-important phrase embraces the "public interest, convenience and necessity." Certainly the FCC must determine whether or not a station in radio or television is fulfilling its obligations and, therefore, meeting the spirit and intent of section 303. The Commission, however, cannot go beyond this point, for as set forth in our precious first amendment to the Constitution and in section 326 of the Communications Act of 1934, as amended, the Commission is precluded from involvement in the program structure of the licensee.

Actually, the broadcast portion of the present Communications Act was lifted directly from the 1927 Radio Act. Much has happened in the radio industry since the Communications Act of 1934, as amended, was enacted into law, and we have seen since that time the development of the dynamic new medium of television.

It would seem, therefore, that piecemeal legislation, through additional amendments, would be futile, and that we should have in our country a new Communications Act and it should be based upon the first amendment to the Constitution. There are too many so-called gray areas emanating today from interpretation of our present Communications Act. New legislation is urgently needed, not only to update the instant statute, but to define the limits of the involvement of the Federal Government establishment in broadcasting.

In concluding my remarks, I am wondering if you would be kind enough to permit me a few back-to-back station breaks. At WGN, we have a syndication division which, I am proud to say, has just made its first sale to a Canadian station, namely, to CBUT, Vancouver, of our distinguished series, "Great Music From Chicago," featuring the Chicago Symphony Orchestra with Fritz Reiner, Walter Hendl, renowned guest conductors, and world-famous instrumental and vocal soloists.

I hope that before many months pass additional Canadian stations will join the 31 U.S. markets and the stations of Argentina and Uruguay in carrying a music feature that, we feel, is the finest in the history of broadcasting, local or network.

With additional reference to the No. 1 topic of our discussion here today—radio—I am pleased to say that WGN radio, through its syndication division, sold a weekly 15-minute comedy series, starring our own Wally Phillips, to more than 200 stations under sponsorship of the International Harvester Co.

Just this past month, the Conn Organ Co. purchased "Conn Melody Lane," Harold Turner at the Conn pipe organ, for airing in 200 or more markets throughout the United States and, I hope later, in Canada. Perhaps, as we broadcasters of Canada and the United States consider the problems before us, and none is more important than our programing, we will give much attention to the exchange of programs and program ideas, for I am sure that you have many fine vehicles that would attract wide audiences in our country, just as we hope we will find a good climate for ours throughout the length and breadth of Canada.

I hope that whatever we do in radio and television, we will place our emphasis on quality throughout our enterprise. In that regard, let me say that my philosophy in broadcasting can best be summed up by a statement by the great Henry David Thoreau, another nonconformist, in his beloved "Walden":

"I know of no more encouraging fact than the unquestionable ability of man to elevate his life by conscious endeavor. It is something to be able to paint a particular picture, or to carve a statue and so to make a few objects beautiful, but it is far more glorious to carve and paint the very atmosphere in the medium through which we look, which morally we can do. To effect the quality of the day, that is the highest of arts."

THE PACKAGING OF MARKET BASKET ITEMS

Mr. DIRKSEN. Mr. President, as we all know, there has been an investigation into packaging of market-basket items by the distinguished Senator from Michigan [Mr. HART], acting as chairman of the Subcommittee on Antitrust and Monopoly, for some months. Certain of rules and regulations, relating to packaging, may be proposed before this session of Congress is over, and naturally industry and the public is looking forward to what the subcommittee will propose.

At the same time, it is not amiss to point out that the packaging industry, in all of its many phases, is waiting anxiously to learn just what will be proposed. The industry—which, according to the distinguished Senator from Michigan, mostly is made up of honest men of high integrity—will have to live with the laws, if any, which we pass in this highly complex area, and no one can blame the members of the industry for being concerned.

In this connection I have had drawn to my attention some constructive suggestions made about how industry might be drawn more closely into the picture, in helping to frame the laws with which it must live and operate. This is the editors' page of Packaging for June 1962. Packaging, which is considered to be the voice of the packaging industry, is published in Chicago by the Haywood Publishing Co. Its proposals in its June issue merit careful consideration of my colleagues, in my judgment, and I ask unanimous consent that this section be carried in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONSUMERS CHALLENGE PACKAGING

An item in the May 3 CONGRESSIONAL RECORD is highly significant in light of current Washington happenings relating to packaging. At the request of Senator HART, the man behind the Senate hearings on "deceptive" packaging and labeling practices, a statement by Rev. Robert J. McEwen, S.J., was written into the RECORD.

Father McEwen made his statement opening the Massachusetts Consumer Conference in the middle of April. Said he: "There is need for a vigorous association of consumers independent of the State structure. * * * The fact that there is a latent desire for an association of consumers, and such strong support for the consumer movement, shows there are many areas in which the consumers feel they are not fairly treated in today's economy."

The Massachusetts meeting was just one in a series of consumer meetings, consumer panels, and consumer magazine articles reflecting organized consumer reaction to our modern marketing complex. Nurtured by the present Washington administration, this groundswell of consumer reaction reflects an attitude that packagers must watch—and watch closely—because it can have a tremendous impact on packaging and marketing on a State-by-State basis.

INDUSTRY PANEL MAY BE ANSWER

We recommend, however, that packagers do more than watch. Beginning on the next page is a special article, based on a survey of the industry's major associations, analyzing the advisability of establishing a packaging panel in Washington to work with legislators in drafting packaging legislation, and enforcing that legislation after passage.

A highly important activity of such a panel, we feel, would be conducting a public information program to advise consumers of the activities of industry to insure that the marketplace remains a fair and honest area.

The consumer interest in packaging activities and marketing procedures stems, of course, from Washington. But it has now begun to spread to local levels. With this expansion a public information program is becoming not just desirable, but imperative.

PACKAGING CONTROL: INDUSTRY, WASHINGTON, OR BOTH?—LEGISLATORS HAVE SAID THEY PLAN TO PROPOSE LAWS TO REGULATE PACKAGING. SHOULD THERE BE AN INDUSTRYWIDE PACKAGING PANEL TO HELP GUIDE THEM? HERE'S WHAT KEY ASSOCIATION PEOPLE THROUGHOUT THE INDUSTRY HAVE TO SAY

Should there be an industrywide panel to work with legislators in drafting packaging laws?

Should such a panel help the legislators in enforcement of these laws?

Of whom should such a panel consist, and how much power should it attempt to wield?

Association heads surveyed by Packaging differed in their answers to many of these questions, but almost unanimously they agreed on one point: such a panel is needed, and needed fast.

A spokesman for National Preservers Association summed up the reaction of most association men: "It would seem to be abundantly fair to all interested parties, consumers and manufacturers alike," he stated, "to explore the packaging question by means of an industry panel. Perhaps in no other way can Senator HART's subcommittee be realistically acquainted with all the complexities involved in an investigation of this nature. If any legislation results, we should do all in our power to assist in seeing that it is wisely written."

LEGISLATION COMING

Note the words, "if any legislation results." There seems little question, in the opinion of most interviewed and from the statements of Washington officials, that legislation will be written. The remaining question is what legislation, and when.

The prevailing feeling is that legislation should be written industry by industry—and probably will be. Assuming this to be true, the statement of Cereal Institute, Inc., is important: "If the industry has a trade association, it is suggested that the association appoint a committee of half a dozen or more of the companies represented in the association," said a Cereal Institute representative. "The packaging and labeling problems of each industry are so complex and specific to that industry that the committee should be composed of persons who have like problems, and not be composed of persons from different industries."

GOOD PRACTICES

The statement of Cereal Institute takes on added significance in light of the action that organization has already taken. Scarcely had the dust of the first set of Senate hearings settled when Cereal Institute went on record with a set of "principles of good practice" regarding statement of net contents, etc., on cereal packages. Adopted unanimously by the group was the following code:

"1. Breakfast cereal packages should be properly filled and the net weight clearly shown.

"2. The Cereal Institute is opposed to packaging which misleads the consumer.

"3. The net weight statement shall be clearly and prominently shown on cereal packages so as to be readily found and easily read by interested consumers under customary conditions of purchase and use.

"The statement shall be in good color contrast, without obscuring designs or vignettes.

"The Cereal Institute recommends that the net weight statement be on the main display panel of cereal packages in boldface type of not less than

"a. Eight point on packages the main panel of which has an area of up to 25 square inches;

"b. Ten point on packages the main panel of which has an area of more than 25 but not more than 50 square inches;

"c. Twelve point on packages the main panel of which has an area of more than 50 but not more than 75 square inches; and

"d. Fourteen point on packages the main panel of which has an area of more than 75 square inches.

"In the interest of achieving the desired prominence for the net weight statements, the Cereal Institute does not believe it is feasible to recommend a particular location for such statement on the main display panel because of different package designs."

Cereal Institute, then, in light of experience it has already had, suggests several panels to recommend on legislation as it pertains to products of that panel. A similar suggestion, with an interesting and important twist, was made from Chicago by the national president of Package Designers Council:

DIFFERENT PROBLEMS

"Congress should consider that different segments of the food industry have different packaging problems," he pointed out, "and therefore Congress should write its legislation for those specific problems. An industrywide panel should consist of three basic and permanent members—one representing design, one representing production, one representing management. This basic group should be supplemented by representatives of the industry in question, plus representatives of that industry's packaging suppliers.

For the permanent representatives Package Designers Council recommends one man from its own ranks, one from Packaging Institute (to represent technical and production interests) and one ranking man from American Management Association to represent management and marketing interests.

Packaging Institute, the professional organization of packaging technology, had this to say: "Such a panel * * * could fill a real need. Three basic categories must be represented," continued the institute's executive director, concurring with the PDC president, "namely, technical packaging interests, packaging design interests, and management interests. The promotional and merchandising interests * * * are most closely allied with the third group and have been under greatest fire in the recent series of hearings. A panel representing each of these three areas of major packaging interest could be of tremendous value as an advisory group representing industry's viewpoint to Government."

PACKAGING INSTITUTE STATEMENT

As long ago as last October, Packaging Institute issued a bulletin to its members which stated, in part:

"Members of the Packaging Institute are urged to reexamine all their packages carefully to insure that graphic design, copy message, and physical construction clearly and honestly represent the product in the package. It is recognized that individual products and product industries may have special problems. The Packaging Institute stands ready to serve as a coordinator if called upon."

An immediate problem arises, however, in the reply made by the president of American Management Association. This group, sponsor of the national packaging exposition, was suggested by many respondents as an excellent source to look to for leadership. Yet the AMA spokesman says, "American Management Association, by charter and bylaws, has been prohibited from any participation of any kind in any lobbying, legislative activity, or propaganda. This is probably the most rigid policy AMA has and one which, to my knowledge, we have never violated." Apparently, then, AMA would not be able to participate as an organization.

Other replies included:

Modern Foods Council: Formation of an industry panel would be a most effective means of helping governmental administrative agencies and Congress prepare legislation. Any legislation drafted must be based on the best available information, and a panel selected from key industry segments—packagers, designers, machinery manufacturers—is good commonsense.

National Paper Box Manufacturers Association: Although the converters should be represented, users organized through Packaging Institute and the AMA Packaging Division should more or less control the decisions and recommendations that could be made to legislators. * * * This panel would appoint a responsible committee to consult with Government officials and offer to cooperate with them in any necessary revision of the laws, but on the other hand push for some form of policing by the industry in lieu of new laws.

Folding Paper Box Association of America: There should be an industry panel, if for no other reason than to protect ourselves. Supplier industries are servants of the industries packaging products for sale. Thusly our function should be advisory, rather than determinative.

National Flexible Packaging Association: Since the responsibility for the package rests with the packer first and secondly with the retailer, groups representing both should be encouraged to get together to develop voluntary codes which will better provide consumers with pertinent facts before buying. Packaging suppliers should participate only in an advisory capacity.

Packaging Machinery Manufacturers Institute: Packaging machinery manufacturers are about one step removed from this whole situation, and it is our opinion that if an industry panel is in order such a panel should come from specific sections of the packaging industries rather than from ours. Our members would be delighted to do anything they can to assist the actual packagers in connection with this problem.

Association of Industrial Advertisers: We would like to see a prominent user as chairman of the panel, indicating industry's strong interest and willingness to do its part but, of course, many of the members would probably be from the fields of the designer, the machinery manufacturer, and even the agency.

The association executives were also asked just what such a panel should do; how strong it should be; whether it should lobby; whether it should inform.

JUST INFORMATION

The consensus of the respondents is well represented by the reply of the Package Designers Council spokesman: "This panel should conduct a public information program to inform the consumer of the efforts being made, to create an awareness that industry is honest, and thereby counteract some of the misinformation that came out of the newspaper reports of the Senate hearings. And this effort should begin quickly—the quicker the better.

"The group should not be a lobbying organization at all—if lobbying is necessary it should be outside the framework of this industry panel. There should be nothing to detract from the image of this panel as a helpful, knowledgeable group of experts whose sole purpose is to assist in legislation evaluation and standards of control."

The overwhelming consensus of the association executives interviewed—each within his own sphere of interest—is that such a panel would be useful and is needed. Such being the case, it seems only logical to take the next step and begin establishment of the panel. As an initial step, the editors of Packaging volunteer to serve as a clearinghouse and central address until something more permanent can be established. If you agree that such a panel should be formed, if you are interested in serving on it or cooperating in it, write the editors, Packaging, 6 North Michigan Avenue, Chicago, Ill.

AN EDITORIAL

It is the editorial opinion of this magazine that, since legislation on packaging and labeling practices will certainly be written, packagers should be heard more extensively than to date. They should, further, be in a position to advise on legislation and on standards of control.

It is also the editorial opinion of this magazine that packaging legislation, when written, should be written vertically. That is, legislation should be different for frozen foods than for snack foods, since the packaging problems in these two industries are so different.

Finally, it is the editorial opinion of this magazine that an industrywide panel should be created. The executive committee of this panel should consist of three permanent members—one representing management interests, one representing technical and production interests, and one representing graphic design. This permanent membership should be supplemented by representatives of the industry or industries being considered for legislation at any given time, plus the packaging suppliers to these industries.

Without such a panel, in the opinion of this magazine, positive and helpful legislation cannot be written. Indeed, it is distinctly possible that without such a panel such legislation as written might be extremely detrimental to our American consumer marketing system and to our free enterprise economy.

FURTHER AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961 as amended, and for other purposes, which was to strike out all after the enacting clause and insert:

That this Act may be cited as the "Foreign Assistance Act of 1962".

PART I—ACT FOR INTERNATIONAL DEVELOPMENT OF 1961

Chapter 1—Short title and policy

SEC. 101. (a) The fifth paragraph of section 102 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting in the fifth paragraph, immediately after "religion.", the following: "The Congress further declares that any attempt by foreign nations to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access or in the exercise of any other rights available to American citizens, or the use by any foreign nation of assistance made available by the United States to carry out any program or activity of such nation in the course of which discrimination is practiced against any citizen of the United States by reason of his race, color, or religion is repugnant to our principles; and in all negotiations with any foreign nation with respect to any funds appropriated under authority of this Act, these principles shall be applied. The Secretary of State shall report annually on the measures taken to apply the principles stated above."

(b) Such section is further amended by inserting after the seventh paragraph the following:

"It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act."

The Congress further declares that in the administration of programs of assistance under this Act, the highest practicable emphasis should be given to: programs providing for loans or loan guarantees for use by institutions and organizations in making repayable low-interest rate loans to individuals in friendly foreign countries for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, purchase of tools or equipment needed by individuals for carrying on an occupation or a trade, or financing the opportunity for individuals to obtain practical education in vocational and occupational skills, and to those programs of technical assistance and development which will assist in carrying out and in preparing a favorable environment for such programs. While recognizing that special requirements, differing development needs and political conditions in various assisted countries will affect the priority of such programs and of each country's relative ability to implement them, it is further the sense of Congress that each such assisted country should be encouraged to give adequate recognition to such needs of the people in the preparation of national development programs.

Chapter 2—Development assistance

Title I—Development Loan Fund

SEC. 102. Section 201 of the Foreign Assistance Act of 1961, as amended, which relates to general authority with respect to development loans, is amended by adding at the end thereof the following:

"(e) In carrying out this title, the President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans."

Title II—Development Grants and Technical Cooperation

SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is amended as follows:

(a) In section 211, which relates to general authority, add a new subsection (c) as follows:

"(c) Not to exceed $1,000,000 of the funds made available for the purposes of this section in any fiscal year may be used for programs designed to promote the peaceful uses of atomic energy outside the United States and such programs may be carried out only in accordance with the requirements of this section."

(b) In section 212, which relates to authorization, strike out "1962" and "$380,000,000" and substitute "1963" and "$300,000,000", respectively.

(c) Strike out section 213, which relates to atoms for peace.

Title III—Investment Guaranties

SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is amended as follows:

(a) Amend section 221(b), which relates to general authority, as follows:

(1) In paragraph (1) strike out "$1,000,000,000" in the proviso and substitute "$1,300,000,000".

(2) In paragraph (2) strike out "of not to exceed 75 per centum of any investment" and substitute "in whole or in part of any loan investment for housing projects or assuring against loss of not to exceed 75 per centum of any other investment,", and strike out "$90,000,000" in the third proviso and substitute "$180,000,000".

(b) Amend section 222, which relates to general provisions, as follows:

(1) In subsection (d) insert ", and out of funds made available pursuant to this title" before the period.

(2) Add the following new subsection (f):

"(f) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title."

(c) Amend section 224, which relates to housing projects in Latin American countries, as follows:

(1) In subsection (b) strike out "$10,000,000" in the second sentence and substitute "$60,000,000".

(2) In subsection (c) strike out "and (e)" and substitute "(e), and (f)".

Title IV—Surveys of Investment Opportunities

SEC. 104. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out "1962" and "$5,000,000" and substituting "1963" and "$1,500,000", respectively.

Alliance for Progress

SEC. 105. Chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development assistance, is amended by adding at the end a new title VI, as follows:

"Title VI—Alliance for Progress

"SEC. 251. GENERAL AUTHORITY.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. It is further the sense of Congress that vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and to adopt reform measures to spread the benefits of economic progress among the people are essential to the success of the Alliance for Progress and to continued significant United States assistance thereunder. The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

"(b) Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance under this title, the President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este and, in particular, the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economic and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contributions to realizable long-range objectives; and (4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved. In making loans under this title from funds which are required to be used for loans payable as to principal and interest in United States dollars, the President shall take into account, in addition to the considerations named in the preceding sentence, whether financing could be obtained in whole or in part from other free world sources on reasonable terms. The provisions of sections 201(d), 202(b), 202(c), and 204 shall be applicable to such loans, and they shall be made only upon a finding of reasonable prospects of repayment.

"(c) The authority of section 614(a) may not be used to waive the requirements of this title with respect to funds made available for this title which are required to be used for loans payable as to principal and interest in United States dollars, and the authority of section 610 may be used to transfer such funds only to funds made available for title I of chapter 2 of part I.

"(d) In order to carry out the policies of this Act and the purpose of this title, the President shall, when requested by a friendly country and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to insuring a wider and more equitable distribution of the ownership of land.

"(e) The President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.

"SEC. 252. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, for use beginning in each of the fiscal years 1963 through 1966, not to exceed $600,000,000 for each such fiscal year which sums are authorized to remain available until expended and which, except for not to exceed $100,000,000 of the funds appropriated pursuant to this section for use beginning in fiscal year 1963, shall be available only for loans payable as to principal and interest in United States dollars. In presenting requests to the Congress for authorizations for appropriations for fiscal years 1964 through 1966 to carry out other programs under this Act, the President shall also present the program proposed to be carried out from funds appropriated pursuant to the authorization contained in this section for the respective fiscal year.

"SEC. 253. FISCAL PROVISIONS.—All receipts in United States dollars from loans made under this title and from loans made for the benefit of countries and areas of Latin America under title I of chapter 2 of part I of this Act, notwithstanding section 203, shall be available for use for loans payable as to principal and interest in United States dollars in furtherance of the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended."

Chapter 3—International organizations and programs

SEC. 106. (a) Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended by striking out "1962" and "$153,500,000" and substituting "1963" and "$148,900,000", respectively.

(b) Such section 302 is further amended by adding at the end thereof the following: "None of the funds appropriated pursuant to this section or any other law shall be used for the purpose of making any loans or grants to the United Nations (except for payment by the United States of its assessed share of the expenses of that Organization), or for the purchase of any bonds or other certificates of indebtedness of the United Nations, until such time as all members of the United Nations have paid in full their share of the expenses of that Organization, including their share of the expenses of United Nations operations in the Congo and the Gaza strip."

Chapter 4—Supporting assistance

SEC. 107. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out "1962" and "$465,000,000" and substituting "1963" and "$440,000,000", respectively.

Chapter 5—Contingency fund

SEC. 108. Section 451 of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended as follows:

(a) Amend subsection (a) by striking out "1962" and "$300,000,000" and substituting "1963" and "$275,000,000", respectively.

(b) Amend subsection (b) by striking out "keep" and substituting "provide quarterly reports to" and by striking out "currently informed of the use" and substituting "on the programing and the obligation".

Chapter 6—Assistance to agrarian economies

SEC. 109. Section 461 of the Foreign Assistance Act of 1961, as amended, which relates to assistance to countries having agrarian economies, is amended by adding at the end thereof the following: "In such country emphasis shall be placed also upon programs of community development which will promote stable and responsible governmental institutions at the local level."

PART II—INTERNATIONAL PEACE AND SECURITY ACT OF 1961

Chapter 2—Military assistance

SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance is amended as follows:

(a) In section 506, which relates to conditions of eligibility, add the following new subsection:

"(c) Any country which hereafter uses defense articles or defense services furnished such country under this Act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance Act where such use is in violation of the provisions of this chapter or any agreements entered into pursuant to any of such Acts shall be immediately ineligible for further assistance."

(b) In section 507(a), which relates to sales, insert "not less than" before "the value" in the first sentence.

(c) In section 507(b), add a new sentence to read as follows: "No sales of unclassified defense articles shall be made to the government of any economically developed nation under the provisions of this subsection unless such articles are not generally available for purchase by such nations from commercial sources in the United States: *Provided, however,* That the Secretary of Defense may waive the provisions of this sentence when he determines that the waiver of such provisions is in the national interest."

(d) In section 510(a), which relates to special authority, strike out "1962" in the first and second sentences and substitute "1963".

PART III

Chapter 1—General provisions

SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

(a) In section 611(a), which relates to completion of plans and cost estimates, strike out "and II" and substitute ", II, and VI".

(b) Strike out section 618, which relates to economic assistance to Latin America, and substitute a new section 618 as follows:

"SEC. 618. USE OF SETTLEMENT RECEIPTS.—United States dollars directly paid to the United States under the Agreement Between the United States of America and Japan Regarding the Settlement of Postwar Economic Assistance to Japan may be appropriated or otherwise made available to the President in any appropriation Act, within the limitations of part I of this Act, to carry out the provisions of that part."

(c) In section 620(a), which relates to prohibitions against furnishing assistance to Cuba, amend the first sentence to read as follows: "No assistance shall be furnished under this Act to the present government of Cuba, or to any country which furnishes assistance to the present government of Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States."

(d) In section 620(c), which relates to prohibitions against furnishing assistance to governments indebted to American citizens, insert "or ordered" after "furnished", insert "either" after "remedies and", and immediately before the period of the end thereof insert "or indebtedness arises under an unconditional guaranty of payment given by such government or any predecessor government".

(e) In section 620, which relates to restrictions on assistance to certain countries, add the following new subsection:

"(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

"(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

"(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps to discharge its obligations toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

"(f) No assistance shall be furnished under this Act, as amended, to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase 'Communist country' shall include specifically, but not be limited to, the following countries:

"Peoples Republic of Albania,
"Peoples Republic of Bulgaria,
"Peoples Republic of China,
"Czechoslovak Socialist Republic,
"German Democratic Republic (East Germany),
"Estonia,
"Hungarian Peoples Republic,
"Latvia,
"Lithuania,
"North Korean Peoples Republic,
"North Vietnam,
"Outer Mongolia-Mongolian Peoples Republic,
"Polish Peoples Republic,
"Rumanian Peoples Republic,
"Tibet,
"Federal Peoples Republic of Yugoslavia,
"Cuba, and
"Union of Soviet Socialist Republics.

"(g) Notwithstanding any other provision of law, no monetary assistance shall be made available under this Act to any government or political subdivision or agency of such government which will be used to compensate owners for expropriated or nationalized property and, upon finding by the Administrator that such funds have been diverted by any government for such purpose, no further assistance under this Act shall be furnished to such government until appropriate reimbursement is made to the United States for sums so diverted.

"(h) The President shall adopt regulations and establish procedures to insure that the United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries."

Chapter 2—Administrative provisions

SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

(a) In section 621, which relates to exercise of functions, delete "(a)" and strike out subsections (b), (c), (d), and (e).

(b) Amend section 624, which relates to statutory officers, by striking out subsection (d) and redesignating subsection (e) as subsection "(d)", inserting in paragraph 2(A) of redesignated subsection (d) ", and programs being conducted by United States Government agencies under Public Law 86-735," after "Peace Corps", and inserting in paragraphs (5) and (7) of redesignated subsection (d) ", and Public Law 86-735" after "part II of this Act".

(c) Amend section 625, which relates to employment of personnel, as follows:

(1) In subsection (b) strike out "seventy-six" in the first sentence and substitute "one hundred".

(2) In subsection (d) add the following proviso before the period at the end of paragraph (2): ": *Provided further*, That, whenever the President determines it to be important for the purposes of this Act, the President may initially assign personnel under this paragraph for duty within the United States for a period not to exceed two years for the purpose of preparation for assignment outside the United States; however, the authority contained in this proviso may not be exercised with respect to more than thirty persons in the aggregate."

(3) Amend subsection (f) to read as follows:

"(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act with respect to specific projects shall be deemed to be obligated for the services of personnel employed by agencies of the United States Government (other than the agencies primarily responsible for administering part I or part II of this Act) as well as personnel not employed by the United States Government."

(d) In section 629(b), which relates to status of personnel detailed, strike out "624(e)" in the first sentence and substitute "624(d)".

(e) In section 634(a), which relates to reports and information, insert the following before the period at the end of the second sentence: "and on progress under the freedom of navigation and nondiscrimination declaration contained in section 102".

(f)(1) In section 634(d), which relates to reports and information, strike out "In January of each year" and "preceding twelve months" in the first sentence and substitute "At the end of each fiscal year" and "fiscal year" respectively.

(2) After the first sentence of such section 634(d) insert the following: "There shall also be included in the presentation material submitted to the Congress during its consideration of amendments to this Act, or of any Act appropriating funds pursuant to authorizations contained in this Act, a comparison of the current fiscal year programs and activities with those presented to the Congress in the previous year and an explanation of any changes."

(g) In section 635(h), which relates to general authorities, strike out "and V" and substitute ", V, and VI" and strike out "made".

(h) In section 637(a), which relates to administrative expenses, strike out "1962" and substitute "1963".

Chapter 3—Miscellaneous provisions

SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended as follows:

(a) Section 643, which relates to saving provisions, is amended by striking out subsection (d).

(b) Section 644(m), which relates to definitions, is amended by striking out "as grant assistance" in subparagraphs (2) and (3).

(c) Section 645, which relates to unexpended balances, is amended by inserting "this Act or" after "pursuant to".

PART IV—AMENDMENTS TO OTHER LAWS

SEC. 401. Part IV of the Foreign Assistance Act of 1961, as amended, is repealed, which repeal shall not be deemed to affect amendments contained in such part.

SEC. 402. Section 2 of the Act of August 1, 1956 (70 Stat. 890), as amended, is further amended by adding after paragraph (a) the following new paragraph:

"(b) for the purpose of promoting and maintaining friendly relations with foreign countries through the prompt settlement of certain claims, settle and pay any meritorious claim against the United States which is presented by a government of a foreign country for damage to or loss of real or personal property of, or personal injury to or death of, any national of such foreign country: *Provided*, That such claim is not cognizable under any other statute or international agreement of the United States and can be settled for not more than $15,000 or the foreign currency equivalent thereof."

Mr. SPARKMAN. Mr. President, I move that the Senate disagree to the amendment of the House to S. 2996, to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, agree to the conference asked by the House, and that the conferees on the part of the Senate be named by the Chair.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to; and the Chair appointed Mr. FULBRIGHT, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. WILEY, Mr. HICKENLOOPER, and Mr. AIKEN conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum be not charged to either side.

The VICE PRESIDENT. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF TIME FOR THE HOLDING OF THE 1963 WHEAT MARKETING QUOTA REFERENDUM

The Chair laid before the Senate the joint resolution (H.J. Res. 809) to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963, which was read twice by its title.

The VICE PRESIDENT. The joint resolution is before the Senate and open to amendment.

Mr. ELLENDER. Mr. President, the joint resolution would extend the time for holding the 1963 wheat marketing quota referendum. Under existing law it must be held between the date of issuance of the marketing quota proclamation and July 25. Under the joint resolution it could be held at any time up to and including August 31.

Congress has twice extended the time for proclaiming the 1963 marketing quota, which was proclaimed on June 26. On June 11, the Senate also voted to extend the time for holding the referendum until as late as August 25. This provision of Senate Joint Resolution 198, however, was stricken out by the House, and the Senate subsequently agreed to the House amendment. On two occasions in past years the time for holding the referendum has been extended—to as late as August 15 in the case of the 1954 crop, and as late as August 26 in the case of the 1962 crop.

The Senate has passed legislation making changes in the wheat marketing quota law. That legislation has not been acted upon by the House. It now appears that the Senate bill may not be considered by the House. However, it is now July 12. If the referendum is held before July 25, there will have to be a rush job to get the allotments to the farmers before they vote. There will not be time for adequate consideration by the farmers. In order that the 1.8 million allotments may be issued in an orderly fashion and still provide the farmer with some time to make up his mind in the light of his allotment and the current legislative situation, the time for the referendum should be extended.

The House has alread acted upon the joint resolution favorably.

I have discussed the matter with the distinguished Senator from North Dakota [Mr. YOUNG] and other members of the Committee on Agriculture and Forestry, and there is no objection to considering the joint resolution at this time.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, was read the third time, and passed.

THE FACILITATION OF SALE AND DISPOSAL OF EXTRA LONG STAPLE COTTON

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1683, H.R. 10595.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 10595) to facilitate the sale and disposal of Government stocks of extra long staple cotton.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, the bill has been reported unanimously by the Committee on Agriculture and Forestry and has been passed by the House. The proposal has the full approval of the agencies of Government. I ask that the Senate approve it.

I ask unanimous consent that pertinent portions of the committee report describing the purposes of the bill be made a part of the RECORD.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

> This bill provides for disposition of all extra-long-staple cotton in the strategic stockpile. The cotton would be transferred to the Commodity Credit Corporation, which would sell the domestic cotton (about 47,000 bales) only for unrestricted use at not less than 115 percent of the current support price plus reasonable carrying charges, and the foreign cotton (about 172,000 bales) only for export at not less than the world price. Foreign cotton could be disposed of under Public Law 480, 83d Congress, and quantities to be disposed of through commercial and Public Law 480 sales of foreign cotton would be announced periodically by the Secretary of Agriculture.
>
> The domestic cotton, while held by Commodity Credit Corporation, and the foreign cotton at all times would be excluded from marketing quota determinations. (Thus none of the cotton while held by Commodity Credit Corporation would be included in the carryover to reduce the national marketing quota, and exports of foreign cotton would not be included in normal supply to increase the quota, but consumption and exports of domestic cotton would be included in normal supply in the same manner as other domestice cotton). Net proceeds would be covered into the Treasury as miscellaneous receipts.
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> The committee also had before it a similar Senate bill, S. 2955. The Department of State, Office of Emergency Planning, and General Services Administration reported favorably on S. 2955, with amendments, most of which have since been included in H.R. 10595. The Department of Agriculture's report, which was received after passage of H.R. 10595 by the House of Representatives, recommended amendment of S. 2955 to conform to H.R. 10595, and the committee was advised that all agencies concerned favor H.R. 10595 as passed by the House. Hearings were held by the Committee on Agriculture and Forestry on June 28, and all witnesses favored passage of the bill without amendment.
>
> It will be noted that in his letter of March 30, the Acting Director of the Office of Emergency Planning recommended an amendment which would have required the concurrence of other interested Government departments or agencies in the determination and announcement by the Secretary of Agriculture of disposal quotas. The House of Representatives, after careful consideration of this amendment, determined that such concurrence should not be required, and the Department of Agriculture in its letter of June 5, with Budget Bureau approval, recommended an amendment similar to that proposed by the Acting Director of the Office of Emergency Planning, but omitting the requirement with respect to concurrence by other Government agencies. The Department of Agriculture would, of course, be aware of the interests of other agencies and would take such action as was deemed to be in the best interest of this Government.
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> ### BACKGROUND AND HISTORY
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> During the Korean hostilities, in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act (Public Law 79–520), the Munitions Board in the Department of Defense determined that extra-long-staple cotton should be a stockpile material and a stockpile objective for this cotton was established. As a result of these decisions, the Government in the next few years acquired 269,000 bales of extra-long-staple cotton. (In this report, the bales are counted as 500-pound bales rather than as running bales.) The decision to stockpile extra-long-staple cotton was made because military needs could not adequately be provided from domestic production and because the experience in meeting military needs arising in connection with the Korean hostilities had indicated a dangerous, costly dependence upon certain foreign sources of supply. The essential military needs for extra-long-staple cotton were in the form of cordage and webbing, shoelaces, sewing thread, and fine-count military fibers, all of which, at that time, could not be made of other available fibers.
>
> Since the stockpile was established, two significant changes have arisen. First, the domestic producing industry has become firmly established. As a consequence, the United States possesses a strong domestic production capability which could be substantially expanded to meet increased needs in the event of hostilities. Second, the development of new fibers and fabrics provided a number of substitute materials, which could meet many of the needs previously supplied exclusively by extra-long-staple cotton.
>
> Therefore, on March 13, 1957, the Director of the Office of Defense Mobilization, predecessor agency to the Office of Emergency

Planning, determined that there was no longer a need to stockpile extra-long-staple cotton for national security purposes. Later that year, Public Law 85–96 was passed authorizing sale of 50,000 bales from the stockpile. In August 1957, the General Services Administration published in the Federal Register and submitted to the Congress a disposal plan for the remaining 219,000 bales. That plan has not been acted upon by either the House or the Senate Committees on Armed Services. This proposed legislation would accomplish the disposal of these remaining bales of extra-long-staple cotton and so would supplant that pending disposal plan.

In March 1961, President Kennedy urged that surplus Government-owned materials be used in connection with the revised foreign aid program. In endeavoring to utilize the unneeded extra long staple cotton removed from the stockpile by Public Law 85–96 for this program, it became apparent that a number of laws made such use difficult, if not undesirable. Accordingly, over a period of several months, staffs from the executive and legislative branches of the Government worked with representatives of the industry in developing a comprehensive disposal program which could overcome the several obstacles while protecting the public interest. The use of Public Law 480 and the provisions relating to annual marketing quotas are two important provisions of this disposal program. When in December it was apparent that an effective disposal program could be agreed upon, the Director of the Office of Emergency Planning authorized the development of the disposal plan. H.R. 10595 is based upon these joint efforts and is consistent with the general disposal plan on which all parties have been working.

The 219,000 bales of extra-long-staple cotton to be covered by this legislation represent substantial continuing costs to the Government. For example: Present annual storage costs alone total about $554,000. In the past 5 years, it has cost about $2,770,000 to store this cotton. These costs do not include the cost for the 50,000 bales of cotton which was authorized to be sold under Public Law 85–96.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

THE J. EDGAR HOOVER MEDAL AWARD TO CALIFORNIAN

Mr. KUCHEL. Mr. President, J. Edgar Hoover, Director of the FBI for the last 38 years, in speaking of the law-enforcement profession, has said:

> Law enforcement is a career service. Each officer should dedicate his life to the service and protection of others. A successful police officer must put aside his personal opinions in the line of duty, renounce pursuit of wealth, and seek only the highest good for the organization he represents so that the community may live in peace and security. The badge of a law-enforcement officer is a sacred trust which must be guarded with his whole mind and his whole body, for it is his to hold only while he lives a life beyond all reproach and censure.

Guided by this fundamental belief in the need for dignity and higher standards in his chosen profession, Mr. Hoover, in July 1935, established the FBI National Academy, which has trained over 4,100 police officers throughout the Nation and in several foreign countries in the latest methods and trends in crime detection and investigative procedure.

This highly specialized training has qualified many of these men for top-level administrative positions in their own departments, or for service as instructors to further spread throughout law enforcement their hard-earned knowledge.

The FBI National Academy today stands as a tribute to J. Edgar Hoover, the men and women of the FBI, and to the entire law enforcement profession; for this Academy has been most instrumental in forging the finest cooperative law-enforcement network in the world. It has built this strong network of local, county, State, and Federal agencies through intangible ties of mutual respect and appreciation for the place each holds in the American way of life and the desire to strengthen that way of life by constantly keeping the full resources of each ready to assist the other. Each needs the other. Each has something different and valuable to offer.

Throughout the State of California, there are many highly skilled police officers who have been graduated from the FBI National Academy and California is proud of each and every one of them. Particularly, however, are we proud of our most recent graduate of the 69th session of the FBI National Academy. I am speaking of Lt. William Nethercott Stahr, of the Berkeley, Calif., Police Department, who received his diploma at ceremonies here in Washington on June 6 of this year. Lieutenant Stahr is 43 years of age and has been a member of the Berkeley Police Department since January 1941. As a lieutenant in that police department, he serves as the administative assistant to his chief of police. Lieutenant Stahr is a 1940 graduate of the University of California at Berkeley, from which he received a bachelor of science degree. Lieutenant Stahr is a career law-enforcement officer, devoted to his wife and three children.

California's extreme pride in Lieutenant Stahr stems from the outstanding record he compiled during his attendance at the FBI National Academy. From 80 of the top law enforcement officers of this country and the Philippines, Lieutenant Stahr emerged the leader. He earned the respect of his class members and his instructors through his conscientious devotion to his profession and his quick and ready comprehension of the difficult assignments given to him. As a result of his efforts, Lieutenant Stahr was chosen to receive the "John Edgar Hoover Medal for Excellence in the Study of Law Enforcement." This medal was presented to Lieutenant Stahr by the FBI Director in special ceremonies in his office the day prior to Lieutenant Stahr's graduation.

For their outstanding service to law enforcement and to their country, California salutes the FBI National Academy and Lt. William Nethercott Stahr of the Berkeley, Calif., Police Department.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. BUSH. Mr. President, I wish to modify my amendments as follows:

On page 6, line 16, strike out "for a period not less than twelve months in duration,".

On page 18, between lines 5 and 6, insert the following:

> EFFECTIVE DATE OF HEALTH PROTECTION BENEFITS
>
> Section 208 health insurance protection supplement provided under title XVII of the Social Security Act or under section 21 of the Railroad Retirement Act of 1937 shall be payable only with respect to months after June, 1963.

On page 18, after the matter describing the contents of section 207 of the bill, add the following:

> Section 208. Effective date of health protection benefits.

Mr. President, I deplore the procedure and circumstances under which the Senate is considering one of the gravest social issues of our times, the problem of financing adequate health care for our senior citizens.

I deplore the procedure because it bypasses the House Committee on Ways and Means and the Senate Committee on Finance, the two committees in the respective Houses of Congress which are responsible for considering such proposed legislation.

Without the benefit of careful committee consideration and of an analytical committee report, the Senate is considering one of the most technical and intricate pieces of proposed legislation to come before Congress. This is no way for a responsible legislative body to proceed.

I deplore the circumstances because this question has been brought before the Senate not with the intention that Congress will enact at this session meaningful legislation which will provide needed help for the aged, but with the intention of creating a political issue for the fall elections. I doubt that there is any Senator who believes in his heart that if amendments dealing with health care for the aged are adopted by the Senate as a rider to the pending bill, H.R. 10606, such amendments have a ghost of a chance of being adopted in the other body.

This is too serious a problem and too important in terms of the welfare of elderly people to be made a political football, but that, I believe, is what has been done by the deliberate choice of the leadership of the Democratic Party.

Nevertheless, and because it faces us, I believe this proposal offers us an opportunity for a discussion of the various proposals which have been made, under which the Federal Government could assist elderly people to meet the costs imposed by illness.

It seems to me that a question of need is involved, and I believe there is a need for Federal action in this field which extends beyond the Kerr-Mills legislation, which I supported and which was enacted in the last Congress. The social security system provides an acceptable method of financing such a Federal program. Let me outline the reasoning behind this conclusion.

Men who are now 65 years of age can expect to live into the seventies. Women who are now 65 years of age can expect to live into the eighties.

The financial problems of the elderly are difficult. Half of the people over 65 years of age have incomes of less than $1,000 a year. Three-fourths of them have incomes of less than $2,000 a year. Eighty-seven percent have incomes of less than $3,000. Sixty percent have total assets of less than $10,000. Forty percent have assets below $5,000.

Medical costs for the elderly are higher than for the rest of the population, and the elderly are poorly protected against them. Almost half of those who are 65 years of age and over have no prepaid health insurance. Of those who have some form of insurance, one-fifth have less than 75 percent of their hospital bills covered. These may be dull statistics, but they explain why the greatest fear of the elderly is that they will be stricken with catastrophic illness, requiring expensive medical and surgical treatment and long periods in a hospital or nursing home. It is clear that a serious social problem confronts society, one for which a solution must be found.

In my judgment, legislation in this field will not be enacted this year. However, this debate may lay the foundation for the enactment of legislation by a future Congress which will provide a sound method of meeting the serious problem of financing health care for the aged.

For this reason, I have called up my amendments in the nature of a substitute for the amendments proposed by the distinguished junior Senator from New Mexico [Mr. ANDERSON], the distinguished senior Senator from New York [Mr. JAVITS], and other Senators. My amendments provide that persons 65 years of age or over who are eligible to receive either social security or railroad retirement benefits may receive a monthly insurance supplement of up to $9 for the purchase of voluntary health insurance. The receipt of such supplementary payments would require a certification of the purchase of such insurance, and the insurance would be financed by an increase in the social security and the railroad retirement tax.

The benefits would be provided under any kind of insurance policy the insured desires to purchase, provided the policy was guaranteed renewable and noncancelable and is offered by a carrier which is under the jurisdiction of a State regulatory body.

In other words, a member of the social security system who would be eligible for the additional coverage might purchase any kind of policy he chose for health care in an open, free, and competitive market.

In several respects, the Anderson-Javits proposal is an improvement over the plan offered by the Kennedy administration—the so-called King-Anderson bill. I commend those Senators for their accomplishment in producing this compromise. However, I cannot support the Anderson-Javits proposal because it contains some of the fatal defects of the administration bill, which it replaces. Among the defects are, first, that benefits are to be provided in services instead of dollars. There are no reliable and accurate estimates of future costs. Costs have been estimated by the administration at an annual rate of $1,200 million. Competent insurance actuaries have estimated the costs to be $2,500 million. A reliable estimate made by the New York Board of Trade is that the costs might be as high as $4 billion or more. Using statistics from the National Health Survey of 1957 and 1958, the New York Board of Trade concluded that if H.R. 4022, the King-Anderson bill, had been in effect in 1960, the hospital costs would have been $4,300 million, roughly four times the estimate of the Department of Health, Education, and Welfare; and other estimates support this conclusion.

Moreover, eligible beneficiaries would be given no freedom of choice under the pending measure. Under the revised Anderson-Javits proposal, there would be no freedom of choice. The Anderson-Javits proposal is limited essentially to hospital and nursing home care. Such care represents less than 25 percent of all medical costs which confront elderly people. My authority for this information is a statement made by Representative THOMAS CURTIS of Missouri, which appears in the CONGRESSIONAL RECORD of March 6, 1962.

My proposal avoids these defects. My proposal is a fiscally responsible pay-as-you-go plan, with benefits paid in dollars, in amounts not exceeding the funds raised by an increase in the social security tax. Each beneficiary will have complete freedom to choose the kind of health insurance protection best suited to his individual needs, from the wide range of plans now offered by the Blue Cross, the Blue Shield, the mutual insurance companies, the commercial insurance companies, or plans underwritten by employee organizations. The Federal Government would pay up to $9 a month, or $108 a year, to help meet the cost of such protection. That money would be used to buy, in the free competitive market, insurance policies available from insurance associations and insurance companies, under competent State direction.

In recent years, there has been a major breakthrough in solving the problem of providing health insurance protection for the aged. One of the more outstanding programs in this field has been provided by Connecticut 65 extended health insurance, which now protects approximately 26,000 persons aged 65 or over in my State. It makes major medical insurance available, without physical examination, to individual elderly residents of the State, and is underwritten by 32 insurance companies authorized to write insurance in the State of Connecticut.

Mr. President, at this time I wish to refer, for the record, to certain options and basic benefits available under the Connecticut 65 plan. For instance, an applicant has a choice of four optional plans.

Option 1 costs $10 a month, and provides a lifetime major medical benefit of $10,000, of which not more than $5,000 may be used in a single year.

Option 2 costs $7.50 a month, and provides a lifetime benefit limit of $5,000, with a $2,500 limit in a single year.

Option 3 costs $17 a month, and provides a $10,000 major medical benefit, plus a plan of basic hospital and surgical benefits.

And option 4 costs $14.50 a month, and provides the $5,000 major medical benefit, plus a plan of basic hospital and surgical benefits.

The basic hospital and surgical benefits of options 3 and 4 are designed to complement the major medical benefits, and will be available only to those who do not have other basic benefits. The basic hospital and surgical benefits of options 3 and 4 will pay hospital room and board charges up to $12 a day, for a maximum of 31 days in each calendar year, and other hospital charges up to $125 per calendar year, and surgical charges up to the maximum under a schedule of surgical procedures, with a maximum benefit of $360 in any one year.

So, Mr. President, from my brief outline of these optional plans, it can be seen that quite a variety of insurance is available today, and also insurance policies can be bought in the open market, for the aged, without physical examination; and they do provide coverage for surgical expenses and doctors' fees.

I may say I have discussed this plan with various doctors. Of course, there have not been any hearings on this amendment; and this is one of the things about this procedure that I do not like at all. But doctors who have been violently opposed to the so-called King-Anderson approach are not opposed to this amendment, because the members of the social security system would be given cash with which to buy this insurance; and the medical profession is one which has promoted and benefited substantially by the development of insurance organizations, such as the Blue Cross, the Blue Shield, and so forth.

So I do not believe we run into any conflict here with the medical profession, although of course its members should have a chance to be heard.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a description of the Connecticut 65 plan.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

I. SUMMARY OF THE PLAN

Connecticut 65 is the short name for Connecticut 65 extended health insurance. Its purpose is to make major medical insurance available without physical examination to individual elderly residents of the State. It is underwritten by 32 insurance companies authorized to write health insurance in the State of Connecticut. It is marketed through a voluntary unincorporated association called Associated Connecticut Health Insurance Companies, which originally consisted of 10 Connecticut-domiciled companies which were joined by 22 others domiciled elsewhere but writing health insurance in Connecticut. Coverage is provided under a policy issued to a trustee bank, and is available to Connecticut residents age 65 or over. However, a Connecticut resident who moves away can maintain his coverage if he keeps up the premium. If one spouse is eligible and elects the coverage, the other is also eligible if not less than 55 years old and not working more than 30 hours a week. Coverage is available without physical examination or health questions, but to be eligible an applicant must not have been confined in a general, special or convalescent hospital during the 31 days prior to his enrollment.

Much thought and study was given to the plan of benefits to be offered. Not only was the experience of the companies used for this purpose, but valuable suggestions were received from medical society officials and others.

The applicant has a choice of four optional plans:

Option 1 costs $10 a month and provides a lifetime major medical benefit limit of $10,000, of which no more than $5,000 may be used in a single year.

Option 2 costs $7.50 a month and provides a lifetime benefit limit of $5,000, with a $2,500 limit in a single year.

Option 3 costs $17 a month and provides the $10,000 major medical plus a plan of basic hospital and surgical benefits.

Option 4 costs $14.50 a month and provides the $5,000 major medical plus a plan of basic hospital and surgical benefits.

The basic hospital and surgical benefits of options 3 and 4 are designed to complement the major medical benefits and to be available only to those who do not have other basic benefits.

Basic benefits

The basic hospital-surgical benefits of options 3 and 4 pay: hospital room and board charges up to $12 a day for a maximum of 31 days in each calendar year; other hospital charges up to $125 per calendar year; surgical charges up to the maximum under a schedule or surgical procedures with a maximum benefit of $360 in any one year.

Major medical benefits

The major medical benefits contain a deductible which is applied on a calendar-year basis. The deductible is a variable sum consisting of $100 plus the amount of benefits provided under Connecticut 65 basic, whether the insured had Connecticut 65 basic or not.

Major medical expenses are classified into type I and type II. Type I expenses are hospital expenses; type II expenses are covered medical expenses other than hospital expenses. After the deductible, the plan pays 100 percent of all type I covered expenses up to $250, and then 80 percent of the remainder. It pays 80 percent of the type II covered expenses.

Type I expenses, under the $10,000 plan (options 1 and 3), are hospital room and board charges up to $18 per day and charges for other hospital services and supplies; or, after 5 days in a general or special hospital, room and board in a convalescent hospital up to $10 a day, for as long as 90 days in a year.

Type II expenses under the same options include surgical fees up to $1\frac{2}{3}$ times the amount shown on the basic schedule; anesthesia fees up to 20 percent of the surgical fee allowance; charges for nursing by registered nurses in or out of the hospital up to $18 per day; doctors' calls up to $6; and the usual range of drugs, diagnostic services, and other medical services and supplies.

Under the lower $5,000 major medical plan, the specified limits on type I and type II expenses are somewhat less, but the principle is the same. For example, the limit on hospital room and board is $15 a day.

Detailed examples of how the benefits work out will be found on pages 8 to 10 of the "Answers to Your Questions" booklet in exhibit 8. A few examples will suffice. In one case, for total expenses of $1,587 for a heart attack, Connecticut 65 option 3 would have paid $1,216. In another case, for total expenses of $630 for gall-bladder removal, benefits would have been $530. In a third case, for total expenses of $2,587 for lung cancer, benefits would have been $2,022.

II. BRIEF CHRONOLOGY OF CONNECTICUT 65

One of the most extraordinary things about the Connecticut 65 plan is that the idea was not even in being 11 months before the beginning of the enrollment period on September 1, 1961. Between October 1, 1960, and September 1, 1961, the idea became crystallized; permissive legislation was requested and enacted; 32 health insurance companies were participating in a newly formed voluntary association; and an intensive promotion campaign was underway.

In September 1960 it was obvious that, while at least 3 out of every 4 of Connecticut's elderly population were covered for basic protection against health care costs, nevertheless, many were unable to obtain major medical insurance to protect them against the cost of catastrophic illness.

In the first weeks of October 1960 an ad hoc committee of representatives from five Hartford insurance companies convened, and a working committee of six began frequent sessions that still continue. It was the consensus that the Connecticut companies represented should explore thoroughly the possibility of meeting needs in the major medical area for those 65 and over. The ad hoc committee directed the "committee of six" to develop the entire program in detail and report back by the end of the year 1960.

In November and December 1960, drafts of the Connecticut 65 plan itself, the necessary legislation and the framework of a voluntary association had been completed, plus programs for all-important liaison with such as legislators, doctors, nursing homes, hospitals, agents of all lines, newspaper editors, social welfare authorities, etc. Drafting and redrafting of the basic documents continued for months.

In January 1961, the initial announcement of the plan was made and legislation was introduced in the 1961 session of the Connecticut General Assembly. Meetings were held with representatives of agents' associations.

In March, the proposal was presented to the Insurance Committee of the General Assembly in support of the permissive legislation. The Connecticut State Medical Society, the Connecticut Chamber of Commerce, the Connecticut Association of Insurance Agents, and the Connecticut Association of Life Underwriters all supported the bill at the hearing.

In April, the bill passed both houses of the general assembly. It was signed by the Governor on May 3, 1961, as Public Act 95 (exhibit 1). Also in May, 10 Connecticut companies accepted invitations to join the proposed Associated Connecticut Health Insurance Companies. Claims, policy forms, and promotion subcommittees were appointed, and an advertising agency and a direct-mail agency were retained.

In June and July 1961, the drafting and revision continued. The subscription agreement (exhibit 2) was signed by 10 Connecticut companies, which were soon joined in the next few months by 22 companies domiciled elsewhere but writing a substantial volume of health insurance in Connecticut. The policy forms and the enrollment booklet were filed with the Connecticut Insurance Department which was kept advised of developments.

The direct-mail campaign began August 18 and lasted until September 21. Education of agents through slide films and flipcharts was underway. During this period, an agreement was also executed with a trustee bank as policyholder of the Connecticut 65 plan.

III. PRESENTATION TO THE PUBLIC, AND RESULTS

Early in April 1961, a subcommittee on promotion was formed, whose first duty was to determine the budgetary needs of a campaign to market Connecticut 65.

It was determined that a budget of $190,000 was indicated, and, upon authorization of this amount by the executive committee of the association, two separate firms were employed; one, an expert specializing in newspaper, radio, and TV advertising; and another, specializing in direct-mail advertising.

The advertising program comprised a series of full-page and half-page ads in all Connecticut daily and Sunday newspapers beginning August 20, 10 days prior to the beginning of the enrollment period, and continuing through the month of September. During this same period, 337 spot announcements were made over 36 Connecticut radio stations and 33 spot announcements per week were aired over the 3 Connecticut TV outlets.

This program developed 12,805 inquiries, of which 2,034 were converted into enrollments. It also brought in 1,463 direct enrollments through enrollment coupons which were an integral part of the advertising copy. The value of this program cannot be measured only by the immediate results attributed to it, since the communication problem involved demanded a very widespread impact upon the entire Connecticut citizenry, whether part of the actual market for Connecticut 65 or not.

The direct mail program included promotions to agents, to employees and policyholders of the participating companies, and to people of influence in business, professional and civic circles. Heavy mailings were, of course, directed to two major prospect groups—those 65 and over and those 40 to 65, the latter representing the sons, daughters and others concerned in the welfare of their elders.

Agents received a comprehensive promotional kit which included enrollment forms, sales aids, instructions and reorder forms for all the materials furnished; 9,906 enrollments came in through agents.

Several of the large participating companies made mailings to their Connecticut employees and policyholders. Centers of influence mailings to doctors, lawyers, bankers, and State and municipal leaders included complete information about Connecticut 65 in booklets; 2,280 enrollments resulted from these combined activities.

A prospect mailing of 380,000 reached the primary market of those 65 and over and the secondary market of those 40 to 65.

As inquiries came in from these mailings and from the newspaper, radio and TV campaign, appropriate additional material was mailed to those inquiring, including enrollment forms. In all, some 600,000 pieces were mailed, developing 30,000 inquiries which resulted in 8,201 enrollments.

Backing up this intensive promotion was a continuous publicity campaign undertaken by the Insurance Information Office of Connecticut. This campaign started with newspaper releases in January 1961, when the original bill was introduced in the legislature, and continued through the legislative hearings. This was followed by pictures of the Governor signing the enabling bill into law, and news stories on all phases of the organization and progress of the program, including the final results.

The program was the subject of frequent favorable editorial comment in the Connecticut press. This was most welcome to the participating companies. The information office also arranged for many meetings with Connecticut State Agents' Associations, at which time the plan and the marketing program were presented graphically through liberal use of visual aids. These meetings were largely responsible for the interest and enthusiasm of the agents in endorsing and promoting the plan.

No opportunity for promotion was overlooked. The toll-free telephone number for inquiries at headquarters was Enterprise 6565. The appearance of the insurance policy itself, copies of which have been widely circulated, was given professional attention, as was that of the enrollment booklet. Even the enrollment form was revised to reflect suggestions made from the marketing point of view.

As stated elsewhere, all promotional releases and devices were reviewed by qualified advisers and cleared for conformance with all regulatory requirements. The development of a sympathetic working relationship between the promotion people on the one hand, and the underwriting and legal teams on the other, was essential to the development of a successful marketing procedure. Successive enrollment periods are contemplated, the first in 1962. This, too, will be marked by advertising and direct mail promotion commencing shortly before the enrollment period opens. It is not anticipated that this enrollment period will involve the large-scale operation believed to have been necessary initially, since the momentum gained during September is being maintained by a low-key advertising program to keep Connecticut 65 before the public.

Enrollment results

The first enrollment period was restricted to 1 month—September 1961. During that period the number actually enrolled was 21,850. This was a gratifying percentage of the real market among Connecticut's elderly, as the statistics in the next section will show.

At the headquarters of the Associated Connecticut Health Insurance Cos. in Hartford, by mail and telephone during September 1961, there were 45,122 inquiries processed.

Under Connecticut 65, the insured does not have to sign the enrollment form. All promotional material emphasized this fact. As a result, almost 30 percent of the 21,850 enrollees were enrolled by sons, daughters, or others who felt morally or legally responsible for them.

Thirteen thousand seven hundred and seventy enrolled for option 1, $10,000 maximum, major medical only. Four thousand eight hundred and ninety-one enrolled for option 2, $5,000 maximum, major medical only. Thus, 85 percent did not enroll for basic benefits. This confirmed the belief of the participating companies that a great preponderance of Connecticut's elder citizens already had basic medical and hospitalization protection; 3,181 enrolled for one of the major medical options plus the Connecticut 65 basic benefits; the average age of those enrolling was almost 75 years; 14,904 of the enrollees were females.

The period of a fixed 1-month enrollment was selected and adhered to for two reasons. First, there was the obvious underwriting reason: to prevent antiselection by those who might otherwise defer enrollment until the time they knew they would be hospitalized. More important was the human foible of procrastination, with action spurred only by a categorical deadline. For example, on September 25, 5 days before the close of the enrollment on midnight of a Saturday, only 7,193 enrollments had been received. More enrollments were received during the last day of the enrollment period than during the first 3 weeks.

Almost 50 percent of the enrollment was received as the result of the activities by agents. The Connecticut Insurance Department permitted any resident Connecticut agent, licensed to write health insurance, to participate in the Connecticut 65 plan, whether or not the company with which he held a contract was a participating company in that plan. Commissions for agents ranged from $5 for the $5,000 major medical (option 2) to $10 for the larger major medical combined with basic (option 3). Thus, an agent could earn as much as $20 for a sale to a couple. Commissions are payable only at the inception of the coverage. However, it was the expressed intention of the Associated Connecticut Health Insurance Cos., if commissions on all policies not received through agents had exceeded advertising expenses, to allocate the difference among agents in proportion to their writings.

As far as marketing is concerned, our experience indicates that a short but intensive communications campaign is the proper approach, and that the promotional team should be organized early and be kept fully advised as to the development of the program. Representatives of the agency forces of the State should be brought into the picture as soon as practicable and their active support secured, not only for the purposes of seeking their endorsement of the necessary legislation, but also for communication of the program to the insuring public.

IV. STATISTICS CONCERNING CONNECTICUT'S AGED POPULATION

The companies developing the plan considered it feasible for other reasons, which included the economic standing of Connecticut's elderly population; the fact that three out of four already had some sort of basic health insurance; and the compact size of Connecticut.

Connecticut is a small State, 49th in area, any part of which can be reached in little over an hour's drive from Hartford.

Its population totals 2,535,000. Of this number, about 10 percent, or 242,615, are age 65 and over. The real market, however, for the plan was in reality far below this figure. For example, 25,000 of the elderly are confined to State and Veterans' Administration institutions. Fourteen thousand receive medical care and living payments through the old-age assistance program.

Another 55,000 are still employed (with their wives, this total swells to some 92,000), and certainly a very large percentage of this group is covered under employer-sponsored group insurance programs. Furthermore, an increasing number of group plans are continuing major medical coverage for retired employees.

In addition, Connecticut has implemented the Federal Kerr-Mills program, and effective April 15, 1962, it is expected that there will be an additional 35,000 persons whose income and asset status makes them eligible for the payment of a considerable part of their medical-care expense through tax funds. After application of a $100 deductible under the Connecticut Kerr-Mills Act (Public Act 578, 1961), the actual claimants in any 1 year are expected to number some 11,000.

Thus, after eliminating those who may not have a need for coverage of the type provided under the Connecticut 65 program, the real market was about one-half the total of age 65 and over in the State. Therefore, the number enrolling during the initial 1-month enrollment period represents 20 percent of the real market.

Connecticut is also a wealthy State. Its average social security benefits are at the highest level in the country, and the income and assets, including home ownership, of its elderly population are also well above the national average.

The drafters of Connecticut 65 felt that this program could help many persons from becoming medically indigent under the Connecticut Kerr-Mills program. This in turn would lower the tax costs of the State of Connecticut.

Consequently, there is no exclusion under the Connecticut 65 plan for expenses which otherwise would be payable under the Kerr-Mills program in the absence of this insurance. In other words, Connecticut 65 will pay so that Kerr-Mills program will not have to pay.

Mr. LAUSCHE. Mr. President, will the Senator from Connecticut yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Connecticut yield to the Senator from Ohio?

Mr. BUSH. I yield.

Mr. LAUSCHE. Would the plan proposed by the Senator from Connecticut be financed through the social security?

Mr. BUSH. Yes, it would be financed by an increase of one-fourth of 1 percent in the tax on employers and employees, and would produce an estimated $1,100 million in the first year.

Mr. LAUSCHE. Would the fund accumulated through the increased tax be mingled with the general social security fund which now exists, or would it be separate?

Mr. BUSH. This money would go into the general fund, but in a special account—the health insurance account, to be available only for use as described in the amendment.

Mr. LAUSCHE. Am I correct in understanding that the amendment proposed by the Senator from Connecticut contemplates adding to the normal payments made to a social security beneficiary the sum of $9 a month, totaling $108 a year, to be used by him to buy health insurance in private companies?

Mr. BUSH. Yes, in the open competitive market; that is correct. Of course, the figures $9 and $108 are estimates; but I think they are reliable estimates, based on the fact that this tax will produce about $1.1 billion.

Mr. LAUSCHE. If the beneficiary is paid this money, must he buy a policy of coverage?

Mr. BUSH. He cannot have the money unless he is going to buy a certified life insurance program, under State supervision, in whatever State it may be.

Mr. LAUSCHE. In other words, he cannot accept the $9 a month and just keep it?

Mr. BUSH. Yes, it cannot be used for any purpose except the purchase of health insurance, and it has to be certified; and if the individual so chooses, he could arrange for the Department itself to pay directly to the insurance company agreed upon or specified by the individual. When he agreed that he would buy a particular health-insurance program, the premiums could be paid directly by the Government agency to the insurance company.

Mr. LAUSCHE. The Senator from Connecticut stated that the amendment allows flexibility to the beneficiary in choosing the type of policy of health insurance he will buy.

Mr. BUSH. That is correct; and in a few moments I shall show what a variety of health-insurance programs are available to persons 65 years of age or over. Quite a wide range of health-insurance policies is available from many of the great insurance organizations, in addition to Blue Cross and Blue Shield. For instance, in that connection I mention the Prudential Life Insurance Co.; I also mention the Metropolitan Life Insurance Co., the largest insurance company in the country; and there are other insurance companies, as well as mutual companies and nonprofit organizations, which are offering a great variety. I have already referred to the four options available under the Connecticut 65 plan; and there are others.

Mr. LAUSCHE. Under the Anderson bill, would the beneficiary be indemnified for his medical expenses incurred when he employed physicians?

Mr. BUSH. My understanding is that they do not touch it. Nothing in the King-Anderson bill—and I do not believe this has been changed by the merger with the Javits amendment—permits the payment of doctors' fees or surgical fees.

Mr. LAUSCHE. How would the proposal of the Senator from Connecticut handle that phase of it?

Mr. BUSH. The program of the Senator from Connecticut gives the individual money with which he may select a health insurance plan which may or may not include payments to surgeons or doctors, so that it is up to the individual whether he wants to use the money to buy that kind of program or whether he wishes to buy one which would provide money to pay only for hospital or nursing home care—which is all the Anderson measure provides for. So my proposal leaves it up to the individual to choose.

The needs of the people may be different. One person's needs may be different than another's. One person may be financially better off than another. I do not profess that every citizen who may be under social security and who has attained the age of 65 will be able to use the program suggested by me to completely cover every conceivable need that may occur, but certainly that cannot be said for the Anderson bill. As I shall show in a little while, there is evidence that the Anderson bill covers less than 25 percent of the medical costs which confront the elderly.

The substitute I speak of is much more versatile, and gives a person a chance to choose what kind of health insurance he is going to use and gives him the money for it.

One of my objections to the Anderson bill is that it does not give money; it gives service in kind. This is in contradiction to the social security system, which is a cash system. It provides for a tax which produces cash money. It is paid out in money, at $100 a month, or whatever the entitlement of a person is who gets to be 65.

My proposal follows that pattern. It is a cash system. It raises the money any pays it out in amounts that are determined as the measure suggests, so the person himself can buy what he needs in the way of health insurance, or at least helps him buy it.

The social security law does not guarantee a man clothing, shelter, and food, which is distributing social security in kind. Instead, it give a person cash to supplement whatever other resources he may have to provide the necessities of life. It has proven to be a pretty sound system. I am sure the people would not repeal it in any kind of referendum. My proposal follows that pattern.

Mr. LAUSCHE. It is the Senator's position that when the cost is fixed at $9 a month, we know what the whole structure is going to cost. Is that correct?

Mr. BUSH. That is correct. I am not "dancing in the dark" about the cost of it. I am not saying it will cost $1.2 billion and then find it may cost twice as much, which it has been estimated by actuaries in the insurance business is true of the Anderson proposal.

Mr. LAUSCHE. What does the Senator from Connecticut estimate will be the cost of his plan?

Mr. BUSH. Within the amount of $1.1 billion and $1.2 billion a year, because that is what would be produced under the tax.

Mr. LAUSCHE. And the benefits being paid in dollars, we know what the cost will be. Is that correct?

Mr. BUSH. Yes. We know how many eligible members there will be. I estimate there will be about 12 million persons eligible under the social security system who would be eligible for these benefits. We divide that number into $1.2 billion and arrive at the cost of approximately $100 a year.

Mr. LAUSCHE. The Senator says that the King-Anderson bill provides services in kind, and therefore the cost of it cannot be estimated to any degree of reasonable accuracy.

Mr. BUSH. I think that is one of the gravest criticisms that can be made of it. I think it is a very dangerous bill from that angle. There is no limitation in cost.

Mr. LAUSCHE. Will the Senator repeat the testimony on the estimated cost of the King-Anderson bill?

Mr. BUSH. I said it was estimated by the Department of Health, Education, and Welfare that it would cost $1,200 million a year. I said insurance actuaries of great experience in the insurance industry have estimated it would cost twice that amount, or $2½ billion.

I also said that actuaries in the employ of the New York Board of Trade have estimated that, had the bill been in effect in 1960, it would have cost $4,300 million. They say other estimates support that conclusion. So it can be seen what a drain such a law could possibly be upon the social security system. It could bankrupt it.

That cannot be done under my amendment, because no more could be spent than was taken in by the tax, and if it was necessary to increase the spendable money, then the tax would have to be increased. But it would be done affirmatively, and would not sneak up behind us, the way I am afraid will happen under the King-Anderson bill.

Mr. LAUSCHE. How does the Senator answer the argument that is made that there may be beneficiaries who will not be accepted as insurable risks by private companies?

Mr. BUSH. I shall answer that question in some detail.

Mr. LAUSCHE. I will not press the question at this time, then.

Mr. BUSH. I shall go into it. Several plans are already in operation. For instance, under the senior citizen hospital surgical group plan, they make no medical examination and there is no health requirement for the group protection. That plan is in existence now. I hold another such plan in my mind.

I shall go into it in some detail, if the Senator will permit me to do so.

Mr. LAUSCHE. Very well.

If I may now direct the Senator's attention to the final draft of the Anderson bill, which has some provisions allowing the beneficiary to become covered in a private insurance company, as distinguished from payments of services in kind, my recollection is that that amendment provides he shall have the right to be insured in a private company only if he had, previous to his retirement, been the holder of a policy. Is the Senator familiar with that phase of it?

Mr. BUSH. My impression is that the Senator is correct in that.

Mr. LAUSCHE. Perhaps I should ask that question of some of the proponents of the measure.

Mr. BUSH. I think they can answer it with more certainty, but I believe the Senator is correct.

Mr. LAUSCHE. But, to summarize, it is the Senator's position that complete freedom will be granted the individual to obtain hospital care, nurses, and doctors, and that the beneficiary will not be tied to regulations and laws of the Federal Government. The money will be given to him, and he will have, out of it, money for coverage against medical expenses and hospital expenses and whatever other insurance he wishes to buy for the amount received.

Mr. BUSH. The Senator is correct. This proposal is simply an extension of an existing system. There are thousands of health care insurance plans in effect now for people under 65. There are thousands of health care insurance plans in effect for people 65 and over. All we are doing is giving to these large numbers of senior citizens, 55 percent of whom, as I said, have incomes of $1,000 or less, the benefits of this program. What we would do is give them premium money up to $9 a month so they can buy some of these health insurance plans already on the market. It does not have any more effect on the doctors than the existing situation has, and such plans are available in the free market.

Mr. LAUSCHE. Every retired person of the age of 65 would be eligible to receive a policy of health insurance if he was covered by social security. Is that correct?

Mr. BUSH. That is correct. The railroad retirement system would be blanketed in, also.

Mr. LAUSCHE. How would the Senator take care of those persons not under social security?

Mr. BUSH. I have not attempted to go that far. The social security plan itself does not take care of those persons. I have tried to keep my amendments in tune with the social security system as it is today.

Mr. LAUSCHE. The Kerr-Mills law would take care of them.

Mr. BUSH. The Kerr-Mills law is extant and is available to those who demonstrate need, as determined by each State to suit itself. There is, of course, that backstop in effect now.

I would say that a large number of the people the Senator probably has in mind would find the Kerr-Mills assistance available.

Mr. LAUSCHE. I thank the Senator.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. BUSH. I am glad to yield.

Mr. KEATING. In order to clear the record, the revised Anderson amendments also would take care of those not under social security.

Mr. LAUSCHE. Would the Senator please repeat that statement?

Mr. KEATING. The revised Anderson amendments would take care of those persons not under social security.

Mr. LAUSCHE. But not out of the social security taxes; instead, out of the general funds of the taxpayers; is that correct?

Mr. KEATING. That is correct.

Mr. BUSH. Mr. President, I have welcomed the questions of my good friend from Ohio, which have helped me to develop the subject materially.

I wish to turn now to an illustration of some of the health insurance plans which are available, as set forth in the Health Insurance Institute's brochure.

For instance, there are what are called the senior citizen hospital-surgical group and group approach plans, which have a selected yearly premium range from $78 to $108 for people 65 years of age and over. The mass enrollment technique is involved. Applicants are eligible irrespective of their past medical histories and without medical examinations. The selected yearly premium range, which I mentioned, is from $78 to $108, for all persons 65 years of age and over, at a universal premium charge.

This plan provides, as I say, no medical examination, no health requirement, and group protection. It provides for daily room and board. It provides $10 a day for a duration of 31 days. It has an allowance for extras, including 50 percent of the charges up to $125 maximum. It has a maximum surgical schedule of $200. The entrance age is up to "65 plus." There are extra benefits, such as outpatient emergency accident service.

That is only one approach to the problem. There are also the senior citizen lifetime guaranteed renewable hospital-surgical expense plans, with selected yearly premiums ranging from $86.60 to $244.75. This is a senior citizens' lifetime guaranteed renewable hospital-surgical expense plan with variable allowances for daily room and board, variable protections from 21 days up to 60 days, miscellaneous extras from $50 to $100. The maximum surgical schedule varies from $150 to $300. That plan is available.

Rather than go into any great detail in regard to the various plans, I ask unanimous consent that the plans and tables marked in the bulletin I hold in my hand, from page 5 to the bottom of page 14, may be printed in the RECORD at this point in my remarks.

There being no objection; the tables were ordered to be printed in the RECORD, as follows:

I. SENIOR CITIZEN HOSPITAL-SURGICAL GROUP AND GROUP APPROACH PLANS

Selected yearly premium range: $78–$108, 65 and over.

These plans, providing hospital and surgical expense benefits to those 65 and over, are offered by insurance companies under a mass enrollment technique. Enrollment can be either made during specified time periods on a statewide basis or all-year-round by personal application on reaching age 65.

Offering hospital room-and-board benefits up to $10 a day, these plans pay benefits for as long as 31–140 days during hospital confinement. Additional benefits are paid to help meet other extra hospital expenses such as drugs, laboratory fees, surgical charges, and even the costs of care in nursing homes.

Applicants are eligible irrespective of their past medical histories and without medical examinations. Some plans, however, require the newly insured person with a preexisting health condition to wait 6 months before benefits are available for that particular condition.

Protection of these plans cannot be terminated for any individual policyholder—only for State residents as a group. Similarly, premium charges can only be adjusted for an entire group—not on an individual policyholder basis.

An association group plan, sponsored by the American Association of Retired Persons, is available to persons 65 and over after first joining the association for a membership fee of $2. This plan provides benefits for hospital, surgical, and hospital out-patient treatment. It also has optional benefits covering doctor visits, nursing home care, and extended hospitalization periods.

The selected yearly premium range noted above for the plans listed is for all persons 65 and over, at a universal premium charge.

TABLE I.—*Senior citizen hospital-surgical group and group approach plans: No medical examination, no health requirement, group protection*

Name of plan	Daily room and board	Duration of stay (days)	Miscellaneous extras	Maximum surgical schedule	Entrance age up to—	Extra benefits	Remarks
American Association of Retired Persons, 711 14th St. NW., Washington, D.C.: Group hospital-surgical plan.[1]	$10	31	50 percent of charges to $125 maximum.	$200	65 plus	(1) Outpatient emergency accident.	Optional benefits: 50 doctor calls each year; hospital, home, office, nursing home above $25 deductible; postoperative nursing home; 29 days additional hospital room and board at $7.50 a day. 12 months' waiting period on conditions hospitalized in 12 months preceding membership of plan.
Continental Casualty Co., 310 South Michigan Ave., Chicago, Ill.: 65 plus plan.[2]	$10	31	$100	200	do		6 months' waiting period on preexisting conditions. In addition to general enrollments, plan also open to persons applying within 30 days before or after 65th birthday.
Fireman's Fund Insurance Group, 3333 California St., San Francisco, Calif: Fund 64.[3]	$10	31	$100	200	do		6 months' waiting period only on conditions with medical history.
The Ministers Life & Casualty Union, 3100 West Lake St., Minneapolis, Minn.: Senior health plan.	To $10 [4]	140 (reduced to 70 days at age 70).	To $160 by assignment.	150	60 plus	(1) Outpatient emergency accident, (2) home nursing, (3) poliomyelitis.	6 months' waiting period on preexisting conditions. Open on enrollment to ministers, their wives or widows. (Program cannot be terminated or premium changed unless done for all policyholders.)

See footnotes at end of table.

TABLE I.—*Senior citizen hospital-surgical group and group approach plans: No medical examination, no health requirement, group protection*—Continued

Name of plan	Daily room and board	Duration of stay (days)	Miscellaneous extras	Maximum surgical schedule	Entrance age up to—	Extra benefits	Remarks
Mutual of Omaha, 33d and Farnam Sts., Omaha, Nebr: Senior security plan.[5]	$10	60	Above a $100 deductible 80 percent of charges to maximum of $1,000.	$225	65 plus	(1) Nursing or convalescent home $5 a day up to 55 days following 5 days' hospitalization.	6 months' waiting period on preexisting conditions.
National Retired Teachers Association, 711 14th St. NW., Washington, D.C., in-hospital plan:							
Plan A	To $15	31 plus $10 daily room and board next 90 days.	50 percent of charges to $120 maximum.	200	No age limit	(1) Outpatient hospital service, (2) postoperative nursing home, (3) in-hospital medical.	Optional benefit: 50 doctor visits; home, office, and nursing home.
Plan B	$10	31 plus $7.50 daily room and board next 29 days.	do	200	do	(1) Outpatient treatment, (2) postoperative nursing home.	12 months' waiting period on conditions hospitalized in 12 months preceding membership of plan. Program open during enrollment to retired teachers.
New York State Retired Teachers Association, Leonard Davis & Co., Inc. (consultants to NYSRTA) 18 Dove St., Albany, N.Y.: Group hospital-surgical-medical health plan:[4]							
Plan A	$12	31 plus $10 daily room and board next 90 days.	$120 plus 50 percent of next $180.	200	do	(1) Outpatient treatment; (2) in-hospital medical; (3) postoperative nursing home care.	12-month waiting period on prehospital conditions. Programs open during enrollment to New York State retired teachers.
Plan B	$12	31	$120	200	do	(1) In-hospital medical; (2) outpatient treatment; (3) postoperative nursing home care.	
Plan C	$12	31 plus $10 daily room and board next 90 days.	$120 plus 50 percent of next $180.	200	do	(1) In-hospital medical; (2) 50 doctor calls each calendar year—home, office, nursing home; (3) outpatient treatment; (4) postoperative nursing home care.	

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[1] See AARP out-of-hospital major medical plan, table IV, below.

[2] See Continental Casualty Co's. major hospital $5,000 reserve plan, table IV, below.

[3] See Fireman's Fund Insurance Group's plus $10,000 plan, table IV, below.

[4] Maximum $1,200 for hospital room and board, miscellaneous and nursing care in any one year; over age 70, $900 maximum.

[5] See Mutual of Omaha's $50-a-week special security plan, table III, below.

[6] See National Retired Teachers Association's out-of-hospital major medical plan, table IV, below.

II. SENIOR CITIZEN LIFETIME GUARANTEED RENEWABLE HOSPITAL-SURGICAL EXPENSE PLANS

Selected yearly premium range: $86.60–$244.75, male 65.

Americans, past 60, who desire hospital and/or surgical expense protection on a guaranteed renewable individual or family basis can choose from a multitude of insurance companies' policies.

These policies generally offer hospital room-and-board benefits from $5 to $25 a day with a wide selection of additional benefits for extra hospital expenses. Surgical allowances under these policies can range up to $500.

As with other guaranteed renewable lifetime policies, the insured person only can terminate the policy and the insurance company can only adjust premiums by policyholder class.

Benefits are paid for periods from 31–365 days. Entrance ages for applicants are 61 and over.

The selected yearly premium range noted above for the policies listed was calculated for a man of 65 at maximum policy benefits.

TABLE II.—*Senior citizen lifetime guaranteed renewable hospital-surgical expense plans*

Company	Daily room and board	Duration of stay (days)	Miscellaneous extras	Maximum surgical schedule	Entrance age up to—	Extra benefits
Aetna Life Insurance Co., 151 Farmington Ave., Hartford, Conn.	$5 $7.50 $10	21 30 60	$50 $75 $100 Optional $25-$50-$100 deductible.	$150 $225 $300	80+	(1) Outpatient surgery.
American National Insurance Co., Moody at Market Sts., Galveston, Tex.	$5 $5 to $25	365	$425, by assignment	$300	75+	(1) Outpatient hospital; (2) medical—hospital, home, office; (3) nursing benefit.
Atlantic Life Insurance Co., 609 East Grace St., Richmond Va.	$5 to $18	90	1st day, $20 to $72; 7 days plus, $50 to $180.	$200	75	(1) Emergency accident, (2) poliomyelitis.
Bankers Life Co., 711 High St., Des Moines, Iowa.	$5 to $25	50	$50 to $250	$250 to $450	75	(1) Poliomyelitis.
Business Men's Assurance Co. of America, 215 Pershing Rd., Kansas City, Mo.	$7 to $24	45	80 percent of charges up to maximum $100.	$200	80	(1) Emergency accident.
The Colonial Life Insurance Co. of America, 111 Prospect St., East Orange, N.J.	$5 to $20	60	$50 to $200. Optional $25-$50-$100 deductible.	$400	75	(1) Outpatient surgery, (2) outpatient service, (3) emergency accident, (4) in-hospital medical.
Columbian Mutual Life Insurance Co., 305 Main St., Binghamton, N.Y.	$5 to $25	30	$75 to $375	$250	80	(1) Emergency accident.
Country Life Insurance Co., Post Office Box 575, Bloomington, Ill.	$5 to $20	120	$50[1] to $200.[1] Optional $50-$100 deductible.	$200 to $300	75	(1) Outpatient hospital emergency accident, (2) in-hospital medical.
Empire State Mutual Life Insurance Co., 315 North Main St., Jamestown, N.Y.	$5 to $15	50	$30 to $90	$300	80	(1) Registered nurse in home, (2) home-office-hospital medical, (3) outpatient.
Farmers and Traders Life Insurance Co., 960 James St., Syracuse, N.Y.	$5 to $20	45	$50 to $200	To $200	79	(1) In-hospital medical, (2) hospital outpatient service.

See footnotes at end of table.

TABLE II.—*Senior citizen lifetime guaranteed renewable hospital-surgical expense plans*—Continued

Company	Daily room and board	Duration of stay (days)	Miscellaneous extras	Maximum surgical schedule	Entrance age up to—	Extra benefits
General American Life Insurance Co., 1501 Locust St., St. Louis, Mo.	$5 to $20	120	$100 to $200. Optional $50 to $100 deductible.	$200 to $300	75	(1) In-hospital medical.
Girardian Insurance Co., 100 Exchange Park North, Dallas, Tex.	$10 to $15	100	$30 to $100	$300	80	(1) Ambulance service, (2) emergency accident, (3) nursing expense up to 10 days.
Great American Reserve Insurance Co., 2020 Live Oak, Dallas, Tex.	$8 to $25	31	$250 [2]	$360 to $420	80	
The Guardian Life Insurance Co. of America, Park Ave. South at 17th St., New York, N.Y.	$10 $15 $20	[3] 50	$100 $150 $200 Mandatory $50 deductible.	$150 $225 $300	60+	(1) Guaranteed lifetime premium.
Illinois Mutual Life & Casualty Co., 411 Liberty St., Peoria, Ill.	$6 to $15	40	$100. Optional benefit: Accidental death and dismemberment.	$200 to $400	74	
Inter-Ocean Insurance Co., 2600 Victory **Parkway, Cincinnati,** Ohio.	$5 to $15	60	$100 to $300	$200 to $400	80+	(1) In-hospital medical.
John Hancock **Mutual Life** Insurance Co., 200 Berkeley St., Boston, Mass.	$8 to $15	50	$64 to $120. Mandatory $25 deductible.	$250	75	
Life Insurance Co. of Georgia, 573 West Peachtree St. NE., Atlanta, Ga.	$6 to $10	31	1st day, $30 to $50; 5 days plus, $60 to $100. Optional $15 deductible.	$150 to $250	80	(1) Poliomyelitis.
The Lincoln National Life Insurance **Co., 1301-27 South** Harrison St., Fort Wayne, Ind.	$5 to $20 $25 [4]	120	$60 to $240 $625,[4] $1,250 [4]	$200 to $400	71+	(1) Emergency accident.
Lumbermen's Mutual Casualty Co., 4750 Sheridan Rd., Chicago, Ill.	$8 to $10	60	$80 to $100. Mandatory $25 deductible.	$200 or $300	75	(1) Emergency hospital accident.
Metropolitan Life Insurance Co., 1 Madison Ave., New York, N.Y.	$7.50 to $20	42	$60 to $160	$250 to $500	80	(1) Poliomyelitis.
Monarch Life Insurance Co., 1250 State St., Springfield, Mass.	$5 to $30	180	$100 to $750. Optional $25-$50 deductible. Optional benefit: Supplementary accident.	$300 to $600	61+	
The Mutual Life Insurance Co. of New York, 1740 Broadway at 55th St., New York, N.Y.	$8 to $15	45	$80 to $150. Optional $25-$50 deductible.	$250	80	(1) Poliomyelitis.
Nationwide Mutual Insurance Co., 246 North High St., Columbus, Ohio.	$10	30	100 percent of 1st $100; 80 percent of next $250.	$200	65+	(1) In-hospital medical, (2) home nursing, (3) out-patient expense, (4) nursing home.
New York Life Insurance Co., 51 Madison Ave., New York, N.Y.	$5 to $15	60	$50 to $150. Mandatory $25 deductible.	$250	75	(1) Additional hospital allowance for major surgery, (2) poliomyelitis.
North American Life & Casualty Co., 1750 Hennepin Ave., Minneapolis, Minn.	To $20	40	To $200. Optional benefits: Supplementary accident; death and dismemberment; in-office-home-hospital medical.	$250	70	
The Ohio State Life Insurance Co., 366 East Broad St., Columbus, Ohio.	$5 to $20	120	$50 to $200 $125 [1] to $500 [1] Optional benefits: In-hospital medical; accident expense treatment.	$200 to $300	75	
Pacific Mutual Life Insurance Co., 523 West 6th St., Los Angeles, Calif.	$10 to $20	45	$100 to $200. Optional $30-$40-$50 deductible.	$300 to $500	80	
The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J.	$8 to $16	35	$60 to $120. Optional $50 deductible.	$250	75	(1) Poliomyelitis.
Reserve Life Insurance Co., 403 South Akard St., Dallas, Tex.	$8,[6] $10,[6] $12 [8]	[7] 180	Customary charges for operating room; dressings, splints, casts; respiratory equipment plus additional allowances for other specified services. Optional benefit: $5,000 specified disease supplement.	$300	75+	(1) In-hospital private duty nurse for accident, (2) first-aid treatment.
Medical surgical	$200 surgical; yearly aggregate $300 medical in hospital, home, office with additional allowances for treatments; nurse benefit; accident.				75+	
State Mutual Life Assurance Co. **of America, 440** Lincoln St., **Worcester, Mass.**	$5 to $20	90	$50 to $200. Optional $50 deductible.	$200 to $400	85	(1) In-hospital medical, (2) emergency accident.
Teachers **Protective** Mutual Life **Insurance Co., 116-118 North Prince St., Lancaster, Pa.**	$5 to $20 $5 to $15	120 120	$100 to $250 $100 to $250. Optional $25-$50-$100 deductions.	$100 to $400 $100 to $200	60 85	(1) Outpatient hospital, (2) private nurse in home.
The Travelers Insurance Co., 700 **Main St., Hartford,** Conn.	do.	50	3 days, $25 to $75; 8 days plus, $50 to $150.	$200 to $300	75+	(1) Emergency accident.
Union Mutual Life Insurance Co., **400 Congress** St., Portland, **Maine.**	$5 to $25	31	$25 to $125 or $50 to $250. Optional $50 deductible. Optional benefit: In-hospital medical; diagnostic expense.	$200, $300, and $400.	70	
Washington National Insurance Co., **1630 Chicago** Ave., Evanston, Ill.	$8 to $12	31	$80 to $120. Optional $25-$50-$100 deductible.	$200 to $300	61+	Do.
Wisconsin National Life Insurance Co., 220 Washington Ave., **Oshkosh, Wis.**	$10 to $25	35	1st day; $45 to $112.50, plus $10 each day thereafter for remainder of **benefit period; 7 days plus $140 to** $350.	$400 [1] to $500 [1]	75	
Woodmen Accident & Life Co., **Woodmen Accident & Life** Bldg., 1526 K St., Lincoln, Nebr.	$5 to $25	100	$100 to $200. Optional $25-$50-$100 **deductible.** Optional benefit: In-hospital medical.	$150 to $450	70+	
World Insurance Co., 203 South 18th St., Omaha, Nebr.	$5 to $20	31	$50 to $200	$150 to $300	75	(1) Ambulance, (2) outpatient accident.

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[1] With $50 deductible, $125 to $500; with $100 deductible, $250 to $1,000.
[2] Mandatory $25 deductible.
[3] In 12 consecutive months.
[4] With optional $50-$100 deductible.
[5] With optional $50 deductible.
[6] Other plans available—$6 daily room and board, 180 days, $250 surgical; $4 daily room and board, 60 days, $200 surgical.
[7] 30 additional days each year policy in force to maximum 365 days.
[8] Surgical schedule determined by daily room and board.

III. WEEKLY OR DAILY BENEFIT SENIOR CITIZEN HOSPITAL EXPENSE PLANS—GROUP APPROACH AND GUARANTEED RENEWABLE FOR LIFE

Selected yearly premium range: $54 to $168.50, male 65.

These policies pay a stated dollar allowance, ranging from $25 to $210, for a maximum number of weeks while the insured person is under hospital care. Benefits provided are designed to meet the added expenses of the policyholder's hospitalization.

Under a group approach plan, persons 65 and over can make application for this protection during specified enrollment periods. The plan is issued regardless of the applicant's present health condition and without medical examination.

Premiums can be modified only for the entire State group and protection cannot be terminated for an individual policyholder—only for the group as a whole. This particular group-type plan is issued as a supplement to a basic "Senior Security" health insurance plan. (See section I.)

Under guaranteed renewable policies which provide benefits for lifetime, the insured person has the sole right of policy termination. The insurance company can adjust premiums only on a policyholder class basis.

The selected yearly premium range noted above for the plans listed was calculated for a man 65 years of age at maximum weekly plan benefits.

TABLE III.—*Weekly or daily benefit, senior citizen hospital expense plans—Group approach and guaranteed renewable for life*

Company	Maximum benefit	Duration	Entrance age up to—
American Casualty Co. of Reading, 412 Washington St., Reading, Pa.	$25 to $175	26 weeks hospitalization each accident or illness; duration of stay after 65, 13 weeks hospitalization each accident or illness.	59
Girardian Insurance Co., 100 Exchange Park North, Dallas, Tex.:			
Under 60	$50 to $150	Up to 50 weeks [1]	60
Over 60	$50 to $100	do	75
Insurance Co. of North America, 1600 Arch St., Philadelphia, Pa.	$70, $105, $125, $140, $210, with $300 surgical	8 weeks' hospitalization each accident or illness; same plan for under 65.	75
Mutual of Omaha, 33d and Farnam Sts., Omaha, Nebr.:			
Over 65	$25 or $50 a week to $150 a week	Up to 13 weeks' hospitalization each accident or illness.	74
Under 65	$25 or $50 a week	Up to 50 weeks' hospitalization each accident or illness; 4 weeks after 65.	59
Mutual of Omaha, 33d and Farnam Sts., Omaha, Nebr.: Group approach, issued in conjunction with senior security plan (see sec. 1) regardless of medical history and without medical examination to all persons 65 and over.	$50 a week	Up to 50 weeks' hospitalization	65+
Provident Life & Accident Insurance Co., Fountain Sq., Chattanooga, Tenn.: Over 65.	$5 a day, $7 a day, $10 a day, with optional $200 surgical.	365 days' hospitalization each accident or illness; same plan for under 65.	75
World Insurance Co., 203 South 18th St., Omaha, Nebr	$100 a month [2] to $400 a month [2]	12 months; same plan for under 65	80

[1] After policy is in force for 1 year, 10 additional weeks will be added for each of the next 5 years making a total of 50 additional weeks.

[2] This plan pays monthly benefit.

IV. SENIOR CITIZEN CATASTROPHIC EXPENSE PLANS

Selected yearly premium range: $55 to $211.75, male 65.

Under these policies, persons 65 and over can choose benefits toward the expenses of prolonged hospital and/or medical care. Each of these plans has a deductible feature which the insured person must satisfy before policy benefits commence. Some have a sharing of expenses (coinsurance) by the policyholder above the specified deductible.

All the plans listed have a lifetime guarantee. Requirements for enrollment vary according to whether a group or individual insurance technique is used. Dependent upon the particular plan, there may or may not be a health requirement for application.

Benefits under these plans for hospital and/or medical catastrophic expenses can reach a maximum of $7,500 to $10,000.

A recent innovation in Connecticut by insurance companies has made available to all residents 65 and over a statewide plan offering protection against catastrophic medical expenses and basic hospital charges.

The selected yearly premium range noted above for the plans listed was calculated for a man of 65 years of age with full plan benefits,

TABLE IV.—*Senior citizen catastrophic expense plans*

Name of plan	Maximum benefit	Deductible	Coinsurance	Entrance age up to—	Renewability	Remarks
Senior citizen major hospital plans: Continental Casualty Co., 310 South Michigan Ave., Chicago, Ill.	$5,000	$500	No coinsurance	[1] 65+	Group approach (see sec. I).	Plan covers hospital charges for room and board to limit of $25 a day together with hospital miscellaneous services.
Fireman's Fund Insurance Group, 3333 California St., San Francisco, Calif.	$10,000	$200	20 percent	[2] 65+	do	6 month's waiting period only on conditions with medical history—Plan covers hospital charges for room and board together with hospital miscellaneous services.
Metropolitan Life Insurance Co., 1 Madison Ave., New York, N.Y.	$5,000, with $15 a day hospital room for 180 days with $250 surgical schedule.	$50 [3]	20 percent [3]	65+	Guaranteed renewable for life.	Extra benefits—medical and private nurse in hospital; nursing home.
	$10,000, with $25 a day hospital room for 240 days with $500 surgical schedule.	$50 [3]	do.[3]	65+	do	
Mutual of Omaha, 33d and Farnam Sts., Omaha, Nebr.	$5,000 with $25 a day hospital room.	$250, $500	20 percent	65+	do	Extra benefit—In hospital private duty nursing.
Senior citizen major medical expense plans: American Association of Retired Persons, 711 14th St. NW., Washington, D.C.	$10,000 [4] (lifetime); $2,500 [4] (yearly).	$100 in calendar year for out-of-hospital expenses.	20 percent [4]	65+	Group contract noncancellable for individual.	6 months' waiting period only on conditions with medical history within 6 months prior to effective date of contract.
Connecticut State plan: Associated Connecticut Health Insurance Companies.	$10,000 [5] (lifetime); $5,000 [5] (yearly).	$100 in calendar year with basic hospital plan.	20 percent [6]	[7] 65+	Lifetime unless terminated for all residents of State.	Basic hospital plan available if desired.
Mutual of Omaha, 33d and Farnum Sts., Omaha, Nebr.	$5,000, $7,500, $10,000	$500,[8] $750,[8] $1,000	25 percent	75+	Lifetime guarantee regardless of change in health.	

See footnotes at end of table.

TABLE IV.—*Senior citizen catastrophic expense plans*—Continued

Name of plan	Maximum benefit	Deductible	Coinsurance	Entrance age up to—	Renewability	Remarks
National Retired Teachers Association, 711 14th St. NW., Washington, D.C.	$10,000[9] (lifetime); $2,500[9] (yearly).	$100 in calendar year for out-of-hospital expenses.	20 percent[9]	(10)	Group contract noncancellable for individual.	6 months' waiting period only on conditions with medical history within 6 months prior to effective date of contract—Open on enrollment only to retired teachers.
Washington National Insurance Co., 1630 Chicago Ave., Evanston, Ill.:						
Plan A	$1,000[11] to $6,000[11]	$50, $100, $250,[12] $500,[12] $750.[12]	Internal limits on hospital room and board; convalescent home; surgery; physician and private nursing services: 20 percent coinsurance on miscellaneous hospital services; ambulance; X-rays; laboratory tests; drugs; medical supplies and rental of medical equipment; physician and private nursing services.	69	Guaranteed renewable for life.	
Plan B	$1,000[11] to $2,500[11]	$100, $250,[12] $500,[12] $750.[12]	do	70	do	Optional benefit: Guarantee right to increase coverage in future without evidence of insurability.

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[1] Plan available only to people 65 and over regardless of medical history and without medical examination during enrollment periods.

[2] Available only to members of the fund/65 plan.

[3] Deductible and coinsurance apply to charges for miscellaneous hospital services, medical and private duty nursing; plan pays 80 percent of such charges and 100 percent of other services up to the aggregate maximum benefit each accident or illness.

[4] With internal limits, plan pays 80 percent of specified medical expenses in hospital, home, or nursing home to annual maximum on out-of-hospital expenses.

[5] $5,000 lifetime plan also available.

[6] Plan pays 100 percent of the first $250 for hospital charges including miscellaneous services and room and board to $18 a day and 80 percent thereafter; 80 percent of surgical fees according to $600 schedule; 80 percent of physicians' fees up to $6 a day; 80 percent of private nurse up to $18 a day—all expenses not to exceed the $5,000 yearly maximum.

[7] Open only to residents of the State of Connecticut 65 years of age or older, Sept. 1, 1961.

[8] Choice of deductibles available with all maximum benefits.

[9] With internal limits, plan pays 80 percent of specified medical expenses out of hospital or in nursing home up to annual maximum.

[10] No age limit.

[11] These plans are designed on a unit value schedule with units ranging from $2 to $6 (plan A); $2 to $5 (plan B)—Maximum benefits listed are in dollar amounts of the minimum and maximum number of unit values available under the plans.

[12] Mandatory deductibles for family income over $30,000; with other hospital-surgical coverage—$500 and $750 deductible.

ANSWERS TO OBJECTIONS RAISED BY THE SENATOR FROM OREGON [MR. MORSE] TO THE BUSH AMENDMENTS

Mr. BUSH. Mr. President, a few days ago my distinguished friend, the senior Senator from Oregon, raised some objections to my plan, and made a speech on the floor, which I read in the RECORD. I wish now to deal with the criticisms the Senator made of my amendments. The first objection the Senator had was:

> Any program that offers a fixed cash * * * indemnity rather than specified medical services cannot meet the special problem of the aged.

My reply is that this is an indictment of the existing social security system, which provides benefits in cash only, leaving complete freedom to the individual to spend the money he receives for food, shelter, clothing, and so forth. If this objection is valid, then the existing system should be changed so that the Federal Government would provide all the necessities of life—house the individual in a Federal dormitory, feed him in a communal dining room, buy his clothing, and so forth—instead of giving him cash to spend as he chooses.

The second objection raised by the Senator from Oregon was, referring to my amendments:

> Its sole guarantee of benefits is to the highly profitable and loosely regulated insurance industry * * * the total annual cost would be some $1,300 million. During 1960, commercial insurance companies returned only 53 cents in benefits for every dollar they collected for individual health policies. On this basis, assuming that all the beneficiaries elected commercial policies, only $689 million of the $1,300 million would be spent on health services. The other $600 million would go for insurance company profits and overhead.

My reply is that these objections are invalid for two reasons: First, they are based on the erroneous assumption that the amendments would provide reimbursement only for individual health policies issued by commercial insurance companies. The amendments, in fact, would provide reimbursement for health protection provided by Blue Cross, Blue Shield, mutual insurance companies, employee organizations as well as commercial companies. Second, the allegation that commercial companies "returned only 53 cents in benefits for every dollar collected" has no application to Blue Cross, which, incidentally, has 55 million health insurance contracts outstanding. It has no application to Blue Cross, Blue Shield, and similar nonprofit organizations, nor to mutuals nor to employee organizations. So far as commercial companies are concerned, the record shows 90 percent paid out in benefits on group policies. It is anticipated most elderly persons would select group protection plans.

I fear, Mr. President, that the Senator from Oregon has been attacking the insurance industry rather than my plan, because every single one of his criticisms I think has a valid and logical answer.

The third objection the Senator made was this:

> There is no stipulation that the insurance companies must offer plans at group rates. In fact, the bill seems to be predicated on the purchase of individual policies.

My answer is that this objection is based upon a misunderstanding of the intent of the amendments. The amendments define a "carrier" as a "voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of health care services under individual or group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the carrier, including a health benefits plan duly sponsored or underwritten by an employee organization"—page 5, line 18, through line 3 on page 6.

A policy to be eligible for reimbursement payment must be issued by a "carrier which has obligated itself to provide health insurance protection—to an individual beneficiary—which is guaranteed renewable or noncancelable and under the terms of which the premium rates cannot be changed with respect to any individual unless such rates are uniformly changed with respect to all other individuals in the same class or category as such individual." This obviously clearly contemplates group policies.

The fourth objection by the Senator from Oregon is as follows:

> Many of these people when they reach 65 will be so ill or such obviously poor risks that no insurance man in his right mind would sell them a policy. The Senator from Connecticut does not even offer to refund the money that such older people—unable to get coverage because they are ill or otherwise poor commercial risks—will have contributed over the years.

To that I reply as follows:

There are now an increasing number of health protection plans available to elderly people without physical examination or limitations because of previous health history. I refer Senators to "Connecticut 65" and other plans put in RECORD. I have previously mentioned them. So far as people now 65 or nearing 65 are concerned, they will have contributed nothing to the financing in any event, so the discussion of refunds is meaningless. So far as younger people are concerned, an increasing number of health protection plans provide for continued coverage after 65; additionally, it is reasonable to assume the number of plans offered to 65 and over without examination will continue to increase.

The Senator from Oregon [Mr. MORSE] listed a total of eight "specific" objections to the Bush amendments, many of them repetitious of points already discussed. I will review them in the order in which he listed them:

First objection:

> The payment for the insurance company—$9 monthly—is unrealistic in relation to the costs of health insurance today. It is inflationary in that it would inflate the going rate for health insurance today. It offers no protection to the beneficiary against inflation; the $9 payment of today may be virtually worthless 10 or 20 years from now.

Answer: This objection is really in two parts. The allegation that the $9 monthly payments are "unrealistic" is without merit. Much health care protection can be obtained within the limits of $9 monthly, or $108 per annum. The Connecticut 65 plan offers four options, at least one of which is well within the $9 limit. It is true that the maximum protection under Connecticut 65 costs $17 per month, but it is also true that this plan offers a wide variety of protection, including payment of surgeons' fees, doctors' bills, drugs, and so forth, which are not available under the Anderson-Javits proposal.

It must be emphasized again that Anderson-Javits is limited primarily to hospital-nursing home care. If other benefits were to be provided, such as payment of doctors' bills, the cost of drugs, and so forth, the payments in taxes under this proposal would also be "unrealistic," and would have to be increased.

As to the argument that the Bush amendments are "inflationary," this overlooks the intense competition which exists in the health insurance field among nonprofit organizations such as Blue Cross-Blue Shield, mutual insurance companies, commercial companies, and plans offered by employee organizations. With the broader market which would exist if the Bush amendments were adopted, it can safely be assumed that this competition would be intensified rather than diminished, and would drive rates down rather than up.

Additionally, the allegation that a $9 payment may be "worthless" 10 or 20 years from now is specious. It applies equally to the existing social security system. If living costs rise, it may be assumed that existing social security benefits will be periodically adjusted by the Congress. If health care costs rise, payments under the Bush amendments would also be periodically adjusted. This would require increases in the social security taxes, but this result would also follow if the Anderson-Javits approach were to be adopted.

The "inflation" argument assumes that continued inflation is inevitable. This would be true only if inflationary policies are condoned by the Congress.

Second objection:

> Providing a dollar subsidy, instead of medical services, has two serious faults: It is inequitable in any national program:
>
> (a) Nine dollars would purchase a policy providing a greater amount of care in one section of the country than it would in another.
>
> (b) All aged persons eligible for the subsidy * * * would not have available to them the same policies with the same benefits offered by the same companies.

Answer: As to (a), this criticism applies equally to existing social security benefits. Living costs vary widely in different sections of the country, generally speaking being higher in the North than in the South.

As to (b), many companies are licensed to issue insurance in all the States and the District of Columbia. Additionally, one of the virtues of the Bush proposal is that it permits an individual to make a selection among a wide variety of health care plans and choose the one best suited to his needs.

Third objection:

> Absolutely no control is offered by the Bush bill over policy provisions excluding or restricting coverage for specified medical conditions or illnesses.

Answer: As previously noted, there are an increasing number of plans available to the elderly without physical examination or limitation because of previous health history.

Fourth objection:

> In the bill, there is absolutely no guarantee that a beneficiary of a trust fund established for his benefit by the U.S. Government will receive fair value in return for the dollars paid for insurance.

Answer: Intense competition among providers of health insurance is the best assurance that value will be received for an individual's premium dollars. To be eligible to participate, a carrier must be under State supervision which should be adequate to prevent the issuance of fraudulent policies. Additionally, it may be assumed that HEW, although without regulatory powers under the terms of the amendments, would offer guidance to and information to elderly persons concerning the type of policies available.

Fifth objection:

> It is said by Senator BUSH that the Federal Government will receive back, in the form of taxes, part of the subsidies paid. It is not a proper function of the Federal taxing power to expend large amounts of tax money, in order to receive a small amount in return. The amount of profits retained by insurance companies would undoubtedly exceed any taxes paid to the Federal Government.

Answer: This was a minor argument in support of the amendments. It has no application to the large amounts of health insurance issued by nonprofit organizations such as Blue Cross-Blue Shield, mutual companies, and employee organizations. Insofar as commercial companies are concerned, the Federal Government would receive in revenues a substantial percentage of any profits earned.

Sixth objection:

> The social security beneficiary who is able to get a policy will have his money administered, divided up, and parceled out by a company which does not represent him at all, or only does so nominally, and whose principal obligation is to its stockholders.

Answer: This objection again is based upon the misconception that the amendments relate only to health insurance provided by commercial companies. It has no application to the nonprofit mutual organizations which loom so large in this field. Both the nonprofit organizations and the commercial companies have a good record in looking after the interests of their policyholders.

Seventh objection:

> Section 1601(a) of the bill refers to "renewable or noncancellable" policies as the only type acceptable for subsidy. On the other hand, section 1602 says that an otherwise eligible beneficiary is entitled to subsidy if he gets a policy which obligates the insurance company to provide protection "for a period not less than 12 months in duration." These two provisions appear quite contrary.

Answer: This objection is the only one which has real validity. The inclusion of the language referring to a policy of not less than 12 months' duration was a drafting error, in the bill, and has been corrected in the modified amendments in the nature of a substitute which are now before the Senate.

I thank the Senator for bringing this defect in the bill to my attention, but the incident illustrates the dangerous pitfalls in attempting to write such technical legislation on the floor of the Senate. It reinforces the argument that all amendments dealing with financing health care for the aged should be referred to the Finance Committee for careful study and correction of such technical defects as may exist before floor action.

Eighth objection:

> Almost every commercial hospital and surgical-medical contract excludes coverage for care provided in State and local facilities.

Answer: This objection applies equally to the Anderson-Javits proposal which excludes coverage for care provided in mental institutions, tuberculosis sanitariums, and so forth.

If a person is already being cared for in State or local hospital facilities, he is not in need of duplicating protection.

The voluntary health insurance and prepayment plans are truly dynamic in character. Nowhere is their ability to adapt to changing circumstances and needs of society made more clear than in coverage for older people.

Predictions have been made that as many as 75 percent of the people over 65 may be covered by voluntary plans by 1969.

Such predictions are based on the assumption that there will be no more legislation in this field. With adoption of my proposal, it is logical that the current rapid progress would be accentuated further. Virtually all who want and need coverage would have it almost immediately.

It is valid to assume that its adoption would expand the benefits of health care for older people more rapidly than could possibly be done by any plan requiring creation of new and cumbersome machinery for direct Federal administration of a medical care program.

As I have said, one of the features of the King-Anderson proposal and its successor that disturbs me is that it would result in the creation of a giant, groping, new bureaucracy to distribute health care, not in money, but in kind. It would be designed so that the Federal Government representatives would be directing people to do this or that. They would have no freedom of choice, no freedom of selection. I very much fear that the administrative costs of setting up the proposed great and unnecessary bureaucracy would become a very heavy burden to the social security system.

That is one of the very grave objections to the King-Anderson approach. Certainly it is one of the reasons why my enthusiasm for it is under very great control.

Not all older people have the same needs. Nor are services available in the same way or extent to all people. Patterns of care vary from community to community and from State to State.

With a voluntary system, the individual may choose from a wide variety of plans. He may elect to exclude certain types of services and to include others. These elections, freely arrived at on an individual basis, are possible now. They would be strengthened and enhanced through my amendments. Such elections would not be possible under any federally operated service plan.

After all, older people do not need to have some one in Washington decide what kind of protection they should have. This they can do themselves. This, I believe, is what they want to do.

The problem which confronts many of them is financial.

I have been a member of the Senate Committee on Needs for Aged People. I have attended hearings. The point that stands out in the hearings is the fact that some aged people are short of cash. It is money that they need. It is that essential need with which my proposal is concerned. My plan would provide money without destroying the freedom of the people to exercise their right of election.

As I have already noted, Mr. President, the cost of the amendments to H.R. 10606 proposed by the Senator from New Mexico [Mr. ANDERSON] and the Senator from New York [Mr. JAVITS] cannot be accurately calculated.

Estimates of the early year costs for the King-Anderson bill, as I said earlier, have run as high as $4 billion. The Anderson-Javits amendments would obviously cost even more. The truth is, costs cannot be calculated for a service-type program.

Adoption of these proposals would involve a commitment of taxes in an amount which neither Congress nor the public can calculate. My proposal, in contrast, is capable of maximum cost estimates which will permit exact appraisal of the burden which the individual must bear.

Through cash benefits, as in my proposal, the taxes can be accurately estimated. The program thus created would be responsive to continuing exercise of fiscal responsibility by the Congress.

Should it seem prudent, at some later date because of changed circumstances, to alter the health insurance benefits payments under my proposal, such changes could be made by Congress just as benefit payments under the existing social security system have been made.

They would always be made, however, with the taxpayer—both young and old—in mind.

Older people do not want to be made wards of the state, for medical care or for anything else.

They do want equitable treatment.

They want recognition that they are the first and most serious victims of inflation. In health insurance, as in other matters, they feel they are entitled to some action by their Government which will help them to meet the rising costs with which they are confronted.

This is what my proposal would provide.

It does not claim to pay for all of the costs of medical care or for all of the costs of any health insurance plan an individual might choose. It does provide a payment which will give the older person a chance for health insurance comparable to that of other citizens.

It provides a cash payment which will meet the cost of basic services. It puts the older person on a footing in buying health insurance comparable to what he would have while working. This is what the older person wants—an equitable chance to stand on his own two feet.

This my amendment would do without jeopardizing the whole social security system, without disregard of fiscal responsibility, without interfering with the American system of medical care, and without destroying any part of the individual's freedom to evaluate his own needs and elect his own method of providing for them.

Mr. President, in conclusion, I might say that the big question now is whether we will attempt a new adventure of distributing health care in kind at the Federal Government level, or whether we will stick to the original purposes of the social security system, which was to raise cash through a special social security tax and to distribute the cash in accordance with the payments made by the members of the system.

My plan is in concert and in tune with the social security system. It is a fiscally sound plan. My plan is a noninflationary plan, and a plan which will not materially, if at all, increase the size of the Federal bureaucracy, which would certainly be vastly increased by the adoption of the King-Anderson plan or even by the modification of it which is before the Senate at the present time.

That concludes my remarks. I will reserve the balance of my time.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum. I ask that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEFENSE DEPARTMENT COST REDUCTION PROGRAM

Mr. MANSFIELD. Mr. President, on April 27 of last year I inserted in the RECORD a copy of a speech made by the Secretary of Defense, the Honorable Robert S. McNamara. In it, the Secretary discussed the need for more effective economic planning within that huge agency and made the flat statement, "we can effect substantial savings without impairing our military readiness." These words were spoken after he had been at his post less than 4 months.

Mr. President, the very capable Secretary of Defense is a man of his word. In a report to President Kennedy last week, he announced that the Department anticipated savings of approximately $750 million for fiscal year 1962. Furthermore, he predicted that within 5 years, the annual savings would total $3 billion. All of these savings are to be achieved without any reduction in the strength of our combat forces.

They are being achieved in several ways, such as setting inventory requirements at more realistic levels, buying only what is needed, using existing inventories more efficiently, putting procurements of as many items as possible on a competitive bid basis, stressing incentive contracts, selling obsolete facilities and standardizing paperwork within the military services.

I need not dwell on the importance of these economies to the people of the United States and to the Members of Congress who are their agents. The news is very refreshing and the Secretary of Defense and his staff are to be commended for the splendid progress they are making.

Let me say that other heads of Government agencies would do well to study this report to see if some of the techniques of economizing used by the Department of Defense might apply to their organizations.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of Secretary McNamara's memorandum to the President of the United States.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR THE PRESIDENT

THE SECRETARY OF DEFENSE,
Washington, July 5, 1962.

Subject: Defense Department cost reduction program.

When you first took office, you gave me two instructions:

1. Develop the force structure necessary to our military requirements without regard to arbitrary budget ceilings.

2. Procure and operate this force at the lowest possible cost.

The steps we have taken in accordance with your first instruction have strengthened our strategic nuclear forces, have balanced them with nonnuclear forces capable of meeting challenges to our national interest in any part of the world, and have created a new kind of force that can deal with the special challenge of subversion and guerrilla warfare.

The extent of these changes has underlined the importance of your second instruction. We have moved on several fronts to carry out this instruction as well.

First, we have instituted a new programing and budgeting procedure under which our requirements for forces, weapons, and support elements are evaluated in relation to the principal military missions of the Defense Establishment, rather than by organizational component. This procedure has permitted us to identify and eliminate overlapping and duplicative systems, and to set objectives for triservice systems where they are clearly suitable.

Second, we have projected our requirements by major missions 5 years into the future, and have computed the long-term costs of development, capital investment, and operation. This innovation is making our cost-effectiveness studies far more meaningful, thus leading to sounder decisions as to those programs which should be accelerated—and those which should be stretched out, deferred or terminated.

Third, we are giving intense scrutiny to our procurement and logistics policies since 70 percent of every defense dollar is spent on purchasing, construction, operating depots and bases, maintenance, transportation and communication services.

My purpose, in this memorandum, is to report to you on our progress since January 1961 in cutting the cost of defense logistics—and on our goals in that field for the next 5 years.

Based on the actions we have taken to date and those we contemplate for the future, I can report to you that within 5 years we can cut the cost of the Department's logistical operations by at least $3 billion per year. These annual savings will result from the more efficient management of our logistical system and will not be achieved through a reduction in the strength of our combat forces.

Since 1961, we have initiated actions that will cut logistics costs by an estimated $750 million in fiscal year 1963. Thus, 25 percent of our 5-year goal has already been reached. These savings are being achieved in three ways:

1. Buying only what we need to achieve balanced readiness.

2. Buying at the lowest sound price.

3. Reducing operating costs through integration and standardization.

We are buying only what we need, first, by setting inventory requirements at realistic levels and by using existing inventories more efficiently:

By reevaluating inventory levels, we were able to cancel the procurement of $150 million of spare parts in fiscal year 1962. Reductions in excess of this amount are anticipated in future years.

One of the most fruitful ways to reduce the procurement of new inventories is to transfer the excess stocks of one department to meet the deficits of the other departments. During fiscal year 1962, we stepped up the transfer of idle inventories within and among the services to avoid or reduce new procurement wherever possible. We are averaging $19 million per month in such transfers more than last year—an annual improvement in use of existing inventories of more than $225 million.

As an example of such transfers, the Navy found that it had an excess of 328 new silver-plated roller bearings which cost $79 each. The Air Force developed a requirement for this item which is used in overhauling aircraft engines. The transfer was effected from Navy to Air Force at a saving in new procurement of $26,000. This is one of 4,500 item transfers which now occur monthly within the Department of Defense.

Further, at the same time, stocks sold as surplus are bringing a better return to the Treasury estimated at $10 million in fiscal year 1962, as a result of more efficient merchandising.

Secondly, we are buying only what we need, by eliminating "goldplating" in our specifications:

Each month we add over 40,000 new items to our inventories to support new weapons. In the absence of usage, wearout, and failure experience, our specifications writers naturally overspecify at the outset to assure maximum reliability. However, after operating experience has been gained, thousands of items can be engineered downward without risk. Some items can be eliminated entirely. For others cheaper materials and manufacturing processes can be specified.

Each military department during the past year has started a major drive on cost reduction through value engineering—both by its own technicians and by its contractors. The Air Force and Navy report savings of $64 million under this program this year. Our DOD-wide goal is to cut costs through value engineering annually by at least $100 million.

Recent examples of value engineering include:

	Unit cost		How saving was accomplished
	Before	After	
1. Helicopter seat (HSS-2)	$541.45	$431.00	Substitute aluminum for steel and change design.
2. Nike-Hercules fuze board	50.20	12.00	Substitute rubber for metal as grommet holders.
3. Terrier missile capacitators	72.90	8.54	Relax the circuit requirements.
4. Turbine wheel (1¾ inches diameter).	175.00	2.00	Substitute molded plastic for pieces machined from stainless steel.
5. Skyhawk restrictor	20.00	2.00	Substitute 1-piece fitting for 5-piece assembly.
6. Minuteman trailing cab'e (set)	32,000.00	11,000.00	Substiture polyethylene for teflon covering.
7. Link Polaris fuzing assembly	50.00	5.00	Substitute casting for machining.
8. Crusader wingtip	125.00	69.00	Reduce number of parts and fasteners.
9. Sidewinder terminal connector	1.50	.12	Sub titute molding for soldering operation.

Our second major program is to buy at the lowest sound price. We are accomplishing this, first, by seeking greater price competition:

Since Korea, the procurement of electronic, missile and other new weapons systems has risen from 12 percent to almost 52 percent of annual contract placements. Procurement of conventional volume-production weapons has declined in proportion. As a consequence, a steady downtrend in awards based on price competition has occurred. A substantial part of this decline has been unavoidable. However, early in calendar 1961, the service secretaries and I concluded that part of this downtrend was resulting from lack of advance planning by our procurement agencies so that procurement specifications will be available and competitive bids will be sought as early as possible. Directives were issued requiring price competition wherever practicable, with sole source procurement to be allowed only after rigid review.

In the 12 months ended March 31, 1962, were were able to convert $650 million in purchases from a sole source to a competitive basis. Our studies show that each dollar spent competitively buys at least 25 percent more. This represents a potential savings in the past 12 months of $160 million.

During the next 5 years our goal is to triple this saving.

Examples of price reductions realized to date include:

Item	Sole source price	Competitive price	Savings on last order
1. Cable assembly	$19.75	$8.45	$15,910
2. Helicopter gear	279.00	198.00	46,612
3. Leads assembly	159.96	78.00	18,608
4. Pylon assembly	3,661.00	1,928.00	1,990,620
5. Rubber O ring	1.85	.46	106,520
6. Piston rod	86.00	40.77	6,287
7. Aircraft windshield	669.72	443.00	15,870
8. Amphibious vehicle	40,000.00	35,000.00	150,000

We are buying at the lowest sound price, secondly, by utilizing fixed price and incentive contracts wherever possible:

A result of the trend toward complex weapon systems, and larger research and development expenditures, has been increased usage of cost-plus-fixed-fee (CPFF) contracts.

Under CPFF arrangements contractors have little incentive to hold down costs, and final costs are now exceeding contractors' estimates by hundreds of millions annually. We estimate that cost reductions of 10 percent to 15 percent result when CPFF contracts are converted to fixed fee or incentive arrangements under which the contractor is rewarded for good performance and penalized for poor performance.

In June 1961 the service Secretaries and I directed vigorous action to reduce sharply the use of CPFF contracts. Industry has cooperated, and we have now converted over $1 billion to these preferred arrangements during fiscal year 1962—at an estimated savings of $100 million. The long-term trend in CPFF contracting has been reversed.

Our long-term goal is to reduce CPFF contracts by $6 billion, generating potential savings of $600 million.

The third major segment of our program is directed toward reducing operating costs through integration and standardization:

(a) Unnecessary overhead at bases and installations is being eliminated.

(b) The massive paperwork associated with procurement and logistics is being standardized.

(c) The supply and service activities are being managed more efficiently.

Technological progress causes obsolescence not only in military hardware but also in the facilities constructed for their deployment. It is essential that our nearly 7,000 military installations be continually reviewed in the light of our needs now and in the event of emergency. Those bases and installations which are no longer required must be inactivated, and disposed of where feasible. An evaluation of the 1,000 largest bases, plus certain of the smaller installations, has been completed. The closure, reduction, or sale of 269 military installations has been directed, with the results which are summarized below:

(a) Real estate returned to tax rolls, 216,776 acres; (b) industrial plants with commercial potential available for sale, 28 plants; (c) personnel to be released or reassigned, 42,938 men; (d) annual operating savings, $257 million.

During the next 3 years it is anticipated that these annual savings will be at least doubled as a result of the permanent base evaluation program which has been established.

To ease the economic impact of base closures, employment assistance is being given to employees, and communities are aided in finding other utilization for the excess facilities. Major assistance has been rendered to eight communities:

Presque Isle, Maine;[1] Benicia, Calif.;[1] Decatur, Ill.;[1] Harlingen, Tex.; Rossford, Ohio; Raritan, N.J.; Green Cove Springs, Fla.; and Tongue Point, Oreg.

By standardizing the massive paperwork associated with procurement and logistics, an $80 million annual reduction in clerical costs will be realized. Actions taken to date include:

(a) Simplification of purchasing procedures: The 75 days now required to process purchasing paperwork within DOD is being reduced to 45 days or less. It is our goal to reduce cost of reports required from contractors by $30 million annually.

(b) Standardization of requisitioning procedures: At present, 16 different forms and systems are used throughout the Department. This results in rewriting 280,000 requisitions each day when one service buys from another. On July 1, 1962, all services and DSA will adopt the same system. The value of time saved is $20 million per year. In addition procurement action will be accelerated.

(c) Standardized shipping documents: At present, 90 different bills of lading and shipping forms are used. Four rewritings of documents are required on shipments to oversea users and there are 450,000 shipments per month. This delays the movement and optimum loading of ships and other carriers. On December 1, 1962, a uniform paperwork system will be installed. The value of time saved: $30 million per year.

During fiscal year 1963, economies exceeding $100 million will be realized from actions which have already been taken to manage more efficiently our supply and service activities. During the next 5 years savings in logistics service functions should exceed $400 million annually. These savings are detailed below:

(a) The Defense Supply Agency, formed on January 1, 1962, has contributed budgeted savings of $28 million in operating expense for fiscal year 1963, plus an inventory drawdown of $229 million. Looking ahead, DSA should produce operating economies totaling $50 million annually, and an inventory drawdown which may finally reach $2 billion.

(b) Plans for consolidation of all long-line networks, both in continental United States and overseas, have been approved for execution over the next 3 years. Annual savings are projected at about $30 million when networks are fully integrated and electromechanical switching has been installed.

(c) The traffic management service in fiscal year 1962 obtained reduced freight and passenger rates totaling $40 million. It is anticipated that this rate of savings will increase to $65 million in fiscal year 1963.

(d) Equipment maintenance: The Air Force has broken new ground in reducing the cost of aircraft maintenance by installing a procedure for the continuous analysis of every part failure on every aircraft. As a result, in fiscal year 1962, 4,400 maintenance man-years were released for other assignments, and the equivalent of 45 B–52's and 31 KC–135's was made available for operational service. These savings made it possible for SAC to increase the B–52 alert posture from a 30- to a 50-percent alert status without an increase in maintenance resources or operational equipment. Budgeted reductions in fiscal year 1963, due to reduced labor and parts consumption, total $48 million. Our 5-year goal calls for an annual reduction of at least $300 million in equipment maintenance costs of all services.

(e) Operation and maintenance of real property: The principal opportunity for improvement and economy is in the management of our 400,000 units of family housing. A separate housing management staff has been set up in each Department and in my office to oversee this program. During the next 5 years our goal is to reduce housing maintenance costs per unit by 10 percent.

In summary, our objective is to reduce the annual cost of the Defense Department's procurement and logistics by approximately $3 billion over the next 5 years, based on the present military force structure, without impairing operational effectiveness. A substantial beginning toward this goal has been made since January 1961. Economies totaling over $750 million have been approved and are in process of realization. As they materialize, these savings are being reflected in annual budgets beginning in fiscal year 1963.

Robert S. McNamara.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum be charged to the opposition to the Bush amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, on the pending question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BUSH. Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD. I yield back the remainder of my time

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments in the nature of a substitute offered by the Senator from Connecticut. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Mississippi [Mr. Eastland], the Senator from Louisiana [Mr. Ellender], the Senator from California [Mr. Engle], the Senator from Michigan [Mr. Hart], the Senator from South Carolina [Mr. Johnston], the Senator from Oklahoma [Mr. Kerr], the Senator from Washington [Mr. Magnuson], the Senator from Maine [Mr. Muskie], and the Senator from Massachusetts [Mr. Smith] are absent on official business.

I further announce that the Senator from Arkansas [Mr. Fulbright], and the Senator from Missouri [Mr. Long] are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. Dodd], the Senator from Louisiana [Mr. Ellender], the Senator from Mississippi [Mr. Eastland], the Senator from California [Mr. Engle], the Senator from Michigan [Mr. Hart], the Senator from South Carolina [Mr. Johnston], the Senator from Oklahoma [Mr. Kerr], the Senator from Washington [Mr. Magnuson], the Senator from Maine [Mr. Muskie], the Senator from Massachusetts [Mr. Smith], and the Senator from Missouri [Mr. Long] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken], the Senators from Maryland [Mr. Butler and Mr. Beall], the Senator from Utah [Mr. Bennett], the Senator from Kentucky [Mr. Cooper], the Senator from New York [Mr. Javits], and the Senator from Kansas [Mr. Pearson] are necessarily absent.

The Senator from Nebraska [Mr. Hruska] is absent on official business.

If present and voting, the Senator from Maryland [Mr. Beall], the Senator from Utah [Mr. Bennett], the Senator from Kentucky [Mr. Cooper], the Senator from Nebraska [Mr. Hruska], the Senator from New York [Mr. Javits], and the Senator from Kansas [Mr. Pearson] would each vote "nay."

The result was announced—yeas 5, nays 75, as follows:

[No. 119 Leg.]

YEAS—5

Bush
Chavez
Lausche
Prouty
Saltonstall

NAYS—75

Allott
Anderson
Bartlett
Bible
Boggs
Bottum
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Capehart
Carlson
Carroll
Case
Church
Clark
Cotton
Curtis
Dirksen
Douglas
Dworshak
Ervin
Fong
Goldwater
Gore
Gruening
Hartke
Hayden
Hickenlooper
Hickey
Hill
Holland
Humphrey
Jackson
Jordan
Keating
Kefauver
Kuchel
Long, Hawaii
Long, La.
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Murphy
Neuberger
Pastore
Pell
Proxmire
Randolph
Robertson
Russell
Scott
Smathers
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—20

Aiken
Beall
Bennett
Butler
Cooper
Dodd
Eastland
Ellender
Engle
Fulbright
Hart
Hruska
Javits
Johnston
Kerr
Long, Mo.
Magnuson
Muskie
Pearson
Smith, Mass.

So the amendments were rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

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[1] Successfully completed. Actions include utilization for State vocational school, new private industry, public school, housing for the elderly, hospital, community airport, residential development.

The PRESIDING OFFICER (Mr. Metcalf in the chair). The question is on agreeing to the motion of the Senator from New Mexico to lay on the table the motion of the Senator from Minnesota.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator yield himself time on the bill?

Mr. DIRKSEN. I yield myself 1 minute.

I should like to inquire of the distinguished majority leader, and also the distinguished acting majority leader, with respect to what plans there are for the remainder of the day. I understand the distinguished Senator from Minnesota [Mr. McCarthy] has an amendment, as does the distinguished Senator from Colorado. I do not know whether other Senators have amendments to offer.

Mr. MORSE. Mr. President, I have a very important one.

Mr. DIRKSEN. That is quite all right. I was trying only to determine what the work volume would be for the rest of the day and whether there were likely to be any yea-and-nay votes.

Mr. MORSE. I want a yea-and-nay vote.

Mr. HUMPHREY. Mr. President, I believe my colleague [Mr. McCarthy] indicated he would be willing to have a voice vote on his amendment.

Mr. McCARTHY. I would like to have the amendment adopted. I do not care whether there is a rollcall.

Mr. KEATING. Mr. President, if the Senator will yield, I am sure the Senator from Minnesota will agree the amendment is important.

Mr. HUMPHREY. I hope it will be adopted overwhelmingly.

Mr. MORSE. Mr. President, I would like to have a yea-and-nay vote, because I think my amendment has a better chance to pass on a rollcall.

Mr. HUMPHREY. The Senator from Oregon will, as always, be accommodated, either willingly or unwillingly, and in this case willingly.

I believe the amendment of my colleague from Minnesota will be voted on by voice vote. In the meantime, I wish to talk to the Senator from Oregon. [Laughter.]

Mr. DIRKSEN. Mr. President, it would appear that there might be a yea-and-nay vote this afternoon. I made the inquiry in view of the fact that it was agreed the Senate would not be in session tomorrow, and certain Members of the Senate want to catch planes and trains.

Mr. McCARTHY. I do not necessarily ask for a yea-or-nay vote, but if there should be a showdown, I would want to be sure that a voice vote indicated how Members of the Senate actually felt about the amendment.

Mr. President, on behalf of myself and Senators Humphrey, Hart, Douglas, Javits, Keating, and Scott, I call up my amendments identified as 6-29-62—C, and ask for their immediate consideration.

The PRESIDING OFFICER. The amendments offered by the Senator from Minnesota for himself and other Senators will be stated.

The Chief Clerk. It is proposed on page 72, between lines 14 and 15, insert the following:

FEDERAL PAYMENTS FOR FOSTER CARE IN CHILD-CARE INSTITUTIONS

Sec. 135. (a) Clause (3) of paragraph (a) of section 408 of the Social Security Act is amended by inserting "or child-care institution" after "foster family home".

(b) Paragraph (b) of such section is amended by striking out "of this section in the foster family home of any individual" and inserting in lieu thereof the following: "of this section—

"(1) in the foster family home of any individual, whether the payment therefor is made to such individual or to a public or nonprofit private child placement or child-care agency, or

"(2) in a child-care institution, whether the payment therefor is made to such institution or to a public or nonprofit private child-placement or child-care agency, but subject to limitations prescribed by the Secretary with a view to including as "aid to families with dependent children" in the case of such foster care in such institutions only those items which are included in such term in the case of foster care in the foster family home of an individual".

(c) Clauses (1) and (2) of paragraph (f) of such section are each amended by inserting "or child-care institution" after "foster family home".

(d) The last sentence of such section is amended by inserting before the period at the end thereof the following: "; and the term 'child-care institution' means a nonprofit private child-care institution which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing."

On page 72, line 17, strike out "135" and insert in lieu thereof "136".

On page 101, line 5, strike out "and 152" and insert in lieu thereof "135, and 152".

Amend the table of contents of the bill, in the part of such table which describes the contents of part C of title I of the bill, by striking out "Sec. 135" and inserting in lieu thereof "Sec. 136", and by inserting after the matter describing the contents of section 134 of the bill the following:

"Sec. 135. Federal payments for foster care in child-care institutions."

The PRESIDING OFFICER. How much time does the Senator from Minnesota yield to himself?

Mr. McCARTHY. I yield myself 5 minutes.

This amendment restores to the bill a provision which was proposed by the administration, accepted by the Ways and Means Committee of the House, and approved by the House when it passed H.R. 10606.

A number of witnesses testified to this provision before the Senate Committee on Finance. Insofar as I can recall the record, no witness opposed the inclusion of this language in the bill, although the provision was eliminated by the committee.

This provision relates to the contribution of the Federal Government for the care of certain foster children, that is, those who, under the direction of the court, are taken from their own homes and assigned either to foster family homes or to private child-care institutions. Under existing law, the Federal Government contributes to the support of children who are removed by court order from unsuitable ADC homes and are placed in foster family homes. It is proposed this year that aid be extended to these children even though they are placed in foster institutional homes.

My amendment would simply concur and support the action taken by the House and recommended by the administration.

In April only 1,226 children were being assisted under the temporary program relating to foster children. One of the reasons for including child-care institutions in the program is that it is most difficult for welfare agencies to find foster family homes for the children who have to be removed from their own families because the home is unsuitable. Oftentimes the children may suffer from a psychological disturbance as a result of the conditions which require their removal from their own homes. Whatever the reasons may be, it has been found that it is difficult to find private foster homes to which they can be assigned.

Oftentimes such children require special psychiatric and special medical care. These services are not available in the private foster family homes whereas child-care institutions are likely to have the necessary experience and facilities.

For this reason, the administration recommended that the provision be extended to cover placement of children in private nonprofit child-care institutions as well as in private foster family homes.

All such action must be taken under the direction of a court. There is no welfare agency decision, but instead a decision supported and directed by a court.

The Children's Bureau has estimated that about 1 percent of the aid for dependent children involves children who are in unsuitable homes, so the estimated number who might be added by this amendment is an additional 30,000 children. The number should not be that high, since, according to testimony in the hearings, many children who should be removed are being left in unsuitable ADC homes because the States and local communities cannot afford to place them in child-care institutions and thus lose the ADC payments. This indicates that we are already appropriating funds for the care of the same children, but that they are being cared for under the most undesirable of conditions.

It seems to me that the language recommended by the administration should be restored. It was recommended by the Ways and Means Committee and adopted by the House of Representatives. It should be restored by the Senate this afternoon.

I urge the Senate to agree to these amendments, sponsored by my colleague from Minnesota [Mr. Humphrey], the Senator from Michigan [Mr. Hart], the

Senator from Illinois [Mr. DOUGLAS], the Senators from New York [Mr. JAVITS and Mr. KEATING], and the Senator from Pennsylvania [Mr. SCOTT]. A number of other Senators have indicated their support but did not add their names as cosponsors within the time allotted under the rule.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Rhode Island.

Mr. PASTORE. I ask unanimous consent that the name of the Senator from Rhode Island may be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I wonder if the Senator from Minnesota will accept as a cosponsor the senior Senator from Oregon.

Mr. McCARTHY. I am glad to have the Senator as a cosponsor.

Mr. YOUNG of Ohio. Mr. President, will the Senator from Minnesota yield to me?

Mr. McCARTHY. I yield to the Senator from Ohio.

Mr. YOUNG of Ohio. Would the Senator be willing to permit the name of the junior Senator from Ohio to appear as a cosponsor?

Mr. McCARTHY. I shall be more than pleased to do so.

Mr. YOUNG of Ohio. I ask that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, will the Senator permit me to join as a cosponsor?

Mr. McCARTHY. I am glad to do so.

Mr. LONG of Hawaii. Mr. President, I ask the Senator to permit me also to be a cosponsor of the amendment.

Mr. McCARTHY. I am pleased to have the Senator as a cosponsor.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from New York.

Mr. KEATING. I compliment the Senator for the leadership he has shown. I am happy to be a cosponsor.

Mr. President, I fully believe the aid to dependent children program should contain the mechanism to provide for the care of children who are removed by a court order from unsuitable homes. These unfortunate children, once removed, must clearly be given aid and attention so that they can eventually be placed in a suitable home. Under the original bill, specifically section 135, this help could be offered in two alternate ways, depending on both the needs of the child and the circumstances. They could either be sent directly to foster homes, or, where this is not possible or immediately desirable, to child-care institutions. Unfortunately, the provision allowing for the placement in a child-care institution was deleted from the House-passed bill in committee. This deletion forces the State welfare agencies into the position of either finding a foster home immediately, which is often extremely difficult, or, in some serious cases, leaving the child in an unsuitable home.

Certainly, no one would want to hinder the improvement of this valuable program by such an omission. We offer the amendment to H.R. 10606 whereby a State welfare agency would have the option of sending these neglected children to child-care institutions. This amendment is crucial to the effectiveness of this program of aid to dependent children. It is in this spirit that we have offered it.

The aid to dependent children program and the so-called TADC program are concerned with those children who are in need or who are removed from their homes because their homes are deemed unsuitable. The term "unsuitable" means a home situation in which the child is being abused, neglected, exploited, or permitted to live in demoralizing conditions by his parents or guardians. Deciding that any home is unsuitable is obviously a matter of utmost importance to the child involved. It presents a real problem for welfare officials who must gather sufficient evidence to take the issue to a court, and who then must provide for this suddenly helpless and totally dependent child.

Naturally the desirable course of action is to place the child in a foster home as quickly as possible. Agencies which provide for such placement services are conducted under both public and voluntary auspices. Finding a foster home is an extremely difficult and time-consuming procedure, and there are many factors involved. There is often an intermediate period of counseling, treatment, or readjustment which is of great importance to the child. The child often needs a place to stay during an interim period because finding a foster home is often difficult.

Placement services are performed for the child by both public and voluntary agencies within the States. Often more than one agency is serving the same child at the same time in different capacities; or first one agency will contribute to the care of a child and then another. As can be seen from the table below, while there are more children served in foster family homes by public agencies, there are more served in child-care institutions through voluntary agencies.

Mr. President, I ask unanimous consent to include a table on this subject at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Children in foster family care and in institutions for dependent and neglected children, by auspices of agency, United States, selected years 1933–61 [1]

Year	Total			Children in foster family care			Children in institutions		
	Total	Public	Voluntary	Total	Public	Voluntary	Total	Public	Voluntary
1933	[2] 249,000	[2] 72,000	[2] 177,000	[2] 105,000	[2] 49,000	[2] 56,000	144,000	23,000	121,000
1950	(3)	(3)	(3)	(3)	(3)	(3)	95,000	18,000	77,000
1952	(3)	(3)	(3)	127,900	91,800	36,100	(3)	(3)	(3)
1958	229,500	117,300	112,200	143,500	106,400	37,100	86,000	10,900	75,100
1960	[4] 240,000	[4] 129,000	[4] 111,000	185,900	117,800	41,100	[4] 81,100	[4] 11,200	[4] 69,900
1961	[4] 244,500	[4] 133,300	[4] 111,200	164,200	122,300	41,900	[4] 80,300	[4] 11,000	[4] 69,300

[1] National estimates prepared by the Children's Bureau. Excludes children in maternity homes for unmarried mothers, residential treatment centers for emotionally disturbed children, training schools for delinquent children, institutions for mentally or physically handicapped children, and other institutions.

[2] Includes children in adoptive homes.

[3] Not available.

[4] Excludes temporary shelters.

Mr. KEATING. Mr. President, the 1933 figure above is interesting. It shows that in that year voluntary agencies provided over half of all the foster care administered. Now, public agencies provide almost four-fifths of all foster family care. As far as children under institutional care are concerned, however, the voluntary agencies have maintained a greater percentage than public agencies for the last 20 years.

Another significant tabulation is the total number of children provided with welfare services. In 1961, while a total of approximately 245,000 children were aided, the breakdown was almost 50–50 in relation to public and voluntary agencies. I fully believe that the temporary child-welfare program for the children of unemployed workers passed last year would be incomplete if it did not take both the public and private sectors into consideration.

Private agencies, which provide an equally important and valuable function in the area of child welfare, should not be denied financial assistance merely because they are private. Such discrimination does not make sense, especially where the interested parties are homeless children.

Public institutions alone cannot handle this program adequately. Each child has different problems which must be coped with. It does not matter to the child what type of agency is helping him. It should not matter to us. I do not by any means object to exercising care in the administration of these Federal funds, but there is something out of balance when the sheer fastidiousness of administration thwarts the effectiveness of a program.

This amendment represents simple fairness and will greatly improve this bill. It deserves our full support.

Mr. McCARTHY. Mr. President, I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I yield back my remaining time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendments offered by the Senator from Minnesota [Mr. McCARTHY], for himself and other Senators.

The amendments were agreed to.

Mr. McCARTHY. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the time necessary for the call of the roll when I suggest the absence of a quorum not be charged to either side.

The PRESIDING OFFICER (Mr. Hickey in the chair). Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I yield 20 minutes to the Senator from Utah [Mr. Moss] from the time on the bill.

The PRESIDING OFFICER. The Senator from Utah is recognized for 20 minutes.

Mr. MOSS. Mr. President, I wish to make my speech without interruption, and then I shall be happy to yield if there are questions.

Mr. President, it has been said that one way to measure a civilization is by the degree to which it is concerned with the welfare of its oldest and weakest members. The dimensions and intensity of the debate now underway in this body—and the resonance of its echo throughout the country—shows very clearly that we are a mature people, a civilized people, seeking earnestly to ameliorate our weaknesses and elevate our standards in the care of our aged.

I am gratified that neither here in this body nor out in the country are there many people who are callous enough to say that we need no improvements in our programs of medical care for the elderly or no widening of their scope. To my immense satisfaction, most of those who have debated this issue have recognized that our present laws and authorities fall far short of doing the job our national welfare requires, and have agreed that status quo is not enough. We have not, therefore, had to discuss here at length the question of need, but have been able to direct our attention to the question of method—of how best to help our people meet the high cost of ill health in old age and to do it in a sensible and characteristic American way.

There are, as Senators know, three methods which may be employed to establish a sound, long-range program of health protection for the elderly—private health insurance, public assistance financing, and financing through the Social Security mechanism. It is our job here and now to sift and carefully evaluate each one of them.

Most of us, I am sure, would like to put as much reliance as possible on private health insurance. We know that the industry has been making heroic efforts to meet the health needs of our aged. But despite these efforts, it has been pretty well demonstrated by now that private health insurance cannot—by itself—cover the catastrophic and chronic illnesses of the aged at premiums the retired can afford to pay. Many policies for the aged provide only the most limited of coverage. Because of poor health, some of our elderly cannot qualify at all for insurance, or can only secure coverage that excludes or limits preexisting conditions—precisely those which create the greatest expenses. At the present time only about half of our people over 65 have private insurance coverage, and even the most optimistic predictions do not promise that even in 10 or 15 years private policies which are both broad and reasonable can be provided by private insurance for any substantial portion of those over 65. Both the Blue Cross association and the American Hospital Association have stated that some form of government assistance is necessary to provide adequate health insurance for the elderly.

Public assistance financing, the second method, has, of course, been with us in varying degrees of effectiveness for some time. It has two main facets. The first is the type of program almost all States have—to provide some measure of medical care for people on relief, and the second is the innovation resulting from the passage of the Kerr-Mills Act 2 years ago which made matching funds available to the States for the establishment of a new category of assistance to assist older persons who were not on relief; who had sufficient resources to meet their ordinary living expenses but who could not cope with the high costs of medical care. Unfortunately, due to the fact that, in the main, the State's portion of the cost of medical assistance for the aged programs must be financed from general revenues, only one-half of the States have been able to put medical assistance to the aged—or MAA—programs into operation since Kerr-Mills became effective in October 1960. The States, hard pressed for funds and with strong competing demands for the funds that are available, apparently simply cannot afford either to establish medical assistance for the aged programs or to establish comprehensive programs.

Efforts have been made to mask this simple fiscal fact of life by offering a distorted figure of the number of States with Kerr-Mills programs. This is achieved by combining the total number of States that made some changes in their programs for people on relief with the total number of States that established new medical assistance for the aged programs. Thus we hear 36 States, 38 States, and 46 States as the total of those having established Kerr-Mills programs.

The plain fact is that only 25 States have established programs of medical assistance for the aged—and these, in many cases, are inadequate programs.

I do not make that statement critical of the States, because of the very great fiscal problems that confront our States.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an article entitled "Struggling States—Many Report Deficits Despite Higher Taxes, Recovery in Economy," published in the Wall Street Journal on July 6, 1962. The article discusses the fiscal problems confronting the States and their inability to meet all the demands upon their revenue.

There being no objection, the article was ordered to be printed in the Record, as follows:

Struggling States—Many Report Deficits Despite Higher Taxes, Recovery in Economy—Education, Welfare Expenses Rise Sharply; Some Weigh New Round of Tax Boosts—More Look to Federal Aid

(By John F. Lawrence)

The fiscal health of the Nation's State governments, which has declined steadily in recent years, is failing to respond even to the dual tonic of new taxes and economic recovery.

In California, despite a 7-percent rise in revenues, income fell at least $8 million short of covering spending in the fiscal year that ended last Saturday, whittling to less than $30 million a surplus that totaled four times that just 2 years ago.

In Mississippi, tax collections ran 4 percent ahead of estimates, but the State spent some $20 million more than it took in during the 2-year budget period that ended June 30. Appropriations for the coming 2 years will gobble up $17 million in new taxes and still exceed anticipated revenues by $10 million.

These are by no means isolated examples of what's happening to State finances. In a Wall Street Journal survey of 21 of the most populous States, just over half reported that spending outran revenues in fiscal periods ended June 30. Although tax collections rose more than expected in seven States surveyed, only two of these expect to report an excess of income over outgo for the year. Many States are digging into surplus funds normally intended as a buffer against slump years. Others are slipping deeper into the red.

MORE PRESSURE FOR FEDERAL AID

This erosion of State finances, particularly in a year of strong revenue gains, is expanding pressure for new State taxes and increased Federal aid to States. State spending has more than doubled in the last decade, according to Federal statistics. Population growth has helped push up expenditures for education by 10 percent a year since 1959, while gains in overall State revenues have averaged less than 9 percent. Increased chronic unemployment and new assistance programs have contributed to a rapid climb in welfare expenses.

To meet these costs, at least four States—Illinois, Minnesota, New Jersey, and Virginia—have established new study commissions to plan a broad overhaul of the tax laws and an increase in revenues. Many, too, are trying new enforcement tactics to squeeze added funds out of present levies. But nearly all State officials foresee a growing reliance on Federal funds to meet the higher costs. Uncle Sam poured $6.4 billion into State programs in fiscal 1961, more than 22 percent of general State revenues. That's up from $2.6 billion, or less than 18 percent of State revenues in 1953.

This year's darkening financial picture contrasts sharply with the fiscal rebound most States experienced during the last economic recovery. State revenues totaled $27.4 billion in the year ended June 30, 1960, topping expenditures by $200 million. In the following year, however, spending rose 6.9 percent while the recession held revenues to a 4.9-percent rise, leaving a $400 million deficit. It's almost certain final tabulations for the latest fiscal year will show spending again exceeded revenues by a substantial margin.

To be sure, the current high level of business activity has helped a few States improve their fiscal standing. Maryland's tax collections ran $6 million ahead of estimates in the year just ended. With expenditures about on target, the gain boosted the State's reserve fund to about $18 million from $12 million a year ago. A new sales tax and a stronger economy are helping Texas wipe out a $60 million deficit during the current biennium, which has another year to run.

But for most States, the trend is decidedly in the other direction, largely reflecting skyrocketing costs.

PUBLIC AID TROUBLES

"Revenues are keeping up with expectations, but the public aid people have run into trouble," says Ted Leth, superintendent of budgets for Illinois. The legislature, due to convene next January, faces a demand for $100 million to tide the welfare agencies through to the end of the biennium next June. "Unless there are new taxes, that'll all be deficit," says Mr. Leth. The State had hoped instead to wipe out a $35 million deficit from the last biennium.

Other States are suffering from overoptimistic revenue forecasts as well as higher costs. Indiana counted on getting $214 million from its gross income tax, which provides 80 percent of its general fund, in the fiscal year just ended, up from $192 million in fiscal 1960–61. "We don't know why, but revenues are falling about $11 million short," says a top financial officer of the State. The State already had expected spending to run about $15 million above current revenues, cutting into a $49 million surplus. The revenue lag will slim the surplus to less than $25 million.

Michigan has suffered both ways. "Welfare expenses and aid to local school districts both exceeded the appropriations and our recovery didn't materialize soon enough to lift revenues as much as we hoped," says Clarence W. Lock, Michigan's revenue commissioner. Result: Instead of a revenue balance last year, the State added $20 million more to its $71 million deficit.

SOME STATES CUT BACK

Even more surprising for a recovery year, some States have been forced to make last-minute cutbacks in spending. Ohio collected about $608 million in general fund revenues, 5 percent more than a year before, but spending was headed for $630 million, a rise of 6 percent, until the State began economizing. "We've held off on some $7 million of capital improvements and deferred some equipment purchases," says James Maloon, finance director. Spending thus totaled $618 million, leaving a $10 million deficit.

Pennsylvania planned to wind up $9 million in the black in the year ended June 30 and use the surplus to help meet increased costs in the current fiscal year. But the State came into June $10 million behind schedule and had to scramble to catch up. It stepped up its bill collecting, held off on some spending programs—including such things as buying autos—and managed to get a $4.7 million windfall from a favorable decision in a large corporate tax case.

Only higher taxes have headed off worsening budgetary situations. Pennsylvania's climb out of the red is the result of an increase to 4 percent from 3 percent in the State sales tax and other tax changes 3 years ago. Wisconsin averted a $60 million deficit in the biennium ending next year when the legislature just before Christmas added a new sales tax.

Two-thirds of the 47 State legislatures that met in 1959 raised taxes and half, including some that raised rates in 1959, did so in 1961. Only 21 legislatures meet in even years and Mississippi and Michigan passed the only major 1962 tax bills. The former boosted cigarette and corporate franchise taxes. Michigan last month passed a series of new taxes expected to net $77 million annually, including higher cigarette, beer, and corporate franchise levies and a 4-percent tax on liquor.

Despite this flurry of tax activity, pressures already are mounting for another round of increases. Wisconsin's revenues, based on present taxes, are expected to rise 5 percent in the next biennium starting July 1, 1963, while "a survey of all departments points to a 20-percent overall increase in costs," says John A. Gronouski, commissioner of taxation. "That figure may be shaved some, but there's no question in my mind there's going to be a gap between revenues and expenses. The issue in the current gubernatorial race isn't whether to raise taxes but how."

"We're getting pressure for more aid to local school districts and for higher faculty salaries at State colleges, but we're not going to have any money from present taxes to put into any new programs," says Roy M. Bell, California's assistant director of finance.

"The cost of everything is going up, except for stocks," quips C. H. Morrisett, Virginia's tax commissioner. The State's general fund budget for the 2 years that began July 1 is $573 million, 15 percent above that of the biennium just ended.

Among the biggest factors in the State's spending rise is increased aid to local areas for schools, welfare, and other programs. New York State's local assistance expenses amounted to $1,265 million in the latest fiscal year, up 12 percent from fiscal 1960–61. They're expected to climb another 8 percent in the current year.

The biggest part of local aid goes to education. Kansas early this year increased its annual contributions to local districts to $20 a pupil from $15. This program is a key factor pushing the State's general fund budget for the current year some $9 million over revenue estimates, eating into a $27 million cash reserve. As recently as 1954 State contributions ran only $6 a pupil.

INDIANA ENROLLMENTS RISE

"We've been getting a 30,000 increase a year in enrollment in public schools and we figure each 30 students adds $30,000 a year in costs, including new classrooms, teachers salaries and other expenses," says an Indiana finance official. "Primarily because of school costs, expenditures are rising more rapidly than revenues and this undoubtedly is going to mean new taxes," he adds. Indiana's fiscal 1962–63 budget contemplates using nearly all of the remaining $25 million surplus.

State governments in some cases are feeling voter pressure to ease the burden of school costs on local property taxes. In Ohio the State now is paying roughly a third of the public school costs, down from 43 percent 10 years ago, with the property taxes paid directly to local governments making up the difference. "There's considerable feeling that we should at least halt the growth in the share carried by the property tax," says Mr. Maloon, finance director.

Compounding the educational cost problem is a bulge in the rate of increase in enrollment at State colleges and universities, where the expenses rest even more heavily on the State government. In California, elementary and secondary school enrollment is expected to reach 5 million by 1970, up a third from the current level, while enrollment in State colleges and universities, now totaling 130,000 is expected to double.

Ohio's problem is heightened by the fact that not one new university building has been built in the last 2 years, reflecting a shortage of funds. This has created a backlog of demand. The lack of facilities, plus above-average tuition charges have caused the State in the last decade to fall to 27th from 17th among the States in the percentage of high school graduates going to college, according to Mr. Maloon.

Welfare spending is another key area of rising costs. Illinois spent roughly $280 million on welfare in the previous biennium and hoped to get by with the same spending in the current 2-year period winding up next year. But instead, spending is running almost one-third above the last biennium. "The Chicago stockyards closedowns threw many unskilled people out of work, lengthening relief roles," explains Mr. Leth.

Recognizing their budget problems will grow increasingly severe in the years ahead, more States are forming commissions to study ways of revising revenue laws to get increased taxes without unduly burdening any one taxpayer group. Many older State bodies also are giving increased consideration to broad tax changes. In Illinois, a recently appointed revenue committee is expected to make recommendations for new tax legislation when the State's lawmakers convene in January.

Growing spending pressures are overcoming some traditional opposition to new taxes. The State Senate in Michigan came the closest in its history to passing an income tax this year. In Ohio, "most of the big pressure groups that have opposed increases in the past now are resigned to some new taxes, though they're naturally all trying to put the monkey on someone else's back," says James Hunter, Ohio's research director for taxation.

U.S. GRANTS TO PENNSYLVANIA UP

Whatever the outcome of the moves for new tax legislation, it's clear the States expect to lean more heavily on Federal assistance. "Despite some altruistic comments to the contrary, I don't think the States, hard pressed as they are for money, are going to turn down Federal aid as new programs are made available," maintains David Baldwin, Pennsylvania's budget secretary. Federal grants to the Quaker State for public assistance alone have totaled $119 million in the last 12 months, up from $94 million the previous year and $87 million in 1959–60.

Many States are trying to ease the financial pinch somewhat through new enforcement methods. Rhode Island faced a $1 million deficit in its budget for the year just ended but made up the difference by boosting the audit staff to 35 people from 20 and raising starting salaries to $6,000 from $4,000 to attract better talent.

"We've taken in $54 in extra taxes for each hour of work per man and the added cost is only $3 an hour," explains John H. Norberg, assistant tax administrator. Since the program started last August, the State has run 1,000 audits of tax returns from retailers and other businessmen, compared with 80 in all of fiscal 1961. "At least 75 percent of the audits have produced additional revenue," says Mr. Norberg.

New York currently is training a squad of new field examiners, at least 10 of whom are likely to be sent out of the State to check whether corporations headquartered elsewhere but doing business in New York are paying the taxes they should. "If this proves productive, we'll expand the program," says Joseph H. Murphy, commissioner of taxation and finance.

Cooperation between Federal and State tax collectors is increasing. At least 17 States now use income as reported to the Federal Government as the basis for assessing personal or corporate income taxes, 5 more than in 1957. A dozen States have made agreements, most within the past 5 years, to exchange audit information with the Federal Government.

Mr. MOSS. Mr. President the third method is the one under active consideration here today—use of the social security mechanism to provide that people during their working years build up insurance to pay for the major part of their hospital expenses when they retire. The social security mechanism has been chosen because we know it works, and works well. Through it, over 90 percent of our people now have old-age insurance, and already it has given millions a measure of security and independence. The overwhelming number of votes in favor of expanding this system, or increasing its benefits, each time the issue comes before the House and the Senate, are strong testimony of congressional confidence in this program. The amendment before us recognizes the reliance our people have on social security, and their belief in it, by establishing a separate trust fund for medical benefits so the present well-operating system of old-age benefits cannot possibly be disturbed or endangered.

It is apparent, however, that none of this triumvirate—private health insurance, public assistance financing, or social security financing—can by itself assure our elderly of all the health coverage they need. But a combination of the three could. With the insurance built up through social security payments through the years covering a major part of the biggest item of health costs—that is hospital bills—we would have good reason, I believe, to expect that private insurance could be provided at reasonable rates to cover a substantial portion of the other health costs of the vast majority of our elderly. Kerr-Mills would be available to fill in the gaps for the needy aged.

The missing element in this combination at present, is, of course, social security financing of part of the hospital costs, and I am most hopeful that before Congress adjourns this element will be added.

I am frankly disturbed, however, that some of my colleagues see in Kerr-Mills a full solution to a great national problem, and have suggested that we merely sit back and let the States "make haste slowly" in putting the Kerr-Mills medical assistance to the aged program into operation. I am frankly disturbed by the fact that they feel Kerr-Mills could become a going concern, nationwide, in all of its aspects, all would be well, and our job would be done.

The Kerr-Mills Act, laudable as its objectives are, is philanthropy. We have always been a philanthropic people. We have always tried to see that our people who are old and ill and do not have money have been given the care they need. County commissioners in counties out across the country have been struggling with this problem for years. We have county hospitals and charity wards and other State and county public institutions to help out. Our doctors have given generously of themselves and their time treating indigent patients without cost. Federal matching funds made available to some States through the Kerr-Mills medical assistance to the aged program have helped somewhat. But, as I have pointed out, not enough.

But—and this is what disturbs me—the people who support only Kerr-Mills support only philanthropic care. They ignore the needs of our millions of elderly who have no wish to receive care at the taxpayers' expense, but who are nevertheless staggered by the drain on their savings—and on the pay checks and savings of their children—when they have an extended hospital stay. These people do not seek philanthropy. In fact many of them would rather suffer silently, and even to die, rather than bend their knees for charity to pay their medical bills. To offer these people only Kerr-Mills—medical assistance to the aged—to ask that they submit to a means test before they can be given any help—is to show a thorough lack of understanding of American character, of the determination of many elder Americans to continue to take care of themselves in their old age as they have in the past, even if it means to go without medical care. To offer Kerr-Mills only is to be insensitive to the American spirit, to the American glory in independence.

I am also concerned by the lack of understanding of those who say that because of inauguration of Kerr-Mills in some of the States has not increased greatly the number of recipients, there are really not very many of our senior citizens who need help with their medical bills. In my State of Utah, for example, where payments were commenced on September 1, 1961, total payments through April totaled only $336,642, of which the Federal share was $214,565. In April of this year payments were made to only 508 of Utah's over-65 population, which represents less than 1 percent of the aged in the State.

In the first place, Utah has a law under which relatives are required to contribute to the costs of medical care. We also have a lien law, which gives the State a preferred claim against any property owned by these old folks. The above may account for in part the small number of people utilizing the program.

But I believe there are some other aspects of Utah thinking, and of Utah moral and ethical standards, which bear on the situation. Utah people have a particular pride in being self-reliant and independent. It is our heritage—a heritage handed down from our pioneer ancestors, and a heritage of which we are immensely proud. The doctrine of self-reliance is taught constantly by the Latter-day Saints Church, and reiterated by the other religious organizations represented in the State, as it is, I am sure, by these religious faiths in all parts of the country. But because of our heritage and our strong belief in self-reliance, I am confident that the people of Utah would resort to every other possible means of assistance before turning to charity.

Utah is also a particularly close knit family State. We have large families—in fact I believe they are among the largest in the country—and many of the members of the family remain in Utah instead of moving out to other States. Or if they do go elsewhere during their working years, many of them return to Utah in retirement to be with their families. Large families can, and with magnificent generosity do when it is at all possible, contribute to the care of their senior members when such help is needed.

But in Utah, as in every other State, the rising cost of living has cut deeply into the value of retirement incomes, and the rising cost of medical services has made it more and more necessary for children and other members of the family to help senior members with their medical bills. And, as in every other State, the slender resources of the vast majority of our senior citizens—and those of their children, who have heavy responsibilities of their own—are under great strain. Many of them have written to tell me so. I am confident that there are many people in Utah—a State of resolute and self-reliant people—who would far prefer a system under which they would contribute during their working years to a fund for the higher-than-average medical costs of their retirement years than a system which would offer them care only as a charity patient.

The use of the social security machinery for this purpose is sound and practical, because it does not give a person something for nothing, but provides him with a way of insuring himself against dependency for hospitalization when he becomes ill in his old age. In that it takes steps to prevent dependency before it occurs, it is thoroughly in keeping with the American tradition, so highly held in my State, of self-reliance.

Mr. President, the amendment before us today would establish a program of medical assistance which is in keeping with the American tradition and consistent with the dignity, independence, and integrity to which each citizen is entitled. It is a sound, sane, and conservative program in that it purports only to pay a good part of the hospital and related costs of our elderly, roughly 25 percent of their medical expenses. It would do so on a self-financing basis through social security rather than being a drain on all taxpayers.

It would have no bearing on the doctor-patient relationship, except to make it more pleasant for the patient who would be relieved of part of his worries about the cost of his illness, and for the doctor, who would be more likely to be paid for his services because the patient would not have to stretch his money over both doctor and hospital.

There are those who insist the program would be a step toward socialized medicine. There is absolutely no basis for this charge. The program is, instead, a bulwark against socialism. If we can give our elderly enough relief with medical bills through this program, there will be little pressure for nationalization.

Students of this subject point out that countries which have turned to socialized medicine have never had strong systems of private health insurance. In contrast, we have in the United States a private health insurance system that is strong, very strong and quite adequate, except with respect to coverage of older persons.

I think it also important to note that the British do not believe that their type of program is an inevitable consequence of the kind of program we are now proposing. On the contrary. According to the U.S. News & World Report for March 26, 1962, some British officials wish they could start all over again with the kind of program proposed here. I quote:

> Some top officials here say that, if Britain were starting today from scratch to tackle the problem of medical care, she would not attempt outright nationalization.
>
> "If we had a chance to do it again," one high-ranking official says, "I think that we would favor some form of compulsory medical insurance, supplemented by tax funds together with subsidies to hospitals to keep down costs. We would also act to limit the cost of drugs. In short, the state would insure that everyone had access to medical care at a reasonable cost, but without nationalizing the entire system and putting all doctors on the Government payroll."
>
> This official adds that President Kennedy's proposal to provide medical care for the aged through the U.S. social security system is the first step toward the kind of system that Britain probably would introduce now if there could be a fresh start.

Despite such evidence to the contrary, there are those who still claim that, with enactment of hospital benefits financed through social security, the United States will be headed down the British path of nationalized or socialized medicine.

Mr. President, we must relieve our elderly people, at least in part, from the harrowing worry of the cost of illness which hangs over them. This fear is no specter dreamed up to push for action on the measure before us. It is real, it is there. Anyone who reads the income statistics of our elderly with an open mind and an open heart—anyone who listens to our senior citizens themselves with thought and compassion, must know the fear is there—must realize something must be done about it.

How can anyone who has ever paid any hospital bills himself doubt that a retired couple with an income of less than $2,500 and less than $500 in liquid assets, would be struck a staggering blow by a serious illness which ran up hospital bills into the hundreds, even the thousands? Yet half of all our aged couples have less than $2,500 in annual income.

How can anyone who has ever paid a hospital bill himself doubt that a person with an income of less than $1,000 a year, and probably not even $500 in money he could draw, could and probably would be completely wiped out by a long hospital stay.

We should not force our elderly, after a lifetime of independence, to turn to public assistance or private charity, or to take from their children what they know their children need desperately for themselves and for the new generation coming on.

We should set up now a program which will assure them that the greatest part of those dreaded medical costs—the costs of a hospital stay—will be paid for as a right, and not a charity, through our social security system, from funds they will contribute themselves while they are strong and healthy and working.

I am convinced that we will do this—I am convinced that we are a civilized nation, and that we will demonstrate this again by not only showing the measure of our concern for the oldest and weakest of our members, but by doing something which will help them to help themselves.

As my good friend, Senator LONG, of Hawaii, has said, if ever there was a proposal based on sound American thinking, this is it.

It is based not on European practice, not on the ideas of Bismarck, or Marx, or Lenin, but on the reasoning of that most conservative of great Americans, the godfather of the Republican Party, Alexander Hamilton.

Does that surprise you? Let me explain. Back in 1798, Hamilton, always alert to protect the taxpayer, had a problem. It involved young America's sailors. Leaving home on their ships healthy and hearty, they returned many months later with many of their members ill with scurvy, racked with strange diseases or suffering from injuries.

Inevitably they wound up in the big ports of our young Nation dependent for medical care on the local taxpayers—on local relief—on a Kerr-Mills sort of setup. To Hamilton—a businessman if there ever was one—this made no sense whatsoever. Moreover, it set a dangerous precedent for other groups in the population.

So Hamilton—not Karl Marx—Alexander Hamilton said: "Why should we not charge these sailors a very small part of their wages when they are healthy and employed to pay for their own care when they are sick and injured?" It made sense to our 100 percent American forebears. The Congress enacted it into law in 1798 thus providing a system of self-financing care for merchant seamen and, at the same time, originating our U.S. Public Health Service.

It was the safe, sane, conservative, intelligent, businesslike approach in 1798.

It remains, today, in 1962, the same safe, sane, conservative American answer to a great American problem.

Mr. President, I urge that the amendments of the Senator from New Mexico be adopted.

Mr. CARROLL. Mr. President, I call up my amendment identified as "7–6–62—A."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, between lines 8 and 9, insert the following:

> (d) It is further declared to be the policy of the Congress that no individual who receives aid or assistance (including medical or any other type of remedial care) under a State plan approved under title I, IV, X, XIV, or XVI of the Social Security Act shall receive less benefits or be otherwise disadvantaged by reason of the enactment of this title.

Mr. CARROLL. Mr. President, the Department of Health, Education, and Welfare has no objection to the amendment and has so notified the junior Senator from New Mexico [Mr. ANDERSON], the principal sponsor of the bill providing health care insurance benefits for the aged.

My amendment merely makes clear that in enacting a health care benefits program, it would not be the intention of the Congress to deprive any person of any benefits to which he is entitled under a State medical program or, may I add, under the pending legislation.

STATE MEDICAL PLAN IN COLORADO HAS SUPERIOR FEATURES

In Colorado we have one of the best medical care for the aged programs in the country, for our elderly citizens who are on the old-age pension rolls. It provides certain benefits that are not available under the Anderson-Javits bill.

The aged people in Colorado who are now receiving State medical assistance want to be assured that we in the Congress will not enact a law that will give them some coverage while at the same time restrict their use of the more comprehensive coverage of medical care under the Colorado program.

I urge the adoption of my amendment as a means of reassuring those now receiving State medical assistance that they can continue to use benefits of State plans as assistance supplementary to a Federal health insurance program.

The situation in Colorado, very briefly, is that in round figures we have about 50,000 old-age pensioners in the Colorado old-age system. Like all systems, ours is based on need. Of those 50,000 pensioners about 41 percent are people who also draw a pension from social security.

In other words, if a social security annuitant in Colorado, who draws $75 a month, has no other income, and demonstrates a need for assistance, he can come under the State pension program and draw a State pension of $35. The maximum State pension is $110. If he comes under the Colorado pension program, he is then permitted to participate in the pension's medical care program, even though he is a social security annuitant.

I point out, however, that under the program presented by the junior Senator from New Mexico, not only the social security annuitants, but all of our pensioners would be eligible for hospital and certain nursing home and other benefits.

In addition to an excellent pension system, one of the finest in the Nation, Colorado offers its aged people a medical care program, which provides comprehensive assistance under a constitutional limitation of $10 million a year.

The sole purpose of my amendment, so far as Colorado is concerned, is to provide that when a pensioner avails himself of the benefits of the Federal plan, the State must protect the pensioner's rights under the Colorado program by paying the first $90 hospital charge required under the Federal program.

In short, how can the aged poor people, who are on fixed State pensions and in need, pay the $90 deductible if they do not have the money? The principal purpose of my amendment is to make absolutely clear that the Congress expects that in the State of Colorado the $90 deductible hospital charge will be paid for old-age pensioners out of the Colorado Medical Care Fund.

However, I must emphasize that not only will it provide for the aged of Colorado, it will provide similar protection for pensioners in 45 States as well. So the amendment will have a widespread effect.

In effect my amendment assures that Colorado old-age pensioners will receive more assistance than they now receive under the State plan alone.

As the Federal plan begins to work and the pensioners use its benefits, I have assurance that the Colorado plan will be expanded. Certain suspended medical services will be restored and new services added. I am hopeful that when the Anderson-Javits program goes into effect the Colorado medical care plan will begin to provide dental, drugs, and prosthetic device payments.

STATES RIGHTS PRESERVED

My amendment is framed as a firm declaration of policy of the Congress. It applies only to the Federal health benefits insurance program for the aged. It does not impinge on the right of a State to modify and reshape its own medical assistance program. But it does say that Congress does not intend that anyone lose the advantages of a State program simply because he becomes eligible for the Federal health benefits insurance program.

FORTY-FIVE STATES AND POSSESSIONS AFFECTED BY CARROLL AMENDMENT

Forty-three States, the Virgin Islands, and the District of Columbia now make medical care in some degree available to the aged who are on old-age assistance. In the year 1960 they made vendor payments of $295 million for medical care and money payments of $149 million; a total of $444 million.

Twenty-three percent of all assistance to the aged in 45 States and possessions was in the form of medical care.

In 1960 there were 2,358,272 aged Americans who were eligible to receive State medical asistance in one form or another in an average month.

The types of State medical assistance vary widely from State to State, but in almost each case there are some medical care benefits not available in the bill before us.

For example, 42 States and possessions provide payments to doctors.

The Anderson-Javits bill does not cover doctor bills. It is basically a hospital, nursing home bill, designed to help the aged in meeting the enormous expense involved in increased costs of hospital, nursing home and health care, relieving the burden of serious and catastrophic illness.

The aged in these 42 States want to be assured that they will continue to receive doctor care under their State plans if they elect to use the hospital, nursing home and health care provided under the bill before us.

Thirty-six States provide dental care; 40 provide prescribed drugs outside the hospital. Neither of these benefits is available under the bill we have before us.

Again, the aged in the States where these benefits are available want assurance they will not lose these benefits.

At this point, Mr. President, I ask unanimous consent that there be printed in the RECORD a list of States now providing medical assistance to the aged in forms of either doctor services, dental services, or drugs, or a combination of the three.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

States providing some type of medical assistance to the aged (as of Oct. 1, 1961)

State	Physician services	Dental services	Prescribed drugs
Arkansas	X	X	X
California	X	X	X
Colorado	X	(1)	X
Connecticut	X	X	X
Delaware	X	X	X
District of Columbia	X	X	X
Florida	(1)	X	X
Hawaii	X	X	X
Idaho	X	(1)	(1)
Illinois	X	X	X
Indiana	X	X	X
Iowa	X	X	X
Kansas	X	X	X
Kentucky	X	X	X
Louisiana	X	(1)	X
Maryland	X	X	X
Massachusetts	X	X	X
Michigan	X	X	X
Minnesota	X	X	X
Missouri	X	X	X
Montana	X	(1)	(1)
Nebraska	X	X	X
Nevada	X	X	X
New Hampshire	X	X	X
New Jersey	X	X	X
New Mexico	X	X	X
New York	X	X	X
North Dakota	X	X	X
Ohio	X	X	X
Oklahoma	X	(1)	(1)
Oregon	X	X	X
Pennsylvania	X	X	X
Puerto Rico	(1)	(1)	X
Rhode Island	X	X	X
South Carolina	(1)	(1)	X
South Dakota	X	X	X
Texas	X	X	X
Utah	X	X	X
Vermont	X	(1)	(1)
Virgin Islands	X	X	X
Virginia	X	X	X
Washington	X	X	X
West Virginia	X	X	X
Wisconsin	X	X	X
Wyoming	X	(1)	(1)

[1] No program.

Source: Bureau of Family Services, Social Security Administration (in "The Health Care of the Aged," Health, Education, and Welfare, 1962).

Mr. CARROLL. Mr. President, from the foregoing chart Senators can determine the effect of my amendment on their States.

COLORADO'S MEDICAL CARE PLAN

The Colorado State program of medical care for its senior citizens on old-age pension is one of the finest in the country.

Colorado pioneered in the use of Blue Cross and Blue Shield as its agent in administering the hospital and doctors fee program. The relationship with Blue Cross and Blue Shield has worked out to the complete satisfaction of pensioners, doctors, and hospital administrators.

In 1961 Colorado spent $10 million on medical care to the aged.

Much of this was paid for services not available under the Anderson-Javits bill.

For example, $2,053,568.84 was paid to Colorado doctors in 1961; 34,197 doctor bills were paid for in hospital services, averaging $59.52 per bill for surgical and $41.97 for medical services; 128,089 home and office calls by doctors were paid for; $372,284.27 was paid for 138,110 drug prescriptions for nursing-home patients; $24,097.62 was paid for ambulance transportation service.

Under my amendment the Congress declares as a matter of policy that it expects these services to continue to be available to the aged pensioners.

Another problem confronting Colorado pensioners which would be cured by my amendment involves hospital care.

Under the Anderson-Javits bill the patient is required to pay $10 a day for the first 9 days of hospital care, and $20 for each diagnostic study by outpatient hospital diagnostic services.

In Colorado in 1961 the average hospital stay by pensioners was 9.9 days. There were about 18,000 hospital admissions.

My amendment assures Colorado pensioners that the first 9 days of hospital care, or the $90 deductible hospital charge, will be provided by the Colorado State medical program and the balance of the stay by the new Anderson-Javits program within its limitations. In other words, the Colorado program should supplement the Federal program, filling in the gaps.

FEDERAL BENEFITS NOT CONSIDERED INCOME

Another problem is raised when a Federal health insurance program is considered in connection with State pension and medical care programs. My amendment also meets this problem.

The beneficiaries of State plans are concerned lest by taking advantage of the Federal program as a resource they suffer a disadvantage in having the State consider Federal health care benefits as income counted against their State pension.

My amendment establishes as a matter of congressional policy that this disadvantage to State pensioners not occur.

My amendment assures the State old-age pensioner that he may use Anderson-Javits benefits and still continue to draw his regular monthly pension without penalty.

The director of the welfare department of the State of Colorado, Mr. Guy Justis, informs me that he would expect every eligible Colorado pensioner to avail himself of the Anderson-Javits benefits as a resource.

However, I am assured that even though this is a resource it will be considered only as a medical aid resource and nothing more. It will not be considered as income which would dilute the monthly pension.

My amendment emphasizes that the Congress, as a matter of policy, declares that no pensioner shall be disadvantaged as a result of enactment of the Anderson-Javits bill. Hence the pensioners' monthly pension is protected and safeguarded.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE DOES NOT OBJECT

I have discussed this proposal with officials of the Department of Health, Education, and Welfare, who say it is not, and never has been, their intention to reduce benefits to any person eligible for benefits under a State pension plan. I replied that that might very well be; but I did not know who the next Secretary of Health, Education, and Welfare would be or what his interpretation of the act would be. Therefore, I desired to protect my Colorado old-age pensioners by spelling out, as far as I could, that the policy and intent of Congress would be not to reduce any benefits to a pensioner receiving assistance under a State plan. This is the entire purpose of my amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of a letter dated July 6, 1962, from Hon. Wilbur J. Cohen, Assistant Secretary of Health, Education, and Welfare, to the distinguished junior Senator from New Mexico [Mr. ANDERSON]. The original letter is in the possession of the Senator from New Mexico.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
July 6, 1962.

Hon. CLINTON P. ANDERSON,
U.S. Senate,
Washington, D.C.

DEAR CLINT: This is in reference to an amendment to your health insurance amendment to H.R. 10606 proposed by Senator CARROLL on July 5. The purpose of the amendment is to reassure recipients of old-age assistance and other persons receiving public assistance that the enactment of your health insurance amendment would not be detrimental to them. As a practical matter, we do not believe that this would occur and accordingly from the standpoint of the operation of the programs are not convinced that an amendment is necessary.

However, since there apparently is widespread concern, at least in Colorado, among the old-age pensioners, we sympathize with Senator CARROLL's desire to provide as much reassurance as possible without restricting the right of States to modify and reshape their assistance programs.

We would accordingly have no objection to its inclusion in your amendment with a few minor drafting changes reflected in the enclosed draft which, we understand, are acceptable to Senator CARROLL.

Sincerely,

WILBUR J. COHEN,
Assistant Secretary.

Mr. CARROLL. Mr. President, I believe this is a very necessary amendment. It has been under consideration for several days. I have discussed the proposal with the people of my State, especially pensioners, and they have expressed deep apprehension about this health insurance benefits bill. I think the amendment will strengthen the proposal offered by the junior Senator from New Mexico, who has shown brilliant leadership in this field. The amendment will strengthen the position of pensioners not only in Colorado, but throughout the Nation, as well.

Mr. ANDERSON. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. ANDERSON. I have had this proposal studied carefully by officials of the Social Security Administration and all other persons who might be concerned with the administration of any part of the bill, should it become law. They have all assured me that there is no objection to the amendment of the junior Senator from Colorado. I hope it will be adopted by the Senate.

Mr. CARROLL. I thank the Senator from New Mexico.

Mr. President, my amendment affects 2,358,272 aged pensioners in 45 States and possessions, assuring them of the use of their State medical care plans as supplementary programs to the Anderson-Javits program, and assuring them that in no way will they be disadvantaged by a reduction in their monthly pensions and present benefits.

Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. CARROLL].

The amendment was agreed to.

OREGON IRONWORKERS LABOR DISPUTE

Mr. MORSE. Mr. President, for several weeks a disrupting and costly strike has been raging in my State between the general contractors and the union of ironworkers. Together with my able colleague from Oregon [Mrs. NEUBERGER], I have conferred from time to time with Federal officials in regard to the possible Federal interest in this subject. Although it is a so-called local strike, it is having deleterious effects on the economy not only of the Pacific Northwest, but of the Nation as a whole.

I express my appreciation to Secretary of Labor Goldberg and his assistants for the help they have been to the Senators from Oregon in regard to this problem in recent weeks.

Last night the Governor of my State called me and said that today he was calling the parties into a conference with him and the Federal mediator, Mr. Simkin, in the hope that they might be of assistance in leading the parties to a settlement of their differences. I discussed the problem with the Governor and agreed to obtain whatever information I could which would be of help to him.

After talking with the Governor, I conferred with Secretary of Labor Goldberg. This morning I had a conference in my office with Assistant Secretary of Labor Reynolds and subsequently had a telephone conference with him.

Today I have sent the Governor of Oregon the following telegram:

JULY 13, 1962.

The Honorable MARK O. HATFIELD,
Governor of the State of Oregon,
Salem, Oreg.:

I wish you success in your conference today with parties to ironworkers strike. Following my telephone conversation with you last night, I conferred again with Secretary of Labor Goldberg and also with Assistant Secretary Reynolds. Since beginning of ironworkers strike, I have been doing everything I can at Federal level as you have at State level in trying to help find a basis for settlement of this strike. Goldberg, in my several conferences with him, has been very cooperative as he was again in our conference after your telephone call. Reynolds gave me additional information this morning which Federal Mediator Simkin has concerning the procedures of the joint appeal board.

In my telephone conversation with John Lyons, he alleged that AGC has not tried to settle the wage issue in good faith collective bargaining but has tried to force union into arbitration. He claims that Iron Workers Union will not arbitrate the making of the basic wage agreement but will only arbitrate disputes arising during the life of an agreement after it has been entered into through collective bargaining. Lyons claims that over the last 10 years there has developed a wage differential between the ironworkers and other speciality workers within the industry of about 50 cents an hour and in some instances the differential reaches almost 90 cents an hour. He mentioned such speciality crafts as electricians, plumbers, sheet metal workers, pipefitters, boilermakers and others. Lyons also claims that only 25 percent of the members of the union work for AGC employers and the rest work for so-called speciality craft employers. Apparently officials of union at both National and State levels want employers to negotiate with them in collective bargaining over this alleged wage differential between ironworkers and other crafts. Respectfully suggest you and Simkin examine both employers and union representatives and find out what they claim the facts are about this alleged wage differential between ironworkers working for so-called speciality work employers and workers in other speciality crafts. If you and Simkin can persuade both sides of the dispute to come to collective bargaining grips with wage differential issue within industry in relation to speciality crafts, it might help break impasse. If such differential does exist in fact, it would seem obvious to me that union could not expect employers to absorb entire wage differential as basis for ending strike.

I have already made clear in my conferences back here that continuation of this impasse between AGC and ironworkers does not make sense from the standpoint of the best interest of the public or from the standpoint of the best interest of other labor and employer groups in the Pacific Northwest as well as from the standpoint of the best interest of the ironworkers and the AGC. Everyone involved in the strike knows that eventually it must be and will be settled. Therefore, industrial statesmanship calls upon the employers and the union to respect the public interest pleas of you and Simkin and work out through good faith collective bargaining a fair and equitable compromise of their differences.

Please keep me informed of anything more I can do at the Federal level because I want you to know that I am at your service. Best wishes.

WAYNE MORSE,
U.S. Senator.

Mr. President, in concluding my remarks, I merely wish to say that in my judgment neither party to this dispute can justify a continuation of it. I think they should recognize that they have a great obligation to the public to get the strike settled over this weekend, so that the millions and millions and millions of dollars' worth of construction that has been at a standstill in the Pacific Northwest can proceed next week. I do not use the term loosely when I say that not only is it their obligation as industrial statesmanship, but it has also become their patriotic duty.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2970) to amend the Small Business Act.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 809) to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1962, and it was signed by the Vice President.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. ANDERSON. Mr. President, there seems to be no amendment pending now to the amendment which I have offered on behalf of myself and a number of other Senators.

I ask unanimous consent that at this time the Senator from New York [Mr. KEATING], the Senator from Colorado [Mr. ALLOTT], and the junior Senator from New Mexico, may be recognized for such time as they may require, without having the time they use charged to the time available to either side in connection with the time allotment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KEATING. Mr. President, I wish to say a few words about the key vote on health care for the aged which will be taken on Tuesday. I refer to the vote which will be taken on the motion to lay on the table the revised Anderson amendments, of which I am a cosponsor.

There has been considerable loose talk about depriving children and persons on public assistance by voting for this amendment or voting against the motion to table. Those who favor laying the amendment on the table have been saying in the corridors and in conferences in regard to the amendment that unless it is tabled, great damage will be done to a number of our vital public-assistance programs.

Mr. President, I am emphatically opposed to laying the amendment on the table. That would be an unwise, illogical, and wholly irrelevant procedure at this time. The subject of health care for the elderly has been before the Congress for years. We must decide about it on its merits, not on the basis of some extraneous parliamentary procedure.

Mr. President, let me also say that I heartily support the joint resolution, which the distinguished Senator from New Mexico [Mr. ANDERSON] has introduced, to grant a 60-day extension of the Public Welfare Act. This is the principal answer to the charge that the strategy in connection with our health-care amendment would deprive public-assistance recipients of the care they need. If those who so strenuously urge that the Anderson amendment be tabled are really so much concerned about the public-assistance recipients, such Senators should support the joint resolution to provide a 60-day extension so that we can intelligently and carefully debate the health-care issue.

Perhaps no other domestic issue has stirred up so much interest and excitement throughout the Nation. How can we, as conscientious legislators, say that all we want to do is table this amendment? That would not decide anything. In effect, it would amount to our saying, "We do not want to take a position; we just want to get the thing out of the way for a while."

The question arises, What are we actually talking about when people refer to those on relief who are being hurt by our prolonged consideration of the bipartisan health-care amendment to the Public Welfare Amendments Act?

I have checked with the Commissioner of the Social Security Administration, and I have some facts which ought to be on the record. The only public-welfare programs that are affected by this delay are programs that were temporarily enacted when we last amended the Public Welfare Act. Primarily, what is involved is the temporary aid to dependent children program for the children of unemployed parents. It was enacted 1 year in 1961, and now has lapsed. The bill before us would extend this program. There are, therefore, a considerable number of children, whose parents are unemployed, for whom no Federal money has been available since July 1.

The relevant question is, Are these children going without? In my own State of New York, the State has continued to make payments under general assistance for these children, on the basis that the State will be reimbursed later by the Federal Government. There is very little doubt in my mind that the State will be reimbursed. I am glad that New York State has taken care of these people in the interim, and I am happy to report that other States are doing the same.

Unfortunately, there are three States which have not made arrangements to continue this program until new legislation is enacted. These States are Illinois, Connecticut, and Oregon. In these three States, children are being hurt.

I favor a temporary 60-day extension right now. I recognize that in Illinois, Connecticut, and Oregon some children are temporarily being hurt by our delay. I am concerned about these children; but I caution the Senate against generalizing too carelessly, so as to make it appear that this delay is curtailing existent and continuous public welfare programs for which the authority is already existent, and which can be extended on the basis of the resolution which we passed to take care of the new fiscal year.

In the three States involved, the problem is not one of intentions or motivation. It generally involves a rigidity of State law, which does not allow for the temporary transfer of funds from one public welfare program to another. In cases where the legislature is not in session or cannot act swiftly on such matters, we are creating a real problem.

All in all, 13 States have programs to provide aid to the dependent children of unemployed parents. Four States—Massachusetts, New York, Pennsylvania, and Utah—have taken specific action to extend temporarily these programs. Three States, as I have said, are "out in the cold." The remaining six States have programs which, as of the present moment, have not been impaired, according to the best knowledge of the experts at the Department of Health, Education, and Welfare. One of these six States is Oklahoma; and this situation ought to be of interest to the senior Senator from that fine State.

Mr. President, several other temporary features in the public welfare law are affected by this delay. The $1 a month increase made last year in the aid to the aged program is similarly affected. Again, many States are making this additional payment, because they are convinced that the Congress will act, and, therefore, that funds to reimburse them will be available at some future date.

Thus, Mr. President, the need for positive action is apparent. Seventeen to eighteen million people in the Nation and over 1½ million people over the age of 65 in New York State alone are awaiting our decision. All of us realize, perhaps even more sharply after reading the thousands of moving pleas from our constituents, that something has to be done. Let us do it. Let us not, by tabling, say that we are not going to do anything about this critical problem.

Mr. ANDERSON. Mr. President, I ask unanimous consent that, following the completion of the speech by the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON] be recognized for 20 minutes, without the time being counted against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. As I understand the parliamentary situation, it is not necessary to have an amendment pending in order to speak at this time.

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLOTT. What we are offered by the Anderson-Javits amendment is this: Basically, we still have the King-Anderson bill, with a few modifications. Benefits would consist of payments to medical facilities for services rendered to eligible individuals for the following kinds of services:

First. Inpatient hospital care: 90 days per benefit period subject to a deductible of $10 per day for the first 9 days but not less than $20 plus

Second. Skilled nursing home care in homes affiliated with a hospital after transfer from a hospital: 120 days per benefit period plus 2 extra days of nursing home care for each unused day of hospital care, total nursing home care for each benefit period not to exceed 180 days, plus

Third. Home health services: 240 visits per calendar year plus

Fourth. Outpatient diagnostic patient services subject to a $20 deductible for each 30-day period.

Those eligible still include all persons 65 or over eligible to receive social security or railroad retirement benefits, an estimated 15 million persons, with the addition of some 2.5 million more persons not so eligible under social security or the railroad retirement act but who will be 65 before 1967 or reach age 65 before 1973 if they meet a special insured-status requirement of a certain number of quarters of coverage prior to that date.

The program would be financed in three ways: First, the amount of annual wages and earnings subject to social security payroll taxes would be increased from $4,800 to $5,200; second, social security and railroad retirement payroll taxes would be increased by 0.50 percent of taxable earnings. The increase equals 0.25 percent on employers, 0.25 percent on employees, and 0.375 percent on the self-employed.

These changes would be effective in 1963 for wage base, and in 1964 for tax increase. Benefits for those not eligible for social security or railroad retirement benefits would be financed from general revenues. Administration would still be under the Federal social security system, with the States and accrediting bodies used in determining eligibility of providers to participate. The providers could use agents to represent them before the Government on their participation in the program and on the reimbursement provisions. The new provisions of which much is made, and which I will discuss later, are: First, to allow the Secretary of HEW in his discretion, to designate an agent, such as Blue Cross, chosen by the provider of services, to handle the administrative details in the provider's dealings with the Government; and, second, to allow the patient or beneficiary the privilege of having the benefits to which he is entitled under the bill paid to the provider—the hospital—by his own private health insurance organization such as Blue Cross; such organization would then be reimbursed by the Government.

Also, a separate trust fund for health insurance would be established.

WHAT IS OFFERED AND DEFICIENCIES

Ultimately, any appraisal of merits and demerits in such widely different approaches to Government aid as Kerr-Mills Act and the Javits-Anderson bill requires that the fundamental, philosophic differences be examined carefully. These are basically three in number. Each must be studied from the viewpoint of both the immediate effect and the long-range implications. Broadly speaking, these three fundamental differences under the Javits-Anderson bill are as follows:

First. All of the beneficiaries, whether they be under social security or not, would receive aid regardless of need;

Second. Care would be limited to (a) a specific number of days in the hospital and nursing homes; (b) physician diagnostic services provided through hospital clinic; and (c) services of the home health agencies, which must be a nonprofit corporation or a public agency.

Excluded would be (a) drugs, except those provided in one of the above-cited institutions; (b) private physician services in or out of the institution; and (c) nursing or other professional services except those provided through one of the above cited institutions.

Third. Administration of the program, for all practical purposes, would be by the Federal Government in Washington.

It is in these three areas of conflict that the fundamental issues regarding Government's role in medical care for older people are to be found.

ANDERSON-JAVITS SUBSTITUTES GOVERNMENT CARE FOR PRIVATE INITIATIVE

In direct contrast with the Kerr-Mills Act, the Anderson-Javits approach would provide limited help to everyone over 65 covered by social security, plus approximately 2,500,000 persons not covered by social security, whether such persons in either instance need or want help or not.

The amendment which has just been adopted relating to the State of Colorado, which is a very unusual and peculiar situation, will aid this situation somewhat. Even millionaires would be recipients of aid. The disregard of the need factor by the Anderson-Javits bill is important in its immediate effects. Most obvious is the unnecessary cost to the taxpayer providing services for those who are able and willing to accept personal responsibility for meeting their own needs. Equally important is the virtually complete destruction of a substantial portion of the voluntary health insurance effort which is rapidly responding to the needs of older people.

Immediate effects, however, are insignificant when compared with the possibilities of the future. Historically, there has been a tendency for age requirements to be lowered once a program of this type gets underway. While social security benefits are not technically a matter of legal right for those who have paid their social security taxes, they are generally so regarded by the individuals paying such taxes. It is quite reasonable to assume that this belief in their right might reinforce efforts for age requirements, eventually completely destroying the private enterprise system of medical care now enjoyed by the American people. That such a possibility is real, is underscored by the fact that many of the prime movers for King-Anderson, and now Anderson-Javits, have long advocated total, compulsory Federal health care for the whole population.

In the United States as elsewhere, Government very definitely operates on precedent. Once the precedent is established under the Anderson-Javits, or a similar bill, that medical care should be provided to individuals without regard for need, no matter how few the number or how limited the benefits, it will be a simple matter to extend such assistance to increasingly large numbers, conceivably to all of the people. The dangers of such an extension are especially real under the social security tax method of financing such assistance. Since working people will be paying the bill, it is almost inevitable that many of them will want to share in the benefits. Former Congressman Forand, author of a previously rejected bill similar to the King-Anderson bill, has said:

> If we can only break through and get our foot inside the door, then we can expand the program after that.

I have in my hand two charts which show the fantastic growth of funds for the public assistance programs under the Social Security Administration and the funds for the National Institutes of Health since 1956. I believe that once the Anderson-Javits program was enacted, we could expect an even more rapid growth in the size of that program than we have experienced with the National Institutes of Health and the public welfare programs under HEW.

Mr. President, because I think the growth of the Department of Health, Education, and Welfare, and also the growth of the National Institutes of Health, under a similar program for health, provide a reasonable guidepost for what we may expect in this area, I ask unanimous consent that the two charts, identified as chart 1 and chart 2, which I have in my hand, be made a part of the RECORD at this point.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

CHART 1.—*Budget estimates and appropriations to the Social Security Administration, 1956 through 1963, estimate*

	1956	1957	1958	1959	1960	1961	1962	1963
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund):								
Budget estimate	$93,229,000	$122,211,000	$145,085,000	$173,532,000	$191,600,000	$237,660,000	$280,025,000	$285,400,000
Appropriation	91,229,000	121,500,000	144,085,000	171,221,000	191,600,000	232,200,000	267,570,000	
Reimbursement for military service credits:								
Budget estimate								
Appropriation								78,600,000
Grants to States for public assistance:								
Budget estimate	1,457,000,000	1,592,000,000	1,850,000,000	1,974,800,000	2,043,500,000	2,190,000,000	2,585,200,000	2,688,300,000
Appropriation	1,447,000,000	1,575,000,000	1,770,000,000	1,957,960,000	2,037,500,000	2,177,000,000	[1] 2,401,200,000	

See footnote at end of table.

CHART 1.—*Budget estimates and appropriations to the Social Security Administration, 1956 through 1963, estimate*—Continued

	1956	1957	1958	1959	1960	1961	1962	1963
Grants for training public welfare personnel:								
Budget estimate			$2,500,000		$1,000,000		$3,500,000	$3,500,000
Appropriation								
Assistance for repatriated U.S. nationals:								
Budget estimate							939,000	875,000
Appropriation							764,000	
Salaries and expenses, Bureau of Family Services:								
Budget estimate	$1,690,000	$1,748,000	2,295,500	$2,226,500	2,345,000	$3,113,000	3,742,000	4,096,000
Appropriation	1,636,250	1,748,000	1,979,500	2,166,500	2,345,000	2,726,900	3,442,000	
Grants to States for maternal and child welfare:								
Budget estimate	30,000,000	35,288,700	41,500,000	43,000,000	43,500,000	48,500,000	64,750,000	76,750,000
Appropriation	34,156,600	39,361,000	41,500,000	45,000,000	46,500,000	51,833,000	69,100,000	
Salaries and expenses, Children's Bureau:								
Budget estimate	1,896,500	1,922,000	2,197,124	2,185,000	2,300,000	2,507,000	2,668,000	2,853,000
Appropriation	1,740,000	1,822,000	2,043,124	2,172,000	2,300,000	2,493,500	2,668,000	
Cooperative research in social security:								
Budget estimate			2,080,000		700,000	700,000	1,500,000	1,900,000
Appropriation						350,000	700,000	
International social security meeting:								
Budget estimate								100,000
Appropriation								
Special foreign currency program:								
Budget estimate						25,650	2,213,000	1,800,000
Appropriation							1,607,000	
Salaries and expenses, Office of the Commissioner:								
Appropriation:								
Budget estimate	191,400	212,000	315,000	342,000	337,000	412,000	590,000	711,000
Appropriation	184,400	212,000	300,000	342,000	337,000	372,800	590,000	
Transfer from old-age and survivors insurance trust fund:								
Budget estimate	149,600	160,000	244,000	268,500	276,000	300,000	322,000	418,000
Appropriation	138,600	160,000	240,000	268,500	276,000	296,000	322,000	

[1] Excludes 1962 supplemental contained in H.J. Res. 745 of $80,000,000.

CHART 2.—*History of appropriations, National Institutes of Health*

Fiscal year	Budget estimate	House allowance	Senate allowance	Senate increase over—		Appropriation	Appropriation increase over—	
				Estimate	House		Estimate	House
1956	$90,314,800	$89,773,000	$113,416,800	$23,102,000	$23,643,800	$98,458,000	$8,143,200	$8,685,000
1957	126,525,000	135,525,000	183,007,000	56,482,000	47,482,000	183,007,000	56,482,000	47,482,000
1958	190,183,000	190,183,000	226,783,000	36,600,000	36,600,000	211,183,000	21,000,000	21,000,000
1959	211,183,000	219,383,000	320,577,000	109,394,000	101,194,000	294,383,000	83,200,000	75,000,000
1960	294,279,000	344,279,000	480,604,000	186,325,000	136,325,000	400,000,000	105,721,000	55,721,000
1961	400,000,000	455,000,000	664,000,000	264,000,000	209,000,000	560,000,000	160,000,000	105,000,000
1962	583,000,000	641,000,000	835,670,000	252,670,000	194,670,000	738,335,000	155,335,000	97,335,000
Total	1,805,484,800	2,075,143,000	2,824,057,800	928,573,000	748,914,800	2,485,366,000	589,881,200	410,223,000

Mr. ALLOTT. Mr. President, the proponents of the Anderson-Javits social security approach claim that this plan is not the "opening wedge" for a total, compulsory Federal health care system—that if the plan works poorly, surely it would not be expanded; and that if there is no real need for expansion it would not be expanded. Further, it is said that if it works well, why should it not be expanded? My comment on this is as follows:

In other countries, once the principle of government medical care has been accepted for part of the population, it has ultimately spread to all.

Many advocates of the social security approach have long supported total compulsory "health insurance."

Whether it works poorly or well has had little influence on the spread of state medicine. Human beings are usually unwilling to pay for services given someone else as a right for long without insisting that the right be extended also to them. This is the built-in expander of any government medical program not based on need.

Americans, in part as a result of the voluntary medical care system, may be more sophisticated regarding care than people in other countries. However, they too, would be subject to the same human motives which have tended to make state medicine universal once the principle has been accepted for any group.

Whether expansion of the program is planned was apparently supplied during the hearings on the King-Anderson bill before the House Ways and Means Committee during the summer of 1961. The witness was Walter Reuther, president of the United Auto Workers of America, a person not unknown to have an attentive ear at the White House these days. Said Reuther:

> Obviously it is a matter of commonsense that those who share my point of view that the present proposal (the King-Anderson bill) is not adequate in certain areas would want to continue their efforts to get amendments in the future to make it more adequate. Nothing is static. Nothing is fixed. Therefore, if we could get the principle established we want established, we want to build on that principle, just as we built on the (original) social security principle.

This statement is similar to that of former Representative Forand, and similar, I am sure, to the thinking of a great many people. It forms the basis, together with the illustrative charts I have put into the RECORD, for conclusive proof in my mind that this is the opening wedge of the program, and that it will grow in size and be extended, and that the Government bureaucracy required to handle it will grow and grow in the same proportion.

It should also be noted that much more is at stake in the social security approach than medical care.

If the dollars now provided by the social security system are replaced with medical services—because someone in Government has decided that that is what older people need—it is illogical to stop there.

Why should not the noncash principle be extended to food, clothing, shelter, and other necessities?

Some of the people advocating the social security approach would like to greatly expand public housing for older persons. In both the executive and legislative branches there is considerable discussion of what constitutes proper housing for older people. It implies that Government should decide what housing is needed whether it really meets the desires of older people or not.

These bureaucracy builders are strangely disinclined to provide equivalent amounts of cash which people could spend as they, themselves, choose.

Government involvement in activities which should be left to individual initiative, private enterprise, and voluntary action is dangerous to the Nation's future. For, while socialization of part of medical care has been followed by total socialized medicine, even more serious is the historical fact that socialized medicine has been but a beginning of nationalization of other fields.

Nor is public approval proof that a plan is good. This is particularly true in medical care.

Many people in England, for example, seem to like their socialized medicine. Possibly this springs from the low level of medical care they had before, a good portion of which was socialized in 1911. Perhaps they fail to recognize that they, as individuals, ultimately are paying for the scheme through indirect taxes as well as payroll deductions. They may enjoy the luxury of a free housecall for the common cold. Apparently the opportunity to "put the doctor in his place" by having him superficially at one's beck and call appeals to many.

This is not medical "care"; it is medical "attention." The difference is great.

Failure of the United Kingdom to build badly needed hospital beds has been a major factor in deterioration of care for its truly sick people. Over the first 13 years of their total socialized medicine program, only one new hospital was built. During the same period, the United States, exclusive of Federal hospitals, had a net increase in new hospital beds of 334,000.

It is further said that being a contributory program the social security approach would place no load on the Federal budget, but that it would, in fact, help balance it.

The significant thing to keep in mind in meeting the costs of Government activities is whether such costs are to be met through taxes, inflation, or through other methods, all of which confiscate part of the individual's assets or earnings.

I suggest, Mr. President, although the employer under social security contributes an equal amount to that which the employee contributes, this comes from the net earnings of the corporation. It is a fact ordinarily overlooked that to such an extent this eliminates from the net earnings of the corporation a portion which might otherwise be shared with the employee.

The social security system and other self-financing programs such as the highway trust fund do not appear in what is usually referred to as the Federal budget, but this is purely an administrative device.

Special taxes, such as those under social security, are actually no different from other taxes; except, possibly, as to the method of levy. Expenditures under such special programs are equally no different in their effects on the economy.

Obviously, if costs are high, they not only reduce the freedom of individuals to spend their money, but also impair the ability of States and communities to gain public acceptance of taxes needed to pay for their programs.

COST FACTORS AND ESTIMATES INVOLVED IN ANDERSON-JAVITS AMENDMENT

I would like to take a moment to discuss the cost factors and estimates involved in the Anderson-Javits amendment. We have seen from a review that the benefit structure and eligibles for OASI benefits under the Anderson-Javits proposal are not essentially different from those contained in H.R. 4222 and S. 909. Therefore, as respects the OASI eligibles and those eligible under the Railroad Retirement Act, cost figures and estimates remain approximately the same as calculated for the original King-Anderson bill. In hearings on H.R. 4222, held before the House Ways and Means Committee during 1961, there appeared significant differences in cost estimates by the Department of Health, Education, and Welfare, and witnesses for the insurance industry. These differences are shown by the partial quote from testimony presented on behalf of the American Life Convention, the Life Insurance Association of America and Health Insurance Association of America by H. Lewis Reitz, president of the latter:

> Insurance company actuaries have developed estimates that benefits provided under H.R. 4222 would cost $2.2 billion in 1963, as compared with the administration's estimate of $1 billion. In 1964, with the nursing home provision available for the entire year, the total cost would rise to $2.5 billion. The administration's estimate is again $1 billion. By 1983, the annual cost of H.R. 4222 would be $5.4 billion, while the administration has estimated that by 1990 the cost will reach only $2.5 billion. The level premium cost of H.R. 4222 as defined by the social security administration are 1.73 percent on a $5,000 taxable earnings base, while the administration's estimate is only 0.66 percent.

The administration's statistics were established by Robert J. Myers, Chief Actuary of the Social Security Administration, on the basis of National Health Survey reports which include the experience of the aging population of the country. The insurance company base is much more selective. Its tables are based on the actual claim experience under Blue Cross-Blue Shield plans. It estimates hospital costs in 1963 at $37 per diem, while the administration figure is $32. It includes railroad retirees. H.R. 4222 does not. Mr. President, while there is a question of choosing which figures we wish to believe, I am inclined to go the insurance industry estimates which are, as I said, based upon the actual claim experience of insurance companies, as well as Blue Cross and Blue Shield plans. Long experience would indicate that this substantial, actual data is far more reliable in predicting cost than is unverified data obtained from household interviews of a limited sample of the aged population as was used in development of the HEW estimate.

Following is a breakdown of these overall figures to a calculation of what a worker entering the labor force next year would pay both with and without medical tax:

Year	Without medical care tax	With medical care tax
1963	$174	$201.50
1964	174	201.50
1965	174	201.50
1966	198	227.50
1967	198	227.50
1968	222	253.50
1969-2007	8,658	9,886.50
Total	9,798	11,199.50

With respect to the cost of providing benefits to non-OASI eligibles, I believe proponents of this amendment to assume a cost of $250 million to provide coverage to 2.5 million aged people. They indicate that the net cost of covering such aged persons would be only $50 million and that the Government would derive a savings of some $200 million via lesser payments under public assistance and veterans programs. I believe these estimates to be totally unrealistic for the following reasons: I believe the estimates are understated because: First, they understate the number of aged persons not eligible for either OASI or railroad retirement benefits; second, they understate the cost of providing health benefits to each person eligible under the provision of the amendment; third, they overstate the savings which the Government would realize under these new public assistance and veterans programs.

With respect to the number of aging who would be eligible, I believe the proponents of this amendment derive their figures as follows: As of January 1964, there will be 17.9 million aged persons. Of this number, they say, a quarter of a million, while not eligible for either social security or railroad retirement would be covered under the Federal civil service governmental health insurance plans. Subtracting this quarter of a million, they incorrectly arrive at 17.5 million. They then indicate that about 15 millions aged persons are eligible for either social security or railroad retirement, leaving a remainder of 2.5 million aged persons who could require health care benefits to be financed from the general revenue. According to the Social Security Administration of the Department of Health, Education, and Welfare, there will be 17.9 million persons at age 65 or over on January 1, 1964. Excluding the quarter of a million Federal civil servants—even this figure may be high—leaves a remainder of 17⅔ million—17.65 million, not 17.5 million. According to the same governmental sources, there will be 14.4 million aging persons eligible for OASI and an additional quarter of a million of railroad retirement benefits not already included under OASI. By subtraction there remains 3 million aged persons not covered by either OASI or railroad retirement or having benefits by reason of being Federal civil servants who could qualify for health care benefits from the general revenue, as opposed to the proponents' estimate of 2.5 million.

Proponents also estimate that the cost of caring for each non-OASI eligible would be $100. The insurance industry's detailed actuarial cost estimates included in their testimony before the House Ways and Means Committee last year in hearings on the King bill indicate the cost per OASI eligible should be approximately $141 in 1964. The non-OASI aged population is, according to Government estimates, a significantly higher age group than is the OASI population. This being the case, the cost per person among non-OASI aged should be even higher than $141. Apart from this, and using the base cost of $141 per person with an allowance of 10 percent for the cost of administering these benefits, the cost in 1964 for providing health benefits to the non-OASI eligible population should approximate $465 million as compared with the amendment proponents' estimate of $250 million.

Also, I am unable to substantiate the proponents' estimate that this aspect of the program would result in a savings of $200 million. It is a reasonable to assume that such an estimate is unduly optimistic. According to the Social Security Administration, public assistance expenditures for general hospital care for the aged in 1960 totaled $100 million. Such expenditures were for aged persons under old age assistance, of which about one-third are also covered under OASI. If it is assumed that OASI and non-OASI public assistance recipients use hospital care at about the same amount, then $67 million was expended by both Federal and State Governments to provide general hospital care in 1960 to the non-OASI aged. The Federal Government's share of this $67 million approximates $45 million or two-thirds. In 1960, the Veterans' Administration spent $165 million for general hospital care for the aged. It should be noted that the very large majority of veterans are covered under OASI. The savings to be derived via this program for the non-OASI aged is therefore questionable. Apart from all this, and accepting the $200 million savings which is, as I have indicated, very likely too high, I estimate the net cost to the Federal Government for providing health benefits to the non-OASI population to be $265 million in 1964. There is a likelihood that this figure could well be in excess of one-third of a billion.

At any rate, we have the situation where heavier taxes toward financing this proposed health insurance proposal plan would be directly imposed only upon contributors to the social security and railroad retirement systems. Those persons not covered by either system would pay no direct contribution, although nearly all of them would be eligible for a full range of medical insurance benefits. The cost of this program for these persons would be financed through appropriations from a general fund of the Treasury. We therefore have such a situation where persons contributing toward social security or railroad retirement would be paying more than their fair share for the health insurance plan. They would pay once through increased taxes under social security or the railroad retirement. They would pay again through general income taxes.

Also, in view of the underestimation of the cost of the envisaged program by the Department of Health, Education, and Welfare, and consequently the underestimation of required revenue to finance the program, the conclusion is inescapable that the proposed increase in the social security tax will only be a first installment increase. More hikes must occur.

ANDERSON-JAVITS DOES NOT MEET OLDER PEOPLES' NEEDS

The second fundamental difference the Kerr-Mills Act and the Anderson-Javits approach makes, is that the latter would provide limited services which might, or might not meet the pressing medical and financial assistance needs of the patient. I have already listed specified benefits under the Javits-Anderson bill.

Many supporters of the King-Anderson bill and the Anderson-Javits amendment have an exaggerated idea of what the measure would provide. For this reason, it is most important to spell out some of the services it does not provide.

It does not provide for drugs outside the hospital or nursing home. Among those appearing at hearings by the Senate Special Committee on Aging to voice concern about medical costs, a high percentage were more concerned about the cost of drugs than any other item. Admittedly, the cost of some of these lifesaving drugs, which often spell the difference between almost normal living and acute illness or death, is great when they must be taken daily month in and month out. Often, they represent the product of advances in medical care which keep the patient out of an institution.

When the cost of drugs seriously impairs the ability of older people to meet their needs, the Kerr-Mills Act—fully implemented—would provide the help. Anderson-Javits would do nothing. It would do nothing, that is, unless the individual were taken from his home and placed in a hospital or nursing home unnecessarily.

This criticism of Anderson-Javits is reinforced by the fact that the most common illnesses among our elderly citizens are chronic and acute, best cared for in the home and not an institution, medical or surgical. The major ingredients in their care are the physician's skill and drugs or appliances, not for long institutionalization.

Anderson-Javits would not provide for physician's services in the home or nursing home at all. It would not provide medical or surgical services by a physician in the hospital, except in the field of pathology, radiology, psychiatry and anesthesiology or certain types of services rendered in the hospital by an intern or resident in training under an approved teaching program.

The physician is the key to the quality of medical services and ultimately the health of the patient. How the family physician, the surgeon, and other physicians can be excluded from a medical care program which claims to be adequate is inconceivable. Yet this is what Anderson-Javits does. The only physicians eligible to provide services under the bill are those who are captives of the hospital and who, in effect, work as its employees in the field of pathology, radiology, psychiatry and anesthesiology, or as interns and residents. If it is the aim of Anderson-Javits to replace the physician with the hospital corporation as the person to whom a sick person turns, its provision represents a long step toward such objectives. It is questionable whether this is the wish of the people, including those who, though misunderstanding, now support the administration bill.

ANDERSON-JAVITS CONCENTRATES POWER IN CENTRAL GOVERNMENT

The third major difference between the present law and the Anderson-Javits approach revolves around the question of whether the administration should be by State and community, as under the Kerr-Mills Act, or by the Federal Government. Congress has long acted on the precedent of grants and aid to States as the proper governmental technique in providing services to individual citizens who need them. This principle is inherent in the present law as set forth in the Kerr-Mills Act. Adoption of Anderson-Javits would be in direct violation of this precedent with most serious implications for the Nation's whole governmental system.

Much more is at stake here than a simple matter of administrative techniques. The whole doctrine of separation of governmental powers, as worked out by the Founding Fathers and reaffirmed by succeeding generations, is at issue.

Adoption of the Anderson-Javits approach would be more than a "foot in the door" for socialized medicine; it would be a long step toward the creation of a new and all-powerful Federal bureaucracy in Washington with a corollary destruction of significant authority and responsibility by State and local government.

In the field of health, itself, the present participation by the Federal Government is limited. If the principles in the Anderson-Javits bill are accepted, they could equally apply to public health measures. If the States are deemed incompetent in provision of medical care to individuals in need, why shouldn't they be deemed incompetent to conduct administration of public health activities? The latter much more clearly affect the total population. They far more certainly cross State lines in their several implications. Are State and local health departments to be replaced by a Federal health juggernaut?

This question is not confined solely to health or medical care. In its large implications, it must be viewed in the total context of possible changes in America's Government. There seems to be a substantial group of people who want to destroy the traditional division of powers, replacing them with centralized concentration of control far removed from the people.

The Kennedy administration has given encouragement to this point of view. Two recent examples should suffice: First, the unsuccessful recommendation that Congress surrender to the executive its control over taxes; and second, the unsuccessful effort to increase Federal involvement in local and State affairs through the proposed creation of a Department of Urban Affairs and Housing, which would have responsibility for certain types of activities in all communities of more than 2,500 population—using definition of "urban population" used by U.S. Bureau of the Census.

The differences between the Kerr-Mills law and the Anderson-Javits approach regarding further extension of Federal control are obvious.

One claim made on behalf of Federal administration, as under the Anderson-Javits amendment, which does appeal to some people, is that it provides all covered persons with eligibility for the same benefits. Some disadvantages of such uniformity, of course, have been cited by me heretofore.

It should be noted further, however, that eligibility for services is not the same as receipt of services. In many areas of the Nation, especially rural communities, only part of the services provided for by the Javits-Anderson approach are available.

Provision of "on paper" outpatient hospital clinic services means nothing if they are not nearby. They are normally available only in teaching hospitals.

Corporate "home health services" such as described in the Javits-Anderson bill exist in few cities and are virtually impossible in small communities. In contrast, the Kerr-Mills Act has flexibility to give those in need the benefits of any services available in any community.

This difference between the Kerr-Mills Act and the Anderson-Javits should be an especially important consideration to people in rural areas as they try to evaluate the two kinds of approaches.

Nonetheless it should be admitted that, while ultimately the States will probably all fully implement the Kerr-Mills Act, such action never immediately follows passage of a grant-in-aid program by the Congress. Some States have not implemented the law. Improbably, but conceivably, some State such as Alaska with its average age of 26 and only 2.4 percent of its people over 65, may never pass it. Others may prefer to pay the bill themselves without Federal aid while still meeting the need.

Basically, however, the issue here is the question of haste versus quality and equity. Undergirding it is the question of whether we shall continue to express confidence in the division of powers between the States and the Federal Government.

Much ado has been made over the provisions now added in the Anderson-Javits amendment, not present in the original King-Anderson bill, which would first, allow the Secretary of Health, Education, and Welfare in his discretion, to designate an agent, such as Blue Cross, chosen by the provider of services, to handle the administrative details in the provider's dealings with the Government; and second, allow the patient or beneficiary the privilege of having the benefits to which he is entitled under the bill paid to the provider—the hospital—by his own private health insurance organization such as Blue Cross; such organization would then be reimbursed by the Government.

The only result of these provisions is this: The Secretary of Health, Education, and Welfare, in the first instance, while authorized to enter into agreements with these organizations to handle certain administrative details and act as intermediaries between the providers and the Government, is under no compulsion to do so. Such a relationship, even if made, is of course under the strict guidance and control of the Secretary and the Department as it inevitably must be when solely Federal funds are being dispensed.

Incidentally, I have in my hand a release from the American Hospital Association—Blue Cross—which indicates they are not interested in participating in this way as mere fiscal agents for a Government benefit program. The mere using of Blue Cross or any other organization, as intermediary, either for the provider or for the patient beneficiary, confers no increased benefits upon either. Benefits paid and received would be the same as they would be if the patient or hospital were dealing directly with the Government.

I ask unanimous consent that the release, dated July 9, 1962, be included in the Record at this point in my remarks.

The PRESIDING OFFICER (Mr. Javits in the chair). Is there objection?

There being no objection, the release was ordered to be printed in the Record, as follows:

NEWS RELEASE BY AMERICAN HOSPITAL ASSOCIATION, JULY 9, 1962

> Chicago, July 8.—The American Hospital Association today objected to the program for financing health care of the aged proposed in the Senate as amendments to a public welfare bill.
>
> Frank S. Groner, chairman of the association's house of delegates and administrator of the Baptist Hospital, Memphis, Tenn., issued a critical statement at the association's headquarters here.
>
> Mr. Groner, immediate past president of the AHA, said, "The association's house of delegates at a special meeting last January voted its opposition to the program for the health care of the aged in the King-Anderson bill (H.R. 4222). The amendments proposed by Senator Anderson do not remove what the association believes are fundamental defects of the King-Anderson bill: (1) administration of the program by the Social Security Administration; (2) lack of any test of financial need of the recipients, and (3) underfinancing.
>
> "We recognize that Government assistance is necessary to enable many retired persons to obtain needed health care. We believe that such assistance should go to the individual to aid him or her in purchasing prepayment through the voluntary system. The Senate amendments permit the administration of the program by the Social Security Administration. We believe it does not belong there. The provision in the Senate amendments for purchase of coverage through Blue Cross or private insurance would make them mere fiscal agents for the Government benefit program.
>
> "Secondly, we believe that the individual aged person should receive governmental financial assistance on a decreasing scale related to income. We believe that a dignified test of income can be devised so that the Government provides assistance to individuals in relationship to their need for such assistance. The King-Anderson bill and the Senate amendments provide no such test.
>
> "Thirdly, as we told the House Ways and Means Committee in our testimony on the King-Anderson bill, the program is underfinanced with all the dangers inherent in such underfinancing.
>
> The changes that the Senate amendments would make in the King-Anderson bill do not therefore, in our opinion, overcome its fundamental defects."

Mr. ALLOTT. Mr. President, note the case of the patient electing his "option" to have his private health insurance organization act as his intermediary. The term "premiums" or "payment of premiums" are not used in this connection. Rather than receiving premium payments for the individuals it insures, the carrier would be reimbursed for the amounts it pays to the providers of service for the authorized benefits. The carrier in effect, would merely be a middleman fiscal agent. The provision is silent with respect to any adjustment in premium payments by the individual for the services which would be financed by the Government. Wherein, then, lies the "option"? We still have a program bestowed upon all, regardless of need, and financed in the largest part by the middle and low income groups of the country.

(At this point Mrs. Neuberger took the chair as Presiding Officer.)

Mr. ALLOTT. I believe that just a word about the Department which would be asked to administer this multimillion-dollar program is also in order. For, whatever else can be said for the various programs, I think we all want to be sure of the best administration possible of whatever plan is adopted, to insure maximum benefits from the taxpayers' dollar. We have had certain practices brought to our attention during the past year that, with everything else being equal, would make me dubious about saddling the Social Security Administration with this new, huge program.

My good friend, and able colleague, the Senator from West Virginia [Mr. Byrd] has, since becoming chairman of the District of Columbia Appropriations Subcommittee, been conducting extensive investigations into the welfare programs within the District of Columbia. I have been following the results with great interest as has the full Appropriations Committee. The final result of the investigation of the 5-percent sample of the aid to dependent children program disclosed that 66 percent of the cases were ineligible. The Appropriations Committee, in commenting on Senator Byrd's findings, in its report on the fiscal year 1963 HEW appropriations bill, stated as follows:

> This, in the committee's opinion, constitutes a shocking waste of Federal and local funds. The committee has previously been advised by the Federal agency that ineligibility in the caseloads throughout the country is estimated to be less than 2 percent. If the situation found to exist in the District is common to other large cities, it is estimated that the waste of public funds would run into the hundreds of millions of dollars. The committee will expect the Department to make an all-out effort to carefully review eligibility under the ADC program throughout the country. This review should include local, State, and Federal personnel organized into a concerted effort to eliminate any abuses of the program. A full report of the Department's findings will be expected when the Department appears before the committee next year.
>
> It is incumbent upon the committee to insist upon a thorough check in view of the seeming complacency exhibited by Federal,

State, and local community officials, particularly in light of the results disclosed through the special investigation in the Nation's Capital.

I shall personally be looking forward with interest to the requested report, should it reflect anywhere near the waste of public and local funds that would be the case with a national projection of the facts turned up by Senator BYRD's investigation. I, for one, could not help but approach, with great apprehension, the turning over to the Social Security Administration the great, new responsibilities it would have under the Anderson-Javits amendment until they put their present house in order.

Again, within the Department of Health, Education, and Welfare, I believe the public has been shocked by the revelations of mismanagement and loose management of the grants research program of the National Institutes of Health, which have been brought out by the Intergovernmental Relations Subcommittee of the House Committee on Government Operations, chaired by Representative L. H. FOUNTAIN, of North Carolina. On April 28, 1962, the Committee on Government Operations issued a comprehensive report on the health research and training grants programs administered by the National Institutes of Health. The report was based on more than 2 years of study by the staff of the committee's Intergovernmental Relations Subcommittee and identified areas of weaknesses in the management of these programs and made recommendations for corrective action. Public hearings were held by the Intergovernmental Relations Subcommittee on August 1 and 2, 1961, in which the Surgeon General of the Public Health Service and the Director and other officials of NIH discussed the committee's recommendations and NIH's plan for implementing them.

The subcommittee held public hearings again on March 28, 29, and 30, 1962, to review the progress made by NIH in strengthening the management of this grant program.

The following is the summary of findings from the first report issued by the House Committee on Government Operations on April 28, 1961:

SUMMARY OF EARLIER FINDINGS

> The committee found that NIH is not adequately organized to administer the grant programs with maximum effectiveness. In particular, NIH has failed to provide for a meaningful review of the financial requirements of research projects as part of the technical review process. Further, NIH does not maintain sufficient direct and continuous contact with grantees for the purpose of determining appropriate levels of continuation support in relation to project accomplishments and needs.
>
> At present NIH makes commitments for the future support of projects in specified amounts for periods as long as 8 or more years. Ordinarily, there is no further review of project requirements during this period, and the amount of the grant is paid automatically each year upon request. The grantee, on the other hand, may request supplemental amounts to meet unforeseen project expenses. This arrangement, obviously, is not conducive to the most prudent use of grant funds.
>
> The present management policies and procedures are especially unsatisfactory in connection with research grants to commercial firms and for the support of meetings of scientific organizations.
>
> The committee noted areas where existing grant arrangements are not designed to obtain full advantage from the available or potential research resources of educational institutions. These areas have been identified and recommendations offered for bringing such institutions more actively into the national health research effort.
>
> The committee believes that economies and greater efficiency can be achieved through the development of more uniform policies and procedures in connection with the many special purpose training programs supported by NIH.
>
> The committee gave close attention to the problem of appropriate Federal payment for the indirect or overhead costs associated with grant-supported research. The committee recommended an equitable indirect cost arrangement for the use of all Government agencies that support research in educational institutions.

Following this report, in general, the National Institutes of Health concurred with the committee's findings and recommendations made. Both by correspondence and in the hearings held in August of 1961 officials of NIH and the Public Health Service expressed substantial agreement with all but one of the recommendations and indicated their intention to take corrective action.

Hearings, as I said, were held by the subcommittee again on March 28, 29, and 30, 1962, to obtain further information on the progress of NIH in implementing the committee's recommendations. These hearings were concerned principally with the administration of research grants. The committee was informed, at that time, that certain actions had been taken in response to several of its recommendations. However, it became evident, in the course of the hearings, that NIH had done relatively little to improve the overall management of its grant program, since the committee report of 1961.

The committee, in March, expressed its particular concern by the continued absence of sound procedures for determining the initial and continuing financial need of grantees. In the House Government Operations Committee report, issued on June 30, 1962, the committee expressed its dissatisfaction with the slow progress which NIH had made to strengthen the grant programs for health research. They stated that while NIH had acted in several areas in response to the committee's recommendations, relatively little effort had been made to improve the overall management of these important grant programs. In particular, the committee pointed out that it had found no significant improvement in the inadequate fiscal review of project requirements on which it reported last year.

The committee observed that the adequacy of NIH policies and procedures for insuring the appropriate research funds was tested earlier this year by means of a detailed audit of the grants awarded to Public Service Research, Inc., a company which had received substantial NIH support. The audit report disclosed that the company misused and profited from grant funds and, in general, used a very broad discretion which NIH allows grantees in expending research money for its own advantage. The audit also disclosed poor coordination between NIH and the Public Health Service, of which NIH is a part. NIH continued to pay Public Service Research, Inc., the 15-percent indirect cost allowance on grants after the Public Health Service had established an indirect cost rate of 6.66 percent to the company in connection with their research contract.

Following completion of the contract, the Public Health Service permitted the company to retain Government-owned equipment for use in connection with an NIH grant, but made no effort to ascertain that the equipment was necessary to the NIH project. Shortly thereafter, NIH awarded a new grant to the company, which included funds for the purpose of equipment similar to that which the company had already had in its possession from the completed Public Health Service contract.

The committee observed further that the suggestion had been made that the findings of this audit are not applicable to most NIH grants, since the grantee in this instance is a company operating for profit, while most NIH grants are made to nonprofit institutions. The committee stated this reasoning misses the essential point that under its present inadequate administrative arrangement, NIH does not know whether or not grant funds are expended prudently and for the intended purposes, and consequently NIH cannot provide reasonable assurance that the misuse of grants is not widespread.

The committee went on to say that it appears that Congress had been overzealous in appropriating money for health research. They said the conclusion is inescapable from a study of NIH's loose administrative practices that the pressures for spending increasingly larger appropriations has kept NIH from giving adequate attention to basic management problems. The committee stated it expected NIH to give high priority at this time to attacking the task of correcting its management deficiencies and strengthening its capacity for the effective and efficient operation of these vital health programs.

Madam President, I have before me one of the most amazing publications it has been my lot to come across during the number of years in which I have served in this body. It is the "Research Grants Index for Fiscal Year 1961," U.S. Public Health Service, listing the 13,500 projects presently underway in the research grants program of the National Institutes of Health. I emphasize that in my observations of, and possible criticism of administration over these various programs within the Department of Health, Education, and Welfare, it is certainly not my intention to import or infer any degree of partisanship. Many of these loose practices have been developing for years over the past two or three administrations. I believe that Representative FOUNTAIN's committee, and Senator BYRD, through his investigation, have and are doing the country a distinct service. I applaud them. To me, it is a logical extension of this concern that when we come to a juncture such as we are at today of the weighing of another multi-million dollar program which will be administered by the Department of Health, Education, and Welfare, that we cannot do other than pause for a moment and say, "Where are we going? Should we not put the house we have in reasonable order, before we consider further additions?"

When we are asked to give the Department of Health, Education, and Welfare these great additional responsibilities, I believe in light of the revelation spoken of above, reluctance has substance. Oh, but you say, Kerr-Mills is also under the Social Security Administration and you support it. My answer is to say, of course I am and I believe Kerr-Mills has the potential for meeting our health problems of our elderly, if given a fair trial. And, I further say, let's give it that chance. But you can also be sure that if instance and evidence is presented of mismanagement and loose administration of this program, I shall be among the first, on the floor of this body, to criticize the same and ask for remedial legislation.

Lest we lose the point that I am attempting to make, these instances of need for serious overhaul of programs within the Department of Health, Education, and Welfare are not, and would not, in and of themselves, be sufficient reason to oppose the social security approach to our problem of health of our aging, everything else being equal. But, I point them out as being just "one more nail in the coffin" of what I consider to be the completely wrong approach for the answer to and the financing of the problem which all of us certainly are endeavoring to solve.

BYPASSING OF COMMITTEE CONSIDERATION

Madam President, I should also like to turn this body's attention briefly to the undue haste with which we are considering the proposals under the Anderson-Javits amendment. We have not even had the benefit of a single hearing on this far-reaching piece of legislation. S. 909 was introduced early last year, but no hearings have been held on it. The Anderson-Javits and other amendments, of course, were introduced but a few days ago. Hearings likewise have not been held on these amendments. Even were I for this program 100 percent, I would still be constrained to vote against this amendment at this time, in view of the lack of hearings and orderly procedure and sufficient time to give the full consideration necessary for intelligent consideration of this broad new program. It is inconceivable to me that in this body we could, in good conscience, take such hasty action as we are apt to take here in light of the long-lasting ramifications of action in this field such as requested.

MAIL CONTENT

Whenever a controversial piece of legislation, such as the King-Anderson approach, or as it is now amended, comes before us our offices are invariably flooded with mail pro and con. I think it is a correct generalization to say that we, as Members of Congress, are often inundated with "pressure mail" of the sort instigated and pressed by a single organization or organizations. Often this mail takes the form of mimeographed letters or postcards. All, of course, with the same message, but merely with different signatures. This expression on the part of our constituency is, of course, important and we are glad to have it. However, occasionally, we find an issue which initiates a spontaneous outpouring of the feeling of those we serve without any person or persons prodding such an expression. I believe that many in this Chamber will agree with me that the so-called medicare issue is one of these occasions. My mail from Colorado is, and has been since the first of the year, running approximately 90 percent against the administration program and 10 percent in support of it. While these statistics are noteworthy in themselves, it is even more interesting to me to read my mail and to see that almost all of the letters I am receiving seem to bear that unmistakable stamp of personal and deep-seated feeling and sincerity concerning this issue.

Madam President, I ask unanimous consent to have printed at this point in the Record a number of what I consider to be representative letters of the 90 percent or more of which I have received in opposition to the social security approach to the problem of medical care for the aged.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Denver, Colo.,
June 25, 1962.

Hon. Gordon Allott,
U.S. Senate, Washington, D.C.

Dear Senator Allott: As a constituent of yours I wish to express my opposition to the King-Anderson medicare bill.

I am retired, but feel that this is not necessary and do not want to see this bill passed.

Thank you for your cooperation.

Sincerely,
Dollie E. Davis.

Fort Collins, Colo.,
June 22, 1962.

Senator Gordon Allott,
U.S. Senate, Washington, D.C.

Dear Senator Allott: May I present my views on the King-Anderson bill?

As a tax-paying citizen I oppose this bill because it would increase taxes for the young wage earners out of proportion to the benefits received. It is not an insurance program into which they are paying, but a tax which they must pay for the benefit of someone else, and many of those eligible to receive help do not need it at all.

As the daughter of a prospective recipient of this aid I am opposed to this bill, for my own mother has proved that it is not necessary. She is past 70 years of age and has been living for several years primarily on her social security checks with practically no help from any of her children. She maintains her own private health and hospital insurance, and has never been deprived of adequate medical care because of lack of funds. She visits her own doctor when she is ill—not because she is entitled to care. All of her children respect her more because of this; but we know that, given opportunity to be sick without cost, she would soon enjoy much poor health. I'm sure there are many older people of this temperament.

As a registered nurse (I am registered in Nebraska, not Colorado), I hope that this bill will never inhale its first breath as law, because, although I am not now active in nursing, I know from past experience that time spent on paperwork—recordkeeping, and the like—is time spent away from the patient. There is no possible way to carry out such a program without increasing the nonnursing duties of qualified nurses or adding personnel to handle the extra tasks—thereby increasing the cost, of course.

As a doctor's wife I am extremely concerned about this bill, for I know that anything that creates resentment in the mind of a doctor decreases his efficiency as a medical practitioner. I'm sure you are aware of the fact that the medical segment of our population does resent this bill as an infringement upon their rights as members of our free enterprise system, and perhaps even more because of its inevitable infringement upon the near-sacred doctor-patient relationship. I will certainly appreciate your consideration of these statements and I will greatly appreciate anything that you may do to keep our Government from adopting King-Anderson bill as law.

Very sincerely,
Mrs. John H. (Betty) Floyd.

June 18, 1962.

Hon. Gordon L. Allott,
U.S. Senate, Senate Office Building, Washington, D.C.

Dear Senator Allott: Please count me in with the persons who are most definitely and strongly opposed to the King-Anderson bill.

Personally I have to make a living for myself and two minor children and every penny counts. Federal and State taxes certainly are high enough as they are, and I do not see any reason why I should take another cut with increased social security taxes without any benefit for myself or anybody else except for the Government and the additional Federal employees who will have to handle matters.

Generally the bill in my and many other people's opinion, would mean another step to complete dependence on Washington, D.C., cutting down our personal freedom which is supposed to be guaranteed by our Constitution. We are proud of this freedom, looking at nations run by dictators, and want to keep it this way.

Sincerely,
Mrs. Corrine Bykerk.

Colorado Springs, Colo.,
June 18, 1962.

Dear Senator Allott: I am writing in protest to the King-Anderson bill. I am in a position where I know that I will have to give financial aid to my parents in case of their illness, but I would much rather do this and know what it will cost me than to have medicare attached to social security.

I am sure you are familiar with the social security schedule for the future, and this bill would just add to this growth, as I cannot remember when the Government made a projected estimate of a project's cost that wasn't far below the final expense. I do not want my children paying taxes to keep up this creeping socialism that has been the trend in my lifetime.

The Kerr-Mills bill is as close as I want the Government to get into medicare, as it is based on need, and this is the way it should be. I do not want to be forced to pay for medical care which I do not want.

The Government is in competition with private business too much as it is and this is just another step in that direction.

I am 36, and I have talked to very few people in my age group who are for this bill.

I am asking that you please vote "no" on this bill, or any medicare which is not based on need and is attached to social security.

Yours truly,

WILLIAM H. FRAY.

DENVER, COLO.,
June 19, 1962.

Hon. GORDON ALLOTT,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLOTT: As a senior citizen, one who had not retired and who is not collecting social security payments, one who is still paying such tax, but who could collect all the wonderful benefits promised us "oldsters," I wish to explain to you why I think it is not a good way to solve the problems of the older people by voting into law H.R. 4222, the King-Anderson bill.

I definitely feel that the proposed amount of tax added to the present social security tax cannot possibly take care of the older people who will immediately be in need of hospital care, once H.R. 4222 is passed. I feel that a much greater percent of our salary will have to be added to our present social security tax, after the first year of experimentation.

Old people have been led to believe that this is an insurance against sickness, as well as hospitalization, which it is not; they will be very bitter when they come to the realization that it does not pay doctor bills, does not pay for drugs, unless one is hospitalized, does not pay the first $90 hospital bill (and that may be pretty hard for a really poor person to raise—and they are supposedly the ones the bill is supposed to help). What a jolt to a poor, old, sick, deluded person. The bill speaks of nurses to visit the homes—where are all the nurses? It will be impossible to get enough visiting nurses, and so a poor old sick person will be on the "waiting list"—another disillusioned soul.

Why not let the law we now have take care of our older people? It is working well, and instead of being a colossal Federal giant (ready to gobble up the hard working, taxpaying younger people) it is a sane law, helps those who really need help, thus is not so expensive to operate, and not such a burden on the young people, who will be paying enormous bills which will be incurred if H.R. 4222 should be passed.

I ask that you think of the effect the passing of the King-Anderson bill will have on future generations, how will the terrific payments be paid if, by any chance, there should be a depression and payrolls should shrink appreciably. So many, many things to think about—let's not be in such a hurry—there is plenty of time to work things out so that all will be benefited, and at not such a high price. Youth is always in a hurry—impatient; age says "let us think things through before acting." Let's think things through and use what we have until a better plan can be worked out, which is not the King-Anderson bill.

Respectfully,

GRACE ISBEL.

DENVER, COLO.,
June 21, 1962.

Representative MILLS,
Chairman, House Ways and Means Committee, House of Representatives, Washington, D.C.

DEAR SIR: When you are considering proposing any sort of medical care program for the elderly, will you please ponder my plight and my reactions to such a program?

I am 73 years old, permanently bedridden from a progressive central nervous system disease. I have a brother 71 who has been crippled the major portion of his life. My husband was incapacitated and partially bedridden for the major portion of his life after retirement, because of a cerebral hemorrhage.

Now we have always been of the average income group; my husband was a stereotyper for the Denver Post; we have raised a daughter, purchased two homes. Now, in our declining years we have a limited income, a total for both my brother and myself of $1,500 from the rent of apartments in the home in which we reside, plus our social-security payments of $40 for my brother and $60 for myself as a widow. (Approximately these figures. Annually, roughly $2,700 for all expenses.)

The point I wish to make is this: We do not wish any medical care program tied to a social security program. If we, with this type of major illness and with our limited income, can, through a reasonable program of thrift and saving, plus a willingness to exclude frills from our lives because we can't really afford them, then anyone can do the same; can afford to pay the fees for the Blue Cross program, so can other oldsters. I have no objection to people being given assistance when, through absolutely no fault of their own, they have some catastrophe and require outside assistance. But to tax this and future generations to pay the expenses of thousands of people who, despite good financial times of the past 20 years, have failed to provide for themselves, is unthinkable.

It is highly possible, of course, that with these extremely wealthy people, the $12 or $14 extra a year deducted from the paychecks of the currently employed would mean so little that they ignore it; $14 buys my grandson seven pairs of sneakers each year, or my granddaughter two pairs of school shoes. Why should this younger generation and their children be saddled with the responsibility of care for people who have never seen fit to take care of themselves? Let the local units assume the responsibility for any special programs and keep this away from social security. After all, hardly anyone could have any more medical expenses than we do (medicine alone runs nearly $40 a month), and if we feel we can manage adequately without it, surely others can, too. It's merely a matter of doing for yourself first.

Certainly those of you who have the future of this country in your hands should take a long look. If you keep the Government out of our affairs, control spending, and exercise some caution, then we would probably be left enough money to afford our own welfare program on an individual level. As a former Democratic committeewoman for Denver precinct, I am absolutely against this, and I am going to change my registration if this trend in the Democratic Party toward such irresponsibility continues.

EMILY JOHNSON.

FORT COLLINS, COLO.,
June 17, 1962.

DEAR SENATOR: I want to express my feelings against the King-Anderson bill.

I believe this is only a step away from socialized medicine, and does not really take care of the problems for all the people who may need help.

I am a registered nurse and know the need of a great many people. I feel this should be handled by the States and counties. It is closer to the ones who should be more responsible for their families.

Sincerely,

PHYLLIS WOLFE.

P.S.—I am mailing a copy to Senator JOHN CARROLL.

COLORADO ACADEMY OF
GENERAL PRACTICE,
Sterling, Colo., June 5, 1962.

Hon. GORDON ALLOTT,
U.S. Senator,
Washington, D.C.

DEAR SENATOR ALLOTT: On behalf of the Colorado Academy of General Practice, which numbers 339 members, I want to congratulate you on the fine representation you have provided for our State in the deliberative bodies of our National Assemblies. We believe in your good sense of fair play and unbiased judgment, even when we have disagreed with you.

Today, I would like to bring you some of our thoughts on the current King-Anderson bill. I am sure that by this time you have reviewed all of the theatrical pros and cons of this measure. Perhaps we can give you facts on some actual case histories in our files to show you factually how third-party interference does not bring the best medical care to our aged population.

This is the case of a 70-year-old lady afflicted with an inoperable brain tumor. This tragically ill lady had deteriorated to such a state that the only means of mercifully treating her was by a small feeding tube passed through her mouth into her stomach. This lady was in a hospital and the attending physician felt that high protein, high caloric liquids passed through this tube were the minimal necessities of care for her. When she was transferred to a nursing home, the attending physician ordered this type of feeding continued for her. However, the nurses from the nursing home called to inform him that they could not use this type of feeding for her because the high caloric, high protein liquid used to feed her through the small tube was not approved by the State welfare department. Her attending physician immediately sought to have this food approved for her use. After many calls to the welfare department people, and after explaining her care in detail to them, his request to have this food furnished for her was denied.

Let us bring to your attention some of the economic wastes found in the decisions of a board which takes the prescription of medicines out of the attending physician's hands. Frequently we use a vitamin-hormone supplement for the elderly patient. They usually eat poorly and need additional vitamins, and this hormone helps prevent the wasting of their bony structure. The only preparation of this kind "approved" by the welfare board is a three-a-day expensive capsule. The same results can be accomplished by a one-a-day capsule at approximately half the cost, and obviously one-third the dosage.

All communities in the United States are attempting to prevent over-utilization of the available hospital space. Our methods to accomplish the best utilization of bed space is to discharge patients as soon as they are able to leave the hospital. Once again we can show you how third party interference in the traditional doctor-patient care not only causes overutilization of hospital beds, but also takes control of the patient out of the hands of the doctor

In this State when it is time to discharge an elderly patient, who is on welfare, from the hospital into a nursing home, the family usually calls the welfare department to complete the arrangements. Time after time the family is told by the welfare worker that the person is entitled to 30 days of hospitalization and there is no hurry to get her into a nursing home. Obviously the doctor has lost his patient control, money has been unnecessarily spent on hospitalization, and a hospital bed has been occupied longer than necessary.

These are just a few of the actual case histories which could be related to show how bureaus are a step toward poor medical care. And, I might remind you these are facts from a State which is supposed to have one of the better old age welfare plans. The thing that we American Academy of General Practice members, and the thing that we know you feel is most important is good, compassionate medical care for our senior citizens.

We would like to reiterate that we feel such legislation as the King-Anderson bill has the same and probably more inherent weaknesses which lead to third party interference in the care of patients than does a limited State plan such as we have in Colorado. Would you like to read these case histories as those of your parents or grandparents? We invite your thoughtful consideration of these facts and depend upon your considered judgment.

Very sincerely yours,

Kenneth H. Beebe,
Executive Secretary.

Denver, Colo.,
July 3, 1962.

Hon. Gordon Allott,
Old Senate Office Building,
Washington, D.C.

Dear Senator Allott: I am asking that you do not support President Kennedy's so-called medicare bill or King-Anderson bill. It seems the only thing it can do is work a hardship on us who are already on social security. After all it seems to us if there is funds to cover those who have never paid anything into social security at any time, those funds should be given to the ones who are drawing social security at present. Many are like us. My husband paid in to it ever since it began and now when his health is broken and he can't work at anything even though his age is 68 we have to get along on $119 which is his social security. I would like to see any of the ones who dream up these fantastic ideas get along on what they call social security. We are both in poor health and our drug bill each month is a staggering amount, a cut in all drug prices would help everyone. I hope you will give this your best thoughts by not supporting it. America does not need socialized medicine, it has not worked elsewhere either.

Yours truly,

Mrs. A. W. Blake.

Greeley, Colo.,
June 29, 1962.

Dear Senators Gordon Allott and John Carroll, and Hon. Peter Dominick: Mr. Bistline and I are against the King-Anderson bill. We would like to be independent of a set organization governing medical and welfare plans.

Because of health my husband retired last October from his Union Pacific railroad crossing watchman's work on York Street in Denver. He is 71 and I am 56 so he gets $108.80 for 19 years of railroad service and $47 social security. We decided last fall that we should stay with the Employees Hospital Association. The two above incomes come once a month. As a pensioner Mr. Bistline pays $30 a quarter to the hospital association and $10 a year for union dues.

The pensioners' treatment benefits are allowed if and when treatment be given by doctors who are on the staff of that association; and association doctors in the association hospitals. The bills for care by doctors who are not on the staff of this association will not be honored.

There are times Mr. Bistline would like to select his own doctor in Greeley. The nearest association hospital is in Denver. Who wants to go to Denver away from home and relatives when we have a good one in Greeley? It would cost me to run the car to Denver if he was a patient there. I could use the railroad pass and take all day for one visit in the afternoon. There would be street bus and taxi fares to consider in Denver.

We are thinking seriously of dropping the above plan and stay with the Colorado Blue Cross-Blue Shield series 9, standard A plan so we can have the freedom of selecting our own doctor and hospital. The plan is covering both of us and we have carried it for some time.

Yours truly,

Mabel Bistline.
Andrew J. Bistline.

Monte Vista, Colo.,
June 16, 1962.

Senator Gordon Allott,
Washington, D.C.

Dear Sir: I am writing to ask you to use your influence against the King-Anderson medical bill. I am under social security and in case of sickness might get help under such a bill but I am very much opposed to it. I have three sons who are paying social security tax and one who is in business and would have to pay the higher tax for himself and also his share for the men working for him. And there are many more like them; younger people raising their families, and it is unfair for them to have to pay the higher tax and especially as many people (as I understand it) who do not need the help would profit by it. And, too, many who are not under social security and really need the help would not be included. So I ask again will you please oppose this bill.

Yours truly,

Mrs. Louis Bockhases

Denver, Colo.,
July 6, 1962.

Hon. Gordon Allott,
Senate Office Building,
Washington, D.C.:

Anderson-Javits amendment to H.R. 10606 is unacceptable. Colorado would have less than 300 beds for our pensioners in nursing homes under this amendment.

Representative Lela S. Gilbert.

Denver, Colo.,
June 29, 1962.

Hon. Gordon Allott,
Senate Office Building,
Washington, D.C.:

Revised version King-Anderson still unacceptable, strongly urge your opposition.

H. Virgil Davis,
Democratic Committeeman.

Denver, Colo.,
July 7, 1962.

Hon. Gordon Allott,
U.S. Senate,
Washington, D.C.:

Anderson-Javits amendment to H.R. 10606 unsatisfactory because of effect on private enterprise and Colorado pension plan.

Representative Bert A. Gallegos.

Denver, Colo., *July 6, 1962.*

Senator Gordon Allott,
Washington, D.C.:

Anderson-Javits amendment to H.R. 10606 absolutely deplorable. Definition for nursing home a farce. Would cover only 17 of the 165 licensed homes in Colorado and represent only 270 of 5,874 beds. Requirement for hospital affiliation or common control and Government contract serious infringement on free enterprise system, hamper Colorado's pension program and is no critera for excellence.

Board of Directors, Colorado Nursing Home Association: H. Virgil Davis, President, Denver; Helen R. Douthit, Denver; Edith Wilson, Canon City; Howard Drayer, Lakewood; Vesta Bowden, Aurora; Gomer O'Dell, Lamar; Doris Schwarz, Delta; Donald King, Boulder; Ingebord Tim, Grand Junction.

Glenwood Springs, Colo.,
July 3, 1962.

Hon. Gordon Allott,
Senator from Colorado, Senate Office Building, Washington, D.C.

Dear Senator: We are opposed to the King-Anderson medical bill, and urge you to vote against it.

We are over 65 years of age, and would benefit if this bill became a law; but we can see no reason why younger people should be taxed to pay our hospital expense, when we are able to pay our own.

Yours very truly,

George A. McKinley.
Olga M. McKinley.

Mr. ALLOTT. Madam President, what is most reassuring to me is the large number of our aged population within my State who indicate they recognize the real meaning and end result behind the administration's proposal and thus realizing the same oppose them. This is doubly reassuring when we consider the lengths to which the present administration has gone to ballyhoo, publicize, and give the full Madison Avenue treatment to their program. I, for one, believe that the response to these pressure tactics, both in my State and throughout the Nation, is a testimonial to the wisdom and understanding of the individual voter in our country on an issue truly important to the welfare of the entire nation.

Madam President, I wish to comment particularly on one of the messages which I have just placed in the Record. It is from Denver, Colo., is addressed to me, and reads as follows:

> Anderson-Javits amendment to H.R. 10606 is unacceptable. Colorado would have less than 300 beds for our pensioners in nursing homes under this amendment.
>
> Representative Lela S. Gilbert.

I have called special attention to this telegram because Mrs. Gilbert is an able legislator in our State and also because she is not a member of my party. She would be shocked if she were accused of being a member of my party. Mrs. Gilbert is an outstanding member of the Democratic Party in my State, and I think her interest in the whole field of social welfare is sufficient to give great weight to what she has said.

In addition, I have already called attention, a few days ago, to a poll conducted by radio station KOSI, in Denver. KOSI took the President's challenge and ran a series of statements pro and con in order to stimulate public interest. The listeners were then invited to call the station and register an opinion on the proposal.

Madam President, I ask unanimous consent to have printed at this point in the Record a letter addressed to me under date of June 8, 1962, by Mr. W. L. Armstrong, managing director of KOSI, giving the details of how the poll was taken and what was done with the results.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Denver, Colo., *June 8, 1962.*

Hon. Gordon Allott,
Senate Office Building,
Washington, D.C.

Dear Senator Allott: As you know, KOSI has been extremely interested in the King-Anderson bill, which is now pending before

Congress. We have felt that the public has not been very well advised as to the merits and drawbacks of this proposal, and, in an effort to stimulate public enthusiasm for the close scrutiny of the bill, we have set out to broadcast a series of statements, both pro and con, regarding the legislation, and asked our listeners to call us at KOSI public opinion poll headquarters where we set up a battery of telephone operators to receive calls from listeners expressing themselves either for or against the legislation.

It occurred to me that you will be interested in the results of the poll. During 4 days our operators (pledged to keep the tally honestly and acurately and supervised by station personnel) answered 6,397 phone calls and reported the following:

	Calls	*Percent*
For	881	13.7
Against	5,516	86.3
Total	6,397	100.0

We, of course, maintain an absolutely impartial position on the bill and attempted to present both sides of the case in the various statements which were broadcast by speakers favoring and opposing the legislation. While we do not think that this public opinion sample is necessarily scientific nor projectable to the State of Colorado as a whole, we do believe that it has some meaning. Certainly the mere fact that so many people took the trouble to express themselves on the issue indicates the importance of it to the public.

We hope this information will be of interest and useful to you.

Respectfully submitted.

W. L. ARMSTRONG,
Managing Director, KOSI.

Mr. ALLOTT. Madam President, out of a total of 6,397 replies to this impartial program, 86.3 percent responded against the so-called medicare approach.

SUMMARY

In this rather long and somewhat detailed discussion, I have endeavored to cover as many aspects as possible of the very urgent and complex problem facing us today. It is certainly not a new problem, but one that has long, and in many forms, been before us.

The legislation before us today is not a new concept in the field of medical care for the aged. Actually, this is just the latest in a long series of legislative proposals which have been advanced over the years to establish, in one form or another, a system of compulsory health insurance at the Federal level.

During the late 1930's and the early 1940's, a series of bills sponsored by Senators Murray and Wagner, and Congressman Dingell received considerable attention. These bills would have set up a national, compulsory health insurance system, financed by taxes on salaries and wages, under which benefits would be provided for persons of all ages. These original proposals and their resultant progeny died in congressional committees in 1943.

Slightly altered, they were next introduced in 1945 under the guiding hand of President Truman. Again the measures were killed, and in 1947 were killed again.

In 1947, Representative Aime Forand introduced his bill which too would add medical benefits to the Social Security Act for anyone eligible for social security. The bill was, admittedly, the forerunner of the bill, an amendment to which we are discussing today, which was first introduced by the then Senator John F. Kennedy.

Then, in 1960, the Kerr-Mills Act, which cares for our aged with medical problems today, became effective. This action was taken only about 20 months ago; yet, even now, its critics are saying it is totally inadequate. Such astuteness and farsightedness is highly commendable and certainly to be envied. I would hope that just such astuteness and analytical prowess could also be focused on the measures now being proposed, and that no longer will it be implied that simply by enacting medical care legislation financed through social security, all the physical ills and financial problems of a suffering humanity can be cured. However, I seriously doubt that such a miracle of clairvoyance will be unfolded before us in connection with the legislation we are considering here.

At any rate, compulsory health insurance programs have a long history of rejection, going back to the 76th Congress. Virtually each succeeding Congress since 1939 has studied and considered such legislation and, obviously heavily influenced by that same public opinion, has rejected such an approach.

On the other hand, Madam President, only seldom in history have the Halls of Congress resounded with such unanimity on any major legislative measure, as was afforded the Kerr-Mills Act in 1960.

In the House of Representatives, Kerr-Mills was passed by a rollcall vote of 381 to 23. Later in that same session, and sponsored by the distinguished Senator from Oklahoma [Mr. KERR], the Senate passed an amended version of H.R. 12580 by a yea-and-nay vote of 91 to 2. The House later, by a rollcall vote of 369 to 17, agreed to a conference report which incorporated virtually all the Senate changes. I might interpolate that a little of this same spirit of cooperation could be used right now in connection with certain appropriation matters. But, back to the matter at hand, after accepting the conference report, the House returned Kerr-Mills back to the Senate, which approved it by a yea-and-nay vote of 74 to 11.

Thus, a program by which medical care for the aged could be provided on the sound basis of need was adopted.

But—and again I must repeat—it is now only 20 months later; and without even giving all our States an opportunity to adopt Kerr-Mills, a plan is now proposed that would ultimately scrap the approach of Kerr-Mills to this problem, retire it into antiquity, and replace it with legislation that could lead the economy of this Nation further down a road leading ultimately to a welfare state.

Because of this the flashing yellow light of "caution" is no longer a proper warning signal for our economic path. We must replace it with the alarming steady glow of the red "stop" signal. Because with every such advance onto the fringes of the welfare state, the individual's ability to take care of his own problems diminishes, and his incentive to go to the government increases. Protagonists of legislation that would further encroach on individual initiative, consciously or not, are moving us toward a system which would inevitably lead us into an era where there will be a public sector to our economy and that is all.

In the light of the past history of legislation calling for any such a compulsory health insurance program as we are discussing today, and the very vehement opposition that has been expressed by so many to such legislation—to me, it seems somewhat presumptious for us to even be here discussing such a measure. My mail, from Colorado has been running over 9 to 1 against any such compulsory program. And, while Colorado is certainly not among the most heavily populated areas of this Nation, by reason of our geography and economy, we do offer a good "cross-section" of the people of this Nation. This mail is enlightening in two respects. First, it is not mail that has been created by any so-called "pressure group." As my colleagues here know, it is extremely easy to detect this type of mail. Second, by far the greater portion of this mail reflects a distinct and surprisingly well-thought-out opinion opposing the financing of any such program through social security.

As a matter of fact, a very large portion of the letters I have received express very clearly and succinctly that the writer is opposed to this legislation primarily because of the proposal to be so financed.

Still another factor with reference to this mail bears mentioning here. It is well known that the volume of our mail picked up rather considerably immediately following the television show emanating from Madison Square Garden in which the President participated. Mail from my constituents in opposition to any social security financed program of compulsory health insurance did increase rather sharply. It cannot be said that the American Medical Association show which followed almost immediately had any great influence on this mail, because the American Medical Association show was carried in Colorado on a 12-day delay basis. It was not shown in Colorado until 5 p.m., mountain standard time, on June 2.

As a matter of fact, during that 12-day lapse between the shows, my mail in opposition to the administration's medical care proposals reached perhaps its highest peak.

So I simply cannot subscribe to any theory that the interest in Colorado and the opposition mail from Colorado were generated by any side-show tactics.

In the State of Colorado, during mid-1961 a public opinion survey was conducted by Research Services Inc. for the Colorado State Medical Society. This opinion survey was conducted statewide, over a period of several weeks. No marked line of political partisanship was reflected in the public opinion. Eighty percent of the Coloradans contacted favored some form of medical care for people 65 or over. But the same ones voted 2 to 1 against any compulsory program which would include all aged persons, regardless of need. In effect, the survey showed that the people of Colorado favored a medical plan for the aged, provided that "those who can will shoulder their own load". As the statistics on my mail will indicate, this feeling has evidently increased, rather than diminished in the following months.

Let me refer again, for just a moment, to the Kerr-Mills Act. By far the most prevalent argument we have heard against the Kerr-Mills Act have been based on scornful references to a "paupers oath". The "means test" required by the Kerr-Mills Act is referred to as an "undignified" invasion of privacy. Two or three generations ago, persons with even a reasonable income made concerted objection to an "invasion" of their privacy, in voicing their objections to an income tax, with its resultant forms. Is it any more unreasonable or an invasion of privacy for people who deserve, and should receive, help for medical care, to make a statement of their resources, than for others to file an income tax form? I think not.

The "means test" is not deserving of such censure. Most States, which have accepted the Kerr-Mills Act approach to the medical-care problem, permit all relief recipients to obtain and retain a helpful amount of property. Any action to recover any funds paid out must be delayed until such time as the recipient is deceased.

Mr. Kennedy, himself, has admitted that under the present proposals to provide medical care, even a millionaire could receive Government-paid medical care, provided he was 65 or over. Mr. Kennedy once commented that he was sure that a millionaire would not mind paying the small social security tax, in order to avail himself of this privilege. Perhaps the millionaire would not mind paying the small tax, Mr. President; but there are many of us of much more modest means who do object to paying such a tax in order that the millionaire may have the privilege of paying the tax and receiving the benefit when no need exists.

Yes, Madam President, my constituents in Colorado have made it quite clear to me that they want no part of any compulsory plan for health insurance without regard for need. I would be derelict in the fulfillment of my duty to my people and to my State if I did not listen, and listen carefully and well; and I cannot believe that the people of Colorado are alone in their almost unanimous opposition to social security financed medical-care legislation. For this reason, it is difficult for me to understand how this legislative body can even consider such a proposal as the one we have before us today, unless, we, too, are now willing to subscribe to the theory that this Government knows best what our people "need," and, unless we are no longer interested in what they "want."

The ultimate and universally desired solution to this problem can be achieved only when each segment of our economy and government lays aside deep-seated prejudices and works side by side, unselfishly and unstintingly, toward a solution of the problem of providing, not just adequate, but the best medical care for our aged, when and where they are unable to provide it for themselves.

Business and labor must certainly be aware that their retirement regulations are archaic and antiquated by today's medical standards. They must also recognize that their personnel recruiting standards are no longer realistic. Developments over the past 20 years in the field of medical arts have slowed down the aging process and have added years to the life expectancy and working efficiency of mankind. Yet neither business nor labor has changed to any great extent its retirement programs, to make them coincide with these great strides in medical science. Workers are still being retired when they reach 60 or 65, simply because they have reached that age, without giving any consideration to their efficiency or their continued skills. Qualified workers of 40 years of age or more still have difficulty in obtaining employment.

Madam President, the Government must be prepared to provide the necessary funds, under a fiscally sound approach, to assure our aged people that they will have available, when needed, the best possible medical care that can be obtained.

Until such time as these segments of economy and government arrive at a point where this solution is possible, I sincerely believe that the Kerr-Mills Act is the best vehicle by which our aged can be assured that we care and that we want to see that they have available every possible financial aid to cover their medical needs.

AMENDMENT OF SMALL BUSINESS ACT—CONFERENCE REPORT

Mr. PROXMIRE. Madam President, I understand that the Senator from Kansas [Mr. CARLSON] has obtained unanimous-consent to speak for 20 minutes.

I have a privileged matter which I have discussed with the Senator, and it is of especial interest to the Senator from Indiana [Mr. CAPEHART]. So I shall appreciate it very much if I can bring up this matter now.

Therefore, Madam President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2970) to amend the Small Business Act. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. PROXMIRE. Madam President, both Senate and House versions of the bill provided additional authorizations for the SBA revolving fund which includes the business loans, the disaster loans, and programs under the Small Business Investment Act.

The Senate version provided additional authorizations sufficient to cover 1 year's operations, and pooled the business-loan and disaster-loan authorizations. The House version increased the authorization for business loans to cover 4 years of operations. The House version did not provide for pooling. Like the Senate version, it increased the SBIC authorization to cover 1 year's operations. It also provided a small increase in the disaster-loan authorization.

The conferees compromised these differences by increasing the authorizations so as to cover 2 years' operations of the business-loan and disaster-loan programs, which were kept pooled, as the Senate version provided. The 1-year increase in the SBIC authorization was not changed. The Saltonstall amendment was retained, with an appropriate modification. This requires the SBA to notify the Banking and Currency Committees and the Appropriations Committees if the amounts estimated to be needed for the disaster-loan and business-loan programs are exceeded.

The following table compares the amounts in the Senate and the House versions of the bill and the conference report:

[In millions of dollars]

	House	Senate	Conference
Business loans	1,434	1,109	1,325
Disaster loans	160		
SBIA programs	341	341	341
Total	1,935	1,450	1,666

The conferees agreed that in order to assure adequate time for consideration of authorization requests, the estimated business-loan program needs for SBA for an additional 2 years should be submitted to the new Congress when it convenes in January 1963, and every 2 years thereafter, as each new Congress convenes. This would provide for an orderly review of this program by Congress, and would avoid emergency appeals by SBA for additional authorization.

The House version added a new provision—section 2—which would empower the SBA to make loans to firms injured by imports, where the Secretary of Commerce first makes an appropriate certification pursuant to the Trade Expansion Act of 1962—if enacted—and second, requests that SBA furnish financial assistance, provided the Secretary's certification is in force at the time the administration makes the loan. Under this section, SBA would be permitted to make loans above its present statutory limitation of $350,000. It could make loans to firms of any size, and it could make loans with maturities of 25 years.

H.R. 11970, the Trade Expansion Act of 1962, was passed by the House June 28, 1962, and is now pending before the Senate Finance Committee. The Senate conferees were reluctant to consider provisions relating to a bill not yet enacted, particularly one pending before another Senate committee. However, with the conference committee amendments, the Senate conferees felt they were able to accept section 2.

The conference substitute makes it clear that this provision does not take away from the Secretary of Commerce any of the authority which might be given him under the provisions of the Trade Expansion Act or limit such authority in any way.

The conference substitute would make applicable to this new SBA loan program several sections of the Trade Expansion Act which cover the interest rate, maturity, standards, and various administrative provisions which would be applied to such loans.

It should be emphasized that in agreeing to this section, the conferees did not intend that the Secretary of Commerce must refer all loans under the Trade Expansion Act to the SBA. The Secretary, of course, has the sole authority to determine which loans should be referred to the SBA. The Secretary of Commerce will be able to exercise and should exercise his residual lending authority under the Trade Expansion Act if he "determines that such assistance is necessary to carry out the adjustment proposal." It is not the intention of the conferees that this section would change the Secretary's residual authority in any way.

In order to make it clear that the new section 2 would not be effective immediately, but would be dependent upon the enactment of the Trade Expansion Act, the conferees added to section 2 a new subsection (d), which provides that the section will take effect on such date—on or after the enactment of the Trade Expansion Act—as the President may specify in a proclamation duly published in the Federal Register, but in no case later than 60 days after the enactment of the Trade Expansion Act.

Madam President, at this time I am happy to yield to the Senator from Indiana [Mr. CAPEHART], the ranking minority member of the committee.

Mr. CAPEHART. Madam President, I merely wish to call attention to a fact to which the Senator from Wisconsin has referred, namely, that the report includes a new section which covers loans to be made by the Small Business Administration to firms injured as a result of the free trade or the so-called 1962 Trade Expansion Act. Certainly, it is rather unusual to write into an act a provision in regard to a measure which has not yet been passed by the Congress; and I call the attention of Senators to the fact that the new section, thus included, would give the Small Business Administration the right to make loans to firms hurt as a result of imports, but with no limitation on the amount of the loan, no limitation in regard to the size of the business or the individual, and completely ignoring the fact that the Small Business Administration can make loans of not more than $350,000 to any one corporation. Nevertheless, under this provision, the Small Business Administration could make a loan of $3.5 million or $35 million; there would be no limitation at all under this provision.

Furthermore, the administration and the conferees are recognizing—as shown by the inclusion of this section—that a number of businesses in the United States—I do not know how many there will be, whether 1,000 or 10,000—will be injured as a result of the Trade Expansion Act. Yet here we are—before that measure is enacted—writing into this act for the Small Business Administration a provision that the Small Business Administration can make an unlimited amount of loans, unlimited in size, and without any regard to the size of the corporations or firms concerned; and that provision has been included in this measure by the conferees.

Mr. PROXMIRE. In response to the statement the Senator from Indiana has made, I should like to say that I am troubled by both of the points he has raised, and certainly they are excellent points.

At the suggestion of the Senator from New York we added the following:

> This section shall take effect on such date (on or after the enactment of the Trade Expansion Act of 1962) as the President may specify in a proclamation duly published in the Federal Registers but in no case later than sixty days after the date of the enactment of such Act.

The purpose is to meet the very point the Senator from Indiana very properly has raised.

Mr. CAPEHART. But I do not think that provision is needed, because unless the 1962 Trade Expansion Act becomes law, there will be no necessity to make such loans; in fact, it would be illegal to make them, and the Department of Commerce would be unable to certify that the loans were needed.

Mr. PROXMIRE. The Senator from Indiana is correct. However, if that measure is enacted, there will be confusion.

The second point the Senator from Indiana has made bothers me a great deal. I think the present $350,000 limit on regular business loans under the Small Business Act is too high. But there were two precedents—one in the case of disaster loans; the other in the case of Area Redevelopment Administration loans. If the Trade Expansion Act is enacted into law and if the Small Business Administration cannot make these loans, then it will be necessary to create a whole new organization in the Department of Commerce to duplicate much of what the Small Business Administration already does. So this provision is desirable under these circumstances.

Mr. CAPEHART. To me it is an unusual situation for the President of the United States and the Congress of the United States to be passing legislation such as the 1962 Trade Expansion Act and admitting in the very legislation that we pass that x number of businesses in the Nation are going to be injured and that x number of men in America are going to lose their jobs. It is an unusual situation that we would be considering such legislation.

It is a fact that the 1962 Trade Expansion Act has passed the House, but has not yet been acted upon by the Senate. I call attention to Senators that, in my opinion, the big weakness of the 1962 Trade Expansion Act and the free trade we are going into is that we admit in advance that x number of people are going to be injured.

I have been asking the question for months, how many men are going to be thrown out of work? How much money is it going to cost the Federal Goverment? It this provision going to cost $1 million, $500 million, $1 billion, or $10 billion? I do not think the Government or the Congress has the right to pass legislation admitting in advance that it is going to injure some businesses and throw some people out of work, because I do not think it is necessary to pass that sort of legislation.

I simply want to call to the attention of Senators and make a matter of record the fact that we are now admitting that, if we pass the Trade Expansion Act, it will injure x number of businesses and throw x number of people out of work, and we are setting up the Small Business Administration to make loans to those businesses in an unlimited amount, and with really no specified terms under which those loans can be made.

To me, it is a very awkward and undesirable way to legislate, and we ought not to be doing that sort of thing.

I am not going to object to the conference report on the grounds I have just stated, for the simple reason that, if the Trade Expansion Act of 1962 does not become law, then section 2 will have no authority. In fact, it will mean nothing, and be merely so many words.

Mr. PROXMIRE. The Senator is correct.

Mr. CAPEHART. I think the Senate and the country ought to know that the administration and the Congress, by their very action on this conference report, and their very action on section 2, expect injury to American business and expect men to be thrown out of work, and there is nothing in section 2, I repeat, which limits the amount of loans. I suppose it may amount into the billions if it becomes necessary.

The Congress of the United States has followed a policy for 180 years, that if businesses were going to be injured as a result of imports, we would either raise the tariff or impose quotas, so that those businesses could continue to be going concerns and their employees not lose their jobs. Now we are completely abandoning that idea and are saying to businesses and wage earners in America, "If you cannot compete with foreign imports, then it is too bad. You will have to go out of business and you will have to find new jobs. But we are going to take the taxpayers' money and lend it to businesses to find new products to manufacture and we are going to use the taxpayers' money to try to find new jobs for those who lose their jobs."

I want to call this to the attention of the Congress and the country.

Mr. PROXMIRE. The Senator from Indiana makes a very strong point, but I want to emphasize that this particular conference report is exclusively confined to the Small Business Administration. It is only in the event, likely or unlikely——

Mr. CAPEHART. I said that. I want to be fair. Unless the Trade Expansion Act of 1962 becomes law, this means nothing.

Mr. McNAMARA. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. McNAMARA. What is the rate of interest involved in the payment of these loans?

Mr. PROXMIRE. The conference report provides that the rate of interest in the Trade Expansion Act will be required for these loans. H.R. 11970, as it passed the House, specifies an interest rate of at least 4 percent.

Mr. McNAMARA. Is that true of the disaster loans to which the Senator referred?

Mr. PROXMIRE. The interest rate on disaster loans under the Small Business Act is 3 percent. The House bill before the conferees contained the 4-percent figure. But the conferees deleted this provision and inserted a reference to the Trade Expansion Act provision on interest rates. We incorporated by reference the precise terms of the Trade Expansion Act; we made the terms uniform, so that, whether it is the Small Business Administration, the Interior Department, or the Agriculture Department which is making loans, all loans under the Trade Expansion Act will be made at the same interest rate and on the same terms. As the Trade Expansion Act now before the Finance Committee reads, this would be an interest rate of at least 4 percent, and up to 25 years, with the possibility of a 10-year extension.

Mr. McNAMARA. What is the justification for the difference of 1 percent? Is there a greater reason for the one type of loans?

Mr. PROXMIRE. No; it was simply a decision on the part of the Ways and Means Committee, which was generally confirmed by the House, that those terms be adopted. The Senate Banking and Currency Committee did not think we should modify them. We felt the most important thing was to make the provision uniform. If the Senate decides to make the figure in the Trade Expansion Act 2, 3, or 5 percent, this provision will apply to loans made under section 2 of this act.

Mr. McNAMARA. It seems to me this is disaster money, too.

Mr. PROXMIRE. I think the Senator could make a very strong case for making the interest rate under the Trade Expansion Act 3 percent. I think there could be a very strong argument that it might even be less. The conference committee merely inserted a cross reference to the Trade Expansion Act terms.

Mr. CAPEHART. Madam President, will the Senator yield on that point? Just on that point, this likewise is a disaster. I agree with the Senator that it is a disaster when Congress provides, through legislation, that the policy shall be to put firms out of business.

Mr. McNAMARA. I do not want to become a party to that statement, because I do not agree with it at all.

Mr. CAPEHART. It is a true statement.

Mr. McNAMARA. Who decides whether it is a sound loan and what the likelihood of the loan's being repaid is? I assume somebody has the authority to decide that a loan has a good prospect of being repaid.

Mr. PROXMIRE. In this case the decision is made by the Small Business Administration. However, if the Small Business Administration rejects the loan, or grants only part of it, the Secretary of Commerce has a residual authority to decide whether he feels it is a good enough loan, and he can make the loan even though the Small Business Administration has turned it down or turned down part of it.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. I was one of the conferees, and the Senator from Wisconsin has graciously commented upon my own suggestion, which, formalized, the conferees adopted as section 2(d); but I think the legislative history must be complete.

I, too, wish to dissociate myself from any idea that this represents an antibusiness or antiworkman policy by our Government. I think we will gain far more than we will lose in terms of employment and in terms of vitality and profit of the American economy, if we adopt a more liberal trade policy. We must do so, or we shall be terribly injured by what is happening in Europe.

It should be made clear that this is proposed standby legislation as it relates to the Trade Expansion Act. There is no assurance whatever that the Trade Expansion Act, when it leaves the Senate, comes from the conference committee, and is signed by the President, will contain any provision with relation to the Small Business Administration, or any relationship to it. Nobody knows.

As we adopt the conference report, I think the legislative history must show that the President is not to be formally bound to put this provision into effect. The President is to be bound to put the section in effect as a relevant section to the Trade Expansion Act to the extent to which it is relevant. The President will specify that in his proclamation.

As we know, we request the President to do so in 60 days. We know that no matter how tough the language may be in the section, the President cannot be mandated by the Congress. This would not take effect unless and until the President ordered it by proclamation.

This is important, because it is a compromise by the conference committee, to give such authority to the President, in view of the fact that there are problems related to the Small Business Administration and the Department of Commerce and we did not know how to reach them ultimately.

We seek to provide for a standby statute, giving to the President the authority to time and shape it according to the ultimate trade expansion legislation. Otherwise we would be left to drift, as the Senator from Indiana [Mr. Capehart] properly says, tied to a House-passed bill which might have no relationship whatever to the final law.

I thought the legislative record should be made clear, that we are seeking to vest the President with a limited discretion, but nonetheless a discretion, to shape and to use this section with the ultimate trade expansion law, and to time it when he issues the proclamation.

Mr. CAPEHART. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Indiana.

Mr. CAPEHART. I do not wish to get into an argument over the 1962 Trade Expansion Act, but I know a little of the problem, because I have done business in nearly every country in the world, and I will say, as a practical matter, the purpose of the 1962 Trade Expansion Act is to increase exports.

For every dollar's worth of goods we export we must import a dollar's worth of goods, or otherwise those to whom we export will not have any money to pay for the exports. Every time we export a dollar's worth of goods we must import a dollar's worth of goods. Therefore, when we create a job on the one hand, we lose a job on the other hand.

There is no question with regard to whether the act will create more business for certain companies. But it will result in less business for other companies. The Congress itself has admitted by the proposed legislation and by the conference report that some companies will be injured or will be hurt. As the able Senator from Michigan [Mr. McNamara] said, it might well be called a disaster for some companies.

There is no use in our fooling ourselves about the Trade Expansion Act of 1962. We should not think for one minute that any country or group of countries, such as those in the Common Market, will buy more from us than we buy from them, because if they do they will not have the dollars with which to pay. Then they either would raise tariffs or impose quotas, and we would be right back where we started.

Mr. SPARKMAN. Madam President, will the Senator yield to me?

Mr. CAPEHART. What I do not like is the idea that we will bring harm and injury upon some—nobody knows how many—that we will throw *x* number of wage earners out of work—nobody knows how many.

I wished to bring those facts to the attention of the Senate.

Mr. PROXMIRE. I thank the Senator from Indiana.

Madam President, I shall yield to the distinguished Senator from Alabama, who is the ranking member of the Committee on Banking and Currency, in a minute, but before doing so I should like to say that the Senator from Kansas [Mr. Carlson] has been very patient in waiting. I did usurp his time. I apologize to him. We shall finish this discussion as soon as possible.

Mr. JAVITS. Madam President, will the Senator first answer the question which I propounded, with regard to the legislative intent? The Senator is in charge of the conference report. If the Senator does not answer what I said, there will be nothing in the Record except my statement.

Mr. PROXMIRE. I think the Senator from New York has summarized precisely and accurately the intent of the conference committee.

The amendment of the Senator from New York was accepted and adopted. The Senator is the author of the amendment, and I am happy that he has contributed to the legislative history. What I read from the conference report was not adequate, being only one sentence. The Senator has made clear how this would take effect and what the President is to do.

Mr. JAVITS. I thank my colleague.

Mr. PROXMIRE. I thank the Senator from New York.

Madam President, I now yield to the Senator from Alabama.

Mr. SPARKMAN. Madam President, I do not believe that we shall get very far in arguing the merits of the Trade Expansion Act.

Mr. PROXMIRE. I could not agree more with the Senator.

Mr. SPARKMAN. That measure will be considered later. What we seek to do is to make this particular function of the Small Business Administration available in the event the Trade Expansion bill should pass.

There is one thing with regard to which I should like to make sure the record is clear. It has to do with the question asked by the distinguished Senator from Michigan regarding the interest rate. We do not seek to set an interest rate in the conference report.

Mr. PROXMIRE. The Senator is absolutely correct. I believe the House did in its bill.

Mr. SPARKMAN. We took it out of the bill in the conference, and instead inserted a cross-reference to the comparable provision of the Trade Expansion Act.

Mr. PROXMIRE. The Senate conferees insisted it be taken out. We did so because we felt that the trade expansion bill might be modified. In view of what the Senator from Michigan has said, I think that was very farsighted on the part of the Senate conferees. There might well be a change in the interest rate in the trade expansion bill. The conferees took no position at all on whether the Trade Expansion Act should specify 4 percent or 3 percent.

Mr. SPARKMAN. The Senator is correct. In other words, we would accept whatever Congress should pass in the Trade Expansion Act.

Mr. PROXMIRE. The Senator from Alabama is absolutely correct.

Madam President, I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER OF BUSINESS

Mr. CARLSON and Mr. LAUSCHE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. CARLSON. Madam President, may I inquire whether, under the unanimous-consent agreement previously entered into, I am to be recognized for 20 minutes?

The PRESIDING OFFICER. The Senator from Kansas is correct.

Mr. LAUSCHE. Madam President, will the Senator yield to me briefly?

Mr. CARLSON. Madam President, I am glad to yield 2 of my 20 minutes to the distinguished Senator from Ohio.

NOMINATION OF THURGOOD MARSHALL TO BE A JUDGE OF THE CIRCUIT COURT

Mr. LAUSCHE. Madam President, I desire to discuss briefly the status of the nomination of Mr. Thurgood Marshall by the President to membership on the Circuit Court of the Second Circuit of New York.

This nomination was originally submitted to the Senate on September 23, 1961. The Congress adjourned on September 27. Thus the original nomination died.

Mr. Marshall was given a recess appointment on October 23, 1961. Then on January 15, 1962, his nomination was resubmitted. No hearing was held on that resubmitted nomination until May 1, 1962. On May 1, 1962, hearings were held and then recessed subject to the call of the Chair. Two months and 11 days passed, and then, on July 12, hearings were again held. They were again recessed subject to the call of the Chair.

It appears to me, Madam President, that this nomination is being treated in a manner different from that accorded normally to nominations which come to the Senate.

In my judgment, the appointee has been chosen by the President; he is definitely an able lawyer; no showing has been made that he is not qualified to be a judge.

The inordinate delay from January 15 until this time in my opinion cannot be justified. Justice, decency and decorous treatment by the Senate of the United States are not reflected by this inordinate delay, from last January 15 until this day without any action being taken.

Mr. JAVITS. Madam President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. JAVITS. I should like to join with the Senator from Ohio [Mr. LAUSCHE] in the statement he has made. I add that an effort is being made in the subcommittee—and I attended the hearing—to identify the activities of the National Association for the Advancement of Colored People with its counsel, who was Thurgood Marshall. Thurgood Marshall is now on the bench. I attended the ceremony when he was sworn in. If the subcommittee intends to try the NAACP, there will be many diverse opinions having nothing to do with Thurgood Marshall's ability or capacity as a lawyer or judge, for which my colleague [Mr. KEATING], I, and many other Senators, including the distinguished Senator from Ohio, vouch fully. We know him fully for his situation and his record. That is the issue.

Fortunately, there is power in the committee and in the Senate to deal with an issue of that character. I think it would be shameful abuse of our process of confirmation if the time should run out at the end of the present session and the confirmation of the nomination of Thurgood Marshall should not have been acted on in the Senate.

I shall certainly pledge myself—and I know other Senators will do likewise—to see that that does not happen. He deserves our confirmation. He ought to have it. We are not trying the NAACP, but we are trying the justice, the equity, and the wisdom of the confirmation process in the Senate. It is our duty as Senators, whether or not we are on the Judiciary Committee, to see that that process remains what the Constitution intended it to be—a trial of the quality, the character, and the ability of the person who has been named, and no other ancillary trials supplementary or corollary to it.

Mr. LAUSCHE. Madam President, I concur in what has been said. Thurgood Marshall is entitled to treatment equal to that given to all other appointees to judgeships. He is not receiving it, and the action ought not to be condoned.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. CARLSON. Madam President, the Senate Finance Committee, after extended hearings, reported to the Senate the Public Welfare Amendments of 1962 (H.R. 10606) which is now before the Senate for consideration.

This bill, as reported by the Senate Finance Committee, if approved by the Senate and accepted by the House of Representatives, would greatly extend and improve the public assistance and child welfare service programs of the Social Security Act.

The Senate Finance Committee heard much testimony in behalf of this legislation from the Secretary of Health, Education, and Welfare, representatives of State boards of social welfare, and private groups and individuals. In my opinion, it is one of the most forward-looking steps taken in our social security program since its inception.

Many of the amendments adopted and approved in this bill are the result of experience in dealing with our social security problems.

Now sudden consideration by the U.S. Senate of a compromise program on hospital care for the aged threatens to short-circuit the usual committee procedures of the Senate and endanger enactment of H.R. 10606.

I think it is the consensus of opinion of everyone who has worked on this problem and is familiar with the legislative procedures, that the pending Anderson amendment will not be enacted into law in this Congress. I would regret to see an amendment added to H.R. 10606 that would endanger enactment of the bill this year.

Personally, I feel that our aged need medical care and regret that we in the Senate are confronted with a bill that has not had public hearings and thorough study by the Senate Finance Committee.

As a matter of fact, the Anderson amendment as pending before the Senate, is a combination of several proposals for medical care for the aged and is not the original King-Anderson bill.

The new measure adds four features to the administration-endorsed King-Anderson bill.

One would blanket in an estimated 2½ million persons not covered by social security. No contribution is asked from those who would receive this windfall and the new benefits would be paid to the wealthy as well as the needy.

Another change would permit a highly desirable option under which benefits could be used to pay premiums on private health insurance. This would not, however, change the compulsory nature of the tax.

The bill also would embody other changes which might or might not safeguard the present trust fund and give State or private agencies a role in administration.

This proposal would be costly in many respects. It seems to me that this is not the time to advocate a substantial addition to the social security payroll tax, when our Nation is in an economic recession and organized labor, as well as business is calling for a Federal tax cut.

Madam President, one of the favorite topics of conversation today is the prospect of a reduction in personal and corporate income taxes. As I stated, some leaders of business and labor favor this course. And what is even more surprising, a number of Government officials do likewise. Fearless of the political consequences, these gentlemen argue that tax cuts would pump a much-needed supply of plasma into our ailing national economy.

The American taxpayer can hardly believe his ears, but as a man who already contributes a third of his income to the tax collectors at all levels of government, the idea is most appealing.

Tax increases are not new to him. In fact, every time he turns around it seems that some duly constituted authority is asking him to dig a little deeper and a tax cut is more than he had dared hope for.

Not that the taxpayer is completely deluded. He realizes that no tax cut has yet developed. He is aware that this may only be a mirage shimmering in the heat of an election year, but it is the most appealing mirage in town.

Personally, Madam President, I happen to think the taxpayer is long overdue for a break, and I would like to see him get one. But a peculiar thing is happening; the very people who talk tax cuts in one breath propose tax increases in the next.

While the pending Anderson amendment is so written that no one could draw any benefits before January 1, 1964, the higher taxes to pay for the program would start January 1, 1963.

Under the proposal, persons 65 or older would receive hospital and home health services beginning January 1, 1964, and nursing-home benefits the following July 1.

The bill would make the social security tax apply to the first $5,200 a year a person earns instead of the first $4,800. The tax base would be increased next year. In 1964 an extra one-fourth of 1 percent would be tacked to the regular social security tax scale to finance the health benefits. With periodic rate boosts already booked by Congress to support the main social security pension program, the total payroll tax for ordinary workers, after January 1, 1968, would be 4⅞ percent on the first $5,200 earned each year.

Now, that is a maximum of $253.50 a year, of which $31.50 would go for the health program as now envisioned. Personally, I feel that the cost will go higher.

For self-employed, the total social security levy would climb to $7\frac{3}{10}$ percent in 1968. That is a maximum of $379.60 a year, including $48.40 for medicare.

In addition, money would be taken out of the General Treasury to extend health care to people past 65 who cannot qualify for social security benefits under present rules. It is estimated that the net cost of this, as proposed in the amendment, would be $50 million for the first year, 1964.

Extending benefits to these 2½ million persons is one of the main features of the compromise bill.

As I read the bill, persons reaching 65 before 1967 automatically would be deemed eligible for social security health benefits, even though they could not get monthly checks. A person becoming 65 in 1967 could draw health benefits if he worked on jobs covered by social security for at least six quarters, about 18 months. This requirement would increase by 9 months each year, so that by 1972 the same yardstick would apply to everybody.

The amendment states that only nursing homes affiliated with hospitals could take part in the program. This, in my opinion, is a serious flaw in the amendment, in that large rural sections of this Nation would receive no benefits from this amendment, because few nursing homes in rural areas have hospital connections. In other words, this is a "city bill."

It is my purpose to discuss more fully and thoroughly the proposed increases in social security taxes.

The Members of this body well know social security taxes are already scheduled to reach 9¼ percent by 1968, regardless of whether or not the pending amendment becomes law, but these presently scheduled increases apply to a taxable base of $4,800—not $5,200.

One and a half percent of the scheduled increases have yet to come into effect, but will do so at the intervals prescribed under the present law. Under the present proposal, that 1½ percent would also be levied on a $5,200 taxable base.

So this is really a double tax, for it not only increases the percentage taken from payroll, but it increases the amount of income subject to the tax.

This is not an unimportant point, Mr. President.

Suppose we take a worker earning $6,000 a year today. He pays $150 a year in social security taxes, and his employer pays an equal amount. By 1968, the scheduled increases will bring the amount of his tax to $222. Once more, his employer will match that amount.

Add the one-quarter of 1 percent for employer and employee called for under the pending amendment, and the addition seems minor; but increase the wage base from $4,800 to $5,200, and apply the full tax required to pay for both old-age benefits and health care, and we wind up with both employer and employee paying $253.50 by 1968.

In terms of the self-employed, today they pay $225.60 on $4,800, and would pay $331.20 by 1968 under the present law. Add the increase the amendment proposes, and raise the tax base to $5,200 and the self-employed person will pay $379.60.

Thus, the effect of passing the pending amendment would be to increase by 69 percent the amount paid by employers and employees in the next 6 years—and by 68 percent the amount paid by the self-employed.

I submit, Madam President, that a tax increase of this magnitude should not be considered in offhand fashion. It should have thorough and full committee consideration before being presented to the Senate.

We have had no hearings on this far-reaching measure—we appear to have disregarded the right of the House to initiate tax legislation—and we seem to be totally disinterested in the fact that similar legislation is now being considered by the Ways and Means Committee after extensive hearings.

This is neither proper procedure nor wise procedure. It little serves the deliberative function of this body.

We are urged to make haste when no person aged 65 or more would receive a single benefit under the Anderson amendment until 1964, when it would take effect.

We are urged to accept—without question—the contention of the amendment's supporters that the need of this age group is so pressing that everyone must have a program because some may need it.

We are asked to approve a heavy tax increase on the working people of the Nation in order to provide health benefits for all the aged, regardless of the fact that more than half are insured—many are covered under existing welfare programs—more than 4 million are still employed and Kerr-Mills exists to help those who need it.

We are required to speed our decision on a measure that would radically alter the very basis of social security itself, the concept that beneficiaries should be paid in cash, not in services—which has always been basic in the social security system—that they may use their benefits as they see fit, not that an all-wise Federal Government will give the taxpayer no option but to take or leave the health services he is compelled to pay for.

I shall do no more than note, in passing, the highly arguable wisdom of a measure that would predictably entangle the hospitals and nursing homes in redtape, overcrowd them, and lower the world's highest quality of health care.

I shall, however, mention that adoption of the pending amendment would be inflationary, and that no tax is justified which is unnecessarily levied to pay for an unnecessary program. Instead, I should like to ask how long this tax increase would suffice.

There can be only one answer to this. It is easier to start an avalanche than it is to stop one. Programs of this sort can be quickly and easily made law, but once such action is taken, the process is difficult—if not impossible—to reverse. Let me cite the history of the Social Security Act itself since its passage.

The act became law in 1935, and the tax originally called for was 1 percent of wages on a base of $3,000 a year.

In 1939, the act was amended to provide benefits for dependents and survivors under a modified benefit formula, and in January 1940, the first monthly OASI benefits were paid.

The maximum primary benefit was $40 a month.

Under the law, the tax was scheduled to increase to 2 percent in 1944, 2½ percent in 1946, and 3 percent in 1949. But in the war year of 1942, the OASI contribution rates were frozen at 1 percent through 1949.

The rate was increased to 1½ percent for employees and employers as of January 1, 1950. But on August 28 of that year, the act was amended to extend coverage to some additional 10 million people, to liberalize conditions for eligibility, to improve the retirement test, to provide wage credits of $160 a month for military service from September 1940 through July 1947, to increase benefits substantially, to raise the wage base to $3,600 to provide a new contribution schedule, and to eliminate the 1944 provision authorizing appropriations to the trust fund from the General Treasury.

I mention this to stress the importance of the changes that take place even with a program which we expected to be rather stable when we first approved it.

The following year the OASI tax rate was 1½ percent for employees and employers and 2¼ percent for the self-employed on a wage base of $3,600. This worked out to $54 yearly for employees and employers and $81 for the self-employed. The maximum primary benefit was now up to $80 a month.

On July 18, 1952, the Social Security Act was amended to increase benefits, extend the period of wage credits for military service through December 31, 1953, and liberalize the retirement test. The primary benefit maximum was increased to $85 a month.

As of January 1, 1954, the tax rate rose to a flat 2 percent for employees and employers alike, and 3 percent for the self-employed. Employees and employers each paid a maximum of $72 a year, and the self-employed paid $108.

The act was amended in 1954 to cover farmers—certain professionals—farm and domestic employees—State and local government workers—ministers and the members of religious orders. The taxable wage base was raised to $4,200. In addition, the amendments raised the ultimate contribution rates, increased benefits, liberalized the retirement test still further, permitted a dropout of four or five of the lowest earnings in computing benefits, and authorized the disability freeze program. The maximum primary benefit was increased to $108.50 a month.

At this point, Madam President, each social security beneficiary was receiving an average of $30 in benefits for every 50 cents he had paid in taxes, which meant that $29.50 was being contributed by younger workers to every person drawing a $30 benefit—surely a substantial subsidy from the younger generation.

On October 1, 1956, the act was, however, amended again. This time benefits were provided for the permanently and totally disabled between the ages of 50 to 64. The retirement age for women was lowered to 62, with reduced benefits—self-employed professional people—other than physicians—were covered—and a disability insurance trust fund was established from taxes collected on one-fourth of 1 percent of the taxable wage base of $4,200 for employees and employers, and three-eighths of 1 percent for the self-employed.

Miscellaneous amendments were made to the act in 1957, and the first monthly benefits under the disability program were paid in that year.

Then, on October 28, 1958, social security benefits were again increased, dependents of disabled workers became eligible for benefits, the taxable wage base was raised to $4,800—and the work clause was increased to $100 a month. The "floor of protection" had been raised by now to $127 a month.

In 1959, the OASDI tax rate was 2½ percent for employees and employers, and 3¾ percent for the self-employed. The employees and employers were now paying $120 each year, with self-employed paying $170.

But the tax rate was increased to 3 percent as of January 1, 1960, for employees and employers—and to 4½ percent for the self-employed. Employees and employers each paid $144, the self-employed paid $216.

On September 13, 1960, the age limitation for disability benefits was removed, the work clause was liberalized, and coverage requirements were reduced from two of four quarters elapsing since 1950, to one of three quarters elapsing since 1950.

On June 30, 1961, men were made eligible for reduced benefits at age 62; coverage requirements were reduced from one of three quarters elapsing since 1950, to one of four quarters elapsing from that time; widows', widowers', and parents' benefits were increased, and the tax rate was again raised.

As of January 1, 1962, the tax rate for employees and employers was 3⅛ percent with the tax rate for the self-employed set at 4$\frac{7}{10}$ percent. Thus, employees and employers pay $150 each per year, and the self-employed pay $225.60.

Let us now climb aboard the medicare escalator and see where it takes us.

Under existing law, the tax rate will be increased as of January 1, 1963, to 3⅝ percent for employees and employers, and 5$\frac{4}{10}$ percent for the self-employed. On top of this scheduled increase would come the proposed raise in the taxable wage base from $4,800 to $5,200. Translated into taxes, employees and employers would pay $188.50 instead of the scheduled $174, and the self-employed would pay $280.80 instead of the scheduled $259.20.

The following year, under the Anderson amendment, the tax rate for employees and employers would go to 3⅞ percent and to 5$\frac{8}{10}$ percent for the self-employed. Under these rates, the employees and employers would be paying $201.50 and the self-employed would be paying $301.60.

In 1966, the tax rate for employees and employers would go to 4⅜ percent, and to 6$\frac{5}{10}$ percent for the self-employed. And by 1968, employees and employers would be paying 4⅞ percent each, with the self-employed paying 7$\frac{3}{10}$ percent.

Thus, in 1968 and thereafter, the employee and employer would be paying $253.50 each, and the self-employed would be paying $379.60—if—and there is a big if here—the cost of the proposed benefits could be met by the proposed increase in taxes.

It might be wise to qualify that even further, Mr. President, and add a second "if." We must also include the proviso that social security benefits are not further liberalized in the meantime.

Now a pattern emerges from this examination of our past experience with the Social Security Act. I cannot see how any Senator can overlook it. We have deferred scheduled tax increases, we have extended coverage to new groups, we have increased benefits for both retired and non-retired groups, and we have done so all too often without imposing new tax increases to cover their cost.

We have done this by passing on a mounting debt to the younger worker, until we are now at the point where estimates by competent actuaries of the accrued liabilities resulting from the social security program range from $289 billion to more than $600 billion.

We are raising the money to pay current benefits through current taxes, but I ask Senators if there is not a limit to the size of the tax burden that future generations will be willing to bear? Or, for that matter, will be able to bear?

I am far from persuaded that the tax increases called for by the Anderson amendment will be sufficient to pay for the benefits promised.

Moreover, I am far from convinced that a health care program of the type proposed would remain limited to its present scope. I have variously heard it estimated that the benefits provided under this amendment would take care of an estimated 40 percent or less of an older person's health care expenses.

I suggest that this fact alone would guarantee an expansion of the program. More liberal benefits, broader coverage, easier eligibility requirements—where do they lead? Just as surely as night follows day, the pressures would mount to expand this plan until it ultimately became a full-fledged program of compulsory national health insurance covering every man, woman, and child in the Nation at a staggering cost.

Is this a farfetched conclusion? I think not, Mr. President. We have been warned, time and again, by the proponents of social security medicine. They have been remarkably candid in calling measures of this sort "a foot in the door," a beginning, a mechanism for bringing about socialized medical care for Americans.

The Department of Health, Education, and Welfare, which has lobbied for this sort of bill not only before Congress, but before the public, now employs some 75,000 people—an increase of more than 10,000 in the past year and 4 months, by the way.

This constitutes a tidy little bureaucracy, Mr. President.

Let us suppose that the proponents of social security medicine are successful in their effort to bring about a system of compulsory national health insurance for the United States. Can you imagine what the bureaucracy will become?

One out of every hundred citizens of Great Britain is now employed by the Ministry of Health. If that same ratio applied in this country, HEW would be required to hire one and three-quarter million more employees.

I have served long enough on the Finance Committee to know how much we do not know about the sort of legislation proposed in the amendment.

The amendment departs radically from the Forand bill—the McNamara bill—the Anderson-Kennedy amendment—the King-Anderson bill now being considered by the Ways and Means Committee, and any other proposed legislation invoking the social security program as a financing mechanism.

It is significant, however, that the only committees that ever have held hearings on this species of measure have voted overwhelmingly against releasing those measures to the floor. Specifically, I am referring to the Senate Finance Committee, which held hearings on the Forand bill, and the Ways and Means Committee, which held hearings on the Forand bill and the King-Anderson bill as well.

I feel the actions of both committees were sound. And I suspect that the sponsors of the amendment are bypassing the Finance Committee, and overriding the prerogatives of the House, because they recognize that the closer the scrutiny this measure receives, the less likely it is to win Senate or House approval.

Madam President, I for one will vote against the amendment as unnecessary, hastily contrived, incalculably expensive, and certain to grow in the years ahead until it saddles this Nation with a full-fledge system of compulsory national health insurance for every American.

Mr. ANDERSON. Madam President, on Tuesday, the senior Senator of Utah [Mr. BENNETT] spoke at some length in regard to his objections to the Anderson amendment to H.R. 10606. I take this opportunity to reply to some of the points he made.

MEDICAL ASSISTANCE A COMPLEMENTARY PROGRAM

First, I wish to correct the impression of the Senator from Utah, that we who favor the social security approach to health care for the aged suggest that medical assistance for the aged should be abandoned. I know of no supporter of health insurance through social security who takes this approach. As I and others have said many times, we propose health insurance through social security as a basic program supplemented by private insurance for all who can afford private insurance. But for those in special hardship circumstances and with special needs, medical assistance for the aged would fill the gap. The record should show that in 1960 I voted for it in the Finance Committee and was glad the Senate approved it.

We envisage the same role for medical assistance for the aged in the medical field that old-age assistance fills in connection with the cash retirement benefits under the old-age and survivors insurance program. In the case of old-age assistance, provision was made for two programs simultaneously—old-age assistance and old-age insurance. One was not a substitute for the other—they were complementary.

In the case of the disabled, there are programs of aid to the permanently and totally disabled and the program of disability insurance under social security. But the enactment of disability insurance under social security did not force any abandonment of the disability assistance program—they are complementary and are designed to work together, not against each other.

The role we envisage for the medical assistance for the aged program would be to help those whose own resources, plus social insurance, are insufficient for all their medical needs. The States could add benefits covering physicians' services, the amount deductible for hospitalization, drug benefits, and dental services, and could add all these benefits with much less strain on their finances because the primary load is carried through social insurance.

The Senator points out, on page 13083 of the RECORD, how Congress has remained firm against health care to the aged through social security, and he has on the top of the third column on that page a most interesting observation. Said he:

> The Senate Finance Committee also conducted hearings on the Forand bill and voted to hold the measure in committee.

I do not recall any hearing on the Forand bill. I do not want to involve members of the staff of the Senate Committee on Finance, but there are those on the committee staff who do not recall hearings on the Forand bill. I wish the Senator would tell us when the hearings were called; who called them; who conducted them, and when the vote was taken.

After he gets through doing that, I wish he would explain another portion, which I read from his speech. After stating that the Senate Finance Committee had voted to hold the Forand bill in committee, the Senator from Utah says:

> Despite this, an attempt was made—as the Senators remember—to amend the Kerr-Mills proposal by tacking on the Forand bill. This effort, sponsored by Senator ANDERSON, of New Mexico, and the then Senator but now President of the United States, John F. Kennedy, was defeated also:

Categorically I deny that. I ask him to tell me when and in what fashion the junior Senator from New Mexico offered to amend the Kerr-Mills proposal by tacking on the Forand bill. We proposed an amendment to the social security bill, but we did not seek to strike out any section of what is now called the Kerr-Mills legislation. If the Senator from Utah has evidence to the contrary, I shall be happy to have him present it. In order to assist him, I may advise him that he will find some reference to this subject in the CONGRESSIONAL RECORD, volume 106, part 13, page 16941. He will see that I offered an amendment, and he can read the amendment. It was not tacked on to the Kerr-Mills legislation, and it was not the Forand bill. It will be very simple for the Senator to ascertain the facts. I commend to him a little study of the RECORD, in case his memory is no longer accurate on the subject.

The Senator's ability to confuse the issue follows the motto of my home State of New Mexico, "It grows as it goes."

The next paragraph reads:

> However, Madam President, aside from the Senate Finance hearings on the Forand bill * * *.

Here we have a second learning of the Senate hearing which, in my opinion, never took place and which members of the staff of the Finance Committee assure me never took place. I recognize that people attending the hearings have mentioned the Forand bill, the Murray-Dingell-Wagner bill, and all sorts of legislation, but I believe the hearings were called to consider other items and were not in any sense hearings on the Forand bill. However, a considerable portion of these hearings were devoted to the question of health insurance for the aged under social security.

Madam President, I have obtained a copy of the hearings held by the committee. They relate to H.R. 12580 to extend and improve coverage under the Federal old-age, survivors, and disability insurance system, and the like. In the table of contents references are made to the McNamara amendment, the Williams of New Jersey amendment, the Javits amendment, the Byrd of West Virginia amendment, the Keating amendment, the Morse amendment, the Schoeppel amendment, the Humphrey amendment, the Hartke amendment, and the Anderson amendment; but nowhere do I find any reference to the Forand bill.

A little further along, the Senator from Utah says:

> Recognizing the need to proceed in an orderly fashion, the committee earlier this year voted 10 to 7—not on the merits of the bill, but on the procedure involved—to delay consideration of the King-Anderson bill until the House had had the opportunity of taking action.

I have examined the records kept by the Committee on Finance and I find no such action. As a matter of fact, the Finance Committee, by order of its chairman, Mr. BYRD, on January 31, 1962, issued a press release, of which I have a copy, and it listed two votes. The first is described by the committee clerk in this fashion:

> Motion by Senator ANDERSON that hearings be held on his bill S. 909 (incorporating the President's recommendations) not later than April 1, 1962, regardless of whether the House of Representatives had acted on the identical bill now pending in the House Committee on Ways and Means.

That was the motion on which the vote was 10 to 7. It was not a vote to delay action until the House had an opportunity of taking action. It was a vote on a motion to take action to start hearings not later than April 1 regardless of whether the House had or had not taken action. The Senator from Utah was there and he knows that is the real fact.

The second motion, which finally prevailed, was that prompt hearings would be held on the bill as soon as the House of Representatives passed and sent to the Senate, for further action, a medical-care-for-the-aged bill. That was merely a pious declaration, because that would happen in 999 out of 1,000 bills of this importance. It would not do what the Senator from Utah suggests—namely, pledge itself to hold hearings on this proposal when it was constitutionally proper for it to take such action; and the records of the committee so reveal.

I should also like to remind the Senator from Utah that the Committee on Finance had some discussion on very similar legislation in 1960. In fact, in its report on the Social Security Amendments of 1960, the committee had this to say about the problem of health costs among the aged:

> The major issue presented to the committee this year has been the increasing cost of adequate medical care for older people. The evidence presented to the committee indicated that these costs derive, to a large extent, from the fact that impressive improvements have been made in medicines and medical technology, which assist in better diagnosis and treatment, and from improved hospital and other facilities and their wider availability to the public. The knowledge that these costs are unpredictable, and sometimes very heavy, especially for our older men and women living on reduced retirement incomes, has been a matter of grave concern to this committee.

The information provided in 1960 on the need for such a program and on other elements of the proposal I am now advancing is clearly sufficient for informed action at this moment. Furthermore, our extended discussion on the floor serves to cover many of the elements of study that are new since 1960. Finally, we should not forget the hearings and studies of the Senate Special Committee on Aging, which have pointed up the deficiencies of the medical-assistance-of-the-aged program and have disclosed other facts which clearly show the need for the enactment of our amendment.

Mr. JAVITS. Madam President, at this point will the Senator from New Mexico yield to me?

Mr. ANDERSON. I am happy to yield to the Senator from New York.

Mr. JAVITS. Yesterday, I submitted a statement, as part of my remarks, headed "Summary of Consideration Given to the Problem of Health Costs of the Aged"; and I had available at that time a large table and a number of volumes, all of which will be available on Monday. So, as the Senator from New Mexico has said, extensive consideration, in the greatest detail, has been given to this matter. Indeed, it probably has been more carefully analyzed and discussed, both in and outside of Congress, than has any other domestic issue in recent times, with the possible exception of the trade issue; and inasmuch as it is a matter which is very close to the hearts of so many persons, I believe it fair to say that the people probably have paid more attention to the debates on this issue than they have to the debates on any other issue, ever since this matter began to be discussed, and at least since 1959, when we had the first activity in this field by the then Secretary of the Department of Health, Education, and Welfare, Mr. Flemming. The discussion at that time was directly connected with the type of plan we are debating now.

So I think the Senator's statement that this matter has received a very great amount of consideration is entirely correct.

As a matter of fact, so much consideration has been given to it that probably none of us would be able to take the time which would be required to analyze all the hearings on it, including those on the special problems of the aged, to which the Senator from New Mexico has referred.

Mr. ANDERSON. I thank the Senator from New York.

Let me say that a while ago someone wrote me a letter stating, "I wish you would do something on this bill. There have been so many discussions of it on the radio and elsewhere that we would like to have you get on something else, for a change"—from which I conclude that the public is not altogether in the dark about this subject.

But, Madam President, I can say that there is at least one historic precedent for bringing up this matter in the way the Senator from New York and I have done. In 1950, a very far reaching amendment to the social security bill H.R. 6000, was introduced by Senator Knowland, of California, on the floor of the Senate, and was passed. The provision restricted the authority of the Secretary of Labor to withhold grants to States for administration of unemployment insurance in certain questions of compliance with the Federal Unemployment Tax Act and title III of the Social Security Act. No hearings on this subject had been held in the Senate or the House committees. The subject matter of H.R. 6000 was restricted to old-age and survivors insurance. Public assistance, and maternal and child health and welfare provisions. No hearings on any unemployment compensation title had been held in either the House committee or the Senate committee.

If Senators wish to learn more about that case, I suggest that they examine the CONGRESSIONAL RECORD, volume 96, part 7, pages 8886 and 8887.

That amendment, offered by Senator Knowland, was passed by the Senate; and I have been interested to note that a number of very distinguished Senators voted for it. Among them were the chairman of the Finance Committee, the Senator from Virginia, Mr. Byrd, who voted for it even though no hearings were held on it in the committee; and I note that other Senators who voted for it were the Senator from Idaho, Mr. Dworshak, the Senator from Mississippi, Mr. Eastland; the Senator from Arkansas, Mr. Fulbright; the Senator from Iowa, Mr. Hickenlooper; the then Senator from Texas, Mr. Johnson; the then Senator from California, Mr. Knowland; the Senator from Arkansas, Mr. McClellan; the Senator from Virginia, Mr. Robertson; the Senator from Georgia, Mr. Russell; the Senator from Massachusetts, Mr. Saltonstall; the Senator from Mississippi, Mr. Stennis; the late Senator Taft, the Senator from Wisconsin, Mr. Wiley; and the Senator from Delaware, Mr. Williams.

All of them voted for that amendment in 1950. So even if there had not been any hearings at all on the measure now before us, there would still be a very good historic precedent to the effect that a very important subject which worries and concerns the public can be brought up and can be voted upon and can be passed by the Senate.

THE PEOPLE FAVOR HEALTH INSURANCE UNDER SOCIAL SECURITY

The Senator from Utah [Mr. BENNETT] was also concerned about whether the sentiment of the American people is truly behind health insurance through social security. He mentions mail that has been received. It is a little dangerous to use counts of mail in measuring sentiment, because organized groups can send, or can arrange to have sent, tremendous amounts. Fifty thousand physicians can use their stenographic help to send mail over their own signatures and their wives' signatures, in numbers approaching the millions, without great cost. I may also mention other aids which have been offered in connection with mailing letters against the proposal; and I ask unanimous consent to have printed in the RECORD at this point a clipping from the Amarillo, Tex., Globe-Times of May 22.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Amarillo (Tex.) Globe-Times, May 22, 1962]

C. OF C. OFFERS MEDICARE HELP

Citizens wishing to express themselves to Members of Congress on the King-Anderson medicare plan have been invited to seek the assistance of the Congressional Action Committee of the Amarillo Chamber of Commerce.

Chamber President Bob Mills pointed out Monday that the service is available to anyone.

"If you wish help in composing and sending telegrams or letters, just call the chamber telephone number and our people there will fill you in on what to do," Mills said. "They will even send your telegrams and letters for you as you dictate them."

The chamber's board recently voted a resolution opposing the bill which embodies the administration's medicare plan.

"Let Washington know how you feel on medicare," said Mills. "This is the key issue in Congress at the moment."

Mr. ANDERSON. The Chamber of Commerce of Amarillo offered to send telegrams and letters as they were dictated, if they opposed health insurance. Nevertheless, I do not believe that the mail shows any change in true sentiment; and in regard to the mail received by the President and the Secretary of Health, Education, and Welfare, let me state that although there has been some talk about an alleged change of heart among Americans, and although it has been said that most of the correspondence being received here in Washington is in opposition to a social security program of health insurance for the elderly, I believe that there is some danger in placing too much importance on counts of letters, because they do not necessarily represent the views of the American people.

Nevertheless, I am pleased to report that the letters received by officials in the administration have been running 2 and 1 in favor of the social security health insurance measure. Since January 1, the Department of Health, Education, and Welfare has handled 30,500 pieces of mail—which had been referred to it by the White House or was addressed to Department officials—in which the writers took a position on the social security health insurance measure. Of these letters, 20,500 were in favor of the social security proposal and 10,000 were opposed to it.

Since the May 20 Madison Square Garden rally and the AMA television statement of the 21st, the volume of correspondence received by the Department has increased greatly. Since that time the ratio between letters favoring the proposal, and those opposing the proposal has remained about the same as it was in the previous part of the year. Of the total letters received since the rally, about 16,000 favored and about 8,500 opposed the social security measure—again a 2-to-1 ratio in favor of the social security legislation.

I understand from some of my colleagues that shortly after the Madison Square Garden rally and the AMA television presentation, there was an increase in the number of letters from people who opposed the proposal. At the time, some Senators were wondering whether this suggested that the health insurance proposal was losing the support of the American people. I checked with the Department of Health, Education, and Welfare about this, and found that shortly after the Madison Square Garden rally and the AMA statement, there was some increased letterwriting on the part of those who oppose the health measure, but that the efforts of the opponents were very quickly buried under an avalanche of letters from those who favor the measure, and that the 2-to-1 ratio was quickly restored. I have concluded from all this that the people who write letters in favor of the measure are a little slower in getting around to putting their thoughts down on paper and posting their letters than are those who oppose the measure. This is not surprising, since, I understand, a much higher proportion of the letters against the measure have been typed on office stationery than was the case with letters which favored the measure.

I may say that just the other day a group came to my office with a petition containing 500,000 signatures. They had previously distributed similar petitions bearing more than 2 million names. I think those 2½ million persons seriously want this proposal, and I believe they clearly indicated that fact.

Although the aged do not write letters easily, they do find other ways like these petitions to make known their feelings about our amendment.

The Senator from Utah [Mr. Bennett] also referred to the results of 52 congressional polls. It did not occur to him to mention that the great majority of those were conducted in conservative Republican districts; and I do not believe that such districts represent the entire United States at this time.

Furthermore, almost none of the polls showed how the people questioned were selected, nor were the questions asked in the polls designed in a way to obtain unbiased responses. Sometimes the questions stated the outright lie that the social security system was failing and then asked about an addition to the system. Finally, the mailed inquiries often resulted in a very low rate of response; and the normal procedure in a valid statistical investigation requires a sampling of the nonrespondent, to determine whether their views were different from the views of those who did answer. In not a single case was this statistical requirement fulfilled.

The Senator from Utah also reviewed the findings of the Gallup poll. The original Gallup poll on health insurance, conducted in June 1961 asked a question that truly could be used to deduce sentiment for or against the proposal for a social security measure. At that time 67 percent were in favor and 26 percent were opposed. More recently, however, the question has been changed; and the question asked now is for a preference as between the President's proposal and a voluntary plan discussed in Washington. The only so-called voluntary plans discussed before this chamber are those which would make use of Blue Cross and similar organizations as part of a health-care measure for the aged.

The Senator from Utah may not realize that my amendment makes provision for the use of such voluntary organizations as part of its makeup.

Although the number who supported social security was greater than the number of those who supported the vaguely described choice of a Blue Cross plan, we have provided both these elements in our present plan, so that both alternatives are included; and those who favor either might well be considered as favoring the amendment now before us. In that case, 89 percent of the people polled might be said to favor the proposal.

I ask unanimous consent to insert in the Record at this point a more detailed statement.

There being no objection, the statement was ordered to be printed in the Record, as follows:

The results of three Gallup polls that deal with the public's attitude toward financing the health care of the aged have been published since June 1961. In the first poll, respondents were asked if they would favor or oppose a social security tax increase to pay for "old-age medical insurance." The results showed 67 percent favored this kind of measure and 26 percent were opposed.

In April and again in June of this year the public's attitude on the subject was surveyed again, but the question was posed in an altogether different manner. The respondents were told that two different "plans" were being discussed in Washington for meeting hospital costs for older persons and then they were asked to express a preference between the two. "One plan," it was stated, "would let each individual decide whether to join Blue Cross or buy some form of voluntary health insurance. The other plan would cover persons on social security and would be paid by increasing the social security tax deducted from paychecks." It is impossible for anyone to determine what this first "voluntary plan" means. (Of course, right now aged people can join Blue Cross or buy private insurance, but few can afford the high cost of adequate insurance.) But since it was described as a "plan," it suggests that something new will be offered, and since there is no mention of financing, many respondents no doubt jumped to the conclusion that some miraculous health insurance plan had been developed that the elderly could afford without help from Government or increased taxes.

Under some recent proposals (made by Blue Cross and others), general Federal funds would be used to subsidize the cost of private health insurance policies for aged people. If proposals of this kind were what was meant by "plan," it should have been stated clearly so that respondents would understand that the choice was between two different methods of Federal financing. The results of the Gallup poll then might have been meaningful.

Considering the two alternatives, it is indeed remarkable that such a high proportion voted for social security. In the April and June surveys, 55 and 48 percent, respectively, voted for the social security plan as opposed to 34 and 41 percent, respectively, for the "voluntary plan." But since the first alternative was so vague, the results of the two surveys cannot be said to indicate any trend. Only the survey made in June 1961 has any real meaning in support of or against social security.

It is a separate matter whether the social security program should work with Blue Cross and private insurance. It is of interest to note that the proposal by Senator Anderson would provide an option of carrying private insurance, with the cost of such insurance financed through the social security system and provides for use of Blue Cross in administering the program. It would appear that such a proposal would have the support of many of the persons who voted either for letting people join private insurance or expressed a preference for social security health insurance.

MAURICE STANS ARTICLE

Mr. ANDERSON. Senator Bennett also put into the Record Tuesday an article by Maurice Stans. He may not have recalled at that time that I pointed out the various errors in Mr. Stans' statement in the CONGRESSIONAL RECORD of February 8. I would like just briefly at this time to mention two points in connection with the Stans statement.

First, Mr. Stans says medical assistance for the aged was the Flemming-President Eisenhower proposal. Senator SALTONSTALL would apparently disagree with this because his proposed substitute to my amendment is in fact the very Flemming proposal that Maurice Stans says was already enacted.

Another element of Mr. Stans' article that deserves comment is his reference to 3 million persons going unprotected. As all of us here must know by now, my amendment has modified S. 909 to provide protection for all the aged not now insured under social security or railroad retirement.

Senator BENNETT says the King-Anderson bill provides a means test or labels persons over 65 as indigent. I presume he is also referring to the amendment now under discussion. In his statement, Senator BENNETT decries the fact that persons of wealth, as well as persons who are poor, are covered under the amendment. In other words, benefits under my proposal can be received with pride because it makes no distinction between the rich and the poor. No mark of failure is involved in social security. Senator BENNETT appears not to have understood this.

In the course of debate on our proposed amendment the distinguished Senator from Colorado [Mr. ALLOTT] stated that our older people who need health care are getting it. I wish that it were possible to share realistically the distinguished Senator's sanguine view of the circumstances of the aged. But there are some hard, bitter facts that we cannot pass over.

Most of the aged do get health care when there is a critical need for it. Often this means exhaustion of savings of a lifetime, sale of home, terrible sacrifices by sons and daughters, and resort to public charity. The primary purpose of providing health insurance under social security, of course, is to give the aged some assurance that they will not suffer financial catastrophe as a result of the costs of needed health care. But, in addition, the proposed health insurance plan will mean that many older people who are not getting the care they need will be able to get it. The truth is, lack of ability to pay does stand in the way of obtaining necessary health care. Survey after survey has shown large numbers of aged people who need health care, but could not afford it and as a result went without necessary treatment. The scandals of our nursing homes should have alerted everyone to the facts. Even a casual examination of the abundant data on health care utilization as related to income should convince even the most obdurate of the sad situation of our older people.

I ask unanimous consent to insert in the RECORD at this point a statement which provides ample evidence that many aged people do not get the health care they need.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of our proposed amendment is not to provide care but to give the aged some assurance that they will not suffer financial catastrophe as a result of the costs of needed health care.

But lack of ability to pay does stand in the way of care. The Texas Research League (which is so opposed to Federal programs it does not support Kerr-Mills) found that 3.5 percent of the Texas public assistance caseload—8,718 cases—had medical needs that were not being met under existing programs. This does not include an additional 12,733 cases of unmet medical need, which were excluded for various reasons, for example, because no local specialist was available and the patient was too ill to be moved. This study was included in the report of Ways and Means Committee hearings on H.R. 4222 (July–August 1961), beginning on page 855.

The background studies prepared by State Committees for the White House Conference on Aging show unmet medical need. For example, the report from the State of Alabama indicated that 21 percent of the aged persons polled in house-to-house interviews stated that lack of money prevented them from seeing a doctor in 1959. In a survey conducted in Tucson, Ariz., more than 17 percent of the aged persons contacted reported that they were unable to have the type of medical care they should have had because of lack of funds. Of course, these figures represent the opinions of aged people who are not competent to diagnose their own conditions accurately or to make professional judgments as to whether the care they received was adequate. The point is that these people believed they had need for health care, and this need was not fulfilled because of lack of funds.

There is considerable evidence to indicate that whether an individual will avail himself of health services is closely related to his income. The higher an individual's income the more he is likely to obtain health services when he needs them. This is illustrated by a Health Information Foundation study which showed that during a 12-month period (1957–1958) mean gross expenditures per individual for personal health services ranged from a low of $75 for those whose family income was under $2,000 to a high of $119 for individuals in the $7,500 and over income group.[1]

Low income also is related to health insurance coverage. The National Health Survey revealed that about 33 percent of the people in families with annual incomes under $2,000 had hospital insurance as contrasted with 84 percent of individuals in families with incomes of $7,000 or more. Only 46 percent of the aged have any hospital insurance—a reflection not only of the fact that they generally have low incomes but also of their status as a poor-risk group. Persons who have hospital insurance tend to utilize hospital services more than those without such insurance. This is particularly true of persons aged 65 or over. During the 12 months prior to being interviewed, 13.7 percent of the aged with hospital insurance had been in a hospital one or more times as compared with 8.2 percent of those without hospital insurance. Moreover, according to a study by the Health Information Foundation, families with health insurance spend considerably more for health services than those without insurance—and this is true not only with regard to the services covered by their insurance but also with regard to other health services.[2]

One of the factors bearing on the question of whether individuals get the health care they need is the extent to which they delay seeking personal health care when they need it. Twenty-one percent of the public's regular doctors who were interviewed in a survey by the Health Information Foundation felt that their patients waited too long before seeing a doctor.[3] The great majority (94 percent) of the doctors felt that insurance affects the patient's attitudes or behavior. Of these doctors, 68 percent said the patient is more willing to undergo hospitalization, surgery or treatment, or is more willing to have it done earlier, if he has insurance. Nineteen percent said the patient comes to the doctor sooner or more readily.[4] The study concludes that "the public's regular doctors * * * indicate that possessing insurance affects their patients' willingness to accept surgery, diagnostic procedures and the like, and that in this sense possessing insurance affects the amount of medical care that people are likely to get. These doctors are inclined to believe that possessing insurance results in better health."[5] In other surveys people were asked whether they delayed seeking medical care when they were not feeling well and, if so, why. A significant number of people replied that they put off needed health care for financial reasons.

Nevertheless, there is even considerable doubt that many of the people with insurance get care which may be medically indicated. For example, in a report of a study of hospital and medical economics conducted by the University of Michigan, it was noted that "from a medical standpoint, 'understay' is more serious than 'overstay' since it indicates the patient did not receive the minimum level of care needed for his diagnosis, as determined by the professional panels." That report shows that for 18 diagnoses studied, 6.8 percent of the discharged patients left too early, and where the patient footed the entire hospital bill himself understay (16.7 percent) was far more common than overstay (6.3 percent). Underuse of diagnostic and treatment facilities within a hospital was also found to be common. "More than one patient out of four (29.4 percent) failed to receive procedures required by their diagnosis, according to the criteria set by the professional panels."

Data from the National Health Survey indicate that the number of times a person with chronic limitation of activity sees a doctor during the year is related to income. The following table relates the number of physician visits per person per year for persons 65 years and older with major limitation of activity to the individual's family income:

Family income:	*Physician visits*
Total	14.3
Under $2,000	12.9
$2,000 to $3,999	14.9
$4,000 to $6,999	15.0
$7,000	21.6
Unknown	11.4

Care provided to indigents in nursing homes is often of questionable quality. About two out of five nursing home beds are in facilities with fire or health hazards so that the beds are classified as "nonacceptable" under Hill-Burton legislation. Many patients in nursing homes do not have their own doctors and many nursing homes do not have regular attending physicians. In some instances patients are apparently not even seen by a doctor for a year or longer at a time.

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[1] "Family Expenditure Patterns for Personal Health Services," HIF Research Series No. 14, p. 8.

[2] Ibid., pp. 9–10.

[3] "An Examination of the Concept of Preventive Medicine," HIF Research Series No. 12, p. 18.

[4] "Public Attitudes Toward Health Insurance," HIF Research Series No. 5, pp. 6–7.

[5] Ibid., p. 16.

The report on a detailed study of nursing homes in Florida by a Citizens Medical Committee on Health appointed by former Governor Collins had this to say in its concluding observations:

"From these data it is evident that the nursing homes in Florida are predominantly custodial institutions, giving in the main minimum care to those with physical and mental disabilities of the aged and to those who are without home, family, or relatives who would or could provide the care needed. Accepting the opinion commonly expressed that it requires at least $150 per month to provide reasonable care in an acceptable environment, then more than one-half of the patients cannot be provided suitable care for economic reasons. This appears to be the dominant problem in the improvement of nursing home facilities and care."

ADJOURNMENT TO MONDAY

Mr. ANDERSON. Madam President, I do not know whether any other Senator wishes to speak this afternoon. I move that the Senate stand in adjournment until 12 o'clock noon Monday.

The motion was agreed to; and (at 5 o'clock and 14 minutes p.m.) the Senate adjourned until Monday, July 16, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 13, 1962:

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Edwin R. Price, of Maryland, to be a member of the Federal Coal Mine Safety Board of Review for a term expiring July 15, 1965. (Reappointment.)

COUNCIL OF ECONOMIC ADVISERS

N. Gardner Ackley, of Michigan, to be a member of the Council of Economic Advisers, vice James Tobin.

DIPLOMATIC AND FOREIGN SERVICE

Foy D. Kohler, of Ohio, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

IN THE ARMY

The Army National Guard of the United States officer named herein for appointment as a Reserve commissioned officer of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier general

Col. William David McCain, O288111, Adjutant General's Corps.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 13, 1962:

U.S. DISTRICT JUDGES

Edward C. McLean, of Connecticut, to be U.S. district judge for the southern district of New York.

Edward J. McManus, of Iowa, to be U.S. district judge for the northern district of Iowa.

William C. Hanson, of Iowa, to be U.S. district judge for the northern and southern districts of Iowa.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Edwin R. Price, of Maryland, to be a member of the Federal Coal Mine Safety Board of Review for a term expiring July 15, 1965. (Reappointment.)

EXTENSIONS OF REMARKS

Tourism: Boom of Tomorrow

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, July 13, 1962

Mr. WILEY. Mr. President, the technological, industrial, scientific age, creating greater productivity with fewer manhours, creates more leisure time for Mr. and Mrs. America and the family.

Because of this, recreation and vacationing, on which Americans now spend $20 billion annually, promises to be an ever-greater economic as well as personally rewarding feature of U.S. life of tomorrow.

Recently, I was privileged to discuss the outlook and prospects for tourism in a broadcast over Wisconsin radio stations.

I ask unanimous consent to have excerpts of my remarks printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

As Americans, we live in a rich, bountiful country, enjoying the best standards of living in history.

For the future, we can look forward—if a catastrophic global war can be prevented—to even higher plateaus of better living in the space age.

As a fast-progressing nation we continuously experience revolutions in agriculture, industry, business, technology, science, and other fields. As a result, Mr. and Mrs. America are enjoying not only better work-living conditions, but also greater leisure time.

Annually, Americans spend about $20 billion for recreation and vacationing. Think of it. By comparison, these expenditures far exceed the gross national product—that is, the value of all goods and services—produced in over 90 percent of the nations of the world.

With greater leisure, however, also comes a responsibility—economically and morally—for best utilizing such time for broadening our horizons, including education, cultural enrichment through travel and acquaintance with new places and people, obtaining a new perspective of life, getting out of a rut of day-to-day living, improving our physical well-being, and enriching ourselves culturally, intellectually and spiritually. Leisure ought not be spent killing time—for to waste time is to waste life.

For Wisconsin and the Nation, recreation and vacationing has a special economic significance. As of now, tourism accounts for about $600 million annually in income for Wisconsin. In addition to an inflow of money this also means more jobs, greater business activities for restaurants, motels, hotels, lodges, cleaning and other service establishments, purchases of supplies and equipment.

For the future, the outlook—if we take advantage of the opportunities—will be even more promising. According to a study by the Outdoor Recreation Review Commission, the U.S. population—by the year 2000—will be about 350 million; incomes will be higher, rising from $354 billion in 1960 to $706 billion in 1976, to $1,437 billion in 2000; the workweek will be shorter, estimated to average 36 hours in 1976, and 32 hours in 2000. Travel will expand. By air, 30 billion passenger miles were flown in 1960; the figure may reach 150 billion by 1976, and 325 billion in 2000; and by car, 100 million by 1976; and proportionate gains for rail and water transportation.

Because of these changing, advancing factors, we will need to reevaluate the opportunities in tourism. Among other things, this will mean—for Wisconsin and the Nation—creation of a realistic philosophy of leisure, as an opportunity for broadening our personal horizons, not just for killing time; design of new programs for reaping economic awards, including expansion of tourism promotion; and further improving our recreational sites, including access and accommodations for parks, fishing and boating lakes and streams, happy hunting grounds; further shaping up manmade, as well as natural, places of interest; attempt to provide year-round, as well as seasonal, recreational opportunities; and in other ways lay a sound foundation for an expanding program.

For the future, then, we, here in Wisconsin, have a tremendous potential for expanding, and benefiting from, tourism, not only as an individual State, with unique, wonderful recreational opportunities, but also as a part of the Great Lakes system, which, if developed, could be a real recreational mecca for the Nation.

For the next broadcast, I will be discussing more specifically how we can further improve our recreational potential for the future.

The School Prayer Decision, the Court, and the Constitution

EXTENSION OF REMARKS
OF

HON. HOWARD W. SMITH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 13, 1962

Mr. SMITH of Virginia. Mr. Speaker, I have shared the dismay and anxiety of millions of Americans at the Supreme Court decision outlawing and prohibiting any form of prayer in the public schools if sanctioned by State authority. However, it came as no surprise to those of us who have observed with alarm over recent years the growing tendency of the Court to substitute the philosophy and predilection of its members in the place of the clear provisions and restrictions of the Constitution and to enforce upon America their personal prepossessions by strained and farfetched construction or perversion of the clear meaning of the words contained in our Constitution.

The Court's opinion is based primarily upon the language contained in the first amendment to the Constitution that, "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

In a similar case, Justice Stanley Reed, in a dissenting opinion, admonished the Court that—

> This Court cannot be too cautious in upsetting practices embedded in our society by many years of experience. A State is entitled to have great leeway in its legislation when dealing with the important social problems of its population. A definite violation of legislative limits must be established * * * devotion to the great principle of religious liberty should not lead us into a rigid interpretation of the constitutional guarantee that conflicts with accepted habits of our people.

It is important to read the Court's decision in order to learn just where in the Constitution could be found language prohibiting schoolteachers from saying a brief prayer, sanctioned by State authority, which in effect said no more than "God bless my parents, my teacher, and our country."

The exact wording is as follows:

> Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our country.

I have been surprised and disappointed that in all the emotional outbursts pro and con, I have seen no discussion of the vital and overriding question of how and by what reasoning the Court could write into our Constitution a provision forbidding the State authorities to sanction any prayer to a Supreme Being to be given or received voluntarily in its public schools. Certainly that phase of the matter deserves analysis and discussion, particularly as it illuminates the constantly growing and alarming tendency to amend our Constitution by construction in order to impose upon the American people the image of the personal beliefs of the members of the Court of what the law ought to be, rather than what the law is.

Justice Robert Jackson, in a similar case dealing with religious exercises in the public schools, said:

> It is idle to pretend that this task is one for which we can find in the Constitution one word to help us as judges to decide where the secular ends and the sectarian begins in education. Nor can we find guidance in any other legal source. It is a matter on which we can find no law but our own prepossessions. We should place some bounds on the demands for interference with local schools that we are empowered or willing to entertain.

The Court in its opinion cites no precedent or authority for its decision which is based solely on the Court's interpretation, or misinterpretation, of the language of the Constitution.

In order to determine the authority of the Supreme Court to render its decision, it is necessary to find it in the language of the Constitution itself. In this connection, the following related provisions of the Court should be noted.

The original Constitution itself nowhere mentions the subject of religion.

The power of the Supreme Court to declare acts of Congress or actions of the sovereign States unconstitutional, is itself the outgrowth of interpretations and constructions of a previous court. No such specific power is found in the Constitution.

The jurisdiction of the Supreme Court is defined in the Constitution in section 2 of article 3 as follows:

> In all cases affecting Ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact with such exceptions and under such regulations as the Congress shall make.

It is clear under these provisions that Congress may, whenever it sees fit, deprive the Supreme Court of any or all jurisdictions except "in cases affecting Ambassadors, other public ministers, and consuls, and those in which a State shall be a party." In this connection, it should also be noted that nowhere in the language of the Constitution is to be found any provision or intimation that the Supreme Court shall have authority or power to proclaim by its decisions "the law of the land." On the contrary, the Constitution expressly vests that power in the Congress. The expression, "law of the land", is found only in article 6 in these terms:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties which shall be made, under the authority of the United States, shall be the supreme law of the land.

All powers to make the "law of the land" are vested in the Congress by article 1, section 1, as follows:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

The 10th amendment provides:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

With these observations and quotations from the Constitution, I return to the question of where in the Constitution does the Supreme Court find its authority to prohibit the States from sanctioning prayer in its public schools. Admittedly, there is no such authority in the original Constitution itself, nor is there any provision relative to religion, nor any use of the word except that in article 6, prohibiting any religious test as a qualification to hold office.

We must, therefore, look to the amendments to the Constitution to find such authority, if it exists.

Shortly after the ratification of the Constitution by the States and to meet objections raised to it in the ratification debates in the State legislatures, the first 10 amendments known as the Bill of Rights, were adopted, and the 1st amendment is the one upon which the Court assumes the authority for its decision. It says only: "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

It is, of course, difficult and requires a masterful imagination to construe this little prayer for parents, teacher, and our country, as an establishment of religion. But it is far more difficult to understand how the few words quoted from the first amendment that merely prohibit Congress—not the States—from establishing a religion, should be construed as a restraint upon the legislative prerogatives of the sovereign States. The 1st amendment admittedly does not operate against the States, but only prohibits action by Congress, and in the same group of 10 amendments is the concluding one, the 10th amendment above quoted, reserving to the States all powers not prohibited by the Constitution.

How does the Court stretch the first amendment which refers only to laws made by Congress into a prohibition against the State government?

It was the fear of the people that the Federal Government would assume powers not granted or intended that led to the adoption of the 10th amendment. This 10th amendment was the clincher that in a few, positive, plain words prohibits both the Congress and the Court from assuming to impose their will on the States or the people unless express power to do so was found in the Constitution itself.

Then by what authority in the Constitution does the Court rely in stretching the words in the first amendment, "Congress shall make no law" into a broad mandate to police the actions of the sovereign States?

This question is fundamental because the school prayer decision of the Supreme Court is typical of many other recent decisions on various unrelated topics. It is time that the American people should calmly, coolly, and without emotional disturbance, reexamine the basic document that forms the foundation and the fabric of American Government. It is time to reexamine the fallacious theory that the Supreme Court is empowered by the Constitution to make "the law of the land."

If further and greater powers need to be vested in the Federal Government in order to preserve the Government envisaged by its founders, or if powers have been assumed by the Federal Government that exceeded those granted by the Constitution, the remedy was wisely provided in the Constitution itself by means of amendment.

President Washington in his Farewell Address, anticipating the dangers of a centralized all-powerful Federal Government, and foreseeing the present trend, said:

> It is important likewise, that the habits of thinking in a free country, should inspire caution, in those entrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power; by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions by the

> others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in a way which the constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

And so to come back to the vital question in the school case, how did the Court manage to construe the words of the first amendment, "Congress shall make no law" respecting religion into meaning "neither Congress nor any State shall make any law" respecting religion. The opinion of the Court in the school case is entirely devoid of any exposition, explanation, argument, or citation of authority. The only reference to its power to extend its jurisdiction against the State of New York is in one brief sentence referring to the first amendment as follows:

> Under the amendment's prohibition against governmental establishment of religion, as reinforced by the provisions of the 14th amendment, government in this country by the State or Federal is without power to prescribe by law any particular form of prayer which is to be used as an official prayer in carrying on any program of governmentally sponsored religious activity.

And thus the Court briefly and brusquely clothes itself with the power to interfere with State government with just the words, "as reinforced by the provisions of the 14th amendment." The question immediately arises, what provisions of the 14th amendment reinforce this assumption of power?

Examine, if you will, the 14th amendment, section 1:

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

You will look in vain for any word relating to the subject of religion. The only possible connection would be found in the second sentence which forbids any State law abridging the privileges or immunities of citizens, or depriving them of life, liberty, or property. Remembering that participating in, or even listening to, the prayer was made completely voluntary, could any intelligent person contend that this simple prayer abridges anyone's "privileges or immunities," or deprives any person of "life, liberty, or property"?

The 5th and concluding section of the 14th amendment expressly provides that the "Congress shall have power to enforce, by appropriate legislation, the provisions of this article." It has long been the opinion of many able and eminent lawyers over the years that the 14th amendment was not self-executing, imposed no authority upon the Supreme Court to enforce its provisions, but specifically vested that power in the people's Congress. The Congress since the adoption of the amendment in 1868 has never enacted any legislation dealing with this subject of "establishment of a religion."

On the contrary, it is an interesting historical fact that a constitutional amendment was, nearly a century ago, and subsequent to the adoption of the 14th amendment, introduced in the Congress and passed the House of Representatives, to extend the prohibition against the establishment of any religion to the States, as well as to the Congress, but was not passed by the Congress and, of course, never ratified by the States. A very clear indication that the States were unwilling to yield any further authority to the Federal Government in this respect.

I have discussed the school prayer case as illustrative of the tendency of our times when local, national, and worldwide changes are bearing down upon us with such rapidity and urgency, and I fear that we are too often inclined to act impulsively and without the deep and penetrating thought so necessary in the solution of basic problems of government.

I discuss it without rancor and, I hope, without undue criticism, because I believe that words in the English language are easily understandable and ought not to be stressed and strained and twisted by construction to meet every real or imagined exigency or emergency that may arise, or to enlarge or expand the very broad powers already entrusted to the central Federal Government by the Constitution.

One cannot read the majority opinion of Justice Black and the concurring opinion of Justice Douglas in the school prayer case and the implications implicit therein without serious apprehension as to what may be in store for the future through judicial determinations that could gravely injure, if not destroy, the deep and abiding faith of the American people of all denominations in the religious beliefs that we have cherished through the centuries. If the minute minority of atheists have the power under our Constitution to direct and guide our religious destiny, what may we apprehend in the future?

There is nothing more deeply embedded in our customs than the universal exemption of church properties from taxation by State authorities. The States by this tax exemption contribute in the aggregate hundreds of millions of dollars a year in tax exemptions for the support of places of worship of all denominations. Nothing could be more disastrous to our religious institutions than to withdraw this support, and yet, we can, I fear, look forward with grave apprehension to the day when some atheist or antireligious organization will challenge the right of the State to exempt any church from taxation on the ground it deprives nonmembers of "privileges and immunities or property" under the 14th amendment.

It would be useful in discussing the school prayer case to mention briefly other recent decisions of the Court which further illustrate the tendency of the present Court in recent years to broaden by interpretation its powers in other fields of legislation not attempted by any previous Court.

Take the case of Steve Nelson, a notorious Communist, prosecuted for subversion and treason under Pennsylvania law. The Supreme Court there held that the State had no power to punish an offender against its laws because Congress had enacted the so-called Smith Act dealing with the same subject. With one stroke of the pen it repealed all of the State laws that enabled the States to protect themselves and the Federal Government of which they are a part from subversion and treason, and this notwithstanding the fact that Congress expressly provided in the criminal code, of which the Smith Act is a part, that nothing in that act should prohibit the States from enforcing their laws on the same subject.

Take the Girard College case where Stephen Girard a hundred years ago set up a fund in trust to the city of Philadelphia for the education of poor white children and although our people have always enjoyed perfect freedom in the disposition of their property as they saw fit to such objects as they saw fit, the Supreme Court held that Negro children must also be permitted to share the bounty of this benefactor.

Take the case of Cloverleaf against Patterson where the Health Department of the State of Alabama under its law undertook to inspect certain renovated butter which was being sold to citizens of Alabama, and was thought to be unhealthful. The Supreme Court by its decision deprived the State of Alabama of the authority to protect the health of its citizens against impure food because of the mere fact that Congress has enacted a Pure Food and Drug Act.

Take the case of Schwartz versus New Mexico where the State law prohibits a person from being licensed to practice law unless he were a person of good character. The authorities of New Mexico decided that a person with a record of subversive activities was one not of the type of good character that the State desired to license as a lawyer. The Supreme Court substituted its judgment of good character for the judgment of the sovereign State of New Mexico, in dealing with a purely local problem.

Take the case of Slochower versus the City of New York, where the legislature in enacting the city charter provided that any schoolteacher who in any hearing took advantage of the fifth amendment, automatically severed his employment with the city. Slochower pleaded the fifth amendment in a hearing and was discharged because in the judgment of the Legislature of New York, as expressed in the charter of the city, he was not the type of person desirable as a teacher of the youth of that community. The Supreme Court substituted its judgment as to the type of person whom New York should hire for the education of their youth, for the judgment of the State legislature.

I mention these cases in connection with the school prayer case because taken together they illustrate the trend of the policies of the Supreme Court and the apparent acquiescence of the public in a trend that constantly drifts us farther and farther away from the moorings of the Constitution. Most people must agree that numerous recent decisions of the Supreme Court have usurped legislative powers not delegated to it by the Constitution. When the legislative fiats of the Supreme Court become the law of the land notwithstanding any restrictions imposed on it by the terms of the Constitution itself, it is then time that the people of this country should begin to think in terms of the fundamental underlying principle under which we live and which are clearly enunciated in our Constitution. The sovereignty of our States, the division of power between the legislative, executive, and judicial departments, and above all, that simple statement in the 10th amendment reserving to the States and to the people all powers not surrendered to the Federal Government.

Great nations have decayed and fallen in the past because its people imbued with the pursuits of the moment have become indifferent to the preservation of their liberties.

The pomp and ceremony of the courtroom does not alter the basic facts of life. The donning of judicial robes does not banish from beneath them the human frailties, impulses, and prepossessions with which God has endowed the descendants of Adam. Thus judicial restraint is difficult to attempt even in the most well intentioned. As stated in Washington's Farewell Address, the remedy is clearly provided in the Constitution itself by clear provisions for its amendment, when necessary. Such amendments may be initiated by the Congress and submitted to the State for ratification, or if Congress fails to act, the legislatures of the various States may initiate such amendments as may be necessary, to curb the growing tendency of the Court, the Congress, and the executive department, to extend its powers into fields never contemplated by the founders of this Nation.

So far as the Supreme Court is concerned, the simplest and most practical remedy is that provision in the Constitution which authorizes the Congress to curtail the appellate powers of the Supreme Court and limit the Court's jurisdiction to those fundamental areas of review originally envisaged by the framers of the Constitution.

Problems Surrounding Proposed Trade Expansion Act

EXTENSION OF REMARKS
OF
HON. NORRIS COTTON
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Friday, July 13, 1962

Mr. COTTON. Mr. President, my able colleague, the Senator from New Hampshire [Mr. MURPHY], in a report written to his constituents on June 25, marshaled some impressive facts which highlight the problems surrounding the proposed Trade Expansion Act.

I ask unanimous consent that this report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT BY SENATOR MAURICE J. MURPHY, JR., TO HIS NEW HAMPSHIRE CONSTITUENTS

The most important bill before this session of the Congress is called the Trade Expansion Act of 1962. This legislation would affect every individual and every family in New Hampshire and the Nation. This bill is more often referred to as the Common Market bill.

When the big words, expert testimony, and reams of statistics are all boiled down, the basis question, as I see it, still remains: Can a New Hampshire worker, who earns an average wage of $1.75 to $2.25 an hour, compete with a foreign worker who is being paid from 22 to 87 cents an hour?

I don't see how anyone can answer that question in the affirmative. However, if some politicians and Government leaders have their way, New Hampshire workers and New Hampshire industries will have to compete with foreign-made goods, produced by workers who, by American standards, are paid less than the minimum wage.

If you work in a textile mill, if you are a shoe worker, if you work in electronics, if you produce machinery or machine tools, or if you are a farmer, you are probably already aware that the volume of foreign-made goods coming into New Hampshire under existing tariffs and trade regulations directly threatens your livelihood. The fact is that the United States now has the lowest tariffs of any industrialized nation.

The Trade Expansion Act would tear down these duties, tariffs and other protective arrangements which have made America the greatest industrialized nation on earth and given our people the highest standard of living. It would open the floodgates to a tremendous volume of cheaply made imports.

I believe that it is always wise to hear what the experts have to say on a subject, but there's no expert in the world who can make me believe that a New Hampshire shoe worker, for example, earning $2 an hour can compete with a European shoe worker earning less than a dollar an hour.

The effort to create freer trade among nations is by no means new. Since 1933 the United States has operated its foreign trade program under the Reciprocal Trade Act. In many cases our experience has shown that some of the nations we do business with have been reluctant to meet us half way and have subjected our exports to unfair user taxes, licensing fees, and other such indirect restrictions.

All too often, when our negotiators have sat down at the conference table to work out trade agreements, we have wound up trading "horses for rabbits."

During the months that I have had this wonderful opportunity to serve you in the U.S. Senate I have received hundreds of letters from New Hampshire people who are concerned about this proposed legislation. During my visits back home I have made it my business to talk with labor and business leaders in the State in order that I might have the benefit of their views on this far-reaching measure. Almost without exception, these people have been in agreement that passage of the trade bill would be harmful to our industries and the job opportunities of our people.

Although the proponents of the bill say that its passage would improve the American economy, it is interesting to note that more than half of the pages of the bill itself have to do with paying and retraining workers who have lost their jobs and helping industries which have been ruined as the result of this new trade program.

I'm not going to speak for the people of any other State, but I know that the people of New Hampshire would much rather earn an honest day's pay in jobs they now have than to live off handouts from the Federal Government.

Since the end of World War II the American taxpayer has given more than $84 billion, that's more than $84 billion, to build up the industry and economy of nations all over the world. As a result of this aid, the factories and plants in these countries have been rebuilt, modernized, and today are among the most efficient in the world. Much of this money has been sent to these very nations who have now banded together to protect their established industries from competition. So far as I am concerned, it's time we put an end to this unlimited giveaway program and paid a little more attention to the well-being of our own people.

Most Americans think of New Hampshire as a vacation paradise, which, of course, it is. Those of us who live and work in the State know that New Hampshire is the second most industrialized State per capita in the Union. Our four leading industries: shoes and leather products, textiles, electronics, and machinery are recognized as being the most susceptible to competition from cheap foreign imports.

It is argued that we must act consistent with the national interest and avoid thinking about this act on a local or regional basis, but I am a Senator from New Hampshire, and I believe it is my primary responsibility to protect the interests and well-being of the people of New Hampshire. It stands to reason that the industries of other States and other areas throughout the country will be hit just as hard by the passage of this bill as those of our own State. Although New Hampshire and New England industries especially would be adversely affected by this act, it would, in my opinion, jeopardize the livelihood of millions of other people throughout the country.

After carefully studying this bill and all the information available, it is apparent that although free world trade is the purpose of the bill, the tariffs negotiated to date do not indicate that even the Common Market countries are willing to lower their tariffs to meet ours. They have no hesitation in protecting their own industries. I think it is high time we show concern for our own domestic industries and the many citizens they gainfully employ. More world trade is no substitute for full employment.

The Silver Nail Award

EXTENSION OF REMARKS
OF
HON. OREN HARRIS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Friday, July 13, 1962

Mr. HARRIS. Mr. Speaker, I would like under unanimous consent, to bring to the attention of the Congress a speech delivered by our colleague, the Honorable WALTER E. ROGERS of Texas, at the fifth annual Station Representatives Association awards luncheon, held May 10, at the Waldorf Astoria Hotel in New York. I feel our colleague, whom I am proud to have serve with me on the Committee on Interstate and Foreign Commerce where he has contributed so greatly of his talents to legislating in the field of communications, has made some most astute and provocative observations in his address to the station representatives segment of the broadcasting industry, and I am pleased to commend his speech to the reading of my colleagues:

Mr. President, members of the Station Representatives Association, visitors, and guests, I am indeed honored by your invitation to address you on this grand occasion. The Silver Nail Award is justly sought and rightly cherished by all of those eligible to receive it, and to be a party to the proceedings makes me very proud.

I know of no business more competitive in our free enterprise system than the broadcasting business, unless it could be the advertising business, and I know of no business more competitive than the advertising business, unless it is the business in which you are engaged. Any group having to deal constantly with the broadcasters on one hand, and the advertising people on the other, surely understand Tennessee Ernie Ford's observation of being "as nervous as a long-tailed cat in a room full of rocking chairs." One of your members told me that the man who said, "No man can serve two masters", had never worked as a time buyer. Although I have never worked as a time buyer, I feel fully familiar with your problems having been in politics for a number of years. It isn't easy to straddle the fence and keep an ear to the ground on both sides at the same time. I am sure you will agree with me that neither is a business for the weak or the faltering.

In the great vast land of the Southwest you learn early in life that there is no easy solution to a tough problem. They tell the story of the cowboy who was trying to stop a stampede. His horse turned so quickly that he continued to go on straight, and landed astride a barbed wire fence. His momentum was such that he slid down the fence for a mile and a half, rolling up barbed wire and pulling out posts. The question was asked, "Did it hurt him?" to which the storyteller replied, "No, it did split him clear up to his hat brim, but he let out his stirrups, got back on his horse, and went on after the cattle."

I am sure that most of you have experienced dilemmas equally as difficult. The poor broadcaster spends most of his time trying to protect his license from the FCC and his economic head from the networks, either of which is a full-time job, and I have often wondered when they find time to attend to less important matters, like making proper returns for withholding, unemployment, and income taxes in order to stay out of the penitentiary. You know, life in Washington becomes more complex each day and more difficult to understand. Some time back a friend of mine sent me a clipping from some little-known magazine. It was a story about a tourist in Washington in one of the public buildings. He saw a door with the following legend on it: "4156, General Services Administration, region 3, Public Buildings Service, Buildings Management Division, utility room, custodial." He surmised that any room with such a formidable title must be the hiding place for the atomic bomb. He asked one of the attendants what this impressive statement meant, to which the attendant replied, "broom closet." The story struck me as rather humorous, so I included it in my newsletter. Some time passed, and I received a call from another Congressman, who asked permission to put it into his newsletter. I said, "Sure, be my guest." Subsequently another Congressman called my friend for permission to use it in his newsletter and was referred to my office as the originator. I graciously granted him permission to use it. Several months later he advised me that the Reader's Digest had taken the story out of his newsletter, printed it in their publication, and sent him a check for $25. He offered to buy me a steak; however, being so conscience stricken since I had plagiarized it in the first place, I hesitated to accept any material return. This just goes to show you that in Washington it isn't always the smart one who ends up with the money. It may be a Congressman.

However, all of this is not brand new to the Nation's Capital. True, it has developed faster in recent years, due no doubt to the fast-increasing population as well as the fast and furious development in scientific areas. Few people stop to realize that each day in the advance of civilization new problems are created. This fact is brought closely into focus by a brief examination of radio and television. It was not until the 1920's that radio made its delightfully new and thoroughly enchanting advent into the American home to disturb the Warren G. Harding normalcy; unintentional, I am sure, but nonetheless effective. With the aid of a simple crystal set and a pair of earphones, the early listener who was fortunate enough to be within the range of a broadcasting station could obtain a variety of sounds, including much static, with the broadcast. Soon two and even more broadcasters were attempting to employ the same frequencies. The law was inadequate to control the bedlam. So, in 1927 the Dill-White Radio Act was passed. This was during the administration of Calvin Coolidge. Then the Communications Act of 1934 was passed, creating the Federal Communications Commission, and brought under one head all forms of electrical communication.

Of course, there are several schools of thought that this action in effect created a body to create more confusion. However, I am sure that all reasonable people, even those most bitterly opposed to some of the policies of the FCC, would agree that their's is one of the toughest jobs in a free economy and that across the board the members of this agency have done a fine job, limited as we all are by human traits and capabilities. The role of Government in the communications business as a basic proposition is really no different from the role of the Government in any other type of business in a free economy. In the banking business we have usury statutes; in the public utilities business we have rate-fixing procedures. In merchandising generally, we have certain restraints on advertising practices. Even buses are regulated by the ICC. In fact, there is no business in a free economy in which the Government does not have some part to play.

All of this is for the purpose of maintaining a balance in human relations; that is, to provide rules and regulations with regard to the exercise by one individual of his inherent rights, privileges, powers, and immunities so that such exercise does not encroach upon or unduly restrain the proper exercise of these same rights, privileges, powers, and immunities by other individuals. We all speak of the free enterprise system and wholeheartedly subscribe to it; however, there are groups who have different definitions for this phrase. One in particular that I have in mind thought of free enterprise in this light: if the Congress would pass the laws to provide them the freedom to exploit others, they would be happy to furnish the enterprise to do the job. We all know that such a philosophy stems primarily from human greed and that the quickest way to completely destroy the so-called free enterprise system would be for the Congress to yield to the entreaties of special interest groups and permit abuses. Certainly it is reassuring to know that the vast and overwhelming majority of the business community understands that the general economy in order to attain full strength must, like steel, be properly tempered, preferably by self-administered restraints. The difficulty that we in the Congress experience flows from the fact that Government agencies sometimes forget this basic rule and tend to overregulate. This usually results in a titanic struggle between big business and big government for the power to control, something which was never intended in our scheme of political science. The effect of such practice is to seriously jeopardize if not completely destroy the smaller segments of the industry involved, whether it be the broadcasting industry, the steel industry, the farming community, or any other segment of our economy. But since we are concerned primarily here with the broadcasting industry, suppose we confine our remarks to that subject.

You know, in Texas there are many old sayings. They seem to be the simplest way to deal with intricate problems. They don't settle the problem, but they give people something to think about while the problem is settling itself. One in particular that I had in mind is that the best way to catch fish is to use more sense than the fish. It's been suggested that some people use minnows, spelled with one "n" and a capital "M." The point is, don't be a fish; there isn't much percentage in it, whether or not you get caught, even in the vast wasteland of television, about which we've heard so much. I understand that one writer has challenged this and claims it is only half as vast as advertised. However, the proportions are not too important. The existence of even a small wasteland in any business is disturbing. Some feel that whatever wasteland is present is due to invention by the vast wonderland of Federal bureaucracy. Be that as it may, it is the general opinion that an attempt to cure it by censorship will add to the difficulties rather than solve the problem. Certainly, censorship is abhorrent in any form.

Unlike a great many critics of television, I watch this medium. I find it quite a chore to settle on public interest at my house. My wife is rather independent minded, and the six children inherited this independence. Our one dog always sides with the children. Our major difficulty lies in the fact that we have only two television sets. For some time, if I did not like the program I simply ordered one of the children to turn the dial. However, this procedure is changed since the boys have grown up. On a number of occasions I have felt like writing to myself and saying "Dear Congressman, do something about that show I saw last night." Upon receiving the letter I would have to regard the matter in the light of the Government's purpose in this field, and whether or not what I told myself to do would constitute censorship. Speaking of regulation, just the other night I was trying to watch a late movie. There were so many commercials interspersed that I almost lost the thought thread in the movie and got it confused with the dripping acid. I could have lived through this, but the fellow with the dropper got it offbeat. I turned off the television, but the more I thought of this offbeat acid dropping in my stomach, the more trouble I had going to sleep. Perhaps all the regulation needed is somebody to regulate the acid dropper. Perhaps the FCC could remedy this midnight dilemma by limiting television after 11 o'clock to warm milk programs. Certainly all of us have the right to say whatever we desire about television programs, or anything else. There is another old saying in Texas that no man will ever be criticized for what he says. He might get shot, but not criticized; which might be a good rule to apply to some of the producers. Frankly, I do not want any member of the FCC or its staff dictating programing tastes to me, even though their taste and mine may coincide.

I don't want other Members of Congress dictating to me, and I certainly would not subscribe to the board of NAB doing it.

However, on the other hand, I am not sure that I take comfort in the fact that perhaps on occasion a similar selection of program content and program choice is exercised by the top executives of television networks, advertising agencies, and even the sponsor of the show who is paying for it. It would be well to keep in mind that the evils of censorship are not confined to Government activities. They can be equally exercised by economic interests and can be just as damaging and just as dangerous as Government interference. I do feel that the interplay between the advertiser who pays for the show, the ad agency who has a hand in the choice of programs, the networks and perhaps on occasion the affiliates (when anyone bothers to ask them), reduces the danger of absolute censorship. There may be times when we can point to one program or one sponsor's rulebook, but generally I do not think this is the case. If we had Government censorship by one small group, the decisions would be absolute and final. And, I might add, distasteful. For instance, there are certain dogmas, which have come from the vast wonderland, which fascinate me and must confuse you. For some reason, certain areas of programing got tagged with artificial labels by the FCC. The public service pigeonhole is a good example. This category contains more ingredients than Mrs. Murphy's chowder. Any program which can't find a sponsor, usually religion, agriculture, education, discussion, and talk, are thrown in with news and called public service. I have some difficulty in understanding why a program becomes public service simply because it won't sell. It is my understanding that since the earth-shaking discovery of the vast wasteland, the television industry had a rebirth of conscience and is putting on more of these public service programs than before. Whether or not this has helped television is certainly controversial. Labeling a program public service doesn't make it entertaining. Public service can be rendered through good entertainment programs, and should be. Simply because the regulation requires certain public service broadcasts does not mean that the station is required to handle a series of dull programs in an effort to curry favor with the FCC at license renewal time, and it certainly should be recognized by the FCC that the Congress by the use of the term "public service" did not mean dull programs. In short, it is my opinion that the definition of public service could be measurably broadened from its present narrow concept without undue imposition on the time of the station owner.

Let us all remember that although the FCC is listed as an independent agency of the Government, this does not mean that it is vested with omnipotent authority. True, it is not answerable to any particular department of the Government and is properly called an independent agency in that respect, but it is answerable directly to the Congress of the United States. It has been correctly referred to many times as an arm of the Congress, and was created for that purpose. It is well that members who are honored by appointment to this body, as those appointed to other regulatory agencies, keep this fact in mind. I am not indicating directly or indirectly that any of the present members of the Commission would think or act otherwise, but we must all remember that ours is a government of law and not of man. I do not intend to indicate as a Member of Congress that we are the all-powerful body in this Government, but if the will of the people is to control as it should, then there must be a proper response from the regulatory agencies to the duly elected Congress. Every Member of the Congress realizes that he is elected to represent the people of his district or his State. Some have forgotten this. They are no longer with us. There are certain occasions when disagreements arise as between the Congress and the agencies downtown as to where the authority lies. It usually develops that the authority lies with the people where it should and, let us hope that it continues to do so. In recent years, Congress has found it necessary to take action that has resulted in personnel as well as policy changes in some of the agencies, including the FCC. Since January of this year the Congress has found itself in conflict with the FCC on three separate occasions: the deintermixture bill, the communications satellite bill, and the daytimers. Although these matters have not yet been finally concluded, the House of Representatives has spoken and the people will have the chance this year to let us know whether or not they thought we were right. I make this point to impress upon you clearly that the constitutional right to petition the Congress for redress of your grievances was not repealed by the Federal Communications Act of 1934.

If I were called upon to criticize your industry, constructively you understand, on any ground I think it would be for lack of courage, lack of willingness to fight for the things in which you believe and to fight for them effectively. This is not intended as a reflection on anyone, but it is said for the purpose of brevity and to bring the point clearly in focus. So many in this industry have told me that they hesitate to do certain things for fear of retaliation by the FCC. Others have told me that they have no fear of the FCC, "It's those damned networks". Whatever may be the underlying cause, it is my feeling that you should stand up for your rights, expound your ideas about ways to improve programs and to improve your service; that you should fight more vigorously to carry your point, whether it be the FCC or the networks that have created the issue. Of course, I realize your dilemma. The people you represent are the ones who own the licenses and are the ones that can get hurt if anything goes wrong. If they get hurt, then you get hurt. But I feel very deeply that the Members of the Congress will always lend a sympathetic ear to even the remotest possibility of an injustice.

You will all recall that a few years back a new office was formed in the television industry called TIO. It was my understanding that these letters meant Television Information Office and that it was created for the purpose of improving the image of television after the tragic revelations of the Oversight Committee hearings. I haven't heard anything about TIO since this original publicity and asked one of my friends what had happened to it. He said that they wrote a lot of memos to broadcasters but he didn't know of any information that had gone out to the public. No one has shown me any of the new images; perhaps they have been telling each other. Frankly, I think you have a lot to brag about and it is strange to me that people in the selling business are selling everything except themselves. For instance, after 3 years of image-improving, it struck me as rather odd that one of the Peabody Awards went to a Federal official who is a relative newcomer to this business and who, although not billed as an entertainer, has put on some interesting performances before congressional committees. Perhaps there is a chance for some of us.

It would seem to me that too much weight has been given to how Washington might react to a particular type of program. In fact, it would appear that one of your major difficulties in programing may have been caused by the decision of statisticians, lawyers, office managers, and bookkeepers, rather than the showmen.

Now let us turn to the future and try to determine what you may expect from Washington insofar as the radio and television industry is concerned, as well as the associated entertainment field. The No. 1 broad objective will be the determination of programing responsibility and possible censorship. The Congress will be interested in the role played by the producer, the sponsor, the talent agencies (sometimes called people getters), advertising agency, the motion picture industry, the networks (including network-owned programs), pressure groups, and last but not least, the FCC. Another category will be pay television. This is a matter of increasing interest not only to the industry but to the public, and it appears that it will be quite controversial. Recently a farmer in Arkansas told one of the Federal Communications Commissioners that he sure was glad that the FCC had finally woke up and was going to make these fellows pay the people for having to watch television. Third, the cease and desist proposals of the FTC will no doubt come in for exhaustive examination and study. No. 4 will probably be the rating systems. The smokescreen that has surrounded these practices will probably be lifted. It would seem to me that all elements of the industry would want to get together to find out as much as possible about the viewing public; what they would like to see, as well as what they are watching. I am sure that delving into this area would also provide answers to many other questions related to public taste. I realize that the best available tools at the present are the fruits of statisticians, but we must not forget about the statistician who drowned in a pool because he knew it had an average depth of only 2½ feet.

No. 5 will be the continuing controversy of network regulation. Needless to say, there is quite a bit of feeling in the Congress to license and regulate networks. What form this will take it would be difficult to predict, but it can be said whatever burden of responsibility, if any, has been escaped by the networks and absorbed by the separate stations will be thoroughly examined, as well as the influence of the networks on the individual licensees.

We in the House of Representatives feel that only last week we opened vast new opportunities for the communications industry. Some may look upon it as a Pandora's box, or perhaps another vast wasteland, but in any event new challenges will be afforded. I refer to the all channel receiver bill and the communications satellite bill. The former will undoubtedly prove controversial, but it was the best answer to a very difficult problem and also a concerted effort on the part of the Congress to fully protect the free enterprise philosophy and to enable the public to enjoy the best possible service. As to the communications satellite bill, it can be the avenue to opening up endless possibilities in broadcasting which were never dreamed of, yet which could affect all of you in many ways. In space communication lies the first real opportunity to use space for the practical benefit of all of us—every person on the face of the earth. This is a practical realization of the dreams of those who have pioneered in space. This Nation can be the first to demonstrate that it can be done, it can be done soon, it can be done by freemen, and it can be done first by Americans, with all Americans participating. If the United States is the first nation to put this peaceful use of space into practical operation through the private enterprise system, a dramatic demonstration will be provided of the vitality of our free society.

All of this adds up to new problems and new challenges. How they will be solved and the part your clients will play in the overall picture depends upon the service you render in getting their story across. Too long, the voice of the individual broadcaster has been the lost voice of the industry. I say, let him be heard on the same level with the larger economic forces, which seem to be so plentiful around Washington. This is a fight for you to lead and problems for you to solve. It would be my recommendation, however, that you approach it on a sound basis and from the standpoint of long-range planning. I don't want you to find yourselves in the position of the Irishman, who entered his favorite bar one morning with something bulging in one of his pockets. When asked by the bartender what it was, he said it was a stick of dynamite. The bartender then asked what he intended to do with it. Whereupon, the Irishman advised him: "Every time this fellow Finnigan sees me he belts me in the side and breaks my pipe, and today I'm telling you he's going to blow his hand off!"

The Hanford Project: Another Wasteful Giveaway

EXTENSION OF REMARKS

OF

HON. JOHN R. PILLION

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 13, 1962

Mr. PILLION. Mr. Speaker, last year, on July 13, 1961, the House of Representatives, by a teller vote of 176 to 140, defeated a proposal to authorize the construction of a steam-generating facility in conjunction with the Hanford new production reactor.

The Atomic Energy Commission construction authorizing bill is expected to be called up for consideration by the House on Tuesday, July 17. Amendments will be offered to revive the authorization for the Hanford steam-generating facility.

Proponents of non-Federal construction of generating facilities at the new production reactor at Hanford, Wash., continue to insist that the present proposal is "entirely different from that which was last considered by the Congress."

This, of course, is not true. It is the same old proposition in a little different wrapper. Let's look at the record and the facts.

First. The generating plant under the present proposal will be, as it would have been under Federal construction, the same lumbering old model-T type with pressures and temperatures that went out of style 20 years or more ago. However, there has never been a steam turbine constructed of the size proposed at the temperatures contemplated. It is a most questionable design.

Second. The entire nonfirm output of the generating plant will, just as it would have under the Federal construction proposal, be delivered to the Bonneville power system for distribution. It is fantastic for anyone to say it does not, in fact, put Bonneville in the steampower business. That Bonneville is in reality the principal and not the agent is evidenced from the proposed contract wherein it provides—

> All designs, plans, specifications and contracts relating to the construction of the project shall be prepared by the engineering firm of Burns & Roe, New York City, for the supply system in cooperation with, and shall be subject to the approval of, the administrator.

Actually, this whole proposition is a paper deal to achieve the same ends contemplated under Federal construction.

Third. After the contract is signed, the Federal Government, through Bonneville, will be obligated to pick up the check for all project costs, no matter how high they may be. The only difference between Federal construction and the present proposal is that Bonneville will pay for the project through the delivery of firm power instead of money. Firm power that was made possible by the nearly $2 billion of the taxpayers' money in the past.

Fourth. Under certain conditions, the Federal Government would be obligated to take over and pay for the outstanding bonds or construction costs. The Federal Government could, under the contract, also take over the project after the payout of the bonds without further cost, or could take over at any time by payment of outstanding bonds and other costs. If the plant proves a dud, or it is shut down permanently for any of several potential reasons, the Pacific Northwest proponents will be the first to ask Congress to appropriate the required funds instead of raising Bonneville rates.

Fifth. As far as utilization of the new production reactor steam is concerned, only a minor part of it can be utilized during the next 10 years without wasting an equivalent amount of hydro energy from existing plants or those under construction. This same condition would occur for many years thereafter but in diminishing amount.

Sixth. There is no critical need for power in the area at the present time, unless the most adverse water year of record should recur. Future needs, when they develop, can be met at lower cost and with much more reliable power sources that can be better coordinated with existing hydro than can the new production reactor power. Existing utilities of the region are willing and able to provide for their power needs if only permitted to do so.

Seventh. In going to the higher pressures and temperature required for convertibility in the new production reactor, many serious problems developed that have increased the new production reactor cost by $43 million, most of which, if not all, is chargeable to the convertibility. There is no assurance even at this late date that these serious problems have all been solved. It could well be that the operation of the new production reactor as a dual-purpose reactor could adversely affect the primary defense purpose of plutonium production. Even now there is to be a loss of a year's full production of plutonium. If we have the urgent need for increased plutonium production as stated in getting new production reactor authorized in 1958, every effort should be made to overcome the 1-year loss and forget about dual-purpose operation if our country's safety is at stake. Surely there would be a greater reliability of operation and less probability of a serious incident if the new production reactor is operated at the lower pressure possible under plutonium-only operation.

Eighth. We are told that "the new proposal does not require any Federal appropriations." Theoretically that may be so. With the exception of the $43 million asked in the present bill, that theoretically may be so, but in reality the taxpayers' money in the form of a Bonneville firm is to be used for the payoff—just like crude oil was used in the Teapot Dome case.

Ninth. With regard to recouping the $25 million for convertibility—it is now more nearly $50 to $60 million—we had better write it off as a mistake. There is no assurance that the project will operate as planned and there are real potentialities of additional cost, not benefits, to the taxpayers.

In the first 5 years—and no one can be certain that the new production reactor will be operated for plutonium even that long—the charge for the use of new production reactor steam under the proposed contract will not even pay one-eighth of the interest cost on the real convertibility cost. Even this charge will in effect be returned through the delivery of firm power by Bonneville.

Tenth. Even if we approve the proposed AEC contract there is serious doubt that Bonneville has authority under law to enter into the collateral contract relative to the new production reactor power production.

Captive Nations Week

EXTENSION OF REMARKS

OF

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 13, 1962

Mr. PUCINSKI. Mr. Speaker, beginning Sunday, July 15, the American people will observe Captive Nations Week by official proclamation of President Kennedy.

It is particularly fitting that we Americans who enjoy freedom and dignity of the individual, should pause in our otherwise hurried pursuits to reflect upon the plight of the millions of people who—through no choice of their own—must live today under the iron fist of communism in the captive nations of Europe.

Our observance of Captive Nations Week in America is singularly important because it serves once more to remind and reassure the people behind the Iron Curtain that our fundamental hope of seeing them free again has in no way been altered by the flight of time since the end of World War II.

This observance also dramatically demonstrates to the rulers of the Kremlin that the American people will never recognize the illegal imposition of Communist governments upon these war-ravaged nations at the close of World War II.

I know of no better way to impress this fact upon Mr. Khrushchev than to actively participate in solemn ceremonies observing Captive Nations Week.

It is my hope that local communities throughout the Nation will take part in such ceremonies because such observances reinforce our own belief in the great glory of a free society governed by free men. We Americans can take this opportunity to reflect upon the full meaning of our own good fortune as free people by contrasting our life with the plight of the unfortunate people behind the Iron Curtain.

I hope that at some point during the next week, parents throughout America will pause briefly to discuss the meaning of freedom with their children. Too many Americans take the great blessings of our free Republic for granted and fail to realize the tragedy which follows when freedom is lost. By bearing witness to the plight of more than 180 million people who are forced today to struggle under communism in the captive nations of Europe, we Americans should grasp with particular understanding our own enormous benefits.

I am proud to call the attention of the House to the fact that under the guidance of Mayor Richard J. Daley, Chicago will observe Captive Nations Week in a dramatic demonstration Sunday afternoon, July 15, in Grant Park on the shores of beautiful Lake Michigan.

Mayor Daley was among the first chief executives in America to arrange a Captive Nations Week observance shortly after Congress adopted the resolution for such observances during the third week of July. Mayor Daley has repeatedly demonstrated his deep understanding of the wealth of culture which Americans who have migrated from these nations have brought to this country.

But more important, Mayor Daley has expressed once more his deep understanding for the unrelenting yearning that Americans who migrated to this Nation from Europe continue to feel for eventual deliverance of their friends and relatives who today must endure the chains of Communist oppression behind the Iron Curtain.

As a Chicagoan, I am proud of the fact that the mayor of my city has led the way in observing Captive Nations Week. It is my sincere hope that the example set by Mayor Daley will be followed by cities throughout America so that the millions behind the Iron Curtain will know that we Americans continue to share their aspirations and prayers for ultimate liberation.

There should be no doubt among Americans that while today these millions of people are helpless in trying to free themselves from the yoke of Communist rule, their hearts and their spirit continue to yearn for the same freedom which we Americans enjoy.

No one knows this better than Mr. Khrushchev. I have often stated that the people behind the Iron Curtain continue to serve as one of the most effective deterrents to war. Mr. Khrushchev knows he cannot count on the people in these imprisoned nations to support him should he ever be foolish enough to violate the peace of the world.

There can be no doubt that if the Kremlin leaders felt they had the unqualified support of these enslaved peoples, the foreign policy of the Soviet Union would have become more aggressive.

And so I say that the observance of Captive Nations Week should have particular significance to all freemen. Even though there are millions today who are helpless to free themselves from Communist domination, in their spirit and deep dedication to the dignity of man, we Americans can find our most loyal allies.

Recent Supreme Court Ruling on Prayer

EXTENSION OF REMARKS

OF

HON. J. FLOYD BREEDING

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 13, 1962

Mr. BREEDING. Mr. Speaker, on June 25, 1962, the Supreme Court declared that the use of voluntary prayer in the schools is unconstitutional, especially if these prayers were suggested by a board of education, or other State organization.

This would seem to indicate that in our country the state is to be completely divorced from God. It isn't freedom of religion that is indicated, but freedom from it, which is vastly different.

Some of us believe that the Bible teaches that the state is an institution of God; that God sets up nations, and also brings them down, when they disobey him. Because we believe this, and because the Constitution of the United States contains no mention of God, Christ, or the Bible, I have introduced into Congress, on February 17, 1961, a proposed Christian amendment, as follows:

> SECTION 1. This Nation devoutly recognizes the authority and law of Jesus Christ, Saviour and Ruler of nations, through whom are bestowed the blessings of Almighty God.
>
> SEC. 2. This amendment shall not be interpreted so as to result in the establishment of any particular ecclesiastical organization, or in the abridgment of the rights of religious freedom, or freedom of speech or press, or peaceful assemblage.
>
> SEC. 3. Congress shall have power in such cases as it may deem proper to provide a suitable oath or affirmation for citizens whose religious scruples prevent them from giving unqualified allegiance to the Constitution as herein amended.

The addition of this amendment would put our Nation on an undeniable Christian foundation, and when the Supreme Court would be called upon to make decisions, such as in the New York school case, there would be no question.

This proposed amendment has been introduced over 40 times in the last several Congresses; at least 10 times in this 87th Congress. A hearing was held in the Senate on this bill in 1954, and it received favorable action from the Judiciary Committee, and was referred out to the floor for discussion and action. Due to the shortness of time before adjournment, it was not brought up on the floor. In the House there has never been a hearing, though a hearing has been called for, and urged by many interested Congressmen and citizens of this country.

The importance of this resolution, the need for its adoption, is seen in the way our Nation is more and more divorcing God from everything that has to do with the state, yet the state is just as much an institution of God, as is the church, or the home. The state is not a stock, or a tree or an animal. It settles moral problems—problems relative to murder, divorce, theft, adultery, gambling, and so forth—and it must settle the greatest of all moral problems, "What shall the United States of America do with Jesus who is called the Christ?" And on the basis on which our Nation answers that question she lives or dies.

Supposing the Christian amendment had been a reality, when this New York case was up, and the Supreme Court had said that voluntary prayers in the schoolrooms of America, prepared by a board of regents was appropriate, would that have made the prayers any less voluntary? Christ does not force anyone against his will, and neither would a true Christian state.

Today, in America, we face many many foes, both within and without our Nation.

Russia boasts of her atheism. We in America do not boast of it, we just act to put God out of the very institution which needs Him most.

I urge, as one very direct answer to our problems, the adoption of the Christian amendment. The adoption of this amendment will not lay all the track, but it will point the way in which our Nation intends to go. It will give us a better foundation upon which to build.

Captive Nations Week

EXTENSION OF REMARKS

OF

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 13, 1962

Mr. PUCINSKI. Mr. Speaker, following is the proclamation issued today by President Kennedy inviting the people of the United States to observe Captive Nations Week beginning Sunday, July 15.

This proclamation by President Kennedy, who himself has done so much in the cause of preserving freedom, should be a source of great pride and inspiration to all Americans and, indeed, to people throughout the world, who respect the dignity of freedom.

Mr. Speaker, the proclamation follows:

PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA ON CAPTIVE NATIONS WEEK, 1962

Whereas by a joint resolution approved July 17, 1959 (73 Stat. 212), the Congress authorized and requested the President of the United States of America to issue a proclamation designating the third week in July 1959 as Captive Nations Week, and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas there exist many historical and cultural ties between the people of these captive nations and the American people; and

Whereas the principles of self-government and human freedom are universal ideals and the common heritage of mankind:

Now, therefore, I, John F. Kennedy, President of the United States of America, do hereby designate the week beginning July 15, 1962, as Captive Nations Week.

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to give renewed devotion to the just aspirations of all people for national independence and human liberty.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 13th day of July in the year of our Lord 1962, and of the Independence of the United States of America the 187th.

[SEAL] JOHN F. KENNEDY.

By the President:

DEAN RUSK,
Secretary of State.

Equal Time on TV

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, July 13, 1962

Mr. CELLER. Mr. Speaker, in view of the great significance of the legislation which seeks to lift the equal time requirement in political campaigns, I wish to insert in the RECORD a letter I wrote to the New York Times in opposition to lifting of such restriction, the reply of Robert W. Sarnoff, chairman of the board of the National Broadcasting Co., Inc., and my reply to him. It is because I believe that it is easily foreseeable that great mischief will flow should the equal time provision be deleted, that I ask my colleagues to examine most carefully the consequence of their votes on this matter. I believe the following correspondence sets forth succinctly the opposing points of view so that the Members can follow the arguments to their logical conclusion:

[From the New York Times, June 17, 1962]

EQUAL TIME ON TV

To the EDITOR OF THE NEW YORK TIMES:

In a speech before the League of Women Voters recently Robert W. Sarnoff, chairman of the board of the National Broadcasting Co., advocated legislation to remove the equal-time requirement in political campaigns.

I think it might well be advisable to lift or modify this restraint with respect to presidential candidates. I understand that a recommendation to this effect for the 1964 campaign has been made by the White House.

It would be dangerous, however, to lift such restriction with respect to other offices and to State and local elections. As long as we recognize splinter parties they should have equal time. The splinter party of yesterday, such as was the Republican Party some 100 years ago, may grow to major stature. It would have been ridiculous to have denied Lincoln a TV appearance, if TV had been available, because he was with an upstart new party. Split voting is not uncommon. Exposure to TV can and has influenced votes.

In many areas of our country there is a marked leaning on the part of TV operators and TV owners toward one particular party. It would not do to give them the power to blot out candidates of the opposing party. New York's gubernatorial contest might be an example. I do not say this would happen. I do say we should hesitate to promote conditions under which it could happen.

EMANUEL CELLER,
Chairman, House Committee on the Judiciary.

WASHINGTON, *June 4, 1962.*

NATIONAL BROADCASTING CO., INC.,
New York, N.Y., June 22, 1962.

Hon. EMANUEL CELLER,
Chairman, House Committee on the Judiciary, House of Representatives, Washington, D.C.

MY DEAR MR. CELLER: I read your letter in the New York Times of June 17 with considerable interest, and since you cited my recent speech before the League of Women Voters as the springboard for your observations, I feel tempted to try to respond. Knowing you as I do, I am aware that your views spring from the liberal sensibilities for which you are so widely respected. I feel confident that by virtue of this same liberal tradition, you will want to weigh most carefully the case for legislation that would free broadcasters to present candidates for any office without the equal-time restriction that often discourages the presentation of either major-party candidate.

The question you raise with respect to splinter parties is treated so responsively in the statement given by Robert E. Kintner, president of NBC, on January 31, 1961, before the Senate Communications Subcommittee that I should like to quote a relevant passage. What follows was offered by Mr. Kintner in a context in which he reviewed how NBC performed under the temporary suspension of the equal-time provision during the presidential campaign of 1960:

"One question sometimes raised in connection with this subject relates to minority candidates. There is an important distinction to be made between two kinds of minority parties. One is the fringe or splinter party; the other is a third party of significant regional or national scope that has emerged periodically in American history.

"As to the variety of fringe parties that are always with us, polling very few votes and commanding very little interest from the public, it is unreasonable from the standpoint of journalistic judgment for broadcasters to devote greater attention to them than they merit by their public standing, as reflected, for example, in the coverage they receive in responsible newspapers and magazines.

"Last fall, although there was no legal requirement, NBC invited seven fringe parties that were on the ballot in various States to take part in a 1-hour television program entitled 'Minority Viewpoint.'

"Four of those parties chose to participate in the program, which was broadcast October 30. Thus the relaxation of the equal-time provision did not deprive these minority parties of access to a national television audience. At the same time, it enabled the broadcaster to treat them in proper journalistic perspective.

"We would also exercise proper journalistic perspective in covering the candidates and activities of a third party of genuine consequence. We would want to present the candidates of such a party to an extent fully commensurate with the best available estimates of its following and importance.

"In that connection, we would take into account such factors as the number of States in which the candidates appear on the ballot and in which they campaign, the population of those States and the party's possible impact on the outcome of the contest between the major parties.

"Our purpose would be to give a fair reflection in broadcast presentation to the third-party candidates in relation to the candidates of the two major parties; and to do so on a basis that would neither promote such a third party nor in any way prejudice its opportunities by inadequate coverage.

"In short, I think we would be as fair to a third party as we were in 1960 to the two major parties."

I should add to this assurance of Mr. Kintner's that we would be as fair to a third-party nominee in a local election—as, for example, a New York fusion mayoralty candidate with a substantial following—as we would to a third party on the national scene.

With respect to the caution you feel is prompted by what you describe as a marked leaning on the part of some TV operators and TV owners toward one particular party, it seems to me that broadcasters throughout the United States demonstrated quite vividly in 1960 that they could maintain evenhanded coverage of the major-party candidates without the compulsion of the equal-time provision. On the basis of its close study of broadcasters' performance during the campaign, the Federal Communications Commission reported to Congress that "by and large, networks and stations exercised considerable care and succeeded in providing virtual equality in sustaining time as between the presidential and vice presidential candidates of the two major parties."

In addition, I believe it is important to recognize that the elimination of the equal-time provision of section 315 would not leave broadcasters free, from a legal and regulatory standpoint, to engage in partisan abuses even if they wished to do so. Senator PASTORE made this very point on June 18 in introducing a bill in behalf of Senator HARTKE to repeal the equal-time requirement. (Senator PASTORE himself is the sponsor of another bill very similar in nature.) His remarks included the following passage:

"Repeal would be a well-deserved vote of confidence in the broadcasting industry, which in no way abused the temporary freedom to objectively use its mature sense of fairplay in the public interest. Further, repeal of the equal-time provision does not diminish or effect the Federal Communications Commission's policy or existing law. This holds that a licensee's statutory obligation to serve the public interest still includes the broad encompassing duty of providing a fair cross section of opinion in the station's coverage of public affairs and matters of public controversy."

I recognize the high-minded considerations that prompt the objections you expressed in your letter to the Times. I hope you may agree, however, that on the basis of broadcasters' intentions, their past performance and the safeguards that would remain in the law and the regulations of the FCC, the risks you describe are far less than they may have seemed. Certainly they seem negligible, in my earnest opinion, compared to the benefits that would flow from stimulating greater use of broadcasting's remarkable potential to inform the electorate on political candidates and issues.

With best wishes.

Sincerely yours,

ROBERT W. SARNOFF.

JULY 2, 1962.

Mr. ROBERT W. SARNOFF,
Chairman of the Board,
National Broadcasting Co., Inc.
New York, N.Y.

DEAR BOB: It was good of you to write to me about my letter to the Times opposing the repeal of the equal-time requirement of the Communications Act. Although I have carefully studied your thoughtful rejoinder I remain convinced that this requirement should be retained.

You contend that there is an important distinction between two kinds of minority parties; namely, the fringe or splinter party and the third party of significant regional or national scope. Of the former you say that "it is unreasonable for broadcasters to devote greater attention to them than they merit by their public standing." Further, you assert that, if allowed to do so broadcasters would exercise proper journalistic perspective in covering the candidates of a significant third party to an extent commensurate with its following and importance.

In short, you would arrogate to the broadcasters in their sole discretion the privilege of evaluating the significance of candidates as the criterion for extending or withholding campaign coverage. This proposal ignores the policies of the several States, expressed in their formulation of eligibility for prospective candidates for office. Those policies, I submit, sufficiently protect the electorate against the claims of candidates whose following is insignificant. A candidate who satisfies them, by timely submission of the required evidence of voters' support, is placed on the ballot in equality with other candidates. The laws of the State which determine the amount of following which must be demonstrated should be exclusive. In the course of a campaign the relative followings of candidates will shift, but this shift should not be influenced by broadcasting coverage or lack of it.

Broadcasting coverage can be a powerful, if not a decisive, influence in regional and local elections. To permit broadcasters to translate into coverage their private determination as to the relative significance of candidates falls little short of permitting them to determine which candidate should be elected.

Without derogating from the objectivity of what you call the journalistic judgment of news organs, it must be acknowledged that their role is sometimes rather ambivalent. One may admire the many successes in isolating editorial policy from judgments as to newsworthiness without losing sight of the fact that, since men are fallible, there have also been failures.

It does not alter the case to recognize that the daily and periodical press are free to, and do exercise the judgment you would accord the broadcasters. The airwaves are a national resource, belonging to all the people. Their use is and should be regulated in the best interests of the people.

Nor do the other safeguards of the Communications Act against partisan abuse affect my conclusions. To revoke a broadcaster's license after the broadcaster had rigged an election would not rectify the election results. For elections involving other than the Presidency, we shall do well to retain the ounce of prevention afforded by existing law.

Sincerely yours,

Emanuel Celler.

SENATE

Monday, July 16, 1962

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou who art the author of liberty, out of the depths of our pity and compassion do we call unto Thee for Thy children under other skies than ours, who by the hands of ruthless tyrants are being deprived of the liberties which are theirs by Thy decree, and which it is Thy will that they shall possess.

Forbid that in the exercise of our own uncoerced freedoms, the anguished yearnings of the enslaved should fall on our ears and find no compassionate response because of the selfish revelry in our own God-given rights.

At the beginning of this yearly week set aside by this free land and sponsored by our national leaders, we would this day join in our supplications with those who pray from sea to sea for those whose sovereignty and culture and treasured traditions, whose individual dignity and self-determination, which are Thy endowment, are being trampled into the dust of servitude by the cruel might of oppressors who hold not Thee in awe.

May the peoples now in chains not lose heart, even as their cry in affliction, "How long, O Lord, how long?" rises to the white throne of Thy mercy.

In this week of remembrance, we would register a vow in heaven and on earth, Thy footstool, as we bow at the altar of Thy justice, that we will never, never deny our expectant faith in the ultimate freedom and welfare of the nations now overrun by invaders who seize the crown jewels of others to enrich their own den of thieves, and leave but a crown of thorns. Thus we make the plight of all fettered peoples our own, as in this shrine of our patriot devotion we pray, "Long may their lands be bright with freedom's holy light," after the present dictators have had their brief and evil sway.

We ask it in the name of the One whose truth makes men free, and who declared, "I am come to bring deliverance to the captives." Amen.

THE JOURNAL

On request of Mr. Humphrey, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 13, 1962, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2970. An act to amend the Small Business Act; and

H.R. 10595. An act to facilitate the sale and disposal of Government stocks of extra-long staple cotton.

CALL OF THE LEGISLATIVE CALENDAR DISPENSED WITH

On request of Mr. Humphrey, and by unanimous consent, the call of the Legislative Calendar was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. Humphrey, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

Proposed Amendment to the Budget, 1963, for the District of Columbia (S. Doc. No. 108)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963, in the amount of $842,000, for the District of Columbia (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

Plans for Works of Improvement in Various States and Puerto Rico

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on South Sumter, Upper Tampa Bay watershed, Florida, Line Creek, Ky. and Tenn., North Branch Mill Creek, Mich., Nanticoke Creek, N.Y., Dicks Creek, Little Muddy Creek, Ohio, Bajura watershed, Puerto Rico, and Kent Creek, Tex. (with accompanying papers); to the Committee on Agriculture and Forestry.

Address Delivered by Gen. Douglas MacArthur at West Point, N.Y.

A letter from the Secretary of Defense, expressing approval of the joint resolution passed by Congress, relating to the address delivered by Gen. Douglas MacArthur at the U.S. Military Academy, West Point, N.Y., on May 12, 1962, and outlining plans for further utilization of the address by the Armed Forces; to the Committee on Armed Services.

Authority Over Trust Powers of National Banks

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to place authority over the trust powers of national banks in the Comptroller of the Currency (with accompanying papers); to the Committee on Banking and Currency.

Amendment of Section 5155 of Revised Statutes, Relating to Conversion or Consolidation of Bank Branches

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 5155 of the Revised Statutes, relating to bank branches which may be retained upon conversion or consolidation or merger (with accompanying papers); to the Committee on Banking and Currency.

Report of Pacific Marine Fisheries Commission

A letter from the Chairman, Pacific Marine Fisheries Commission, Portland, Oreg., transmitting, pursuant to law, a report of that Commission, for the year 1961 (with an accompanying report); to the Committee on Commerce.

Reports on Grants to Nonprofit Institutions and Organizations for Support of Scientific Research Programs

A letter from the Administrative Assistant Secretary of the Interior, transmitting, pursuant to law, a report on grants made to nonprofit institutions and organizations for support of scientific research programs, during calendar year 1961 (with an accompanying report); to the Committee on Government Operations.

Amendment to Loan Under Small Reclamation Projects Act of 1956

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an application for an amendment to an approved loan under the Small Reclamation Projects Act of 1956, in favor of the Georgetown Divide Public Utility District of El Dorado County, Calif. (with accompanying papers); to the Committee on Interior and Insular Affairs.

Leslie O. Cox and Others

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency (with an accompanying paper); to the Committee on the Judiciary.

Report on Transfer of Freedmen's Hospital

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on the transfer of Freedmen's Hospital to Howard University (with accompanying papers); to the Committee on Labor and Public Welfare.

Plans for Works of Improvement in States of Alabama, Oklahoma, and South Carolina

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Town Clerk, Ala.; upper Blue River, Okla., and Thicketty Creek, S.C. (with accompanying papers); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"House Concurrent Resolution 98

"Concurrent resolution protesting the banning of prayer in public schools of this Nation

"Whereas the banning of prayer and the worship of God has been associated with Russia, where the people that banned prayer and religious worship were not elected by the people and have always been considered dictators, now, we in the United States of America find ourselves getting into the same position. Now, we resolve that we think that any man or body of men that can hand down such a decree or order to have prayer or worship of God banned in any place whether in Russia or the United States of America or any other place should be elected by the people and subject to recall by the people: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*, That a copy of this resolution be sent to the Congress of the United States of America and to each Governor of each State of the United States and to the President of the United States of America.

"________,

"*Speaker of the House of Representatives.*

"________,

"*Lieutenant Governor and President of the Senate.*"

A resolution adopted by the Master Furriers Guild of America, Inc., at Lake Kiamesha, N.Y., protesting against the granting of extra judicial powers being requested for the Federal Trade Commission; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on the Judiciary, without amendment:

S. 1307. A bill to amend section 128 of title 28, United States Code, to constitute Richland, Wash., a place of holding court for the eastern district of Washington, southern division, and to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Washington, southern division, holding court at Richland, Wash. (Rept. No. 1734);

H.R. 9844. An act to waive section 142, title 28, United States Code, with respect to the U.S. District Court for the District of Connecticut for holding court at Bridgeport (Rept. No. 1730);

H.R. 10012. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee holding court at Winchester, Tenn. (Rept. No. 1731);

H.R. 10016. An act to waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama (Rept. No. 1732); and

H.R. 10389. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex. (Rept. No. 1733).

By Mr. BUTLER, from the Committee on Commerce, with amendments:

H.R. 7336. A bill to promote the production of oysters by propagation of disease-resistant strains, and for other purposes (Rept. No. 1736).

By Mr. BARTLETT, from the Committee on Commerce, with an amendment:

S. 2568. A bill to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, and for other purposes (Rept. No. 1737).

By Mr. HICKEY, from the Committee on Interior and Insular Affairs, without amendment:

S. 1192. A bill to amend the Mineral Leasing Act with respect to limitations on the leasing of coal lands imposed upon railroads (Rept. No. 1738); and

S. Res. 361. Resolution to authorize study of the equity involved in the 90-percent royalty on mineral production on federally owned lands (Rept. No. 1739); referred to the Committee on Rules and Administration.

AMENDMENT OF PACIFIC MARINE FISHERIES COMPACT—REPORT OF A COMMITTEE—ADDITIONAL COSPONSOR OF BILL (S. REPT. NO. 1735)

Mr. BARTLETT. Mr. President, from the Committee on Commerce I report favorably, without amendment, the bill, S. 3431, to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment, and I submit a report thereon.

The PRESIDENT pro tempore. The report will be received and printed, and the bill will be placed on the calendar.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the name of the Senator from California [Mr. ENGLE] be added as a cosponsor of the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSTON (by request):

S. 3549. A bill to repeal the provisions of law codified in 5 U.S.C. 39, and for other purposes;

S. 3550. A bill to amend section 131 of title 13, United States Code, so as to provide for earlier taking of the economic censuses;

S. 3551. A bill to define the term "child" for lump-sum payment purposes under the Civil Service Retirement Act;

S. 3552. A bill to repeal section 25 of title 13, United States Code, relating to duties of supervisors, enumerators, and other employees;

S. 3553. A bill to amend section 6303(c) of title 39, United States Code;

S. 3554. A bill to amend section 6(a) of the act of September 30, 1950; and

S. 3555. A bill to authorize the withholding from the pay of civilian employees of the United States the dues for membership in certain employee organizations; to the Committee on Post Office and Civil Service.

By Mr. BURDICK:

S. 3556. A bill for the relief of Dunn County, N. Dak.; to the Committee on the Judiciary.

By Mr. KUCHEL:

S. 3557. A bill for the relief of Betty Sandra Fagann; to the Committee on the Judiciary.

PUBLIC WELFARE AMENDMENTS OF 1962—AMENDMENTS

Mr. LAUSCHE submitted amendments, intended to be proposed by him, to the amendment proposed by Mr. ANDERSON (for himself and other Senators), as modified by Mr. ANDERSON on July 12, 1962, to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICE OF RECEIPT OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. SPARKMAN. Mr. President, as acting chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nominations of William Leonhart, of West Virginia, a Foreign Service officer of class 1, to be Ambassador to Tanganyika; also John H. Ferguson, of the District of Columbia, to be Ambassador to the Kingdom of Morocco.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 16, 1962, he presented to the President of the United States the enrolled bill (S. 2970) to amend the Small Business Act.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BURDICK:

Resolution adopted on July 11, 1962, by the North Dakota Association of Rural Electric Cooperatives, at Williston, N. Dak., unanimously commending Norman Clapp, Administrator of Rural Electrification Administration, for his decision in approving the loan application of Basin Electric Power Cooperative.

AGRICULTURAL REPORT OF COMMITTEE ON ECONOMIC DEVELOPMENT

Mr. YOUNG of North Dakota. Mr. President, the agriculture report of the Committee on Economic Development is typical of many similar reports by people who know little about their subject—that of agriculture. The fact that someone has become a great success in industry does not mean that he is an authority on farm matters, any more than a successful farmer would be an authority on solving all the ills of industry.

With all the new technology in agriculture and modern and much more efficient equipment, coupled with the intelligence and hard work that characterize farmers throughout America, it is only natural that production has increased by leaps and bounds. Today, agriculture represents the most efficient industry in the United States. All this has brought the farmers heartaches and hardships. It has meant that fewer farmers were required each year to produce the needed food and fiber. Farmers by the millions have migrated to the cities, seeking work. This migration would be greatly accelerated if the program of the CED were put into effect, and it would aggravate still more the unemployment situation brought about by automation and other problems of industry.

There are many important things which the report overlooks. Labor, in order to help take care of its problems, has demanded and secured first a 40-hour workweek, and in some industries now only a 25-hour workweek. The necessary higher wages have been secured, in order to furnish a decent living for those with the shorter workweek. These higher costs are passed on to industry; and industry, in turn, passes them on to the consumers. This has been one of the major causes of increased costs of farm operations.

There are not many industries in the United States that are not the beneficiaries of subsidies or Federal aid in one form or another. Unemployment insurance is an example. But this is not available to a farmer who finds himself out of work.

Another important factor overlooked completely by the CED is that its program would affect not only farmers, but also all the millions of people living in the small towns and cities who provide vital services to farmers. A high percentage of these people would also have to migrate to the cities, to look for work, if the CED program were put into effect.

Mr. President, the Washington Post of this morning, Monday, July 16, has published a very good editorial on this subject, entitled "Adaptive Agriculture." I commend the editor for his objective study and analysis of the CED proposal. Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ADAPTIVE AGRICULTURE

The Committee on Economic Development has brought out an adaptive program for agriculture, the chief virtue of which is in its proposals for helping excess farm labor get into nonfarm jobs by maintaining high levels of industrial activity and by better training and education in rural areas.

There will be much disagreement over the CED plan to cut farm labor by one-third over a 5-year period during which adjustment price supports and land diversion payments would be made at a diminishing rate so that, in the end, the market would call forth the appropriate amount of capital, labor, and land input, without further Government subsidy.

That the CED's 5-year plan would end with a free-market agriculture having a satisfactory per capita income is greatly to be doubted. D. E. Hathaway, one of the advisers to the CED farm subcommittee, has estimated, in another context, that a return to free markets without controls or price supports would cut farm income by "perhaps a third or more." This view is widely shared. That would leave per capita farm income of a much smaller agriculture, at the end, at the unsatisfactory level where it is now.

The CED's plan would cut the farm labor force from 5.5 million to 3.5 million—at about 400,000 to 500,000 a year. It finds the current rate of emigration from farming too slow. But the labor force in agriculture has dropped by 40 percent since 1940. In 1910 31 percent of the working population of this country was engaged in farming. By 1950 it has dropped to 11.6 percent. In the sixties, the decline in total farm population has averaged 900,000 a year. It may be doubted that our economy can be made to adjust without serious social and political consequences to a much more rapid rate of change.

The basic theory of the CED is that low farm prices will cut the input of land and labor resources in agriculture and that nonfarm occupations can absorb the farm labor surplus at a much more rapid rate of emigration. Both premises are to be doubted.

C. E. Bishop has pointed out in "Labor Mobility and Population in Agriculture" that "farm product prices would have little or no influence on the rate of migration." He finds some evidence that emigration rises when income per farm worker increases in relation to income of factory workers. He thinks more farm people are ready to transfer from farm to nonfarm jobs at prevailing rates of return than jobs are available. The CED thinks price supports have deterred the movement of resources out of agriculture, but Bishop thinks that on balance, the effect may have been to increase migration through providing farm people with the capital needed to transfer to nonfarm areas. Farm migration, he points out, has been the greatest from areas receiving the highest proportion of income from price-supported commodities. Nor is it clear that low prices cause acreage reduction and reduced production as the CED seems to think. Mr. Hathaway has pointed out elsewhere that the farmer having made the initial commitment of his labor and capital to agriculture, finds the best way in which he can individually maximize his income is to increase output even further than his present level of excessive production.

Whether lower prices will or will not cut the farm plant and labor force, can jobs be found in nonfarm work for more ex-farm labor? The CED thinks so. But Varden Fuller, of the University of California, who has contributed to a recent analysis made at Iowa State, thinks the prospective economic environment of the sixties will be less favorable to continue large-scale off-farm migration. In the absence of a dramatic change in the economy's growth rate there is good cause to agree with Varden. The economy has not been able to absorb natural increases to labor force. The CED report estimates that its plan would cause the labor force, which it says is now growing 1¼ million a year, to grow 1¾ million a year or at a rate 40 percent greater. (The economy has not been able to absorb at the 1¼-million rate and for nearly a year only 600,000 of the statistically expected 1¼ million have been added to the labor market.)

The CED takes no account, moreover, of the effect of a contracted agriculture on the 6 million engaged in the farm supply business, or the 10 million engaged in processing, shipping and distributing farm products. There would be an emigration out of these occupations, too. In dealing with the farm problem, we deal not just with the 5.5 million farm producers but with all those in related enterprise and with the 45 to 50 million rural, nonfarm people in towns and villages across the land. The serious dislocation of this national rural community, brought about by a drastic contraction of agriculture, moreover, could so greatly diminish buying power in rural America that nonfarm industry would be affected and its ability to absorb former farmers further diminished. The outlook for more rapid emigration from agriculture and for its easy absorption in nonfarm industry is not good.

The CED rejects out of hand the possibility of solving the farm problem by a stringent leakproof control of production, so that farmers will get higher prices for a smaller volume of sales. It thinks it uncertain that this could be effective without policing measures that would be intolerable in America. And yet, such stringent controls are in effect on rice, peanuts, tobacco and cotton and have not produced intolerable policing measures. This is essentially the program the administration urged Congress to enact for other crops.

For all the difficulties of production control, and they certainly are numerous and formidable, they hold out a larger hope for a prosperous rural America than the CED's proposals for returning, after an interval, to the free play of the market. There is not sufficient evidence that low farm prices, if the country would tolerate the hardships they would induce, would produce the diminished investment of labor and land and capital resources needed to achieve balanced agricultural production. There is no evidence whatever that the nonfarm economy can absorb the millions of persons that would be added to the labor force by more rapidly contracting agriculture, by curtailing the work force engaged in farm supply and marketing and by diminishing job opportunities throughout nonfarm rural America.

The rate of emigration from agriculture will take care of itself if a healthy, growing, and expanding national economy, in urban and in rural areas as well, provides adequately remunerative nonfarm jobs for a well-educated and sufficiently trained rural population. The coercion of farm prices at poverty levels will not be needed to force the efficient use of manpower.

VETERANS OF FOREIGN WARS AWARD TO ASSISTANT SECRETARY OF THE NAVY BELIEU

Mr. STENNIS. Mr. President, it is my profound pleasure to invite the attention of Members of the Senate to a press announcement, released today by the Veterans of Foreign Wars of the United States, stating that at its forthcoming national convention one of that organization's highest honors is to be conferred upon the Assistant Secretary of the Navy, the Honorable Kenneth E. BeLieu.

I am confident that this announcement will meet with the enthusiastic endorsement of Members of the Senate who have come to recognize the deep sense of duty and the truly unusual abilities which have consistently characterized Mr. BeLieu's services to Members of the Senate while he rendered highly capable and outstanding service on the staffs of the Armed Services Committee and the Aeronautical and Space Sciences Committee.

Personally, I consider Secretary BeLieu to possess the leadership qualities of moral courage, vast intellect, and an understanding of our military and other problems. Those characteristics are most necessary to the success of our defense effort and the proper functioning of our form of government.

In view of the affection and esteem in which Secretary BeLieu is held by so many Members of the Senate, I shall submit, at the conclusion of my remarks, the press release of the Veterans of Foreign Wars of the United States announcing the award of the Commander in Chief's Gold Medal and Citation to Secretary BeLieu.

In conclusion, I congratulate Mr. Robert E. Hansen, commander in chief of the Veterans of Foreign Wars of the United States, for his selection of such an outstanding governmental servant as Secretary BeLieu to be the recipient of this high VFW award; and I take this opportunity, also, to associate myself completely with the commendatory remarks of Commander Hansen concerning the services and qualities of Secretary BeLieu.

I ask unanimous consent that the statement by Commander Hansen be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> Assistant Secretary of the Navy Kenneth E. BeLieu will be awarded the VFW Commander in Chief's Gold Medal and Citation at the VFW's 63d Annual National Convention, in Minneapolis, Minn., August 10–17, it was announced today by Mr. Robert E. Hansen, South St. Paul, Minn., commander in chief of the Veterans of Foreign Wars of the United States.
>
> In making the announcement Commander Hansen stated, "Secretary BeLieu has been selected to receive this high award because he represents the kind of able, dedicated, and patriotic Government official so necessary to our form of Government."
>
> Commander Hansen added, "Secretary BeLieu has had a distinguished career as a troop leader, combat commander, and highly responsible staff officer in the U.S. Army. Retired, as a colonel, due to battle wounds in Korea, he continued service to our Nation as counsel to the Senate Armed Services Committee, and later as staff director for Senate Aeronautical and Space Sciences Committee. In such positions he has made historically important contributions to good government and the security of our Nation. In his present position as Assistant Secretary of the Navy, Logistics and Installations, Secretary BeLieu is charged with the responsibilities of one of the largest administrative jobs in the world."
>
> Commander Hansen pointed out that Secretary BeLieu's service as a military officer and a leader in civilian capacities, on Senate committee staffs and as Assistant Secretary of the Navy, provides an inspirational example of selfless, efficient, and devoted service.
>
> Commander Hansen will personally present the award to Secretary BeLieu before assembled delegates at the forthcoming VFW national convention in Minneapolis.

PUBLIC WELFARE AMENDMENTS OF 1962—ADDITIONAL UNANIMOUS-CONSENT AGREEMENT

Mr. DIRKSEN. Mr. President, I wish to direct an observation to the attention of the distinguished acting majority leader, the Senator from Minnesota [Mr. HUMPHREY]: When we contrived the unanimous-consent agreement limiting the time available for debate on the bill which is the unfinished business of the Senate, there was no agreement about division of the time immediately prior to the taking of the vote on the motion to lay on the table. Under the unanimous-consent agreement, the vote on the motion to lay on the table will come, as agreed upon, tomorrow. I would assume that tomorrow perhaps an hour would be devoted to the morning hour; and that would leave 2 hours before the vote on the motion to lay on the table.

Since there was no agreement in regard to that time, I suggest to the acting majority leader that he proffer a further unanimous-consent agreement to the Chair; namely, that the 2 hours prior to 3 o'clock tomorrow be divided equally between the opponents and the proponents.

Mr. HUMPHREY. Mr. President, I have discussed this matter in a preliminary way with the Senator from New Mexico [Mr. ANDERSON], the principal sponsor of the amendments; and it appears to me that the suggestion which has been made is equitable. Therefore, I should like to propose the following unanimous-consent agreement: That beginning at 1 o'clock tomorrow, the time between 1 p.m. and 3 p.m. be divided equally, to be controlled by the majority leader and the minority leader, or whatever Senators they may designate, in connection with the Anderson amendments and the motion to lay those amendments on the table.

Mr. DIRKSEN. Mr. President, before the question is put, let me respectfully suggest to the distinguished acting majority leader that included in the request there be a provision that there be no intervening motion or amendment. If an amendment were offered at that time, obviously under the existing unanimous-consent agreement it would take 30 minutes for each side, and would preempt that much time from the time available on the main business which then would be before the Senate.

Mr. HUMPHREY. Mr. President, I feel that that suggestion is meritorious. Therefore, I amend the unanimous-consent request so as to provide, in addition, that no other motion or amendment shall intervene during the period between 1 and 3 p.m. tomorrow, until the Senate has disposed of the motion to lay the Anderson amendments on the table.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

NOMINATION OF MAYOR ANTHONY J. CELEBREZZE TO BE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. YOUNG of Ohio. Mr. President, on Saturday President Kennedy announced the nomination of Mayor Anthony J. Celebrezze, of Cleveland, to be Secretary of Health, Education, and Welfare.

Our President, before making this selection, considered many, many outstanding men and women throughout the United States for this office. He could not have made a better choice than he made in naming Anthony J. Celebrezze.

The PRESIDENT pro tempore. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Ratchford, one of his secretaries.

The PRESIDENT pro tempore. The Senator from Ohio.

Mr. YOUNG of Ohio. Mr. President, I understand that this nomination will be presented to the Senate today. In fact, I am informed it was among the messages just now received from the President.

Mr. ANDERSON. Mr. President, will the Senator from Ohio yield?

Mr. YOUNG of Ohio. I yield.

Mr. ANDERSON. I may say to the Senator from Ohio that the nominee comes from the State of Ohio, but he has good relatives in the State of New Mexico. All we hear about him is good. Therefore, I am happy to join in the sentiments expressed by the Senator from Ohio.

Mr. YOUNG of Ohio. I thank the distinguished Senator from New Mexico. Before long the entire Nation will be aware of the outstanding abilities of Anthony Celebrezze.

I assert that Tony Celebrezze will prove to be among the best Secretaries of Health, Education, and Welfare the United States has ever had.

Years ago—46 years ago, to be exact—when this Nation was confronted with international problems of intense gravity, on the eve of World War I, the then President of the United States, Woodrow Wilson, reached out to Cleveland and selected the then mayor of Cleveland, Newton D. Baker, to be Secretary of War. Now, after 46 years, at a time when we are again living in a grim period of international anarchy, faced with threatened aggression from the Soviet Union and Red China, another President has wisely selected the mayor of my home city of Cleveland to be a member of his Cabinet.

There is probably no other American who would bring to this high office the experience of Anthony J. Celebrezze in the many and varied fields which are administered by the Department of Health, Education, and Welfare. As mayor of Cleveland—and my home city of Cleveland is certainly one of the great cities of the Nation—Tony Celebrezze has fought hard for urban redevelopment and slum clearance. He has constantly and forcefully advocated better public schools. He has taken leadership in urging juvenile delinquency rehabilitation programs. He has been an outstanding chief executive of Cleveland. The citizens of my home city, in their good judgment, have elected him as mayor for five successive terms.

Just this last year Mayor Celebrezze had as an opponent a Republican candidate, a person of outstanding character, a tried public official, who had resigned as collector of customs of Ohio, to become a candidate for mayor of Cleveland with the endorsement of the united Republican Party of my home county. Still, the citizens of Cleveland gave Mayor Celebrezze 78 percent of the votes cast. Against this fine, competent opponent, Mayor Celebrezze carried every one of the 33 wards of the city of Cleveland. This exemplifies the high admiration, respect, and affection in which the people of Cleveland hold him.

The confidence of the people of Cleveland in their mayor is well justified. He has earned himself a place as one of the great mayors of their city. In future years he will undoubtedly be remembered as one of the Nation's greatest Secretaries of Health, Education, and Welfare.

Not only have the citizens of my home city of Cleveland recognized and rewarded his ability, but his qualities have also been recognized by mayors and municipal officials throughout the land. Tony Celebrezze is past president of the American Municipal Association. He is currently president of the National Conference of Mayors. He is one of the most effective spokesmen for the urban population of our country.

While serving two terms in the Ohio State Senate, his colleagues twice voted him one of Ohio's top State senators.

As you know, Mr. President, his service as a legislator will serve him well in his Cabinet post, where he will constantly be dealing with committees of the Senate and of the House of Representatives.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. YOUNG of Ohio. May I have 2 additional minutes?

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. YOUNG of Ohio. At a time when our way of life is being falsely assailed in many parts of the world, Anthony J. Celebrezze stands as a shining example of the freedom and opportunity available to all men in our democracy.

He is the son of Italian immigrants who came to these shores to escape the poverty and persecution of the Old World.

Through hard work and perseverance, beginning at age 6, he took advantage of the opportunities which our Nation affords all its citizens, finally receiving his law degree in 1936.

Tony Celebrezze is a fine, personable gentleman, a trained and dedicated public servant for the people's welfare, an experienced legislator, a proven administrator, and, above everything else, Tony Celebrezze is a great humanitarian.

I am sure that all Ohioans, and all Americans who know of him, share my pride in the nomination of Tony Celebrezze.

Both my distinguished senior colleague [Mr. LAUSCHE] and I are happy indeed over this nomination. We confidently feel that the Senate will, by unanimous vote, and without delay, confirm his nomination to the office to which he has been nominated.

We extend to him, his charming wife Anne, and their three fine children our congratulations and our fervent best wishes for success and happiness in his new post.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the Senator from Michigan.

Mr. McNAMARA. I rise merely to congratulate the distinguished Senator from Ohio for his remarks. I wish to associate myself with those remarks. I have met the very distinguished American, who has just been nominated, only a few times, but since I come from the neighboring State of Michigan, we know very well of his activities. He is everything the Senator from Ohio says. I am happy to join with the Senator in this fine endorsement.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. The Chair wishes to inform the Senator from Ohio that the President today has sent to the Senate three nominations, to be appropriately referred. One of the nominations is that of Anthony J. Celebrezze to be the Secretary of the Department of Health, Education, and Welfare.

Mr. YOUNG of Ohio. I thank the Presiding Officer.

NOMINATION OF MAYOR ANTHONY J. CELEBREZZE TO BE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. HUMPHREY. Mr. President, I hope the Senator from Ohio will permit me to join with him in commending, first, the President of the United States upon his splendid selection of an outstanding public official and a great citizen. Secondly, I congratulate Mayor Celebrezze upon his appointment. There is no doubt in my mind that his nomination will be quickly confirmed by the Senate and that he will serve with distinction and great ability.

I have known the mayor of Cleveland well and favorably. He has made an outstanding record as the mayor of a great city. He has demonstrated leadership in the American Municipal Association as well as in the U.S. Conference of Mayors, which indicates the quality of man. He is indeed a gifted and talented public servant. His work in the fields of public health, education, housing, urban renewal, slum clearance, and the combating of delinquency and crime represents part of the great achievement of his administration and of his public life. His singular emphasis upon the improvement of education is something which I am sure will stand him well in his new responsibility.

I commend the Senator for being able to produce from the State of Ohio such an illustrious gentleman. I am confident the nomination will stand up well not only at home but also abroad. It indicates once again that in the United States of America people can rise to great heights of responsibility in public service as well as private achievement, from lowly beginnings.

As the Senator has appropriately pointed out, the mayor of Cleveland, who will become the Secretary of Health, Education, and Welfare, came to the United States early in life, the son of an immigrant. In the very near future he will be one of the President's chief advisers in an area of governmental activity second in importance to none; namely, the welfare, education, and health of the American people.

I commend the Senator and his State, as well as the new Secretary.

Mr. YOUNG of Ohio. The people of Ohio are indeed proud of this recognition given to one of their favorite sons. I thank the distinguished senior Senator from Minnesota.

Mr. BARTLETT. I listened attentively to what the Senator from Ohio said about the President's nomination of Mayor Celebrezze to be the Secretary of the Department of Health, Education, and Welfare. I congratulate the Senator for his fine remarks.

I am already under considerable obligation to Mayor Celebrezze, because at one time a few years ago he gave to Mrs. Bartlett and me a key to the city of

Cleveland. Any remaining doubts I might have had about the advisability of this appointment were completely removed by the recommendations made by my friend the Senator from Ohio.

It is my intention to vote to confirm the nomination when the vote occurs.

Mr. President, I think this is a worthy appointment, a good appointment—in fact, a splendid appointment. I am sure Mayor Celebrezze will make a splendid record in the office and will be a fine successor to former Governor Ribicoff.

Mr. PASTORE. Mr. President, I join the many friends of Mayor Anthony J. Celebrezze in extending my congratulations to him upon his selection by the President to become a member of the official family as Secretary of Health, Education, and Welfare.

This is a job which requires the deepest understanding and appreciation of the problems confronting the citizens of our country in the field of health, education and welfare. To this position, I know Mayor Celebrezze brings many years of experience which will prove invaluable in the proper fulfillment of his assignment. The job calls for human compassion, understanding, and requires a deep sense of responsibility. All of these I am sure Mayor Celebrezze possesses.

I first came in contact with Mayor Celebrezze on May 18, 1955, when he appeared before the Senate Committee on Interstate and Foreign Commerce which, at that time, was considering amendments to the Natural Gas Act. Mayor Celebrezze made a most impressive plea in behalf of the consumers of natural gas, particularly as it affected his own State of Ohio. It was quite evident at that time that here was a man who knew people and who knew how to plead their cause. It is my personal opinion that President Kennedy has made an outstanding selection and I trust that the Senate will promptly proceed to confirm Anthony Celebrezze as Secretary of Health, Education, and Welfare so that he may immediately apply his outstanding administrative ability on the national scale as he has done so well on the local level in the city of Cleveland.

RECOMMENDATIONS FOR AGRICULTURE BY THE COMMITTEE FOR ECONOMIC DEVELOPMENT

Mr. BURDICK. Mr. President, last Friday the Committee for Economic Development, a private research group, made its recommendations for agriculture. It recommended that the appropriations be cut from $6 to $3 billion, that one-third of the Nation's farmers should be eliminated during the next 5 years, and that price supports for agricultural commodities should be removed. I am appalled and greatly distressed about these irresponsible recommendations.

If the recommendations of the CED were followed, there would be a catastrophic effect on North Dakota economy, which would sound the death knell for traditional family agriculture.

This report is a clear and unmistakable sign of the rising opposition to the farm program brought about by the failure to reduce surplus and costs. The Kennedy farm plan is designed to meet these objections and to save a farm program.

Mr. President, the Washington Post and Times Herald carried an excellent editorial in its morning paper, pointing out the effects of the recommendation of the CED, and exposing its basic weaknesses. I urge every Member of the Senate to carefully read the editorial in this morning's Washington Post which has been placed in the RECORD.

CENTENNIAL OF THE FOUNDING OF THE LAND-GRANT COLLEGE SYSTEM

Mr. BURDICK. Mr. President, this year all Americans celebrate the centennial of the founding of the land-grant college system. With the passage of the Morrill Act in July 1862 this country took the initial steps which have led to the most productive agricultural complex ever known. That law, which provided grants of land to States for colleges of agriculture and mechanic arts, was the impetus for the establishment and development of unique educational institutions—the land-grant colleges and universities.

In part the character of the land-grant schools was shaped by the convictions of many that the existing colleges and universities were too narrowly preoccupied with studies of the classics. More important, the land-grant institutions presented opportunities to the people of large rural areas of the Nation to equip themselves with skills and knowledge for grappling with persistent and complex agricultural problems. Through these schools the vital interchange between the farmers and the scientists was nourished and strengthened.

Today the 68 land-grant colleges and universities provide degrees and courses in every major field of the educational spectrum. Although these institutions number less than 5 percent of the Nation's colleges they enroll about one-fifth of the undergraduate students in the Nation and award almost 40 percent of all doctoral degrees.

The history of North Dakota's land-grant institution, North Dakota State University, is representative of this transformation from fundamentally agricultural schools to richly diversified educational institutions. Following its establishment in 1890, the State university chiefly concerned itself with the needs and problems of farmers who were then rapidly moving into the State. That single agricultural college has now become a university with six colleges and wide-ranging curriculums. This is in accord with the developments and changes in the economy of the State, the region, and the Nation.

Historically, North Dakota State University has a remarkable record of research achievements in response to the problems of agriculture and industry. It was at this school that Edwin F. Ladd carried on extensive investigations of the milling and baking qualities of Durum wheat and showed its superiority for the production of macaroni, spaghetti, and noodles. Many of the pioneering experiments and studies aimed at combating plant and animal diseases were carried on under university auspices at Fargo. These developments and many others have meant the saving of millions of dollars annually to North Dakotans and farmers everywhere.

Meanwhile, the State university has not neglected other primary educational functions. It offers a broad program of studies for undergraduates in arts and sciences, chemistry, engineering, home economics, and pharmacy. It is annually the scene of teachers' workshops and institutes devoted to the improvement of instructional skills and materials.

Thus, North Dakota State University has become what any viable educational institution must be—a mechanism for beneficial change in the society. The staff at State continues to scan the horizons for fruitful subjects for research. One project, recently undertaken in the college of engineering in conjunction with certain State agencies, is a systematic study of the industrial-economic potentials of the State. It is this continuing application of scientific knowledge and methods to actual economic problems which has made the American farmer productive beyond the wildest dreams of Mr. Morrill and the Americans of the last century. The technological revolution in agriculture which we enjoy today is the collective achievement of scientists, farmers, and businessmen. The land-grant colleges very often were the catalyst in which the imagination and inventiveness of these individuals was crystallized.

Now, after 100 years of progress, we can look with confidence to these institutions for continuing leadership, for they have built traditions of service and accomplishment which I am happy and grateful to salute in this, the centennial year of their establishment.

MEDICARE

Mr. BURDICK. Mr. President, we are getting close to the voting on the amendments offered by our distinguished colleague from New Mexico [Mr. ANDERSON]. We have had presented to us one of the most completely documented cases for a piece of proposed legislation that I have seen in a long while. It is clear to me that there is no question of the need for this legislation and no question but that it will be one of the most effective and important proposals we will vote on this year.

Let me state briefly the conclusions to which the evidence we have had presented in this Chamber must inevitably lead us:

First. Older people need more health care than younger people and have less income to meet the costs of health care.

Second. Private insurance alone cannot do the job that needs to be done.

Third. Public assistance cannot be relied on to do the basic job; its effects are uneven and its undignified approach is not accepted by the American people.

Fourth. The proposal we are to vote on is sound, conservative, and an effective base on which to build truly adequate health protection for the aged.

Mr. President, like on many other occasions, I suspect, most American people in their wisdom have already drawn these conclusions; they have seen first hand these inescapable facts. Now, this is not because the American people have some extrasensory perception; it is because they have experienced in their daily lives the facts that have been presented to us in statistical form.

Older people have to go to the hospital.

They know what a devastating financial blow a serious illness can be.

They experience firsthand the cancellation of health insurance policies and increases in premiums that they cannot afford out of their limited incomes.

They find themselves unable to buy a health insurance policy that will cover preexisting conditions.

They experience the humiliation of having to take a pauper's oath or accept a lien on the home they worked years to buy to get help when their savings are gone.

I do not see how any of us could be surprised that the people have already decided what the only effective solution is. They see how social security works; they get their cash benefits every month; they accept it, no, they favor it; they would not—they could not—live without it.

I am sure that every Senator has received letters that demonstrate every one of the statements I have made—I know I have.

I cannot recall another issue in recent times on which I have received so much favorable mail written in pencil on a sheet of note paper. The threat of heavy health costs hangs heavy over the heads of our older citizens and the elimination of this threat is one of the most important things in their lives. And every time I get a letter from an older voter supporting this proposal, I wonder how many more wanted to write but could not because they are in a hospital or nursing home.

I am continually impressed with the strength of the beliefs that these people have in this proposal. I fully expect that they will ask questions of some of us after this vote and it will be hard to explain a vote so obviously contrary to their wishes.

Mr. President, now is the time for this body to catch up with the American people and act on this proposed legislation. No more delay will be accepted, no excuse will be accepted. I urge Senators to vote in favor of this important proposal.

IMPORTATION OF RESIDUAL OIL

Mr. BYRD of West Virginia. Mr. President, in recent days we have witnessed the astounding and boldfaced pressure tactics of importers of foreign waste residual oil who, although they already are reaping huge profits at the expense of American coal and railroad workers and investors, are seeking even greater returns regardless of what it does to the American economy.

I refer to the well-publicized attempts on the part of these oil importers to suggest that Federal Government installations—including military posts, hospitals, and other vital centers in the Washington area—are now in danger of running completely out of fuel because they are unable to purchase foreign oil.

My distinguished colleagues are well aware, I believe, of the critical damage which excessive imports of this cheap foreign waste petroleum product are already causing in my State, and the other 26 States which produce coal.

For the oil importers, who reap these profits at our expense, to trump up and propagandize the fear that Washington Government buildings may be unable to keep their heating plants going, because of controls on the imports of residual oil, is an obvious pressure move to violate the residual import control program.

These spurious claims are that the General Services Administration has been unable to purchase residual oil for Government buildings in the National Capital area, and that, as a result, the agency is now virtually out of fuel and being forced to "borrow" foreign oil from an importer who has no legal import tickets to sell it.

A very close look should be taken at this whole situation to determine just what is behind it. If the published reports are true, I think we are entitled to know:

First. Why the General Services Administration has let its supply of fuel become exhausted, even though it has received bids offering oil at no more than the agency paid for it last year.

Second. Why a progressively increasing number of Federal installations in the Washington area are now able to burn only residual oil, practically all of which must be shipped here from overseas, and which would not be available in a national emergency.

Third. Why oil importing companies feel they can bid to supply oil to a customer even though they have already exhausted their import tickets for the period involved. And why such importers feel that the Government's import control program is so ineffective that they should be granted supplemental tickets just because they have the contract.

Mr. President, let us look at the facts in this situation, as contrasted with the spurious propaganda that is being put out in an attempt to destroy the Government's oil import control program, or to force the granting of additional import quotas to an importer who has already exhausted his legal limit and is seeking even greater profits at the expense of American fuels producers and transporters and their employees.

First of all, it is obvious that there is no real shortage of residual oil today. The General Services Administration should have no trouble getting all the oil it needs, at a price comparable to or even lower than it has previously paid. I am informed that the GSA turned down bids last May for 150,000 barrels of residual at $2.19 per barrel—or 6 cents less than it now is reported to have "negotiated" an "emergency" supply of 15,000 barrels from the Steuart Petroleum Co.

Yet, those seeking to have the residual oil import quotas removed entirely are attempting to convince the public that, because of quotas, the agency is unable to obtain the fuel oil it needs and Federal installations in Washington for which it purchases, are faced with shutting down their heating plants. This constitutes a practice of unadulterated deceit.

COMMUNIST CUBA

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the RECORD an article about Cuba featured in the Baltimore News-Post on June 28, 1962. This piece is an interview with Mrs. Phyllis Chait, president of the Baltimore Women's Committee for Cuban Freedom. This lady and her associates have been active in bringing the facts about the Castro brothers, Fidel and Raul, to the attention of the public. In the light of the report made by Mrs. Chait, these Marxist-Leninist, criminal conspirators are the Soviet gauleiters of Cuba. They do what their masters in Soviet China and the Soviet Union order them to do. The results are similar to the Nazi crimes committed by Adolf Hitler.

My attention was drawn to this article by another Marylander, the Reverend Father Joseph F. Thorning, Ph. D., D.D., associate editor of World Affairs and pastor of St. Joseph's Church, Carrollton Manor, Frederick County, Md. Dr. Thorning believes that victory for the Cuban people will require a stoppage in the flow of oil to the nearby island, now a captive nation in the Western Hemisphere.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. VIEW OF RED CUBA DISTORTED, SAYS LEADER OF FREEDOM GROUP

Americans have a distorted view of life in Communist Cuba because reporters allowed to visit the Caribbean country are carefully screened by the Castro government, Mrs. Phyllis Chait, president of the Baltimore Women's Committee for Cuban Freedom, said here today.

"The only foreign newsmen now allowed to visit Cuba are carefully picked for their objective sympathies," Mrs. Chait said, "meaning that those reporters are expected to be equally selective in choosing the facts to put in their stories.

"Moreover, if the newsmen get to be a little too objective, they are barred from returning to Cuba—and about 90 percent of the journalists who once covered Cuban affairs are in the latter category.

"As a result some of the favored newsmen paint pictures of Cuban life in even rosier hues than do the Cuban Communists themselves."

Mrs. Chait said that recent television programs and newspaper articles had contained glowing references to housing, educational, and cultural programs in Cuba. One commentator lavishly praised the land reform program. Several others described the food situation as quite adequate, she said.

"That is more than a little absurd," Mrs. Chait said, "because Fidel Castro, Che Guevara, and other top Cuban Reds have repeatedly and publicly admitted severe rationing problems, industrial setbacks, and acute housing shortages—and blamed it all on the United States, of course."

"It should also be noted," she continued, "that the U.S. Department of Agriculture recently released statistics showing that Cuba was one of the best-fed nations in the world in 1958, whereas today she is the worst fed in the hemisphere.

"Daily calorie consumption has fallen well below the 2,500 figure set by the United Nations Food and Health Organization as an absolute minimum.

"As for agrarian reform, those reporters neglected to point out that the total number of land titles given the peasants is less than 9,000.

"Nor do those titles represent genuine ownership. The farmer can't sell or lease his land. He must grow the crops ordered by the government and sell them to the government at government-fixed prices.

"And if he fails to meet his norm, he forfeits his 'title' to the land. In other words, the Cuban farmer is now no more than a servant of the state.

"Those reporters also failed to mention the 'housing problem' of a large and apparently forgotten group of Cubans. They are the 93,385 Cubans of all classes who are jammed into prisons and concentration camps never intended to hold a fraction of that number.

"The plight of those prisoners is almost unimaginable. Escapees, released prisoners, and even former guards have fully described the daily atrocities and inhuman living conditions in those prisons.

"To blandly ignore their existence in any account of modern Cuba is more than bad reporting.

"It is highly questionable ethics.

"Finally, it is quite true that the Cuban Communists are devoting considerable attention to the country's youth. Some 15,000 young people are to be sent behind the Iron Curtain for indoctrination. Other thousands of Cuban young people are being brainwashed at indoctrination centers throughout the island.

"Those children are being taught to hate. Hate is replacing love of home and family. The hatred that is being systematically implanted in children's minds is the real ugliness behind those news stories of 'cultural centers' and 'anti-illiteracy campaigns.'"

VISIT U.S.A. PROGRAM—1 YEAR OLD

Mr. ENGLE. Mr. President, it is just a little over a year that Congress passed the International Travel Act establishing the U.S. Travel Service. In these few short months the agency's Visit U.S.A. program has made considerable impact. There is already a noticeable shortening in the gap between the number of U.S. visitors abroad and the number of foreign visitors to this country. I congratulate the Secretary of Commerce, Luther Hodges, and the Director of the U.S. Travel Service, Voit Gilmore, for a job well done.

The State of California has a great stake in a stepped-up foreign tourist trade, and it is making every effort to promote the Visit U.S.A. program. This week the Subcommittee on Tourist Trade of the California Assembly held hearings on the subject in San Francisco. It was my privilege to present a statement to the committee. I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR CLAIR ENGLE, DEMOCRAT, OF CALIFORNIA, BEFORE THE SUBCOMMITTEE ON TOURIST TRADE OF THE CALIFORNIA ASSEMBLY INTERIM COMMITTEE ON WAYS AND MEANS, SAN FRANCISCO, JULY 10, 1962

Just a little over a year ago Congress passed the International Travel Act. After years of almost exclusive reliance upon our own citizens, diplomats, publicists, military forces to interpret America and Americans abroad, we passed a law that recognized that our country's most convincing spokesmen are the visitors who come here from abroad of their own free will, at their own expense, to see the face of America for themselves.

It was my privilege to join Senator Magnuson in the bill that called for the establishment of a U.S. Travel Service. The bipartisan support the bill received was based on the belief that continuation of a policy of millions for tourism abroad but not 1 cent for tourism in America cannot be logically reconciled with a billion-dollar travel gap and a $3.7 billion balance-of-payments deficit. Nor could it be reconciled with the President's call for a bold new program of export expansion.

Action on the proposal was long overdue. There are the same reasons for foreigners to visit the United States as for Americans to go abroad. Yet while other countries have assiduously promoted travel within their bounds, the United States has ignored the subject. The existence of this travel gap is not in itself surprising. For a variety of economic reasons Americans have consistently journeyed abroad in larger numbers than foreigners who visit the United States. In the years immediately following World War II this imbalance was greatly aggravated by the worldwide lack of dollar exchange available for nonessential travel. Yet since the war, if economic factors had been the sole criterion of the movement of tourist traffic between nations, we should have found travel to the United States increasing—at least as fast if not faster than the volume of American tourism abroad. The last decade has seen a rapid and dramatic recovery of industrialized countries abroad—with a corresponding improvement in the levels of income and standards of living. At the same time there has been a lifting or relaxation of foreign currency restrictions on travel. All of this should have contributed toward creating a higher potential for tourist flow to the United States.

So that it would be wrong to conclude that our ever-widening travel gap is a wholly natural or inevitable phenomenon. On the contrary, it is the direct consequence of a long series of policies, followed by our own as well as foreign governments, to foster and promote travel from the United States, together with the almost total absence of any reciprocal program to encourage travel to this country.

But in recent years there has been a general awakening to the fact that a lot of the dollars flowing out of the United States are being spent by American tourists abroad and that we must take steps to induce foreign tourists to bring some of the dollars home.

In setting up the U.S. Travel Service, Congress had in mind that the function of the new agency was to go abroad and advertise, to help cut the redtape that hinders travel, to encourage low-cost travel for more people, and to help assure a warm welcome to visitors. There is nothing in the new law which competes with American travel agents or tourist agents. The new U.S. travel salesman will not sell tickets or book space, or recommend specific establishments. This is still the job of private enterprise.

But advertising, travel-poster appeal, and cutting the redtape of Government procedures for visitors are not enough. We have some large practical problems, long since solved in most big cities of other well-traveled countries, that we have to face.

We need more people with language skills—at our airports, at our hotels, and elsewhere to help visitors who do not speak English. In this country we have very few restaurants that have menus printed in any language but English. Very few of our taxi drivers and bus drivers, our policemen, and shop clerks have had any experience in helping travelers from other countries. The matter of prices is, of course, a major problem. Foreign visitors accustomed to lower costs and lower income are shocked at prices here—and they don't have the American's knowledge of where to find hotels, restaurants, and stores in the moderate price range.

These problems will be worked out. The possibilities are infinite. They range from those directly involved in the travel business and the staffs of the various State travel offices to the individual American called upon for extra courtesy when he meets a foreign visitor asking directions.

The U.S. Travel Service is now 12 months old. Yet it has virtually completed its tooling-up period. Two months after the bill was signed the agency launched its advertising and public relations plan. It set off a crash program to produce good maps, folders, posters, booklets, slides, films, sales kits, and exhibits. Here is where the individual States have made a major contribution.

The U.S. Travel Service has recently issued its first progress report. It is an encouraging report. It projects for 1962 a 10-percent increase over 1961 in foreign-visitor spending. This could be enough to effect the first reduction in our overall travel deficit. We do not expect to achieve dramatic improvements overnight. But we do expect to make steady progress in building the United States as a tourist destination.

The dividends will extend beyond the dollar value. It will extend to some valuable international good will and some interesting experiences for Americans.

The stake that California has in an accelerated tourist trade in this country is tremendous. A recent survey by the U.S. Travel Service underscores the fact that California's attractive power is one of the highest in the Nation. European and Latin American visitors are more enthusiastic about California than any other State in the Union. As the gateway for visitors from the vast expanse of the Far East, California has an enormous advantage. Foreign tourists constitute a great export market. Remember, where people first land is where they start spending their money.

As I pointed out earlier, we need much more than promotional activity abroad. We need to make sure that we have a climate of real hospitality and welcome for our foreign visitors. We need, in short, some broad imaginative efforts commensurate with the importance of the opportunities open to us.

I am confident that the State of California will meet the challenge. I am delighted to see the strong interest that it is showing in the Visit U.S.A. program. It is my understanding that one of the purposes of these hearings is to explore the possibilities of setting up a statewide travel promotion office. Such an agency would, of course, be extremely helpful to the U.S. Travel Service. As the situation now stands, the U.S. Travel Service has to deal with several different travel organizations in California to get literature and other material on the State to send abroad. However, coordination will be much easier now with the appointment recently by Governor Brown of Adolph P.

Schuman, chairman of the San Francisco World Trade Center Authority, to serve as the U.S. Travel Service representative in California.

I look forward in the next few years to a very lively foreign tourist trade in this country. It will help immeasurably to close the travel dollar gap. It will help our domestic economy. And, most important, it will contribute to international good will. In getting more people from abroad to come here and see how we live, how we work, how we learn—we are building the best defense against the propaganda attacks of our enemies.

I wish this committee every success in its efforts to strengthen the Visit U.S.A. program in California. Your efforts will pay off in dollars and friends for California and the United States.

The PRESIDING OFFICER (Mr. Young of Ohio in the chair). Is there further morning business?

Mr. HUMPHREY. Mr. President, I ask that the morning business be concluded and that the Senate go into the regular legislative session.

The PRESIDING OFFICER. Without objection, morning business is closed.

PUBLIC WELFARE AMENDMENTS OF 1962

Mr. HUMPHREY. Mr. President, I ask the Presiding Officer to lay before the Senate the unfinished business.

Without objection, the Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the Anderson amendments.

Mr. HUMPHREY. Mr. President, I shall ask unanimous consent that the Senator from New York [Mr. Keating] and other Senators, when amendments other than the Anderson amendments are not pending, may speak without the time being charged to either the proponents or opponents of the Anderson amendments. We followed such a procedure on Friday last.

Mr. President, I ask unanimous consent that Senators who wish to speak on matters not related to the pending amendments be permitted to do so without the time being charged either to the bill or to the opponents or proponents of the amendments.

The PRESIDING OFFICER (Mr. Burdick in the chair). Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

IMMEDIATE ACTION NEEDED TO RELIEVE IMPACT OF DROUGHT CONDITIONS IN UPSTATE NEW YORK

Mr. KEATING. Mr. President, I desire to address the Senate on a subject which I have mentioned often before, the Soviet oil offensive. Before doing so I wish to comment briefly on two other subjects.

Mr. President, a very serious drought condition has hit more than 10 counties in the State of New York.

This weekend, Gov. Nelson A. Rockefeller of New York appealed to Secretary Freeman for emergency drought relief for an area encompassing some 18 counties in upstate New York. Ten of these counties have already been declared disaster areas by the Governor. Eight more are suffering serious losses because of these conditions.

Farmers in this area want the Department to permit them to graze and harvest hay held by the Government. It is held under three programs; the feed grain program, the wheat stabilization program, and the soil bank conservation reserve.

Mr. President, this is a most reasonable request. Provision would be made, as is required, for reimbursement to the Government through the reduction of future payments in amounts equal to the fair value of the crop released.

My colleague, the Senator from New York [Mr. Javits] and I have today addressed a wire to the Secretary of Agriculture urging immediate action by his Department on this application. The Governor of New York has taken the first step. He has declared these counties disaster areas. It is now up to the Secretary of Agriculture to follow through and give us the relief we need. I express the hope that action will be taken this week by the Department of Agriculture. In fact, I am hopeful that we will have a decision by Wednesday.

This is a serious crisis. Nothing is so frustrating and disturbing as the drying up of crops because of the lack of rain. There is nothing a farmer can do. He is a victim of forces far beyond his control. Certainly, we can and should do all we can do use the power and resources of Government to help him out.

Mr. President, I ask unanimous consent to include at this point in the Record a copy of the joint telegram to Secretary Freeman referred to above.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

Hon. Orville L. Freeman,
Secretary, Department of Agriculture,
Washington, D.C.:

We strongly urge that the request for emergency assistance for 10 counties in New York State be immediately processed by your Department. Drought conditions in these counties are severe. Permission to harvest soil bank and other reserve acreage would be of tremendous assistance to hard-hit farmers.

Dairy farmers have suffered particularly heavy losses. Danger therefore exists that the decline in milk production will result in emergency price increases for New York area consumers. We completely endorse the recommendations made by Governor Rockefeller and express our hope that your Department will act swiftly and that the appropriate relief will be granted this week.

Jacob K. Javits,
Kenneth B. Keating,
U.S. Senators.

THE ETHICS OF PRAYER IN PUBLIC SCHOOLS

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the Record a timely and inspiring sermon entitled "Are We Off Speaking Terms With God?—The Ethics of Prayer in Public Schools," delivered by the learned pastor of the First Presbyterian Church of Staunton, Va., Rev. Richard R. Potter, D.D.

There being no objection, the sermon was ordered to be printed in the Record, as follows:

ARE WE OFF SPEAKING TERMS WITH GOD?—THE ETHICS OF PRAYER IN PUBLIC SCHOOLS—DEUTERONOMY 8: 11–20

(By the Reverend Richard R. Potter, D.D., First Presbyterian Church, Staunton, Va.)

A famous story of French history recounts that Voltaire, a notorious infidel, was standing beside a friend one day on the streets of Paris when there passed by a religious procession carrying a crucifix. Voltaire lifted his hat. His friend, noticing this unexpected gesture said: "What is this? Are you reconciled to God?" "No," said Voltaire with sharp irony, "we salute, but we do not speak."

The question of our sermon this morning concerns this very circumstance—salutation without conversation, recognition without reconciliation—not for the notorious French infidel, upon whom judgment has already descended, but for the United States of America, upon whom judgment has not yet come. Our question, therefore, is not whether we recognize God in our history but whether we communicate with Him in our life. It is not whether we permit Him to be worshiped in private homes or semiprivate churches, temples, and shrines, but whether we converse with Him as a living reality in our political, economic, social, and educational life. It is not whether we, as individuals, are in touch with Him but whether we, as a nation, rely upon His providence. We ask, therefore: "Are we, as a nation, on or off speaking terms with God?"

The immediate background of this question, of course, is the Supreme Court decision on June 25 declaring unconstitutional the nondenominational 22-word prayer circulated by the board of regents of the New York State educational system. The prayer said simply: "Almighty God we acknowledge our dependence upon Thee, and we beg Thy blessing upon us, our parents, our teachers, and our country." It is not the intent of this sermon to argue the legal technicalities of the Supreme Court decision. We are willing to concede the fact that that august body made what must be regarded as a judicially correct decision. But a larger fact is that the decision, whether right or wrong, has ignited the long smoldering and highly volatile issues of church and state, constitutional rights, freedom of religion, and even States' rights. People everywhere now are searching not for the letter of the law but for the spirit of it. It is beginning to become not merely a matter of what is the right interpretation of the first amendment of the Constitution, but rather what now, in the light of a long tradition of religious faith and increasing problems of pluralistic society, do we the people of the United States want to have as the law of our land.

I do not believe that we of the church can overestimate the historical significance of this decision. It has pierced the very heart of our Nation and opened up a gaping, bleeding wound which, unless healed, can drain away our life's blood and leave us a colorless, soulless corpse. There is possibility on the one hand that this wound can deepen and spread and so infect the whole life of America that in our seeking of religious freedom we become enslaved to secularism. Those who see this possibility prophesy the elimination of such time-honored customs as chaplains in the Armed Forces, prayers in the Senate or House of Representatives, use of hymns, religious paintings, religious holidays and the like. On the other hand there is the possibility that all the furor over the issue may lead to a clarification of it. Some, foremost of whom is our own Senator ROBERTSON, believe that a congressional resolution, perhaps even a constitutional amendment, should be adopted to clarify it. Those who see this possibility want to declare in no uncertain terms that the United States of America and Almighty God our Father are irrevocably united in common destiny and covenant loyalty.

As we today add our voices to this matter let us do so from the background of God's word as recorded in the Book of Deuteronomy. Here is solemn warning to Israel, God's ancient people, that unless they acknowledge the providence and sovereignty of God they shall surely perish. Moses, their great leader, is speaking: "Take heed, lest you forget the Lord your God * * * lest when you have eaten and are full, and have built goodly houses and live in them, and when your flocks and herds multiply, and your silver and gold is multiplied, and all that you have is multiplied, that your heart be lifted up and you forget the Lord your God. * * * Beware lest you say in your heart my power and the might of my hand hath gotten me this wealth. * * * And if you forget the Lord your God I solemnly warn you this day that you shall surely perish. Like the nations that the Lord made to perish before you, you shall surely perish" (Deuteronomy 8: 11–20).

This warning to the nation of Israel was repeated many times by its great leaders. Moses later, in his farewell address to the nation, said: "I call heaven and earth to witness this day—I have set before you life and death—choose life that you and your descendents may live—loving the Lord your God, obeying His voice, and cleaving unto Him—for that means life to you" (Deuteronomy 30: 18). Joshua later proclaimed: "Choose ye whom you will serve—as for me and my house we will serve Jehovah." Elijah put it: "How long go ye hesitating in your loyalties. If Jehovah be God then serve him, if Baal be god then serve him. But choose ye this day whom ye will serve."

It is this kind of clear-cut decision that I think we need. The time has come in our world and in our Nation for us to make perfectly clear how we stand in the matter of religion. If we are satisfied to be listed by the United Nations as a pagan nation, a nation without definite religious commitment—then let us say so. If, on the other hand, we want to say to the world that we are a God-fearing people, tolerant of one another's doctrinal differences, yet united in theistic commitment—let us say so. But let us not dillydally in deceit and delusion. Nay let us not leave suspended in unresolved judiciary controversy a matter that must be of the people, by the people, and for the people.

Let us now, therefore, consider this matter in the light of four questions, each of which will lead us a step closer to a clear-cut decision. First, did we not, as a nation, publicly implore God's help in the beginning? Second, have we not publicly sought His aid throughout history? Third, do we not need publicly to seek it now? And fourth, should we not clarify our national status as to our relationship to God?

HIS HELP IN THE BEGINNING

Did we not publicly implore His help in the beginning? Although American life is made up of many tributaries, and we who are Presbyterians would not overlook the stanch, Scots-Irish who migrated into Pennsylvania, New York and western Virginia and also into the Carolinas; we would, I believe, all concede that the glory of our Founding Fathers lies in both Jamestown and Plymouth Rock.

In 1607, 355 years ago, the first permanent English settlement was made in America at Jamestown. In the records of that colony John Smith, its captain, noted: "We had daily common prayer, morning and evening—and surely God will most mercifully hear us." In 1619 when the first session of the assembly met (a meeting that is said to be the first elected governing body ever to serve in this country), the first order of business was a prayer. That action was noted in the records of the assembly as follows: "But forasmuch as man's affairs do little prosper where God's service is neglected; all the Burgesses took their place in the choir till a prayer was said by Mr. Buck, the minister, that it would please God to guide us and sanctify all our proceedings to His own glory, and the good of this plantation." Still later, in 1774, when Boston was invaded by the British and the Massachusetts colony was threatened with oppression, the House of Burgesses passed an order setting aside the first day of June as "a day of fasting, humiliation, and prayer, devoutly to implore the divine interposition."

Paralleling this development and beginning in 1620 there landed at Plymouth Rock a dedicated band of Pilgrims, who, on the Mayflower, had joined in a sacred compact with one another and with their God. A heroic statue called Faith marks the spot today and with the Bible in one hand and an uplifted finger pointed toward heaven from the other it boldly testifies to the world the undisguised faith of our Pilgrim Fathers. It was from this colony that there originated the great American custom of Thanksgiving. In his proclamation of 1623, William Bradford, its first Governor, opened his governmental proclamation with the words: "Inasmuch as the Great Father has given us this year an abundant harvest," and closed it with the words: "and render thanksgiving to ye Almighty God for all His blessings."

A century and a half later when these colonies and others were struggling for independent existence their military commander in chief, George Washington, knelt in the snow at Valley Forge and prayed for a ragged, hungry, ill-equipped army. It was this same Washington who, being granted the victory, wrote at Newberg in 1783, a prayer then circulated to the colonies, and which still is a model for all national prayers. Here is the way it goes: "Almighty God we make our earnest prayer that Thou wilt keep the United States in Thy holy protection, that Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government, and entertain a brotherly affection and love for one another and for their fellow citizens in the United States at large. And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy, and to demean ourselves with that charity, humility, and pacific temper of mind which were the characteristics of the Divine Author of our blessed religion, and without a humble imitation of whose example in these things, we can never hope to be a happy nation. Grant our supplications we beseech Thee, through Jesus Christ, our Lord. Amen."

But perhaps this preponderance of prayer in the beginning was nowhere better expressed than by Benjamin Franklin at the time of the Philadelphia Constitutional Convention in 1787. "In this situation of this assembly groping as it were in the dark to find political truth, and scarce able to distinguish it when presented to us, how has it happened, sir, that we have not hitherto once thought of humbly applying to the Father of Light to illumine our understanding? In the beginning of the contest with Great Britain, when we were sensible of danger we had daily prayer in this room for the divine protection. Our prayers were heard and we graciously answered. All of us who were engaged in the struggle must have observed frequent instances of a superintending providence in our favor. To that kind providence we owe this happy opportunity of consulting in peace on the means of establishing our future national felicity. And have we now forgotten that powerful friend? Or do we imagine that we no longer need His assistance? I have lived, sir, a long time, and the longer I live the more convincing proof I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid?"

Now, 175 years later, we know that, by His providence, our Nation has risen and we turn to ask our second question.

HIS HELP THROUGHOUT HISTORY

Have we not publicly sought His aid throughout history? When George Washington, our first President, was inaugurated he said in his opening address: "It would be peculiarly improper to omit in this first official act my fervent supplication to that Almighty Being who rules over the universe, who presides in the councils of nations and whose providential aids can supply every human defect, that His benediction may consecrate to the liberties and happiness of the people of the United States a government instituted by themselves for these essential purposes."

So has the inauguration of Presidents continued to be set in prayer until this day. And who would forget last year what was probably the longest inaugural prayer in history. So also are the Senate, the House, and other governmental bodies singularly marked by prayerful recognition of Almighty God.

How many ways we express it. In 1814 Francis Scott Key, imprisoned aboard a British warship watched through the night as shells fell ashore on Fort McHenry. By dawn's early light he saw "the Star-Spangled Banner" still flying above the ramparts of the embattled fort and penciled on an envelope the words destined to become our national anthem. In it we sing:

"Blest with vict'ry and peace may the heav'n
rescued land,
Praise the Power that hath made and preserved us a nation.
Then conquer we must when our cause it is
just,
And this be our motto—'In God is our
trust'."

And now we imprint upon our coins and our currency what we boldly profess as our national motto: "In God we trust." This motto long recognized by tradition was made official by a congressional act in 1956. And to the binding documents of state we affix the great seal containing the Latin words "Annuit Coeptis" above the ever-watching eye symbolizing God's providence.

And who among us cannot recall the anxious days of World War II when we so fervently espoused our cause as of the divine will and prayed expectantly for His blessings. Kate Smith was a beloved symbol of the Nation as she sang:

"God bless America land that I love,
Stand beside her and guide her,
Through the night with the light from
above."

And but recently we have added to our pledge to the flag that which was implicit all the time.

"I pledge allegiance to the flag of the United States of America and to the Republic for which it stands; one nation under God indivisible, with liberty and justice for all."

So then we, as a nation, have recognized God and sought His help not only from the beginning but throughout all our history. Let us, therefore, come to our third question. Do we not need now to seek His help?

HIS HELP NEEDED NOW

Never before have the lines been so sharply drawn between atheistic communism and theistic democracy. In a recent speech Senator WILLIS ROBERTSON said: "This is a time when our beloved Nation is threatened from without by a deadly foe and at the same time is threatened by destruction from within by spiritual indifference and moral deterioration. The conflict of deepest concern is not might against superior might. The major issue that faces us today is this: Will America accept the moral challenge of this hour? This, my friends," said Senator ROBERTSON, "is the world leadership to which we are called: to stand before the nations of the entire world and say with young David: 'Thou comest to me with a sword and shield: but I come to thee in the name of the Lord of hosts.' "

Communists repudiate all that we hold basic to our Constitution. Our Nation is built on the moral law, revealed in nature and engraved on the heart of man. The best known and noblest of American state papers declare forthright that "certain unalienable rights among them which are life, liberty, and the pursuit of happiness" are ours by right of endowment from the Creator. We believe in God and the moral law and base our civil laws on an ancient God-given Mosaic code. The will and way of the Almighty is built into the foundation of our country. This is not so of Communists. They reject all concepts of God or of moral law. Karl Marx was an atheist. Lenin was an atheist. Joseph Stalin was an atheist. Nikita Khrushchev is an atheist. Shall we also become atheists? A cryptic, perhaps prophetic sign, on a church bulletin board was posted above newspaper clipping announcing the Supreme Court decision. It said: "Congratulations, Khrushchev."

How desperately we need a national faith for which men will fight, yea, even die. As a chaplain who served in both World War II and the Korean war I would not belittle the many cases of glorious heroism of which I am fully aware. This, however, does not blind me to the shameful showing made by many others of the choice young men of modern America. Lt. Col. William E. Mayer interviewed hundreds of U.S. prisoners shortly after their repatriation from Korea. He is regarded as the Army's foremost authority on prison behavior of some 7,000 Americans. We can hardly believe his findings. We excuse ourselves by exaggerating the effects of "Communist brainwashing," but some cold, cutting facts come through. Colonel Mayer's report indicates the most significant factor in the collaborations, even in the unduly large number of prison deaths, was what the soldiers themselves called "give-upitis."

Does this not chill your spirit? Doesn't it cause you to stop and reexamine this supertoleration philosophy than "anything goes," the consequence of which is inevitably that "nothing counts." Is it not time that we, as a nation, took stock of our spiritual heritage and determined whether or not we have depleted our moral resources? Don't we need more than physical fitness programs? Don't we need more than scientific advancement programs? Don't we need to give rebirth to some old fashioned ideals for which the young men of America will be again willing to fight to the finish?

And more than this. What of our national leadership to a world floundering in a conflict of cultures? Shall we not declare ourselves to be a people of Almighty God? Especially in this church, wherein Woodrow Wilson was baptized, we need in this hour to echo the words (now inscribed at his tomb) that great President used in submitting the peace treaty to the Senate following World War I. "The stage is now set, the destiny disclosed. It has come about by no plan of our conceiving, but by the hand of God who led us into this way. We cannot turn back. We can only go forward with lifted eyes and freshened spirit to follow the vision. It was of this we descended at birth. America shall in truth show the way. The light streams upon the path ahead, as nowhere else."

I, as thousands of other Americans, have stood in Independence Hall in Philadelphia and seen the chair in which Washington sat presiding over the First Continental Convention. Except for a bit of carving at the top of the back of the chair it is perfectly plain. The little carving that is there appears to be a relief of a half sun, rays emanating from it. The records of the convention show that just as the last members were signing the document, Benjamin Franklin remarked to someone near him: "I have, through the course of these sessions * * * looked at that [carving of a sun] behind the President without being able to tell whether it is rising or setting. But now, at length, I have the happiness to know it is a rising, not a setting sun." We need that kind of reassurance today.

WHAT SHALL WE DO?

Let us come now to this final question. Should we not clarify our national status as relates to God? A cartoon in the New York Journal American shows a penny upon which is inscribed "In God we trust." Above it hovers the begowned arm of a Supreme Court Justice, mallet and chisel in hand, engaged in the eradication of the words. In this predicament our national motto is undergoing a more apt rendition which reads: "In God we trust—or do we?"

We are suspended in uncertainty. Shall we leave all public prayer outside the church under suspicion of lawlessness? Are chaplains in the Armed Forces only quasi-legal? Are we defying the law of the land when we open public assemblies with divine petition? Must we bootleg our religion into our schools? How shall we publicly celebrate Christmas? Will it, as of pagan times, be a Roman holiday, a sun festival of the winter solstice? Will we return to pre-Constantinian days? Is prayer to Almighty God again to be driven to the secrecy of homes or the catacombs of the church?

Nay, is it not true that the ethics of the situation, and the genius of American life are on the side of those who believe that public prayer is a national privilege. It is the product of our culture. It comes of our heritage. We dare not abrogate, nor abolish it. To do so would be the peril of our national soul.

So in the end we come back to the place we began. We remember Moses' ancient admonition to Israel. "Beware lest thou forget God. And if you forget the Lord your God I solemnly warn you this day that you shall surely perish. Like the nations before you * * * you shall surely perish."

In America we have frequently been stirred up by the memory of dire events that threatened our destiny. "Remember the Alamo," "Remember the Maine," "Remember Pearl Harbor," are all familiar battle cries. Has the awful time come when we must respectfully, yet solemnly say, "Remember God"?

PRAYER

"Lord God of hosts, be with us yet, lest we forget, lest we forget." Being with us in our churches and in our homes, be with us also in our legislative halls, in our market places, in our school rooms, in our judiciary courts, in our battle fronts and wherever we are. For Christ's sake. Amen.

SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. KEFAUVER. Mr. President, like many of my colleagues, I feel a mixture of regret and yet anticipation about the resignation of the Honorable Abraham Ribicoff as Secretary of Health, Education, and Welfare.

I am very sorry to see him leave Washington. At the same time, it is comforting to know that very probably he will be coming back next January to join us in the Senate.

There may be others of whom the same can be said, but, to my knowledge, Secretary Ribicoff has been perhaps the hardest working member of the Cabinet. This observation is based on the fact that at least half of the legislation proposed by the administration in the 87th Congress has come from HEW under his direction.

Mr. Ribicoff mastered the intricacies of this legislation in a very short time. He was always helpful in furnishing information on matters of concern to the Congress, and his testimony before its committees was always extremely clear and forthright.

I particularly recall a statement of his before the Subcommittee on Antitrust and Monopoly in support of many of the provisions of S. 1552, the drug industry antitrust bill. He said, in effect, that it is time the Government guaranteed American human beings the same protection in drugs as hogs, cattle, and other barnyard animals have been given for years.

I know that Secretary Ribicoff will be missed by the President, both as an able administrator and as an equally able policymaker. I wish him well in his forthcoming campaign for the Senate in Connecticut, where he is widely respected and loved. The Cabinet's loss will be the Senate's gain.

It has also been my privilege to know Mayor Anthony Celebrezze, of Cleveland, Ohio, for many, many years. I know him to be a thoughtful man, a good administrator, and one highly respected by all citizens of whatever political faith. He is a man who does not "pass the buck." He knows how to make decisions. He is thoughtful and considerate of everyone. The President is to be commended for selecting Mr. Celebrezze to succeed Secretary Ribicoff. I know that Mr. Celebrezze will have a successful career in the new position to which he has been appointed.

SENATOR JAVITS TO RUN FOR REELECTION

Mr. KEATING. Mr. President, the Senate will be interested to know that my distinguished colleague in the Senate [Mr. JAVITS] has today announced his candidacy for reelection.

Having worked with JACK JAVITS for many years in the Congress, I can think of few people who match him in sheer intellectual ability and in his vast knowledge of the major legislative issues with which we deal. His devotion to public service has won him tremendous respect and admiration throughout the Nation. Even those who differ with JACK JAVITS, and there are plenty, admire his amazing talent to speak his mind. His debating skill is well known in this body.

Mr. President, I have a warm and sincere esteem for my colleague. He has been a valuable ally and friend to me since 1958, when I made that magic journey down the long corridor from the other body to the Senate.

I personally shall devote myself with great energy in the months ahead to laboring for a resounding victory by JACK JAVITS. I have every confidence that he will run a vigorous, hard-hitting, clean campaign. I shall be a willing and eager comrade in arms.

STUDY OF SOVIET OIL OFFENSIVE BLOCKED

Mr. KEATING. Mr. President, the immediate need for Western counteraction against the growing Soviet oil offensive was highlighted recently in a hearing before the Internal Security Subcommittee. The testimony given by Samuel Nakasian, an international lawyer who has studied the problem for many years, pointed out the seriousness of this threat to free world economic stability.

A crucial meeting is scheduled this week at the Interior Department that should throw additional light on the whole subject and may enable a critical report to come to light at last. I shall discuss this meeting and the administration roadblock which has held up more vigorous action in a moment. There is an opportunity now awaiting us in this area that must not be missed.

It has been evident for some time that the West has not come to grips with the Soviet oil offensive. Although there have been general discussions, no concrete program has emerged. We continue to regard the problem primarily as a matter of trade, when it deeply affects the security of the United States. In fact, a few days ago, a high official of the Common Market Executive Commission was reported to have said that the Soviet bloc's interest in trade with Europe would limit Soviet political campaigns against the European community. In my judgment, that is highly overoptimistic. Past experiences should dispel any doubt that Soviet trading is aimed at political accomplishments.

The increasingly dangerous proportions of the Soviet oil offensive are evident in a comparison of Soviet oil exports to the free world in the last dozen years. In 1950, the Soviet Union produced about 37.9 million metric tons of petroleum and exported about 3 percent. By 1955, Soviet oil production had risen to 500 million barrels annually. This total doubled in the next 6 years, 1.1 billion barrels, as the Soviet Union became the second largest oil-producing country in the world. Soviet oil exports totaled over 600,000 barrels a day during 1960, or 14 percent of its total production.

In other words, its exports rose from 3 percent in 1950 to 14 percent in 1960. Although this total is still far below total Western oil exports, it is the manner in which Soviet oil has penetrated Western economies which threatens our security.

The Soviet Union is selling oil to the West at cutrate prices in a calculated effort to undermine the competitive position of Western oil countries. The price of Soviet oil is over 50 percent cheaper than Western oil. Since the Soviet Government maintains a trading monopoly, the major oil companies of the West cannot match this price. Royalties to producing countries alone add 50 percent to the costs of the free world oil companies. The Soviet Union is able to recoup its loss of revenue in the Western market by selling oil to its captive satellites, who must depend solely upon Russian fuel, at very high prices.

In other words, they sell to Poland and other captive countries at prices which are twice as much, or more, than the prices at which they sell to free world countries.

Oil is a highly marketable product. Selling oil to the West enables the Soviet Union to obtain foreign exchange to be used for highly developed Western tools and equipment. Over half the total exported Soviet oil is bought by Western nations, with Finland and Iceland now virtually dependent upon Soviet oil for their energy. The most serious case of Soviet oil penetration in Western Europe is in Italy, a vital member of NATO and of the Common Market. Estimates have been made suggesting that as much as 20 percent of Italy's oil is supplied by Soviets. The Soviet Union now receives valuable and strategic pipeline equipment from Italy in exchange for oil. This material allows the Russians to speed up their oil producing capacity and delivery systems faster than otherwise. Thus, in effect, the West, through purchase of Soviet oil, is contributing substantially to the undermining of its own oil industry.

The real danger from the flood of Soviet oil is that it could eventually make Western Europe dependent upon the Soviet Union for its energy, unless the flow of oil from the East can be checked now before it becomes too late. Also, some European industries may become unduly dependent on Soviet purchases of machinery.

Soviet oil also has endangered seriously the economic stability of many underdeveloped nations. By deliberately undercutting the price of free world oil, the Soviet Union has hampered the economic development of most of the oil-producing countries of the free world, who must depend upon the sale of oil for their economic progress.

A recent meeting of the Organization of Petroleum Exporting Countries, which comprises eight States representing 90 percent of the free world's oil exports, emphasized the real seriousness of this problem. These countries have called for the opening of negotiations with Western oil countries in order to raise the price of crude oil up to the level of 1960 prices.

In 1960, the major oil companies reduced their prices in an effort to compete with Soviet oil. The lowering of oil prices has seriously dislocated the economies of these eight countries, according to the organization's report. Unless the price of crude oil is increased, these countries announced that they will consult with each other on steps that will have to be taken to achieve the price rise. Yet if these prices are further raised, additional free world markets will undoubtedly be tempted by the low-priced Soviet oil.

Western oil companies are at a serious competitive disadvantage now. An increase in price would further hurt them. Yet, at the same time, the oil-producing countries depend upon oil royalties to develop their economies, and the cutting of oil prices has decreased royalty payments to them. What can the West do to meet this price-royalty squeeze and compete more efficiently with the Soviets?

First of all, the U.S. Government can take serious cognizance of the situation. What has been sadly lacking so far is detailed, authoritative reporting on the overall threat, and executive leadership in laying down policy lines to cope with the problem. Amid the sometimes contradictory recommendations that have arisen, there has been no suggestion of a uniform Government policy—in fact, there has been no public indication of a serious Government interest at all. My effort to highlight the problems of Soviet economic warfare has been consistently cold-shouldered.

Last fall during hearings conducted by the Internal Security Subcommittee on the export of strategic materials to the Soviet bloc, I was greatly disturbed by the contradictory positions of Government officials in this vital area. At one point in the hearing, Assistant Commerce Secretary Jack Behrman stated that we were not in an economic war with the Soviet bloc. Then, at another point, Edwin M. Martin, Assistant Secretary of State for Economic Affairs, did say that official consideration has been given to the possibility of using our economic strength to obtain political concessions from the Soviet bloc.

A select committee of the House of Representatives studying the same problem of trade with the Communist camp noted the same absence of a clear official policy in our economic relations with the Soviet bloc. During the course of this hearing, Secretary Behrman reversed himself and stated that our Government was considering the economic threat of communism.

The picture therefore has been uncertain and distorted. No one has been able to stand up with authority, lay down the problem in all of its many complex ramifications, and offer any recommendations for action, either by the companies most directly concerned, by the executive branch of the Government, by the Congress, by NATO, or by the Common Market, or by all of them in concert.

Those of us who are deeply concerned about the problems of Soviet economic warfare were most encouraged when about a year ago, when the Interior Department asked the National Petroleum Council to cooperate with the Government on a detailed and exhaustive study of the impact of Soviet oil exports on the free world. This should undoubtedly provide the most authoritative data available.

As of now, the staff work on the document has been virtually completed.

Reliable reports indicate that it is nearly 600 pages long and contains many additional and important charts. It deals with the oil industries and needs of all the Communist countries, including Red China, and their present and potential impact throughout the rest of the world. This report will be a tremendous addition to our present grasp of the problem.

Yet, incredible as it may seem, this report has now been held up for nearly a month. It has not been reviewed and revised by the members of the Advisory Commission who will sign it and it has not been presented to the Secretary of the Interior or released to the public.

The reason for the present unfortunate hold-up is the confusing and to some extent contradictory position that the executive branch of the Government has taken with regard to conflict-of-interest provisions, particularly as they apply to advisory groups. A real question has been raised as to whether the industry representatives, both of the working subcommittee, which has prepared the report, and of the full commission, are to be considered Government employees during the months that they have concentrated on this vital report. If so, their ability to carry on their own jobs in industry may be seriously impaired, at least for the next 2 years, under existing conflict-of-interest legislation.

It is impossible to meet the worldwide Soviet threat under archaic concepts which prevent the U.S. Government from using the brains, ability, and know-how of private enterprise to meet Soviet challenges. Particularly in the economic field, it is vital that businessmen be permitted to study, discuss, and make recommendations as to Government policy. It is unfair and obviously ridiculous to suggest that after these persons, employed by private industries, work together and with Government representatives on a report which is to be publicly disseminated and studied, they may be barred from dealing with these problems in their private capacities for 2 years. In effect, this means that the oil company executives, who are working on this report, may be unable to serve their companies in meeting the Soviet oil problem directly. Such procedures, especially in an area of this sort, are tying our own hands.

This very week representatives of the National Petroleum Council are expecting to meet with Interior Department and Justice Department representatives to discuss this problem. Specifically, the National Petroleum Council is most concerned with the Presidential memorandum of February 9, 1962, relating to members of advisory groups and the question of whether they are representative of an individual company or of the whole oil industry.

There is a decided need for more study of conflict-of-interest statutes with respect to advisory groups. At the moment, on the vital issue of Soviet oil, there is an immediate need for clarification and accommodation by the Government agencies. The Communists will not wait while we quarrel over our own laws and regulations.

Only when this report has been reviewed, issued, and studied can we proceed to develop policy recommendations and legislation, if necessary, to meet the Soviet oil menace and the threat it poses to the free world. It is absurd and dangerous for this kind of confusion to hold us back in our cold war confrontation with the Soviets. The need for this report is urgent. The need for more vigorous competition with the Soviets in the economic field is pressing. I strongly urge the executive branch of the Government to resolve the conflict promptly so that we can start working on it seriously right away.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Legislative Clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may temporarily yield the floor to the able Senator from Rhode Island with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. PELL. Mr. President, I rise today to express my very great satisfaction with the amendments recently submitted by the Senator from New Mexico [Mr. ANDERSON] to his bill, S. 909. I am proud to have been a cosponsor of the original S. 909, as well as of the amendments recently submitted by the distinguished Senator from New Mexico.

The amendments strengthen and improve the original bill. First, and most important, virtually everyone over 65 is now covered. Specifically, protection is afforded for the 2½ million older people who are not under social security and, hence, were not covered by the original Anderson bill. Now included are uninsured persons on old-age assistance and other public-welfare programs, widows whose husbands died before becoming insured, and persons who are without health-insurance protection under other public programs.

Second, the amendments tend to decentralize the role of the Federal Government in a national health-assistance program. The Secretary of Health, Education, and Welfare is to be given specific statutory authority to delegate some of the more sensitive administrative functions to nonprofit organizations experienced in the providing of health services. Those who have criticized this legislation as an opening wedge of Government intervention in hospital affairs will be comforted by an arrangement which permits private, voluntary organizations to act as intermediaries between the hospitals and the Government. The amendments also provide that the Federal Government would use State agencies to judge whether hospitals which are not accredited by the Joint Commission on the Accreditation of Hospitals are qualified to participate in the program.

Third, the amendments provide an option to beneficiaries to continue private health insurance protection and to encourage private health insurance supplementation.

The Anderson bill, as amended, has the support, I am pleased to say, of many Senators on both sides of the aisle. It represents an excellent demonstration of the positive results of a democratic system in operation. Numerous conferences have been held in response to criticisms and opposition from a variety of sources. We Democrats owe a considerable debt to our Republican colleagues for their responsible efforts to broaden the original version of the bill. The present bill as it now stands deserves the support of the Senate. It is my very strong hope that it will be passed in the near future.

Mr. KUCHEL. Mr. President, I ask unanimous consent that, under the same understanding, I may now yield to the distinguished senior Senator from Georgia [Mr. RUSSELL].

The PRESIDING OFFICER. Without objection, it is so ordered; and the Senator from Georgia is recognized.

Mr. RUSSELL. Mr. President, the pending proposal—the so-called Anderson-Javits amendments—is undoubtedly among the most controversial Congress will consider at this time. The adherents of both sides of this question are almost fanatical in their support; and every Senator knows, from his mail and other communications, of the very deep general interest in this question.

Mr. President, there is no doubt in my mind that a majority of the American people are willing to support some adequate plan that will prevent our senior citizens past 65 from suffering for want of hospital care. It has always seemed to me that a proposal that would finance itself by imposing a tax to defer its cost was a conservative approach. I am strongly disposed to vote for a well-considered, carefully planned, and carefully thought out program in this area.

However, Mr. President, we are called upon to vote on a measure that has not been subjected to the tests ordinarily given legislation, and which has not followed the usual legislative process. This is a new and highly involved question, and it involves the expenditure of large sums of money.

If committee hearings are important in any case, they are certainly demanded in this instance before we enact such a highly complicated measure. There has been no opportunity for those on either side of the question to speak and present their views to the proper committees of Congress. The only estimates of the costs of the plan and its method of operation are those which have been given us by the authors of the bill.

The original so-called King-Anderson proposal has been completely rewritten, not by a committee representing all shades of opinion, but by a small group of Senators who represent the strongest proponents of the medicare idea.

Mr. President, I have consistently insisted that it is most unwise and improper for the Senate to consider and enact legislation of general interest which has not followed the required ordinary procedures. I have repeated on this floor in debate, time and again, that only an extreme national emergency can justify junking our committee system in the consideration and enactment of legislation. The only place where an American citizen has the right of petition is before a congressional committee.

The last of the several editions of this bill that we have had presented by its authors may be as desirable and as effective as the authors insist. But it is brought before us without providing the opponents with an opportunity to be heard and without the benefit of the professional and actuarial testimony and data that would enable the Senate to know just what it is doing in voting such a comprehensive and far-reaching piece of legislation.

As I see it, the vote on this proposal involves the integrity of our parliamentary procedures. I cannot conceive of a more dangerous precedent than to start taking up bills of this magnitude without a written record of hearings and without a committee's having given the subject thorough study, in order to be able to advise the Senate and help us arrive at a proper decision. Such a precedent would plunge the Senate into tumult and confusion, and, if followed, would change the whole character of our legislative processes. We should not sacrifice our whole procedure upon an altar of expediency.

I wish to reiterate, Mr. President, that regardless of the subject matter involved, I always have in the past—and I shall continue to do so in the future—strongly oppose abandoning orderly procedure and evading and bypassing committee consideration, particularly on legislation as far reaching as that embraced in the amendments which are before us.

I do not know of any other bill which has inspired such great differences of opinion; and if we were to pass this bill solely on the testimony of its authors, however high may be our opinion of them and their ability, I fear that we would have ample cause to regret it in the future.

RUNAWAY PRODUCTION OF MOTION PICTURE FILMS

Mr. KUCHEL. Mr. President, the klieg lights which made Hollywood the world film capital for most of this century are dimming rapidly. Unless Congress acts to plug a gaping loophole in our tax laws, the doom of American motion picture production—with the consequent unemployment of large numbers of skilled and relatively well-paid workers and a deplorable loss of international prestige—appears inevitable.

Motion pictures are an invaluable information media, and deserve all the encouragement which our Government is capable of giving them. As the cold war has dragged on, the message of America's high standards of living, political ideals, social and economic opportunities, and technological achievements has been carried to peoples around the globe through both televised showings and theater exhibition to foreign audiences.

The postwar years have brought alarming trends in film production to the point where America's leadership not only is seriously challenged, but a shocking proportion of the pictures financed with U.S. capital and featuring American personalities is being made abroad.

The time has come for Congress to take a hard look at the fact that certain unintended tax advantages are a major factor in this situation. If we act soon, there remains a chance to reverse the flight of film production from this country.

The tax reform bill still under consideration in the Senate Committee on Finance contains provisions approved by the House which would exert a braking effect upon the shift from domestic to foreign motion-picture making. We should not fail to enact remedial legislation to plug a gap which makes other nations tax havens for Americans and encourages the shooting and processing of more and more films abroad.

Under our present law, both individuals and corporations today enjoy extraordinary advantages by operating overseas. An American citizen who remains out of this country for 17 of 18 consecutive months is exempt from income taxes on the first $20,000 of his annual earnings. He may exclude from taxable income many items which are not deductible for his fellow citizens living at home. Of course, an American residing abroad permanently enjoys full exemption from income taxation but suffers no loss of citizenship rights. The practice of setting up separate corporations to produce individual pictures is a tax-avoidance technique which constitutes serious abuse of an intended incentive to expansion of industrial activity and of admission of the need for diversified risk. Companies retaining income abroad and reinvesting in oversea operations enjoy special benefits inasmuch as corporate earnings are not taxable until repatriated to this country.

I deplore the fact that both companies and individuals have been and are taking advantage of such shortcomings in our revenue system. I even question whether it is patriotic, considering the fact that this industry and those who compose it have enjoyed generous public support, lavish publicity and attention, and even acclaim, from our people.

America has had reason to be proud of outstanding figures who have furnished entertainment, interpreted great dramatic works, portrayed historic characters, encouraged and inspired audiences with made-in-Hollywood film vehicles. Likewise, technological advances in sound, color, better photography, and the like have made a Hollywood studio label the hallmark of high quality. Let us not forget that the cinematograph, as our grandparents knew it, was the product of American inventive genius. How distressing it is now to see world-renowned personalities, still proudly proclaiming their American citizenship and entitled in event of personal trouble to protection of the U.S. flag—and companies which pioneered in developing a global and profitable trade with American capital—turning more and more to production abroad. I am ashamed they forget that over several generations the quarters and half-dollars of the ticket purchasers nourished both name players and other key figures and respected companies now seeking tax refuge by operating abroad.

The effects of this trend are multiple. Aside from Federal revenue losses due to loopholes in our national tax system, our Nation suffers the chain reaction of reduced purchase of raw materials, curtailed spending for power and water and transportation, declining local receipts from real estate property levies as studios and laboratories close, disappearing employment opportunities for supporting players, extras, laboratory personnel, film editors, and literally dozens of specialist groups.

There is another alarming symptom, one which all who are disturbed about juvenile delinquency, lawlessness, subversion, and Communist aggression should bear in mind in appraising the consequences of the withering away of American film production and superiority. Ethical and moral standards enforced in the writing and filming of motion pictures at home are flouted and ignored in oversea production. There has been evidence of insidious, subtle Communist propaganda cleverly inserted in films shot abroad.

There are numerous occasions when foreign locale is vital to the authenticity of a motion picture. I have no quarrel with the producer, the director, the star, who insists that in the interest of scenic fidelity and historical accuracy parts or all of a particular film should be made on location appropriate to the theme or the action. But even in such instances, there is no justice in allowing escape from taxation borne by others through the dodge of setting up what is almost a fictional corporation or maintaining foreign residence long enough to qualify for favored income tax treatment.

The marked shift from domestic to foreign production is heightened by a characteristic foreign practice—one which the patriotic American industry long has resisted—of governmental subsidies to encourage and foster national industry. Our loyal American motion picture industry never has received governmental aid for its product from home studios, never has asked for it, and does not want any such help today. But the fact remains that from Europe to the Orient virtually every country with an appreciable amount of motion picture production extends financial assistance in one form or another. Thus we see American preeminence challenged from many quarters.

Aside from the fact that governmental subsidy in this country would not solve the problem, we do not want to embark upon a course which does violence to our concept of freedom of expression. The extension of financial aid to American producers would be an invasion of our cherished free enterprise system and corrosive of management responsibility, intellectual liberty, and artistic genius.

Yet we cannot be oblivious to the ruinous undermining of an industry which had its genesis in America and which a generation ago had virtually no serious competition in either quantity or excellence. There is no justifiable excuse for Congress to foster making of motion pictures abroad by permitting Americans to avoid American taxation. There may be other factors, but a high degree of responsibility for runaway production stems from the loophole in our revenue structure.

Lest some of my colleagues deem this problem of minor importance, let me present a few cold figures. In 1947, only 15 years ago, there were 370 feature pictures produced in Hollywood. The gradual erosion of this great American-based industry, which set in seriously as stars, directors, producers, and others took advantage of the tax-avoidance route, reduced the number to only 142 last year. All indications are that current 1962 production in Hollywood will be even less. A production chart published in the Hollywood trade press last month disclosed that of 24 films then being shot, 18 were being made in foreign countries, 1 even being made in Yugoslavia—a country about which there has been considerable discussion in this Chamber in recent weeks and months.

Mr. President, from time to time we hear that the comprehensive tax bill is in trouble. There have been reports that it may shortly be laid aside in committee and remain on the shelf for the remainder of the present session. I fervently hope that this particular problem will not be buried in the closet. We cannot permit the klieg lights to be turned off in Hollywood through inaction by Congress and failure to take urgent steps to halt runaway film production.

Mr. President, I ask unanimous consent to have printed in the Record at this point in my remarks an article from the Daily Variety of April 6, 1962, which discusses the problems of unemployment in Hollywood.

There being no objection, the article was ordered to be printed in the Record, as follows:

Hollywood's Unemployment Blues—All Guilds, Unions Complain Spring Slack Even Slacker This Year; Cite Four Reasons

(By Dave Kaufman)

Hollywood employment is at a low ebb, worse than usual for this time of the year, even taking into consideration the seasonal layoffs due to the wrap-up of quite a few telefilm series. This is the consensus of a cross section of Hollywood crafts and guilds contacted in a survey, and the overall picture their spokesmen present is a bleak one.

Reason for the drop in jobs are varied, of course, but mainly the guild and union sources attributed the slump to—

(1) Few theatrical films being made here.

(2) So-called runaway production.

(3) Curtailment of TV production as the season nears its end.

(4) The trend to hour series, which has resulted in fewer jobs since there are fewer series as a result.

The reaction was invariably gloomy, and while the various spokesmen conceded unemployment is normally high this time of year, they also added that currently the unemployment rate is higher than usual.

For example, there are 40 percent unemployed in Teamsters' Local 399, according to Ralph Clare, secretary-treasurer and business agent. He termed the figure "much worse than usual."

John Lehners, business representative of IATSE Film Editors Local 776, disclosed approximately 17 percent of his union is unemployed, as compared to a figure of 10 percent a year ago today.

"We are desperately hurting," Lehners declared. "TV production is ending for the season, and there are no pictures to take up the slack. The momentum of runaway production is catching up, and is beginning to hurt as it hasn't before. There is no place for our people to go today when a series ends. We have even had members wanting to go abroad to look for work."

Lehners revealed also that the union will no longer take into its membership grads of UCLA and USC, a practice it has followed gradually since 1950. He said about 60 such grads now in the union are on layoff. Lehners said that originally they were taken in to meet the demand for editors, but now that the union has more than enough people available, it will not take in more such grads. He estimated about 277 film editors are currently out of work.

Almost 30 percent of IATSE Cameramen's Local 659 are jobless today, Business Agent Herb Aller revealed. He said the figure is higher than ever before, and attributed it mainly to the dearth of theatrical films.

As for the guilds, the picture wasn't much better. A Screen Actors Guild source said that while "employment is always bad at this time of the year, it seems to be worse than usual now." Runaway production, the leveling off of TV production, and the switch to hour shows were given as the principal reasons.

Writers Guild of America, West, reported a drop in the number of working screen writers, but a hike in TV scripters who are employed. WGAW files show there were 82 writers working on films in February of this year, as compared to 127 for the same month last year; 350 TV writers toiling in February 1962, as against 309 for the same month in 1961.

A Directors Guild of America spokesman termed the unemployment situation for directors "a little bit worse than usual." He also cited fewer pictures and the trend to hour teleseries as the main reasons.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

HEALTH CARE FOR THE AGED

Mr. KUCHEL. Mr. President, stripped of its verbiage, the issue in the pending debate is clear: Should the Congress bring to the elderly people of America any protection by way of insurance against the catastrophic costs of hospitalization?

I answer that question in the affirmative. I hope the Senate will. I believe the American people do.

Legislation on the general subject of health care insurance for Americans over the age of 65 has been pending in both Houses of Congress for many years. In the last session of Congress, what popularly became known as the King-Anderson bill, sponsored by Representative King of California, and our able colleague from New Mexico [Mr. Anderson], became the most prominently known piece of legislation in this field.

Some of us on this side of the aisle objected to the King-Anderson proposal. We did it in a constructive fashion. We did not object to it with bitterness or with the desire to sweep what we believe is an American problem under the rug. We objected to it because we believed there were serious defects in the way that proposal was written. I emphasize, we did not desire to turn our backs on the problem, the very real and pressing problem confronting the people of the Nation.

We developed our thinking. We met together. We studied the testimony. We talked to experts. We sat down with the Senator from New Mexico [Mr. Anderson] and discussed what we believed ought to be amended into his proposal. The distinguished Senator from New Mexico studied our proposals, carefully and at length. And then he agreed almost entirely with our proposals, and today what can be properly termed as the "Anderson-Javits bill" is before the Senate for action. My name is on that bill as a cosponsor. I hope the Senate will approve this constructive and vastly improved legislation, which I believe represents honest progress for our people.

Mr. President, there are two groups of Americans who have no worries regarding the mounting costs of hospitalization. One is the very small but fortunate group of senior citizens who have enough funds to pay for hospital bills, however costly they may be, when serious illness strikes them. The other group is unfortunate. It consists of those with marginal or submarginal incomes or with no income at all. When they become ill, they are cared for entirely at public expense. There is another group, by far the largest—those over 65 who are retired and who live modestly on what they have been able to save during their productive years, or on what they receive from social security or other forms of retirement. It is this group with whom we are concerned today. It is the members of this group who fall in the middle income bracket, who, as old age approaches, have a constant and growing worry as to what may happen if a member of the family were to be faced with serious illness requiring any lengthy hospitalization.

A SERIOUS PROBLEM REQUIRING A REALISTIC SOLUTION

Those over 65 form an ever-increasing proportion of our total population. In 1900 only 4 percent, or 3.1 million Americans, were over 65. This has now risen to almost 10 percent, or 17.5 million people. The miracles wrought by modern medical science and public health have resulted in an increasing lifespan. At the same time, within our industrial society, there is an increasing tendency to retire workers at a fixed and ever-younger age. We know that women tend to outlive men and, thus, among our senior citizen group there are many widows with few, if any, financial resources. At the end of this decade there will be 20 million people over 65, and by 1980 the figure will have reached 25 million.

We have an opportunity now to come to grips with the health care problem which confronts our senior citizens based on the evidence that is already in. We must formulate a workable and dignified program now which will meet their minimum health needs in the future.

What are these needs? The incidence of medical costs for our senior citizens is extremely high. In 1960, the combined public and private medical care expenditures for all Americans totaled almost $25 billion. About $5 billion of this amount was expended on those over 65 years of age. Think of it—one-fifth of the medical care costs for a group which is composed of less than one-tenth of our total population. Only half of our senior citizens have any protection against hospital costs, and often this protection is of little assistance when the time comes for them to utilize it. Based on statistics available for the period 1958 through 1960, in a majority of hospital stays of the aged, health insurance paid no part of the bill, and for the remainder it was often less than one-half of the bill. Many who need medical insurance most—such as the chronically ill, the poor health risk, the unemployed, and the low income retiree—are least likely to have hospital insurance.

Private and public retirement income all too often do not permit a sufficient cushion to meet the high costs which result from hospitalization. The current average monthly payment to a retired worker under the old-age and survivors insurance program is only $76. This certainly would not go far if serious illness should occur. This certainly is inadequate, when one considers that the total annual median medical cost, based on a 1957 survey among couples who were social security beneficiaries but who were not hospitalized, amounted to $150. Among couples when one or both were hospitalized, the annual median medical costs were nearly five times as high, or $700 per year. And hospital costs have continued to rise rapidly since 1957. With today's prices, the comparable median would now be between $800 and $900.

Hospital room rates are going up much faster than other medical care prices. In the decade ending in 1960, hospital room rates more than doubled—rising from $15.26 per day in 1950 to $32.23 in 1960. If we scrutinize the Index of Medical Care Prices, a component of the Consumer Price Index, which has been compiled by the Bureau of Labor Statistics of the U.S. Department of Labor, this rise in medical care costs becomes especially vivid. For example, in 1940, all medical care was at 72.7 on the price index using 1947 to 1949 prices as 100. By the end of 1961, all medical care had risen to 162.6. Physicians' fees, dentists' fees, and the cost of prescriptions and drugs rose less than this. But the hospital daily service charge—which includes the charge to full-pay adult inpatients for room and board, routine nursing care, and minor medical and surgical supplies—rose from 50.4 in 1940 to 248.4 by the end of 1961. The index on the cost of hospitalization insurance which began in 1951 reflects this great increase in the cost of hospitalization. In 1951, the hospitalization insurance index was at 85.6. By the end of 1961, it had reached 190.6. I think it is evident from these basic facts that something must be done, and must be done soon, to help the typical American citizen who is over 65 meet the ominous hazard of illness and hospitalization.

A BIPARTISAN AND IMPROVED BILL

A year ago, the so-called King-Anderson bill was introduced. Its purpose was to provide some hospital insurance to those over 65 years who were members of the social security system. Some of us in the Senate objected to some of its provisions. We pointed out that the problems attendant upon serious illness were not confined to those under social security. We simply said that any hospital insurance legislation should provide benefits to all people who are over 65 years, whether they are under social security or not.

We had other objections and constructive alternatives. I think that it is in the best traditions of the U.S. Senate that we, all of us who are coauthors of the pending amendments, were able to come into complete agreement on our divergent views. We jointly, Republicans and Democrats, offer this constructive proposal to the Senate.

We sought to find realistic answers for a realistic problem. We synthesized and brought together the best that was offered in various Democratic and Republican proposals before the Senate. I believe that we have come forth with a comprehensive measure which is truly in the public interest. I pay particular tribute to my warm friend and Republican colleague from New York [Mr. JAVITS] and to my warm friend and Democratic colleague from New Mexico [Mr. ANDERSON].

Our joint bipartisan proposal now before the Senate fully meets the first of my two major objections to the original administration bill. We now cover not merely those who are eligible to receive social security benefits, but also all those who are over 65. I believe this is essential. I have long felt that it was completely unreasonable to discriminate against 2½ million citizens who, for one reason or another, had never been covered under either the Social Security or the Railroad Retirement Acts. These citizens are now to be blanketed into the program. Their benefits will be paid from general revenues appropriated by the Congress.

All those who reach 65 before the beginning of 1967 will also be eligible. After that, there will be a transition period during which those who desire to have these benefits will have the opportunity to secure the needed quarters of social security coverage in order to qualify. It is expected that within two decades over 95 percent of the labor force will have social security coverage. In my own State of California we now have approximately 1,514,000 senior citizens; $249,000 of this group have neither social security nor railroad retirement coverage. However, under our amendment, they will at last be included in the program.

With the blanket coverage of all those who are retired and who no longer have the opportunity to acquire the needed credits, I have concluded that the social security approach provides the truly conservative and fiscally responsible way to finance these essential benefits. It meets the requirements of dignity and self-sufficiency since the individual pays during the period in which he is able to work and earn his living. It is a businesslike way to finance the program since the needed funds are raised on an insurance basis to pay for the benefits to be available in one's retirement years.

A notable leader in American industry, Mr. Edgar F. Kaiser, testified in favor of the social security approach before the House Committee on Ways and Means. Mr. Kaiser, a distinguished Californian, knows firsthand as president of the Kaiser Foundation Health Plan, and has repeatedly stated publicly, that hospital insurance under social security is neither socialism nor government-administered medicine. I agree. It is the very antithesis of it. It is insurance which will foster nongovernmental hospitalization. Said Mr. Kaiser:

> The logical outgrowth of social security financing, as contrasted with appropriations from general revenues and administration through social welfare agencies, will be to keep a greater and increasing proportion of retired persons in the mainstream of medical and hospital care, with services provided in private and voluntary hospitals. This will reduce reliance on county hospitals and other governmental institutions.

Such comments from an eminent businessman like Mr. Kaiser make a lot of commonsense to me.

Another improvement in this current proposal and one which many of us have long advocated is the establishment of a separate Federal health insurance trust fund. This separate trust fund will assure the preservation of the financial soundness of the social security medical system. Thus, the health care program will have to stand alone, on its own merits, and the benefits granted will have to bear a strict relationship to the income received as a result of the increase in the social security tax of one-fourth of 1 percent each for employees and employers and by three-eighths of 1 percent for the self-employed. This tax would be effective on January 1, 1964. It would apply to a wage and salary tax base of $5,200 per year or lower. The financing of this program by the social security system and the use of the separate trust fund assure that moneys raised for hospitalization insurance will be used for this purpose alone. This is a much sounder method of operation than annually appropriating the needed funds from the general revenue of the Government where whim and the tactics of particular pressure groups could mean either feast or famine for the program.

A PRIVATE OPTION AND STATE-PRIVATE PARTICIPATION

Another major objection which many of us had to the original administration proposal was that no opportunity was provided for an individual to continue his needed health care program in one policy and thus keep his established relationships with a private health insurance plan, if his experience had been a satisfactory one. A few industries, labor organizations, and public groups have negotiated health insurance programs which continue on into one's retirement.

Some of us have worked diligently for the option provided in our original agreement and to improve upon it. This option permits the Federal health insurance beneficiaries to elect to have their benefits paid by a private insurance company. They must make their choice within 3 months after they become eligible for the program. The private company would be reimbursed by the Federal health insurance trust fund for benefit payments made under the Federal categories of hospitalization as well as for their administrative costs up to one and a half times the administrative costs in the public program.

When we coauthored the Anderson-Javits amendment, it was understood that the private option provision would be the basis for further discussions. In the intervening days we have sought to perfect this private option.

Some of us have suggested the possibility of developing an alternative package of hospitalization benefit insurance available from private insurance companies which would give a freedom of choice to the beneficiary. Thus, an individual would have the choice, upon retirement, of continuing with his private plan which would contain an equivalent to the basic provision which is 90 days' hospitalization and $90 deductible. He could choose, as an alternative, 45 days' hospitalization with no deductible. Such a choice would be available only if an individual had held a nonprofit private health insurance plan—such as a group plan, a prepayment group practice plan, or commercial nongroup plan, generally known as a mass enrollment plan, where the carrier's acquisition costs are comparable to the acquisition costs under most commercial group plans—for at least 1 year prior to retirement.

Commercial nongroup plans, regardless of whether or not the acquisition costs were comparable with those under group plans, could qualify to offer only the 90-day hospital benefit if the carrier met one of the following three tests: First, did business in 50 States and wrote 1 percent or more of the Nation's individual health insurance business; second, was determined by the Secretary to be national in scope; or, third, did 5 percent or more of the individual health insurance business within a State. This type of plan would have to be held for at least 2 years prior to reaching the age of 65.

In order to qualify, these plans need contain only the hospitalization provision during the 1- or 2-year qualifying period. However, once the individual reaches 65 and desires to continue with his private policy, that plan would have to provide also all the auxiliary benefits of the pending legislation. These benefits include skilled nursing facilities, home health, and outpatient hospital diagnostic services. Any charges made against these benefits would be reimbursable from the Federal health insurance trust fund. Thus, the elderly citizen has the right to choose different plans to meet his hospitalization needs.

I have thought it essential that individual choice be provided. It is. I have thought it essential that private enterprise participate in this program. It does. The result of our freedom-of-choice amendment will be the encouragement of a new and enlightened era in the provision of health care for the aged. The establishment of a competitive yardstick between the operations of the Social Security Administration and the various private health insurance carriers will, I am sure, prove to be a useful guide in evaluating the effectiveness with which each group operates both in terms of benefits conferred and in terms of administering those benefits.

With approximately 40 percent of the senior citizen's basic health needs met through the hospitalization and nursing home provisions, private health insurance carriers will have a greater opportunity to concentrate on the provision of supplemental benefits. Indeed, our proposal gives private health insurance an additional incentive to compete. Our senior citizens will have the opportunity to secure more comprehensive coverage at a reduced cost, since the basic burden and risk is being borne by the social security system.

I have also thought that the States and those who are experienced in the health care field should have a responsible role in implementing this new program. An appropriate provision is in our bill. Each State can participate in determining the eligibility of its health care facilities. In addition, the State can, through its public health department, provide consultation services to the providers of hospital care under this program. States would be able to supplement the authorized benefits if they desire. Moreover, under the Anderson-Javits amendment, the Secretary of Health, Education, and Welfare may delegate some of his administrative functions to Blue Cross or similar group-plan insurance organizations who are experienced in dealing with hospitals and other providers of health services. A group of hospitals or other providers of health services may, under our legislation, also designate a private organization of their own choice to receive bills for services and pay them. Thus, hospitals which have established relationships with private health care organizations will be able to continue them under the Government program. The result should be more efficiency in the administration of this program.

THE BENEFITS

So much for the improvements which have been made in the approach and the methods of operation. Now, what benefits are granted under the bill?

Our Federal health insurance program would provide for inpatient hospital services for up to 90 days during a single period of illness. The patient would be required to pay $10 per day for up to 9 days during each benefit period, with the minimum payment set at $20.

Payment would be made for up to 180 days of skilled nursing home services for patients who transfer to a hospital-affiliated nursing home from a hospital. The intent is not to underwrite terminal care but to reduce the cost of hospitalization by providing a halfway point between the hospital and the home. Home health services for up to 240 visits could be paid for during a calendar year. These home health services would be furnished by, or through, public or nonprofit agencies under a plan prescribed by a physician. These services would include nursing care, physical, occupational, and speech therapy, medical supplies—other than drugs, appliances for temporary use, and certain part-time or intermittent homemaker services.

In addition, payments would be made for outpatient hospital diagnostic services of the kind customarily furnished by or through a hospital to its outpatients. Payments for outpatient hospital diagnostic services furnished an individual during any 30-day period would be subject to a $20 deductible.

I recall some of the comments my able friend the Senator from New Mexico [Mr. ANDERSON] made the other day, in speaking of our proposal:

> The benefits follow the Blue Cross approach by concentrating on coverage against the most burdensome health costs that older people face—that is, the cost of hospitalization. But the amendment improves on the usual Blue Cross-type benefit package somewhat by providing, in addition to payment for more hospital service than the usual Blue Cross plan for the aged, payments for certain skilled nursing facility, visiting nurse, and hospital outpatient diagnostic services. These supplemental benefit features were included so that physicians would be free to recommend less-expensive substitutes for hospital care without increasing their patient's health costs.
>
> The Blue Cross approach that the amendment follows has been proved to be a highly successful form of protection against health costs. It not only meets the most burdensome health costs people face, but it is designed to fit in with the other kinds of health insurance people ordinarily want. The Blue Cross-type benefit plan I am proposing would provide only basic protection to which the elderly will want to add by buying health insurance against surgical costs, physicians' fees, and other health costs.
>
> Blue Cross has been proved satisfactory in every respect except one. An essential part of the traditional Blue Cross approach is that it be sold to everyone in the community for the same premium. In effect, what this has meant is that Blue Cross provides coverage to the elderly at a premium that isn't large enough to cover their high hospital costs. In recent years, Blue Cross has been paying out $375 million in benefits a year for the elderly while collecting only $200 million from them—and the deficit has to be made up by the younger subscribers. Blue Cross has as much as said that it can't do business on this basis any longer and that—in order to compete with the commercial insurers—it will have to double or triple the premiums for the aged. Blue Cross also recognizes that the aged can't pay the high premiums that are necessary and that Government help is needed.
>
> In essence, then, what I am proposing is a Blue Cross-type benefit plan for the elderly that is financed through social security in such a way that the full cost of

their coverage will be met. Finally, and this is also very important, by following the Blue Cross approach, the proposed program can benefit from Blue Cross experience and can follow practices which are already well established and accepted by hospitals.

This concept we developed. It is sound. It is American. The comments of the Senator demonstrate the great and growing hazard facing those over 65, and the increasing difficulties they face in insuring themselves against the prodigious costs of illness requiring hospitalization.

FACT VERSUS FICTION

I have been interested in reading the charges and countercharges which have been raised concerning this amendment. The bogeyman of Federal encroachment on the doctor-patient relationship and on control of our hospitals has been frequently voiced. Our proposal cannot possibly interfere with the doctor-patient relationship. And we do not intend that it should. No doctor's services are paid for by our bill unless those services, such as pathology, radiology, physical medicine, and anesthesiology, are rendered by physicians in the employ of, or working under, an arrangement with the hospital as an incidental part of the hospital care. Then these services are paid for only because the doctor and the hospital have agreed of their own free will to provide such incidental services in this manner.

Mr. President, I read into the Record at this point section 1701(a) at page 4, as follows:

Sec. 1701. (a) Nothing in this title shall be construed to authorize any Federal officer or employee to exercise any supervision or control over the practice of medicine or the manner in which medical services are provided, or over the selection, tenure, or compensation of any officer or employee of any hospital, skilled nursing facility, or home health agency; or to exercise any supervision or control over the administration or operation of any such hospital, facility, or agency.

I do not believe in Government control of medicine. I do not believe in Government interference with the doctor-patient relationship. The individual will continue to have free choice as to his doctor. The bill would in no sense interfere with his right. With his doctor he will choose his own hospital, if, in his doctor's judgment hospitalization is required.

Another improvement in the current proposal which I believe should once and for all sweep away this charge of Federal encroachment is the provision that all hospitals which are accredited by the Joint Commission on the Accreditation of Hospitals—composed of members of the American Medical Association and the American Hospital Association—will be automatically included. I understand that approximately 85 percent of the hospital beds in America meet these standards. For the remainder, in order to enable some of these hospitals to participate, the Secretary of Health, Education, and Welfare will have authority to set certain standards which do not exceed those that have been agreed to by the two professional groups which make up the joint commission. If the Secretary were not permitted to set such standards, there undoubtedly would be some areas of this country where no hospital facilities would be eligible. Thus, it is the private medical and hospital professions which will set the maximum standards and not the Secretary. If a hospital has a grievance, it would be well advised to discuss it with the American Medical Association and American Hospital Association joint commission.

I have been interested in some of the comments which have been made on the bill by a few members of the medical profession in my State. I have received many telegrams and letters, some from members of the medical profession wholeheartedly in favor of our amendments, and some from doctors just as vigorously opposed. Under our American way of life, an American citizen has a right to express himself to those who represent him through the elective process in a parliamentary body. I recognize the right of any citizen in or out of the medical profession to register his views with his representative in the Senate and in the House of Representatives, no matter in what fashion he represents those views.

I have received threats from some people, telling me that if I tried to help fashion a piece of legislation to bring to elderly Americans some semblance of assistance with respect to hospitalization insurance, the days of my public service would be at an end.

I respect the right of an American citizen to register his views, indeed, to make that kind of threat. But I have the right as a Senator, indeed, I have a duty, standing on this floor, to reject threats, and to do that which I believe I ought to do for my country and for my State.

I had a great predecessor in the Senate from California, Hiram W. Johnson. The Presiding Officer (Mr. Burdick in the chair) will remember him, and the Presiding Officer's late father served with him. Some people tried to push Hiram Johnson around in his day but no one succeeded. There was a great Senator. Once, when someone tried to push him around he came to the floor of the Senate and said, "Mr. President, I would rather be a dog and bay at the moon than to come crawling in the U.S. Senate on my stomach when someone threatens me to do his bidding." That is a very good philosophy to follow for any Senator who tries as best he can to represent the public interest.

I have no doubt that every Member of the Senate, Republican and Democrat, he who supports the bill and he who opposes it, as he sees the light, is endeavoring to represent the best interests of the country. That is why we have debate. Divergencies of views are good. Out of a discussion of them, out of argument, can come the truth and the way to progress. What do we seek to follow, Mr. President? It is the public interest. That is what we serve. And threats of reprisal ought not to absolve us from that bounden American duty.

Mr. President, I ask unanimous consent to have printed at this point in the Record the text of a telegram to me from 42 members of the medical profession in California.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

Chicago, Ill., *June 26, 1962.*

Hon. Thomas H. Kuchel,
Senate Office Building,
Washington, D.C.

The undersigned, Malcolm C. Todd, M.D., member of the 42-man delegation to the American Medical Association and a national director of the American Medical Political Action Committee, has been authorized to convey this message of 18,000 California doctors, their friends and political allies to you. Since I could not talk to you by long distance this morning, I told your Mr. Ewing House that we are unalterably opposed to any compromise in our opposition to the King-Anderson bill now in the House Ways and Means Committee. We strongly urge that you not be a party to pulling Democratic chestnuts from the political fire by assisting Senator Anderson in his abortive attempt to initiate similar legislation in the Senate. You know that this move is simply to pay a campaign debt to labor and to attempt to embarrass Republican Members. On the principles that you are taking over prerogatives of the lower House and that Anderson's proposal has not had sufficient Senate study it is our strong plea that you oppose this Democratic political chicanery on such an important matter as the care of the senior citizens of our country. We wish to point out that Kerr-Mills law is being implemented in California and physicians are supporting it. We are on record in favor of any necessary changes for Kerr-Mills to be absolutely certain that those who need care will get—underline, get—care. Our American Medical Political Action Committee is developing tremendous strength in medical and allied circles. Sunday night 1,000 doctors heard Senator Tower at a $25-per-plate dinner. We plan to do everything within the power of an aroused profession to preserve sound American principles and that includes the protection of patients to select their own physicians without governmental interference in providing the best care in the world. The following delegates assembled here in Chicago join me in this statement which will also be distributed to our many friends and our patients:

O. W. Wheeler, CMA's president, Riverside; Warren L. Bostick, immediate past president of California Medical Association; Donald A. Charnock, past president, CMA, Los Angeles; Burt L. Davis, president of general practitioners of California, Palo Alto; James C. Doyle, Beverly Hills; James E. Feldmayer, Exeter; Leopold H. Fraser, Richmond; Henry Gibbons 3d, San Francisco; Eugene F. Hoffman, AMA's television committee, Los Angeles; Charles B. Hudson, Oakland; Arthur A. Kirchner, AMA's liaison committee with nurses, Los Angeles; J. Lafe Ludwig, AMA's legislative chairman, Los Angeles; Arlo A. Morrison, president of National Blue Shield Plans, Ventura; J. Norman O'Neill, Los Angeles; J. B. Price, Santa Ana; John M. Rumsey, San Diego; Ralph C. Teall, CMA's speakers bureau, Sacramento; Dwight L. Wilbur, San Francisco; Jay J. Crane, Los Angeles; Joseph H. Failing, San Marino; Harry R. Walker, Oakland; Rutherford T. Johnstone, Los Angeles; E. Vincent Askey, AMA past president, Los Angeles; John W. Cline, AMA past president, San Francisco; Dwight H. Murray, AMA past president, Napa; Walter H. Brignoli, St. Helena; Dudley M. Cobb, Los Angeles; Robert Combs, San Francisco; Francis J. Cox, San Francisco; Edward H. Crane, Jr., Los Angeles; Donald C. Doods, Oakland; Leon P. Fox, San Jose; Charles E. Grayson, Sacramento; Carl M. Hadley, San

Bernardino; Donald D. Lum, Alameda; William F. Quinn, Los Angeles; Hartzell H. Ray, San Mateo; Wilbur G. Rogers, Glendale; Samuel R. Sherman, president-elect of CMA, San Francisco; J. E. Vaughn, California American Medical Political Action Committee director, Bakersfield; Francis E. West, CMA past president, San Diego; and to this list we believe we can, with deepest respect and the fondest of memories, add the name of our dear departed Glenn Curtis.

Mr. KUCHEL. Mr. President, I wish to comment on the telegram. It came to me from 42 members of the medical profession of California, meeting in national convention in Chicago. They said, in part:

> We are unalterably opposed to any compromise in our opposition to the King-Anderson bill now in House Ways and Means Committee. We strongly urge that you not be a party to pulling Democratic chestnuts from the political fire by assisting Senator Anderson in his abortive attempt to initiate similar legislation in the Senate. You know that this move is simply to pay a campaign debt to labor and to attempt to embarrass Republican Members. On the principles that you are taking over prerogatives of the lower House and that Anderson's proposal has not had sufficient Senate study it is our strong plea that you oppose this Democratic political chicanery on such an important matter as the care of the senior citizens of our country. We wish to point out that Kerr-Mills law is being implemented in California and physicians are supporting it. We are on record in favor of any necessary changes for Kerr-Mills to be absolutely certain that those who need care will get—underline, get—care. Our American Medical Political Action Committee is developing tremendous strength in medical and allied circles. Sunday night 1,000 doctors heard Senator Tower at a $25-per-plate dinner. We plan to do everything within the power of an aroused profession to preserve sound American principles and that includes the protection of patients to select their own physicians without governmental interference in providing the best care in the world.

I can agree with part of their telegram. I want patients in America to be permitted to select their own physicians, without any governmental interference, in providing the best health care in the world; and, Mr. President, this bill will help promote that design. It does not interfere with it. But for the rest of the telegram, Mr. President, let me say that a U.S. Senator has a responsibility to decide for himself where the public interest lies. And, having decided, I reject the position these gentlemen take.

Mr. President, I ask unanimous consent to have printed at this point in the Record an article entitled "Doctors Pressuring Senator Kuchel," written by David Perlman, and published in the San Francisco Chronicle of June 28, 1962.

There being no objection, the article was ordered to be printed in the Record, as follows:

Doctors Pressuring Senator Kuchel

(By David Perlman)

Chicago.—California physicians turned their political guns on Senator Thomas Kuchel yesterday in an effort to prod the Los Angeles Republican away from support of old-age health care through social security.

The Californians warned the Senator that he faces "the power of an aroused profession" if he alienates organized medicine by agreeing to any compromise on the King-Anderson bill.

But the Senator quickly shrugged off the California threat; his office told the Chronicle that Kuchel will insist on joining a bipartisan effort to amend the health care measure and push its passage through the Senate early next week.

WORRIES

The 42-man delegation of California physicians to the American Medical Association's annual meeting here is deeply worried about Kuchel's politics these days.

Kuchel is part of a liberal Republican group that opposes King-Anderson but favors a social security mechanism for financing health services to the aged. Because the King-Anderson bill now seems firmly bottled up in the House Ways and Means Committee, the Kennedy administration is seeking to push a vote on it by the Senate, where passage would be easier.

But Kuchel and his liberal GOP group have set a price for their support: They want the measure amended to provide Federal funds for the nearly 4 million old people who are not covered by social security, and to offer recipients a choice between Government-financed care or cash benefits to pay for private health insurance.

ACCEPTABLE

Senator Clinton P. Anderson, Democrat, of New Mexico, and Senator Jacob Javits, Republican, of New York, have just agreed that a compromise such as sponsored by Kuchel might be acceptable to Senate Democrats.

The measure—possibly brought to the Senate floor as an amendment to a pending welfare bill already passed by the House—is expected to come up by Monday.

The California delegates here are incensed by Kuchel's position. They, like all organized medicine, are convinced that any health care program financed by social security is inevitably a foot in the door leading to Government control of medicine, and is a piece of welfare-statism foisted off on the public by a coalition of liberal Democrats and big labor.

"We urge you not to be a party to pulling Democratic chestnuts from the political fire," the California physicians told Senator Kuchel in a telegram. "This move is simply to pay a campaign debt to labor."

CHICANERY

The Californians warned Kuchel he would be participating in "Democratic political chicanery" if he supported the compromise Senate plan, and told him he faces "the power of an aroused profession determined to preserve sound American principles—and that includes the protection of the right of patients to select their own physicians without Government interference."

Among the 42 signers of the political warning to Kuchel were three former presidents of the AMA: Dr. E. Vincent Askey of Los Angeles, Dr. John W. Cline of San Francisco, and Dr. Dwight H. Murray of Napa.

Other San Franciscans who joined the move included Dr. Samuel R. Sherman, president-elect of the California Medical Association; Dr. Robert Combs, Dr. Francis J. Cox, and Dr. Henry Gibbons III.

Mr. KUCHEL. Mr. President, I ask unanimous consent to have printed at this point in the Record an editorial entitled "Forty-two Doctors Wire Their Senator," published in the San Francisco Chronicle of June 29, 1962. The editorial comments on the article to which I have just referred.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Forty-two Doctors Wire Their Senator

The 42 California physicians who sent a telegram warning Senator Thomas H. Kuchel not to risk their displeasure by working for a compromise solution of medical care for the aged have every right to do what they did.

At the same time, Senator Kuchel needs no reminder that he has an equal right to ignore this somewhat presumptuous and fatuous warning.

We will even say that when a group invokes "the power of an aroused profession" against his proposed course of action, a U.S. Senator has the duty to invite them to go right ahead and arouse themselves.

Kuchel, who is the Republican whip in the Senate, has been working sensibly with a few other Republicans to improve the medical care plan laid out in the King-Anderson bill. They favor the social security tax as the means for financing health services to those over 65 who are covered by social security, but they would give these recipients a choice of accepting either Government-financed care or, in lieu of that, cash benefits to pay for private health insurance.

This is aimed at the very thing the physicians say is so sacred, namely, the right of patients to select their own physicians without Government interference.

The organized medical profession, however, takes the position that any health care program financed by social security is infected with a form of socialistic leprosy against which doctors have a duty to ring their bell. Since doctors are the world's least impressive authorities on the economics of public finance, and since many of them already practice medicine in Government-controlled hospitals without serious socialistic side effects, this position strikes most laymen as simply absurd. We are glad to see that it has not frightened Senator Kuchel.

Mr. KUCHEL. Mr. President, I frequently wonder, from the type of argument made by those who write me in opposition to some kind of hospital insurance for the elderly, whether or not they have read our bill. In their opposition, they sometimes argue that doctors are willing to provide free medical care for all who wish it, and thus there is no need for the program. I salute the members of the medical profession across the country who have expressed such a willingness. But that is not the question in this instance. It is completely irrelevant to debate on our amendment. Our proposal does not provide for the payment of doctors' fees. The only relevant question is, Are these estimable members of the medical profession willing to pay the hospital bills for those who need hospitalization? The question was correctly answered by a distinguished Los Angeles physician having more than 40 years of practice when he testified before the Senate Special Committee on the Aging. I quote from the testimony of Dr. Daniel R. Mishell:

> We as physicians can, and always will, render medical care to people at whatever modest fees they can afford to pay, but we cannot help them cope with the tremendous rise in hospital costs, a rise which is bound to continue.

Mr. President, I repeat: I vigorously object—I object without any qualification at all—to the medical profession, or any profession, becoming controlled by the Government of our country. But the proposed legislation does not control doctors. Let us recall that the medical profession—the doctors in my State and elsewhere—has endorsed the so-called Kerr-Mills Act, which today provides for the direct payment of doctors' fees. Our bill does not deal with doctors' fees.

Now I should like to recall a bit of history. The date is March 3, 1935. America was climbing out of a quagmire of economic depression. But poverty was still abroad in the land. Many people could not pay their bills. On that date, March 3, 1935, the house of delegates of the California Medical Association met and adopted a resolution. The resolution urged the enactment of legislation to create "a health insurance system mandatory as to certain population groups and voluntary as to certain other population groups." And nobody leveled a cry of "socialism" when that action was taken.

The members of the California Medical Society actively sought the passage of such legislation by the legislature of my State at that time. Senate bill 454 was introduced in the California State Senate during its 1935 session. Among 32 detailed pages, that legislation provided that "every employer pay an amount equal to 5 percent of the wages paid to his employees, other than casual employees, during any calendar month" into a fund administered by the State health insurance commission. That was the position of the medical society of my State in 1935.

I do not quarrel with the right of any individual or group to take a certain position on one occasion and another position on the next occasion. But I have recited that bit of history from the State of California to demonstrate that, from time to time, the people in the medical profession itself have been interested in health insurance legislation, with a 5 percent tax on wages.

Mr. President, I ask unanimous consent to have printed at this point in the Record the text of the resolution adopted by the California Medical Association in 1935.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

> Whereas the studies of the committee of five of the California Medical Association have shown the inability of a certain percentage of our population to adequately finance the cost entailed by illness; and
>
> Whereas because of this economic situation proper medical care is beyond the reach of this population group; and
>
> Whereas it has been established that this problem can be alleviated by the utilization of the insurance principle; Now, therefore, be it
>
> *Resolved*, That the House of Delegates of California Medical Association recommends that legislation be proposed seeking to establish a health insurance system, mandatory as to certain population groups and voluntary as to certain population groups, which shall include the following principles:
>
> 1. The patient shall have absolutely free choice of physician and hospital;
>
> 2. The medical profession shall determine the scope, extent, standards, quality, compensation paid for, and all other matters and things related to, the medical and medical auxiliary services rendered under the system;
>
> 3. There shall be no provision for cash benefits;
>
> 4. The patient shall receive adequate treatment and his physician shall receive adequate compensation;
>
> 5. The foregoing principles shall be maintained with such modifications thereof as may from time to time be recommended, or approved by the profession; and be it further
>
> *Resolved*, That the California Medical Association immediately offer its full aid and cooperation to the interim committee of the Senate of the State of California charged with the study of this problem, to the end that any measure which shall be passed establishing a health insurance system at the 1935 session of the California Legislature shall contain the above principles; and be it further
>
> *Resolved*, That there be formed a special committee authorized and empowered to act herein, constituted as follows: the legislative committee of the association and three members of the association to be appointed by the speaker of the house.

Mr. KUCHEL. Mr. President, in the proposal now pending, we are concerned with meeting very real health needs which statistics show increasingly arise among a growing group of our people, those over age 65, who because they have retired are the least able to pay the high cost, indeed the catastrophic cost, of hospitalization. Our proposal will not put the Federal Government into the field of medicine, although the Federal Government has been interested in and helpful to the field of medicine since the founding of our country. Yet the medical profession has been free and has prospered. We are all grateful for that fact.

It has been the established policy of the Federal Government since 1798 to provide Government medical care for our merchant seamen. In the first session of the First Congress a bill was introduced as an "act for the relief of sick and disabled seamen." Hospitals were built and physicians were employed by the Government. Each sailor was charged 20 cents a month for this service. This service grew into what is now known as the U.S. Public Health Service. This distinguished organization, which includes the National Institutes of Health, has advanced the cause of medical science and research more than any other group in America. The creation of the National Institutes of Health represents one of the great milestones of progress by Congress.

During fiscal year 1963, the Federal Government is supporting about three-fifths of the more than $1 billion which is being spent for medical research in this country. In fact, in the next year the Federal Government will spend more than $1 billion on medical and health related research and the facilities with which to conduct that research. I have received no letters from private medical researchers alleging that the Federal Government has encroached upon their freedom after they have accepted these grants.

Federal support for hospital construction alone will amount to almost $200 million in the coming year. I have received no letters from private hospital administrators, or trustees, that the Federal Government has encroached upon their freedom after they have accepted Hill-Burton funds, Federal moneys used in construction of private hospitals.

In addition, we expend over $1 billion for veterans hospitals and veterans medical care, including research and administration; $68 million will be spent on veterans hospital construction during the coming year. But in the Anderson-Javits amendment we are not talking about subsidized research, hospital construction, or health care. What we are talking about is an insurance program where one puts away in his working years funds which can be available during his retirement to meet some, not all, of his health care needs.

Mr. President, several months ago I had the opportunity to speak to the President of the United States. I told the President that I would be unable to support the King-Anderson bill as it had been originally introduced. He asked me why. I told him what flaws I believed were inherent in it. I told him what, generally, in my opinion, I would do in order to try to overcome those flaws. These were matters of principle, as I saw them. He asked me to write him a memorandum on it. I did. I ask unanimous consent that a copy of my letter to the President of the United States, dated April 2, 1962, be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

> U.S. Senate,
> Committee on Appropriations,
> *April 2, 1962.*
>
> Hon. John F. Kennedy,
> *The White House,*
> *Washington, D.C.*
>
> Dear Mr. President: In order to meet the medical care problems confronted by our senior citizens, a program will have to be devised, and soon. To be equitable, it needs to go beyond the limitations of the social security approach. While I recognize the reasonable fears of those who desire a separate trust fund rather than having benefit payments solely dependent on general funds and annual appropriations, I think the proper solution may well be a blending of both systems. For several million citizens over 65, who have never participated in the social security program, the general revenue method would seem to be the only solution. Teachers, policemen, firemen, and other public employees who have never been under social security—though many of them have wished to be—are finding their medical care problems equally great.
>
> I respectfully suggest that the concept of freedom of choice might well extend beyond the selection of one's doctor and include, were an individual to prefer it, the purchase of a noncancellable private health insurance policy. I think that Senator Javits has a commendable thought on this matter. Under his proposal, an individual could take this option only if he had already been under such a private plan for at least a year before reaching the age of 65. The private carrier would receive a cash reimbursement on either a monthly or quarterly basis up to a specified amount based on the estimated annual cost of the benefits used by those not taking the private option. If the senior citizen lapsed in payment to the private carrier, he would then automatically go under the public benefit system.
>
> There are several advantages to this option. One is that an individual could seek additional coverage not possible under the regular system in order to meet specific needs. For this he would make up the difference between the cash reimbursement and the actual cost of this benefit package. Another advantage is that the availability of this alternative would stimulate the continued growth of private health insurance and encourage experimentation by private

and group health carriers to design a benefit package which would meet the medical and health needs of our senior citizens. Many workers are covered by private medical care insurance as the result of collective bargaining agreements. They might find it more convenient and practical to continue with their present private plan after retirement if this option were available. If the Secretary of Health, Education, and Welfare interposed no objections on actuarial or administrative grounds, I believe this proposal by Senator Javits would be beneficial.

Whatever system is finally agreed upon should be one which does not include a means test. To include this device in light of the major financing method of the system is inexcusable, as you have observed.

Some thought might be given to providing for the administration of this medical care program through State agencies. There could be some advantage here from the point of view of maintaining close contact with local conditions and providing a more rapid decision on the payment of particular benefits. More important, I think those States with the financial capacity to do so should be encouraged to build on the Federal benefit base if they so desire. State administration of this program would make this possible.

You have my cooperation in devising a constructive and forward-looking measure which I know we both hope will do the job which needs to be done and which is long overdue.

Respectfully yours,

Thomas H. Kuchel,
U.S. Senator.

Mr. KUCHEL. Mr. President, the recommendations made in good faith by some of us were accepted, in overwhelming degree, not alone by the Senator from New Mexico [Mr. Anderson], but also by the President of the United States. I do not believe we should be bullied or threatened for trying to enact legislation that is in the interest of the American people and that does represent sound progress. As Senators, we represent all of the people, not the few.

Mr. President, I ask unanimous consent to have printed at this point in the Record copies of two editorials—one from the San Francisco Examiner of July 5, and one from the Washington Post of July 1.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the San Francisco (Calif.) Examiner, July 5, 1962]

MEDICARE ROAD TO REASON

The recent and excellent series by Jack Pickering, Hearst headline service medical writer, on health systems operating in six European countries, points to these conclusions:

In the immensely complicated problem of providing medical care for the aged, people of low income and other categories, no nation has produced a plan which can be considered "final" or a model for the United States to follow.

Yet there is a basic recognition of the need in one form or another of government-supported health plans. In brief the nations visited by Mr. Pickering are engaged in trying to work things out through the ageless human formula of trial, error, experience and reason.

It seems to us inevitable that we shall have to try to work things out on that formula in our country, too.

It is in this connection that we welcome the move now underway in the Senate to remove the consideration of medical care for the aged from the frozen postures of partisanship and into the area of reasonable study and debate.

To this end the bipartisan compromise supported by 5 Republicans and 18 Democrats is a distinct service.

The compromise would retain the social security financing feature of the administration's bill but would extend health insurance coverage to most older persons not eligible for social security or other Federal retirement benefits. It would modify the compulsory aspects of the administration measure by offering an option plan to those not wanting health coverage under social security, and it would permit private insurance plans to be used as administrators of the Government program.

We are not at this time coming out in support of any particular plan. The complexities and implications need a great deal of thought by all of us.

But we are, as always, in support of an approach by reason to a massive problem like this, which is what the Senate compromise attempts. Frozen postures are a disservice to everyone, including the millions of Americans directly affected.

[From the Washington Post, July 1, 1962]

MEDICAL BREAKTHROUGH

There is room for qualified rejoicing over the new bill to provide medical care for the aged introduced in the Senate on Friday by 23 sponsors. It does the bill a disservice to call it a compromise; it is an improvement on the old version. And there is something really hopeful in the fact that it has the support not only of administration leaders but of five distinguished Republican Senators as well.

The Republican support comes from Thomas Kuchel, the Republican whip, and Senators Javits, Keating, Case, and Cooper. Although these men are progressive Republicans, who have already accepted the principal of social security financing for the medical care program, they are also men who have been articulately critical of the administration measure. That they and the Democratic sponsors of the program were able to adjust differences and join hands in a common proposal reflects the best sort of legislative accommodation and suggests a real determination on both sides to eschew political jockeying and find a practical solution for an urgent national problem.

The changes in the bill are all commendable. It will now include persons over 65 who are not covered by social security; it would be unwise as well as unjust to leave them out of the program. It provides that accreditation of hospitals furnishing services under the program be determined by the American Hospital Association and the American Medical Association; this should insure high standards, and perhaps it will in some measure mitigate the hostility of doctors. It will allow Blue Cross or other private insurance plans to deal with the hospitals in supervising administration of the program and it will give beneficiaries an "option" to continue private health insurance protection. In addition, it will adopt Gov. Nelson Rockefeller's idea of creating a separate "health insurance trust fund" instead of lumping medical care money in with other social security accounts. We see no harm in these changes.

The Senate is to debate the medical care program this week. We hope it will be an enlightening debate which will set at rest some of the hobgoblins raised by the American Medical Association. If the Senate passes the bill, it must go to the House where hopes for its adoption are far from high. Representative Wilbur Mills, the redoubtable chairman of the House Ways and Means Committee, is against it and so there is little hope that it will be reported out by that body. If Senatorial strategists try tacking it on to the general welfare reform bill as an amendment, it will have to go to the House Rules Committee where its chances do not seem much brighter. Nevertheless, let us rejoice that it is on its way.

Mr. KUCHEL. Mr. President, I also ask unanimous consent to have printed in the Record at the conclusion of these remarks, a few communications of the many thousands I have received from citizens of my State, including members of the medical profession, urging that Congress pass what some of us have now agreed upon.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KUCHEL. Mr. President, a number of months ago I received a thoughtful letter from a constituent of mine—a retired schoolteacher who is in her seventies. Her husband is a retired Federal employee, and is several years her senior. She told me that they are able to pay their bills fairly well, provided they watch their nickels and their dimes. They live in a small home in a suburb of Los Angeles. They live in dignity, American style. They have no social security. They get along on the income from the savings of a long lifetime. They are happy about it. They ask no favors. They are, I think, a typical elderly American family. In her letter to me she raised the following question:

> When one of us goes to the hospital, as surely one of us ultimately will, and if the stay at the hospital is prolonged, as it well may be, we will pay the bills by dissipating our small estate, such as it is, in whole or in part; but we will do it even if it means mortgaging our home. But when the time comes for one of us to be a survivor, then, Senator, both of us are plagued and frightened and bewildered at whether or not the survivor can live out his or her lifespan in dignity or whether he or she will be deemed an indigent and a public charge, with no estate, no home, and no income. Please, Senator, work for some kind of legislation under which with pride and with dignity and with honor, an American citizen over age 65 who cannot afford to pay the costs of expensive hospitalization may receive some basis of insurance which will help assuage the pain to a family which so suffers.

That dear lady, whom I have never seen, wrote:

> Senator, please do not turn your back on this dreadfully important problem.

Mr. President, I will not turn my back on it; I pray the Senate will not turn its back on it, either.

EXHIBIT 1

Malibu, Calif.,
July 1, 1962.

Senator Thomas H. Kuchel,
Senate Office Building,
Washington, D.C.:

As Republican and physician I urge your support of King-Anderson bill. Many physicians unwilling to express self.

Sincerely yours,

Forrest Adams, M.D.

San Francisco, Calif.

Senator Thomas H. Kuchel,
Washington, D.C.

Dear Senator Kuchel: This is just to let you know that I'm proud to have you for my Senator and glad that AMA doesn't have you in their pocket. Your stand on the Anderson-Javits bill sounds good to me. Don't let them pressure you. Keep up the good work. Hope you're reelected.

Sincerely,

Marie Carlberg.

San Francisco, Calif.,
September 14, 1961.

Hon. Thomas H. Kuchel,
Washington, D.C.

Dear Mr. Kuchel: I wish to thank you for your letter and for your support of medical bill for persons 65 years of age and over, whether or not the individual has been covered by the social security system. Mr. Bishop and I are past 70 years and are on a railroad pension, so it stands to reason, we do not have the wherewithal to cover medical bills.

Things are pretty bad when a doctor will not leave his office for a new patient, when the emergency ambulance must remove him and leave him lay for hours before being transferred to the general hospital, where he is looked over, but nothing done about it. The man being sent home at midnight, weak and without food, the man was my husband and needs attention. I haven't mentioned myself. I probably have a misplaced vertebra. The doctors charge a mighty big fee and medicine is so high, something must be done and that soon.

I am glad there are many that are for this bill and thank you and everyone for their fine efforts to help us.

Wishing you luck and best wishes, I am,

Sincerely,

Mrs. Louise Bishop.

Auburn, Calif., *May 22, 1962.*

Senator Kuchel,
Congress of the United States,
Washington, D.C.

Dear Sir: I urge you to support in every way the King-Anderson bill.

As a nation we approve the principle of prepaid pensions. Why not then give approval to prepaid medical care?

Thousands of citizens, including myself, are currently buying hospital care through Blue Shield and other organizations, apparently to the satisfaction of all parties involved. Why not arrange for people to buy hospital care through a lifetime pay-in-advance plan?

I urge you to oppose the Kerr bill, one that provides benefits only for the needy. Why should thrifty taxpayers be denied benefits? Aren't they just as deserving? Must they be penalized for maintaining solvency? Let every man prepay his hospital expenses in the manner prescribed by the King-Anderson bill, and let every man enjoy equal benefits.

I am well aware of the stand of the AMA; the doctors seem to be hysterically fighting a bogey that they themselves have created.

It is time to pass the King-Anderson bill.

Very sincerely yours,

James W. Parkinson,
A Registered Republican, Age 51, and Not on Social Security.

Palo Alto, Calif.,
July 10, 1962.

The Honorable Thomas H. Kuchel,
U.S. Senate, Washington, D.C.

Dear Senator: As physicians or those responsible for training physicians, we have carefully considered the problem of financing medical care for the aged and have come to the following conclusions:

1. The retired population of this country cannot meet the cost of necessary medical care from current income;

2. A mechanism whereby these costs are prepaid during the working years must be provided;

3. Private health insurance companies cannot meet this need on a national basis without Federal subsidy;

4. The social security approach provides the most effective means of meeting this need;

5. Of the several means of administering benefits suggested thus far, either administration by the social security office or by a nonprofit health insurance plan (such as Blue Cross) would be desirable.

We respectfully call to your attention the fact that the organized campaign against the King-Anderson bill does not represent the views of many physicians. We the undersigned physicians and medical educators urge you to press for enactment this session of the King-Anderson bill or similar legislation embodying the social security principle.

Sumner J. Yaffee, M.D.; Thomas R. Walters, M.D.; Norman Kretchmer, M.D.; Robert Greenberg, M.D.; Irwin A. Schafer, M.D.; Luigi Luzzatti, M.D.; William B. Robertson, M.D., Ph. D.; Gordon Williams, M.D.; Norman J. Sissman, M.D.; David S. Hogness, Ph. D.; Paul Berg, M.D.; I. R. Lehman, Ph. D.; Elijah Adams, M.D.; Lewis Aronow, Ph. D.; Sumner M. Kalman, M.D.; George Feigen, Ph. D.; Sidney Raffel, M.D.; A. Kent Christensen, Ph. D.; Hadley Kirkman, Ph. D.; F. Thomas Algard, Ph. D.; Stanley H. Weitzman, M.D.; Anthony Iannone, M.D.; Jose C. Montero, M.D.; Joseph P. Kriss, M.D.; Herbert L. Abrams, M.D.; Leon Rosenberg, Ph. D.; Nancy Keller; Mary Ann Esser; Philip Sunshine, M.D.; Frank Morrell, M.D.; Arthur Kornberg, M.D.; Karl H. Muench, M.D.; H.V. Aposhian, Ph. D.; Tag E. Mansour, Ph. D.; John D. Gabourel, Ph. D.; Geronimo Terres, Ph. D.; Carlton Schwerdt, Ph. D.; Donald L. Stilwell, Jr., Ph. D.; Frederic L. Eldridge, M.D.; Joshua Lederberg, Ph. D.; Leonard A. Herzenberg, Ph. D.; Daniel J. Feldman, M.D.; Malcolm A. Bagshaw, M.D.; Saul Rosenberg, M.D.; Armin D. Kaiser, Ph. D.; David Glick, Ph. D.; Lelland Rather, M.D.; Kariman Wasserman, M.D.; Raymond Kivel, M.D.; Halsted Holman, M.D.; Leslie M. Zatz, M.D.

Torrance, Calif., *May 23, 1962.*

Dear Senator Kuchel: After having read the various materials, watched the TV appeals of both President Kennedy and the AMA spokesman on the King-Anderson bill, I, a registered Republican and registered nurse in the State of California, urge the passage of this bill in its present form.

In this bill I see no threat of socialized medicine, no threat to the doctor-patient relationship, no unjust burden to the wage earner and no threat to the freedom and individuality of the citizen.

Sincerely,

Mrs. Jeanne Wilder,
Registered Nurse.

Miller, Swide & Casey,
Attorneys at Law,
Whittier, Calif., May 7, 1962.

Hon. Thomas H. Kuchel,
Senate Office Building,
Washington, D.C.

Dear Sir: In the general practice of law one sees a multitude of problems, and the problem of medical help for the aged is a frequent one.

I have never had much of an opinion one way or another on this problem simply because of my lethargy, I suppose, and, secondly, governmental solution has always been a last resort in my opinion, and I have secretly hoped that the medical and related professions would solve the problem themselves. I have seen too many instances of real financial hardship caused by serious medical problems in an aged family or a family with aged parents. The resultant financial and social problems caused by the illnesses are quite disruptive to these aged people and their families. Some help must be given them.

Undoubtedly, there are many costs which are prohibitive and inherent in long term medical care and they can only be handled by Government subsidies, and we have reached that stage in our development and this is a necessary thing. I know that the present bill for the aged before Congress under social security is inadequate, but perhaps it is the best we can do at this time, and I urge you to consider voting for it, and hcpe that future extensions can be made from time to time.

I don't know the attitude of my partners on this matter, and this letter expresses only my personal opinion.

Very truly yours,

Fred A. Swide.

Stockton, Calif.,
June 14, 1962.

Hon. Thomas Kuchel,
U.S. Senate,
Washington, D.C.

Dear Senator: I represent one of the small percentage of physicians who is not opposed to the King-Anderson bill. I have studied all the proposals carefully and realize its main deficiency (that is, not complete coverage for those over 65 who are not on social security and including those who are but do not need this assistance); however, I feel that it is still direly needed to aid the vast majority of our oldsters who cannot afford catastrophic illness costs. The Kerr-Mills bill is certainly fine, but how many realize that it is a 30-day deductible in this State, and 30 days of hospitalization can now cost $5,000. Many of my colleagues do not understand this and have only allowed themselves to believe what the AMA tells them. Therefore, I urge you, as a representative of this State, to carefully weigh all true facts before voting against the King-Anderson bill.

Harold L. Berkman, M.D.

Orange, Calif.,
May 22, 1962.

Hon. Thomas Kuchel,
U.S. Senator, Washington, D.C.

My Dear Senator Kuchel: I read your article in today's Times, "Kuchel Sees Passage of Medicare Plan," and find that I am in quite full agreement with you. If I had to support any one plan as presented today I would support the King-Anderson bill for the great majority of we citizens are today "paid members" of the social security having paid our annual tax into the social security fund until retired. The majority of us have no adequate protection against long-term illness or unusual surgery; neither have we any present organization through which we can bring our influence to bear to protect ourselves against excessive rates or charges for hospitalization or for excessive medical-surgery fees. I see no effort from the hospital organizations to do this job; neither do I see the AMA, as an organization doing anything—other than individual doctors, or a small group of doctors, raising their voices in protest against present excessive hospital rates or against the excessive fees of some doctors. We paid members of social security need this, or some organization, to speak for us, represent us, not only to financially help us in longtime illness, etc., but to protect us against excessive hospitalization costs.

We elder citizens have no objection, or complaints, against the Kerr-Mills bills as the Government's way of discharging its responsibility to the "needy" paupers, citizens of this country. We do say that through it, the Governments puts a premium on being a pauper. It sustains the fact that if you are a pauper, the Government rushes to your aid and provides any and all medicare service and pays the bill; the rich can afford to buy and all medicare they need. Those of us in between get only what we can pay for or spend our reserves and then declare ourselves as paupers and then come in under the Kerr-Mills bill. The ethics of such is questionable. Now 75 percent of the voters are asking the Congress to do something reasonable and appropriate to meet our need and to solve our long-term illness problems. I agree with you that the Government should make an effort to also take care of those, not under social security, either by bringing them under social security or by a separate mechanism, but treating them fairly.

The Republican chairman of Orange tells me that Orange has done the best job, ever, this year. I feel the Republicans of precinct 12 plan to vote 100 percent. I secured absentee ballots for 2 women in hospitals and also for 2 women cripples; in all I helped to secure 10 absentee ballots, and we hope that this will bring the Republican vote to 100 percent in our precinct.

Again thanking you for your efforts.

Sincerely,

John H. Bradley.

Berkeley, Calif.
July 5, 1962.

Hon. Thomas Kuchel,
Senate Office Building,
Washington, D.C.

Dear Senator Kuchel: Allow me to urge you to support the prepayment of medical care through a social security tax.

As a practicing physician I am acutely aware of the difficulty many a person has of meeting the cost of hospitalization; especially when retired and on a limited income.

I do not believe that the officials of the American Medical Association speak for a large proportion of the doctors they supposedly represent.

Sincerely yours,

J. M. Stratton, M.D.

Los Angeles, Calif.
May 21, 1962.

Dear Senator Kuchel: I am in favor of President Kennedy's medicare program. I have just had a $2,000 hospital bill, am alone and on very small social security. It has taken all of my savings for hospital, doctor, operation $600, and medicine, etc. It was a fractured hip. I was in orthopedic hospital 39 days.

Please vote to pass this badly needed legislation.

Yours very truly,

Miss Holdis Gelms.

Menlo Park, Calif.,
May 26, 1961.

Senator Thomas Kuchel,
Senate Office Building,
Washington, D.C.

Dear Senator Kuchel: Now that I understand the King-Anderson bill my name may be added to the list of physicians favoring this legislation. I sincerely hope that you will vote for it.

Yours,

Karl H. Muench, M.D.

Berkeley, Calif,
June 30, 1962.

Dear Senator Kuchel: I appreciate the stand you have taken on the King-Anderson bill in spite of the AMA. We need men like you who stand by their convictions despite power groups. I hope you will continue to support the bill.

Sincerely,

June Rumery.

Hollywood, Calif.,
May 23, 1962.

Senator Thomas H. Kuchel,
Washington, D.C.

My Dear Senator Kuchel: I am familiar with and much interested in the King-Anderson bill for medicare. I have been a registered nurse for many years and have been in contact with hundreds of people, patients, most of them in the higher age groups. I have observed the anxieties of many and have also had many patients confide in me indicating their fears of hospital and medical expenses in general. I also happen to know people who cannot go into the hospital although they are in need of attention because they do not have funds or insurance.

Did you know that a part of the Los Angeles County Hospital was closed off this year and may still be for the lack of personnel?

I am sure that you are aware just as I am that more people are sick, some with very serious illnesses and cannot be cared for properly because of lack of hospital facilities. The free clinics which are few in comparison with the needs can only solve part of the problem. I for one would not want to ask for charity and still the private insurance policy which I carry would only serve me partially, although the premium that I am paying is quite large.

I strongly urge you to consider this bill from a humanitarian need rather than from any other aspect and hope you will think about it seriously.

Thanking you for your attention in this matter, I remain,

Sincerely,

Rose G. Amell,
Registered Nurse.

San Rafael, Calif.,
June 28, 1962.

Hon. Thomas Kuchel,
U. S. Senate,
Washington, D.C.

Dear Sir: I read in this morning's San Francisco Chronicle that California physicians are putting pressure on you to drop support of old-age health care through social security. I hope you will withstand this effort on the part of organized medicine. There is such a need for this legislation with or without possible amendments. You are serving the best interests of your constituents if you help it to pass.

The high regard most people feel for their doctors is being harmed by AMA's violent and unreasonable cries about "socialized medicine" in this matter. It seems to be a callous attitude in the face of the need many old people have for medical care within their means.

My husband and I are in our early thirties and belong to the Kaiser Foundation health plan which we think is the ideal solution to our family needs and we will continue this. It is not self-interest which prompts this letter. I hope that you will not abandon the public need in the face of "the power of an aroused profession" which will perhaps appeal to your self-interest. We place our faith in your conscientious fulfillment of your duty to serve the American public. May your principles never waver.

Respectfully,

Dixie Mertle
Mrs. Robert Mertle.

Auburn, Calif.,
July 4, 1962.

The Honorable Thomas H. Kuchel,
The U.S. Senate,
Washington, D.C.

Dear Senator Kuchel: Because there has been so much pressure by the American Medical Association against a medical care plan for the aged under social security, I want you to know that not all medical families support the AMA stand.

My husband, a physician and expert (I think) on geriatrics, and I are convinced that people should be permitted to insure, and to assure their medical care during their retirement years under a plan such as the King-Anderson bill would provide. We believe that the broad base of a Federal plan is more equitable for all than the present inadequate matching-funds plan. We cannot understand the AMA's philosophy which permits its members to practice in hospitals built with Federal Hill-Burton funds, yet resists the idea of accepting fees for services provided under a Federal program based on social security.

The aged in so-called poor States not participating in the Kerr-Mills plan need adequate medical care; also, the taxpayers in wealthy States need the protection of a broad-base plan. You know that ours is a mobile society, and large numbers of persons at retirement age move to States where the climate is kinder to them. A medical care plan based on Federal social security should permit the individual to carry his medical-care benefits with him as he moves from State to State, thus protecting a few States from having to assume an unequal burden of providing medical care to a large number of persons in their senior years.

In appraising the organized pressures against the King-Anderson bill, you may be interested to know the extremes to which the American Medical Association and one of its State medical societies went to oppose the Forand bill and the Kerr-Mills bill.

Each women's medical society auxiliary member in this area received a telephone call during the late spring 1960, from an auxiliary officer telling us to "immediately send telegrams to our two U.S. Senators, and to our Member of the House of Representatives telling you to vote against bill H.R. 4700, and all such bills." When I asked what bill H.R. 4700 was, the auxiliary officer said she didn't know. She was embarrassed to admit ignorance, and was only following orders from the California Medical Society president. You received no such message from me. This unexplained mandate from the organization, and my own conviction that the aged should be insured for their medical care under a Federal plan, resulted in my withdrawing membership from the auxiliary.

My husband and I feel that the majority of the aged persons in our country should have their medical needs provided for under a Federal plan available to them in whatever State they may live. I know that your ability and wisdom will serve the people of our Nation to their progressive and best needs when you are called upon to cast your vote.

Sincerely,

Josephine W. Hirsch.
Mrs. Donald A. Hirsch.

Redding, Calif.,
June 28, 1962.

Hon. Thomas Kuchel,
Senate Office Building,
Washington, D.C.

Dear Senator Kuchel: I am desirous of informing you that many, repeat many, physicians are in full accord with your views of proposing a Senate bill similar to the King-Anderson bill.

Please be assured that we admire your careful and object analysis of the concept of medical care for the elder group of citizens and your courage to make up your mind and state your convictions is the mark of a mature statesman.

I sincerely regret that the AMA has seen fit to be critical of your judgment, but it reflects once again the extreme negativism of the organization.

Very truly yours,

Lee D. Fulton, M.D.

Los Angeles, Calif.,
May 26, 1962.

The Honorable Thomas Kuchel,
U.S. Senate,
Senate Office Building,
Washington, D.C.

Dear Senator Kuchel: Please, use your good influence and help pass the President's King-Anderson bill. I personally will not profit from it because I work for a board of education which does not have the social security system—but a pension plan.

As a professional nurse, who worked with doctors, hospitals and patients, I have this observation to make. I have seen both sides of the coin. The elderly wealthy have been and are properly cared for. While the self-respecting, middle-income group, in their time of illness, are suffering from the lack of medical and hospital care. From personal experience, I have known hospitals to gouge shamefully the people who are least able to pay the exorbitant hospital fees.

Please, please, in the name of decency, pass the King-Anderson bill.

Thank you.

Mrs. Gertrude Humphries,
Professional Nurse.

TELSTAR—ANOTHER AMERICAN FIRST

Mr. KUCHEL. Mr. President, last week the world thrilled to another American first. Telstar, the first private enterprise communications satellite, was successfully launched and made operational in space. It stands as a great landmark in the space age—the beginning of "the age of instant worldwide communications."

Across the Atlantic, our friends in Britain and France excitedly watched the first direct telecast from the United States. How fitting that the first international video picture was our own unfurled American flag, with the stirring music of our national anthem in the background. Last week, American viewers also had their first opportunity to experience direct television, bounced off Telstar, from both France and England.

It is a great tribute to both American creativity and American private enterprise, in cooperation with the Federal Government, that this venture is such a success.

Telstar is only a beginning, a dramatic initial demonstration of the potentials of global communications. When a fully operative communications satellite system appears within a very few years, it will represent an efficient expansion of existing channels of international communications, as well as a revolutionary force in the world, whose ultimate potential can be seen but dimly at this point.

Telstar is expected to provide much more spectacular demonstrations. As a new service, this will provide vivid experiences for much of the world to witness historic events and sample one another's program fare. It could, indeed, be one more effective instrument in the cause of peace.

That this development will have tremendous impact on the affairs of men throughout the world is certain; and each of us can ardently hope that as it brings the world closer together so will it make the world a better place in which to live.

What can be accomplished through this new medium should be a stimulus toward a speedy legislative solution of the control of the communications satellite system. The House has already passed a bill setting up a corporation, half to be owned by private communications carriers and half to be owned by individual shareholders, to operate a satellite communications system. President Kennedy urges its enactment. The Senate, however, has not yet acted. Yet I am persuaded that a bipartisan majority is prepared to approve it. Criticism and indecision may delay the project, while quick completion will be an enormous boost to our national prestige, and to our free way of life.

We must encourage America's flying start in this field. Telstar is a dramatic advance in the use of outer space for peaceful purposes; and it vividly demonstrates America's capacity for vigor, initiative, and leadership.

Mr. President, I ask unanimous consent to have printed at this point in the Record, as part of my remarks, several editorial comments upon this great achievement by American private enterprise.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Los Angeles (Calif.) Herald-Examiner, July 12, 1962]

Tune Into Space

Telstar, an electronic switchboard (made in United States), is in orbit around our globe and again we're dazzled in the dawn of the space age.

The satellite's functions include relaying live television around the world. When this becomes reality an astonishing communications milestone will have been reached.

The 170-pound marvel is the brainchild of a technician who writes science fiction on the side. It appears lines separating science fiction from fact are getting more blurred all the time.

Telstar is already beaming one message loud and clear. This is that the United States is the world's standard bearer in peaceful, practical uses of outer space.

Both this country and the Russians have hurled men into orbit. But the United States is far ahead in the field of weather and communications satellites, both of the most direct potential benefit to man.

In fact, the Russians have been markedly reluctant to supply their rocketry to any wholly peaceful uses. If they had done anything comparable to the United States in this field, they would have told everyone about it.

Appropriately, in Moscow, Nikita Khrushchev—in the midst of further ranting about Western "war preparation"—had nothing to say on these lines.

He also didn't mention his broken pledge on halting nuclear tests—the unforgettable breach of faith that forced us into our own, present tests. He said nothing about the mighty series of blasts—including high altitude ones—set off by the Russians as result of that broken word.

But no distortions by Khrushchev can prevent Telstar and other brilliant products of U.S. science from continuing to close communications—and other—gaps between men.

[From the Los Angeles (Calif.) Times, July 12, 1962]

If You Wish Upon a Star

Millions of Americans and Europeans saw the television pictures bounced halfway around the world from the A.T. & T. Telstar communications satellite.

It is a magnificently practical application of U.S. space know-how, and from a prestige standpoint will certainly enhance the American image overseas.

And the fact that a nongovernmental, private corporation developed the intricate gadgetry within Telstar is visible evidence that private enterprise works.

From the free world standpoint, this is a propaganda coup of high order. We have been trying to convince uncommitted nations that our industrial civilization based on private enterprise offers superior benefits to the average citizen, in comparison to Socialist state capitalism.

The successful orbiting of Telstar is a remarkable accomplishment, and it will make a continuing impression on those we seek to impress.

The A.T. & T. satellite development research will eventually cost some $150 million, all private capital. This country is obviously far out in front in space communications, precisely because privately owned A.T. & T. pushed research in this area.

There are liberals in high places who are urging legislation to set up a Government monopoly in communications satellites, and to limit and/or proscribe private enterprise in this field.

Such a proposal is fuzzy thinking. Private enterprise should be encouraged to utilize its research capacities to the limit in developing profitable applications for space vehicles. The profit motive has spurred 90 percent of our scientific gains in the last century, and American inventive genius will keep us in front in space, given an opportunity for profit.

More importantly, breakthroughs like Telstar demonstrate that our private enterprise system gets results. Telstar is a score for our side in the cold war.

To restrict private enterprise research in space would be to deprive ourselves of a major advantage in the space race with Russia.

[From the San Francisco (Calif) Chronicle, July 11, 1962]

Phone Company Goes Into Orbit

The successful launching of Telstar puts private enterprise—or capitalistic imperialism, as it is sometimes known—into orbit.

The invasion of space by an American industrial corporation which pays capitalistic dividends will not be warmly hailed in some parts of the globe that are unfriendly to the idea of private ownership and initiative. But the fact remains that the A.T. & T. Co. has beaten the publicly managed Russian telephone monopoly to the launching pad and, thanks to that, the United States is out in front in a tremendously promising and important field of communications.

Our congratulations go to the telephone company and its research arm, the Bell Laboratories, for employing the imagination of their scientists and risking the money of their stockholders to pioneer the spaceborne relay system. We are even prepared to repeat our congratulations if and when Telstar brings us transatlantic commercials along with the European TV programs that are in prospect.

The use of space for peaceful, utilitarian purposes is a dream of all sensible men, yet a dream that is all too frequently jeopardized by the bursts of bombs over Siberia or Christmas Island. The feat of the scientists at Cape Canaveral yesterday underscores the fact that we have the men and the capacity to devise; not merely the means of destroying, but also the means of advancing our civilization.

Sixty-five million dollars has been invested by the telephone company in the Telstar experiment. Millions more will be required to strew outer space with communications satellites and so bring all quarters of the globe within instant digit-dialing distance and instant TV range. All the great telephone systems on the six continents are ultimately going to be engaged in this remarkable improvement of communications. American Telephone enjoys the prestige of having got the project off the ground.

Pending in the Senate is the communications satellite bill, which creates a private corporation to own and operate the U.S. elements in a world satellite system. The bill has been passed by the House, 354 to 9. It would provide for selling half the stock of the new corporation to the public and half to the communications companies. Six directors of the corporation would be elected by the stockholders and six by the communications companies; three would be appointed by the Government. The FCC would regulate rates and services.

The Senate is about to consider this bill over the objections of Senator KEFAUVER. He and others persist in regarding it as a giveaway; they propose, alternatively, to saddle the costs of space-satellite communications on the taxpayer. The senatorial objectors are fighting not merely the telephone company but also President Kennedy, who deems it appropriate to leave satellite communications to private enterprise, with the Government playing its part at the launching pad. Most Americans would agree that this is the right way to proceed. We call upon the Senate to do so.

GROWING OBSOLESCENCE OF NAVY SHIPS

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Is the Senate proceeding under controlled time?

The PRESIDING OFFICER. If the Senator is not offering an amendment, the time is not controlled.

Mr. STENNIS. The Senator from Mississippi is not offering an amendment.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, the Preparedness Investigating Subcommittee, of which I have the honor of being chairman, has for a number of years studied various problems bearing on the readiness of the Nation's military forces. It has become clear to the subcommittee that one of the most serious of these problems concerns the growing obsolescence of Navy ships. Briefly, the problem centers around the timely replacement of the large number of ships constructed in World War II building programs which will all become old at approximately the same time. In fact, as of this date, about 72 percent of the active fleet consists of these World War II ships which are not only beginning to reach the end of their useful lives in terms of age, but have reached their limit with respect to their capacity for modernization. So that the Senate may be fully informed on this matter, I have scheduled subcommittee hearings later this year to look into the entire subject of ship obsolescence and the Navy's plans to counter it.

To assist the subcommittee in getting a firsthand understanding of the obsolescence problem, the Navy recently arranged to bring three representative ships to Washington for inspection. One of these units is a new guided missile destroyer, the U.S.S. *John King;* another is the U.S.S. *Stribling,* a World War II destroyer which has been put through the fleet rehabilitation and modernization program; the third is a World War II destroyer, U.S.S. *John W. Weeks,* which is typical of a number of ships not having sufficient potential to justify modernization, but which, nevertheless, must continue to be operated to help meet the Navy's commitments.

On July 11, I had the opportunity of visiting these three ships at the Naval Weapons Plant pier. I was extremely impressed by the appraisal of relative capabilities which this visit afforded. A comparison of the weapons carried by each illustrates clearly the technological advances achieved by the Navy since World War II.

Typical of the new ships in the fleet is the U.S.S. *John King,* modern in every respect, with excellent capabilities not only in antisubmarine warfare, but also in antiair warfare. For action against high-speed aircraft she is equipped with the latest Tartar guided missiles. To counter the submarine threat she carries the Navy's new Asroc system. This weapon fires rockets which can place either a nuclear depth charge or a homing torpedo on target with great accuracy. Her advanced sonar equipment is capable of detecting enemy submarines at ranges unheard of only a few years ago. In addition, she is fitted with two 5-inch guns, which are effective against surface targets and invaluable in supporting the operations of amphibious forces ashore.

The modernized World War II destroyer *Stribling* embodies the latest developments in antisubmarine warfare weapons. In addition to the Ascroc, carried by *King,* she is equipped to operate the new radio-controlled antisubmarine helicopter, which is called Dash. This unmanned aircraft can deliver a lethal payload on a submerged submarine lurking miles from the controlling ship. She also retains two of her 5-inch gun mounts, which are useful for conventional purposes, but her capability to engage modern aircraft is very limited. Fundamentally, however, she is an aging ship, enjoying a rejuvenation which is not quite the same thing as a new ship.

The U.S.S. *John W. Weeks* is a World War II destroyer whose weapons are essentially those with which she was originally fitted. She is a proud ship; she can fulfill many missions; but her capability to cope with modern air or subsurface threats is still a World War II capability. As time goes on, this will become inadequate technologically and operationally.

From these remarks it is evident that the Navy has striven to meet the problem of keeping up with technological developments partially by building new ships as fast as funds were available and partially through the fleet rehabilitation and modernization program which was started in 1959. In this latter program, new equipment is installed in selected ships, all worn machinery is renewed or repaired, and improved operating and living facilities are fitted. By this means their useful life is extended some 5 to 8 years. As I mentioned earlier, the U.S.S. *Stribling* is one of these ships. I was impressed by the amount of modern equipment, which has been installed in her hull. The difference between *Stribling* and her unmodernized sister is striking.

The Navy has utilized this modernization process to the fullest. However, when the antisubmarine warfare conversions typified by *Stribling* are completed in 1964, all of the destroyers of this class will have been modernized. These conversions will exhaust the modernization potential of these ships. The reservoir will have been emptied and this expedient will no longer be available as a means of increasing fleet readiness in the face of a growing submarine threat. The only answer is to build more new destroyer-type ships.

The present 5-year shipbuilding projection will add to the fleet more than 60 new destroyer types now exemplified by the U.S.S. *John King* and followed by frigates and new escort ships. However, the 1970 total of destroyers will still contain about 80 of the World War II classes. All of these latter will have undergone the fleet rehabilitation and modernization process. No completely unmodernized destroyers will then remain.

Speaking of the fleet as a whole, if the Navy continues to carry forward its present plans for new construction and for completing its rehabilitation and modernization program, then by 1970 the percentage of ships of all types still of World War II or earlier vintage will have been reduced from its present 72 percent to about 34 percent. The largest part of these ships, however, will be in auxiliary types, not in combatant types.

I believe it is extremely important to the country that the Navy be suitably equipped with the modern ships needed to meet the challenges of the nuclear and missile age. The only real solution to the problem is to prosecute a vigorous and wholly adequate program for building new ships. We shall have to start soon because it takes time to build ships. I expect to be able to report to the Senate later this year on the findings of the Preparedness Investigating Subcommittee in this matter.

Without going into details, which could not be given anyway, because most of the information is classified, undoubtedly there is a growing problem in regard to antisubmarine warfare, not only in the number of potential submarines at the disposal of our adversaries, but in the larger areas to be patroled and controlled. That fact makes all the more urgent the necessity to have ships that have the capability to cope with modern ships that may be in the hands of an adversary.

In conclusion, I must comment on the very creditable spirit of the men who man these ships. The espirit de corps of these men—whether they be stationed aboard the most modern of our ships or on a ship nearing obsolescence—is excellent. We would do well indeed to try to emulate this spirit of teamwork and accomplishment.

It is time now that we move forward at a much greater speed in the replacement of the older ships in the fleet with new or converted ones that will be equipped with the latest and necessary modern weapons. This is a must if our great naval fleet is to remain the potent force for peace in the world.

As I have said elsewhere and here many times, the great roaming policeman of the world today, every day and night of the year, is the U.S. Navy, with its power under the sea, on the sea, and in the air.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. JACKSON. I commend the distinguished Senator from Mississippi for his fine statement. I think one of the most serious problems we face, as the Senator from Mississippi has pointed out in a very able manner, is the question of antisubmarine warfare. We know that prior to the Soviet's achievement of a nuclear-powered submarine, it presented a formidable threat in the form of some 400-odd conventional-powered submarines. We now know the Soviet has nuclear-powered submarines. This fact means that the problem of detecting, and all the other methods that must be applied, will require an even greater number of ships, men, and planes.

I think the Senator from Mississippi has rendered a great service to the Senate in calling attention to this fact, among others, that face the Navy.

Mr. STENNIS. I thank the distinguished Senator from Washington, who is also a member of the Preparedness Investigating Subcommittee.

The recent demonstration by the Navy from the carrier *Enterprise*, at which time the President of the United States was present on the high seas, showed the great power we have in using our modern instruments and modern ships.

When we see the limitations of the World War II vintage ships, and our difficulty in having to cope with modern weapons that not only may be but are in the hands of an adversary, then we realize the tremendous importance of modernization of our fleet, which, unfortunately, has been one of the most neglected parts, I believe, of our vast, far-flung military program. It is one of the highest in priority, certainly as of the present time.

CONSTRUCTION AT CERTAIN MILITARY INSTALLATIONS—CONFERENCE REPORT

Mr. JACKSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11131) to authorize certain construction at military installations, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JACKSON. Mr. President, I move the adoption of the conference report, and in connection therewith I have a brief statement to make. The report was signed by all the conferees on the part of the House and the Senate.

In regard to the money figures in the bill, the new total as agreed to in conference is $1,455,672,500, which is only $5,160,500 more than the bill as passed by the Senate, and $68,524,500 less than the amount granted in the House-passed bill. It can, therefore, be seen from this small increase above the amount originally approved by the Senate that the House conferees for the most part accepted the Senate amendments.

The major money items restored in conference consist of an administrative building and a telephone exchange at the Lawrence G. Hanscom Air Force Base in in Massachusetts and a hospital at the Langley Air Force Base in Virginia, which restorations were based on additional justification received subsequent to the action by the Senate. Also restored was a bachelor officers' quarters and mess for the Navy at Adak, Alaska. The original estimate for this structure appeared to be excessively costly even for this remote, high-cost area. Prior to the conference, however, the Navy made a substantial reduction in its original estimate which, in the opinion of the Senate conferees, brought the estimated cost within proper bounds.

Some adjustment likewise was made in the amount of emergency authorization proposed in the bill. It will be recalled, Mr. President, that the original bill called for a total emergency authorization of $95 million, consisting of $15 million for each of the military departments and $50 million for the Secretary of Defense. Of the requested amount, the House granted only $30 million, which was to be divided equally among the three services. Based upon available facts, however, the Senate deemed this amount insufficient for the needs of the Department and granted $12.5 million to each of the services and the Secretary of Defense. It was agreed in conference that a total of $45 million should be sufficient for the needs of the entire Department and that this amount should be divided equally among the three military Departments. In the final analysis, the Secretary of Defense exercises control over all such authority through his approval of all projects for which it may be used and by his approval of the reprograming of the funds to support the projects.

Another matter of some deliberation was the handling of the requirements for those agencies created within the Department of Defense designed to assure better management and to eliminate duplication within the services, such as the Defense Supply Agency. These agencies are responsible only to the Office of the Secretary of Defense although their physical facilities are located on various military installations to which they look for support. Their requirements were contained in a separate title of the bill as submitted to the Congress. Although the House approved these requirements, the title was deleted and the line items were placed under the various military titles of the bill. The House did this on the basis that the Secretary of Defense, if he so desires, might enter directly into the field of construction and maintenance of real property facilities which is properly the responsibility of the military department. The Senate did not agree with this procedure and included these requests under a separate title as originally requested, which from the standpoint of good accounting procedures seemed proper. The conferees agreed with this procedure but included a new provision, section 610, in the bill, to specifically preclude the Department of Defense from engaging in an "operating function" arising from real property facilities. This is, I believe, as it should be, and I doubt that it differs from what the Secretary of Defense had in mind.

Finally, I want to mention title V of the bill which relates to family housing. There were requested and the House approved 16,653 units of family housing, at an estimated cost of over $314 million. The Senate eliminated some 3,086 units valued at over $54 million which did not appear to be valid requirements. Only 225 of these units, estimated to cost $3.9 million were restored in conference which supplemental data indicated would be justified.

Mr. President, I believe the results achieved are sound and that the construction needs of the military have been adequately provided for in the new fiscal year.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the distinguished Senator from New York.

Mr. KEATING. I wish to express my gratitude and I am sure that of my colleague [Mr. JAVITS], who is necessarily out of the Chamber at this time, for the action the conference committee took in restoring the housing at the Griffiss Air Force Base in Rome, N.Y. I feel a good case was made for it and that the action of the conferees was wise. I am sure events will bear out that contention.

I am very grateful for the action which was taken.

Mr. JACKSON. I thank the Senator. We were convinced, after receiving the information submitted by the distinguished junior Senator from New York and his colleague, the distinguished senior Senator from New York, that there was a need which could be justified for the housing at Rome, N.Y. We felt the information which both Senators had obtained, I believe from the mayor, was such as to warrant our going ahead with the housing.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. I wish to express my gratitude to the Senator from Washington for having included in the bill an authorization for the construction of facilities at the Air Force Technical Institute at Wright Field, Dayton. I am certain the inclusion of that item in the bill will serve the interests of our country. It will make available those facilities at Wright Field, in Dayton, for development of men in the Air Force and in the Department of Defense to serve in the space age.

I express my thanks.

Mr. JACKSON. I thank the Senator from Ohio.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. I wish to heartily and generously commend the Senator from Washington [Mr. JACKSON], the Senator from Arizona [Mr. GOLDWATER], and other members of the subcommittee for what I believe to be an outstanding and excellent job they have done on a highly important and complicated bill.

Long hearings and consideration of a great number of items were necessary. Our colleagues brought to the Senate a very fine bill, which was adopted without change, as I recall. They have had a very profitable and helpful conference, in which there was some give and take. The bill has been strengthened, as a whole.

At one time I had a duty and responsibility of being on the subcommittee, and I served as chairman part of the time. I highly commend the Senators for the work they have done.

I wish to mention the provision the committee worked out with reference to family housing, to replace the program which has given trouble over the previous years. The former program had some good points, but it was found to be generally unsound and unworkable. After an investigation by the Preparedness Subcommittee, last year there was an agreement that this year Congress would provide a new system. I think the committee has made a fine contribution toward getting us into a sounder program to provide more housing for the dollar, and to provide sounder operation, maintenance, upkeep, and care of the housing.

I wish to mention in passing also that this is a bill on which for many years our late colleague from South Dakota, Francis Case, worked so well and so ably, with such great interest. He served as chairman of the subcommittee which presented former bills of this kind to the Senate for several years, and he made a very great contribution. I wish to mention that with great reverence to his wonderful memory and fine record.

Mr. JACKSON. Mr. President, those of us who have served on the committee this year are most grateful for the excellent service which the distinguished Senator from Mississippi [Mr. STENNIS] rendered as chairman of this subcommittee in the past. Our work was much easier because of the capable manner in which he handled this difficult bill.

I, too, wish to associate myself with his remarks regarding the late Senator Francis Case. Senator Case had great patience in dealing with intricate figures and details. At times I was almost moved to get up and walk out of the committee room when we became involved in the long, tedious, and detailed effort that must be made in order to place all the facts before the committee. Senator Case carried that burden very well. At times I think he carried too much of a burden for his own good. We who had the honor of serving with him will always remember the great contribution he made in the all-important area of national security.

I am now happy to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, I urge the Senate to adopt the conference report. The report was arrived at with the conferees from the House harmoniously under the general direction of our chairman, the distinguished Senator from Washington [Mr. JACKSON]. I, too, wish to compliment my chairman for the assiduous way in which he attacked the problems involved.

I cannot remember ever having served on a subcommittee that did as effective a job of reducing costs to the taxpayers as the subcommittee accomplished in the present instance. It should be very heartening to the American taxpayer in this day and age, when we hear nothing but statements of increases, to know that the conference report which we are considering today represents a saving of approximately $68.5 million. That is particularly true when we hear charges from those on the other side of the Capitol that the Senate always increases amounts. We now observe a case in which the Senate can say, with pride, "We reduced the proposed appropriation."

I wish my colleagues to know my position with respect to the work of my chairman, and my general approval of the conference report.

Mr. JACKSON. Mr. President, I take this opportunity to express my appreciation, as I did in my presentation of the bill to the Senate earlier, of the excellent cooperation which prevailed in the subcommittee on the part of the distinguished Senator from Arizona [Mr. GOLDWATER] and the other members of the committee, without regard to party line. We proceeded to make reductions in the instances in which we felt they were justified.

The Senator mentioned the additional cut that was made in the House figure. All told, we have made a cut of approximately 11 percent in the military construction bill. We cut the fat without cutting the military muscle.

Some have asked, "What about cutting expenditures in certain areas of defense?" I think the record will disclose that we have done so prudently, and, I hope, wisely. We have made cuts that will not impair our overall military posture. We have cut items that we are confident we can get along without. I think it is the sensible way to approach the problem of ever-growing military expenditures.

Mr. President, I ask that the report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

ANTHONY J. CELEBREZZE NOMINATED TO BE SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. LAUSCHE. Mr. President, the President of the United States has nominated the mayor of Cleveland, Anthony Celebrezze, to be the new Secretary of Health, Education, and Welfare. I wish to express briefly my knowledge of the mayor of Cleveland.

I have known Mr. Celebrezze for approximately 30 years. I knew him as a member of the senate in the Ohio State Legislature. I have been intimately acquainted with the work he did as mayor of Cleveland.

Mayor Celebrezze is a person of extraordinary honesty, industry, devotion to country, and to the principle that in the execution of governmental duties one must have the courage to stand his ground. His stewardship of the city of Cleveland has been replete with fearless conduct, and a concept of stability and solidity in the administration of the fiscal affairs of the city. He is an implicit believer in the principle that budgets should be balanced. He has watched the money of taxpayers in the city of Cleveland with great care, and, consistent with that principle in his administration of government, he still has been an extraordinarily humane person. I therefore say that he will fit excellently into the position to which he has been nominated.

Mayor Celebrezze comes to Washington with a caliber and equipment that will enable him efficiently to perform his duties. If in the administration of his office he will carry into effect the principles which motivated him when he was mayor, there will be no question about the excellence of the service that he will render.

He comes from Cleveland to Washington equipped to fill the position for which he has been nominated, and I am certain that he will do it, if he is permitted to exercise the qualities which have always been his in his lifetime of public service.

I am pleased that Mayor Celebrezze was appointed. I rejoice for him.

While I am speaking about the appointment of Mayor Celebrezze to be Secretary of the Department of Health, Education, and Welfare, I wish to utter a word about Ralph Locher, his successor as mayor of Cleveland. He is an able, honest, courageous man, and he will fulfill his duties in the post of mayor in an excellent manner.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. LAUSCHE. Mr. President, I send to the desk an amendment to the amendments proposed by the Senator from New Mexico [Mr. ANDERSON], as modified by the Senator from New Mexico on July 12, 1962, to the bill (H.R. 10606), to extend and improve the public assistance and child welfare services programs of the Social Security Act.

In the last amendment offered by the Senator from New Mexico [Mr. ANDERSON] and the Senator from New York [Mr. JAVITS] an option is given to beneficiaries either to enjoy the benefits of the Social Security Act directly, or in lieu thereof, to accept the policy of insurance equal in coverage to that contained in the general bill.

In the exercise of that option, the beneficiary must show that prior to his retirement he did carry health insurance. If he did not carry health insurance, he does not become eligible to the right to carry insurance in a private company.

My amendment contemplates the elimination of that condition, attached to the right to buy private insurance. The right to have private insurance paid for out of social security will be fully vested in the beneficiary without a showing that he was previously covered. I submit my amendment on the basis that I want the widest latitude vested not only in the medical profession, but also in the beneficiary, completely free from any implied or express control by the social security law. My amendment approves of all the provisions in the Anderson amendment as last submitted, except that it eliminates the provision that, in order to qualify for coverage under private insurance, the beneficiary must, previous to retirement, have been the holder of a policy in a private insurance company.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. THURMOND. Mr. President, the need for providing medical care for those who are unable to provide it for themselves is readily apparent. I share the concern that has been expressed as to the welfare of our elderly citizens. The recognition of this responsibility is one of the hallmarks of civilized society. I am certain that our elderly citizens realize, as should we all, that the primary responsibility for providing adequate medical care falls upon the affected individual. However, circumstances may be such that a person cannot provide for himself, regardless of his preference to do so. In this eventuality, the responsibility is spread among others in a more or less well-established pattern. Both as a matter of historic precedent and moral obligation, an individual's family assumes secondary responsibility for providing his needs. Should this solution not be available, the many charitable organizations in the community created specifically in recognition of this and similar needs should be called upon. A governmental entity must, in any and every instance, be a last resort, and the vestiges or responsibility are in ascending order from the local unit to the State government. Placing the primary obligation on a governmental unit is misplacing responsibility.

Today it seems to be passé to weigh proposals which come before Congress on the scales of the Constitution. To do so in this instance, however, reveals a lack of constitutional basis for this proposal. Our Constitution established a federal system of government, with a division of powers between the States on one hand and the Central Government on the other. The Central—or National—Government was delegated certain specific realms of authority and responsibility in the Constitution. The State governments, rather than having powers delegated to them, reserved to themselves all powers not specifically delegated to the Central Government and limited the exercise of some of the powers which they retained. Providing medical care for the aged is not numbered among the specific grants of power to the Central Government, nor is it one of the limitations put upon the States. Therefore, Mr. President, any governmental responsibility for providing medical care for the aged rests with the State or local governments and not with the Central Government in Washington. To be sure, many of the measures which have passed Congress in recent years violate this concept of the division of powers. This is not a persuasive argument in justification of a further violation in this instance. If the National Government is to provide medical care for the aged, then an appropriate amendment must be added to the Constitution to delegate such authority to the Central Government.

Many States or political subdivisions thereof, or both, have provided some program offering medical assistance for those in need. My own State of South Carolina has a program which provides medical care for those unable to provide it for themselves. The majority of the individual State programs are based on actual need, as is the case in the Kerr-Mills law. This, of course, is the prerogative of the States and I heartily commend those who have responded to the need. If the medical assistance provided under the State programs proves insufficient, then the proper recourse is to the State government and not the National Government. In each instance the funds necessary to operate the programs would come from the people, but there would be a greater percentage of return under a State program.

Mr. President, another objectionable feature of this proposed program, which we are now considering, is its compulsory nature. All persons who are currently covered under the old-age and survivors insurance program would be required to participate regardless of their need or inclination. It is estimated that upon the effective date of this program, persons of age 65 or over will number approximately 17½ million. Of this total, only 2½ or 3 million will not be covered by some form of governmentally provided medical assistance. To compensate for this, these noncovered individuals will be provided with the same health benefits as those who have over the years contributed to either the social security fund or the railroad retirement program. Thus all individuals over 65 years of age will have provided for them the same medical benefits, with no regard to either a means or needs test. This, I submit, is not the proper way to provide medical assistance for those who are truly in need. Why should a millionaire be required to participate in this program and get benefits when he has no actual need of assistance?

Statistics relating to the increase in the population of citizens over 65 years of age can be used in a misleading fashion. It is true that the aged constitute slightly more than 9 percent of our population, as compared with only 4 percent at the turn of the century.

The life expectancy of a child born in 1900 was 47 years as compared with 70 years today. Much of this rise can be attributed to medical advances, both in new drugs and in expanded welfare services. However, there are several other contributing factors such as the baby booms experienced after the War Between the States and World War I, much the same as that experienced after World War II. The increase in the aged segment of our population does not necessarily assure an increase in the ranks of those truly in need of assistance. The increase in the productive and useful portion of a person's life has been in proportion to his increased longevity. Nevertheless, this proposal assumes that all individuals over age 65 are unable to provide adequate medical care for themselves. This is an assumption based neither upon fact nor logic. It completely ignores any test based upon the economic situation of the individual, the so-called means test. Likewise, there is no prescribed formula for testing the medical needs of any individual who qualifies for medical assistance under this program. This feature makes it almost inevitable that malingerers and hypochondriacs will benefit to the detriment of those truly in need of medical care.

This proposal for providing a minimum of hospital and nursing-home care is the harbinger of the attempts which will be forthcoming to socialize this segment of our society. It is inevitable that with every acceptance of so-called Federal aid, the American people yield a bit more of their local independence. The measure of self-reliance which was handed out in the original distribution of human virtues will be shrunk, as people depend more and more upon Government paternalism. Assurances have been given that this program will not lead to socialized medicine. A cursory examination of past occurrences leads me to believe otherwise. If a program which has been passed by Congress is proved to be ineffective and unsuccessful, past experiences prove that the Congress seeks the solution in the expansion of the program, rather than in its curtailment or termination.

Mr. President, some people fail to realize the implications of socialism, or programs which lean toward socialism. First of all, there is no room within the bounds of the Constitution for adopting socialist welfare programs. Furthermore, such programs are detrimental to our national well-being. The assertion is frequently made that the United States is inexcusably lagging behind in social progress, and is not keeping time to the march of history abroad, because it has not adopted compulsory health insurance under Government auspices. To refute this claim, it is necessary only to examine the compulsory health programs of other nations. In most countries which have such programs, compulsory health insurance began as a part of a social security package, just as is contemplated here.

Probably the best example—at least, the most well known—is the National Health Service in Great Britain. The cost of their program has been skyrocketing from its inception. In July of last year the tax for each worker was raised so that the tax per year per person is now approximately $78. Seventy-eight dollars in England buys much more than the same amount in the United States. Yet these individual taxes constitutes only about one-fifth of the total costs of the program. Over 80 percent of the costs come from general revenues. In the first full year of its operation in 1949–50, the National Health Service cost $1.2 billion; but for the fiscal year which ended in 1961, the program cost the British taxpayers $2.2 billion.

The financial side of the picture is bad enough, but dissatisfaction stems from many other defects as well. Not only are the doctors disgruntled, but the people complain, some very bitterly, about the lack of incentive shown by the doctors. The program spawns mediocrity or worse among doctors, and punishes the ambitious ones. The practice of medicine is a highly regarded profession. Socialized medicine has reduced doctors from a professional status to no more than tradesmen. Is this what we want in the United States?

The story is much the same in the other European countries having compulsory health insurance programs. More and more these countries must limit the first benefits to discourage those who take advantage of the system. The entire scheme seems to accentuate the negative side of some individuals and spotlight his weaknesses.

The advocates of this proposal characterize it as an actuarially sound program based on the principles of insurance. Anyone familiar with the social security system after which this proposal is patterned knows the error of this statement. Contrary to assertions, the OASDI program itself has not yet proved its financial soundness. Both political and inflationary forces repeatedly demand further increased benefits. To avoid complete fiscal irresponsibility, additional contributions must be required to meet the increases. This program is designed to operate successfully only in an ever-expanding economy. Should our economy not respond to this need for expansion for only a short period of time, the situation could become crucial.

Contrary to the principles of true insurance, under this type of financing, the working, contributing generation are paying for the benefits presently being enjoyed by those who have already become eligible. This gives rise to the element of uncertainty as to whether the contributing class will be large enough to pay the benefits earned by the recipients. Over the past 10 years the benefit payments have been increasing steadily in relation to contributions. It is impossible to estimate accurately when benefit payments will exceed contributions, but this is an ever-present danger. At that time either benefits must be cut or the tax increased.

The one safeguard which OASDI has, which this medicare program lacks, is the concept of fixed-sum benefits. This is an additional complication in calculating the actuarial soundness of the medicare program. Many responsible and knowledgeable individuals have testified before the Ways and Means Committee as to the total cost of medicare. As a result, the taxable base was increased from $5,000, as it was when originally introduced, to $5,200. In view of the inflationary trend caused by deficit spending, it is apparent that the actual expenditures will far exceed what has been estimated. All these factors combined, make this an actuarially unsound proposal as it is presently constituted.

It seems apparent, Mr. President, that the proponents of this measure lightly regard the time-honored procedures of Congress. This measure, while providing for a substantial expenditure of funds, is fundamentally in the nature of a revenue raising measure. Article I, section 7, clause 1 of the Constitution says:

> All bills for raising revenue shall originate in the House of Representatives.

The King-Anderson bill, which was introduced early in the first session of the 87th Congress, is still in the Ways and Means Committee of that body. That is the proper committee, under the rules established by the House of Representatives, to first consider revenue raising measures. Extensive hearings have been held by that committee, and all the aspects of the proposed legislation have been considered. Neither the committee nor the House as a whole has acted on this measure. After having all the facts fully aired and with due regard to the problems involved, the members of the Ways and Means Committee show an understandable reluctance to approve this method as the solution to the problem. Their reluctance to act, in the face of mounting pressure, serves to illustrate the wisdom of the procedural system provided by the Constitution. There has been no evidence of need shown which is great enough to justify this total disregard for proper procedures.

This entire matter has focused a great deal of attention upon this body. The Senate Finance Committee has held no hearings, or otherwise considered this vast new program, which involves untold billions of dollars. The Finance Committee should be allowed to hold hearings on this proposal so that there can be a better understanding of the program before the Senate considers it. Unwarranted and hasty action, without proper committee consideration, can only detract from the stature of the Senate as the highest legislative body in the world. Furthermore, consideration of this measure by the Senate, prior to its approval by the Ways and Means Committee or the House of Representatives, gives the appearance of preempting the jurisdiction of that body. The public thus gains the impression that the Senate is forcing the House of Representatives to consider a measure upon which they have been reluctant to act. This is an action unworthy of the Senate, and therefore, there can be no justification for the adoption of the pending proposal.

It is my sincere hope that the Anderson-Javits amendment will be killed.

Mr. ENGLE. Mr. President, the problem of establishing a satisfactory means of financing the health care costs of our older people has been discussed widely in this country for years and the discussion has been growing as rapidly as the problem.

The problem is also a challenge. And we as a Nation are worthy to maintain our role of leadership of the free world only so long as we are willing to accept and deal with such challenges. We cannot turn away from the situation of many of our senior citizens who are faced with crushing medical bills, nor can we shut our eyes to this problem—as some seem to suggest—and hope that it will somehow vanish. Many of us in this body have had firsthand experience with the high costs of medical care—all of us, I am sure, have had many letters from older people recounting their experiences when faced with high health costs. Nothing I have read or heard, in or out of this Chamber, could convince me that the problem that older people have in meeting these costs is going to vanish. If we as a Nation continue to make only half-hearted attempts at a solution, the situation will continue to grow more serious month by month. As President Kennedy said in his state of the Union message, last January, "No piece of unfinished business is more important or more urgent than the enactment under the social security system of health insurance for the aged."

No one can fail to be deeply concerned over the disastrous effects of the big health bills which our older citizens are only too often forced to bear. As a group, the aged can neither pay the costs of their illnesses nor are they able to pay the premiums that would be required for adequate protection under private insurance. And the evidence shows that inability to meet the high cost of medical care is not confined to just the older citizens who are very poor. Even those who are financially independent are haunted by the fear that a serious illness can wipe out a lifetime accumulation of savings, threaten the ownership of a home, place heavy financial burdens on their children, or finally, after a lifetime of independence, force them to resort to public or private charity.

I am convinced that the Federal Government must act without further delay to help our older people meet their health care costs. I am equally convinced that this help must be provided in a way that maintains the individual dignity of older people as well as their security. It is for these reasons that I have pledged my support for the proposed program of health insurance for the aged under social security.

The plan proposed by our distinguished colleague from New Mexico [Mr.

ANDERSON], contemplates that the financing of basic health insurance protection for the aged through social security would be the keystone of a threefold structure of protection for the aged in meeting the cost of health care. First, basic health insurance protection would be afforded almost all older people through social security; second, the existence of a program of basic protection would encourage the development of additional protection through individual savings, private insurance, and employer benefit plans; and third, good medical assistance would become practicable in all States to help the relatively small group who would still need help with health costs not covered under the proposal.

It has frankly been very surprising to me that so much heat has been generated from a proposal that is so eminently conservative. The proposal would use a mechanism that has been a part of the daily lives of the American people for over a quarter of a century. There are few Government programs that have been so widely accepted and that have proved to be so effective, as has our social security system.

Since I was first elected to the Congress back in 1943, I have seen our old-age, survivors, and disability insurance program grow from a relatively limited one that covered only wage and salary workers in commerce and industry to a broadly based system that now covers more than 9 out of every 10 working Americans and their families. Over the years the benefit amounts have been considerably increased, and benefits for disabled workers and their families have been added. And the financing of the system has remained and will remain sound. Its financing has been watched over with scrupulous care by both the Congress and the executive branch. It has been studied by outside experts who make public reports that the system is sound.

The financing is built in and is planned into the indefinite future; the only fiscally responsible method. While the benefits provided are not large, social security has become the Nation's basic program for preventing dependency when the family income is cut off by the retirement, disablement, or death of the worker—a soundly developed program which now enables the great majority of the people of our country to face the future with confidence. But this protection cannot be complete unless a person who has reached retirement age can be assured of protection against the great remaining risk of devastating hospital and medical bills. This great remaining fear is a very real one to millions of our older people.

I have heard and read, as have all of us, hundreds of statistics about the number of aged, the number who go to hospitals each year, how long they stay and literally hundreds of other cold facts and figures surrounding this proposal. Such information has been available to this body and to all who are interested in this subject and they clearly show the need for this proposal. But I wonder if perhaps in our consideration of all these figures we may not tend to forget that we are dealing with individuals—millions of them to be sure—who have their own problems, their own worries for the future.

To demonstrate that we are dealing with real people and not just cold figures, let me read a few passages from letters that older people have written on this subject. One woman writes:

> My husband is 82 and I am 70. During the past several months I was hospitalized for 3 weeks and am still under the doctor's care. We own our home and my husband and I receive from social security and other pensions $271 per month which would take care of us pretty well if it had not been for hospital and doctor bills.
>
> We have just about depleted our savings, but do not want to call on our children for help or go on welfare. We gave our four children college educations, but feel that it would be better for them to help through paying a little more social security rather than pay our hospital and doctor bills.

A man writes about the experiences of his parents:

> Father retired over 2 years ago. He is now on social security and would live comfortably except for some misfortune which turned up. When he retired he automatically lost his good hospital and surgical coverage with a reputable company. To overcome this my parents took out a policy with a supposedly reputable concern and were high-pressured into paying a lot of money for this policy. Eight months ago mother took sick and expenses amounted to over $1,200. The insurance carrier claimed that this coverage was not included in the policy and simply refunded the premiums on the part covering mother and in plain English kicked her out of the policy. A few months later my father took sick with an ulcer condition and the policy paid about the quota which the schedule called for. Now yesterday we received a notice that nothing further would be paid for this type of sickness and that it would be eliminated from the policy. There isn't much left now, is there?

Of course, young people are very much interested in this proposal, too. A young man writes:

> I am 29 years old. But I am more than willing to advocate a program of medical care for the aged. The following story, probably but one of thousands, will help to explain my feeling. "Because of a $119 unpaid bill, a physician refused a hemorrhaging old man as his patient. Unable to work for over 10 years due to complications of an incurable cancer, this man spent months of his time in hospitals. Twice he traveled to Mayos. But there was no cure. His savings from a lifetime as a machinist are exhausted. An "uncancelable" hospitalization policy from a prominent Nebraska firm was long ago withdrawn; in bed, and without acquaintance with legal resources, no protest was made. Because he has clung to his last security of any kind—title to his small house—he is not entitled to county medical aid. So he suffers, eating aspirins to ward off pain—awaiting death.
>
> In the greatest, most advanced civilization of history, he has no medical care. It is both ironic and tragic. What greater incongruity could be conceived?
>
> That is why I favor a social security medical plan for the aged, and that is why I am willing to help pay for it throughout my working lifetime.

I could, of course, go on with many more examples like these. But I think I have made my point. When we hear about 17 or 18 million people who would get health benefits under this proposal let us not forget that these millions of people are watching what we do here. They are watching to see how we will meet a problem which is immediate and of immense concern to millions of people, old and young alike.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The question is on agreeing to the amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8050) to amend the act relating to the importation of adult honeybees.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11131) to authorize certain construction at military installations, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 8050) to amend the act relating to the importation of adult honeybees, and to amend certain provisions of the Sugar Act of 1948, as amended, and it was signed by the President pro tempore.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. KERR. Mr. President, I rise to speak in opposition to the pending amendment. If I knew exactly how to identify it, I would do so. Since I cannot do so exactly, I shall identify the proposal now before the Senate as the Anderson-Javits amendment. I would be more particular if I knew how to be. But since the sponsors of the amendment themselves have said a number of times on the floor of the Senate that they do not yet know in what form it will be when the motion to table the amendment is made tomorrow, Senators can understand why I cannot address myself to it more pointedly or with a better designation of what it would or would not do. However, there are certain things about which I do know and I shall address myself to those items.

First, it is not a medicare bill. Whatever else may be said about the Anderson-Javits amendments, they would not provide medical care to anyone.

In fact, it does not provide anything until 1964 except an increase in taxes.

What I fail to understand is the great urgency which the sponsors of the legislation feel, and the great necessity for taking it up on the floor of the Senate without its having been cleared by the Ways and Means Committee of the House or the Committee on Finance of the Senate, when the benefits to be provided by it, if enacted, would be available to no one until 1964.

As I contemplate the fact of what it does not provide, I wish to say that no one in the Senate has been more eloquent or more pointed in his criticism of legislation of this kind than the distinguished senior Senator from New York [Mr. JAVITS] himself.

The Senator from New York appeared before the Committee on Finance in June 1960, and he placed in the RECORD a report of the seminar which he had conducted at the College of Physicians and Surgeons in New York City on March 12, 1960. In that statement he said:

> This seminar, Mr. Chairman, was a galaxy of the leading experts on geriatrics in our part of the country and from other parts of the country, and the consensus was that the most important single kind of service which could be given to those over 65 was physician's service.

I wonder where the author of that statement is today, as he advocates legislation which does not do that which he, himself, in 1960 said constituted the most important single kind of service which could be given to those over 65; namely, physicians' services.

He said that "it was a great mistake to make them go to a hospital in order to get the benefits of the health plan, for two reasons: First, you would overtax facilities; and second, it was not good for the older people themselves. There had to be a great concentration upon physician's care, and that" he said, "is what our plans seeks to do."

That was his plan in 1960.

He went on to say:

> Now, to conclude, Mr. Chairman, the social security approach to medical care for the aged presents the serious problem, as we see it, of providing mainly benefits and hospitalization and surgery rather than of adequate physician's care despite the fact, as I said, that as people grow older they need more care from the doctor.

There is this further difference between what the amendment advocated by the Senator from New York in 1960 would have done and what would be provided by the amendment he advocates today. There is no surgeons' care provided for under the amendment now before the Senate. In the CONGRESSIONAL RECORD, volume 106, part 13, page 16900, the Senator from New York said:

> The amendment which I have just now had printed is the only one before us which places the emphasis where it belongs; namely, on preventive care. I wish to emphasize that point; and I repeat that this is the only one which places the emphasis on medical care, which is where the emphasis belongs.

Yet today he is one of the champions on the floor of a plan which does not provide that which he himself so eloquently stated and oft repeated in 1960 as the most important service, the most important necessity for an adequate program for the aged.

In the debate on the floor of the Senate, as shown in the CONGRESSIONAL RECORD, volume 106, part 13, pages 16972 and 16973, I find a colloquy between the distinguished Senator from Pennsylvania [Mr. CLARK] and the Senator from New York [Mr. JAVITS], as follows:

> Mr CLARK. I understand my friend's devotion and loyalty to the President of the United States, and I respect him for it, but I wonder if the Senator from New York, who is a realist in these matters, does not agree that the most practical way to provide health protection for older people is by the use of the contributory machinery of the social security system for insurance covering hospital bills and other health aids. Is not that the practical way to do it?
>
> Mr. JAVITS. I wish to state, in fairness to my colleagues in the Senate, the fundamental rationale which has animated me in the matter. I feel there is a very real and very important sociological question involved in extending the social security system to include medical care. I do not make these remarks in terms of "getting the camel's nose under the tent," but I make them very seriously. No matter what we may do now with respect to the Anderson amendment, with its very limited benefits schedule and very strict conditions about age—for example, age 68—this represents an important departure in national policy.

I wish to say in that regard that what the Anderson-Javits amendment today would provide is less than the Anderson amendment of 1960 would have provided; yet it costs more money than the argument presented by the advocates of the Anderson amendment in 1960 indicated that that amendment would cost.

The Senator from New York went on to say:

> We are opening up the social security system to a new concept, to a new purpose of health care, which I think puts us essentially in a national health scheme. It is bound to go further.

He said the other day, "We now provide what will be in this amendment when we have finally agreed upon what this language shall contain and"—I remind Senators that although the bill has been pending for some days, and although there is a unanimous-consent agreement to vote on a motion to table tomorrow at 3 o'clock, the sponsors do not yet know what the language in it will be come tomorrow afternoon at 3 o'clock.

There has not been a statement by the sponsors of the amendment that "This is it," that this is the form on which we will vote tomorrow whether to table it or not.

When I asked the Senator from New York the other day about the provisions in the amendment as now written being extended and expanded, he said, "This much now, and better things to follow."

How, I ask the sponsors of the amendment, are better things to follow? By what provision? To include what items? And at what cost?

The Senator from New York, in 1960, said:

> Perhaps it will be extended to cover all social security recipients, whatever may be their ages.

That is the danger the Senator from New York saw in this amendment in 1960. Get the nose of the camel under the tent now, and later better things will follow. He said perhaps the proposal would be extended to all social security recipients, whatever may be their ages.

Then the Senator from New York said:

> We are starting a system, a form of organization, a type of approach to medical care needs, which I think will take firm root as a new departure in American life.

These were statements made in 1960 in answer to a question by the Senator from Pennsylvania. The Senator from New York then said:

> I think the social security approach will take us out of the mainstream of American life.

Mr. President, I wonder what there is about this scheme today—what is the magic ingredient—whereby that which would have taken us out of the mainstream of American life in 1960 is indispensable in 1962. I will tell Senators what I think the basis is. It is a political accommodation. The distinguished Senator from New York [Mr. JAVITS]—and I have a great affection and a great respect for him—said on the floor of the Senate the other day, "I have seen the light."

There must be a tremendous candlepower in the light that will attract so widely divergent opinions and objectives as those of the Senator from New York and the Senator from New Mexico [Mr. ANDERSON]. Would that I had the power to identify that light. What a power it would be; and—who knows—maybe once in a while for good.

This is what I thought of. I thought of the popular song; and if this were not such a serious matter and such a dignified environment—I hope the Senator from Michigan [Mr. MCNAMARA] will not leave the Chamber because I am not going to sing the song; I am only going to quote it [laughter]; although if I had musical talent, I would sing it, because I think it applies so dramatically to this situation:

I never cared much for moonlit skies;
I never winked back at fireflies;
But now that the stars are in your eyes
I'm beginning to see the light.

I never went in for afterglow
Or candlelight on the mistletoe
But now when you turn the lamp down low
I'm beginning to see the light.

Mr. President, can you not imagine the environment in which the Senator from New Mexico and the Senator from New York saw the light? Was that not a mystic moment in the political careers of those two great statesmen, when each had been at such variance and at such odds, and between whose positions there had been an insurmountable gulf such as would have dwarfed the gulf of burning fire between Dives, when he lifted up his eyes, being tormented, and looked out yonder and saw Lazarus in Abraham's bosom? What a chasm was eliminated when these two men began to see the light.

I used to ramble through the park
Shadowboxing in the dark
Then you came and caused the spark
That's a four-alarm fire now.

I never made love by lantern shine
I never saw rainbows in my wine
But now that your lips are burning mine
I'm beginning to see the light.

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. KERR. This is a very appropriate moment. I yield.

Mr. SALTONSTALL. I thank the Senator, because I have seen the light while listening to him.

The Senator from Oklahoma has been talking about getting this program into social security. If it goes into social security, is it the opinion of the Senator that it will ever get out; that it can ever be put back on a voluntary basis?

Mr. KERR. The Senator from Massachusetts has touched an important point, a significant point. We can win this battle every year for 20 years; but once it is lost, we will have lost the war. Not only is it true that if this system is ever fastened on to the American people through the social security tax approach will it never be released, nor will they ever be freed from it; it will grow, it will expand, it will increase. As the Senator from New York said on the floor of the Senate in 1960, as I read his statement a little while ago, the system will start here and go there. It will expand and, as the Senator from New York said the other day in answer to the Senator from Oklahoma, there will be better things to follow.

Mr. SALTONSTALL. Mr. President, will the Senator yield for another question?

Mr. KERR. I yield.

Mr. SALTONSTALL. Is it not true that if this system were put under social security, in a very few years—I think by 1970—the tax would rise to more than 9¼ percent?

Mr. KERR. It would go far beyond that. The distinguished former Secretary of Health, Education, and Welfare, Mr. Ribicoff, on May 26, 1961, was asked how far this tax would go. He said then:

> I would certainly be reluctant, personally, to come in and make recommendations that will take as much above 10 percent eventually under existing law.

In 1968 and thereafter, the tax will be 9¼ percent on a maximum of $4,800. Under the proposed amendment, it will be 9¾ percent on a maximum of $5,200.

Mr. SALTONSTALL. That is, by 1970?

Mr. KERR. By 1968. But even that will not even begin to provide the money to pay for the provisions of the Anderson-Javits amendment.

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma further yield?

Mr. KERR. I yield.

Mr. SALTONSTALL. If I correctly read the chart in the rear of the Chamber, the young worker will not begin to receive full benefits in any event, will he?

Mr. KERR. According to the statement on the chart and on the basis of figures supplied by statisticians in the Department of Health, Education, and Welfare, the youngest worker paying a social security tax in 1964 will not, when he retires at age 65, have the benefit of a health care fund that will be actuarially sound to pay his benefits without the continuing contributions of younger generations of workers.

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Oklahoma yield to the Senator from Massachusetts?

Mr. KERR. I yield.

Mr. SALTONSTALL. If it is placed on an appropriation basis—as I advocated the other day—and on a voluntary basis, then, every year, Congress will have the responsibility of determining whether enough money is available to pay the expenses, and to make the proper appropriations, or Congress can change the act so that the program will not get out of hand. Is that correct?

Mr. KERR. The Senator is entirely correct. If it is left up to a program, the specifications of which are written by the Congress and with the required appropriations made by the Congress, Congress will, every year, examine the program and will determine the extent to which the needs are being met and will determine the amount of money required in order to meet them; and thus Congress will have complete control.

But under this amendment, the program will go beyond the power of the Congress to control; and I challenge any Member of the Senate to read the grants of authority contained in this amendment to the Secretary of Health, Education, and Welfare, which he would be able to exercise without congressional review, and not wake up in the night in a cold sweat and with a recurring fear as he contemplates the monstrous program of control which this amendment vests in the Secretary of Health, Education, and Welfare for this money, this operation, and this program on a basis that Congress will have no further control except by means of remedial legislation.

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma yield again to me?

Mr. KERR. I yield.

Mr. SALTONSTALL. If there is remedial legislation, it must be introduced and passed by both Houses and signed by the President, before it can become law; and in that way Congress can change the program. But if there is to be an annual appropriation, Congress can, in connection with making the appropriation each year, decide how much money will go into this form of governmental service; and if Congress does not approve what is being done, Congress can change it by reducing the appropriation.

Mr. KERR. Yes, in that way Congress has absolute and continuing annual review and control; the Senator from Massachusetts is eminently correct.

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma yield further?

Mr. KERR. I yield.

Mr. SALTONSTALL. If the social security system were applied, all we would be able to do—and I know this as one who has served for a number of years on the Appropriations Committee—would be to receive a report from the governmental agency concerned with what was going on; but Congress would have no power to make a change. Congress would only have the power or the right to receive that report. Is that correct?

Mr. KERR. That is correct.

Mr. SALTONSTALL. I thank the Senator from Oklahoma.

Mr. KERR. And I thank the Senator from Massachusetts for his contribution.

Mr. President, there is another Senator who has seen the light; that is my good friend, the Senator from Minnesota [Mr. HUMPHREY]. I should like to state that the extent to which he has seen the light has brought about a reformation, political and philosophical, the like of which I have never seen before. Today there is great hue and cry in the country, by some, "Let us have a tax cut, to give a stimulus to the economy." Mr. President, I wish to state that every day I am interviewed by a new expert, who comes to my office to tell me just what program of tax reduction is necessary if we are to avoid a recession and if we are to provide a foundation for the continued expansion and growth of our economy. The distinguished Senator from Minnesota [Mr. HUMPHREY] has been among those who have spoken the loudest and the most vigorously in favor of the making of a tax cut. He wants a reduction of the taxes on the average wage earner, so that the wage earners will have greater purchasing power and thus will give greater stimulus to the economy. But the Senator from Minnesota has seen the light; he is now advocating a bill which will increase the taxes on the wage earners, without giving them any benefit from that. The Anderson-Javits amendment would increase taxes $2 billion for 1964.

Mr. ANDERSON. Will the Senator from Oklahoma explain how?

Mr. KERR. Yes. There would be an additional tax of one-half of 1 percent on the first $5,200 of wages of every worker, to be paid half by the worker and half by the employer; and there would be an additional 7¾-percent tax on the differential between $4,800 and $5,200, to be paid by every worker and by his employer, 50–50; but three-fourths of it is to be paid entirely by the self-employed; and that one-half of 1 percent will increase the taxes $1,400 million. The Senator knows that under existing law the social security tax applies to the first $4,800 of a worker's income. Under existing law that rate will increase to 7¼ percent on January 1. But under the amendment of the Senator from New Mexico and the Senator from New York and other Senators that rate, plus the one-half of 1 percent, making a total of 7¾ percent, would be applicable to the first $5,200 of the worker's income, payable half by the employer and half by the employee; but three-fourths of the 7¾ percent would be payable entirely by the self-employed; and that 7¼ percent of the $400 differential represents a tax increase of $810 million; and the total of the two, which would begin January 1, 1964, is $2,200 million a year.

Mr. ANDERSON. Will the Senator from Oklahoma agree that part of that is for old-age insurance?

Mr. KERR. Yes; of the $810 million increased tax on the $400 differential, I believe $390 million goes into the OASDI trust fund, and $420 million goes into the health fund; but the tax increase is in the Senator's bill—a tax increase, Mr. President, when across the Nation leading authorities of a certain classification of thinking and of economic position are saying that what the country must have is a tax reduction; and the Senator from Minnesota [Mr. Humphrey] has the most vigorous voice I have heard in favoring it. I want him to go back to the Iron Range in Minnesota, where only about 60 percent of the people are partially or fully employed, and explain to them how it was that he fought all year for a tax reduction, and then wound up by increasing the taxes on their payrolls—on themselves and on their employers. I want him to go back to his farmers—and I want this to be done by any other Senators who support this amendment—and tell them that, too. And I want to say to my great friend, the Senator from New Mexico—and there is no man in the Senate whom I love or respect more highly, or who I think has been more devoted to the welfare of the American farmers—to go back to New Mexico and explain to his farmers how it was that he wanted to increase their taxes by three-fourths of 7¾ percent on the differential between $4,800 and $5,200 and to add one-half of 1 percent on all of it, at a time when most men agree that if there is to be a change in the tax structure, it should be a reduction, instead of an increase. I wonder if it is because he has begun to see the light. And what a magnifying light that must be.

The Senator from North Dakota is sponsoring a bill supposedly to provide nursing home care, and there is not one nursing home in North Dakota that can qualify under this bill—not one. I want him to go back to his people and to his farmers in justification for his voting to increase their taxes by three-fourths of 7¾ percent on the differential between $4,800 and $5,200, and one-half of 1 percent on all of it, for a benefit they could not receive and stay in that State.

One of the great Senators from Utah is sponsoring this legislation, supposedly to provide nursing home care, and there is one, with less than 100 beds, in the State of Utah that can qualify under this bill.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Nebraska.

Mr. CURTIS. Will the Senator tell us what the tax increase in dollars would be for an employee making $5,200 the first year of the operation of this program?

Mr. KERR. If that is the information the Senator from Nebraska asks, if it is an arithmetical exercise he is engaging in, I shall ask a little help from my expert.

Mr. ANDERSON. It is $27.50.

Mr. KERR. The increased cost is $26——

Mr. ANDERSON. Twenty-seven dollars and fifty cents.

Mr. KERR. Twenty-seven dollars and fifty cents?

Mr. ANDERSON. Yes.

Mr. KERR. That is approximately correct.

Mr. CURTIS. That is on the first dollar of earnings. There is no personal or family exemption. Is that correct?

Mr. KERR. There is no exemption.

Mr. CURTIS. A year or two ago there was a debate on the floor of the Senate which started with the idea of raising the personal exemption from its present $600 to $700. That effort was abandoned, because it has a rather cumulative effect when it goes into the high brackets, and the proposal was a reduction in everybody's taxes of $20. I want to point out that this $26 or $27.50—whichever it is—is more——

Mr. KERR. Is more than 33 percent more.

Mr. CURTIS. Than the effect of raising the personal exemption $100 in the lowest bracket.

Mr. KERR. The Senator is correct.

Mr. CURTIS. It would be 1½ times that on the self-employed.

Mr. KERR. The Senator is correct—$27.50, $13.25, $40.75.

Mr. President, there is no medical care provided in this bill. "Oh, but," it is said, "we have nursing home care."

Under the present law known as the Kerr-Mills bill, for want of a better designation, there are 20,000 nursing homes in this country available to the aged for whose care in those nursing homes, if the State implements the law, the Federal Government and the States will pay.

I said a while ago that the Senator from New Mexico has an amendment, proposed after he and the Senator from New York saw the light, that costs more and provides less than his amendment of 1960. In fact, under the King-Anderson bill, which he jointly sponsored with the distinguished Mr. King of California, in the House, there would be 10,000 nursing homes in America qualified to care for the aged and getting the benefits of the bill as he wrote it. But after he saw the light, he offered the Senate an amendment with reference to which there are only 500 nursing homes in America that can qualify and to which the aged could be sent and nursing home benefits given to them.

What kind of a mockery is it, Mr. President, to say to 17 million aged Americans, "We are going to provide nursing home care for you and we passed a bill," and then they go looking for the nursing homes, and they find not one in their State?

I say to the Senator from New Mexico there is only one of them in his State where such nursing home care could be provided.

Mr. President, I remember a passage from the Scriptures, which I think applies to this situation. The Master was talking to the people, according to the seventh chapter of Matthew, and He said:

> What man is there of you, whom if his son ask for bread, will he give him a stone? Or if he ask a fish, will he give him a serpent?

Oh, they ask for nursing care, and they are offered this bill, and they cannot find nursing care with a microscope.

Mr. ANDERSON. Mr President, will the Senator yield?

Mr. KERR. I yield.

Mr. ANDERSON. I would not want the Senator to get off the point of seeing the light and not add a little bit to it. The Senator referred to the Senator from New York and the Senator from Minnesota. Would he not also include the Senator from Oklahoma [Mr. Kerr]? I am referring to the fact that when the so-called Javits bill was before the Congress—and I refer to the Congressional Record, volume 106, part 13, page 17176—the Senator from Oklahoma voted "nay." Then on July 12, 1962, according to the Congressional Record at page 13380, this time when it was offered by the Senator from Masachusetts [Mr. Saltonstall]—the same bill identically, and identified as such—the Senator from Oklahoma saw the light and voted "yea." He saw the light.

Mr. KERR. The Senator from Oklahoma voted for the measure as a substitute for the Javits-Anderson bill.

Mr. ANDERSON. It was an amendment to the Anderson bill in 1960.

Mr. KERR. Yes; but the Senator from Oklahoma had a substitute in 1960 that was better than the Javits amendment, because it provided medical care to those who needed it.

Mr. ANDERSON.. The Senator from Oklahoma did not have a substitute for the Anderson bill at that time. The Kerr amendment, so-called, was in the bill as reported by the Finance Committee.

The Senator from New Mexico voted for the proposal, in the committee. It then came to the Senate. The language was not offered as a substitute for the Kerr-Mills bill. I voted for the Kerr-Mills bill.

Mr. KERR. The Senator is describing methods of reaching the same point. The Senator from New Mexico offered an amendment which would have stricken out the Finance Committee action.

Mr. ANDERSON. Oh, my, no.

Mr. KERR. I believe the Senator did offer his proposal in addition.

Mr. ANDERSON. I did.

Mr. KERR. I believe the Senator did.

Mr. ANDERSON. Yes; I did.

Mr. KERR. Yes; he did.

Mr. ANDERSON. I only wished to keep the record straight. I did not at any time oppose the Kerr-Mills proposal, so called. I voted for it in the committee because I knew the Senator from Oklahoma was deeply interested in the problem and I thought he had presented a good solution for that portion of the problem he was trying to reach. That is all I wish to say in that regard.

In regard to the nursing homes, if the Senator will permit me to comment, one must provide standards. Many nursing homes are not adequate.

This provision refers to people who come from the hospital, when the hospital has been caring for them. These people would be taken from the hospital, though they would remain under the care of the physician, and would go into the nursing home. We feel that the nursing homes ought to be affiliated with the hospital under those circumstances. That is all that would be provided.

Mr. KERR. Under the King-Anderson bill the language was written so that 10,000 nursing homes would have been eligible.

Mr. ANDERSON. I am sorry; I do not believe that. I will not argue with the Senator.

Mr. KERR. I am quoting from an analysis of the bill by the technical staff. I did not ask the staff to interpret it to support either my position or the position of the Senator from New Mexico.

Mr. ANDERSON. I am sure the Senator did not. This is a point on which there might be a reasonable argument. There was a provision in the bill that standards would be set. It was expected that the Federal Government would set those standards as high as a requirement of affiliation with a hospital would set them, but there was such a hue and cry set up by the nursing homes of the country, that this was an endeavor to let the Government impose its will on people, that we provided specifically in legislative language for affiliation with a hospital.

Mr. KERR. Under the King-Anderson bill the cost for nursing home was estimated to be 0.08 percent, and under the amendments the Senator now sponsors the cost is estimated to be 0.02 percent.

Mr. ANDERSON. I did not say the cost of nursing home benefit would not be reduced. I merely said that the Government was going to set up standards, and the objection made was that those standards would be too difficult to meet in most of the localities. There are many places in my State which would not qualify, and I believe there are many places in the State of the Senator from Oklahoma which might not qualify.

Mr. KERR. That is correct.

Mr. ANDERSON. Nevertheless, it was felt it would be better to provide that payment for skilled nursing home care would be limited to cases in which the people come from the hospitals and go into nursing homes affiliated with hospitals. They could not go into nursing homes without coming from the hospital.

Mr. KERR. They could not be paid under the Senator's proposal unless they were in the nursing home. There are some 500 nursing homes which qualify.

Mr. ANDERSON. Which qualify now.

Mr. KERR. Which qualify now.

Mr. ANDERSON. We are trying to set standards so that others might qualify in the future.

Mr. KERR. Then the Senator's cost estimate of 0.02 percent would have to go up, if they did qualify.

Mr. ANDERSON. I do not wish to get into that, if the Senator will excuse me.

Mr. KERR. I do not blame the Senator.

Mr. ANDERSON. It is not for the reason the Senator seems to imply.

The able Senator from Oklahoma sat with me in the meetings of the Finance Committee when the committee tried to decide on disability insurance in 1956. The able Senator from Oregon [Mr. MORSE] wanted to put in a provision which would not begin with the age of 50. He wished to provide that a person of any age could come under the program. We thought in the interests of safety we ought to put in a limiting provision, that only those above 50 years of age might qualify for the disability insurance. Within 4 years we reversed ourselves and made the program available to everybody.

We think the nursing home provision is all right. If it works out that more nursing homes qualify, undoubtedly there will be a saving in other portions of the program, under the hospital care provisions. It would balance out at a later time.

Mr. KERR. I appreciate the Senator's observations.

I say to the Senate that the experts from the Department of Health, Education, and Welfare tell me that the cost of the Senator's amendments, even on the basis of using 500 nursing homes only, instead of being a half of 1 percent would be 0.68 percent; and, further, that each year the cost would be increased.

The cost estimates are based on the 1961 earnings level. If the 1962 earnings level were used, assuming an annual increase of 3 percent in earnings, one of the following alternatives would have to be provided: either the earnings base would have to be raised to $5,350 and it would be necessary to increase the hospital deductible to $10.30 per day; or it would be necessary to increase the hospital deductible to $12 per day; or it would be necessary to decrease the maximum duration of hospitalization from 90 to 80 days, or, under the 45-day alternative, to 40 days.

Furthermore, the estimates of the technicians of the Department of Health, Education, and Welfare are that by 1964, when the Senator's amendments would become operative with reference to the beneficiaries, one of the following actions would be necessary to restore the estimated actuarial balance of the system: raise the earnings base to $5,700 and increase the hospital deductible to $11 per day; or increase the hospital deductible to $16 per day; or decrease the maximum duration of hospitalization from 90 to 60 days, or, under the 45-day alternative, to 33 days.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LAUSCHE. From what is the Senator reading?

Mr. KERR. I am reading from a memorandum prepared for me by Mr. Robert J. Myers, the actuary of the Department of Health, Education, and Welfare. I asked him to provide me with estimates of the cost of the Anderson-Javits amendments in 1963, if implemented, and in 1964 when, under the amendments, the program would be implemented. That was delivered to me from the technicians in the Department of Health, Education, and Welfare. One of them is sitting in this Chamber and if I am incorrect he will tell me so.

Mr. CURTIS. Mr. President, will the distinguished Senator yield to me?

Mr. KERR. I yield.

Mr. CURTIS. Are those figures based upon a continuation of the present level of hospital costs? I think they are.

Mr. KERR. These figures are based on a 3-percent increase in the wage level. I believe the two go together. My adviser tells me that the figures are based on estimates both as to what the earnings level will be and as to what the hospital costs will be.

Mr. ANDERSON. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. ANDERSON. I say to the Senator, as I said a moment ago, these things lead to endless arguments. I should appreciate reading a memorandum Mr. Robert J. Myers, the authority just cited by the Senator, supplied to me:

> The actuarial cost estimate for the present cash benefits of the OASDI system are based on the assumption that earnings will remain level in the future. If instead, earnings rise—as past experience indicate will occur—then the cost of the present system applied in relation to taxable payroll will decrease——

Mr. KERR. Will what?

Mr. ANDERSON. Will decrease—

> The reason for this is that, because of the weighted benefit formula, benefits will not rise proportionally with the increase in credited and taxable covered earnings, whereas contributions will rise in this manner. Thus, contributions will increase more rapidly than benefit outgo, and there will be a reduction in the cost of the program relative to payroll. Estimates based on a 3-percent annual increase in total earnings and covered employment (per worker) indicate that if 1962 earnings were used in the cost estimated (instead of 1961 earnings), the level-cost of the present system would be reduced by 0.07 percent of taxable payroll. This would more than offset the increase in cost of the health benefits of between 0.01 and 0.02 percent of payroll due to the changed earnings-level assumption. In the same way, the use of projected 1964 earnings levels assumption, would result in a reduction of the level-cost of the cash benefits of 20 percent of taxable payroll, as compared with an increase in costs of the health benefits of about 0.05 percent of payroll.

I assume that he thought this would come out about right.

Mr. KERR. If I correctly understand the language the Senator has read, it assumes the transfer of that part which under the Senator's amendment would go to the trust fund, to the health fund.

Mr. ANDERSON. Assuming no increase in wages, then there would be no problem. If the wages should go up, the problem could arise. I am not able to predict where wages will go or how they will go.

We say only that we think the proposal is actuarially sound. Mr. Myers has so certified; and I am inclined to accept his figures.

Mr. KERR. The long-range cost estimates have not taken into account the possibility of a rise in earnings levels, although such a rise has characterized the past history of this country. If such an assumption were used in the cost estimates, along with the unlikely assumption that the benefits, nevertheless, would not be changed, the cost relative to payroll would, of course, be lower.

It is important to note that the possibility that a rise in earnings levels will produce lower costs of the program in relation to payroll is a very important "safety factor" in the financial operations of the system. The financing of the system is based essentially on the intermediate-cost estimate, along with the assumption of level earnings; if experience follows the high-cost assumption, additional financing will be necessary.

I say to the Senate that I read from a memorandum given to me on July 16, 1962. I now ask unanimous consent that it be printed at this point in the RECORD, because it came directly to me from Mr. Robert J. Myers.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Subject: Changes in health benefits plan under conditions of rising earnings.

From: Robert J. Myers.

The actuarial balance of the proposed health benefits plan is based on the assumption of level earnings in the future. If earnings rise—as may be reasonably expected from past history—and if health benefit costs rise correspondingly, the proposed health benefits would not be in actuarial balance.

Under these circumstances, at least one of several alternatives would have to be done to maintain the actuarial status of the social security system without raising the tax rate assigned to the health benefits program.

The cost estimates are based on the 1961 earnings level. If the 1962 earnings level were used (assuming an annual increase of 3 percent in earnings), one of the following alternatives would have to be done:

1. Raise the earnings base to $5,350 and increase the hospital deductible to $10.30 per day.

2. Increase the hospital deductible to $12 per day.

3. Decrease the maximum duration of hospitalization from 90 to 80 days (under the 45-day, no deductible alternative, to 40 days).

By 1964, one of the following actions will be necessary to restore the estimated actuarial balance of the system:

1. Raise the earnings base to $5,700 and increase the hospital deductible to $11 per day.

2. Increase the hospital deductible to $16 per day.

3. Decrease the maximum duration of hospitalization from 90 to 60 days (under the 45-day, no deductible alternative, to 33 days).

Mr. ANDERSON. Will the Senator agree with me that Robert J. Myers has many times certified that the amendment I have offered is actuarially sound and adequately financed?

Mr. KERR. It is only actuarially sound on the assumption that earnings would be level on the basis of the 1961 earnings.

The man is telling the Senator that what I have said is correct.

Mr. ANDERSON. He is not. He is saying that it is not correct. The system would adjust itself as wages rose. As wages rose, old age benefits would improve. I do not know. I have never examined the books. I know only that committees have been appointed to examine social security, and they have said that social security is sound. I have heard Mr. Robert Myers quoted year after year. He has certified that the program is actuarially sound. If we have lost faith in him——

Mr. KERR. I have not lost faith in him. The Senator's statement is based upon a transfer into the health fund of that which, under his measure, would go into the trust fund. That is the safety factor.

Speaking further with reference to what the Javits-Anderson amendment would not do, it would not provide doctors' care. It would not provide surgeons' care. It would not provide private nursing services. It would not provide physical therapy and related services except those customarily provided in a hospital. It would not provide dental services. It would not provide laboratory and X-ray services except those customarily provided in a hospital. It would not provide prescribed drugs, eyeglasses and dentures, except drugs customarily provided in a hospital or nursing home. It would not provide diagnostic or screening and preventive services, except outpatient diagnostic services. It would not provide any of the medical care or remedial care recognized under State law. Therefore, I say again that the measure is a misnomer. It would not provide those things which are indispensable in a general program of providing medical care for the aged, and which the distinguished Senator from New York [Mr. JAVITS] in 1960 said was the basis of the entire program of care for the aged. It is the most important element in care for the aged.

Mr. President, I invite the Senator's attention to what would very likely be lost if the Senate should adopt the amendment. I am making that statement on the assumption that, if agreed to by the Senate, the amendment would not be accepted by the House. Some Senators have had the opportunity and privilege of serving in the House of Representatives; and consequently they know the procedures in that body. As I understand, if the amendment were agreed to, the measure would go back to the House of Representatives and would be placed on the Speaker's desk. If a request were made to send the bill to conference, the request would have to be agreed to unanimously. One objector in the House of Representatives would prevent the bill going to conference, unless the Committee on Rules should issue a rule to send the measure to conference.

I wonder if the sponsors of the amendment have any assurance that the Rules Committee would give the measure a rule? Assuming that it did not, the bill to which the amendment is attached, if it were adopted, would die, and with that action the States would lose the following:

In the bill is a provision for 75 percent of the Federal share for a minimum of services, for self-support, self-care, and other nonadministrative services, training, purchases of services from other State agencies, and for preventive services.

There are provided in the bill changes in formula which would send to the States an additional $126 million for the aged. There is provided in the bill inclusion of $34 million a year for second parent and aid to dependent children cases. Last year we passed a bill on a temporary basis that provided that if the wage earner in the home were unemployed, his children would be eligible for aid to dependent children. That assistance expired on June 30. The bill now before the Senate would extend such assistance; $73 million would be provided for aid to dependent children when the wage earner of the family is unemployed. If the bill dies, the extension of that provision is killed.

There is a provision for $4 million for foster care, which would be extended, child welfare, $5 million; adult category, single program, $7.5 million.

In areas of critical unemployment there is now a very worthy program which an unemployed parent can achieve for his children on the basis of aid to dependent children, paid for by the State and the Federal Government. The program would permit a person to work for the benefit that he would receive through the aid to dependent children that would come to him because he is unemployed. That program is now at a standstill because it expired on June 30. The extension of the program is provided in the bill. It is prevented from going into effect by reason of the fact that the bill is held up in the Senate because of the attempt to place the pending amendment on it.

If it goes on it and goes back to the House, and an objection is made to a conference, and the Rules Committee does not give a rule for a conference, that great and worthy program, of such tremendous significance to those who need it the worst, will be lost.

We added an amendment to the bill on the floor of the Senate the other day which gave the States the right to permit those on old-age assistance to earn up to $50 a month without thereby their assistance checks being reduced.

If the situation develops as I have visualized it, that great humanitarian provision will be lost.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. ANDERSON. The Senate added that same amendment once before. It went to the House. Did not the conferees strike it out after a few minutes' deliberation?

Mr. KERR. Yes.

Mr. ANDERSON. Therefore it is not a very great handicap to put it on the bill again.

Mr. KERR. I believe that that provision was mandatory. I am not sure of that, and the Senator will correct me if I am in error.

Mr. ANDERSON. It was not. We had that under discussion the other day.

Mr. KERR. At one time we passed it and it was permissive. Another time it was mandatory. The Senator will remember which is correct.

Mr. ANDERSON. I am not able to say.

Mr. KERR. I mean the Senator's technician would know.

Mr. ANDERSON. The Douglas amendment was permissive. The Senator from Illinois obtained the floor himself to present that amendment.

Mr. KERR. But I believe we twice adopted it.

Mr. ANDERSON. I am not sure. I would merely like to say this to the able Senator from Oklahoma. He is struggling now in the Committee on Finance with the distinguished Senator from Virginia [Mr. BYRD] to bring out a tax bill. The committee has just struck from the bill the withholding provision. The committee will change the bill in other respects. One objection in the House will prevent it from going to conference with the House. That fact did not hold back the Finance Committee from acting as it did. We recognize that one objection in the House prevents such a bill from going to conference. I served on the Ways and Means Committee in the House. I know how they feel about their prerogatives. Nonetheless, there have been occasions when they have accepted amendments. I admit it is a problem. I am not trying to dismiss it lightly. However, we have adopted amendments that the House did not particularly care for.

Mr. KERR. The same amendment the Senator has submitted is the one that is now before the Ways and Means Committee.

Mr. ANDERSON. But they have not taken any action on it for 4 or 5 months.

Mr. KERR. Does the Senator contemplate that if his amendment were sent to the House and the Rules Committee gave a rule and the bill went to conference, the House would be willing to accept the amendment?

Mr. ANDERSON. I hope so. I cannot be certain about it, but I hope that the House would see the wisdom of doing just that.

Mr. KERR. What the Senator has said might be the basis for taking exactly the opposite action to that which the Senator from New Mexico indicates would be his hope.

Mr. ANDERSON. It is possible.

Mr. KERR. I have told the Senate what the bill would not do. I should now like to tell Senators, or remind them, of some of the things that it would do. The amendment would raise taxes $2.2 billion a year on the self-employed and on the workers and employers of America, when everyone knows that we ought to ease the burden instead of increasing it, and when everyone knows that the profit squeeze is on between cost and selling price, and that the profits of the employers, out of which taxes are paid, are being squeezed by increasing costs and increasing competition.

So that what we have before us is an amendment which would increase on a limited group, which the distinguished Senator from New York said in 1960 were "those least able to pay," their part of the $2.2 billion a year in additional taxes.

I request that Senators consider the position in which the amendment would put the younger workers of America. The amendment would place 20 million people in a position to receive the benefits provided by the amendment. There will be about 17 million of them who will be eligible on January 1, 1964. In succeeding years there will be an additional 3 million eligible, who have already earned eligibility for social security retirement purposes but who are not now employed by private industry and who are not now contributing to the fund. So the amendment would make 20 million retirees eligible for benefits who either have not or will not make any contribution to the fund, with the possible exception of those who work beyond 65 years of age and pay social security taxes by reason of that fact.

Yet the benefits provided for the 20 million people will cost $35 billion, which will have to be paid by the self-employed and the younger workers of America and their employers, when these younger workers are already struggling to take care of the health costs of their wives and their children.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LONG of Louisiana. Is the Senator estimating the $35 billion based on treatment in private hospitals, or in public hospitals?

Mr. KERR. This is the cost estimated, I believe, on the basis of a 3-percent increase every year for a number of years, until it levels off at a level rate. I believe that contingency is in the estimate of the cost.

Mr. LONG of Louisiana. It is important to determine whether the $35 billion is based on experience in private hospitals or experience in public hospitals. In Louisiana we have a situation in which people stay 50 percent longer in public hospitals than in private hospitals, for any given illness. The reason for it is that if a person is paying his own hospital bill he is always asking his doctor, "Doctor, can I go home?" It is important to him, because he is paying the bill.

If he is in a State hospital, the ward leader or someone else is always calling up the doctor and saying, "Do you have to discharge that person? Can't he stay a little longer?" There is the problem also of a person who wants to take a vacation, and in order to do that wants to put his dependent in the hospital and have him stay there longer. He wants his relative to stay in the hospital during the period of time that he takes a vacation.

The cold, hard statistics in Louisiana show—and no one is denying it, not even those who voted for the proposal—that there is a difference of 50 percent between the length of time a person stays in a private hospital and in a State hospital, because in the one instance it is necessary to work to get patients out and in the other the patients are working to get themselves out. That is the difference.

Mr. KERR. The Senator from Louisiana has called attention to a very significant fact. That is one of the reasons why the technicians speak of the cost of the bill to provide benefits to those who will have made no contribution to the fund as $35 billion. That is their estimate of what the minimum cost will be.

Mr. LONG of Louisiana. I ask the Senator to mark my words that it will be nearer $52 billion.

Mr. KERR. There is no Senator who does not receive correspondence continually from worthy veterans, whom he is trying to help from the standpoint of trying to get them into a veterans' hospital.

What the Senator from Louisiana has said can be corroborated by any Senator from the mail he receives from servicemen and veterans in his State, and from his experience in seeking to obtain for them entrance into veterans' hospitals or the opportunity to continue to remain in veterans' hospitals.

Mr. LONG of Louisiana. Mr. President, will the Senator from Oklahoma further yield?

Mr. KERR. I yield.

Mr. LONG of Louisiana. I should like to support the Senator by saying that some of the most grateful constituents I have are those whose relatives I was able either to get into a veterans' hospital or to keep in one.

Mr. KERR. The Senator is correct. While the Senator from Louisiana was speaking, I was thinking of a veteran having a non-service-connected disability, who had a fine family, but one which was not economically fortunate, and of the many hours spent by members of the staff of the Senator from Oklahoma to secure the admission of that veteran to a veterans' hospital.

Mr. President, even the partially employed will have to contribute to the $35 billion. Workers who are employed only half time will have to pay a part of that cost.

Mr. LAUSCHE. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. KERR. I yield.

Mr. LAUSCHE. Does the $35 billion cost envision taking care of beneficiaries during the expectancy of their life beyond age 65?

Mr. KERR. It envisions those who will be eligible but who will not have contributed to the fund. The Senator is correct.

Mr. LAUSCHE. It is predicated upon an estimate of life into the future of persons who are now 65 and until all of them have passed away?

Mr. KERR. Yes; and of those who are not yet 65 but who have earned social security retirement identity, but who are not now contributing to the fund by reason of being otherwise employed, such as being employed by the Government, and the like.

Mr. LAUSCHE. I thank the Senator from Oklahoma.

Mr. CURTIS. Mr. President, will the distinguished Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. CURTIS. We are speaking of who would pay taxes. If the physically handicapped are employed and earn some wages, will they not pay social security taxes?

Mr. KERR. Yes.

Mr. CURTIS. That includes some of the severely handicapped individuals who are employed in Goodwill Industries and similar institutions, does it not?

Mr. KERR. I believe it does, if they work enough and earn $50 a quarter.

Mr. CURTIS. Yes. Would they not be contributing to the payment of the hospital bills of at least some of the people who are well able to pay the bills themselves?

Mr. KERR. They would contribute to the payment for hospital care for which every retired banker or financier in America would be eligible.

Mr. CURTIS. Such a person would not have to retire; he would simply have to be eligible for the benefits. He could have the highest income of his entire career but still eligible to retire.

Mr. KERR. Then he would be eligible for these benefits.

Mr. CURTIS. That is correct.

Mr. KERR. The Senator is correct. Not only the physically handicapped, but also the blind and the domestic employees. Even the cook in one's house, who received $25 a week or more, would be taxed to pay for the benefits for which people who would not contribute a dime would become eligible. Millions of persons are employing domestic employees who will be making contributions.

Mr. President, I am beginning to see the light. I am not going back to Oklahoma and face the farmers of that State, saying, "I voted to impose on you a tax of 7¾ percent of what you make above $4,800 up to $5,200, and one-half of 1 percent on every dollar you make up to $4,800, in order to provide benefits for millions of retired persons who may be the owners of the farms on which you are tenant farmers."

Many Members of the Senate who are deeply concerned about the agricultural program and the welfare of the American farmers are supporting this measure. If and when it is passed, will they go back home and explain to the farmers why they voted to raise their taxes in order to provide benefits for people who are worth many times what the farmers are worth—people who have never paid a dollar to receive the benefits?

Mrs. NEUBERGER. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. KERR. I am honored to yield to the lovely Senator from Oregon.

Mrs. NEUBERGER. Is this not what a farmer does if he has insurance on his house?

Mr. KERR. I do not know of anyone who has insurance on a house who does not pay for it himself. I am talking about the 20 million people who will not have paid 1 cent for this insurance. It will be paid for and given to them by others.

I say to the great Senator from Oregon that not one thing more is being provided for the old people of her State. She may think there is; but there is one nursing home in Oregon which is eligible under this measure—only one. This proposal is a misnomer. It does not provide for the payment of doctors' bills, dentists' bills, or surgeons' bills. It gives to those who do not need at the expense of the lowest level income groups in America. It gives to those who have contributed nothing at the cost of the disabled, the blind, the domestic workers, the farmworkers, and the farmers of America.

I favor medical care for the aged far beyond what is provided in this measure. But if taxes are to be imposed on the American people to provide benefits for them, then every taxpayer should make the contribution, not only the lowest paid or those having the lowest incomes. Income taxes are paid on a graduated scale; but the Anderson-Javits amendment does not provide a graduated scale of payments. The lowest wage level worker in this country pays the same percentage on what he earns as does the millionaire.

I feel certain that the Senator from Oregon [Mrs. NEUBERGER] does not believe in such a philosophy as the Anderson-Javits amendment contains. It is not necessary to pass this measure in order to provide such help to the aged. It is not necessary to offer bread and then give them a stone, by saying, "Here is a program of medical care," when no medical care is in it.

It is said that under the Anderson-Javits amendment, 45 days of hospitalization will be provided without charge, without even a deductible. What will happen to a person who is over 65 years of age when the 45 days have elapsed? What will happen will be that such a person will be placed in a nursing home that does not exist, or else he will be eligible under Kerr-Mills in States where that act is in force, because that act will pay the doctors' bills. It will pay the hospital bills for a year, if the State will implement the program. It will pay for dental care. It will pay for nurses. It will pay for laboratory and X-ray services. It will pay for any other medical care or remedial care recognized under State law. But the Anderson-Javits proposal would not.

No wonder a group in Rochester, the hometown of the distinguished junior Senator from New York [Mr. KEATING], wrote as follows:

> DEAR SENATOR KEATING: Comments attributed to you in the CONGRESSIONAL RECORD are receiving wide dissemination in current discussions regarding the proposed medicare amendment.
>
> This is a carefully prepared, sensible approach to one of our greatest legislative challenges, and there is a very substantial body of doctors who feel that the sound and proper method of financing medical care is under social security.

Says his constituent:

> The proposed amendment in my estimation is quite a hodgepodge of methods to take care of part of the expenses of senior citizens, whether they need it or not. It is interesting to note that in your home community of Monroe County there are approximately 38 accredited proprietary nursing homes with a bed capacity of 1,360, none of which could qualify under this proposal. There are also 8 other homes, including the Monroe County Home and Infirmary, St. Ann's, the Jewish Home for the Aged, and so forth, with a bed capacity of 954, of which only St. Ann's could possibly qualify, if, as proposed, that home affiliates with General Hospital.

Mr. KEATING. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. KEATING. The Senator from Oklahoma has seen fit to quote from a letter sent to me, as apparently a copy was sent to him. All I can say is that I have received plenty of mail on all sides of this issue in the past 2 years. I have received a significant amount of mail in opposition to the original Anderson bill, and lately I have also received some in opposition to the modified bill. To be specific, I have gotten 10,299 letters in opposition to any form of health care for the aged under social security.

I have also received 382,949 letters in favor either of the original Anderson proposal or of the modified which, in my judgment, is a much improved proposal. Therefore, while every letter is important, any single letter the Senator from Oklahoma might see fit to cite ought to be cited in the context of all of the many thousands of letters I have received.

Mr. KERR. Under the original King-Anderson bill 10,000 nursing homes in America would have been eligible; but under this bill only 500 would be eligible—only 500 in the entire Nation; and there would be only 1—if there were 1—in the Senator's county.

Mr. KEATING. All the hospitals in Monroe County could qualify.

Mr. KERR. Under this bill they could not qualify as nursing homes.

Mr. KEATING. They could qualify if they affiliated.

Mr. KERR. Oh, yes; but if they did, the Senator's estimate of 0.02 percent of payroll would have to be quadrupled, if all of them qualified.

Mr. KEATING. There is a great difference of opinion on that subject.

Mr. KERR. That is the figure provided by the Department of Health, Education, and Welfare technicians.

Mr. President, this bill would give too much to those who do not need it. It would give too little to those who do need it.

Medical science in this country has advanced to the highest degree of efficiency and value—more so than in any other nation in the world. There was a time when American doctors went to Germany to study medicine and surgery.

But today, doctors and physicians come from around the world to study in the advanced facilities and courses under the distinguished medical educators of America. Why is that? It is because the American medical profession, the American dental profession, the American surgical profession, and the American nursing profession are free and have the incentive and opportunity to work to improve themselves to provide better medical care for the people. That care should be available to the aged, if they need it and if they cannot provide it for themselves. I would not deny it to a single person over 65 years of age who needs it and cannot provide it for himself or herself. But I would not tax the disabled, the blind, the domestic workers, the garage mechanics, the filling station operators, and the other low-income groups of America to provide a limited program to millions of people for whom they are working, who will not have contributed one dime to pay the cost of the program. I have not seen that kind of light. I will not return to Oklahoma and tell the aged there that I have voted for a program which is a misnomer—which purports to be medical care, but would provide no medical care.

I will cast my vote to make the present medical-care program for the aged more available, on the basis of having the States operate it and on the basis of having freedom of choice for the patient, as to the doctor, the dentist, the surgeon, the hospital, and the nursing home, and also freedom of choice on the part of the doctor, the dentist, and the surgeon, so that they might have a voice in deciding what patient or patients they would serve. But I would vote for such a program for those whose own economics will not enable them to pay for it.

We have heard talk about someone with a $4,000 income who might have a catastrophic illness for which he would not be able to pay. Under this bill he would not be benefited. The other day I heard on this floor an eloquent plea for low-income groups who, with families to support, need a program which, in the case of a catastrophic illness, would provide them with the medical care and the hospital care they require, without bankrupting them. But this bill would not give them such aid, it would keep them in a hospital for 90 days, with some additional time in a nursing home or with daily visitation, and then they would be on their own. A person who had a lingering case would not be benefited under this bill; the bill would not provide the aid needed by such a person. Furthermore, if those in that income bracket want a limited health program, they can acquire it at a minimum cost. Yonder in the Chamber is a chart which shows that for those over 65, the use of this same kind of health program, for which they are paying, has increased 200 percent in less than 10 years.

Mrs. NEUBERGER. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mrs. NEUBERGER. By the enactment of this bill, would the Kerr-Mills Act for the indigent be repealed?

Mr. KERR. No. Furthermore, it is not for the indigent, I say to the great lady from Oregon. The Kerr-Mills Act is not for the indigent. A person with a $5,000 medical cost and hospital cost does not have to be indigent in order to be unable to pay that cost. But if a person is worth a million dollars, I do not know of any reason why a tax to provide that person with medical care should be levied on that person's employees who work in the kitchen or on the farm, or why a tax for that purpose should be levied on the blind. But that is what this amendment would do. In the Kerr-Mills Act there is no requirement that one must be indigent in order to receive help. A State can decide that it will provide such help to any couple whose income does not exceed $3,000 or $4,000 or $5,000, if the State wishes to do so. But couples with incomes of that size are not indigent. However, by the time medium-income groups pay the cost of a lingering illness, they will be indigent, because they will have had to pay out of their meager savings medical costs and hospital costs which this bill would not pay for them, and which their own means would not enable them to pay.

Let us not deceive the people of America or ourselves. We are talking about a program that would produce indigence, and not relieve it. The low income groups would get all the benefits under Kerr-Mills. If a member of such a group had a lingering illness, this measure would not keep him from becoming indigent. He would have to resort to the Kerr-Mills Act in order to get any benefit. Yet this amendment would cost $2.2 billion beginning in 1964, and the estimates of the Department of Health, Education, and Welfare are that in 1964 Kerr-Mills would cost less than $400 million for every State that would qualify to give adequate medical care to those who cannot provide it for themselves.

Who would pay for it? Every taxpayer; not the low income groups, not those who would be paying into a fund for which their own employers would be eligible to secure benefits, but with reference to which they had never paid a dime.

Where is the sense of fairness in the minds of Senators who would impose such a mockery?

We should face the responsibility of providing medical care for the aged, but when we do, let us provide adequate medical care; when we do, let us require all taxpayers to pay for it; when we do, let us provide medical care for those who cannot provide it for themselves, and not for those who can provide it easily for themselves, without the tax being a burden on the low income workers of America.

I submit to the Senate that the amendments should be defeated.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. CURTIS. Referring to the chart in the rear of the Chamber, it points out that persons over 65 on January 1, 1964, or who might thereafter retire at 65 without having contributed to the health fund would exceed 20 million, and would cost social security $35 billion. Is that correct?

Mr. KERR. In that regard, the only amendment that should be made to the statement of the Senator from Nebraska is that it is estimated that those over 65 who continued to work could contribute $50 million or more to the amount of $35 billion.

Mr. CURTIS. Who would pay that $35 billion?

Mr. KERR. Younger workers and the self-employed.

Mr. CURTIS. And some who are not born yet?

Mr. KERR. Yes.

Mr. CURTIS. Would the individual whose income is entirely from investments pay one dime of that $35 billion? The social security tax is based on wages and salaries, is it not?

Mr. KERR. Yes; it is based on the salaries or earnings of workers and the self-employed. The Senator is correct.

Mr. CURTIS. Such an individual, regardless of the extent of his capital or income, would be a beneficiary, but would not pay one dime of that amount?

Mr. KERR. He would not be a contributor. The Senator is correct.

Mr. President, I yield the floor.

Mr. McNAMARA. Mr. President——

The **PRESIDING OFFICER.** The Senator from Michigan.

Mr. McNAMARA. I wish to propound a parliamentary inquiry before I begin my statement.

The **PRESIDING OFFICER.** The Senator will state the parliamentary inquiry.

Mr. McNAMARA. Is time now controlled? And if I desire to speak on the same subject, must I have time allocated to me?

The **PRESIDING OFFICER.** The Senate is not now proceeding under controlled time.

Mr. McNAMARA. I thank the Chair.

Mr. President, I have enjoyed very much the presentation made by my distinguished friend from Oklahoma. I agree with him in his basic theory that this measure would not do all the things that elderly people need done for them. The Senator is absolutely correct. At the same time, if it were to do all the things that the opponents of the measure now say should be done, it would cost several times as much as what is already regarded as too high a cost. So I think that argument answers the question.

VOLUNTARY HEALTH INSURANCE AND KING-ANDERSON

Mr. President, there has been a good deal of talk in recent days by opponents of the King-Anderson bill concerning the role of voluntary health insurance in meeting the needs of older people. In essence, two claims have been made. First, that voluntary health insurance is, or soon will be, meeting the need. Secondly, that enactment of the King-Anderson bill will have a disastrous effect on voluntary plans.

The truth, Mr. President, is just the opposite.

Private insurance does not and cannot meet the need unaided.

Enactment of King-Anderson will give a great boost to private insurance, and the combination of the two may well provide the answer we seek.

Older people whose incomes are fixed need comprehensive insurance coverage. Less than 5 percent of all the people in the United States have comprehensive health insurance, far fewer of our older people. The insurance that older people have costs too much of their incomes and provides too little in services covered. The many hearings held throughout the country by our Special Committee on Aging prove this beyond a doubt.

Let it be understood, Mr. President, that this is not the fault of the insurance companies, not even of those private insurance companies who sell individual policies—the only ones available to most older people—and which, for every dollar they take in, pay out only 53 cents for health services.

This results from a simple fact of economic life. Insurance companies must take enough in premiums to pay for the costs of the services covered and, in the case of commercial companies, their profits. Older people cannot afford to pay premiums high enough to cover the costs of the services they need. The result is that insurance premiums are cut to meet the incomes of some older people, services covered are cut correspondingly, and many of the elderly are cut off completely from coverage just when their need is greatest.

King-Anderson, properly understood, is designed and planned to help private insurance meet the need it cannot meet unaided. King-Anderson does not intend or pretend to do the whole job. It would simply relieve private insurance on the necessity to try to meet the greatest, most constant and most burdensome part of the costs of health care for the elderly—the costs of hospital and skilled nursing facility care.

When King-Anderson is enacted into law and our older people need no longer fear the burden of hospital costs, private insurers—profit and nonprofit alike—will be in a position to offer insurance coverage for other items of health care at a price which, hopefully, most of the elderly will be able to afford.

The tripartite approach: King-Anderson for hospital costs; private insurance for most other costs; Kerr-Mills to pick up costs that outrun the others, is the logical solution, the only one that promises an acceptable and workable answer.

I hope the basic part of this three-part approach will be added promptly to the two we already have: the two which, of themselves, clearly cannot meet the need.

In conclusion, Mr. President, I ask unanimous consent to have set forth at this point in the RECORD a most interesting table of key facts about the health insurance business which appeared in the June 4 issue of Medical Economics.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Key facts about the health insurance business

WHICH INSURERS GET THE MOST?

	Premium income in millions
Commercial health plans (group)	$2, 104
Blue Cross hospitalization plans	1, 773
Commercial health plans (individual)	923
Blue Shield medical-surgical plans	709
Independent health plans	332

WHICH INSURERS GIVE THE MOST?

	Percent paid out in benefits
Independent health plans	96. 5
Blue Cross hospitalization plans	92. 6
Blue Shield medical-surgical plans	90. 4
Commercial health plans (group)	90. 4
Commercial health plans (individual)	52. 9

Figures shown are for 1960 as reported by Blue Cross, Blue Shield, the Health Insurance Association, and the Social Security Administration.

12 of the Blue's biggest competitors

	Premium income (in millions)	Percent paid out in benefits
Commercial health plans (group):		
Metropolitan	$356	90. 6
Aetna Life	351	90. 0
Travelers	296	90. 4
Equitable	217	88. 3
Commercial health plans (individual):		
Mutual of Omaha	189	59. 8
Bankers Life & Casualty	114	60. 9
Prudential	95	46. 2
Continental Casualty	89	51. 6
Independent health plans:		
United Mine Workers	62	97. 1
Kaiser Foundation Health Plan	53	94. 5
Group Health Insurance, New York	25	82. 3
Health Insurance Plan, New York	21	99. 5

Figures shown are for 1960 as reported by the companies and plans listed.

Mr. BYRD of Virginia. Mr. President, the bill before the Senate (H.R. 10606) would amend existing law providing for so-called public assistance. The pending amendment to the bill would expand the social security system to provide limited medical care benefits for older persons.

In regular procedure the public assistance bill was originated in the House of Representatives, considered by the Ways and Means Committee, passed by the House, and it has been considered and reported by the Senate Finance Committee. The amendment now pending has had the benefit of none of this deliberation.

The fact that the medicare amendment is before the Senate without adequate preliminary consideration involves a situation which I shall review in the opening portion of these remarks. Such a review should be made for the record, and I hope it may be helpful otherwise.

PUBLIC ASSISTANCE

Public assistance has been officially related to social security since the social security system was founded in 1935. In the beginning, public assistance was administered by the Social Security Board. Now it is administered by the Social Security Administration.

It was originally contended that as social security coverage expanded the requirement for public assistance would diminish. Social security coverage has been expanded, but—whatever the public assistance requirements may be—the cost of the program continues to increase.

SOCIAL SECURITY

Public assistance is financed by appropriations from general revenue; but the social security system involves the levy of payroll taxes for its support. Despite this fundamental difference, along with others, the two programs are still officially linked for many purposes.

Legislative consideration is among the purposes for which they are considered to be related. And for this purpose the social security aspects have always predominated to the extent that basic legislation for both programs has been subject to revenue measure procedure.

REVENUE MEASURES

Article I, section 7, of the Constitution says:

> All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose amendments as on other bills.

The Senate knows how jealously the House guards this constitutional prerogative. If evidence is desired, it lies in the record which documents the fate of Senate attempts to intrude. And in view of the record, the chances for passage of the pending amendment seem to be dim.

SLIM CHANCE

There are numerous reasons for us to assume that, even if the medicare amendments were passed by the Senate at this time, the chances for acceptance by the House of Representatives are dim; but two of the reasons I have in mind must be clear to all Members of the Senate:

In the first place, it would raise taxes—not only the social security tax rates, but also the amount of pay on which they would be levied. In the second place, the Ways and Means Committee has been considering similar legislation for months with no action to date.

HOUSE PROPOSALS

The Ways and Means Committee had before it the Forand bill to provide old-age medicare through social security in the 86th Congress, but did not report it; and in the present Congress it has had the King-Anderson bill for the same purpose before it for months—without approval.

Meanwhile, in the 86th Congress, the Senate did successfully amend a social security bill to include the Kerr-Mills provisions. But these established medical aid for older people as a public assistance program to be financed by appropriations from the general fund.

COMMITTEE ACTION

The Senate Finance Committee has gone even further. On January 21, 1962, the committee considered a motion by the Senator from New Mexico [Mr. ANDERSON] that hearings be held on Senate bill 909—to establish a social security medical care program for older persons through the social security system—not later than April 1, 1962, regardless of whether the House of Representatives had acted on an identical bill pending in the House Committee on Ways and Means.

This motion was put to a vote; it failed to carry by a vote of 10 to 7.

The committee then considered a second motion; it was made by the Senator from Oklahoma [Mr. KERR] that prompt hearings be held on this subject as soon as the House of Representatives passes and sends to the Senate for further action a medical care for the aged bill.

This motion was carried with an affirmative vote by all 13 members of the committee present and voting. And this is the status of the matter in the committee at this time. To date the House has not passed such a bill; if and when it does, the Finance Committee will act.

COMMITTEE POLICY

The committee's action on this legislation was in accord with its traditional policy. It rarely holds advance hearings on a proposal when the originating jurisdiction lies in the House, or considers such a bill before the House of Representatives has acted.

The King-Anderson bill clearly was such a measure. It would have raised social security taxes which are being levied on millions of people and withheld from their pay. The pending amendment would do the same thing, and raise the amount of pay to be taxed.

PENDING AMENDMENTS

If the committee had held advance hearings on the King-Anderson bill, it would have spent its time on a bill which, according to the sponsors of the pending amendment, was considerably different from the Anderson-Javits proposal now under discussion.

I submit the Finance Committee has acted properly, in accordance with traditional policy, and wisely on this matter. Under orthodox procedure it has reported the public assistance bill. It has not considered the tax-raising amendment which was originated in the Senate.

NOTABLE COINCIDENCE

The Senate cannot overlook the fact that by 1964 the pending amendment would increase Federal payroll tax collections for social security by more than $2 billion a year—and half of this would be withheld from the pay of the working people of this Nation.

It is a notable coincidence that such a tax increase should be urged here with such vigor, when the propaganda drums are being hammered by those who contend that tax reductions up to $9.5 billion must be enacted to save the country from recession or something worse.

TAX RATES

Under present law social security tax rates will increase, in steps, from a total of 7¼ percent in 1963 to 9¼ percent in 1968. This, as always with social security taxes, would be levied half on employees and half on employers.

Under the pending amendments the social security tax rates would be increased, in steps, from 7¼ percent in 1963 to 9¾ percent in 1968. This would be an increase from 3⅝ percent each, on employees and employers, to 4⅞ percent each.

PAY BASE

Under the proposed amendment the increase in tax rates would become effective in 1964; but the amendment also would increase the maximum amount of pay which could be taxed, and this would be effective a year earlier, in the coming calendar year, in 1963.

Under present law the graduated increases in the tax rate would be applied to a maximum pay fixed at $4,800. Under the pending amendment the increased rates would be levied on maximum pay which would be raised to $5,200.

NO DEDUCTIONS

A payroll tax is a straight tax on employees. There are no deductions. A tax of nearly 5 percent—on pay up to $5,200—is heavy taxation. It is heavy on both employee and employer; and the employee must pay it in addition to regular income taxes withheld from his pay.

With social security taxes rising, as they are, with or without the pending amendments, the question arises: How much higher can these taxes be raised? Let the Secretary of Health, Education, and Welfare, himself, answer that question.

RIBICOFF LIMIT

Former Secretary Abraham Ribicoff, in an interview with the U.S. News & World Report, as published February 5, 1962, said, in a published interview, in part, as follows:

> I have told Senator HARRY F. BYRD, of Virginia, I think we have reached a state of almost maximum taxation under social security. In my mind, I place that at 10 percent of payroll. Under the tax schedule of the present act you will get up to 9¼ percent for employer and employee in 1968. You add this one-half of 1 percent for medical care for the aging under social security, and you've about hit the top of 10 percent. I don't think people will go for more than 10 percent.

A 45.6-PERCENT INCREASE

Under rates fixed in the present law applied to the $4,800 limit, social security taxes on the employee would rise from $174 in 1963 to $222 in 1968. Under rates in the proposed amendment applied to a $5,200 pay limit, social security taxes in 1968 would total $253.50.

For those earning $5,200 and more, this would be an increase on each employee of $79.50—or 45.6 percent to $253.50 in 6 years; the tax on employers would be increased by an equal amount; the Government's take—per employee—would be increased by $159. The total tax would be $507.

EMPLOYEE'S INCREASE

I have prepared a table showing increases in social security taxes to be paid by an employee under the graduated schedule in the present law, and the increases which would be levied on an employee under the graduated schedule in the proposed amendment, and a comparison of the two in both dollars and percentage.

I ask unanimous consent to have this table published at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Social security taxes on an employee under present law rates and maximum pay base of $4,800 compared with proposed rates and maximum pay base of $5,200

Year	Present law rates on $4,800 pay maximum		Under proposed amendment, increasing tax rate + of 1 percent beginning in 1964, and raising maximum pay base to $5,200 beginning in 1963			
	Tax rate (percent)	Amount to be paid	Tax rate (percent)	Amount to be paid	Increase over present law	
					Dollars	Percent [1]
1963	3⅝	$174	3⅝	$188.50	$14.50	8.3
1964	3⅝	174	3⅞	201.50	27.50	15.8
1965	3⅝	174	3⅞	201.50	27.50	15.8
1966	4⅛	198	4⅜	227.50	29.50	14.9
1967	4⅛	198	4⅜	227.50	29.50	14.9
1968 (and after)	4⅝	222	4⅞	253.50	31.50	14.2

[1] Percentage increase figures based on—
1963: Increase in base with no increase in rate.
1964–65: Increase in base and ¼ of 1 percent in rate for medicare.
1966–67: Increase in base and graduated rate increase, plus ¼ of 1 percent for medicare. Percentage increase is lower because medicare rate of ¼ of 1 percent remains constant.
1968 and after: Increase in base and graduated rate increase, plus ¼ of 1 percent for medicare. Percentage increase is lower because medicare rate of ¼ of 1 percent remains constant.

INCOME TAXES

Mr. BYRD of Virginia. Mr. President, consider these increased social security taxes in addition to individual income taxes, and compare them. At present income tax rates, a man with a wife and two children would pay $456 in Federal income taxes on a $5,200 income. Social security and income taxes would be almost equal if the man were making $300 a month.

The social security taxes would be higher if the man were self-employed. Under the amendment, if a self-employed man were taxed on $5,200, he would pay $300 in 1964 and $380 in 1968; and if a self-employed man earned $3,600 in 1968 his social security taxes would exceed his income taxes, at present income tax rates.

SEVENTEEN AND ONE-HALF MILLION

While younger people will pay increased taxes for years before they could receive any benefits, sponsors of the pending amendments are authority for the statement that some 17½ million persons who had paid nothing into the fund would be eligible for medicare benefits in January 1964.

These would include some 15 million persons 65 years of age and more already retired under social security and railroad retirement programs, and some 2½ million outside of government retirement programs who, under the amendments, would be covered into the program with no previous identification in Federal insurance.

MILLIONAIRES COVERED

Such benefits as the amendments would provide would be available to all persons 65 and over, except Federal employees, aliens, convicted subversives, and so forth. There would be no needs test. Payments would be made to millionaires and the indigent, and all of those in between, regardless of ability to pay.

It is a matter of record that among all of those now 65 and older, only about 14 percent are receiving public assistance payments, and, of course, not all of these require services for which the amendments would pay benefits. This would indicate a majority of the elderly are capable of providing for their own needs.

APPROPRIATIONS TOO

The Anderson-Javits amendments would not only increase social security taxes for so-called medicare; but also would authorize appropriations from the general fund. This would set the precedent of providing general fund appropriations to defray costs of social security programs.

In this instance it is said that the appropriations would be to defray coverage costs for those not previously identified with Federal retirement programs. But the fact is that part of the increased revenue from the pending amendment would be used to "sweeten" regular social security retirement payments.

DISAPPOINTING BENEFITS

Even with increased taxes and appropriations from the general fund, medicare benefits under the pending amendment would be disappointing to millions of older persons who, by the highly emotional, much publicized, nationwide campaign for the King-Anderson bill have been led to expect far more.

The amendments would cost more than $1 billion a year, but it would not pay private doctor fees; it would not pay any private nursing costs; it would not pay for any drugs used outside of hospitals; it would not pay for any nursing home facilities unless they were directly affiliated with a hospital; it would not pay for dental work; it would not pay for eyeglasses; it would not pay for any prosthetic devices, and so forth.

What would they pay for? They would pay for diagnostic services after the patient paid the first $20; they would pay for up to 90 days of inpatient hospital services after the patient paid the first $20 to $90; they would pay for services up to 180 days in a nursing home directly affiliated with a hospital after a patient is released from the hospital; and they would pay for home health care up to 240 visits.

QUESTIONABLE CHANGES

Much has been said in the floor discussion of so-called improvements in the pending amendments relating to participation by private insurance companies and by agencies of State governments. The language in the amendments clearly indicates that participation by States and insurance companies would be limited, indeed.

There has been no testimony as to the reaction of either the States or the insurance companies. This, of course, simply goes to prove the necessity for proper hearings and examination with respect to legislation such as this. Without the evidence and testimony these provisions cannot be evaluated.

KINDLY DISPOSED

Analysis of the pending Anderson-Javits amendments, as was true also with the King-Anderson bill, makes obvious the reasons for proceeding cautiously with this plan despite the fact that it is a proposal which appeals to the sympathies of almost everyone.

All of us want the very best for our senior citizens; no one is unkindly disposed toward them, but the amendments are a misguided effort which could disappoint them and impose hardship on their children. There is every reason to proceed carefully in a matter as important as this.

TREMENDOUS STRAIN

Even with all of the shortcomings in the pending amendments, they would be certain to put a tremendous strain on existing medical institutions, related facilities and personnel. The amendments, of course, make no provision for financing the cost of their expansion. This would come later.

Full payment by the Federal Government for the quality and quantity of medical care which people would expect would be virtually impossible for the simple reason that necessary taxes would be too high. This would be doubly true if secondary costs were to be financed.

ONE HUNDRED DOLLARS EACH

If annual expenditures should average $100 each for the 17.5 million persons covered by the pending amendments, the cost would be $1,750 million per year. With higher taxes, higher pay base, and appropriations from the general fund, this is about the amount to be received in 1964.

The administration estimated that first-year costs of a medicare program similar to the provisions of the pending amendments would be $1.1 billion. With limited medical benefits for persons after they have reached 65, and none for those under 65, rapid expansion of the program could be expected.

Under all of the circumstances, which must be considered, I shall vote in opposition to the pending amendments.

Mr. ANDERSON. Mr. President, there are many, many things with which we could concern ourselves. Quite a bit has been said about there being a misrepresentation of the situation; that we actually would not do what we say we would do; that this proposal is not a medical care proposal.

I have been, I am sure, particularly careful, round after round, to say that this is not a medicare proposal. The bill which was introduced cites, at the beginning:

> This act may be cited as the Health Insurance Benefits Act of 1961.

That was the basis on which it was introduced in the Congress.

The pending amendments provide:

> On page 1, line 4, strike out "Public Welfare Amendments of 1962" and insert in lieu thereof "Public Welfare and Health Insurance Amendments of 1962".

We have not attempted to sail under false colors. We have said constantly and persistently that this is a health benefits proposal, a health care proposal. We are not at all talking about medical care.

I was in this august assembly when there was a long discussion over what was known as the tidelands oil bill. That was originally introduced as the Submerged Lands Act. It got nowhere, because the submerged lands had been decreed by the Supreme Court not to belong to the United States.

Then a smart advertising man took charge and changed the name to the tidelands oil bill. That was done because the Supreme Court had held that the tidelands did belong to the United States. Then on the basis of what they called the bill, not on what it was, there were ceded to the States the submerged lands of this country.

I talked at some length against the bill. I fought against it a little, as did many others. One of the things that I resented was that it was called the tidelands bill, when there was not an inch of tidelands involved in the bill. After the Senate finished that, the proponents brought out a submerged lands bill, to take care of the outer shelf.

In this particular case, we have tried hard to get the terminology correct.

I was very much interested in the $35 billion which it is said that the workers of this country—the blind, the crippled, and all the other people—will have to pay. Will they? I think not.

We have had many discussions with regard to the comments of Mr. Robert Myers. Mr. Robert Myers pointed out what would be the amounts of money involved, in a memorandum dated July 12.

This memorandum shows that in 1963 $580 million would be paid in on a cash-payment basis. In 1964, $2,010 million would be paid in. Therefore, something in the neighborhood of $2 billion would be paid in that year.

Under our program, the value of benefits in the aged who contribute insubstantially to the program would be only 0.1 percent of payroll. Of the total of 0.68 percent of payroll collected for health insurance, this amount of 0.1 would go for the current aged. The contribution toward the current aged thus would be 15 percent of total contributions. If these current aged were omitted from the system, health insurance would cost 0.58 percent of payroll. In other words, as things stand, the worker would contribute 0.34 percent of payroll, and to his advantage would go 0.24 percent of payroll from employer contributions.

So the $35 billion would come from the employer. None would actually come from the worker.

If someone is going to shed tears, he should shed tears for the employer and not for the worker. The worker would gain by this procedure. He would not have to pay the cost. The young worker would get more than value for what he would pay in terms of contributions. The employer contribution would in part cover the cost of the worker.

Many things have been said about the need for this program. We prepared at one time a long list of tables. I trimmed them down and trimmed them down, thinking of putting them in the RECORD.

One after another we pick up stories of individuals and people, and what they believe. I will not take the time of the Senate on this problem, except to point out one case which came to the Office of the President. It was about a 77-year-old man retired on social security. His daughter put this statement in a letter:

> He has worked all these years to acquire his small home, plus a small amount of savings to supplement his and his wife's needs. He carried no medical or hospital insurance (however, even if he had, the insurance would not cover the costs incurred by his wife's illness). He figured his savings would take care of any emergencies, never figuring the costs of today. He wanted that feeling of independence, and thought he had solved all his problems.

Since his wife's death, the man is now confronted with the following bills: hospitalization for 30 days, $2,962.70; doctors' bills to date, $900; private nurses, $625; funeral expenses—approximate—$1,200.

This man had some problems. We would not solve them all. Nobody claims that we would solve them all under the terms of the amendments.

I give that to illustrate things that need to be done.

Mr. President, we are about to make a great decision—a decision which will mark tomorrow as one of the most memorable days in the history of the efforts of our Government to promote the general welfare—a decision which will be looked upon as a long, firm stride toward the state of well-being to which the people of this country aspire. What we decide will be of tremendous significance to all Americans. But it will be a godsend to the 17 million Americans who have passed their 65th birthdays.

Many of these older people now have as their constant companion the fear that a costly illness will deprive them of everything they have managed to save during a lifetime of hard work and sacrifice. And not far removed from having this fear as a companion are many additional millions of Americans who have reached the time of life when their thoughts go more and more to the problems which will face them after they get old and no longer have an income from work. And let us not forget the importance of our imminent decision to the sons and daughters of these millions of older Americans, who—while struggling to provide modest comforts for their own families, pay off the mortgage on a home, and put a youngster through college—face the day-to-day fear that they may have to go heavily into debt to pay the hospital bills of an aging father or mother. Let there be no doubt that all Americans—the young as well as the old—should attach great importance to what we do on health insurance.

The discussion of health insurance for the aged that has taken place on this floor during the past several days has been most gratifying. The interest displayed in financing the health needs of the aged befits the importance of this subject. It is good that so many facts and ideas have been so thoroughly aired. The fact that the discussion has been of bipartisan character is indicative of the importance of this measure. The extensive improvements over my original bill that are reflected in the proposal now before us are the result of close cooperation on the part of a number of Senators from both sides of the aisle. To my Republican colleagues who are cosponsors of the measure I extend my sincere appreciation.

We are engaged in a serious and strenuous effort to get a good program of health insurance for the aged. Mr. President, let me assure Senators that this is no futile gesture. As surely as I stand here, the efforts we are making will lead to a measure of health insurance for the aged of which we can be proud. We have before us a proposal on which there can be agreement among all who are sincere in wanting to provide an effective method by which the problem of the health needs of the aged can be met. I am convinced that our efforts will be fruitful.

THE PROBLEM

Mr. President, the problem that the health insurance proposal would meet is grave. It also is one that presses for solution.

Today, few people reaching retirement age are free of the fear that an expensive hospital stay will wipe out their savings and, after a lifetime of independence, force them to public assistance, private charity, or dependence on their children.

Let me state for Senators, very briefly, what I believe are some of the significant facts that have now been established.

AGED CANNOT MEET THEIR HEALTH COSTS WITHOUT HELP

There is now general agreement that old people cannot meet their health costs without help. Mr. President, I wish to extend my most sincere congratulations to the Members of this body for their diligence in culling the wheat from the chaff—in getting rid of the utter nonsense that old people do not have a real problem and that a Federal program to deal with it is not necessary. The fact, so well brought out in our discussion, is that old people have health costs which are twice as high as those of younger people and have only half as much income to deal with those costs. That spells "problem" to anybody who has a grasp of today's economics.

I do not want to belabor a point already generally recognized, but I want to repeat a few statistics which make deep imprints on one's conscience. Old people need three times as much hospital care as younger people. One in six aged persons is hospitalized each year. Nine out of 10 will be hospitalized at least once after reaching age 65. An elderly couple, in a year during which one or both members receive hospital care, can expect their combined medical bills to total about $1,200.

The figures on income and assets are no less disturbing. Half of all aged couples have less than $2,500 in annual income. Half of the aged persons living alone have less than $1,000. Although many have equity in a home, half have less than $500 in liquid assets. Nor is it only the very poor who are threatened by financial disaster by ill health in old age. When serious illness occurs with such frequency after 65 that the average couple can expect 5 periods of hospitalization between 65 and death, ill health threatens the financial independence of almost all the aged.

With health care costs continuing to rise, and the income of the aged rising much more slowly, the problem of the aged in meeting these costs can only become more difficult.

PRIVATE INSURANCE CANNOT SOLVE THE PROBLEM THE AGED FACE

Another fact now well established is that private insurance alone cannot solve the problem that the aged face in financing their health costs. This is a matter of simple mathematics. The fact that old people have high health costs make them a high risk group; it costs more to insure them, and indeed many old people would not be accepted for insurance. The other side of the dilemma is that, generally speaking, old people—even those who would be accepted for insurance—cannot afford to buy adequate health insurance. And the situation is made even worse by the fact that the aged are generally not in employee groups or other groups and therefore must be insured on an individual basis, a quite expensive proposition, sometimes twice as costly as group coverage offering identical protection.

It is not hard to understand why only about half of the aged have health insurance of any kind; and why in many cases the coverage is so restricted as to be no defense against the threat that all older people face—the loss of their life savings, and the loss of the homes they have worked hard to pay for and where they expected to live out their days. What health insurance the aged can afford certainly is often woefully inadequate. The policies available to them frequently have restricted benefits, prohibitively high premiums, exclusion of preexisting conditions for from 6 months to the life of the policy, cancellable features, or a combination of these limitations. Thus, another fact that is now well established is that private insurance alone cannot solve the problem that the aged face in financing their health costs.

Blue Cross, which has long tried to extend protection to the aged by shifting part of their cost to younger groups through "community rating," finds it more and more difficult to compete with the commercial insurers. The latter have increasingly been able to attract the low-cost groups, leaving the higher cost groups to Blue Cross. In recent years, Blue Cross has been paying out $375 million in benefits a year for the elderly while collecting only $200 million from them. Blue Cross has as much as said that it cannot do business on this basis any longer, and has asked for a Federal subsidy for the aged.

Further extension of private health insurance protection for the aged must surmount the barrier not only of the generally low-income, high-cost problem of the aged but of the complication that those not now covered include the worst risks and lowest income people even among the aged. This, Mr. President, is an imposing barrier, and I congratulate the Senate for declining to dance to the tune of those who have sung, "let's wait and see." From the debate and adding those who voted for the Saltonstall amendment to those who support my amendment it seems fair to say that practically all Senators agree that more needs to be done now.

HEALTH INSURANCE THE ONLY PRACTICAL METHOD

Now how does this proposal to meet the problem through social security come about? It comes about because it is clear that social security cannot give security in old age through a cash payment alone.

The monthly cash benefits can meet regular and recurring expenses like those for food, clothing, and rent but cash benefits, even if they were a good deal higher than they are, would be ineffective in solving the problem the aged have in meeting their health costs. This is true because these costs are not evenly distributed from month to month or even from year to year. A person over 65 may have no appreciable health costs for several years and then in a short time have health costs running into the thousands of dollars.

It is not desirable, even if it were possible, to increase the social security cash benefit sufficiently to cover such large expenses. The obvious solution is to even out this expense over time and over all the aged, and the only way to achieve this is through insurance. And that of course is what our proposal is all about. The fact is that the only practical way that basic retirement protection—security for older people—can be furnished is through a combination of a cash benefit and health insurance.

What this proposal does therefore is to add to the cash retirement benefit of social security $8 a month—in terms of a paid up health insurance policy. This is not as much of a departure as some have tried to make out. Many times we have raised social security benefits, for those already 65 as well as those who will become 65 in the future. This proposal constitutes another increase in social security minimum protection. After the passage of this proposal all social security beneficiaries will be entitled to at least the $40 minimum cash benefit and a health insurance policy worth $8 a month. Above these minimums, the benefits vary, of course, in relation to past earnings. This is the theory of our proposal. It is based solidly on past precedent and differs only in that the security of the aged demands that the next increase in the minimum protection under social security be in the form of a paid up health insurance policy.

Now the reason that social security is the most effective instrument for the purpose at hand is that, just as in the case of the cash benefits provided under the program, people contribute throughout their working lives, when they can afford it, and receive the protection after 65, when they need it most. They receive this protection without further contributions after retirement.

This social security instrument gives protection on a practically universal basis. More than 9 out of 10 people who work, and their families, are protected by the social security program. By 1964, when the proposed health insurance protection would be effective, about 95 percent of the people then attaining 65 would be eligible for social security benefits, and this percentage would rise to an even higher figure thereafter. In the course of a year some 73 million earners now contribute to the program; 86 million have contributed long enough to be fully insured. Coverage is nearly universal and, of course, under this amendment we have provided also for railroad workers and have blanketed in the aged who have not had the opportunity to participate in these systems in the past.

MEDICAL ASSISTANCE FOR THE AGED NOT THE ANSWER

Some Senators who still have reservations about a health insurance program financed through social security have urged that we defer action until the Federal-State medical assistance for the aged programs has been given a further opportunity to deal with the problem. I believe, though, that the viewpoint that medical assistance for the aged cannot, will not, and indeed should not be expected to, solve the problem is the viewpoint of the great majority and is gaining more adherents every day.

It is now nearly 2 years since the enactment of the legislation which permits the States to establish programs of medical assistance for the aged, financed to a considerable extent by Federal grants; yet, only half of the States have established any kind of a program of medical assistance for the aged under the MAA law; and most of those that have been set up are quite ineffective.

In May 1962 only 102,000 persons were getting help under such programs. About 90 percent of the payments are concentrated in four high-income States. A few of the other States have developed modest medical assistance for the aged programs but, generally, very little has been done in the States which have lower income and greater need. These other States certainly want to do the best possible job in meeting the needs of the old people in the State, and the Federal Government puts no strings on the money it will provide. In fact, the MAA legislation put no limit on the funds that could be provided by the Federal Government, subject only to the provision of matching funds by the States.

But the problem is that the States do not have their part of the money necessary to do a good job, and there is no indication that large new sources for State revenues will suddenly open up. The financial burden on the States, if all were to develop full-fledged MAA programs, would be enormous. They would have to raise funds amounting to about three times as much as they are now spending under both the new medical assistance for the aged programs and under the medical vendor payment provisions which have been a part of the old-age assistance programs for more than 10 years.

But in any event, the means test approach is not a satisfactory solution to this problem for the great bulk of American people, who have maintained their independence throughout their working lives.

I have been very much surprised that evidently some of the Senators from the other side of the aisle who are in sympathy with many parts of this proposal have indicated in the debate that they hesitate to support it because it has seemed to them that making the benefits available without a means test or income test was somehow unfair to contributors to the program. But this is to attack our whole social security program and, in my judgment, to attack it on one of the points where it is strongest and most popular. There is no more reason to argue for an income test in the case of health insurance than in the case of cash benefits. Why do these Senators not argue that under social security today we are taxing workers to provide benefits for older people who could buy their own annuities? And why is it that current workers are not only willing, but eager, to continue to pay the social security tax, and in fact generally favor improvements and extensions in social security, even though they know they must pay increased taxes to pay for those improvements?

Mr. President, one reason why the American people overwhelmingly support the social security program is just because there is no needs test or means test or income test. Current workers know the social security taxes they pay are going to help meet the cost of benefits that will be available to them in retirement regardless of what they may be able to add to them in terms of private pensions or individual savings. This is one of the great strengths of the social security program—that it is a base to which people can add other forms of protection on their own through voluntary effort. This is the basis of the great partnership that exists today between the social security program and some 30,000 or more private pension plans. Any income test or means test destroys this partnership for under such tests one loses rights to the basic protection in proportion to one's success in securing private pension protection or in accumulating individual savings. Thus an income test is a disincentive to individual voluntary effort and to saving.

All of this is exactly as true in the area of health insurance as it is in the case of cash benefits. Actually, if we provide health protection for the aged solely on the basis of an income test we will be undermining the partnership between private enterprise and Government effort that has worked out so well in the present social security program. Success in securing good protection under private retirement systems supplementary to social security will mean that the individual does not get the health insurance he has paid toward. Success in saving on one's own would mean that one's contributions to social security for health purposes would come to nothing. This is to set up incentives in exactly the wrong way.

The situation would be the same as if we relied solely on public assistance for cash payments to the aged—those who had taken steps to provide for their own security in old age would be faced with the spectacle of the improvident, as well as the unfortunate, getting assistance that those who had saved could not qualify for. On the other hand, what will be the situation if we provide health insurance under social security without a means test? Secure in the knowledge that his social security health insurance protection will be available to him whatever resources he may have, the worker will have every incentive to provide additional protection for himself, and he can be counted on to do so.

In the argument for an income test much has been made of the fact that wealthy people would have the protection. Actually wealthy people will get very little out of this program compared with what the Government has already provided for them. To a large extent, wealthy older people are already being reimbursed for their medical costs, since all of their hospital and doctor bills can, subject to very liberal maximums, be treated as Federal income-tax deductions. The provision, applicable to younger people, that only medical expenses over and above 3 percent of income can be deducted does not apply to people 65 and over. For an older person in the highest income-tax bracket, as much as 91 percent of his medical expenditures can be returned to him in the form of income-tax savings.

The only alternative to providing health insurance protection for the few older people who are well off would be to provide the protection subject to a means test or an income test of some sort. If a reasonably effective means test were applied, the cost of administering it would be several times as high as the cost of administration without such a test since it would involve individual case investigations. Then even if the better-off people were excluded, very little money would be saved, and the savings would be reduced by the expense of administration. On the other hand, if the test were a loose one—one that did not provide for individual case investigations but relied primarily on affidavits—there would be danger of large-scale inequities.

Underlying everything else, our objection to a means test is that people do not like it because it is inherently humiliating. This is a matter of fact attested to by all who have been through the process or who are engaged in its administration. The fact cannot be set aside by false analogies. For example, it has been argued that a means test for health insurance is basically no different from the investigation of financial status that a person undergoes when he makes application for a loan. This is not so. The two are very different. If you or I apply for a loan, to buy a house, perhaps, or to buy a car, we go into the interview proudly, with the purpose of establishing that we are good financial risks, responsible, able to provide for ourselves—in short, that we are successful in the world of affairs. Only if we establish this about ourselves will we qualify for the loan. What do we have to do when we apply for a means-test benefit? Just the opposite. We have to establish that we have not saved enough to meet our needs, that we cannot provide for ourselves—in short, that we are a financial failure. This is why the means test is by its very nature humiliating, no matter how humanely it is administered. Do we want to require that the person who has worked and supported himself and his family all of his life, whose retirement is provided for through social security benefits earned through work and based on his earnings, must go to the welfare agency, hat in hand, and plead failure because serious illness has struck?

In any case, the problem is not primarily that of the poor. The problem of meeting the cost of medical care in old age is most pressing for the great group of older people who are neither rich nor very poor. It exists for those of average income and those of well above average income. As is well established, the need for high-cost health care at the upper ages is great. Very few indeed are those who reach retirement age with sufficient resources to be secure in the knowledge that they can pay for all the health care they will need in the years from retirement to death. If any plan that is adopted is to provide protection for all who need it, the few who would be excluded would simply not be worth the trouble it would take to exclude them. Barely 3 percent of the aged have incomes of $10,000 or more and most of these have such incomes only in the early part of the period past 65.

Mr. President, we have provided for a health insurance plan for Federal employees, and including Senators, with the Federal Government as the employer bearing a share of the cost. Did any of us seriously consider leaving out the higher-bracket employees from this program? Of course not. People need health insurance protection at all income levels except perhaps for those at the highest 1 percent in the income scale, and some people cannot get what they need under individual plans because they are poor risks.

For all these various reasons I say that the argument for an income test in this program is fallacious and I urge the Senators on the other side of the aisle who are sympathetic to this proposal in other respects to reexamine their doubts in this regard.

There is great value in having the protection available as an earned right—earned through work and paid for out of earnings. There is the value that everyone, rich man and poor man alike, can apply for the benefits without having to establish that he has been unable to look out for himself. There is the value of the stimulus to self-reliance and independence that is provided when the worker knows he can save, invest, and provide additional protection for himself without losing his Government protection. There is the cost control that is inherent in a system where the worker knows that he and his employer must pay for the benefits. And make no mistake about it—the worker is willing to support this kind of system only because the benefits are payable without a test of income. If you destroy the right to protection, based on earnings and contribution by introducing a test of need, then the payroll tax cannot reasonably be used to raise the money. The consequence is that a large new cost burden is thrown on the General Treasury, and the cost controls inherent in a contributory system are lost.

Yes, Mr. President, fortunately the responsible, conservative way to finance this program is also the popular way because people want the security that comes from participating directly in the financing and in not having a test of need. The agreement is, if you will, reliance on a user's tax in return for protection to the users. If we rule out benefits for payers on the basis that they have saved on their own and that the funds are available only to those of low income, then we have no right to a user's tax and the whole resource of the payroll tax is no longer available for the great social purposes of social security. Mr. President, this is an issue on which I hope all thoughtful liberals, conservatives, and moderates can agree. We want no income test in social security and we want to continue our contributory social security program to which this health insurance protection is a logical and necessary addition.

Let me turn now to a review of some of the detail of this amendment.

(At this point Mrs. NEUBERGER assumed the chair as Presiding Officer.)

BASIC HEALTH PROTECTION UNDER SOCIAL SECURITY

Mr. ANDERSON. I am sure Senators are familiar with the benefits that would be provided by our proposal.

HOSPITAL ORIENTED

Our proposal is focused on hospital services because an illness that necessitates hospitalization is usually the most costly. The medical expenses for aged people who are hospitalized are about five times greater than the medical bills of aged people who are not hospitalized. And among the aged, hospitalization is very likely to occur: 9 out of every 10 persons who reach age 65 will be hospitalized at least once before they die, and 7 out of 10 will be hospitalized at least twice.

DOCTORS' FEES NOT COVERED

Let me remind Senators that physicians' bills to their patients would not be paid for under the proposal. Payment of doctors' fees would require financial arrangements to which most physicians are opposed. Moreover, since the financial base of our proposed program is, like the entire proposal, intentionally conservative, it seems far more appropriate to concentrate the funds on hospital costs rather than doctors' fees, which by tradition are adjusted to the means of the patient. Since only basic health insurance protection would be provided under the amendment, aged people can be expected to purchase private, supplementary insurance against the cost of surgical and other physicians' services.

One of the most significant features of the proposal is that it covers alternatives to inpatient hospital care. Provision has been made for payment for services provided by skilled nursing facilities that have hospital affiliations, home health care, and outpatient diagnostic studies in order to promote the most efficient and economical use of existing health care facilities. Many patients who do not need the type of care that hospitals provide for the acutely ill can receive the care they need in a skilled nursing facility where costs are less than for hospital patients. Many people who need limited professional attention can receive that care more satisfactorily and more economically in their own homes. Complex diagnostic studies, so important in early detection of illness, can be performed on a hospital outpatient basis without incurring the much higher costs of a hospital stay. In providing for payment for these alternative services, the proposed program would reinforce the efforts of the health professions to reserve hospital beds for acute illnesses requiring intensive treatment that can be provided only in a hospital.

FINANCING PROGRAM

The financial soundness of the present social security program is a strong asset to be considered in the plan for adding health insurance to the system. Let me read you a short excerpt from the January 1, 1959, report of the Advisory Council on Social Security Financing:

> The Council finds that the present method of financing the old-age, survivors, and disability insurance program is sound, practical, and appropriate for this program. It is our judgment, based on the best available cost estimates, that the contribution schedule enacted into law in the last session of Congress makes adequate provisions for financing the program on a sound actuarial basis."

The benefits of the proposal would likewise be financed on a sound actuarial basis. The cost calculations have been carefully developed by the Chief Actuary of the Social Security Administration. The actuary's estimates are based on assumptions and methodology consistent with those used for the present old-age, survivors, and disability insurance program.

The social security contribution rates would be increased by one-fourth of 1 percent each for employers and employees, and three-eighths of 1 percent for the self-employed; the taxable earnings base would be increased from $4,800 to $5,200 a year. Raising the earnings base would improve the benefit structure of the system generally and would also provide additional income which together with the income from the contribution rate increase would fully meet all health insurance costs.

DIFFERENCES FROM S. 909

Although I have previously described in detail the ways in which the amendment differs from my bill of last year, S. 909, I would like now to review briefly the general nature of the major changes embodied in our amendment.

PROTECTION FOR THE UNINSURED

One of the important advantages of the proposed amendment is that it gives protection to practically all of the aged—not just those who are eligible for cash benefits under the social security and railroad retirement programs. The proposal would provide health benefit protection to the almost 2½ million older people who have not worked long enough under the social security or railroad retirement program to be fully insured and who are neither eligible for health insurance as an active or retired Federal civilian employee nor receiving care in publicly financed mental or tuberculosis institutions.

The plan under which health benefits would me made available to people who are now outside the social insurance system is a temporary one. It is designed to wash out in a few years.

The cost of health benefits for people not eligible for cash benefits under the social security or railroad retirement programs would be borne by the general funds of the Treasury. I want to emphasize that no social security tax money would be used to pay for the health benefits of these people.

This provision would meet the critical problem facing the uninsured people that will not be met otherwise. Half of the States have not put even modest medical assistance for the aged programs into effect. The history of past proposals which require implementation by State action demonstrates that progress is very slow after the first year. It is clear then that if the health needs of the uninsured people of today are not met through a straight Federal program, their health needs will not be met in a satisfactory manner, nor to a satisfactory degree, and in many cases their health needs will not be met at all.

ADMINISTRATIVE ROLE FOR PRIVATE GROUPS

Second, the proposed amendment would give the Secretary of Health, Education, and Welfare specific statutory authority to delegate some of the more sensitive administrative functions to Blue Cross or to other similar voluntary organizations that are experienced in dealing with hospitals and other providers of services. Advantageous additional administrative functions could be included in the contract between the Government and the organization. These administrative functions would include reviewing hospital fiscal records as a part of the determination of the cost of services, and acting as a center for communicating and interpreting payment procedures to hospitals. With such organizations serving as intermediaries between the Government and the providers of services, those who are concerned that Government might try to intervene in hospital affairs would feel much more comfortable.

PRIVATE INSURANCE OPTION

Third, the proposed amendment provides an option to beneficiaries to continue private health insurance protection they held before age 65. This provision will afford people a choice between having health insurance coverage directly through social security and continuing their private insurance arrangements into retirement. The provision would facilitate private insurance supplementation of the basic protection afforded under the proposal. A great variety of private insurance policies would fit into this plan. For example, any policy that provided on a "service basis" for at least 45 days of hospitalization would fit into the plan and could provide any number of additional days of hospitalization and other benefits.

NO INTERFERENCE WITH HEALTH PRACTICES

Fourth, the proposed legislation modifies a number of provisions included in the bill that I introduced last year so as to make it clear that the proposed program would do nothing to interfere with medical practices and hospital operations. These modifications are in the nature of technical changes, and their importance is that they make it abundantly clear no one seeks Government authority to regulate medical care.

SEPARATE TRUST FUND

Finally, the new proposal includes a provision for a separate health insurance trust fund. We have made this change because some people were concerned about the intermingling of old-age, survivors, and disability insurance with health insurance funds, even though separate accounts were maintained. The change makes perfectly clear that funds will not be transferable from one program to another.

HOSPITAL STANDARDS

Some critics of the proposal make much of the fact that hospitals would have to meet certain health and safety criteria in order to participate in the program. In testifying for the hospitals themselves, the representative of the American Hospital Association told the House Committee on Ways and Means that the criteria are both reasonable and necessary. If there were no criteria, the proposed program would undermine the health professions' continuing efforts to raise the level of health care in our country.

Under the amendment, the requirements for participation may not go beyond the professionally set and professionally accepted standards established for hospitals, except for the requirement for a review committee.

The original bill clearly anticipated heavy reliance on agencies like the Joint Commission on the Accreditation of Hospitals. Now the amendment goes so far as to name the commission and specifically provides that, with the one exception of the review committee, a hospital that is accredited by the joint commission would be conclusively presumed to meet the conditions for participation in the proposed social security health insurance plans. About 84 percent of the hospital beds in the country are in hospitals that are accredited by the joint commission.

In the course of the debate on this proposal it has not always been understood that, in addition, unaccredited hospitals could participate in the proposed program. We all understand that adherence to the accreditation standards would unreasonably deprive the residents of some localities of protection under the program. The junior Senator from Vermont indicated concern that unaccredited hospitals could not participate. This is not so. He may rest assured that good smaller hospitals, for example, could qualify under this bill even though they do not meet accreditation standards, and any good skilled nursing facility has the backing of the American Hospital Association in seeking affiliation with a hospital and has 2 years to do so. Thus, nursing facilities that wish to qualify and offer skilled service under quality conditions could also participate.

If the proposed health insurance plan were to operate without placing conditions on participation by providers of health services, the health insurance payments that would be made could damage the continuing efforts of the health professions to improve the quality of hospital care available throughout the country. Even more significant is the need for quality protection in the case of nursing homes. It would be regrettable if payment were to be made for health care in institutions whose environment is truly a threat to the lives of their patients.

Madam President, about 75 percent of the so-called nursing-home beds in Oklahoma, to take one State as an example, are in homes not having a licensed practical nurse or a registered nurse. The patients in those homes came from hospitals while they were still under a doctor's care. Yet they had been admitted to nursing homes which had neither a practical nurse nor a registered nurse. Only about 5 percent of the beds are in nursing homes which have registered nurses. These are not nursing home benefits which would go along with medical care.

DRUGS COVERED

The amendment we are offering makes a technical change that would make doubly sure that the measure would not discourage the use of any drugs of therapeutic value. Under S. 909 hospital payments would have been made for any drug or biological that is listed on any one of the three major U.S. drug listings that have been developed by the drug industry and the medical profession. Even though these drug listings are entirely under the control of the medical profession, and new drugs of therapeutic value can be added to the listings at will, some have feared that reliance on this compendia would restrict physicians. The proposed amendment will clear up this matter by providing that payment could be made under the proposed program for any drug not listed on one of the professional drug listings if the drug is acceptable to the drug or pharmacy committee of the hospital in which the drug is used.

FREEDOM OF CHOICE

The fears that the proposed health insurance program would deny patients freedom of choice are groundless. In fact, freedom of choice would be made more meaningful than it now is because a very substantial economic barrier to the exercise of this freedom would be removed. Thus, I can agree, to a point, with those who say that there would be some increase in utilization under the health insurance proposal. More older people would use hospitals because the proposed legislation would put them in the same position—except for having to pay the deductible—as people with Blue Cross. The program would help meet some of the needs of the aged whose low income now keeps them from obtaining the hospital care their physicians would like to see them get. It seems reasonable for the aged to be in an equally good financial position as the young in seeking hospital care.

UTILIZATION OF SERVICES

But there is no basis for believing that hospitals will be overwhelmed by older patients as some critics of the proposal have contended. While older people could be expected to use somewhat more of the total hospital days in the United States than the one-fifth they now use, an increase of even 25 percent, which would be as high as we could expect, would amount to only a 5-percent increase in total usage. In this connection it should be remembered that on an average day only about 75 percent of hospital beds in the United States are occupied.

Nor do I hold any brief for the argument that says that the elderly and their physicians cannot be trusted with health insurance and that enactment of the proposal will lead to unnecessary hospital admissions and overstays. May I point out that the proposed program would take more precautions against payment for unnecessary services than most voluntary plans. The proposed amendment provides that before any services may be paid for, the attending physician must certify, and at certain times recertify, that services are required for medical treatment or diagnosis. Also, the participating institution would have a self-governing utilization review mechanism that would check on the need for hospital admissions, duration of stay, and services furnished.

The third safeguard is built into the program in the types of services covered. Protection is provided against the costs of hospital outpatient diagnostic studies, care in hospital-affiliated skilled nursing homes, and home health services so as to avoid financial incentives that are prominent in other health insurance plans that encourage beneficiaries to unnecessarily use higher cost services when the lower cost services suffice.

Some persons, of course, view the requirement for deductibles as a fourth safeguard against overutilization.

CERTAIN OBJECTIONS THAT HAVE BEEN RAISED

During the course of the debate on this proposal a number of charges have been made against the plan.

NOT SOCIALIZED MEDICINE

We still hear the charge that enactment of this proposal might lead to a program of socialized medicine. This charge has no more validity now than when it was used by some to try to defeat the measure that provided disability insurance benefits under social security in 1956. As the former Secretary of Health, Education, and Welfare under the Eisenhower administration, Arthur Flemming, said recently, the socialized medicine charge is nonsense. Under the amendment the Government would assume no responsibility for providing medical services, but would only help older people finance the costs of their most burdensome health expenses through a program of basic health insurance. Aside from the difference in the method of collecting contributions and the fact that the proposed insurance is only for the elderly, what is proposed is very much like what Blue Cross has been doing for years—paying hospital bills without meddling in hospital operations. Furthermore, the amendment provides specific guarantees that the Government will in no way control, regulate, or interfere with the practice of medicine.

The proposed health insurance program is not proposed as any foot in the door. A basic, Blue Cross-type health protection is provided and should be enough, because older people, relieved of the burden of having to pay for hospitalization insurance, will be able to afford low-cost supplementary protection through private insurance that they will need against surgical and other medical costs.

Nor do I see any basis for believing that some future Congress might someday stretch the proposed program to cover the younger people of our country. Younger people do not have the low incomes and expensive health needs that characterize their elders, and it is a practicable thing for them to protect themselves adequately against their health costs through the various nongovernmental insurance plans that are available.

Madam President, I am opposed, and I know that my colleagues are also opposed, to having socialized medicine in the United States. If we provide health insurance under social security for that group which cannot acquire adequate protection through the private sector, there will be no problem that suggests the need to take the drastic step of turning to socialized medicine. If this proposal has anything to do with socialized medicine, it represents a step away from socialized medicine. If you pass this measure, you are not opening the door to socialized medicine. It is much more likely that you will be closing the door.

Certain objections have been raised by a few Senators which are really objections to our present social security system. I wonder if those who have raised these objections during this debate are aware that they are simply repeating timeworn arguments that have been generated and kept alive over the years by a relatively small group that opposes our social security system and would like to see it repealed. The old arguments that have long since been rejected by most Americans have been revived and, in slightly refurbished form, are now turned against social security as the means of financing health insurance for the aged.

COMPULSORY SOCIAL SECURITY TAX

Some have objected because the contributions to health insurance tied in with social security would be compulsory. The compulsory feature of the social security program is basic to its purpose. Only through making its application compulsory can the tax burden of supporting the system be distributed equitably. Only through making the system compulsory can an unwise decision in youth be kept from penalizing the worker and his wife or widow in old age. Only by making the system compulsory can society assure itself security against demoralization from fear of economic hazard. Security through social insurance consists not only of providing protection against need as it occurs, but also of providing assurance ahead of time that the funds to provide planned protection are available when needed. Because it is compulsory, the social security system is assured of the future financial resources to provide benefits adequate to the time, now and in the future. And, of course, those who argue against compulsion in the social security method act as if the alternative they propose—reliance on general revenue financing of means test assistance—is somehow voluntary. Voluntary for whom? Not the taxpayer. Not the recipient who has no alternative in his extremity of illness but to go to the county hospital or wherever else the welfare department may send him.

The objection has also been made that the social security financing mechanism involves regressive taxation. While this is something of a point in comparison with Federal income tax, I doubt that very many people would view this feature of social security as a defect. Many businessmen whom I know view the social security tax as a safeguard against rash liberalizations, since the cost of such legislation has an immediate impact on workers who have to foot half of the bill.

To labor, on the other hand, the social security tax represents a substantial investment and they are more than willing to make this investment. Labor does not want a program for the poor that is financed by the wealthy. Thus, we find that the social security tax has the wholehearted support of organized labor. As I discussed earlier, a users' tax is fully justified if we keep faith with the philosophy and do not rule out from the benefits—on some extraneous ground such as one relating to income—those who have paid the taxes.

I will also point out that some who have made this argument have supported the use of State general revenues as a way of meeting a large part of the cost of alternative plans. State revenues, of course, are largely derived from the highly regressive sales and other regressive taxes; in 1958, State sales tax receipts amounted to four times the yield from State income taxes.

AMOUNT OF THE RESERVE

Some who object to our proposal try to imply that the money to pay benefits might run out because the social security program is not financed on a full reserve basis—a requirement for private insurance. Private insurance companies are, of course, required to maintain full reserves because they must be prepared at all times for the possibility that they may go out of business. The point to keep in mind is that the social security system is here to stay—we do not have to worry about its going out of business. Social security rights are backed up by the faith and credit of the United States. The return for the contributions paid is secured by the earnings of the working people of the United States.

Let me read from the Finance Committee's report on the social security amendments of 1961:

> It can reasonably be presumed that a social insurance system under Government auspices will continue indefinitely into the future. The test of financial soundness is not then a question of whether there are sufficient funds on hand to pay off all accrued liabilities. Rather the test is whether the expected future income from taxes and from interest on invested assets will be sufficient to meet anticipated expenditures for benefits and administrative costs. The amount of "unfunded accrued liability" does not have the same significance for a social insurance system as it does for a plan established under private insurance principles, and it is quite proper to count both on receiving contributions from new entrants to the system in the future and on paying benefits to this group.

THE PRESENT AGED WILL NOT CONTRIBUTE ENOUGH

The proposed health insurance program should not be looked at solely over the short run. We are considering permanent legislation here. Over the short run it is true that some people will get health insurance protection in spite of not having contributed significantly to the cost of that protection. Over the long run, though, what we will have is a system under which current workers, with their employers, will pay toward the cost of their own protection—pay for it while they are working, out of their earnings, with the knowledge that the social security taxes they pay are going toward meeting the costs of the hospital care they will need in retirement.

Our social security program for many years has provided for full benefits to people already advanced in years when they were first covered. It has provided, too, for higher benefits relative to contributions for lower paid workers. The way this is done, of course, is that the employer's contribution is used to meet a large part of the cost of benefits for people who have not had an opportunity to contribute long enough to meet the cost of their own benefits or who, as lower wage earners, draw weighted benefits.

So it would be under health insurance. Employees currently working would be paying, to provide benefits for themselves in retirement; and part of the employer contribution toward health insurance, like that toward cash benefits, would provide the benefits for those in the first generation who cannot pay their way.

No one denies that those who are already old have not paid enough in taxes to meet the cost of the monthly benefits they are getting now; and those already on the benefit rolls of course will not have paid enough to meet the cost of health insurance protection for themselves. Yet the addition to the overall cost of the program that results from the payment of benefits to those already on the benefit rolls, and others who will not have contributed substantially to the cost of their protection, amounts to only 15 percent of the total long-range costs of the health insurance plan.

The inclusion of benefits for the older group, then, will in no way prevent the younger worker from getting his money's worth from the additional contribution that he will pay for health insurance protection. And if the younger worker is getting more than his money's worth, how can it be said that his taxes are buying benefits for the rich, as some have said?

CONCLUSION

I submit that the objections to health insurance for the elderly through the social security program do not stand up under close inspection.

The problem that old people face in meeting their health costs is one that they themselves cannot handle entirely on their own. It is a grave and urgent problem. Private insurance alone is not the answer. The retirement benefits paid under social security cannot by themselves be high enough to meet the costs of expensive health care in old age. Medical assistance for the aged, though necessary as a second line of defense, cannot do the job. The only solution, Madam President, is to provide for meeting health care costs in old age through health insurance under the social security program. This is abundantly clear from the evidence that has been presented during the course of this debate and during the extensive study that preceded it.

The social security program offers the only practical mechanism that would enable the great majority of the people of our country to provide for their health needs in old age. Under social security, contributions are spread over the individual's working lifetime; they vary with earnings levels and are shared by employers and employees. In old age the protection is available without further contribution. This is what makes the system so perfectly adapted to this problem, which can be defined in terms of the greatest need for health care coming in retirement—just when incomes are lowest.

The social insurance mechanism also offers a truly conservative approach to meeting basic costs of illness in old age. The scope of the health insurance protection that would be provided would be clearly defined and limited by law, the long-run cost of the program would be actuarially calculated, and revenue sufficient to finance the program would be provided.

The many years of exhaustive study and discussion that have preceded our consideration of this amendment have clearly established the critical need for its enactment. The facts that are needed by Senators in order to make an informed decision on the proposal have been readily accessible to all of us and I know that every Senator is familiar with this information. As some Senators have pointed out, a report on the measure by the Committee on Finance would have been helpful in our deliberations, and I regret that my many efforts to have that committee act on the measure have met with no success. But every Senator also knows that the facts of the matter would not have been changed by committee consideration. I can see no reason why any Senator should be unprepared to take a stand on the vital issue that is before us.

That issue is simple and clear:

Should the fundamental approach to the problem of high health costs of elderly Americans be one that maintains personal dignity or should it be one that demoralizes by requiring proof of poverty?

Should we prevent dependency and the fear of dependency or should we merely try to deal with the pathetic situations of the elderly after they have been reduced to poverty?

Should we provide a way for people to help pay their own way, with incentives to work and save, or should we take away these incentives by helping only those who have little income and savings and can meet a means test?

I have no doubt as to how these questions would be answered by the great majority of the many millions of Americans who await our decision today for I have no doubt how Americans feel about their system of social security.

These are questions that transcend party lines, and I again express my appreciation to my colleagues on the other side of the aisle who have recognized this through their cooperation in developing the proposal before us. The measure we have before us is one on which there can be agreement among all who sincerely want to provide an effective program of health insurance protection for the elderly.

Let us make it abundantly clear by our decision that we, too, reject the idea that people who have lived all their lives in dignity and independence should be required to use up their savings and submit to an investigation of need before they can get essential hospital care.

Let us choose the way that is consistent with the American concept of earning security through work—the social security way.

Mr. McNAMARA. Madam President, I call up my amendment designated "7-13-62—A" and ask that it be read.

Mr. JAVITS. Madam President, before that is done, will the Senator yield? I should like to make a brief comment on the speech of the Senator from New Mexico.

Mr. McNAMARA. The action I have just requested will take but a moment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 13, it is proposed to strike lines 13 through 25 and insert in lieu thereof the following:

"(c) For the purposes of this section a 'benefit period' with respect to any individual means a period of consecutive days—

"(1) beginning with the first day (not included in a previous benefit period) (A) on which such individual is furnished inpatient hospital services or skilled nursing services and (B) which occurs in a month for which he is entitled to health insurance benefits under this title, and

"(2) ending with the ninetieth day thereafter on each of which he is neither an inpatient in a hospital nor an inpatient in a skilled nursing facility (whether or not such ninety days are consecutive) but only if such ninety days occur within a period of not more than one hundred and eighty consecutive days."

Mr. McNAMARA. Madam President, will the distinguished Senator from New Mexico modify his amendment by accepting mine? We have discussed this request. He understands that my amendment is merely technical and would correct the wording, particularly as it applies to the definition of "benefit period."

Mr. ANDERSON. I am happy to accept the amendment of the Senator from Michigan. This is another instance in which it was thought the language was as clear as crystal, but the Senator from Michigan found that it was not exactly as clear as crystal. When he looked at it with a different pair of glasses, he received a different impression of it. I am happy to accept the Senator's amendment and to modify my amendment accordingly.

Mr. JAVITS. Madam President, will the Senator from Michigan place in the RECORD a memorandum of explanation of his amendment, so that Senators who read the RECORD may understand his proposal?

Mr. McNAMARA. Madam President, at the request of the Senator from New York, I am very happy to submit an explanation of the amendment, to be printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR McNAMARA

My amendment is a technical one intended to correct wording in the definition of a "benefit period" which would have led, I am sure, inadvertently to results not intended by the proponents of the Anderson amendment.

Studies conducted by the Special Committee on Aging have shown us that there is good reason to believe that many older people, suffering from chronic diseases and who have been hospitalized for long periods, could be better taken care of at home at much greater satisfaction to themselves and at less cost to any one if they could be given intermittent hospital care—say, for 1 or 2 days a month.

While the Anderson amendment quite properly is designed to encourage the movement of patients as quickly as possible from hospitals to nursing homes and then to their own homes, the language of that amendment, as it now stands, would inflict a serious penalty on people in need of such intermittent hospitalization. It provides that after he had received 150 units of care, a beneficiary would never again be eligible for any services under the bill until he had been out of the hospital or nursing home for a continuous period of 90 days. That could mean that some individuals might receive only one period of benefits throughout their entire retirement lives.

My amendment simply provides that a beneficiary will be entitled to begin a new benefit period after he has been out of the hospital and nursing home for a total of 90 days in a 6-month period. The 90 days would not have to be consecutive. In other words, Mr. President, the older person who did require brief periods of intermittent hospitalization could receive it without endangering his entitlement to future benefits.

I am advised that the Department's experts have agreed that acceptance of my amendment will have an altogether negligible affect on the costs of the program.

I hope the distinguished Senator from New Mexico will accept my amendment.

Mr. JAVITS. Madam President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I am glad to yield to the Senator from New York.

Mr. JAVITS. First, I wish to express my pleasure at the association which I and other Senators have had with the Senator from New Mexico.

But, more important, two words used by the Senator from New Mexico are critically important. Tomorrow—assuming that I then have an opportunity to speak—I shall endeavor to develop some points in regard to what I understand was a very forceful and typically able speech made by the Senator from Oklahoma [Mr. KERR]. But I should like to comment now on two words the Senator from New Mexico used. One is the word "conservative"; the other is the word "developed." I think those two words are rather key words in connection with my own feelings and, I believe, also the feelings of other Senators who recently have come to favor this way of meeting the problem of medical care for the aged. It is true that when a program is begun, obviously it must be financed in the beginning, just as a railroad train must get underway slowly. I believe that would be accomplished under this bill with a minimum of effort, under the circumstances, especially in view of the urgency of the need and the necessity of making a beginning.

What has impressed me particularly is that this method provides for pay-as-you-go financing, especially since those who have this need give every evidence of willingness to pay for the assistance. From a conservative point of view, since this plan would take care of about four-fifths of the estimated cost for the first year—that is, the social security payments themselves—it is a more conservative approach than the general revenue plan which I and other Senators proposed, especially since I am convinced that those who would pay—those at the lower income scale—are willing and anxious to do so, for reasons which we have discussed many times.

The Senator from New Mexico also made the point about the development which has occurred. This has been an extraordinary development. I understand that the Senator from Oklahoma spoke of it very feelingly. As I have said, I hope tomorrow to make some remarks on that subject.

This measure has been developed in a very effective way; and I wish to emphasize that point in the RECORD to be read by Senators who tomorrow will participate in the forthcoming all-important vote. This measure has been developed; and now, instead of providing a ceiling, as the King-Anderson approach did, this measure provides a plan which is a floor, so that private enterprises and cooperative enterprises in the United States which wish to do so can participate. This is the traditional American way, and this development has been extremely and critically important.

Again I wish to express the gratification which I feel for the openness of mind on the part of the Senator from New Mexico in connection with the efforts he has made to bring the measure to this pass, and also for the development in connection with the coverage. We fought for universal coverage; and I am happy to say that we were successful. But we did not contemplate the plan which now is included in the bill, which gradually will implement those who are to be covered into the social security system. I consider this to be a really brilliant concept, aiding the legislation a great deal and doing it a great deal of good, and putting it on a solid and orderly basis, from which it will prosper.

I wish to add these few words in regard to the distinguished Senator from New Mexico, who has fought so manfully for this matter from its very beginning.

The measure now is conservative as regards its financing. Second, it has developed from being a ceiling into being a floor, which is very much germane to the American way and to the capabilities which inhere for its development and its improvement.

I congratulate the Senator from New Mexico on his usually thorough and extremely able statement; and I express my pleasure at being associated with him in this effort.

I hope all Senators realize the seriousness of the vote which will be taken tomorrow. Let Senators understand that the vote tomorrow will be the payoff vote. This program will be dead, in my opinion—whether for this session, or perhaps even beyond that—unless tomorrow the motion to lay on the table is rejected. All of us realize that that will be the payoff vote as regards medical care for our older citizens. So I hope all Senators will read very closely the arguments which have been made on both sides.

Mr. ANDERSON. Madam President, I thank the Senator from New York, particularly for the kind words he has many times spoken.

A moment ago the Senator from New York spoke of the mechanism by which the inclusion of these additional persons would be financed. If those on the other side of the aisle had not insisted that that was the right thing to do, our group would never have started to look for a way to do it. However, Senators on the other side of the aisle constantly requested that we consider this question very carefully and try to find whether there was a way to do it; and those requests led us to spend many hours on that subject.

The other day it was stated on the floor that this measure was casually drawn; at another time, it was said that the measure was carelessly drawn. But, Madam President, this legislation has not been carelessly conceived. It represents a great many hours of work—more hours than I like to remember—in trying to bring out a bill which is sound, sensible, and workable.

Furthermore, the point the Senator from New York has mentioned is an example of what can be achieved by cooperation, until an amalgam of ideas is achieved. If the group of Senators on the other side of the aisle had not said, "We think this can be done; find a way to do it," we would not have done what we did; but their frequently repeated request led us to continue our studies, day by day and week by week, until we found the solution which the Senator from New York finds satisfactory.

Mr. KEATING. Madam President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I am happy to yield to the junior Senator from New York, who also has made great contributions.

Mr. KEATING. Madam President, I also wish to commend the Senator from New Mexico for the fine presentation he has made. I emphasize one point which was made by my colleague [Mr. JAVITS]; namely, the significance of the vote to lay on the table, which will be taken tomorrow. In the corridors there has been much loose talk to the effect that "if I vote in favor of the motion to lay the bill on the table, I will not be voting on the merits of this proposal; I will only be voting that it should not be attached to this particular bill." But, Madam President, the answer to that is the resolution the Senator from New Mexico has submitted, which I think should be acted upon promptly; namely, the resolution to extend for 60 days the provisions of the Public Welfare Act. The vote on the motion to lay on the table will be a vote on the merits of health care for the aged; and there is no getting around it. Let there be no doubt about it. Let no Senator who favors a bill of this kind feel that he is assuaging his conscience when he says, "I will vote for the motion to lay the bill on the table at this time, because this is not the appropriate time to bring it up." That argument has been spoken of in some quarters as "hogwash," although I am not sure whether this is an appropriate word to use in this Chamber.

Mr. DWORSHAK. Madam President, will the Senator from New Mexico yield?

Mr. ANDERSON. I shall yield in a moment.

I hope that even Senators who might have some objection to the bill will vote, tomorrow, against the motion to lay on the table, because the Senate should reach a decision on this question, so that the people can decide what the House Ways and Means Committee may do. Therefore, I think it very important that the motion to lay on the table be rejected, so that we may make certain that a final vote on this question will be taken and a final decision on it may be reached. I hope that Senators who might be opposed to this measure will nevertheless vote against the motion to lay on the table, so that at this time we may come to a decision.

I now yield to the Senator from Idaho.

Mr. DWORSHAK. Madam President, with much trepidation I rise to question whether the two distinguished Senators from New York have a right to impugn the motive of any Senator who does not agree with them on the problem of casting a vote on this very important issue in a crucial political year.

Madam President, every Senator knows that the House Ways and Means Committee does not propose to make a report on the proposed legislation in the near future; and I, as a Member of this body, regret very much that we are not following regular procedure by having a committee of the Senate give meticulous and careful consideration to legislation which has such great importance to the economic welfare of our country.

Mr. JAVITS and Mr. KEATING addressed the Chair.

Mr. ANDERSON. I will yield to either or both Senators.

Mr. JAVITS. Madam President, I was not impugning the motives either of the Senator from Idaho or of any other Senator. Any Senator who sincerely believes he is against this legislation has every reason to vote against it if that is the way he feels. If a Senator is against the legislation, that is one thing; but if he intends to vote against it, because, as my colleague from New York [Mr. KEATING] has said, of the way it has been brought before the Senate, that is another way of saying that the Senator is against it. The country will understand that this is a vote for or against, and not a question of procedure.

That is what I was trying to say, and I was not trying to impugn the motives of any Senator.

Finally, as to the point about the Ways and Means Committee of the House, for which I have great respect, I served, in the House, as did other Senators. When the House wants to do something, it will do it. I sat in the Chamber in 1948 and I watched colleagues vote for the Marshall plan who, a few weeks before, had said they would rather jump out of a 10-story window than vote for it if it were called up; but when it came before them, they voted for it, because their people insisted on it. The same is true in this case. I have no doubt that if constituents want it, it will be voted for. It may not necessarily come out of the House Ways and Means Committee, but there are ways to have it considered by the House, whether by discharge petition, going to conference, suspending the rules and getting a two-thirds vote, or some other way of getting it before the House, if there is a real demand that it be done. There will be no such demand, and it therefore will not get anywhere, unless the tabling motion is defeated tomorrow and the Anderson amendment is thereafter adopted.

Mr. KEATING. Madam President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KEATING. I want my distinguished friend from Idaho to know that nothing I said was intended to impugn his motives or those of any other Senator. We assume that the motives of all Members of this body are of the purest. That is the custom, and that is the assumption I am happy to make. If there was anything in my remarks which was felt to impugn the motives of my good friend from Idaho, I deeply regret it.

Mr. ANDERSON. Madam President, I understand the Senator from Delaware and the Senator from Minnesota wish to obtain the floor in their own right, and I therefore yield the floor.

SUGAR IMPORTS

Mr. WILLIAMS of Delaware. Madam President, the President signed the sugar bill Saturday, July 14, and the Sugar Act expired on June 30. The conference report had been approved in the House on Saturday, June 30, and was carried over until Monday, July 2, in the Senate with the understanding that no sugar could come into this country over the weekend.

We were given this assurance by the administration. While the bill was sent to the President on July 2, it was not signed until July 14. As late as last week we were assured that the situation was under control even though the President had not as yet signed the bill.

I am not questioning the President's reasons for delaying his signature, but it does appear that during the 2-week interval while the bill has been on the President's desk a substantial tonnage of sugar was dumped into this country, which means that there have been tremendous windfall profits ranging as high as $56 per ton to either the importers or the exporters. To ascertain the extent of these windfall profits. I directed a telegram to Hon. Charles S. Murphy, Under Secretary of Agriculture, dated today, July 16, 1962, which reads as follows:

> Was surprised to hear that the sugar bill was not signed until Saturday July 14. Understand that during this interval it was possible for sugar to be brought into this country without payment of any additional import fees, the result of which could mean tremendous windfall profits to importers. Want information immediately as to total tonnage brought into this country during the 2-week lapse of the law pending its signature by the President, the names of the importers, the ports and dates of entry, the tonnage involved, and the countries of origin. Include an estimate of the extra profits involved for each shipment.
>
> JOHN J. WILLIAMS,
> *U.S. Senator.*

Since this telegram was sent, working with the staff of our committee I have found sugar aggregating in excess of 40,000 tons which was brought into this country during the lapse of this law, and we have no assurance that this represents all.

I want to know who imported this sugar and how much money was made on it. Part of it came from countries which under the law will have a quota, and on this there would be a windfall profit of 10 percent of the $56 subsidy, or $5.60. I understand that when the sugar comes from a quota country the tonnage can be deducted from the quota of the country, but the country will still receive that extra $5.60. When the imports come from nonquota countries, the full $56 a ton additional price goes to the exporter as extra profit. This could mean a tremendous windfall for someone. I sent this telegram to get a complete compilation of all the sugar that has been dumped into this country during the 2 weeks that elapsed in which there was no Sugar Act by virtue of the fact that the President had delayed signing.

In view of the tremendous urgency which the administration placed upon having this bill enacted by June 30, I think some explanation should be forthcoming as to why his signature was delayed so long.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. MORSE. Madam President, I send an amendment to the desk, and ask for its immediate consideration.

It will not be necessary to read the amendment, but I shall explain it.

The amendment offered by Mr. MORSE is as follows:

> On page 11, strike out lines 12 through 16.
>
> On page 11, line 17, strike out "(2)" and insert in lieu thereof "SEC. 1704. (a)".
>
> On page 12, line 7, strike out "ninety days" and insert in lieu thereof "forty-five days".
>
> On page 12, line 15, strike out "one hundred and fifty units of service" and insert in lieu thereof "one hundred and five units of service".
>
> On page 12, line 23, strike out "ninety days" and insert in lieu thereof "forty-five days".
>
> On page 32, strike out everything beginning with the last word on line 25 and down to and including the word "and" on line 5 on page 33.
>
> In section 1716 of the Social Security Act, as added by the Anderson amendment (6–29–62—A), and further modified on July 12, 1962, strike out subparagraphs (A) and (B) of subsection (c)(2) and insert in lieu thereof:
>
> "(A) inpatient hospital services, with no more restrictive limitations than are applicable in the case of inpatient hospital services which constitute reimbursable health services, or
>
> "(B) in the case of a plan meeting the requirements of clause (A), (B), (C), or (D) of paragraph (5), inpatient hospital services to the extent provided in subparagraph (A) of this paragraph, except that the plan may provide that payment for such services during any benefit period shall be reduced by a deduction (or that a charge for such services will be made), but not in excess of $20, or if greater, $10 multiplied by the number of days, not exceeding nine, for which the individual received such services in such period, and then only if the limitation on the number of days for which such services will be provided without other charges, or for which payment will otherwise be made with respect to such services, is increased to at least ninety days."
>
> In such section 1716 in the Anderson amendment as so modified, strike out subparagraph (B) of subsection (c)(3) and insert in lieu thereof:
>
> "(B) in the case of a plan meeting the requirements of clause (A), (B), (C), or (D) of paragraph (5), such reimbursable health services, except that the plan may provide that payment for such services during any benefit period shall be reduced by a deduction (or that a charge for such services will be made), but not in excess of $20, or if greater, $10 multiplied by the number of days, not exceeding 9, for which the individual received such services in such period, and then only if the limitation on the number of days with respect to inpatient hospital services is increased from the number specified in section 1704(b)(1) to at least 90 days."
>
> In such section 1716 in the Anderson amendment as so modified, strike out paragraph (2) of subsection (f) and insert in lieu thereof the following:
>
> "(2) In the case of a plan to which subparagraph (B) of subsection (c)(3) is applicable the limitations and conditions of payment for reimbursable health services under the preceding sections of this title shall be modified—
>
> "(A) by application of a deductible amount of $20 or, if greater, $10 multiplied by the number of days, not exceeding nine, for which the individual received inpatient hospital services during a benefit period and substitution of a ninety-day limitation of the number of such days during a benefit period for the forty-five-day limitation in section 1704(b); and
>
> "(B) the substitution of a limitation of 150 units for the one-hundred-five-unit limitation in such section 1704(b); and in such case, the provisions of section 1710(a) shall not prevent a provider of services from imposing a charge equal to the amount of such deductible with respect to inpatient hospital services, but such charge may not exceed the amount customarily charged for such services."

Mr. MORSE. Madam President, when I finish my speech, I shall withdraw my amendment. I shall not yield until I complete my statement.

How much time have I on my amendment?

The PRESIDING OFFICER. Thirty minutes.

Mr. MORSE. I yield myself such time as I may need within the 30 minutes.

Madam President, my amendment would simply strike from the proposal before us the provision which would require a beneficiary to pay from his own funds at the time of his illness a part of the hospital bill.

As I have revised it since first introducing it on Friday, it also reduces the number of days of hospital coverage to 45 days.

These so-called deductibles are set forth on page 11 of the Anderson amendment and call for a payment by the patient of from $20 to $90 for inpatient care and of $20 for a series of diagnostic tests.

It is my contention that such deductible charges do not belong in this bill. It could well be contended that deductibles, which serve to deter the poorer patient from getting care as soon as he needs it, do not belong in any prepaid health insurance plan.

Least of all, in my opinion, do they belong in a soundly conceived social security program.

Let us consider for a moment the reasons given for having these deductibles.

Usually they are two. One is to prevent abuse of the plan, to stop overhospitalization or unnecessary hospitalization by making the patient pay something for each use of service. The second argument is that deductibles reduce the cost of the plan; that to drop them will require an increase in contributions.

It is my belief that these arguments are not tenable insofar as this program is concerned.

Let us look first at the argument that a deductible is needed to prevent unnecessary hospitalization. Of course, it may prevent hospitalization. The sick person who does not have the $90 will be prevented from going to the hospital. But will it be "unnecessary hospitalization" that is thus prevented, Madam President? Who knows? The man with the $90 can get in—regardless of his need for care, if this is our only protection. The man without the money cannot get in no matter how great his need. And this, Madam President, would completely frustrate one of the basic purposes of the measure—to assure our older people that they need not worry about the costs of necessary hospitalization.

Of course, we need to devise protections against unnecessary hospitalization—protective devices aimed not at the patient, who cannot say when or for how long he is to be hospitalized, but at the doctor, who does make that determination.

This the Anderson amendments do—admirably. Following the recommendations of the American Hospital Association and of the Blue Cross, the proposal requires that all hospitalization be reviewed and approved by doctors under the hospitalization review plan stipulated on page 16—line 11—and spelled out in detail on page 20 of the Anderson amendments. This gives us all the protection we need and gives it in the only form I find acceptable. It prevents unnecessary hospitalization. It does not unfairly penalize any beneficiary as would a deductible.

Madam President, this question of the use of a cash deductible to prevent unnecessary utilization of hospital benefits is, unfortunately, little understood. Far too often people, including Members of the Congress, have been lead to equate it with the deductible provisions of automobile collision insurance. The deductible has worked well in that field. If they are to pay part of the cost, people do think twice before sending the car to a garage to have a dent hammered out of the fender. That is fine. But the question of whether or not the car should be hospitalized for repairs is hardly the same as the one posed when a doctor says that a person or his wife should enter the hospital for a lifesaving operation.

I point out that a person can get automobile insurance without a deductible provision, if he wishes to pay the premium. The deductible provision is offered as a part of the sales talk on the part of the insurance salesman, in order to reduce the premium. Of course, the insurance companies know that in the long run this will save money for them, or they would not offer the option or choice on the part of the insured.

It seems to me it is a false analogy to argue that because in the automobile insurance practice there is a deductible provision, therefore there should be a deductible provision in regard to hospitalization for a human being who is sick and may need hospitalization.

A person does not ask himself then, "Should I lay out the $90 deductible?" He asks only, "Do I have the $90?" Herein lies the great difference. Here we are dealing not with things, but with living, sentient human beings. And here what is done should depend not on what the dollars say but on what the doctors say.

This latter point, Madam President, was well explained in the report on the operations of the Kerr-Mills Act issued from the Special Committee on Aging. That report said, in part:

> The use of deductible provisions often functions to deter necessary care as opposed to unnecessary care. When limited resources are available for basic necessities such as food, clothing, and shelter, the eligible aged individual would tend to postpone necessary medical care in order to apply the $25, $50, or $100 toward those other necessities. Such effect does not encourage the early and timely care that prevents and minimizes serious illness. The problem thus becomes one not of overutilization of services but rather one of underutilization.
>
> The basic answer to controlling unnecessary usage of services is not the imposition of fiscal controls upon the medically indigent which force the individual to judge the necessity and urgency of care in relation to his financial situation. The answer lies in the use of medical controls whereby the aged person's physician and the physicians who comprise medical review boards are responsible for the decisions as to the necessity, appropriateness, and duration of medical care.
>
> It is on the personal physician of the individual that we must place first reliance for seeing to it that a program of medical care is not exploited. It is the physician and only the physician who can decide whether a patient should be hospitalized and for how long. The problems of unnecessary hospitalization or overly prolonged hospitalization, of unnecessary surgery or unduly prolonged care are problems involving the whole of the population and of concern to all of our communities. Any pretense at solving such problems by introducing a financial control on the patient is patently an evasion. It means simply that the virtually penniless patient may be and is denied care regardless of his medical need whereas the patient to whom the deductible cost is not a burden may get the care, undergo the surgery, or occupy a badly needed hospital bed regardless of his medical need.
>
> Controls over these problems must be professional, not lay; ethical, not financial. It is not sound public policy to encourage the medical profession to avoid this responsibility by pretending to have solved the problem through placement of a financial barrier between the patient and the care he may need. In fact, the deductible serves only to bar the poorer patient. In no way does it deter a physician from authorizing the provision of unnecessary services for those who can pay the deductible charges, for whatever services the physician may be willing to let the patient believe he needs, or for services which the physician believes are not needed but which he will countenance. Such actions in effect constitute the perpetration of a fraud on the medical care fund. This behavior cannot be justified simply because he or his patient find it more convenient or because the physician is afraid of losing his patient to another more complacent, less ethical physician.
>
> We repeat: The prevention of overutilization or exploitation of a medical care program—whether it be Kerr-Mills, Blue Cross, commercial insurance or the Veterans' Administration program—is a responsibility first of the individual doctor and secondly, of the medical profession. Concern is often expressed over the possibility that individual physicians will succumb to the temptation of hospitalizing people unnecessarily for the convenience of the physician or patient. It is on the physician's colleagues, functioning on medical review boards, that we must rely for the imposition of proper and effective disciplinary controls over the presumably few malefactors or irresponsible people in the profession. Any suggestion that a deductible, a financial bar to utilization of services, solves this problem of medical ethics is sheer nonsense.

As that report also points out, both the American Hospital Association and Blue Cross have urged hospitals to establish review boards. The desirability of such committees is virtually self-evident. Doctors—not dollars—should determine the appropriateness and extent of hospital care.

The committee's report is, I believe, a complete and irrefutable answer to the claim that we must have a deductible in order to prevent unnecessary or overextended hospitalization.

On the second claim—that abolishing the deduction would increase the cost—I point out that reducing the hospital days to 45 will bring us out at just about the same cost. Actuarial experts tell me that 90 days with a $90 deductible costs just about the same as 45 days with no deduction.

We have contended, quite rightly, that the passage of this proposed legislation will greatly stimulate the sale of private health insurance because it will take care of that part of the health costs of older people which is hardest to meet—hospitalization. With the basic hospital costs taken care of, the insurance companies will be able to offer supplementary policies at premiums which most of our older people will be able to afford. With the amendment, we would render it unnecessary for our older people to have to "stash away" $90 apiece for possible inpatient hospital care. If my amendment were adopted, the single beneficiary would be able to use his $90 and the elderly couple its $180 to buy supplemental health insurance, most likely to cover doctors' bills.

I point out also that the 45 days' coverage of the amendment would take care of 93.5 percent of all hospital stays by persons 65 and over. Figures furnished me by the Special Committee on Aging show that only 6.5 percent of these people remain in a hospital more than 45 days.

That is the thesis in this whole argument with regard to a 90-day provision and the $90 deductible. It has resulted in giving a false impression to the American people that hospitalization of the older people lasts for a longer period than 45 days. That does not happen to be the case. Hospital stays for this age group are longer than for any other but very few last as long as 90 days.

I wish to read this vital statistic again, because I think it drives a large hole through the argument of those who support the deductible provision.

To repeat, the 45 days' coverage of the amendment would take care of 93.5 percent of all hospital stays by persons 65 and over. Figures furnished me by the Special Committee on Aging show that only 6.5 percent of these people remain in a hospital more than 45 days. Since the bill as now written also gives them additional coverage for stays in a nursing home or for nursing care in their own homes, I expect that the 45-day coverage would in practice prove to be entirely ample.

Let me add that I think the work of the Senator from New Mexico [Mr. Anderson] and the Senator from New York [Mr. Javits] has been outstanding in preparing the Anderson-Javits amendment. I know how difficult it has been to reach agreement on the complexities of this subject.

I am especially gratified that provision has been made for the 2½ million or 3 million people, as some estimates have it, who are already 65 or over and are not covered either by social security or railroad retirement.

The sections dealing with administration of the program also impress me as being very sound.

This deductible feature, however, distresses me, and as a cosponsor of the King-Anderson and Anderson-Javits amendments, I feel that I have an obligation to improve the proposal as much as possible.

Undoubtedly, what I am proposing today is a perfecting amendment. It does not pertain to the basic principle of this whole issue, which is that medical care for the elderly be established as a part of social insurance. I am very anxious that we remove the heavy dependence of the elderly upon charity either from their relatives or from the public for adequate medical care. That situation is a disgrace to our Nation. All that has been said in this debate about advances in private insurance and the Kerr-Mills program does not change the fact that neither of these methods has changed this dependence upon charity by a very large percentage of the elderly.

It has seemed rather unique to me that the basic position of the American Medical Association—and it has been echoed by opponents of the Anderson-Javits amendment—has been that a means test of some kind must remain a requirement of any public medical plan. We have heard this proposal denounced for many days because it is not based on so-called need.

The AMA is the last organization in the world that should be insisting upon an investigation of each individual's income and sources of support before that individual may take part in any governmental medical care system.

I wonder what the reaction of the association would be if it were suggested that every doctor undergo a means test before his bills were paid under Kerr-Mills.

The group of doctors for which the AMA apparently speaks are the loudest in their condemnation of any invasion of privacy, either their own or of what they call the doctor-patient relationship. But they insist that the privacy of the elderly be invaded when it comes to medical care.

The social security approach to the income problems of retirement has proved workable and successful. It permits minimum care for all on the same basis as any insurance program. Of course, that means that not everyone will pay in the same amount and not everyone will use the same benefits, but that is true of any insurance-type program.

I think the time is long past when we should put minimum health needs on the same basis.

It is for this reason that I have decided not to press my amendment today. The Anderson-Javits amendment as it now stands is a great forward step. I know that it is understood by millions of supporters throughout the country to provide 90 days of hospital coverage, with $90 deductible, and I can understand that to change that coverage on the Senate floor, even when it does not affect the total cost of the program, would cause considerable confusion among its supporters. So having pointed out some defects in this particular provision of the bill, I shall at the close of my speech withdraw the amendment.

It is my hope and expectation that the Anderson-Javits amendment will not only be passed by the Senate but by the House of Representatives. Once we have established this principle involved in the Anderson-Javits measure, then we can proceed with perfecting it along the lines I have been discussing.

I wish the Record to show that I shall discuss the subject before the Senate in the future, because, in my judgment, the Senate is about to pass a measure that will need great improvement in regard to the deductible feature.

I am a realist with respect to the legislative process. I know how important it is through our votes tomorrow and in our subsequent votes on the measure, to place on the statute books for the first time the vitally important principle of medical care for the aged under a social security system. Being a realist, I am aware of the fact that pressing my amendment in regard to deductibility might afford an abili, a rationalization or an excuse for some Senators to vote against the Anderson-Javits amendment because of the Morse amendment on deductibility. I have no intention of jeopardizing and endangering the passage of the Anderson-Javits amendment, which I was proud to cosponsor. But in my judgment after the deductible features of the Anderson-Javits amendment have become understood in our country, there will be an insistent demand on the part of public opinion to eliminate the deductible feature from the law because, in my judgment, it is unsound, unwise, and unnecessary.

I have made these arguments today in support of the principle because I know that in due course of time the Morse amendment, which seeks to eradicate deductibility under the Anderson-Javits amendment, will undoubtedly become the law of our land.

With those arguments in support of my amendment, I now withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Oregon is withdrawn.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. I appreciate the attitude of the Senator from Oregon very much. I should like to remind him of an incident that he may have forgotten. In 1956 a question arose with respect to disability. The Finance Committee wrote into the measure at that time an age limit. The Senator from Oregon took the position that the age limit was not necessary. We voted him down. We were experimenting. We were improvising as we went along.

Four years later we discovered that his original proposal was correct. We made the necessary change. Perhaps that will be the process in respect to his amendment. I very much appreciate the attitude he has taken.

Mr. MORSE. Madam President, I appreciate very much the comment of the Senator from New Mexico. As I said in my earlier remarks, I congratulate the Senator from New Mexico [Mr. Anderson] and the Senator from New York [Mr. Javits] for the great contribution they have made to the legislative process by way of the Anderson-Javits amendment. I go along with them all the way. I have taken the exception I have noted with regard to their amendment. Only time will prove who is correct. I am satisfied that the important thing is to get the principle of a health program under social security into operation. We can perfect the measure at a later date.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. MORSE. I yield to the Senator from New York.

Mr. JAVITS. I should like to express my appreciation to the Senator from Oregon, whose customary understanding of the legislative process is simplifying and, in my opinion, preserving the expectations which we have with respect to the action of the Senate tomorrow. It is quite typical of him. But these things can never be taken for granted. I join with the Senator from New Mexico [Mr. Anderson] in expressing not alone our own appreciation, but also what I think is the appreciation of all Senators who support the present effort for what the Senator from Oregon has done to help the program very materially.

Mr. MORSE. I thank the Senator from New York.

I ask unanimous consent that a statement I have prepared in answer to the speech made by the Senator from Connecticut [Mr. Bush], containing a reply to questions which I raised earlier in a speech in the Senate in connection with the amendment, be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

In his floor speech on July 13 the very able and distinguished senior Senator from Connecticut assembled some excellent answers to the objections I had raised earlier to his amendment. In large part, however, his answers rest on faith that the insurance industry will rise above profits to provide health insurance suited to the needs of the aged at prices they can afford to pay with the help of the $9 payment from the trust fund.

I regret that I do not share his faith, and I therefore find his answers less than pursuasive.

While I do not wish to belabor our debate, there are several points—based on facts rather than hopes—which I would like to get on record because they may well recur in the days ahead.

Proposals like that sponsored by the Senator from Connecticut are—on their face—either underfinanced or based on the recognition that private insurance carriers will reject many older people.

In his floor speech, my friend and colleague said: "I estimate there will be about 12 million persons eligible under the social security system who would be eligible for these benefits. We divide that number into $1.2 billion and arrive at the cost of approximately $100 a year."

Also in the explanatory memorandum accompanying his amendment, he had stated: "The eligible population which, it is estimated, will take advantage of this program will be 12,200,000 in 1962; 15,100,000 in 1970, and 20,000,000 in 1980."

With reference to the estimate of 12.2 million in 1963, it should be pointed out that there will be at that time about 14½ million persons who would meet the basic eligibility qualifications of the Bush bill—who would be 65 or older and eligible for social security or railroad retirement benefits.

I would think that everyone who is eligible would be quick to accept the offer of $108 toward the purchase of health insurance. Why, then, did my friend from Connecticut estimate that only 12.2 million will take advantage of this program? Is it possible that he contemplated that the other 2⅓ million will be rejected by insurance carriers?

Could this be what is meant by not taking advantage of the proposal?

And what about his estimate of 15.1 million in 1970 when more than 17 million people over 65 will be eligible for OASI alone and possibly another half million as railroad retirement beneficiaries?

How in good conscience can the other 2½ million be denied health benefits after they have paid the increase in payroll taxes which is specifically for the health benefits?

If the discrepancy in the figures cannot be charged up to the unwillingness of insurance carriers to underwrite the risk, one would expect virtually all the eligible group to take advantage of the program. In this case, the costs would be much greater than anticipated and the program would be seriously underfinanced.

While stressing the point that costs are unpredictable for the service benefits proposed in the Anderson amendment, the Senator from Connecticut nevertheless recognizes that the $9 monthly which he proposes might turn out to be too little for those who take advantage of this payment. He states:

"Additionally, the allegation that a $9 payment may be worthless 10 or 20 years from now is specious. It applies equally to the existing social security system. If living costs rise, it may be assumed that existing social security benefits will be periodically adjusted by the Congress. If health care costs rise, payments under the Bush amendment would also be periodically adjusted."

In reference to the foregoing statement that the passage of years can erode the value of a cash benefit, I might point out that there is an essential difference between the cash retirement benefits paid under the social security system and the proposed cash indemnity for health costs. The formula which determines the retirement benefit is based on earnings, which can be expected to rise in more or less the same manner as prices. This is not the case for proposed cash benefits for health insurance.

One final point. My first objection to the proposal put forth by my friend from Connecticut was—

"Any program that offers a fixed cash, and perhaps worthless indemnity rather than specified medical services cannot meet the special problems of the aged."

In answer, he said: "My reply is that this is an indictment of the existing social security system, which provides benefits in cash only, leaving complete freedom to the individual to spend the money he receives for food, shelter, clothing, and so forth. If this objection is valid, then the existing system should be changed so that the Federal Government would provide all the necessities of life—house the individual in a Federal dormitory, feed him in a communal dining room, buy his clothing, and so forth—instead of giving him cash to spend as he chooses."

Arguments like this have appeared frequently enough in the last few days that they can no longer be ignored.

The answer is very simple and very obvious to anyone who is not trying to becloud the issue.

The problem of individual financing of health costs is completely different from that for such items as food and housing. Housing and food costs recur month after month in more or less the same amount and can therefore be budgeted. Medical costs, in contrast, are uneven in their incidence and—on an individual basis—are largely unpredictable.

The implication that the Government proposes health insurance because it cannot trust older people to spend their money wisely is insulting to our aged population. Younger people have health insurance—much of it financed by their employers, as a result of collective bargaining agreements. Yet would anyone argue that this is because they can't be trusted to spend their wages wisely?

PROPOSED MORATORIUM ON RAILROAD MERGERS

Mr. MORSE. Madam President, I ask unanimous consent that the testimony which I gave before the Subcommittee on Antitrust and Monopoly, of which the distinguished Senator from Tennessee [Mr. KEFAUVER] is chairman, in support of a bill that would provide for a moratorium until 1963 on railroad mergers, be printed at this point in the RECORD. The testimony starts on page 1324 of the transcript and ends on page 1339.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. WAYNE MORSE, U.S. SENATOR FROM THE STATE OF OREGON

Senator MORSE. Mr. Chairman and members of the committee, I owe you an apology for not having mimeographed copies of my statement. They will be here, I am sure, before I finish. I do not even have one myself. I have a copy of the stencil, which gives you some idea of the lateness of the hour that I completed this, but I can read from this, and the mimeographed copy will be filed with you, I hope, before I finish reading, certainly shortly thereafter.

There is currently a movement toward total reorganization and great concentration of the railroad industry. Seventy-three percent of railroad assets in the Nation are involved in current merger proceedings. One of the applications before the Interstate Commerce Commission asks approval of the consolidation of two railroads which are number one and number three in size—the Pennsylvania Railroad and the New York Central Railroad. With such a vast movement afoot, the attention of Congress must be engaged. The Congress has always concerned itself, and properly, with questions of competition and monopoly, and the adequacy and development of the national transportation plant. Now is certainly not the time for a head-in-the-sand posture.

Out in my section of the country, the great Pacific Northwest, a great deal of concern about proposed railroad mergers exists.

It undoubtedly will be one of the political issues of the campaign this fall, as far as various economic groups are concerned, and I would think that a problem such as this could be considered, at least in the first instance, from the standpoint of the administrative law problems and policies involved, and that is why I make this plea today for the support of the moratorium legislation.

Mergers in the railroad industry have been a subject of Federal law since late in the last century. They were governed by the Sherman Act, and then also by the Clayton Act, until 1920. They are presently governed by the Interstate Commerce Act of 1940. That act, as implemented by the Interstate Commerce Commission, does not appear to be adequate to protect the public interest in the present situation.

Defined most broadly, it seems to me that the public interest is composed of two elements: (1) Adequate, efficient, and economic transportation wherever it is needed; and (2) the fullest competition to the extent that it is compatible with adequate, efficient, and economic transportation. Whole areas, communities, and industries depend upon the transportation system, and, to a very great extent, that means rail transportation.

ADEQUATE, EFFICIENT, AND ECONOMIC TRANSPORTATION

The 1940 act does, indeed, pay lipservice to the criterion of adequacy of transportation service. However, not enough is done to promote or to insure such adequacy. The standard is more worshiped than served.

Neither the Interstate Commerce Commission, nor any interest which might oppose a merger, such as shippers, States, and communities, or labor, participate in the planning of these mergers or the weighing of alternatives. The first opportunity of these adverse or public interest spokesmen to have any say is found in the limited opportunity to attempt to convince the Interstate Commerce Commission that the proposed merger is not consistent with the public interest.

What I have in mind here is that maybe we ought to have some kind of a pretrial hearing such as we have in the Federal courts in regard to other matters.

It is not a complete analogy, but it is somewhat analogous.

I certainly think there ought to be at least some opportunity for the people who are subsequently going to be the litigants or possible litigants to have something to say about the development of the merger scheme in the first instance.

There is no opportunity to urge that some other arrangement, even the status quo, promotes the public interest, or is more consistent with the public interest, than the proposal of the applicants.

Even the opportunity which is offered appears to be illusory. Paul A. Rasmussen, the chairman of the Minnesota Railroad and Warehouse Commission, testified before this subcommittee that in the Northern Lines case, in any area involving the Great Northern, Northern Pacific, Burlington, and S.P. & S. railroads, involving 17 States, 26,000 miles of tracks, 65,000 railroad employees, and $3 billion of investment, the merger application was 6 months in preparation, and cost the applicants several million dollars. By contrast, the States and communities had only a few months notice, and did not have time to obtain the needed appropriations to prepare their oppositions. Indeed, as Chairman Rasmussen testified, his State commission did not have time to obtain the money to buy a copy of the transcript.

A study on the staff level by the Interstate Commerce Commission, entitled "Railroad Consolidations and the Public Interest—A Preliminary Examination," which is dated March 1962, compels the conclusion that adequacy, efficiency, and economy of service expected to result from a rail merger are not now properly measured and judged. Reliability, speed, convenience, flexibility, scheduled frequency, and geographical coverage are not now separately tested (p. 65). Whether transport patrons are likely to enjoy savings, and whether diseconomies of scale are likely to result, are not now considered (p. 67). The Interstate Commerce Commission does not employ any standard method of testing efficiency, such as gross ton-miles per train hour (pp. 67–68). The impact on localities and regions is not a separate criterion (pp. 72–73). The requirements of the national defense are hardly considered at all (p. 73).

Further, according to the ICC staff study, the longrange development of railroad service, which must be the most important criterion of all, is not now a distinct testing factor (p. 73).

There is another dangerous shortcoming in the present procedure, which is implicit, although not expressed, in the staff study: the parties with special interests choose the areas of consideration. Thus, the applicant railroads urge economies and a better capital position, and they submit evidence in support. Opponent railroads force consideration of traffic diversion. Labor urges the effect on employment. These, then, are matters which get the most thorough consideration, and the more general public interest receives little attention. Deals are made or conditions are imposed; the major opponents are quieted, and there is nothing to show that the merger is not consistent with the public interest.

With this background, I submit, the public interest is nothing more than an incantation which blesses whatever arrangements the railroad managements have themselves worked out.

PRESERVATION OF COMPETITION

The preservation of competition is the force upon which we rely for good service and the proper allocation of resources. There is no substitute for rail-to-rail competition as a spur to innovation in technology, pricing, scheduling, or car design. There is no substitute for rail-to-rail competition as an assurance of good service, as State Commissioners MacDonald and Rasmussen have testified in this hearing from their own experience. Rail-to-rail competition is also a spur to the industrial development of the area served by each competitor railroad. Without competition, rail-bound freight, a not inconsiderable class, will suffer from deteriorating service and higher prices. It is only in competition by the firms in the same industry that each competitor has similar cost structures and products, so that each can come near to duplicating a rival's prices and services. Competition between different modes must always be limited—the difference in cost structure provides sheltered markets in which one mode has an advantage over all rivals.

Competition is left in a peculiar limbo under the present law and procedure. The railroads were subject to the antitrust laws until the Transportation Act of 1920. In that law, Congress directed the Interstate Commerce Commission to prepare a plan for the consolidation of the Nation's railways into "a limited number of systems," taking into account, among other considerations, preservation of competition so far as possible. Thus, while the railroads were relieved of the application of the antitrust laws, they were expected to combine under a plan to be worked out under rather specific lines by the Commission.

The 1920 act consolidation program miscarried and, in 1940, Congress eliminated the requirement that consolidations conform to a plan. It substituted merely the requirement that the transaction be consistent with the public interest. Although competition was no longer expressly mentioned, the Interstate Commerce Commission and the courts have properly held that the preservation of competition is a factor to be considered in determining the public interest.

It was decided in the *McLean Trucking Company* case, 321 U.S. 67 (1944), by the Supreme Court, over a vigorous dissent, that Congress had not provided that competition is any more important an element of the public interest than any other element. Thus, the relative weight to be given competition is a matter for the judgment of the ICC. Were the ICC to find that competition will be substantially lessened, it might, in its judgment, also find that one or more favorable characteristics of a transaction outweigh the injury to competition, and approve the merger. Because of the doctrine of deference to administrative expertise, there is no effective review in the courts, unless there can be shown an arbitrary and capricious discretion, and that is very, very difficult.

This failure to accord competition any firm protection is further brought out in the ICC staff study. We are told that the Commission has not developed any method to determine the degree to which competition has been lessened under a rail merger (p. 70). Opinion concerning the proper number of railroads to insure beneficial competition varies widely (p. 69), but apparently, the Commission has no policy on the matter.

The Interstate Commerce Commission has no policy which it may apply to each merger application to insure that we end up with a sufficient number of railroads of fairly equal economic power in each region: a competitive railroad industry structure. The importance of competition is a value judgment and not a matter of expertise. The salient fact is that whether a competitive or a monopolistic railroad industry structure will eventuate, depends upon the predispositions of the present members of the Interstate Commerce Commission. Congress thus abdicates its responsibility by leaving this vital judgment to a regulatory body, without providing what would appear to be any substantive guide.

Toward the end of the ICC staff study, we are told that the motor carriers and the airlines are also tending toward a reduction in the number of carriers; that it is possible that the future will see a very limited number of carriers, possibly only one of each mode on many routes; and that intermodal competition may thus be impaired by a refraining from price competition (pp. 75–76). This is a warning which we should take seriously. Competition is essential to our free enterprise economy and is responsible for many of its blessings. The Congress is responsible for the preservation of competition.

I am in favor of S. 3097 as a necessary first step to allow the Congress and the administration sufficient time to responsibly consider the matters about which I have spoken. A moratorium on anticompetitive mergers is necessary because we are already late, but it will prevent our being too late. I want to make very clear to this committee that I am not taking the position today that I am opposed to any and all mergers.

It may be, after we have worked out the criteria that I have alluded to, that we should have some mergers, and if the facts show that we need the mergers in the public interest, then I am for the mergers.

But I cannot imagine a system of mergers, Mr. Chairman and members of this committee, that does not lay great stress on the criterion of competition.

In closing, I would say that I am concerned about what I think can very well be a sudden shift of the American public opinion in this whole monopoly field, even in our time.

If we lay the foundations here, Mr. Chairman and members of this committee, for a strengthening of monopolistic control over the economy of our people for a downgrading of competition as a criterion for keeping a vital, free economy working in this country, the public reaction may very well be that if it is monopoly we are going to have without competition present, then let us have a government monopoly.

If the facts bear out what is alleged to be true in some instances, and what is being alleged to be true in my part of the country in regard to the proposed mergers, there will be a stifling of competition and a placing of consumers at the mercy of both the railroads and the Interstate Commerce Commission. This is a situation in which, I am afraid, we are giving up more and more of our effective legislative control.

Then the people will say, "Let's own them ourselves."

If anyone in this country thinks that you cannot have a sudden change in public opinion, take a look at what is happening at the very moment we sit here in connection with this whole satellite program.

For I want to warn my administration today that there is a great shift taking place against the proposal of this administration to establish the kind of a monopoly that they are seeking to establish under the satellite bill, and the demand, I think, is going to be a very heated one in this campaign in 1962, in the inadequate case that has been made thus far for the satellite program, for a Government monopoly in that field.

I have worked, as the chairman of this committee knows, my whole public life in the field of protecting the public interest in regard to industries vested with the public interest.

The railroads happen to be one of them.

In my judgment, the best way to promote sound mergers of the railroads in this country which can be demonstrated, on the facts as needed, is to pass this moratorium bill which puts off the mergers until 1963, and in the intervening time we will get our record straight as to what mergers can, in fact, be justified with the public having adequate opportunity to have its say in determining the merger policy.

That is my presentation.

Senator KEFAUVER. Thank you very much, Senator MORSE. I think it is very important to make clear one point, and perhaps you would enlarge upon it.

We have had some industry witnesses testify that they fear that unless these mergers can go through, that the railroads might result in Government ownership because of their financial condition, which nobody wants to happen.

There is the failing company doctrine in our antimerger laws that allows a failing company to merge with impunity, but your fear is—and I want to say that it is my fear, too—that if the monopoly situation in railroads is substantially extended so that people in many sections of the country feel that they are not having competition or the rail service or the transportation service that they need, that then they might turn to the Government and demand that the Government operate the monopoly rather than have it operated privately.

Senator Morse. That is not only my fear, it is my prediction.

Senator Kefauver. Is that not the history of what has taken place in some other countries that bears that out?

Senator Morse. Yes; but as to the shifts in public opinion in our own country in regard to certain industries vested with the public interest—I suppose there are other reasons; these are not parallel completely, but there are some common features—I suppose in 10 years almost all our municipal transportation systems will be Government owned.

There are some other reasons for that, but people are going to insist, for example, that the transportation be supplied them at prices which they can afford to pay and that the cost of the transportation be distributed, in these instances, on a total municipal basis.

As you know, I happen to be an alderman in this great city, and we are constantly confronted with this contest between public and private ownership of our capital transit system. We saved it, in my judgment, from public ownership some years ago, 1956 or 1957, when it was reorganized and the new charter was issued to the present Chalk company.

But there was a great demand at that time for public ownership.

We all know what happens in the operation of our municipal transportation system. In municipality after municipality, we subsidize them to a certain extent, as we do here and as we do the railroads.

The point sometime is reached when the people say, "Which is it cheaper for us to do? Is it cheaper to own them or to partially subsidize them?"

Now, if the mergers result in the kind of negative public reaction which proposed mergers in my part of the country are resulting in, you are going to find great strength given to forces in the country who are going to want to nationalize, in whole or in part, the railroad industry.

I happen to be unalterably opposed to nationalization. I do not believe in the nationalization of industries vested with the public interest if it can possibly be avoided. I am not deeply moved, if that is the testimony in this hearing—I did not know it was—on the part of some of the carriers, that we must allow them to merge or they will go bankrupt and have to go into public ownership.

I want to suggest that unless we work out these mergers along the lines that I have alluded to in my testimony today, that they will get public ownership.

Senator Kefauver. In the Federal Aviation Act, as you very well know, there is an antitrust provision limiting or restricting mergers where monopolization would result. And Judge Loevinger has recommended something along that line as an additional criterion in the Interstate Commerce Act applicable to railroads.

Senator Morse. Well, it might, but I would have to be curbstoning to pass a value judgment on it, and I prefer not to do that.

I would rather make this suggestion to you, Mr. Chairman. I mentioned in my statement that I think we are moving in the direction of abdication of legislative power over our regulatory agencies.

I think it is particularly true in respect to the Interstate Commerce Commission. I think that the Congress of the United States ought to require a greater check on the Interstate Commerce Commission than it has been exercising by way of a greater review being passed upon the Commission by appropriate committees of the Congress.

I think the Interstate Commerce Committee of the Senate and the corresponding committee of the House ought to be vested with more checking power than we have given them, because I have found in my 18 years in the Senate that the Interstate Commerce Commission is one of the regulatory bodies that, in my judgment, has been given entirely too much discretionary power and ought to have greater checks placed upon it.

You cannot be confronted with a lumber situation in the Pacific Northwest without having a pretty good idea of what I have in mind, because, in my judgment, I think part of the lumber situation in the Pacific Northwest is because of the derelictions of the Interstate Commerce Commission in the way that it is handling this whole matter of rail transportation of lumber. I intend, if necessary, in the next few days to introduce some legislation that will bear upon that matter.

I do not propose to let the Interstate Commerce Commission continue to follow a transportation policy in regard to its rate schedules as putting the Pacific Northwest lumber mills at the great competitive disadvantage with Canadian lumber mills, which is now occurring. It is part of the reason for the fact that in the last 12 months over 200 lumber mills in the Pacific Northwest have closed their doors, with all the resulting unemployment and economic loss, and Canada has been the beneficiary.

In my judgment, we must have more effective checks on the Interstate Commerce Commission and faster action on the part of the Interstate Commerce Commission to meet the kind of emergencies with which we have been confronted in this whole matter of lumber transportation.

Senator Kefauver. Does any of the staff have any questions of Senator Morse?

Thank you very much for being with us.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. FONG. Madam President, there is no subject to which I have devoted more study this year than that of the health insurance problems of our Nation's senior citizens.

For several years this has been a matter of considerable concern to me. So much so that in 1960 I cosponsored a voluntary health insurance program devised by my friend and colleague, the able and distinguished senior Senator from New York [Mr. Javits]. In 1961, once again it was my privilege to join with a number of my colleagues on this side of the aisle in an improved version of the Javits voluntary health insurance bill, S. 937.

Last week I joined with the distinguished senior Senator from Massachusetts [Mr. Saltonstall] and five other of our colleagues on this side of the aisle to offer the text of S. 937 with minor modifications as a substitute for the Anderson-Javits compulsory social security amendment. Our substitute was, however, defeated on a rollcall vote of 34 yeas to 50 nays.

I have no hesitancy in saying, in my judgment, the approach and the benefits of the Saltonstall substitute and its predecessor bills constitute the most practical, realistic, and suitable program yet presented. Unfortunately, however, the Democratic presidential candidate in 1960 was committed to a social security approach and, as President, he today remains committed to that approach. With all the prestige and power of his high position and with the large majority his party enjoys in the Senate, it is easy to understand why a Republican-sponsored nonsocial security proposal has twice gone down to defeat in the Senate.

During the past 2 years a number of alternative proposals for financial assistance on medical costs for the aged have been advanced. The junior Senator from Kentucky [Mr. Morton] recommended the Federal Government share with individuals the cost of private insurance policies for persons age 65 and over, with the Federal share graduating downward according to the income taxes paid by the individual.

The senior Senator from Connecticut [Mr. Bush] also presented a plan providing to persons 65 or over eligible to receive social security and railroad retirement benefits a monthly cash supplement up to $9 for the purchase of voluntary health insurance.

Blue Cross and Blue Shield, private nonprofit organizations, also came forth with new more liberal health insurance plans for senior citizens. Private insurance companies offered to those in the 65-and-over age group new policies with added protection against the costs of illness.

Therefore, although I was a cosponsor of one voluntary plan, I have maintained an open mind on this question of aiding the aged in need of help toward medical expenses. I was receptive to the advantages of the various alternative proposals. I was also made cognizant of the drawbacks of each—and I am sure we all recognize each does have drawbacks.

As I studied the question of health insurance for the aged, I did so having in mind the hundreds of private health insurance plans in effect, having in mind the fact that the Kerr-Mills law enacted by Congress in 1960 which I supported was just getting underway, and having in mind the old-age assistance and many State public assistance programs are already in effect.

I can honestly say I did not entertain any preconceived prejudices against any approach to this problem. On such a complex matter, I felt I should suspend final judgment until I had weighed the available evidence. What I tried to do as I read and examined the mass of information and the volume of correspondence coming to me and the current debate in the Senate was to resolve in my own mind what is the best way to assist our senior citizens to meet their health and medical needs.

The revised Anderson-Javits amendment has been before us only 2 weeks.

Yet it is a proposal that goes to the very heart of our system of government and to the relationship between the Federal Government and the private citizen. It is a step from which there is no turning back. So if we err in adopting the pending Anderson plan, we shall err irrevocably.

It is most unfortunate that we are debating this far-reaching proposal without the benefit of committee hearings and without the benefit of thorough ventilation and scrutiny by all interested parties. Such is not the ideal way to legislate on so important a matter.

Based on the information available to me and upon my considered judgment as to the consequences of the Anderson amendment, I have decided to err on the side of caution. I prefer to try to improve and to perfect our existing system of medical care and our existing system of private health insurance while meeting our responsibility as individuals and our responsibility as a nation not only to our elderly citizens but to all our citizens of whatever age who need help in meeting medical costs.

After studying the evidence to date, I have concluded that the compulsory social security approach is neither adequate nor desirable. If the Congress is to do anything at this session we ought not to venture where angels fear to tread. We ought not risk the avenue that leads only to one destination: Government control of the practice of medicine.

The Saltonstall substitute providing voluntary health insurance for the aged avoided these defects. I shall not now repeat my entire statement favoring the Saltonstall substitute, which can be found on page 13371 of the CONGRESSIONAL RECORD for July 12. I shall merely restate the nine principal virtues of the Saltonstall plan, which make it preferable to the Anderson-Javits amendment. I urge the administration to give serious consideration to this proposal which will help those who really need help in contrast to the Anderson-Javits plan which proposes to give assistance to everybody just because some people need it.

First. The Saltonstall plan is voluntary.

Second. It is practical, for it builds upon progress already made by mutual and private insurance organizations.

Third. It is keyed to those of the aged who need financial assistance toward adequate health insurance.

Fourth. It does not put undue strain on the Federal Treasury because it provides for State sharing of the costs and for contributions from individuals.

Fifth. It avoids Federal interference with the practice of medicine. The States would set up their separate programs in accord with the wishes of their citizens, and States would have primary supervision over the structure and administration of the program.

Seventh. It places the burden of the Federal cost on all American taxpayers—unlike the Anderson-Javits plan which puts the burden of costs entirely on the wage earners and employers.

Eighth. It provides benefits suited to the special health needs of the aged: namely, home, outpatient, and nursing home care. It recognizes that different individuals have different medical care needs.

Ninth. It conforms to our traditional American way of caring for health problems. It avoids experimentation in a new approach which is untested and untried and which is fraught with potential dangers to our customary private doctor-patient relationship and to our entire medical and health system, which up to now has made tremendous progress in the battle against disease and illness.

The Saltonstall plan I could support. But in all good conscience, I cannot support the proposal of the junior Senator from New Mexico [Mr. ANDERSON].

As it stands, its benefits are totally inadequate.

As it stands, it will prove very costly.

As it stands, its financing provisions are unfair to the working men and women and insufficient to meet the costs that will accrue.

As it stands, it will overburden hospital and other medical facilities which are already overcrowded.

As it stands, it is a seedling program that will rapidly grow to enormous size, to encompass hospital and medical expenses and doctors' charges for everyone, even for those who can afford to pay their own bills or who can afford to buy adequate health insurance for their own protection.

Inevitably, as I see it, one day, whether we like it or not, if we inaugurate the Anderson-Javits plan, we will find ourselves with a system of Government-controlled medicine, a system which history informs us is vastly inferior to our present private practice of medicine.

The fundamental defects and the inevitable consequences of the Anderson plan are to me fatal defects. They constitute bad medicine, not only for our senior citizens, but for all citizens.

I say this without intending any reflection upon those who support the Anderson-Javits plan. Many of these supporters admit the inadequacies of the Anderson-Javits plan. They admit it is not a comprehensive medical care plan, but they contend, limited as the benefits are, they will be of some help.

Many supporters of the Anderson-Javits plan do not foresee adverse consequences. They do not believe this plan will lead to Government control over all practice of medicine.

On the question of consequences, all of us are admittedly peering into the future, which is at best a most difficult occupation. Because man's foresight is notably short, reasonable men find themselves in honest disagreement. I have the utmost respect for those with whom I disagree regarding the impact of the Anderson-Javits plan on the future of our medical care in America. I know they are as sincere in their belief as I am in mine.

There simply is no way to prove the correctness or incorrectness of our points of view. This is a situation frequently confronting the Congress of the United States. Often we Members must vote without full certainty of the consequences of our acts. We must take calculated risks all the time as we legislate.

In this particular case, I believe the risks involved in the Anderson-Javits plan are too great to warrant passage.

Before discussing in greater detail my specific objections to the Anderson-Javits plan, I should like to define the problem of health care of the aged, with which the Senate is now attempting to cope.

There are some 17 million persons age 65 or over in the United States today. A relatively small percentage of these are well able financially to take care of their medical bills. An additional 2½ million of the 17 million senior citizens are eligible for free medical care under old-age assistance programs of public welfare.

Additional persons who are otherwise self-supporting but who cannot pay their medical bills are receiving assistance under the Kerr-Mills Act of 1960, which because State implementing legislation was needed, has only recently begun to go into operation in some States. Others have yet to act. An estimated 1 million persons may be eligible for aid under Kerr-Mills, which is designed to provide very comprehensive and inclusive medical care in the real sense of the word. I ask unanimous consent to have printed at this point in the RECORD a brief summary of Kerr-Mills provisions.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

KERR-MILLS PROGRAM
(PUBLIC LAW 86-778)

Coverage: Approximately 10 million persons over 65 might meet the eligibility requirements. The number actually affected will depend upon the number of States participating, and the eligibility standards formulated by such States. (S. Rept. 1856, 86th Cong.)

How many benefit: Each State could formulate its own eligibility standards within the State plan, except that benefits must be provided for residents of the State who:

(1) have attained age 65, and

(2) are not recipients of old-age assistance, but whose income and resources are insufficient to meet the cost of the medical services listed below.

Persons under age 65 or persons receiving old-age assistance could not be made eligible under the State plan. The State plan may not require an enrollment fee as a condition of eligibility or impose a lien on the property of a beneficiary during his life or that of his surviving spouse.

Benefits: The State plan for medical assistance for the aged may specify medical services of any scope and duration, provided that both institutional and noninstitutional services are included. The Federal Government would share in the expense of providing the following kinds of medical services:

(1) inpatient hospital services;
(2) skilled nursing home services;
(3) outpatient hospital or clinic services;
(4) physicians' services;
(5) home health care services;
(6) private duty nursing services;
(7) physical therapy and related services;
(8) dental services;
(9) laboratory and X-ray services;
(10) prescribed drugs, eyeglasses, dentures, and prosthetic devices;
(11) diagnostic, screening, and preventive services; and,

(12) any other medical care or remedial care recognized under State law.

Administration: Participating States would be reimbursed for part of their expenditures under federally approved State plans providing medical services to aged persons who are not recipients of old-age assistance, but whose income and resources are insufficient to meet the cost of necessary medical services.

Financing: Federal sharing in State expenses under plans for medical assistance for the aged would be determined according to an equalization formula based on State per capita income in relation to the national average and would run from 50 to 80 percent. There are no dollar limits beyond which no matching will apply. The States would receive in addition an amount to half of their administrative expenses under plans for medical assistance for the aged.

Total cost first year:

Estimated costs for the first year were as follows:

[In millions of dollars]	
Federal	60
State	56
Total (S. Rept. 1856, 86th Cong.)	116

Mr. FONG. Madam President, moreover, of the noninstitutionalized aged 65 or over, it is estimated 53 percent have some form of voluntary health insurance. Many of the aged have health insurance protection which is far more comprehensive than the Anderson-Javits bill would provide.

So when we talk of assisting those 65 or over beyond the assistance already provided on the statute books, we are talking about providing help for some 12 million persons of modest income who may need financial assistance toward medical costs.

Is Anderson-Javits the answer? I believe it is not.

Its benefits are very limited, very skimpy. Specifically, it provides for 90 days of hospital care per benefit period, subject to a deductible of $10 per day for the first 9 days but not less than $20; plus 180 days of nursing home care, provided the patient has had previous hospital care; plus 240 home health service visits per calendar year; plus outpatient diagnostic service, subject to a deductible of $20 per diagnostic study.

There is an option whereby a person may elect to continue a private health care plan which would give him the statutory benefit of 90 days of hospitalization with a deductible, or under group and similar plans 45 days of hospitalization with no deductible, in addition to other health care benefits. Under this option the individual may elect to have the Government pay his insurance carrier for those benefits he uses.

The Anderson-Javits plan does not cover cost of a doctor's services in his office or at the patient's home.

It does not cover surgeon's fees and dental bills.

It does not pay for medicines used outside a hospital or nursing home.

It does not cover costs of preventive medicine. Beneficiaries could not collect anything until they were sick enough to go to a hospital or nursing home.

It requires patients to pay the first $20 of costs for diagnosis. The patient could not select the physician to perform the diagnostic services.

In terms of medical needs of elderly citizens, what does the Anderson-Javits plan mean?

Estimates indicate the Anderson-Javits plan covers only 18 to 30 percent of the average medical costs of the aged, based on data supplied by the Department of Health, Education, and Welfare. This means elderly citizens would be faced with paying 70 to 82 percent of their medical bills, if the Anderson-Javits plan is enacted.

Moreover, for every hospital visit, the elderly would have to pay a minimum of $20 or a maximum of $90 under the Anderson-Javits plan.

To be adequately protected against the hazards of costly illness, those 65 and over would need to buy supplementary insurance covering major medical expenses and doctors' and surgeons' charges. The amount of their yearly premium would depend, of course, on the policies purchased.

I predict that, if the Anderson-Javits plan is enacted, some of our senior citizens are going to be shocked to learn they must pay the lion's share of their health bills.

It is because the Anderson-Javits benefits are inadequate—and its supporters admit they are inadequate—and because senior citizens will have to buy additional insurance to be adequately protected, that tremendous pressures will be exerted on the Congress to increase the benefits, to remove the deductibles, to lower the eligible age, and so on. There will be constant pressure for constant enlargement of benefits and liberalization of the program.

My judgment on the inevitable consequences of the pending Anderson-Javits plan is, I think, amply borne out by what one of the originators of this plan publicly has stated. Former Congressman Aime Forand, author of the 1960 social security health insurance plan that was defeated, said very plainly in January 1961:

> If we can only break through and get our foot inside the door, then we can expand the program after that.

It is only logical that as benefits increase, costs will increase, and, if the health insurance trust fund provided under the plan is to bear any semblance of solvency, that social security taxes on wage earners will have to be raised or the wage base raised or both. There simply is no end in sight to the expense of a Government service program of this nature or to the burden on the wage earner if it is financed out of social security.

Social security financing is regressive in nature. It is not based on the ability-to-pay principle, the accepted concept underlying our Federal income taxes.

Moreover, it will be wage earners in the lower income brackets that will feel the brunt of these spiraling social security taxes. The secretary receiving $5,200 in wages a year would pay the same social security tax as her employer who might earn $52,000 a year.

I am advised that 53 percent of the wage earners in America earn less than $5,000 a year. Why does the administration insist on putting the burden on these wage earners rather than on persons earning much more?

Furthermore, according to estimates, some 40 percent of taxable income in the United States is not subject to social security tax. Why allow 40 percent of our taxable income to be free from any responsibility toward medical care of our needy aged?

Isn't it much fairer to finance a national health insurance program out of the general revenues of the U.S. Treasury composed in the main out of income taxes which are levied according to ability to pay?

In fact, one might well promulgate a law of behavior: when Government pays the bills for personal services to citizens, the pressures for expansion are irresistible.

Every nation which has adopted a compulsory government health insurance program has experienced ballooning costs, far exceeding original estimates. In Britain, for example, the first full year of its Government health program cost more than three times the estimated cost before adoption.

Estimates of the cost of the original King-Anderson predecessor to Anderson-Javits plan vary widely. For social security and railroad retirement recipients 65 and older, the Department of Health, Education, and Welfare says it will cost $1,062 million in 1963. The Health Insurance Association of America estimates conservatively it will cost more than twice as much in 1963—$2,179 million.

For 1964, the Department of Health, Education, and Welfare estimated it would cost $1,098 million; the Health Insurance Association estimates it would cost $2,483 million.

The Department of Health, Education, and Welfare estimated original King-Anderson costs would not reach $2 billion until 1990, when it would cost $2,308 million. But the Health Insurance Institute contends the costs would be $5,438 million in 1983.

Added to these costs must be the cost of including some 2½ million persons who are not social security nor railroad retirement recipients and whose costs would be paid out of general revenue of the Treasury. The Department of Health, Education, and Welfare estimates these costs at $250 million annually. The Department of Health, Education, and Welfare, however, believes public assistance payments will be reduced by some $200 million annually, for a net additional cost to the Treasury of $50 million.

To finance costs of the Anderson-Javits plan for social security and railroad retirement recipients, it is proposed to increase the social security tax by one-fourth of 1 percent on each employee and one-fourth of 1 percent on each employer to be applied against a higher wage base of $5,200. At present the social security tax applies against a wage base no higher than $4,800.

In terms of dollars and cents, the proposed social security tax increase will mean each wage earner taxed at the maximum would pay $27.50 each year. His employer would contribute a like amount. The self-employed would find their taxes raised by three-eighths of 1 percent.

I ask unanimous consent to have printed at this point in the RECORD three tables showing the social security taxes to be paid by employee, employer, and the self-employed through 1968.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Present rate, social security taxes

[Based on $4,800 annual earnings]

	Employee pays—	Employer pays—	Self-employed pay—
1962	$150	$150	$226
1963–65	174	174	259
1966–67	198	198	298
1968 and after	222	222	331

Rate if King-Anderson bill were enacted

[Based on $5,200 annual earnings]

	Employee would pay—	Employer would pay—	Self-employed would pay—
1963–65	$202	$202	$300
1966–67	228	228	342
1968 and after	254	254	378

Actual taxes needed to finance bill according to insurance estimates

[Based on $5,200 annual earnings]

	Employee would need to pay—	Employer would need to pay—	Self-employed would need to pay—
1963–65	$232	$232	$343
1966–67	258	258	385
1968 and after	284	284	421

Mr. FONG. Madam President, keeping in mind the low estimates of the Department of Health, Education, and Welfare for the cost of the King-Anderson plan, it is easy to foresee that the health insurance trust fund will soon be in trouble, just as the social security trust funds are in trouble. In 4 out of the last 5 years, payments out of the social security funds have exceeded income from payroll taxes.

The July 2 issue of U.S. News & World Report portrays very graphically the extent of social security deficits under existing programs, even before a health insurance program is added.

Benefits promised to people now covered by old-age and survivors insurance are estimated to cost a total of $624 billion. Reserves on hand total $22 billion. Social security taxes to be paid by workers now covered by social security to support their pensions total an estimated $282 billion.

Combined, the reserves on hand and taxes to be collected total $304 billion. U.S. News & World Report points out that the social security fund faces a deficit of $320 billion which must be paid by the wage earners of the future.

This tremendous future deficit of $320 billion in the social security account alone is greater than the present total debt of the U.S. Government. That total Federal debt primarily stems from expenditures for three great wars. As the health insurance benefits proposed by the Anderson-Javits amendment would inevitably be expended, the social security and railroad retirement taxes would have to be increased.

So the wage earner of the future will be burdened by making up the huge deficit in the social security fund and would be faced with added taxes for constantly expanding health insurance programs.

Under existing law, without any health insurance program, social security taxes on wage earner and employer combined will total 9¼ percent beginning in 1968.

Add to that another half percent for the health insurance program and the combined percentage reaches 9¾ percent.

In 1949 social security taxes were 1 percent on the first $3,000 of pay. Nineteen years later they will be 4⅞ percent on the first $4,800 of pay.

Social security taxes have more than quadrupled in the past 19 years. Should this pattern prevail for the next 19 years, the social security taxes will be greater than Federal income taxes. And the impact will be even greater than Federal income taxes, for no deductions and no exemptions are permitted in computing social security taxes.

The addition of taxes to finance a health insurance program proposed by the Anderson-Javits plan will add to this burden, for as surely as the sun rises and sets every day, so will health insurance taxes climb steadily upward.

This is the experience of other countries, and there is no reason to believe our experience would be different.

I was very much interested in the figures submitted by my able colleague the junior Senator from Kentucky [Mr. MORTON] which show that in West Germany, the health insurance tax imposed on both employee and employer has risen from 11 to 23.6 percent. In France the tax has risen from 16 to 19.5 percent. In Italy the tax has risen from 13 to 23.6 percent. In Belgium the tax has risen from 14 to 16 percent.

The wage earner of the future would find social security taxes taking perhaps 25 percent of his current earnings. This would certainly be most burdensome.

Unless Congress is careful we will have imposed an intolerable burden on the wage earner. Young workers buying homes, raising children, educating them, and providing all the necessities for day-to-day existence, including health insurance for themselves and their families, will face rough going to keep their heads above water. By the time they pay social security taxes, including health insurance taxes for the aged, Federal and State income taxes and sales taxes, there will be precious little for them to live on, much less to save for a rainy day.

In all the debate on the Anderson-Javits plan, there may be a tendency to overlook the job presently being accomplished in the health insurance field by private organizations. The progress made in the matter of benefits offered, eligibility requirements, and premiums over the past 5 or 10 years is truly remarkable. The protection offered those 65 and over against medical costs has increased markedly even in the past 5 years alone.

There are 880 insurance companies in America offering health insurance. There are 78 Blue Cross plans and 69 Blue Shield plans. There are more than 300 independent plans in industry, communities, and colleges.

Just this year the American Medical Association developed a new Blue Shield plan for senior citizens and the American Hospital Association a new Blue Cross plan for senior citizens. These plans are far superior to the Anderson-Javits plan and the costs to the individual subscriber very reasonable.

Many senior citizens hospital and health plans do not require a physical examination. Moreover, all policies being written today contain guaranteed renewable clauses. I made inquiry of several sources and was informed that policies written today can be canceled at the option of the company only for failure of the subscriber to pay his premiums. This is a most remarkable advance over the early policies for those over 65. Modern insurance thus affords a great measure of comfort and security to the aged.

Furthermore, a number of policies offered today contain no lifetime maximum. Still there are some which contain a lifetime limit of payments that can be made in behalf of a subscriber. This is a field where improvement is needed, and where I believe improvement will be attained in the near future. For, the fact is, the aged have proved to be better risks than insurance companies once believed.

In order to compare Anderson-Javits benefits with those available under private insurance, I am going to cite several actual cases reported in the press and show what the elderly patient would have paid under the original King-Anderson plan and what he paid under Blue Cross-Blue Shield. The changes made in the original King-Anderson bill by the Anderson-Javits amendments would not, I am advised, alter these figures significantly.

In case No. 1, a retired, middle-class American male gets lung cancer and soon runs up a bill of $7,687.75 during 80 days in the hospital, including private duty nurses, costing $2,373; two surgery procedures—$500 for both—and out-of-hospital expenses totaling nearly $1,000.

Blue Cross-Blue Shield and its major medical plan paid $6,562.33—in other words, all but $1,125.42.

King-Anderson would have paid only $3,392.94—leaving a balance of $4,294.81 to be paid by the patient.

In Case No. 2, a 70-year-old woman falls ill with Parkinson's disease and bills totaling $13,972.77 result.

The Blue plans combined would have paid $11,437.28 and left the patient with $2,535.49 to pay. Under King-Anderson, the patient would have had to pay $10,921.16 because surgery and nurses' care at home are not covered. If the patient had entered a nursing home, however, King-Anderson would cover a much larger percentage of the expenses than if she were cared for at home.

In case No. 3, an aged person collapses with a heart attack and her illness is complicated by intestinal difficulties. In this case the patient had only the basic Blue plans without the major medical coverage. By spending 4 days in a ward and 67 days in a semiprivate room, she cut down on some costs.

Of the total charges of $3,245.02, the basic Blue insurance paid $3,216.02. Under King-Anderson, she would have been required to pay for her surgery—$300—and for other services costing about $100.

If the case had not been complicated by intestinal troubles, surgery would have been necessary, and the basic Blue plans and King-Anderson would have provided almost identical coverage.

These cases were reported in the Washington Sunday Star of May 28, 1962, and go to show in concrete terms some of the drawbacks of the King-Anderson plan, which, despite the amendments now incorporated, remain basically the same. The benefits contained in the Anderson-Javits bill are simply inadequate.

Less than 2 years ago Congress enacted the so-called Kerr-Mills law providing Federal Government grants of 50 to 80 percent to States to help furnish comprehensive medical assistance on behalf of aged individuals who are not recipients of old-age assistance but whose income and resources are insufficient to meet the cost of necessary medical expenses.

Before this program could go into effect, it was necessary for State legislatures to enact implementing measures. As of May 14, this year, 24 States had Kerr-Mills programs in operation and 2 States have enacted legislation, but a medical plan has not yet been submitted. One State has legislation in process. Twenty States need legislation, and the remaining three have authority for the Kerr-Mills program but are not expected to implement it this year.

Undoubtedly, the uncertainty over enactment of another medical program for the aged by this Congress has delayed Kerr-Mills progress in many States.

Under a State law enacted in 1961, Hawaii is participating in the Kerr-Mills program, assisting some 400 to 500 elderly persons each month. Another 1,300 aged persons are cared for under our general State welfare program.

I ask unanimous consent to have printed in the Record at this point two statements prepared by the U.S. Department of Health, Education, and Welfare, giving provisions for State public assistance programs under the Social Security Act, including Kerr-Mills medical assistance for the aged.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Part 1. Medical and Remedial Care for Recipients of Old-Age Assistance, Aid to the Blind, Aid to Dependent Children, and Aid to the Permanently and Totally Disabled

(Department of social services, October 1, 1961—Hawaii)

A. GENERAL DESCRIPTION OF PUBLIC ASSISTANCE PROGRAMS

1. Administrative responsibility: OAA, AB, APTD, and ADC are directly administered by the State department of social services through its four county offices. (Medical assistance for the aged is also administered by this agency. See pt. II.) Non-Federal share of assistance and of administrative costs is met from State funds.

2. Provision of medical care as a part of public assistance: Current plan provisions for vendor payment of costs of medical care are based on a 1961 amendment to the State law, authorizing the agency to make payments directly to the suppliers of medical goods and services. Formerly, State law required such payments to be made through the county governments. In the period before the Territory became a State, the agency had a group prepayment contract with the territorial health department (1961–60). The provisions represent full implementation of the scope of services authorized in the law, but limits have been set on some services because of cost. Policies are generally applicable to all four categories alike.

B. CONTENT AND SCOPE OF MEDICAL AND REMEDIAL CARE

3. Services:

(a) Hospital (in-patient): All categories. Limited to 15 days per illness, with provision for exceptions based on medical recommendation. Vendor payment.

(b) Nursing home care: All categories. Money payment.

(c) Practitioners' services: All categories. Includes services of medical doctor in all settings, dentist, optometrist, and podiatrist. Medical doctor services in rural Oahu and in counties of Maui, Hawaii, and Kauai provided only by State government physicians. Provisions also for specialists' services as necessary. Vendor payment.

(d) Dental care: All categories. Fillings, extractions, and X-rays. Limited to emergency care. Vendor payment.

(e) Prescribed drugs: All categories. Vendor payment.

(f) All other care: All categories have provisions for sick-room supplies, X-rays, restorative services, prosthetic appliances, transportation, and equipment; also private duty nursing services in hospital where medically necessary in exceptional cases. Vendor payment.

C. ELIGIBILITY FOR MEDICAL AND REMEDIAL CARE

4. Persons eligible: Recipient of OAA, AB, APTD, and ADC and persons considered essential to his well-being. Also available to persons otherwise eligible for a category of assistance and in need of aid only because of costs of necessary medical care.

5. Application of income: Recipient's income and resources applied first to needs to be met through the money payment, balance to needs to be met by vendor payment of costs of medical.

D. ADMINISTRATION OF MEDICAL AND REMEDIAL CARE

6. Medical direction: Medical consultant (medical doctor), part time; medical payments program officer (social worker), full time.

7. State and local advisory groups: Committee, now being formed, will include representation from medical, dental, pharmacal, nursing, hospital administration, and social work professions together with representation from business and community at large; a total of 15 members; to meet once a month and review and recommend broad policy and procedures.

8. Interorganizational agreements and relationships: Informal agreements and working relationships in effect with: Department of Public Health for nursing service, crippled children services, mental health, and maternal health services; Division of Vocational Rehabilitation; Veterans' Administration; and various private agencies and organizations such as Lions Club, Society for Crippled Children and Adults, National Foundation.

9. Methods of making payments to suppliers of medical goods and services: Suppliers of medical goods and services submit bills to the State agency and receive payment directly from the agency. Stipends to Government physicians serving in rural areas are paid directly by the State agency using State funds, separately from the public assistance payments, without direct relationship to the number of public assistance recipients served.

10. State-local financing of costs: Assistance and administrative costs, non-Federal share: State funds. Source of State funds: general fund, appropriated to cover all four categories in one fund, with amounts for money and for vendor payments identified separately. Transfer may be made between categories for money payments, only, with approval by State department of budget and review. Transfers may not be made between funds for money payments and those for vendor payments.

Part 2. Medical Assistance for the Aged

(Department of social services, October 1, 1961 [1]—Hawaii)

A. GENERAL DESCRIPTION OF PROGRAM

1. Administrative responsibility: Medical assistance for the aged (MAA) is directly administered by the State department of social services through its four county offices. Non-Federal share of assistance and administrative costs is met from State funds.

2. Legal basis and general structure: Legislation enacted in 1961 established the base for a program of medical assistance for the aged and placed responsibility for medical care of all needy persons in the department of social services. Services under the program began in July 1961. Eligibility for assistance and need for medical care are determined concurrently, taking into account resources available over the ensuing 12-month period which could be applied to costs of needed care. Cases of persons needing continuing care, such as nursing home patients, are reviewed annually to redetermine eligibility; in other cases, eligibility and medical need are redetermined when additional service is needed or when changes in circumstances require reconsideration.

B. CONTENT AND SCOPE OF MEDICAL AND REMEDIAL CARE

3. Services:

(a) Hospital (inpatient): All general services for necessary care. Limited to 15 days; extensions possible with approval of State agency. Prior authorization required except in urgent situations. Payment based on ward rates plus actual charges for other specified services.

(b) Nursing home care: As recommended by physician, short- or long-term care. Payment based on nursing home's rate provided cost of care required by recipient is lowest available in community at that time, except in situations of undue hardship and/or isolation.

(c) Practitioners' services: Medical doctor in all settings, dentists, optometrist, and podiatrist. In rural Oahu and in counties of Maui, Hawaii, and Kauai, medical doctor services are provided primarily by State government physicians (compensated from State funds as part of medical program). Specialist and consultative medical doctor service also available.

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[1] These provisions are in the State's plan as submitted for approval; they are included here because the program is in operation, as of October 1, 1961, the plan material is being reviewed and the provisions given here are not under negotiation, and when approved the effective date for Federal financial participation will be July 1, 1961.

(d) Dental care: Emergency dental services: examinations, X-rays, fillings, extractions, caps. By dentists authorized by the department.

(e) Prescribed drugs: Payments for such drugs made to vendors authorized by the department.

(f) All other care: Outpatient and allied services, including drugs, antibiotics, dressings, diagnostic tests, therapeutic procedures such as special eye care, prosthetic appliances, physiotherapy, X-ray therapy, and opticals. Prior approval required for all services except in emergency situations which cannot await approval, as determined by attending physician. Provision for air transportation to secure necessary care which is available only in another county. Private duty nursing service in medical institution available in exceptional cases where medically necessary.

C. ELIGIBILITY FOR MEDICAL ASSISTANCE FOR THE AGED

4. Eligibility factors:

(a) Age: 65 years of age or older.

(b) Citizenship: No requirement.

(c) Residence: Residing in the State or temporarily out of the State but deemed to be a resident.

(d) Institutional status: May be a patient in a medical institution as permitted under the Federal act, except that no payments are made in behalf of persons with diagnosis of tuberculosis or psychosis nor for persons hospitalized because of Hansen's disease.

(e) Property and income limitations: Income: Insufficient to meet the standards of assistance established for MAA, including nonmedical and medical requirements (approximately $50 per month above the standards of assistance for OAA) and if the resources available to him within 12 months after date of application are insufficient to pay the cost of needed medical care. Assets: Real property—home with tax-appraised value of less than $14,000 is exempt; also other real property with value not to exceed $150. All excess value is considered a resource for payment of medical costs. Personal property—all liquid assets beyond $50 cash savings (of unemancipated minor) are considered available after allowances for payments on obligations contracted for defined essential purposes. May own automobile 4 years old or older or when necessary for essential transportation. Full loan value of life insurance is resource. Under exceptional circumstances, conservation of readily available resources allowed. Health insurance, Veterans' Administration care, workmen's compensation, and similar resources must be taken into account in determining extent to which MAA is needed. (No adjustment or recovery for assistance correctly paid.)

(f) Other: Not a recipient of OAA, AB, APTD, ADC, or State-financed assistance programs.

D. ADMINISTRATION OF MEDICAL AND REMEDIAL CARE

5. Administrative and financial provisions: Administration and financing of the program of medical assistance for the aged is the same as parallel provisions for old-age assistance with respect to (a) medical direction, (b) State advisory groups, (c) interorganizational relationships which are of service to recipients of OAA, (d) method of making payments to suppliers of medical goods and services, and (e) the State financing of the non-Federal share of assistance and of administrative costs. For details of these administrative and financial provisions, refer to the State item in part I.

Mr. FONG. Madam President, on May 10 this year, I wrote to the Hawaii Department of Social Services and requested full details on the State's program of financing cost of medical care of needy persons.

These are the questions I asked:

1. Will you please inform me, at your earliest convenience, the type of medical aid presently afforded the aged sick and distressed of the State of Hawaii?

2. Are you able to tell me whether any person in the State of Hawaii, desirous of obtaining medical aid and hospitalization has been unable to secure such aid?

3. Please list the amount of such medical aid available, both private and governmental, including therein hospitalization, drugs, physicians' care, nursing home assistance, and outpatient service. Is the patient called upon to defray any percentage of the cost?

4. Will you please include in your reply to this letter what medical aid is available to an indigent in the State of Hawaii, regardless of his age?

In reply, Hawaii's able director of social services, Mrs. Myrtle Ward, wrote me as follows:

We do not know of any case in the State of Hawaii in which a person requiring medical care who, because of his inability to pay for this care, has not been able to secure necessary care. The reason for the above statement is the fact that in our State, persons unable to finance the cost of medical care themselves may apply to the department of social services for assistance in financing this cost. The department of social services is, in the State of Hawaii, charged with the responsibility to finance the cost of medical care of indigents and medical indigents.

An indigent person is defined as one who is a recipient of financial assistance to meet the cost of basic maintenance needs, such as food, shelter, and clothing. A medical indigent is a person who is otherwise able to subsist for himself, but is found needy in terms of his ability to meet the cost of medical care.

Under the existing program administered by the department of social services, persons found eligible either as indigent or medical indigent can receive the following services as necessary:

(a) Hospital care as long as medically necessary.

(b) Comprehensive outpatient and allied services.

(c) Physician services.

(d) Unlimited nursing home care.

(e) Limited dental care.

The above services are available to persons in any and all categories of public assistance, including the aged group. There are no residence restrictions.

In addition to the department of social services' program for indigents and medical indigents, payment to meet the cost of specific medical services can be financed by other public, as well as private agencies. Examples of public programs would be the maternal and child health and crippled children services available through the State department of health, the vocational rehabilitation program, and medical care of State and county pensioners through the respective county governments. Private programs include the national foundation program and the Society of Crippled Children and Adults.

The eligible indigent-medical indigent patient is required to pay for the portion of the total of medical care he can afford to pay for himself as determined by a means test. However, if he is unable to meet the cost of any portion of his medical care, the department of social services will finance the total expenditure.

Madam President, I am satisfied that any needy person of whatever age in Hawaii can receive help in meeting the cost of medical care under our State and Federal-State programs.

I ask unanimous consent that the entire text of my letter and the reply from the department of social services be printed in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

May 10, 1962.

Mrs. Myrtle Ward,
Director, Department of Social Services,
Honolulu, Hawaii.

Dear Mrs. Ward: Will you please inform me, at your earliest convenience, the type of medical aid presently afforded the aged, sick, and distressed of the State of Hawaii.

Are you able to tell me whether any person in the State of Hawaii, desirous of obtaining medical aid and hospitalization has been unable to secure such aid.

Please list the amount of such medical aid available, both private and governmental, including therein hospitalization, drugs, physicians' care, nursing-home assistance, and outpatient service. Is the patient called upon to defray any percentage of the cost?

Will you please include in your reply to this letter what medical aid is available to an indigent in the State of Hawaii, regardless of his age.

Any other information you may have on the subject will be appreciated.

With warm regards and alcha,

Sincerely yours,

Hiram L. Fong.

State of Hawaii,
Department of Social Services,
Honolulu, June 14, 1962.

Senator Hiram L. Fong,
U.S. Senate,
Washington, D.C.

Dear Sir: This is in reply to your letter of May 10, 1962, regarding Hawaii's program to finance the cost of medical care of needy persons.

We do not know of any case in the State of Hawaii in which a person requiring medical care who, because of his inability to pay for this care, has not been able to secure necessary care. The reason for the above statement is the fact that in our State, persons unable to finance the cost of medical care themselves may apply to the department of social services for assistance in financing this cost. The department of social services is, in the State of Hawaii, charged with the responsibility to finance the cost of medical care of indigents and medical indigents.

An "indigent" person is defined as one who is a recipient of financial assistance to meet the cost of basic maintenance needs, such as food, shelter and clothing. A "medical indigent" is a person who is otherwise able to subsist for himself, but is found needy in terms of his ability to meet the cost of medical care.

Under the existing program administered by the department of social services, persons found eligible either as indigent or medical indigent can receive the following services as necessary:

(a) Hospital care as long as medically necessary.

(b) Comprehensive outpatient and allied services.

(c) Physician services.

(d) Unlimited nursing home care.

(e) Limited dental care.

The above services are available to persons in any and all categories of public assistance, including the aged group. There are no residence restrictions.

In addition to the department of social services' program for indigents and medical indigents, payment to meet the cost of specific medical services can be financed by other public, as well as private agencies. Examples of public programs would be the maternal and child health and crippled children services available through the State

> department of health, the vocational rehabilitation program and medical care of State and county pensioners through the respective county governments. Private programs include the National Foundation program and the Society of Crippled Children and Adults.
>
> The eligible indigent-medical indigent patient is required to pay for the portion of the total cost of medical care he can afford to pay for himself as determined by a means test. However, if he is unable to meet the cost of any portion of his medical care, the department of social services will finance the total expenditure.
>
> For further detailed information with regard to Hawaii's program to meet the cost of medical care for the indigent and medical indigent, please refer to Public Assistance Report No. 49 of the U.S. Department of Health, Education, and Welfare, "Characteristics of State Public Assistance Plans Under the Social Security Act," a copy of which is attached.
>
> We hope you find this information helpful. Please do not hesitate to contact us again should further information be required.
>
> Yours very truly,
>
> Mrs. Myrtle D. Ward,
> *Director.*

Mr. FONG. Yet there remains a group of elderly persons whose savings and other assets, while not large, nevertheless exceed the ceiling established under the Kerr-Mills program. A costly illness could impoverish them unless they are protected by health insurance.

We are told these people strongly favor the King-Anderson or Anderson-Javits social security health insurance plan.

I am not convinced this is so. My personal experience has been that as the defects and drawbacks of the social security plan have been made known, more and more people are opposed to it.

I have received very few letters from constituents urging my support of the Anderson proposal. On the contrary, letters I have received from nonmedical as well as medical persons in Hawaii indicate strong and increasing opposition to the King-Anderson plan and now to the Anderson-Javits plan.

Perhaps these letters do not constitute a representative sample of popular sentiment in my State. Nevertheless, if there were the alleged groundswell of support, I should think my mail would reflect it to some degree. But it does not.

Another indication of voter sentiment appears in a recent Gallup poll which shows that in the March-June period this year support for the social security approach has dropped 7 percentage points. Sentiment is nearly divided between social security—48 percent—and private insurance—41 percent.

I am not suggesting that these percentages are gospel. But I do think it is significant that a nationwide poll fails to turn up a tidal wave of sentiment for social security financing of medical costs for senior citizens. It is more like a ripple.

I was very much interested in an article in the July 1962 issue of Nation's Business entitled "Old Folks Reject Health Plan." The article tells of interviews with elderly persons living in the area of St. Petersburg, Fla., and states:

> Residents of this gulf coast area, a survey reveals, are about 2 to 1 against the Kennedy administration's controversial measure now before Congress to raise social security taxes to pay hospital and nursing home bills for some of the Nation's senior citizens.
>
> What is particularly significant is that Pinellas County—the sandy, fast-growing county encompassing St. Petersburg—has the Nation's highest proportion of persons 65 or older and probably the highest mix of those qualified for the proposed Federal health plan.
>
> Interviews with residents here show several other meaningful signs:
>
> Those who oppose health care under social security seem to be informed on the provisions and potentials of the legislation. Many of the most avid supporters are ill-informed about what the bill would do.

Madam President, I think this is a most revealing statement. It supports my personal observation that those who are against social security health care are indeed informed on the King-Anderson and Anderson-Javits bills. The article continues:

> Lots of elderly persons who see health care of the aged as a serious national problem feel the administration's bill falls short of meeting the need.

* * * * *

> Many of the elderly themselves, whom the bill purports to help, hew to the philosophy typified by a spry 76-year-old widow whose home here is a trailer: "I'll have nothing to do with that Government medicine. I can take care of myself and so can anyone else who has any gumption." She spends $21 a month for private health insurance out of her total income of $60 monthy from social security and $50 from a military survivor's pension.

* * * * *

> Pinellas County is a miniature, condensed battlefield for this national issue. The county has a population of more than 375,000. But, unlike most other areas, some 25 percent of the residents here are 65 or older. Not all of them would be eligible to receive health care under the administration's bill. But about one in five of the county's residents would be. So this county has not only the highest percentage of aged but the proportion of its population that would be eligible for health care is twice the national average.

* * * * *

> A local man sums up the thinking of many senior citizens:
>
> "I'm 65 and still have a relatively young family to support. I am worried about what will happen to my five children if this philosophy of socialism and control from a central government continues to grow. The expense and human detriment resulting from such steps (as the King-Anderson health care proposal) are more far reaching than most people realize."

Contrary to what the administration would have us believe, there is nationwide awareness among the American people of the parsimonious terms of the King-Anderson and Anderson-Javits proposals and of the potentially adverse consequences of a compulsory medical care plan.

Some changes, or sweeteners, have been made in the original King-Anderson plan in an effort to render the program more palatable and votable. But essentially, in my judgment, the principal defects remain.

As I pointed out before, because of the limited benefits under the Anderson-Javits plan, senior citizens would still have to buy supplementary insurance to protect against surgical costs and major medical charges.

I firmly believe the Anderson-Javits plan will lead ultimately to compulsory Government health insurance for all ages. The signs and portents are quite clear, and we know its most ardent advocates tell us it is only the foot in the door.

Then we will have socialized medicine as in Britain, Italy, West Germany, and other Western European countries. Experience of these nations with government medical care plans warns us to proceed with caution.

Britain, which since 1948 has financed medical care for all citizens, has experienced a substantial flight of doctors from her shores, apparently leaving for lands with less redtape and greater opportunity to develop professional skills. It is interesting to note that a number of these emigrants from Britain settled in Canada, where having experienced government control of the practice of medicine in Britain, they are protesting a similar move in Saskatchewan Province.

In March 1962 a British consultant in medical economics and health services, Dr. John R. Seale, reported:

> Since 1948 unusually large numbers of graduates of the medical schools of Great Britain and Ireland have registered for practice abroad. It is apparent that the majority have remained overseas and should be regarded as medical emigrants from Britain.

I am informed some 600 British doctors seek careers abroad every year.

On the other hand, Dr. Seale found a rapidly rising number of doctors entering England from Spain, Yugoslavia, Syria, and many other countries. He noted that—

> In 1950 only 53 posts in hospitals were filled by foreign doctors; 1953, 498; and in 1960, 1,701. Increasingly, the medical staff of hospitals is a rapidly shifting labor force recruited from abroad, a characteristic symptom of an economically depressed occupation.

Many foreign doctors are in England only temporarily for training and so will not replace the hundreds of British doctors seeking to leave Britain each year.

Thus, Madam President, there appears to be a very strong correlation between the advent of socialized medicine and the departure of British doctors.

Dr. Seale reports that, with the exception of Soviet bloc countries, no nation in the world has a system of medical care so fully socialized as England. The system is keyed to the hospitals whose physicians are appointed by the Government. This in turn controls medical practice, for no doctor can enter private practice in England until he has been appointed to the staff of a hospital.

Because costs skyrocketed the first year in Britain, an economy policy was invoked. Dr. Seale said:

> This policy has not only given us inferior hospitals and equipment, it has also squeezed the incomes of those who work in the health service. It is easy for the Government to decrease real incomes of health workers for they rarely strike or complain * * * As most (health service) expenditure is on people, an effective way of obtaining economy is either to employ fewer people or to pay them less.

Another startling and shocking fact about the impact of socialized medicine in Britain is that, since its inauguration, only one new hospital has been constructed. This is a truly shocking statistic, especially when we consider that, here in the United States during this same period of time, under our private system of medicine 724 new hospitals were built.

Today in England patients must wait weeks, except in extreme emergencies, before they can be admitted to hospitals. Some have been on the waiting list as long as 3 years to get into one London hospital.

Is this what we want in America? If not, then we must steer clear of Federal Government administration and control of medical practice.

There are indications medical standards have declined in Britain under compulsory government medical care.

Is this what our elderly citizens want? Is this what most Americans of any age want? I think not.

Let us consider some other possible effects of instituting compulsory Government health insurance. The Government will inevitably branch out to control medical research and drugs. There is already a move in the Congress to eliminate patent protections from developers of new medicines and drugs. Is this wise? Experience of other nations that do not offer strong patent protection as America does show how development of new drugs has lagged.

In America, for example, where we have strong patent protection, there have been 60 drug discoveries since 1940. In Great Britain, France, West Germany, and Switzerland, with a combined population almost as large as the United States, but where patent protection is moderate, only 29 drug discoveries occurred since 1940.

But in Italy, which gives no patent protection, not one new drug has been developed in this same period of time.

Inestimable numbers of Americans are alive today only because of drugs and antibiotics developed over the past few years.

Our private system of medicine, together with patent protection, is serving the American people in excellent fashion. We would be foolish and shortsighted to inhibit, restrict, or interfere with the progress of this system.

Indeed, even without the proposed Government health insurance program demand for medicine, serums, vaccines, for services of physicians, dentists, hospitals, nurses, and nursing homes appears destined to grow by leaps and bounds with our rapidly expanding population.

Some facilities are already overcrowded and, if the Anderson-Javits plan is adopted with its emphasis on hospitals and nursing homes, these facilities will bear an even greater burden.

A few days ago the distinguished junior Senator from Louisiana [Mr. LONG] pointed out that the experience of Louisiana shows that patients remain in Government hospitals 50 percent longer than in private hospitals. If this is the pattern nationwide our hospitals would experience tremendous overcrowding.

Personnel shortages will be accentuated if present trends continue and this situation will worsen if compulsory Government health insurance is forced upon our medical system.

For 30 years the supply of dentists has been falling behind population growth in America. In 1930 there were 59 dentists for each 100,000 people. Today there are 43 per 100,000. Dental schools now turn out about 3,200 graduates a year. By 1975 the United States will need 6,000 dental graduates each year, requiring an estimated 22 new schools.

Official estimates show there are about 261,000 licensed physicians in the United States today. That works out to 1 physician for each 760 people. About 7,500 new physicians are produced each year in America, less than the demand. By 1975 we will need 11,000 medical graduates a year, requiring 20 to 24 new medical schools.

The supply of nurses is also declining. It is estimated 300 nurses are needed per 100,000 population. The actual ratio today is 257 per 100,000. At the present rate of training, we will have only 246 per 100,000 by 1975.

The question arises: Where are we going to get enough doctors, dentists, and nurses to serve our people?

Will compulsory Government health insurance increase the supply?

It is very doubtful. In Britain, for example, there was 1 doctor for every 877 persons in 1947, the year before their compulsory government medicare program went into effect. Ten years later, the ratio had declined to 1 to 1,149 persons.

Certainly, we in the Congress ought to avoid like the plague any move that might result in further shortages of these skilled persons. On the contrary, we ought to be encouraging the training of more doctors, more dentists, more nurses, more technicians.

Should a compulsory Government health plan be instituted in America, it is doubtful there would be any wholesale exodus of doctors, for there are not many places to emigrate. What is more likely is that our supply pipeline of future doctors and other medical personnel would dwindle to a mere trickle. The incentive for young men and women to pursue medical vocations would evaporate. The prospect of working under the direction of Government agencies is anathema to most of them.

Nation's Business reported in June this year that its recent survey of students in 17 public and private medical schools throughout America revealed:

> Greater Federal activity in health care would cause many young Americans to abandon the study of medicine. Others would leave the United States after graduation to practice in countries where the physician has more freedom.

Nation's Business interviewers concluded:

> Medical students overwhelmingly oppose proposals for providing medical care for older citizens under the social security system. * * *
>
> Students by a margin of more than five to one, say they would be less enthusiastic about entering the medical profession if health services were eventually nationalized as they are now in Great Britain.

With that indication that future doctors do not relish the prospect of practicing medicine as Government employees, let us see whether prospective patients have a preference for Government doctors or their own private doctors. Experience under the dependent medicare program of the Defense Department is most enlightening on this point.

When this program first went into effect, dependents of our uniformed military personnel were given the option of using military facilities at no cost or private facilities and private doctors at a nominal fee with the Federal Government paying the entire balance of costs.

What was the result? The dependents overwhelmingly elected private doctors and private hospitals. So great was the rush to private doctors and medical facilities, that the costs of the program mushroomed far beyond first estimates and many military medical facilities had so little business their doctors were not getting adequate practice.

Congress, in fact, had to insist on restrictions in the dependents medicare program so that military medical facilities would not stand idle and so that military doctors would have some patients to care for.

In the relationship of a patient to his doctor, confidence is a big factor. Under socialized medicine, as in Britain, the patient may not select his doctor in the hospitals. There the doctor is assigned. Here in America, I believe the American people do not want a doctor assigned to them. They want to choose their own doctor.

In all conscience I could not vote for a measure whose ultimate destination is socialized medicine as surely as the sun rises and sets every day.

The junior Senator from New Mexico [Mr. ANDERSON] and the senior Senator from New York [Mr. JAVITS], for both of whom I have great respect and admiration, do not believe their plan will lead to socialized medicine. I will agree that the plan embodied in their amendment is not in itself socialized medicine. But I do believe that their plan is the first step toward socialized medicine for all the American people of all ages.

Madam President, in conclusion, may I say that all of us want our elderly citizens to receive proper medical care.

As the senior Senator from Colorado [Mr. ALLOTT] stated so eloquently and movingly last week:

> None of us is insensible to the needs of our senior citizens. All of us are gravely concerned regarding the problems of those who arrived on this earth before us and to whom we owe so much. We who are their sons and daughters have benefited from their labor and sacrifices on our behalf. They provided for us in our early years with the sweat of their brow; they watched over us and they guided us; they nursed us through our illnesses in the far watches of the night and through dark hours of despair. They saw to our education to the best extent of which they were capable, doing without in order that we might have advantages which they to a large degree could not afford themselves.
>
> Even those who were childless were joined with our parents in achieving the scientific breakthroughs, the medical progress, the engineering marvels, the great strides in transportation, in education, in every phase of our modern life, so that we came into a life

> of advantages far greater than they themselves had enjoyed.
>
> Who are the elderly of today but the workers, the scientists, the engineers, the teachers, the ministers of yesterday? And now, as they reach their sunset years, and as others reach them tomorrow, next year, and the years to come, their security and dignity is on our conscience. Now in the twilight of their years, some of our senior citizens are in need of assistance, and it is and will continue to be the responsibility of all of us to see that they get it. We must see to it that they enjoy their remaining years in peace and dignity, not as wards under the benevolent despotism of an all-powerful Federal Government, but as free citizens able to live their own lives in gracious fulfillment (p. 13265, Congressional Record, July 11, 1962).

The Congress must take care not to set in motion programs that will reduce the quality of medical care in America or that will result in a shortage of doctors and nurses or that will discourage medical research.

That would be a disservice to old and young alike.

The Anderson-Javits social security health insurance plan falls very short of meeting the medical care needs of our elderly citizens. Moreover, it would inevitably lead to compulsory Government health insurance for Americans of all ages. The report of the White House Conference on the Aging stated pointblank:

> Compulsory health care inevitably results in poor quality health care.

I cannot believe the American people want the Congress to approve a program which may well jeopardize medical progress, which may deter young men and women from entering the difficult and arduous medical profession, which may discourage construction of hospitals and other medical facilities, which may put an intolerable burden on the working men and women for a national problem that should be solved on a national basis by all the taxpayers.

Therefore, I oppose the pending Anderson-Javits amendment.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. HUMPHREY. Madam President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSERVATION OF PARKS AND RECREATION AREAS

Mr. MOSS. Mr. President, at the First World Conference on National Parks, held recently in Seattle, Secretary of the Interior Stewart L. Udall took occasion to talk again—and most eloquently—about the challenge that confronts us to set aside enough areas of solitude and repose and scenic beauty as parks and recreation areas for the world's vastly growing populations.

In so doing, he made an excellent case for the establishment of the Canyonlands National Park in Utah. Much of what he said had particular application to some of the problems which have arisen there, particularly the question of what is the best use of the land involved. The Secretary said:

> Time and again citizens adjacent to new parks have bemoaned the loss of revenues and resources locked up inside a new reserve—taxes lost, uncut timber, undiscovered minerals, unharvested game—only to learn later that the income from providing services to visitor-tourists has equaled or surpassed whatever sums might have been gained exploiting these park resources.

Once Canyonlands is established, our people will appreciate the tourist revenue generated and will also be able to continue secondary uses which do not impair the park.

The entire speech is excellent background for many of the national park and national seashore bills the Senate has under consideration, as well as for an understanding of the global movement to preserve lands intact in their natural state for the enjoyment of generations to come. I ask unanimous consent that the speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address by Secretary of the Interior Stewart L. Udall

In the final months of his life, as World War II drew to its close, a great President of my country who loved the land, Franklin D. Roosevelt, exchanged letters with his friend, Gifford Pinchot, a pioneer American conservationist. Pinchot urged Roosevelt to strike a positive note at the end of the war by persuading other leaders to join him in convening a World Conference on the Conservation of Natural Resources. But because men were preoccupied at the time in creating international political institutions designed to enhance world order, this splendid idea did not come to fruition.

Yet as each intervening year has passed, the peoples of the world have become more deeply involved in the common cause of conservation of resources. The earth is our home, and we share responsibility for the management of our environment and the preservation of its values—this fact must be the starting point of a conference of this kind. The air that we breathe is common air, the seas at our borders are common seas. Even as advances in transportation and communication have drawn us closer together, our use of resources too has tended to unite us as one world. Agreements based on the mutual cooperation and mutual advantage of sovereign nations already control pollution of the sea and plans under which we harvest most of its creatures. Minerals and food and fiber are shipped from this land to that—one nation's surplus is another's shortage, and the inevitable sweep of history is making us increasingly dependent upon the practices of stewardship and husbandry which countries and peoples follow.

Thus it is most fitting that we have gathered together in this international conference to discuss the preservation of national parks, and nature reserves for these places of splendor are a precious world resource. The perspective of space exploration has tended to unify the geography of the earth, and lends a new vision as we consider new standards and new goals for the preservation of nature. Natural treasures are in reality a heritage of all mankind. They transcend provincial boundaries. They are a gift to those who prize the natural world and its healing influence.

I would like to think that this conference strikes a wholesome note of sanity in a troubled world. It is a sign that men are questioning the false gods of materialism, and are coming to realize that the natural world lies at the very center of an environment that is both life-giving and life-promoting. There is hope in this meeting, or so it seems to me, that the values of the spirit are reasserting their primacy—and this in turn gives fresh hope in other vital areas of human endeavor.

This idea of dedicating choice tracts is seemingly as old as civilization itself. It was Justinian, the great Roman lawgiver, who laid down the principle that the beaches and shorelines belonged to all of the people.

Each generation must act anew to revise its conservation ethic, and to establish new plans for the wise use of its resources. The concept of conservation is old, but the problems that we now face are more urgent than ever. In our search for a higher standard of living, we have developed new needs and a dynamic and awesome technology to satisfy them. With this technology we are daily altering the face of the earth, and in the process the intimate relationships between men and their land are also being altered—often at the sacrifice of paramount human values.

So great is the power of men and nations to enlarge the machine-dominated portion of the world that it is not an exaggeration to say that few opportunities for conservation projects of grand scope will remain by the year 2000. Let me put the case even stronger: with few exceptions the places of superior scenic beauty, the unspoiled landscapes, the spacious refuges for wildlife, the nature parks and nature reserves of significant size and grandeur that our generation saves will be all that is preserved. We are the architects who must design the remaining temples; those who follow will have the mundane tasks of management and housekeeping.

The hour is late, the opportunities diminish with each passing year, and we must establish here a common market of conservation knowledge which will enable us to achieve our highest goals and broadest purposes. With each day that passes the natural world shrinks as we exert greater artificial control over our environment. The lot of many men has been improved, but few of us would deny that there have been grievous human losses as well.

I daresay all of us gathered here would agree that nature-islands of solitude and repose are an indispensable ingredient of modern civilization. Save for homesites, parkland uses are the highest human uses to which land may be put.

Yet, as we look ahead in this country and (your problems necessarily correspond with our own) we are faced with the fact that during the adult life of our children the demand for municipal parks and playgrounds will increase fourfold. There has been a 290-percent increase in wilderness recreation over the last decade, and during the 40 years separating us from the 21st century, the demand for wilderness and seashore parks will be an estimated 10 times greater than it is today. But as the need increases, land and forest and water are being preempted for other uses.

However, technology is not the only threat—the only challenge—that confronts us. It is the uncontrolled growth of population that will surely and finally alter the man-land relationships on all of our continents unless our statecraft takes cognizance of this problem. The demographers now tell us, in measured tones, that the world population will double every 35 years—and double again every 35 thereafter—unless something intervenes to break their projections.

What is the significance of this staggering statistic for us, the parkmen of the world? I need hardly spell out the consequences for this audience, but we must inform the world that if this occurs, congestion—with all the unlovely overtones of that too familiar word—will be the be-all and the end-all of our lives, our nature reserves will be steadily sacrificed to the demands of progress, and park and wilderness experiences will be rationed out among the fortunate few.

At the recent White House Conference on Conservation, called by President Kennedy, Dr. Walter W. Heller, Chairman of the President's Council of Economic Advisers, asked this rhetorical question: "What good is an increased gross national product if we in the process of producing it chew up, destroy, desecrate so many of the values, so many of the enjoyments which really add up to the improvements in human well-being and in the quality of life that we seek?"

There can be little argument, these days, in highly industrialized countries over the damage to living values as the result of pollution of air and water, overcrowded housing, inadequate places for outdoor recreation, and a surfeit of artificial things. It is not surprising that some men have a moral and spiritual sickness that results from being on the earth, yet not a part of it. In an era of noise and pollution and jostle and blight, it is not hard to predict that our children will place as high a value on the right of solitude in the out-of-doors, and the right of access to places of natural beauty, as they now accord to the right of free speech and the right to a trial by one's peers.

Yet we have learned in this country (as I daresay many other nations have learned of late) that the preservation of land and wildlife resources is not only a happy ideal, but also a highly practical investment. At the turn of this century conservation was a protest against policies of waste in the United States. Now nearly all of our leaders of industry take pride in their conservation practices. You who are here today are keenly aware of the fact that any proposal for expending tax moneys for park purposes will be weighed on a scale of dollars and cents, and parkmen are constantly on the defensive before the planners of public budgets.

However, in my own country it has become abundantly clear that national parks are not only sound social investments, but sound use of public funds as well. Time and time again citizens adjacent to new parks have bemoaned the loss of revenues from resources locked up inside a new reserve—taxes lost, uncut timber, undiscovered minerals, unharvested game—only to learn later that the income from providing services to visitor-tourists has equaled or surpassed whatever sums might have been gained exploiting these park resources.

Travel is one of the wonders of our age, and it is easy to foresee that, for example, East Africa will be only a day's flight away from New York and London and Moscow a few years from now. Without straining your credulity in the least, I can predict that if Tanganyika and Kenya and Uganda maintain their unique game preserves—which are the envy of us all—the world's travelers will add far more to their economic growth than would any alternate use of these lands.

But nature reserves involve far more than tourism as an economic potential: the watershed values, science laboratory values, and esthetic values must also be weighed in the scales. The pages of history are littered with wrecks of ships of state which have foundered because natural laws were ignored. The Gobi, Mesopotamia, and other areas which were once the cradle of civilization had their fertility reduced to dust because of human improvidence. We know now that upriver forests and downriver cultivation will produce more crops than a land completely cultivated but without watershed protection. We know also that our wildlands form the only perfect wildlife habitat, and constitute an irreplaceable science laboratory where we can measure the world in its natural balance against the world in its manmade imbalance.

Opening an atlas, one is impressed by the magnitude of our opportunity. Mountains, beaches, river estuaries, tropical jungle, tundra, coral atoll, and pampas are a heritage for all men, and samples of them merit protection for all time.

Great strides have already been made toward preservation of some of these world's wonders, both by individual nations and increasingly through international cooperation. Poland and Czechoslovakia have jointly established a national park for the benefit of their mutual citizenry. The United States, Canada, and Mexico have for years worked together in protecting migratory birds on their seasonal routes from north to south. The United States, Canada, and the U.S.S.R. have long cooperated to restore the fur seal herds of the Pribilof Islands.

This consideration of international protection can take ultimate encouragement from what is happening in the farthest southern reaches where the 12 nations signatory to the Antarctic Treaty have included conservation protection of natural species among their primary areas of mutual consideration.

This initial World Conference on National Parks is a meeting ground in which the mutual interests of its participants is a reliable bond for strong communication and and future action. Whatever differences of ethnology, geography, and traditions are represented here, we are bound together by the universal challenge to honor, dedicate, and maintain significant natural areas around the globe.

No feature of the globe has more cultural significance than our great oceans. Man from every nation has gone down to the sea in ships to try himself against the elements and to seek not only adventure but a livelihood. The sea has helped form our character and it has sustained our lives. Every sea-touched country has the opportunity to preserve for its people portions of shoreline with the unique opportunities which they hold for human refreshment and restoration of the soul.

If you have not walked the sands of the nearby Olympic National Park Ocean Strip, I commend it to you as an experience not to be forgotten. There one can stand with thundering Pacific rollers on the one side, and the impenetrable temperate rain forests on the other. In a few hundred yards of horizontal distance the greatest contrasts of nature provide the excitement characteristic of a frontier edge. This is but one of many shoreline areas to be found in every part of the globe whose beauty and wholesome naturalness deserve our best efforts of protection for the years to come.

Another priceless element of the outdoor heritage are the great river estuaries which have long been key centers of our civilization. Today, the Lido at Venice in the estuary of the Po provides an outstanding example of the extraordinary beauty of this type of natural setting.

The land as well as the sea has its matchless values in nature's ageless splendors. Today, hundreds of thousands of people climb, ski, and hike across the surface of the great mountains of the earth, and I personally can testify to the soul-satisfying rewards to be found in these quiet and remote areas. Last autumn I had the rare opportunity of joining members of the Alpine Club of Japan on the pilgrimage to the summit of Mount Fujiyama. This slender volcanic cone has been a guardian over the affairs of Honshu since before the Ainu crossed to the island shores. In the snow and wind at the summit I felt for a moment the eternal spirt of the Japanese people. We must act so that our children's children can also enjoy the highest outdoor experiences now available to us.

At the same time, in our search for harmony with the earth, we must give equal thought and consideration to the animals, the birds, and fish which share our planet.

At the recent meeting of the World Wildlife Fund in New York, Prince Philip, of the United Kingdom, likened our situation today to that of the great flood. When it was threatened, Noah, at the Lord's command, constructed an ark of sufficient size to provide protection and survival for all of the animals, two by two. Today the threatening flood has a different guise, but its threat is just as real. If we, too, move in time to take protective action, the conservation leaders of this generation may well become the Noahs of the 20th century.

Not the least of our tasks is that of creating a new sense of values in the nations which we represent. Conservation begins with education, and past experience makes it plain that public men will not lead unless a conservation conscience is developed which prizes the choice things of nature. In the crowded countries, zoning regulations and requirements will be a prime conservation tool, and in the time ahead we are certain to hear much more about such things as scenic easements and conservation zoning.

In other less crowded countries the conservation battle will be won only if men with a sense of mission awaken their fellow men to the outdoor opportunities which are fast vanishing.

We must, if we are wise, establish an exchange program of conservation thinkers and planners. Nothing gives greater satisfaction to the American people than an opportunity to share the knowledge of their landscape architects, park interpreters, management specialists, biologists, and ecologists. Economists and planners can forecast the effects of park establishment within a regional community. Foresters, agriculturists, and hydrologic specialists can study and advise on efficient methods of land and water utilization.

All nations developing park or wildlife preserve programs must have staffs of trained scientists and administrators. Education in school curriculums is of first importance, and in this regard I would like also to stress the possibility of technical schools where experts can teach the techniques and rationale of land management to local people for immediate field application.

One measure toward our goal is the fact that we have started a new section within the National Park Service to handle international coordination, and this function will be increasing in responsibility. I envision the day soon when park management personnel will be exchanged between countries of the Northern and Southern Hemispheres in order to assist and learn from each other's busy summer seasons.

In the end, each country must develop the kind of park or nature reserve system that suits the needs and aspirations of its people—and the economics of its land base. Each nation has pioneering work to do; each has something to teach—and much to learn.

If we are to cope with the enormous problems of the modern societies of which we are a part, we must establish a Common Market of conservation knowledge and endeavor.

In this regard, I would like to remind the delegates here of this Nation's Peace Corps which already represents one of our finest exports of knowledge and good will. The Corps is anxious to serve in conservation and wildlife management capacities, and it is ready to give immediate and sympathetic consideration to proposed projects in these areas.

Actually, many nations in many parts of the world can take pride in the great strides already made toward preservation of unspoiled areas of matchless natural beauty and inspiration and of the continuing progress now underway. We in this country only last year made another significant addition to our national park system with the establishment of a magnificent national seashore park on the ocean sands of Cape Cod, close to the congested population centers of our Eastern States, representing the first such addition in decades.

In Europe, the progress in recent years has been most heartening. Before 1945 there were no national parks in England; today there are 10. In Germany the only park for the preservation of nature was the Luneburger Heide; today there are 8 parks and in West Germany alone 24 more are planned.

On another continent—Africa—it is interesting to note that the greatest impetus to the creation of fully protected areas came from a gathering not dissimilar to this—the International Convention on Parks held in London in 1933. The inspired people who attended that conference designed what are still accepted as the basic rules for preservation. However, it was not until after the cruel years of World War II that East Africa could effectively attempt to set aside areas as parks and for the protection of wildlife.

In the intervening years, every endeavor has been made in the British territories of East Africa to establish national parks; there has been marked achievement in the Congo toward the establishment of large Strict Natural Reserves; and in other countries of Africa progress is being made toward setting aside portions of national parks as wildlife sanctuaries and as undisturbed breeding areas for the natural flora and fauna.

In Tanganyika, the Serengeti National Park, established in 1948, though subjected to certain boundary alterations, remains one of the finest game sanctuaries in the world. Meanwhile, plans have reached a final stage for the transformation of a fascinating crater on the foothills of Tanganyika's Mount Meru into a national park. Here, from the rim, a visitor cannot escape the impression that he is looking into a section of another planet. This crater, fringed with primeval forest, is the natural sanctuary for elephant, rhino and buffalo, and, due to its proximity to the flourishing town of Arusha, will be a great asset, in addition to the famous Serengeti, to the Territory of Tanganyika.

In Australia, the credit for having pioneered the development of national parks must go to Queensland and Tasmania, two of that nation's least populated states. Outstanding examples of the accomplishments there are the Lamington National Park, a splendid area of subtropical mountain scenery and vegetation near the Queensland-New South Wales border, and the beautiful subtropical islands along the unique Great Barrier Reef. The State of Victoria has recently followed the example set by Queensland and Tasmania in establishing a National Parks Authority responsible to the Premier under a new National Parks Act. The national parks dedicated so far include a fairly wide range of Victorian environments and more are presently under consideration. Probably most widely known of Victoria's existing preserved areas is the Wilson's Promontory National Park, embracing a rugged peninsula at the extreme south of the State.

In Japan, certain localities have long been popular among the people as pleasure resorts, such as the so-called "Three Scenic Spots"—Matsushima, Amano-hasidate, and Miyajima. In the Meiji era, these places for the first time were regarded as parks on a democratic basis.

The concept was placed on a legislative basis in 1873 when a Cabinet ordinance was issued providing for the establishment of parks on State-owned lands. In compliance with the ordinance, local scenic areas were gradually designated as parks, chiefly as prefectural or provincial reservations, and the public began to take a deep interest in them. After the Meiji era, under the influence of the Federal parks in the United States, voices began to be raised calling for the establishment of a Japanese national parks system. After a long period of investigation and public education, the national parks law was enacted in 1931.

As a result, 19 areas have so far been designated as national parks where natural beauty is preserved and the people are offered an opportunity for pleasure and recreation. These areas now play an important role in the national life and contribute much to international tourism.

I have only begun to touch—and have omitted much—on an inventory of outstanding global achievements in the fast awakening and growing movement to keep something of the land intact in its natural state so that there may be refreshment of the soul and spirit for the peoples of the world now and in future centuries. But enough has been mentioned to show both progress and beckoning new opportunities awaiting all of us.

The objectives are clear, the air is electric with challenge. In the words of President Kennedy, "Let us begin."

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

LET US NOT SOCIALIZE MEDICINE

Mr. LONG of Louisiana. Madam President, I rise in opposition to the Anderson-Javits amendment.

Some of my reasons for opposing this proposal for providing medical care to the aged go to the specifics of the pending proposal. But more basically, I oppose the Anderson-Javits amendment because I strongly believe that it is wrong in fundamental concept.

First, let us look to the specifics of the measure.

Here is what it does:

First. It taxes practically everyone;

Second. It pays certain medical expenses of persons over 65 years of age.

Now let us see what it does not do:

First. It does not pay doctor bills;

Second. It does not pay the first $90 of hospital bills;

Third. It does not pay for medicines outside the hospital, nor for most other outpatient care;

Fourth. It does not directly benefit anyone under 65.

Madam President, here we have a proposal that would tax people to pay for a great amount of medical care which many of them are well able to provide for themselves without the help of the Government or anyone else.

Under this proposal, in a large number of cases we would be taking the butter and eggs from the workingman's table in order to provide medical care for someone else, who has always been both willing and able to pay his own medical bills. In many cases, the beneficiary will be much better off than his benefactors.

This measure would prove to be a great disappointment to aged people who, having been told that the Government was going to provide for their medical care, would belatedly learn that only a fraction of the bill was to be taken care of.

But much more important than the specific defects of the particular measure, Madam President, are the objections which have been raised to the fundamental nature of this amendment. In my judgment, this is the real sticky point.

I, for one, am appalled at the prospect of the giant tree which will grow from this seed. If the Anderson-Javits amendment becomes a law, we will have taken the first step down a road from which there will be no turning back. What we will effect in this amendment will be just the beginning. Next year, without a doubt, we will be confronted with proposals to expand the services—to provide more extensively for those already covered, and to extend benefits to those not covered. Of course, this will call for another increase in the social security tax to pay for the expanded services.

Sooner or later, probably sooner, we would expand the services to include doctor bills and outpatient care, including drugs, eyeglasses, and even false teeth. The program would be gradually extended to take care of everybody's medical expenses.

To finance such an all-encompassing medical care program, the social security tax would be so high that an average wage earner, making about $5,000 a year with three or four dependents and the usual deductions, would find himself paying more in social security tax than in income tax.

By that time, taxes for social security would exceed 20 percent of income. The workingman would be paying more than 10 percent of his income toward retirement and insurance against early death, plus 10 percent for Federal medical care, plus more than 3 percent for unemployment insurance, plus 20 percent for other expenses of Government—defense, foreign aid, and so forth. Thus, the Federal Government would be taking 42 percent of the income out of the workingman's paycheck before he ever sees it. Of the remaining 58 percent, the State, county, and city governments will be taking about 10 percent, leaving the workingman about 48 percent of his income with which to feed, clothe, and house his family, educate his children, and save something for the future, if that is possible.

Some of the tax I have mentioned is a tax assessed against the employer. However, the employer would be forced to pass his tax along in the price of his product to the consumer; so in reality the workingman would be paying the so-called employer's tax as well as the employee's tax.

Imagine that, Madam President. By the time we get through with this cradle-to-grave business, the average man will have only about one-half of his income to spend for himself.

We would be paying for a great amount of doctor's services which are presently being rendered free of charge.

My personal physician is a good example of what I have in mind. He is a cousin. He is the son of an old country doctor. From his father he learned that a doctor should treat everyone who is suffering, whether he is able to pay for it or not. He was also taught that a doctor should treat without charge the families of his fellow doctors in the vicinity as they do the same for him. This is set forth in the American Medical Association's code, "The Principles of Medical Ethics." In addition, he was taught that he should never sue to collect his bill. My brother-in-law practiced medicine for a number of years in the same tradition.

If socialized medicine is to come, these doctors will be filling out Federal forms and charging Uncle Sam for treating each other's brothers, mothers, sisters, and wives, as well as indigents—all of whom they are now treating at no cost today.

As taxpayers, we will be paying taxes to finance a great amount of presently free service. Why do the doctors object? They would be making more money.

They object, first, because they prefer private practice to working for the Government.

Second, they object to the compulsory uniformity which would result.

Third, they object to filling out forms.

Fourth, they object to having Federal bureaucrats prescribe—as will inevitably happen—the way in which they administer treatment to their patients.

Fifth, they object to attending meetings to discuss salary schedules, minimum and maximum fee arrangements, retirement benefits, annual leave, sick leave, disability benefits, and so on, all of which are presently a doctor's own private business to handle as he sees fit.

Louisiana has been described as the Welfare State. More than one-third of State expenditures are for the purpose of improving the public welfare. Federal aid provides most of the money, but there are a number of things that we do for the people without Federal aid. Until recently, we had no Federal aid whatsoever for hospital care. Yet about half of the hospital days spent in the State were spent in the State hospitals, at no cost to the patient.

I have been through many of the State's hospitals; they are magnificent structures of brick and stone, steel and iron, with banks of high-speed elevators and gleaming, shiny floors of terrazzo tile.

In many instances, the State hospitals are more modern and better equipped than private hospitals in the same cities. Even in small cities the State pays doctors or other hospital owners to set aside a number of beds for patients who are unable to pay. The State has free ambulances in every parish to carry the emergency cases to hospitals, and to move the sick to and from the State hospitals.

It is interesting to note that the average patient stays about 50 percent longer in the State hospitals than in private hospitals. This is easily explained. When a wealthy woman, a patient in a private hospital, is able to be moved, she will go home; a nurse will go with her, to care for her until she is fully recovered. This reduces the cost to the patient, and places her back among her loved ones.

On the other hand, when the average woman who has been a patient in a State hospital is discharged and goes home, there is no one there to look after her during most of the day. She cannot afford a private nurse, so she stays in the hospital until she is able to take care of herself.

Madam President, it is not considered remarkable by anyone concerned that the woman who has been treated in a State hospital has, during her entire stay, been the beneficiary of treatment in every respect equal to that provided for the private patient.

In the case of a patient in the New Orleans Charity Hospital, for example, the excellent doctors of the Louisiana State University and Tulane University medical schools will have performed with their usual high degree of competence. These men are teachers at these medical schools. They are, in the nature of their function in training future doctors, completely educated to all the latest developments in medical science.

The point of all this is that, under the pending proposal, the taxpayers of Louisiana would be paying a lot more to the Federal Government in order to pay for a great many things which they are already receiving at no cost, and for a great number of medical services that the patient would not buy if he were paying for it himself, even though well able to do so.

Madam President, much of the criticism which has been directed at the Anderson-Javits amendment goes to the proposed method of financing. The measure would be financed through increased social security payments.

Let us look further at some of the effects of doing this. At present, the workingman is paying in social security taxes 3⅛ percent of his annual income up to $4,800. This is not counting the one-quarter percent that the Anderson-Javits amendment would add. The amendment would also raise the maximum taxable earnings base to $5,200. Under recently approved increases, by 1968 the workingman will be paying 4⅝ percent. The medical care percentage, if approved, will doubtless have increased at least that much.

In addition, his employer would be paying an equal amount, and the employer would find it necessary to pass the cost along in the price of his product. The consumer, being the same as the workingman in many instances, would therefore be paying about 10 percent of the payroll for social security purposes in 1968.

As the social security system now operates—and the inevitable increases will amplify this factor—the lower wage earners will pay at an increasingly disproportionate rate in order to receive the same benefits as their wealthier fellow contributors.

A regressive rate structure is and will be particularly unfair to the lower income brackets, because they obviously are spending practically all of their income on basic necessities, while those in the upper income levels spend less and less of their total income on such essentials. Yet the poor man must pay a considerable portion of his already earmarked funds just to be medically protected as well as wealthier people who may waste more in a year than a poor man earns.

From the viewpoint of a true Socialist this is not alarming, for the reason that eventually Government will be required to tax away most of what everyone receives, whether he is rich or poor. Therefore, it makes little difference to the Socialist whose property or possessions go first. Most of it will have to go sooner or later if socialism comes. Yet it makes a great deal of difference to those of us who believe in the more ancient tradition of self-reliance, private property, private practice of medicine, and in going to the Government only when we cannot find the answer for ourselves.

It seems to me that the people are becoming more conscious of this point, judging from the public opinion survey compiled by House Members in their districts and recently reported in the CONGRESSIONAL RECORD. Of 52 polls, including 615,284 responses, 33 opposed use of the social security mechanism to finance health care for the aged, and only 19 favored it. While these results differ from those of the recent Gallup count, they tend to confirm my belief that the number of people supporting the Anderson-Javits approach is dwindling.

The opposition of the doctors of this Nation to the social security approach to a medical care program for the aged has been no secret. Doctors have come in for no end of criticism because of their opposition. Much of it has been highly unfair.

In fact, it has been my impression that much of the propaganda in behalf of compulsory medical insurance comes alarmingly close to the familiar Communist line. The person whose business is about to be nationalized is described as an evil sort—corrupt, insensitive to the needs of humanity and society, unwilling to recognize the just demands of the public. For such reasons, it is contended that he is not to be permitted to continue the private management of his business.

It has been my impression that the doctors of my State render somewhere between one-fourth and one-third of their services without pay. Most of them who are wealthy have made much of their wealth by investing money that they have saved out of their income, just as is true of most successful lawyers and other professional people. There is absolutely no basis for the kind of criticism doctors have received, if we want to be fair about the matter.

As one who supported the Kerr-Mills amendment, it is my judgment that we have already gone a long way when we help the States to provide medical care for persons unable to pay their own medical bills. Undoubtedly the number of aged persons who will require assistance will increase. Yet if we are successful in increasing the income and opportunities of our people, there should be an ever greater proportion of persons both over and under 65 who should be able to pay for their own medical expenses in the future.

The Kerr-Mills approach will, in my judgment, prove adequate. It will accomplish everything which could be done through the social security approach, and more. Most important, Kerr-Mills will not lead to the kinds of evil effects I have undertaken to describe.

The inevitability of these evil effects is the really crucial point. The Anderson-Javits amendment is a big step on the road toward socialism.

Many meritorious bills have in the past been opposed with the cry of "socialism." Madam President, I am not frightened by name calling. It does not impress me for anyone to shout that something is socialistic, communistic, fascistic, reactionary, or any other such slogan.

It has been my policy to judge measures entirely on their own merits. But I wish to make it crystal clear that I am unalterably opposed to socialism in the true meaning of the word. At the same time, I have complete disdain for those who seek to avoid proper regulation of privately owned utilities in the name of socialism, or who seek to create monopoly and stifle competition with the cry of "socialism."

Such persons remind me of the boy who cried "wolf" too often. That is not the case with this proposal.

Let us make no mistake about it. When we look at the Anderson-Javits amendment, we are not staring at a sweet old lady in bed with her kimono and nightcap. We are looking into the eyes of the wolf that ate Red Riding Hood's grandma.

Once we pass this intersection, there will not be another place to get off the highway for 50 miles.

Once we agree to pay the medical expenses of everyone over 65, whether he needs it or not, we are locked in a trap. We cannot refuse to extend the same principle to eliminate the $90 deductible feature. We cannot refuse to extend hospitalization beyond 90 days. We cannot refuse to do the same thing for everyone who appears to be disabled. Nor can we, with the slightest degree of human charity, refuse to do the same thing for everyone who is truly unable to pay his own doctor, hospital, nursing, and drug bills.

This is truly a foot-in-the-door measure, carefully drawn to wedge the door so far open that it cannot be forced closed again.

Adopt this measure and it will never be possible to stop its progress before you have 10 million people daily in hospital beds under treatment, convalescing and resting with more than 10 percent of your work force devoted to their care on a full-time basis.

Adopt this amendment and we will overflow every hospital in America with cases, many of which should be in their own homes under the care of their families and relatives. Already that result is being achieved in Louisiana under the Kerr-Mills law. Once you take the position that everyone over 65 is entitled to 90 days of hospitalization at Government expense, many of the aged will make their plans to spend their summer vacations in the hospital, while their sons and daughters take the grandchildren away for their vacation.

Some of this sort of thing is happening already. Hospitals will become social clubs, with the corridors, waiting rooms, and wards crowded with people who have no genuine need of hospital care by present-day standards.

In Louisiana our own experience proves that a patient stays 50 percent longer in the hospital when the Government is paying the bill.

This represents a 50-percent penalty on taxpayers as a starting point, not to mention the cost of middlemen, such as tax collectors, investigators, Federal standard providers, regulators, and so forth.

As stated by the senior Senator from Oklahoma [Mr. KERR], I would be willing to vote for any taxes and appropriations necessary to care for those who are unable to care for themselves. I am not willing to vote for taxes and appropriations for medical care for those who can and should provide it for themselves.

In summary, Madam President, the Anderson-Javits amendment should be defeated for a number of reasons.

Insofar as it provides medical care for persons unable to pay their own bills, we have a number of measures at the State, Federal, local, and private levels which are already capable of meeting this problem. Beyond that point, the Anderson-Javits proposal would enormously increase Federal expenditures to pay the expense of people who should be paying their own medical bills. This is something the Federal Government should not do.

This proposal will increase by at least 50 percent the cost of providing medical services by encouraging people to consume medical attention of doctors, nurses, and hospitals—which services have traditionally been provided by the family.

Eventually it will result in much greater evils.

It will heap upon the taxpayers' backs the problem of paying for services which doctors are presently rendering at no charge to their relatives and to indigent persons.

It will increase by more than 50 percent the cost of all medical services, including the cost of doctors, by encouraging the patient to stay longer in hospitals rather than seeking his own early release.

It will result in payroll deductions which, together with State and local taxes, will exceed 50 percent of a worker's gross income.

It will socialize one of our truly fine professions and lead toward State management and control of others.

For these many reasons, this proposal should be soundly defeated.

Mr. DOUGLAS. Madam President, tomorrow the Senate will have its long-awaited opportunity to vote on a proposal to provide basic health care protection for aged citizens. It is satisfying that the proposal on which the major vote will come is the plan to provide financing under social security. This is the sensible approach; and in its rejection of the amendments in the nature of substitutes, which were offered last week, I believe the Senate has shown that it regards social security financing as superior.

Social security financing of health protection for the aged is a system of social insurance under which the costs of protection would be spread over a large number of persons, each of whom would make small contributions over a long period of time to pay for the insurance. Like insurance against the burden of disaster by fire, small contributions by the many can provide low-cost social insurance against at least a part of the burdens of the illnesses which are the disasters of old age.

I hope very much that this proposal will be discussed as health care, and that the medical care name, which has been held over from earlier proposals, like the Forand bill, will be dropped. The appropriate and accurate name for the proposal is health care. It is unnecessarily confusing to continue the habit of talking about medicare when physicians' and surgeons' fees have been eliminated from the plan.

I was somewhat amused by the comments of the distinguished Senator from Louisiana [Mr. LONG], who in the first part of his speech pointed out, correctly, that the proposed plan did not include medical or surgical care, but in the latter part of his speech insisted that this was a socialistic medical provision. The truth is that the proposed plan merely provides for hospital care, nursing-home care, and nursing in the home.

Mr. LONG of Louisiana. Madam President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. I believe I made my position clear that this is a foot-in-the-door proposal. It is not a good proposal, either, as far as it goes. What it would lead to would be far worse.

I hope the Senator from Illinois understood my argument. I do not expect him to agree with it, but I hope he understood it.

Mr. DOUGLAS. The argument of the Senator from Louisiana reminds me of Stephen Leacock's story about the man who mounted his horse and rode off in all directions.

Mr. LONG of Louisiana. The Senator from Illinois well knows that he and other Senators who agree with him on this measure are already seeking amendments to extend it to cover other features which I covered in my speech. Once such action is started, it will have to be expanded to include service costs. Congress will have to increase taxes until all other phases of medical care are covered.

Mr. DOUGLAS. Well, we can deal with those issues when they come up. But I have always thought the Senator from Louisiana was right in the general principle which he laid down; namely, that we should not be deluded by abstract adjectives, and we should consider each proposal on its merits.

Mr. LONG of Louisiana. Yes; but I also would say that when we find something which is as clearly a matter which will require implementation as this one is, we should be fair enough to admit it in the beginning.

I am one of those who made the fight, as a member of the committee, along with the Senator from Illinois, to provide Federal social security protection for disabled persons over 50 years of age, but there was never the least doubt in my mind at the time that if we did that we would extend it to those below age 50, and, from my viewpoint, the day we voted it through, I was ready to offer a proposal to extend it to those below age 50, because I think the proposal was basically sound.

So I hope the Senator from Illinois is not supporting this measure without giving full recognition to the fact that it will require implementation. It will require implementation in order to apply it to more people and to have it provide more services.

Mr. DOUGLAS. Well, I am not certain that that is the case. However, that will be taken up when the issue arises.

I do not wish to tax the Senator from Louisiana with being inconsistent, but he has been a very persistent advocate of permitting the veterans to purchase Government life insurance, and, therefore, for the Government to enter into competition with private life insurance companies. He has been called a Socialist for taking that position, yet the Senator from Louisiana has not been afraid to do it, because he believes in it as a correct principle, and he believes that the provision of lower cost insurance for veterans does not mean that it has to be extended to the entire population.

Mr. LONG of Louisiana. Of course that will not happen in connection with my proposal for such insurance.

But I really do not believe that the Senator from Illinois is in doubt that this proposed program will be extended, because if it is enacted into law, certainly it will be extended until it covers everyone's medical bills. Of course, the Senator from Illinois also knows that the prime mover behind this has been a very able man by the name of Cruikshank, who formerly was with the Department of Labor, in the old social security days, when it first began, and presently is associated with the AFL–CIO. There is no doubt as to how Mr. Cruikshank feels about this matter. He feels that this program should cover everyone's medical insurance.

Mr. DOUGLAS. But Mr. Cruikshank is not making the decision for the Senate, although, as the Senator from Louisiana has said, he is a very able and, I believe, a devoted man.

But why not vote on this measure in the way the Senator from Louisiana does on most measures; namely, consider it on its merits, and if thereafter other questions or issues arise, consider them on their merits.

Mr. LONG of Louisiana. I have made clear to the Senator from Illinois, I think, that I am opposed to this measure, both for what it is and for what it might mean.

Mr. DOUGLAS. The first part of the Senator's statement is quite logical, but it is not logical for him to include in the same statement the second part—in other words, after criticizing the plan for what it is, then proceed to criticize it for what it may lead to.

Mr. LONG of Louisiana. I think it is proper to do so, for the reason that some persons have given the impression throughout the country that this proposal—and I state frankly that my position is opposite that of the Senator from Illinois—will take care of the medical costs of all the people. Of course, it will not do so.

Mr. DOUGLAS. And that is what I am trying to clarify at the very beginning. This program should be called a program of health care for the aged, not "medicare." That is why I include this statement in my remarks. The program is not a "medicare" program. It is a program of hospital care for up to 90 days, subject to a $90 deductible; nursing-home care for up to 180 days; and nursing in the home for up to 240 days. That is all it is—no medical care and no surgical care.

Mr. LONG of Louisiana. I believe that the Senator from Illinois and I understand each other, although we do not particularly agree as to how we shall vote on this issue.

Mr. DOUGLAS. Madam President, as one who has worked and hoped for many years for the enactment of a fundamental plan of health care for the aged, I want to warmly commend the junior Senator from New Mexico [Mr. ANDERSON] for his dedicated efforts in developing and promoting his bill and for his special efforts to work out in recent weeks an amendment of wider acceptability and greater quality. Our expectation might well have been that any attempt to give the Anderson-King bill a broader base of support would weaken its already conservative provisions. But the happy fact is that the new measure is distinctly superior with respect to coverage, and the administration and private option additions give every indication of being reasonable accommodations.

The fact that the new accommodations are reasonable and superior is also a mark of the fine leadership and humane principles of the senior Senator from New York [Mr. JAVITS]. His contribution to the proposal now before us is massive; and his efforts in support of this measure—both intellectual and in advocacy within his party—have been a keystone of its progress.

Let me also say that, in my opinion, the Senate is greatly in the debt of the senior Senator from Michigan [Mr. MCNAMARA], who has provided us—through the Special Committee on Aging, which he chairs—with a comprehensive investigation of the needs of our aged people. Without the excellent labors of this committee and its staff, we would not be in a position to make an informed judgment on this issue.

While I have some mild reservations about certain aspects of the pending amendment, I am confident of the sound loyalty to principle of the Senator from New Mexico, and I know that the compromise proposal he led in drafting adheres to the basic legislative values essential to the success of this program. I am therefore proud to be a cosponsor of this amendment.

The RECORD should be absolutely clear that there have been reasonable efforts to have Senate hearings on the Anderson bill, but that this was prevented by the familiar partisan alliance. Senator ANDERSON moved in the Finance Committee on January 31 that the committee hold hearings on the health care for the aged bill by April 1, regardless of what the House did.

The vote was 7 yeas to 10 nays. The yeas were Senators LONG, ANDERSON, DOUGLAS, GORE, MCCARTHY, HARTKE, and MORTON; the nays were Senators BYRD, KERR, TALMADGE, FULBRIGHT, SMATHERS, WILLIAMS, CARLSON, BENNETT, BUTLER, and CURTIS.

While committee hearings again this year would have been preferable, the refusal of a few members of the House and of the Senate to let such hearings be held should not be permitted to defeat this important legislation.

At the same time it is correct to say that this proposal, generally and quite specifically, has been given thorough study by Congress, not to speak of the many private groups which have gone into the various aspects of the proposals. As the Senator from New York [Mr. JAVITS] pointed out in his comments of July 12, last Thursday, the printed records of at least 10 congressional hearings on this matter, held during the last 3 years, as well as 8 additional studies and surveys, are available. And I may point out that two full-scale Republican substitutes to the Anderson bill were offered—and defeated—last week. The fact that these were offered can well be taken as evidence that knowledge of the health-care needs of the aged is widespread and alternative ways of dealing with them have been systematically prepared and well understood.

THE GENERAL PROBLEM: NEED IS EVIDENT

The facts about the aged in this country show that the need for the Anderson bill is evident. They show, first, that the number and proportion of the aged have increased rapidly. More than 17½ million people today are over 65 years of age. By January 1964, there will be 17,877,000 persons over age 65 in the United States. In the decade from 1950 to 1960, the aged population grew by about one-third. In some States—that is, Florida and Arizona—it more than doubled. In 1900, only 1 person in 25 was 65 or more; today, the proportion is 1 in every 11. Of the 17½ million, more than one-third are over age 75. One million are over 85.

Second, the facts also show that the aged have more serious illness and more need for health care than do younger groups. Those over 65 spend 3 times as many days in the hospital each year than do those under 65. The average aged person has a 1 in 6 chance of going to a hospital in any given year.

Chronic illnesses occur with greater frequency at older ages. These affect the activity of more than one-third of all persons aged 65–74 and more than one-half of those 75 or older.

In its 1962 publication, "The Health Care of the Aged: Background Facts Relating to the Financing Problem," the Department of Health, Education, and Welfare has reported thoroughly on the question of need. I refer now to the charts standing here, based on facts reported in this publication from the U.S. National Health Survey. Chart No. 1 illustrates the fact that persons aged 0 to 64 years require annually 883 days of hospital care per 1,000 persons; and persons aged 65 and over require 2,332 days of hospital care per 1,000 persons—or almost 3 times as much.

Third, it is well known that hospital costs have risen very greatly; compared to the resources of the aged, they are very great. Thus, annual costs per hospital day increased from $9.39 in 1946 to about $36 in 1962.

It is also true that older couples and older persons living alone have far less income than two-person families with the family head under age 65. For two-person families with the head under age 65, the median cash income is $5,314; with the head over 65 years, $2,530; for aged persons living alone, $1,050.

Hospital stays are much more costly for the aged. Of aged couples with one or the other hospitalized, the total medical bill exceeds $500 in over half of the cases. Only 5 percent of the bills in these cases are under $200.

Fewer older people have their hospital bills paid by insurance. Of hospital charges with over three-fourths of the bill paid by insurance, 54 percent were for people under age 65; only 30 percent were for people over age 65.

The average monthly old-age benefit under OASDI is about $76 for those on the rolls, and about $80 for those coming on the retirement rolls.

Benefits for widows are considerably lower on the average—about $58.

Old-age assistance recipients receive an average of $72, of which about $58 is in the form of money payments, and a little over $14 is in the form of vendor payments for medical care.

A recent survey of aged couples who were OASDI beneficiaries showed that their average net worth, exclusive of equity in their homes was $1,300. The average equity in their homes was about $8,362—but not even the Kerr-Mills Act requires the aged to sell their homes, to provide health care.

With such low incomes, the aged cannot afford the high premiums for private insurance, particularly if they have not continued a policy from a younger age. For those over 65, a moderately decent policy will cost at least $13 a month or $156 a year—or $312 per couple. Couples with income of $2,500 a year cannot afford this; single persons with $1,000 cannot afford it.

Under some private insurance policies, benefits are terminable when certain calamitous diseases are suffered, or are reducible at a certain age, even if the policy is paid up.

It bears repeating that those of us who support the Anderson amendment are not criticizing the private insurance industry for doing a bad job or for not wanting to do as much for the aged person as they can. Rather, we are expressing our concern with the special difficulties the private insurance industry faces with respect to the aged population's health-care needs and its inadequate resources. We are saying that we believe the Federal Government can help to establish a sound foundation plan for meeting the basic health-care needs of older citizens, and that such a foundation plan will work to the benefit of the private health insurance industry, as well as aiding the aged population. We have good cause to believe that the public foundation program will benefit the private industry, for the experience of this Nation with the social security system has yielded just this result for the private retirement and survivors insurance industry.

The inadequacy of private insurance to deal unassisted with the health care needs of the aged is particularly worth noting. A chief characteristic of the aged is that not many older people are part of a convenient occupational group for health insurance purposes. Thus, the only policies they can get are individual ones. But individual policies are generally high in cost, and the return in benefits is very low—an average of about 50 or 60 percent of the premiums taken in. This compares to returns in benefits of about 90 percent of premiums for the best commercial group health plans, 92.6 percent for Blue Cross hospitalization plans, and as high as 97 and 99 percent for some independent group plans. These are under the United Mine Workers and Health Insurance Plan, NW, respectively.

These facts make it quite clear that for nearly all of the aged, with their low incomes and very high need for care, individual private plans are much too costly.

With respect to present coverage under private plans, health insurance for the retired aged is held by all too few, and for most of those who are covered, the benefits are grossly inadequate. Only 46 percent of all aged persons in 1959 had any kind of hospitalization insurance, according to a Public Health Service survey. This contrasts significantly with the 67 percent of the general population which had hospital insurance. Also, as the chart illustrates, the insurance carried by aged people generally pays much less of their hospital costs as compared with the population under age 65.

Thus, of the aged persons discharged from short-stay hospitals, three-fourths of the bill was paid in only 30 percent of the cases, while for persons under 65 years, three-fourths of the bills was paid in 54 percent of the cases.

The health care needs of the aged and the inadequacy of present provisions for meeting them are well recognized. Only the wholly doctrinaire person or the indifferent and inhumane maintain that no governmental assistance is necessary. It only remains to spell out what basic protections can reasonably be offered and under what conditions.

BENEFITS UNDER THE ANDERSON BILL

With respect to health care for the aged benefits, the Anderson amendment provides a conservative minimum of basic protection. To my knowledge, its sponsors and supporters have never claimed more than this. In fact, the truth is that there has been a substantial cutback on benefits from the original proposals of several years ago, including the elimination of physicians' fees and the requirement of so-called deductibles. Nonetheless, I believe the present proposal is reasonable, and is deserving of support.

In summary, the bill provides that payment would be made for these services to covered individuals:

First. Inpatient hospital services for up to 90 days, subject to a deductible amount—paid by the patient—of $10 a day for up to 9 days, with a minimum of $20; hospital services would include all those customarily furnished by a hospital for its patients; payment would not be made for the hospital services of physicians except those in the fields of pathology, radiology, physical medicine, and anesthesiology provided by or under arrangement with the hospital, or services provided by an intern or resident-in-training under an approved teaching program.

Second. Skilled nursing services—in a hospital-affiliated skilled nursing facility after the patient is transferred from a hospital, for up to 180 days.

Third. Outpatient hospital diagnostic services, as required, subject to a $20 deductible amount for each diagnostic study.

Fourth. Home health services for up to 240 visits during a calendar year. These services would include intermittent nursing care, therapy, and part-time homemaker services.

An individual could be eligible for up to 90 days of hospital services and 180 days of skilled nursing facility services in each period of illness, but subject to a maximum of 150 "units of service." A unit of service would be equal to: 1 day of inpatient hospital services or 2 days of skilled nursing services.

The basic public plan provides for payments to medical facilities for services rendered to eligible individuals, and an individual may "choose" to rely solely on these benefits provided in the bill. Of course, the "choosing" will more likely be an economic necessity for a great many.

But for those who can, an individual may choose to subscribe to or continue a private insurance policy or membership in a prepayed group plan which offers medical, surgical, or other benefits in addition to the benefits provided in the public plan. Under this option, no premium would be charged for the public plan protection, but the public plan would reimburse the private carrier for services rendered under the public plan protection.

In addition, under the Javits amendment adopted last Thursday, an individual would also have the option of choosing a group or nonprofit plan providing a 45-day hospitalization benefit with no deductible charge.

Again I want to congratulate the Senator from New York [Mr. JAVITS] and the Senator from New Mexico [Mr. ANDERSON] on their fine and extensive efforts which have produced this adjusted formula acceptable to a large number of Senators. I endorse this formula of basic benefits as a reasonable proposal, but I do have some general reservations about two aspects of this which I shall discuss in a moment.

COVERAGE

The authors of the Anderson amendment deserve praise for their action in bringing into coverage for aged health-care benefits the 2½ million persons not now under social security. Indeed, it is the principal irony of the attack against the Anderson proposal that its main result has been an enlargement of coverage. The AMA originally tried to have it both ways—to claim, on the one hand, that the Anderson-King bill was too radical a departure from accepted principles; but to say on the other hand that the proposal was a "sham" and a false promise because it did not include those who were outside the social security system. Even without the blanketing-in provision, the social security approach, with its promise of nearly 95 percent coverage in a few years, would have been by far the best approach.

But in the Anderson amendment we have gone the "extra mile" of humane planning. Now, at the outset of the program, there will be complete coverage of the entire aged population.

FINANCING

Probably no aspect of social security financed health care for the aged has been so misunderstood—or intentionally misrepresented—as the increases in social security taxes required to support the program. The variety and audacity of some of the allegations made about cost have been simply amazing. Under the pending amendment, of course, there are two cost coverage proposals. First, there is the increase in social security contributions for the approximately 15 million persons covered under social security and railroad retirement. Actuarial experts of the Department of Health, Education, and Welfare last year reviewed the financing provisions and have suggested changes which will insure that the full costs of the plan will be covered. While their previous estimates on hospital care costs were reaffirmed, new conservative assumptions about the costs of nursing home and home health care services made the revisions necessary. Under the Anderson amendment, the contributions made for health care for the aged would be assigned to a trust fund entirely separate from the social security trust funds. This would make sure that complete information about the actuarial soundness of the new system will be available.

It is estimated that the health care benefits now described in the Anderson amendment will have a long-range cost, on the so-called percentage of payroll basis, of 0.34 percent of payroll for employee and 0.34 percent of payroll for employer.

This cost will be met by first, an increase for the employee—matched by the same increase for his employer—of one-fourth of 1 percent in the present social security tax; and an increase of three-eighths of 1 percent for the self-employed; and second, an increase to $5,200 in the present taxable base of $4,800.

These increases in the social security tax on the employee's earnings will yield, in new contributions, $27.50 from the employee who makes $5,200 or more a year. The contributions by employers will be equal to this, and those who are self-employed will pay 1½ times as much.

EXPLANATION

First. The present rate of the social security tax is 3⅝ percent. Applied to the $400 of increased tax base, this will yield $14.50.

Second. The new one-fourth of 1 percent applied to $5,200 will yield $13. Total will be $27.50.

These increases will, for the individual making $5,200 a year or more, increase his employee contribution to all three social security accounts—old-age and survivors insurance; disability insurance; and aged health care—from the present $174 to—in 1964—$201.50.

But it is important to note that this increase of $27.50 has a dual purpose: First, to pay for the health care for the aged program; and second to improve old-age, survivors, and disability insurance benefits. Of the $27.50, only $17.68 goes to the aged health care account. The difference of $9.82 is necessary to pay for the increases in maximum OASDI benefits when the taxable base is raised from $4,800 to $5,200. This increase in regular social security benefits is desirable because of recent cost-of-living increases which were taken account of last year when the minimum benefit was increased by $7. Under the administration's proposal, the maximum benefit similarly would be increased by $7, and the $9.82 would pay for this.

While the maximum in new employee contributions for health care for the elderly will be $17.68, not all will pay this much. In 1961, of all covered workers—including the self-employed—68 percent earned $4,800 or less. Of the male "four quarter" workers, 45 percent earned $4,800 or less.

Thus, roughly one-half of all covered workers will pay not more than $12 a year or about $1 a month for health care protection after age 65, and roughly one-half of all covered workers will pay up to a maximum of $17.68 a year or less than $1.50 a month.

Some confusion has resulted because of already enacted social security tax increases which will go into effect between now and 1968. These are the facts:

First. Including these already enacted increases, the employee now making $5,200 or more will pay in 1968 $31.50 more a year than he now pays, if the King-Anderson bill with administration-recommended financing is enacted. The social security tax on employees is now 3⅝ percent; in 1966, including King-Anderson it would be 4⅜ percent; by 1968, with King-Anderson it would be 4⅞ percent.

Second. Of this $31.50, $17.68 will go to the health-care-for-the-aged account. This is the same amount as would be paid for this purpose in the first year the King-Anderson bill would take effect. All the automatic increases scheduled to go into effect by 1968 under present law ($13.82 maximum per employee) will go for old-age and survivors insurance and disability insurance benefits.

Thus, under the benefit program proposed in the Anderson amendment, there should be, according to the best expert advice, no increase in social security taxes above the initial maximum of $17.68 a year to pay for the health-care-for-the-aged program. The average employee will pay for this protection, in 1964 and in 1968, a little more than $1 a month. This low cost is possible under this program of social insurance because the employee and employer will be paying in small amounts over a long period of time and because a very large number of people, including both good and bad risks, will be participating.

For covering the uninsured group of 2½ million aged persons who are to be "blanketed in," the gross cost for 1964 is estimated at $250 million.

It is estimated that this would be partially offset by "savings" of medical payments under existing programs of roughly $200 to $225 million.

The figures of the Committee on the Aging give an estimate, for 1964, of $228 million in savings as follows: $127 million under Kerr-Mills MAA; $41 million under old age assistance medical care; $60 million, veterans.

Under this estimate the savings would be distributed with respect to Federal and State-local expenditures, as follows: $145 million Federal total; $72 million MAA—Kerr-Mills; $13 million, OAA; $60 million, veterans; $83 million, total State and local; $55 million, MAA; $28 million, OAA.

It is also important to note that there would be substantial reductions in State and local aged medical care expenditures—other than for mental and TB hospital care—under other State and local programs. The States and local governments spend annually about $200 million for programs outside the federally assisted programs.

Thus, the blanketing in of the 2½ million persons would have a probable net additional cost of roughly $25 to $50 million if these savings are taken into account. It is not claimed that the above estimates are precise. They are, rather, approximations which may have a considerable margin of error. But there would be appreciable savings.

SOCIAL SECURITY FINANCING IS BOTH LOGICAL AND ECONOMICAL

Financing the basic part of this program of health care protection for the aged through the social security system is both logical and economical.

First. Social security financing is the best way of assuring the development of the principle we are trying to establish: spreading the cost of protection over a very large number of persons—about 73 million earners and their employers contribute each year—each of whom makes a small contribution over a long period of time.

Second. The coverage will be nearly universal, under social security, in a few years. Ninety-five percent of the aged persons in the Nation will soon be covered under social security and railroad retirement. Of course, with the blanketing-in provision of the Anderson amendment, all aged persons not covered under these retirement benefit systems will immediately have the same health care protection as those covered for social security retirement benefits, and this will be paid for by direct appropriations. Of course, the net cost of this extended coverage will be reduced as more and more persons come under social security.

Third. The social insurance approach has the advantage of being a tried and effective method in which we can have confidence.

Fourth. People become eligible for protection by working and by paying in small amounts while they are working. So payments for protection are made when the individual can best afford to pay, rather than during the period of sharply reduced income in later life.

Fifth. Social security benefits are paid as a matter of earned right, regardless of income from savings, investments, and other retirement benefits; so the worker is not discouraged from supplementing his basic protection with whatever other protection he can afford. What can be more sound or more American than thus encouraging each worker to meet his needs beyond the basic protection, to the degree he is able to do so?

Sixth. The worker, himself, pays for his health-care protection in later life. Somehow, opponents of social security financing seem to have lost sight of this basic fact that the Anderson plan is a self-paid one, not a gift of benefits from the general taxpayers. The presently retired population covered under social security will, of course, receive protection without having paid into the health-care account, but they have been paying into social security for retirement and disability benefits. This immediate extension of coverage is, in fact, one of the chief advantages of the social security plan. It provides that an improvement in meeting today's problems can be extended to those who meet the requirements through previous covered work by charging a small additional social security contribution for those now working. Benefit increases and other new benefits, such as disability benefits, have been passed on immediately to those who meet the requirements. This principle is followed with respect to civil service and Armed Forces retirement benefits, as well as in social security. I believe that younger workers approve of this approach and are willing to pay the small additional contribution in order to provide a more secure life for their parents. In general, I believe, they approve having all the younger families share in the health costs for the aged, so that the burden of catastrophic illness does not fall wholly on individual families.

Seventh. Using the payroll tax to finance the program permits easy adjustments in contributions, to meet current levels of living and current prices, and provides for an automatic increase in contributions as the worker's income increases up to the taxable maximum.

Eighth. Since the method of collection is automatic, collection costs are low and there is no selling cost as under private insurance. Collection, administrative, advertising, and profit costs for individual hospital insurance policies come to over 40 percent, while for group plans, the overhead costs are usually about 10 or 12 percent. Under social security, with its automatic and established collection procedures, the overhead administrative costs will be only about 3 percent. This is a remarkable and extremely important fact: administrative costs will be only about 3 percent.

So both logic and economy are served by the social security financing system. Without doubt, the private option aspects of the revised Anderson bill will result in some increase in overhead costs, but the principle of keeping these to a minimum is best protected by adopting this method of financing through social insurance.

BENEFITS TO PRIVATE INSURANCE

I want to repeat that these superiorities of social insurance for the aged over private insurance are not meant as a criticism of the private insurance industry. I have outlined these superiorities merely to show the great problems which private insurance faces with respect to this most needy group, the aged.

Adoption of the Anderson proposal will, indeed, be a boon to the private insurance industry. When social security was established 27 years ago, its opponents charged that it would seriously handicap the development of private pension plans and annuities. Of course, it has become thoroughly clear to everyone that the private industry has been in fact stimulated by social security. The facts are that between 1940 and 1960, the number of workers covered under private pension and deferred profit-sharing plans increased from 4 million to 22 million and the number of annuities in effect increased about 1½ million to about 6 million. In the same period, the benefit value of life insurance in effect grew from $115 billion to $586 billion—an increase of more than five times. Life insurance per family grew from an average of $2,700 to one of $10,200—an increase of about four times.

This encouragement to private industry was not an accident. By providing benefits paid without regard to the supplementary protection a person is able to invest in, the individual is encouraged to build further on his basic protection. If an individual did not have this basic protection, he might well be less inclined to establish any self-paid private protection because of his fear it would be subtracted from any public assistance under a means test. Moreover, had not the basic costs been met under social security, many of the private plans in operation today might never have been established because the employers would have been unable or unwilling to pay for the cost of setting up retirement plans which would provide the entire protection.

There is every reason to believe—especially with the private option provided in the revised Anderson proposal—that the benefits of health care for the aged under social security will be an even greater stimulant to the industry providing private insurance for health care than was social security to its private counterpart.

WHAT ABOUT KERR-MILLS?

In supporting the Anderson-King bill, I have tried to make it clear to my correspondents and others that this proposal is not an attempt to destroy or replace the Kerr-Mills Act program for medical aid to the aged enacted 2 years ago.

But let us be frank: the Anderson proposal is needed, in part, because the Kerr-Mills program does not meet the whole basic need.

The evidence on this point is very clear. In its nearly 2 years of operation, Kerr-Mills has helped a dismayingly small number of aged persons, and it has forced those who were helped to submit to a means test, it has resulted in excessively uneven distribution of Federal funds. It has failed to inspire about half the States to put programs into operation, and many of these States have put into operation only minimum programs providing inadequate protections, and requiring prohibitive deductibles and a mystifying variety of restrictions on care. And many of the States are failing to provide programs in what I believe to be a most vital area authorized under Kerr-Mills, namely, nursing home care. Only 18 States are taking advantage of Kerr-Mills aid for this type of program.

Only 27 of the 54 States and other jurisdictions had set up programs under Kerr-Mills by April of this year. Legislatures of 21 of the States and other jurisdictions have not passed enabling legislation and 3 others have not provided appropriations for this purpose. During the month of May, 1962, only 102,378 persons in the country were recipients of benefits under the aged medical care provisions of Kerr-Mills, and these were concentrated in five States, New York, California, Massachusetts, Michigan, and Pennsylvania. Forty-two percent of the total amount spent under Kerr-Mills MAA plan in May went to New York State alone.

Mr. CLARK. Madam President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CLARK. In Pennsylvania Kerr-Mills program has been a complete failure.

Mr. DOUGLAS. I thank the Senator for that statement.

In my own State of Illinois, the deficiencies of Kerr-Mills are well demonstrated. In the first 6 months of the operation of Illinois's medical care program under Kerr-Mills, only 209 payments totaling $214,000 were made. In more recent months, payments have increased—to 323 payments in May totaling $106,572—but the Illinois Public Aid Commission estimates that of the nearly 1 million residents of Illinois 65 and older, 300,000 would qualify under Kerr-Mills as unable to pay their medical and health care needs. Kerr-Mills therefore meets only a very small percent of the need.

Mr. CLARK. Fewer than 6,000 in Pennsylvania are having their health care paid for under the Kerr-Mills Act, out of 1,190,000 persons over 65.

Mr. DOUGLAS. I thank the Senator.

Illinois's Kerr-Mills program is, in fact, a "minimum" program according to the rating system of the bureau of family services. The State law to take advantage of Kerr-Mills is "comprehensive," but lack of State funds has resulted in the failure to implement all five services authorized under Kerr-Mills. Of these five services—hospital care, physicians' services, nursing home care, prescribed drugs, and dental care—Illinois is able to provide only hospital care, physicians' services in the hospital, and posthospital physicians' care.

Illinois is not alone in this deficiency; only three States—Hawaii, Massachusetts, and North Dakota—have comprehensive plans providing all five services under Kerr-Mills.

But most serious of all, the Kerr-Mills programs grant protection only to those who can pass a "means" test. An aged person must show he is without resources by opening up for examination by Government inspectors every financial aspect of his and his family's personal lives. In some States this is almost equivalent to taking a pauper's oath. In many States, the income and property of the children can be held responsible while the homes of those assisted can ultimately be realized upon to pay back the assistance.

All this is degrading and unnecessary. It is no substitute for a plan under which a worker prepays for health care protection in his later life and receives benefits, as under old-age security, as a matter of right.

I fail to see any convincing defense of the means test. Those who support it argue that the rich should not be entitled to aged welfare benefits under a public program. First, not many of the aged can be classed as wealthy. But those who are wealthy can now deduct nearly all their medical expenses from their taxable income. A means test discourages an individual from saving or investing for his own retirement. A means test often results in an arbitrary cutoff point under which even a dollar may mean the difference between qualifying and not qualifying for benefits.

Means tests are inefficient and costly to administer because personnel must be paid to conduct exhaustive inquiries and repeated checks of the resources and income of the individual and his family. The average cost of administering the means tests under Kerr-Mills, for example, is $42 per case.

The means test is, in fact, a wasteful and offensive principle on which to base health care for our aged population. It is no substitute for the self-respecting and self-supporting plan of prepayment under social security. The Kerr-Mills Act can be used to supplement the Anderson benefits for medical and surgical costs for those who are medically indigent.

ARE DEDUCTIBLES NECESSARY?

The authors of the amendments now before the Senate have done a remarkable job, and I am pleased to be a cosponsor of their proposal. Two aspects of the proposal, however, deserve critical examination. These are the questions of deductible charges and the requirement that a beneficiary may have nursing home benefits only when he is transferred from a hospital where he has been treated for the same condition.

My concern with these provisions of the amendment is not an expression of dissatisfaction with the amendment taken as a whole, but merely a concern that these provisions may be somewhat in conflict with certain other basic principles which I regard as fundamental in this proposed legislation.

Under the Anderson amendments, as under the previous Anderson bill, there would be deductible charge for hospital care of a minimum of $20 or $10 a day up to a total of $90. A deductible of $20 would be imposed for each diagnostic study under benefits for outpatient hospital diagnostic service. And, of course, since nursing home care is dependent upon discharge from a hospital, the hospital deductible provision applies to this type of benefit also.

Insurance benefits under social security never have been, and preferably should not be, dependent upon the ability to pay charges in addition to the regular insurance contributions.

As I have pointed out, one-half of the aged single men and women have less than $1,000 in annual income, and one-quarter have less than $500. It is almost certain that these lower income aged will have great difficulty in meeting these deductible charges. These charges are actually price tags attached to the hospital and diagnostic service benefits. If the benefits are to be available as a matter of right, the deductible provisions are inconsistent with this basic principle.

Also, it has been pointed out that most of the aged are unable to afford the laboratory and other clinical tests required by modern medicine, and that knowing this, doctors must do without them in many cases. The requirements of deductibles will, therefore, effectively limit the doctor's use of the diagnostic service benefit to the higher income patients.

Moreover, if our objective is to reduce hospital admissions and shorten the duration of hospitalization—as I think we should do—then the attending physician ought to have available full diagnostic services without limitation of the patient's ability to pay a deductible. The deductible provision may have the effect of preventing sound decisions with respect to hospitalization on the one hand, and of delaying the discovery of serious difficulties at an early stage of development.

It is interesting to note that in conjunction with the Javits perfecting amendment adopted last Thursday, it has been stated that hospitalization benefits of 45 days without deductible charges could be offered at about the same cost to the plan as the presently provided benefits of 90 days with deductibles. The staff of the Special Committee on Aging also states that of all the aged who enter a hospital, only 6½ percent remain longer than 45 days. These facts indicate that a 45-day hospitalization benefit could be offered without exceptional disservice to the principle of insurance against the high costs of hospital care for the aged.

In fact, the charge for deductibles introduces an element of providing for only catastrophic sickness, which is not the objective of this proposed legislation as I see it. If we were considering health insurance for the general population—which we are not—then the catastrophic illness protection would be applicable, but for the aged I do not think it is a sound or appropriate qualification. For the aged do not have the current income which those in the active years enjoy and hence are far less able to pay for normal costs.

But having made these criticisms, let me say at once that I do not direct them at the Senator from New Mexico, or the Senator from New York, or any of the cosponsors of the amendment. I am well aware that the deductibles provisions is a concession to those who want an assurance in this way against overutilization or against a too-liberal plan. I disapprove of the deductibles provisions for the reasons I have stated, but this is a real world and I am ready to accept the practical judgment of the Senator from New Mexico. But I also want to serve notice that in my opinion the effects of this provision must be watched very closely so that in our future consideration the Congress may be guided by experience rather than by the requirements of assembling a majority.

IS THE THRUST OF THE HOSPITAL DISCHARGE REQUIREMENT FOR NURSING HOME BENEFITS IN THE WRONG DIRECTION?

One of the chief concerns to those who take a long view of the health problems of the aged is preventing the hospitals from becoming warehouses for the senile aged and for those who are almost continuously ill. Nothing could be more disastrous and more callous than to let this happen. The aged are increasing as a proportion of our population and are living much longer. More and more of our older people will continue to live into the period of likely chronic illness and aimless living. To let these folks simply accumulate in the hospitals will unnecessarily overburden our limited hospital facilities, keeping out our younger population and will deprive the senile aged of a usually more enjoyable and much less costly although properly cared for life.

This problem raises directly questions about the requirement in the Anderson amendments that a beneficiary may have nursing home benefits only if any when he is transferred from a hospital. It has been asserted that this requirement of prior hospitalization at expense to the plan, will send patients into the hospital for at least a few days whose illness could well be cared for from the start in a far less expensive nursing home.

I think this is a probable defect in the plan, but again one that does not cancel the basic validity of the proposal taken as a whole. Perhaps the danger I have described is more a defect in our overall approach to the problems of the aged than a defect of the Anderson amendments.

As a general principle, I am impressed with the importance of practical nursing in the home as the primary method of caring for the continuously sick and senile aged. In fact, I believe the sequence of methods should often be the reverse of what seems to be described in the pending amendment, namely, that the chronically ill or senile individual would be cared for by home nursing insofar as possible, then through residence in a skilled nursing home in more serious circumstances, and then in hospitals only when the individual's condition is most serious. The Senator from Michigan [Mr. McNAMARA] has put forward this sequence as being preferable, and I have come to believe he is correct.

The question is whether the plan proposed in the Anderson amendments moves in a sequence contrary to the principle I have described. The prior hospitalization requirement does seem to move in the opposite direction.

The answer would appear to lie in the primary objective of the proposed health insurance legislation. I believe its principal authors would state that the primary objective is to provide health insurance protection against the costs of hospital care because these are the most burdensome health expenses older people face and the appropriate point for concentrating a program of basic health insurance. Under this theory, the major reason that the legislation would also make payments for skilled nursing facility care and for visiting nurse services is that these less expensive forms of health care can be substituted for hospital care in some cases and that these lower cost alternatives are an incentive for using less of the more expensive hospital care services.

If hospitalization care when necessary is the primary and more or less exclusive concern with nursing home care only an afterthought, then perhaps it is unfair to criticize the plan as failing to supply in sufficient quantity or with proper sequence a nursing home care program which it does not intend to establish. Of course the provisions for visiting nurse services in the home does not require prior hospitalization and will perhaps meet this deficiency part way.

It is perhaps more reasonable to take the hospitalization insurance as the principal objective, and accept the prior hospitalization requirement for the nursing home care, but insist that a study be made of our overall efforts to encourage nursing home care. For example, we may want to examine the possibility of Federal assistance for training nursing home administrators or perhaps putting the emphasis on the training of nursing home personnel through the manpower development and training program.

With the Anderson plan in operation, it may well be useful to review our programs for aiding and encouraging the construction and operation of nursing home facilities. We now have three programs in this area:

First. SBA direct loans for the construction and operation of proprietary nursing homes. There were 277 approved applications to March 31, 1962, with a dollar value of $18.6 million.

Second. FHA-insured mortgages up to 90 percent of estimated value under section 232 of the Housing Act—7 projects with 482 beds and mortgage insurance of $1,970,000 completed, and 27 projects with 2,357 beds and $13,018,000 in mortgage insurance under construction.

Third. Public Health Service administered grants to the States under the Hill-Burton Act for construction of long-term care facilities with average matching by the recipient of 50 percent—311 nursing homes were completed to June 30, 1961.

There are several deficiencies in these approaches to the problem of providing adequate nursing home facilities. The FHA and SBA programs serve the higher income groups which can afford charges in the area of $300 a month or more, while lower income facilities assistance is left to the Hill-Burton program. Also, nonprofit groups, which are already experienced in building housing for the elderly, may be interested in building nursing homes, but they are not eligible under FHA and SBA programs and often are not able to raise in advance the matching funds for a Hill-Burton grant. Or funds in their State may be insufficient to meet the demand.

The success of the health care plan proposed in the Anderson amendment may well depend on our willingness to encourage the development of adequate nursing home facilities so that the hospitals do not become crowded with the aged, and I hope the Congress will pursue this matter.

THE ANDERSON AMENDMENTS SHOULD BE ENACTED NOW

The need for the Anderson proposal for health care protection for the aged is well demonstrated. The people are for it, and with the adjustments made recently, it is clear the private insurance industry can easily "live with" the proposal. But opposition to this legislation persists, mainly coming from the American Medical Association and assisting groups like the American Manufacturers Association and the American Farm Bureau. All of these groups have opposed social security plans in the past. The AMA has been opposed to group practice, and to prepayment plans for medical costs. After social security went into operation spokesmen for the AMA denounced it as "socialistic." Later, it opposed providing aid for the totally disabled through social security. It is now adopting a policy that is consistent with its universal past policy.

But there is nothing socialistic or foreign about this proposal. Actually the precedent for a prepaid social insurance system against health care costs was established in this country as early as 1798. For Congress in that year passed a bill providing that deductions would be made from the salary paid to U.S. marines to pay for medical care.

The United States is the last of the free Western nations to get around to providing social insurance for hospital care for its aged citizens who are most in need of this protection. The proposal before us is sound, conservative, and necessary. The Senate has before it an opportunity which it should not turn down. I hope we will defeat the motion to table and that we will send this essential legislation to the House for action.

Mr. CLARK. Madam President, I rise in support of the revised Anderson amendments. Before stating my reasons in support of my vote tomorrow, I commend the Senator from Illinois [Mr. DOUGLAS] for making it very clear that we should not call the amendments "medicare." Medical care is not included in the amendments, and the use of that phrase would deceive the people into believing it is.

In my opinion, health care for the elderly is probably the simplest phrase with which we can describe the quite complex, but I believe thoroughly desirable, provisions of the pending amendments.

Madam President, the arguments for and against the pending revised Anderson amendments to establish a program of hospital care for the aged have been presented ably and at length in this debate. The debate has illuminated the points of disagreement, but it has also revealed a rather surprising consensus.

The consensus is that a major national problem does in fact exist, and that the Federal Government must be involved in its solution. The debate is now centered not on whether the Federal Government should have a health care program, but on the kind of benefits that should be provided, who should be eligible to receive them, and how the program should be administered.

This is progress—indeed, spectacular progress. A few years ago, when Representative Forand, of Rhode Island, in the House and the distinguished senior Senator from Michigan [Mr. McNAMARA] and others members of his Subcommittee on Problems of the Aged and Aging began talking about this problem, the opposition was not ready to concede that anything at all needed to be done. Spokesmen for the American Medical Association were then loudly contending that every old person in America who needed medical care was getting it—that we could just go to sleep and forget about the whole thing. Now the organized doctors have shifted their ground, and are arguing that if only the Kerr-Mills Act were allowed to work, all of the sick, old people would be taken care of. It appears that the problem does exist, after all, and simply will not go away.

Those of us who served on the subcommittee headed by the Senator from Michigan, and those of us who are now members of the Special Committee on Aging, also under his energetic leadership, learned about this problem firsthand.

We went all over the country, and we did not merely listen to the experts; we listened to the old people themselves. We invited them in to talk to us at what were called "town meetings." And we found out that the greatest worry that haunts the senior citizens of our country—the concern that burdens them most in what should be years of peace and serenity—is, "What happens to me if I get sick?" I defy any Senator to sit through one of those "town meetings" and come away saying there is not any problem.

Of course, the old people could always ask for charity. But I sometimes wonder if the opponents of the Anderson-Javits amendments have any real comprehension of how deep seated is the resistance to asking for public charity on the part of self-respecting Americans who have been independent and self-supporting all their lives. Many would, literally, rather die—and they do.

Of course, they could appeal to their children for help. But I wonder if the opponents of this measure know how many old people would prefer to remain sick and untreated rather than ask their children—who are struggling to make ends meet to buy houses, and to send their children to college—to underwrite huge medical expenses.

And they are huge. Witnesses at our hearings have stood up and shown us hospital bills in the hundreds and even thousands of dollars. The American medical profession provides the finest medical care in the world. But that care does not come cheap.

Now let us look at the income of these old folks. Over 50 percent of our retired people have incomes of less than $1,000 a year. The average social security benefit is $76 a month. Nearly half of our families whose heads are over 65 have liquid assets of less than $500, and average yearly medical expenses for people over 65 are double those for people under 65.

How can anybody say that the answer lies in hospital insurance to be purchased by these old people out of incomes like these? Whatever is spent for insurance must be taken directly out of what is needed for other necessities. And that means food and clothing, because it cannot come out of shelter—the rent must be paid.

We have before us a bill which will provide health care benefits for every person 65 and over not already covered by a Federal program, in a manner totally in keeping with the dignity of the individuals involved. I am honored to be among the cosponsors of this measure—known as the Anderson-Javits amendments to the public welfare bill—which contains several significant improvements in the original King-Anderson bill introduced early in the last session. Most notably, our amendments exclude no one from health care benefits and provide even more elaborate safeguards—if these were necessary—against any possible Government interference in the administration of hospitals and other health institutions. They utilize the experienced private health insurance organizations in administering the program, and they permit an individual to choose between the Government program and certain private health insurance plans.

But the amendments retain the fundamental requirement of any measure which is going to be successful—the benefits are financed through the social security system.

It seems to me there are four advantages in the social security approach:

First, it provides an effective means whereby the major health costs after retirement can be prepaid during working years. After all, it is only during their working years that people earn, and that is the only time they can make provision for their retirement years. This system will simply assure that they do so, automatically.

Second, the Federal social security system provides uniform coverage in every State. If we leave this question to the 50 States to solve, we will have 50 separate plans and become entangled in residence requirements. If an elderly person goes to live with a son or daughter in another State, he may suddenly find he is ineligible for benefits. This problem now exists under the Kerr-Mills Act.

Third, it is consistent with the dignity of the individual. Care is provided without the humiliation and embarrassment of a means test, investigation of the financial resources of relatives, and what amounts to a pauper's oath.

Fourth, it provides for lower overhead cost. As the Senator from Illinois so wisely pointed out a few minutes ago, there would be no promotion cost, no sales cost. The total overhead cost would be around 3 percent, as opposed to as high as 40 percent for privately financed plans.

Against these overriding considerations, I am at a loss to find opposition arguments that have any real merit at all. Frankly, the opponents seem to be frantically grabbing for arguments on all sides of the issue in an effort to stay afloat in the rising current of public opinion which favors enactment of this proposal. Some of these arguments strike me as being quite out of touch with reality.

The main argument that is being used is not even directed against this amendment. It is being directed against a proposition that is not even before us—to wit, socialized medicine. Of course, the amendments are not socialized medicine, and those of our opponents who are both informed and conscientious do not say that it is. Instead, they use the more sophisticated argument that this is an entering wedge for socialized medicine and one thing will lead to another in due course.

This argument was made as persuasively as it could be by the able Senator from Louisiana [Mr. LONG] a few minutes ago. I felt that the Senator from Illinois [Mr. DOUGLAS] answered him convincingly. I invite the attention of my friend from Louisiana to the comment of that distinguished Republican, Mr. Arthur Larson, formerly of President Eisenhower's White House staff, who wrote in a Republican magazine recently:

> There was never yet a good action which could not have been attacked as an entering wedge for a bad action.

I well remember that, when I was younger, arguments were made against that wisest of all the New Deal measures, the insurance of bank deposits. We were told that if the Government insured bank deposits this would be the entering wedge toward the Government taking over the banks. Madam President, that was approximately 30 years ago, and on the whole, the banks of America, I am happy to say, are still being operated well and efficiently under the private enterprise system. That particular argument did not apply in that case. I do not believe the present argument applies in the present case.

I agree with the Senator from Illinois that we should consider each of these measures on its merits, and not be afraid to take a good action because we are concerned about it being an entering wedge for something else which we do not have to enact unless we see fit to do so.

I note that doctors have been imported from England to travel around the country lecturing to county medical societies, with full press coverage, about the horrors of socialized medicine in Great Britain. Nothing could be more irrelevant to this debate. Under this proposal, doctors are not going to go to work for the Government. Nothing in this measure would affect the way that medicine is practiced. This proposal deals only with financing health care, not with providing it.

In that connection, Madam President, I invite attention to a news article published July 14, 1962, in the New York Times, entitled "British Call Views of AMA Nonsense," and I ask unanimous consent that it may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CLARK. Madam President, in that article the British Medical Journal dismissed as "vulgar, cheap, and nonsense" attacks by the American Medical Association on England's National Health Service.

The Journal, published by the British Medical Association, said that the AMA attempts to depict the program as "socialized medicine" as a cover "to distract attention from the weaknesses of American medicine." I share the views of the British Medical Association.

Next, we hear that the Kerr-Mills program offers the proper approach and should be given greater opportunity to demonstrate its effectiveness. The Kerr-Mills program, as Senators well know, involves grants to the States to help pay for certain health services for those among the elderly who are considered indigent enough, according to the eligibility requirements of the separate States. However, as has been reported in the evaluation prepared for our Special Committee on Aging, the Kerr-Mills program—unlike the measure pending before us—does interfere with the doctor-patient relationship and the free choice by each patient of his own physician.

I ask unanimous consent to include in the RECORD at this point in my remarks the summary of that staff report to the Committee on Aging entitled "Performance of the States: 18 Months of Experience With the Medical Assistance for the Aged (Kerr-Mills) Program."

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

(The brief statements made herein are developed in the chapters which follow:)

INTENT OF KERR-MILLS ACT

The Kerr-Mills Act has two facets—one representing a relatively minor improvement in an already existing program of aid for people on relief—and the other representing a major innovation.[1] The primary purpose and feature of Kerr-Mills was the establishment of a new category of public assistance—medical assistance for the aged. This program, Kerr-Mills MAA, offered an opportunity for the States to secure substantial Federal grants applicable toward meeting the medical expenses of older citizens who had previously been ineligible for help—the "medically indigent" aged. The "medically indigent" are those persons not on relief, who, presumably, have sufficient resources to meet their ordinary living expenses but who are unable to cope with the costs of medical services.

It was the intent of Congress that the MAA program would result in providing broad medical services to the many aged needing such help but ineligible or unwilling to apply for relief.

Achievement of such a goal would require that (1) all States establish an MAA program which (2) would include a comprehensive range of medical services consistent with the needs created by the chronic health conditions faced by the aged with (3) eligibility requirements determined on the basis of their medical costs, income, and health conditions and (4) with its benefits made available without humiliating or degrading our older people.

Based upon the evidence available after 1½ years of Kerr-Mills operation, the congressional intent has not and will not be realized.

LIMITED USE OF ACT

Only 24 States and 3 territories, as of June 1, 1962, had operating programs under MAA.[2] All States have had an opportunity to consider Kerr-Mills. All indications are that any new MAA programs will be few and far between.

All States are not capable of financing MAA programs. At least five States—Florida, Missouri, Ohio, Rhode Island, and Wyoming—have pointed to the potential cost as the principal reason for their not establishing MAA programs. More than 2 million Americans aged 65 and over live in these 5 States alone. An additional 5 million older people live in the other 21 States and the District of Columbia which do not have MAA programs in operation—a total of 7 million in 26 non-MAA States.

Many States cannot or do not now finance adequately what they themselves say are the basic needs (not including the health needs) of those of their citizens who are on relief. Certainly those States cannot or will not be expected to adequately finance health services for a new group neither on relief nor eligible for it.

Only 88,000 aged persons received MAA help in March 1962—one-half of 1 percent of the Nation's elderly citizens. Thousands of these people had received care or were eligible for care under relief programs existing before enactment of Kerr-Mills.

Further, as a result of the means tests in those States which have MAA programs, the number of people who can receive help is severely limited.

THE MEANS TEST

Every State with an MAA program requires an applicant to submit to a means test—an investigation of his income and assets. The means test is the basis of all relief programs. In most States, the tests, apart from any degrading qualities, exclude from help many of the aged who are desperately in need of assistance. There are at least 15 States in which the means test for MAA would serve to eliminate even those people who qualify for relief in those States.

Twelve States have "family responsibility" provisions which, in effect, also impose means tests upon the relatives of those who might be tempted to seek aid from the MAA program.

Nine States—including those with, by far, the largest number of people receiving help under Kerr-Mills MAA—have recovery provisions in their programs extending to the homes of people receiving help, and collectible after death. This committee's hearings have shown us that Americans now of retirement age equate "free and clear" ownership of one's home with self-respect. The idea of a State taking a claim on that home is completely unacceptable to them.

FREEDOM OF CHOICE RESTRICTED

Even those relatively few aged persons who are declared eligible for some help under MAA frequently find that they cannot get the care they need and in some cases that they cannot get care from the doctors of their own choice.

Many of the MAA programs, in fact, contain explicit and implicit limitations affecting the quality of care provided, the patient's freedom of choice, and the doctor's freedom to treat his patients in an individual way. All of the foregoing are affected by the relative willingness of hospitals and physicians to negotiate and accept MAA payments—which are often below the "going" rates. In one State, doctors were on the verge of refusing to care for MAA patients because the State found it necessary to reduce fees paid. In the same State, doctors were demanding the right to charge the MAA patient a fee in addition to that paid by the State. In another State, some hospitals were restricting the number of MAA patients they would admit. At least four of the jurisdictions with MAA programs require that services can only be secured from specified physicians or facilities. As a practical matter, the failure of many jurisdictions to cover inhospital physicians' services means that a large percentage of MAA beneficiaries must depend upon the services of hospital and clinic staff doctors.

LIMITATIONS ON BENEFITS

The States often sharply limit their programs in terms of types of care provided, the duration or quantity of services supplied, in addition to specifying that benefits will be available only for certain kinds of illness or injury. One State provides only 6 days of hospital care and only if the applicant for MAA has an "acute, emergency, or life-endangering condition"; another State affords 10 days of hospital care per year if the person concerned is suffering from "acute illness or injury," and only after the aged individual has paid the first $25 of hospital charges.

Only 3 States—Hawaii, Massachusetts, and North Dakota—of the 24 with MAA programs in operation, have plans which meet the Department of Health, Education, and Welfare's definition of a "comprehensive medical care program."

Where nursing home care is provided, the payments are often no more than enough to provide a poor quality of custodial care, and are totally insufficient to pay for any skilled nursing care. MAA funds were and are intended to purchase medical care. In these cases they are being used for an altogether different purpose.

In some States, the medically indigent person is required to make cash contributions from his meager resources toward the cost of care. Occasionally, he must make such payments before he can even qualify for MAA help. Such provisions are contradictory and self-defeating.

UNEVEN DISTRIBUTION OF FEDERAL FUNDS

While the formula under which Federal grants are made to the States was intended by Congress to favor the States with low per capita incomes—where needs are greatest—in actual practice, a few wealthier States are getting the lion's share of MAA funds. Some of the States with the lowest per capita incomes in the Nation are, in effect, contributing toward the cost of MAA programs in the wealthier States—while their citizens receive in some cases, nothing, in others, relatively little in return. Almost 90 percent of all MAA payments are being made in just four States—California, Massachusetts, Michigan, and New York. One hundred percent of the States must contribute to the program's support.

From the inception of MAA through March 1962 Federal and State expenditures under the MAA program totaled $167 million. Not even this thoroughly inadequate sum represents new expenditures for a new program. MAA money is being used to pay for care, previously provided under relief programs, for tens of thousands of people who were already on relief. It was not the intent of Congress when it authorized MAA that new Federal funds be used to relieve States and communities of a responsibility they had already accepted. Congress intended that this help be extended to an entirely new group of citizens—not to those already on relief. Congress offered to assume the major share of a new responsibility in the belief that the States would be eager to assume the rest.

HIGH ADMINISTRATIVE COSTS

MAA's unavoidable administrative expenses constitute a substantial drain upon the limited resources of the States, which might otherwise be devoted to purchasing medical care. In one State, such expenses amounted to $1.24 for each dollar that was actually spent on medical care. In another State, these expenses were 64 cents for each dollar of medical benefits provided. Those States which have the highest costs for administration are the States which can least afford the expense—those with very low per capita incomes. The Federal Government pays only 50 percent of the costs of administration while it may pay as much as 80 percent of the dollars going for actual medical care. Thus, only a relatively small portion of a State's funds may go for medical care while a substantially greater amount may have to be allocated to administrative costs.

It costs a great deal of money to run a program with complex limitations on eligibility and benefits. Very careful "screening out" is required under such circumstances. In essence, simple, and inexpensive administration is an impossibility in those States which cannot afford to offer comprehensive MAA programs with liberal requirements for eligibility—the very States whose older people have the lowest incomes and the greatest need for care.

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[1] Since 1950 the Federal Government has assisted the States with funds to be used toward payments to suppliers of medical care for people on relief. The first part of the Kerr-Mills Act simply increased the amount of Federal funds available for this purpose.

[2] It is sometimes claimed that 38 States are participating. The 24 States and 3 territories which have MAA programs in operation are: Alabama, Arkansas, California, Connecticut, Guam, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Utah, Virgin Islands, Washington, West Virginia.

A year and a half of experience indicates clearly that the strained financial resources of the States—and the competition for those funds by other pressing public needs such as education, housing, roads, and so forth—make the well-intentioned aims of the Kerr-Mills legislation incapable of realization in all the States of the Union. It proves that Kerr-Mills cannot, of itself, solve that problem which our committee has found to be the most persistent and frightening one confronting millions of older people and their children in all parts of the country—the problem of assuring economic access to medical care for all our older people on a decent, self-respecting basis.

Mr. CLARK. Madam President, another curious contradiction is that among the most vigorous opponents of our health care amendment are many groups and individuals who constantly sound the alarm against Federal spending and demand a balanced budget. The alternatives to social security financing would, of course, require annual appropriations from the general fund of the Treasury and would constitute a major item on the debit side of Federal and State ledgers. The Kerr-Mills program is already costing $167 million a year. If we shift more of the burden to the already hard-pressed State budgets, a tiny number of people in the wealthier States will get care, and we will continue to deprive the aged in most States of the care they deserve.

After a year and a half, only 24 States have implemented the Kerr-Mills Act and are now providing assistance to their needy elderly. In Pennsylvania, only one-half of 1 percent of the people over 65 have received assistance. I cannot believe—in view of the letters I have received and the testimony presented to our committee—that of the 1,190,000 people aged 65 and over in our Commonwealth, fewer than 6,000 need help in paying for their health care. The Anderson amendment would enable all 1,190,000 to be protected by a Federal health insurance program.

Those who may be wondering why so few are seeking Kerr-Mills aid may find the answer in a letter from one of Pennsylvania's senior citizens, which is included in testimony presented to a subcommittee of the House Banking and Currency Committee. It explains more eloquently than can I how retired people feel about bartering their self-respect for assistance in the form of charity. I ask unanimous consent that her letter be printed in my remarks.

A new argument that has just been advanced is that adoption of our amendment would have an immediate adverse effect on the national economy—which, I agree, should not at this time be subjected to strong deflationary policies by the Government. I am happy to note that the intrinsic responsibility of the Government for maintaining a healthy economy is becoming more widely accepted. However, those who are concerned about the effects of the measure now before us have little to fear.

Of course, under social security principles, it is necessary to build up a trust fund out of which benefits in future years can be paid. Therefore, in the first year after enactment of the Anderson-Javits amendment the additional income to the social security program will exceed the additional outgo by $560 million, and by about $1 billion in the next year.

The effect of the net increase in the excess of income will not be as immediately deflationary as a quick glance at these figures might suggest. The added income to the system in the first year will be received mostly in the third and fourth quarters of the calendar year 1963. By that time, there is every reason to assume that our economy will be moving ahead in high gear. If it is not, then the deflationary effects of this measure will need to be—and easily can be—offset by other fiscal measures.

The last argument we have all heard against the Anderson amendment is that the whole issue is purely political—simply the newest Democratic votegetting trick.

I am glad to note that on the revised Anderson amendment we have the strong and helpful support of a number of our Republican colleagues.

If the measure is indeed a votegetter, then perhaps this is evidence that it is a good bill which should be enacted. That is how our democracy more often than not works. Sometimes we in Congress have a duty to reject a measure which we know is highly popular. But that is not the case in regard to this bill—the instincts of the people are absolutely right. If we do not heed the people, it is quite proper for them to penalize us next November.

Madam President, I shall be before the people of Pennsylvania for election next November. My mail is presently running from 2 to 1 against the revised Anderson-Javits amendment. Yet I am confident that it is inspired mail. I am confident that competent polls which we have taken across the State in the last 6 months clearly reveal enough to convince me that the overwhelming majority of the people of the Commonwealth of Pennsylvania strongly support the social security approach to health care for the elderly, and therefore will strongly support me when I vote against the motion to table the Anderson-Javits amendment tomorrow. I hope I shall have an opportunity later to vote on the merits. I should like it clearly indicated that I fully support the Anderson revised amendment.

Many doctors and insurance agents—whose national organizations purport to represent the unanimous sentiments of their members in opposing health insurance through social security—support as individuals the President's program. I have received an increasing number of letters to this effect, and I ask unanimous consent that two I have selected as samples and two excerpts from Pennsylvania newspapers—an editorial from the Harrisburg Patriot of July 9 endorsing the Anderson-Javits amendment and an earlier news story from the York Gazette and Daily on the defects in the Kerr-Mills program—be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. CLARK. Madam President, in conclusion I urge the Senate to support the revised Anderson amendment. We are the only civilized country in the world which does not have some form of Government insurance to provide health care for its older people. No one could have been in the Senate Chamber during the past couple of days and seen the marvelous chart depicting hospitalization costs of older people without coming to the conclusion that the older citizens of our country cannot pay for private health insurance. On the chart we see that two-person families, 65 years of age and over, have a median cash income of $2,530, while individuals living alone who are 65 and over have a median cash income of hardly more than $1,000. How can it be pretended that this large group in our older population can possibly have their health care needs taken care of under anything other than the social security system?

We have been told that there are 17½ million elderly people in our country 65 years of age and over. Surely less than half of them are able, under the wildest optimism, to have their health needs taken care of in any way other than by being blanketed in under the social security system, as the revised Anderson-Javits amendment would provide. I urge my colleagues to support the able Senator from New Mexico [Mr. ANDERSON] and the able Senator from New York [Mr. JAVITS] to defeat the motion to table and to see to it that the amendment becomes law, insofar as the Senate is able to do it.

EXHIBIT 1

BRITISH CALL VIEWS OF AMA NONSENSE

LONDON.—The British Medical Journal today dismissed as "vulgar, cheap and nonsense" attacks by the American Medical Association on England's National Health Service.

The Journal, published by the British Medical Association, said that AMA's attempts to depict the program as "socialized medicine" were a cover "to distract attention from the weaknesses of American medicine."

The publication vigorously defended the Kennedy administration's medical care for the aged plan, the King-Anderson bill, which has been widely attacked by the AMA.

"We have watched with some dismay," a Journal editorial said, "the mushroom growth of the AMA's public relations activities and the colossal sums spent by it to defeat what our American colleagues call 'socialized medicine.'

"The dismay is at the probably inherent weakness of American medical services if such a vast effort has to be expended on misrepresentation of what is happening in Britain."

The Journal admitted that the National Health Service had its faults, but said "socialized medicine (is) a term whose exact meaning no one has yet defined."

The Journal said it was certain "that a great many doctors in the United States deplore, as we do, the vulgarity and cheapness of its (AMA) past and present attacks on the National Health Service."

EXHIBIT 2

CLARK MILLS, PA. I am 70 years old, never married. I was not raised in an age when people expected handouts from the Government or elsewhere. In fact, people had too much pride to do anything but provide for themselves and their families—to accept charity humiliated one.

At 58, I suffered a tragedy which left me with no home, no money, no job, only distant relatives who were little or no help financially. I went to teaching (having been certified years before), sold cosmetics, hosiery, books—any odd job that was respectable—often did not have proper food because I was saving every penny to get some kind of security, and in 3 years' time saved the price of a farm, the house on which was so bad I wonder now where I got courage to say I would take it, and the grounds had at least 25 years wild growth—a real jungle. But I felt it would be mine, and with a garden and a few chickens, I wouldn't starve. I scrubbed, cleaned, painted, papered until midnight and after over a period of years, still teaching, selling, paying for each improvement as I went along—never borrowing, but paying off one thing before I started another, until I had in the house, electricity, water, siding, cleared ground, etc. and in 10 years a home good enough for anybody—a lovely place. A wealthy woman gave me furniture and clothes.

Now I am really enjoying my home, am getting social security for which I am grateful, which meets my needs minus luxuries that I do not crave, but my pace is slowing down. I still fire a coal furnace in winter, carry out ashes, carry in wood, shovel coal, mow grass, plant, etc. But how many years can I keep this up?

Then our Congressmen and Senators, when they begin fighting this out on the floor of Congress, talk about Government help for the indigent.

I do not think anybody could call me indigent, after 10 years as briefly described above, yet I dread the thought of going to a doctor, and unless I am driven there by pain or fear, I just doctor myself with home remedies the best way I know how. I sometimes wonder if, when I am actually in the process of dying, should it extend over a period of time, I will be able to have a doctor, or fight it out alone with the few kind neighbors that may drop in.

Or, I wonder, if I might die in this home, every inch of which I love because it was miraculously earned and accomplished with so much of my own hard work, or will I just have to get rid of it, in order to be indigent, and then be taken to the poorhouse.

As I understand the Kerr-Mills bill (and as I said, I have never seen a clear version of it) that is just what would happen—I would have to get rid of anything I have saved beyond a small amount that wouldn't last a week, perhaps, in order to be medically indigent.

I think the status of medical care for the aged is tragic. Surely, when those citizens who have lived their lifetime making every effort to provide for themselves, as I have done, and many, many others have done, and abhor being termed indigent, or going on relief for nothing other than plain handouts, should be provided with a way of dying that will permit them to die with dignity, the dignity they have lived, the dignity that has been perhaps an unrecognized contribution to the greatness of this great country.

Mary R. Jamison.

Pottstown, Pa., *June 9, 1962.*

Senator Joseph S. Clark,
Senate Office Building,
Washington, D.C.

Dear Senator Clark: You will receive a number of letters, like the one inclosed, from some of the Pottstown doctors. I think you can well afford to ignore the political force of these letters. They only represent the mumblings of the AMA which has long since ceased to represent (if it ever did) the political or religious beliefs of its members.

Quite illegally and unconstitutionally (see Supreme Court ruling on AMA) many hospital staffs are intimidating the young doctors by inserting the clause in their bylaws, that in order to retain their membership on the staff they must be a member of their county medical society.

Many of our best young doctors are afraid to speak up in staff meetings and society meetings because of this clause. For the same reason they will send you a letter on anything they are told to send even though they whisper the opposite sentiments in private.

What I and most doctors really want is to see social security made universal and medical aid to the aged put on a social security basis right across the board.

Very truly yours,

Thomas H. Powick, M.D.

Dear (Representative or Senator): Both President Kennedy and the American Medical Association have asked the citizens of this country to inform their respective representatives in Congress as to their position about the King-Anderson bill, H.R. 4222.

I am familiar with the pros and cons about assistance for the medical care of those over 65 years of age.

I am convinced that if the Kerr-Mills law, already in effect in Pennsylvania, is given a fair chance, the care of those people covered thereby will be adequate and equitable for all concerned.

On the other hand I am convinced the King-Anderson bill, H.R. 4222, contains gross inequalities and injustices; also, it would set up yet another expensive branch of the Federal Government, one the people do not need and the cost of which would be exorbitant. For these reasons I am opposed to it.

Respectfully yours,

——— ———.

Woman's Medical College
of Pennsylvania,
Philadelphia, May 10, 1962.

Hon. Joseph S. Clark,
U.S. Senate,
Washington, D.C.

Dear Senator Clark: Both my wife and myself are licensed physicians in the State of Pennsylvania.

We would like to express our very strong support for the King-Anderson bill. We feel that this bill attempts to remedy a serious problem. The objections voiced by the spokesmen for the several groups of organized medicine do not reflect our opinions, and we are convinced that they do not reflect the opinions of numerous other physicians. We regret that the only way for those of us who disagree with these spokesmen to express ourselves is by way of individual letters.

We hope that others of our colleagues will join us in writing to their respective Congressmen in voting their support of this bill, so that you will be aware of the considerable support that actually is present within the medical profession itself when you consider the vote.

Sincerely yours,

Bernard Czernobilsky, M.D.
Helen Czernobilsky, M.D.

Philadelphia, Pa.

Senator Joseph S. Clark,
Senate Office Building,
Washington, D.C.

Dear Senator Clark: The insurance industry, particularly those companies whose main volume of business is health insurance, urges all insurance men to write our Congressmen to oppose the King-Anderson bill.

Yes, I do write, but only as a freethinking American citizen instead of a tool representing selfish, biased interests of the AMA and insurance industry.

There is not one company who provides adequate medical coverage nationwide for those age 65 and over; the plans are very limited. Insurance companies decline applicants with preexisting conditions or waive the coverage of existing conditions. However, even if the applicant can qualify, the premium in this age bracket is especially high for the majority in this low-income, retired category.

We must defeat the lobbyists who selfishly worship only one thing, the almighty "buck".

At a time when our senior citizen population is growing we must provide hospital-medical care for them with the respect and dignity they deserve.

Please do everything you can to pass the King-Anderson type legislation.

Cordially yours,

——— ———
Insurance Agent.

[From the Patriot, Harrisburg, Pa.,
July 9, 1962]

A Good Medical Care Bill Is Now Before the Senate

The spotlight on the hard-fought issue of medical care for the aged has swung from the House to the Senate.

Because the King-Anderson bill still is lodged in the limbo of the House Ways and Means Committee, a bipartisan group of 21 Senators has introduced legislation designed to preserve the heart of the Kennedy program and at the same time meet some of the objections to it.

This is a praiseworthy compromise measure. Embodying some of the ideas advanced by New York's Gov. Nelson Rockefeller and Senator Jacob Javits, it would provide an option for private insurance coverage, Blue Cross participation in the program's administration and benefits for old people not covered by social security.

It is worth noting that Senator Javits and four other liberal Republicans are among the sponsors. So is Senator Clinton Anderson, Democrat, of New Mexico, coauthor of the original legislation.

In appealing for support of the measure, Senator Anderson said "the AMA should stop worrying" about the program.

It should, but it isn't. It comes as no surprise that the AMA already has gone on record against the revised administration-backed bill for the simple reason that the social security system remains as its major fiscal underpinning.

There's a time to stop trying to satisfy people whose policy is one of blind opposition. In the case of the AMA, that time has come, and the Senate should act accordingly.

The President already has made it convincingly clear that social security financing is the heart of the program. And last week, in a press conference otherwise marked by a soft-spoken approach to controversial subjects, he pinpointed in crisp terms the major fallacy of the AMA position.

Asked about the decision to exclude payment of doctors' bills in the program, he said it was made for the simple reason that organized medicine is so leery of Government involvement in what the AMA calls the doctor-patient relationship. He added:

"It is because we have not included doctors that I found it very difficult to understand why the American Medical Association has found this legislation so unsatisfactory. It does not involve them directly. It involves the payment of hospital bills. And in view of the fact that the Federal Government participates in the construction of hospitals through the Hill-Burton Act from which doctors benefit in their practice, I found the AMA's extreme hostility to this bill somewhat incomprehensible."

At this point no one approach to the medical problems of the Nation's aged could satisfy all the participants in this controversy. But the bipartisan Senate measure, overcoming as it does major shortcomings of the

King-Anderson bill, should appeal to a majority of Americans who believe that any medical care program should pay its own way.

[From the Gazette and Daily, York, Pa., June 25, 1962]

Fourth of State's Applicants for Medicare Discouraged by the Rules in Kerr-Mills Bill

More than a fourth of the State's elderly persons who applied for medical care under the Kerr-Mills program failed to go through with their applications—mostly because of a means test, State and local welfare officials report.

Some applicants were rejected by the State department of public welfare, administrator of the program. Other applicants voluntarily declined completing applications after learning their children would become involved in the agreement with the department of public welfare, their estate might be called upon to reimburse the department, and their present income could not exceed $125 per month.

"They want medical care," one welfare official said of the aged, "but when many find out what they must go through to get it, they either decline to go further or are disqualified."

The reason for being disqualified in most cases, a York County welfare official, said, is that a prospective patient refuses to "drag his children into it."

Under the program, as in receiving public assistance, the patient must indicate his children's income. If it is more than a stipulated amount, the children are called upon to contribute toward the cost of hospitalization.

"Often," one caseworker said, "this causes all kinds of trouble within a family."

A single person may not have an income in excess of $125 per month and a couple's income cannot exceed $200 monthly to qualify for full benefits under the law.

Half of any annual income in excess of those limits must be applied against the hospital cost.

A patient may not have more than a $500 life insurance policy without all of the portion above that amount being charged against the hospital bill.

"In other words," a welfare official said, "if you had a $1,000 insurance policy and a $900 hospital bill, we would only pay $400 of the hospital bill."

The official pointed out that any amount over $500 in insurance is considered "available" money.

Liens on property is another involvement to which the elderly are objecting, welfare officials said.

Under the Kerr-Mills bill, the State may reclaim what it expends for the patient's hospital care after the death of the patient and his spouse.

Many elderly persons are objecting, welfare officials said, to committing any portion of their property to later claim.

"Many elderly people don't understand," one welfare official said, "that we won't touch their property until both husband and wife are dead."

Many elderly applicants are reported to answer that they don't want to have the State touch their property at all.

Some of the patients offer to pay back the State for medical care, one caseworker said.

In the 5 months the Kerr-Mills program has been operating in Pennsylvania, about half the applicants actually went through with the program—10,532 out of 21,684.

Of the remainder, 5,358 were rejected by the State for failing to meet its means test, 1,014 voluntarily withdrew their applications and the rest are still pending final disposition.

During May, 2,928 persons completed applications under the Kerr-Mills program out of 4,279 who applied. Of these, 1,832 were rejected and the remainder are pending.

In money, the State set aside $11 million for the 6 months ending June 30. So far, slightly less than half that amount has been spent on the program.

Gov. David L. Lawrence has several times repeated his charge, made last year when he signed enabling legislation for the Kerr-Mills bill, that its provisions are inadequate to meet the needs of Pennsylvania's elderly citizens.

Norman V. Lourie, deputy director of the department of public welfare, said the answer to the medical care problem for aged persons in the State is the social-security-based King-Anderson bill, now being debated in Congress.

"Under the plan spelled out in the King-Anderson bill," Lourie said, "the worker would pay while employed and receive benefits when he retires."

The provisions of the King-Anderson bill, Lourie said, are more extensive than those of the Kerr-Mills bill. The bill would benefit more than 14 million Americans over 65 who are eligible for social security.

The King-Anderson bill provides for inpatient hospital care for a period up to 90 days, while the Kerr-Mills bill provides for 60 days of hospitalization.

During hospitalization the King-Anderson bill calls for "nursing services and other related hospital facilities * * * drugs * * * biologicals * * * supplies * * * appliances and equipment."

Further, the bill calls for diagnostic and therapeutic services. Kerr-Mills provides for hospital care only. No provision is made for medicines, clinic, and rehabilitative services.

The Kerr-Mills bill provides for hospital service at home of a type now existing only in Pittsburgh and Philadelphia. It also provides for visiting nurse care.

The administration-backed King-Anderson bill provides for 180 days of care in a nursing home following hospitalization.

During those 180 days, the aged patient may receive physical, occupational, or speech therapy, medical social services, drugs, biologicals, supplies and appliances.

Visiting nurse services provided under Kerr-Mills are also provided under the King-Anderson bill.

The patient will pay the first $90 in hospital charges.

Lourie said of the King-Anderson bill:

"If this spread-the-cost, share-the-risk system were set up on a national basis, one of the major hazards of advanced age would be removed."

The bill, opposed by the American Medical Association as "a cruel hoax" is now before the U.S. House of Representatives Ways and Means Committee, whose chairman is Representative Wilbur Mills, author of the Kerr-Mills bill.

Welfare officials said that persons wishing to "cast a vote" for the King-Anderson bill may do so by writing to ask the committee to report the bill out for a full vote by the House.

Letters on the bill may be sent to 19th District Representative George A. Goodling, Loganville, whose Washington, D.C., office is in the House Office Building, Washington 25, D.C., or at York post office.

Mr. CLARK. Madam President, I send to the desk an amendment to the Anderson amendment to the pending bill, to eliminate the requirement that eligible skilled nursing facilities also be "affiliated or under common control with a hospital."

I appreciate, of course, that the Anderson proposal from the start has included nursing home care among the services for which benefits are available only when the homes provide highly skilled nursing care suitable for those transferred from hospitals. I agree with this limited purpose.

I do not think, however, that the hospital-affiliation requirement, which was not in the original Anderson-King proposal, adds a requirement that necessarily contributes to the degree of skill required by the nursing home in order to participate. Probably most hospital-affiliated nursing homes are among the homes providing skilled nursing care, but they certainly do not have a monopoly of such skills.

Furthermore, I think there is an unfortunate problem created in passing legislation which is widely billed as including nursing home benefits, when such a tiny fraction of the nursing homes in the United States meet the stated requirements.

I am apprised that only about 5 percent of the nursing homes in the country are presently "hospital affiliated"; whereas perhaps 20 percent of all nursing homes provide "skilled nursing services" meeting all other requisites of the bill.

In Pennsylvania, I have been advised by the department of public welfare, there are only 7 nursing homes with hospital affiliations, although there are as many as 65 homes providing registered nurse service around the clock and presumably meeting the other requirements of the Anderson amendment.

I see no reason why any homes providing skilled nursing services in Pennsylvania or elsewhere should be excluded from coverage under the bill.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. HRUSKA. Madam President, I rise to speak in opposition to the Senate of the Anderson amendment to H.R. 10606, the welfare bill. I am deeply concerned with its implications.

I need not point out to my learned colleagues that the amendment contains much to ponder, for they have had at least a brief opportunity of glancing over it. Yet, as important as the amendment is substantively—and no measure which has come to the Senate floor this year contains matter of more importance—I feel that the manner in which the amendment was brought before us demands an even higher priority in our deliberations.

We are confronted here with a carefully calculated attempt to avoid the Senate committee entrusted with the responsibility of dealing with such measures. The junior Senator from New Mexico, himself a member of the Finance Committee, is presumably fully aware of that committee's function, of that committee's duty, and of that committee's competence. It is, therefore, even more surprising that he has bypassed the Finance Committee and offered his amendment in this unusual fashion.

I know that if I were privileged to be the chairman of a Senate committee under these circumstances I would take this action as a personal affront.

Its effect is to force the Senate to a vote on a highly controversial measure without the benefit of the committee's hearings, findings, and recommendations. It is an attempt to usurp our deliberative function and to stampede this body into hasty, ill-considered action.

Congress possesses the exclusive power to legislate. But it becomes obvious that this exclusive power is being challenged by the Executive, which would not otherwise press this amendment in improper fashion.

At issue here is whether the Senate of the United States is to legislate as the Constitution intended, or whether this body will henceforth function as an unwilling cosigner of the Executive's notes.

At issue is whether the Senate blindly places a rubberstamped seal of approval on all administration directives, or whether the Senate will defend its constitutional prerogatives against the heaviest Executive pressures.

The Senate's committees are the Senate's eyes. Without them we cannot see our way, for no single Senator can comprehend the vast quantity of complex and diverse measures upon which we must vote "yea" or "nay."

I submit that this body's insistence upon orderly procedures is essential to its continued existence as a deliberative body. And I will go one step further, Madam President:

Unless these incursions into the powers and prerogatives of Congress are resisted and beaten back, this will become a ceremonial body at the beck and call of the executive branch of government.

Let us consider separately the two pieces of legislation now before us, forcibly wedded at shotgun point.

H.R. 10606 is a complex measure 102 pages long which would amend 4 titles contained in the Social Security Act. Whether the Senate passes this bill into law or not, the Senate will at least know what it is doing. For this bill has been subjected to the full measure of legislative testing upon which the Senate is accustomed to rely.

It was originally introduced by the administration as H.R. 10032 and sent to the House Committee on Ways and Means for consideration. That committee held hearings—3 full days of them, morning and afternoon—and heard the testimony of 47 witnesses who appeared in person.

Also entering into the committee's deliberations were the 113 written statements submitted by interested and informed persons and groups. From this material, the House Ways and Means Committee then fashioned a bill—a bill so substantially changed that it was assigned a new House number, H.R. 10606, before it was moved to the floor. This means that opportunity to present, argue, and incorporate conflicting views was fully accorded.

Accompanying the bill, as is usual, was the committee report explaining in detail the effect of each provision.

Members of the House were then given ample time to study not only the committee report, but the 697 printed pages of the hearings. No Member, therefore, could plead a lack of familiarity with H.R. 10606 by the time it reached the floor of the House. Each vote cast could be as informed a vote as the Member troubled to make it.

Even so, the technical nature of the bill required that it be released to the floor under a closed rule. But there it passed, after 4 hours of debate, by a vote of 319 to 69. Several Members of the House nevertheless expressed their regret that amendments could not be offered.

H.R. 10606, 81 pages long by now, then came to the Senate and was duly referred to the Finance Committee. Once more it was subjected to hearings—this time for 4 full days. Once more witnesses appeared before a committee of Congress—36 of them at this time, and again additional written statements were filed with the committee for its collective digestion.

In due course the Finance Committee reported the bill, amended in a number of important ways. And it comes before us as the thoughtful product of many men's judgment, critical faculty, knowledge of the subject, exposure to the opinions of witnesses pro and con, as well as adaption of committee members' diverse views after full discussion.

It is ready for the Senate's consideration. Our distinguished colleagues on the Finance Committee have done their part, and what they have placed before us represents a distillation, a refinement, a synthesis, an informed recommendation.

Regardless of whether H.R. 10606 were to be accepted or rejected by this body, we shall consider it in the full illumination of the committee's familiarity and study. We shall not be required to grope for our best course of action in the twilight of half-knowledge or the darkness of ignorance. We shall have a law with a seasoned, well considered legislative history—something valuable to go by in applying it.

Regardless of whether H.R. 10606 is passed or not, this bill represents the legislative process at its very best—often productive of wisdom, never infallible, usually the best workable solution that able legislators can evolve.

If this procedure cannot eliminate error, at least it can minimize it. In this imperfect world we can and must do our best for the people with whose lives and property we are dealing.

Let us now contrast H.R. 10606 with the Anderson amendment which hangs like an albatross around its neck.

We shall be required to vote on the amendment pretty soon. What do we know about it?

We know that it represents major modifications of the King-Anderson bill, and that it has been attached to H.R. 10606 for political reasons considered good and sufficient but above all highly politically expedient by the administration.

Very well. What do we know about the King-Anderson bill?

We know that the House Ways and Means Committee held hearings on it last year. That the committee was reported by the press to be lined up, 15 to 10, against discharging the bill to the House floor; that 4 volumes of printed hearings containing over 2,000 printed pages are available to any Senator who wishes to read them prior to casting his vote, but that they shed no light on radical changes made in the bill by the Anderson amendment.

When the so-called King-Anderson amendment was submitted on June 29, it was not even fully written; it was not even fully and completely formulated. That is pretty well indicated by the remarks and characterizations expressed by various Members of the Senate at the time the so-called King-Anderson amendment was submitted.

For example, at page 12274 of the CONGRESSIONAL RECORD, this language appears. It is by the junior Senator from New Mexico:

> We do not completely agree on the option provision. We have found it extremely difficult to handle. I thank the Senators on the Republican side of the aisle who have allowed this amendment to go forward, so that it may be printed for information only, without saying that we agree absolutely with everything it may contain.

At another place, on the same page in the CONGRESSIONAL RECORD, there appears this language by another Senator:

> We shall be working further on the option plan in an effort to come to an agreed position on that point.

On the next succeeding page, another Senator said:

> We are working to secure further improvements in this section of the bill.

On a following page there is a further statement by a Senator, who said:

> As that measure is debated and refined we can improve upon the option provision.

Finally on the same page of the CONGRESSIONAL RECORD, I find this statement:

> I do not believe that this provision—

The option provision—

> goes far enough. I have coauthored the Javits-Anderson amendment with the understanding that our good-faith discussions will continue and that when this matter is considered in the Senate we shall have the opportunity to strengthen this particular aspect of the proposal.

Therefore we can see that although there are 2,000 printed pages of testimony taken before the House committee, they cannot possibly shed too much light on a bill which was not even in existence at the time the 2,000 printed pages of testimony were made a matter of record.

We know, also, that the King-Anderson bill, as originally formulated, is still under consideration by the House Ways and Means Committee; and that the Senate Finance Committee voted 10 to 7 against considering the bill until the House had been given the opportunity of taking action.

What else do we know that might prove helpful as we prepare to consider the Anderson amendment on its merits?

Well, Madam President, we know that the King-Anderson bill is the successor to the Forand bill and that the Senate Finance Committee once held hearings on that particular piece of legislation.

My learned colleagues may also remember that in 1959 the Senate Finance Committee voted 12 to 5 against releasing the Forand bill to the floor—this after thorough study. The Senators may also remember that an effort to overrule the committee's action was made by the junior Senator from New Mexico, and the then Senator, but now President of the United States, John F. Kennedy. Together they proposed an amendment to H.R. 12580, the addition of a modified version of the Forand bill.

The Anderson-Kennedy amendment was beaten.

But the President's cosponsor, the distinguished junior Senator from New Mexico, is back to the well once more—this time with the message that "unless favorable action is taken now, health insurance for the aged could become a major issue in the fall elections, and next year a bill will be passed." I am quoting now from the Senator's statement made on the floor last Friday. The Senator continued, in part:

> But the problem that confronts our aged people is so pressing that I hope we will not delay a solution another year.

I find this entire presentation confusing, Madam President. In the first place, the Anderson amendment would not, even if it became law, take effect until January 1, 1964. It seems to me, therefore, that there is sufficient time between now and then to follow the admittedly slower but infinitely wiser procedure of the Senate, which requires the orderly progression of legislation from the House committee to the House floor, from the House of Representatives to the Senate, and from the Senate to the appropriate committee of the Senate.

I am also somewhat at a loss to understand the distinguished Senator's reference to the fall elections, which hardly seem germane to the legislative process of this body. In a federated republic such as ours, in which the will of the people is determined by democratic, constitutional procedures, what can any Senator find as horrendous and undesirable as the reference of a multibillion-dollar measure to the electorate of the Nation? Not only a very expensive bill in terms of dollars, Madam President, but also one which will deeply, sharply cut into the daily lives of every citizen of this Nation. In the minds and strong belief of many knowledgeable persons, the impact of that measure as law would adversely and irretrievably affect the well-being and the mode and span of life of our entire population. But effort is being made to do away with seasoned and proper deliberation and treatment, in the "world's greatest deliberative legislative body."

In any case, however valid the sponsors' reasons for embarking upon their present course, we are still faced with the unpleasant prospect of voting on their amendment. It will be unpleasant because we cannot do so knowledgeably.

It is possible that the sponsors envision the Senate as a committee of the whole which, because it outnumbers the members of the Finance Committee so substantially, can thereby speed the legislative process by sheer weight of numbers. But if this is the case, and if I am right in my assumption that this is their reasoning, I must beg leave to differ with them.

We cannot, within the few days allowed us by an impatient administration, do more than cross our fingers, cast our votes, and hope for the best. Certainly we cannot know what we are doing.

It is generally accepted that the Social Security Act—all 15 separate titles of it—comprises one of the most complex and technical laws on our books. It is also accepted that title II of the act, the title dealing with the old-age and survivors disability insurance programs, is the most difficult and complicated section of the entire law.

The Forand bill, about which we know a little something; the King-Anderson bill, about which we know very little; and the Anderson-Javits amendment, about which we must so hurriedly learn, all affect title II.

To whom shall we turn for knowledge, Madam President? Because the administration is willing to present its own bill without hearings, must the Senate accept the Executive will as an adequate substitute? If the administration feels, as I am persuaded it does, that it is unable to dragoon the committees of Congress, must we therefore accept its right to dragoon the Congress itself?

I believe Senators on both sides of the aisle will agree that this effort by the Executive to cut Congress down to its own small size and caliber degrades the authority which is reposed in the legislative branch by law.

Let me also set straight, for the record, any suggestion that the Senate Finance Committee has lacked diligence in the discharge of its duties.

Not for many years has the committee been faced with a more demanding schedule. It has thus far held hearings almost daily and discharged a number of the measures bearing a high priority rating from the administration. To be specific, the Senate Finance Committee has heard witnesses on the President's new tax bill; the reciprocal trade bill; the debt limit bill; the sugar bill; the extension of the Renegotiation Act; two tax extension bills; and H.R. 10606, which is now before us.

Few committees of the Senate, if any, have worked harder and more intensely. Few members, if any, of the Senate Finance Committee have been more tireless in the discharge of their duties than the committee's own chairman, the great Senator from Virginia [Mr. BYRD].

No, Madam President, we cannot take the Finance Committee to task for any fault. Nor can we say that the House Ways and Means Committee and its able chairman have been derelict.

The committees of the Congress are still functional, still responsible, still capable, still hard working. If they are to be ignored by the administration we must look further for a reason than the Executive impatience with an unhurried process.

Perhaps there is a clue in the nature of the legislation itself.

Senator ANDERSON has expressed concern that if his amendment is not passed this year, it will become an issue in the fall election. At the risk of sounding cynical, I wonder, Madam President, if this is not the administration's intent?

Certainly I have heard no administration spokesman thus far who has sought to quiet controversy on the subject of health care for the aged financed through a social security tax. To the contrary: I have heard Cabinet officers, top administrators, municipal officials, petty officeholders, and Members of Congress as well as the President himself merge their voices as an administration chorus.

We have heard them as they shouted from the rooftops, urging the crusade for passage of the King-Anderson bill. We have watched them circulate the petitions, hand out the literature, lean on the doorbells, pass out the post cards for mailing to Members of Congress. We have seen them coordinating their plans with the leaders of labor, of employees, and other organizations, organizing the aged into pressure groups, grinding out the releases—and using every communications medium except the tom-tom.

Is it possible that the administration forces were unaware that elections will be held this fall? Surely not, for the administration prides itself upon its grasp of practical politics.

The fact is, the administration has sought to apply the hammerlock of public pressure on both Houses of Congress. It has hoped thereby to force the King-Anderson bill into law—to use it, and the fall elections, as the stick with which to beat the donkey or the carrot with which to tempt him.

The Anderson-Javits amendment is simply more of the same. It is one more effort to bully Congress into legislating on the basis of emotion rather than reason.

The Executive is not concerned that not a single word of testimony has been heard from the public this year. The Executive is not upset at the prospect of the upcoming vote, which must necessarily be based upon the insufficient knowledge of the Senators. And the Executive is not alarmed at the prospect that the Senate, if successfully buffaloed, will lose forever some considerable portion of its authority and stature.

The committee system is an old one, Madam President, and it has withstood many an assault before this one. It has done so because it has been strong enough to do so, and it has derived its strength from the individual Members of the Congress it has been designed to serve.

I am sure the administration knows that the Legislative Reorganization Act of 1949 formally assigned the Senate Finance Committee jurisdiction over the national social security program. And I am equally sure that the administration is aware that tax legislation must originate in the House of Representatives.

Not too many days ago it was brought out by the Senator from Oklahoma and the Senator from Utah that if the King-Anderson bill in its present version were to become law the increase in the taxes springing therefrom would be on the order of about $810 million a year for its first full year of operation. It was the estimate of the Senator from Oklahoma that this is the largest single increase in taxes which has confronted Congress in many years.

I do not seek to advise the administration as to the means it should employ to further the passage of its favored measures. However, I do seek to remind Senators that the extraprocedural attempt to adopt the Anderson-Javits amendment is not the product of the administration's innocence or lack of knowledge. Instead, it is a massive assault upon the dignity, prerogatives, and responsibilities of Congress and the people to whom Congress must answer.

Long after all of us have been replaced as Members of this body, the Senate will remain. Whether or not it remains authoritative and responsible, independent but coordinate with the executive branch of Government, will depend upon the steadfastness with which we resist this and future efforts to bring us to heel.

Without reference to the merits of the proposed amendment, but on procedural grounds alone, I urge that the Anderson-Javits amendment, as modified, be rejected.

Mr. COOPER. Madam President, I ask unanimous consent to have printed in the body of the RECORD a transcript of a discussion between Senators ANDERSON and JAVITS about the proposal before us, which was broadcast over New York television stations yesterday, Sunday, July 15, 1962. I do so because I think this discussion by the chief sponsors of bipartisan proposal of health insurance for the aged explains in a clear and understandable way the issue upon which the Senate will vote tomorrow.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

CHANGES IN THE MEDICARE BILL

Senator JAVITS. This is Senator JACOB K. JAVITS with a report from Washington and we New Yorkers have the great privilege in having as our guest on this show, Senator CLINTON P. ANDERSON, of New Mexico, the chairman of the Committee on Interior and Insular Affairs of the Senate, former Secretary of Agriculture, a very distinguished Senator, businessman, insurance executive, and famous in our country today as one of the principal authors of the bill for medical care for those over 65. I'm sure most everyone knows now that Senator ANDERSON and I have gotten together on our ideas for the medical care program. We are looking forward optimistically to the voting this week and the expectation that the Senate will pass what Senator ANDERSON has kindly referred to as a greatly improved bill. Senator, would you tell us a little about the changes in the bill, as you see them?

Senator ANDERSON. Well, thank you. First of all, I want to say to the people of New York that I am very delighted to be associated with you in this endeavor. It has been a real pleasure to work with you and to realize the extent to which you have great interest in this problem. Now to talk about some of the changes. I think the principal change, probably the first change I should mention, is the fact that we have added about 2½ million more to the 15 million that are already covered. In other words, we have complete coverage now of all people past 65 who are in need of assistance. For example, in New York State there are about 1,811,000 people who are past 65 and all but 30,000 of those are sure to be covered now by the bill that you and I have been working on jointly. And I say this, it is a great improvement. It is taken directly from your proposals, and I am very happy that we have done it, because it permits us to say now that the aged will have a real change. We have given them all sorts of chances to choose from a package of benefits, through private insurance, through group practice, other voluntary plans. I think this is extremely important. Those of us who worked on the original bill were not so worried about group policies and what might happen in the differences in the packages. You have recognized that there are people of different financial means who look upon these things in a different way. And therefore, by these changes that we have put into it, and by the options that you have insisted upon, we have been able to make far better coverage for the people who are going to be under it. The fundamental benefits still stand—90 days hospital care, 180 days skilled nursing home care, 240 visits a year that might be placed for health purposes—but you have added an option to these and perhaps you ought to tell about the changes because it is yours.

THE OPTION PROVISION

Senator JAVITS. First, as Senator ANDERSON emphasized, and it can't be emphasized too much, this is now well-nigh universal coverage. As far as it goes, that is, for hospitalization, nursing home, and home health care, it will cover all those over 65, whether or not social security beneficiaries. That was one of the big things which I and Senator KEATING; Senator COOPER, of Kentucky; Senator KUCHEL, of California, have been contending, and we've always been joined by Senator CASE, of New Jersey, who's been on this bill going way back to August 1960. Now the option which we are offering is for the beneficiary who wants to join a private plan, group practice unit, Blue Cross operation, a trade union, a pension and welfare fund, or a group policy which he's been carrying before he became 65. The option will entitle him to hospitalization for 45 days without any deductible amount. Senator ANDERSON's bill calls for 90 days with the first $90 of cost paid by the individual himself, but the option provides that a private insurance carrier can write a plan for 45 days' hospitalization without any deductible and without any payment required for first cost care. Now this is extremely valuable because the carriers, these insurance companies and similar organizations, can then give insurance over, above, and beyond hospitalization, nursing home care, and home health care, for a very small premium. For example, it's been estimated that for as little as $3 a month, services of a physician and surgical services may be added to the basic hospital package. The way in which this has been accomplished is by entitling the private insurance company to recover from the Government for whatever it pays out in benefits under the plan. In addition to the two really landmark improvements of covering those not on social security and the option to everyone to carry a private plan with some more benefits, Senator ANDERSON's bill also has been improved to include the creation of a separate trust fund through which this whole plan will be administered so citizens can see the cost very promptly. Also, a large share in the administration of the plan goes to the States as well as to cooperative organizations, like Blue Cross. There are other improvements which Senator ANDERSON will tell us about, with respect to accreditation of hospitals, and similar matters.

ACCREDITATION OF HOSPITALS

Senator ANDERSON. Well, I'm going to say that of the things we ran into, one was that people would quote an old statement made by Nye Bevan, of Britain, many years ago that if you can control hospitals, you may be able to control the doctors. Now you and I don't want to control doctors, and we have agreed on that thoroughly. So, therefore, we looked at our bill and said, "What is there in this that worries people?" And we found it might come on the accreditation of hospitals. And therefore, we set up a joint committee on accreditation of hospitals, to determine if hospitals were qualified to provide the care carried by this bill. And the group that will look at it would be the American Medical Association, the American Hospital Association, the American College of Surgeons and the American College of Physicians. Now nobody could say we're trying to stack the deck. That's absolute evidence that we want what we say we want, mainly good health care for the aged. And we're not trying to persuade them to follow any particular line of philosophy, just to get well.

ROLE OF INSURANCE COMPANIES

Senator JAVITS. Well, Senator, while we are finishing off a discussion on the terms of the bill itself, I would like to make it clear to my fellow New Yorkers, that though there are not too many insurance companies and even cooperatives and other carriers who say now that they're going to use this option which we spent so much time and effort developing, I think it's very sound and very important, and knowing life as we do, we have every right to expect that just as the insurance companies embraced coverage for Government employees, when they had the choice, you'll find a lot more people interested in this business once a bill like this becomes law.

Senator ANDERSON. Oh yes, and I go back, of course, quite a long way, because I was around here when we were discussing the original passage of the Social Security Act. Many of us contended then that this would be very beneficial to the insurance companies in selling policies for retirement, for annuities and increasing the amount of life coverage. It's worked out exactly that way, and I predict to you that the greatest boon in the sale of health insurance that this country has ever known will follow the passage of this act. Because it would take care of basics and then people could say, "Now in addition to the basics, I would like to buy for myself certain other types of services." And the means to do that has already been provided.

AN AMALGAM OF IDEAS

Senator JAVITS. Well, I would say, Senator, that between us we have probably proved what the people often know better than legislators—that these things do cross party lines, and that the pooling of ideas to the ultimate attrition of debate works out best for the American people.

Senator ANDERSON. Oh, without any question. What I've been amazed at is the way we were able to bail out an amalgam of our ideas, our thoughts and our desires. We have now what I regard to be an extremely good bill.

THE VOTING NEXT WEEK

Senator JAVITS. Well, Senator, could we take a look at next week's voting, because I think the whole Nation's kind of waiting on that, and would you give us your view as to how we'll do in what will probably be the showdown vote, which is a motion to table this bill we're talking about?

Senator ANDERSON. Well, I believe and I hope and I have reason to believe that the motion to table will not carry. Now the motion to table is an ingenious thing. It permits a person to vote to kill something and then say, "But I never voted on that; I voted on a parliamentary procedure." We've got to be sure that the country understands, this is not a parliamentary procedure, this is a question of life and death for a bill that gives adequate care to the aged. So we believe that vote will go our way. If it does, then after 4 hours more debate, I hope we will then come to the real question of the amendment which will take care of the aging. On the motion to table, it's a close vote, we need the help of every person we can get, but I believe it will succeed. Beyond that, of course, it will go to the House, where you and I have both served, and you and I both understand the problem which exists there.

CHANCES OF HOUSE PASSAGE

Senator JAVITS. Well, Senator, of course, the House will never have a chance to do anything about it unless we pass it in the Senate, and I think it's extremely important that people keep their eyes clearly on the performance of every Senator in this respect: this is not a partisan issue any more, whatever may have been said about it before. It is very effective and strong and deserves bipartisan support. Now I predict with you that we will win these showdown votes and that this bill will pass the Senate. And it will then be up to the House. But it will not happen unless the public, which has been writing you and me and many others thousands upon thousands of letters, is keen and alert to what each of these votes mean. Now in regard to the tabling vote, some people may try to excuse themselves from voting the wrong way on the ground that this represents an effort to tack something on to another bill in the Senate which did not actually go through the House or that it hasn't had enough hearings. Now there's a whole library full of hearings upon this very proposition over the past years, and we've shown that to our colleagues on the Senate floor. The Library of Congress has made a study showing that there are countless instances where the Senators acted and put a measure of this character on another bill that came over from the House, the House has then acted concurrently and the bill has become law. There's no reason in the world why the House shouldn't act in this matter, and I would like to say to you, Senator, and I know New Yorkers would be very interested in your views on this, that notwithstanding all the predictions about the fact that whatever we do, the House won't pass this bill, I believe that if the Senate passes it, and the people will take that as their signal to move into this situation strongly, they will insist that the House must pass it too, and we'll get a law in this session of Congress.

Senator ANDERSON. Yes, I think so; I want to tell you why, Senator JAVITS. It's because we have joined in a bipartisan venture. If we had left it as a political issue, then we would find, of course, that there was no real reason why maybe the House members of the Ways and Means Committee should reverse their former positions. But you have greatly improved the bill, and, working together, we have developed a much better bill, a bill that truly is a bipartisan venture, and, therefore, I think that if the Ways and Means Committee were called upon to act upon the bill, and with all your packages in it, that we can expect a favorable House reaction. I was on the Ways and Means Committee of the House of Representatives. I know it's very sensitive to public wishes, and we would be able in this event, I am sure, to prove that the public wants this kind of a bill. I picked out of the old oath of Hippocrates these words: "Healing is not a matter of time, it is sometimes a matter of opportunity." And if we don't give the aging a chance to have the opportunity to get healing, then we haven't treated them properly in my opinion.

AMA OPPOSITION

Senator JAVITS. And, Senator, you have made it crystal clear that this opposition which we know exists from the American Medical Association is just not warranted by the facts. They are seeing hobgoblins as to what this might amount to someday if it's continued to expand and expand and expand. I cannot see anything in this bill whatever which represents any compromise of the private relation between doctor and patient. I can only see the concrete base for better medical care for the aging than ever before, including those who can't afford it.

Senator ANDERSON. Yes; I want to join you very sincerely in that expression. I'm probably alive today because of fine doctors. I've gone to fine doctors all my life. I have had no animosity and I say to you that if I thought this was going to hurt the medical profession, I would not be joining with you in sponsoring it. It will not. It will help. It will be a fine thing for this country, and it's something that you and I are going to be very happy about in the years that lie ahead.

Senator JAVITS. Well, I'm very happy, Senator ANDERSON, to have joined with you and to have made it possible for Republicans to vote on this measure without any feeling that they are voting on some partisan Democratic or administration bill. It deserves and should get universal support, and the people can largely see to that. Senator, thank you very much, and I know I say this on behalf of every New Yorker, for all you've done on medical care for the aging.

ADJOURNMENT

Mr. HRUSKA. Madam President, in accordance with the order previously entered, I move that the Senate adjourn.

The motion was agreed to; and (at 7 o'clock and 50 minutes p.m.), the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, July 17, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 16, 1962:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Anthony J. Celebrezze, of Ohio, to be Secretary of Health, Education, and Welfare, vice Abraham Ribicoff, resigned.

DIPLOMATIC AND FOREIGN SERVICE

John H. Ferguson, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

William Leonhart, of West Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Tanganyika.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 16, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 4: 18: *The Spirit of the Lord is upon me because He hath annointed me to preach deliverance to the captives.*

O Thou God of all grace, may we observe this Captive Nations Week with sincere desires to be faithful partners with Thee and with one another in the enterprise of building the kingdom of peace and good will among men.

Strengthen and encourage us in our efforts to penetrate and pierce the world's darkness and may we release and bring to light the hidden splendor which is found in the heart of all mankind.

Inspire us with the courage to believe that all the forces of evil and oppression in the world, however formidable and gigantic, are not too great for Thy divine power to defeat and destroy.

To Thy name we shall ascribe all the praise. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, July 13, 1962, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2970) entitled "An act to amend the Small Business Act."

PERSONAL PRIVILEGE

Mr. CANNON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. CANNON. Mr. Speaker, I am charged in an article which appeared yesterday in every metropolitan newspaper in the United States with violating the comity between the two Houses, and with deliberately delaying the legislative procedures of the House.

The SPEAKER. Will the gentleman submit the article on which he bases his point of personal privilege?

The Chair has read the article to which the gentleman from Missouri has referred and recognizes him on his question of personal privilege.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, in view of the importance of the gentleman's statement, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 156]

Alford
Anfuso
Ayres
Baker
Barry
Bass, N.H.
Battin
Berry
Blatnik
Blitch
Bolling
Boykin
Brewster
Buckley
Cahill
Celler
Clark
Coad
Curtis, Mass.
Curtis, Mo.
Daddario
Davis, James C.
Davis, Tenn.
Dawson
Diggs
Dingell
Dominick
Donohue
Dooley
Dowdy
Du'ski
Evins
Farbstein
Fino
Flood
Fogarty
Fountain
Frazier
Frelinghuysen
Glenn
Gonzalez
Granahan
Gray
Green, Oreg.
Griffin
Griffiths
Gubser
Hansen
Harris
Harrison, Va.
Hays
Healey
Hoffman, Ill.
Hoffman, Mich.
Holifield
Horan
Ichord, Mo.
Jarman
Joelson
Johnson, Md.
King, N.Y.
Kowalski
Lesinski
Loser
McDowell
McIntire
McVey
Macdonald
MacGregor
Mailliard
Martin, Mass.
May
Merrow
Miller, George P.
Miller, N.Y.
Minshall
Morse
Moss
Moulder
Multer

Osmers
Pfost
Powell
Reifel
Roberts, Ala.
Rousselot
St. Germain
Santangelo
Saund
Scranton
Shelley
Sheppard
Smith, Miss.
Smith, Va.
Spence
Stratton
Taber
Thompson, La.
Thomson, Wis.
Thornberry
Tupper
Whalley
Winstead
Yates
Zelenko

The SPEAKER pro tempore (Mr. Albert). On this rollcall 327 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WITHOUT PREJUDICE

Mr. CANNON. Mr. Speaker, at this busy time I ask the indulgence of the House for a moment of levity for the consideration of an article appearing in yesterday's newspapers.

In a syndicated article printed in many Sunday papers over the country are statements obviously erroneous but reported in such detail as to leave the impression that they are stenographic notes taken at various times and places and therefore highly credible.

Let me say, Mr. Speaker, that not a single major statement in this article is true. The columnist begins:

> Speaker McCormack pleaded with Representative Clarence Cannon to stop his feuding with Senator Carl Hayden.

He uses quotation marks.

> Please put your personal feelings aside.

And then he adds, in quotation marks:

> I am in accord with Clarence that he should preside at half of the joint conferences with the Senate on appropriation bills.

Of course, the Speaker made no such statement. The absurdity of any such statement is shown by the fact that neither Senator Hayden nor I ever preside at conferences. The chairman of the subcommittees always preside. Neither Senator Hayden nor I have ever asked to preside or have thought of presiding. And in all the long years of our association here there has never been at any time a feud of any kind about anything between us. My high regard for the Senator and my admiration and appreciation of his distinguished service to the Congress and the country is indicated by my remarks a few weeks ago as reported at page 2505 of the Congressional Record, on the occasion of his 50th anniversary as a Member of the Congress—the longest record of continuous service ever made in the history of the Republic.

There has never been—and there can never be—any but the most cordial relations between us. Neither of us had anything whatever to do with the initiation of the current controversy. I was taken by surprise when the motion was made and when it was unanimously voted by every member of the committee, both Democrat and Republican, and I was the only Member not voting for it. I was not opposed to it. I heartily approved it, but I happened to be presiding at the time.

The columnist relates that the resolution sent to the Senate committee "was so erroneous that 23 members of the committee refused to vote." The reason the 23 failed to vote was that they were not present. The committee had been charged—and is charged again in this article—with "being on a sitdown strike." So, for this reason the meeting of the committee was called at the earliest opportunity. The House was not in session on Saturday or Sunday, and Monday was the earliest date a meeting could be convened. Twenty-three members could not be reached because of the short notice, and did not have an opportunity to attend. All would have voted had they been present, and all had voted on the original motion.

The columnist says the resolution "was erroneous," but Senator Robertson said in his remarks in the Senate in discussing the resolution—as recorded at page 12914 of the Congressional Record:

> I challenge any Member of the House or Senate to show that he has a more consistent record for economy than I have. I deplored, but I did not defend, the fact that since World War II we had increased the deficit by $32 billion.

Senator Miller, interrupting the Senator, had called attention to an instance in which the Senate Appropriations Committee had increased the House figures above and beyond what the President himself had requested.

Senator Miller added:

> The problem would be greatly relieved if there was not so great a tendency on the part of the Senate Appropriations Committee to increase the appropriations approved by the House.

And in reply Senator Robertson said that since the war we had increased the deficit by $32 billion.

Every other statement in the resolution is verified by official statistics on file in the committee and open to inspection by anyone—including the columnist.

The account further relates that a member of the committee asked me if I wrote the resolution and I said:

> I am responsible for the wording of the resolution.

No such question was asked and, of course, no such answer was made, as every member of the committee present on that occasion will testify. Both statements are pure fabrication.

Just as inaccurate is the statement that "Cannon snorted that the resolution was not open to general discussion."

Mr. Speaker, I hope no one thinks that after being here as long as I have I know so little about parliamentary procedure as to make a ruling like that—or that the Committee on Appropriations knows so little as to accept such a ruling.

Even the title is a misnomer. The title reads "Cannon Blasts Hayden" but nowhere in the entire article, with all its vivid imagination—untrammeled by any regard for facts—is a blast against Senator Hayden mentioned.

Now a word about Drew Pearson. Mr. Speaker, I regard him as an indispensable adjunct of our de facto government. He has become an American institution. In the language of the English Parliament he would be denominated as "Her Majesty's Opposition." In ecclesiastical parlance he would be termed "The Devil's Advocate." Of course, a man who must write a column every day of the year must at times embellish prosaic annals of uneventful days with a little sensationalism in order to make them readable. But he arouses interest and sometimes throws the needed light of publicity on otherwise unnoted phases of American life and consequently is always entertaining. I take off my hat to him. And I hereby express admiration of the very efficient job he did on me.

In the language of Rip Van Winkle, May he, in the risible camaraderie of Mark Twain, Josh Billings and the Baron Munchausen, live long and prosper.

COMMITTEE ON PUBLIC WORKS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and its subcommittees may sit this week during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. WHITENER. Mr. Speaker, I ask unanimous consent that the special subcommittee of the Committee on the District of Columbia may be permitted to sit during the deliberations of the House today.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

APPOINTMENT OF MAYOR ANTHONY J. CELEBREZZE AS SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, I want to take this time to praise the President's appointment of Cleveland's Mayor Anthony J. Celebrezze as Secretary of the Department of Health, Education, and Welfare to succeed Governor Ribicoff.

Mayor Celebrezze comes to Washington as no stranger. He comes to Washington as an old friend. As president of the U.S. Conference of Mayors and as former president of the American Municipal Association, Mayor Celebrezze has appeared before many of the committees of Congress and is well known to most of the Government agencies.

He faces the heavy responsibilities of the new office with wide experience in State and municipal affairs. He has proven to be a tireless, dedicated leader in Cleveland and in Ohio. He will prove to be a great Secretary of Health, Education, and Welfare.

Mayor Celebrezze will bring added color to the President's Cabinet. He is filled with love of humanity, and yet, if a policy position calls for firmness, he can be as tough as the steel for which Cleveland is famous. His long experience as mayor of Cleveland, and as a legislator, should prove him a successful advocate of the program of the administration. Members of Congress will be pleased with his forthright, direct and no-holds-barred approach.

Cleveland is proud of the achievement of its favorite son and wishes him well on this new challenge.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Ohio.

Mr. LATTA. I should like to associate myself with the remarks of the gentleman from Cleveland. I know Mayor Celebrezze very well and consider him a friend. I think he is one of the outstanding citizens of Ohio. He certainly will make a good administrator.

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Ohio, concerning Mayor Anthony J. Celebrezze. I congratulate President Kennedy for his praiseworthy choice. Serving his unprecedented fifth term as mayor of the city of Cleveland, Mayor Celebrezze has a record of progressive and sound administration. He has proven his capacity for heavy responsibilities and his tenacity and perseverance in working out difficult problems until amicable solutions have been reached. He has made a most commendable record as mayor of the thriving industrial city of Cleveland. Mayor Celebrezze is an honest, sincere, and industrious man of boundless energy. By experience and knowledge, he is eminently qualified to administer the important duties that he will assume as Secretary of the Department of Health, Education, and Welfare. I believe our Nation is fortunate to have such a man in the President's Cabinet.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, I congratulate President Kennedy on his choice of the Honorable Anthony J. Celebrezze as Secretary of Health, Education, and Welfare.

I associate myself with the remarks of my distinguished colleagues from Ohio [Mr. VANIK and Mr. LATTA]. They have well expressed the feelings of those who know Mayor Celebrezze. I came to know this man just a few years ago. It was my good fortune to spend a considerable amount of time in Ohio and particularly in Cleveland. I was deeply impressed with the respect and admiration that has been and is being showered upon this man. As all of us know, the task of being the mayor of any city is a difficult job. It is all the more difficult when one manages the affairs of a big, cosmopolitan center with all of its attendant problems. Cleveland is that kind of a community—typically American and the eighth largest city in the Nation. It was a good city before Mayor Celebrezze occupied the chair of the chief executive of the city. Because of him, it is a greater and better city today. Under his leadership, great plans have moved into action that will give a breathtaking and magnificent appearance to its downtown. Better housing, better schooling, greater emphasis on culture, a deep and abiding concern for the welfare of the people of the city he loves so much—these have been the hallmarks of Mayor Celebrezze's activities.

Mr. Speaker, I am sure that the decision to leave the office of mayor of Cleveland, Ohio, did not come easy to Anthony Celebrezze. His whole political life and love have been wrapped up in this great community; its history and its growth and its activities bestirred the best that was in him.

But I am confident that, despite the challenge of his native city, he saw the opportunity of greater challenge in the National Government.

Mr. Speaker, every Member of the Congress recognizes the heavy and difficult task that faces any Secretary of Health, Education, and Welfare. In the time in which we live, this job and this Department daily assumes more and more importance.

Mr. Speaker, Mayor Celebrezze brings to this post a wealth of experience in the areas in which this Department functions. He combines the right kind of personality, with ability, with knowledge, with love of man and a fine spirit of dedication to the commonweal.

Mr. Speaker, I congratulate Mayor Celebrezze and his wonderful family as he steps into the position as Secretary of Health, Education, and Welfare. I wish him well in this new and challenging post.

CAPTIVE NATIONS WEEK

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, this is the beginning of 7 days of sadness as we join in the observance of Captive Nations Week. At this short moment in history, we pause to register our protest at the Red conspiracy which has swallowed up entire nations and entire populations behind its curtain of captivity.

For the first time, the world is beginning to realize that freedom is more than a word. For the first time, the world is beginning to take note of the fact that without incentive, without motivation, man's works are meaningless.

We are seeing rifts develop in the Communist camp, rifts and schisms which Red doctrine states are impossible. We are seeing the inability of the Communist world to even feed itself adequately, much less provide its populations with the other material necessities of life which were claimed to be the reason for the creation of this doctrine.

On the other hand, we and our friends in Europe are moving forward through freedom. The Common Market is pulling together in a show of strength and vigor which far surpasses that of the Soviet Union and almost equals our own considerable productive effort.

This strength, and Soviet weakness, should give heart to those who find themselves imprisoned behind the walls of hate and hypocrisy. The trumpeting voice of freedom will destroy these walls of ignorance as completely as the walls of Jericho tumbled to the ground, never to rise again.

At least, we see hope for the cause of freedom, for the cause of those held captive behind the Iron Curtain. At least, we can offer the words that the wait will not be too long, that the day will arrive when these people who have suffered so much at the hands of their oppressors will be free and whole again.

Let us take heart in this week of mourning and look forward confidently to the crumbling of this oppressive imperialist empire and its replacement with government of the people, by the people, and for the people.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PRINCE GEORGES COUNTY SCHOOL BOARD, MARYLAND

The Clerk called the bill (H.R. 6759) for the relief of the Prince Georges County School Board, Maryland.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

BRIDGE AT CAPE HATTERAS NATIONAL SEASHORE, N.C.

The Clerk called the bill (H.R. 8983) to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes.

Mr. FORD. Mr. Speaker, this bill is scheduled for consideration under suspension this afternoon. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LAND FOR THE OGLALA SIOUX INDIAN TRIBE

The Clerk called the bill (H.R. 10485) to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to approximately 4,923.58 acres of land in South Dakota that have been used for the benefit of the Oglala Community School and have been determined excess to the needs of the Bureau of Indian Affairs, together with the improvements thereon, are hereby declared to be held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation. Such land is described as follows:

(a) 1,040 acres; northeast quarter section 15; west half section 16; south half and the northeast quarter and the south half northwest quarter section 17, township 35 north, range 43 west, sixth principal meridian.

(b) 180.47 acres; lots 1, 2, 3, and 4, section 20, and lot 4, section 21, township 35 north, range 43 west, sixth principal meridian.

(c) 80 acres; south half northeast quarter section 15, township 35 north, range 44 west, sixth principal meridian.

(d) 36.32 acres; lot 3, section 21, township 35 north, range 43 west, sixth principal meridian.

(e) 602.57 acres; lots 1, 2, 3, and 4, east half west half, southeast quarter section 18; lots 1, 2, 3, and 4, section 19, township 35 north, range 43 west, sixth principal meridian.

(f) 683.81 acres; south half, northeast quarter section 13; lots 1 and 2, section 23; lots 1, 2, 3, and 4, section 24, township 35 north, range 44 west, sixth principal meridian.

(g) 960 acres; all section 8; southwest quarter section 9, north half northwest quarter section 17, east half northeast quarter section 18, township 35 north, range 43 west, sixth principal meridian.

(h) 266.79 acres; southwest quarter northwest quarter, west half southwest quarter section 14, east half southeast quarter, section 15; lot 1 section 22; lot 4 section 23, township 35 north, range 44 west, sixth principal meridian.

(i) 760 acres; east half section 10; west half section 11; northwest quarter northwest quarter section 14; north half northeast quarter section 15, township 35 north, range 44 west, sixth principal meridian.

(j) 153.62 acres; east half southwest quarter, southeast quarter northwest quarter section 14, lot 3, section 23, township 35 north, range 44 west, sixth principal meridian.

(k) 160 acres; southeast quarter section 14, township 35 north, range 44 west, sixth principal meridian.

With the following committee amendment:

Page 3, after line 9, add a new section to read as follows:

"Sec. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF MONETARY AWARD TO RECIPIENTS OF NATIONAL MEDAL OF SCIENCE

The Clerk called the bill (H.R. 4055) to amend the act of August 25, 1959, to authorize the payment of a monetary award to recipients of the National Medal of Science.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. This concludes the call of the Consent Calendar.

IMPORTATION OF ADULT HONEY BEES

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. Smith].

Mr. SMITH of Virginia. Mr. Speaker, I call up the resolution, House Resolution 726, by direction of the Committee on Rules and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill H.R. 8050, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

The SPEAKER. The gentleman from Virginia is recognized for 1 hour.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. Brown] and now yield myself such time as I may consume.

Mr. Speaker, this is the so-called honey bee bill which was passed by the House and sent over to the Senate. It is a noncontroversial bill in itself. However, in the other body there were some amendments—desirable, according to that body—to the sugar bill, that had just passed and that had just been signed by the President modifying and changing some of the allotments of sugar. The Senate attached that to the honey bee bill, a procedure that I personally dislike very much. However, it was done and this bill was sent back to the House by the other body asking the House to concur in the Senate amendments. I believe that the two committees that have had charge of this sugar legislation, in agreement, at least—whether in accord or not—but I understand they are in agreement to the Senate amendments to the honey bee bill, and it was brought up here at the request of the chairman of the Committee on Agriculture, with an unanimous consent request that the bill be taken from the Speaker's table and the Senate amendments concurred in.

There was objection to that procedure by one Member. The Committee on Agriculture then applied to the Committee on Rules for a resolution which I am presenting here this morning to take this bill from the Speaker's table and agree to the Senate amendments. That will be the final action upon the honey bee bill and the amendments to the Sugar Act. That is the situation. I believe we are, more or less, in general accord on it. I do not think there is any objection. May I ask the distinguished gentleman from North Carolina, the chairman of the Committee on Agriculture, whether there was any objection in the minority of your committee—your committee was unanimous? Mr. Speaker, I am told by the chairman of the committee that the Committee on Agriculture is unanimous in its advocacy of this resolution, which will conclude our very troublesome subject of the sugar allotments.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I am glad to yield as much time as the gentleman may need.

Mr. COOLEY. I just want a minute.

Mr. SMITH of Virginia. I yield 1 minute to the gentleman.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I also ask unanimous consent that all Members desiring to do so may extend their remarks in the Record at this point concerning the matter now being discussed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GALLAGHER. Mr. Speaker, there has been considerable misunderstanding concerning the sugarbeet culture in Ireland. In the hope of clarifying any misunderstanding that might exist, I am making part of the Record the following statement that I received from the Irish Export Board:

IRISH SUGAR

The development of sugarbeet culture in Ireland is described in the Statistical Abstract of Ireland, 1961, as follows:

"One of the most important changes in root and green crops since the beginning of the century was the introduction in 1926 of sugarbeets as a main crop. Until 1933 the production of this crop was concentrated mainly in counties Carlow, Kildare, Laoighis, and Wexford, which together, in 1933, accounted for 80 percent of the total crop of 15,000 acres. The acreage under sugarbeets reached a peak of 85,000 in 1945, but fell to 54,000 in 1952. In 1954 the acreage rose again to 74,000 but fell to 55,000 acres in 1955. There was a sharp increase to 71,000 acres in 1957 and with a still further increase to 85,000 acres in 1958 the acreage reached the peak 1945 level. There was a sharp decline to 69,000 acres in 1959 and in 1960 a further decline to 68,000 acres was recorded. Cork (14,600 acres), Wexford (7,500 acres), Laoighis (7,200 acres), Galway (6,800 acres), Tipperary (6,500 acres), Carlow (6,000 acres), and Kilkenny (5,500 acres) are the seven leading producing counties; together they account for 79 percent of the sugarbeet crop in 1960, while Kildare, Offaly, Waterford, and Kerry account for 16 percent" (p. 65).

The following table shows, in greater detail, the development in the past 8 years:

Irish beet sugar: Acreage and production

May 1 to Apr. 30	Sugarbeets (acres)	Sugar produced (short tons, raw value)
1955-56	55,238	106,000
1956-57	58,900	110,000
1957-58	70,900	132,000
1958-59	83,593	125,000
1959-60	68,454	157,000
1960-61	67,553	146,000
1961-62	78,317	139,000
1962-63	78,859	[1] 185,000

[1] Estimated.

Sources: Acreage from Irish statistics; production from U.S. Department of Agriculture; estimated production (1962-63) based on acreage planted, historical yield per acre and historical sugar content of beets harvested.

The decline in acreage in 1959-60 and 1960-61 was, unfortunately, compelled, in order to hold sugar production down to the quantity which could be marketed. In 1961-62, and again in the current year, plantings of 78,000 acres were authorized. The acreages in these recent years amount to about 2 percent of the total land under tillage in Ireland. The comparable proportion of tilled land in the United States devoted to sugar crops (beet and cane), now at its alltime peak, is less than one-half of 1 percent.

The growing of sugarbeets hold a high priority in Ireland's agricultural planning, not only because of the efficiency achieved, but also because beet culture as practiced in Ireland is peculiarly adapted to the maintenance of the small family farm. Beet agriculture and beet processing have matured together, a striking example of the type of economic development which offers the greatest promise for raising Ireland's standards of living.

The Irish Sugar Co., government controlled, has developed into one of the most efficient sugar processing enterprises in the world and has played a major part in helping the beet growers develop high yields, notably by plant breeding which has developed a distinctive beet seed specially adapted to Irish conditions, efficient pest control measures, and a novel and strikingly successful harvester. Two American experts, detailed to Ireland under a technical assistance program in the early days of the Marshall plan, rendered immeasurable assistance, and for this help Ireland will always be grateful.

The high degree of efficiency achieved is strikingly illustrated by comparing the price at which homegrown sugar is supplied to the Irish consumer, compared with the retail prices which prevail in the major European beet sugar producing countries, and in the United States. This moderate retail price has provided the Irish consumer with one of the highest consumption levels in the world.

Consumption and price of sugar: Ireland compared with leading Western European producing countries and the United States

	Consumption per capita, 1959	Retail price per pound, Jan. 1, 1960
Ireland	101.0	8.7
France	74.3	11.5
Germany (West)	67.5	13.5
Italy	45.0	17.6
United States	103.8	11.6

Source: U.S. Department of Agriculture, Statistical Bulletin 293, table 86; latest available data.

This efficiency has been coupled with labor standards in the refineries far above the average of other manufacturing industries in Ireland. In December 1960 (the last refining-season period for which data are published), the average wage in the refineries (converted to U.S. currency) was $30.04 per week, compared with $21.69 for all manufacturing industries. Out of 46 industrial categories used in Irish statistics, sugar refining was fifth highest in weekly wages paid.

The Irish sugarbeet industry can be said to have attained maturity in the 1959-60 sugar year. Despite a sharp curtailment of beet acreage from that harvested in 1958-59, production of sugar from homegrown beets reached the level of 157,000 short tons (raw value), providing a surplus over domestic consumption of about 15,000 tons, which was exported to the United Kingdom as refined sugar.

It has long been the practice in Ireland, as in many other countries, to protect export markets in manufactured products containing sugar (e.g., confectionery, baked goods, preserves, etc.), which typically encounter severe tariff and other barriers, by permitting the importation of cheap raw sugar for refining and reexportation in the form of such manufactured products. About 28,000 tons of raw sugar were so imported in 1960, and a like quantity exported in the form of confectionery products, etc.

In the 1960-61 season, domestic production from the same acreage fell off slightly, but was still ample to cover all of Ireland's domestic requirements. Stocks permitted the authorized 15,000 tons of exports to the United Kingdom. Requirements for manufacture for export increased sharply (about 20 to 25 percent above the previous year), and imports of raw sugar therefore also increased, with some rise in stocks of imported sugar.

In the 1961-62 season, delayed sowing due to weather conditions resulted in a drastic fall in sugar yield per ton of beets. The crop fell slightly short of domestic requirements, and stocks had to be drawn on for domestic requirements and to maintain exports to the United Kingdom. The high level of exports of manufactures containing sugar again was met by imported raw sugar.

For the current 1962-63 season the crop is expected to meet all requirements for domestic consumption and for exports to the United Kingdom and the United States, and still leave a surplus.

It is interesting to note that the last contract placed by the Irish Sugar Co. for the purchase of sugar from Cuba was made in May 1959, and that the last shipment of sugar from Cuba to Ireland was made months before exports of sugar from Cuba to the United States ended. Indeed upon Castro's takeover of U.S. property in Cuba, the Irish Sugar Co. publicly announced its refusal to purchase any sugar from Cuba.

The practice of importing sugar for processing and use in manufactured products for export is authorized, and practiced, in the United States. Section 211(a) of the Sugar Act permits such imports, outside quota restrictions, and free of duty and tax, for reexport in the form of manufactured products.

The Irish sugar industry is now in its fourth consecutive year of plantings planned to be fully adequate to meet home consumption requirements (at a high level equal to that of the United States), with a modest surplus for export to markets which are open, and which are not based on low-priced residual tropical sugar. Only in the 1961-62 season did output fall short of domestic requirements, due to disastrous weather conditions.

Ireland has no desire to enter into the scramble to dump residual sugar on the uncontrolled international market, and, therefore, seeks only outlets which can absorb its production at the very modest prices at which it can sell profitably. It has had such a market in the United Kingdom for about 15,000 tons per year, and would be happy to be able to continue to ship to the United States at the rate of 10,000 tons per year. (An initial authorization of 5,000 tons for the first half of 1962 has been supplied.) Beyond such market opportunities, Ireland has no choice but to restrict acreage, and has been forced for some years to deny farmers any acreage allotments beyond those which can be covered by sales opportunities.

Ireland is one of America's good customers. In recent years, Ireland has been buying about $59 million of American goods, against $30 million in trade the other way, a favorable balance for the United States of about $20 million. All of these purchases are on commercial terms. Ireland has had no foreign aid of any kind for over 10 years. Except for a very small program in the early days of the Marshall plan (including the technical assistance noted above which proved so fruitful for Irish beet culture), Ireland has had no assistance from the United States, and has asked for none.

Over half of Ireland's purchases here have been of agricultural products, notably tobacco (over $13 million in 1960) and corn (almost $6 million). Ireland's purchases of American agricultural products alone aggregate almost $10 per capita, one of the highest figures in the world, and Ireland also purchases almost an equal quantity of manufactured products from the United States.

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Mr. COOLEY. Mr. Speaker, I would like to say we are in complete accord so far as the House Committee on Agriculture is concerned. This procedure was discussed in the committee and there was no objection. Every member of the committee agreed not to object to the consideration of the bill although some of us are greatly disturbed over the procedure being followed, and we hope that hereafter this will not be a precedent. I am quite sure that the gentleman from Virginia [Mr. SMITH], chairman of the Committee on Rules, and the other members of his committee will agree that this should not be a precedent—to take a bill such as the honey bee bill from the other end of the Capitol and send it back here loaded down such as this one is with an amendment which is very important. I agree that the Senate amendment is a step in the direction of the position of the House.

As I stated the other day, when we were discussing the matter under a reservation, this bill provides allotments to the Dominican Republic and to Argentina, and makes certain provisions in reference to the allotment of deficits in the Western Hemisphere and other parts of the world. In my prepared remarks I discuss at some length the problems involved in this legislation.

Mr. GROSS. Mr. Speaker, will the gentleman from Virginia yield that I may ask a question of the gentleman from North Carolina?

Mr. SMITH of Virginia. I yield.

Mr. GROSS. Is there a sugar quota for Ceylon?

Mr. COOLEY. No, there is no quota for Ceylon.

Mr. Speaker, in supporting this honeybee bill, sweetened up by the Senate sugar amendment, I do so out of extreme compulsion of circumstances and not from the better judgment, or the logic or the wisdom or the wishes of our Committee on Agriculture, nor of the House itself.

On April 2, 1962, the House passed H.R. 8050, a bill to amend the act relating to the importation of adult honey bees. We had no forewarning or foreboding of what was to come, although I do recall that at the time there were some questions as to why we would restrict the importation of grown-up bees and still let their children come in. The simple answer there was that adult bees carry diseases that are not transmitted by immature bees. I wish there was so easy an explanation of this bill, as it now comes back—all sugared up—from the Senate.

As I was saying, Mr. Speaker, we passed the bee bill on April 2, in all innocence, and sent it along to the other body.

Then, along with consideration of general farm legislation, the Committee on Agriculture turned its attention to a bill to adjust the Sugar Act to changing domestic and world conditions and to extend the act's life beyond its expiration date on June 30, 1962.

Our committee worked for days and weeks and months on this bill. We first heard spokesmen for our domestic cane and sugarbeet producers and for domestic consumers and processors. We listened to spokesmen for the State Department present a listless argument for their global quota, world price, proposal. Then we heard representatives of sugar producers of friendly nations, principally in the Western Hemisphere, who want to participate to the largest extent possible in supplying our markets with sugar.

Everyone who wanted to be heard had a chance to be heard, openly and freely. The statements of all who testified are published in our printed hearings. And, I might add, our committee, in contrast to what took place elsewhere, spent the time available to it in studying the capabilities of the various foreign areas to serve as a dependable source of sugar supply—not in questioning the motives of the witnesses before the committee.

The administration recommended to us a system of global quotas and recapture of premiums on sugar delivered to our shores from foreign suppliers. This was an abject departure from our successful sugar program of the past. This in effect would abandon the sugar program, as it relates to foreign suppliers, that has worked for so many years to guarantee a dependable supply of sugar, in wartime and in peacetime, at reasonable prices to our domestic consumers.

In our first executive session on the administration's bill, our Committee on Agriculture voted unanimously to reject the principle of global quotas and to reject the premium recapture proposition. We then proceeded to write a bill making specific assignments of quotas to friendly foreign suppliers, as in years past, after taking care of the needs of our expanding domestic mainland production.

Subsequently the House approved overwhelmingly the bill drawn by our committee. This House-passed bill distributed our sugar market as follows:

First. Increased the quotas for domestic sugar-producing areas at current levels of sugar consumption—9.7 million tons—about 625,000 tons and provided that those areas receive 63 percent of increases in consumption as compared to 55 percent under current legislation. The quotas for each of the domestic sugar-producing areas at the sugar requirement level of 9.7 million tons under current legislation and under the committee bill were as follows:

[Short tons, raw value]

Area	Present legislation	H.R. 12154
Domestic beet sugar	2,110,627	2,650,000
Mainland cane sugar	649,460	895,000
Hawaii	1,117,936	1,110,000
Puerto Rico	1,231,682	1,140,000
Virgin Islands	16,795	15,000
Total	5,186,500	5,810,000

Second. The basic quota was allocated in the House bill as follows:

Domestics	5,810,000
Cuba	1,500,000
Philippines	1,050,000
Peru	200,000
Dominican Republic	200,000
Mexico	200,000
Brazil	190,000
British West Indies	100,000
Australia	50,000
Republic of China	45,000
French West Indies	40,000
Colombia	35,000
Nicaragua	30,000
Costa Rica	30,000
India	30,000
Ecuador	30,000
Haiti	25,000
Guatemala	20,000
Argentina	20,000
South Africa	20,000
Panama	15,000
El Salvador	10,000
Paraguay	10,000
British Honduras	10,000
Fiji Islands	10,000
Netherlands	10,000
Mauritius	10,000
Total	9,700,000

Third. The Cuban quota of 1.5 million tons was authorized for purchase from other countries on a temporary basis through December 1963, as follows:

Philippines	150,000
Peru	150,000
Dominican Republic	150,000
Mexico	150,000
Brazil	150,000
British West Indies	150,000
Australia	150,000
Republic of China	150,000
India	100,000
South Africa	100,000
Mauritius	100,000
Total	1,500,000

All the sugar from foreign supplies would have been entitled to a premium payment. That is, this sugar would have commanded the American price and not the distressed world price.

Subsequently, the other body did not choose to follow the wisdom of the House, and it swallowed whole the global quota-premium recapture propositions advanced by the State Department. The other body held out a 2,600,000-ton reserve quota for Cuba, to be purchased in other countries—until Cuba returns to free-nation status—on a first-come, first-served basis at world prices and not at the better American price that has made ours the most attractive sugar market in the world and by which other nations have been able to maintain friendly and profitable trade with the United States. The bill passed by the other body provided for a 20-percent reduction in the premium payments on assigned quotas, which would have eliminated the premiums completely in 5 years.

Mr. Speaker, there are aspects of the proposals of the State Department and the instances of the other body, with respect to the reserve quota for Cuba, that I am unable to fathom. The State Department urged upon us a Cuban reserve in excess of 2,500,000 tons. The other body held out in conference for a larger Cuba reserve quota than the 1,500,000 tons provided by the House. At the same time the State Department was calling for an end of premium payments on sugar from foreign supplies, and the other body supported this position. Now I ask: Does a quota reserve for Cuba of any size have any meaning whatever, without the premium price in the American market? It would seem to me that those who advocate a Cuban reserve quota and recapture of premiums are not letting their left hand know what the right hand is doing. It seems to me that if we proceed to recapture all premiums any Cuban reserve becomes absolutely worthless, and we have lost a very potent inducement to the development of a free government in Cuba. The House, Mr. Speaker, set up a 1,500,000-ton reserve for Cuba, with premiums, with the thought of aiding that unhappy country to establish a firm economic base under a democratic government, when it has shaken off the shackles of communism.

We went to conference with the Senate, to adjust the differences in the versions of the legislation passed by the two Houses. We found the Senate conferees adamant, unwilling to yield to the House position which was vigorously against global quotas and premium recapture.

In order to get a sugar bill at all—and this was imperative—the House conferees were forced to give ground, and we came out with a conference agreement.

The major provisions of the agreement on quotas and supplies follow:

First. Extends the Sugar Act to December 31, 1966, with respect to domestic areas and the Philippines and to December 31, 1964, with respect to quotas for other foreign countries.

Second. Provides that, when domestic requirements are at the present level of 9.7 million tons, the U.S. sugar market will be supplied as follows:

(a) By increasing the quotas for domestic sugar-producing areas by about 625,000 tons and in addition assigning those domestic areas 65 percent of increases in consumptions as compared to

55 percent under current legislation. The quotas for each of the domestic sugar-producing areas under current legislation and as provided in the conference agreement are as follows:

[Short tons, raw value]

Area	Present legislation	Conference agreement
Domestic beet sugar	2,110,627	2,650,000
Mainland cane sugar	649,460	865,000
Hawaii	1,117,936	1,110,000
Puerto Rico	1,231,682	1,140,000
Virgin Islands	16,795	15,000
Total	5,186,500	5,810,000

The quotas for the domestic areas were identical in the House and Senate language.

The assignments to the domestic areas are effective during the life of this act, to December 31, 1966.

(b) By assigning a quota of 1,050,000 tons to the Philippines, effective until December 31, 1966. There will be no premium recapture on the Philippine quota.

(c) By assigning quotas totaling 1,205,000 tons to foreign suppliers, other than Cuba and the Philippines, to be effective to December 31, 1964, on approximately the following basis:

	Tons
Peru	190,000
Dominican Republic	190,000
Mexico	190,000
Brazil	180,000
British West Indies	90,000
Australia	40,000
Republic of China	35,000
French West Indies	30,000
Colombia	30,000
Nicaragua	25,000
Costa Rica	25,000
India	20,000
Ecuador	25,000
Haiti	20,000
Guatemala	20,000
South Africa	20,000
Panama	15,000
El Salvador	10,000
Paraguay	10,000
British Honduras	10,000
Fiji Islands	10,000
Netherlands	10,000
Other countries	11,332

With respect to these foreign country quotas, there will be a cumulative reduction of 10 percent each year in the premium permitted over world prices. The import fee will be 10 percent of the difference between the world price and the U.S. price in the period during 1962 in which this provision is effective, 20 percent in 1963, and 30 percent in 1964.

(d) By reserving a quota of approximately 1,635,000 tons for Cuba when that nation again becomes a free and independent nation. In the meantime, while the United States and Cuba are not in diplomatic relations, the amount of this Cuban reserve will be purchased from any countries with which we are in diplomatic relations on a global quota basis with full recapture of the difference between the world price and the U.S. price, with special consideration to countries of the Western Hemisphere and to those countries purchasing U.S. agricultural commodities.

Mr. Speaker, those were the provisions of the bill finally enacted by the Congress. I was not proud of this bill. I do not believe the global quota and premium recapture propositions are good for this country nor for the good-neighbor nations to the south of us, nor for the friendly nations in other areas of the world which participate in our sugar market.

We, in conference, were forced to accept, as the price of any bill at all, a large part of the global quota and premium recapture business. Moreover, in the process and at the insistence of the conferees for the other body, we reduced—regretfully for the House conferees—the quotas for several of our good neighbors to the south, in order to meet the other body's persistence that we build up the Cuban reserve quota which can be purchased from other nations without a premium payment.

The House had provided a quota of 20,000 tons for Argentina. This was knocked out completely, and cuts were made in the House-approved quotas for Peru, the Dominican Republic, Mexico, Brazil, British West Indies, Colombia, Nicaragua, Costa Rica, Ecuador, Haiti, and some of the countries outside the Western Hemisphere.

Mr. Speaker, I warned at the time that this was action without wisdom and that it would cause unrest among our good neighbors to the south of us. We all know now what happened. We are aware of the voices that were raised against the bill by these good neighbors, because of the unwise action that we of this House tried so desperately to forestall.

Only in this chorus of protesting voices did the other body and the administration realize the mistake. The other body quickly picked up the nearest bill at hand relating to agriculture, and tacked on an amendment to try to undo some of the damage inflicted upon our good relations with our friends to the south.

That, Mr. Speaker, is why the honeybee bill is before us today.

I abhor this way of conducting the business of the Congress—it does, indeed, make us look ridiculous—but I am pleased to inform the House that the honey bee bill, with the sugar amendment attached, represents a straightforward admission of error by the other body and, moreover, it is a vindication of the House position on the philosophy and the purpose of the Sugar Act.

This amendment by no means corrects all the wrongs in the Sugar Act extension legislation so recently passed by the Congress. The gentleman from Iowa [Mr. HOEVEN] and I conferred on Tuesday with the leadership of the House and Senate on this amendment. We wanted assurances on this bee bill amendment. Following these conferences, I received on yesterday a letter from the President of the United States. Here is the letter from the President:

> THE WHITE HOUSE,
> *Washington, D.C., July 12, 1962.*
>
> Hon. HAROLD D. COOLEY,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR HAROLD: If H.R 8050 should be enacted into law in substantially the same form as it was returned to the House of Representatives from the Senate, it will, as you know, afford the President authority "to allocate to countries within the Western Hemisphere, for the six-month period ending December 31, 1962, an amount of sugar, raw value, not exceeding in the aggregate seventy-five thousand short tons, and for the calendar years 1963 and 1964, an amount of sugar, raw value, not exceeding in the aggregate one hundred and fifty thousand short tons."
>
> This sugar would be entitled to a premium payment.
>
> It is my intention to use this authority to allocate 130,000 tons annually to the Dominican Republic, in recognition of that nation's economic dependence upon sugar and its problems of transition from the Trujillo regime; and to allocate 20,000 tons annually to Argentina. Argentina is the only Western Hemisphere nation which requested a quota but was not granted one by the Sugar Act amendments of 1962. Since the allocable amount for the remainder of calendar year 1962 is one-half the annual allocations, it is my intention to reduce the calendar year 1962 allocations to the Dominican Republic and Argentina proportionately.
>
> Sincerely,
>
> JOHN F. KENNEDY.

The House will note that the President gives assurances that the sugar tonnage in this honey bee bill will be assigned specifically, 130,000 tons annually to the Dominican Republic, and 20,000 tons to Argentina. These are assurances sought on Tuesday by Mr. HOEVEN and myself in our talks with the Senate leadership. It is my hope that fallback sugar, that part of quotas which various countries may not be able to meet for unforeseen causes, will be reassigned in such a way, with premiums, that will further remedy the situation created among Western Hemisphere friends by the ill-starred Sugar Act extension approved a few days ago.

You will note, Mr. Speaker, that the President emphasizes the Dominican Republic's economic dependence upon sugar and its problems of transition from the Trujillo regime to a democracy.

In the bill passed by the House, we provided allotments aggregating 350,000 tons for the Dominican Republic—200,000 tons in permanent quota and 150,000 tons in temporary allotment out of the Cuban drawback—all at the full premium price. The Senate assigned the Dominican Republic a quota of only 96,308 tons—263,692 tons less than the House bill—and even this small quota would have been reduced in value by 20 percent each year, until at the end of 5 years it would be worthless.

Moreover, we provided for the payment to the Dominican Republic of approximately $23 million, representing fees collected on Dominican sugar in the last months of the Trujillo regime, and which sum now is so desperately needed by the forces struggling there to establish a democratic government. At the insistence of the other body, this provision was stricken from the Sugar Act extension bill.

That bill, as it came from conference, provided definitely only 190,000 tons for the Dominican Republic and it is understandable that the people there let their voices be heard.

I am pleased now that the President assures us that the Dominican quota will be raised, through the action on this honey bee bill, by 130,000 tons to a total of 320,000 tons—still 30,000 tons less than was provided in the House bill. There also no doubt will be some nonpremium purchases from the Dominican Republic.

Mr. Speaker, there is one other section of this bill which my committee feels is worthy of comment so that there will be no misunderstanding on the part of the Secretary of Agriculture when he allocates to the Western Hemisphere countries the short falls under this amendment. I refer to the directive of the amendment which requires the Secretary, in making allocations to foreign countries within the Western Hemisphere, under section 202(c)(3)(a), to give special consideration to those countries purchasing U.S. agricultural commodities.

In the past our committee has tried to encourage the Secretary to follow a procedure in giving out these allocations which would give preference to those countries purchasing our agricultural commodities in addition to their normal commercial transactions. We were faced with opposition by the State Department when they took the position that there was nothing in the law that would permit the Secretary of Agriculture to use this criterion.

Last year when we amended and extended the Sugar Act we included this provision in the act, but I am sorry to say only minimum use was made of this important avenue by which we might expand our exports of agricultural commodities in keeping with the foreign trade objectives of the act.

Members of Congress have known for some time that several foreign countries have indicated a willingness to use most of the proceeds of their sugar sales in the United States to purchase U.S. agricultural commodities.

Perhaps the State Department, or at least the administration, has seen the light. This provision to which I refer was included in their draft of the amendment which the House is now accepting. So, again, I think that we in the Congress in voting for this amendment are expressing the clear intent of this Congress and there should be no further misunderstanding on this point—that in passing this amendment to the Sugar Act the Congress clearly intends that officials of the U.S. Government and of foreign governments, understand that it is the desire of this Congress and the intent of this Congress that special consideration or preference be given in the allocation of the short falls to those Western Hemisphere countries which agree to purchase additional U.S. agricultural commodities over and above their normal commercial transactions. Therefore, the intent is that the Secretary of Agriculture shall consider and shall give preference in making the short fall sugar allocations under this section to those countries in the Western Hemisphere who submit bona fide proposals to use a substantial part of the proceeds of their sugar sales to purchase U.S. agricultural commodities.

These words should be given their normal meaning. This provision is consistent with the position of the Committee on Agriculture that countries permitted to sell us sugar, especially at premium prices, should purchase our agricultural commodities in return.

When H.R. 12154 was debated the gentleman from Texas [Mr. POAGE] emphasized that the Committee on Agriculture expected to review the record of purchases of our agricultural commodities in establishing quotas for foreign countries in the future. In its report on that bill, the Agriculture Committee pointed out that after 1963 Congress would review the temporary allocations from the Cuban reserve quota and take into consideration among other factors, the purchases by the various sugar producing countries of agricultural commodities in the United States, and will give special consideration also to good-neighbor countries of the Western Hemisphere. The amendment now before you therefore is consistent with the position taken by our committee on the original bill.

However, special consideration does not mean exclusive consideration.

In considering the need of a country for an increased quota, consideration should be given to the degree of its dependence upon sugar for the support of its national economy. Also, in the purchase of our agricultural commodities, special consideration needs to be given to the extent to which such commodities are purchased for dollars as contrasted with purchases through aid programs and for local currency.

Each time this problem has come up I have emphasized that the final determining factor must be the ability of this country to assure itself of sugar supplies. Therefore, the availability of adequate supplies in the foreign country and the ability of that country to get the sugar here promptly as needed to meet our seasonal requirements must always be the overriding bases for reallocations of quotas.

Mr. Speaker, I have taken this time of the House in order to make a record for the legislative history to guide the administration of the Sugar Act in the immediate years ahead.

Now, in conclusion, I must tell the House that I am proud of this legislative body and particularly am I proud of the record of wisdom and courage we have made in dealing with this difficult and sometimes emotional problem relating to sugar.

It is my expectation that, due to the compulsions that have so warped the Sugar Act in the recent legislation—which damage is softened but by no means healed by this honey bee bill—the next Congress no doubt will be called upon to take further action in 1963, to adjust and refine and perfect this act as an instrument of profitable trade relations and friendship with our neighbors in this hemisphere.

Mr. Speaker, I shall look forward to working with you and with each Member of this House in this purpose.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Hawaii [Mr. INOUYE] for a consent request.

Mr. INOUYE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. INOUYE. Mr. Speaker, included in the sugar bill recently approved by the Congress and now being reconsidered in certain aspects is a little-noted provision that extends the Sugar Act controls to products containing sugar—section 206.

Because of the complexity of the sugar quota problems and the elements of controversy that arose with respect to sugar allocations and premium prices, perhaps too little attention has been given to the scope of the new provisions affecting sugar products and mixtures.

Virtually all manufactured food products contain some amounts of sugar. Obviously, it was not the intent of this committee or of the Congress to apply Sugar Act controls to all such products. It is the intent of this committee that the authority vested in the Secretary of Agriculture will be exercised with regard to products and mixtures that can have a discernible impact on sugar consumption and sugar prices in the United States. This authority would thus be limited to food products or mixtures which are primarily made of sugar, or in which sugar is the component of chief value, or from which sugar is commercially extractable to be sold or used as sugar. With these standards, the Secretary has sufficient authority to correct any abuses of the Sugar Act controls without intruding Sugar Act regulations into the broad field of food products that do not directly affect the sugar market.

Mr. Speaker, it should be noted that the majority and minority leaderships of the House Committee on Agriculture concur with the contents of this statement.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, this resolution, as has been explained by the chairman of the Rules Committee, the gentleman from Virginia [Mr. SMITH], simply provides, if it is adopted, that we take from the Speaker's table the bill H.R. 8050, which is the so-called honey bee bill, which some time ago passed the House and went over to the other body where they added a rider or an amendment that would not have been germane in the House under our rules to amend the present Sugar Act.

In my opinion, and I am speaking very frankly because I have seen a little too much of it recently—the violating more or less of the unwritten rules of the House—the entire procedure in connection with this resolution is somewhat peculiar. A meeting of the Rules Committee was called to consider this resolution on about 15 minutes' notice late last Friday afternoon. Because of other commitments a number of Members on the minority side of the Rules Committee could not be present at this meeting.

I do not know, of course, just what went on in that meeting of the Rules Committee, but I do know this resolution, House Resolution 726, was reported from the Rules Committee. It provides that upon the adoption of this resolution the House will have agreed to this Senate amendment, and has thereby amended, in a rather substantial way, the so-called Sugar Act which we just passed under rather peculiar circumstances only a few days ago.

There has been a great deal of controversy and discussion in the national press and elsewhere over just how that particular piece of legislation happened to be forced through Congress under draft, on the basis there was a great emergency existing, and so forth—we had to rush it through before midnight on June 30, although actually the other body did not take action on the sugar bill until after the June 30 deadline had come and gone.

I do not know just what information was submitted to the Rules Committee in connection with this resolution and its adoption, but I do know that when I came to the floor here that I—as the ranking member of the Rules Committee, in order to obtain information on the Senate amendment this particular resolution would approve—was unable to even get a copy of the Senate amendment that this resolution will make law if this resolution is adopted. In other words, this resolution would have us take from the Speaker's table and agree to the particular language contained in this Senate amendment, put on as a rider by the Senate to amend and to change the present and latest edition of the Sugar Act.

So it has been almost impossible to find out just what is in the Senate amendment. It seems to me just a bit of commonsense that any Member of the House who might be desirous of being slightly informed as to how he is voting on some subject or other like this one would like to have before him printed copies of the Senate amendment he is being asked to approve and to accept by the adoption of this resolution.

Do you know how I obtained a copy of the Senate amendment? Through one of the clerks of this body who was kind enough to go across to the Senate and get me an engrossed copy of the Senate amendment as printed, ready for the signature of the Secretary of the Senate. That was the only way I, as the ranking minority member of the Rules Committee, representing the minority in this House, was able to find out just what was in this particular amendment that we are being asked to rubberstamp today by the adoption of this resolution which provides for the taking of the Senate amendment from the Speaker's table and agreeing thereto, once the resolution is adopted.

I want to say that in my opinion that is a very poor way to legislate.

What does this amendment do? I have tried to read, as hastily as I could the provisions of this amendment. There are members of the Agriculture Committee who have studied it more carefully than I, perhaps, after the Senate adopted it. But in substance, the main provision of the Senate amendment provides that out of the 1,600,000 tons of sugar to be purchased at world market prices—is that correct?

Mr. COOLEY. No; 1,635,000 tons.

Mr. BROWN. And this amendment does not tell us what the rest of the allotments are unless you add it up.

Mr. COOLEY. I am not arguing with the gentleman. I agree with him.

Mr. BROWN. Perhaps the gentleman agrees it is a poor way to legislate.

Mr. COOLEY. I do.

Mr. BROWN. I think any reasonable-minded person will have to agree these things should not be done, and, as far as I am concerned, in the future I am going to object to rushing these legislative matters through without the House membership knowing what on earth they are voting on, or the Committee on Rules knowing what it is voting on, for that matter. I do not intend to stand for it any longer.

Let us get back to this amendment. It provides that 75,000 short tons of this sugar, that was supposed to be purchased in the world market at world prices will now be allocated by the President to certain Latin American countries during the balance of this year. Then 150,000 tons of that amount—the gentleman from North Carolina has just mentioned that—will be made available for the President to distribute as he sees fit to Latin American countries in the calendar year 1963, and in the calendar year 1964, an equal amount of 150,000 tons.

Upon that 375,000 tons we will pay a subsidy of anywhere from 2 to 3 cents a pound, according to the price of sugar on the world market. I doubt that will be a benefit, but I have never had an opportunity to read and study the way this amendment fits into the Sugar Act. I hope the members of the Committee on Agriculture, the Members on both sides of the aisle, at least those on this side of the aisle, will be able to shed some light on exactly what this amendment will do, an amendment, I want to point out to you, which could not be attached to this honey bee bill under House rules, but under the rather strange rules which exist in the other body can be placed as a rider on a bill that has no relationship in any way with sugar, the production of sugar, the purchase of sugar, or any other thing connected with sugar, except the sweetness and light that may involve honey bees.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN. Briefly.

Mr. GROSS. This is in the nature of still another foreign aid bill, is it not?

Mr. BROWN. Well, it is a foreign aid bill of about $56 or $57 a ton on 375,000 tons of sugar.

Mr. GROSS. By the same token, a pretty good tariff, too, is it not?

Mr. BROWN. Oh, yes. And, of course, it is in addition to the Alliance for Progress funds we are setting up, and may be in line with the new agreement I understand is in the works to raise the price of coffee to $1 a pound or more, to the American consumer.

Mr. GROSS. Is there any danger of this bill being rejected by the free-traders, both as to votes in the House and when it gets to the other end of Pennsylvania Avenue?

Mr. BROWN. That I do not know.

Mr. GROSS. Would the gentleman think that there is any likelihood of a Presidential veto because it is in effect a high tariff?

Mr. BROWN. I cannot answer that question. I understand the President has asked for and insisted upon having this legislation.

Mr. Speaker, I now yield 5 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, as everyone knows this is a honey-bee bill with a sugar rider. Sugar and honey should make a sweet combination.

What is unfortunate about this bill in my opinion is the method used by the other body in taking this meritorious and totally unrelated bill and attaching a very substantive amendment on sugar to it. While I realize that the other body is not handicapped by the rule of germaneness, I for one would like to express my personal opposition to this type of procedure. It is the same type of procedure now being used on the medicare bill and the House should soon put a stop to it.

The sugar provisions of this bill represent a reversal of position by the administration. Just 2 weeks ago the administration was plugging hard for the global purchase and complete quota premium recapture concepts of the Senate sugar bill. The House-Senate conference on H.R. 12154 reached a compromise on these issues and gave the President some 1,635,000 tons of the Cuba quota a complete general purchase basis.

Today in this honey-bee rider, the administration is asking for authority to take 150,000 tons per year, or 375,000 tons for the 2½-year duration of this portion of the act away from the annual 1,635,000-ton Cuban global purchase quota and to redistribute it among certain Western Hemisphere nations on a premium basis. As the President's letter indicates this will be earmarked in a manner similar to that in the original House bill.

The bill also gives the President discretionary authority to reallocate to Western Hemisphere nations deficits which may occur in other foreign or in domestic producing areas. It also contains a provision which states:

> In making such allocations to foreign countries within the Western Hemisphere under this subsection, special consideration shall be given to those countries purchasing United States agricultural commodities.

This is a provision, Mr. Speaker, that I hope the administration will follow with scrupulous care. It is a provision which I believe is extremely meritorious and can be of substantial assistance in expanding exports of our surplus farm commodities. It seems to me only just that the foreign nations which seek so avidly the opportunity to participate in our bonus sugar market should be willing to give our farmers and our taxpayers an opportunity to sell our agricultural abundance in return.

In summary, Mr. Speaker, I would point out that the Committee on Agriculture has considered this bill thoroughly and voted to accept it with the Senate amendment.

Mr. BROWN. Mr. Speaker, I yield 4 minutes to the gentleman from Kansas [Mr. Avery].

Mr. AVERY. Mr. Speaker, I would like to make two points, very briefly. One, I would like to reiterate what the gentleman from Iowa [Mr. Gross] said. According to my calculations, this is just simply a $10 million add-on to the mutual security bill that this House approved last week. As I understood it, we had made allocations and identification for all of our sugar needs for 1963 in the sugar bill that the President—the compromise sugar bill—signed just last Saturday. Is that not right, could I ask the gentleman from North Carolina [Mr. Cooley]?

Mr. COOLEY. The President signed the sugar bill last Saturday and we made certain allocations in the House that were changed in the Senate.

Mr. AVERY. The effect of the sugar bill was to identify all of our sugar needs for 1963 and several years hence?

Mr. COOLEY. To identify them?

Mr. AVERY. To provide for and to identify all of them? They were entirely compensated for in that bill; is that right?

Mr. COOLEY. In the House bill we allocated every pound of sugar, 9.7 million tons.

Mr. AVERY. My point is that 150,000 tons in this bill is in excess of our anticipated sugar needs for next year.

Mr. COOLEY. No. What happened was this: We reserved in our bill 1.5 million tons for Cuba, to go back to Cuba in the event she returns to the free world. In the other bill they insisted on reserving more than that. We ended up by setting aside 1,635,000 tons, but that was within the overall allocation of 9.7 million tons. This is not in addition.

Mr. AVERY. But the Cuban quota in the bill that the President signed would have been placed on a global basis; is that not right?

Mr. COOLEY. That is right.

Mr. AVERY. And to be procured at world market prices.

Mr. Speaker, we go back here to premium prices in this bill. So, the end result under any definition or construction is the fact that this is costing the taxpayers $10 million more than it would if we had not passed the bill.

Mr. Speaker, I do not have any objection to that per se, but as I said in the well of the House last week we should not spread the mutual security program into other legislation. If this is going to be a mutual security aid, let us put it in the mutual security program. Let us not tie it to the sugar program. I agree with the gentleman from Ohio, and the other Members who have spoken, that this is bad procedure and there is no precedent for such procedure in the history of the House.

Mr. Speaker, I want to say just one more thing: I think our domestic producers should view their expanded production with a considerable amount of caution. When you stop to realize—when the sugar producer stops to realize—that his expansion, although appearing to be on a sound basis at this time, this basis upon which he is expanding his production is in repudiation of the Reciprocal Trade Act; it is adverse to our balance-of-payments proposition, because every acre extra that is produced in this country will be produced at a premium price. I think the producer is in jeopardy if he concludes that there will be a continuing policy to allocate this sugar to domestic producers at a premium price; whereas sugar is going begging at the world price for half of that amount and a premium purchase will account for further deterioration of our gold reserve.

Mr. Speaker, I am grateful that the final outcome of the bill which the President signed allocated permanently 60 percent of our domestic production, and it further increased from 55 to 65 percent the annual increase to domestic producers. I want to make the record clear that I think our domestic producers should be extremely cautious in acreage and facility expansion. This allocation, as I see it, is in direct conflict with all the policies which have been laid down by this administration in respect to foreign trade, and I might say to some extent in the previous administration. I would hate to see them put their production and financial position in jeopardy.

Mr. BROWN. Mr. Speaker, I yield the remaining time on this side to the gentleman from Minnesota [Mr. Langen].

Mr. LANGEN. Mr. Speaker, as one of those who raised some objection the other day to bringing this item up under unanimous consent, I feel impelled at this moment to offer a remark or two. It has already been identified, the very unusual procedure that is involved here. It has been admitted that it is a most unusual manner in which to legislate. Almost everyone has expressed his feeling in this regard. May I point out to you, however, that there are some further unusual circumstances that surround this procedure and the legislation.

Let us recall for just a moment that this Congress only about 2 weeks ago passed a sugar bill that had the agreement of both bodies. Somehow or other that sugar bill did not find the approval of all the foreign countries that are interested in sugar. And so what did they do? They raised some complaints. When they raised those complaints what happened? Within a matter of less than 10 days we find these two bodies responding to those requests in a manner that is going to grant a substantial favor to them. I ask you, if you will, to compare that to the requests that have been made by the farmers throughout this Nation for the past 20 years, literally begging for the opportunity of raising a few sugarbeets and producing a little larger share of our sugar needs. As a matter of fact—and I can attest to this by my own actions—when we wrote to the Department of Agriculture and to the Committee on Agriculture, requesting some attention to this matter, and we did not get any results in 8 or 10 days; we did not get any results in months, nor did we get any results in years. As a matter of fact, and I believe the chairman has attested to this, the Department of Agriculture never got ready to offer a recommendation of any kind until they had to start holding hearings without them.

Here now is a matter of 150,000 tons of sugar and the sugarbeet growers throughout this Nation would have welcomed an opportunity by adding 150,000 tons to their quota. And they have been in the process of trying to do so, not for a few days, but they have been in the process of trying to do so for a matter of years. It is to this principle, when we think of the circumstances that surround it and the actions that have taken place, that I would surely be remiss in my duties were I not to call the attention of this House to the degree to which the American farmer had been sidetracked again.

I am wondering just how long we are going to continue to show this kind of favoritism to foreign countries at the expense of the American farmer and at the expense of the agricultural economy of this Nation, if you will.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Michigan.

Mr. MEADER. I tried to make a calculation, and possibly the chairman of the committee has the figure in mind, of just how much it is going to cost the American housewife in paying for sugar if we pass this bill here today. I understand that 375,000 tons in the 2½-year period will be taken out of the world price quota and put under the subsidized quota.

That means an increased cost at least for the first year of $56 a ton. I understand there are some reductions in the second and third years. From a quick calculation here it appears that the increased cost of the 375,000 tons of sugar to the American housewife will be on the order of $17.5 million if we pass this bill.

Mr. LANGEN. I thank the gentleman for his contribution. I think he has made a significant point. In the first instance, he has pointed out the degree of the cost. Second, he has pointed out the degree to which all of us in the House are unaware of what we are doing at this moment, because we do not have the amendments before us nor do we have a complete explanation of what they do.

Mr. DOLE. Mr. Speaker, will the gentleman yield so that I may ask a question of the chairman of the committee?

Mr. LANGEN. I yield to the gentleman from Kansas.

Mr. DOLE. According to the President's letter which was read here the other day, 130,000 tons will go to the Dominican Republic and 20,000 tons to Argentina for each of the next 2½ years.

Mr. COOLEY. That is right.

Mr. DOLE. In the original bill we had in the House there was a claim by the Dominican Republic for $22 million. This is not an attempt to take care of the $22 million, which was knocked out on the other side?

Mr. COOLEY. No, it is not.

Mr. DOLE. This claim is still pending in the Court of Claims, and this bill has nothing to do with that?

Mr. COOLEY. That is correct.

Mr. DOLE. This bill was never before our committee, therefore we had no unanimous agreement, but most of us agree. Is not this a receding from the original position taken by the administration? Did not they want global quotas?

Mr. COOLEY. This is in accord with the position taken by the House and our committee. May I point out to my friend that the sugar bill was signed on Saturday. The gentleman is aware that the quota was increased by more than 600,000 tons.

Mr. LANGEN. I am aware of what the original bill contains. I made no reference to that. The reference I was making was that here it became necessary to make an adjustment in the quotas relating to the foreign scene. I should like to ask the chairman at this point if after the passage of the bill the sugar growers had come in and said, "We do not think you have treated us right, you ought to add 150,000 tons to our quota," I am wondering whether they would have got the kind of action that your foreign countries got in this instance with regard to their quotas, and receive an additional 150,000 tons.

Mr. COOLEY. As far as I am concerned, they could made it 250,000 or 350,000. It would be in keeping with my philosophy. I do not want to take this sugar program and make a worldwide relief or welfare program out of it.

Mr. LANGEN. Your statement does not change the principle I was talking about in the least.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Minnesota.

Mr. QUIE. In the bill that passed the House and that came back from the Senate, which we agreed on, there was a provision to prohibit net importing countries from selling sugar to the United States, but this bill provides that Ireland, even if she is a net importing country, can buy sugar from some other countries, she can buy sugar from Cuba, and sell it to us. I wonder what the reason for that is.

Mr. LANGEN. I certainly agree with the gentleman. I thank him for his remarks.

Mr. BROWN. I want to say to the gentleman that the Irish are pretty good people. I want to ask this question and I am serious when I ask this question, it is not a facetious question: Does the gentleman have any information as to whether or not any well-connected lobbyist will receive any compensation on a contingent basis for any sugar that may be purchased under this new legislation from some Latin American country?

Mr. LANGEN. Let me respond to the gentleman in this manner, that this certainly has been exposed by the press in the past several days, and, I hold before the House a newspaper article which is an example of the degree to which lobbying has been participated in and the amount of money involved is directly related to the number of tons in these respective quotas, and on the basis of that I would have to say "yes"—there must be a direct relationship here to these lobbying activities.

Mr. BROWN. Then you believe that the pocketbook of some well-connected lobbyist may be fattened as the result of the adoption of this particular amendment?

Mr. LANGEN. This could very well be the case.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman.

Mr. BEERMANN. On this 150,000 tons that is a windfall, or under the discretion of the President, I wonder if all of us here realize it takes 50,000 tons a year production for one new mill in the United States. This would mean that three mills could be built. And it would take somewhere around 25,000 or 30,000 acres of sugarbeets to furnish this much tonnage for a mill. I wonder, whether perhaps, we should not have an alternate provision instead of buying this sugar or these 150,000 tons whether we ought to try to trade 150,000 tons of wheat or some of our surplus commodities and if we do that, it would not be quite so objectionable to our taxpayers.

Mr. LANGEN. The gentleman is quite correct. Certainly, this is the equivalent of three sugar plants within our own country, sugar plants for which there is the demand in any number of areas and which have been conveyed to us in, I suppose, a good many different instances by the respective groups that are representing the desires of the sugarbeet growers throughout the country.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Iowa.

Mr. GROSS. Has there now developed a well-heeled lobby in behalf of honey bees? Does the gentleman know?

Mr. LANGEN. I should have to say to the gentleman that my remarks have been confined to the sugar amendment. And the odd part of this is that I have not heard anything about the honey bees other than it being the title of the bill. I wonder whether someone had not ought to explore what the honey bee matter is that is involved in this bill.

Mr. GROSS. I think we can both agree, it is the American producer and the American consumer who is going to be stung by this bill.

Mr. LANGEN. Yes; the American producer and the American consumer will be stung by this bill, I agree with the gentleman from Iowa.

The SPEAKER. The time of the gentleman has expired.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. CONTE) there were—ayes 59, noes 39.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken and there were—yeas, 196, nays 142, not voting 97, as follows:

[Roll No. 157]

YEAS—196

Abbitt
Abernethy
Addabbo
Albert
Alexander
Andrews
Ashley
Ashmore
Aspinall
Bailey
Barrett
Bass, Tenn.
Bates
Belcher
Bennett, Fla.
Blatnik
Boggs
Boland
Bonner
Boykin
Brademas
Breeding
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cannon
Carey
Cederberg
Celler
Chamberlain
Chelf
Cohelan
Colmer
Cook
Cooley
Corman
Dague
Daniels
Davis, John W.
Dent
Denton
Diggs
Downing
Doyle
Edmondson
Elliott
Everett
Fallon
Fascell
Finnegan
Fisher
Flynt
Forrester
Fountain
Friedel
Gallagher
Gary
Gathings
Giaimo
Gilbert
Grant
Gray
Green, Pa.
Hagan, Ga.
Hagen, Calif.
Haley
Harding
Hardy
Harvey, Ind.
Harvey, Mich.
Hechler
Hemphill
Henderson
Herlong
Hoeven
Holifield
Holland
Huddleston
Hull
Inouye
Jarman
Jennings
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kee
Kelly
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Kornegay
Landrum
Lankford
Lennon
Libonati
McFall
McMillan
Mack
Madden
Magnuson
Marshall
Mathias
Matthews
Miller, Clem
Mills
Monagan
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Murphy
Murray
Natcher
Nedzi
Nix
Norblad
Norrell
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Patman
Perkins
Peterson
Philbin
Pike
Pilcher
Poage
Poff
Price
Purcell
Randall
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riley
Rivers, Alaska
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Roush
Ryan, Mich.
Ryan, N.Y.
Scott
Selden
Shelley
Sheppard
Shipley
Short
Sikes
Sisk
Slack
Smith, Iowa
Smith, Miss.
Smith, Va.
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Calif.
Thomas
Thompson, N.J.
Thompson, Tex.
Toll
Trimble
Tuck
Udall, Morris K.
Ullman
Vanik
Vinson
Watts
Weaver
Whitener
Whitten
Wickersham
Williams
Willis
Wright
Zablocki

NAYS—142

Adair
Alger
Andersen, Minn.
Anderson, Ill.
Arends
Ashbrook
Auchincloss
Avery
Baldwin
Baring
Barry
Becker
Beckworth
Beermann
Bell
Bennett, Mich.
Betts
Bolton
Bow
Bray
Brewster
Bromwell
Broomfield
Brown
Broyhill
Bruce
Byrnes, Wis.
Cahill
Casey
Chenoweth
Chiperfield
Church
Clancy
Collier
Conte
Corbett
Cramer
Cunningham
Curtin
Derounian
Derwinski
Devine
Dingell
Dole
Dorn
Dowdy
Durno
Dwyer
Ellsworth
Feighan
Fenton
Findley
Ford
Fulton
Garland
Gavin
Goodell
Goodling
Gross
Gubser
Hall
Halleck
Halpern
Harrison, Wyo.
Harsha

Hébert
Hosmer
Jensen
Johansen
Jonas
Kastenmeier
Keith
Kilburn
Kilgore
Knox
Kunkel
Kyl
Laird
Langen
Latta
Lindsay
Lipscomb
McCulloch
McDonough
Mahon
Martin, Nebr.
Mason
Meader
Michel
Milliken
Moeller
Moore
Moorehead, Ohio
Mosher
Nelsen
Nygaard
O'Konski
Ostertag
Passman
Pelly
Pillion
Pirnie
Pucinski
Quie
Ray
Reece
Riehlman
Rivers, S.C.
Roberts, Tex.
Robison
Rogers, Tex.
Rostenkowski
Roudebush
Rutherford
St. George
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Seely-Brown
Shriver
Sibal
Siler
Smith, Calif.
Springer
Stafford
Tollefson
Tupper
Utt
Van Pelt
Van Zandt
Waggonner
Wallhauser
Weis
Wharton
Widnall
Wilson, Calif.
Wilson, Ind.
Young
Younger

NOT VOTING—97

Alford
Anfuso
Ayres
Baker
Bass, N.H.
Battin
Berry
Blitch
Bolling
Brooks, Tex.
Buckley
Clark
Coad
Curtis, Mass.
Curtis, Mo.
Daddario
Davis, James C.
Davis, Tenn.
Dawson
Delaney
Dominick
Donohue
Dooley
Dulski
Evins
Farbstein
Fino
Flood
Fogarty
Frazier
Frelinghuysen
Garmatz
Glenn
Gonzalez
Granahan
Green, Oreg.
Griffin
Griffiths
Hansen
Harris
Harrison, Va.
Hays
Healey
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Horan
Ichord, Mo.
Joelson
Kearns
Keogh
King, N.Y.
Kowalski
Lane
Lesinski
Loser
McDowell
McIntire
McSween
McVey
Macdonald
MacGregor
Mailliard
Martin, Mass.
May
Merrow
Miller, George P.
Miller, N.Y.
Minshall
Morse
Moss
Moulder
Multer
Osmers
Pfost
Powell
Rains
Reifel
Roberts, Ala.
Rousselot
St. Germain
Santangelo
Saund
Scherer
Scranton
Spence
Taber
Teague, Tex.
Thompson, La.
Thomson, Wis.
Thornberry
Walter
Westland
Whalley
Winstead
Yates
Zelenko

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mrs. May for, with Mr. Frelinghuysen against.

Mr. Thompson of Louisiana for, with Mr. Reifel against.

Mr. Keogh for, with Mr. Kearns against.

Mr. Horan for, with Mr. Berry against.

Mr. Buckley for, with Mr. Hoffman of Illinois against.

Mr. Garmatz for, with Mr. Hoffman of Michigan against.

Mr. George P. Miller for, with Mr. Miller of New York against.

Mr. Multer for, with Mr. King of New York against.

Mr. Daddario for, with Mr. Taber against.

Mr. McIntire for, with Mr. Curtis of Missouri against.

Mr. Davis of Tennessee for, with Mr. Scranton against.

Mr. Donohue for, with Mr. Glenn against.

Mr. Lane for, with Mr. Osmers against.

Until further notice:

Mr. Alford with Mr. Whalley.

Mr. Joelson with Mr. Dominick.

Mr. Brooks of Texas with Mr. Fino.

Mr. McSween with Mr. Dooley.

Mr. Macdonald with Mr. Baker.

Mr. Yates with Mr. Rousselot.

Mr. Lesinski with Mr. Scherer.

Mr. Anfuso with Mr. Westland.

Mr. Delaney with Mr. Ayres.

Mr. Santangelo with Mr. Bass of New Hampshire.

Mr. Farbstein with Mr. Thompson of Wisconsin.

Mr. Powell with Mr. Martin of Massachusetts.

Mr. Healey with Mr. MacGregor.

Mr. Zelenko with Mr. Hiestand.

Mr. Fogarty with Mr. Battin.

Mr. St. Germain with Mr. Curtis of Massachusetts.

Mr. Loser with Mr. McVey.

Mr. McDowell with Mr. Mailliard.

Mr. Harrison of Virginia with Mr. Minshall.

Mr. Dulski with Mr. Merrow.

Mr. Evins with Mr. Griffin.

Mrs. Granahan with Mr. Morse.

Mr. PASSMAN changed his vote from "yea" to "nay." The result of the vote was announced as above recorded. The doors were opened.

A motion to reconsider was laid on the table.

A THIRD JUDICIAL DISTRICT IN FLORIDA

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1824) to create an additional judicial district for the State of Florida, to be known as the "middle district of Florida," with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 89 of title 28, United States Code, is amended to read as follows:

"§ 89. Florida

"Florida is divided into three judicial districts to be known as the northern, middle, and southern districts of Florida.

"NORTHERN DISTRICT

"(a) The northern district comprises the counties of Alachua, Bay, Calhoun, Dixie, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, and Washington.

"Court for the northern district shall be held at Gainesville, Marianna, Panama City, Pensacola, and Tallahassee.

"MIDDLE DISTRICT

"(b) The middle district comprises the counties of Baker, Bradford, Brevard, Charlotte, Citrus, Clay, Columbia, De Soto, Duval, Flagler, Hamilton, Hardee, Hernando, Hillsborough, Lake, Lee, Madison, Manatee, Marion, Nassau, Orange, Osceola, Pasco, Pinellas, Polk, Putnam, Saint Johns, Sarasota, Seminole, Sumter, Suwannee, Union, and Volusia.

"Court for the middle district shall be held at Fernandina, Fort Myers, Jacksonville, Live Oak, Ocala, Orlando, Saint Petersburg, and Tampa.

"SOUTHERN DISTRICT

"(c) The southern district comprises the counties of Broward, Collier, Dade, Glades, Hendry, Highlands, Indian River, Martin, Monroe, Okeechobee, Palm Beach, and Saint Lucie.

"Court for the southern district shall be held at Fort Pierce, Key West, Miami, and West Palm Beach."

SEC. 2.(a) The district judge appointed September 26, 1950, the district judge appointed August 13, 1955, and the district judge appointed March 6, 1961, all for the southern district of Florida, shall hereafter be designated as district judges for the middle district of Florida.

(b) The district judge for the northern and Southern Districts of Florida shall hereafter be designated as the district judge for the northern, middle, and southern districts of Florida.

(c) Nothing in this Act shall in any manner affect the tenure of office of the United States attorney and the United States marshal for the northern district of Florida who are in office at the time of the enactment of this Act, and who shall be during the remainder of their present terms of office the United States attorney and marshal for such district as constituted by this Act.

(d) Nothing in this Act shall in any manner affect the tenure of office of the United States attorney and the United States marshal for the southern district of Florida who are in office at the time of the enactment of this Act, and who shall be during the remainder of their present terms of office the United States attorney and marshal for the middle district of Florida as constituted by this Act.

(e) The President is authorized to appoint, by and with the advice and consent of the Senate, a United States attorney and a United States marshal for the southern district of Florida.

SEC. 3. The table contained in section 133 of title 28 of the United States Code is amended to read as follows with respect to the State of Florida:

"Districts of Florida:	*Judges*
Northern	1
Middle	3
Southern	3
Northern, middle, and southern	1"

SEC. 4. The limitations and restrictions contained in section 142, title 28, United States Code, shall be waived with respect to the holding of court at Fort Myers and Saint Petersburg, Florida, by the United States District Court for the Middle District of Florida, and at Fort Pierce, and West Palm Beach, Florida, by the United States District Court for the Southern District of Florida.

SEC. 5. This Act shall become effective ninety days after the date of enactment.

The SPEAKER. Is a second demanded?

Mr. CRAMER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, the bill, S. 1824, is a very unusual piece of legislation since it creates a new judicial district in the State of Florida to be known as the Middle District of Florida. I say unusual because of the fact that since 1911 only four new judicial districts have been created except for those districts which are automatically created under the Statehood Acts. The States in which new judicial districts have been created since the turn of the century have been Georgia, Indiana, North Carolina, and Oklahoma.

At the outset, I wish to call the attention of the House to the present study being made by a Judicial Conference Subcommittee reviewing the question of geographical reorganization of the Federal courts. This study was initiated upon my specific request and will cover the entire country, not only as to circuit and district lines, but also divisions within a district and the authorized places of holding court. It was my opinion that such a study was long overdue and I hope that it will be completed in a year or so.

In the light of this study, one may ask why create a third district in Florida. It is true that the Judicial Conference of the United States went on record in 1948 and reaffirmed its position on subsequent occasions as being against the creation of any new judicial districts. The Committee on the Judiciary on two separate occasions took testimony as to the need of a third judicial district in Florida. Based upon the testimony and other documentary evidence, it became obvious that the problem in Florida called for an immediate solution. To neglect this problem now would only worsen a bad situation.

Florida was divided into two judicial districts in 1890. At that time the population of the State was 391,422. In 1960, the population had grown to 4,951,560 people. When the second district was created in Florida most of its population was in the northern part of the State except for the city of Miami. A mere glance at the map of that State shows that the division of Florida into two judicial districts was indeed "a judicial gerrymander." The present boundaries of the southern district extend from the northern border down through the peninsula to the southern end of Key West, a distance of approximately 560 miles. The eastern boundary is on the Atlantic Ocean and the western boundary is on the Gulf of Mexico. The distance from east to west averages approximately 125 miles. Great changes have occurred—changes which must be reflected in our laws. We must keep in step with these changes otherwise unfairness results. The new and additional district is justified by standards of population, geography, and litigation.

The State of Florida is composed of 67 counties. The northern district consists of 22 counties, covering 15,934 square miles, with a population of 671,488.

The southern district is composed of 45 counties, having a population of 4,280,072, and an area of 38,318 square miles. Thus it is that from a population and area viewpoint the division of judicial business in Florida is out of balance. The statistics supplied by the Administrative Office of the U.S. Courts clearly demonstrate the imbalance between these two districts. In 1961, in the northern district of Florida, a total of 173 civil cases were commenced; 192 terminated, and at the end of the third quarter of 1962, 93 civil cases were still pending on the docket. In criminal cases for the first three quarters of 1962, 244 were commenced; 219 terminated, and 104 pending. In the southern district of Florida in 1961, 1,677 civil cases were commenced; 1,738 terminated and at the end of the third quarter of 1962, 1,287 civil cases were still pending. In the first three quarters of 1962, 1,098 criminal cases were commenced; 998 terminated, and 881 were pending. Under the proposal here before the House, the new middle district of Florida will consist of 33 counties, with an area of 24,629 square miles, and a population of 2,598,933. The new southern district will be comprised of 12 counties, covering 13,689 square miles, with a population of 1,681,139. The northern district will remain as it is, namely, 22 counties, covering 15,934 square miles, with a population of 671,488.

In the opinion of your committee, this is a fair and equitable division, not only from the standpoint of area and population, but also of volume of litigation.

Under this bill, no new judgeships are created, one new place, St. Petersburg, of holding court is authorized. Last year in the omnibus judgeship bill the southern district of Florida was given two additional district judges. The northern district was and will be served by a single judge. The existing roving judge will continue in that capacity including the new middle district. In the existing southern district there are now six judges and under this bill three of those judges will serve the new middle district and three will serve the new southern district.

The bill provides that the incumbent U.S. marshal and the incumbent U.S. attorney in the northern district will continue to serve there. The incumbent U.S. attorney and the incumbent U.S. marshal for the southern district will serve in their respective capacities in the new middle district and a new U.S. attorney and marshal will be appointed by the President, with the advice and consent of the Senate.

The creation of this new third judicial district will require additional personnel, both in the courts and in the offices of the marshal and U.S. attorney. Approximately six assistants and nine clerical assistants will be needed in the office of the U.S. attorney. In the office of the marshal, there will be needed a chief deputy and five additional deputies, along with five clerical assistants. The Department of Justice estimates that the cost for personnel would be $235,000 for the first year and $213,000 for succeeding years.

In the court itself, the cost for additional personnel in the first year is estimated at $28,518. This would cover a clerk, a chief deputy clerk, and a financial deputy clerk. In addition, there are other costs so that the estimate for the initial year is $35,000 and in succeeding years it is $32,600. Here it should be pointed out that the creation of a new third district will, in the long run, result in a financial saving to the Government. Travel costs and witness fees for Government personnel and witnesses will be reduced. In addition, savings in interest on judgments against the Government will result from the more expeditious disposition of cases in which the United States is a party.

Another provision of the bill waives the restrictions and limitations contained in section 142 of title 28 of the United States Code, with respect to the authorized term of court to be held at Fort Myers and St. Petersburg in the middle district and at Fort Pierce and West Palm Beach in the southern district. This is done so that the General Services Administration and the Administrative Office of the U.S. Courts may, in the future, should the need arise, plan for Federal facilities at those stated places. Of course, such facilities could not be provided until they had been approved by the Public Works Committee and the necessary funds authorized and appropriated, so that this provision at this time does not entail any expenditure of funds.

Your committee has been informed that the reassignment of both the judicial personnel and the personnel of the Department of Justice as provided for in this bill is satisfactory to all concerned, including the individuals themselves. No problem will be encountered when these new lines become effective 90 days after enactment since existing law already covers such a situation, both in the civil and criminal divisions.

This bill, I am sure, will not only, as I have stated, improve judicial administration in Florida, promote a more expeditious administration of justice, but will also afford litigants, witnesses, and their attorneys a more equal and fair treatment throughout the Federal system in that State. The tremendous population growth, coupled with the great industrial and economical expansion throughout the State, demands the immediate attention of the Congress toward a solution to the imbalance which now exists in the Federal judicial system there. I am convinced that the solution as proposed in this legislation is the best one. It is fair and equitable and I recommend to this body its enactment.

Mr. CRAMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished chairman of our committee has well stated the case for the need of a judicial district, the middle district in the State of Florida. Florida is percentagewise the fastest growing State in the Nation from the standpoint of percentage increase in population—some 78 percent in the last 10 years. In this regard there has not been a new judicial district in the State since 1890 although there has been a substantial increase in the number of cases. The southern district of Florida has one of the largest caseloads and the largest backlog of cases of any judicial district in the Nation, although there has been some improvement in the situation in the last few years.

I just want to point out a couple of additional factors: This bill from the Senate is similar to a bill which I had previously introduced, H.R. 5525, not only in this session but in previous sessions, realizing the importance of the matter at that time.

It has been my fundamental belief that this Congress has a duty and a responsibility, and I have seen many instances in which that responsibility has not been carried out, to provide for expeditious action wherever this Congress can legislate in order to accomplish that end. To me it is unconscionable. This has been on the calendar of the House for 2 years. The calendars of the courts are clogged and there is, of necessity, great delay in bringing cases to trial.

Do not forget that justice too long delayed is injustice. Therefore I think it is essential that this bill be passed.

Let me say also that the cost of this bill is rather nominal in comparison with the benefit that will result.

Mr. WILLIS. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. WILLIS. I wish to join with the chairman of the committee, the gentleman from New York [Mr. CELLER], and with the gentleman from Florida [Mr. CRAMER], in advocating the passage of the bill. It was unanimously reported by the Judiciary Committee; and, as far as I know, no one appeared in opposition to it.

Mr. CRAMER. Let me say in addition that the city of St. Petersburg has been added to the bill. A new Federal building is now in process of design and engineering. I think it probably will cost about $4,500,000. In view of that the city of St. Petersburg and Pinellas County, with a population of more than 400,000, in my opinion, are entitled to have this Federal judgeship available.

Mr. MEADER. Mr. Speaker, will the gentleman yield for a question?

Mr. CRAMER. I yield.

Mr. MEADER. I would like to state to the gentleman and to the Members of the House that I sat on the subcommittee that considered his and other judicial redistricting proposals. I believe at one time there was some disagreement among the delegation from Florida as to the proper boundaries of the Federal judicial districts in the State.

I would like to ask the gentleman whether the amendments made by the House Committee on the Judiciary have not been agreed to substantially by all of those interested, not only in the Senate and House delegations from the State of Florida, but also among the bar and people of Florida generally?

Mr. CRAMER. I will say to the gentleman from Michigan that that is my understanding. I certainly can speak with authority in behalf of the minority members of the delegation. I would like to hear from somebody on the majority side.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. CELLER. I can assure the gentleman that the entire delegation from Florida has agreed.

Mr. CRAMER. Mr. Speaker, I include as a part of my remarks the following data supporting S. 1824, creating the middle judicial district in Florida, as also provided by my bill H.R. 5525.

I. POPULATION AND AREA

A. Northern district: Population (1960), 671,488; 22 counties; 15,934 square miles; distance from Pensacola to Gainesville, 400 miles.

B. Southern district (present): Population (1960), 4,280,072; 45 counties (extending along boundary of State of Georgia to and including Madison County; then southward to include greater part of peninsula); 38,318 square miles; distance from Key West to Jacksonville, 560 miles; district includes such populous areas as Tampa, St. Petersburg, Palm Beach, Jacksonville, Orlando, and Miami.

C. Middle district (new): Population (1960), 2,598,933; 33 counties; 24,629 square miles; distance from Sarasota to Jacksonville, 300 miles.

D. Southern district (new): Population (1960), 1,681,139; 12 counties; 13,689 square miles; distance from Key West to Fort Pierce, 300 miles.

E. (1) Population of Florida (1890), 391,422; (2) population of Florida (1960), 4,951,560; (3) during past 10 years, Florida has had largest proportionate population growth of any State in the Union; (4) industrial development has advanced tremendously in past 10 years; (5) because of rapid advance of population in Florida, together with the large area making up the existing southern district, the administration of justice in the southern district has become increasingly more difficult. In 1953, Federal grand jury examined this increasingly greater burden in the administration of justice and urged the creation of a new district.

F. Five counties are being transferred from existing southern district to new middle district with approval of local bar associations and district judges—Madison, Hamilton, Suwannee, Columbia, and Lee.

II. JUDGESHIPS, U.S. ATTORNEYS, MARSHALS, AND PLACES OF HOLDING COURT

A. No new judgeships created by this bill.

B. Judgeships will be reassigned as follows: Northern, 1; middle, 3; southern, 3; roving (all 3 districts), 1.

C. No new places of holding court are to be created. Existing places for holding court are as follows: Northern—Gainesville, Marianna, Panama City, Pensacola, and Tallahassee; middle—Fernandina, Fort Myers, Jacksonville, Live Oak, Ocala, Orlando, and Tampa; southern—Fort Pierce, Key West, Miami, and West Palm Beach.

D. Appointment of an additional U.S. marshal and U.S. attorney for middle district: 1. Six assistant U.S. attorneys and nine clerical assistants; 2. chief deputy marshal, five deputy marshals, and five clerical assistants; 3. total estimated cost will be $235,000 for first year and $213,000 for succeeding years. (Present U.S. attorney and U.S. marshal for existing southern district will succeed to new middle district.)

E. Adequate facilities are available for proposed new court and, therefore, no funds will be required for this purpose.

F. Total personnel compensation for new clerk of court, a chief deputy, and a financial deputy, $28,518 per year.

G. Total estimated cost for first year in creating an additional judicial district, $35,000 for first year and $32,600 for succeeding years.

H. Reassignment of U.S. attorney, U.S. marshal, and three incumbent judges to the new middle district is satisfactory to all concerned.

I. The Judicial Conference of the United States disapproves the creation of the new middle district as it has all new districts since 1948, primarily because the Conference is undertaking a study of the entire judicial system throughout the country. However, due to the length of time before this study can be completed, the tremendous caseload burden within the present southern district, and the geographical disparity in the district setup in Florida, the House Judiciary Committee believes it desirable and necessary to create the new district at this time without waiting for the completion of the study by the Conference. The Judicial Counsel for the Fifth Circuit approves the creation of the new district and strongly urges its creation.

III. CASELOAD

A. Northern district: Cases commenced, etc.:

	Commenced	Terminated	Pending
CIVIL			
1941	104	103	76
1951	146	80	165
1961	173	192	94
1962 [1]	116	117	93
CRIMINAL			
1941	247	237	78
1951	106	109	38
1961	223	191	57
1962 [1]	244	219	104

[1] First 3 quarters of 1962.

B. Southern district: Cases commenced, etc.:

	Commenced	Terminated	Pending
CIVIL			
1941	691	659	598
1951	1,028	1,009	965
1961	1,677	1,738	1,327
1962 [1]	1,312	1,352	1,287
CRIMINAL			
1941	520	607	210
1951	555	493	268
1961	930	1,065	573
1962 [1]	1,098	998	881

[1] First 3 quarters of 1962.

C. Northern district: Cases per judgeship:

	Florida	National
CIVIL		
1941	104	164
1951	115	204
1961	173	173
CRIMINAL (LESS IMMIGRATION)		
1941	247	153
1951	106	106
1961	222	86

D. Southern district: Cases per judgeship:

	Florida	National
CIVIL		
1941	173	164
1951	257	204
1961	240	173
CRIMINAL (LESS IMMIGRATION)		
1941	130	153
1951	128	106
1961	127	86

Mr. CELLER. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I rise in support of the legislation, representing as I do perhaps the most litigious area in the whole southern district, which is the Miami district. I commend the distinguished chairman of the Committee on the Judiciary, the members of the subcommittee and the entire committee for their courtesy over a long period of time in hearing the Florida case and giving recognition and distinction to this case. I wish to express my thanks and the thanks of the people I represent for the action of the committee in being so careful with respect to this matter and on their being firm enough to take the action which has been proposed here today.

As a member of the Florida delegation I have likewise expressed the feelings of the people of my district by introducing a bill in this session, H.R. 7029, and in previous years dealing with this matter. This question has been a long pending one in my area as far back as 1953. A Federal grand jury went into the question of the inordinate delay in Federal justice and recommended at that time this new district be created to help alleviate the problem. The judges of Florida who have considered this matter feel this is what should be done, and certainly those of us in the Florida congressional delegation feel the same way.

You have heard about the great disproportionate districts which now exist. There are now two in number, northern and southern. The northern district has about 620,000 people, 15 percent of all the people in the State. The southern has a population of more than 4 million, or 85 percent of the total population. At the present time only 22 counties are in the northern district while 45 counties are in the southern district. The southern district stretches from the Georgia border down to Key West, some 600 miles, and includes the great population areas of Jacksonville, Tampa, Orlando, Miami, and others. It is an absolutely inconceivable situation with respect to the administration of justice from the standpoint of lawyers, litigants, and the work that has to be done.

The burdensome caseload figures have been brought out by the Committee on the Judiciary and they do not take into consideration the fantastic and phenomenal population growth as projected in the future.

I submit, Mr. Speaker, this legislation is necessary for the State of Florida for that which needs to be done with respect to Federal justice, and I commend the committee and each member of that committee. I urge that the bill be adopted.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Michigan.

Mr. MEADER. Will the gentleman concur in the statement of his colleague, who demanded a second, the gentleman from Florida [Mr. CRAMER], that the differences between the delegation in the various areas of the State which had existed for some time have now been ironed out, and the Florida delegation and the people of Florida believe the bill now before us today is a good one and satisfactory to all parties?

Mr. FASCELL. I can assure the gentleman from Michigan that is the case and that I concur with my colleague from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I take this time to ask the chairman of the Committee on the Judiciary a question or two concerning the bill.

Taking the population figures as set forth in the report would indicate the State of Florida has something less than 5 million population. The report also indicates that the State of Florida presently has eight Federal judges.

Taking the State of Iowa, with nearly 3 million population, we have only 3 Federal judges. It has been stated that the State of Florida has a tremendous caseload pending.

Thus the State of Florida has more than twice the number of judges than the State of Iowa has with less than twice the population. What is the answer? Is there an unusual amount of litigation in Florida and why?

Mr. CELLER. There are a number of standards that must be taken into consideration besides population—industrial growth, geography, the question of the amount of litigation. Florida is a growing industrial State. The number of cases on the civil and criminal side has enormously increased. We have that to take into consideration. We as Members of Congress have to keep step with actual conditions.

Mr. GROSS. How about the Federal judges keeping in step with their work?

Mr. CELLER. Of course we cannot control that. The Committee on the Judiciary, sponsor of this bill, has set up what are known as local judicial councils, consisting of the circuit judges and one of the chief justices of the district. They have to do with the housekeeping of the district, so to speak. They watch the work of the judges, the performance of the various judges, and on occasion crack the knuckles of any district judge who is not properly doing his duty.

Mr. GROSS. This is the thing, I will say to the gentleman—and I am not opposed to this bill—that disturbs me, the fact that there are eight Federal judges in Florida with a population of less than 5 million. It is true that it is growing; most States are growing. But that State has eight Federal judges, and yet they are far behind in their work.

Let me ask the gentleman this question: With the passage of this bill, does he think the past practice of sending judges down to Florida in the balmy winter climate to augment the more than ample judicial force will be stopped?

Mr. CELLER. I think it would diminish to a very marked degree.

Mr. GROSS. Does not the gentleman think it ought to be cut off altogether, the business of sending Federal judges into Florida, which now has eight Federal judges to serve a population of less than 5 million?

Mr. CELLER. I do not think we should handcuff, as it were, some of the judges in the higher echelon who have the right to make these assignments. If something special arises in Florida or Iowa that requires additional judges to expedite the consideration of cases, I think there should be some discretion.

Mr. GROSS. Oh, I think we can all agree with a special circumstance, but from listening to the gentleman from Ohio [Mr. BOW], who has spoken on this subject at other times, and reading the hearings of his subcommittee on appropriations, it would appear that it has not depended in the past on special circumstances at all. It has been dependent upon a balmy winter climate probably as much as anything else.

Let me ask the gentleman this question: How many of the 73 new Federal judges that Congress authorized last year have been appointed?

Mr. CELLER. I think practically all have now been appointed. If my memory serves me correctly, there are only one or two left to be appointed.

Mr. GROSS. How many of them are Republicans, if I may ask the gentleman?

Mr. CELLER. The proportion, I would say, is about the same as in the case of previous Republican administrations.

Mr. GROSS. Well, the gentleman from New York seems adept at sidestepping. Can he not give me a better answer than that?

Mr. CELLER. I cannot give you the exact number, but proportionately I would say that the Republican appointments in this administration are better than the proportion contrariwise in the last administration.

Mr. GROSS. Would the gentleman say there have been 2 Republicans in the last 73 judges appointed?

Mr. CELLER. Oh, there have been more Republican judges appointed. I know of four Republican appointments in the State of New York alone, and there are many others throughout the Nation.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I gladly yield to the gentleman.

Mr. McCULLOCH. Mr. Speaker, my distinguished colleague, the gentleman from New York [Mr. CELLER], chairman of the Committee on the Judiciary of the House, is invariably correct in his statistics. However, in this rapidly changing world, statistics do not always tell an adequate story. Accepted partisan judicial appointments of the past are now frowned upon by many, including many, if not most, of the members of the American Bar Association.

"New occasions teach new duties, time makes ancient good uncouth; they must upward still and onward, who would keep abreast of truth"—James Russell Lowell.

Mr. Speaker, President Eisenhower rectified this great imbalance of the Federal judiciary, after approximately 85 percent of the sitting jurists at the end of President Truman's term were of the Democratic Party. When President Eisenhower brought this imbalance nearly to balance he said it was his intention thenceforth to keep the Federal judiciary in reasonable balance. Mr. Speaker, I am of the opinion that President Kennedy would have been more advised to follow President Eisenhower's decision as to Federal judicial appointments.

The SPEAKER pro tempore. The time of the gentleman from Iowa has again expired.

Mr. GROSS. Mr. Speaker, will the gentleman from Florida [Mr. CRAMER] yield 1 additional minute to the gentleman from Iowa?

Mr. CRAMER. Mr. Speaker, I yield the gentleman 1 additional minute if the gentleman will, in turn, yield to me.

Mr. GROSS. I yield to the gentleman from Florida.

Mr. CRAMER. There are two Republican judges in Florida out of the total of eight. Of course, the reason why additional judges were not appointed was largely because the Congress failed and refused to act on the additional judgeship requests which Florida had been presenting for a number of years on the same factual data basis as the new district is being created. That is why the disproportionate imbalance continues. If the Congress had acted previously and expeditiously on the new judgeships requested, then there would not be that substantial imbalance.

Mr. GROSS. Mr. Speaker, I notice on page 11 that this bill calls for the appointment of a financial deputy in the redistricting of the court system in Florida. What is a finance deputy in a Federal court? Is this something new? This reference appears at the top of page 11 of the report.

Mr. CELLER. If the gentleman will yield, that means one of the deputies whom the judge appoints handles the finances. There is nothing unusual in this. Most courts have a financial deputy.

Mr. GROSS. What money does he handle; what finances?

Mr. CELLER. If the gentleman will yield further, he handles all the money that is paid into the courts.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Speaker, a new judicial district for the State of Florida is long overdue, greatly needed. We all are aware of the infrequency and justifiable reluctance with which new districts are created throughout the country, but just as compelling, it seems to me, are the facts of life in a very fast growing section of our Nation. Florida has had, during the last 10 years, the largest proportionate population growth of any State in the Union, and this continues to mushroom.

The Committee on the Judiciary report on S. 1824, passed by the Senate to create the new Florida middle judicial district, notes that as far back as 1953, a Federal grand jury meeting in the southern district of Florida, "urged that immediate action be taken to create a new judicial district as the only solution to the many problems faced from the standpoint of Federal jurisdiction in the State."

The root of the problem is the fact that there has been no geographic change in the two Florida districts since 1890 when the population was only some 390,000 and mostly concentrated in the northern area. Now the population is about 5 million and 85 percent of the people live in the southern district which stretches all the way from the Georgia State line to tropical Key West, a distance of some 560 miles.

In the last 20 years alone, the caseload in this district has jumped 125 percent. On top of all this is the recently much increased criminal load in the last few years resulting from the politically chaotic situation only 90 miles away in Cuba. In 1959 and 1960, for example, a total of 98 defendants alone were charged with illegal exportation of war materials. The hearings before the House Judiciary Committee reveal that in June 1960 the district had 711 criminal cases undisposed of, the highest pending criminal caseload of any district in the Nation. The criminal caseload per judge was 230 at this time compared to 107 nationally. The good hard work of the incumbent judges in the southern district has amazingly kept the average time lapse between commencement and termination of suits to even below the national median but this has not been achieved without much expense to litigants and the Federal Government in traveling officials and witnesses, and a large contingent of visiting judges from outside. In 1960, for example, 10 outside judges spent a total of 501 days in the district.

The able and thorough work of the House Judiciary Committee on this problem, which it notes in its report, "will become even more exaggerated with each passing year," has resulted in approval of the Senate bill to create the Florida middle judicial district with some very helpful amendments. At the request of the bars of Madison, Hamilton, Suwannee, and Columbia Counties these counties have been transferred to the new middle district. I once represented this area in Congress and I feel that their wishes in this matter will relieve an undue burden on the single northern district judge and result in more efficiency since they are geographically more close to Jacksonville. The House version of the bill also makes provision for the tenure of office of the U.S. attorneys and marshals in the present districts and nomination and confirmation of a new U.S. attorney and marshal for a third district. The judiciary report states that the transfer of the counties and provision for nomination of new court officials and disposition of incumbents has the full concurrence of both the local bar associations and the district judges themselves. The committee is to be highly commended on working out this most efficient and acceptable solution to what could have been a delicate situation. I hope my colleagues on both sides of the aisle will give full support to this proposal which will provide efficient judicial administration in an area burdened by a mushrooming population and constituted quite differently from the situation 70 years ago in Florida. I long ago introduced legislation to accomplish these objectives and am glad to endorse the Senate bill as a means of accomplishing the needed reforms.

Mr. CELLER. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, I thank the gentleman from New York [Mr. CELLER] for yielding this time to me.

Mr. Speaker, the legislation before us here has as its purpose the creation of a third judicial district in Florida. That new district would be known as the middle district, and would be created by redrawing the boundaries of the present two judicial districts. The creation of the middle district would not increase the number of Federal judgeships in Florida, and would require no sizable new costs to the Federal Government beyond the nominal sum needed for three additional clerical personnel. However, by redistricting the Federal judiciary in Florida, the districts would be more equitably distributed to allow greater efficiency in the administration of justice.

I introduced legislation to accomplish this change as well as to allow the building of necessary facilities for the holding of Federal court in West Palm Beach, Fort Myers, and Fort Pierce. The provisions of these bills were incorporated as amendments to S. 1824.

One additional feature of S. 1824, as amended, is the provision which waives section 142, title 28, United States Code, in order to authorize construction of additional court facilities for holding of court in these new districts. This waiver would allow the General Services Administration and the Administrative Office of the U.S. Courts to undertake future planning for such facilities when conditions at the designated sites warrant such action.

S. 1824, the legislation we are considering, has passed the Senate. I join the Members of the Florida delegation in commending the distinguished chairman of the House Judiciary Committee, the gentleman from New York [Mr. CELLER], and the committee for their fine efforts and cooperation in dealing with this bill. The Federal judiciary in Florida, along with the many bar associations in our State, concurs with the committee statement that the need for judicial division in Florida is immediate and necessary.

The two present districts in Florida have an imbalance in population and caseload which sharply points up the need for redistricting. The northern judicial district comprises approximately 15 percent of the State's population. The southern judicial district as now drawn comprises the balance of 85 percent. From one boundary of the southern judicial district to the other is a distance of 560 miles in length.

In the northern district, the total number of civil cases commenced per judgeship in fiscal year 1961 amounted to 173. In the southern district, the comparable figure is 240. The national average of civil cases commenced per judgeship for fiscal year 1961 amounts to 173.

Mr. Speaker, the legislation which the distinguished House Judiciary Committee has approved would greatly speed the processing of justice in the State of Florida. It would result in more economical administration of justice for the Federal Government, and it would prove a great service both to Florida's legal profession and litigants as well. The legislation before us has the approval of the entire Florida delegation, and I urge its passage by this House in order that these present inequities in our Federal judiciary be eliminated.

Mr. CRAMER. Mr. Speaker, I yield such remaining time as we have on this side to the distinguished ranking minority member of the Judiciary Committee, the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Speaker, at the outset I wish to say that I expect to vote for this bill. I should like, however, to say to the Members of the House that so far as I am concerned I would not wish my position on this bill to indicate a position on others seeking to create additional Federal district courts in other States.

I am advised that Ohio's population is now about 10 million people, and the records show that we are second in industrial production and fifth in agricultural production. We are now accommodating ocean shipping through the St. Lawrence Seaway. We are bounded on the south by the Ohio River with the great barge lines thereon. So we have about every legal controversy that any Federal district court has in any State in the United States.

I would like to remind the Members of the House that it costs a very substantial sum to create and maintain a new Federal district court. I would estimate that it would cost approximately $300,000 to set up and operate this new district the first year of the district. If the distance for travel is great or if the caseload is heavy in any given district the creation of a district court will not remedy unwanted conditions that the creation of a new division of a district court would not remedy. So, as the Nation's deficit increases from day to day and at the same time we hear people talking about reducing taxes, we should begin to think about plugging the little holes in the dike where thousands of dollars escape which in the aggregate total hundreds of millions of dollars each year.

Mr. Speaker, I should like to compliment my friend from Iowa for raising the question about the seasonal assignment of judges from one district or one division to another. I think it is high time for some members of the judiciary and for the administrative officers thereof to make a proper appraisal of the caseloads in question to see whether these assignments are really necessary and are in the public good.

You know, the first session of this Congress created more Federal judgeships than were created in any two Congresses theretofore. The President of the United States has had the opportunity to name more Federal judges in 1 year of office than his predecessor had in 4 years of office, and more than Franklin D. Roosevelt had in a period of 5 years in office. So there is or should be an adequate number of Federal judges in the trial courts if those judges in every instance carry a reasonable caseload and if there be discretion and real analytical ability exercised in the assignment of judges from districts where the caseload is not heavy to those places where the caseload is too heavy.

So that you will not think this is a partisan political statement, I would like to refer the Members of the House and the Committee on the Judiciary, upon which I serve, to the record of Judge Kloeb, in the western division of the northern district of Ohio. Judge Kloeb was a Democratic Member of the House when he was appointed to the Federal district court. He has an excellent record, a record almost beyond compare, and it could well be used as a yardstick. As a matter of fact, Mr. Speaker, I was pleased to suggest to Attorney General Brownell and Attorney General Rogers and through them to the President that he be promoted to the court of appeals, for the excellent job that he had done, and which he continues to do. I hope there are more Federal trial judges who equal the record of Judge Kloeb in the next 4 years than there have been at some times in the past.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Iowa.

Mr. GROSS. The State of Iowa yields not to the State of Ohio as to Federal judges. We have a Democratic former Federal judge, Henry M. Graven, of the northern district of Ohio, whose reputation is known far and wide as a working judge. Had all judges carried the caseload and the workload and done the justice that he did—he is now retired, having retired a few months ago—the caseload would not be what it is today.

Mr. McCULLOCH. I am very glad to have the contribution from the gentleman from Iowa. I wish the Members of the House to know that I am not leveling a "shotgun attack" upon the Federal judiciary in general. An overwhelming majority of the Federal judges are among the most devoted, hardworking people to be found in any activity in America. It is only the cases that were described at length by my distinguished colleague from Ohio over a period of several years with which I find fault.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Florida.

Mr. CRAMER. I want to make the record clear, although I am sure the gentleman did not intentionally imply it, but we have many hard-working judges in Florida likewise. One of the reasons we have a backlog at the present time is that the number of cases in Florida far exceeds the national average and has since 1945. As of the year 1961, in civil cases the national average was 173 per judge, whereas it was 240 in Florida. In criminal matters the national average was 46 and it was 87 in Florida.

The **SPEAKER** pro tempore (Mr. ALBERT). The question is, Will the House suspend the rules and pass the bill, S. 1824, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended so as to read: "An act to create an additional judicial district for the State of Florida, to be known as the middle district, and for other purposes."

A motion to reconsider was laid on the table.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

BRIDGE AT CAPE HATTERAS NATIONAL SEASHORE, N.C.

Mr. RUTHERFORD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8983) to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes, as amended.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to facilitate visitor travel within Cape Hatteras National Seashore the Secretary of the Interior is authorized to pay $500,000 toward the cost of construction of a bridge across Oregon Inlet between Bodie and Hatteras Islands, in the State of North Carolina, exclusive of any financing for which the project may qualify under the Federal aid to highway laws: *Provided,* That the bridge shall constitute and be maintained as a part of the State highway system.

SEC. 2. The Secretary may make payments on the cost of construction of the bridge referred to in section 1 of this Act only from funds specifically appropriated for that purpose.

The **SPEAKER** pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. RUTHERFORD. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the bill before the House, H.R. 8983, provides for a contribution by the National Park Service toward the construction of a 2-mile bridge across Oregon Inlet in the Cape Hatteras National Seashore. As it was introduced, the contribution would have been somewhere around $1 million. As reported, it will be $500,000.

The usual practice in the national park system is for the Government to take over all responsibility for constructing and maintaining whatever roads, bridges, or ferries are necessary. In the normal case, it does the entire job and pays the entire cost. Hatteras is unusual, in that the State of North Carolina has been doing this entire job. Now it is asking for a little help, and I think we should give it to them.

Let us look at the figures. The Cape Hatteras National Seashore recreational area was set up, as are other units of the national park system, for the entire Nation. It is serving that purpose.

Half a million or more Americans visit it each year. They come from all over the country. Traffic counts show that during the tourist season over 65 percent of the vehicles that use the Oregon Inlet ferries come from outside of North Carolina.

May I state here with reference to the Cape Hatteras National Seashore, the great State of North Carolina and the Rockefeller Foundation purchased and gave the Federal Government the entire Hatteras National Seashore area.

The ferry system, which the State operates free of charge to anyone who wishes to use it, has become increasingly inadequate. Traffic has gone up in the last 10 years by 1,600 percent. The ferries carry an average of over 400 cars a day throughout the year and an average of 760 during the tourist season. Peak days reach as many as 1,500 cars, and, even with 6 ferries operating, traffic has to wait as much as 4 hours or more for transportation across the inlet.

I do not think anyone will quarrel about the need for a bridge to replace the ferry system. Nor do I think there can be any legitimate objection to the modest contribution of $500,000 from the Park Service's funds which H.R. 8983 calls for.

May I bring to the attention of the gentleman from Iowa that I say "modest" and not "trivial."

I do not regard $500,000 as trivial, but I do say it is modest in comparison with what the United States would be paying if the Hatteras roads and ferries were financed as they are in other parts of the country where there are national parks.

In addition, I point out that the new bridge will become part of the State highway system, presently some 70 miles of roads within the Cape Hatteras National Seashore. The entire road system is constructed, in contrast, as is normally the case where construction is done by the Federal park system, in this case it is constructed entirely by the State of North Carolina. It is the only national park we have where the State has constructed the entire system and not only the construction but the maintenance and operation of the entire road system within the national park. It will be toll free. The State will pay for its maintenance and upkeep.

I must point out, of course, that North Carolina shares with the other States in Public Roads Administration construction funds. Public Roads Administration will pay 50 percent of the cost of the bridge as it would elsewhere. Even so, I think it right that a share of the cost—about one-eighth of the total cost, about one fourth of the State's share of the cost—should be borne from appropriations to the National Park Service. That is all that is involved in H.R. 8983.

I recommend the passage of this bill as being a fair and equitable piece of legislation.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. RUTHERFORD. I yield to my chairman.

Mr. ASPINALL. Would the gentleman from Texas [Mr. RUTHERFORD] explain to the House just how it happens that the State of North Carolina does pay for the construction and operation of roads in this particular national park?

Mr. RUTHERFORD. The State of North Carolina from the very beginning has constructed and maintained the entire system. This was originally a part of the North Carolina State park system, and at that time they started the construction of the road system and have continued it although now it is part of the national park system.

Mr. ASPINALL. Mr. Speaker, if the gentleman will yield further, will he explain to the Members of the House why it is that the amendment to section 2 is proposed which calls for an additional authorization for this particular appropriation over and above the usual appropriation that the Park Service now has?

Mr. RUTHERFORD. This would prevent the normal allotments of the trails and roads funds of the national park system being diverted to this particular one. This is only fair and equitable. The present ferry system which, I might say, is actually within the inventory of the national park system is being loaned to the State of North Carolina for $1 a year. This particular request comes because of the undue amount of traffic using this particular ferry system which now is, apparently, inadequate. Therefore, it is felt that the national park system should make a contribution to the State of North Carolina in this percentage on constructions.

Mr. GROSS. This is a special consideration for the State of North Carolina, is it not?

Mr. RUTHERFORD. A special consideration?

Mr. GROSS. Yes; otherwise this bill would conform to the 50-50 formula of State and Federal funds.

Mr. RUTHERFORD. No, sir; normally, this would be considered as a park project because the entire bridge system is within the national park, and it would be constructed 100 percent by the Interior Department under the supervision of the National Park Service.

Mr. GROSS. This must be in the nature of special consideration, because the Secretary of the Interior says they must get the money out of the regularly appropriated funds to the National Park Service. You must get a special appropriation for this in addition to the regular appropriations. Why is this?

Mr. RUTHERFORD. It is true that the funds will come from the regular appropriations of the National Park Service. This will not be allocated or assigned against their regular roads and trails or highways in the national park system.

Mr. GROSS. The bill reads "only from funds specifically appropriated for the purpose."

Mr. RUTHERFORD. This is true, but as I say, it will be appropriated through the national park system but will not be assigned against or subtracted from its national system, because of the increase of traffic over the present ferry system.

Mr. SAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is an unusual situation that is presented in this bill, because in all of our national parks and monuments the Federal Government maintains and builds the bridges and roads. When the Cape Hatteras National Seashore was accepted by the Congress as a national seashore the State of North Carolina and the people of that great State had already built a fine highway system. They were so proud of the fact that Congress recognized this unusual feature of their State, that from 1937 until the present time they have continued to maintain the highways in the national seashore. The Appropriations Committee has informed me that when inquiry has been made as to why there was no request for roads in the national seashore at Cape Hatteras, the answer has always been that the people of North Carolina and the Highway Department of North Carolina have always maintained these roads. They tell us that they intend to continue to maintain them.

The national seashore at Cape Hatteras is composed of a number of islands, and between two of these islands, both in the national seashore, at the present time the State of North Carolina operates ferries. They do it free of charge. If you ever travel down there and drive onto one of these ferries you will find there is no charge. This in and of itself is significant. But the ferry traffic has increased, because the population and the popularity of this Cape Hatteras Seashore has increased.

For example, in 1950, 41,000 people visited the Cape Hatteras National Seashore. In 1961, over 576,000 people visited this seashore. In 1950 approximately 8,900 automobiles were transported, and in 1961 almost 150,000 vehicles were transported on this ferry.

If you have ever had any of your constituents stop and see you, especially during the rush months of June, July, and August, after having visited Cape Hatteras Seashore, almost with one accord they will tell you that they appreciated it but that they were compelled to wait as long as 6 hours to get from one part of this seashore to the other.

What this bill proposes to do is to authorize the Secretary of the Interior to request the Committee on Appropriations to give to him one-half million dollars to be used in the construction of a bridge which is 2 miles long that will connect these two parts of the seashore over what is called Oregon Inlet. I certainly hope that the House will suspend the rules and pass this bill, because if we do not the alternative is for the Federal Government to then spend all of the money necessary to build a 2-mile bridge.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Iowa.

Mr. GROSS. On page 3 of the report, it is stated:

> The Department cannot argue convincingly that the existing ferry service is adequate to satisfy the requirements of motor vehicle travel across Oregon Inlet between Bodie and Hatteras; but it is concerned about the extent to which the construction of a bridge, as a basic park feature necessary to recreational pursuits, will conflict with the provisions in the act of August 17, 1937 (50 Stat. 669; 16 U.S.C. 459a-2), requiring preservation of the wilderness of Cape Hatteras National Seashore.

Will the gentleman explain the meaning of this, why the Department makes this kind of a statement?

Mr. SAYLOR. That is the next item I was about to mention, and it is the one concern I have for this bill. I hope the Department will accept the history we are now making.

One of the reasons that Cape Hatteras Seashore was set aside was because it does contain some unusual wilderness area that is to be found nowhere else in the United States. I certainly hope that the influx of traffic that is coming over the years will not be allowed by the Department of the Interior to infringe on certain areas of the seashore which is of a complete wilderness character.

It is my understanding, from discussing this with people in the National Park Service, that they will not extend any roads as a result of the building of this bridge into the wilderness area; therefore, the wilderness character of the area seashore will be preserved.

Mr. LENNON. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from North Carolina.

Mr. LENNON. I want to commend the gentleman from Pennsylvania for his factual and actual statement regarding the fact that this is an unusual situation. The State of North Carolina, as the gentleman has indicated, secured this from a private foundation. It secured this facility and made a gift of it to the Federal Government. North Carolina is proud of the fact that it is one of the two only National Seashore Parks in America, and I hope that we will head to that end in the future and I trust the gentleman will point out the need there.

Mr. SAYLOR. I thank the gentleman from North Carolina for his kind and helpful remarks. I might say that one other feature that would call upon the Congress to appropriate this fund or authorize the appropriation of these funds is that while the total number of visitors is large, by far the majority of the people come from outside the State of North Carolina. If you eliminate those people who work at Cape Hatteras and the seashore from the total figure, better than 80 percent of the visitors come from outside the State of North Carolina.

Mr. RUTHERFORD. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Texas.

Mr. RUTHERFORD. In response to the gentleman from Iowa, relative to the views of the Department, that this would not be in conflict with the basic idea of the park, would not the gentleman agree with me that this is a progressive step, erecting a bridge across Oregon Inlet, rather than having several hundred cars and their occupants waiting some 4 to 6 hours and sometimes considerably more delay encountered on the roadway and as a result would be obstructing the roadway as well as the side of the road, whereas, with a bridge, they could progress across the inlet. I might say that we are writing legislative history that this does not give an open book to the construction of any other highways or bridges or inlets into the Cape Hatteras area. This specifies only one, and that is the Oregon Inlet Bridge which has been approved here.

Mr. SAYLOR. The gentleman is correct. Most of the people who go there to this seashore are going for the purpose of getting out to the seashore itself.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I will be happy to.

Mr. GROSS. I do not quarrel, and I doubt if anyone else seriously objects to the building of a bridge. Since the gentleman made clear the concern that he has, I wonder why it would not have been well to have written a provision into this bill to make sure that there is no violation of the wilderness area.

Mr. SAYLOR. I would have no objection to that being put into the bill.

Mr. GROSS. Of course, it cannot be put in under suspension of the rules.

Mr. SAYLOR. It cannot be put in under suspension, but I think the history that we are writing here will indicate to the Department that they will not violate the wilderness area principle.

Mr. GROSS. I disagree, too, with the finance provisions of this bill. I know of no reason why this should not be a 50–50 proposition, since this is to be a State highway; 50-percent State and 50-percent Federal funds but without the 12½-percent provision coming out of the Federal park funds or through the Federal park system. I think you are creating here in this sort of a situation a rather bad precedent.

Mr. SAYLOR. I am sorry to disagree with my colleague, because if this bridge is not built in this manner—and the bridge is necessary—since it is all in the park, the Federal Government would be required to pay 100 percent of it.

Mr. GROSS. But that is not the program that is here before us today. If you thought the Federal Government ought to build all of the bridge, then that should have been the legislation; not this kind of legislation, which gives the State apparently 12½ percent or half a million dollars to use in its State allocation road fund.

Mr. SAYLOR. The State of North Carolina has come forward and offered to do this, and this money will be allocated for this particular purpose.

I certainly hope that the rules are suspended and this bill is passed.

Mr. RUTHERFORD. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Speaker, I want to thank the distinguished gentleman from Pennsylvania [Mr. SAYLOR] for his wise and objective views in this situation. The State of North Carolina realizes that it is a three-way responsibility. The State of North Carolina accepts the responsibility of maintaining its roads and it was the State of North Carolina that built these roads when the park was created. The State of North Carolina realizes that a bridge is necessary there. A bridge for the people of the United States to use in enjoying 75 miles of ocean front that the State of North Carolina gave a million dollars to and gave its own park in the creation of this, the first seashore park in America.

This area is enjoyed by families—little children and people—who are not able to go to big seaside hotels and rent private cottages. Here is maintained 75 miles of ocean front, that provides camping grounds and playgrounds for American children.

Mr. Speaker, this is a necessary means in order for the public to get across Oregon Inlet, which is totally within the national seashore park. When the park was built, the State of North Carolina was maintaining one free ferry. The traffic has increased so tremendously that it is unbearable for those who wish to recreate in this area to get from one side of the park to the other side, in less than 2 or 3, or 4 hours.

Mr. Speaker, I had the pleasure on several occasions to carry distinguished Members of this House—the gentleman from Massachusetts [Mr. BOLAND], the gentleman from Iowa [Mr. JENSEN], the gentleman from Washington [Mr. TOLLEFSON], and other Members of this House—down there to see this situation. I am confident they recognize the value of this park to the people.

Mr. Speaker, in addition to what has been said, there are three Coast Guard installations which have to use this free ferry across Oregon Inlet, maintained at State expense, as well as one large Navy base. Now, the Navy base is built on property formerly owned by the State of North Carolina. It did not cost the Navy Department one red cent for the land on which it has been built, because the State of North Carolina gave the land to the Department of the Interior and the Park Service. The Park Service in turn turned part of the land over to the Navy Department on which to build this base off Cape Hatteras. It was at Cape Hatteras where there was the greatest sinking of American merchant ships and other ships during World Wars I and II.

Mr. Speaker, I think it is a fair proposition. I think the State of North Carolina has been very generous. Of course, we are very proud to have the visitors come to the park from other parts of the Nation. We are glad to have all of the people from the 50 States to visit North Carolina. This park has been an inspiration to other parts of the United States to create similar parks on the Pacific coast and the North Atlantic and elsewhere.

Mr. Speaker, I thank the gentleman and the committee for the broad view which they have taken on this matter.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Massachusetts.

Mr. BOLAND. As the gentleman from North Carolina has indicated, I had the pleasure of being with the gentleman and other Members of Congress at the dedication of this seashore area. It is the first seashore area in the United States. As the gentleman from North Carolina [Mr. BONNER] indicated, there are more bills in the hopper to provide for such areas, and others will come along at a later date. We have one up in the State of Massachusetts.

Mr. Speaker, let me say to the gentleman from North Carolina that the cost involved here for this bridge as to the amount of money which the Federal Government will put into this seashore area will be far less than any amount we put into the other seashore areas that we establish within the United States.

Mr. Speaker, I think the people of the State of North Carolina have done an exceptionally fine job in paying the cost of this seashore area, and if any bill ought to be passed because of what the State has done and the people of North Carolina have done for this area and the people of the United States, because this is a national seashore area, this bill ought to be passed today.

Mr. BONNER. I thank the gentleman from Massachusetts.

Mr. KYL. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Iowa.

Mr. KYL. There is another factor that we have not mentioned sufficiently here. If this bridge were built as a part of the national park system by the Federal Government, then do we assume that the Federal Government will also care for the maintenance of the bridge?

Under the provisions of this act, if I read it correctly, this bridge will be a part of the State highway system and the maintenance will be cared for by the State rather than the Federal Government?

Mr. BONNER. The gentleman is correct. I want to say to the gentleman and the Members of the House that as far as the wilderness part of the park is concerned the Federal Government owns the property involved on both sides of the road. So, there will be no encroachment on any park provisions whatsoever. The Federal Government owns the entire 75 miles of ocean frontage, and all the land on each side of the Federal highway with the exception of the lands in four villages at Hatteras, Buxton, Avon, and Rodanthe. So the Federal Park Service generally has jurisdiction over the entire area.

Mr. Speaker, I appreciate what the committee has done, and I think with the explanation that has been given here this House will vote unanimously for this bill; I hope so, at least.

Mr. SAYLOR. Mr. Speaker, I yield such time as he may require to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Speaker, it has been my privilege, and I might say very great pleasure, to visit this area on a number of occasions in the past 12 years. This is one of the fastest growing and most popular recreation areas in the United States and I recommend it highly to the Members of Congress should they on some occasion receive an invitation from the chairman of my committee to go down and visit it.

During those 12 years I have seen the number of people visiting this area grow tremendously. It has been my conviction that one of the reasons why the number of people visiting this area has increased so tremendously has been the activity of the Park Service in developing this beautiful park area. It is one of the loveliest in the country. So I feel that on this score alone the Federal Government and the Park Service have the responsibility to help with the construction of this bridge.

Let us look at it this way. The bridge is a part of the highway in any highway system. If for instance a portion of the highway needed to be replaced on either end of this inlet, there would not be any question that the National Park Service would have the responsibility to pay for it. The same is true with respect to building a bridge which is a part of the highway.

We have had the assurance of the State of North Carolina that they will maintain the highway. Nonetheless, the responsibility, legally and actually, is that of the National Park Service. So I think this is a good deal for the Federal Government. We have the offer of the State of North Carolina to build this bridge and to pay seven-eighths of the cost. We have not had such a good deal in any other park area. I think if the House is smart it will approve this bill and let the State of North Carolina pay seven-eighths of the cost of the bridge, which is the responsibility 100 percent, as I see it, of the National Park Service.

I trust the House will approve this measure.

Mr. RUTHERFORD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 8983, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11131) entitled "An act to authorize certain construction at military installations, and for other purposes."

MILITARY CONSTRUCTION AUTHORIZATION FOR FISCAL YEAR 1963

Mr. VINSON. Mr. Speaker, I call up the conference report on the bill (H.R. 11131) to authorize certain construction at military installations, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1977)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11131) to authorize certain construction at military installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I

"SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for the following projects:

"Inside the United States

"Continental Army Command

"(First Army)

"Fort Devens, Massachusetts: Supply facilities and troop housing, $1,575,000.

"Fort Dix, New Jersey: Operational and training facilities, troop housing and community facilities, and utilities, $11,095,000.

"(Second Army)

"Carlisle Barracks, Pennsylvania: Community facilities, $490,000.

"Fort Knox, Kentucky: Operational and training facilities, maintenance facilities, medical facilities, and community facilities, $5,240,000.

"Fort Meade, Maryland: Maintenance facilities and troop housing, $1,473,000.

"Fort Ritchie, Maryland: Medical facilities, troop housing and community facilities, $2,032,000.

"(Third Army)

"Fort Benning, Georgia: Operational and training facilities, maintenance facilities, supply facilities, medical facilities, administrative facilities, troop housing and community facilities, utilities and ground improvements, $3,764,000.

"Fort Bragg, North Carolina: Operational and training facilities, maintenance facilities, administrative facilities and utilities, $4,343,000.

"Fort Campbell, Kentucky: Supply facilities and utilities, $1,989,000.

"Fort McClellan, Alabama: Training facilities and troop housing, $1,352,000.

"Fort Rucker, Alabama: Operational and training facilities, and troop housing, $3,772,000.

"Fort Stewart, Georgia: Ground improvements, $231,000.

"(Fourth Army)

"Fort Bliss, Texas: Operational facilities, maintenance facilities, research, development and test facilities, supply facilities, administrative facilities and troop housing, $2,503,000.

"Fort Hood, Texas: Maintenance facilities, hospital and medical facilities, and ground improvements, $7,657,000.

"Fort Sam Houston, Texas: Utilities, $426,000.

"Fort Sill, Oklahoma: Operational facilities, maintenance facilities, supply facilities, administrative facilities and troop housing, $6,675,000.

"(Fifth Army)

"Fort Benjamin Harrison, Indiana: Troop housing, $1,260,000.

"Fort Leavenworth, Kansas: Utilities, $103,000.

"Fort Riley, Kansas: Operational facilities, $444,000.

"Fort Leonard Wood, Missouri: Maintenance facilities, supply facilities, medical facilities, administrative facilities, troop housing and community facilities, and utilities, $8,567,000.

"(Sixth Army)

"Hunter-Liggett Military Reservation, California: Troop housing, $159,000.

"Fort Irwin, California: Community facilities and utilities, $653,000.

"Fort Lewis, Washington: Operational facilities, maintenance facilities, supply facilities, and community facilities, $4,627,000.

"Fort Ord, California: Operational facilities, maintenance facilities, medical facilities, utilities and ground improvements, $3,108,000.

"Technical Services Facilities

"(Chemical Corps)

"Army Chemical Center, Maryland: Research, development and test facilities, and utilities, $920,000.

"Dugway Proving Ground, Utah: Hospital and medical facilities, and utilities, $1,109,000.

"(Corps of Engineers)

"Fort Belvoir, Virginia: Training facilities, maintenance facilities, research, development and test facilities, and utilities, $2,000,000.

"(Ordnance Corps)

"Aberdeen Proving Ground, Maryland: Research, development and test facilities, $318,000.

"Letterkenny Ordnance Depot, Pennsylvania: Administrative facilities, $411,000.

"Redstone Arsenal, Alabama: Administrative facilities, $272,000.

"Rock Island Arsenal, Illinois: Administrative facilities, $380,000.

"White Sands Missile Range, New Mexico: Research, development and test facilities, and hospital and medical facilities, $7,934,000.

"(Quartermaster Corps)

"Fort Lee, Virginia: Community facilities and utilities, $199,000.

"Utah General Depot, Utah: Maintenance facilities, $145,000.

"(Signal Corps)

"Army Radio Receiving Station, La Plata, Maryland: Utilities, $175,000.

"Fort Huachuca, Arizona: Research development and test facilities, $452,000.

"Fort Monmouth, New Jersey: Troop housing facilities, $920,000.

"West Coast Relay Transmitter Station, California: Troop housing, $203,000.

"(Medical Service)

"William Beaumont General Hospital, Texas: Troop housing, $202,000.

"Brooke Army Medical Center, Texas: Hospital and medical facilities, $834,000.

"Fitzsimons General Hospital, Colorado: Hospital and medical facilities and troop housing, $1,177,000.

"(Transportation Corps)

"Fort Eustis, Virginia: Medical facilities, $351,000.

"United States Military Academy

"United States Military Academy, West Point, New York: Maintenance facilities and community facilities, $1,973,000.

"Army Components Commands

"(United States Army Air Defense Command)

"Various locations: Operational facilities, supply facilities, administrative facilities, troop housing and utilities, $7,729,000.

"(Alaska Command area)

"Wildwood Station, Alaska: Utilities, $55,000.

"Eielson Air Force Base, Alaska: Operational facilities, $289,000.

"(Pacific Command area)

"Various locations, Hawaii: Operational facilities and utilities, $157,000.

"Outside the United States

"(Army Security Agency)

"Various locations: Operational facilities, supply facilities, troop housing and utilities, $4,684,000.

"Army Component Commands

"(Pacific Command area)

"Korea: Operational facilities, maintenance facilities, supply facilities, administrative facilities, troop housing, utilities and ground improvements, $11,932,000.

"Fort Buckner, Okinawa: Maintenance facilities, supply facilities and utilities, $2,775,000.

"Various locations: Utilities, $190,000.

"(European Command area)

"France: Operational facilities, supply facilities and utilities, $4,655,000.

"Germany: Operational facilities, maintenance facilities, supply facilities, utilities and ground improvements, $1,176,000.

"Classified locations: Operational facilities, administrative facilities, troop housing and utilities, $3,705,000.

"(Caribbean Command area)

"Fort Allen, Puerto Rico: Medical facilities and troop housing, $171,000.

"Fort Clayton, Canal Zone: Operational facilities, $411,000.

"SEC. 102. The Secretary of the Army may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $2,000,000.

"SEC. 103. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $15,000,000: *Provided*, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1963, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

"SEC. 104. (a) Public Law 85–685, as amended, is amended under heading 'INSIDE THE UNITED STATES' in section 101, as follows:

"(1) Under the subheading 'TECHNICAL SERVICES FACILITIES (Corps of Engineers)' with respect to Army Map Service, Maryland, strike out '$1,913,000' and insert in place thereof '$2,162,000'.

"(b) Public Law 85–685, as amended, is amended by striking out in clause (1) of section 502, '$110,797,000' and '$310,707,000' and inserting in place thereof '$111,046,000' and '$310,956,000', respectively.

"SEC. 105. (a) Public Law 86–500, as amended, is amended under heading 'INSIDE THE UNITED STATES' in section 101, as follows:

"(1) Under the subheading 'TECHNICAL SERVICES FACILITIES (Chemical Corps)', with respect to Dugway Proving Ground, Utah, strike out '$87,000' and insert in place thereof '$123,000'.

"(2) Under the subheading 'TECHNICAL SERVICES FACILITIES (Quartermaster Corps)', with respect to Sharpe General Depot, California, strike out '$218,000' and insert in place thereof '$248,000'.

"(3) Under the subheading 'Continental Army Command (Fifth Army)', with respect to Fort Riley, Kansas, strike out '$1,332,000' and insert in place thereof '$1,490,000'.

"(b) Public Law 86–500, as amended, is amended by striking out in clause (1) of section 502, '$79,275,000' and '$146,205,000' and inserting in place thereof '$79,499,000' and '$146,429,000', respectively.

"TITLE II

"SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment for the following projects:

"Inside the United States

"Shipyard Facilities

"Naval Shipyard, Boston, Massachusetts: Troop housing, $80,000.

"Naval Shipyard, Bremerton, Washington: Maintenance facilities, $651,000.

"Naval Shipyard, Charleston, South Carolina: Operational facilities, and utilities, $499,000.

"Naval Shipyard, Mare Island, California: Maintenance facilities, $702,000.

"Naval Facility, Nantucket, Massachusetts: Operational facilities, troop housing, and utilities, $1,139,000.

"Naval Submarine Base, New London, Connecticut: Supply facilities, and troop housing, $2,618,000.

"Naval Shipyard, Norfolk, Virginia; Maintenance facilities, and utilities, $2,304,000.

"Naval Submarine Base, Pearl Harbor, Oahu, Hawaii: Operational facilities, $462,000.

"Naval Shipyard, Portsmouth, New Hampshire: Maintenance facilities, and troop housing, $899,000.

"Naval Repair Facility, San Diego, California: Maintenance facilities, $477,000.

"Naval Radiological Defense Laboratory, San Francisco, California: Research, development and test facilities, $2,534,000.

"Fleet base facilities

"Naval Station, Charleston, South Carolina: Operational facilities, administrative facilities, community facilities, and utilities, $4,320,000.

"Naval Station, Key West, Florida: Troop housing, $563,000.

"Naval Station, Mayport, Florida: Troop housing, $765,000.

"Naval Station, Norfolk, Virginia: Operational facilities, and real estate, $3,333,000.

"Naval Weapons Facilities

"(Naval air training stations)

"Naval Auxiliary Air Station, Kingsville, Texas: Maintenance facilities, $70,000.

"Naval Air Station, Memphis, Tennessee: Training facilities, $1,975,000.

"Naval Auxiliary Air Station, Meridian, Mississippi: Community facilities, $274,000.

"Naval Air Station, Pensacola, Florida: Administrative facilities, $130,000.

"(Field support stations)

"Naval Station, Adak, Alaska: Troop housing, $1,791,000.

"Naval Air Station, Alameda, California: Operational facilities, $667,000.

"Naval Air Station, Cecil Field, Florida: Utilities, $490,000.

"Naval Air Station, Jacksonville, Florida: Administrative facilities, $130,000.

"Naval Air Station, Key West, Florida: Troop housing, $2,516,000.

"Naval Station, Kodiak, Alaska: Operational facilities, $91,000.

"Naval Air Station, Lemoore, California: Community facilities, $1,021,000.

"Naval Air Station, Norfolk, Virginia: Maintenance facilities and administrative facilities, $261,000.

"Naval Air Station, North Island, California: Operational and training facilities, $1,112,000.

"Naval Air Station, Oceana, Virginia: Maintenance facilities, $262,000.

"Naval Air Station, Quonset Point, Rhode Island: Administrative facilities, $132,000.

"Naval Air Station, Whidbey Island, Washington: Troop housing and community facilities, $1,898,000.

"(Marine Corps air stations)

"Marine Corps Air Station, Beaufort, South Carolina: Maintenance facilities, supply facilities, and administrative facilities, $1,180,000.

"Marine Corps Air Station, Cherry Point, North Carolina: Training facilities, maintenance facilities, and administrative facilities, $562,000.

"Marine Corps Air Station, El Toro, California: Training facilities, $243,000.

"Marine Corps Auxiliary Air Station, Yuma, Arizona: Operational facilities, and utilities, $2,013,000.

"(Fleet readiness stations)

"Naval Ammunition Depot, Concord, California: Community facilities, $189,000.

"Naval Propellant Plant, Indian Head, Maryland: Supply facilities, and troop housing, $537,000.

"(Research, development, test and evaluation stations)

"Naval Weapons Laboratory, Dahlgren, Virginia: Research, development and test facilities, $2,042,000.

"Naval Air Development Center, Johnsville, Pennsylvania: Troop housing, $585,000.

"Naval Air Material Center, Philadelphia, Pennsylvania: Administrative facilities, $482,000.

"Pacific Missile Range, Point Mugu, California: Operational facilities, supply facilities, and research development and test facilities, $3,647,000.

"Naval Ordnance Laboratory, White Oak, Maryland: Research, development and test facilities, $3,280,000.

"Supply Facilities

"Naval Supply Center, Norfolk, Virginia: Operational facilities, $218,000.

"Naval Regional Accounts Office, Philadelphia, Pennsylvania: Administrative facilities, $250,000.

"Marine Corps Facilities

"Marine Corps Base, Camp Pendleton, California: Operational and training facilities, maintenance facilities, troop housing and community facilities, and utilities and ground improvements, $4,884,000.

"Marine Corps Schools, Quantico, Virginia: Training facilities, $990,000.

"Service School Facilities

"Naval Academy, Annapolis, Maryland: Troop housing, $5,027,000.

"Naval Weapons Plant, District of Columbia: Administrative facilities, $128,000.

"Naval Training Center, Great Lakes, Illinois: Training facilities, $1,592,000.

"Naval Amphibious Base, Little Creek, Virginia: Training facilities, and troop housing, $1,773,000.

"Officer Candidate School, Newport, Rhode Island: Troop housing, $2,772,000.

"Fleet Antisubmarine Warfare School, San Diego, California: Training facilities, troop housing, and utilities, $2,537,000.

"Medical Facilities

"Naval Hospital, Long Beach, California: Hospital and medical facilities, and utilities and ground improvements, $7,223,000.

"Naval Aviation Medical Center, Pensacola, Florida: Training facilities, and research, development and test facilities, $3,825,000.

"Naval Hospital, Philadelphia, Pennsylvania: Utilities, $190,000.

"Communication Facilities

"Naval Radio Station, Kodiak, Alaska: Utilities, $117,000.

"Office of Naval Research Facilities

"Naval Research Laboratory, District of Columbia: Research, development and test facilities, $5,582,000.

"Naval Training Device Center, Port Washington, Long Island, New York: Research, development, and test facilities, $265,000.

"Yards and Docks Facilities

"Public Works Center, Norfolk, Virginia: Operational facilities, and utilities, $572,000.

"Outside the United States

"Naval Weapons Facilities

"Naval Air Station, Agana, Guam: Real estate, $133,000.

"Naval Station, Argentia, Newfoundland, Canada: Operational facilities, $71,000.

"Marine Corps Air Facility, Futema, Okinawa: Maintenance facilities, and troop housing and community facilities, $1,976,000.

"Marine Corps Air Facility, Iwakuni, Japan: Troop housing, $679,000.

"Naval Air Facility, Naha, Okinawa: Operational facilities, $495,000.

"Naval Station, Roosevelt Roads, Puerto Rico: Maintenance facilities, $57,000.

"Fleet Activities, Okinawa: Utilities, $144,000.

"Naval Air Facility, Sigonella, Sicily, Italy: Operational facilities, and community facilities, $935,000.

"Marine Corps Facilities

"Camp Smedley D. Butler, Okinawa: Operational and training facilities, maintenance facilities, supply facilities, administrative facilities, troop housing and community facilities, and utilities and ground improvements, $7,679,000.

"Medical Facilities

"Naval Hospital, Yokosuka, Japan: Hospital facilities, $118,000.

"Communication Facilities

"Naval Communication Station, Asmara, Eritrea: Operational facilities, and troop housing, $4,346,000.

"Naval Communication Station, Finegayan, Guam: Utilities, $166,000.

"Yards and Docks Facilities

"Public Works Center, Guam: Utilities, $5,688,000.

"SEC. 202. The Secretary of the Navy may establish or develop classified naval installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, resettlement, site preparation, appurtenances, utilities, and equipment, in the total amount of $89,330,000.

"SEC. 203. The Secretary of the Navy may establish or develop naval installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of *$15,000,000: Provided,* That the Secretary of the Navy or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1963, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

"SEC. 204. (a) Public Law 161, Eighty-fourth Congress, as amended, is amended in section 201 under the heading 'CONTINENTAL UNITED STATES' and subheading 'AVIATION FACILITIES (Special Purpose Air Stations)', with respect to the Naval Air Station, Lakehurst, New Jersey, by striking out '$17,911,000' and inserting in place thereof '$18,263,000'.

"(b) Public Law 161, Eighty-fourth Congress, as amended, is amended by striking out in clause (2) of section 502, the amounts '$309,134,600' and '$579,301,300' and inserting respectively in place thereof '$309,486,600' and '$579,653,300'.

"SEC. 205. (a) Public Law 86–500, as amended, is amended in section 201 under the heading 'INSIDE THE UNITED STATES' and subheading 'SERVICE SCHOOL FACILITIES', with respect to the Naval Academy, Annapolis, Maryland, by striking out '$6,000,000', and inserting in place thereof '$8,605,000'.

"(b) Public Law 86–500, as amended, is amended by striking out in clause (2) of section 502, the amounts '$87,075,000' and '$130,666,000' and inserting respectively in place thereof '$89,680,000' and '$133,271,000".

"SEC. 206. (a) Public Law 87–57 is amended in section 201 under the heading 'INSIDE THE UNITED STATES' and subheading 'SERVICE SCHOOL FACILITIES', with respect to the Naval Academy, Annapolis, Maryland, by striking out '$9,687,000', and inserting in place thereof '$12,006,000'.

"(b) Public Law 87–57 is amended by striking out in clause (2) of section 602, the amounts '$79,239,000' and '$138,344,000', and inserting respectively in place thereof '$81,558,000' and '$140,663,000'.

"SEC. 207. Notwithstanding any other provision of law, the Secretary of the Navy, or his designee, is authorized to enter into a contract for a period not to exceed twenty years for the purpose of providing water for military installations located at or near Beaufort, South Carolina.

"TITLE III

"SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for the following projects:

"Inside the United States

"Air Defense Command

"Duluth Municipal Airport, Duluth, Minnesota: Operational and training facilities, maintenance facilities, supply facilities, medical facilities, and real estate, $2,812,000.

"Grand Forks Air Force Base, Grand Forks, North Dakota: Operational and training facilities, supply facilities, administrative facilities, and utilities, $1,310,000.

"Hamilton Air Force Base, San Rafael, California: Operational facilities, maintenance facilities, and supply facilities, $352,000.

"K. I. Sawyer Municipal Airport, Marquette, Michigan: Operational and training facilities, maintenance facilities, troop housing, and community facilities, $1,477,000.

"Kincheloe Air Force Base, Sault Sainte Marie, Michigan: Training facilities, and troop housing, $648,000.

"Kingsley Field, Klamath Falls, Oregon: Operational facilities, and maintenance facilities, $464,000.

"Minot Air Force Base, Minot, North Dakota: Operational facilities, maintenance facilities, supply facilities, troop housing, and utilities, $1,868,000.

"Paine Field, Everett, Washington: Operational facilities, maintenance facilities, and real estate, $2,698,000.

"Richards-Gebaur Air Force Base, Kansas City, Missouri: Medical facilities, $158,000.

"Selfridge Air Force Base, Mount Clemens, Michigan: Operational facilities and real estate, $179,000.

"Spokane International Airport, Spokane, Washington: Operational facilities, $80,000.

"Suffolk County Air Force Base, Westhampton Beach, New York: Operational facilities, medical facilities, and real estate, $867,000.

"Tyndall Air Force Base, Panama City, Florida: Maintenance facilities and utilities, $241,000.

"Air Force Logistics Command

"Griffiss Air Force Base, Rome, New York: Maintenance facilities, $206,000.

"Heath Maintenance Annex, Newark, Ohio: Maintenance facilities, $1,676,000.

"Hill Air Force Base, Ogden, Utah: Maintenance facilities, supply facilities, hospital facilities, administrative facilities, and community facilities, $5,116,000.

"Hill Air Force Range, Lakeside, Utah: Mantenance facilities, supply facilities, community facilities, and utilities, $7,581,000.

"McClellan Air Force Base, Sacramento, California: Operational facilities, $2,976,000.

"Robins Air Force Base, Macon, Georgia: Maintenance facilities, and administrative facilities, $389,000.

"Tinker Air Force Base, Oklahoma City, Oklahoma: Operational facilities, $6,700,000.

"Wright-Patterson Air Force Base, Dayton, Ohio: Training facilities, research, development, and test facilities, medical facilities, and utilities, $14,840,000.

"Air Force Systems Command

"Arnold Engineering Development Center, Tullahoma, Tennessee: Research, development, and test facilities, $2,462,000.

"Edwards Air Force Base, Muroc, California: Research, development, and test facilities, $2,934,000.

"Eglin Air Force Base, Valparaiso, Florida: Research, development, and test facilities, $282,000.

"Holloman Air Force Base, Alamogordo, New Mexico: Research, development, and test facilities, $619,000.

"Laurence G. Hanscom Field, Bedford, Massachusetts: Operational facilities, administrative facilities, utilities, and real estate, $1,540,000.

"Patrick Air Force Base, Cocoa, Florida: Hospital facilities, administrative facilities, troop housing, and utilities, $6,335,000.

"Sacramento Peak Upper Air Research Site, Alamogordo, New Mexico: Research, development, and test facilities, $45,000.

"Various locations, Atlantic Missile Range: Research, development, and test facilities, and administrative facilities, $7,934,000.

"Air Training Command

"Amarillo Air Force Base, Amarillo, Texas: Maintenance facilities, and troop housing, $351,000.

"Chanute Air Force Base, Rantoul, Illinois: Training facilities, maintenance facilities, community facilities, and utilities, $1,731,000.

"Craig Air Force Base, Selma, Alabama: Training facilities, and maintenance facilities, $297,000.

"James Connally Air Force Base, Waco, Texas: Troop housing and utilities, $191,000.

"Keesler Air Force Base, Biloxi, Mississippi: Maintenance facilities, troop housing, and community facilities, $1,288,000.

"Lackland Air Force Base, San Antonio, Texas: Training facilities, medical facilities, administrative facilities, troop housing, community facilities, and utilities, $5,088,000.

"Perrin Air Force Base, Sherman, Texas: Operational facilities, $123,000.

"Sheppard Air Force Base, Wichita Falls, Texas: Training facilities, maintenance facilities, and troop housing, $1,441,000.

"Vance Air Force Base, Enid, Oklahoma: Maintenance facilities, $37,000.

"Air University

"Maxwell Air Force Base, Montgomery, Alabama: Utilities, $245,000.

"Alaskan Air Command

"Eielson Air Force Base, Fairbanks, Alaska: Operational facilities, $809,000.

"Elmendorf Air Force Base, Anchorage, Alaska: Operational facilities, administrative facilities, and utilities, $2,939,000.

"Galena Airport, Galena, Alaska: Maintenance facilities, $135,000.

"King Salmon Airport, Naknek, Alaska: Operational facilities, $494,000.

"Various locations: Operational facilities, maintenance facilities, troop housing, and community facilities, $1,607,000.

"Headquarters Command

"Andrews Air Force Base, Camp Springs, Maryland: Operational facilities, maintenance facilities, and administrative facilities, $1,270,000.

"Military Air Transport Service

"McGuire Air Force Base, Wrightstown, New Jersey: Operational facilities, $269,000.

"Travis Air Force Base, Fairfield, California: Operational facilities, $71,000.

"Strategic Air Command

"Altus Air Force Base, Altus, Oklahoma: Maintenance facilities, $120,000.

"Bergstrom Air Force Base, Austin, Texas: Community facilities, $350,000.

"Blytheville Air Force Base, Blytheville, Arkansas: Operational facilities, $50,000.

"Bunker Hill Air Force Base, Peru, Indiana: Operational facilities, $210,000.

"Carswell Air Force Base, Fort Worth, Texas: Community facilities, $154,000.

"Castle Air Force Base, Merced, California: Maintenance facilities, $229,000.

"Clinton-Sherman Air Force Base, Clinton, Oklahoma: Operational facilities, and maintenance facilities, $170,000.

"Columbus Air Force Base, Columbus, Mississippi: Operational facilities, $71,000.

"Dow Air Force Base, Bangor, Maine: Operational facilities, maintenance facilities, and supply facilities, $473,000.

"Dyess Air Force Base, Abilene, Texas: Operational facilities, $6,027,000.

"Ellsworth Air Force Base, Rapid City, South Dakota: Operational facilities, and maintenance facilities, $416,000.

"Fairchild Air Force Base, Spokane, Washington: Maintenance facilities, $120,000.

"Glasgow Air Force Base, Glasgow, Montana: Training facilities, $276,000.

"Larson Air Force Base, Moses Lake, Washington: Maintenance facilities, $160,000.

"Little Rock Air Force Base, Little Rock, Arkansas: Operational facilities, and maintenance facilities, $415,000.

"Lockbourne Air Force Base, Columbus, Ohio: Operational facilities, and maintenance facilities, $614,000.

"Loring Air Force Base, Limestone, Maine: Operational facilities, and maintenance facilities, $255,000.

"March Air Force Base, Riverside, California: Operational facilities, $96,000.

"McCoy Air Force Base, Orlando, Florida: Maintenance facilities, $380,000.

"Offutt Air Force Base, Omaha, Nebraska: Hospital facilities, administrative facilities, troop housing and utilities, $8,550,000.

"Pease Air Force Base, Portsmouth, New Hampshire: Operational facilities, and maintenance facilities, $449,000.

"Plattsburgh Air Force Base, Plattsburgh, New York: Maintenance facilities, $60,000.

"Turner Air Force Base, Albany, Georgia: Maintenance facilities, $394,000.

"Walker Air Force Base, Roswell, New Mexico: Operational facilities, and maintenance facilities, $276,000.

"Westover Air Force Base, Chicopee Falls, Massachusetts: Operation facilities, maintenance facilities, and medical facilities, $601,000.

"Wurtsmith Air Force Base, Oscoda, Michigan: Operational facilities, and community facilities, $502,000.

"Tactical Air Command

"Cannon Air Force Base, Clovis, New Mexco: Operational facilities, $300,000.

"England Air Force Base, Alexandria, Louisiana: Operational facilities, $140,000.

"George Air Force Base, Victorville, California: Operational facilities, and maintenance facilities, $392,000.

"Langley Air Force Base, Hampton, Virginia: Operational facilities, and hospital facilities, $3,157,000.

"Luke Air Force Base, Phoenix, Arizona: Operational facilities, and maintenance facilities, $401,000.

"Nellis Air Force Base, Las Vegas, Nevada: Maintenance facilities, supply facilities, hospital facilities, and utilities, $3,136,000.

"Pope Air Force Base, Fort Bragg, North Carolina: Operational facilities, maintenance facilities, administrative facilities, and troop housing, $4,753,000.

"Stewart Air Force Base, Smyrna, Tennessee: Operational facilities, $418,000.

"Seymour-Johnson Air Force Base, Goldsboro, North Carolina: Maintenance facilities, supply facilities, and utilities, $452,000.

"Aircraft Control and Warning System

"Various locations: Maintenance facilities, supply facilities, troop housing, community facilities, and utilities, $733,000.

"Special Facilities

"Various locations: Operational facilities, $3,176,000.

"Outside the United States

"Caribbean Air Command

"Howard Air Force Base, Canal Zone: Operation facilities, $1,747,000.

"Military Air Transport Service

"Various locations: Operational facilities $112,000.

"Pacific Air Force

"Various locations: Operational and training facilities, maintenance facilities, supply facilities, troop housing, community facilities, and utilities, $11,116,000.

"Strategic Air Command

"Ramey Air Force Base, Puerto Rico: Operational facilities, $50,000.

"Various locations: Operational facilities, $221,000.

"United States Air Forces in Europe

"Various locations: Operational facilities, maintenance facilities, supply facilities, troop housing, community facilities, and utilities, $5,435,000.

"United States Air Force Security Service

"Various locations: Operational facilities, supply facilities, medical facilities, administrative facilities, troop housing, community facilities, and utilities, $8,826,000.

"Aircraft Control and Warning System

"Various locations: Operational facilities, troop housing, community facilities, and utilities, $2,642,000.

"Special Facilities

"Various locations: Operational facilities, $2,314,000.

"Sec. 302. The Secretary of the Air Force may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $564,265,000.

"Sec. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determine that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with the interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $15,000,000: *Provided*, That the Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1963, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

"Sec. 304. (a) Public Law 86-500, as amended, is amended in section 301 under the heading 'Inside the United States' and subheading 'HEADQUARTERS COMMAND', with respect to Andrews Air Force Base, Camp Springs, Maryland, by striking out '$3,109,000' and inserting in place thereof '$3,294,000'.

"(b) Public Law 86-500, as amended, is amended by striking out in clause (3) of section 502 the amounts of '$206,035,000' and '$728,605,000' and inserting in place thereof '$206,220,000' and '$728,790,000', respectively.

"TITLE IV

"Sec. 401. The Secretary of Defense, subject to the provisions of section 610, may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for defense agencies and activities (other than the military departments and the Office of Civil Defense), for the following projects:

"Defense Atomic Support Agency

"Armed Forces Radiobiology Research Institute, National Naval Medical Center, Bethesda, Maryland: Research, development, and test facilities, $968,000.

"Various locations: Utilities, $193,000.

"Defense Communications Agency

"NORAD Headquarters, Colorado Springs, Colorado: Operational facilities, $1,446,000.

"Defense Intelligence Agency

"Metropolitan Washington, District of Columbia, area: Administrative facilities and utilities, $2,800,000.

"Defense Supply Agency

"Cameron Station, Alexandria, Virginia: Operational facilities, administrative facilities, and utilities, $3,590,000.

"Columbus General Depot, Columbus, Ohio: Administrative facilities and utilities, $3,191,000.

"Gentile Air Force Station, Dayton, Ohio: Administrative facilities, $1,296,000.

"Military Industrial Supply Agency, Philadelphia, Pennsylvania: Administrative facilities, $1,020,000.

"National Security Agency

"Fort Meade, Maryland: Operational facilities, administrative facilities, and utilities, $12,870,000.

"Various locations: Operational facilities, supply facilities, troop housing, community facilities, and utilities, $6,276,000.

"TITLE V—MILITARY FAMILY HOUSING

"Sec. 501. (a) For the purpose of providing improved management and administration of funds appropriated or otherwise made available to the Department of Defense for family housing programs there is hereby established on the books of the Treasury Department the Department of Defense family housing management account (hereinafter referred to as the 'management account').

"(b) The management account shall be administered by the Secretary of Defense as a single account. Into such account there shall be transferred (1) the unexpended balance of the funds established pursuant to subsections (g) and (h) of section 404 of the Housing Amendments of 1955, and (2) appropriations hereafter made to the Department of Defense, for the purpose of, or which are available for, the payment of costs arising in connection with the construction, acquisition, replacement, addition, expansion, extension, alteration, leasing, operation, or maintenance of family housing, including the cost of principal and interest charges, and insurance premiums, arising in connection with the acquisition of such housing, and mortgage insurance premiums payable under section 222(c) of the National Housing Act.

"(c) Obligations against the management account may be made by the Secretary of Defense, in such amounts as may be specified from time to time in appropriation Acts, for the purpose of defraying, in the manner and to the extent authorized by law, the costs referred to in subsection (b).

"(d) The last sentence of subsection (f) and subsections (g) and (h) of section 404 of the Housing Amendments of 1955 (42 U.S.C. 1594a. (g) and (h)) are hereby repealed.

"Sec. 502. The Secretary of Defense, or his designee, is authorized to construct, at the locations hereinafter named, family housing units, in the numbers hereinafter listed, but no construction shall be commenced at any such locations in the United States, until the Secretary shall have consulted with the Administrator, Housing and Home Finance Agency, as to the availability of adequate private housing at such locations. The authority to construct housing under this title shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

"(1) For Department of the Army: Inside the United States and Caribbean, 2,725 units, $50,686,500.

"Redstone Arsenal, Alabama, 150 units.

"Petroleum Distribution Pipeline, Alaska, 19 units.

"Fort Richardson, Alaska, 100 units.

"Pine Bluff Arsenal, Arkansas, 33 units.

"Sharpe General Depot, California, 40 units.

"Fitzsimons General Hospital, Colorado, 50 units.

"Fort Carson, Colorado, 280 units.

"Pueblo Ordnance Depot, Colorado, 18 units.

"Rocky Mountain Arsenal, Colorado, 44 units.

"Fort Stewart, Georgia, 132 units.

"U.S. Army, Hawaii, 250 units.

"Fort Leavenworth, Kansas, 100 units.

"Fort Riley, Kansas, 300 units.

"Fort Ritchie, Maryland, 179 units.

"Picatinny Arsenal, New Jersey, 40 units.

"Carlisle Barracks, Pennsylvania, 36 units.

"Charleston Transportation Depot, South Carolina, 10 units.

"Fort Sam Houston, Texas, 204 units.

"Dugway Proving Ground, Utah, 67 units.

"Fort Lee, Virginia, 100 units.

"Pacific Side, Canal Zone, 500 units.

"Quarry Heights, Canal Zone, 20 units.

"Fort Allen, Puerto Rico, 53 units.

"Outside the United States and Caribbean, 364 units, $6,485,000.

"Army Security Agency, location 04, 60 units, $900,000.

"Army Security Agency, location 12, 157 units, $2,723,000.

"Fort Buckner, Okinawa, 147 units, $2,862,000.

"(2) Department of the Navy: Inside the United States and Caribbean, 3,708 units, $71,015,000.

"Naval Station, Adak, Alaska, 250 units.

"Naval Air Station, Alameda, California, 500 units.

"Naval Radio Station, Dixon, California, 7 units.

"Marine Corps Air Station, El Toro, California, 400 units.

"Naval Station, Long Beach, California, 250 units.

"Naval Shipyard, Mare Island, California, 400 units.

"Marine Corps Base, Camp Pendleton, California, 400 units.

"Naval Station, San Diego, California, 500 units.

"Naval Air Station, Cecil Field, Florida, 200 units.

"Naval Mine Defense Laboratory, Panama City, Florida, 40 units.

"Naval Air Station, Sanford, Florida, 10 units.

"Marine Corps Air Station, Kaneohe Bay, Hawaii, 200 units.

"Naval Research Laboratory, Chesapeake Bay Annex, Maryland, 6 units.

"Naval Base, Portsmouth, New Hampshire, 150 units.

"Naval Ammunition Depot, Earle, New Jersey, 48 units.

"Naval Air Station, New York, New York, 8 units.

"Naval Supply Depot, Mechanicsburg, Pennsylvania, 45 units.

"Naval Supply Center, Cheatham Annex, Virginia, 50 units.

"Fleet Anti-Air Warfare Training Center, Dam Neck, Virginia, 15 units.

"Naval Air Station, Oceana, Virginia, 25 units.

"Naval Weapons Station, Yorktown, Virginia, 100 units.

"Naval Radio Station, Sabana Seca, Puerto Rico, 104 units.

"Outside the United States and Caribbean, 200 units, $7,000,000.

"Naval Station, Argentia, Canada, 200 units, $7,000,000.

"(3) For Department of the Air Force: Inside the United States, 5,865 units, $110,127,000.

"Eielson Air Force Base, Alaska, 160 units.

"Elmendorf Air Force Base, Alaska, 290 units.

"Norton Air Force Base, California, 14 units.

"Vandenberg Air Force Base, California, 200 units.

"Robins Air Force Base, Georgia, 300 units.

"Chanute Air Force Base, Illinois, 190 units.

"Dow Air Force Base, Maine, 200 units.

"K. I. Sawyer Air Force Base, Michigan, 400 units.

"Kincheloe Air Force Base, Michigan, 400 units.

"Wurtsmith Air Force Base, Michigan, 300 units.

"Glasgow Air Force Base, Montana, 200 units.

"Griffiss Air Force Base, New York, 135 units.

"Hancock Field, New York, 100 units.

"Suffolk County Air Force Base, New York, 100 units.

"Pope Air Force Base, North Carolina, 300 units.

"Grand Forks Air Force Base, North Dakota, 300 units.

"Minot Air Force Base, North Dakota, 430 units.

"Clinton-Sherman Air Force Base, Oklahoma, 100 units.

"Kingsley Field, Oregon, 200 units.

"Hill Air Force Base, Utah, 200 units.

"Langley Air Force Base, Virginia, 300 units.

"Paine Field, Washington, 100 units.

"Various locations: 946 relocatable units.

"Outside the United States, 930 units, $18,670,000.

"Clark Air Base, Philippine Islands, 150 units, $2,790,000.

"Kadena Air Base, Okinawa, 500 units, $9,900,000.

"Site 1–D, 200 units, $4,540,000.

"Site 10–C, 80 units, $1,440,000.

"SEC. 503 (a) The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions not otherwise authorized by law of family housing units at various locations under the jurisdiction of the Department of Defense which, on the effective date of this Act, have not been designated as public quarters. Units so improved shall be designated public quarters.

"(b) No family housing unit may be improved at a total cost of more than 50 per centum of the maximum cost of construction prescribed by this Act for an equivalent unit of new family housing.

"SEC. 504. (a) Sections 4774(f) and 9774(f) of title 10, United States Code, are amended to read as follows:

"'(f) If the Secretary of Defense, or his designee, determines, on the basis of a survey of the family housing needs at any installation where the construction of family housing is authorized, that the construction of four-bedroom units for enlisted men is required, such units may be constructed with a net floor area of one thousand two hundred and fifty square feet or less.'

"(b) Section 7574(d) of title 10, United States Code, is amended to read as follows:

"'(d) If the Secretary of Defense, or his designee, determines, on the basis of a survey of the family housing needs at any installation where the construction of family housing is authorized, that the construction of four-bedroom units for enlisted men is required, such units may be constructed with a net floor area of one thousand two hundred and fifty square feet or less.'

"(c) Sections 4774(g) and 9774(g) of title 10, United States Code, are amended to read as follows:

"'(g) If the Secretary of Defense, or his designee, determines, on the basis of a survey of the family housing needs at an installation where the construction of family housing is authorized, that the construction of four-bedroom units for officers holding grades below major is required, such units may be constructed with a net floor area of one thousand four hundred square feet or less.'

"(d) Section 7574(e) of title 10, United States Code, is amended to read as follows:

"'(e) If the Secretary of Defense, or his designee, determines, on the basis of a survey of the family housing needs at an installation where the construction of family housing is authorized, that the construction of four-bedroom units for officers holding grades below lieutenant commander or equivalent is required, such units may be constructed with a net floor area of one thousand four hundred square feet or less.'

"SEC. 505. Section 515 of the Act of July 15, 1955 (69 Stat. 324, 352), as amended (75 Stat. 96, 111), is further amended by deleting the word 'tactical' in the third line of the section.

"SEC. 506. Authorizations for the construction of family housing provided in this Act shall be subject to the following limitations:

"(a) the cost per family unit shall not exceed—

"$22,000 for generals or equivalent;

"$19,800 for colonels or equivalent;

"$17,600 for major and/or lieutenant colonel or equivalent;

"$15,400 for all other commissioned or warrant officer personnel or equivalent;

"$13,200 for enlisted personnel;

except that when such units are constructed outside the continental United States or in Alaska, the average cost per unit of all such units shall not exceed $32,000, and in no event shall the individual cost exceed $40,000.

"The cost limitations provided in this subsection shall be applied to the five-foot line.

"(b) No project in excess of 50 units at a specific location, other than those constructed outside the continental United States or in Alaska, shall be constructed at an average unit cost exceeding $17,500, including the costs of land acquisition, site preparation, and installation of utilities.

"(c) No family housing unit, other than those constructed outside the continental United States or in Alaska, shall be constructed at a total cost exceeding $26,000, including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities. For the purposes of this section the cost of the family unit shall include ranges, refrigerators, shades, screens, and fixtures.

"SEC. 507. No funds may be appropriated after December 31, 1962, for the construction, acquisition, leasing, addition, extension, expansion, alteration, or operation and maintenance of family housing under the jurisdiction of the Department of Defense unless the appropriation of such funds has been authorized by legislation enacted after such date.

"TITLE VI

"General Provisions

"SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to sections 3648 and 3734 of the Revised Statutes, as amended (31 U.S.C. 529, 40 U.S.C. 259, 267), and sections 477(d) and 9774(d) of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

"SEC. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for military construction projects authorized by titles I, II, III, and IV shall not exceed—

"(1) for title I: Inside the United States, $101,743,000; outside the United States, $29,699,000; section 102, $2,000,000; section 103, $15,000,000; or a total of $148,442,000;

"(2) for title II: Inside the United States, $86,871,000; outside the United States, $22,487,000; section 202, $89,330,000; section 203, $15,000,000; or a total of $213,688,000;

"(3) for title III: Inside the United States, $131,651,000; outside the United States, $32,463,000; section 302, $564,265,000; section 303, $15,000,000; or a total of $743,379,000;

"(4) for title IV: a total of $33,650,000;

"(5) for title V: For housing units to be constructed under section 501 for Department of the Army, $57,171,500; Department of the Navy, $78,015,000; Department of the Air Force, $128,797,000; or a total of $263,983,500.

"SEC. 603. Any of the amounts named in title I, II, III, and IV of this Act, may, in the discretion of the Secretary concerned, be increased by 5 per centum for projects inside the United States (other than Alaska) and by 10 per centum for projects outside the United States or in Alaska, if he determines in the case of any particular project that such increase (1) is required for the sole purpose of meeting unusual variations in cost arising in connection with that project, and (2) could not have been reasonably anticipated at the time such project was submitted to the Congress. However, the total costs of all projects in each such title may not be more than the total amount authorized to be appropriated for projects in that title.

"SEC. 604. Whenever—

"(1) The President determines that compliance with section 2313(b) of title 10, United States Code, for contracts made under this Act for the establishment or development of military installations and facilities in foreign countries would interfere with the carrying out of this Act; and

"(2) The Secretary of Defense and the Comptroller General have agreed upon alternative methods of adequately auditing those contracts;

the President may exempt those contracts from the requirements of that section.

"SEC. 605. Contracts for construction made by the United States for performance within the United States, and its possessions, under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Bureau of Yards and Docks, Department of the Navy, unless the Secretary of Defense determines that because such jurisdiction and supervision is wholly impracticable such contracts should be executed under the jurisdiction and supervision of another department or Government agency, and shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report semiannually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

"SEC. 606. As of July 1, 1963, all authorizations for military public works to be accomplished by the Secretary of a military department in connection with the establishment or development of military installations and facilities, and all authorizations for appropriations therefor, that are contained in Acts approved before June 9, 1960, and not superseded or otherwise modified by a later authorization are repealed, except—

"(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

"(2) the authorization for public works projects as to which appropriated funds have been obligated for construction contracts or land acquisitions in whole or in part before July 1, 1963, and authorizations for appropriations therefor;

"(3) notwithstanding the provisions of section 606 of the Act of June 27, 1961 (75 Stat. 96, 110), the authorization for—

"(a) utilities in the amount of $2,300,000 at Fort Campbell, Kentucky, that is contained in title I, section 101, under the heading 'Inside the United States' and subheading 'FIELD FORCES FACILITIES (Third Army Area)' of the Act of August 10, 1959 (73 Stat. 302, 303);

"(b) maintenance facilities in the amount of $330,000 at the Pacific Missile Range, Point Mugu, California, that is contained in title II, section 201, under the heading 'Inside the United States' and subheading 'AVIATION FACILITIES (Special Purpose Air Stations)' in the Act of August 10, 1959 (73 Stat. 302, 307); and

"(c) maintenance facilities, medical facilities, supply facilities, troop housing, community facilities, and utilities and ground improvements in the amount of $3,957,000 for Naval Radio Research Station, Sugar Grove, West Virginia, that is contained in title II, section 201, under the heading 'Inside the United States' and subheading 'COMMUNICATION FACILITIES' of the Act of August 10, 1959 (73 Stat. 308).

"Sec. 607. Subsections (a) and (b) of section 2677 of title 10, United States Code, are amended to read as follows:

"(a) The Secretary of a military department may acquire an option on a parcel of real property before or after its acquisition is authorized by law, if he considers it suitable and likely to be needed for a military project of his department.

"(b) As consideration for an option acquired under subsection (a), the Secretary may pay, from funds available to his department for real property activities, an amount that is not more than 5 per centum of the appraised fair market value of the property. However, such amount must be credited to the purchase price of the property if the acquisition is completed.

"Sec. 608. None of the authority contained in titles I, II, and III of this Act shall be deemed to authorize any building construction project inside the United States (other than Alaska) at a unit cost in excess of—

"(1) $32 per square foot for cold-storage warehousing;

"(2) $8 per square foot for regular warehousing;

"(3) $1,850 per man for permanent barracks;

"(4) $6,500 per man for bachelor officer quarters;

unless the Secretary of Defense determines that, because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable.

"Sec. 609. Section 109(a) of the Act of August 20, 1958 (72 Stat. 641), as amended by section 413 of the Act of August 10, 1959 (73 Stat. 322), is further amended by striking the preceding comma and the following: 'and four hundred acres for a temporary spoil disposal area for a period of ten years,' and by inserting at the end of the said section 109(a), 'The Administrator of General Services shall, incident to this sale, reserve (for the benefit of the Chief of Engineers) a spoil disposal easement expiring August 20, 1968, on four hundred acres to be selected by the Administrator.'

"Sec. 610. (a) Any maintenance, rehabilitation, repair, alteration, addition, expansion, or extension of real property facilities required incident to the operation of activities and agencies of the Department of Defense (other than the military departments) financed from appropriations for military functions of the Department of Defense and any construction of real property facilities authorized herein for such activities and agencies will be accomplished by or through military departments designated by the Secretary of Defense.

"(b) Real property facilities under the jurisdiction of the Department of Defense utilized by activities and agencies of the Department of Defense (other than the military departments) shall be under the jurisdiction of a military department designated by the Secretary of Defense.

"TITLE VII

"Reserve Forces Facilities

"Sec. 701. Section 2233a of title 10, United States Code, is amended to read as follows:

" '§ 2233a. Limitation

" '(1) No expenditure or contribution that is more than $50,000 may be made under section 2233 of this title for any facility until after the expiration of thirty days from the date upon which the Secretary of Defense or his designee notifies the Senate and the House of Representatives of the location, nature, and estimated cost of such facility. This requirement does not apply to the following:

" '(a) Facilities acquired by lease.

" '(b) Facilities acquired, constructed, expanded, rehabilitated, converted, or equipped to restore or replace facilities damaged or destroyed, where the Senate and the House of Representatives have been notified of that action.

" '(2) Under such regulations as the Secretary of Defense may prescribe, any project authorized pursuant to section 2233(a) which does not cost more than $25,000 may be accomplished from appropriations available for maintenance and operations.'

"Sec. 702. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

"(1) for Department of the Army:

"(a) Army National Guard of the United States, $11,000,000; and

"(b) Army Reserve, $9,900,000:

"(2) for Department of the Navy: Naval and Marine Corps Reserves, $8,200,000;

"(3) For Department of the Air Force:

"(a) Air National Guard of the United States, $12,700,000; and

"(b) Air Force Reserve, $4,700,000.

"Sec. 703. The Secretary of Defense may establish or develop installations and facilities under this title without regard to sections 3648 and 3734 of the Revised Statutes, as amended, and sections 4774(d) and 9774 (d) of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended, and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

"Sec. 704. As of July 1, 1963, all authorizations for specific facilities for reserve forces to be accomplished by the Secretary of Defense, and all authorizations for appropriations therefor, that are contained in the Reserve Forces Facilities Act of 1960, and not superseded or otherwise modified by a later authorization, are repealed, except the authorizations for facilities for the reserve forces as to which appropriated funds have been obligated in whole or in part before July 1, 1963, and authorizations for appropriations therefor."

"Sec. 705. (a) Public Law 87-57 is amended under the heading 'ARMY NATIONAL GUARD OF THE UNITED STATES (ARMORY)' in clause (1) of section 701 with respect to Stockton, California, strike out '$254,000' and insert in place thereof '$350,000'.

"(b) Public Law 87-57 is amended by striking out in clause (1) of section 704, '$22,682,750' and inserting in place thereof '$22,778,750' ".

And the Senate agree to the same.

Carl Vinson,
L. Mendel Rivers,
Philip J. Philbin,
F. Edward Hébert,
Arthur Winstead,
Leslie C. Arends,
Leon H. Gavin,
Walter Norblad,
James E. Van Zandt.
Managers on the Part of the House.

Henry M. Jackson,
Clair Engle,
Howard W. Cannon,
J. Glenn Beall,
Barry Goldwater,
Managers on the Part of the Senate.

Statement

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11131) to authorize certain construction at military installations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

LEGISLATION IN CONFERENCE

On April 16, 1962, the House of Representatives passed H.R. 11131, which was the fiscal year 1963 military construction authorization for the Department of Defense and the Reserve components. On June 21, 1962, the Senate considered the legislation and amended it by striking all language after the enacting clause and wrote a new bill.

MAJOR ITEMS IN CONTROVERSY

H.R. 11131 as passed by the House provided authorization to the military departments and the Department of Defense for construction of facilities for fiscal year 1963 in the amount of $1,524,197,000. The bill as modified by the Senate reduced this figure to $1,450,512,000, a net difference of $73,685,000.

The major portion of the difference between the House and Senate bills is contained in the title authorizing family housing, which is discussed later in this statement.

Defense agencies

The House and Senate bills differed markedly in their treatment of authorization for facilities for Defense agencies.

The Department of Defense, in requesting military construction authorization for fiscal year 1963, recommended that authority be provided the Secretary of Defense to construct facilities for Defense agencies. This request was reflected in title IV of the departmental proposal.

The House rejected this recommendation since it had previously provided authority for the construction of facilities for Defense agencies to the individual military departments. The House felt that providing this authority directly to the Secretary of Defense would permit him to go beyond the area of "policymaking" and actually engage in "operating functions," specifically, construction. Consequently, the House in approving these facilities for Defense agencies deleted title IV and placed the authority under the military departments in titles I, II, and III of the bill.

The Senate did not concur in the House action since it was of the opinion that inclusion of the requirements for facilities for Defense agencies in one place of the authorizing bill only reflected "good management and good budget practices" and accordingly approved the departmental request in title IV of the Senate bill.

The House conferees pointed out that under the language requested by the Department of Defense and approved by the Senate, the Secretary of Defense could, if he so desired, enter directly into the field of construction and maintenance of real property facilities. The House conferees therefore insisted that action be taken which would specifically preclude the Department of Defense from engaging in an "operating function" arising from real property facilities.

The Senate conferees therefore receded and agreed to the position of the House in this matter and language was adopted which would:

(a) Provide that all construction, maintenance, repair, etc., of real property facilities will be accomplished by or through military departments.

(b) Preclude the possibility of Defense agencies including in their activities any "operational function" involving construction, repair, and maintenance.

(c) Require that primary "responsibility" for all real property facilities be in the military departments.

The language was incorporated in the "General provisions" of the bill as a new section 610, and reads as follows:

"SEC. 610 (a) Any maintenance, rehabilitation, repair, alteration, addition, expansion, or extension of real property facilities required incident to the operation of activities and agencies of the Department of Defense (other than the military departments) financed from appropriations for military functions of the Department of Defense and any construction of real property facilities authorized herein for such activities and agencies will be accomplished by or through military departments designated by the Secretary of Defense.

"(b) Real property facilities under the jurisdiction of the Department of Defense utilized by activities and agencies of the Department of Defense (other than the military departments) shall be under the jurisdiction of a military department designated by the Secretary of Defense."

In addition to the new section 610, the conferees modified section 401 of the Senate bill to clearly indicate that the authority provided the Secretary of Defense to construct facilities for Defense agencies does not, in any way, contemplate that the Department of Defense will either construct, maintain, or hold title to any of these new facilities, but that such "operating functions" will be delegated to the individual military departments.

Emergency authorization

Included in title IV as section 402 of the Senate bill was a request by the Secretary of Defense for emergency construction authorization. The Senate approved this request in the amount of $12½ million. The House objected to this provision since emergency construction authorization has heretofore been reserved to the individual military departments.

Consistent with the House position in prohibiting the Department of Defense from becoming engaged in construction activities, the Senate receded and the conferees agreed to delete this provision in its entirety and allocate $7½ million of this authorization to each of the military departments. Accordingly, the emergency construction authorization provided each of the military departments was increased from the $10 million approved by the House and the $12½ million approved by the Senate to a total of $15 million. Thus, the military departments are authorized a total of $45 million in emergency construction authorization.

In view of the new section 610 and the modification to section 401, and the deletion of section 402, the House conferees found no objection to the Senate action in authorizing construction for Defense Agencies as a separate title. Accordingly, the House accepted the language of Title IV, as amended.

Military family housing

1. The bulk of the difference between the House and Senate authorizations is contained in the title authorizing military family housing.

Under the provisions of the House-passed bill, the military departments were authorized 16,503 units, totaling $311,451,000. The Senate reduced this request by 3,086 units, for a total of 13,567 authorized units, totaling $260,046,000. The authorizations in difference between the two bodies are tabulated below:

Installation	Units approved	
	House	Senate
Army:		
Fort McClellan, Ala	19	0
Fitzsimons General Hospital, Colo	100	50
Fort Carson, Colo	0	280
U.S. Army, Hawaii	500	250
Fort Benjamin Harrison, Ind	100	0
White Sands Missile Range, N. Mex	280	0
Fort Belvoir, Va	200	0
Fort Myer, Va	525	0
Fort Buchanan, P.R	83	0
Navy:		
Naval Construction Battalion Center, Port Hueneme, Calif	200	0
Naval Station, Long Beach, Calif	500	250
MCAS, Kaneohe Bay, Hawaii	325	200
NAAS, Kingsville, Texas	0	0
Armed Forces Staff College, Norfolk, Va	125	0
Naval Station, Roosevelt Roads, P.R	9	0
United Nations Command, Korea	8	0
Air Force:		
Mather Air Force Base, Calif	200	0
Lowry Air Force Base, Colo	200	0
Bellows Air Force Base, Hawaii	8	0
Chanute Air Force Base, Ill	190	100
Andrews Air Force Base, Md	500	0
Griffiss Air Force Base, N.Y	185	0
Clark Airbase, Philippine Islands	0	150

The Senate justified its reduction in family housing authorizations in most instances on the basis that community support in metropolitan areas was available to satisfy military family housing requirements.

Although the House conferees believe that the criteria applied by the Senate in reducing these authorizations was unusually rigid, they agreed to accept the reductions with the exception of the housing requirements at Chanute Air Force Base, Ill., and Griffiss Air Force Base, N.Y. In these two instances, the Senate receded to the House.

2. Housing management account: The Department of Defense had originally requested the establishment of a revolving fund under which it would support the housing requirements of the military departments. The House rejected this departmental request in its entirety since, as submitted by the Department, it would not have required the normal legislative and appropriating congressional process. The House in rejecting this departmental recommendation conceded the desirability of developing management procedures that would permit an accurate reflection of total family housing costs.

The Senate concurred in the House action and rejected the departmental proposal. However, the Senate also felt that a housing account would be a valuable management tool and would provide a means of consolidating all costs associated with the military family housing program. Accordingly, the Senate authorized the establishment of a "management account" in section 501.

Section 501 provides for the establishment of a Department of Defense management account, "into which would be transferred amounts appropriated for construction, acquisition, replacement, addition, expansion, alteration, leasing, operation, and maintenance of family housing. Disbursements would be made from the account, in such amounts as may be specified from time to time in appropriation acts, for the purpose of defraying, in the manner and to the extent authorized by law, such costs of military family housing. This language will not permit the use of income from rental receipts for any cost of family housing; it specifically repeals the previous authority to use rental income from Wherry housing for certain housing costs. As in the past, quarters allowances for occupants of unencumbered public quarters will not be appropriated; instead, costs of construction, acquisition, and major improvements will be covered by military construction appropriations transferred to the account."

"The conferees feel that the account represents a valuable management tool for the military family housing program and provides sufficient administrative flexibility to significantly improve the management of the program. At the same time it assures that normal congressional review and control is preserved. The account will be a device to consolidate all costs associated with the military family housing program and will permit the ready identification of all the various parts of this important aspect of the Military Establishment. Moreover, it will for the first time, provide a means whereby the Congress can call for and expect to receive a consolidated balance sheet on the military family housing program."

The House conferees accepted the Senate language in section 501.

Hospital facilities

The House-passed bill authorized the construction of eight new hospital facilities. The Senate concurred in the House action with the exception of the authorization for the naval hospital at Long Beach, Calif., which was reduced from a 500-bed hospital to a 350-bed facility. The Senate also failed to authorize the House-approved facility for Langley Air Force Base, Va.

After considerable discussion, the conferees agreed to provide the necessary authorization for a hospital facility at Langley AFB, Va., in the amount of $3,078,000. However, the House conferees were unable to prevail in the case of the Long Beach Naval Hospital and agreed to accept the Senate reduction.

Naval Shipyard, Philadelphia, Pa.

Another item of major controversy between the House and Senate conferees related to the proposed authorization for the construction of nuclear submarine overhaul and repair facilities at the Naval Shipyard, Philadelphia, Pa.

The House authorized $1,275,000 for the construction of these facilities. The Senate denied the authorization on the theory that there is adequate industrial capability in being or under development to provide for the construction and support of nuclear-powered submarines for the foreseeable future.

The House conferees pointed out that there will be an ever-increasing requirement for nuclear overhaul facilities of this type with the progressive change in the composition of the fleet to nuclear propulsion. Consequently, the House conferees insisted that despite the unwillingness of the Department of the Navy to support this authorization request, that it is essential to provide this new capability to the naval shipyard at Philadelphia.

The Senate conferees remained adamant in their position in this matter, however, it was agreed that in the event the Navy found it necessary to expand its nuclear overhaul capability to additional naval shipyards, the Philadelphia Shipyard should be given priority consideration. This is particularly true in view of the demonstrated ability of the shipyard to discharge its mission responsibilities, and because of the tremendous investment of the Government at this location.

In view of this position of the Senate conferees, the House conferees reluctantly receded from their position, with the exception of Mr. Van Zandt and Mr. Gavin, who refrained from voting.

SUMMARY OF THE BILL

Differences in dollar authorizations

As the bill passed the House, the total authorities granted the Army, Navy, Air Force, Department of Defense, and Reserve components totaled $1,524,197,000. The corresponding authority granted in the Senate version of the bill totaled $1,450,512,000, or $73,685,000 less than the House version. The total agreed to by the conferees for titles I, II, III, IV, V, and VII is $1,455,672,500. This latter sum is $68,524,500 less than the House version and $5,160,500 more than the Senate version.

Carl Vinson,
Mendel L. Rivers,
Philip J. Philbin,
F. Edward Hébert,
Arthur Winstead,
Leslie C. Arends,
Leon H. Gavin,
Walter Norblad,
James E. Van Zandt,
Managers on the Part of the House.

Mr. VINSON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is the conference report on the military construction bill. This bill passed the House on April 16. We had a conference a few days ago and reached a unanimous agreement with reference to the relatively few items which were in disagreement. Here is the whole picture:

The annual military construction authorization for fiscal year 1963 as approved by the House provided a total authorization in the amount of $1,524,197,000. The bill as amended by the Senate and as modified by the conferees resulted in a reduction of $68,524,500, for an adjusted authorization of $1,455,672,500.

Despite the fact that the military construction authorization bill contained over 1,000 individual items, the bills as approved by both the House and Senate reflected a difference on only 89 items. These items were resolved in conference and resulted in the adjusted authorization that I have just mentioned.

The bulk of the difference in the Senate and House authorizations was contained in the title relating to military family housing.

The House approved 16,503 units of military family housing. The Senate reduced this figure to 13,567 units of military family housing. This resulting decrease reduced the dollar authorization over $51 million and represents the major dollar difference in the two bills.

Included in the conference report and the statement of managers on the part of the House is a complete list of locations at which military housing was adjusted or denied by the Senate. An examination of this list indicates that most of the housing units requested by the military departments which were denied by the Senate were proposed for metropolitan areas. The Senate denied these authorizations on the principle that housing requirements for military personnel in metropolitan areas should be satisfied if practicable through local community support. The House Conferees accepted this principle and, therefore, accepted the Senate deletions, except in two instances in which it appeared essential that housing be provided through the military departments. These locations were Chanute Air Force Base, Ill., and Griffiss Air Force Base, N.Y.

The adjusted total for military housing authorized in this bill is, therefore, 13,792 units.

As a local example of the policy we followed, here in the metropolitan area of Washington we provided for 525 units for Fort Myer. In the conference we took those out, because we think the rental situation in this area is such, and the building is such that we can save the Government from going into the housing business.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. GROSS. Is that true of Andrews Air Force Base as well?

Mr. VINSON. Yes. I am coming to that now.

For example, at Fort Belvoir there were 200 units. At the Lowry Air Force Base in Colorado there were 200. At the Andrews Air Force Base in Maryland there were 500 units. Now, adopting the philosophy that private enterprise will provide enough rental units for the military service in these areas, we followed the Senate's logic and struck them all out.

Mr. Speaker, that is the main item, and that was a reduction of $51 million.

As Members of the House will recall, the original departmental proposal requested authority to establish a revolving fund for military family housing. This fund would have bypassed the ordinary congressional legislative and appropriation process. We, therefore, denied this authority to the Departments.

The Senate concurred in the House action and denied this authority to the Departments. However, the Senate agreed with the House that procedures should be established by the Department of Defense to effectively and accurately reflect the total cost of military family housing. Therefore, the Senate added language to the bill which provided for the establishment of a so-called management account.

This management account is essentially designed to concentrate in one place all the expenditures which are made as a consequence of the military family housing program. I wish to emphasize that it has no other purpose. It is not a revolving fund and will continue to require the regular authorizing and appropriation process. In view of this fact, the House conferees accepted this Senate addition to the bill.

The House, in authorizing military housing in this bill, included statutory limitations on the cost of individual units. Specifically, it provided that no project in excess of 50 units constructed within the continental United States, shall be constructed at an average unit cost in excess of $17,500.

The Senate accepted this limitation but also included a provision which the House conferees felt strengthened this limitation. The Senate provided that in those instances in which less than 50 units were to be built at a specific location, the unit cost could not, in any event, exceed $26,000.

Included in the remaining adjustments made to the Senate-House bill was the elimination of section 402 of the Senate bill which would have provided the Secretary of Defense with emergency construction authorization in the amount of $12,500,000. The bill as approved by the conferees provides each of the military departments with $15 million of emergency construction authorization. This authorization should be adequate to meet the emergency construction requirements of the departments during fiscal year 1963.

The conferees also agreed to authorize the construction of a hospital facility at Langley Air Force Base, Va., at $3,078,000. This item had previously been approved by the House but denied by the Senate.

These are the highlights of the resolution of differences in the military construction authorization proposal for fiscal year 1963. I will refer to the Secretary of Defense's request for construction authority later in my remarks.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. GROSS. I notice in the conference report the use of the phrase "community facilities." Will the gentleman explain briefly what is meant by "community facilities"?

Mr. VINSON. It means chapels, clubs, messes, recreational facilities and things of that kind.

Mr. GROSS. That is what is meant by "community facilities"?

Mr. VINSON. That is right. Now we also use the term "community support" in regard to family housing. We make a complete review to see how much community support is available in an area before we ever authorize a single Government-owned home to be built. We take into account how many units are for rent, how many are on the market for sale, and all those facts. That is what is known as community support. They usually contribute a great deal. In some communities there are available many vacant houses that the members of the Army, Navy, or Air Force can utilize. There are offset against any building of new houses that might be planned by the military.

Mr. GROSS. Was there any change in the House bill with regard to the $22,000 limitation for the construction of housing for generals in the continental United States?

Mr. VINSON. Here is the whole story on housing unit costs. Let me read section 506:

Sec. 506. Authorizations for the construction of family housing provided in this Act shall be subject to the following limitations:

(a) the cost per family unit shall not exceed—

$22,000 for generals or equivalent;

$19,800 for colonels or equivalent;

$17,600 for major and/or lieutenant colonel or equivalent;

$15,400 for all other commissioned or warrant officer personnel or equivalent;

$13,200 for enlisted personnel;

except that when such units are constructed outside the continental United States or in Alaska, the average cost per unit of all such units shall not exceed $32,000, and in no event shall the individual cost exceed $40,000.

The cost limitations provided in this subsection shall be applied to the five-foot line.

(b) No project in excess of 50 units at a specific location, other than those constructed outside the continental United States or in Alaska, shall be constructed at an average unit cost exceeding $17,500, including the cost of land acquisition, site preparation, and installation of utilities.

(c) No family housing unit, other than those constructed outside the continental United States or in Alaska, shall be constructed at a total cost exceeding $26,000, including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities. For the purposes of this section the cost of the family unit shall include ranges, refrigerators, shades, screens, and fixtures.

Mr. GROSS. So it is $13,000 for enlisted men and their families and $22,000 normally for generals; is that correct?

Mr. VINSON. The gentleman is correct.

Mr. GROSS. It is in the conference report.

Mr. VINSON. The conference report is correct.

Mr. GROSS. Is it not true that enlisted men normally have larger families than generals?

Mr. VINSON. This is taken care of through a special provision in the law which permits the construction of a certain number of four-bedroom houses. That is, four-bedroom houses are available to enlisted men and officers who have families larger than the usual ones.

Mr. GROSS. For whom?

Mr. VINSON. These four-bedroom houses are for both officers and enlisted men, but only if the size of their families warrants it.

Mr. GROSS. Is it not a pretty substantial spread, $9,000 for a housing unit as between a general and an enlisted man?

Mr. VINSON. If a general goes into one of these houses, he will forfeit all of his general's housing allowance.

Mr. GROSS. Why should he not?

Mr. VINSON. That is correct. He should.

Mr. GROSS. If he is going to enjoy the good things of life, in a $22,000 or $26,000 house, why should he not pay—that is why he is paid the allowance that he gets.

Mr. VINSON. I agree with the gentleman thoroughly.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman.

Mr. HOSMER. Is it appropriate at this time to ask a question about the Long Beach Naval Hospital?

Mr. VINSON. The conferees could not reach an agreement on 500 beds. We could only agree on 350 beds. The best we could do on that was to include the authority for a 350-bed hospital.

Mr. HOSMER. As I understand, it was a reasonable difference of opinion with respect to the number of beds reasonably required?

Mr. VINSON. That is right. You see, we had a large hospital ship there and that figured into reaching the decision as to the number of beds that were needed.

Mr. HOSMER. May I ask further, is it the intention of the conferees that the hospital be constructed so that in the event 350 beds is not a reasonably sufficient number of beds, that the hospital may be expanded?

Mr. VINSON. If we find that military needs require that the number of beds be increased to 500, we will certainly bring a bill in here to increase the number of beds.

Mr. HOSMER. Is it the intention of the conferees that the 350-bed hospital be built in such a manner as to be able to furnish all the services reasonably required in a military hospital of this size?

Mr. VINSON. Yes, that is our hope.

Mr. Speaker, there is one item which I want to stress and I, therefore, will call your attention to it again.

The Department of Defense in requesting military construction authorization for fiscal year 1963, recommended that authority be provided the Secretary of Defense to construct facilities for Defense agencies.

The House rejected this recommendation since it had previously provided authority for the construction of facilities for Defense agencies to the individual military departments. The House felt that providing this authority directly to the Secretary of Defense would, in fact, provide him with statutory authority to construct facilities and therefore permit him, if he so desired, to engage in an operating function.

The Senate did not concur in the House action since it was of the opinion that inclusion of the requirements for facilities for Defense agencies in one place in the authorizing bill only reflected good management and good budget practices.

The House conferees recognized the merit of the Senate action but pointed out that the action taken was unacceptable to the House conferees since it would, by statute, authorize the Secretary of Defense to duplicate the traditional functions of the military departments in the field of construction and maintenance.

The Senate conferees conceded this deficiency in the Senate bill and accepted an amendment which was incorporated in the general provisions of the bill as a new section 610.

This new section accomplished three things. It will first, provide that all construction, maintenance, repair, and so forth, of real property facilities will be accomplished by or through military departments; second, preclude the possibility of Defense agencies including in their activities any operational function involving construction, repair, and maintenance; and third, require that primary responsibility for all real property facilities be in the military departments.

In summary, therefore, the new section prohibits the Secretary of Defense from engaging in an operating function related to the construction or maintenance of real property facilities.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman.

Mr. CURTIS of Missouri. I must respectfully disagree with the gentleman's interpretation. It seems very clear to me that the amendments that the Committee on Armed Services is attempting to put in here is to amend the basic law and, in particular, the McCormack-Curtis amendment which permits the Secretary of Defense, when he deems it advisable, and in the interest of efficiency and good management, to actually create a Department of Defense operation.

As I read the language in the conference report it actually says that those real property facilities must be under the jurisdiction of the military department designated by the Secretary of Defense. It seems to me the gentleman is very clearly amending the basic authorization law.

Mr. VINSON. In drafting and inserting the amendment to which the gentleman refers, it was not the intention of the committee or of the conferees to deal with the substantial question of Defense agencies as such. Our only intention, and indeed the only thing we did, was to preclude the Secretary of Defense from engaging in construction activities. We think that this would involve duplication and we also think that the military departments, with their long experience, are best qualified to carry out construction work.

I might mention to the gentleman that a subcommittee of the Armed Services Committee is right at this time looking into the question of defense agencies, the authority for their creation, and all other matters pertaining to them.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. RIVERS of South Carolina. There was not any intention that the law should permit the Secretary of Defense to be in the operational business.

Mr. CURTIS of Missouri. I think there was. We have had that discussion on the floor of the House.

Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. CURTIS of Missouri. I would like to suggest to the gentleman from South Carolina that he reread the debate at the time this amendment was put in the basic law which, incidentally, I took the floor a couple of weeks ago to call to the attention of the House again—that debate and the interpretation of it; and let me say to the gentleman from Georgia that it is very clear the other body placed that interpretation on it.

Mr. VINSON. I beg to differ with the gentleman. Our intention, as I have just said, is only to keep the Secretary of Defense out of the construction business. We intended no more, and we did no more. I have already explained the reasoning that underlies our action, and I have also referred to the fact that a subcommittee of the Armed Services Committee is going into this whole matter of defense agencies in great detail at this time.

Mr. CURTIS of Missouri. Let me ask the gentleman from Georgia a series of questions, if I may. Then, how does this language affect the Division of Supply and this Agency?

Mr. VINSON. It does not affect them at all as far as their function is concerned. It only applies to any construction needed for it.

Mr. CURTIS of Missouri. Let me ask this: To the extent that the Defense Supply Agency goes into some of these operations it will be going into the construction field, will it not?

Mr. VINSON. The Defense Supply Agency will get all the facilities it needs. But the construction of them must be done by one of the military departments.

Mr. CURTIS of Missouri. Let me ask this: Is the Defense Supply Agency responsible? Would it have to contract for the operation?

Mr. VINSON. It does not.

Mr. CURTIS of Missouri. Would this language prevent the Secretary of Defense from setting up the consolidated distribution agency?

Mr. VINSON. It would not, provided it has the facilities to use.

Get this in mind: The Department of Defense does not own one foot of soil or a single building. The realty is in the military Departments. We are merely keeping them in the military Department.

Mr. CURTIS of Missouri. Would it prevent them from setting up a defense construction agency?

Mr. VINSON. No; this language by itself would not. It does not go to the question of the authority of the Secretary of Defense to establish agencies.

Mr. CURTIS of Missouri. I am glad to hear the gentleman make those statements, but I am very much disturbed at the philosophy.

Here is what I want to ask the gentleman, the philosophy behind this provision insisting that titles remain——

Mr. VINSON. I will tell the gentleman, we want to avoid duplication of what the Departments are doing. You would have the Department of Defense carrying on a building program, you would have the Navy Department, the Army, the Air Force, and the Marine Corps doing the same thing. Under our plan today these Departments do the construction. The Department of Defense is not authorized by statute to get into the construction business, and this was the first time they ever sought to go into that business. But we are not dealing in the slightest degree with the functions of these agencies.

Mr. CURTIS of Missouri. I might say to the gentleman it is my understanding of the law that the Department of Defense is so authorized.

Mr. VINSON. That is what our subcommittee is looking into right now. But this has nothing to do with building the facilities that these agencies can occupy. That is all this deals with—the buildings.

Mr. CURTIS of Missouri. I would like to complete my statement as to what I feel is going on here and what will happen. It seems to me this does challenge the authority of the Secretary of Defense under present law to go in, if necessary to produce efficiency, to go into the business of constructing buildings, as the gentleman has said. This is to prevent them from doing that.

It seems to me that is a very definite backward step in what we are all, the gentleman from Georgia and I are anxious to do, which is to stop some of this duplication that has been going on for years in the services in areas where there is a common supply item. If the Department of Defense is to exercise with intelligence these consolidations under the Defense supply agencies, of course it ought to, in specific cases, move in and actually construct; otherwise, you will really hobble the Department of Defense in its efficiency.

Mr. VINSON. Let me say this to clear up the record. This does not deal at all with the Secretary establishing these agencies. This deals only with the building in which the agency is going to work.

Mr. CURTIS of Missouri. Exactly. It is cutting in on one of the necessary functions in order to obtain these efficiencies.

Mr. VINSON. It is merely stopping the Department of Defense from duplicating a capability which now exists in the military department.

Mr. CURTIS of Missouri. I may say to the gentleman, in order for the Department of Defense to do this job, in some instances it will have to do this, so the three of the four services will be out of the business and there is a real consolidation. I am sorry to see the step taken by the House. I think it is in line with greater inefficiency.

Mr. VINSON. I will say to the gentleman that this amendment was prepared by the Department, if that will make the gentleman feel better.

Mr. CURTIS of Missouri. There is a basic contest going on. The gentleman is aware of it; so am I. These services are fighting to prohibit and stop this consolidation. The taxpayers want it, and military efficiency, I might say, requires it.

Mr. VINSON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, on October 7, 1960, the Committee on Un-American Activities submitted to the House a report—House Report No. 2228, Union Calendar No. 1014, 86th Congress, 2d session—on the Communist-led riots against the committee which took place during its hearings in San Francisco on May 12–14, 1960. This report was submitted in relation to H.R. 12366 and section 302 of H.R. 2232, bills dealing with misbehavior before congressional committees which I had introduced. The now famous film "Operation Abolition" was an integral part of that report.

Since that time the Communist Party, its fronts and various non-Communist newspapers, individuals and organizations have charged that this film—and thus the committee report to this House—was a forgery and a fraud. In view of this fact, I believe the Members of the House will be interested in the testimony of FBI Director J. Edgar Hoover, given before a House Appropriations subcommittee on January 24 of this year and recently published by the committee.

In the course of Mr. Hoover's testimony, our distinguished colleague, the gentleman from Florida [Mr. Sikes], asked him how he evaluated the film "Operation Abolition." The following exchange then took place:

> Mr. Hoover. Although we did not participate in the preparation of the film I should like to point out, however, that the House Committee on Un-American Activities did cause to be published a report on the student demonstration based on the FBI's investigation of Communist Party activities, from eyewitnesses on the scene, and from official records of local authorities involved. It outlined the agitational tactics used by Communists during the May 1960 hearings to build the agitational pitch of the demonstrators to an explosive point—the point at which an effort was made to supplant the rule of law with mob action. These facts speak for themselves. Despite confusing and contradictory statements which have been made about the affair, the truth is that the students went beyond the limits of the law and broke up a duly constituted hearing.
>
> In view of the subsequent additional publicity over this affair, a responsible eyewitness to the riot wrote to me and in part summarized:
>
> "To sum it all up, there was a fracas on the hearing room side of the barricade involving a young man whose identity I do not know, triggering the mob violence immediately preceding the police use of the hoses. There is no question as to this sequence of events."
>
> Insofar as the film shows how demonstrators can be induced by Communists to go beyond the limits of the law, I believe it serves an educational purpose.
>
> I understand that the committee has revised the film. However, I have not seen this version of it.
>
> Mr. Sikes. I am glad to have your reaction. We have made it a point to have it shown as frequently and in as many places as we could in my district in the last few months.
>
> Mr. Hoover. You will find in many areas of the country there are staged demonstrations where the film is going to be shown even by picketing against it.
>
> Mr. Bow. Would you yield at this point?
>
> Mr. Sikes. Yes.
>
> Mr. Bow. I might say that I stayed home a little late this morning in order to see the "Today" show where they were going to take up the film "Operation Abolition." I was very much amazed and disappointed to

find that show put on the defense for the Communists and to see they made comments criticizing "Operation Abolition" and claiming that it was exaggerated, and not factual. To me, this was a rather disturbing thing.

Mr. ROONEY. Is it not strange, too, that that "Today" program went on television today, at a time when there is a concerted campaign to deny funds for the House Un-American Activities Committee?

Mr. BOW. That is right.

Mr. HOOVER. Off the record.

(Discussion off the record.)

For the benefit of those not familiar with the incident, I would like to clarify the references of the gentleman from Ohio [Mr. BOW] and the gentleman from New York [Mr. ROONEY] to the "Today" program.

On January 24, 1962, this nationwide TV program showed a portion of the film "Operation Abolition" and then a portion of the film "Operation Correction." "Operation Correction" is the actual film footage of "Operation Abolition" with a new narration prepared under the auspices of, and being sold by, the northern California branch of the American Civil Liberties Union. This narration, prepared by the organization's executive director, Ernest Besig, is packed with absolute falsehoods and distortions.

After the showing of the excerpts of these two films, John Chancellor, moderator of the NBC "Today" program, read an ACLU statement charging that the committee's film "Operation Abolition" contained distortions, and then he told the nationwide TV audience:

> We—I—agree with the statements of the American Civil Liberties Union.

Like the gentleman from New York [Mr. ROONEY] I think it significant that Mr. Chancellor should use the NBC "Today" program to attack the committee in this manner at the very time that there was in full swing a Communist-promoted campaign to have this House deny the committee appropriation for its work.

CHICAGO USHERS IN CAPTIVE NATIONS WEEK

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I am happy to report to the House that in the city of Chicago Captive Nations Week was ushered in by a large gathering representing 30 nationality groups, many of the participants garbed in bright native costumes and all showing by the expression on their faces their dedication to the task of bringing again to the enslaved peoples of the captive nations of Europe the sunshine of freedom.

Chicago has become the great inland metropolis of America, one of the greatest of all the cities of the world, by the joint effort and the common sacrifice of the sons and daughters of many lands, including those now held in bondage by the Communist invaders. It is safe to say that in no city in America is the spirit of Captive Nations Week more deeply embedded in the hearts and minds of all its populace than in Chicago.

Mr. Speaker, we have been altogether too complacent, too silent when we should have been aggressively articulate, when the evil forces of communism shouted at us the angry word "colonialism."

Our United States of America was a colony for a period as long as that it has enjoyed as a sovereign nation, since the Declaration of Independence.

Our country has led the world of the old era of colonialism to the new era of freedom and independence; but now when the era of colonialism as we knew it is ended, and the nations of the world, one by one, are entering into a new era of independent sovereignty, the Communist dictators, arch conspirators filled with evil designs, are plotting their capture for a return to a system of colonialism so black that even the worst of the old colonialism is white in comparison.

Mr. Speaker, we in the United States, we in the Congress, and our peoples everywhere in their offices and homes, are bound inseparably in prayer and in purpose with the people who have been caught in the net of this diabolical Communist colonialism. We will not cease in our efforts until they are free, living in human dignity and the right to live their lives in peace and good will.

Let me assure the enslaved peoples of the captive nations, as I did this body during the debate of last week, that communism is now standing on the last fringe of a lost battlefield. There is every indication of its complete collapse, the same collapse that always in the long history of mankind has come to ideologies that separated man from his faith in something higher and nobler than the drudgery and the hopelessness of animal existence. The godless colonialism with which by trickery and brute force the Communist dictators seek to enrapt the world is already breaking at the seams. The day of delivery is closer at hand than we imagine.

CAPTIVE NATIONS WEEK

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the gentleman from Delaware [Mr. McDOWELL] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McDOWELL. Mr. Speaker, when Hitler's hordes invaded Poland without a declaration of war on September 1, 1939, his evil design was to put an end to Poland's independence. But by his outrageous act he plunged most of the world into a devastating war which lasted more than 5 years, and which brought about the enslavement of one-fourth of Europe's population by Communist totalitarian tyranny.

As we all know, soon after the outbreak of that war, Western democracies declared war upon Nazi Germany, vowing to free Poland and other countries invaded by Hitler's forces, and to put an end to Hitler's regime. Unfortunately, however, only part of this goal was attained by the democracies: Hitler's Germany was crushed beyond recognition, but the unhappy people of Poland were not freed. That task proved too difficult for the democracies of the West without the consent and cooperation of their wartime ally, the Soviet Union. Thus without Soviet cooperation the governments of the West not only failed to free the Poles, but they witnessed the enslavement of many other nations by the Soviet Union and its agents in northeastern, central, and southeastern Europe. The sad paradox is that in addition to more than 25 million Poles who fought valiantly for their freedom and sacrificed more than any other people involved in the war, at the end of that war eight other nations were sharing the fate of oppressed and captive Poles.

Today nine countries, including, Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania and their close to 100 million inhabitants are captives behind the Iron Curtain. Of course there are also 17 million Germans in East Germany who share a similar fate. For nearly two decades these nations have not known freedom and have been suffering under Soviet-imposed Communist tyranny in their homelands. Some of these made valiant attempts in recent years to cast off the detested alien yoke and regain their freedom, but unfortunately these attempts were not successful. The Hungarian revolt of 1956 ended in a blood bath. The more numerous and more powerful Poles were spared a similar fate in 1956, when they protested and staged orderly demonstrations against their oppressive regime. Then they were granted some economic freedom. Today Poles feel less oppressed under their Communist regime than do other captive nations, and the Polish clergy has been most outspoken in its refusal to compromise on the question of faith. In this respect Poles have been fortunate in having stouthearted and fearless spokesmen. Courage and bravery is not lacking in other captive nations, but they have not been as fortunate under their Communist governments. Today on the observance of Captive Nations Week we ardently hope that through peaceful negotiations and other diplomatic ways, their freedom will be restored to them.

ANTHONY J. CELEBREZZE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. SHELLEY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHELLEY. Mr. Speaker, Anthony J. Celebrezze—the former newsboy who grew up to become the mayor of Cleveland, Ohio—is an excellent choice for the Secretary of Health, Education, and Welfare.

He has served his State and his city in the finest traditions of public service: His record in the State senate and in Cleveland city government is one of efficiency and humanitarianism. This record did not go unnoticed. The people of Ohio recognize it. The President of the United States recognizes it. And now the people of the United States recognize it.

Few Cabinet appointments meet with the public acceptance this selection has received. He brings to the office eminent qualifications—both humane and political. He stands on the frontlines in the struggle for civil rights for all our citizens; his vigor, enlightenment, and imagination as reflected in his urban renewal and slum clearance programs in Cleveland mark him as an ideal selection.

And he is refreshingly outspoken—recall the reputation his daily press conferences as mayor have given him as a candid, openminded source of news. Occasionally, the news was not all favorable to his administration but he released it anyway, without hedging. Perhaps this openness stems from the simple fact that Anthony Celebrezze—from the days when he shouted headlines on Cleveland street corners until now when he makes the headlines—has never had anything to conceal.

The words he used to explain his acceptance of the position suggests a great deal about what manner of man he is. His succinct statement was:

> I took the job because I like to help people and I am interested in what happens to them.

His words of acceptance reveal a man with a genuine concern for the health, education, and welfare of the people of this Nation.

Abraham Ribicoff, like Mr. Celebrezze, certainly believes in the Department and all it stands for and he most assuredly leaves behind him an excellent record. It is a record that his successor can well be proud of—it is also one I know he will use for a foundation from which to grow and improve upon, just as Secretary Ribicoff would have done had he not decided to reenter Connecticut politics and run for the U.S. Senate.

I wish to commend the President for appointing Mr. Celebrezze to this position and offer my congratulations to Mr. Celebrezze on his new position.

OUR GOAL IS FREEDOM FOR THE CAPTIVE NATIONS

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LANE. Mr. Speaker, the conspirators in the Kremlin employ every strategem to trick the West into a tacit acceptance of the status quo in Eastern Europe. If they can dull our memories and our conscience so that we recognize their enslavement of once-independent nations, in exchange for some Soviet concession elsewhere, they will break the spirit of resistance and their conquest of these peoples will be complete.

The maneuvering in foreign policy fails to express the unalterable opposition of the American people to communism and its record of terror and treachery. They have not forgotten North Korea, or Hungary, or the long list of other countries that have become the victims of Communist imperialism.

The American people insisted on a plain and clear declaration of their pledge to do everything within reason to liberate the captives of communism. In response to public opinion, the 86th Congress, in July 1959, passed the Captive Nations Week resolution, authorizing the President to issue a proclamation designating the third week of July each year as "Captive Nations Week" until such time as freedom and independence shall have been achieved by all the subject nations of the world. This is the week when the United States speaks up in the ringing tones of truth and justice for the sovereign rights of oppressed peoples.

The Communists fear our championship of freedom for all. They know that, in spite of the most rigid control of the news, the nationwide observances of Captive Nations Week, will reach through the wall, bringing hope and courage to those who long for liberation.

To them we send this message:

> All the twists and turns of Communist propaganda and Communist foreign policy will never swerve the American people from their resolve to win the cold war for the emancipation of the captive nations.

ADDITIONAL TAX DEDUCTION FOR WORKING MOTHERS

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ZELENKO. Mr. Speaker, I have this date introduced a bill to amend the Internal Revenue Code of 1954 for the purpose of raising the ceiling on the amount of tax deductions which may be taken for child-care expenses and to increase the level of income which a working wife and her spouse can earn and still remain eligible for the full deduction.

The present law allows a taxpayer—whether a woman or a widower—to deduct up to $600 in any taxable year for the care of a child if it will enable the taxpayer to be gainfully employed. However, reliable statistics show that this ceiling is totally inadequate to meet the annual costs of child care. My bill will simply increase the amount a working parent may deduct for child-care expenses to $1,200 per year.

There is strong argument that even this amount is insufficient to meet the costs of child care. Nevertheless, it is a necessary step. Today women are working, not for pin money or luxuries, but because of necessity. This is dramatically demonstrated in the case of a working mother who is the head of a household and the sole supporter of her family.

The present law also provides that, in the case of a working wife, the child-care deduction shall be reduced by the amount by which the family income exceeds $4,500. My bill would increase this allowance to $6,000.

In short, my bill will ease the burden of the working mother with a limited income who must employ someone to care for her child while she works in the community.

The effect of this legislation would be to maintain in our working force the capable and competent women who have become an integral part of our economy.

I urge early and favorable consideration of this much-needed legislation.

CAPTIVE NATIONS WEEK

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ROSTENKOWSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, this marks the fourth year that the United States will observe Captive Nations Week. The proclamation emphasizes our support and desire for freedom and independence for all peoples in the world. It accents our recognition of those people who have been chained by the bonds of communism. Human beings that deserve the opportunity to walk along the path of life not as slaves to their despotic rulers, but as men, women, and children with an equal opportunity to realize their ambitions, needs, and wants.

This observance keeps us aware of the situation behind the Iron Curtain and that we understand the effects of imperialism. And that we intend to defend our position as free people and encourage those captive nations to continue to work for their independence.

The Communist leaders know that if we keep alive opposition to the Communist tyranny in the captive nations, we can move toward their liberation from Communist rule. For the spark of freedom burns in the hearts of men and if we can fan the blaze by raising our voices in favor of freedom, we can deter the Communist ambition of world domination and eventually bring about its defeat. For only unity achieves a purpose and by discouraging loyalty of various Communist-run states to Moscow and Peiping, we hold in check their desires.

They fully realize this and when we first set about to resolve the observance of captive nations, the Communist radio and press initiated a large scale propaganda attack to persuade people inside the Communist bloc countries that Captive Nations Week was a failure and that the only enslaved peoples of the world were outside of the Communist bloc. It proves that this idea has been very effec-

tive in assisting our cause in the cold war and the nations behind the Iron and Bamboo Curtains have reacted favorably to the encouragement we have given to them.

The people in the captive nations are very much aware of everything that is done in this country during Captive Nations Week. If we do not reach them directly through our various radio and newspaper, and other media channels, we reach them through their own publications, their own Communist publications, which publicize the ideas we support, in the process of rebutting them. So it convinces me that the people in the captive nations as well as the Communist overlords, are fully aware of the various thing that we are doing.

During Captive Nations Week we can reaffirm our sympathy for those now living under Communist domination. We can assure them that they are not forgotten. And we can resolve anew to work for their return to the family of free nations.

Therefore, let us strengthen our vows to keep alive the knowledge of the injustice to many nations and repression of human beings, until the submerged people are rescued from the invader and their soil freed of tyranny.

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the gentlewoman from Arkansas [Mrs. NORRELL] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. NORRELL. Mr. Speaker, I am grateful for this opportunity to give expression to my support of the resolution enacted by the 86th Congress which authorized a Presidential proclamation to designate the observation of Captive Nations Week.

On July 10, 1962, I addressed a letter to the President in the interest of the issuance of a Presidential proclamation this year to renew our country's faith and hope in the ultimate freedom of the peoples of the captive nations.

I have been advised by the White House that on July 13, 1962, President Kennedy issued a proclamation.

My letter to the President read as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 10, 1962.

Hon. JOHN F. KENNEDY,
President of the United States.

DEAR MR. PRESIDENT: I should like to join with those of my colleagues in the Congress who may be addressing you relative to the forthcoming observance of Captive Nations Week.

By the enactment of a joint resolution of the 86th Congress, the President of the United States was authorized and requested to issue a proclamation designating the third week in July 1959 as Captive Nations Week, and thereafter each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

It is believed that the issuance of a Presidential proclamation is a means of conveying to the peoples of the captive nations the support of the Government of the United States and the people of the United States in their aspirations for freedom and national independence. Let us renew the hope and faith of these millions of oppressed men and women, and in doing so rededicate our Nation and ourselves to the cause of freedom.

Respectfully,

CATHERINE D. NORRELL,
Member of Congress.

Mrs. NORRELL. Mr. Speaker, in the nationwide observances of Captive Nations Week, I believe it is appropriate to call to the attention of my colleagues one of the solemn and grievous consequences of the loss of freedom that has deprived the people of Poland for the past 21 years from interring in a final resting place in his native country the remains of Poland's illustrious citizen, statesman, and musician, Jan Paderewski.

The noted music critic, Mr. Paul Hume, in an article appearing in the issue of the Washington Post on Sunday, July 15, 1962, has reminded us of this situation and of our country's sympathetic understanding and action at the time of Mr. Paderewski's death. We bestowed the high honor of temporary interment of his remains in Arlington National Cemetery.

Mr. Hume's article will be of widespread interest. It reads as follows:

PADEREWSKI'S TOMB STILL WITHOUT MARK

(By Paul Hume)

It is an anomaly probably unique in history that the body of a man who was worthy to be called "perhaps the greatest living man" lies today in a tomb that is wholly without any marking of any kind to indicate his presence there.

It was Justice Harlan Fiske Stone, later Chief Justice, who said, in 1933, late on a Wednesday afternoon, "We linger not only because Paderewski is the world's greatest pianist, but because he is perhaps the greatest living man." His comment was made in Constitution Hall after what proved to be Paderewski's final Washington concert.

The concert, sponsored by Mrs. Franklin D. Roosevelt, was a benefit for the Red Cross. The program was entirely Chopin, including the B Flat Minor Sonata, the F Minor Ballade, the E Flat Minor Polonaise, the C Sharp Minor Scherzo, and the Fantasia in F Minor, as well as preludes, nocturnes, mazurkas, and waltzes.

In the evening, after the concert, Paderewski was a guest for dinner at the White House, where he played for President Roosevelt, who had taken office less than 3 weeks earlier.

It was, of course, only one of many times Paderewski had played at the White House. He had been an intimate friend of Presidents Woodrow Wilson and Herbert Hoover. But after that Wednesday night in March of 1933, Paderewski did not play again in the White House, or in Washington. He was then 72.

Eight years later, he returned from his home in Switzerland to the United States where, on June 29, 1941, he died. At the special request of President Roosevelt, his body was placed in its coffin in a vault beneath the mast of the *Maine*, a spot near the center of Arlington Cemetery.

The action was contrary to usual custom, which decrees that only those who have served in the military forces of the United States may be buried at Arlington. Accordingly, those in charge of the cemetery point out, if they are asked, that Paderewski's body is merely entombed there.

At the time of the entombment, the phrase was used, "He may lie there until Poland is free." The dark-gray coffin is still there, 21 years later. At the great pianist's request, his heart was removed before burial and given into the custody of loyal American citizens of Polish descent.

It was the hope of the pianist, who had been Premier and President of Poland and one of the world's leading statesmen, that some day his heart might be placed in Warsaw Cathedral, near the heart of one of his great heroes, Frederic Chopin.

At no time during the last 21 years has it seemed appropriate to move Paderewski's body from Arlington to Poland. But it remains a mystery why and how, over the long years, it has not seemed appropriate, or even obligatory in terms of human respect, to provide at least a temporary marker of some kind, a tablet that could inform those among the thousands who visit Arlington Cemetery that there lies, in the vault beneath the mast of the battleship *Maine*, the mortal remains of a rare genius.

An editorial in the Washington Post 2 days after Paderewski's death said, "In his service to humanity, as an artist, and statesman, he was truly one of the great men of our age."

Can you name any other man who even faintly approaches such stature, whose grave has never given the slightest hint of its tenant's identity?

Today the art and the immense significance of the life of Ignace Jan Paderewski—a significance with especial meaning to the people of the United States—have been, for the moment, allowed to slip from memory. But history does not forget and neither should we.

The reference to the fact that there is no marker or memorial plaque at the tomb in Arlington National Cemetery is explained by the Memorial Division of the Quartermaster Corps, which is responsible for the administration of all of our national cemeteries.

On numerous occasions the Memorial Division receives requests to permit erection of a monument or plaque in Arlington National Cemetery in memory of Mr. Paderewski. These requests cannot be granted under the law which establishes eligibility for burial in our national cemeteries, and which requires that the decedent must have had active service in the Armed Forces of the United States and that such service must have terminated honorably. The Department is similarly restricted from accepting for burial in Arlington Cemetery the remains of many distinguished Americans who did not serve in the Armed Forces of the United States.

Thus the Department of the Army is acting in accordance with the original authorization by the Secretary of War in 1941 for the acceptance of temporary custody of the remains of Mr. Paderewski in Arlington National Cemetery, pending final burial instructions from next of kin or authorized officials of Poland.

The remains were interred on July 5, 1941, in a vault of the *Maine*, to rest there until the world situation would permit final disposition. In his lifetime, Mr. Paderewski had expressed the wish that his remains be returned to Poland when it became a free nation.

I concur with Mr. Hume in his statement:

Today the art and the immense significance of the life of Ignace Jan Paderewski—a significance with especial meaning to the people of the United States—have been, for the moment, allowed to slip from memory. But history does not forget and neither should we.

I remember so well two momentous occasions of my life: First, as a student of piano, and later as a teacher of music, when I had the high privilege of hearing Mr. Paderewski perform and then of meeting him personally. The magic of his artistry was matched by his dynamic personality.

Surely we can offer no greater tribute than our hope and faith in the eventual freedom of his beloved Poland.

THE HANFORD PROJECT

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. Norblad] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NORBLAD. Mr. Speaker, two distinguished Republicans in my State of Oregon have endorsed the proposal of the Washington Public Power Supply System to finance, construct and operate electric generating facilities at the new plutonium production reactor now under construction by the Atomic Energy Commission at Hanford, Washington.

Gov. Mark O. Hatfield last week firmly endorsed this plan.

> Hanford's electric energy potential should be harnessed for the benefit of the people of the Northwest—

Governor Hatfield declared—

> It is unique, and I am assured raises no problems of precedent. It is my desire to support this plan which would increase the energy available to the Northwest power pool and would aid the Bonneville Power Administration in its struggle to maintain its present rate structure. Both are vital to Northwest consumers.

A former Republican Governor of Oregon last week also called for Congressional approval of the WPPSS proposal to put to beneficial use waste heat from the Hanford project. Charles Sprague, the highly respected editor of the Oregon Statesman published in Salem, Oreg., urged that the Federal Government take advantage of the WPPSS offer to purchase waste heat from the Hanford new production reactor.

> Surely Congress will pass an act to permit such sale or even giveaway * * *

Mr. Sprague said:

> The heated water now enters the Columbia, raising its temperature to no good purpose. This waste doesn't make sense when it is possible to salvage the energy values of the heat and a public body is willing to make the investment.

Mr. Speaker, I include in the Record at this point for the information of the House a news story from the Oregonian dated July 13, 1962, containing a summary of Governor Hatfield's statement in support of the Washington Public Power Supply System proposal and the text of Mr. Sprague's editorial "Power at Hanford," published in the Oregon Statesman of July 11, 1962.

[From the Oregonian, July 13, 1962]

Hatfield Backs Public Utilities Department Plan To Use Hanford Power

Salem.—Gov. Mark Hatfield Thursday endorsed the plan to have a group of Washington public utility districts generate power at the Hanford Atomic Works.

In a telegram to Representative James E. Van Zandt, of the Joint Congressional Committee on Atomic Energy, Hatfield also asked him to support Oregon's position that Pacific Northwest Power Co. should be allowed to build High Mountain Sheep Dam on the Snake River.

Hatfield said the energy at Hanford should be harnessed for the benefit of the people of the Northwest.

He added that use of this energy would aid the Bonneville Power Administration in its effort to avoid a rate increase.

The Hanford proposal is the center of a controversy in Congress.

The High Mountain Sheep proposal is before the Federal Power Commission. The Department of the Interior has recommended that this dam be built by the Federal Government.

Hatfield said construction by the power companies would assure Oregon of power that it might not get by Federal construction.

The Governor pointed out that under the preference clause, Washington State has first call on federally produced power.

[From the Oregon Statesman, July 11, 1962]

Power at Hanford

Last session the Congress balked at appropriating money for an installation of generators to convert waste heat (steam) into electric energy at Hanford. Most of the people of the Northwest thought that was a mistake. Now the Washington Public Power Supply System has offered to install the equipment and make the energy available to the Northwest power pool. But an opinion from General Services Administration says that the AEC, which admirIsters the Hanford plutonium plant, can't sell its waste steam.

Surely Congress will pass an act to permit such sale or even giveaway. The heated water now enters the Columbia, raising its temperature to no good purpose. This waste doesn't make sense when it is possible to salvage the energy values of the heat and a public body is willing to make the investment.

DEPARTMENT OF ATOMIC ENERGY

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOW. Mr. Speaker, the essence of effective government is the ability to foresee. Back in 1955 David Shea Teeple wrote a book in which he advocated a Department of Atomic Energy with a single responsible official to head it. Now, 7 years later, it is being found that the committee form of administration is ineffective and the administration has bought Mr. Teeple's idea.

Mr. Teeple today is staff director of the Senate Republican policy committee, and I am happy that he was ahead of the liberals of the so-called New Frontier and ahead of President Kennedy. If Drew Pearson had read Dave Teeple's book 7 years ago he could then have written the story that appeared in the Washington Post on July 11, 1962.

I include in the Record an article from the San Antonio Light, as follows:

Single Head Urged for Atom Agency

(By Ed Edstrom)

Washington.—Immediate action to replace the five-member Atomic Energy Commission with a single administrator at Presidential Cabinet level, urged by David Shea Teeple in his book "Atomic Energy: A Constructive Proposal," has been picked up by AEC members and the administration.

Teeple has had inside and practical experience with our atomic projects since 1942 with the AEC, congressional committees, the Army, the Air Force, and the State Department.

BIG INVESTMENT

"Atomic energy is the people's business," Teeple said. The AEC has an operating budget in excess of $1 billion, and U.S. taxpayers have invested $12 billion in the enterprise with an existing capital and plant of $5.5 billion. Teeple points out that this is one and a half that of the total investment in plant and equipment of United States Steel Corp.

Teeple writes: "After 7 years of observation, it is my reluctant conclusion that the Commission has not discharged its responsibilities satisfactorily." This indictment is not of any person but of the AEC organizational setup which lacks political responsibility and central authority, Teeple charges.

The author's argument is that Americans have been so dazzled by atomic performance since the first bomb dropped on Hiroshima that they fail to realize that the atomic program is political as well as scientific.

SMOTHERING

Teeple says that Commission control tends to smother information when the "people have a right to know who is running things." There has never been a charge that a politician should not control national defense policies and "why should the field of atomic energy be unique?" Teeple asked.

A multiple-headed agency, such as AEC, means divided responsibility, Teeple said, in a field that is a Government monopoly affecting the future of all Americans.

A Department of Atomic Energy "is necessary in the national defense" to eliminate "the administrative morass which we have constructed around the atom," Teeple said.

CAPTIVE NATIONS WEEK: SUBVERSION AGAINST THE SUBVERTERS

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. Seely-Brown] may extend his remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, it is not mere coincidence, that when the 86th Congress decided to adopt a joint resolution for the designation of Captive Nations Week for appropriate observance throughout our country, the month of July was selected as most fitting as well as most convenient.

The resolution which the House of Representatives and the Senate adopted, and which President Eisenhower signed on July 17, 1959, authorized and requested the President of the United

States to issue a proclamation designating the third week in July as Captive Nations Week.

That is this current week, and the President has issued such a proclamation, as he did last year. It reminds the American people to give thought which can produce timely action to the importance to all freedom-loving people of the speedy liberation of those freedom-loving fellow men who are the citizens of entire nations subjugated and restrained by force behind the Iron Curtain.

In Poland, Hungary, Lithuania, Ukraine, East Germany, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, Bulgaria, Armenia, Azerbaijan, Georgia, Albania, millions of people are living under rulers who have been imposed upon them, and for these, as well as for many millions more in Asia, we must keep the lamp of freedom lighted.

In this July week, as we consider how all of the freedom-loving people outside the Iron Curtain can help those inside to be again free, we can recollect with joy that our own Independence Day is on July 4, that the corresponding day of our oldest friend, France, is Bastille Day, which was observed on July 14, and that these dates have a significance that unquestionably makes a great impression upon the rulers of the Communist empire.

Some of the captive nations were subdued by force of arms. It was by subversion, however, that most of them were brought into the Red sphere.

What must be realized now is that what the Communists could do by subversion 10, 15, or 20 years ago, the people in those captive countries can do themselves. With outside help, and at the right time, they can subvert themselves to freedom, somewhat as they in times past were subverted into tyranny and slavery.

There is more that we can do ourselves than merely to hope and pray.

The attention which we give to the situation in the captive nations, here and now in this session of Congress, is of the greatest inspiration, stimulation, and encouragement to the people in those countries. We know that from direct reports; just as we know that the observance here of Captive Nations Week enrages and gives the jitters to the rulers of the Communist empire.

When, in World War II, victory was achieved over the Nazi hordes that had overrun almost the complete Continent of Europe, the arms of the United States and Britain were strengthened and the victory made possible by the assistance of the underground in all of the occupied countries.

There is an underground at work in these captive nations today. We owe it to our own survival and to the survival of freedom everywhere, to cooperate with that underground, as they are cooperating with us.

We can help them with food. We can help them with communications. We can help them by bearing down upon the injustices of their captors in the United Nations and all of the other councils of the world.

By their refusal to resign themselves to being captives, the people of these countries constitute an important element of security for the Western World.

We and our allies can ill afford to lose these silent allies, but lose them we will if we hesitate to commit ourselves to a goal which not only is in harmony with our own heritage, but is alert to the trend of the times—freedom and self-determination for all people.

There is much that we can do immediately to carry out the purposes for which Captive Nations Week has been proclaimed.

We should direct the far-reaching facilities of the Voice of America to carry the message, not only of hope but of action to the people who are in the captive nations.

A food-for-freedom declaration by the President should emphasize the inability of the rigidly controlled and stultified economies of the Communist empire to adequately feed their people, because they are devoting so much of their treasure to machines of war. All of the Communist economies in Russia and all of the satellites and captives combined fall short of the capability of the United States alone to produce food enough for our own people and for as much of the world as needs it.

We are sending food now to free nations who need it—India is an outstanding example. We can offer food from our surpluses, programs for which already are in being, to any of the captive peoples; a condition should be, however, that the food be stamped "Food for Freedom," and distributed by the International Red Cross.

Then let us tell the people inside the Iron Curtain that this food is on its way to them, tell them how and why. Tell them, too, by way of the Voice of America and all of the other channels of communication which we have, some of the personal experiences in America and elsewhere in the world of persons who have escaped from the captive countries and who are now living and working in freedom.

Food and communications are the prime forces which we can use, to collaborate with the real underground movements in each of these countries, to hasten the day of liberation from Communist slavery.

SOUND ECONOMICS MUST UNDERLIE BOTH GROWTH IN UNITED STATES AND VICTORY IN THE COLD WAR

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ALGER. Mr. Speaker, I am sure that all Americans are agreed on two fundamental goals for this Nation in this decade: First, growth of the U.S. economy to provide more and better jobs, more abundance and a higher standard of living for all the people; and second, victory for the free world in the cold war. Neither of these goals can be achieved without the other and neither can be achieved unless we build upon sound economic principles. Basically, there are two philosophies as to how to best achieve this goal. On the one hand there are those of us who believe that the American free-enterprise system has proven to offer the best life for the most people than any other yet devised. Our belief is based upon nearly 200 years of the successful application of the free-enterprise system which encourages private ownership and individual initiative.

Under such a system this Nation, in the short span of 186 years from the enunciation of the dream to the present day, has become the most powerful nation in the world wherein its people enjoy the highest standard of living since the dawn of time, where the only limitation upon an individual's rise is that which he himself applies according to his desires, his talent, and his ability.

Opposed to this belief in the private, free enterprise system as the best course for this Nation and the world, is the philosophy that a strong and autocratic state is the best guarantee for man's ultimate happiness. The proponents of this philosophy believe that it is in man's self-interest for the state to own or control the means of production and services and private ownership is discouraged. The proponents of the strong state philosophy which include the Communists, the Socialists, the radicals and the modern so-called liberals uniformly attack private ownership and discourage it whenever possible through prohibitive taxes and government intervention in the conduct of business, industry, and the lives of the people. They attack as evil, profits and the profit motive; individual freedom—spiritual—self-reliance and economic freedom; the hope of gain and reward as incentives for man to improve his individual lot in life; and a free market which responds to the laws of supply and demand and goods offered and services rendered.

Under the philosophy of freedom the individual faces certain responsibilities and he is rewarded to the extent to which he meets these responsibilities. To many people economics seems a complicated and confusing study and so we fail to remember some very simple, basic laws without which a free economy cannot operate. Some of these reminders are aptly stated in a speech by C. J. Backstrand, president of the Armstrong Cork Co., which he recently delivered to the college graduates who are joining his company this year. I would like to include Mr. Backstrand's remarks at this point:

A SIMPLE LESSON IN APPLIED ECONOMICS

(By C. J. Backstrand)

Without going into great detail, let us consider the means by which our Nation, with only about 7 percent of the world's land area and 6 percent of the population, has developed the capacity to produce almost half of the world's wealth.

It is this capacity upon which our world leadership and power to defend ourselves now rests, and to which we owe our ability to build the highest living standards of any people in all history. By comparison, the Iron and Bamboo Curtains enclose about 25 percent of the land area of the world and 33 percent of the people.

Viewing the facts of the situation in their simplest form, and stripping away the complexities of economic and monetary theory which tend to confuse us, it becomes evident that the abundance enjoyed by our people is the direct result of our historically demonstrated capacity to increase the output of wealth per pair of hands per hour of work at a greater rate than has been achieved by other nations at any time anywhere.

This rate of improvement has averaged about 3 percent a year for the last century.

That means that, cumulatively, we have had a dividend of new wealth to distribute of about 33⅓ percent every decade. Under the competitive and incentive system which the American people were so wise in establishing, this new wealth has been distributed four ways:

A part—and in recent years, the major share—goes to government in the form of taxes. Of the remainder, a part goes to the customer in the form of better products—and, in the preinflation period, most often in the form of lower prices as well.

Some goes to the worker in the form of higher wages and salaries—real income; and some to the investor who, by his thrift, has made available improved tools and machinery and increased power, in the form of profits.

Under our system, the governor of which is competition rather than compulsion, the individual has freedom of choice, or alternatives, and the business that does not offer better products or services at attractive prices loses out to competitors who do. If it does not afford its employes increased wages and salaries, it will soon lose its most competent people to those who can and do increase pay rates. If it does not pay adequate dividends in competition with others, it will soon find it is in difficulty in acquiring the capital necessary to grow and expand.

Thus, our system—which has been termed "people's capitalism" to distinguish it from the European concept, where competition has sometimes been stifled by state ownership and by cartels, price agreements, and other monopolistic practices we would bar as being in restraint of trade—provides incentives to all.

The incentive to thrift and frugality is the hope of reward in the form of interest or profit from savings. The incentive for the worker in whatever capacity he may be engaged is increased compensation for expanding productivity. The fruit of increased income, whether it be from savings or productivity or both, is the enjoyment of improved living standards.

We have demonstrated that a free people can be more productive than under any system of socialistic or communistic regimentation—that, human nature being what it is, the positive force of incentive can be more fruitful than the negative force of compulsion or control.

History records no instance where socialism has been permanently successful in producing widespread abundance, and many instances where it has failed.

The most important factor in this process of maintaining a constantly ascending spiral of progress in the material well-being of all the people is profit. Profit provides the means, either directly or indirectly, by which improved tools—capital—are made available. Improved tools bring greater per capita production of wealth; increased production, as we have seen, provides increased tax revenue for government, better values for customers, higher wages, and further increased profits.

FEW COMPREHEND ROLE OF PROFITS

It is one of the anomalies of our time that, while everyone appreciates and understands the dire consequences in terms of human welfare that result from business failure, few seem to comprehend the role of profits in the process and, in fact, many regard the very term itself with some suspicion.

In this connection, let me suggest that, as an interesting mental exercise, you try to name any material good in this country that didn't come because someone made a profit. I believe you will be hard put to do so.

As a further result of such reflection, and perhaps of discussion and debate with others, I believe you will also conclude that many cultural benefits as well have their origins in successful, hence profitable, business operations.

Our national concern for underdeveloped countries and their underprivileged people reflects some recognition of the need for and the benefits that flow from successful industrial and business enterprise.

As you ponder the sources of our material and cultural well-being, your thoughts will turn quite naturally to the origins of those things in our lives most precious of all: our spiritual blessings. Here I'm quite sure you will conclude that it was the freeing of man's spirit, under a system which limited the power of government to encroach on the inalienable, God-given rights of the individual human soul, that released the energies, the creative power, and the spiritual and moral forces that led to this Nation's becoming the land of opportunity and its emergence as a great power.

Maldistribution of the benefits of increased production disrupts the process. If too high a proportion goes to any one of the four claimants—the owner, the employee, the customer, or to Government in the form of taxes—the result is harmful.

As an example, wage inflation has pushed the price of coal to levels that have made it less competitive with oil and natural gas; hence, unemployment and economic and social distress in coal-mining areas.

As another example, many now recognize that punitive taxation has diminished incentive to the point where individuals cannot afford the risk of investment in new ventures which, if successful, would be subject to local and State taxes, Federal corporate-income taxes of 52 percent, then to personal-income taxes up to 91 percent.

Under such circumstances, the risk of loss far outweighs any hope of gain, the result being a lack of investment in jobmaking new business enterprises, the need for which is apparent in the number of unemployed seeking opportunities for useful work.

The essential factors in the American economic concept are: incentives for all concerned—hope of reward—rather than force or compulsion, as in communistic or socialistic systems; and competition—the absence of monopoly—the free market and the provision for all consumers of a free and readily available choice.

As businessmen and as citizens and voters, we must understand the fundamentals underlying our freedom and the role of profits in the operation of our system.

Our safeguards to individual freedom and the tradition of self-reliance, along with the profit incentive, constitute the driving forces that have moved our country forward to the position of world leadership we occupy today.

To the extent that these forces are weakened by the exercise of constantly increasing power of Central Government, punitive tax policies, the something-for-nothing approach and consequent weakening of the acceptance of personal responsibility, our progress will inevitably be arrested.

Each of us making a career in business has a responsibility to help promote such understanding.

It is important that we emphasize the fact that personal freedom is inextricably related to economic freedom or free enterprise. This fact becomes increasingly clear as we think about it because most economic decisions have to do with the allocation or distribution of goods, services, and resources that are limited, to humans whose wants and desires are unlimited—to whom in an affluent society such as ours, the luxuries of today become the necessities of tomorrow.

If such allocation is made by the arbitrary decisions of the state, backed by the employment of force of which it has a complete monopoly, human freedom is inevitably curtailed.

On the other hand, history teaches that human freedom and opportunity flourish under the operation of the free-market mechanism of our capitalistic society. The facts are clear and the proposition is basically simple, yet it is not generally understood.

WHAT BUSINESSMEN MUST DO

The task of raising the level of economic literacy in this country will not be easy, for it demands a broad educational effort.

First, we as spokesmen must recognize that the acceptance of individual and personal responsibility constitutes the very core of our way of life; secondly, that our struggle with the Communists is economic as well as military; and finally, that widespread comprehension of the principles underlying our system is essential, since sound public policy in both domestic and foreign affairs is dependent upon the public's understanding of the issues of our day and of sound means of resolving them.

Lincoln reflected his insight and understanding of human nature, his wisdom, and his genius for simplicity in expression, when he said:

"You cannot bring prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer. You cannot further the brotherhood of man by encouraging class hatred. You cannot help the poor by destroying the rich. You cannot establish sound security on borrowed money. You cannot keep out of trouble by spending more than you earn. You cannot build character and courage by taking away man's initiative and independence. You cannot help man permanently by doing for them what they could and should do for themselves."

To discharge our responsibility as businessmen in the area of public affairs requires that we, ourselves, fully understand these basic fundamentals, and then that we work to revitalize appreciation of traditional American values and essential virtues in our homes, our schools, our own business, our communities, and generally in the Nation.

Mr. Speaker, being reminded of such simple economic laws, it is inconceivable to the most casual student that the Kennedy administration can call for economic growth and at the same time stifle the profit motive and throw the entire economy out of balance with its insistence upon special privilege for labor at the expense of business and industry.

Economic growth gains its principal stimulus through increased profits, which furnish the seed money for new industry, and expanding business, the only way to create more jobs and provide maximum employment.

The Kennedy formula for prosperity, which calls for increased Federal spending and high wages not geared to productivity, has failed in every country where it has been tried. The trouble that every Communist country finds itself in today is lack of production on the farm and in the mills and factories. Slave labor has never been able to produce in sufficient quantity to maintain a stable economy and a rising standard of living. Only freemen, freely motivated and with the right to achieve proper reward for their initiative, talents, labor, and the willingness to dare can create real wealth. This has been the history of the U.S. economy. It is the reason for our growth and for our present standard of living. It is the only formula which can guarantee future growth and greater reward for all the people.

Dr. Raymond J. Saulnier, Chairman of the Council of Economic Advisers to President Eisenhower from 1957 through 1960, presented the case for less Federal spending and for a prosperity formula based upon a free society, in an address at Barnard College on June 18, 1962. I include Dr. Saulnier's remarks at this point to challenge the fallacies of President Kennedy's economic beliefs and the lack of understanding of our system on his part and on the part of his advisers:

For Prosperity in United States—A New Prescription

(By Dr. Raymond J. Saulnier)

What recent history tells us about the effect of increases in Federal spending is not very favorable to the view that an economy such as ours can spend itself into prosperity via the Federal budget.

In the first 10 months of the fiscal year 1962, net budget expenditures were $6.1 billion higher than in the comparable 10 months of the previous fiscal year.

Now this is a very large increase in the spending rate. I think it is fair to say that, if questioned on this point in advance of the events, most people would have said that the result of such an increase in spending, coming at an early stage in the cycle, would be a recovery far more rapid than would be expected on normal cyclical grounds.

But that isn't what happened.

Federal spending increased, but it did not stimulate a faster-than-normal pickup. If it had, we wouldn't be talking about the merits of additional increases in spending or cuts in taxes, and consequent increases in budget deficits, as methods of stimulating an economy that threatens, as the saying goes, "to run out of gas." What this experience tells us is that, if the environment is not favorable to an increase in private spending, an increase in Federal spending, even a large increase, is a well-nigh futile exercise.

Something must be done to encourage private spending.

BUDGET DEFICITS NO AID TO GROWTH

Recent experience has also dealt rather harshly with the theory that budgetary deficits will accelerate economic growth. What are the facts in this case?

In the first 4 months of this calendar year, the cash budget of the United States ran a deficit of close to $10 billion, on a seasonally adjusted annual-rate basis. In the comparable 4 months of the 1958–59 recovery, the Federal cash budget showed a surplus of $4.6 billion, on an annual-rate basis.

Yet the unemployment rate has actually been somewhat higher under the recent deficit than it was under the earlier surplus. There were clouds on the economic horizon in those months of surplus in 1960, but it must be conceded that the economic sky in 1962, under very large deficits, is far from entirely clear.

I have never been very happy with pragmatism as a guide in political philosophy, or in any other branch of philosophy, but I would think that to those pragmatists who regard budgetary deficits as a more or less guaranteed formula for producing a brisk recovery, the present cycle must be a veritable nightmare.

Recent experience certainly provides ground for scepticism as to the restorative and energizing qualities of Federal budgetary deficits, but nowadays there are special reasons for rejecting the deliberate use of them as an instrument for promoting economic growth.

These reasons have to do with our balance of international payments. It is one thing to run a budgetary deficit when a recession automatically cuts revenues, or even to create a deficit through emergency tax cuts in order to prevent or reverse a recession. But it is a very different matter deliberately to deepen a deficit by tax reductions when the economy is still in an expansion phase.

How could a deficit do anything but undermine confidence here and abroad in the effectiveness of our national economic policies? And if it does this, is there not a chance that it will worsen our balance-of-payments situation?

We must make it quite clear to the world that we know how to run our financial affairs. The last thing we want to do is to give the impression that we suffer from a kind of fear of orthodoxy. It must be clear that we both understand the dynamics of our economy and that we are willing to let this understanding guide our policy.

If there is a need to cut taxes in the expansion phase of a cycle, when we already have a large deficit, then there is equally a need to consider whether we are now spending too much money on programs that make no contribution whatever to our capacity for growth and to consider whether we are doing other things, entirely outside of the tax field, that are tending to suppress private investment spending.

If this is what we are doing, and I think it is, then we cannot retrieve the situation with governmental red ink, and very few really sophisticated people will believe that we can.

Let me turn to a second point. It has not entered the dialog so far, but it is always in the wings, so to speak, and we may hear of it yet.

What I have in mind is the theory that economic growth can be accelerated by raising wages. This is the purchasing-power theory of prosperity. The theory is that higher wage rates mean higher incomes, that higher incomes mean higher demand, and that higher demand, in turn, means higher production and higher rates of growth.

What does recent experience tell us about this theory? What it tells us is that, since the end of World War II, average hourly compensation in private nonagricultural industries, including supplements to wages and salaries, increased, on the average, by 5.1 percent a year. Yet the growth of our economy in this period is regarded by the advocates of still faster wage advances as being inadequate. Furthermore, while wages were rising 5 percent a year, on the average, the purchasing power of the consumer's dollar was reduced by roughly 25 percent.

It is hard to believe that anyone would wish deliberately to experiment further with this inflationary policy.

Whatever other damage such an experiment might do, it would wreck our capacity to compete in world markets, and make well-nigh impossible the elimination of our international balance-of-payments deficit. I hope we can say that this bit of mythology is dead, not just for the moment but for good.

The third and last of the points in the dialog on growth on which I want to comment briefly has to do with business profits.

There is the theory that economic growth is governed largely by the rate of spending on capital goods. It is possible to overdo this theory, as it is possible to overdo any theory, but I think no one would deny that the expansion of our base of physical capital is an essential condition for the achievement of rapid growth.

If this is the case, then we must concede that we have done very badly in recent years. In a period in which spending on capital goods in foreign industrial economies, in terms of constant dollars, has been going ahead by leaps and bounds, capital-goods spending in our own economy has actually failed to increase at all.

In the years 1953–59, the constant-dollar amount of capital-goods spending rose anywhere from 30 to 80 percent in most Western European countries; in sharp contrast, there was actually a small decline in the United States.

Spending on new plant and equipment in the second quarter of 1962 was not as large in dollar amount, at current prices, as it was in 1957, 5 years ago; and if we take account of the fact that the costs of construction of new plants and the prices of industrial equipment have increased significantly in the interim, it must be concluded that we are nowadays installing annually a smaller volume of physical facilities than we were 5 years ago.

Obviously, there is no dynamism here. We are not even holding our own.

Why is this so? Let me comment on what I think is the most important aspect of this critical question.

It would be a mistake to argue that the volume of capital-goods spending depends exclusively on the level of corporate profits. But I think we could agree that profits are a major element, probably the major element, in determining the level of capital-goods spending. Is it not important, then, that, while wage payments, production and sales have been rising, corporate profits have remained roughly unchanged?

Corporate profits in 1961 were only very little larger, before taxes, than they were in 1955, 6 years earlier, and corporate profits after taxes were actually lower. And this is in current, not constant dollars.

In these years, there was an increase of $3.2 billion in the dividends paid annually by corporations, but the amount of income retained by corporations fell by $3 billion, or by about 25 percent. This is the point that must not be overlooked in the dialog on growth. We cannot get our economy moving as it should be moving unless we restore some dynamism to business profits.

If this profit deflation, and that is what it is, is to be corrected, we must understand its causes.

I have no wish to oversimplify this complex question, but if I were to state the cause in one sentence I would say that the squeeze on business profits results from the fact that, whereas price inflation has, for the moment at least, been largely checked, cost inflation continues.

How can we escape from this condition?

Surely an escape cannot be found in a resumption of price inflation. Few people would prescribe this. There are some still unreconciled to price stability as an essential condition to the achievement of sustainable economic growth, but inflation is such a thoroughly disreputable idea nowadays that the remaining inflationists are largely silent.

They have been silenced, if not entirely persuaded, by the deficit in our balance of payments.

Indeed, one of the great mass conversions of history has taken place on the question of inflation. And the steel industry episode of this spring showed that the executive branch of our Government, from the President on down, is unreservedly committed to a policy of price stability.

Circumstances have checked price inflation, but we have not succeeded in stopping cost inflation, and therein lies the rub, or the squeeze, or whatever you want to call it.

There are a number of avenues by which we must approach the task of easing this squeeze. As individual businessmen you will find that one way to end the squeeze on profits is by practicing complete economy in managing the affairs of your business.

We shall also have to do the same as a nation.

We must remember that the cost of government—Federal, State, and local—is to a very large extent borne by American business as a business cost. And it is a rising cost.

I hope that the dialogue on growth will lead to a thorough reexamination of governmental expenditures at the State and local as well as Federal level, the elimination of those expenditures that are not essential, and the passing on of these economies, dollar for dollar, as reductions in business taxes.

There are other avenues to a solution of the problem of cost inflation. One of these is to stabilize, or better still to reduce, unit production costs by achieving a better relationship between advances in wages and improvements in productivity.

WHY GUIDELINES ARE INADEQUATE

The President's Council of Economic Advisers recently advanced a general guideline on this matter in which they stated that wage advances, on the average, should equal productivity improvements, on the average. I think we must conclude that this guideline is inadequate in the present situation. If we agree that there has been a lag in profits, then the guideline should provide for a catchup in profits.

Wage increases that will use up labor's full proportionate amount of productivity improvements, which is what the guidelines call for, will leave profits where they are relative to everything else. But we need to improve the relative position of profits.

Consequently, what would be best for our economy at this time would be wage advances that are actually less than the improvements in productivity. This would reverse the trend in cost-price relationships that has been suppressing business profits and stifling investment expenditures. It would give profits a chance to catch up. It would also provide opportunities for price reductions which would be enormously helpful in strengthening our international competitive capability, and thus in eliminating our balance-of-payments deficit.

A revision of the guidelines to this end is urgently needed.

In addition to a redefinition of the wage guideline, there are other things that Government can do to help prevent cost inflation.

For one thing, the Federal Government is the largest single employer in the United States. Over 2 million persons are employed by the Federal Government in civilian jobs, and around 6 million by State and local governments, about one out of every 6 persons in the United States employed in a nonfarm job. You can see from this that there is an enormous influence that could be brought to bear on the cost structure of our economy if Federal, State, and local government were to adhere to wage and salary policies consistent with a proper guideline principle.

Second, the Federal Government is an enormous indirect user of labor services through the procurement of supplies and in its contracting for construction. It has been alleged time and again that the pace of cost advances in some regions, such as the west coast, where Government procurement is the major element in the economy, is set by the wages paid by Government contractors and subcontractors.

Would it not be possible for the Federal Government, through its procurement agencies, to exercise restraints on cost that are consistent with those it wishes to have exercised by the business community generally? Certainly, it would be a grievous inconsistency if the Federal Government, through its procurement agencies, were to underwrite increases in costs that are inconsistent with its own guidelines.

Third, consideration should be given to the impact on production costs of the determination of prevailing wages under the Davis-Bacon and Walsh-Healey acts.

Under these laws, the Federal Government sets what are in effect minimum wages for labor performed in a great variety of employments. And these minimum wages are well above the level of the minimum wage with which we are most familiar, namely, that which is set under the Fair Labor Standards Act.

Certainly the Federal Government should have its own guidelines in mind when it sets minimum wages to be adhered to by its contractors.

You will see that there is a good deal that can be done by Government to achieve the kind of cost-price relationship essential to an improvement in profits, to a revival of plant-and-equipment spending, and thus to the attainment of a more satisfactory rate of growth.

I have said little or nothing about tax cuts because these other matters are more basic. Let me comment on the current tax discussions very briefly.

NO ONE SAYS WE ARE IN A RECESSION

We can dispose of the question of the quickie tax cut—that is, the temporary cut in individual income taxes—very quickly. This is an antirecession measure. But, so far as I know, no one is saying that we are already in a recession, and I am not prepared at this time to say that the outlook is so bleak that we need to have recourse to emergency tax cuts.

We do need a basic restructuring of our tax system, and it would be enormously helpful to reduce the taxload. But that is another matter. We should get started on it as soon as we can, but we must do it within the framework of a fiscal policy that will give us a fair chance of balancing the budget over the cycle.

Neither our domestic nor our international affairs will permit us to go for very long on a spree of higher spending, lower taxes, and bigger deficits. This would be a totally unworkable economic policy and it wouldn't even be good politics.

One last word on taxes: Of all the potentially mischievous ideas I have heard recently, none is more discouraging than the notion that tax cuts for business would make it possible to give larger wage increases. But to give wage increases on this basis would totally eliminate the beneficial effects of tax reform. If the dialog does nothing else, I hope it will expose and eliminate that idea before it goes any further.

Mr. Speaker, implementing his fallacious policy of trying to buoy up the economy through Federal spending and public works, which in the end mean higher taxes, President Kennedy blithely embarks on greater deficit spending putting the budget further out of balance and putting heavier inflationary pressures into motion. That such policies have proven to be wrong in the past seem to have no effect upon the President. Past failures mean nothing to him as he suggests that what did not work yesterday is bound to work today under the same condtions.

The following article, "Will Government Ever Balance the Budget," from the U.S. News & World Report of July 16, 1962, shows just what is happening:

WILL GOVERNMENT EVER BALANCE THE BUDGET?

(It's another year of red ink for the Government. Budget, out of balance again, is raising all sorts of questions. Are deficits here to stay? Does bookkeeping make much difference? Just how serious is the red ink? Here's what the record shows.)

President Kennedy has just ended the first full year of his first term in office with the Government's books more than $7 billion in the red.

The second full budget year of the Kennedy administration started July 1. That year is going to end at least $3.5 billion in the red. If taxes are reduced to stimulate business, the red-ink figure will be much larger than that.

A balanced budget does not appear to be in sight for President Kennedy's first term. An unbalanced budget, on a bookkeeping basis, appears now to be accepted as a rather permanent fact of life. Attention is shifting to different types of budgets that might look more nearly balanced than the official budget that is now being used.

President Eisenhower, in his first 4 full budget years in office, managed to stay in the black 2 years and to run into the red in 2 years. During his second term, President Eisenhower had three budgets with red ink and one in the black. Red ink in 1 year ran to $12.4 billion—a peacetime record.

SINCE 1931

You have to go back to the years before 1931 to find an era in U.S. history in which budgets were balanced regularly and when debt was being reduced as a matter of policy. In 1900 the public debt stood at $1.3 billion. In the 50 years before that, including the Civil War years, the Federal Government managed to keep the overall deficit to $1 billion. Its total spending had been just less than $15 billion for the 50 years.

World War I sent the debt up to $25.5 billion. Spending reached a high of $18.4 billion in that war.

In the 1920's, however, national debt was paid off steadily until, in 1930, it amounted to $16.2 billion—down more than $9 billion, or 36 percent, from the wartime high.

In the 32 years since that time, debt has increased in all but 5 of these years. The national debt at the end of fiscal 1962 exceeded $298 billion. Congress has recently given the President power to borrow until the debt reached $308 billion.

Spending is in a steadily rising trend, too. In 1900, the Government's entire budget barely exceeded $500 million. In fiscal 1916—the year before the United States became involved in World War I—spending barely exceeded $700 million. It reached $18.4 billion in the peak year of that war.

In the mid-1920's the Federal Government spent just less than $3 billion a year. The peak year of the New Deal found President Roosevelt spending $9 billion. Tax revenue got up to $5 billion a year. Debt passed $40 billion.

HIGH-WATER MARK

Around the end of the New Deal years, World War II began. Everything skyrocketed, and nothing has been quite the same since.

The peak year of the war—fiscal 1945—found spending at $98.3 billion. Revenue that year was $44.3 billion. Red ink was $54 billion. Debt hit its temporary yearend peak the next year at $269 billion.

President Truman, by fiscal 1948, managed to get spending down to $33 billion. Revenues were $41.4 billion. There resulted the biggest budget surplus for a single year in the country's history—more than $8 billion. Debt was reduced to $252.3 billion.

Defense in that period had been cut to the bone, while Dictator Joseph Stalin of Russia looked on. Russia pushed ahead with atomic development, with missiles, with other types of armament, and in 1950 supervised the attack in Korea.

Red ink came back in a rather big way with the Korean war, and has stayed most of the time since.

In the Korean war, spending got as high as $74 billion. Taxes in that peak year of fiscal 1953 took in $64.7 billion. Debt has climbed back to $266 billion.

President Eisenhower, after that war, managed to get Government spending down to $64.4 billion in fiscal 1955. By 1959, it was up to $80.3 billion while tax revenue amounted to $67.9 billion. Result: the biggest peacetime use of red ink in the Nation's history.

The next year all was changed. Spending was cut to $76.5 billion and taxes took in $77.7 billion, resulting in a surplus of $1.2 billion. Debt stood at $286 billion.

When President Eisenhower turned the country's finances over to President Kennedy, the red ink was back again. Spending had risen so that in the first fiscal year—half under Eisenhower and half under Kennedy—the total was $81.5 billion. Revenues added up to $77.6 billion, and red ink amounted to $3.9 billion.

SPENDING—A NEW RECORD?

In the year just ended, President Kennedy had raised spending to more than $89 billion, up more than $7.5 billion from the Eisenhower-Kennedy year. Income was around $81.6 billion, leaving a deficit of about $7.5 billion. In the year that started July 1, spending is expected to reach at least $93 billion.

What you see in all of these figures is that spending in peacetime now is back to a level approaching that which was reached in the peak year of World War II. Income from taxes has risen so sharply that the tax take is about double that of World War II.

Debt is at an all-time high and is in a rising trend.

The meaning of all this? The figures suggest that there is a strong and persistent tendency for Government spending and Government taxing to grow bigger and bigger.

At the same time, the facts indicate that spending tends to outpace the increase in revenue so that red-ink budgets appear to be normal. Red ink, at the same time, means a rising trend in the national debt. A rising debt lays the base for an increase in the country's supply of money.

THE NEW THEORY

The whole change in attitude toward unbalanced budgets, red ink and rising debt is related to what appears to be a widespread acceptance of a new theory.

The theory is that Government, by using its spending and taxing and debt-management policy, can influence or even determine the trend of business. That theory underlies the Employment Act of 1946, accepted by Congress and a guide to Presidential attitudes and action ever since.

In recent days, the U.S. Chamber of Commerce—representing large numbers of businessmen—appeared to accept the premise that the budgetary policy of the Government can affect the state of business. The chamber voted in favor of a cut in taxes to stimulate business activity at a time when the Federal budget is out of balance.

Other organizations, including labor unions, also have advocated tax cuts as a means of spurring business. In fact, opinion seems to be quite general that taxes are too high and should come down. Argument enters over whether tax cuts should favor low-income groups or groups in higher brackets.

Officials are saying once again that the whole concept of Government responsibility for good times is likely to be tested in the period ahead. That concept—or theory—has not in the past had a full-scale test.

In New Deal days, unbalanced budgets and "pump priming" never did solve the problem of large-scale unemployment. Not until war came was the level of unemployment reduced substantially. New Deal budgets were out of balance by an average of about $3 billion in an economy in which gross national product always was less than $100 billion and in 1933 got down to $56 billion.

A comparable budget deficit today would be about $24 billion in a $500 billion economy.

A question now being raised: If the deficits of New Deal days did not bring about full employment, will deficits of comparable size in the present day accomplish what they failed to accomplish in earlier days?

A growing body of opinion inclines to answer "Yes" to that question.

DEFICITS—A DUTY?

Arguments now are being advanced that it is the duty of Government to run deficits in its budget when business activity falls short of capacity and unemployment is considered too high. The argument adds that budget surpluses should occur only when activity and employment are at peaks and inflation is threatened.

Government spending is viewed as a method of compensating for lags that may occur from time to time in private spending and private investment. Government, in other words, is being called upon by adherents of the new theory to act as a balance to keep business activity at a high level.

The argument also has been made that the Federal tax structure now is so geared that it acts as a drag on rising activity in business. This argument contends that as activity rises, the tax take of Government increases so much as to choke off the recovery.

Thus the Kennedy administration proposes to offer sweeping changes in the country's tax system and to ease the burden of taxes.

That program promises to keep red ink on the Government's books for some years to come.

Mr. Speaker, so far I have pointed out what false policies are doing to our domestic economy. I have shown that the first goal for the United States, a more abundant life for our people, cannot be achieved under the Kennedy programs which rely upon public rather than private enterprise. From the facts presented we know that a better, more prosperous life for all our citizens can come about only through private initiative, the expansion and strengthening of the capitalist system.

Now what about the second goal, victory for the free world in the cold war?

The United States, as the leader of the free world, must remain strong—strong enough to defend freedom and to inspire those who would be free to achieve it in the only way possible—capitalism.

As a final article to point up the necessity of belief in ourselves and our system, I would like to include the following article from the U.S. News & World Report, July 16, 1962, "Decline of Communism—The New Basis of U.S. Policy." Regardless of the conflicting interpretations that this analysis may generate the effort to understand communism and the changes that may be underway is most important:

DECLINE OF COMMUNISM—THE NEW BASIS OF U.S. POLICY

(There is growing concern within Congress on how the Kennedy administration sizes up recent trends in the world. Top White House advisers have been called before closed sessions of congressional committees. There is talk that the whole concept of cold war is changing shape. What follows is a report on the thinking within the administration as obtained by "U.S. News & World Report." It is this view of the trends of cold war which is determining new U.S. policies in this country's relations with the outside world.)

Communism now appears to have passed the zenith of its bid for world power.

This is not to say that the trend is frozen, fixed. Shifts by Russia and Red China, mistakes on our side may enable the Communists to win battles of short-term value.

Long term, the trend is favorable to the United States and its allies strikingly unfavorable to Russia and the Communists.

From a positive point of view, these are the factors operating in our favor:

First, the balance of military power in the world has shifted, and the Communist leaders are aware of it.

The United States now has the Minuteman, Polaris, whole families of missiles and hardened missile sites, a vast array of air, sea, and land power. This country can subject and is subjecting the Soviet Union to a tremendous strain in the arms and space race.

The arms race is not of our choosing. It has been demonstrated that the United States wants orderly disarmament, provided it gives protection to both sides. But disarmament offers little hope until Russia is willing to accept adequate inspection and controls. There is yet no sign of such willingness.

It is now clear to the Communist leaders that they have little or no chance of ever again getting a leg up on the United States in military power. This country's retaliation to any first strike by Russia would be swift, certain and decisive. The Russians know this.

Second, there is a major shift in the balance of world economic power. Western Europe has produced not only an economic revival, but an economic breakthrough of great dynamic power. This upsurge strikes at the very base of Communist ideology.

Communists make a sharp distinction between the United States and Europe. They always have viewed the United States as a new and energetic people drawing great wealth from a rich land. But Western Europe, to the Communist, is inescapably trapped in capitalistic decay. At the very taproot of Communist ideology is the idea that Western Europe began its final decay in 1914 and must inevitably fall into chaos to be rescued by communism.

Now this tenet of Communist faith has been shattered beyond repair. The upsurge of Western Europe's economy shows that Lenin was wrong, Stalin was wrong and Khrushchev is wrong. You have only to listen to Khrushchev rail at the European Common Market to realize that he understands perfectly what is happening.

A word of caution is important here: Hand in hand with the Communist faith, now destroyed, in Western Europe's decadence goes a conviction that the capitalist states must inevitably fall out with one another, must certainly become involved in bitter quarrels, wars and chaos that will open the way to communism. It is the task of the United States to see that this does not happen. We must continually strengthen the bonds between the growing European community and the United States.

A third factor on the positive side is that the vast majority of the underdeveloped nations have not, as the Communists had predicted and expected, chosen communism as the best road to their own swift development.

The returns on this judgment of the underdeveloped nations are not yet all in. But not a single one of the newly emerging nations of Africa has yet chosen communism. Even those African leaders who lean in that direction—and they are few—have not burned their bridges to the nations of the non-Communist world.

The fact is that the Communists have simply failed to sell these new customers.

They told the African leaders: "Yes, democracy and capitalism look attractive, but you and we cannot afford this kind of government. Only through communism can you create a modern economy in a hurry for the benefit of all."

Today the leaders of the new nations can see for themselves that this just isn't so. The smaller nations which have tried communism are dismal failures, trapped in a modern form of colonialism. Communist ideas look old, hackneyed, obsolete, wrapped in slogans no one really believes any more. New ideas, new hopes, a new vitality—these are emerging from the Western World, not from Russia and Red China.

WHERE CRACKS SHOW UP

On the negative side, there are major factors now weakening the Communists which have never been more apparent than now.

First there is the fragmentation of Communist power.

The Communist empire is simply cracking up. It is no longer a monolithic unit of power. Yugoslavia has gone its own way for years. The latest to break is little Albania. There are strains in Eastern Europe. Red China looks more like Russia's rival than an ally.

This fragmentation may not work in favor of the United States in day-to-day terms. Competition between Russia and Red China for control of Communist North Vietnam has boosted the price of the peace we seek in Laos and South Vietnam. But, over the long run, the crumbling of the Communist monolith can only work to the advantage of the West.

A second negative factor in U.S. favor is the growing number of failures of communism in practice.

Nowhere in the world can the Communists grow enough food for their own people—not even in Russia. Khrushchev has recently boosted the price of meat and butter so high that few Russians can afford these items, both basic foods on the tables of worker families in Western industrial nations.

Nowhere in the world have the Communists performed their promised miracles in the small, underdeveloped nations.

In southeast Asia, Communist North Vietnam is a miserable, backward and decadent country in which people go hungry. Word gets around. You hear almost no talk now among southeast Asians about the wonders of communism. They may not like what they have, but they can see that what communism offers is far worse.

West Germans look at East Germany and get a similar impression. West Germans are enjoying a boom. East Germany remains a country of Communist repression, food shortages, and the grim life.

In Red China there is evidence of what may be one of the greatest failures in history.

When the Communists took over China they began feeding the city workers, the manpower for the industries they hoped to build at the expense of the Chinese peasants on the land. All the peasants got out of the Communists was a tight system of controls.

RED CHINA'S CANCER

The Chinese Communists hit a new peak of megalomania in 1958 when they tried to smash the family unit and drive the peasants into communes.

Now Red China is coming apart. It began on the farms. It has reached into every part of Red China's economy, destroying the system from the inside like a cancer. There is hunger and misery among the Chinese people, but even that is only part of the story.

Chinese peasants have always shown a great vitality, a surprising ability to survive natural disasters of flood and drought. Now this vitality has been sapped by Communist controls. The peasant, lacking incentives, does not produce enough food for the country.

Food is the main thing China has to sell. Without food to meet minimum needs of China itself, there has been a 60 percent drop in China's export earnings since 1958.

This drop of oversea income, combined with the departure of Soviet technicians from China, has played hob with industry. Food shortages hurt industry in other ways too. Coal miners, given insufficient food, do not produce coal in the quantities needed. Some factories have shut down for lack of fuel. Others are crippled or closed for the lack of spare parts needed from abroad. Still others have closed due to damage to plant by incompetent Chinese technicians.

Industrial output, over all, has dropped by 30 or more percent in the past year. This is a minimum estimate.

Hunger in the coastal cities forced the Chinese Reds to dip into their dwindling currency reserves to buy food from Canada and other countries. In an effort to cut down the food bill, large numbers of people were ordered to leave the cities and go to the farm villages.

Millions, perhaps tens of millions, of the Chinese people have been on the move in recent weeks. They carry with them the news that the Communist regime has failed and no longer possesses the traditional "mandate of heaven." And villagers are saying to the hungry newcomers: "Keep moving—we haven't enough food for ourselves."

It was a ripple of this movement—only a ripple—which washed the refugees into British Hong Kong. The movement out of the cities and through the countryside is still in progress.

WHERE WEST COULD ERR

There is a real danger that the West will overestimate the political impact of the Chinese Communist failures. The rulers of Red China are a close-knit group of long experience. They stuck together in the "long march" of 1934–35 from south China to the north. They were together in the years of success. They are together now in disaster. Compared to such a close team, the followers of Lenin in Russia were a picked-up outfit from the corner lot. Red China's rulers may hold together through strains which could wreck a band of men without such a background.

We can only guess what may happen in China. Some of us believe that communism in China is doomed, that the present leaders of Red China can cling to power only if they take steps alien to their views as Communists.

To get production from the Chinese peasant, his rulers must show him that he can be sure that his toil and sweat can be turned into profit for himself and his family, that he is working land and improving land which will become the property of his son one day.

To provide proper incentive to the farmer and the industrial worker, the Chinese Reds must produce more simple consumer goods.

To enable the farmer to produce more food on the land of China, the Communists must recognize the hard fact that China must grow from chemical fertilizer. China, unlike India, has exhausted its natural fertilizers to the point where the two-crop system is coming to an end. Red Chinese heavy industry must be turned away from ambitious industrial projects to produce the chemical fertilizer needed on China's land.

Such steps require a 180° turn away from communism. Can the leaders of Red China do it? Will they do it? Those are the questions we cannot now answer.

There may be an argument at the top among the leaders of Red China. One side or the other may start wooing the military. You could get a military coup. You could get civil war between Communists in Red China.

Yet the past solidarity of the Chinese Red leaders suggests another possibility. These leaders may not be elastic enough to accept a turnabout of their policies. But they are quite capable of permitting China to degenerate slowly for the years just ahead. The "long march" generation could simply sit it out until they are gradually replaced or die off.

Certainly, Red China's leaders know they are in no position to challenge the power of the United States. We should make it clear to them that we know it too. Even so, a suicidal move into war by China's Reds is a possibility, though remote. We must be wary.

The trend is clear, but nothing about this perilous world is "in the bag." There will be gains and losses in the day-to-day operations of policy on both sides in the conflict. The Communists will forever be testing the United States to see that we mean what we say—now in this area of the world, now in that.

The trend, however, is clearly on the side of the United States. Ten years hence we are likely to be in a position to look back and see clearly that the Communists had passed the zenith of their power by 1962 and were already hopelessly trapped in the long slide downward into decline.

Mr. Speaker, no matter the validity of this analysis or criticism of it, legitimate as they may be, we can see that victory for the free world in the cold war depends upon a strong and healthy economy in the United States. In spite of the attacks upon private enterprise by the Communists, the Socialists, the radicals and the liberals, capitalism is on the rise in the world while communism is on the decline. We can speed the rate of decline of communism by exporting, instead of the dollars of American taxpayers, our most important commodity, the basic principles of private enterprise, the fundamentals of capitalism which have given the individual the greatest freedom and prosperity in the history of the world. Not our substance, but the spirit of our system is what the world needs for each country to adapt to its own needs and possibilities.

By exporting the principles of capitalism and the free enterprise system we strengthen the cause of peace in the world because peace is more secure if the United States remains strong economically and helps other countries to remain economically sound. As we weaken our economy, the danger of war increases.

This is the positive program by which we can achieve the major goals of this decade to give a better opportunity for all our people to attain the goal of happiness, each according to his own desire, and to maintain peace in the world.

CAPTIVE NATIONS WEEK

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Schneebeli] may extend his remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SCHNEEBELI. Mr. Speaker, the story of the captive nations is a tragedy—

one filled with misery, sorrow, and heartbreak. It is the tale of those countries which have become the virtual slaves of a Communist master who refuses to set them free.

Everywhere, the Communist myth loudly proclaims its incomparable advantages. However, the propaganda effort cannot be extended to hide the apparent paradox of the captive nations. If communism has all of the benefits it claims to possess, what need is there, then, for a Berlin wall?

We, as Members of the U.S. Congress, in our bipartisan recognition of the plight of these captive countries, can help to focus world opinion on the harsh truth. The Soviet Union cannot deny the existence of the nations she holds in slavelike bondage when every day the newspapers carry stories of refugees who courageously flee their homes behind the Iron Curtain. A desire to play down this obvious failure has led to open denunciation by the Communists of our previous captive nations proclamations.

Our action in this cold war situation can afford us more than a propaganda victory. The feelings of Americans, voiced through this Congress, will echo throughout the world, bringing hope to the enslaved. Although this year we participate in a Captive Nations Week, it is my ardent hope that in the ensuing years we may join in recognizing these countries as members of the free world community.

CHESTERFIELD, MASS.

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONTE. Mr. Speaker, this year marks the 200th anniversary of the establishment of the town of Chesterfield, Mass. As will become evident from the contents of my remarks, this anniversary is a significant event in our history, because the citizens of this community are, and have been for the last two centuries, building a record of civic achievement of which all Americans can be proud. Specifically, the members of this community have shown the qualities of progressiveness, foresight, and patriotism for which our Nation is universally respected. It is for this reason that I take this opportunity to bring the proud history of Chesterfield to the attention of my colleagues.

The records indicate that the pioneers' first view of what is now Chesterfield occurred around the year 1755 when Gideon Bisbee ventured there to chop wood, returning each weekend to Northampton. George Buck, an Irishman, was the first pioneer to spend the winter in the vicinity. The fact that he and another Irishman named Cowing were the earliest settlers probably accounts for the fact that the town's oldest road was called Ireland Street.

The town of Chesterfield, originally called New Hingham but later renamed to honor the Earl of Chesterfield, was incorporated in 1762. On July 20, 1762, the first town meeting was held in the home of Elisha Warner and town officers were elected. The first item on the agenda for town business was the organization of the community's religious activity. At a town meeting held on March 7, 1763, the settlers made provisions for religious worship by voting to raise 200 pounds "to build a meetinghouse, to settle a minister, and for clearing and repairing roads." Further meetings established committees to locate the center of town, erect a meetinghouse at or near that point, and obtain the services of a pastor. It was several years before all these aims were accomplished, but preaching was secured immediately, and meetings were held alternately at two houses in different parts of the community. Thomas Allen, who was later famous as the fighting parson of Bennington, preached in Chesterfield during the summer of 1763. The search for the right site upon which to build the church resulted in almost hopeless disagreement. Finally, a committee composed of Maj. Selah Barnard of Deerfield and Colonel Williams of Pittsfield was selected "to come and view the situation of the town, and pitch upon the most justest spot to set the meetinghouse upon." Their report was accepted and the timber was transported to the chosen site which was located about a mile north of what was later known as Utley's Corners. There, at last, the raising took place in 1768. The meetinghouse was in use before the pews were completed, and a score of years were to pass before the building was finished. By that time, Goshen had become a separate town with its own meetinghouse, and Chesterfield no longer had to provide for the accommodation of the residents of the western part of that town. Therefore, in 1791, the building was taken down, and the materials were used to build another one on Chesterfield Hill.

While religion was a primary concern of the early settlers, it was not their only one. These citizens also evidenced an interest in education at an early date. In 1767, they voted to have a school or schools. At the town meeting held on September 28, 1768, they voted to raise 9 pounds for educational purposes, to divide the town into three school districts and to appoint a committee to provide "masters and dames." In these days when we decry the low salaries of schoolteachers, it is interesting to note that the problem is not a new one. A memorandum among the papers of Deacon Oliver Taylor shows that he hired a teacher for 50 cents a week and that she boarded herself. On December 11, 1769, the town meeting voted 18 pounds for winter schools, and each district was authorized to build a schoolhouse. Some progress is indicated by the fact that in 1772, the townspeople voted 24 pounds for schools, and in 1774, they appropriated 30 pounds for that purpose.

When war with the mother country began to loom on the horizon, the people of Chesterfield prepared to share in the struggle for liberty. In January 1775 they voted to buy 200 pounds of powder, 400 pounds of lead and 1,200 flints as quickly as possible, and they arranged to store the supplies "under the pulpit in the meetinghouse, guarded by a door ironed with staples and hinges." When the stirring news of Lexington reached Chesterfield, Capt. Robert Webster summoned his company of 47 minutemen and marched to Cambridge. The selectmen borrowed 17 muskets to aid in equipping the company. A year later, on June 19, 1776, this town, secluded among the hills of western Massachusetts, by a solemn vote declared "that should the Honorable Continental Congress, for the safety of the United Colonies, declare themselves independent of the Kingdom of Great Britain, the inhabitants of the town of Chesterfield will with our lives and fortunes engage to defend them in this measure."

During Shays' rebellion, the people of Chesterfield were sympathetic to the cause of the insurgents to such a degree that when Capt. Joseph Burnell was ordered to oppose the insurrection, he reported that if he could raise 19 more men, they, with him, would make 20. It is said that three bullets were fired into the house of Joshua Healey, who was a supporter of the government. There seems to be no record, however, in the published accounts of that turbulent period, that Chesterfield men actually marched to assist Shays. Bezar Ludden and 19 others served in the War of 1812, Avery Bryant participated in the war with Mexico, and during the Civil War 95 men from Chesterfield joined the Union forces.

The population of the town in 1776 was about 1,100 and there was a gradual increase until 1820, when it was 1,447. The industrial enterprises of Chesterfield were conducted on a small scale, but some of them had their beginnings early in the history of the town. It is believed that Joseph Burnell built the first sawmill in the town, perhaps as early as 1761. The crank for the water wheel and the irons for the rack wheel were carried by a Negro on his back from Northampton. He carried the irons separately, walking ahead a short distance with one and then going back in turn for the others. Other sawmills were established with the passing years, and here and there a gristmill was erected on one of Chesterfield's streams. Carding machines and works for dressing cloth supplemented home industry. Among the other enterprises were a shingle mill, a cutlery establishment, a basket factory, tanneries, cider mills, and distilleries.

After two centuries, the people of Chesterfield can review the past with pride. The industry and initiative of their forefathers and their devotion to religion, education, and the democratic process are examples of the best characteristics of our American heritage. It is especially fitting that we take time here today to salute the townsfolk who so fully reflect these admirable qualities. For in today's world of crises and tensions, it is these very qualities, often neglected, that we Americans must continue to develop if we hope to preserve our free way of life. I am sure that all my colleagues join me in congratulating the town of Chesterfield for its outstanding record, a record of civic achievement which will be enhanced even more in future years.

CAPTIVE NATIONS WEEK

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Lindsay] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, Sunday, July 5, 1962, marked the beginning of Captive Nations Week. I was privileged to be the speaker in my own Congressional District, the 17th of New York, before the Assembly of Captive European Nations, on United Nations Plaza. There took place a very moving ceremony, across the plaza from the United Nations, at which the flags of the nine captive European nations were raised and the national anthem of each country played.

The chairman of the assembly is Ferenc Nagy, who did me the honor of introducing me.

Mr. Speaker, I should like to include Mr. Nagy's remarks in the Record at this point, followed by the text of my own remarks.

Captive Nations Week 1962—Address by Ferenc Nagy, Chairman, Assembly of Captive European Nations, at Flag-Raising Ceremony on United Nations Plaza in New York, July 15, 1962

I am happy to welcome you at this flag-raising ceremony in the name of the Assembly of Captive European Nations.

We have gathered here to inaugurate the fourth Captive Nations Week. Similar ceremonies are being held today throughout this great country and in other parts of the world. Thousands of free people are today pledging solidarity with their captive allies.

Yet at the same time we hear whispers, some of them in high places, that all this is a mere ritual; that the issue of the captive nations is dead; that the division by the Iron Curtain is permanent.

These voices like to call themselves realistic, but they ignore reality. Today the entire Soviet empire is caught in a far-reaching economic crisis, which is largely due to the passive resistance of the captive peoples, especially the forcibly collectivized peasants. A dead issue would not be able to wreak havoc in the machinery of a totalitarian state. A live and burning issue does.

And the permanence of the Soviet occupation of the captive countries? How timid one must be, how lacking in the sense of history, how unaware of the revolutionary changes sweeping the world today, to assert that a situation established by crime and maintained by force is a permanent one. The captive peoples themselves, including those who were born under Communist rule, refuse to regard it as permanent.

By their refusal to resign themselves to their subjugation, the people of the captive countries—whether nominally independent or formally incorporated in the Soviet Union proper—are a factor in the cold war and an important element of Western security. But, they cannot go on resisting their Soviet masters indefinitely unless the free world gives them reason to hope. Captive Nations Week provides the American people with an excellent opportunity to show the peoples of Eastern Europe that they are not forgotten. Yet the spirit of Captive Nations Week must be maintained beyond the week, uninterrupted. That spirit must be translated into actual policies, promoting self-determination for the captive peoples.

In the building across the street, toward which humanity still turns its hopeful eyes, the discussion of colonialism will soon be resumed. But so far this discussion has been confined to the few vestiges of vanishing Western colonialism, while there is silence about the huge and expanding Soviet colonial empire.

The silence of the free world on the subject of Soviet colonialism in the United Nations is against the spirit of Captive Nations Week. It also is against the vital interests of the free world itself.

Some people will say: But, how can we place the question of self-determination for East Europe on the agenda of the United Nations? There is nothing simpler. Just take a sample of one of the numerous Russian interventions asking for the end of colonialism and for free elections, and apply it to East Europe. After all, even the Soviet delegate said recently in the United Nations that there was not a single nation in the world that was not ready for self-government.

Let us hope that the free world will soon end its silence and inaction on East Europe. Let us trust that the spirit of Captive Nations Week will continue and prevail.

Captive Nations Week 1962—Address by Congressman John V. Lindsay at Flag-Raising Ceremony on United Nations Plaza in New York, July 15, 1962

We are gathered here on United Nations Plaza to initiate the commemoration of the fourth annual Captive Nations Week. This is an important day, in an important part of the congressional district that I have the honor to represent.

This swift-changing world of ours, in which yesterday's headlines are regarded as ancient history, attaches a question mark to all our commemorative actions. Is this commemoration an act of habit—the world may ask—or a mere ritual? Is it a futile gesture, or does it have political significance? What is Captive Nations Week and why do we go on celebrating it?

We have an answer to this. By our very presence here we are saying that there are great causes worth upholding; that there are ideals common and valid to all humanity.

For us, Americans, participation in Captive Nations Week ceremonies is a way of stating that America is no more an isolated island and that therefore the fate of the captive peoples must be our burning concern. We have often expressed pride in being the carriers of what Thomas Jefferson called the disease of liberty. By commemorating Captive Nations Week, we acknowledge that this is a universal disease and that we owe our abiding friendship to the peoples of East Europe, who profess the same ideals of liberty and who have taken inspiration from our principle of government by consent of the governed.

The peoples of East Europe have as much inalienable right to live as independent nations—under institutions and governments of their choice—as the peoples of Africa or Asia. Yet, while the right of the peoples of these areas to self-determination has been and is a practical concern of the United Nations, as it should be, the problem of the Soviet-enslaved European nations is all but ignored. To commemorate Captive Nations Week means to emphasize our determination to rectify this double standard.

As long as the double standard prevails, the Soviet Union will continue to charge with impunity that the West was forced by it—the Soviet Union—to dismantle its colonial empire. As long as the West is silent about Soviet colonialism in Eastern Europe, the Soviets will press their claim that the tide of self-determination in Africa and Asia today is the culmination of their campaign, proclaimed in the early 1920's, to "liberate" the people under Western colonial rule. As long as the double standard exists, the Soviets will succeed in partly obscuring the incontrovertible fact that the great process of national emancipation today is the fruition of the Western principle of self-determination.

If the West gave freedom to its former colonially ruled peoples as a matter of principle, it must—to be faithful to that principle—raise the issue of Soviet colonialism in East Europe. And this requires that the United Nations deal not only with oversea colonies, but also with overland colonial possessions. The essence of colonialism lies not in the areas of water between the colonial metropolis and the territories held by it; nor can it be found in differences in race and religion. The essence of colonialism is simply foreign oppression and lack of self-determination.

It is one of the greatest ironies of history that it is the Soviet Union—the great colonial power of our time—that is demanding in the United Nations the withdrawal of foreign troops and the establishment of free elections, under international control, for the few remaining western colonial possessions. Surely it is right and proper for the free nations to turn this procedure against its cynical proponent.

Are these remarks of mine to be construed as an indication of lack of faith on my part in the United Nations? On the contrary, they are a logical utterance of someone who deeply believes in this great world organization. I have selected an area of criticism now because I want the United Nations to survive, and I want my country to take the lead in making the U.N. grow in influence. Nothing is more injurious in the long run to the United Nations than a double standard, because its future rests on the full application of the principles of universality.

But Captive Nations Week—and the maintenance of hope among the captive peoples—have even a more direct bearing on the future of this country and on the great question of peace or war. Let us envisage for one moment Khrushchev's position if the captive peoples were won over to communism or resigned to their fate. This would inevitably mean that the Soviet armies in East Europe and their communication lines would be completely secure. This would mean increased enthusiasm among Soviet military leaders for a direct confrontation with the West. This would mean that Khrushchev could be much more extravagant in exercising pressure on Berlin and other vital free world positions. Let us envisage such a situation and ask ourselves what then would be the security of the West.

The United States has, therefore, vital reasons to keep the hopes of the captive peoples alive. We must be explicit about our feeling of affinity with the East European peoples. We must demonstrate the importance, by occasions such as this, of keeping open and public, for all the world to see, the agony of slavery, for slavery it is in the nations of East Europe. The Soviet Union would close it over, and this we cannot permit.

Thus, our commemoration of Captive Nations Week is not an exercise in futility as some may intimate. To say that this is a futile thing; to say that we must accept situations created by aggressions and maintained by brute force as something permanent; to say that we would be "realists" in abandoning 100 million of our friends and

> allies is to admit to fear. Conditions of slavery only long exist because in one form or another conditions of fear exist. This is not a time for fear or doubt.
>
> One of the important American beliefs is that man can shape his destiny; that he is not ordained to follow some dark fate blindly. Our faith in the ability to change manmade situations is a heritage of the American Revolution. Had our forefathers believed that the status quo was unchangeable, this country would not exist today.
>
> As we commit ourselves to the ideals of Captive Nations Week, we choose remembrance against forgetfulness; solidarity against abandonment; hope against despair. We are saying that both the nature of man and the tide of history are on the side of liberty and that the captive peoples will be free again, if we in the free world remain faithful to our heritage.

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DERWINSKI] is recognized for 2 hours.

Mr. **DERWINSKI.** Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. **DERWINSKI.** Mr. Speaker, I have requested 2 hours this afternoon in order to give as many Members of the House as possible an opportunity to participate in the observance of Captive Nations Week.

Since the Congress first passed the permanent resolution in 1959, this issue has been a major irritation to Soviet Dictator Khrushchev and the Soviet-imposed dictators of the satellite countries of Eastern Europe.

Captive Nations Week commemorations in the United States and other parts of the free world have served to keep alive the spirit of freedom behind the Iron Curtain and have demonstrated the fact that at least the Congress of the United States recognizes the tremendous inherent weakness in the Soviet Union structure that is caused by the resistance of the captive peoples to Soviet imperialism and its political and economic fallacies.

I was especially pleased to note that numerous cities and States throughout the country are participating in this year's Captive Nations Week observance, and I include, as part of my remarks at this point, resolutions which are typical of those passed throughout the country.

MINNESOTA

Proclamation issued by Gov. Elmer L. Andersen, proclaiming Captive Nations Week and urging "all citizens to fully realize their obligation to do all things possible to supplant authoritarian rule and tyranny with the principles of freedom and human rights." Principal speaker, Hon. WALTER H. JUDD, Member of Congress, Minnesota.

OREGON

Proclamation issued by Gov. Mark O. Hatfield:

> I would hope that during the week of July 15–21, 1962, that all Oregonians and all citizens throughout the United States and the free world will join with the American Friends of the Captive Nations in observing Captive Nations Week with fitting and appropriate activities and ceremonies.

MASSACHUSETTS

Proclamation issued by Gov. John Volpe:

> It is appropriate and proper to manifest to the peoples of the captive nations that sympathies and prayers of the people of the United States of America are for them, their freedom, and their national independence.

NEW YORK

Proclamation issued by Gov. Nelson Rockefeller calling for "the widest possible cooperation in the observance of Captive Nations Week in the State of New York," and stating:

> The United States, in the eyes of the enslaved peoples, is the citadel of human freedom. They look to us for leadership in bringing about their liberation and independence and restoring the enjoyment of their religious freedoms. If we fail to provide this leadership, we not only doom these captive peoples, but place our own freedom in jeopardy.

VERMONT

Proclamation by Gov. F. Ray Keyser, Jr., asking for "the widest possible cooperation in the observance of this week," and stating:

> It is appropriate and proper to manifest to these people of the captive nations the support of the Government and the people of the United States for their just aspirations for freedom and national independence.

WASHINGTON STATE

Seattle: Weeklong program, working in close cooperation with Congressman THOMAS M. PELLY, one of the original sponsors of the resolution.

Bremerton: Citywide program under sponsorship of Captive Nations Council, composed of civic groups and merchants. Feature: Captive nations displays in all downtown store windows. Chairman, James K. Morgan.

Mr. Speaker, later in the week I will include in the RECORD a tabulation of the States and cities that held Captive Nations Week observances.

The only inconsistency in our commemoration this afternoon is the fact that the foreign aid bill which the House passed last week still permits a subsidy to help Communist governments, which is a program contrary to the best interests and wishes of the captive peoples in those countries. It is my hope that a growing number of Members of the House, by giving their serious attention to the captive nations issue and the tremendous effectiveness which it can give to implementing our foreign policy, might recognize the inconsistency of their position, and in the future vote more stringent controls over the foreign aid programs as it deals with Communist nations.

The growth and vigor of the nationwide observance of Captive Nations Week can be traced directly to the untiring efforts of the National Captive Nations Committee under the leadership of Dr. Lev E. Dobriansky who, in the last 4 years, has nurtured and expanded this program. This year the major points of the National Captive Nations Committee for Captive Nations Week observance are:

> 1. Oppose even more intensely admission of Red China to the U.N.
>
> 2. Adopt model programs found in our record. Send all material to us following your observance of Captive Nations Week this year for insertion into the CONGRESSIONAL RECORD.
>
> 3. Write now to Congressman DANIEL J. FLOOD in support of House Resolution 211, creating a House Captive Nations Committee. The Republican congressional policy committee is on record in favor of it.
>
> 4. Urge also the speedy passage of the freedom academy bill, which is now in the Senate Foreign Relations Committee.
>
> 5. Call for a spelled-out concrete policy by this administration toward all the captive nations.
>
> 6. Urge that the United States take the lead in the U.N. for a full-scale inquiry into Soviet Russian colonialism within and outside the U.S.S.R.
>
> 7. On the eve of the 100th anniversary of the Emancipation Proclamation, call for a forward-moving U.S. policy of emancipation aimed at all the captive nations.

Mr. Speaker, I am sure I express the sentiments of a vast majority of the Members of Congress when I indicate our tremendous interest in these observances and hope that they will continue to spread throughout the land, and that the restoration of freedom to the captive nations will become a practical goal of our State Department.

Mr. **DERWINSKI.** Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. **FLOOD.** Mr. Speaker, many of us will recall the successful Captive Nations Week observed by millions of Americans in 1960 and in 1961. The data surrounding these events reveal that Moscow and its puppets exceeded in vehemence and vituperation the reaction produced by Khrushchev when Congress passed the Captive Nations Week resolution during the 86th Congress. It appears that the Red totalitarians fear the possibility that this observance will become strongly traditional and that its effects will be felt in both our policy and actions.

It is most important for us to observe, too, that this sensitive reaction of Moscow to the Captive Nations Week observance went far beyond the range of mere vitriolic opposition. Khrushchev and his minions carried their attack into the United Nations General Assembly and sought to pin the colonialist label on the United States. By their massive tactic in the U.N. during the autumn of 1960 they aimed not only to obtain the favor of certain Asiatic and African states, but also to shift the spotlight of colonial rule from their own empire. This spotlight was focused on Russia's unprecedented empire 2 months before during the Captive Nations Week observance.

We are all familiar with Khrushchev's tirades in the U.N., but are we equally cognizant of the tactics and speeches of some of his trained puppets? A Mr. Podgovny, for example, who ostensibly represents the Ukrainian S.S.R., centered some of his bombastic remarks on the Captive Nations Week and tried desperately to show that the Ukraine is a sovereign and free state.

For appearances sake, Khrushchev even permitted his puppet to deliver his address in the Ukrainian language, the first of its kind in the U.N. on October 4, 1960. The contents of this speech, as well as those of the address given by the Byelorussian delegate, Mr. Mazurov, are not to be taken seriously. What is to be taken seriously, however, is the Khrushchev masquerade of so-called representatives of "sovereign and free states." His attempt to conceal the colonial and captive status of the many non-Russian nations within the U.S.S.R. must be exposed.

A full-scale exposure of Moscow's extensive colonial rule is in the highest interest of securing peace with justice. Nothing can contribute more to a genuine and solid improvement of relations with the U.S.S.R. than an intelligent expression of our live awareness of Moscow's colonial and imperialist domination over nations both within and outside the Soviet Union. Any indication of an unawareness of this reality and of an inability to penetrate the blatant hyprocrisy of Moscow on the colonialism issue would be inimical to such a desired improvement.

From the examples I have set forth it is evident that there are far too many responsible people in this country who still fail to grasp the strategic meaning and significance of all the captive nations taken as an aggregate. Despite the fact that two Presidential proclamations on Captive Nations Week have summoned the American people to study this subject closely and intensively, many misconceptions, myths, and misunderstandings continue to circulate.

Indeed, in his state of the Union address President Kennedy demonstrated the consistency of his position when he declared:

> We must never forget our hopes for the ultimate freedom and welfare of the Eastern European peoples.

Both domestically and internationally there is an increasing craving for knowledge and understanding of the entire complex of captive nations. I have indicated the tremendous opportunities that such systematic knowledge and understanding can open for us in our contest of ideas and action with colonial Moscow.

On December 27, 1960, Reuters reported Khrushchev as saying:

> Subjugated colonial peoples will not find themselves alone if they have to struggle for their freedom.

All of us understand the cynical meaning of this remark. But, aside from underlying objectives, can we truthfully say that our demonstrated and sincere interest in all of the captive nations, particularly those in the U.S.S.R. itself, exceeds the cynical interest displayed by Moscow in the peoples of Africa and Asia? I think not.

The creation of a Special Captive Nations Committee, which I have proposed in the Congress, would serve not only to remedy this deficiency but also to provide us with a means of systematically and methodically reporting on these nations in the aggregate. Its studies, reports, and inquiries, undertaken in a regularly consistent and objective manner, would maintain the spotlight of free-world attention and opinion on Moscow's colonial system. No degree or amount of fluctuations in our relations with the Soviet Union can ever be offered as an excuse to be indifferent to or conceal the facts and truths about totalitarian Russian colonialism. The periodic findings of such a committee would establish the rational grounds for many opportunities of practical action in our relations with Moscow, and it would undoubtedly prove to be of immense aid and assistance to both public and private interests in our society.

From the viewpoint of our own national security and on the question of war or peace, the vital importance of all the captive nations should be self-evident. They constitute a paramount political reality to which we should be devoting proportionate attention and resources in a sustained undertaking of methodic study and inquiry.

For the past several months I have regularly released some of the letters and communications received in support of my House resolution. Space permitting, the CONGRESSIONAL RECORD contains dozens of these letters sent in by groups and individuals from all parts of the Nation.

Many of these letters indicate not only a spirited favorable reaction to my proposal and those of my colleagues, but also the thinking of our citizens and friends on this vital issue. I am happy to report that all the major general organizations with a knowledgeable interest in this basic subject have endorsed my resolution, House Resolution 211, and their representation exceeds 20 million American citizens.

From these endorsements of House Resolution 211 one can extract many sound and convincing reasons for the necessary creation of a Special Committee on Captive Nations. In brief form I should like at this time to advance some of these reasons:

First. From his vantage point President Eisenhower in two proclamations on Captive Nations Week summoned the American people "to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the people of those captive nations."

Second. President Kennedy in answer to a question raised on this subject during the presidential campaign said:

> I am, of course, in agreement with the Presidential proclamations. The captive nations should be studied intensively. If a Joint Congressional Committee on the Captive Nations is the best way to insure such popular study, I would naturally not be opposed to it.

Third. There is a hazardous gap in our official and private facilities as concerns this necessary task of studying systematically, objectively, and continuously all of the captive nations, especially those in the U.S.S.R. Nowhere is there any agency, public or private, performing this essential task.

Fourth. Passage of House Resolution 211 would be the first concrete implementation of the Captive Nations Week resolution, passed by Congress in 1959. The fearful reaction of Moscow to this resolution shall never be forgotten. We can show now that we meant what we resolved then.

Fifth. House Resolution 211 is realistically based on the aggregative concept of the captive nations—meaning those inside the U.S.S.R. as well as outside, in Asia as well as in Eastern Europe. It emphasizes the strategic importance—indeed, the primary strategic value—of all these nations for peace and also for cold and hot war purposes.

Sixth. As advocates of freedom everywhere, we must always realize that the cold war is not just between Moscow's totalitarian empire and the free world, but also and essentially between the captive peoples and the imposed puppet governments. House Resolution 211 is based on this realization, and its passage would provide the necessary and the prudent leverage for the captive nations in their cold war against colonial Russian domination.

Seventh. The studies, facts, and truths educed by a special committee would give the constant lie to the propagandized and overblown Russian image, particularly in the underdeveloped areas of Africa, Asia and Latin America.

Eighth. Such a committee, engaged in continuous work based on the aggregative captive nations concept, would become a rich reservoir of new dimensions of thought, of new and fresh ideas, of solid and grounded recommendations for positive and constructive action against the traditional imperialism and colonialism of Moscow.

Ninth. The existence of such a committee would be a permanent reminder to Khrushchev that we do not now nor shall we ever write off the captive nations. This committee would give concrete evidence to the position expressed by the President in his state of the Union message:

> We must never forget our hopes for the ultimate freedom and welfare of the Eastern European peoples.

Tenth. Now that we have reached the third anniversary of Captive Nations Week observance, the House of Representatives can take the lead in making this observance a still more successful one by creating this Special Committee on Captive Nations.

These solid reasons underlying the necessity for a Special House Committee on Captive Nations are in complete consonance with the many forceful declarations made by the President in recent weeks.

As a matter of fact, the committee contemplated by House Resolution 211 would be a proper congressional medium giving concrete expression to these remarkable declarations.

In his note to Khrushchev, the President stated:

> The great revolution in the history of man, past, present, and future, is the revolution of those determined to be free.

The special committee will relate and record for the benefit of our people the forces of this revolution in Eastern Europe and in Asia. In his address to the

American Society of Newspaper Editors the President warned:

> We dare not fail to see the insidious nature of this new and deeper struggle. We dare not fail to grasp the new concepts, the new tools, the new sense of urgency we will need to combat it.

The special committee could help immensely in this by showing our people and others in the free world how these new concepts and new tools were employed also in the rape of formerly independent nations in Eastern Europe and in Asia.

In a second note to Khrushchev, the President emphasized that—

> The people of the United States believe that the right of self-determination is fundamental and should apply throughout the world.

In the full spirit of this fixed belief our special committee would focus steadfast public and world attention on those over 20 nations in Eastern Europe and Asia whose expressed right of national self-determination has been nullified by Moscow's imperialism and colonialism.

As part of my remarks today, I would like to include the text of the aforementioned resolution, House Resolution 211, so it will be made a part of today's program on Captive Nations Week. Resolution follows:

(87th Cong., 1st sess., H. Res. 211; in the House of Representatives, Mar. 8, 1961, Mr. Flood submitted the resolution; which was referred to the Committee on Rules)

Whereas on the issue of colonialism the blatant hypocrisy of imperialist Moscow has not been adequately exposed by us in the United Nations and elsewhere; and

Whereas two Presidential proclamations designating Captive Nations Week summon the American people "to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the people of those captive nations"; and

Whereas the nationwide observances in the first anniversary of Captive Nations Week clearly demonstrated the enthusiastic response of major sections of our society to this Presidential call; and

Whereas following the passage of the Captive Nations Week resolution in 1959 by the Congress of the United States and again during the observance of Captive Nations Week in 1960, Moscow displayed to the world its profound fear of growing free world knowledge of and interest in all of the captive nations, and particularly the occupied non-Russian colonies within the Soviet Union; and

Whereas the indispensable advancement of such basic knowledge and interest alone can serve to explode current myths on Soviet unity, Soviet national economy and monolithic military prowess and openly to expose the depths of imperialist totalitarianism and economic colonialism throughout the Red Russian Empire, especially inside the so-called Union of Soviet Socialist Republics; and

Whereas for example, it was not generally recognized, and thus not advantageously made use of, that in point of geography, history, and demography, the now famous U-2 plane flew mostly over captive non-Russian territories in the Soviet Union; and

Whereas in the fundamental conviction that the central issue of our times is imperialist totalitarian slavery versus democratic national freedom, we commence to win the psychopolitical cold war by assembling and forthrightly utilizing all the truths and facts pertaining to the enslaved condition of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and other subjugated nations; and

Whereas the enlightening forces generated by such knowledge and understanding of the fate of these occupied and captive non-Russian nations would also give encouragement to latent liberal elements in the Russian Soviet Federative Socialist Republic—which contains Russia itself—and would help bring to the oppressed Russian people their overdue independence from centuries-long authoritarian rule and tyranny; and

Whereas these weapons of truth, fact, and ideas would counter effectively and overwhelm and defeat Moscow's worldwide propaganda campaign in Asia, Africa, the Middle East, Latin America, and specifically among the newly independent and underdeveloped nations and states; and

Whereas it is incumbent upon us as free citizens to appreciatively recognize that the captive nations in the aggregate constitute not only a primary deterrent against a hot global war and further overt aggression by Moscow's totalitarian imperialism, but also a prime positive means for the advance of world freedom in a struggle which in totalistic form is psychopolitical; and

Whereas in pursuit of a diplomacy of truth we cannot for long avoid bringing into question Moscow's legalistic pretensions of "noninterference in the internal affairs of states" and other contrivances which are acutely subject to examination under the light of morally founded legal principles and political, economic, and historical evidence; and

Whereas in the implementing spirit of our own congressional Captive Nations Week resolution and the two Presidential proclamations it is in our own strategic interest and that of the nontotalitarian free world to undertake a continuous and unremitting study of all the captive nations for the purpose of developing new approaches and fresh ideas for victory in the psychopolitical cold war: Now, therefore, be it

Resolved, That there is hereby established a committee which shall be known as the Special Committee on the Captive Nations. The committee shall be composed of ten Members of the House, of whom not more than six shall be members of the same political party and of whom five shall be members of the Committee on Foreign Affairs, to be appointed by the Speaker of the House of Representatives.

Sec. 2. (a) Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection.

(b) The committee shall select a chairman and a vice chairman from among its members. In the absence of the chairman, the vice chairman shall act as chairman.

(c) A majority of the committee shall constitute a quorum except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

Sec. 3. (a) The committee shall conduct an inquiry into and a study of all the captive non-Russian nations, which includes those in the Soviet Union and Asia, and also of the Russian people, with particular reference to the moral and legal status of Red totalitarian control over them, facts concerning conditions existing in these nations, and means by which the United States can assist them by peaceful processes in their present plight and in their aspiration to regain their national and individual freedoms.

(b) The committee shall make such interim reports to the House of Representatives as it deems proper, and shall make its first comprehensive report of the results of its inquiry and study, together with its recommendations, not later than January 31, 1962.

Sec. 4. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times within or outside the United States to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable.

Sec. 5. The committee may employ and fix the compensation of such experts, consultants, and other employees as it deems necessary in the performance of its duties.

GENERAL LEAVE TO EXTEND

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore (Mr. Price). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. GOODELL. Mr. Speaker, I wish to commend my colleague for his excellent statement and particularly to compliment the gentleman on his leadership with reference to the Captive Nations movement, as well as for the positions that have been taken by the Congress on this important subject.

Mr. Speaker, I congratulate the people of the gentleman's district for bringing him here where the gentleman can exercise such leadership on such important matters.

Mr. DERWINSKI. I thank the gentleman from New York. I appreciate the gentleman's interest and support on this issue.

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Milliken] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MILLIKEN. Mr. Speaker, 3 years ago Captive Nations Week was enacted by Congress through joint resolution, authorizing the President to proclaim the third week of July as Captive Nations Week so long as the people of these countries remain enslaved by a Soviet-dominated system.

Lest we forget the large group presently under this heading, I should like to enumerate them. In the Baltics, we have Latvia, Estonia, and Lithuania. Then we have the Poles, Czechoslovakians, Hungarians, Albanians, Bulgarians, and Rumanians, a total of about 90 million. In addition, there are 17 million Germans in East Germany, making a total over 100 million who are in the captive nations.

According to statistics, the population of these captive countries is equal to one-half that of the Soviet Union, and in the production of crude steel, electric energy, cement, coal, and so forth, they are most important to their Soviet rulers.

The Western leaders have tried through every means except war to free these people, but unfortunately, their efforts so far have not accomplished the desired results.

I think of those persons in my congressional district whose forebears have come from one of the countries named and who have relatives or friends over there at this time. I know this is particularly true of the many people of Polish extraction who are in Delaware County and who have contributed so much to our State and county. My sympathy goes out to them as well as to those all over the United States who have relatives and friends in the captive nations. It is my hope that we may continue to take action which may be helpful to these enslaved people, hoping always for the removal of all Communist controls, for the return of exiles and for the holding of free elections.

Mr. NEDZI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. NEDZI. Mr. Speaker, I welcome this opportunity to join my colleagues today in commemorating Captive Nations Week.

Our participation in Captive Nations Week is not an empty gesture. By noting it, we show the peoples of the captive nations that they are not forgotten. We keep faith with what is morally right, we reaffirm the principle of self-determination and we alert the newly emergent nations of Africa and Asia that the Soviet Union is the last big colonial empire on earth.

History teaches us that national culture and ethnic pride are impossible to starve. Ways are found to maintain culture, language, and religion despite decades and even centuries of suppression and terror. Witness, for example, the preservation of the Polish and Ukrainian languages and national drive which emerged in 1918 despite over a hundred years of partition and suppression.

We live in days when enormous social, economic, political, and scientific forces are at work. What appears hopeless today may become possible tomorrow. One can cite Red China, which until recently, appeared invulnerable, but now faces collapse. One can cite further the Hungarian revolt, which was led by that generation of youth educated exclusively in Communist schools, yet not immune to the germ of freedom which seeps in through the Iron Curtain.

With this week's commemoration, we lend encouragement and help sustain hopes until that day when captive nations will become free nations and mankind will rejoice.

Mr. DERWINSKI. Mr. Speaker, I thank the gentleman from Michigan for his sterling statement on this subject.

Mr. Speaker, at this point, I wish to place in the RECORD an address by Ferenc Nagy, chairman, Assembly of Captive European Nations, at the flag-raising ceremony on the United Nations Plaza, New York City, on Sunday, July 15. Other speakers at this commemoration were Mr. Christopher Emmet, chairman, American Friends of the Captive Nations; our colleagues, John V. Lindsay and Victor L. Anfuso; Mr. John G. Lexa, secretary, Conference of Americans of Central and Eastern European Descent; and Mr. Sygmund J. Sluszka, who read the joint manifesto of the American Friends of the Captive Nations, the Conference of Americans of Central and Eastern European Descent, and the Assembly of Captive European Nations.

In addition, Mr. Speaker, I would like to include in my remarks this manifesto.

Address by Ferenc Nagy, Chairman, Assembly of Captive Nations, at Flag-Raising Ceremony on United Nations Plaza in New York, July 15, 1962

I am happy to welcome you at this flag-raising ceremony in the name of the Assembly of Captive European Nations.

We have gathered here to inaugurate the fourth Captive Nations Week. Similar ceremonies are being held today throughout this great country and in other parts of the world. Thousands of free people are today pledging solidarity with their captive allies.

Yet at the same time we hear whispers, some of them in high places, that all this is a mere ritual; that the issue of the captive nations is dead; that the division by the Iron Curtain is permanent.

These voices like to call themselves realistic, but they ignore reality. Today the entire Soviet empire is caught in a far-reaching economic crisis, which is largely due to the passive resistance of the captive peoples, especially the forcibly collectivized peasants. A dead issue would not be able to wreak havoc in the machinery of a totalitarian state. A live and burning issue does.

And the permanence of the Soviet occupation of the captive countries? How timid one must be, how lacking in the sense of history, how unaware of the revolutionary changes sweeping the world today, to assert that a situation established by crime and maintained by force is a permanent one. The captive peoples themselves, including those who were born under Communist rule, refuse to regard it as permanent.

By their refusal to resign themselves to their subjugation, the people of the captive countries—whether nominally independent or formally incorporated in the Soviet Union proper—are a factor in the cold war and an important element of Western security. But they cannot go on resisting their Soviet masters indefinitely unless the free world gives them reason to hope. Captive Nations Week provides the American people with an excellent opportunity to show the peoples of Eastern Europe that they are not forgotten. Yet the spirit of Captive Nations Week must be maintained beyond the week, uninterrupted. That spirit must be translated into actual policies, promoting self-determination for the captive people.

In the building across the street, toward which humanity still turns its hopeful eyes, the discussion of colonialism will be resumed. But so far this dscussion has been confined to the few vestiges of vanishing Western colonialism, while there is silence about the huge and expanding Soviet colonial empire.

The silence of the free world on the subject of Soviet colonialism in the United Nations is against the spirit of Captive Nations Week. It also is against the vital interests of the free world itself.

Some people will say: But how can we place the question of self-determination for East Europe on the agenda of the United Nations? There is nothing simpler. Just take a sample of one of the numerous Russian interventions asking for the end of colonialism and for free elections, and apply it to East Europe. After all, even the Soviet delegate said recently in the United Nations that there was not a single nation in the world that was not ready for self-government.

Let us hope that the free world will soon end its silence and inaction on East Europe. Let us trust that the spirit of Captive Nations Week will continue and prevail.

Manifesto for Captive Nations Week, 1962

The undersigned organizations, dedicated to the restoration of freedom in the captive nations, call attention to Public Law 86–90, unanimously adopted in 1959 by the Congress of the United States, by which the third week of July of each year was designated as Captive Nations Week.

All the captive peoples of Europe and Asia, including the Russian and Chinese peoples themselves, have for long years been enslaved by Communist tyranny. The Soviet Union not only preserved all the colonial conquests of czarist Russia but expanded the empire further. Since World War II, the captive nations of central and eastern Europe have been deprived of their national independence despite solemn Soviet treaties and agreements, while since 1919 the non-Russian peoples within the Soviet Union have been denied their promised right to national self-determination. All have lost their basic human freedoms—freedom of speech, freedom of religion, freedom of assembly, and, what is perhaps most important of all, freedom from fear.

The captive peoples of central and eastern Europe have never ceased to strive for freedom—actively when the opportunity presented itself, passively when necessity dictated. Even their shock at the failure of both the United Nations and the Western Powers to come to the aid of the Hungarian revolution, and their disappointment when the building of the Berlin wall closed off their last escape route to the West, have not caused them to abandon hope. But the preservation of this hope and the resistance upon which it feeds depends on two major factors: the resolve with which the free world responds to Soviet threats, whether military or political, whether in Europe or Asia; and the clarity and steadfastness with which the Western Powers, the United States above all, commit themselves and pursue the goal of freedom for the captive nations.

One of the main purposes of the Soviets in enslaving the once-free captive nations of central and Eastern Europe has been to use their economies as fodder for the hungry machines of Communist militarism. But by their passive resistance to Soviet exploitation and forced collectivization, the captive peoples have sabotaged this goal and have brought the Communist empire to a crisis point, forcing their overlords into a reappraisal of their economic goals at a time when prosperity and the dynamic growth of the Common Market have made the West stronger than ever. If the West takes advantage of this Soviet crisis now, by exposing the bankruptcy as well as the tyranny of Soviet colonialism and by calling for the universal application of the right of self-determination in the United Nations and elsewhere, the free world can take, at long last, the offensive in the cold war. Yet at this very moment, prominent Americans propose the supreme folly of dropping the subject of Hungary from the United Nations agenda and encouraging Secretary General U Thant to accept the invitation, steadfastly refused by the late Dag Hammarskjold, to be the guest of the puppet Hungarian Government on a visit to Budapest. Moreover, by the proposal of an exchange of nonaggression declarations between NATO and the so-called Warsaw Pact countries, the Soviets are being helped to accomplish one of their major objectives—to convince the captive peoples that they have been written off by the West and that, therefore, any resistance has become senseless.

The Atlantic Charter, the peace treaties and other agreements signed by both the Soviet Union and the United States, promised free elections to the nine captive nations of central and Eastern Europe occupied by Russia at the end of the war. It is thus not only this country's moral obligation to work for their freedom by every means short of war, but its legal obligation as well. It is also in the highest political and military interest of the United States to promote the cause of the oppressed peoples because, as Gen. Maxwell Taylor has said, their continuing passive resistance is one of the strongest deterrents to Soviet aggression, and, if war should come, would pose a direct threat to Soviet lines of military communication. There can be no relaxation of tensions, no hope for a just and lasting peace, until the basic cause of these tensions—the division of Europe into two parts, one slave, one free—has been removed.

Only by leading the fight for freedom of oppressed peoples everywhere can the West assume the diplomatic and spiritual offensive in the worldwide struggle for liberty and justice. Only thus can the West effectively counter both the Soviet strategy of expansion by economic, political and military threats and pressure, and the danger of nuclear war.

We therefore feel it incumbent upon us to give voice to the silent aspirations of the captive peoples:

We accuse the Soviet Union of violating its solemn promises of freedom and independence to the nine nations made captive after World War II—Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania;

We further accuse the Soviet Union of forcibly depriving the captive non-Russian nations within its own borders of the promised right of self-determination and in destroying the formerly independent states of Ukraine, Georgia, Armenia, and others;

We demand that the Soviet Union withdraw its military and administrative personnel from the captive nations of central and Eastern Europe beginning with Hungary, in accordance with the 12 United Nations resolutions to this effect;

We urge the governments of the free nations to make the liquidation of all unsolved consequences of the Second World War in Europe, on the basis of the right of self-determination, a precondition of disarmament and security agreements, and to insist that this right be exercised by means of free elections under effective international safeguards; and to this end

We request the governments of the free world to declare their support of the right to self-determination of all peoples held captive by the Communist imperial system in accordance with the principles of the Atlantic Charter, the Universal Declaration of Human Rights, and the Declaration on the Granting of Independence to Colonial Countries and Peoples, adopted by the United Nations October 14, 1960.

We appeal to the people of the United States of America, during the Captive Nations Week, to manifest their awareness of the importance of their silent allies in the Soviet-subjugated lands in the worldwide conflict between the forces of liberty and Communist tyranny, and to pledge themselves to help them in their struggle for freedom and independence.

Msgr. JOHN BALKUNAS,
Chairman, Conference of Americans of Central-Eastern European Descent.
THOMAS CUITE,
Member, National Captive Nations Committee.
CHRISTOPHER EMMET,
Chairman, American Friends of the Captive Nations.
STEVEN J. JAREMA,
Chairman, American Conference for the Liberation of the Non-Russian Nations in the U.S.S.R.
FERENC NAGY,
Chairman, Assembly of Captive Europeans Nations.

NEW YORK, *June 15, 1962.*

Mr. MURPHY. Mr. Speaker, the last World War has left its wreckage and sad legacy everywhere, but none of these is so heartrending and grievous as the sad fate of the captive nations in Europe. The fate that has overtaken them is the most tragic in the history of the West, and perhaps unparalleled in the history of the human race. Two decades ago no one would have imagined that in their lifetime, after waging the deadliest and costliest of all wars in behalf of freedom and democracy, more than one-fourth of Europe's population and almost one-third of its territory would fall under the poisonous pall of Soviet communism. But that is the sad and shocking situation today. All nations inhabiting northern, central and southeastern Europe, from the Baltic region to the Balkans are captives of totalitarian communism of the Kremlin.

The peoples in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania, more than 90 million in all, were free and independent. In their respective homelands they lived under their national, sovereign, and democratic governments during the interwar years, and they all were content with their lot. The war and events subsequent to war changed all this. All these nations were robbed of their freedom; they were involved in the war; they fought and suffered. But they all believed in the righteousness of their cause and so hoped for justice at the end of the war. They were certain of regaining their freedom, for that was one of the war aims of the victors. But one party of the victors, the Soviet Union, had its own evil designs on the postwar world, especially on postwar Europe. Part of that design seems to have been the enslavement of the peoples in all countries in northern, central, and southeastern Europe. Unfortunately the Soviets were allowed to carry out their designs. At the end of the war nearly all these nations were caught behind the impenetrable Iron Curtain forged by the Soviet Government and maintained by the Red army. In 1947–48 Hungary and Czechoslovakia were also drawn behind this curtain, and of course 17 million Germans in East Germany are also captives, all of them sharing the same sad fate.

For more than 17 years these nations have suffered under Communist totalitarian tyranny. All of them had fought dictators and oppressors, and had hoped to be rid of them at the end of the war. And the tragedy is that instead of escaping tyranny today they find themselves captives of the most ruthless tyrants of the Kremlin. On the observance of the Captive Nations Week I ardently hope and pray for the freedom of these nations.

Mr. CUNNINGHAM. Mr. Speaker, as a sponsor of legislation to establish a Captive Nations Committee here in the House of Representatives, I am naturally most interested in the many events taking place throughout .he country this week—Captive Nations Week.

I believe that the annual observance of this week is most important to the free world, for it serves to focus not only our attention but the attention of the whole world on the fact that millions of persons are denied the right to freedom. The oppressive hand of the Russian Communist Government is felt in many lands which were once free. They are indeed captive nations, captive of the Communist conspiracy.

Freedom is the one thing that through the centuries men and women have fought and died to possess, if even for only a short time. They have in recent years sailed hundreds and even thousands of miles over open seas, swum canals, fled through mountains and valleys, broken through and dug under barbed wire, barricades, and concrete walls—all to possess freedom.

This wonderful thing we take too much for granted is not for sale except at the price of human lives.

Today we find country after country has lost its freedom to the Red menace. The Communist rules with an iron fist, and there is no freedom in the captive nations. This is the reason for Captive Nations Week, so that all freemen everywhere will think of the people behind the Iron Curtain and pray and work for their freedom.

Since 1959 this country has marked this week each July as Captive Nations Week. The first 2 years there were forceful declarations from the White House, calling for freedom for these oppressed people, for the restoration of liberty and freedom for these people.

What has happened to our love of freedom that we do not carry forth this spirit and hope in our more recent White House proclamations? Why do not the White House authors and writers put their heads together and bring forth a Captive Nations Week proclamation to stir men's minds? We remain the hope of these people in the captive nations. We remain the leader of the free world. We remain the greatest living example of maximum freedom for man to pursue his own goals and life.

We are the greatest contrast with the life behind the Iron Curtain. Certainly then it is up to this Nation through its officers to take all possible steps to show this contrast, to assert our leadership and desire and determination that the people of the captive nations will be free.

I cannot understand why there is any lack of support for the principle of self-determination for the people of the captive nations. We are engaged in a cold war and our enemy has taken and held these peoples and these nations by military force. We should be determined that this situation will not continue.

This is the purpose of Captive Nations Week—to remind the world that there is this evil system which oppresses and controls, to remind the people in this country that we must remain strong in our desire to defeat this evil system and to remind the Communists who run this system that we have not forgotten their subjugation and trampling of freedom.

And to the peoples of the captive nations we send our prayers for their freedom, our hopes for their safety, our shared desire for their liberation, and our determinations to stand firm against the system which holds them captive until it falls of its own weaknesses and evil.

Mr. HOEVEN. Mr. Speaker, to those of us in the free world, the observance of Captive Nations Week should be a time both for prayerful reflection and renewed determination. This is a period when we as Americans can reflect on the freedoms and liberties which we all too often take for granted, and we can once again voice our hope and determination that those captive nations who once enjoyed their freedoms may again one day regain them.

I have been particularly concerned regarding the plight of the peoples of the Baltic States. At the request of many individuals in my congressional district, on March 26, 1962, I introduced House Concurrent Resolution 456, which reads as follows:

> Whereas the Charter of the United Nations declares as one of its purposes the development of friendly relations among nations based "on respect for the principle of equal rights and self-determination of peoples"; and
>
> Whereas the Union of the Soviet Socialist Republics has by force suppressed the freedom of the peoples of Latvia, Lithuania, and Estonia and continues to deny them the right of self-determination by free elections; and
>
> Whereas suppression of the freedom of the peoples of Latvia, Lithuania, and Estonia is an invitation to violence and threatens the peace: Therefore be it
>
> *Resolved by the House of Representatives (the Senate concurring)*, That the President of the United States should seek through the United Nations and otherwise to bring about the withdrawal of Soviet forces stationed in Latvia, Lithuania, and Estonia and the holding of free elections in those nations to the end that they may once again live as free, independent, and sovereign members of the community of nations.

After introducing my resolution, I was surprised to learn from my colleague, the gentleman from California, Congressman GLEN P. LIPSCOMB, that the Department of State on September 29, 1961, issued an adverse report on a similar resolution which he sponsored. The Department's report indicated that our fellow nations in the United Nations "would construe a resolution which would have the General Assembly request the Soviet Union to withdraw its troops from the Baltic States, to return Baltic exiles from Siberia, and to permit the holding of U.N.-supervised elections in Lithuania, Estonia, and Latvia as a move primarily designed to embarrass the Soviet Union rather than to alleviate the plight of the Baltic peoples." The full text of the Department's report appeared in my extension of remarks in the daily RECORD on June 4, 1962, on page A4036.

As far as I am personally concerned, I am embarrassed that the State Department is reluctant to embarrass the Soviet Union. The observance of Captive Nations Week should nevertheless be a strong indication to our friends who have been forced behind the Iron Curtain that we have not forgotten them.

Mrs. CHURCH. Mr. Speaker, I am happy today to join my colleagues in hailing Captive Nations Week. All who love and possess freedom welcome this opportunity to bring encouragement to the captive peoples and their spokesmen, who, though far from their homeland, have never hesitated to speak out for freedom and to seek at the earliest possible moment the removal of Communist domination over their countries.

Never to be forgotten are the hundreds of millions of enslaved people, representing nations once independent, whose liberty and dignity are under assault. Again we make our position firm and clear: we shall not acquiesce in the enslavement of our fellow beings. The fate of the captive people affects the future of this entire world, and human liberty everywhere is endangered unless we keep alive the spirit of freedom, not only in our hearts but in the hearts of those who today suffer under the Communist yoke.

The world knows the history of these captive nations: Their historic struggle against the Russian oppressor; their accomplishments and developments in an atmosphere of freedom during those periods when they temporarily broke the bonds of tyranny; their unfailing courage and their determination throughout the centuries to regain their liberty. The longing for freedom has flowered and spread in the hearts of these peoples, despite the techniques of communism to overcome their minds.

This occasion, Mr. Speaker, affords significant opportunity again to express our sympathy with the downtrodden in the captive nations; to reaffirm our faith in the principles of human dignity and independence; and to express our hope and faith that the captive peoples may soon permanently remove their bonds.

Mr. GILBERT. Mr. Speaker, the 86th Congress, when it passed the Captive Nations Week resolution in 1959, showed wisdom and foresight; it performed a great service to our Nation and to the free world. It designated the third week in July as Captive Nations Week and also authorized and requested the President of the United States to issue a proclamation each year, in connection therewith, until such time as freedom and independence shall have been achieved for all the captive nations of the world. President Eisenhower and President Kennedy have issued such proclamations. This year, we are observing Captive Nations Week from July 15 to July 21.

The efficacy and telling force of the resolution and proclamations are abundantly clear when we observe the Kremlin's reaction; Soviet Russia has vehemently denounced both the week and the resolution. When we observe Captive Nations Week, we, the leading nation of the free world, focus attention upon all those nations held in bondage by the Soviet Union; we remind the world that the captive nations are enslaved, and exist under a brutal colonialism. The resolution and proclamations constitute a powerful propaganda weapon for us in the cold war, and in our struggle to strengthen democratic ideals throughout the world. At the same time, we emphasize the founding of our own nation upon principles of democracy, equality, and liberty. Through the years, we have given haven to those who sought to escape tyranny and oppression in their homelands, and their efforts and contributions have helped to make our country the mighty power for freedom it is today.

It is gratifying that since 1959 the observance of Captive Nations Week has progressively grown in scope and intensity; all major cities and many towns in all sections of our Nation join in the observance. Millions of Americans are united in spirit, thought, and action in this week, when we underscore the fact that the U.S.S.R. itself is made up of captive nations; when we let the oppressed people of the captive nations know that we are thinking of them and praying for their release from bondage and their reestablishment as independent countries in the world's family of free nations.

Mr. BECKER. Mr. Speaker, I have lent every effort for many years to bring about the release and freedom of the peoples in the captive nations. To further this effort, I introduced House Resolution 554.

The status of captive nations is one of the tragic consequences of the last war. More than 100 million people in northeastern, central, and southeastern Europe were free and independent in their own countries before the outbreak of that war in 1939. They all were engulfed in that catastrophic conflict, and they all suffered, sustaining irreparable losses. For more than 5 agonizing years they were robbed of their freedom, of much of their worldly possessions, and in many cases, of their dear ones. But all of them, while enduring almost unbearable hardships and miseries, lived with the hope of regaining their freedom. All would have reached their goal except for aggressive Soviet communism. Toward the end of the war, and in subsequent years, all these nations, in the Baltic regions, in central Europe, and in the Balkans, were forcibly drawn into the Soviet orbit, completely sealed off from the free world by the impenetrable Iron Curtain.

Such has been the sad and unenviable lot of these nations for almost two decades. In their homelands, these nations are robbed of what we consider their birthright—freedom and independence—and today they suffer under Communist totalitarian tyranny imposed upon them by the Kremlin. The people of the United States and their Government have resolved to work for the freedom of these nations, and once more we reaffirm our solemn resolve in the observance of Captive Nations Week.

Mr. KLUCZYNSKI. Mr. Speaker, since the end of the last war about one-fourth of Europe's population in northeastern, central, and southern Europe, have lost their freedom and today they are imprisoned behind the Soviet-imposed Iron Curtain. Yes, the peoples of Estonia, Latvia, and Lithuania, Poland, Czechoslovakia and Hungary, Albania, Bulgaria, and Rumania, numbering almost 90 million in all, are the victims of Soviet totalitarian communism. Among the many sad and tragic legacies of the war, this stunning and startling fact is a standing insult to Western democracies. Nearly all these people had regained their freedom and independence at the end of World War I; they had constituted their own form of governments in their homelands, and were working hard for the preservation of their freedom. Then, soon after the outbreak of the last war, all their hopes and their freedoms became casualties of that war.

Unfortunately, the victory of democratic forces in the war could not guarantee freedom for these peoples in their homelands bordering the Soviet Union. Though the war was waged for freedom in Europe and elsewhere, in 1945 Western democracies were in no position to wage another war against the Soviet Union. Instead, the Western statesmen, headed by the leaders of the United States, tried to regain the freedom of these nations through diplomatic negotiations. Soviet duplicity and deceit proved more successful in these negotiations than the West's innocent and honest ways. In the end all these countries were brought behind the Iron Curtain, and their population sealed off from the free West.

But the people of the West, as well as the people of this country, have not for one moment given up the hope that all these captive nations will eventually regain their freedom and once more join the family of other free nations. On the observance of this Captive Nations Week we all hope and pray for the freedom of these nations.

Mr. WALLHAUSER. Mr. Speaker, this is the week for national observance of Captive Nations Week and it is therefore an appropriate time to call attention to the satellite countries of the world under the iron grasp of Communist tyranny.

Under the guise of "liberation," Communist tyrants moved through the world devouring lands and people. Today there are 23 captive nations now containing more than 1 billion people.

Captive Nations Week affords an opportunity to reflect on the plight of the people of these enslaved countries who have fallen victim to the Communist conspiracy. These unfortunate people represent the Achilles heel of the Soviet empire. Their passive resistance to their Communist rulers has much to do with the present Russian economic crisis. Our concern for these captive people never has failed to stimulate their hopes and thus safeguard them against despair and resignation.

A solemn reiteration of American interest and concern on this occasion again calls to the attention of the world the fact that the people of these captive nations, as well as the Russian people themselves, are denied their promised right of self-determination and the basic individual freedoms.

Last year, several Members of this body, including myself, introduced resolutions to create a captive nations committee.

This committee would be specifically charged with giving particular attention to the moral and legal status of Red totalitarian control over nations and peoples and to means by which the United States can assist them by peaceful processes in their present plight and in their aspiration to regain their national and individual freedoms. The gathering of facts about Communist tyranny would serve as a hard-hitting weapon to explode the current myths of Soviet unity and the Soviet national economy.

Unfortunately, these resolutions were not reported by the committee of jurisdiction, and so this year I once again urge that there be a solid expression of support for the proposal. By so doing we will demonstrate our belief in the power of freemen to prevail and overcome the forces of totalitarianism.

Mr. MONAGAN. Mr. Speaker, for the fourth time since 1959, we are observing Captive Nations Week.

We are observing it for the purpose of focusing the attention of the world on the plight of the Communist-dominated nations—Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania—as well as of millions of other once free peoples who are suffering under Communist bondage in Ukraine, Armenia, and other parts of the Soviet Union; in Tibet, North Vietnam, and North Korea; upon the mainland of China; and in other areas.

We want the world to recall and to remember that all of those nations, all of those peoples, have been deprived of their individual liberties, of their political freedom, and of their national independence by the aggressive, imperialistic policies of Soviet communism.

We want to impress upon the rest of the world that we are not condoning the existence, or the extension, of Communist tyranny.

And by taking this position, we want to manifest to the peoples of the captive nations our support for their just aspirations for freedom and national independence. The people of these countries include some of our best friends in the world, but it sometimes appears that our friendship is not so constant as theirs.

These are the goals, the objectives, of the Captive Nations Week.

We all know, however, that history is shaped not by words but by deeds.

And, therefore, if we wish to make this observance meaningful—if we wish to continue the great American tradition of supporting the legitimate aspirations for self-determination of people everywhere—then we must move beyond the realm of words and into the realm of deeds.

The need for this is urgent. It is urgent because, during the past decade, the image of the United States as the defender of freedom, as the champion of the weak and the oppressed, has become somewhat blurred in the eyes of the world.

It has become blurred by the confused cries of certain self-styled anti-Communists among us, and by faltering actions on our own part.

Let me speak, first, about those who demand that we fight communism by ending all intercourse with the nations behind the Iron and Bamboo Curtains.

Do we fight communism if we accept their suggestion? Do we evidence concern for the captive nations if we refuse to have anything to do with the Soviet-imposed regimes that govern them?

Or do we, by keeping silent and uncommitted tend to acknowledge the existence of a Soviet sphere of influence—a sphere of influence embracing all of the currently Communist-dominated nations—and, in effect, assure the Communists that we have no intention of interfering with anything that goes on within their sphere of influence? The answer is obvious.

And, second, as far as some of our Government's policy decisions in the decade of the 1950's are concerned—did not those decisions lend credibility to the theory I have just mentioned: The theory that the United States has little concern for the welfare, and the future, of the people under Communist domination?

Some of these things—coming as they did on top of loud pledges to liberate the captive nations—must have blurred the image of America abroad, especially in the eyes of those who are forced to live under Communist rule.

I believe, therefore, that we must show the world through our deeds that we are true to our great national tradition of sympathy for the underdog, and support for those who wish to be free and to organize their affairs in accordance with the freely expressed desires of their people.

We have performed one of those deeds just the other day.

We did it when the House of Representatives adopted an amendment to the Foreign Assistance Act—an amendment which I supported actively and which stated that we shall use our aid to further promote the independence of the captive nations from the international Communist conspiracy.

This was a ringing, and a courageous declaration.

But it was more than just a declaration, because that amendment, written into our law, will enable the President to compete with communism, to fight communism, behind the Iron Curtain and in other strategic areas.

By destroying the myth of the untouchable Soviet sphere of influence, this amendment constitutes an important milestone in the fight between communism and freedom, and should bring great encouragement to the peoples of the captive nations.

There is another way in which we are doing something—something concrete and constructive—to show the captive nations that we are on their side, that we are supporting their aspirations for independence and freedom.

I am referring to the hearings on the captive nations, undertaken this year by the Committee on Foreign Affairs.

It has been my privilege to chair these hearings. In the past few months, in the course of these hearings, we have received testimony about conditions in the captive nations from numerous witnesses. Some of these witnesses visited the captive nations recently. All of them have been there at one time or another. And all of them maintain contacts—some of them very confidential and vital contacts—with various groups, individuals, and organizations in the captive nations.

Our committee has questioned these witnesses about conditions in the captive nations. We have questioned them about U.S. policies with respect to the captive nations—our assistance and other programs—to see how these programs are received, and how they are interpreted, by the anti-Communist people of those captive nations.

I can tell you, at this point, that we have received some very valuable information in the course of these hearings. Some of this information will be published. The rest will not. It is too confidential—and potentially to damaging—to some people living behind the Iron Curtain.

But we are just beginning. We have just scratched the surface. The big job—the job of compiling up-to-date information about conditions in the captive nations—still remains before the committee.

What type of information do we want to compile?

Back in the late forties, and in the fifties, congressional committees gathered much valuable information about the Communist conquest of the captive nations.

At that time, congressional inquiries concentrated on this issue: How did the Communists manage to take over, and dominate, those countries? How have they managed to establish their rule over once-free people?

At that time, we compiled considerable information about Communist penetration, subversion, and takeover techniques. This information has served our Government well in devising programs to combat Communist advances in other areas of the world.

The fact that none of the 40-some new countries that have come into existence since World War II have become Communist dominated, is a tribute, in large part, to the programs of our Government—influenced to some extent, by the findings of our congressional committees.

The job before our subcommittee is different today than it was 5 or 10 years ago.

Today, we want to ascertain with some degree of accuracy what happens to a country, its institutions, and its people, after the Communists have been in control for some years—and we want to make this information available to our entire Nation, and to others in the free world.

What has happened, for instance, to the economies of the Communist-dominated countries? Are Communist techniques of production efficient—or do they lead to economic crises and chaos and are they gradually replaced by a return to some form of free enterprise? How is the Comecon—the Council for Economic Mutual Cooperation—working? Is Soviet Russia continuing to bleed the captive nations economically? How is the product of those countries divided? Who gets the lion's share? And so on.

And on the political level, we would like to find out what happens to Communist takeover techniques after they have been allowed to continue in effect for a number of years. Are the people of the captive nations becoming communized? If so, what segments of the population? Where is the opposition to communism concentrated? And, further, what can we expect of the future?

These are important questions—important to the free world and to the peoples of the captive nations.

We are determined to pursue them—and we hope that the knowledge of our determination—and of our efforts—will hearten those in the captive nations who are continuing to resist the insidious grip of communism.

These, then, are some thoughts that come to my mind as we begin our observance of the fourth annual Captive Nations Week.

I sincerely hope that this week will be observed with proper ceremonies and activities by all Americans—and by free people everywhere.

And I also hope that the word of our activities will penetrate behind the Iron Curtain, and bring a ray of hope to those who are longing for the day when liberty and freedom will once again prevail in their lands.

Mr. MADDEN. Mr. Speaker, today, July 16, is the beginning of Captive Nations Week. The commemoration of which was authorized and proclaimed by Congress 3 years ago. In the original resolution passed by Congress, it specifically sets out that the enslavement of millions in European satellite nations makes a mockery of the Communist idea of peaceful coexistence.

The unanimous enactment by the Congress of the captive nations resolution was one of the most devastating diplomatic acts that the free nations have taken against the Communist conspirators since World War II. This resolution called the attention of millions throughout Europe, Asia, South America, and the free world that the Soviets, through duplicity, infiltration, and unlawful aggression, forced many small European nations into the Communist orbit.

Over the years the Communist planners have succeeded in creating a myth or an illusion with reference to peaceful coexistence. The idea that the only alternative for peaceful coexistence is war should be exposed as an international sham based on clever Soviet propaganda.

When Khrushchev talks about peace through disarmament, we must remember that this is merely a shallow Communist slogan. Disarmament means that the free world must depend on agreements instead of strength. International agreements are useless unless both parties are honest and sincere. We must, to be safe, judge the future by the past. For 30 years the Soviets have broken 50 out of 52 agreements with the free world nations.

When Khrushchev and his lieutenants talk about peaceful coexistence they mean the free world must underwrite communism and Soviet world aggression.

TWO CONGRESSIONAL COMMITTEES

In addition to the captive nations resolution of 3 years ago, the 82d Congress 10 years ago authorized a resolution creating the Katyn Forest Massacre Committee and in the 83d Congress, authorized the Special Congressional Committee on Communist Aggression. These two committees, by holding hearings in Europe and America and hearing the testimony of approximately 400 witnesses, accomplished more to expose communism in its true light to millions throughout the world than anything that has been done since Karl Marx. Press, radio, and television carried the reports of these hearings throughout the globe. The unfortunate aftermath of these two great congressional committees has been that neither the Congress nor the United Nations saw fit to follow up their findings and officially and publicly brand Stalin, Khrushchev, and other conspirators as unworthy of serious consideration in the halls of the United Nations or other legislative bodies in the free world.

Lenin, over 40 years ago, said the Communists must do everything possible to avoid being outlawed internationally and domestically. He stated that when the whole Communist Party is outlawed, it is almost wholly paralyzed because it can no longer send into the surrounding countries and communities infiltrators and propaganda whereby it could spread its toxins and dissensions from which it draws its strength of life. Economic isolation by the free world would curtail and destroy communism in a short number of years.

The Communist conspiracy has been allowed to run rampant until it has gained control over one-third of mankind and it is steadily pursuing its vicious goal of control over the rest of the world. It is time now and past time for us to be alarmed and take the initiative propagandawise and place these international criminals on the defensive.

HOPE FOR THE FUTURE

According to authentic reports from over the world, all is not well in the Communist world. Khrushchev is in deep trouble. Food is scarce everywhere in the Communist empire. Colonies in Eastern Europe are not happy. Embezzlement and lawlessness is rampant in Russia and its satellites. Khrushchev's farm program is one of the most wasteful experiments in economic history. Six hundred million hungry Chinese are looking toward the wide-open spaces in Siberia for future habitation, and this worries the Soviet Communists. Very few of the inhabitants of the Soviet captive nations have any use for communism. Signs indicate from month to month that China's Mao and Soviet's Khrushchev are at odds on many issues and problems. These facts, along with world history recording that no tyrant or group of tyrants ever ruled long by slave labor camps, mass murders, prison camps, executions, threats, tortures, and fear. These reports offer some hope for the millions now living in Communist captive nations.

In this dark hour the fate of the world rests largely in the hands of the people of the United States. We who live in this rich land have the opportunity, the responsibility, and the solemn obligation to stand firm for freedom, justice, and the elimination of the tyrannical government everywhere on the face of the globe.

Captive Nations Week is a medium to again remind the free world that the Communist leaders enslaved millions by deception and force. Ninety-five percent of the inhabitants of enslaved nations will rise up and fight against their captors at the first practical opportunity. The free nations must keep this hope alive in the minds and hearts of enslaved people now under Communist domination.

Mr. CURTIN. Mr. Speaker, I desire to join with my colleagues in taking recognition of the fact that the third week of July, by virtue of a joint resolution of the Congress, has been designated as "Captive Nations Week."

We need frequently to tell the people of the world, those who are our allies or who are neutrals, those few who are enemies and who might mistake our courtesy for weakness, and especially those behind the Iron and Bamboo Curtains; that we shall never forget such freedom-loving, captive people who are behind such curtains, or let them down. That is the assurance they need until ultimate victory and freedom comes to them.

We believe that all men were born to be free and we want all such people to know that they can count on the United States to be steadfast. This is so, even though some of our actions may occasionally cause them concern.

I hope the day will soon come when we can greet these countries, not as captive nations, but as neighbors in the free community of nations.

Mrs. DWYER. Mr. Speaker, Captive Nations Week is one of the most effective antidotes we have to complacency, passivity, and cynicism. It is often much too easy to forget or ignore the unpleasant, to accept wrong because it is inevitable, or to overlook evil because who among us is without sin. But Captive Nations Week is a forceful reminder that evil exists and, indeed, is flourishing, and that we in the United States, we of the free world, have a heavy responsibility regarding it.

The significance of this annual commemoration, I believe, is this: That free people everywhere must realize that we cannot, either morally or pragmatically, remain secure in our freedom so long as there are forces in our world which are powerful enough and ruthless enough to succeed in depriving other nations and other peoples of their God-given rights and liberties.

At no other time in history, Mr. Speaker, has individual freedom and national independence been threatened by so powerful an opponent—international communism. As an idea, it has a deceptive appeal which has infected individuals throughout the world. As an organized system of force, it has mobilized hundreds of millions of people, overthrown legitimate governments, terrorized innocent victims, and sought to intimidate the rest of the world by the exhibition of formidable military power.

While it is undoubtedly true that world communism, both at its Soviet Russian headquarters and in the relations between Communist bloc countries, has undergone significant developments, especially since the death of Stalin, it is equally true that the means and objectives of communism have remained fundamentally the same. Today, as in the beginning, world domination remains its goal, and its means include anything that will work: military force, propaganda threats, economic infiltration, subversion.

Free people must oppose communism both as an idea and as a system of power, both here at home and wherever it seeks to pull down free institutions and enslave freemen. This is an obligation that arises from the right of self-defense and from the very logic of freedom.

How, in any specific way, the free world goes about the work of opposing communism is, of course, a matter of policy, of debate, of controversy. There is no single right way, valid for all times and places and circumstances. The strategy of freedom must be flexible, ready to confront the changing tactics of communism in various parts of the world and ready, too, to utilize every opportunity to strengthen freedom and present its case forthrightly and persuasively.

The important thing is not that we may differ among ourselves about the ways and means of fighting communism. We can trust in the good judgment, the wisdom, the sense of responsibility of people who make these decisions freely and democratically. What is most important is the fact that we are united in seeing the threat of communism and united in our devotion to the objectives and procedures of freedom.

The history of Captive Nations Week itself is an excellent example. Just as its birth in 1959 was bipartisan, so has its brief but effective life been a tribute to the likemindedness of Republicans and Democrats when confronted with a common enemy.

Together, on this increasingly significant occasion, we pledge ourselves to the defense of freedom and to the pursuit of liberty and independence for all peoples.

Mr. GREEN of Pennsylvania. Mr. Speaker, the annual observance of Captive Nations Week, which was given official recognition by a resolution of the Congress in 1959, is a clear indication to the people of the Communist-dominated and oppressed countries that we in the United States have not forgotten their tragic existence.

The observance serves as an annual reminder to the Soviet Union that we are resolute in our determination that the oppressed countries will not always be hidden behind the Iron Curtain.

It is a constant reminder to those among us with heritage derived from the oppressed countries whose individual paths are following a more fortunate course, that the separation of individual freedom of action, thought, and personal dignity are absent in the immediate lives of their native countrymen.

To those of us who are fortunate enough to be born in the United States and classify ourselves as native Americans, it should be a solemn reminder that we reside in a land where freedom and spiritual dignity of man have always been foremost in the daily life of this great Nation.

We should not take too lightly the blessings bestowed upon us, particularly in view of the World War crises of the past two generations, from which we were delivered by the hand of God with our freedom and dignity intact.

We should take sober reflection in our daily lives of the fact that we are not beyond the end result of those past two generation crises, and that we are this day existing in a new and terrible ideological crisis; constantly faced with repetitious threats of the communistic ideology overwhelming us and thrusting upon us a substitute of the personal and religious freedoms we now enjoy.

Captive Nations Week should instill in our thoughts a further and greater appreciation of the multiple benefits bestowed upon us, and a reminder to constantly remain alert to the threats and dangers from a godless regime that would remove these endowments.

In so doing, we should try to understand the plight of the people in the unfortunate and captive nations who are governed without consent, and who are living in a recurring hope for national freedom.

We should extend to them in every material way the substantial things which will enable them to keep alive their inborn patriotic spirit. To that we can add our daily prayers for their ultimate deliverance.

Mr. OSTERTAG. Mr. Speaker, in July 1959, the Congress adopted a resolution calling upon the President to proclaim Captive Nations Week. This has been done each year since then, and the proclamation has now been issued for this year. During this week, July 15–21, our Nation will again observe Captive Nations Week.

Since 1959, the annual observance of Captive Nations Week has grown in scope and intensity. In all major cities and in numerous towns local captive nations committees stage observances with official cooperation. Millions of Americans join in spirit, thought and action in commemoration of the week. It is fitting that we observe this week as a reminder and inspiration to those who have been enslaved by communism that the free world remembers them, and wants them to be free.

The imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of more nations than most of us remember. The Soviet Union itself is made up of captive nations, and, in addition, we recall the fate of Poland, Hungary, Lithuania, Ukraine, Czechoslavakia, Latvia, Estonia, Rumania, East Germany, and, of course, China and North Korea. All these, and more, have been swallowed up by the monster that is the international Communist conspiracy. They live now under the yoke of Communist bondage.

If the peoples of these more than 20 nations could choose—if the right of choice were still theirs—certainly, they would choose freedom and independence. Who would willingly choose bondage and subjugation? But, they remain captives of communism because the Kremlin bosses have suppressed the basic drive for freedom and independence by violence, subversion, deceit, and brute force.

There is a crack in the high wall of Communist control, however, because, while brute force does achieve secret-police control, it also strengthens the will and determination of the captive peoples and offers them the most prized possession—hope. Without this, everything would be lost.

We in the United States are well aware of the sentiments of these captive peoples. We understand and support their aspirations for liberty, and we know that, so long as any nation is oppressed, no nation is entirely free. And so, we must stir ourselves against the ugly monster of Communist slavery, and hold high the banner of freedom and independence as a beacon and a goal for all the captive nations of the world.

Mr. TOLL. Mr. Speaker, once again it is Captive Nations Week, a commemorative observance first established in 1959 by joint congressional resolution and Presidential proclamation. It is not a joyous occasion but a grim reminder that numerous, once-free European nations have now been held captive by the Soviet Union for nearly 20 years. Among them are the three former Baltic republics of Estonia, Latvia, and Lithuania, the Balkan States of Albania, Bulgaria, and Rumania, and in the heartland of Europe, Poland, Czechoslovakia, and the so-called People's Republic of East Germany.

For nearly 20 years now the peoples of these nations have been subjected to the totalitarian methods of the Kremlin in its all-out effort to consolidate its political and economic power and to expand its control over the minds of men. The one heartening factor of the dark tragedy is the limited measure of Soviet success. For the revolts in East Germany in 1953 and in Hungary and Poland in 1956 attest to the fact that the human spirit is not easily discouraged. The many recent brave attempts to escape from East Berlin are further examples of the potency of man's desire for freedom and of his willingness to put his life at great risk if there is a chance, no matter how slim, that the reward might be freedom rather than death. Even a concrete wall is not a sufficient barrier.

"What can we do to help the captive peoples of central and Eastern Europe?" we might ask ourselves as we commemorate Captive Nations Week.

Our words of encouragement, our expressions of sympathy, may seem impotent, even vacuous, in the face of so stern an enemy as the Soviet Union. But we underestimate their significance. For our statements record our concern and remind the Kremlin that we have not forgotten the captive peoples of Europe. Our expressions of sympathy help to keep alive the hope of the captive peoples and to encourage their continuing struggle.

Mr. O'HARA of Illinois. Mr. Speaker, the term "captive nations" is of recent origin; it refers to those nations of Europe that were involved in the last war, had lost their independence during that war, and then, all of them were brought under the baleful sway of Soviet communism.

On the very eve of the last war and throughout the course of that war the Soviet Government succeeded in concealing its true motive—its opposition to democracy, it unrelenting war against all peoples in non-Communist countries, and its aggressive expansionist policy. Whether Western democracies were in earnest in taking Soviet leaders at their own estimate, as true and reliable allies of the West fighting nazism and fascism, or whether they merely pretended to believe them, hoping at the conclusion of the war difficulties and misunderstandings could be smoothed out and rectified, when the war was over more than a third of Europe's territory and one-fourth of its population were blanketed under the deadly pall of Soviet communism, and separated from the free West by the impenetrable Iron Curtain. One might say that this sad fact, the unbelievable captivity of 9 nations, with some 100 million inhabitants by the Soviet Government and its agents, constitutes the blackest page in postwar international history. It also constitutes the most damaging and damning testimony against the Soviet Union as well as against all forms of Communist totalitarian tyranny.

The story and the status of these captive nations, more than any single act of the Soviet Government, bring out into broad daylight the greedy and expansionist policy of that Government. Before the war these nations were free and independent neighbors, meaning no offense or harm to Communist Russia. But the rulers in the Kremlin could not tolerate these free governments. So their principal policy toward these Western democracies was the annihilation of these nations as independent entities and the enslavement of their industrious population. The last war offered them the opportunity for the implementation of their evil designs.

Even before the conclusion of that war, the masterminds in the Kremlin had already extended their rule over certain of these countries. All of Poland, the Baltic countries, and most of the Balkans were already overrun by the Red army and Communist governments installed in these countries. The Soviet forces occupied and held these countries in the name of security, but actually what they were seeking and had secured was more territory and the enslavement of more people. As stated above, this action of the Soviet Government brought out in stark nakedness the nature of Soviet expanionist colonialism, and the ruthless methods by which that colonialism was to be attained—at the expense of the enslavement of more than 100 million free and independent people in Europe alone.

And if today the Soviet Government is hated and detested in all these countries, damned and condemned by all captive nations, that Government has to thank itself for antagonizing and for making these peoples uncompromising enemies to the Soviet Union. For nearly two decades these peoples have been suffering under Communist tyranny, instituted and sustained in these countries by the Soviet Union. The sad fate that seemed to have awaited these nations at the end of the war is an unenviable one, for all of them are imprisoned in their homelands behind the Iron Curtain. On this third observance of Captive Nations Week, we hope and pray for the freedom of these nations and for the destruction of Soviet communism everywhere.

Mr. GIAIMO. Mr. Speaker, it is a privilege to join my colleagues in this significant and extremely important recognition of Captive Nations Week. As we remember the millions of people who are caught in the merciless grip of the Communist vise, we must make it abundantly clear that we will support any and all efforts to return them to freedom and independence.

The Communists would have the world believe that imperialism is the disease of the free world. That this is a hypocritical, blatant falsification becomes obvious when we see the number of once-proud, free people who have been trapped behind the Iron Curtain, enslaved by a tyrannical force whose colonial ambitions are unparalleled. The imperialism of the Communist regime is a brutal and inhuman force representing a callous disregard of every moral and legal right of mankind.

It is one thing to enter into a sphere of control voluntarily, but it is quite another thing to be arbitrarily deprived of sovereignty, individual freedom, and dignity.

These captive peoples have suffered intolerable indignities, interminable hardships and inevitable degredation at the hands of their Communist masters. They are weak from physical starvation and drained by spiritual starvation. Freedom to them is a word to be spoken in hushed whispers, but cherished in still hopeful hearts.

Captive Nations Week is one of the most significant events in our calendar. Not only do we prove to these unfortunate, desperate people that they have not been forgotten, but we point out to the rest of the world the unspeakable horrors of the Communist system and the sure death of spirit and hope that is represented by any affiliation with this vicious empire.

We must keep hope alive in the captive nations. By reaffirming our intention to assure liberation and freedom for these people, we show our country and the rest of the world that the guarantee of freedom is an inviolate tenet of America's beliefs and that the denial of freedom to any group represents an immoral, grotesque violation of individual and national rights which we cannot and will not countenance.

It is not enough merely to point to the failures of the Communist system, for each of these failures means additional misery for those forced to live under these intolerable conditions. We must continue to press for the independence that these people deserve. To do otherwise would be to neglect our responsibility to humanity.

Mr. GALLAGHER. Mr. Speaker, it is fitting and proper that this deliberative body, the House of Representatives, should pause in its daily tasks to pay tribute to the nations and the people held captive in the Communist bloc. Not only does such a tribute have a firm basis in our country's traditions, but also it is singularly appropriate in our times today.

Never in the history of the world has the value in the minds of men of self-determination been more effectively dramatized on the international scene than in the recent years with the struggles of the Afro-Asian nations. The birth of these countries in some cases was achieved only with much pain and labor, but their toil was not in vain. No longer do men question whether their aspirations are just, for the Western world is now finally realizing that all men must be given the possibility of choice in deciding their political future.

Yet, in spite of the Soviet Union's avowal of the validity of self-determination, this truth concerning the rights of man has not been accepted by those who control the Communist world. The leaders of Eastern Europe do not give to their people the precious gift of political choice. The peoples of the captive nations must accept the judgments and the will of the ruling elite.

From what we know of the nature of man, we cannot believe that these people accept the arbitrary decrees of those in power without questioning. We know that they must harbor in their hearts the desire for the inalienable rights and freedoms which are given to man by God, we know that they have never given up the hope that the time will come when they will have the possibility for self-expression in a free country.

Let us, then, pay tribute to these people, today. By acknowledging the silent aspirations of the peoples of the captive nations, we can make known to the world the profound sentiments of the American people. We can show that the exercise of God's gifts of reason and free will have not been taken for granted.

As we contemplate our own treasured values and rededicate ourselves to our democratic heritage, we can prove that the proclamation of Captive Nations Week is not merely an empty jesture, as some individuals would claim. This proclamation can be seen in its true light, as a reiteration of our concern for the suppressed peoples of the captive nations and in our belief in self-determination.

Mr. MONAGAN. Mr. Speaker, I know that the gentleman from Illinois [Mr. DERWINSKI] will be interested to have a report on the progress of committee hearings which are currently being held by the Subcommittee on Europe of the House Committee on Foreign Affairs on the captive nations.

The gentlewoman from New York [Mrs. KELLY], who is the chairman of the Subcommittee on Europe, has given the impetus for holding these hearings and I am happy to have had the privilege of acting as chairman of this subcommittee.

The gentleman from Pennsylvania [Mr. FLOOD], and other Members who have introduced resolutions have given evidence of the interest of this body and also of the country in the present status of the captive nations and it has been the purpose of our subcommittee to provide a forum for the airing of opinions on this question.

We have already held a series of hearings. We have heard from representatives of the Department of State, of the Voice of America, and Radio Free Europe. We have also received testimony from representatives of many of the captive nations, including Poland, Lithuania, Czechoslovakia, and Latvia. Tomorrow, we expect to hear from Ferenc Nagy, the former Prime Minister of Hungary. Included among our witnesses have been people who have recently been behind the Iron Curtain and have given us valuable information on present-day conditions.

During the course of the hearings, we have gathered much valuable information on the effects of the Soviet seizure of these nations and present conditions in these countries. We have also had an opportunity to consider the present climate of opinion among the people of these countries and the effects of our governmental policies.

I am confident that our hearings will provide a source of much information to Members of Congress who are interested in the problem of captive nations, and I am confident that we shall be able to prepare a report which will be extremely helpful in the guidance of our national policy in relation to these unfortunate nations whose people are stanch and tried friends of the United States.

Mr. PELLY. Mr. Speaker, a few days ago, on July 10, I inserted in the CONGRESSIONAL RECORD some remarks with respect to Captive Nations Week. At that time, in view of the fact that the third week of July was rapidly approaching, I expressed my concern as to what action the President intended to take this year. I raised the question as to whether the Executive would again succumb to State Department advisers who support a passive policy of appeasement to the Kremlin, in the mistaken belief that we can win the cold war by keeping Mr. K. in a happy frame of mind.

In one respect, my fears were groundless. As you know, Mr. Speaker, on Friday, July 13, the White House did issue a proclamation in compliance with the congressional request as contained in Public Law 86-90. On the other hand, however, it seems to me that a "gesture of appeasement" was also forthcoming. As a matter of fact, after reading the President's remarks, I am wondering if no proclamation would not have been better.

For example, and as a means of comparison, I cite President Kennedy's Captive Nations Week proclamation for 1962 and follow it with former President Eisenhower's Captive Nations Week proclamation of 1959:

PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA ON CAPTIVE NATIONS WEEK, 1962

Whereas by a joint resolution approved July 17, 1959 (73 Stat. 212), the Congress authorized and requested the President of the United States of America to issue a proclamation designating the third week in July 1959 as Captive Nations Week, and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas there exist many historical and cultural ties between the people of these captive nations and the American people; and

Whereas the principles of self-government and human freedom are universal ideals and the common heritage of mankind:

Now, therefore, I, John F. Kennedy, President of the United States of America, do hereby designate the week beginning July 15, 1962, as Captive Nations Week.

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to give renewed devotion to the just aspirations of all people for national independence and human liberty.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 13th day of July in the year of our Lord 1962, and of the independence of the United States of America the 187th.

[SEAL] JOHN F. KENNEDY.

By the President:

DEAN RUSK,
Secretary of State.

CAPTIVE NATIONS WEEK, 1959

A proclamation by the President of the United States of America

Whereas many nations throughout the world have been made captive by the imperialistic and aggressive policies of Soviet communism; and

Whereas the peoples of the Soviet-dominated nations have been deprived of their national independence and their individual liberties; and

Whereas the citizens of the United States are linked by bonds of family and principle to those who love freedom and justice on every continent; and

Whereas it is appropriate and proper to manifest to the peoples of the captive nations the support of the Government and the people of the United States of America for their just aspirations for freedom and national independence; and

Whereas by a joint resolution approved July 17, 1959, the Congress has authorized and requested the President of the United

> States of America to issue a proclamation designating the third week in July 1959 as Captive Nations Week and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world:
>
> Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate the week beginning July 19, 1959, as Captive Nations Week.
>
> I invite the people of the United States of America to observe such week with appropriate ceremonies and activities and I urge them to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the peoples of those captive nations.
>
> In witness whereof I have hereunto set my hand and caused the seal of the United States of America to be affixed.
>
> Done at the city of Washington this 17th day of July in the year of our Lord 1959 and of the independence of the United States of America the 184th.
>
> [SEAL] D. D. EISENHOWER.

Now, I ask my colleagues to compare these two statements; bearing in mind President Kennedy's outstanding forensic ability and powers of oratory, it seems reasonable to assume that the advice of Mr. Rostow, Mr. Schlesinger and others has an important influence on the issuance of this watered-down proclamation.

In my judgment, it falls far short of any ringing declaration of support for these enslaved people. I regret to say that it seems to me a most inauspicious start in commemorating this week, following as it does last week's frantic effort by the administration to obtain a free hand to give foreign aid to Communist countries.

Keep in mind that the particular countries to receive this aid are for the most part the dictatorial governments of these very captive nations we are today commemorating. It is these ruthless tyrants that we persist in aiding and by so doing forge the chains a little tighter on their enslaved peoples.

Mr. JUDD. Mr. Speaker, I want to associate myself, as I know all of the other Members of the House do, with the very pertinent remarks of the gentleman from Illinois [Mr. DERWINSKI]. The 100 million captives in Eastern Europe, who are part of the 1 billion persons around the world who have been deprived of their freedom by Communist tyrants through no fault of their own, are among the most heroic and important peoples in the world—heroic because they have never given up, and important because they are strategically so located that at the moment of showdown, which is bound to come, they can strike the most vital blows on behalf of freedom through their resistance within the Communist bloc, through sabotage, sitdowns and all sorts of disrupting measures. I believe these captive peoples are our most important and most dependable allies, and I suggest that we should test every proposal in this field by one simple criterion: If we were to adopt a proposed course of action, would it strengthen the oppressed? Or would it strengthen their oppressors? Would an action by the Congress, or a statement by a high official, increase the respectability, the prestige, the influence, and, therefore, the power of the tyrants? Or would it send a message of hope and encouragement to the captive peoples, stimulate their will to resist and heighten their morale?

America's own survival may well depend on the ability of these people to hold fast and to keep their Communist oppressors so tied down and busy at home that they cannot embark on more dangerous adventures abroad. I do not know that we have done anything in the Congress in recent years that has heartened these people more than the passage of the captive nations resolution 3 years ago. I rejoice that the President has issued his proclamation. In doing these things, we are alerting our own people to the danger. And we are sending a message to the captive peoples encouraging them to hang on, assuring them that we will not forget them, and that together we will work to retain the freedom of those now free and regain freedom for those who have been deprived of it.

All the evidence indicates that the Communists are in great trouble at home today largely due to the resistance of the people whom we are here remembering. There are food shortages in the Soviet Union after 40 years of the supposedly blessed and benevolent Communist regime. Khrushchev tells them "eat more horsemeat." There are food shortages in Poland and Hungary, rationing in Bulgaria and Rumania, which when free always had food surpluses. Things are worst of all in Red China. The Communists are really in trouble there, due to internal pressures, supported by external resistance. Let us keep them in trouble by keeping up the pressures.

Mr. Khrushchev's threats, repeated every week, about what he is going to do are, in my opinion, more signs of internal weakness than of firm intention. He protests too loudly, trying to terrorize the world into further concessions. This is the moment for all freemen to hold fast, as the captive peoples have been doing so steadfastly so long, and so courageously.

Mr. ROSENTHAL. Mr. Speaker, in many cities throughout our country preparations have been made for another annual observance of Captive Nations Week. This year the week's observance is from July 15 to July 21. New York City and Buffalo, among other great cities, will be marking Captive Nations Week during this period.

The Captive Nations Week observances perform a great service to this Nation and to the free world. They direct the attention of all free minds toward the most penetrating weakness in Soviet Russia's totalitarian empire—that is, the captive nations both within and outside the Soviet Union. This impact is demonstrated unmistakably by the unremitting attacks made by Moscow, Peiping, and their satellites against this week and the resolution which Congress passed last year. At the recent Communist Party Congresses, Khrushchev denounced vehemently both Captive Nations Week and the congressional resolution. He obviously fears something very deeply.

In President Kennedy's words:

> We dare not forget today that we are the heirs of that first Revolution.

The Captive Nations Week resolution accordingly emphasizes the revolutionary impact of American independence, a living and dynamic symbol, evoking strong motivation to determined action. As the Captive Nations Week resolution indicates, our Nation, built by the free and creative energies of people drawn from every quarter of the globe, is a unique historical experiment—in short, "the last best hope of mankind," as Abraham Lincoln put it.

Most important at this time, Mr. Speaker, is the sustained application of the living principles of national independence and personal liberty to other nations and peoples. For not only is the consistent application of these principles essential to the further growth and development of our Nation, it is also indispensable to the existence and survival of the nontotalitarian free world.

Mr. WIDNALL. Mr. Speaker, 3 years ago this week the Congress of the United States passed a resolution setting aside the third week in July of each year as Captive Nations Week, and requesting the President to proclaim it as such. The moral force of such an appeal on behalf of the peoples held in bondage by Communist tyranny proved its worth in the strongly worded proclamation by President Eisenhower that set Premier Khrushchev into a rage. The head barbarian angrily denounced the act as a "rude interference in the internal affairs of the Soviet Union."

Such hypocrisy typifies the leaders of the Communist bloc. They choose to ignore their own ruthless subjugation of minority nationalities within the Soviet Union itself, such as the Armenians, the Ukrainians, the Kazaks, to name but a few. And what of the swallowing up of the Baltic States, Latvia, Lithuania, and Estonia? No doubt Mr. Khrushchev would prefer to have us ignore the chains that bind the Eastern European nations to the dictatorship of the Red elite. In the midst of an era marked by the end of colonialism and the birth of new nations, Communist imperialism refuses to rest its case. Neither shall we.

The purpose of Captive Nations Week is threefold. First, it is an expression of deep sympathy and compassion, from the hearts of the American people, to those who have suffered and are suffering under the yoke of tyranny.

Secondly, it is an expression of support to those within and without their captive homelands, assuring them that the citadel of freedom has not turned its back on their just aspirations for freedom and national unity in a moment of political expediency. It is one of the cardinal rules of a totalitarian regime that the spirit of resistance must be crushed. We must seek, by whatever way possible, to thwart this goal. That our moral support of such resistance strikes home to the rulers of the Kremlin has already been demonstrated in the past. What effect the proclamation of last Friday by President Kennedy will have remains to be seen. But surely we can do more than simply memorialize the occasion. We can urge that such instruments for disseminating information to the peoples beyond the Iron Curtain be used to convey our message of hope, and we can unceasingly bring the Soviet Union before the court of moral world opinion whenever the question of the rights of man is raised.

Lastly, let us not forget that the list of captive nations, as far as the Soviet Union is concerned, is not a closed list. From Laos to Latin America, the struggle for the minds of men, and the control of nations, continues. We should use this week to remind ourselves that we must correct our past mistakes, and prevent the subjugation of new areas of the world. A nation that condones indifference to past oppression cannot remain just; a nation that condones indifference to future oppression cannot remain free.

Mr. BARRY. Mr. Speaker, in our observance today on the floor of the House of Captive Nations Week we issue a clarion call to the enslaved peoples of the world to continue in their efforts, however constrained they must of necessity be, to shed the shackles of tyranny. We hope to comfort these peoples with the knowledge that we will never slacken our efforts in their behalf and that we support them spiritually, materially, and morally in this their time of tribulation.

We in the Foreign Affairs Committee have heard testimony regarding the messages of hope and inspiration which are daily beamed through Radio Free Europe broadcasts to Poland, Czechoslovakia, Hungary, Bulgaria, and Rumania. We have heard of the admirable work of the Voice of America in the Baltic countries of Estonia, Latvia, and Lithuania. The Free Europe Committee, parent organization of Radio Free Europe, has performed a monumental task in supporting certain exiles from these Iron Curtain countries in their activities to further the cause of liberty in their native lands.

The heavy paw of the Russian bear is everywhere visible as it leaves in its wake of destruction mute testimony to the terrors it has inflicted on innocent peoples who have the misfortune to be geographically easy to annex. The Free Europe Committee has never propounded the feasibility of violent uprising on the part of these captive peoples, but it has not relaxed in its efforts to strengthen their resistance that they may successfully undermine the rule of their Communist overlords.

The power-hungry Communist elite strategically placed throughout Eastern Europe at the close of World War II by the Russian Communist Party never pretended to woo those war-torn nations by seduction, knowing full well that such mild measures were foreordained to failure. Instead, it launched a mass rape upon the sanctity of its small, weak neighbors until one by one they fell by force into the fold.

The Communist Party, a minority group in all these countries, has attempted a program of Russification of these peoples in an effort to quench the fires of nationalism. They have endeavored to ensconce the Russian tongue as the official language of these countries. Knowing that the practice of religion whets an individual's appetite for freedom, Russia, under the ruse that religion is the opiate of the masses, has striven to discourage the practice of the faith either through outright persecution or through taxation to the point of extermination.

The Communists have also attempted collectivization of agriculture; however, the dismal failure of this move was so patently evident that after the Polish revolt of 1956 nearly all the land in Poland was returned to private farmers. Khrushchev himself acknowledged that people cannot be forced into collectivization, that production is voluntarily higher in an atmosphere of freedom.

The peoples of Eastern Europe have been notably unwilling to be beguiled by propaganda about the desirability of life in the Soviet Union, for those people who emigrate have been "selected" for compulsory labor. The cruelly crushed Hungarian revolt in 1956 was greeted by and large by silence on the part of the press of neutralist nations. The lesson was not lost, however, for India unfavorably compared the later violation of Tibet's borders by the Red Chinese with the brutality of the Russians in Hungary.

Strong anti-Russian feeling persists in the Baltic States which have always feared the monster Mother Russia on their eastern boundaries. Now, their nightmares have all become reality with their subjugation and absorption into the Soviet Union.

The valiant and often futile attempts of East Germans to flee the virtual prison of their once-beloved country are eloquent testimony to the horrors of life under the iron thumb of Moscow. It is a sad commentary that for these people life is so far from worth living under communism that they risk death to rid themselves of their chains.

The Russian-fostered regimes have not been able to break the morale of their subjects. Instead they have incurred an abiding hatred among the subjugated. Western visitors behind the Iron Curtain have won the easy admission of the youth that they hate anything Russian. The fires of their hatred are fanned by memories of their elders of the massive program of annihilation instituted against those who resisted subjection.

The ill-concealed opposition of the captive peoples to their Communist rulers is no indication, however, that the West need relax in its efforts to aid and abet the cause of freedom. The widespread misrepresentation that international communism has slackened in the drive toward its ultimate goal is unfortunate, for the Communists have not grown soft; they have only grown subtle, and therefore even more dangerous.

Mr. PHILBIN. Mr. Speaker, as one of the original sponsors of the Captive Nations Committee resolutions with my valued and able friend and colleague, the gentleman from Pennsylvania, the Honorable DANIEL J. FLOOD, I am honored and pleased to join the distinguished and outstanding Member, the gentleman from Illinois, the Honorable EDWARD J. DERWINSKI, in this observance by the House of Captive Nations Week.

Let us make it clear to the gallant peoples behind the Iron Curtain that we are inspired by their courage and their fight for freedom in the face of oppression, tyranny, and terror. Let us keep bright the burning flame of liberty and self-determination which the ruthless and powerful Soviet masters have been unable to smother despite their chains, their brainwashing, their malign persecutions, their mass starvation tactics, their brutal suppression of the individual, their harsh and brutal treatment of religion, their destruction of culture, and their relentless and incessant warfare against free institutions.

None of these brutal and horrible deeds, continuing to this day under the yoke of Red slavery and tyranny, has managed to suppress the shining armor of courage, spirit and loyalty of the helpless small nations behind the Iron Curtain whose peoples look to America for hope, encouragement, and assistance in being liberated from Communist bondage.

The liberation of enslaved millions who are the victims of cruel oppression, exploitation, and aggression remains the great challenge of the hour. On this day of commemoration of Captive Nations Week, let it be known throughout the world that the United States stands firm and resolute on a policy to give encouragement and help to these gallant peoples and that our Nation is behind them in their efforts to restore freedom and liberty to their unhappy lands.

Let us pledge anew our hearts and hopes in the liberation and aspirations of the captive nations to help speed the day of their deliverance from tyranny and slavery. Let us hold out the hand of friendship and assistance to these helpless and downtrodden peoples so that they may soon regain in full measure the great liberties they cherish.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, when on July 9, 1959, the Congress of the United States passed Public Law 86-90 establishing Captive Nations Week, the United States of America clearly made evident a decisive intention to encourage and lend assistance to the countless millions of innocent persecuted peoples around the world, whose lives are embittered with torture, poverty, and serfdom, imposed upon them by self-appointed masters. We are pledged to let no one forget the millions of people who, almost without hope, live within the confinements of walls and curtains erected by the Communist powers. These walls must be destroyed, and these curtains must be raised.

Behind these walls are little people with big dreams. That they earnestly desire to be released from the monolithic Soviet bloc is evidenced by the Hungarian rebellion, the Polish uprisings, the incidents in East Berlin, and the outpouring of refugees from Red China to Hong Kong. But the cracks in the walls must be widened, for at this very moment human beings are being held in inhuman slavery, restrained physically, emotionally, and spiritually. The yoke of oppression must be lifted. The creeping shadow of Soviet imperialism must be erased forever.

If the peoples of the captive nations can keep alive their dream of freedom, Soviet imperialism will eventually end. The fact that we have not forgotten them helps to keep the dream of freedom alive. Just last week this body approved administration efforts to offer aid to the peoples of certain countries behind the Iron Curtain. Today, in this body, we commemorate Captive Nations Week. By this means we say to the peoples of the captive nations we freedom-loving Americans, who detest slavery in any part of the world, have not forgotten you. That is the true intent and significance of the Captive Nations Week resolution.

Mr. DENT. Mr. Speaker, the Second World War was a tragedy on a global scale, and it was tragic in innumerable ways. But its most heart-rending aspect is the sad lot of the captive nations today. The peoples in 9 European countries numbering about 100 million, peoples in Estonia, Latvia, and Lithuania; Poland, Czechoslovakia, and Hungary; Albania, Bulgaria, and Rumania in the Balkans, constitute the captive nations of Europe.

These peoples differed from each other in language, in local and national traditions, and in their beliefs, but they all shared one common faith: they all believed in freedom and independence, and fortunately for them they were free until the eve of the last war. Most of them had regained their freedom subsequent to the First World War, but they had succeeded in instituting free, democratic institutions in their homelands, and they all were rightly proud of their accomplishments. The outbreak of the war not only put an end to their independent existence, but made them helpless victims of unbridled aggression let loose first by the Nazis and then by the masters in the Kremlin.

During the entire course of the war millions of these peoples were uprooted from their homes and all of them were enslaved by their conquering enemies. Whether oppressed in their homelands, or suffering in exile in distant parts of the Soviet Union, they put up with all kinds of miseries and hardships; and their losses in terms of human beings may be counted in millions. These sturdy and stouthearted souls, reared in the schools of adversity and inured to indescribable sufferings, lived through the agonizing years of the war, and hoped that at the conclusion of that war they would have their reward in freedom and independence. But the Soviet Government's deceitful and deliberate determination to deny these peoples their freedom prevailed, and for the last 17 years these peoples are living in captivity in their homelands behind the Iron Curtain erected between the free world and the Communist-dominated totalitarian world.

The Government of the United States and those of the free world witnessed the capture of these nations by the Soviet Union, and, though they did their utmost to keep them free, it was not within their power to do this. Instead, since the war the leaders of this country as well as those of free Europe have been working hard to bring about the freedom of these captive nations through negotiations and peaceful means. This goal has not been attained as yet, but let us hope on the observance of this Captive Nations Week that their efforts will succeed and the captive nations of Europe will once more regain their freedom.

Mrs. KELLY. Mr. Speaker, as chairman of the Subcommittee on Europe of the Committee on Foreign Affairs, I arrived with members of my committee in Austria after the Hungarian revolution to determine the causes of the revolution and why it had failed.

We found that the Hungarian revolution firmly established that a vigorous, farsighted, and consistent U.S. policy toward the captive nations is essential to steady progress toward peace with freedom in Europe. The fate of Hungary does not preclude future uprisings.

On the basis of visits to other European nations and with conferences with top-level U.S. and local officials on these and other countries, the study mission found that the impact was a primary political fact on all European nations. The Hungarian freedom fighters regarded their fight, as did the other captive peoples, as a fight for freedom for all captive peoples.

The revolution demonstrated that Soviet policy toward the satellite nations is a policy of ruthless colonialism and overlordship of both human and natural resources without parallel in modern history. It exploded the myth that constant indoctrination and savage suppression of fundamental liberties could destroy that basic desire among the workers, the intellectuals, and, most important, the youth of a nation.

The report of the subcommittee made the following recommendations:

> We should be prepared to move quickly in the United Nations to meet all foreseeable contingencies. A delay of even a few days, as was the case during the Hungarian revolution, may have a decisive effect on the action inside the revolting country. Alternative kinds of proposals, with precedents well documented, must be prepared and constantly revised. For example, proposals seeking condemnation, sanctions, observers, police force, mediation, cease-fire, expeditionary force, etc., should be prepared for any foreseeable event or combination of events.
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> The U.S. representative to the United Nations should be instructed to propose the reconvening of the General Assembly to hear the report of the United Nations Fact Finding Committee on Hungary. Soviet repression in Hungary should also be subjected to thorough examination without delay.
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> It is felt that a real study should be made by our Government regarding the obstructive role of the Soviet Union and its satellites within the United Nations. The bitter fact remains that, although the United Nations is supposed to be the leading force for international peace in the world today, any and all effective deterrent action against the Soviet threat of world aggression has been taken outside of the United Nations. If this organization is not to deteriorate to a mere international debating society, it must find some method of enforcing majority opinion even when the interests of the Soviet Union are directly concerned. As the only power of comparable influence, the United States should take the leadership toward seeking a revision of the United Nations Charter that would permit such enforcement.
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> With particular respect to Hungary, the study mission recommends against the acceptance of the credentials of the puppet Kadar regime by the United Nations. It suggests the consideration of applying economic sanctions and all other feasible steps against both the Soviet Union and Hungary as long as the authority of the United Nations is being rebuffed. It recommends the creation and permanent maintenance of mobile observer teams which could be dispatched immediately to areas of international tension for the purpose of observation and reporting. Had such a team been available for use in Hungary, the fate of that unhappy country might have been entirely different. The United Nations should require permission for the entry of such teams at all times (by direction of the Secretary General), as a condition of United Nations membership.
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> The study mission believes that consideration should be given to the question whether, from a juridical standpoint, a de facto state of war existed last fall between Hungary and the Soviet Union. If this view were accepted, it might have far-reaching consequences.
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> A sustained attempt to launch such an inquiry should be made in the United Nations. It would be a continuing vehicle for spotlighting conditions in the satellites, and might justifiably call the Soviet into account for her past aggressions and continuing policy of subjugation.

The Subcommittee on Europe is endeavoring to establish a realistic policy toward the peoples of the captive nations. I, with the consent of the chairman of the Committee on Foreign Affairs, the Honorable THOMAS E. MORGAN, promulgated a series of hearings on captive nations.

These hearings have been chaired by the distinguished gentleman, the Honorable JOHN S. MONAGAN, of Connecticut. Numerous witnesses have appeared before the subcommittee giving testimony concerning the present conditions prevailing in the captive nations.

Tomorrow afternoon the subcommittee will hear from the former Prime Minister of Hungary, the Honorable Ferenc Nagy, and chairman of the Assembly of Captive Nations, and the Honorable Brutus Coste, Secretary General of the Assembly of Captive Nations.

At this time and for the remainder of this week, it is only proper and fitting that we pay our deep respects to the enslaved peoples still held in bondage in the captive nations.

The acts of governments usually reflect the feelings and wishes of their constituents. This is invariably true in the case of democratic governments, and it was certainly true when Congress enacted 3 years ago the establishment of the Captive Nations Week. By that act the President was authorized to proclaim the third week of each July as Captive Nations Week. Though this move was made only 3 years ago, it was the most appropriate way of expressing our genuine feeling for the sad fate of the captive nations, and also expressing our wholehearted condemnation of the Soviet communism which has enslaved these nations.

There are 9 captive nations in Europe alone, with a population of nearly

90 million in addition to the 17 million Germans in East Germany. Their homelands extend from the Baltic region to the Balkans. The Albanians, Bulgarians, Czechoslovaks, Estonians, Hungarians, Latvians, Lithuanians, Poles and Rumanians constitute captive nations of Europe. The freedom and independence of these nations were casualties of the last war, and unfortunate events subsequent to that war. But all of them would have regained their freedom if the Soviet Union had acted in good faith, and had honored its wartime pledges. Instead, the Soviet Government worked for the enslavement of these nations by extending its detested system over the lands of these peoples. And the diplomacy of the West, spearheaded by that of our Government, has not been successful in its attempt to secure the freedom of these nations. Our Government and those of our allies must continue their relentless efforts in this direction, and all of us ardently hope that these nations will be freed from Soviet totalitarian enslavement.

In line with the comments one will read during this Captive Nations Week, I believe the editorial in the Tablet, July 15, 1962, expresses that which we ought to do and I hope that a realistic policy will be formulated by the United States in conjunction with our allies.

Captive Nations Week

> The coming week, designated Captive Nations Week, is a period which merits serious observance.
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> Because we live in a distracting world and because the Communists use every trick to distract us, we unfortunately may forget that over 800 million people are held in the stern grip of Red bondage in the captive nations. Captive Nations Week is the needed reminder that communism continually is spreading out its tentacles in its avowed purpose of taking over directly or indirectly free countries.
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> One-third of the world already is suffering under Communist domination. And the Reds plot domination of the entire world. Lest we forget these hard facts of modern life, this third week of July has been set aside as a time to recall what has happened in Hungary and all the other captive nations.
>
> Remembering the sad plight of the captive nations, we should work and pray for the preservation of freedom where it still exists and for the restoration of freedom where it has been destroyed.

Mr. ZABLOCKI. Mr. Speaker, the beginning of the Captive Nations Week is an important observance—as significant, I think, to the 86 million people living in Soviet Communist bondage in Eastern Europe, behind the Iron Curtain, as it is to the people of the free world.

To the people behind the Iron Curtain, U.S. observance of the Captive Nations Week is important because it reaffirms our determination not to accept as justified, proper, or consistent with our belief in the rights of man the Communist domination of these nations.

And to the free world, this observance should serve as a special opportunity to review the tactics and the strategy, the goals and the methods, of international communism—as well as to strengthen our determination to defeat that menace.

Such determination is important because without it our chances of winning the cold war, and of safeguarding our own future, are not going to be very bright.

We must remember that we are locked in combat—hot in some areas, cold in others—with an adversary that aims to dominate the world, and to bury us.

These are the declared goals of the international Communist movement. We must heed them, and we must tailor our programs, our efforts, so as to prevent the Communists from attaining them.

In addition, we must strive with purpose for the arrival of the day on which freedom and the right of self-determination will be restored to the peoples of the captive nations.

I am certain that our Nation is united in these purposes. And I want to take this opportunity to commend the chairman of the Subcommittee on Europe of the Committee on Foreign Affairs, the gentlewoman from New York [Mrs. KELLY], for arranging a series of hearings on the captive nations.

These hearings, should produce a store of valuable information about the conditions in the captive nations—and add to our knowledge and understanding of the methods and techniques of Communist domination.

I hope that the subcommittee, apart from compiling information which is not generally available elsewhere, will continue to provide a forum for the airing of views, and reporting of up-to-date information, about conditions in the captive nations.

I believe that the Committee on Foreign Affairs can make a significant contribution to the cause of freedom through these activities.

Mr. Speaker, in conclusion I wish to urge all Americans to observe the Captive Nations Week so that reports of our activities, and of our freshly reaffirmed convictions, may penetrate the Iron Curtain, bring a ray of hope to the people of the captive nations, and serve as a warning to the Communists that we are united in our determination to carry this combat to the final victory of freedom for all men.

Mr. CAREY. Mr. Speaker, joining our President, the acting mayor of the city of New York, the Honorable Paul R. Screvane, has proclaimed this to be Captive Nations Week in our city. It is a week of special significance to us in New York City because of the great number of Iron Curtain refugees who now make their home in New York and who are joined by a fierce and indissoluble bond of their relatives and friends who remain enslaved. I am proud that a member of the council of the city of New York from my district, the Honorable Thomas J. Cuite, is a sponsor of this observance in our city and has played a key role in these observances. I also pay tribute to our distinguished colleague in Congress, the gentleman from Pennsylvania [Mr. FLOOD], who is the father and author of Captive Nations Week and to whom people who suffer under tyranny owe so much.

The nine captive nations in whose name the Captive Nations Week is observed were free, independent, and sovereign nations only a relatively short time ago. Some of them had regained their freedom at the end of the First World War, but for more than two decades during the interwar years they all were masters of their own destinies. In another respect the peoples in the Baltic countries, those in central and eastern Europe as well as the Balkan peoples were one; they all were content with their democratic governments. But the last war and its tragic sequel sealed their fate; they were robbed of their freedom, and since then have been deprived of it by the cruel Government of the Soviet Union.

Both during and after the war the Soviet Government undermined the governments in these countries in the name of democracy, and then installed its agents as rulers there. This was done in defiance of the Western democracies and also in violation of solemn pledges made by that government for the liberation of these nations. Today all these nations are imprisoned in their homelands behind the Iron Curtain erected by the Soviet Union. Some people refer to these nations as Soviet satellites. But perhaps it is more correct to speak of them as enslaved nations, for they are literally enslaved by the Soviets. On the observance of this Captive Nations Week let us all hope and pray for the liberation of these nations from Soviet totalitarian tyranny.

Mr. CURTIS of Missouri. Mr. Speaker, July 15–21 marks the fourth observance of Captive Nations Week. At such a time it is only fitting that Americans stop and consider the blessings and benefits that freedom has brought. Moreover, we should look up from these blessings and benefits and consider the millions of people who are citizens of captive nations throughout the world.

It is one of the great contradictions of our age that the nations who clamor most about the colonialists and imperialists are those that are embarked upon the most intense and complete program of colonialism that the world has ever seen. The millions of people behind the Iron Curtain and those of Goa and West Irian offer strikingly contradictory testimony to the allegations of the Soviet Union, China, and certain neutralist nations. However, to let the issue rest with merely having evidence to refute these propaganda streams is not enough. We must again affirm our belief and strengthen our determination that the American people will not be content until our governmental system and the freedoms and benefits that we enjoy is spread throughout the world, and the captive nations are free.

In line with this our foreign policy must discard its negative, rearguard atmosphere and assume the positive character necessary, within the general guidelines of the spreading of our system, to insure success, not only for us but for captive people everywhere. We are their present hope, and must continue to be their symbol in the future.

Mrs. BOLTON. Mr. Speaker, this past Sunday, July 15, was the beginning of Captive Nations Week. These are days when our thoughts go back over the years, when we remember the promises made and broken and the resultant captivity of freeborn men, women, and children.

We hope that more and more of our people will express themselves in sympathy and understanding for those who are still under the iron heel of the Communist Soviet Union. We hope they will recognize that there is an inherent weakness—an Achilles heel—in any nation that holds its people by force and fear.

As we look forward into the future it is impossible to see a continuing captivity for those people of such immense courage as is being demonstrated every day of the world behind the Iron Curtain.

It is my earnest hope that a way will be opened in each land to bring freedom once more to people all over the world. May heaven grant us a deeper understanding of what it means to be members of a free land such as ours. May we grow more responsible because of the privilege that we experience.

Mr. DERWINSKI. Mr. Speaker, on Sunday, July 15, our colleague, VICTOR L. ANFUSO, participated as one of the keynote speakers in the flag-raising ceremony of the Assembly of Captive European Nations in New York City. His message, delivered to the group in attendance received such an enthusiastic response, I feel it merits attention from the Members of the House, and, under leave granted, insert it in the RECORD at this time:

CAPTIVE NATIONS WEEK, 1962

(Address by Congressman VICTOR L. ANFUSO, of New York, at flag-raising ceremony of the Assembly of Captive European Nations, New York, Sunday, July 15, 1962)

Mr. Chairman, ladies and gentlemen, I am delighted to be here with you today on the occasion of your flag-raising ceremony marking the opening of Captive Nations Week.

Just 3 years ago, in July 1959, I was one of those in Congress who voted for the adoption of the resolution on Captive Nations Week. That resolution has proved to be a thorn in the side of Khrushchev, Mao, and company ever since then, because it has clearly brought to the attention of the whole world the full scope and the ruthlessness of Communist imperialism—or as some of our friends prefer to call it the Communist version of colonialism.

Soviet Russia today and its bloc of Communist satellites is not a happy area of People's Democracies, as they would have the world believe. The truth of the matter is that it constitutes a vast prison of captive nations, a land of subjugated peoples whose culture is being gradually destroyed, whose religious beliefs are trampled upon, and whose freedom and self-determination are ruthlessly denied.

It is just about 17 years now since World War II has been concluded. We had hoped that the world, after that holocaust, would be a happier place for all mankind and that all nations would have the right of self-determination to live in freedom. Unfortunately, this has not been the case. First, we had to deal with Stalin. Now, it is Khrushchev. These evil men have not given mankind the peace it desires, nor the freedom for which many nations yearn.

In these past 17 years since the end of the war, nearly 50 new nations have gained their freedom from Western colonial domination. We can truly say that today Western colonialism is practically nonexistent. About 860 million people in these 50 new countries have benefited from this process of national liberation.

At the same time, we see Communist colonialism expanding during these past 17 years, extending its domination and control over 17 countries and parts of 7 or 8 other countries. It is rather strange that about 850 million people live in these Communist-controlled areas. Thus, while we in the West have voluntarily liberated whole nations, communism has been adding more captive nations to its list of victims.

The Kremlin, however, does not refer to them as victims or captive nations. It calls them "people's democracies." It is like calling slaves in chains free people. These are not independent and sovereign nations. They have no freedom of expression or religion. They have no right of self-determination. They are not the masters of their destiny. Those masters sit in the Kremlin.

The Kremlin masters are dedicated to their goal of world domination, today against your kinsmen in Eastern and Central Europe, tomorrow against free nations in other parts of the world—eventually against us in the United States. They are conducting the cold war in deadly earnest, make no mistake about it.

Khrushchev has said that for Communist purposes a cold war can be as effective as a hot war—and in many cases even more preferable from his standpoint. In other words, he is trying to achieve his goal by insidious but bloodless means. We must guard against this, for freedom is our dearest possession. Those who still have doubts about it, need only look at what happened to the nations of Eastern and Central Europe—now the captive nations of Soviet colonialism.

For 17 years now the Kremlin overlords have sought to make these European countries the slaves and suppliers of Moscow, driving the workers to longer hours in the factories, pushing the peasants with ever-increasing quotas on the farms, instilling their doctrines in the minds of the children, and constantly stuffing the people with propaganda of the glories of communism. The standard of living in these countries is below that of the Soviet Union. Their governments function at Moscow's direction and are, in effect, nothing more than colonial regimes. A network of police in each country suppresses any hint of opposition, and the people are virtually prisoners in their own land.

You probably heard the story that is told about a very important trade conference in Moscow of the Communist bloc nations. The chairman—a Russian, naturally—reported, as follows:

"As you know, Bulgaria produced bricks. From now on these bricks will be sent to Poland, which will give Bulgarian clothing in exchange."

The Bulgarians applauded vigorously. The chairman then continued:

"Then Bulgaria will export this clothing to Czechoslovakia, in exchange for Czech machinery."

The Bulgarians applauded again, but not so vigorously. The chairman continued:

"However, this Czech machinery is needed more in Hungary, so it will be shipped there, and the Hungarians will send in exchange their excellent salamis."

This time the Bulgarians applauded very loudly. Then the chairman said:

"Finally, the salamis will be exported to the Soviet Union, which in exchange will send Bulgaria an excellent quality of clay to make better bricks."

All the Bulgarians collapsed.

This story may perhaps be a bit exaggerated, but in reality not too much. It gives us a picture of the problems of the people and the governments behind the Iron Curtain.

These are the cold facts of a situation which is well known to us all. It would indeed be a hopeless and depressing picture, if we were to look at it from one side only. But we know that the people of all these captive nations, the Poles and the Czechs, the Rumanians and the Hungarians, the Baltic peoples and all the rest, have a profound attachment to Western culture and civilization, to Western ways and ideas. We know that their dreams of democracy and their hopes of self-determination are burning bright in their hearts. We know that hope is very much alive that someday they will succeed in throwing off the Communist yoke and live as freemen.

We must nurture that hope. We must give them our utmost encouragement. If we fail to do so, if we should tell them that the people of America and of the other free nations have given up all attempts to assist them in their struggle to attain freedom—then we shall drive them into the arms of the Communists.

I am convinced that we, in our lifetime, will yet see the liberation of the enslaved nations of Europe. I am convinced that communism is not the wave of the future, but the nightmare of the past. I have great confidence in what the Kennedy administration is doing to help these people behind the Iron Curtain—and I believe that a great deal is being done which cannot be discussed in the open at this time.

Please remember, my friends, that progress must necessarily be slow and cautious. If we take headlong measures, it may have a contrary effect and may even lead to tragic consequences. We must operate with shrewdness and wisdom. As long as we do so, we shall provide an increasingly brighter spark of hope for freedom to the downtrodden millions who know no freedom.

They look to us for encouragement, for support, and most of all for the assurance that we have not forgotten them. Our joint efforts—such as your ceremony here today and your sacrifices of the past—will help give them that assurance.

Mr. LESINSKI. Mr. Speaker, in 1959 the U.S. Congress passed legislation to authorize and request the President to designate the third week in July as "Captive Nations Week" and to issue proclamations annually at such time until freedom and independence shall have been achieved throughout the captive nations of the world. That our action was an effective propaganda blow against the Communists has been evidenced by the violent attacks to which it has been subjected by the Communist-controlled news media since that time. One can well anticipate the vitriolic barrage to which our observance of Captive Nations Week this year will again be subjected from these same sources.

It is necessary that we continue these observances, Mr. Speaker, for it is one of the best means that we who live in freedom have to show to those who are enslaved by Soviet colonialism that we keep aware of their plight and, with them, yearn for the day when they may be granted the right of all freemen to vote in open elections for the government of their choice. The Communists fear free and open elections, for they realize that in such an event their system would be rejected.

Earlier this year I pointed out that world communism is like a parasite—it has neither the initiative nor the ability to produce so it must live off the work of others. This is, I believe, quite clearly demonstrated by the current plight of the captive nations whose economies are being milked in order to bolster the Russian economy. As time passes, there are mounting evidences of the failures of communism and as these failures continue to mount, let us hope that we shall see the collapse of the Soviet empire and the rise of free and democratic governments properly reflecting the will of the people.

Mr. DANIELS. Mr. Speaker, since 1918 the Soviet Union has waged imperialistic and aggressive policies resulting in the creation of a vast empire which poses a threat to the security of the United States and of all the free people of the world. Under the guise of a freedom-loving country, Russia has subjugated the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Rumania, East Germany, Armenia, Georgia, Albania, et cetera. Denied self-determination and basic individual freedoms, these enslaved people keep the lamp of freedom lighted. Nothing stands as better testimony to this fact than the Polish and Hungarian revolutions and the constant exodus of citizens from East Germany.

The United States as defender of freedom must never forget these people and their struggle for liberty, for when freedom is threatened anywhere, it is threatened in America. We must show that the Declaration of Independence which proclaims "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. To secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive to these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its power in such form, as to them shall seem most likely to effect their safety and happiness," is not a meaningless dead document, but rather a living spirit.

The observance of the Captive Nations Week affords us the opportunity to display our sincere desire to see our way of life protected and to see justice done to millions of innocent and helpless people.

Mr. FINO. Mr. Speaker, our wholehearted and boundless sympathy has always been with unfortunate Europeans who have been robbed of their freedom by the Soviet Union. I am proud to say that the people of this great Republic and its Government have always been in deep sympathy with the underdog, the underprivileged, and the weak, for we rightly felt that there our sympathy was never wasted. We still follow the same course; we sympathize with the unenviable lot of peoples in satellite countries, the captive nations in central and eastern Europe.

For 3 years the annual observance of Captive Nations Week has become part of our national observances. Through a joint resolution of Congress the President is authorized and requested to issue a proclamation designating the third week in July of each year as "Captive Nations Week." In observing it this year, let us all hope and pray for the deliverance of these nations from their captivity behind the Soviet Iron Curtain.

Mr. DULSKI. Mr. Speaker, when by a joint resolution the Congress enacted into law the Captive Nations Week 3 years ago, and authorized the President to proclaim the third week of July of each year as the Captive Nations Week, both the Congress and the President were voicing the wholehearted wish of the people of this country.

For nearly 20 years all peoples in northeastern, central, and southeastern Europe have been robbed of their inalienable rights—freedom and independence—and today are being subjected to Soviet-imposed Communist tyranny. Nine nations in this vast region and some 17 million Germans in East Germany are captives of Soviet aggression. To be sure none of these nations have any love for the Soviet system; nor are they in any way influenced by Soviet communism. But they all found themselves trapped behind the impervious Iron Curtain at the end of the last war, and to this day they have not been able to free themselves. In their historic homelands, all of these nine nations are prisoners of the Communist tyranny.

The free world, and especially the Government and the people of this great Republic, view the sad lot of these captive nations as perhaps the most heart-rending calamity of the war. Unfortunately, all our efforts to help and free these nations have not been successful, but we are still doing our utmost to secure their freedom. On this third Captive Nations Week, the least we can do is to express our ardent desire of seeing their liberation from Communist totalitarian tyranny in their homelands.

Mr. RHODES of Pennsylvania. Mr. Speaker, this week the people of the United States join in the observance of Captive Nations Week. In this way we express hope and confidence that the people of the captive nations will have their freedom restored in the near future.

Each year since 1959, one week has been set aside for the American people to renew their dedication to freedom and liberty for the millions of people in the captive nations who live under the yoke of Communist tyranny and dictatorship.

The tragedy of our century lies in the suppression of those people who fought against one form of totalitarianism only to find themselves victims of another. This is the story of Poland, Hungary, Czechoslovakia, Rumania, Lithuania, and other nations of Eastern Europe.

The Nazi invasion of Poland without a declaration of war on September 1, 1939, put an end to Poland's independence. This outrageous act plunged most of the world into a devastating war which lasted more than 5 years, and which brought about the enslavement of one-fourth of Europe's population by totalitarian tyranny.

The Western democracies declared war upon Nazi Germany, vowing to free Poland and other countries invaded by Hitler's forces. Hitler was crushed but the people of Poland were not freed. Without Soviet cooperation the governments of the West not only failed to free the Poles, but they witnessed the enslavement of many other nations by the Soviet Union and its Communist agents in northeastern, central, and southeastern Europe. The sad paradox is that in addition to more than 25 million Poles who fought valiantly for their freedom and sacrificed more than any other people involved in the war, at the end of that war eight more nations were sharing the fate of the oppressed and captive Poles.

Today nine countries, including Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania and their close to 100 million inhabitants are captives behind the Iron Curtain. There are also 17 million Germans in East Germany who share a similar fate. For nearly two decades these nations have not known freedom and have been suffering under an imposed Communist tyranny. The Hungarian revolt of 1956 ended in a blood bath. The Poles protested and staged demonstrations against their oppressive regime. Courage and bravery are not lacking in the captive nations.

This year it would be wise to ponder about the meaning of the Berlin wall, starvation in China, the inability of Communist countries to supply adequate food and fiber and other necessities for their people. It would be well for all Americans to count the blessings of liberty and freedom which they enjoy in the troubled world of today.

May observance of this year's Captive Nation's Week also serve to encourage the captive peoples in knowing that we in the free world have not forgotten them. May it give these people added moral strength and inspiration to carry on under the weight of their burden until the day when liberty and freedom come again to their captive lands.

Mr. DAGUE. Mr. Speaker, when this Congress enacted Public Law 86–90 it emphasized in ringing tones our abiding concern over the plight of those people who are held in virtual thralldom behind the Bamboo and Iron Curtains. The first pronouncement under this law was made by President Eisenhower in 1959 and his ringing words brought hope and encouragement to the millions of captive peoples who had nothing whatever to do with their orientation toward communism and who today remain powerless to break the shackles that confine them.

President Eisenhower did not hesitate to identify the nations labeled as "captive" and the heat with which the Communist leaders responded indicated that the shot had struck home. Understandably, they resented the charge of enslavement and they vigorously rejected the picture that clashed with their claim to having created a totalitarian utopia. But with the brutal suppressions in Hungary and the more recent denial of free access to East Germany the Communist taskmasters stand indicted for what they are. The real test of liberty is the ability of the individual to come and go without let or hindrance and the wanton shooting of anyone who tries to escape from Communist captivity to Western freedom pinpoints the prison keepers in their true light.

Stalking hard on the heels of brutality in the Communist charnel house is the grim specter of starvation and the regime that has maintained itself through military repression is now being forced to confess that it cannot feed its people. By comparison the Western democracies have food in an embarrassing abundance and most of us are coming more and more to appreciate our surplus stocks as a God-given weapon. Recognizing always that it is incumbent upon us to do nothing that will enhance the prestige or power of the despots who lord it over captive people, it behooves us, nonetheless, out of sheer gratitude for the blessings we enjoy to do everything we can to see that our surplus food finds its way into hungry mouths regardless on which side of freedom's border they may be living.

We have been considerably disappointed with the tendency of the present administration to soften its condemnation of the brutal enslavement of once-free peoples which our captive nations resolution underscored. This idea that we can fulfill our destiny by condoning or ignoring totalitarian tactics is as phony as a $3 bill and we hope that this year's Presidential proclamation will be forthright and uncompromising. And if such a pronouncement seems to annoy the Communist overlords, that will be quite all right.

Mr. BOLAND. Mr. Speaker, since the end of the last war nine nations have become captives of the Soviet Union in Europe. It is paradoxical but unfortunately true that a bloody war waged for the cause of freedom and democracy in Europe and elsewhere ended with the loss of freedom and democracy in a considerable part of Europe. Though the democracies of the West were victorious in that war, freedom suffered a terrible and stunning loss in the hands of their wartime ally, the perfidious Soviet Government. That Government's wartime designs and postwar actions have resulted in the captivity and enslavement of these once free and independent nations.

These nine nations, with a total population of some 90 million and occupying the broad belt of northern, central, eastern, and southeastern Europe in the Balkans, have had their long, turbulent and colorful histories. At one time or another the Estonians, Latvians, and Lithuanians in the north, Poles, Czechoslovaks, and Hungarians in central and eastern Europe, Bulgarians and Rumanians in the Balkans had their glorious days; they were free and independent nations in their respective homelands, and were enjoying life in their chosen ways. Even the sturdy and obstreperous Albanians, who are captives in their mountainous homeland of a Communist regime supported by world communism, were free before the outbreak of the last war.

Most of these nations had lost their independence during the last several centuries, but they all regained their freedom at the end of World War I, and they were free until the catastrophe of the last war. Then all their freedoms, and most of their worldly possessions became the casualty of that war.

During the war all these nations fought on the side of the victors, and naturally expected to regain their freedom when their friends and Allies were victorious. But their Soviet ally and unworthy friend betrayed them, first by overrunning their countries, and then installing Communist governments in every one of these countries. The Soviet authorities committed these acts in defiance of their Allies in the West, and with impunity they have succeeded in enslaving these nine nations.

Today these peoples are captives of the Soviet system, Communist totalitarianism, imposed upon them by the men in the Kremlin and maintained by the might of the Red army. These nations are separated from the free world by the Iron Curtain, and they are prisoners in their homeland. Sad as their unenviable lot is, they have not given up their fight for freedom. On the observance of Captive Nations Week we all hope and pray for their deliverance from Communist totalitarian tyranny.

Mr. HALPERN. Mr. Speaker, there is no subject in the realm of global compassion and international humanitarianism which warrants more attention of the nations of the free world than the plight of the millions of people who are members of what we have come to call in these cold-war years captive nations. It is a fitting occasion during this Captive Nations Week for us in the United States to give heart to the millions in Europe and Asia whose countries have been enslaved by the tyrannical tide of international communism.

America must continue its interest and Congress must not swerve from its efforts in behalf of the more than 100 million people from the Baltic Sea to Vladivostok—the legions of Lithuanians, Germans, Poles, Albanians, Bulgarians, Hungarians, and others. We must furnish them with succor in order to nourish their stamina so that they may carry on under the tremendous burdens suppressing them. We must fortify their hopes and dreams.

Mr. Speaker, words are not enough if we truly desire to help these people. We must take action—clear, direct, affirmative action such as the establishment of a Special Committee on Captive Nations in the Congress of the United States. It is heartwarming to note, in this regard, the increasing number of congressional colleagues who have lent not only their voices, but their energies as well, in support of this extremely important matter.

This committee, as embodied in House Joint Resolution 211, would be empowered to make a careful and precise study of conditions in the captive nations of the world with the aim of recommending policies by which the United States can assist these unfortunate people, by peaceful means, to regain their freedom and independence. I am privileged to be a cosponsor of this resolution, my measure being House Joint Resolution 215.

It is our job, Mr. Speaker, as representatives of the greatest democracy ever devised by man, as spokesmen of the people who have espoused the meaning of the word "liberty" to the rest of the world, that we offer these captive peoples needed encouragement and unequivocal support in their endless yearning for freedom.

We should pay particular attention to the fact that these slave nations serve as living contradictions to the Soviet claim that the marriage of its many satellites to Moscow maintains the warm fragrance of an eternal honeymoon. The captives of Europe confront us, and the world, with the daily lesson that reveals Russia's path to power as nothing more complicated than the imposition of a naked force. It is an unwilling path for the captives to trod—one marked with human misery, privation, and indignities.

In addition, these nations serve as a reminder and constant warning to all who might be tempted to follow the Soviet path as the unfortunates of Cuba are bitterly learning this very day.

It is all too clear to everyone that being a Russian captive nation is not synonymous with being a Russian affiliate. Does anyone need more proof than Berlin in 1953, or Hungary in 1956? Or, for that matter, the infamous slithering wall that faces us now in Berlin? But these are just the more dramatic instances. It is the thousand and one daily deeds of oppression which make heavy the burden of these captive peoples. It is this burden that the Committee on Captive Nations would seek to lighten and perhaps, someday, help relegate to eternal oblivion.

The committee would also serve in another capacity. It would help educate the American public, which, unfortunately, is not fully aware of the variety of enslaved non-Russian nationalities within the U.S.S.R. itself, to the mountainous facts of Soviet oppression. In the forced Communist union barely 50 percent are true Russian stock. In the total breakdown there are almost 200 ethnic groups, 125 languages and dialects, and 40 religions. This could be a significant source of political weakness within the Communist camp. How significant we do not know at this time. The proposed committee could delve deeply into this matter and determine the extent and significance of the situation.

From Poland to Albania these unfortunates are restless. There is no question of the need for further knowledge about these countries and their people. We must know how we can help them, and perhaps some day how they can help us. I might point out that in an emergency it is conceivable that these people could inflict great havoc on strategic installations, transportation facilities and food stockpiles behind the Iron Curtain. Yet, today, we do not know what to expect from these people. We are ignorant as to how we can proceed to increase the possibility of pro-Western support within the colonial Communist structure.

In every area of the Soviet bloc, within the Soviet Union itself, there are human beings striving for freedom, for safety, for dignity. Such aspirations can be nurtured by the work of the proposed special committee. Among the many functions of the committee would be its service in becoming a storehouse of knowledge which could be drawn upon for future policy decisions.

In summary, Mr. Speaker, let me say we must not overlook the fact that the issue of captive nations presents the world with a crucible in which the basic Russian-American conflict is highlighted. For it is in these captive nations that the central issue between the East and the West is spotlighted—the issue of freedom versus slavery. It is here that the Kremlin is most sensitive for it sits on a powder keg of suppressed nationalities, people with a history of freedom. The facts about these captive nations explode the myth of alleged Soviet cohesiveness and show it to be a monumental piece of fiction.

Mr. DONOHUE. Mr. Speaker, as a cosponsor of the resolution, in the last Congress, to establish and recognize this period of July as Captive Nations Week, I am very privileged and pleased to again participate in such recognition this year.

The essence of our previous and current action is our conscientious attempt to influence the restoration of the fundamental freedoms and God-given rights of subjugated peoples now living a tyrannical existence as Communist captive nations.

As we all know, in numerous and repetitive documents and agreements, the great powers of the world, including Soviet Russia, have pledged and promised the persecuted peoples of these nations the return of their national freedom and personal liberties. The United States has consistently attempted to have these promises carried out but Russia still denies these countries the right of free elections and independent sovereignty.

By our recurring recognition of Captive Nations Week, the Communist rulers will be continuously and emphatically reminded that it is the sense of this Congress that no firm and lasting agreements for peace can be made while the world remains practically half free and half slave.

By our action the rest of the free world can be concretely convinced this Nation will not abandon her traditional principles of free government for all peoples and the captive nations themselves will be further inspired to remain adamant in their determination to reject any Communist entreaties for cooperative existence under the Soviet system.

The fact and the truth is that the Russian Kremlin is solely responsible for the inhuman slavery being imposed upon the brave peoples of Poland, Czechoslovakia, Lithuania, Estonia, Latvia, Bulgaria, Hungary, Rumania, and all the other captive countries. It is also unfortunately true that we have suffered many disastrous propaganda defeats at the hands of the Russians.

Not the least of the purposes of our action in this matter is an attempt to meet the Russians in their own most effective field. Unlike their multitudinous and skillful distortions for propaganda purposes, we are telling the truth. If the Kremlin leaders want to prove their sincerity in seeking peace in the world then let them simply declare freedom for the captive nations.

That is the first and fundamental step that must be taken before there can be any reasonable hope for the achievement of a peaceful world.

Let us then persevere in our exercise of every possible effort to speed the day of liberation for the heroic people of the captive nations.

Mr. ROBISON. Mr. Speaker, as a cosponsor of legislation which would create a special House Committee on Captive Nations, I am pleased to note both congressional and national participation in this year's observance of Captive Nations Week.

Although the language of the various resolutions submitted along these lines may vary—my version being House Resolution 345—the clear intent of each is to once again restate, in no uncertain language, America's belief in the fundamental right of self-determination for all peoples and a determination to use that principle as a formidable weapon in the cold war.

It is that evidence of a determination to give more than lipservice—no matter how fluent—to the task of alleviating the plight of the billion persons around the world who have been deprived of their freedoms by the tyranny of communism, that is so encouraging in what has been said here today and yesterday.

I would hope that this is evidence also of our long-delayed recognition of the manner in which creation of the special committee would implement our observance of Captive Nations Week, and all that such observance brings to mind. Such a committee would give concrete form to our hopes for the ultimate freedom and welfare of those captive peoples, and would serve not only as an effective marshaling point for legislative investigations and proposals for advancing those hopes, but also as a constant reminder to Khrushchev and Mao that we do not now, nor shall we ever, write off the captive nations. Beyond that, so focusing our attention on the plight of others less fortunate than we, would also serve to help us better appreciate our great Constitution—the bulwark of our own liberties—and to renew our determination to preserve it to the end that it, too, does not perish. With Moscow's empire rumbling with troubles, the time for action is now.

Mr. ROONEY. Mr. Speaker, the people of this great Republic and its Government have ever in mind the sad fate of the captive nations. We have always wished for their freedom and happiness, and have done our level best to help them in their struggle for their freedom and independence. Unfortunately, however, neither these nations themselves, nor all the good will on our part, have succeeded in securing their freedom.

All of these nations were victims of the last war, and they all lost their independent existence in the course of that war. But since the prime purpose of waging that war was to secure freedom and democracy, these nations naturally hoped to regain their freedom after the victory of democratic forces at the end of that war. Then, all of a sudden, through the deceitful diplomacy of the Soviet Government, lights went out in all parts of northern, central, and southeastern Europe as all these regions fell under the darkness of Soviet domination. Soon the Iron Curtain was imposed between these countries and the free West, separating them from the rest of the world.

That unfortunate situation exists today, and more than 100 million people in Europe alone are captives of Communist regimes set up in these countries by the Soviet Union. But the peoples of these countries, the captive nations, have not given up their righteous claim to their freedom, and we on the solemn observance of the third Captive Nations Week hope that they all attain their national goals.

Mr. JOELSON. Mr. Speaker, nine European nations, with a total population of about 90 million, were overrun by the Soviet Union as the result of the last war. Then they were sealed off from the free world by the Iron Curtain. Since that time, for almost two decades, the Estonians, Latvians, and Lithuanians in northern Europe, the Poles, Czechoslovaks, and Hungarians in central and eastern Europe, and Albanians, Bulgarians, and Rumanians in the Balkans have been captives of their Communist governments imposed over them by the Kremlin.

The friends and sympathizers of these nations have ceaselessly worked for their liberation. The Government of the United States and those of other democracies have been carrying on interminable negotiations with the Soviet Government for the betterment of the lot of these captive nations, and for their eventual liberation from Communist tyranny. It is most unfortunate that all negotiations have not thus far produced the desired result, but the people and the Government of this country are prayerful that the freedom of these nations will be secured without war, and on this Captive Nations Week let us hope that this human and humanitarian goal can be attained.

Mr. PIRNIE. Mr. Speaker, this year the importance of Captive Nations Week assumes greater significance than ever before.

The Communist-constructed Berlin wall dramatically demonstrates that the Iron Curtain needs concrete and mortar reinforcement when it comes in close contact with the civilization of the free world. The valiant stories of refugees risking life itself to surmount such barriers in order to obtain asylum in the free world are adding moving chapters to the annals of human courage—as well as Communist cruelty.

We know that congressional recognition of the plight of all captive nations causes consternation in the Kremlin and offers needed hope to peoples under its subjugation. In this way we pledge our allegiance to the ideals of freedom which no power on earth has been able to eradicate.

Our distinguished colleague, Representative EDWARD J. DERWINSKI, should be commended for his untiring leadership in preserving and promoting the observance of this important week.

Mr. FARBSTEIN. Mr. Speaker, I have given this statement the title "Captive Nations Week: A Time of Opportunity."

This is, I believe, an apt title, because the commemoration of Captive Nations Week is in every sense a "time of opportunity."

For America it is once again a time to serve the cause of human freedom by calling the attention of the world to Communist tyranny and oppression.

We Americans have often been criticized for taking a simplistic view of world affairs. Certainly in our view of the Communist bloc this generalization is by and large correct.

All too often we have been inclined to regard the Soviet empire as a massive, unfissionable monolith.

We attribute more cohesiveness to the bloc than what it deserves.

We have failed to focus our attention upon the forces of erosion within the Communist bloc.

We have failed to comprehend the vitality inherent in the political processes of man that cause diffusion of power, change, and adaptation in political systems.

We have failed to understand that the Communist bloc is a complex of nationalities who are responsive to deep-seated, historic traditions of nationalism.

We have failed to appreciate that in our day nationalism is still a powerful force for fragmentation, a force no less dynamic today than in the American historic experience of 1776.

Thus, when Tito broke from Stalin's Cominform in 1948, we were taken by surprise. Similarly, the Polish crisis and Hungarian revolt of 1956 caught us unprepared. And today, we have yet to assess fully the vast implications of the emerging split now evident between Soviet Russia on the one hand and Albania and Communist China on the other.

I do not propose to discuss and analyze all the centrifugal forces within the Communist bloc. I only want to touch on one: the power of nationalism.

Nationalism is anathema to Communists. It runs directly counter to all basic Communist dogma. It does so, because nationalism is essentially a separatist force, and separatism means disintegration of Communist solidarity which in turn means diffusion of power and ultimately weakness.

Ever since the founding of the multinational Soviet state, the Soviet leaders have preached against the dangerous, disruptive power of what they call bourgeois nationalism. They have desperately tried to reconcile the forces of internal Soviet nationalism with the spirit of proletarian internationalism. Sometimes, they resorted to physical force and even bloodshed to achieve their goals. Even today the suppression of nationalism in the Ukraine, the Baltic States, Georgia, Armenia or elsewhere in the Soviet state is sometimes ruthless and harsh. In recent weeks, for example, our own press has carried many stories of mounting Soviet attacks on Soviet Jewry.

Within the Communist bloc the same eroding force of nationalism is at work. China refuses to follow Moscow's lead. Albania still remains hostile and unreconciled. The Poles, Hungarians, Czechs, Slovaks, and other nationalities in Eastern Europe seek their own status within the rigid structure of the Communist commonwealth. Poland still seeks to maintain a measure of independence from Moscow.

What binds the captive peoples together in their hostility toward Moscow and its imperial system is the spirit of nationalism.

We ought to understand, therefore, that nationalism is our ally in the cold war. Indeed, nationalism is one of our greatest and most reliable allies.

It follows, therefore, that if we wish to encourage the forces of political erosion within the Communist bloc, if we wish to weaken world communism and put it where it belongs, on the defensive, then, we must direct our attention to the task of encouraging the forces of nationalism.

Today is a "time of opportunity" to do just this.

Our opportunity is now present as we once again observe Captive Nations Week.

This year, more than ever before, we must reassure the captive nations of Europe that we are aware of their plight and have not forgotten them when they need to be remembered most. We must convince them of our conviction that the tragedies of the past will not continue to be tragedies in the future, and that the United States will continue to support all of these Communist-enslaved peoples until they have won the freedom to control their own destinies on their own soil.

Mr. RANDALL. Mr. Speaker, this year as with every year since 1959 we come again to observe Captive Nations Week. For 3 years now this annual observance has become an important part of our national observances. Through a joint resolution of Congress the President is authorized and requested to designate the third week in July as Captive Nations Week. On this third Captive Nations Week may its observance encourage the captive peoples in knowing that we in the free world have not forgotten them and may it serve in some measure to add strength to these peoples to carry on under the weight of their burden until some future day when liberty and freedom may come to their captive lands.

This outrageous captivity of nine valiant nations throws its dark shadow over everyone in the free world today. Over 100 million people are imprisoned behind the Iron Curtain. Another 17 million are suffering the so-called freedom of East Germany. There will be few of those long-suffering people behind the Iron Curtain who will hear, or even know, that we are remembering them this week, but to those few who do, may the knowledge that someone really cares enable them to bear up still longer under the heaviest of yokes.

It takes a little effort now to recall when all of these nations were free, following World War I, and that they remained so until they became involved in the horrors of World War II. Then, they fell victims to the holocaust from which they have never emerged.

Khrushchev and his company of plotters and sadists become angry and vituperative at our reference to these unhappy, enslaved people as the captive nations. Let them. The truth always hurts. The Red masters prefer to designate those imprisoned, downtrodden groups as "people's democracies."

They make ostentatious references to their sublime happiness and deep satisfaction with their existence under the Soviet regime. But we all have heard the continuing firsthand accounts from terrified refugees as to their experiences—which were the exact opposite of happy ones. We have heard from the very lips of victims that there is no freedom of expression or of religion. That they have no self-determination. That they are the enslaved minions of the Kremlin, with no promise from their masters of release from their involuntary sad plight. They know not where their food will come from and suffer from malnutrition and near starvation while they struggle to fill the Red quotas.

We might ask ourselves how can we say we are really freemen until the foul shackles of these ghoulish "people's democracies" are struck and relegated to the past.

It is in these captive nations that the central issue between the East and West is brought into focus—the issue of freedom versus slavery. It is little wonder the Kremlin is so sensitive when we speak of these peoples as captive because the Reds know it is a captive of suppressed nationalities and people who have had a history of freedom.

On this observance let us pray that this year's may be the last and that there will be no need for another observance. Let us pray that before another July our brothers laboring under the Soviet imposed captives may be delivered from this totalitarian tyranny.

Mr. COLLIER. Mr. Speaker, it is a most significant event that we are observing here this week. We, as a nation and the leader of the free nations, are stating to the world that we recognize and find untenable the plight of the more than 100 million people of the captive nations enslaved behind the Iron Curtain. We are telling the captive nations that the principles and freedoms that this country has so long fought for shall not be denied them. We are telling them that we realize that the hope and desire for freedom still lives in their hearts, and that we shall do all in our power to help them throw off the cruel and tyrannical rule of communism.

Communism only exists and maintains its power by the use of brute force. Events in Hungary, Tibet, East Germany, China, Cuba, and every other Communist-dominated country confirm this truth. Communism feeds off the people, destroying the freedom and fundamental liberties that men throughout the ages have striven for. When we point out these truths about communism to the rest of the world, by such events as Captive Nations Week, we are striking a blow for freedom that is confirmed in its importance by the angry and vehement reaction of Khrushchev and his puppets.

Here is the glaring weakness of communism: It can never succeed as long as the people of this earth desire freedom and the basic right of determining for themselves the system of government under which they shall live.

The policy of the United States must be made clear as to what we are doing to aid these captive nations. It is our Nation's task and duty to affirm the fact that the freedom and independence, denied them by communism, shall be restored to them. It is further our Nation's task to do all in our power to weaken the hold that the Communist puppet governments and their Soviet bosses have over the captive nations.

The United States must show by word and deed that we are completely opposed to communism. We must stop trading with these Communist governments or acting in any way which would appear to recognize their control over the captive nations. Such trade and action allows the Communist dictators to extend their control over the economy and the lives of the people while it also strengthens regimes whose avowed purpose is the total defeat and destruction of our country and the freedom that it stands for.

In our struggle to keep alive the belief that freedom will be restored to the captive nations, we only work against this purpose when these captive nations see us trading and consorting with the very Communists that we declare we are opposed to.

My heart goes out to the brave people in the captive nations who refuse to submit to the brutal yoke of Soviet control. There are no more vigorous opponents of communism than those people who have lived under and experienced the oppressiveness of communism. In my own district there are many folks who have known communism and have fled from their homelands rather than relinquish their freedom.

In one instance just recently I talked with some folks back home who had recently returned from visiting relatives in Czechoslovakia. They told me of the continued determination of the Czech people to once again take their place in the world as a free and independent nation. They also told me of the disillusionment and disbelief for the Czech people that we would trade with any of the hated Communists.

The history of the captive nations' struggle for freedom is an inspiring one. Even though Communist dictators have used every cruel and barbaric means to destroy these people's sense of freedom and national pride, they have not succeeded. The United States has a moral responsibility to the captive nations to fight against communism and its tyranny with all its power.

Mr. YATES. Three years ago a Presidential proclamation and a congressional resolution designated the third week in July as Captive Nations Week. At this time we solemnly renew our pledge to keep alive the hopes of all captive people for freedom, for liberty, for independence.

Although our independence was won nearly 200 years ago, America's mission of working for self-determination and liberation from foreign domination remains unfinished. The reason is that 100 million people are trapped behind the Iron Curtain. The sadness of their plight is evident. Thirteen million already have fled from Communist-controlled countries. Their reports all tell us that their countrymen are ever-hopeful that freedom will replace the tyranny under which they now exist.

Our observance of Captive Nations Week is more than an annual official expression of "good luck, we are with you." It is a solemn public reminder of our continuing desire to find ways in which this hope of freedom can be made a reality.

America, indeed the entire free world, cannot and will not rest easily while such oppression exists in these countries. Freedom has been our heritage; we celebrate Captive Nations Week with the hope and expectation that these nations will regain the freedom which they possessed and enjoyed just a few years ago.

Mr. SIBAL. Mr. Speaker, Captive Nations Week is now a traditional observance in this House. I trust this will always be so while there are nations enslaved by Communist tyranny. It should be our principal hope, however, that the reasons for this observance will disappear, and that all the peoples we salute this week will be free and restored to their rightful places among the community of independent nations.

Until this day arrives, it is fitting for this body to pause in its work to acknowledge the plight of these peoples, and to harden our resolution to advance the cause of freedom.

When we contemplate what life is like in the captive nations, many of our own problems appear very small. We are a happy people living in the mightiest and most prosperous Nation on earth. We are free to come and go as we please, to say what we think, and to choose our government. We are conscious of our faults, but we have the means and will to correct them, not in violence, but in deliberations between reasonable citizens channeled through orderly processes of a government founded on principles that respect the rights of every individual and of every point of view.

Behind the Iron Curtain, life is colorless and harsh. The necessities of life are barely provided. None dare raise his voice in protest for fear of terrible reprisal. Only one slate is presented at elections, a cruel travesty of free balloting. The people are treated like herds of cattle, ciphers to be shifted at the whims of the State.

Let us be grateful for what we have. Let us take this time to pledge anew our dedication to freedom and our determination to press for the ultimate victory of freemen.

Mr. MORSE. Mr. Speaker, one of the first debates heard in this Chamber when it first was opened for occupancy 111 years ago was over the issue of granting official sanctuary in our country to the great Hungarian patriot and freedom-fighter, Kossuth. He and a band of loyal followers sought refuge on our shores from Russian tyranny. A few of our 19th-century counterparts feared we might offend the Kremlin should we grant it to him with our official congressional blessing.

Eventually, of course, Kossuth and his fellow patriots were accorded an open-armed welcome in the noblest tradition of our liberty-loving land.

Unfortunately we have not rid ourselves of the inhibitions which troubled some Members of that earlier Congress. I rise in the House today—in accord with a resolution adopted under President Eisenhower 3 years ago and observed every July since—to speak in behalf of Captive Nations Week.

Three years ago the Soviet reaction to Captive Nations Week was swift and angry. Khrushchev was alarmed at our audacity in demanding genuine self-determination for Iron and Bamboo Curtain peoples. He was genuinely afraid that we were headed down the road of liberation. But, on this fourth observance of the week, will Khrushchev take note? Will he dismiss our gesture as an empty one?

Next year at this time what new names will be added to the long and tragic roll of once-free nations in Communist thrall? Hungary, Lithuania, Poland, Ukraine, Latvia, Czechoslovakia, Estonia, White Ruthenia, East Germany, Rumania, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others. Will Laos have sunk under Communist waves before Captive Nations Week 1963 arrives?

Do we in this House have the moral stamina to insist that a Select Committee on Captive Nations be created by this Congress to evaluate the positive role we can play in restoring these nations' right of self-determination? The resolution which would create such a committee, which would be tangible evidence to freedom lovers everywhere that the United States is determined that the world will not continue half slave and half free, that resolution has been quietly shelved by the Rules Committee.

Our words today are written on the wind for all the actual aid they give those millions of men and women living under Communist subjugation. They have had their hearts lifted by our words before, and their hopes dashed by our legislative inaction and the lethargy of our administrative branch.

I urge my colleagues on the floor to demand that the Rules Committee report the resolution to create a Select Committee on Captive Nations.

The ghost of Kossuth stalks this hall today.

I hope, in deep sincerity, that we will find the courage in our hearts to help restore to the full dignity of free citizenship in free nations those suffering people who are now the abject peons of Communist colonialism.

Mr. MACDONALD. Mr. Speaker, there are more than 100 million people in Europe who are kept in captivity behind the Iron Curtain of Communist totalitarianism. The Albanians, Bulgarians, and Rumanians in the Balkans, the Czechoslovaks, Hungarians, and Poles in Central and Eastern Europe, and the people of the three Baltic countries—Estonians, Latvians, and Lithuanians—constitute the captive nations.

Each of these captive nations has had its own and distinct national history; each in its own way has contributed to the common pool of European culture and thus enriched the civilization there. Let us consider for a moment the case of Poland. Poland has been the gateway through which Western ideas have entered Eastern Europe. The Polish people have fought for the ideal of freedom in their own country and abroad—in this country during the American Revolution, in Hungary against the Russians and Austrians in 1848, at Monte Cassino in 1943. Twice within 6 years this generation of Poles has risen in defense of their liberty at immense cost—once in 1939 when the Polish cavalry charged the German tanks. Once in 1945 when virtually the entire non-Communist resistance movement rose in Warsaw while the Red army waited in the suburbs until the Nazis had exterminated them. The democratic forces of the West declared war upon Nazi Germany to save Poland. The loss of Poland was a grave blow to the leaders of Western democracies. It is against this background that we in the West feel particularly moved over the sad fate of the Poles.

During World War II the peoples of the captive nations suffered more than the actual combatants. Although many lost all their worldly possessions, they clung to hopes of regaining their freedom after the war. The tragedy is that these victims of Nazi and Communist oppression did not regain their freedom. The most elementary human rights are denied to these people by their new masters, the Moscow-trained Communists. Even before the end of World War II, some of these captive nations were already caught behind the then shaping Iron Curtain. Such was the lot of the Poles and Rumanians. Gradually, similar fates fell to others, and when the war was over, nearly all eastern, central, and southern Europe was under Soviet domination. In 1947 and 1948 Hungary and Czechoslovakia were captured by the Soviets, and the Iron Curtain extended to the west of these countries. By early 1948, a third of Europe's territory and about a fourth of Europe's population were imprisoned behind the Iron Curtain.

Since then this situation has not changed, though the Hungarians and the Poles tried to shake off the Communist yoke. The Hungarians paid dearly for their serious attempt in 1956, but the Poles have fared better in their claim for some freedom and human dignity. Their mass demonstrations and orderly resistance to oppressive communism has proven more successful. The laboring class has received some recognition and has regained some rights. Politically, Polish leaders have become less dependent upon the Kremlin. All this is to the credit of the long suffering Polish people. Of course, they still suffer under Communist tyranny as do the peoples in other satellite countries. On this solemn observance of Captive Nations Week, let us all hope and pray for the deliverance of these peoples from Communist tyranny.

Mr. RODINO. Mr. Speaker, in observing the Captive Nations Week, officially and solemnly, the people and the Government of this country steadfastly cling to the time-honored and long-tested American tradition and policy. The spirit and the very core of that policy is to express our wholehearted sympathy for oppressed and downtrodden peoples, to aid them in every way possible, to champion their righteous cause, and to condemn the oppressors of these peoples.

For nearly two decades 9 nations with a total population of nearly 90 million in northern, central, eastern, and southern Europe have been captives in their homelands behind the Iron Curtain. These Albanians, Bulgarians, Czechoslovaks, Estonians, Hungarians, Latvians, Lithuanians, Poles, and Rumanians differed from each other in many ways, but they all were one in their appreciation of freedom and in their readiness to fight and die for their independence. They did fight, and millions of them died in defense of freedom, but, as they were no match to the aggressive might and the deceitful methods of the Soviet Union, they all fell victims of Soviet communism as the result of the last war. All efforts on their part and on the part of their friends in the West have failed to secure their freedom. We all hope and pray that future efforts to free these nations from Communist totalitarian tyranny will succeed and they will regain their freedom.

THE HANFORD NEW PRODUCTION REACTOR

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. VAN ZANDT] is recognized for 15 minutes.

Mr. VAN ZANDT. Mr. Speaker, on last Friday, July 13, the distinguished chairman of the Joint Committee on Atomic Energy made some remarks on the floor of the House concerning some amendments which he favors to the AEC authorization bill in order to authorize arrangements for 800,000 kilowatts of electrical generating facilities at the Hanford new production reactor. I wish to advise all members of the House that I shall oppose these amendments. I shall oppose construction of generating facilities at Hanford, as I did last year, and I shall urge Members of the House to join with me, as they did last year.

In order to explain my position to my colleagues, I believe it is my duty to make a brief statement pointing out the basic issues, the grave defects in the new production reactor scheme, the dangers of this public power precedent, and the need for more careful congressional consideration.

Last year, on three separate occasions, the House of Representatives rejected a proposal to add generating facilities to the Hanford new production reactor. The House spoke clearly and emphatically, and I thought that its decision would be accepted as final.

However, the proponents of the new production reactor scheme have come back. I regret that the House must once again debate this controversial subject. But I believe the House should stand firm and insist that its decision of last year not be circumvented.

SAME BASIC ISSUES

The basic issues before the House this year are the same as last year. First, should the new production reactor, owned and operated by the Federal Government through AEC, be used to generate over 800,000 kilowatts of electric power? Second, should the Bonneville Power Administration be permitted to expand its operations by adding for the first time 800,000 kilowatts of electricity generated by steam from a Government-owned reactor? Third, does Bonneville have authority to enter this field? Fourth, will this project serve as a precedent for further encroachment of the Federal Government into private business?

The proponents maintain that this is a local venture, and that the public versus private power issue has been eliminated. However, as I shall show, this is still an AEC-owned reactor, and the Bonneville Power Administration is the real party in interest. The Federal Government is still the guarantor of this project, in spite of the efforts of the proponents to disguise that fact.

DEFECTS IN THE SCHEME

The scheme advanced by the proponents this year may superficially seem more palatable than last year's. However, let me point out two grave defects:

First. The whole scheme will be Government subsidized because the AEC will sell the steam at less than cost. In determining the price to charge for steam, AEC did not take into consideration the $25 to $68 million spent to convert the reactor. The construction costs of the new production reactor have increased by more than $50 million since last year when the House considered this project. Most of these increases should be attributed to the steam generating feature, and included in the cost of any steam sold.

Second. The taxpayer may be asked to bail out this project if it turns sour. There is a provision that the Bonneville Administrator may terminate the agreement prior to commencement of commercial operation if he determines that continuation "could no longer be economically justified." In such event the Government must reimburse the Washington Public Power Supply System—WPPSS—for all obligations, costs, and expenses paid. There is also an option for the Government to purchase the plant under certain circumstances. This provides still another opportunity for bailout and passing the buck to the taxpayer.

BPA IS THE REAL PARTY IN INTEREST

Under the proposed scheme, the WPPSS will own the generating facilities, but the Bonneville Power Administration will be the real party in interest. WPPSS will deliver all its output to Bonneville. Bonneville will contract to deliver firm power to the WPPSS participants, even though it will receive fluctuating power. The operation of the new production reactor may be subject to technical difficulties and it will be regularly shut down to remove the plutonium producing fuel elements. The amount of firm power that Bonneville will be obligated to deliver to WPPSS will not depend upon the amount of variable power which Bonneville receives from the new production reactor generating facilities. If the new production reactor produces only 100,000 kilowatts, Bonneville will still be obliged to deliver whatever amount corresponds to the expenses incurred by WPPSS for constructing and operating the new production reactor generating facilities. In such event, Bonneville will be forced to raise its rates, or operate at a greater deficit. BPA is the essential party to this scheme and will be exposed to tremendous risks. It is the real party in interest.

DANGEROUS PRECEDENTS

Heretofore Bonneville has only engaged in hydro projects. This will be its first association with a steam-generating plant. This scheme can be used as a precedent by Bonneville for adding other steam plants to the system. On the national level, this scheme will serve as an even more dangerous precedent for Government ownership of large-scale commercial atomic powerplants.

CURSORY CONGRESSIONAL CONSIDERATION

In spite of these important basic issues, these grave defects in the scheme, and these dangerous precedents, Congress has not given this complicated scheme thorough consideration. A deliberate attempt was originally made by the proponents to avoid congressional authorization. As I explained to the House by my statements on May 15 and 17, the new production reactor advocates were planning to use back-door tactics to frustrate the intent of Congress clearly expressed last year.

However, on July 6, the Comptroller General, in a significant opinion, held that congressional intent cannot be so lightly disregarded. After reviewing the legislative history, he held that AEC must obtain congressional authorization before proceeding with the proposed leases and contracts with the public power groups.

Let us consider the extent of the congressional review this year.

First. Consideration by Joint Committee of AEC authority: The Joint Committee hurriedly scheduled hearings on July 10 and 11, and on July 12, voted out an amendment to H.R. 11974 to authorize AEC to proceed. That amendment will soon be presented to the House for its sober consideration. It incorporates by reference complicated program-justification data, which were not even finalized until July 13, and were disclosed publicly for the first time in the CONGRESSIONAL RECORD distributed Saturday, July 14.

Should a responsible Member of Congress be expected to vote on such a complicated scheme on such short notice, after such hurried committee consideration?

Second. The Interior Committee has not considered Bonneville commitments.

The only consideration given this scheme has been by the Joint Committee during the past 7 days, and an earlier review by the Appropriations Committee before the terms were finalized and before the opinion by the Comptroller General. The House Committee on Interior and Insular Affairs, which has legislative jurisdiction over the Department of Interior and the Bonneville Power Administration, has been bypassed.

The basic questions remain: Does the Bonneville Power Administration have authority to enter the steam generating field? Does it have authority to make these commitments?

When we analyze the proposed contracts and other arrangements, we see that the Bonneville Power Administration is the real party in interest, and must absorb many risks. It contracts to deliver firm power, regardless of the success of the variable input. If the new production reactor fails to deliver as hoped, BPA must increase its rates or absorb the loss, with possible serious effects on its entire system. And yet, the Interior Committee has not reviewed the Bonneville risks, the dangers to the Bonneville system, or the significance of this scheme as a precedent for future Bonneville action.

The members of the Joint Committee, who are experts on AEC matters, can recommend approving these arrangements for AEC if they care to do so. But the members of the Joint Committee are not experts on matters of power distribution and the Bonneville system. What are the views of the House Interior Committee concerning the risks to be undertaken by the Bonneville Power Administration?

This whole scheme should be carefully considered by the Interior Committee, and only then by the House itself.

CONCLUSIONS

When the new production reactor generating facilities are considered again by the House, I urge my colleagues to remember last year's debate and to bear in mind the following points:

First. The basic issues are the same as last year.

Second. The proposed scheme has serious defects.

Third. The Bonneville Power Administration is the real party in interest.

Fourth. The authority of Bonneville to assume these risks is doubtful.

Fifth. The generation of commercial power from this Government-owned reactor would create dangerous precedents.

Sixth. Congress needs more time to study this proposal, including review by the committee having jurisdiction over the Bonneville Power Administration.

LEGISLATIVE DISTRICTS

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 30 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include tables and other extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I desire to call to the attention of the House a matter which I think is of surpassing importance to the Congress of the United States, to the people of the United States, indeed to the cause of self-government by the people through elected representatives.

I refer to a decision rendered by the Supreme Court of the United States on March 26 of this year, being No. 6 in the October term of 1961, Charles W. Baker, et al., appellants, against Joe C. Carr, et al.

That decision is reported in 369 U.S. 355. It is one of the most far-reaching decisions affecting the structure of our Government that has been made, at least in my lifetime. It ought to be read by every Member of the House of Representatives. It ought to be discussed as widely as possible among constitutional lawyers and it certainly deserves the attention of the American people.

It is a rather lengthy decision and I am not going to ask that it be incorporated in the CONGRESSIONAL RECORD for the reason that the Committee on the Judiciary of the House of Representatives has had a number of copies of this decision printed as a committee print and it is available.

In the decision of Baker against Carr, there were a number of opinions. The majority opinion was written by Mr. Justice Brennan. Concurring opinions were written by Mr. Justice Douglas, Mr. Justice Clark, and Mr. Justice Potter Stewart. There was a very vigorous dissent, and I must say a very learned and scholarly dissent, by Mr. Justice Frankfurter concurred in by Justice Harlan. I believe that opinion is essentially the latest recent important function of Mr. Justice Frankfurter prior to his illness and his failure to participate currently in the affairs of the Court.

Because there were so many decisions and because the judges themselves did not seem to be able to agree on just what the court decided, it is hard for me to describe it. Basically, however, the court held that the individual plaintiffs were entitled to go into the Federal district court to challenge the districting of legislative districts for the State legislature of the State of Tennessee. The legislative districts were challenged on the basis that the Tennessee Legislature had failed to observe the requirements of the Tennessee constitution and that, therefore, districts existed which were in great disproportion with respect to the population within each district, some being large and some being small; and that that situation deprived the plaintiffs of their constitutional right to equal protection of the law under the 14th amendment.

In the decision of Justice Potter Stewart, which is one of the briefest decisions, he denied that the decision was as far reaching as some might have claimed, and in essence held that the court decided just three things. I want to read that because I think his decision probably oversimplifies the matter. He said the court decided three things, and

I quote from page 1 of his concurring decision:

> The court today decides three things and no more:
>
> (a) That the court possessed jurisdiction of the subject matter,
>
> (b) That a justiciable cause of action is stated upon which appellants would be entitled to appropriate relief, and
>
> (c) That the appellants have standing to challenge the Tennessee apportionment statutes.

From time immemorial elected representatives, engaged in the art of compromise, have struggled with the problem of proper representation of sovereign citizens. This problem has been difficult and complex. Proper, balanced representation has been elusive. Efforts to achieve it have often resulted in awkward, logically indefensible, and sometimes even ridiculous geographical areas for elected representative districts.

Partisan political power has without exception been employed by those possessing it to perpetuate or enhance the authority of their party. Frequently, this has led to excesses, which have been a part of our political history so long as to have resulted in coining a special word—"gerrymandering."

This is an evil since it is a departure from balanced representation.

Theoretically in representative government, each legislative representative should speak for, in behalf of, or represent an approximately equal number of either, first, inhabitants; second, citizens; third, qualified electors; or fourth, qualified electors who actually vote.

To the extent that an elected representative represents more, or less, people than another representative—there is a distortion of representative government. Consequently, some sovereign citizens are overrepresented and some underrepresented. The underrepresented suffer a dilution of their political power and the overrepresented enjoy more political power than they are entitled to. This proposition is not subject to dispute.

But who is to decide the matter of overrepresentation or underrepresentation?

Until March 26, 1962, it had been clear that this power of decision rested with the sovereign citizens and was exercised by them in the same fashion as they exercized all their other powers of self-government—through their elected representatives, or in some cases by a constitutional provision.

If elected representatives fail to express and execute the will of those they represent, the remedy is plenary, and decisive—defeat at the polls. Or citizens may institute basic changes in fundamental law by constitutional action.

From the beginning of the American Republic, even before the adoption of the U.S. Constitution, this principle prevailed.

Now the appointed, nonelective Federal judiciary, through a distorted stretching of the equal protection clause of the 14th amendment presumes to usurp from the people the right and power to determine their representation—through their only participation in the governmental process—their vote; by judicial fiat they propose to describe representative areas—within States for State legislatures and nationally for the organ of the people in the Federal Government, the House of Representatives.

This is an epochal development in the course of American history and indeed in the history of self-government in all civilization.

I must say that one of the most disturbing aspects of Baker against Carr is whether the holding applies only to State legislatures or also to the House of Representatives. Justice Brennan on page 23 of his opinion refers to the guaranty clause cases and the other political question cases. I quote the following:

> * * * it is the relationship between the judiciary and the coordinate branches of the Federal Government, and not the Federal judiciary's relationship to the States, which gives rise to the political question.

I must point out that it was only State legislative districts which were involved in the Baker against Carr decision, and the statement I just read from Justice Brennan would seem to indicate his opinion that what applied to the redistricting of State legislatures did not apply to the Congress of the United States, where he recognized that a political question might exist between two coordinate branches of the Federal Government.

Let me point out that there are other important distinctions between the districting for State legislatures and the districting for the U.S. Congress. Under article I, section 4, of the Constitution the matter of choosing representatives is set forth, and I read the following:

> SEC. 4. The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Places of chusing Senators.

And again section 5 of article I:

> Each House shall be the Judge of the Elections, Returns and Qualifications of its own Members. * * *

Now the Congress of the United States has the power to supervise in a sense the establishment of congressional districts, which is granted to the States. So the Congress of the United States is in an essential way important in the establishment of its own organizational structure.

The important thing is that, as far as I can see at this point, we in Congress should take no action whatsoever until we can be sure of the effect of the decision in Baker against Carr on our own organizational structure and the establishment of congressional districts.

The quotation by Justice Brennan was similar to a statement by Mr. Justice Douglas in a concurring opinion which I read:

> I put to one side the problems of political questions involving the distribution of power between this Court, the Congress, and the Chief Executive. We have here a phase of the recurring problem of the relation of the Federal courts to State agencies.

Notwithstanding the statement of Justice Douglas or the statement of Justice Brennan, the Federal district courts around the country have commenced to entertain suits to redraw the lines of congressional districts.

In my own State of Michigan a suit was commenced in the Federal district court on June 29 of this year. Under leave to include extraneous matter, I shall include various papers filed in that suit. The case is entitled "Donald A. Calkins and Karl J. Jacobs Against James M. Hare, Secretary of State of the State of Michigan":

U.S. DISTRICT COURT, EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION—CIVIL No. 22720

(*Donald A. Calkins* and *Karl J. Jacobs*, plaintiffs v. *James M. Hare*, secretary of state for the State of Michigan, defendant.)

COMPLAINT

I

The jurisdiction of this court is invoked under title 28, United States Code, sections 1343 and 2281, this being a suit in equity authorized by law to be brought to redress the deprivation under color of law, statute, regulation, custom, and usage of a state of rights, privileges, and immunities secured by the Constitution of the United States, viz, sections 1981, 1983, and 1988 of title 42 of the United States Code and the 14th amendment to the Constitution of the United States providing for the equal rights of citizens and of all other persons within the jurisdiction of the United States, as hereinafter more fully appears.

II

Plaintiffs further show that this is a proceeding for a declaratory judgment and injunction under title 28, United States Code, section 2201, for the purpose of determining a question in actual controversy between the parties, to wit: whether the practice of holding the election of Members of the U.S. House of Representatives from districts extremely disproportionate in the number of qualified electors resident in said districts violates the equal protection of the laws guaranteed by the 14th amendment to the Constitution of the United States.

III

All of the parties to this action are citizens of the United States and the State of Michigan, and are residents and domiciled in said State.

IV

Plaintiffs bring this action in their own behalf and in behalf of all others similarly situated with respect to the matter here involved. They are so numerous as to make it impracticable to bring them all before the court. There being common questions of law and fact, a common relief being sought, as will hereinafter more fully appear, plaintiff presents this action as a class suit, pursuant to rule 23(a) of the Federal Rules of Civil Procedure.

V

That the defendant, in his official capacity as secretary of state, is, under the Michigan election law, being Act 116, P.A. of 1954, as amended, "the chief election official of the State," having "supervisory control over local election officials in the performance of their duties" under the provisions of "such law" (sec. 21, Election Law; C.L. 1948, 168.21; M.S.A. 6.1021); and in that capacity is charged with the duty, among others, of giving notice of elections of U.S. Representatives (sec. 648, Election Law; C.L. 1948, 168.648); of receiving the nominating petitions, or filing fees, of candidates for State office, including U.S. Representatives, in districts comprising more than one county (sec. 133, Election Law; C.L. 1948, 168.133; M.S.A. 6.1133); of certifying the names of those candidates who have duly filed for nomination (sec. 552, Election Law; C.L. 1948, 168.552; M.S.A. 6.1552); of approving the sufficiency of ballots and of correcting errors therein (sec. 711, Election Law; C.L. 1948, 168.711; M.S.A. 6.1711); and of issuing certificates of election to candidates for U.S. House of Representatives (sec. 142, Election Law, C.L. 1948, 168.142; M.S.A. 6.1142).

VI

That Act 20, P.A. 1931, as amended by Act 64, P.A. 1951 (C.L. 1948, sec. 3.21; M.S.A. 4.21) divided Michigan into 18 congressional districts which did not contain "* * * as nearly as practicable an equal number of inhabitants," as required by Title 2, United States Code, section 3.

VII

That the legislature of the State of Michigan has failed to reapportion the State on the basis of the decennial Federal census of 1960 and that this omission has compounded the disparate division existing under the apportionment of Act 64, P.A. 1951.

VIII

That the congressional districts under Act 64, P.A. 1951 and as presently constituted are not based upon any lawfully pertinent factor or rule of classification, and said scheme of representation is wholly arbitrary, whimsical and capricious as the 1960 census population figures for the congressional districts clearly demonstrate, to wit:

District:	*Population*
1st	283, 302
2d	483, 343
3d	427, 899
4th	366, 991
5th	461, 906
6th	623, 842
7th	664, 556
8th	398, 106
9th	312, 854
10th	308, 917
11th	240, 831
12th	177, 431
13th	268, 040
14th	462, 192
15th	337, 017
16th	803, 436
17th	512, 752
18th	690, 583

IX

That the plaintiffs are residents and qualified voters in the 16th Congressional District, the population of which is better than double the population of nine of the other congressional districts and better than four times the population of the 12th Congressional District.

X

That the legislature has failed to provide a 19th District for the additional seat in Congress to which Michigan became entitled under the 1960 census, and that as a result the seat will be filled by an election-at-large with the overrepresented districts thereby securing even more representation.

XI

That Act 64, P.A. 1951 has placed the plaintiffs and all others similarly situated in a position of constitutional inequality vis-a-vis voters in the irrationally favored districts and has denied the plaintiffs and all others similarly situated their fair representation in the Congress, "a right inestimable to them and formidable to tyrants only."

XII

That Act 64, P.A. 1951 effected an apportionment so devoid of basic fairness as to deprive the plaintiffs and all others similarly situated the equal protection of the laws guaranteed by the 14th amendment to the Constitution of the United States, and in the absence of reapportionment:

(a) Plaintiffs and all others similarly situated will continue to be denied the "equal protection of the laws;"

(b) Plaintiffs and all others similarly situated will continue to be denied a representative form of government as guaranteed by article IV, section 4 of the Constitution of the United States; and

(c) Plaintiffs and all others similarly situated will continue to be effectively and increasingly deprived of an effective voice in their government, substantially disfranchised, and subject to taxation without representation.

XIII

Plaintiffs, and all those similarly situated and affected, on whose behalf this suit is brought, are suffering irreparable injury and are threatened with irreparable injury in the future by reason of the acts herein set forth. They have no plain, adequate nor complete remedy to redress the wrongs and illegal acts herein complained of other than this suit for a declaration of rights and an injunction.

XIV

There is between the parties an actual controversy, as hereinbefore set forth.

Wherefore, plaintiffs respectfully pray that upon filing this complaint the Court advance this cause on the docket and order a speedy hearing on this action according to law, and that upon such hearing:

1. That the court convene, pursuant to title 28, United States Code, section 2284, a three-judge court; such court to hear and determine the issues presented by this complaint.

2. That the court adjudge, decree and declare the rights and legal relations of the parties to the subject matter here in controversy, in order that such declaration shall have the force and effect of a final judgment or decree.

3. That the court enter a judgment or decree declaring Act 64, P.A. 1951 unconstitutional on the ground that said Act constitutes a denial of the equal protection of the laws as guaranteed by the Fourteenth Amendment to the Constitution of the United States.

4. That the court issue a preliminary injunction, to become permanent on final hearing, restraining and enjoining the defendant from issuing election notices for the election of the United States Representatives from the present congressional districts or performing any other acts requisite to the holding of elections from said districts until reapportioned on the basis of the last decennial Federal census.

5. That the court order and direct defendant to declare and conduct the 1962 congressional elections, primary and general, on an at-large basis, and to take all steps necessary and appropriate thereto, and to continue such method of election until such time as the legislature has effected the reapportionment of the congressional districts on the basis of the last decennial census and in such manner as will insure equal representation for all citizens.

6. And that the court grant such other and further relief as may be just, equitable and proper.

Donald A. Calkins,
DONALD A. CALKINS,
Karl J. Jacobs,
KARL J. JACOBS,
Dearborn, Mich.

Dated: June 28, 1962.

DONALD A. CALKINS,
Attorney for Plaintiffs, Dearborn, Mich.

AFFIDAVIT

Donald A. Calkins and Karl J. Jacobs, being first duly sworn, on oath say that they are the plaintiffs in the above-entitled cause and have personal knowledge of the facts hereinbefore set forth; that they have read and signed the foregoing complaint and that the contents thereof are true of their own knowledge, except as to those matters stated to be on information and belief, and as to such matters they believe them to be true.

DONALD A. CALKINS.
KARL J. JACOBS.

Sworn and subscribed to be before me, this 28th day of June 1962, A.D.

HAROLD B. GOODALL,
Notary Public, Wayne County, Mich.
My commission expires September 5, 1964.

MOTION FOR PRELIMINARY INJUNCTION

Come now plaintiffs, Donald A. Calkins and Karl J. Jacobs, and move the court for a preliminary injunction in the above-entitled cause enjoining the defendant, James M. Hare, his agents, servants, employees, and attorneys, from issuing election notices for the election of U.S. Representatives from the present congressional districts, approving or preparing ballots for such election, or performing any other acts requisite to the holding of primary or general elections from said districts until reapportioned on the basis of the last decennial Federal census and in such manner as to provide districts as nearly equal in population as is practicable and ordering an election on an at-large basis until such reapportionment has been consummated.

The grounds in support of this motion are as follows:

1. That the present congressional districts are extremely disproportionate in the number of qualified electors resident in said districts.

2. That the Legislature of the State of Michigan has failed to reapportion the State on the basis of the decennial Federal census of 1960 and that this omission has compounded the disparate division existing under the apportionment of Act 64, P.A. 1951.

3. That the plaintiffs are residents and qualified voters in the 16th Congressional District, the population of which is better than double the population of nine of the other congressional districts and better than four times the population of the 12th Congressional District.

4. That the failure of the Legislature of the State of Michigan to reapportion the congressional districts on the basis of the 1960 decennial Federal census and correct the inequities under the apportionment of Act 64, P.A. 1951 has placed the plaintiffs and all other similarly situated in a position of constitutional inequality vis-a-vis voters in the districts with small populations and thereby denies the plaintiffs and all others similarly situated the equal protection of the laws guaranteed by the 14th amendment to the Constitution of the United States.

Unless restrained the defendant will immediately proceed to conduct the elections of U.S. Representatives from the present congressional districts.

Immediate and irreparable injury, loss and damage will result to the plaintiffs by reason of the threatened action of the defendant, as more particularly appears in the verified complaint filed herein. The plaintiffs have no adequate remedy at law.

If this preliminary injunction be granted, the injury, if any, to the defendant herein, if final judgment be in his favor, will be inconsiderable and will be adequately indemnified by bond.

DONALD A. CALKINS,
Attorney for plaintiffs.

Dated: June 28, 1962.

AFFIDAVIT IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION

Donald A. Calkins, being first duly sworn, on oath says that he is one of the plaintiffs in the above entitled cause and is acting as the attorney for the plaintiffs and that he has personal knowledge of the facts set forth in the attached Motion for Preliminary Injunction; that he has read and signed said Motion and that the contents thereof are true of his own knowledge, except as to those matters stated to be on information and belief, and as to such matters he believes them to be true.

DONALD A. CALKINS,
Attorney for plaintiffs.

Sworn and subscribed to before me this 28th day of June 1962.

HAROLD B. GOODELL,
Notary Public, Wayne County, Mich.

My commission expires September 5, 1964.

I, John J. Ginther, clerk of the U.S. District Court for the Eastern District of Michigan, do hereby certify that the annexed and foregoing is a true and full copy of the original complaint; "Motion for preliminary injunction; in the matter of *Donald A. Calkins* and *Karl J. Jacobs* v. *James M. Hare,* Civil Case No. 22720" now remaining among the records of the said court in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid court at Detroit, Mich., this 6th day of July A.D. 1962.

JOHN J. GINTHER,
Clerk.
By HELEN CORBIN,
Deputy Clerk.

ANSWER IN OPPOSITION TO MOTION FOR PRELIMINARY INJUNCTION

Now comes James M. Hare, secretary of state for the State of Michigan, defendant in the above entitled cause, by Frank J. Kelley, attorney general, and Eugene Krasicky, solicitor general for the State of Michigan, and files this answer in opposition to the motion for preliminary injunction to restrain said defendant from issuing election notices for the election of U.S. Representatives from the present congressional districts, approving or preparing ballots for such election, or performing any other acts requisite to the holding of primary or general elections from said districts until reapportioned on the basis of the last decennial Federal census and in such manner as to provide districts as nearly equal in population as practicable, and ordering an election on an at-large basis until such reapportionment has been consummated.

Act 116, PA 1954, as amended, being CLS 1956 § 168.1, et seq.; MSA 1956 Rev. Vol. § 6.1001, et seq., is known as the Michigan election law.

Notice of the primary election to nominate candidates for the office of congressman must be given by the secretary of state not more than 90 days (May 7, 1962) and not less than 60 days (June 7, 1962) prior to the August primary (August 7, 1962). Notice of the primary election for office of congressman has, of course, already been given as required by sections 538 and 653 of the Michigan election law.

Petitions for nomination as candidate for the office of congressman were due on the 7th Tuesday (June 19, 1962) preceding the August primary (August 7, 1962) under section 113 of the Michigan election law. The last day for filing has expired.

Ballots are required to be printed and to be filed in the office of the county clerk at least 10 days from the date of the primary election. Proof copies are required to be served upon the secretary of state. See section 565 of the Michigan election law. The secretary of state is in receipt of proof copies from almost one-half of the Michigan counties, in that absent voters' ballots are sought to be made available by July 15, 1962. The law authorizes electors who expect to be absent from the polls on election day to secure absentee ballots at any time during the 75 days preceding the election until 2 o'clock in the afternoon on the Saturday preceding the date of the election. Section 759 of the Michigan election law.

Defendant Hare admits that the present congressional districts, based upon the 1960 census, are disproportionate in the number of persons living in said congressional districts. The 1962 Michigan Legislature has failed to reapportion the State on the basis of the 1960 Federal decennial census so that the 19th congressional seat was to be filled by an election at large.

Defendant has no knowledge as to the plaintiffs being residents and qualified electors in the 16th Congressional District although he admits that the population of the 16th Congressional District is much greater than any other congressional district in the State of Michigan.

Act 20, PA 1931, as amended by Act 64, PA 1961, cannot stand the test of the equal protection clause of the 14th amendment. By law the legislature can correct the malapportionment of Michigan congressional districts, and inasmuch as the Michigan Legislature is still in session as of this date, this court should consider directing the Michigan Legislature to reapportion the Michigan congressional districts so that, as nearly as may be, each district is equal in population.

Traditionally, Michigan has had a September primary prior to the codification of the Michigan election laws in 1954. The State primary election was held in September in each even-numbered year. See Act 51, PA 1925, as amended, and particularly section 6 of chapter 2 of part III thereof, being CL 1948 § 156.1.

The legislature, if it were to reapportion the Michigan congressional districts in accordance with law and under the test of the equal protection clause of the 14th amendment to the U.S. Constitution, could likewise provide for a special primary in September of 1962 to nominate candidates for the office of Congressman.

Therefore, there is no need for a temporary injunction at this time in that this court should afford a reasonable but definite time for the legislature to reapportion the congressional districts and to enact appropriate changes in the Michigan election law to provide for a September primary election for the nomination to the office of Congressman, and pending this action by the Michigan Legislature, this court should reserve jurisdiction in this matter.

FRANK J. KELLEY,
Attorney General.
By EUGENE KRASICKY,
Solicitor General.

Dated: July 9, 1962.

NOTICE OF HEARING ON MOTION TO INTERVENE AS A DEFENDANT

To: Donald A. Calkins, Esq., 1226 South Monroe Boulevard, Dearborn, Mich., and Hon. Frank Kelley, attorney general, State capitol, Lansing, Mich.

Please take notice that the attached motion to intervene as a defendant in the above-entitled action will be brought on for hearing before the judges of the U.S. District Court for the Eastern District of Michigan, Southern Division, in their courtroom in the Federal building in the city of Port Huron, Mich., on Tuesday, July 10, 1962, at 10 o'clock a.m., or as soon thereafter as counsel may be heard.

RICHARD C. VAN DUSEN,
One of the Attorneys for Applicant for Intervention.

MOTION TO INTERVENE AS A DEFENDANT

Alvin M. Bentley moves to intervene as a defendant in this action, pursuant to rule 24, Federal Rules of Civil Procedure, in order to oppose plaintiffs' "Motion for preliminary injunction" and to otherwise defend this action, on the grounds that the representation of his interest by existing parties is or may be inadequate and that he will or may be bound by a judgment in this action, as appears from applicant's affidavit attached hereto. Also attached hereto are applicant's proposed "Answer to the complaint" and "Answer to the motion for preliminary injunction" filed herein.

RICHARD C. VAN DUSEN,
PHILIP WEISS,
NORMAN L. DES JARDINS,
Attorneys for Applicant.
DICKINSON, WRIGHT, MCKEAN & CUDLIP,
Of Counsel for Applicant

AFFIDAVIT OF ALVIN M. BENTLEY

Alvin M. Bentley, being duly sworn, deposed and says:

1. Deponent is a resident and registered elector of the city of Owosso situated in Shiawassee County in the Eighth Congressional District of Michigan.

2. Said Eighth Congressional District of Michigan as established by Act 64, P.A. 1951, pursuant to title 2 U.S.C.A., section 2a consists of the counties of Gratiot, Saginaw, Clinton, Shiawassee, Ionia, and Montcalm. According to the 1960 decennial census the population of said Eighth Congressional District varied less than 10 percent from one-eighteenth of the total population of the State of Michigan.

3. In accordance with the statutes cited above and the provisions of the Michigan election law (Act 116, P.A. 1954), there will be elected in 1962 from said Eighth Congressional District one Representative in the Congress of the United States. At the same time, pursuant to the same statutes, there will also be elected from 17 additional congressional districts in Michigan 17 additional Representatives in the Congress of the United States.

4. In November 1962, pursuant to the statutes above cited, there will also be elected from the State of Michigan at large a 19th Representative in Congress.

5. In June 1962, as a result of considerable time and effort on the part of himself and his supporters, deponent filed with the defendant, James M. Hare, secretary of state, petitions qualifying deponent as a candidate for nomination by the Republican Party for the office of Representative in Congress from the State of Michigan at large.

6. Deponent is informed and believes that only one person similarly qualified as a candidate for nomination by the Democratic Party for the office of Representative in Congress from the State of Michigan at large.

7. Pursuant to the statutes cited above, deponent and the candidate of the Democratic Party described above will be the only candidates whose names will be printed on the ballots of their respective parties for nomination as Representatives in Congress at large at the primary election to be held August 7, 1962, and, barring unforeseen events, they will be the only candidates of their respective parties for the office of Representative in Congress at large in the general election to be held November 6, 1962.

8. If the relief sought by plaintiffs in the above entitled action, to wit: "That the court order and direct defendant to declare and conduct the 1962 congressional elections, primary and general, on a at-large basis * * *" were granted, deponent and other citizens and electors of said Eighth Congressional District of Michigan would be deprived of the right to vote for and be represented by a single representative in Congress elected from said district alone.

9. If said relief sought by plaintiffs were granted, deponent, who is now the only can-

didate for the nomination of his party for Representative in Congress at large from the State of Michigan, would be significantly affected and the character of the election in which he has qualified to participate would be materially altered.

10. Neither the plaintiffs nor the defendants named above have interests similar to deponent and neither can nor will adequately represent the interests of deponent in this proceeding.

ALVIN M. BENTLEY.

ANSWER TO MOTION FOR PRELIMINARY INJUNCTION

Alvin M. Bentley, intervenor herein, answering plaintiffs' motion for preliminary injunction, respectfully requests that the same be denied for the following reasons:

1. The motion is not timely. The election process plaintiffs seek to enjoin and materially alter is well underway. Numerous candidates, including intervenor, have filed nominating petitions and the last date for filing same has passed. At least two of the acts sought to be enjoined, the issuing of election notices and the preparation of ballots, have already been performed by the defendant secretary of state. To interrupt, terminate and recommence said election process on a different basis, as a result of a motion for preliminary injunction, would cause great confusion and irreparable harm.

2. If the preliminary relief sought by plaintiffs were granted, all Michigan citizens including intervenor would be deprived of the right to elect Representatives in Congress by districts in 1962. The right to elect by districts is as important an attribute of representative government and effective representation as the population criterion urged by plaintiffs.

3. It would be inequitable to candidates who have sought election either by district or at large to change the basic character of the entire congressional election process in medias res.

4. This court has no jurisdiction over the subject matter presented in the complaint and the complaint does not present a justiciable controversy. If new congressional districts are to be drawn, it should be done by a new State law providing for such redistricting or as the result of enactment of a new Federal law making provision therefor.

RICHARD C. VAN DUSEN,
PHILIP WEIS,
NORMAN L. DES JARDINS,
Attorneys for Intervenor.
DICKINSON, WRIGHT, MCKEAN,
& CUDLIP,
Of Counsel for Intervenor.

ANSWER TO COMPLAINT

For his answer to plaintiffs' complaint intervenor says:

1. Intervenor denies that this court has jurisdiction over the subject matter presented by plaintiffs' complaint.

2. Intervenor denies that plaintiffs' complaint presents a controversy cognizable by this court.

3. The allegations of paragraph 3 are admitted.

4. Intervenor admits that the persons interested in this action are so numerous as to make it impracticable to bring them before the court, but intervenor denies that plaintiffs will fairly and adequately represent the interests of all who will or may be affected by this action.

5. The allegations of paragraph 5 are admitted.

6. Intervenor admits that Act 64, P.A. 1951, divided the State of Michigan into eighteen congressional districts. Intervenor denies that title 2, United States Code, section 3, makes any requirement with respect to said districts for the reason that said section expired by its own limitation upon the enactment of the Reapportionment Act of June 18, 1929, c. 28, 46 Stat. 21, title 2, United States Code 2a. See U.S.C.A., section 3, 1961 Cum. Annual Pocket Part.

7. Intervenor denies that the Legislature of the State of Michigan has failed to reapportion the State on the basis of the decennial Federal census of 1960 and avers that the legislature has done so but that the Governor of Michigan has vetoed each bill presented to him.

8. On information and belief intervenor admits the population figures set forth in paragraph 8. The remaining allegations thereof are denied.

9. On information and belief intervenor admits the allegations of paragraph 9.

10. Intervenor admits that no bill creating a 19th Congressional District has become law in Michigan and that the nineteenth seat will be filled by election at large pursuant to the provisions of title 2, United States Code, section 2a.

11. Intervenor denies the allegations of paragraphs 11 through 14, both inclusive, of plaintiffs' complaint.

Wherefore, intervenor respectfully requests that plaintiffs' complaint be dismissed.

RICHARD C. VAN DUSEN,
PHILIP WEISS,
NORMAN L. DES JARDINS,
Attorneys for Intervenor.
DICKINSON, WRIGHT, MCKEAN & CUDLIP,
Of Counsel for Intervenor.

Filings–proceedings

June 29, 1962: Complaint filed—summons issued.

June 29, 1962: Motion of plaintiff for preliminary injunction—filed.

July 2, 1962: Order of reassignment filed and entered. Thornton J. Smith, Jr.

July 5, 1962: Order of designation for Judges O'Sullivan, Smith, Roth—filed and entered. Miller, CJ.

July 5, 1962: Notice of hearing on motion for preliminary injunction filed.

July 10, 1962: Answer in opposition to motion for preliminary injunction filed.

July 10, 1962: Motion of Alvin M. Bentley to intervene as defendant filed—hearing July 10, 1962.

July 10, 1962: Motion to intervene heard and granted. Motion for preliminary injunction heard and denied. O'Sullivan, C.J., Smith, J., Roth, J.

In the State of Georgia a suit was commenced in the northern district of Georgia by James P. Wesberry, Jr., and Candler Crim, Jr., against S. Ernest Vandiver, as Governor of the State of Georgia, and Ben W. Fortson, Jr., as secretary of the State of Georgia.

A decision was rendered in that court by a three-judge court, Justices Tuttle and Bell, circuit judges; and Morgan, district judge. A rather well-considered opinion, it seems to me, was filed in that case, in which relief was denied, in the last 30 days.

Under unanimous consent heretofore granted, I include the text of that opinion at this point in my remarks:

UNITED STATES OF AMERICA, NORTHERN DISTRICT OF GEORGIA

I, C. B. Meadows, clerk of the U.S. District Court for the Northern District of Georgia, do hereby certify that the annexed and foregoing is true and full copy of the original order of dismissal in the case of *Wesberry, et al. v. Vandiver, et al.*, Civil Action No. 7889, now remaining among the records of the said court in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid court at Atlanta, Ga., this 6th day of July A.D. 1962.

C. B. MEADOWS,
Clerk.
[SEAL] By SAMMY GODSEY,
Deputy Clerk.

IN THE U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA, ATLANTA DIVISION—CIVIL ACTION NO. 7889

James P. Wesberry, Jr., and *Candler Crim, Jr.*, plaintiffs v. *S. Ernest Vandiver*, as Governor of the State of Georgia and *Ben W. Fortson, Jr.*, as secretary of the State of Georgia, defendants; before Tuttle and Bell, circuit judges; and Morgan, district judge.)

Circuit Judge Bell:

This is the third in a series of suits filed in this court immediately following the decision of the Supreme Court in *Baker* v. *Carr*, 1962, 369 U.S. 186, 82 S. Ct. 691, 7 L. Ed. 663. In *Sanders* v. *Gray*, N.D. Ga., 1962, 203 F. Supp. 158,[1] we struck down the Georgia county unit system of primary elections in the form in which it then existed because of resulting invidious discrimination to the plaintiffs who were residents of Fulton County. Then in *Toombs* v. *Fortson*, Civil Action No. 7883, N.D. Ga., 1962, F. Supp., again on the basis of resulting invidious discrimination, we found the general assembly of Georgia to be malapportioned and required apportionment of at least one body of the assembly according to population. In that case, and for the same reason, we struck down the statute requiring the election of senators on a rotation basis among the counties in each senatorial district. We withheld injunctive and other relief pending action on the part of the responsible State officials, executive and legislative, before the 1963 session of the general assembly appropriate to ending the proscribed discrimination. Our action in each of these cases was premised on the denial to plaintiffs of equal protection of the laws under the 14th amendment to the Constitution.

Plaintiffs here are residents and qualified voters of Fulton County, Ga., and as such are entitled to vote in the primary and general elections for Members of the House of Representatives of the Congress of the United States from the Fifth Congressional District of Georgia. They likewise premise their cause on the 14th amendment, seeking the invalidation of the Georgia statute which sets up the districts for the election of the 10 Members of the House from Georgia and which provides the method of election. Georgia Code, section 34-2301. They contend also that this statute is void as being contrary to article I, section 2 of the Constitution of the United States which provides that Members of the House of Representatives shall be elected by the people.[2]

Jurisdiction and three-judge status are based on title 28, United States Code Annotated, sections 1343, 2201-2202, 2281, 2284, and 43 United States Code Annotated, sections 1983 and 1988. Injunctive relief is sought against the defendants, the Governor, and secretary of state of Georgia, to the end that no elections may be held except on a State-at-large basis pending redistricting on "an equitable and representative" basis.

Georgia was awarded two Members in the House of Representatives of the Congress under the act of April 14, 1792, which apportioned Representatives among the several States. 1 Stat. 253 (1792). The number of

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[1] Now pending on appeal in the Supreme Court.

[2] "The House of Representatives shall be composed of Members chosen every second Year by the People of the several States."

Representatives allocated to Georgia increased gradually, based on population, from two to nine under the census of 1830. 2 Stat. 669 (1811); 3 Stat. 651 (1822); 4 Stat. 516 (1832). And elections in some States were on a district basis but in Georgia and in some of the other States they were on a State-at-large basis for nearly 50 years. Congress, in 1842, provided that Representatives, where a State was entitled to more than one Representative, should be elected from districts composed of contiguous territory, equal in number to the number of Representatives to which a State might be entitled with no one district electing more than one Representative. 5 Stat. 491 (1842). Georgia set up the district system in 1843 based on the 1840 census and has adhered to it at all times since then, including the election of Members to the Congress of the Confederate States of America during the period of secession. Georgia Code, 1861, page 12.

Districts were not required by the Apportionment Act of 1852, 9 Stat. 433 (1852), but were again required in 1862. 12 Stat. 572 (1862). In 1872 another element was added to the system. Not only must each district be of contiguous territory but also of an equal number of inhabitants as nearly as practicable. 17 Stat. 28 (1872).

Under this act Georgia was allocated nine representatives. Congress continued this system in 1882 and 1891 and the number of representatives from Georgia was increased to 10 in 1882 and 11 under the 1891 act. 22 Stat. 5 (1882); 26 Stat. 735 (1891). In 1901 Congress added the requirement that the districts be compact, 31 Stat. 733 (1901), and the 1911 Apportionment Act provided that: "Representatives to the 63d and each subsequent Congress shall be elected by districts composed of a contiguous and compact territory and containing as nearly as practicable an equal number of inhabitants." 37 Stat. 13, 14 (1911).

There was no reapportionment after the census of 1920 and from 1910 to 1930 Georgia had 12 seats in the House. The Reapportionment Act of 1929, 46 Stat. 13, 26 (1929), provided that the House be reapportioned after each decennial census but failed to reenact the requirements of compactness, contiguity, and equality of population in each district. 46 Stat. 13 (1929), title 2, United States Code Annotated, section 2.

Under that act Georgia lost two seats in the House and the statute here under attack followed in 1931. Ga. Laws, 1931, p. 46; Code Section 34–2301 et seq. The general assembly divided the State into 10 congressional districts on the basis of allocating the several counties to the respective districts, and there have been no changes in the allocations to date.

The facts are not in dispute and are ample for final decision on the merits. The following table shows the population of each congressional district in 1930 as compared with 1960:

District	Population, 1930	Population, 1960
1st	328, 214	379, 933
2d	263, 606	301, 123
3d	339, 870	422, 198
4th	261, 234	323, 489
5th	396, 112	823, 680
6th	281, 437	330, 235
7th	271, 060	450, 470
8th	241, 847	291, 185
9th	218, 496	272, 154
10th	289, 267	348, 379

The burden of the complaint is the disproportionate population of the Fifth Congressional District as compared with the other districts. It is comprised of Fulton, De Kalb, and Rockdale Counties. The growth of Fulton and De Kalb Counties has been spectacular in recent years with the population of De Kalb increasing from 70,278 in 1930 to 256,782 in 1960, and that of Fulton from 318,587 to 556,326. It is to be noted that the population of each of the 10 congressional districts has increased from a low of slightly under 15 percent in the Second District to just over 108 percent in the Fifth District.

It is the position of plaintiffs that the population of each district should be within a range of 10 to 15 percent of the average district population based on a division of the number of districts into the total population of the State.[3] The population of Georgia according to the 1960 census was 3,942,936. For our purposes,[4] we will take 394,000 under the theory of plaintiffs as an average and examine the facts using the suggested variance of 15 percent. Under this theory no district should have a population of more than 453,000 nor less than 335,000. Applying the same theory to the districts as constituted in 1931 when the population of Georgia under the 1930 census was 2,908,506, an approximate average per district of 291,000, no district should have had a population of more than 335,000 nor less than 247,000.

The aforesaid table demonstrates that only the Fifth and Ninth Districts substantially varied from the 15 percent standard suggested by plaintiffs on the 1930 basis. The Second, Eighth, and Ninth Districts fell substantially more than 15 percent short of the average according to the 1960 census while the fifth dramatically exceeded the variance.

We hasten to add that we neither expressly nor impliedly adopt any mathematical standard. We know of no basis for an exact standard. Cf. *Sanders* v. *Gray*, *supra*, where sufficient basis existed. We use plaintiffs' suggested standard here in amplification of their contentions.

It is clear by any standard, however, that the population of the fifth district is grossly out of balance with that of the other nine districts of Georgia and, in fact, so much so that the removal of De Kalb and Rockdale Counties from the district, leaving only Fulton with a population of 556,326, would leave it exceeding the average by slightly more than 40 percent. It is apparent that giving effect to any reasonable population-based standard will require the division of Fulton County into more than one district, something not heretofore done in Georgia. The population of Fulton County alone exceeds that of the nearest district in size—the seventh—by over 23 percent. A chain reaction affecting the makeup of every congressional district in the State may be set off. We say this to demonstrate the legislative nature of the problem where a broad statewide approach will be needed. We also point out that such a formula as suggested by plaintiffs, requiring as it would the division of Fulton County, may or may not be agreeable to the majority of the voters of Fulton County, assuming that they are entitled to a voice in the matter, and this again points up the desirability of solution if at all possible in the legislative forum. Of course, a division of Fulton County has not been suggested, only the formula.

The problem here is not peculiar to Georgia. For example, Florida has recently substantially changed its congressional districts by reason of the addition of 4 new Congressmen, making a total of 12. The districts there now range in population from a low of 241,250 to a high of 660,345 as compared to the Florida average of 412,630, a variance greatly exceeding the suggested standard. Dade County with a population of 935,047 is divided among two districts, one consisting of a part of Dade County only, and the other consisting of an adjoining county and the balance of Dade County. Duval, Hillsborough, and Pinellas Counties each constitutes a district under the new plan with populations respectively of 455,411, 397,788, and 374,665, a sharp example of the variance of population per district if counties are to continue as a basis for districts except where the population of a county is so large as to require division.

There are 435 congressional districts in the United States. Twenty-two Congressmen will be elected State at large in 1962. Of the remaining 413, the Fifth District of Texas has the largest population, 951,527. The Fifth District of Georgia, here under discussion is next. There are 22 districts with populations exceeding 600,000. Eighty districts have populations more than 15 percent above the State average, while 90 have populations of more than 15 percent below the State district average. Using 10 percent as a variance, or tolerance, 108 districts are above and 125 are below the average, a total of 233 or more than one-half of all congressional districts. These figures in no way reflect on the problem of deprivation of rights of the type here asserted through use of the gerrymander, a problem with which we are not concerned here but one that could well be within the rationale of any decision reached.

The following table shows the considerable difference in population in the named States between the districts having the highest and lowest number of inhabitants. Even a cursory examination of it indicates that in virtually no State do the districts contain "as nearly as practicable an equal number of inhabitants" as was formerly required by the Congress.

The table is based on only 413 out of the total of 435 congressional districts. Only 42 States are listed. The 22 of the seats to be filled by elections at large are: Alabama, 8; Alaska, 1; Connecticut, 1; Delaware, 1; Hawaii, 2; Maryland, 1; Michigan, 1; Nevada, 1; New Mexico, 2; Ohio, 1; Texas, 1; Vermont, 1; and Wyoming, 1. The districts shown are as constituted January 1, 1963 while the populations are according to the 1960 census.

State	Average population per district	High	Low
Arizona	434, 053	663, 510	198, 236
Arkansas	446, 568	575, 385	332, 844
California	414, 009	591, 822	301, 172
Colorado	438, 486	653, 954	195, 551
Connecticut	507, 046	653, 589	318, 942
Florida	412, 629	660, 345	237, 235
Georgia	394, 311	823, 680	272, 154
Idaho	333, 595	409, 949	257, 242
Illinois	420, 100	557, 221	277, 169
Indiana	423, 863	697, 567	290, 596
Iowa	393, 933	403, 442	353, 156
Kansas	435, 722	539, 592	373, 583
Kentucky	434, 022	610, 947	350, 839
Louisiana	407, 127	536, 029	263, 850
Maine	484, 632	505, 465	484, 632
Maryland	442, 955	711, 045	243, 570
Massachusetts	429, 048	478, 962	376, 336
Michigan	434, 621	802, 994	177, 431
Minnesota	426, 733	482, 872	375, 475
Mississippi	435, 628	608, 441	295, 072
Missouri	431, 881	505, 854	381, 602
Montana	337, 383	400, 573	274, 194
Nebraska	470, 443	530, 507	404, 695
New Hampshire	303, 460	331, 818	275, 103
New Jersey	404, 452	585, 586	255, 165
New York	409, 324	469, 908	348, 940
North Carolina	414, 195	491, 461	277, 861
North Dakota	316, 223	333, 290	299, 156
Ohio	422, 017	726, 156	236, 288
Oklahoma	388, 047	552, 863	227, 692
Oregon	442, 171	522, 813	265, 164
Pennsylvania	419, 235	553, 154	303, 026
Rhode Island	429, 744	459, 706	399, 782
South Carolina	397, 099	531, 555	272, 220
South Dakota	340, 257	497, 669	182, 845
Tennessee	396, 343	627, 019	223, 387
Texas	435, 439	951, 527	216, 371
Utah	445, 313	572, 654	317, 973
Virginia	396, 694	539, 618	312, 890
Washington	407, 602	510, 512	342, 540
West Virginia	372, 084	422, 046	303, 098
Wisconsin	395, 177	530, 316	236, 870

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[3] An adoption of the view of the American Political Science Association.

[4] To the nearest 1,000.

It is readily apparent from these undisputed facts that plaintiffs, not unlike many millions of other citizens throughout the Republic, are being deprived of equal treatment arising from the excess in population of their congressional district as compared with that of other districts in Georgia. Such unequal or discriminatory treatment to be actionable, if judicially cognizable, a matter to be hereinafter discussed, must reach the point of invidiousness. *Baker* v. *Carr, supra; Sanders* v. *Gray, supra;* and *Toombs* v. *Fortson, supra.*

Our jurisdiction of a matter such as this can no longer be doubted, and it is settled that plaintiffs asserting rights of the type here involved have standing to sue. *Baker* v. *Carr; Wood* v. *Broom,* 1932, 287 U.S. 1, 72 S. Ct. 648, 77 L. Ed. 131; *Colegrove* v. *Green,* 1946, 328 U.S. 549, 66 S. Ct. 1198, 90 L. Ed. 1432; *Scholle* v. *Hare,* 1962, 8. L. Ed. 2d 1; and *W.M.C.A., Inc.* v. *Simon,* 1962, 30 L.W. 3383. We hold too that the issue presented is justiciable but that question requires some elaboration.

And if the issue were one solely of State action under the 14th amendment, separate and apart from rights and duties devolving on the Congress under the Constitution and from congressional action or inaction, our problem would be greatly simplified. We would apply the test for invidious discrimination by considering all relevant factors, including a determination of rationality of State policy behind the statutory system, arbitrariness, whether the system has a historical basis in our political institutions, together with the presence or absence of political remedy. *Baker* v. *Carr; Sanders* v. *Gray;* and *Toombs* v. *Fortson.* The test is to be made on the sum of all of these factors and the asserted violation must be clear for we are dealing with the constitutionally based relationship between Federal and State Governments. *American Federation of Labor* v. *Watson,* 1946, 327 U.S. 582, 66 S. Ct. 761, 90 L. Ed. 873; *McGowan* v. *Maryland,* 1961, 366 U.S. 420, 81 S. Ct. 1101, 66 L. Ed. 2d 393.

If the State action—here the statute setting up congressional districts—offends fundamental political concepts inherent in a republican form of government, giving due regard to each factor and the rights of the plaintiffs and all others in their class as compared to those similarly situated in other congressional districts of Georgia, the statute must be stricken because of being discriminatory to the degree of invidiousness.

In our view the statute here when enacted reflected a rational State policy to set up the congressional districts in Georgia with some reasonable relation to population. On the other hand it now reflects a system which has become arbitrary through inaction when considered in the light of the present population of the Fifth District and as measured by any conceivable reasonable standard. The statute does have a historical basis in that it is of the type used in the remaining States of the Union with but few exceptions for more than 100 years, and of a type that was required by the Congress from 1872 through 1929. As to political remedy, we only recently required by our decision in *Toombs* v. *Fortson* that the General Assembly of Georgia be fairly apportioned. It may well be that the arbitrariness which we find to be present as the statute relates to the Fifth District and to the rights of plaintiffs will be corrected by the reapportioned assembly.

Our view is buttressed by a due regard for the admonition in *Baker* v. *Carr* that a judicially manageable standard be adopted. This dictates that a reasonable time be afforded for the normal State governmental processes, where there is a substantial chance of relief as we believe there is, to run their course.

So tested, from the standpoint of 14th amendment rights or the right to choose Representatives under article I section 2 of the Constitution, we do not now find proscribed invidiousness. We would deny relief at this time but retain jurisdiction to again consider the contentions of plaintiffs, if necessary, after the expiration of a reasonable time for relief by way of political remedy.

But we cannot rest our decision at or on this point because the problem goes deeper. We are not dealing simply with State action under the 14th amendment or in violation of article I, section 2 of the Constitution for the State action complained of is inextricably subject to the rights allocated to Congress under the Constitution. And defendants are entitled to their due—a final decision.

As was said for the majority in *Colegrove* v. *Green, supra,* where similar relief was sought in a suit alleging malapportioned congressional districts:

"The petitioners urge with great zeal that the conditions of which they complain are grave evils and offend public morality. The Constitution of the United States gives ample power to provide against these evils. But due regard for the Constitution as a viable system precludes judicial correction. Authority for dealing with such problems resides elsewhere. Article I, section 4 of the Constitution provides that 'The Time, Places and Manner of holding Elections for * * * Representatives, shall be prescribed in each state by the Legislature thereof; but the Congress may at anytime by Law make or alter such Regulation. * * *' The short of it is that the Constitution has conferred upon Congress exclusive authority to secure fair representation by the States in the popular House and left to that House determination whether States have fulfilled their responsibility. If Congress failed in exercising its powers, whereby standards of fairness are offended, the remedy ultimately lies with the people. Whether Congress faithfully discharges its duty or not, the subject has been committed to the exclusive control of Congress. An aspect of government from which the judiciary, in view of what is involved, has been excluded by the clear intention of the Constitution cannot be entered by the federal courts because Congress may have been in default in exacting from States obedience to its mandate." [5]

Article I, section 5 of the Constitution makes each House the sole judge of the qualifications of its own Members.

Only seven members of the Court participated in this decision, two concurring in the opinion by Justice Frankfurter and Justice Rutledge concurring in the result to make the majority. His concurrence was based on the view that the complaint should be dismissed for want of equity and we perceive this to be the holding of the majority. He recognized that the Court had jurisdiction and that a justiciable issue was presented, citing *Smiley* v. *Holm,* 1932, 285 U.S. 355, 52 S. Ct. 397, 76 L. Ed. 795. He pointed out that four of the nine justices in *Wood* v. *Broom* supra, where the majority dismissed a similar suit on the ground that there was no congressional requirement after the 1929 Apportionment Act of compactness, contiguity or equality in the number of inhabitants for congressional districts, were of the opinion that dismissal should have been for want of equity. His basis for the want of equity holding was that the Court would be pitched into delicate relation to the functions of State officials and the Congress compelling them to take action which they have declined to take voluntarily, and because the short time remaining before the election made effective relief doubtful. He thought a State-at-large election would deprive Illinois citizens of representation by districts "which the prevailing policy of Congress demands;" citing 46 Stat. 26, ch. 28, as amended, title 2, United States Code Annotated, section 2a. He concluded:

"If the constitutional provisions on which appellants rely give them the substantive rights they urge, other provisions qualify those rights in important ways by vesting large measures of control in the political subdivisions of the Government and the State. There is not, and could not be except abstractly, a right of absolute equality in voting. At best there could be only a rough approximation. And there is obviously considerable latitude for the bodies vested with those powers to exercise their judgment concerning how best to attain this, in full consistency with the Constitution.

"The right here is not absolute. And the cure sought may be worse than the disease."

Justices Douglas and Murphy joined Justice Black in a dissent. It was their view that the case involved the federally protected right to vote, article I, section a, Constitution, 14th amendment, section 2, and it was implicit in their dissent that they considered this right to be absolute, equating it with a denial of the franchise on account of race, creed, or color. Cf. *Ex parte Yarbrough,* 1884, 110 U.S. 651, 4 S. Ct. 152, 28 L. Ed. 275; *Nixon* v. *Herdon,* 1927, 273 U.S. 536, 47 S. Ct. 446, 71 L. Ed. 759; *Lane* v. *Wilson,* 1939, 307 U.S. 268, 59 S. Ct. 872, 83 L. Ed. 1281; and *United States* v. *Classic,* 1941, 313 U.S. 299, 61 S. Ct. 1031, 85 L. Ed. 1368. They would have invalidated the State apportionment statute and afforded plaintiffs the right to vote in State-at-large elections.

They thought the State had violated a duty to bring about approximately equal representation of citizens in the Congress.

We have dwelt at some length on the Colegrove case because it is decisive here. It is in point and a controlling precedent if still in force. It has been cited as authority in cases involving only State action where perhaps it is no longer a controlling authority in view of *Baker* v. *Carr.* Cf. *South* v. *Peters,* 1950, 339 U.S. 276, 70 S. Ct. 641, 94 L. Ed. 834; *Kidd v. McCanless,* 1956, 352 U.S. 920, 77 S. Ct. 223, 1 L. Ed. 2d 1957; *Radford* v. *Gary,* 1957, 352 U.S. 991, 77 S. Ct. 559, 1 L. Ed. 2d 540. We make our determination of its efficacy by a consideration of the preservative treatment given it in *Gomillion* v. *Lightfoot,* 1960, 364 U.S. 339, 81 S. Ct. 125, 5 L. Ed. 110 and *Baker* v. *Carr.*

Gomillion involved a statute gerrymandering the city of Tuskegee, Ala., so as to deny the vote to colored citizens. Justice Frankfurter, author of Colegrove, wrote the decision for the eight Justices making the majority, Justice Douglas concurring in the result but adhering to his dissent in Colegrove, and *South* v. *Peters, supra.* In distinguishing Colegrove it was said that the dismissal of the complaint was affirmed "on the ground that it presented a subject not meet for adjudication." The Court stated that the decisive facts of Gomillion were wholly different from the considerations found controlling in Colegrove. The complaint in Colegrove was only as to the dilution of the strength of votes as a result of legislative inaction over a course of many years as compared with affirmative legislative action to deprive complainants of their votes in Gomillion.

"When a legislature thus singles out a readily isolated segment of a racial minority for special discriminatory treatment, it violates the 15th amendment. In no case involving unequal weight in voting distribution that has come before the Court did the decision sanction a differentiation on racial lines whereby approval was given to unequivocal withdrawal of the vote solely from colored citizens. Apart from all else, these considerations lift this controversy out of the so-called 'political' arena and into the conventional sphere of constitutional litigation." (Pp. 346–347.)

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[5] The Constitution enjoins upon Congress the duty of apportioning Representatives "among the several States * * * according to their respective numbers. Art. I, sec. 2. Congress has at times been heedless of this command and not apportioned according to the requirements of the census. It has never occurred to anyone that the court could mandamus the Congress to perform its mandatory duty to apportion. *Colegrove* v. *Green,* pp. 554–555.

* * * * *

"While in form this is merely an act redefining metes and bounds, if the allegations are established, the inescapable human effect of this essay in geometry and geography is to despoil colored citizens, and only colored citizens, of their theretofore enjoyed voting rights. That was not *Colegrove* v. *Green*." (P. 347.)

Thus Gomillion taught in 1960 that Colegrove was still a living precedent and we must determine if it was overruled or sapped of its strength by *Baker* v. *Carr*. That case, in one fell swoop, lifted State political action offending the 14th amendment from the ancient doctrine whereunder it was thought improper for courts to enter the "political thicket" so often involved in reapportionment and related problems.

We have carefully considered its import and have noted that the Court was at pains to distinguish Colegrove. The rationale of the decision goes no further than to open the doors of the courts for the purpose of adjudicating consistency of State action with the Federal Constitution where no question is concerned involving a coequal political branch of the Government. The treatment of Colegrove in Gomillion was reiterated. The Court stated that Colegrove appeared to be based on a refusal to exercise equity's powers.

The various concurring opinions in *Baker* v. *Carr* shed much light on the meaning of the majority opinion. Justice Douglas put aside the problem of "political" questions involving the distribution of power between the Court, Congress, and the Chief Executive, and noted that the power of Congress to prescribe qualifications for voters and thus override State law was not in issue. He stated that the Federal judiciary does not intervene where the Constitution assigns a particular function wholly and indivisibly to another department, and then in closing stated that the State legislative apportionment question before the Court was removed from the impediment of Colegrove and the cases following it by the treatment given those cases in the majority opinion, i.e., that they were based on a refusal to exercise equity's power. Justice Clark also distinguished Colegrove. Justice Frankfurter in dissenting stated that the appellants sought to distinguish Colegrove on the ground that congressional, not State legislative, apportionment was involved, and we believe that this is the course that the majority of the Court took. Justice Harlan described the holding in Colegrove as a declination by the Court to adjudicate a challenge to the apportionment of seats by a State in the Federal House of Representatives in absence of a controlling act of Congress, citing *Wood* v. *Broom*, *supra*.

It would be extraordinary indeed for the Court to have departed any more than was absolutely necessary from the previous standard of withholding judicial relief in matters of the kind involved in *Baker* v. *Carr*, and a good reason to preserve the Colegrove doctrine while at the same time reversing the body of law as it concerned State action alone was that fairly apportioned State legislatures might well alleviate congressional district disparity. But whatever the reason we think Colegrove stands and so long as it does it will be our guide.

We do not deem it to be a precedent for dismissal based on the nonjusticiability of a political question involving the Congress as here, but we do deem it to be strong authority for dismissal for want of equity when the following factors here involved are considered on balance: a political question involving a coordinate branch of the Federal Government; a political question posing a delicate problem difficult of solution without depriving others of the right to vote by district, unless we are to redistrict for the State; relief may be forthcoming from a properly apportioned State legislature; and relief may be afforded by the Congress.[6]

Being persuaded of a want of equity in the position of plaintiffs to the extent that no cognizable constitutional claim is presented under the facts and subsisting authorities, their cause must be and is dismissed.

This 20th day of June 1962.

GRIFFIN B. BELL,
U.S. Circuit Judge, Fifth Circuit.
LEWIS R. MORGAN,
U.S. District Judge, Northern District of Georgia.

Tuttle, circuit judge (concurring in part and dissenting in part):

I concur in that part of the Court's opinion that denies an injunction at this time. I also concur in the statement of the facts. Because, however, I disagree with the conclusion that the suit should be dismissed, and because my conclusion that the injunction should be denied is based on somewhat different reasoning than that of my colleagues, I consider it appropriate to state my separate views.

The basis on which I would hold that the Court should now decline to grant the relief sought by these plaintiffs is simple. In *Baker* v. *Carr* the Supreme Court stressed as one of the factors which it considered as warranting a Federal court's granting relief in a case of legislative malapportionment within a State the absence of any practical means by which the plaintiffs might hope to obtain relief at the hands of the State legislature. We also stressed this circumstance in the earlier cases decided by this Court. See *Sanders* v. *Gray*, N.D. Ga., 1962, 203 F. Supp. 158, and *Toombs* v. *Fortson*, N.D. Ga., 1962, — F. Supp —.

In view of the fact that this Court has now held that the Legislature of the State of Georgia must be apportioned in such a manner as to make it more responsive to population, it cannot be said now that there is no reasonable likelihood that the Georgia Legislature as properly constituted will fail in the future to rectify the gross inequalities that we find now exist in the Georgia congressional districts. I think, therefore, that it is a part of judicial statesmanship for this Court to refrain from stepping into this particular area until after the Legislature of the State of Georgia has had a fair opportunity to correct the present abuses.

The point of difference between my views and those of my colleagues is that I am not convinced that if the Georgia Legislature persists in the future in maintaining congressional districts as grossly disproportionate as they are today, the Federal courts would have no power to take cognizance of such a situation and declare the State apportionment laws unconstitutional.

The view of the majority appears to be that even though the State legislature takes no remedial action, the plaintiffs may not obtain the relief they seek at the hands of this Court. This, they say, results from the fact that the U.S. Congress has the power under article I, section 4, of the Constitution to require the State governments to eliminate the inequalities like that here complained of. The provisions of that section are:

"The times, places, and manner of holding elections for * * * Representatives, shall be prescribed in each State by the legislature thereafter; but the Congress may at any time by law make or alter such regulations."

The majority opinion reads the several opinions of the Justices of the Supreme Court in *Baker* v. *Carr* as perpetuating what my colleagues construe to be the rationale of *Colegrove* v. *Green*, 328 U.S. 549, that is that where Congress has the power to deal with a matter which the States may also regulate, Federal courts should not interfere with action taken by the State, even though in violation of the 14th amendment to the Constitution, because "due regard for the Constitution as a viable system precludes judicial correction" (328 U.S. 549, at 554).

It must be borne in mind that the opinion which contained the foregoing language was approved in whole by only three members of the Supreme Court out of the seven who participated in the decision. A fourth member of the Court, thus making a majority, concluded that the judgement of the lower court should be affirmed, but Justice Rutledge's views make it clear that he did not accept the theory or principle that it was beyond the competence of the Federal courts to grant the relief sought, but rather that he felt the plaintiffs had not demonstrated their right to equitable relief under the circumstances, including the fact that the upcoming election was so imminent as to make it "doubtful whether action could, or would, be taken in time to secure for petitioners the effective relief they seek."

I am of the firm conviction that the majority opinion of the Supreme Court in *Baker* v. *Carr* makes it clear that nothing said in any of the opinions in the *Colegrove* v. *Green* denies to the Federal courts the power to grant relief in a congressional district case if the complaint and proof establish a right to equitable relief from grossly disproportionate districting. On page 226 of its opinion in *Baker* v. *Carr*, the majority outlines what constitutes a nonjusticiable "political question." It does this by enumerating the type of question that the Court had theretofore held to be nonjusticiable "political questions."

"We have no question decided, or to be decided, by a political branch of government coequal with this court. Nor do we risk embarrassment of our Government abroad, or grave disturbance at home if we take issue with Tennessee as to the constitutionality of her action here challenged. Nor need the appellants, in order to succeed in this action, ask the Court to enter upon policy determinations for which judicially manageable standards are lacking."

As to the first of these questions referred to by the Court, which is the one which the majority here feels prevents judicial action by this Court, I consider it necessary to point out the following: Complete relief can be granted to the plaintiffs here without the slightest interference with prerogatives or powers of the Federal Congress. That body, under the reapportionment statutes referred to in the majority opinion, has directed the State of Georgia to divide the people of the State into congressional districts. Presumably Congress intended for the State to do so within constitutional standards. The fact that Congress did not expressly prescribe that congressional districts should be reasonably equal as to population does not, of course, prevent the State from districting according to equal population, nor, it seems to me, does it excuse the State from failing to do so if a failure to do so works an unconstitutional deprivation on the plaintiffs.

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[6] Representative CELLER, in a hearing before the Committee on the Judiciary, House of Representatives, recently stated that it was impracticable to draw congressional district lines in Washington. He stated that the economic and social interests of an area, its topography and geography, means of transportation, the desires of the inhabitants as well as their elected representatives, and the political factors should all be considered and that State legislatures are far better equipped to determine and evaluate these factors than either the Congress or any national agency it might designate to do so. Under the proposed legislation the establishment of districts would be subject to review by the Federal district courts. Hearing, June 24, 1959, before Subcommittee No. 2 of the Committee on the Judiciary, House of Representatives, 86th Cong., 1st sess., on House Resolutions 73, 575, 8266, and 8473.

I find nothing in either *Colegrove* v. *Green* or in the language of the Supreme Court in *Baker* v. *Carr* discussing Colegrove in conflict with the views expressed here: that where Congress has directed a State to "regulate" a matter which the Constitution itself says shall initially be dealt with by the State, the State may not then, immune from judicial interference, exercise such power in an unconstitutional manner merely because Congress also has power to "at any time by law make or alter such regulations."

It is, therefore, my opinion that this Court should deny the injunction at this time, but that it should retain jurisdiction of the cause in order to give the State legislature an opportunity to remedy what this Court has unanimously found to constitute a gross inequity. In default of such action by the State within a reasonable time, the Court should proceed to grant the relief prayed for.

This 20th day of June 1962.

ELBERT P. TUTTLE,
U.S. Circuit Judge, Fifth Circuit.

Mr. Speaker, this is a matter of considerable importance, partially because there is now pending in the Committee on the Judiciary of the House of Representatives a bill introduced by the chairman of that committee, the gentleman from New York [Mr. CELLER], H.R. 4068. At a recent meeting on Tuesday, July 10, 1962, a subcommittee of the House Judiciary Committee, the so-called antitrust subcommittee, reported that bill to the full committee.

I have here a committee print of the bill, which I incorporate at this point in my remarks:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 22 of the Act of June 18, 1929, entitled "An Act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives" (46 Stat. 26), as amended, is amended as follows:

(1) Subsection (c) is amended by striking out all of the language in that subsection and inserting in place thereof the following:

"(c) In each State entitled in the Ninety-third Congress or in any subsequent Congress to more than one Representative under an apportionment made pursuant to the provisions of subsection (a) of this section, there shall be established by law a number of districts equal to the number of Representatives to which such State is so entitled; and Representatives shall be elected only from districts so established, no district to elect more than one Representative. Each such district so established shall at all times be composed of contiguous territory, in as compact form as practicable; and, under apportionments made upon the basis of the nineteenth and subsequent decennial censuses, no district established in any State for the Ninety-third or any subsequent Congress shall contain a number of persons, excluding Indians not taxed more than 20 per centum greater or less than the average obtained by dividing the whole number of persons in such State, excluding Indians not taxed, as determined under the then most recent decennial census, by the number of Representatives to which such State is entitled under the apportionment made upon the basis of such census."

Mr. Speaker, I point out that the only change made in the committee print was that the remainder of the bill from line 21, page 2, was stricken from the bill. That section so stricken purported to give any citizen of the United States the right to go into a district court of the United States for the purpose of enforcing the provision regarding congressional districts and the criteria established by the first section of the bill.

Basically, the criteria were three: The congressional districts shall be compact, they shall be of contiguous territory, and no district shall contain a number of persons, excluding Indians not taxed, more than 20 percent greater or less than the average obtained by dividing the whole number of persons in such State, excluding Indians not taxed, as determined under the then most recent decennial census by the number of Representatives to which the State was entitled.

The bill was made prospective in effect to apply to the 93d Congress and subsequent Congresses. That was for the announced purpose of making the bill effective only after the 1970 census.

Let me just point out the significance of passing this bill at this time. First of all, if it is a good bill, why should it not take effect immediately based on the 1960 census? Well, some said that perhaps the reason for not giving it immediate effect was that it did not have a chance of getting through the House if we tried to give it immediate effect.

But, let me suggest that notwithstanding the changes that were made, making the bill prospective in effect and striking the section which expressly gave jurisdiction to the district courts to entertain suits to enforce the criteria, the bill would have immediate effect anyway.

Federal district courts have already accepted jurisdiction in Michigan, Alabama, and in a very sensational case in Wisconsin. In Wisconsin the suit involves the redistricting for the State legislature and the Congress all in one suit and there the court went so far as to write a letter to the Governor of Wisconsin requesting him to convene the legislature, which the Governor did, and the legislature again passed a redistricting bill, which the Governor vetoed. The court also made some statements in press conferences and otherwise that if the Legislature of Wisconsin found itself unable to arrive at a redistricting plan for the State legislature and the Congress which in the opinion of the court avoided denial of equal protection of the laws to all citizens, the court itself would appoint a special master and would have the master prepare a plan for redistricting the State of Wisconsin, and the court would adopt it.

Mr. Speaker, the establishment of the structure of a legislative body is of basic and vital importance to the independence and the functioning of a legislative body. If the courts either undertake to order a legislative body to exercise its legislative discretion in this fashion or, in the alternative, if the courts say to the legislature, in effect, "If you exercise your discretion in a fashion that we do not like, we ourselves will exercise your legislative discretion." I ask you, What has happened to self-government of people under a system of that kind?

Now, the significance of bringing H.R. 4068 up at this time is precisely this: The section giving the district courts expressly the authority to enforce the provisions of the bill by citizen suits was stricken as surplusage, because the courts have already gone into this field.

The second effect of it is, although it is prospective in its terms, it establishes criteria which will be taken by the courts as the announced policy of the Congress; it will be law even though its functioning is stated to be prospective, and the court in Wisconsin, the court in Michigan, or the courts in all of these other States will use these criteria in determining legislative districts for the Congress.

The bill also by its passage at this time indicates assent and acquiescence by the Congress in the jurisdiction the courts are seeking to assume in this field.

Now, the first question that we in Congress have to decide is whether we propose to live under a system where the Federal judiciary—and I remind you that the inferior courts of the United States are the creatures of the Congress—undertakes to take over our legislative authority in one of the most vital areas of our whole legislative process, the selection of the Members of the legislative body.

Mr. Speaker, if we propose to do that, then what kind of guidelines should we set up, if any? Are these sufficient—these three criteria—or should we say that the State legislatures may take into account local units of governments such as counties, municipalities, school districts, or any regional arrangements, differences in the geography and economy of the area, and so forth? Are there not other factors other than contiguity, compactness and population size which can very appropriately be taken into account in establishing what units of people should band together for the purpose of sending a representative to represent them in the House of Representatives?

I say it is premature under the circumstances which exist at this time for the Congress to take any action in this field. The Supreme Court may very well see that they have opened up a whole Pandora's box with the case of Baker against Carr. They may see that the only ultimate remedy they can give in an action of this kind is for them to assume the legislative power of Congress themselves, to usurp and to write congressional districting in private litigation between citizens rather than try to do it in the legislative halls of the States and the Congress If that extreme action and position is taken with respect to congressional redistricting, I say to you that the Congress must very well give thought to what it may do to protect itself from an assault by a coordinate branch of the government, and that we should not take any hasty action.

Mr. Speaker, when this matter was first brought up in our subcommittee, I said to the chairman that the case of Baker against Carr was such a far-reaching decision that we ought to take no action until we can see more clearly its implications and probable developments, and act only after we are fully informed in the matter. Notwithstanding that request and the original agreement of the chairman to that request, we have now brought this matter to the full Judiciary Committee without hearing any further testimony, without adequate study and with only the most cursory consideration being given to it in the subcommittee.

Mr. Speaker, I sincerely hope that the Members of the House will recognize the epochal character of the crisis we face as a result of the Supreme Court decision and that they will give thought to it and come up with an intelligent solution which will be in the interest of preserving and strengthening self-government by the people.

Mr. Speaker, I yield back the balance of my time.

ADAPTIVE AGRICULTURE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Maryland [Mr. Johnson] is recognized for 15 minutes.

Mr. JOHNSON of Maryland. Mr. Speaker, this morning the Washington Post ran a lead editorial entitled "Adaptive Agriculture." I believe the editorial merits the attention of every Member of Congress as the article is based on a proposal by the Committee on Economic Development for a 5-year plan which would end with a free-market agriculture with a satisfactory per capita income.

It is obvious to me that the Committee on Economic Development plan to reduce farm labor by at least one-third, over a 5-year period, will no doubt encounter bitter opposition from many quarters but I, for one, subscribe to the idea that to maintain high levels of industrial activity we must have greater vocational training and education in rural areas. But, Mr. Speaker, I trust the Committee on Economic Development report does not suggest an emigration from rural areas—a mass exodus of our young people. If this was permitted to occur, small towns in my district, and indeed throughout America, would eventually become ghost towns.

On January 15, 1960, I wrote to my constituents with respect to the problems of smalltown communities. I felt then, as I do now, that the survival and economic welfare of our smalltown communities is threatened by the rapid technological and industrial changes taking place in our Nation. Obviously, these changes in the patterns of economic activity have produced shifting populations and created innumerable problems for our smalltown communities.

Lacking in adequate research facilities and the economic means to conduct extensive studies into the causes of their problems, many of our smalltown communities are sorely in need of guidance in an era when the full capability of our people, and all our communities, should be mustered to confront not only our economic challenge from abroad, but to establish a strong economic balance at home. It is unfortunate that the present trend to concentrate industrial strength in large cities results in bypassing many highly skilled and well-equipped enterprises in small communities that are fully capable of contributing materially to our general economy. Furthermore, our small communities are not receiving their fair share of defense allocations which amount to billions of dollars. And, gentlemen, I personally feel that in this mid-20th-century nuclear age it is imperative that a decentralization of our industrial capacity takes place. Again, on November 16, 1961, I reintroduced my bill to establish a commission to study smalltown community problems. This measure was known as H.R. 2713.

Today we witness the continued growing concentration of industrial strength in large metropolitan areas. This results in the bypassing of our innumerable small towns.

Mr. Speaker, I know that these smalltown communities are fully capable of contributing materially to our general economy. They possess many highly skilled and well-equipped enterprises that could be expanded. Our smalltown communities should be afforded the opportunity to participate to a greater extent in our massive defense program, as well as our domestic industrial establishments.

During my studies relative to the measure proposed by me, I met with and discussed smalltown problems with public officials and civic leaders, men and women with outstanding reputations in the world of economic affairs, all of whom were enthusiastic at the prospect of Congress lending aid to resolve a problem that the rapid trend of economic centralization had placed upon small towns, and which problem was beyond their ability to successfully combat, without a thorough understanding by the Congress of what actually caused the problem in the first place.

Desiring to learn even more of this problem, I consulted with Mr. Harry A. Barbour, of Maryland, whose work as a property analyst takes him to many States of the Union, to check, while on his travels, if the skilled craftsmen themselves had any thoughts in the matter.

He reported it was the general feeling that Congress, by the passage of my proposed bill, would make it possible for those possessed of exceptional skills, and particularly young people who are being taught shop crafts in school, to continue living in small towns rather than being forced to migrate to large cities, thus preserving one of our Nation's greatest assets, the smalltown life of America.

Mr. Speaker, I would like to incorporate in the Record at this time the editorial in the Washington Post of July 16, 1962, entitled "Adaptive Agriculture." And I would also like to include an editorial by radio station WDMV, the farmers station, Pocomoke City, Md.:

[From the Washington Post, July 16, 1962]

Adaptive Agriculture

The Committee on Economic Development has brought out an adaptive program for agriculture, the chief virtue of which is in its proposals for helping excess farm labor get into nonfarm jobs by maintaining high levels of industrial activity and by better training and education in rural areas.

There will be much disagreement over the Committee on Economic Development plan to cut farm labor by one-third over a 5-year period during which adjustment price supports and land diversion payments would be made at a diminishing rate so that, in the end, the market would call forth the appropriate amount of capital, labor, and land input, without further Government subsidy.

That the Committee on Economic Development's 5-year plan would end with a free market agriculture having a satisfactory per capita income is greatly to be doubted. D. E. Hathaway, one of the advisers to the Committee on Economic Development farm subcommittee, has estimated, in another context, that a return to free markets without controls or price supports would cut farm income by perhaps a third or more. This view is widely shared. That would leave per capita farm income of a much smaller agriculture, at the end, at the unsatisfactory level where it is now.

The Committee on Economic Development's plan would cut the farm labor force from 5.5 million to 3.5 million—at about 400,000 to 500,000 a year. It finds the current rate of emigration from farming too slow. But the labor force in agriculture has dropped by 40 percent since 1940. In 1910, 31 percent of the working population of this country was engaged in farming. By 1950 it had dropped to 11.6 percent. In the sixties, the decline in total farm population has averaged 900,000 a year. It may be doubted that our economy can be made to adjust without serious social and political consequences to a much more rapid rate of change.

The basic theory of the Committee on Economic Development is that low farm prices will cut the input of land and labor resources in agriculture and that nonfarm occupations can absorb the farm labor surplus at a much more rapid rate of emigration. Both premises are to be doubted.

C. E. Bishop has pointed out in "Labor Mobility and Population in Agriculture" that "farm product prices would have little or no influence on the rate of migration." He finds some evidence that emigration rises when income per farmworker increases in relation to income of factory workers. He thinks "more farm people are ready to transfer from farm to nonfarm jobs at prevailing rates of return than jobs are available." The Committee on Economic Development thinks price supports have "deterred the movement of resources out of agriculture," but Bishop thinks that "on balance, the effect may have been to increase migration through providing farm people with the capital needed to transfer to nonfarm areas." Farm migration, he points out, has been the greatest from areas receiving the highest proportion of income from price-supported commodities. Nor is it clear that low prices cause acreage reduction and reduced production as the Committee on Economic Development seems to think. Mr. Hathaway has pointed out elsewhere that the farmer "having made the initial commitment of his labor and capital to agriculture finds the best way in which he can individually maximize his income is to increase output even further than his present level of excessive production."

Whether lower prices will or will not cut the farm plant and labor force, can jobs be found in nonfarm work for more ex-farm labor? The Committee on Economic Development thinks so. But Varden Fuller, of the University of California, who has contributed to a recent analysis made at Iowa State, thinks "the prospective economic environment of the sixties will be less favorable to continued large scale off-farm migration." In the absence of a dramatic change in the economy's growth rate there is good cause to agree with Varden. The economy has not been able to absorb natural increases to labor force. The Committee on Economic Development report estimates that its plan would cause the labor force, which it says is now growing 1¼ million a year, to grow 1¾ million a year or at a rate 40 percent greater. (The economy has not been able to absorb at the 1¼ million rate and for nearly a year only 600,000 of the statistically expected 1¼ million have been added to the labor market.) The Committee on Economic Development takes no account, moreover, of the effect of a contracted agriculture on the 6 million engaged in the farm supply business, or the 10 million engaged in processing, shipping and distributing farm products. There would be an emigration out of these occupations, too.

In dealing with the farm problem, we deal not just with the 5.5 million farm producers but with all those in related enterprise and with the 45 to 50 million rural, nonfarm people in towns and villages across the land. The serious dislocation of this national rural community, brought about by a drastic contraction of agriculture, moreover, could so greatly diminish buying power in rural America that nonfarm industry would be affected and its ability to absorb former farmers further diminished. The outlook for more rapid emigration from agriculture and for its easy absorption in nonfarm industry is not good.

The Committee on Economic Development rejects out of hand the possibility of solving the farm problem by "a stringent, leakproof control of production, so that farmers will get higher prices for a smaller volume of sales." It thinks it uncertain that this could be effective "without policing measures that would be intolerable in America." And yet, such stringent controls are in effect on rice, peanuts, tobacco, and cotton and have not produced intolerable policing measures. This is essentially the program the administration urged Congress to enact for other crops.

For all the difficulties of production control, and they certainly are numerous and formidable, they hold out a larger hope for a prosperous rural America than the Committee on Economic Development's proposals for returning, after an interval, to the free play of the market. There is not sufficient evidence that low farm prices, if the country would tolerate the hardships they would induce, would produce the diminished investment of labor and land and capital resources needed to achieve balanced agricultural production. There is no evidence whatever that the nonfarm economy can absorb the millions of persons that would be added to the labor force by more rapidly contracting agriculture, by curtailing the work force engaged in farm supply and marketing and by diminishing job opportunities throughout nonfarm rural America.

The rate of emigration from agriculture will take care of itself if a healthy, growing and expanding national economy, in urban and in rural areas as well, provides adequately remunerative nonfarm jobs for a well-educated and sufficiently trained rural population. The coercion of farm prices at poverty levels will not be needed to force the efficient use of manpower.

Pocomoke City, Md., Radio Station WDMV Editorial

The big agriculture story this week concerns the publication by the Committee on Economic Development of a recommendation to the Nation entitled "Adaptive Program for Agriculture." In their report to the public, the committee proposes to reduce farm surpluses and eliminate subsidies within 5 years by retraining young people in agricultural areas for industrial jobs and moving them to the cities. The idea is, of course, that if we move more people out of farming, less farming will be done, reducing surpluses and returning the Nation's agriculture to a free economy. We, at WDMV, subscribe to the objective, rather than the more Government control plans of Secretary Freeman. What is amazing to us, however, is the shortsightedness of the Committee on Economic Development, made up of leading businessmen and economists. Their proposal of a planned exodus of young people from agricultural communities all over America can result only in a slow strangulation of these communities. We do not want to lose our young people to the cities. Radio station WDMV proposes that the Committee on Economic Development add to this plan the idea that more industries move to agricultural communities so that the young people leaving an overproductive agriculture area do not have to leave home. And so that the small towns throughout America do not become eventual ghost towns. Further, we propose that a test plan be put into effect right here on the Eastern Shore. Let's set up a program in our high schools. And let's have the support of the Committee on Economic Development in bringing industry here right now.

In conclusion, gentlemen, I suggest a rural renewal program. This program would call for vocational training throughout rural America. It would call upon industry to establish a calculated program of decentralization. It would preserve the status of smalltown communities throughout America. I, for one, do not intend to stand idly by and watch our smalltown communities become ghost towns. Let's not put the horse before the cart by encouraging our youth to emigrate to large metropolitan areas. Let us encourage industry to strengthen America by establishing industry in smalltown communities.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Clark (at the request of Mr. Nix), on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Van Zandt (at the request of Mr. Goodell), for 15 minutes, today.

Mr. Meader, for 30 minutes, today.

Mr. Johnson of Maryland (at the request of Mr. Price), for 15 minutes, today, to revise and extend his remarks and to include extraneous matter.)

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Carey.

Mr. O'Brien of New York.

Mr. Holifield and to include extraneous matter.

(The following Members (at the request of Mr. Price) and to include extraneous matter:)

Mr. Bailey.

Mr. Blatnik and to include tables.

(The following Members (at the request of Mr. Goodell) and to include extraneous matter:)

Mr. Fino.

Mr. Alger.

Mr. Tollefson.

Mr. Curtis of Missouri in two instances.

Mr. Abernethy (at the request of Mr. Sisk) and to include extraneous matter.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8050. An act to amend the act relating to the importation of adult honey bees, and to amend certain provisions of the Sugar Act of 1948, as amended; and

H.R. 10595. An act to facilitate the sale and disposal of Government stocks of extra long staple cotton.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2970. An act to amend the Small Business Act.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 13, 1962, present to the President, for his approval, a bill of the House of the following title:

H.J. Res. 809. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1962.

ADJOURNMENT

Mr. SISK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 9 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 17, 1962, at 12 o'clock noon.

OATH OF OFFICE OF MEMBERS

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes of the United States and being as follows:

> "I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same;

> that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by each of the following Members of the 87th Congress, pursuant to Public Law 412 of the 80th Congress entitled "An act to amend section 30 of the Revised Statutes of the United States" (U.S.C., title 2, sec. 25), approved February 18, 1948:

LOUISIANA

Joseph David Waggonner, Jr., Fourth.

MICHIGAN

Lucien N. Nedzi, First.
Harold M. Ryan, 14th.

NEW YORK

Benjamin S. Rosenthal, Sixth.

SOUTH CAROLINA

Corinne B. Riley, Second.

TEXAS

Ray Roberts, Fourth.
Graham Purcell, 13th.
Henry B. Gonzalez, 20th.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2307. A letter from the Chairman, Pacific Marine Fisheries Commission, transmitting the 14th Annual Report of the Pacific Marine Fisheries Commission for the year 1961, pursuant to Public Law 232, 80th Congress; to the Committee on Merchant Marine and Fisheries.

2308. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1963 involving an increase in the amount of $2,869,000 for the Corps of Engineers—Civil, Department of the Army, and $550,000 for the Bureau of Reclamation, Department of the Interior (H. Doc. No. 477); to the Committee on Appropriations and ordered to be printed.

2309. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to place authority over the trust powers of national banks in the Comptroller of the Currency"; to the Committee on Banking and Currency.

2310. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 5155 of the Revised Statutes relating to bank branches which may be retained upon conversion or consolidation or merger"; to the Committee on Banking and Currency.

2311. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1962, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of New London, Conn., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 478); to the Committee on Public Works and ordered to be printed with two illustrations.

2312. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 5, 1962, submitting a report, together with accompanying papers and an illustration, on the Great Lakes harbors study—interim report on the Manitowoc Harbor, Wis., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 479); to the Committee on Public Works and ordered to be printed with one illustration.

2313. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1962, submitting a report, together with accompanying papers and an illustration on a survey of the Little Bay De Noc, Gladstone Harbor and Kipling, Mich., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted August 18, 1959, and June 3, 1959, and authorized by the River and Harbor Act, approved July 14, 1960 (H. Doc. No. 480); to the Committee on Public Works and ordered to be printed with one illustration.

2314. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 22, 1962, submitting a report, together with accompanying papers and an illustration, on a review of the reports on New Buffalo Harbor, Mich., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted June 20, 1957, and July 16, 1958 (H. Doc. No. 481); to the Committee on Public Works and ordered to be printed with one illustration.

2315. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1962, submitting a report, together with accompanying papers and illustrations, on an interim report on Portsmouth Harbor and Piscataqua River, Maine and New Hampshire, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted November 18, 1958, and June 3, 1959 (H. Doc. No. 482); to the Committee on Public Works and ordered to be printed with two illustrations.

2316. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 22, 1962, submitting a report, together with accompanying papers and illustrations on a review of the reports on Buttermilk Channel, N.Y., requested by a resolution of the Committee on Public Works, House of Representatives, adopted August 20, 1957 (H. Doc. No. 483); to the Committee on Public Works and ordered to be printed with two illustrations.

2317. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 26, 1962, submitting a report, together with accompanying papers and an illustration, on a review of the reports on the Kaunakakai Harbor, Molokai, Hawaii, requested by a resolution of the Committee on Public Works, House of Representatives, adopted April 9, 1957 (H. Doc. No. 484); to the Committee on Public Works and ordered to be printed with one illustration.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 12540. A bill to authorize the Secretary of Agriculture to sell certain land in Grand Junction, Colo., and for other purposes; to the Committee on Agriculture.

By Mr. HENDERSON:

H.R. 12541. A bill to amend the Fair Labor Standards Act of 1938 to exempt therefrom persons engaged in certain processing of shrimps, crabs, or oysters; to the Committee on Education and Labor.

By Mr. O'BRIEN of New York:

H.R. 12542. A bill to amend the Internal Revenue Code of 1954 to provide a 10 percent reduction on the individual and corporate income tax for the taxable year 1963; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 12543. A bill to amend the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937; to the Committee on Agriculture.

By Mr. FULTON:

H.R. 12544. A bill to amend the Civil Service Retirement Act so as to provide for increases in annuities, eliminate the option with respect to certain survivor annuities, and provide for interchange of credits between the civil service retirement system and the insurance system established by title II of the Social Security Act; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 12545. A bill to amend the Public Health Service Act in order to provide a broadened program in the field of mental health and illness of grants for prevention, research, training, salaries, facilities survey, and construction of facilities for treatment of the mentally ill and mentally retarded; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN:

H.R. 12546. A bill to amend the Life Insurance Company Act of the District of Columbia (48 Stat. 1145) approved June 19, 1934, as amended; to the Committee on the District of Columbia.

H.R. 12547. A bill to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center to extend the time during which appropriations may be made for the purposes of that act; to the Committee on the District of Columbia.

By Mrs. WEIS:

H.R. 12548. A bill to amend title 2 of the United States Code so as to make provision with respect to the establishment, in the House of Representatives, of the office of Delegate from the District of Columbia; to provide for the election of such Delegate. and for other purposes; to the Committee on the District of Columbia.

By Mr. ZELENKO:

H.R. 12549. A bill to amend the Internal Revenue Code of 1954 to eliminate the ceiling on the amount of the child-care expense deduction, and to increase the amount of income which a taxpayer may have while remaining entitled to such deduction; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 12550. A bill to fix the compensation of hearing examiners, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DEROUNIAN:

H.J. Res. 820. Joint resolution proposing an amendment to the Constitution of the United States in order to authorize the several States to permit the offering of a prayer in public schools and other public places; to the Committee on the Judiciary.

By Mr. HALL:

H.J. Res. 821. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Massachusetts

memorializing the President and the Congress of the United States relative to requesting opposition to section 1 of Senate bill 2560 which relates to commercial motor vehicles, which was referred to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FINO:

H.R. 12551. A bill for the relief of Calogero Arcuri; to the Committee on the Judiciary.

H.R. 12552. A bill for the relief of Domenico Monetta; to the Committee on the Judiciary.

H.R. 12553. A bill for the relief of Dr. Giuseppe Spataro; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 12554. A bill for the relief of Cyla Gurewicz; to the Committee on the Judiciary.

By Mr. KILBURN:

H.R. 12555. A bill for the relief of Theodore Kaltsounis; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 12556. A bill for the relief of Janet Lundie; to the Committee on the Judiciary.

By Mr. MICHEL:

H.R. 12557. A bill for the relief of Merle H. Detrick; to the Committee on Armed Services.

By Mr. TEAGUE of California:

H.R. 12558. A bill for the relief of Mrs. Mar Lan Heung; to the Committee on the Judiciary.

By Mr. YOUNGER:

H.R. 12559. A bill for the relief of Miss Esther Mao Ling Ling; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

387. The SPEAKER presented a petition of Mrs. Irma S. Murray, grand secretary, Grand Parlor Native Daughters of the Golden West, San Francisco, Calif., petitioning consideration of their resolution with reference to commending the work of the House Committee on Un-American Activities and recommending its continued support, and that by its constant vigilance we may live free from all subversive forces of evil seeking to weaken and destroy our foundation of freedom and institutions of learning, which was referred to the Committee on Un-American Activities.

EXTENSIONS OF REMARKS

A Bill To Grant a 10-Percent Forgiveness on Federal Income Taxes

EXTENSION OF REMARKS
OF

HON. LEO W. O'BRIEN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 16, 1962

Mr. O'BRIEN of New York. Mr. Speaker, I have introduced today a bill under which the Government would grant a 10-percent tax forgiveness on all personal and corporation incomes earned between December 31, 1962, and January 1, 1964.

This would not change any of the existing tax rates.

I offer this plan not as an answer to the whole problem, but only as a suggestion to the administration and the Congress that the forgiveness method would accomplish the following:

First. Provide a quick economic "shot in the arm," if one is deemed necessary, desirable, and feasible.

Second. Give the Congress and the administration more time to work out changes in existing tax laws, if such changes are deemed necessary and feasible.

Third. Underscore the temporary nature and intent of the tax saving to consumers and businessmen.

Fourth. Enable the Congress to return to the present system, if necessary, by the simple expedient of not passing, in some future year, a forgiveness bill.

Mr. Speaker, I realize that some may disagree as to the best effective date for such a forgiveness plan. I would not object to an earlier effective date.

This proposal is novel at the Federal level, but there is ample experience at the State level.

My own State of New York, on many occasions in the past, has granted forgiveness of State personal income taxes. These have ranged from 10 to 25 percent. I am aware of no great difficulties at the administrative level.

I repeat, Mr. Speaker, that this is only a suggestion and it is possible that the Congress and the President may desire a different method or a lower percentage of forgiveness.

In conclusion, I point out that under my plan the tax on corporation income, now 52 percent, would be collected, during the period of forgiveness at approximately 47 percent. This figure has been mentioned in many other tax reduction proposals.

Mayor Anthony J. Celebrezze: A Splendid Choice

EXTENSION OF REMARKS
OF

HON. HUGH L. CAREY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 16, 1962

Mr. CAREY. Mr. Speaker, I am pleased to add my words to those of my distinguished colleague from Cleveland, Ohio [Mr. VANIK], and the other members of the Ohio delegation in connection with the appointment of Mayor Anthony J. Celebrezze, of Cleveland, who has been named by the President to be Secretary of Health, Education, and Welfare. In the words of the President, Mayor Celebrezze will bring to the Cabinet a wealth of experience gained from having worked through the years with the problems of people, particularly in the area of health, education, and welfare. The Cabinet post to which Mayor Celebrezze has been named is in a real sense a people's agency. It deals with the development of the mental resources of the individual American and the improvement of the health and well-being of those suffering the most acute need, our senior citizens. The blight spots of our corporal well-being in mental health, chronic diseases, as well as the massive mortality of cardiac and cancer, all merit his care and attention. It is fortunate that his inspired and enlightened dedication to the resolution of the civic problems of the great city of Cleveland will now be fully directed to similar problems on a national level.

The major functions of the Department of Health, Education, and Welfare are especially germane to the crowded population centers and the big cities. That is why we of the city of New York especially welcome a big city mayor and man, Anthony Celebrezze, to this new post and opportunity. President Kennedy is to be hailed and commended for his selection. No one can question that the President is fortunate to have in his Cabinet a man of the merit and stature of Mayor Celebrezze. The fact that he is Italian born and of Italian ancestry is significant. In the light of the contribution which our Italian-American citizens have made in the growth of this Nation, it is a matter of natural and timely evolution that one of his background should be called to this high office.

Distinguished Editor Honored

EXTENSION OF REMARKS
OF

HON. CLEVELAND M. BAILEY
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 16, 1962

Mr. BAILEY. Mr. Speaker, I take this opportunity to congratulate a distinguished West Virginian, a highly regarded editor, and an esteemed friend, Mr. Randal Strother, who has been honored by Salem College as its Alumnus of the Year.

This award, together with one received from the Harrison County Council of Parents-Teachers Association for outstanding service to education, was richly deserved.

Mr. Strother has given his time and many talents to promoting education generally, and particularly the best interests of his alma mater, Salem College.

Randal—for I find it difficult to refer to him in more formal language—has served his community, his State and his Nation well. He received his degree from Salem College in 1934. He served in the 82d Airborne Division participating in six European campaigns during World

War II. Most of his adult life has been in the newspaper business, in Clarksburg, and since 1948 he has been the editor of the Clarksburg Exponent.

Members of the alumni committee who chose Randal for the award were Mrs. T. Edward Davis, of Salem, W. Va.; Sanford Randolph, of Bridgeport, W. Va.; and Commander Bill Thompson, of Pittsburgh. They chose well.

Acceleration of Public Works Employment

EXTENSION OF REMARKS

OF

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1962

Mr. BLATNIK. Mr. Speaker, the Public Works Committee has reported out a bill, H.R. 10113, designed to cut unemployment and at the same time help provide essential Federal and local public works. This bill, the Public Works Acceleration Act, would authorize the appropriation of $900 million for immediate use in stepping up employment on Federal and local projects. The bill contains no standby provision, nor does it provide for any backdoor financing.

To be eligible a Federal project must be specifically authorized by the Congress. In the case of local public works, the project must be eligible for Federal aid under existing law. For example, water and sewer works, public buildings, streets, and the like, could receive this aid. Schools, however, are not eligible. The bill contains provisions to assure that the aid would have an immediate impact on employment and to prevent the use of the funds for luxury or other nonessential undertakings. I hope that all of my colleagues will look at the committee report—House Report No. 1756—which sets forth more fully the benefits of the bill and the need for prompt action.

Mr. Speaker, to give an idea of the kind of project that would be eligible, I am including at the end of my remarks a list of local public works planned under the Federal public works planning advance program. The first table shows projects which are completely planned and ready to go right now. The second list shows projects which are still in the planning stage but many of which will be ready to start in a short time. Naturally I cannot say absolutely that every one of the projects would receive this aid but they are all located in eligible areas and appear to be eligible on the grounds of size and type of facility. Certainly if this law is enacted and the funds are appropriated promptly a substantial proportion of these projects would receive 50-percent grants under the Public Works Acceleration Act.

This list, of course, shows only a few of the many projects which would be eligible for aid under the bill. It includes only those projects planned under the 702 planning program, but the vast number of other projects planned by communities from their own resources or under other programs would also be eligible for these grants:

TABLE 1.—*Public works planning program—Final plans completed in designated redevelopment areas and areas of substantial labor surplus as of Mar. 31, 1962*

Location	Type	Estimated total cost
ALABAMA		
Prichard, Mobile County	Street lights	$35,537
Ragland, St. Clair County	Sewer	55,000
Oneonta, Blunt County	Streets	386,794
Phenix, Russell County	Sewer	320,408
Vincent, Shelby County	do	110,171
Repton, Conecuh County	Water	48,500
Selma, Dallas County	Sewer	383,000
Do	do	224,000
Do	do	148,000
Luverne, Crenshaw County	Street	73,967
Do	do	71,259
Haleyville, Winston County	Sewer	611,700
Mobile, Mobile County	do	1,115,000
Jasper, Walker County	do	112,000
Arab, Marshall County	Water	750,000
ARIZONA		
Holbrook, Navajo County	Public buildings.	57,704
Do	do	91,815
Eager, Apache County	Sewer	215,127
ARKANSAS		
Calico Rock, Izard County	do	69,116
Camden, Ouachita County	do	493,177
Earle, Crittenden County	do	88,157
Leslie, Searcy County	do	43,900
Mansfield, Scott and Sebastian Counties.	do	53,252
Morrilton, Conway County	do	272,812
New Rocky Comfort, Little River County.	do	54,800
CALIFORNIA		
Weaverville, Trinity County	Public buildings.	270,000
Riverside, Riverside County	do	487,055
Long Beach, Los Angeles County.	do	89,991
Do	do	226,124
Do	do	156,745
San Diego, San Diego County	do	494,123
San Gabriel, Los Angeles County.	Sewer	101,178
Gardena, Los Angeles County	Public buildings.	163,357
Do	do	163,727
Hermosa Beach, Los Angeles County.	Wharves and piers.	371,106
Culver, Los Angeles County	Streets	56,787
Willets, Mendocino County	do	273,371
Stockton, San Joaquin County.	Police station.	807,272
San Gabriel, Los Angeles County.	Civic center	1,013,122
Redlands, San Bernardino County.	Sewer	880,000
CONNECTICUT		
Norwich, New London County.	Water	513,250
Simsbury, Hartford County	Firehouse addition.	31,680
Danielson, Windham County	Sewer	624,980
Bristol, Hartford County	Flood control facilities.	696,400
FLORIDA		
Venice, Sarasota County	Water	215,254
Vernon, Washington County	Sewer	107,600
Do	Water	33,400
GEORGIA		
Warm Springs, Meriweather County.	Streets	52,498
Do	Sewer	39,187
Do	Water	19,373
Bowman, El ert County	Sewer	56,832
Manchester, Meriweather County.	Library	22,333
Toccoa, Toccoa County	City hall	78,974
Arlington, Early County	do	33,000
Davisboro, Washington County.	Sewer	74,952
Baldwin, Habersham County	do	92,610
Blairsville, Union County	do	106,990
Royston, Franklin County	do	174,446
Clayton, Rabun County	Library	63,247
Luthersville, Meriweather County.	Water	45,281
Royston, Franklin County	do	67,072
Darien, McIntosh County	do	89,896
ILLINOIS		
Cairo, Alexander County	Sewer	$694,000
Do	do	729,000
Centralia, Marion County	Water	1,520,000
Danville, Vermilion County	Sewer	860,000
Broughton, Hamilton County	Water	113,000
INDIANA		
Cannelton, Perry County	Sewer	99,000
Marengo, Crawford County	Water	88,600
IOWA		
Mystic, Appanoose County	do	182,000
KANSAS		
Pittsburg, Crawford County	Police and fire station.	94,000
KENTUCKY		
Hazard, Perry County	Sewer	116,600
New Haven, Nelson County	do	85,114
Pewee Valley, Oldham County.	Water	174,661
Earlington, Hopkins County	Sewer	169,659
Pikesville, Pike County	Public buildings.	66,650
Glasgow, Barren County	Streets	41,382
Sebree, Webster County	Sewer	83,252
Irvine, Estell County	do	116,412
Do	Streets	87,985
Senton, Marshall County	Sewer	52,080
Cumberland, Harlan County	Water	63,904
Do	Sewer	180,426
Somerset, Pulaski County	do	456,089
White Plains, Hopkins County.	Water	68,600
Crofton, Christian County	do	97,000
Irvington, Breckinridge County.	Sewer	288,968
Paintsville, Johnson County	do	370,000
Flatwoods, Greenup County	do	590,694
Prestonsburg, Floyd County	do	783,000
LOUISIANA		
Bunkie, Avoyelles County	do	18,872
Do	Roads	39,573
Do	Sewer	110,000
Cottonport, Avoyelles County	do	77,098
Do	do	153,550
Do	do	27,815
Eunice, St. Landry County	do	214,154
Independence, Tangipahoa County.	Public buildings.	24,216
Kaplan, Vermilion County	Sewer	257,000
Mansura, Avoyelles County	do	98,963
Bogalusa, Washington County	Viaduct	492,676
Opelousas, St. Landry County	Sewer	396,198
Provencal, Natchitoches County.	Gas	68,780
Winnsboro, Franklin County	Sewer	465,000
MAINE		
Lubec, Washington County	do	58,600
Patten, Penobscot County	Water	222,950
Old Orchard Beach, York County.	Sewer	321,700
MARYLAND		
Crisfield, Somerset County	do	329,537
Do	do	300,000
Boonsboro, Washington County.	do	250,000
MASSACHUSETTS		
Lowell, Middlesex County	Fire alarm building.	72,100
Do	Sidewalks	107,500
Medford, Middlesex County	Police station.	268,700
Do	Central fire station.	374,030
Do	Fire and police alarm.	788,724
Ashland, Middlesex County	Sewer	361,200
Somerville-Everett, Middlesex County.	Dam, lock and bridge.	1,687,000
Danvers, Essex County	Hospital	304,000
Abington, Plymouth County	Sewer	306,000
Everett, Middlesex County	Incinerator	330,000
Newburyport, Essex County	Sewer	536,000

TABLE 1.—*Public works planning program—Final plans completed in designated redevelopment areas and areas of substantial labor surplus as of Mar. 31, 1962*—Con.

Location	Type	Estimated total cost
MASSACHUSETTS—continued		
Dracut, Middlesex County	Water	$432,600
Do	Sewer	279,080
Do	do	488,900
Do	do	387,700
Fall River, Bristol County	Pollution elimination.	982,000
Brockton, Plymouth County	Water	1,921,000
MICHIGAN		
Empire, Leelanau County	do	27,000
Lake Boulevard Drainage District, Macomb County.	Storm drains.	2,690,800
Howell, Livingston County	Sewer	229,000
MINNESOTA		
Cass Lake, Cass County	do	128,000
MISSISSIPPI		
Bay Springs, Jasper County	do	103,400
Shelby, Bolivar County	do	99,300
Mize, Smith County	Water	26,500
Lexington, Holmes County	Streets	99,169
Hazlehurst, Copiah County	Sewer	322,688
New Hebron, Lawrence County.	Water	40,840
Summit, Pike County	Sewer	111,771
Madison, Madison County	Jail	77,000
Shaw, Bolivar County	Sewer	120,829
Ruleville, Sunflower County	do	105,000
Mound Bayou, Bolivar County.	Streets	26,390
De Kalb, Kemper County	Sewer	86,000
Lo, Simpson County	Water	25,000
Amory, Monroe County	do	60,000
Okolona, Chickasaw County	do	135,000
Do	Sewer	200,000
MISSOURI		
Potosi, Washington County	do	116,900
St. Genevieve County	Courthouse	580,902
MONTANA		
Ronan, Lake County	Streets	109,144
Do	do	83,624
NEVADA		
Caliente, Lincoln County	Public buildings.	36,400
NEW JERSEY		
Paterson, Passaic County	Sewer	294,450
Woodbine, Cape May County	do	338,577
Paterson, Passaic County	Roads	558,000
Wayne Township, Passaic County.	Sewer	1,929,360
Wildwood, Cape May County	Incinerator	697,000
Totowa, Passaic County	Sewer	939,700
Milford, Passaic County	Townhall	265,000
NEW MEXICO		
Mountainair, Torrence County.	Highway	187,500
Raton, Colfax County	do	190,000
Do	Sewer	94,000
NEW YORK		
Jamestown, Chautauqua County.	Warehouse and shop building.	175,300
Tupper Lake, Franklin County.	Sewer	800,000
Beacon, Duchess County	Incinerator	396,000
Do	Sewer	1,044,000
Newburgh, Orange County	Incinerator	750,000
Brasher, St. Lawrence County	Sewer	355,000
Chaumont, Jefferson County	Water	117,300
NORTH CAROLINA		
Alamance County	Public buildings.	241,398
Tabor City, Columbus County.	Streets	87,600
Macon County	Courthouse.	369,000
Tabor City, Columbus County.	Sewer	71,250
Bryson City, Swain County	do	76,225
Do	do	101,825
Roxboro, Person County	do	128,950
Do	Water	86,950
Durham, Durham County	do	507,950
Roper, Washington County	do	54,670
NORTH CAROLINA—continued		
Elm City, Wilson County	Sewer	$14,980
Henderson, Vance County	do	638,000
OHIO		
North Bend, Hamilton County.	Water	43,800
Do	Sewer	86,300
Greenfield, Highland County	do	187,100
Ripley, Brown County	do	398,400
OKLAHOMA		
Ada, Pontotoc County	do	307,658
Do	Highways	42,793
Do	Sewer	1,035,000
Do	do	150,000
Do	Highways	26,875
Do	do	20,090
Broken Bow, McCurtain County.	Sewer	149,698
Checotah, McIntosh County	do	135,727
Nowata, Nowata County	Highways	36,995
Valliant, McCurtain County	Sewer	87,008
OREGON		
Willamina, Yamhill County	do	209,000
Coos Bay, Coos County	Waterfront improvements.	1,100,000
PENNSYLVANIA		
Beaver, Beaver County	Sewer	480,000
Pittsburgh, Allegheny County	Administration building.	225,000
Do	Highways, roads, etc.	87,000
Do	Sewer	265,600
Hollidaysburg, Blair County	Courthouse	532,280
Mount Union, Huntingdon County.	Sewer	252,370
S. Williamsport, Lycoming County.	do	267,000
Williamsburg, Blair County	do	230,335
Blakely Borough, Lackawanna County.	do	14,300
Do	Highways, roads, and streets.	43,002
Huntingdon, Huntingdon County.	Sewer	732,548
Blakely, Lackawanna County	do	450,295
Hyndman, Bedford County	do	163,638
Plains Township, Luzerne County.	do	1,572,439
Nanticoke, Luzerne County	do	1,146,000
Pittston Township, Luzerne County.	do	471,204
Duryea, Luzerne County	do	548,617
Jenkins Township, Luzerne County.	do	865,742
Exeter, Luzerne County	do	832,048
Hughestown, Luzerne County	do	184,485
Dupont, Luzerne County	do	900,085
Pittston, Luzerne County	do	1,169,157
Punxsutawney, Jefferson County.	do	287,084
Sheffield Township, Warren County.	do	189,000
West Newton, Westmoreland County.	do	180,000
Latrobe, Westmoreland County.	do	597,544
Athens, Bradford County	do	668,176
Coudersport, Potter County	do	402,909
Mansfield, Tioga County	do	108,480
Donora, Washington County	do	704,000
Orbisonia, Huntingdon County.	do	152,552
Canton, Bradford County	do	359,740
West Wyoming, Luzerne County.	do	875,915
New Eagle, Washington County.	do	288,044
Monongahela, Washington County.	do	565,248
Nescopeck, Luzerne County	do	101,666
Myersdale, Somerset County	do	80,635
Tunkhannock, Wyoming County.	do	353,771
Sayre, Bradford County	do	272,216
Saegertown, Crawford County	do	83,399
Cornplanter Township, Venango County.	do	278,579
California, Washington County.	do	318,074
Hazelton, Luzerne County	do	1,663,985
Belle Vernon, Westmoreland and Fayette Counties.	do	500,000
PENNSYLVANIA—continued		
Plymouth, Luzerne County	Sewer	$614,848
Monessen, Westmoreland County.	do	1,470,000
Charleroi, Washington County.	do	796,430
Brownsville, Fayette County	do	967,422
Wyalusing, Bradford County	do	30,085
Do	do	118,410
Masontown, Fayette County	do	404,500
Harrisville, Butler County	do	103,050
Taylor, Lackawanna County	do	545,504
Wyoming, Luzerne County	do	377,071
Matamores, Pike County	do	649,650
Cressona, Schuylkill County	do	344,489
Boro of Ashland, Schuylkill County.	do	442,400
Township of Lackawanna, Lackawanna County.	do	353,973
West Pittston, Luzerne County.	do	194,245
Saxton, Bedford County	do	246,395
Freeland City, Luzerne County.	do	550,000
Dawson, Fayette County	do	79,661
Olyphant, Lackawanna County.	do	425,880
Dickson City, Lackawanna County.	do	476,750
Vanderbilt, Fayette County	do	207,846
Duquesne, Allegheny County	do	1,582,000
St. Clair, Schuylkill County	do	306,000
Township of Monroe, Snyder County.	do	477,921
Newton-Hamilton, Mifflin County.	Water	57,750
Moon Township, Allegheny County.	Sewer	2,500,000
Harborcreek Township, Erie County.	Water	2,200,000
Karthaus, Clearfield County	do	320,000
Moon Township, Allegheny County.	do	464,500
Glassport, Allegheny County	Sewer	800,000
Washington Township, Fayette County.	do	1,868,260
Butler, Butler County	do	2,500,000
Belle Vernon, Fayette County	do	945,000
Pleasant Township, Warren County.	do	360,000
McVeytown, Mifflin County	Water	295,000
Fayette City, Fayette County	Sewer	249,619
Waterford, Erie County	do	480,000
Patton, Cambria County	do	627,000
Nanty Glo, Cambria County	do	748,000
Bradford Township, McKean County.	do	807,000
RHODE ISLAND		
Narragansett, Washington County.	Townhall	298,000
Westerly, Washington County	Incinerator	161,400
Smithfield, Providence County.	Sewer	345,000
Do	do	191,000
North Kingston, Washington, County.	Water	1,101,000
SOUTH CAROLINA		
Fairfax, Allendale County	Sewer	81,462
Summerville, Dorchester County.	Municipal building.	27,800
St. Stephen, Berkeley County	Water	11,420
Do	Sewer	80,000
Chester, Chester County	Public buildings.	60,986
Orangeburg, Orangeburg County.	Sewer	46,500
North, Orangeburg County	do	13,500
Port Royal, Beaufort County	do	110,000
Springfield, Orangeburg County.	do	88,000
Orangeburg, Orangeburg County.	do	83,500
Branchville, Orangeburg County.	do	11,008
McCormick County	Health center.	100,394
Dorchester, Dorchester County.	Courthouse	111,562
Kershaw, Kershaw County	Sewer	86,500
Do	Water	45,500
Beaufort, Beaufort County	Sewer	185,000
Do	do	273,000
TENNESSEE		
Jasper, Marion County	do	86,440
Do	Water	95,387
Big Sandy, Benton County	Sewer	156,500

TABLE 1.—*Public works planning program—Final plans completed in designated redevelopment areas and areas of substantial labor surplus as of Mar. 31, 1962*—Con.

Location	Type	Estimated total cost
TENNESSEE—continued		
Livingston, Overton County	Water	$75,842
Sparta, White County	Sewer	60,704
TEXAS		
Blossom Prairie, Lamar County.	do	50,832
UTAH		
Coalville, Summit County	do	115,000
WASHINGTON		
Concrete, Skagit County	do	138,760
WEST VIRGINIA		
Parkersburg, Wood County	do	168,000
East Rainelle, Greenbrier County.	Highways	101,000
South Parkersburg, Wood County.	Sewer	146,000
Charleston, Kanawha County	Bridge	721,266
Spencer, Roane County	Courthouse	815,499
Welch, McDowell County	Sewer	358,973
Do	do	489,698
War, McDowell County	do	400,000
Marmet, Kanawha County	do	243,847
Stonewood, Harrison County	do	350,389
Ansted, Fayette County	do	287,828
Bethlehem, Ohio County	do	575,000
Blacksville, Monongalia County.	Water	40,000
Wheeling, Ohio County	Sewer	2,150,000
Morgantown, Monongalia County	Airport	351,000
WISCONSIN		
Coleman, Marinette County	Sewer	44,000

TABLE 2.—*Public works planning program—Preliminary plans completed in designated redevelopment areas and areas of substantial labor surplus as of Mar. 31, 1962*

Location	Type	Estimated total cost
ALABAMA		
Tuskegee, Macon County	Sewer	$365,000
ALASKA		
Fairbanks	Water	2,380,000
Kodiak	Sewer	126,050
Seward	Water	375,444
Wrangell	Seawall	160,000
ARKANSAS		
Little River County	Sewer	176,000
Jasper, Newton County	Water	100,000
Yellville, Marion County	Sewer	130,300
CALIFORNIA		
Keyes, Stanislaus County	do	200,000
Laytonville, Mendocino County.	Water	93,000
Turlock, Stanislaus County	Sewer	1,525,000
CONNECTICUT		
Danielson, Windham County	do	624,980
FLORIDA		
Sneads, Jackson County	Water	324,800
Vernon, Washington County	Sewer	107,885
Do	Water	34,900
GEORGIA		
Clarkesville, Habersham County.	do	280,000
Hartwell, Hart County	do	643,605
Lavonia, Franklin County	do	468,000
HAWAII		
Hawaii County	Water	$457,340
Do	Sewer	747,500
ILLINOIS		
Bartelso, Clinton County	Water and sewer.	81,000
Coffeen, Montgomery County	Water	246,872
DeSoto, Jackson County	Sewer	160,000
Patoka, Marion County	do	176,280
Taylorville, Christian County	do	290,000
KENTUCKY		
Floyd County	Courthouse	595,000
Hazard, Perry County	Municipal building.	329,519
Monticello, Wayne County	Sewer	524,357
LOUISIANA		
Abbeville, Vermilion Parish	Harbor	1,066,000
Do	Storm drains.	395,000
Basile, Evangeline Parish	Sewer	460,000
Delcambre, Vermilion and Iberia Parishes.	Roads	277,000
Do	Sewer	449,875
Leesville, Vernon Parish	do	400,000
Mamou, Evangeline Parish	Water	129,000
Do	Sewer	43,354
Plaucheville, Avoyelles Parish	Water	189,000
Provencal, Natchitoches Parish.	Gas	85,000
Sunset, St. Landry Parish	Sewer	211,396
Youngsville, Lafayette Parish	do	175,750
MAINE		
Old Orchad, Beach York County.	do	309,761
MARYLAND		
Boonsboro, Washington County.	do	250,000
Dorchester County	Water	430,000
MASSACHUSETTS		
Billerica, Middlesex County	Sewer	2,400,000
Tewksbury, Middlesex County.	do	2,510,600
Whitman, Plymouth County	do	2,702,000
MICHIGAN		
Ishpeming Township, Marquette County.	do	297,500
Oak Park, Oakland County	do	384,417
Wayne, Wayne County	Incinerator	2,677,700
MISSISSIPPI		
Bude, Franklin County	Sewer	241,664
Leland, Washington County	do	330,000
Okolona, Chickasaw County	Water	156,000
Do	Sewer	220,000
Yazoo City, Yazoo County	do	1,610,000
MISSOURI		
St. Genevieve County	Courthouse	602,976
MONTANA		
Columbia Falls, Flathead County.	Sewer	418,000
Do	Nursing home.	189,611
Flathead County	Courthouse	1,345,792
Hamilton, Ravalli County	Storm drains.	240,000
Libby, Lincoln County	Roads	1,412,842
Polson, Lake County	Water	452,900
Yellowstone County	do	1,635,500
NEW JERSEY		
Atlantic City, Atlantic County.	City yards	2,788,973
Englishtown, Monmouth County.	Water	315,000
Little River, Monmouth County.	Sewer	1,590,000
NEW JERSEY—continued		
Long Beach Township, Ocean County.	Water	$260,468
Long Branch, Monmouth County.	City hall	510,000
Passaic, Passaic County	Roads	2,825,137
Pleasantville, Atlantic County.	Sewer	731,000
Plumsted Township Ocean County.	do	500,000
Totowa, Passaic County	do	705,900
Wildwood, Cape May County	Incinerator	500,000
NEW YORK		
Heuvelton, St. Lawrence County.	Sewer	400,600
Norfolk, St. Lawrence County	Water	260,000
Tupper Lake, Franklin County.	Sewer	997,041
Do	Fire station	59,800
NORTH CAROLINA		
Hot Springs, Madison County	Sewer	80,000
Spruce Pine, Mitchell County	do	461,200
Do	Water	300,000
OHIO		
Aberdeen, Brown County	Sewer	280,000
OKLAHOMA		
Wilburton, Latimer County	Water	690,000
OREGON		
Newport, Lincoln County	Sewer	575,000
Do	Water	236,680
Yamhill, Yamhill County	Sewer	170,000
PENNSYLVANIA		
Allegheny County	Fairground	1,260,800
Erie, Erie County	Harbor	842,500
Do	Roads	1,996,200
Karthaus, Clearfield County	Water	296,932
Tamaqua, Schuylkill County	Sewer	1,600,000
RHODE ISLAND		
East Providence, Providence County.	do	864,100
Woonsocket, Providence County.	Parking	645,000
SOUTH CAROLINA		
Hanahan, Berkeley County	Sewer	750,106
TENNESSEE		
Erin, Houston County	do	215,000
Jellico, Campbell County	Roads	78,923
Lafayette, Macon County	Sewer	497,000
Monterey, Putnam County	do	610,000
Pikeville, Bledsoe County	do	281,059
UTAH		
Price River, Carbon County	Water	782,832
WASHINGTON		
East Wenatchee, Douglas County.	Sewer	2,320,000
Toledo, Lewis County	do	125,500
WEST VIRGINIA		
Blackville, Monongalia County.	Water	40,000
Charleston, Kanawha County	Sewer	1,460,000
Clarksburg, Harrison County	Water	52,000
Harrisonville, Ritchie County	Sewer	200,000
Mercer County	Water	646,738
Montgomery, Fayette and Kanawha Counties.	Sewer	660,000
Oceana, Wyoming County	do	376,473
Rivesville, Marion County	do	300,000
St. Albans, Kanawha County	do	245,726

Hanford New Production Reactor

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 16, 1962

Mr. HOLIFIELD. Mr. Speaker, on July 13, 1962, I announced on the floor of the House that the Joint Committee on Atomic Energy had approved the introduction of two amendments to the AEC authorization bill for fiscal year 1963 (H.R. 11974). The purpose of these amendments is to specifically authorize arrangements under which the AEC would sell waste steam to a group of utility districts in the State of Washington—WPPSS—who would in turn build and operate, at their own expense and without any Federal expenditure, electric generating facilities at the Hanford new production reactor.

On July 15, President Kennedy made public a letter to me endorsing the WPPSS proposal. I am inserting in the RECORD at this point a copy of the President's letter and editorials on this subject from the Washington Post and the Washington Evening Star of July 16. I am also inserting in the RECORD, a letter which I sent to my colleagues in the House under date of July 16 with an attached analysis of the arguments made by opponents of the WPPSS proposal.

The letters and editorials follow:

JULY 14, 1962.

Hon. CHET HOLIFIELD,
Chairman, Joint Committee on Atomic Energy.

DEAR MR. CHAIRMAN: My message of March 1 on the Nation's natural resources pointed out that a major challenge in resource conservation lies in the efficient utilization of our energy resources, including heat produced as byproduct of industrial processes.

The new production reactor now being constructed by AEC at Hanford, Wash., to manufacture plutonium will produce as a byproduct, very large amounts of steam. By direction of the Congress, the reactor, at an additional cost of $25 million has been designed so that the byproduct steam can be used to generate electricity. I was disappointed last year when the Congress, despite strong efforts by you and others, did not authorize Federal construction of generating facilities at Hanford to convert this steam to electric power.

In my judgment, it is clearly in the public interest to utilize the heat output of the Hanford reactor, and to obtain maximum benefits from the public investment already committed for this facility if there is a feasible way to do so.

This past week your committee has heard testimony that the Atomic Energy Commission and the Bonneville Power Administration have found acceptable a proposal by the Washington Public Power Supply System to utilize the Hanford steam for the production of power. This local agency would finance, build, and operate the powerplant and deliver its output to local publicly and privately owned utilities which, in turn, would exchange it with Bonneville for a block of firm power on a nonprofit basis.

The proposal of the supply system contemplates that no Federal appropriation would be required, nor would any Federal agency be involved in building or operating the powerplant. The proposal thus provides a highly satisfactory arrangement for insuring the maximum utilization of the facility, demonstrates national leadership in resource development, and will aid in achieving national defense objectives.

I feel sure you will share my gratification that a way has been found to make productive use of this heat resource and I hope that you and the Congress will give the proposed arrangements your full endorsement and support.

Sincerely yours,

JOHN F. KENNEDY.

[From the Washington Post, July 16, 1962]

HANFORD AGAIN

A compromise formula approved by the Joint Committee on Atomic Energy last week holds out the hope that the steam generated by the nuclear reactor in Hanford, Wash., will not be wasted in perpetuity. It will be recalled that the House last year scuttled legislation under which the Federal Government would have designed, constructed and operated generating facilities at a cost of $95 million to use the waste steam at Hanford for public power. Since then, a municipal nonprofit corporation in the State has offered to install at its own expense the needed generating facilities and thereby sell the electricity to the Bonneville Power Administration.

With only a single dissenting vote, the Joint Committee has approved amendments that would permit this local initiative. In order to skate around the arid public versus private power fight, the amendments specify that 50 percent of the electricity go to private utilities and 50 percent to public power on nondiscriminatory terms. This would mean up to 800,000 kilowatts of electricity—enough to light the city of Baltimore—could be produced from steam now wasting away. It also would mean that the Federal Government could be repaid $125 million over a 24-year period.

Surely this makes sense. There can be no excuse for Congress now discouraging the very local initiative that opponents of Federal power fervently lauded during last year's debate. The House is due to vote Tuesday on the amendments. Prompt and decisive approval can make the Hanford heat shed light in the power-starved Northwest.

As Representative CHET HOLIFIELD, of California pointed out to the House last Friday, the proposal also has an important defense advantage. If it ever becomes desirable to suspend the production of plutonium in the dual-purpose Hanford reactor, this facility can be kept in constant readiness as a standby resource engaged in power production. Were it entirely shut down, it would take 2 years to recommence production; but with the power production in being, plutonium production could be resumed in a matter of days.

The amendments should have the overwhelming approval of the House when it votes on Tuesday.

[From the Washington Evening Star, July 16, 1962]

HANFORD'S STEAM

The House is scheduled to vote tomorrow on legislation designed, in effect, to prevent the literal throwing away of a great potential national resource. The resource is the steam that will come as a byproduct from the dual-purpose nuclear reactor being built at Hanford, Wash.

Although its primary task is to manufacture plutonium for weapons, this reactor, when it is completed and put into operation next year, will give off such a tremendous quantity of heat (equivalent to about 11 million pounds of steam per hour) that it will be capable—wholly apart from its military function—of producing about 800,000 kilowatt-hours of electricity for peaceful, commercial uses. The facility thus promises to be by far the biggest powerplant of its kind anywhere in the world.

At this time last year, however, the House, by a vote of 176 to 140, rejected a proposal to have the Federal Government spend $95 million (a self-liquidating investment that would have cost the taxpayer nothing) on equipment to convert Hanford's steam into electricity. Although the Senate strongly supported the project, the House's view prevailed, mainly on the ground—as argued by coal interests and lobbying private utilities—that the measure would put the Atomic Energy Commission into the business of selling power and thus promoting a further "socialistic" intrusion into the realm of free enterprise.

But today, whatever may have been the merits of that argument, an altogether different situation obtains. A nonprofit municipal corporation in the State of Washington—a group known as the Washington Public Power Supply System—is ready, willing, able, and eager to build the facilities and bear all the other costs involved in buying Hanford's steam, converting it into electricity, and distributing the product (through the Bonneville Power Administration) to clients throughout the Pacific Northwest, including private utilities on a nondiscriminatory basis. In short, WPPSS is prepared to take over the job of making the most of Hanford's steam, and the U.S. Treasury, if Congress approves, will receive from this organization perhaps as much as $125 million, or maybe more, depending on how long the reactor operates. The revenue moreover, will be received without a single dollar of Federal investment.

It is for reasons of this sort that Chairman CHET HOLIFIELD and an impressive majority of the Joint Congressional Atomic Committee have unqualifiedly recommended to the House that it adopt the legislation now before it. In Mr. HOLIFIELD's words, "This is a non-Federal enterprise, and the private companies will have an opportunity to participate up to 50 percent. Is not that a reasonable arrangement? * * * This is a completely different approach than was brought before the Congress last year. This does not require a dime of Federal money, nor are we going to authorize it or ask to have appropriated $1 of Federal money."

In some respects, the project is technically too complex to be reduced to simple terms. Yet, as Mr. HOLIFIELD has explained it, nothing could be clearer than that America will be guilty of lamentable improvidence if it lets Hanford's steam be tossed away, so to speak, on the desert air. Congress should vote accordingly.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 16, 1962.

DEAR COLLEAGUE: On July 13, 1962 I announced on the floor of the House that the Joint Committee on Atomic Energy had voted to authorize the introduction of two amendments to H.R. 11974 the fiscal year 1963 authorization bill for the Atomic Energy Commission. At that time, I also submitted for the record an analysis of these amendments and certain program justification data which are referred to in the amendments. This material appears at pages 13508–13512 of the CONGRESSIONAL RECORD for July 13, 1962.

The purpose of these committee amendments is to provide specific congressional authorization for certain arrangements under which the Washington Public Power Supply System (WPPSS), a group of 16 utility districts in the State of Washington would construct and operate electric generating facilities, at their own expense, at the Hanford New Production Reactor (NPR). This will make available from otherwise waste byproduct steam 800,000 kilowatts of electrical energy to the people of the Pacific Northwest.

I would like in this letter to outline the main features of these arrangements and to highlight the important benefits that you will bring to the Federal Government by voting for this proposal.

DIFFERENCES FROM LAST YEAR'S PROPOSAL

I will say first that I do not believe in futile gestures. I came before the Congress at the direction of the Joint Committee on Atomic Energy last year to get approval for Federal construction and operation of the NPR electric generating facilities. That proposal was defeated and I have no intention of bringing it up again.

The Washington Public Power Supply System proposal has no relation to last year's debate.

It calls for no expenditure of Federal funds.

It does not involve the Federal Government in either building or operating any electric generating facility.

THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM PROPOSAL

The Washington Public Power Supply System proposes to build and operate the NPR electric generating facilities, at its own expense and without any Federal expenditure. The Atomic Energy Commission would sell the otherwise wasted NPR byproduct steam under contract to WPPSS at a price, approved by the Federal Power Commission, which could result in the receipt of up to $125 million by the Atomic Energy Commission.

The participating public and private utilities would turn over the entire output of the generating facilities to the Bonneville Power Administration under appropriate power exchange agreements for distribution to public and private utility consumers.

JOINT COMMITTEE HEARINGS

At extensive hearings on July 10 and 11, 1962, the Joint Committee on Atomic Energy reviewed these arrangements in great detail with witnesses representing all of the contracting parties. The Joint Committee was convinced that these arrangements were sound and would bring great benefits to the Government. On this basis the committee voted to introduce two amendments specifically authorizing the arrangements, and guaranteeing (1) the offer of 50 percent of the power to private utilities, and (2) guaranteeing the time period of contracts with private utilities.

THE GOVERNMENT WILL REALIZE IMPORTANT BENEFITS

The WPPSS proposal will result in significant benefits to the Government—a direct financial return to the U.S. Treasury, flexibility in national defense planning and a stimulus to the economy of the Pacific Northwest and the Nation:

1. The estimated income to the Atomic Energy Commission from the sale of steam over various periods of reactor operation is as follows:

10 years	$31,000,000
15 years	60,000,000
24 years	125,000,000

This schedule is based on dual-purpose—plutonium and steam—operation of the reactor. We cannot predict the exact period of time for which plutonium for weapons will be needed, but it is highly probable that such operation will continue for at least 10 years. Unless an effective disarmament agreement is signed with the Soviets, the operation could continue many more years.

Remember, this steam will be made as byproduct whether it is sold or wasted. Here is a chance, without any risk to the taxpayers, to recover better than 60 percent of the cost of the Hanford New Production Reactor.

2. The arrangements will permit the Bonneville Power Administration to firm up and sell large quantities of surplus peaking capacity and secondary electric energy which otherwise would be wasted. It will meet a need for additional firm power to supply publicly and privately owned utilities, cooperatives, and industries in the Pacific Northwest. It will also result in more economic operation of the entire Columbia River power system.

This proposal is completely divorced from the public-private power controversy. You will want to know that, under the terms of the Joint Committee amendments, up to 50 percent of this energy would have to be offered to private utilities on a nondiscriminatory basis, not subject to any preference or pullback provisions in any law.

3. This arrangement will also serve an important national defense purpose. In the event the United States no longer needs plutonium for weapons, or enters into a disarmament agreement, the NPR will be operated by WPPSS for electric power only. If international circumstances should later require resumption of plutonium production for weapons purposes, this can be accomplished in the NPR in just a matter of a few days. This will save at least 2 years time and an estimated $4 million in standby costs.

A great deal of misinformation has been placed in the CONGRESSIONAL RECORD over the past few days with regard to this proposal and I am attaching to this letter an authoritative point-by-point refutation of each opposing argument. I am also enclosing for the information of the members a Joint Committee print entitled, "Utility Proposals for Powerplant Addition to Hanford New Production Reactor" which contains all the available documents pertinent to a consideration of the WPPSS proposal.

I have heard it said repeatedly that the Federal Government is getting too big—that the people should learn "to do for themselves." Well, here are 16 local utilities that are willing to bond themselves for $130 million to construct facilities which are necessary to meet their power requirements. They do not ask for a penny of Federal money. It is a fine example of local initative to meet local needs.

In summary, I do not believe that our committee could offer our colleagues in the House a better opportunity to cast a vote for economy at this session of the Congress. Your vote for the Joint Committee's amendments will contribute to the economic welfare of the Pacific Northwest and the Nation; it will make possible a new flexibility in national defense planning and it will return millions of dollars to the Treasury of the United States.

Sincerely yours,

CHET HOLIFIELD.

ANALYSIS OF OPPOSING ARGUMENTS AGAINST PROPOSED AUTHORIZATION OF ARRANGEMENTS FOR UTILIZING BYPRODUCT STEAM AT AEC HANFORD NEW PRODUCTION REACTOR

The reasons for the arrangements for utilizing byproduct steam from the AEC Hanford NPR are set forth in the CONGRESSIONAL RECORD of July 13, 1962, at pages 13508–13512; in the Joint Committee print entitled "Utility Proposal for Powerplant Addition to Hanford New Production Reactor," and in the letter to colleagues, dated July 16, 1962, to which this analysis is attached.

The following analysis of opposing arguments is intended to correct certain inaccuracies and misconceptions which have been raised concerning the arrangements for utilizing byproduct steam from AEC's Hanford, Wash., new production reactor (NPR). For convenience the arguments are listed in the order set forth at pages A5372–A5374 of the daily CONGRESSIONAL RECORD of July 13, 1962. Each argument will be listed with the answer set forth immediately thereafter.

1. Argument that the "objective is same as last year."—Answer: The opponents contend that the WPPSS proposal is the same as last year's proposed authorization for the AEC construction of electric generating facilities at the NPR.

As I have noted in my letter, the WPPSS proposal bears no relation to last year's NPR debate. It does not call for a single dollar of Federal expenditures and it does not involve the Federal Government in either building or operating any generating facility.

2. Argument that the Federal Government would be de facto guarantor for WPPSS revenue bonds"—Answer: This allegation misconstrues the contractual arrangements under the WPPSS proposal.

In the unlikely event of a default on the WPPSS bonds, neither the United States nor BPA would be liable to the bond holders. The procedure in such unlikely event would be substantially as follows: The bondholders would obtain the appointment of a trustee or receiver who would take possession of the electric generating facilities and would operate such facilities.

The receiver would call upon each of the utilities to perform its contract with WPPSS by paying its pro rata share of the annual costs of the project, which includes amortization of the revenue bonds. After each participating utility has paid its share, the bonds would no longer be in default. If any particular utility failed or refused to pay its share of the annual cost, the receiver could either bring action against the utility for the balance owed or, in the alternative, the receiver could call upon the other participating utilities to make good the obligation of the nonpaying utility. It should be stressed that the Bonneville Power Administration's obligation would remain the same; namely, to deliver power to each participating utility in exchange for its part of the output of the Hanford plant, a quantity of power at BPA rates equal to the utility's share of the annual costs of the NPR electric generating project.

It is true that without the underlying contracts, no bonds could be issued. However, in no event will the Atomic Energy Commission, BPA, or any branch of the Federal Government be obligated on the WPPSS bonds.

3. Argument that "the WPPSS proposal provides for Federal takeover of the NPR powerplant"—Answer: Under certain contingencies the arrangements provide that it would be possible for the Federal Government to take title to the electric generating plant, but only after congressional authorization. The Program Justification Data supporting the Joint Committee's amendments, and the amendments themselves, are clear on the point that the Federal Government could not acquire these facilities without prior congressional authorization.

Moreover, the Joint Committee's amendment would require that in the event the Federal Government did acquire the facilities, such acquisition would be subject to contracts then in existence. This means that private utilities could be assured that their rights to Bonneville power, without regard to any preference or pullback provisions in any law, would be absolutely guaranteed even if the Federal Government acquired the generating facilities.

4. Argument that the "NPR costs have skyrocketed"—Answer: The opponents point to the fact that NPR costs have increased several times over the past year and that the latest estimate is approximately $195 million.

This allegation overlooks the fact that every nuclear reactor project in the United States has exceeded its original cost estimate. In the case of the NPR, it was pointed out during testimony before the Joint Committee that it cannot be stated that these increased costs would not have occurred if the NPR had no convertibility features.

It should be remembered that in atomic energy we are dealing with a new technology and that in the case of NPR we are dealing with a new type of production plant. Increased costs are, therefore, not unexpected. The Joint Committee reviewed these increases thoroughly in its hearings.

5. Argument that the "generating plant costs have increased"—Answer: The opponents argue that generating facilities of the NPR have increased in cost from $95 to $130 million.

This misleading charge overlooks the fact that under the WPPSS proposal the Supply System is including in its $130 million estimate the following items: transmission lines; Washington sales tax; a higher interest rate on WPPSS bonds; necessary bond reserve; and $3½ million for research and development, the benefits of which will be given to the Federal Government free of charge.

Not one item of this difference in cost for the generating facilities is attributable to any technical aspect of either the construction or operation of the electric generating facilities.

6. Argument that "NPR power would not be firm power"—Answer: As explained in greater detail in item 11 below no single generating unit when operated by itself produces 100 percent firm power. Firm power comes about when a number of generating units are integrated into one system with adequate reserves for outages.

The scheduled and unscheduled outages of the NPR plant were estimated by the AEC and their engineering contractors. The plant capacity factor for the NPR electrical plant based on these estimates is 85 percent. This simply means that the plant can be depended upon for its full design output 85 percent of the time or for 7,500 hours out of each 8,760 hours in a year. (The comparable factor used by the Federal Power Commission for a conventional coal-fired steamplant is 90 percent or about 7,800 hours per year.)

7. The argument that "interest and amortization on the convertibility feature and the basic NPR plant should be included in the cost to the utilities"—Answer: This question indicates a complete misunderstanding of the proposed arrangements. The Government will be paid a specified amount annually for byproduct steam produced incident to the production of plutonium. The total amount could be over $125 million depending upon how long the Government will operate the NPR for the production of plutonium for the weapons program. The return for steam, in effect, provides some reimbursement to the Government even though the plant was constructed by the Government for the production of material for nuclear weapons.

It also should be remembered that the steam payments were negotiated between the Washington Public Power Supply System and the AEC, and the Federal Power Commission reviewed the prices arrived at in the negotiations and adjudged them as reasonable.

8. The argument that "a reasonable portion of the fuel cost and operating and maintenance costs should be paid for by the utilities in order that the Government may realize a reduction in its costs of plutonium"—Answer: This question again indicates a lack of understanding of the proposed arrangements. The amounts paid for steam can be considered to defray such Government costs. The Washington Public Power Supply System also pays for all costs, both capital and operating, which are incurred by reason of the addition of the electric plant.

The proposed arrangements provide the only means by which the Government can reduce its costs of producing plutonium. If anyone has a plan to decrease these costs further than those proposed under the arrangements, he should make them known.

9. The argument that "the utilities should be charged for the reserve generating capacity provided by BPA"—Answer: As regards unscheduled outages of Hanford NPR generators, BPA's analysis of the economic feasibility of the proposed arrangements did take into account the cost of any additional reserves of generating capacity that would be necessary to handle such outages. Prior to 1970, additional reserves would not be needed. The cost of reserve requirements after 1970 has been included in the BPA analysis of the economic feasibility of the project.

10. Argument that "a proper charge should be made for the transmission of power by BPA"—Answer: In BPA's analysis of the economic feasibility of the proposed arrangements, it made proper allowance for the average cost of transmission capacity from Vantage, Wash. (where it takes delivery of the electrical energy generated at NPR), to the various load centers of the participating utilities which are parties to the exchange contract. The allowance was computed on a system average cost of transmission per kilowatt year—approximately $4, which is included in the Bonneville rate.

11. Argument that "the cost of the loss of potential hydroelectric power should be considered"—Answer: Bonneville will not lose revenue from the sale of secondary hydro energy because of NPR generation. As pointed out below the output of NPR when added to the Bonneville all-hydro system produces firm power, not secondary energy. As a matter of fact, NPR would help Bonneville reduce its surplus of secondary energy. In the dual-purpose phase, the Hanford NPR would permit the use of substantial quantities of secondary energy during the scheduled outages in the summer months. In the power-only phase, secondary energy, when available, could be used to displace the cost of nuclear fuel.

No single steam generating unit, whether conventional or nuclear, produces firm power by itself as an isolated unit. A single generating unit will be out of service part of the time for maintenance, and occasionally because of breakdown. The NPR units are expected to be out of service about 15 percent of the time; conventional steam units about 10 percent of the time. Most of this outage time will be for maintenance purposes, and can be scheduled in the spring and early summer, when BPA system loads are lower and there is an excess of capacity. Breakdowns, however, may occur at any time the unit is operating. (This of course is true for any type of generating plant—hydro, coal, or nuclear.) Accordingly, reserve capacity is required, so that the loads can be served when a breakdown occurs. The amount of reserve capacity required is related to the amount of capacity likely to break down at any one time. A system composed of a single unit or plant could lose all of its capacity at the same time through a breakdown. To provide reliable service, a reserve capacity equal to the unit or plant is required. This would be known as 100-percent reserve. As the total number of generating units in a system increases, the amount of capacity likely to break down at any one time becomes a relatively small part of the total generating capacity. The BPA system in the Pacific Northwest has a large number of generating units and a large total capacity in comparison to the capacity of the proposed Hanford NPR plant. Thus, the Hanford project, or any single generating unit, when operated by itself would not provide firm power. But when integrated with the Federal system its entire output would be firm with very little increase in the Federal system reserve capacity requirements.

The Hanford plant, when its output is added to the BPA system, would supply additional energy—computed in the dual-purpose phase to be 800,000 kilowatts times 85-percent plant factor, or 680,000 kilowatts of dependable energy. At Bonneville's system load factor of 73.2 percent, adjusted for line losses, this would enable BPA to produce approximately 905,000 kilowatts of additional firm power.

As testified by the Bonneville Administration, the cost of this firm power addition to BPA's system, is as low or lower than new hydroplants scheduled for construction on the Snake River (lower Monumental, Little Goose, lower Granite) and the Clearwater River (Bruce's Eddy).

12. Argument that "the WPPSS proposal would damage the interests of the coal industry"—Answer: Certainly the eastern coal industry will not be affected. Its coal would not under any circumstances, be shipped to the Pacific Northwest. There is talk, however. of a coal-fired plant in the region, the Cle Elum plant. The Joint Committee received testimony on this plant which is in the preliminary stages of consideration. Both facilities will be needed to meet the BPA load growth requirement which is estimated to increase by approximately 400,000 kilowatts each year. Clearly, coal-fired plants, including Cle Elum, will be necessary to meet this future need.

13. Argument that "financial infeasibility should preclude BPA from executing the WPPSS contract"—Answer: The Administrator of BPA testified that Bonneville and WPPSS had made careful feasibility studies, and had found the proposed arrangements for the project to be economically and technically feasible.

If, in fact, the WPPSS proposal turned out to be economically infeasible, then the Bonneville Power Administrator would not execute the WPPSS contract. He has so testified before the House Appropriations Committee and there is no reason to expect that he would do otherwise.

13. Argument on "the need for specific authorization"—Answer: The opponents argue that the ruling of the Comptroller General should preclude further action on the contract without specific congressional authorization.

We do not take issue with this statement. While we neither accept nor reject the opinion of the Comptroller General, it seems clear that further congressional authorization is required and this is the purpose of the amendments to H.R. 11974 which have been approved by the Joint Committee.

Patents and Progress

EXTENSION OF REMARKS
OF

HON. THOMAS B. CURTIS

OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1962

Mr. CURTIS of Missouri. Mr. Speaker, some time ago I received from the president of the Mallinckrodt Chemical Works, of St. Louis, manufacturers of pharmaceuticals and medicinal chemicals, an analysis of two bills which would operate in the field of patents,

S. 1552, introduced by Senator KEFAUVER, of Tennessee, and H.R. 6245, introduced by Chairman CELLER of the House Judiciary Committee. I found this analysis very penetrating and I should like to share it and my reply to Mallinckrodt with my colleagues by placing them in the RECORD at this point:

ANALYSIS: AN OPENING WEDGE

ST. LOUIS, MO., *November 30, 1962.*

The American patent system is in danger. The Kefauver-Celler bill, now being considered by Congress (S. 1552, H.R. 6245), would radically alter our patent system to deprive one of the country's major industries of many rights the system was set up to protect.

True, the bill is directed against one industry only—the manufacturers of prescription drugs. Isn't this industry, then, the only one threatened? We think not. Legislation restricting the patent rights of one industry is a threat to all. A look at the bill's compulsory licensing provision indicates how serious this threat is.

Our present patent laws give the inventor of a new product exclusive rights to make and sell that product for 17 years after it has been patented. He may, if he wishes, license others to make and sell it, but he is not compelled to do so.

Under the Kefauver-Celler bill, the inventor of a new drug would receive full patent protection, not for 17 years, but for at most 3 years. After that time, any "qualified manufacturer" can apply for a license, and the inventor must grant a license to all who apply. If he doesn't, he loses his patent. In addition he must give the licensee, foreign or domestic, complete technical know-how.

Clearly, such a radical change in a fundamental law can be justified only by serious weaknesses in that law. The bill's proponents claim the change is justified in order to break monopolies and spur competition in the drug industry. Let's examine these claims.

There are approximately 1,300 companies in the drug industry, and no single company accounts for more than 10 percent of the market. A study made in 1960 by the National Industrial Conference Board showed that more than 300 of the 447 manufacturing industries studied had a higher concentration ratio than the drug industry. These facts hardly indicate monopoly or a lack of competition.

Compulsory licensing of patents would actually reduce competition by handicapping the individual inventor and the small manufacturer. They would no longer have the protection and the incentive necessary to create new and useful products.

Today, like other inventors, the inventor of a patented drug product has exclusive rights to his invention. Does this encourage drug monopoly? In 1954, chlorpromazine, one of the first tranquilizers, was patented. Its sales in 1955 accounted for 66 percent of the tranquilizer market. In 1959, there were 27 competitive tranquilizers available. Chlorpromazine's share of the market had dropped to 10 percent.

The discovery and patenting of chlorpromazine spurred competition and encouraged the invention of other tranquilizers whose existence is of great benefit to the public. If chlorpromazine had been freely available to all comers, is it likely that rival companies would have spent millions to invent other effective tranquilizers? If compulsory licensing were in effect, why would a firm risk vast sums trying to discover new products?

It seems apparent, then, that the proposed bill would curtail competition and seriously hamper the research activities of a vigorously inventive industry, one that has contributed greatly to the health of America. Moreover, the bill is likely to be a wedge that opens the door to similar legislation affecting the patent rights of other industries.

As Mark Twain once wrote: "A country without a patent office and good patent laws is just a crab and can't travel any way but sideways and backways." The Kefauver-Celler bill could help change the forward movement of American industry into the purposeless wandering of Mark Twain's crab.

MALLINCKRODT CHEMICAL WORKS.

Mr. HAROLD E. THAYER,
President, Mallinckrodt Chemical Works,
St. Louis, Mo.

DEAR MR. THAYER: I want to commend your organization for issuing the periodical pamphlet, Analysis, and to thank you for putting me on your mailing list.

I was particularly impressed with your November 30, 1961, pamphlet entitled "An Opening Wedge," in which the danger of the Kefauver-Celler bill (S. 1552, H.R. 6245), was discussed. I agree wholeheartedly with your analysis of this dangerous piece of legislation. It is indicative of the type of demagoguery that is prevalent these days, which, upon analysis, is designed to knock out the underpinnings of the private enterprise system.

Far from weakening our patent laws, I think we badly need to update them so that they will once again give the kind of encouragement to research and development that marked the first century and a half of U.S. private enterprise. By insuring that businesses are able to recoup the costs of research and development and can make an above average profit from the innovation resulting from this kind of investment, we best assure economic progress for the future.

I think our businessmen are fooled by the crudeness of the demagoguery that the opponents of the private enterprise system imply in furthering their socialistic ends, into thinking that the thinking of these opponents is thereby crude, and thereby not so dangerous. I regret to state that the thinking of the modern Fabian Socialists is far from crude and, when the occasion demands it, as it frequently does, they can be quite sophisticated in their techniques. The very crudeness of the demagoguery employed by certain public figures serves to enhance the sophisticated approach Harvard Ph. D.'s like Dr. Galbraith and Dr. Seymour Harris and their cohorts employ.

It is important that those of us who believe in the efficacy of the private enterprise system realize that attacks on the patent laws or attacks on the profit motive or attacks on the distributive system (which includes advertising) are all part of one basic campaign against the private enterprise system. Furthermore, I would state that in order to replace the private enterprise system in economics with one of political socialism it is expedient to undermine and destroy representative government. It is interesting that the congressional investigations conducted by leaders of this effort, employing as they have improper and illegal techniques, are applauded at the very same time these same techniques, when employed by the House Un-American Activities Committee (as they were before the House rules reform of 1956), are bitterly attacked and criticized. Any improper congressional action serves to weaken the Congress and to degrade it in the eyes of the people. So, crude demagoguery on the part of willing congressional and senatorial tools serves the Fabian Socialists' due purpose of attacking on a low level the private enterprise system and, at the same time, demeaning the institutions of representative government.

I can assure you that I am following the progress of S. 1552 and H.R. 6245 closely. In my judgment, it is one of the most dangerous pieces of legislation pending before the Congress. This is giving it a high billing because there is much dangerous legislation pending.

Sincerely,

THOMAS B. CURTIS.

A Political Solution to an Economic Problem?

EXTENSION OF REMARKS
OF

HON. THOR C. TOLLEFSON

OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, July 16, 1962

Mr. TOLLEFSON. Mr. Speaker my colleagues, the gentlemen from Washington [Mr. PELLY and Mr. WESTLAND], join me in this statement.

For many years Members of Congress representing the west coast and the Pacific Northwest have disregarded partisan politics and have worked together in behalf of projects beneficial to their areas, and have joined together in seeking solutions for their area problems. There has existed throughout the years an understanding that the welfare of our region transcended partisan politics.

Apparently, a new era has been born with the advent of the New Frontier. Several months ago the west coast lumber industry appealed to the administration and to Republican and Democrat Members of Congress for help. Lumber producers were losing their east coast markets to Canadian lumber producers. As of this moment, the Canadians have garnered 70 percent of the eastern markets formerly supplied by west coast producers. Several of our mills have closed as a consequence, resulting in considerable unemployment.

Republican and Democrat Congressmen held meetings together to explore possible courses of relief for the west coast industry. Several suggestions were advanced, including administrative as well as legislative action. Appeals were directed to the White House, the Department of Commerce, and the Forest Service. Congressional committees held hearings. It was obvious that quick action must be taken by the executive branch of the Government.

Now we are informed that the executive branch is about to announce some action for relief. Called to the White House are the Democrat Members of Congress who have been concerned with the lumber problems. Republicans and their views—advanced without regard to partisan politics—are completely ignored.

Some questions immediately come to mind: First, does this action signify the end of a wonderful working relationship between Republican and Democrat Members of Congress who lay aside partisanship in the interests of the welfare of the West and the Pacific Northwest? Second, are the actions to be recommended today by the executive branch purely political in nature? Third, did the fact that this is an election year have any bearing upon the decision to depart from the practice of Presidents Truman and

Eisenhower, who in connection with similar situations sought the advice and assistance of both Republicans and Democrats? If the answer to these questions is "Yes," then the actions for relief to be announced today will probably be headed toward failure.

North Dakota REA's Commend Norman Clapp

EXTENSION OF REMARKS

OF

HON. QUENTIN N. BURDICK

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, July 16, 1962

Mr. BURDICK. Mr. President, on the 11th day of July at the annual meeting of the North Dakota Association of Rural Electric Cooperatives at Williston, attended by representatives of all 21 North Dakota distribution cooperatives and the three generation and transmission cooperatives, a resolution was adopted unanimously commending Norman Clapp, REA Administrator, for his decision in approving the loan application of Basin Electric Power Cooperatives.

Since there had been competition for a loan to build a generating plant in North Dakota fired by lignite coal, it is gratifying to find this cooperation among all the REA's behind the decision of Administrator Clapp and Secretary Stewart L. Udall.

This decision means much to North Dakota. Our vast lignite resources will be utilized, resulting in a tremendous boost to the lignite coal industry in the State. It is estimated that there will be a 50-percent increase in lignite coal production as a direct result of the construction of the facilities. The plant will use 1.2 million tons of coal annually, or two trainloads of 50 cars each day. The annual payroll will amount to $250,000. And, of course, the power deficiencies of REA borrowers in the Upper Missouri Basin marketing area will be met with low-cost power. The plant will mean a great inducement to industry.

The Williston action indicates that the ranks have been closed behind this new development. It means that North Dakota, with its low-cost lignite fuel, will become the power source of the upper Missouri area, and with new transmission techniques, will be able to spread those savings and benefits to areas beyond the Missouri River Basin. I predict that the basin plant will not be the last, and that others will be built, by private utilities and cooperatives on the banks of the Missouri River in North Dakota, to take advantage of our almost inexhaustible supply of lignite and relay those benefits to the consumers.

This decision to develop our power potential has been the greatest single event in the development of the State of North Dakota. I therefore join with the REA's of North Dakota, and express my appreciation to Administrator Clapp and Secretary Udall for their contributions to the building of North Dakota and the entire Missouri River region.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas REA Administrator Norman Clapp, in his address at our annual meeting here in Williston, July 10, 1962, spelled out clearly the background of the power supply situation in the upper Missouri Basin and the reasons for his decision to approve the loan application of Basin Electric Power Cooperative: Now, therefore, be it

Resolved, That the North Dakota Rural Electric Association commend Mr. Clapp for his decisions and also the Interior Department for its decision to reject the proposal of the 14 utilities.

Address by Congressman D. R. (Billy) Matthews, Eighth District, Florida, Before the National Limestone Institute, Inc., Statler Hilton Hotel, Washington, D.C., Thursday, June 21, 1962

EXTENSION OF REMARKS

OF

HON. THOMAS G. ABERNETHY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1962

Mr. ABERNETHY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I would like to include a splendid address delivered by my esteemed friend and colleague from Florida, the Honorable D. R. (BILLY) MATTHEWS, to the convention of the National Limestone Institute in the city of Washington on June 21, 1962.

The address follows:

ADDRESS BY CONGRESSMAN D. R. (BILLY) MATTHEWS, EIGHTH DISTRICT, FLORIDA, BEFORE THE NATIONAL LIMESTONE INSTITUTE, INC., STATLER HILTON HOTEL, WASHINGTON, D.C., THURSDAY, JUNE 21, 1952

I want to tell you how happy I am to be here with you this morning and how much I appreciate your accommodating my schedule.

I haven't had the pleasure of meeting very many of you in this great institute, but I do know many members of your staff, and I want to congratulate you upon the excellent job they are doing.

I have been pleased to note that the roster of your membership includes several firms in my congressional district, as well as other firms in nearby Marion and Duval Counties, in the congressional districts represented by my good friends and colleagues, SYD HERLONG and CHARLES BENNETT, respectively. In fact, the limerock industry in the general area in which I live is one of the basic industries in our section of the State. I am, therefore, delighted to have a small part in this program of your 17th annual convention.

The topic of my talk is "American Agricultural Production: Bane or Blessing." And let me say that this topic is my own suggestion. I suggested it to your wonderful staff here in Washington and thought that I would like to talk about American agriculture production—bane or blessing.

It might sound odd, but there are many wonderful people in America who think that our magnificent agricultural production is a terrible curse. It is my opinion, however, that the greatest miracle in many ways in this Republic of ours today is the production of American agriculture. We sometimes think of the farm, in retrospect, as a place of horses and wagons and plows and buggies. We think of it in terms of hand milking and cream separators; churning butter; shocking grain in the hot sun; a cool spring house; groaning tables piled high with foods grown entirely on the farm; going for the cows in the pasture with a sheepskin for a saddle atop old Bess; a lazy afternoon fishing in the creek or cooling off in the old swimming hole; filling the lamps with coal oil; or hanging the lantern on a nail in the barn of an evening. That farm has, of course, disappeared. Everyday life on today's modern farm is not too different from life in the city. Farms are mechanized, electrified, have central heating systems and modern plumbing. They have refrigeration and even air conditioners. Farm wives shop in the supermarkets and at dress establishments in town.

These changes that have come about in American farm living are part of the great American story. Our Founding Fathers brought with them from Europe a concept of education which was limited to the areas of great learning known as the noble professions; namely, law, medicine, and the ministry. Agricultural education was unheard of; however, through the foresight of our earlier settlers, a system of land grant colleges was established throughout the Nation which placed agricultural learning, for the first time, on a plane with the so-called nobler professions. The abundance of today and the farm life of today are indicative, in part, of the success of this new respect for agriculture. So I certainly want to start out by saying that, in my opinion, our agricultural production is not a bane but the greatest blessing that providence could bestow on our beloved country.

It is a blessing first because of its efficiency—an efficiency that you ladies and gentlemen have had a part in making possible. It may come not as a complete surprise to you to know that I have always been a great advocate of soil conservation and the use of lime for soil conservation practices. As a farm boy, I knew that lime makes the soil more productive; that lime protects the soil; and I am proud of the increased efficiency of American agriculture because of your particular activities.

We can't think of the farmer in America today as the man who has a couple of cows that he hand-milks, and who does all the work on his farm by himself. We can't think of a farmer with just one or two mules or one or two horses. Sometimes I wish our farmers had more stock horses and mules because then we would not have the feed grain problem we now have. We have instead tractors and machines. The farmer no longer has the simple life that perhaps in the minds of some people he is conceded to have.

Today he operates in a highly complex climate and in a terrifically competitive arena. He must be an accountant, agronomist, veterinarian, electrician, mechanic, engineer, horticulturist, and soil scientist. He must understand fertilizers, crop-water requirements, and nutrient values of grass mixtures. He must know how to kill bugs and weeds with chemicals. It would be easier to list what today's farmer does not need to know. Farming demands skills of equal quality with those required in other businesses and professions.

The farmer must be a knowledgeable man. He must produce efficiently, and he has done it. One American farmer today can produce enough food and fiber for 26 other people. In the past 40 years crop production has increased 65 percent. The output per breeding animal is 88 percent higher. One hour of farm labor today produces four times as much food and fiber as it did 40 years ago.

With his efficiency the farmer must face what we call in agricultural circles the cost squeeze. He gets less and less for what he produces and he pays more and more for what he buys. You know, when I was a boy in Florida I studied economics, and I thought that the law of supply and demand meant that when the farmer produced too much inevitably he would get a lot less for his production and when there was a scarcity he would inevitably get a lot more. I believe the overproduction would result in a smaller price on the end product to the consumer, and if there were a scarcity the consumer would probably have to pay more. But it just doesn't work out that way in this complicated day. For example, several years ago in my eighth district of Florida you couldn't give watermelons away. Forty-pound watermelons wouldn't even bring 10 cents on the vine, and yet day after day, in the House restaurant they were charging 50 cents for a little slice of watermelon. On the floor of the House I spoke one day in some irritation, and the price did go down to 40 cents for a couple of days. Then it went back up to 50 cents. We were paying at the rate of $4 a watermelon in a restaurant while my farmers at home couldn't give the watermelons away. Now I'm not blaming anybody but I am suggesting to you that it is a terrific problem and one that I don't believe the average American realizes. Today the farmer only gets about 39 cents of the food dollar. This may sound strange, but let me repeat again that many times the price that the farmer gets doesn't have one thing in the world to do with the price paid in the grocery market, in which all the middle operations and other factors have entered into the picture. So I say that American agriculture is a great blessing as a result of the efficiency of the American farmer and because of the efficiency of the American businessman who supplies the farmer.

And let me emphasize this—that our tremendous agricultural production is the greatest asset we have today in the war against communism. The American people should be proud of the great efficiency of the American farmer, an efficiency that has created the abundance which is the envy of Khrushchev and the whole Communist world. Let us pay tribute to the farmer for his amazing ability to put technology to work; his willingness to continue receiving far less for his labor than that received by any other segment of our society; and for the abundant life that he has helped to make for our people. Mr. Khrushchev would give almost anything in the world if he could get a similar type of agricultural production in Russia. And I want to pay tribute again to all those who have made this possible—businessmen, farmers, professors, the great land-grant college system, which you will recall was started during the great War Between the States, with its extension service, experiment stations, etc. What a great job has been done. How can anybody, just because we have some vexing problems, call American agriculture a bane?

In the second place, American agriculture is a blessing because it provides jobs for so many people. Now I know that you won't get provoked with me when I say that sometimes, as a member of the Committee on Agriculture, I think the laws we pass help everybody but the farmer. Just let me give you an example: Despite the exodus of farmers from the farms, we still have about 7.4 million people working on the farms. But did you realize that we have over twice that many people who make their living because of American agriculture? Do you know that we estimate there are 16 million people in addition to the 7.4 million working on the farms who are dependent on American agriculture for their livelihood? That means that in private employment, 4 out of every 10 people working are dependent on agriculture. These are the people who supply farmers; who make, ship, and sell milking machines, tractors, fencing, building materials, combines; who generate and transmit electricity; who refine petroleum and make tires. These are the people who process, transport, manufacture, and market farm products. So if you hear about these crazy farm programs, and how silly some of them may seem to some people, please remind your listener that it isn't an easy job to keep a great industry like this moving with the tremendous production that we have and with the problems of getting rid of our surpluses. Stress the fact that 4 out of every 10 in private employment in America are dependent on agriculture for their livelihood.

Let us look at it also in another way. I have said that agriculture is a blessing because it creates so many jobs for other people. Consider the importance of farmers as customers of business and industry. The farmers of America buy $26 billion worth of material every year—goods and services. They spend another $15 billion every year on living expenses. They spend from $2½ to $3 billion every year on motor vehicles and equipment and they spend $1.5 billion a year for fertilizer and lime and they ought to spend $3 billion a year. Millions of jobs are created by these and other farm purchases. So remember now—let me repeat again—that in addition to the 7.4 million farmers on the farms, you have approximately 16 million people who make the tractors, the automobiles, all the other machinery, who produce the fertilizer, the seeds, generate the electricity for the farmer, and who distribute the goods of the farmer.

Why, in New York City it costs as much to take watermelons across the river and put them in the city as the farmer gets for them. Did you know that? My farmers will ship some watermelons to New York City and they won't get as much for the watermelons as it costs for transporting those watermelons across the river to the markets. I'm not fussing, but that is an example of one of the terrific problems we have in American agriculture. Again I say American agriculture is a blessing because it creates so many jobs for so many people.

American agriculture is also a blessing, because it protects our natural resources. If you will permit me a few minutes to philosophize, let me say that, in our study of history, as we read about the decline of civilizations in the past, we find there were several common factors in the decline of these civilizations. Every civilization in the past that has fallen, for example, has fallen because it did not have an adequate government. After hundreds and hundreds of years, since governments were first established, we are just beginning to understand something about this in our great Republic. We have the pattern for proper government. We have a Constitution—some people forget it at times—and did you ever stop to think that we haven't gained any more wisdom about people, or how to deal with people, or about the ambitions of people and the necessity for holding these ambitions in check; we haven't learned any more about avarice or the basic principles of dealing with people since Madison, Franklin, Jefferson, and others wrote the Constitution of the United States. They had all the wisdom of the ages before them. How grateful we should be for the Constitution of the United States, for the system of checks and balances which it establishes, for the fact that we are a sovereign Nation composed of sovereign States. How grateful we should be that we are constantly challenged by the fact that we are a government of laws and not of men. Despite inconsistencies, perhaps, in my own voting, I still believe in the old Jeffersonian concept that we ought to keep government as close to home as we can. It is difficult, ladies and gentlemen, in this complex Nation of ours, but we must live by the principles of the Constitution. The fact that previous civilizations did not have adequate types of government was responsible in part for their fall.

Another reason why past civilizations have fallen is because they haven't had adequate leaders. I have often said that we don't need so many new ideas in America; we just need better men and women to live up to the good ideas we already have. I have said many times, if America continues to produce enough men and women who will continue to give to America more than they take away from it, we don't need to worry so much about the future.

We are sometimes critical of our leaders in Government—about our President, Mr. Kennedy, for example. I can't agree with him 100 percent of the time, but isn't it wonderful that we have a man with the world at his feet, so far as the enjoyment of material things is concerned, and yet is willing to accept the most burdensome, the heaviest load so far as the human mind can comprehend, and serve as the President of the United States? How thankful I am today that in all walks of government there are gentlemen in the governmental departments—and I wish you could know them as I do—who, believe me ladies and gentlemen, give more to than they take away from our country. How proud I am of the people back home. Of course, that is where leadership and guidance always come from—and there are many of you here today who give more to your country than you take away from it. We couldn't have a great country without such leadership. If I had time this morning I think I could prove that America would not have won its independence without George Washington—just that one man. We had a million people in the times of the Revolution who were for the Tories; we had a million people who were for the Revolution; and we had a million who just didn't care. If it hadn't been for George Washington, I don't believe we could have won the Revolution. I don't believe we could have saved the Union if it hadn't been for Abraham Lincoln. So I say civilizations have fallen in the past because they did not have great leaders.

Another reason they have fallen—and I must hurry—is because they depended too much on the material and not enough on the spiritual. Speaking as one Congressman I want you to know that I don't think we can solve the problems of this Nation without divine guidance. I believe this very humbly and very sincerely. I think if we had time this morning to look through the pages of history, we could prove that when people are wedded entirely to the material that a nation is not far from its fall.

The chief reason I want to emphasize now—and the last reason why, in my opinion, civilizations have fallen—is because of the fact that they exploited their material resources. They have not taken care of their soil; they have not taken care of their forests; they have not taken care of their streams. This reason which is of particular concern to us today, is that nations have permitted their natural resources to be depleted.

I was in Rome this past December—I don't travel very much. I have only made two trips as a Member of Congress—one to Rome and one to Lima, Peru. You know the thing I thought about as I went around Rome—around those hills of Rome? I thought about the soil and how the Romans at the height of their civilization let their soil erode. They let the farmers who made bread on the farms leave the farms where they made bread and go to the cities and beg for bread. Remember then if some of our farm programs seem a little peculiar, that we are trying to keep as many of the farmers on the farms as we can. Despite the tremendous exodus, let me assure you, there would be twice as many if it had not been for the farm programs.

Just as sure as I am standing here today, the time is going to come in the lifetimes of many of us when we are going to need to take soil out from the wonderful conservation practices of pine trees and cover vegetation. We are going to need to put it back into cropland. We need 50 million acres less cropland now, but the time is coming when we are going to need every bit of that precious cropland again. So let me congratulate you for the part you are playing in conserving our natural resources. And I say to you that this civilization will fail as others have failed if we do not conserve our natural resources.

So, American agriculture is a blessing because it protects our natural resources. We are endeavoring in our farm program to establish soil conservation practices that will preserve the precious soil of America. We are endeavoring through the agricultural programs and other similar programs to keep our streams from being polluted; to conserve the water where the water is needed; to look forward, inevitably, to the day when there is a scarcity of some of these resources that a gracious providence has granted to us with a most generous hand.

Yes, ladies and gentlemen, American agriculture is a blessing because its efficiency has created such abundance; it is a blessing because it creates so many jobs for so many people; and it is a blessing because, with our agricultural production and our conservation practices, we are protecting our natural resources for the generations of the future.

Thank you very much.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1962

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following newsletter of July 14, 1962:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas, July 14, 1962)

HOUSE VOTES OPTION TO AID REDS

Could that word "final" in big black letters on the masthead of the Washington Post of July 13 be prophetic as to the future of our Nation? In these headlines the press, the President, his lieutenants, House leaders, and proponents of foreign aid hailed with delight a victory for the United States—the continued right to give away to the enemy, American taxpayers' money. For the United States and you, was this victory—or was this surrender?

H.R. 11921, the Foreign Assistance Act of 1962 authorized a total of $4,668,500,000 ($4.6 billion or $4,668 million or $4.60 per minute since Christ was born) to be spent for military assistance, defense support, economic and technical assistance, development loans and grants, Alliance for Progress (Latin America) contingency fund and administrative expenses. Three days' debate produced 21 amendments, 13 adopted and 8 rejected. The most critical issue of many controversial features of foreign aid was the matter of aid to Communists. Around this the hottest debate centered. Well—why not foreign aid? Why not aid to Communists, Socialists, neutrals, and every country of the world? Here's why not: in brief—random notes from debate—generally, (1) $6.6 billion is still on hand unspent, in the pipeline, for foreign aid.

(2) United States is deficit financing—we must borrow to give it away. U.S. debt is $100 billion more than all the rest of the world together.

(3) Our gold supply ($16.5 billion now—world already holds over $20 billion claims) is dangerously low and these dollars can be claimed in gold by foreign people. The value of our currency is further jeopardized and our economy and the free world rests on the dollar.

(4) Our giveway policies and actions project wrong image of capitalism, private enterprise, and our spiritual beliefs. Also, our gifts distort our trade and other economic programs, including operation of laws of supply and demand and marketplace.

(5) Military, economic, and technical assistance should be separated into separate bills as distinctly different matters.

(6) Comptroller General pointed out that field operations were hampered by excess, not lack of money in programs.

(7) Communism's greatest growth has come since World War II during the period of our greatest foreign aid.

(8) Two-thirds of our aid since World War II has gone to neutrals who have not been and are not now on our side.

(9) At the Punta del Este meeting to restrict the spread of communism from Cuba throughout Latin America 6 nations supported Castro, and since have received $385 million of aid and 13 nations supported our position and have received $173 million from us. We reward our enemies and confound our friends.

(10) Brazil, opposing us at the Punta del Este Conference and expropriating U.S. property, has received $120 million since the Conference and has been promised more.

(11) Laos, recipient of over one-third billion since becoming independent in 1954, had all aid from us cut off to force her to accept a Communist coalition government.

(12) Ghana, whose leader Nkrumah joins Russia, denounces United States and is firmly alined with the Communists, is receiving U.S. aid for the beginning of a power dam on the Volta River.

(13) Cambodia, construction of a hospital by the Russians with materials which were financed by U.S. dollars. We paid but Russia got the credit.

(14) Poland, recipient of over $1 billion U.S. aid has become more firmly controlled by Communists.

(15) Yugoslavia, recipient of over $2½ billion, has never known freedom from dictation and we have supported this subjugation.

(16) Vietnam, received U.S. aid to finance a new unneeded water pipeline; also unexpended funds for highway not being used or returned, and costs have skyrocketed from $18 to $85 million and no top in sight. In Saigon radio towers were installed but not in operation, need undetermined.

(17) Taiwan fertilizer plant, costing $34 million nonoperable because it didn't meet specifications.

The only argument advanced by proponents of aid to Communists is that such aid tends to separate Yugoslavia and Poland from the international Communist bloc, and that this is sufficient reason for such aid. (Other Communist countries are of course included here such as Cuba, China, Czechoslovakia, etc.) Well, let's see how this works out. Here are some quotes to remember:

(1) Justice Douglas, "The underdeveloped nations that received our aid are mostly worse off for it. * * * The main impact of American foreign aid was to widen the gulf between rich and poor, helping to create the vacuum into which the Communists easily move."

(2) Khrushchev, "In all major international issues, the stand of the Soviet Union and Yugoslavia coincide or are identical."

(3) Tito, "As regards building socialism with respect to the realisation of final goals, there can only be differences concerning methods. There are almost as many roads leading toward socialism as there are countries. There exist elements of dispute between us and the Soviet Union but they are not so great."

(4) Dr. Slobodan M. Draskovich, author of the revealing book, "Tito—Moscow's Trojan Horse" (pages 13122–13125, CONGRESSIONAL RECORD, July 11, 1962), "The dilemma of the U.S. foreign policy is: to side with the Communist regimes, which enslaves their own people and work for the enslavement of the American people, or to side with the oppressed peoples and thus help bring about the greatest rebirth of freedom the world has ever known. Nothing less than the destiny of our Nation depends on the decision we make." Pity the people under Communist rule, under dictatorship, militant atheism, without freedom and without hope of uprising when the wealthy leader of the free nations, the United States, supports financially their dictator.

Turn now to treason as defined in article III, section 3 of the Constitution of the United States: "Treason against the United States, shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort." Isn't it proper to ask wherein this definition differs from our action in our foreign aid programs? Isn't it prophetic—yes, suicidal—that when atheistic, materialistic socialism-communism is on the march throughout the world, we are embracing socialism's programs at home (Norman Thomas—Socialist leader says his campaigning is through, his programs now adopted by government leaders) and our religious beliefs are under attack by the Supreme Court, and we count as a victory for the United States the passage of a bill which permits us to give aid and comfort to the enemy?

My comments on the floor during debate were simply, "I think this bill is unconstitutional, it is illegal, it is immoral, it is suicidal, and just plain downright foolish." It is not yet too late for the American people to act. Foreign aid will be considered again when the appropriation bill comes before Congress. Now is the time to let your elected representatives know how you feel about aiding and comforting the enemy. You should write the President, the Vice President, your Senators and your Congressman before the foreign aid appropriation bill comes up for a vote.

The arguments against foreign aid are not new. These important questions have been raised again and again, and they have never been answered. In 1959 I summed up the case on foreign aid and the statement made then holds true today. I am, therefore, including with this newsletter a reprint of my newsletter of June 20, 1959.

The Lotteries of Switzerland

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1962

Mr. FINO. Mr. Speaker, I should like to tell the Members of this House about the lotteries of Switzerland. There is no national lottery in Switzerland but a number of the cantons have grouped together to run regional lotteries.

The gross receipts in 1961 came to almost $6½ million. Profits amounted to over $2 million. Some of the cantons use their share of the income for private charity cases, while others use it for public charities or cultural organizations.

The Swiss are widely and rightly famed for their interest in charitable causes. In addition, they have recognized that lotteries can be helpful devices to assist their endeavors in this direction.

Mr. Speaker, a national lottery in the United States could pump into our Treasury over $10 billion of new revenue every year which could be used to cut our taxes and reduce our national debt. When will America wake up to the worth and value of a national lottery?

An Interchange of Views on Health Care for the Aged

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1962

Mr. CURTIS of Missouri. Mr. Speaker, I recently received from several members of the Graduate School of Social Work of Adelphi College a plea for my support of the King-Anderson bill, the proposal which would place the health care of our aged under the social security system. I felt it important that the statements of these men and women, reputed to be scholars in the field of social welfare work, be printed in the RECORD and that my response to them accompany this. Our need now is not for scholars to turn away from scholarship and go into political huckstering. What we need is a more scholarly approach to the political issues of the day. I was disappointed, as my letter reflects, in the poverty of scholarship shown by the Adelphi faculty in its letter:

SCHOOL OF SOCIAL WORK,
ADELPHI COLLEGE,
Garden City, N.Y., June 27, 1962.

Hon. THOMAS E. CURTIS,
House of Representatives,
Washington, D.C.

DEAR MR. CURTIS: We, the members of the faculty of the Adelphi College Graduate School of Social Work, wish to urge your support of the King-Anderson bill (H.R. 4222). The facts with respect to the need to include health care for the aged under social security are widely known and have been often repeated. Likewise have been the arguments to the contrary. It is not necessary to go into all of these lengthy arguments here.

What is most significant, in our opinion, is that health care under social security will provide equitable health service for the entire population of the country. Arguments to the effect that only those covered by social security would be eligible and, therefore, that many people would not be covered, are ineffectual. Over 90 percent of the working population of the United States today is covered by social security. Among the remaining less than 10 percent, most are covered either by railroad retirement or veterans' benefits. Thus the current working population will, for all intents and purposes, be completely covered upon reaching 65 years of age.

The population which currently is beyond the age of 65 years and not covered by the Social Security Act is larger. However, those who oppose the King-Anderson bill suggest that the Kerr-Mills legislation would suffice to cover this large group. But the facts are that less than 50 percent of the States have enacted the Kerr-Mills legislation, and therefore have not used this method of helping an aged population in need of medical care. The reasons for this are the same as those for the reluctance of poorer States to participate in many forms of public assistance under the Social Security Act. Poorer States seem to be less willing or less able to provide matching funds to receive Federal grants-in-aid.

As the population of the United States contains more and more older people, more and more of them will be in need of medical care, and without social security protection many more of these aged will be turning to public assistance under Kerr-Mills legislation (where it exists), for this kind of help. This, of course, requires a means test, which has always been repugnant to citizens of a free democracy. But equally important, it means that the cost of public assistance which is met out of general taxation funds will be increasing rather than decreasing. Health care under social security provides a medium whereby the wage earner purchases his own insurance and contributes toward his own medical care when he is past 65 without placing an additional burden on general tax revenues.

The citizens of this country demand and have a right to greater dignity and respect as the Nation grows materially and psychologically. As we attempt to create a more sane society, we should be throwing off residual evidences of the more primitive societies of the past. The experience of over 340 years of the administration of a poor law system in public assistance and public welfare is seen today in the continued use of the means test. Health care for the aged under social security is more equitable, more dignified, and more befitting the nature of man.

Sincerely,

Faculty of the Adelphi College Graduate School of Social Work, Joseph L. Vigilante, ACSW Dean; Florence Haselkorn, ACSW Associate Professor; Marjorie A. Jonas, ACSW Associate Professor; Myron Blanchard, ACSW Associate Professor; Catherine Papell, ACSW Assistant Professor; Margaret Vickery, ACSW Assistant Professor; William A. Rosenthal, ACSW Assistant Professor; Theresa Nathanson, ACSW Assistant Professor; Beulah Rothman, ACSW Assistant Professor; Celia S. Deschin, ACSW Associate Professor; Louis Schauer, ACSW Assistant Professor; Rubin Starer, Assistant Professor.

JULY 6, 1962.

Mr. JOSEPH L. VIGILANTE,
Dean, Adelphi College, School of Social Work, Garden City, Long Island, N.Y.

DEAR DEAN VIGILANTE: Thank you for the letter of June 27, 1962, on behalf of the faculty of Adelphi Graduate School of Social Work urging support of the King-Anderson bill.

I am shocked at the lack of scholarship from scholars exhibited in this letter. We so badly need to have people in the field of scholarship keep matters which become involved in the political arena on the highest plane.

The second and third sentence of your letter sets the tone. "The facts with respect to the need to include health care for the aged under social security are widely known and have been oft repeated. Likewise have the arguments to the contrary."

Even if the tone is the result of an unfortunate choice of words and not a deliberate design to refer to one's own position as one of "fact" and one's opponents position as one of "argument", regrettably the facts and arguments are much in dispute.

On this point, if no other, President Kennedy and I are in agreement: the people do not have the facts, nor do they have the honest arguments for and against. Our scholars could be of tremendous help in putting together an agreed statement of the pertinent facts from which we could advance our differing arguments.

The King-Anderson bill is not health care under social security as your letter suggests. It provides for less than 25 percent of the average health costs of an older person. The balance of more than 75 percent of the cost must be borne by the individual. Ergo the implication that the King-Anderson bill "will provide equitable health service for the entire population of the country" is untrue.

Now comes the dilemma of the supporters of the King-Anderson bill. Are they to claim that the less-than-25-percent coverage is to be extended, once the beginning has been made, to cover the full 100 percent of health care costs which would justify a claim that the program will provide equitable health service for the entire population? If this is their claim then they become vulnerable to the argument that the King-Anderson bill will lead to socialized medicine. If the other horn of the dilemma is selected, as Secretary Ribicoff has done, saying the limitation must remain less that 25 percent of the average health costs because we cannot afford to increase the payroll tax upon which the whole social security program is based beyond 10 percent of payroll, which the 25 percent benefit program would require, then we must abandon the claim of providing health service equitably or otherwise.

It is not arguments, but facts which point out that many people over 65 would not be covered by the King-Anderson bill. Arguments may be ineffectual, but facts cannot be ignored.

No one suggests that the Kerr-Mills legislation would suffice to cover this large group of almost 3.5 million people over 65 not covered by King-Anderson. What is suggested is that any person in this group not able to take care of one's own health costs, and not on relief, may be helped. Where is the equity in excluding these people if the purpose of the promoters of King-Anderson is to preserve what they claim to be the dignity of people? Are we just to forget the dignity of these old people because they will soon die off?

The analysis of the Kerr-Mills Act and the extent of the States adopting it is not factual. What data supports the contention that the poorer States are reluctant to participate in many forms of public assistance under the Social Security Act? Which are these poorer States? Those who indulge in the expensive system of maintaining educational and welfare institutions on a racially segregated basis? I have looked into the tax bases of those States frequently designated as poorer States, from which they derive their revenues for education and welfare programs.

Their tax bases are more than adequate to provide adequately for their people's needs. Real estate wealth not personal or corporate income wealth is the tax base utilized in our society for educational and welfare services. The real estate property tax based upon real estate wealth has responded admirably to the needs of our society particularly since World War II. The tax systems which have been strained to the utmost, indeed to the point where serious economic damage to our Nation is resulting are the Federal income tax, and the various payroll taxes. These are the taxes that can bear no more. The real property taxes of the local governments with proper reforms can absorb an even greater load.

The fourth paragraph begs the question. The question is, Are our older people meeting their medical bills now? Can they meet their medical bills tomorrow with the increasing cost of health care?

The studies today reveal that people over 65 meet their medical bills better than any other age group in our society. Every scholarly study made, and there have been many, on local and State bases, reveals that less than 15 percent of our people over 65 have had to go to outside resources to meet their medical bills. See the Committee on Ways and Means printed hearings on health care for the aged held July 24–August 4, 1961. In other words, 85 percent of our older people are doing all right and as our health insurance programs, private pension plans and social security continue to grow the 15 percent will continue to diminish as it has been diminishing. This in spite of the increasing health costs which we can anticipate will continue to increase.

The statement that the means test "has always been repugnant to citizens of a democracy is completely without substantiation. In fact, the evidence is directly to the contrary. Most college scholarships are based upon the family means test and most people look upon getting a scholarship as an honor, not as a matter of repugnance. The Federal income tax is predicated upon the means test and we pride ourselves on this fact. Our veteran's laws are almost all based upon a means test. The FHA or any Federal, or private, lending program is based upon a means test. Indeed, the private enterprise system itself is based upon means tests. Far from being repugnant to a free democracy it is the essence of a free democracy and private enterprise.

What the letter is seeking to suggest, I believe, and by innuendo, that this relates to the Kerr-Mills program, is that a pauper's oath is repugnant to our society. Indeed that is the term that has been used unrestrainedly by the primary promoters of the King-Anderson bill to slander the Kerr-Mills Act. This is a vicious and false charge. The Kerr-Mills Act far from requiring a pauper's oath permits the States to liberalize their present old-age assistance means tests, most of which are not pauper's oaths, to the extent that a person does not have to go on relief if the financial problem has resulted from a medical expense and otherwise the person is doing all right. In other words, the Kerr-Mills Act in effect says to the States you can tell older people confronted with medical bills beyond their ability to pay from income: "You don't have to go on relief. You don't have to sell your little home; you don't have to cash in your pension or your life insurance to meet this bill. We can take care of this bill and you go on living in your home on your income as you have been doing before." Kerr-Mills specifically forbids any State accepting Kerr-Mills funds to enforce a property lien against an older person receiving assistance to meet a medical bill.

The shamelessness of the denigrators of the Kerr-Mills Act has allowed them to advance at the same time an argument which is diametrically opposed to the pauper's oath charge. It goes this way. The Kerr-Mills Act is extremely costly. It is an open end program subject to untold abuse. Now which is it, a degrading pauper's oath or an open end program which permits so many people to enter, its costs become prohibitive?

The truth is it is neither. It permits a liberalization of the present States' means tests. However, its limitations are these: (1) To incurred medical expenses; (2) of people over 65 who are on satisfactory budgets, but to whom an unusual medical expense would prove a budget disrupter—this would apply to less than 15 percent of our present population of persons over 65 not on relief, or less than 3.5 million people. This group will continue to diminish as the OASDI program matures just as the OAA rolls will and are diminishing.

I believe one important reason the Kerr-Mills Act has not been implemented by more States in the short period (18 months) since it has become law is the merciless denigration of the law by obstructionists who want it to fail. And by the failure of scholars who know better to call a stop to this denigration by pointing out the facts to the public.

In this respect the profession of social workers Ph. D.'s are gravely at fault because here are those who profess to be objective scholars in this discipline. In light of your letter I must certainly extend this grave criticism to Adelphi College and its faculty.

I think I know what the citizens of our country are really demanding in this matter and other matters. It is not what your letter states. It is more honest and forthright public discussion and debate on the serious issues that face our country and less appeals to prejudice and the more ignoble instincts of mankind.

I appreciate that this reply may raise your anger but I am hopeful that after your anger has subsided you will think over what I have been saying. I am pleased to discuss this serious issue of health care for the aged on a scholarly basis with your group or any group at any time. You put forward what you believe are the facts in the case. I will counter with mine. Let's see if we can reach an agreed statement of facts. Then let us move from there to our arguments.

Sincerely,

THOMAS B. CURTIS.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 17, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Revelations 2: 29: *He that hath an ear, let him hear what the Spirit saith unto the churches.*

Almighty God, in this noonday prayer, we would penitently confess that we are living in a time of spiritual bewilderment and indifference.

We seem to be so vague in our thoughts of Thee and without any vital and vivid sense and satisfying experience of Thy presence and power.

Inspire us to realize that if we are going to have a part in building a nobler and more humane social order then our own hearts must be our first concern.

May we be sincere and wise enough to daily strive by prayer and meditation and a study of Thy Holy Word to gain a more intimate and personal fellowship with Thee.

Grant that we may look out upon humanity with the eyes of faith and hope, believing that there are capacities in men everywhere whose beauty and splendor can only be discovered and released when brought under the spell and sway of our blessed Lord.

Hear us in His name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on July 13, 1962, the President approved and signed a bill of the House of the following title:

H.R. 12154. An act to amend and extend the provisions of the Sugar Act of 1948, as amended.

MRS. LESLIE M. PATERSON, JANET PATERSON, AND MARY PATERSON

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1469) for the relief of Mrs. Leslie M. Paterson, Janet Paterson, and Mary Paterson, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 4, after "Act," insert "the clause numbered '(1)' in".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GERDA GODIN

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7369) for the relief of Gerda Godin, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Line 5, strike out "not".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON APPROPRIATIONS

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight tonight to file a privileged report on the appropriations bill for the Departments of State, Justice, Commerce, the judiciary, and related agencies.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. JENSEN reserved all points of order on the bill.

ATOMIC ENERGY COMMISSION

Mr. BAKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BAKER. Mr. Speaker, I voted last year against the authorization of Federal power generating facilities at the Atomic Energy Commission's Hanford new production reactor. It seemed to me that there were better ways in which the Federal Government could use the $95 million required for power facilities at Hanford.

This year, however, I intend to support the recommendation of the Joint Committee on Atomic Energy that we authorize the Atomic Energy Commission to enter into contracts with a non-Federal group to install power generators at Hanford.

The situation this year is completely different from that last year. This year there will be no Federal appropriations authorized; the money for these power facilities will come from local groups, through revenue bonds. So it will not be necessary for the Federal Government to expend $95 million for this purpose.

Too, this project represents local initiative. The Washington Public Power Supply System should be commended for coming forward with the proposal to do-it-themselves in developing the power potential at Hanford.

And the Government will actually make money on this contract, since the Washington Public Power Supply System will pay the Atomic Energy Commission millions of dollars for the steam which would otherwise be wasted.

Mr. Speaker, I think this is a good arrangement for the U.S. Government, an excellent example of local initiative to meet a problem, and a project that will benefit the economy. Therefore I wish to express my support of the amendment as proposed by the Joint Congressional Committee on Atomic Energy.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ANNUAL REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1961.

JOHN F. KENNEDY.

THE WHITE HOUSE, *July 17, 1962.*

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

MRS. WILLIAM W. JOHNSTON

The Clerk called the bill (H.R. 9942) for the relief of Mrs. W. Johnston.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FELIPE O. PAGDILAO

The Clerk called the bill (S. 2147) for the relief of Felipe O. Pagdilao.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. WALTER. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ANDERSON of Illinois. Mr. Speaker, I object.

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. There being two objections, the bill is rereferred to the Committee on the Judiciary.

CLARA B. FRY

The Clerk called the bill (H.R. 7615) for the relief of Clara B. Fry.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MARGARET MACPHERSON, AND OTHERS

The Clerk called the bill (H.R. 1660) for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

CARLETON R. McQUOWN, THOMAS A. PRUETT, AND JAMES E. ROWLES

The Clerk called the bill (H.R. 4950) for the relief of Carleton R. McQuown, Thomas A. Pruitt, and James E. Rowles.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

DANIEL WALTER MILES

The Clerk called the bill (H.R. 7469) for the relief of Daniel Walter Miles.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SP5C. CURTIS MELTON, JR.

The Clerk called the bill (H.R. 8201) for the relief of Sp5c. Curtis Melton, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Specialist Five Curtis Melton, Junior (serial number RA24977421), the sum of $1,800. The payment of such sum shall be in full settlement of the said Specialist Five Curtis Melton, Junior, against the United States for losses suffered by him as the result of damage to his automobile in December 1959, while it was parked in front of his off-post residence in Kirchhiembolanden, Germany, caused by an Army vehicle being driven without authority and not on an authorized mission by a member of the Armed Forces: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 6, strike "$1,800" and insert "$1,180.95".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARY E. O'ROURKE

The Clerk called the bill (H.R. 3624) for the relief of Mrs. Mary E. O'Rourke.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

DR. AND MRS. ABEL GORFAIN

The Clerk called the bill (H.R. 6709) for the relief of Dr. and Mrs. Abel Gorfain.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

THEODORE ZISSU

The Clerk called the bill (H.R. 8550) for the relief of Theodore Zissu.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ARIE ABRAMOVICH

The Clerk called the bill (S. 2736) for the relief of Arie Abramovich.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

AUTHORIZING APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 716 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11974) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. BALDWIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 158]

Alford
Ashley
Barrett
Bass, N.H.
Blitch
Boggs
Brewster
Buckley
Coad
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Flood
Frazier
Garland
Gray
Harris
Harrison, Va.
Hoffman, Mich.
Ichord, Mo.
Jones, Ala.
Judd
McSween
Macdonald
Mailliard
Merrow
Miller, George P.
Moulder
Powell
Purcell
Rivers, Alaska
Roberts, Ala.
Rousselot
Saund
Scranton
Smith, Miss.
Spence
Taber
Teague, Tex.
Thompson, La.
Thompson, N.J.
Thomson, Wis.
Winstead
Yates

The SEPAKER. On this rollcall 390 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. ELLIOTT. Mr. Speaker, I yield myself such time as I may require, after which I will yield one-half hour to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, House Resolution 716 provides for the consideration of H.R. 11974, a bill to authorize appropriations for the Atomic Energy Commission for fiscal year 1963 in accordance with section 261 of the Atomic Energy Act of 1954. The resolution provides for an open rule with 2 hours of general debate.

This bill authorizes funds for plant and facility acquisition and construction for the Atomic Energy Commission during fiscal year 1963. These projects are necessary in order to keep pace with developments in the field of atomic energy and to increase our knowledge of both the civilian and military applications of the atom.

There are 12 sections in the bill.

Section 101 authorizes the appropriation of $159,415,000 for new construction projects during fiscal year 1963. The sum authorized will be used for 46 line item projects in the following categories: First. Special nuclear materials. Second. Atomic weapons. Third. Reactor development.

Fourth. Physical research.

Fifth. Biology and medicine.

Sixth. Communities.

Also included in this section is a provision concerning general plant projects which provides for miscellaneous minor construction items.

The $159,415,000 amount authorized in section 101 compares with $226,440,000 authorized in fiscal year 1962 and $211,476,000 authorized in fiscal year 1961.

Sections 102 through 106 of the bill contain standard provisions and limitations governing the use of authorized funds which are identical, or similar to, corresponding sections in previous AEC authorization acts.

Section 107 of the bill amends several prior year AEC authorization acts to reflect changes and increases in the costs of certain projects.

Section 108 of the bill amends Public Law 86–50, the AEC Authorization Act for fiscal year 1960, by rescinding one project which is no longer needed.

Section 109 of the bill authorizes the appropriation of $5 million to the Atomic Energy Commission, in addition to the sum of $10 million previously authorized for the purpose of carrying out the joint research and development program with the European Atomic Energy Community.

Section 110 of the bill pertains to the cooperative power reactor demonstration program. Subsection a extends the date for approving projects under the third round of the program from June 30, 1962 to June 30, 1963. Subsection b authorizes the appropriation of an additional $3 million for the purpose of carrying out the power reactor demonstration program. This, in addition to the $7 million authorized last year, makes available a total of $10 million authorized for the cooperative program. Subsection c provides authority for a supplemental program of cooperative arrangements under which the AEC may furnish funds for design assistance without regard to section 169 of the Atomic Energy Act, the "no subsidies" provision of the act. This authority is intended as a stimulus to interested companies to construct large nuclear powerplants.

Subsection d provides that funds authorized and appropriated to the Commission in support of unsolicited proposals will also be available for a nuclear reactor project to generate electricity, process heat, or both. The Commission may furnish funds for design assistance for this project without regard to the provisions of section 169 of the Atomic Energy Act of 1954.

Section 111 concerns the organic reactor project authorized by project 63–e–3 of section 101 of the bill, specifying certain terms and conditions pertaining to the construction and operation of the plant.

Mr. Speaker, it is my understanding that nothing in this bill is regarded as controversial and that the bill has been reported by a unanimous vote of the Joint Committee on Atomic Energy. I understand that amendments will be offered with respect to arrangements for private construction of electric generating facilities to utilize the waste steam from the Hanford new production reactor, on which there may be some differences of opinion.

Mr. Speaker, I consider it a great privilege to bring this rule to the floor making this bill in order, which authorizes appropriations for our Atomic Energy Commission for the purposes which I have outlined.

Our leadership in the atomic energy field has done much to place our Nation in the forefront of civilization.

We must continue to lead in this field. We must look forward to the day when peace will abide with us, and when we can turn the strength of the atom to peaceful purposes, when we can turn its power into the pursuits of civilization.

Mr. Speaker, I urge the adoption of House Resolution 716.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, the current proposal for installation of electric generating facilities at the new production reactor, Hanford, Wash., has been presented as an outstanding non-Federal undertaking which will produce low-cost power. In her speech before the House of Representatives on June 25, 1962, the gentlewoman from Washington [Mrs. MAY] made the following statements:

> The local public agencies deserve the encouragement of Congress to undertake at their own risk and initiative such a major undertaking, which will be of great benefit to the region and the Nation.
>
> Neither the Atomic Energy Commission nor Bonneville Power Administration will be responsible for the operation of the power facilities under the Washington Public Power Supply System proposal, in contrast to the plans proposed last year for Federal ownership and operation.
>
> Under the Washington Public Power System proposal, the Government is relieved of any risks which might be involved due to the uncertainty of the period of dual-purpose operation or for other reasons.
>
> Without need for investing additional Federal funds or incurring risks, the Federal Government and the taxpayers will receive the benefit of the economic utilization of the new production reactor waste heat and the continued use of this military reactor for peaceful and beneficial purposes for its expected useful life of 35 years.
>
> The proposal of last year would have required the expenditure of Federal funds to accomplish the objective.

These statements seem to represent the position of the proponents of the proposal.

An analysis of the statements of the sponsors of the project, of the comments of the Chairman of the Atomic Energy Commission and the testimony of the Federal agencies before the congressional Appropriations Committees do not support these conclusions.

It can hardly be said that the proposal is a non-Federal undertaking as claimed and that the Federal Government would be relieved of all risks.

First, under the tripartite type of agreement contemplated, the only party that would assume risks is the Bonneville Power Administration. The Atomic Energy Commission would be protected under the provisions set forth by Chairman Glenn T. Seaborg in his letter of April 6, 1962, to Washington Public Power Supply System general manager, Owen W. Hurd. The supply system would be protected under its proposed contracts with the participants and with the Bonneville Power Administration. The participants in turn would be assured of power at Bonneville rates equal to their share of the cost of the project. All of these parties are assured that their costs will be covered. Bonneville, on the other hand, will assume responsibility for furnishing electric power to the participants in proportion to their share of the cost of the project, irrespective of the amount and type of electric power it produces and of its unit cost in relation to Bonneville Power Administration established rates.

It is agreed by the experts that in the production of plutonium at Hanford, there will be unscheduled shutdowns when power cannot be produced; therefore, Hanford power cannot be considered firm. Furthermore, no one can say how long Hanford will be used to produce plutonium. Nevertheless, each participant will continue to receive power from the Bonneville Power Administration under the conditions of his power sales contract with the Bonneville Power Administration in amounts equal to that which could have been purchased at established Bonneville Power Administration rates with funds he paid to the Washington Public Power Supply System. To the extent that the Bonneville Power Administration is required to supply electric power to the participants in excess of what it receives from Hanford, or power of comparable value, the Bonneville Power Administration will be saddled with a service for which it receives nothing in return. Certainly, this is a major risk for the Federal Government to assume, particularly in view of the experimental nature of the facility.

Under these conditions, it is no surprise that, despite claims to the contrary, the proposed agreements place ultimate comprehensive responsibility for construction, operation, and maintenance of the power project on the BPA Administrator. The draft tripartite agreement places final responsibility on the Administrator for:

First. Approval of bond resolution of Washington Public Power Supply System board of directors authorizing the sale of revenue bonds to provide funds and for other purposes in connection with the project, and any amendments thereof.

Second. Approval of rate of interest on revenue bonds. Failure to approve such rates would terminate the contract.

Third. Approval of all contracts, designs, plans, and specifications for construction and operation of the project.

Fourth. Inspection of construction and directions for corrective measures.

Fifth. Approval of annual budgets, including all amounts for bond amortization, and expenses of operation and maintenance of project.

Sixth. Adjustments in annual billings to participants based on actual annual costs.

Seventh. Scheduling operation and maintenance of the project.

The project power output is to be under the complete control of the Administrator. The tripartite agreement also contains all the standard provisions of Government contracts for construction, services or materials, or financial assistance, which are not a part of customary power exchange agreements. Among these are requirements concerning wage rates to be paid on the project, eight hour laws and overtime compensation, convict labor restrictions, nondiscrimination provision, and interest of Members of Congress. All of these facts would seem to raise questions as to whether this proposal is not just another Federal project presented in new clothes. If this were not the case and if the Bonneville Power Administration were not to assume all the risk, it would be difficult to explain or justify the extensive Federal role in the operation as encompassed by all of these provisions in the agreement.

The second major defect in the arguments appears to be a premature assumption that Hanford power will be low cost. AEC Chairman Glenn T. Seaborg, in his letter of May 4, 1962, to the gentleman from Iowa, Congressman JENSEN, which appears on pages 11557–11558 of the CONGRESSIONAL RECORD for June 25, 1962, made the following statement:

> AEC is seeking the advice of the Federal Power Commission to assist in the determination of the new production reactor power values. As FPC has only recently begun its analysis and as AEC is currently only in the earliest stages of negotiations with Washington Public Power Supply System, we are not able to provide quantitative information at this time regarding the price at which AEC would provide steam to Washington Public Power Supply System.

AEC Chairman Seaborg also stated that—

> AEC must be fully reimbursed for all additional costs which may be brought about by the installation by Washington Public Power Supply System of electric generating facilities at the new production reactor. We do not plan to make any commitment to operate the reactor beyond the period required for AEC purposes, but would agree in that event to lease the facility to Washington Public Power Supply System—with the right reserved to AEC to recapture the reactor if it should be again required for AEC purposes.

The types of costs which would be involved in the Washington Public Power Supply System proposal were set forth in AEC Chairman Seaborg's letter of April 6, 1962, to Washington Public Power Supply System Managing Director Hurd. Among the costs which Washington Public Power Supply System would be required to assume would be the expense of any additions, modifications, or replacements in the new production reactor itself required in connection with the conversion project, the price of the steam based on its value for the intended use, the lease of the reactor including licensing, operating, and maintenance expenses during periods the new production reactor is not operated by AEC, the cost of nuclear fuel during such periods, and the premiums for indemnity and insurance. The economic analyses which have been made available to date have not included all of these costs. They could more than double the estimated annual costs heretofore cited for the project. In addition, the estimated cost of construction has increased by more than one-third since the economic analysis was prepared covering last year's proposal for a Federal project.

In view of these developments and the statements by the sponsors that the economic feasibility is presently under study, it is impossible at this time to determine what the cost of Hanford power may ultimately be. From indications of the considerations that will be involved, it is probable that it would be some of the highest cost power that could be produced in the Pacific Northwest. If this proves to be the case, it would be another financial burden on the already deficit-ridden BPA financial structure. Until such information is available the merits of the proposal cannot be fairly determined. It may well be that the present scarcity of economic data on the subject is due to its unfavorable character. In any event, because of their policy nature, their complexity, and their commitment of Federal agency action and operation, the agreements should be executed by the Federal Government only with the express approval of the Congress. Furthermore, Congress should not approve any arrangement, even though it does not seem to involve immediate appropriation of tax funds, which may obligate the Federal Government for large future expenditures until it has thoroughly examined the entire transaction. We are not able to explore all of the economic ramifications of the proposed tripartite agreement on the floor of the House at this time. Therefore, the Congress should take no action to approve this proposed plan until it has been studied by the appropriate committees of the House. It seems to me that since the Bonneville Power Administration is to assume the major risk that the Interior and Insular Affairs Committee must also study the proposed transaction as well as the Joint Committee on Atomic Energy.

Mr. BROWN. Mr. Speaker, my able colleague on the Committee on Rules, the gentleman from Alabama [Mr. ELLIOTT], has explained the provisions of this rule which calls for 2 hours of general debate under an open rule for the consideration of the bill, H.R. 11974, which, of course, is the annual Atomic Energy Commission authorization bill. However, I think it is only fair to warn the House, or to alert the House, to the fact, it is my understanding that at least there will be two controversial amendments offered to this bill—one by the gentleman from California [Mr. HOLIFIELD] which would authorize the sale of certain heat and energy from the Hanford reactor project or plant at Hanford, Wash., a matter that has been before the House in the past; under a proposal similar but not identical to one that has been rejected, I believe, three times in the past by action of the House, or by the full Congress.

Then, I understand, another amendment will be offered by another member of the committee having jurisdiction over this legislation, the gentleman from Pennsylvania [Mr. VAN ZANDT], which will be of the opposite nature, and which would strengthen the proposal such sale of heat or of energy for public power purposes from the Hanford reactor project is to be prohibited as it has been by past actions of Congress.

So, I suggest if I may, Mr. Speaker, that all Members of the House give close attention to both of these amendments because I believe there is a fundamental issue involved between these two types of amendments, and that the House membership will want to be completely informed before being called upon to vote on these amendments.

I know of no objections to the rule.

Mr. Speaker, if my colleague, the gentleman from Alabama has no requests for time, I yield the balance of the time to the very distinguished gentleman, our colleague from Illinois [Mr. MASON], who has served with us so long and so ably in the House of Representatives.

MY CONGRESSIONAL "SWANSONG"

Mr. MASON. Mr. Speaker, in my swansong to this House I wish to reiterate some of my old-fashioned views and notions about our Nation's money and taxes and wasteful spending; about the wisdom and the foolishness of our people and our politics—views that I have held and aired many times on the floor of this House.

I rise at this particular time, Mr. Speaker, because we approach the July 31 deadline on which the Congress is supposed to adjourn. It is a well-known fact that I take off on the first of August each year regardless of what may be going on in Congress. I have been doing this for 15 years. And for the benefit of the younger Members of this House I want to explain why I have done so and why I intend to do so again this year.

In 1946 Congress passed the "Legislative Reorganization Act." Section 192 of that act says:

> Except in time of war, or during a national emergency proclaimed by the President, the two Houses shall adjourn sine die not later than the last day [Sunday excepted] in the month of July in each year.

That section of the Reorganization Act has been noticeable only by its violation and disregard. So, at the beginning of my swansong I felt I should call attention to the Legislative Reorganization Act as a justification for my departure each year before the Congress adjourns.

Mr. Speaker, in February 1937 I made my maiden speech in this House. At that time I had been a Member of Congress for only 5 weeks. I have made many speeches during my lifetime, but, in my opinion, my maiden speech in this House was not only the best speech I ever made, but it was also one of the most effective.

The occasion was President Roosevelt's attempt to pack the Supreme Court. As a new Member I followed two veterans of the House, Gene Cox, of Georgia, and Arthur Lamneck, of Ohio, in lambasting Roosevelt's Court-packing attempt. As a result of the flood of congressional mail that came in from citizens all over the Nation Roosevelt's Court-packing proposal was defeated.

Mr. Speaker, this is my 26th year as a Member of Congress. Those 26 years have been interesting years, challenging years, but as a whole for me they have been frustrating years.

In the quarter of a century that I have been a Member of Congress the population of the United States has increased by 50 percent, but the Federal budget has increased by 1,500 percent—from less than $6 billion per year to over $90 billion per year—and the national debt has skyrocketed from some $20 to $308 billion. And the end is not yet in sight. Unless the people of this Nation rise up and demand an end to extravagant spending at home and abroad, national bankruptcy and repudiation are just around the corner.

During the greater part of my years in the Congress the so-called Democratic Party has been in power. I use the word "so-called" advisedly, because at various times the party in power has been called the New Deal party, the Fair Deal party, and today it is known as the New Frontier party.

The truth of the matter is—call it what you will—the so-called Democratic Party has fostered and sustained a continued trend to the left. Plank after plank of Norman Thomas' Socialist platform of 30 years ago has been adopted and put into effect, centralizing more and more power and control in Washington, leaving less and less power and initiative in the States.

In my opinion this trend to the left is in direct violation of the provisions of the Constitution of the United States and also in direct violation of the oath of office we take as Members of Congress to uphold and defend the Constitution.

Mr. Speaker, as most of the older Members of this House know, I am rather frank and blunt and quite nonpartisan in expressing my convictions. I feel compelled to call a spade a spade wherever I see it, and so I feel compelled to acknowledge that even during the small portion of these 26 years that the Republican Party was in power, the trend to the left continued, perhaps not quite as noticeably, but to such an arch-conservative as I, the trend to the left was still quite evident.

This trend toward a centralized and socialized central government has had the approval and support of our carefully selected and deliberately packed Supreme Court. The passage of time and Presidential appointments have accomplished what President Roosevelt tried to accomplish at one fell swoop. We now have a Supreme Court the majority of whose members seem to ignore the plain provisions of the Constitution and to render decisions that conform to the desires of the party in power and, may I add, to their own predilections.

Perhaps some of the older Members of this House will remember I have taken the floor several times during the past years to discuss the subject of States rights, especially as it pertains to our colored population.

In substance, I have insisted that the colored people of the United States have made more progress in the past 100 years since their emancipation than any group of white people ever made in 1,000 years; that the segregation problem is a problem of evolution, not revolution; that one cannot bring about equality between races by the passage of a law.

The poet expressed this thought in the words:

Heaven is not reached at a single bound,
We must build the ladder by which we rise
From the lowly earth to the vaulted skies,
And we mount to its summit round by round.

The colored people of the United States have been mounting the ladder of progress round by round during the past 100 years and, without question, will continue to do so. Socially, economically, and educationally our colored people are on the march onward and upward by their own efforts. I say, let the evolutionary process continue.

And now I feel I must call attention to the recent decision of the Supreme Court that a prayer at the opening of a public school session is a violation of the Constitution. If that is so, then a prayer at the opening of this House perhaps is a violation of the Constitution, because the membership of this House is a mixture of all types of beliefs and religions.

Going one step further, perhaps the printing on our coins "In God We Trust" may be offensive to a few of our citizens and should be removed.

What next will our carefully selected and carefully packed Supreme Court decide—contrary to the real intention of the founders of this Nation? Perhaps when we sing "America" in our schools we will have to omit the last stanza which is an eloquent prayer:

Our Fathers God! to Thee
Author of Liberty, to Thee we sing;
Long may our land be bright with freedom's holy light;
Protect us by Thy might, Great God our King.

If ever there was a prayer that thrilled—and still thrills—the heart of every patriotic American, it is the last stanza of "America." Are we now to drop it because our Supreme Court says it is unconstitutional? Do we want the Founding Fathers to turn over in their graves?

And now, Mr. Speaker, in addition to calling attention to the road to the left that the Kennedy administration and our Supreme Court insist upon traveling, I feel that I must call attention to the fact that we have a foreign-aid, giveaway program that has been bleeding this Nation white for the past 20 years, taking us down the road to bankruptcy and destruction.

During those 20 years the citizens of the United States have been compelled to give away untold billions of their dollars to help the rest of the world. We have pursued this course to the verge of national bankruptcy. Our gold supplies have been sucked away. Our national wealth has been scattered across jungles and deserts and down international ratholes. Our national economy, depressed by debt, unbalanced budgets, and confiscatory taxes, is now balanced on a razor-thin fulcrum. Our economy could slide any time into an abyss that would make the depression of the 1930's look like a Sunday school picnic.

Yet our President, who never met a payroll or turned a lathe or depended for his livelihood upon a weekly paycheck, talks glibly about surrendering our country to a regional and eventually to a world government where you-know-who would pay for lifting the weight from the shoulders of all.

Unless Congress uses every means at hand to stop him, President Kennedy will put the United States right in the middle of the affairs of every two-bit country in the world. Unless Congress acts to preserve and protect the United States of America, President Kennedy will succeed in his effort to reduce this Nation to the lowest common denominator, to a position of subservience to worldwide mob rule.

Mr. Speaker, with a party in power that calls itself the New Frontier party, a party that keeps edging more and more to the left; with a packed Supreme Court, the majority of whose members have liberal predilections and little respect for the Constitution, is there then no hope that the old Ship of State will ever regain her balance? Will she ever get back upon an even keel? Will she ever return to the course charted for her by our forefathers, as outlined in the Constitution?

Answering my own questions, Mr. Speaker, I say there is some hope. There are some indications in this broad land of ours today that a reaction has set in against the trend to the left and that a swing back to the Constitution, to a sound economy, and to balanced budgets is starting.

As an example of this trend I point out the fact that in the election of 1960 there were 24 new Republican Members of this House elected. Of these 24 new Republican Members, 23 have shown by their votes and records that they are truly conservative, almost as conservative as I. This to me is the most encouraging and the most heartening thing that has happened during my 26 years in this House. The trend is there, although it is not too much in evidence as yet. But faint as the trend is, it is quite encouraging to this dyed-in-the-wool conservative.

Now, Mr. Speaker, if the Republican Party this fall fails to gain a majority of the membership of this House, but does succeed in electing 23 more conservative Members such as those elected in 1960, then this Nation will be safe; then the old Ship of State will get back on an even keel, because with the block of conservative Democrats from the South, I feel confident very little, if any, legislation that smacks of socialism will get by.

Mr. Speaker, it is this ray of hope that has helped me make up my mind concerning my own future. After spending 40 years of my life in public office, 26 of those years in the Congress, I am now ready to step aside for a younger man. But I do not expect to hibernate, to stagnate while waiting for the final call. One's interest in and love for one's country does not cease overnight. Therefore, I plan to become a missionary—a missionary to the liberal heathen of the Hill. In my pursuit, I plan to spend 6 months of every year in Washington, preaching the gospel of conservatism to those Members who will listen and who may yet be saved to a happier future; a future in which taxes will go down and not always up; a future in which the national debt will grow smaller and not bigger; a future in which the army of bureaucrats will get their proper comeuppance, and in which we as a people will once more heed the advice and follow in the footsteps of George Washington. Then we will mind our own business and not try to run the world.

Mr. ELLIOTT. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. Halleck].

Mr. HALLECK. Mr. Speaker, I am sure all of us on both sides of the aisle have listened with great interest to what the gentleman from Illinois [Mr. Mason] has described as his swansong here in the House of Representatives. I suppose, of course, that his convictions as he has expressed them would not meet complete approval by every Member of this body; but in any event, as I say, there has been great interest in his observations. I should like to express the hope that at a subsequent date the opportunity be given all of us to speak on the great contributions the gentleman from Illinois [Mr. Mason] has made in his work here in the House of Representatives.

Mr. ELLIOTT. Mr. Speaker, I yield such time as she may require to the gentlelady from Oregon [Mrs. Green].

Mrs. GREEN of Oregon. Mr. Speaker, the Hanford project is of the utmost importance to the Pacific Northwest and to the Nation in the form of a proposal of the Washington Public Power Supply System to finance, construct, and operate facilities that would convert waste steam into electricity from the Hanford, Wash., plutonium production reactor now nearing completion.

This proposal is entirely different from the one which generated such controversy last year when it was proposed to establish a Federal power facility at Hanford.

The Washington Public Power Supply System is an organization of local public agencies. Its proposal, requiring no Federal appropriations, would result in production of power by a non-Federal agency. The power would be made available to both local public agencies and to privately owned power companies in the Northwest through an exchange arrangement with the Bonneville Power Administration.

Some misunderstandings have arisen over the Washington Public Power Supply System proposal. Ralph Showalter, national legislative representative of the United Auto Workers wrote an excellent letter, aptly and ably clearing up these misunderstandings. This letter appeared in a recent issue of the Wall Street Journal.

In his letter to the editor, he wrote:

Local initiative, elimination of waste cutting production costs—all ideals of American business—are characteristic of the exciting proposal put forth by a group of citizens to convert to electricity the waste steam produced as a byproduct of plutonium in the AEC plant at Hanford, Wash.

These citizens, organized in the Washington Public Power Supply System, will raise the money for the steam turbines without a dollar of Federal investment. They will pay the AEC for steam which otherwise would be totally wasted. They will deliver power to Bonneville Power Administration at about the lowest price in the free world.

I find it surprising that the Wall Street Journal, which usually supports the spirit of private initiative, has responded editorially to this example of local non-Federal economic initiative with arguments worthy of the pen of a private utility lobby. (Indirect Federal Lighting, June 19).

To imply that this project, judged by the AEC and Bonneville Power Administration to be financially and economically sound, is found wanting because it would use low-pressure steam "unsuited to modern turbines" is a kind of economic non sequitur. The plant will use low-pressure steam because that is the kind of steam which will otherwise be wasted. The real question here is whether to waste steam or to use it.

Your opposition last year to the proposal for a federally financed power project at Hanford was consistent with your policy of opposition to Federal spending; but your opposition to the Washington Public Power Supply System plan is clearly not based on concern for husbanding Federal funds. One suspects that your editorial was a kind of knee-jerk conservative's response to the cry of some private electric utilities which oppose the project for selfish reasons.

Ralph Showalter,
United Auto Workers National Legislative Representative.

There also were three other outstanding editorials on this same project which is so vital to the well-being of the Pacific Northwest. These appeared in the Portland Oregonian and the Washington Post:

[From the Portland Oregonian, July 12, 1962]

HANFORD POWER FACTS

It is, perhaps, understandable that the Wall Street Journal should follow the coal and electric utility lobbyists' line in opposing a dual-purpose reactor at the Hanford project to use wasted steam to generate electricity. But that newspaper displays its ignorance of the facts in reaching its conclusions. Many of its statements are in error.

The proposal that Washington Public Power Supply System build and operate the electric generators at Hanford does not involve a Federal subsidy as stated by the Wall Street Journal. Washington Public Power Supply System would finance the installation by selling revenue bonds on the open market and would pay the Atomic Energy Commission for the use of steam during the dual-purpose period of reactor operation.

The offer by Washington Public Power Supply System to install these generators which would provide between 800,000 and 1 million additional kilowatts of firm power to be sold at cost through the Federal Bonneville system resulted from defeat of the item in the AEC budget last year in the House. The Pacific Northwest, the AEC, the Bonneville Power Administration and the Kennedy administration preferred a Federal project. The Senate approved the item to utilize this wasting resource. But the coal and private utility lobbies succeeded in killing the bill in the House with some of the same fallacious arguments used by the Wall Street Journal.

This is not a back-door approach. BPA Administrator Charles Luce testified that although legal counsel considers it unnecessary for AEC to get permission of Congress, Washington Public Power Supply System, BPA, and AEC would not proceed with the installation if objections were made by Appropriations Committees of the House and Senate. Representative Van Zandt, of Pennsylvania, however, is offering resolutions in the House to reject the outside financing.

As to other Journal objections:

Responsible consultants do not agree with the Journal that the project is economically unsound. They say there are no technological problems in building turbines to utilize the quantity and quality of steam available from plutonium production.

No claim has been advanced that technological advances in the nuclear power field would be gained in this project. It is simply a plan to utilize steam now being wasted in warming the Columbia River. Experience would be gained, however, in integrating the world's largest nuclear power facility with the large hydroelectric system now linked in the Northwest Power Pool.

The Kennedy administration is not proposing "to set up the Washington Public Power Supply System." Washington Public Power Supply System was organized several years ago under Washington law. Its members are 16 public utility districts. It is an applicant to build Nez Perce Dam on the Snake River, in opposition to the application of Pacific Northwest Power Co. to build Mountain Sheep Dam in the same reservoir area.

The Bonneville Power Administration will not "back" the revenue bonds proposed to be sold by Washington Public Power Supply System. BPA has been running a deficit for the past 4 years, but it still has a payout surplus in the treasury (covering power facilities of all Federal dams in the Northwest) of $37.8 million. BPA could improve its earnings picture by resale of power from the Hanford reactor. In the estimated 7-year period of dual purpose operation—plutonium and electricity—such power would be produced at lower cost than Federal hydropower now available. Under the assumption that plutonium production will stop in 1972—and this is not a firm assumption—the cost of single purpose operation for electricity thereafter would be comparable to alternative sources of power.

The proposed contract with Washington Public Power Supply System gives the Government the option to acquire the plant by paying off the bonds but this could not be done without approval of Congress. Appropriations would be needed. It should not be forgotten that the $25 million appropriated by Congress in 1959 and spent to provide for dual operation of the new plutonium reactor will be wasted if duality is not achieved. Also, that sale of steam for electricity would reduce Government costs of producing plutonium.

Production of power at Hanford would be of major benefit to the Pacific Northwest, to the Federal Government, and to the Nation. If this resource is to be wasted, the cause should not be phony arguments advanced by lobbies and swallowed by the Wall Street Journal and Members of Congress. Let's have a decision based on the facts.

[From the Portland Oregonian, July 1, 1962]

SETBACK AT HANFORD

The ruling by the General Accounting Office that the Atomic Energy Commission does not have authority to let the Washington Public Power Supply System install electric power generators at the Hanford nuclear reactor probably means that the valuable steam created there will continue to go to waste.

Congressional approval will be necessary before the AEC can enter into a contract with Washington Public Power Supply System. One may be sure that the powerful coal and electric utilities will seek to influence Congressmen from other regions to vote against approval. These lobbies proved how powerful they are last year when the House rejected a $95 million appropriation for Federal installation of the Hanford generators after the Senate had approved it.

Installation by Washington Public Power Supply System would cost the Government nothing. The group formed by 16 Washington public utility districts would finance the project by sale of revenue bonds in the open market. It would buy steam, which results from plutonium production and is now wasted, from the AEC. It would turn over between 800,000 and 1 million kilowatts of firm power to the Bonneville Power Administration for resale.

It is a good deal not only for the Pacific Northwest but for all the taxpayers of the United States. Bonneville Administrator Charles Luce thinks there is a "fighting chance" of obtaining congressional approval. The chance will depend on how much attention is paid to the facts, rather than to phony arguments against the proposal. If all the American people were aware that many of their representatives in Congress were spending millions of their money warming the waters of the Columbia River the project would be approved overwhelmingly.

[From the Washington Post, July 16, 1962]

HANFORD AGAIN

A compromise formula approved by the Joint Committee on Atomic Energy last week holds out the hope that the steam generated by the nuclear reactor in Hanford, Wash., will not be wasted in perpetuity. It will be recalled that the House last year scuttled legislation under which the Federal Government would have designed, constructed, and operated generating facilities at a cost of $9.5 million to use the waste steam at Hanford for public power. Since then, a municipal nonprofit corporation in the State has offered to install at its own expense the needed generating facilities and thereby sell the electricity to the Bonneville Power Administration.

With only a single dissenting vote, the Joint Committee has approved amendments that would permit this local initiative. In order to skate around the arid public versus private power fight, the amendments specify that 50 percent of the electricity go to private utilities and 50 percent to public power on nondiscriminatory terms. This would mean up to 800,000 kilowatts of electricity—enough to light the city of Baltimore—could be produced from steam now wasting away. It also would mean that the Federal Government could be repaid $125 million over a 24-year period.

Surely this makes sense. There can be no excuse for Congress now discouraging the very local initiative that opponents of Federal power fervently lauded during last year's debate. The House is due to vote Tuesday on the amendments. Prompt and decisive approval can make the Hanford heat shed light in the power-starved Northwest.

Representative Chet Holifield, of California, pointed out to the House last Friday, the proposal also has an important defense advantage. If it ever becomes desirable to suspend the production of plutonium in the dual purpose Hanford reactor, this facility can be kept in constant readiness as a standby resource engaged in power production. Were it entirely shut down, it would take 2 years to recommence production; but with the power production in being, plutonium production could be resumed in a matter of days.

The amendments should have the overwhelming approval of the House when it votes on Tuesday.

Mr. ELLIOTT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. Keogh). The question is on the resolution.

The resolution was agreed to.

Mr. HOLIFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11974) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11974, with Mr. Sisk in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HOLIFIELD. Mr. Chairman, in view of the fact that H.R. 11974 contains a great many of the research and development facilities and authorization for these facilities and for projects in the development of atomic energy, I am going to yield at this time 10 minutes to the ranking Member on the Democratic side, the gentleman from Illinois [Mr. Price] for an explanation of the sectional parts of the bill.

Mr. PRICE. Mr. Chairman, as a member of the Joint Committee on Atomic Energy, I would like to speak in support of H.R. 11974, the bill to authorize appropriations for the Atomic Energy Commission for fiscal year 1963 in accordance with section 261 of the Atomic Energy Act of 1954.

This bill authorizes the necessary funds for plant and facility construction and modification by the AEC during the coming fiscal year.

There are 12 sections in the bill.

Section 1 authorizes the appropriation of $159,415,000 for a total of 46 line item projects divided into the following categories: First, special nuclear materials; second, atomic weapons; third, reactor development; fourth, physical research; fifth, biology and medicine; and sixth, communities.

Also included in this section is a provision concerning general plant projects authorizing a total of $34,540,000 for miscellaneous minor construction and modification items.

The $159,415,000 proposed to be authorized in section 101 of this bill for fiscal 1963 compares with $226,440,000 authorized in fiscal year 1962 and $211,476,000 authorized in fiscal year 1961.

The Joint Committee adopted amendments to reduce by $1 million the total amount authorized in section 101 for project 63-d-6, improvement of U.S. Highway 95 from Las Vegas, Nev., to the Nevada test site. The committee received extensive testimony on this project and believes that it is necessary to improve this highway because of the increased traffic due to accelerated activities at the Nevada test site resulting from resumption of underground weapons tests and our nuclear rocket program, called Project Rover. However, the Joint Committee believed that some contribution should be made by the State of Nevada. The State has now agreed to contribute 10.03 percent of the total project cost—the same percentage it contributes under the Federal highway program—and the Joint Committee is now satisfied that the project should go forward on that basis.

Some of the major projects in section 101 are as follows: $20 million for an organic reactor project which will both advance the technology on this promising concept, and also help demonstrate the use of a reactor to produce both electricity and process heat; $10 million for a research and development test plant for Project Rover, to develop a nuclear propelled rocket for use in long-range space exploration; and $10 million for modifications to weapons plants and facilities.

In summary, Mr. Chairman, section 101 contains the necessary projects to advance both the military and peaceful uses of atomic energy.

Section 102 through 106 of the bill contains standard provisions on limitations, advance planning and design, restoration, or replacement, currently available funds, and substitution. These provisions are identical, or similar to, corresponding sections in previous AEC authorization acts.

Section 107 of the bill amends several prior year AEC authorization acts to reflect changes and increases in the costs of certain projects.

Section 108 of the bill amends Public Law 86-50, the AEC Authorization Act for fiscal year 1960, by rescinding authorization for an experimental low temperature process heat reactor. Inasmuch as other arrangements for process heat reactors are contemplated under this bill, AEC proposed rescission of the prior project.

Section 109 of the bill authorizes the appropriation of $5 million to the Atomic Energy Commission, in addition to the sum of $10 million previously authorized, for the purpose of carrying out the joint research and development program with the European Atomic Energy Community. All of these funds will be expended on contracts with U.S. firms, and the money will be spent in this country. The information developed will be exchanged with the European Community, in return for other research and development work being done by Euratom.

Section 110 of the bill pertains to the cooperative power reactor demonstration program. Subsection (a) extends the date for approving projects under the third round of the program from June 30, 1962, to June 30, 1963.

Subsection (b) authorizes the appropriation of an additional $3 million for the purpose of carrying out the power reactor demonstration program. This, together with the $7 million authorized last year, makes available an additional authorization of $10 million for the cooperative program, if the corresponding appropriations are provided.

Subsection (c) of section 110 provides authority for a supplemental program of cooperative arrangements under which the AEC may furnish funds for design assistance without regard to section 169 of the Atomic Energy Act, the no-subsidies provision of the act. This authority is intended to stimulate construction of large nuclear powerplants of at least 400,000 kilowatts by private or publicly owned utilities.

Subsection (d) of section 110 authorizes funds for use in a cooperative arrangement in a nuclear reactor project to generate electricity, process heat, or both, and provides that the Commission may furnish funds for design assistance without regard to the provisions of section 169 of the Atomic Energy Act.

Section 111 concerns the organic reactor project authorized by section 101 of the bill. Subsection (a) authorizes arrangements under which the Commission may sell steam to a participating party but not to be used for the generation of electric power for sale by such party. Subsection (b) provides for review by the Joint Committee on Atomic Energy of the basis of any such cooperative arrangement, as is customary in the cooperative atomic power program. Subsection (c) provides standard provisions that in the event no satisfactory proposal for a cooperative arrangement is received, the Commission may proceed with design, construction and operation of such a reactor plant at a Commission installation. In such event, the electric energy generated shall be used by the Commission in connection with the operation of such installation. The provisions of section 112 of Public Law 86-50, permitting interchange of power, shall be applicable to this project.

Mr. Chairman, H.R. 11974 was reported out by the Joint Committee on Atomic Energy without dissent and, I believe that there is nothing controversial about any of the projects and provisions in this bill.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, at an appropriate time two committee amendments will be introduced to this bill.

The purpose of these committee amendments is to provide specific Congressional authorization for certain arrangements under which the Washington Public Power Supply System, a group of 16 utility districts in the State of Washington would construct and operate electric generating facilities, at their own expense, at the Hanford new production reactor.

I would like briefly to outline the main features of these arrangements and to highlight the important benefits that you will be bringing to the Federal Government by voting for this proposal.

Let me say first, that I do not believe in futile gestures. Last year I came before the Congress on several occasions to get approval for Federal construction and operation of the new production reactor electric plant but that proposal was defeated and I have no intention of bringing it up again. The Washington Public Power Supply System proposal is entirely different from last year's proposal. It does not call for a single dollar of Federal funds and it does not involve the Federal Government in either building or operating any electric generating facility.

As you are aware from last year's debate, the Congress in 1958 authorized a convertible reactor at Hanford, Wash.—that is, a reactor which could produce plutonium for weapons and, at the same time, generate enormous amounts of byproduct steam which could be converted to electric power. However, no funds were authorized for Federal construction or operation of the electric generating facilities.

After rejection last year by the Congress of a proposed $95 million authorization for the construction and operation of electric generating facilities at the new production reactor, a group of 16 utilities in the State of Washington, comprising the Washington Public Power Supply System, proposed to build and operate the electric plant at their own expense and without any Federal expenditure.

Under the arrangements, the Atomic Energy Commission would sell the otherwise wasted new production reactor byproduct steam to Washington Public Power Supply System at a price, approved by the Federal Power Commission, which could result in the receipt of up to $125 million by the Atomic Energy Commission.

The participating public and private utilities would turn over the entire output of the generating facility to the Bonneville Power Administration under appropriate power exchange agreements.

Lawyers from both the Atomic Energy Commission and the Bonneville Power Administration reviewed these arrangements and concluded that their agencies had ample authority to proceed. A full disclosure and discussion of these arrangements was made before the appropriate House Appropriations Subcommittee. However, on July 6, 1962, the Comptroller General ruled that the Atomic Energy Commission could not enter into these contracts without further congressional authorization.

In order to learn more about these arrangements, I called hearings of the Joint Committee on Atomic Energy to review these matters in great detail with witnesses representing all of the contracting parties. After two days of extensive hearings, the Joint Committee was convinced that these arrangements were sound and would bring great benefits to the Government. On this basis the committee voted to introduce two amendments specifically authorizing the contracts.

I wish to assure the Members that the Joint Committee's review was searching and thorough. We brought to bear the extensive background of the Joint Committee in authorizing complex contracts in the atomic energy field. In addition, we had the benefit of the good advice and counsel of the gentleman from Colorado, the chairman of the House Interior Committee who is thoroughly familiar with the operations of the Bonneville Power Administration.

I want to emphasize that every effort has been made to bring the facts of these arrangements before the Congress. First, as I mentioned, they were brought before the House Appropriations Subcommittee. Then, after the GAO ruling on Friday, July 6, the Joint Committee promptly held hearings on July 10 and 11 and reported out committee amendments. These amendments were placed in the Congressional Record of Friday, July 13, at pages 12594–12598. Yesterday I made available to all Members of the House a Joint Committee print containing all the basic documents and materials on this matter, including the contracts themselves and the amendments, the "program justification data," and an analysis of the amendments. The committee hearings are available today.

The Washington Public Power Supply System proposal will result in significant benefits to the Government—a direct financial return to the U.S. Treasury, flexibility in national defense planning, and a stimulus to the economy of the Pacific Northwest and the Nation:

First. The estimated income to AEC from the sale of steam over various periods of reactor operation is as follows: 10 years, $31 million; 15 years, $60 million; and 24 years, $125 million.

This schedule is based on dual-purpose—plutonium and steam—operation of the reactor. We cannot predict the exact period of time for which plutonium for weapons will be needed, but it is highly probable that such operation will continue for 10 years and, unless an effective disarmament agreement is signed with the Soviets, the operation could continue many more years.

Remember, this steam will be made as byproduct whether it is sold or wasted. Here is a chance, without any risk to the taxpayers to recover better than 60 percent of the cost of the Hanford new production reactor.

Second. The arrangements will permit the Bonneville Power Administration to firm up and sell large quantities of surplus peaking capacity and secondary electric energy which otherwise would be wasted. It will meet a need for additional firm power to supply publicly and privately owned utilities, cooperatives and industries in the Pacific Northwest. It will also result in more economic operation of the entire Columbia River power system.

This proposal is completely divorced from the public-private power controversy. You will want to know that, under the terms of the Joint Committee amendments, up to 50 percent of this energy would have to be offered to private utilities on a nondiscriminatory basis, not subject to any preference or pullback provisions in any law.

Third. This arrangement will also serve an important national defense purpose. In the event the United States no longer needs plutonium for weapons, or enters into a disarmament agreement, the new production reactor will be operated by Washington Public Power Supply System for electric power only. If international circumstances should later require resumption of plutonium production for weapons purposes, this can be accomplished in the new production reactor in just a matter of a few days. This will save at least 2 years' time and an estimated $4 million in standby costs.

I have heard it said repeatedly that the Federal Government is getting too big—that the people should learn "to do for themselves." Well, here are 16 local utilities that are willing to bond themselves for $130 million to construct facilities which are necessary to meet their power requirements. They do not ask for a penny of Federal money. It is a fine example of local initiative to meet local needs.

In summary, I do not believe that we could offer our colleagues in the House a better opportunity to cast a vote for economy at this session of the Congress. Your vote for the Joint Committee's amendments will contribute to the economic welfare of the Pacific Northwest and the Nation; it will make possible a new flexibility in national defense planning and it will return millions of dollars to the Treasury of the United States.

Mr. VAN ZANDT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. Hosmer].

Mr. GUBSER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 159]

Alford
Auchincloss
Ayres
Bass, N.H.
Blitch
Boggs
Brademas
Brewster
Buckley
Carey
Coad
Cooley
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Dawson
Denton
Diggs
Flood
Frazier
Fulton
Garland
Harris
Harrison, Va.
Hoffman, Mich.
Ichord, Mo.
Jones, Ala.
Jones, Mo.
Judd
Kearns
Kyl
McMillan
McSween
Macdonald
Madden
Mailliard
Merrow
Miller, George P.
Moulder
Poage
Powell
Roberts, Ala.
Roush
Rousselot
St. Germain
Saund
Scranton
Smith, Calif.
Smith, Iowa
Spence
Taber
Teague, Calif.
Teague, Tex.
Thompson, La.
Thompson, N.J.
Thomson, Wis.
Willis
Winstead
Yates

Accordingly, the Committee rose; and the Speaker having assumed the chair, Mr. Sisk, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11974, and finding itself without a quorum, he had directed the roll to be called, when 376 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Hosmer].

Mr. HOSMER. Mr. Chairman, the able gentleman from Illinois [Mr. Price] has explained what is in the authorization bill before us today. I am going to explain two amendments that have to do with the Hanford project which are not in the bill that will be offered by committee members. I am sure that you will wish to understand what they are, inasmuch as Hanford was a heated subject last year before the

Congress and resulted in several rollcall votes. The matter is before us again, because after the defeat last year of the Federal public power tie-in at the plutonium reactor at Hanford, certain people in the Pacific Northwest decided to try to put up the money to build the generating facilities themselves, to buy the waste heat which is a byproduct of the plutonium production, utilize this heat to generate some necessary kilowatts, and try to make some money in the process.

About 10 days ago after a series of negotiations in this regard the General Accounting Office ruled that it would be improper for the Atomic Energy Commission to enter into such a contract for the sale of this heat from the new plutonium reactor without further authority from Congress. The GAO based its opinion on the language that we used in the 1958 authorization bill when the project was first authorized. The language was to the effect that there could not be a conversion of this reactor to the dual purpose of both producing plutonium and generating electricity without a further authorization from the Congress of the United States. It could be argued, of course, that the intention of Congress in that prior language was that it should not be done by the Federal Government without further authorization but it could be done under non-Federal arrangement that was proposed. Nevertheless, the General Accounting Office opinion has made it necessary to proceed in this manner and proceed with some haste, because if we should wait a year and then pass this project, a year's use of heat would be lost.

As soon as this matter came to the forefront, all of the public power lobbies in the country picked it up and started to make a lot of noise in support; and that certainly did make me suspicious. It made me suspicious when I saw an editorial in the St. Louis Post-Dispatch, a newspaper which is consistently begging for public power raids on the Federal Treasury, coming out editorially for it. It made me suspicious when the Washington Post with its usual liberal attitude, came out editorially for this project. And it made me suspicious when the newspapers in the Pacific Northwest started a clamor for this particular arrangement because it looked like they were trying to grab off a good deal for themselves at the general expense of the American taxpayer. And, believe me, it made me suspicious when I received a communication from the American Public Power Association on behalf of this proposition. And to cap the climax one Clyde Ellis of the Rural Electrical Association sent everybody a letter stating he was for the project. And when he is for something, you had better look into it pretty closely and pretty quickly, because if he is for it, it is probably going to cost everybody in the country a lot of money and benefit a very few.

So I spent 2 solid days in the hearings on this project cross-examining the witnesses who were for it, in a fashion as closely as I possibly could to that of a prosecutor in a murder case, to find out if there really was a bad deal here that I should oppose and that would not be in favor of the taxpayers.

After that cross-examination and the other study I had to come to the conclusion that this was quite a different proposition from the one presented to us last year. Last year we were asked to give out $95 million of the taxpayers' money to build the generating facilities at Hanford. After all that money was put out, what was to happen? Nothing but that the power produced would be given to Bonneville. Bonneville would then market it in whatever quantity it could and use it to reduce Bonneville's capital investment. The net effect of that was not to benefit the American taxpayers, who put up the $95 million, but to benefit the Bonneville area consumers by way of a continuation of electric utility rates at a lesser charge for a longer time. That to my mind was unconscionable. I fought the project for that reason, I fought it because it involved a large block of Federal public power as distinguished from local public power, and I fought it because it actually contained some serious risks, and some unreasonable risks, that even after putting up all the money we were not going to get enough electricity out of it to make any real start on getting the Federal investment back.

Let me review what those risks are: First, there is the risk that this plutonium reactor will be put out of business entirely by some kind of a disarmament scheme. That is not very likely, but it is a risk.

The second risk we have to face in connection with this project is that at some period we may have enough plutonium on hand so we will not have to operate this reactor as a plutonium producer. If you shift it to a power-only operation it is going to be more costly. So if our dual-purpose period happens to be a short one, the economics of operation are bad and there is a risk of losing the money put up for the generator.

The third reason is the technology. After all, we have never built a reactor of this size before, and it is bound to have trouble. There could be incidents, minor difficulties, it could be shut down for a long time and it would not produce the heat, so that you would not produce the kilowatts. In addition, the kind of steam the reactor produces is not modern, high-pressure steam, but steam that is closer to the kind that Fulton used in his steamboat *The Claremont*. Nevertheless, in spite of the retrogression in technology the project could work, and the other risk I mentioned might not be realized.

What is different about the plan this year than last year? Remember, last year the money was being put up by the Federal taxpayers. It created a large bloc of Federal power and the assumption of this large expenditure and heavy risks by the taxpayers for no gain. The difference is that this year we are not being asked to put up any Federal money. A group of public utilities in the Pacific Northwest have gotten together and formed what is known as the Washington Public Power Supply System. It is a municipal corporation of the State of Washington. They are going to sell bonds, $131 million worth of them, and build this generating facility. They are able to bond themselves because other utilities in this area are joining to help establish the credit that is necessary to float these municipal bonds.

The next thing they are doing is to firm up this steampower. I mentioned that this reactor is going to be down once in a while, and you are not going to have power out of the reactor or the generating facilities at all times: 800,000 kilowatts is planned.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Texas.

Mr. BECKWORTH. The gentleman mentioned other utilities. Would he elaborate on that? Just what does the gentleman mean by other utilities?

Mr. HOSMER. The gentleman has asked what I meant by other utilities. The scheme originally placed before us was one by which only public utilities would be allowed to participate. The amendments we have to offer today will insure that private utilities also may participate in this up to 50 percent of the amount of power produced.

So we are going to have both private and public utilities participating in this on a really fair share basis. That was not the original proposal, but it is what we are going to provide for now.

Let me explain what is going to happen. In order to firm up this power, there is an arrangement being made with the Bonneville Power Administration. Now you all know, Bonneville operates mostly from hydropower, and sometimes there is rain and sometimes there is water and sometimes there is not. In the normal course of events, Bonneville would have a lot of what we call dump power, that is, unfirm power, and it does have that. On the other hand, we can anticipate from this nuclear generating facility a lot of power of almost the same category. But, you put the two together their unfirmities cancel out and then you get a lot of firm power.

Under the arrangement to be proposed by the committee that will be provided for and the cost will not come out of the Federal taxpayer. The risk of disarmament will remain on the Federal taxpayer, which is probably the fairest place you can get it. It is the least risk. The risk of the length of the dual purpose production period is now shifted over to the Washington Public Power Supply System. In this connection the only risk on the taxpayer is that the Federal Treasury will receive less money than the steam office schedule calls for from the sale of this heat. The risk of loss from the project technology being bad and its failure to produce substantial quantities of electricity is shifted over entirely to the local people.

The net effect of these arrangements is that if this project does not produce the kilowatts it is supposed to, the loss will fall on Bonneville power users because Bonneville will have to raise its rates to power consumers. The latter actually will be assuming this risk rather than the Federal Treasury. There is one loophole here however. You will recall in 1957, the Southwest Power Administration people were going to raise their rates in order to be able to pay back to the Federal taxpayer what was invested there. Then the Congressmen and Senators from that area produced a bill here that would prohibit the Southwest Power Administration from raising the rates. Fortunately the bill eventually was vetoed by President Eisenhower. But, I want to make certain that today we establish a record in this House that says this, even though we cannot commit future Congresses not to pass a law prohibiting raising those rates, if things go wrong, we can nevertheless establish our intent that they should be raised, to take care of such losses and we can make a moral commitment that they should be raised, that the loss should fall where this Congress plans it to be in the case there is a loss, and there should be no legislative interference with this intent.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman.

Mr. HOLIFIELD. I want to compliment the gentleman on the very lucid and clear explanation that he is making of a very complicated matter. I want to respond particularly to the point at issue. During the course of the hearings, we sought to find out where an unlikely liability, but a possible liability, for instance, the signing of a disarmament agreement with Mr. Khrushchev would cause the shutting down of all of the plutonium plants in the United States, and we sought to find where that liability would occur. I asked Mr. Luce, the Administrator of Bonneville a series of questions which are to be found on page 95 of the hearings which are available to the Members, I said to Mr. Luce:

> Furthermore, if a liability occurs, that liability goes back to the multiple users in the Bonneville grid in the form of increased rates.

Mr. Luce's answer to me was: "Yes." In the affirmative.

But I was not satisfied completely although that is a very clear answer. I sought from him a letter which I will put in the RECORD:

> U.S. DEPARTMENT OF THE INTERIOR,
> BONNEVILLE POWER ADMINISTRATION,
> *Portland, Oreg., July 17, 1962.*
> Hon. CHET HOLIFIELD,
> *Chairman, Joint Committee on Atomic Energy, Congress of the United States.*
>
> DEAR MR. HOLIFIELD: You have asked what the Bonneville Power Administration's policy would be in the event that either the cost estimates or the performance estimates of the generating facilities at Hanford NPR proved to be too optimistic.
>
> In either event, the proposed exchange contract between BPA and the various utilities who purchase the output of Hanford generation would be less advantageous to BPA. If the project costs rose above present estimates, it would increase BPA's obligation to deliver exchange power to the participating utilities; if the project's performance fell below present estimates, it would reduce the amount of exchange power BPA would receive from the Hanford project. If there occurred a nuclear incident not covered by insurance, the amount of exchange power to be received by BPA could theoretically be reduced to zero.
>
> We believe that the cost estimates and the performance estimates are reliable, otherwise BPA would not propose to enter into these exchange arrangements. But in the unlikely event that they proved to be wrong, it would be my intention to perform the contracts according to their terms, and not seek relief from Congress.
>
> In other words, if the contracts resulted in a less advantageous exchange arrangement than our present analysis indicates, we would spread the additional associated costs among all the customers of the Bonneville Power Administration in the form of higher rates. In view of the fact that the plant's capacity will equal only about 10 percent of the total capacity of the present Bonneville system (including projects under construction) we would be in a position to do this.
>
> In my testimony before your committee, especially at pages 86–91, I covered these points, and assured the committee of Bonneville's intentions, through rate adjustments, to protect the general taxpayer from the adverse effect of any possible miscalculation.
>
> Sincerely yours,
> CHARLES F. LUCE,
> *Administrator.*

Mr. HOSMER. Mr. Chairman, may I say this. I am not worried about Mr. Luce or the Bonneville Administrator at the time that this should happen. I am worried about the Congress passing such a piece of legislation, and I think we should make it clear that that is not intended. I spoke with the chairman on this very matter, and I think that is his feeling also.

Mr. HOLIFIELD. Yes, and I intend to make that clear, if the gentleman will bear with me.

I sought further a letter from Mr. Luce in which he said:

> We believe the cost estimates and the performance estimates are reliable, otherwise BPA would not propose to enter into these exchange arrangements. But in the unlikely event they prove to be wrong, it would be my intention to perform the contracts according to their terms, and not seek relief from Congress.

That is Mr. Luce's testimony as the Director of Bonneville. I want to help clarify the intent of this Congress and the committee.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. HOLIFIELD. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

The CHAIRMAN. The gentleman from California is recognized for 5 additional minutes.

Mr. HOLIFIELD. Mr. Chairman, I want to say that I am perfectly convinced that there will be no Federal liability, that the liability, if it ever occurs, will be on the users of these kilowatts in the Northwest; and I want to say that the intent of our committee is that there be no liability of the Congress. If a petition is made to the Congress to in any way accept the liability I will oppose that petition on the floor and will insist that Bonneville perform its obligation under its statute, which is to raise the rates in accordance with the cost of operation.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Kansas.

Mr. AVERY. I appreciate the gentleman's yielding. The Bonneville Power Authority is developing into a creature of many, many talents. It seems to be becoming a vehicle to which every project in the Northwest can be attached that cannot be otherwise justified. The popular theme seems to be "Charge it to Bonneville Power."

There has been quite a bit of testimony about this reactor and the method of financing it. I understand that in about 5 minutes the Committee on Rules is going to consider a reclamation project which will charge $4 million more to the Bonneville project. My question is, How long can this go on?

Mr. HOSMER. Let me say this, that although the Bonneville Power Administration may be caught in the midst of this public versus private power controversy, I do not visualize this particular arrangement as to Hanford as an issue of public power versus private power. We have a very valuable resource in the form of a byproduct, heat coming out of that reactor, and we have to make a decision as to whether or not we are going to take a reasonable risk to obtain a reasonable benefit from it. This reactor happens to be located in an area where the public versus private power fight was brought up 30 years ago and lost by private power people. Those who have the electrical facilities in this area are the public power companies and the BPA. If we are going to salvage any of this heat we must necessarily work with that group. So we are not in a public versus private power right; we are in a situation where we are trying to utilize a byproduct asset without taking undue risks in the process.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield.

Mr. PILLION. The deficit of the Bonneville Power Administration last year was about $12 million. This year it will be about $15 million, and next year it will be about $18 million. That is a deficit in its payments and obligations to the Federal Government.

Mr. HOSMER. Let me correct that. These are annual deficits during certain periods of operation of the Bonneville Power Administration, but the scheduled payments are still ahead of requirements, and if the risks I have mentioned to this House do not materialize, the Bonneville Power Administration is actually going to be a lot further ahead, because it is then going to be able to sell a large block of power at firm power rates rather than at dump power rates as it has to do at the present time.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield.

Mr. WESTLAND. According to the records they are still $38 million ahead in repayment of its debt.

Mr. HOSMER. Bonneville Power will have other expenses and it cannot stay ahead indefinitely. When it cannot meet its obligations, the answer is to forthrightly raise its rates.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield.

Mr. NELSEN. There is a preference clause that gives 50 percent of the power to private utilities, it gives private utilities preference. Is the preference clause in general application as far as power is concerned?

Mr. HOSMER. I am glad the gentleman brought that up. Let me say that the preference clause applies to power which is marketed by the Bonneville Power Administration. This power that the private utilities will receive is by way of exchange for power that they give to Bonneville from the reactor generating facility. So the exchange power does not come under the preference provisions of the marketing clause of the BPA Act.

Mr. VAN ZANDT. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. Westland].

Mr. WESTLAND. Mr. Chairman, first of all I want to compliment the gentleman from California on the excellent dissertation he made on this subject. For the benefit of the Members of the House here, they should know that the gentleman from California [Mr. Hosmer] was previously opposed to this legislation. He took a rather dim view of it when it was proposed this time, but through extremely diligent questioning of Mr. Luce, the Bonneville Power Administrator, Mr. Hurd, of the Washington Public Power Supply System, and other witnesses, you have seen the conclusions at which he arrived. We from the State of Washington welcome the support of the gentleman from California, I can assure you.

Mr. Chairman, I would like to direct my remarks to this same amendment which will be proposed. It can be stated in fairly similar terms. If the Members understand what the proposition is, we will have the support of a vast majority of the Members.

The fact is that the Atomic Energy Commission has already spent somewhere between $25 million and $40 million in building this dual-purpose part of the reactor. It should be a pretty simple matter to understand if these facilities are never used the Federal Government is never going to get any money back; but if they are used and put into proper usage, then the Federal Government does have a chance to get its money back, not only the $25 million or the $40 million that may have been spent on the convertibility features, but in the event that the dual-purpose operation of this reactor continues, the Federal Government will not only get back the $25 million, it can get back $125 million over a period of 24 years. I think that is a reasonably simple explanation of it, perhaps it may be a little too simple. But that is what the contract calls for. If plutonium is going to be produced, the Federal Government will recover $125 million from the people from the State of Washington and from the users of power in the Pacific Northwest.

Last year the Congress said "No" to a Federal Government development of this project. So we come back, we people from the Pacific Northwest, particularly from the State of Washington, and ask you to let us do it ourselves. We put up the credit of the public utility districts to the tune of $130 million to build this facility.

We know we can sell the power. No one has ever said, certainly in recent years, that there was ever a surplus of power in the Pacific Northwest; in fact, the contrary is true. Mr. Luce is on record as having stated that up to at least the year 1975, which is as far as he can foresee, there will be no surplus of firm power in the Pacific Northwest. This even includes the Canadians signing a treaty and putting in the Mica Creek Reservoir and the Libby Reservoir and all the other projects.

Now, to get away from this public versus private power battle, which has gone on in the Northwest—no one can deny that—an amendment will be offered to this legislation that says this is a 50–50 deal. Private utilities can take half of the power and the public utilities can take half of the power. Now, what could be fairer than that? I will tell you this, that the private utilities or their representatives never appeared before the Atomic Energy Committee asking for any portion of this power. They seemed to be roaming around out in the halls saying various things, but I never heard one appearing before the committee.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. WESTLAND. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Were they asked to appear before the committee?

Mr. WESTLAND. They were.

Mr. VAN ZANDT. By whom?

Mr. WESTLAND. They were asked by several of us. I asked them myself.

Mr. VAN ZANDT. Not until the last minute.

Mr. WESTLAND. No, that is not true, I will say to the gentleman from Pennsylvania. I ran into them out in the hall. I know most of them. They are friends of mine. I said, "Why don't you come before the committee and tell us your problem and maybe we can work it out." We want 800,000 kilowatts of power in the Pacific Northwest for the development of that area, and if California wants to get some of our power, I should think they would be happy to have this done.

Mr. VAN ZANDT. You know that the gentleman from Pennsylvania also met with them.

Mr. WESTLAND. Did the gentleman from Pennsylvania ask them to appear?

Mr. VAN ZANDT. I immediately went over to the executive committee of the joint committee and asked them why they were not invited.

Mr. WESTLAND. They were invited by the chairman of the committee, the gentleman from California [Mr. Holifield].

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. WESTLAND. I yield to the gentleman from California.

Mr. HOLIFIELD. I made it very clearly known on the first day of the hearings, under questioning by the gentleman from California [Mr. Hosmer] that they would be welcome to come before the committee, and on another occasion I said they were welcome. And, I did confer with the gentleman in the well of the House and I asked him if he invited them, and he said "Yes." I do not see why they should be so timid. We had open, public hearings, and if they had asked or applied for time, they would have been given time.

Mr. WESTLAND. It is difficult for some people to understand, but out in the Pacific Northwest the lamb and lion lie down together. We have private utilities and we have public utilities, and they work together for the benefit of the Pacific Northwest. It has worked that way, where we have public utility districts build the dams and sell the power to private utilities. This is a similar arrangement. It works for the benefit of the whole Pacific Northwest.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. WESTLAND. I yield to the gentlewoman from Washington.

Mrs. MAY. I wish to commend my good friend and colleague, the gentleman from Washington [Mr. Westland], for an excellent job, and at the same time commend the entire committee, and its distinguished chairman [Mr. Holifield], for really establishing what I call an impressive hearing record. As our colleague from California in his remarks earlier pointed out, penetrating and searching questions were asked on all facets of this reactor proposal, and I think some very satisfactory answers have been given.

Referring to the question just proposed by our colleague, the gentleman from Pennsylvania [Mr. Van Zandt], I would like to say that I, for one, contacted by phone representatives of the private utilities from our area and other areas and repeated to them the gentleman from California, Chairman Holifield's statement that all those who wished to be heard would be heard and urged them to get in touch with him and ask time to present their viewpoints.

Then, I would ask the gentleman this question: Is it not true that several questions of concern to our private utility companies were presented to the gentleman, and I would ask the gentleman further did he not in those hearings ask for answers to these questions during the course of the same?

Mr. WESTLAND. I will say to the gentlewoman that I received a series of questions which I understood had been propounded by the private utility companies. All of those questions were asked of Mr. Luce, of the Bonneville Power Administration, and those replies are all a matter on record.

Let me say this: I for one would certainly not want to be present or support any legislation that would be detrimental to the private utility companies of the Pacific Northwest.

Mrs. MAY. If the gentleman will yield further, I join the gentleman in that respect.

Mr. Chairman, would the gentleman yield for one more question?

Mr. WESTLAND. I yield to the gentlewoman.

Mrs. MAY. I think it is important that we establish, as Representatives from the State of Washington, the fact that we certainly understand—the Washington delegation supporting this project—that any losses in the future will be paid for through rate increases by the Bonneville Power Administration rather than coming back to Congress to ask the Congress to pick up those losses. That is my understanding of the record, and I am sure it was the understanding of the gentleman now in the well of the House.

Mr. WESTLAND. That was made very clear in the hearings, and it is in the letter which Mr. Luce has written to the chairman of the committee. We in the Pacific Northwest, if anything goes wrong with this project that we cannot foresee, expect to pick up the check. We are not going to come back and ask for any money from Congress with which to do it.

Mr. Chairman, a year ago in January quite a little speech was made to this effect: "Ask not what the country can do for you, but what you can do for your country." We are trying to do this, just ourselves alone. We in the Pacific Northwest will pay the bill and produce the power. All we ask the Congress for is permission to do it.

Mr. HOLIFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico, a member of the committee [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, we in the Congress are subjected to a lot of public relations propaganda. Sometimes it is very difficult to sift through the propaganda and separate the wheat from the straw. This proposal which we are presenting to the Committee is such a good proposal it is difficult to believe it is true. Let me point out to the Members of the Committee one or two things:

First, there is no expenditure of Federal funds involved. There is no risk to the Federal Government involved. There is an excellent chance that over a period of 24 years of the operation of this reactor we can bring into the Treasury of the United States $125 million. Now, has anyone ever been confronted with a proposal before where a Member could vote for a project that would bring into the Treasury of the United States $125 million without any expenditure?

Mr. Chairman, this is more than a vote for economy. This is a vote where one can be on the side of the angels, because that is what the people in the Northwest are going to be; angels of the Treasury. We are trying to give the Atomic Energy Commission authority to sell a byproduct of a reactor operation. It is a byproduct, purely and simply. That is all it is. The people in the Pacific Northwest through the Washington Public Power System have agreed to bond themselves to pay for it, and have agreed to assume all liability involved. In the language of the amendment which will be offered, we will require them—require them—to offer to the private utilities on a nondiscriminatory basis 50 percent of this power.

This means that the rates will be the same, the terms will be the same, and the contract in all respects will be the same with the private utilities as they will be with the public utilities. I hope the members of the committee will understand this proposition, because I think it is an excellent one. I want to commend the gentleman from California [Mr. HOSMER] who was suspicious of this proposal. He looked into it and after very careful study decided it was a good proposal.

I might say once more to the Members of the Congress that it is difficult sometimes when we find ourselves voting against some proposal and then voting for it, because most of the time Members say, "Well, this is the same old horse; you are dragging him back here and he has a different brand on him, but it is the same old horse." This is an entirely new animal. This is an animal that will not require any expenditure by this Congress. This is a proposal that will put money into the Treasury instead of taking it out. We are seldom presented with a proposition where we can vote to bring money into the Treasury. Most of the time we are faced either with a proposal to impose taxes or to spend money. This time we are permitted to vote for a proposal that will bring money into the Treasury without an expenditure by the Government.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the Chairman.

Mr. HOLIFIELD. As a matter of fact, if there ever was an economy vote this is an economy vote, because without the expenditure or the investment of an additional Federal dollar we have the opportunity of collecting various amounts. We do not know what the exact amounts will be because we do not know how many years this reactor will run. But if it runs 10 years, and all of the testimony indicates that is a likely probability, we will need the plutonium for this reactor for 10 years, the Federal Treasury will collect $31 million on rates approved by the Federal Power Commission for the sale of this heat. If it runs 24 years we will collect $125 million. If it runs the period of time of the bonds, which is 30 years, we will collect $5 million a year more for those additional 5 years, which would bring into the Federal Treasury $155 million.

Mr. MORRIS. The Chairman is exactly correct. I would say of his statement, that is is an economy vote, is the understatement of the day. When you think of economy you think of saving money which otherwise might have to be expended. This proposition is in terms of money that we are going to get into the Treasury without any expenditure whatsoever.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Is this going to provide some more cheap power for the Northwest, for the Western States, wherever they may be?

Mr. MORRIS. It is not necessarily cheap power. It is approximately the same they now have in the area.

Mr. GROSS. I will say to the gentleman that if he is talking in terms of economy, if industry is going to leapfrog the State of Iowa and deprive of us a source of cheap power, there is not much economy in it for the Middle West.

Mr. MORRIS. I hope they will not leapfrog either the State of New Mexico or the State of Iowa.

Mr. GROSS. Well, I do not know about this.

Mr. VAN ZANDT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. PILLION].

Mr. PILLION. Mr. Chairman, I solemnly say to this House that this bill is the greatest giveaway of this century from the viewpoint of the welfare of this Nation. It is the worst project ever presented to this House. It follows the plan of a Teapot Dome scandal except the Teapot Dome scandal was an amateur job and this is a superprofessional job.

The authorization for this new plutonium production reactor was first enacted in the year 1958. The purpose of this plant then was to produce plutonium for our military weapons systems. This material is one of the fission materials used to produce the fusion in our H-bombs.

The original bill provided for a design that would allow for a later modification of the plant to produce a special steam suitable for generating electricity. But steam production was specifically limited only in the event of disarmament, or in the event of a curtailed military need.

Now, Mr. Chairman, there is no disarmament. And, it is my conviction that there is little hope for effective disarmament.

Since the original Hanford steam authorization in 1958, the Soviet Union has violated the nuclear test ban. It has exploded about 80 nuclear test bombs.

Mr. Khrushchev has repeatedly threatened the United States and our allied nations with 100-megaton H-bombs.

The United States has just concluded a series of about 40 nuclear test bombs.

We will be needing more nuclear power rather than less.

Can we afford to delay plutonium production? No.

To give you an idea of what the military situation is around the world, this morning's Washington Post, July 17, 1962, carries these headlines: "Khrushchev Claims Unstoppable Missile," "Khrushchev States 'We Have Global Rockets'," "We Can Hit a Fly in Space."

Mr. Khrushchev, on last Monday, July 16, claimed that he is reducing Soviet armed forces.

This does not prove a peaceful purpose on his part. The reduction of army forces is being made so that these funds can be diverted to more firepower for the Soviet military arsenal.

As a matter of record, the Soviet has steadily been increasing her military expenditures. Here are the figures: For 1961, were 9.3 billion rubles—$10.2 billion; for 1962, were 13.4 billion rubles—$14.8 billion.

This amounts to 44.9 percent increase in 1 year.

Mr. Khrushchev is concentrating on nuclear power.

Our plutonium needs are greater than ever. Hanford electrical power generation should not be allowed to delay plutonium production.

Mr. Chairman, the need for a superiority in the quality and in the quantity of nuclear materials and nuclear weapons systems is greater than ever, greater than in 1958.

The United States is in more grave danger today than it was in 1958.

Under this proposed arrangement, the Atomic Energy Commission must serve dual masters. It will be under fiscal and economic pressures to schedule its plutonium production to also meet the fiscal requirements of private or civilian interests.

There is a conflict of purpose, a conflict of priorities, and a conflict of political requirements between plutonium production and electrical power production.

It is dangerously unwise to thrust the Atomic Energy Commission and its management into the complexities of the electrical supply business of the Bonneville Power Administration and of the 16 corporations that make up the Washington Power System.

Mr. Chairman, this steam convertibility mechanism at Hanford has already increased in estimated costs from $25 million to $65 million. It has delayed completion of the plutonium plant from October 1962 to October 1963. One year's plutonium production has already been lost due to the steam convertibility modifications.

If the generator plant is added, the plutonium plant will have to be shut down at least 2 months in order to connect the plutonium plant to the generating plant. Many other delays and complications will be encountered in synchronizing the production of the two plants.

I am conservative in saying that over the next 5 years, another year of plutonium production will be lost if this generating plant is authorized.

Mr. Chairman, the imposition of a civilian electric generating plant upon the Hanford plutonium production plant will reduce and delay plutonium production. The lack of this nuclear fission material will, in turn, delay and reduce our military nuclear weapons systems capabilities and production.

Any delay or reduction in our nuclear military capabilities endangers the security and the survival of this country.

HANFORD GENERATOR FISCAL PLAN CONSTITUTES A COLOSSAL FRAUD

Mr. Chairman, I now address myself to the fiscal, economic, and production ramifications of this fantastic proposition.

THE AEC CONTRACT

There are two major interdependent contracts involved in this project. This bill and amendment would authorize only one of the contracts. The two contracts are contingent upon each other. The terms of both contracts must be considered together in order to grasp their total purpose.

The first contract, which is to be authorized in the amendment by the gentleman from California [Mr. HOLIFIELD], is between the Atomic Energy Commission and the 16 utility corporations, known as the Washington Public Power Supply System.

The second contract is to be executed between the Bonneville Power Supply System and the same Washington Public Power Supply System. For brevity, I shall refer to the Atomic Energy Commission as the "AEC," to the Washington Public Power Supply System as the "Washington Power System," to the Bonneville Power Authority as "Bonneville."

The AEC contract provides for the sale of its steam at Hanford to the Washington Power System. This steam will operate an 800,000-kilowatt capacity generator to be built by the Washington Power System.

The cost of the plutonium plant will be $130 million to the Federal Government. The cost of convertibility features of the plutonium plant to reinstitute the steam to higher pressures will cost the Federal Government $65 million.

The generating plant to be built by the Washington Power Supply out of revenue funds will cost $135 million.

The term of the contract coincides with the length of the revenue bond payoff—30 years.

Until 1972, the plutonium plant will produce both plutonium for the AEC and steam for the Washington Power Supply.

It is expected that after 1972, the plutonium production will be discontinued, and the plutonium plant will then be leased to the Washington Power Supply for the production of steam only.

CRITICISM OF AEC CONTRACT

Here are the glaring defects in this contract so far as the Federal Government is concerned:

First. It leases 13 acres of prime industrial land to the Washington Power Supply for a rental of $1,000 for the first year, and $10 thereafter. This is only a token payment, a giveaway of the land.

Second. When plutonium production is to be discontinued in the year 1972, the whole of the plutonium plant costing $195 million will be leased to the Washington Power System for $1,000 for the first year, and for $10 per year thereafter. This is another token payment.

Since the life of the plant is estimated to be 33 years, this contract gives away, for only a nominal consideration of $10 a year, the total Federal investment of $195 million in this plutonium plant, to the Washington Power System.

Third. The contract provides a fixed schedule of annual payments by the Washington Power Supply to the AEC.

These payments are estimated to amount to somewhere between $30 million and a possible, but improbable, $125 million over the 30-year life of the contract. They do not begin to pay the Federal cost for convertibility, nor do they pay any part of the plutonium plant.

These payments are based on prices for dump steam, not on actual Federal costs.

It should be fully understood that in the second Bonneville contract the Bonneville Power Administration reimburses the Washington Power System for every dollar the Washington Power System pays to the AEC.

So that the net result is that the Washington Power System pays nothing for the steam.

BONNEVILLE CONTRACT

The Bonneville Power Administration contract with the Washington Power System is an integral part of the AEC contract and overall fiscal scheme.

Under this contract, the Bonneville Power Administration will receive all the electric power generated by the Washington Power System Hanford generator.

In return, Bonneville will pay to the Washington Power System:

First. All costs and expenses incurred by the Washington Power System, each year, and

Second. Without limitation, all interest, and amortization costs of the 30-year revenue bonds.

Now, a cursory reading of the contracts and the claims of the Bonneville Administration would make this contract appear to be an innocent, good faith, mutually advantageous arrangement.

However, upon a close examination of the terms of the contracts, it becomes clearly evident that this "grandiose design" will victimize the Federal Government.

The crux of this proposed legislation is contained in the Bonneville contract. Let us examine the terms of this Bonneville contract with the Washington Power Supply.

First. The Washington Power Supply will construct a generating facility estimated to cost $135 million. The Federal Government, through its agency, will guarantee the payment of this construction.

There is no limitation upon the cost of construction by this private, non-Federal agency.

This is unlimited back-door spending, not by a Federal agency, but by a non-Federal agency.

The payment will be fully guaranteed by the delivery of firm Federal electric power to the Washington Power System at rates that are less than one-half of present costs.

So, in effect, the Washington Power System will receive more than $2 for every $1 of construction costs for the generator.

Second. Although this Congress has prudently and wisely limited the interest rates to 4 percent that the U.S. Treasury may pay for long-term bonds, there is no limitation on the revenue bonds. The Federal Government guarantees payment whether the interest rates are 5, 6, or 7 percent. Again, the Washington Power System will receive more than $2 for every $1 it pays out in interest.

Third. The power to be delivered by the Washington Power System to the Federal Government is not firm power. There will be about 350 hours of stoppages a year. Its value to the Federal Government is only about 25 percent of the value of the firm power the Washington Power System will receive from the Federal Government.

Fourth. The Federal Government will not pay for the power delivered to it on the basis of its quantity, or quality, or its utility. It guarantees payment regardless of the usability or salability of the power.

Fifth. The Bonneville power now has, and will have, millions of kilowatts excess capacity over the next 10 years, for about 6 months a year, in high water periods.

In these periods, the Hanford power delivered by the Washington Power System is valueless dump power.

Sixth. It is commonly approved electrical engineering practice to firm up hydropower with firm steampower in periods of low water.

These contracts impractically attempt to do the reverse. Bonneville is attempting to firm up the secondary power to be produced at Hanford with hydropower.

Seventh. The Federal Government has invested more than $2 billion in the Bonneville Power Administration within the State of Washington.

A sizable portion of this is a subsidy in the form of below-cost interest rates, favorable allocations in the cost of construction, and repayments over unrealistic long periods, in inflated and reduced-value dollars.

In spite of these subsidies, Bonneville failed to repay its interest and amortization in the last 3 years. Its deficit for fiscal 1963 will be $18 million.

Its average rate for firm power is 2.3 mills. The present value and the present replacement costs for power today is more than double the bankrupt prices at which they are giving power away.

ROLE OF THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Now, let us examine the benefits and the liabilities of the Washington Power System in these contracts:

First. The Washington Power System will not, in fact, invest $1, either in the plutonium plant or in the generating plant.

Second. It does not issue equity stock, or increase its capitalization.

Third. The $135 million cost of construction of the generating plant is borrowed, not on its own credit, but is borrowed upon the guarantees and the terms of the contract with the Federal Government, through its agent, the Bonneville Power Administration.

Fourth. The Washington Power System, in fact, pays nothing for the steam convertibility costs of the plutonium plant.

Fifth. The Washington Power System, in fact, pays nothing to the AEC for the steam it receives. This is all reimbursed by Bonneville.

Sixth. In about 1972, when plutonium production is expected to stop, the Washington Power System will completely take over the federally built $195 million plutonium plant for $10 per year rental.

Seventh. The Washington Power System, in essence, and in fact, is acting merely as a go-between, a front, for two Federal agencies—the AEC and Bonneville.

Eighth. Without $1 of actual investment, the Washington Power System will be receiving firm power from the Federal Government for a period of 30 years.

At Bonneville's subsidized, below-cost prices, of 2.3 mills per kilowatt-hour, this giveaway is about $8 million per year.

At actual present day prices, the Federal giveaway to the Washington Power System will amount to about $16 million a year over the next 30 years.

THE BONNEVILLE POWER ADMINISTRATION

Mr. Chairman, I would like to make clear, and to emphasize that no reflection is intended upon any Member of this House. No blame is to be attached to the 16 corporations known as the Washington Power System.

They have every right to make as advantageous a contract as possible. They owe no obligation or duty to the Federal Government.

The distinguished Representatives from the State of Washington are to be admired and respected for their zeal and ability in their presentation of the favorable aspects of this project.

I have sensed that the Atomic Energy Commission has been a most reluctant participant in this scheme.

This project was concocted by the Bonneville Power Administration. It must bear all culpability for this unconscionable scheme.

Mr. HOLIFIELD. Mr. Chairman, I shall not take time to answer the gentleman's remarks, but I must say this in all kindness——

Mr. PILLION. Will the gentleman yield me some of his time

Mr. HOLIFIELD. I am sorry, but I have no unobligated time.

I just want to say this to the gentleman, that I never in 10 minutes' time heard so many items of misinformation as the gentleman has divulged. The reactor under the dual-purpose function which is envisaged will produce a tremendous amount of plutonium, the maximum amount of plutonium that it is designed for under any circumstances, and at the same time produce steam.

Mr. PILLION. Does the gentleman deny that plutonium production has been slowed down for a year?

Mr. HOLIFIELD. To the extent that you imply that the conversion perhaps is responsible, I certainly do. The reactor has run into technical trouble, as every reactor we have ever built has run into technical trouble, and it is related to such facts as cracks in the stainless steel tubing which had to be corrected.

Mr. PILLION. Does the gentleman deny that the plant will be shut down for 2 months while they synchronize these two operations?

Mr. HOLIFIELD. Of course there will be some slowdown to tie the two plants together, but not any 2 months' period.

And I will tell the gentleman something else while we are on the subject, that practically every reactor in Soviet Russia is a dual-purpose reactor. If we should ever have a disarmament agreement and we do not have dual-purpose reactors, then the reactors at Hanford, Savannah, Ga., or anywhere else would be shut down and it would take 2 years to get back into plutonium production again. In the case of a dual-purpose reactor it can go back into the production of plutonium in a very short time. It is dictated by our defense requirements.

Mr. PILLION. As a matter of fact, when we are dealing with defense capabilities I do not propose to follow the recommendations of Khrushchev.

Mr. HOLIFIELD. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. HANSEN].

Mrs. HANSEN. Mr. Chairman, at the outset I want to commend the gentleman from California, chairman of the committee, who has done such an outstanding job. Also I want to join my associates from Washington in commending Congressman HOSMER for his diligence.

Mr. Chairman, I am going to express an entirely different viewpoint than the rest of those who have spoken. Last year we discussed very thoroughly the matter of cost and payment. It is not to be paid for out of the Federal Treasury.

Today I want to discuss this Hanford project in particular from the viewpoint of our natural resources.

Mr. HOSMER. Mr. Chairman, will the gentlewoman yield?

Mrs. HANSEN. I yield to the gentleman from California.

Mr. HOSMER. In connection with the last remark of the gentlewoman, is it my understanding that her intention is that if on the project there are losses they would be made up by an upward revision of the power rates and not by resort to the U.S. Treasury?

Mrs. HANSEN. Presumably it would be made up by an increase in the power rates charged by the supply system.

Mr. HOSMER. At Bonneville?

Mrs. HANSEN. Presumably. I think I know what the gentleman is thinking about.

The new Hanford plutonium production reactor, when completed, will produce as a byproduct an amount of steam which will be sufficient to produce 800,000 kilowatts of electric energy.

I am delighted that a group of farsighted public utilities in my State, with the encouragement of the State government, have felt so strongly the necessity for preventing the waste of the Hanford steam that they have offered the proposal which is before us today.

Also on the subject of conservation of resources, I feel I must repeat at this time a point I made last Friday when the Joint Committee's amendments were under discussion on this floor. Fish make up one of the largest natural resources of the district I represent and, indeed, of the whole Pacific Northwest coast. Research into the conditions which must prevail in order for our fish to live out their life cycle has been particularly important, with the construction of hydroelectric dams on the rivers up which our anadromous fish must travel to spawn.

It has been found that the reactors already in operation at Hanford have raised the temperature of the Columbia River, thus threatening the salmon population. It seems more than likely that the tremendous amount of steam from the new reactor, because of the quantity and temperature, will raise the temperature of the Columbia still further, to the detriment of the salmon spawning grounds.

Thus, the installation of power generating facilities would serve a double purpose conservationwise: First, capturing and using the steam; and, second, preventing the depletion of our fish population through diseases caused by excessively warm water.

Mr. Chairman, I should like to call attention at this time to a resolution sent by the Izaak Walton League of our State, in which they state:

> During the period of upstream migration of adult spawner salmon these cold-water species are extremely susceptible to the devastating disease columnaries when the water temperature ranges between 55° to 75° F. depending upon the virulence of the strains of columnaris.

They go on to say:

> In 1958 the temperature of the Columbia River below Hanford did reach in August an average peak of 71.7° F. during the upstream migration, and it is definitely established that catastrophic mortalities occurred during that summer; and
>
> Whereas steampower generators if installed in conjunction with the newly constructed nuclear reactors would utilize waste heat, would generate 800,000 kilowatts of power, and would prevent a further increase in temperature.

They go on to urge the adoption of this reactor plant. Then they say:

> Whereas the power generators would also reduce the amount of radioactivity being discharged to the Columbia River from the reactors, which radioactivity is high as a recent report by the U.S. Public Health Service and the States of Oregon and Washington, states, in part, "Estimates indicate that the average radiation exposure of the near-downstream populations is not far removed from the recommended limits at the present time."

Thank you.

Mr. HOLIFIELD. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, a year ago we brought to the well of this House legislation which had a line item in it authorizing $95 million Federal expenditures for the purpose of constructing and operating a generating facility by the AEC. That was conclusively defeated.

Now, I do not believe in futile gestures. We were faced with this action by the Members of the House and we accepted that in our committee. We realized that we had a very valuable resource, 800,000-kilowatt capacity of steam being made as a byproduct of this nuclear reactor to make plutonium. We can either shoot that steam into the air and waste it, or it can be utilized. That is the issue before the House today.

Now, I have heard a great deal of talk in the well of this House, "Cut down on big government." "Let the people back in the States handle their problems." Members of the Committee, that is exactly what we are doing. The citizens of the State of Washington, involved in 16 different separate public utility bodies, have banded themselves together into an association, and they are offering to bond their resources, their assets, their credit, to the tune of $131 million to pay for the generating facilities which this Congress denied the Federal Government to pay for last year.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I will be happy to.

Mr. ASPINALL. Is it not true that the offer came from the Washington Public Power Supply System unsolicited as far as the Joint Committee on Atomic Energy is concerned and as far as the Atomic Energy Commission itself is concerned?

Mr. HOLIFIELD. That is absolutely true.

Mr. ASPINALL. I say this knowing full well that last year the Atomic Energy Commission had asked if they would make this request.

Mr. HOLIFIELD. Mr. McCone, former Chairman, went to the private utilities in the State of Washington and asked them to build these facilities and take this steam from the Government, and they turned him down.

Now, under this arrangement that the gentleman from California, my colleague [Mr. Hosmer], is going to offer an amendment on, it still gives to the private utility companies access to this power on a 50-percent basis, notwithstanding the fact that they have turned down the opportunity to act upon their own initiative, and that power is going to be offered to them at nondiscriminatory rates, both as to the rate for the kilowatt cost and for the time period. The gentleman from California [Mr. Hosmer] is going to offer the amendment that will guarantee that they will receive 50 percent of this power at nondiscriminatory rates, and part of his amendment also goes to the point of protecting them in the time period of the contract in the unlikely eventuality that any agency of the Federal Government should acquire these generating facilities by congressional direction at any time in the future; that the long time periods of the original contract shall be held inviolate and shall prevail until the end of the contract.

Now, how far can you go in being fair? How far can you go to utilize a waste resource and bring into the Treasury of the United States perhaps $30 million, perhaps $65 million, perhaps $125 million, yes, perhaps $150 million for waste steam that is not being used? How far can you go to be fair?

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. HOSMER. The general objection of the private utilities is a feeling that this would establish a precedent in this way: That the arrangement for the exchange of power amounts to what some people call a guarantee of the bonds of the Washington Public Power Supply System by the Bonneville Power Administration in that it puts up sufficient electricity to sell and pay for them.

They say this device could be used without congressional authorization in connection with conventional steam plants and any other types of nonhydroelectric power facilities that various power administrations would want to have.

In the first place, it to me does not amount to a precedent for this type of thing. Actually, the contract that we have before us and the program data justification No. 63-1000, as the gentleman from New York [Mr. Pillion] indicated, is one ball of wax. It is set out there in a separate contract but in totality, it is just one part of a total arrangement which has been brought to Congress. It can be interpreted as establishing a precedent for bringing this kind of arrangements to Congress for an akay rather than the opposite, the fear of the private utility people.

Mr. HOLIFIELD. May I comment and say I agree with the gentleman in his interpretation. I might also say that the public power people have been berating me because we have agreed to accept the gentleman's amendment to make 50 percent of the power available to the private utilities. You know, I am getting a little bit tired of everybody being a hog. When you try to give them a fair deal and try to give 50 percent to the public power people, the private power groups are dissatisfied. When you try to give 50 percent to the private power people, the public power groups are dissatisfied. But I say it is up to the Congress to recapture $125 million out of a waste item and let the public power people and the private power people both take a fair arrangement or leave it.

Mr. HOSMER. Mr. Chairman, will the gentleman yield further?

Mr. HOLIFIELD. I yield further to the gentleman from California.

Mr. HOSMER. On this precedent point, let us assume that the gentleman and I are wrong, that this actually does establish a precedent. If it is a precedent, it means there is already existing legal authority in the Bonneville Power Administration Act and some of these other power administration acts to go into these sort of arrangements.

Mr. HOLIFIELD. I have an opinion from the General Accounting Office on my desk to the effect that the Bonneville Power Administration can buy steam anywhere it wants to buy it.

Mr. HOSMER. I do not doubt that, but let me say this: If we assume for the purpose of argument they do have the authority, whether or not this is a precedent is immaterial. If those who object to that kind of arrangement, who want that to stop, then the way for them to do it is not to defeat these amendments, but to amend the Bonneville Power Administration Act and specifically take away the power they assume now exists.

Mr. HOLIFIELD. The gentleman is absolutely right. The power exists now under the Bonneville Power Administration Act. We are not interfering with the power of the Bonneville Power Administration Act, nor modifying it one degree.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield briefly to the gentleman from New York.

Mr. PILLION. As I understand it, the gentleman claims that the United States will benefit because the Washington Power Supply System will be paying to the Atomic Energy Commission in cash roughly between $30 million and $125 million for the steam it receives over the course of the next 30 years?

Mr. HOLIFIELD. Twenty-four years.

Mr. PILLION. Is that correct?

Mr. HOLIFIELD. That is right. The schedule is for a period of 24 years, which has been approved by the Federal Power Commission.

Mr. PILLION. If the gentleman will yield further, permit me to say this: The Bonneville Power Administration is an agency of the Federal Government. Bonneville will repay the Washington power corporations through firm power deliveries every dollar it pays to the Atomic Energy Commission.

Mr. HOLIFIELD. Now the gentleman is wrong. The gentleman does not understand.

Mr. PILLION. Is not that correct?

Mr. HOLIFIELD. I am going to correct the gentleman. Permit me to correct the gentleman.

Mr. PILLION. It will pay it back in power. The gentleman knows that. What is the difference in "resources" whether you pay it in resources in coal or gold or dollars?

Mr. HOLIFIELD. The gentleman, if he understood it, would understand it to be this way—that the Washington public power group will deliver—

Mr. PILLION. Will the gentleman yield further in order to permit me to finish my question?

Mr. HOLIFIELD. Well, go ahead.

Mr. PILLION. In addition to the repayment in hydro—cheap-priced hydro firm power—for every dollar paid to the AEC the Bonneville Power Administration must also guarantee in power the payment in full of the cost of revenue bonds, their interest and amortization. And thus the Washington Power Supply does not invest one dollar but receives all the power. Ultimately the plutonium plant and the generating plant, fully paid for at a cheap price of power that is worth twice the rate that is being charged these utilities, will go to the Washington utilities for practically nothing.

Mr. HOLIFIELD. The gentleman's understanding of the matter is faulty. He has mixed in his explanation some things that are correct and some things that are wrong.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. HOSMER. I think some parts of what the gentleman from New York has said are in essence correct. But what the gentleman from New York overlooks is that by the existence of this power from the NPR which is unfirmed power and the existence of Bonneville power, which is unfirmed—by this arrangement, the combination of the two create not only the firm power that will produce the revenues that will pay for this $130 million generating facility but will give Bonneville a substantial block of additional firm power that it would not have had. And thereby Bonneville will be obtaining revenues that it would never have had before. And as a consequence it stands to gain and the Government stands to gain rather than lose.

Mr. HOLIFIELD. That is right; both the Bonneville operation and the AEC operation will be receiving money.

Mr. VAN ZANDT. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, H.R. 11947 is a bill to authorize appropriations for the Atomic Energy Commission for fiscal year 1963. The Joint Committee on Atomic Energy has held hearings on the projects and provisions in this bill, which have been summarized by my distinguished colleague from Illinois.

However, for the reasons I shall explain later, I oppose the proposed amendments to authorize construction of generating facilities at the Hanford new production reactor.

INCREASE IN NPR COSTS

Insofar as the bill itself is concerned, I wish to direct the attention of all Members of the House to section 107(d), on page 9 of the bill, lines 20 through 22. This amendment increased by $50,200,000 the amount authorized by the AEC Authorization Act for fiscal year 1959, because of increases in costs of the Hanford new production reactor above the original estimates.

These cost increases were, for the most part, caused by difficulties with the reactor piping to handle the increased pressures and temperatures to produce steam, and resulting delay. The total cost of this reactor is now estimated at $195 million. If the Congress had authorized a regular plutonium producing reactor in 1959, the cost would have been approximately $120 million, and we could have saved the taxpayers $75 million.

The Congress was hoodwinked in 1959 into authorizing a "convertible" type of reactor, and this has proven to be a very costly mistake. But from this mistake we can learn at least three lessons:

First. Public power advocates have, from the beginning, advanced phony cost estimates for producing power from the Hanford NPR;

Second. The actual costs have greatly exceeded the estimated costs; and

Third. The estimates for completing the reactor, and the construction of generating facilities, are probably equally uncertain, and the consumers, or the taxpayers, will be stuck in the long run.

This uncertainty was recognized by the witnesses during the hearings. For example, Commissioner Wilson stated:

> Dr. Wilson. Congressman Van Zandt, I think you can go into it just as carefully as possible, and just as earnestly as possible, and you still would not be able to tell whether it was $30 or $45 million extra cost due to convertibility. But I think it is someplace in that range, and that will always remain uncertain, because you just cannot tell what would have happened.

Another witness, Mr. Quinn stated:

> There will always be some degree of uncertainty until it is completed.

COSTS OF THE STEAM

During the hearings held by the Joint Committee last week, I asked the following questions of the AEC witness, Mr. George Quinn, concerning the price to be charged for the steam:

> Representative Van Zandt. In establishing this dollar figure, what was taken into consideration, from the Government's standpoint? Was it the $195 million?
>
> Mr. Quinn. No, sir, it was not.
>
> Representative Van Zandt. What part of it, or what portion of it?
>
> Mr. Quinn. We did not approach the question of determination of the price for steam on the basis of AEC costs. We recognize that if a certain portion of the costs were attributed to power, it could result in a very unfair situation in the event of a very short dual purpose period. This could result in costs of power considerably higher than what the power would cost from an alternate source. (Hearings, p. 33.)

In other words, the AEC will not charge a price based on a portion of the $195 million construction cost of producing the steam, but rather will charge a price which AEC believes is "fair" to the public power groups. This may seem fair to AEC and the public power groups—but is it fair to the taxpayers?

POSSIBLE REQUEST FOR APPROPRIATED FUNDS

I would like also to quote from the record of the hearings some further questions which I asked Mr. Luce, the Administrator of the Bonneville Power Administration:

> Representative Van Zandt. Now, Mr. Luce, as I understand it, the BPA may terminate if it determines that "continuation of this agreement could no longer be economically justified." They could terminate, could they not?
>
> Mr. Luce. Prior to the commencement of commercial operations; yes.
>
> Representative Van Zandt. If they terminate, who pays off the $130 million bonds of WPPSS?
>
> Mr. Luce. Presumably, if this happened prior to the commencement of commercial operations, that amount of investment would not have been incurred.
>
> What that section is in there for, Mr. Van Zandt, is the possibility that the Government might decide not to complete the NPR; or you might have a disarmament agreement of an international character that would result in a decision not to complete that plant. Now, in that event, the Government would be obligated under this contract to take over what moneys had been spent toward building these generating facilities.
>
> Representative Van Zandt. In other words, then, the Congress would get a request to appropriate funds.
>
> Mr. Luce. That is correct; and this is one of the reasons that we took this contract to the Appropriations Committees and told them we did not intend to enter into it if they objected. (Hearings, pp. 68–69.)

In other words, as recognized by Mr. Luce himself, there is the possibility that the Congress may later be asked for appropriations, and the taxpayers may eventually be forced to further subsidize this costly adventure. When we are told that the new production reactor will bring only blessings at no further costs to the taxpayer, my answer is: Look at the record. Look at the record of successive cost increases, delays, and unanticipated difficulties from this reactor.

PERIOD OF DUAL PURPOSE OPERATION

When we are told that we will receive revenues from operation of this reactor, let us remember that will occur only if it is operated as a dual purpose facility beyond 1972. Mr. Chairman, we have no such assurance. Let me quote from a New York Times article of May 3 by Mr. John Finney entitled "Kennedy Orders a Production Cut in Atomic Weapons":

> President Kennedy has directed the military to cut back its orders for nuclear warheads by several thousands, Pentagon sources disclosed today.
>
> The reduced rate of acquisition will affect mostly the small, battlefield type of weapons. Existing stockpiles will not be altered.
>
> Presumably, the President's action was taken partly because the Nation already possesses more than enough nuclear weapons of certain types.

Under these circumstances, we have no assurance that plutonium will be needed from this reactor beyond 1972, or even 1970. If this reactor is used for plutonium production for only a few years, this becomes a bad financial proposition, and the anticipated revenues will never be received.

Mr. Chairman, there is a better chance that we will lose more money on this already costly reactor than that we will ever receive a dime.

POSSIBLE COST INCREASES

During the hearings both the representative of the public power groups and the Bonneville Power Administrator admitted that they had had no experience in constructing generating facilities to operate from steam coming from an atomic reactor. The public power groups have estimated that $25 million will be required to add a sixth loop to this reactor, and an overall cost of $130 million for construction of generating and transmission facilities. In view of the record it seems probable that both of these estimates are low and that further cost increases will develop when and if construction proceeds.

Supposedly, BPA will increase its rates to cover cost overruns. But BPA is already operating at a deficit, and political pressures will probably attempt to resist a rate increase. Thus the taxpayer, not the ratepayer, will be asked to pay in the long run.

WASTE STEAM OR WASTE DOLLARS

We are told that this expenditure is necessary in order to prevent good steam from being wasted. On the other hand, we are told that another $25 million is needed for a sixth loop in order to make this steam usable. Are these two stories consistent? Why will good energy be wasted if $25 million more is needed to make it usable? Are we going to waste steam or still more dollars?

TAX-FREE BONDS

During the hearings, Mr. Luce testified that "there is no question that the marketing arrangements represented by this exchange contract would be regarded as very important to any prospective purchaser of these revenue bonds, so that the contract is important in the sale of the revenue bonds," hearings, page 68. In other words, the credit of the United States is being used to support this whole project. BPA and the Federal Government are the real backers of this scheme. This is a dangerous precedent to utilize sale of tax free "municipal" bonds in order to advance the ambitions of a Federal public power agency. Perhaps the legality of this device, as well as the serious questions of policy, should be further studied.

SUMMARY OF SIX POINTS

Yesterday, in order to explain my position in advance to all Members of this House, I made six points which I will now briefly recapitulate:

First. The basic issues are the same as last year. The Federal Government through the AEC will own the reactor. The public power group, subsidized and supported by the Federal Government, will own the generating facilities. The proponents include Alex Radin, of the American Public Power Association, and Clyde Ellis, of the National Rural Electric Cooperative Association. The opponents include the National Coal Association and the private utility industry. Thus we have the same basic alinement as we did last year.

Second. The proposed scheme has serious defects. The Federal Government will still be exposed to risks. The Bonneville Power Administrator may terminate the agreement prior to commencement of commercial operation if he determines that it is not economically justified, in which event the Government—the taxpayers—must reimburse the public power group for all obligations, costs, and expenses. In addition, Bonneville can take over the generating facilities at any time by paying the unamortized balance, which means simply that if we approve this project, the door is open for outright Federal ownership of both the reactor and the generating facilities at some future date. Finally, the marketing agreement of the Bonneville Power Administration will be the security for the tax-free revenue bonds that the public power group will issue to finance the generating facilities.

Third. The BPA is the real party in interest. BPA must agree to deliver firm power regardless of the amount of fluctuating power it may receive from the new production reactor. If the new production reactor fails to deliver as hoped, BPA must increase its rates or absorb the loss, with possible serious effects on its entire system.

Fourth. The capacity of BPA to assume these risks is doubtful. Since BPA has been operating at a deficit, the advisability of undertaking this risky, costly venture is doubtful. The Administrator says BPA will raise its rates, but should Congress rely on this assurance—or should we expect further subsidy?

Fifth. The generation of commercial power from this Government-owned reactor would create dangerous precedents. Bonneville heretofore has engaged only in hydro projects. This project will serve as a precedent by Bonneville for adding other steamplants to its system, and for Government ownership of large-scale commercial atomic powerplants.

Sixth. Congress needs more time to study this proposal, including review by the committee having jurisdiction over the Bonneville Power Administration. The real party in interest, which must assume the risks, is the Bonneville Power Administration. The House Committee on Interior and Insular Affairs, which has jurisdiction over BPA, has held no hearings on this proposal.

Last year, the House of Representatives decisively rejected the construction of electric generating facilities at the Hanford new production reactor. I feel confident that the majority of the House will join with me to uphold our decision of last year.

Mr. Chairman, in conclusion, when we read the bill under the 5-minute rule, it is my intention to offer an amendment as a substitute to the amendment offered by the committee. My amendment will read as follows:

> The Commission is not authorized to enter into any arrangements for the construction or operation of electric generating and transmission facilities at the Hanford new production reactor.

Mr. BECKER. Mr. Chairman, will the gentleman yield for a question?

Mr. VAN ZANDT. I yield to the gentleman from Tennessee.

Mr. BECKER. In listening to the gentleman and the arguments on this pro and con, do I arrive at this conclusion, that according to this legislation and the agreements in the contract, that the United States not only guarantees the bonds on the construction of this plant, but there is also an agreement in the contract of recapture or repurchase by the Federal Government? Is this in the contract?

Mr. VAN ZANDT. The contract provides that until the time the reactor becomes operational, the Government may terminate the contract and assume responsibility.

Mr. BECKER. We had that obligation under the legislation last year, did we not?

Mr. VAN ZANDT. That is right.

Mr. HOLIFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I take this time to ask two or three questions of the chairman about some of the objections which have been raised to this project. I will refer first to the one just raised as to Government guarantee of the obligations. Will the Federal Government become the guarantor of the revenue bonds which will be issued by the Washington Public Power Supply System?

Mr. HOLIFIELD. The Federal Government will not become the guarantor of these bonds. The users of Bonneville power, the people who buy the Bonneville power, will stand, if there is any liability or any default they will stand, after the assets of the public power group. The public power group have bonded themselves to borrow $131 million. After their assets are exhausted, if this should occur, first of all, then the Bonneville Power Administration must raise its rates and spread it over the whole system in order to make up any kind of deficit. They stand between the Federal Government and any loss.

Mr. MAGNUSON. I might point out here that our public utility districts in the State of Washington—16 of them make up this Washington Public Power Supply System proposing this project of our public districts, and I think we have 27 in the State—have never defaulted on a single dollar of their bonds, so that the credit of these public utility districts is excellent—100 percent.

Another matter I would like to ask about is this: It has been claimed that this proposal would circumvent the will of Congress and that this is really just another way of accomplishing what we failed to get approval of last year.

Mr. HOLIFIELD. I suppose you can see anything you want to see. The proposition last year was to have the project financed by the Federal Government, constructed and operated. In this instance a non-Federal entity is bonding itself on local credit and a local system of distribution of the power. For the price of the generating facility they are going to operate it. All the cost of operation and transmission of the power to the Bonneville grid for interchange division is going to be borne not by the Federal Government, not by the Bonneville Administration, but by private groups to the extent that private power utilities contracted this power. They will also enter into the guarantee through the rates they pay for the amortization of the $131 million of bonds, because the cost of the power which they get, which will be set at the universal Bonneville rate, will contain within it enough income for the Public Power Supply System to amortize their bonds over a period of years.

Mr. MAGNUSON. I thank the gentleman.

Mr. VAN ZANDT. Mr. Chairman, I yield to the gentlewoman from Washington [Mrs. MAY] 3 minutes.

Mrs. MAY. Mr. Chairman, in the closing minutes of this debate, I would like very briefly to reiterate as quickly as I can what I think are the major issues and points involved in the situation before us as we vote on this authorization bill, particularly on the amendment that will be offered to it concerning the Hanford reactor.

Mr. Chairman, as the Members of this body are well aware, I am an enthusiastic supporter of the proposal now before the House. I have personally contacted a great many Members of this body to explain the merits of the issue before us, and most particularly the benefits that would accrue to not only my district and the Pacific Northwest, but to the Nation, and hence the taxpayers.

In addition to my personal conversations with many of my colleagues, on June 26 I wrote to all members of the minority so that they might have before them for consideration some of the outstanding benefits of this local enterprise plan. In my letter I brought to the attention of my colleagues the discussion of Members from the Pacific Northwest on the floor of the House a day earlier, and asked that my colleagues on this side of the aisle read the discussion in the CONGRESSIONAL RECORD.

In addition, Mr. Chairman, all of the members of the congressional delegations from Washington, Oregon, and Idaho jointly signed a letter sent to all Members of the House of Representatives last week which explained that an amendment to the Atomic Energy Commission authorization bill would be before us and that it would be necessary to pass this amendment if we are to take advantage of the opportunities available to the United States through approval of the contract between the Atomic Energy Commission and the Washington Public Power Supply System.

Mr. Chairman, this is a sound proposal, and there is no question but that it is wholly different from the Federal powerplant rejected by the House of Representatives last year. Let me briefly enumerate these differences in the current proposal, because I believe in so doing the benefits will be obvious.

First. No Federal funds are required. Last year Congress was asked to appropriate $95 million to finance the addition of the power facilities. Washington Public Power Supply System will obtain its financing on the private money market through revenue bonds.

Second. No Federal ownership or operating responsibilities are involved. Neither AEC nor BPA will be responsible for the operation of the power facilities under the Washington Public Power Supply System proposal, in contrast to the plans proposed last year for Federal ownership and operation.

Third. No risks to taxpayers are created. Under the Washington Public Power Supply System proposal, the taxpayers are relieved of any risks which might be involved due to the uncertainty of the period of dual-purpose operation or for other reasons. Cost of any unanticipated expense will be borne entirely by Northwest residents through their power rates.

Under the Washington Public Power Supply System proposal, Washington Public Power Supply System will lease a site adjacent to the reactor and install generating equipment at its own expense. During periods when the reactor is required for military plutonium production, byproduct steam will be purchased from AEC for power production; Washington Public Power Supply System will pay all powerplant capital and operating costs. When the reactor is not required for plutonium production, Washington Public Power Supply System will lease and operate it to produce steam for generation of electricity; Washington Public Power Supply System will pay costs of nuclear fuel, operation and maintenance of the reactor, and conversion to power-only operation.

The Federal Government could acquire the facility at any time for the unamortized capital cost, but this option—which is intended to assure against windfall profits—cannot be exercised without congressional approval.

Output of the Washington Public Power Supply System powerplant will be delivered at cost under a long-term contract to BPA in exchange for deliveries of firm power by BPA to local participating utilities. All BPA customers—private power companies, industrial plants, rural electric cooperatives, and public agencies—have been invited to participate in the proposed contract arrangement. The project has unified backing from the region, including support of chambers of commerce, labor, and farm and conservation organizations.

Cost of the power to be generated at the new production reactor, including the annual payments for byproduct steam, will be comparable to the cost of alternative sources of additional electric generation in the region. Actual power costs will depend upon the period of dual-purpose operation. Best estimates of the average cost of the Hanford power over the service life of the project range from $19 to $22 per kilowatt-year at the generator. This would be slightly in excess of 2 mills per kilowatt-hour.

The Hanford plant will not hurt the coal industry. No coal from the East is shipped to the Northwest, which is dependent upon hydropower for 96 percent of its electricity. Eventually the Northwest will probably turn to a hydrothermal combination for its power supply. Local loads are now doubling every 10 years. If constructed now, Hanford represents a unique chance to realize economic electricity from waste heat. Creation of a new low-cost source of power will stimulate use of electricity and integration of the Hanford powerplant into the region's power pattern will aid in the transition, paving the way for the most economic use of local coal resources by non-Federal utilities. Such coordination among private and public generating systems already exists in Northwest hydroelectric operations.

The capital cost of the powerplant under the Washington Public Power Supply System proposal is not radically different from the Federal proposal of last year. The initial bond issue for financing the plant is estimated to require about $130 million. The bond issue includes, however, many items of cost which were not included in the $95 million estimate for Federal construction last year. The bond issue provides for the following additional costs which are incurred under non-Federal financing:

Interest during construction	$11,000,000
State sales tax	3,500,000
Financing expense	1,300,000
Working capital and revenue funds	9,000,000
Transmission cost from Hanford to Vantage	7,500,000
Escalation	4,000,000
Total	36,300,000

In other words a comparison between last year's $95 million and this year's approximately $130 million is not valid.

Benefits of the Washington Public Power Supply System proposal are:

First. Provide sole means of recovering taxpayer investment. Washington

Public Power Supply System will pay AEC $31 million during operation of the powerplant in the first 10 years—the minimum period of expected plutonium production. If dual-purpose operation should continue beyond that time, payments to the Federal Government could reach in excess of $125 million over the anticipated life of the reactor as a plutonium producer.

Without the powerplant, the reactor will stand idle after it is no longer needed to produce plutonium for weapons. Taxpayers have made an investment in excess of $25 million to make the reactor convertible to power production. The addition of generating facilities offers the only opportunity to make use of this investment, and put a defense facility to peaceful use by creating the world's largest atomic powerplant.

Second. Add revenue to U.S. Treasury. Taxpayers will benefit substantially, especially during the years of dual-purpose operation. BPA has surplus secondary power which it cannot sell because it is not firm. It can combine Washington Public Power Supply System power with this secondary energy and create additional quantities of firm power for which there is a market. This new firm power will be produced from steam which would otherwise be entirely wasted.

Third. Increase Northwest firm power resources. Hanford will help meet the growing firm power need of the Northwest. The plant will have a capacity of 800,000 kilowatts during dual-purpose operation and 860,000 kilowatts during power-only operation. When its output is integrated with the Bonneville system, the power supply of the Northwest will be increased by a firm power capacity of 905,000 kilowatts during dual-purpose operation and 975,000 kilowatts during the power-only period. The plan is economically feasible and the additional firm power will be salable at standard BPA rates.

Fourth. Aid all utilities, regardless of ownership. The additional firm power will be available to all BPA customers. In fiscal year 1961, BPA sold 36.3 percent of its power to private industry, 15.1 percent to private companies, 38.8 percent to local public agencies and rural electric cooperatives, and 9.8 percent to Federal agencies, including AEC.

Fifth. Help meet possible power shortage. Hanford power will be available at a time which will permit it to offset a threatened regional deficit of firm power in 1965–66. The first unit of the powerplant could be on the line in October 1965; the second unit, in December 1965.

Sixth. Protect fishery resources. By eliminating dumping of waste steam in the Columbia River, environmental conditions for fish will be materially improved. The Izaak Walton League and fisheries interests all support the Hanford proposal.

Mr. HOLIFIELD. Mr. Chairman, I yield 2 minutes to the gentlewoman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Chairman, it seems to me that the people of Oregon and Washington, indeed the people of all the Northwest, owe a debt of gratitude to the gentleman from California [Mr. HOLIFIELD], chairman of the Atomic Energy Committee, for the leadership he has shown, not only last year but also this year in this fight to build the electric generating facilities at the Hanford plant.

The gentleman from California has at no time represented any special or selfish group, but has spoken only in the public interest. Indeed, it is in the public interest and also in the interest of the economy of this Nation to allow the Washington power group to build these generating facilities at the Hanford plant. I cannot for the life of me understand those people who talk out of one corner of their mouths about economy, and at the same time vote against a project which would indeed turn waste steam into electricity which could be sold throughout the Northwest.

Also, Mr. Chairman, approval of the proposal before us today will represent a significant step in the strengthening of our Nation's security.

Testimony before the Joint Committee on Atomic Energy establishes clearly that the nuclear defense of this country will be enhanced by the non-Federal construction and operation of electric generating facilities at the new plutonium production reactor now being constructed at Hanford, Wash., by the Atomic Energy Commission.

Furthermore, this military advantage carries with it important economic benefits to taxpayers, who must bear the cost of hardware essential to our Armed Forces.

Plutonium is a vital element in the manufacture of nuclear weapons. Our weapons system requires that an adequate supply of plutonium be available at all times. The AEC's new production reactor at Hanford was authorized for the primary purpose of insuring that the supplies of plutonium needed to create our nuclear deterrent are at hand when needed.

When plutonium requirements for weapons are deemed to be satisfied, production facilities may be put on standby. Should a disarmament agreement be consummated, plutonium-producing reactors might be shut down.

In either case, the security of the United States would be affected by the speed at which these production reactors can be returned to the job of creating plutonium.

The proposal of local agencies in the Pacific Northwest to provide for use of waste heat at Hanford to generate electricity is a highly important factor in determining this timelag.

With this powerplant in operation, only a few days will be necessary to restart the making of recoverable plutonium. Without the powerplant in operation, it would take upward of 2 years to get into plutonium production.

The reason for this difference in time required to initiate plutonium production is twofold: First, when used to create steam for power the reactor remains hot where otherwise it would be put into cold standby and, second, trained operators would be on duty at the reactor during the power-only phase while it would be necessary to seek and recruit trained personnel in order to get the reactor into operation if it were mothballed after closing down plutonium production activities.

Mr. Chairman, I would like to cite a portion of the testimony on this subject which was presented to the Joint Committee on Atomic Energy during hearings held last week.

On the witness stand was George F. Quinn, Assistant General Manager for Plans and Production of the Atomic Energy Commission. The following colloquy took place between Chairman HOLIFIELD and Mr. Quinn:

> Mr. QUINN. If the reactor were in operation by the Supply System, there would be trained operators available, who could actually run the reactor for plutonium production, whereas if the plant had been put into cold standby, we would have to go out and recruit personnel, and this might require upward of 2 years to get a full crew on hand and get the reactor into operation.
>
> Chairman HOLIFIELD. So if we look forward into the future at a time when there might be a disarmament agreement to shut down plutonium production on the part of the United States and England and the Soviets, and such other nations as might have them at that time, we would be in the position in this one plant of being able to restart plutonium production within a few days; where in the instance of the single purpose plants, it would be estimated to be approximately a year, as I understand it, to start up a single purpose plant.
>
> Mr. QUINN. I think it would be more likely 2 years, if we had to go out and recruit the operators for the facility, Mr. Chairman.
>
> Chairman HOLIFIELD. So if the Soviets wanted to abrogate an agreement, they would be in the position of being able to start into plutonium production almost immediately, here in our country, due to the fact that our plutonium plants are single purpose plants, we would not be in the position of being able to start up immediately except in this particular plant. Is that a correct statement?
>
> Mr. QUINN. That is correct, sir; unless we went to the very heavy expense of maintaining operating crews at all of our shutdown reactors, pending such a development; and this would be very costly.

Mr. Chairman, we know that many of the plutonium producing plants in the Soviet Union are dual purpose. AEC Commissioner Robert E. Wilson told the Joint Committee that with the Hanford reactor operating for electric generation only it would require just "a few days" to start making plutonium again. I do not believe it makes good sense to toy with the defense of the United States by giving up this time advantage.

As Mr. Quinn pointed out to the Joint Committee:

> If it had been shut down, it would probably take upward of 2 years to recruit and train an operating crew to operate the reactor for production purposes whereas if it were in operation for power, the trained crew to operate the reactor would be readily available and the reactor could be converted to production directly.

Mr. Chairman, Congress has already approved the expenditure of $25 million or more in the convertibility features of this reactor. In view of the carefully stated opinions of AEC experts regarding the delay which would be experienced in resuming plutonium production without the proposed powerplant, it seems to me that Congress would be dangerously derelict in its duty to protect the security of this country if it now failed to approve the effective utilization of this investment.

Substantial savings to the taxpayers are also involved.

AEC witnesses testified that it would cost $1.5 million to $2 million to put the reactor into cold standby. If the reactor continues to operate for power purposes after plutonium production is shut down, this expense will be avoided.

During the time the reactor is in standby, there would be continuing maintenance costs of $300,000 per year. There would be no such costs if reactor use continued as a power-only operation.

Should it be necessary to reactivate the reactor for plutonium production following a shutdown there would be a startup cost of approximately $5 million. With the proposed powerplant this cost would amount to only $1 million.

Mr. Chairman, I would like to quote from the hearings held by the Joint Committee to emphasize this point:

> Mr. Quinn. I think, Mr. Chairman, that the time required to reactivate a facility put in standby would depend on the condition of standby. I think it would be fair to say that at the time the production period ended, when plutonium requirements for weapons had been met, we would plan to put this facility into a more or less cold standby. The costs involved in doing this would be perhaps $1½ to $2 million, initially.
>
> Dr. Wilson. Are you talking about this particular unit?
>
> Mr. Quinn. I am talking about this particular reactor, now. And we would have a continuing standby cost of $300,000 per year.
>
> Should it be required to reactivate the plant for plutonium production, the reactivation might be on the order of $5 million.
>
> Now, if the plant were turned over to the supply system and operated as a power reactor during this time, there would be no expenditure for shutdown, nor would there be a continuing standby cost. We further believe that the startup cost would only amount to perhaps $1 million instead of the $5 million.

Mr. Chairman, this decision involves the safety of our Nation. The new production reactor now under construction at Hanford is the only plutonium producing plant in the entire Nation with convertibility features. The Soviets have convertible reactors. If we fail to take advantage of the present proposal to use waste heat at Hanford—with no new Federal expenditure and with the prospect of substantial financial return to the taxpayers—we are playing Russian roulette with the security of all our citizens.

No one can guess what the future holds with respect to the power struggle now going on throughout the world. But one thing is sure: Assumption of unnecessary risks and disregard of cost-free safeguards is one way of giving aid and comfort to the enemy.

In the interests of fairness to the people of the Northwest—in the interests of the economy of the area—in the interest of the security of this country, I urge the support of the Hanford project.

Mr. HOLIFIELD. Mr. Chairman, I yield 2 minutes to the gentlewoman from Idaho [Mrs. Pfost].

Mrs. PFOST. Mr. Chairman, I want to join in the remarks of the gentlewoman from Oregon in complimenting the chairman of the Atomic Energy Committee, the gentleman from California [Mr. Holifield], for the excellent job he did both last year and this year on the Hanford legislation. I want to remind my colleagues in the House that last year I voted for Federal development of power at the Hanford plant which was in my opinion a better proposal than the modified version before us today. Since we lost the fight last year, I want to add my voice in support of the measure before us now.

It has been said that the proposal before us today is almost the same as the proposal considered by the House last year.

It is true, as it was last year, that construction of an electric generating plant adjacent to the Atomic Energy Commission's new production reactor at Hanford will provide a market for huge quantities of steam produced as a byproduct in the manufacture of plutonium for national defense.

Construction of these generating facilities will add at least 800,000 kilowatts of electrical capacity to the Pacific Northwest, available in time to meet an expected firm power deficit in 1965–66. This fact has not changed.

It is equally true that construction of the Hanford powerplant will provide low-cost electricity—an estimated $19 to $22 per kilowatt-year over the life of the project, or slightly more than 2 mills per kilowatt-hour.

There is no change in the fact that this new power source will help to solve one of the most perplexing problems of the Bonneville Power Administration by increasing the amount of marketable firm power through combining the output of Hanford with presently surplus secondary energy. Estimates that some 900,000 kilowatts of firm capacity will be added to the Bonneville system have not changed.

At least six major studies have been made of the economic feasibility of generating byproduct electrical energy from steam produced at the Hanford reactor and these demonstrated beyond a doubt that an electric plant of some 800,000 kilowatts would be feasible. The feasibility of the project remains the same.

The importance to the national defense and the national economy of keeping the Hanford reactor in operation during periods when no plutonium is produced, because of international agreement or other policy considerations, remains significant.

All of these arguments were valid last year when the House voted on a proposal for Federal construction of generating facilities at Hanford. True, today's proposal is almost the same.

But the word "almost" covers a lot of ground. There is one overriding difference, which changes the entire complexion of the proposal.

Today's proposal would cost the taxpayers of the United States not one additional red cent.

Those who hesitated at investing some $95 million in Federal funds, weighing the benefits against this sizable drain on the Treasury, can support the proposal of the Washington Public Power Supply System to finance, construct, and operate the Hanford powerplant in the knowledge that these benefits will accrue to the people of the Pacific Northwest and the Nation without cost to the taxpayers.

The public power districts of Washington State have offered to lease a site adjacent to the Federal reactor and install generating facilities at their own expense, as a businesslike investment, confident that users of electricity will repay the investment by the purchase of power at reasonable rates.

Thus, the 1962 Hanford project represents a great benefit to the Nation which will be paid for by those who use its power output. The project has the unanimous support of our colleagues from the Northwest, regardless of political affiliation.

In the past Congress has been called upon to appropriate Federal funds to aid in developing the power resources of the Northwest and, to the extent that the Federal budget has permitted, we have done so.

Today, the representatives of this great region are asking for no funds—only for permission to go ahead with a regional undertaking which will make a significant contribution not only to the Northwest but to the Federal treasury as well.

Mr. VAN ZANDT. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. Horan].

Mr. HORAN. Mr. Chairman, I am very much in favor of the amendments which will be offered, regarding the Hanford project, to this bill.

Certainly if we are to meet the budget and fiscal problems which face this great Nation we will need to avoid all waste of time or resources such as this steam we consider at Hanford. It is my conviction also that we need to embrace and encourage such offers of financial assistance such as is here proferred by the 16 local bodies of the State of Washington. I salute them. Placing too much burden on the credit of our Federal Government now, with all our debt and obligations, is, in my opinion, the certain way to the fiscal ruin of this Nation.

The assumption, on the other hand, on the part of States, counties, cities, and local groups of reasonable fiscal responsibilities is the thing that these days demand.

Mr. VAN ZANDT. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. Goodling].

Mr. GOODLING. Mr. Chairman, the bad taste public power leaves with many might well be sweetened if some thought were given to the innocent victim who makes it possible—the American taxpayer.

If present procedures persist in the field of public power and reclamation, we might well have nothing left to tax. Is it not about time we give some thought to those who make all projects possible? American labor and industry is taxed to build reclamation projects and where do we go when we need generating equipment? Check recent records and you will learn the shocking truth.

Just recently, a corporation which uses 100-percent American labor and materials lost an $18 or $20 million order for generating equipment to a concern which specified at least 49 percent of labor and equipment would be foreign.

By a strange coincidence a report of a similar nature reached my desk today which I would like to make a part of the record. "Buy American" has a beautiful sound but when we weigh it against what this administration is actually doing, the phrase is nothing more than a mockery. If we are going to tax labor and industry, let us give them earning power against which we can levy. How long can we exist if we continuously award contracts to foreign competitors whose wage scale is a pittance compared to ours?

The report follows:

ALLIS-CHALMERS MANUFACTURING CO.,
July 14, 1962.

MR. GRANT BLOODGOOD,
Assistant Commissioner and Chief Engineer, U.S. Bureau of Reclamation, Denver Federal Center, Denver, Colo.

DEAR MR. BLOODGOOD: We wish to call to your attention recent bidding to the Bureau of Reclamation in Denver of the U.S. Department of the Interior for four 70,000 horsepower hydraulic turbines for Yellowtail Dam in Montana under Invitation DS-5783.

The three low bidders were as follows:

Mitsubishi (100-percent Japanese)	$1,053,893
Hitachi (100-percent Japanese)	1,503,138
Allis-Chalmers (100-percent American)	1,550,000

There were nine additional bids offered at higher prices ranging to approximately $2½ million including four 100-percent foreign bids, three 100-percent American bids, and two combination bids of American and foreign source qualifying as American bids.

We believe that a possible award to one of the two low Japanese bidders would be prejudicial to the American economy and American labor in the current period of business recession and anxiety which is causing a continuous curtailment of employment at American plants such as we possess, and which manufacture similar equipment to that bid in this Invitation. Further, award of this contract to a bidder utilizing foreign source components would aggravate the U.S. balance-of-payments problem, the outflow of gold, and contribute to additional unemployment. With approximately $10 million out of a total of some $29,500,000 worth of hydraulic turbine equipment purchased in the United States last year going to foreign sources and over 50 percent of the business let in 1959 going foreign, the Allis-Chalmers hydraulic turbine operation here in York, Pa., has found it necessary to layoff 151 employees (out of a total starting employment of 1,163) thus far this year. We expect this situation to be further aggravated in the latter months of this year and continue unabated into the foreseeable future.

We ask your very serious consideration in awarding the hydraulic turbine for Yellowtail Dam to the low 100-percent American bidder, Allis-Chalmers.

Thanking you very kindly for your consideration, we are,

Very truly yours,

WEBSTER J. MCCORMACK,
General Sales Manager.

Mr. VAN ZANDT. Mr. Chairman, I yield the remaining time to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, there was inserted in the CONGRESSIONAL RECORD of July 16, 1962, a statement that purports to answer the "Fact Sheets on Hanford New Production Reactor Electric Generating Plant" which I inserted in the CONGRESSIONAL RECORD of July 13, 1962.

This so-called analysis is a masterpiece of doubletalk. I do not have time to discuss each of their questionable statements but I will pick out a few to illustrate what I mean. I said in that fact statement, "the objective is the same as last year." The proponents say it is not the same. Last year's objective was the construction of electric generating facilities at Hanford and the delivery of such power to the Bonneville system. That is exactly what will happen under the present proposal and no doubletalk will change it. Even Washington Public Power Supply System admitted in a letter to AEC and Bonneville that the objective was the same.

I said, "Bonneville will be the de facto guarantor for WPPSS bonds." The proponents disagree. I said black on white in my fact sheets, the Bonneville Power Administration, an agency of the U.S. Government, freely admitted that Bonneville would deliver power of a value equal to all WPPSS costs and "in that sense the terms of the contract would be security for the revenue bonds which would be issued to finance the plant."

How much clearer does it need to be spelled out?

I said in the fact sheet, that "the Washington Public Power Supply System proposal provides for Federal takeover of the new production reactor powerplant."

The proponents claim that this takeover can be done only after congressional authorization to clear. There is no such provision anywhere in the proposed contract on which our facts were based. We are now told that there will be an amendment offered which will purportedly require congressional approval for such takeover. Even with this amendment, there are provisions remaining in the proposed contract under which the contract can be terminated with an obligation for the Government to reimburse the Washington Public Power Supply System for all costs, bond redemption, and so forth. Would Congress refuse to accept the body after it had died and been paid for.

In respect to the increase in cost I think the House ought to know that the convertible reactor that was originally given a price tag of $145 million is now estimated to cost over $195 million. How much more is anybody's guess, as most of the work is now on a cost-plus basis. Time of completion has been set back a year.

The record indicates that all this cost increase stemmed from the failure of AEC to program the project on a proper basis. Here are a few examples of the sorry record as disclosed by the hearings:

Designs were not complete prior to award of major contracts.

One thousand two hundred and eighty-five change orders were issued as of October 3, 1961.

Specifications and inspection procedures were faulty, resulting in one instance in a claim for $7.2 million increase on one contract alone.

Fixed cost contracts were changed to cost-plus-fixed-fee contracts.

Faulty inspection of factory resulted in shipment of primary coolant pipe to job before it was discovered the pipe was full of cracks and unsatisfactory for its intended use.

Overtime and its resulting increase in cost was ordered in an attempt to maintain schedule.

Delays resulting from these faulty procedures and premature letting of contracts before designs were completed added to the administration, engineering, and other overhead costs.

It is clear from the record that the increase in temperature and pressure in the primary coolant system, in order to achieve convertibility, is the principal cause of all delays and increase in cost. It therefore follows that a major share, if not all the increased cost, should be charged against the convertibility feature. All convertibility costs should be recovered through charges for steam, if or when it is ever sold for electric power production. The charges under the contract for the first 5 years would not pay one-eighth the interest cost on real cost of convertibility.

If used for power production, the steam should bear a proper portion of the fixed and operating costs of the reactor itself, as Congress was sold the proposition on the basis that such use would reduce the cost of producing plutonium. No such charge is to be made.

It is freely admitted that due to probable outages in the new production reactor, that project will not produce firm power; yet Bonneville would be obligated to supply firm power of an untold amount that could total several times the amount of nonfirm power produced by the NPR plant. No matter how long the new production reactor plant might be out of operation, Bonneville, under the proposed contract, would have to continue to supply this untold amount of firm power to the Washington Public Power Supply System utilities without charge.

I could go on and on with a discussion of each of the other references to my facts, to show that these futile attempts to refute the facts I have presented are composed of misleading, evasive, and erroneous statements that will not hold water.

These statements show the desperate lengths to which the proponents will go, in their attempt to circumvent the will of Congress as expressed by this House last year. I hope you will continue to vote against this uneconomic and unjustified project, and will support the Van Zandt substitute amendment.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I might say at this point the testimony which the committee received was that the convertibility feature which was originally estimated to cost $25 million will now cost $42 million.

Mr. JENSEN. That is right.

Mr. Chairman, I yield back the balance of my time.

Mr. HOLIFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, as a member of the Ways and Means Committee, which under our Constitution and the rules of the House has responsibility for initiating all revenue-raising measures, I am acutely aware of the burden of taxation imposed on the people of this country in order to provide essential services and insure our security.

This afternoon we have a unique opportunity to approve a plan which will result in substantial revenue to the Federal Treasury.

The plan of local agencies in the Northwest to finance from the proceeds of revenue bonds sold in the private money market the construction of generating facilities at the AEC's new plutonium production reactor at Hanford, Wash., is this kind of proposal.

No Federal funds are needed. No Federal ownership or operating responsibilities are involved. And no risks to the taxpayers are created.

By approving the amendment before the House today we will be providing from $31 million to $125 million in new revenues for the Federal Government. These new revenues will come from payments by the Washington Public Power Supply System for waste byproduct steam purchased from the AEC.

In addition, taxpayers will benefit from the firming up of presently unsalable secondary power of the Bonneville Power Administration. There is a ready market for this firm power, and further revenues will be added to the Federal Treasury as the result of its sale.

Unlike the proposal of last year for the Federal Government to invest $95 million in generating facilities at Hanford, the current plan does not involve any Federal cost for construction of a powerplant to use the steam which will otherwise be squandered in the Columbia River. Local agencies will pay the entire cost of plant, and also pay for the steam needed to run it.

Mr. Chairman, the language of the amendment under consideration today, states clearly that "all expenses of modifications of the Hanford new production reactor made at the request of the non-Federal entities, and all expenses of constructing and operating such electric energy generating and transmission facilities shall be borne by the non-Federal entities."

The language is a legal safeguard which insures that the Federal Government is fully protected against liability for any expense of the construction of the powerplant proposed at Hanford. Local interests, acting on their own initiative, stand ready, willing, and able to finance, construct, and operate this facility.

The amendment also provides that the Commission shall not conclude any contract for the sale of steam to a non-Federal entity unless the Commission determines that such entity has first offered 50 percent participation to privately owned organizations on a nondiscriminatory basis.

Mr. Chairman, the arrangements under which the power produced at Hanford will be marketed provide for use of two resources which are presently items of waste—byproduct steam from the Hanford new plutonium reactor and unsaleable secondary power available from the Bonneville Power Administration. It is proposed to combine these two elements to obtain a new supply of firm power in the magnitude of 905,000 kilowatts to 975,000 kilowatts.

Private and public electric systems in the Northwest are currently cooperating with the Bonneville Power Administration in a unique power pooling arrangement whereby all hydroelectric generating units are coordinated in a fashion which encourages the maximum use of waters of the Columbia River and its tributaries. This contractual agreement results in benefits to the Federal Government of more than $1 million a year at the present time.

The proposal authorized by this amendment is an extension of this principle of cooperation. It represents a blending of the total electric potential of the region to realize maximum efficiency.

Output of this locally financed plant will be made available to both private and public electric systems. It will increase the region's firm power resources, and help meet a threatened power shortage. It will improve environmental conditions for fish by eliminating dumping of waste steam in the Columbia River and adding to the time available for further study of passage of migratory fish over contemplated new dams on northwest rivers.

This proposal has vigorous and unified support throughout the Northwest, including bipartisan backing from chambers of commerce, labor, farm, and conservation organizations. It has been endorsed by Gov. Mark O. Hatfield, of Oregon, a Republican, and Gov. Albert Rosellini, of Washington, a Democrat.

Mr. Chairman, the Washington Evening Star yesterday carried an editorial which stated with compelling clearness the issue here. The Star said correctly that this amendment is designed "to prevent the literal throwing away of a great potential national resource." As the Star put it:

> Nothing could be clearer than that America will be guilty of lamentable improvidence if it lets Hanford's steam be tossed away, so to speak, on the desert air.

The New York Times today declared that—

> This enterprise offers promise of fruitful utilization of our energy resources and a demonstration of our leadership in developing the atom for peaceful purposes. It deserves congressional approval.

I urge that you vote today in favor of this amendment.

Mr. BATES. Mr. Chairman, as a member of the Joint Committee on Atomic Energy, I wish to indicate my support for H.R. 11974, the bill to authorize appropriations to the AEC for fiscal year 1963. I would particularly like to speak in favor of two projects added by the joint committee, project 63-j-2 and 63-j-3, which are needed for the AEC food irradiation program. A considerable amount of research and development has been successfully carried out to extend by the use of radiation the shelf life and preservation of fish and certain meats. One of these projects, 63-j-2, will authorize a pilot plant utilizing a 309,000 curie cobalt 60 facility, to be constructed in the Northeastern United States, at a location convenient to fish processors. I hope that these two projects will be quickly implemented by AEC in order to keep the program going at an appropriate level during the coming fiscal year.

I would also like to comment with favor on sections 110 (b) and (c) of the bill to authorize design assistance to encourage construction of large-scale atomic powerplants. As some of my colleagues know, two groups of New England utilities are considering construction of atomic powerplants, and it is possible that this new type of assistance may be of help to them.

HANFORD NEW PRODUCTION REACTOR

I have given careful consideration to the committee amendments to authorize arrangements for construction of generating facilities at the Hanford new production reactor. As I see it, there are some possible benefits which should be the deciding factor, if satisfactory assurances can be given to the various risks involved.

Concerning the benefits, the Government can recover some of the funds it has spent on this reactor if it is operated as a dual purpose reactor beyond 1972. In fact, the Government can receive up to $125 million, if the reactor operates as a dual facility for 24 years. Frankly, I do not anticipate such a large return. I would place the figure closer to $3 million.

Concerning the risks, I would summarize them as follows:

First. A disarmament agreement might be reached, and the reactor no longer operated to produce plutonium, or perhaps shut down altogether. However, I do not believe that the possibilities of a disarmament agreement are so great that this needs to be given much weight.

Second. The actual costs may greatly exceed the estimated costs. In such event, we have been assured that BPA will assume this risk, and will raise its rates if necessary.

Third. There is the risk that the project may not deliver the rated 800,000 kilowatts of electricity. Here again this risk should fall upon the BPA and the consumers in the Northwest rather than the taxpayers as a whole.

Fourth. There is the risk that the reactor will not be operated as a dual purpose facility until 1972, the break-even point. In this event the Federal Government will not receive back any substantial revenues. On the other hand, the Federal Government will not lose money, and BPA is willing to assume this risk also.

In summary, there is a possibility that the Federal Government may recover some revenues. According to the testimony, Washington Public Power Supply System and BPA are willing to assume the various risks I have mentioned. We have been assured—and we should insist—that AEC will not subsidize this project by reactor improvements to improve power production without reimbursement. We have been assured—and we should insist—that BPA will raise its rates if necessary rather than continuing to operate at a deficit. On this basis, I am willing to support the committee amendments.

Mr. HARDING. Mr. Chairman, on Monday the Washington Post declared editorially that the House now has before it a compromise which "holds out the hope that the steam generated by the nuclear reactor in Hanford, Wash., will not be wasted in perpetuity."

In a few words, the newspaper summed up the decision which we must make today.

Last year we weighed this possible waste against the investment of $95 million in Federal funds. Today the choice is more simple, since the Washington Public Power Supply System has offered to finance, build, and operate the Hanford reactor.

Our choice, then, is simply to waste or not to waste this valuable steam. If we choose waste today, we will not have a second chance, and the Post's prediction will come true—we will waste the steam in perpetuity.

This steam can be worth as much as $125 million to the Federal Treasury over a 24-year period, as the Post points out. We can, therefore, translate the resource involved into dollars-and-cents terms, making it plain just what it is that would be wasted.

Simply in terms of resource development, that $125 million could be used to further expand Federal investment in worthwhile projects. Or it could make a contribution to the Treasury of no small dimensions at a time when Federal deficits are plaguing us.

Most important, this project gives us not a choice between investing or not investing—a negative kind of choice—but a positive choice between obtaining new revenues for the Treasury or cutting off these revenues.

Surely no businessman would turn down an offer such as that made by Washington Public Power Supply System. We have a byproduct to sell, and we have a buyer. To deny the supply system the opportunity to buy the steam from Hanford and thus to create a new business enterprise would be unthinkable business judgment.

It should be emphasized that WPPSS is the only customer for this steam. The proposal we have before us today is our only opportunity to prevent the waste of the steam in perpetuity.

The Hanford proposal, the newspaper editorial points out, avoids the arid public versus private power fight by specifying that at least 50 percent of the electricity produced at the plant will be made available to privately owned electric utilities.

I fully agree with the Post's conclusion, as follows:

> Surely this makes sense. There can be no excuse for Congress now discouraging the very local initiative that opponents of Federal power fervently lauded during last year's debate. The House is due to vote Tuesday on the amendments. Prompt and decisive approval can make the Hanford heat shed light in the power-starved Northwest.

The editorial follows:

HANFORD AGAIN

A compromise formula approved by the Joint Committee on Atomic Energy last week holds out the hope that the steam generated by the nuclear reactor in Hanford, Wash., will not be wasted in perpetuity. It will be recalled that the House last year scuttled legislation under which the Federal Government would have designed, constructed and operated generating facilities at a cost of $9.5 million to use the waste steam at Hanford for public power. Since then, a municipal nonprofit corporation in the State has offered to install at its own expense the needed generating facilities and thereby sell the electricity to the Bonneville Power Administration.

With only a single dissenting vote, the Joint Committee has approved amendments that would permit this local initiative. In order to skate around the arid public versus private power fight, the amendments specify that 50 percent of the electricity go to private utilities and 50 percent to public power on nondiscriminatory terms. This would mean up to 800,000 kilowatts of electricity—enough to light the city of Baltimore—could be produced from steam now wasting away. It also would mean that the Federal Government could be repaid $125 million over a 24-year period.

Surely this makes sense. There can be no excuse for Congress now discouraging the very local initiative that opponents of Federal power fervently lauded during last year's debate. The House is due to vote Tuesday on the amendments. Prompt and decisive approval can make the Hanford heat shed light in the power-starved Northwest.

As Representative CHET HOLIFIELD, of California, pointed out to the House last Friday, the proposal also has an important defense advantage. If it ever becomes desirable to suspend the production of plutonium in the dual purpose Hanford reactor, this facility can be kept in constant readiness as a standby resource engaged in power production. Were it entirely shut down, it would take 2 years to recommence production; but with the power production in being plutonium production could be resumed in a matter of days.

The amendments should have the overwhelming approval of the House when it votes on Tuesday.

Mr. SCHWENGEL. Mr. Chairman, I have listened with great interest to the debate, discussion, and the explanation of this proposition which is supposed to be sound and in the public interest, but after consideration of all the pros and cons I am convinced that it should not be passed. In my judgment, Mr. Chairman, the 1962 version of the Hanford steamplant project represents a particularly insidious attempt on the part of the proponents to impose an intolerable financial burden on the Federal Government through a method that is hardly worthy to be called even a backdoor effort. The sponsors of this plan claim that the Washington Public Power Supply System will build, at no cost at all to the Government, this 800,000-kilowatt electric generating station which will use steam from the new Atomic Energy Commission plutonium production reactor at Hanford.

Regardless of how one attempts to explain the complex arrangements involved—between the AEC and Washington Public Power Supply System on the one hand and between Washington Public Power Supply System and Bonneville Power Administration on the other—it is impossible to come to any other conclusion than that the project is completely dependent upon the full faith and credit of the U.S. Government. Not one person close to this project has been able to establish, in layman's terms, that this project is technically feasible, that the reactor and the steamplant, coupled together, will be able to produce 800,000 kilowatts of electric energy on a steady basis. As I understand it, a hookup of this type has never been tried before, even on a prototype basis, to prove that a facility designed primarily to produce plutonium for the Nation's nuclear weapons can, at one and the same time, produce usable electric energy.

If, when the moment of truth comes, the project proves to be a failure, the Congress will find that it has committed the Bonneville Power Administration to the task of providing electric energy to the Washington Public Power Supply System participants.

And, under the agreement, Bonneville will get little or no power in return. Every dollar that BPA loses on the venture is supposed to be made up eventually by the Bonneville consumers. But, as we have seen so often in the past, public power consumers are never willing to pay the full costs for power and inevitably it devolves on all the taxpayers to pick up the tab.

No matter how one looks at the book, it is the Government which must bear the burden. For it is Bonneville, a Federal agency which, by the very nature of the contracts, is the controlling element in those complex arrangements. To say to Congress that we are not actually endorsing the acceptance of any risk by the Government in this project, is to ask us to believe in fairy tales.

The electric utility companies in the Pacific Northwest which the proponents of this plan assert would benefit by the low-cost power from Hanford, have been criticized for not having come forward with plans to make use of the production reactor steam. But these companies, as with all other companies in the realm of private enterprise, have an obligation to exercise intelligence and discretion in the use of their investors' funds. It goes without saying, therefore, that these companies would have come forward with concrete plans by now if they had felt that use of Hanford steam were technically and economically feasible.

In point of fact, several utility companies in the Pacific Northwest began to investigate the possibility of using production reactor steam as early as 1954, 4 years before the new production reactor was authorized by Congress. Over a period of several years from 1954, detailed and intensive technical and economic studies were carried out and none showed that it would be economically feasible to generate electric power from production reactor steam.

There is another important aspect to this new Hanford plan. It will mean the establishment of 800,000 kilowatts that will not be producing taxes for the Federal Government. By the same token, the existence of this capacity will defer the construction possibly by investor-owned companies of tax-paying kilowatts. Even the financing of the project will be done with tax-exempt revenue bonds.

The time is approaching when the Pacific Northwest must begin to rely on steamplants to generate the additional amounts of electric energy that will be required to meet future demands. This added capacity can be met by the electric power companies which bear their full share of taxes. As our population expands in the Pacific Northwest and elsewhere, local governments and State governments will be hard pressed for tax revenues with which to meet the needs of their own governmental programs, and destruction or erosion of a large segment of the tax base is not the answer.

In the final analysis, Congress is being asked to accept a new route whereby the backing of the Government is used to foster surreptitiously the advance of public power. When a project is of such dubious quality that Congressional approval for it must be sought by restoring to subterfuge, then Congress has only one course to take and that is to reject it outright.

Mr. HOLIFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there is one correction which I would like to make with reference to the statement made by the gentleman from Iowa [Mr. JENSEN] when he was in the well of the House. The gentleman spoke of the eventuality which might require the Federal Government to take over the generating facilities. I wish to point out again and read again for the benefit of the members of the committee, so that there will be no misunderstanding, that the latter part of the amendment which will be offered by the gentleman from California [Mr. HOSMER] has this language in it:

> No Federal agency may acquire the generating facilities from the non-Federal entity without prior congressional authorization.

Now, Mr. Chairman, it is the intent of the members of the committee to accept the gentleman's amendment when it is offered. If the amendment is accepted by this House, this represents an absolute guarantee that before any acquisition of these facilities would occur, the matter would have to be brought before the Congress and the Congress would have an opportunity to work its will.

Mr. Chairman, in the amendment which will be offered by the gentleman from Colorado [Mr. ASPINALL], there is a reference to the justification data.

On page 128 of the utility proposal, in paragraph 7, under the title "Ownership of Facilities and Option To Acquire," we find it could be done on two different bases, and "in either event, prior congressional authorization would be required."

So both by the contract referred to in the amendment and by the direct words of the amendment, there is a clear direction that before any acquisition by any Federal agency of these generating facilities that are owned by the Washington Public Power Supply System, a State corporation, could occur, it would have to secure the approval of the Congress.

Mr. Chairman, in the closing minutes of the debate I wish to say that your Committee on Atomic Energy has worked earnestly to bring to this House a practical and workable solution with respect to the possible waste of 800,000 kilowatts of steam which will automatically be made in this plutonium reactor. We have bent over backward to try to bring before you something that is fair and equitable to the public power people who are going to obligate themselves as primary obligators on the bonds, and also to the private utilities in that area.

The amendment that will be offered by the gentleman from Colorado [Mr. ASPINALL], will authorize the sale of this byproduct steam to the Washington Power Supply System group. The amendment to that amendment that will be offered by the gentleman from California [Mr. HOSMER], will set forth as primary terms of that contract that at least 50 percent of this power shall be offered to the private utilities on the same nondiscriminatory basis as the power is offered to the public bodies.

That amendment will also contain the language which calls for keeping the contracts of sale with the private utilities inviolate in case there is a shift of ownership at some future time in the generating facilities.

Mr. Chairman, we have bent over backward to bring to you a workable, practical program which will be of benefit to the great States of Washington, Idaho, and Oregon and the people and industries thereof, at their expense, not at the expense of the Federal Government. That expenditure, whatever it may be, has already been authorized by Congress and is obligated for expenditure. No change can be made in that arrangement because there is inherent in the design of the reactor the convertibility feature. You cannot take it out. It has gone too far. Whether the amount involved is $25 million or $35 million for that convertibility factor, this House and the other body authorized that expenditure.

Mr. Chairman, in 1958, if this House made a mistake by including the convertibility feature in the reactor, that mistake was made at that time. If I mistake not, the gentleman from Pennsylvania, who said that Congress was hoodwinked, voted for the authorization of that dual-purpose reactor at that time. I would give him the opportunity to rise and deny it if he wishes to at this time.

Mr. VAN ZANDT. I did vote for it. I was not in favor of the convertibility feature, however.

Mr. HOLIFIELD. But the gentleman voted for it. If the House made a mistake, which I do not believe, now is the time to recapture the money we spent, because the money has been spent or obligated and if the sale of the steam occurs we can not only get back the $20 million, $30 million, or $40 million, whatever it may be that was involved in the design of the reactor, but we have an opportunity to recapture many millions more of the moneys that have been spent for the capital invested in the reactor.

Mr. VAN ZANDT. Let me go back to the gentleman's statement which concerned the gentleman from Pennsylvania. If my memory serves me correctly, the convertibility feature which was written into the Authorization Act of 1959, was a compromise for the lesser of two evils. That was the reason why the gentleman from Pennsylvania supported the authorization bill when it passed the House.

Mr. HOLIFIELD. I accept the gentleman's explanation. The gentleman knows I am very friendly toward him. But I point out that this is the way we can recapture that mistake, if he thinks it was a mistake, and wash it out by income of money into the Federal Treasury, if it was a mistake. The only way to do that is to sell this steam, and that is what this amendment seeks to do. It seeks to protect every contracting entity, including the Federal Government, the Atomic Energy Commission, the Bonneville power group, the WPPSS, and all the other elements that are embodied in this.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. PLANT OR FACILITY, ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261a(1) of the Atomic Energy Act of 1954, as amended, the sum of $160,415,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

(a) SPECIAL NUCLEAR MATERIALS.—

Project 63–a–1, modifications to production and supporting installations, $5,000,000.

Project 63–a–2, modifications to facilities for conversion of UNH to UF_4 $1,450,000.

Project 63–a–3, radioactive waste disposal facilities, Hanford, Washington, $3,700,000.

(b) SPECIAL NUCLEAR MATERIALS.—

Project 63–b–1, consolidated service facility, Hanford, Washington, $955,000.

Project 63–b–2, additional high level waste storage tanks, Savannah River, South Carolina, $6,000,000.

Project 63–b–3, health physics headquarters addition, Savannah River, South Carolina, $1,000,000.

Project 63–b–4, emergency duty personnel shelters, various sites, $4,000,000.

(c) Atomic Weapons.—

Project 63-c-1, weapons production, development, and test installations, $10,000,000.

Project 63-c-2, addition to special metallurgical facility, Mound Laboratory, Miamisburg, Ohio, $540,000.

Project 63-c-3, production plant addition, Mound Laboratory, Miamisburg, Ohio, $300,000.

Project 63-c-4, hydraulic centrifuge installation, Sandia Base, New Mexico, $700,000.

Project 63-c-5, specialized plant additions and modifications, phase II, Oak Ridge, Tennessee, $2,200,000.

Project 63-c-6, pulsed power research facility, Lawrence Radiation Laboratory, California, $1,950,000.

Project 63-c-7, gamma irradiation facility, Sandia Base, New Mexico, $650,000.

Project 63-c-8, dynamic test complex, Lawrence Radiation Laboratory, California, $265,000.

Project 63-c-9, nondestructive test facility, Oak Ridge, Tennessee, $510,000.

Project 63-c-10, processing facilities, Rocky Flats, Colorado, $3,000,000.

(d) Atomic Weapons.—

Project 63-d-1, terminal facilities—115 kilovolt power line, Los Alamos Scientific Laboratory, New Mexico, $1,950,000.

Project 63-d-2, environmental control facilities, phase III, Kansas City, Missouri, $1,200,000.

Project 63-d-3, engineering building addition, Lawrence Radiation Laboratory, California, $4,000,000.

Project 63-d-4, model shop addition (Sandia), Livermore, California, $820,000.

Project 63-d-5, engineering model shop, Kansas City, Missouri, $1,000,000.

Project 63-d-6, improvement of United States Highway 95—Las Vegas, Nevada, to the Nevada test site, $10,000,000.

(e) Reactor Development.—

Project 63-e-1, housing for lithium cooled reactor experiment, $5,000,000.

Project 63-e-2, modifications to reactors, $5,000,000.

Project 63-e-3, organic reactor project, $20,000,000.

Project 63-e-4, research and development test plants for Project Rover, $10,000,000.

Project 63-e-5, modifications and additions, CANEL, Middletown, Connecticut, $1,400,000.

(f) Reactor Development.—

Project 63-f-1, cafeteria, Argonne National Laboratory, Illinois, $1,500,000.

(g) Physical Research.—

Project 63-g-1, accelerator improvements, Lawrence Radiation Laboratory, California, $750,000.

Project 63-g-2, accelerator improvements, Cambridge and Princeton accelerators, $800,000.

Project 63-g-3, accelerator improvements, Argonne National Laboratory, Illinois, $500,000.

Project 63-g-4, accelerator and reactor additions and modifications, Brookhaven National Laboratory, New York, $2,250,000.

(h) Physical Research.—

Project 63-h-1, low level radiochemistry laboratory, Hanford, Washington, $1,200,000.

Project 63-h-2, inorganic materials laboratory, Lawrence Radiation Laboratory, California, $2,500,000.

Project 63-h-3, corporation yard, Lawrence Radiation Laboratory, California, $1,500,000.

Project 63-h-4, mathematics and computer building, Argonne National Laboratory, Illinois, $2,300,000.

Project 63-h-5, building addition for physics and mathematics, Brookhaven National Laboratory, New York, $5,000,000.

Project 63-h-6, water treatment plant, Brookhaven National Laboratory, New York, $1,000,000.

(i) Biology and Medicine.—

Project 63-i-1, biological research laboratory additions, Oak Ridge National Laboratory, Tennessee, $930,000.

(j) Isotopes Development.—

Project 63-j-1, isotopes technology laboratory, Oak Ridge National Laboratory, Tennessee, $390,000.

Project 63-j-2, marine products development irradiator, $600,000.

Project 63-j-3, two mobile irradiators, $700,000.

(k) Community.—

Project 63-k-1, White Rock Elementary School, Los Alamos, New Mexico, $600,000.

Project 63-k-2, real estate development, Los Alamos, New Mexico, $600,000.

Project 63-k-3, additional water well, Los Alamos, New Mexico, $165,000.

(l) General Plant Projects.—$34,540,000.

Sec. 102. Limitations.—(a) The Commission is authorized to start any project set forth in subsections 101 (a), (c), (e), and (g), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project set forth in subsections 101 (b), (d), (f), (h), (i), (j), and (k), only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start a project under subsection 101(l) only if it is in accordance with the following:

1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

3. The total cost of all projects undertaken under subsection 101(l) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

Sec. 103. Advanced Planning and Design.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

Sec. 104. Restoration or Replacement.—There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

Sec. 105. Currently Available Funds.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

Sec. 106. Substitution.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project or portion of a project authorized in subsections 101(a), (b), (c), and (d) and the estimated cost thereof is within the limit the cost of the project for which substitution is to be made, and the Commission certifies that—

(a) the project is essential to the common defense and security;

(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

Sec. 107. Amendment of Prior Year Acts.—(a) Section 101 of Public Law 86-50 is amended by striking therefrom the figure "$165,400,000" and substituting therefor the figure "$172,900,000".

(b) Section 101(g) of Public Law 86-50 is amended by striking therefrom "Project 60-g-3, transuranium laboratory, Oak Ridge National Laboratory, Tennessee, $1,200,000" and substituting therefor "Project 60-g-3, transuranium processing plant, Oak Ridge National Laboratory, Tennessee, $8,700,000".

(c) Section 101 of Public Law 87-315 is amended as follows: (1) by striking therefrom the figure "$3,000,000" for project 62-a-5, additional reactor confinement, Savannah River, South Carolina, and substituting therefor the figure "$12,000,000"; (2) by striking therefrom the figure "$7,500,000" for project 62-c-1, weapons production, development, and test installations, and substituting therefor the figure "$15,000,000"; (3) by striking therefrom the figure "$1,000,000" for project 62-i-3, controlled environment laboratory, Brookhaven National Laboratory, New York, and substituting therefor the figure "$1,800,000"; and (4) by striking therefrom the figure "$700,000" for project 62-i-4, animal bioradiological laboratory, Lawrence Radiation Laboratory, California, and substituting therefor the figure "$980,000".

(d) Section 101 of Public Law 85-590 is amended by striking therefrom the figure "$386,679,000" and substituting therefor the figure "$436,879,000".

Sec. 108. Rescissions.—(a) Public Law 86-50, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 60-e-14, experimental low-temperature process heat reactor, $4,000,000.

(b) Section 111 of Public Law 86-50 is rescinded.

Sec. 109. Cooperation With European Atomic Energy Community.—There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261a(2) of the Atomic Energy Act of 1954, as amended, the sum of $5,000,000, in addition to the sum of $10,000,000 previously authorized, which shall be available for carrying out the purposes of section 3 of Public Law 85-846, providing for cooperation with the European Atomic Energy Community.

Sec. 110. Cooperative Power Reactor Demonstration Program.—(a) Section 111 of Public Law 85-162, amended, is further amended by striking out the date "June 30, 1962" in clause (3) of subsection (a) and inserting in lieu thereof the date "June 30, 1963".

(b) There is hereby authorized to be appropriated to the Atomic Energy Commission the sum of $3,000,000 to be available, in addition to the funds heretofore authorized, for carrying out the Commission's power reactor demonstration program in accordance with the terms and conditions provided in sections 110 and 112 of Public Law 86-50.

(c) Funds authorized and appropriated to the Commission and authorized waivers of the Commission's use charges, available for the third round of the Commission's power reactor demonstration program, shall also be available to the Commission for use in a supplemental program of third round cooperative arrangements in accordance with the criteria heretofore submitted to the Joint Committee on Atomic Energy and in accordance with the provisions of subsections 111 (b) and (f) of Public Law 85-162. Under any such arrangements the Commission may furnish funds for design assistance without regard to the provisions of section 169 of the Atomic Energy Act of 1954. No funds or waiver of use charges made available by this section shall be available for projects heretofore approved under the power reactor demonstration program or for other nuclear power projects already under construction.

(d) Funds authorized and appropriated to the Commission and authorized waivers of the Commission's use charges, available in support of unsolicited proposals from the utility industry to construct nuclear powerplants, shall also be available to the Commission for use in a cooperative arrangement with any person or persons for participation in a nuclear reactor project to generate electricity, process heat, or both. Any such arrangement shall be entered into in accordance with the criteria for the third round of the Commission's power reactor demonstration program, including the provisions of section 111(b) of Public Law 85–162: *Provided, however,* That under any such arrangement the Commission may furnish funds for design assistance without regard to the provisions of section 169 of the Atomic Energy Act of 1954.

SEC. 111. ORGANIC REACTOR PROJECT.—(a) The Commission is authorized to enter into cooperative arrangements with any person or persons for participation in the development, design, construction, and operation of an organic reactor authorized under project 63–e–3 of section 101(e) of this Act, and the utilization of the steam generated by the reactor plant. Under such arrangements—

(1) the Commission is authorized to obtain the participation of such person or persons to the fullest extent consistent with the Commission's direction of the project and ownership of the reactor;

(2) the reactor plant may be constructed upon a site provided by a participating party with or without compensation;

(3) the reactor plant shall be operated by, or under contract with, the Commission, for such period of time as the Commission determines to be advisable for research and development purposes and for such additional period as the Commission may determine to be necessary in the best interest of the Government. Upon the expiration of such period, the Commission may offer the reactor plant and its appurtenances for sale to a participating party or parties at a price to reflect appropriate depreciation, but not to include construction costs assignable to research and development, or the Commission may dismantle the reactor plant and its appurtenances;

(4) the Commission may sell steam to a participating party at rates based upon the present cost of, or the projected cost of, comparable steam from a plant using conventional fuels at the reactor location; and

(5) any steam sold shall be used for industrial, manufacturing, or other commercial purposes, including the generation of electric power for use by a participating party, or for research and development related thereto, but shall not be used for the generation of electric power for sale by a participating party. The participating party or parties shall provide facilities required for such utilization of the steam generated by the nuclear plant.

(b) Before the Commission enters into any arrangement or amendment thereto under the authority of subsection (a) of this section, the basis for the arrangement or amendment thereto which the Commission proposes to execute (including the name of the proposed participating party or parties with whom the arrangement is to be made, a general description of the proposed powerplant, the estimated amount of cost to be incurred by the Commission and by the participating parties, and the general features of the proposed arrangement or amendment) shall be submitted to the Joint Committee, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days): *Provided, however,* That the Joint Committee, after having received the basis for a proposed arrangement or amendment thereto, may by resolution in writing waive the conditions of, or all or any portion of, such forty-five day period: *Provided further,* That such arrangement or amendment shall be entered into in accordance with the basis for the arrangement or amendment submitted as provided herein: *And provided further,* That no basis for arrangement need be resubmitted to the Joint Committee for the sole reason that the estimated amount of the cost to be incurred by the Commission exceeds the estimated cost previously submitted to the Joint Committee by not more than fifteen per centum.

(c) In the event no satisfactory proposal for a cooperative arrangement is received, the Commission may, if the project is still deemed desirable, proceed with design, construction, and operation of such a reactor plant at a Commission installation. The electric energy generated shall be used by the Commission in connection with the operation of such installation and the provisions of section 112 of Public Law 86–50 shall be applicable to this project.

Mr. ASPINALL (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that the bill be printed in the RECORD, and that it be open to amendment at any point.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Colorado?

Mr. VAN ZANDT. Reserving the right to object, Mr. Chairman, it is my understanding now that the committee will offer two amendments to the bill. If that be the case, would it then be in order for me to offer a substitute amendment?

The **CHAIRMAN**. In the event that a member of the committee offers an amendment, a substitute would be in order.

Mr. VAN ZANDT. Would that apply if the committee offers two amendments?

The **CHAIRMAN**. The members of the committee can offer only one amendment at a time. Of course, a substitute would be in order in either case or to either amendment, or an amendment to the amendment would be in order.

Mr. VAN ZANDT. I withdraw my reservation of objection, Mr. Chairman.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The **CHAIRMAN**. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 1, line 7, strike out "$160,415,000" and insert "$150,415,000".

The committee amendment was agreed to.

The **CHAIRMAN**. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 4, line 2, strike out "$10,000,000" and insert "$9,000,000".

The committee amendment was agreed to.

Mr. ASPINALL. Mr. Chairman, I have an amendment at the Clerk's desk which I offer in behalf of the committee.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: On page 15, after line 5, add the following new section:

"SEC. 112. The Commission is authorized to enter into arrangements with non-Federal entities in accordance with the basis for arrangements described in Program Justification Data No. 63–1000, for the construction and operation of electric energy generating and transmission facilities at the Hanford New Production Reactor and under any such arrangements energy produced shall be delivered and disposed of in accordance with the basis for arrangements described in said Program Justification Data No. 63–1000: *Provided,* That all expenses of modifications of the Hanford New Production Reactor made at the request of the non-Federal entities, and all expenses of constructing and operating such electric energy generating and transmission facilities shall be borne by the non-Federal entities."

The **CHAIRMAN**. The gentleman from Colorado is recognized.

Mr. VAN ZANDT. Mr. Chairman, is it in order at this time to offer a substitute amendment?

The **CHAIRMAN**. Not until the gentleman from Colorado has had an opportunity to be heard on his amendment.

Mr. ASPINALL. Mr. Chairman, I sincerely trust that the time I take to explain an amendment which has been rather thoroughly explained heretofore in this debate shall be taken in the interest of clearing up any questions that anyone has about this amendment. I wish to say, although I present the amendment, which has just been offered on behalf of the committee, I wish it to be understood by the Members of the Committee, I am in complete accord personally with the provisions of the amendment. I support it wholeheartedly because of at least three reasons.

As I make this statement, I wish to assure my colleagues that I supported the proposal last year. The proposal was defeated. I support the proposal this year, and I like it even better than the one of last year. If for any reason this matter should come back during my term of office for another authorization by the Congress, at that time I would be inclined to oppose any further amendments which would change the liability that this amendment provides.

I support the amendment, first, because it would authorize to be done in the interest of the welfare of the United States, a program which I believe is a true instance of conservation. It would put to use steam which has a potential of producing over 800,000 kilowatts per hour of electricity.

Mr. Chairman, we are a well-endowed nation. We have many resource values. But we cannot be profligate to the extent that we can afford to fail to use a natural resource such as this. It is, in my opinion, one of the finest instances of a conservation movement on the part of the Congress of the United States that we could think of. I was not a member of the committee when the new production reactor was authorized, but as I read the RECORD, if I had been a member of the committee or if I had been a member of the committee at any time since then, I would have most certainly supported the program. It will be a most important part of the facilities which have placed us first in our struggle with our opposition as far as the use of nuclear energy in weapons is concerned.

This facility is absolutely needed for our national security. Now that we have it, it is going to cost us at least $195.2 million. It just seems to me that we must make use of the byproduct it affords and help return to the Federal Treasury at least a part and maybe all of the cost of the reactor.

Second. I support the amendment because it would authorize at least a partial if not a complete return of the cost of the new production reactor at no additional cost to the taxpayers of the United States.

Third. This amendment would authorize the operation of the new production reactor in such a manner—and I now talk about the single-purpose operation that might develop if we should discontinue the production of plutonium, the situation to which the chairman of the committee referred, that if our other plutonium facilities which are single-purpose facilities were shut down, then with a dual-purpose facility such as the new production reactor we could get back into the production of plutonium in a very, very few days. This, to me, is a very necessary part of our defense complex, and we cannot afford to jeopardize our national security by not taking advantage of this particular matter.

Mr. Chairman, this is not a matter of controversy between public power and private power. I think my position is well known in this body on that controversy. My good friend, the gentleman from Iowa [Mr. JENSEN], has made a statement of his position on this legislation. We have secured an operating agreement as between public power and private power groups in the Upper Colorado River Basin. To me this is a record of what can be done in a cooperative effort. Private power interests produce over 85 percent of the electric power in this country.

Mr. Chairman, it is a privilege for me on behalf of the Joint Committee on Atomic Energy to present the amendment to H.R. 11974 which has been overwhelmingly endorsed by the Joint Committee on Atomic Energy. The purpose of this amendment, as the chairman of the Joint Committee and the gentleman from California [Mr. HOSMER] have stated, is to specifically authorize certain arrangements under which a group of 16 utilities in the State of Washington—the Washington Public Power Supply System—would construct and operate electric generating facilities at their own expense at the Hanford new production reactor. The amendment neither calls for nor contemplates any Federal expenditure.

The amendment adds a new section 112 to the AEC fiscal year 1963 authorization bill—H.R. 11974.

The Atomic Energy Commission is given specific authorization "to enter into arrangements with non-Federal entities in accordance with the basis for arrangements described in Program Justification Data No. 63–1000 for the construction and operation of electric energy and transmission facilities at the Hanford new production reactor."

This method of authorizing complex contractual arrangements by reference to "program justification data" is a standard form of authorization followed by the Joint Committee and the Congress in the past. These data were developed by the Joint Committee on Atomic Energy in cooperation with the Atomic Energy Commission and the Department of Interior.

Under the proposed arrangements, the Washington Public Power Supply System would build and operate electric generating facilities at the new production reactor, on 13 acres of land leased from the AEC. All costs of constructing and operating the electric generating facilities will be paid for by Washington Public Power Supply System. Any modifications in the new production reactor itself, which are requested by Washington Public Power Supply System, and approved by the Commission, will likewise be paid for by Washington Public Power Supply System.

Although it is clear from the program justification data that all reactor modification expenses as well as the costs of constructing and operating the electric generating facilities will be paid for by the Washington Public Power Supply System, without any Federal expenditures, it was thought desirable to specifically spell out this requirement in the law. This requirement is found in the first proviso to the amendment.

The Commission would, in return, deliver any steam energy in excess of its needs, and produced incident to the operation of the new production reactor, to Washington Public Power Supply System. Fixed payments will be made by Washington Public Power Supply System to the Commission for such steam, regardless of quantity or quality delivered. These payments could range up to $125 million depending upon the period of dual-purpose operation.

If plutonium production ceases, AEC will lease the new production reactor to Washington Public Power Supply System, for the purpose of producing steam energy.

The amendment further provides:

> Energy produced shall be delivered and disposed of in accordance with the basis for arrangements described in said Program Justification Data No. 63–1000.

Under these arrangements, the Washington Public Power Supply System will issue revenue bonds to obtain funds to build the project. The output of the new production reactor plant will be sold and delivered to the participating utilities at Vantage, Wash. The participating utilities may include publicly and privately owned utilities, but all are initially customers of the Bonneville Power Administration. Each participating utility will purchase a fractional share of the Hanford output for which it will agree to pay the same fractional share of the total annual costs of operating the generating facilities and amortizing the capital investment.

The participating utilities, as a group, will jointly deliver into the BPA system at Vantage their respective shares of the output of the new production reactor generation. In exchange, Bonneville will make energy and capacity available to each participating utility under the terms of its power sales contract with BPA. The amount of power which BPA will make available to such utilities will be an amount equal in value, under the current BPA rate, to the utilities' share of the annual costs of operating the electric generating facilities and amortizing the capital investment.

The Government may acquire the project first, prior to the time when all bonds and other obligations have been paid by assuming the outstanding balance of such obligations; or second, upon the termination of the agreement. In either event, prior congressional authorization would be required. Moreover, under the final proviso of the further amendment, this authorization would be subject to contracts then in existence, and participating utilities would be assured a continuation of their power supply as though Washington Public Power Supply System were still owner of the generating facilities.

Mr. Chairman, from my background as a member of the Joint Committee on Atomic Energy and as chairman of the House Interior and Insular Affairs Committee, I sincerely believe that these arrangements are sound from the point of view of the Atomic Energy Commission, the Bonneville Power Administration, and the Federal Government as a whole.

Under these arrangements the Federal Government stands to receive up to $125 million from the sale of wasted steam.

The Bonneville Power Administration will be able to firm up wasted secondary electric energy and power capacity. The effect of this increased efficiency on the Columbia River power system will surely serve as a stimulus to the economy of the Pacific Northwest and the Nation as a whole. As I see it, this proposal is sound on every count and I urge my colleagues in the House to support the amendments offered by the Joint Committee on Atomic Energy.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(By unanimous consent, Mr. ASPINALL was allowed to proceed for 1 additional minute.)

Mr. ASPINALL. Mr. Chairman, I have asked for this time simply to bring to the attention of the Committee that in my opinion all of the procedures necessary to secure the position of members of a committee on a proposal have been used in this particular instance. Our chairman, who has been so effective in his work as chairman of our committee, certainly has been fair in seeing to it that all of the parties interested in this matter have had a chance to be represented before the committee.

I trust that in the interest of conservation, security, and economy that the Committee may go along with this particular amendment.

Mr. VAN ZANDT. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Colorado [Mr. Aspinall].

The Clerk read as follows:

Substitute amendment offered by Mr. Van Zandt for the amendment offered by Mr. Aspinall: On page 15, after line 5, add the following new section:

"Sec. 112. The Commission is not authorized to enter into any arrangements for the construction or operation of electric generating and transmission facilities at the Hanford new production reactor."

Mr. VAN ZANDT. Mr. Chairman, my substitute amendment provides that the Commission is not authorized to enter into any arrangements for the construction or operation of electric generating and transmission facilities at the Hanford new production reactor.

This is practically identical to my amendment of last year, and I hope that the House will take the same action, and by the same overwhelming majority as it did last year.

Last year I stated 10 compelling reasons to uphold my amendment:

First. It would not advance nuclear power technology.

Second. It would be contrary to the spirit, intent, and specific language of section 44 of the Atomic Energy Act of 1954.

Third. It would violate assurances given to Congress in 1958 when the new production reactor was authorized.

Fourth. It would not, as is alleged, aid national defense.

Fifth. It is not needed to meet the power requirements of the Pacific Northwest.

Sixth. It would be used to attract industry from other regions.

Seventh. It would also be used to justify the construction of transmission lines leading to a gigantic Federal electric power grid.

Eighth. It would not produce power economically.

Ninth. It would not enhance international prestige.

Tenth. It would constitute a precedent for the further encroachment of Government in private business.

In addition, I would like to list the six additional arguments against this year's proposal.

First. The basic issues are the same as last year.

Second. The proposed scheme has serious defects.

Third. The BPA is the real party in interest.

Fourth. The capacity of BPA to assume these risks is doubtful.

Fifth. The generation of commercial power from this Government-owned reactor would create dangerous precedents.

Sixth. Congress needs more time to study this proposal, including review by the committee having jurisdiction over the Bonneville Power Administration.

May I say to the members of the committee at this time, here are 2 contracts of approximately 90 pages in the 2 contracts. This afternoon the House of Representatives is being asked to place its stamp of approval on 90 pages of highly technical contracts. I doubt whether any Member of this body has sufficient information to intelligently approach or approve these contracts.

Then the subject of public versus private power has entered into the matter. I would like to remind the members of the committee that here is a letter from Clyde T. Ellis, general manager and champion of public power. Here is another letter from the American Public Power Association, likewise a champion of public power, who are supporting construction of these generating facilities.

Mr. Chairman, I urge the Members to join with me, as they did last year, in opposing construction of generating facilities at the Hanford new production reactor.

Mr. PILLION. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Pillion moves that the Committee do now rise and report the bill to the House, with the recommendation that the enacting clause be stricken out.

Mr. PILLION. Mr. Chairman, in this amendment we are obligating this Nation by contract to what I believe will amount to somewhere between $200 and $400 million. We owe it to ourselves to take a good, hard look at what we are doing. We ought to consider seriously what our fiscal situation is.

As you know, the deficit for this year is $7.3 billion, the deficit for 1963, estimated conservatively, will run somewhere between $10 billion and $15 billion.

Yet we continue to run large international deficits. We have less than $5 billion to take care of $23 billion of obligations held by foreigners.

One little country in Europe could force us into a fiscal crisis. If Switzerland alone were to demand gold for her U.S. dollars and other holdings, the United States could not meet its obligations and we would be forced to devalue our dollar.

I think it is appropriate at this time to read an article by Constantine Brown appearing in the Washington Star a few days ago. Here is what the Swiss bankers think of the fiscal management of the United States. And, as you know, the Swiss bankers are the most able international students of finance. Here is what the Swiss bankers think of the United States and our fiscal management:

> The core of your troubles is the frenzied public expenditures and your inability to come near to balancing your budget. Frankly, your governments have acted in the past and are acting now like the proverbial improvident sailor who throws his money away without regard for the morrow. You have a deficit of $7 billion this year. Our estimates are that unless the Washington administration puts a stronger brake on expenditures, both domestic and foreign, your next year's deficit will be at least as large, if not larger.
>
> I believe that unless you trim your sails considerably in domestic and foreign expenditures, you are facing the most serious crisis in your existence. And should this occur, you will drag us down with you, despite our present efforts to help you and at the same time take our precautions to meet what may be an economic hurricane.

I suggest that we give thought to this possibility.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the preferential motion offered by the gentleman from New York [Mr. Pillion].

Mr. Chairman, we have an atomic energy bill before us today which has many items in it unrelated to the Hanford reactor amendment. There are items in it that have as their purpose the improving of our weapon facilities, experiments with nuclear weapons, and various other items, and I ask that the preferential motion, Mr. Chairman, be defeated.

Mr. PILLION. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ROOSEVELT. I object, Mr. Chairman.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from New York.

The motion was rejected.

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Colorado [Mr. Aspinall].

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the amendment offered by Mr. Aspinall: Strike the period at the end of the amendment and add the following: ": *Provided further,* That the Commission shall not conclude any contract for the sale of steam to a non-Federal entity unless the Commission determines that such entity has first offered 50 per centum participation in the arrangements described in Program Justification Data No. 63–1000 to privately owned organizations on a nondiscriminatory basis: *And provided further,* That no Federal agency may acquire the generating facilities from the non-Federal entity without prior congressional authorization and in the event of such authorization the generating facilities shall be acquired subject to contracts then in existence for disposition of the electrical energy produced by the facilities."

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from California [Mr. Younger].

Mr. YOUNGER. Mr. Chairman, I rise in support of the Van Zandt substitute amendment.

Mr. Chairman, the issue before us today is clear. Shall we permit two agencies of Government, by administrative action, to circumvent the will of Congress as expressed last year in four decisive votes by this House?

These agencies, by questionable interpretation of existing laws, claim they have the legal authority to enter into contracts with a non-Federal agency to achieve the same ends contemplated last year in the legislation so emphatically rejected by this House. That such is the objective is admitted by the non-Federal agency involved, in its letter of November 28, 1961 to the Atomic Energy Commission wherein it was stated:

> It is the desire of the Washington Public Power Supply System that the installation of electrical power production facilities at the new production reactor by a non-Federal agency shall accomplish the objectives envisaged by AEC and BPA in support of the legislation for Federal construction of these facilities.

The proponents of this scheme want to obtain by a cellar-door approach what they were unable to obtain through the front door of Congress and at the same time have the taxpayers pick up the check, while all the time telling us it will not cost the taxpayers a cent. Of course, that is not true under any realistic and proper method of cost analysis. Actually it will cost the taxpayers much more than was estimated for Federal construction, because the cost of the new production reactor at Hanford has increased in cost by $50 million, due in large part, if not entirely, to the convertibility feature. The power plant cost has also increased. Washington Public Power Supply System proposes to issue $130 million in bonds to finance the plant that was estimated to cost $95 million last year.

You may ask, How is it going to cost the taxpayers anything if the Washington Public Power Supply System is going to build the plant? It is all very simple. The nonfirm power to be produced by the new production reactor—and it will be nonfirm as no one knows how reliable the reactor will be; it is now estimated that there will be 14 unscheduled outages a year and it could be many more—is to be delivered by Bonneville who in turn is to furnish the Washington Public Power Supply System participating utilities with firm power equivalent under Bonneville's rate schedules to the annual operating and capital cost of the Hanford generating plant. Under this scheme, it does not matter how high the cost goes, nor whether the Hanford plant generates power or not. Bonneville and the taxpayers will be holding the bag. Under any reasonable and proper cost analysis, the power from the Hanford generating plant will cost from two to three times the Bonneville rate for firm power. To the extent that all proper costs are not charged to the Hanford power production, they represent a hidden subsidy to the power users.

The taxpayers of the Nation have already furnished over $1½ billion to provide subsidized low-priced power for the Pacific Northwest. It is high time the people of that region began to be responsible for their own future power supply, as is the case in nearly all the rest of the Nation.

Another aspect of this Hanford proposal that does not make sense is that a large part of the Hanford power cannot be utilized unless an equivalent amount of hydropower is wasted. This stems from the fact that in nearly every year the streamflows on the Columbia River are such that during 5 or more months of the year there is sufficient hydroelectric powerplant capacity to produce up to 3½ million kilowatts or more of power in excess of estimated loads. Some years this wasted hydropower is around 10 billion kilowatt-hours or nearly twice the total estimated annual output of the proposed Hanford powerplant.

It does not make sense to construct the Hanford generating plant to operate at its maximum capacity every month of the year, when a large portion of the time the power generated would replace hydroelectric power. If the Hanford generating plant was shut down in these high streamflow months, then Bonneville would be giving continuous firm power without any exchange power in return. If this were done, it would destroy the figment of exchange contained in the proposed contract.

You may ask why, now that the Comptroller General has ruled that AEC does not have authority to enter into the proposal, "why is this amendment necessary." I think it is necessary to make it clear for all time, by the legislative history made here today, that Federal agencies cannot achieve by contractual procedures what Congress has specifically refused to authorize directly. If we do not make it clear today, there will be other Federal agencies trying, in the future, to make an end run around Congress through this contract procedure.

I hope each of you who voted against the Hanford generating plant last year will join me in voting for this amendment that puts these Federal agencies on notice that Congress is not going to permit its action to be circumvented by unauthorized administrative action. I think the record amply justifies a vote for the substitute amendment.

Mr. HOSMER. Mr. Chairman, if the gentleman from New York [Mr. PILLION] is truly interested in the financial coundition of this country, I think the gentleman should give due consideration to the Aspinall amendment and the amendment which I have just proposed. It does offer an opportunity for the U.S. Treasury to recoup some money from its investment in these expensive plutonium production facilities, and it offers this opportunity without an unreasonable risk to the taxpayers of this country. It offers such opportunity under circumstances whereby the risk is shifted actually to the Bonneville power users.

Mr. Chairman, there is a total of $131 million involved. If Bonneville raises its rates by 1 mill only, it will collect an additional $28.5 million a year. So they need only be raised by 1 mill for a period of 5 years in order to pay back more than this total investment. Therefore, it is a fairly good deal.

Mr. Chairman, as to the specific amendment I offer, I offer it for two purposes: One, for fairness. Two, for technical reasons.

Mr. Chairman, in fairness, I believe that the private utilities of this Pacific Northwest area should be allowed to come in on a nondiscriminatory basis and take up one-half of the power that this promises, if they assume one-half of the obligations that are involved. The amendment requires this: It requires the private utilities and the public utilities to come in promptly at the beginning and assume the same liability as anyone else. Second, my amendment provides that should for any reason the plant be recaptured or captured by the Federal Government, it can be done only by congressional authorization under arrangements by which the obligations to the various public and private utilities involved would be honored.

Mr. Chairman, I included this in the amendment so that there would be no technical interference with the marketability of the bonds either for this particular project or any other revenue bonds that the participating public and private utilities would want to issue for any other additions to their power generating facilities.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Chairman, I wish to say that this amendment has been thoroughly gone into in the committee. As far as I know there is no opposition to the amendment to the amendment. I am advised that I have the authority as far as the committee is concerned to accept it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Iowa.

Mr. JENSEN. Is it not a fact that a feeler was sent out to private utilities of the Bonneville Power Administration area as to whether or not they would care to enter into such an agreement if they were to receive 50 percent of the power so generated at Hanford, and is it not a fact that they had no takers?

Mr. HOSMER. As a matter of fact, there are two answers to that question. The first answer is the answer given to Mr. Hurd of the Washington Public Power Supply System by these utilities who said they had not had time to look into this deal sufficiently to enable them to know and commit themselves as of the present time.

The second answer was given to me personally by four of the presidents of these private utilities involved in the Pacific Northwest in the minority whip's room outside this Chamber last Thursday afternoon, who stated that should these amendments which I have proposed be adopted, they would have no other recourse but to go in and avail themselves of this opportunity to take 50 percent of it because it was a good deal.

Mr. JENSEN. If the gentleman will yield further, there is another interpretation of that conversation. They would have no other recourse but to do it against their own will. That is what they said, in effect.

Mr. HOSMER. No; it is in accordance with their own business judgment as to what was best for their own private companies and the investors therein.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Of course, the gentleman knows that the gentleman from Pennsylvania attended that conference and I would certainly have to disagree with the gentleman's interpretation of that conversation.

Mr. HOSMER. Then may I remind the gentleman that there was one further technicality spoken of and that was the matter of the BPA preferences. They thought that we might specifically in such an amendment take away the BPA preferences on the exchange power. But as it turns out the BPA preferences apply only to marketed power and not to exchange power, so there was not the necessity to place that provision in this amendment.

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the Hosmer amendment. I wish to add my word of approval to that of the gentleman from Colorado [Mr. ASPINALL]. This matter has been thoroughly explored. The Hosmer amendment is necessary to the Aspinall amendment in order that the issue may be clearly presented to the House. I echo the words of Mr. ASPINALL when I say that on this side of the aisle I am authorized by all of the members of the committee to accept the amendment. It brings out exactly the issue. In the event the Aspinall amendment passes it protects the private power people and provides nondiscriminatory access to 50 percent of the power. It protects their contract in the event there should be a change at some later time authorized by the Congress in the ownership of the generating facilities.

Mr. Chairman, I ask that the Hosmer amendment be approved.

Mr. VAN ZANDT. Mr. Chairman, I rise in opposition to the Hosmer amendment. This is one of the two amendments offered by the committee for purely sweetening purposes. It is designed to gather a few votes in support of the project. As pointed out during the course of my remarks this is the same issue we had before us last year which the House by a very substantial vote turned down. The same issues are involved, as is the question of public versus private power.

I hope that when the House votes on this amendment they keep in mind that the next vote will be on my substitute which will very definitely write into the bill a prohibition against our Government entering into any kind of agreement such as we have before us today. In the event the substitute amendment is adopted then, of course, we will vote on the bill and that means that we will have prohibited at least for another year this controversial project.

Mr. PRICE. Mr. Chairman, I rise in support of the Hosmer amendment and also the Aspinall amendment. I would like to clarify the statement made by the gentleman from Pennsylvania [Mr. VAN ZANDT]. This is certainly not the same issue that was voted on in the House last year. The project voted on last year was the construction of a generating facility with appropriated funds, $95 million, from the Treasury of the United States. The project now under consideration is to be privately financed calling for not one dime of Federal funds.

This brings me to a point raised by the gentleman from New York [Mr. PILLION]; that is, fiscal responsibility. If the Members of the House want to be fiscally responsible in this situation they should be impelled to vote for the committee position. All the funds to which the gentleman from New York [Mr. PILLION] referred which would go into the building of the new production reactor will go into the building of the reactor regardless what we do on any of the amendments this afternoon. But we have a chance to recoup for the Treasury of the United States upward of $130 million if we support the position of the committee.

Not one dime will be saved in the construction of the reactor if we reject the Hosmer and Aspinall amendments, but we can bring back into the Treasury a total of $130 million during the lifetime of the contract between Bonneville, the AEC and the Washington Public Power Supply System.

I urge the Members to be fiscally responsible this afternoon and cast a vote in the interest of fiscal responsibility, support the Hosmer amendment, reject the substitute offered by the gentleman from Pennsylvania [Mr. VAN ZANDT], and then support the Aspinall amendment. Then you will be fiscally responsible.

Mr. MAGNUSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in support of the Aspinall amendment and the Hosmer amendment to the Aspinall amendment, and in opposition to the Van Zandt substitute.

Mr. Chairman, approval of the Aspinall amendment will permit taxpayers to realize revenue from a waste byproduct. A vote for the amendment is a vote for economy and for conservation.

The proposal of the local agencies in the State of Washington finance, construct, and operate electric generating facilities at the AEC's new plutonium production reactor at Hanford, Wash., is the only available means of recovering the Federal Government's investment in the convertibility features of this reactor.

If this amendment is not passed, more than $25 million of taxpayers' money will go down the drain, and income of up to $125 million which would go into the Federal Treasury will be lost.

Congress has already authorized expenditure of $25 million on making this reactor convertible. The amendment approved by the Joint Committee on Atomic Energy will allow us to put this investment to work earning dollars for the taxpayers. If the amendment is defeated, we will have thrown away this entire amount.

Heat is a waste byproduct of the Hanford reactor. We can dissipate it into the Columbia River or we can put it to practical use and produce new revenue. Fiscal responsibility dictates that we follow the thrifty course of action by insuring that the Federal Government gains the maximum benefit from the Hanford reactor.

Mr. Chairman, over the last 50 years the Congress has created and fostered the concept that use of our natural resources should be based upon comprehensive development through multiple-purpose projects.

As a result of the application of this principle there are located throughout the country today Federal dams which perform not one but many functions, including flood control, irrigation, power production, water supply and recreation.

Similarly, our national forests provide a source of lumber, preserve our watersheds, prevent erosion, and serve as playgrounds of millions of Americans.

Our land-use policies follow this same pattern with conflicting uses adjusted to insure the maximum overall benefit to the public.

This is the conservation philosophy examplified by the work of President Theodore Roosevelt and carried on by many who followed. It is a policy of thrift, and is designed to insure that the most value is realized for every expenditure of the taxpayer's money.

Application of the doctrine of comprehensive development and multiple-purpose use has meant important savings to every citizen. What we are asked to do here today is reaffirm our support of this principle.

The Hanford reactor can provide us with both plutonium and electricity. Neither operation will hinder the other. They are complementary. It would be a ridiculous squandering of taxpayer's money to thwart multiple-purpose use of this facility and thus waste a $25 million investment while simultaneously eliminating an opportunity to gain up to $125 million in new Federal revenues. If a business firm made such a decision, its stockholders would be out looking for new management.

Some opponents of this proposal have endeavored to create the impression that this is the same plan which was rejected by the House of Representatives last year. This is not the case. The proposal before us now is completely different.

No Federal funds are required.

No Federal ownership or operating responsibilities are involved.

No risks to the taxpayers are created.

Local agencies will finance all of the power facilities at Hanford through revenue bonds sold on the private money market. They will construct and operate the powerplant. Any unanticipated expenses will be borne by the people of the Northwest through their power rates.

In short, this proposal represents a plan by local interests who seek through their own initiative to set up a business proposition whereby they will pay the Federal Government for the opportunity to create a marketable commodity from a waste product.

Mr. Chairman, we know that lobbyists from the private power industry have talked against this proposal in the Halls of Congress. But the amendment under discussion today provides that at least 50 percent of the power produced at Hanford will be offered to privately owned organizations. As one member of the Joint Committee puts it, "This is almost like a gift from Heaven." This power will be available under long-term contracts.

There has also been talk that this proposal will hurt the coal industry. This is not the case. The State of Washington has coal resources. If I thought that the plan we are debating would harm our coal industry, I would not be for it.

In my State of Washington, the public utility districts of Kittitas and Grant Counties are developing plans for construction of a coal-fired steamplant near Cle Elum, Wash. Construction of this plant will have a significant economic impact on the area in terms of added employment in the existing coalfields, increased taxes to State and local government, and creation of a new source of power.

The public utility district plan is in no way competitive with the Hanford project. Both plants are required. Load growth in the Northwest is increasing by 400,000 kilowatts every year. Loads are doubling every 10 years. Capacity of the Hanford plant will be absorbed within 2 years, perhaps faster, as the availability of an abundance of low-cost power creates new demand for electricity. As a publication in our region pointed out recently:

> Over the long pull, both plants will be needed because electric power is like love—nobody ever gets quite enough.

Power from the Hanford project will blend with presently unsalable peaking capacity available through the Bonneville Power Administration, thus creating an additional block of up to 975,000 kilowatts of firm power for the region. According to the July 13, 1962, issue of the Oregonian, a daily newspaper published in Portland, Oreg., the Cle Elum plant will be integrated with other sources of secondary power. The Oregonian reported that—

> Generation from the Cle Elum plant will be used specifically to firm up secondary power from Priest Rapids and Wanapum Dams, the latter still under construction. This is power that is surplus and for the most part unsalable throughout the Pacific Northwest.

Thus, these two plants are complementary, each making use of currently unusable hydro capacity and energy.

The facts of the matter are that generating facilities at Hanford will not adversely affect coal production anywhere in the United States.

No coal from the East is imported into the Northwest for thermal generation in the Northwest, which is dependent upon hydropower for nearly 100 percent of its electricity. Not a single miner in West Virginia or Pennsylvania will lose a job because of the Hanford project. And not a solitary mine will be opened or expanded by defeat of the amendment offered today.

If the coal industry is afraid of the competition it alleges is offered by power produced via nuclear reactors, why pick on Hanford? This logic would suggest that private industry get out of the atomic powerplant business entirely. With this kind of philosophy, Congress would be enacting legislation to protect manufacturers of buggy whips, and prohibit construction of automobiles. In our competitive economy you cannot kill new technology with legislation.

The problems of the coal industry are not going to be solved by attempting to thwart the example of local initiative and enterprise which constitutes the present Hanford proposal. During the past 2 years the Congress has passed a series of bills which are designed to aid economically depressed regions, including hard-hit coal States. This is a positive approach. I have supported it. But the negative attitude exemplified by attacks on the current Hanford project does nothing to advance the cause of the people of coal-producing States.

Mr. Chairman, this amendment will enable us to recover costs resulting from a decision by Congress in 1958 to make the Hanford reactor convertible. It is the only way to get this money back. No one else is offering to pay the taxpayers for this privilege. I do not think that the House of Representatives wants to tell the people of the United States that it is against economy in government. That is exactly what we will be doing if we turn down this proposal. I urge that the amendment now before us be passed.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman.

Mr. DENT. I have listened all afternoon and I have not yet heard whether these bonds are exempt or not. Are they to be issued as tax-exempt bonds?

Mr. MAGNUSON. I yield to the gentleman from California [Mr. Holifield], chairman of the committee. Are these bonds which are proposed to be tax exempt bonds?

Mr. HOLIFIELD. The bonds are to be issued under the State of Washington Corporation Act and, as I understand it, they are tax free in the State of Washington.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment of the gentleman from Colorado [Mr. Aspinall], to authorize the construction of electric generating facilities at Hanford, Wash., with non-Federal funds by a municipal nonprofit organization in the State of Washington. Such facilities would help to meet the fast-growing power requirements of the Pacific Northwest. They would also assure that the steam now generated by the nuclear reactor at Hanford will not be wasted in perpetuity.

As I see it, the issue here is not public versus private power. If anything, it is a Federal versus local power issue. The question is, "Shall the Federal Government utilize the waste steam at Hanford by constructing a power generating facility, or should it be constructed by local interests?" It is almost that simple.

In earlier years out in my State the public versus private power issue was a hot one. But in recent years it has become much less so. As a matter of fact, for a number of years the public and private power people organized a power pool. This pool yearly sent representatives to Washington, D.C., to testify before congressional committees in connection with power projects. There were broad areas of agreement which both sides could support. The public versus private power issue has decreased in importance. It has to a large extent been replaced by the Federal versus local issue which is the issue before us today.

Our growing Pacific Northwest power requirements make it imperative that we develop every possible power generating facility. As you know, we have been developing our hydroelectric potential as rapidly as finances and other factors have made it possible. Municipalities, public utility districts, and private power companies have all played a part. So has the Federal Government through such projects as the Grand Coulee Dam and Bonneville.

In a sense the Federal Government is now standing in the way of some development. Let me give you an illustration: Public power and private power interests have each applied to the Federal Power Commission for authority to construct a power dam at one of the remaining good sites out in our area. Before the FPC reached any decision the Department of Interior stepped in and suggested that the two applications now pending be denied, and said that the Bureau of Reclamation would build the dam. Involved is the same Federal versus local power issue. May I say here parenthetically that the Government has preempted the best power sites in the Northwest.

Last year the House rejected the proposal that the Federal Government construct the facility at Hanford. It seems to me that the House now should let local interests construct it. The present investment of the Government would not be wasted. In fact, there is a good possibility that it would be repaid to the tune of $125 million over a 24-year period.

The method of financing is very, very common. It is not unusual at all. My own city of Tacoma presently is building a power dam which when completed will cost $140 million—in excess of what this facility will cost. They are financing it by the issuance of municipal bonds which are tax free, as are all municipal bonds of that nature.

Mr. DENT. Mr. Chairman, if the gentleman will yield, he answered one question. The second question is this: Under the present amendment where 50 percent of the power can be allocated to a private utility are we not leading to a situation of tax-exempt financing for private utilities under the guise of a Federal facility?

Mr. TOLLEFSON. I do not think so. The chairman can answer for me.

Mr. HOLIFIELD. I do not think so. The signatories are these 16 public power bodies which are entitled to this type of financing in every State in the Union, I suppose; they are in many States. This would not extend to the private power people who contract for the power, because they are not signatories on the bonds.

Mr. DENT. As I understood the answer, the private utilities would be putting up 50 percent of their assets against the purchase of this power.

Mr. TOLLEFSON. No.

Mr. DENT. The Record tomorrow will sustain me. That is my opinion of it, and it is a dangerous precedent.

Mr. TOLLEFSON. That is not true.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent Mr. TOLLEFSON was allowed to proceed for 1 additional minute.)

Mr. TOLLEFSON. I asked for this minute just to ask the Committee one question, especially those who are opposed to the amendment offered by the gentleman from Colorado. I ask this question: Is it your view that nobody, the Federal Government nor the local interests, should be permitted to construct this power generating facility? Is it your view that the steam developed from the reactor should be wasted in perpetuity?

Mr. BAILEY. Mr. Chairman, I move to strike out the last word and rise in support of the Van Zandt substitute for the Aspinall amendment.

Mr. Chairman, may I say that I supported the Van Zandt amendment to the proposal when it was up before the House some months ago to provide $95 million in Federal financing to build the facility at Hanford.

Let me say to my colleagues in the House that today we are discussing controversial legislation, and we are discussing discriminatory legislation. My basic reason for supporting the Van Zandt amendment then is my basic reason for supporting it today. This legislation is discriminatory against one of the Nation's basic fuels, and I am speaking now of a major industry in my State, which is coal. I can remember a few years ago when the Northwest received its supply of coal from West Virginia and Pennsylvania. Today millions of cubic feet of natural gas pour in from Canada and Mexico in competition not only with your electricity which you are creating up there, but also in competition with coal.

The condition of the coal industry today can be laid right at the doorstep of Congress for repeatedly passing discriminatory legislation. Permitting the import of residual fuel oil is another instance. My position on that is perfectly clear. To pass this legislation without the Van Zandt amendment limiting the authority of the Federal Government is just to encourage more discriminatory action against an industry that you cannot afford to destroy, and I am speaking about the coal industry.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. It may be of interest to know that the Coal Producers Association of Washington has written the following letter:

COAL PRODUCERS ASSOCIATION
OF WASHINGTON,
Seattle, Wash., July 9, 1962.

HON. CATHERINE MAY,
House of Representatives,
House Office Building, Washington, D.C.

DEAR MRS. MAY: Contrary to the statements made by its proponents, development of the Hanford dual reactor at this time would sound the death knell of the coal industry in Kittitas County.

To keep the record straight and to avoid any possible misunderstanding as to the harmful effects of the Hanford dual reactor upon the local coal industry, we can say advisedly that the Northern Pacific Railway Co.'s mines will be closed forthwith if the public utility districts' present option on the Roslyn-Cle Elum properties is not exercised. Closing of these mines will mean a decrease of over 60 percent of the total tonnage mined in the State and the advent of new ghost towns in Kittitas County.

The damage, however, does not end there. The future planned expansion of the State's coal industry, predicated upon the immediate development of the Cle Elum steamplant will be deferred indefinitely, perhaps 10 years, and that will have an even greater impact upon the economy of the State.

Shrinking tonnage, due to loss of markets to both oil and gas has greatly curtailed production in Washington. A new market must be found if the coal industry is to be rejuvenated. The steamplant is that market. The first unit of that plant, it is estimated, will use approximately 1 million tons of coal a year. That, Mrs. MAY, represents more than four times the total production of the entire State last year.

That's why the steamplant is so vital to the industry, to the economy of Kittitas County and to the citizens of that area. The steamplant will be an industry within itself. It will provide full-time employment, at high wages, for between 400 and 500 miners. It will mean steady payrolls, week in and week out and will produce a purchasing power now practically nil.

That's why we so strongly and earnestly urge you to wholeheartedly support Representative VAN ZANDT'S amendment to H.R. 11974 to block plans of the AEC, Bonneville Power Administration, and the Washington Public Power Supply System to go ahead with the proposed Hanford electric generating plant.

Sincerely yours,
R. W. CLARK,
Secretary, Coal Producers Association of Washington.

P.S.—The above, we hope, will amplify and clarify our night letter dated July 9.

Mr. BAILEY. It is plain, Mr. Chairman, that these 16 private companies are now producing electricity either from hydroelectric sources or they are doing it through steamplants. If this arrangement can be made, they will get an opportunity to produce electricity cheaper than it is now being produced, and it means the elimination completely of the sale of coal for the production of electricity. It also means that they will probably be able to provide it cheaper than they can from hydroelectric installations.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from New York.

Mr. OSTERTAG. Mr. Chairman, I rise in support of the substitute amendment.

A number of misconceptions have developed concerning the steam powerplant now being proposed to be built at the Hanford reactor. Before discussing one of the more fundamental of these, it is highly desirable to set the record straight as to what would be involved in this proposal.

Now it is proposed that the steam powerplant that the House on three occasions refused to authorize, should instead be built by the Washington Public Power Supply System, a tax-exempt municipal corporation created by the State of Washington. Washington Public Power Supply System, which is composed of a number of public power agencies, proposes to build the plant on land to be leased from AEC. While the NPR would be producing plutonium, Washington Public Power Supply System would buy steam from it; and if plutonium production should cease, the Washington Public Power Supply System would lease from the AEC the reactor itself. The Washington Public Power Supply System would finance the steam powerplant, estimated to cost in excess of $130 million with tax-free revenue bonds.

As I understand it, the power produced at this generating plant would be sold by Washington Public Power Supply System to its participating members, mainly public power bodies, and they would immediately turn over that energy to the Bonneville Power Administration. Each participant of Washington Public Power Supply System would contract with that agency to assume a portion of the total cost of the project, including interest on and amortization of the revenue bonds, as well as the cost of maintenance, operations, repairs, fuel, and so forth, for the reactor. Further than that, the steamplant energy would be allocated to these participants in proportion to the share of Washington Public Power Supply System's costs that each contracts to assume. The Bonneville Power Administration for its part each year would supply at its usual rates to each participant in the Washington Public Power Supply System project with power up to the amount of such participant's annual contribution to the cost of the Washington Public Power Supply System plant.

Various provisions and clauses in the draft contracts and memorandums that have been made public clearly indicate that the Bonneville Power Administration would be the real party of interest in these involved and complex arrangements. Basically, that agency would reap any profit that might result, and it would incur any loss that might ensue. For example, if in any year little or no power is generated at the atomic powerplant, it appears that Bonneville Power Administration's obligation to deliver power to the participants would continue undiminished. Should the reactor break down, the entire loss incurred as a result would rest upon the Bonneville Power Administration and not upon Washington Public Power Supply System and its participating members.

As a further indication that Bonneville Power Administration is the real party of interest, it should be pointed out that the draft agreement would give to the Bonneville Power Administration the right to disapprove the rate of interest on Washington Public Power Supply System's revenue bonds issued to finance this project. In addition, all plans and specifications for the generator must be approved by Bonneville Power Administration. Likewise, its annual operating budget would be subject to that agency's approval. The level of maintenance at the project would be under its control, the scheduling of shutdowns for repairs and maintenance operations would have to be approved by it. Power from the project could be dispatched only pursuant to Bonneville Power Administration's instruction. Finally, and most importantly, the Federal Government, meaning, of course, the Bonneville Power Administration, could at its own option acquire the plant at no additional cost when the bonds have been repaid or even earlier if the Government should assume the obligation of repaying the outstanding bonds.

On the basis of this background indicating that the real party of interest is the Bonneville Power Administration, we must consider some of the fallacious arguments that have been advanced in support of the proposal. It has been said that no Federal money, as such, will be involved in this financing. But what are the facts in the case?

It is true that Congress is not being asked for a direct appropriation to pay for the construction of this project. Nevertheless, all of its annual costs, including the amortization of and the interest on the revenue bonds, the cost of fuel, the cost of maintenance, the cost of operations and upkeep in the long run would be borne by the Bonneville Power Administration. It would furnish to each participant in the Washington Public Power Supply System power at its usual rates in sufficient amount to cover the contribution of each to the Washington Public Power Supply System, and such participants will between them have pledged to contribute the total annual cost of the project. As a result and in effect, the Bonneville Power Administration would be paying for the project through delivering power to the participants up to the annual cost of the project until the bonds are repaid. Certainly, the proposed draft agreement tacitly admits that Bonneville Power Administration would be paying for the project since it would give to the Federal Government an option at no additional cost to take over this project when the bonds have been repaid. Why should the Federal Government be given such an option without additional cost if it had not already paid for the project?

It is quite probable that in the long run the cost of this project will be reflected in increased deficits on the part of the Bonneville Power Administration. In fact this is the means by which the money to pay for the project would come to the Washington Public Power Supply System, rather than through a direct appropriation by Congress. For example, should the powerplant be closed down because of difficulties in the reactor, say for a few months or even for as much as a year, Bonneville Power Administration under their own rates, would still have to contribute power to the participants with a value equal to the annual cost of the reactor, and during that period it would be getting no power in return from the reactor. Since it would not be receiving power from the reactor, it could not sell that power, and its gross revenues would be reduced while its expenses would remain undiminished. Thus, any shutdown in the reactor would mean a loss of revenue to the Bonneville Power Administration.

Further than that, the entire proposal is premised on the hypothesis that with power from the reactor the average return on power sold by Bonneville Power Administration would be greater than the cost of all power bought by Bonneville Power Administration. At present, the average revenue received by Bonneville Power Administration for all power sold is 2.35 mills per kilowatt-hour, and of this sum 1.09 mills goes to pay transmission costs, leaving about 1.26 mills per kilowatt-hour to pay power generating costs. Although it is not possible to discover exactly what the cost of power at the Hanford steamplant will be, no one has ever alleged that it will produce power at 1.26 mills per kilowatt-hour. No atomic energy plant has done that. In fact, no steamplant does that.

Mr. Chairman, Bonneville Power Administration would have to sell power from this atomic plant at a much higher price than it now gets for its power if this transaction is not going to increase Bonneville Power Administration's deficit. Consequently, it is quite apparent that the added costs resulting from this intricate arrangement between the Atomic Energy Commission, Washington Public Power Supply System, and Bonneville Power Administration will be borne by the taxpayers in the form of increased deficits of Bonneville Power Administration. This is no less a burden on the taxpayers than a direct appropriation made by Congress. Consequently, one cannot correctly state that no Federal funds would be involved in this proposal. For these reasons, I support the substitute amendment and believe it to be fundamentally important in the consideration of this issue.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I join with the gentleman in the remarks he has made.

Mr. Chairman, my colleague, the gentleman from Pennsylvania [Mr. VAN ZANDT] and the gentleman from Iowa [Mr. JENSEN] have in the past week set forth all the fundamental issues, including the technical aspects, involved in the 1962 version of the Hanford plan. I feel that it would be extremely difficult for anyone aside from our friends in the Northwest whose constituencies would become beneficiaries of this proposed grant from the American taxpayers—in fact, it would be impossible for anyone, after reading those analyses—to accept the allegation that this is anything but an attempt to put across an undertaking that this very Congress specifically, emphatically, and repeatedly rejected less than a year ago.

In 1961 we proved to the satisfaction of a very great majority of Members of Congress that the Hanford power station would be impractical and uneconomic. Today we are asked to reverse ourselves and agree to the construction of the exact same facilities, except that the cost has increased substantially in the intervening months. Now, of course, we are told that this three-party arrangement—with the Atomic Energy Commission, the Washington Public Power Supply System, and Bonneville Power Administration participating—removes the Federal subsidy provision from the project. Nonsense, Mr. Chairman. Put the Washington Public Power Supply System on its own and no one would buy a dime's worth of bonds to finance Hanford. If some of the allegations that have been bandied around by proponents are true, then why must Washington Public Power Supply System enter into this weird agreement to provide more electricity to an outfit that already has surplus power and is another losing cause sponsored and kept in business by the U.S. taxpayer? Washington Public Power Supply System is already building other facilities; in fact it has an application for a license for a 3,000,000-kilowatt hydroelectric plant at Nez Perce or Mountain Sheep. But, no, Hanford is a proved loser from the start, so the only way that this ridiculous scheme can now become a reality is to have Washington guarantee to subsidize it by picking up the tab for Bonneville's losses.

Here are the reasons why I am going to vote against Hanford, and for an amendment to kill it once and for all:

First. I consider it most imprudent that this matter comes before us again after our experience of last year, when we assumed that the issue had been settled at least for the life of the 87th Congress.

Second. Neither engineering nor research has provided any development to make the powerplant more efficient than it was on the blueprint last year. If we are to continue to be harassed with this fantasy about waste steam, then I suggest that we can save the taxpayer money by putting in Turkish baths instead of taking him to the cleaners through an unrealistic powerplant.

Third. I refuse to subscribe to any plan whereby U.S. Treasury funds would give one region of our country a decided advantage over my constituency and yours in the competition for new and expanded industry. We have many depressed areas in western Pennsylvania, and it is ridiculous to expect us to vote appropriations that would subsidize Pacific Northwest power, thus making that area more attractive to plants and factories. We are willing to compete fairly for new business, but we cannot beat you if you are going to use our own money against us.

Fourth. With the Northwest already swamped with surplus power paid for by the American taxpayer, the new capacity at Hanford would only serve to increase this surplus and give added emphasis to demands for Federal transmission lines all over the country. We who want to see our coal and railroad industries revived are not so naive as to believe that Hanford power would not eventually move right into markets now being served by solid fuel. Thus Hanford would not only deprive coal miners in the State of Washington from the jobs they need; it would also come east and snatch employment opportunities from States east of the Mississippi River.

I ask my friends in the House to oppose Hanford. It is a bad project all around.

Mr. Chairman, I have just read the following protest against not only the Hanford project but more so against the method being employed in the efforts of its proponents to pass it in this fashion:

> DEAR CONGRESSMAN: We wish you to know that our committee on national legislation has again taken a position against the effort to authorize the construction of electric generating facilities in conjunction with the atomic energy operation at Hanford, Wash.
>
> We believe the further expansion of public power is wrong and certainly not in the best interests of the people of Pennsylvania. In the past you stood opposed to action to this end and we sincerely hope that you and your associates in the House of Representatives will reaffirm your position on this important question.

On a direct approach this proposal was twice defeated. It appears to me that this project has the proverbial nine lives of an alley cat.

The information on this project will not be available, under the procedure, to give the Members all of the facts pertaining thereto. I therefore oppose the present package deal unless we can successfully amend the legislation to restrict it to its original intent and purpose.

Mr. Chairman, on two occasions during the last session of the Congress, Members of this House spoke out in no uncertain terms on a proposal to convert a plutonium reactor at the Hanford, Wash., atomic installation into a public power project.

An appropriation of some $90 million to install the needed power generating facilities was defeated by substantial majorities—not once but twice.

The Members of this House have made it abundantly clear that they are opposed to using this atomic installation—built for an entirely different purpose—to enhance the Nation's rapidly growing public power empire to the detriment of the free enterprise electric power system and to the coal industry which provides the fuel for producing 67 percent of the Nation's electric power.

Yet, here we are today faced once more with the same old Hanford public power project.

This project seems to have more lives than a cat. Its supporters refuse to let it die.

They are here today trying to do indirectly what the Members of this House have said on two occasions they cannot do directly.

This is a subterfuge which I, as one opponent of this project and as a Member who voted on two occasions with the majority to kill it, deeply resent.

Today, we are told that the project we are considering is entirely different—that it will be a non-Federal project—that it will not cost the Federal Government one cent.

Some 800,000 kilowatt-hours of electric power will be generated at a Federal installation, through generating facilities ostensibly owned by a combine of public power districts in the State of Washington.

The fact remains, Mr. Chairman, that by terms of this proposal, a huge block of power will be generated by public agencies and, thus, there will be denied to private power companies in that region the opportunity to meet this requirement.

I am not always opposed to public power projects, Mr. Chairman. I am, however, opposed to those projects such as this which are of a back-door nature.

If we are to have a public policy that the Nation's power needs are to be provided by the Government, then let us at least be straightforward about it. Some Members say, let us turn the whole job over to the Tennessee Valley Authority, the Bonneville Power Administration, or to some specially created Federal agencies to carry out the will of Congress, if that be its will.

But I am violently opposed to expanding the public power sector of our economy through back-door tactics or subterfuge.

I challenge the advocates of the amendment by the gentleman from California [Mr. HOLIFIELD] to bring this matter to the floor under its true nature—that is, an extension of public power.

They will not do this. They know this House would no more accept the conversion of the Hanford reactor to a public power project today than it would last session. The House is opposed to the Hanford project, when it is presented on the correct basis.

Leaving aside all of the claims and statistics, there is one overriding matter involved here today and that is whether the House wants to encourage the expansion of public power at the expense of private enterprise. That is the only question—not whether the Federal Government or some other public agency will be responsible—or whether the cost will be borne by the Federal Government or the taxpayers of some other governmental unit. The principle is the same. It is this principle—of favoring public power over private power—that I oppose.

We all know, Mr. Chairman, that the great west coast region—from the Mexican to the Canadian border—will have to have tremendously larger amounts of power in the years ahead.

Are private utilities to be foreclosed from sharing in this expansion?

If we approve the Holifield amendment today we are putting the private utilities at a decided disadvantage.

And we are also, I might add, foreclosing the very real possibility that in the not too distant future the vast reserves of coal in the West can be used to generate the bulk of electric power, as it does in other areas of the Nation.

Some fuels economists have predicted that by the year 1975 coal will generate a substantial block of electric power in southern California.

The Nation's railroads are at work now on plans for hauling this coal from the mines to the generating plants at a cost that will make coal competitive with other fuels. There is talk about a coal pipeline utilizing the roadbeds of the railroads.

But, if we let the public power zealots have their way on this Hanford project, I believe we will be opening the door to the complete domination of this huge power market by public power groups.

If these zealots of public power can win approval of Hanford, however disguised it might be, in the face of two votes against it by this House, then I say, Mr. Chairman, any public power project can win eventual approval.

As fast as we turn down individual projects to expand public power, their supporters will bring them back in through the back door, dressed up in new finery, and get them approved.

If Hanford can be built through indirection, then that will become the accepted manner of dealing with public power projects.

I say to my colleagues who have voted on two occasions to kill this Hanford project—do not be fooled by all of this talk about an entirely new project and an entirely new approach.

You opposed the Hanford project last year because it was wrong.

The Hanford project is just as wrong today.

I urge you to vote for the substitute. If you stick by the votes you cast last year, we can bury this Hanford project once and for all so deep that no group can dig it up.

I urge you to stick with the vote you cast last year.

Vote against the Hanford public power project.

Vote for the substitute.

Mr. PELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today to state my support of the so-called Hanford project which would be authorized by H.R. 11974 when amended as recommended by the Committee on Atomic Energy.

The compromise formula, as approved by the Joint Committee on Atomic Energy, would utilize the steam that will come as a waste byproduct from the dual-purpose nuclear reactor being constructed at Hanford, Wash. This heat will produce about 800,000 kilowatt-hours of electricity to fill the normal industrial needs of the Pacific Northwest.

A nonprofit municipal corporation has been formed by 16 Washington State public utility districts, and will be called the Washington Public Power Supply System. This group will build the facilities and bear all the costs in buying the waste steam and converting it into electricity. The Bonneville Power Administration will buy the power and distribute it throughout the area it serves. On a nondiscriminatory basis private utilities will be entitled to 50 percent and the other 50 percent would be for public power districts.

Mr. Chairman, I voted for the Federal project last year but I am very sympathetic with those who opposed that plan in that I, too, have feared federalization of all power. I know that there are those bureaucrats and big government advocates who favor one Federal power grid serving the needs of the entire Nation. Last year's project could have been dovetailed with such a program.

This new plan represents local initiative and investment, and a means of regaining the $125 million which the Federal Government will have spent on the reactor to allow for the generation of power. The project has some aspects of the Eisenhower partnership idea with recognition of private and local power units combining with the Federal Government in developing resources.

The Bonneville Power Administration will be backing the revenue bonds to be sold by the group of public utility districts through its nonprofit supply system. During an estimated 7-year period until 1972 it is planned that Bonneville will improve its earnings as a result of resale of the power from the Hanford reactor. It is assumed that plutonium production will stop in 1972—but this date is not fixed—and after that as a single-purpose operation the cost of electricity, it is estimated, would be comparable to other sources of power generation.

I have heard that these cost estimates are too optimistic. If they are, then the rates paid by users in the Northwest must carry the difference, but the Federal Treasury in either case will not lose.

Mr. Chairman, utilization of the waste heat at Hanford would benefit the Pacific Northwest and, as I see it, help Seattle, which I represent. It would benefit through Seattle's fine municipal distribution system, known as City Light. Also the Puget Sound Power & Light Co., a private system would benefit. This company serves the Bellevue, Kirkland, and Bothell area in my congressional district outside the city of Seattle. All the members of the northwest power pool would gain—and gain without any Federal expenditure or subsidy.

So I urge support of this non-Federal approach to the development of Hanford's waste steam. Let our Washington locally owned and operated public utility districts proceed. It will be fair to private utilities and not require any Federal funds.

I hope the Members of the House will vote to authorize this new approach.

This is an answer—a positive answer—to those who, like myself, strongly oppose the federalization of all power. A vote for this bill is a vote for locally owned public development of power resources. I hope my colleagues who like myself, are against federalization of power will lend us from the Pacific Northwest, their assistance in obtaining authorization to use our local initiative and enterprise to produce needed power to meet future shortages that otherwise will occur.

Mr. Chairman, I urge passage of this legislation.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have had several lectures this afternoon on the subject of fiscal responsibility. Some of those lectures, most of them, have come from those who only last week voted to spew $4,600 million around the world in various and often questionable enterprises.

It seems to me this is a late date to talk about fiscal responsibility, so far as some Members are concerned.

Then I just heard a statement of protest about imports into this country from the gentleman from West Virginia, who voted for the free trade bill not long ago. There will be more, not less, residual fuel oils coming into this country under the free trade bill that the gentleman from West Virginia voted for. And the miners of this country will be fortunate if coal is not shipped in under the free trade bill.

It would be refreshing to have just a little bit of consistency around here this afternoon.

I have not been able to find out yet, but I would like to know what happened to all of that wet steam that was talked about last year in connection with this project. Is there money in this bill to take care of a process whereby the steam is heated so it can be used to generate power? What has happened to the wet steam we heard so much about?

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I might say that the wet steam is still there. Last year a spokesman for the AEC said the private producer of power would not pay one penny for that steam. This year we are told that the Bonneville Power Authority has absolutely no experience whatsoever as far as generating electric power through this type of steam is concerned.

Mr. GROSS. Do I understand there may be $65 million expended on a process by which the wet steam can be brought to a temperature so that it can be used efficiently for the production of power?

Mr. VAN ZANDT. Based on information made available to us, it is involved in a feasibility study. I do not believe anybody can tell what the cost will be, as far as the generator is concerned.

Mr. GROSS. Let me ask the gentleman another question. I asked it awhile ago and I did not get a very good answer. Is this going to provide more cheap power for the Western States so that industry will be enticed to that area, passing up the Middle West, and other areas?

Mr. VAN ZANDT. Well, in reply to the gentleman, he will recall that in my statement a moment ago I pointed out that this power will be used to attract industry not alone from the gentleman's section of the country but from the eastern part of the United States likewise.

Mr. GROSS. Let me ask the gentleman one further question. Some mention was made of tax-free bonds, tax-free financing in this case. Does this mean if I wanted to buy some tax-free bonds, I would have to go out to the State of Washington to buy them?

Mr. VAN ZANDT. I would say in reply to the gentleman's question that if an individual wanted to buy tax-free bonds and they were on sale in Washington, he could go out there and buy them.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Washington.

Mr. WESTLAND. You can buy tax-free bonds any place in the United States. You can buy them here in Washington, D.C., or New York City. You can buy them any place.

Mr. GROSS. Would those at a distance get a whack at them?

Mr. WESTLAND. Sure. They will be offered for sale.

Mr. GROSS. Or would they be gobbled up in the State of Washington.

Mr. WESTLAND. They may be, because they are high grade bonds. The people like them. They have a good record for repayment.

Mr. GROSS. I am glad of that.

Mr. WESTLAND. Sure. I thought you would be.

Mr. HOSMER. Is the gentleman interested in further elucidation of the wet steam problem?

Mr. GROSS. Yes; and I yield to the gentleman from California.

Mr. HOSMER. The wet steam problem had to do with the possible fitting of the generator blades because of the quality of the steam. As the proposition was advanced last year, that rested on the Federal taxpayers. Under the proposition this year it does not, but on the Bonneville Power Administration consumer. Furthermore, in the intervening years there has been technological advancement that makes it more feasible to use this steam.

Mr. FENTON. Mr. Chairman, I move to strike out the last word.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that following the gentleman from Pennsylvania [Mr. FENTON] and the other gentleman from Pennsylvania that we vote on the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. NELSEN. I object, Mr. Chairman.

Mr. FENTON. Mr. Chairman, I rise in support of the substitute amendment of the gentleman from Pennsylvania [Mr. VAN ZANDT]. Passage of this amendment will put the various Federal agencies on notice that Congress does not intend to sit idly by when these attempts to circumvent its will are made. Even though the Supreme Court held, as it did in the Teapot Dome case, that Federal agencies cannot achieve by contractual arrangements with non-Federal entities what Congress has refused to authorize the Federal agencies to do directly, such rulings do not seem to deter the Federal agencies from trying again.

We are told that the new production reactor power project cannot cost the taxpayers a cent. This, of course, is not true. It is an uneconomic project on any realistic method of cost analysis. It is a project of new and untried design that admittedly can only produce non-firm power. Problems or incidents could develop that would put it out of operation for extended periods.

Under the proposed contract, Washington Public Power Supply System, the non-Federal agency that will issue the bonds, takes no risk whatsoever as Bonneville guarantees to furnish firm power of a value, at Bonneville low rates, equal to all costs of the Washington Public Power Supply System, including any payments to the Atomic Energy Commission for steam or other service. Such action can only increase Bonneville's present annual deficits of over $15 million. It is a one-way deal where the taxpayers, through Bonneville, pick up the check and guarantee Washington Public Power Supply System will suffer no loss once the contract is signed.

Under certain conditions, such as a permanent shutdown of the new production reactor—which could happen—the Federal Government could be obligated to either pay off the Washington Public Power Supply System bonds or to have Bonneville continue to furnish the firm power needed to cover all Washington Public Power Supply System annual costs until such bonds were paid off. With this potentiality, it is foolish for the proponents to claim that the taxpayers will never have to put up a cent.

One phase of the Hanford generating plant deal that I am particularly concerned with relates to the coal mining industry. There are considerable reserves of coal in parts of the Pacific Northwest. However, only a few mines are now operating and the industry in that area is in a depressed condition with many miners out of work. Here is what the Coal Producers Association of Washington had to say of Hanford power about the effect Hanford would have on the industry in that region:

> Contrary to the statements made by its proponents, development of the Hanford dual reactor at this time would sound the death knell of the coal industry in Kittitas County.
>
> To keep the record straight and to avoid any possible misunderstanding as to the harmful effects of the Hanford dual reactor upon the local coal industry, we can say advisedly that the Northern Pacific Railway Co.'s mines will be closed forthwith if the public utility district's present option on the Roslyn-Cle Elum properties is not exercised. Closing of these mines will mean a decrease of over 60 percent of the total tonnage mined in the State and the advent of new ghost towns in Kittitas County.
>
> The damage, however, does not end there. The future planned expansion of the State's coal industry, predicated upon the immediate development of the Cle Elum steamplant will be deferred indefinitely, perhaps 10 years, and that will have an even greater impact upon the economy of the State.
>
> Shrinking tonnage, due to loss of markets to both oil and gas has greatly curtailed production in Washington. A new market must be found if the coal industry is to be rejuvinated. The steamplant is that market. The first unit of that plant, it is estimated, will use approximately 1 million tons of coal a year. That represents more than four times the total production of the entire State last year.
>
> That is why the steamplant is so vital to the industry and to the economy of Kittitas County, and to the citizens of that area. The steamplant will be an industry within itself. It will provide full-time employment, at high wages, for between 400 and 500 miners. It will mean steady payrolls, week in and week out and will produce a purchasing power now practically nil.
>
> That is why we so strongly and earnestly urge support of Representative VAN ZANDT's amendment to H.R. 11974 to block plans of the Atomic Energy Commission, the Bonneville Power Administration, and the Washington Public Power Supply System to go ahead with the proposed Hanford electric-generating plant.

If prior Bonneville officials had been more interested in sound industrial development of the area rather than spectacular load growth based on enticements of high-power-use industries which generated very little manpower use, they could have set up a rate structure that would have encouraged the construction of coal-burning, electric-generating plants to firm up the tremendous quantities of secondary hydroelectric energy for which they have no market today.

We are spending millions of dollars annually in attempting to overcome depressed economic areas in the country. Why, then, should the taxpayers, through Bonneville, be the guarantors for bonds that provide for spending hundreds of millions of dollars which would have the effect of further depressing the coal industry of the Pacific Northwest? It is particularly foolish for us to ask the taxpayers of the Nation to subsidize this project either directly or indirectly. Bonneville is going into the red at a rate of over $15 million annually. The proposed contract could very well result in doubling this annual deficit.

The logical action for Bonneville to take now would be to pull out of this uneconomic new production reactor deal and to work up a promotional rate schedule for surplus or dump power which would encourage or make possible the early construction of coal-burning steam electric plants in that region. Such steam electric-generating plants could be constructed sooner than could the proposed new production reactor generating plant. They could be relied upon to furnish firm power and capacity, which the new production reactor cannot do, and could be shut down during the high streamflow months when surplus hydroenergy was available, so as to save fuel.

With the lowest electric power rates in the Nation made possible by the taxpayers of the Nation, it is a sad commentary that depressed economic conditions now obtain in many parts of the Pacific Northwest region. The lag in population growth, the trend toward greater unemployment, the per capita income and other economic indicators disclose that subsidized Federal or public electric power is not enough. It seems to me that it is high time for this and other areas of the country to realize that subsidized Federal power is not always the panacea it is believed to be. More reliance on their own efforts might bring greater benefits. Why not give the coal miners of the Pacific Northwest a break and vote for the substitute amendment? Surely, it is better to utilize the manpower resources of the region in preference to uneconomical use of new production reactor steam.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield briefly to the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I merely want to say to my colleagues that the gentleman from Pennsylvania [Mr. FENTON] has been a member of the Subcommittee on Interior of the House Appropriations Committee, as have I, for the past 20 sessions of Congress. The gentleman has complete knowledge of the Bonneville problem and situation as is exists. I hope the members of the committee will give the gentleman a good, attentive ear.

Mrs. MAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mrs. MAY. Mr. Chairman, I rise in support of the committee amendment. Many of us deplore the ever-increasing scope of Federal activities and the growing role of the Federal Government in the economic life of the Nation.

It is therefore gratifying that local interests have offered to undertake a great regional project at Hanford, without any Federal aid.

The proposal of Washington Public Power Supply System to finance, construct, and operate electric generating facilities at Hanford is in the best tradition of local initiative which has been growing stronger in the Pacific Northwest.

We all know of the utility districts which have built great hydroelectric projects on the Columbia River, thus fulfilling their public utility responsibility to power consumers while aiding in the development of the Nation's natural resources.

The Priest Rapids and Rocky Reach projects, for example, are of a magnitude which might have warranted Federal construction. However, through local financing on the private money market the Grant County and Chelan County public utility districts have built these projects for the benefit of their own consumers and of other electric consumers of the region, entirely at their own expense.

The districts have done so in confidence that sale of the power output will provide revenue to pay off the multimillion dollar bond issues needed to finance the projects.

The Hanford proposal of Washington Public Power Supply System follows the same pattern and promises similar benefits.

Here again a local agency, made up of many separate public utility districts, is offering to take the initiative in using a national resource, the waste steam from the Hanford reactor.

I for one applaud this expression of local initiative and independence. I commend Mr. Owen Hurd and other leaders of Washington Public Power Supply System for the business enterprise which leads them to risk some $130 million in developing this project.

Today we are asked to give congressional approval to the proposal. I am happy to give my endorsement, not only because I believe the venture will be economic, not only because I believe it to be in the public interest, not only because Hanford power is needed in the Pacific Northwest, but also because I believe that this kind of local initiative should have the support of Congress.

At the present time we are greatly concerned about stimulating new investment by industry. Through special tax incentives we are endeavoring to improve the climate for investment in the knowledge that only through expansion of our industrial plant can we have new jobs and continuing prosperity.

Here is an industrial expansion which has come about without special incentives but entirely through the determination of a group of people in the Pacific Northwest to make use of a great resource in the national interest.

The Hanford project itself will provide employment in the area, but even more important will be the stimulus which each great resource development project has on the industrial economy as a whole.

How much of this $130 million will flow eastward to manufacturing centers in return for turbine generators, heat exchangers and piping, wire and cable, transformers, and other generating plant equipment? How many workers in Pittsburgh, Milwaukee, Youngstown, or Schenectady will produce this new machinery? I am sure that a project of this magnitude will result in large-scale job opportunities.

Similarly, the availability of this large block of low-cost power, once Hanford is built, is bound to have a stimulating effect on the economy of the Pacific Northwest. New and expanding factories in Washington and Oregon not only benefit these regions but again call upon the industrial East for tools and machinery.

I am one of those who felt that a Federal investment in the Hanford powerplant would have been in the public interest. I have not changed my mind. However, the present proposal allows us to have our cake and eat it, too—the benefits of Hanford power will be made available to the American people at no cost to themselves, through the efforts of local people who are willing to put up all of the money.

Anything short of outright approval of the Washington Public Power Supply System's Hanford proposal would be, in my opinion, a criminal waste of taxpayers' money and a precedent-setting blow to the local initiative which we pretend to favor.

It is not enough to give lipservice to the American ideal of local enterprise. We must take constructive action to support it whenever an opportunity arises—and such an opportunity is before us today.

Mr. NELSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise to ask a couple of questions of the chairman of the committee. It is my understanding that the 16 public power districts are going to float a revenue bond to meet the cost of this generating facility; is that correct?

Mr. HOLIFIELD. That is correct.

Mr. NELSEN. In the event the plutonium reactor ceased operation it is my understanding that the Government then will pick up the tab; is that true?

Mr. HOLIFIELD. No, that is not true, I will inform the gentleman. Bonneville provides the power to the 16 participating utilities at the present time. This bloc of power is an additional bloc which will be given to Bonneville and Bonneville will also supply that power, too. If the dual purpose of the reactor stops, then the reactor can be run on a single-purpose basis to produce the steam and thereby give these people a chance to pay off their bonds. It will be run at the expense of the Washington group, not at the expense of the Federal Government.

Mr. NELSEN. In the event the plutonium reactor were not continued in operation is there any possibility that the plant can be converted to making it possible to use coal to provide steam to drive the turbines to run the generators?

Mr. HOLIFIELD. If I understand the gentleman's question the plant as now designed will make plutonium and make steam.

Mr. NELSEN. Yes.

Mr. HOLIFIELD. If there come a time in the future when there is disarmament with the Soviets and you stop the production of plutonium, the plant could still be operated with different kinds of rods to produce steam. At that point the Federal Government would lease the plant to the Washington group for operation. In that manner the Washington group would obtain the steam to continue operating their generating facilities and the Government would maintain the plant without expense in a standby condition so that it could resume plutonium production in the event it was necessary.

Mr. NELSEN. The confusing thing to me is that there have been statements made in the debate that indicate that the Government underwrites the risk regardless; that is, in the event the reactor ceases to operate. That has been a confusing point as far as I am concerned.

Mr. HOLIFIELD. I can say to the gentleman that the five Democratic members and three of the four Republican members take the opposition position. They say there is enough credit behind the bonds of the 16 private utilities for the discharge of their obligations. The Hosmer amendment plainly precludes the Federal Government from acquiring those facilities unless Congress affirmatively acts to authorize it. That is in the Hosmer amendment and therefore the Congress will have control of that.

Mr. NELSEN. The gentleman mentioned the 16 private utilities. Is it not public utilities?

Mr. HOLIFIELD. The 16 public utilities that are in the Washington Public Power Supply System.

Mr. NELSEN. I thank the gentleman.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from New York.

Mr. PILLION. I might say the crux of this whole matter lies in the question the gentleman asked, and that is that at all times the Bonneville Power Administration, a Federal agency, will be guaranteeing to the utilities the full cost of the amortization and the interest on the bonds for constructing the steamplant, plus every other cent the Washington utilities pay the Atomic Energy Commission, so that there is a full guarantee.

Mr. Chairman, in considering the proposed contract between the Bonneville Power Administration and the Washington Public Power Supply System we must be absolutely certain of the Federal Government's role and responsibilities under this contract and the part this contract could play in the future development of electric power in this country.

I believe that the contract between the Bonneville Power Administration and the Washington Public Power Supply System is a subterfuge. I believe it is not in the best interest of the taxpayers. And I believe it establishes dangerous precedents.

Under this contract the utility systems that participate in the Washington Public Power Supply System proposal will make available to the Bonneville Power Administration their share of the power output of the Hanford project. In return the Bonneville Power Administration will supply the participants an amount of firm power equivalent, under existing Bonneville rates, to the annual project costs incurred by the participants. Note that the responsibilities of the Government in this contract will be keyed not to what it gets but to the obligations of others.

We all have had our differences about the extent to which the Federal Government should participate in electric power development and the pertinent costs involved in such power development. But I do not believe we have ever condoned the principle of equating Government responsibilities with someone else's obligations.

Under the terms of the contract the Washington Public Power Supply System cannot amend, modify, or otherwise change the bond resolution required for the project without first obtaining the written approval of the Bonneville Power Administrator. Prior to commencement of commercial operations of the project the Administrator can terminate the contract and assume the assets of the project by reimbursing the supply system for all costs paid or incurred by it. All designs, plans, specifications, and contracts relating to the construction of the project shall be subject to the approval of the Bonneville Power Administrator.

The Administrator shall have right of inspection. The annual budget for the project shall be subject to the written approval of the Administrator. Guides for the operations of the project shall be furnished by the Administrator. The Federal Government, presumably the Bonneville Power Administration, can at its option acquire the project provided that all liabilities and obligations of the supply system have been satisfactorily discharged or assumed in writing by the Government. The agreement between the supply system and the Atomic Energy Commission for the purchase of steam, lease of land, and eventual lease of the reactor must also be approved by the Bonneville Power Administration.

In short, the Bonneville Power Administration will have responsibilities in the financing, design, construction, operation, and possibly ownership of a thermal generating station. The Bonneville Power Administration will be a real party of interest. A participant in a proposal that last year the Congress decided was not in the best interest of the taxpayers of this country. The Bonneville Power Administration will be doing indirectly what Congress said should not be done directly.

Do we want a Federal agency to extend its participation in the power field, and to make this extension in a manner even less advantageous to the taxpayer than what was proposed last year? I refer, of course, to the arrangement of giving not in accordance with what it receives but in accordance with the expenses of others.

My answer to this is, "No." Aside from the costs of the project, which I would like to comment on briefly, nothing has changed which would indicate to me that Congress did not reach a wise decision last year.

Last year there was some question about the economic feasibility of adding these generating facilities to the new production reactor at Hanford. This year the cost estimates for doing this have increased. If it was questionable last year, increasing the cost estimates certainly does not make it more attractive. The Atomic Energy Commission has testified that this new reactor represents—and I read:

> A substantial departure in technology from our other Hanford reactors.

It admits that the magnitude of the technical problems was not adequately recognized. This has resulted in an increase in the cost of the reactor project and a delay in its operating schedule. This does not suggest to me a reliable source of power generation and one that we should guarantee—for remember Bonneville gives power regardless of if the reactor is in operation or not. This is not a good deal for the taxpayer.

I have enumerated many of the arrangements whereby the Bonneville Power Administration is indeed a real party to the production of power from a thermal source. Some may suggest that these arrangements protect the rights of the Federal Government because of its commitments under the contract. But I suggest that this line of reason begs the essential question. It is not a matter of how best to protect our involvement but whether to be involved.

Last year Congress said we should not be involved. Of course, we can and should reconsider our position if the situation has changed. But nothing has changed to warrant a change in our position. Obviously the economics are not more attractive—if anything, the opposite is true. The responsibilities the Government will undertake have not been lessened—if anything, they have become more binding. The estimate of the reliability of the overall project has not increased—if anything, current events might even suggest the opposite.

In view of last year's deliberations it is evident to me that Congress did not wish to extend the participation of the Federal Government in the power business by building a steamplant in the Northwest. To market power from Federal hydro projects is one thing; to participate in building thermal plants is a completely different matter. Despite the uniqueness of this particular situation at Hanford the approval of the proposed contract between the Bonneville Power Administration and the Washington Public Power Supply System would set a precedent. Precedent need not be set because of an abrupt change in course. In fact it usually is not.

In my opinion this amendment before this House should be disapproved. The proposed arrangement is not in the best interest of the taxpayer. It attempts to do indirectly what we have said should not be done directly. And it is infused with uncertainty and risk for the Federal Government. For these reasons I am going to vote against this amendment. I hope you will join with me and do likewise.

Mr. SAYLOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to direct some questions to the gentleman from Pennsylvania [Mr. VAN ZANDT].

It is my understanding the Atomic Energy Commission is to operate this new power reactor for the first 2 years for power only, after which it would be converted to dual-purpose operation for the period until 1972, and for power only for the remaining portion of its estimated life of 25 to 35 years?

Mr. VAN ZANDT. That is the schedule the Atomic Energy Commission has set up.

Mr. SAYLOR. On the 13th day of July the chairman of the full committee, the gentleman from California [Mr. HOLIFIELD], inserted in the CONGRESSIONAL RECORD some justification for this operating schedule. It shows that the total Washington Public Power Supply System payment for steam and for the lease of the new power reactor in the power-only period would total only $3,001,220. In view of this fact, how can the proponents of this contract say that the project will make $130 million for the taxpayers of this Nation over the lifetime of the reactor?

Mr. VAN ZANDT. The claim that the taxpayers will get $130 million is not valid to begin with. It is just as logical to say they will get nothing, as in any case Bonneville is obligated to furnish firm power at the BPA low rates equal to the payments made. Even the proponents estimate the payments may be as low as $3 million total.

Mr. SAYLOR. Is it not true that events could happen that would result in the complete closing down of this new power reactor at any time during the assumed 1965–72 dual-purpose period, with the result that Federal Government would either have to pay off the outstanding Washington Public Power Supply System bonds or that Bonneville would have to furnish firm power over the remaining portion of the 30-year period of a value that would pay off these bonds?

Mr. VAN ZANDT. I think that is correct. In the exchange agreement you will find the responsibility is on the shoulders of the Federal Government. They will have to pick up the tab for $130 million of bonds.

Mr. SAYLOR. Will this new power reactor not be subject to the usual failings that other reactors have had that the Atomic Energy Commission has created, and if it is shut down will not the scheduled power which has been talked about be shut off for some unknown period?

Mr. VAN ZANDT. Certainly. This is an untried design and the operational procedure will have to be developed.

What the gentleman is predicting no doubt will be a fact.

Mr. SAYLOR. The Bonneville Power Administrator appeared before the House Committee on Interior and Insular Affairs a short time ago and stated with reference to another bill that they are now wasting away to the sea surplus energy for which they have no market. They say this will amount to as much as $30 million a year. If it is true they are wasting nonfirm power to the sea, during the time Bonneville is wasting hydroelectric energy will not this new reactor increase the amount of power Bonneville is wasting?

Mr. VAN ZANDT. Why, certainly, that is true. In fact, in the early years of the new production reactor operation under a wet year or a high streamflow condition, it is possible that little if any of the new production reactor steam can be used without wasting an equivalent amount of hydroelectric energy.

Mr. WESTLAND. If I could interrupt this well prepared colloquy, would the gentleman yield for a question? I do not have anything to read here, but I would like to ask a question.

Mr. SAYLOR. At the proper time, I will yield, and I might tell the gentleman I prepared these questions, which the gentleman from Pennsylvania [Mr. VAN ZANDT] is answering, yesterday, and I told him I was going to ask these questions because I think these are matters that the House should be interested in.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I will not yield at this point.

Another question I would like to ask is whether any representative of the General Accounting Office appeared during the recent hearings of the Joint Committee?

Mr. VAN ZANDT. The best of my knowledge is they did not.

Mr. SAYLOR. I wrote a letter to the General Accounting Office requesting some information, and at the proper time I am going to ask permission to put it in the RECORD to show the pressure that was brought on by members of the Atomic Energy Commission against the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOSMER] to the amendment offered by the gentleman from Colorado [Mr. ASPINALL].

The amendment was agreed to.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT] to the amendment offered by the gentleman from Colorado [Mr. ASPINALL].

The question was taken; and on a division (demanded by Mr. VAN ZANDT), there were—ayes 114, noes 127.

Mr. VAN ZANDT. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. VAN ZANDT and Mr. ASPINALL.

The Committee again divided and the tellers reported that there were—ayes 160, noes 134.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. ASPINALL] as amended by the substitute.

The amendment as amended by the substitute was agreed to.

Mr. O'HARA of Illinois. Mr. Chairman, I have delayed my remarks until the Committee has acted upon pending amendments because the subject I shall discuss has no bearing on the merits of the pending bill. It is, however, a matter that, in my judgment, should be brought to the attention of the Committee at this time since it has bearing upon the posture of the atomic energy program.

Work on the atom bomb during World War II was completed on the campus of the University of Chicago. Dr. Herbert Anderson worked with Dr. Enrico Fermi on the project. Today, the director of the Enrico Fermi Institute for Nuclear Studies is Dr. Herbert Anderson.

The University of Chicago had one of the most powerful accelerators in the world, a synchrocyclotron which enabled their scientists to make outstanding contributions in the study of the elementary particles which were newly discovered at that time. Enrico Fermi led the work, and the scientific world looked to Chicago as one of the places where new developments in this field, so fundamental to basic understanding of physics, would come.

Recently much larger machines have been built at Berkeley, Brookhaven, Geneva, Switzerland, and in Dubna near Moscow. New strange particles have been discovered which have captivated the interest of scientists. The effect has been to move the center of the stage away from Chicago. Several years ago the scientists at the University of Chicago initiated a plan to construct a powerful accelerator at the Argonne National Laboratory to allow a more active and fruitful participation in these researches. Construction has progressed rapidly with every prospect of early completion and success. Profs. Roger Hildebrand and Albert Creeve spearheaded the development which engendered a great deal of interest and enthusiasm among potential users of the facility among outlying midwestern universities.

Facilities needed to advance knowledge of the elementary particles in the field of high-energy physics are exceedingly expensive, and it is necessary and appropriate in the use of these facilities to make use of the most advanced type of technology available; and, where this is lacking to push the development far beyond the level which is available at the time. Much that has become necessary and commonplace in advanced technology in this country may be traced to the innovations made by the scientists who are now concerned with high-energy physics.

Dr. Anderson of the Enrico Fermi Institute for Nuclear Studies pointed out that to make complete and effective use of the facilities at the Argonne National Laboratory to the universities and faculties of the Middle West for whom the machine is being built, it will be necessary to provide additional space for all the faculty and their students to carry out their research. In 1961 Dr. Anderson requested an appropriation for additional laboratory space to accommodate the development and utilization of the advanced techniques needed in the experimental work planned with the Argonne accelerator. The Division of Research of AEC encouraged this proposal. As a result Public Law 87-315 included an authorization of $800,000 for a physics building at the University of Chicago and $300,000 for additional housing facilities at Argonne National Laboratory. However, despite the authorization the money was not appropriated.

The need for this laboratory is becoming more pressing than ever, particularly in view of the excellent progress being made in the construction of the great Argonne accelerator. Failure to appropriate these funds has hampered the planning for research.

I would appreciate a clarifying and I hope a reassuring statement from my distinguished colleague, the gentleman from Illinois [Mr. PRICE], on a matter that is of grave concern to the atomic scientists of the University of Chicago, from whose planning and laboratories came the world's first atomic bomb. No one, I might add, is held in higher esteem by Dr. Anderson and his fellow scientists than the gentleman from Illinois, Congressman MELVIN PRICE, whose industry, thorough knowledge of all that pertains to atomic energy and whose dedication they often have mentioned to me in glowing terms.

Mr. PRICE. Mr. Chairman, I know of the gentleman's great interest in the University of Chicago.

In reply to his question, I wish to inform the gentleman that the High Energy Physics Building at the University of Chicago was authorized in the fiscal year 1962 bill. This year the AEC requested funds for the project as part of its physical research program. Unfortunately the request was rejected by the Bureau of the Budget.

However, I am hopeful another approach to the financing of this project will be approved. I can assure the gentleman of the great interest in this project on the part of the Joint Committee on Atomic Energy.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11974) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, pursuant to House Resolution 716, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. WESTLAND. Mr. Speaker, I demand a separate vote on the Aspinall amendment, as amended by the Van Zandt substitute.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 15, after line 5, add the following new section:

"SEC. 112. The Commission is not authorized to enter into any arrangements for the construction or operation of electric generating and transmission facilities at the Hanford New Production Reactor."

Mr. WESTLAND. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 232, nays 163, not voting 40, as follows:

[Roll No. 160]

YEAS—232

Abbitt
Abernethy
Adair
Alexander
Alger
Anderson, Ill.
Arends
Ashbrook
Ashmore
Auchincloss
Avery
Bailey
Barry
Battin
Becker
Beermann
Belcher
Bell
Berry
Betts
Bolton
Bonner
Bow
Bray
Brewster
Bromwell
Broomfield
Brown
Broyhill
Bruce
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Casey
Cederberg
Chamberlain
Chelf
Chiperfield
Church
Clancy
Clark
Collier
Colmer
Conte
Cook
Cooley
Corbett
Cramer
Cunningham
Curtin
Curtis, Mo.
Daddario
Dague
Dent
Denton
Derounian
Derwinski
Devine
Dole
Donohue
Dorn
Dowdy
Downing
Dulski
Dwyer
Ellsworth
Fallon
Fascell
Fenton
Findley
Fisher
Ford
Forrester
Fountain
Frelinghuysen
Fulton
Gary
Gathings
Gavin
Glenn
Goodling
Granahan
Grant
Gray
Green, Pa.
Griffin
Griffiths
Gross
Hagan, Ga.
Haley
Hall
Halleck
Hardy
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Huddleston
Hull
Jarman
Jensen
Johansen
Johnson, Md.
Jonas
Kearns
Kee
Keith
Kilburn
Kilgore
King, N.Y.
Kitchin
Knox
Kornegay
Kunkel
Kyl
Landrum
Langen
Latta
Lennon
Lesinski
Libonati
Lipscomb
McCulloch
McDonough
McDowell
McIntire
McMillan
McVey
MacGregor
Mahon
Martin, Mass.
Martin, Nebr.
Mathias
Matthews
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Monagan
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morse
Mosher
Natcher
Nelsen
Nix
Norrell

O'Brien, N.Y.
O'Neill
Osmers
Ostertag
Passman
Patman
Perkins
Peterson
Philbin
Pillion
Pirnie
Poff
Purcell
Quie
Ray
Reifel
Rhodes, Pa.
Riehlman
Riley
Rivers, S.C.
Roberts, Texas
Robison
Rogers, Fla.
Rogers, Tex.
Roudebush
St. George
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Selden
Shipley
Shriver
Sibal
Sikes
Siler
Slack
Smith, Calif.
Smith, Va.
Springer
Staggers
Steed
Stephens
Taylor
Teague, Calif.
Teague, Tex.
Toll
Tuck
Tupper
Utt
Vanik
Van Pelt
Van Zandt
Waggonner
Wallhauser
Walter
Watts
Weis
Whalley
Wharton
Whitener
Whitten
Widnall
Williams
Wilson, Ind.
Wright
Young
Younger

NAYS—163

Addabbo
Albert
Andersen, Minn.
Andrews
Anfuso
Ashley
Aspinall
Ayres
Baker
Baldwin
Baring
Bass, Tenn.
Bates
Beckworth
Bennett, Fla.
Bennett, Mich.
Blatnik
Boland
Bolling
Brademas
Breeding
Brooks, Tex.
Burke, Ky.
Cannon
Carey
Celler
Chenoweth
Cohelan
Corman
Daniels
Davis, John W.
Dawson
Delaney
Diggs
Dingell
Dominick
Dooley
Doyle
Durno
Edmondson
Elliott
Everett
Evins
Farbstein
Feighan
Finnegan
Fino
Flynt
Fogarty
Gallagher
Giaimo
Gilbert
Gonzalez
Goodell
Green, Oreg.
Hagen, Calif.
Halpern
Hansen
Harding
Healey
Hechler
Hemphill
Henderson
Holifield
Holland
Horan
Hosmer
Inouye
Jennings
Joelson
Johnson, Calif.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kelly
Keogh
King, Calif.
King, Utah
Kirwan
Kluczynski
Kowalski
Lane
Lankford
Lindsay
Loser
McFall
Mack
Madden
Magnuson
Marshall
May
Miller, Clem
Miller, George P.
Mills
Moeller
Montoya
Morrison
Moss
Multer
Murphy
Murray
Nedzi
Norblad
Nygaard
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
Pelly
Pfost
Pike
Pilcher
Poage
Powell
Price
Pucinski
Rains
Randall
Reece
Reuss
Rhodes, Ariz.
Rivers, Alaska
Rodino
Rogers, Colo.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Shelley
Sheppard
Short
Sisk
Smith, Iowa
Smith, Miss.
Stafford
Stratton
Stubblefield
Sullivan
Thomas
Thompson, N.J.
Thompson, Tex.
Thornberry
Tollefson
Trimble
Udall, Morris K.
Ullman
Vinson
Weaver
Westland
Wickersham
Wilson, Calif.
Zablocki
Zelenko

NOT VOTING—40

Alford
Barrett
Bass, N.H.
Blitch
Boggs
Boykin
Buckley
Coad
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Flood
Frazier
Friedel
Garland
Garmatz
Gubser
Harris
Harrison, Va.
Hoffman, Mich.
Ichord, Mo.
Judd
Laird
McSween
Macdonald
Mailliard
Mason
Merrow
Morris
Moulder
Roberts, Ala.
Rousselot
Saund
Spence
Taber
Thompson, La.
Thomson, Wis.
Willis
Winstead
Yates

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Winstead for, with Mr. Buckley against.

Mr. Alford for, with Mr. Davis of Tennessee against.

Mr. Curtis of Massachusetts for, with Mr. Judd against.

Mr. Rousselot for, with Mr. Garmatz against.

Mr. Taber for, with Mr. Friedel against.

Mr. Merrow for, with Mr. Yates against.

Mr. Thomson of Wisconsin for, with Mr. Barrett against.

Mr. Bass of New Hampshire for, with Mr. Morris against.

Mr. Gubser for, with Mr. Frazier against.

Mr. Hoffman of Michigan for, with Mr. Roberts of Alabama against.

Mr. Flood for, with Mr. Spence against.

Mr. Mason for, with Mr. Coad against.

Until further notice:

Mr. Macdonald with Mr. Mailliard.

Mr. McSween with Mr. Laird.

Mr. Boggs with Mr. Garland.

Mr. DONOHUE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The **SPEAKER**. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The **SPEAKER**. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. **HOLIFIELD**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

THE POSTURE OF PROGRESS

Mr. **LANE**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. **LANE**. Mr. Speaker, the scientist is the current hero in the story of the human race. His accomplishments challenge the ability of people to comprehend the new knowledge and to keep up with the rapidly expanding horizons of life.

Some people are disturbed by these developments, wondering if science and its objective methods will come to dominate all other fields of human interest, experience, and aspiration.

But history shows that "the scientist pushes forward at one moment, the artist at another, the humanist at still another, the philosopher in his turn, and so on. The Lord has given us a widening world and He expects we will use our intelligence in mastering it. Let us get to it."

These are the reassuring words of wisdom from the editorial "The Posture of Progress," from the July 14, 1962, editorial in the Pilot, official organ of the archdiocese of Boston, Mass.

The complete text follows:

THE POSTURE OF PROGRESS

Andover, Maine, now joins places like Cape Canaveral and Christmas Island as familiar landmarks in the geography of these changing times. What was so spectacularly begun this week in the world of communications leads in directions we cannot even now foresee and promises developments of far reaching effects for man. If the world has been getting smaller as we have moved into the space age, the present ease of communication has shrunk it to ever more contracted proportions.

As we move from one new wonder to another, the ordinary citizen cannot contain his admiration for the scientist who startles us with his successes. Even young children these days can describe the movement of the satellites, the several staged rockets and our hopes for landing on the moon. The immense progress which these last years have seen reflects extraordinary credit on the men of science and technology. Many people ask themselves, however, if progress in other fields has followed anything like the same pattern.

Now that we have bounced a TV beam 3,000 miles into space and back, for example, is television itself going to be better? Have we accomplished very much, in the long view, if we have only enlarged the wasteland? There is a very important sense in which every new discovery of the scientist places a new burden on man to be equal to its implications. People were quick to tell us that the emergence of atomic science and the development of the techniques of nuclear war raised many new questions for man, some of them moral. But is it not also true that the peaceful uses of the new sciences raise their own challenges, ones that cannot be successfully met by the resources man has at hand at this moment?

Is it true to suppose that the scientist is really outstripping his colleagues in the other disciplines? Or are his advances merely so spectacular as to bewilder the rest of us? There is progress, of course, in all directions which improve man's understanding of himself and the world about him. There is probably no area of human knowledge where man is standing still, satisfied with his present understanding of things. But we cannot expect that all men will march into the future like soldiers who are in step one with the other. The scientist pushes forward at one moment, the artist at another, the humanist at still another, the philosopher in his turn, and so on.

There is, in short, no neat little plan by which the human race goes forward in time; progress is moved by a dynamic which at different moments issues from a variety of sources. Human creativity cannot be controlled in any machinelike manner and it is the challenge of one advance which sets the stage for the next one. In these years the scientist—and now especially the space scientist—has made a breakthrough of large proportions, but this does not mean that he has left the rest of human knowledge behind him. The edge of progress is always a ragged one with certain promontories jutting into the future more eagerly than some others.

If we have confidence in man's ability to apply his intelligence on every level of a changing world, we will not be distressed by a momentary unbalance which this intelligence can adjust. This is not to say that we can afford to do nothing to make the adjustment; on the contrary, the occasion requires a willingness to take the measure of new problems and seek profoundly for new solutions.

If the scientist these days is keeping the rest of us a little bit on our toes the posture is a good one, it is the posture of the curious and the expectant. The Lord has given us a widening world and He expects we will use our intelligence in mastering it. Let us get to it.

IOWA CORN

Mr. **JENSEN**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER**. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. **JENSEN**. Mr. Speaker, a great treat is in store for all who eat in the House restaurant today and for the balance of this session of Congress, at least. The Iowa Members of Congress and the American Corn Millers' Federation are furnishing cornbread gratis to the House today and every other Monday, starting next Monday.

Iowa corn, southern ground by the Page Milling Co., Luray, Va., brings to our dining room, starting today, that rich, wholesome, nutritional cornmeal baked into cornbread, and other delicacies which only corn can provide.

No nation in the history of the world ever owed so deep a debt to anything material as the United States owes to its native American plant, corn. From Jamestown to Plymouth, from the wilderness plots of the Indians to the Ohio and Mississippi Valleys, from the rich prairie lands of Iowa to the Pacific Ocean, corn fed the settlers and their herds as they conquered the wilderness and molded the Nation.

Do you know—

That corn was cultivated in the Americas for thousands of years while unknown in the Old World before 1492?

That corn was the Indian's staff of life—that he revered it by calling it maize, meaning "mother"—that which feeds, nourishes, and sustains?

That corn is the native food of the United States—that cornbread, cornmeal mush, corn pone, Johnny cakes, flapjacks, and hush puppies are the descendants of the cornmeal ash cake of the red man?

That it was corn that saved the lives of the settlers of Jamestown and Plymouth, hence becoming the cornerstone in the building of this Nation?

That the Pilgrims valued corn so highly that they accepted it for taxes and made it legal currency?

That George Washington referred to corn in his writings more than 1,500 times?

That it was cornmeal that fed the Continental Army and saved it at Valley Forge?

That no statistician would even attempt to estimate the consumption of America's pride and joy—corn on the cob?

That youngsters and oldsters reveled in crunching one-third billion pounds of popcorn last year?

That no plant that grows in the United States gives employment to so many men and women as corn?

That there is more health-giving vitamins in corn than in any other grain because it takes longer to mature, and hence absorbs more vitamins from the sun.

That nearly everything we Americans touch, eat or wear is a product of corn and other grains.

That corn processed into cornmeal is feeding millions of children, men, and women in foreign countries, sustaining life just as it did in our country's early period?

That these words of tribute to corn and its place in history and our everyday life could continue for hours and hours?

Mr. Speaker, arrangements have been made with the manager of the House restaurant to serve Iowa tall corn—cornbread—gratis today and on every other Monday, starting next Monday, as a constant reminder that this Nation could not have fed itself through the years had it not been for corn.

You will find a dandy cornmeal cookery book at your table today. Take one to your own cook. She will thank you for it, and your whole family will enjoy the tasty, nourishing food made of the greatest of all foods—corn.

THE TRIUNE RESPONSIBILITY FOR SUCCESS IN OUR MISSILE AND DEFENSE PROGRAM

Mr. **SHORT**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. **SHORT**. Mr. Speaker, I was somewhat startled, but pleased, to hear Secretary of Labor Goldberg on Sunday, July 15, announce during a radio-TV appearance that the administration would consider asking Congress for laws to halt threatened nationwide strikes in the aerospace industry which is making missiles and planes for our defense effort, should two unions involved carry out their threat to strike a week from today.

Part of my astonishment grew out of the fact that on January 10, 1962, I introduced a bill, identical to one introduced last September by Senator John L. McClellan, of Arkansas, which would prohibit strikes by employees employed in certain strategic defense industries.

You all will no doubt recall the series of hearings held by Senator McClellan in April and May of 1961. At that time the Permanent Investigating Subcommittee of the Senate Government Relations Committee, brought to light some truly shocking facts relative to a series of strikes, work stoppages, featherbedding, and other inefficient and uneconomical practices and abuses at Cape Canaveral, Vandenberg, and other missile bases and defense establishments. The Senator introduced his bill, S. 2631, the following September, and I followed with H.R. 9555 on the opening day of Congress this year.

President Kennedy set up his Missile Sites Labor Commission on May 26, 1961, after it had become painfully apparent that labor-management disputes had caused a disastrous loss of time at several missile and space sites. Had Senator McClellan not held his committee hearings, the public still would not be aware of this hampering of our defense effort, and he most certainly deserves our gratitude and thanks.

On January 13, 1962, I sent out a news release, describing the events which led to my decision to introduce H.R. 9555. One of the most impelling reasons, of course, was because in my congressional district the Minot Air Force Base was in the process of planning and building a missile site. This news release has, I feel, taken on added importance as a result of Secretary Goldberg's remarks Sunday. I, therefore, would like to quote from a couple of items included in the release:

> I noted in a speech given last September (1961) by Deputy Secretary of Defense Roswell L. Gilpatric, before the National Security Industrial Association (which is made up of defense contractors), that he stated: "The country has a right to demand of both defense industry and defense establishments a higher level of efficiency." I agree with this statement.
>
> On being questioned as to the likelihood of such legislation being given consideration by the present administration, Congressman Short stated simply that he felt President Kennedy should be more than willing to give his political blessing to such proposals, in view of the many statements he had made while a candidate for the Presidency, regarding our missile lag. He then quoted from two of the many speeches made by President Kennedy during his campaign, one being before the VFW convention at Detroit, Mich., where he said: "The facts of the matter are that we are falling behind—behind in our schedules, behind in our needs, behind the Russians in our rate of progress. The missile lag looms larger and larger ahead—we need to put our Strategic Air Command on an air alert and under wide dispersal—improve our systems of continental defense—step up our antisubmarine warfare effort—increase the thrust of our rocket engines—harden our missile bases." In another speech given at Kittanning, Pa., on Otcober 15, 1960, then-Candidate Kennedy stated:
>
> "I believe that the present rate of growth of the Soviet Union in military strength, particularly in long-range missiles, is greater than ours, and while I believe that today the United States is secure, I believe there is a danger in 1962, 1963, and 1964, that unless we move ahead at a greater rate, we won't meet it."

In view of later remarks I will make on the status of our missile bases and sites at this time, President Kennedy's remarks which I quoted at the time of my news release become peculiarly apropos.

On April 12, 1962, I wrote to Chairman Adam C. Powell of the House Committee on Education and Labor, requesting that he obtain reports on my bill from the interested departments and agencies. Chairman Powell replied April 16, assuring me this would be done.

I heard nothing further on the subject until June 12, 1962, at which time I received a letter from Secretary of Labor Goldberg, transmitting a copy of United for America, the first year's report to the President on the activities and accomplishments of the Missile Sites Labor

Commission. I replied to Secretary Goldberg on June 18, complimenting him for the effectiveness of the Commission's work to date, and again requesting action on the report for H.R. 9555. The Secretary replied on June 19, assuring me that my bill would have immediate attention. Again on June 29, he wrote that the report had now been prepared and transmitted to the Bureau of the Budget, in order that they might ascertain its relationship to the program of the President. I would like to include at this point the following correspondence between Secretary Goldberg and myself:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, June 12, 1962.

The Honorable DON L. SHORT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SHORT: I am forwarding for your information an advance copy of a report to the President by his Missile Sites Labor Commission.

The report will be presented to the President on June 14, 1962, at a ceremony in the White House.

It is gratifying to note the significant improvement in the lost time due to labor disputes at our missile and space sites since the Commission was established.

Since the Commission was established in May 1961, 16,995,500 man-days were worked at missile and space sites and 15,432 were lost due to labor disputes. This represents a ratio of 1,100 man-days worked for each man-day lost. In contrast to this, during the period from July 1956 through May 1961, prior to the Commission's establishment, 17,781,000 were worked and 185,478 lost. The ratio during that period was 96 worked for each day lost.

Although the improvement made since the establishment of the Commission falls short of the ultimate objective of uninterrupted work. It reflects a gratifying measure of successful accomplishment. The representatives of Government, management, and labor engaged in the complex operations of the Nation's missile and space programs have united in a common effort and save for a few disturbing and unfortunate instances have placed the national interest above all other considerations. Voluntary cooperation and a genuine spirit of dedication in achieving the record of the past year is a practical demonstration of freedom and responsibility in labor-management relations.

I am confident that the team spirit which has developed during the past year and the dedication of the personnel engaged in missile site activation to the national interest will result in an improved record during the critical months ahead and that the Nation's missile and space programs will proceed efficiently and on schedule.

Yours sincerely,

ARTHUR J. GOLDBERG,
Secretary of Labor.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 18, 1962.

Hon. ARTHUR J. GOLDBERG,
Secretary of Labor,
U.S. Department of Labor,
Washington, D.C.

DEAR SECRETARY GOLDBERG: I appreciate very much being furnished with a copy of "United for America," and your letter outlining some of the gains made during the past year in efforts of the Missile Sites Labor Commission to improve the work situation at various missile sites.

The Commission is, of course, to be commended for its efforts to solve some of the unpleasant problems which had to be faced. That it has met with a great deal of success in these efforts cannot be disputed. However, I sympathize and agree with your feeling of misgiving that the improvement falls short of the ultimate objective of uninterrupted work, as stated in the fifth paragraph of your letter.

We cannot afford to settle for less than truly dedicated work on the part of all our citizens in this particularly troubled point in our history. The citizens of our country, who are not personally involved, are watching this situation far more closely than perhaps many labor leaders realize. In addition, our friends and enemies in other countries are watching the situation and wondering as to what the outcome will be.

No one with common sense wishes to punish innocent labor leaders and labor unions for the acts committed by the irresponsible ones. The best safeguard against such punishment would be a sincere and determined demand on the part of the innocent ones that unpatriotic and unnecessary strikes be halted not just slowed down. In addition, we all realize that management and the armed services bear a great deal of responsibility to see that our defense efforts are not hampered by a misguided few. Human nature being what it sometimes is, this may be a difficult thing to achieve but it must be done. If it is not, I am afraid there well be a demand on the part of the public and then the Congress for laws which will force these elements to think more in terms of their responsibility to this Nation, its welfare, and its security. I well realize this is what the Missile Sites Labor Commission desires to bring about, if at all possible, and wish it all success.

Meanwhile, I would be grateful for a completely objective report on my bill H.R. 9555, which is identical to the one introduced last September by Senator MCCLELLAN, regarding strikes at missile sites and other defense facilities. Since this legislation is obviously bipartisan, I want to assure you that my interest is not politically motivated. I have been truly concerned with the situation, as I know you also are. It is my feeling that standby legislation of this type could result in an increased feeling of confidence in the administration on the part of the American people. The labor leaders and labor unions who have not or do not desire to offend in this particular area will have no reason to object. The ones who do offend and who expect to continue their actions without regard to the consequences to their country will have forfeited the right to object. These comments apply equally well to management, if it acts irresponsibly.

Again, thank you for your courtesy in furnishing the report. I will be happy to read it and appreciate any further material you care to send on this subject.

Sincerely yours,

DON L. SHORT,
Member of Congress.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, June 29, 1962.

Hon. DON L. SHORT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SHORT: This is in further reply to your letter of June 18, 1962, concerning a report on your bill H.R. 9555.

The Department of Labor has given careful consideration to H.R. 9555, a bill "to prohibit strikes by employees employed in certain strategic defense facilities," and a report on the bill, pursuant to a request from the chairman of the Committee on Education and Labor, has been prepared. This report has been transmitted to the Bureau of the Budget so that we may ascertain its relation to the program of the President.

As soon as we have received the necessary advice from the Bureau of the Budget, our report will be sent to the committee. We shall be glad to send you a copy if you desire or you may wish to request a copy from the chairman of the committee.

Yours sincerely,

ARTHUR J. GOLDBERG,
Secretary of Labor.

In checking today with the House Education and Labor Committee as to whether or not the report had been received, they advised that while it had not a further check would be made on the matter.

I have given this little chronology of events in order to explain my being startled and pleased at the remarks of Secretary Goldberg this past Sunday, and also to make it clear to the Members of Congress that both the House and the Senate have had for some time bills which would make it unlawful for strikes to be carried out on missile sites and defense installations. I understand why a delay took place because it was fair and necessary to afford the Missile Sites Labor Commission a fair opportunity to prove if it could effectively stop such disastrous strikes and work delays which had hampered our defense effort along these lines so badly. I want to say that I am delighted to find Secretary Goldberg agrees with my conclusion, and with Senator MCCLELLAN's—the voluntary compliance is not enough—that we must have laws dealing with this particular problem in a three-way direction. By that I mean, placing the responsibility on not only labor, but also management, and the military-government aspect of our defense effort.

In the report United for America, a "before and after" chart is shown indicating that between July of 1956 and May 1961, more than 185,478 man-days were lost out of 17,781,000 man-days worked. These were due to labor disputes at our Nation's space and missile sites. Between June 1961 and May 1962—after establishment of the Missile Sites Labor Commission on May 26, 1961—the record shows 15,432 man-days were lost out of 16,995,500 man-days worked. This would indicate that the lost time experienced had been reduced to an all-time low of 1 man-day lost for each 1,100 man-days worked, compared to the previous record of 1 man-day lost for each 96 man-days worked. It later developed at the Minot Air Force Base missile site in my North Dakota district—which is in the early stages of development—that their record shows 55,000 man-days worked through June 30, 1962, with no man-days lost. For this I am proud, and grateful to all those involved in the work at that site.

Secretary Goldberg, in his transmittal letter included in the report, ended with these remarks:

> Mr. President, of course we would like to have a perfect record, but since we are dealing with human beings, perhaps this is too much to be expected. We can, however, and I am confident will, do better than the extremely good record of the past year.

I have felt, and I am sure others join me in this feeling, that the Missile Sites Labor Commission and Secretary Goldberg have accomplished fine results in their effort to achieve voluntary compliance or cooperation from labor and management in dealing with labor disputes which arose from time to time.

My misgivings, set forth in my June 18 letter to Secretary Goldberg, were similar to his—that is, we were "dealing with human beings." However, we were dealing from a position which lacked real strength and which depended entirely on voluntary compliance and cooperation of all those involved. Our missile effort is a new field. It is understandable that disputes would rise and uncertainties exist. It is also understandable that human beings, especially under such circumstances, do not always achieve that undivided and undiluted spirit of cooperation and loyalty to their government which we all would like to see, and often those who do achieve it are hampered in their effort by those who have not. As proof of this we all should recall the whys and wherefores surrounding the passage of the Taft-Hartley Act, which most certainly grew out of abuses by some labor elements during wartime. These abuses took place at the same time our boys were dying overseas in World War II, and most of us can recall the wave of public antipathy which brought about passage of the Taft-Hartley Act, and which maintained that act in force in spite of the intense efforts to replace it with the Wagner Act.

It is sad, but true, that some few labor leaders and labor unions can blacken the record of the whole labor union movement. This may not be fair, but it also is an unpleasant fact of human nature.

We have faced the unpleasant facts of human nature repeatedly in passage of various criminal laws. This obviously does not mean that every citizen is considered a potential criminal, just because such laws have been placed on the books. Neither should the passage of necessary labor-management laws mean that every labor leader or laborer, or every representative of management is potentially irresponsible and unpatriotic.

The public, however, is increasingly showing its awareness that something is wrong in labor-management-Government relations. Times and circumstances change and we all know we are now in the midst of a cold war which could change at any time into a hot war. If labor-management-Government could forget their natural suspicions and work out equitable and fair arrangements with regard to our defense effort, that would be the perfect solution. However, judging from some of the labor-management controversies in the past and present, this is easier said than done. Therefore, Congress has the duty, and the legislative machinery whereby laws can be passed to protect the security of this Nation and the welfare of its people. Proper precautions should be taken—and must be taken—to protect both labor and management. The end result will be to protect all our people and all our economy.

The defense of our Nation makes it all important to insure that no strikes or disputes of any kind should be allowed to hold up work at the 24 missile sites now opening up all across America. It has been reported publicly that in the coming network of U.S. missile bases, we are to have a total of 129 Atlas missiles at 11 bases all ready by the end of 1962. At this time only half the Vandenberg missiles are in place. We expect to have a total of 108 Titan missiles at 8 bases by the end of 1963. Of these, 54 Titan I missiles are to be ready by the end of 1962, and 54 Titan II missiles are to be ready by the end of 1963. Again, 800 Minuteman missiles are now planned at 5 bases. By the end of 1962, 20 to 50 missiles are expected to be ready, and almost all of the 800 are scheduled to be ready by the end of 1964.

This is only a part of our defense effort shaping up. None of us are naive enough to believe it is not necessary to make this effort. We do not intend it for purposes of attacking, but to assure ourselves we will not be attacked.

This, very simply, is why I felt impelled to cosponsor a bill introduced by Senator **McClellan**, and H.R. 9555 and S. 2631 are now before the Congress.

As a short analysis, H.R. 9555, which is made up of six sections, states simply that it is intended to "prohibit strikes by employees employed in certain strategic defense facilities." Section 1 defines certain strategic defense facilities as "any facility, institution, or establishment engaged in, or a purpose of which is to engage in, the designing, development, production, testing, firing, or launching of munitions, weapons, missiles, space vehicles, or any part, product, or material essential to such designing, development, production, testing, firing, or launching."

The term "strike" is defined in section 1(2) of my bill. The term "labor dispute" is defined in section 1(3), and concerns any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment regardless of whether the disputants stand in the proximate relation of employer and employee.

Section 2 deals with the prohibition of strikes. It states that it shall be unlawful for any person employed at a strategic defense facility to engage or participate in a strike, or for any labor organization or other person to coerce, instigate, induce, conspire with, or encourage any person so employed to engage in a strike.

Section 3(a) concerns settlements of disputes. It provides that the Secretary of Defense, upon receiving valid notice that a labor dispute exists and the parties involved have been unable to reach a settlement, shall appoint an emergency board for the purposes of such dispute. The emergency board is to consist of one public member, appointed by the Secretary of Defense, and one member designated in writing by each of the parties to the dispute. A separate board is to be appointed for each dispute. This must be done within 1 week after appointment of the public member, otherwise the Secretary is empowered to appoint such members. The party naming these members is to be responsible for their compensation, and the Secretary is to be responsible for reasonable compensation and other expenses of his appointees, while they are serving on the emergency board. When the emergency board has concluded its work, and has been dissolved, its records are to be transferred to the Director of the Federal Mediation and Conciliation Service.

The emergency board is given the power to sit and act at any place within the United States, and to conduct necessary and proper hearings to ascertain the facts, as well as the power of subpena under sections 9 and 10 of the Federal Trade Commission Act.

All parties involved in the dispute have the opportunity to be present or represented by counsel, and to present relevant oral and documentary evidence pertinent to the issue or issues. The board shall consider and be bound only by evidence submitted on the record, and is required to make a written finding of fact within 60 days following its appointment, and to promulgate an order adjudicating the issue or issues.

Where valid contracts are in effect, defining rights, duties and liabilities of the parties with respect to any matter in dispute, the emergency board has power to determine proper interpretation; and application of the contract provisions involved. If wage rates and other conditions of employment under either proposed new or proposed amended contracts are causing the dispute, the board shall establish the rates of pay and conditions of employment which are fair and equitable to the parties. There are to be no retroactive orders relating to wages or rates of pay before termination of any contract which may have existed between the parties. The emergency board order will be binding upon and control the relationship between the parties for a 1-year period, excepting to the extent modified by mutual consent or agreement of the parties.

Section 4 of my bill deals with enforcement provisions. U.S. district courts, upon petition of the Attorney General, shall have the power to issue injunctions, restraining orders, or other appropriate process, to enjoin violations of section 2; that is, prohibition of strikes, or compel compliance with the emergency board orders under section 3; that is, settlement of disputes. The court jurisdiction is not to be limited, in granting such relief, by provisions of sections 6 and 20 of the Clayton Antitrust Act, approved October 15, 1914 (15 U.S.C. 17 and 29 U.S.C. 52), and the Norris-LaGuardia Act, approved March 23, 1932 (29 U.S.C. 101–115).

Section 5 of my bill provides for the listing of strategic defense facilities, to be prepared and published in the Federal Register by the Secretary of Defense. In cases where, for security or other reasons, such strategic defense facility is not included on the published list, the Secretary shall notify the parties involved in the dispute that such facility is a strategic defense facility and comes under the provisions of the act.

Section 6 embodies a saving provision. This prevents the forcing of an individual to render labor or service without his consent. It also provides that if such individual quits his job, this act on his part shall not be considered to be a strike.

I do not feel it necessary to go to Congress with a long and involved labor-management bill, particularly where the defense and security of our Nation is at stake. No one—and I do not believe there is a Member in either body of this Congress who would disagree with this statement—should object to a fair and equitable division of responsibilities between labor and management, as well as the military and Government officials, when it becomes necessary to implement and protect the security of our country.

In a report issued by the Senate Government Operations Committee, dated March 29, 1962, entitled "Work Stoppage at Missile Bases," the following statement was made:

> It is therefore obvious that our ballistic missile programs, and in some measure our space programs, provide the bulwark of our national survival. Our national existence is tied to the success of these programs. Under such circumstances, it seems inconceivable that any group of Americans would impede in any way the construction of missile launching sites and the installation of ballistic and space missiles. The stakes in our mortal struggle with the unscrupulous leaders of world communism would seem to be far too high to permit any man's conscience to allow him to bear any responsibility whatsoever for increasing our danger.

The report outlines a dismaying story of mishandling the work, inefficiency or worse at our missile sites. Time and space will not permit me to go into detail but to call it shocking is to clearly understate the case. Our man-in-space program was seriously retarded, according to testimony of the operations manager responsible for the Atlas military weapon and space program at Cape Canaveral. This manager, however, also made it clear that there were several other factors involved, such as lack of decision on the part of the Government, lack of decision on the part of our Department of Defense, and lack of decision on the part of management. Portions of the report deal with union responsibility. Other portions dealt with the military supervision, in which apparently there were serious flaws. Still other portions deal with the failures of management.

The Congress, through criticism in the report of the Davis-Bacon Act—which concerns prevailing local wages in the construction trade—came in for its share of blame. Some testified that this law should be clarified since construction is such an important part in the early phases of missile site and defense installations.

The Department of Labor came in for its share of the blame, in this report, because of its interpretation of the Davis-Bacon Act with reference to the construction work at the defense and missile sites.

Several legislative and administrative reforms were suggested, and the findings and conclusions of the subcommittee dealt with the three-way responsibility of labor, management, and military and Government.

I do not plan to quote from the findings and conclusions since this committee report is available to any Member and/or citizen who cares to read it for themselves. However, under the portion entitled "Corrective Measures," I would like to quote from sections 18 and 19:

> The subcommittee is at a complete loss to understand how these conditions, which have resulted in inexcusable delays and needless expense, could have continued for 4½ years without any spokesman of labor, management, the military or the Federal Government bringing them forcibly to the attention of the Congress, the President, or the public.

Section 19 continues:

> Although this condition had existed for 4½ years, decisive action was not taken until this matter was exposed by the subcommittee in open hearings. Thereafter the President, by Executive order, established the Missile Sites Labor Commission, and the Secretary of Labor established the Missile Sites Public Contracts Advisory Committee.

We have now come a complete circle. After a year of intense effort to gain voluntary compliance and cooperation through these Commissions, if the Secretary of Labor now feels it necessary to threaten passage of a law by Congress to control labor-management and military government, I am convinced this should be done—and without further costly and dangerous delay. The person who can bring under control this modern-day example of the Greek mythological three-headed animal, Cerberus, will indeed be another Hercules.

If we need such legislation, let me commend my bill, H.R. 9555, to your attention. This is a simple, fair, and workable bill. It does not call for complicated legal maneuverings. It simply states the problem, and offers a simple and equitable solution. Time may be running out too swiftly for us to go into elaborate and complicated legislative measures. We must now face the realities of our situation, evaluate the problem, and by taking action, provide the solution. Those who wish to quibble endlessly on labor-management problems have many other areas into which they can go.

When Secretary of Labor Goldberg stated, "We cannot afford a strike in our missile manufacturing plants. The security of all of us depends on uninterrupted production," I believe he had faced the realities, evaluated the situation, and come to the conclusion that a law to provide the solution was indeed necessary. In any event, I believe it, the public believes it, and union members and their families believe it. I base this last remark on an article in the National Independent Labor Journal of June, 1962, entitled "Gallup Poll—Public: Treat Unions Same as Steel." In the article it was found that in a nationwide poll, the public's reaction to the steel-price crisis showed that 58 percent of an estimated 76 million—7 out of 10 persons—had a favorable reaction to President Kennedy's action against the steel companies in regard to the announced price change. Five percent showed mixed feelings. Twenty-two percent showed unfavorable feelings, and 15 percent, no opinion. However, the poll went ahead to discuss labor unions in big industries asking for wage increases, and asked how the people interviewed would like to see President Kennedy take action to get unions to reduce their demands. The vote showed that 68 percent thought "Yes; should." Nineteen percent thought "No; should not." "Thirteen percent showed "No opinion." "The most striking thing about the poll, to my mind, showed that among union members and their families the vote indicated 63 percent felt "Yes; should." Twenty-six felt "No; should not," and only 11 percent expressed "No opinion."

Let me reiterate that H.R. 9555 concerns only the defense and security of our country and our people. It does not unduly punish one group, while pampering another. It does, however, insure continuing, constructive, and dedicated effort on the part of all groups involved in our defense effort—toward the end that this Nation might endure, and that "this Government of the people, by the people, and for the people shall not perish from the earth."

PROCUREMENT POLICY OF THE DEFENSE DEPARTMENT

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I note with satisfaction that the morning newspapers carry a story revealing that the Defense Department is to announce shortly a stiffer procurement policy, more in line with this Nation's economic needs and welfare, for the purpose of reducing our balance-of-payments deficits. It was precisely this sort of action which I had in mind and which I had hoped to encourage when I last week expressed irritation and bewilderment concerning the Army's procurement of, since 1957, over 78,000 military vehicles for nearly a quarter billion dollars from Japanese manufacturers under the military assistance program for our Far Eastern allies. In this particular case, I maintained that the Pentagon had employed a false cost comparison in claiming that the cost differential of the half-price Japanese trucks prevented the purchase of U.S. trucks because they ignored the new tax revenues created when the U.S. Government buys U.S. goods—40 cents on every dollar so spent according to the President's own budget estimates of a year ago. It is my earnest wish that this new look in military procurement will include a more realistic cost comparison between U.S. goods and foreign goods.

But as of today, I must say that I am heartened by this action of the Defense Department and look forward to the reports of the results of its early implementation. With our continuing unemployment and critical gold-flow problems, the effective use of this new policy is absolutely essential if we are to squarely meet our responsibility to keep this Nation's economic posture sound, which we must do if we are to keep this Nation strong and free.

SUBSTITUTION OF CONFEREES ON S. 2996

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to be excused from service as a conferee on the bill S. 2996, to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The SPEAKER. The Chair appoints as a manager on the part of the House at the conference on the disagreeing votes of the two Houses to the bill S. 2996 the gentleman from Illinois, Mr. CHIPERFIELD, to fill the existing vacancy thereon, and the Clerk will notify the Senate of the action of the House.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

ONE HUNDRED YEARS OF NATIONAL CEMETERIES

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. RUTHERFORD] is recognized for 45 minutes.

Mr. RUTHERFORD. Mr. Speaker, I rise today to do two things—first, to call to the attention of the House that today is the 100th anniversary of the founding of our national cemetery system and, second, to announce that I am introducing a bill which, when it comes before the House, will give us an opportunity to decide whether that system should be abandoned or perpetuated.

The national cemetery system came into being, Mr. Speaker, on July 17, 1862, when President Abraham Lincoln put his signature on an omnibus bill, one section of which gave the President "power, whenever it shall be expedient, to purchase cemetery grounds, and cause them to be securely enclosed, to be used as a national cemetery for the soldiers who shall die in the service of the country."

We had had isolated post and garrison cemeteries before, but this act gave us the beginnings of a truly national system. In the 100 years that have passed since then, we have come to be proud of our national cemeteries as we are proud of the men who have been laid to rest there and proud of the opportunities to go there on our Decoration Days—or, if you prefer, Memorial Days—to remind ourselves of their service to our country.

"The world will little note nor long remember what we say here, but it can never forget what they did here," were Lincoln's words when he dedicated Gettysburg. This was not sentimentality—this was a just appraisal of the worth of the spot at which he spoke, and, I hope, a wonderfully true prediction of the attitudes of generations then and now unborn. The poppies in Flanders Field and the row of ordered stones at Carthage in North Africa tell the same story. They make the same appeal to us to remember for all time to come that, but for the valor of the men who lie there, ours might not be a life worth living.

> Let us now praise famous men, and our
> fathers that begat us—
> Such as did bear rule in their kingdoms,
> men renowned for their power,
> Leaders of the people by their counsels, and
> by their knowledge.
>
> * * * * *
>
> All these were honored in their generations,
> and were the glory of their times.
> And some there be, which have no memorial; who are perished, as though
> they had never been.
> Their bodies are buried in peace; but their
> name liveth evermore.

We cannot be content, Mr. Speaker, as these verses from Ecclesiasticus remind us, to think of the great alone. We must not be satisfied to celebrate only the outstanding. There are others, too—the humdrum backline soldier who never saw shellfire but who kept the ammunition moving forward, the peacetime sailor without whom we would not have a wartime Navy, the lonely pilot on the routine flight which fails to come home. God grant that the services of such men as these will never be needed for anything more militant, but may we also remember that they are part of that cloud of witnesses with which we are compassed about and be taught by them to run with patience the race that is set before all of us.

This, Mr. Speaker, is the course that our Nation has chosen. We have not closed the gates of our national cemeteries and posted on them signs saying "Heroes only," "No admittance to the first three grades," "Only wartime veterans need apply."

Indeed not. We have, by statute, published it abroad that our national cemeteries are open to all without regard to rank, to color, to heroism—open to all whose service has been honorable.

Our national cemetery system did not, of course, begin with this in mind. The first step in 1862 was to provide for soldiers who died in the service of their country. The next important step came in 1873 which enlarged the eligibility list to include all "honorably discharged soldiers, sailors, or marines who served during the late war, either in the regular or the volunteer forces." Wives, widows, and minor children became eligible in the years following this, and after World War I the list was further expanded to cover all who had theretofore or should thereafter serve during any war in which the United States engaged. And in 1948, eligibility was still further broadened to include peacetime veterans.

These are the eligibility standards that the Congress of the United States has set up and announced for all to hear.

But have we told the truth? Or are we holding out false promises? Have we told the truth in New England where we do not have a single national cemetery? Are we holding out false promises in California where the Golden Gate Cemetery will close 3 years hence and the Fort Rosecrans National Cemetery a year later, or in Philadelphia and New Jersey where Beverly National Cemetery will close 2 years from now? Are we telling the truth or holding out false promises to these men when we say, as we have been told we must say, that we have no better policy than to allow our national cemeteries to fill up and then to close them for good?

Mr. Speaker, I have not invented this. The plain fact is that we have been generous in enlarging the number of those who are eligible for burial in our national cemeteries and, at the same time, we have been holding back on providing the space that we must have if we are to accommodate them.

I say this is wrong and I have long thought so. So this spring our Subcommittee on National Parks, to which the subject of national cemeteries is committed, held hearings on the subject of national cemetery policy. We asked for suggestions from the Armed Services Committee and the Veterans Affairs Committee. We invited everyone who wished to do so to appear—Members who have bills pending before us, the Department of the Army, the Bureau of the Budget, veterans' organizations, and representatives of private, church, and municipal cemeteries. Everyone agreed that there is a problem. The Members and the veterans' organizations called for modest expansion in the system. The private organizations, for the most part, advocated closing out the program. This, too, I regret to say, was the position of the Department of the Army and the Bureau of the Budget.

Yet, I do these two agencies an injustice. Neither they nor the other opponents of expansion quite say what I have just said they say. They say the whole national cemetery system must fold up except for Arlington. Even so, they are wrong. The faster we clear our Beverlys, our Fort Rosecranses, our Long Islands, our Golden Gates, our Fort Sam Houstons, the faster Arlington will fold up, too. Even if all the Government-owned lands next to Arlington are developed for cemeterial purposes and even if the present rate of burial there is not accelerated with the closing of our other great national cemeteries, Arlington will be filled by 1988. And where, then, do we stand? Where is there more land in its vicinity to be developed? You know the answer, I know the answer, and they know the answer. There is none.

I want to do the Department of the Army fairness in another respect. Back in 1945, they supported bills to expand the national cemetery system and ran into trouble here on the Hill and elsewhere. The result was that nothing happened. The result is the almost complete standstill that has prevailed since that time.

But, Mr. Speaker, let me say this on this 100th anniversary of the founding of our national cemetery system. There are 55 bills currently before Congress calling for the expansion of this, that, or the other national cemetery or for the establishment of this, that, or the other new national cemetery. There were only 29 such bills during the 86th Congress, 18 during the 85th, 19 during the 84th, 16 during the 83d, and 15 during the 82d. The tide is rising. The Members who introduced these bills have been turned down. They are not going to let the matter rest there, and I am not going to let it rest there.

Today, I have introduced a 56th bill, not because I want to add still another to those that have been turned down, but because I believe strongly that we need a new approach to the problem and because I believe the Congress should be given a clear-cut opportunity to face its responsibilities, to decide whether we go forward or whether we close out the cemetery system as we and our predecessors have known it. My bill is the product of long, hard hearings and of much research. I do not say, I could not say, that it is the last word, but I do say that it will give us the opportunity that we all need to take this subject up with our constituents and with our consciences. My bill embodies three principles:

First. It provides for the establishment of a National Cemeteries Site Selection Board to advise the Congress where new national cemeteries should be located. I do not believe we can afford, legislatively, to consider national cemetery bills one by one. Local considerations play too great a part for this to be successful. I think it is safe to say that there will be no new cemeteries authorized until we have an overall policy and until we have better machinery to work with than we now have. Only then will we have a means of bringing our system into better balance.

Second. My bill is based on my belief that our communities and States will do themselves and the Federal Government a world of good if they demonstrate in some concrete form their willingness to participate in the costs of establishing and enlarging national cemeteries. My bill therefore provides that new national cemeteries and enlargements of existing cemeteries shall not be undertaken except on land which the Federal Government already owns or on land which is donated to it for this purpose. In this, I differ from some of my colleagues, but it is a principle in which I believe, since by this means our local communities and our veterans' posts will have the chance to demonstrate their interest and to take on a proper share of responsibility.

Third. The bill provides that a portion of the costs associated with burial in a national cemetery shall be borne, in the case of persons who are also eligible to receive the standard Veterans' Administration burial allowance, from that allowance. My present thinking runs in terms of $100, but I am not wedded to this or any other particular figure.

By these means, Mr. Speaker, I hope that we can get over the inertia that afflicts our national cemetery system today. If my bill, or any other bill introduced today, helps us to do this, the 100th anniversary of the foundation of the national cemetery system may well come, 100 years from now, to be as important to those who are then living and concerned with the welfare of veterans and their families, as today is to us. Mr. Speaker, I hope that all Members will give their wholehearted attention to legislation along the lines I have outlined and that they will agree with me that the national cemetery system is something precious, that it is not something that is going to be allowed to wither on the vine, that we cannot escape our obligation to decide whether to abandon or perpetuate, that we must fix national policy one way or the other. The problem is apparent, the issue is clear, the decision will be yours.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. RUTHERFORD. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Speaker, first permit me to commend the gentleman from Texas [Mr. RUTHERFORD] for his fine presentation of a very pressing and serious problem.

Mr. Speaker, this is the 100th anniversary of the founding of the national cemetery system. The celebration of such an anniversary obviously does not invite the kind of fanfare that we have been going through recently in connection with other noteworthy events—the land-grant college anniversary, for instance, or the homestead law anniversary, or the anniversary of the foundation of the Children's Bureau. It calls, rather, for reflection on what the national cemetery system symbolizes for us and what our plans for the future of that system should be.

A survey of funeral customs through the ages, Edward Steere tells us in his book, "Shrines of the Honored Dead," reveals a universal desire to confer special honors on warrior dead. Despotic and democratic states alike have cultivated this urge, one seeking enhancement of its glory and prestige in the eyes of its subjects and the other endeavoring to deepen a sense of devotion to the commonwealth in the hearts and minds of its citizens.

The democracies of ancient times accorded honors with great elaboration of method and deep expression of feeling. Thucydides, the Athenian general and military historian, described in a celebrated passage the funeral ceremony of 436 B.C., when the dead of the first year of the Peloponnesian War were returned to Athens and buried in the state cemetery. The bones of the deceased were borne in cypress coffins, one for each tribe. Accompanying the cortege was an empty bier, decked for the missing whose bodies could not be recovered. The dead were then laid to rest in the public sepulcher, situated in the most beautiful suburb of Athens. On the occasion of this funeral, Pericles delivered his immortal funeral oration.

It is a strange fact of history that only within recent time has a modern democratic state attempted to emulate the Athenians in the homage they paid their warrior dead. On July 17, 1862, the Congress of the United States enacted legislation which authorized the President to purchase cemetery grounds to be used as national cemeteries for the burial of those who had died or were to die on active duty in the service of their country. Although it is not to be supposed that our system of national cemeteries sprang full-born from this act of Congress—post and garrison cemeteries date back almost to the foundation of the Republic—this act and the Civil War revolutionized Army burial practices. Just as the Athenian democracy had appreciated the benefits of paying signal honors to its citizen-soldiers who fell in battle, so now the United States took upon itself the task of affording a decent burial to those who gave their lives in defense of the Republic.

Pursuant to the authority of the act of July 17, 1862, 14 national cemeteries were created in the latter half of that year; 8 were created in 1863, including the Gettysburg National Cemetery; and 5 were established in 1864, of which Arlington is the most famous. The total established reached 81 by 1899, but from that time to this only 17 more have been added, and the total now stands at 98.

Today we are on the verge of abandoning this great system of ours by default. No new units have been added to the national cemetery system since 1948 and many of those that were established before that time are rapidly filling up. Abandonment is the official position both of the present administration and of its predecessor. Abandonment it will be, too, unless the Congress is willing to face the problems, the difficult problems, the expansion involves. Mr. Speaker, the best way in which we can commemorate this 100th anniversary is to resolve that this shall not happen. For myself, I am ready to do so here and now.

Let me set forth a few highlights to show how badly we have allowed our national cemetery program to fall behind.

First. We have a very lopsided system. There is a great concentration of national cemeteries in the South and Southeast. But there are no national cemeteries in the whole of New England, none in the intermountain portions of Colorado, Idaho, Wyoming, Utah, Nevada, and Arizona, and none in Michigan, Wisconsin, Ohio, and Indiana.

Second. We have added enormously to the population that is eligible for national cemetery burial without any commensurate increase in national cemetery capacity. This is the result of two factors—the enormous increase in our veteran population which resulted from World War I, World War II, and Korea and which UMT is continually adding to, and our 1948 enactment which made eligible all present and former members of the Armed Forces whose service terminates honorably, plus their wives and minor children. As of December last year, it is estimated that there were nearly 22,500,000 veterans eligible for burial in the national cemeteries with only 1,200,000 unoccupied grave sites available throughout the whole system. These 1,200,000 grave sites are sufficient to accommodate only about 4 percent of the eligibles or not more than a third to a half of those for whom national cemetery burial is likely to be asked, even with the present inequitable geographical distribution of national cemeteries and on the assumption that the percentage of those dying hereafter who choose such burial is no greater than it has been in the past.

Third. The available space in those cemeteries that are closest to centers of veterans population is being exhausted rapidly. Beverly National Cemetery, which serves the Philadelphia area, will be filled by 1964. Golden Gate National Cemetery, in San Francisco, will close in 1965. Fort Rosecrans, in San Diego, will close in 1966. And Long Island National Cemetery will be filled within little more than 10 years. Arlington, the paragon of all our national cemeteries, cannot be expected to last beyond 1988 even if all available Federal land in its vicinity is added to it and even if the closing of other national cemeteries does not increase the load it must carry.

Mr. Speaker, we cannot in decency let our national cemetery system go by default. Either we must adopt a more responsible attitude toward the obligations which we have deliberately and knowingly taken on ourselves—the hopes we have deliberately and knowingly held out to our veterans—or we must institute some sort of rationing system. I choose the former.

I have introduced a bill today to indicate what I believe will be a workable method of operating in the future. It is similar to the bill which the gentleman from Texas [Mr. Rutherford] has introduced in that it creates a permanent Board to advise Congress on proper sites for the establishment of new national cemeteries and for the expansion of old ones. It is similar, also, in its provision for a reduction in Veterans' Administration burial allowances to the survivors of those who are hereafter buried in national cemeteries. It differs in the matter of requiring local communities to share the cost of the national cemetery system by contributing land. I arrived at my proposal, as did the gentleman from Texas to whom I have referred, after thinking carefully about the testimony that our Subcommittee on National Parks took a few months ago on the subject of national cemetery policy.

I invite all Members, particularly the over 50 who now have bills in to authorize the creation of new national cemeteries or to expand old ones, to study our bills. Without claiming that we have found perfect solutions, I am sure that they will agree that it is urgent that we devise some new approach to this probem, that it is hopeless to rely on the individual piecemeal approach that we have used in the past.

Mr. Speaker, ours is a great heritage. Our veterans, present and future, deserve our best thoughts on this 100th anniversary date. Let us not forget them.

Mr. RUTHERFORD. Mr. Speaker, I will say to the gentleman that his analysis of Arlington National Cemetery, the most respected and the most recognized nationally, is correct, because the burials there now are near the capacity of the cemetery. With the closing of the other cemeteries, the closing of Arlington will be accelerated.

I might point out to the gentleman that it is also significant that in this same period which marks the 100th anniversary of Arlington National Cemetery we have the 100th anniversary of the origin of taps, which has now become the last tribute paid to those who have paid the supreme sacrifice. Also the origin of the Congressional Medal of Honor comes in this same period, some 100 years ago.

Mr. Speaker, I should like to thank the gentleman from Pennsylvania [Mr. Saylor], who is the ranking minority member on the full committee as well as the Subcommittee on National Parks, for his many kindnesses as well as his contributions in trying to afford the House an opportunity to reach a decision. That decision is clear; either we lock the gates, after filling all of the present national cemeteries, or we continue under the provisions of some bill, the gentleman's bill, or the bill that I have proposed; and I am certainly not wedded to all of its provisions. We should afford the House an opportunity to work its will and to say whether or not it wants to abandon the fields of honor or to perpetuate them.

Mr. SAYLOR. Mr. Speaker, I think the gentleman is correct. I commend him for taking this time to bring this matter to the attention of the Congress.

ADMINISTRATION SHOULD ACT NOW TO SETTLE JURISDICTIONAL STRIKE AT EASTERN AIR LINES

The SPEAKER pro tempore (Mr. Price). Under previous order of the House, the gentleman from North Carolina [Mr. Jonas] is recognized for 15 minutes.

Mr. JONAS. Mr. Speaker, in a speech to the House on July 12, I urged the appropriate committees of Congress to propose legislation which would outlaw jurisdictional strikes such as the one that has closed down Eastern Air Lines since June 23. Such legislation would of course be permanent and would prevent the occurrence of similar strikes in the future.

On the following day, July 13, 1962, I made another statement to the House pointing out that a settlement of the current jurisdictional strike at Eastern Air Lines could not await congressional action on permanent legislation. This was based upon the fact that the current strike has cost the jobs of 18,000 Eastern Air Lines employees with a daily loss in pay of $367,000, is costing Eastern Air Lines $1 million a day in loss of revenue, and is causing substantial hardship to the traveling public by disrupting air service in the many communities served by Eastern, the strike having grounded more than 60 daily flights in and out of the city of Charlotte, N.C., alone.

On that same day, namely July 13, 1962, Senator Monroney, of Oklahoma, for himself and other Senators, introduced a bill, S. 3540, which would amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry. The effect of this bill would be to prevent such jurisdictional strikes as the current one at Eastern Air Lines.

Some objections have been raised to the use of compulsory arbitration procedures in the settlement of labor disputes, and in effect the Monroney bill contemplates compulsory arbitration, but Secretary of Labor Goldberg stated on Senator Keating's radio and television program beamed to New York stations on July 15, 1962, as follows:

> I draw a distinction between compulsory arbitration and resolution of jurisdictional disputes. In the Taft-Hartley Act there is a provision for resolving jurisdictional disputes which the Supreme Court has directed the Labor Board to do. Nobody regards that as compulsory arbitration. We're resolving a dispute between two unions which an employer has been unable to resolve.

I concur in the view stated by Secretary Goldberg in the Keating interview. The Eastern Air Lines strike is not an ordinary strike involving a dispute between labor and management over wages and working conditions. It is simply a jurisdictional dispute between rival unions to determine which will handle which job in the operation of commercial aircraft. It is intolerable that the public should be forced to continue to suffer hardship, and that innocent persons should continue to sustain substantial damages, as a result of such a jurisdictional dispute. The public interest dictates that this dispute be resolved and that this strike end forthwith.

I am today introducing a bill similar to the one introduced in the Senate on July 13 and urge that the committee to which it will be referred schedule immediate action to the end that the House of Representatives may have an opportunity at the earliest possible date to take positive action looking to the prevention of such jurisdictional strikes.

But in the meantime the jurisdictional strike at Eastern Air Lines goes on. A prompt settlement of this strike is imperative and cannot await congressional action on permanent legislation.

The President of the United States mobilized the massive powers of the Federal Government to force a rollback in prices of steel. He was able to bring into play the power of the Department of Justice, including the FBI, the Internal Revenue Service, and the procurement sections of the Department of Defense. He used harsh language in accusing steel industry leaders of being selfish and acting contrary to the national interest. Later in a speech at Yale he stated that the President of the United States was not powerless to act in what he considered to be the public interest.

In my judgment it is long past time when the President of the United States should make use of his vast powers to bring about a settlement of this dispute, which certainly is damaging to the public interest. I most respectfully urge the President to act as aggressively to protect the public interest in this case as he did in the steel price case. I also most respectfully request him to send a message to Congress urging the prompt enactment of permanent legislation to prevent a recurrence of such jurisdictional strikes.

In my opinion the Federal Aviation Agency has authority under existing law to issue a rule which will make this jurisdictional dispute academic and thereby bring about a settlement.

In a May 24, 1961, report to the President by the Feinsinger Commission, which was established by Executive Order 10921, as amended, the Commission included the following statement:

> If this controversy is not resolved consistently with the guidelines which the Commission has outlined in an industrial relations context, it might reasonably be considered as having passed beyond the stage of a labor dispute into the realm of a safety problem, meriting the consideration of the appropriate Federal authorities. Such consideration, the Commission anticipates, will include a complete review of the crew complement requirements, including the number of flight crew members and their respective qualifications, training, and assigned duties.

On page 7 of the Feinsinger Commission's May 24, 1961, report to the President, the Commission points out:

> The Federal Aviation Act vests in the Administrator of FAA power and duty to promote safety of flight of civil aircraft in air commerce by prescribing and revising from time to time * * * such reasonable rules and regulations, or minimum standards * * * as the Administrator may find necessary to provide adequately for national security and safety in air commerce.

The present Administrator of the Federal Aviation Agency, Hon. Najeeb Halaby, is on record as having acknowledged that his agency does have the responsibility and the authority to act aggressively in such jurisdictional disputes. This was made clear by Mr. Halaby on May 9, 1961, before the Feinsinger Commission. The following statements of Mr. Halaby are quoted from a release issued by the Commission on May 11, 1961:

> Mr. HALABY. Thank you, Nate, Keith, gentlemen, for letting me have a few words with you. I could echo without any dissent what Arthur Goldberg has said. It seems to me that all of us are on trial. We are in a crisis in the world, and in our particular aviation community I think we are in the greatest crisis we have ever been in. Public confidence in the aviation community is at stake. We find it in terms of air traffic control, not only safety but convenience and efficiency. I find it in our own rulemaking and rule-enforcing in the Government. A lot of improvement is in order and will be made. I find it in what has been referred to as the political crisis in the cockpit, where the public is uneasy about what is going on behind that door.
>
> I have had the opportunity and privilege of advising Secretary Goldberg and consulting with Nate and Keith over the past few months on the technical and operational aspects of the problem the President has set before them. Over that period, my respect for them, and gratitude and appreciation to them for helping the aviation community help itself, is boundless. These men are trying to help solve a problem we have created for ourselves and haven't solved. We are lucky to have men with vision, sensitivity to your needs, and guts to be working on this. I am not sure how many other opportunities we will have like this one.
>
> As aviation adviser to the President I will take whatever role he wants me to take. It will be in support of the Feinsinger Commission. This is the greatest opportunity yet to solve the political and economic crisis in the cockpit and to prevent the safety crisis it could generate. There are several things the Government can do: (1) Educational: It can help mold public opinion, enlighten it, and give it some guidance, because we will have the facts and we will have the best operational as well as political and economic opinion; (2) administrative: There already exists powerful legislation that enables Government members of the aviation community to take action to promote safety, economy, and harmony, and we will take it; (3) legislative: We stand ready to propose legislation, if that proves necessary and the best course. I believe, knowing the Congress as well as I am getting to know them over the last 60 days, that they are impatient and intolerant of any further disruptive warfare in what we have always thought was one of the most modern, advanced industries.

It will be observed from the foregoing statement of Mr. Halaby that the Feinsinger Commission was given "the greatest opportunity yet to solve the political and economic crisis in the cockpit and to prevent the safety crisis it could generate." And he pointed out three things the Government can do:

> 1. Educational: It can help mold public opinion, enlighten it, and give it some guidance, because we will have the facts and we will have the best operational as well as political and economic opinion.
>
> 2. Administrative: There already exists powerful legislation that enables Government members of the aviation community to take action to promote safety, economy, and harmony, and we will take it.
>
> 3. Legislative: We stand ready to propose legislation, if that proves necessary and the need comes. I believe, knowing the Congress as well as I am getting to know them over the last 60 days, that they are impatient and intolerant of any further disruptive warfare in what we have always thought was one of the most modern, advanced industries.

The time for words has passed and the time for action is here. I most respectfully urge the Administrator of the FAA, who is an appointee of the President of the United States, to take steps to implement the authority he stated before the Feinsinger Commission that he already has under existing law. I believe he should act promptly to "solve the political and economic crisis in the cockpit and prevent the safety crisis it could generate."

BOARD OF CANCER CONTROL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, I call the attention of this House to legislation to establish a Board of Cancer Control. I refer to H.R. 12328 which I have introduced and is now pending in the Interstate and Foreign Commerce Committee. It is similar to S. 3182 now before the Labor and Public Welfare Committee in the Senate. This bill was introduced by Senator HARTKE, the distinguished gentleman from Indiana, who deserves considerable credit for his outstanding leadership in calling for a full-fledged campaign on this scourge of mankind.

I trust the committee soon will give favorable consideration to the measure so that Members of this Congress can have the opportunity to act on it before adjournment of the current session. Such action, I am certain, will strengthen, expedite, and promote more effective progress in the search for effective means of treating and curing cancer.

It is high time that we took forceful initiative to conquer this dread disease.

Earlier in this session, Mr. Speaker, I introduced a bill to provide special additional appropriations for the purpose of accelerating research with respect to the causes, prevention, and cure of cancer, heart disease, and mental illness. The bill calling for a Board of Cancer Control goes one step further in the fight against cancer.

Unless stepped up remedial steps are taken, tragic experience indicates that about 45 million Americans living today will eventually have cancer. This is one out of every four persons. This year about 800,000 Americans will receive medical treatment for cancer, and 520,000 new cancer cases will be diagnosed. It is estimated that 87,000 people will die from cancer in 1962. Each year cancer costs the national economy nearly 50,000 man-years of productivity; about $215 million in services and salaries; almost $189 million in estimated spending and earnings; and at least $426 million in income taxes, plus loss of other tax moneys at least equal to that.

From these facts it is clear, then, that we are faced with a national health emergency. We must mobilize American energy and skill into a coordinated and powerful effort to develop cures for cancer and to rid our people of its scourge.

Cancer research is being carried on by a number of divergent groups at this time. However, to avoid a possible duplication of effort and a possible lack of coordination and communication among the groups, is one of the main reasons I have introduced this legislation; because I believe that it provides the framework which is necessary to initiate a really concentrated and coordinated effort to deal a smashing and final blow to the pain and destruction of cancer.

The Board of Cancer Control so envisioned generally would do the following:

First. Replace the nonpaid National Advisory Cancer Council, which has only advisory powers and meets only intermittently during the year, with a full-time Board of Cancer Control vested with essential powers to furnish effective leadership and to promote and coordinate all cancer research operations.

Second. Protect the public from worthless and sometimes dangerous nostrums and purported cancer remedies peddled by fakers and irresponsible and unscrupulous persons, by vesting in the Board the authority to examine and approve or disapprove all compounds, drugs, or preparations purported to be beneficial to the treatment of cancer.

Third. Require that each individual, manufacturer, chemist, laboratory, or other establishment engaged in cancer research shall register with and report to the Board of Cancer Control the general details of such research, and that each individual, manufacturer, chemist, laboratory, or other establishment shall, upon registering become entitled to receive periodically from the Board informative data and other pertinent material with respect to progress made in the field of cancer research.

Fourth. Require that those engaged in cancer research shall report to the Board any new discoveries, experimental or test results, or research progress made or conducted by them, and that the Board will collate, consolidate, and coordinate in confidential proceedings, the reported findings, tests, results, and progress of every cancer research project within the Nation, to the end that in the centralized material in the hands of the Board successful anticancer agents may more quickly be found.

Fifth. Encourage through Federal reimbursement of audited research costs, cancer researchers to expand their efficient research facilities further into the field.

Sixth. Provide that in the event that any cancer researcher, who is registered with and approved by the Board under this section, develops completely a successful anticancer agent, such researcher shall be entitled to usual rights with respect to, and patent protection of, his discovery, except that the Board shall have purchase rights for official needs with respect to such anticancer agent, and without payment of royalty therefor.

Seventh. Allow certain universities and colleges which, for financial reasons, are not able to construct special facilities essential for cancer-research projects, to waive the requirement for matching Federal funds.

STEEL IMPORTS EXCEED EXPORTS

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Kearns] may extend his remarks in the body of the Record at this point and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNS. Mr. Speaker, when the Trade Expansion Act of 1962 was before the Congress on June 28, 1962, I voted for recommittal and, when that failed, I voted against final passage.

As the ranking member of the Subcommittee on the Impact of Imports and Exports on Employment—which explored the whole international trade situation—I could see no gain for our country in accepting the President's recommendations.

Personally, I was fearful at the time of the cost of this legislation in the loss of industries and the loss of the many thousands of paydays which these industries presently contribute to the American economy.

This morning I see that my worst fears are confirmed.

The Scripps-Howard newspapers report that steel imports exceed exports, according to the Commerce Department.

In May, exports amounted to 150,000 tons valued at $34,127,000, and imports totaled 412,000 tons valued at $47,082,000.

For the first 5 months of this year, exports totaled 801,000 tons valued at $174,779,000, and imports 1,689,000 tons valued at $198,675,000.

These figures make my vote look very good, indeed.

Henry A. Roemer, chairman, executive committee, Sharon Steel Corp., recently wrote me:

> I can say from a lifetime of experience that tampering with the tariff has always been a bad and dangerous experience for this country.
>
> As a matter of fact, the steel industry in the United States amounted to very little until the passage of the McKinley Protective Tariff bill. Prior to the McKinley Act all of our tinplate, much of our galvanized sheets and the Russian iron for locomotive jackets and wood- and coal-burning ranges together with various types of bars, wire, rods, barbed wire and nails were furnished from foreign countries.
>
> History now repeats itself under the direction of one who has never had to work for a living and seems to care little about the real problems of the working people.

It would be an excellent thing if the Republican and Democratic internationalists heeded the wise advice of Abraham Lincoln:

> I don't know much about the tariff, and I don't know much about steel rails; but one thing I do know, if we buy rails from England, they get the money and we get the rails; but, if we buy rails in the United States, we get the money and we get the rails, too.

I include as part of my remarks the supplemental views of myself, the gentleman from Indiana [Mr. Bruce], and the gentleman from Ohio [Mr. Ashbrook], filed with the report of the Subcommittee on the Impact of Imports and Exports on American Employment of the Committee on Education and Labor:

Impact of Imports and Exports on Employment—Report of the Subcommittee on the Impact of Imports and Exports on American Employment of the Committee on Education and Labor

SUPPLEMENTAL VIEWS

Without question, the hearings conducted by this subcommittee have been both timely and necessary. These hearings have underscored and reemphasized the basic but almost forgotten fact that there is a direct relationship between jobs for American workmen and imports of foreign-made products and that American jobs disappear when imported products, rather than domestically manufactured products, are purchased by the American consumer. There is also a direct relationship between jobs for American workmen and exports of American-manufactured products and American jobs are created when domestically manufactured products are exported and sold in other countries. However, if we are to remain solvent and fully employed, we must receive as many dollars as we send out of this country. Also, our exports must represent the same number of man-hours of work as our imports or there will be a job loss even though the dollars exchanged are the same. Unfortunately, at the present time neither the dollars nor the man-hours balance. In both categories we are operating at an alarming deficit.

In 1961 our balance-of-payments deficit was $2.5 billion. For the years 1958, 1959, and 1960 it averaged $3.7 billion a year. There is every indication that in 1962 the deficit will again be $2.5 billion or higher.

While it is impossible to accurately measure the job-displacing effect of imports, we do know that from 1950 to 1960 imports increased from $8.743 to $14.652 billion, an increase of 67 percent. Moreover, our imports have been concentrated in labor-saturated products such as finished goods while our exports are in categories of goods that are made by labor-light industries. Significantly, during this same period employment in manufacturing failed to keep pace with the population growth by 1,383,928 jobs and overall we were left with a 3,710,000 job lag. Unquestionably, part of this job lag has been caused by the importation of foreign-made goods.

Abolishing or drastically reducing our present tariff protection will not correct this problem. Moreover, this is much too serious a matter to be discussed in broad terms and with emotional labels such as free trade and protectionism. What is needed is a careful exploration and analysis of all the pertinent facts with a special emphasis on conditions as they now exist.

Certainly, all will agree that we do not want to isolate ourselves from our friends who comprise the European Common Market nor do we want to take any action which may weaken them or destroy their ability to withstand the economic and military challenges of the Soviet Union. Similarly, we do not want to take any action which will curtail our essential imports and exports for there is, of course, certain importing and exporting which this country must engage in. However, at this crucial period it is imperative that the United States become and remain economically healthy. Under no circumstances should we commit ourselves to a course of action which will lead to the disruption of our domestic economy and eventual national insolvency. As matters now stand, this is a very real possibility.

Contrary to that which has been widely publicized, except for 1957, when the Suez crisis caused Europe to purchase substantial petroleum from the dollar area, we have had a negative balance of payments since 1950. The total deficit for this 11-year period is now more than $25 billion and in the years 1958, 1959, and 1960, our loss of dollars averaged $3.7 billion a year. In 1961 the deficit was $2.5 billion and this year it will again be $2.5 billion or higher. What this means is that in recent years the dollars which foreigners have obtained from our imports, tourists, capital transfers, and foreign aid have exceeded the total dollars which have returned. This, in itself, indicates that we have not been competitive; for if our goods were not overpriced, most of these dollars would have been used to buy goods from us. And if these dollars had come back to the United States to buy manufactured goods, it would have added more than a million jobs.

If this dollar imbalance continues we will be in extremely serious trouble. As a matter of fact, we are already in a very serious condition as a result of our past and present imbalance of payments. Dollars in the hands of foreigners actually represent I O U's which are redeemable in the United States in gold. We have not changed the price of our gold since 1934 when it was set at $35 an ounce. However, since 1940 we have poured approximately $90 billion of fiat money into the purchase media stream which means that today we have a dollar that is worth only 46 cents. Consequently, gold is the cheapest commodity we offer in the world market today. If the foreigners who hold $20 billion of our inflated dollars would turn them in for gold, our gold reserve which only amounts to $17 billion, of which $11.6 must by law be retained to back up our money, would be wiped out overnight.

A simple solution to our problems might appear to be that we should get competitive so that our dollars in the hands of foreigners would be spent for American goods. This would increase our exports, balance the flow of dollars, and create many badly needed jobs. Unfortunately, this is easier said than done. The United States now has a labor cost (hourly wage and fringe costs) of $2.75, while West Germany has 80 cents, Italy has 61 cents, and Japan has 55 cents. In addition, although prior to the war our mass production technology was so much more advanced than that of Europe and Japan that it easily supported our higher wage rates, this is no longer the case. Through our bombing we destroyed the European and Japanese plants which were technologically inferior to ours. Then, after the war, we financed the rapid rebuilding of these plants with $80 billion in foreign aid. Moreover, we furnished technical know-how and the very best in equipment so that the plants when rebuilt were more up to date than ours. It is also reasonable to assume that these plants will be kept up to date and that the same scientific advances which we incorporate into ours will be incorporated into theirs by the foreign countries.

With this as background we now turn to the question of tariffs. It is interesting to note that in the last two decades we have rapidly reduced our tariff rates. They are now more than 75 percent below 1930 levels and average only a little more than 10 percent of all dutiable items. At the same time tariffs in other countries have not been reduced in a corresponding fashion. Moreover, a system of embargoes, quotas, and freezing of American funds has been adopted by many nations. During World War II, and for the years immediately thereafter, this had little effect for we were the only country which could supply the export markets of the world. However, as we have already seen, this is no longer the case. On the contrary, the foreign countries are now in a position to not only compete for the foreign markets but they are also able to undersell the American manufacturers right here within the United States. So, as unpleasant as it may be to admit this fact, many of our domestic industries are in serious trouble as a result of foreign competition and a further reduction of our tariffs would certainly place a great number of others in jeopardy.

What then is the solution to our present predicament? What can we do so that we can maintain and expand our essential trade relationships, assist American industry to become competitive again and still protect the jobs of American workmen? At a minimum, the following recommendations should be placed into effect as quickly as possible.

(1) Get on a sound fiscal basis by balancing the budget, retiring the debt and by all means stop inflating the dollar.

(2) Correct the present unfavorable balance of payments. A first big step in this direction would be to reduce our foreign aid. We cannot continue to finance this level of worldwide charity.

(3) Liberalize the depreciation allowance provisions of the Federal Revenue Code so that companies would be encouraged to replace their obsolete equipment.

(4) Lower the price levels of our products by holding labor costs at realistic levels and cutting production costs.

(5) Maintain reasonable control of imports so that American jobs will be protected and a gradual adjustment to new foreign industrial might can be made.

(6) Insist that any future tariffs reductions on our part are matched by realistic tariff reductions on the part of the foreign country which is being benefited.

Carroll D. Kearns.
Donald C. Bruce.
John M. Ashbrook.

[From the Washington Daily News, July 17, 1962]

Steel Imports Exceed Exports

Steel exports and imports both rose in May, but imports continued to run ahead of exports, according to the Commerce Department.

In May exports amounted to 150,000 tons valued at $34,127,000, and imports totaled 412,000 tons valued at $47,082,000.

For the first 5 months of this year, exports totaled 801,000 tons valued at $174,779,000, and imports 1,689,000 tons valued at $198,675,000.

The Commerce Department said Western European and Japanese steel producers made sharp cuts in their export prices.

THE NEW FRONTIER, SELF-PROCLAIMED CHAMPION OF THE LITTLE FELLOW, BLITHELY PLANS TO SPEND UP TO $50 MILLION ON AN URBAN RENEWAL PROGRAM WHICH WILL DISPLACE 2,500 PEOPLE IN THE NATION'S CAPITAL AND IS BASED ON RACIAL PREJUDICE

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Kearns] may extend his remarks in the body of the Record at this point and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNS. Mr. Speaker, the New Frontier, self-proclaimed champion of the little fellow, blithely plans to spend up to $50 million on the Adams-Morgan urban renewal project which will displace 2,500 people in the northwest section of the Nation's Capital and is based on racial prejudice.

The Washington, D.C., Post and Times Herald, alarmed at the prospect, this morning calls for action which will steer the Adams-Morgan urban renewal project away from "one dangerous error toward which it appears to be drifting."

The editorial says:

> Adams-Morgan must succeed. It must be steered away from one dangerous error toward which it appears to be drifting. The easy way to improve a community is to eject the land uses, and the people, offensive to the majority's sense of esthetics. This is dangerous in a city like Washington with no comprehensive plan. The excluded businesses and the slum dwellers simply leave the planned neighborhood, which is on the road up, and move into the nearest unplanned neighborhood, which is then put on the road downward.
>
> The present Adams-Morgan plan calls for the demolition of about 970 housing units, in which some 2,500 people now live. Of the displaced families requiring public housing, more than one-fourth will not be accommodated within the project. The plan tends, then, to reduce the number of poor people in the area, sending them to other parts of Washington, while it also increases the number of prosperous families, drawing them from other parts of Washington.
>
> The Adams-Morgan community feels very strongly that a major cause of local blight lies in the rising number of shabby and unsanitary roominghouses. The plan will exclude most of them. It does not tell us where the houses' operators, or their roomers, will next turn up.
>
> The plan would exclude the area's light industry and some of its heavy commerce. One of these businessmen is a printer who settled in Champlain Street after having been evicted from the southwest redevelopment project.

The Washington (D.C.) Post editorial concludes:

> As a matter of principle, it ought to be firmly established that no public renewal project may strengthen and elevate one area at the expense of its neighbors. If we are to improve the city one section at a time, then each plan must be self-contained. The Adams-Morgan project has come a long and difficult way. It now bears great promise of success. It must cap that success by rejecting the unworthy policy of improvement by exclusion.

This editorial calls attention to a racial policy which our able colleague, the gentleman from Kansas [Mr. Ellsworth], recently denounced on the floor of this House when he said that the President has failed to keep the campaign pledges he made on civil rights for Negroes and has sought to give Negroes a sop by "a well-advertised number of appointments of Negroes to Federal posts."

Our colleague went on to say that:

> During the campaign, Candidate Kennedy swallowed the sweeping civil rights plank of the Democratic platform and added some promises of his own, but since he took office he has failed to carry out any of them.
>
> He promised to end racial segregation in federally assisted housing "by the stroke of a Presidential pen." He is yet to find that pen.

The gentleman from New Jersey [Mr. Widnall] recently charged the administration with deliberate and cynical rejection of open occupancy for federally assisted housing programs notwithstanding repeated politically inspired protests against racial discrimination in housing.

He pointed to the recent testimony of Housing and Home Finance Administrator Robert C. Weaver before the House Housing Subcommittee on extending the direct loan program for senior citizens housing. Dr. Weaver, he pointed out, had admitted that his predecessor, Norman P. Mason, of the Eisenhower administration, under whom the program was launched, had inaugurated a requirement that such housing be on an open occupancy basis.

Our colleague, the gentleman from New Jersey [Mr. Widnall], stated:

> However, Administrator Weaver in February 1962 developed his own literature entitled "Senior Citizens Housing Loan Program—Fact Sheet" to be sent to applicants inquiring about this program. This fact sheet contains all the information of the Eisenhower administration brochure except that references to the requirement that housing under this program be operated on

an antiracial discrimination basis has been eliminated.

Also Dr. Weaver admitted that while the antiracial discrimination requirement for this elderly housing program had been administratively decreed by his predecessor, he (Dr. Weaver) has deferred to the President the decision on antiracial discrimination on the other two Government housing programs for elderly persons: (1) Public housing for elderly persons of low income, and (2) FHA special mortgage insurance for housing elderly persons of the upper middle-income groups.

The administration owes it to the public to explain why it eliminated the important antiracial discrimination requirement when it revised the previous administration's brochure setting forth the details of this program of direct loans for senior citizen housing.

Was the administration motivated by a desire to minimize the importance of this antidiscrimination provision?

The startling facts showing how far the Kennedy administration has retreated from its campaign promises and the civil rights plank of the Democratic platform on which the President campaigned were documented in an article by Luther P. Jackson in the Washington, D.C., Post and Times Herald of June 8, 1962. Mr. Jackson, a Negro himself, is a staff reporter of the Washington, D.C., Post and Times Herald.

Writing on the Kennedy administration's urban renewal program, he said:

> So far urban renewal has not adequately helped cities meet the housing needs of minority groups and middle-income families. This failure is readily seen in the case of Negroes, who constitute 68 percent of urban renewal displacees, but only 11 percent of the national population. In Washington, where Negroes are a majority, they constitute 80 percent of those displaced by southwest [urban renewal] redevelopment.

Mr. Jackson then reports that:

> Federal and city housing officials are concerned about the problem but still have not developed the machinery to produce housing to be available to Negroes and middle-income families.
>
> Take Washington's urban renewal program, for example. The southwest redevelopment is producing high-rent housing, which is good for the city's tax base. But the southwest homes are predominantly for couples and single persons.
>
> The same can be said for the Columbia Plaza project. The bulk of new housing in the Adams-Morgan project, primarily a conservation effort, will go to small families in the upper middle-income bracket.

The Federal Government spent upward of $70 million in the Southwest Washington urban renewal project, and, according to the Washington (D.C.) Post, 80 percent of those displaced by this urban renewal project were Negroes.

Will this be repeated in the Adams-Morgan urban renewal project, where the Federal Government may spend as much as $50 million before it is finished with this project.

Is this the kind of urban renewal which should be supported?

If this is the kind of urban renewal which this administration supports, is it the kind of urban renewal which Republican Members of this Congress, or any other Congress, should support?

Brig. Gen. F. J. Clarke, Engineer Commissioner of the District of Columbia, in a major speech to the Washington Building Congress, July 9, 1962, declared:

> I have previously estimated that our highway programs will displace an average of 700 families a year of which half will need assistance in relocating into either public housing or low-income housing. Our District programs currently displace about 1,000 families a year. Future renewal programs will add substantially, for instance, the Adams-Morgan project as currently planned, has a net deficit of about 2,000 units.

The highway and urban renewal programs in the District of Columbia are under the jurisdiction of Brigadier General Clarke and the Board of Commissioners of the District.

General Clarke told the Washington Building Congress in the course of recent hearings held by the Congress:

> The President of the Board of Commissioners expressed some doubt that even these [proposed relocation] programs, if adopted, would be adequate because, as he put it, "these people have no place to go." This, then, is the real challenge—not only to our highway and freeway programs, but to urban renewal, to code enforcement, and to downtown progress as well, for if we don't have the housing, or if we cannot find or create housing that will be readily available to our displacees at rents they can afford, we are in serious trouble indeed. By we, I do not mean we of the District government. I mean all of us who live in the Nation's Capital, and who do business in the Nation's Capital.

General Clarke warned that:

> We must, of necessity, proceed cautiously. No longer can we indulge in the massive demolition of southwest. The private and public housing supply that was available for the southwest displacees is no longer available. Unless and until housing resources are provided elsewhere or unless projects can be staged so that relocation housing is provided for families in the particular areas from which they are displaced, there can be no real progress. A series of holding actions only would be the prospect.
>
> This situation is true of other areas of the city. Henceforth, we are obliged to employ conservation and rehabilitation techniques, with a minimum of demolition, and then only when there is assurance of relocation housing for those to be displaced.

General Clarke's speech should be studied closely by the Kennedy administration. I would like to conclude by still another quotation from his great speech to the Washington Building Congress, and point out that it comes from a man who has been on the receiving end of a great deal of abuse from those who give lipservice and little else to civil rights for minority groups:

> It is clear to me that our various improvement programs—urban renewal, including code enforcement, highways, and the revitalization of downtown as it affects housing—all are in jeopardy unless we can provide decent, safe, and sanitary housing for those who must be displaced.

TAX EFFECTS OF COURT-ORDERED DIVESTITURE

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks in the body of the Record at this point and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, at the time of the debate on H.R. 8847, the so-called Du Pont bill now enacted into law, I made the point of the need for general legislation to cover the tax effects of a court-ordered divestiture in connection with antitrust enforcement. I have made this point once again in the minority views which I prepared for the report on H.R. 8846. Now, with the Brown Shoe Co. decision, there is another instance of court-ordered divestiture, a valid procedure for use in the Government's work in the antitrust field yet one whose side effects are detrimental beyond the needs or desires of a sound and vigorous antitrust policy.

We in the Congress might, as we did in the Du Pont case, continue to take each case as it comes, granting private legislation and relief for companies with sufficient time, backing and power to pursue the matter successfully through the legislative process. This is bad procedure and establishes government by men rather than government by law. I would suggest, however, that the wiser course would be through the enactment of general legislation vesting in the courts who must, in the last analysis, apply the sanctions against antitrust violators the power to determine as well the impact of the tax effect of divestiture.

I intend to introduce legislation which would permit the courts, which must make a careful study of each case, to determine the tax effects of such divestiture.

A recent issue of the Footwear News, in an article by Mr. Robert Barr, discusses this matter in some detail. I would commend this article and the subject which it covers to the serious consideration of my colleagues.

The article follows:

Prospects Seem Slight for Law To Ease Tax Bite

(By Robert Barr)

Washington.—Prospects seem poor for any congressional intervention to change the Federal income tax treatment of the court-ordered divestiture of G. R. Kinney Co. by Brown Shoe Co.

The only bill (H.R. 11873) now pending in the House Ways and Means Committee which would provide uniform Federal tax treatment in cases involving court-ordered divestitures of property or stock seems destinued to be pigeonholed.

This bill was sponsored May 23 by Representative Emanuel Celler, Democrat, of New York, the House Judiciary Committee chairman, but it is known that his proposal is frowned upon by congressional tax experts.

Representative Thomas B. Curtis, Republican, of Missouri, a high ranking minority member of the House Ways and Means Committee, has made clear in the past he favors general legislation to cover any antitrust divestiture which would give the courts power to determine alternative tax treatment for the divestitures. Brown Shoe Co. is located in St. Louis which is part of Mr. Curtis' congressional district.

However, in a Wednesday interview, Mr. CURTIS indicated there is little hope for general legislation on this subject at this time.

Stressing that he is a political realist, Mr. CURTIS said if the Republicans should win control of Congress next year then he would press for enactment of such legislation, but he considers any such drive futile this year.

DU PONT CASE

The Federal income tax impact of the divestiture order involving the E. I. du Pont de Nemours & Co., Inc., possession of General Motors Corp. stock was treated by Congress earlier this year as a special case. Consequently, the Justice Department supported the bill (H.R. 8847) which became Public Law 87-403 to change the tax impact for Du Pont.

Although this public law is clearly recognized as a special one not designed to establish any precedents for other firms, apparently it has given other firms the idea, that the executive branch of the Government can be contacted for guidelines.

Mr. CURTIS noted some firms—he did not identify them—may be seeking guidance from the Justice Department and in turn contacting the Internal Revenue Service about their tax situation, in the wake of the Du Pont law.

The tax impact of the divestiture called for in the Brown Shoe Co. case probably cannot be determined accurately by outsiders until the divestiture procedure is made public by that firm.

However, there are some possible guidelines such as the Senate Finance Committee observations in its report last September on the Du Pont legislation.

The committee said at that time it had "not yet reached a definite opinion as to what relief, if any, should be given to other taxpayers who may be required to distribute stock pursuant to the antitrust laws.

"However, it should be observed that in many antitrust situations the corporation which would be required to distribute stock of another corporation would own more than 80 percent of such stock.

TAX-FREE STATUS

"Thus, in many cases the distribution of the stock would be tax free to the shareholders because of section 355 of the Internal Revenue Code. (That section permits the tax-free distribution of the stock of an 80-percent owned subsidiary when parent and subsidiary have each been engaged in the active conduct of a trade or business for more than 5 years)."

While the Celler bill seems destined to die in the House Ways and Means Committee, another bill (H.R. 8846) has been approved by that committee and conceivably could serve as the vehicle to provide new Federal tax legislation on antitrust divestiture situations if the lawmakers were inclined to take any such action this year.

HILTON ASPECT

This bill was approved April 12 by the committee and has been awaiting House consideration ever since. It is known in some quarters as the Hilton Hotel bill, since its provisions seem designed to cover that firm's involvement in a possible involuntary separation of some of its properties.

Thus, this bill is recognized on Capitol Hill as another private bill for the involuntary conversion of property other than stock in civil antitrust cases, even though the name Hilton appears nowhere in the bill or accompanying report.

However, if this measure ever should be debated in the House before adjournment (it will die with adjournment if not approved by Congress) it would give Mr. CELLER a chance to amend the bill to make it a general measure covering all types of stock or property divestitures.

Regarding a possible spinoff procedure to accomplish the divestiture of the Kinney firm, such transactions are governed by section 355 of the Federal tax code which was cited above.

A spinoff means a division of one existing corporation into two or more corporations and generally this is permitted only when the corporation has two established businesses which have been in existence for more than 5 years.

As noted above, if section 355 applies then the separation of one corporation into two corporations can be accomplished without payment of Federal income taxes by the stockholders.

However, there are two governing conditions in spinoffs under section 355. The stock which the corporation purchased when it acquired control of another firm which it now seeks to spin off must have been purchased more than 5 years earlier, or the acquisition of the subsidiary firm must have been accomplished in a tax-free manner, according to congressional tax experts.

TAX REFORM IS NOT A TAX CUT

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks in the body of the RECORD at this point and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the newspaper coverage of the depreciation reform program has given the erroneous impression that business is getting a tax cut from the Kennedy administration. The Washington Post article, which follows, says that the Kennedy administration "slashed taxes for American business." The Wall Street Journal said that the program would produce "a $1.5 billion cut in Federal taxes owed by business." If I were a businessman, I think I would resent the implication that I had received a fat tax cut from the Government when, in fact, I had not.

The statement by President Kennedy furthered the impression that a tax cut had been given to business. In his statement, the President said:

> This tax cut which these changes will make possible—the net reduction in tax liabilities—will reach $1.5 billion in the first year.

At his press conference, Secretary Dillon added a partisan political note by referring to the fact that depreciation reform was not carried out under the Eisenhower administration. "It could have been done in the past," he said, "but it fell to this administration to do it." This is a statement so unfair as to be untrue particularly when made by one who served in the Eisenhower administration and knew the groundwork laid in that administration so this reform could come about. Shame on Mr. Dillon.

I think that the record should be made clear on this. This is not really a tax cut but rather depreciation reform. It changes the rules as to timing of tax liabilities. Investments will be written off in fewer years but, in the end, business deductions on account of depreciation will be the same as if the writeoffs had been stretched over a longer period of time.

As desirable as the reform is, it should be presented to the public for exactly what it is. It is not a true tax cut but President Kennedy and the press seem to be trying to give a contrary impression.

And now that the investment credit proposed by the Kennedy administration cut by the House from 15 to 7 percent has been altered by the Senate Finance Committee to apply to only 93 percent of the cost of the depreciable item it is no longer a tax cut, but a further liberalization of the depreciation schedule.

As a matter of fact, liberalization of depreciation has its greatest effect when business anticipates continued inflation. By getting its investment dollar back sooner it minimizes the impact of inflation on the cost of replacing the capital item. If the Federal Government would pay closer attention to its basic function of preserving the integrity of the purchasing power of the dollar there would not be the great need in the name of promoting economic growth to fiddle with our tax laws.

[From the Washington Post, July 12, 1962]

BUSINESS GETS $1.5 BILLION CUT IN TAXES—REVISION OF RULES SPEEDS UP WRITEOFF OF INVESTMENTS

(By Bernard D. Nossiter)

The Kennedy administration slashed taxes for American business yesterday by an estimated $1.5 billion a year.

It did so by rewriting from top to bottom the tax rules governing depreciation of machinery and equipment. As a result, businessmen can now write off their investment faster. In practical terms, this means they will report less income to the Government on which they can be taxed.

In a special statement, President Kennedy hailed the new rules as "realistic." He noted that businessmen have long been pleading for faster writeoffs and that some have claimed that each dollar of tax cut would generate $4 of extra spending on machinery.

In any event, some extra investment will result and so the new rules remove "longstanding and outmoded handicaps to modernization," the President said. Now American industry has a better chance of achieving "maximum productivity," Mr. Kennedy said, and this "is urgently needed to keep our costs and prices competitive with those of other nations."

In simplified form, here is an illustration of the change:

Under the old rules, for example, U.S. Widgets, Inc., bought a $1 million widget-making machine and was allowed to figure that it would last for 15 years. To provide funds for a replacement, Widgets set aside one-fifteenth of a million dollars every year, or $66,666. This reserve is regarded by the Treasury as an expense. So Widgets could deduct from its taxable income $66,666 a year.

Under the new rules, Widgets can figure that it will replace the machine in 10 years, and deduct one-tenth of a million dollars, or $100,000. Thus, its taxable income is reduced by an extra $33,334. Since Widgets is in the 52 percent tax bracket, its tax will be cut nearly $17,000.

The new rules could dampen some of the business hostility toward the administration. At a press conference, Treasury Secretary C. Douglas Dillon said that the change could have been made in the past but "it fell to this administration" so "we are obviously more friendly." Although he didn't say more friendly than whom, he obviously meant the Republicans.

Dillon also declared that the economic impact of the tax cut will be immediate and should stimulate some extra buying of machinery in the next 2 or 3 months.

He and other administration officials reason this way: Business will now have more funds to invest. The dollars will be spent, thereby increasing orders for machinery and equipment. Moreover, the demand for business output generally will rise because the new equipment in time will reduce production costs. As a result, employment and incomes will rise and eventually the Treasury will recoup more than the $1.5-billion tax cut out of these enlarged business and individual incomes.

However, some economists have questioned this theory for two reasons and wonder if the faster writeoffs will generate much extra investment.

First, skeptics say that many industries are operating far below their capacity and won't make any extra investment unless they can see more demand ahead. The new rules, for example, provide the biggest tax cuts for steelmakers and oil refiners, $120 million each. Both industries are now plagued with too much capacity.

Second, some experts believe that devices like the new rules bring a sudden burst in investment that merely "borrows" from investment in future years. These theorists believe that this is what happened when the tax changes of 1954 brought an investment boom in 1955 and 1956, followed by a sharp recession in 1957.

Chairman Roger Blough of United States Steel has said that the new rules won't help business much.

Reminded of this, Dillon replied with a dig at United States Steel. He said that the new writeoff periods are "considerably shorter than United States Steel's present practice although consistent with more progressive companies in the industry."

Here are the principal changes made by the new rules:

In determining how fast machinery could be written off in the past, firms had to consult a guide listing a so-called useful life for thousands of separate items. Now, this is simplified enormously. All machinery and equipment is grouped in 75 broad classes with a recommended useful life for each.

As has been noted, the "useful lives" have been shortened. The Treasury estimates that the 1,100 largest manufacturers will be able to write off their assets 15 percent faster than they now do. In other sectors, tax deductions for depreciation will rise by 13 percent in agriculture, 11 percent in construction, 24 percent in transportation and 29 percent in mining.

A firm can now write off its investment as fast as it actually replaces machinery and equipment. In the past, tax agents tended to insist that the writeoff period run as long as the machine was physically productive. The new approach recognizes that a machine can become economically obsolete before it physically wears out.

A mathematical formula will determine how rapidly a company is actually replacing its equipment. Use of this formula will cut down the discretion of tax agents to determine useful lives for equipment and increase business certainty.

The new rules apply to any tax return due after July 12 and thus insure that all business in 1962 will get the full benefit. The rules do not lower taxes for investment in real estate and buildings because, Dillon said, present tax laws are "overgenerous to real estate."

Both Dillon and the President noted that the changes close part of the gap between American and European depreciation allowances.

REIMBURSEMENT FOR MILEAGE CONTRIBUTED TO INTERSTATE NETWORK

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROBISON] may extend his remarks in the body of the RECORD at this point and include a statistical table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROBISON. Mr. Speaker, one of the hallmarks of these enlightened times—if that is the proper adjective—in which the Federal Government is gradually taking over more and more of the functions that were previously considered as responsibilities of local or State governments, has been the penalizing of local initiative.

While we find this result in many, if not most, of the new Federal programs of the past 30 years, there is no clearer case of the manner in which the more progressive of our States are thus penalized than that presented by the interstate highway program under which some 11,125.3 miles of highways, constructed without the benefit of 90–10 Federal aid, have been contributed to the interstate network. And, in no other instance is the opportunity for remedying the unintentional inequity that thus exists so great.

This situation came about, in brief, in this fashion: In 1944, after having long considered the concept of an interstate network of superhighways, Congress went on record as favoring the early completion of such a system. The legislation that was then adopted, in a time of war as you will remember, based the need for such a system in great part, on national security reasons; hence, some several years later came the designation of a National System of Interstate and Defense Highways. In 1944, Congress also approved a rough and rather hastily drawn map showing such a proposed network. As much as anything, this map followed existing main or through highways which were already interstate in nature, with a conscious effort being made to link up the various State capitals. The total mileage of such a network came to approximately 40,000 miles, which Congress thereupon designated as the interstate network. This map was further formalized and approved in 1947, but from then until 1956 there was no further congressional action implementing the basic plan.

In the meantime, our more progressive States, recognizing the critical need for an adequate Interstate Highway System, and deciding that they could not afford to wait for congressional favors, set about the construction of their own urgently needed freeway-type highways, largely at their own expense. As might be expected, a substantial part of the mileage so constructed was along the tentative routes for the Interstate System.

In 1955, a special Presidential advisory commission, known as the Clay Committee, made specific recommendations with respect to implementing the plans for the Interstate System. Among other things, it recommended, in effect, that the more progressive States should not be discouraged from so going ahead with their own highway construction programs, and that they should eventually be reimbursed for any highway mileage, toll or free, that was constructed on and contributed to the Interstate System.

Then, finally, in 1956, Congress enacted the Federal-Aid Highway Act of 1956 which, among other things, created the Highway Trust Fund in order to finance the construction of the original 40,000-mile Interstate System, plus an additional 1,000 miles then added, for all of which the Federal Government would bear 90 percent of the cost. At the time this legislation was being considered, both the House Committee on Public Works and the House of Representatives, itself, recognized the equity of also reimbursing the States for 90 percent of the cost of constructing, largely at their own expenses, such mileage as they would contribute to the Interstate System.

In the bill recommended by the Committee on Public Works, in that year, and as passed by the House of Representatives, one section declared it to be:

> The intent and policy of the Congress to equitably reimburse those States for any portion of a highway which is on the Interstate System, whether toll or free, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract for completion, awarded not later than June 30, 1957, and such highway meets the standards required by this title for the Interstate System.

This section also declared that the time, method, and amounts of such reimbursement would be determined by the Congress, following a study which the Secretary of Commerce was directed to conduct. In other words, both the House Committee on Public Works and the House of Representatives, itself, went on record as favoring reimbursement, although it was recognized that there was not then sufficient information available to Congress to permit it to determine the time, method, and amount of such reimbursement.

When the House-passed bill reached the Senate, the section relating to reimbursement was deleted, but a compromise was worked out between both Houses whereby the Congress declared it to be its intent and policy merely to determine whether or not the Federal Government should provide for such reimbursement, and this provision became a part of the Federal-Aid Highway Act.

No further action has since been taken, although the Secretary of Commerce has now provided us with full and comprehensive data concerning the mileage of those toll and free highways, bridges, and tunnels which are eligible for our consideration for reimbursement, their cost and depreciation and such Federal-aid payments as were already made thereon, from which the net reimbursable dollar amounts due the various States can be determined.

A table showing a summary of such information follows:

Miles, costs, and reimbursable amounts of total system, including 2,102-mile expansion

[Dollars in millions]

State	Miles	Total construction cost	Depreciation	Total less depreciation	Federal-aid matching ratio	Total reimbursable amount	Federal-aid payments	Net reimbursable amount	Percent of total
Alabama	93.3	$18.7	$0.5	$18.2	0.9000	$16.4	$9.7	$6.7	0.15
Arizona	457.9	44.9	3.0	41.9	.9438	39.5	25.0	14.5	.33
Arkansas	52.6	15.0	1.0	14.0	.9000	12.6	8.9	3.7	.08
California	850.2	385.6	5.7	379.9	.9165	348.2	87.5	260.7	5.98
Colorado	310.4	51.3	1.9	49.4	.9131	45.1	26.8	18.3	.42
Connecticut	143.6	329.5	2.9	326.6	.9000	293.9	15.5	278.4	6.39
Delaware	4.1	39.2	4.3	34.9	.9000	31.4	----------	31.4	.72
Florida	97.4	36.1	.6	35.5	.9000	32.0	5.4	26.6	.61
Georgia	137.6	70.2	1.5	68.7	.9000	61.8	24.2	37.6	.86
Idaho	117.7	12.3	.5	11.8	.9229	10.9	7.5	3.4	.08
Illinois	549.7	594.5	8.8	585.7	.9000	527.1	84.4	442.7	10.16
Indiana	306.9	183.2	2.6	180.6	.9000	162.5	16.2	146.5	3.36
Iowa	52.1	12.3	.2	12.1	.9000	10.9	7.0	3.9	.09
Kansas	307.9	111.4	2.1	109.3	.9000	98.4	10.3	88.1	2.02
Kentucky	56.1	45.4	.7	44.7	.9000	40.2	10.0	30.2	.69
Louisiana	37.8	34.3	1.0	33.3	.9000	30.0	12.6	17.4	.40
Maine	72.9	41.9	3.2	38.7	.9000	34.8	3.7	31.1	.71
Maryland	178.1	167.0	1.7	165.3	.9000	148.8	13.4	135.4	3.11
Massachusetts	152.7	296.3	4.3	292.0	.9000	262.8	13.2	249.6	5.73
Michigan	291.3	287.9	4.8	283.1	.9000	254.8	59.8	195.0	4.48
Minnesota	159.4	26.7	.8	25.9	.9000	23.3	10.8	12.5	.29
Mississippi	92.5	13.0	.5	12.5	.9000	11.3	6.6	4.7	.11
Missouri	372.9	129.2	6.4	122.8	.9000	110.5	50.7	59.8	1.37
Montana	206.9	16.1	1.1	15.0	.9130	13.7	11.1	2.6	.06
Nebraska	13.2	1.6	.2	1.4	.9000	1.3	.5	.8	.02
Nevada	226.9	11.9	1.0	10.9	.9500	10.4	9.7	.7	.02
New Hampshire	24.0	10.6	.5	10.1	.9000	9.1	2.3	6.8	.16
New Jersey	84.2	374.6	18.2	56.4	.9000	320.8	22.0	298.8	6.86
New Mexico	321.5	21.3	1.3	20.0	.9252	18.5	13.7	4.8	.11
New York	568.6	1,062.6	26.4	1,036.2	.9000	932.6	133.5	799.1	18.34
North Carolina	298.9	63.3	1.4	61.9	.9000	55.8	25.7	30.1	.69
North Dakota	145.4	7.9	1.0	6.9	.9000	6.2	4.5	1.7	.04
Ohio	328.4	308.1	8.0	300.1	.9000	270.1	50.7	219.4	5.04
Oklahoma	251.5	104.8	3.0	101.8	.9000	91.6	13.7	77.9	1.79
Oregon	379.2	111.6	4.1	107.5	.9237	99.3	31.9	67.4	1.55
Pennsylvania	388.2	456.1	23.5	432.6	.9000	389.3	102.4	286.9	6.58
Rhode Island	10.4	19.3	.1	19.2	.9000	17.3	6.9	10.4	.24
South Carolina	63.1	9.8	.3	9.5	.9000	8.6	5.4	3.2	.07
South Dakota	137.3	10.3	.5	9.8	.9110	8.9	5.2	3.7	.08
Tennessee	16.7	16.3	1.5	14.8	.9000	13.3	9.2	4.1	.09
Texas	1,444.3	299.2	12.3	286.9	.9000	258.2	97.9	160.3	3.68
Utah	296.9	25.3	1.6	23.7	.9488	22.5	17.3	5.2	.12
Vermont	7.8	3.2	----------	3.2	.9000	2.9	1.9	1.0	.02
Virginia	161.8	125.2	2.2	123.0	.9000	110.7	14.5	96.2	2.21
Washington	385.9	96.0	3.4	92.6	.9070	84.0	21.2	62.8	1.44
West Virginia	92.2	118.5	4.6	113.9	.9000	102.6	4.5	98.1	2.25
Wisconsin	62.3	13.1	.4	12.7	.9000	11.4	5.5	5.9	.14
Wyoming	304.0	24.5	1.4	23.1	.9288	21.5	15.6	5.9	.14
District of Columbia	4.8	17.8	1.6	16.2	.9000	14.6	9.2	5.4	.12
Total	11,119.5	6,274.9	178.6	6,096.3	----------	5,502.4	1,145.2	4,357.2	100.00

One change should be made in the foregoing Bureau of Public Roads table for the State of Hawaii, showing that it, too, has 5.8 reimbursable miles, the net reimbursable amount of which being $12.2 million. This would also change the total of reimbursable mileage from 11,119.5 to 11,125.3 miles, and the net, total reimbursable amount from $4,357.2 million to $4,369.4 million.

It should be noted that these figures may experience some additional change, as time goes on, and as various adjustments are made by the Bureau of Public Roads with respect to interstate locations and extensions.

I had hoped, this year, that the Committee on Public Works would at least return to its original position with respect to reimbursement—as the same approved by the House in 1956—declaring it to be both the intent and policy of Congress to provide for reimbursement in whatever manner and at such a time as would be both reasonable and responsible under all the accompanying circumstances. If this inequitable situation is ever to be corrected, we ought to first agree on the principle of reimbursement, now, and then begin work on determining the method and manner of such reimbursement so as to provide for the same being fully accomplished as soon as possible after substantial completion of the construction of the Interstate System as presently designated.

In my judgment, this would represent very modest progress, but yet responsible progress, toward righting a wrong which has plagued my State of New York, the chief loser unless reimbursement is made, and all our States in varying degree ever since 1956.

I am the sponsor of legislation—H.R. 11512—now pending before our committee, which would so reestablish that congressional intent and policy, and I regret that it was not made a part of the bill which will be before us tomorrow—H.R. 12135—although I offered the same as an amendment thereto.

Time is getting short. There are many things for us to agree upon with respect to reimbursement once the principle thereof—now that all possible information concerning the same is available—has again been reestablished. Thus, I am hopeful that our committee will still give further consideration to this unsolved problem before this Congress adjourns.

PROGRESS IN THE ARTS AND HUMANITIES IS ESSENTIAL TO TRUE NATIONAL STRENGTH

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks in the body of the RECORD at this point and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FOGARTY. Mr. Speaker, there is a pressing need today for Federal legislation that will build up nationwide support for the arts and humanities, on a basis comparable to the support that is provided in other areas, such as science and technology. Progress in the arts and humanities is essential to true national strength. As Barnaby C. Keeney, president of Brown University, recently commented:

> The whole shape of our lives in the future, and our whole attitude toward life, will be strongly formed by our achievements, or, worse still, by the lack of them, in the arts and humanities.

Moreover, our leading scientists are among the first to agree that our society faces great dangers by neglecting its cultural resources in our total educational effort.

Evidence is accumulating that interest in the arts is rapidly increasing and is becoming more widespread among all our people at all ages. However, our capacity to satisfy public demands is not keeping pace with this development. The arts need basis support that is simply not provided by ticket sales and other forms of income. We are dealing here with something that is vital to society which cannot sustain itself without help.

Today we are confronted with some strange paradoxes. On the one hand culture is flourishing, and on the other it is declining. Original paintings are now found in more American homes than ever before, and some paintings are bringing the highest prices in history; yet an artist can hardly make a living and the enrollment in art schools is steadily falling off. Museum attendance is breaking all records everywhere; yet every year museums are having more trouble finding the funds to cover operating expenses.

The field covered by the term "the arts and humanities," is large but clearly definable. Broadly speaking, it is culture. The arts can quickly be broken down into the performing and nonperforming arts, and include such areas as architecture, ballet, opera, the theater, drawing, painting, poetry, music, and sculpture. The humanities consist of the languages, creative writing philosophy and history. In my discussion, however, I am including libraries, universities, museums, and all such centers that traditionally have been the homes for the arts and the humanities.

Among the performing arts, whether it be a symphony orchestra, chorus, quartet, ballet, opera, or drama, attendance has almost tripled in the past 10 years. Last year alone, there were more paid admissions to these cultural performances than to baseball and basketball games. Yet the increase in ticket sales did not produce enough income to cover production costs.

Quite obviously, if we are to bring about progress on a national scale, among all public and private agencies alike, we must call upon our Federal Government to pave the way with leadership and support.

Indeed we are witnessing a renaissance in culture today. The arts are no longer viewed by the majority as frivolous and meant only for the aristocracy. Music and painting, even ballet, are now among the normal interests of our people. The arts are claimed by everybody today, whether it be a prizefighter, a taxi driver, a movie star, a college professor, or a wealthy patron. As many of us know, the presence or absence of cultural opportunities is often crucial in the corporation's decision as to where it will locate its new plant.

Universities are increasing their attention to the arts and giving them a more prominent place. Also, they are actively encouraging their communities to join with them in learning more about art and the appreciation of it. Even the universities which were slowest to recognize the place of the arts, now have artists in residence on the sound theory that the professional can best convey reality through his art and at the same time inspire the student. Such institutions as the Universities of Wisconsin, Minnesota, and California, as well as Yale and Princeton, have liberalized their curriculum by giving the arts a more prominent place; but it is important to note that even so specialized a school as the Massachusetts Institute of Technology has done likewise, in order to produce a well-rounded person. Some institutions literally brought the local community into the cultural life of the campus. An example of this development is Wayne State University with its famous "Detroit Adventure."

Another new development is the arts center, or arts council, as it is called. While the two are not exactly synonymous, they both represent the systematic organizing of the arts into one broad program, whether on the level of a community, a region, or a State. The first and only State to have an advisory council on the arts is New York State. New York is leading the way with a tremendous success, and other States are getting ready to follow.

It is sad to say that our schools do not, in enough instances, keep up with this interest in the arts. In the first place, teachers are not sufficiently trained, and many of them are attempting to teach the arts without having the broad cultural background and creative imagination which this field demands. It is important that our children have developed within them standards of value so that they can discriminate between the mediocre and the excellent.

The secondary school years are perhaps the only time in their lives that they can acquire this judgment, this experience that comes from discipline. There are many problems, such as a uniform provision in our schools throughout the country for identifying and encouraging talent. A greater realization must be fostered that the potential school dropout can have his entire future changed for the better by just the right kind of introduction to the world of the arts.

We talk a great deal about physical fitness programs; we should also set up cultural fitness programs. Our schools need to recognize uniformly that music and art are both significant in the education of every student. All these needs, and many more, impinge upon the adequacy of teacher training. We need to improve this training for greater excellence and professional competence in the arts and humanities. Also, we need to create in the teaching profession the incentive of a good salary and thus attract young people of superior ability to the profession.

Progress in this direction has been too slow and not in keeping with the conditions of the times.

Likewise in the field of education, we need to find the ways of producing the best trained artist possible and not only to encourage him in such a career but actually help him to achieve an artistic career that will also provide a good living. We need to attract more talented students to this field by setting up special programs of financial aid. The number of graduate students in the arts and humanities areas has declined to a dangerously low level.

Enrollment in art schools and music schools has steadily declined; and it was recently announced by the American Historical Association that there will not be enough Ph. D.'s in history alone to meet the needs of higher education in 1964. Education is becoming more costly, and in too many cases parents have exhausted their personal resources in supporting their children during the years of their undergraduate education.

Rising costs have pushed the student who has humanistic talents into the place where he must choose a field that costs less to master and which in the end offers a better living wage. In fact, our potential artists are told not to be artists. This is the reason that good violinists, able composers, great artists, and outstanding scholars in the humanities are scarce in the United States today. This is a crucial and pressing problem. We have permitted these people to be priced out of the picture. Unless we act fast, our great American tradition of originality and creativity in these areas will be gone.

The way to attack this problem is to undergird the development, the preservation and extension of our cultural resources through our educational systems and institutions. The Office of Education already has several programs aimed at the support of the arts and humanities. But these programs need to be strengthened and expanded. Its program of library services represents a tremendous breakthrough in the field of culture broadly; but we have only scratched the surface of meeting the expanding needs of our society for modern library services and materials.

However, the problems I have alluded to, and which I will explain and describe more fully, which are threats to the very existence of a healthy cultural life in the United States today, cannot be solved only through strengthened and expanded programs in the traditional areas of education. The support provided now for the student and teacher will not materialize at once into solutions for many of our cultural problems, because these problems demand immediate attention also.

The Office of Education has revamped its organization, under the leadership of Commissioner Sterling McMurrin, and is in a strategic position to discharge what is really the Federal Government's duty, at long last, in recognizing and encouraging, with the help of State and local organizations, the demonstrated fact that our people all across this country have a genuine thirst for a richer cultural life. And what could be more natural? This country has now come of age; it has reached a maturity where the arts and the humanities must be developed as spiritual resources and can be given their proper place along with the material advantages we have been at great pains to promote and perfect for the past several generations.

John Adams described this maturing process, in fact predicted it, when he wrote:

> The useful, the mechanic arts are those which we have an occasion for in a young country. * * * I must study politics and war that my sons may have liberty to study mathematics and philosophy * * * in order to give their children the right to study painting, poetry, music, architecture, statuary, tapestry, and porcelain.

In other words, the arts.

The success of any college or university program in the arts and humanities is dependent on its library, because the library is a vital part of higher education. Libraries are in trouble these days. In most cases they have not grown as the universities have grown. Libraries need funds to expand their facilities just to keep up with ever-expanding college enrollments. The sheer increase in the size of bodies and faculties places a growing burden on the library. At the present time we have over 2,000 institutions of higher learning, yet it is reliably estimated that no more than 100 of these have adequate library facilities. Most libraries are so inadequate, even so unsuitable in their present condition, that they actually hamper efforts to furnish the books, periodicals, and the various staff services; they simply cannot make the proper contribution to the instructional and research programs of the institutions they are meant to serve. Certainly the need for improvement in the library situation is urgent in every part of our land.

We are now witnessing the emergence of arts centers and arts councils that are springing up everywhere on the community, regional, and State level. These new organizations are performing functions that are actually supplemental, and closely related to, the work done by the schools. Universities are looking for ways to finance special honors centers for the training of talented undergraduates and scholars seeking opportunities for independent study and research in the arts and humanities.

Related to the arts councils and the arts centers is a much older institution that is performing valued service to our schools and colleges.

I refer to the museum. Today there are many types of museums. There are art museums, history museums, science museums, aquariums, arboretums, planetariums, zoos, archives, historical societies, historic houses, and many other types. One thing they all have in common is the fact that they serve a most important public purpose. Some of them are primarily centers for research, but all of them are educational institutions.

In 1910, a new museum was being formed at an average rate of one every 2 weeks. By 1961, the rate had increased to one every 4 days. The reason for this increase was the growing desire on the part of our people to preserve objects and aspects of their disappearing past. Also, people began to discover a new pleasure in studying displays of these items. In response to this public interest, museums began to offer educational services never before included in their work. They developed new techniques of display that often rivaled the eye-catching character of those found in our best department stores.

Instead of showing individual objects in glass show cases, with labels that were usually difficult to read, or even without any labels whatever, objects were now related to one another, as for example in a simulated room interior; atmospheric illusion was created, as in a habitat grouping of animals against their native settings. New materials, clever lighting effects, and carefully studied labels were among the new concerns that took the emphasis off the mere collecting and preserving and put it on education. All this, when well done, attracted growing numbers of appreciative people.

It soon became clear that the museum and the textbook went hand in hand because the display was an absorbing, even at times an exciting, illustration for the school textbook. The next natural step was taken when the museum curator collaborated with the schoolteacher in guided tours and scheduled lectures which made his specialized knowledge available for sharper focus and deeper meaning to the day's lesson. The trip to the museum now had a serious purpose and it has become standard practice in most of our city schools as part of the new method of teaching.

Public schools and colleges are offering credit for the specialized knowledge and demonstrations which can be found only in our better museums. It has become common practice for our traditional educational institutions to arrange with some of our various museums in a kind of hands-across-the-border relationship, a precise program for the best pooling of their resources. By 1960, 79 percent of our museums were offering formal education programs. In this respect, historical societies and historic houses led all other types of museums; but museums of all types in our larger cities are now operating as supplemental and closely allied units of the local schools and colleges.

One of the best known examples of this kind of partnership in teaching and learning is the higher horizons program of the New York City Board of Education. In addition to whatever educational work museums are doing, we need to recognize that many of them, such as archives and museums of science and art, and those that are highly specialized, in various other fields are repositories of some of the most important knowledge we possess.

We should formally recognize museums as the educational institutions which, in fact, they are.

Since the majority of our people, all across this great Nation, feel that the cultural arts are necessary to the kind of living they want, then the arts and humanities should be in a very healthy condition. The fact is they are not. Their condition would be healthy if some factors were in better adjustment. For example, salaries are much too low and income is too precarious to attract the able people this field must have. The latest figures issued by the American Federation of Musicians show that in 1960 the average player in one of our 26 major symphonies was employed only 27 weeks that year and he earned a mere $3,900 before taxes.

Nobody can live decently on that income. These musicians therefore had to play their instruments elsewhere to earn extra income which, in a sense, is perhaps reasonable enough; but when we read that 30 percent of these people could not find other employment as musicians and had to work at whatever part-time jobs they could find, with some of them filling in as night clerks in hotels, lifeguards, postal clerks, watchmen, and janitors, we can only conclude that the condition of the arts is not as healthy and responsive to public demand as it should be.

We all know that teachers' salaries are much too low to provide in this field the kind of incentive it must have to assure a good education for our young people. We have just seen how our schools are turning to museums for supplementary help in educating both our youth and our adults, yet when we look at the salary range of $4,000 to $6,000 paid to a museum curator, we cannot in all reason expect this kind of educational collaboration to continue.

Either we recognize that the Federal Government join with State and local governments, as well as with private organizations, to provide substantial assistance or we can expect nothing short of crisis ahead of us. The arts and humanities have always had an important place in our liberal arts area of education. I submit that the evidence I have given shows clearly that this area is not merely threatened, it has already deteriorated. It is time we recognized this fact.

To make the ferment that is now going on in the arts and humanities an effective expression of national culture, nationwide surveys are required to establish facts and determine patterns and trends. Arrangements would have to be made, through clearinghouse processes and group discussions. Also, we need a continuous cross-fertilization of ideas and knowledge, an exchange of both experience and experiment on a regional basis, as well as on national and international levels. I am predicting that if these things could be done, the way would be opened up to bring a wider and deeper richness of life almost literally to every home in this great country. Forces of creativity, imagination, and enlightenment would be unleashed as never before. As we contemplate the very prospect of it, there lies before us an opportunity to make this nothing less than a national goal.

Once, in the age of kings, painting, music, drama, and literature were all considered the very essentials that made up a successful nation, and heads of state vied for the honor of endowing them. By some strange reasoning I do not understand, these noble realms of human expression, these treasures that identified the abode of the Greek muses, and which have throughout history been given the special favor of kings, in this country have been left to fend for themselves. Now, today, this Nation needs them as never before. We have reached the point in our development where we must add to the laurels we have won as a nation of wealth and power these attributes of the spirit which are expressed in the arts and humanities.

Therefore, I am today introducing a bill which provides for the creation of a new National Institute for the Arts and Humanities within the Office of Education which would have as its function the stimulation and support of educational and cultural activities on a broad scale. Obviously, the programs of the Federal Government in this area must be approached with a sensitivity to national exigencies, on the one hand, and with the responsibilities of local and private agencies, on the other. My bill calls for a Federal Advisory Council on the Arts and Humanities which will provide advice on areas of Federal support and will identify critical needs to the Commissioner of Education and to the Secretary of Health, Education, and Welfare.

To summarize the principal ways in which the arts and humanities will be advanced, the legislation provides for the following:

First. Authority to conduct broad investigations of studies of national needs in the arts and humanities in order to clearly establish areas for Federal stimulation and support.

Second. The creation of a Cultural Service Center to perform functions analogous to a national clearinghouse of information on all aspects of culture, with responsibility to disseminate this information and provide leadership and assistance.

Third. Creation of a major research and demonstration program within the Federal Government to stimulate new approaches and new techniques for the creative application of the arts and humanities throughout our society.

Fourth. Establish a fellowship and training program for teachers and talented students in the arts and humanities.

Fifth. Provide matching grants for the expansion and improvement of arts and humanities projects conducted by public and nonprofit agencies.

Sixth. Cooperation with State and local agencies in the development of leadership programs for the schools, colleges, and cultural institutions.

QUESTIONS AND ANSWERS REGARDING THE ANTITRUST CIVIL PROCESS ACT—S. 167

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks in the body of the RECORD at this point and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, in order that the Members may have a well rounded picture of the purposes and nature of the Antitrust Civil Process Act, S. 167—civil investigative demand—which will be reported out of conference tomorrow, I am submitting a list of questions and answers on the matter, as follows:

Question: What is the purpose of the Antitrust Civil Process Act?

Answer: This bill would authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of antitrust laws.

Question: Does not the Attorney General already have such power?

Answer: No. The Department of Justice can request that a grand jury be impaneled for the purpose of making an investigation, and a grand jury would be given subpena powers. However, the grand jury is supposed to be used for investigations where criminal action is contemplated, not for the purpose of securing information leading to a civil action. The civil investigative demand would thus remove the temptation to utilize the grand jury for civil investigations.

Question: How does the Antitrust Division secure information necessary for its civil cases?

Answer: The Division, if it does not utilize the grand jury procedure, must rely on information, data, and other facts supplied voluntarily, and only has subpena power after a civil complaint has been filed.

Question: Has not the Department of Justice been able to secure all the information it needed through voluntary cooperation?

Answer: No. In instance after instance such voluntary cooperation has been refused. The Attorney General cited more than a score of such instances.

Question: What is the defect in the present procedure?

Answer: There is a danger that a civil case would be filed with only skimpy or limited evidence. Upon investigation it might be found that a case was not warranted, causing considerable hardship to defendants. This could be avoided if the Antitrust Division had the power to make a thorough investigation prior to filing a complaint. Moreover, the bill would remove the temptation to file first and investigate later.

Question: To whom does the investigative authority apply?

Answer: The authority relates only to corporations, partnerships, and business entities. It does not relate to persons as such.

Question: Does the bill have the approval of the American Bar Association?

Answer: Yes; and a number of amendments suggested by the American Bar Association have been incorporated in the bill.

Question: Did the Attorney General's National Committee To Study the Antitrust Laws recommend that the civil investigative demand be granted to the Antitrust Division?

Answer: Yes.

Question: What other support has been given to the proposal to give the Antitrust Division civil investigative demand authority?

Answer: Legislation of this type was also recommended by the New York Bar Association; Judicial Conference of the United States; economic reports by President Eisenhower and President Kennedy; Attorneys General Brownell, Rogers, and Kennedy; Cabinet Committee on Small Business; and it has consistently received bipartisan support in the Congress.

Question: Do other agencies have similar investigative authority?

Answer: Yes. Not only does the Federal Trade Commission, which has concurrent jurisdiction with the Antitrust Division in the enforcement of various antitrust statutes, have this authority, but it is possessed by such agencies as the National Labor Relations Board, the Atomic Energy Commission, the Census Bureau, and all of the regulatory bodies, including the Civil Aeronautics Board, the Federal Aviation Agency, the Securities and Exchange Commission, the Interstate Commerce Commission, the Federal Communications Commission, and the Federal Power Commission.

Question: Do State antitrust agencies have such power?

Answer: Yes. Some 17 States give this exact power to their departments of justice in their antitrust laws. These include the States of Arizona, Hawaii, Idaho, Kansas, Louisiana, Maine, Missouri, Montana, Nebraska, New York, North Dakota, Oklahoma, South Carolina, Texas, Utah, Washington, and Wisconsin.

Question: Why cannot the Antitrust Division rely upon the Federal Trade Commission to do its investigating?

Answer: This would defeat the basic purpose of concurrent jurisdiction in the enforcement of certain antitrust statutes. Moreover, it could place an undue burden upon the Commission and throw its budget planning out of gear if the demands became excessive. Ultimately the Federal Trade Commission could be forced into the position of being solely an investigative arm of the Antitrust Division.

Question: In what types of antitrust cases is the civil investigative authority most needed?

Answer: The greatest needs are for investigation of mergers and monopoly cases, where careful and thorough study must be made of markets, lines of commerce, and intricate questions of horizontal, vertical, and conglomerate integration. Such cases would require the collection of considerable documentary facts and data.

Question: Would this give the Department of Justice authority to require production of privileged information?

Answer: No. The demand cannot require the production of any privileged material or of any material which would not be disclosed if demanded by subpena issued by a grand jury; nor can the demand contain any requirement which would be unreasonable if contained in a grand jury subpena.

Question: Should the authority be confined to corporations under investigation?

Answer: No; this would be unwise for a number of reasons:

First. It would severely restrict the Division in the collection of vital information relating to litigation involving monopolies, anticompetitive mergers, predatory price discriminations, and exclusive dealing contracts. Such litigation requires that the business affected by the illegal activity be measured against the total business in the line or lines of commerce involved. Information from nonviolating campanies, is, of course, necessary to such a judgment.

Second. Third parties that might be adversely affected by a merger or monopoly would be reluctant to supply information without being subpenaed, for fear of industry retaliation.

Third. Thus, small businesses who might be placed under a severe squeeze by a merger or monopoly might not be fully heard, and thus one of the crucial purposes of the antitrust laws would be thwarted, namely, to prevent the destruction of small businesses.

Fourth. Innocent parties would receive adverse publicity. In the early stages of an investigation certain parties might be considered as potential defendants, but after investigation would prove not to be. If they protested, the civil investigative demand publicity might suggest that they were guilty, whereas after supplying the information the evidence might not indicate such guilt.

Fifth. The Department of Justice might be tempted to include many parties as under investigation, whether thought to be guilty or not, and then only file a complaint against a few. Thus all the parties would be subject to being stigmatized during the period of investigation.

Sixth. In the past the Department has been accused of filing skeleton complaints. The purpose of CID to avoid this would be thwarted because the Department might again file skeleton complaints, relying upon its subpena power after complaint to secure third-party information.

Seventh. Parties not subject to investigation but willing to cooperate would be severely handicapped as compared with those unwilling to cooperate.

Thus it may be seen that limiting the CID to corporations under investigation would do great harm rather than protect third parties. This would apply particularly to small business.

Question: Is it not necessary in virtually any kind of lawsuit to secure information from witnesses who are not defendants?

Answer: Yes. Even in simple accident cases, witness testimony is essential—and such witnesses are typically not defendants. In fact, third-party testimony is often crucial to antitrust cases, as demonstrated in the recent Brown Shoe case, just decided by the Supreme Court.

Question: Should the Federal Trade Commission be permitted to use documents secured under CID?

Answer: Yes; in the interests of efficient administration of the antitrust laws, which give concurrent jurisdiction to both the Antitrust Division and the Federal Trade Commission of certain sections and statutes, the agency with the most expertise in certain areas should in many instances be given the opportunity to carry forward the prosecution. The purpose would be defeated by restricting the use of documents secured under the CID to the Antitrust Division.

Question: Would the CID enable the Department of Justice to embark upon fishing expeditions?

Answer: No. In the first place the demand cannot be used against natural persons. It is only applied against corporations and other business firms. The proposal provides appropriate court remedies to those upon whom civil investigative demands are made. The demand cannot require the production of any privileged material or of any material which would not be disclosed if demanded by a subpena duces tecum issued by a court of the United States in aid of a grand jury investigation of such alleged violations; nor can the demand contain any requirement which would be unreasonable if contained in a subpena duces tecum issued in a grand jury investigation.

Question: What are the key provisions of the bill as reported out of the conference committee?

Answer: The bill as reported by the conference committee would authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes. The use of documentary material so secured would be limited to the Antitrust Division and the Federal Trade Commission. The authority would not be limited merely to corporations under investigation.

Question: Who signed the conference report?

Answer: The report was signed by the following: Emanuel Celler, Peter W. Rodino, Jr., Byron G. Rogers, managers on the part of the House; James O. Eastland, Estes Kefauver, Olin D. Johnston, managers on the part of the Senate.

REVIEW OF NEW GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. Fountain] may extend his remarks in the body of the Record at this point and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FOUNTAIN. Mr. Speaker, I have today introduced a bill, H.R. 12565, as a substitute for H.R. 7802, which I had introduced last year to provide a uniform procedure for the periodic congressional review of new grants-in-aid to State and local governments.

Bills identical to H.R. 7802 were also sponsored by Mrs. Dwyer, Mr. Smith of Iowa, Mr. Langen, Mr. Curtis of Missouri, Mr. Pelly, Mr. Seely-Brown, Mr. King of Utah, Mr. Lindsay, and former Representative Ikard of Texas.

This legislation was proposed by the Advisory Commission on Intergovernmental Relations, on which Mrs. Dwyer, Mr. Keogh, and I presently serve as representatives of the House. The membership of the Advisory Commission, which was established by the 86th Congress to give continuing attention to intergovernmental problems, includes Governors, State legislators, mayors, and county officials, in addition to Federal officials and Members of the Congress.

Hearings on this legislation were held by the Intergovernmental Relations Subcommittee, which favorably reported H.R. 7802 with amendments to the full Committee on Government Operations, where it is presently under consideration.

Earlier this month the Governors' conference, at its annual meeting in Hershey, Pa., unanimously adopted a resolution endorsing this legislation.

The bill which I have introduced today was drafted as a substitute for H.R. 7802 in order to improve and perfect the original language. I am pleased to note that Mrs. Dwyer and Mr. Langen, my colleagues on the Intergovernmental Relations Subcommittee, are also introducing identical bills at this time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Harrison of Virginia (at the request of Mr. Abbitt), for the rest of the week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Jonas, for 15 minutes, today.

Mr. Halpern (at the request of Mr. Goodell), for 10 minutes, today.

Mr. Cahill (at the request of Mr. Goodell), to address the House on July 19 for 30 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Lane and to include extraneous matter.

Mr. Fulton.

(The following Members (at the request of Mr. Goodell) and to include extraneous matter:)

Mr. Byrnes of Wisconsin.

Mr. Cunningham.

Mr. Schwengel.

Mr. Goodling (at the request of Mr. Goodell) to revise and extend his remarks on the bill (H.R. 11974) and to include a report.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Teague of Texas.

Mr. Celler.

Mr. Morris K. Udall.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 16, 1962 present to the President, for his approval, bills of the House of the following titles:

H.R. 8050. An act to amend the act relating to the importation of adult honeybees, and to amend certain provisions of the Sugar Act of 1948, as amended; and

H.R. 10595. An act to facilitate the sale and disposal of Government stocks of extra long staple cotton

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 18, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2318. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 11, 1962, submitting a report, together with accompanying papers and an illustration, on the Great Lakes Harbors study-interim report on the Chicago Harbor and River, Ill., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 485); to the Committee on Public Works and ordered to be printed with one illustration.

2319. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Gay Chin Hung, A5063060, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2320. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2321. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to the continuation of operations relating to Austria, Belgium, France, Germany, Greece, Italy, and Lebanon during the 6-month period ending June 30, 1962, pursuant to Public Law 86-648; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIS: Committee on the Judiciary. House Joint Resolution 693. Joint resolution granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington metropolitan area transit regulation compact, and for other purposes; without amendment (Rept. No. 1979). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. House Joint Resolution 659. Joint resolution granting consent of the Congress to a compact entered into between the State of Maryland and the Commonwealth of Virginia for the creation of the Potomac River compact of 1958; without amendment (Rept. No. 1980). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. House Joint Resolution 783. Joint resolution granting consent of Congress to the State of Delaware and the State of New Jersey to enter into a compact to establish the Delaware River and Bay Authority for the development of the area in both States bordering the Delaware River and Bay; without amendment (Rept. No. 1981). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 8419. A bill to provide for the presentation of medals to the officers and men of the Byrd Arctic Expedition of 1926; without amendment (Rept. No. 1982). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 12513. A bill to provide for public notice of settlements in patent interferences, and for other purposes; without amendment (Rept. No. 1983). Referred to the House Calendar.

Mr. ROONEY: Committee on Appropriations. H.R. 12580. A bill making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes; without amendment (Rept. No. 1996). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RIVERS of South Carolina: Committee on Armed Services. House Concurrent Resolution 347. Concurrent resolution tendering the thanks of Congress to General of the Army Douglas MacArthur; without amendment (Rept. No. 1984). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 6822. A bill for the relief of Alfred C. Altum; without amendment (Rept. No. 1985). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H.R. 8062. A bill for the relief of Combest B. Sills; without amendment (Rept. No. 1986). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H.R. 8549. A bill for the relief of George H. Peters; without amendment (Rept. No. 1987). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 10111. A bill for the relief of Marvin M. Greenlee; with amendment (Rept. No. 1988). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 10678. A bill for the relief of Angelo A. Russo; without amendment (Rept. No. 1989). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 1410. A bill for the relief of Norman R. Tharp; without amendment (Rept. No. 1990). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8205. A bill to provide tax relief to the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America Local No. 863 pension fund and the contributors thereto; with amendment (Rept. No. 1991). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 10720. A bill for the relief of Rexford B. Cherryman of Williamsburg, Va.; without amendment (Rept. No. 1992). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11058. A bill for the relief of Carl Adams; without amendment (Rept. No. 1993). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 10196. A bill for the relief of Thomas C. Barringer; without amendment (Rept. No. 1994). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11183. A bill for the relief of Isabel K. Lanning; with amendment (Rept. No. 1995). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOGARTY:

H.R. 12560. A bill to establish a National Institute of the Arts and Humanities, to authorize programs of information, education, advisory services, and financial assistance for the encouragement and advancement of artistic and cultural activities and for the development of a more widespread appreciation of America's cultural heritage and accomplishments, and for other purposes; to the Committee on Education and Labor.

By Mr. THOMPSON of New Jersey:

H.R. 12561. A bill to establish a National Institute of the Arts and Humanities, to authorize programs of information, education, advisory services, and financial assistance for the encouragement and advancement of artistic and cultural activities, and for the development of a more widespread appreciation of America's cultural heritage and accomplishments, and for other purposes; to the Committee on Education and Labor.

By Mr. GRAY:

H.R. 12562. A bill to amend section 302 of the Internal Revenue Code of 1954 to extend the period in which the agreement relating to redemptions terminating a shareholder's interest in a corporation may be filed; to the Committee on Ways and Means.

By Mr. LENNON:

H.R. 12563. A bill to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RUTHERFORD:

H.R. 12564. A bill to govern further development of the national cemetery system; to the Committee on Interior and Insular Affairs.

By Mr. FOUNTAIN:

H.R. 12565. A bill to provide for periodic congressional review of Federal grants-in-aid to States and to local units of government; to the Committee on Government Operations.

By Mrs. DWYER:

H.R. 12566. A bill to provide for periodic congressional review of Federal grants-in-aid to States and to local units of government; to the Committee on Government Operations.

By Mr. LANGEN:

H.R. 12567. A bill to provide for periodic congressional review of Federal grants-in-aid to States and to local units of governments; to the Committee on Government Operations.

By Mr. ABERNETHY:

H.R. 12568. A bill to assist the States to provide additional facilities for research at the State agricultural experiment stations; to the Committee on Agriculture.

By Mr. DANIELS:

H.R. 12569. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 12570. A bill to provide for the desegregation of public schools, with all deliberate speed, including nationwide first-step compliance by 1963, and for other purposes; to the Committee on Education and Labor.

H.R. 12571. A bill to provide for the establishment of a National Consumers Advisory Council, and for other purposes; to the Committee on Education and Labor.

H.R. 12572. A bill to provide that no State shall impose any poll tax, property tax, or any property ownership qualification or property tax, or any literacy or intelligence test as a condition of the right of any citizen to vote at any election for a Federal officer; to the Committee on House Administration.

By Mr. JONAS:

H.R. 12573. A bill to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIAS:

H.R. 12574. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. ROBERTS of Texas:

H.R. 12575. A bill to designate the Veterans' Administration Center at Bonham, Tex., as the Sam Rayburn Memorial Veterans Center; to the Committee on Veterans' Affairs.

By Mr. SAYLOR:

H.R. 12576. A bill to govern further development of the national cemetery system; to the Committee on Interior and Insular Affairs.

By Mr. SPENCE:

H.R. 12577. A bill to place authority over the trust powers of national banks in the Comptroller of the Currency; to the Committee on Banking and Currency.

H.R. 12578. A bill to amend section 5155 of the Revised Statutes relating to bank branches which may be retained upon conversion or consolidation or merger; to the Committee on Banking and Currency.

H.R. 12579. A bill to make any bank organized under the laws of American Samoa eligible to apply for insurance under the Federal Deposit Insurance Corporation Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROONEY:

H.R. 12580. A bill making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

By Mr. SCHADEBERG:

H.R. 12581. A bill to limit the purposes for which funds appropriated or otherwise made available to the Department of Health, Education, and Welfare may be used; to the Committee on Education and Labor.

By Mr. ADAIR:

H.J. Res. 822. Joint resolution proposing an amendment to the Constitution of the United States permitting nonsectarian prayer in public schools or other public places if participation therein is not compulsory; to the Committee on the Judiciary.

By Mr. DOMINICK:

H.J. Res. 823. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. WILSON of California:

H.J. Res. 824. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H.J. Res. 825. Joint resolution proposing an amendment to the Constitution of the United States to permit the use of prayer in public schools; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 12582. A bill to provide for the free entry of one set of musical handbells for use of Court Street Methodist Church, Rockford, Ill.; to the Committee on Ways and Means.

By Mr. BRADEMAS:

H.R. 12583. A bill for the relief of Constantin Chroussalas; to the Committee on the Judiciary.

H.R. 12584. A bill for the relief of Georgios P. Sotos; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 12585. A bill for the relief of Mrs. Rose Fisch; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 12586. A bill for the relief of Jack C. Miklos; to the Committee on the Judiciary.

H.R. 12587. A bill for the relief of Rina Santarossa; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

388. The SPEAKER presented a petition of Patricio O. Ramos, secretary, Provincial Board of Isabel, Ilagan, Philippines, relative to expressing the disappointment of the people of Isabela, on the disapproval of the Philippine war damage bill, which was referred to the Committee on Foreign Affairs.

SENATE

TUESDAY, JULY 17, 1962

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rev. J. Bruce Weaver, pastor, Lutheran Church of the Reformation, Washington, D.C., offered the following prayer:

Eternal and gracious God, as we contemplate the complex and awesome responsibilities which have been deposited at our doorsteps by the floodtides of history, we gratefully clutch the privilege of turning to Thee, who art Lord of history and of life.

We humbly petition Thee to endow us with strength equal to our tasks and with the wisdom to work both faithfully and well. Remove from us the fear that enervates us, and give us a bold and lively confidence grounded in our trust in Thee. Above all else, in this hour we beseech Thee to give us the true perspective as to who we are and as to the meaning of what we do, which comes only as we respond to Thy calling. Help us, each one, to live and to work so committed to Thy will and bound to Thy purposes that the work of our hands and minds and hearts will find favor in Thy sight.

We beseech Thee to hear our prayer and to look with favor upon our requests, in the name of Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. Mansfield, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 16, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries.

REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on the Judiciary:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1961.

John F. Kennedy.

The White House, *July 17, 1962.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1824) to create an additional judicial district for the State of Florida, to be known as the middle district of Florida, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 1469. An act for the relief of Mrs. Leslie M. Paterson, Janet Paterson, and Mary Paterson; and

H.R. 7369. An act for the relief of Gerda Godin.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 8983. An act to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes; and

H.R. 10485. An act to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Interior and Insular Affairs:

H.R. 8983. An act to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes; and

H.R. 10485. An act to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

RESOLUTIONS OF 54TH ANNUAL MEETING OF GOVERNORS' CONFERENCE

The PRESIDENT pro tempore laid before the Senate a letter from the secretary of the Governors' conference, at Chicago, Ill., transmitting the resolutions adopted by that conference at a meeting held at Hershey, Pa., July 2–3, 1962; which, with the accompanying resolutions, was ordered to lie on the table.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted at the 54th annual meeting of the Governors' conference, held at Hershey, Pa., relating to the maintenance and strengthening of the National Guard; to the Committee on Armed Services.

A resolution adopted at the 54th annual meeting of the Governors' conference, held at Hershey, Pa., July 2–3, 1962, favoring the development of interstate compacts relating to comprehensive planning for physical growth and development of metropolitan areas for carrying out mass transportation programs; to the Committee on Banking and Currency.

Three resolutions adopted at the 54th annual meeting of the Governors' conference held at Hershey, Pa., on July 2–3, 1962, relating to world trade, 5-percent rebate of federally collected income taxes, and stimulation of the Nation's economic growth through Federal tax incentives; to the Committee on Finance.

Three resolutions adopted at the 54th annual meeting of the Governors' conference, at Hershey, Pa., on July 2–3, 1962, relating to periodic review of grants-in-aid, Federal-State relations, and retrocession of jurisdiction; to the Committee on Government Operations.

A resolution adopted at the 54th annual meeting of the Governors' conference, held at Hershey, Pa., July 2–3, 1962, relating to the limitation of withdrawals of public lands for single-purpose use; to the Committee on Interior and Insular Affairs.

A resolution adopted at the 54th annual meeting of the Governors' conference, held at Hershey, Pa., on July 2–3, 1962, favoring an amendment to the Constitution of the United States to permit free and voluntary participation in prayer in the public schools; to the Committee on the Judiciary.

A resolution adopted by the 54th annual meeting of the Governors' conference, held at Hershey, Pa., July 2–3, 1962, favoring a study of the possibility of the establishment of a revolving fund for the purpose of acquiring rights-of-way at such time as a State and the Federal Government have agreed as to the preliminary alinement of a proposed highway; to the Committee on Public Works.

A resolution adopted at the 54th annual meeting of the Governors' conference, held at Hershey, Pa., July 2–3, 1962, relating to civil defense; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. YARBOROUGH, from the Committee on Post Office and Civil Service, without amendment:

H.R. 6374. An act to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes (Rept. No. 1740).

By Mr. JOHNSTON, from the Committee on Agriculture and Forestry, with amendments:

S. 3152. A bill to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program (Rept. No. 1741).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Jerome B. Wiesner, of Massachusetts, to be Director of the Office of Science and Technology.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MANSFIELD:

S. 3558. A bill to provide for the reservation of certain federally generated power for use in the State of Montana; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 3559. A bill to amend title V of the Housing Act of 1949 to authorize direct and insured loans to provide housing for elderly persons and families in rural areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. SMITH of Massachusetts:

S. 3560. A bill for the relief of the estate of Marcel V. Bissonnette; to the Committee on Armed Services.

MONTANA POWER PREFERENCE

Mr. MANSFIELD. Mr. President, from time to time I have addressed the Senate on the wealth of natural resources that we have in Montana. Water is considered by many to be the most important. The rivers of Montana have provided sites for some very important and successful hydroelectric power projects, both public and private. These generating facilities have supplied the energy to meet the local demands, but also have provided the additional incentive to bring new industry into the State and the resulting benefits. In addition, these projects have contributed to the overall generating scheme of the Columbia and Missouri River Basins.

Montana is an upstream State; and, because of its developed and undeveloped reservoir sites, it contributes a great deal in power generation and flood control downstream. Montana is a State which is just beginning to flex its muscles in its transition from a largely rural State to one with growing metropolitan areas and potential industrial development. Many of us see low-cost hydroelectric power as one of the major instruments in this development. Therefore, we have come to be sensitive about keeping a reasonable amount of the power generated at these large upstream projects for use within our own State, and not merely permit the energy and benefits to flow downstream.

This attitude may appear to be somewhat parochial, but I am sure that my colleagues here in the Senate find similar attitudes in each and every State. If they have a resource of which they are justly proud, they want to see that the major benefit is realized in their own immediate area. This statement is not being made without a full awareness of the problems that arise from regional development and cooperation. We live in a Federal system, and the interests of our sister States must be and should be considered.

The people of Montana want to be placed on record as stating that they are willing to cooperate, but they will not stand idly by while their resources are drained off for the benefit of those downstream. As I indicated some months ago, I intended to introduce proposed legislation which would give Montana a preference for at-site power and a portion of the benefits realized downstream at all new federally constructed projects in Montana. I have today introduced and sent to the desk such a proposal. I realize full well that it will be opposed in certain quarters of the executive and legislative branches of the Government, but it is a matter which should be discussed. It is a subject of considerable concern to the Montana congressional delegation and to the people of Montana.

Mr. President, I ask unanimous consent to have the text of this bill printed at the conclusion of my remarks in the Congressional Record.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection the bill will be printed in the Record.

The bill (S. 3558) to provide for the reservation of certain federally generated power for use in the State of Montana, introduced by Mr. Mansfield, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the at-site capability of power and energy generated at Federal projects now under construction or hereafter constructed within the State of Montana, or such portions thereof as may be required from time to time to meet loads under contract within this reservation, shall be reserved for use in the State of Montana: *Provided,* That at-site capability of the Yellowtail project shall be reserved for use in the State of Montana hereunder in the same percentage as the waters of the Big Horn River are allocated to the State of Montana by subdivision 2, paragraph B, of Article V of the Yellowstone River Compact, consented to by the Act of October 30, 1951 (65 Stat. 663).

Sec. 2. An equitable share of the increase in system firm power generated at downstream Federal projects by reason of the storage and release of water from Federal projects in Montana shall be reserved for use in the State of Montana. In determining said reservation there shall be considered, among other relevant factors, machine capacity, amounts of water, and transmission facilities utilized in distributing and marketing the system firm power. Portions of the reservation made pursuant to this section not required to meet Montana loads under contract may be sold for use outside the State subject to recall on reasonable notice.

PRINTING OF REVIEW OF REPORT ON MODIFICATION OF THE WALTER F. GEORGE LOCK AND DAM, CHATTAHOOCHEE RIVER, GA. AND ALA. (S. DOC. NO. 109)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated September 26, 1961, from the Acting Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a modification of the Walter F. George lock and dam, Chattahoochee River, Ga. and Ala., authorized by the Fish and Wildlife Coordination Act approved August 12, 1958. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RAILROAD CONSOLIDATIONS AND MERGERS—ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I am very pleased to announce that our very competent and hardworking majority whip, the Senator from Minnesota [Mr. Humphrey] has indicated his desire to become a cosponsor on S. 3097. You will recall that I introduced this bill as a stopgap measure to defer decisions on the larger rail mergers where such mergers would substantially lessen competition or tend toward monopoly so that Congress and the administration could have time to investigate the rail merger problem and develop new criteria for the protection of the public interest. Thus, I am most appreciative of the support given this bill by the Senator from Minnesota [Mr. Humphrey]. As cosponsor, he joins the majority floor leader and some 11 of my colleagues who are vitally concerned with the effects which present rail merger proposals may have on our transportation network if they are allowed to go forward. I am hopeful that other Senators will look into this issue and follow the Senator from Montana [Mr. Mansfield] and the Senator from Minnesota [Mr. Humphrey] in cosponsoring this measure and giving it their full support. It is, indeed, a most important piece of legislation.

Mr. President, I ask unanimous consent that the name of the Senator from Minnesota [Mr. Humphrey] be placed upon the bill as a cosponsor when the bill is next printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF NORBERT A. SCHLEI TO BE ASSISTANT ATTORNEY GENERAL

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, July 25, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Norbert A. Schlei, of California, to be Assistant Attorney General, vice Nicholas DeB. Katzenbach.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. Johnston], the Senator from Nebraska [Mr. Hruska], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF MITCHELL H. COHEN TO BE U.S. DISTRICT JUDGE, DISTRICT OF NEW JERSEY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, July 24, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Mitchell H. Cohen, of New Jersey, to be U.S. district judge, district of New Jersey, vice Richard Hartshorne, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. Johnston], the Senator from Nebraska [Mr. Hruska], and myself, as chairman.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

James P. Alger, of Utah, to be U.S. attorney, district of Guam, term of 4 years, vice Herbert G. Homme, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, July 24, 1962, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. WILEY:

Excerpts from address prepared by him for delivery over Wisconsin radio stations on July 14, 1962, relating to a proposed global food plan.

Excerpt from his own newsletter dated July 12, 1962, relating to Captive Nations Week.

MONTANA HISTORICAL MUSEUM IS MAJOR TOURIST ATTRACTION

Mr. MANSFIELD. Mr. President, the Sunday edition of the New York Times carries a feature story on one of the finest small museums in the Nation, the Montana Historical Museum and Russell Gallery, at Helena, Mont. This museum and gallery constitute one of the State's major tourist attractions.

The museum is perhaps best known for its fine collection and documentation of the work of the famed Charles Russell, outstanding western artist. The other portions of the museum are devoted to the history of the Treasure State. These displays bring together a glimpse of the West's colorful past. A few hours in the museum and gallery are most rewarding, and I highly recommend a visit there to anyone traveling in Montana.

Mr. President, I ask unanimous consent to have the New York Times article, dated July 15, 1962, printed in the Record at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Montana Museum Bares West of Old

(By Jeanne K. Beaty)

Helena, Mont.—What is doubtlessly the next best thing to an old-fashioned Wild West show is being offered here this summer. At the Montana Historical Museum and Russell Gallery has been assembled a special display of the works of Charles M. Russell, the noted cowboy artist who documented in paintings and sculpture the life of the Great West for a period of 40 years prior to his death in 1926.

The gallery's complement of 60 paintings, sketches and sculptures has been expanded by loans from other galleries and museums as well as private collections to produce an exhibition comprising 372 items with a total valuation of $5 million. These, together with the scale models, dioramas and special collections of the Historical Society of Montana, provide an unusually broad view of a now-vanished era in the development of the West.

One of the most interesting sections of the Russell show is the collection of memorabilia known as "Paper Talk," on loan from the Amon Carter Museum of Western Art in Fort Worth, Tex. This collection, which has been published in a book of the same name, contains sketches, illustrated letters and cards to many of Russell's friends, and such items as the wildlife watercolor that was his first present to his wife.

REPRODUCTIONS SOLD

According to Michael S. Kennedy, director of the Historical Society of Montana, the job of assembling this material by the Texas museum is a remarkable example of museum perseverance and display technique. Reproductions of certain sections of the collection are on sale at the museum, along with other reproductions of Russell's work.

This interpretative collection of paintings, drawings and bronze sculptures, which will remain here until Labor Day, constitutes what is believed to be the most extensive assemblage of Russell's work ever put together. Besides the Amon Carter Museum, other contributors to the show are the Will Rogers Memorial Museum of Claremore, Okla.; the Santa Barbara (Calif.) Historical Society Museum; the William S. Hart Ranch in Los Angeles, and the Trigg-Russell Gallery in Great Falls, Mont.

Occupying the same attractive, modern building is the museum of Montana's historical society. Most spectacular of the museum's new exhibits is Big Medicine, sacred white "buffalo" of the Flathead Indians. The animal, in life the star attraction of the National Bison Range at Moiese, Mont., died in 1960 and has now been stuffed and installed on a pedestal in the museum's basement gallery. An albino birth occurs about once in every 5 million bisons born, and Big Medicine was probably the most photographed bison in the world.

The basement gallery also houses the John collection of more than 200 old guns. Among these are a 1689 English blunderbuss, a French flintlock pistol inlaid with silver of the same era, and a French flintlock carbine of 1771 used in the American Revolutionary War.

Other cases contain breach-loading cartridge rifles, long-barreled Civil War muskets, breach-loading percussion guns, repeating hunting rifles, Kentucky types, shotguns, and ammunition and loading equipment.

Thirty-eight different pistols are assembled in one display. A single-action percussion Colt pistol belonging to Bat Masterson and a Springfield model rifle used in Gen. George Custer's fatal Battle of the Little Big Horn in 1876, are included in the exhibit of historic guns, which was donated to the museum by a pioneer businessman of Kalispell, Mont. The collection is of interest to historians and Wild West fans.

HISTORY OF STATE

In the museum's main display room on the ground floor, a combination of dioramas, artifacts, scale models, and diagrams presents the history of the State from the days before Lewis and Clark, through the fur trapping and mining eras to the present, when lumbering, mining, and ranching are the principal industries.

Among the exquisite scale models in the transportation section is one of the *Chippewa*, the first paddle wheel steamboat to ascend the Missouri River to Fort Benton, and a keel boat modeled after those used by fur traders in navigating the Missouri.

In another part of the room a diorama depicts Fort Benton as it was on July 2, 1860, the day the *Chippewa* arrived, and on the grounds behind the museum building is a full-scale replica of a keel boat.

The museum's section on Indians and the fur-trading frontier contains a striking diorama of buffalo being driven over a cliff by Indians, a method of hunting before the Indians acquired horses. In the same hall are two well-preserved sets of Indian costumes, which provide a before-and-after comparison of the effect of trade with the white man.

One set of garments is decorated with porcupine quills and elk teeth, the other with beads. A brief critique, alongside, explains that beadmaking for trade purposes was a very old industry in Europe, and that a firm in Venice whose beads eventually embellished Blackfeet costumes had been in business continuously for 800 years.

NO DETAIL MISSING

Dominating the main hall is a large diorama of the Lewis and Clark Expedition, complete to the last quixotic detail, a small field mouse placed in the lower right-hand corner on a level with the eye of a very small beholder. This diorama is flanked by a communications exhibit, a model of a telephone office shortly before the turn of the century, and an industrial display.

The cattleman's frontier and the mining industry, which got its start in the gold rush days of the 1860's, are also vividly recreated. Along with a model of Virginia City in 1866 and a map of routes to the gold fields, the latter section contains an exhibit representing copper mining operations that are now being carried out at Butte on what has been called the "richest hill on earth." Accompanying it is a diagram showing the complex stages of copper smelting.

From now through Labor Day the museum-gallery will be open 7 days a week from 8 a.m. until 8 p.m. There is no admission fee.

THE INDIAN STORY

Mr. MANSFIELD. Mr. President, my good friend, Sister Providencia, of Great Falls, Mont., an ardent supporter of the cause of the American Indian, has directed my attention to an exchange of views on the difficulties confronting our Indian citizens.

A Catholic publication, the Progress, carried an editorial, entitled "Indian Days" in its June 22 edition, and the editorial prompted a response from Max Gubatayao. I was especially interested in this exchange of views on Indian problems, because Mr. Gubatayao is a former resident of Montana, and in recent years he has become a champion of the Indian and his problems. Both articles show an excellent grasp of the present-day situation.

Mr. President, I ask unanimous consent to have these two articles, appearing in the June 22 and 29 issues of the Progress, printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Progress, June 22, 1962]

INDIAN DAYS

Gov. Albert D. Rosellini has designated June 21, 22, and 23 as Washington State Indian Days. He has likewise urged the people of our State to use these days to study the history of the Washington Indians and to enjoy their culture and heritage.

We wholeheartedly approve of this means of honoring the Indian people of this State. But, it is by no means enough. The savage way in which white men have wrenched this land of the free from the uneducated redmen is perhaps the ugliest scar on the face of American history. We don't talk about it much. We convince ourselves that, after all, the Indians are a dying race, and in a few years' time we will not have to meet their accusing glances face to face. There will be only romantic names like Snohomish, Issaquah, Tatoosh, Seattle, to remind us of our inglorious past.

Recent statistics, however, indicate that the Indian race is increasing, not decreasing. Sooner or later we must face the condition of the American Indian squarely.

There are over 10,000 Indians in 23 tribes living on 16 reservations in western Washington alone. One of the greatest difficulties has been to get Indians interested in developing the natural resources on their reservations, thus providing adequate means of tribal income. The Indians on the whole seem to show little interest in local politics and civic life. Often they are satisfied to eke out a meager existence by living off the fat of reservation land.

We may be tempted to say that the only problem with redmen is that they are just plain lazy. Actually, their apparent indifference is often a symptom instead of the cause of the disease.

Putting the Indian on reservations has in certain instances protected him from exploitation, but it has likewise broken his spirit. He is not a part of the keenly competitive world which develops courage and tenacity in a man. His many special privileges have dulled his sense of responsibility and enthusiasm. The many TV westerns in which the Indian always bites the dust first along with a general contempt for the red race evidenced in many areas of our society give him the feeling of being a second-rate citizen. With odds like these, how much initiative would you have?

Catholics have a special reason for interest in their red-skinned brothers because they are children of God possessed of immortal souls and many, thanks to the tireless labors of early missionaries, are baptized Catholics. Chief Seattle was himself a devout Catholic and the cross above his grave in the Catholic cemetery of Suquamish still bears his baptismal name: Noa.

We certainly encourage all our readers to attend the Washington State Indian Days being celebrated at Seattle University gymnasium tonight and Saturday evening from 8 to 10.

We likewise take this opportunity to congratulate the men and women of the Indian Center, 2604 1st Avenue, Seattle; the dedicated social workers for Catholic Charities and the St. Vincent de Paul Society as well as a devoted corps of priests and Sisters for their selfless administrations to the spiritual and material needs of Washington Indians.

But even their work, excellent as it has been, is not enough. Until we convince ourselves that the plight of the American Indian is our personal responsibility as citizens and as Christians and that we dare not leave the matter entirely in the hands of the Federal Government, a State welfare agency or a charitable institution, Indian life will become more difficult and our gross neglect more culpable.

[From the Progress, June 29, 1962]

ANOTHER SIDE OF THE INDIAN STORY

(EDITOR'S NOTE.—The remarks of Mr. Max Gubatayao were stimulated by an editorial published in last week's issue of the Catholic Northwest Progress pointing up the celebration of Indian Days in the State of Washington. We think that Mr. Gubatayao's observations are well made and we are deeply grateful to him for bringing his views to our attention.

(The problems faced by the American Indian are complex and extremely difficult but it is only when we bring the issue out into the open and honestly seek a solution that social progress can be made.)

EDITOR, THE PROGRESS:

I read your comment (June 22, 1962), "Indian Days," which implied that keeping the Indians on the reservation plus the protective hand of the Federal Government have tended to break the Indian spirit bringing his participation in American life to a low ebb. This is the prevailing public attitude perhaps fostered as you point out by the TV image of the Indian. The reservation is a sort of punishment situation inflicted on the Indian with the U.S. Government as a somewhat too benign warden.

The Indian view is quite the contrary. Here is what a few of them said to the American Indian Charter Conference held last June in Chicago under the guidance of Dr. Sol Tax of the University of Chicago. Members of one small western tribe declared, "Our purpose is to keep our land and our resources in the old Indian way. The Great Maker gave us this big, beautiful country with everything in it to live on, and not to waste it, and not to sell it."

Their tribal leaders were even more emphatic. They stated, "We will stand firm against the power push to assimilate for our Indian identity is at stake as well as our homes and our lands, together with all the solemn agreements (treaties) made to give us a place on this continent of America."

Nor do Indian leaders share your qualms about leaving their development entirely in the hands of the Federal Government. One Indian leader managing the resources of a reservation estimated to be worth $15 to $18 million says flatly, "All Indian tribes need their trust relationship with the Federal Government." The need according to a national Indian leader is for "[Federal] programs to assist tribes in the full development of their human and natural resources and to advance the health, education, and economic well-being of Indian citizens."

If Indian development is at a low ebb it is because the Federal Government since 1953 under the impetus of House Concurrent Resolution 108, the termination resolution, has been following a policy of withdrawal of the special Federal services to Indians and the ending of the special relationship between the Government and the Indian tribes. Accompanying this policy have been great pressures against the Indians to sell their lands.

The policy, more or less, is still being followed with its bad effects on Indian morale. In March of this year S. 2899, a bill designed to deal with heirship problems affecting Indian land was introduced. Indian leaders viewed this bill as a threat to 12 million acres of Indian land.

Another bill, H.R. 8076 introduced at the previous session of Congress proposed setting up a special Advisory Board to assist in making policy. Indians have opposed such boards vigorously. As one of them has said, "We do not want to trade a political commissioner for a nonpolitical Indian commission, because our ballot is our only ammunition."

If we want to make gestures of friendship to our reservation friends we could join them in resisting moves such as these tending to dispossess them and permitting their abandonment by the Federal Government.

The Indians of today are not suffering from a case of "reservation-itis" or from the activity of an overprotective Great White Father. Desertion by the Federal Government morally committed to keep their lands intact and provide them with badly needed welfare and special services and not mere isolation from the American community, is their big problem.

Mr. **MANSFIELD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDENT** pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

NOMINATION OF JUDGE THURGOOD MARSHALL

Mr. **YOUNG** of Ohio. Mr. President, many of my constituents are writing and telegraphing me, expressing a feeling of outrage that Thurgood Marshall, one of the Nation's outstanding lawyers, has not had his nomination confirmed by Senate action.

For many weeks I have also shared the feeling of concern that this able and prominent American, this thoroughly loyal American and outstanding lawyer, has had his nomination held up in the Committee on the Judiciary throughout these months. I think it is high time that action be taken.

He has been serving as a judge in the Second Circuit Court of Appeals under a recess appointment by our President made last October 23. His nomination was then formally submitted for confirmation to the Senate on January 15, 1962.

Throughout the period of time from the date in October when Thurgood Marshall received his recess appointment to be a judge of the U.S. court of appeals, he has been performing his duties as a judge with fidelity, zeal, and great ability.

Of course, as is well known, Thurgood Marshall is a member of the Negro race.

I feel that this fine lawyer should have long ago had his nomination confirmed by the Senate. As the junior Senator from Ohio, I want very much to cast an affirmative vote for the confirmation of his nomination. I am not in accord with those who evidently feel that this nomination should be treated differently from other nominations.

The **PRESIDING OFFICER** (Mr. BURDICK in the chair). The time of the Senator has expired.

Mr. **YOUNG** of Ohio. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **YOUNG** of Ohio. Mr. President, it was my hope that the hearings held earlier this month on his nomination would have resulted in a recommendation from the Committee on the Judiciary that his nomination be confirmed. No adverse witnesses appeared expressing any opposition to the nomination of Thurgood Marshall. Instead, the hearings were at that time recessed with no action whatever taken.

Mr. President, this delay is not in keeping with Judge Marshall's qualifications and achievements. The reputation and standing in the legal profession of Judge Marshall are high. My research shows that in 32 appearances before the Supreme Court of the United States, the decisions rendered on the causes which he represented and for which he argued were favorable on 29 occasions.

Few lawyers can boast of such a record of success. This fact alone testifies to his legal ability and to his fitness for the post to which he has been named.

Judge Marshall easily met the high standards set by President Kennedy for Federal judgeship appointments. The delay in confirming his nomination to be a Federal judge, it seems to me, is unwarranted and cannot be justified. In the interest of justice, decency, and fair treatment to an able American, let us hope that the nomination of Thurgood Marshall to be a judge of the U.S. circuit court of appeals will be favorably reported by the Committee on the Judiciary to the Senate. If and when that is done, I am confident the Senate, by an overwhelming vote, will confirm his nomination to this high post.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

MEDICAL CARE FOR THE ELDERLY

Mr. **SALTONSTALL**. Mr. President, I intend to vote to lay the Anderson amendments on the table. I shall do so because I do not believe we should put medical care for our elder citizens on a social security basis.

Last week on Thursday I offered an amendment which would have extended services for medical care of our citizens over 65 on a voluntary basis, subject to annual appropriations by the Congress. The amendment would have extended the Kerr-Mills Act, adding a number of additional services for our elder citizens who need medical care. It would have modified the means test by increasing the number of people who would be eligible for benefits, thus putting it on a more realistic basis.

I believe we should give the Kerr-Mills Act a further trial. It is working effectively in Massachusetts. I believe some 24 States have adopted the program, but in 4 States, of which Massachusetts is one, it is used more extensively. In fact, these four States account for 90 percent of the cost to the Federal Government of the Kerr-Mills Act at the present time. It is State-administered, voluntary, and provides a comprehensive program of medical benefits. I would prefer to wait and give this law an opportunity to be implemented in more States and expanded in others rather than to embark on a new plan which would be federally oriented, costly to administer, and would impose a regressive tax on employment.

The Anderson amendment would put medical care on a social security basis, run by the Federal Government through a new Federal bureaucracy, with an extraordinary increase in the cost of social security over the years to come. Such a system would be difficult to repeal even if it did not work. It would be difficult to change. If, on the other hand, the program were subject to annual appropriations on a voluntary basis Congress could more readily change it by changing the amount of the appropriation if Congress thought it was not being fairly administered.

For these reasons, very briefly stated—a summary of what I said in full last Thursday in connection with my amendment—I shall vote to lay on the table the Anderson amendments.

Mr. AIKEN. Mr. President, I doubt there is much more that can be said for or against the Anderson-Javits amendments, on which we shall vote at 3 o'clock. In the final analysis how we vote on the motion to lay the amendments on the table will depend upon how they would affect our own people, our own neighbors, our own friends who live in our communities.

My colleague [Mr. PROUTY] has already pointed out that of the 192 nursing homes in the State of Vermont which qualify under the Kerr-Mills Act in the old-age assistance program only 3 could qualify under the Anderson-Javits amendments as they now stand.

Very generally, Mr. President, the Anderson-Javits proposal would be favorable to the urban areas, but I think it would be discriminatory so far as the rural areas of this country are concerned.

In addition to the inability of nursing homes in my State to qualify, there are many other serious defects in the proposal. The method of raising funds to pay the costs is a discriminatory method, in that it would make the entire cost payable out of a tax on people with low incomes in this country.

In order for country people to take advantage of the benefits offered by the Anderson proposal it would really be necessary for them, when they reach a certain age, to migrate to the cities or the larger centers of population. Our people, who have been raised in the villages and on the farms of Vermont, do not want to move to town to take advantage of new Federal programs. They want to stay with their neighbors, where they have spent the best years of their lives. If they are sick, they want people to take care of them in their homes. They could not get that treatment under the measure on which we are asked to vote.

If the criteria established by these amendments should stand—they now would require all nursing homes which participate in the program to be absolutely fireproof—the next logical step to be taken would require all people to live in strictly fireproof homes. That is not too farfetched, but it is something we are not ready for, and for which we will not be ready for some time.

Vermont has established a program under the Kerr-Mills Act. It is an experimental program. I think that at present it is probably an inadequate program. The director of the program under the Kerr-Mills Act has been given authority to amend the State legislation, to try out whatever he has to try out, until the legislature meets next winter, when his recommendations can be firmed up. It looks as if the Kerr-Mills program which permits the people to stay at home and get medical care and other care, is superior to any program which would make it virtually necessary for them to move to large towns or cities to secure full benefits.

For this reason, because I am going to vote for what I think is best for the people of my State, I feel I shall have to vote to table the Anderson-Javits proposal.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOMMENDATIONS ON FINANCING OF HEALTH COSTS FROM THE WHITE HOUSE CONFERENCE ON AGING

Mr. McNAMARA. Mr. President, during the course of his floor speech on July 11, my able colleague and good friend the senior Senator from Colorado [Mr. ALLOTT] stated that the majority view emanating from the White House Conference on Aging opposed the financing of medical care under social security. He was concerned that "in the deliberations which are now taking place in this Chamber we are disregarding the considered judgment of experts" who formulated the White House Conference recommendations.

I too am concerned that our deliberations should not ignore the considered judgment of these experts; that we should clearly understand that the majority of the White House Conference delegates charged with developing the recommendations on the financing of health costs unequivocally favored the use of the social security method as the basic program.

I feel it essential that I correct the record, because the document from which my colleague drew his erroneous impression was a committee print issued by the Senate Special Committee on Aging containing the basic policy statements and recommendations of the 1961 White House Conference on Aging.

The correct information is in this document. My colleague, however, simply read from the wrong pages—from pages 37–38, headed "Policy Statement and Recommendations—Institutional Care," and not from the pages beginning with 12, which reported the policy statement and recommendations of "Section 2. Income Maintenance, Including Financing Health Costs." This section—section 2—was the White House Conference section which had been specifically charged with responsibility for developing the recommendations on the financing of health costs.

The recommendation of section 2, the only recommendation on financing of health costs that can be properly labeled as the majority view emanating from the White House Conference, read as follows:

> #### FINANCING HEALTH CARE
>
> The problem of furnishing an adequate level of high-quality health care for the aged is so large and so complex that its solution will require the use of a variety of approaches, including individual and family resources, voluntary health insurance, industrial programs, social security, public assistance, and a variety of other programs.
>
> Present Federal legislation providing governmental aid for recipients of public assistance and for the medically indigent is desirable and should be strengthened so as to provide a high-quality health care program. The States are urged to take full advantage of this legislation.
>
> Voluntary health insurance for the aged should continue to be expanded. Industry should be encouraged to expand its health care programs and extend to retired persons the medical care protection afforded to current workers.
>
> Private voluntary effort and public assistance can contribute much to the solution of the problem of health care for the aged. However, they will continue to fall short of meeting the basic medical care needs of the aged as a whole. The majority of the delegates of section 2 (by a vote of 170 to 99) believe that the social security mechanism should be the basic means of financing health care for the aged.
>
> Establishment of a program of health benefits financed in the same way as OASDI cash benefits would give to the aged the assurance that the costs of essential health care will be met when their working years are over. The mechanism of contributory social insurance, under which contributions are made by workers during their working years, will then provide health care to protect them in retirement. Such legislation would help to ease the problems of hospitals, public assistance programs, and private philanthropy and would relieve voluntary insurance programs of the burden of carrying this high-risk group.
>
> The minority believe that social security should not be used to finance health care; that such use would interfere with the physician-patient relationship; that it is unnecessary because of the potential growth of voluntary insurance; and that all needy aged can be cared for by public assistance through the recently enacted Federal program of health care for the low-income aged. In addition, they believe that the social security program should provide for cash benefits and not for services of various kinds.

I cannot understand how the Senator from Colorado happened to miss this major recommendation. The introduction to the report from which the Senator read had flagged the fact that the financing of health costs was the most discussed problem of all those considered by the conference and had made clear that the recommendation would be found under the heading of "Income Maintenance," by stating:

> Seven work groups in the section to which the matter was assigned by the National Advisory Committee—income maintenance—devoted their full attention to the problem. Six of the seven work groups voted to support the principle of paid-up health insurance through the social security system. Their recommendation was adopted by the section, and reported to the total conference at one of its final plenary sessions.

What my colleague from Colorado thought were the majority views of the White House Conference were, in fact, the views coming out of "Section 5. Health and Medical Care, Including Institutional Care." This section had no responsibility for the general area of the financing method. Its responsibility was "the character, quality, and cost of personal health services, facilities, and personnel, and the implications that the financing method has upon them." In that connection, the sentence stating "Compulsory health care inevitably results in poor quality health care" was allowed to remain in section 5's policy statement. This is the sentence the Senator from Colorado has mistakenly labeled the view of the majority of the conference.

In all fairness, it should be pointed out that section 5—composed heavily of doctors—also had a minority report which read in part:

> It is distressing to be told by organized medicine that the quality of care the individual physician renders will be influenced by the source of payment. We do not believe this is so.

The confusion of the Senator from Colorado is probably attributable to the unwillingness of opponents of the social security method to recognize that doctors are not the group best qualified to solve problems which are primarily economic and social. A concerted effort prior to the White House Conference on Aging tried—but failed—to remove the subject of financing of health costs from the section on income maintenance, where it had been assigned by the National Advisory Committee at its initial meeting in June 1959 and to place it in the section on health and medical care where, under the chairmanship of Dr. Leonard Larson, president of the AMA, the doctors could control the formulation of the recommendation on financing.

I never cease to marvel at the assurance with which organized medicine attempts to determine our Nation's solution to problems that are primarily economic. Doctors seem to think that medical training makes them better qualified than any political scientist or economist to decide a course of action that involves economics, society, and government.

Our doctors are well trained in medicine. They approach problems of diagnosis and therapy and care with unemotional, objective, scientific reason. And they have disciplined themselves—most of them—to handle only ailments within their competence. They refer decisions on matters on which they are not expert to those who are.

The average general practitioner or even the average surgeon will not undertake an intricate operation inside the heart or the brain. He will refer the patient to a superspecialist in such operations. Confronted with a difficult metabolic upset, he will send a patient to an internist. Given a complicated behavior problem, he has learned to turn to the psychiatrist, just as he calls in an opthalmologist when he suspects an eye disease.

He has learned to rely on himself in areas in which he knows he has knowledge and to get expert help and opinion in areas beyond his training.

And above all else, the doctor has learned to distrust his own judgment in any matter in which his own personal emotions might be involved. That is why no good doctor undertakes to treat himself or his family.

These are fine principles that our good doctors follow, as individuals and while practicing medicine. We like and we trust them for it.

But when they act as a group and in realms outside their competence, when the AMA takes over for them and gets into areas in which they have had no training and all too little education, then these fine principles go down the drain.

Confronted by a problem of paying for medical care—the economics of medicine—does the AMA refer for advice and guidance to a panel of specialists? Does it ask a group of unbiased economists to diagnose an economic situation and prescribe a remedy? It does not.

Does it, when the problem involves its relationship with Federal, State, or local government, ask the American Political Science Association to set up a panel of trained, objective experts to suggest an informed course of action? It does not.

In matters involving both its heart and its pocketbook, does it distrust its own judgment and seek unemotional, objective counsel? Of course not. Invariably, in these matters in which it has no competence whatsoever, it proceeds to diagnose its own case and to prescribe a course of treatment not only for itself but also for the Nation.

The people whose lives are at stake and who must put up all the money involved are told it is none of their business. If a doctor is involved, then, even if the question involves not medicine but money, the AMA claims the sole right to speak. The AMA reaches down into its bundle of last century's economic and political placebos, chooses the ones it thinks might best divert or tranquilize the people, and then calls in not economic consultants but public relations experts to persuade us to swallow them.

If a doctor followed such policies in approaching the problems of his patients the AMA would be the first to say he was wrong. The AMA follows just those policies and the AMA has been just as wrong.

The Senator from Colorado, apparently unaware that the AMA was not given responsibility for drafting the White House Conference on Aging recommendation on financing of health costs, said in his floor speech:

> I repeat "Compulsory health care inevitably results in poor quality health care." I would like to point out, for the benefit of any of my colleagues who might have entered this Chamber toward the end of my statement, that I was not reading from the Republican platform of 1960. I was reading from the committee print published by the Special Committee on Aging, listing the recommendations of the White House Conference on Aging of January 1961.
>
> The minority views hold to the contrary, and urge what is tantamount to medical care under social security, although it is not specifically referred to as such. It is worth noting that in July of 1962, just as in the early days of 1961, the people of this country continue to hold steadfastly to the view reflected by the majority in the White House Conference.

Now that we have cleared the record on what the majority view actually was—that it strongly supported the establishment of a basic program for financing health care for the aged within the framework of the old-age and survivors disability insurance system—I would agree with my friend, the Senator from Colorado, that—

> In July 1962, just as in the early days of 1961, the people of this country continue to hold steadfastly to the view reflected by the majority in the White House Conference.

There is one other point on which I would like to correct the record. This relates to the misconception of the role of the Special Staff on Aging of the Department of Health, Education, and Welfare. The Senator from Colorado said:

> In the event that the successful implementation of Kerr-Mills has not proceeded with such dispatch as its detractors would wish, the responsibility must, in part, at least, be borne by HEW. Under questioning by Representative MELVIN LAIRD and Chairman JOHN E. FOGARTY at recent hearings of a House Appropriations Subcommittee, Secretary Ribicoff admitted he had hired only 1 professional staff member, although Congress had provided $145,000 to employ a staff of 18. Further questioning also brought out that little has been done by the Department to implement the 600 recommendations of the White House Conference on Problems of the Aging. One of them, dealing specifically with medical care for the aged, I discussed a moment ago.

The accusation of failure to use the money appropriated for staffing relates to DHEW's special staff on aging, a staff that has no administrative responsibility for carrying out the Kerr-Mills program. The responsibility for the Kerr-Mills program is lodged in the Bureau of Family Services of the Social Security Administration.

I would agree that the Special Staff on Aging of the Department of Health, Education, and Welfare has an important responsibility with respect to the 600 recommendations from the White House Conference on Aging—to stimulate action where indicated, and to keep a running summary of actions taken by the appropriate agencies; thus at all times to be able to report progress in implementation of the recommendations. But it would be completely improper for that staff to take over the administrative functions of Kerr-Mills or of any other operating program.

Perhaps now that my colleague from Colorado has been informed that the majority recommendation of the White

House Conference on Aging favored financing of health costs through social security, he will not be so anxious to prod the special staff and the Department into activity to implement the recommendation.

I ask unanimous consent that the RECORD show, following these remarks, the relevant excerpts from the official report on "Income Maintenance Including Financing of Health Costs From the White House Conference on Aging." No corresponding report from the section on health and medical care has ever been printed.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM "INCOME MAINTENANCE INCLUDING FINANCING OF HEALTH COSTS," A STATEMENT OF PROBLEMS, ISSUES AND APPROACHES TOGETHER WITH RECOMMENDATIONS FROM THE 1961 WHITE HOUSE CONFERENCE ON AGING—REPORTS AND GUIDELINES FROM THE WHITE HOUSE CONFERENCE ON AGING

CONFERENCE ACTION

Work groups III-7—Financing of Medical Costs

At the initial meeting of the National Advisory Committee in June 1959, 20 subjects were identified around which the Conference would be organized. In defining the scope of each of the 20, responsibility for the area of medical care financing was placed in the income maintenance section; responsibility for the general subject of the costs, quality, and availability of medical care was placed in the health and medical care section.

Specific interpretations of the areas of responsibility of the two sections were worked out later for purposes of correctly classifying the State recommendations that would be considered by the respective sections at the White House Conference. To work out the lines of demarcation, representatives of the chairmen of the two sections reviewed and classified more than 100 relevant State recommendations. They then formulated the following general principles which they had used in the classification of specific recommendations, illustrating the application of the principles with examples drawn from the State recommendations:

Income maintenance section responsibility

The responsibility of this section for financing of medical costs encompasses the methods of financing and raising money for personal health services (but not for the financing of the construction and staffing of facilities).

Health and medical care section responsibility

The responsibility of this section is the character, quality, and cost of personal health services, facilities, and personnel, and the implications that the financing method has upon them.

Several efforts were made to acquaint the States and national organizations—and the delegates themselves—with the respective responsibilities of the two sections. In the "Descriptions of the Scope of the Subject Matter Sections," which the States and national organizations used in making the assignments to the 20 sections, the description of the topics to be considered by the income maintenance section included a topic on the financing of medical care. The descriptions of work-group topics used by the delegates in making their selections were equally explicit. The covering letter sent to delegates who had been assigned to the health and medical care section contained the statement: "Included under each heading where indicated will be consideration of scope, quantity, quality, cost, and effect of method of financing. The financing of medical care will be discussed in another section—income maintenance."

Similarly, the covering letter sent to delegates assigned to the income maintenance section and the other 3 sections in group I read in part: "* * * financing medical costs, for which the income maintenance section has responsibility (consideration of the financing aspect in the health and medical care section will be limited to the effect of the financing method on the availability, quality and cost of care)."

One further effort was made to insure that the respective responsibilities of the two sections were clearly understood in advance of the Conference. The White House Conference regional representatives and other staff members contacted States and national organizations to make certain that their assignment of delegates had been based on the correct understanding and, if not, to provide an opportunity for reassignment.

Composition of the work groups: Each group I delegate was given his first choice of work-group topics. To accommodate the heavy demand for the controversial topic on the financing of medical care, seven identical work groups were set up.

For the advance registrants, the occupational code was used to spread the delegates among the seven work groups, giving each of the seven approximately the same number of doctors, businessmen, social welfare representatives, and representatives of organized labor. For delegates who registered at the time of the Conference, however, the planned method of assignment obviously could not be carried out. Hence the occupational distribution for some work groups only roughly resembles the distribution of the seven combined.

For the 194 delegates participating in the formulation of recommendations on the financing of medical costs, the occupation was reported as follows: business executives, 9.3 percent, physicians or dentists, 14.4 percent; other health services, 3.1 percent; education, 8.2 percent; insurance, 11.3 percent; social welfare, 9.8 percent; labor organizations, 19.6 percent; clergy, 2.6 percent; other, 14.9 percent; not reported, 6.7 percent.

The work-group discussions: Between Monday afternoon when the work groups met briefly to organize and Tuesday morning when they began their intensive discussions, two major Conference addresses had been delivered that undoubtedly had an impact on the thinking of the delegates.

The first was by Marion B. Folsom, formerly Secretary of Health, Education, and Welfare, and Under Secretary of the Treasury, who called social security financing of medical care the logical plan and stated that there is no basis for describing it as "socialized medicine." Under the social security program, he told the delegates with conviction, "The individual would still have the same free choice as to hospitals and doctors that he now has." The other speaker who advocated the social security approach to the problem was Arthur Larson, former Under Secretary of Labor. At a special Conference session on Monday evening, he defined the proper role of Government as doing for people what needs to be done but what they cannot do at all or do so well. Social security, he said, is not accomplishing its purpose of protecting individuals from becoming social problems if hospital and medical charges consume wage-loss benefits.

Perhaps no two of the seven work groups went about their assigned task in exactly the same manner. Some proceeded to hammer out their position by adopting a series of recommendations. Others postponed action on any facet of the subject until the members had agreed to certain basic premises, with all the considerations on the table and after full opportunity to discuss the pros and cons of the various proposals.

The work groups had one common denominator. All, apparently, arrived early in the discussion at agreement that a problem existed. As one work group stated: "The very fact of this Conference, and of this section in particular, is an indication that a significant problem does exist for a significant number of people in the matter of meeting the costs of adequate health care for older people, and that, therefore, there is need for the development of new and better vehicles for meeting such costs."

A number of work groups also arrived at an early recognition of the impossibility of solving the problem through a single approach. Here one report reads: "It is unanimously agreed that it is the sense of this work group that the problem of furnishing an adequate level of high-quality medical care for the aged is so large and so complex that it will require for solution the utilization of voluntary health insurance, of individual and family resources, and the combined resources and instrumentalities of local, State, and Federal governments."

Some delegates heard reports of the outstanding efforts by one State—Colorado—in working toward a solution to the financing of medical costs for public assistance recipients and the medically indigent. There were observations from firsthand knowledge of the success that had been achieved in other countries and of the dangers that lie in foreign approaches to the problem. One group balanced an article from the Wall Street Journal entitled "Federal-State Medical Program for Elderly Is Off to Slow Start" against a statement entitled "Compulsory National Health Insurance," the opening sentence of which reads "Social security medical care is socialized medicine." Another discussed at length the services needed by the aged and the importance of insuring "health" costs, including costs for nursing services, and not just "medical" costs.

Important in shaping the findings of the groups were the voices of State legislators and State government officials who pleaded inability on the part of the States they represented to finance—even with considerable help from the Federal Government—adequate health services for those aged who cannot, under existing arrangements, finance their own health costs.

The work group recommendations: The seven work groups met together toward the end of Tuesday afternoon to report to the section chairman on their conclusions. This, in essence, is what they said:

Work group I-1

While the Kerr-Mills legislation is a step in the right direction, it is not the adequate solution and does not in any way meet the essence of the major problem; namely, "a dignified prepaid medical insurance approach." Voluntary health insurance should continue to expand and improve coverage for the aged, but "it is our belief that private health insurance programs can never give adequate protection to the aged due to the fact that the aged are a low-income, high-cost, high-risk population and that in order to provide adequate health insurance for them, private insurance programs would be forced to charge prohibitive premiums." Against these considerations, the group went on record, by a vote of 17 to 11, "in support of the establishment of a program of health benefits for social security beneficiaries in the framework of the existing social security system."

Work group I-2

The second work group framed its recommendations against a conviction that "continued appropriations by the Federal Congress to the several States of funds for various programs on a matching basis have about reached the point where maximum efforts are being put forth by the individual States to meet and qualify for such funds."

By a vote of 17 to 12, it adopted the following recommendations:

First: There is a recognition and need for additional provision for the medical care of the aging and indigent.

Secondly: That further expansion of a program be financed under the Federal social security program.

Work group I–3

The third group reported the adoption, by a vote of 14 to 10, of the following resolution: "That the social security system be the basic vehicle for providing the costs of health care for the aged, rather than depending primarily upon the States." By virtually unanimous vote, the work group also called upon the States "to implement all existing Federal legislation providing medical assistance for the aged, to cover persons not covered under the OASDI program," and it commended the present trend of extending group insurance coverage into the postretirement period "as a means of helping provide adequate health protection in retirement."

Work group I–4

This work group stressed the need for health services of a comprehensive nature, to which all persons should have access regardless of ability to pay. It recommended that "all States be urged to make prompt, liberal, and maximum utilization of the provisions of the Kerr-Mills Act (Social Security Amendments of 1960) as is possible." In recognition of the valuable contributions made "by voluntary community prepayment and the commercial insurance system of financing medical care for the aged," the group urged the strengthening and expansion of those plans and recommended "that employers and labor organizations recognize the importance of providing to retired employees continuing coverage on the same basis as that provided for active employees." By a vote of 14 to 9, it did not endorse social security financing of health benefits.

Work group I–5

The work group agreed unanimously that all health insurance covering the aged should be noncancelable (except for nonpayment of premiums) and should be broadened to include: outpatient diagnostic service; nursing home care, home and office calls of doctors, dental care, and visiting nurse care. By a vote of 22 to 3, it was agreed that existing medical care for the totally indigent "is adequate; that it should be improved, expanded, and extended by taking maximum advantage of all provisions of all existing laws; that it is a joint responsibility of local, State, and Federal agencies to provide this care; that citizenship and residence requirement should be removed." The majority opinion favored social security financing of basic health care, agreeing, by a vote of 16 to 12, "that this work group go on record as supporting the use of the social security (OASDI) mechanism to finance basic hospital and related health care for the aged." The group agreed further (by a vote of 15 to 13) that State and local governments be urged to take all steps necessary to implement and take full advantage of the medical assistance for the aged program and the expanded old-age assistance program provided in the 1960 social security amendments.

Work group I–6

This work group started from agreement that health services should be comprehensive and that they should be available on a prepaid basis to all persons over 65. It concluded that the problems of medical care for older people are such that Government must participate in providing medical care for the aged. The members unanimously commended and urged the expansion of private voluntary health insurance plans and strongly recommended, in addition to any publicly financed health care programs and private voluntary health insurance, that:

1. Local communities support programs contributing to the health of older people, such as home care and meals on wheels;

2. Industry carry medical insurance for retired employees;

3. Family responsibility be maintained for its members in need of medical care; and

4. Individuals, to the extent possible, retain for themselves responsibility for their own health services.

In what it calls its "key action," the work group approved by a vote of 12 to 8 a motion which said in effect that the provision of adequate health service for older people was a very complex and difficult matter; therefore, each of the following methods should be used to provide medical care for older people as a right:

Voluntary prepayment health plans.

Plans based upon the principle (Kerr-Mills) of Federal grants-in-aid to States to provide health services to needy individuals.

A minimum health service plan financed through social security taxes.

The group reported a tie vote of 10 to 10 on the following motion: "It is better that Government intervention for purposes of providing health service for older people, implement to the fullest extent possible, the principle of a self-reliant contributory contract between the whole people and their Government through OASDI, than the principle of needs test relief to dependent individuals."

Work group I–7

Starting from general acceptance that the problem of medical care for a great proportion of the aging is a serious one, the work group reached unanimous agreement on the following five criteria which need to be satisfied in any program for medical care for the aged:

Must be beneficial to all aged who qualify for medical care as prescribed by any program.

Must permit each recipient to retain his dignity and self-respect as an individual.

Must permit each recipient to receive medical care as prescribed by the physician of his choice to prevent a third-party intervention in the doctor-patient relationship.

Must be possible to maintain without creating an unbearable financial burden on the working or retired populace or the Nation as a whole.

Must permit the opportunity for developing individual responsibility and self-reliance.

The group then unanimously agreed that no one of the three major approaches alone can handle the problems. In recognition of the existence of a difference of opinion within the work group as to the methods which appeared to have the greatest potential and on which major reliance should be placed, the members were polled. Those who favored the social security approach polled 11 votes; those who were for the voluntary approach (in its broadest sense) polled 10 votes.

In summary, then, these were the results of the work group deliberations as reported to the section chairman for his use in developing the policy statement. On the basic issue, six of the seven work groups had reported majorities favoring the use of the social security approach, with a total of 96 votes for and 77 against. The minorities in a number of the work groups had prepared minority statements which were reported along with the other essential conclusions of the work groups.

At the conclusion of the seven reports, Dean Schottland summarized his understanding of their essence to assure that the policy statement he would draft would correctly reflect the work groups' conclusions. His summary pointed to general agreement on the need for a more adequate program, and agreement that this would require a variety of approaches: (1) Promotion of voluntary methods, (2) development of a public assistance program for the indigent along the lines of the Kerr-Mills legislation, and (3) use of the social security mechanism. Both voluntary and governmental efforts were needed and, within government, a cooperative relationship of Federal, State, and local governments. The majority, he concluded his summary, favored the use of the social security mechanism.

STATEMENT OF POLICY—ADOPTED BY THE SECTION ON INCOME MAINTENANCE AND THE FINANCING OF HEALTH COSTS

The income security of older people is an important objective of American society.

The security of older people, like the security of all Americans depends upon a strong, sound and secure economy capable of providing a high level of goods and services. The first principle of a constructive approach to the income maintenance needs of the aged, therefore, is that the measures taken to promote old-age security be in harmony with broad economic objectives.

The second principle of a constructive approach to the income maintenance needs of the aged is that there should be opportunity for productive employment for those who are able and want to work. Employment is frequently more satisfactory for the individual than retirement on a pension, and such employment contributes to the economy and reduces the cost of pensions. We urge a reexamination of policies of compulsory retirement and also urge that industry and Government plan for both the full-time and part-time use of an increasing number of older persons.

Although there is agreement that, to the extent possible, the aged should have a chance to work, it is recognized that on the most optimistic assumptions the number of nonearners among the aged will not only remain very large—about 12 million of the 16 million persons now over 65 have no income from work—but will grow as the number of aged grows. Employment is largely out of the question for the very old, the severely disabled, and for many of the older women who spent their younger years as homemakers. Increasing opportunities for employment of the aged cannot, therefore, be a substitute for income maintenance programs for those who retire.

In providing income for the retired aged we believe that the pluralistic approach we have established in this country, with the individual saving on his own, the individual and his employer joining in private pension arrangements, and the individual and his Government joining in social insurance and assistance programs is the best approach.

Income protection for old age has been made available for practically all workers through social security, on terms which reinforce the interest of the individual in helping himself. Differential pensions based on a work record are a reward for productive effort, while the knowledge that the benefits will be paid irrespective of whether the individual is in need, supports his desire to add his personal savings to the basic security he has acquired through the social insurance system.

We believe also that the establishment and development of private pensions should be encouraged and that individuals should be encouraged to save on their own.

Our goal should be, insofar as possible, to prevent dependency. It is recognized, however, that there will continue to be persons whose needs are not met in any other way and will continue to need help through the public assistance program. This program, therefore, should be improved with the view of assuring all aged persons a reasonable minimum level of living under conditions which preserve their dignity and self-respect.

In summary, we favor improvement of job opportunities for those who can and want to work, development of private pension plans and individual savings building on top of the social insurance system, and, for those whose needs are not met through other methods, an adequate system of public assistance.

In furtherance of these general policies, we favor the following specific actions:

Old-age, survivors, and disability insurance

Old-age, survivors, and disability insurance, now covering 90 percent of all gainfully employed and protecting over 70 percent of the present aged group, should be extended to all who work. The level of benefits should be adjusted from time to time in the future as it has been in the past in order, at the very least, to maintain the purchasing power of the benefit. Beyond this, we believe that the aged should participate in increasing levels of living in the community and that when these increases take place benefits should be liberalized so that the retired aged, too, can participate in improved productivity. Also, as wages rise, the maximum limit on the amount of earnings that are taxable and creditable toward benefits should be reviewed. Benefits for widows should be increased to the same amount as benefits for retired workers. We believe that, by and large, the funds of the social security system should be reserved for those who have substantially retired and that the principle of a retirement test should be maintained, although some liberalization may be desirable from time to time.

Public assistance

Public assistance, under which income is provided for those among the aged—now some 2 million—whose needs exceed any income they have from social security or other sources, is an essential residual program.

The present arrangemnet of joint financing by Federal and State Governments is sound and should be continued. In many States, however, standards of assistance are below minimum needs. States should be encouraged, or if necessary required as a condition of Federal matching, to provide sufficient income for necessary food, clothing, shelter and other essentials (a motion to make this a requirement lost by a vote of 140 to 112). Many needy aged today do not receive income they need because of restrictive residence requirements. Such requirements are undesirable and should be abolished. The Congress should amend the Social Security Act to make women eligible for old-age assistance at the age of 62 (by a vote of 138 to 69). The Federal Government should participate financially in general assistance on the same basis as it does in other categories of public assistance.

Private pensions and individually provided retirement income and resources

The expansion and improvement of private pensions should be strongly encouraged since they can reflect directly in retirement incomes the growth and productivity of various segments of the economy. Tax incentives to encourage private savings for retirement and continuing pension plan development should be expanded. Vesting provisions constitute a desirable improvement. All persons should be encouraged to plan for their own retirement and to build on their own whatever retirement income they can to add to that available under social security and private pension programs.

Financing health care

The problem of furnishing an adequate level of high-quality health care for the aged is so large and so complex that its solution will require the use of a variety of approaches including individual and family resources, voluntary health insurance, industrial programs, social security, public assistance, and a variety of other programs.

Present Federal legislation providing governmental aid for recipients of public assistance and for the medically indigent is desirable and should be strengthened so as to provide a high-quality health care program. The States are urged to take full advantage of this legislation.

Voluntary health insurance for the aged should continue to be expanded. Industry should be encouraged to expand its health care programs and extend to retired persons the medical care protection afforded to current workers.

Private voluntary effort and public assistance can contribute much to the solution of the problem of health care for the aged. However, they will continue to fall short of meeting the basic medical care needs of the aged as a whole. The majority of the delegates of the section (by a vote of 170 to 99) believe that the social security mechanism should be the basic means of financing health care for the aged.

Establishment of a program of health benefits financed in the same way as OASDI cash benefits, would give to the aged the assurance that the costs of essential health care will be met when their working years are over. The mechanism of contributory social insurance, under which contributions are made by workers during their working years, will then provide health care to protect them in retirement. Such legislation would help to ease the problems of hospitals, public assistance programs, and private philanthropy and would relieve voluntary insurance programs of the burden of carrying this high risk group.

The minority believe that social security should not be used to finance health care; that such use would interfere with the physician-patient relationship; that it is unnecessary because of the potential growth of voluntary insurance; and that all needy aged can be cared for by public assistance through the recently enacted Federal program of health care for the low income aged. In addition they believe that the social security program should provide for cash benefits and not for services of various kinds. (See the minority report below.)

Collection and analysis of essential information

Provision should be made at all levels of Government to assure an adequate program to collect and analyze all essential information bearing on the income status and budgetary needs of aged persons.

Conclusion

The delegates feel that these principles, conclusions, and recommendations can form the basis of a sound program of income maintenance for the aged and that they would, if implemented, go far in assuring to America's senior citizens a more economically secure and therefore happier old age.

Minority report: Financing of health care

It is our conviction that emphasis on the voluntary approach to the financing of health care, supplemented by adequate public assistance for those in need is the only method which is—

1. In accord with official expressions of the majority of State conferences on aging.
2. The only one which allows complete flexibility of action to meet the changing health needs of the aged.
3. Capable of utilizing the immediate advantage of present legislation for a cooperative action of State and Federal Government.
4. The only one through which diverse segments of our society, including the individual, family, church, social organizations, employers both public and private, labor, and others can be encouraged to participate along with providers of health care.
5. The only one which does not unnecessarily further burden the taxpayer.

For these reasons, we believe that the Kerr-Mills medical aid for the aged law, passed by the last Congress, effectively meets the needs of those of the aged who need help and that proposed alternatives, under social security, are unnecessary and unwise.

SUPPORTING RECOMMENDATIONS—ADOPTED BY THE SECTION ON INCOME MAINTENANCE AND THE FINANCING OF HEALTH COSTS

Our aged population's share in expanding productivity

1. It is a basic assumption that the individual will assume primary responsibility for self-reliance in old age. In our society, there are many groups and institutions which have responsibility for the assurance of dignity and well-being in old age.
2. The most satisfactory protection for the aging is the continuance of gainful and productive employment, whenever possible. Additional opportunities should be developed in all areas of employment through both governmental and private initiative. Further studies should be initiated on methods of effective elimination of discrimination in hiring based on age.
3. Encouragement should be given to the development and distribution of education programs assisting all of our citizens in preparing themselves for the financing of the period of their retirement.
4. It is reasonable that older people who have contributed effectively to the enhancement of national productivity during their working lives should share in the advantages of a further enhancement of national productivity occuring during the period of their retirement.
5. That, so far as Government intervention is necessary to protect the increasing number of aged persons in our population, it is better that such intervention implement to the fullest extent possible the principle of a self-reliant contributory contract between the whole people and their Government, for example through OASDI, than the principle of needs-test relief to dependent individuals.
6. In an economy characterized by rising wages and salaries it is necessary to give periodic review to the maximum amount of earnings subject to contributions and credited toward benefits under OASDI, since this maximum determines the proportion of the covered payrolls available to finance the program and is a major factor in determining the extent to which the program pays benefits reasonably related to the past earnings of the individual.
7. The level of benefits under OASDI should be reexamined periodically in the light of changing economic conditions with appropriate recognition of the impacts of any change upon the economy.
8. Old-age assistance should be continued and its administration constantly improved as a residual method of protection when other methods have not proved sufficient to meet the specific needs of the individual aged person.

OASDI: Benefit levels, coverage, eligibility requirements, and the retirement test

1. It is recommended that the Conference express strong support of the OASDI system as being constructed along fundamentally sound and desirable lines, including the principles of financing through employer and employee contributions and providing a basic floor of protection to be supplemented by individual savings and private pensions.
2. It is recommended that Congress should continue its practice of periodically reviewing the system to insure that benefit levels and the soundness of the financing structure, including the earnings base, be adjusted in accordance with changing economic conditions, including changes in the wage level and living costs.
3. It is recommended that, on a transitional basis, all persons aged 65 and over at the present time who are not eligible for benefits under the OASDI system or any other Federal retirement system established

by law, and who were employed (or whose spouse was employed) for a substantial period in an occupation that is now covered by the OASDI system shall be eligible for the minimum benefit payment under OASDI. The cost of financing these proposed benefit payments shall be accomplished in such a manner as not to weaken the financial soundness of the OASDI system.

4. It is recommended that the benefit formula for widows be revised from 75 to 100 percent of the deceased workers' primary benefit.

5. It is recommended that the coverage of the OASDI system be extended to all areas of employment and self-employment remaining excluded provided that Congress take some account of the prevailing view of the groups involved and of the reasons for the present exclusions. (A motion to delete this recommendation was defeated by 86 to 72.)

6. It is recommended that when increases in benefits are adopted, the present minimum benefit of $33 a month should be increased to a greater proportionate extent than benefits generally.

7. It is recommended that, since some people are eligible for benefits from both OASDI and one or more other Government retirement and disability systems, Congress should provide for a study designed to determine the feasibility of coordinating OASDI and other governmental benefit systems.

8. It is recommended that careful consideration should be given to the experience which develops under the new retirement test of the Social Security Act. If, as a result of this experience, it appears that further changes along the lines of the 1960 revision are desirable, such changes should be made, with appropriate financing changes to keep the OASDI program on a financially sound basis.

Public assistance for the aging[1]

It is proposed that assistance to needy aged people should continue as a Federal-State partnership. After 25 years of operation under the Social Security Act, too many OAA recipients are receiving too little assistance to insure a minimum standard of health and decency. To remedy this defect and to come closer to achievement of a decent healthful life and a maximum degree of dignity for public assistance recipients, the following recommendations are made:

Standards of assistance

1. That the Federal Government continue to provide leadership to the States in developing and adopting adequate and proper standards for the amount of assistance and, for the purpose of assisting the States to achieve such standards, additional Federal matching funds be made available.

2. That the Federal Government maintain recommended standards of minimum living costs for persons in different age brackets geared to the costs, needs, and habits of various areas for use as standards for Federal evaluation of all income maintenance programs.

3. That Congress amend the Social Security Act to allow States, on a permissive basis, to establish a $50 monthly earned income deduction for each applicant for or recipient of old-age assistance.

4. That Congress amend the Social Security Act to provide for Federal participation in general assistance.

Relatives' responsibility

5. That State provisions on relatives' responsibility in public assistance be equitable, practical, and designed to contribute to strengthen family life. The contribution required of the family should not be deducted from the assistance payment unless the relative actually pays it. If the relative does not pay, it should be the responsibility of the State to secure the payment.

Residence requirements

6. That the ultimate goal be the elimination of all residence requirements.

7. That the immediate goal be a reduction in maximum residence requirements to a period of 1 year and with the provision that for those applicants who do not meet such a year's residence requirement, 100 percent Federal funds be available to meet the costs of needed assistance.

8. That the formula for Federal participation in the cost of OAA and related services shall include a factor to offset increased costs beyond 1 year in those States experiencing an immigration of persons over 50 years of age which exceeds the immigration of younger age groups.

Personnel in public assistance

9. That the Congress make permanent the present authorization in the Social Security Act providing for the training of public assistance personnel and that the Federal Government pay 100 percent of the costs of such training in accord with the practice followed in other federally assisted programs.

10. That Congress make available funds to educational institutions and to States for the support of training programs.

Social services for the aged

11. That Federal matching funds be made available to State welfare departments to meet costs to develop, secure, or operate consultative, protective, and rehabilitative programs for the aged. These programs should not be limited to assistance recipients.

12. That to provide for effective casework services, Federal matching funds for administration be on the same variable basis as the assistance costs with a minimum of 50 percent Federal financial participation in such costs.

Relationship between OAA and OASDI

13. That OASDI represent the basic income maintenance program, with OAA representing a supplementary income maintenance program for those not eligible for OASDI and for those with special needs which bring their total needs to more than OASDI benefit. To further this recommendation, it is recommended that OASDI benefits be increased in accord with increases in costs of living.

Eligibility age for women

14. That the Congress amend the Social Security Act to make women eligible for old-age assistance at the age of 62.

Minority statement on citizenship requirements for public assistance

The restrictions against aliens, noncitizens, who are not now eligible for public assistance in certain States, should be removed by Federal law.

We bring aliens into many States to work. They have traditionally made, and continue to make, great contributions to the American economy.

It is inconsistent with American public, democratic social policy to exclude these people from public assistance benefits.

Financing of health care for the aged

1. It is agreed that adequate health services should be available to all aged persons irrespective of ability to pay.

2. It is further agreed that the problem of financing an adequate level of high quality health care for the aged is so large and so complex that it will require for solution the utilization of voluntary health insurance, of individual and family effort and resources, and the resources and instrumentalities of local, State, and Federal Governments.

3. It is the recommendation of the majority that to assure adequate health care for the aged with certainty and dignity, there should be established a basic program for financing health care for the aged within the framework of the old-age, survivors, and disability insurance system.

4. A minority oppose the use of the OASDI method.

5. Both those who place major reliance on the social security mechanism and the others agree that—

a. The medical assistance for the aged program adopted by the 86th Congress should be promptly implemented by the States.

b. Voluntary prepayment methods should be used to their full potential.

c. In all programs, the individual's freedom, dignity and self-respect should be protected.

d. Individual responsibility, self-reliance and thrift in preparing for later years should be encouraged.

(The vote of the section was 170 ayes and 99 noes.)

Private retirement income

1. Vesting is the right of an employee to deferred retirement benefits from his employer's contributions, as well as his own, even though his employment under coverage of a pension plan terminates before retirement. Vesting gives the employee greater security and permits the useful mobility of labor. We recognize that if vesting is made compulsory through enactment of legislation, the growth and development of pensions for more and more employees may be retarded. We therefore recommend that the inclusion of vesting provisions in pension plans should be strongly encouraged as a voluntary action.

2. The Social Security Administration should study the feasibility of noting on a worker's account record that he has a vested pension right based on previous employment, so that upon retirement he may be reminded of all his accrued pension rights. This suggestion is for voluntary reporting by private pension plans and would not involve financing or supervision.

3. Private pension plans should be encouraged by appropriate policies which recognize that such saving for old age is in the public interest.

4. To encourage pension programs, the income should be taxed when received as a pension, not when the moneys are set aside.

5. The Congress should be requested to provide by legislation the same tax determinant for self-employed persons, with respect to earned personal income set aside for personal pensions, now provided for employees who are participants in tax-qualified pension and retirement plans.

6. The income allowed as a tax credit for Federal income purposes on retirement income—now $1,200—should be increased.

7. For aged persons whose medical expenses are large in relation to their income, Federal and State income tax laws should allow a carryover to succeeding tax years of a deduction of that portion of medical expenses of the limit allowable for the year in which they are incurred.

Measuring resources and income needs

More statistical information is needed for assessing the income position and resources of the aged population.

To carry out these objectives, we recommend the following:

1. That budgets and indexes for elderly people be developed. Cooperation and coordination among Federal, State, and local agencies is essential. The appropriate Federal Government agency should have the responsibility for organizing and carrying out the studies, data collections and preparation of the budgets and indexes. In the event that State or local bodies fail to cooperate in

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[1] See minority statement on citizenship requirements following those recommendations.

initiating or carrying out their responsibilities, the Federal Government must. Appropriations to finance this work are recommended.

2. That an advisory committee be established to assist Government agencies in the development of the concepts of budgets for the elderly.

3. That a consumer price index for the elderly be established. Once established, continuing research and study should be carried out to evaluate the need for continuing and/or revising the index.

4. That special emphasis be given to making available in summary form statistics relating to income and other resources of aged persons, defined by age levels, sex, family, structure, race, and other important variables.

5. That the State and Federal Governments cooperate in making available in summary form statistical data derived from the experience of individual States on such programs as medical care and housing for the aged, and the effects of such programs on the budgets of elderly persons.

6. That implementation of the suggested programs for the development of better measures of the resources and income needs of the aged must in no way interfere with the full continuation of programs to improve the economic and social status of the elderly.

7. That a clearinghouse be established at the Federal level for the collection and dissemination of data on the aged from Federal, State, and local groups, both public and private, on an annual, continuing basis.

SECTION 2. PROGRAM PARTICIPANTS

Section chairman: Charles I. Schottland, dean of the Florence Heller Graduate School for Advanced Studies in Social Welfare, Brandeis University.

Technical director: Dorothy McCamman.

Section recorder: Arthur L. Crookham, retired newspaper editor, Oregon.

Recommendations committee: Eveline M. Burns, professor of social work, the New York School of Social Work at Columbia University; J. Douglas Colman, president, Associated Hospital Service of New York; Fedele F. Fauri, dean, School of Social Work, the University of Michigan; Margaret S. Gordon, associate director, Institute of Industrial Relations, University of California; Orville F. Grahame, vice president and general counsel, the Paul Revere Life Insurance Co., Massachusetts; William C. Greenough, president, Teachers Insurance and Annuity Association and College Retirement Equities Fund, New York; H. Harold Leavey, vice president and general counsel, California-Western States Life Insurance Co., California; Norman V. Lourie, deputy secretary, Department of Public Welfare, Pennsylvania; Charles E. Odell, director, Older and Retired Workers Department, United Auto Workers, AFL–CIO, Michigan; Stanley Ruttenberg, director, AFL-CIO Department of Research, Washington, D.C.; Herman M. Somers, chairman, Political Science Department, Haverford College, Pennsylvania.

The work group leadership

Work group: "Our Aged Population's Share in Expanding Productivity: How Much and Through What Methods?"

Chairman: H. Bruce Palmer, president, the Mutual Benefit Life Insurance Co., New Jersey.

Discussion leader: J. Douglas Brown, dean of the faculty, Princeton University, New Jersey.

Recorder: Helen Fisher Hohman, lecturer, Department of Home Economics, Northwestern University, Illinois.

Resource: Gordon W. McKinley, executive director of economic and investment research, the Prudential Insurance Co. of America, New Jersey.

Robert M. Ball, Deputy Director, Bureau of Old-Age and Survivors Insurance, Social Security Administration, Department of Health, Education, and Welfare.

OASDI: Benefit levels, coverage, eligibility requirements, and the retirement test

Work Group

Chairman: Orville F. Grahame, vice president and general counsel, the Paul Revere Life Insurance Co., Massachusetts.

Discussion leader: William H. Wandel, director of research, Nationwide Insurance, Ohio.

Recorder: Benjamin B. Kendrick, assistant director of research, Life Insurance Association of America, New York.

Resource: Wilbur J. Cohen, professor of public welfare administration, School of Social Work, the University of Michigan.

Elizabeth G. Sanders, Program Planning Branch Chief, Division of Program Analysis, Bureau of Old-Age and Survivors Insurance, Social Security Administration, Department of Health, Education, and Welfare.

Work Group

Chairman: Karl T. Schlotterbeck, director, economic security program, Chamber of Commerce of the United States, Washington, D.C.

Discussion leader: E. B. Schultz, coordinator of retirement policies study, Cornell University.

Recorder: James Brindle, director, Social Security Department, United Auto Workers, AFL–CIO, Michigan.

Resource: Margaret S. Gordon, associate director, Institute of Industrial Relations, University of California.

Robert J. Myers, chief actuary, Social Security Administration, Department of Health, Education, and Welfare.

Public assistance for the aging

Work Group

Chairman: Raymond M. Hilliard, director, Cook County Department of Public Aid, Illinois.

Discussion leader: Milton Chernin, dean, School of Social Welfare, University of California.

Recorder: Rev. Robert A. Ford, director, Family Service Division, Catholic Charities of the Archdiocese of New York.

Resource: J. M. Wedemeyer, director, State Department of Social Welfare, California.

Dorothy West, Operating Statistics Branch Chief, Bureau of Public Assistance, Social Security Administration, Department of Health, Education, and Welfare.

Work Group

Chairman: Ronald H. Born, director, San Francisco Public Welfare Department, California.

Discussion leader: Norman V. Lourie, deputy secretary, Department of Public Welfare, Pennsylvania.

Recorder: Ruth B. Flanagan, executive secretary, Duval County Welfare Department, Florida.

Resource: Ralph Atkins, director of public assistance, Public Welfare Board of North Dakota; Cornelia M. Dunphy, principal assistance standards specialist, Bureau of Public Assistance, Department of Health, Education, and Welfare.

Financing medical costs

Work Group

Chairman: Rev. John R. Anschutz, Christ Episcopal Church, Washington, D.C.

Discussion leader: Fedele F. Fauri, dean, School of Social Work, the University of Michigan.

Recorder: Ludwig Jaffe, director of research and education, New York State AFL–CIO.

Resource: Herman M. Somers, chairman, Political Science Department, Haverford College, Pennsylvania; Ida C. Merriam, Director, Division of Program Research, Social Security Administration, Department of Health, Education, and Welfare.

Work Group

Chairman: Charles E. Odell, director, Older and Retired Workers Department, United Auto Workers, AFL–CIO, Michigan.

Discussion leader: Wayne Vasey, dean, Graduate School of Social Work, Rutgers University, New Jersey.

Recorder: H. Harold Leavey, vice president and general counsel, California-Western States Life Insurance Co., California.

Resource: Herbert Notkin, M.D., medical director, Onondaga Department of Public Welfare, New York; Charles E. Hawkins, Legislative Reference Officer, Social Security Administration, Department of Health, Education, and Welfare.

Work Group

Chairman: Walter U. Kennedy, M.D., surgeon and president of Henry County Welfare Board, Indiana.

Discussion leader: I. Jack Fasteau, professor of public administration and social work, Graduate School of Public Administration, New York University.

Recorder: Hyman Bookbinder, legislative representative, AFL–CIO, Washington, D.C.

Resource: Barbara N. Armstrong, professor of law emeritus, University of California; Ellen Perkins, Assistant Chief, Division of Program Statistics and Analysis, Bureau of Public Assistance, Department of Health, Education, and Welfare.

Work Group

Chairman: J. Douglas Colman, president, Associated Hospital Service of New York.

Discussion leader: Alton E. Linford, dean, School of Social Service Administration, University of Chicago, Illinois.

Recorder: Irwin E. Klass, director of information and public relations, Chicago Federation of Labor, Illinois.

Resource: Mathilda Scheuer, R.N., president, American Nurses' Association, New York; S. David Pomrinse, M.D., M.P.H., Chief, Health Professions Branch, Division of Public Health Methods, Public Health Service, Department of Health, Education, and Welfare.

Work Group

Chairman: Raymond W. Houston, commissioner, New York State Department of Social Welfare.

Discussion leader: Vernon R. Burt, chairman, Governor's Commission on Aging, Ohio.

Recorder: M. S. Robertson, retired professor and associate director of research, College of Education, Louisiana State University.

Resource: Katherine Ellickson, assistant director, department of social security of AFL–CIO, Washington, D.C.; James C. Callison, program analyst, Social Security Administration, Department of Health, Education, and Welfare.

Work Group

Chairman: Walter F. Foody, Jr., vice president, Continental Casualty Insurance Co., Illinois.

Discussion leader: John W. McConnell, dean, New York State School of Industrial and Labor Relations, Cornell University.

Recorder: John F. Pietz, chief, Bureau of Standards and Procedures, Division of Welfare, State Department of Public Health and Welfare, Missouri.

Resource: John Tamayko, director, pension and insurance department, United Steelworkers of America, Pennsylvania; Milton Forster, Director of Reports and Statistics, Veterans' Administration.

Work Group

Chairman: Judge George Schwolsky, member of Connecticut Commission on Services for Elderly Persons.

Discussion leader: Eveline M. Burns, professor of social work, the New York School of Social Work of Columbia University.

Recorder: Kenneth E. Pohlmann, rehabilitation consultant, UMWA Welfare and Retirement Fund, Washington, D.C.

Resource: J. F. Follmann, Jr., director of information and research, Health Insurance Association of America, New York; Agnes W. Brewster, medical economist, Division of Public Health Methods, Public Health Service, Department of Health, Education, and Welfare.

Work group: Private pensions and individually provided retirement income and resources

Chairman: William C. Greenough, president, Teachers Insurance & Annuity Association and College Retirement Equities Fund, New York.

Discussion leader: Robert S. Lane, manager, employee benefits, Socony Mobil Oil Co., Inc., New York.

Recorder: Ted F. Silvey, research associate, Research Department, AFL-CIO.

Resource: Robert Tilove, senior vice president, Martin E. Segal & Co., Inc., New York; Edmund M. Daggit, economist, Debt Analysis Staff, Office of the Secretary, Department of Treasury.

Work group: Measuring resources and income needs of aged persons

Chairman: Paul L. Winsor, commissioner, Department of Health and Welfare, Alaska.

Discussion leader: Sidney Goldstein, professor of sociology, Brown University, Rhode Island.

Recorder: Moses Gozonsky, economist, United Steelworkers of America, Washington, D.C.

Resource: Stanley Ruttenberg, director, Department of Research, AFL-CIO, Washington, D.C.; Helen Lamale, Consumption Studies Branch Chief, Bureau of Labor Statistics, Department of Labor.

Mr. JAVITS. Mr. President, I shall have an opportunity to address myself to the debate in due course when the appropriate point is reached. However, there are two points in which Senators may be interested in respect to the debate upon which we shall enter in a definitive way in a short time.

The two points which have been made to induce Senators to vote for the sudden-death motion to table are, first, that there have been no adequate hearings on the question of health care for the aged and, second, that this is a most unusual procedure in which the Senate is being asked to attach a very major measure to another major measure by way of amendment.

On the first point, which is the subject of hearings, I should like to refer specifically to the fact that the hearings which have been held on the question of medical care for the aged, and concerning the precise methods of financing and techniques which will be discussed in the debate, and have been discussed for some days now, are the following principal hearings:

First. Hearings on H.R. 4700, the Forand bill, July 13 to 17, 1959, before the House Committee on Ways and Means.

Second. Hearings before the Committee on Finance of the Senate on the Social Security Amendments of 1960, H.R. 12580, June 29 and 30, 1960.

Third. Hearings on H.R. 4222, health service for the aged under the social security system, before the Committee on Ways and Means of the other body, July 24 to August 4, 1961.

There was a series of hearings, and there were individual State reports, to the Special Committee on the Aging, headed by the distinguished Senator from Michigan [Mr. McNamara], which took place in 1960 and 1961, and up to 1962.

Finally, there was a report of the performance of the States in 18 months of experience with the Kerr-Mills program on June 15, 1962. All those hearings are available. Obviously, Senators cannot read all of them, but certainly the physical evidence itself is formidable, and is before the Senate.

On the other subject, concerning our right to attach a major measure to another major measure, and the considered precedents, let me point out that such action has been taken on many occasions in connection with some very significant and important questions. For example, in 1937 we attached the Tydings Resale Price Maintenance Act, which amended the antitrust laws, as a Senate rider on a House bill, a very important measure of Federal law.

In 1925 we put a Senate rider creating the initial Federal Corrupt Practices Act on a House bill.

We did the very same thing with a number of civil rights amendments, including the continuance of the U.S. Civil Rights Commission.

We did the same thing in 1958 with a postal pay increase bill, which was placed as a Senate rider on a House bill.

We did the same thing in 1933 with the Buy America Act, which was placed as a Senate rider on the Treasury Department appropriation bill.

We did the same thing in 1912 to repeal a reciprocity act with Canada.

But what is even more pertinent is the fact that only a few days ago, during the controversy over proposed sugar legislation, no Senator protested or argued that it was improper to select a bill related to honey bees and amend it with a very important provision of the whole sugar legislation program.

I therefore submit, on the basis of longstanding precedents which are considered, that we have previously attached major legislation to House bills when we thought it was desirable to do so, and we shall do likewise in the future. The present situation certainly commends it; and the only Senators who will complain will be those who are against the measure.

So I now make the point, which I hope to make again before the debate is concluded, that no one has any idea that the country will look at the vote as other than a vote on the merits. The vote will be sudden death or it will be life for the measure which promises some health care for our aging citizens. No vote can be disguised in this regard upon procedural or technical grounds, whether it be with relation to hearings or with relation to attaching a major measure as an amendment to a House bill.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COOPER. While the example I am about to cite may not be on all fours, is it not also correct that in 1957 the Senate considered and passed the Civil Rights Act of 1957 without referring the measure to a committee?

Mr. JAVITS. The Senator is exactly correct; and that fact should be a part of the record.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. COOPER. Mr. President, on June 29, at the time the Anderson-Javits amendment was introduced, I spoke briefly, giving my reasons for supporting and cosponsoring the health insurance plan which the amendment provides.

Since that time many Members of the Senate have spoken for the amendment and against the amendment, and the arguments on both sides have been developed ably.

In the short time that is available to me today, I do not intend to repeat the great volume of necessary statistical information which has been adduced in a comprehensive fashion by the Senator from New Mexico [Mr. Anderson], the Senator from New York [Mr. Javits], the Senator from California [Mr. Kuchel], and others who support the amendment, as well as by those who oppose our amendment. But this information has developed facts about the status of medical care for those over 65 years of age which we in the Congress must recognize.

First, I think it is clear that there are millions of people over 65 years of age who, because of their financial circumstances, cannot secure the extent of hospital and other medical care which is available to those more fortunate. Today, there are 17.5 million people over 65 years of age; by 1970, there will be 20 million; and by 1980, 25 million. It is estimated that 1 out of 6 of this group will be hospitalized every year, and 9 out of 10 during their lifetime. Over 75 percent of these persons have a cash income of less than $2,000 per year. These figures prove the truth that there are millions among those now over 65 years of age, and millions who will reach 65 in the years to come, who will not be able to bear the immense expenses of hospitalization.

The second fact developed in this debate is that there is no method, other than social security insurance, which can provide, even on a minimum basis, for the hospital expenses that millions of persons over 65 years of age must bear.

Many in the medical profession oppose this bill, and I am sure with sincerity. But humane and noble as their efforts have been to provide care for those who are unable to pay, it is, of course, clear that the medical profession cannot pay the hospital costs of millions of our citizens.

Private insurance plans have done much to provide protection for older persons. But as the Senator from New Mexico [Mr. Anderson] pointed out yesterday, private health insurance for the aged generally requires higher premiums and restricted benefits for aged persons, and places higher costs upon insurance companies. He pointed out that in recent years Blue Cross has been paying out $375 million in benefits a year for the elderly, while collecting only $200 million from them. And many private insurance policies can be canceled by the company, leaving older persons uninsured, and without hope for the future.

The third fact which I think is clear, is that the Congress will not adopt a comprehensive system providing adequate medical care financed by general revenues.

In 1960, the Senator from New York [Mr. JAVITS] introduced such a bill, which I cosponsored with others to be financed from general revenues and designed to meet the objections of the medical profession and the insurance companies. We offered it as a substitute for the Kennedy-Anderson social security bill, but it was defeated in the Senate by a vote of 67 to 28. As far as I know we had little support from the medical profession, even though the bill was of a voluntary nature.

I ask unanimous consent that I may continue for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. COOPER. Mr. President, in the last 2 weeks two medical care plans, to be financed by general tax revenues, have been submitted to the Senate—and have been overwhelmingly defeated.

In 1954 President Eisenhower submitted a bill to the Congress providing for a program of limited Federal reinsurance of private health plans. I was a member of the Senate Committee on Labor and Public Welfare at the time, and while it seemed to some of us that the Eisenhower plan had large possibilities, it did not have the support of either the insurance companies or the medical profession. It was never called up in the Senate for a vote, and in the House it was recommitted on July 13, 1954, by a vote of 238 to 134.

These efforts, all rejected by the Congress, lead to the conclusion that the Congress, the medical profession, insurance companies, and the general public will not support medical care bills which would require the annual appropriation of sums reaching into billions of dollars. And yet, without such appropriations, there is no legislative method of providing even minimum care through a non-social-security approach.

It may be said that the Kerr-Mills Act provides such care. It is financed out of general revenues; it provides for Federal grants to the States, to be supplemented by State funds, to be used for the medical care of individuals 65 years of age or over. It does, in theory at least, provide complete health services for its beneficiaries, including the payment of initial costs, doctors' fees, and medicine and drugs. It has value, which I do not derogate. But it also has its limitations. Poor States are unable to provide the funds needed, even if they are willing to do so. In practice, the States have provided a means test; consequently, its assistance is available only to persons in the lowest income scale, and in fact to those who are classified as indigents. The medical profession and many others applaud this limiting provision, but it is a fact that the increasing cost of hospital care can be as catastrophic for those who do not meet the means test.

Funds to finance the Anderson-Javits plan, which I support, will be provided by a tax of one-fourth of 1 percent on earnings up to $5,200 a year of the approximately 76 million workers who pay into the fund, and a like amount by employers. The plan will place no charge upon general revenues, other than the estimated $250 million needed to temporarily finance benefits for some 2.5 million persons over age 65 not covered by social security. It will give assurance to these workers that minimum health care will be available to them when they become 65. It will mean that they will not have to find themselves sick and broke before knowing whether help will be available.

I am aware of the objections made to the Anderson-Javits amendment, which I cosponsor. It has been said that workers and employers paying into the social security fund will be required to pay for benefits which may accrue to persons who are over age 65 at the time the bill becomes effective January 1, 1964, and who will not have paid into the fund for health care. This is correct. In answer, I say that I do not believe Congress would pass any measure, whether financed by a social security tax or by general revenues, which would leave out of its coverage the millions of persons who have reached age 65 at the time that the bill would become effective. If the Anderson-Javits amendment becomes law, it will provide benefits for those who have reached the age of 65, whether or not they have contributed to the social security system. But it will also provide the assurance of hospital, nursing home, and home care for millions who now and in future years will contribute to the social security fund.

The medical profession as a whole makes the charge that the Anderson-Javits amendment, or any bill based upon the social security system, would now or ultimately interfere with the free process of medical care, and make of them Federal doctors. Our amendment does not provide for fees to doctors. The Kerr-Mills Act, which receives the support of the medical profession, provides for payments to doctors. It seems to me that Kerr-Mills would be more likely to make of them Federal doctors than the Anderson-Javits amendment.

The objections made to the Anderson-Javits amendment derive basically from opposition to a medical care plan financed through the social security system upon the grounds that such a measure is compulsory and socialistic.

I do not question the sincerity of those in the Congress who take this position. But I say that these same arguments have been and can be applied to the social security system, which has been effective since 1937. Its purpose is to provide cash benefits to persons reaching the age of retirement, to help them meet their minimum needs for food, clothing, and housing. I consider health care as being similarly a basic need. Who can argue that health care for persons over 65 who are sick, injured, or desperately ill is less important to them than the provision of cash benefits to others for food, clothing, and housing?

It is argued also that the social security approach will enable the rich and well-to-do to enjoy its benefits. Facts have been placed in the RECORD to show that only one-half of 1 percent of persons over 65 have an income exceeding $50,000; 96.5 percent have incomes less than $10,000 annually, and 75 percent of all persons over 65 have a cash income of less than $2,000 per year. The Anderson-Javits amendment insures that all those who contribute to its financing shall have the same equality of treatment for health care insurance benefits, as is now provided to those who receive cash benefits under the social security system.

We can argue statistics at length. But whatever may be one's position on this amendment, it cannot be controverted that there are millions of people over 65 years of age in this country, and there will be millions of people over 65 in the years to come, who will not have the financial resources to secure as extensive hospital care as millions of their more fortunate fellow citizens.

I do not need any statistics to know this is true. In my experience as a local official in my own State, in my experience as a Member of the Senate traveling throughout my State, from my own knowledge of the plight of dozens of families that I have known, I know this to be true. I have been in their homes and have seen these people. I have been in the hospitals and know that those with meager resources are often the first to be moved from the hospital to their homes, while those who are able to pay can remain longer.

We are dealing with a human problem. Can a great country like ours—the wealthiest in the world, the country with the greatest medical facilities, the greatest program of medical research, a country possessing great doctors and nurses, a country which provides the most complete and painstaking care for those who are able to pay—can this country delay longer in taking steps to provide a minimum of hospital care for millions who are unable to do so?

Like many others in this body, I have been concerned about the proper method of providing this care. But I have made up my mind that I will vote now to assure at the very least a minimum of hospital, nursing, and home care for millions of people over 65 years of age who may be stricken by disease and suffering. I would not want to leave the Senate without having voted for legislation to provide assurance of some health care—limited as it may be—to these millions of people. I see no way of doing this without the passage of this bill.

I shall vote against the motion to table. I sincerely hope the motion will be defeated and that the Anderson-Javits amendment will be adopted.

Mr. HUMPHREY. I wish to commend the Senator from Kentucky on his very moving, cogent, and pertinent remarks in relation to the health care plan which is now before the Senate. I also wish to commend the Senator from New York on his remarks. He has given us a good deal of legislative history of the hearings and other matters relating to this type of legislation. I shall speak later on the pending motion.

Mr. JAVITS. I did not wish to interrupt the Senator from Kentucky, because he had so little time. However, I wish to join the Senator from Minnesota in commending the Senator from Kentucky for his contribution to the discussion of this subject. Between how many stools must the aged fall before we do something about this problem?

Mr. HUMPHREY. I surely wish to commend the Senator on his remarks.

THE ADAPTIVE PROGRAM FOR AGRICULTURE OF THE COMMITTEE FOR ECONOMIC DEVELOPMENT

Mr. HUMPHREY. Mr. President, over the weekend a group of eminent businessmen of America received nationwide publicity by offering a so-called solution to the so-called farm problem. This group, known as the Committee for Economic Development, published a dollar-a-copy report on national agricultural policy entitled "An Adaptive Program for Agriculture."

The committee claims its program would assist farmers in making adjustments, and says it hopes that the program would result in higher income for farmers.

I am afraid that instead of this report being an adaptive program for agriculture, it represents, more realistically, a liquidation program for the traditional family farm independent agriculture which is so much a part of the American scene.

There are two important recommendations in the CED report. First, there is an adjustment phase involving pulling farmers off the farm through improved farm opportunities and pushing them off the land by drastically reducing farm prices. While this is going on the Government would partially cushion the shock of declining farm income through a complex of payments to farmers.

The second phase of the program is to place agriculture on the free market after 5 years of this so-called adjustment process and to end all price supports and payment programs.

I have spoken in complimentary terms of the Committee for Economic Development, because in the main I have found this organization to be a realistic and understanding organization.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. I ask unanimous consent that I may speak for 3 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. HUMPHREY. However, in this instance I must say that their program represents a theory and not reality; that it represents a hope and not a possibility.

Mr. President, if the program is adopted it would lead to economic disaster, not only for our Nation's farmers but also for many of those persons in occupations related to agriculture and citizens of our rural communities whose livelihood is dependent on farm income.

The adjustment phase of the Committee for Economic Development program holds out increased nonagricultural employment as the solution to the farm problem. The report paints a rosy picture of attractive off-the-farm jobs inducing people to leave agriculture for greener pastures in the cities. It proposes to move 500,000 people out of agriculture each year, in addition to the 200,000 or more already leaving agriculture annually, into the nonfarm labor force of our metropolitan areas.

This would mean a 40-percent increase in the number of new jobseekers each year. The report, however, expresses confidence that the labor market could absorb all of these people.

Mr. President, we already have 5½ percent of the total employment force of this country unemployed. We already have almost 5 million people in what we call the hard core of unemployment. We also have more than a million people coming into the labor force each year, and with the population growth that number increases each year.

What disturbs me about the report of the Committee for Economic Development is that it seeks to add another 500,000 adult persons—this is exclusive of the children of the families of these adult persons—to the labor force over and beyond what is the normal increase in the labor force and what might be the increase in the unemployment ranks due to automation.

I am really surprised that the Committee for Economic Development does not propose a plan for the employment of these people, although their plan proposes that they be reeducated. The reeducation of farm people is a worthy objective if there are jobs for them to obtain.

Furthermore, the CED report does not take into consideration some of the welfare problems which will fall upon municipalities and county and State governments through so tremendous a shift of population into already overcrowded metropolitan areas of underemployment.

The report also suggests that farm prices should be cut to free market levels to start the adjustment process and to get farmers off the farms. Mr. President, this is not economics; I submit it is rather cruel treatment of good, substantial citizens. The report contains many fallacies, both in the 5-year adjustment program and in the committee's conclusion that after 5 years the reduced number of farmers would prosper in a free market. The adjustment measures which the committee describes as preventing sharp declines in farm income would in fact cut net farm income by from $1 billion to $2 billion in the first year, and the income payments provided for would be further cut 20 percent each year whether the farm income was replaced by off-farm jobs or not.

In all likelihood these nonfarm jobs would not materialize, as the report so optimistically suggests, and each year would see a further drastic decline in farm income.

But most importantly, even if these adjustments could be made, there is no reason to believe that at the end of 5 years farmers would be in any better position to compete on a free market than they are now or were in the past. If farmers were cut off from Government programs to augment their bargaining power, they still would be dealing with large corporate businesses with near-monopoly control over markets in which farmers sell their products and buy supplies—a situation in which even the most efficient family farm could not survive. Farmers would be in a position where they could be exploited on both sides and the independent farmer as we know him today would soon disappear from the scene.

Mr. President, on July 16 the Washington Post published an excellent editorial on the CED report, and also an article entitled "Plan Seeks Mass Shift Off Farms." I ask unanimous consent that article and editorial be printed in the RECORD. I ask unanimous consent to have printed in the RECORD the transcript of the Farmers Union Grain Terminal Association radio broadcast for July 13, and an article entitled "Farm Policy—Where Do We Go From Here?" written by Roscoe Drummond, both of which deal with this subject.

There being no objection, the articles, editorial, and transcript of broadcast were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 16, 1962]

PLAN SEEKS MASS SHIFT OFF FARMS—ECONOMIC GROUP ALSO WOULD END PRICE SUPPORTS

(By Julius Duscha)

The Committee for Economic Development declared yesterday that one-third of the Nation's farmers should abandon agriculture during the next 5 years.

The CED said that such a mass movement of 2 million farmers into other occupations is needed if surplus agricultural production is to be reduced.

In a major policy statement on agriculture the CED, which is made up largely of businessmen, also urged the elimination of Federal farm price guarantees in the next 5 years.

By ending these subsidies, the CED said, Agriculture Department appropriations could be cut in half from the present annual level of more than $6 billion to $3 billion a year.

REJECTS FREEMAN APPROACH

In formulating its program to solve the farm problem the CED emphatically rejected the approach being followed by Secretary of Agriculture Orville L. Freeman.

Freeman has proposed rigid controls to cut back surplus production of major crops such as corn, wheat, cotton, and peanuts. There already are stringent tobacco controls.

The CED noted that it is uncertain whether a strict control program "could be effective without policing measures that would be intolerable in America."

Such a program, the CED added, "would change the form of the burden on the nonfarm community from high taxes to high prices.

"It would change the evidence of waste," the statement continued, "from mounting stocks of surplus products to idle land, labor, and capital, withheld from farm use and not channeled to other uses."

ECHOES BENSON

The CED program is similar to proposals advocated by Ezra Taft Benson when he was Secretary of Agriculture under President Eisenhower.

Congress has continually rejected proposals for tough controls on the one hand and for the eventual removal of Government farm price supprts on the other hand.

Just last month the House turned down the administration's farm program, which would have set up a stringent control program to reduce the production of corn and wheat.

The result of present legislation, which has provided for generally high guaranteed prices for farmers and acreage restrictions that can easily be circumvented, has been larger surpluses and higher Government costs.

The CED stated that Federal expenditures for supporting farm prices increased from less than $1 billion a year in 1952 to an estimated $5 billion this year.

But, the CED added, the Federal spending has done little to help the small farmers who are in need or to give all of agriculture a greater share of national income.

By encouraging the migration of farmers, the CED said, the Government would make it possible for those persons remaining in agriculture to get a larger share of total farm income.

In discussing its migration proposals the CED noted that "the 'price' of agricultural adjustment is the maintenance of a high rate of employment and of economic growth."

In the past migration from farms has been high when business has been good and jobs have been plentiful in the cities and towns where the farmers find new jobs.

During the 1950's, for example, the net migration from farms, including women and children as well as farmers themselves, totaled nearly 2 million in the prosperous year ending in April 1952, but only 25,000 in the recession year ending in April 1954.

From 1949 to 1961 the number of farmers decreased from 8 million to less than 5.5 million.

To spur the migration of farmers at nearly twice the rate of the last decade the CED urged the Government to retrain more farmers and to help pay their expenses in moving to cities and towns.

The CED also said that vocational trainin programs in high schools in rural areas should be changed from their present emphasis on farming to stress skills needed by expanding industries.

"We have an opportunity," the CED said, "to secure long-lasting relief from the overburden of people pressing upon farm income by getting a large number of people out of agriculture before they are committed to it as a career."

The CED report was prepared by an agricultural subcommittee headed by W. Harold Brenton, a Des Moines businessman. Two of the Nation's leading agricultural economists, Dale E. Hathaway of Michigan State University and Theodore W. Schultz of the University of Chicago, advised the CED in the preparation of the report.

FARM POLICY—WHERE DO WE GO FROM HERE?

(By Roscoe Drummond)

Now that Congress has rejected Secretary Orville Freeman's farm program, the question is whether we will go back to laws which have failed or ahead to a fresh approach which will lead agriculture out of the oxygen tent of Government subsidy and enable it to stand on its on feet.

Two things are evident:

The congressional farm bloc is not going to dictate farm policy. The city voter—the consumer—is going to be heard, will exert at least a veto. This means that any new farm program must reflect a consensus of the whole country.

Congress does not seem disposed to look to the present leadership of the Department of Agriculture for guidance as to what should be done. Therefore, we will have to look elsewhere for constructive proposals to rescue the Nation—and the farmers—from the agricultural program which has been sending up prices, sending up taxes, producing crop surpluses costing a million dollars a day just for storage and has been accompanied by a growing gap between farm and nonfarm earnings.

Is there any chance of getting a consensus on some good alternative to past failures?

I think there is. The evidence of such a consensus is coming into view.

There is a very substantial and significant meeting of minds on farm policy by a civic-minded body of American businessmen and a large and influential body of American farmers.

This is agreement, indeed, when the Committee for Economic Development and the American Farm Bureau Federation are separately advocating the same basic approach to helping Government get out of farming and the farmer get out of Government.

This is the kind of consensus we need if we are to make agriculture a healthy, self-supporting part of our total economy.

The CED has just produced its own proposals for what it calls an adaptive program for agriculture. It seeks the same ends as does the American Farm Bureau Federation. Both oppose Secretary Freeman's plans to put Government more deeply into agriculture. Both aim at the common goals of (1) improving the profits of agriculture, (2) reducing Government controls over the farmer, and (3) establishing free markets for farm products.

These two organizations, the CED and the Farm Bureau, propose differing but complementary approaches to the same end.

They both recognize that the overriding need is to reduce the resources now being overapplied to agriculture. The Farm Bureau would seek to take more cropland out of farming. The CED would seek to take more farmers out of farming.

What the CED has in mind is a reduction of the farm labor force by approximately one-third in a period of not more than 5 years. One of its principal methods of doing this would be a new Government-supported educational and retraining program for farming communities where, its report shows, 40 percent of the population today is below the age of 20. Here is the key to agricultural adjustment by helping young people leave an overpopulated agriculture before they are committed to it as a career.

The need is to reduce steadily and rapidly the resources, principally labor and plant, now going into agriculture. The CED is convinced that this can be done over a period of a few years and that the end result will make farming profitable without Government controls and cut the present swollen agricultural budget by $3 billion a year.

New farm legislation is certainly going to be needed. Nothing could be more useful than to have the CED and the Farm Bureau join forces and present a common program. Congress should welcome it.

ADAPTIVE AGRICULTURE

The Committee on Economic Development has brought out an "Adaptive Program for Agriculture," the chief virtue of which is in its proposals for helping excess farm labor get into nonfarm jobs by maintaining high levels of industrial activity and by better training and education in rural areas.

There will be much disagreement over the CED plan to cut farm labor by one-third over a 5-year period during which adjustment price supports and land diversion payments would be made at a diminishing rate so that, in the end, the market would call forth the appropriate amount of capital, labor, and land input, without further Government subsidy.

That the CED's 5-year plan would end with a free-market agriculture having a satisfactory per capita income is greatly to be doubted. D. E. Hathaway, one of the advisers to the CED farm subcommittee, has estimated, in another context, that a return to free markets without controls or price supports would cut farm income by perhaps a third or more. This view is widely shared. That would leave per capita farm income of a much smaller agriculture, at the end, at the unsatisfactory level where it is now.

The CED's plan would cut the farm labor force from 5.5 to 3.5 million—at about 400,000 to 500,000 a year. It finds the current rate of emigration from farming too slow. But the labor force in agriculture has dropped by 40 percent since 1940. In 1910, 31 percent of the working population of this country was engaged in farming. By 1950 it had dropped to 11.6 percent. In the sixties, the decline in total farm population has averaged 900,000 a year. It may be doubted that our economy can be made to adjust without serious social and political consequences to a much more rapid rate of change.

The basic theory of the CED is that low farm prices will cut the input of land and labor resources in agriculture and that nonfarm occupations can absorb the farm labor surplus at a much more rapid rate of emigration. Both premises are to be doubted.

C. E. Bishop has pointed out in "Labor Mobility and Population in Agriculture" that "farm product prices would have little or no influence on the rate of migration." He finds some evidence that emigration rises when income per farmworker increases in relation to income of factory workers. He thinks "more farm people are ready to transfer from farm to nonfarm jobs at prevailing rates of return than jobs are available." The CED thinks price supports have "deterred the movement of resources out of agriculture," but Bishop thinks that "on balance, the effect may have been to increase migration through providing farm people with the capital needed to transfer to nonfarm areas." Farm migration, he points out, has been the greatest from areas receiving the highest proportion of income from price supported commodities. Nor is it clear that low prices cause acreage reduction and reduced production as the CED seems to think. Mr. Hathaway has pointed out elsewhere that the farmer "having made the initial commitment of his labor and capital to agriculture * * * finds the best way in which he can individually maximize his income is to increase output even further than his present level of excessive production."

Whether lower prices will or will not cut the farm plant and labor force, can jobs be found in nonfarm work for more ex-farm labor? The CED thinks so. But Varden Fuller of the University of California, who has contributed to a recent analysis made at Iowa State, thinks "the prospective economic environment of the sixties will be less favorable to continued large scale off-farm migration." In the absence of a dramatic change in the economy's growth rate there is good cause to agree with Varden. The economy has not been able to absorb natural increases to labor force. The CED report estimates that its plan would cause the labor force, which it says is now growing 1¼ million a year, to grow 1¾ million a year or at a rate of 40 percent greater. (The economy has not been able to absorb at the 1¼ million rate and for nearly a year only 600,000 of the statistically expected 1¼ million have been added to the labor market.) The CED takes no account, moreover, of the effect of a contracted agriculture on the 6 million engaged in the farm supply business or the 10 million engaged in processing, shipping, and distributing farm products. There would be an emigration out of these occupations, too. In dealing with the farm problem, we deal not just with the 5.5 million farm producers but with all those in related enterprise and with the 45 to 50 million rural, nonfarm people in towns and villages across the land. The serious dislocation of this national rural community, brought about by a drastic contraction of agriculture, moreover, could so greatly diminish buying power in rural America that nonfarm industry would be affected and its ability to absorb former farmers further diminished. The outlook for more rapid emigration from agriculture and for its easy absorption in nonfarm industry is not good.

The CED rejects out of hand the possibility of solving the farm problem by "a stringent, leak-proof control of production, so that farmers will get higher prices for a smaller volume of sales." It thinks it "uncertain" that this could be effective "without policing measures that would be intolerable in America." And yet, such stringent controls are in effect on rice, peanuts, tobacco, and cotton and have not produced "intolerable" policing measures. This is essentially the program the administration urged Congress to enact for other crops.

For all the difficulties of production control, and they certainly are numerous and formidable, they hold out a larger hope for a prosperous rural America than the CED's proposals for returning, after an interval, to the free play of the market. There is not sufficient evidence that low farm prices, if the country would tolerate the hardships they would induce, would produce the diminished investment of labor and land and capital resources needed to achieve balanced agricultural production. There is no evidence whatever that the nonfarm economy can absorb the millions of persons that would be added to the labor force by more rapidly contracting agriculture, by curtailing the work force engaged in farm supply and marketing and by diminishing job opportunities throughout nonfarm rural America.

The rate of emigration from agriculture will take care of itself if a healthy, growing, and expanding national economy, in urban and in rural areas as well, provides adequately remunerative nonfarm jobs for a well-educated and sufficiently trained rural population. The coercion of farm prices at poverty levels will not be needed to force the efficient use of manpower.

GTA DAILY RADIO ROUNDUP, JULY 13, 1962

An imposing group of high-level corporation executives have got things all figured out for farmers. These big business presidents and chairmen belong to the conservative Committee for Economic Development which claims it is nonprofit, nonpolitical for research and education only. But if farmers have any doubts about what would happen to them with these corporation men calling the farm tune, we'll pass on to you some of their recommendations.

The first thing they recommend is the immediate reduction of prices for wheat, cotton, rice, and feed grains. The Committee for Economic Development says farmers are being misled by high price supports, and they ought to get used to the idea of much lower farm prices.

Do you farm people agree with that?

Recommendation No. 2 from the corporation executives is to get rid of 2 million farmers. Take 'em off the land because we don't need them. What the country needs are more farm machines and fewer farm people, the executives claim.

We are pleased to see that they would like to have a Government program to reeducate the ex-farmers for city jobs, but nowhere did we see a solution for the unemployment that cities now have. So we wonder where in the cities would ex-farmers find jobs.

This is a very serious problem because an ex-farmer, young or old, would have to be a craftsman in one certain specialty to hope to gain a decent job in the metropolitan areas.

In addition to lowering farm prices and getting rid of 2 million farmers, the CED wants to eliminate Federal farm programs within 5 years. That's what it calls the period of adjustment—5 years—long enough to get farmers back to the old free market era. During that period it would develop a long-range soil bank and farmers in certain areas would be told to get their land out of crops and into grass. During these 5 years of price and income decline the CED would have the Government give farmers some compensatory payments, but after that all farmers would be back in the good old days.

In a nutshell, and a small one at that, that's what the Committee for Economic Development wants for farmers. On the CED's Research and Policy Committee, which drew up this corporation farm plan, are men at the very top levels of such corporations as Ford Motor, Standard Oil, Hormel packing, Sears, Roebuck, John Hancock insurance, Eastman Kodak, Merck & Co. drug makers, American Telephone & Telegraph, King Ranch, Inc. Texas and South America, General Motors, American Can, Crown Zellerbach paper, and so on.

All the things that the corporations think farmers ought not to get fills an 80-page, dollar-a-copy printed report. So perhaps it would be only fair for farmers to try to scrounge up a few hundred thousand dollars to make a report on what they'd recommend for corporations. Things, perhaps, like doing away with subsidies to big business, cutting tractor prices by a third, lowering interest rates one-half, unlocking interlocking boards of directors, putting business on the free market so it could be competitive at home and around the world. In other words, if corporation chiefs claim to know what's best of farmers, we're sure farmers have some appropriate suggestions as to what would be good for corporations. What do you think?

JIM CROW CRAFT UNIONS

Mr. CLARK. Mr. President, on June 19, 1962, the Philadelphia Tribune published an article entitled "World Survival Threatened by Jim Crow Craft Unions." The article was written by George D. Johnson.

Mr. Johnson points out unanswerably the difficulty which Negro citizens are having in obtaining employment through unions which are segregated. He states:

> In Philadelphia alone, Negroes accounted for 52 percent of all unemployment, although they make up but 13 percent of the work force.

He attributes this situation in large part to the fact that many Negroes are not permitted to join labor unions.

Earlier this year I introduced a bill which would make racial discrimination by labor unions an unfair labor practice. The information contained in this article provides strong arguments for action on that bill.

Mr. President, I ask unanimous consent that Mr. Johnson's article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD SURVIVAL THREATENED BY JIM CROW CRAFT UNIONS

(By George D. Johnson)

In a recent statement issued by the U.S. Department of Labor, it has been estimated that 5 million more skilled craftsmen will be needed by 1970. This estimate has been projected to cover an expanding economy as well as replacements for those workers who may retire or die. Yet in spite of such a projection, apprenticeship training programs continue to lag. The bulk of our country's registered apprenticeship programs—some 7,800 in all—are run by joint union-employer committees which the unions dominate. Unfortunately for the country and particularly the Negro, the old diehard union leaders control the craft unions with iron fists. They still cling to old philosophies of the medieval guilds. Then, as today, skilled crafts were kept within the family circle. Outside apprentices need sponsors. Since there are virtually no Negroes in most skilled craft unions, there are no sponsors for Negro applicants.

This union-made apartheidism poses a horrifying problem for the Negro, barred from virtually all but the unskilled industrial jobs. He is the first to be laid off when business is slow or machines replace men. Automation is today wiping out some 35,000 unskilled or semiskilled jobs per week—almost 2 million per year. Moreover, barred from training, the Negro can't move into the new jobs that automation creates. Unemployment figures reveal his plight. In the great northern industrial centers, one of every three Negro wage earners was idle sometime during 1961. His rate of joblessness was 2½ times that of the whites. In Detroit, for instance, Negroes accounted for more than 60 percent of all unemployed, although they make up 20 percent of the wage earners. In Philadelphia alone, Negroes accounted for 52 percent of all unemployment, although they make up but 13 percent of the work force.

In order for the Negro to literally overcome his plight, he must be given a better deal from the large craft unions. The National Government, who is the biggest single work contractor, has recently made some pretext at recognizing their problems. The President's Committee on Equal Job Opportunities has been attempting to recruit qualified Negroes with labor backgrounds to serve as job apprenticeship representatives, the promise being that Negro representatives would work with unions and industries doing business with the Government, to see that job apprenticeship training programs are made available to all workers.

However, with so few Negroes ever having the opportunities to become closely associated with apprenticeship training programs, the U.S. Civil Service Commission has been ruling "A lack of qualifications" as reason for the ineligibility of those Negroes who may apply.

But this is a problem that must be solved, and it must be solved by those responsible leaders of the labor movement. The time has come when the leaders of the large industrial unions must stand up and be counted. As they have demonstrated in the past, they must seize the initiative; they must pressure their brother craft unions into recognizing the sign of the times. The need for world survival takes precedence over a guild survival. The insurance of both can only be paid in premiums of responsibility to equal justice.

SPINGARN MEDAL AWARDED TO DR. ROBERT C. WEAVER

Mr. CLARK. Mr. President, this year the Spingarn Medal, awarded by the National Association for the Advancement of Colored People in recognition of "the highest or noblest achievement by an American Negro in the preceding year or years," has been presented to Dr. Robert C. Weaver, Administrator of the Housing and Home Finance Agency. The NAACP is to be congratulated on its judicious selection of Dr. Weaver as the 47th recipient of this distinguished award.

Dr. Weaver, in an excellent acceptance speech, told his audience of Negro leaders that not only must they continue their vigorous work to provide equal rights and opportunities for all Americans but also they and all members of the Negro community must take full advantage of and utilize the opportunities which are being opened to them.

Mr. President, I ask unanimous consent that Dr. Weaver's address be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ROBERT C. WEAVER, ADMINISTRATOR, HOUSING AND HOME FINANCE AGENCY, ANNUAL CONVENTION, NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE, MUNICIPAL AUDITORIUM, ATLANTA, GA., JULY 8, 1962

I am greatly honored to join the 46 Americans who has preceded me as recipients of the Spingarn Medal. Like most of them, I accept this distinction with humility, realizing that no individual alone achieves anything.

The medal that I accept today should be dissected into many parts. One of the largest of these should go to my parents who established high standards and even higher goals for their two sons. They also never accepted for themselves or their children the psychological limitations of a color-caste system. The other major segment is deserved by my wife, who, during the 27 years of our marriage, has blended—and at times subordinated—her own successful career to mine. She has also provided a constant atmosphere of intellectual stimulation—and affectionate criticism—while maintaining a home in which I have found love and companionship. Then, too, there are my friends—among whom I count Roy Wilkins—who have given sound advice, high precepts of service, and stimulating social contacts. On behalf of all of these I thank you for this recognition.

After 48 years one may pause to question if an award such as this has significance today. The answer is found in the social system in which we live.

While it is true that the existence of merit and achievement among American Negroes is more widely recognized now than ever before, we do not carry coals to Newcastle when we call attention to achievement. In this situation are both the encouragement of progress and the discouragement of the pace at which we have moved toward equal opportunity.

Hundreds—perhaps thousands—of American Negroes qualify for such an award. Most of these men and women carry out responsible assignments in public service, education, business or commerce. Others are excelling in the arts; and many are outstanding as athletes. In most instances they are no longer the first, or even one of several, Negroes in significant or especially productive activities.

At the same time, some Negroes who are involved in work or creative activities which attract attention are today discussed—and even dissected—in the daily press as well as the national magazines. Since the rise of the new African states, the mass media of information have carried the pictures of many Negroes—both native born and foreign. Radio and TV also cover the news involving this phase of our domestic and international life. Thus, the literate American is more conscious than ever before of the achievements of some outstanding Negroes.

While this occasion of recognition appears to be of declining significance to society—as contrasted to the individual concerned—it still serves a need. Indeed, we honor one person only to cause association with the much larger number of colored Americans who merit an equal award.

We must recognize, however, that the awarding of a medal to a man or woman of African descent and American citizenship reflects the status of Negroes as hyphenated Americans. It says, in effect, that as the centennial of the Emancipation Proclamation approaches, we are thought of as Negro-Americans rather than Americans.

This does not mean, of course, that if this and similar awards were abolished our position would change. Rather it is a reflection of the fact that the objectives of the NAACP are still not yet a reality. That we can and do raise this question is an indication that we are on the way. And I believe that victory is inevitable.

It is the second objective of this award—to stimulate the ambition of colored youth—that should give us pause. As never before, our youth needs to be stimulated. Its horizons must be raised, and its motivations need to be revitalized. Let us not, however, be naive about the matter. Precepts and examples alone are not enough. But they do serve an important purpose, reflecting the dichotomy of the Negro's status in the United States.

An increasing number of Negroes are achieving a place in the mainstream of our economic life. In some parts of the country they are participating effectively in the political and cultural activities of their communities. These are predominately those who have dominant motivations and standards of training and achievement. They are, for the most part, the successful, middle-class colored Americans. And their numbers have increased significantly in recent years, but this is far from an indication that Negroes have achieved equal opportunity in a land that professes to afford this to all its people.

A much larger number of colored Americans are not only outside the mainstream of our society but see no hope of entering it. This situation is capitalized upon by the champions of the status quo. They say that the average Negro must demonstrate to the average white that the latter's fears are groundless. One proponent of this point of view has recently written that 'Negro crime" and illegitimacy must decline and Negro neighborhoods must stop deteriorating.

Of course, we have been seeking such goals for years. We do not, however, either absolve the individual of responsibility or assume that Negroes can lift themselves en masse by their collective, individual bootstraps. We recognize what Oscar Handlin has set forth in his recent book "The Newcomers" when he stated: "Discrimination has * * * depressed the underprivileged while the conditions produced by deprivation become the grounds—or at least the pretext—for continued discrimination."

As compared to the earlier newcomers to our cities who came from Europe, the later ones, who are colored, face much greater impediments to moving from the slums or from the bottom of the economic ladder. And many of them have concluded that no matter what they may do as individuals, the color-caste system will not permit them to enjoy the economic, social, and spatial mobility which typified their white prototypes.

For them, the successes of a few Negroes are no inspiration. Rather it becomes the basis for class resentment. And in a minority group it is safer to resent the class lines within the segregated society than to battle against color barriers which involve the dominant group as well.

This emerging class differentiation within the nonwhite society is, in large part, a reflection of resentment against middle-class chauvinism—a trait which seems to be color blind. Those of us—white and black alike—who overcome obstacles tend to assume that we have done so solely because of our own talents and abilities and that those who are less successful could have done so were they as able, ambitious, and energetic as were we.

But success is a fickle mistress. It involves luck, as well as work, timing, as well as ability, and, equally important, the social environment which influences all of us. No individual is an island unto himself. No people advance on individual merit alone. For every successful person, there are others equally qualified who, either because of forces beyond their control or social attitudes and institutions, never have the chance to prove themselves. In addition, some suffer from personal or economic insecurities, and these, too, are frequently products of the cultural milieu in which they develop.

The tragedy of discrimination and limitations based upon color is that they afford an excuse for failure while erecting barriers to success. Thus, people who repeatedly butt their heads against a wall of denial hesitate to try again when they see an apparent opening. Denied the rewards of conformity to middle-class values, they reject them. A new, a distinct, and a protective culture with values and behavior patterns all of its own, emerges. And those who are conditioned by these protective devices resist the values and motivations of the dominant class structure since the latter have no reality in their experience. This is a major dimension of the present color problem in America, and it exists at the very time when there are significant evidences of greater opportunity for a segment of the Negro population.

What the NAACP or any other organization may do to create a more mobile social order is but one side of the coin. The other sides involves the decisions, actions, and ambitions of individuals. The two are inescapably related, and the latter is complicated, so that we are only beginning to develop techniques for dealing with it effectively.

Eli Ginzberg in his book "The Negro Potential" has stated the matter well.

"If the color barrier could be eliminated overnight, that fact alone would not materially improve the [economic] position of the Negro. * * * The exploitation of opportunity, therefore, must wait upon the development of ability. But, conversely, the develoment of specialized abilities must wait upon opportunity. * * * Because of his history, the American Negro is not prepared in the same way as the white population to take full advantage of the economic opportunities that exist. * * * The leaders of the Negro community, of course, must continue to press for treatment according to merit rather than color. But this is only the beginning of their responsibility. They must convince their fellow Negroes that equality cannot be bestowed; it must be earned. Negroes must learn how to utilize the opportunities now open to them. Only if they do so will they achieve the equality they seek."

There is no one organization or one philosophy which can meet all the needs of leadership. Increasingly, government—at all its levels—must supplement programs of self-help with services designed to accelerate the readiness of nonwhites to participate fully in the life of the Nation.

But to recognize that no one approach is enough is not to repudiate those which have been successful. Had not NAACP been the effective instrument that it has been for more than a half a century, we would not today discuss those problems. This is not the time to flirt with the romantic "new approaches" which would repudiate the efforts which have made them possible. Nor is it a time to say that there is a one-way street to solutions.

The effective battle against discrimination and segregation must continue. And it will. At the same time, the NAACP will, as it has, press upon government and communities to meet the day-to-day problems of unassimilated newcomers to urban communities. And it must continue to urge colored Americans to assume the responsibilities of citizenship in all their aspects. It would be foolish if the association attempted to perform all of these functions by itself. It would be reprehensible if it failed to point out the necessity for their performance.

A half century is a long time in an individual's life; it is short in the span of history. It is but a segment of man's experience, but for one in his mid-fifties, like myself, it is a long time to wait for the promises of democracy. From the earliest elementary school, I have pledged allegiance to a nation "with freedom and justice for all." I want to see that goal in more realistic terms during my lifetime. And I am sure that few Negroes in America have a different objective.

I am engaged in trying to make American urban areas—where two-thirds of the Nation's people now reside—better places in which to live. I am also concerned, as a Government official, in providing greater choices to all Americans in the selection of where and in what type of housing they may live. And these choices must be as real for nonwhites as for whites.

For me there is no conflict between my concern for better urban environment and equal opportunities for all Americans. This country will never be stronger than its ability to provide all its people a chance to contribute their best to the national welfare. If democracy has one benchmark it is the ability to afford the man lowest on the totem pole an opportunity to make his maximum contribution. This does not mean that his standard of achievement is based on the color of his skin, nor does it mean that anyone who doesn't produce has to be, or should be, recognized.

In becoming the 47th recipient of the Spingarn Medal I wish to pay a few personal tributes. First, let me say how pleased I am that Mrs. Amy E. Spingarn and Arthur B. Spingarn have been, and still are, so vital a part of the NAACP. Mrs. Spingarn was a fellow member of the national board during the period I was privileged to serve on that body, and I know her dedication to equality for all.

It is almost impossible to think of NAACP and not associate with its timeless, dedicated, and effective president, Arthur B. Spingarn. For several decades I have considered him my friend and inspired colleague in good works. He is the best that America can produce. For me, it is a distinct joy and inspiration to take this tribute which bears his name.

HUMANE TREATMENT OF EXPERIMENTAL ANIMALS

Mr. CLARK. Mr. President, in March of this year I introduced a bill to provide for the humane treatment of experimental animals. Ever since, I have been receiving letters of condemnation from members of the medical profession and letters of commendation from laymen. My mail is running about 10 to 1 in favor of the bill, although many of those who favor the objectives of the bill think it should provide more stringent controls.

On July 6, the Washington Evening Star published an article entitled "Humane Animal Bill Opposed," written by the Columnist Betty Beale, which discusses this situation. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUMANE ANIMAL BILL OPPOSED

(By Betty Beale)

Senator JOSEPH CLARK, of Pennsylvania, is astounded. On March 28 he introduced a bill for the humane treatment of experimental animals and ever since, he says, he has been receiving letters of condemnation from members of the medical profession.

It seems inconceivable that men engaged in trying to alleviate the suffering of mankind should object to humane treatment of any living thing.

A Philadelphia doctor wrote him that it would "invoke undue hardships on academic investigators" and extend "unwarranted police power to the Secretary of Health, Education, and Welfare."

Frankly, this columnist, a dog lover, thinks if it takes police power to keep people from being cruel to animals, it's time we had it. After all, it took a Federal law to keep adults from working little children long and tedious hours.

Another doctor wrote him, "You are liable to become associated with the lunatic fringe as represented by antivivisection."

This, it seems, is about as far from the point as one can get. Whether you are horrified at the thought of animals being experimented on, or think it is a necessity for medical progress, how can you argue against treating them humanely whatever the situation?

Mrs. Mike Monroney, wife of the Oklahoma Senator and chairman of WARDS (welfare of animals used in research, drugs and surgery), said yesterday, "I know that animals are going to be used and since they are, the least we can do is see that they have proper housing and care. Since they are giving their lives to help humanity, why can't humans make them comfortable while they go through these experiments?"

The doctors who write in that the animals are getting humane care simply haven't investigated the animal laboratories around the country. They should talk to Mrs. Roger Stevens, president of the Animal Welfare Institute; Mrs. Monroney, Mrs. Peyton Hawes Dunn, executive secretary of WARDS, or myself, a member of the WARDS committee.

Christine Stevens, whose husband is head of the National Cultural Center, could and would tell them of the failure to anesthetize dogs while inflicting burns on one-third of their bodies and letting them die afterward in misery; of rabbits in such small cages they can only crouch; of a kitten with a broken paw nobody bothered to fix though it had undergone a head operation for the sake of humanity; of an old, half-blind spaniel that had undergone major surgery being hosed down and left soaking wet and trembling; of the untrained, unconcerned caretakers who allow these things frequently with the approval of the scientists.

Mrs. Dunn could also tell them of the unbelievable callousness of animal research centers where cages upon cages of dogs are stacked under scorched roofs in the summer, in unheated places in the winter, of emaciated, starved dogs in cages.

I can tell them as an eyewitness here in Washington of dogs in nothing but wire cages not big enough for them to stand up straight or move in except to go around in circles; cages that have no runways yet the only home the dog has until he dies maybe not for 8 years.

To walk by these cages and see these dogs wag their tails, still hoping for some sign of affection from human beings who have treated them this way, is a heartbreaking experience.

One wonders how the Health Subcommittee of the Senate can postpone for a moment Senator CLARK's request for hearings on his bill and let this suffering continue. The Senator is willing to amend his bill to satisfy the doctors who think it might demand too much paperwork of them. And it should be amended to provide for a National Institute for Laboratory Animal Care, says Mrs. Dunn, that would instruct, inspect, and enforce the proper treatment.

But unless the men on the Hill have the courage to hold hearings and weather the screams from opposing groups in the country to give us a law as good as Great Britain's, they can cease thinking of this country as a humane nation, say the women of WARDS.

PRAYER IN THE PUBLIC SCHOOLS

Mr. LAUSCHE. Mr. President, citizens of Ohio continue to voice their deep concern and protest relative to the recent Supreme Court decision involving prayer in our public schools.

Just recently I received a copy of a poem by Bess Reiselt, of Plain City, Ohio, pertinent to the subject; a telegram urging that Congress seek redress from the recent ruling of the Court; and a petition on the same subject signed by 37 citizens of the Columbus, Ohio, area.

Mr. President, I ask unanimous consent that the poem, the telegram, and the body of the petition be printed in the RECORD.

There being no objection, the various items were ordered to be printed in the RECORD, as follows:

NATION NOT THE SAME WITHOUT HIS NAME

To the EDITOR:

You can't praise the Lord
And pass the ammunition,
The Supreme Court has spoken
A strong admonition.

We'll throw out our money,
Or just let it rust,
It contains naughty words—
Says, "In God we trust."

The Lord's Prayer is gone—
'Twould never get the nod,
And the Pledge of Allegiance,
For it says "under God."

Now we've lost a lot of songs—
"America the Beautiful,"
"America," too,
Horrors—"God Bless America."
None of these will ever do.

To open all assemblies
We'll now sing the blues,
The "Star Spangled Banner"
We surely can't use.

About a new hymn (?)
The Marines will have to see,
For theirs mentions heaven,
And that can never be.

We have to stop playing taps,
  For the living and the dead.
Mustn't say "God is nigh,"
  To lay to rest or put to bed.

Now this poetry "stinks,"
  As the writer well knows,
But beside that decision
  It smells sweet as a rose.

So now may Congress send
  To the States throughout the land,
An amendment that still puts us
  'Neath the Great Almighty's hand.

BESS REISELT.

PLAIN CITY, OHIO.

CLEVELAND, OHIO, *July 12, 1962.*

Senator FRANK LAUSCHE,
Senate Office Building,
Washington, D.C.:

The Ohio rally for prayer launched July 9 in Cleveland by the Organization to Fight Communism, Inc., Post Office Box 281, Cleveland, has already received more than 1,000 signatures on the following petition: "We, the undersigned, respectfully petition you as our representatives in Congress to support any measures to seek redress from the recent ruling of the Supreme Court of the United States relating to the prohibition of the offer of prayers in the schools of New York State. We urge you as our representative to support any legislation that would lead to the amendment of the Constitution to allow the voluntary offering of prayer in the public schools of the United States." Our goal is 1 million signatures. We are aiming for national participation. Please read this into the CONGRESSIONAL RECORD.

Sincerely,

LETA WOOD,
Chairman.

PETITION TO THE CONGRESS OF THE UNITED STATES OF AMERICA

We, the undersigned, being citizens of the United States of America and registered voters in the State of Ohio, do hereby respectfully petition the Congress to prepare and, in accordance with article V of the Constitution, to submit to the States an amendment to the Constitution, which amendment shall be directed to the following ends:

1. To assure to our children and to our children's children the unalienable right to pray to Almighty God in thankfulness, for protection and for divine guidance.

2. To assure this right to all gatherings under the control of the Federal Government or of any of the several States or territories.

3. To retain in the Pledge of Allegiance, in the National Anthem, on our coins and moneys, and in oaths of office reference to our trust in and dependence upon divine providence.

And to such other ends as are appropriate and proper.

(Signed by 37 Citizens of Columbus, Ohio, area.)

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

AMERICA'S AGED CITIZENS DUE MEDICAL CARE

Mr. YARBOROUGH. Mr. President, generally, the older people get, the less they are able to earn. The older people get, the more often they need hospital and medical care.

Therefore, with each passing year, an aging person faces mounting health problems with a thinner purse, and with each passing year, the cost of medical care goes up, up, and up.

So nearly everybody over 65 who does not have a lot of money is faced with this frightening prospect:

That the restoration of a degree of health—that life itself—may become a luxury he cannot afford.

This is the great American tragedy, and the Democratic administration has been charged in an election-day mandate to do something about it. Yet the scavengers of time—all the ailments that come with increasing age—are bipartisan in nature. There is nothing Republican or Democratic about a weakening heart, fading vision, the loss of hearing, or pains that wrack aging bones. Nor should there be anything partisan about the steps we take to safeguard our aged citizens.

In this country about 17 million people are over the age of 65, some 700,000 of them in my State of Texas. Among them are many whose hands, hearts, and minds helped to bring this country forward to a state of prosperity in which they are now forbidden by circumstances to share equally.

I am not talking about 17 million digits in a Government census book, but about fathers and mothers and grandparents who need our help, even though some are too feeble to ask for it and are drowned out by the concerted shouting of those who oppose humanitarian legislation. I am talking about the aged Americans whose children cannot carry the burden of ever-increasing medical care for the aged alone. By 1980 the number of Americans over 65 may reach 26 millions.

Back in 1854 Abraham Lincoln wrote that the legitimate object of government is to do for the people what they need to have done but cannot do for themselves as individuals. I subscribe to this view.

Medical care for the aged is a legitimate object of government by any humane standard of reasoning.

The program now under discussion for the medical care for the aged, would provide a means to pay for hospital and outpatient care and nursing home services. It does not pay doctors, nor would it affect the free choice of a doctor. The doctor-patient relationship is not affected, except to this extent: As a patient is better able to meet his hospital bills through a pay-as-you-go social security system, not requiring the outlay of meager cash resources, he is then better able to pay his doctor.

Mr. President, this is not an antidoctor bill. The bill would enable patients to pay the fees of doctors of their free choice.

It is my belief that a program of pay-as-you-go social security insurance to provide the aged with a means to help themselves will benefit the aged with a means to help themselves, will benefit the patient, the hospital—faced with climbing costs of equipment and facilities—and the doctor, who already spends much time treating patients unable to pay.

This whole subject was covered in the 1960 platform of the Democratic Party. I read into the RECORD a part of item No. 6 from the 1960 platform, under the caption "Health."

6. "The right to adequate medical care and the opportunity to achieve and enjoy good health."

Illness is expensive. Many Americans have neither incomes nor insurance protection to enable them to pay for modern health care. The problem is particularly acute with our older citizens, among whom serious illness strikes most often.

We shall provide medical care benefits for the aged as part of the time-tested social security insurance system. We reject any proposal which would require such citizens to submit to the indignity of a means test—a pauper's oath.

For young and old alike, we need more medical schools, more hospitals, more research laboratories to speed the final conquest of major killers.

Medical care for older persons—60 million Americans—more than a third of our people—have no insurance protection against the high cost of illness. For the rest, private health insurance pays, on the average, only about one-third of the cost of medical care.

The problem is particularly acute among the 16 million Americans over 65 years old, disabled workers, widows, and orphans.

The Republican administration refused to acknowledge any national responsibility for health care for elder citizens until forced to do so by an increasingly outraged demand. Then their belated proposal was a cynical sham built around a degrading test based on means or income—a pauper's oath.

The most practicable way to provide health protection for older people is to use the contributory machinery of the social security system for insurance covering hospital bills and other high-cost medical services. For those relatively few of our older people who have never been eligible for social security coverage we shall provide corresponding benefits by appropriations from the general revenue.

In this respect the Democratic Party platform unites with every humanitarian consideration, with the instincts of the American people for caring for the aged, and with sound economics, to impel the vote for the Anderson amendment for the medical care of the aged. Now is the time for action. I intend to vote for action.

REBUTTAL TO SENATOR ANDERSON'S MISLEADING CHARGES

Mr. BENNETT. Mr. President, the junior Senator from New Mexico [Mr. ANDERSON] on last Friday, July 13, beginning at page 13587 of the CONGRESSIONAL RECORD, called upon me to point out when the Senate Finance Committee conducted hearings on the Forand bill. He said: "I do not recall any hearings on the Forand bill." Mr. President, I am willing to produce evidence that hearings were held on Forand-type legislation. If the junior Senator from New Mexico will obtain from the committee staff a copy of the hearings on H.R. 12580, he will find that the Senate Finance Committee, on July 29 and 30, 1960, held public hearings. During these hearings Forand-type legislation was discussed by several witnesses. One such example was the testimony of Nelson Cruikshank, director, Department of Social Security, AFL-CIO. In fact, in the middle of page 234 the following words can be found:

> ### FORAND-KING-ANDERSON BILLS IDENTICAL IN PURPOSE
>
> No, sir, it does not; because what we are really proposing is that a Forand-type amendment, if you wish to call it that, be added to the provisions of—

The junior Senator from New Mexico again challenged me to explain another portion of my remarks during the Senate debate last week. I had stated that the junior Senator from New Mexico and the then junior Senator from Massachusetts, John F. Kennedy, in 1960 sponsored to H.R. 12580 an amendment of the Forand-bill type, which was defeated. This is a fact; and the junior Senator from New Mexico certainly cannot deny that he voted for the amendment, which was defeated by a vote of 51 to 44. The amendment involved was almost identical with the Forand bill. It, too, was proposed to be financed by social security at the same rate of increased tax, and had virtually the same benefits as the old Forand bill.

The junior Senator from New Mexico again challenged my statement regarding the 10-to-7 vote in the Senate Finance Committee in January of this year. However, the Senator now describes as misleading my statement regarding the motion before the Senate committee, which was defeated. Regardless of how the junior Senator from New Mexico chooses to interpret the motion, the effect of the motion, had it passed, would have been to call for Senate Finance Committee hearings at a time when the House Committee on Ways and Means had not acted in this area. I choose to follow the Constitution of the United States, which guarantees to the House of Representatives the authority to originate revenue-raising legislation.

KNOWLAND AMENDMENT NO PRECEDENT FOR ANDERSON PROPOSAL

Mr. President, on July 13, at page 13588 of the CONGRESSIONAL RECORD, the junior Senator from New Mexico [Mr. ANDERSON] called attention to an amendment to H.R. 6000 offered in 1950 by Senator Knowland of California; and the Senator from New Mexico claimed that that amendment established a precedent for approving the present Anderson amendment which has been offered to H.R. 10606.

In speaking of the Knowland amendment, the Senator from New Mexico stated that it was "a very far reaching amendment to the social security bill, H.R. 6000." However, in checking, Mr. President, I find that the amendment involved only two short paragraphs. This is a far cry from the comprehensive 77-page Anderson amendment, plus the Javits amendment and the other amendments which have been offered to the Anderson proposal.

Also it should be pointed out that Senator Knowland's amendment was offered only after an urgent request for its enactment had been received from the Interstate Conference of Unemployment Compensation Administrators. The purpose of the amendment was to prevent abuse of authority vested in the Secretary of Labor to withhold grants and impose penalties on the States for nonconformity with Federal administrative decisions involving the unemployment compensation law. The Knowland amendment had widespread support throughout the United States, and was approved by the Senate by a vote of 45 to 37.

At this point in history, I do not wish to debate the merits of H.R. 6000 of the 81st Congress with the junior Senator from New Mexico. However, in keeping with his claim that Senator Knowland's amendment in 1950 should be regarded as a precedent, I should like to call attention to the fact that the junior Senator from New Mexico voted against the Knowland amendment. If he follows the precedent which he has cited, then to be consistent, it would seem to me that he would now be bound to vote against his own amendment to H.R. 10606.

Mr. President, again I urge the Senate to reject the Anderson amendments and to approve the welfare bill as reported by the Senate Finance Committee.

WELFARE RECIPIENTS WILL SUFFER AS RESULT OF ADMINISTRATION'S DELAY ON H.R. 10606

Mr. President, I have been concerned that as a result of Senator ANDERSON'S medical care amendment to H.R. 10606, the public welfare amendments of 1962, welfare recipients would suffer because of the delay in enacting this legislation. I know from talking with other Senators that this is certainly a critical matter in the larger, more populous States, and to a lesser degree in my own State of Utah.

Last week, Mr. President, I called the Utah Department of Public Welfare, and talked with Commissioner Lamont B. Gundersen concerning the status in Utah of funds to continue welfare programs during the coming weeks and months. I was informed that there is an urgent need for the U.S. Senate to pass immediately H.R. 10606, because the funds in Utah are rapidly running out. It will be necessary for Utah to modify or discontinue most, if not all, of its welfare programs, unless Federal funds are made available not later than July 30, 1962.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of a letter dated July 11, 1962, received from Mr. Lamont B. Gundersen, commissioner of public welfare of the State of Utah.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE STATE OF UTAH,
DEPARTMENT OF PUBLIC WELFARE,
Salt Lake City, Utah, July 11, 1962.

Senator WALLACE F. BENNETT,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR BENNETT: In accordance with our telephone conversation regarding the welfare bill before the Congress, I submit the following:

As soon as the ADCUP program terminated on June 30, 1961, the full financial burden for this program was placed on the State. This will seriously deplete State welfare funds in the middle of the biennium. The amount of Federal money the State of Utah receives for the above-mentioned program and ADCFC and the recent increase of $1 Federal matching on the remaining Federal matched programs amounts to approximately $60,000 per month which the State of Utah will not receive because of the expiration on June 30 of these programs. This will make it necessary for the State of Utah to abandon these programs by July 30, 1962, unless Federal funds are available.

I am very pleased to respond to your request and hope that the information will be of value to you.

Kindest personal regards.

PUBLIC WELFARE COMMISSION,
LAMONT B. GUNDERSEN,
Commissioner.

The PRESIDING OFFICER. The hour of 1 o'clock having arrived, the unanimous-consent agreement, as modified, goes into effect; and the time now is controlled in accordance with the agreement.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that when the absence of a quorum is suggested, the time required for the quorum call not be charged to the time available to either side under the unanimous-consent agreement; and that after a live quorum has been obtained, the debate for 2 hours be had, and that the time for the taking of the vote be extended accordingly beyond 3 p.m.; in other words, that the time required for the live quorum not be taken from the time available to either side under the agreement; that 2 hours for debate be available thereafter; that the vote be taken after the two hours, at whatever time following 3 p.m. that may be; and that the time during the 2 hours be controlled, pursuant to the further agreement entered on yesterday, by the majority leader and the minority leader.

The PRESIDING OFFICER. Is there objection?

Mr. HICKENLOOPER. Mr. President, reserving the right to object, let me ask whether I correctly understand that the Senator from Minnesota is proposing that 2 hours after 3 o'clock be allowed.

Mr. HUMPHREY. No, 2 hours after the completion of the quorum call.

Mr. HICKENLOOPER. And when will the quorum call be had?

Mr. HUMPHREY. Now.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from Minnesota? The Chair hears none; and, without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 120 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Bennett
Bible
Boggs
Bottum
Burdick
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Capehart
Carlson
Carroll
Case
Chavez
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Dworshak
Eastland

Ellender
Engle
Ervin
Fong
Fulbright
Goldwater
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Murphy
Muskie
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Mr. DIRKSEN. Mr. President, the hour is 1:15. It is my understanding that, under the unanimous consent agreement, the Senate may proceed for 2 hours from now, and then will come the vote on the motion to table, the time to be equally divided and controlled by the majority leader and the minority leader. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I would like to turn over the control of the time on this side to the distinguished Senator from New Mexico [Mr. ANDERSON], who has been the leading advocate of the health care plan. I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does a Senator yield time?

Mr. ANDERSON. Mr. President, I yield 12 minutes to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I consider it an honor to lead off in this debate in behalf of the proponents of the Anderson amendments, to which many Members of the Senate have very kindly added my name.

I say this because I think it is our opportunity to do something for the people of America which the people of America have long waited for. If we make the mistake, for reasons which are so easy to rationalize—because it is an amendment on another bill, because of the lack of hearings, or because of other procedures some of us may not be satisfied with, although I am—and let this measure go down the drain, whether it can be re-created or not is a real question. The real sufferers will be those over 65 who need medical care.

I read with the greatest of interest the views and the arguments made with respect to this bill, and they are summed up, as I see them, into four arguments:

First, that this is an important departure in national policy.

Second, that physicians' care and other types of care are needed other than those provided by this amendment.

Third, that if the amendment is put on the public welfare bill, it will be lost in the end; this amendment is tagged to the public welfare bill; it is not going to get anywhere in the House; why bother with it?

Fourth, the Kerr-Mills Act will do the job.

Mr. President, I should like to spend the time allotted to me in answering those points. First, and very importantly, that this is an important departure in national policy: It is an important departure in national policy, and it is a departure that ought to be made.

The reason why it ought to be made, in my view, is that it now can be safely made, having had added to it what it did not have before, and what I am proud to say my associates and I added: First, universality of coverage, and in a very brilliant way, in implementing the measure so that those who would not have been covered under the King-Anderson bill, those who were not under the social security system over a period of 10 years, are covered, taking advantage of the fact that, as the system now functions, 95 percent or more will be under it within a few years.

Therefore, it was not necesary to twist or torture the plan at all in order to include the nonbeneficiaries by phasing them in over a period of years.

This is an important departure in American policy, but a beneficial one, and it is high time we made it.

The reason for that is that this is the solid rock on which the act must be built, as I see it. The question is not whether the Anderson bill is right or wrong; I think the question is, What are the alternatives to the Anderson bill?

The alternatives leave the vast number of aged over 65 who need and require medical care, without coverage, where there exists a national responsibility to give them medical care. I asked a minute ago—and I think it was a perfectly proper question—when the Senator from Kentucky [Mr. COOPER] was speaking, How many stools must the aged fall between before we let them be helped? The hard nut of the matter, which is the crucial question, is that Kerr-Mills has not done the job, and will not do it if it were to have an expense three times as much as at present and a host of beneficiaries which the plan does not have.

What are we going to give those people? Stones and straw, even if those stones and straw are gold plated because of the cost of Kerr-Mills, or medical care?

If this program is a departure in national policy, it is one which is well justified, now that it has been architectured in the American tradition and spirit.

Second, it is argued that many different types of care are needed; that physicians' care is needed. I have argued that. It is absolutely right. Surgical and other types of care are needed.

We have a right to ask the question. If basic hospital care is not given, what is there to build on? On the other hand, if hospital care is given and this system is opened up, as our amendments have done, to the whole private enterprise system—pension plans, cooperative, Blue Cross, Blue Shield, private insurance plans, whatever is available—the Anderson plan will completely transform it.

We will have made it into a floor, rather than a ceiling, which it was before. It will be a floor upon which other things can be built.

I have actually given, in detail, the cost of the packages of additional aid it would be possible to build upon the plan inherent in the amendments, to show how inexpensive it would be to give the additional and important effective items of care. One can get a very liberal package, with all kinds of medical care and physician's services, for about $7.50 a month per person. One can get a minimal package of surgical and medical care and other types of benefits, which would make this a very fine program for anybody who has it, for as little as $3.30 per month per person.

This will become a very solid floor, because of its design, on which a medical care for the aged program can be built.

Third, and very importantly, it has been said that the public welfare bill will die, or that the House will not pass the bill.

Mr. President, would it not be even more certain that the House will not pass the bill if we do not pass the bill? Would that not really be the death knell of our medical care for the aging, and nobody knows for how long?

Mr. President, if we want the public welfare bill to pass, there are many ways to get it. We can get it by action in the other body; whether it be on a motion to suspend the rules, whether it be as the result of a petition signed by a majority of the Members, whether it be by a rule granted for a conference—and I shall come to that in a moment—whether it be by normal committee action, or whether it be by a 60-day extension of the public welfare amendments, which the Senator from New Mexico [Mr. ANDERSON] proposed, in which a number of us joined.

Once the Senate manifests its will, we shall have an opportunity to go somewhere. If the Senate does not manifest its will, then the program will be dead.

This will be the payoff vote, I repeat—here and now—on the motion to table.

The fourth argument is that the Kerr-Mills law will do the job. Let us look at the record. The Kerr-Mills law has been in effect for 2 years. It covers 102,378 recipients in about half of the States of the Union. The overwhelming majority of the money is spent in and the overwhelming majority of the recipients reside in the rich States, including the State of New York, in which over 90 percent of the money is now being spent.

In addition, the Kerr-Mills approach is the poorhouse approach. It is better than nothing, but let us understand it. It is the means test approach, or the poorhouse approach. If a person is indigent, if a person is broken down and has no one to help him, if a person cannot do anything else, he may get aid. He never knows in advance whether he will get it. Only when he becomes really sick is it possible for him to qualify.

The whole virtue of what we are trying to do is that a person will know where he is, based on the insurance principle. This is the fundamental and critical difference between what we are trying to do and the Kerr-Mills approach.

One hundred and two thousand recipients are taken care of under the Kerr-Mills law. Let us compare that number with the number in need. There are 12 million people over 65 years of age who have incomes of less than $2,000 a year. The average expense of a medical character for the individual who is over 65 years of age is $177 a year. Obviously, those who have incomes of under $2,000 a year cannot afford that expense.

One-third of the persons in that income and age bracket have some insurance protection. That leaves us with a figure of 8 million people who properly are eligible for some kind of care. One out of six of those goes to a hospital every year. That gets us to a figure of about 1½ million people. That is the very minimum number of those who need help.

Let us compare that figure with the 102,000 recipients under the Kerr-Mills program in half of the States, who are qualified after a period of 2 years.

Mr. President, the answer is to be found in the vote to be taken. The motion to table is said to be a sudden death motion. Mr. President, it will be sudden death, but sudden death to what? Will it be sudden death to the amendments alone? Not at all. It will be sudden death to the hopes and aspirations of those who are 65, who at last have begun to see the beginnings of some kind of national responsibility for their health care. That is the sudden death it will be.

One other point, Mr. President. My colleague, the Senator from Oklahoma [Mr. Kerr], in what was for him a typically brilliant speech yesterday, asked the question of what kind of mockery it would be if we should give to the aged in this country care under the amendments but not all the care he thinks they ought to have, not all the care a few are getting under the Kerr-Mills program.

I ask, Mr. President, what kind of a mockery would it be to leave those people with stones in their mouths and to give them nothing, if the Senate defeats the amendments today? At the very least this is the fundamental base, this is the floor, which would give to those people the very minimum one-third of their health care. That would be an appreciable beginning in this country.

Finally, Mr. President, I wish to say a word to my colleagues on the Republican side of the aisle about conservatism in regard to this proposal. I have heard Senator after Senator argue that it would be more conservative to proceed by general appropriations. Mr. President, if we should multiply the cost of the Kerr-Mills program, which today is about $200 million a year, by the number of people who ought to be eligible for that kind of care, which is about 10 times the number who are eligible now, that would give us a cost of over $2 billion a year. Half of that cost would have to be appropriated by the Federal Government. That would be a billion dollar appropriation.

Mr. President, would that be more conservative or less conservative than the pay-as-you-go approach, with contributions by people who are fighting for the opportunity to participate and to pay, through a slight increase in social security taxes?

Mr. President, many Senators have argued that social security taxes will go up if the amendments are enacted. They will go up anyhow. They will go up whether we pass the amendments or not.

When we pass the amendments, and the social security taxes go up slightly more than they otherwise will go up, people then will get tangible and real benefits.

Why is it that the aged people of this country, on the whole—a clear majority of them—are fighting for this program? Why is it that the younger people—a great majority of them—are fighting for this program?

They are fighting for two reasons, Mr. President. The first is that the aged need medical care and they are not getting it. They will not get it, Mr. President, unless we provide a program. Let us not forget that. Let us not forget that there are people who do not go to the hospitals because it is too expensive, and they get sick and die sooner than they should.

Let us remember that the younger people, children and relatives of the aged, are supporting them. They are interested in this proposal. Let us remember that the younger people are paying the social security taxes, and they look forward to this program.

The PRESIDING OFFICER (Mr. Metcalf in the chair). The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, may I have one-half minute or 1 minute more?

Mr. MANSFIELD. Mr. President, I yield one-half minute to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for one-half minute.

Mr. JAVITS. Let us also remember that the younger people will pay the social security taxes, and they look forward to doing so with dignity and capacity, on the basis of self-assurance, which is the highest form of self-reliance and of individual private enterprise, especially since we have now protected the amendments by opening them up to the whole competitive private enterprise system.

This is an opportunity we may never have again. I hope very much that the Senate will decisively defeat the motion to table the amendments.

Mr. President, I ask unanimous consent to have printed in the Record at this point as a part of my remarks an article entitled "Nursing Home Evaluation and the Question of Hospital Affiliation," written by John A. Hackley and published in Hospital Topics for March 1962.

There being no objection, the article was ordered to be printed in the Record, as follows:

NURSING HOME EVALUATION AND THE QUESTION OF HOSPITAL AFFILIATION

(By John A. Hackley)

As is often repeated, the term "nursing home" means many things to many people. And it should. Existing nursing homes serve their respective communities in such a variety of capacities that no narrow concept of a nursing home, as we know the institution today, can exist. The nursing home as a facility has emerged to meet many varying needs of people. In this rather undirected emergence there has come a quite recent national concern.

Perhaps this concern about nursing facilities, their patients and their services is merely symptomatic of a slowly dawning realization that many professions and health services not only are interested in nursing facilities and their patients but actually have an undeniable responsibility to such facilities and primarily to the patients they serve.

The origin of many of the problems and needs of nursing-home patients does not necessarily lie in nursing-home institutionalization. Rather, these often are vocational, social, medical, and economic problems which an individual faces wherever he is. A recognition of the fundamental kinship between health services and those more commonly regarded as health-related services—even though the latter may be social or economic in purpose—will constitute a long step forward toward the time when the health and welfare of a human being and the public of which he is an integral part will be literally indivisible.

COORDINATION IN THE COMMUNITY

Perhaps one of the greatest deterrents to a realistic integration of health and health-related services is the factor of considering integration and coordination—and even affiliation with the hospital—in the light solely of administrative structure and the administrative problems that might arise. If, instead, we were to plan the organization of services simply from the standpoint of what the patient himself requires for timely, effective care, the problems of coordination would be far less complex and discouraging.

The term "nursing home" itself should not be an exclusive one but rather an inclusive one referring to proprietary, voluntary, and public facilities, whatever the auspices or legislation or administrative structure. By the same token, "community health resources" should embrace all types of agencies and resources: public, voluntary, or private, regardless of whether they are directly or indirectly health-related in terms of their specific services or objectives.

Perhaps the most important emphasis is that, although the nursing home's place and function in the community seem to be ever changing today, ultimately it will be rather clearly defined and adhered to. And if this character of the nursing home and its place in the community is not spelled out by the nursing-home profession itself in a realistic and professional way, then rest assured it will be delineated by others who may be less directly affected or less experienced to do so.

WHAT IS A NURSING HOME?

"When we opened this nursing home," one administrator has remarked, "we planned our service for certain kinds of patients; but we have never been able to serve exclusively those particular groups." His comment has found ready concurrence in the experience of Illinois Rehabilitation Education Service, a Public Aid Commission program, in the many discussions between its staff and administrators. In some cases, perhaps, those who planned and established the nursing facilities did not do a thorough job of community exploration. But even where relatively adequate planning has preceded the development of a nursing facility it is still infrequent to find the facility in real control of the kinds of patients it admits.

The community itself, its hospitals and physicians, and certainly its agencies, have virtually dictated the intake policies of the institution. It is as much the way in which the community uses its nursing homes as it is the homes' own limitations and strengths which has shaped many of our present facilities into what they are today. The immediate needs of the community are a dominant force in forming the character of the nursing facility.

From community to community, locality to locality, nursing homes—whatever their sponsorship—may function as chronic-disease hospitals, nursing-care facilities, homes for the aged, sheltered-care homes, day-care centers, room-and-board situations, or—as in one community—a place in which hospital patients were put to die so as to reduce the mortality status of the large county general hospital.

Many nursing homes are the only medical-care facility (or one of a very few health care resources) in a given area. Approximately 18 percent of the nursing homes cooperating in a research program of the rehabilitation education service were the only such homes in their communities. Several were the only facilities serving sick and disabled people in their area.

Coupled with this is the increasing acceptance of the theory that more and more patients are institutionalized in nursing homes for lack of a more appropriate facility. Case studies often discover that it was not the diagnoses and current health picture of a patient which precipitated his institutionalization; rather, it was the compounding of his total situation by his pressing social and economic needs that brought him into the nursing home.

THE MUCH-DISCUSSED SUBJECT OF CLASSIFICATION

All of this brings up (although only briefly here) the subject of classification of nursing homes. Classification is a device which has been frequently tried in many different States with varying degrees of failure. Unfortunately, current proposals for regulation often seem an attempt merely to use new tags—new nomenclature—in the effort to upgrade nursing-home standards and guarantee a certain level of performance that current rules and regulations do not seem totally capable of achieving.

Many groups (Joint Council To Improve the Health of the Aged, the American Hospital Association's Council on Professional Practice, the Public Health Service, to name a few) are investigating the idea of nursing-home classification. Not the least of these is the current congressional interest. Just as any Federal legislation for health care of the aged will very probably incorporate nursing-home care, so it would also include the need for national uniform nursing-home standards, now lacking.

Certainly, two admonitions must be made in developing any system of classification: (1) standards used to evaluate hospital facilities cannot be totally translated to nursing homes: some modification is needed; (2) any system of classification should be acceptable to the facilities but applied by an outside agent: real pitfalls are inherent in self-accreditation and classification.

For the present, though, until the role and function of the nursing home are more clearly defined, the responsibility continues to fall to the nursing home to provide answers—however inadequate they may be—to a wide range of the medical, social, and economic problems of the chronically ill, disabled, and aged receiving care in these institutions.

ALLIANCE WITH THE HOSPITAL

It is becoming trite to say that the nursing home should not be a place where people are sent to die. In practice, however, this is exactly the way many nursing homes have been used by the community, whether death has occurred in 3 weeks or 30 years, and whether it was due to an immediate medical reason or merely came as a climax to 30 years spent in an institution out of lack of more appropriate accommodations.

If nursing homes are to be institutions which serve patients only for that relatively limited amount of time when the special services associated with nursing-home care are required; if medical care, nursing care, and the innumerable allied services and resources of the community are realistically conceived as a continuum available to all for whatever length of time and in whatever degree required—then there should be no doubt of the nursing home's position in the medical-care spectrum of the community.

When, on the other hand, the nursing home is seen as a substandard hospital, or a less-than-acceptable substitute for a general hospital, it cannot be intelligently employed in the case of the chronically ill and the aged.

Although the nursing home cannot be expected to provide the intensive acute care concomitant with hospitalization, it would be both foolhardy and disastrous to assume that the nursing service of the home need be any less comprehensive than that traditionally attributed to the hospital. The very nature of those long-term illnesses and disabilities which legitimately warrant nursing-home placement may actually require a greater degree of nursing service. However, often this also implies a reduction in the need for services rendered by registered nurses or more highly skilled personnel and an extension of those of licensed practical nurses, graduate nurses, and less professionally trained people. As numerous studies and the graphic evidence of individual patients testify, some patients were institutionalized in the nursing home primarily because the hospital facilities were neither geared nor equipped for care of the long-term patient.

The value of affiliation between community hospitals and nursing homes has been frequently discussed. Proponents of such a move say it would bring about a more clearly defined and objective appreciation of the nursing homes' role in the community medical picture, and, in line with the philosophy of progressive patient care and coordinated community services, would also facilitate transmission of patients to the most appropriate facility. These stated reasons may imply to some persons that a nursing home can achieve status by becoming identified with a general hospital and can in some vague way enhance the quality of its care through closer association with a larger medical facility.

By contrast, the advantages accruing to the hospital through affiliation with a nursing home are rarely discussed. Yet how can we talk about coordinated community care and progressive patient care and limit ourselves to progression in one direction only? This kind of planning is a deception to the public, for our actions belie our protestations.

SOME POSITIVE ADVANTAGES

Just what could the hospital gain by affiliation?

Today we have discovered the truth in the concept of treating the whole person; but we have also recognized (strangely enough) that in order to see the patient as a person and provide the kind of care that serves him best, we must also know him. So one fundamental facet of affiliation is the establishment of a channel of communication by which a current, comprehensive, and useful account of the patients' needs and wishes in all appropriate areas can be exchanged. In this way the patient will not lose his identity, and we will not lose sight of the complexity of his needs.

Affiliation which provides an uninterrupted program of care for patients makes the staffs of the participating institutions coworkers and—with proper administrative climates—copartners in the teamwork required for effective care. By a free interchange of visits, personnel of the affiliated institutions can become acquainted with a patient and his current program of care before he is transferred to the other facility. No small side effect is the reassurance the patient receives with such a practice and the resultant minimization of his problems in adjusting to a new setting.

Beyond direct care to individual patients, the device of affiliation can work to strengthen feelings of mutuality of interest and effort. Affiliated institutions in a community can become the aggregate spokesman on behalf of all the long-term, disabled, and aged patients, serving as their interpreter to the community and its health resources. As a spokesman, too, the institutions can be a dynamic factor in stimulating community development of the necessary programs and resources which presently are inadequate or do not exist.

Another mutual benefit of affiliation is the interchange of professional knowledge, skill, and experience. For example, provisions for scheduled educational staff meetings and other in-service training are needed in most nursing homes, and the hospital personnel should be made available for this training. Likewise, the staffs of hospitals—particularly those which either contemplate or have recently developed a nursing facility for long-term patients—have much to learn about the complex needs of nursing-home patients for which the experience of the home's personnel will be invaluable.

One of the most difficult problems in providing the right care, in the right setting, at the right time, centers around the need for a well-organized, well-functioning central referral service in the community. Proper affiliation among medical facilities—and facilities includes clinics, day-care centers, family agencies, as well as hospitals and nursing homes—will familiarize each one with an accurate understanding of the services of the others.

THE PRIMARY CONSIDERATION

If we truly believe that so long as people live they deserve the kind of care that gives substance to their days and meaning to their existence, then we must do all in our power to establish, maintain, and improve those standards that will accomplish these things for the thousands of chronically ill and older people who are dependent on institutional care as a way of life.

Mr. DIRKSEN. Mr. President, I yield 20 minutes to the distinguished Senator from Nebraska [Mr. CURTIS].

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 20 minutes.

Mr. CURTIS. Mr. President, I thank the Senator from Illinois.

Mr. President, I am for hospital and medical care for our aged citizens. I want that care to be the best that our fine, traditional American system of medicine can provide. I want the great advances made in medicine and in drugs to continue for the benefit of all mankind. The record in this country is unsurpassed.

I do disagree with the proponents of the administration plan as introduced by the Senator from New Mexico [Mr.

ANDERSON] and other Senators as to how we should provide this medical care for our citizens over 65. Without boring Senators with statistics, I believe they will agree that among those over 65 there are some people well able to pay for their own hospital and medical care or to secure private insurance to provide the same. There are also some older people who are unable to provide hospital and medical care for themselves. Let us consider each group.

The first question is: Should Government provide medical care, including hospital care, for our older citizens who are unable to provide for such care themselves? I would answer that question with an emphatic "Yes." For many years our destitute aged have received hospital and medical care at public expense. That should be continued. I would go further. I would include those people over 65 who may have some funds and are self-supporting, but who cannot pay a costly hospital and medical bill. This group has sometimes been referred to as the near needy.

Such a program to provide hospital and medical care for the near needy, including drugs and other essentials for sick patients, has been enacted. It is known as the Kerr-Mills law. I voted for it. Under this law, any State desiring to provide medical assistance for people over 65, who are near needy, can do so and the Federal Government will share in the cost. It follows the same pattern that has been followed for many years in the cases of actual need. The near needy are not required to be paupers in order to be entitled to the benefits.

Under the Kerr-Mills law a program can be set up to fit the specific needs of a patient. If he needs help in having medical prescriptions filled, that can be provided. If he must be sent to the hospital, that can be taken care of. Government can pay the costs of having the doctor call at his home or surgery can be provided. In fact, the Kerr-Mills law is not limited to fine print benefits. It is intended to take care of people over 65 who need help and who are and should be the concern of government.

A careful look at the figures indicates that the States have moved with considerable speed in availing themselves of the benefits of the Kerr-Mills law. As of the end of June this year a period of 21 months had elapsed since the first funds became available under the Kerr-Mills law and 24 States have inaugurated a program. Let us see how this compares with similar action taken following the 1950 amendments when vendor payment provisions for medical care were added to the old-age assistance program, to the aid to dependent children program, and to the program for the aid to the permanently and totally disabled. After 21 months, 10 States had set up a program to include vendor medical payments in their ADC program, 7 States had inaugurated the program with reference to the aid to the permanently and totally disabled persons, and 10 States had inaugurated a program for vendor medical payments in their program of old age assistance. This has moved twice as fast as other programs. It is reasonable to expect that the Kerr-Mills law will very shortly reach the majority of our States because they have moved faster with this program than the others.

The other basic question to be asked, which is the central proposition, is: Shall Government provide hospital and medical care for people over 65 if they are well able to provide it for themselves? This is a fundamental question. It means, should we tax future workers, the young workers, the middle-aged workers, and the aged if they are still working, to pay the hospital bills and some related medical expenses for all older people, including those who are well able to pay for it themselves? My answer to that question is "No." I do not believe, for instance, the Government should tax young people who are raising a family, buying a home, and educating their children to pay the hospital bills of individuals who are financially able to pay their own bills. This is the essence of the Kennedy administration's proposal.

Some very interesting statistics were compiled by the Bureau of Labor Statistics and published in the Monthly Labor Review for August 1960. These relate to the city worker's family budget. To work from a norm the statistics relate to a family of four, an employed husband of 38 years, a wife not employed outside the home, and two children, a girl 18 and a boy 13. The study is designed to arrive at a dollar amount which will give such a family an adequate living, including health, efficiency, nurture of children, and participation in social and community activities. The level is described as "modest but adequate." The average income before taxes is estimated between $7,000 and $7,500 annually.

This study went on to show what such a family would pay for the various items in their cost of living. This included an item for medical care. Medical care was described as including health insurance paid for by the head of the family, medical costs not covered, dental costs, and medicines. It was based on a study conducted in 20 cities across the country. Medical care in the 20 cities surveyed ranged from $250 in Scranton, Pa., to $424 in Los Angeles, Calif. Medical care in Houston was $309 annually and in Chicago $314 annually.

In November 1960, the Monthly Labor Review published a compilation made by the Bureau of Labor Statistics entitled "Interim Budget for Retired Couple" which was similar to the one made in August concerning the family of four. The same cities were used for the survey.

This retired couple "budget family" assumed a husband and a wife, age 65 or over, who maintain their own two- or three-room rented dwelling in an urban area. The couple is assumed to be self-supporting, in reasonably good health, and able to take care of themselves. The budget takes into account social and psychological, as well as physical needs, so it is not a minimum subsistence budget. On an annual basis, this hypothetical couple's living expenses run from $2,641 in Houston, Tex., to $3,366 in Chicago, Ill.

The cost of medical care for retired couples in these 20 cities is described in this report as being between $222 annually in Scranton, Pa., to $366 in Los Angeles, Calif. The annual cost of medical care for retired couples includes a weighted average cost with hospital insurance coverage for 45 percent of this group. This covers the same broad range of medical and dental costs included in the "family of four" concept. Medical care for the "family of four," according to Bureau of Labor Statistics computes between 6 and 7 percent of the annual budget. For the "retired couple" it computes to an average of 9 percent of annual budget.

I believe these figures are very pertinent and that they deserve recognition.

It is obvious that, while many hardship cases exist in the age bracket of 65 or over, hardships for medical expenses are by no means limited to that group.

It is obvious that many young fathers and mothers raising families encounter medical expense that is overwhelmingly burdensome.

If the administration proposal is enacted it will mean a man can have an annual income of a hundred thousand dollars or more, unlimited capital assets, need not be retired, yet if he is 65, his hospital bill and certain related medical expenses will be paid. By whom will it be paid? It will be paid by the workers and the self-employed and the employers of the country.

We would tax the physically handicapped, the blind, and the aged who are still working to pay hospital bills for people who are well able to pay them themselves. That is the essence of this proposal. That is its central theme.

I am opposed to this proposal for several reasons:

First. The proposal would provide hospital care for aged without considering whether they could afford to pay their own hospital expenses.

Second. The proposal would finance such a program through the social security system, thus overburdening the present system.

Third. The proposal would increase withholding taxes, primarily on the young, making it more difficult for them to meet their current medical expenses, much less provide for future expenses.

Fourth. The enactment of the Kennedy proposal would result in a poorer quality of medical service for all of our citizens.

In citing established facts and figures in support of my position, I want to give credit to certain of my colleagues. Representative TOM CURTIS, of Missouri, has been a leader in research on the subject of hospital and medical care for the aged, and I want to pay tribute to him.

Let us consider just what the administration's proposal would do for the aged. It would pay for hospital services up to 90 days and certain nursing home services up to 180 days, plus additional home health services and outpatient diagnostic services or, as Representative GRIFFITHS says:

> This program adds up to the payment of the costs of hospital care and economical substitutes for hospital care.

It should also be pointed out that the first cost of hospital expenses, ranging from $20 to $90, would have to be paid by the aged person himself.

The administration proposal would not pay for most doctor bills incurred in the hospital.

The administration proposal would not pay for calls at the doctor's office.

The administration proposal would not pay for doctor calls at the home.

The administration proposal would not pay for surgery.

The administration proposal would not pay for prescriptions, or medicines, or drugs of any kind outside of the hospital. The administration proposal would contribute nothing significant toward the problem of catastrophic illness.

The administration proposal would not provide any benefits for people confined to a mental or tuberculosis hospital.

A study has been made as to what portion of the costs of illness would be paid if the administration plan were enacted into law. This has been established as being 25 percent of the expenses of illness of persons eligible for the benefits. In other words, for the people covered, whether they are in need or not, it would not pay 75 percent of the expenses incurred.

My colleague, Tom Curtis, has very aptly pointed out that a medically indigent person is no more able to pay 75 percent of his medical expenses than he is to pay 100 percent of such expenses.

Unfortunately, the issue of medical and hospital care for the aged has been confused by a great deal of misinformation. I am satisfied that many of the proponents of the measure in Congress do not realize its shortcomings. I am thoroughly satisfied that many of the people back home have been misinformed. It is not uncommon for a constituent to write in support of the administration's proposal citing, as a reason for its need, the high cost of his doctor bills and his medicine. The fact is, the proposal being offered would not pay any part of either one.

Either the administration proposal is a delusion and will be a disappointment to our people, or they must admit it is merely a foot in the door for a larger program. The estimated cost of the first year of operation is a billion dollars. It is based upon the premise that Government should tax all of our people to pay hospital bills and some related medical bills of individuals, some of whom are much more able to pay those bills than the people paying the taxes.

I want to compliment the distinguished Senator from Tennessee [Mr. Gore] for the candor he displayed in acknowledging that if we pass this proposal now before us it will be but a beginning. The program will be enlarged. In the Congressional Record for July 9, 1962, page 12949, the distinguished Senator from Tennessee said:

> If the Senator from Wyoming will permit me to do so, I wish to comment on the two points the able Senator from Louisiana raised. One was that if the program of insurance, hospitalization, and medical care were enacted, those of us who support it should take the responsibility of considering it as only a beginning. I am pleased to accept that responsibility; I think it would be the beginning of a sound program.

The administration proposal disregards the great advances that have been made in private health insurance. As of June 1, 1962, 136 million of our civilian population was covered with some form of health insurance. As of January 1, 1962, 55 percent or 9.3 million of the aged population had some kind of private health insurance. The Department of Health, Education, and Welfare has estimated that by 1965 70 percent of the aged will have some private health insurance.

This estimate of the Department of Health, Education, and Welfare to the effect that by 1965 70 percent of the aged will have some private health insurance was made back in 1959. It was based upon the increase in health insurance coverage of social security beneficiaries as reported in 1951 and 1957.

Since 1959 a number of the private insurance carriers have inaugurated programs of mass enrollment of hospital and medical insurance for aged people. These programs alone, since their inauguration, are estimated to have enrolled well over 1½ million older people. Thus, it is apparent that the estimate of the Department is very much on the low side.

The PRESIDING OFFICER (Mr. Metcalf in the chair). The time of the Senator has expired.

Mr. DIRKSEN. I yield 5 additional minutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, it is my opinion that if the American people had an opportunity to express themselves on the question as to whether or not the future workers, the present workers, including the near aged and the aged who are still working should be taxed to pay the costs of hospitalization and medical care for individuals over 65 who are able to pay their own such costs that the answer of the majority would be in the negative. The overwhelming majority of expressions that have come from the people of Nebraska have been against this proposal before us today. Countless groups have taken a position on it. For instance, in the June 1962 issue of the Nebraska Union Farmer I find an article which begins as follows:

> Nebraska Farmers Union delegates to the 1962 convention adopted a clear and precise statement concerning proposals for Federal medical aid programs as follows: "*Resolved*, That we oppose the inclusion of medical aid under social security."

I include that one position taken by a distinguished farm organization as typical. Thousands of such communications could be supplied.

Many well-meaning people have believed hospital and medical insurance should be provided under the social security system. Many of these people are not aware of the true nature of social security. They have accepted the mistaken notion that people are paying for their own benefits under our social security system.

Our social security system is a program of social benefits for the aged, their widows, and for minor children, financed by currently taxing workers, employers, and the self-employed. An accurate and very informative article on the workings of our social security system was published in the U.S. News & World Report on July 2, 1962. In that article, referring to our present social security system and the proposal to add hospital benefits U.S. News & World Report says:

> The tab for the cost would be picked up, as it is being picked up for old age and survivor insurance, by employers and by those who go on working. In the end the cost will fall on employers and on generations not yet working.
>
> In a word, social security programs, to date, represent a gigantic bargain for persons retired, soon to be retired, or fairly well along in years.

Mr. President, I ask unanimous consent that the article in the U.S. News & World Report to which I have referred may be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CURTIS. Mr. President, we should not forget that if we never add any new benefits to the social security law and if we never increase benefits, the tax increases that we, the Congress, have already imposed will amount to a 48-percent increase between now and 1968. But many new increases and additions are being advocated.

In order that we might understand the true nature of our present social security program, I want to cite some basic statistics. These will show that it will be the young workers and our future workers who will bear the costs of this program. To add hospital and medical care to the social security program will be so costly that it might well endanger the program.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. DIRKSEN. Mr. President, I yield 3 additional minutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, let us take the case of a worker who retired on July 1, 1962, at the age of 65. Let us suppose that he has paid the maximum he could have paid since the program began in 1937 and that he has a wife who is of the same age. The total expected value of the benefits for this man and his wife would be $32,600. The total amount of employee taxes that this individual has paid is $1,584.

A couple of similar age retiring on July 1, 1962, having been covered by social security for the very minimum amount that the law recognizes will be entitled to benefits having a total expected value of $11,100 and the employee taxes that this individual would have paid from 1937 to date would be the sum of $79.13.

The average benefit paid to a beneficiary and his wife on the roll as of June, 1961, was about $125 per month. It is estimated that the husband of this average couple is 74 years of age and his wife is 69. They have drawn benefits for years, yet the total expected value of the future benefits to them is about $16,300.

It can be said that a worker could have obtained his average benefits and paid less than $60 in employee taxes in order to qualify, and in any case he could not have paid more than $1,000 in order to qualify for such benefits.

A self-employed individual first covered in January 1955 at the age of 63 having a wife the same age and retiring at age 65 would have paid in a grand total in self-employment taxes of $252. Such a couple has already received $11,215 in benefits and the value of their future benefits is estimated at $23,700.

There are some individuals still living and drawing benefits who went on the benefit rolls of the social security program back in 1940. If such an individual paid the maximum taxes that he could pay as employee from 1937 to 1940 it would amount to a total of $90. If that individual were a single individual, he has already drawn $16,644. At the present time his monthly benefit is $89 per month, or just $1 less than the total amount that he has paid in in taxes in his entire life.

All of these figures have been provided me in a letter from Mr. Robert J. Myers, chief actuary of the social security system.

Mr. President, I do not oppose the social security benefits that these deserving old people are receiving. I merely suggest that we face the program realistically and recognize it for what it is. It is a program of paying benefits to our aged citizen by taxing workers, employers, self-employed, future workers, future self-employed, and future employers. Social security benefits are not paid for by the beneficiary but are paid for by others.

Again I point out the one very fundamental question that we must face in passing upon the administration's proposal now before us is: "Shall we tax these workers and future workers to pay the hospital care of people over 65 who are well able to pay for it themselves?" If that question were to be put up to the people of all the States of the Union it is my guess that the overwhelming majority would answer it in the negative. I believe that this Senate should likewise answer it in the negative.

It is obvious that many persons 65 years of age and over are entirely competent to bear the costs of their medical care, so we are faced with the proposition of enacting class legislation for one age group—not to meet a need but to extend a privilege to many who have no need.

The problem of medical and hospital care for the aged can best be met through existing law, including the Kerr-Mills bill, which takes care of the "near needy," and through the channels of private insurance. Let us not forget that the Government has failed in every business operation it has started.

The enactment of the Kennedy proposal means Government medicine. If Government funds are spent to provide hospital and related medical care, the Congress must give directions as to how that money will be spent. There will be rules and regulations. There will be contracts with hospitals and doctors.

The enactment of the Kennedy proposal now before Congress will mean a poorer quality of medical service not only for our aged, but for all of our citizens. History is on our side in this argument.

Every country of Europe has some sort of government medicine. Let us see what has happened. Europe no longer leads the world in medical science, yet 30 years ago medical students from this country and from all over the world traveled to Europe for advanced medical education. They no longer go to Europe; they come to the United States because our private practice of medicine means better medical education and better medical care.

When Great Britain adopted their program of government medicine in 1947, they had 1 doctor for 877 people. Britain's government medicine caused such a deterioration in the practice of medicine that 10 years later they had 1 doctor for every 1,149 people. Here in the United States, in spite of our population explosion, the ratio of physician to patient for 1962 is 1 for every 703 people.

The **PRESIDING OFFICER**. The time of the Senator from Nebraska has expired.

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I am convinced that a careful gathering and study of the facts will show this proposal to be unwise and not in the best interest of our citizens, either those over 65 or those under 65.

If it is heresy to say I believe in the competence, the integrity, and the skill of my family doctor, my family druggist, my dentist, and my insurance agent, let it be heresy. I want our system to continue to make advances in saving lives, relieving pain and suffering, and adding to the length of life in the future as it has in the past.

The Anderson amendment should be defeated.

EXHIBIT 1

THE UNTOLD STORY OF YOUR SOCIAL SECURITY

Check your own social security and you'll probably find you are getting a bargain. Check your grandson's, and it's a different story. Reason: Pensions for this generation must be paid, in large part, by future generations.

This is to be the untold story of your social security. It concerns the pension to which you are entitled in retirement, or if disabled, and to payments to your survivors in event of death.

Social security is a vast system. Old-age and survivors insurance alone in this year will involve benefit payments of more than $13.2 billion. And the total is to grow steadily over the years ahead.

In 4 of the last 5 years, payments to persons drawing benefits have been exceeding income from payroll taxes. Some alarm has been expressed about this deficit between outgo from the social security reserve fund and income into the fund.

That, however, is not the story to be told.

Payroll taxes rose on January 1. They go up again on next January 1. Money flowing into the reserve fund, as a result, once again will begin to total more than money flowing out. Fears about the safety of the fund will subside.

A FACT—AND QUESTIONS

A hard and little-understood fact, however, will remain to raise questions.

The fact is this: Benefits promised to people now covered by old-age and survivors insurance total an estimated $624 billion. Reserves now on hand total around $22 billion. Taxes to be paid by people now covered by social security to support pensions are to be an estimated $282 billion.

That leaves $320 billion in benefits to present policyholders to be paid by someone else. Who will that be?

The answer, in simple terms, is that this deficit, if it is to be paid, will have to be paid by future workers at tax rates now in the law. Otherwise, persons now in the pension system would have to pay sharply higher taxes.

Pension bargains for people of the present are to become pension burdens for workers of the future.

[Statistics accompanying article in chart form]

Pensions for today's workers: a burden on future generations?

	Billions
Under social security insurance programs for old age and disability:	
Pension money required. Value of future benefits to present beneficiaries and workers now covered by social security	$624
Amount on hand: Now in social security trust funds to meet future obligations of the system	22
Taxes coming in: Value of future contributions to be made by present workers and their employers through payroll taxes	[1] 282
The gap: Deficiency to be made up by taxes to be paid by future generations of workers and employers	320

[1] The obligations and taxes shown above are amounts that would be needed today to equal the benefits to be paid out and taxes to be collected in future years if the sums were invested at 3-percent interest.

What this means is that people now working are not paying their own way under social security. The typical worker today will get back far more in personal and family benefits than he and his employer will contribute in payroll taxes. In the future, after the program matures, millions will get back less than they and their employers will contribute.

IS YOUR SOCIAL SECURITY A BARGAIN?

Here are some examples:

Example A: A worker who retired in 1940 at age 65. Wife the same age. Before retirement, worker and employer had paid social security taxes for 3 years. Total tax, worker and employer combined: $180. Since retirement, this man and his wife have been drawing benefits for 22½ years. Total benefits to date: $24,973.

Example B: A worker who retired last January 1 after paying the maximum social security tax since 1937. Total tax paid by worker and employer: $2,868. Add interest at 3 percent, and this contribution to the pension fund becomes $3,714. Pension from now on will be $121 a month for the worker, plus $60.50 for his wife if she also is 65 years old. If both live out their normal life expectancy, then total benefits for man and wife: $32,074.

Example C: College graduate starts working in 1962, pays maximum social security tax until retirement in the year 2005. Total tax paid by worker and employer: $18,564. Add interest at 3 percent, and this contribution to the pension fund becomes $36,226. Pension for man and wife, after retirement, will be at a rate of $190 a month. Total benefits, normal life: $33,664.

Example D: Young man gets a job in 1966, pays the maximum tax from then until retirement in the year 2011. Total tax, worker and employer: $19,092. With interest at 3 percent, this is worth $37,954. Assume this man is a widower, with no dependents. He lives 2 years after retirement, and dies at age 67. Total benefits, 2 years: $3,048.

Social security taxes and how they grow

	Rate paid by worker, matched by employer	Maximum paid by worker, matched by employer
1937-49	1 percent on 1st $3,000 of pay	$30.00
1950	1¼ percent on 1st $3,600 of pay	45.00
1951-53	1½ percent on 1st $3,600 of pay	54.00
1954	2 percent on 1st $3,600 of pay	72.00
1955-56	2 percent on 1st $4,200 of pay	84.00
1957-58	2¼ percent on 1st $4,200 of pay	94.50
1959	2½ percent on 1st $4,800 of pay	120.00
1960-61	3 percent on 1st $4,800 of pay	144.00
1962	3⅛ percent on 1st $4,800 of pay	150.00
1963-65	3⅝ percent on 1st $4,800 of pay	174.00
1966-67	4⅛ percent on 1st $4,800 of pay	198.00
1968 and after.	4⅝ percent on 1st $4,800 of pay	222.00

NOTE.—The social security tax on self-employed persons, first covered in 1951, is 1½ times the tax on employees.

ANOTHER INCREASE COMING?

To provide for hospitalization and nursing-home care for the aged, President Kennedy now urges an extra one-quarter of 1 percent in the payroll tax. The tax "base" would rise from $4,800 to $5,200. The maximum tax then would be raised to $201.50 next January 1, and go on up to $253.50 by 1968.

ONE MORE WINDFALL

These workers of the future will pay substantially higher taxes on their earnings—taxes earmarked for social security. They will work over a longer span of life, paying higher taxes all the way, in order that the 68 million others now covered by social security can enjoy pensions and other promised benefits.

It now is proposed that hospital insurance for retired persons be added to the social security system. Once again, if this type of insurance is added, older people will get a bargain. Those retired when the plan would take effect would become entitled, at no cost, to hospital and nursing care valued at thousands of dollars.

Here would be a windfall for persons now retired and those who will retire in years shortly after the plan takes effect.

The tab for the cost would be picked up—as it is being picked up for old-age and survivors insurance—by employers and by those who go on working. In the end the cost would fall on employers and on generations not yet working.

In a word: Social security programs, to date, represent a gigantic bargain for persons retired, soon to be retired, or fairly well along in years.

For relatively small payments these people are assured of an income on retirement. Men are assured that, when they die, their wives will go on getting an income. There is further assurance that minor children will get checks in event of the man's death. A binding promise is made of a monthly check in event of total disability.

Once the hospital-care program is in the law, pressure will grow to cover hospital costs for all persons covered by social security, whether working or retired. The final step might possibly be to cover doctor bills as well.

IDEA: PAY LATER

In each case, planning rests on the idea that future generations will get and pay much of the bill for those who are getting, or stand to get, the bargains of the present.

All of this is part of the strong trend toward special advantages for older people at the expense of the Nation's younger people.

Young people with children to educate, with a house to furnish and pay for, with saving to do if there is to be any venturing, with insurance payments to make, get few favors. Payroll taxes, increased eight times in the past 13 years, will be increased three more times for old-age and survivors insurance. Hospital insurance would mean another tax. Then, at some point, there will be unpaid bills from social security promises to meet.

Old people, all of the time, are getting more and more advantages. People age 65 and older get a double exemption on personal income tax. If retired, they get a special retirement credit against income tax. The social security pension—for which they paid little—bears no tax. All their bills for medical and hospital care are deductible for income tax purposes.

All of this raises the question whether young people with more votes than old people will go on giving the breaks to the elderly.

FOR YOUNG: ALTERNATIVES

Two courses would be open to them if ever they wanted to get out from under what is to be a growing burden.

1. Inflation of prices can be accepted while a determined effort is made to keep individual pension benefits from rising. In this way, inflation could be used to reduce the pension burden, since pensions would represent a smaller part of an inflated national income.

2. Taxes could be used to take away some of the advantages enjoyed by retired persons. One tax "reform" now under study calls for taxation of social security income. There is some pressure to end many other special deductions extended to older people.

However, experience in the United States and Europe indicates that old people will go on getting their bargains and young people will continue to bear their rising burdens. In Europe there is a strong trend toward shifting to employers a larger and larger part of the social security burden.

The generous attitude of young people is attributed to two factors.

One of these factors is the realization that sometime they, too, will be old and will want some favors.

The other factor is that the young people see social security as a means of spreading the risk that comes from being forced at some point, for most, to care for their own parents.

AS IT'S DONE ABROAD

To fill out the untold story of social security, U.S. News & World Report asked its staff members in Europe to explain how those countries—with long experience—have met the rising burden of welfare programs.

West Germany

The idea of national pension plans got its start in Germany. Two World Wars, ending in two defeats and destruction of currency, destroyed the pension systems. Yet each time these systems have come back stronger than ever.

To finance old-age pensions, employers and employes each contribute 7 percent of the gross wage. For health insurance they each contribute an added 4.8 percent. An added 0.7 percent goes for sick pay, special leaves, family allowances. On top of it all, employers contribute an average of 16 percent for other fringe benefits. Payroll additions for social security amount, overall, to approximately 45 percent.

Benefit payments in recent years have been adjusted to compensate for price rises. Young people do not appear to object to the burden they carry.

Great Britain

Welfare costs now account for more than a third of all Government spending. Workers covered by welfare programs and their employers pay special taxes that pay less than half of welfare costs. In the case of health insurance, $3 out of every $4 come from general taxes

Government subsidizes the whole welfare program, and political pressure is constantly on the side of larger benefits. There is pressure to cut down defense spending so welfare can expand.

Sweden

A 6-percent sales tax was introduced in Sweden 2 years ago to help meet the skyrocketing costs of welfare. Social-security benefits now account for 15 percent of national income, compared with 7 percent before World War II.

In 1960, Government, central and local, carried 69 percent of welfare expenses, workers 20 percent and employers 11 percent. Now the pressure is to increase the employers' burden.

France

Social welfare in France extends from maternity grants, family allowances, rent allowances and hospitalization to old-age pensions and death benefits. The expense falls mainly on employers, who pay about 30 percent on their payrolls. The employee contributes about 6 percent on maximum pay of $1,920 a year.

Italy

Social security in Italy includes old-age pensions, unemployment insurance, health insurance, maternity benefits, family allowances and some subsidized housing. The Government contributes 25 percent to the retirement pension fund.

Employers' contributions amount to a tax of about 50 percent of payrolls. Workers contribute approximately 11 percent of their earnings.

In Western Europe as a whole, social security benefits now approximate 15 percent of national incomes. The range, according to official figures, is 12.6 percent in the Netherlands to 16.4 percent in France.

The trend in Europe is toward more and more social services, with heavier and heavier taxes on employers, plus larger contributions by the Government out of general revenues. This suggests that, in the United States, as the years go on, the Government, too, will be called upon to support the pension fund in addition to the payroll taxes that now are scheduled.

The reserve behind your old-age pensions as it is now figured by the size of old-age and survivors insurance trust fund

End of year:	*Million*
1937 (start of system)	$766
1940	2,031
1950	13,721
1960	20,324
1962	18,713
1963	19,528
1964	20,787
1965	22,206
1970	40,064
1980	79,346
1990	105,517
2000	137,779
2025	271,717

Mr. ANDERSON. Mr. President, I yield 2 minutes to the distinguished junior Senator from Michigan.

Mr. HART. Mr. President, we have been reading and hearing a good deal recently about the strike of doctors in Saskatchewan, Canada. I fear that in many quarters this news has been interpreted as a rebellion against the kind of proposal for health insurance for the aged that we are considering here today. I want to make it very clear that this is not the case, and I do it now, as we approach a decisive tabling vote.

Today the Senate is considering a proposal which would help those citizens who are over 65 years of age pay the costs of hospital and nursing home care.

The Province of Saskatchewan has had in operation since 1947 the Saskatchewan Hospital Services Plan which provides similar benefits, not just to those over 65, but to the entire provincial population.

This plan has been operating successfully for over 15 years and has had the full support and cooperation of the medical profession. In fact, the plan proved to be so popular that the Canadian Government in 1957 enacted a program for Federal participation in the provincial hospital insurance plans.

The doctors in Saskatchewan are now striking against a new system which would cover doctors' fees for persons of all ages—a system which the doctors feel strikes at the very heart of their profession.

We do not need today to debate the merits of this system or the moral position of a doctor on strike, because the proposal before us would not pay doctors' fees or interfere in any way whatsoever in the traditional relationship between doctor and patient.

Mr. President, I am a cosponsor of the Anderson amendment because I believe it represents an improvement over the original King-Anderson bill. It preserves the social security financing principle, while extending the coverage to those 2½ million people over 65 who are not now covered by the social security or railroad retirement system.

Including these persons under a Federal health insurance program will substantially reduce the present financial burden on the States and enable the States, especially the less wealthy, more effectively to utilize the Kerr-Mills program for aid to those individuals whose medical needs go beyond the scope of the Federal program. To kill this proposal, as we are asked to do by the motion pending, would be a most unfortunate action; disappointing young and old, healthy and ill in this country.

Mr. President, I have received many letters from citizens of Michigan urging my support of a health insurance program. I ask unanimous consent that a few of the more recent of these letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DETROIT, MICH.,
June 7, 1962.

Hon. PHILIP A. HART.

DEAR SENATOR: I write to you about the medicare bill. It seems that the best argument for the bill has not been brought out. It is that satisfactory insurance is not available to most older people. Sure, policies are offered, but so many older people are excluded.

I was offered catastrophe insurance by Mutual. But, my wife is excluded because of a cardiac condition, and my case the exceptions make the policy worthless. So, old people can get insurance, if they are in perfect health. What a paradox.

I am amazed that this central argument has not been used.

I trust that this note may be useful.

With all good wishes I am,

Sincerely,

LAWRENCE CROHN.

ST. CLAIR SHORES, MICH.,
May 20, 1962.

Senator PHILIP A. HART,
Senate Office Building,
Washington, D.C.

DEAR PHIL: Remember the fuss about social security? When President Roosevelt got that through, you would think it was going to ruin everyone and what a blessing it has been along with so many other things that were passed at that time. Thank God for people like Roosevelt and Kennedy.

I hope and pray it will be passed into law this year.

Sincerely,

HELEN MACMILLAN.

KALAMAZOO, MICH.,
June 14, 1962.

Hon. PHILIP A. HART,
Capitol Building,
Washington, D.C.

SIR: In the course of my work as a psychologist, I have had occasion to see a goodly number of medically neglected persons, who because of lack of funds, go untreated.

I have reason to believe—human behavior being what it is—that lack of foresight and too little self-discipline loom large as factors for many of these persons.

The medicare bill now under consideration would, obviously, help prevent these human failings from affecting one's medical care after retirement.

I see the present ineffectiveness of the Kerr-Mills Act as being in large part due to the fact that it fails to take into account that important psychological thing known as self-esteem. Few people, I would guess, suffer feelings of self-disrespect and worthlessness when their monthly social security check arrives. And likewise I believe it would be with medicare under social security.

I hereby earnestly solicit your support for the medicare bill.

Very truly yours,

FRANCIS J. APOTHEKER.

YPSILANTI, MICH., *May 31, 1962.*

Senator PHILIP A. HART,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HART: I have been much concerned to notice the large amount of advertising carried by our local papers and sponsored by the American Medical Association in opposition to the King-Anderson bill. Since no agency is strongly supporting the affirmative side of the proposed medical aid bill, I am afraid that the public response may not be representative of the actual majority opinion.

It is my sincere hope that you will exert your influence toward passage of this legislation. I am a young university staff member and as such command a salary sufficiently large that medical care is not likely to present a financial problem to me personally. However, with the cost of medical care as it exists today, I can see no alternative to a program financed through social security to provide a means for the average wage earner to avoid relief assistance in the case of extended illness in old age.

It is my observation that the majority of my associates, other than doctors, favor the proposed legislation. I hope to learn that you are doing all possible for the passage of the King-Anderson bill.

Thank you for your help in this important matter.

Sincerely,

FLOYD C. ELDER.

PAINTERS UNION INSURANCE FUND,
Detroit, Mich., May 29, 1962.

Senator PHILIP HART,
Washington, D.C.

DEAR SENATOR: The trustees of the Painters Union Insurance Fund urge your support of the King-Anderson bill because it would greatly assist our senior members and our fund. Our jointly administered labor-management fund covers approximately 5,000 members in the Metropolitan Detroit area.

Funds providing hospitalization insurance for senior citizens, such as provided by our fund, offer only limited coverage for these people who go to hospitals more often, stay longer in hospitals and have a great need for coverage outside our limited facilities to help them.

We have been providing a limited coverage for our senior members over 65 years old for some 12 years and it is placing a terrific burden on our reserves. We require that they pay a premium of $10 per month per family and our loss experience on this group has increased steadily until now we pay approximately $35 per month for limited hospital and surgical care. Our fund provides its senior members with hospitalization of $14 per day for 45 days for themselves and 31 days for their dependents. At the present time, we have some 365 members over 65 years old and we are faced with the problem of dropping coverage of these needy members because of the drain on the fund.

Would you please consider the need and human dignity of these people and support the King-Anderson bill.

Your cooperation will be most appreciated.

Sincerely,

Trustees of the Painters Union Insurance Fund: Stanley Gill, Chairman; Alex Harris, Trustee; Irving Bronson, Trustee; Lawrence Jacott, Trustee; Alex Madias, Secretary; Joseph Weber, Trustee; Max Weisman, Trustee; Henry Weitz, Trustee.

DETROIT, MICH.,
June 12, 1962.

Senator PHILIP HART,
U.S. Senate,
Washington, D.C.

DEAR MR. HART: I believe the difficulty medicare program is having is largely due to the emphasis placed by those in favor of the program on defending the proposed bill involving social security payments. That bill is weak and makes an excellent target for the opponents.

What medicare proponents should be doing is to expose the weaknesses—and they are numerous—of the voluntary insurance program such as AARP with its 400,000 members. Their hospital program is a joke and the outside medical program a masterpiece of defensive underwriting. My wife and I pay $324 a year yet the maximum one of us could collect from a 31 day stretch plus an operation in the hospital would be $635. The actual cost might well be $2,500.

The amount of the premium means that only those with plenty of money or a substantial income could afford it.

Yours very truly,

LEE GRANT.

Mr. HART. Mr. President, I have before me an interesting article entitled "Insurance Firms Can Compete With Medicare for Aged," which, assuming the motion to table will not prevail—and I certainly hope it will not—may be persuasive upon those who vote to table. I ask unanimous consent that the article, which was published in the Chicago Sun-Times of May 20, 1962, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSURANCE FIRMS CAN COMPETE WITH MEDICARE FOR AGED

"Ever since I've been in the business," said Roy Tuchbreiter, "insurance companies have been worried that Goverment action would ruin them."

Tuchbreiter, chairman of the board of the Continental Cos., was speaking at a seminar of insurance executives on the Continental's new "over 65" health and accident policies.

"First it was the workman's compensation laws that were going to put insurance companies out of business. Then it was social security. And then came the GI life insurance. All that did was accentuate the need for life insurance and helped the industry more than it hurt.

"Now a program for medical care for the aged is before Congress. In the long run, should it be passed, I don't think that will hurt us either."

Tuchbreiter says it is not true that there is no profit in health and accident insurance sales to the over 65 age group.

"We have over 500,000 people on our health and accident books now who are over 65 and we intend within the next 60 days to come out with an 'over 65' program to reach a larger segment of that group."

Tuchbreiter says that Continental Casualty, Mutual Benefit Health & Accident Association, and Fireman's Fund are the three companies with the strongest over 65 programs.

"One reason we can make money on the over 65 policies is that we have installed IBM machines which process the policies at a cost of 7 cents each. By hand, the cost would be 59 cents per policy.

"There are tremendous possibilities for insurance sales in the over 65 group," Tuchbreiter says.

"We don't sell and aren't interested in selling competitively with the Government," he added, "we are interested in the segment of society who can pay premiums and might also buy insurance for their grandchildren or their children from our salesman."

He said that health and accident insurance would naturally be more costly for the over 65 age group than for younger applicants.

Mr. ANDERSON. Mr. President, I yield 3 minutes to the distinguished junior Senator from Massachusetts.

Mr. SMITH of Massachusetts. Mr. President, I should like to discuss today some facts concerning medical care for the aged in my home State of Massachusetts. In particular, I shall mention the coverage which the Kerr-Mills Act and private insurance companies have provided for the senior citizens in my State. The evidence I believe, will show that they have not—and cannot—do the job of providing these people with adequate medical care.

Massachusetts is one of 11 States in the country with over one-half million senior citizens. In the decade from 1950 to 1960, those people 65 years of age and over increased by 22 percent. The problem of providing them with proper care is an important one in my State.

These people are faced with the same financial problems that confront all our senior citizens. The majority of them depend on social security, savings, and perhaps a private industrial pension for their income. This income is "fixed," and is vulnerable to inflation. At best, it is adequate. At worst, it is substandard.

The average elderly person in Massachusetts living on social security gets $80 a month. This increases to $102 under old-age assistance. Yet, it costs him an estimated $145 monthly to live adequately in a large city like Boston.

This senior citizen, while trying to maintain a decent standard of living on this income, has been squeezed over the last 15 years by a 30 percent rise in the price of basic necessities. The rise in his medical expenses has been far worse. In the same period, medical care costs for people in the welfare case load soared 400 percent.

Hospital costs have gone from $8 a day to as high as $35 for welfare cases. A doctor's home visit costs them $5, but it can run up to twice as high for those not on relief.

This is only the beginning. A doctor from Quincy, Mass., who asked that I support the Anderson proposal, told me that the average general hospital has a continuing occupation of 30 percent or more by citizens 65 years or over with bills in three and four figures. Another doctor from Boston, also a supporter of this bill, said it was "a common experience" for an elderly patient with heart or other trouble to spend 3 to 6 weeks in the hospital, with a bill running from $1,000 to $3,000. This, he said, "is obviously insupportable by most people."

Massachusetts has done everything possible within its means to help these people. My State has traditionally led the country in the field of welfare legislation. It has been equally progressive in setting up programs to take care of its senior citizens.

In 1953, Massachusetts adopted a program of medical care for the aged which gave medical care the same priority as clothing, food, and shelter. All needy persons receiving financial assistance to live on were also given comprehensive medical services.

Again, when the Kerr-Mills Act was passed, the Commonwealth set up the most comprehensive program of benefits of any State in the Union. During the first year of operation, Massachusetts was one of three States spending 92 cents out of every dollar of Kerr-Mills funds.

The program cost the people of Massachusetts over $20 million. Yet, at no time during that year were more than 3 percent of the Commonwealth's senior citizens receiving its benefits.

Administrative expenses alone were $150 to $250 per case, and one quarter of this was paid to process over 7,500 cases which were held not eligible for assistance. On top of this, the State still had to pay medical bills for thousands of other senior citizens who did not fall within the Kerr-Mills Act provisions.

The Kerr-Mills Act has not done the job in my State, and it has cost the citizens of Massachusetts over $20 million to find this out.

Massachusetts is not an isolated example. Today, the Kerr-Mills Act is operating in only 24 States. Of these, one will only pay for hospital care in cases where life or sight is in danger. Others have reported caseloads of less than 30 people.

The program in West Virginia got into serious financial troubles and had to be cut back. Governor Swainson, of Michigan, which had one of the best Kerr-Mills Act plans in the country, wrote President Kennedy this winter that the program in his State was a "significant failure" and should be absorbed by the King-Anderson program.

It is obvious that the States, with their limited financial resources, have not been in a position to put the Kerr-Mills Act into full use.

The senior citizens in Massachusetts, like all others, have also bought private insurance to cover their needs. Again, it has not been sufficient to provide them with the comprehensive medical care they need and deserve.

Many of the retired aged have learned that the policies can be—and often are—abruptly canceled. At hearings which I held in Springfield, last fall, on the problems of the aging, a retired railroad worker told how two policies he had held for 40 years were cut off when he was 70 years old. At the age of 79, he had to stop work, with no medical insurance whatsoever.

Another man from Springfield, who had three policies, had a heart attack. After this, the companies would no longer pay him for any illness expenses connected with his heart, although his premiums remained the same.

Private insurance is often unable to handle the enormous expenses of modern medical or nursing-home care. Hospital coverage in Massachusetts often pays for less than half the $35 to $40 daily cost of a hospital in the State. Drugs are not included; yet they make up a growing share of medical-care expenses. A woman from Boston wrote me that she had $1,800 in medical bills, in 1 year alone, above her Blue Cross and Blue Shield coverage.

The private policies also do not cover nursing-home care, which is so important to our senior citizens.

Finally, only slightly over one-half the people in the United States hold private health insurance policies. Those not covered are largely either in low-income brackets or are older, poorer risks. The insurance companies consider the latter group such a high-risk group that they will not write reasonable or adequate medical coverage for them.

Private insurance, then, has not given the senior citizens in my State the coverage they need, nor has the Kerr-Mills Act.

These programs are simply inadequate to meet the goal we are pursuing today—namely, to make good health as fundamental to the life of every American senior citizen as decent food, warm clothes, and a good home.

We need an entirely new approach to the problem of providing medical care for our senior citizens. We must begin by attacking this problem from a broad base—not by trying to build up present programs, which already are stretched to their limits.

The Anderson amendment would supply this case, just as the original Social Security Act provided the workers of this country with a broad base of life insurance. The Kerr-Mills Act and the private insurance companies could build from there. The companies could provide those services and could cover those persons they could afford. They now do this very successfully in the field of life insurance.

States which adopted Kerr-Mills Act programs would not have to pay for programs beyond their means. Massachusetts alone would have saved an estimated $17 million, last year, of the funds it spent on its Kerr-Mills Act program, if the Anderson plan had been in effect.

Finally, and most important, the many millions of people covered by the Anderson amendment would be assured of permanent, lifelong insurance coverage.

There is nothing radical or dangerous about this proposal. It is based on sound accounting principles. It uses a system of financing that has worked well for many years. Every patient would have his free choice of the doctor or hospital he would use. Every doctor would have his free choice of what treatment to use.

This is a conservative program. Similar programs have been operating successfully in European countries for as long as 80 years. Yet, this principle of medical care through social security has been the target of a violent, unthinking, but well-financed campaign, spearheaded by the American Medical Association.

One AMA leaflet which a constituent of mine sent me ends with the line, "Let's keep politics out of medicine." But this has not kept the AMA from getting up to its ears in politics. Last year this group listed lobbying expenses of $163,400—the second largest of any Washington lobbyist. The majority of this was spent on attacking the medicare proposals. This money paid for expensive booklets such as this one, plus thousands of leaflets. This attack has included dire warnings of socialized medicine and of politicians telling doctors what to do. It has also included outright lies—that the Anderson plan would limit a patient's free choice of hospital and physician.

Many other misconceptions and half-truths have been spread about medical care under social security. Today I should like to reply to a few of them.

Opponents of this program say that it would limit the patient's choice of doctor and hospital and would ruin the doctor-patient relationship. This is not true. All it would do would be to permit a third party to pay for the bills for certain hospital and nursing-home services.

Opponents of this program say that the use of federally administered funds in medicine would result in Federal control of medicine and in a decline in the quality of medical care. The record shows that this is not so. The Federal Government has been concerned with medical care for its citizens since 1798. It now spends millions of dollars yearly through the Hill-Burton Act, the Public Health Service, the Veterans' Administration, and other programs.

No one accused the Agriculture Department of jeopardizing patient-doctor relationships when it developed penicillin. No one from the AMA has yet told me that the $700 million of health research being done this year at the National Institutes of Health will contribute to the decline of medical care in this country. And I have not yet heard any complaints from the Massachusetts Medical Society about the 8,000 hospital beds which my State has built with Hill-Burton Act aid.

Opponents of this program say that under it, medical facilities would be swamped. However, it is carefully designed to encourage the use of outpatient facilities and nursing homes. It is also being supplemented by a number of programs, already in effect, to increase outpatient facilities and protect the hospitals from unnecessary burdens. In the Community Health Service and Facilities Act, passed by Congress last year, we authorized the appropriation of millions of dollars annually to increase State health services for the chronically ill and aged to improve outpatient services. This program has already begun; and work on these facilities will be underway before this bill is passed.

Finally, the leading opponent of this program, the American Medical Association, has represented the doctors of America as being strongly opposed to it. I do not believe this is true. No one knows better than the average doctor of the enormous expense of modern medical care. And no doctor, I am sure, is less aware of the economic misery of disease than of its physical pain.

Many of the doctors in my State, I am glad to say, have not let the American Medical Association do their thinking or talking for them. Over 350 of them have declared themselves in favor of this program. Many have written me personally to protest the American Medical Association's stand on the Anderson amendment and to announce their support of it. They have described in vivid detail the costs that face their patients and the failure of the private insurance companies to offer plans within the reach of lower income workers. These doctors have added their voices to the overwhelming support which already exists for this bill in Massachusetts.

I intend to heed this support and to vote for the Anderson amendment. I will vote only for a plan that provides coverage under the social security program. From the hearings I held, the mail I have received, and the many people to whom I have talked in the Commonwealth, I feel that this program is the only one that will give the senior citizens of Massachusetts proper medical care.

I shall be glad to back any sound amendment to strengthen this coverage as it now stands. But these amendments must contain proper safeguards for the consumer and a guarantee for him of lifelong, noncancelable benefits.

There is more at stake in this bill than simply medical care for those who cannot now afford it. The benefits of this program will reach far beyond those who receive its direct assistance.

It will help the States, by removing from their backs a financial responsibility that they cannot meet. It will help the insurance companies by providing low-income families with a base from which to build additional coverage. It will help the young, who often see their savings eaten away and their futures ruined by the prolonged illness of an older relative.

Most important of all, it will give our senior citizens peace of mind and confidence against the day when illness strikes.

A couple from Belmont wrote me:

> We have worked hard and have been thrifty, but feel we are living on the brink of a precipice because of the fear of a long and expensive illness.

I say that there is no need for people to live this way in the United States, today. This program will remove this fear from their lives, and will give them the opportunity they have earned to live the remainder of their lives with dignity and honor.

The **PRESIDING OFFICER.** The time yielded to the Senator from Massachusetts has expired.

Mr. **WILLIAMS** of New Jersey. Mr. President——

Mr. **ANDERSON.** Mr. President, I yield 2 minutes to the Senator from New Jersey.

The **PRESIDING OFFICER.** The Senator from New Jersey is recognized for 2 minutes.

HEALTH CARE FOR THE ELDERLY

Mr. **WILLIAMS** of New Jersey. Mr. President, I should like to say a few words on behalf of the pending compromise Anderson amendment to provide health insurance for the elderly. I hope the Senate will defeat the motion to lay on the table this most important and vital measure.

Mr. President, it is interesting to contemplate the fact that as we debate this bill today, about 1,000 more men and women will join the swelling ranks of the 17.5 million persons who now are 65 years of age or older.

We are debating one of the most urgent problems facing this age group, for the onset and the continuation of serious illness at a time of minimum income have made a mockery of the pursuit of happiness for millions of Americans in their last years of leisure.

With only subsistence income and a little savings to carry them through their years of retirement, thousands upon thousands of our elderly men and women have seen their modest dreams for a decent life go up in smoke with the receipt of no more than a single hospital bill.

There are, of course, vast quantities of statistics to document the seriousness of the problem. We know that the aged suffer two to three times as much chronic illness as do the rest of the population under age 65. We know that their expenditures for all kinds of health care are at least twice as great as those for the rest of the population. We know that medical costs have, since 1947, been rising twice as fast as has the cost of living as a whole. And we know that the incomes of those over 65 are hardly adequate to cover the bare costs of normal living, much less the special costs of a serious and chronic illness.

More than half of all persons 65 or older had less than $1,000 cash income in 1960. Less than 25 percent had incomes of more than $2,000.

About 30 percent of the elderly have no liquid assets at all. About 20 percent have assets of less than $1,000, making a total of 50 percent who have less than $1,000 to spend on a medical emergency without having to "hock" the family car or the living-room furniture.

About 47 percent of the elderly population have no health insurance at all, and countless numbers more have health insurance policies with so many loopholes that they may be excused for wondering what they are getting for their money.

Mr. President, recently I received a letter from a resident of New Jersey, commenting on the television rebuttal of President Kennedy by Dr. Annis, of the American Medical Association. I should like to read a portion of that letter:

> He (Dr. Annis) praised the system of private insurance, a subject on which I know a little, having been in the insurance business for 37 years. What he did not say is that 90 percent of all disability insurance is written on a cancelable basis, and I can cite you many cases where after a serious illness, the policies were canceled, and the policyholder left without protection at a time and age when he needed it most. He did not say that many policies reduce the benefits for the same premium at the age of 65, and many more become invalid after age 70. He did not state that most private insurance policies require a year or more to elapse before a new claim may be made, and many policies have benefits that end after 1 year, or 2 years in the aggregate, so that after one or two claims the policyholder is without any benefits whatsoever.

Mr. President, it is because of these virtually inherent difficulties under our present system in providing reasonably adequate health coverage at reasonable cost for such poor-risk people as the aged that Congress is being asked to take the constructive action that I believe the Anderson amendment represents.

The alternative is to decree through inaction continued economic hardship, and often more painful and shorter lives, for the men and women who nurtured us, sacrificed themselves for our benefit, educated us, fought our wars, built our country, and made possible everything that we are able to enjoy today.

If nothing else, simple humanity should compel us all to find some way to guarantee our elderly citizens the quiet dignity, the peace of mind, and the freedom from medical catastrophe that they so clearly deserve.

Yet we are faced with an intensive campaign of opposition to a proposal that would not even stiffen the bristles of the most conservative Tory in Great Britain.

Mr. President, history is replete with instances of indomitable opposition to change which provided the pressure for changes of a far more drastic nature than would have been the case had some sort of accommodation and constructive action been taken promptly in the face of demonstrated need.

I think there is a lesson to be learned from the tragedy of death and suffering arising from the Saskatchewan doctors' strike. They, too, had a serious problem; and, under public pressure to do something, the officials of Saskatchewan went all the way to socialized medicine for everyone. The Saskatchewan plan was not limited to hospital and nursing-home care; it also included the payment of doctors' fees, and thus the regulation of their wages and their freedom of practice. It was not limited to the health problems of the elderly; it covered everyone. Now the Province is in bitter turmoil and tension, and everyone is the loser.

The genius of American democracy has always been its ability to adjust to and to cope with changing social and economic needs with minimum disruption to our traditions.

The Anderson amendment is in our best traditions of constructive accommodation to changing needs.

By covering the heaviest costs of hospital and nursing-home care, the Anderson amendment will make it possible for private insurance companies to provide all kinds of complementary health-insurance programs at reasonable cost. Far from competing with private enterprise in the insurance field, I am convinced that the amendment will be its best stimulator.

It will, for one thing, make it less expensive for insurance companies to provide health coverage for younger people, by avoiding the necessity of having to weigh the premiums of the young sufficiently to cover the higher costs of the elderly.

In addition, the amendment contains an option feature which would permit elderly persons holding private policies to have the choice of having payments for the benefits used made to the private carrier, if it is eligible.

In short, Mr. President, the Anderson amendment is the best antidote to socialized medicine; and I earnestly hope the Senate will approve it.

Mr. ANDERSON. Mr. President, I yield 13 minutes to the distinguished majority leader [Mr. MANSFIELD].

The PRESIDING OFFICER. The Senator from Montana is recognized for 13 minutes.

Mr. MANSFIELD. Mr. President, the debate on the health-care and hospitalization amendment has been going on now, with time out for other business, since July 2. During that time, and during the many months and years leading up to this important vote, both supporters and opponents of this basic extension of social security for the elderly have exhausted their arguments on the measure.

Out of the wealth of testimony and debate, several basic facts which should now be beyond dispute have emerged.

First, it has been shown that a strong need exists for some plan of comprehensive medical care for the elderly—one which will provide adequate, economical medical care, while preserving the dignity of the individual. The proof of this lies in the fact that substitutes to the Anderson-Javits proposal have been offered by three Senators—the Senator from Connecticut [Mr. BUSH], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL].

It has been shown that time is running against old age, to which, lest it be forgotten, all of us are headed. Americans live longer; yet they are being compelled to retire at a progressively earlier age. Out of these lengthening years of sharply reduced income, they must meet mounting medical expenses.

It has been shown that those most in need of health insurance are least likely to have it. Private insurance is either too costly, or older citizens are considered poor risks and are rejected by the insurance companies.

It has been shown that purely private insurance plans have not been able to do the job. Despite intensive efforts by private companies to reach these people, only about half of the Nation's 17 million elderly persons have some form of medical insurance, and many of those who are covered are inadequately covered.

Finally, it has been shown that the existing legislation of Federal-State cooperation in this field is inadequate. Only 24 States, or less than half, are now participating in the Kerr-Mills program, after nearly 2 years of operation; and of those, only 4 receive the major amount of the funds already allocated.

In short, Mr. President, it has been shown that the time has come for the Congress to act, and to act vigorously. We must act as a matter of common decency to end the neglect and degradation of millions of senior citizens who have given the best years of their lives to help make this a land of plenty.

The urgent need for a solution to the problem of these citizens has become a mandate for action on our part. As I have pointed out in earlier remarks, the needs of the elderly do not wait. And neither should we. The long and often heated discussions on the merits of this issue have served a useful purpose. Now let us put an end to talk, and substitute for words, deeds—deeds which will speak with great eloquence about the dignity and the rights of the aged.

Fortunately, the way toward final action has been made easier by the compromise amendment now before us. Let me point out that there is more involved here than a simple compromise for the sake of compromise. On the contrary, the proposed legislation which is before us today is vastly improved because of this compromise.

It derogates from the contribution of no other Senator to point out the deep understanding and the persistence with which the distinguished Senator from New Mexico [Mr. ANDERSON] has led the fight for this legislation. By the same token, it does not derogate from his leadership to note the great contributions which have been made to the perfection of the legislation by several distinguished Senators from both sides of the aisle. All of them have given to the solution of this problem deep concern, compassion, wisdom, and great practicality. And they have come up with a highly workable plan which can be accepted in good conscience by any Senator here today.

This measure combines the best features of several plans which have been advanced as solutions of this serious problem. At the heart of the proposed amendment is a system of social security financing which is designed to cover nearly 15 million of the more than 17 million elderly in the Nation today. It is clearly the simplest, most economical alternative for reaching in a program of this kind such a large number of people.

The remainder of the elderly, those not encompassed by social security, are not left out. At the initiative of the distinguished Senator from New York [Mr. JAVITS], provision is made for these people, so that health insurance is uniform for all of the Nation's elderly.

Careful pains have been taken to meet the honest reservations and fears of certain interested groups. As the title states, this measure does not permit any Federal supervision or control over the practice of medicine. It prohibits any Federal control over the selection, tenure, or compensation of any officer or employee of any hospital, nursing facility, or home health agency. It does not permit Federal control over the operation of any such institution. And it leaves to the individual complete choice of qualified hospital or nursing facility.

Despite these obvious safeguards, there are those who continue to decry as "welfare statism" and "socialism" the use of social security machinery to collect and dispense the bulk of the funds necessary to make the hospitalization and health-care insurance system work. With all due respect to these critics, I suggest that they reexamine their definition of "welfare" and take another look at the legislation dealing with this subject which now is on the books. Money paid into the social security fund, and the money proposed to be collected in support of the proposed health insurance for the elderly, is money destined to be returned to the individual with a minimum of strings attached. It is not charity. The individual has earned it. It is his by right. Once the proposed health insurance plan matures, the individual will be secure in the dignity that any benefits he receives will have been earned.

This is in contrast to the MAA plan now on the books. Under this plan, support from the Federal Government, no matter how much the individual may merit it, is nothing more than a handout and a costly drain on the Federal Treasury. It is not distributed evenly to those who need it throughout the Nation. Often an elderly person who still has a few personal assets cannot qualify for these MAA welfare payments until such assets are exhausted.

Self-respect, a measure of security against the cost of ill health, is important to us. Should it be any less important to those who have given much during their productive years? Must we go on, in effect, insisting that older citizens beg for hospital care, as many of them now do?

Opponents of this measure raise the argument of fiscal responsibility in Federal expenditures. At the same time, they press for a continuation or extension of the present Kerr-Mills law. But what can be more fiscally irresponsible than to reject the use of the collecting and disbursing machinery of a system which has proven its value to older citizens and its fiscal soundness over a period of nearly 30 years?

Finally, opponents fall back upon the timeworn argument that the freedom of the individual will be infringed if the Federal Government is involved. Ask any citizen over 65 whether he has lost his freedom because he gets a monthly social security retirement check which he has earned and paid for through years of labor. His answer will be a proper response for those who now argue against this legislation on these grounds. One may well ask: Whose freedom and for what? The truth is that this is the same argument which has been used throughout our history to oppose the type of social progress which is embodied in this legislation and which is essential to the survival of freedom in this Nation.

How can a do-nothing philosophy be justified on the grounds of preserving freedom when the freedom of millions of elderly Americans to enjoy peace of mind and decent care at a time of need is infringed? What freedom is preserved when citizens cannot grow old with a measure of dignity and self-respect in this, the world's most materially blessed Nation?

Mr. President, 26 Senators from both parties have joined in sponsorship of today's amendment. I want to say again that this amendment embodies a sound, sensible plan which can be—and should be—supported in good conscience by any Senator here who recognizes that a serious problem exists in the care of older citizens and that a solution to it is necessary. Legitimate objections have been met and adequate safeguards have been written into it. A failure to act on our part can properly be interpreted as an evading of a clear responsibility. Millions of Americans will measure the depth and sincerity of the professed concern over the plight of the elderly by this vote. Let us neither disappoint them nor our consciences; let us not look for an out; let us, instead, face up to the responsibilities entailed in this motion to table the Anderson-Javits proposal and vote it down. If this is done, we can then get on to the business at hand and, on the clear-cut proposal of health care for our aged, vote it up or down.

Few votes during this session of Congress will be as crucial as this one in affecting the quality of American life.

A number of Senators and members of the press have said that the question of health care for the aged, if not resolved in this session, will be a great issue in the fall elections.

I say it is already a great issue. It is a great issue with millions of older persons who face the prospect of the recurring illnesses of age without the means to pay for the hospital care they need. It is a great issue with millions of younger Americans, who bear the responsibility of caring for their parents during those periods of illness. It is a great issue with all those who are concerned to see our contributory social security system made adequate to our people's needs.

So it is already a great issue. In closing, I commend those members of both parties who stand ready to resolve it now, and resolve it one way or the other.

I hope we can do it by voting down the tabling motion to be offered; and, if we are successful in that endeavor, then face up to this matter on its merits and vote our consciences accordingly.

Mr. ANDERSON. Mr. President, I yield 5 minutes to the able Senator from Kentucky [Mr. COOPER], who has been a great leader in the field of public welfare.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senator from Kentucky is recognized for 5 minutes.

Mr. COOPER. Mr. President, Members of the Senate, as one of the five Republicans who joined in introducing the Anderson-Javits health care amendment, I wish to say that the amendments to it, proposed by us, and accepted by the Senator from New Mexico [Mr. ANDERSON] did not represent an accommodation or a compromise.

Under the leadership of the senior Senator from New York [Mr. JAVITS] who played the primary roll, we considered at length and then proposed to Senator ANDERSON amendments which we thought would strengthen the original bill offered by him. As I have said, the chief proposals were developed through the leadership of the Senator from New York [Mr. JAVITS]. But in our conferences, other Senators suggested changes which were adopted, and the Senator from New Mexico [Mr. ANDERSON], in his wisdom and judgment, himself proposed changes. The process was an effort to strengthen the bill, and the bill has been strengthened.

The amendments made of the original Anderson proposal a base to which private insurance plans can be joined, if one wants to use the option, to provide greater services and benefits for those who would be included in the coverage of the measure.

I remember that when I first came to the Senate in 1947, the issue of medical care, provided through the social security system, was being debated in the Congress, although no bill came to a vote. In the years that have passed, the subject has been before us many times and in different forms.

Much historical and statistical information has been adduced in the debate by the Senator from New Mexico [Mr. ANDERSON], the Senator from New York [Mr. JAVITS], the Senator from California [Mr. KUCHEL], and other Senators who favor the measure, and by those who oppose it. I think particularly of information provided by the Senator from Nebraska [Mr. CURTIS] and the Senator from Oklahoma [Mr. KERR].

Whatever may be one's position on the Anderson-Javits amendment, the debate has established certain facts which are incontrovertible. The first fact is that there are millions of people in this country today who are over 65, and millions who will become 65 years of age, who do not have, and will not have, the financial resources to provide for themselves the same kind of medical care—even minimum care—that others of their more fortunate fellow citizens will enjoy.

I do not have to draw on statistics to know that statement to be true, and none of us does. As I said earlier today, I know this from experience as a local official. I know this to be true, from experience, traveling through my State as a Member of the Senate. I have been in the homes of friends and neighbors, and I know from my own experience, observation, and knowledge that there are many persons in my State and throughout the country who do not have the resources to secure the minimum of care that they need.

All of us know that a person who has ample financial resources can go into a hospital and stay as long as needed. His neighbor, a person next door without funds, will certainly secure good treatment, but will have to leave the hospital at the earliest possible date to make a place for someone else.

A second fact the debate establishes is that the Congress will not authorize a system financed by appropriations from general revenues which would provide the extent of care the Anderson-Javits plan offers. I point to the fact that during this debate, within the last 10 days, two plans to be financed by the appropriation of general revenues have been overwhelmingly rejected.

In 1960 the Senator from New York [Mr. JAVITS] and others of us introduced a bill which would have provided comprehensive care, financed chiefly from general revenues. It was defeated.

In 1954, when I was serving as a member of the Committee on Labor and Public Welfare, President Eisenhower sent to the Congress a bill which would have provided limited Federal reinsurance of private insurance plans, for those over 65 years of age. It was defeated in the House of Representatives. We could not even get a vote on it in the Senate. So I am led to the conclusion that the Congress will not support a plan based upon financing by appropriations from the Treasury.

It has been said that the Kerr-Mills program will do the job. I do not derogate its value, but it would take massive annual appropriations from Federal revenues to provide comprehensive aid under the Kerr-Mills program.

Further, while many applaud the idea, the States, because of lack of funds, must subject applicants to a means test. But, not only indigent persons, but persons in better financial circumstances cannot bear the heavy cost of hospital care.

The Kerr-Mills program, valuable as it is, seems to me to say, "When you are old, when you are sick, when you are 'broke,' then you may have a chance for medical care." The plan we propose would give workers assurance that when they become 65 years of age, a part of their hospital costs would be covered by health insurance under the social security system.

The VICE PRESIDENT. The time of the Senator from Kentucky has expired.

Mr. COOPER. Will the Senator yield me 2 more minutes?

Mr. ANDERSON. I yield 2 minutes to the Senator from Kentucky.

The VICE PRESIDENT. The Senator from Kentucky is recognized for 2 additional minutes.

Mr. COOPER. It would provide also, with humanity, help today to some 17½ million people already 65 years of age and older.

I believe the basic opposition to the Anderson-Javits plan is that it is based upon the social security system. People say, "It would be compulsory."

But, as I have said before, the same argument could be applied to the social security system today, and to all the benefits it provides those covered under it.

Each of us must vote in the light of our intellectual processes, the facts, and upon conscience. Like others in this body, I have considered for many years and debated in my mind the best method to provide health care. In 1960, I voted against the social security approach. But because of the reasons I have given today, I have come to the conclusion it is the only way we can provide for the health care of millions of our people. I do not want to vote against providing at least minimum health benefits for millions of people who will become sick or injured, who will suffer and who will not be able to obtain the care available to their more fortunate fellow citizens. We face a human issue today.

The VICE PRESIDENT. The time of the Senator from Kentucky has again expired.

The Senator from Illinois has 31 minutes remaining, and the Senator from New Mexico has 20 minutes remaining.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Iowa [Mr. MILLER].

The VICE PRESIDENT. The Senator from Iowa is recognized for 3 minutes.

Mr. MILLER. Mr. President, I have sat through much of the debate on the Anderson-Javits amendments, which substantially represent President Kennedy's medicare proposal. I want to commend my distinguished colleague, the able Senator from Nebraska [Mr. CURTIS], for his thoroughly prepared speech against the amendments. My remarks made in this Chamber last Wednesday fully outline my reasons for calling the amendments an "unfair prescription" for the medicare problem, but I should like to answer the points which have been made by those who argue in favor of the amendments.

First. They say that the coverage now would be made universal, because all people over 65, whether under social security or not, would be covered. This is not true. No one under 65 would be covered. And, as I pointed out last Wednesday, I think we should be far more concerned about coverage for those under 65 who suffer from catastrophic illness or disease than for those over 65 who are able to pay their own bills.

Second. They ask, What are the alternatives? One alternative is to exclude those who can afford to pay their bills. I suggested an "economic income" test along the lines of the amount of earned income which now reduces or excludes a person from social security benefits. Another alternative would be to cover all catastrophic situations, regardless of age, when the person cannot afford to pay his medical care bills.

Third. They say that the Kerr-Mills program will not do the job. I do not think anyone claims that the Kerr-Mills program is the complete answer. But I do think it should be given a fair and reasonable trial period, and then we can intelligently legislate to cover the needs which it does not meet.

Finally they have absolutely no argument against the fact that the social security system, which they would use to finance this program, is already in a precarious condition—with over $300 billion in costs of benefits for the present social security program being passed on to our future generations.

I cannot believe that a majority of our senior citizens who can afford to pay their bills want to have a "free ride" at the expense of future generations of Americans.

The amendments are unfair in their coverage and unfair to the future generations of America. I hope they will be tabled.

The VICE PRESIDENT. The time of the Senator from Iowa has expired.

Mr. ANDERSON. Mr. President, I yield 2 minutes to the Senator from Maine [Mr. MUSKIE].

The VICE PRESIDENT. The Senator from Maine is recognized for 2 minutes.

Mr. MUSKIE. Mr. President, I should like to ask the distinguished Senator from New Mexico if he will consider accepting a modification of the language of the pending amendments.

On page 17 of the amendments there is a definition of "skilled nursing facility" which reads in part as follows:

> The term "skilled nursing facility" means (except for purposes of section 1704(c)(2)) an institution (or a distinct part of an institution) which is affiliated or under common control with a hospital having an agreement in effect under section 1710.

In States like mine it seems to me this definition would work a hardship on some of our nursing homes, as we call them in my State. In Maine we have approximately 192 nursing homes, only 1 of which is "affiliated" within the meaning of this definition. Therefore, I suggest language to modify this provision of the amendments. The Senator from New Mexico has a copy of the language, which I should like to read into the RECORD. It would be included, if accepted by the distinguished Senator, on page 23 of the amendments, between lines 11 and 12.

The VICE PRESIDENT. The time of the Senator from Maine has expired.

Mr. ANDERSON. Mr. President, I yield 2 more minutes to the Senator from Maine.

The VICE PRESIDENT. The Senator from Maine is recognized for 2 additional minutes.

Mr. MUSKIE. The language would read:

> ADDITIONAL SKILLED NURSING FACILITIES
>
> (h) The Secretary shall, after consultation with associations of nursing homes, the

> American Hospital Association, the Joint Commission of Accreditation of Hospitals, and other appropriate professional organizations, make a full and complete study of the best ways of increasing the availability of skilled nursing facility care for beneficiaries under this title under conditions assuring good quality of care; and, on the basis of such study, he may make a determination that additional nursing facilities in which such conditions assuring good quality of care exists constitute skilled nursing facilities under section 1706(b) if they also meet the requirements of subsection (b) (other than the requirement of affiliation and other than the requirement that a hospital utilization review plan be made applicable), and if the Secretary shall find that such action will not create an actuarial imbalance in the Federal health insurance trust fund. The Secretary shall promptly report to the Congress from time to time and in any event by July 1, 1963, the results of the study under this subsection and any action taken as a result thereof.

The purpose of the language, Mr. President, is to make it possible for nursing homes which do not presently meet the high standards of care required by the pending amendments to work toward those standards and to achieve eligibility whether or not they are able to meet the test of affiliation with an established hospital.

Would the Senator be willing to consider accepting this modification?

Mr. ANDERSON. Mr. President, the American Hospital Association expressed interest in nursing homes. We tried to meet that interest and to raise standards of nursing homes in the proposal. The language the Senator has read is completely satisfactory. Therefore, I modify my amendments accordingly.

Mr. MUSKIE. I thank the Senator.

The VICE PRESIDENT. The amendments are modified accordingly.

Does either the Senator from New Mexico [Mr. ANDERSON] or the Senator from Illinois [Mr. DIRKSEN] desire to yield further time?

Mr. ANDERSON. Mr. President, I yield 3 minutes to the able Senator from Tennessee [Mr. GORE].

Mr. GORE. Mr. President, we approach final decision on an acute problem. It has been said that the problems of people are never solved, and that as one is solved others arise. This is one problem I am proud we have. It is said that the problem will grow greater. I hope it will. We have the problem partly because people live longer. We have the problem partly because of the greater benefits which a person can receive in medical care and in hospitalization, and in part because of the change in our social life by which it is not possible for the majority of our people to lay up sufficient for the traditional rainy day.

In seeking a solution of the problem, the Congress in its wisdom is turning increasingly to an approach of a social security system of financing of dispensation of benefits of administration. A method of financing such as that proposed that is broadly based, has been proved sound for more than two decades.

Of course, a payroll tax is in essence an assessment upon our national economy. But I think that is preferable in the instance of benefits so widely to be enjoyed. Therefore, I believe it is the soundest way. I am confident it is the most effective way.

The problem, which I am proud we have, is an acute one. It is said that it will become more acute. Therefore, we must not only seek to solve the problem by sound financial methods, but also we need to find an effective means of relieving the acuteness of the problem.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Louisiana.

The VICE PRESIDENT. The Senator from Louisiana is recognized for 3 minutes.

Mr. LONG of Louisiana. Mr. President, I yield to no Senator in my desire to care for the needs of the aged, the disabled, and the underprivileged in general. That is not the issue before us now. We are asked to vote on an amendment which would require that we pay the medical bill of everyone over the age of 65 whether he needed such care or not. We are asked to adopt an amendment which would tax the poorest people in our country on the same basis as that on which we tax the wealthiest. We are asked to vote one of the most regressive taxes we could find. It is a tax that would operate like a hidden sales tax. It would hit hardest at the poor, in order to finance medical care for all the people, whether they need such care or not.

My mother's cook and yard boy would be asked to pay my mother's medical bill, although she neither asks, expects, or demands it. Frankly, I think she would feel that the proposal was unsound. When the medical bills of everyone who might seek medical care under the measure, whether he needed such care or not, are added, we find the cost of medical care increased by 50 percent.

In Louisiana we have found that when we provide such services at State expense, patients stay in hospitals 50 percent longer than they would remain otherwise. People would be taking their mothers and fathers to hospitals to vacation in the hospital while they, themselves, took their families on vacations elsewhere in the summertime. Such a result has occurred in some States under the Kerr-Mills Act. The proposed legislation would fill the waiting rooms and corridors of hospitals with people who do not belong in hospitals. Instead of saying, "Doctor, may I go home," many people would say, "Doctor, must I go home?" By the time we are through considering the bill, we shall have 10 more amendments, so that the measure would apply to the medical needs of everyone. A deduction of 10 percent of payrolls would be required to start with. By the time we shall have finished with the measure, I guarantee that the cost will be increased by at least 50 percent.

Why is the cost of Blue Cross increasing so much? People say, "I am paying for this insurance. I might as well get as much benefit from it as I can."

There would be a payroll tax of 15 percent by 1970, which, on top of the 10 percent social security tax, would represent one-quarter of the income of the people. In addition, the people would be required to pay for national defense, foreign aid, and everything else. Think about it. If all taxes, State and Federal, were included in the deductions from the payroll, they would exceed 50 percent of a man's salary by 1970, should we start this kind of program.

Let us look after those who cannot afford to pay for their own medical care. Let those who can afford to pay for it decide how much medical care they wish to buy.

Mr. ANDERSON. Mr. President, I yield 4 minutes to the distinguished Senator from California.

The VICE PRESIDENT. The Senator from New Mexico yields 4 minutes to the Senator from California.

Mr. KUCHEL. Mr. President, through the proposed amendment we would deal with a grave problem which confronts the great majority of Americans who are over 65 years of age. We would not deal only with the problems which confront paupers. We would not deal only with the problems which confront indigents. We would not deal only with the problems of those who are near indigents. We would deal instead, with all Americans over the age of 65 for whom the hazards and fears of catastrophic illnesses grow day by day. We would deal with that problem in an honorable way.

Senators on both the Democratic and Republican sides of the aisle have together fashioned this amendment in order to bring to all American people over the age of 65, whether they are under social security or not, some modest amount of protection against the unbelievably high cost of hospitalization.

Mr. President, as a Democrat, you are proud of your party. As a Republican, I am equally proud of mine. The proposal now before the Senate does not wear a partisan label. This measure is a bipartisan attempt on the part of Senators in both parties to solve a great and growing problem before the American people. Hospital costs have increased fivefold in 20 years. So too has our elderly population increased until it consists today of almost 10 percent of our population.

Yesterday I alluded to Blue Cross. Last year Blue Cross paid out $375 million in benefits to elderly people, and it took in from elderly people by way of premiums $200 million.

What is the answer to the high costs of private insurance health care for the aged? The answer must be that either the premiums are to be raised on our senior citizens or the premiums are to be raised on all, including those under 65 in order for private companies to pay the higher costs of the benefits which are now being paid for the care of the elderly.

We have in the Anderson-Javits amendment an opportunity for all citizens to absorb part of this risk on a pay-as-you-go basis during their working years. At the same time through our freedom-of-choice option we would invite—indeed, implore—private insurance companies in America to participate in the program and help in meeting the health care needs of those over 65. We would create a separate health insurance trust fund so that the moneys allocated into that fund in the Treasury would be sequestered for that purpose alone.

A few moments ago I listened to my able friend from New York [Mr. JAVITS]. I agree with him that our proposal offers the best, most efficient, and most conservative means by which to solve the health care problems of our senior citizens on a pay-as-you-go basis.

Mr. President, I am proud of the patron saint of the Republican Party. What did Abraham Lincoln say? On one occasion he said:

> The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well for themselves in their separate and individual capacities.

The elderly people in America have a problem which they cannot solve for themselves without this typically American approach. Let the Senate stand up and be counted in favor of this amendment and against the motion to table.

Mr. ANDERSON. Mr. President, I have yielded time to the Republican whip. I now yield the remainder of the time on this side to the Democratic whip, the Senator from Minnesota [Mr. HUMPHREY].

The VICE PRESIDENT. The Senator from Minnesota is recognized for 9 minutes.

Mr. HUMPHREY. Mr. President, I know of no issue that has ever been before Congress which has been more fully and thoroughly discussed than the so-called Anderson amendments, and the methods and means of financing health care for the aged.

It is said with reference to the motion to table that the motion should be adopted because, first, the Committee on Finance has not acted upon the proposal; or, second, because we have inadequate information with respect to the proposal. Of course, there are other reasons which are advanced, such as the one that this is public policy which will do injustice to private insurance companies and to individuals and to the medical profession.

First of all, the fact that the amendment has not been acted upon by the Committee on Finance does not mean that it has not been discussed or studied.

Mr. President, this is the most studied and discussed proposal that has ever been before the Senate in recent years. Hearings were held on it in the Committee on Finance in 1960. That proposal was almost identical to the one that is before us now. The previous administration presented all sorts of proposals based on voluntary insurance programs, some of the principles of those reports being incorporated in the proposal before us in the form of the Javits amendment to the Anderson proposal.

In 1959 the Eisenhower administration submitted comprehensive reports to the other body, which reports were made public and available to every Member of Congress and to every citizen. They were comprehensive reports on the problem of the care for the aging, and medical and hospital care for the aging.

In 1960 hearings were held in both bodies.

In 1961 the White House Conference on the Aging issued volumes of reports on the matter of financing health and hospital costs of our elderly citizens.

I see in the Chamber the Senator from Michigan [Mr. MCNAMARA], who is the chairman of the Special Subcommittee on the Aging, which held hearings on this subject all over the Nation. Those hearings had to do with assistance to elderly citizens, particularly with respect to hospitalization and medical care.

The same thing can be said with respect to 1962. The Department of Health, Education, and Welfare has issued detailed reports on the subject of health care for the aged.

My point is that if we need more study on an issue like this, we stand accused of being slow learners. We have had studies and studies made and have had information and information laid before us.

That does not mean that after the studies were made all of us necessarily agreed upon the means and methods of taking care of the problem.

First of all, what are the dimensions of the problem? First of all the number of the aging in our society is increasing every year in terms of the percentage of the population. Second, the costs of hospital care have gone up considerably year after year. Third, the cost of medical and hospital assistance in terms of relief for the needy is a tremendous burden upon the cities and counties and States at the present time. What is more, public assistance medicine has downgraded medicine and hospital care rather than upgraded them.

Some time ago our Nation made a decision with respect to what we are going to do with reference to persons who are aged 65 and over, in terms of social insurance. The great depression compelled us to face the issue: What do we do when people arrive at that point in their life where their opportunity for employment is less, where their incidence to disease increases, and where their social problems become magnified?

In the great depression we had to make up our minds as to whether we would have a continuance of the dole, whether we would ask citizens to submit to a poverty test or a means test; or whether we would adopt a program of social insurance.

If my recollection is correct, it was in the fall—August, I believe—of 1935 that this Nation by vote in this Congress determined that we would use the social insurance principle, the social security system of financing a program for old-age and survivor's insurance.

No responsible citizen in this land would reverse that decision.

We made up our minds that we would give that assistance and that relief as a matter of earned rights, rather than as a dole, or only after a person had submitted to a poverty or means test. These are the rights which people earn in their productive years. The same question is before us now.

With respect to the matter of disability, for example, we set up a disability trust fund. Now we seek to set up a health care trust fund.

What is more, we now have in the bill, through the cooperation of our friends on the Republican side, an option provision under which private insurance and the Blue Cross system can be used as a means of administration. I commend those who have offered that particular proposal.

Now we arrive at the point of determining whether or not a citizen age 65 and over who is in need of hospital care will have his need for that care determined on the basis of a means or poverty test or whether it will be determined on the principle of social insurance, so that the person may receive hospital and nursing home care under the sound financing principle which we have already set up.

It seems to me that there is but one decision that can be made by self-respecting people. I remind Senators that the present relief and assistance programs give little relief and assistance to most of the people who need it. The present systems require people literally to demean themselves, to surrender their property, their earning capacity, even, before they can receive the medical or hospital care which is necessary for a decent citizen to have.

The program before us provides for the storing up in the productive years of money in an insurance fund, so that it can be used in the twilight years of a person's life to give health care and hospital and nursing home care and diagnostic services and home nursing services. Every Senator knows, as the Senator from Kentucky has said, that this great need will increase rather than decrease.

I appeal to my colleagues in the Senate to look at this, not on the basis that a person who is poor enough can get some care. Of course, in a nation with a Judeo-Christian culture, we will not let any of our people go without care. However, I ask my colleagues in the Senate, what will we do with the sick people who are in the twilight of their life, who have given the best years of their life to their family and country and home and Nation? Will we ask them to demean themselves and sign a poverty oath before they can receive the modern hospitalization which is available to them?

Is this plan financially sound? The answer is "Yes."

Is this plan a heavy tax burden upon the people? The answer is "No."

If the same amount were provided under any other plan, it would cost much more than this proposal. This is a plan for self-respecting people who will get the benefits. They will get the benefits that they will pay for. What is more, the people who will get the benefits want to pay for them. They are not asking for a free ride.

I have heard the argument made that some people will get hospital care who do not need it. Well, Mr. President, there have been people who have been involved in automobile accidents who did not need the insurance, but they got it as a right, because they have paid for it. What we propose is a system of universal social insurance for health needs, so that they are available if they are needed. There is no compulsion to it.

Some people send their children to private schools or parochial schools; but I am happy to say that in America we have the policy of public education. Whether one sends his children to private or to public schools, he pays for the public schools.

Mr. President, the motion to table the proposed amendment is said to arise from two noble sentiments. One is that the amendment has not been acted upon by the Committee on Finance and that action by the Senate at this time would be improper. I would like to point out to Senators who may be laboring under this misunderstanding that the Committee on Finance did in fact consider the proposal in the course of its consideration of the Social Security Amendments of 1960. And if the Senators across the aisle need further assurances let me remind them that in 1950 an amendment to the social security amendments of that year, sponsored by Senator Knowland, was passed by this body with the help of Senators across the aisle without having been even considered by the Committee on Finance. His amendment, accepted by the conference committee on that legislation, changed the unemployment compensation laws; but the Committee on Finance did not consider any changes in the unemployment compensation law in that Congress.

The only other allegation offered in support of the motion to table the proposed amendment is that Senators are presumed to be unprepared to vote because they do not have sufficient information to vote intelligently. Mr. President, I can recall no other issue that has been more intensively studied and widely discussed than the amendment that is now before us. I cannot believe that there is a Senator who is not thoroughly familiar with the facts and the issues. Our constituents, who themselves are extremely well informed about the proposal cannot help but see through this rationalization and recognize it for what it is: an excuse for letting this critically needed legislation die.

Mr. President, during the long and intensive study and discussion that has been devoted over a period of several years to the problem of paying for health care in old age, it has been clearly established that the problem is serious indeed, and that it is not going to be solved without Government taking an important role in helping to finance these costs. The need for a Government role in solving this problem was recognized by the enactment of the 1960 legislation providing Federal Government support for programs of medical assistance for the aged.

We are not therefore trying to decide here whether the Government is going to help the aged find a way to pay their hospital bills. The only question before us, Mr. President, is how this highly desirable objective is to be accomplished: What should be the fundamental approach helping older people pay for expensive hospital care? And costs are up.

We have a choice between two directions in which we can go. And it is this choice that constitutes the single issue that is before us. It is the choice between social insurance and public assistance.

As a nation, we first faced up to the problem of old-age poverty when the great depression of the thirties wakened us to its magnitude and severity. We were forced to realize that in our modern urban civilization people too old to work commonly had little or nothing to live on, and that help was needed if they were not, quite literally, to starve.

Plainly something had to be done. Basically, then, as now, there were two ways we could go, and the choice between them represented a far-reaching decision of national policy. One possible course was to consign our aged permanently to the public dole—to require them to exhaust their savings and, when they reached a sufficient degree of poverty to pass the means test, to apply for public charity. This approach, waiting for poverty to become a fact and then seeking to treat it, would have meant accepting for all time a vast army of the aged living on a dole—all reduced to a common level of poverty.

To our great credit, we did not choose that road. We chose the alternative—a system of social insurance, under which people while working, and their employers, would contribute to funds from which modest but assured payments would be made to them when they were no longer working so that few of them should ever reach a state of destitution. There are practically no Americans today who would reverse the choice if they could.

The same basic reasons for preferring the contributory social insurance approach over the public assistance means-test approach apply with equal force to the problem of protecting the elderly against their high health costs. Under public assistance, eligibility for medical assistance is conditioned upon meeting a "humiliating test of poverty." In many States, the applicant's savings must be virtually exhausted, and even the children's financial situation must undergo a similar test before the parents can get help. Under the social insurance approach the elderly would receive health insurance protection as an earned right; the only test would be that of having worked sufficiently long in covered employment and self-employment to become insured.

State medical care programs throughout the country are uneven and offer uncertain benefits. About half the States have no program of medical assistance for the aged and most of those having one provide only meager help. Under the social insurance—Anderson amendment—proposal, uniform benefits of certain value would be guaranteed to the elderly throughout the Nation by Federal law.

I might add that many medical assistance relief programs deny the applicant the freedom to choose his own doctor or the hospital which he and his doctor feel is best. This means that continuity of care—and therefore quality of care—is often lost under the assistance programs. Under the social insurance—the Anderson amendment—proposal, the freedom to choose hospital and doctor would be guaranteed by law.

Mr. President, nobody is proposing that the medical assistance legislation that was enacted in 1960 should be abandoned. That legislation opened the way for much-needed improvements in the provision for the payment for medical care by the public assistance programs of the various States. But we must realize that only the very poorest will be protected under this legislation even if at some future time it should become effective. Enactment of the amendment is necessary so that the vast majority of the now self-sufficient people in the aged population will have protection against the economic hardships of a costly illness that so often force them, after a lifetime of independence, to seek the aid of children or of public charity.

I repeat, Mr. President, the assertion being made in various quarters that there is really no problem among the elderly as to hospital care is simply without foundation.

It may give us all a better idea of the problem the aged face because of illness or fear of illness if we look at the facts in a few actual cases. I have here some summaries made from letters that have been received by the President and the Department of Health, Education, and Welfare. In these summaries, I have carefully removed any identifying information so as not to subject these people to embarrassment. The originals of these letters are in my office and available for inspection by any of my colleagues.

I ask unanimous consent to have printed at this point in my remarks a statement showing a number of illustrative cases summarized briefly from letters in my office.

There being no objection, the statement was ordered to be printed in the Record, as follows:

No Insurance for Aged Husband

The case: This woman went to work when her husband suffered a heart attack in 1952 and was forced to stop working. He is 77 years old and is receiving social security benefits of $54 a month. She was ready to retire about a year and a half ago but found that she would be unable to get health insurance for her husband after she left her employment because he was too old. She kept working hoping to find some company that might insure him. She was going to retire this February—she would have drawn social security benefits of $85 a month—but her husband suffered a severe stroke with paralysis and was hospitalized for 70 days. Her insurance paid part of the cost, but she had to pay $957. She was forced to put him in a rest home for which she pays $325 a month, and also buys his medicine and pays his doctor bills.

She says, "I don't make only a little more than that take-home pay. I give them all I earn. No food bought yet or utilities * * * I work hard all day and give it all to a rest home because we could never get medical for people like him. I'll be done working in August 1963. What can I do with him to take decent care of him? All my savings are gone. I got a home paid for. I'll have to end up when I retire next year selling it for to give him proper care. And the sad part is, I can't afford to pay a therapist to work on him. And rest homes don't have them. To see him try to talk and can't just breaks my heart. He was such a good man."

Effect of health insurance proposal: If the proposed health insurance plan had been in effect, her husband's hospital costs for his 70-day stay would have been covered in full except for the deductible of $90. After his hospital stay of 70 days, he would have been eligible for 160 days of care in a skilled nursing facility providing physical and speech therapy. He would also have been eligible for 240 home health visits which also could include the services for a physical therapist.

ONE MORE ILLNESS WILL DEPLETE ALL RESOURCES

The case: Through their own efforts this 67-year-old cabinetmaker and his 66-year-old wife have established a small custom shop.

Last spring the wife was a victim of arsenic poisoning. Then in the fall she broke her ankle. The 8 days in the hospital and doctors' bills totaled some $890. She now requires drug prescriptions for high blood pressure.

The husband writes, "Almost 15 years ago I obtained a GI loan. We burn the mortgage in September. * * * The signing of a poverty oath, which is what it amounts to with the California [medical assistance for the aged] bill, is not only degrading but well might undermine the integrity of otherwise honest persons. Or, if you're a bum, you're a success. * * * We beg you to continue in your efforts to have this passed in this session. One serious illness could wipe us out."

Effect of proposed health insurance: Payment would have been made for the entire 8 days of the wife's hospitalization except for a deductible amount of $80.

CANNOT GET ADEQUATE PRIVATE INSURANCE AND SAVINGS WIPED OUT BY COST OF ILLNESS

The case: This aged couple carried Blue Cross. The husband receives social security benefits of $68 a month, and the wife works as an outdoors saleslady. "We carried it for quite a few years and then our premium began to go up and our benefits down, until our premium was more than doubled and our benefits reduced to $3 per day for a room and nothing else." She contacted the insurance commissioner, and was informed that Blue Cross was a private business and not subject to Government control. Recently she heard that Blue Cross was offering a slightly better policy for aged persons, but discovered that it was available only to people who could meet certain physical requirements. She also contacted the Prudential Insurance Co., but was told that people over 65 were being insured only if they were in perfect health.

Last year, the husband was hospitalized twice and the total bill came to about $2,000. "Have you any idea how long it took us to save this $2,000 and how hard we worked and made sacrifices? We are now in a position where we can't save anything, we are lucky to be able to make ends meet every month.

"Being ill isn't too hard to take when one is wealthy, but when one sick spell can practically wipe out one's life savings, that's quite a blow."

Effect of health insurance proposal: The husband's hospital costs for up to 90 days an illness would have been paid except for a $90 deductible.

REFUSES TO GIVE UP HOUSE TO GET PUBLIC ASSISTANCE

The case: The father-in-law of this 29-year-old man has exhausted his savings of a lifetime as a machinist in paying for his health care. His uncancelable private hospitalization insurance policy was withdrawn. The son-in-law writes, "Because he has clung to his last security of any kind—title to his small house—he is not entitled to county medical aid, so he suffers, eating aspirins to ward off pain, awaiting death."

Effect of health insurance proposal: Protection against the cost of hospital services would be provided without subjecting people to a means test.

UNABLE TO PAY FOR INSURANCE

The case: This 66-year-old woman has worked more than 25 years as a nurse's aid, charwoman, and cook. Her husband has been ill for 37 of the 45 years of their married life, but she managed to get their child through high school and keep their family going. About 2 years ago she had two hospital stays and operations costing $700.55 and $400.80, which she paid. Her health has broken. She receives social security benefits of $60 a month, and works when she is able. She has been forced to quit paying on her insurance. They own a four-room home or cabin, but she says its sale would not bring enough to pay a hospital bill for either herself or her husband.

Effect of health insurance proposal: Under the administration's proposal, she would have protection against the cost of hospital care, very likely much greater than that provided under the insurance she was forced to drop. As she says, with health insurance provided under social security, people can live some way.

UNABLE TO PAY FOR INSURANCE

The case: This retired couple, living on social security and a small pension, was compelled to drop even a limited health insurance policy when the monthly premium for each one was jumped from $5.10 to $7.20, a rise of more than $25 per year.

Effect of health insurance proposal: Under the social security approach, contributions would be made during the working years, and basic health insurance benefits would be provided during the retirement years without any further contributions required. The couple could probably have afforded to carry a Blue Shield policy (costing perhaps $5 a month) that would cover physician services.

FAIL TO GET NEEDED CARE BECAUSE OF FINANCIAL CIRCUMSTANCES

The case: This elderly couple, he is aged 83 and she is 89, moved from Michigan to Florida to be with their son and his family. She receives a teacher's pension (less Blue Cross) of $86.70 a month, and the total security benefit for herself and her husband is $60 a month.

He has been ailing for many years and his wife had been taking care of him. In January of this year she injured her back in an accident and since the daughter-in-law could not care for both it became necessary to place him in a convalescent home. About 2 weeks later, he fell out of bed and broke his hip, necessitating his transfer to a general hospital where he was given treatment for both bladder trouble and the broken hip. An orthopedic doctor was paid $75 for traction, but the couple could not afford the cost of having pins inserted in his hip.

His stay in the hospital was for 1 month, the maximum period covered by their Blue Cross policy. Then he was transferred back to the lower cost convalescent home where he previously had fallen from his bed. As a precaution, Mr. C. was strapped to the bed this time.

Effect of health insurance proposal: Under the health insurance proposal, Mr. C. could have had his hospital costs paid for as long as necessary up to 90 days. The total cost to them for his hospital stay whether 1 month, or 3 months, would have been $90, the amount of the deductible. With basic protection against the cost of hospital care, they could concentrate their private insurance on the cost of other services, including physicians' services.

Payment could also have been made for skilled nursing facility for up to 180 days, and 240 home health visits per year.

RETIRED FARMER LOST "NEST EGG" BECAUSE OF COST OF ILLNESS

The case: This man is aged 84 and his wife is 86. They receive social security benefits of $60 a month. He and his wife worked hard on the farm in Iowa until 1950. Thinking they had saved enough to "slow up," they moved to Arkansas and bought a small acreage. "But then our troubles began," he writes. His wife fell and broke her hip. A year later she fell and broke her other hip and a leg. She had diabetes and arthritis and due to gangrene had to have her leg amputated.

He says, "It sums up we now have $6,000 against our home. We have no hospital insurance. * * * The result our little nest egg is gone."

Effect of health insurance proposal: His wife's hospital costs except for a $90 deductible, would have been covered and the couple would have insurance against future hospital, nursing facility, and home health services.

FACES LONG ILLNESS WITH NO MONEY

The case: Recently this 77-year-old Californian was hospitalized for 6 days. The hospital bill was about $500, and the doctor bill $325.

He writes, "My wife died 10 years ago after many years of sickness and I spent the money of many years earnings and savings along with the savings and earnings of the immediate family. Now at 77 I am facing a possible long illness. I still remember the threats made to me at ——— hospital in ——— that if hospital payments were not made promptly that the next time I came to visit my wife I'll find her in the corridor. I have been living a nightmare ever since. That was exactly what happened as I state in this letter."

Effect of health insurance proposal: This 77-year-old man would have protection against the cost of inpatient hospital services for up to 90 days of each hospital stay, except for a deductible of $90 for the first 9 days.

In addition, many of his other medical needs could be met through the provisions for payment for skilled nursing facility services after transfer from the hospital, and for up to 240 home health visits each calendar year.

CHILDREN MUST SELL THEIR HOME TO PAY AGED WOMAN'S MEDICAL EXPENSES

The case: This 72-year-old woman has been hospitalized because of cancer. She had her first cancer operation in 1938, and has been unable to obtain insurance coverage since then. Altogether she has undergone three major cancer operations.

The daughter and son-in-law state: "We let her sign herself on county welfare help. They moved her from ——— hospital to the ——— County infirmary, in ——— recently. The treatment she received there has been reported and is a matter of record. Needless to say we had her returned to ——— hospital. Why? Because we care. She is a dear old mother."

Since this woman is without resources, her daughter and son-in-law have had to pay for all expenses from their weekly paycheck. This has exhausted their finances and they must now sell their house in order to meet further medical expenses.

Effect of health insurance proposal: Payment would be made for hospital services for up to 90 days, subject to a $90 deductible. Thereafter, if appropriate, this 72-year-old woman could be transferred from the hospital to a skilled nursing facility. Payment would then be made for care for up to 120 days of skilled nursing facility services.

Mr. HUMPHREY. Mr. President, I hope that every Senator will bear in mind when he votes on this amendment that what is being proposed is a program of health insurance for the elderly that would be financed out of contributions made prior to retirement—when people can afford to pay them. Aside from the fact that the proposed program would be financed through social security and the fact that benefits would be limited to the elderly, what is being proposed is much the same as a Blue Cross plan.

The Blue Cross approach that the amendment follows has been proved to be a successful form of protection against health costs. It not only meets the most burdensome health costs people face, but also is designed to fit in with the other kinds of health insurance people ordinarily want. The Blue Cross-type benefit plan that is proposed would provide only basic protection, to which the elderly will want to add by buying health insurance against surgical costs, physicians' fees, and other health costs. And private insurance will benefit from this arrangement just as private insurance has benefited from the provision of basic cash benefit protection under social security.

Enactment of the amendment will scarcely have any effect on the medical profession—except to the extent that any hospitalization insurance plan permits the physician to prescribe expensive hospital care without the fear that his patient may be reduced to poverty because of it. Doctor bills are not even covered under the proposal. So far as hospitals are concerned, enactment of the amendment will mean that they no longer will need to overcharge younger patients or go without making needed improvements in their facilities in order to make up the deficit caused by older patients who cannot pay their own way. These advantages would be unmixed blessings for there is nothing in the amendment that would injure or conflict in any way with the practice of medicine or hospital practices. Decisions about health care would be left where they belong—squarely in the hands of the health professions—just as they are today.

Certainly, no one who has conscientiously studied the question can fail but be impressed by the vast wealth of information available on the subject and its accessibility. In 1959, the Eisenhower administration presented the House Committee on Ways and Means with one of a number of comprehensive reports on the problem the elderly have in paying their health bills. This report included a summary and analysis of the characteristics of the aged, factors influencing hospital and medical costs, methods of financing hospital care for the aged and methods of providing hospitalization and nursing home benefits through social security. Then came the wealth of testimony produced at the hearings on the Forand bill and the committee's report on the bill that recommended the 1960 medical assistance for the aged legislation. Later in 1960, the Committee on Finance heard testimony on the problems the elderly face in financing their health costs and various proposals to solve these problems. That committee reported out what was to become the medical assistance for the aged; but the excellent minority reports from the committee show clearly the careful consideration given to this problem by the committee.

The 1961 White House Conference on Aging contributed more than 7,000 pages of information on the problem as it exists in the States.

Last year, the other body held extensive hearings on the predecessor of the amendment that is before us—testimony that covers more than 2,200 printed pages. More recently, the Department of Health, Education, and Welfare has published an up-to-date report on "The Health Care of the Aged—Background Facts Relating to the Financial Problem."

Of course, the excellent work carried on by the Special Committee on Aging, under the direction of the able senior Senator from Michigan [Mr. McNamara] and its predecessor, is well known to all of us. The committee has held very extensive hearings and submitted many reports which contain many pages more of information on the problem of health care in old age and related subjects.

The proposed amendment is the product of intensive study and research that has been carried out over a period of years. It has been designed to provide real and concrete help to relieve a problem which has been proved to be so serious as to require Government action. The specifications of the proposal are the product of hundreds of hours of discussion with individuals and organizations with widely varying interests and skills over a period of many years. We have behind us the experience of almost 2 years of failures with medical assistance for the aged—a program that at its best can do nothing to prevent dependency on public charity. All that remains to be decided is the basic issue of whether we are going to sit idly by and permit the elderly people of this, the richest nation on earth, to live under the threat that they will be impoverished by illness and reduced to charity or whether we are going to put the weight of this legislative body behind a measure that would make it possible for the millions of elderly people to live with the assurance that they will live on in independence and self-respect even if expensive illness strikes.

I have heard the appeals of Senators who argue that we should take no action on this measure. We all know that a vote to table the amendment is a vote to destroy the only practical answer to a problem that presses for a solution. After so many years of discussion and debate on this proposal I cannot believe that there is any Senator who is not fully prepared to reach a decision now. The American people have read the numberless newspaper and magazine articles on the proposal, they have listened to the debates, and they have made their decision after a full exposure to the facts. The American people have a right to expect no less from their representatives in the Congress.

Mr. President, I hope the motion to table will be rejected, and that the Anderson-Javits amendments will be agreed to.

Mr. DIRKSEN. Mr. President, how stands the time?

The VICE PRESIDENT. The Senator from Illinois has 25 minutes remaining.

How much time does the Senator yield himself?

Mr. DIRKSEN. I yield myself all of the remaining time.

The VICE PRESIDENT. The Senator from Illinois yields himself the remainder of his time.

Mr. DIRKSEN. Mr. President, I feel certain that every Member of the Senate has the same human quality that makes him interested in a program for the aged. As a boy of 5, I saw a father languish for 3 long years as a victim of apoplexy. As a boy of 5, I saw a mother languish for a long time as a coronary victim. So let no one declaim all the human virtues being on one side or the other, because we are all interested in this problem.

The whole question is one of approch. It is for that reason that I contend that the motion to table, which will be made in 25 minutes, should prevail. I assign some reasons. First, with respect to Kerr-Mills, what kind of effort has been made to sell that act? If the former Secretary of Health, Education, and Welfare has been half as diligent in bringing the Kerr-Mills Act to the attention of the country as Orville Freeman was in bringing an agricultural program to the attention of the country, not only from Washington but through his field force, this would be a far different story.

There is a medicare program. I am astonished that the administration leaders have been so careful never to mention the Kerr-Mills Act, which went on the books in the fall of 1960.

The second reason I assign why the amendments should be tabled is that not a single critic has proposed to amend the Kerr-Mills Act with respect to the so-called pauper's oath or needs clause.

Where is the amendment from the critics which would take that out?

I have an amendment on my desk; and before too long I expect to offer it. But I am no critic of the Kerr-Mills Act.

Why does not someone trot out an amendment, if there is dissatisfaction with the means test and the need clause? It has not been done. The administration has failed to sell the Kerr-Mills Act. I have looked for literature; I have been unable to find it. I receive tons of printed matter, in all colors and illustrated. It is on the whole subject of social security. But try to find a piece of literature, which is the responsibility of HEW, to make manifest to the eligible citizens of the country what they are entitled to under the 1960 law. It is not available. If the administration were interested, this would have been provided long before now.

I assign another reason. There has been an inadequate study of the whole subject. The Actuary for HEW appeared before the House Committee on Ways and Means. He found that the benefits would exceed the income. What did the Secretary do? He had to raise the base ante from $5,000 to $5,200. But look at the record and see the last word of Mr. Robert J. Myers, the Actuary of the

Department of Health, Education, and Welfare, which the distinguished Senator from Oklahoma [Mr. Kerr] placed in the Record yesterday.

Next year and the following year the base for taxation purposes will have to be increased. Is that the way to legislate?

Mr. President, how do you think they got the basis for it? By interviews with 5,000 elderly people whom they asked to try to remember what their recent hospital costs were. What a way to establish basic data for a program of such vast dimensions as that, having such a permanent effect upon the whole destiny of America.

In addition thereto, they brought down from New York a man named Lewis Reitz, who, on the basis of 13 million insurance claims from 583 organizations, told the committee of the House that the cost would be twice what HEW had estimated for this purpose. The administration had no facts or no data with which to refute that statement.

Mr. Reitz said that in the initial year this program would cost not $1.1 billion; it would cost $2.5 billion. He said that by 1983 it would cost $5.4 billion.

When Mr. Cohen, the architect of so many of these programs, appeared before the Committee on Finance for the confirmation of his nomination in 1961, what did he say? He said the cost would go up from 5 to 10 percent indefinitely. That was in answer to a question by the distinguished Senator from Nebraska [Mr. Curtis], who quizzed Mr. Cohen at the time his nomination was under consideration. But Mr. Cohen went further. He said that, of course, he was not figuring on a bigger base now; but in the interrogation, he envisioned not the $5,200 provided in this proposal; he envisioned a $9,000 base on which to attach the tax.

The whole story is in the record of the hearings.

Talk about costs. What a tremendous program this will be.

Another reason has been emphasized. The nonneedy are included. Senators are included. Unless I cannot read the English language, every Senator and every Representative when he reaches the age of 65 will be entitled to these benefits. Do we want to go back home and say to the young workers, "Well, I voted myself a benefit. If you are 20 years old, and if you live long enough, you will pay social security taxes for 45 years, and I am going to be the beneficiary." I do not think I want to say that to them. I will carry my own load if I can.

What will be the general impact? We will have to obtain that information, I submit, from other sources which have had some experience. What was the experience in Great Britain? I observed in a dispatch in 1961 that 600 doctors left Great Britain every year for the preceding 5 years, while 500,000 persons were on hospital waiting lists.

Hospital construction in Great Britain is deplorable. Only one new hospital had been built since 1948, a period of 13 years. That is according to a statement by D. S. Lees, a doctor of philosophy of the University of North Staffordshire.

The cost of Great Britain's medical program in 1950 was $1.3 billion; in 1961, it was $2.5 billion.

Mr. President, that information may be found in the Reader's Digest for October 1961. It is all there, set forth in great detail.

Mr. President, this proposal is a toe in the door. Let us seek to prove it. Go back sometime and read the Wagner-Murray-Dingell bill of 1943. I observe a knowing look on the face of the distinguished Senator from Virginia [Mr. Byrd]. He was a Member of the Senate at that time. He knows full well what that bill provided. Every insured individual and every dependent would be entitled to benefits. That was section 901. The bill also provided a National Advisory Council of 16 to be selected by the Surgeon General of the United States. It has been said that the Advisory Council would be new. It is 19 years old. It was included in one of those bewhiskered proposals when I was a Member of the body at the other end of the Capitol.

What else did the Murray-Wagner-Dingell bill provide? Physicians were to be selected from qualified lists and were to be paid on the basis of a fee schedule. That was what was contained in the Wagner-Murray-Dingell bill.

What else? A provision was included for a single trust fund. That proposal has been sugared and made to appear as something new.

And what else? Why, a provision for a single trust fund. This proposal has been sugared, and it is made to appear that this is something new. But that was in the Wagner-Murray-Dingell bill 19 years ago, and it is nothing new. So one can go back and can find for himself what the ultimate goal is; and the Wagner-Murray-Dingell bill also provided for recompense for dental services, and so forth.

This situation reminds me of a story about the rector of an English church who was preaching to his congregation about all the glories of heaven—ambrosia, nectar, and everything else on which one would subsist, including some substantial viands. When he got through, one of his parishioners said to him, "Parson, what good will that do me, without teeth?"

The rector replied, "Under social security, teeth will be provided."

Mr. President, this is just a beginning, believe me.

When Dr. Cohen was questioned by Senator Curtis, in the Finance Committee, he said he was looking to a 50 percent increase in the benefits.

Walter Reuther addressed the Citizens Council on May 24, here in Washington; and in his keynote address he said:

> We are trying to make a beginning.

He also said:

> If King-Anderson is approved, we should expand the benefits.

And he said:

> We should include the $2.5 billion out of general appropriations.

And, Mr. President, during the 2 months that have passed since then, that provision has been included in the Anderson proposal which is before us.

What else did Walter Reuther say? He said:

> We should eliminate the deductibles.

And, Mr. President, last night the Senator from Oregon, distinguished and brilliant Senator that he is, offered a proposal to eliminate the deductibles; but for the moment, at least, that has been withdrawn. So we got it almost as soon on the rebound as it was uttered downtown in the form of a keynote speech at a convention.

And this measure has been sugared with the Javits amendment. Let us see what happens here. You see, Mr. President, before a private carrier can accept an option or an election on the part of an individual, the carrier must qualify. How will it qualify? By being licensed in every State and the District of Columbia and by doing 1 percent of the business, or by being licensed in a limited number of States and doing 10 percent of the business. Well, let us see. One of the finest insurance companies in Illinois is the Country Life, and it does one-tenth of 1 percent of the claims business in that State. So it would be disqualified under the provisions in regard to the election.

Furthermore, I am advised by an institute downtown which is identified with the insurance business that only 14 insurance companies in the United States would be able to qualify under the language carried in this bill. That is an amazing thing, believe me. So, Mr. President, is that an option? Is it something wonderful and worthwhile?

Mr. JAVITS. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. Mr. President, this is the only time I have on this bill; but I yield to my friend.

Mr. JAVITS. I should like to make a correction. If the Senator from Illinois will refer to my amendment, he will find that it concerns group plans which are qualified, written by any company, as well as those companies and organizations which are tax exempt. They are fully qualified. The 10-percent figure is incorrect; it is 5 percent. And I am informed that there are at least 200 insurance companies, if not more, that will qualify under that option. I just make that as a statement of fact.

Mr. DIRKSEN. Very well. The first item my friend referred to was nonprofit companies which are exempt under the internal revenue law. The last item he mentioned are those which could qualify for group hospitalization only. That is what this bill says; and if I am in error, I ask to be corrected. But I got my information from authentic sources; and they said 14 companies in the United States can qualify.

Mr. President, what kind of a discrimination is this on the part of this Government? A company that could not qualify probably would find that its customers would say, "Our company did not qualify with the Federal Government, so there must be something wrong with the company." Mr. President, this would begin to wash out all the competition in the insurance-company business. Would that be a fair way for the Government of the United States to treat a great industry which has done so much already for the aged people?

So you see, Mr. President, that is not much of a lure, as provided in the bill.

It is said the social security principle is freely accepted. Compulsory medicine is one thing, Mr. President. Social security is another. When one qualifies under social security, the payments are taken out of one's paycheck, whether he likes it or not. The payments are posted on the check, and one can see what is deducted. He does not have to do a thing or move a muscle; all he has to do is live, in order to get the benefits; and when age 65 comes, the benefits will be there, and the Government will have no control.

But what about this plan? The hospitals have to be qualified. The individual has to request the services. There have to be certifications for specialists, and that sort of thing; and there is a physical control in compulsory medicine that has no relationship to a social security principle in connection with getting a job in a factory and getting a paycheck at the end of the week. The deduction is nicely spelled out. One does not have to do a thing except be alive at age 65; and from then on it will be automatic, too.

Now, then, Mr. President, much has been said, at one time or another, about Blue Cross. Let us see what Blue Cross has to say about this. Here is a release issued just this week by Blue Cross, which has its headquarters in Chicago. It says:

> Just how this would work out—

Meaning the compromise—

> is not clearly defined, but at best it seems that Blue Cross would serve largely as a conduit for money and instructions from the Department of Health, Education, and Welfare to the providers of the services.

And it also says:

> It is unfortunate that this and other provisions of the compromise plan have been advanced without the thorough examination warranted by so complex a subject.

Blue Cross has dealt with 5 million aged persons, and that is its evaluation of this compromise.

What else does it say? It says:

> Based on extensive experience in covering more than 5 million aged persons and long-standing relations with the Nation's hospitals in every State, the plans feel that the Government assistance to the aged should be related in amount to income levels.

And one need not be needy. Even every Member of the U.S. Senate, including the present speaker, would be covered—because I am old enough now, Mr. President. So I would have the benefits of this plan; and I could return home and could see some of the young men there come to my door and "throw it back at me," by saying, "I will be slaving in a factory, and they will be taking the payments out of my paychecks, but you will be the beneficiary by the accident of life, just because you are still alive."

Mr. President, what a business.

The release from Blue Cross also states:

> Our estimate is that the income from the revenues provided in the amendment proposed in the Senate is not sufficient—

Blue Cross has had long experience, and Blue Cross says:

> The income is not sufficient to cover the benefits described. Furthermore, it is doubtful that some of the benefits could be produced by providers of services because of shortages of skills and facilities in many areas.

Today the distinguished Senator from Vermont [Mr. AIKEN] spoke on this floor, and said that out of 135 nursing homes in his State, only 2 would qualify under this bill.

Mr. President, now I have concluded; but I have to pay my respects to my distinguished friend and associate, the Senator from California [Mr. KUCHEL], because in the brief and eloquent address he made he referred to Lincoln, the patron saint of our party, and used a quotation which has always been a favorite of mine:

> The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do for themselves, in their separate and individual capacities.

Mr. Lincoln, if you could listen, that is what we are trying to do—at least, some of us—on the floor of the Senate this afternoon. We are trying to do that and leave it in the hands of the people and of the States, so that it can be done by cooperative effort on the part of both, exactly as we exemplified it in the Kerr-Mills Act, so that we could preserve the posture of America and still get the job done.

One other thing, Mr. President. I took a committee to Europe in 1948. I was an eye victim. You remember it very well. They said, "Do not go. Your eyesight is in danger." I said, "I will go, in spite of it," and I did. My doctor, a great specialist at the Wilmer Clinic in Baltimore, said, "If you are determined to go, then I have to find someone to take care of you over there." He found for me the very greatest eye surgeon in Europe, Dr. Thiel. He took care of me. In very short order we became great friends. I said to him, "My friend, back home they want me to get everything new in the field of ophthalmology and eye surgery." This great surgeon, who had operated on the crown heads of Europe, laughed and said, "To take back to your country? Your country is so far ahead of anything in Europe that there is no comparison."

There is a tribute to American medicine. The longevity of our people, now over 70 years on average, is a tribute to American medicine and to the scheme we have followed all this time.

Are we now going to blanket all people over 65, needy and unneedy, into the whole scheme and put into effect in our country a permanent program that will have the same effect upon our people that has taken place in other countries?

When Bismarck finally put it on Germany, his boss, the Kaiser, said, "This is a difficult situation." But Bismarck knew how to bring them into the orbit of government, and said, "This is the best way to do it."

Mr. President, while doing the job, let us serve the gift of freedom. Was it not Pitt who said, "The plea of necessity is almost invariably the first infringement of freedom"?

We can do the job. Let us do it under the Kerr-Mills Act.

Mr. President, for my country—for my country, I repeat—I hope that this proposal will be laid on the table.

Mr. LAUSCHE subsequently said:

Mr. President, I ask unanimous consent that a statement which I made on August 23, 1960, on the floor of the Senate setting forth my reasons for supporting the medicare bill be included in the RECORD preceding the taking of the vote.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LAUSCHE

Since 1945, in discussing social security laws, numerous have been the times when I have declared my concept of what ought to be done with respect to the Government providing social security. In effect, I have repeatedly stated I did not subscribe to the philosophy of giving doles and subsidies, but I believed in a system which was actuarially sound, operated in a businesslike manner under which payments were to be made out of a fund which was built up through joint contributions by employers and employees.

That philosophy has been with me, I would say, for at least 15 years. I believe a fund created in that manner in all probability will be prudently managed, since it places a joint responsibility on the employer and the employee, and in all probability it will be based upon a sound actuarial foundation and will be conducted with businesslike operations.

My belief is that the elderly people of our Nation are in need of this type of service. I think not only of the indigent but also of those who through prudence and thrift have accumulated a modest estate.

It is a rather dominant and frightening prospect for an elderly person to find, in the twilight days of life, that whatever he has accumulated through prudence is to be dissipated as a result of the huge costs which come in caring for one's self, especially during an illness in the mature years of one's life. I have in mind specific instances when people have told me, for instance, "I have assembled enough to have a modest home. I am proud of my home. I do not wish to see it dissipated, but I cannot see my way clear to save it if I have to carry these inordinate medical expenses."

The costs of living for the aged, especially those to fight disease, have become extraordinarily large. I need not discuss that, because it is generally understood that medical expenses, including drug costs and nursing services, are beyond the ability of the ordinary person to carry.

On that foundation, it is my judgment that the program of providing medical service cannot be avoided.

To reiterate and to summarize, it is my firm conviction that the funds out of which payments should be made for the social security approach should be accumulated through current contributions jointly made by employers and employees or earmarked taxes.

Mr. CHURCH subsequently said: Mr. President, I ask unanimous consent that a statement giving my reasons for the vote that I cast a few moments ago may appear in the RECORD at a place preceding the vote itself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CHURCH

During the 6 years I have been here in the Senate, nothing has been more upsetting to me than the many accounts I have received from elderly people in Idaho concerning the problems they face in obtaining adequate medical care. Some of these reports come from people receiving old-age assistance, but most have come from elderly residents living on a modest retirement income. These are proud people, who cherish their independence, and who resent having to ask for relief. Typically, they are people who receive regular retirement income from social security, which they feel they have earned through their own contributions during their working years. Oftentimes, this retirement income is supplemented by a little interest or dividends from the savings they have invested over the years.

These people are confronted today with a very special problem. They have discovered that, during the past 20 years, the cost of hospitalization and nursing home care has increased out of all proportion to other costs they must meet. All of us are aware of this, regardless of age or circumstance. Even those with ample incomes have found it necessary to protect themselves against these spiraling costs by taking out insurance policies for medical care and hospitalization, so that the risk of serious illness and the costs which now attend it can be spread out over the whole group which is insured. Today, we are told that over three-quarters of our families are covered by these private health insurance policies, which should be proof enough that insurance represents the most workable answer to the problem of meeting the rising cost of modern hospital care.

Unfortunately, private health insurance has not proved a workable answer for the elderly. After the age of 65, too many policies turn out to be nonrenewable; or the rates go up sharply, while the coverage benefits go down. Since 60 percent of those over 65 have cash incomes of less than $1,000 a year, their problem of securing adequate coverage at rates within reach has become increasingly acute.

Considerations of this kind forced the Congress to address itself to the subject of medical care for the aging in the summer of 1960. Our hurried deliberations at that time—squeezed between the national party conventions and the presidential election—resulted in the enactment of the Kerr-Mills bill. This bill, which had the blessing of the American Medical Association, recognized the need for extending Federal aid to the various States, in order to enlarge upon their respective programs of medical care for the aged. I voted for the bill, because it furnished some measure of relief for many thousands of elderly people who desperately needed better medical care. But I hoped then, as I do now, that the "relief" approach, based upon a "means" test, financed by the Federal taxpayers generally, yet administered under differing eligibility requirements as determined by each separate State, would not become the permanent pattern for the future. For in the long run, this pattern not only departs from the insurance approach which we have thus far found to be so satisfactory, but also potentially will entail the highest administrative costs, eventually will impose the largest bureaucracy, and ultimately will lead to the very system the doctors fear the most—"socialized medicine." It is to avoid these dangers, through the substitution of a "pay-as-you-go" insurance-type program under social security, that I shall vote in favor of the pending amendment, or against a motion to lay it on the table.

After the adoption of the Kerr-Mills bill, it became the principal responsibility of the Senate's Select Committee on the Problems of the Aging to investigate the need for a more satisfactory medical care program. I was privileged to serve on this committee and to conduct hearings in Idaho at Pocatello and Boise. These hearings revealed that, during the past decade, Idaho's number of senior citizens had increased by a third, now comprising a total of 58,258 persons over 65. Although almost all of the doctors who appeared at the Idaho hearings, as well as the administrators of the present program, testified in favor of retaining the "means" test approach, a sizable number of older people took exception, asserting that the present program in Idaho is neither adequate nor desirable, that it leads to abuse by some who really do not need the help, while it fails to reach many others who are too proud to ask for charity.

The evidence accumulated by the select committee in its hearings across the Nation as a whole, indicates that the Kerr-Mills approach is failing to furnish us with an adequate solution; that only 19 States have taken advantage of its provisions for the "medically needy," that the programs' reliance on annual congressional appropriations makes many States reluctant to commit themselves to a medical plan with an uncertain supply of funds; and that some States continue to defer action in the expectation that Congress will soon pass a more satisfactory program.

The pending amendment of the distinguished Senator from New Mexico [Mr. ANDERSON], as now modified, opens the door to a more sensible approach to the problem of medical care for the aging. It would provide for a system of medical insurance that is self-financing, uniformly applicable, and devoid of any "means" test, while protecting the legitimate interests of private insurance companies, medical institutions, and physicians.

The most significant single feature of the pending amendment is its utilization of the social security system as a financing mechanism. Unlike existing law, which pays for medical care with handouts from general tax revenues, this program will pay for itself through an increase of one-half of 1 percent in the total social security tax paid on wages by employers and employees. Thus, medical expenses which tend to cluster in the latter years of life will be met, just like retirement allowances, by payments made in advance during healthy, working years.

Although 90 percent of our people will ultimately be covered by social security, it is true that special provision needs to be made for those who will never become eligible for its retirement benefits. The pending amendment would permit such people, otherwise eligible for medical care under existing law, to remain so. No one's entitlement for medical care under any existing program would be diminished, but medical care would be extended to millions of elderly people, not now covered by any existing program, who are receiving their ordinary retirement benefits under social security.

The proposal has been further modified to permit any individual under social security, approaching retirement age, to decide between continuing his private medical insurance protection, with a choice of benefits tailored to his individual needs, or to let his insurance lapse and accept the coverage provided by the regular statutory program. If he chooses, under an approved plan, to continue his private insurance protection in force, social security would reimburse his insurance company in the amount provided under the statutory program for benefits received, while he would remain entitled to whatever extra benefits his policy might confer.

Many voices have been raised in opposition to the pending amendment. I do not question the sincerity of the people who oppose it, though I have found their arguments unconvincing. They have variously charged that this proposal will destroy the private medical insurance companies; that it will turn the Nation's physicians, whose fees are not covered by it, into lackeys of the Federal Government; that it will even make the Secretary of Health, Education, and Welfare a czar of medicine, ruling over the health needs of the people.

But private medical insurance companies will still have complete responsibility for the insurance needs of citizens below the age of 65, and beyond that until death, if the individual so chooses. Furthermore, the challenge of providing the private insurance subscriber with the best service, so as to keep him on the rolls after the age of 65, should make for better insurance protection for all, and is likely, therefore, to generate an increase in the business of the private carriers. Lastly, it will be possible for Blue Cross, and other similar private organizations, to participate heavily in the administration of the social security health program, thus minimizing the growth of the public administrative agencies in the various States which are now beginning to mushroom under the impetus of existing law.

This amendment will not alter the established relationships between physicians and patients or between patients and medical institutions. The patient will continue to choose freely his doctor and hospital. Since doctors' fees, as such, are not included, the program constitutes the least possible threat to the continuing independence of the medical profession.

The argument has often been voiced that approval of this proposal means the adoption of a compulsory medical care program, whereas the Kerr-Mills bill represents a voluntary program. But this objection makes no sense at all. If the compulsion consists of the tax, how can it be more compulsory to levy the tax upon those who will receive the benefits, than to levy the tax generally upon all of the people, many of whom will not? The cost of either system is defrayed by taxation, but the social security tax limits the burden to those who will receive the benefits.

If, on the other hand, the compulsion is thought to consist of having to accept the benefits provided, then the objection rests upon a misapprehension of the facts, for anyone eligible for these benefits under social security is free to refuse them, making such other arrangements for his care as he may desire. From either standpoint, then, the compulsory argument is a baseless one.

If we fail to adopt an insurance-type program for financing adequate medical care for the aging, and thus make permanent the relief-type approach sanctioned by existing law, the time will come when we shall have committed ourselves, beyond recall, to a steadily expanding system that will eventually lead to socialized medicine. Remember that the Kerr-Mills approach, based upon revenues derived from general taxation and involving not only prescribed medicines, hospitalization, and nursing home care, but also doctors' fees and such other broader coverage as each State may decide, contains all of the essential characteristics of a socialized system. Let no one be fooled that the "means" test protects against this eventuality. For it already varies greatly from

State to State, and inevitably, as time passes, general coverage will go up, as the "means" requirements go down. After a time, the test will become a mockery, even as the pauper's oath already has become a mockery in our veterans' hospitals. And the very thing that the doctors fear the most will come to pass. The American Medical Association, which gave the doctors such poor guidance years ago in connection with private medical insurance, has once again failed to grasp the real issue at stake.

As compared to the alternative program already commenced, the pending amendment involves the least possibility of our establishing a system of socialized medicine in this country. It is a unique American proposal, which uses the insurance method to solve the real and unresolved problem of providing adequate medical care for the aging. It does so in a manner which preserves the prerogatives of both the patient and his healers, while assuring our elderly people that they shall be able to live out their natural lives with the greatest strength of body and peace of mind that modern medical science and enlightened social policy can provide.

Mr. KERR. Mr. President, I move to lay on the table the amendments offered by the Senator from New Mexico [Mr. ANDERSON], the Senator from New York [Mr. JAVITS], and other sponsors, the pending question.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma.

Mr. KERR. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

The result was announced—yeas 52, nays 48, as follows:

[No. 121 Leg.]

YEAS—52

Aiken
Allott
Beall
Bennett
Boggs
Bottum
Bush
Butler
Byrd, Va.
Capehart
Carlson
Cotton
Curtis
Dirksen
Dworshak
Eastland
Ellender
Ervin
Fong
Fulbright
Goldwater
Hayden
Hickenlooper
Hill
Holland
Hruska
Jordan
Kerr
Long, La.
McClellan
Miller
Monroney
Morton
Mundt
Murphy
Pearson
Prouty
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Maine
Sparkman
Stennis
Talmadge
Thurmond
Tower
Wiley
Williams, Del.
Young, N. Dak.

NAYS—48

Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carroll
Case
Chavez
Church
Clark
Cooper
Dodd
Douglas
Engle
Gore
Gruening
Hart
Hartke
Hickey
Humphrey
Jackson
Javits
Johnston
Keating
Kefauver
Kuchel
Lausche
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
McNamara
Metcalf
Morse
Moss
Muskie
Neuberger
Pastore
Pell
Proxmire
Smith, Mass.
Symington
Williams, N.J.
Yarborough
Young, Ohio

So Mr. KERR's motion to lay on the table the amendments offered by Mr. ANDERSON for himself and other Senators was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the Anderson-Javits amendments were tabled.

Mr. KERR. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. RANDOLPH subsequently said:

Mr. President, I have voted to table the Anderson-Javits amendment to H.R. 10606 because I am convinced that this important general welfare measure, including the extension of the vital program of aid to dependent children of unemployed parents, will suffer either demise or intolerable delay in the other body if sent there by the Senate with the controversial health-care-for-the-aged amendment included. This would be a tragic condition to impose on 12,500 West Virginia families of unemployed fathers having dependent children in the homes. It is a situation which must be avoided not only for the sake of approximately 45,000 West Virginians, but, also, for thousands of dependent children and their unemployed parents in at least 14 other States having aid to dependent children of the unemployed programs.

This position on my part was a most difficult one to take because I have been and continue to be an advocate of health care for our senior citizens based on the social security principle. I would vote for the Anderson-Javits amendment on its merit as a separate bill or if attached to a measure which, if defeated or delayed in the other body, would not result in the hardships that would be inflicted by the death of or extended inaction on H.R. 10606.

Mr. President, perhaps there is no public opinion agency or influence in the United States more dedicated to health care for the aged than is the Committee on Political Education, AFL-CIO, otherwise known as COPE.

The fact is that it was COPE's political memo No. 15-62 of July 16, 1962, which convinced me of my prior evaluations of the probable status of H.R. 10606 in the other body if the Anderson-Javits amendment should be attached to the measure by the Senate. COPE bulletin No. 15-62 virtually confirms my belief that if we wish to kill extension of aid to dependent children of unemployed parents and bottle up the other worthy provisions of H.R. 10606, all that is necessary to be done is to add to it the Anderson-Javits amendment. I quote as follows from the COPE bulletin:

> The Senate votes this week on a compromise health care plan tacked on as an amendment to a general welfare reform bill. Even overwhelming success in the Senate—and at this point a close vote is predicted—would leave health care a rough path to cut through the legislative jungle.
>
> Approval in the Senate would send the bill to the House Rules Committee, chaired by reactionary HOWARD SMITH, Democrat, of Virginia, who could roost on the bill till doomsday. If SMITH bottles it up, House Members could file a discharge petition to get it out of committee, but that requires support of two-thirds of the Members. Even then, the bill would only be starting its travels, and there just isn't time to go the full route.

That is just one of the honest journalistic appraisals of the poor chances H.R. 10606 would have in the other body during this final session of the 87th Congress with an Anderson-Javits type amendment attached.

But, Mr. President, some competent observers—and I share their views—believe that the House Ways and Means Committee, which has primary jurisdiction over this type of legislation and which, in fact, originated H.R. 10606, will never permit the measure to be referred to the House Rules Committee for a rule on whether or not it could go to a House-Senate conference. Thus, as the COPE bulletin seems to admit, the whole bill will lie dormant in the other body—not the so-called medicare amendment alone.

If there is one among us who says or believes this could not happen, let him or her remember the unhappy fate of the 1962 supplemental appropriations measure which the House Appropriations Committee would not claim from the Speaker's desk after it had been amended by this body. That measure, which included among its important items $85 million in small business loan funds, died a most unnatural death because the House Appropriations Committee would neither act on it nor have it moved to the House Rules Committee as a prerequisite to being ordered to conference. It is my opinion that H.R. 10606, with a revenue amendment such as the Anderson-Javits proposal attached without the blessing of the House Ways and Means Committee, doubtless would die either on the Speaker's desk for want of authority to be moved elsewhere or within the Rules Committee of the other body. Thus, ADCU extension and other worthy provisions of H.R. 10606 would be inordinately delayed or thoroughly buried, along with the health care for the aged amendment.

On the other hand, Mr. President, without the controversial Anderson-Javits amendment attached, H.R. 10606 is apparently a noncontroversial bill—and a vitally important one to hundreds of thousands of West Virginians and citizens—mostly children of other States in families of unemployed parents and in foster homes.

At this point in my remarks, I request indulgence while I quote from a letter received July 12 from a West Virginia constituent who resides in the little mountaintop community of Victor, Fayette County:

> DEAR SIR: I am writing you to let you know how I feel about the ADC program.
>
> Sir. I am an ex-coal miner and 46 years old and can't get a job. And I am willing to work at anything. I have six children and the oldest is 14 years old. There are four of them in school.
>
> I have been out of work 3 or 4 years. I have worked 20 years in the coal mines, but when they converted to the new method of mining coal they did not need me any more. Since I am past 40 years old, no one else will hire me.
>
> What am I supposed to do? I am willing to work. I am too old to get a job and too young to get a pension. I also can't get relief because I am able to work. What will become of my family?

> The children will have to go to school. They don't have the clothes or the money for lunches.
>
> The ADC program was what kept my children in school last winter and kept us from starving. If they cut it off what will become of us?

Mr. President, I need not read further from the constituent's letter. It is typical of an increasing number of equally pathetic communications being received from desperate parents and other aroused citizens.

The writer of the letter from which I quoted is one of 12,500 unemployed fathers of dependent children in the State of West Virginia whose benefits under the program of aid to dependent children of unemployed parents ceased as of midnight June 30, 1962.

West Virginia newspapers of Tuesday morning, July 10, 1962, published the following Associated Press dispatch from Charleston:

> Governor Barron issued a statement Monday deploring the forced layoff of thousands of jobless West Virginians who had been employed on public works projects.
>
> Barron, who is hospitalized at Elkins for a physical checkup, released the statement through his office here.
>
> Employment on the State's primary public works program, aid to dependent children of the unemployed (ADCU), was halted pending action by Congress to extend Federal participation. More than 12,000 West Virginians were affected by the suspension.
>
> Barron said: "I am deeply concerned over the unavoidable layoff of those of our people who have been providing for their families through the ADCU program. The plight of the jobless fathers affected by these unfortunate developments disturbs me more than I can say."
>
> Barron said his office is making every effort to speed up congressional approval of legislation to renew the Federal-State program. The Federal Government provided 70 percent of the operating funds for the program.
>
> The Governor remarked: "When the way has been cleared by Congress to make money again available to go with State matching funds, those on the ADCU rolls in West Virginia will be returned to their jobs immediately."

These conditions are the consequence of the failure of this body to act to afford the other body an opportunity to act on our amendments to H.R. 10606 before the temporary aid to dependent children of the unemployed program expired.

Mr. President, H.R. 10606, passed by the House in mid-March, was reported to the Senate by the Finance Committee on June 14 in ample time to be considered and passed by this body before the June 30 expiration date of the temporary aid to dependent children of the unemployed program. And it was made the pending business in time to be passed before June 30.

But H.R. 10606 was held up and selected—in what I consider to have been a tragic mistake of legislative procedure—as the measure on which the health care for the aged issue would be contested. Thus, a noncontroversial program for the benefit of needy persons is caught in a stalemate and suffering already is occurring while an effort is made to bring another needed program—health care for senior citizens—into being over a route which any realistic legislator must know will not be accepted in the other body during the life of the 87th Congress.

The decision I have made and the vote I have recorded represents the personal responsibility of a Senator. I have been under the heaviest of pressures not to vote to table. But I am not interested in making an empty gesture to our senior citizens when I feel so convinced that there will be no action in the other body this year on the subject that is not generated by the House Ways and Means Committee on its own measure. I am acting in what I construe to be the best interests of the State I represent and the thousands of citizens who need the benefits of a law—not the suffering that comes from stalemate.

It is my view and my deep conviction that it is not proper for the ADCU program and other worthy public assistance provisions of H.R. 10606 and their intended beneficiaries to be made victims of what certainly would be lengthy controversy in this Congress over the so-called medicare issue.

I earnestly desire that health care be provided our aged citizens as much as does any Member. But let us stop making gestures which complicate the problems of many citizens and do not actually solve the problems of any.

Mr. President, I reached the personal determination that I would not be a party to compounding the mistake which has been made in using H.R. 10606 as the vehicle for creating further conflict over both principle and jurisdiction.

Consistent with my longtime espousal of the principle of providing health care for the aged under the social security system, I permitted my name to be listed among the cosponsors of the pending Anderson-Javits amendment. But that was back in June. I did not have any misgiving about being associated with the principles of the amendment, but I did have grave misgiving about the amendment being offered to H.R. 10606. I regret that I did not protest more strongly and that I did not refuse to cosponsor the amendment to this particular measure.

When efforts to work out earlier unanimous-consent agreements failed and the first one agreed to on July 5 was for today on the motion to table the Anderson-Javits amendment, I had the personal feeling that the provisions of H.R. 10606 for extension of the ADCU program and others of real merit were being seriously jeopardized—that the whole bill would face indefinite delays if not total inaction in the other body.

Events of the past 2 weeks—both here and in West Virginia and in other States—have served to confirm my earlier apprehension that the so-called medicare debate would be protracted and that distress would be complicated and compounded among the people forced by circumstances to rely on aid to dependent children of the unemployed parents program payments.

Without any forewarning and without affording the States any opportunity whatsoever to plan for the impact of a cessation of the aid to the dependent children of the unemployed parents program, the Senate has created an impasse in West Virginia and some other States and the victims are innocent people whose only source of funds suddenly dried up on July 1, 1962. Many citizens who had anticipated their aid to the dependent children of the unemployed parents payments on July 1 now, 17 days later, are still without money to pay their rents or to buy groceries and other necessities. In our State it has become necessary for officials to ask landlords in some instances to delay evictions in the hope that Congress will act soon to get aid to the dependent children of the unemployed parents going again.

West Virginia funds are inadequate to meet the costs of the $1.5 million a month aid to the dependent children of the unemployed parents program without jeopardizing the State's ability to match its share of the costs of all regular public assistance programs. In the absence of a law extending the aid to the dependent children of the unemployed parents program we cannot expect State officials of West Virginia or any other State to operate on hypothecation.

And in the absence of any indication whatsoever of when or if the other body might take action on an amended version of H.R. 10606, the States which operate aid to the dependent children of the unemployed parents programs are in difficulty and the former aid to the dependent children of the unemployed parents benefit recipients are made innocent victims.

On July 10, 1962, I discussed these problems with the chief sponsor of the pending amendment, Senator ANDERSON, of New Mexico. And on July 11 he introduced S. 3521 for himself, the two Senators from West Virginia, the senior Senator from Illinois [Mr. DOUGLAS], and the senior Senator from New York [Mr. JAVITS]. It is a bill to amend the Social Security Act and related provisions to extend for 2 months—to August 31, 1962—the aid to the dependent children of the unemployed parents program and certain other temporary public assistance plans.

I believe it was sponsored in good faith. Its purpose was to afford the Congress an opportunity to extend the aid to the dependent children of the unemployed parents program and others on a temporary 60-day emergency basis, retroactive to July 1, 1962, while the regular legislation (H.R. 10606) continues through the legislative processes. This simple extender could ease much distress—temporarily, at least. But it continues to languish in the Senate Finance Committee.

Passage of this temporary bill (S. 3521), however, would not be retroactive in West Virginia as to needed benefits on work-welfare programs because the projects were stopped on June 30 and there would be no resumption of payments to unemployed parents of dependent children until the programs are again active.

Mr. President, in the light of events and conditions which I have described and because it is my personal conviction that H.R. 10606 would be in jeopardy if it reaches the other body with the Anderson-Javits amendment attached, I voted reluctantly to table that amendment.

I did so in order to endeavor to help expedite action in this body and the other, and in conference on H.R. 10606—the general welfare reform measure. Its provisions extending aid to dependent children of the unemployed parents and other vital public assistance benefits must be made public law as speedily as possible.

I will renew my support for the principle of health care for the aged under social security if it is presented in a separate bill or as an amendment to a measure less urgent than is H.R. 10606. The health care for the aged issue can be faced another day on another bill other than H.R. 10606. If this is done I will be for it, but I will still doubt that there will be action in the other body on a health care for the aged plan under the social security system that does not originate in the House Ways and Means Committee.

Mr. President, I am fully cognizant that many of my friends and supporters, as well as administration leaders, will misunderstand my vote. It is my hope, however, that they will at some future time more accurately gage my action as being in the national interest and for the welfare of West Virginians.

Mr. DWORSHAK. Mr. President, I voted to table the Anderson-Javits amendment to the public welfare bill because I am opposed to placing a medicare program under the social security system. Those who sponsored this proposal at this time without adequate committee hearings invited opposition and defeat of efforts to bypass the committee which would have jurisdiction under normal procedure.

Mr. President, the Kerr-Mills medicare plan, approved 2 years ago, is being sabotaged by many States which have failed to take advantage of Federal assistance in caring for the elderly citizens who require medical attention and who are unable to provide it themselves. In Idaho the Kerr-Mills program is working satisfactorily, according to reports from the State and the Governor, and I can see no justifiable reason for making a change at this time.

I ask unanimous consent to have printed at this point in my remarks an editorial entitled "Kerr-Mills Bill—Why Not Try It?" published July 2, 1962, in the Post-Register at Idaho Falls, Idaho.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Kerr-Mills Bill—Why Not Try It?

The Associated Taxpayers of Idaho recently deplored the jettisoning of an existing joint Federal-State medical program for the aged if the King-Anderson bill is passed by Congress.

The point is well taken. The Kerr-Mills bill has been adopted by Idaho and other States in an effort to meet the real problem of high medical expenses with which many elderly people simply cannot cope. But the Kerr-Mills program has hardly been given an opportunity to operate before the medicare protagonists want to scrap it.

There is some talk of continuing the Kerr-Mills measure as a supplement. But there is growing concern that it would be discarded once King-Anderson is approved.

Max Yost, executive manager of the taxpayers organization of the State, noted this week that the Kerr-Mills program has not had an adequate trial period, that available statistics are inadequate to prove the program should either be retained or scrapped or modified.

Yost pointed out an extraordinary paradox in the thinking of compulsory medical care tied to social security:

"Opponents of the social security approach argue that Kerr-Mills has not had a sufficient trial; administration spokesmen object to it as costly, particularly to the States, but they would keep it in operation.

"If retention rather than abandonment of the Kerr-Mills proposal comes about when a social security supported bill passes, it would make the King-Anderson bill the most costly, overall, of all the pending proposals. It would require a social security tax increase; it would keep Kerr-Mills as a supplemental program, and require continued participation by Idaho. And, by virtue of the limited benefits provided, would require beneficiaries in many instances to bear a significant proportion of medical care costs."

King-Anderson proponents should be called upon to explain specially why the Kerr-Mills bill will not meet the problem, why they are so anxious to junk it before an adequate test.

VISIT TO THE SENATE BY MEMBERS OF THE PARLIAMENT OF FINLAND

Mr. SPARKMAN. Mr. President, the Senate is honored today by the presence of distinguished visitors. They are a group of parliamentarians from Finland. No country in all the world commands greater respect and admiration on the part of the American people than does the nation of Finland. We are glad to have these distinguished visitors with us. We had lunch together in the committee room of the Committee on Foreign Relations. Since then the delegation has been in the Senate Chamber listening to the debate and following the vote. I am glad to present our visitors to Senators.

Mr. President, I ask unanimous consent to have printed at this point in the Record brief biographical sketches relating to our visitors.

There being no objection, the sketches were ordered to be printed in the Record, as follows:

Finnish Parliamentary Delegation—July 9 to August 7, 1962

The Honorable (Mrs.) Lyyli Helena Aalto (Social Democratic Party): Born April 6, 1916 in Ypaja, Finland. Present address: Turenki, Finland. Studied sociology at School of Social Sciences, Finland. Bookkeeper, Hanakkala Commune. Former librarian, Janakkala. Chairman Social Democratic Women's Committee, Southern Hame District. Member of Social Democratic Youth Organization and Rural Communal Employees Association. Has written newspaper articles on local government. Knowledge of English: None.

The Honorable (Mrs.) Saara Margareta Forsius (Conservative Party): Born March 27, 1902, in Vihti, Finland. Present address: Yhdystie 4, Huopalahti, Helsinki, Finland. Master's degree in agricultural science. Manager, Vihti Savings Bank. Farm owner. Former secondary school teacher. Former secretary for girls work of the Central Board of Management, and editor of 4-H Club magazine. Member of the National Committee of the Conservative Party. Chairman, Agricultural Women's Association, Uusimaa District. Member, Vihti Municipal Council. Vice chairman, Vihti Church Council. Member of the board, Finnish Agronomists Association. Member of the board, Mannerheim Child Welfare League, Uusimaa District. Member of Uusimaa Tourist Association and various Conservative Party organizations. Member of supervisory board, Finnish Broadcasters Co. Knowledge of English: None.

The Honorable (Miss) Anna Sylvi Pauliina Halinen (Agrarian Party): Born June 22, 1908 in Mikkeli, Finland. Present address: Kalvitsa, Finland. Masters degree in agricultural science. Farmer. Former trade-school teacher, and member of the Municipal Council of the Mikkeli Rural Commune. Member of the Agrarian Party Women's Organization, the Agricultural Producers Association, and the Rural Recreational Association. Knowledge of English: Adequate.

The Honorable (Mrs.) Anna-Liisa Linkola (Conservative Party): Born August 10, 1914, in Lieksa, Finland. Present address: Kuusisenkatu 1, Kotka, Finland. Diploma in chemistry, Finnish Institute of Technology. Secondary school teacher. Member of Kotka City Council. Chairman, Kotka Conservative Party Women and Kotka Business Women's Association. Member of League of Finnish Secondary School Teachers Association, League of Finnish Chemists, Association of Academic Employees. Knowledge of English: Fair.

The Honorable (Mrs.) Sylvi Cecilia Siltanen (Social Democratic Party): Born November 22, 1909, in Stromfors, Finland. Present address: Linnankatu 47A 32, Turku, Finland. Chairman, Social Democratic Women's Central Organization. Former member, Turku City Council and City Government. Knowledge of English: None.

The Honorable Arvo Ilmari Ahonen (Social Democratic Party): Born January 27, 1918 in Multia, Finland. Present address: Jyska, Finland. Former Social Democratic Party district secretary and office manager of Social Democratic newspaper, Tyon Voima. Member of Finnish Business Workers Union and Board of Maki-Matti Cooperative. Knowledge of English: none.

The Honorable Matti Emil Mattila (Agrarian Party): Born December 5, 1912, in Nurmijarvi, Finland. Present address: Nurmijarvi, Roykka, Finland. Former vice chairman, Municipal Council, Roykka. Former member of Federal Council of Finnish League of Municipalities. Chairman, Forestry Association. Member, Agricultural Producers Association. Chairman, South Finland Automobile Association. Has written articles on agriculture, small industries and forestry. Knowledge of English: none.

The Honorable Juha Rihtniemi (Conservative Party): Born August 28, 1927, in Helsinki, Finland. Present address: Ida Ekmanintie 3 U 172, Helsinki. Director, Finnish Industrial Federation. Former Conservative Party secretary. Member of Civic Guards, Reserve Officers Association, National Economy and Political Science Society and high school youth league. Knowledge of English: none.

The Honorable Eino Oskari Uusitalo (Agrarian Party): Born December 1, 1924, in Soini, Finland. Present address: Lehtimaki, Finland. Chairman, Lehtimaki Municipal Council; Farmer and farming consultant. Member of administrative council, Finnish Central Credit Union. Member of commission, Federation of Home Industries Organizations. Member of Agricultural Producers Association, Farming Technicians Association, South-Ostobrothnian Forestry Committee and Ilkka Cooperative Slaughter House. Knowledge of English: none.

The Honorable Viljo Artturi Virtanen (Social Democratic Party): Born January 28, 1912, in Pyhajarvi Ul, Finland. Present address: Kellarpelto, Savonlinna, Finland. Former official of consumer cooperative organization. Member, National Committee, Social Democratic Party. Chairman, Central Union of Social Democratic Youth. Former member of Finnish Business Workers Union and Shop Managers Union. Visited United States in 1959 to attend a Moral Rearmament Conference. Knowledge of English: none.

The distinguished visitors rose, and were greeted with applause.

The VICE PRESIDENT. It affords the Chair great pleasure to welcome the distinguished ladies and gentlemen who have honored the Senate by their presence. It is hoped that their visit will be a source of much gratification to them.

PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. LONG of Louisiana. Mr. President, I call up my amendment 6–20–62—A.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

COVERAGE OF POLICEMEN IN LOUISIANA UNDER TITLE II OF THE SOCIAL SECURITY ACT

SEC. 203. Section 218(p) of the Social Security Act is amended by inserting "(1)" immediately after "(p)," and by adding at the end thereof the following new paragraph:

"(2) The agreement with the State of Louisiana may, notwithstanding the provisions of subsection (d)(5)(A) and the references thereto in subsections (d)(1) and (d)(3), be modified pursuant to subsection (c)(4) to apply to service performed by employees of such State or any political subdivision thereof in any policeman's position covered by a retirement system in effect on or after the date of enactment of this subsection, but only upon compliance with the requirements of subsection (d)(3). For the purposes of the preceding sentence, a retirement system which covers positions of policemen and other positions shall, if the State of Louisiana so desires, be deemed to be a separate retirement system with respect to the positions of such policemen."

Amend the table of contents by inserting at the end of the matter describing the contents of title II of the bill the following:

"Sec. 203. Coverage of policemen in Louisiana under title II of the Social Security Act."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, the amendment would merely permit the policemen of Louisiana to elect, if they choose to do so, to come under the social security system. There is much precedent in other States for such action. I believe the Senator in charge of the bill is willing to accept the amendment.

Mr. KERR. Mr. President, as I understand the amendment of the Senator from Louisiana, it would provide the same opportunity to the policemen of Louisiana which has been made available in other States from time to time.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a brief explanation of the amendment.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

BRIEF EXPLANATION OF AMENDMENT PERMITTING THE EXTENSION OF SOCIAL SECURITY COVERAGE UNDER TITLE II OF THE SOCIAL SECURITY ACT TO POLICEMEN IN THE STATE OF LOUISIANA

The Social Security Amendments of 1954, which made old-age and survivors insurance coverage available to most employees under State or local retirement systems, continued the exclusion of policemen and firemen. Since 1954 the Social Security Act has been amended at various times to permit specified States to extend social security coverage to policemen and firemen who are under State or local retirement systems, until at present 17 States may provide such coverage. The proposed amendment would permit Louisiana to cover policemen on the same basis permitted in the 17 States now named in the law. The amendment would not apply to firemen in Louisiana; they would continue to be excluded under the Federal law.

Under the proposed amendment the State of Louisiana could modify its coverage agreement with the Secretary of the Department of Health, Education, and Welfare to extend social security coverage, under the established referendum procedure, to policemen employed by the State, or to those employed by other political subdivisions—cities, parishes, etc.—of the State. Under this referendum procedure, coverage may be extended to the retirement system group involved only if the majority of those eligible to vote indicate in a secret referendum that they desire coverage. Upon a favorable vote, all members of the group in positions covered by the State or local system could be covered under social security, including persons who are ineligible to become participating members of the system. Where policemen are in a retirement system with other classes of employees they may, at the option of the State, hold a separate referendum and be covered as a separate group.

Mr. KERR. Mr. President, I urge the adoption of the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. CLARK. Mr. President, I call up my amendment 7–13–62—B.

The VICE PRESIDENT. The amendment of the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert the following new section:

SEC. — . (a) Subsection (c) of section 211 or the Social Security Act is amended (1) by striking out "or" at the end of paragraph (4), (2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or", and (3) by adding after paragraph (5) the following new paragraph:

"(6) The performance of service by an individual during the period for which an exemption approved under section 1402(h) of the Internal Revenue Code of 1954 is in effect."

(b) Subsection (c) of section 1402 of the Internal Revenue Code of 1954 is amended (1) by striking out "or" at the end of paragraph (5) and inserting in lieu thereof "; or ", and (3) by adding after paragraph (5) the following new paragraph:

"(6) the performance of service by an individual during the period for which an exemption approved under section 1402(h) is in effect."

(c) Section 1402 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(h) MEMBERS OR ADHERENTS OF CERTAIN RELIGIOUS FAITHS.—

"(1) EXEMPTION.—Any individual who is a member or adherent of a recognized religious faith whose established tenets or teachings are such that he cannot in good conscience without violating his faith accept the benefits of insurance, such as those provided by the insurance system established by title II of the Social Security Act, may so certify in an application filed with the Secretary of Health, Education, and Welfare (in such form and manner as may be prescribed by regulations made under this chapter) requesting exemption from such title II insurance extended to service performed by him in his trade or business. Upon findings by the Secretary that such application was made in good faith and that the members of such religious faith make adequate provision for elderly members of the faith to prevent them from becoming public wards in their old age, the application shall be approved and the individual exempted from coverage in the old-age and survivors insurance program.

"(2) EFFECTIVE PERIOD OF EXEMPTION.—An exemption pursuant to this subsection shall be effective for the taxable year in which it is approved and all succeeding taxable years, except that no such exemption shall be effective for any taxable year which ends before the date of enactment of this subsection."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Pennsylvania.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Is the Senate operating on limited time?

The VICE PRESIDENT. Under the agreement, 30 minutes is allotted to each side.

Mr. CLARK. Mr. President, I yield myself 5 minutes.

The VICE PRESIDENT. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. CLARK. Mr. President, the sponsors of the amendment are a group of Senators not usually found together in sponsoring legislation. They include, in addition to myself, the able Senator from Arizona [Mr. GOLDWATER] and the able Senators from Ohio [Mr. LAUSCHE and Mr. YOUNG].

The purpose of the amendment is to right what we consider an injustice, in terms of civil liberties, to a very small group of people, the Amish sect, of whom a number reside in my Commonwealth. The amendment would give certain members of the Amish faith and others, if any, with similar religious scruples against receiving social security benefits, an optional exemption from the social security laws under stated conditions.

The amendment would permit those who, because of their religious belief, have been in opposition to all insurance benefits, including social security benefits, to file an application for exemption with the Secretary of HEW certifying the basis of their objection to old-age and survivors insurance.

If the Secretary finds that the application was filed in good faith and that the religious faith in question makes adequate provision for its elderly members to prevent them from becoming public wards in their old age, he will approve the application for exemption.

The U.S. Government should not remain in the unenviable position of having to enforce social security laws against Amish citizens in violation of their religion. The Byler case was a case in point. In April of 1961 three horses belonging to Valentine Y. Byler, of New Wilmington, Pa., were seized and sold by the Internal Revenue Service to meet Mr. Byler's unpaid social security self-employment tax. Mr. Byler, a farmer, is an adherent of the Amish faith, which teaches its members to avoid insurance in any form. He therefore declined to pay his social security tax in the years 1956–59, although he quite properly reported the tax on his returns for those years. The Commissioner of Internal Revenue subsequently indicated his agency had no choice but to enforce collection of Mr. Byler's tax, which amounted with interest to $308.96. Present law, the Commissioner explained, does not permit to laymen any exception from the social security tax obligation because of religious conviction.

Members of the clergy are presently given optional coverage under social security, and conscientious objectors can obtain exemptions from the selective service laws.

My amendment has been revised to meet most of the significant administrative objections of prior proposals. In its present form there is every reason to believe that it will apply only to a few hundred Amish farmers, since virtually no other group would qualify under the limitations contained in the amendment. The Internal Revenue Service advises that its Philadelphia, Pittsburgh, and Cleveland offices have only 595 Amish social security delinquent accounts open at this time.

I point out that in order to obtain the exemption, the religious faith must oppose all forms of insurance benefits, other than liability insurance required by law. As far as is known only the old order Amish have such beliefs that all insurance benefits are against the word of God.

The insurance coverage must amount to an actual violation of religious faith, not just an inconvenience or a preference for another form of protection.

The amendment is limited in scope to the self-employed. Virtually all Amish are in this category. The administrative problems which would exist if the exemption applied to all employees are avoided.

The Secretary must find that the members of the religious faith "make adequate provision for elderly members of the faith to prevent them from becoming public wards in their old age." The Amish maintain a fund for the needy of the Amish faith and care for their elder members quite satisfactorily.

The amendment would not affect very many people. It is not a "foot in the door" amendment for a large number of religious sects. It is merely the extension of justice and fairness to a group of honest and conscientious people who believe in all sincerity that it is wrong to accept insurance benefits.

The bill would remove all benefits of the social security law for persons of the Amish faith who chose to apply for exemption and whose applications for exemption were approved.

It would not cost the taxpayer any money. It is only an act of simple justice. I urge the sponsor and the Senator in charge of the bill to accept the amendment.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the distinguished Senator from Ohio as much time as he desires.

Mr. LAUSCHE. Mr. President, I am a joint sponsor of the amendment with the senior and junior Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT], the junior Senator from Arizona [Mr. GOLDWATER], and my colleague from Ohio [Mr. YOUNG].

Several months ago the Amish people of Pennsylvania and Ohio—and I believe some of New York—together with the Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT] and I met in the office of the Internal Revenue Commissioner, Mr. Caplin. In attendance at that meeting were probably 100 Amish citizens. They asked for the meeting, hoping that there might be worked out a plan under which there would be allowed to them the full enjoyment of their religious beliefs. They proceeded to point out that under their religious teachings, instilled in them from their infancy to adulthood, the principle: "Take care of your own. Take care of your sick and your incapacitated and your aged. That is your responsibility under moral law."

In that meeting these Amish people, with great simplicity and no pretense or falsehood, pointed out that they had abided by the teachings of their church. They pointed out that they refused to accept the benefits of social security; that even though in some instances they had been compelled to pay the premiums, they still would not accept the benefits. In the discussion, the Internal Revenue Commissioner, to justify the position taken by himself, said, "I recognize your plight. I recognize the strength of the argument you make. But I want you to understand that under my oath I am compelled to abide by the law. My oath was to the effect that I would uphold the Constitution of the United States and enforce the laws that come within my dominion in this department."

That was a beautiful statement: "I stand on my oath."

One of these long-bearded bishops of the Amish church got up and said, "Mr. Commissioner, you must abide by the oath of your office. I must abide by the teachings of my church, and I contemplate doing that."

I wish that all Senators had been at that meeting.

One cannot very well answer that argument, when he knows that it is one of the deeply and anciently established principles of the Amish people. I know that in Ohio there are some citizens who feel that the Amish are backward, that they do not send their children to school beyond the sixth grade, and that their schools are principally operated by the Amish themselves.

However, let us remember that they have asked for no doles, that they have asked for no Government support. They are asking only to be left alone so that they can work on their farms and take care of their families and take care of their aged and their incapacitated.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. CLARK. I yield 2 additional minutes to the Senator from Ohio.

Mr. LAUSCHE. One of these Amish bishops described how the revenue collector came to his farm to demand the payment of the unpaid premiums. It is a rather amusing incident. The Federal agent came down to the farm, and he saw the Amish man plowing with a swayback horse. He decided that he would not take the horse that was attached to the plow. Down in the pasture he saw a horse that looked much better in strength. He went down to grab the good-looking horse, but he could not catch it. So the Federal agent went up into the barn and got a bucket of oats, and ran all over the field trying to attract the horse, but he could not catch it. I point that out merely to show how deeply they abide by the teachings of their church. They say, "We will not be compelled by law into the breaking of our teachings."

It is on that basis that they have asked the Senator from Pennsylvania and the Senate to modify the social security law to permit them to become exempt if they apply for exemption. I believe the law ought to be changed. It will strengthen the social security law if their plea is granted. These people are not pretenders. They are genuine in their belief. They have not adopted their religion to escape this obligation with respect to social security. It has been with them from their youth. I urge my colleagues in the Senate to support the amendment.

Mr. GOLDWATER. Mr. President, I am sure that every Senator is aware of the civic and religious virtues of those sterling Americans, our good neighbors of the Amish faith. Though few in number, they are a shining example of all the qualities that make both for good citizenship and spiritual distinction. Industrious, thrifty, self-reliant, and self-supporting in the sphere of material things, they are also firm and sincere in their religious convictions.

Despite the pressures and temptations of the surrounding world, they adhere faithfully to their tradition and to the tenets of their creed, seeking neither aid nor favor from outside their own community. When any of their people are stricken by disaster or suffer hardship as the result of the inescapable exigencies of human existence, they provide the necessary aid and remedies by their own efforts and from their own resources.

Mr. President, it is my conviction that the social and economic structure of our country would be far stronger and healthier if more of us emulated their sturdy virtues. The prosperity and self-reliance of the Amish people are a living demonstration that the principles on which our Nation was established by the Founding Fathers are still viable, that they continue to be an appropriate guide for the conduct of our domestic national affairs despite the drastic changes which have since occurred both here at home and throughout the world.

That is why, Mr. President, I feel so strongly that we must avoid, as far as possible, doing anything which would destroy or even weaken the existence of this exemplary community. That is the reason I cosponsored the pending amendment.

Mr. President, it is my understanding that as part of their religious doctrines, the Amish people are forbidden to purchase or participate in any form of insurance. This appears to be a perfectly logical corollary of their belief in self-help and mutual aid, a belief they fully carry out in their daily lives.

As far as they are concerned, the social security system is simply another form of insurance and hence, participation in it constitutes for them, a violation of their religious principles. As a result, we have recently witnessed several cases of refusal to pay social security taxes by members of the Amish community in consequence of which part of their property has been forcibly seized by the Federal Government. In at least one instance, the property consisted of several horses, the seizure of which made it virtually impossible for their owner to continue to earn his living as a farmer.

In this connection I should like to call to your attention that in the ethical codes of some of our major Western religions, and generally in the conscience of civilized mankind, it is regarded as a breach of morality to deprive a delinquent debtor of the tools of his trade, of the instruments which he must have in order to earn his livelihood. And, Mr. President, if I am not mistaken, laws in many of the States contain provisions against such seizures. It is a matter of deep regret indeed to see our Federal laws requiring us to act in so uncivilized a manner.

Mr. President, the spectacle of an Amish farmer being penalized for his refusal to disobey his religious principles and go against the promptings of his conscience reveals a strange and unjust paradox in our Federal laws. Mr. President, when the country is engaged in or threatened by war, we have never hesitated to impose almost universal conscription of adult males for military service. The conscription laws are based on the well-nigh unchallenged premise that in times of danger to the Nation's survival, every person has an unequivocal obligation to serve his country even at the risk of life itself.

But for many years we have recognized that even this primary and overriding obligation should not be imposed when to do so would compel an individual to disobey the genuine dictates of his own conscience. For the benefit of such conscientious objectors we have enacted laws exempting them from military service.

Mr. President, is it equitable to relieve an individual, on grounds of religion or conscience, from fulfilling the highest duty which a citizen owes to his country, while simultaneously denying a similar privilege to those who, on the same grounds, feel compelled to disobey the infinitely lesser obligation of paying certain taxes, but at the same time rejecting any benefits such taxes make available to them?

Mr. President, I simply cannot believe that the American public, if this matter were brought to its attention, would hesitate a moment in giving its overwhelming support to equality of treatment in these two situations. I am equally confident that if the pending amendment becomes law, it will have the wholehearted approval not only of our people but of civilized opinion everywhere.

The PRESIDING OFFICER (Mr. Humphrey in the chair). The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. Clark].

The amendment was agreed to.

Mr. KERR. Mr. President, do I correctly understand that the amendment of the Senator from Pennsylvania has been agreed to?

The PRESIDING OFFICER. The Senator from Oklahoma is correct.

Mr. CLARK. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. KERR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I offer the amendment which I send to the desk. I ask unanimous consent that the reading of the amendment be dispensed with but that the text of the amendment be printed in the Record.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with, and the amendment will be printed in the Record.

The amendment is as follows:

On page 93, line 15, insert "(if provided in or after the third month before the month in which the recipient makes application for aid)" before "medical care".

On page 94, line 12, insert "(if provided in or after the third month before the month in which the recipient makes application for assistance)" after "care and services".

On page 100, between lines 15 and 16, insert the following:

"STARTING DATE FOR PUBLIC ASSISTANCE IN FORM OF MEDICAL OR REMEDIAL CARE

"Sec. 156. (a) (1) So much of section 6(a) of the Social Security Act as precedes paragraph (1) thereof is amended by inserting '(if provided in or after the third month before the month in which the recipient makes application for assistance)' before 'medical care'.

"(2) So much of section 6(b) of such Act as precedes paragraph (1) thereof is amended by inserting '(if provided in or after the third month before the month in which the recipient makes application for assistance)' after 'care and services'.

"(b) So much of section 406(b) of such Act as precedes clause (1) thereof is amended by inserting '(if provided in or after the third month before the month in which the recipient makes application for aid)" before 'medical care'.

"(c) Section 1006 of such Act is amended by inserting '(if provided in or after the third month before the month in which the recipient makes application for aid)' before 'medical care'.

"(d) Section 1405 of such Act is amended by inserting '(if provided in or after the third month before the month in which the recipient makes application for aid)' before 'medical care'.

"(e) The amendments made by this subsection shall apply in the case of applications filed after September 30, 1962, under a State plan approved under title I, IV, X, or XIV of the Social Security Act."

Mr. HARTKE. Mr. President, this is a technical amendment. At present, if an individual applies for medical attention before the board meets, then during the period from the time the attention is given him by his physician until the time when the board meets, the physician is not allowed to be paid, under present law, in certain States.

The amendment would rectify that situation and permit a doctor to be paid at the time the service is rendered, rather than after the time the welfare board acts.

I understand there is no objection to the amendment.

Mr. KERR. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

The PRESIDING OFFICER. Are there further amendments?

Mr. MILLER. Mr. President, the distinguished Senator from New York [Mr. Javits] asked that he be notified before the third reading of the bill, so that he might possibly offer an amendment.

I suggest the absence of a quorum.

Mr. SMATHERS. Mr. President, the distinguished Senator from New York also notified me that he might desire to have an amendment considered, and asked that a quorum call be placed prior to the third reading of the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MILLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Madam President, I send to the desk an amendment which is offered by me, on behalf of myself and my colleague [Mr. Keating].

The PRESIDING OFFICER (Mrs. Neuberger in the chair). The amendment will be read.

The amendment was read, as follows:

On page 92, in line 19, insert "(a)" after "Sec. 1604."

On page 95, between lines 11 and 12, insert the following:

"(b) Any State which is dissatisfied with the Secretary's action under subsection (a) or under 1603(c) may appeal to the United

States district court for the district in which the capital of such State is located by filing with such court a notice of appeal. The jurisdiction of the court shall attach upon the filing of such notice. A copy of the notice of appeal shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his action. The action of the Secretary shall be reviewed by the court (on the record) in accordance with the provisions of the Administrative Procedure Act."

On page 100, between lines 15 and 16, insert the following:

"HEARING ON AND JUDICIAL REVIEW OF FEDERAL ACTION CONCERNING STATE PUBLIC ASSISTANCE PLANS

"SEC. 156. (a) Section 4 of the Social Security Act is amended by inserting '(a)' after 'Sec. 4.', and by adding at the end of such section the following new subsection:

"'(b) Any State which is dissatisfied with the Secretary's action under subsection (a) or under section 3(c) may appeal to the United States district court of appeals for the district in which the capital of such State is located by filing with such court a notice of appeal. The jurisdiction of the court shall attach upon the filing of such notice. A copy of the notice of appeal shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his action. The action of the Secretary shall be reviewed by the court (on the record) in accordance with the provisions of the Administrative Procedure Act.'

"(b) Section 404 of such Act is amended by adding at the end thereof the following new subsection:

"'(c) Any State which is dissatisfied with the Secretary's action under subsection (a) or under section 403(c) may appeal to the United States district court for the district in which the capital of such State is located by filing with such court a notice of appeal. The jurisdiction of the court shall attach upon the filing of such notice. A copy of the notice of appeal shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his action. The action of the Secretary shall be reviewed by the court (on the record) in accordance with the provisions of the Administrative Procedure Act.'

"(c) Section 1004 of such Act is amended by inserting '(a)' after 'Sec. 1004.', and by adding at the end of such section the following new subsection:

"'(b) Any State which is dissatisfied with the Secretary's action under subsection (a) or under section 1003(c) may appeal to the United States district court for the district in which the capital of such State is located by filing with such court a notice of appeal. The jurisdiction of the court shall attach upon the filing of such notice. A copy of the notice of appeal shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his action. The action of the Secretary shall be reviewed by the court (on the record) in accordance with the provisions of the Administrative Procedure Act.'

"(d) Section 1404 of such Act is amended by inserting '(a)' after 'Sec. 1404.', and by adding at the end of such section the following new subsection:

"'(b) Any State which is dissatisfied with the Secretary's action under subsection (a) or under section 1403(c) may appeal to the United States district court for the district in which the capital of such State is located by filing with such court a notice of appeal. The jurisdiction of the court shall attach upon the filing of such notice. A copy of the notice of appeal shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his action. The action of the Secretary shall be reviewed by the court (on the record) in accordance with the provisions of the Administrative Procedure Act.'"

And make appropriate changes in the table of contents.

Mr. JAVITS. Madam President, this is a judicial-review amendment. The purpose is to bring about a review in the courts of the United States of any determination made by the Secretary which relates to withholding money from any State under the four benefit sections or provisions of the bill, as to its public welfare phases.

The State of New York, which my colleague [Mr. KEATING] and I have the honor to represent, feel very keenly about this matter; and during the hearings before the Finance Committee a statement was submitted by Myles B. Amend, on behalf of the New York State Board of Social Welfare; and in the statement we find the following:

> First, provision for court review of proposed deductions or penalties where construction of law is involved, as recommended by the New York Temporary State Commission To Study Federally Aided Welfare Programs (1951–53), and more recently by the Temporary State Commission on Coordination of State Activities (1961).

That was submitted as one of the things which would ease the burden of the situation on the States.

Madam President, let us understand that the Secretary has absolute plenary power over the States in regard to these payments, which are a critically important element in connection with the States' own welfare programs; and I invite attention to section 1604 of the bill, on page 92, beginning in line 19, as follows:

> SEC. 1604. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this title, finds—
>
> (1) that the plan has been so changed that it no longer complies with the provisions of section 1602; or
>
> (2) that in the administration of the plan there is a failure to comply substantially with any such provision;

It goes on to say that the Secretary may notify the State and may stop the payments under the plan.

There is a deep feeling by the State of New York and by other States that this is an arbitrary and plenary power which would be vested exclusively, and without any review of any character, in the Secretary of Health, Education, and Welfare.

This is not the only situation in which judicial review is desirable, Madam President. Judicial review is also the rule in connection with a number of other programs in which the Federal Government aids the States. For example, in aid to the States for hospital construction, under the Hill-Burton Act, there is judicial review if the Surgeon General refuses to approve a State application and if the State feels that refusal is contrary to the law. The same is true in connection with the matching grants for library services; and judicial review is also provided for in connection with agreements concluded by the Secretary of Labor under the so-called distressed-area program which we passed not very long ago; and such review is also provided for in the case of certain phases of unemployment compensation under the relationships between the United States and the States; and such review is also provided for in connection with vocational education and vocational rehabilitation, where there is sharing of the programs with the States; and such review is also provided for in connection with water pollution control.

It seems to me we should be encouraging the States to take more responsibility, and that we should give, within the confines of the law, an opportunity for the expression of the State's initiative in connection with the development of its own plan, to entitle it to aid under the Federal plans provided by this bill, and that we should not give the Secretary of Health, Education, and Welfare this absolute, arbitrary power.

I have discussed this amendment with the distinguished floor manager of the bill, who I think certainly would be sympathetic toward the idea of not vesting such untrammeled, autocratic power in any Government official; and I understand the feeling of the Senator from Oklahoma; namely, that he desires to have the bill go to the other body with the minimum possible number of amendments, or, if possible, without any amendment, or, at least, certainly without an amendment which might engender controversy. I appreciate that feeling on his part. But I should like to ask him to realize that this suggestion is not a pet idea of mine, but is really a deeply felt and widely entertained view, not only in New York, speaking through its Commissioner of Welfare, but also among a body of people who have a deep feeling on this subject and who work with it all the time; and this feeling is shared by other States, as shown by the position taken at the conferences of welfare officials.

So I shall appreciate it very much if something can be placed in the RECORD at this stage to indicate how we think such a situation could be resolved, when a State honestly feels that it lacks freedom of initiative and action within the confines of the law and believes it is not absolutely restricted to whatever the Secretary of Health, Education, and Welfare may determine he wants the State to do in connection with any changes in its plan. So I shall deeply appreciate it if the distinguished floor manager of the bill will express his position on this subject.

Mr. KERR. Madam President, I am glad to discuss this matter with the Senator from New York. As I told him, I hope the Senate will pass the bill without amendment, or at least without any controversial amendment, so that the bill as passed by the Senate may be accepted by the House, without requiring a conference, in order to expedite congressional action on the bill, because it contains so many provisions which I believe of great significance and value to all the States in the Union. It was for that reason that I requested that the Senator from New York not urge adoption of the amendment.

I can understand the concern by the administrators of these programs within the States in regard to the attitude of the Secretary of Health, Education, and Welfare; and many instances have arisen under the laws in the past, in which administrators of one of more States have requested the Congress to provide relief when there was controversy between the States and the Administrator with reference to the interpretation or administration of the program.

I am sure the Senator from New York remembers that in 1950 Congress authorized payment under the Pennsylvania and Missouri laws for the blind; and in 1951, an amendment submitted by Senator Jenner, of Indiana, authorized disclosure of certain information which was in dispute in Indiana; and in 1961, Congress authorized action with respect to unsuitable homes, in connection with a situation which had arisen in Louisiana, Mississippi, Michigan, and so forth, by providing for a moratorium on Federal action, under a ruling by Secretary Flemming.

With reference to misunderstandings or controversies that arise, it is my hope that action would first be sought in the Congress. In the event that relief could not be obtained through legislation, where a case was made out to be worthy, then I think it would be well to give serious consideration to the enactment of legislation providing a judicial review with reference to the interpretation of the laws of the Congress.

As one member of the Finance Committee, I would be glad at any time to request the committee to have hearings with reference to any matter that was of concern to him or other members of the committee, in the hope that we might explore the possibility of obtaining, either administratively or by legislation, such relief as would be indicated by situations which were meritorious and worthy.

As of this time, however, without further deliberation by the committee and further study of the problem, it would seem to me that we would not be justified in setting up a system of judicial review of decisions and actions of the administrator of the program.

Mr. JAVITS. The Senator has opened the window for me, and I would like, if I might, to get the problem in focus for the purpose of this discussion. The Senator knows as well as I do that I would not press such an amendment in the face of the Senator's objection, nor could I expect the Senate to approve it. That is quite proper. The Senator is in charge of the bill, and it is not the kind of amendment that I should press for.

The Senator is in charge of the bill on the floor, and although he cannot bind the committee, what he would say about it would have great effect. May I ask the Senator this question? We are talking about States. If a State, through its Senator, requested, as a matter of legislative oversight by the Finance Committee, a review of a decision by the Department of Health, Education, and Welfare of a particular determination which it felt was unjust, would the Senator have the right to assure his State that there was a real assurance that it would get the review—at least, that it would get a hearing before a proper committee of the Senate to review what a State—not an individual Senator—felt was an unfair determination by the Secretary?

Mr. KERR. So far as I am concerned, I would urge to the Finance Committee such a response to a request the Senator has indicated he might attempt. The Senator from Delaware [Mr. WILLIAMS] is the ranking Republican member of the committee. I shall be glad to have him say if he does not agree with me in the firm belief that, without the slightest difficulty or delay, such a hearing would be accorded by the Finance Committee.

Mr. WILLIAMS of Delaware. Madam President, if the Senator will yield, I am glad to join the Senator from Oklahoma in giving the assurance to the Senator from New York that the committee would give consideration to it.

Mr. JAVITS. I am grateful to my colleagues.

Unless the Senator from Oklahoma wishes to use any of his time, I am prepared to withdraw the amendment, on the basis of the colloquy which the Senator has accorded to me.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill——

Mr. MANSFIELD. Madam President, it is with deep personal interest in the Nation's welfare programs that I speak today, for I represent a State in which some of its important work centers are today suffering from mass unemployment at rates ranging up to 12 percent and more. The historic provisions of this year's amendments to the welfare laws dealing with retraining and rehabilitation are so timely, not only for their humanitarian purposes, but for the effectiveness with which they will come to grips with many aspects of unemployment at the root of the problem.

This year's amendments to the Nation's public welfare programs embody an exciting new principle which is at once humanitarian and practical. Ever since the first administration of Franklin Roosevelt, Congress has sought to legislate reforms which would, in the words of the statute now on the books, give social security to those whose future was anything but sure and bright, without impairing the sense of independence or of initiative of our citizens.

The social security and welfare programs of the New Deal are among the greatest legacies of a great reform President. It is not a criticism of them, or of him, but rather a credit to their success that the President and the Congress seek now, more than 25 years after the passage of the Social Security Act, to expand the purpose of our welfare programs so as to return as many Americans as possible to active roles in society, and to lengthen their productive years. A view which holds that recipients of welfare aid must, by destiny, be forever recipients of welfare aid, is essentially pessimistic, and essentially static. The view which holds that men seek to be productive, and give up their dependence only when the circumstances of society destroy all opportunities, is essentially optimistic, for it holds that those circumstances can be removed, and those opportunities restored. That is the view I hold.

Madam President, H.R. 10606 authorizes the President's request for retraining and rehabilitation programs as a part of the minimum standard services of welfare programs in which the Federal Government participates. The Department of HEW's estimate of the cost of these new services for the next fiscal year is $40.8 million. In addition, this legislation maintains the 1961 increase of $1 in Federal assistance to the aged, the blind, and the disabled, and adds another $4 increase effective October 1, 1962, bringing the Federal share of social security payments on the maximum monthly average up to $70 per recipient. The child welfare program, now set at $25 million a year, is increased by $5 million for next year, and then graduated by annual $5 million increases up to $50 million a year for 1969 and thereafter.

Madam President, as a Democrat who takes pride in our party's record of progressive reform thinking, and as an American impressed with the bipartisan faith in the value and future of this country's welfare programs, and as a Senator from Montana intimately acquainted with the heartbreaking effects of mass unemployment in the mines and lumber mills of the Northwest, I take pride in voting for this legislation, for it truly represents an investment in the future productivity of million of Americans.

Mr. JAVITS. Madam President, will the Senator yield me 2 minutes on the bill?

Mr. MANSFIELD. I yield to the Senator from New York.

Mr. JAVITS. The Senator from New Mexico [Mr. ANDERSON], who does not happen to be on the floor at the present time, and I fought what I considered to be a very good fight. I congratulate our gallant opponent, the Senator from Oklahoma [Mr. KERR], on his victory in respect to the amendments.

It is my deep conviction, and I would not be true to myself if I did not say so, that the Senator from New Mexico and I and our other colleagues have arrived at a truly balanced plan which can operate within the concept of the American private enterprise tradition and yet under social security financing.

I feel its adoption is inevitable. Nothing which has occurred has convinced me or the country that the manifest need, for which there is a national responsibility, has been met.

For myself, I will willingly and happily engage in this struggle, for it will continue, with the Senator from New Mexico, in the hope that we may do better on another day. It is my deep conviction that that day will not be too long distant.

I thank the Senator for yielding to me.

The **PRESIDING OFFICER**. The bill is open to further amendment.

Mr. **WILEY**. Madam President, I call up my amendment identified as "7-11-62—A."

The **PRESIDING OFFICER**. The amendment offered by the Senator from Wisconsin will be stated.

The CHIEF CLERK. It is proposed to insert the following at the proper place:

USE OF PAYMENTS FOR BENEFIT OF CHILD

SEC. 107. (a) Section 405 of the Social Security Act is amended to read as follows:

"USE OF PAYMENTS FOR BENEFIT OF CHILD

"SEC. 405. Whenever the State agency has reason to believe that any payments of aid to families with dependent children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of protective payments as provided under section 406(b)(2), or in seeking appointment of a guardian or legal representative as provided in section 1111, or in other action authorized under State law which is deemed necessary to protect the interests of such child; and any such action taken by the State agency pursuant to such State law, other than denial of such payments with respect to such child while in the home of such relative, shall not serve as a basis for withholding funds from such State under section 404 and shall not prevent such payments with respect to such child from being considered aid to families with dependent children."

Mr. **WILEY**. Madam President, this is an amendment that I have been requested to present in the interest of the children themselves. In many instances funds which have been made available for a child have been misappropriated or misused by the parents.

I understand the committee had a similar amendment before it, and rejected it. However, it appeared to me that this was a matter of public policy, and those who have asked me to present this amendment feel just that way. So I have offered the amendment.

I have spoken to the chairman of the committee. I would like to have him take the amendment to conference, if there is a conference, so that it can be considered by the conferees.

Mr. **KERR**. Madam President, I appreciate very much the attitude of the Senator from Wisconsin in offering this amendment. His purpose is a laudable one—to provide additional safeguards that the money being provided for aid to dependent children will be more certainly spent for their needs.

However, the bill has section 108 in it, which is new legislation, and which provides a number of safeguards which have for their purpose the achievement of the same objective which is in the mind of the distinguished Senator from Wisconsin.

However, an identical amendment was before the Finance Committee. The Secretary of the Department of Health, Education, and Welfare, the distinguished Mr. Ribicoff, made it very plain that in his judgment the protective payments provision in section 108 is a specific answer to the problem envisioned by this amendment, and that section 108 has essential safeguards and fair play provisions.

After full hearings, with many witnesses heard both for and against this amendment, the Finance Committee took adverse action.

Therefore, Madam President, I have no choice. I urge my good friend to withdraw the amendment, or else I shall be forced to ask that it be rejected.

Mr. **WILEY**. Madam President, in view of the statement made by the distinguished Senator, which in itself is an assurance that there is adequate authority in the bill to protect not only the public interest, but also the interest of the child for whom the funds are to be provided, I shall not insist on a vote on the amendment. I withdraw the amendment.

Mr. **KERR**. I thank the Senator. I say to him further that if the language contained in section 108 in the bill proves to be inadequate to meet the problem to which the Senator has referred and to which his amendment is addressed, I shall join him in seeking to find a more effective way to do exactly what he has in mind for these children.

Mr. **WILEY**. I thank the Senator.

The **PRESIDING OFFICER**. The amendment has been withdrawn.

AID TO DEPENDENT CHILDREN OF UNEMPLOYED PARENTS

Mr. **BYRD** of West Virginia. Madam President, with each passing day we are becoming more aware of the pressing need for enactment of H.R. 10606, because it affects a number of welfare programs which expired on June 30. I am particularly concerned with one of these expired programs—that which authorizes Federal participation in State programs of aid to dependent children in cases where the parent, who is the family wage earner, is unemployed.

Prior to enactment of Public Law 87-31 last year, aid to dependent children funds could go only to children who were deprived of parental support or care by reason of the death, continued absence from home, or the physical or mental incapacity of a parent. Public Law 87-31 authorized the States to set up temporary programs during the period May 1, 1961, to June 30, 1962, extending ADC payments to children in need because of the unemployment of a parent.

A total of 15 States—including my own State of West Virginia—responded to the authorization granted by Congress and put into effect programs of aid to dependent children for children of unemployed parents. Many more States would have adopted such programs, no doubt, if the period of Federal participation had been longer than 14 months.

As to the results of the program, I can only speak for the State of West Virginia. But in the short period that the law was in effect it produced highly successful and praiseworthy results. It has provided support, and the respect that goes with useful employment, to more than 15,000 West Virginia recipients comprising more than 52,000 persons.

In my State, payments received under the aid to dependent children of the unemployed is not looked upon as a dole. Under West Virginia regulations governing ADCU, the recipient husband and father is obliged to work on approved public works projects. Thus, the recipient earns every penny that is paid to him.

The need for the ADCU program in West Virginia is especially critical, for we are still faced with the problem of long-term unemployment. Prospects for job opportunities in private industry, while gradually improving, do not, at this time, hold out sufficient hope for a substantial reduction in unemployment. Thus, the public works jobs available to ADCU recipients are not only a means of providing employment to many persons, but of providing useful services to the State, to counties, and to municipalities.

The ADCU program in West Virginia has been singularly successful in inspiring new hope and aspirations in the hearts of many persons in my State. It has made the unemployed father feel like a breadwinner again, and it has been a cohesive force for renewed family strength.

The ADCU program has been good for West Virginia in many respects. It has been the vital force behind Gov. W. W. Barron's statewide cleanup campaign, and it has also been responsible for many improvements in our State parks and forests, for tourists and in-state vacationers. The program has also made possible the accessibility of heretofore unapproachable areas of scenic beauty to all who wish to see more of the grandeur of West Virginia's hills. In effect, this work will encourage tourism in the State, and thus eventually provide new employment opportunities in the private sector.

There is another provision of H.R. 10606 which ties in with the extension of the ADCU program. This is the provision authorizing Federal participation in community work and training programs for ADC recipients 18 years old and over. These work and training programs for able-bodied adults are highly desirable in offering such persons an opportunity to render service to the community which offers them assistance, as well as to develop or acquire new working skills.

A committee amendment adopted on the floor of the Senate on July 3, would make the community work and training provisions of the bill effective retroactively to July 1, 1961. This amendment would do more than allow payment to those States—like West Virginia—which utilized community work and training programs in the past in the same manner as the bill authorizes for the future.

Madam President, H.R. 10606 should not be delayed any longer. Its passage is extremely important to many people in West Virginia who have come to know a better life because they were not forced to sit in idleness, and were given a chance to engage in productive work.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 10606) was read the third time, and passed.

Mr. MANSFIELD. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. KERR. Madam President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. KERR. Madam President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Byrd of Virginia, Mr. Kerr, Mr. Long of Louisiana, Mr. Williams of Delaware, and Mr. Carlson conferees on the part of the Senate.

Mr. PROXMIRE. Madam President, I ask unanimous consent that H.R. 10606, the welfare bill, be printed as passed, with the Senate amendments numbered.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

Mr. MANSFIELD obtained the floor.

Mr. KUCHEL. Madam President, in the absence of our Republican leader, may I ask my able friend from Montana what legislative business he proposes to have the Senate consider tomorrow and the remainder of the week?

Mr. MANSFIELD. Madam President, in response to the question raised by the distinguished acting minority leader, I move that the Senate proceed to the consideration of Calendar No. 1634, H.R. 10904, relating to appropriations for the Departments of Labor and Health, Education, and Welfare.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Chief Clerk. A bill (H.R. 10904) making appropriations for the Departments of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments.

Mr. MANSFIELD. Madam President, there will be no action taken on the appropriation bill today, but it will be the unfinished business tomorrow.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate concludes its deliberations today it adjourn to meet at 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CALL OF THE CALENDAR AT THE CONCLUSION OF MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Madam President, I ask unanimous consent that at the conclusion of morning business tomorrow there be a call of the calendar of bills to which there is no objection, beginning with Calendar No. 1635, H.R. 7727, an act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Madam President, at the conclusion of consideration of the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, it is the intention of the leadership that the Senate consider Calendar No. 1631, S. 3392, to authorize appropriations for the Atomic Energy Commission in accordance with section 231 of the Atomic Energy Act of 1954, as amended, and for other purposes; Calendar No. 1639, S. 3491, to amend the Atomic Energy Act of 1954, as amended, and for other purposes; and certain other bills on the calendar which may not be passed on the call of the calendar.

Of course, in the background Senators must keep in mind the fact that there is Calendar No. 1544, the space communication satellite bill.

Mr. KUCHEL. I thank my able friend.

MARTIN PRAISES JACK BELL BIOGRAPHY ON SENATOR GOLDWATER

Mr. KEATING. Madam President, although I do not agree on all issues with my friend from Arizona, Barry Goldwater, I wholeheartedly and completely agree with his biographer, Jack Bell, chief political correspondent for the Associated Press, that he is a dynamic and exciting political figure and that he is a true gentleman who has certainly earned the respect and friendship of his colleagues in the Senate.

Mr. Bell's book which has recently come off the presses has caused quite a stir in political circles. The book has earned terrific reviews, including one by the able chief of the Washington bureau of the Gannett papers, Mr. Paul Martin. I ask unanimous consent that Mr. Martin's review be printed in the Record.

There being no objection, the review was ordered to be printed in the Record, as follows:

Goldwater Described as a "Modern T.R."

(By Paul Martin)

Washington.—Senator Barry Goldwater, of Arizona, is described as a "modern version of Teddy Roosevelt" in a new book written by Jack Bell, chief politicial correspondent of the Associated Press.

The book called "Mr. Conservative: Barry Goldwater," published by Doubleday Co., Garden City, N.Y., was released Friday.

Bell bases his analogy between Goldwater and Teddy Roosevelt, not on political idealogy—since Goldwater is proud of being known as a conservative while Roosevelt called himself a progressive—but on their robust and active lives.

The author describes Goldwater as a bold and daring pilot, a man of deep and sincere convictions, who "lives for challenge."

The book opens with the 1960 Republican national convention, when Goldwater was stunned by the Park Avenue accord worked out in the wee hours of the morning between former Vice President Richard M. Nixon and Gov. Nelson A. Rockefeller of New York.

It disposes of Goldwater's early life and ancestry in one quick chapter—how his grandfather came from Russian Poland to California in 1854, fought Indians and desperadoes, ran wagon trains into Arizona, and eventually started mercantile stores in Prescott and Phoenix.

Most of the rest of the volume is devoted to fairly recent political events, human interest narratives about important people, and the political philosophy of the GOP conservative leader.

Goldwater is quoted as saying: "Maybe the people in 1960 didn't want either Kennedy or Nixon. If this is true, a Republican can win in 1964."

The book points out that Goldwater is half-Jew and an Episcopalian. It says the Senator himself raised the question: "Could a man named Goldwater be elected President?"

President Kennedy has called Goldwater to the White House for consultations from time to time.

The veteran AP political writer compares Kennedy and Goldwater in these terms:

"They are not alike in enumerable characteristics, these two who occupy opposing positions on the political spectrum. Yet they are alike in their ability to arouse emotions of the electorate * * * the people who back them are for Jack Kennedy or Barry Goldwater.

"Kennedy and Goldwater are hot political packages * * * Kennedy touches the mind, aware of intellectual accomplishments * * * in contrast, Goldwater is an evangelist who reaches not for the mind, but for the heart."

Bell speculates on a Rockefeller-Goldwater ticket in 1964, and concludes it is not out of the realm of possibility. Goldwater is quoted as describing his differences with the New York Governor this way:

"Nelson Rockefeller and I would agree probably 100 percent on budget matters, on fiscal problems, and on taxation. But when we get to Federal aid to education, Federal aid to medicine, we part company."

The book relates how Goldwater once advised President Kennedy to give business "an almost completely free hand," to create new jobs and boom the national economy.

The President said in reply, according to Goldwater, that "he realized the importance of this, but that at the moment his economic advisers had not gone along with some of the approaches that I suggested."

While the writer is critical of many of GOLDWATER'S ideas, he also points out the thing that amazes both friend and foe of the handsome, graying, 53-year-old westerner: GOLDWATER has tremendous audience appeal, and gets a terrific amount of fan mail.

Senator WILLIAM PROXMIRE, liberal Democrat from Wisconsin, is quoted as saying: "Wisconsin visitors come to see me wearing Goldwater buttons. Letters praising GOLDWATER come to me almost as frequently as letters in praise of Kennedy. The one Senator Wisconsin students ask to meet is GOLDWATER."

However, the book also points out that the White House regards Rockefeller as the Republican with the best chance of upsetting Kennedy in the 1964 presidential election.

ADDRESS BY SENATOR HARTKE AT INDIANA STATE DEMOCRATIC CONVENTION

Mr. DODD. Madam President, on June 22, 1962, our distinguished and able colleague, the junior Senator from Indiana, addressed the Indiana State Democratic Convention. The speech was characteristic of the force, vigor, and candor which we have come to expect from Senator HARTKE.

It is a frankly partisan speech which attempts to draw the line between the Republican and Democratic approach to national issues. It is a contribution to our political dialog which should be of interest to each of us.

I ask unanimous consent that the speech be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS OF DEMOCRATIC STATE CONVENTION BY THE HONORABLE VANCE HARTKE

For the second time in a row it is my pleasure to greet the great outpouring of the Indiana Democratic Party as your keynote speaker. You are truly the leaders of the grassroots of our party in our State.

From this meeting today will come the platforms, principles, programs, and people to carry us forward to election day and beyond. Four years ago I sat in this hall with my family and awaited the mandate from the convention before setting out in quest of the mantle of office. Many of those who ran with me throughout the corners of Hoosierland are again candidates for election this year.

While a benevolent Federal Constitution provides for 6-year terms for U.S. Senators, hundreds of men and women who were my running mates 4 years ago will again be in quest of victory.

How different it is today. We have the material wealth which was lacking 4 years ago. We have records upon which to run. And we have pillars of party strength in our State and National administrations this year. You who run this year can point with pride not alone at what you have done and what your colleagues from our party in your home areas have done. You can point with pride to Gov. Matt Welsh, to Judges Ax, Myers, Bierly, Gonas, and Jackson, to Alice Whitecotton and to Willie Wilson, who already has been reelected once.

If this puts you in a reflective mood, a mood for remembering, that is fine.

Today for a few minutes I ask you to walk with me in memory lane for there is a bit of old French philosophy that says "the more things change, the more they remain the same."

Remember what the Republicans said when, in 1936, social security was proposed. You can almost pick up today's newspapers and, by reading what they are saying about some key Democratic proposals of 1962, tell what was said a quarter century ago.

During the debate on the social security bill in Congress, the Republicans called it "socialism." They said every American would become nothing more than a number, which would be tattooed on his body.

The truth is that the Republicans all opposed social security in 1936. Yet, they never tried to repeal the law. And today they are back shouting socialism and tattooed numbers about the proposal to extend social security's retirement insurance into hospitalization insurance for the retired.

The social security program also was going to put private insurance companies and private pension plans out of existence, these bleating hearts told us. Actually social security made people life insurance conscious. The value of policies has grown from $115 to $586 billion. Nearly six times as many Americans have pension plans today as in 1936.

Alf Landon, the Republican candidate for President in 1936, said it would be impossible for the Government to keep track of 26 million people in the social security system and that the system would lead to "dogtags, fingerprinting, and snooping."

Do you remember?

Another part of the social security program was unemployment insurance.

Congressman JOHN TABER, of New York, said this would "prevent business recovery, enslave workers and prevent employers from providing work." Congressman Dan Reed, of New York, a fellow Republican, said, "the lash of the dictator will be felt."

One Republican in the House favored unemployment insurance.

Today they talk of dictatorship and socialism again.

Of the first farm program proposed by President Franklin D. Roosevelt, Senator Arthur Vandenberg of Michigan, a great Republican leader, said, "uncontrolled inflation." Do you remember that?

The language of our opponents has not improved over the years. Still stifled for original thoughts, and ideas, they attack ours with the same scare words.

Remember the first tax program proposed by F.D.R.?

"Essentially communism," snorted a Republican essay. It went on to call President Roosevelt "Stalin Delano Roosevelt."

Perhaps you remember the Duffy coal bill. When Congress held hearings on it, James W. Carter, a coal magnate, said this was "the first step in socialization of all industry." Doesn't that sound familiar?

And now remember the beginnings of TVA. "A fantastic pipe dream," declared the Republicans. "Super pork barrel," insisted another. "It will do no general good," stated a Congressman named EVERETT MCKINLEY DIRKSEN, now minority leader of the Senate, who is still making dire predictions about the future, still unable to see much good in any Democratic proposal and and still using scare words.

Remember a few weeks back? The Republicans are using the drop in stock prices as a club to beat the President and the Democratic Party.

Well, test your memory a little better. Back in the first New Deal the President proposed and Congress passed a bill setting up the Securities and Exchange Commission which was to protect the public from bad stocks and which was to police the stock exchanges.

The Republican predictions then were that passage of this act would "dry up the securities markets and industries will withdraw from the markets." I guess they would like to forget their predictions. There are still stock exchanges and more securities than ever are for public sale.

The first Chairman of the Securities and Exchange Commission was Joseph P. Kennedy, whose son is now our President.

When the Roosevelt administration sought to control the holding companies of the power industry, Wendell Wilkie said this would lead to "nationalization of the power industries." Another utility executive said passage of the law would "paralyze the Nation." There was no paralysis. On the contrary, the Democratic leadership led the way out of the wilderness and waste of dark depression.

On March 2, 1934, President Roosevelt asked something truly drastic in the field of foreign affairs. He asked Congress to give him authority to revise tariffs up to 50 percent in negotiating the Reciprocal Trade Agreements. With some minor changes, the Reciprocal Trade Agreements of 1934 are still the law of the land.

Senator Borah called the bill "unconstitutional." Senator Vandenberg called it "Fascist in its philosophy; Fascist in its objectives, economic dictatorship."

Remember these things when the Republicans attack President Kennedy's trade program for expanding and changing the reciprocal trade agreements to permit him authority and ability to deal with the Common Market. The cry of "dictatorship" rises again. Only now it has been toned down to "centralization of power in the executive" and "syphoning of power from other branches."

It must be that the Madison Avenue advertising geniuses have finally sold the Republican Party on a new idea—using the same words to try and scare people is not always effective. They used to operate, apparently, on the theory that if you tell a story over and over, it will be believed even if it is something less than the truth.

Then, it looks like some Madison Avenue genius read Aesop's Fables. Remember the story of the little boy who was tending the sheep and kept crying "wolf!" When the real wolf came, no one paid attention to the cries of the little boy.

But the Republicans are not consistent. Some still shout scare words. Some repeat the same dire predictions, as I have shown you.

Does this one sound familiar? "The United States is facing as grave a crisis as has arisen in its history. The coming election will decide whether we hold to the American system or a Socialistic State * * * ruled by a dictatorship."

This sounds like it comes from one of the well-heeled Republican campaign committees for this year. It is not. Remember the 1936 campaign? That is when this blast was issued.

If you will remember just to the beginning of this month, you will recall a "declaration of Republican Principles and Policy." It was to overcome the idea that the Republicans are negative. This 2,500-word statement was to contain positive goals.

If you remember, the declaration was preceded by great fanfare. Some of us may even have thought this marked a new departure for the Republicans. They were actually going to come up with some original ideas.

On taxes, the Republicans proposed that there be special tax relief for those paying the costs of educating someone in a college or university. If you remember, I introduced a bill to do this a year and a half ago.

The Republican leadership also announced solemnly: "Government should encourage economic growth." This is a keystone of the Kennedy program and is the basic reason for such programs as revamping of the business tax system to encourage an expanding economy.

It is difficult to see how the Republican leadership can preach support for economic growth and then oppose nearly every measure to achieve and promote this growth. And when President Kennedy said our rate of economic growth was too slow, I remember the Republican leadership said Mr. Kennedy was downgrading America.

The Republican committee also said, "A thorough overhaul of the tax system to encourage production, build jobs and promote savings and investment is overdue." This sounds exactly like something President Kennedy or one of our leaders might say. In fact, we now have a tax overhaul program before the Finance Committee, of which I am a member. I have another bill of my own to accomplish these things. However, from the talk around the committee tables, I do not believe very many Republican members are taking their own policy statement seriously. They oppose with their votes what their voices say they support.

"We advocate a shift in resources, encouraged by a massive, voluntary long-term land retirement program," the Republican statement said. The administration's natural resources and reclamation program and its farm program both do this very thing.

I remember also that it was the Eisenhower administration that stopped land protection and development dead by a policy of no new public works construction. And I remember that only one Republican Senator voted for the farm bill that does what the Republicans say ought to be done.

Then the Republicans came up with another classic: "Government must encourage, not inhibit, the ingenuity and enterprise that produce scientific and technical progress."

If you remember other statements of the party, these leaders act like they want to abolish government. Now, they want more research and development in scientific fields. Well, this may come as a great shock to our opponents, but the budget for the year beginning July 1 calls for $13 billion worth of research and development programs. And that is the highest on record.

Perhaps you remember, too, during the 1960 campaign that the Republican leaders told the American people that John F. Kennedy was too young, too inexperienced and too weak to stand up to Khrushchev and to lead our Nation. The elephant wants you to forget this. Today they tell the American people that President Kennedy is too strong and dictatorial. They want it both ways, friends, and we are going to let the people judge this lie as they did the last one about weakness.

The truth is, we have taken the military and diplomatic offensive. We are winning the cold war. President Kennedy is handling the affairs of state with dedication and determination.

Remember, in our own State the sad affairs that took place within two previous administrations of the Republicans? They want you and the public at large to forget. But don't you let them.

Remember depressions and recessions. We do not need to go back to 1932. There were three under the last Republican national administration, the latest in 1960. When President Kennedy was inaugurated, 60 out of every 1,000 American workers could not find a job. The outgoing administration laughed everything off. They were more concerned about golf scores than the score on prosperity or world affairs.

The Secretary of Labor made jokes about eating his hat when unemployment remained high. The former President called the Russian space satellite a toy. A Secretary of Defense said that what was a good for General Motors was good for the country.

Now unemployment is down, employment is up, business profits are up 8 percent, home building is up, car sales are up. What is good for America and her working people is good for General Motors * * * and Ford, and Studebaker, and Chrysler, and American Motors.

Exports are up, spending for new plants and equipment is up 8 percent from last year. Department store sales are up. Installment buying is up—$517 million up in April alone this year.

Business Week said earlier this month: "The outpouring of confidence from the Kennedy administration is sincere."

Fellow Democrats, we have many things going for us this year. We have programs, projects, principles, people. We have strong records of accomplishment to run on from the scores of township trustees elected with me to the statehouse and the White House, from the courthouse to the Capitol.

Hold your heads up high. Tell the people the truth. Guard against the lies and half-truths of our opponents. Work hard to poll, then register, then campaign and then elect. You will be building a better community, a better State and a better Nation. Elect another Senator and send us seven new Congressmen to work with RAY MADDEN, WIN DENTON, JOHN BRADEMAS, and ED ROUSH.

Then we will have a truly effective team effort for Indiana in the years of the New Frontier.

APPOINTMENT OF DR. LEWIS FOX TO NATIONAL ADVISORY DENTAL RESEARCH COUNCIL

Mr. DODD. Madam President, it was with a great deal of personal pride and pleasure that I recently notified Dr. Lewis Fox, of Norwalk, Conn., of his appointment to the National Advisory Dental Research Council by Dr. Luther Terry, the Surgeon General.

All Connecticut is proud of this appointment, which gives the entire Nation the benefit of the counsel and experience of one of the dental profession's most outstanding and dedicated members.

Dr. Fox, who is recognized as one of the Nation's leading periodontists, gives unselfishly of his time in teaching young dental students and lecturing to members of his profession in every part of this country as well as in Canada, Rome, London, Israel, and Hawaii.

He has received numerous citations and awards, the most recent one being the 1962 Fones Award of the Connecticut Dental Association "for outstanding contributions to the art and science of dentistry on the national level."

His wide knowledge of his field led Gov. John Dempsey to appoint him as a member of the Connecticut State commission to designate the location of the proposed new Medical-Dental School of the University of Connecticut.

Born in Norwich, Conn., he is the son of the late Abraham and Zelda Fox. He attended Norwich Free Academy and completed his undergraduate and dental course at the University of Maryland. Following his internship at the Forsythe Dental Infirmary in Boston, he settled in Norwalk in 1928.

He developed an early interest in periodontia and became associated with the Hospital for Joint Diseases in New York, becoming head of the section on periodontology.

Wherever he found limitations in existing techniques, he set out to find a way to overcome them. His studies led to new techniques and the development of new periodontal instruments now in use by dentists throughout the world.

In helping to usher in a new era in dentistry, Dr. Fox's goal has always been to make dentistry less arduous for the dentist and more comfortable and enduring for the patient.

Dr. Fox is professor of periodontology at the Boston University School of Medicine; associate professor at the Graduate School of Medicine, University of Pennsylvania; associate clinical professor at Columbia University School of Dental and Oral Surgery, and associate in dental research at New England Institute for Medical Research.

He also has taught postgraduate courses at the University of Southern California, Temple, University of Pittsburgh, and University of Oregon.

He is a coauthor of two textbooks on periodontia, and is a fellow of the American College of Dentists and diplomate of the American Board of Periodontology.

In spite of his extremely heavy schedule, he still managed to find time to take an active part in local civic organizations and is a former president of the Norwalk Rotary Club and Norwalk Jewish Community Center.

I know that my colleagues in the Senate will want to joint me in congratulating this great humanitarian on his appointment to the National Advisory Dental Research Council.

MISMANAGEMENT OF GRAIN STORAGE

Mr. MILLER. Madam President, another instance of mismanagement on the part of the Department of Agriculture with respect to grain storage is revealed in a news story in last Sunday's Des Moines Register, written by the able reporter, Mr. Nick Kotz. There appears to be a $96,000 shortage in the grain warehouse operations of the Alan T. North Grain Co. at Vail, Iowa. Inspectors from the Iowa State Commerce Commission are reported to have found shortages on 14 separate inspections conducted during the last 4 years, leading one to wonder what the inspectors from the Department of Agriculture and their supervisors were doing during this time.

This is another example of the need for adequate bonding requirements. The Secretary of Agriculture is reported to have issued instructions to tighten up these requirements following the disclosure of favoritism in this regard in the Billy Sol Estes case. I have not received any specific information regarding these new requirements, but I trust that they are in effect now and that they will adequately protect the American taxpayer. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLAIM GRAIN TAKEN FROM BINS AT VAIL

(By Nick Kotz)

The U.S. Department of Agriculture is investigating a reported shortage of $96,000 worth of Government corn from storage facilities of an Iowa warehouse operator.

An Agriculture Department official of the Evanston, Ill., regional office said Federal inspectors have reported a shortage of about 96,000 bushels from the Alan T. North Grain Co. warehouses at Vail.

The Department spokesman said the Alan T. North firm was responsible for 170,000 bushels of Commodity Credit Corporation corn but only 74,000 were measured in his warehouses at Vail.

The Agriculture Department immediately suspended the North firm from the approved Government storage list following a grain measure inspection Thursday.

Alan T. North said Saturday that he had no comment to make about the matter and that anyone seeking information should speak with the Agriculture Department office in Evanston.

PAST REPORTS

Iowa Commerce Commission officials said their inspectors will join Federal inspectors Monday in investigating the Vail situation.

Iowa Commerce Commission records show that its inspectors have reported corn shortages from the North firm's storage facilities at Vail and nearby Westside on 14 separate inspections during the last 4 years.

"The Alan T. North Grain Co. has been habitually found short on inspections but subsequent inspections had cleared itself with our commission," commented Wallace Dick, commerce commission warehouse superintendent.

Dick said he doesn't know whether his office reported any of the 14 previous instances of alleged shortages to the Agriculture Department.

The commerce commission did not take disciplinary action against the North firm following any of the 14 inspections.

PROCEDURES TIGHTENED

Dick said the commerce commission's warehouse inforcement procedures have been tightened considerably the last year and that all shortages are now reported to the Agriculture Department.

The Evanston Agriculture Department spokesman said his agency has not yet reviewed its records on past Federal inspections of the North firm's corn supply.

Bonded warehouses storing Federal corn are inspected both by the Iowa Commerce Commission and the Agriculture Department. The State agency inspects at least four times a year. The Federal Department inspects at least twice a year.

State official Dick said the North warehouses at Vail passed a State inspection several weeks ago.

He added, however, that just prior to this inspection, the commerce commission had relieved the North firm of liability for a considerable amount of corn that supposedly had been shipped to the Government.

NOT RECEIVED

Dick said Federal officials told him the Government has not received some of this corn.

The U.S. Agriculture Department spokesman at Evanston said the North firm has failed to ship about 94,000 bushels to the Government.

He said these shipping orders were issued April 13 and earlier, and that the North firm was overdue on fulfilling the Government orders calling for some of its corn.

These orders were part of a general 70-percent shipout issued to all Iowa warehousemen storing Federal corn. The Agriculture Department is selling this corn to help finance this year's farm program.

The Alan T. North Grain Co. has licensed grain storage facilities both at Vail and Westside. An Agriculture Department official said an inspection Saturday showed a proper amount of corn in the warehouse at Westside.

NEW DIRECTIVES

The Federal Government is following recent directives of Secretary of Agriculture Orville Freeman in investigating the Vail case.

Complying with Freeman's new directives, Federal inspectors have been stationed at the North firm, and the Government is supervising removal of all its corn in the Vail storage facilities.

Freeman said he ordered the new procedures after it was revealed that Alex V. Barbour, Jr., of Knoxville, Iowa, continued stealing Government corn while he was being investigated for a smaller grain shortage.

Mr. MILLER. Madam President, I would also like to take this occasion to point out that there has been deep concern on the part of the Iowa grain storage trade regarding the severe reductions in Government storage which have occurred during the past several months. Large shipments out of storage have been ordered by the Department of Agriculture, and it has been difficult to ascertain the destination or disposal of these shipments. With the Billie Sol Estes case, suspicions have arisen that some of the Iowa corn has been merely transshipped to Texas elevators. Accordingly, I made inquiry of the Department regarding its storage in Texas elevators compared to Iowa elevators. In a letter from Assistant Secretary John Duncan, dated June 19, I received the statistics regarding relative storage between Iowa and Texas elevators. The difference in capacity being used by the Commodity Credit Corporation is substantial, and it is particularly noticeable that the last quarter reported, namely, March 31, 1962, shows about 64 percent of capacity being used in Texas and only about 32 percent, or half that amount, being used in Iowa. However, I am advised by the Department that only about one-tenth of 1 percent was corn storage, so it would appear that corn was not being shipped out of Iowa elevators to be stored—at least in any substantial degree—in Texas elevators.

These figures do reveal, however, that storage policies of the Department favor Texas warehouses over Iowa warehouses. Many Iowa grain storage warehousemen will go out of business if only 32 percent of their capacity is being used; whereas, in Texas, they can get by with 64 percent of their capacity being used. Granted that different types of grain may be stored, I believe that an investigation should be made to determine whether such differences in storage policies are proper, and I propose to bring this matter to the attention of the Permanent Subcommittee on Investigations, headed by the Senator from Arkansas [Mr. McCLELLAN]. I ask unanimous consent that Mr. Duncan's letter be printed in the RECORD.

There being no objection, the letter was order to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington D.C., June 19, 1962.

Hon. JACK MILLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MILLER: This is in further reply to your letter of April 30, 1962, wherein you requested certain information concerning the Department's storage of grain in the State of Texas.

The treatment by Commodity Credit Corporation of elevators owned or controlled by Mr. Billie Sol Estes has been covered by numerous press releases. An inventory conducted by warehouse examiners of this Department between April 3 and April 11, 1962, shows that the Government will suffer no financial loss in connection with grain storage operations in warehouses owned or controlled by Mr. Estes.

Most of the grain held in these warehouses was placed there at the choice of the individual producer. A small percentage of the grain in storage was placed there under the regular reconcentration program to make room for new crop grain and for shipment to foreign markets.

The occupancy of the Estes' elevators is below the average for the State of Texas. Prior to the normal March 31 takeover, the Estes' houses were 43.4 percent filled with CCC-owned grain while the average of Texas warehouses, excluding port elevators, was 48.6 percent. After including the estimated takeover, the occupancy of the Estes' elevators rose to 58.3 percent while the State average rose to 62.9 percent. The warehouses owned or operated by Billie Sol Estes are not receiving preferential treatment from the Department.

The information which you requested concerning the capacity of and occupancy of Texas and Iowa elevators on a month-to-month basis is not available. However, such information is available on a quarterly basis and is given below.

Date	State	Approved capacity under uniform grain storage agreement (thousand bushels)	CCC occupancy owned and loan grain (thousand bushels)	Percentage of utilization by CCC
June 30, 1961	Texas	766, 447	543, 103	70. 86
	Iowa	319, 933	161, 016	50. 33
Sept. 30, 1961	Texas	816, 611	575, 752	70. 51
	Iowa	333, 201	188, 757	56. 65
Dec. 31, 1961	Texas	880, 446	589, 496	66. 95
	Iowa	339, 583	187, 376	55. 18
Mar. 31, 1962	Texas	896, 799	573, 113	63. 91
	Iowa	341, 368	108, 650	31. 82

The information given above does not readily lend itself to comparison. Iowa is a corn producing area, while Texas is primarily a grain sorghum production area. Wheat and grain sorghums by their nature are stored in commercial storage facilities to a greater extent than corn. Iowa warehouses are generally dependent on local production as a source for storage. The geographical location of Texas lends itself to the buildup of grain stocks for export movement through Gulf ports. Texas houses are the logical destination of grain moved from heavy wheat producing areas such as Kansas to provide space for producers to make delivery at time of takeover and also to make room for the new crop. In addition, recent activity under provisions of the 1961 feed grain program has resulted in a substantial reduction of Commodity Credit Corporation's inventory of corn without materially affecting the inventory of grain sorghums.

Sincerely yours,

JOHN P. DUNCAN, Jr.,
Assistant Secretary.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. MILLER. I am happy to yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. The Senator is to be commended for bringing to the attention of the Senate the shortage-in-storage incident. I ask the Senator whether in this particular instance the bonding requirements were sufficient to protect the Government's interest?

Mr. MILLER. I say to my friend from Delaware that the news story which appeared in the Des Moines Register does not refer to the bonding situation. However, inasmuch as the shortage apparently occurred prior to the very recent date on which the Secretary of Agriculture made a statement that there were plans to revise the bonding requirements, it would be my judgment that this case in Vail, Iowa, probably will end up in about the same way that some of the other cases which have been reported on recently ended up.

Without adequate bonding requirements, the taxpayers would be out in the cold. The Senator from Delaware remembers the Barbour case in Iowa, in which Mr. Barbour had apparently gone into bankruptcy, without adequate assets to cover his shortages with the Federal Government.

It would be premature for the Senator from Iowa to prejudge the present case and to say that there would be no assets held by the Alan T. North Grain Co. to make up for the $96,000 reported shortage. It may be that they have the assets. The tragic part of it is, however, that unless there are adequate bonding requirements, prolonged litigation may be required and other creditors may suffer. Assuming that the Alan T. North Co. has $100,000 in assets and can make the Federal Government whole, they may have other creditors who would be subject to hardship. So the bonding requirements would not only benefit the American taxpayer but also would have a definite tie-in for the benefit of other creditors of the grain storage warehouses.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. MILLER. I yield.

Mr. WILLIAMS of Delaware. On that point I am in complete agreement. I think our bonding requirements have been too low over the past several years. I am glad that the Secretary is now taking appropriate steps to have them increased. I do not think we can overlook the importance and significance of the shortage, even though the bonding requirements are protecting the Government, or even though the company itself may be financially able to reimburse the Government. The fact that some storage operators are using the grain and devoting it to their own use and sale is an indefensible practice. The grain belongs to the U.S. Government in this instance, or it belongs to whomever it may be stored for. Certainly no storage operator has the right to divert that grain to his own use. It is an indefensible practice which is occurring far too often for the good of all concerned.

Mr. MILLER. I thank my colleague for his comments. I thoroughly agree with what he has said. A part and parcel of this situation is the fact that, as reported in the article, on 14 separate inspections conducted during the last 4 years by the State of Iowa's Department of Commerce, shortages were found. One wonders what was happening in the meantime so far as the inspections being made by the Department of Agriculture were concerned.

Mr. WILLIAMS of Delaware. The fact that no action was taken before this particular date makes it all the more indefensible. Certainly someone was lax. When the first shortage was discovered, appropriate steps should have been taken very promptly by those in charge of protecting the Government's interest.

Mr. MILLER. The Senator will remember that in my comments on the Barbour case, I referred to the literal shipping out, from under the noses of the Department's own inspectors who were there at the warehouse, of grain to the deprivation of the interests of the Government as being "incredible mismanagement." In view of the fact that in 4 years the State's own investigators conducted 14 inspections disclosing shortages, there certainly is in this case the same kind of mismanagement on the part of the Department of Agriculture, because either they were not running inspections or, if they were running inspections, they certainly must have been finding out about shortages and doing nothing about them.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. MILLER. The Senator from Iowa is happy to yield.

Mr. WILLIAMS of Delaware. In response to some of these disclosures, the Department has advised the Senate that their interest was properly protected by virtue of the fact that they had withheld payments on storage allegedly due the warehouseman, which would cover the particular shortage involved.

I ask the Senator the following question: While that may work well in instances in which the storage operator did not go into bankruptcy, would this protect the Government if the storage operator went into bankruptcy?

Mr. MILLER. I understand that the Government's right in its storage contracts to set off storage payments owed the operator against his shortages has stood up in bankruptcy cases. But I wish to emphasize that the failure to have adequate bonding requirements lays the foundation for losses on the part of the Government. The mere fact that payments might have been withheld by the Government in a certain case would only be accidental. The Government could not say, in a case such as the one the Senator referred to, that there had been no loss to the Federal Government and proudly proclaim this as if careful administration was responsible for the situation. The administrators responsible for the situation could be very thankful and could consider themselves very lucky that accidentally the situation turned out that way, but it was not due to their prudence.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. MILLER. I believe we should nail down another point. The adequate bonding requirements would not only assure protection to the Federal Government, but also they would preclude the necessity of the Federal Government going into the assets of the grain storage warehousemen to the deprivation of the other creditors, who would have no protection as a result of that.

I thank my distinguished colleague from Delaware for his gracious comments.

Madam President, I point out also that today another grain shortage situation has been reported at Mount Gilead, Ohio. I ask unanimous consent that the United Press International report on this shortage be printed at this point in the RECORD.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

MOUNT GILEAD, OHIO.—The Federal Government has seized a Morrow County grain elevator, claiming a shortage of corn and soybeans by the firm.

The Morrow Supply Co. at Edison in north central Ohio was taken over by a court-appointed receiver, his attorney and a U.S. marshal, who confiscated a $9,000 bank account and all other assets of the company.

The company dealt with the Commodity Credit Corporation of the Agriculture Department. When the CCC bought and stored corn and soybeans at the elevator, it received receipts.

The Government now claims that it has receipts for more corn and beans that the elevator can deliver. It also said the company is in precarious financial condition.

ANTIBUSINESS ATTITUDE OF THE ADMINISTRATION

Mr. MILLER. Madam President, a great amount of attention has recently been focused on the antibusiness attitude of this administration and the lack of confidence on the part of businessmen and investors. This is not something that has occurred overnight. As long ago as March 30 of last year, the noted columnist David Lawrence, had an article in the Washington Evening Star, entitled "Kennedy Misses Budget Problem," in which he made the wise observation that the real problem of our country was how to increase profits so that there will be more tax receipts for the Treasury and warned that unless the climate for business development improves generally, the prospect of getting more receipts from taxes for the Treasury will grow worse. Mr. Lawrence called for tax incentives, including a revision of depreciation allowances. Finally, 17 months later, the Treasury Department has released a revised bulletin F, providing more realistic lives for depreciable assets. Of course, this had to be done within the framework of the tax law passed by Congress, which, in section 167 of the Internal Revenue Code, provides for a deduction for "a reasonable allowance for the exhaustion, wear and tear of property used in a trade or business," including a reasonable allowance for obsolescence. It will be up to the Congress to revise this law if we wish to place our businesses on a competitive footing with those in several other foreign countries where much larger allowances for depreciation are permitted. Meanwhile, the only thing we have heard from the administration has been the ill-advised investment tax credit—which neither labor nor management want—and vague and irresponsible chatter about tax cuts without making room for them by expenditure cuts.

A few weeks later, on June 15, 1961, Mr. Lawrence in another column in the Washington Evening Star, stated that the administration was being accused of hostility towards business and not attacking economic problems—at least not attacking them on a sound basis. This was over a year ago, and I suggest that the persistence of some of the advisers to the White House in following unsound, irresponsible economic and political philosophy alien to the traditions of our country has inevitably led to the present state of affairs. The statements made at the time of the steel price increase situation were not new. Mr. Lawrence called the turn over a year ago. I ask unanimous consent that both of these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Kennedy Misses Budget Problem—Message Hit as Failing To Tackle Task of Increasing Business Profits

(By David Lawrence)

President Kennedy has sent to Congress a message on the budget that doesn't come to grips with the real problem of the country—how to increase profits so that there'll be more tax receipts for the Treasury.

Since the Federal Government is entitled to collect in taxes 52 percent out of all profits, it would seem that any administration would be working hard these days to move profits upward. But all the task forces hereabouts—composed mostly of some college professors who regard an impetus to profits as a forbidden, if not poisonous, subject—haven't come up with any plan to increase Treasury receipts.

Plenty of words have been issued on how to pep up the economy by spending more money for social welfare, but the true causes of unemployment—the failure to provide tax incentives in manufacturing industries—have been largely ignored.

Job creation is the most important subject before the country today and, while a Democratic Congress has been in session nearly 3 months, not a single bill has been reported to either House to encourage the normal processes of job making.

Yet 29 percent of the labor force is in manufacturing—the biggest single group. The unemployment figures show that 1.5 million of the unemployed have been laid off in manufacturing businesses. While aid to depressed areas and extension of unemployment compensation are desirable, they are not a cure for the real ailment—the failure of manufacturing to grow in volume as it should. This is because tax laws that apply to replacement and modernization of plant and equipment are antiquated and ineffective.

Unless the climate for business development improves generally, the prospect of getting more receipts from taxes for the Treasury will grow worse, and, even if there is a recovery period in the next few months, it may be followed soon by another recession.

The trend of the times unfortunately is toward more and more Government spending for social welfare without paying much attention to the need for developing an increasing revenue from the normal sources of taxation. Business and the Government are partners in the profitmaking process. It might be thought that the Federal Government would be much concerned about increasing the receipts from its 52 percent tax on corporations. This logically points to the desirability of providing promptly a stimulus for business growth.

The other day when President Kennedy spoke of increasing the minimum wage from $1 to $1.25 an hour, he said he couldn't see why any business "making $1 million a year or over" should object. He was obviously mistaken in his reference, which should have been to gross sales of that amount, but his error started a line of thought as to just how many companies in this country do make $1 million or over and what profits are made by the different classes of companies—large and small.

It turns out, for instance, that in 1958—the latest year for which figures are available—there were only 3,857 corporations making $1 million or more a year after paying taxes, while there were 607,274 corporations making less than $1 million a year. There were 379,250 corporations which lost money. The first group had $16 billion left after taxes, and the second group retained about $8 billion. Thus the total amount earned by both groups after taxes was about $24 billion. This is a little more than enough to pay half of America's defense budget today, which is growing beyond $44 billion. So, even if business earnings were taxed 100 percent, there wouldn't be enough from this category alone to balance the $84 billion budget now being proposed by the President.

Obviously, even if the deficit is to be held at the expected $3 billion in the new budget and corporation taxes run to around $20 billion, about $61 billion has to come from tax payments by individuals employed in business, in the professions, in agricultural pursuits, and in other activities, and from sales and excise taxes. But unless the business structure is healthy, these sources of revenue drop off, too.

It is surprising, therefore, that the Kennedy administration has neglected to do anything about stimulating the flow of profits in business. Vague intimations have been given that tax-depreciation allowances are to be revised, but this topic doesn't appear to have any of the spectacular urge that the Peace Corps idea has behind it, though tax-depreciation laws can mean far more for America and for the foreign-aid program than any other single factor that could be cited.

Uncle Sam, as a more than 50–50 partner in American business, would appear to be rightfully concerned about how to increase profits, but so powerful are the demagogic influences against doing anything to help business that the subject is not getting the attention it deserves.

Even the new Secretary of Commerce—who is supposed to be as vigorous an advocate of business legislation as his colleague, the Secretary of Labor, is in pressing for measures wanted by the AFL–CIO—isn't making a fight for the tax-depreciation program. Nobody in the White House or in Congress seems to be a champion of larger and larger tax receipts that can and should be derived from business profits, not only for the benefit of the U.S. Treasury but for the unemployed who would get jobs if business could achieve a healthy recovery.

A Long-Range Business Worry—Administration Is Accused of Hostility and Not Attacking Economic Problems

(By David Lawrence)

Businessmen are beginning to worry about another recession—the one expected after the current recovery has run its course. The real worry about the long-range outlook arises from the failure of the Kennedy administration to come to grips with the things that are hurting the national economy. Instead, there are signs of a deep-seated hostility to business on the part of the administration which could retard recovery and make another recession inevitable.

Many unsound policies are being advocated. Thus, the drastic changes proposed in the whole system of taxing American companies abroad could bring on a disruption of foreign trade and add to the difficulties of many of our allies.

Likewise, the stimulus that had been expected through a sensible program of tax incentives on depreciation allowances in connection with new plant and equipment has not materialized. Businessmen don't really know what to expect, and many of the plans that should long ago have been underway to construct new plants haven't been launched as yet. All the benefits to employment that would have been derived from the heavy-goods industries if a broader policy on depreciation had been formulated have, therefore, not been forthcoming.

The inclination in the administration and in Congress to spend money and time on projects that do not assist the normal economic development of the country, but merely add to its deficits, has become pronounced. Administration officials talk about spending $40 billion to develop American exploration of the moon and outer space, but the down-to-earth requirements of a business recovery in America are being ignored.

More than $6 billion is to be spent by the Government for housing, but critics point out that in most areas Government money on 40-year mortgages is not so much needed, since the rental space available has been steadily increasing in recent years.

Another measure causing concern is the proposal to burden banks, savings and loan associations and businesses generally with the expensive task of deducting taxes on dividends at the source. This not only means hardship for small stockholders—especially retired persons—who may not get their normal income promptly hereafter, but it involves a tremendous amount of paperwork for the companies themselves. It is one of the most costly things in the way of tax collection ever suggested. Oddly enough, it is being estimated by experts that, if the Government did a better checking job on corporation stockholder lists and on payments made in dividends each year, it could readily collect from delinquent taxpayers.

Basically, business is worried about inflationary trends and the upward rise of prices brought on by higher wage levels. When an administration scorns a balanced budget and even suggests that to balance it is harmful, then businessmen begin to be genuinely concerned about the future.

What is particularly disturbing is that, while the Kennedy administration started off with a friendly interest in the fate of business—and some benevolent phrases were used for a time—the indifference now to the problems faced by American business has become more and more noticeable in Washington.

There was a time when businessmen felt that the coalition of "conservative" Democrats and Republicans in Congress would prevent any serious disturbance of the business equilibrium by hostile legislation. But the coalition seems to have been weakened by defections in both parties. The tendency to get something while the getting is good seems to have been noted with respect to individual members of Congress. The administration has been dispensing its favors to Southern Democrats here and there and has been picking up votes for unsound programs. Those Southerners have gone along with some inflationary measures, too. The net effect has been to notify American businessmen that, instead of friendliness to the private-enterprise system, the direction in Congress is toward socialization and inflation.

Back home the citizenry has not yet been awakened to what the damage can be to the economic system if the coalition of "conservatives" loses strength in Washington. It has been the single bulwark of the economy for more than a decade and a half, since the ending of World War II. If now a series of recessions ensues, it will be a long while before the country will make the progress that it could well have made if the economic system had been encouraged along sound lines.

Mr. MILLER. Madam President, in connection with the economic philosophy to which I referred as being alien to our country, the lead editorial in today's Wall Street Journal, entitled "Flunking an Economic Test" points out, first of all, the type of economic philosophy that is being sounded—talk of tax cuts without a corresponding cutback of expenditures to make room for them, and, even worse, talk of tax cuts and increased Federal Government spending. Following the presentation of that philosophy the editorial proceeds to take it apart.

I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FLUNKING AN ECONOMIC TEST

Some of the economic talk in Washington would be funny if it were not rather sad. Thus the administration is said to be seriously mulling an increase in Federal spending along with, or as an alternative to, a tax cut.

Right at the moment, however, such thinking is necessarily academic; the Cannon-Hayden feud in Congress has stalled action on appropriations. So we have the richly ironic spectacle of irresponsibility on Capitol Hill interfering with plans for more fiscal irresponsibility elsewhere in Washington.

The appropriations tangle will of course get straightened out in due time, and therefore it may be a good idea to take a look at this theory of increasing spending as a means of buoying up a not too buoyant economy. The theory is that a tax cut would tend to stimulate investment, whereas higher Federal expenditures would immediately affect the lag in private spending.

The key word is theory; that's all there is to it. Even as economic theory, it is highly dubious. Neither a tax cut nor bigger spending is guaranteed to put a lot of new zip into the economy. Nor is it difficult to understand why.

As Prof. Paul Samuelson observes, there just isn't much steam in the economy; it is, for some years now has been, in a sort of intermediate state. Mr. Samuelson, who believes a downturn has already begun, rightly rejects the notion that this economic idling is somehow the fault of businessmen.

It is simply that people have satisfied much of the intense demand that was characteristic of the earlier postwar years. To greatly increase demand would require new incentives to make all kinds of new or improved products. A really significant tax cut for both individuals and companies, although not guaranteed to have any automatic results, might well provide the climate in which such fresh incentives could eventually flourish.

The crucial question is the way in which taxes are cut. Reducing taxes without reducing Government spending—not to mention the talk of increasing it—would be foolhardy. It could build up a deficit of truly dangerous proportions, further threatening the international standing of the dollar.

Reducing spending, on the other hand, is important not only as the proper way to cut taxes without incurring more red ink; it is also necessary as a means of providing those new incentives on which rising demand must depend. For as it is, Government spending, accounting for about one-fifth of the gross national product, presses heavily on the private economy and diverts to nonproductive or wasteful spending money that might otherwise go into new production.

To argue otherwise, that the future demand stimulus must come from increased Federal spending plus tax cuts, is neither responsible nor reasonable. It is economic nonsense. And those who think to make political gains at the expense of the economy are failing one of the most basic tests of office.

CENTRALIZED GOVERNMENT AND CONTROLS

Mr. MILLER. Madam President, in the February 24 issue of the Wall Street Journal, the lead editorial, entitled "Gifts from the Maharajah," discloses the type of thinking which brings about centralized Federal Government and the controls that go along with it. I might add that anyone who reads this will understand what I meant a few weeks ago when I referred to the "fatalistic" attitude of the Appropriations Committee over the impossibility of reducing expenditures to match our revenue. I, of course, do not condone such an attitude, much less the philosophy of centralizing power in Washington, but the explanation for such thinking is of interest and, I hope, may stimulate the voters to rebel against it. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GIFTS FROM THE MAHARAJAH

In ancient times, so we are told, shrewd potentates had a clever way of bringing local governors to heel. They smothered them with solicitous kindness.

Let a distant principality show too much independence and the gracious Maharajah might pay it a visit, bankrupting the countryside which had to play host to his grand entourage. Or mayhaps the local ruler would receive the generous gift of a royal elephant which would eat him into ruin. Thus reduced to need, the local people would receive gratefully any largess from the Maharajah. And of course receive resignedly the instructions that came with the relief.

This interesting gambit is still being played, as anyone might notice who listens to one of the current arguments as to why the Federal Government must give aid to the States for this or that costly program.

The argument runs like this: Education (or care of the indigent, or whatever) is one of the essential tasks of a community. The blueprint of the program needed, drawn up in Washington, runs into uncounted billions. These projected billions are obviously too much for the local communities whose tax resources are already exhausted. Hence there is no alternative but for the Federal Government to relieve the States of this burden.

To this argument it is not easy to turn a deaf ear; indeed, it seems a blessed relief to many a poor taxpayer already buried in local taxes to pay for the State's present program for schools, or hospital or roads or any other community service.

And in his harassed condition, the poor taxpayer is hardly able to reflect how this state of affairs came about, or to think too much upon what else will come with this generosity from Washington.

Yet the process is, really, quite simple. Take that urban development project down the street. It came as a "gift" from the Federal Government; but to get the gift the local community had to raise its own taxes a bit to pay incidental parts of the cost. The same is true of the new hospital or the new library. And of course the gift from Washington brought other hidden burdens; sometimes a drop in taxable property, sometimes the need for more roads, more police protection, more fire equipment. But all adding to the local burden. Enough such gifts from Washington and the town treasury is in dire straits.

Meanwhile, the Federal Government is doing other nice things for the people. The local veterans have been sent to school and the neighboring farmers have been paid for not growing things. Some of the community's money has been siphoned off and sent to Laos; there's that much less for the new school. And for more than a generation the Government has been quietly clipping the coins, so that the dollars which only a few years ago would have bought the school will not do so today. All calculated to shrink the local resources.

And consider those blueprints drawn in Washington. Citizens knowing their own community can judge whether the new school is needed and if so how big. But when Washington says the Nation needs to spend so many billions, what doctor in Duluth or plumber in Poughkeepsie can measure the sense of it all.

All he can know is that, sure enough, the taxpayers of Duluth and Poughkeepsie have already got enough trouble. Isn't it nice that the Maharajah on the Potomac is going to help out.

It is, when you think of it, a beautiful gambit. First of all the Federal tax gatherer milks the poor taxpayer as dry as possible. Next the Federal Government "gives" the people some nice things, being careful to see that the communities not only pay Washington for Washington's share but also have to dig up some more money to pay the local costs.

Then when the gifts from Washington have just about exhausted both the local treasuries and the local taxpayer, Washington discovers a new unmet need, the size of which, true enough, is bigger than the poor local communities can handle since the size is limited only by the imagination of Washington in drawing the blueprints.

At that point in the argument comes that clincher. Nobody can argue against the desirability of schools. Nobody can argue that the blueprints as drawn can be met by "local action." So there's nothing left to do but run once more up Capitol Hill, hat in hand.

For of course hardly anybody ever suggests that this vicious circle could be readily broken by spending and taxing less in Washington, thus leaving more for the folks back home. Hardly anyone, indeed, stops to think that anyway there's only one hide for all this to come out of, that same poor taxpayer's.

And by this time almost everybody seems beyond caring that with each gift come more and more controls from the faraway potentates. Or cares to notice that each new and gracious gift, for which relief we give such thanks, just makes the circle more vicious. Clever fellows, those Maharajahs.

THE U.S. ECONOMY

Mr. MILLER. Madam President, in the July 16 issue of the Washington Evening Star, the distinguished columnist, David Lawrence, touches upon one of the key problems of our economic growth in an article entitled "U.S. Economy Not Natural." Mr. Lawrence calls attention to the burden of nearly $50 billion of unproductive national defense expenditures a year which constitutes the basis for an unnatural economy, to the gap between the outgoing payments of gold and the incoming flow of gold, to the deficit budget which has weakened the confidence of world bankers in the American dollar, and to the policy of this administration to look upon deficit spending as good economics—all of which promotes the fear that we may eventually devalue the dollar. Mr. Lawrence warns that unless tax receipts balance the budget, unless business expansion and modernization of plant and equipment can be encouraged by a return to productive expenditures by the Government, this Nation is going to be in for a series of recessions, if not depressions, during the remainder of the 1960's. I ask unanimous consent that Mr. Lawrence's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. ECONOMY NOT NATURAL—GROWTH OF DEFENSE SPENDING SADDLES NATION WITH BURDEN

(By David Lawrence)

A favorite topic of conversation nowadays among businessmen in Europe concerns the American economy. There are many versions of what is wrong with the business trend in the United States, but most of the analysts fail to take into account that comparing America and Europe is somewhat like comparing apples and onions. The two economies have different problems and different requirements.

Sooner or later, the obvious becomes news. The obvious in America today is that the national economy is not a natural economy, and that it is burdened and frustrated by nearly $50 billion of unproductive expenditure out of a Federal budget of around $90 billion.

This unproductive expenditure has been deemed necessary for national defense—for America's survival. But the armament expense now has reached a point where it has slowed down the growth of business and saddled the Nation with a burden of colossal proportions.

Everybody readily concedes that a world war distorts and disrupts a national economy. America never quite recovered from the economic impact of World War I as it experienced a series of recessions and eventually a deep depression which was "cured"—or rather suspended—only by the outbreak of World War II.

It now has been 17 years since the end of the last big war. But in the middle of that period, from 1950 to 1953, the Korean conflict—which was itself a war of no small proportions—brought to the American economy another era of unnatural operation.

Meanwhile, the public debt in the United States has been increased so that the American people now pay out $9 billion a year in interest alone. No European nation has a comparable obligation. It is easy enough to talk about how Europe is "prospering," but the European people are not being required to pay taxes to cover any such interest cost.

But most important in its relationship to sound business growth is the fact that the United States has been spending money for armament during the cold war at a rate that is close to what was spent on a "hot war" in the past. The expenditures for defense during the past 9 years of the cold war total $361.6 billion—or $75 billion more than was spent by the military services for World War II from July 1941 to July 1946. Similarly, it is more than 13 times what the United States spent for World War I and nearly 3½ times the military expenditures in the 3 years of the Korean war.

But while a huge expenditure for 4 years, as in the case of World War II, might be digested—though with real difficulty—in the postwar period, how can the national economy accomplish this now and keep on spending at an average of between $40 and $50 billion a year in a "cold war"?

This is the question that America will have to face up to if it expects to achieve some kind of "growth" of the economy. How long can expenditures for unproductive purposes be continued without forcing a bigger and bigger gap between the outgoing payments of gold and the incoming flow of gold? How long can wage costs continue to be inflated while prices stand still and consumer demand drops off because of fears of a deep depression?

The proposals in Washington that a tax cut be given or that tax-depreciation rules be revised by new laws don't by themselves solve the problem arising out of a stagnating economy. For America faces a period of readjustment of a fundamental character.

Unless the outflow of American money is equaled by the inflow and unless the U.S. Treasury's receipts are enough to balance the budget, the confidence of world bankers in the American dollar will weaken. Many bankers in Europe already are convinced that a revaluation of the gold content of the dollar is inevitable. They read in the press that "deficit spending" in America has suddenly been accepted as good economics among President Kennedy's advisers. This revives the age-old comment of economists—that governments, when burdened by excessive debt, deliberately revalue their monetary unit and cheat the people again and again.

The central issue today is armament expense. Unless it is gradually reduced, there will be little chance for a natural economy to operate in the 1960's. And unless business expansion and modernization of plant and equipment, for example, can be encouraged by a return to productive expenditures by Government so that tax receipts will balance the budget, the Nation will experience a series of recessions, if not depressions, in the rest of this decade.

TAX CUT GOOD POLITICS BAD ECONOMICS

Mr. PROXMIRE. Madam President, the arguments for a tax cut to expand the economy continue to grow in volume and support throughout the country. I have made my position clear repeatedly on the floor of the Senate as to why I believe a tax cut now would be unwise and unnecessary. I emphasize that not only has the general support for a tax cut grown in volume, but in remarkable contradiction. Powerful support for a tight money policy that would contract the economy has grown at the same time.

Only yesterday Mr. David Rockefeller, president of one of the largest banks in the country, and a very distinguished and able financier, pleaded for higher interest rates, and stated that he thought this was a wise policy for our country to follow. On Friday, Chairman William McChesney Martin, of the Federal Reserve Board, appeared before the Joint Economic Committee and defended his Board's present higher interest rate policy. He refused to say he was advocating a tight money policy, but conceded that interest rates are rising.

CONTRADICTION SENSELESS

For some time I have argued that this does not make any economic sense, because high interest rates, rationed credit and tight money obviously restrain the economy. They prevent the expansion of business. They prevent the people from buying and building homes. They discourage employment. They keep employment down.

On the other hand, the whole purpose of a tax cut would be to move the economy in the opposite direction.

The whole purpose of that kind of easy fiscal policy is the opposite of a tight money policy. I have argued against this contradictory policy strictly on the basis of its economic effect on the country, but I have been unsuccessful in provoking anyone to contradict my position, even though it seems to be contradicted by public statements with respect to the desirability of a tax cut and the wisdom of higher interest rates.

The reason I rise to speak on the subject at this time is that a very excellent article has been published in Lloyd's Bank Review, of England. It was written by James M. Buchanan, at present a Fulbright visiting professor at Cambridge University, who holds the chair of economics at the University of Virginia.

WEAKNESS OF EASY BUDGETS, TIGHT MONEY

Professor Buchanan explains, very appropriately, that easy budgets and tight money are likely to become an inevitable weakness of a democratic system. He argues that what is likely to happen is that the policy of tight money and high interest rates, is relied on to stem inflation in times of the expansion of the economy. Under those circumstances, when the economy is moving ahead too rapidly, there is pressure on resources and little unemployment, and there is a tendency on the part of the central bank to increase interest rates in order to prevent inflation.

On the other hand, he says, when the opposite situation exists, of a recession or threatened recession and heavy unemployment, instead of curing the situation by reducing interest rates, it is far more attractive to politicians to cure it by reducing taxes, because everyone wants a tax cut. It is perfectly natural for people to want their taxes reduced. Last Saturday night, when I was visiting in Milwaukee, I encountered a man who said to me, "PROXMIRE, all you politicians talk about when you are running for office is cutting taxes. What have you done about it?"

I happen to feel that this is a very shortsighted attitude, but it is a human and understandable one. Everyone wants the burden he must bear for the cost of Government reduced as much as possible. At the same time, it is quite obvious that everyone also prefers to have Government services increased, at least most of us do. We prefer to have the strongest kind of Army, Navy and Air Force that it is possible to have. The people prefer all kinds of domestic services which are beneficial from their standpoint.

POLITICAL HEAVEN: LOWER TAXES, HIGHER SPENDING—CALL IT RESPONSIBLE

Therefore, the ideal position for a politician to take is that of wanting to reduce taxes and increase spending, and to justify it all as a responsible position by saying that it is necessary to do this in order to get the economy moving; and, when it gets out of line, to increase interest rates, because the increase will presumably stop prices from rising too much and prevent inflation.

OECD CALL FOR HIGH LONG-TERM INTEREST RATES

Before I comment on the article written by Mr. Buchanan, I wish to refer to an article which was published in the Wall Street Journal today. Once again, this article depicts the kind of pressure that is being brought to bear on the top economic policymakers in our Government to increase interest rates. The article originated in Paris. The opening paragraph reads:

> America could take a long step toward overcoming its balance-of-payments problem by raising interest rates in the United States. This is the advice U.S. officials are receiving from fellow members of working party No. 3 of the Organization for Economic Cooperation and Development.
>
> Working party No. 3 is a key financial committee composed of representatives of major countries in the Western World.

The article also states:

> Members of the working party, led by representatives from France, West Germany, and Italy, are urging the United States to boost long-term interest rates in order to stem the outflow of gold from the United States.
>
> They emphasize that long-term rates in much of Europe have been around 6 percent, while U.S. rates have been no higher than 4.5 percent.

To my knowledge, this is the first time that any distinguished financiers have said that not only should the short-term rates be increased, but that long-term rates should be increased, as well.

While it can be argued that short-term rates may have a minimal effect on the economy, I think it is obvious that if long-term rates are increased, it will mean that rates on home mortgages will be increased; it will mean that the interest rate on money that is borrowed will be increased.

PRESCRIPTION FOR UNEMPLOYMENT

If the recommendations reported in the Wall Street Journal were followed and there were a 1½-percent increase in the interest rate on mortgages in this country, that would mean that rather than having almost 1.5 million housing starts, we would be lucky to have 800,000 housing starts. That would have a far more constricting effect on the economy than would even a huge increase in taxes. It would certainly cancel out any reasonably sized tax cut. A 1½-percent increase in long-term interest rates, of the kind suggested by the so-called working party No. 3 of the OECD, would mean, for example, that a man who bought a $20,000 home would have an increased payment of about $12 a month. In other words, instead of paying $100 a month, he would pay $112 a month. In order to get an equivalent tax cut, it would be necessary to provide a cut in the neighborhood of $14 or $15 billion to compensate for the loss. Such an interest rate hike is a sure prescription for unemployment.

The reason why I am emphasizing this subject is that it is not something which some theorist is writing about in some publication. It is a sober proposal by a distinguished financial group which has the ear of the Federal Reserve Board. This group is listened to carefully by the Council of Economic Advisers and by other persons who make economic policy in this country.

HIGH INTEREST TO MOVE ECONOMY IS NONSENSE

I shall make another reference to the article in the Wall Street Journal:

> One high OECD official said: "If the United States raised its interest rates, the favorable effect on the balance of payments could be such as to offset any trend toward deflation within the country." He maintained that this move, together with others aimed at protecting the dollar and stimulating the American domestic economy, could reverse the outflow of gold from the United States. The resulting upsurge of confidence in the dollar, he continued, could encourage business everywhere, producing a rise in economic activity and in U.S. exports that would more than cancel out any domestic effects of the higher rates.

Madam President, if this is not plain nonsense and gobbledygook, I do not know what it is. This high OECD officer is saying that if interest rates are raised high enough, there will be enough confidence to move the economy forward. From whom? Apparently from world bankers, even though it would cost much more to buy a home, an automobile, or a refrigerator, or any other kind of durable goods, because virtually all of them are bought on time, and in all these cases interest cost is a vitally important element in cost.

Since when did we repeal the law of supply and demand so that the higher the price the more is bought? Of course this is ridiculous.

Mr. McNAMARA. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. I yield.

Mr. McNAMARA. The Senator has referred to a committee. I take it that the committee has no Government standing.

Mr. PROXMIRE. It is so-called working party No. 3. It is described as "a key financial committee composed of representatives of major countries in the Western World." Their status is with regard to the Organization for Economic Cooperation and Development. Apparently they have considerable standing in their own countries. This group represents France, West Germany, and Italy.

The U.S. representative in the OECD is Dr. Heller, Chairman of the Council of Economic Advisers.

Mr. McNAMARA. Did this committee come into being of itself or by the act of others?

Mr. PROXMIRE. I think this committee must have come into being on the basis of action taken by the Organization for Economic Cooperation and Development, and presumably with the cooperation and support of the United States, because the United States is one of the leading members of that group.

The Wall Street Journal article states:

> The OECD and particularly working party No. 3 have become increasingly influential since their formation, and they are regarded today as a major forum for Western economic and financial cooperation.

TAX CUT WOULD ONLY REPAIR PART OF DAMAGE OF HIGH INTEREST

This is why I am deeply concerned. This group has real status and is likely to be listened to, although what they say does not seem to me to "add up" at all. I should like to refer to one other point in the article:

> European monetary authorities argue also that a U.S. tax cut would be in order along with the higher interest rates, even though it might lead to a budget deficit. They say the tax cut would tend to offset the domestic effects of higher interest rates on business.

In other words, they concede that the effect of higher interest rates on business would be to contract business; to make the Nation stand still economically, and not increase employment, but diminish employment. They say that to counteract that trend in part, or to tend to counteract it, we should incur a bigger deficit and reduce taxes. It seems to me we should go in exactly the opposite direction.

Madam President, I think a strong case can be made for a tax cut, but I think this is not the time for one. But certainly I feel that in terms of the overwhelming interests of this country, which are economic growth and full employment, particularly the reduction of unemployment, no case at all can be made for higher interest rates or for a policy of contraction under present circumstances.

Having stated that the argument for high interest rates and an easy fiscal policy or easy budgets and tax cuts is supported by distinguished economists, I should now like to read from an excellent article written by James M. Buchanan and published in Lloyd's Bank Review. Mr. Buchanan points out that this can be a real weakness of our economic system. Even Buchanan, when he wrote the article, did not conceive that a policy of high interest rates and tax cuts would be seriously proposed at the same time. In times of recession, taxes might be reduced sharply. In times of pressure on scarce resources or in times of inflation, interest rates might be hiked. But to do so simultaneously is to run on a treadmill and go nowhere.

POLITICAL TEMPTATION: CUT TAXES

This is what Mr. Buchanan wrote. I call it to the attention of the Senate because I think it is so appropriate and timely.

> If political reality is recognized at all (and it seldom is by academic scribblers), surely it suggests the strong bias of fiscal policy toward the creation of budget deficits rather than budget surpluses. Governments, that is to say, politicians, faced with any sort of responsive citizenry or electorate, are surely cognizant of two powerful and ever-present forces. Constant pressure is exerted upon them to reduce (not to increase) the level of taxes, and, at the same time, to expand (not to reduce) both the range and the extent of the various public services. As the Plowden committee quite properly noted, the third pressure for budgetary economy, so strong in former times, no longer exists as an effective counterforce comparable in strength to the other two.
>
> Both of the dominant pressure groups, the tax reducers and the expenditure expanders, direct their fire at the politicians, who must, other things equal, respond (otherwise, they will not remain politicians for long). These pressures assume especial importance in an economy where tax rates are already prohibitively high in the view of many people, and where ever-expanding public spending programs have been firmly "built in" to the structure of expectations. Governments will, quite predictably, seize on any opportunity or excuse for deficit creation offered to them by the economists, as is the case during modern recessions. Deficit financing enables both of these groups to be satisfied simultaneously: the politicians' dreamworld come true.

And the politicians' dreamworld has really come true when one can argue not only for a tax cut which benefits everyone and for increased spending which will benefit most people in the society, but can do it on a responsible basis, and can say, "This is what I have to do as a responsible statesman."

Then Professor Buchanan states:

> The situation during booms is exactly the reverse. To carry out effective stabilization measures through the budget then requires that both of these pressure groups be countered. Tax rates must be maintained or increased, and public spending programs curtailed or, at any rate, not expanded. The experience in Great Britain during recent months suggests that the latter is especially difficult, even when an explicit curtailment objective is announced in advance. And, if the Chancellor presents a tough budget in April, this will be the exception that proves the rule. Can anyone express serious surprise that budget surpluses have so rarely occurred, except by accident, since fiscal policy has matured, so to speak, while budget deficits have been the order of the day?

And then Professor Buchanan points out that there is this other way to stem inflation—not in the tough way of increasing taxes or reducing spending, but by increasing interest rates and he states:

> I assume only that governments will, when faced with a choice between these two policy instruments—

That is, a choice between fiscal policy and monetary policy—

> tend to choose the one that creates the lesser disturbance and that generates the less violent reaction on the part of the citizenry. This is all that is required to show that during recessions governments will implement stabilization objectives through fiscal policy measures—

In other words, a tax cut—

> instead of monetary policy measures—

Or high interest rates—

> and that, conversely, during periods of threatened or actual inflation, they will resort primarily to monetary methods of control. I do not, of course, suggest that governments will always act in this way.

PRODUCTABLE POLITICS: CUT TAXES; HIKE INTEREST

Madam President, I now skip to another section of this very timely and interesting analysis by Professor Buchanan. He then points out:

> There is less intensive public reaction against restrictive monetary policy (i.e. the issue of public debt) than there is against restrictive fiscal policy (tax increases). And, on the other side of the cycle, that there is more intensive relief provided through tax reduction (expansive fiscal policy) than there is through debt retirement (expansive monetary policy).

That is, lower interest rates.

> This seems certainly to be true, but I want to ask why. Why does an increase in interest-bearing debt arouse less antagonism on the part of the public than a tax increase designed to accomplish roughly the same objectives?
>
> The answer is, I submit, a very old and a very simple one, and one that has been understood by sensible men for centuries. The issue of national debt allows the real costs of the restrictive measures to be postponed in time, to be shifted to individual taxpayers in future accounting periods. Actually, there should be little point in discussing this elementary principle of debt, public, or private, were it not that the great weight of modern intellectual opinion comes down heavily on the side that denies its validity.
>
> If this basic classical principle of public debt is accepted, the explanation we seek has been located. Those who must pay current taxes are members of the electorate at the moment when the policy action is taken. These taxpayers exist in the here and now, and their opposition to increases in tax rates can be heard. By contrast, who can arise to oppose an increase in tax rates in future periods, which an issue of public debt must embody? Current taxpayers will, of course, offer some reaction in anticipation of their expected future liabilities, but, when confronted with any choice between these and current tax increases their preferences are not hard to predict. By and large, and with few exceptions, modern governments will find debt issue less unpopular than taxation.

So, Madam President, now we are following a policy of debt issue by deliberately unbalancing the budget, by deliberately increasing the national debt, by reducing taxes, by maintaining high spending, and then by counteracting that by increasing interest rates. So people will have the joy of having a tax cut and the benefit of increased and perhaps expanded services, and they will not have to pay the piper until later on, maybe even a generation later.

HISTORICALLY WORST BLOW TO FUTURE TAXPAYERS

Many persons have warned about public debt and how serious it can be; but I think this is the first time in the economic history of our country that we have deliberately planned to increase the debt and increase the cost of servicing it at the same time. As Professor Buchanan pointed out, in doing that we are hitting the future taxpayers really hard.

Professor Buchanan argues that the implications of this sort of policy can be very serious in the future. He states:

> Interest rates will be pushed ever upward, and budget deficits will seldom, if ever, be matched by budget surpluses. This result should be condemned on ethical grounds, since it tends to place the costs of stabilization policy squarely on the shoulders of future taxpayers while concentrating the benefits in the here and now. Apart from the ethics of the matter, this pattern of policy runs directly counter to that which might be suggested if rapid economic growth should come to be accepted as an explicit aim of policy. Even if it serves no other purpose, the analysis here should suggest some of the political roadblocks that must be surmounted before a policy combination aimed explicitly at promoting growth could be introduced.

Then he refers to Prof. Paul Samuelson, the distinguished chairman of the economic department at Massachusetts Institute of Technology:

> As Prof. Paul Samuelson and others have urged for the United States, such a policy would require that the asymmetry discussed here be replaced by that of easy money and tight budgets.

I wish Professor Samuelson were advocating that today. But he seems to be advocating a tax cut; and I have not heard him speak out very vigorously on following an easy-money policy or contradicting what the Federal Reserve Board is doing at the present time.

Madam President, I think this article by Professor Buchanan, formerly of the University of Virginia, and now a Fulbright professor at Cambridge University, is so extremely and extraordinarily appropriate and timely in terms of economic policy that it should be printed in the RECORD.

However, first, Madam President, I ask unanimous consent to have printed at this point in the RECORD an article from the Wall Street Journal entitled "Increase in U.S. Interest Rates Is Urged by Foreign Members on OECD Committee."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INCREASE IN U.S. INTEREST RATES IS URGED BY FOREIGN MEMBERS ON OECD COMMITTEE

PARIS.—America could take a long step toward overcoming its balance-of-payments problem by raising interest rates in the United States. This is the advice U.S. officials are receiving from fellow members of working party No. 3 of the Organization for Economic Cooperation and Development.

Working party No. 3 is a key financial committee composed of representatives of major countries in the Western World. Its words carry weight because it has control over the $6 billion standby credit plan established early this year under the International Monetary Fund, aimed at helping to safeguard the dollar.

Under that plan, 10 leading powers agreed, in case of need, to lend up to $6 billion in their currencies to the 73-nation IMF. Any one of the 10 participants then would be able to borrow from this special fund if it should run short of foreign currencies to meet its international debts. The United States agreed to provide $2 billion of this standby credit, Britain and West Germany $1 billion each, and the seven other partners smaller amounts ranging from $550 million to $100 million.

When the plan was set up, the United States and Britain were viewed as the most likely participants to seek help from it, as they both have balance-of-payments deficits—expenditures and investments abroad that exceed their receipts from abroad. So far, however, there have been no demands on the standby credit and no participant has been called on to advance any of the money pledged.

The OECD and particularly working party No. 3 have become increasingly influential since their formation, and they are regarded today as a major forum for Western economic and financial cooperation.

HIGHER RATES ADVOCATED

Members of the working party, led by representatives from France, West Germany, and Italy, are urging the United States to boost long-term interest rates in order to stem the outflow of gold from the United States.

They emphasize that long-term rates in much of Europe have been around 6 percent, while U.S. rates have been no higher than 4.5 percent. This has encouraged investors to transfer funds from the United States to Europe to take advantage of the higher yields. It also has led foreign governments and businesses as well as some international agencies to borrow in the United States, where they have been able to do their financing at less cost than at home.

Both of these trends have caused a flow of money out of the United States, intensifying the balance-of-payments problem and leading to a drain on the U.S. gold reserve. As dollars accumulate abroad, they pass into the hands of foreign central banks, which convert part of them into gold by buying the metal from the U.S. Treasury.

The outflow of gold from the United States was $877 million in 1961, and so far this year it totals $592 million.

SHORT-TERM FUNDS ALSO INVOLVED

While the emphasis in the international discussions has been on U.S. long-term interest rates, a large part of the flow of funds from the United States to other countries has been a movement of short-term investment money, on which interest rates also are higher in most other countries than in the United States.

Swiss bankers, although their country isn't a participant in the standby credit arrangement, also have been advocating a boost in the U.S. interest rates to the European level.

American officials have been arguing for continuation of an "easy money" policy, with low interest rates, in order to stimulate the slowing U.S. economy. They fear that a rise in interest rates might dampen economic activity just when that activity needs to be energized.

But European monetary experts stress that the U.S. balance-of-payments deficit is largely responsible for current uncertainty about the stability of the dollar on foreign exchange markets. That uncertainty is spreading into other fields and could have broad repercussions unless checked, according to one banking source here.

"It is difficult to retain confidence in business generally when there are doubts about the dollar," this banker said. "Defending the dollar should be the first thing on the agenda of the Western World."

FAVORABLE EFFECTS SEEN

One high OECD official said: "If the United States raised its interest rates, the favorable effect on the balance of payments could be such as to offset any trend toward deflation within the country." He maintained that this move, together with others aimed at protecting the dollar and stimulating the American domestic economy, could reverse the outflow of gold from the United States. The resulting upsurge of confidence in the dollar, he continued, could encourage business everywhere, producing a rise in economic activity and in U.S. exports that would more than cancel out any domestic effects of the higher rates.

European monetary authorities argue also that a U.S. tax cut would be in order along with the higher interest rates, even though it might lead to a budget deficit. They say the tax cut would tend to offset the domestic effects of higher interest rates on business.

All this prodding from Europe comes at a time when there are signs of a business slowdown on the Continent. West Germany's boom is tapering off, and recent indicators suggest that Italy's boom may have reached its peak. Strikes and labor unrest may be responsible for Italy's situation; some sources also blame the Italian Government's move to nationalize the electric power industry, which they say is undermining business confidence.

In any case, Western Europe's monetary authorities are acutely aware of the need to help the United States solve its two key problems—its gold outflow and its economic slowdown. They say an American business downturn would affect Europe's economic situation, too, such as by curtailing sales of European goods to the United States.

Mr. PROXMIRE. Madam President, I now ask unanimous consent to have printed at this point in the RECORD the article by Prof. James M. Buchanan. It is entitled "Easy Budgets and Tight Money."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EASY BUDGETS AND TIGHT MONEY

(By James M. Buchanan)

Despite the old saying, taking candy from the baby is more difficult than not, and governments, even more than ordinary mortals, are delighted by smiles and fearful of screams. As between monetary policy and fiscal policy there is, as the Radcliffe committee put it, "always a choice," but the alternatives may not be equally pleasant to the chooser. The factors influencing such a choice are worthy of more attention than has been given them, by the committee and by others, especially when governments are recognized for what they are and must be in any real world.

I propose to discuss here the choice among instruments of stabilization policy. I want to leave out of account, so far as possible, discussion of the choice among objectives for economic policy. There is also a line of least resistance in the choice of objectives for policy. I shall not discuss this problem, however, for three reasons: First, the political pressures impinging on choices among objectives have been more widely recognized than those similarly impinging on choice among instruments. Secondly, governments do not explicitly choose objectives; they choose instruments. Finally, and more importantly, only by unscrambling these two parts of stabilization policy can we make sense out of either of them.

For my purpose, we may assume that a particular objective or set of objectives has been selected. There remains the choice among instruments, and, broadly speaking, there are two instruments of stabilization policy, fiscal and monetary. There is little direct connection between the choice between these two means of implementing policy and the objective to be pursued. Fiscal policy may be utilized primarily to achieve a surplus in the international balance of payments, or monetary policy may be used to promote full employment and rapid economic growth. In the most likely case, a mix of instruments will be used, more or less successfully, to achieve a mix of objectives. I shall assume, without arguing the point here, that either of these two instruments, properly employed, can be equally successful in achieving the objectives selected.

THE BASIC ASYMMETRY

There is a theory of choice here, but practice seems at odds with it. Many economists argue, for example, that fiscal policy should be relied on as the primary instrument of stabilization. And the Treasury, in its evidence given to the Radcliffe committee, paid lipservice to this predominance of fiscal policy as the primary stabilizing device in the modern economy. As the committee noted, in its review of the experience, however, easy budgets have been presented against the backstop of a flexible monetary policy which can, if need be, be relied on to keep inflationary pressures in check.

The clearest statement of the practice, as opposed to the theory, was made by Prof. Frank Paish, who, in the Statist for November 10, 1961, said:

"It is important that the measures taken to control the economy should be symmetrical. In recent years the measures to expand demand have taken the form mainly of tax reductions, while the main burden of restricting demand has been placed on monetary policy and higher interest rates. A continuation of this policy could raise interest rates without limit."

This observed asymmetry in the practical application of fiscal policy and monetary policy over the different phases of the cycle merits attention. Most reasonably well-informed persons will recognize this asymmetry as being broadly characteristic of the policy experience of Great Britain and the United States, as well as other Western countries, in the years since the Second World War, and especially during the decade of the 1950's. It has come to be more or less accepted that the budget provides the major weapons for stimulating spending (public and private), while monetary policy comes into its own only in periods of threatened or actual inflation. Only very recently, as reflected in the statement by Professor Paish, or in an October speech by Lord Cromer, has concern come to be expressed about the fundamental disproportion that such a policy structure must involve.

Few will quarrel with the facts of the matter. But few go beyond these to the interesting questions. Why has the asymmetry in the choice of instruments come about? Could this have been predicted to occur? Can it be expected to continue? I shall try to show that some elementary considerations for political realities will, in fact, suggest that the observed facts could readily have been predicted. If this is accepted, however, I shall show that the implications for the theory or principle of public debt are highly damaging to the ideas of modern economists.

TEXTBOOK ECONOMICS

Familiar explanations for the emphasis on fiscal policy in expanding demand and on monetary policy in restricting it may be found. For one thing, such a policy combination might seem to be just the ticket after a reading of almost any of the standard textbooks in elementary economics. These books, all written within the framework of the so-called Keynesian theory, will usually refer to that deceptively simple analogy "you can't push on a string." This analogy has probably had more influence on ordinary thinking than any of the more complicated, because more qualified, analytical models. In any case, the impact on thought is that monetary policy is of quite limited usefulness in stimulating demand, since people are not necessarily induced to spend by the mere availability of funds. Hence, so the argument goes, fiscal policy, the deliberate use of the budget for stabilization purposes, must become the primary antirecession weapon. And, since some symmetry seems better than none, cyclical balance between fiscal and monetary measures is secured by employing the latter to restrict demand when needed. This crudely simple policy model is widely accepted today, by economists and informed politicians alike, despite the ratchet effect on the interest rate noted by Paish, the implications for budgetary balance, and the demonstrated effectiveness of monetary policy in stimulating as well as restricting demand.

THE BIAS OF FISCAL POLICY

A second explanation is considerably more sophisticated, but still familiar. If political reality is recognized at all (and it seldom is by academic scribblers), surely it suggests the strong bias of fiscal policy toward the creation of budget deficits rather than budget surpluses. Governments, that is to say, politicians, faced with any sort of responsive citizenry, or electorate, are surely cognizant of two powerful and ever-present forces. Constant pressure is exerted upon them to reduce (not to increase) the level of taxes, and, at the same time, to expand (not to reduce) both the range and the extent of the various public services. As the Plowden committee quite properly noted, the third pressure for budgetary economy, so strong in former times, no longer exists as an effective counterforce comparable in strength to the other two.

Both of the dominant pressure groups, the tax reducers and the expenditure expanders, direct their fire at the politicans, who must, other things equal, respond (otherwise, they will not remain politicians for long). These pressures assume especial importance in an economy where tax rates are already prohibitively high in the view of many people, and where ever-expanding public spending programs have been firmly built in to the structure of expectations. Governments will, quite predictably, seize on any opportunity or excuse for deficit creation offered to them by the economists, as is the case during modern recessions. Deficit financing enables both of these groups to be satisfied simultaneously: the politicians' dream world come true.

The situation during booms is exactly the reverse. To carry out effective stabilization measures through the budget then requires that both of these pressure groups be countered. Tax rates must be maintained or increased, and public spending programs curtailed or at any rate not expanded. The experience in Great Britain during recent months suggests that the latter is especially difficult, even when an explicit curtailment objective is announced in advance. And, if the Chancellor presents a tough budget in April, this will be the exception that proves the rule. Can anyone express serious surprise that budget surpluses have so rarely occurred, except by accident, since fiscal policy has matured, so to speak, while budget deficits have been the order of the day?

THE INDEPENDENCE OF THE MONETARY AUTHORITIES

The suggested bias in fiscal policy is, however, only one-half of the story. It may be that fiscal policy will tend to be used only to expand demand but as yet nothing has been said to indicate that there is an offsetting bias in the use of monetary policy. Is monetary policy biased towards restriction?

There is an argument that attempts an answer here, although, as I shall indicate, I do not think it need be accepted. It is sometimes advanced, however, that because of the nature of the institutions, monetary policy instruments can be, and are, relatively divorced from current political pressures. The monetary authorities are presumed to remain considerably more free than their Treasury counterparts from day-to-day, week-to-week influences of public opinion which, in this argument, are inherently evil. Because of this relative freedom, these authorities can safely take unpopular steps that the politicians dare not take. The comparative isolation places the task of restricting demand on these authorities almost by default. Being the wise and good men they are, they must pick up the dirty linen left over by the one-sidedness of fiscal policy and, to a degree, redress the balance.

This argument is a persuasive one, especially in a superficial sense, and especially in application to the United States, where the Federal Reserve Board is, to a large but undetermined and unpredictable extent, independent of Treasury authority and control. It is less persuasive in a British context, where the central bank is, officially, within the public sector. Thus the Radcliffe report points out that Bank of England witnesses sometimes drew a distinction between the activities of the Bank as agent of the Treasury and the affairs of the Bank in which it is supposed to have a wider measure of autonomy. "During this decade," the committee comments, "this distinction has had no practical force, and we therefore do not propose to complicate our description of the Bank's activities by further reference to it."

A SIMPLER EXPLANATION

Elements of both the explanation sketched above are, no doubt, helpful in understanding the policy asymmetry with which we are concerned. We can, however, explain the asymmetry more simply. And, as I recall, one principle of scientific method, attributed usually to William of Occam, tells us that we should always choose the simplest explanation of phenomena when alternative explanations are possible.

We do not need to assume that the monetary authorities have relatively greater autonomy, nor to posit the existence of a bias in fiscal policy in its crudest form. It is possible to explain our asymmetry between the use of fiscal policy and monetary policy over the course of the cycle on the assumption that these instruments are, to the same degree, influenced by politics. This is a less restricted approach which is, at the same time, somewhat more realistic for the institutions of democratic societies when these are considered generally and over long periods.

I assume only that governments will, when faced with a choice between these two policy instruments, tend to choose the one that creates the lesser disturbance and that generates the less violent reaction on the part of the citizenry. This is all that is required to show that during recessions governments will implement stabilization objectives through fiscal policy measures instead of monetary policy measures and that, conversely, during periods of threatened or actual inflation, they will resort primarily to monetary methods of control. I do not, of course, suggest that governments will always act in this way, or that the asymmetry is an inevitable result of democratic decisionmaking. I shall show only that, in the present state of thinking about fiscal-monetary institutions, this behavior on the part of governments seems predictable, and, as noted, the limited facts available to us do support this prediction.

Note also that governments may or may not be successful in achieving the stabilization that they aim to achieve. Success or failure in this respect is not relevant to the discussion here, which attempts only to explain governments' choices between the instruments of policy.

AN IDEAL TYPE FISCAL POLICY

Before proceeding, it will be useful to reduce each of the broad policy alternatives to one simple variant, to one stylized model, or ideal type, so to speak. For fiscal policy, I propose to mean the deliberate unbalancing of the cash budget of the national government (with budget defined in an overall or inclusive sense) to promote stabilization purposes, whether these be defined in terms of employment, growth, price levels, or balances of payments. In unbalancing the budget, I assume that changes will be made in the rate of taxation, rather than in the rate of government spending. Finally, I assume that a budget deficit, when created, is financed wholly by the issue of new currency, or, in its modern institutional context, by borrowing from the central bank. Conversely, I shall assume that a budgetary surplus, when and if created, is disposed of by some effective neutralization of the excess revenues collected: for example, by building up government's cash balance or by retiring national debt held by the central bank.

This idealization of fiscal policy allows us to discuss a whole set of related instruments in terms of a single simple policy action. It eliminates confusion by ruling out of account the operation of the automatic fiscal stabilizers. Perhaps more importantly, it removes the complexities that arise when budget deficits are financed by the issue of genuine public debt rather than new currency.

AN IDEAL TYPE MONETARY POLICY

More objections may be raised to my idealization of monetary policy. I shall use this term to refer to the purchase and sale of government securities in the open market by the central bank and/or the monetary authorities, with the objective, of course, of furthering economic stabilization. In other words, the open-market weapon becomes the model here for analyzing any and all types of monetary action. When deflation or unemployment threatens, corrective monetary policy consists in the purchase of government securities (bonds) from the public with newly created funds: that is, commercial bank reserves.

When inflation threatens, corrective monetary policy consists in the sale of government securities in the open market, thereby reducing the cash reserves of the banking system. In the first instance, the public ends up with more cash and fewer government securities, quite apart from any secondary effects stemming from the operation of the deposit multiplier. In the second instance, the public ends up with more bonds and less cash. Monetary policy in this ideal type amounts to a modification in the asset structure of individuals and firms, with central bank purchases adding to overall liquidity during periods of recession and sales subtracting from overall liquidity during periods of inflation.

Note that, in this model of monetary policy, interest rate changes, in themselves, are not considered the instruments of monetary policy. Interest rates change only as a result of changes in the demand for and the supply of bonds. This is, I think, a legitimate model, and all monetary policy can be reduced to what might be called an open-market equivalent. Interest rates, as prices, cannot be changed arbitrarily without some changes in the underlying demand-supply conditions, unless excess demand or excess supply is to be produced. If this is allowed to happen, problems of credit rationing or surplus credit arise. It seems preferable, and more realistic, to remain in an equilibrium model, which is, of course, present when the authorities take action to initiate or to follow up bank rate changes by accompanying open-market action which may include an exchange of long-term and short-term national debt.

Considerable authoritative support for this model is to be found in the testimony of the chief cashier of the Bank of England before the Radcliffe committee. He suggested that changes in bank rate are made effective only because, through open-market action, the discount houses are forced to borrow at that rate. Many modern discussions of monetary policy (including those of the Radcliffe committee) have gone astray precisely because of an undue concentration on changes in interest rates to the neglect of the underlying demand-supply changes in securities and money markets that implement the rate changes.

There is purpose in adopting this ideal type for monetary policy. Note that, here, monetary policy consists in increases and decreases in interest-bearing national debt held outside the central bank.

DEBT ISSUE VERSUS TAXATION

The intent of introducing these two ideal types can now be made clear. I can, through this device, present the fiscal policy and the monetary policy alternatives quite starkly, and in such a way that the distinctions between the two are openly revealed. Fiscal policy reduces to changes upward and downward in tax rates. Monetary policy reduces to changes upward and downward in interest-bearing national debt held outside the public sector. In comparing these two instruments we may, therefore, examine the differences between increasing taxes and increasing debt on the one hand, and, on the other, between decreasing taxes and retiring national debt.[1]

Again, let us look at the simple politics of the matter. Governments are assumed to be responsive to the desires of the electorate and to seek either to minimize citizenry displeasure or to maximize citizenry satisfaction through their choices of policy instruments. Given that assumption, it takes no sophisticated analysis to indicate that public debt will be issued in lieu of increasing taxes and, for the same reason, on the down side, taxes will be reduced in preference to debt retirement.

This rather simple explanation of the asymmetry seems plausible and realistic. I propose, however, to bring this plausibility out into the clean and open air, for the underlying analysis requires explicit discussion. When this step is taken, it will be seen that the "theory" or "principle" of public debt that emerges is wholly at odds with that which dominates modern economic orthodoxy. Indirectly, therefore, the observed asymmetry in the choice of fiscal and monetary policy instruments over the cycle provides some positive evidence that the classical or old-fashioned notions about public debt remain correct after all, and despite the onslaught of the post-Keynesians. This allows me to bring up yet another defense of these classical principles of public debt, additional to those already presented in my recent book, "Public Principles of Public Debt" (1958).

CLASSICAL PRINCIPLES OF NATIONAL DEBT

If our simple political model has any relevance, it suggests that there is less intensive public reaction against restrictive monetary policy (i.e., the issue of public debt) than there is against restrictive fiscal policy (tax increases). And, on the other side of the cycle, that there is more intensive relief provided through tax reduction (expansive fiscal policy) than there is through debt retirement (expansive monetary policy). This seems certainly to be true, but I want to ask "Why?" Why does an increase in interest-bearing debt arouse less antagonism on the part of the public than a tax increase designed to accomplish roughly the same objectives?

The answer is, I submit, a very old and a very simple one, and one that has been understood by sensible men for centuries. The issue of national debt allows the real costs of the restrictive measures to be postponed in time, to be shifted to individual taxpayers in future accounting periods. Actually, there should be little point in discussing this elementary principle of debt, public or private, were it not that the great weight of modern intellectual opinion comes down heavily on the side that denies its validity.

If this basic classical principle of public debt is accepted, the explanation we seek has been located. Those who must pay current taxes are members of the electorate at the moment when the policy action is taken. These taxpayers exist in the here and now, and their opposition to increases in tax rates can be heard. By contrast, who can arise to oppose an increase in tax rates in future periods, which an issue of public debt must embody? Current taxpayers will, of course, offer some reaction in anticipation of their expected future liabilities, but, when confronted with any choice between these and current tax increases their preferences are not hard to predict. By and large, and with few exceptions, modern governments will find debt issue less unpopular than taxation.

THE MODERN THEORY OF PUBLIC DEBT

As I have noted above, however, this line of reasoning depends on an acceptance of the classical principle of public debt. If, instead of this, the dominant modern theory of national debt is substituted, we are left without such an explanation of the policy asymmetry which does, after all, seem so plausible. What is this modern theory of national debt which, in its current version, stems from an aftermath of the Keynesian revolution in economic thought? The heart of the argument consists in a denial of the central point of the classical theory. It is asserted that an internal public or national debt cannot involve a shifting of real costs forward in time. So long as the citizens within the economy purchase the securities sold by the government there can be no postponement of real costs, so the argument goes, because current purchasing power is given up when the debt is issued. Insofar as the national debt is internal, the method of financing cannot affect the location of real costs in time. As with taxation, all real costs are imposed immediately on the decision to borrow. The issue of public debt is, in this conception, not generically different from taxation.

Since no actual resources, in the net, are used up in an attempt to mop up excess liquidity during inflationary periods, either through tax increases or through the open-market sale of securities, the implication of the modern theory of debt would seem to be that no real costs are involved in either case. But even the most naive approach to the political process reveals the fallacy here. Surely governments that are responsible for implementing stabilization policy would be surprised to learn from the economist that tax increases, at any time and for any purpose, impose no real costs on taxpayers.

The point is that, for governmental decisions, thinking in terms of social aggregates and not in terms of individuals as specific taxpayers has been, and is, grossly misleading. Let us accept the weakness in the modern conception here, however, and go on to examine a second implication of this argument. Since public debt can shift no burden or cost to future periods, it is, as we have said, equivalent to taxation. Hence, there should, on the average, be no greater resistance to tax increases than to increases in the size of outstanding national debt, or so the argument implies.

At this point the theory examined here requires a closer look. With tax increases, there is no difficulty in appreciating the fact that, relatively speaking, the costs that must be involved are placed squarely on those persons who are subjected to the increased rates. Even if the sole purpose of the tax increase is that of mopping up excess liquidity, those paying the additional taxes suffer relative to those in the group who, presumably, gain from having an effective anti-inflationary policy introduced. But where are the equivalent costs when the alternative policy instrument—national debt issue—is employed for the same purpose?

Recall that, in this modern view that we are discussing here, these costs cannot be shifted forward to taxpayers in future periods. Suppose that the excess liquidity is mopped up by open-market sales of government securities. Who suffers the effects of this restriction in the primary sense, in the same way that the taxpayer suffers? Clearly, it is not the persons who purchase the securities, since they make a simple, voluntary, market transaction. Yet these are the only persons who, directly, give up current purchasing power—liquidity—in the whole process. They do so, however, because they are provided with a promised interest return in future periods; their sacrifice of current command over resources is a voluntary one. But, since theirs is the liquidity that is mopped up, no other members of the social group suffer any direct stabilization burden comparable to that imposed on the taxpayer. Under this theory, therefore, it is to be wondered that governments ever impose taxes at all, since public debt is wholly burdenless.

The theory is, of course, nonsense; it may be, quite legitimately, called the modern economists' version of the perpetual motion machine. The difficult thing to explain is the dominance that it has achieved over good minds. Any careful consideration of the elementary logic of decision-making leads inexorably to an acceptance of the classical principles of public finance, at least in their broad essentials. The difference between taxation and public debt is that the first imposes current period costs, the second postpones these costs to future periods.

SOME NECESSARY QUALIFICATIONS

As is usual in such discussions as these, certain qualifications in the argument must be introduced lest critics pounce. In the commentary above, I do not imply the complete absence of cost or burden when restrictive monetary policy is implemented. Interest rates, generally, will rise, and prices of old bonds will fall. Potential borrowers will be disappointed, and potential lenders gratified. These effects are essentially secondary, and they are similar to the secondary effects that would be produced by a similarly restrictive policy, implemented by the alternative method of raising taxes. In addition, such effects as these are indirect, and to a large extent the gainers balance off against the losers so that no net impact on the decision process could readily be predicted.

Also, as noted above, given the fractional reserve basis for deposits in commercial banks, either restrictive fiscal or restrictive monetary policy will work itself out through the operation of the deposit multiplier. A contraction in bank reserves will generate a multiple contraction in deposits, and, in the process, some borrowers will suffer a real burden. This particular effect should, however, be essentially the same whether it is due to a tax increase or to open-market sales, provided that the same degree of net liquidity is taken out of the system in each case.

These second-order effects could be discussed in some detail, but such discussion may have been, in itself, a source of confusion. Too much concentration on second-order and indirect effects tends to conceal from view the sharp distinction between the primary impact of the two policy alternatives. And it is these primary effects that I emphasize here.

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[1] I am concerned with primary effects here. Both instruments will generate secondary effects, through the multiplying effects on deposits generated by changes in bank reserves. Nevertheless, if the same degree of expansion or contraction is assumed to be achieved by fiscal or by monetary means, these secondary effects can be roughly identical as between the two instruments.

TAX REDUCTION VERSUS DEBT RETIREMENT

Most of the discussion has been about restriction. The comparison is, if anything, simpler in the case of expansion, but since most of the points made apply in reverse order the analysis need not be elaborated in great detail.

In this case governments will choose, on the average, that policy instrument which generates the most favorable response, on the part of the public, which gives the most obvious relief. In tax reduction, as with tax increase, the predicted incidence is straightforward. Individuals who find their current tax obligations reduced experience a real, and nonillusory, increase in real income. The incidence of debt retirement (monetization), on the other hand, is not nearly so clear. The government will, in this case, be purchasing bonds from the public with new currency, with checks drawn on its own account in the central bank, checks that will, of course, add directly to commercial bank reserves. Those individuals who sell bonds to the authorities receive an increment to current purchasing power but they give up, in exchange, a claim against future interest income. Their wealth is not markedly changed in the process.

The genuine beneficiaries here are those who would otherwise have had to pay taxes to meet these interest payments in future periods. With less debt outstanding their future tax liabilities are reduced. A debt retirement or monetization process removes, once and for all, a real burden from their shoulders. Since, however, this relief is not so clearly understood, and, in any case, is deferred, the reaction will not be equivalent to that to be expected from current tax reductions.

As in the anti-inflation case, there will, of course, be all sorts of secondary effects. But, again, these should not be allowed to obscure the basic facts of the matter. These are that the primary incidence of antirecession monetary policy rests with those who pay taxes later, while the primary incidence of antirecession fiscal policy rests with those who pay taxes now (or receive the benefits of expanding public services if this variant is allowed).

IMPLICATIONS

The observed asymmetry between the choice of monetary and fiscal instruments of policy over the cycle has been explained through the use of a simple model and the classical principles of public finance. But we explain only to improve, so we must ask the important question: How can the behavior of governments be modified?

Continuation of the asymmetry over long periods is clearly undesirable on many grounds.

Interest rates will be pushed ever upward, and budget deficits will seldom, if ever, be matched by budget surpluses. This result should be condemned on ethical grounds, since it tends to place the costs of stabilization policy squarely on the shoulders of future taxpayers while concentrating the benefits in the here and now. Apart from the ethics of the matter, this pattern of policy runs directly counter to that which might be suggested if rapid economic growth should come to be accepted as an explicit aim of policy. Even if it serves no other purpose, the analysis here should suggest some of the political roadblocks that must be surmounted before a policy combination aimed explicitly at promoting growth could be introduced.

As Prof. Paul Samuelson and others have urged for the United States, such a policy would require that the asymmetry discussed here be replaced by that of easy money and tight budgets.

Admitting the undesirability of the demonstrated practice does not suggest an alternative. One such might be the placing of fiscal policy back in its pre-Keynesian box, as circumscribed by the rule of the annually balanced budget, with the sole responsibility for stabilization falling on monetary policy. This alternative may seem superficially attractive to some who long for the revival of effective political controls of fiscal pressures. But myths once exploded are not easily reconstituted.

In any case, sole or primary reliance on monetary policy to achieve stabilization objectives involves an overdependence on one market or set of markets to generate changes in a whole economic structure. This concentration inhibits the effectiveness of policy on the one hand, while subjecting those who operate in that market or set of markets to an unfair share of the stabilization task.

A second alternative, and one that was implied in the memorandums submitted by several economists to the Radcliffe committee, would be the placing of sole or primary reliance on fiscal policy as the instrument of stabilization. This never-never land of functional finance ignores political facts altogether and assumes the presence of an all-wise, benevolent economic czar or commissar who moves tax rates and spending programs up and down in complete indifference to the reactions of ordinary citizens. If we accept the fact that democratic process is worth preserving, the introduction of this model into practice will surely generate secular inflation due to the bias previously discussed. And even the present asymmetry in policy seems preferable to continual inflation, despite its undesirable features.

The growth in importance of the automatic fiscal stabilizers offers some measure of improvement. Insofar as these can become effective, the bias in fiscal policy is reduced. However, as has long been recognized, automatic stabilizers can, at best, help to correct cyclical swings, not to prevent them.

Improvement in governmental decisionmaking can only come, over the long run, as a result of the establishment of a new set of rules for behavior, rules that will be rigid enough to influence the behavior of politicians even in the face of constituency pressures. The analysis here suggests the importance of such possible rules. Symmetry should be preserved, over the cycle, in the employment of each of the policy instruments. That is to say, the budget should be balanced over the cycle, and open-market sales by the central bank should be balanced by open-market purchases, again over the cycle. If the trends in the economy justify a growth in the money supply, either or both of these rules may, of course, be slightly modified. However, only by a rather rigid adherence to both these rules can the natural political tendencies discussed in this paper be prevented from producing the distortions noted.

These rules are sophisticated ones, and democratic decisionmaking is not. But perfection should not be expected, and, above all, we should be tolerant of the politicians and critical of the economists. Only after the latter have succeeded in reformulating and securing acceptance among themselves of a new set of principles for sound finance can the politicians be called to task.

LABOR-HEW APPROPRIATIONS—PROXMIRE AMENDMENT SAVES $247 MILLION

Mr. PROXMIRE. Madam President, on another subject, I understand that tomorrow the Senate will consider the appropriation bill for the Departments of Health, Education, and Welfare and Labor. I intend to offer an amendment to reduce the appropriations recommended in that bill to the level requested by the administration. I offer this amendment with great reluctance, for I realize that the appropriations have been arrived at with great care by an outstanding subcommittee of the Appropriations Committee, headed by the distinguished Senator from Alabama [Mr. HILL].

I hope very earnestly that Members of the Senate will give their most thoughtful consideration in deciding how they will vote on this amendment, tomorrow. It seems to me that any Senator who is opposed to excessive spending and has spoken against it should give this amendment very careful attention. It simply proposes that the rate of increased spending for the Department of Health, Education, and Welfare be the rate recommended by the Kennedy administration and by the Department of Health, Education, and Welfare itself. This is a substantial increase over the previous year's spending levels. However, it represents a sharp reduction—$247 million cut—in the increased spending which was recommended by the Appropriations Committee. One hundred and twenty million dollars of the reduction contemplated by my amendment is in the National Institutes of Health, including research for heart, cancer, mental illness, and others.

Of course, it is always popular and desirable to support cancer research vigorously and generously. In a real sense, no amount of money is too high a price to pay to save one life, or, in this case, perhaps to save many lives.

SAVING MONEY NOT PRIMARY AIM

The purpose of my amendment is not primarily just to save money, though I think that is important. Rather it is aimed at having an orderly, efficient, and effective health research program.

I am absolutely convinced that the policy that we are asked by the Appropriations Committee to follow, will not result in this kind of orderly program, but will actually result in less effective research, certainly in recent years.

Certainly, if we continue to force on HEW more funds than Dr. Shannon, Director of the Health Institutes, says he can effectively use, funds which he says are unwise to appropriate, if we insist on forcing on HEW more funds than former Secretary Ribicoff says he wants, then we are going to get more of the inefficiency which has been caused by these excessive appropriations.

This is not simply an amendment which is based on an automatic notion that spending should not exceed the budget requests. It also based on a very careful analysis by a subcommittee of the House of Representatives. The Fountain subcommittee, has shown in its several, detailed reports that the appropriation policy followed by the Congress—and I think we can say especially by the Senate—has not resulted in better health research. It has been very damaging. But, of course, it is politically popular to vote more money for cancer and heart disease, and it seems foolish politically to vote for cuts in the amount recommended.

I think, if Senators will listen carefully to the kind of case made by the

Fountain committee, by the Budget Bureau, by Dr. Shannon, and by Secretary Ribicoff, they can see why it makes sense to give the President the amounts requested, and not to exceed those requests by large sums.

PRESIDENT, PROXMIRE BACK MEDICAL RESEARCH

As I have stated repeatedly, I am an enthusiastic supporter of medical research. The magnificent work done by the National Institutes of Health, both at their main facilities and in their related grant programs, has won deserved acclaim. President Kennedy joins in that praise. He, too, is an enthusiastic supporter of federally financed medical research. Indeed, he has a close, firsthand knowledge of this field from his many years of service on the Senate Committee on Labor and Public Welfare.

It is because I join President Kennedy in this matter that I state that the appropriations amounts requested in his budget are adequate for the coming year. Indeed, I think we may be doing the NIH a distinct favor by relieving them of the pressure to use up and absorb another massive injection of funds over and above what the President, on the basis of the best advice, concluded was adequate for doing an effective job.

Too many dollars chasing too few goods is never a healthy situation. Instead of the bracing discipline of dedicated, hard thought applied to difficult research problems, a surfeit of funds has a tendency to cause researchers, even with the best of intentions, to divert their energies into fields that use large and expensive items of equipment, into sometimes overvast and costly experimental undertakings.

In this respect, I wish to quote Dr. Shannon in his testimony on August 1, 1961, before the subcommittee of the Committee on Government Operations in the House, when he said:

> In addition, therefore, to the responsibility for insuring that the medical research effort is as vigorous and effective as the intellectual and physical resources available to it will permit, there is the concurrent responsibility for seeing to it that the money which the Congress has made available for this purpose is wisely and economically spent. The discharge of these two forms of responsibility is not necessarily incompatible. They do, however, involve two different approaches—two different frames of mind—which sometimes are divergent when specific program guidelines or administrative decisions have to be made.
>
> These conflicts have been increased and aggravated—

I repeat:

> These conflicts have been increased and aggravated by the rapid growth of the NIH programs. In a grant program totaling more than $400 million (as it did in 1961) and with projects in every State of the Union and about 40 foreign countries there is obviously a great risk that some of the funds will be wastefully, improperly or even dishonestly used.

This is Dr. Shannon speaking. This is not a Member of the House or of the Senate. This is the man who directs the National Institutes of Health. He goes on to say:

> It is common experience that as the dollar volume of a program grows, the controls exercised over it must become more formal and rigid.

SHANNON CALLS FOR TRAINING GRANT MORATORIUM

Problems of administration are one serious consequence of overly rapid expansion of the NIH programs. Equally or more important are the problems posed by a structurally unbalanced effort to pour additional sums into training and fellowship programs, without first insuring that an adequate supply of medical and biological sciences personnel are coming up through our colleges and medical schools.

Because of this, Dr. Shannon in his testimony states:

> It is my view that there should now be a moratorium of at least a year in the rate of growth (of funds for training and fellowships).

His full statement reads as follows:

> We have been for some time well aware of the need for a greater degree of uniformity in and simplification of our various training programs which differ considerably among the various institutes. I may say that these differences are now considerably less great than they were 2 years ago when I appointed a task force to review all the training programs. Since then we have had both the administrative and policy problems of our training programs very much in mind. The problem of coordination is partly due to the somewhat different training missions and training policies of the various institutes and to the different needs of the scientific and clinical fields which they serve. It has, however, been further complicated by the very rapid expansion of our training programs which have grown from $34 million in 1957 to $132 million in 1961—a fourfold increase in 4 years.

The argument I am going to make, and the argument I have made repeatedly, is that what happens when more money is put into these programs is that low priority projects are authorized, and that on these low priority projects scarce, precious, and important medical scientific ability is concentrated.

The counterargument is made, "Yes, but we will train more." Dr. Shannon says this is not the time when we can efficiently proceed to train more; that it is wasteful.

He said this, and again I quote:

> It is my view that there should now be a moratorium of at least a year in this rate of growth to permit the schools to adjust to these programs and to give us an opportunity to reexamine our training policies and reassess future needs.

In spite of this recommendation by Dr. Shannon, the Appropriations Committee has recommended an increase of $55½ million for training and fellowships over the budget request.

This $55.5 million is the most illogical way to deal with our scientific personnel shortages. It is a case of pouring large gobs of money in at the top, and hoping, often vainly, as experience has shown, that a certain amount will trickle down to where it is most needed and where it can do the most good.

It runs completely contrary to Dr. Shannon's call for a moratorium during which a reassessment and reexamination of the full range of life sciences training, education, fellowship, and research programs can be undertaken.

The December 6, 1961, issue of the Wall Street Journal contained a number of useful, interesting observations on graduate training and research. In part it states:

> A major cause of concern is the stress on graduate training and research work at the expense of undergraduate teaching, a situation college officials say is fostered by the manner in which the Government distributes money. One Federal official concedes this is a problem. "Undergraduate education is just where the financial squeeze is," he confesses. "But what's happening? The Federal Government is pouring money into graduate education by means of research grants and fellowships and is proposing to aid primary and secondary schools with massive grants. Very little is being done for undergraduate teaching."
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> The catch is that almost all this money is for medical research or for the training of more researchers; the teaching of physicians is largely ignored. Nor do graduate fellowships under the National Defense Education Act go to medical students intending to practice medicine; the emphasis instead is on providing funds for budding research scientists. The upshot of this single-minded concentration in research, say many educators, is that many potential doctors are being lured into laboratory careers and the country faces the prospect of a shortage of physicians in the years ahead.

SHANNON, RIBICOFF, PROXMIRE, PRESIDENT ALL AGREE

Mr. PROXMIRE. Madam President, I should like to conclude by quoting remarks of Dr. Shannon and Secretary Ribicoff.

Dr. Shannon said:

> The extraordinarly rapid growth during the past 5 years of programs administered by NIH, the introduction of new programs and of broader forms of support have entailed many new and complex policy and programing problems which have perhaps unduly diverted our time, energy, and attention from the important managerial problems which have accompanied this expansion.

Secretary Ribicoff, in appealing for the amount requested, said:

> It is a responsible program, because it reflects the fact that not all our aspirations can be financed at any one time, and consequently it reflects our best judgment of priority needs.

As indicated in his budget message and in his health and medical education message, President Kenendy shares this view. So does the Senator from Wisconsin.

But insisting that more money be spent will be the substitution of the judgment of the Senate for the very careful professional judgment of the Secretary of the Department of Health, Education, and Welfare, of the Director of the National Institutes of Health, of the President of the United States, and of people who feel that this program must proceed rapidly and vigorously but also in an orderly and efficient way.

Madam President, I yield the floor.

HOMEBUILDERS ON MASS TRANSPORTATION

Mr. WILLIAMS of New Jersey. Madam President, a question that may arise in the minds of Senators who are considering the administration's proposed urban mass transportation program is the attitude of persons and groups who do not have a direct stake in the program.

Homebuilders are such a group inasmuch as they are not in the urban transportation business. Yet in the interests of selling more homes, they of course are concerned with the welfare of their community as a whole and the problems affecting the community and thereby affecting the housing industry.

Earlier this year the president of the National Association of Homebuilders, Mr. Leonard Frank, testified before the House Banking and Currency Committee, along with many others, in support of the objectives of the President's mass transportation bill.

In his statement, Mr. Frank noted:

> There is a direct correlation between the type of housing which is desired and can be supplied in a metropolitan area and the type of transportation system in the area. In this sense the several pending mass transportation bills present an opportunity for encouraging a more reasonable pattern of development.

He went on to say that Federal assistance for coordinated urban transportation systems based on comprehensive planning for the urban areas offers "an unparalleled opportunity for breaking away from the rigid, and in some cases outmoded, thinking which has led so much suburban zoning to act as an impediment to growth, rather than a stimulus to sound development."

The latest issue of the Journal of Homebuilding carries what I consider to be a well-balanced and by no means one-sided article on the subject of urban mass transportation.

Of particular interest are the comments of individual homebuilders from all parts of the country on this question. As can be seen, the views of these homebuilders are far from unanimous. The responses are of course shaped from the perspective of their individual interests and needs, which may or may not coincide with the interests and needs of the community as a whole. Nevertheless, I think these comments shed an interesting light on a topic from a group of individuals who have no direct interest, but who are interested in the problems of community development and the effect of those problems on their livelihood. I am told that the responses to the Journal survey ran about three or four to one in support of improving transit service in the urban areas.

Madam President, I ask unanimous consent to have the article I have mentioned included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

URBAN MASS TRANSPORTATION

How he travels between his home in the suburbs and his job is one of the most important problems facing today's commuter-homeowner. And as it affects the homeowner, so it affects the builder. It was with this factor in mind that NAHB President Leonard L. Frank testified recently before Senate and House subcommittees in support of the general purposes of the Administration's bill and others to authorize Federal appropriations to assist in the development of comprehensive and coordinated mass-transportation systems in urban areas.

In his appearance before the House Subcommittee No. 3 and in his written statement to the Senate Subcommittee on Housing, Frank declared that NAHB believes that the orderly development of our expanding urban and metropolitan areas is essential if we are to cope adequately with the demands arising out of continually increasing population. Obviously mass transportation plays a vital part in this development."

Citing President Kennedy's transportation message statement that an efficient and dynamic transportation system is vital to our domestic, economic growth, productivity and progress, Frank said, "Certainly this is true for homebuilding."

"We find that in the process of deciding upon the purchase of a new home," he testified, "every family considers very carefully the key question of transportation—how far and how difficult will it be for the father to commute to and from his daily work? The family also takes into consideration how difficult it will be for the mother to shop, the children to get to school, and for all to enjoy the cultural and recreational pursuits which they have grown accustomed to or expect to find in a suburban-metropolitan living area."

That the homebuilder has contributed measurably to creating the mass-transportation problem and that he will benefit greatly from any move to alleviate it was brought out by Frank in some statistics he offered the Congress. From 1946 through 1961, he said, 21,401,000 new housing units have been built, including 17,969,000 single-family homes, privately financed and owned. The latter, he added, "have been located largely in developments toward the edge of our cities and, for some time, have been spreading far beyond the periphery of metropolitan areas."

Startling as these figures are, Frank said, "we are convinced that estimates are correct which indicate an even greater amount of new housing is required for the rest of the 1960's."

He noted that the Senate subcommittee has put the need at a minimum of 16 million nonfarm housing units for the present decade.

Frank also testified that NAHB believes the legislation presents "an unparalleled opportunity for breaking away from the rigid, and in some cases outmoded, thinking which has led to so much suburban zoning acting as an impediment to growth, rather than a stimulus to the sound development of a community." He said that in many communities the lack of adequate mass-transit systems tends to add to the factors which "perpetuate such artificial and wasteful land use standards."

The administration measure would authorize $500 million in Federal grants for mass-transportation facilities and equipment, with strict planning requirements, including the preparation of an area-wide plan as a part of comprehensive planning for the development of an urban area. The funds would be made available over 3 years, with $100 million for fiscal 1963 and $200 million in each of the succeeding 2 years. Also provided is a research and demonstration program, which would be financed through the present $25 million demonstration grant authority and up to $30 million from the new $500 million grant.

In his message to Congress, President Kennedy noting the precedent for Federal action, said, "Transportation is an industry which serves, and is affected with, the national interest. Federal laws and policies have expressed the national interest, particularly in the last 80 years, through the promotion and development of transportation facilities, such as highways, airways, and waterways."

Turning to the urban mass transportation problem specifically, he stressed a fact borne out later in Frank's testimony that "higher incomes coupled with the increasing availability of the automobile have enabled more and more American families, particularly younger ones with children, to seek their own homes in suburban areas."

The continuing concentration of population and economic activity in urban areas is evidenced in the fact that 85 percent of the total population increase in the last decade was in metropolitan areas, with more than three-fourths of this growth outside the central cities. With 70 percent of the population now living in urban areas, census predictions are that in less than 20 years well over half of the expanded population of 250 million people (140 million of them) will be living in 40 great urban complexes, each with a population exceeding 1 million.

As the cities have grown, the President reported, the development of modern highways and the trucking industry have reduced the dependence of manufacturers on central locations near port or rail terminals. This together with the development of production techniques requiring spacious plant layouts has impelled many industries to move to outlying urban areas.

One result of these changes in location patterns, he said, has been a change in the patterns of urban travel. Added to traditional suburb-to-city movements are large crosstown flows which mass transit systems are often not prepared to handle. "Also," the President pointed out, "the increasing use of automobiles to meet urban transportation needs has resulted in increasing highway congestion, and this has greatly impeded mass transportation.

"This drastic revision of travel patterns in many urban areas has seriously impaired the effectiveness and economic viability of public mass transportation which is geared to older patterns. A steady decline in patronage and a concomitant rise of unprofitability and financial problems have occurred. This has been particularly true of rail-commuter and streetcar services limited to particular routes by fixed roadbeds."

To alleviate this problem the administration's bill is stressing the need for a balanced system with the idea that in many urban areas this means an extensive mass transportation network fully integrated with the highway and street system.

"But mass transportation has in recent years experienced capital consumption rather than expansion," according to a report to President Kennedy by Secretary of Commerce Luther H. Hodges and HHFA Administrator Robert C. Weaver. "A cycle of fare increases and service cuts to offset loss of riders followed by further declines in use, points clearly to the need for a substantial contribution of public funds to support needed mass transportation improvements."

The woes of the Long Island Railroad, largest commuter service in the world, are a point in fact.

The low state of existing mass transit systems is illustrated by a survey of 5,000 commuters to Chicago, a city which was lauded in the administration bill's presentation of facts as among the more successful cities operating its own mass transportation facilities.

Many motorists would refuse to ride Chicago public transit even if they were paid to do so, Leon N. Moses, director of research for Northwestern University's Transportation Center, reported.

The study showed that only 13 percent would use free elevated or subways and 18 percent would use free buses and trolleys. Half of the motorists said they would convert to buses and streetcars if they were paid 35 cents to ride. A payment of 45 cents a trip would divert half to the city's subway.

In the Washington, D.C., area, however, more than one-fourth of the drivers would be willing to leave their cars at home if cheaper and faster bus service were available, a recent survey by the General Services Administration revealed.

"A decline in riding over a long period, plus failure to replace old and antiquated equipment, and increased operating costs, have brought financial distress to many large as well as small, privately owned systems, and local public bodies have had to take over their lines so that service can be continued," the House subcommittee's discussion paper states.

"But in almost every situation where public operation has superseded private operation, the failure or inability of the public body to provide moneys for the acquisition of adequate equipment and the extension of the system has hurt mass-transit riding, and, because of this, public operation has not always been able to make the local mass-transportation system a successful operation," the report continued.

In emphasizing the need for a balanced program, Hodges and Weaver, reporting to the President, said that highways play a vital role in urban areas and will continue to do so. They added that the Bureau of Public Roads will in the future permit the reservation of highway lanes for the exclusive use of buses when comprehensive plans indicate this to be desirable and will encourage the development of rail-transit and highway facilities in the same right-of-way whenever more effective transportation will result.

In this connection some experts advocate the use of suspended monorail trains developed in highway rights-of-way. In Seattle, Wash., more than a million persons have ridden the city's showcase monorail to the World's Fair grounds, a distance of 1.2 miles. The two trains began carrying passengers March 24.

An official of the National Capital Transportation Agency in Washington recently made several round trips on the train and announced that monorails "deserve further serious examination" in seeking an answer to growing mass-transit problems. C. Darwin Stolzenbach, director of the agency, said that such a system, supported by massive concrete pylons, would not be practical in the downtown area of the Capital, but should be considered for suburban travel.

While urging use of highways and highway roadbeds for improving transportation systems, the report to the President said that the planning should be a part of systematic land use and development planning and "should be for the system as a whole rather than for its individual components—private vehicles, buses, or rail transit."

In this respect the report added that construction of highways and mass-transportation facilities should take account of effects on established neighborhoods, and when people and businesses are displaced, moving expenses should be paid from public funds with families assured of relocation in suitable housing. This plan for effective land use brought special praise from NAHB President Frank.

The administration bill provides that Federal funds could be used to cover two-thirds of the projected cost of development of comprehensively planned systems, directed by a local regulatory agency and covering all of the urban area to be served. These funds could be used for privately operated facilities under lease from qualified local public agencies.

In addition to Frank, other persons or organizations testifying for the bill have included: Weaver; Federal Highway Administrator Rex Whitton; R. L. Lich, chairman of the Committee on Passenger Traffic, Railway Progress Institute; Robert M. Jenney, director of the Greater Boston Chamber of Commerce.

Mayor Robert F. Wagner, of New York City, representing the U.S. Conference of Mayors; Mayor Jerome P. Cavanaugh, of Detroit, for the American Municipal Association; and Governors John A. Volpe, of Massachusetts, David L. Lawrence, of Pennsylvania, and Otter Kerner, of Illinois.

Not everyone appearing before the committees has been in favor of the legislation, however. The U.S. Chamber of Commerce and Robert Moses, New York highway builder and well-known world's fair entrepreneur, have led the opposition. Moses, who is New York City parks commissioner, attacked the plan in a speech before the Ninth Annual Highway Users Conference in Washington this spring.

Criticizing the idea of a unified transportation system, Moses said: "Because rail, rubber, air, and water travel are all forms of transportation and conveniently grouped under this head, we fondly conclude that they should be operated as one. Le me ask you just one thing—where do we find the geniuses in the public domain to do this legerdemain? Shall we end by realizing that it's a hell of a way to run a railroad?"

Although the rush-hour jam with its attendant mass-transportation headache is generally considered a problem only of large cities, by the end of 1961 grants made under the 1961 Housing Act had assisted comprehensive transportation planning for 1,922 small communities as well as 123 metropolitan or regional areas.

Builders will continue to watch with considerable interest developments on the mass-transportation problem, one which should be with us for a number of years to come.

NAHB DEVELOPERS SEE TRANSIT HELPING SALES

Widespread interest in the urban mass-transportation problem was reflected in a survey of 200 suburban developers all over the Nation conducted in June by the NAHB Journal.

Eighty-one percent of those answering the questionnaire said that their housing market definitely would be increased by improving the public transit systems in their communities. Ninety-two percent of the builders indicated that their buyers use private cars for commuting, while 35 percent said their homeowners use bus transportation, and 19 percent said that rail transportation is used.

In 52 percent of the cases the builders said that plans are under way for improvement of public transportation systems in their areas. But only 12 percent indicated that they are personally involved in the local transit planning, and 15 percent said their local HBA's are helping.

Generally, the developers located in the larger metropolitan areas, particularly along the east coast, said that their market would be substantially increased by improvement of the transit systems.

Those dissenting were usually from smaller communities, often in the South and Midwest. Suspicion of the Federal Government's role led to some of the opposition. Those who said improved transit would help business estimated that they could expect increases of from 2 to 50 percent. Builders of low-income, low-cost housing particularly were interested in the problem.

COMMENTS FROM THE BUILDERS

Joseph Singer, Jenkintown, Pa.: "It is the single most vital problem in the metropolitan area."

Ed Fischer, St. Louis, Mo.: "The transit situation in St. Louis is so bad that to all practical purposes in the suburbs of St. Louis there is no public transportation. Where there is, the service is so bad that the whole situation is impossible. Next to zoning and land use this is the biggest deterrent to home sales at this time."

Jesse A. Baker, San Antonio, Tex.: "Very important in our low-cost Latin American housing. Many ride the bus to and from work and to and from shopping facilities."

George Leiphart, for Staggs-Bilt Homes, Inc., Phoenix, Ariz.: "Mass transit or public transportation is a must to insure continued sales in our retirement community. The retiree prefers to use public transportation and save his paid-for automobile."

Arthur C. Schwotzer, Pittsburgh, Pa.: "It is not a Federal problem. It is something that should be solved locally without Federal intervention with money. The local communities must solve their individual problems—if they wish to solve them. And the Federal Government should stop trying to run and solve all local problems."

Milton J. Brock, Jr., Los Angeles, Calif.: "Los Angeles is such a large city that it is inevitable that eventually we will have to have some form of mass public transportation. It is such a large problem that it is most difficult to know where to start. We have a committee for monorail transportation, but to date it has not had much success. Since we have no central point to the location of all workers such as New York City, it is questionable that even a monorail system is the answer."

John W. Ahern, Savannah, Ga.: "The problem is of little consequence to us here in Savannah when selling in the medium to high-priced field. The exception is that lack of public transportation (or poor service) makes maid service difficult and raises a minor point to be overcome by sales people."

Alexander B. Paulsen, Babylon, L.I., N.Y.: "More than one-half of our sales depend on mass transportation to New York City. Improvement in same and convenience would improve our market."

J. S. Norman, Jr., Houston, Texas: "I do not believe our sales are affected. In prosperous times people will want and use their own private transportation. Who wants to be one of the masses? If and when we have a depression, then mass transportation will come into its own."

Jack Blackman, Thornton, Pa.: "Fast, clean, air-conditioned buses on minimum access highways into center city seem best."

Irvin A. Blietz, Evanston, Ill.: "We have had fairly good public transportation for years. Equipment has been improved in recent years. This is a plus factor. Opening of expressways has helped far more."

Richard C. Goodwin, Haddonfield, N.J.: "I think homebuilders have enough problems without getting mixed up in this mess."

Morris A. Sarshik, Haddonfield, N.J.: "Inadequate transportation keeps suburban buyers away. It is a serious problem for most commuters and can only be solved by complete cooperation of the municipalities plus whatever help is possible from governmental bodies."

Robert Lee, Rumson, N.J.: "Effective mass transit has made possible a favorable building program. We have a commuter group active in transit planning. If we did not have this group, then it would be a must for our local HBA to get active."

Ralph L. Shirmeyer, Fort Wayne, Ind.: "Transit company is about broke now. A municipal subsidy is about the only future for it. Very sad for many needy people if it does die."

Jim Nichols, Milwaukee, Wis.: "Possibly one sale out of five is adversely affected by a lack of mass transit. I think it is easier at present to show prospects that it is less costly to have a location beyond the transit system and buy a second car than it is to pay more for a location within access of the transit system."

Hans Kurash, Paoli, Pa.: "Good transportation is very important even though we build in the $25,000 to $45,000 price range and buyers have two cars. Local buses would be a help for women shoppers."

Scott E. Weller, Champaign, Ill.: "It appears that public, low-cost transportation systems for communities of this size (100,000) are no longer economically feasible. At the cost of subsidy they could be revived but with accompanying greater taxes of some sort."

G. D. Lloyd, White Plains, N.Y.: "Effective transit would increase salability and also make higher density housing in the outer suburbs more attractive (smaller lot sizes, attached houses, garden apartments, etc.) near mass-transit facilities."

HOUSING FOR MIGRATORY FARM WORKERS

Mr. WILLIAMS of New Jersey. Madam President, Housing Administrator Robert C. Weaver deserves the highest praise for his achievements during his tenure in that office. The Nation should take particular note of his activities on behalf of housing for migratory laborers; his work in this area shows that he is thoroughly in rapport with the conscience of the Nation in attempting to improve the conditions in which these deprived Americans live. Recently, Mr. Weaver announced the initiation of a program to be carried out in Bexar County, Tex.; a program intended to demonstrate that it is both feasible and desirable to provide migratory farmworkers the same opportunity to own their homes that all other Americans enjoy. This is a necessary and highly realistic first step toward raising the living standards of these deprived Americans, and I hope that its success will lead to further steps in this area. I therefore ask unanimous consent to have printed in the Record some excerpts from the Housing and Home Finance Agency announcement of July 3, 1962, describing this project.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts From Housing and Home Finance Agency Announcement of July 3, 1962

Mr. Weaver approved a grant of $100,000 to finance the project, which will be carried out in Bexar County (San Antonio), Tex., under the sponsorship of the Bishops' Committee for the Spanish Speaking.

This is the fourth project approved under a program authorized by the Housing Act of 1961 which provides for Federal grants to public or private bodies to develop and demonstrate new or improved means of providing houses for low-income persons and families.

The project will be carried out in three phases.

The first will be the planning and design of the community and of the homes to be built for the demonstration.

This first phase of the project will also include the building initially of 120 low-cost row dwelling units, with some 600 additional to be built later in the community. They will be built at the outset as a rental development, financed through FHA-insured mortgages under the new below-market interest rate program (sec. 221-d-3) authorized by the Housing Act of 1961, which carries an interest rate of only 3⅛ percent as against the normal FHA rate of 5¼ percent.

The second phase of the project will be a systematic effort to improve the families' incomes. This will be done through job training and job placement facilities in the community.

Through this job training and placement program it is expected that the migrant workers will not be dependent on seasonal farmwork but will be able to advance to semi-skilled and skilled occupations.

The third phase of the project will be the transfer of the homes from rental to homeownership. Each tenant family will be charged a rent of 20 percent of its income. This is expected to be less than the anticipated economic rent of approximately $43 a month, with the Federal subsidy making up the difference. But as the family's income is increased, through the job training and job placement program, the amount of the subsidy is expected to be reduced until the gap has been closed. When this has been done, and the family has accumulated enough for the downpayment, the transfer to homeownership will be made.

When the houses are sold to their occupants, they will be financed under section 221(d)(2) FHA mortage insurance, under which the amount of the downpayment is only 3 percent and the mortgage may run for 35 years or even to 40 years at the discretion of the FHA Commissioner.

Each migrant tenant in these homes will be allowed 5 years within which to increase his income to the point where he can qualify for homeownership.

"This is an exciting project, and one with a potential for good that is most challenging," said Housing Administrator Weaver. "It is well known that migratory workers are among the most economically deprived and most poorly housed people among our citizens. If the combination of methods to be demonstrated in Bexar County proves out, it should invite repetition in other parts of the country where migrant workers work and live."

THREATENED LEGAL ACTION AGAINST THE SECRETARY OF LABOR

Mr. WILLIAMS of New Jersey. Madam President, the threatened legal action against Secretary of Labor Arthur J. Goldberg by the Council of California Growers is of great interest to me because I participated in the congressional actions which Secretary Goldberg has implemented. There is no doubt in my mind that many other Senators share my view that the Secretary's activities in setting up a minimum wage for farm labor in California have been not only fair and appropriate, but also entirely in keeping with our legislative intentions. Though Secretary Goldberg's position is based on solid legal foundations and needs no additional bolstering, I would like to make my approbation of his activities common knowledge.

This morning's article in the Washington Post and Times Herald describing the imminent legal action quoted the head of the Agricultural Producers Labor Committee as saying that the $1 an hour minimum wage for farmworkers in California is resulting in "the creation of a feeling among many domestic workers that they don't have to work as hard, that they will get their $1 even if they do not produce."

I thought this sort of neolithic argument had gone by the boards years ago. No one today seriously considers a minimum wage to be destructive of production—this simply has not been the result of past experience with minimum wages. I once did, and will again, characterize this sort of unthinking opposition to progress in the migratory labor field as "pure flubdubbery."

It is interesting to note that at present American citizens who work as seasonal farm laborers are denied the economic protections that by American law are given to foreign workers imported into this country under Public Law 78. Exploitation has no place in this country; yet the situation that exists in many rural areas of the country and particularly in certain parts of California, where seasonal farm labor is employed for a mere pittance, can only be described as exploitation.

It should be pointed out that the average wage rate of $1.25 an hour for farm labor that the California growers cited, according to this morning's Washington Post article, is a misleading rate in two respects:

First, this is an average wage rate which applies to all kinds of farmwork. It includes wages for the most highly skilled jobs and the use of the most complex farm machinery as well as for the unskilled but equally exhausting work performed by the seasonal or migratory farm laborer. Second, it is misleading because it is an average. It ignores large areas in the State where the prevailing wage is considerably below the average. Let me cite only a few Department of Labor statistics for the 1961 crop season in California. Workers who chopped and hoed cotton in Riverside County were paid an average of 85 cents an hour. In the Fresno area workers who labored on flood row irrigation were paid an average of 90 cents an hour. In the Los Angeles orange area, farm laborers were paid an average of 90 cents an hour. Substandard wage rates in California, or in other States, are not hard to find. It is important also to remember that these figures are an average often based on piecework rates; those who are not as strong or as agile as some others then receive wages below even the low levels that I have cited.

Let me, therefore, affirm my faith both in the purpose and in the competence of Secretary Goldberg to ameliorate the horrible conditions that exist in this area, despite the protestations of some of our less humanitarian farm representatives—and they are not completely representative—that "all's right with the world." It seems somewhat incongruous, in the light of an average California farm wage of $1.25 an hour, that enforcement of a $1 an hour standard should bring so much opposition; I think this opposition proves that this average is made up of extremes at both ends of the wage scale.

I might mention in passing that certain of us—a good number of Senators—might consider that we ought to join Secretary Goldberg as codefendants, since we passed the laws which the Secretary has been implementing. Perhaps we should petition to intervene. Perhaps we could lodge a counterclaim to recover the difference between $1 an hour and 30 years of accumulated substandard wages. I think we might then have a good chance for an out-of-court settlement.

Mr. PROXMIRE. Madam President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield to my friend the junior Senator from Wisconsin.

Mr. PROXMIRE. Madam President, I should be happy to join in that kind of petition.

I commend the Senator from New Jersey for recognizing the fine work which the Secretary of Labor, Mr. Goldberg, has done in this regard. I am appalled that such action as he describes could seriously be taken in California.

I am particularly impressed because it is my recollection that when the bracero program was passed there was a considerable question as to whether it should be passed at all. There were some very strong feelings on the part of this Senator, as I am sure there were on the part of many other Senators, that we ought to think seriously about ending the program.

We have been bringing in the workers from Mexico, the braceros, in competition with the farmworkers in this country. We have been bringing them in on the basis of a wartime measure which was passed when we did have a shortage of labor in this country.

Now, when we have unemployment among farmworkers, we still are bringing in the Mexican workers to compete with people who work for the lowest wages paid to anyone in this country.

Those who believe strictly in free enterprise, who believe in supply and demand, it seems to me, should argue that the braceros ought to stay out, so that we can have free competition for labor and that free competition today would build up wages.

Some argue that if the braceros do not come in the work will not be done. Why? Because Americans will not do the work. The work might not be done for the wages which are paid now, but those wages are disgracefully low.

I think the Senator was very kind and moderate in his statement. He might have pointed out that the Secretary of Labor has increased the wage in California to an amount higher than is paid in any other part of the country, or at least as high.

Mr. WILLIAMS of New Jersey. In dollars it is the highest.

Mr. PROXMIRE. In Arkansas the wage is 60 cents an hour.

Mr. WILLIAMS of New Jersey. I believe it is, yes.

Mr. PROXMIRE. I feel very strongly that the Senator from New Jersey speaks the truth. I think it is most important that we show support for Secretary Goldberg. I, as one Senator, want to serve notice right now that if any such action as was mentioned should be taken against the Secretary of Labor, I should be in favor of ending the bracero program forthwith.

I think we would have real ammunition for doing so.

Mr. WILLIAMS of New Jersey. I thank the junior Senator from Wisconsin. He spoke with his usual eloquence and with great force. He has been an ally on the side of the lowest paid workers in our country; namely, the migratory farmworkers. Already they are very much underemployed, and in the face of their state of underemployment, we have brought offshore workers into our country, making the problem of migratory workers much more difficult.

Legislation designed to find the unemployed farmworker and recruit him for areas in which there is need for labor has been proposed. If that proposed legislation were enacted, we would have fewer offshore workers coming in to make life harder for American farmers who wish to work on the farms of our country. The measure has been the subject of hearings, and is about ready to be considered by the Subcommittee on Migratory Labor.

I hope we shall have an opportunity to have the measure brought to the floor of the Senate. At that time I certainly will look forward to the same kind of eloquence, force, and support on the part of the Senator from Wisconsin.

ADJOURNMENT

Mr. PROXMIRE. Madam President, if there is no further business, I move, in accordance with the order previously entered, that the Senate stand in adjournment until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 33 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, July 18, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 17, 1962:

NATIONAL SCIENCE BOARD

The following-named persons to be members of the National Science Board, National Science Foundation, for terms expiring May 10, 1968:

Rufus E. Clement, of Georgia. (Reappointment.)

Edward James McShane, of Virginia. (Reappointment.)

Edward Lawrie Tatum, of New York. (Reappointment.)

Henry Eyring, of Utah, vice Laurence McKinley Gould, term expired.

Philip Handler, of North Carolina, vice Paul M. Gross, term expired.

Katharine Elizabeth McBride, of Pennsylvania, vice George D. Humphrey, term expired.

Ralph Winfred Tyler, of California, vice Frederick A. Middlebush, term expired.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

To be senior surgeon

Louis Moreau

To be sanitary engineer

Wilbur J. Whitsell

To be assistant sanitary engineer

James R. Buchtel

To be nurse officers

Elizabeth A. Casper
Sara K. Marsh
Beatrice Marino
M. Argenta Geist

To be dietitians

Georgiana Pearson
Margaret V. Vance

To be health services officers

Jess L. Benton, Jr.
Mary A. Fugitt

EXTENSIONS OF REMARKS

Is Political Extortion Legal Under the New Frontier?

EXTENSION OF REMARKS
OF
HON. JOHN W. BYRNES
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 17, 1962

Mr. BYRNES of Wisconsin. Mr. Speaker, under the New Frontier, attempts to extort Democratic political contributions from Federal employees will apparently go unchallenged.

Moreover, it appears that persons charged with making such threats will not only be free from criminal investigation and prosecution; they will also be rewarded with political appointments to Federal jobs.

This is the shocking meaning of a decision reached by the Justice Department and of subsequent actions taken by the Kennedy administration.

Here are the essential facts in this startling development: Employees of a small post office, Amberg, Wis., in my district claim they were approached in June 1961, by one Glenn M. Mattison, representing himself as the next postmaster in the office in which they worked. He was known as a Democrat and there was a vacancy in the postmastership at that time. Mattison told the employees, they claim, that they would lose their jobs when he took over if they did not agree to contribute 2 percent of their salaries to the Democratic Party, saying he would find some cause for their removal.

When these facts were called to my attention, I immediately reported them to the Civil Service Commission. After a delay of 9 months, the Commission informed me that it had no jurisdiction and was referring the matter to the Justice Department. In March of this year, the Commission informed me that the Justice Department felt that solicitation of funds in this manner involved no violation of Federal law.

I immediately expressed surprise to the Justice Department and there ensued a correspondence which I will insert in full at the conclusion of my remarks.

To sum up the Department's position, it is their view that any person is free to threaten Federal employees with the loss of their jobs in order to induce political contributions, provided they do not do it on Federal property and provided they are not themselves Federal employees.

To reach this shocking conclusion, the Department had to strive to get around clear language of a statute—18 U.S.C. 600—which prohibits extortion of campaign contributions by anyone when the weapon of extortion is the promise of Federal employment.

The statute—18 U.S.C. 600—reads as follows:

> Whoever, directly or indirectly, promises any employment, position, work, compensation, or any other benefit, provided or made possible in whole or in part by an act of Congress, to any person as consideration, favor, or reward for any political activity or for the support or opposition to any candidate for any political party in any election, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

This is extremely broad language. It makes clear that anyone is subject to heavy criminal penalty if he promises, either directly or indirectly, "any" Federal employment, work, compensation, or other benefit as a consideration for any person's support of a political party. I know of no way that words could make clearer the fact that political contributions cannot be induced by using a Federal job as the means of forcing compliance.

It is the strange position of the Justice Department that the cited statute prohibits the promise of future employment but does not prohibit the promise of continued employment, in spite of the fact that the statute makes no distinction between the two.

The Department mumbles mysteriously about Congressional intent, when the legislative history of the law provides no explanation of intent. Indeed, the clear language of the statute would seem to make any legislative explanation of intent wholly unnecessary.

It is the inexplicable position of the Department that Congress desired to make it a criminal offense to promise a future job but no offense at all to promise to take away a job representing a person's means of making a living.

This, of course, is ridiculous.

The plain facts are that the Justice Department has tried harder to find reasons why it should not take action against a Democratic solicitor than it has to stamp out this particularly despicable form of political extortion. Bobby Kennedy's office, apparently afraid to let the courts decide the meaning of the law, has gone out of its way to come up with a contrived interpretation that the law does not apply in this case.

If this decision is a final one, it is clear that the door is now open for any Democratic official, so long as he is not in the Federal service or on Federal property, to approach any Federal employee, openly and without fear of prosecution, and threaten to get him fired if he does not pay "protection money" to the Democratic Party.

However, I would hope that the Department, charged as it is with the enforcement of Federal laws, will investigate this case thoroughly, and if the facts warrant, prosecute it vigorously and let the courts decide whether the offense is covered by the statute.

I should add that, regardless of whether the Kennedy administration can be induced to enforce the law as written, a simple question of morality is involved. I take it that everyone agrees it is both contemptible and immoral to threaten a person with loss of his job unless he makes a political contribution, even though the Department claims it is legal.

Yet, the person who is alleged to have made such threats in this case has, in the meantime, been appointed acting postmaster at the office where the threatened employees work. Moreover, the President has sent his name to the Senate for confirmation as permanent postmaster.

It would seem to me that the least this administration could do, if it is at all concerned with the character and moral fiber of its appointees to Federal office, is to investigate this case to determine if the charges are true, and to withdraw the appointment should they be sustained.

Under leave to extend my remarks, I include my correspondence with the Justice Department on this case. I have deleted all references which would serve to identify the threatened postal employees:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., March 30, 1962.

Hon. JOHN W. BYRNES,
House of Representatives.

DEAR MR. BYRNES: This is in reply to your letter of March 12 concerning a complaint alleging improper political solicitations at the Amberg, Wis., post office.

With my letter of March 5, 1962, you were furnished copies of the correspondence received by this office, and our replies thereto, bearing on the complaint of ——— and ——— of Amberg, Wis. You were further advised that the complaint had been referred to the Department of Justice for appropriate consideration and action since there was no evidence of a violation of section 9 of the Hatch Political Activities Act of 1939, as amended.

The Department of Justice has advised this office that on the basis of the information submitted to it for consideration, the solicitation of political contributions by Mr. Glenn Mattison does not involve a violation of any Federal law within the jurisdiction of the Department of Justice.

Accordingly, there is no basis at this time for further action by the Commission in this matter.

Sincerely yours,

L. V. MELOY,
General Counsel.

APRIL 5, 1962.

Hon. ROBERT F. KENNEDY,
The Attorney General, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: Please note the enclosed copy of a letter I have received from the General Counsel, Civil Service Commission, concerning allegations of threats to postal workers at Amberg, Wis., in an effort to induce political contributions, particulary its reference to advice recently received from your Department.

I find it hard to believe that the solicitation of political contributions, in the manner described by the postal workers in this case, "does not involve a violation of any Federal law within the jurisdiction of the Department of Justice."

Is this actually a fact?

I would like to hear directly from you and, if there is no Federal statute providing penalties for those who solicit political contributions from Federal employees under threat of job loss, or promise of job retention, perhaps you will agree that this is an area in which Congress should legislate forthwith and would like to suggest the form such legislation should take.

Sincerely yours,

JOHN W. BYRNES,
Member of Congress.

DEPARTMENT OF JUSTICE,
Washington, April 16, 1962.

Hon. JOHN W. BYRNES,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BYRNES: This refers to your letter to the Attorney General of April 5, 1962, enclosing a copy of a letter which the General Counsel of the Civil Service Commission wrote to you on March 30, 1962. It has been reported that an individual in line for appointment as postmaster in Amberg, Wis., allegedly solicited two postal employees there for political contributions; that he threatened them with loss of their jobs if they refused to make such contributions; that the postal employees made no contributions; and that they disclaimed any intention of doing so. You inquire if it is true, as we advised the Civil Service Commission, that no Federal violation would be involved.

The Hatch Act bans political activity by Government employees, and section 2 of the Civil Service Act (5 U.S.C. 633(2)5) provides: "[T]hat no person in the public service is for that reason under any obligation to contribute to any political fund, or to render any political service, and that he will not be removed or otherwise prejudiced for refusing to do so."

Federal law does not prohibit a person who is not in the Federal service and who is not on Federal property from soliciting Federal employees for political contributions or from accepting such contributions from them. Nor would threats by such a person of the loss of Federal employment constitute a Federal offense. But any such intimidatory action taken by that person after entering the Federal service would violate 18 U.S.C. 606 as well as other provisions of Federal law.

Congress would doubtless wish to consider whether or not practices such as those which are alleged to be involved in the instant case have been sufficiently widespread to warrant additional legislation. I have no information to indicate the prevalence of such practices.

Sincerely,

BURKE MARSHALL,
Assistant Attorney General,
Civil Rights Division.

APRIL 17, 1962.

Hon. BURKE MARSHALL,
Assistant Attorney General,
Civil Rights Divisions,
Department of Justice,
Washington, D.C.

DEAR MR. MARSHALL: Thank you for your reply to my letter of April 5 addressed to the Attorney General.

I am, of course, surprised to receive your opinion that there is no Federal statute barring the solicitation of political contributions from Federal employees under threat of demotion or job loss, except in the case of persons in the Federal service. Ruthlessly handled, such solicitation by officials of the party in control of the executive branch, without fear of Federal prosecution, would indeed be a powerful weapon of coercion.

I would, however, call your attention to 18 U.S.C. 600, which would appear to bear directly upon the Amberg case and which does not appear to limit its application to "those in the Federal service." It reads:

"Whoever, directly or indirectly, promises any employment, position, work, compensation, or other benefit, provided or made possible in whole or in part by any act of Congress, to any person as consideration, favor, or reward for any political activity or for the support or opposition to any candidate or any political party in any election, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both."

In view of the broad nature of the language and in view of the fact that there is no essential difference to the employee between the promise of work or other benefit and the promise of a loss of work or other benefit. I would appreciate hearing from you as to whether this particular statute does not make the kind of solicitation in the Amberg case, if proved, an imprisonable Federal offense.

Sincerely yours,

JOHN W. BYRNES,
Member of Congress.

DEPARTMENT OF JUSTICE,
Washington, April 25, 1962.

Hon. JOHN W. BYRNES,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BYRNES: This acknowledges your letter to me of April 17 in reply to my letter of April 16, 1962. You suggest that 18 U.S.C. 600 would apply to the facts in the Amberg case, wherein a person in line for a Federal position allegedly threatened to deprive Federal workers of their employment if they failed to make political contributions. You apparently feel that implicit in the alleged threat was the assurance that the Federal employees would be retained in their jobs if they did contribute and that their retention under these circumstances would constitute "work" or "other benefit" within the meaning of section 600.

When Congress dealt with the pernicious political activities of illegal deprivation of employment and discharges from the Federal service, as distinguished from the promise of employment, it did so in unmistakable terms in sections 601 and 606 of title 18, United States Code. But those statutes do not reach, and presumably were not intended to reach, facts such as are reported to exist in the Amberg case.

There are no reported decisions illumining section 600 in this regard but such legislative history as we have been able to ascertain seems to support the view that the statute was not intended to apply to such a situation as reportedly exists in the Amberg case. On the contrary, the debate seems to indicate that the underlying purpose of the statute was to proscribe the promise of a job as a reward for political activity. It was viewed as making applicable to others the kind of prohibition which the Corrupt Practices Act already made applicable to candidates (84 CONGRESSIONAL RECORD 9619). Therefore, and in the light of the doctrine that before an act is punishable as a Federal crime it must plainly and unmistakably fall within the terms of an enacted statute, we do not feel that section 600 would apply to the Amberg case. Should you, however, have any information which you feel manifests a specific congressional intent which is contrary to our impression of the intended reach of that statute, we shall be glad to review the matter further.

Sincerely,

BURKE MARSHALL,
Assistant Attorney General,
Civil Rights Division.

MAY 3, 1962.

Hon. BURKE MARSHALL,
Assistant Attorney General,
Department of Justice,
Washington, D.C.

DEAR MR. MARSHALL: I have received your letter of April 15, 1962, stating that the Department of Justice does not feel that the reported acts in the Amberg case are prohibited by section 600, title 18, United States Code.

In my opinion, such a conclusion is possible only if the clear and unmistakable language of the statute is ignored. Section 500 plainly states that it is unlawful to promise, directly or indirectly, "any employment, position, work, compensation or other benefit" as "consideration, favor or reward for any political activity."

At Amberg, it is alleged that a person, representing himself as the next postmaster (and who, since, has been appointed acting postmaster), promised postal employees they would be later discharged or demoted unless they contributed to the Democratic Party. By so doing, there can be no question that he indirectly promised them employment as a consideration or reward in return for their political activity in the form of a party contribution.

To say that "employment," as used here, means work resulting from future appointment but does not mean work resulting from continued retention, in the absence of such distinction in the statute, is to adopt a new definition for the word.

There is no conflict between this section and section 601 which applies specifically to work relief projects, or between this section and section 606 which applies to intimidation by Federal officers or employees. This section stands alone as a broad and all-inclusive prohibition against putting Federal jobs on the block to induce political contributions. If properly enforced, it stands as a bar to anyone, in or out of the Federal service, who would engage in such pernicious activity.

In the absence of any conflict between this section and others, the question of legislative intent is immaterial. The courts would need do no more than apply the language of section 600 to the facts in any case brought before them. Moreover, the courts would necessarily have to do so, since the legislative history of section 600, as I read it, provides no explanation of legislative intent which goes substantially beyond the language itself. Indeed, that language is so plain, it can be surmised that no explanation was felt necessary.

This whole matter, it seems to me, boils down to the willingness or unwillingness of the Justice Department to recognize the alleged acts in the Amberg case as a despicable form of pernicious political activity and to proceed with vigor, if investigation sustains the allegations, to prosecute under a law which plainly and unmistakably prohibits such activities.

Sincerely yours,

JOHN W. BYRNES,
Member of Congress.

DEPARTMENT OF JUSTICE,
Washington, D.C., May 17, 1962.

Hon. JOHN W. BYRNES,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BYRNES: This acknowledges your letter of May 3, 1962, reiterating your views about the applicability of 18 U.S.C. 600 to the facts alleged to exist in the Amberg case. For reasons previously stated, I do not feel that the wording of section 600, when considered in the light of other statutes in chapter 29, title 18, United States Code would make that statute applicable, in the absence of clear legislative intent to the contrary.

I have noted your comments about legislative intent; but regardless of rules of construction which may or may not be applied to criminal statutes generally, the courts have frequently resorted to congressional intent in construing several of the Federal election statutes in chapter 29, title 18, United States Code. See, for example, decisions under 18 U.S.C. 610. Another of many examples which can be cited of the importance of legislative intent in connection with these statutes is 18 U.S.C. 611, the language—but not the legislative history—of which would suggest that corporations come within its purview.

I trust that this will assist you in understanding our position.

Sincerely,

BURKE MARSHALL,
Assistant Attorney General, Civil Rights Division.

Bigoted Religious Attacks Feature Communist Propaganda

EXTENSION OF REMARKS

OF

HON. GLENN CUNNINGHAM

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1962

Mr. CUNNINGHAM. Mr. Speaker, in recent months there has been much discussion about Communist propaganda entering this country. The House adopted language in the postal-rate bill to end the subsidy which such material now receives. That language is now section 12 of H.R. 7927.

A recent example of such material, typical in that it has vicious attacks on religion and church activities, is a Hungarian publication Light. This is printed in Budapest by the Society for the Dissemination of Scientific Knowledge, for distribution in the United States.

I was interested to see what scientific knowledge these Communists were giving away, so I had a summary of the articles in this publication prepared by the Library of Congress. This is the Library staff's report:

> The journal includes articles by Hungarian and foreign authors. It is directed against the church and religion in general. In this number (vol. II, No. 10, October 1961) several articles are focused upon the Roman Catholic Church and its teachings, policy, and international contacts, in past and present. But there are also items on Protestant theology, the Jewish faith, the Turanist movement, the position of woman in society, and so on. Generally speaking, the journal serves the cause of replacing religious faith by Marxist materialism.

A brief synopsis was also prepared by the Customs Bureau staff. This reads in part:

> Advocates the liquidation of religious feelings in the masses for as long as the church

has any influence on the masses through its teachings, socialism cannot win completely. To be victorious the Communist Party must break forever the church's monopoly over man's innermost feelings.

Mr. Speaker, it is tragic that this bigoted material is allowed into this country and delivered free of charge by our Post Office Department.

Global Food Plan

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, July 17, 1962

Mr. WILEY. Mr. President, the outlook in agriculture, regrettably, offers no great hope for an immediate brightening of the economic picture—unless there can be a breakthrough to resolve the supply-demand situation.

For this reason, I believe we should make a renewed effort to explore any and all possibilities—both on the home and international fronts—to see what can be done to provide more markets and consumers for the high productivity of U.S. agriculture.

In a weekend broadcast over Wisconsin radio stations, I was privileged to discuss the outlook—as well as to explore some possibilities for expanding markets.

I ask unanimous consent to have excerpts of my remarks printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

I welcome the opportunity to discuss with you once again the outlook in agriculture.

For the immediate future—as the recent past—the Wisconsin and American farmer's economic outlook regrettably will not be substantially brightened unless there can be a breakthrough to resolve the supply-demand imbalance.

Ironically, the economic difficulties stem from high efficiency and productivity not from inefficiency.

To me, it is still incredible—yes, unbelievable—that, as a nation, we can continue to let the blessings of agricultural abundance be a handicap economically. From time to time, I have made recommendations which, if adopted, would improve the situation.

Fundamentally, these recommendations particularly in dairying have included a proposal for promoting: Greater consumption; better distribution; and more varied uses of farm commodities, not just for food but for commercial-industrial purposes.

There is also—in my judgment—a need for greater market research. What is the logical market for food? Hungry people. Where are these hungry people? All over the globe both at home and abroad. According to studies, about two-thirds of the people of the world do not have enough to eat daily. As a national policy—we, over the years—have made a modest effort to make surplus foods available to hungry people in other nations. Under the food-for-peace program, for example, surplus foods have been sold, bartered, or given away.

As yet, however, this has had only minimal success either: (a) In reducing surplus stockpiles; or (b) in feeding masses of empty stomachs. Actually, the program has provided only a trickle of food into the vast, seemingly bottomless, hunger pit of the world.

For these reasons, I believe there is need for a new, broader, more enterprising program.

Looking back to World War II, we recall that the American farmer produced food not only for our own citizens, but for other countries. Could this, then, also happen in peacetime?

The idea, I believe, might well be explored. How can this be done? Perhaps, by the following: A national policy declaration that the United States—in peacetime, as in war—stands ready to utilize a greater proportion of its agricultural capacity (not just surpluses), to feed the world; exploring the possibility of setting up contracts, individual to individual; organization to organization, or government to government, for sale of foods on multiple-year contracts, to people in lands incapable of producing an adequate food supply.

For example, Wisconsin, or its citizens or organizations, could contract to supply a whole country with high-quality milk or other dairy products for 1, 2, 5, or 10 years.

The resources of food-deficient nations could, I believe, be invested in no better way than in providing healthful foods for their people.

If successful, such a program would: (1) Improve the health of the people of the world; (2) brighten the economic outlook for the Wisconsin and American farmer, by (a) providing outlets for existing surpluses, now depressing farm income, and costing the taxpayers billions of dollars annually; and (b) allowing the farmer to engage in long-range planning with a contractual outlet for commodities.

The declaration of such a policy would also, I believe, have a significant impact upon the world by reflecting once again our country's willingness to utilize its resources for humanitarian as well as economic purposes; creating a global picture of the sharply contrasting differences between the efficiency and productivity of our free system and the inefficiency under the Communists, as now reflected by low, minimal food supply and skyrocketing prices in the Soviet Union, and famine in Red China.

The farmers of Wisconsin and the Nation, I believe, are fully competent to handle such a challenge.

The 1962 Flag Day Exercises at U.S. Capitol

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1962

Mr. SCHWENGEL. Mr. Speaker, it was my privilege on June 14 to again be the speaker at the annual Flag Day exercises, a distinction I have had 7 out of the 8 years I have served in Congress.

Accepting this responsibility each year is an obligation for which I make myself readily available, because I feel any and all tributes to this glorious emblem of ours should have priority, not just once a year on Flag Day, but as frequently as possible.

Aside from my own participation in these exercises, I wish to recognize the many wonderful patriots who gave of their time and talent to see that this salute to Old Glory was fitting and proper. We should be especially grateful to the members of the U.S. Army Band and the officers and men from Company B of the 1st Battle Group, 3d Infantry—Old Guard—at Fort Myer, who told the flag story with such dramatic eloquence.

Under leave to extend my remarks, I wish to call attention to the program for the 1962 Flag Day exercises at the Capitol under the sponsorship of the Department of the Potomac, Woman's Relief Corps, Auxiliary to the Grand Army of the Republic. With the program I am also including my remarks as principal speaker, and the names of the members of the U.S. Army Band and the names of the Company B personnel who participated in the flag story. I regret that the remarks of Dr. John R. West are not available at this time:

FLAG DAY EXERCISES, JUNE 14, 1962, THE EAST FRONT OF THE U.S. CAPITOL, SPONSORED BY DEPARTMENT OF THE POTOMAC, WOMAN'S RELIEF CORPS AUXILIARY TO THE GRAND ARMY OF THE REPUBLIC

1. 6:15–6:30 p.m.: Prelude, U.S. Army Band; Lt. Col. Hugh Curry, leader and commanding officer.

2. Presentation of colors: National Guard of Honor of the American Legion, Maj. John A. Shallcross, commanding officer; Woman's Relief Corps, Daughters of Union Veterans of the Civil War, Ladies of the Grand Army of the Republic, Auxiliary to the Sons of Union Veterans of the Civil War, Auxiliary United Spanish War Veterans, Ladies Auxiliary Veterans of Foreign Wars of the United States, American Legion Auxiliary, Woman's Army Corps Veterans Association, American Gold Star Mothers, American War Mothers, Jewish War Veterans Auxiliary, Catholic War Veterans Auxiliary, Gold Star Wives of America, Sons and Daughters of Liberty, Ladies Auxiliary Fleet Reserve Association, Daughters of '98, Navy Mothers Club of America, Daughters of the American Revolution, National Society Children of the American Revolution, National Chapter (Capitol) American War Mothers, Girl Scouts, Boy Scouts.

3. Invocation: Rev. Peter P. Maher, St. Peter's Roman Catholic Church, Second and C Streets SE.

4. Pledge of Allegiance: Mrs. Myrtle Aron, past department president, department patriotic instructor.

5. "America the Beautiful": U.S. Army Band, soloist, Sp5 David M. Beckwitt.

6. Introduction of master of ceremonies: Robert Sutphin, president, G.A.R. Memorial Day Corp.

7. Introduction: Mrs. Caroline Hodgkin, department president, Woman's Relief Corps.

8. Address: Dr. John R. West, pastor, Church of God, Southeast Washington.

9. "Faith of Our Fathers": U.S. Army Band and soloist, Sp5 David M. Beckwitt.

10. Address: Hon. FRED SCHWENGEL, Member of Congress, Iowa.

11. March on of flag story troops.

12: Flag story: 1st Battle Group, 3d Infantry, Fort Meyer, Va.; Capt. James W. Spires, commanding officer.

13. National anthem: Audience participation.

14. Benediction: Chaplain, 3d Infantry.
15. March off of flag story troops.
16. Retiring of organizational colors: National Guard of Honor.

Committee in charge of arrangements: Myrtle L. Aron, past department president, patriotic instructor; Mary Nichols, past department president; the late Olive D. Minard, past department president; Louise Leone, department secretary.

Appreciation: U.S. Army Band; Mrs. Frances Nelson; J. George Stewart, Architect of the U.S. Capitol; Robert Sutphin; Hon. Fred Schwengel; Dr. John R. West; Rev. Peter P. Maher; 1st Battle Group, 3d Infantry; National Guard of Honor, and all participating organizations.

The Flag and Its Inner Meaning

(By the Honorable Fred Schwengel, Flag Day Ceremony, U.S. Capitol, June 14, 1962)

People like all of you, who want to promote a better spirit of patriotism and loyalty to our country, are the kind of patriots we need a lot more of today.

History may not be the only teacher of patriotism but it is the one indispensable teacher. The more we know about our history and heritage, the great men who led it, and the principles which sustained its people in time of trial, the deeper will be our feeling for our country. It cannot be wrong then to recall, in days like this, some history and use it to promote the honorable goals our country has always stood for; goals and ideas that are reflected in the flag we honor today.

Many of you are here because you belong to one of several important patriotic groups. Others are here because of an urge to renew an interest. To all, I say, welcome, and I applaud your spirit. The diversity of the people and groups before me today, in the shadow of the flag that flies constantly on the east side of the Capitol dome—all with a patriotic motivation—is a sign of your desire to keep alive and growing something free, precious, all inclusive and unifying; all with a hope and desire to promote freedom in the hearts and minds of human beings everywhere.

E pluribus unum is written on the base of the Goddess of Freedom atop the Capitol Building. It means "One out of many." E pluribus unum, in a sense, is a unifying precept. We engrave it on our coins. We build it into our literature. We should carry it in our hearts.

It is good to have this unity concretely expressed in living Americans like yourselves on a day as sacred to our past, our present, and our future, as Flag Day.

From where we stand today, many presidents have expressed so many things that both challenged and unified us. All of them added to our heritage in what was said and in what they did. Great men like Lincoln stood here for the sole purpose of unifying us. His prime objective, 100 years ago, was to save the Union, saying to the country what he would have us say to the world today; "We are not enemies, but friends. We must not be enemies," he said after the told us to "think calmly and well upon the whole subject." To think calmly and well is good advice always and it is more necessary now than ever before. It is not hard today for us to give vent to our feeling of belonging to each other, of belonging to this country and of belonging to the flag.

We must come to believe that what this flag stands for belongs also to the world. It, and the country it represents, seeks to have a world-unifying force. As we think on this, the flag that we would honor today becomes something even more thrilling. Our pride is greatly enhanced.

All can learn from the experience of our country where religious belief and shades of political opinion blend and flourish under the set of principles of freedom brought forth by our early patriots.

I am delighted and all should take comfort in noting the list of organizations that are sponsoring and participating in this event: The Woman's Relief Corps, the Daughters of Union Veterans, the Ladies of the Grand Army of the Republic. There is nostalgia and poetry and history in the very sound of names like these and the following: The Women's Army Corps Veterans Assn., the American Gold Star Mothers, Inc., the American War Mothers, the Veterans of Foreign Wars, the Jewish War Veterans Auxiliary, the Gold Star Wives of America. The symbol of unity is evidenced also when we note that the following are here also: The Sons and Daughters of Liberty, Catholic War Veterans Auxiliary, the Ladies Auxiliary Fleet Reserve Association, and the Daughters of '98, the Navy Mothers Club of America and the Daughters of the American Revolution. The presence of boy scouts and girl scouts gives us hope for the future and, of course, we are grateful for the presence of all.

By your presence, you bear positive witness that this flag has a special significance and meaning for you. As we reflect on its glorious history, it seems to issue a clarion call and would have us listen as it speaks to the soul of man. And, as it flies over our herd, it reminds us of our heritage and our obligation as living citizens.

Because it is speaking to the soul of man, it means that the strength of our country is not predicated entirely on military and economic might. These things do involve the defense of our country and they are important but the strength of America is, I believe, in its soul. And when you speak of the soul of a Nation, you speak of its philosophy and its application of principles that win and secure the hearts and minds of men.

The soul of this Nation means equal justice under law. It is encompassed in such phrases as: "conceived in liberty and dedicated to the proposition that all men are created equal." The soul of this Nation speaks to us with specific meaning where our Constitution tells us that: "Neither slavery nor involuntary servitude * * * shall exist within the United States, or any place subject to their jurisdiction."

A nation has a soul when it gives protection to its people against "unreasonable search and seizure." The soul of a nation is reflected in the Bill of Rights, trial by jury and due process of law. It means that private property shall not be taken for public use, without just compensation. The freedom and liberty and the dignity of man are spelled out in these hard, rugged, deliberate and meaningful words; words to live by and be governed with.

No one can say that these are mere empty phrases. We back them up and give them force with an elected legislative body which makes the laws here, the executive department that enforces the laws, and the marvelous system of courts which pass on the fairness. These things are realistic, specific and have the capability of settling issues. In this we have what I call the soul of a nation. Our Nation—the United States of America.

Also, when I see this flag, it reminds me of some specific and natural outgrowths of the system established on this soil in 1776 when our forefathers enunciated the philosophy of equality. Since that time, this Government has done more to benefit people than any other government in all history. Natural outgrowths, too, were emphasis on extending more freedoms to more people.

At the beginning, our forefathers intended that this freedom movement should be worldwide. They hoped that man would seek to emulate and benefit from our experience. Feeling the urge to extend these freedoms, and on the eve of a great world war, an extraordinary document was issued. We called it the four freedoms.

While they are a part of our basic law, this time it is proposed emphatically that the area of application be the whole world. We have come to know it also as the Atlantic Charter. Now, since this utterance belongs to our time, let us pause to examine it a moment.

The four freedoms expressed the worldwide aims of this Nation. They were enunciated by President Roosevelt in a message to Congress, January 6, 1941, and implied by the Atlantic Charter which was signed by President Roosevelt and Prime Minister Churchill. These four freedoms—freedom of speech and expression, freedom of worship, freedom from want and freedom from fear—have had a tremendous impact all over the world. This, like the other great documents written for us, provided a statement of issues and a declaration of principles for the support of which the American people were prepared to fight as a nation.

Today, when we say fight-as-a-nation, we are speaking of stakes in human conflict that are without parallel in the annals of time.

We were declaring then for the freedom of speech and expression everywhere in the world and the freedom of every person to worship in his own way everywhere. The third was freedom from want—which, translated into world terms—means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants everywhere in the world. The fourth was freedom from fear, which means, in world terms, a worldwide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor anywhere in the world.

The President of the United States then said of these four freedoms: "That is no vision of a distant millennium. It is a definite basis for a kind of world attainable in our own time and generation." And then he added: "That kind of world is the very antithesis of the so-called new order of tyranny which the dictators seek to create with the crash of a bomb."

Speaking to you today humbly as a Congressman of the United States, I, too, would like to reaffirm these noble goals and say that they need to be prosecuted with greater vigor, enthusiasm, and spirit. Whether they are attainable in our own generation or not may be difficult to say but of this I am sure—we better be at it. This is the supreme challenge of our time. It calls for putting forth much more effort and demands that we spend much more time in making plans for peace based upon sound reason and offering programs that are morally right. This is no easy task. This will call upon the very best and all of our talent.

Lincoln once said, "If we can first find out where we are and whither we are tending we can better judge what to do and how to do it." In this he seems to speak for today. It suggests looking into our own experience. This I have done and I have come to the conclusion that there has been an omission which now needs to be put into the four freedoms, or added, to give us a total of five freedoms.

That freedom is one we have had and have taken for granted so much—it is the freedom of movement—the movement of men and goods, of voices and ideas within a country and in the world.

There have been tragic violations of this freedom in the areas where they have iron curtains, barbed-wire fences, and concrete walls. These are physical evidences of the much worse iron curtains caused by ignorance, misunderstandings, and selfish interest that seem to prevail more or less everywhere. All these walls, barbed wire and concrete, and bayonets separating a people between countries, within countries and within sections of countries would be eliminated by the application of this fifth freedom which I am proposing. It is a freedom that a people should enjoy without obstruction of hideous, antifreedom walls of separation and misery. I wish it could have been foreseen when the four freedoms were conceived and proclaimed. For as experience has shown, the four freedoms are meaningless without the freedom of movement.

Nothing that has confronted my eyes in a lifetime of experience is comparable to the visual, demonstrable, ugly evil symbolized by the wall that a Communist government has put up to separate East from West Germany. I saw that wall in all its crude, raw, naked horror only some months ago and it represents for me their flag, the very heart and soul, the quintessence of communism and the monolithic state—just as this flag that flies above us symbolized what I have been describing as the soul of this Nation.

If we will but recover and renew the faith of our fathers and fulfill the mission and ambition they had for this Nation, the world will see clearly the contrasts and the differences in the two great contending systems. The sickle and hammer on red is tyranny, crude concrete walls, barbed wire, iron curtains and none of the five freedoms. The stars and bars not only stand for all the freedoms—open skies, malice toward none and charity for all, but seeks not to bury but give a rebirth of freedom for mankind everywhere. These are spiritual things, they are irresistible, this spiritual strength motivates our political being. Our flag stands for that.

We have proved on this soil, after nearly two centuries, that the rule of government by the consent of the governed can make for a strength more prodigious than anything the Caesars have ever known. This flag bears witness to that truth. This flag is not the emblem of power. It is not the symbol of domination. This flag speaks to the human spirit. And this flag embodies the best, the very best of all the ages. For in that flag is the treasure of Graeco-Roman and Judeo-Christian civilization.

Because this flag is all these things, it has the greatest power over the individual an emblem can possibly have; it can call upon us to give willingly our very lives for its survival.

And just this—the sacrifice of life itself is one of the glories of its magnificent history.

Indeed, we may well ask ourselves:

For how can men die better
Than facing fearful odds,
For the ashes of their fathers
And the temples of their gods?

Your representatives here today of the organizations that have intimately known these sacrifices need no explanation of the deep meaning of the simple lines I have just uttered.

Flag Day is a sacred day. We pray we shall have many of them. And so long as there are those, like you at this ceremony, who have faith in the sublime meaning of the institutions it symbolizes, this flag of ours will have a long and a happy life.

Long may it wave.

PERSONNEL OF THE U.S. ARMY BAND AND CHORUS WHO PARTICIPATED IN FLAG DAY CEREMONY AT THE CAPITOL JUNE 14, 1962

THE U.S. ARMY BAND

Lt. Col. Hugh J. Curry, director; M. Sgt. Flavius R. Bartlett; M. Sgt. Vincent J. Battista; M. Sgt. Elmer H. Kettler; Sfc. Patrick Brogan; Sfc. Ralph L. Burge; Sfc. John A. Delhomme; Sp7c. Eugene A. Dimond; Sp7c. Albert T. Goepper; Sp7c. Raymond W. Halt; M. Sgt. Robert E. Hole; Sfc. Joseph H. Humpherson, Jr.; Sp7c. Anthony B. Korcel; Sfc. Richard H. Mains; Sfc. Paul T. Scott; Sfc. Francis P. Taylor; Sfc. John J. Tunney; M. Sgt. William E. Vogelson; Sp6c. Elvan L. Alyea; Sfc. Fred S. Bohrmann; Sp6c. Michael A. Cefaratti; Sfc. Andrew Cioffi; Sp6c. Keith C. Clark; Sp6c. Bruce C. Cornue; Sfc. Alvin F. Cromwell; Sfc. Eugene L. Drifmeyer; Sp6c. Robert B. Ferguson, Jr.; S. Sgt. Lewis M. Fripp; Sp6c. Louis Greenspan; Sfc. Arthur S. Greenwood, Jr.; Sfc. Edmund E. Korcel; Sp6c. Stephen Kowalski; Sp6c. Robert A. Lewis; Sp6c. Paulino Mandragona; Sp6c. Alvin J. Millonig; S. Sgt. Thomas W. Murray; Sp6c. Edward A. Nalepa; Sp6c. Michael Nardella.

THE U.S. ARMY CHORUS

Sp5c. David M. Beckwitt, Sp6c. Robert J. Pallansch, S. Sgt. Joseph V. Popillo, Jr., S. Sgt. George L. Shaffer, Sp6c. Henry S. Smith, Sfc. Warren E. Smith, Sfc. Gordon L. Tanner, Sfc. Elviro D. Todino, Sp6c. William D. Wilson, Sp5c. Charles R. Bassett, Sp5c. Aldo G. Betelli, Sp5c. Jack L. Boyle, Sgt. Donald E. DuPont, Sgt. Kenneth L. Domer, Sp5c. Robert E. Edmonds, Jr., Sgt. Roy M. Fales, Sp5c. Frank H. Fleming, Sp5c. Edgar R. Gloss, Sp5c. Frederick B. Hewitt, Sp5c. Frederick D. Hollis, III, Sp5c. Adam Hubbell, Sp5c. Leo B. Hurst, Sp5c. James E. Johnson, Sp5c. Joseph K. Koplin, Sp5c. Robert H. Kraft, Sp5c. Charles A. Lacina, Sp5c. Theodore J. Lapina, Sp5c. Raymond E. Martin, Sp5c. Patrick E. McGuffey, Sp5c. Arthur B. Moreland, Sp5c. Edward W. Naylor, Jr., Sp5c. Jack L. Ratterree, Sp5c. Harley E. Rex, Sp5c. Robert B. Shepard, Sp5c. John C. Van Bockern, Sp5c. Earl D. Weliver, and Sp5c. Lawrence R. Wagner.

FLAG STORY PERSONNEL: COMPANY "B", 1ST BATTLE GROUP, 3D INFANTRY (THE OLD GUARD), FORT MYER, ARLINGTON, VA.

Capt. John A. Keutmann, commanding officer; 1st Lt. Robert W. Riscassi, project officer; 1st Lt. Homer G. Gray, Jr., assistant project officer; 1st Lt. Thomas A. Story, assistant project officer; Sp4c. Donald R. Webb; Pvt. Rufus McClendon, Jr.; Pfc. James J. Gross; Pvt. Const. Horianopoulos; Sp4c. Jesse C. Reed; Pfc. Dwight C. Sullivan; Pvt. Maurice F. O'Neil; Sp4c. Donald M. Baudat; Pfc. Norbert L. Koch; Pvt. Ernest W. Joiner; Pfc. Roy E. Brown; Pfc. James F. Williams; Pfc. Ivan M. Bennett; Pvt Ralph O. Costley; Pvt. Charles E. Johnson; Pfc. Leroy T. Nard; Sp4c. Winston C. Winders; Pfc. Wilbur D. Prince; Sp4. William Schoppy, Jr.; Sp4c. Kenneth E. Jones; Pvt. Dean A. Larson; Pvt. Charles C. Lane; Pvt. James S. Carter; Sp4c. Kenneth R Webb; Pvt. Donald R. Ricker; Sp4c. Michael J. Hickey; Pvt. Gerald D. Gregersen; Pfc. Daniel L. Belcher; Pfc. Martin B. Wendell; Pfc. James D. Jenkins; Pvt. Frederick R. Wallace; Pfc. Charles E. Clark; Pvt, Jon B. Howard; Pfc. Floyd D. Olson; Pfc. John D. Battistoni; Pfc. James F. Kemp; Pvt. Francis T. Wallace; Pfc. Grover C. Taylor; Pvt Vincent R. Cafarella; Pvt. Norman L. Maser; Sp4c. John L. Strano; Pvt. Jerome A. Vogel; Sp4. James S. Doyle; Pfc. William P. Burkert; Pfc. Thomas J. Skotek; Pfc. Richard W. Borst; Pvt. Joseph A. Fico, Jr.; Pvt. Charles B. Spencer; Sp4c. Lyle W. Oakley; Pvt. Fred B. Crenshaw; M. Sgt. Rudolph G. Haynie; Sfc. Walter H. Young; Sgt. Dale C. Shepard; Sgt. Richard Harris; Sp4c. Kenneth A. Long; Sgt. John T. Fritch; Sgt. Richard M. Rapp; Sgt. William Davis; Sgt. Gussie Ellis; Sp4. Marco J. Faraci; Sgt. Forrest E. Hinkle.

Our Land-Grant Universities Look Ahead

EXTENSION OF REMARKS

OF

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1962

Mr. MORRIS K. UDALL. Mr. Speaker, this month marks the 100th anniversary of the Morrill Act which led to the establishment of our Nation's system of land-grant colleges and universities. Passage of that act was one of the wisest actions ever taken by Congress.

In my own State of Arizona, we have one land-grant institution, the University of Arizona, founded in 1885. Its president, Dr. Richard A. Harvill, has served during the past 18 months as chairman of the centennial steering committee of the Association of Land-Grant Colleges and State Universities. This committee has planned and coordinated the nationwide observance of this 100th anniversary throughout the 68 member institutions and many other organizations and institutions which benefit and cooperate with the Nation's land-grant schools.

This centennial observance hopes to increase public awareness of the tremendous contributions these institutions have made to our Nation's knowledge, health, and economic well-being. And these schools are critically assessing their programs so the next 100 years of public service will be even more effective than the last.

The University of Arizona, in assessing its future role, has found numerous areas in which it may well equal and surpass former contributions. One such area is the study of arid lands, their use and development. Approximately one-quarter of the earth's surface is arid or semiarid. Increasing population pressures will demand that such land eventually be cultivated. Scholars in all fields are probing the climatological, geological, social, economic, and ecological factors involved in developing such lands. Their efforts have received worldwide attention, drawing to the university campus scholars and public officials from many nations whose own lands are arid.

Closely tied to this program are efforts made by the university to find solutions to the vexing problems in the use of water resources. Already labeled a prime national concern by the President of the United States, and certainly a critical area in many foreign countries, the water problem has spurred intensive activity at the university. Presently being tested is a new method of desalinization of sea water. Developed by a university scientist, this process offers hope of a significant breakthrough in the cost of obtaining fresh water from the sea. Additionally, a graduate program in scientific hydrology, the first in the country, has been initiated to train water scientists for tomorrow.

The heart of a land-grant institution has always been the cooperation between teaching, research, and extension. Consequently, those foreign nations now seeking to raise their social and economic standards are looking more and more to the American land-grant system for guidance. The University of Arizona has already assumed such responsibility. For example, in cooperation with the Agency for International Development, the university helped establish a 4-year college of agriculture in Iran. The university will soon lend its talents to a similar project in Brazil. There will unquestionably be many more projects of this kind in the future.

Further contributing to our Nation's international standing, the University of Arizona is cooperating closely with the Institute for International Education to bring to its campus university students from many nations. Under this program, several hundred students from nearly 60 countries are gaining knowledge and training which are largely unavailable in their homelands. In the past year these students have been alerted to the nature and purpose of the land-grant system; it is the hope they will return home with a will to establish comparable educational structures in their own countries.

The university is also aiming toward a program in Latin American affairs which will capitalize upon the school's long history of cooperation with Mexico and Mexican universities. The university seeks to improve and enlarge its training of students whose careers will involve Latin America. This area of the world looms evermore important to the United States, and the university feels it can be a key institution in providing the knowledge necessary for intellectual, social, and economic commerce between the two Americas.

A new and significant role for the people of Arizona will be undertaken by the university with establishment of a medical school. The board of regents has already approved creation of such a school following a 2-year study of the needs and resources of medical manpower and facilities in the State. The study was conducted by what is commonly judged one of the most outstanding groups of medical educators ever assembled for such a purpose. The members of this group unanimously recommended that the State locate a medical school at the University of Arizona as soon as possible. Arizona's population will exceed 2 million by 1970 and it will take until then to fully develop a college of medicine, despite considerable preliminary planning and investigation.

We are in the space age and the University of Arizona has kept pace. Many university scientists are eagerly contributing toward understanding and conquering this vast frontier. One member of its observatory staff is serving as consultant to the National Aeronautics and Space Administration; the University Press has published his atlas of the moon, vital before lunar landings can be attempted. The Kitt Peak National Observatory, built to house the world's largest solar telescope, has its headquarters located on the university campus. Personnel of the national observatory cooperate with university scientists and the university will undoubtedly become a center for space science.

These are some of the University of Arizona programs which will grow in importance in the coming years. One hundred years from now our land-grant institutions will again look back on a century of solid achievement and will again gear themselves for new challenges, from this and perhaps other worlds.

Captive Nations Week

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, July 17, 1962

Mr. WILEY. Mr. President, the Communist empire—since World War II—has expanded to include nearly a billion people.

Under its domination exist nations with great historic and, yes, often heroic, contributions toward the development of concepts and institutions for freedom in the world.

Among these, regrettably, are included the so-called captive nations, including Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania.

During this week, the Nation, pursuant to Public Law 86-90, is observing Captive Nations Week.

I ask unanimous consent to have a newsletter article, reflecting upon the need for more realistic efforts toward freeing these dominated countries, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPTIVE NATIONS

Captive Nations Week (July 15–21) offers new opportunity to renew our pledge for ultimately lifting the chains of slavery from the captive peoples and nations under communism.

If peace is to be attained, the world cannot long exist one-third slave, one-third free, one-third uncommitted. Fundamentally, then, there is the challenge: To design more effective policies for ultimately freeing of these captive nations; for keeping alive the hope of freedom in the hearts of these people; and for making it crystal clear to the Communists that we have not written off these nations as untouchable territory—forever to be controlled by the Communists.

Verbal pledges alone, however, ring hollow, unless accompanied by realistic efforts to: (1) More effectively combat communism, including (a) for the present preventing its outspreading; (b) diminishing its influences; and (c) stepping up efforts to erode its strength as a menace to freedom; (2) undertake renewed effort to lift the Iron Curtain, and loosen the stranglehold of colonial power by the Soviet Union upon the Communist empire—the captive nations; (3) create machinery for establishing and maintaining a climate of global peace—including the right of self-determination for all nations; (4) great penetrations of the Iron Curtain—via word-of-mouth, radio, literature and other channels—to assure freedom-seeking people, wherever they may be, that the free world has not forgotten them; (5) clarifying distinctly that Western pressures against the Red orbit are not directed toward the freedom-loving people, but, rather, against the strangulating, controlling force of communism; (6) greater utilization of the United Nations as a podium for advocating self-determination for the captive nations, including the rights of people to speak through secret ballot.

Public Inspection of Network Affiliation Contracts

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1962

Mr. CELLER. Mr. Speaker, I wish to insert in the RECORD an important rulemaking notice issued on July 13, 1962, by the Federal Communications Commission because it provides an illuminating example of how the congressional investigation and hearing process may operate to assist and stimulate the Federal regulatory agencies in taking salutary remedial action.

Some 6 years ago the Antitrust Subcommittee of the House Committee on the Judiciary, of which I am chairman, in the course of preparing for public hearings on monopoly aspects of the television broadcasting industry, collected and made a painstaking analysis of the so-called affiliation contracts, which define the relations between the major television networks and their affiliated stations throughout the country. During the public hearings conducted by the Antitrust Subcommittee in the fall of 1956, network executives were interrogated in depth about the salient features of these contracts.

From its study of the record, the subcommittee found the affiliation contract to be "a cornerstone of broadcasting, materially affecting the financial well-being of network and affiliate alike." Even more significantly, our subcommittee concluded that these agreements revealed "the existence of widespread, arbitrary, and substantial differences in the terms accorded by each network to its individual affiliates, particularly in respect of station compensation for network broadcasting services. Further, these differences primarily favor larger, multiple-station licenses vis-a-vis small, independent operators."

Accordingly, the subcommittee recommended that "the Commission study the terms of affiliation agreements on file with it for the purpose of currently apprising itself as to whether any of those terms are inconsistent with the public interest." Additionally, the subcommittee urged the Commission to "consider the advisability of making these affiliation contracts public." Thus, removing the label of confidentiality from these contracts in the files of the Federal Communications Commission and affording each station the opportunity of discovering the terms accorded by the networks to the other affiliates, would, at least, constitute a first step in the direction of alleviating the present competitive imbalance.

Against this background I am pleased to inform the Congress that the Federal Communications Commission has issued a notice of proposed rulemaking with a view to amending the Commission's rules to permit public inspection of network affiliation contracts. In the text of its notice, which follows, the Commission forthrightly acknowledges the key role played by our Antitrust Subcommittee in promoting action on this important matter as well as the contribution made by the staff report of the Senate Committee on Interstate and Foreign Commerce.

The article follows:

NOTICE OF PROPOSED RULEMAKING

(In the matter of amendment of section 0.406 of the Commission's rules to permit public inspection of network affiliation contracts before the Federal Communications Commission, Washington, D.C., docket No. 14710)

1. Notice is hereby given of proposed rulemaking in the above-captioned matter.

2. In 1957, the Antitrust Subcommittee of the House Committee on the Judiciary recommended that the Commission consider the advisability of making public the network affiliation contracts filed with it. The committee's recommendation was based upon its conclusion that its "study of the agreements reveals the existence of widespread, arbitrary, and substantial differences in the terms accorded by each network to its individual affiliates, particularly in respect of station compensation for network broadcasting services. Further, these differences primarily favor larger, multiple-station licensees vis-a-vis small, independent operators."

3. That same year the staff report of the Senate Committee on Interstate and Foreign Commerce concluded that affiliation contracts should be made a matter of public record. Subsequently, the network study staff recommended in its report that the Commission make public the affiliation contracts filed with it, including the compensation provisions of these contracts.

4. The Commission is of the view that rulemaking should be instituted on such a proposal in order that all interested parties may submit their views and relevant data.

5. Authority for the adoption of the amendment proposed herein is contained in sections 4 (i) and (j), and 303 of the Communications Act of 1934, as amended.

6. Pursuant to applicable procedures set out in section 1.213 of the Commission rules, interested parties may file comments on or before August 20, 1962, and reply comments on or before September 4, 1962. All relevant and timely comments and reply comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision in this proceeding, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

7. In accordance with the provisions of section 1.54 of the rules, an original and 14 copies of all written comments and statements shall be furnished the Commission.

FEDERAL COMMUNICATIONS COMMISSION,
BEN F. WAPLE,
Acting Secretary.

Attachment: Adopted July 13, 1962; released July 16, 1962.

APPENDIX

Section 0.406(c) is amended to read as follows:

"Section 0.406. Inspection of records.

"(c) All applications and amendments thereto filed under title II and title III of the act, including all documents and exhibits filed with and made a part thereof, and all communications protesting or endorsing any such applications, authorizations, and certifications issued upon such applications; all pleadings, depositions, exhibits, transcripts of testimony, reports of examiners or presiding officers, exceptions, briefs, proposed reports, or findings of fact and conclusions; all minutes and orders of the Commission; and network affiliation contracts, agreements, or understandings filed pursuant to section 1.342 (47 CFR 1.342). The information filed under section 1.341 (47 CFR 1.341) and transcription contracts filed pursuant to section 1.342 (47 CFR 1.342) shall not be open to public inspection. The Commission may, however, either on its own motion, or on motion of an applicant, permittee or licensee, for good cause shown, designate any of the material in this paragraph as 'not for public inspection.'"

Address of Senator Barry Goldwater on U.S. Space Policy Before National Rocket Club

EXTENSION OF REMARKS
OF

HON. JAMES G. FULTON

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 17, 1962

Mr. FULTON. Mr. Speaker, at a time when there are indications of the necessity for a further official declaration and outline of the basic policies of the United States in the research, development and exploration of outer space, I am including for the RECORD the very timely views of Senator BARRY GOLDWATER, of Arizona.

Senator GOLDWATER addressed the largest luncheon ever held of the National Rocket Club at the National Press Club on Tuesday, July 17, 1962, on "U.S. Space Policies." Senator GOLDWATER gave firm and constructive proposals for the U.S. space program, and pointed new directions and strengths in this challenging field. Senator GOLDWATER gave these views from his experience as a two star general in the Air Force Reserves and a qualified jet pilot, with an adequate background in aerospace activities.

As the address had qualities of statesmanship, and was given in a straightforward manner without partisanship, I believe it is worthwhile that the views of Senator GOLDWATER be brought to the attention of the U.S. Congress and the American people. The considered views of high level experienced people should be considered in the preparation of the administration policy at this time in the race for space.

Our U.S. programs must be correlated efforts, with the proper balance obtained for both the security of the United States through programs under the Department of Defense, as well as programs for the peacetime uses of space, for scientific research and economic development, and exploration.

Both the Republican and Democratic parties, as well as each group within these parties, can well unite at this critical time to work out sound and efficient programs.

As a U.S. citizen devoted to his country and a former member of the board of governors of the National Rocket Club, I commend Senator BARRY GOLDWATER's address and his views to your careful attention and study.

AMERICA IN SPACE

(Address of U.S. Senator BARRY GOLDWATER, Republican, of Arizona, before the National Rocket Club, National Press Club, Washington, D.C., July 17, 1962)

President Timkin, members and guests of the National Rocket Club, I deeply appreciate your inviting me to be here with you today, and I hope that at the conclusion of my remarks you will understand that I am here today as a concerned American.

The dedication of this organization to the establishment and maintenance of the superiority of the United States in space technology, as well as in the missile and other applications of rocketry, is highly commendable and is shared, I assure you, by the great majority of Americans. Like you, I am devoted to the promotion of a peaceful world, one in which the scientific and technological developments of physical power are ostensibly meshed with sound ideological purpose to meet the challenge we face as a free society today.

My concern, as I will develop in the course of my remarks, is that our space policy as presently enunciated does not recognize Werner von Braun's words, "I am convinced that it is man's destiny to enter space and that he who controls the open space around us is in a position to control the earth." I am concerned that the failure to recognize this truth can be related to the same philosophy which unfortunately holds that the use of the word "victory" would be offensive to our friends and our enemy.

I am convinced that the American people fully endorse space preeminence for the United States. This is our long-range goal as a nation. I seriously question those who would, in the actual process of seeking this goal, achieve less than American aerospace supremacy.

Space superiority in all of its scientific, technological, and military aspects is fundamental to the future well-being, security, and prosperity of the United States.

One certainly cannot argue with the basic thinking of President Kennedy when he speaks about the "space ocean" and says this Nation must "sail" in space. His call to Congress in May of 1961 for an increased effort in space, even to landing an American on the moon during this decade, is not something which is by itself an issue. But very literary words are not enough. I would like to suggest that space and the indivisible envelope of the earth's atmosphere is not an ocean. Space is much, much more than an ocean in its significance to the future.

Space, including the earth's atmosphere in which the United States became the leading power in the world, is a medium for three-dimensional mobility for good or evil. It is the aerospace medium in which the exercise of influence on earth can be accomplished by electronics or nuclear energy or by spacecraft in orbital trajectories as well as by air-supported winged vehicles.

Most important to the people on earth space offers a means to extending world power and influence by any nation capable of using the new means of technology and scientific knowledge. In understanding the nature of the space environment and exploiting technology in space this Nation must be second to none.

Space is obviously a potential three-dimensional battle medium, one in which the scientific and technological conflict is underway right now. The failure to recognize this adds to my concern. As a conservative, I believe in applying the lessons learned in the past to the problems of today.

We can recall painfully that the War Department did not fully understand the value of the airplane as a military weapon until the German Luftwaffe loosed its fury on the battlefields of Europe. Then, because time was on our side, we were able to develop this weapon as a superior tool for victory. Time will not be on our side in the next war if one should come. So in examining our military space capabilities, the United States would do well to make absolutely certain that we will never be surprised technologically in space. In the present age, purely defensive measures and the mere maintenance of a balance of military power are not enough.

Space technology is not only a military consideration. It is likewise an important political weapon which the Soviets have fully exploited, both in their foreign aggrandizement and in their domestic affairs. Read the speeches of Khrushchev. Whether he is talking for the benefit of the world at large or for the ears of an assemblage of Ukrainian peasants, the spectacular space achievements of the Soviet Union offer him almost the only tangible evidence that life under communism could possibly get better tomorrow.

Then, beyond the military and political features of space, we must not forget that it offers extraterrestrial laboratory which promises newly accessible knowledge. There is no question but that the basic power which derives from superior scientific knowledge is fundamental to our long-term success as a world leader. One cannot fail to endorse the promise of scientists in learning more about nature on earth by means of the laboratory provided them in space, by rocketing instrumentation out into the universe to read more than the human eye has been able to see in the telescopes. But the new scientific knowledge must be gained by the men of good will. And the power of knowledge itself is likewise something that one should not hand over to the avowed enemy.

And finally in this brief discussion of space, we must recognize a new medium, which is quite a hostile and fierce environment for man. This thought alone has sparked the intellect of thinking men throughout the world and throughout history. Man's curiosity about the nature of his universe has now achieved a practical means to get near and eventually set foot on the moon and the nearby planets during this century. The country of the Wright brothers and of the creator of modern rocketry, Robert Goddard, really started the space age with a handicap. It is my belief, however, that we have faced up to the challenge. Yes, space is much more than an ocean upon which we must sail. It entails much more of an effort than merely planting an American on the moon in this decade. We endorse the great national goal of going into space as a nation and going big. But if we are just going to "sail" into space, perhaps we had better look again.

Once the United States finally made up its mind to get into the space field, our efforts were crowned with notable successes. As a new agency, NASA has picked up a momentum, a direction and a purposefulness directed toward long-range research and development which is one of impressive merit. But it would appear that we are now at a decisive moment in history. I feel we must make a new strategic appraisal of our national objectives based upon the rapid progress in the United States space effort and determine where our basic purpose might best be served.

While Soviet leaders have said very little that would indicate a military interest in space, we cannot assume that they do not look upon this medium with a warrior's eye. Those of us who have argued for the maintenance of strength in our foreign policy believe that the Soviets would resort to the use of ICBM's with nuclear warheads only when they have seen communism lose everywhere but in Russia itself.

Then, in what might be called the death throes, the Soviet red button might be pushed. If, as some believe in this country today, communism is on the wane around the world, we must feel surer than ever that the Soviets have military intentions in space.

For example, the Venus globe which the Soviets launched from Sputnik 8, a 7-ton platform, indicated that they have the ability of launching a warhead aimed at the earth from a space station in orbit. Another example of their military space thinking could be found in their resumption of nuclear testing last year. According to a recent staff report prepared for the Committee on Aeronautical and Space Sciences of the Senate, bombs detonated from 100 to 300 miles above the earth could disrupt radars, radios, and electronic systems around the wide area of the globe.

Soviet propaganda has consistently stressed that the Communists' interest in space is a peaceful one. But I cannot put myself in the naive position of believing those assertions. The question then follows, what kind of a world would we live in if the Soviets announced and adequately demonstrated a capability to destroy any of our military or civilian satellites? Or what if they could destroy secretly any of our satellites manned or unmanned? There is no substitute for actual space capability. How can we guarantee that space can be used for peaceful purposes without having the means to defend such a doctrine? It is our view that international law or agreement cannot exist without the physical means to enforce it. From all I can observe, the relationship between NASA and the Air Force in the space program has proceeded fairly well to date.

But I would point out that the Department of Defense is responsible for military space affairs, not NASA. NASA is not a military service and its broad-based program will undoubtedly contribute greatly to our own national military requirements. What is disturbing, however, is our policy statements which seem to indicate rightly or wrongly that the bulk of our potential space efforts are wrapped up in NASA. I do not think this is so and I do not think that we should say it is so. The point I am trying to make is that the requirements of the United States for military programs in space should not be neglected in any vital aspect.

I don't believe it is safe to assume that the fallout from NASA space research will automatically take care of our military space requirements. And I feel further that if this is our assumption we are gambling with national survival. This would be an unnecessary gamble and we should be improving our position by building our military space capabilities as fast as our knowledge and resources permit.

Dr. E. C. Welsh, Executive Secretary of the President's National Aeronautics and Space Council, recently said, "If we do not take adequate care of our national defense, we will not have a chance to do any of the other things in space, at least as free men." It is to be hoped that this attitude will be displayed in the final draft of a new space policy being prepared by Dr. Welsh for the President's consideration. Dr. Welsh has said that there was a "need for a policy statement" beyond the one President Kennedy submitted to Congress in 1961 in which he recommended an expanded program designed to land an American on the moon.

The first duty thrust upon this Nation by the space age is to prevent technological surprise. Neither the glamor of space spectaculars nor the undeniable value of scientific research in outer space can hide this fact.

If we allow any other nation, particularly Russia, to get ahead of us in outer space, our ability to defend ourselves will be substantially impaired. But how can we possibly meet the entire spectrum of military challenge from abroad, as we know we must, unless we prepare ourselves to cope with long-range missiles, satellites and maneuverable spacecraft?

Our Armed Forces must pursue and prepare to conduct military space missions as rapidly as these can be recognized and defined. In the nearly 5 years that have elapsed since Sputnik I was launched, only a few such missions have been acknowledged. These, as we all well know, have included reconnaissance, communications, navigation and weather satellites. It may be questioned whether as a nation we have been farsighted enough in this respect or vigorous enough in building up our capabilities for recognized space missions. The time has come, in my opinion, to put more trust in the lessons of history which teach us that every broad new field of technology produces a wealth of military applications. And, I might add conversely, in agreement with Lt. Gen. James Doolittle, that "almost every device that is developed for military purposes has a direct or indirect civil application." The clock has already run too long a course without our pursuing more vigorously a military space program. The necessary planning, design, research and development, testing, production and training are bound to take some years. Yet, we seem hypnotized by the ICBM while neglecting to build and learn to cope with devices that promise to make the ICBM obsolete.

Now, for the past several minutes, I have been critical. It is time now that I become objective by making a few suggestions. With respect to NASA programs of research and development, are the Armed Forces continuously and adequately telling NASA what they need and thus providing the proper guidance to make sure that future military space requirements will be met? If this is being done, is the military making full use of the results of this particular NASA research?

I suggest that there is a need for more comprehensive development of our military potential in outer space. At least, the Armed Forces should already be planning the development as soon as possible of a completely integrated space warfare system. Perhaps, I should say, a supersystem, since it will be far more comprehensive than other so-called systems, which we have already observed such as reconnaissance, weather, etc. There is no evidence to my knowledge, however, that such a comprehensive system is being planned. In the process, it is imperative to devise and perfect the various components and techniques that a comprehensive space warfare system will require. Here, too, we must be bold and farsighted. We must be ready, so to speak, to take a stitch in time. In this connection, it is encouraging to note that the Department of Defense is giving attention to the development of a manned, maneuverable military space vehicle. But other signs have indicated that the Pentagon is not sure where or how fast it is going in the direction of a military space program.

Finally, as I have indicated before, I believe that a new policy statement on space policy should be forthcoming and it should make clear to the Department of Defense its overall responsibilities in the area of space. The President said just a few weeks ago, "The military has an important and significant role though the primary responsibility is held by NASA and it's primarily peace, and I think that proportion or that mix should continue." Of course, the responsibility of NASA is primarily peace. The responsibility of the Armed Forces is maintaining peace also. The only question to be resolved is how peace can best be preserved. In my opinion, this preservation can be obtained by following the remarks of General Ferguson in commenting upon the prime objective of Air Force space policy which he said "is to exploit space so as to retain U.S. military superiority in order to insure the peaceful uses of space. To accomplish this it is necessary to regain the lead in military space technology."

Federal Retirees Need Annuity Increase

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1962

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the Record, I include the following:

Statement of Hon. Thomas J. Lane in Support of H.R. 3987, To Increase the Annuities of Retired Federal Employees, Before the Committee on Post Office and Civil Service of the U.S. House of Representatives, July 13, 1962

Mr. Chairman and members of the committee, retirement income, to provide some measure of comfort, independence, and freedom from financial worry in old age, is one of the principal objectives of the American people.

Long before the United States woke up to the need for establishing a contributory system of old-age and survivors insurance, the chief inducement for young men and women to devote their working years to employment by the Federal Government was the prospect of security in old age under civil service retirement.

That attraction has lost its luster as latecoming pension plans have caught up with, and in some cases have surpassed, the average level of benefits paid to civil service annuitants.

The Federal employee pays 6½ percent of his salary as his share of supporting the civil service retirement system, which is considerably higher than the contributions of other workers to their retirement systems, but, proportionately, the Federal worker receives less security.

How did this situation come about? Through indifference to the plight of Federal annuitants and the steady erosion of their pensions by the gradual increase in the cost of necessities. The improvement in the American standard of living saw the fixed-income annuitants steadily lose ground in their efforts to make both ends meet.

Failure to increase Federal retirement benefits, to compensate for the deterioration in the purchasing power of pensions, is a breach of faith on the part of Government toward the old and faithful employees who gave the energy, skill, and pride of their best years to its service.

Unless this pension deficit is brought into balance, many qualified young people, observing the neglect of civil service annuitants, will be disinclined to invest their lives in the service of a Government that shows such little consideration for its retired employees.

This will inevitably weaken the quality and the morale of the civil servants whom we depend upon to carry out the day-to-day responsibilities and the functions of the U.S. Government. Conversely, what we accomplish for the annuitants, will help to improve the caliber and the confidence of Federal employees. Not only have the annuities of retired Federal employees been held to the same level since 1958; but have suffered a loss of 13 percent in real income since 1939.

The number of bills introduced to amend the Civil Service Retirement Act by increasing annuities, is evidence that the Congress is seriously concerned about annuitants living on "austerity budgets" because of circumstances beyond their control.

H.R. 3987 is the bill I have presented for your consideration. Its purpose is to increase the annuity of each retired employee who, on the date of this act is receiving or entitled to receive an annuity from the civil service retirement and disability fund. It will provide a 20-percent increase for each annuity under $1,500 with a 10-percent increase for the remainder of an annuity that extends beyond $1,500.

Furthermore, each annuity shall be increased whenever (1) there is a general adjustment of salaries of classified employees or of postal employees or (2) the formula for computing annuities of retiring employees generally is liberalized. Such increase in the annuity of a retired employee or member shall operate to increase the annuity of his survivors proportionately.

In return for the 6½ percent withheld from the salaries of Federal employees to finance their share of retirement benefits—they deserve more than mere subsistence checks—when their working years are past.

Civil service annuitants look to us for an increase in their pensions to meet the economic realities of 1962.

Dedication of U.S.S. "Arizona" Memorial Shrine

EXTENSION OF REMARKS

OF

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1962

Mr. TEAGUE of Texas. Mr. Speaker, last Memorial Day I had the privilege of making the dedicatory address marking completion of the impressive new half-million-dollar memorial shrine over the sunken hulk of the battleship *Arizona* at Pearl Harbor in which are still entombed the bodies of 1,102 members of its gallant crew.

For me as for the hundreds who attended the rites it was a deeply moving occasion.

The white marble superstructure of the memorial gleaming in the bright Hawaiian sunshine seems far removed from the death and destruction of that fateful morning more than two decades ago that committed us finally to World War II. And in fact this tomb is not a symbol of tragedy or defeat. Rather it is a reminder of the relationship of vigilance to freedom as well as a tribute to those who died there.

Not the least of the shrine's features is a towering marble memorial wall on which are engraved for all time the names and rank of the *Arizona*'s "silent crewmen." The wall, now an integral part of the whole structure, was made possible through the contributions of AMVETS—the chartered organization of World War II and Korean veterans—which also 2 years earlier contributed a permanent memorial carillon to the site whose bells now ring out each twilight over the waters of Pearl Harbor.

The AMVETS were well represented at the dedication on Memorial Day by a large delegation, led by National Commander Edwin P. Fifielski of Chicago, not because of their specific contributions to the actual structure but because—in the words of Commander Fifielski—the occasion marked fulfillment of a long struggle by that organization to help make the shrine a living reality.

Indeed, I think it is fair to say that without the steadfast and determined efforts of AMVETS, there might have been a delay in the construction of this memorial, and hence no dedication last May 30.

I say this without prejudice to the devotion of the members of the Pacific War Memorial Commission, headed by H. Tucker Gratz of Honolulu, who conceived the handsome memorial in the first place and spearheaded the drive which raised over $325,000 of the total cost through private and public solicitations over a period of many years.

But it was AMVETS who, after public interest waned, not only got the project moving again but played the major role in persuading the 1st session of the 87th Congress to appropriate the final $150,000 needed to finish the uncompleted memorial.

AMVETS were motivated by the preamble of their constitution which commits its membership to preserving and honoring the heroic memory of all who gave their lives in World War II and Korea. Thus, it was a natural decision for the AMVETS National Executive Committee in 1958 to vote unanimously that all its organizational resources be concentrated on completing the *Arizona* memorial shrine after years of delay.

The initiatives taken by AMVETS in this long process brought about such results as these:

An endorsement of the project of the then President Eisenhower obtained at the White House on June 10, 1960.

A promise from President Kennedy that he would sign a funding bill for completing the memorial, obtained at the White House on August 8, 1961.

A marshaling of testimony by AMVETS in support of the legislation presented before the House and Senate subcommittees in the summer and autumn of 1961.

And, finally, just 3 weeks before adjournment of the 1st session of the 87th

Congress, the scheduling of hearings by a subcommittee of the Senate Armed Services Committee. The rest is history.

In this summation it is proper, I feel, to express appreciation to House Speaker JOHN W. MCCORMACK, of Massachusetts, to Chairman VINSON of the House Armed Services Committee, and to L. MENDEL RIVERS of South Carolina, chairman of Subcommittee No. 2, whose efforts brought about 11th-hour concurring action in the House under suspension of the rules, and to Senator RICHARD RUSSELL, chairman of the Senate Armed Services Committee, and to Senator HIRAM FONG, of Hawaii, who sponsored the authorizing bill in the Senate and helped untangle a parliamentary snarl involving the actual appropriation just hours before adjournment.

This brief tribute could have no more appropriate conclusion than to quote the inscription on the AMVETS carillon which sounds nightly over the newly consecrated tomb of the fallen heroes of December 7, 1941: "While these bells ring, safely rest; freedom lives."

SENATE

WEDNESDAY, JULY 18, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, we are grateful for the ministry of prayer that keeps open the channels between Thy life and ours.

We confess that so often we have misused prayer—asking for that which we already have, neglected and unappropriated. In times past, we have beseeched Thee to give us that which we must win for ourselves, perhaps with sweat and tears.

As we come now, give us to see that the first step on the stairway that slopes through doubt and darkness up to Thee is to hush the clamor which so often drowns out the music of Thy peace. Grant us to know that not in the rush and roar of things, but in quietness and confidence, shall we be strengthened for the work committed to our hands in this day of destiny, when we believe that in Thy providence our America has come to the Kingdom for such a time as this.

In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 17, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, notified the Senate that the Speaker had appointed Mr. CHIPERFIELD, of Illinois, as a manager on the part of the House at the conference on the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, vice Mrs. BOLTON, excused.

The message announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 8201. An act for the relief of Sp5c. Curtis Melton, Jr.; and

H.R. 11974. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 8201 An act for the relief of Sp5c. Curtis Melton, Jr.; to the Committee on the Judiciary.

H.R. 11974. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purpose; placed on the calendar.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Interior and Insular Affairs and the Subcommittee on Stockpiling of the Committee on Armed Services were authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nomination on the Executive Calendar will be stated.

DIRECTOR OF OFFICE OF SCIENCE AND TECHNOLOGY

The Chief Clerk read the nomination of Jerome B. Wiesner, of Massachusetts, to be Director of the Office of Science and Technology.

Mr. MAGNUSON. Mr. President, as the Senate knows, technically this is a new position in the Government. Dr. Wiesner was the adviser to the President on scientific matters, but because of the great amount of science and technology in many of the departments it was deemed well to have a sort of coordinating office. Dr. Wiesner, as the new director, will handle both the advisory capacity for the President in this field and also the correlation of things being done in the many departments.

He is a man of great talent in this particular field. I think we are very fortunate that he has accepted this new responsibility. He is well respected in the scientific and technological fields, as well as in the National Academy of Sciences.

He is one of the real top men we have in Government service in this particular field. It is a great pleasure for me to support his nomination.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

NOTICE OF MEMORIAL SERVICE FOR THE LATE SENATOR CASE OF SOUTH DAKOTA ON JULY 25, 1962

Mr. DIRKSEN. Mr. President, after consulting with the distinguished majority leader, on Wednesday, July 25, 1962, after the morning hour, there will be a memorial service in the Senate for the late Senator Case of South Dakota.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

Registration of Nurses in the District of Columbia

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act of February 9, 1907, entitled "An act to define the term 'registered nurse' and to provide for the registration of nurses in the District of Columbia," as amended, with respect to the minimum age limitation for registration (with an accompanying paper); to the Committee on the District of Columbia.

Report on Tort Claims Paid by Department of Agriculture

A letter from the Administrative Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on tort claims paid by that Department, for that fiscal year ended June 30, 1962 (with an accompanying report); to the Committee on the Judiciary.

Report on Refugee Program in Various Countries

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, reporting, pursuant to law, on the refugee program in Austria, Belgium, France, Germany, Greece, Italy, and Lebanon, for the 6-month period ended June 30, 1962; to the Committee on the Judiciary.

Suspension of Deportation of Certain Aliens

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Provincial Board of Isabela, Philippine Islands, expressing disappointment on the disapproval of the Philippine war damage bill; to the Committee on Foreign Relations.

RESOLUTION OF WISCONSIN RURAL LETTER CARRIERS' ASSOCIATION

Mr. WILEY. Mr. President, I was privileged to receive a resolution adopted at the recent convention of the Wisconsin Rural Letter Carriers' Association.

The resolution pertains to legislation now pending before the House and Senate Post Office and Civil Service Committees relating to revision of pay scales for postal and Federal employees.

As reflected in the resolution, the Wisconsin association has serious reservations about some of the administration's proposals for pay reform.

Believing the resolution deserves the consideration of Congress and the members of the Post Office and Civil Service Committees, I request unanimous consent to have the resolution printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolved, That the Wisconsin Rural Letter Carriers' Association, representing more than 1,600 regular, substitute, and retired carriers, state unanimously, its strongest possible opposition to the drastic and adverse legislative proposals, affecting these employees of the rural delivery service, as set forth in the administration's pay reform bill, H.R. 10480, now pending before the House Post Office and Civil Service Committee; and be it further

Resolved, That we specifically note objections to the following provisions and shortcomings of that proposal:

1. That it would deny pay increases to thousands of rural letter carriers, while providing increases to every other employee covered by the bill;

2. That it would seriously downgrade the position of rural carrier, resulting in a pay classification for more than one-third of the routes of the Nation (approximately 50 percent of the routes in Wisconsin) which give a niggardly take-home pay of $59 per week for an employee with a wife and two children—certainly a substandard starting wage in today's economy;

3. That it would cut the pay of almost all the rural substitutes in the Nation, many of them by as much as 50 percent;

4. That it establishes an impractical work requirements method of determining rural carrier salaries which would be administratively determined and subject to change each year;

5. That it proposes a saved salary rate clause which is not only misleading, but which is practically worthless insofar as actually providing a saved salary for rural carriers should it become law;

6. That it proposes an administrative method of paying additional equipment allowances which is not only impractical but totally unrealistic insofar as granting the amount of equipment allowance needed to operate our vehicles; and be it further

Resolved, That a copy of this resolution be sent to each member of the congressional delegation of Wisconsin, and to Senators Proxmire and Wiley, and that we urge their cooperation in securing favorable committee action in reporting a fair and equitable salary bill for the rural delivery service, and their vote to secure passage of such a bill; and be it further

Resolved, That we express the thanks and appreciation of the membership of this association for whatever assistance they will provide on this issue, as well as for past favors and consideration.

RESOLUTION

MINORITY APPOINTMENTS TO STANDING COMMITTEES

Mr. DIRKSEN submitted the following resolution (S. Res. 363); which was read, considered, and agreed to:

Resolved, That the Senator from New Jersey, Mr. Case, is hereby excused from further service on the Committee on Commerce; that the Senator from Vermont, Mr. Prouty, is hereby excused from further service on the Committee on Public Works; that the Senator from New Hampshire, Mr. Murphy, is hereby excused from further service on the Committee on Interior and Insular Affairs and that the Senator from Kansas, Mr. Pearson, is hereby excused from further service on the Committee on Rules and Administration; and be it further

Resolved, That the Senator from New Jersey, Mr. Case, be and he is hereby assigned to service on the Committee on Armed Services; that the Senator from Vermont, Mr. Prouty, be and he is hereby assigned to service on the Committee on Commerce; that the Senator from New Hampshire, Mr. Murphy, be and he is hereby assigned to service on the Committee on Public Works; that the Senator from Kansas, Mr. Pearson, be and he is hereby assigned to service on the Committee on Public Works; and the Senator from South Dakota, Mr. Bottum, be and he is hereby assigned to service on the Committee on Interior and Insular Affairs and to the Committee on Rules and Administration.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1963—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. JAVITS (for himself, Mr. Bush, Mr. Keating, Mr. Scott, and Mr. Douglas) submitted an amendment, intended to be proposed by them, jointly, to House bill 10904, supra, which was ordered to lie on the table and to be printed.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—CHANGE OF CONFEREE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin [Mr. Wiley] be replaced by the distinguished Senator from Indiana [Mr. Capehart] as a conferee on S. 2996, the Foreign Assistance Act. This request is made with the approval of the chairman of the committee and the ranking Republican member of the committee, and with the approval of the two members of the committee concerned.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, on behalf of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of William R. Tyler, of the District of Columbia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Mills, Mr. King of California, Mr. O'Brien of Illinois, Mr. Mason, and Mr. Byrnes of Wisconsin were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 1469. An act for the relief of Mrs. Leslie M. Paterson, Janet Paterson, and Mary Paterson;

H.R. 7369. An act for the relief of Gerda Godin; and

H.R. 11131. An act to authorize certain construction at military installations, and for other purposes.

FIRST ANNUAL GOLDEN ROSE AWARD TO SENATOR MARGARET CHASE SMITH

Mr. AIKEN. Mr. President, tomorrow, the Members of this body will have the pleasure of attending ceremonies honoring one of the most able, popular, and gracious Members of the Senate, Margaret Chase Smith, of Maine.

On this very special occasion, Senator Smith will be the recipient of the first annual Golden Rose Award, to be presented by Mrs. Doris H. Remis, president of Florists' Telegraph Delivery Association, in token of Senator Smith's important contributions to public understanding of the use of flowers in our daily lives.

The Florists' Telegraph Delivery Association could have made no better choice for this award than Senator Smith. All of us here will agree that she completely epitomizes the beauty and the enduring qualities of the flower for which this important award is named.

All of us are familiar with the fact that Senator Smith has for many years worn a single garnet rose each day, a practice which she began even before her election to Congress, in 1940, as a Member of the House of Representatives. Not only have we come to appreciate this touch of floral beauty as a natural part of our daily lives in this Chamber; we have also come to expect it as a matter of course. To think of Margaret Smith without the single, graceful rose she has made the hallmark of her personal taste and discrimination would be as unlikely as to think of her missing a record vote, after she has responded to more than 1,220 consecutive rollcall votes in the Senate.

The decision of the board of directors of Florists' Telegraph Delivery Association to present this first annual Golden Rose Award to Senator Smith is a timely recognition of the fact that the public has come to think of Margaret Smith as both a gracious lady and an able legislator, whose qualities, appreciated by all of us, are uniquely symbolized by the rose she wears.

I know that Senator Smith's friends in the Senate will share my pleasure in the fact that this additional important honor has come to her, and will join with me in expressing my appreciation to the 11,000 members of this outstanding national organization of florists for this award to Senator Margaret Chase Smith, of Maine.

I know of no person in any branch of Government who more richly deserves to have good things and timely recognition come her way than does Margaret Smith.

I am certain that all Members who can possibly do so will wish to join Mrs. Remis and her associates of Florists' Telegraph Delivery Association on the occasion of this tribute to Senator Smith at 11:30 a.m., on Thursday, July 19, in the Senate conference room of the Capitol. It will, I am certain, be an occasion that will be long and happily remembered by all of us.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. MANSFIELD. I wish to join the distinguished senior Senator from Vermont in the remarks he has just made. Not only is he a great horticulturist in his own right, with a national reputation in that field, but he is also a great Senator; and I am delighted to have this opportunity to join him in paying our respects to the distinguished senior Senator from Maine, Margaret Chase Smith. I look forward with anticipation to participating tomorrow in the ceremony which will render honor to this great lady among us.

Mr. AIKEN. Mr. President, I appreciate the remarks of the Senator from Montana.

Mr. JAVITS. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. JAVITS. Mr. President——

The VICE PRESIDENT. The time available to the Senator from Vermont, under the 3-minute limitation, has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator from Vermont may proceed for 1 additional minute.

The VICE PRESIDENT. The Senator from New York can use 3 minutes in his own right, if he so desires.

Mr. AIKEN. Mr. President, I ask unanimous consent for sufficient additional time, so that I may yield to other Senators, for further tributes to our distinguished colleague.

The VICE PRESIDENT. How much time does the Senator from Vermont desire?

Mr. AIKEN. Five minutes, or whatever time may be necessary for that purpose.

The VICE PRESIDENT. Is there objection to the request of the Senator from Vermont for an additional 5 minutes in the morning hour?

Mr. AIKEN. I would even ask unanimous consent to permit the President of the Senate to speak from the chair, if he so desires.

The VICE PRESIDENT. Is there objection to the request of the Senator from Vermont that he be allowed an additional 5 minutes? The Chair hears none; and the Senator from Vermont is recognized for an additional 5 minutes.

Mr. JAVITS. Mr. President, I should like to say "yea, verily" to everything the Senator from Vermont has said about our distinguished colleague, Senator Margaret Chase Smith, of Maine. I, too, would count it an honor to be present at the ceremony tomorrow.

Let me say, also, that coming from New York, it is especially gratifying that the flower which is honored by virtue of the fact that Mrs. Smith is named as its most eminent and gracious wearer is also the flower of the State of New York. In addition we are also very happy, indeed, in view of the fact that roses grow in great profusion in the home community of my colleague [Mr. Keating], which is famous for its roses.

I thank the Senator from Vermont for the opportunity to join in this wonderful tribute to Senator Margaret Chase Smith, of Maine.

Mr. MORTON. Mr. President, will the Senator from Vermont yield 30 seconds to me?

Mr. AIKEN. I yield.

Mr. MORTON. I join the Senator from Vermont in his tribute to our very gracious colleague, Senator Margaret Chase Smith, of Maine.

I do not wish to become involved in a war of roses; but I will see to it that she has some blue grass with which to bedeck the other charming shoulder. [Laughter.]

Mr. COTTON. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. COTTON. As a fellow New Englander who has served with Senator Margaret Chase Smith, of Maine, in both the House of Representatives and in this body, I should like to join the distinguished Senator from Vermont in expressing my appreciation of all for which Senator Margaret Chase Smith stands.

It is all very well to talk about roses; and certainly she is entitled to all of the distinction that her devotion to the rose has brought to her. But to those of us who serve with her, she has many qualities which are exemplified by something deeper than the beautiful outward appearance of the rose. She is quiet; she is modest; she is unassuming. In all the years that I have served with her, she has never once, to my knowledge, taken advantage of the fact that she was at times the only woman, or at times one of the few women, in either the House or the Senate, unduly to project herself or the causes in which she believes, by reason of her sex.

She is every inch a Senator, respected and loved by all who know her.

I would add just one word, in a somewhat facetious vein: Certainly it is a privilege and a pleasure to have the seat next to that of Senator MARGARET CHASE SMITH; but the only drawback is that if I leave my seat, even for a few moments, when I return I always find it occupied by some other Senator, either from the other side of the aisle or from this side. It takes me at least an hour to get back into my own seat. [Laughter.]

Mr. KEATING. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield the remainder of the time available to me to the Senator from New York [Mr. KEATING].

Mr. KEATING. Mr. President, it would be rash to seek to vie with the gallant and distinguished Senator from New Hampshire. Like him, I have the pleasure of being seated close to MARGARET CHASE SMITH on the floor of the Senate.

I have had a great interest in the rose for a number of years. As my colleague has stated, in the congressional district which I formerly represented is one of the greatest rose growing areas in the world. Therefore, I was particularly heartened to learn that Senator SMITH was chosen by the Florists' Telegraph Delivery Association to receive the honor conferred on her. It is well merited.

We all love and admire MARGARET CHASE SMITH for her gifts of character, intellect, and friendship, and for her great devotion to her country. I am happy to pay her this well deserved commendation.

Mr. DIRKSEN. Mr. President, in my garden is a sign of which I am so very proud. It says:

The kiss of the sun for pardon,
  The song of the birds for mirth;
One is nearer God's Heart in a garden,
  Than any place else on earth.

How true that is, and what a joy to bring seed and shrub and sun and soil together to be nurtured by rain and then let nature unfurl all her great beauty which represents every color in the spectrum.

But something has to be added, for when that beauty has been developed by the hand of nature and a devoted gardener, there comes another real joy when someone makes use of the flower to give joy to himself, to herself, and to others. And Senator SMITH, ever since I can remember, has made it possible, not only for herself but for all others, to enjoy the flower for many, many years; and I hope it will last for a long time.

It is not at all strange that countries with the oldest cultures probably excel others when it comes to flower arranging and making the beauty of the flower available to everybody. She has done this in lavish measure. The award she will receive tomorrow will be indeed richly deserved, and I congratulate her.

Mr. CHAVEZ. Mr. President, I wish to join the Senator from Vermont and the other Senators who paid their respects to the good lady who represents Maine in the Senate well and favorably. I know of her activities in committee work. She is a member of the Committee on Appropriations of the U.S. Senate, and I know the part she plays in that committee. She does not ask that Senators be nice to her because she wears a blouse or a nice red dress; she wants them to know that she is a Senator from the State of Maine. I pay my respects to the good Senator.

Mr. WILEY. Mr. President, I have heard the lovely things that have been said about our associate, MARGARET. Through the years I have had the pleasure of knowing her quite well. Everything that has been said, of course, is accurate. I join in all the compliments that have been paid her, and add that I appreciate fully not only her ability, but, as a Senator from the great State of Maine, the contribution she has made on pivotal votes like the vote of yesterday.

So I congratulate her, and the State of Maine for keeping her as a Senator.

Mr. KEFAUVER. Mr. President, tomorrow the Senate will participate in a fine and fitting recognition of the distinguished and outstanding service of Senator MARGARET CHASE SMITH. I have had the privilege of serving in both the House of Representatives and in the Senate with Senator SMITH over a period of many years. She is indeed one of our leading and outstanding citizens.

Mr. KUCHEL. Mr. President, no Member of the U.S. Senate is more gifted, gallant, gracious, able, or attractive than is the distinguished senior Senator from Maine [Mrs. SMITH]. A rose graces her immaculate attire each day, but I must say she graces each rose she wears each day, as well. Surely, she is the logical recipient of the first annual Golden Rose Award.

Mrs. SMITH of Maine. Mr. President, the rose is a lovely flower, and I am delighted that I am to have the privilege of being honored tomorrow. I am especially pleased that my friend, my able and distinguished colleague, the senior Senator from Vermont, made such very generous remarks in referring to me.

I have no words with which to express myself with respect to all the fine things that have been said about me today by my friends in the Senate.

RETIREMENT OF J. EDGAR HOOVER

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial under the caption "Who Will Fill Hoover's Shoes?" which was published in the St. Louis Globe-Democrat.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat, July 16, 1962]

WHO WILL FILL HOOVER'S SHOES?

J. Edgar Hoover, Director of the Federal Bureau of Investigation for the last 38 years, is 67 years old. He is only 3 years away from the age of compulsory retirement—unless the President gives him a waiver. The Globe-Democrat strongly believes it is in the national interest to keep Mr. Hoover in his job regardless of age, just as long as he is physically and mentally fit to hold it down.

The FBI Director is an institution in Washington. His flawless handling of one of the most sensitive positions in the Government—and his national reputation—have enabled him to stay on despite changes in administration.

This is fortunate for the country. The FBI is the Nation's first line of defense against Communist infiltration and espionage. This agency has been an effective guardian of the national security without engaging in witch hunts. But it has been effective for two reasons.

One, it has been kept above politics.

Two, its able Director is also a vigilant anti-Communist, who knows that the members of the party, both foreign and domestic, are dedicated enemies of our way of life.

At times, in the past, Mr. Hoover seemed to be the only key Government official in Washington who had the Communist Party's number. Today, there are many who would prefer to class it as merely another political party, like the Republicans or Democrats, and entitled to the same rights and privileges.

Of course, one of these privileges would be freedom from FBI surveillance.

At some time, this important post of FBI Director will have to be filled by another man. Mr. Hoover is indispensable, but not immortal.

The Nation must insure, as well as it can, that this position of trust is not handed out to a party wheelhorse or to a weak, pliant or untrustworthy man who would relax the FBI's vigilance.

This week, Congress woke up to the fact there is presently no protection against either of these dangers. The head of the FBI is merely another civil servant whom the Attorney General can choose at will—like a stenographer.

This is true even though the Director heads an agency which has 13,776 employees and a budget of $127,016,000 a year.

Senator EVERETT DIRKSEN, Illinois Republican, has introduced a bill which would provide some insurance that a worthy successor will fill Mr. Hoover's shoes, when he leaves. His bill would require that the Director of the FBI be appointed by the President, for a 15-year term, subject to the approval of the U.S. Senate.

Presidential appointment and Senate approval is required for other major executive appointments. The Director of the FBI, who is vested with vast power as head of the Nation's chief investigative agency, certainly falls in that class.

THE TABLING OF THE ANDERSON AMENDMENTS

Mr. MORTON. Mr. President, I am sure that all my colleagues read in the morning papers the account of the dramatic vote yesterday on the so-called medicare bill. The subtitle in the Washington Post is as follows: "Bipartisan Vote Tables Proposal for the Session." This headline covers the story by Mr. Robert C. Albright. In another story by Carroll Kilpatrick in the same paper, I found this quote attributed to President Kennedy:

> Nearly all the Republicans and a handful of Democrats voted with them to give us today's setback.

This statement by the President was quite a shock to me. I thought the quotation must have been in error until I turned on the 8 o'clock television news this morning and actually saw and heard the President make it.

That handful of Democrats is really a handful. Among those 21 Democrats are 10 major committee chairmen, the former distinguished Democratic candidate for the vice-presidency and the secretary of the Democratic conference in the Senate. This handful includes the chairman of the Finance Committee, the chairman of the Appropriations Committee, the chairman of the Armed Services Committee, the chairman of the Foreign Relations Committee, the chairman of the Judiciary Committee, the chairman of the Committee on Agriculture and Forestry, the chairman of the Committee on Labor and Public Welfare, the chairman of the Committee on Banking and Currency, the chairman of the Committee on Government Operations, and the chairman of the Committee on Aeronautical and Space Sciences.

This handful includes a group of 21 distinguished Senators who have a total congressional service of nearly 4½ centuries, 445 years, to be exact.

This handful includes one Senator who was serving in the Congress before President Kennedy was born. It includes many who have served their States as Governors and many who were holding public office at the time President Kennedy was born.

Mr. President, this indeed is quite a handful. As a member of the opposition party, I was proud to be associated with this distinguished group in yesterday's vote.

DROUGHT IN NEW YORK

Mr. JAVITS. Mr. President, I call to the attention of the Senate that it can happen to us, too. New York State and other areas in the northeastern United States are suffering from a drought which many experts consider the worst of this century.

In some areas 10 weeks have passed without a trickle of rain. The effect this is having on the State's agriculture is enormous. The New York State Disaster Committee in Albany has reported that hay and feed crops have been cut back up to 60 percent and grazing pastures have burned out. The drought also has ruined about 25 percent of the State's vegetable and fruit crops.

Governor Rockefeller has named 24 counties in New York State as disaster areas. Ten named last week were: Alleghany, Chenango, Delaware, Franklin, Herkimer, Oneida, Schuyler, St. Lawrence, Tompkins, and Yates.

Yesterday, the Governor designated 14 more counties: Broome, Chemung, Clinton, Columbia, Cortland, Dutchess, Madison, Onondaga, Orange, Otsego, Rensselaer, Sullivan, Steuben, and Tioga.

As a result of this serious situation, Governor Rockefeller and the New York State Congressional Steering Committee have asked Secretary of Agriculture Orville T. Freeman to give farmers in these counties permission to use grazing and hay acreage that has been retired under the soil bank and feed grain programs. In addition, the Federal Government can make available low-interest loans to farmers suffering from the effects of the drought.

The Agriculture Department should act on this request promptly. The facts fully support Federal action to aid these drought-stricken areas in New York State.

APPOINTMENT IN SOVIET UNION OF VENIAMIN E. DYMSHITS AS CHAIRMAN OF STATE PLANNING COMMITTEE

Mr. JAVITS. Mr. President, I call attention to the fact that, as carried in a front page announcement in most of our papers—I find it in the New York Times—the Soviet Union has named Veniamin E. Dymshits as chairman of the State Planning Committee.

It will be remembered that I have protested time and time again the treatment by the Soviet regime of Jews in the Soviet Union. The announcement that the Soviet Union has named Veniamin E. Dymshits, an engineer, to be a Deputy Premier and appointed him to the highly responsible post of chairman of the State Planning Committee is significant. The news on this appointment headlines that Mr. Dymshits is Jewish. The conjunction of this fact with recent sharp criticism in the free world of Soviet Government efforts to make Soviet Jews the scapegoats for the Soviet's economic difficulties shows that the Kremlin may well be very sensitive to the charge of being against its own citizens of the Jewish faith as I have alleged time and again.

The appointment of a Jew to high position, the first since Lazar Kaganovich was ousted in 1957, obviously does not answer charges I have made and which many organizations have protested. It should not be allowed to constitute another Soviet effort to divert attention from the crackdown on Jewish cultural life, from the unusual press treatment in the U.S.S.R. about Jews charged with economic offenses, and the severe sentences and executions inflicted on them. This appointment does not mitigate the linking of those crimes with the synagogue, the imprisonment of lay religious leaders, and the prohibition of elementary religious ritual practices such as the baking of unleavened bread at Passover.

I am gratified that the Soviet Union has seemingly reacted to the protests of religious and other organizations and to the inquiries which I and my colleagues publicly have made. It offers evidence I feel that all of these groups should continue to keep pressing, that world opinion is a force that the Soviet rulers must reckon with, and I would urge that they continue while the danger of discrimination and persecution of the Jews in the Soviet Union continues.

Mr. President, I ask unanimous consent to have printed in the Record the news item which appeared in the New York Times, July 18, entitled "Jew Is Appointed High Soviet Aid."

There being no objection, the article was ordered to be printed in the Record, as follows:

Jew Is Appointed High Soviet Aid

(By Theodore Shabad)

Moscow, July 16.—The Soviet Union announced today the appointment of Veniamin E. Dymshits, an engineer, to the key post of chairman of the State Planning Committee.

Mr. Dymshits, who is Jewish, was also named a Deputy Premier.

The new planning chief thus became the first Jew to hold such a high position since the ouster of Lazar M. Kaganovich from a position of power in 1957.

The State Planning Committee is charged with planning the Soviet economy.

Mr. Dymshits replaces Vladimir N. Novikov, who had been chairman of the Planning Committee. The committee is also known by its Russian contraction, Gosplan. Mr. Novikov has been a Deputy Premier since May 1960.

Tass, the official Soviet press agency, announced the shakeup. It did not list another appointment for Mr. Novikov, but it said that he was being assigned to other duties.

The committee has been criticized frequently in the Soviet press in recent months for failure to carry out effective planning.

The most recent criticism of the committee was made earlier this month in connection with its failure to insure production of agricultural machinery needed by the grain-growing virgin lands of the Kazakhstan Republic.

A large grain harvest is expected this year in the area, but fear has been expressed that machinery supplies may be inadequate to bring in the harvest.

The rise of Mr. Dymshits to the high post of Deputy Premier marks one of the most rapid advances by a Soviet official in recent years.

Mr. Dymshits, who is 52 years old, was born in Feodosiya in the Crimea and has been employed as an engineer in the construction of industrial enterprises.

In the middle 1950's he was in charge of construction plans for the Soviet lead industry. At the same time he was a deputy minister for the construction of steel and chemical enterprises.

In 1957, when most central industrial ministries were abolished in favor of a regional system of management, Mr. Dymshits was appointed chief engineer for construction of the Bhilai steel plant in India. The plant was being built with Soviet assistance. He remained in India until the summer of 1959.

After his return to Moscow he was appointed head of a department in the State Planning Committee with the title of Minister in the Soviet Cabinet. Earlier this year he was appointed a first deputy chairman of the planning committee. He held that post until today.

Mr. Dymshits was made a member of the Communist Party's Central Committee at the 22d party congress last autumn. He is also a Deputy to the Supreme Soviet, the National Parliament. He represents the city of Kharabovsk.

OMINOUS CONDITIONS IN VIETNAM

Mrs. SMITH of Maine. Mr. President, recent press reports indicating that our efforts in South Vietnam not only are not going well—but also are doomed to failure unless certain basic policies and attitudes are changed without any delay—are ominous.

They are ominous not only because of the indications of failure and further losses to communism in that area of the world, but also because they are indicative, if not conclusive, that the Kennedy administration is either not realistic about the situation and is misleading itself with bootstrap optimism, or it is deliberately withholding the actual facts or misrepresenting the facts to the American people.

Of the many excellent editorials on this matter, two are especially worthy of note—the July 16, 1962, editorial of the Christian Science Monitor entitled

"Does McNamara Hear?"—and the July 18, 1962, editorial of the Washington Daily News entitled "Reverses in Vietnam." I invite the attention of the Members of this body to these editorials, and I ask unanimous consent to have them printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

DOES MCNAMARA HEAR?

Warning flags are flying in South Vietnam. Two recent dispatches by the Associated Press raise grave doubts about the progress of the guerrilla war in that country. One was written from Saigon, the other was based on anonymous interviews with Army officers returned to the United States. They are supported by the general tenor of other American newspaper reports from the battle area.

The most important charges are two. It is said that the new techniques and weapons devised by the U.S. Army for its special new guerrilla forces are not working out well. It is also said that President Diem's government is not giving essential political support to the campaign.

The military charges are officially denied. Both Secretary McNamara and Army Chief of Staff Gen. George H. Decker insist the campaign is going well, considering that it is just getting started and is bound to last a long time.

We respect these denials. No doubt they are sincere. Furthermore, top officials have to be tough minded about complaints. They often turn out to be gripes from lower levels where impatient or biased officers don't see the whole picture. Newspapermen often pick up these gripes and overrate them.

But Mr. McNamara is new at running a war. Seasoned news correspondents know that in time of stress the top brass often does not get the facts straight, especially where political maladjustments are involved. And there are also times when the high command knows things are wrong but cannot speak out. In this case the Kennedy administration has failed to persuade President Diem to make needed political changes and considers itself bound to support him nevertheless. Criticism of the Diem regime is not permitted, either from State Department or military sources. Complaints are bottled up.

So the distress signals coming from newspaper correspondents ought to be taken seriously. These men could be wrong, especially in details. It is often too easy for lower echelons to refute particular statements and miss, deliberately or unwittingly, the main point of the charge.

President Diem, says one officer quoted by the Associated Press, is "creating a vast reservoir of discontent" by not explaining the need for moving villagers into fortified areas. The Diem regime is said to be steeped in a defensive mentality which is inadequate to the task. Meanwhile, another dispatch says the special new American guerrilla forces, on which President Kennedy has staked so much, cannot move into the jungle and stay there for long. They "tend to fight from the roads and rivers as the French did before losing the Indochina war. Some American advisers who try to live like the Vietnamese find they can last 3 or 4 days before a return to civilization is necessary." Armored amphibious personnel carriers are said to be unsatisfactory and American weapons still, after redesigning, too heavy for jungle warfare. These are only samples.

The point is that President Kennedy has staked all on a military success by his new guerrilla forces, because his efforts to obtain political reform—which is of cardinal importance to guerrilla operations—were unsuccessful. So if the new military tactics are not doing well, and they have to carry a heavy political handicap, in addition, the situation is not as promising as Mr. McNamara thinks, or says.

Does he really know? A good reporter cannot accept an official line; he has to talk to the men doing the job out on location—lots of them. Especially when higher authority is not around. Mr. McNamara has made some flying trips but does he really get the facts?

This particular guerrilla war is far too important to rest on misunderstandings. There is a real question whether it can be won under President Diem in the first place. Everything depends, since he declines to change his policies, on whether the special guerrilla forces are equal to the task. The reporters appear to doubt it. This is the time to listen and find out what lies behind their reports.

REVERSES IN VIETNAM

If we're making any gains in South Vietnam it doesn't show on the scoreboard, despite optimistic appraisals put out from time to time in Washington.

Certainly the casualty list of Americans is growing, even though we aren't supposed to be in a shooting war there. And the jungle war is taking an even greater toll of Vietnamese troops. All of which reflects the unceasing buildup and reinforcement of Communist troops from North Vietnam via Laos.

Meanwhile Secretary of State Dean Rusk is in Geneva to sign that 14-nation agreement which is supposed to make Laos neutral. A truly neutral nation, of course, would not permit Communist combat forces to be moved through its area and on into another country to fight an aggressive war—but that is just what Laos is doing now and will continue to do, agreement or no agreement.

Which prompts us to ask what became of Senate Majority Leader MIKE MANSFIELD's call for a wide-scale reappraisal of U.S. policy in southeast Asia. At best, he said, we were following a "marktime" course, at worst a "collision course," and events were "moving toward a point of critical decision." That was weeks ago and we appear to be plugging along as if nothing were happening.

Another such weekend of serious reverses can hardly be ignored.

THE PLIGHT OF THE LUMBER INDUSTRY IN THE NORTHWEST

Mr. MORSE. Mr. President, for many months past a group of western Senators have advised the administration of the very deep economic depression the lumber industry of the West is suffering. The chief cause of this depression unquestionably is the competition the American lumber industry faces from a subsidized lumber industry in Canada, an industry which is the beneficiary of direct and indirect subsidies from the Canadian Government.

The situation is so serious that more than 200 lumber mills in the States of Oregon and Washington have closed down in the past 12 months.

This administration has had the facts presented to it by the western Senators time and time again. Unfortunately there has not been a single agency of this administration which has been willing to do the things necessary to be done in order to protect the lumber industry of the United States. Yesterday the head of the Maritime Administration, Mr. Donald W. Alexander, came before the Senate Commerce Committee and testified against the Magnuson-Morse amendments to the Jones Act and against the Neuberger bill in respect to the Jones Act. Mr. Alexander did not offer the slightest suggestion by way of alternative to help save our lumber industry from ruin. It is apparently the verdict of this administration that the lumber industry shall be irreparably injured by unfair Canadian competition.

I testified at the Commerce Committee hearing yesterday, Mr. President, and I ask unanimous consent that my testimony may be printed in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE WAYNE MORSE, U.S. SENATOR FROM THE STATE OF OREGON

Senator MORSE. I want to make a statement, because I heard a few moments ago the administration, through Mr. Alexander and other witnesses, is giving an adverse report on S. 2737 and S. 3105, and I want to say, Mr. Chairman, that in my judgment means an adverse report permanently. I have had a fishline thrown out to me before about temporary, tentative opinions. I haven't been here for 18 years not to know what Mr. Alexander's testimony really means.

I want to say to the committee that I appreciate very much the full opportunity you have given me to participate in the extensive hearings you have held on the lumber situation.

I do not think there is any doubt that the lumber industry in the Northwest is at a disadvantage with Canada. In particular, the substantial segment which historically has shipped its lumber to the east coast by water is unable to compete with Canadian water shippers. This segment accounts for 10 percent of all the lumber producers in the West. It accounts for a greater amount of the Oregon and Washington production.

Previously we enjoyed over 90 percent of the market compared to Canada; today less than 30 percent of the market is ours.

In view of the foregoing facts, I urge that your committee act on the evidence before it and report either S. 2737 or any other bill which will effectively restore the ability of our water-shipping lumber mills to more successfully compete with Canada.

Mr. Chairman, and members of the committee, I would have you keep in mind during the last 12 months, more than 200 lumber mills in the States of Oregon and Washington closed their doors. They have gone broke.

Yet I hear spokesmen for the administration, up to the White House level, tell us that Canada is in a very difficult financial position and had it not been for the loans that we made to Canada recently, Canada would have gone broke.

Well, I want to say from this witness chair today, that I invite the President of the United States to come out to Oregon and tell that to the people of Oregon. Let him tell the people of Oregon that our great concern about the financial condition of Canada should be placed ahead of the concern of the operators of the lumber industry in Oregon and Washington.

I don't intend to support the President in any such position. I have made that clear to him, and I make it clear now on a public record.

I don't intend to support the President of the United States and his administration in liquidating the lumber industry of Oregon for the benefit of Canada.

I would also have this record show that Canada has been pouring in to Communist China her wheat and getting gold in return. That is Canada's business. But it happens to be our business to protect the economy of our country.

I took the President at his word when early in the discussion of the foreign trade bill, and every member of this committee was there and heard it from his own lips, when he briefed us on the foreign trade bill, that he did not propose to do irreparable injury to American industry. I say from this witness stand, this noon, that we are doing irreparable injury to the lumber industry of my State and I don't intend to support a foreign trade bill that liquidates the economy of my State because lumber happens to be the greatest source of income in Oregon.

Let this be the notice to this administration that the senior Senator from Oregon does not intend to support this administration in wrecking the lumber industry of my home State.

And to Mr. Alexander and the Maritime Board, and the Department of Agriculture, and every other department of this executive branch of the Government, permit me to say they have an obligation to come before the committee with some alternatives as to what we should do about the lumber industry of this country.

I don't intend, may I say, to support my administration and the great mistake it is making in connection with the irreparable damage that it is doing to the lumber industry of the United States. To the President I say from this witness chair today, "Mr. President, your program is doing irreparable damage to the lumber industry of the Pacific Northwest and it is about time that you start issuing some orders to the various departments of your administration to see to it that this injury is stopped."

That is my testimony and I shall stand on it, Mr. Chairman. If the administration wants to fight on this issue, then we will have to join the issue, because I want to say to my administration, I haven't a leg to stand on from the standpoint of making the tremendous loans that they made to Canada, to supposedly build up the economic condition of Canada, and not at the same time take steps to protect our own lumber industry. Within a very few hours after they made the loans to Canada what did Canada do?

Canada proceeded to put import duties on one American product after another, going into Canada.

I ask, Mr. President, is this foreign trade a two-way street or isn't it?

The time has come for the Commerce Department, for the Secretary of Commerce, and for the other Cabinet officers of this Government, to give us some support on this lumber issue. For example, we could have temporary quotas on lumber coming to the United States from Canada.

In setting the quota, we could select an historic figure that would show the average imports from Canada into the United States for a representative period such as the last 10 years.

Let the lumber come in free until that figure is reached; at that point we should impose a temporary quota until we can get time to pass the necessary legislation to protect our U.S. lumber industry.

We cannot sit here and justify liquidating the lumber economy of this country.

If my Government wants a few suggestions from me as to how we can handle the matter of U.S. finances, I refer them to the speech I made on the floor of the Senate a few days ago in which I discussed the subject of foreign aid. As a member of the Foreign Relations Committee of the Senate, I want my administration to know that I think a very serious revision of the whole foreign trade program is in order so that we will make great savings out of that foreign aid program instead of sending down the drain the millions and millions of dollars that we are now sending down the drain at the expense of the American taxpayer. We have allies that we have economically rehabilitated. They are in a better position now to aid some of the underdeveloped countries than is the United States.

I am sorry, Mr. Chairman, that we have come to this parting of the ways over this lumber issue but we have reached it, as far as the senior Senator from Oregon is concerned, when such a great economic injustice is done to my section of the country.

I will be glad to answer questions. I have a lot more that can be said on this important topic.

Mr. MORSE. In my testimony, Mr. President, I served notice on my administration, with deep regret, that I do not propose to sit in the Senate and liquidate the economy of my State for the benefit of Canada. The chief source of income for my State is from the lumber industry. I do not propose to export American jobs to Canada. Such is the result of the failure of the administration to give needed protection to the American lumber industry.

I know the administration has taken a position that Canada is in a serious financial plight. I suggested yesterday that the President of the United States should come out and tell the people of my State the administration's justification for seeking to be of economic aid to Canada while we force into liquidation many lumber mills in the Pacific Northwest.

The western Senators have made specific proposals. We have proposed amendments to the Jones Act which would do away with the great advantage Canadian mills have in respect to waterborne shipments, by way of freight rates.

The VICE PRESIDENT. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that I may proceed for 2 more minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MORSE. Mr. President, the requirements of the Jones Act imposed upon American lumber mills is a form of subsidy which the Canadian mills are getting because they are free to ship in foreign bottoms. In my judgment it is unjustifiable that we do not come to the relief of the American lumber mills by modifying the Jones Act.

It has been pointed out that the United States made a huge loan of many millions of dollars to Canada in recent weeks to bolster the Canadian economy. But let the President of the United States explain to the people of the State of Oregon and the people of the State of Washington why no relief should be provided to the lumber industry in the Pacific Northwest. Immediately after the United States made the loan of many millions of dollars to Canada it was only a matter of hours before the Canadian Government ordered increased imposts on one American product after another, by way of tariffs on American goods going into Canada.

In regard to this problem all that I am asking—and many of the western Senators make the same request—is a temporary quota on Canadian lumber, fixed at that point of the average past 10-year importation into the United States. We ask, when that amount of lumber comes in, that then the temporary quota automatically affix to further Canadian imports until we can work out a negotiated arrangement with Canada in regard to the great damage Canada is doing to the lumber industry in our States.

What are we getting from the agencies of this administration? We are getting a flat "No" in regard to a temporary quota in respect to Canadian lumber.

It is not easy for the Senator from Oregon to take the position he took in the hearing yesterday, but I take it today on the floor of the Senate. I cannot vote for the President's foreign trade bill until the President of the United States does something for lumber, which he was perfectly willing to do for textiles. As I said at the hearing yesterday, every Senator on the Democratic side of the committee table heard in that briefing that we received from the President himself that there was no intention, through his foreign trade bill, to do irreparable damage to any industry in this country. I know he means it, but I believe that the President is not getting the facts in regard to the lumber industry. I intend to do everything I can to see to it that he gets the facts. I serve notice now that mine is one vote against the trade bill until we get comparable justice for lumber as was given to the textile industry. The lumber depression that has hit the Pacific Northwest is doing irreparable damage to the entire economy of my State.

The time for the Kennedy administration to face up to the depression in the lumber industry is now. We are entitled to some relief, and to get it quickly. This great damage which the administration's policy of no action is producing within the lumber industry must be corrected without further delay unless the administration thinks it is right to allow Canada to take away from our own lumber industry our own domestic lumber market. We are only asking for that degree of protection which will give our lumber producers an equal opportunity to compete with the Canadians for our own U.S. domestic lumber market. The advantages given to the Canadian mills by the Canadian Government puts our lumber operators in competition in part with the Canadian Government while our own Government sits on its hands and permits this irreparable injury to the lumber industry to go on.

My administration had better consider the fact that Canada has been able to dispose of most of her surplus wheat to Communist China in return for Communist gold. Yet my administration cannot provide relief to an American industry that is being done great competitive injustice by way of Canadian governmental subsidies to Canada's lumber industry.

I simply think that the Department of Commerce, the Department of Agriculture in regard to forest policies, the Department of State, the Tariff Commission—in fact, every administrative department and agency of Government—are merely following a "do nothing" policy in connection with the sorry, depressed plight of the lumber industry of the West. The Government has a responsibility to provide the relief to which the lumber industry is entitled, to stop subsidizing Canada at the expense of our own economy, and to start giving some economic relief to our own lumber industry rather than to Canada's.

DEPARTMENT OF AGRICULTURE MUST MOVE FASTER ON DROUGHT THAN ON ESTES

Mr. KEATING. Mr. President, yesterday Governor Rockefeller, of New York, designated 14 more counties as disaster areas. This brings the total number of New York counties affected to 24.

The plight of farmers in this region is critical. The next step is up to Secretary Freeman. He has been asked to permit the grazing and harvesting of grain held by the Government in the soil bank and under the feed grain and wheat stabilization programs. My colleague [Mr. Javits] and I have joined Governor Rockefeller in urging immediate action by the Secretary.

To me, the situation appears clear cut. Applications are on file in the Department. I had hoped that the Secretary would have reached a decision by today, but the wheels of government move slowly. Nothing is so frustrating under crisis conditions, like these, as to have to sit around and wait for a big bureaucracy to lumber into position to be of assistance.

Governor Rockefeller has already made a finding that an emergency exists. It would appear to me that the Department of Agriculture could have and would have moved more swiftly to reach a decision, which, in essence, is a reaffirmation of what the State of New York authorities, who are much closer to the situation, have already decided. I hope that the Secretary will act today, but I fear, from what I have learned from the Department of Agriculture, that we will not have a decision until late in the week.

Mr. President, this drought does not involve farmers alone. It involves a whole, vast region in the Northeast, encompassing farmlands in both New Jersey and New York. The resultant drying up of crops will hit consumers in this region, as well as farmers. It is reliably reported that dairy prices are very likely to increase because of a reduction of almost 10 percent in dairy output. Fruit and vegetable crops will be hit. Peaches, apples, vegetables, and other produce may be more expensive, and it is probable that prices, even for these smaller and less hearty crops, will be higher than average.

Mr. President, the Secretary of Agriculture cannot make it rain. I am not asking him to do that, but he can give us some extra feed which will relieve dairy farmers and will indirectly benefit the housewives and consumers of the Northeast when they go to market. Dairying is the biggest farm industry in New York. A great deal is at stake. I hope it will not take the Department as long to find out that our farmers are right, as it took them to find out that Mr. Estes was wrong.

A JUDICIAL REBUKE TO BUREAUCRACY

Mr. GRUENING. Mr. President, in rejecting the fatuous and ill-conceived effort of the Civil Aeronautics Board to void the long-existing certificate of Pan American World Airways to serve the lower 48 States-Alaska route, the U.S. District Court for the District of Columbia has cogently reaffirmed some of our most basic principles of jurisprudence.

The Civil Aeronautics Board, presumably acting in its quasi-judicial role, announced in advance what it purposed to do to the air transportation connecting Alaska with the lower 48 States and then proceeded to try and carry out the objective which it had proclaimed. It proposed to act as plaintiff, judge, jury, and executioner.

U.S. District Judge Alexander Holtzoff, in an admirably worded decision, has rejected this design of the Civil Aeronautics Board and has permanently enjoined that agency from such action.

The opinion is of such importance, not merely in the instant case but for the protection of air carriers generally, that I shall ask that this opinion, in full, be printed at the conclusion of my remarks.

It should be pointed out, as I have before on the floor of the Senate on several occasions, since this ill-advised action by the Civil Aeronautics Board was first conceived, that Alaska has, in effect, only one useful form of transportation; namely, that by air. Passenger service by sea over regular routes ceased in 1954. The only other surface transportation is over the long, round-about, Alaska Highway, unpaved in Canada. Within Alaska, a majority of its communities are unconnected by highway or railway. Consequently, Alaska's lifeline for passenger traffic and for all emergency transport of goods depends on air transportation.

With great enterprise and persistent energy four carriers; namely, Pan American Airways, Northwest Airlines, Pacific Northern Airlines, and Alaska Airlines, have after prolonged effort established admirable communications between Alaska and the other States. It is the one outstanding, commendable achievement in Alaska transportation.

The Civil Aeronautics Board made no secret of its purpose to scrap all this. Its announced purpose was to abolish Pan American service completely, to limit Northwest Airlines to Alaska service merely incidental to its oriental service, and to compel a shotgun wedding between Alaska Airlines and Pacific Northern Airlines. The Civil Aeronautic Board's proposal would have created virtually a monopoly of air transportation in the 48 States-Alaska service. The alleged motivation for this incredible effort was to economize on subsidies. Yet Pan American Airways is an unsubsidized carrier, and the logic of the CAB's attempted performance is therefore difficult to fathom. Moreover, Pan American Airways was the pioneer in the development of Alaska aviation. In the early days of commercial aviation, in the 1920's, it sent Charles Lindbergh and Juan Trippe to explore possible routes from the States to Alaska and on to the Orient. Pan American pioneered those routes. Pan American furnished the first commercial transportation between the lower States and Alaska in 1940. It has recently established admirable daily jet service over these routes.

It is highly gratifying that the court has faced this issue so clearly and decided it so definitely. Let it be hoped that the CAB will now abandon its further attempts to wreck the only form of transportation which Alaskans enjoy—transportation which is not only essential to the maintenance and development of their economy, but essential in the interest of national defense.

I ask unanimous consent that the opinion of the U.S. District Court for the District of Columbia be presented in full at this point, as well as two of my statements made on the floor of the Senate entitled "The Civil Aeronautics Board's Folly" and "Is the Double Standard To Be Back With Us—Shall We Subsidize Aviation Abroad but Not at Home?" They give the story of what this Federal bureau has sought to do and what the consequences would be were it to succeed.

There being no objection, the opinion and statements were ordered to be printed in the Record, as follows:

[In the U.S. District Court for the District of Columbia]

Pan American World Airways, Inc., Plaintiff, v. Alan S. Boyd, Robert T. Murphy, Whitney Gilliland, Chan Gurney, G. Joseph Minetti, as Individuals, and as Members of the Civil Aeronautics Board, Defendants, and Alaska Airlines, Inc., Defendants-Intervenor

(Civil action No. 1236–62)

OPINION

William E. Miller, of Washington, D.C., for the plaintiff.

David C. Acheson, U.S. attorney; Joseph M. Hannon and Frank Q. Nebeker, assistant U.S. attorneys, all of Washington, D.C., for the defendants.

James F. Bell, of Washington, D.C., for the defendant-intervenor.

This action is brought by Pan American World Airways, Inc., an air carrier, against the members of the Civil Aeronautics Board, for a declaratory judgment adjudicating that the Board lacks authority to terminate a certificate of public convenience and necessity, which authorized the plaintiff to engage in air transportation between Seattle, Wash., and Fairbanks, Alaska. The plaintiff also seeks an injunction restraining the defendants from terminating this certificate and from proceeding with an investigation for that purpose. The matter is before the court on cross-motions for summary judgment.[1]

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[1] The defendants originally filed a motion to dismiss the complaint. At the conclusion of the oral argument on this motion, counsel for the defendants requested that it be treated as a motion for summary judgment as well. Thereupon, counsel for the plaintiff requested an opportunity to file a cross-motion for summary judgment. This request was granted and the matter was then continued for further oral argument on the expanded issues.

There are four air carriers operating between Seattle, Wash., and Fairbanks, Alaska. One of them is the plaintiff, Pan American World Airways, Inc., which has been conducting air transportation between these cities since August 1938. A single certificate was issued to it by the Civil Aeronautics Board covering this route on July 31, 1946, the certificate being numbered FAM-20. The route runs through Canada, with an intermediate stop at Whitehorse. The other three carriers on the same route are Northwest Airlines, Inc., which started its operations in 1946; Alaska Airlines, Inc., which commenced its activities in 1951; and Pacific Northern Air Lines, Inc., which also entered the field in 1951.

On March 19, 1962, the Civil Aeronautics Board issued an order instituting an investigation to determine whether public convenience and necessity required, and the Board should order, an alteration, amendment, modification, suspension, termination, or renewal, in whole or in part, of the four certificates just mentioned, "in accordance with the tentative conclusions set forth in the attached study." The ordering provisions of this document are preceded by detailed recitals and by what amount to findings of fact, conclusions of law, and an opinion. It is stated that the Board, as a result of an attached study, has reached tentative conclusions. These conclusions are that the best route structure would be either a two-carrier or a three-carrier system, instead of the existing four-carrier system. It is set forth that the plaintiff's Alaska air service would be terminated, except at Fairbanks, which would be suspended until 60 days "after the Board's decision in the Reopened Transpacific Route case." It is further stated that the Board tentatively concluded that the route modifications summarized in the three-carrier proposal were required. It is also pointed out that Pan American is no longer receiving a subsidy from the Government, while each of the other three carriers is in receipt of such a subvention. It is indicated that if the Pan American service were eliminated the financial position of the other three carriers might be so strengthened as to obviate any necessity for further aid to them. In other words, the one air carrier on this route that is strong financially, would be excluded entirely in order to help its weaker competitors and thereby relieve the Government of the burden of partially supporting them. It seems strange to penalize the strongest air carrier in order to build up its rivals who seem to be in need of assistance. The Board made an ex parte decision in camera, and then set hearings, giving an opportunity to the affected parties to show cause why the decision should not be carried into effect.

While the motives of the members of the Board are, of course, not in question and their good intentions are undoubted, nevertheless, this procedure seems unique and curious. One cannot conceive a judicial tribunal first tentatively deciding a case in camera ex parte, and then trying it, putting the burden of proof on the parties who disagree with the tentative decisions. Such a course seems contrary to the basic traditions of the common law and the fundamental concepts of our jurisprudence. While the administrative process, which is a recent but necessary development in the Anglo-American system of law, differs in many respects from the judicial process, nevertheless, the indispensable principle that a case must not be prejudged by the tribunal that is going to hear and decide it, must of necessity govern both.

During the interval between the first and second argument on the pending motions, the Board on July 11, 1962, amended its original order by attempting to eliminate the word "termination" but, nevertheless, repeated its directions for an investigation in order to accomplish the same result, "in accordance with the tentative conclusions set forth in the attached study." The tentative conclusions remained unchanged. Consequently, the second order of the Board has not materially changed the issues of the proceeding.

The plaintiff brought this action for a declaratory judgment and injunctive relief, claiming that the Board lacked legal power to terminate the plaintiff's certificate. The defendant moved to dismiss the complaint on the ground that the action was premature, in that the plaintiff had failed to exhaust its administrative remedies. By changing its motion to one for summary judgment, the Government expanded its contentions to include an assertion that on the merits the Board had the power to do what it proposed to accomplish, namely, to eliminate the plaintiff as an air carrier on the route between Seattle, Wash., and Fairbanks, Alaska. Leave to intervene as a party defendant has been granted to Alaska Airlines, Inc.

This brings us to a consideration of the pertinent statutory provisions. An air carrier, being regarded as a public utility, may engage in air transportation only on the basis of a certificate of public convenience and necessity issued by the Civil Aeronautics Board, 49 U.S.C. 1371. Such a certificate is analogous to a franchise. The Congress reserved to the Board a limited degree of control over it. Provisions to this effect or found in 49 U.S.C. 1371(g):

"(g) The Board upon petition or complaint or upon its own initiative, after notice and hearings, may alter, amend, modify, or suspend any such certificate, in whole or in part, if the public convenience and necessity so require, or may revoke any such certificate, in whole or in part, for intentional failure to comply with any provision of this subchapter or any order, rule, or regulation issued hereunder or any term, condition, or limitation of such certificate: *Provided*, That no such certificate shall be revoked unless the holder thereof fails to comply, within a reasonable time to be fixed by the Board, with an order of the Board commanding obedience to the provision, or to the order (other than an order issued in accordance with this proviso), rule, regulation, term, condition, or limitation found by the Board to have been violated. Any interested person may file with the Board a protest or memorandum in support of or in opposition to the alteration, amendment, modification, suspension, or revocation of the certificate.

Analyzing this section, we find that authority of two types is conferred on the Board over certificates, with certain restrictions and limitations in each instance. First, the Board may, after notice and hearing, alter, amend, modify, or suspend any certificate, in whole or in part, if the public convenience and necessity so require. Second, the Board, after notice and hearing, may revoke any certificate, in whole or in part, for intentional failure to comply with the law or with any order, rule, or regulation issued thereunder, or any term, condition, or limitation of the certificate. The revocations must be preceded by an order of the Board commanding obedience to the provision, order, rule, regulation, term, condition, or limitation found to have been violated. Thus, while the Board may alter, amend, modify, or suspend a certificate on grounds of public convenience and necessity, it may not revoke any certificate except on charges and then only after an opportunity is granted to cure the violations found as the basis for the charges. There is no authority to terminate, cancel, or in any other way, to deprive the carrier of a certificate. It is clear that this omission is not an inadvertence. A certificate of public convenience and necessity, like any other franchise, is valuable property and should not be lightly dealt with, once the certificate holder starts operations, which necessarily involve a considerable investment of funds and create employment. It is obvious that the Congress intended to limit and restrict the power of the administrative agency to deprive an air carrier of its route.

That the statutory limitations were intentional, is demonstrated by the provision dealing with foreign air carriers, 49 U.S.C. 1372(f). The Board was expressly authorized by the Congress to alter, modify, amend, suspend, cancel, or revoke a permit issued to a foreign air carrier, whenever it found such action to be in the public interest. In other words, while a permit issued to a foreign air carrier may be canceled or revoked by the Board in the public interest, a certificate of a domestic air carrier may be revoked only on charges.

The authorities on this point are few, but they clearly sustain this interpretation of the statute.

In *Alaska Airlines, Inc.* v. *C.A.B.*, 265 F. 2d 672, 673; 109 U.S. App. D.C. 230, 231, the Court of Appeals for the District of Columbia Circuit expressly recognized the difference between the power of the Board to alter, amend, modify, or suspend a certificate on the one hand, and to revoke it on the other. On this point the court made the following statement:

"The statute gives the Board authority to 'alter, amend, modify, or suspend' a certificate if the public convenience and necessity so require. It gives the Board authority to revoke only for intentional failure to comply with a statutory provision, or with a rule, regulation, or order, or with a condition in the certificate."

In *United Air Lines* v. *C.A.B.*, 198 F. 2d 100, the Court of Appeals for the Seventh Circuit likewise explicitly distinguished the broad power of the Board to amend, modify, or suspend a certificate, from the limited authority to revoke it only on charges. This subject was discussed as follows (pp. 105, 106):

"Under this section of the statute two separate areas are defined wherein the Board has authority to act with reference to existing certificates. One area involves revocation of certificates for violations of the Act or Board regulations or orders, and the other involves alterations, amendments, modifications, or suspensions of existing certificates, in whole or in part, where the public convenience and necessity so require."

* * * * *

"The terms, 'alter,' 'amend,' and 'modify' do connote some limitation. In the larger aspect any changes ordered under the Board's authority to alter, amend, and modify must be partial and not total. Further, the Board cannot be permitted to do piecemeal or step by step that which it has not power to accomplish in one proceeding."

The court emphatically added (p. 108):

"We agree that the power of the Board to 'suspend' does not include the power to 'revoke.' Had Congress intended to give the power to revoke, other than as set forth in section 401(h) for the violation of orders and regulations, it could have said so exactly as it did in section 402(a) in referring to foreign air carrier permits."

The Supreme Court has emphasized the fact that Congress intended to surround the power to cancel a certificate with well-defined restrictions, in order that an air carrier might invest money and build up an organization with a feeling of security. While *C.A.B.* v. *Delta Air Lines*, 367 U.S. 316, involved a question different from that presented here, nevertheless, some expressions of Mr. Chief Justice Warren in that case are significant in connection with the present discussion. Thus he said (p. 324):

"It is clear from the statements of the supporters of the predecessor of the Aviation Act—the Civil Aeronautics Act of 1938—that

Congress was vitally concerned with what has been called 'security of route'—i.e., providing assurance to the carrier that its investment in operations would be protected insofar as reasonably possible. And there is no other explanation but that Congress delimited the Board's power to reconsider its awards with precisely this factor in mind."

Again, in the same opinion, he made the following observations (p. 325):

"It seems clear to us that Congress was relatively indifferent to the fluctuations an award might undergo prior to the time it affected practical relationships, but that Congress was vitally concerned with its security after the wheels had been set in motion. In light of this, we think the result we reach follows naturally: to the extent there are uncertainties over the Board's power to alter effective certificates, there is an identifiable congressional intent that these uncertainties be resolved in favor of the certificated carrier and that the specific instructions set out in the statute should not be modified by resort to such generalities as 'administrative flexibility' and 'implied powers'."

A certificate issued to an air carrier partakes of the nature of a valuable franchise. While it is subject to the reserved power to amend and suspend, and to a limited authority to revoke on charges, it may not be canceled or forfeited at the will of the Civil Aeronautics Board, even if the Board deems that it would be in the public interest so to do. The interests of the carrier and of its investors are protected to that extent.

Manifestly, the Board may not achieve by indirection what it is powerless to accomplish directly. It may not avoid the statutory restriction on its authority by resorting to the device of substituting for the word "revoke," some other term that is synonymous or equivalent. A revocation remains a revocation, even if it is denominated "a termination." The word "terminate," which the Board seeks to substitute for "revoke," may be used in two different ways. As an intransitive verb, it means, to come to an end or to expire; as a transitive verb, it means, to bring to an end, to cancel or to eliminate. Obviously, the Board is employing the word in its transitive sense, and then it becomes synonymous with "revoke," "cancel," or "eliminate."

Thus, in *Grant* v. *Acrodraulics Co.*, 204 P. 2d 683, 686, a California appellate court stated that, "the words 'terminate,' 'revoke,' and 'cancel' " as used in a contract "all have the same meaning, namely, the abrogation of * * * the contract." Again, the court says (p. 687), "To 'terminate' a contract, * * * means to abrogate so much of it as remains unperformed."

Similarly in *Hampton* v. *Commercial Credit Corp.* (Montana) 176 P. 2d 270, 279, it was stated that termination or cancellation of a contract means the abrogation of so much of it as remains unperformed. In other words, "termination" and "cancellation" were deemed equivalent.

A decision of the Court of Appeals of New York is on all fours. *In the Matter of Glenram Wine & Liquor Corp.* v. *O'Connell*, 295 N.Y. 336. There the State liquor authority sought to "cancel" a license rather than "revoke" it, because it was not empowered to do the latter under the circumstances. The court held that "cancellation" and "revocation" were closely synonymous, and that the State could not deprive the licensee of his rights by calling its action a "cancellation" instead of a "revocation." Naturally, the same considerations would apply to an attempt to supplant the term "revoke" by the word "terminate."

The tentative conclusion of the Board was that the Alaskan air service of Pan American "would be terminated, except at Fairbanks, which would be suspended until 60 days after the Board's decision in the Reopened Transpacific Route case." It can hardly be seriously contended that because the Board would terminate the route, except as to the Fairbanks terminal, but would suspend the Fairbanks terminal, the entire route would not be terminated. It is difficult to understand how it is possible to terminate a route with the exception of one of the two terminals and leave the latter in a state of suspension. A route must have two termini. Surely, it is not intended that the plaintiff might maintain intraurban air transportation within the city of Fairbanks, when the suspension would be lifted. Moreover, suspension for an indefinite term, amounts practically to a termination. No one can determine when the proceeding referred to in the suspension may be decided. Consequently, the device of suspending one terminal is meaningless and cannot be successfully used to avoid the limitations on revocation.

Finally, it is argued, apparently as an afterthought, that the plaintiff possesses a number of certificates granted to it by the Board from time to time, each covering a different route; that these certificates should be considered as a single entity; and that consequently the termination of any one of them is but a modification of the entirety, rather than the termination of a single certificate. The court is of the opinion that this ingenious contention is untenable. There is no basis in the statute for treating all certificates granted to one air carrier as a single group, or as a single certificate. The act, 49 U.S.C., section 1371, throughout speaks of a certificate in the singular. Subsection (e) specifically provides that "each certificate shall specify the terminal points and intermediate points, if any, through which the air carrier is authorized to engage in air transportation." Subsection (g) which has already been discussed at length and which relates to modification and suspension, as well as revocation, also expressly uses the word "certificate" in the singular. It is clear that Congress contemplated that each certificate should be treated separately.

The reliance of the defendants on the decision of the Supreme Court in *Delta Air Lines, Inc.* v. *Summerfield*, 347 U.S. 74, in support of its contention on this point, is not well founded. That case related to an airmail subsidy, which naturally is paid in the discretion of the Government. The Court held that the need of the carrier for pecuniary aid must be measured by the entire financial requirement of the carrier and the entirety of its operations, rather than by the losses of one division or department. The statute expressly requires that in fixing airmail subsidies, the need of the carrier for financial assistance be considered, "together with all other revenue of the carrier," 49 U.S.C., section 1376(b). There is not support in this decision for a contention that all certificates owned by the same carrier should be treated as a single certificate for the purposes of amendment or revocation.

In the light of the foregoing discussion, the court reaches the conclusion that the Board has no legal authority to terminate or recommend the termination of the plaintiff's certificate of public convenience and necessity, and that the Board is exceeding its statutory authority in taking steps to accomplish this result.

There remains a procedural objection to be considered. The defendants urge that irrespective of the merits of the plaintiff's contention as to its substantive rights, this action may not be maintained on the ground that it is premature, and that the plaintiff should first exhaust its administrative remedy; namely, wait until the Board completes its hearings and investigation, makes its final decision, and the President approves it. At the outset, it must be noted that while ordinarily orders of the Civil Aeronautics Board are subject to review by the court of appeals, 49 U.S.C. 1486, a final order in the present proceeding would not be reviewable in this manner. Orders of the Board relating to overseas or foreign air transportation are subject to the approval of the President, 49 U.S.C. 1461. This provision applies in this instance. The Supreme Court has held that such orders are not appealable to the court of appeals on the merits, since the action of the President involves the exercise of Executive discretion and may take into consideration such matters as national defense and foreign relations, and may be based on information not available to the courts, *Chicago & Southern Air Lines, Inc.* v. *Waterman Steamship Corp.*, 333 U.S. 103. Government counsel does not deny that any final order of the Board in this proceeding will not be subject to review on the merits by the Court of Appeals.

In *British Overseas Airways Corp.* v. *Civil Aeronautics Board*, decided June 14, 1962, not yet reported, the Court of Appeals for the District of Columbia Circuit, while dismissing a petition for a review of an order in respect to a foreign air carrier, nevertheless expressly noted that its ruling was not to be construed as holding that there may not be a judicial remedy against administrative or even Presidential action beyond the scope of lawful authority. The petition was dismissed without prejudice to any proceeding in the District court that might be thereafter brought. The position of the Government is, however, that an action for a declaratory judgment or for an injunction at this stage of the proceeding, is premature and does not lie until the plaintiff has exhausted his administrative remedies.

Two considerations are involved in determining whether a suit for a declaratory judgment may be maintained. The first is whether a cause of action for a declaratory judgment is stated. The second is whether in the exercise of its discretion the court should entertain the action, since, unlike other civil actions, the courts have discretion to entertain or reject a request for a declaratory judgment.

The very purpose of declaratory judgments is obviously to make possible a determination of rights and liabilities before a controversy reaches a state at which one of the parties is in a position to sue for a remedy. When introduced into the law, declaratory judgments were regarded as a notable advance in legal procedure. The Federal courts may grant a declaratory judgment, however, solely if there is an actual controversy existing between the parties. This qualification is manifestly due to the principle that Federal courts may not render advisory opinions in view of constitutional limitations, but may decide only actual cases and controversies. In this instance, it is clear that an actual controversy has arisen. The Board has tentatively decided to terminate the plaintiff's certificate. It has announced its intention and has taken steps to carry this decision into effect, merely giving an opportunity to the plaintiff to show cause to the contrary. The plaintiff claims that legal power to terminate the certificate does not exist. There can be no doubt that an actual justiciable controversy has ripened into being.

In this respect the instant case radically differs from *Eccles* v. *Peoples Bank*, 333 U.S. 426. There Peoples Bank brought an action for a declaratory judgment against the Federal Reserve Board to secure an adjudication that a certain regulation of the Board was void. The Bank averred that the regulation might have been violated by it, that the Board might enforce the regulation, and that the enforcement might require the withdrawal of the bank from the Federal Reserve System. The defendants replied that they had taken no steps to enforce the regulation against the bank, and had no present intention of so doing. The court held that the action for a declaratory judgment should not have been entertained, since the grievance of the bank was too remote and unsubstantial and too speculative in nature to justify either an injunction or a declaration of rights. No actual controversy had as yet matured. The court observed, however, (p. 434):

"A determination of administrative authority may of course be made at the behest of one so immediately and truly injured by a regulation claimed to be invalid, that his need is sufficiently compelling to justify judicial intervention even before the completion of the administrative process."

In the case at bar the Civil Aeronautics Board has actually made a tentative decision against the plaintiff, has announced its intention to effectuate it, and has taken steps to do so. Unlike the situation in the Peoples Bank case, here, the controversy has obviously reached an active stage at which a declaration of rights is appropriate.

As stated above, however, it is claimed that the court should withhold its interposition until the administrative remedy has been exhausted and the Board renders a final decision, followed by Presidential approval. There are several reasons why this contention should not be sustained. While there is a general rule to the effect that ordinarily a party seeking relief against administrative action should first exhaust his administrative remedies, there are well recognized exceptions to this principle. The doctrine is frequently applied if it is contended that the administrative action would be erroneous. The requirement of exhaustion of administrative remedies has not been invoked, however, in cases in which a claim is advanced on substantial grounds that the administrative agency is transcending its legal authority, *Skinner & Eddy Corp.* v. *United States*, 249 U.S. 557, 562 (Brandeis, J.); *Chambers* v. *Robertson*, 87 U.S. App. D.C. 91, 93; *Interior Airways, Inc.* v. *Wien Alaska Airlines, Inc.*, 188 F. Supp. 107, 109.

Then, too, in this instance no judicial remedy can be sought between the time when the Board renders its decision and the date on which its order is transmitted to the President for approval, since the statute requires that the decision be submitted to the President before its publication by the Board, 49 U.S.C., sec. 1461. Consequently, there will be no interval between the decision of the Board and final action of the President during which judicial review can be sought.

Finally whether an action to review the decision of the President would lie is not a question that this court should determine at this time. To intimate any opinion on it would be inappropriate. Suffice it to say, however, that serious problems of both adjective and substantive law may well arise in connection with any attempt to seek judicial review of Presidential action approving an order of the Board.[2] It was argued by able counsel for the Government that the plaintiff might pursue the same course as was followed in *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579, where an action was brought against the Secretary of Commerce to enjoin him from carrying out an order of the President. With commendable candor, however, counsel for the Government replied in the negative to an inquiry propounded by the court whether he was in a position to commit the Government to a concession that such an action would lie and that the Government would not interpose any procedural objections to it. Manifestly, the plaintiff should not be remitted to a problematical remedy at some future date. A person should not be relegated to setting sail in a fragile bark, in order to seek adventure on a partially charted sea.

The court concludes that under the circumstances of this case, and for the reasons heretofore discussed, this action may be maintained at this time.

Accordingly, the motion of the defendants for summary judgment is denied. The motion of the plaintiff for summary judgment is granted to the extent that the court will render a declaratory judgment that the plaintiff's certificate of public convenience and necessity involving the route here in question may not be terminated, either directly or indirectly except in revocation proceedings in accordance with the statute; and will grant a permanent injunction against the Civil Aeronautics Board restraining such proposed action. The court will not enjoin the progress of the hearings since other matters may possibly be considered by the Board in this proceeding.

Counsel may submit a proposed judgment.

ALEXANDER HOLTZOFF,
U.S. District Judge.

JULY 16, 1962.

[From the CONGRESSIONAL RECORD, Mar. 22, 1962]

THE CIVIL AERONAUTICS BOARD'S FOLLY

Mr. GRUENING. Mr. President, among Alaska's basic problems none is more crucial than transportation. Geography and history are at its roots.

The 49th State is Uncle Sam's farthest north and west. It is the only part of America which extends into the Eastern Hemisphere. Few realize, unless they look at a globe, that its westernmost limit is on the same meridian of east longitude as Aukland, New Zealand. It is the only State of the Union that extends deep into the Arctic. It lies within naked-eye view of Soviet Siberia. Alaska was the last inhabited portion of this planet to be discovered by Western man, and until the invention of the airplane, less than 60 years ago, and the subsequent development of commercial air service in the last brief 20 years, perhaps as remote and little known an area as any in the Western World. So much for geography.

Alaska's history first as a district and then as a territory under the American flag is one of repeated discrimination and persistent neglect by a distant Federal Government and Congress. An unprecedentedly restrictive organic act, more restrictive than that of any other territory, was followed by discriminatory legislation and repeated exclusion, both legislative and in appropriations, by a remote and uninterested Congress. Alaska was, for 92 years, a colony and suffered all the consequences of colonialism. Those consequences persist despite statehood. Nowhere is the evidence thereof more clear than in the field of transportation. While transportation made our country the great nation that it is, such transportation was not extended to Alaska.

In the second half of the 19th century, our States and western territories were connected by railways. Steel rails spanned the continent from east to west and from north to south, making the abstraction of "E Pluribus Unum" a reality. In Alaska restrictive policies imposed by the Interior Department from the earliest days of Alaska's rediscovery by the American people through the gold rush of the late nineties prevented private enterprise from developing railroads there. In consequence, after a decade and a half of frustration of Alaska's pioneering efforts, the Federal Government felt obliged to build the one and only railroad which now exists in Alaska, a mere 470 miles of line which links three communities—Seward, Anchorage, and Fairbanks. The rest of the State is railroadless.

Alaska for 40 years, from 1916 to 1956, while paying all Federal taxes, was totally denied the benefits of Federal aid highway legislation. Thus, while with Federal aid, to which Alaskans contributed, a magnificent system of highways was constructed in the 48 States, Alaska continued to be largely roadless, so that today not merely a few but a majority of Alaska's communities are unconnected with any other community by highway, a situation unimaginable in the 48 States. The Alaska Highway, a still unpaved road built through Canada in 1942 as a war measure, merely connects the few cities in Alaska now linked by highway with each other, leaving the vast remainder of the territory without any connection with the continental highway system.

The Merchant Marine Act of 1920, known in Alaska as the Jones Act, after its sponsor, Senator Wesley Jones, of Washington, placed Alaska in the straitjacket of a Seattle steamship monopoly, with the resulting highest freight rates in the world, with these rates steadily rising, year after year, over the unceasing protests of Alaskans, to intolerable heights. Passenger service ceased in 1954.

The one bright aspect of Alaska's transportation dilemma has of late been found in the airways, though there, too, Alaska suffered discrimination in administrative exclusion from the benefits of the first comprehensive legislation—the Air Commerce Act of 1926—and faced the repeated subsequent obstacles placed in the way of Alaska commercial aviation by the oft-mistaken rulings of a distant and ill-informed Federal regulatory agency.

The initiative and effort of private enterprise finally, and only recently, surmounted these difficulties.

To begin with, Alaskans are the most airminded of all our fellow citizens. They fly from 30 to 40 times more than other Americans. Their pioneering spirit carried them into the air. So the intra-Alaskan airways were developed by the early bush pilots who have written an epic of courage, adventure, and accomplishment which has finally brought to Alaska a fine air transportation.

Where service lagged, it was when it encountered the obstruction of a distant Federal bureaucracy. That was in the linking of Alaska and the older 48 States. In this essential field, Pan American Airways was the pioneer. As early as 1931, Colonel Lindbergh, in Pan Am's employ as its technical adviser, made the first survey flight over the Great Circle route from New York, to Alaska, to Asia—a flight immortalized in Ann Morrow Lindbergh's book "North to the Orient." In the early thirties Pan Am likewise developed an intra-Alaskan service between Juneau, Fairbanks, and Nome, and elsewhere. In 1940 it established its first service between the States and Alaska—the daily runs from Seattle to Ketchikan and Juneau by clippers—flying boats. From Juneau, passengers traveled north and west to western Alaska, on Pan American's already established service.

So much needed, and so well patronized, was this connecting service with the States, that others were bound to follow.

Alaska Airlines, developed from bush service and star routes into an intra-Alaska agency, received a certificate to add a Fairbanks to Seattle and Portland run.

Pacific Northern, developed from another bush operation by Art Woodley, was certificated to fly from Anchorage, Kodiak, and other western Alaskan points to Seattle-Portland by way of Juneau and Ketchikan.

Northwest Airlines established direct flights between Seattle and Anchorage, and also an extension of the service to the Orient.

In consequence, within the last few years Alaska enjoys at least one form of adequate transportation—intra-Alaskan and interstate commercial aviation. The service is good, essential and virtually the only transportation that Alaska enjoys. It is important not merely to Alaska but to the Nation, furnishing passenger, airfreight, and mail service over the Great Circle route and providing a crossways of the air between Europe and Asia, for not fewer than 10 foreign airlines now use the polar route by way of Anchorage.

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[2] Cf. *Mississippi* v. *Johnson*, 4 Wall. 475; *Georgia* v. *Stanton*, 6 Wall. 50; *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579.

Like a bolt from the blue, we are now confronted with a shocking and incredible effort on the part of the Civil Aeronautics Board to destroy the one good transportation service which Alaska has at long last secured. In order No. E–18120, issued on the 19th of March 1962, the CAB proposes to ban Pan American totally from service in Alaska. It proposes that, unless Pacific Northern and Alaska Airlines merge, their routes will be drastically cut. It proposes to allow Northwest Airlines to serve Alaska only as a stopover on its way to the Orient. It proposes to eliminate the connection between Portland and Alaska points now served by both Alaska Airlines and Pacific Northern.

I wonder how the people affected would react if an area one-fifth as large as the lower 48 States were suddenly to be told that they were to be limited to one carrier, and that an intercontinental carrier might, on the occasion of is transworld flights, pause to take on or to discharge passengers.

It is a disgraceful proposed order, and it is almost unbelievable that this agency would propose to commit such a blunder, although it has long been evident that the Board has had little understanding of Alaska's needs and problems. The proposed elimination of Pan American, which is a nonsubsidized carrier, is particularly ironic, since it has been the outstanding pioneer of commercial aviation both within Alaska and of service connecting Alaska with the other States. As noted above, it was the first to link jet service between Seattle and Fairbanks. As recently as last month, it established the first jet flight between Seattle and Juneau, the capital, the delay in establishing it being wholly due to the need of installing adequate facilities at the Juneau airport and lengthening its runway. Ketchikan is now also included.

The CAB's proposed order, if carried out, would totally abolish Pan Am's excellent service to and in Alaska, limit the routes of two well-functioning airlines, Alaska Airlines and Pacific Northern, virtually forcing them into an unwilling marriage, and limit Northwest to serving Alaska only as an incident to its Orient service.

What the CAB proposes is to create a virtual monopoly by elimination and fusion, and to destroy what has been painstakingly built up through the years by pioneering enterprise and effort. Alaskans are, through painful experience, aware of the evils of transportation monopoly in the maritime field. They do not wish it established by bureaucratic fiat in the airways. They likewise resent the elimination of Portland from the service.

The importance of Alaska—strategically, economically, and otherwise—makes such proposed folly incomprehensible. It runs diametrically counter to President Kennedy's publicly declared policy to "meet the challenge of Alaska—the challenge to reap its abundance, build its strength, and provide a reservoir of natural wealth for a growing America." The CAB's proposed order must be fought vigorously and this ill-advised effort nipped in the bud.

[From the Congressional Record, Mar. 28, 1962]

Is the Double Standard To Be Back With Us—Shall We Subsidize Aviation Abroad but Not at Home?

Mr. Gruening. Mr. President, within the last week I have had occasion to denounce the proposal of the Civil Aeronautics Board for an investigation of the Pacific Northwest Alaska Service, with the avowed objective of eliminating, curtailing, and consolidating the excellent Alaska-States air service.

There are four such carriers now serving, for passenger, airmail, and airfreight, an area one-fifth as large as the 48 older States, and including, as do "the lower 48," four time zones. It is an area as wide and as deep as the 48 States—2,700 miles from east to west, 1,400 miles from north to south. Alone among American States, it extends into the Eastern Hemisphere and into the Arctic.

The four States-Alaska carriers now operating are Pan American World Airways, Northwest-Orient Airlines, Pacific Northern Airlines, and Alaska Airlines. They compete with each other to some extent, although their routes by no means duplicate. Between them, they supply virtually the only transportation for people and airmail between the lower 48 States and Alaska.

For reasons rooted in the history of Alaska as a territorial stepchild in the national family, other forms of transportation between "the lower 48" and Alaska are negligible or nonexistent. Air transportation is Alaska's lifeline today, attained only recently after great effort and enterprise.

The CAB's announced objective is:

First. To eliminate Pan American World Airways completely from its Alaska service.

Second. To eliminate Northwest's regular service to Alaska and make it an incident in its Orient run.

Third. To compel the consolidation of Pacific Northern and Alaska Airlines.

The proposal would, in my judgment and that of my fellow Alaskans, wreck the present excellent arrangement. It would destroy what is virtually the only form of transportation between the lower 48 States and the vast region which is the 49th State. It would replace a good competitive setup with a monopoly with all the ills which monopoly almost invaryingly brings. It constitutes an inexcusable piece of folly.

As the Fairbanks News-Miner, in an editorial entitled "Does CAB Proposal Make Sense," comments caustically:

"The CAB proposal is so farfetched it borders upon the ridiculous."

And further:

"Just what sort of eggheaded theoretical daydreaming is going on? Is the Federal Government determined to kill off the free enterprise system which has given Americans the world's best standard of living for more than a century?

"Now, what are the reasons for this contemplated monstrosity?"

It would save in the neighborhood of slightly over $4 million in subsidies. These have gone to Pacific Northern and Alaska Airlines.

Pan American and Northwest are not subsidized.

Now, reducing Government expenses is always rated a worthy and desirable objective. But there are obviously two ways of counting the cost. What do we get for what we are paying? Is it not worth the price?

Mr. President, we are dealing here with two wholly American areas. Both are large in extent, large in potential.

The history of transportation in America makes three salient facts crystal clear.

First. Transportation developed the United States, made its States truly united, made out of them the great Nation that we have become.

Second. All American transportation has been heavily subsidized by the Federal Government—the railroads by large land grants; shipping by subsidies and privileges of various kinds; automotive traffic by billions of Federal dollars spent in highway construction; aviation by subsidies, where needed.

Third. Alaska has been largely excluded from all these benefits, except in the last category which CAB policy now aims to eliminate.

In startling contrast, let us note what the United States is doing to aid aviation in foreign countries.

Since 1955 the United States has granted or loaned or participated in loans to foreign nations for the development of their air transportation the sum of at least $417,004,530. These included such items as $98,331,127 in outright grants under the mutual security program for such items as $14,560,000 in 1956 to Afghanistan for air transport development, the sum of $5,129,000 in the year 1957 alone for the development of aviation in Thailand, and another $11,546,000 to Afghanistan in 1959. Thus the outright grants of U.S. dollars to foreign nations year by year since 1955 for the development of foreign aviation were:

1955	$10, 741, 747
1956	24, 752, 380
1957	16, 310, 000
1958	7, 045, 000
1959	23, 563, 000
1960	8, 782, 000
1961	7, 137, 000
Total	98, 331, 127

However, the United States loaned or participated in loans of even larger sums to foreign nations for the development of their aviation facilities, including loans for the purchase of aircraft and for the construction of airports. Thus the Export-Import Bank has loaned Japan $35,870,000 for this purpose, it has loaned France over $52 million and Brazil over $30 million and Australia over $23 million. Australia also received a loan of over $9 million from the World Bank. Meanwhile, Ethiopia received over $23 million from the Development Loan Fund for the development of aviation in that country. I ask unanimous consent that tables showing foreign aviation grants and loans since 1955, prepared in my office by Mr. Milton Fairfax of my staff be printed at the conclusion of my remarks.

The **Vice President.** Without objection, it is so ordered.

Mr. Gruening. Let us now, Mr. President, compare the total of $417,004,530 granted or loaned since 1955 to build up aviation in foreign countries with the amount of subsidies which the CAB is attempting to save, and to save which the CAB is willing to establish a monopoly in transportation from the lower 48 States to Alaska. The two carriers involved—Pacific Northern and Alaska Airlines—received in subsidies and mail pay in 1961 the sum of $4,332,000 for the States-Alaska operations. This is in startling contrast to the amount of U.S. dollars which we are spending abroad to build up aviation in foreign countries.

Of course, subsidies are paid to these and other carriers for intra-Alaska operations. Thus, in 1961 subsidies were paid for such intrastate operations in the total sum of $8,612,000 to Alaska Airlines, Alaska Coastal, Byers, Cordova, Ellis, Kodiak, Northern Consolidated, Pacific Northern, Reeve, Western Alaska, and Wien.

To understand why these subsidies are necessary, it is necessary to place them in the perspective of conditions in Alaska. For many, many towns and villages, there is no other mode of transportation than by air. These airlines, operated by able and experienced pilots, constitute the sole link to the outside for the inhabitants of many remote areas of Alaska. They are dependent upon air transportation for the receipt of the very necessities of life. I hope that as Alaska grows, and as we obtain roads and ferries and other means of transportation, and as the population increases, we shall come to the point where air transportation is profitable and subsidies are no longer necessary. But in the meantime, as a penalty for the years of neglect in building alternate methods of transport between areas in

Alaska, we will need subsidies for intra-Alaska airline operations.

But surely, Mr. President, if we can afford to pay subsidies to the airlines of foreign countries we cannot afford to do less at home.

Mr. President, during the Eisenhower administration, there existed in the contrasting attitude and action toward domestic versus foreign expenditures a double standard. I called attention to it repeatedly when congressional efforts to appropriate for resource development, for education, for housing, for airport construction, for pollution control, for a variety of essential projects were rejected by the White House either by veto or threat of veto, on the ground that we could not afford them, while similar and far more elaborate projects in foreign countries were labeled by the Eisenhower administration as sacrosanct. They must not, the Executive told Congress, be cut by a nickel.

I could not support that double standard which placed American needs in a category inferior and subsidiary to the purported needs of foreign countries. It was one of the reasons, which I made clear repeatedly, that I felt obliged to vote against the foreign aid program in 1959 and 1960.

When President Kennedy came into office, this double standard was abandoned. While there was no less emphasis on and support for foreign aid, domestic needs were given at least equal consideration. And so under the Kennedy administration there could be, and was, enacted previously unattainable legislation for resource development, housing, airport modernization, area redevelopment, retraining for the unemployed, and pollution control.

It is to be hoped that this changed policy will continue undiminished. It is to be hoped that the CAB's misguided efforts at slashing aviation support at home while we are spending millions of American dollars to support it abroad, will not prevail. Should the time come when all our airlines can render the needed service of passenger and mail transportation, and be self-supporting without subsidy, then it will be proper and appropriate to eliminate the subsidy. But that time is not yet. Particularly, is it not yet in Alaska, where for reasons aforestated, Alaska has suffered uniquely among the States, Federal discrimination which has largely deprived Alaska of the other forms of transportation enjoyed elsewhere under the flag—in highways, railways, and shipping.

I ask unanimous consent that there be printed at the conclusion of my remarks in addition to the tables which have hitherto been ordered printed in the Record, a letter received by me from Joseph H. Shortell, Jr., assistant U.S. attorney for Alaska who is well versed in antitrust matters and whose comments are most timely, and a copy of Mr. Shortell's letter to the aviation editor of Newsweek magazine.

There being no objection, the tables and letters were ordered to be printed in the Record, as follows:

Transportation, fiscal year 1955

FAR EAST

	Amount
China: CAA improvement	$218, 880
Indonesian Republic: Air transport training—aircraft and engine mechanics school	106, 000
Thailand:	
Air transport and air navigation	36, 500
Upper air aids	90, 000
Airfield construction	2, 742, 698
Upper air aids	40, 000
Technical assistance Thai Airways	949, 000
Vietnam: Improvement and expansion of aeronautical ground facilities	416, 000

Transportation, fiscal year 1955—Continued

NEAR EAST, AFRICA, AND SOUTH ASIA

	Amount
Egypt: Air navigation aids	$68, 800
Ethiopia: Civil aviation and meteorology	35, 805
Greece: Training of Greek civil aviation personnel	27, 440
India: Aviation ground facilities	421, 500
Iran: Air navigation and meteorological equipment	616, 928
Israel: Airport administration participantship	3, 000
Pakistan:	
Improvement and expansion of aviation ground facilities	1, 641, 372
Development of civil air transportation	725, 000
Turkey: Airline operations training program	475, 000

EUROPE

France:	
CAA training program	10, 860
Civil aeronautics study group	10, 095
Spain: Training of aeronautical technicians and supervisors	61, 740

LATIN AMERICA

Bolivia:	
Institute Aeronautical Nacional	6, 000
Aircraft mechanics training—Bolivian Air Force	4, 050
Airline operations course (flight)—transportation	2, 828
Civil aviation mission	47, 339
Flight instructors course	2, 828
Brazil: Aeronautical navigational bids	1, 500, 000
Chile: Air transportation and civil aviation development	64, 000
Costa Rica: Improvement of safety and efficiency of air transportation	25, 670
Ecuador: Civil aviation	25, 740
Honduras: Consultation in civil aviation	113, 264
Mexico: Training—air transportation	6, 000
Nicaragua: Civil aviation project	12, 046
Panama:	
Air transportation—maintenance of aeronautical communications and air navigation and radio aids equipment	10, 000
Aviation consultant	24, 500
Paraguay: Airport development	24, 500
Uruguay: Air transport	8, 200

OVERSEA TERRITORIES

British Guiana: Transportation—air traffic control training	2, 500
Regional: Technical assistance in civil aviation—regional group in Panama	165, 964

Transportation, fiscal year 1956

FAR EAST

Cambodia: Maintenance, repair, and rehabilitation, airfields	$180, 000
China: CAA improvement	222, 885
Indonesian Republic:	
Airport technician training	33, 000
Training in meteorology	128, 000
Japan: Civil aviation survey	4, 000
Korea:	
Aviation specialist training	11, 000
Civil aviation technical assistance	46, 500
Philippines: Air navigational aids	219, 000
Thailand:	
Aeronautical ground services improvement	335, 000
Upper aids (air)	2, 100
Meteorological service improvement	102,250
Thai airways improvement	72, 999

Transportation, fiscal year 1956—Continued

FAR EAST

	Amount
Vietnam: Improvement and expansion of aeronautical ground facilities	$520, 937

NEAR EAST AND SOUTH ASIA

Afghanistan:	
Air transportation development	14, 560, 000
1956 Haj assistance	240, 000
Egypt: Transportation and communications civil aviation	72, 950
India:	
Expansion of aviation ground facilities	237, 743
Technical assistance for civil air transport	3, 500
Iran: Air navigational and meteorological equipment	606, 900
Lebanon:	
Air navigation	38, 400
Expansion of Beirut International Airport for jet airlines	470, 000
Pakistan:	
Improvement and expansion of aviation ground facilities	1, 903, 700
Development of civil air transportation	878, 688
Aircraft overhaul and maintenance facilities	261, 955
Turkey:	
Airport equipment experts	18, 000
Meteorological specialists	15, 000
Airline operations training program	400, 000
Civil aviation training program	76, 000
Regional total:	
Regional civil aviation office	32, 500
Air navigation facilities—VOR site selection equipment	17,700

AFRICA

Ethiopia:	
Air transportation cooperative service	70, 000
Civil aviation	35, 555
National Airlines training program	251, 000

EUROPE

Italy: Civil aeronautics mission	22, 500
Spain:	
Civil aviation mission	103, 510
Training of aeronautical technicians and supervisors	1, 500
Training aeronautical technicians and supervisors	85, 000
Civil aviation, fiscal year 1956	1, 283, 500

LATIN AMERICA

Bolivia:	
Civil aviation mission	67, 402
Electroplating plant for Instituto Aeronautico Nacional, Cochabamba, Bolivia	96, 504
Brazil: Air navigation aids and air traffic control	463, 500
Chile: Air transportation and civil aviation development	120, 530
Colombia: Cooperative project in the construction and design of commercial airport for Colombia	61, 300
Costa Rica:	
Aviation maintenance training center project	34, 727
Improvement of safety and efficiency of air transportation	35, 400
Cuba: Civil aviation project	8, 000
Ecuador: Civil aviation	48, 000
Guatemala: Civil aviation transport improvement	6, 000
Honduras: Consultation in civil aviation	78, 105
Nicaragua: Civil aviation project	31, 140
Panama: Aviation consultant	26, 200
Paraguay:	
Airport development project	62, 600
Aviation repairs	2, 500

Transportation, fiscal year 1956—Continued

LATIN AMERICA

	Amount
Peru: Air transport—Civil aeronautics	$5,200
Uruguay: Transportation	7,500

OVERSEA TERRITORIES

Surinam: Air transport (air transport control)	4,500

Transportation, fiscal year 1957

FAR EAST

	Amount
China (Taiwan): CAA improvement	$443,000
Japan:	
Japan Civil Aviation Bureau	188,000
Civil aviation survey	2,000
Korea: Civil aviation technical assistance program	231,000
Laos: Vientiane airport relocation	750,000
Thailand:	
Aeronautical ground services improvement	3,346,000
Airfield construction	400,000
Aviation overhaul and maintenance facility	3,580,000
Improvement Thai Airways	554,000
Meteorological services improvement	249,000
Vietnam: Improvement and expansion of aeronautical ground facilities	1,748,000

NEAR EAST AND SOUTH ASIA

Afghanistan: Air transportation development	173,000
Ceylon: Aeronautical navigation aids	85,000
Egypt: Civil aviation	15,000
Greece: Installation of VOR equipment and training	13,000
India: Expansion of aviation ground facilities	119,000
Iran:	
Communications and workshop equipment for airport facilities	425,000
Installation of air navigation and meteorological equipment	50,000
Lebanon:	
Air navigation	5,000
Expansion of Beirut International Airport for jet airlines	45,000
Pakistan:	
Development of civil air transportation	900,000
Improvement and expansion of aviation ground facilities	762,000
Turkey:	
Airline operations training program	110,000
Airline operations training program	151,000
Civil aviation training program	
Meteorology specialists	16,000
Regional: Regional Civil Aviation Office	27,000

AFRICA

Ethiopia: Civil aviation advisory services	5,000

EUROPE

Iceland:	
Occupational training—Airport operation	26,000
Occupational training—Airport construction	32,000
Spain:	
Training of aeronautical technicians and supervisors	63,000
Civil aviation, fiscal year 1957	810,000

LATIN AMERICA

Bolivia: Civil action	65,000
Brazil: Air navigation aids and air traffic control	156,000

Transportation, fiscal year 1957—Continued

LATIN AMERICA

	Amount
Chile: Air transportation and civil aviation developments	$119,000
Colombia: A cooperative project for technical assistance to civil aeronautics in Colombia	35,000
Costa Rica: Improvement of safety and efficiency of air transport project	43,000
Cuba: Civil aviation project	117,000
Ecuador: Civil aviation assistance	29,000
Honduras: Consultation in civil aviation	74,000
Nicaragua: Civil aviation	33,000
Panama: Aviation consultant	23,000
Peru: Civil aviation advisory services and training	17,000
Regional: Technical assistance in civil aviation regional group in Panama	157,000

Transportation, fiscal year 1958

FAR EAST

	Amount
Burma: Civil aviation, airport development	$474,000
Cambodia: Airfield survey and rehabilitation	430,000
China (Taiwan): Air transportation improvement	253,000
Japan: Japan Civil Aviation Bureau	278,000
Korea: Civil aviation technical assistance	365,000
Thailand:	
Aeronautical ground services improvement	419,000
Meteorological services improvement	46,000
Improvement, Thai Airways	75,000
Vietnam: Improvement and expansion of aeronautical ground facilities	506,000

NEAR EAST AND SOUTH ASIA

Afghanistan: Air transportation development	482,000
Ceylon:	
Aeronautical navigation aids	19,000
Colombo airport survey	6,000
Greece: Installation of VOR equipment and training	40,000
India:	
Aviation ground facilities	202,000
India airlines	13,000
Iran: Civil aviation	107,000
Lebanon:	
Air navigation	25,000
Expansion of Beirut International Airport	46,000
Pakistan:	
Improvement and expansion of aviation ground facilities	93,000
Development of civil air transportation	798,000
Turkey:	
Meteorology specialists	2,000
Airline operations training program	775,000
Civil aviation training program	178,000
Regional total: Regional civil aviation adviser	22,000

AFRICA

Ethiopia: National airlines training	80,000

EUROPE

Iceland:	
CAA air safety survey	3,000
CAA aircraft mechanics training	30,000
Occupational training—Airport operation	20,000
Spain:	
Civil aviation mission	80,000
Training of aeronautical technicians and supervisors	69,000

Transportation, fiscal year 1958—Continued

LATIN AMERICA

	Amount
Argentina: Development of the National Bureau of Civil Aviation	$85,000
Bolivia: Civil aviation	64,000
Brazil: Air navigation aids and air traffic control	189,000
Chile: Civil aviation	151,000
Colombia: A cooperative project for technical assistance to civil aeronautics in Colombia	61,000
Costa Rica: Improvement of safety and efficiency of air transport	20,000
Cuba: Civil aviation project	96,000
Dominican Republic: Civil aviation—Airport management and operation	3,000
Ecuador: Civil aviation assistance	51,000
Honduras: Consultation in civil aviation	78,000
Nicaragua: Transportation—Civil aviation	24,000
Panama: Aviation consultant	25,000
Paraguay: Civil aviation assistance division	74,000
Peru: Civil aviation advisory services	13,000

OVERSEA TERRITORIES

British Guiana: VOR traffic control training	3,000
Regional total: Technical assistance in civil aviation, regional group, Panama	172,000

Transportation, fiscal year 1959

FAR EAST

	Amount
China (Taiwan): Air transportation improvement	$334,000
Korea: Civil aviation operations improvement	365,000
Japan: Japan Civil Aviation Bureau	288,000
Laos: Rehabilitation of Vientiane Airport	765,000
Thailand:	
Aeronautical ground services improvement	437,000
Meteorological services improvement	56,000
Vietnam: Improvement and expansion of aeronautical ground facilities	3,856,000

NEAR EAST AND SOUTH ASIA

Afghanistan: Air transportation development	11,546,000
Ceylon:	
Colombo airport survey	8,000
Airport development and administration	4,000
Greece: Air transportation advisory project	72,000
India: Expansion of aviation ground facilities	44,000
Iran: Civil aviation	117,000
Lebanon: Aeronautical facilities	1,310,000
Nepal: Aviation development	600,000
Pakistan:	
Improvement and expansion of aviation ground facilities	164,000
Development of civil air transportation	1,173,000
Turkey:	
Meteorology	30,000
Airline operations training	300,000
Civil aviation training program	238,000
United Arab Republic: Civil aviation development	$66,000
Regional total: regional civil aviation adviser (Pakistan)	30,000

AFRICA

Ethiopia:	
Civil Aviation Administration	3,000
National airlines training	374,000
Liberia: Airport survey	6,000

Transportation, fiscal year 1959—Continued

AFRICA

	Amount
Tunisia: Civil aviation improvement	$17,000

EUROPE

Iceland:	
CAA air safety survey	7,000
Occupational training—Airport operations; loadmaster training	7,000
Spain: Air navigational aids improvement	178,000

LATIN AMERICA

Argentina: Development of the National Bureau of Civil Aviation	200,000
Bolivia: Civil aviation	40,000
Brazil: Air navigation aids and air traffic control	165,000
Chile: Civil aviation	131,000

Transportation, fiscal year 1960

FAR EAST

	Amount
Cambodia: Airfield survey and maintenance	$16,000
Republic of China: Air transportation improvement	333,000
Indonesia: Air transportation operation and maintenance	653,000
Japan: Japan Civil Aviation Bureau	211,000
Korea:	
Civil aviation operations improvement	309,000
Civil aviation operations reobligation	334,000
Laos: Rehabilitation of Vientiane Airport	33,000
Thailand:	
Aeronautical ground services improvement	263,000
Meteorological services improvement	104,000
Aviation overhaul and maintenance facility	45,000
Vietnam: Improvement and expansion of aeronautical ground facilities	685,000

NEAR EAST AND SOUTH ASIA

Afghanistan:	
Air transportation development	405,000
Air transportation reobligation	5,000
Ceylon:	
Aeronautical navigation aids	1,000
Airport development and administration	32,000
Greece: Air transport advisory project	82,000
India: Expansion of aviation ground facilities	47,000
Iran: Civil aviation	162,000
Iran: Civil aviation reobligation	4,000
Lebanon: Aeronautical facilities	78,000
Nepal: Aviation development	103,000
Pakistan:	
Improvement and expansion of aviation facilities	169,000
Development of civil air transportation	50,000
Development of civil air transportation—reobligation	300,000

NEAR EAST AND SOUTH ASIA

Turkey:	
Civil aviation	220,000
Civil aviation—reobligation	40,000
United Arab Republic: Civil aviation development, northern region	556,000

CENTRAL TREATY ORGANIZATION

CENTO: Regional air navigation	2,000
Regional civil aviation advisor (Pakistan)	32,000

Transportation, fiscal year 1960—Continued

AFRICA

	Amount
Ethiopia: National airlines training	$250,000
Liberia Robertsfield modernization	1,877,000
Tunisia: Civil aviation improvement	16,000

EUROPE

Spain: Air navigational aids improvement	148,000

LATIN AMERICA

Argentina: Development of the National Bureau of Civil Aviation	137,000
Bolivia: Civil aviation	29,000
Brazil: Air navigation aids and air traffic control	186,000
Chile: Civil aviation	157,000
Colombia: Civil aviation mission	90,000
Costa Rica: Improvement and safety	8,000
Cuba: Civil aviation project	64,000
Ecuador: Civil aviation	68,000
Honduras: Consultation in civil aviation	89,000
Nicaragua: Civil aviation	51,000
Panama: Aviation consultant	32,000
Paraguay: Airport development	14,000
Peru: Civil aviation advisory services	67,000
British Guiana: Civil aviation	14,000
Regional total, civil aviation (Panama)	195,000

ASIAN ECONOMIC DEVELOPMENT FUND

SEATO (Southeast Asia Treaty Organization) meteorological communications survey	16,000
Total	8,782,000

Transportation, fiscal year 1961

FAR EAST

	Amount
Cambodia: Improvement of civil air transportation	$24,000
Republic of China: Air transportation improvement	95,000
Indonesia: Air transportation operation and maintenance	143,000
Korea: Civil aviation operations improvement	179,000
Laos: Rehabilitation of Vientiane Airport	820,000
Thailand:	
Aeronautical ground services improvement	171,000
Meteorological services improvement	133,000
Aviation overhaul and maintenance facility	5,000
Vietnam: Improvement and expansion of aeronautical ground facilities	563,000

NEAR EAST AND SOUTH ASIA

Afghanistan: Air transportation development	477,000
Ceylon: Airport development and administration	36,000
Greece: Air transport advisory project	68,000
India: Expansion of aviation ground facilities	32,000
Iran: Civil aviation	137,000
Lebanon: Aeronautical facilities	100,000
Pakistan: Improvement and expansion of aviation ground facilities	175,000
Turkey: Civil aviation	237,000
United Arab Republic:	
Civil Aviation Development, southern region	311,000
Civil Aviation Development, northern region	254,000

Transportation, fiscal year 1961—Continued

NEAR EAST AND SOUTH ASIA

	Amount
Central Treaty Organization:	
CENTO regional air navigation	$1,500,000

AFRICA

Ethiopia:	
Transportation cooperative service	38,000
National airlines training	101,000
Liberia: Robertsfield modernization	34,000
Mali, Republic of: Civil aviation	6,000
Tunisia: Civil aviation improvement	18,000

LATIN AMERICA

Argentina: Development of the National Bureau of Civil Aviation	226,000
Bolivia: Civil aviation	15,000
Brazil: Air navigation aids and air traffic control	190,000
Chile: Civil aviation	151,000
Colombia: Civil aviation technical assistance	84,000
Costa Rica: Civil aviation project	18,000
Cuba: Civil aviation project	12,000
Ecuador: Civil aviation	48,000
Honduras: Consultation in civil aviation	103,000
Nicaragua: Civil aviation	33,000
Panama: Aviation consultant	39,000
Peru: Civil aviation advisory services	50,000
West Indies: Airport runway extension, Antigua	218,000
British Guiana: Civil aviation	3,000
Regional: Civil aviation, Panama	169,000

EUROPE

Spain:	
Air navigational aids improvement	112,000
Civil aviation	41,000
Total	7,137,000

Loans for airports and airlines made by the Development Loan Fund August 1957–Nov. 3, 1961

[This agency is now administered by the Agency for International Development]

Country	Date	Amount	Interest
			Percent
Africa:			
Ethiopia	July 17, 1961	$3,100,000	3½
Do	do	20,250,000	3½
Tunisia	Jan. 27, 1961	5,100,000	3½
Latin America:			
Chile	May 20, 1959	300,000	3½
Do	Dec. 7, 1960	10,500,000	3½
Do	June 21, 1961	3,200,000	3½
El Salvador	Aug. 1, 1961	1,600,000	3½
South Asia:			
Afghanistan		700,000	5¾
Ceylon	Jan. 30, 1961	3,200,000	3½
Pakistan	Nov. 3, 1959	3,800,000	3½
Total		51,750,000	

Loans for airports and airlines made by the World Bank

Country	Date	Amount	Interest
			Percent
Australia	1957	$9,230,000	4¾
India	1957	5,600,000	5½
Total		14,830,000	

Source: Annual Reports of the International Bank for Reconstruction and Development—The World Bank.

Loans for airports and airlines made by the Export-Import Bank

Country	Purpose	Date	Interest	Amount
			Percent	
Ethiopia	Aircraft and aviation facilities	Sept 19, 1955	5	$24,700,000
Do	Jet aircraft and related spare parts (Boeing Airplane Co.)	Sept. 8, 1960	5¾	10,000,000
Government of the Union of South Africa.	Aircraft, repair equipment, and related spare parts	Sept 24, 1959	5¾	9,000,000
India	Boeing jet aircraft (Boeing Airplane Co.)	Sept. 8, 1960	5¾	4,100,000
Do	Aircraft and spare parts (Boeing)	June 8, 1961	5¾	8,100,000
Indonesia	Aircraft and equipment	Nov 30, 1950		6,023,000
Do	do	May 17, 1956		7,500,000
Do	Aircraft (Convair Division of General Dynamics Corp.)	Nov 22, 1957	5½	1,781,000
Do	Aircraft (Lockheed Aircraft Corp.)	June 4, 1959	5½	5,000,000
Israel	Boeing jet aircraft (Boeing Airplane Co.)	Sept. 2, 1960	5¾	8,925,000
Japan	Aircraft and spare parts (Douglas Aircraft Co., Inc.)	Nov. 21, 1956	5½	7,700,000
Do	Japan Air Lines (Aircraft and Aircraft Co., Inc.)	Dec. 3, 1956	5½	17,186,000
Do	Japan Air Lines, aircraft and related spare parts and equipment (General Dynamics Corp.)	Apr 13, 1961	5¾	9,585,665
Do	Japan Air Lines, aircraft and related spare parts and equipment (Douglas Aircraft)	do	5¾	4,399,000
Pakistan	Aircraft and spare parts (Lockheed Aircraft Corp.)	Oct. 9, 1956	5¾	2,828,000
Do	Aircraft and spare parts (Curtiss-Wright Corp.)	do	5¾	456,500
Philippines	Enlargement of Manila International Airport	Jan. 26, 1961	5¾	5,000,000
Belgium	Boeing Aircraft—SABENA	Oct. 22, 1959	5¾	11,200,000
France	Jet aircraft (Boeing and United Aircraft)	Sept. 12, 1957	5½	46,000,000
Do	Aircraft (Douglas Aircraft Co., Inc.)	Feb. 11, 1960	5¾	4,714,286
Do	Jet aircraft (Douglas Aircraft Co., Inc.)	Nov. 3, 1960	5¾	2,671,000
Italy	Aircraft and flight simulator (Douglas Aircraft Co., Inc., and Link Aviation, Inc.)	Oct. 16, 1958	5½	13,690,000
Do	Jet aircraft frames and related spare parts (Douglas Aircraft Co.)	Jan. 26, 1961	5¾	6,400,000
Spain	Aircraft and equipment (Douglas Aircraft Co.)	Mar. 24, 1960	5¾	12,450,000
Brazil	Aircraft and spare parts (Douglas Aircraft Co.)	Nov. 15, 1956	5½	6,900,000
Do	do	May 31, 1957	5½	541,000
Do	Jet aircraft and spare parts (Douglas Aircraft)	Oct. 6, 1960	5¾	13,840,000
Do	Jet aircraft and related spare parts and support equipment (General Dynamics Corp.)	Feb. 16, 1961	5¾	10,950,000
Colombia	Jet aircraft and related spare parts and equipment (Boeing Airplane Co.)	Jan. 19, 1961	5¾	8,160,000
Costa Rica	Aircraft and spare parts (General Dynamics Corp.)	Nov. 26, 1954	5¾	675,000
Ecuador	Turboprop plane (Fairchild Engine & Airplane Corp.)	Apr. 23, 1959		216,000
Do	Airplanes and complement parts (M. & M. Exporting Co.)	Sept. 23, 1960	6	47,500
Do	Snow airplane with attachment (M. & M. Exporting Co.)	do	6	9,500
Do	Piper airplanes and accessories (M. & M. Exporting Co.)	do	6	29,000
El Salvador	Improvement of Llopango International Airport at San Salvador	June 1, 1961	5¾	2,650,000
Peru	Aircraft and photographic equipment	June 30, 1960	5¾	586,952
Venezuela	Aircraft (Fairchild Engine & Airplane Corp.)	May 16, 1957	5½	1,112,000
Australia	Aircraft and modifications (Boeing Airplane Co.)	June 9, 1960	5¾	23,307,000
Do	Aircraft (Cessna Aircraft Co.)	June 29, 1960		235,000
Total				298,668,403

Source: Report to the Congress by Eximbank for the 12 months ending June 30, 1961.

FAIRBANKS, ALASKA,
March 26, 1962.

Hon. ERNEST GRUENING,
U.S. Senator for Alaska,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR: I concur 100 percent with your press release of March 22 with reference to the possible destruction of the Alaskan air system. During my term in Washington, D.C., as an attorney for the Antitrust Division, I specialized in the airline industry. During this period, a considerable period of time was spent with the Celler committee on the study of the airline industry and with the CAB on our preparation of the Pan American Grace antitrust case.

As an attorney familiar with the domestic and international airline picture, I can see no justification why the Alaskan people and Pan American World Airways should be punished for Pan American's efficient operation and for its contribution to Alaska.

The enclosed copy of a letter to the Washington, D.C., aviation editor of the Newsweek magazine is for your general information.

With kind personal regards.

Sincerely,

JOSEPH H. SHORTELL, Jr.

FAIRBANKS, ALASKA,
March 26, 1962.

HENRY T. SIMMONS, Esq.
Aviation Editor, Newsweek Magazine,
Washington, D.C.

DEAR HENRY: Knowing your interest in the Alaskan aviation field, I thought you would be interested in the enclosed articles from the Fairbanks Daily News Miner which give a detailed account of the airline route structure problem here in Alaska.

As you know, I worked over 4 years on the Pan American Grace antitrust case and am familiar with the international and domestic airline industry. Since coming to Alaska in 1959, I have made a firsthand study of the Alaskan airline picture and can honestly state that if subsidy-free Pan American is forced to leave Alaska due to its efficient operation, we might as well return to the dogsled and steamboat.

I plan to be in Washington next summer and expect to see you and Jan at that time.

With kind personal regards.

Sincerely,

JOSEPH H. SHORTELL, Jr.

Mr. MORSE subsequently said: Mr. President, I join in the observations of the distinguished Senator from Alaska [Mr. GRUENING] in regard to Judge Holtzoff's ruling in connection with the reversal of a decision of the Civil Aeronautics Agency. The Senator from Alaska properly characterized the decision of the Civil Aeronautics Board when he referred to it as a program of folly.

As the Senator from Alaska knows, the senior Senator from Oregon has worked closely with him on this subject in an endeavor to prevent the unfair discrimination which the Civil Aeronautics Board has sought to impose upon the economy of my State in regard to its policy concerning the airlines which operate between Oregon and Alaska. I am very happy that Judge Holtzoff saw through the folly of the Civil Aeronautics Board and reversed its policy.

Mr. GRUENING. Mr. President, I thank the Senator from Oregon. He is quite right. The Civil Aeronautics Board, acting in the most inexcusable bureaucratic fashion, took upon itself to act as plaintiff, as judge, as jury, and as executioner. It is amazing that in a quasi-judicial body a situation should have occurred in which the body announced in advance what it proposed to accomplish and then proceeded to try the case.

I hope the decision by Judge Holtzoff will prove to be a salutary lesson to the Board, and that the Board will desist from the attempt to wreck the only satisfactory method of transportation which is now enjoyed between the lower States and Alaska.

This was only one step in the proposed folly. The Board proposed also to limit the Northwest Airlines, which now renders excellent daily service between Seattle and Alaska, to service merely incidental to its oriental run, and allow passengers on the Orient run to board or alight on those flights. The Board proposed further to consolidate or to force a shotgun wedding between the two other carriers, Alaska Air Lines and Pacific Northern, thus creating for Alaska a virtual monopoly, when now we have excellent competitive sevice. I find it difficult to understand why the Civil Aeronautics Board should wish to commit such folly.

SETBACK FOR THE NATION'S ELDERLY CITIZENS

Mr. GRUENING. Mr. President, in view of the two-vote margin by which the Anderson-Javits amendment to H.R. 10606—a bill to extend and improve the public assistance and child welfare services programs of the Social Security Act—was defeated yesterday, I think it is appropriate and timely to insert in the RECORD the leading editorial in today's

New York Times, our greatest newspaper.

My only question is in regard to the title of the editorial. The legislation which was laid on the table yesterday was a hospital-care bill and not a medical-care bill. Its sponsors are partly at fault in referring to it constantly as a "medicare" bill. It did supply a substantial, if partial, solution to the problem which those of 65 or over have in meeting the costs of sickness, which afflict increasingly those of advancing years. It did not provide for payment of the surgical and medical fees. While the bill in its amended form still had some serious shortcomings, which no legislation with its important and desirable objectives could avoid, it was an improvement over the earlier version of the King-Anderson bill and avoided the objectionable means test of the Kerr-Mills Act, which is effective only after a State's authorities have passed implementing legislation. In a number of States, including Alaska, no legislative action has taken place. As of now, therefore, the people of Alaska have no provisions for the care which either the Kerr-Mills Act or the King-Anderson-Javits legislation seeks to provide.

I ask unanimous consent that the editorial from the New York Times be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Death Knell for Medical Care

The Nation's elderly citizens suffered a worse setback than President Kennedy in the Senate's decision yesterday to kill the compromise bill to provide medical care for the aged through the sound insurance principles of social security.

The need for extending America's program of social insurance to help the aged pay their health bills was acknowledged by an overwhelming majority of Congressmen. Ostensibly, the only real dispute was over how the program should be financed. The formula developed through bipartisan negotiations between Senators Anderson, of New Mexico, and Javits, of New York, should have furnished an honorable meeting place for those who favored social security and those who preferred private insurance.

The hope for such an accommodation has now been torpedoed for this session by the obduracy of most Republicans and southern Democrats, who clung to the demonstrably inadequate provisions of the present Kerr-Mills bill or to a variety of expedients totally lacking in financial responsibility. This insures that the issue will move into the forefront of the fall campaign, where it will almost certainly prove of enormous advantage to the President. He will be able to capitalize on the appeal the medical-care plan holds for millions of persons past 65 and for millions of younger persons weighed down by the impact on their budgets of heavy hospital and nursing-home charges for ailing parents.

The popularity of medical care may be a handy device for diverting attention from high unemployment and the relative slowness of economic growth. Once again, as in the scuttling of the administration's proposal for an Urban Affairs Department and the consequent blocking of the first appointment of a Negro to the Cabinet, the President's congressional foes may have given him a helping hand politically. But they have done nothing to help solve the medical problems of the aged.

NOMINATION OF ANTHONY J. CELEBREZZE TO BE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. YOUNG of Ohio. Mr. President, I have stated my belief that Mayor Anthony J. Celebrezze, of Cleveland, who will be the next Secretary of Health, Education, and Welfare, will prove to be the greatest Secretary of Health, Education, and Welfare that we in this Nation have ever had.

In connection with my views, I observed an item in the Washington Star of today, in the column "The Passing Scene," by that eminent columnist and reporter, William S. White, captioned "Celebrezze Selection Reassuring." I ask unanimous consent that the article be placed in the body of the Record at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Passing Scene: Celebrezze Selection Reassuring

(By William S. White)

The blunt hand of the authentic, do-it-yourself political leader, John F. Kennedy—that Kennedy who trusts his own instincts and recoils slightly from the earnest do-goodism of some of his more academic-minded supporters—is back in view.

There is earthy rejoicing, therefore, among the old regular Democratic pros along the Potomac, not to mention in various other parts of the country. They had feared that of late, the President had been too much in the company of—if not under the influence of—the party's wing of egghead reformers.

They are now happy to see that this conclusion was wholly premature.

A RARE CASE

These circumstances arise from Mr. Kennedy's selection of former Mayor Anthony Celebrezze, of Cleveland, to be his new Secretary of Health, Education, and Welfare in succession to Abraham Ribicoff, who is now running for the Senate from Connecticut.

The Celebrezze nomination is one of those very rare instances where practical party politics and the public interest can both be reasonably served at a single stroke. It thus has had the extraordinary effect of pleasing practically everybody except the social-worker type of Democrat. Not even the Republicans are displeased. Though it is true that they have no interest in seeing the Democrats help themselves politically, as Mr. Celebrezze's Italian-American background and connections will do, they are immensely relieved all the same. Another kind of appointment to HEW would have struck real terror to their fiscally prudent hearts.

For HEW is, in a sense, the most sensitive department in this Government. Because it is the central welfare agency for countless millions from just beyond the cradle to just short of the grave, it positively invites the nomination as Secretary of some fellow whose compassion for mankind is as high as his respect for budgets is low. And this great danger is notably present in Democratic administrations.

Thus, when Mr. Ribicoff announced his intention to resign to go back to Connecticut, reasonably conservative men felt entitled to forebodings. Mr. Ribicoff, himself, had been a perfectly sound type. But in all commonsense, the odds seemed to run against the probability that twice in a row the nod would fall to a reasonable, as distinguished from a far-out, liberal to run HEW.

It had appeared more than likely, instead, that the President would be pressed into entering the wild blue yonder in his search for Mr. Ribicoff's successor.

That this has not happened is a source of great satisfaction to all who accept the necessity for public welfare but do not wish to see it turned into some vast house of experimentation at heavy cost in money—and, ultimately, at heavy cost to sensible welfare programs themselves. The Celebrezze appointment, that is to say, is quite simply in the public interest.

IN PARTY'S INTEREST

It is also in the political interest of the Democrats—and this, too, was most distinctly in the President's mind. For Mayor Celebrezze not only comes well recommended as a practical administrator; he also is the first American of Italian descent to serve in a presidential cabinet. Americans of Italian stock for many years have been moving into powerful, and often locally dominant positions in Democratic politics.

For years, too, however, they have felt that they have not had adequate national representation, a complaint Mr. Kennedy has now moved to ease. The effects are likely to be felt as early as this fall's congressional elections and as distantly as the presidential election of 1964.

AGGLOMERATING PLANT OF UNITED STATES STEEL STARTED IN WYOMING

Mr. McGEE. Mr. President, I shall ask to have included in the Record a United Press International story about beginning operations in Atlantic City, Wyo., of an agglomerating plant being operated by United States Steel. Trial runs are being undertaken there, in a new formation in the steelmaking process, in which, there on the spot, literally on top of this vast reserve of iron ore, iron ore is being converted into pellets and then transferred to Utah, where they are converted into steel in the new process. The opening and operation of this process in my State is an important industrial development in the West.

We hope very genuinely that it will serve as a hallmark for other industrial groups to more fully develop the rich resource deposits in the great Rocky Mountain region of our country.

Mr. President, I ask unanimous consent that the article may be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Laramie (Wyo.) Republican-Boomerang, July 13, 1962]

Atlantic City Agglomerating Plant Shakedown Is Started

Atlantic City, Wyo.—Shakedown operations started Thursday at the agglomerating plant of United States Steel's Atlantic City ore mine to turn out the first marble-sized balls of upgraded iron ore ever to come from Wyoming, corporation officials said Friday.

The trial runs on the first of two agglomerating machines marked a major step in the planned startup of the new iron mining and beneficiating operations now nearing completion near Lander, Wyo.

Conversion of concentrated iron ore into rock hard balls some three-eighths of an inch in diameter is the final process in readying taconite ore for blast furnace use, officials at the Fremont County project said.

Late in June, shakedown runs began on the first of three iron ore concentrating sections to prepare concentrate for Thursday's agglomerating trials.

The second concentrating section also started up this week with a third scheduled for shakedown later in the month.

In the agglomerating process, concentrate enters a revolving balling drum some 9 feet in diameter in which the ore rolls up into small mudlike balls.

The balls are fed onto the traveling grate of an agglomerating machine that carries them into a furnace for drying, then burning at temperatures as high as 2,400 degrees Fahrenheit.

This hardens the balls, making them ready for shipment to the blast furnaces at United States Steel's Ceneva works near Provo, Utah.

The beneficiating process crushing, screening, concentrating, and agglomerating—boosts the iron content from less than 30 percent to more than 60 percent.

CAPTIVE NATIONS WEEK CALLS FOR LIBERATION OF CAPTIVE PEOPLES

Mr. YARBOROUGH. Mr. President, Captive Nations Week is being observed in this country for the third consecutive year. It is a fitting remembrance, coming as it does so soon after our own Independence Day observance.

For as we reflect on the good things in our way of life in Fourth of July ceremonies, it is good also to think with gravity and sympathy of the following roster of nations whose people have lost their freedom under the spreading shroud of communism: Latvia, Estonia, and Lithuania, 1940; Albania and Bulgaria, 1944; Rumania, 1946; Poland, 1947; Czechoslovakia, 1948; Hungary, 1949.

Add to these the millions in North Korea, East Germany, North Vietnam, and Tibet. In all there are about 24 captive nations having a total population of more than 900 million.

We in the United States are keenly conscious of the loss of these vast population areas to the Communists, of the continuing quest for expansion of the Communist powers, and of the unceasing saber-rattling of Nikita Khrushchev, whose favorite chant is, "Our bombs are bigger than yours, so beware."

The idea of observance of Captive Nations Week brings into proper focus the danger to the free world of the encroachment of communism. The captive millions need reminders such as this, that they are not forgotten and that the people of the free world have not deserted them. There is a restlessness among the people whenever their freedoms are taken away. All of the propaganda and armed might cannot quell the spirit of oppressed but courageous people.

In my home State of Texas, there are many people of Czechoslovakian descent and they have made great contributions to our country. The Polish built the small settlement of Panna Maria in Texas over a hundred years ago. There are many descendants of that great and liberty-loving people in my own State.

The captive nation that had once held liberty in its hand will always dream of its return. Like a wild bird placed in a cage, it will long to be free. Freedom is never forgotten. The days of freedom are the great and glorious days in the hearts of any people. A few years of freedom, once enjoyed and implanted in the hearts and minds of the people, will live forever.

Even as the Israelites from faraway Babylon dreamed of the rebuilding of Jerusalem, so do captive peoples living now long one day to be free, long to crush the foreign troops and tanks on their soil and live free again.

In this annual observance of Captive Nations Week, we serve notice on the Communist powers that what is seized by force is a tenuous possession indeed, and that we hold out sympathy and continuing hope and practical encouragement that the millions of captives will again live in the freedom and independence in their own dear native lands, which we in the United States cherish.

OBSERVANCES IN HONOR OF SS. CYRIL AND METHODIUS

Mr. SCOTT. Mr. President, on Sunday, July 8, 1962, the 11th centennial anniversary of the arrival of SS. Cyril and Methodius, apostles of the Slavs in general and Slovaks in particular was inaugurated with various religious programs.

One such program was held in Allentown, Pa., where over 1,500 representatives of parishes and societies gathered for pontifical mass, celebrated by Most Rev. Bishop Joseph McShea, D.D., in the Cathedral of St. Catherine of Siena who, according to the Morning Call, Allentown, Pa., of the following day, "praised the Slovak people for their strength in keeping the faith and likened them to the Irish in this respect. Both these national groups," said Bishop McShea, "have held fast to their spiritual inheritance although they have moved from their original soil to new lands and experienced many vicissitudes in the faith through generations."

Other newspapers have commented widely on this solemn and historical anniversary. Mr. John C. Sciranka, well known American Slovak journalist prepared a very interesting article on the Slovak pioneers in Pennsylvania's Lehigh Valley and the Allentown diocese, which also appeared in the Falcon, English section of the Slovak Catholic Sokol, Passaic, N.J. He pointed out that three parishes in the Allentown diocese have these apostles as their patrons.

The preacher for the occasions, Rt. Rev. Msgr. George M. Petro, D.D., of Allentown, Pa., who is mentioned in the historical article, stressed the fact that within fourscore years more churches were erected and dedicated to the apostles SS. Cyril and Methodius in the United States than for a thousand years in their homeland, Slovakia, for the reason that in this country true freedom prevails.

I ask unanimous consent that Mr. Sciranka's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

SLOVAK PIONEERS OF PENNSYLVANIA LEHIGH VALLEY AND ALLENTOWN DIOCESE

(By John C. Sciranka)

Although the Allentown Roman Catholic diocese is but more than a year old, its Slovak parishes have rather old history. On the occasion of their pilgrimage last Sunday, July 8, in honor of SS. Cyril and Methodius, their patron saints, who are also apostles of all Slavonic nations, Slovaks proudly recall that there are three Slovak parishes in this diocese dedicated to these two saintly heralders of Christ, who brought Christianity to Slovakia, the dominant factor in the great Moravian Empire in A.D. 863.

Since the Allentown diocese is a daughter of the great Philadelphia archdiocese, we must look back at some of the great Slavonic priests, who played such noble role in our American history.

We note with pride that the first priest of Philadelphia diocese was the famous Russian prince Demetrius Augustin Gallitzin, who was ordained on March 18, 1795, by the first Catholic bishop in America, the Most Rev. J. Carroll, whose brother was the signer of the Declaration of Independence. Father Gallitzin is known as the Apostle of the Alleghenies. He was the first priest in the Thirteen Original Colonies to receive all orders from tonsure to priesthood. He died on May 6, 1840, and is buried at Loretto, Pa., later the favorite town of the famous Bethlehem Steel magnate, Charles Schwab.

Rev. Ignatius Jaskovich, known as the first Slovak priest and parish organizer in America, is also registered in the annals of the Philadelphia archdiocese.

FIRST SLOVAK CHURCH IN WESTERN HEMISPHERE

On February 6, 1962, a special tribute was paid in the Pennsylvania Legislature to Father Jaskovich, when the following resolution was adopted unanimously in the house of representatives.

"St. Joseph's Roman Catholic Church in Hazleton, Pa., is the oldest Slovak Roman Catholic church in the Western Hemisphere.

"The Reverend Ignatius Jaskovich, who arrived in this country in 1882 as the first Slovak Catholic priest in America, blessed the cornerstone of St. Joseph's Roman Catholic Church on June 29, 1885, the feast of SS. Peter and Paul, and the first holy mass was offered up in the new church on the feast of St. Nicholas, December 6, 1885: Therefore be it

"*Resolved,* That because of the great historical significance of St. Joseph's as the first Slovak Roman Catholic Church in the Western Hemisphere, the house of representatives hereby recommends and urges that the Pennsylvania Historical and Museum Commission place a historical marker at this site setting forth the pertinent facts."

And similar resolution was adopted to set a marker for the first Slovak Lutheran church in the Western Hemisphere, the Church of SS Peter and Paul at Freeland, Pa. The organizer of this Slovak Lutheran church was Michael Zemany, who first settled in Mahanoy City in February 1873. Four years later he moved to Upper Lehigh, Pa., and in 1880, he came to Freeland, where he was instrumental in organizing this church, where the first services were conducted on February 22, 1883, and a present church being built in 1886.

However, the Slovaks of Allentown diocese proudly recall that when the mentioned Father Jaskovich arrived in America in 1882, John Zboyovsky, later organizer of the Slovak Church of SS. Cyril and Methodius in Bethlehem, Pa., also came to this country and first settled in Passaic, N.J., where his son, John Zboyovsky, was born on May 6, 1883, who became the first American-born Slovak priest to be ordained for the Philadelphia archdiocese. Father Zboyovsky celebrated last year his golden jubilee of ordination and due to ill health lives retired in Bethlehem, Pa.

Father Imrich Kucharic, born in Slovakia, and still active in the Allentown diocese, also observed golden jubilee with Father Zboyovsky.

MONSIGNOR HEINEN, "APOSTLE OF THE SLOVAKS"

But in spite of these illustrious pioneers, the honor and title of "Apostle of the Slovaks" in the Lehigh Valley goes to Msgr.

William Heinen of East Mauch Chunk, now Jim Thorpe, for it was through his efforts that the first Slovak parish of SS. Cyril and Methodius was established in Allentown diocese in 1891. Father Heinen, as he was then popularly known was born in the village of Willich on the Rhineland, Germany in 1839. At the age of 19 he began to study law. A year later he joined the army, where he was wounded. During his recuperation in the hospital he read books about American Indians and a need for missioners here. Thus he came to this country on August 21, 1869. He studied for priesthood at St. Charles Boromeo Seminary in Philadelphia and was ordained. He celebrated his first solemn mass on April 10, 1871. First he was assistant at Sacred Heart Church in Allentown, later at St. Paul's in Reading, where he got better acquainted with the Slovaks. After that he was made pastor of St. Joseph's Church at Lehighton. Here he got acquainted with the Slovak workers on the railroad tracks.

There were no Slovak priests in this area, and Father Heinen saw that great need. When one day a Slovak worker was seriously injured in the railroad accident and Father Heinen could not hear his confession for not knowing the Slovak language, he decided to learn it. In 1888 he visited the Slovaks in Summitt Hill and Lansford and encouraged them to organize a parish, and thus the Slovak parish of St. Michael Archangel was established in 1891. Shortly after this a young Slovak lad came from Slovakia who started to work in the mines. He was Paul J. Lisicky. During his visits among parishioners, Father Heinen met young Paul and sent him to study for priesthood. In 1895 Paul J. Lisicky was enrolled in the St. Charles Seminary, Philadelphia, as the first Slovak student. During his vacation he visited Father Heinen and aided him in study of Slovak language. After his ordination on March 21, 1903, Father Lisicky became Monsignor Heinen's assistant. To Father Lisicky goes the credit that he was the first Slovak to complete his studies at the archdiocesan seminary of Philadelphia. Before his ordination he founded the parish of St. Andrew at Catassauqua on November 30, 1902. Father Lisicky labored for close to four decades in Lansford at St. Michael's where he died in July 1955.

FATHER FRANCIS C. VLOSSAK

But prior to his association with Monsignor Heinen, another great Slovak pioneer deserves mention. He is the late Reverend Francis C. Vlossak, who was born in Slovakia in 1864. After serving in the Army, he volunteered to study at the famous American College at Louvain, Belgium, which was established in 1857 by two American bishops, Martin J. Spalding, then of Louisville, Ky., and later archbishop of Baltimore, and Bishop Peter P. LeFevre of the diocese of Detroit. The American College was founded to enable American born students to pursue courses of theology in Europe, while familiarizing themselves with European culture and customs also help European seminarians for pastoral work in the United States. Father Francis C. Vlossak was ordained there for the Philadelphia archdiocese on June 29, 1891, just when Monsignor Heinen was busy organizing the first Slovak parishes with the help of Slovak fraternalists. In September 1891 he came to Mauch Chunk, Pa., as a new assistant of Monsignor Heinen. Father Vlossak visited the Slovaks of Bethlehem, Lansford, Slatington, Penn Haven, Weatherly, Mahanoy City, Tamaqua, Pleasant Hill (later McAdoo), Shehandoah, St. Clair, Pottsville, Mount Carmel, and Allentown, where he established or helped to establish parishes. He worked closely with Monsignor Heinen.

FIRST PARISH DEDICATED TO SLOVAK APOSTLES

The honor of the first parish of SS. Cyril and Methodius in Allentown diocese goes to Bethlehem, Pa., where the first Slovaks came on January 18, 1880. The first group consisted of Stephen Balshay, George and Steven Tomko, John Esternik, John Anderko, John Varga, Andrew Kostelnik, and Stephen Gaspar. John J. Bartos, well-known American Slovak fraternalist, compiled the history of these first pioneers during the Slovak Catholic Sokol convention in Bethlehem in 1921 with the aid of the late editor of the organization, Milan P. Pauliny. The first Slovaks were aided by Dr. Brauner, a Bohemian physician. Michael Balik and his son, also George Varga, Andrew Lorinc, and Andrew Sitar arrived in April 1880, followed by Stephen B. Gazdacka, John Gress, and John Balshay in June of same year.

FIRST SLOVAK WOMAN IN BETHLEHEM, PA.

Mrs. Mary Vojtek was the first Slovak woman to arrive in Bethlehem with her husband and two children, John Fritz and Samuel Adams. Officials of Bethlehem Steel brought her with her husband from Shehandoah to keep a boardinghouse for the Slovak steelworkers.

Monsignor Heinen with the late George Slafkovsky and the above-mentioned John Zboyovsky called the meeting of Slovaks to establish the church of SS. Cyril and Methodius in 1891. Rev. John Novacky was first pastor from 1891 to 1896, followed by Father Francis C. Vlossak.

In 1908 a school was erected in Lansford by the parishioners but they had no teachers. Monsignor Heinen went to Europe to search for teachers who could speak English. He brought from Austria the Missionary Sisters of Sacred Heart, who opened the first school in Lansford at St. Michael's parish on September 5, 1908, and a year later at Bethlehem parish of SS. Cyril and Methodius.

Misses Mary Frendak of Lansford and Anna Soltis of Bethlehem joined the order of these nuns and were sent to study abroad in 1909 and returned back to America in 1912. Miss Frendak took the name of Sister Mary Cyrila and Miss Soltis the name of Sister M. Methodia, which is the best proof of love of the Slovaks in this valley for the heritage of the Slovak apostles, whose feast we are observing this month.

Providentially a year later, in 1913 the Sisters of St. Francis came to America from Slovakia and opened their first parochial school at St. Gabriel's parish, North Side, Pittsburgh, Pa. The writer was one of their first pupils. Now they are teaching in the Allentown diocese and have a girls' academy at Monacacy Manor, Bethlehem.

The second parish in the Allentown diocese dedicated to SS. Cyril and Methodius, was established in Reading, Pa., in 1895, although the organization work began in 1893. Msgr. George Bornemann ably assisted the Slovaks in their work with the Society of St. John the Baptist. Monsignor Heinen was also very helpful. The first pastor was Father Charles Abt. The first Slovak pastor was Rev. Joseph Kasparek, who was born in Moravia in 1872 and was ordained at the American College at Louvain, Belgium, on June 29, 1894. He also came to be assistant to Monsignor Heinen at Mauch Chunk. Father Kasparek built a new church in Lansford and a parochial school. He accompanied Monsignor Heinen to meet the Missionary Sisters of Sacred Heart in New York when they arrived in this country and took them to Lansford.

The present pastor of Lansford parish is Very Rev. Joseph Baran, V.F., dean of the priests of Carbon County. The present pastor of Bethlehem parish is Father Felix Labuda and the pastor of Reading parish is Father Michael P. Kakos.

The third parish dedicated to SS. Cyril and Methodius in Allentown diocese is at Coaldale, Pa., founded on June 10, 1920. Rev. Nicholas J. Terna has been its pastor since then.

There are 16 Slovak parishes in the Allentown diocese with old Slovak societies of various fraternal organizations. Also a Slovak Franciscan Fathers monastery at Easton, Pa., dedicated last September.

The Slovak Catholic Sokol organization has 2 of its 18 groups in the Allentown diocese. Group 10, whose patron is famous Slovak priest-historian Frantisek V. Sasinek, has its seat in Bethlehem, Pa., where the largest Sokol assembly 78, and the largest Sokol wreath 32 are located. And group 18, whose patron is Rev. Joseph Martincek, well-known American Slovak priest-pioneer and organizer of several parishes, is located at Lansford, Pa.

The Slovak Parish of St. John the Baptist in Allentown, Pa., was founded on December 31, 1906. Its first pastor was Rev. Aloysius J. Vychodil, who was followed by Rev. Joseph Horaek. Since 1918 the pastor is Rt. Rev. Msgr. George M. Petro, D.D., who was born on March 11, 1890 in Bethlehem, Pa. He studied at St. Charles seminary at Overbrook and was sent to Rome, where he studied at the North American College with Cardinal Spellman and the late Rev. Dr. John Jurasko, also a former Pennsylvania Slovak from Maltby. They completed their studies in the eternal city on May 14, 1916.

VENERABLE BISHOP JÁN NEPOMUK NEUMANN

In connection with this review of history of Slovaks and Slavs, it should be remembered that the fourth bishop of the Philadelphia archdiocese was the Venerable John Nepomuk Neumann, who was born in Bohemia, now Czechoslovakia on March 28, 1811. He studied in Prague and mastered 12 languages, including Gaelic, Russian, and Slovak. On March 28, 1852, his 41st birthday, he was consecrated bishop of Philadelphia and died on January 5, 1860. In 1952 when the Slovak Catholic Federation of America held its pilgrimage at the Cathedral of SS. Peter and Paul in honor of SS Cyril and Methodius, the late Cardinal O'Hara paid tribute to Bishop Neumann and to the Slovaks, comparing their plight in history to the Irish, stating that "Like the Irish you don't know from one day to the other who might be your master, but you have great unifying spirit of the faith, the faith of SS. Cyril and Methodius."

And on July 4, 1921, the late Dennis Cardinal Dougherty, archbishop of Philadelphia, praised the work of the Slovak Catholic Federation which was founded on February 22, 1911, by a Pennsylvania priest-scientist, Rev. Joseph Murgas at Wilkes-Barre, Pa., when he stated in writing: "Much good can be done by a combined effort of all Slovak Catholics, especially when an organization like the Slovak Catholic Federation is under the guidance of ecclesiastical authorities and clings entirely to Catholic principles and traditions. Since it is the purpose of this federation to do this, it gives me pleasure to send it my blessing and best wishes."

Apropos, on Sunday, July 8, 1962, during the annual pilgrimage of eastern district of the Slovak Catholic Federation of America, held at Allentown, Pa., in honor of the two Slovak apostles, SS. Cyril and Methodius, and attended by our monsignori and priests, and over 1,500 pilgrims, Most Rev. Joseph McShea, D.D., first ordinary of the Allentown diocese, felicitated the federation on its Catholic action spirit, gave his episcopal blessing and approval of its fine work and speaking on nationality parishes, as principal speaker, urged the Slovaks and other ethnic groups to continue to hold on to and enrich their nationality parishes. "All our Catholic parishes in America were immigrant parishes," stressed Bishop McShea, "and out of them grew the great spiritual bulwark—the Catholic Church in America, which is an inspiration and hope for the oppressed and persecuted nations, hoping and praying for their liberation."

Bishop McShea's statement on this vital subject is a great tribute to the sacrifices of the early pioneers and fathers of our faith, and we are certain that it will encourage the present and the future generations to cling more fervently to the sacred heritage of our forefathers.

DR. FRANCES O. KELSEY DESERVES MEDAL FOR PUBLIC SERVICE

Mr. KEFAUVER. Mr. President, in addition to the distinguished Senator from Maine, whom I have been happy to join in honoring, I wish to pay tribute to another outstanding American woman who deserves special recognition today. Dr. Frances O. Kelsey, physician and pharmacologist of the Food and Drug Administration, deserves a gold medal representing an award for distinguished Federal civilian service and the thanks of the American people.

I invited this outstanding woman, Dr. Kelsey, to be with us today. She and her distinguished husband, who is also a pharmacologist, and their two lovely daughters are with us, together with Commissioner George P. Larrick, the head of the Food and Drug Administration, and other leading officials of the Food and Drug Administration, who join all of us in paying tribute to Dr. Kelsey. We are exceedingly proud of her and of her distinguished service.

As a medical officer of the FDA's new Drug Division, she showed great courage and devotion to the public interest by preventing the sale in this country of the drug, thalidomide.

This drug, developed by the German firm, Chemie Grunenthal, was extensively sold in West Germany, England, and other countries as a tranquilizer and sedative, for which purposes it seemed to have good results.

The William S. Merrell Co., as the American licensee of Grunenthal, tried very hard to get approval of the Food and Drug Administration for placing the drug on the market here. Based on her own knowledge as a pharmacologist and on a few brief communications in foreign medical journals, Dr. Kelsey became suspicious of the drug and withstood great pressure from the company in refusing to approve it for marketing in this country. Specifically, because of reports of damage to adult nervous tissue, which is notably resistant to injury, she suspected the likelihood of more serious damage to embryonic nervous tissue, a possible connection apparently missed by the pharmacologists of the various firms involved and by their consultants.

The PRESIDING OFFICER (Mr. GRUENING in the chair). The time of the Senator has expired.

Mr. KEFAUVER. Mr. President, since I am the last speaker in the morning hour, and the subject is an important one, I ask unanimous consent that I may continue to speak for 10 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. Dr. Kelsey's fears have been proved more than amply warranted. It developed that the use of the drug abroad by pregnant mothers has resulted in thousands of births of malformed babies, usually without arms or legs, and sometimes without either. Instead of arms they usually have seallike flippers.

Mr. President, I have a picture here of some of the horrible results in other countries. In Germany there have been 3,500 to 5,000 newborn children with terrible malformations such as the one pictured. It is a horrible story, both as to the nature and the frequency of the side effect.

The story of Dr. Kelsey's devotion to duty in the face of many obstacles is accurately written in a very excellent feature story by Morton Mintz, staff reporter of the Washington Post, and is published as a page 1 article in the Washington Post of Sunday, July 15. I ask unanimous consent that Mr. Mintz' article be made a part of the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KEFAUVER. Mr. President, in the Evening Star, the Washington Daily News, and other newspapers all over the country articles have appeared telling the story of the courageous and fine public service rendered by Dr. Kelsey. At a later date I expect to ask permission to have them printed in the RECORD, but I shall not do so at the moment.

The thalidomide episode dramatically illustrates the necessity of incorporating strong and fair provisions to protect the public against drugs with adverse side effects. Such provisions were contained in the drug industry bill, S. 1552, as originally reported by the Antitrust Subcommittee. On the specific point at issue, the bill would have prohibited the sale of a drug until it was approved by the Food and Drug Administration. At the present time, a new drug application is approved automatically in 60 days unless the Commissioner of the FDA acts to prevent its sale. This, of course, places great pressure and strain upon the physicians of the FDA who are trying to protect the American people from drugs with dangerous side effects, such as thalidomide. They should have an adequate time to assure themselves that the drug is safe, and applications should not become effective automatically during any time period. The very fact that the drug is new usually means that there is little in the way of independent and objective clinical studies to guide the FDA physicians in their work. As changed in the full Judiciary Committee, the bill merely provides that the time period in which action may be taken by the Food and Drug Administration is extended from 60 to 90 days.

The PRESIDING OFFICER. The second 3 minutes of the Senator have expired.

Mr. KEFAUVER. I ask unanimous consent that I may proceed for an additional 5 minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. KEFAUVER. Commissioner Larrick, and other officials of the Food and Drug Administration are strongly of the opinion that they should not have to approve a new drug application until they are satisfied beyond any reasonable doubt as to the safety and efficacy of the drug.

The amendment is typical of so many provisions of S. 1552 in the form in which it was reported out by the full Judiciary Committee; there is some improvement over the present law, but the provisions do not adequately meet the problem to which they are addressed.

Mr. President, section 2123 of title 5 of the United States Code provides for honorary recognition of civilian officers of the Government who perform special services in the public interest. Executive Order No. 10717, issued under the authority of this section, provides a gold medal known as the President's Award for Distinguished Federal Civilian Service.

Dr. Frances Kelsey has certainly earned such a medal, and the gratitude of the public and the Government, through her protection of the many thousands of children born in the past year from horrible malformations.

I believe I am at liberty to say that Commissioner Larrick and other officials of the Food and Drug Administration and the acting Secretary of HEW wish to join in asking for Presidential recognition of the outstanding work of this good woman. I trust that Congress will join me in calling upon the President of the United States to confer the gold medal upon Dr. Kelsey.

Mr. HART. Mr. President, I join in saluting the distinguished Senator from Tennessee for bringing to the attention of the country the remarkable contribution that has been made to public health by Dr. Frances Kelsey. I hope very much that the recommendation which the Senator from Tennessee is making with respect to the proposed award of the gold medal will be adopted by the President.

This particular case, so dramatically highlighted in recent days, will enable the Senate to measure wisely the action which we should take with respect to the drug bill which the Senate will soon have before it for consideration.

It gives us chapter and verse against which we can measure our responsibility when the bill comes before us.

Mr. KEFAUVER. I thank the Senator for his comments. I know they will be appreciated by Dr. Kelsey, by the officials of HEW, and by the President. I also thank the Senator for his observation that this case points up the necessity of a strong and effective provision in our basic law for the protection of our people from harmful effects of certain prescription drugs.

Mr. JAVITS. Mr. President, I join in commending Dr. Kelsey for service beyond the call of duty. It is always a pleasure for me to encourage our civil servants, and to make certain that their contributions are recognized. I have introduced a bill for the making of civilian awards, which has application to the same general idea that we are discussing today.

However, I do not wish to be understood as joining with the Senator from Tennessee and the Senator from Michigan in their view with respect to the necessity for legislation. It may not be necessary to pass such legislation. It may or may not be the thing to do, but I do not wish to be considered as endorsing legislation. Indeed, the Kelsey case may show that the present system is working pretty well and that legislation may not be needed.

Be that as it may, I would be less than true to my duty if I did not join the Senator from Tennessee in calling attention to the fine public service of this outstanding public servant, in lauding and applauding that service and in urging that it be appropriately recognized.

I feel in good conscience that I can do so without necessarily subscribing to the views which the Senator from Tennessee has stated with respect to pending legislation of which he is a distinguished sponsor.

Mr. KEFAUVER. I wish to express my appreciation to the Senator from New York. Throughout this investigation he has always shown a very thoughtful interest in wanting to protect the public health against unreasonable prices and unsafe and ineffective medicines. I appreciate his interest in this subject.

Exhibit 1

[From the Washington (D.C.) Post, July 15, 1962]

Heroine of FDA Keeps Bad Drug Off Markets Linked to Malformed Babies

(By Morton Mintz)

This is the story of how the skepticism and stubbornness of a Government physician prevented what could have been an appalling American tragedy, the birth of hundreds or indeed thousands of armless and legless children.

The story of Dr. Frances Oldham Kelsey, a Food and Drug Administration medical officer, is not one of inspired prophesies nor of dramatic research breakthroughs.

She saw her duty in sternly simple terms, and she carried it out, living the while with insinuations that she was a bureaucratic nitpicker, unreasonable—even, she said, stupid. That such attributes could have been ascribed to her is, by her own acknowledgment, not surprising, considering all of the circumstances.

What she did was refuse to be hurried into approving an application for marketing a new drug. She regarded its safety as unproved, despite considerable data arguing that it was ultrasafe.

It was not until last April, 19 months after the application was filed with the FDA, that the terrible effects of the drug abroad were widely reported in this country. What remains to be told is how and why Dr. Kelsey blocked the introduction of the drug before those effects were suspected by anyone.

Dr. Kelsey invoked her high standards and her belief that the drug was "peculiar" against these facts:

The drug had come into widespread use in other countries. In West Germany, where it was used primarily as a sedative, huge quantities of it were sold over the counter before it was put on a prescription basis. It gave a prompt, deep, natural sleep that was not followed by a hangover. It was cheap. It failed to kill even the would-be suicides who swallowed massive doses.

And there were the reports on experiments with animals. Only a few weeks ago the American licensee told of giving the drug to rats in doses 6 to 60 times greater than the comparable human dosage. Of 1,510 offspring, none was delivered with "evidence of malformation."

In a separate study, one rat did deliver a malformed offspring, but the dosage had been 1,200 times the usual one. Rabbits that were injected with six times the comparable human dose also were reported to have produced no malformed births.

Recently, the FDA publicly decried the "excessive contacts" made with its personnel by pharmaceutical manufacturers who are anxious to speed the agency's handling of new-drug applications.

MANY REQUESTS

So it was not at all surprising that dozens of contacts were made with Dr. Kelsey by representatives of the American licensee for thalidomide, the chemical name for the sedative. They had what they strongly believed was a clear and overwhelming case—but Dr. Kelsey delayed, and delayed, and delayed.

They visited her in her drably furnished, bare-floor office in an eyesore tempo on Jefferson Drive SW. They phoned. They submitted a flow of reports and studies. It was apparent that substantial investments and substantial profits were at stake. And all of this was routine.

The application had come to Dr. Kelsey—simply because it was her turn to take the next one—in September 1960.

The European data left her "very unimpressed." In an interview, she said she had "lived through cycles before" in which a drug was acclaimed for a year or two—until harmful side effects became known.

And, she said, she could not help regarding thalidomide as "a peculiar drug." It troubled her that its effects on experimental animals were not the same as on humans—it did not make them sleepy.

SAME QUESTIONS

Could there be danger in those few people whose systems might absorb it? Could there be a harmful effect on an unborn child whose mother took it? (In other countries obstetricians were innocently prescribing it as an antiemetic for pregnant women.)

Dr. Kelsey regarded the manufacturer's evidence of thalidomide's safety as "incomplete in many respects." The drug was not, after all, intended for grave diseases, or for the relief of intolerable suffering, but primarily for sleeplessness, for which many drugs of known safety were already on the market.

All of this being so, she saw no need either to hurry or to be satisfied with the approach that, 9 chances out of 10, it's safe. She was determined to be certain that thalidomide was safe 10 times out of 10, and she was prepared to wait forever for proof that it was.

When the 60-day deadline for action on the application came around, Dr. Kelsey wrote the manufacturer that the proof of safety was inadequate. Perhaps with an understandable feeling of frustration the manufacturer produced new research data, new reasons for action. Each time a new 60-day deadline drew near, out went another letter: insufficient proof of safety.

UPHELD BY SUPERIORS

Dr. Kelsey's tenacity—or unreasonableness, depending upon one's viewpoint—was upheld by her superiors, all the way.

Although she takes her work seriously indeed, her contacts with applicants are, in her words, "usually amiable. We see their point, and they see ours. But the responsibility for releasing a drug is ours, not theirs." And that is the responsibility she would not forget.

In February 1961, she chanced to read, in a British medical journal, a letter from a British doctor questioning whether certain instances of peripheral neuritis—a tingling and numbness in the feet and the fingers that is sometimes irreversible—might not be due to intake of thalidomide. To her this was a danger signal.

She called the letter to the attention of the applicant. His investigators reported that the incidence was apparently negligible, 1 case among 300,000 adult users. Six months later, Dr. Kelsey said, the incidence among adults who took thalidomide regularly for months at a time was found to be 1 in 250.

But neither she nor the applicant yet had the slightest inkling that the drug could be responsible for the birth of malformed babies. That awful circumstantial evidence became known to the applicant—in a cablegram from Europe—on November 29, 1961.

APPLICATION WITHDRAWN

He reported it to Dr. Kelsey early the next day. Although this was followed by a formal withdrawal of the application, as late as last month the applicant described the birth abnormalities as alleged effects of thalidomide.

The story begins in 1954, 6 years before Dr. Kelsey, a pharmacologist as well as a physician, went to work in the FDA's Bureau of Medicine. She and her husband, F. Ellis Kelsey, a pharmacologist who is now a special assistant to the Surgeon General of the Public Health Service, came here from the faculty of the University of South Dakota School of Medicine.

For the account that follows, the primary sources were Dr. Kelsey and reports by Dr. Helen B. Taussig to a medical meeting in April and in the June 30 issue of the Journal of the American Medical Association.

Dr. Taussig, professor of pediatrics at the Johns Hopkins School of Medicine in Baltimore, went to West Germany in January to investigate the relationship between thalidomide and an enormous increase in the birthrate of malformed infants.

Eight years ago a West German manufacturer conceived of the drug, synthesized it—and discarded it after discerning no effect on test animals. In 1958 another West German firm also developed thalidomide and found it to be, by all indications, the best sleeping compound ever devised.

LARGE SALE

The sale was tremendous. It even came to be used for grippe, neuralgia, asthma, in cough medicines and to calm children before they were given electroencephalograms.

In Germany it was marketed as Contergan, in the British Commonwealth as Distaval, in Portugal as Softenon. Dr. Kelsey's native Canada accepted it on April 1, 1961, for manufacture by one firm under the name Tallimol and by another firm, the William S. Merrell Co. of Cincinnati, under the name Kevadon. It was the 134-year-old Merrell firm that was seeking to market Kevadon as a prescription drug in the United States.

At this time—April 1961—West German investigators were desperately groping for an explanation of an unprecedented outbreak of phocomelia, the malformation hitherto so rare that it isn't even listed in some medical dictionaries. An 86-year-old Gottingen specialist in human deformities told Dr. Taussig that he had in his whole lifetime "seen as many individuals with two heads as he had with phocomelia."

Usually, phocomelia deprives its victim of one arm. Rudimentary fingers that look, said Dr. Taussig, "like the flippers of a seal" arise from the stub below the shoulder.

CLINIC CASES

In eight West German pediatric clinics there were no cases at all between 1954 and 1959. In 1959 there were 12, in 1960 there were 83, in 1961 there were 302.

These were not the ordinary textbook cases. Not just one arm was affected. These children were without both arms, or without both legs, or without three limbs, or they were without any limbs at all.

In some, the external ear was missing and hearing was grossly impaired. There were deformities of the eyes, esophagus and intestinal tract; and even this is not a complete list.

Once the suspected link with Contergan was established, Contergan was taken off the

West German market. The expectation is that the last mothers who could have taken it during early pregnacy, the danger period, will be delivered in August. The estimates are that by the end of next month the total of deformed children born in West Germany will be between 3,500 and 6,000. Two out of three are expected to live. Most are apparently of normal mentality.

The drug was withdrawn from the British market 5 days after the withdrawal in West Germany. The Guardian, Manchester, has predicted that August will see the birth of 800 deformed English children. The Ministry of Health has begun to fit 50 victims with artificial limbs.

EIGHT IN CANADA

An article prepared for the May 19 issue of Maclean's magazine said that at the time of writing eight victims of phocomelia had been born in Canada, two of them to physicians' wives who had used "samples of thalidomide donated to their husbands."

Because the department of health did not order thalidomide withdrawn from sale until March 2, Maclean's said the last Canadian casualties are not expected until November.

The cause of the West German outbreak was hard to trace. Hereditary factors, blood incompatibility between parents, abnormal chromosomes, radioactive fallout, X-rays, detergents, food preservatives—all of these things, and more, were suspected, checked, and discarded as possibilities.

A Hamburg pediatrician, Dr. Widukind Lenz, made preliminary studies showing that about 20 percent of the mothers who brought deformed infants to his clinic had taken Contergan. Dr. Taussig wrote:

"On November 8, 1961, it occurred to him that Contergan was the cause. He requestioned his patients and the incidence promptly rose to about 50 percent. Many of the patients said they had considered the drug too innocent to mention it on the questionnaire.

MAKER WARNED

"On November 15 he warned Grunenthal [the manufacturer] that he suspected Contergan was the cause and that the drug should be withdrawn."

Five days later, at a pediatric meeting in Dusseldorf he reported his suspicions and his actions but did not name the drug. That night Dr. Taussig related, "a physician came up to him and said, 'Will you tell me confidentially, is it the drug Contergan? I ask because we have such a child and my wife took Contergan.'

"A couple of days later it was generally known that Contergan was the drug under suspicion. On November 26 Grunenthal withdrew the drug from the market. On November 28 the Ministry of Health issued a firm but cautious and widely publicized statement that Contergan was suspected to be a major factor in the production of phocomelia."

Dr. Taussig reported that an Australian physician, Dr. W. G. McBride, saw three severe cases in April 1961, and three more in October and November. "He found that all six mothers had taken Distaval in early pregnancy," the Journal article said.

In Stirlingshire, Scotland, Dr. A. L. Spiers saw 10 severe phocomelia victims during 1961 and ultimately "obtained positive proof that 8 out of 10 of these patients had taken Distaval."

DIFFICULT CONNECTION

Making the connection—which some physicians say is not conclusively established—was extraordinarily difficult.

Dr. Lenz, for example, had to contend with the lack of records during the time when Contergan was sold without prescription, and with his patients' natural difficulty in recalling if and precisely when they had taken a sleeping pill months earlier.

"In one instance," Dr. Taussig wrote, a doctor "swore the mother had not received Contergan. He had prescribed an entirely different sedative. On investigation at the pharmacy Dr. Lenz found the prescription was stamped 'drug not in stock, Contergan given instead'."

Dr. Taussig said the investigations of Dr. Lenz in particular indicate that the embryo is endangered if a mother takes thalidomide within about 2 to 4 days after conception, a time when she may not even know that she is pregnant.

He believes that during that sensitive period the chances that a mother who has taken the drug will deliver a deformed baby are at least 2 in 5.

COMPANY VIEW

The Merrell firm says that conclusive proof is lacking for such assumptions and cites a clinic in Kiel at which, Merrell reported, half of the deformed children were delivered to mothers who probably had not taken thalidomide.

"Everyone admits," Dr. Taussig wrote, "that no information is available concerning how many women may have taken the drug in the sensitive period and have had a normal child."

Dr. Kelsey said the molecular complex of thalidomide is being broken down and studied in an effort to determine the causative agent in thalidomide.

In all of this Dr. Taussig sees compelling reason for caution in the use of new drugs by women of childbearing age. A Canadian physician interviewed by Maclean's said, "There is too much demand on the part of the public for relief of mild or even moderately severe symptoms. People won't put up with even the slightest discomfort or headache; they demand medication from their doctor. If they can't get it from one, they'll go to another."

Dr. Taussig also wants the 1938 Food and Drug Act strengthened to provide greater assurance that new drugs will not harm unborn children. But to Assistant FDA Commissioner Winton B. Rankin, the significant thing about the law is that it gave Dr. Kelsey the weapon she needed to block the marketing of thalidomide in the United States.

"The American public," he said, "owes her a vote of thanks."

The 47-year-old Dr. Kelsey lives at 5811 Brookside Drive, Chevy Chase, with her husband and daughters, Susan, 15, and Christine, 12.

She is grateful for the praise—but recognizes that, had thalidomide proved to be as safe as the applicant believed, "I would have been considered unreasonable."

She intends to go on "playing for that 10th chance in 10" to assure safety in new drugs "to the best of my ability." For 20 years she taught pharmacology. She knows the dangers, and she has not the slightest intention of forgetting them.

EMANCIPATION PROCLAMATION CENTENNIAL

Mr. JAVITS. Mr. President, the year 1963 will mark the centennial of the Emancipation Proclamation. A number of bills have been introduced calling for various sorts of national recognition and celebration of the event. I am a cosponsor of Senate Joint Resolution 138, introduced by Senator DOUGLAS, to create a commission to commemorate appropriately the emancipation of the American Negro, including presentation of an exhibit at the Emancipation Centennial Exposition to be held in Chicago, Ill., in the summer of 1963. Surely the Congress should be able to enact at least this ceremonial recognition of equal rights.

I was happy to note last month the stated intention of the distinguished Governor of my State, Nelson A. Rockefeller, to present to the Governors' conference on July 1–4 a resolution pledging affirmative action at the State level against discrimination based on race, creed, or color, in housing, in education, in transportation, in employment, in public places of assembly or in personal services.

I note with regret that the resolution was not adopted by the conference.

I invite the attention of my colleagues to the statement made by Governor Rockefeller on this subject, at the banquet of the Council of Bishops, American Methodist Episcopal Church, in New York, on July 5. I ask unanimous consent that the statement be inserted in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPTS OF REMARKS BY GOV. NELSON A. ROCKEFELLER, PREPARED FOR DELIVERY AT BANQUET OF COUNCIL OF BISHOPS, AFRICAN METHODIST EPISCOPAL CHURCH, PARK SHERATON HOTEL, NEW YORK, N.Y., THURSDAY EVENING, JULY 5, 1962

On July 16 a plaque in memory of my father, John D. Rockefeller, Jr., will be dedicated at Rockefeller Center. On that plaque will appear the words which sum up my father's credo—the principles underlying a lifetime of dedication to his fellow man.

These are the words:

'I believe in the supreme worth of the individual and in his right to life, liberty, and the pursuit of happiness.

"I believe that every right implies a responsibility; every opportunity, an obligation; every possession a duty.

"I believe that the law was made for man and not man for the law; that government is the servant of the people and not their master.

"I believe in the dignity of labor, whether with head or hand; that the world owes no man a living but that it owes every man an opportunity to make a living.

"I believe that thrift is essential to well-ordered living and that economy is a prime requisite of a sound financial structure, whether in government, business or personal affairs.

"I believe that truth and justice are fundamental to an enduring social order.

"I believe in the sacredness of a promise, that a man's word should be as good as his bond, that character—not wealth or power or position—is of supreme worth.

"I believe that the rendering of useful service is the common duty of mankind and that only in the purifying fire of sacrifice is the cross of selfishness consumed and the greatness of the human soul set free.

"I believe in an all-wise and all-loving God, named by whatever name, and that the individual's highest fulfillment, greatest happiness, and widest usefulness are to be found in living in harmony with His will.

"I believe that love is the greatest thing in the world; that it alone can overcome hate; that right can and will triumph over might."

That was my father's creed.

Throughout my own life, these words of my father have been an inspiration—and a challenge. I can find nothing in this statement that I would alter now. For while these are words of personal conviction, they spring from an ancient Judeo-Christian ethic that has uplifted mankind through the centuries—and is the moral and spiritual basis on which this Nation was founded.

It is well to remind ourselves of this moral base, to draw strength from the well-springs of our spiritual heritage, as we contemplate the unfinished business of our civilization. And of this unfinished business, nothing is more crucial or fundamental than the final and permanent assurance that our professions of man's equality shall truly have full meaning for every American.

Earlier this week, at the annual conference of the Nation's Governors, I presented this resolution:

"Whereas this Nation, under God, was founded on and draws its sustenance from the concept of the worth of the individual and the brotherhood of man; and

"Whereas this year of 1962 marks the 100th anniversary of the promulgation by President Abraham Lincoln of the Emancipation Proclamation; and

"Whereas, at a time when the strength and endurance of fundamental human values are being tested throughout the free world, it is appropriate and desirable to rededicate ourselves to the dignity and rights of the individual; and

"Whereas human rights and individual dignity require both adequate protection through law and continuous action at every level of our society, public and private, to make these fundamental rights a living reality for our people; and

"Whereas the enjoyment by the States of their full rights as sovereign entities requires the States to assume and discharge with vigor their full responsibilities not alone for the health and welfare of their people but also for the realization of their peoples' aspirations for freedom, dignity, and equal rights and opportunities as individual human beings; and

"Whereas the impact of the actions of the States in this crucial area of human values has immediate significance far beyond the borders of our States in the eyes of the world; and

"Whereas any discrimination based on race, creed or color, in housing, in education, in transportation, in employment, in public places of assembly, or in personal services is alien to these fundamental values: Now, therefore, be it

Resolved, On the 100th anniversary of the Emancipation Proclamation, that we Governors in conference here assembled pledge ourselves, affirmatively and positively, to seek to translate these cherished American values into fuller reality within our respective States, by executive action, where possible, through laws adopted by the State legislatures, where necessary, and by fully utilizing in the arena of public opinion the leadership responsibility inherent in the office of Governor."

I deeply regret this resolution was not adopted at the Governors' conference because of parliamentary maneuvering on the part of the Democrats to protect the Southern Governors from the embarrassment of voting on the issue. Had it been allowed to come to a vote, it is clearly evident that far more than a majority of the Governors would have supported it.

As Abraham Lincoln said: "I hold that while man exists, it is his duty to improve not only his own condition but to assist in ameliorating mankind. * * * Let us at all times remember that all American citizens are brothers of a common country."

As spiritual leaders among people upon whom have fallen the cruel and indefensible blows of ancient prejudice, you know whereof I speak. Yet in our daily lives, we see that the power of law grows steadily stronger in ameliorating these wrongs; we see that the power of persuasion grows ever affirmative; and we know that the power of love must ultimately triumph in the hearts of God's children.

Yours, then, is a mission of love in which all who believe as our forefathers believed, who believe as my father believed, will make common cause.

And as leaders among Methodists, I know you will ascribe to some other words of Abraham Lincoln, when he told a church delegation in 1864 that: "It is no fault in others that the Methodist Church sends more soldiers to the field, more nurses to the hospital, and more prayers to heaven than any.

"God bless the Methodist Church. Bless all the churches, and blessed be God, who, in this our great trial, giveth us the churches."

PRAYERS IN PUBLIC SCHOOLS

Mr. JAVITS. Mr. President, at the recent Governors' conference, Governor Rockefeller made an admirable attempt to inject reasonableness into the debate on the Supreme Court school prayer decision. I ask unanimous consent that an editorial in the New York Herald Tribune commending his effort be inserted in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, July 5, 1962]

ROCKEFELLER KEEPS HIS HEAD

New York should be proud of its Governor this morning. While all about him members of the National Governors' Conference were losing their heads in a frenzy over the Supreme Court's school prayer decision, Nelson Rockefeller kept his.

We congratulate him for refusing to be stampeded into supporting a hasty and thoughtless resolution asking the Congress to prepare a constitutional amendment to repair the damage the Governors believe the Court has inflicted. His lone dissent was an act of courage, and of religious conviction, that truly serves the cause of freedom of worship.

What the Governors seek in their resolution is action that will make "clear and beyond challenge the acknowledgment of our Nation and people of their faith in God and permit the free and voluntary participation in prayer in our public schools." Although Governor Rockefeller didn't put it in so many words, he doesn't think his fellow chief executives know what they are doing. And he is right.

In the first place, all the Supreme Court did was to rule unconstitutional the recital in New York schools of a simple prayer prepared by an official body, the board of regents. In the second place, if this takes God out of our schools, as some charge, no amount of legislation will put Him back again. The Governors, in their speed to show their constituents the extent of their indignation, are misreading both the Court's action and the legal and spiritual consequences.

The flames of irrationality in which so many have been caught up have been fanned from all directions in the week since the Court ruled. One Congressman bellowed that the Court has "now officially stated its disbelief in God Almighty." Another smelled a "deliberate and carefully planned conspiracy to substitute materialism for spiritual values."

This was bad enough, but even worse was the sight of so many otherwise responsible newspapers getting completely swept off their feet by the tide of emotionalism. At a time one might expect newspapers in general to speak with a voice of calm and reason, a good number of editorials, we were saddened to note, spoke as if they did indeed believe that the gloved fingers of atheism were stealing into our schools.

The Governors, in their preamble to the memorial to Congress, took note of the widespread confusion, stating that the ruling against official prayers had "created far-reaching misunderstanding as to the Nation's faith and dependence on God." Ironically, however, they helped to compound the misunderstanding by rejecting Governor Rockefeller's counsel of caution and rushing to get on record on the side of the angels.

Governor Rockefeller, who sought a careful study of the Court ruling and argued against an impulsive verdict, may in the end be the one who has made the greatest contribution to freedom to worship in accordance with one's conscience. He stood alone, but he stood on the side of commonsense.

NOMINATION OF THURGOOD MARSHALL TO BE A JUDGE OF THE COURT OF APPEALS FOR THE SECOND CIRCUIT

Mr. JAVITS. Mr. President, the National Association for the Advancement of Colored People, at its 53d annual convention in Atlanta, Ga., recently, with 1,227 registered delegates in attendance, adopted a resolution with regard to the delay in confirmation of the nomination of Judge Thurgood Marshall to be a judge of the Court of Appeals for the Second Circuit. My colleague from New York, as a member of the committee, and I, as one of the sponsors of Judge Marshall, have done our utmost to bring about prompt action with respect to the confirmation of Judge Marshall's nomination. I compliment my colleague from New York for the vigorous position which he has taken in that regard.

I ask unanimous consent that the operative part of the resolution with respect to Judge Marshall, unanimously adopted at the NAACP 53d Annual Convention, in which they indicate that they will wage a strong campaign to help bring about this justly deserved confirmation, be printed in the RECORD as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

More than 8 months ago, when President Kennedy nominated Judge Thurgood Marshall to the Court of Appeals for the Second Circuit, millions of Americans, Negro and white alike, and in all parts of our country, hailed this demonstration of democracy in action. Lawyers and judges without regard to sectionalism, race, creed or party, praised the demonstrated professional qualifications of the nominee. Newspapers throughout the land editorially voiced approval of this recognition of the competence of a great American, and of the Presidential wisdom in summoning the skills of Judge Marshall to the service of the Government.

His performance on the bench has justified all of this. Nevertheless, he has not been confirmed by the Senate.

The confirmation of Judge Marshall presents the U.S. Senate with an opportunity to show to the world that we believe in justice and fair play.

Accordingly, we direct our State conferences, branches and members to make these views known to their Senators and Representatives. Similarly, we direct our president, chairman of the board of directors and the executive secretary and such other persons as they may select to seek and obtain an audience with the President of the United States, to express our views and to seek his aid, both as President and as leader of his party, in making truly effective his effort to make American democracy live by securing the immediate confirmation of

Judge Marshall. They should also seek an audience with the chairman of the Senate subcommittee, as well as with the majority leader of the Senate.

CAPTIVE NATIONS WEEK

Mr. KEATING. Mr. President, this week marks the fourth annual commemoration of Captive Nations Week which is being observed all over America. As a cosponsor of the resolution which resulted in the designation of Captive Nations Week, I am pleased to see the vigor and enthusiasm with which Americans are demonstrating their mutual affinity for freedom with the people behind the Iron Curtain.

It is the purpose of Captive Nations Week to call to the attention of the world the plight of the enslaved peoples behind the Iron Curtain. This is our chance to give emphasis to our ideals of freedom, liberty, and self-determination and put the Soviet Union in the spotlight of public scrutiny. Let America, as a champion of the world's oppressed, point out to the world the atrocities in Communist countries where self-determination is silenced, where the secret ballot is unheard of, where freedom is merely a hope in the minds of men.

Mr. President, through our words backed by positive peaceful actions, we should reassure the captive peoples of the world that we share their concern in their aspirations for freedom. By reaffirming our dedication to the principles upon which American society rests, we should let the captive nations know that we are working and praying for their eventual liberation.

The desire of these unfortunate people for freedom is clearly demonstrated by the extreme bravery and courage of the East Germans in 1952, the Hungarians and the Poles in 1956, and the Tibetans in 1959, to mention a few. In addition to the rebellions against the ruthlessness of the Communist regimes, the flights of millions of people from Bulgaria, Czechoslovakia, Estonia, Latvia, Lithuania, Rumania, Yugoslavia to the Western World reveal the basic desire of all these peoples to live in freedom rather than under Communist tyranny.

Mr. President, we must show our support for the ideals of freedom, not only in brave words but also in positive policies. The free world should not be on the defensive because our cause is a just one and our convictions should be firm.

For example, the United States should not assume a defensive position in the Berlin situation. That is one place where we are actually operating from a position of strength, because we are there as a result of treaty agreements and because West Berlin is a showcase for freedom which contrasts dramatically with the drab existence of the oppressed East Berliners. It is the Soviets who are basically in an untenable position, for they have had to make a prison, with walls and bars closing off all of East Germany in order to prevent a mass exodus of citizens. There is no need for concessions on the part of the Western World; instead we should take a strong and positive stand on our treaty rights and thus show the people of West Germany, and of Europe and the world, that their ultimate aspirations for freedom and self-determination will not be negotiated away in Washington or Geneva.

We must emphasize our strong points, the strongest of which is the desire of all peoples for freedom. After all, we do not just want to hold the line against communism in Europe—we want to make positive gains for the cause of freedom. We want to push the Communists back in Europe as in southeast Asia, instead of merely attempting to contain them. We want to enable these captive peoples to realize their goals of freedom, individual liberty and national independence.

Mr. President, I call to the attention of the Senate and the world that the real imperialist power today is not the West, as the Russians constantly charge, but the Soviet Union. The political exploitation of the Soviet satellites is clearly seen by the Communist denial to the satellites of the right to shape their own destinies—the right of self-determination. Economically, the exploitation of the captive nations by the Soviet Union is just as clear. For instance, the satellites have to pay almost twice as much for Soviet oil as the non-Communist nations of the world.

Mr. President, we are proud of the many people who have migrated to this country from behind the Iron Curtain. They have added to the cultural enrichment of our country; they have contributed to the economic prosperity and industrial progress of this great land. Let us not turn our backs on their friends and relatives and countrymen left behind whose ultimate goals are similar to our own.

Mr. President, during Captive Nations Week, let us renew our dedication and demonstrate our concern for the people now living behind the Iron Curtain. Let us, too, point out to the Kremlin, that Americans are keenly aware of the plight of the captive peoples in the world. Through encouragement, reassurance, and positive action, let us demonstrate to these people boldly—not timidly—that we are working and praying for their redemption. Clearly, in this way, the people of the captive nations of the world will be spurred on to keep alive their desire for independence and liberty and the people of the uncommitted nations will be reminded of the true dangers of Communist imperialism.

There is no finer task to which the American people can dedicate themselves.

A FINE APPOINTMENT

Mr. WILLIAMS of New Jersey. Mr. President, I am pleased at the excellent choice President Kennedy has made to succeed Abraham Ribicoff as Secretary of Health, Education, and Welfare.

Mayor Anthony Celebrezze, of Cleveland, who has been slated to fill the HEW opening has shown the U.S. Senate that he possesses the characteristics necessary to make a truly great Cabinet officer. He appeared before one of the committees on which I serve, Committee on Banking and Currency, March a year ago on behalf of my mass transportation bill. At that time, he displayed a keen and analytical mind and an excellent command of the facts of a given situation. Mr. Celebrezze has demonstrated warmth and understanding in his duties as mayor and in the social problems which confronted his great city. Mr. Celebrezze's fight for urban redevelopment, slum clearance, better public schools, juvenile delinquency rehabilitation, housing, and public health have been well brought out by my distinguished colleagues, Senators ANDERSON, YOUNG, HUMPHREY, MCNAMARA, BARTLETT, and PASTORE in Monday's CONGRESSIONAL RECORD.

The Paterson, N.J., Morning Call of July 17 has joined in praise of Mr. Kennedy's fine appointment calling it a "tremendous hit." I ask unanimous consent to have the Call's editorial printed in the RECORD and I wish it noted that I am in full agreement with this fine newspaper on its sentiments toward Mr. Celebrezze.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A FINE APPOINTMENT

President John F. Kennedy scored a tremendous hit in naming Mayor Anthony Celebrezze of Cleveland successor to Abraham Ribicoff as Secretary of Health, Education, and Welfare.

We had followed Celebrezze's successful career as mayor of the large Ohio community, his reelection time and again by a grateful citizenry attesting to his deep and abiding interest in his fellow humans.

Celebrezze had us on his side recently when he ripped into a southern mayor who sent a group of Negroes to Cleveland. He stressed to the southern bigot that it would be well for him to reflect on the fact that one has no say as to his parents, his color or place of birth.

In recent weeks Celebrezze served with distinction as chairman of the Conference of Mayors, to which office he contributed greatly from the wealth of his experience. A strong supporter of urban renewal, he has on numerous occasions spoken out for redevelopment of old cities.

Mayor Celebrezze is one of 13 children of Italian immigrants. He was born overseas while his parents were on a trip to their native land.

Celebrezze will bring to the enormously important Cabinet post, the warmth of heart and understanding of social problems which are essential to the success of a department of health, education, and welfare.

THE CALENDAR

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Under the order entered yesterday, the Senate will proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 1635.

ACCEPTANCE BY MEMBERS OF ARMED FORCES OF FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS

The Senate proceeded to consider the bill (H.R. 7727) to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants, which had been reported from the Committee on Armed

Services, with amendments, on page 1, at the beginning of line 8, to insert "(a)"; on page 2, after line 10, to strike out:

> The benefits of such a fellowship, scholarship, or grant may be accepted by the member in addition to this pay and allowances; and

And, after line 13, to insert:

> However, the benefits of such a fellowship, scholarship, or grant may be accepted by the member in addition to his pay and allowances only to the extent that those benefits would be conferred upon him if the education or training contemplated by that fellowship, scholarship, or grant were provided at the expense of the United States. In addition, if such a benefit, in cash or in kind, is for travel, subsistence, or other expenses, an appropriate reduction shall be made from any payment that is made for the same purpose to the member by the United States incident to his acceptance of the fellowship, scholarship, or grant.
>
> (b) Each member of the Armed Forces who accepts a fellowship, scholarship, or grant in accordance with subsection (a) shall, before he is permitted to undertake the education or training contemplated by that fellowship, scholarship, or grant, agree in writing that, after he completes the education or training, he will serve on active duty for a period at least three times the length of the period of the education or training; and

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (H.R. 10022) to amend section 510(a)(1), Merchant Marine Act, 1936, as amended, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 11586) to amend section 502 of the Merchant Marine Act, 1936, as amended, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

NATIONAL COUNTRY MUSIC WEEK

The concurrent resolution (S. Con. Res. 66) requesting the President to designate November 4 to 10, 1962, as National Country Music Week was considered and agreed to, as follows:

> *Resolved by the Senate (the House of Representatives concurring)*, That the President of the United States is requested to issue a proclamation setting aside and designating the period beginning November 4, 1962, through November 10, 1962, as National Country Music Week, as a tribute to the native country music of America and to the men and women who devote their lives to the continuation and preservation of the native country songs of our land, and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

BILLS PASSED OVER

The bill (S. 3491) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, was announced as next in order.

Mr. HART. Mr. President, I ask that the bill go over. It will be considered in connection with the appropriation for the Atomic Energy Commission.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 4441) to authorize the appropriation of $3,063,500 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations was announced as next in order.

Mr. HART. Mr. President, I ask that the bill go over, as not being appropriate for calendar action.

The PRESIDING OFFICER. The bill will be passed over.

YET GEE MOY

The bill (S. 3279) for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai), shall be held and considered to be the natural born alien children of Mr. and Mrs. Suey Lung Moy, citizens of the United States: *Provided*, That the natural parents of the said Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

JOSEPH STARKER

The bill (H.R. 3383) for the relief of Joseph Starker was considered, ordered to a third reading, read the third time, and passed.

LECIL A. SIMS

The bill (H.R. 6655) for the relief of Lecil A. Sims was considered, ordered to a third reading, read the third time, and passed.

JAMES L. MERRILL

The bill (H.R. 5061) for the relief of James L. Merrill was considered, ordered to a third reading, read the third time, and passed.

SOLOMON ANNENBERG

The bill (H.R. 9599) for the relief of Solomon Annenberg was considered, ordered to a third reading, read the third time, and passed.

SOUTHERN INTERSTATE NUCLEAR COMPACT

The bill (H.R. 10618) an act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes was considered, ordered to a third reading, read the third time, and passed.

MONA McISAAC DOWNEY

The Senate proceeded to consider the bill (S. 2690) for the relief of Mona McIsaac Downey, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

> That, for the purposes of the Immigration and Nationality Act, Mona McIsaac Downey shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act: *Provided*, That if the said Mona McIsaac Downey is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIE KAROLINE DOLLAR AND ALEX PETER PEDERSEN

The Senate proceeded to consider the bill (S. 2763) for the relief of Marie Karoline Dollar and Alex Peter Pedersen which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 3, under the word "the", to strike out "provisions of paragraphs (4), (9), and (12) of section 212(a)" and insert "provision of section 212(a)(4)", and on page 2, after line 11, to insert a new section, as follows:

> SEC. 3. If the said Marie Karoline Dollar and Alex Peter Pedersen are not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

So as to make the bill read:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, notwithstanding the provision of section 212 (a)(4) of the Immigration and Nationality Act, Marie Karoline Dollar may be issued an immigrant visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided*, That this section shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.
>
> SEC. 2. Notwithstanding the provisions of paragraphs (1) and (4) of section 212(a) of the Immigration and Nationality Act, Alex Peter Pedersen may be issued an immigrant visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act: *Provided*, That this section shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.
>
> SEC. 3. If the said Marie Karoline Dollar and Alex Peter Pedersen are not entitled to medical care under the Dependents' Medical

Care Act (70 Stat. 250), suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

BILL PASSED OVER

The bill (S. 3024) to extend the maximum maturity of Veterans' Administration-guaranteed or insured home loans from 30 to 35 years was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will go over.

HOSPITAL AND MEDICAL CARE FOR PEACETIME VETERANS

The bill (S. 3109) to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 610(a) of title 38, United States Code, is amended to read as follows:

"(1)(A) any veteran for a service-connected disability; or

"(B) a veteran of any war for a non-service-connected disability if he is unable to defray the expenses of necessary hospital care;".

SEC. 2. Section 612(a) of title 38, United States Code, is amended to read as follows:

"(a) Except as provided in subsection (b), the Administrator, within the limits of Veterans' Administration facilities, may furnish such medical services as he finds to be reasonably necessary to any veteran for a service-connected disability. In the case of any veteran discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, such services may be so furnished for that disability, whether or not service connected for the purposes of this chapter."

WAR ORPHANS' EDUCATIONAL ASSISTANCE

The bill (H.R. 1811) to amend chapter 35 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances was considered, ordered to a third reading, read the third time, and passed.

Mr. YARBOROUGH. Mr. President, H.R. 1811 would amend chapter 35, title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances.

As originally enacted, the War Orphans' Educational Assistance Act of 1956 prohibited the enrollment of eligible persons in courses at educational institutions located outside of the several States, and the Commonwealth of Puerto Rico. An amendment enacted in 1958, Public Law 85-460, extended the war orphans program to courses pursued in the Republic of the Philippines. At the present time, therefore, schools located in the Republic of the Philippines are the only foreign educational institutions which war orphans may attend.

This legislation would permit a war orphan to participate in a program offered by a school in the United States which includes prescribed study in a foreign educational institution. More specifically, it would authorize enrollment in a foreign educational institution if the subjects to be taken there are an integral part of and are fully creditable toward the satisfactory completion of an approved course in which such person is enrolled in an institution of higher learning in a State or in the Republic of the Philippines. For example, this legislation would permit an eligible war orphan to study abroad for a period when this is done as a part of the program of an institution in the United States or the Republic of the Philippines. It would not, however, permit a war orphan to enroll in a 4-year course at Oxford or some other foreign school.

The Veterans' Administration and the Bureau of the Budget had submitted favorable reports on this legislation. The Veterans' Administration advises that the enactment of the bill would involve no additional cost, inasmuch as it may be presumed that the allowances payable to an eligible person while attending a foreign school under the proposed amendment would be no greater than that which would be payable to him for pursuit of the same course as a resident student on the campus of his principal institution.

Favoring the legislation are AMVETS: Jewish War Veterans, Veterans of Foreign Wars.

BILL PASSED OVER

The bill (H.R. 5939) to amend chapter 35 of title 38, United States Code, to provide that after the expiration of the Korean conflict veterans' education and training program, approval of courses under the war orphans' educational assistance program shall be by State approving agencies, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

BILL PLACED AT FOOT OF CALENDAR

The bill (H.R. 8992) to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration, was announced as next in order.

Mr. HART. Mr. President, I ask that the bill be placed at the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

EXTENSION OF VOCATIONAL REHABILITATION TRAINING FOR CERTAIN BLINDED VETERANS

The Senate proceeded to consider the bill (S. 2869) to amend chapter 31 of title 38, United States Code, to afford additional time during which certain veterans blinded by reason of service-connected disability may be afforded vocational rehabilitation training, which had been reported from the Committee on Labor and Public Welfare, with an amendment, on page 2, line 7, after the word "blindness", to strike out "has worsened" and insert "either has worsened, or has developed as a result of the worsening of his service-connected disability"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 31 of title 38, United States Code, is amended by adding after section 1502 the following new section:

"§ 1502A. Blinded veterans

"A veteran who is found to be in need of vocational rehabilitation to overcome the handicap of blindness resulting from a service-connected disability which affords basic eligibility for vocational rehabilitation under section 1502(a) of this title may be afforded such vocational rehabilitation after the termination date otherwise applicable to him, but not beyond June 30, 1975, if—

"(1) he had not previously been rehabilitated (that is, rendered employable) as the result of training furnished under this chapter, or

"(2) his blindness either has worsened, or has developed as a result of the worsening of his service-connected disability, since he was declared rehabilitated to the extent that it precludes his performing the duties of the occupation for which he was previously trained under this chapter."

SEC. 2. The table of sections at the head of chapter 31 of title 38, United States Code, is amended by adding immediately below item 1502 thereof the following:

"1502A. Blinded veterans."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

VETERANS' ADMINISTRATION PROSTHETIC RESEARCH

The Senate proceeded to consider the bill (H.R. 10069) to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration, which had been reported from the Committee on Labor and Public Welfare, with an amendment, in line 4, after the word "amended", to strike out "by striking "$1,000,000" and inserting in lieu thereof "$2,500,000"." and insert:

to read as follows:

"(c) There are authorized to be appropriated annually, to remain available until expended, such funds as may be necessary to carry out this section."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H.R. 8938) to provide a more definitive tariff classification description for lightweight bicycles was announced as next in order.

Mr. HART. Mr. President, I ask that this bill be passed over, as not appropriate for action during the calendar call.

The PRESIDING OFFICER. The bill will be passed over.

DEPARTMENT OF MEDICINE AND SURGERY IN VETERANS' ADMINISTRATION

Mr. HART. Mr. President, I ask that we now return to Calendar No. 1653, House bill 8992, which a few moments ago was ordered placed at the foot of the calendar.

The PRESIDING OFFICER. Without objection, that will be done.

Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 8992) to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration.

Mr. BURDICK. Mr. President, I submit an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add a new section, as follows:

> SEC. 5. Section 4103 of title 38, United States Code, is amended—
>
> (1) by striking out the word "Any" at the beginning of subsection (g) and inserting in lieu thereof "Except as provided in subsection (1), any"; and
>
> (2) by adding at the end thereof a new subsection, as follows:
>
> "(1) The Administration may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position."

Mr. BURDICK. Mr. President, this amendment would give to the Administrator of the Veterans' Administration authority to permit rotation among the various faiths in respect to appointments or assignments to the position of Director, Chaplain Service. This assignment would be for a period of 2 years, subject to removal by the Administrator for cause. During the period of his service as such, the Director, Chaplain Service, would be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations provided for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as "Director, Chaplain Service," would, at the end of his period of service as Director, revert to the position, grade, and status which he held immediately prior to being designated "Director, Chaplain Service," and all service as Director, Chaplain Service, would be creditable as service in the former position.

Mr. President, throughout our history, in peacetime and in war, a group which have compiled a matchless record of selfless, devoted service are our Nation's chaplains. At the present time there exists in the Chaplain Service of the Veterans' Administration a situation which, although it has not been misused, should, in the interest of all concerned, be modified. I refer to the fact that appointments to the Chaplain Service, including appointments to the position of Director, are for unlimited periods of time. There is thus a possibility that a person representing only one religious faith might some day serve as Director for a longer period of time than is generally desired. It is preferable that appointments to this position be for limited periods of time, so that representatives of the different religious denominations may serve successively as Director.

Mr. J. S. Gleason, Jr., the Administrator of the Veterans' Administration has stated:

> Statutory authority is wanting for me to place a limitation upon the tenure of the Director, Chaplain Service. It is highly desirable, I think, that an opportunity be available to limit the tenure of the Director, Chaplain Service, so that no one person representing only one of the religious faith groups would serve permanently as the Chief Chaplain in the Veterans' Administration. There is presently no assurance that vital and needed movement of incumbents will occur within the general office directorate.
>
> In view of the demonstrated desirability of the proposal which the contemplated amendment would enact, I must advise that I favor such legislation.

Mr. President, the amendment has the support of the Veterans' Administration, the AMVETS, and the Jewish War Veterans.

The Bureau of the Budget, the Civil Service Commission, the Veterans of Foreign Wars, the Disabled American Veterans, and the American Legion, have no objection to the proposal.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 8992) was read the third time and passed.

BILL PASSED OVER

The bill (H.R. 7431) to provide for the free entry of certain stained glass for St. Joseph's Cathedral, Hartford, Conn., and for the Church of St. Francis Xavier of Phoenix, Ariz., was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

ASSIGNMENT OF NATIONAL SERVICE LIFE INSURANCE

The bill (H.R. 10669) to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance was considered, ordered to a third reading, read the third time, and passed.

PAYMENT OF BENEFITS TO VETERANS' BENEFICIARIES

The bill (H.R. 8415) to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care was considered, ordered to a third reading, read the third time, and passed.

HOSPITALIZATION OF CERTAIN VETERANS WITH A WIFE OR CHILD

The bill (H.R. 8282) to amend section 3203(d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child was considered, ordered to a third reading, read the third time, and passed.

U.S. GOVERNMENT LIFE INSURANCE SPECIAL ENDOWMENT AT AGE 96 PLAN

The bill (H.R. 10068) to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan was considered, ordered to a third reading, read the third time, and passed.

POSTPONE FOR 3 MONTHS SECURITIES AND EXCHANGE COMMISSION REPORT TO CONGRESS

The bill (H.R. 11670) to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

PRINTING OF ADDITIONAL COPIES OF "SUPPLEMENT TO CUMULATIVE INDEX TO PUBLICATIONS OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES—1955 THROUGH 1960 (84TH, 85TH, AND 86TH CONG.)"

The concurrent resolution (H. Con. Res. 413) authorizing the printing of additional copies of "Supplement to Cumulative Index to Publications of the Committee on Un-American Activities—1955

Through 1960 (84th, 85th, and 86th Cong.)," 87th Congress, 1st session, was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF THE PUBLICATION ENTITLED "CUMULATIVE INDEX TO PUBLICATIONS OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES, 1938–54"

The concurrent resolution (H. Con. Res. 415) authorizing the printing of additional copies of the publication entitled "Cumulative Index to Publications of the Committee on Un-American Activities, 1938–54," 84th Congress, 1st session, was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT NO. 1278, PARTS 1 AND 2, 87TH CONGRESS, 1ST SESSION

The concurrent resolution (H. Con. Res. 417) authorizing the printing of additional copies of House Report No. 1278, parts 1 and 2, 87th Congress, 1st session, was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF THE "HEARINGS ON SMALL BUSINESS PROBLEMS CREATED BY PETROLEUM IMPORTS"

The concurrent resolution (H. Con. Res. 454) authorizing the printing of additional copies of the "Hearings on Small Business Problems Created by Petroleum Imports" was considered and agreed to.

ADDITIONAL COPIES OF HEARINGS ON JUDICIAL REVIEW OF VETERANS' CLAIMS, 87TH CONGRESS, 2D SESSION

The concurrent resolution (H. Con. Res. 476) providing for additional copies of hearings on Judicial Review of Veterans' Claims, 87th Congress, 2d session was considered and agreed to.

PRINTING OF A REPORT ENTITLED "MOTOR VEHICLES, AIR POLLUTION, AND HEALTH" AS HOUSE DOCUMENT

The concurrent resolution (H. Con. Res. 480) authorizing the printing of a report entitled "Motor Vehicles, Air Pollution, and Health" as a House document and providing for additional copies was considered and agreed to.

LIBRARY FOR THE BLIND IN THE LIBRARY OF CONGRESS

The bill (S. 3408) to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Librarian of Congress shall establish and maintain a library of musical scores, instructional texts, and other specialized materials for the use of blind residents of the United States and its possessions in furthering their educational, vocational, and cultural opportunities in the field of music. Such scores, texts, and materials shall be made available on a loan basis under regulations developed by the Librarian or his designee in consultation with persons, organizations, and agencies engaged in work for the blind.

Sec. 2. There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

COMMISSION ON ART AND ANTIQUITIES OF THE CAPITOL

The Senate proceeded to consider the joint resolution (S.J. Res. 195) creating and establishing the Capitol Commission which had been reported from the Committee on Rules and Administration, with an amendment to strike out all after the enacting clause and insert:

That (a) there is hereby established a Commission on Art and Antiquities of the Capitol (hereinafter referred to as "the Commission") consisting of the Vice President of the United States, the Speaker of the House of Representatives, the chairman and ranking minority member of the Committee on Rules and Administration of the Senate, the chairman and ranking minority member of the Committee on House Administration of the House of Representatives and the Architect of the Capitol.

(b) The Commission shall elect a Chairman and a Vice Chairman at the beginning of each Congress. Four members of the Commission shall constitute a quorum for the transaction of business, except that the Commission may fix a lesser number which shall constitute a quorum for the taking of testimony.

(c) The Commission shall select a Curator of Art and Antiquities of the Capitol who shall be an employee of the Office of the Architect of the Capitol. The Curator shall serve at the pleasure of the Commission, shall perform such duties as it may prescribe, and shall receive compensation at a gross rate, not to exceed $17,500 per annum to be fixed by the Commission. At the request of the Commission the Architect of the Capitol shall detail to the Commission such additional professional, clerical, and other assistants as, from time to time, it deems necessary.

(d) The Commission shall be empowered to hold hearings, summon witnesses, administer oaths, employ reporters, request the production of papers and records, take such testimony, and adopt such rules for the conduct of its hearings and meetings, as it deems necessary.

Sec. 2. (a) The Commission is hereby authorized and directed to supervise, hold, place, and protect all works of art, historical objects, and exhibits within the Capitol, and in all rooms, spaces and corridors thereof, which are the property of the United States, and in its judgment to accept any works of art, historical objects, or exhibits which may hereafter be offered, given, or devised to the Congress, its committees, and its officers for placement and exhibition in the Capitol, or in rooms, spaces, or corridors thereof.

(b) The Commission shall prescribe such regulations as it deems necessary for the care, protection, and placement of such works of art, exhibits, and historical objects in the Capitol and the Senate and House Office Buildings, and for their acceptance on behalf of the Congress, its committees, and officers. Such regulations shall be published in the Congressional Record at such time or times as the Commission may deem necessary for the information of the Members of Congress and the public.

(c) Regulations authorized by the provisions of section 1820 of the Revised Statutes (40 U.S.C. 193) to be issued by the Sergeants at Arms of the Senate and the House of Representatives for the protection of the Capitol, and any regulations issued, or activities undertaken, by the Committee on Rules and Administration of the Senate, the Committee on House Administration of the House of Representatives, or the Architect of the Capitol, in carrying out duties relating to the care, preservation, and protection of the Capitol and the Senate and House Office Buildings, shall be consistent with such rules and regulations as the Commission may issue pursuant to subsection (b).

(d) The Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives, with the advice of the Architect of the Capitol and consistent with regulations prescribed by the Commission under subsection (b), shall have responsibility for the supervision, protection, and placement of all works of art, historical objects, and exhibits which shall have been accepted on behalf of the Congress by the Capitol Commission or acknowledged as United States property by inventory of the Commission, and which may be lodged in the Senate and House Office Buildings, respectively, by the Commission.

Sec. 3. (a) The Commission shall have responsibility for the supervision and maintenance of the National Statuary Hall and the old Senate Chamber on the principal floor of the Senate wing of the Capitol insofar as they are to be preserved as patriotic shrines in the Capitol for the benefit of the Congress and the people of the United States.

(b) The Commission, with the advice of the Commission of Fine Arts, is authorized and directed to relocate within the Capitol any of the statues already received and placed in the National Statuary Hall, and to provide for the reception and location of the statues which hereafter may be received from the States pursuant to section 1814 of the Revised Statutes, as amended (40 U.S.C. 187).

Sec. 4. Whoever willfully defaces, injures, or damages any work of art, historical object, exhibit, or architectural feature in the Capitol or in the Senate and House Office Buildings, which is the property of the United States, or violates any of the provisions of the regulations adopted by the Commission for their care and protection, shall be fined not more than $100 or imprisoned not more than sixty days, or both, and prosecution for such offense shall be had in the municipal court of the District of Columbia, upon information by the United States attorney or any of his assistants: *Provided,* That in any case where, in the commission of an offense under this section, any such work of art, historical object, exhibit, or architectural feature is damaged in an amount exceeding $100, the amount of the fine for the offense may be not more than $5,000, the period of imprisonment for the offense may be not more than five years, and prosecution therefor shall be had in the United States District Court for the District of Columbia by indictment except that, if the defendant after he has been advised of the nature of the charge and his rights waives in open court prosecution by indictment, such prosecution may be upon information by the United States attorney or any of his assistants.

Sec. 5. The Commission shall, from time to time, but at least once every ten years, publish as a Senate or House document a list of all works of art, historical objects, and exhibits currently within the Capitol and the

Senate and House Office Buildings, together with their description, locations, and with such notes as may be pertinent to their history.

SEC. 6. There is hereby authorized to be appropriated for the expenses of the Commission the sum of $10,000 each fiscal year, to be disbursed by the Secretary of the Senate on vouchers signed by the Chairman or Vice Chairman of the Commission. Payment on such vouchers shall be deemed and are hereby declared to be conclusive upon all departments and officers of the Government, and these vouchers shall be reported in the annual report of the Secretary of the Senate: *Provided*, That no payment shall be made from such appropriation as salary.

SEC. 7. (a) The first sentence of section 1814 of the Revised Statutes (40 U.S.C. 187) is amended to read as follows: "Suitable structures and railings shall be erected in the old hall of Representatives for the reception and protection of statuary, and the same shall be under the supervision and direction of the Commission on Art and Antiquities of the Capitol."

(b) Section 1831 of the Revised Statutes (40 U.S.C. 188) is repealed.

(c) Section 1815 of the Revised Statutes, as amended (40 U.S.C. 189), is amended to read as follows:

"SEC. 1815. No work of art or manufacture other than the property of the United States shall be exhibited in the National Statuary Hall, the rotunda, or the corridors of the Capitol, and no work of art or exhibit shall be offered for sale or displayed for gain in any of the rooms, spaces, or corridors of the Capitol or of the Senate or House Office Buildings."

(d) The paragraph under the heading "Miscellaneous", relating to the use of rooms in the Capitol for private studios or works of art, in the Act of March 3, 1875 (18 Stat. 376; 40 U.S.C. 190) is amended to read as follows:

"No room in the Capitol shall be used for private studios or works of art, without permission from the Commission on Art and Antiquities of the Capitol, given in writing."

(e) The second paragraph under the heading "Public Buildings" in the appropriations for the Department of the Interior in the Act of March 3, 1879 (20 Stat. 391), is repealed.

Mr. MANSFIELD. Mr. President, on June 6, I introduced, on behalf of the minority leader [Mr. DIRKSEN], the Senator from Mississippi [Mr. STENNIS], the Senator from North Carolina [Mr. JORDAN], and myself, Senate Joint Resolution 195 to establish a Commission on Art and Antiquities of the Capitol. This bill was referred to the Committee on Rules and Administration. The committee refined the language of the measure and made other improvements, and in Report No. 1717 recommended it unanimously to the Senate.

This, in essence, is the background of this proposal. We have in the Capitol and in the office buildings of both Houses a great wealth of art and antiquities which forms part of the heritage of the Nation. There are paintings, articles of furniture, statues, architectural features, and so forth, which are vivid and priceless reminders of the history of the Congress and the Nation from the very beginnings.

This heritage, Mr. President, belongs to no single American, but to all Americans; to no particular generation, but to all generations. It is, and ought to be, a source of inspiration, enlightenment, and moving experience to the contemporary occupants of the Capitol and to future occupants, to contemporary visitors and to visitors who will come to this citadel of freedom in the years and decades ahead.

It is apparent, Mr. President, that this heritage of art and antiquity has not been safeguarded, enhanced, or displayed in a manner which is in accord with its priceless irreplaceability. In this respect, the Capitol has been neglected, even as the White House has been—over the decades—neglected. I say that, not in criticism of those who have had responsibility in these matters; rather, it would appear that the neglect has been the consequence of a general lack of awareness of the significance and value of these expressions of our Nation's history and creative inspiration.

I think we would all agree that the wife of the President, Mrs. Kennedy, has done much to remedy this lack of awareness insofar as the White House is concerned. She has made an immense contribution to the stimulation of public interest in the historic significance of that edifice. By her exceptional taste and hard work, the White House has been enhanced as a historical shrine as well as a contemporary environment in which additions are being made to our history.

It is the purpose of Senate Joint Resolution 195 to provide the means of accomplishing something similar in the Capitol, which, equally with the White House, is an historic shrine, as well as a setting in which additions to our history are constantly being made.

This bill would, for the first time, centralize the responsibility for the protection, enhancement, and display of the art and antiquities of the Capitol in a single body—a Commission composed of the Speaker of the House, the Vice President, the Chairmen and ranking minority members of the Senate Rules Committee and the House Administration Committee, and the Architect. The Commission would have as its principal agent a Curator of Arts and Antiquities—someone highly skilled in these matters, who would be able to advise the Commission on the preservation and enhancement and display of the treasures of the Capitol. Under the arrangement, needless to say, full utilization would be made of the services of the Architect, the Sergeants at Arms of both Houses, and other officers.

I would call to the attention of the Senate the fact that the bill is actively supported by the minority leader and by other Members who have long had a deep interest in the historic aspects of the Capitol. The Rules Committee, which considered the bill, has been prompt and unanimous in recognizing the need for this measure. It is my hope that the Senate will pass Senate Joint Resolution 195 without delay, and will send it on to the other House. I hope there will be recognition there that the heritage of the art and antiquities of the Capitol is associated with the history of the entire Congress, and that it is best protected and enhanced by having the Senate and the House work in concert, as Senate Joint Resolution 195 provides.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "Joint resolution establishing the Commission on Art and Antiquities of the Capitol, and for other purposes."

BILL PASSED OVER

The bill (H.R. 9520) to continue for 2 years the suspension of duty on certain alumina and bauxite was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

IMPORTATION OF CERTAIN ARTICLES FOR RELIGIOUS PURPOSES

The Senate proceeded to consider the bill (H.R. 4449) to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes, which had been reported from the Committee on Finance, with amendments, on page 1, line 10, after the word "granite", where it appears the first time, to insert "or marble"; in the same line, after the word "granite", where it appears the second time, to insert "or marble"; on page 2, line 1, after the word "granite", to insert "or marble"; and after line 12, to insert a new section, as follows:

SEC. 3. (a) The Secretary of the Treasury is hereby directed to admit free of duty any silver cross made in England and donated to the Christ Episcopal Church, of Cincinnati, Ohio, which may have been imported before the date of enactment of this Act.

(b) If the liquidation of the entry, or withdrawal from warehouse, for consumption of any article subject to the provisions of subsection (a) has become final, such entry or withdrawal may be reliquidated and the appropriate refund of duty may be made.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TEMPORARY EXTENSION OF FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

The Senate proceeded to consider the bill (H.R. 12180) to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, which had been reported from the Committee on Finance, with amendments, at the top of page 2, to insert a new section, as follows:

SEC. 2. (a) Section 201 of the Tariff Act of 1930 (19 U.S.C. 1201) is amended by adding at the end thereof the following new paragraph:

"PAR. 1825. Monofilament gill nets for use in fish sampling, under such rules and regulations as the Secretary of the Treasury may prescribe."

(b) The amendment made by the first section of this Act shall be effective with respect to articles entered or withdrawn from warehouse for consumption on and after the day following the date of enactment of this Act.

And, after line 10, to insert a new section, as follows:

Sec. 3. (a) Section 809(d)(6) of the Internal Revenue Code of 1954 (relating to deduction for group life, accident, and health insurance) is amended—

(1) by striking out "group life insurance contracts and group accident and health insurance contracts" and inserting in lieu thereof "accident and health insurance contracts (other than those to which paragraph (5) applies) and group life insurance contracts"; and

(2) by striking out the heading and inserting in lieu thereof "CERTAIN ACCIDENT AND HEALTH INSURANCE AND GROUP LIFE INSURANCE".

(b) Section 815(c)(2)(C) of such Code (relating to policyholders surplus account) is amended by striking out "group life and group accident and health insurance contracts" and inserting in lieu thereof "accident and health insurance and group life insurance contracts".

(c) Section 832(b) of such Code (relating to definitions) is amended—

(1) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) UNDERWRITING INCOME.—The term 'underwriting' means the premiums earned on insurance contracts during the taxable year less—

"(A) losses incurred and expenses incurred, and

"(B) the allowance for accident and health insurance contracts (determined under paragraph (7))."; and

(2) by adding at the end thereof the following new paragraph:

"(7) ALLOWANCE FOR ACCIDENT AND HEALTH INSURANCE.—The allowance under paragraph (3)(B) for accident and health insurance contracts is an amount equal to 2 percent of the premiums earned for the taxable year attributable to accident and health insurance contracts, except that such allowance for the taxable year and all preceding taxable years shall not exceed an amount equal to 50 percent of the premiums earned for the taxable year attributable to such contracts."

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1962.

The amendments were agreed to.

Mr. HART. Mr. President, I submit several technical amendments, and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The Legislative Clerk. On page 2, in line 4, after "Par.", it is proposed to strike out "1825" and insert "1828"; in line 7, after the word "by", to strike out "the first section of this Act" and insert "subsection (a)", and on page 3, line 9, after the word "underwriting", to insert "income".

The PRESIDING OFFICER. The question is on agreeing to the amendments submitted by the Senator from Michigan.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes."

CONVEYANCE OF CERTAIN PROPERTY IN DISTRICT OF COLUMBIA TO INTERNATIONAL MONETARY FUND

The joint resolution (H.J. Res. 714) authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters, was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

BILL PASSED OVER

The bill (H.R. 10786) to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

USE OF LANDS IN GARRISON DAM PROJECT

The Senate proceeded to consider the bill (S. 1161) to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, to strike out all after the enacting clause and insert:

Subject to the right of the United States to occupy, use, and control the lands acquired by the United States within the Fort Berthold Reservation for the construction, operation, and maintenance of the Garrison Dam and Reservoir project pursuant to the Flood Control Act of 1944, approved December 22, 1944, and amendatory laws, as determined necessary by the Secretary of the Army adequately to serve said purposes, the Three Affiliated Tribes of the Fort Berthold Reservation shall be permitted to graze stock without charge on such former Indian land as the Secretary of the Army determines is not devoted to other beneficial uses, and to lease such land for grazing purposes to members or nonmembers of the tribes on such terms and conditions as the Secretary of the Interior may prescribe. The foregoing grant of grazing privileges shall be subject to rights under existing grazing leases and permits.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1884) to encourage the creation of original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying, was announced as next in order.

Mr. HART. Mr. President, I ask that the bill go over, as not being appropriate for action during the call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

EDISON LABORATORY NATIONAL MONUMENT

The bill (S. 2916) to change the names of the Edison Home National Historical Site and the Edison Laboratory National Monument, to authorize the acceptance of donations, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Edison Home National Historic Site and the Edison Laboratory National Monument, together with adjacent parcels aggregating approximately seventy-one one-hundredths of an acre which have been donated to the United States for addition to the monument, are designated the Edison National Historic Site.

Sec. 2. The Secretary of the Interior may accept the donation of such lands and interests in lands, for addition to the site, as he determines will further the preservation of the Edison National Historic Site and its enjoyment by the public.

Sec. 3. The Edison National Historic Site shall be administered by the Secretary of the Interior pursuant to the Act entitled "An Act to establish a National Park Service and for other purposes," approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2, 3), as amended and supplemented.

Sec. 4. There are hereby authorized to be appropriated such sums as are necessary to accomplish the purposes of this Act.

FREDERICK DOUGLASS NATIONAL MEMORIAL

The Senate proceeded to consider the bill (S. 2399) to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 4, after the word "preservation", to strike out "as the Frederick Douglass National Memorial," and insert "as a part of the park system in the National Capital,"; on page 2, line 9, after the word "Douglass", to strike out "National Memorial" and insert "home as a part of the park system in the National Capital"; and in line 12, after "Sec. 3.", to strike out "The Frederick Douglass National Memorial as constituted under this Act shall be administered by the Secretary of the Interior as part of the park system of the National Capital and shall be subject to the provisions of" and insert "Upon the establishment of the Frederick Douglass home as a part of the park system in the National Capital, the home shall be administered by the Secretary of the Interior and shall be subject to the provisions of"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to designate, for preservation as a part of the park system in the National Capital, the former home of Frederick Douglass located at 1411 W Street Southeast, Washington, District of Columbia, and known as "Cedar Hill", to be described by metes and bounds, so as to exclude that part of the original fourteen acres which is presently leased to the Glen Garden as a housing development, together with such land, interests in land, and improvements thereon as he may deem necessary to accomplish the purposes of this Act: *Provided*, That the area so designated shall not exceed fourteen acres.

SEC. 2. When the land, the Frederick Douglass home, and such objects therein of historical significance as the Secretary of the Interior may designate have been donated to the United States, establishment of the Frederick Douglass home as a part of the park system in the National Capital shall be effected by publication of notice in the Federal Register.

SEC. 3. Upon the establishment of the Frederick Douglass home as a part of the park system in the National Capital, the home shall be administered by the Secretary of the Interior and shall be subject to the provisions of the Act entitled "An Act to establish a National Park Service and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and the Act entitled "An Act to provide for the preservation of American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (49 Stat. 666), as amended.

SEC. 4. There are authorized to be appropriated such sums as are necessary to accomplish the purposes of this Act.

Mr. HART. Mr. President, I ask unanimous consent that a statement I made before the Committee on Interior and Insular Affairs, in connection with the bill to provide for the establishment of a Frederick Douglas National Memorial, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Statement by Senator Hart Before the Public Lands Subcommittee of the Senate Interior Committee in Support of S. 2399, a Bill To Make the Frederick Douglass Home in the District of Columbia a Part of the National Capital Parks System, May 24, 1962

The bill to preserve permanently the Frederick Douglass home in the District of Columbia has the support of all who know of the life and work of this remarkable American.

Others are able, far better than I can, to give an account of the life of Frederick Douglass. New facets of the career of this extraordinary man are constantly coming to my attention. Born a slave near the beginning of the 19th century, his life spanned the period in our Nation's history when the struggle for freedom reached into the lives of all Americans, even to the point of civil war.

Frederick Douglass, died in 1895, and was mourned throughout this country and abroad. The Legislature of North Carolina adjourned for the day as a mark of respect. The Legislatures of Indiana, Illinois, Massachusetts, and New York noted in resolutions the passing of this great American.

The London Daily News editorialized, "From first to last, his was a noble life. His own people have lost a father and a friend, and all good men have lost a comrade in the fight for the legal emancipation of one race and the spiritual emancipation of the other."

The National Association of Colored Women's Clubs wisely and generously has preserved his home in southeast Washington so that each new generation would be reminded of this man and of those events in our history which permitted Frederick Douglass, born a slave, to rise to high service in his National Government and become a world figure in the perennial struggle for human rights.

In 1963, we will commemorate the 100th anniversary of the signing of the Emancipation Proclamation. What more fitting time for the Congress to authorize our Federal Government to open as a public shrine the home of this esteemed friend of President Lincoln? What action could better symbolize the significance of this great proclamation, not only for Americans of all races, but for the history of human freedom throughout the world?

Here in our Nation's Capital few weeks pass when we are not hosts to leaders of the emerging nations of this day—nations whose history at mid-20th century is not unlike our own history at mid-19th century. Dedication of the Frederick Douglass home as a national shrine would bring to the symbolic center of our Nation this chapter of our American past whose significance has reached far beyond the dreams of even the Frederick Douglasses.

Last September the Advisory Board on National Parks, Historic Sites, Buildings and Monuments recommended to the Secretary of the Interior that the Frederick Douglass home become a unit of the National Capital parks system. I believe the amendments suggested in the report of the Department of the Interior on S. 2399 are satisfactory. Certainly the costs of repairing and refurbishing the home will be minimal as will be the cost of maintaining it, and I am confident that it will become one of the highlights for many visitors to our Nation's Capital.

Expressions of support for S. 2399 have come in from groups throughout the country. I have selected a few letters typical of those I have received and ask that they be included as part of my testimony. In addition, I ask to have printed with my testimony a biography of Frederick Douglass prepared by the Library of Congress.

No statement of support for this project would be complete without a reference to the indefatigable leadership which Dr. Rosa L. Gragg, president of the National Association of Colored Women's Clubs, has given to this project. We are proud that Dr. Gragg, as well as being a citizen of the United States, is also a citizen of Michigan. Without her devotion and that of thousands of individuals with whom she has worked, their dimes and dollars and hours of labor, we would not be in a position today to consider our public obligation to preserve for future generations the home of this great American.

It was the foresight of the National Association of Colored Women's Clubs which has preserved this home in its lovely setting. It was the leadership of Dr. Gragg and the present membership of the association which brings us to our meeting today. I am proud to have introduced this proposal together with the Honorable CHARLES C. DIGGS, JR., sponsor of the companion measure in the House.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the Committee on Interior and Insular Affairs.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to provide for the establishment of the Frederick Douglass home as a part of the park system in the National Capital, and for other purposes."

REPEAL OF OBSOLETE LAWS RELATING TO MILITARY BOUNTY LAND WARRANTS

The bill (H.R. 9273) to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants was considered, ordered to a third reading, read the third time, and passed.

THEODORE ROOSEVELT BIRTHPLACE AND SAGAMORE HILL NATIONAL HISTORICAL SITES, N.Y.

The Senate proceeded to consider the bill (H.R. 8484) to authorize the establishment of the Theodore Roosevelt birthplace and Sagamore Hill National Historical Sites, N.Y., and for other purposes.

Mr. KEATING. Mr. President, last August 1, the United States was offered two pieces of property of inestimable historical value for future use as national monuments. These properties were homes of Theodore Roosevelt; one is his brownstone residence in Manhattan, where he was born, and the second is the well-known Sagamore Hill estate.

Under H.R. 8484, which is very similar to Senate Joint Resolution 124, originally sponsored by my colleague [Mr. JAVITS] and myself, these two historic sites would be protected, managed, and developed under the auspices of the Department of Interior. Other homes and memorials of former Presidents which are currently being administered by the National Park Service of the Interior Department include sites which belonged to, or have since been dedicated to the following Presidents: Washington, Adams, Jefferson, John Quincy Adams, Lincoln, Johnson, Grant, and Franklin D. Roosevelt. The homes and the birthplaces of the other Presidents are administered either by private historical associations or by the individual States involved.

There are primarily five commemorative sites associated with Theodore Roosevelt. Three of these have already been placed under the direction of the National Park Service. These three include the Maltese Cross Cabin, in Medora, N. Dak., which was a temporary ranching and hunting headquarters; the Elkhorn ranch homesite, located near the Little Missouri River in the Theodore Roosevelt National Memorial Park, which T.R. maintained between 1884 and 1893; and Theodore Roosevelt Island, in the Potomac River, which commemorates his conservation achievements.

Up to this time Theodore Roosevelt's birthplace in Manhattan, where he lived until he was 14 years old, and Sagamore Hill, which was his permanent residence from 1885 until his death in 1919, have been administered by the Theodore Roosevelt Association, a private organization. Now, however, these two properties have not only been offered to the United States by this association, but the association has also generously offered $500,000 for their upkeep. This endowment will probably make these sites self-supporting.

I urge that this perfect opportunity for acquiring and protecting these properties be taken. It is most important that these historic homes be conserved. They stand as authentic monuments, showing both where he lived and how he lived. They reflect in themselves much of the energy and drive which we all associate with our famous "Rough Rider." They stand as symbols of his devotion and of his contributions. Both nationally and internationally, Theodore Roosevelt is remembered for his courage, his foresight, his administrative abilities, and his willingness to act when action was needed.

We now have the chance, through H.R. 8484, to further protect part of this memory. We should not hesitate to do so. These sites represent a very real part of our national heritage that we should never forget.

Mr. JAVITS. Mr. President, I am pleased to support passage today of H.R. 8484, to make the first and last homes of Theodore Roosevelt national historic sites. I introduced a companion measure, Senate Joint Resolution 124, with my colleague, Senator KEATING. The brownstone residence at 28 East 20th Street in Manhattan was owned by the Roosevelt family when Theodore Roosevelt was born there on October 27, 1858, and it was his home during part of his childhood. Sagamore Hill, the 22-room estate in Oyster Bay, Long Island, was Roosevelt's home from 1885 until his death there in 1919.

Both properties were offered to the United States on August 1, 1961, by the Theodore Roosevelt Association, along with a $500,000 grant for their upkeep. The administration approved U.S. acceptance of the properties as national monuments. President Kennedy praised the donation of the association and called the two homes of the Nation's 26th President "priceless historical heritages." Secretary of the Interior Stewart L. Udall, who visited both homes, called the homes and their contents "the finest existing physical reminders of Theodore Roosevelt." I note that the committee report states that fees and the endowment will make both properties virtually self-supporting and that "there will be comparatively slight annual cost to the Government."

I thank the Interior Committee and particularly the district chairman of the Public Lands Subcommittee, Mr. BIBLE, for the committee's prompt and favorable action to the end that national historic sites will be made of these homes of one of our most dynamic Presidents. I also wish to thank the ranking Republican member of the Subcommittee, the Senator from Idaho [Mr. DWORSHAK]. The entire Nation should be grateful to the Theodore Roosevelt Association, led by its president, Oscar S. Strauss and its director emeritus, Hermann Hagedorn, whose generosity and public spirit have made this event possible.

It is an event of significance, because Theodore Roosevelt was more than just one of our greatest Presidents. His vigor and enthusiasm, his immense zest for life, his warmth and compassion, and his dedication to human freedom have established him as a symbol of the American spirit. He was our first modern President with a concept of the world mission of the United States.

The bill (H.R. 8484) was ordered to a third reading, was read the third time, and passed.

WAIVER OF SECTION 142, TITLE 28, UNITED STATES CODE—U.S. DISTRICT COURT, BRIDGEPORT, CONN.

The bill (H.R. 9844) to waive section 142, title 28, United States Code, with respect to the U.S. District Court for the District of Connecticut for holding court at Bridgeport was considered, ordered to a third reading, read the third time, and passed.

WAIVER OF SECTION 142, TITLE 28, UNITED STATES CODE—U.S. DISTRICT COURT, EASTERN DISTRICT OF TENNESSEE

The bill (H.R. 10012) to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee holding court at Winchester, Tenn., was considered, ordered to a third reading, read the third time, and passed.

WAIVER OF SECTION 142, TITLE 28, UNITED STATES CODE—U.S. DISTRICT COURT, NORTHERN DISTRICT OF ALABAMA

The bill (H.R. 10016) to waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama was considered, ordered to a third reading, read the third time, and passed.

WAIVER OF SECTION 142, TITLE 28, UNITED STATES CODE—U.S. DISTRICT COURT, EASTERN DISTRICT OF TEXAS

The bill (H.R. 10389) to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall division, holding court at Marshall, Tex., was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF SECTION 128, TITLE 28, UNITED STATES CODE—U.S. DISTRICT COURT, EASTERN DISTRICT OF WASHINGTON

The bill (S. 1307) to amend section 128 of title 28, United States Code, to constitute Richland, Wash., a place of holding court for the eastern district of Washington, southern division, and to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Washington, southern division, holding court at Richland, Wash., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second section of section 128(a)(2) of title 28, United States Code, is hereby amended to read as follows:

"Court for the southern division shall be held at Yakima, Walla Walla, and Richland";

That the limitations and restrictions contained in section 142, title 28, United States Code, shall be waived insofar as pertains to holding court by the United States District Court for the Eastern District of Washington, southern division, at Richland, Washington.

AMENDMENT OF THE PACIFIC MARINE FISHERIES COMPACT

The bill (S. 3431) to consent to the amendment of the Pacific Marine Fisheries Compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to (1) the amendment of the Pacific Marine Fisheries Compact, initially approved by the Act of July 24, 1947 (61 Stat. 419), between the States of California, Oregon, and Washington, by the addition of a new article XII to such compact as set forth in section 2 of this Act, and (2) to the participation in such compact, in accordance with the terms of such article, of the States of Alaska and Hawaii and any other State having rivers or streams tributary to the Pacific Ocean.

SEC. 2. Article XII of the Pacific Marine Fisheries Compact, as agreed to by the States of California, Oregon, and Washington, reads as follows:

"ARTICLE XII

"The States of Alaska or Hawaii, or any State having rivers or streams tributary to the Pacific Ocean may become a contracting State by enactment of the Pacific Marine Fisheries Compact. Upon admission of any new State to the compact, the purposes of the compact and the duties of the commission shall extend to the development of joint programs for the conservation, protection and prevention of physical waste of fisheries in which the contracting States are mutually concerned and to all waters of the newly admitted State necessary to develop such programs.

"This article shall become effective upon its enactment by the States of California, Oregon, and Washington and upon ratification by Congress by virtue of the authority vested in it under article 1, section 10, of the Constitution of the United States."

SEC. 3. The right to alter, amend, or repeal this Act is expressly reserved.

PRODUCTION OF OYSTERS

The Senate proceeded to consider the bill (H.R. 7336) to promote the production of oysters by propagation of disease-resistant strains, and for other purposes, which had been reported from the Committee on Commerce, with amendments, on page 2, line 3, after the word "States", to strike out "Providing," and insert

"Provided,"; after line 9, to insert a new section, as follows:

Sec. 2. The Secretary of the Interior is authorized to make grants to the States referred to in the first section of this Act for the purpose of assisting such States in the financing of research and other activities necessary in the development and propagation of disease-resistant strains of oysters. A grant under this section shall be made upon agreement by the State to use the proceeds thereof only for the purposes specified in this section and to use an additional amount for such purposes from State or other non-Federal sources equal to at least 50 per centum of the amount of such grant.

And, after line 19, to insert a new section, as follows:

Sec. 3. There is authorized to be appropriated such sum, not to exceed $100,000, as may be necessary to carry out the provisions of this Act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXTENSION OF FEDERAL AND STATE REGULATORY AUTHORITY UNDER CONVENTION FOR ESTABLISHMENT OF AN INTER-AMERICAN TROPICAL TUNA COMMISSION

The Senate proceeded to consider the bill (S. 2568) to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes, which had been reported from the Committee on Commerce, with an amendment, to strike out all after the enacting clause and insert:

That section 2 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 951) is amended by repealing subsection (e) in its entirety and substituting therefor a new subsection (e) as follows:

"(e) 'United States' includes its territories, possessions, and other areas under its control or jurisdiction."

Sec. 2. Section 6 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 955) is amended by striking out the phrase "head of the enforcement agency" where it appears once each in subsections (a) and (b) and inserting in lieu thereof in both places the term "Secretary of the Interior," and by adding a new subsection (c) immediately following subsection (b), as follows:

"(c) Regulations required to carry out recommendations of the commission made pursuant to paragraph 5 of article II of the Convention for the Establishment of an Inter-American Tropical Tuna Commission shall be promulgated as herinafter provided by the Secretary of the Interior upon approval of such recommendations by the Secretary of State and the Secretary of the Interior. The Secretary of the Interior shall cause to be published in the Federal Register a general notice of proposed rulemaking and shall afford interested persons an opportunity to participate in the rulemaking through (1) submission of written data, views, or arguments, and (2) oral presentation at a public hearing. Such regulations shall be published in the Federal Register and shall be accompanied by a statement of the considerations involved in the issuance of the regulations. After publication in the Federal Register such regulations shall be applicable to all vessels and persons subject to the jurisdiction of the United States on such date as the Secretary of the Interior shall prescribe, but in no event prior to an agreed date for the application by all countries whose vessels engage in fishing for species covered by the convention in the regulatory area on a meaningful scale, in terms of effect upon the success of the conservation program, of effective measures for the implementation of the commission's recommendations applicable to all vessels and persons subject to their respective jurisdictions. The Secretary of the Interior shall suspend at any time the application of any such regulations when, after consultation with the Secretary of State and the United States Commissioners, he determines that foreign fishing operations in the regulatory area are such as to constitute a serious threat to the achievement of the objectives of the commission's recommendations. The regulations thus promulgated may include the selection for regulation of one or more of the species covered by the convention; the division of the convention waters into areas; the establishment of one or more open or closed seasons as to each area; the limitation of the size of the fish and quantity of the catch which may be taken from each area within any season during which fishing is allowed; the limitation or prohibition of the incidental catch of a regulated species which may be retained, taken, possessed, or landed by vessels or persons fishing for other species of fish; the requiring of such clearance certificates for vessels as may be necessary to carry out the purposes of the convention and this Act; and such other measures incidental thereto as the Secretary of the Interior may deem necessary to implement the recommendations of the commission: *Provided*, That upon the promulgation of any such regulations the Secretary of the Interior shall promulgate additional regulations, with the concurrence of the Secretary of State, which shall become effective simultaneously with the application of the regulations hereinbefore referred to (1) to prohibit the entry into the United States, from any country when the vessels of such country are being used in the conduct of fishing operations in the regulatory area in such manner or in such circumstances as would tend to diminish the effectiveness of the conservation recommendations of the commission, of fish in any form of those species which are subject to regulation pursuant to a recommendation of the commission and which were taken from the regulatory area; and (2) to prohibit entry into the United States, from any country, of fish in any form of those species which are subject to regulation pursuant to a recommendation of the commission and which were taken from the regulatory area by vessels other than those of such country in such manner or in such circumstances as would tend to diminish the effectiveness of the conservation recommendations of the commission. In the case of repeated and flagrant fishing operations in the regulatory area by the vessels of any country which seriously threaten the achievement of the objectives of the commission's recommendations, the Secretary of the Interior, with the concurrence of the Secretary of State, may, in his discretion, also prohibit the entry from any country of such other species of tuna, in any form, as may be under investigation by the commission and which were taken in the regulatory area. Any such prohibition shall continue until the Secretary of the Interior is satisfied that the condition warranting the prohibition no longer exists, at which time entry of fish in any form under investigation but not under regulation shall be permitted, except that all fish in any form of the species under regulation which were denied entry shall continue to be denied entry."

Sec. 3. Section 7 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 956) is amended by deleting the section in its entirety and substituting in lieu thereof the following:

"Sec. 7. Any person authorized to carry out enforcement activities under this Act and any person authorized by the commissions shall have power without warrant or other process, to inspect, at any reasonable time, catch returns, statistical records, or other reports as are required by regulations adopted pursuant to this Act to be made, kept, or furnished."

Sec. 4. Section 8 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 957) is amended by deleting the section in its entirety and substituting in lieu thereof the following:

"Sec. 8. (a) It shall be unlawful for any master or other person in charge of a fishing vessel of the United States to engage in fishing in violation of any regulation adopted pursuant to section 6(c) of this Act, or for any person knowingly to ship, transport, purchase, sell, offer for sale, import, export, or have in custody, possession, or control any fish taken or retained in violation of such regulations.

"(b) It shall be unlawful for the master or any person in charge of any fishing vessel of the United States or any person on board such vessel to fail to make, keep, or furnish any catch returns, statistical records, or other reports as are required by regulations adopted pursuant to this Act to be made, kept, or furnished; or to fail to stop upon being hailed by a duly authorized official of the United States; or to refuse to permit the duly authorized officials of the United States or authorized officials of the commissions to board such vessel or inspect its catch, equipment, books, documents, records, or other articles or question the persons on board in accordance with the provisions of this Act, or the convention, as the case may be.

"(c) It shall be unlawful for any person to import, in violation of any regulation adopted pursuant to section 6(c) of this Act, from any country, any fish in any form of those species subject to regulation pursuant to a recommendation of the commission, or any tuna in any form not under regulation but under investigation by the commission, during the period such fish have been denied entry in accordance with the provisions of section 6(c) of this Act. In the case of any fish as described in this subsection offered for entry into the United States, the Secretary of the Interior shall require proof satisfactory to him that such fish is not ineligible for such entry under the terms of section 6(c) of this Act.

"(d) Any person violating any provision of subsection (a) of this section shall be fined not more than $25,000, and for a subsequent violation of any provisions of said subsection (a) shall be fined not more than $50,000.

"(e) Any person violating any provision of subsection (b) of this section shall be fined not more than $1,000, and for a subsequent violation of any provision of subsection (b) shall be fined not more than $5,000.

"(f) Any person violating any provision of subsection (c) of this section shall be fined not more than $100,000.

"(g) All fish taken or retained in violation of subsection (a) of this section, or the monetary value thereof, may be forfeited.

"(h) All provisions of law relating to the seizure, judicial forfeiture, and condemnation of a cargo for violation of the customs laws, the disposition of such cargo or the proceeds from the sale thereof, and the remission or mitigation of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this Act, insofar as such provisions of law are applicable and not inconsistent with the provisions of this Act."

SEC. 5. Section 10 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 959) is amended by deleting the section in its entirety and substituting in lieu thereof the following:

"SEC. 10. (a) The judges of the United States district courts and United States commissioners may, within their respective jurisdictions, upon proper oath or affirmation showing probable cause, issue such warrants or other process as may be required for enforcement of this Act and the regulations issued pursuant thereto.

"(b) Enforcement of the provisions of this Act and the regulations issued pursuant thereto shall be the joint responsibility of the United States Coast Guard, the United States Department of the Interior, and the United States Bureau of Customs. In addition, the Secretary of the Interior may designate officers and employees of the States of the United States, of the Commonwealth of Puerto Rico, and of American Samoa to carry out enforcement activities hereunder. When so designated, such officers and employees are authorized to function as Federal law enforcement agents for these purposes.

"(c) Any person authorized to carry out enforcement activities hereunder shall have the power to execute any warrant or process issued by any officer or court of competent jurisdiction for the enforcement of this Act.

"(d) Such person so authorized shall have the power—

"(1) with or without a warrant or other process, to arrest any persons subject to the jurisdiction of the United States at any place within the jurisdiction of the United States committing in his presence or view a violation of this Act or the regulations issued thereunder;

"(2) with or without a warrant or other process, to search any vessel subject to the jurisdiction of the United States, and, if as a result of such search he has reasonable cause to believe that such vessel or any person on board is engaging in operations in violation of the provisions of this Act or the regulations issued thereunder, then to arrest such person.

"(e) Such person so authorized may seize, whenever and wherever lawfully found, all fish taken or retained in violation of the provisions of this Act or the regulations issued pursuant thereto. Any fish so seized may be disposed of pursuant to the order of a court of competent jurisdiction, pursuant to the provisions of subsection (f) of this section or, if perishable, in a manner prescribed by regulations of the Secretary of the Interior.

"(f) Notwithstanding the provisions of section 2464 of title 28 of the United States Code, when a warrant of arrest or other process in rem is issued in any cause under this section, the marshal or other officer shall stay the execution of such process, or discharge any fish seized if the process has been levied, on receiving from the claimant of the fish a bond or stipulation for the value of the property with sufficient surety to be approved by a judge of the district court having jurisdiction of the offense, conditioned to deliver the fish seized, if condemned, without impairment in value or, in the discretion of the court, to pay its equivalent value in money or otherwise to answer the decree of the court in such cause. Such bond or stipulation shall be returned to the court and judgment thereon against both the principal and sureties may be recovered in event of any breach of the conditions thereof as determined by the court. In the discretion of the accused, and subject to the direction of the court, the fish may be sold for not less than its reasonable market value and the proceeds of such sale placed in the registry of the court pending judgment in the case."

SEC. 6. Nothing in this Act shall be construed to amend or repeal the provisions of section 4311 of the Revised Statutes, as amended (46 U.S.C. 251).

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

Mr. HART. Mr. President, with respect to Calendar No. 1697, H.R. 6374, a bill to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings and for other purposes, and Calendar No. 1699, Senate bill 3152, a bill to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program, the bills and reports on each are not yet at hand, so I ask that the bills not be acted upon.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The bills will be passed over.

LIMITATIONS ON LEASING OF COAL LANDS IMPOSED UPON RAILROADS

The bill (S. 1192) to amend the Mineral Leasing Act with respect to limitations on the leasing of coal lands imposed upon railroads was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 2 of the Mineral Leasing Act of 1920 as amended (41 Stat. 437, 438) (30 U.S.C. 202) is hereby repealed.

The PRESIDING OFFICER. That completes the call of the calendar.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1634, H.R. 10904, the unfinished business, and that it be laid before the Senate and made the pending business.

The motion was agreed to; and the Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HILL. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing his right to the floor, so that I may suggest the absence of a quorum?

Mr. HILL. I yield.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alabama has the floor.

Mr. HILL. Mr. President, with the understanding that I shall not lose my right to the floor, I yield to the distinguished Senator from Minnesota [Mr. HUMPHREY].

TRIBUTE TO GEORGE McGOVERN, DIRECTOR, FOOD FOR PEACE

Mr. HUMPHREY. Mr. President, today the Director of the food-for-peace program, Mr. George McGovern, is resigning his position. He has become a candidate for the U.S. Senate from the State of South Dakota.

I am sure it is well known that I have a very high regard for the Director of the food-for-peace program, and that I look upon Mr. McGovern as one of the most gifted, talented, dedicated public servants ever to come to Washington, D.C., to serve this Government and this country. His excellent record in the development of the food-for-peace program will stand as a tribute to his ability, his imagination, his creative qualities, and his competence as an executive and administrator.

Mr. McGovern served with distinction in the House of Representatives for two terms. After the election of President Kennedy, he was appointed Director of the food-for-peace program.

My colleagues are aware of the fact that I have long been interested in the program known as food for peace, and technically or legally known as Public Law 480. During my service as a member of the Committee on Agriculture and Forestry, as well as my service on the Committee on Foreign Relations, from time to time I have offered amendments, which I am happy to say have been adopted, to improve the programs under Public Law 480 and to make better use of the currencies which are generated by the sale of our surplus agricultural commodities under title I of Public Law 480.

Today those currencies provide scholarships for deserving students in other countries. They provide for public works and general economic development. They provide for translation of books and periodicals. They provide for scientific research. Those same currencies, which are the result of the sale of our agricultural commodities under the terms of the food-for-peace program, make it possible for our Nation to have a broader exchange of students and leaders with many countries. The moneys which are made available as the result of our expanded exports under Public Law 480 have strengthened our overall national security and foreign policy.

I am very proud of the fact that a personal friend, a neighbor, one who literally lives next door to me and my family, has given such splendid leadership and direction to this program.

I have addressed the Senate on other occasions on the accomplishments of

Mr. McGovern in the food-for-peace program. His record is one which will stand the most careful scrutiny by any Member of Congress or by any other citizen of the United States.

Recently Mr. McGovern addressed the centennial observance of the U.S. Department of Agriculture in Washington, D.C. His address was entitled "Agricultural Abundance: Instrument for Peace." The address is a brilliant and powerful presentation of the manner in which our agricultural abundance has been utilized to work for peace with freedom. Mr. McGovern in his address reminds us that the problems of hunger and poverty are still the most serious problems of mankind and that we in the United States, under the program known as the food-for-peace program, have been able successfully to attack the problems of hunger and poverty in many areas of the world and have been able to defeat these enemies of mankind in many areas of the world. The commanding officer in this battle has been Mr. McGovern. Whoever may be his successor, it will go without saying that high standards have been set, and that such standards must be maintained if the program is to realize its full potential.

I ask unanimous consent that the address by Mr. George McGovern, Special Assistant to the President and Director, food for peace, may be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AGRICULTURAL ABUNDANCE: INSTRUMENT FOR PEACE

(Address by George McGovern, Special Assistant to the President; Director, food for peace; World Food Forum, centennial observance of the U.S. Department of Agriculture, Sheraton Park Hotel, Washington, D.C., May 15, 1962)

History has a curious way of clustering important events in a single year. Certain dates are familiar to every student because they provide a focal point for historic developments. Such a year was 1862.

That year marked the Civil War battles of Shiloh, Antietam and Fort Henry. But while these battles provided the biggest headlines 100 years ago, they do not represent the most enduring monuments. For 1862 marked the dawn of a new era in agriculture.

It was the birthday of the land-grant college, the Homestead Act and the U.S. Department of Agriculture. Taken together, these three institutions have helped the American farmer establish the most remarkable food production system in the history of the world.

The advancing American frontier and the settlement of the West were made possible in great part by the Homestead Act. This farsighted legislation provided the economic basis of political democracy in our frontier society. It stemmed from the Jeffersonian conviction that "the small landowners are the most precious part of the state." It provided a Federal charter for family farm ownership and operation.

Likewise, the American farmer has been mightily assisted by the Morrill Act which created the land-grant college system. A recent study has concluded that two-thirds of the increase in our entire industrial and agricultural output of the past 150 years has been the result of research and education. The science of agriculture has been established in the United States in our land-grant colleges. No one factor more clearly explains the amazing productivity of our farms.

So, today, we salute our farmers for their productive skill. We salute the Homestead Act for establishing the principle of the individual family-type farm. We salute our land-grant colleges. Especially do we honor the Department of Agriculture for 100 years of service to the people of the United States and the world.

The century-long success story of American agriculture is one of the most spectacular achievements in our national history. No country in the world produces so much food so cheaply and so efficiently as does the United States. With only 8 percent of our population working the soil, we have multiplied our food-producing capacity many times over. Nowhere in the world can the consumer buy his food with so small a percentage of his income.

Yet, because of the amazing success of American agriculture, we are faced with what Secretary Freeman has described as "a crisis in abundance." Although we live in a world of hunger, our warehouses are bulging. In spite of severe acreage restrictions, vast Government stocks are still with us.

Considerable progress has been made by the Department of Agriculture under Secretary Freeman in bringing U.S. production more into line with our actual food needs. Nevertheless, a recently published report by the National Planning Association opens with these words:

"The Commodity Credit Corporation holds about $8 billion worth of farm surpluses purchased in price support operations. Storage costs alone have been running about $1 million a day."

The author adds:

"We are not apt to do away with agricultural surpluses in the next few years. Even if farmers make sizable cuts in production, it seems almost certain that for the foreseeable future total agricultural production will be more than regular markets will absorb at reasonable prices."

But the rest of the globe presents quite a different picture. In the Soviet Union, for example, the labor of half the population is required to feed the other half. In other Communist countries, food production is even less satisfactory. Indeed, well over half of the inhabitants of the globe do not yet know freedom from hunger.

Covering the 1943 famine in China's west Honan Province, Time Magazine correspondent Theodore White wrote:

"My notes tell me that I am reporting only what I saw or verified; yet even to me it seems unreal: Dogs eating human bodies by the roads, peasants seeking dead human flesh under the cover of darkness, endless deserted villages, beggars swarming at every city gate, babies abandoned to die on every highway. * * * Nobody knows or cares how many refugees die. * * * Of Honan's 34 millions we estimated that there have been 3 million refugees. In addition, 5 million will have died by the time the new harvest is gathered."

In that same year, nearly 20 years ago, famine struck the Bengal Province of India. No one knows how many Indians died of starvation; the estimates range from 1 to 3 million. An acquaintance of mine who was there at the time tells of "the constant rumble of trucks piled high with human bodies bound for mass graves at the edge of Calcutta."

Today we may draw uneasy consolation from the knowledge that nowhere are conditions as bad as those described two decades ago. But mass hunger is still with us. Progress against this ancient enemy of mankind has not kept pace with the march of technology.

Recently we shared the awe of Astronaut John Glenn who viewed the glories of four sunsets from his capsule in outer space. But the world which Colonel Glenn left behind for those few hours is a world where two-thirds of the inhabitants are still tilling the soil with crude implements and primitive techniques that have been little changed in the past 3,000 years. Most of these people are suffering from malnutrition and disease. Millions of others in the city slums from Lima to Hong Kong are no better off.

It is thus still the fate of most of the inhabitants of the earth to know the pain of hunger, to see their children wither and die of disease brought on or complicated by malnutrition, to know the listlessness of body, the dullness of mind, and the weariness of spirit that are the companions of malnutrition.

This paradox of plenty in the midst of hunger prompted Congress to enact in 1954 one of the most imaginative laws ever placed on the U.S. statute books.

Public Law 480, passed with broad bipartisan support, made American surplus food available to friendly countries who were unable to meet their needs through traditional commercial arrangements.

Since its passage in the summer of 1954, food and fiber valued at $15 billion have moved to more than 100 countries and territories.

The largest portion of the food agreements has been sales for nonconvertible foreign currency. We in turn have loaned or granted most of the currency to the contracting governments for development purposes. A modest portion of the currency has been held for certain U.S. programs such as market development, educational exchange or private business loans.

Under other sections of the law, food has been granted to meet famine conditions, to feed needy families or refugees, to encourage economic development projects, and to assist school lunch programs. In some cases, these programs are conducted by our Government directly with the receiving government. In other cases, we have made use of the splendid services of private voluntary agencies such as CARE, Church World Service, Catholic Relief Services, Lutheran World Relief, the Joint Jewish Distribution Committee, the American Friends Service Committee, the Mennonites and others.

These dedicated religious and humanitarian agencies represent people-to-people assistance at its best. They literally have their arms around the world in an effort to feed the hungry and heal the sick. In 1961, nearly 3 billion pounds of U.S. food found its way to 64 million hungry people—thanks to the concern of our humanitarian agencies.

Yet, there has been an uneasy feeling in the United States that we could do more with our agricultural abundance to reduce human hunger and suffering.

President Kennedy expressed this concern on January 24, 1961, in the opening hours of his administration when he issued a historic Executive order. In that order the President said: "It is of fundamental importance that we have a national food policy directed toward using our agricultural abundance as a national asset to meet foreign policy objectives."

In an accompanying directive, Mr. Kennedy said:

"American agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way and to play an important role in helping to provide a more adequate diet for peoples all around the world. We must make the most vigorous and constructive use possible of this opportunity. We must narrow the gap between abundance here at home and near starvation abroad. Humanity and prudence, alike, counsel a major effort on our part."

The President then established a food for peace office in the White House and called upon me as its first director "to exercise affirmative leadership and continuous supervision over the various activities in this field." He instructed me "to consider very carefully the intimate relationships between our foreign agricultural activities and other aspects of our foreign assistance program."

This far-reaching Executive order has given a dynamic new dimension to American food reserves. It has done much to replace the negative concept of "surplus disposal" with a positive view of U.S. agricultural abundance as a precious national asset. It has given the American farmer a vital stake in foreign policy. It has focused worldwide attention on the achievements of American agriculture in a world of food shortages. It has strengthened the political and moral position of the United States in international affairs.

There is, of course, a double thrust behind food for peace. It is first of all clearly in the self-interest of the American people to reduce costly storages, to protect our farm economy from price-depressing surpluses, to stimulate our shipping industry by massive food shipments, and to develop long-range commercial markets. Food for peace does all of these things.

But the other thrust behind food for peace stems from the philosophy of the scriptural admonition to feed the hungry. No one can doubt the genuine, humanitarian desire of the American people to see our food reserves shared with hungry men and women, boys and girls the world around.

Thus, the 45 billion pounds of U.S. food and fiber which we programed in 1961 for oversea use can be viewed properly as both a valuable asset to American agriculture and a tremendous contribution to the well-being of mankind.

We now see the food-for-peace program not only as an important market development activity, but also as an instrument of international health and nutrition, a tool of economic and social development and a vital force for peace and freedom.

It has become an indispensable ingredient in U.S. foreign assistance. In some countries, it is the major component of American aid. Of the $4 billion in U.S. technical, financial, and food aid that has gone to India in the last decade, 62 percent has been food. In Egypt, food for peace has comprised 75 percent of our aid in recent years, and is currently 89 percent of our assistance to that crucial country.

The program is manifesting itself in several ways:

1. It is definitely raising nutritional levels.

2. It is curbing inflation—especially in areas of economic development which would otherwise suffer from inflationary pressures on their scarce food supplies.

3. It preserves the foreign exchange of developing countries for other necessary imports.

4. It is encouraging economic development by giving new energy to workers and students, and by the indirect results mentioned above. It permits a greater degree of industrialization than would be possible if the country were required to produce all of its food.

5. Perhaps most important, food assistance, unlike some other forms of aid, reaches broad masses of people with an immediate impact. People may find it difficult to appreciate the impact of such U.S. aid as budget support or development loans for industry. Indeed, it may be a long time before the peasants, the villagers, or the city slum dwellers feel any benefit from these aid programs. But a piece of bread or a glass of milk is understood and appreciated. This is aid that is immediate, concrete, and centered on the neediest elements in the country. It narrows, rather than widens, the gap between the favored few and the needy masses.

There were two especially important breakthroughs which occurred on the food-for-peace front during the past 16 months which hold exciting future prospects. The first of these is the use of food to pay the wages of workers engaged in building schools, roads, clinics, and rural improvements.

Today in 10 countries, American cereals and other foods are financing part of the wages of workers employed on valuable public works projects. Wheat from Kansas and the Dakotas, and corn from across the Midwest are being converted into classrooms, roadways, and better communities abroad.

A second challenging breakthrough is a greatly expanded oversea school lunch program. The most precious asset of any nation is its children. Their health and education are the twin foundations of social growth. What foreign assistance could be more rewarding than a nutritious midday meal for hungry boys and girls.

Such programs not only give new physical energy and health to the children; they result in sharply improved school attendance and academic performance. In Peru, for example, a pilot school lunch agreement signed with Prime Minister Beltran a year ago has already resulted in a 40-percent increase in school attendance. Within 4 years we will be feeding a million undernourished Peruvian schoolchildren.

The editors of Parade magazine tell the heartwarming story of how an American-assisted school lunch program brought new strength to Japanese children, opened up a vast new commercial market for U.S. farm products in Japan, and is now being operated entirely by the Japanese.

"One of the first moves General MacArthur made during our occupation of Japan was to start a school-lunch program. For the next decade every schoolchild in Japan got at least one good meal a day and learned to eat bread and drink milk. An entire generation of Japanese has been influenced by this change in diet. The school lunches are now a fixture of life in Japan, and that country has become the leading customer in the world of the American farmer.

"What's happened to the Japanese physique with the new diet? Boys of 15 are on the average 3 inches taller than their grandfathers were at the same age; girls are 3 inches taller than their grandmothers, and their bustlines are 1 inch larger, to say nothing of their feet and legs. Tokyo school authorities also report that today's kids are too big for the desks their parents used as schoolchildren."

Today U.S. food-for-peace-assisted school lunch programs are reaching 34 million children in 80 countries of the world. But there are 700 million children around the world who need such a program. Is food for peace equal to that challenge? Will the local governments do their part in establishing a school lunch for every needy child? I hope that some day in the not too distant future we can answer "Yes" to both questions.

Many years ago, Prime Minister Nehru observed: "You cannot talk of God to a starving person; you must give him food." It is equally certain that you cannot talk effectively of science and history and literature to listless, undernourished children.

I know that President Kennedy and the American people stand ready to share our resources so that every child can have food in his stomach, strength in his arms, hope in his heart and light in his eyes.

Dr. Sen, the distinguished Director General of the U.N. Food and Agriculture Organization, said in launching the worldwide freedom-from-hunger campaign:

"One man's hunger and want is every man's hunger and want. One man's freedom from hunger and want is neither a true nor a secure freedom until all men are free from hunger and want."

Food for peace works toward that end.

FOOD-FOR-PEACE GROWTH OVER 18 MONTHS

Mr. MANSFIELD. Mr. President, food-for-peace transactions, as authorized by congressional appropriation, have reached a total of 93 billion pounds during the past 18 months, an increase of 75 percent over any previous period of equal length.

A significant part of the credit for this achievement rests with George McGovern, Food for Peace Director, who resigns from his post today. Acclaimed by the Milwaukee Journal as "the Kennedy administration's most successful achievement to date," food for peace has opened a new dimension for American farmers, both in terms of markets, and the part they can play in waging the cold war. Furthermore, the program reduces storage costs half a billion dollars a year, stimulates the shipping industry, bolsters farm prices, develops future dollar markets overseas and raises the purchasing power of other countries.

When he first came to Congress from South Dakota in 1956, George McGovern started talking about utilizing American farm surplus as a political and economic asset. In 1959, the Food for Peace Act of 1959, which he consponsored, illustrated his continued determination. Now, Mr. McGovern's record after 18 months as Director of the program stands as powerful testimony to the strength of his belief that farm abundance is an asset and not a liability.

EDUCATION AND FOOD FOR PEACE

Mr. McNAMARA. Mr. President, today 35 million children in 80 countries eat American farm commodities in school lunches.

In addition, students from 29 foreign countries are now studying in American universities with funds provided through the sale of American farm products.

Furthermore, soft currency sales of agricultural products are financing publication and distribution of American books and periodicals all over the world. These funds also make possible libraries and binational centers. Fifty-eight such centers in 18 countries, for example, are currently undertaking improvements which will help them expand their English teaching and cultural programs.

In addition to all this, $3,324,635 worth of foreign currencies gained from sale of agricultural products for foreign currency was made available to 13 nations for agricultural research programs during the first 6 months of 1961 alone.

The food for peace program makes all this possible, and under the leadership of George McGovern, that organization has shown that not only can the American farmer feed the world, but he can educate it as well—here is our best insurance for freedom.

FOOD FOR PEACE AND THE REFUGEES

Mr. PASTORE. Mr. President, the free world approaches greatness, not because it represents a comfortable place to live in, but because it is a continuing affirmation of the idea that men can achieve both bread and freedom.

In the quiet but violent struggle going on in southeast Asia and Eastern Europe today, there are people risking their lives continuously to escape the Communist bloc. We bear a responsibility to these refugees, not only as fellow men, but also because they have turned to us in belief of our declarations that freedom means

freedom for everyone. It is up to us to show this is true. The same thing holds for refugees from hunger and civil strife.

One way this is being done is through the food-for-peace program, **headed until today by George McGovern.**

During the last half of 1961, arrangements were made to sell $5.1 million worth of corn in the open market in Austria with the proceeds to be used for housing construction for refugees from behind the Iron Curtain.

During the same period, $390,000 worth of corn was programed to be shipped to Uganda for refugees fleeing from neighboring strife. Wheat flour valued at $15.6 million was also made available to the United Nations Relief and Works Agency (UNRWA) to give relief to displaced people.

Mr. McGovern's direction of the food-for-peace program has strengthened America and our ideals because it has shown to the oppressed that freedom from want is one of the goals of the free world.

BALANCE OF PAYMENTS

Mr. PROXMIRE. Mr. President, recently we have heard much about balance-of-payments problems and many of us have been concerned with the relationship of our foreign assistance to the gold outflow. Food for peace represents one answer.

Let us take its support of the Alliance for Progress as an example. Under the able leadership of George S. McGovern, who resigns today to run for the Senate in South Dakota, over $200 million worth of farm products have been programed for soft currency sales and donations under the Alliance for Progress. The net gold outflow of this transaction to the United States will be "zero." When our aid takes the form of dollars, recipients can and often do spend them in places other than the United States. However, when food is sold or granted and the currency generated is loaned back to the buying country we are financing economic development in a manner that represents no drain on American gold, with goods that are already surplus.

Other aspects of the program are bartering food for strategic materials and sales for long-term dollar credit. Since January 1961, Food for Peace has arranged for barter agreements of farm products for strategic materials valuing $271 million. This again preserves our gold.

George McGovern had been talking about this for a long time and has now shown what intelligent use of farm surplus can mean—both in getting things done abroad, and saving dollars at home.

We pay tribute to his able leadership of the food-for-peace program.

FOOD FOR PEACE AND FOREIGN AID

Mr. YARBOROUGH. Mr. President, today I want to talk a little bit about foreign aid. We have learned the hard way that when you give people something for nothing, many times they either do not know what to do with it, do not appreciate it, or waste it. We have also learned that when you start handing out money, it has a great tendency to wind up in places you do not expect it to and do not intend it to. With this in mind, I am going to tell you about a program that suffers from neither of these difficulties—first, because we are not giving something away for nothing, and second, because we are not giving away cash. And yet, in Tunisia, we are making it possible for the Tunisians to build roads, dams, and canals, plant trees, reclaim soil, and terrace hillsides.

The food-for-peace program, under George McGovern, has accomplished this by supplying wheat which, in conjunction with funds supplied by the Tunisian Government, is paid directly to Tunisian laborers who work on the development projects.

In this way, work gets done, the people that do it get jobs, and also get what they need—food for themselves and their families. This is a form of aid that gets to the people; it affects their lives in that it provides jobs; it affects their health in that it provides food; and it affects their future as it builds the improvements needed for an expanding economy.

George McGovern has helped make food-for-wages projects of this kind a reality in a dozen countries.

FOOD FOR PEACE

Mr. MOSS. Mr. President, in 1956, when George McGovern first was elected Congressman from South Dakota, he pledged himself to the task of finding more imaginative and constructive uses for our agricultural abundance. His direction of the food-for-peace program under the Kennedy administration has realized that end.

Food for peace under Mr. McGovern's leadership has dynamically shown that the produce of American farmlands can be a powerful and constructive force. Farm products once considered useless surplus are now producing needed foreign exchange to pay American obligations abroad and are thus saving dollars. They are feeding children through school lunch programs in 80 countries. The effect is not only to nourish young bodies, but also to encourage their attendance at school.

In another phase of activity, food for peace makes available food stocks when natural disaster strikes.

Also through barter arrangements, American farm products are exchanged for needed strategic materials. The result is that through the efforts of Mr. McGovern, American agricultural commodities have become a valuable tool in strengthening America both at home and abroad.

THE CHURCHES AND FOOD FOR PEACE VOLUNTARY AGENCIES

Mrs. NEUBERGER. Mr. President, some of the finest people America has produced have been her missionaries. These are people who, through their religious faith and belief in freedom, have spent their lives abroad teaching and working with foreign peoples. Our missionaries for years have been running schools, hospitals, and a myriad of other projects at home and in distant lands, showing people that Americans, through their faith, have made the idea of freedom a living thing.

People of all faiths from all parts of the country are devoting their lives to this. Food for peace, under the leadership of George McGovern, has made the work of all these Americans far more effective. Support for these citizens who are willing to give their lives for what they believe has taken the form of shipment of surplus farm products to their organizations for distribution to the needy in foreign lands. Sixty-six million, three hundred eighty thousand people are now the beneficiaries of 220 programs administered by 17 separate American voluntary relief agencies. Made available to these organizations on a continuing basis are wheat, corn, dry milk, beans, bulgur, and vegetable oil.

It is significant that Mr. McGovern's successor is Mr. Richard Reuter, executive director of CARE. Mr. Reuter has distinguished himself in directing this splendid humanitarian agency during the past several years. He will make a fitting successor to George McGovern.

ANTI-COMMUNIST

Mr. SPARKMAN. Mr. President, poverty, hunger, and disease prepare the seedbed for revolution, and all too often that revolution has been Communist. When a man gets hungry enough and sick enough, the Communists' tales of Utopia sound convincing, and the bloc has bought another soul. But the West has a means of stopping this—a means that no amount of Communist demonstrating can equal. The United States can feed the hungry people of the world and show them that freedom means freedom from want as well as freedom from tyranny.

This is what the food-for-peace program has been doing under the leadership of George McGovern, who leaves its directorship today.

One hundred and six countries and territories are receiving American agricultural commodities, and this form of aid and relief gives the man in the village an answer to the Communist organizer in his midst. The answer comes not from the philosophy book and not from economic theory, but from his stomach. Food can mean peace, and food for peace means peace with freedom.

Today we salute Mr. McGovern who has wielded against the Communists the surest weapon of the free world.

WORLD MARKETS

Mr. GORE. Mr. President, George McGovern, Director of the food-for-peace program, realizes the American farmer must sell to survive. Public Law 480 and the food-for-peace program have done more to help the American farmer sell his product abroad than any program yet undertaken. For the fiscal year ending June 30, 1961, U.S. agricultural exports reached $4.9 billion, an all-time high. In 1961, 66 percent—amounting to 661 million bushels—of all the wheat exported from the United States was shipped out under one of the food-for-peace programs. Twenty-one percent of all corn exported, 68 percent of the rice, 20 percent of the cotton, and 22 percent of the edible vegetable oils were also under food for peace.

The American farm economy will stay strong if it sells more food, and the food-for-peace program, under title I, and title IV, Public Law 480 has been doing just that.

Those of us that represent the most efficient agricultural producers in the world join in our thanks to Mr. McGovern for helping to find constructive outlets abroad for the abundant production of America's farms.

VISIT TO THE SENATE BY SENATOR JOSÉ YCAZA ROLDOS OF ECUADOR

Mr. McCARTHY. Mr. President, I am happy to introduce to the Senate a distinguished Senator from the Republic of Ecuador, South America, Senator José Ycaza Roldos, of Guayaquil. [Applause, Senators rising.]

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Chair welcomes with great pleasure the distinguished Senator, and hopes that his visit will be a source of gratification to him.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HILL. Mr. President, the bill, H.R. 10904, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes, as reported to the Senate by the Committee on Appropriations, totals $5,333,084,000, an increase of $162,296,000 over the amount of the bill as passed by the House; an increase of $57,241,000 over the appropriations for fiscal year 1962; and a decrease of $53,279,100 from the budget estimates for fiscal year 1963. Approximately one-half of the total amount recommended by your committee is for the Social Security Administration—the funds for grants to States for public assistance totaling $2,538,300,000.

For the Department of Labor the committee recommends a total of $315,147,000, an increase of $50,821,000 over the House allowance, but a reduction of $58,934,100 from the budget estimates. The committee considered supplemental estimates, not presented to the House, totaling $101,532,100, and allowed $51,807,000 of these supplemental estimates, including $50 million for "Manpower development and training activities" under the provisions of the Manpower Development and Training Act of 1962, approved March 15, 1962, authorizing an appropriation of $100 million for fiscal year 1963. The committee allowed the full supplemental budget estimate sought, $1,532,000, for the Welfare and Pension Plan Disclosure Act Amendments of 1962, approved March 20, 1962, partially offset by a decrease of $556,000 in funds for the Bureau of Labor Standards which formerly handled the program.

For the Department of Health, Education, and Welfare the committee recommends a total of $4,990,755,000, an increase of $111,375,000 over the House allowance, and an increase of $5,655,000 over the budget estimates. The funds for grants to States for public assistance, $2,538,300,000, account for 50.86 percent of the total for the Department. The authorization for this welfare program is an open-ended one, requiring the Congress to provide whatever funds are required to match State expenditures.

The allowance for grants to States for public assistance is $150 million under the budget estimate, due to sums requested and not approved for portions of the program for which the authorization expired on June 30, 1962, and also as a result of the committee's view, as expressed in our report, that there may exist a shocking waste of public funds if the conditions exposed by the investigation of a 5-percent sample in the District of Columbia of the aid to dependent children program exist elsewhere.

The committee recommends $1,500,000 for grants to States for training public welfare personnel under the authorization of the 1960 amendments to the act.

The committee recommends the addition of $102,645,000 for the Public Health Service over the House allowance, $60 million of which is for the National Institutes of Health, and $37,648,000 is for the hospital construction program providing the full amounts authorized for parts C and G, $220 million.

For fiscal years 1959–1962 the Congress appropriated $150 million annually for part C, the original Hill-Burton program, against budget estimates of $99, $79, $95, and $125 million respectively, and for each of the same years the Senate has allowed the full amount authorized, $60 million—since increased to $70 million by the Community Health Services and Facilities Act of 1961—against budget estimates of $21, $21, $30, and $60 million respectively. There exists at present time, the committee was advised by the Public Health Service, an additional need for 1,153,781 beds. The funds recommended by the committee, coupled with the construction of hospitals outside of the Hill-Burton program, would provide 57,076 beds, while there is required to replace obsolescent beds and to provide beds for the increasing population, 69,070 beds, as the committee was informed. So that the committee recommendation will fall some 12,000 beds short of meeting the requirements of obsolescence and increased population.

The additional funds for the National Institutes of Health are distributed as follows: For the basic medical research, $6 million; for cancer, $8 million; for mental health, $15 million; for heart, $6 million; for dental research, $3 million; for arthritis and metabolic diseases, $7 million; for allergy and infectious diseases, $6 million; and neurology and blindness, $9 million. The committee considered requests totaling $1,131,636,000 from outside witnesses concerned with medical research, or $290,836,000 over the House allowance, but approved an increase of only $60 million. The committee was advised that the original requests from the several Institutes totaled $1,030 million, $130 million more than recommended by the committee.

The committee recommends the addition of $1 million for the research and training program of the Office of Vocational Rehabilitation, to permit the establishment of two additional special centers with comprehensive teaching and research programs in physical and rehabilitation medicine and support of other programs for the severely disabled. The committee is convinced that centers of this type, of which two were supported during fiscal year 1962, will significantly contribute to advances in the whole field of rehabilitation.

The committee recommends an additional $1 million for grants to States for the control of tuberculosis—these funds are available for the same purposes as heretofore and may, of course, be used for BCG vaccine; $1 million additional for special project grants for the control of venereal diseases, because of the rising incidence of these conditions.

The committee voted an additional $48,000 for the operation of Gallaudet College, $18,000 of which would raise the ration allowance to $1 a day, and $30,000 would permit the purchase of additional school supplies and equipment. The committee also approved $660,000 for the construction of an arts building, planning funds for which were added by the Senate last year, and $50,000 for landscaping the grounds which will not be further affected by the construction work.

I ask unanimous consent that there be included as a part of my remarks a summary statement.

There being no objection, the summary was ordered to be printed in the Record, as follows.

Summary Statement of Oil Industry Activities, Research and Accomplishments in Control and Abatement of Air Pollution

The oil industry's efforts in the control and abatement of objectionable air pollution falls into two general categories as follows:

1. An extended and well organized program to develop methods and procedures for controlling emissions from its own operations.

2. A comprehensive research program to solve some of the mysteries of air chemistry resulting in the formation, over large cities, of photochemical smog with eye smarting, and plant damage effects.

The American Petroleum Institute's Committee on Disposal of Refinery Wastes was formed in 1929 with responsibilities, among others, of studying refinery air pollution sources and developing and recommending control methods. Early in the 1930's an API manual on control of these emissions was issued. The committee has increased its activities through the years and today has 60 members. A number of new and expanded editions of the manual have been produced. Research projects have been undertaken to get needed data. A sponsored project at the University of Cincinnati and with Kaiser engineers resulted in the publication in recent years of five comprehensive booklets on theory, design, and use of various types of equipment for removing particulate matter from gases. Another API-sponsored project, just being completed, will produce a new, lengthy section on meteorology for the manual. This section will give the refiner a clearer idea of what happens to pollutants released to the atmosphere and assist him in arriving at stack heights and in designing to minimize objectionable effects of unavoidable emissions.

In the early days of the Los Angeles smog studies the refineries, being the largest industry in the area, were surveyed critically and in detail by joint committees of people from the Public Health Service, Los Angeles Air Pollution Control District, and the oil industry. Careful control of hydrocarbon and other emissions was inaugurated. Nine reports covering various phases of these cooperative studies were issued. Later an oil industry committee assisted the Public Health Service (Cincinnati) in the drafting of a publication on oil refinery emissions which was issued in 1960 as PHS publication No. 763, "Atmospheric Emissions From Petroleum Refineries: A Guide for Measurement and Control."

In the late 1940's, with hydrocarbons under suspicion as one of the causes of the eye-smarting, visibility-reducing smog in Los Angeles, the west coast oil companies inaugurated a sizable research program to determine what was happening in the Los Angeles atmosphere to cause smog and what might be done about it. In 1953, recognizing that the problem of air pollution is not confined to Los Angeles, the American Petroleum Institute assumed sponsorship on a national basis of a broad research program. Responsibility rested in a committee now designated as the API Air and Water Conservation Committee. Shortly thereafter as many as a dozen research projects were started concurrently at various institutions.

This oil industry research on fundamental chemistry of the atmosphere is continuing today although much has been learned and many millions of dollars spent. API sponsored research determined the chemical composition of the particular compound, or family of compounds, in photochemical smog causing eye-smarting and some of the plant damage. The probable reaction mechanism resulting in its formation has been hypothesized. Studies have been conducted in an effort to find a way of inhibiting the reaction.

After the Los Angeles area refineries had been placed under extra careful control, at a cost to the oil companies of many millions of dollars it was determined that hydrocarbons and nitrogen oxides from automobile exhausts were the main cause of the Los Angeles problem.

The logical question arose as to whether a change in the chemical composition of motor gasoline marketed in Los Angeles could effect a significant reduction in the smog forming tendencies of automobile exhaust gases. To obtain answers, the oil industry prepared six special gasolines of widely varying composition within manufacturing feasibility. These were tested in automobile engines by the Los Angeles Air Pollution Control District, the U.S. Bureau of Mines (Bartlesville), and the Public Health Service at Cincinnati. The test data demonstrated that no great benefit would result from changes in motor gasoline composition. Differences in the condition of the engine and in its operation were much more significant than fuel composition.

During the past year or so the API air pollution research projects have included the determination of photochemical reaction rates of some of the individual hydrocarbons found in automobile exhaust and in the Los Angeles atmosphere. Support of the research at the University of California on the effects of air pollution on plant life is being continued. At Perkasie, Pa., research is being sponsored to learn something about the formation and composition of the visibility-reducing aerosol produced photochemically in urban atmospheres.

The API Air and Water Conservation Committee is also currently sponsoring a survey of air contaminants in the emissions from combustion of fuel oil in residences and light industry. Some 30 heating systems selected at random in the Philadelphia area are being surveyed. The effects of variables, such as type and adjustment of equipment, cleanliness of burner and furnace, etc., will be determined.

The American Petroleum Institute is contributing funds and collaborating with the automotive industry in a research investigation of odor and eye irritation from diesel engine exhaust. A part of the funds for this project are from an NIH grant. The API together with the automotive industry is financing a project at the U.S. Bureau of Mines, Bartlesville, Okla., to develop improved instruments and methods for analyzing automobile exhaust gases.

Our medical advisory committee follows the health aspects of air pollution. The committee, organized in 1945, is composed of directors of medical departments of various oil companies. These physicians, recognizing the need of keeping abreast of developments in the health field, have hired consultants over a number of years to review current knowledge on the subject and advise them on needed research.

After consulting with the Public Health Service, the API Medical Advisory Committee undertook sponsorship in 1962 of a research project, to evaluate the potential cancer-forming tendencies, in the pulmonary systems, of polycyclic aromatic hydrocarbons.

The medical advisory committee has been exceedingly active in the past in determining the toxicity and cancer-producing tendencies of petroleum products, and of components of these products, which might be contacted by refinery employees. Over a million dollars has been spent in this research.

The API has cooperated fully with the PHS in air pollution matters and will continue to do so. Funds have been contributed to the current PHS survey to determine lead levels in the atmosphere and populace of three large cities. Members of the API Air and Water Conservation Committee and the Medical Advisory Committee are serving on the PHS working committee for this survey.

A recent survey by the Oil and Gas Journal developed information showing that oil industry has been spending about $1 million annually in air pollution research and from $15 to $20 million annually for air pollution control. These expenditures in combination with other activities discussed represent a considerable effort by the oil industry, far exceeding, we believe, activities of any other industry in this field.

Much of the research on atmospheric chemistry, smog, plant damage, etc., is not specifically an oil industry problem as many sources contribute to urban air pollution; however, this research has been continued, in the public interest, for a number of years.

The scientific world is well aware of the petroleum industry's activities and contributions to knowledge of the plaguing problem of community air pollution. The results of petroleum industry sponsored and financed research have been presented in meetings of professional societies and published in the country's leading technical journals. Scientists recognize that our industry has discharged and continues to discharge its full public responsibility in the field of air pollution research.

Mr. HILL. Mr. President, I ask unanimous consent that the amendments of the committee be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are, as follows:

On page 3, after line 6, to insert:

"MANPOWER DEVELOPMENT AND TRAINING ACTIVITIES

"For expenses necessary to carry into effect the Manpower Development and Training Act of 1962 (Public Law 87-415), $50,000,000."

On page 3, after line 10, to insert:

"WELFARE AND PENSION PLAN REPORTS ACTIVITIES

"For expenses necessary for performing the functions vested in the Secretary by the Welfare and Pension Plans Disclosure Act, as amended (72 Stat. 997; 76 Stat. 35), $1,532,000."

On page 5, line 14, after "(68 Stat. 1130)", to strike out "not more than $350,000,000" and insert "$405,000,000, of which $55,000,000 shall be available only upon enactment of legislation by the Eighty-seventh Congress increasing the authorization by not less than such amount,"; in line 20, after the word "fund", to insert a comma and "and of which $15,000,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the number of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based"; and on page 6, line 19, after the word "herefrom", to insert a colon and "*Provided further*, That notwithstanding section 901(c)(1)(A) of the Social Security Act, the limitation on the amount authorized to be made available for the fiscal year ending June 30, 1963, for the purposes specified in such section 901(c)(1)(A) is hereby increased to $405,000,000."

On page 9, line 5, to strike out "$1,640,000" and insert "$1,049,000".

On page 9, line 12, after the word "laws", to strike out "$2,178,000" and insert "$1,919,000".

On page 10, line 11, after "(72 Stat. 835)", to strike out "performance of the functions vested in the Secretary by sections 8 (b) and (c) of the Welfare and Pension Plans Disclosure Act (72 Stat. 977);"; and in line 17, after "(63 Stat. 409)", to strike out "$3,800,000" and insert "$3,244,000".

On page 13, line 2, after the word "exhibits", to strike out "$718,000" and insert "$893,000".

On page 13, at the beginning of line 16, to strike out "$4,181,000" and insert "$4,281,000".

On page 13, line 22, after the word "Labor", to strike out "$1,905,000" and insert "including expenses of commissions or boards to resolve labor-management disputes, $2,066,000"; and on page 14, line 1, after the word "Fund", to strike out the comma and "of which not more than $5,000 shall be for official entertainment expenses".

On page 15, line 16, after "(20 U.S.C. 34)", to strike out "$34,672,000" and insert "$34,716,000".

On page 18, at the beginning of line 7, to strike out "May 31" and insert "March 31".

On page 19, after line 8, to insert:

"SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

"For purchase of foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Office of Education, as authorized by law, $400,000, to remain available until expended: *Provided*, That this appropriation shall be available, in addition to other appropriations to such agency, for the purchase of the foregoing currencies."

On page 20, line 5, after the word "slides", to strike out "$12,250,000" and insert "$12,300,000".

On page 21, line 18, after the word "Act", to strike out "$24,500,000" and insert "$25,500,000".

On page 22, at the beginning of line 1, to strike out "$1,500,000" and insert "$2,000,000".

On page 22, at the beginning of line 18, to strike out "expenses of primary and secondary schooling of dependents, in foreign countries, of Public Health Service personnel stationed in foreign countries, in amounts not to exceed an average of $285 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation" and, in lieu thereof, to insert "expenses of primary and secondary schooling of dependents, in foreign countries, of Public Health Service commissioned officers stationed in foreign countries in amounts not to exceed an average of $285 per student, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; expenses of shipment of motor vehicles personally owned by Public Health Service commissioned officers in accordance with 10 U.S.C. 4748; payment, in accordance with regulations prescribed by the Secretary, of the expenses of medical care benefits for Public Health Service personnel, other than commissioned officers, and their dependents similar to those provided by 22 U.S.C. 1156, 1157, and 1158; expenses of leasing or renting, for periods of not exceeding five years, of necessary buildings and grounds in foreign countries and furnishing Public Health Service personnel stationed in foreign countries with living quarters, including heat, light, water, and household equipment, in government-owned or rented buildings, when it is in the interest of the Service to do so, notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70)".

On page 24, line 13, after the word "sites", to strike out "$31,000,000" and insert "$33,200,000".

On page 25, line 17, to strike out "$10,062,000" and insert "$10,662,000".

On page 26, at the beginning of line 3, to strike out "$6,493,000" and insert "$7,493,000"; in the same line, after the word "which", to strike out "$1,000,000" and insert "$1,500,000"; and in line 10, after the word "than", to strike out "$3,000,000" and insert "$3,500,000".

On page 27, line 3, after the word "determine", to strike out "$7,000,000" and insert "$8,000,000".

On page 27, line 9, after the word "Research", to strike out "$2,506,000" and insert "$3,006,000".

On page 27, line 19, after the word "amended", to strike out "$188,572,000" and insert "$226,220,000"; in the same line, after the word "which", to strike out "$125,000,000" and insert "$150,000,000"; in line 21, after the letter "C", to strike out "$1,800,000" and insert "$4,200,000"; at the beginning of line 23, to strike out "$60,000,000" and insert "$70,000,000"; and on page 28, line 2, after the word "and", to strike out "$10,000,000" and insert "$20,000,000".

On page 28, line 25, after the word "vehicles", to strike out "$7,502,000" and insert "$8,536,000".

On page 29, line 5, after the word "health", to strike out "$4,022,000" and insert "$4,542,000".

On page 29, line 21, after "(33 U.S.C. 466—466d, 466f—466k)", to strike out "$24,607,000" and insert "$25,407,000".

On page 30, line 7, after "(5 U.S.C. 150)", to strike out "including $2,657,000 to be available only for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act (37 U.S.C., ch. 7)", and in line 20, after the word "ammunition", to strike out "$50,259,000" and insert "$47,602,000".

On page 32, line 2, after the word "research", to strike out "$155,826,000" and insert "$161,826,000".

On page 33, at the beginning of line 3, to strike out "$150,409,000" and insert "$158,409,000".

On page 33, line 7, after the word "diseases", to strike out "$133,599,000" and insert "$148,599,000".

On page 33, line 11, after the word "Act", to strike out "$143,398,000" and insert "$149,398,000".

On page 33, line 16, to strike out "$19,199,000" and insert "$22,199,000".

On page 33, line 20, to strike out "$98,721,000" and insert "$105,721,000".

On page 33, line 24, after the word "diseases", to strike out "$62,142,000" and insert "$68,142,000".

On page 34, line 12, after "grants-in-aid," to strike out $77,506,000" and insert "$86,506,000".

On page 35, line 8, after the word "Act", to strike out "with respect to translation of foreign scientific documents".

On page 35, line 17, after the numerals "1953", to insert "and payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C., ch. 55)".

On page 36, after line 4, to insert:

"GENERAL PROVISION

"The amounts made available for fiscal year 1962, for planning or construction of buildings or facilities under the headings 'Foreign quarantine activities', 'National Cancer Institute', 'National Heart Institute', and 'Allergy and infectious disease activities', shall remain available until June 30, 1963."

On page 37, line 14, after "(31 U.S.C. 665)", to strike out "only to the extent necessary to process claims workloads not anticipated in the budget estimates and after maximum absorption of the costs of such claims workload within the existing limitation has been achieved" and insert "only to the extent necessary to process workloads not anticipated in the budget estimates."

On page 38, line 12, after the word "out", to insert "section 1113 of the Social Security Act, as amended (42 U.S.C. 1313), and of carrying out".

On page 38, after line 17, to insert:

"GRANTS FOR TRAINING OF PUBLIC WELFARE PERSONNEL

"For grants to States for increasing the number of trained public welfare personnel available for work in the public assistance programs as authorized by section 705 of the Social Security Act, as amended, $1,500,000."

On page 40, after line 15, to insert:

"RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

"For purchase of foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Social Security Administration, as authorized by law, $1,800,000, to remain available until expended: *Provided*, That this appropriation shall be available in addition to other appropriations to such agency, for the purchase of the foregoing currencies."

On page 41, line 5, after the word "fund", to insert a colon and the following proviso:

"*Provided*, That not to exceed $11,000 shall be available to pay preparation costs for a meeting of the International Social Security Association."

On page 42, line 5, after "(20 U.S.C. 101–105)", to strike out "$718,000" and insert "$739,000".

On page 43, line 11, after "Public Law 420", to strike out "$1,410,000" and insert "$1,458,000".

On page 43, line 23, after the word "services", to strike out "$355,000" and insert "$1,065,000".

On page 46, after line 23, to strike out:

"SEC. 203. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 15 per centum of the direct costs."

On page 47, after line 3, to strike out:

"SEC. 204. The Secretary is authorized to make available not to exceed $1,000 from funds available for salaries and expenses under this title for entertainment, not otherwise provided for, of officials, visiting scientists, and other experts of other countries."

On page 47, line 9, to change the section number from "205" to "203", and in line 13, after the word "Service", to insert "the Bureau of Prisons, Department of Justice".

On page 49, line 11, after the words "excess of", to strike out "$75" and insert "$100", and in line 15, after the word "maintained", to strike out "$4,923,000" and insert "$5,023,000".

On page 50, line 19, after "(5 U.S.C. 55a)", to insert "but at rates not to exceed $75 per diem for individuals, except as otherwise provided".

On page 51, after line 6, to strike out:

"SEC. 904. None of the funds contained in this Act shall be paid, for the purpose of conducting or assisting in conducting a research or demonstration project, to any person or organization registered with the Clerk of the House and the Secretary of the Senate under the Regulation of Lobbying Act."

On page 51, after line 12, to insert:

"SEC. 905. The Secretary of Labor and the Secretary of Health, Education, and Welfare, are each authorized to make available not to exceed $5,000 from funds available for salaries and expenses under titles I and II, respectively, for entertainment, not otherwise provided for, of officials, visiting scientists, and other experts of other countries."

Mr. PASTORE and Mr. PROXMIRE addressed the Chair.

Mr. HILL. Mr. President, I yield to the Senator from Rhode Island.

Mr. PASTORE. First, I compliment the distinguished Senator from Alabama for the lucid explanation he has made of a very important appropriation bill. It has always been a pleasure to work with him as a member of his subcommittee. It is inspiring to sit side by side with my friend from Alabama and see him interrogate the very fine witnesses who come before our committee, all of whom are dedicated to the public health and to the welfare of our people.

Mr. HILL. Let me interrupt the Senator to say that no member of the subcommittee is more interested in the problems that come before the subcommittee, or gives more of his time and devoted service to the work of the subcommittee than does the Senator from Rhode Island.

There is no member of the subcommittee upon whom the chairman of the subcommittee depends more than he does upon the brilliant and distinguished Senator from Rhode Island [Mr. PASTORE].

Mr. PASTORE. I thank the Senator. I should like to ask him a question with reference to the report. Since the report was voted by the committee and referred to the Senate, some question has arisen as to language in the report, particularly on page 5. The subject has come to my attention through the Director in charge of the program in my own State, where the language referred to might have some effect. For purposes of clarification of the RECORD, I should like to ask the Senator a question or two.

The language on page 5 of the report to which I refer is, as follows:

> The committee is concerned with the mounting cost of the employment security program, and in the interest of economy and efficiency it is essential that administration of the unemployment compensation and employment services be directed and coordinated, geared to local conditions, at all levels.

That is good reasoning. It would permit the State directors to interpret local conditions and the measures of coordination. Coordination does not mean combining, if the judgment of the State director is otherwise. I would hope that that would be the case.

Mr. HILL. The Senator is exactly correct. There is nothing about the provision that is mandatory. It is a question of administration by the States. The States themselves would make the decision as to the best manner in which to administer the program.

Mr. PASTORE. We in the State of Rhode Island, especially in the locality of the city of Providence, which is a congested area, have separated the two services. Doing so has not only tended to facilitate them, but has promoted efficiency and a better quality of service to people who are seeking new employment after being dislocated from their old jobs.

I realize that there are rural areas in which the two services could be coordinated because a sufficient volume of business does not exist. But a situation might exist in which there was a large layoff; and people who are proficient must be called upon to place and service the applications of people in such areas so that they may receive their unemployment compensation. That situation gives rise to some confusion, and sometimes results in a slowdown in the placement of people when it is the placement staff that must be recruited from its usual task.

We in Rhode Island have subscribed to the separation of these two services in the Providence area. It has worked out well, and I hope that I may get the assurance of the Senator from Alabama that there is nothing intended by the language to which I have referred which will discourage that kind of operation.

Mr. HILL. I wish to give to my distinguished friend from Rhode Island that assurance. There is nothing in the language which seeks to discourage the kind of operation to which the Senator has referred, and which is the operation that now obtains in Rhode Island.

As he so well says, the different States vary; some are much more rural than others, and some are much more urbanized than others. There is no intent on the part of the committee to upset or disturb the successful operation to which the Senator from Rhode Island has referred.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield to the distinguished Senator from New Hampshire.

Mr. COTTON. I have requested the Senator to yield because, although I am a new member of the Committee on Appropriations, it was my duty, under the rules which divide up the minority burden, to serve as the ranking minority member of the subcommittee presided over by the distinguished Senator from Alabama.

Mr. HILL. Mr. President, will the Senator yield at that point?

Mr. COTTON. Certainly.

Mr. HILL. The Senator from New Hampshire is a very able and indefatigable member of the subcommittee.

Mr. COTTON. I thank the Senator for joining in the flowery tributes. However, I did wish to say with complete sincerity that I have long been impressed in my service in the Senate by the dedication and sincerity and courtesy and fairness of the Senator from Alabama.

To appreciate fully that fact one must serve with him on the subcommittee, through the hearings, and watch him and listen to his very careful and at the same time courteous and respectful interrogation of the witnesses who appear before the subcommittee. It is necessary to do that to appreciate his thorough knowledge of all the subjects that are covered by the subcommittee and the multitudinous details which are gone into by that subcommittee.

Before we get into the details of the bill and explore it, I wished to say these words in behalf of the minority Members in appreciation of the fine work that is being done by the distinguished chairman of that subcommittee.

Mr. HILL. I thank the distinguished Senator for his gracious and generous words. I assure him that it is always a tremendous source of gratification to the chairman of the subcommittee to have the Senator from New Hampshire as the ranking member of the subcommittee, because the Senator from New Hampshire is always so very much interested and so punctilious about the work of the subcommittee and because he is always so helpful in carrying on the work of the subcommittee in trying to make sure that the subcommittee does the best possible job.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. PROXMIRE. I, too, wish to join my colleagues in the Senate in praising the great ability and sympathetic understanding of the distinguished Senator from Alabama, the chairman of the subcommittee. I should like to ask the chairman, in connection with his opening statement, if I understand correctly that the Appropriations Committee did make substantial reductions in various parts of the appropriation bill which is now before us. For example, the appropriations for manpower development and training activities have been cut by $50 million. Is that correct?

Mr. HILL. The Senator is correct.

Mr. PROXMIRE. The Bureau of Employment Security was cut in the aggregate, including salaries and expenses and in limiting grants to States, by about $21 million.

Mr. HILL. The Senator is correct.

Mr. PROXMIRE. I note also that the Office of Education for Cooperative Research was cut $4 million.

Mr. HILL. That is correct.

Mr. PROXMIRE. I will not run through all of these figures, but mention only some of the bigger ones. I note that reimbursements for military credits under social security was cut by $78,600,000.

Mr. HILL. That is not a cut, really. The interest will have to be paid whether or not the money is taken out of the Treasury; whether it is in the Treasury or in the other fund.

Mr. PROXMIRE. Is it not fair to say that one of the reasons why the bill is under the estimate is that the $78 million was eliminated?

Mr. HILL. The Government continues to pay the interest whether these funds are taken out of the Treasury or not. Therefore, we have not lost anything.

Mr. PROXMIRE. I understand. However, from the standpoint of understanding exactly what the appropriation bill means in terms of reductions and increases, there was this reduction for military service credits.

Mr. HILL. The Senator is correct.

Mr. PROXMIRE. Grants to States for public assistance were reduced by $150 million.

Mr. HILL. That reduction was made by the House of Representatives. As the Senator knows, the overall figure there runs to approximately $2,500 million. One of the reasons that the Senate went along with the House on this reduction was that the committee felt the Senate should take some action to alert the department and the people who administer the funds in the States that they should be very careful and efficient in the disbursement and the utilization of the funds. The Senator, I am sure, is familiar with the disclosures which have been made by the Subcommittee on the District of Columbia, headed by the distinguished Senator from West Virginia [Mr. BYRD], with respect to certain wasteful procedures with reference to some of these funds.

Mr. PROXMIRE. I understand; I am not challenging that point. These reductions add up, in the gross, to around $300 million.

Mr. HILL. Yes.

Mr. PROXMIRE. Therefore the amount of the increases in the items requested by the administration add up to about $247,105,000.

Mr. HILL. That is about right.

Mr. PROXMIRE. Is it not correct to say that the increases with respect to impacted school districts amount to $58 million, roughly; $50 million for payments and $8.6 million for school construction, over the request of the administration.

Mr. HILL. Yes. These payments are made under existing law, Public Law 874 and Public Law 815, which provide for Federal assistance to schools in federally impacted areas. The committee went along with those funds.

Mr. PROXMIRE. This increase was opposed by the administration because it felt that some of the areas were not 100 percent impacted.

Mr. HILL. The Senator may recall that the previous administration, the Eisenhower administration, recommended certain changes be made in Public Law 874 and Public Law 815. Those changes were not made. No changes have been made until now. Under those acts these funds will be the entitlements for the States to get.

Mr. PROXMIRE. Another large increase was for Public Health Services, building and facilities, $6.2 million over the administration request.

Mr. HILL. Yes.

Mr. PROXMIRE. And approximately $50 million in increases for hospital construction over what the administration requested.

Mr. HILL. That is correct. That is the authorization under the Hospital Construction Act. The same amount of money was carried last year and also the year previous to that.

Mr. PROXMIRE. The other big increase was in the National Institutes of Health, of $120 million over the administration request.

Mr. HILL. The Senate committee increased the amount by $60 million over the House figure.

Mr. PROXMIRE. It is $120 million over the administration request.

Mr. HILL. Over the budget estimates.

Mr. PROXMIRE. Over the budget estimates; yes.

Mr. LAUSCHE. Mr. President, the $120 million in increases for the National Institutes of Health represents what items? What items are intended to be financed?

Mr. HILL. That is intended for different institutes—heart, cancer, mental illness, neurological diseases, allergies, communicable diseases, arthritis, and basic biological research, among others.

Mr. LAUSCHE. Last year the administration declined to use $60 million of the allocation that was made, on the ground that it could not prudently use that amount of money.

Mr. HILL. At first $60 million was reserved. However, in the last quarter they released the funds.

Mr. LAUSCHE. All of the $60 million?

Mr. HILL. No, not all of it. They released one-fourth of the amount for the last quarter.

Mr. LAUSCHE. How does the appropriation for the specific items covered by the $60 million compare in this year's bill with what it was in the last year?

Has the $60 million been eliminated, or is it to be replaced?

Mr. HILL. It will not be replaced. The Senate has made an increase of $60 million in the bill, but that is not necessarily the $60 million which was reserved last year.

Mr. LAUSCHE. Getting back to the subject about which the Senator from Rhode Island interrogated, on page 5, is there anything in the law to compel the State administrator of unemployment compensation and employment services to separate those two divisions of service to the public?

Mr. HILL. No; there is nothing in the law.

Mr. LAUSCHE. Has the administration in Washington directed the local administrations to separate the services?

Mr. HILL. I think it will be found that State officials in many of the States have deemed it to be the wish of the administrators in Washington that the services be separated.

Mr. LAUSCHE. But apart from the wish of the Federal administration, the language contained on page 5 of the bill should be construed to mean that each administrator shall so operate his office as to insure the highest efficiency and the greatest economy.

Mr. HILL. The Senator is exactly correct—to obtain the highest efficiency and the best economy. That might mean a certain thing in one State, and something a little different in another State. As the Senator from Rhode Island [Mr. PASTORE] said, some States are much more urbanized than other States, and some States are more rural than other States.

Mr. PASTORE. In urbanized Rhode Island, this situation applies.

Mr. LAUSCHE. The administrator in Ohio said, in part, that they have superior service. He found that the efficiency of operation and the help given to the unemployed had been greatly improved.

Mr. PASTORE. That is precisely the situation in Rhode Island.

Mr. HILL. Where that is the situation, we desire to have it remain that way.

Mr. PASTORE. That is an important point. We have no desire to change the system where it is working.

Mr. HILL. That is correct.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

SUPPORT OF APPROPRIATIONS FOR THE NATIONAL INSTITUTES OF HEALTH UNDER H.R. 10904

INTRODUCTION

Mr. HUMPHREY. I should like to offer the strongest possible endorsement of the views which have been so ably expressed by the distinguished Senior Senator from Alabama [Mr. HILL].

H.R. 10904, as revised and reported to the Senate, is another great milestone in the history of medical science.

The bill itself and the report on it, Senate Report No. 1672, as filed by the Appropriations Committee, represent actions of which the Senate can be proud.

Those phases of the bill and of the report which pertain to the National Institutes of Health, merit the particular approval of the Senate.

Why?

AMERICA'S CITIZENS SUPPORT MEDICAL RESEARCH

Because, once more, the Senator from Alabama and the other members of the committee reviewed NIH needs in greatest detail. They then responded to the needs in a favorable way which the people of America wish and endorse.

Every public opinion poll which has ever been conducted on this subject shows this fact: America's citizens more heartily approve of the expenditure of their tax funds for support of medical research than for virtually any other research purpose—including space exploration.

TRIBUTE TO SENATOR HILL

Over the years, I have admired the contributions which the senior Senator from Alabama has personally made to the health of this Nation.

This year, I have had the opportunity and pleasure to see his work, at first hand, within the Subcommittee on Appropriations for the Department of Health, Education, and Welfare.

My experience there has confirmed the great care and conscientiousness with which the chairman and the subcommittee, as a whole, fulfill their obligations.

I have supported the Senator from Alabama in his efforts to provide adequate appropriations for medical research, and I support him now.

SUMMARY OF SENATOR HUMPHREY'S VIEWS

The views which I should like to express today—directly and in memorandum form—cover the following points:

First. The proposed appropriations for the U.S. Public Health Service and for the National Institutes of Health are an absolutely sound investment on behalf of the American people.

The 1963 fiscal year research sums which are contemplated, far from being excessive, are a reasonable commitment.

CONGRESS' LEADERSHIP IS MARK OF HONOR

It is a fact that: First, these funds have increased each year, and second, that it is the Congress which has taken the lead in making the increases. But these facts should be regarded as "badges of honor," in my judgment. The Senate should be proud of its performance.

Why should not the Senate, and for that matter, the House, and their Appropriations Committees, provide adequate funds for a great, evolving program such as this?

Why should not Congress take the lead in providing more ample funds whenever the facts warrant, as they definitely do, in this instance?

When compared to an infinitely higher statistic—the staggering toll taken by disease and disability, today's medical appropriations are still relatively modest.

HOUSE COMMITTEE REPORTS USEFUL BUT DO NOT JUSTIFY SLASH

Second. Recent criticisms by a House committee as regards some phases of NIH management do not justify an arbitrary slash in NIH research funds.

The two reports which have been filed by the House Committee on Government Operations, through its Intergovernmental Relations Subcommittee, have served several useful purposes.

The House committee's 13 specific recommendations have provided real food for thought.

However, points should be noted in this connection:

FOUR POINTS REGARDING RECENT CRITICISMS

(a) The recent criticisms cover but a few, limited phases in the vast program administered by the Institutes. These phases are important, but we must not forget the innumerable other parts of the NIH program which have been so capably handled, and in a manner beyond reproach.

(b) As to the phases under criticism, the National Institutes of Health are already making management improvements, many of which were recommended by the House committee.

(c) The National Institutes of Health have proven that they are definitely responsive to the expressions of the Congress and its committees.

I can testify to that fact based on my own experience as chairman of a Senate Government Operations Subcommittee which has made many recommendations to NIH. The Institutes have definitely reacted favorably to many of our suggestions.

(d) NIH stands in highest esteem in the eyes of those best qualified to judge—that is, the scientific community.

NIH's overall record provides every reason, therefore, to maintain confidence in its able director, Dr. James A. Shannon and his staff.

We should, therefore, give a vote of confidence to his leadership.

I should like now to elaborate on some of these points.

Mr. HILL. Mr. President, I thank the Senator from Minnesota for his commendation. He is a member of the subcommittee and, both in the subcommittee and in the full committee, has taken an important part in formulating the recommendations contained in the bill.

In committee, it was shown very definitely and clearly that there was a need for the funds for the various programs and projects to which the Senator from Minnesota has so well addressed himself.

UNIVERSITY OF MINNESOTA AT DULUTH—IDEAL SITE FOR WATER QUALITY LABORATORY

Mr. HUMPHREY. Mr. President, I am particularly pleased that the pending appropriation bill provides funds for the construction of two water quality and aquatic biology laboratories—one for fresh water and one for salt water. The need for such laboratories is most imperative and the money for these laboratories is a very wise investment.

A fish kill resulting in the dead bodies of hundreds, even thousands, of fish floating on the waters and sweeping up on the shores is easily visible to the eye. Depending on the length of time these fish have been exposed to the putrefactive process, the fish kill is just as offensively evident to the human olfactory sensibilities. The fish kill dramatically demonstrates the presence of lethally poisonous pollution in the waters of the stream. No one would venture to drink this water—to bathe in it—to use it for any purpose. The fish kill is, however, only the surface evidence of the sickness which afflicts our waters as a result of municipal and industrial wastes and of unregulated land drainage practices. Such surface evidence is not always at hand to denote the presence of the pollution. Pollution of long duration has long since rid many of our once abundant streams of the desirable fish life. Where once we were able to engage in the piscatorial sport for recreation and even were able to earn a livelihood from the produce offered up by these waters, we now encounter barren streams unable to support any beneficial aquatic life. Our finny friends are just as dependent on waters of good quality as are we.

In the interests of protecting water quality for all legitimate water uses—domestic and industrial water supply, agriculture, recreation, and others—we need to engage in specific programs of research on fresh and marine waters to precisely determine water quality thresholds essential to the propagation, growth, production, and survival of aquatic life.

These programs of research must necessarily extend to probing into the effects of various pollutants on stream life, including food chains in which the breakage of a single link drastically alter's nature's biological cycle. Our storehouse of scientific knowledge must be implemented to provide answers on how silt and waste solids affect the survival, growth, activity and development of important fish and fish food organisms, how stream life reacts to high temperatures and temperature changes which conceivably affect oxygen supply in the waters, how specific pollutants affect the taste of game and food fishes. The ability to feed the world's growing populations is in large part dependent on the food harvesting of fresh and marine waters. In our own abundant land, accustomed to plentiful food supplies, we are apt to ignore this source but we do so at our own peril and to the dismay of less richly endowed peoples.

At the immediate moment our concern with protecting water quality for the propagation of aquatic life and wildlife is the realization that water which is too degraded to support this life is similarly unfit for most human uses. The provision in this bill for funds to construct water quality and aquatic biology laboratories—one for fresh water and one for salt water—is exceedingly encouraging and the committee is to be commended for its action in regard to this item.

In my own State, the University of Minnesota has, since 1955, entered into studies of water movements and temperature, and nutrients and chemistry of water in Lake Superior. Lake Superior, by virtue of being the largest of the Great Lakes, is the largest body of fresh water on this continent. This fresh water ocean is at the very doorstep of Duluth and the University of Minnesota, with the sponsorship of the Minnesota Water Pollution Control Commission in which the Public Health Service has joined, is engaged in directing these studies from its Limnological Research Center at Duluth. The Missouri and Mississippi Rivers, those two giants of fresh water, are within proximate distances to Duluth. It can easily be seen that the water quality and aquatic biology laboratory for fresh water research would measurably benefit if it is suitably located to take advantage of the cooperation of the University of Minnesota's Limnological Research Center and the vast resource of fresh waters adjacent to Duluth.

There is abundant justification for the appropriation of these funds and I urge that no unnecessary delays intervene in the construction and implementation of these two laboratories upon these funds being made available.

FUNDS NEEDED TO TRAIN PUBLIC WELFARE PERSONNEL

Mr. President, the Senate Committee on Appropriations, under its distinguished chairman, the Senator from Arizona, and with the leadership of the chairman of the Subcommittee on Appropriations for Labor and Health, Education, and Welfare, the Senator from Alabama, has restored to the HEW appropriation bill $1.5 million for grants to States for training of public welfare personnel. This is a very important item, and I cannot emphasize too strongly the great importance of these training funds.

Congress authorized appropriations for this purpose in an amendment to the Social Security Act in 1956. Appropriations were authorized for $5 million for fiscal 1958 through 1963. Although congressional intent on this item is clear, appropriations have never been provided for training public welfare personnel under the authorization. Each year, the Senate has recommended that the funds be provided to initiate this important activity, and each year the other body has rejected our proposals.

The failure to provide funds for this purpose has been extremely unfortunate. There is a serious shortage of professionally trained public welfare workers in our public assistance programs. The Advisory Council on Public Assistance, a council created by law to look into this problem, has reported to Congress that our public assistance agencies are handicapped by the lack of trained and qualified personnel. The Council reported that in 1960 only 13 percent of the administrative and supervisory personnel in public assistance agencies had full professional training. Among caseworkers, the percentage of professionally trained employees was 1 percent. I have been informed by the Secretary of

Health, Education, and Welfare that, at present, there is only one fully trained worker in public assistance agencies for each 23,000 recipients.

It is a fact that persons are accepted for assistance and remain on public assistance for want of intensive effort directed toward solving their employment, family housing, emotional, or physical health problems. Many of these people could be taken off the welfare rolls and become self-supporting if they received the right kind of professional, sympathetic assistance. This is not work for amateurs. The human problems of people receiving public assistance are too complex for anyone not properly trained or lacking the sympathetic understanding acquired by a sound background.

Mr. President, I strongly support the recommendation of the committee and urge that it be adopted by the Senate. Furthermore, I sincerely hope that the views of this body will prevail when the bill is taken before the conference committee.

ARGUMENTS USED SINCE 1938 AGAINST MEDICAL RESEARCH APPROPRIATIONS

We have heard many arguments, pro and con, on medical research appropriations this year.

The current arguments against this bill might usefully be examined against the record of the arguments used in previous years, opposing more research funds.

Most of the previous arguments indicated certain fears and doubts. Yet, invariably, in the light of subsequent experience, the fears and doubts have been proven groundless.

Opposition arguments were offered in the past, as they are offered today, in perfect good faith; yet, I feel, the arguments are somewhat negative in nature and do not reflect adequate faith in the future. The critics' arguments seem to say, "We can't—we shouldn't—we dare not."

I propose instead an affirmative, forward-looking approach which says, in effect, "We can—we should—we must—we will."

ARGUMENTS RAISED YEAR AFTER YEAR

Let us look at the arguments in historical perspective.

Let us see how yesterday's fears and doubts have fallen by the wayside.

First. It is 24 years since the first $500,000 was appropriated—in 1938—for what was to come to be known as NIH. At that time, and through the early postwar years, the opposition contended that medical research was allegedly not a proper subject for the expenditure of Federal funds.

Fortunately no such poor argument is raised this year. We know that there are actually few more proper subjects for Federal expenditures than research to safeguard the health of our citizens.

Second. Later, the opposition shifted ground. A little Federal medical research was all right, it contended, but not too much and not too fast.

That is what was said, however, when space spending jumped from almost nothing to $2, $3, $5 billion per year, almost overnight. Too much, too fast, was not used as an argument against billions to land a man on the moon.

ENDLESS ARRAY OF OTHER ARGUMENTS

Third. For years, we were told that it is actually impossible to spend more for medical research, because there simply are not enough researchers. But, the fact was, as the Congress appropriated more funds, more scientists—doctors, biologists, chemists, physicists—eagerly dedicated their careers to medical research.

Fourth. Then, we were told, if we support too much medical research, medical care will suffer, because there is only a limited supply of medical doctors. Yet, the National Institutes of Health have drawn increasingly upon Ph. D.'s, rather than on medical doctors alone. In addition, the Institutes have recommended that the U.S. Government strengthen the overall pool of professional manpower, so that there will be adequate trainees for all purposes—for example, medical education, medical care, and medical research. And as medical research eliminates whole diseases once and for all—for example polio—medical doctors are freed to devote themselves to care of patients with other diseases.

Fifth. Then, we were told that if the Federal Government increases its support of medical research, private support will dry up. But the contrary has been proven. As Federal support has increased, so has private support. Americans realize that there must always be multiple sources of support. Private, voluntary health agencies and foundations are particularly qualified to support certain unorthodox, high-risk type research, which may not sometimes be easily supported by public funds.

Sixth. Then, we were told, so much money is being appropriated to medical research that the Institutes do not know what to do with it and vast sums go unspent. But, I can testify to the fact that I have, literally, file cabinets full of appeals from scientists whose applications have been approved, but in smaller sums than anticipated, or for shorter periods, because funds are lacking.

Seventh. Today, we are told that so much money is available for medical research that applications with a low priority, that is, little merit, are being funded. Yet, three arguments refute this point:

(a) A scale of priorities is a relative matter; in a battle against a killer like cancer you must try every conceivable approach—the likely and the unlikely, the well-regarded and the high-risk approach.

(b) Many a so-called low-priority application has often confounded the doubters and proved to be of great merit.

(c) How do you raise the quality of applications except by better training of those who apply for funds? That is precisely what NIH asks—to raise the quality of research by more and better training.

Critics cannot be on both sides of the quality argument. They cannot argue for lowering the total of NIH funds on the ground that research applications are not all of best quality, and yet, at the same time argue that NIH should not be given more means to raise the quality to higher standards of excellence.

MODEST RESEARCH AMOUNTS PER CAPITA

As I have indicated, the pending NIH appropriations represent one of the finest single investments which the Congress will make in the $93 billion budget. The reason is simple: We are investing here in our greatest asset—the American people themselves.

We are investing in longer, happier, healthier years for their lives and the lives of their children.

The proposed investment is substantial—$900 million for NIH—or $160 million more than the House had recommended. But, these overall statistics seem even larger than they are, unless one breaks them down by major category.

MUCH RESEARCH MONEY BUILDS FOR STUDY LATER ON

Some people may get the erroneous impression that the total appropriation is going into research today—right now. That is rot the case.

Much of the money must, instead, be soundly invested to build the foundations for research to be conducted many years from now. Yet, we dare not postpone starting to build for tomorrow's research today.

The fact is that there is a long leadtime in training a researcher or a team or in building a laboratory. If you do not start in 1963, you will not get dividends—in new findings—in 1968 or 1970.

The overall sum, we see, therefore, shrinks in size, insofar as immediate payoff may be concerned.

First, the total is subdivided into subtotals for (a) training, (b) building needed, new facilities and, then (c) for a relatively faster payoff in the form of current research.

Next, the money for training and for current research must be spread over a vast range of (a) basic and (b) clinical disciplines, as well as specific diseases.

Inevitably, the amount actually available for current research—today—on any one medical problem is far smaller than some people might think. For each disease victim, the sum may amount to but a few dollars or far less.

Let us look at the breakdown.

HEART RESEARCH

Cardiovascular research under the administration's original proposal this year would receive $126 million. The House raised this to $143 million. The Senate committee suggested $149 million.

Around $100 million would go into current research. That may appear large, but we must remember that heart disease is not one problem—it is hundreds of problems. And the money must, therefore, be dispersed over hundreds of varied projects.

Viewed from another angle, almost one million Americans will die this year from heart and related diseases. We are, therefore, proposing to spend around $10 apiece to do research to help each of these potential 1962 victims.

Or, consider the per capita cost in another way. There are 15 million

Americans suffering from heart conditions. We are, therefore, proposing to support research at a price of less than $7 apiece for discovering new answers to their problem.

How much, I ask, is a human life worth? Is it worth $10? $7?

Obviously, there is no financial value which can be set on a single life.

CANCER TOLL

A million Americans are today suffering from cancer. We will save perhaps 2 out of 3, but no sufferer from the disease can be sure he will not be the unlucky third. The sufferer feels he or she is under sentence of death.

Shall we say, in effect, "Sorry, we can't afford to step up the battle against cancer. Maybe we'll find the answer a few years later than might otherwise have been possible if we increased funds. Try to stick around. Perhaps we'll discover a cure—5, 10, or 15 years from now. If you can't hold out—too bad."

SMALL AMOUNTS FOR NEUROLOGY

Let us view the appropriation figures in the light of still another problem.

Four and a half million Americans are the victims of neurological disorders. This bill proposes $86 million for this field.

But, in the entire United States, there are only 257 Board-certified neurologists. And we are increasing the number by a mere 70 per year. And this 70 must be divided among teaching, patient care, and research.

How, then, are we to provide hope for the one-half million victims of cerebral palsy, the 1½ million victims of epilepsy, the 1½ million victims of Parkinsonism?

Is the Senate to say to them: "Sorry, we can't afford to train many more neurologists than previously. You will just have to wait and wait and wait."

I do not believe we can or will say this or imply this.

Even if you approved a bill much more ample than this one—we would still be deficient in neurological manpower for years to come.

FUNDS FOR MENTAL RETARDATION

Let us turn to another problem—mental retardation. It currently blights the lives of 5.4 million Americans. Because of other medical advances—such as saving babies' lives which might otherwise be lost—there will be by 1970, 6 million retarded Americans. Every year, 126,000 babies are born mentally retarded.

Under the pending bill, NIH will receive for mental retardation research—excluding training—only around $13 million. That figures to a little over $2 per retardate to find the answers to this grim problem.

Is that amount excessive? Of course not.

The fact is, this Nation is going to pay for mental retardation whether or not we give a nickel to NIH.

We pay in countless anguished hearts—and in Federal, State and local taxes—largely for institutional care for 200,000 retardates.

We pay for special education and schools.

We pay a billion dollars a year because of this blight. And this billion dollars does not begin to meet the real needs of communities.

Is $13 million in research too much, therefore, to try to help present retardates and to prevent retardation in the unborn?

ACCIDENT RESEARCH

Consider the field of research in accidents. The 1963 estimate is that the Division of Accident Prevention will spend $1.8 million for research grants, and $1.8 million for research training. Against this expenditure of $3.6 million, consider the fantastic loss to the Nation of $12 to $15 billion because of accidents. Each year accidents injure 45 million Americans, kill 92,000, and result in the loss of over 424 million days of activity. Shall we simply tolerate this staggering toll endlessly?

RADIOLOGICAL RESEARCH

Consider the field of radiological health. This year the request is for $16 million for radiation research by the Division of Radiological Health in the Public Health Service. Is this sum excessive? Not according to the National Advisory Committee on Radiation. It recommended that $25 million be allocated and that this sum be gradually increased to $100 million by 1970. Does the Senate propose to tell the parents of America that this country cannot afford to do research on radiation in the foods going into the stomachs of our population and into our lungs, as well as radiation on the germ plasm—the heredity—of man?

THE ECONOMY ISSUE

What, I ask, is "economy"? Is it economical for society to pay indirectly—through premature death and disability—rather than to pay much less by a direct research assault against disease?

Is it "economical" to see healthy taxpayers stricken by disease into helpless victims in a wheelchair or a bed or in graves?

Is it "economical" to postpone the possible cure of disease by 5 years or 10 or 20 by failing to follow up "leads" and, instead, allowing them to be buried in reports?

This, I submit, is false economy, and that is why the Senate will reject this type of so-called economy.

FAVORABLE COMMITTEE ACTION ON FIVE SUGGESTIONS

I am particularly gratified that a series of suggestions which I personally submitted to the Senate Appropriations Committee was incorporated in the bill, as reported to the Senate.

Let it be noted that, in many instances, other sources as well submitted somewhat parallel suggestions.

The authorship is not important. What counts is, of course, not who may have originally proposed an idea—since we each benefit from others' suggestions—but, rather, that constructive action was taken.

Here is a partial list of the subjects on which the Appropriations Committee took action along lines which I, for one, had recommended. In each case, I have summarized my proposal and then the action which the committee took.

First. My proposal on regional rehabilitation centers: Two regional rehabilitation centers—supplementing the two existing ones at New York University and Minnesota—should be established for comprehensive teaching, research and service in physical medicine and rehabilitation.

Action: The bill does provide for two such additional centers, at a cost of $500,000 each.

Second. Proposal for international medical film exchange: There should be established an international exchange program for medical audiovisuals, so that the United States might export the best of our motion pictures to the world and might import the best.

Action: The bill as reported provides $600,000 for this service.

Third. Proposal for Rochester experimental hospital: The advanced type of total hospital research, contemplated in plans for the Rochester, Minn., experimental hospital, should be further commended.

Action: The committee report, page 19, praises the Rochester Methodist Hospital as "a prime illustration of an institution which has developed significant plans for overall changes in hospital design which merit continued strong support."

Fourth. Proposal for benefits for oversea officers: Public Health Service officers who are assigned abroad should be given the same perquisites as are accorded to officials of other agencies.

Action: H.R. 10904, page 23, does provide for such benefits and services to PHS oversea employees.

Fifth. Proposal to coordinate research information system within HEW: A coordinated research information system should be established within the Health, Education, and Welfare Department and, in particular, within the Public Health Service and the National Institutes of Health.

Action: The committee report requests—page 53—a "unified Communications Office" within NIH. It repeatedly comments on information needs, pages 17, 26–27, 34, 41, 49–50, 51, 52–53. The report does not, however, as indicated below, urge certain additional specific actions which I had personally proposed.

ELABORATION

I should like to elaborate on a few of these points.

HOSPITAL RESEARCH FUNDS FOR ROCHESTER, MINN., HOSPITAL

I next turn to an important phase of the pending bill under which hospital research funds are appropriated.

It is a source of regret to me that this Nation is still operating on pitifully inadequate levels of research in modern design and operation of hospitals.

Even the present bill makes only a modest step forward to rectify this situation.

President John F. Kennedy has soundly stated:

> We need more research into how hospital facilities can be built, and how services

> within hospitals should be organized and administered, in order to provide the best possible medical care with the personnel available.

BILLIONS FOR BRICK AND MORTAR, SMALL SUMS FOR RESEARCH

I should like to point out this paradox. On the one hand, our Nation has rightly invested $5 billion in over 5,888 Hill-Burton facilities alone. This includes $1.6 billion in Federal funds for these facilities. Yet the U.S. Government, on the other hand, has doled out only a few million dollars for research in how best to design and operate this $5 billion in hospitals.

This money—and far more for non-Hill-Burton facilities—has been spent for relatively traditional plans and operations which are widely conceded to be obsolete and inadequate in the face of today's and tomorrow's needs.

Dr. Jack C. Haldeman, Chief of the Public Health Service's Division of Hospital and Medical Facilities, Bureau of State Services, stated in prepared testimony before the Senate Committee:

> Research activities are necessary to bring the physical plant, equipment, and organization and operational aspects of our health facilities up to peak efficiency.[1]

FULL SUM AUTHORIZED NOT APPROPRIATED

Last year, at long last, the Congress raised the ceiling on Federal support of hospital research to $10 million.

It had been my hope, then as now, that a full $10 million appropriation would be made under this authorization "ceiling."

This year, however, the Health, Education, and Welfare Department requested only $5.2 million from the Bureau of the Budget for this purpose. The revised request, as it emerged from the Bureau to the Hill, was for only $4.2 million.

The Senate Appropriations Committee approved this $4.2 million figure.

It is my hope that the Senate-House conference committee will likewise, at the minimum, accept this modest figure.

Already, however, applications for many times this sum have been received by the Division of Hospitals.

ROCHESTER METHODIST HOSPITAL

There is one specific hospital with which I am most familiar—and whose claim to additional support is, I believe, irrefutable. This hospital's experimental program has received highly favorable national and international attention. It is the Rochester, Minn., Methodist Hospital.

Last month, it received a long-awaited initial allocation from the Federal Hospital Council for its innovational plans. In addition, it was informed that an additional $1.5 million would be forthcoming upon PHS's receipt and review of additional satisfactory design details.

I earnestly trust that this full sum will be allocated by the Division of Hospitals. I do not offer this suggestion from the standpoint of statewide interest, alone, but rather because scientists and informed laymen all over this Nation have soundly acclaimed this great hospital's plans.

Both the Senate and House Appropriations Committees have repeatedly commented favorably on its pioneering approach.

This year's Senate report soundly states:[2]

> The committee reiterates its interest in support of experimental and demonstration hospitals as integrated units, insofar as possible. The Rochester, Minn., Methodist Hospital offers a prime illustration of an institution which has developed significant plans for overall changes in hospital design which merit continued strong support.

Mr. HILL. One of our most important considerations is the reduction of hospital costs. The U.S. Public Health Service has estimated that merely to renovate or modernize old hospitals, to rehabilitate them and place them in suitable condition to meet the present needs of their patients, would cost some $3,600 million. That shows how important it is that we do all we can to reduce the costs of construction or renovation of hospitals.

UNFINISHED BUSINESS: NEED FOR MORE MANPOWER FOR PHYSICAL MEDICINE—MINNESOTANS' PLEA

Mr. HUMPHREY. H.R. 10904 advances the Nation's steps toward another goal—rehabilitation of the disabled. But, far more, in my judgment, remains to be done in this connection.

I had proposed—hearings, page 1884—a $4 million appropriation to permit expansion of the present modest program of assistance to departments of physical medicine and rehabilitation in the Nation's medical schools.

Only in this way can we begin to assure more adequate numbers of skilled manpower, capable of treating the Nation's chronically ill.

The bill, as reported, unfortunately, does not contain such a provision.

"MEDICARE" IN ANY FORM REQUIRES MORE M.D. MANPOWER

By way of background to the need, let me point out that medicare legislation in some form is going to be enacted sooner or later by the Congress. What may not be generally realized, however, is that, no matter what legislation on medicare the Congress may ultimately write, the shortage of medical manpower may cripple even the best of plans.

It will be an unfortunate irony if, in the not too distant future (a) the happy word goes out to the Nation's elderly that, at long last, we are going to help them meet their medical needs, but (b) at the same time, the elderly are to be disappointed by finding that they cannot have their special medical needs fulfilled because of inadequate numbers of trained medical doctors.

The blunt fact is that medical and paramedical manpower are in desperately short supply.

As of 1959, there were, in the entire country, a grand total of only 369 specialists—certified by their specialty board—in the field of physiatry; that is, physical medicine and rehabilitation. Three hundred and sixty-nine physiatrists cannot serve the medical needs of millions of the chronically ill.

It is significant, too, to note that the department of physical medicine has the highest percentage of teaching staff vacancies—12.9 percent—in the total budgeted positions among the clinical sciences in medical schools—Journal of the American Medical Association, volume 6, No. 633, November 11, 1961—medical education issue.

Severe shortages exist among many paramedical specialties.

SHORTAGES OF PARAMEDICAL SPECIALTIES

There are about 8,500 physical therapists in practice today; the estimated shortage required just to meet existing workload is about 12,000.

There are 6,000 occupational therapists in practice today; the estimated shortage required just to meet existing workload is nearly twice this number or approximately 10,000.

There are about 10,000 speech and hearing therapists in practice today; the estimated shortage required just to meet existing workload is 10,000.

VARIETY OF NEEDS

We need not only more manpower, but better trained manpower, trained in undergraduate and postgraduate training, and we need manpower trained to work in interdisciplinary teams.

In addition, we need to make the manpower available for long-term patient management whether or not there is hope of vocational rehabilitation, as such.

PUBLIC HEALTH SERVICE SHOULD PLAY GREATER ROLE

In my judgment, the Public Health Service has yet to make its full contribution to the Nation's physical medicine effort. Fortunately, under the Community Health Services and Facilities Act of 1961, Public Law 87-395, a beginning was authorized. The Public Health Service does now administer programs for aid to outpatient community health services for the chronically ill and aged.

At present, however, responsibility for medical rehabilitation tends to be split between the Office of Vocational Rehabilitation and the Public Health Service's Bureau of State Services.

I am not at all satisfied that the present OVR-BSS division of authority and responsibility is the most satisfactory arrangement which can be worked out.

SUGGESTED REPORT BY HEW SECRETARY

It would be my personal hope that the Secretary of Health, Education, and Welfare would supply to the Congress, in time for the hearings on the 1963 fiscal year appropriations, a report as to the most satisfactory relationship between the Bureau of State Services and the Office of Vocational Rehabilitation with respect to assistance to teaching, research and service programs, particularly in medical schools and in behalf of the chronically ill and the aged.

MINNESOTA'S PIONEERING LEADERSHIP

I am frank to say that my interest in this subject is based upon my findings and experiences in connection with the pioneering physical medicine programs in my own State of Minnesota.

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[1] Ibid., p. 606.

[2] S. Rept. 1672, 87th Cong., 2d sess., p. 19.

Minnesota has been a great leader in expanding the frontiers of rehabilitation. Minnesota's physicians have been in constant contact with me down through the years in seeking to make available to the Nation our hard-earned experiences and insight both in official and in voluntary programs.

Minnesotans have been particularly active in professional organizations concerned with constant elevation of the standards of physical medicine, including the American Medical Association's committee on physical medicine, the American Congress of Physical Medicine, and the American Rehabilitation Foundation, among others, representing skilled rehabilitation leaders throughout the Nation.

AMERICAN REHABILITATION FOUNDATION

In the latter organization, I cite in particular an outstanding report by an American Rehabilitation Foundation Subcommittee, headed by a Seattle, Wash., physician, Justus F. Lehman, M.D., entitled "A Blueprint for Teaching of Rehabilitation in a Medical School." This report will be found in pages 1906–1910 of the Senate Appropriations hearings.

I should like, now, too, to refer to the able views of one of the outstanding authorities in the field, Frederick A. Kottke, M.D., chairman, Department of Physical Medicine and Rehabilitation, University of Minnesota.

Dr. Kottke has testified before both the Senate and House Appropriations Committees. So has another noted Minnesotan, Frank A. Krusen, M.D., president, Sister Elizabeth Kenny Foundation, who is widely and soundly regarded as the "Father of American Physical Medicine." In addition, Paul A. Elwood, M.D., assistant director, Kenny Institute, and assistant professor, Department of Physical Medicine and Rehabilitation, University of Minnesota, presented expert testimony this year before the Senate committee.

EXCERPTS FROM A MESSAGE FROM DR. KOTTKE

I should like to quote now a few excerpts from a letter which Dr. Kottke recently wrote:

[Excerpts of views of Dr. Frederick A. Kottke]

The Medical Problem

In 1900, there were 6 million people over the age of 65. Today there are 17 million over the age of 65. It is estimated that in 1980 there will be 24 million people over the age of 65. One of the results of medical success in treating acute disease has been a longer lifespan. The people living longer frequently have residual disabilities or develop the degenerative problems associated with age. Such persons need more medical care or medical management in order to remain active and independent. Although we do not have cures for degenerative diseases, we know a great deal about the preservation of independence. We also have means of rehabilitating disabled persons to become more independent. To maintain these people at the peaks of their abilities requires medical management which emphasizes the physiological aspects of medical care. This, in essence, is the role of the physiatrist, to restore the patient with a chronic disease or disability to the peak performance of which he is reasonably capable and to maintain him at that level.

The medical needs, particularly for the treatment of degenerative diseases by physiatric maintenance, increase abruptly in persons over the age of 60. Between ages 50 and 60, the problems resulting in loss of ability to walk or care for self afflict approximately 5 percent of the population. The incidence increases rapidly above age 60 to more than 15 percent at the age of 75. Since this segment of our population is increasing rapidly, if we are not to spend a great deal of our resources merely to maintain these elderly people as invalids, we need to provide for them the physiatric management which will minimize dependence.

In addition to the aged who need physiatric services, there are children with congenital disabilities, persons of all ages with neurologic and musculo-skeletal disabilities and persons suffering from arthritis. Approximately 15 percent of all patients admitted to general hospitals need some sort of physiatric services and 25 to 35 percent of all persons seen in a physician's office practice have complaints which should have treatment by physical means. When such treatment is not available, these conditions remain chronic and disabling for months or years. It appears reasonable that adequate physiatric treatment when indicated would decrease the amount of disability and decrease the cost of welfare.

MEDICAL EDUCATION FOR REHABILITATION

To meet the needs for medical care for our growing population of chronically ill and disabled individuals, medical schools need to be stimulated to teach medical management. The principles and the basic techniques of physiatric care should be taught to medical students so that they can become proficient with these methods of evaluation and management of patients with chronic diseases or disabilities. It is our opinion that 75 percent of those patients who need physiatric services can obtain them from the general practitioner if he has had the proper training while in medical school. On the other hand, 25 percent of the physically handicapped are more severely involved and the need for services of a rehabilitation team working under the supervision of a physiatrist in order to achieve maximal restoration is necessary. Such patients are treated best in a comprehensive rehabilitation center.

We need to make provision within the medical schools for the training of all medical students in the simpler techniques of evaluation of physical disability and the application of physical methods for the restoration of those patients. We also need to provide for the training of physiatrists to specialize in medical rehabilitation and in the management of patients with severe disabilities. For both types of training, however, it is essential that the medical schools have as teachers physiatrists who are well trained in the philosophy and the techniques of physical medicine and rehabilitation and who have adequate clinical and laboratory facilities to provide excellent care of patients and to demonstrate to medical students that rehabilitation is based on sound principles which are effective when applied.

THE STATUS OF MEDICAL REHABILITATION

There are several reasons why physical medicine and rehabilitation as a specialty must be emphasized if medical rehabilitation is to become successful. Status plays an important role in the attraction of medical students and research workers into medical rehabilitation. The physician who is not trained in physical medicine and rehabilitation, even though he accepts the idea that patients should be restored to their full capacity, is in no position to demonstrate by example how this can be done. Instead, this teaching too frequently is negative, and the student learns that in spite of what is said in the lecture, little is accomplished in practice.

The net result in such a situation is that the student believes that rehabilitation has nothing to offer and is neither inclined to use it in general practice nor attracted to become a specialist in medical management. The nonphysiatrist who has an interest in another aspect of medicine will not devote the time, the energy, nor the enthusiasm toward medical rehabilitation which will attract students to use this type of therapeutic practice. It has been clearly demonstrated in a number of studies of medical curriculums that students are attracted to the field which shows promise by the number of participating physicians, the enthusiasm of those physicians for their work, the demonstrable and dramatic aspects of the program, and the productive research being carried on in that field.

In the latter regard, management of patients with chronic disabilities suffers a natural psychological handicap. Since our physiological goals are to restore patients over a relatively long period of time toward but probably not up to normal performance, the field of physical medicine and rehabilitation is not nearly so dramatic as some other specialties such as cardiac surgery or the treatment of acute infectious diseases.

It is essential that the department of physical medicine and rehabilitation be well staffed and well equipped to carry on a comprehensive and intensive rehabilitation program and to use the modern methods of diagnosis and evaluation in the clinic as well as to carry out research pertinent to rehabilitation, if it is to compete on an intellectual basis for the attention and participation by the medical students. In a well staffed and well equipped program, medical rehabilitation can be demonstrated to be highly effective even though it requires time to achieve this result. In the situation in which laboratory facilities are available, research in this field also has been productive and attractive for medical students.

Mr. HILL. The bill provides for the establishment of research and training centers for physical rehabilitation. Those funds are now in the bill.

Mr. HUMPHREY. I thank the Senator very much. He is aware of my wholehearted support.

Mr. HILL. I thank the Senator from Minnesota.

SUGGESTIONS NOT YET ACTED UPON BY NIH AND PUBLIC HEALTH SERVICE

Mr. HUMPHREY. Mr. President, let me make it perfectly clear that there are numerous areas in which our subcommittee has submitted suggestions on which definitive improvements are yet to be made.

In some instances, this is because it takes quite a while for the agency to program an improvement once it accepts an underlying concept. The shortage of specifically budgeted and appropriated funds is often a critical handicap.

In many cases, however, the Public Health Service and/or NIH have yet to signify agreement with the suggestions.

I ask unanimous consent that a memorandum listing a few of the suggestions which the staff and I have submitted be printed at this point in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Memorandum on Senator Humphrey's Suggestions Coordinated Research Information System

1. NIH must establish a modern coordinated research information system. This

system must not be on piecemeal, incompatible bases. For example, at present there are separate, isolated systems for each of seven institutes and still another for extramural research, one for NIH, and others for other units of the Public Health Service, etc.

The separate systems have resulted in widely varying, disuniform data.

HEW-WIDE SYSTEM

2. The PHS system must be part of a coordinated, reasonably compatible system or systems for the Department of Health, Education, and Welfare, as a whole, including the Social Security Administration, Food and Drug Administration, U.S. Office of Education and the Office of Vocational Rehabilitation.

For example, longstanding pharmaceutical information needs of the Food and Drug Administration require advanced methodology; but, ideally, such methodology should contribute to and draw from other pharmaceutical-type information centers elsewhere in the Department.

INTERAGENCY LEADERSHIP

3. Within the Federal Council for Science and Technology, NIH should demonstrate information leadership and responsibility among the seven principal Federal agencies supporting biomedical research; i.e., Veterans' Administration; Atomic Energy Commission, Department of Defense, Department of Agriculture, Federal Aviation Agency, National Science Foundation. This leadership should be expressed, for example, through stronger common policies in relation to input to and output from the Science Information Exchange.

NUCLEUS OF SKILLED PERSONNEL

4. The Public Health Service must strengthen its in-house competence in information and communication science over and above the documentation skills available within the National Library of Medicine. Thus, the Service must have a strong nucleus of career personnel, skilled not only in medical specialties, but in fields such as systems analysis, biomedical engineering, linguistics, computers, etc.

EXTRAMURAL AUTHORITY FOR NLM

5. The National Library of Medicine must request and be given statutory authority, such as recommended by the Jones committee in 1960, for direct support of improvements in medical libraries throughout the Nation, for support of a systematic program of medical reviews at home and abroad, and other long-awaited and needed programs.

SPECIALIZED INFORMATION CENTERS

6. The Public Health Service should make possible a national network of specialized information centers. There should, in effect, be a clearinghouse capability for all types of specialized medical research information. Each center should review and evaluate the latest information in its particular discipline or disease area. This should include all types of information—prepublication and postpublication, printed and nonprinted, audiovisuals, preprints, conference proceedings, data and all other types of information.

LIFELONG EDUCATION FOR PRACTITIONERS

7. The Public Health Service should cooperate to the fullest in implementing the pioneering Dryer report, recommending a "university without walls," for continuing postgraduate medical education. This report was prepared by a task force, commissioned by the American Medical Association and seven other national medical organizations.

COUNCIL ON PATIENT RECORDS

8. The Public Health Service should establish a Council on the Processing of Clinical Information. This Council should provide for more effective management of the vast amount of data in each year's increment of hospital records. (This amounts to 30 million hospitalizations a year, added to one-half billion previous hospitalization files.)

INTERSECTION, COUNCIL COMMUNICATION

9. The flow of information between NIH study sections and betwen grant councils should be strengthened, so as to facilitate coordinated actions.

STRONGER NIH LIBRARY

10. The National Institutes of Health Library should be strengthened along the lines recommended by the expert report filed by Ralph Shaw, Ph. D., in January 1961.

INTERNATIONAL EXCHANGE OF INFORMATION

11. The Public Health Service should strengthen international cooperation in exchange of information.

And there are additional areas on which I will be in continued contact with the Public Health Service, in order to expedite what I regard as essential remedial action.

EXCERPTS OF ARTICLE, POINTING UP SIGNIFICANCE OF SENATOR HUMPHREY'S REPORTS

Mr. HUMPHREY. Mr. President, the Senate Government Operations Subcommittee has received literally hundreds of letters enthusiastically commending its efforts to strengthen scientific information programs.

In addition, our reports have been the subject of a great many favorable articles in the professional press.

I shall place in the RECORD only a single set of excerpts from one particular recent article. This article described the forthcoming report which our subcommittee will issue on the subject of the crisis in medical communication. The article appeared in the June 1962 issue of the Wilson Library Bulletin. It is entitled "The Doctor and the Document." It was written by A. J. Goldwyn, a research associate at one of the great centers of communication science in this Nation—the Center for Documentation and Communications Research at Western Reserve University, Cleveland, Ohio.

Mr. President, I ask unanimous consent that the text of these excerpts be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE DOCTOR AND THE DOCUMENT—A NEW TOOL FOR BIOMEDICAL RESEARCH

(By A. J. Goldwyn)

(The Humphrey report referred to in this article will be published very soon—perhaps will already have appeared by the time this issue reaches you. It will deal with biomedical research, and specifically with the urgent need for improved communications in the field, thus dramatizing the information retrieval problem in terms that everyone can understand. The new report was preceded by a number of others—on biomedicine, international health, and similar topics—issued by Senator HUMPHREY's Subcommittee on Reorganization and International Organization of the Senate Committee on Government Operations.)

A clue to the conquest of cancer may be—probably is—in print somewhere right now. This is the challenge that Senator HUBERT H. HUMPHREY offers to the Nation's scientists, teachers, archivists, researchers, and librarians. It is the emblem, so to speak, of the report on medical information soon to be issued by Senator HUMPHREY's subcommittee of the Committee on Government Operations, warning of danger to the Nation's health through faulty communication.

The Humphrey subcommittee has been studying the field of scientific research since 1958 and finding "information weaknesses" everywhere. Faulty communication between scientists is shown to be responsible for the real loss of information and for the waste of millions of dollars in the unwitting duplication of research. Senator HUMPHREY estimates that the National Institutes of Health, spending $410 million in 1962 to support research, committed just 1/698 of that sum to disseminating the results. Another authority calculates that, if 5 percent of the annual biomedical research budget were spent to "close the literature gap," a sum of $50 million would be released every year for other research purposes.

Senator HUMPHREY has dramatized the problem by pointing out that medical research may already have uncovered links in a chain of data significant in the eventual control of cancer, of heart disease, and of other dark areas in the world health picture. Such data, however, "may be buried so deep in literature that it cannot be found."

Everyone has seen his doctor turn to a bookshelf and pull out a handbook or text, turn as by instinct to the right page and extract at once the proper and comforting fact. Will the space-traveling citizen of tomorrow be different from ourselves—so different that the old lore of healing will no longer suffice? Have the practitioners of medicine so compartmentalized their calling that even the specialist cannot know his own field? We read of the study and application of electronics, of atomic physics, to medical use. Has the staff of Aesculapius turned into a scroll of magnetic tape? We seem to be on the threshold of the laboratory of the late, late movies, with arcing artificial lightning replacing at last the pills and plasters of our childhood.

In practice, the chance of being treated by a licensed computer is remote. This is especially comforting to those of us for whom much of the "good" done by a doctor is his reassurance that everything is going to be all right. It is not at the consumer point, so to speak, that the new tools are being applied. However, increasing sophistication in the storage, manipulation, and interpretation of data is inevitably bringing closer the direct intervention of the computer in various medical areas—especially that of diagnosis, which is essentially a comparison between the familiar and the new, the past and the present. The diagnostic situation is thus ideal for the correlating functions of the computer. To this extent, at least, the advertised claims and half-claims of the various business machine manufacturers are justified, although the delegation of even limited responsibility to a machine is still a distant prospect.

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Tested techniques are available. The New York Times quotes Senator HUMPHREY as saying that "pitiful sums were spent to get the information to the user"—that is, to the doctor, to the hospital or medical school, to the research center where the information could be used. In most cases, the actual sum of money is less important than the fact of energetic support. Results generated by grants from the National Institutes of Health and the several foundations have already shown this to be the case. Active, adequate, and informed support is more important than huge sums of money scattered to the winds.

IR AND DATA PROCESSING

Systems of scientific documentation have been developing for some time. These may be roughly categorized into two groups. One type is the system for handling documents which contain information. The other type is the system for handling data from which information may be synthesized.

The first of these (again, roughly, for there are innumerable graduations in practice) may be categorized as bibliographic in nature: the provision of a list of citations or references where relevant information may be found. This function can appropriately be called information retrieval. The second can be called data processing, since it addresses itself to the task of ordering and combining and, generally, making meaningful combinations of uninterpreted facts. Although planning for both of these functions can be, and often is, computer oriented, the second is obviously more congenial to mechanical handling. Neither type of scientific documentation is immune to the temptation to fit the job to the available tools—a fact which, possibly more than any other, has limited the imagination of workers in the field.

Activity by one agency may fall into both of these categories, as when an essentially computer-oriented organization which has amassed large quanties of raw data attempts to construct a classifying schedule by means of which the data can be interpreted. The National Library of Medicine, following this route, has underway a novel, large-scale indexing-cum-bibliographic project called medlars (medical literature analysis and retrieval system), which began to function in 1961 on a cooperative basis with General Electric. This effort is combined with the development of a more conventional but large-scale schedule of subject headings for use in tagging information of interest in the many fields of medical subject matter. The medlars task force has committed itself to viewing the traditional, intellectual discipline of selecting and assigning subject headings through the new, nonconventional and superficially incompatible machine point of view. It is hoped that the solution will not be that of Procrutes.

Systems developed from the point of view of the document rather than that of the machine would seem, at this point, to promise most. This kind of documentation—information retrieval—is perhaps most closely connected with traditional library service in its awareness of and insistence upon the needs of the user. Information retrieval (in this definition and with this orientation) emphasizes the analysis of the document in terms of the use to which it will later be put. Prediction of user needs is therefore of paramount importance. Aiding the retrievalist in his analysis, there must be a concomitant awareness of the flexibility of language and the pitfalls of meaning. Terminological control must be exercised with care, especially in the huge vocabulary of biomedicine, where the same word has different denotations in different fields. Will a question about "neurotoxic effects of phosphorus compounds," be satisfied by a document detailing laboratory experiments on the reactions of that neurotically rather limited creature, the cockroach?

Even in one field, a concept may present different aspects when thought of from two or more points of view. Some individuals of an insect population, for example, may survive spraying with a certain insecticide. Should the living/dead ratio be recorded in terms of susceptibility or of resistance? The documentalist is tempted to turn to his classification schedule in such a case and move up in the generic/specific pyramid, choosing to tag the data in his file by a kind of metalanguage, choosing a toneless (and less useful, for retrieval) meta word like "effect" or "response." The classification scheme which he has designated as the authoritative source of the tags which he will apply to the data must provide suitable cross references in every case. The documentalist is still, like every librarian or indexer, dependent on the usefulness of his see and see also references. The Commission on Professional and Hospital Activities at Ann Arbor, custodian of one of the data banks referred to earlier, has been seeking to develop a sort of superclassification scheme, a general-purpose system intended "to meet the needs of medical research in specialized areas through specialized subclassifications." Similar work at Western Reserve's Documentation Center has been encouraged by the sponsorship of the American Diabetes Association and the personal cooperation of Dr. Arnold Lazarow of the University of Minnesota and Dr. Joseph Izzo of the University of Rochester. This interest has led to an intensive study of up-to-date medical textbooks and medical school curriculums and syllabuses, and to the solicitation of the informed opinion of a score of experts in as many related fields, with the intention of formulating a classification that is thesauruslike in its ability to refer and cross-refer the interested user from, say, heart as a muscle, in one context, to heart as a part of the circulatory system in another.

The WRU Documentation Center is aided in its research here by its traditional use of a special code for storing significant data, a code which includes a built-in thesaural function. The extent to which such a function can be stretched in order to insure adequate coverage of a word like "insulin" is the real terminological problem, and continues to be the object of current active research.

Documentation in medicine, as in other fields, has turned more often, recently, to the seminal theories and techniques of linguistic analysis. This new science has been spectacularly promoted at the University of Pennsylvania in the syntax analysis program of Zellig Harris and his associates. It includes a working Univac program which "analyzes the syntactic (constituent) structure of English sentences (without the assistance of any human editing)." Whether—or, rather, how soon—such an essentially mechanical device will be of use in information retrieval remains to be demonstrated. Significant promise derives from its sponsorship by the National Science Foundation and from its widespread acceptance by linguists all over the world. Its most likely immediate application will be in the automatic analysis—"autoabstracting"—of full texts.

The response to the challenge of the Humphrey subcommittee will undoubtedly be further expansion in the field of scientific documentation. This paper has done no more than echo and illustrate the warnings of the Humphrey report by discussing the present state of the documentation art. The effort to develop scientific documentation has so far been tentative and scattered, and results have exactly reflected this tentative and scattered support. Documentation is at best a nascent science.

Those who would respond to the challenge must, as it were by a new Hippocratic oath, pledge their efforts to analyze, interpret, store and retrieve significant data in such a way that their prediction of usefulness in analysis, their adeptness and technological expertise in storage, and their subtlety and perceptiveness in retrieval will match the demands of the new age. This kind of librarianship will answer the challenge of the Humphrey report.

Mr. LAUSCHE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. LAUSCHE. I invite attention to the subject of salaries and expenses. Is the Senator able to state for the record the total amount of the appropriations for salaries and expenses in last year's appropriation bill and the total in this year's bill? The report breaks down the salaries and expenses for each of the divisions.

Mr. HILL. Is the Senator from Ohio addressing his question to page 2?

Mr. LAUSCHE. Yes; page 2, where the figures show the salaries and expenses for the Department of Labor; and, on page 4 of the report, the corresponding figures for the Bureau of Employment Security; and, on page 8, the corresponding figures for the Bureau of Employees' Compensation.

I wish to ascertain the amount by which the appropriation for salaries and expenses has been increased; and I also wish to ask how many employees there were in this agency last year, and how many there are this year.

Mr. HILL. I believe I can obtain that information for the Senator, but it may take a few minutes.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. SALTONSTALL. These figures were obtained from the Bureau of the Budget: Last year, under the 1962 budget, there were 70,746; under the 1963 budget request, 75,023; the House voted to increase the total to 75,713; and the Senate committee has recommended an increase to 75,939.

In short, the bill as reported by the Senate committee would increase the total, over that covered by the budget, by 916 employees; and the budget figure represents an increase over the number for the previous year in the amount of approximately 4,300 employees. If we estimate that the average salary is $6,000, the total additional expense would be $6,000 times 4,300; that would be the increase.

Mr. LAUSCHE. Has an explanation been given in regard to why there are 4,300 more employees?

Mr. HILL. The Senator from Ohio will notice that on the chart there is a breakdown among the different agencies. Perhaps the largest increase is in the Social Security Administration. The Senator from Ohio knows that the Congress passed amendments to that act in 1961, and they called for the employment of additional personnel.

Mr. LAUSCHE. Then, according to the figures stated by the Senator from Massachusetts, in the fiscal year 1962 there were 70,746 employees in this agency; and the allowance voted by our Appropriations Committee will permit the hiring of 75,939; is that correct?

Mr. SALTONSTALL. That is my understanding.

Mr. HILL. I think those figures are correct.

Mr. LAUSCHE. I thank both Senators.

Mr. HILL. I thank the Senator from Ohio.

Mr. McNAMARA. Mr. President, I call up the amendment which I submitted on July 11, and ask that it be stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from Michigan will be stated.

The Legislative Clerk. On page 3, in line 10, it is proposed to strike out "$50,000,000", and insert in lieu thereof "$100,000,000".

Mr. CLARK. Mr. President, at this point will the Senator from Michigan yield, so that I may give support to his amendment?

Mr. McNAMARA. I am very happy to yield.

Mr. CLARK. Mr. President, I ask unanimous consent that my name and those of the following Senators be added as cosponsors of the amendment which has been submitted by the distinguished senior Senator from Michigan [Mr. McNamara]: the senior Senator from Illinois [Mr. Douglas], the junior Senator from Pennsylvania [Mr. Scott], the senior Senator from West Virginia [Mr. Randolph], the junior Senator from Maine [Mr. Muskie], the senior Senator from Oregon [Mr. Morse], the junior Senator from Massachusetts [Mr. Smith], the junior Senator from New Jersey [Mr. Williams], the senior Senator from Texas [Mr. Yarborough], the junior Senator from North Dakota [Mr. Burdick], the two Senators from Alaska [Mr. Gruening and Mr. Bartlett], the junior Senator from Michigan [Mr. Hart], the junior Senator from Missouri [Mr. Long], the junior Senator from Rhode Island [Mr. Pell], the junior Senator from California [Mr. Engle], the junior Senator from Colorado [Mr. Carroll], and the junior Senator from Minnesota [Mr. McCarthy].

Each of the Senators I have named has authorized me to make this request on his behalf, because each one believes that the action taken by the Appropriations Committee cannot be justified.

The PRESIDING OFFICER. Without objection, the additions will be made.

Mr. McNAMARA. Mr. President, I call up my amendment, which I submitted on July 11, to H.R. 10904, the Appropriations Act for the Departments of Labor, Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1963.

The effect of my amendment is to increase from $50 to $100 million the appropriation for manpower development and training activities in the budget of the Labor Department.

The sum of $50 million was recommended for this program by the Senate Committee on Appropriations. The sum of $100 million is the amount authorized for the program by Public Law 87–415—the Manpower Development and Training Act of 1962.

I would emphasize that my amendment merely brings the appropriation for fiscal 1963 up to the amount authorized for the program by the Congress, when we enacted it into law last March.

When this appropriations bill—H.R. 10904—was passed by the House, it contained no appropriation at all for the manpower development and training program, the reason being that the act had not become effective at the time when the House Committee on Appropriations had completed its work on the bill.

The Senate Committee on Appropriations considered this matter, and concluded that a $50 million appropriation would be adequate to finance this program in the fiscal year 1963, apparently in the belief that the necessary planning and initiation of programs by the States would delay the start of training programs for an indefinite period, with the result that the full $100 million authorized could not be spent.

Mr. President, the news that the appropriation for manpower development and training activities might amount to only 50 percent of the amount authorized has been greeted with great dismay in my own State of Michigan and in many other States which have moved in a most aggressive and rapid manner to take advantage of the new program.

In the case of Michigan, as soon as the Manpower Development and Training Act of 1962 became law, last March 15, Gov. John B. Swainson appointed a Governor's State Manpower Committee, headed by Dr. Charles Killingsworth, of Michigan State University, to develop plans for immediate utilization of the new program. Appropriate State agencies—including the department of public instruction and the Michigan Employment Security Commission—joined in the effort. This committee moved swiftly and effectively.

The result was that Michigan moved rapidly ahead to implement the manpower development and training program, and, today, is perhaps the leading State in the Nation in this effort.

Governor Swainson informs me that, as of this moment, Michigan has received approval from the Departments of Labor and Health, Education, and Welfare on 14 courses that would provide training for 413 unemployed workers, at a cost of $685,000.

These programs are ready to go now—the moment Federal funds become available. The cost of planning and developing these programs has been absorbed by the participating State agencies.

Even more important, the State of Michigan has an additional 50 training courses, involving an additional 3,700 unemployed workers in advanced stages of preparation. Governor Swainson informs me that many of these programs could be placed into operation within 30 to 60 days.

Based on the formula for allocating funds under the act, Michigan would receive a total of $5,200,000 in fiscal 1963, for manpower development and training activities—if the full $100 million authorized by the act is appropriated.

The training courses I have just listed would utilize the entire $5,200,000 available to Michigan if the entire authorization of $100 million is appropriated.

In the event the appropriation does not come up to the authorization, the job training program of Michigan, and other States, would have to be cut back accordingly.

At the present time, unemployment in Michigan remains uncomfortably high. As of June 15, 1962, there were 182,000 unemployed workers, or 6.3 percent of the labor force, which is considerably above the national average. It is estimated that there are 50,000 long-term, chronic unemployed in Michigan.

Therefore, the retraining program of Public Law 87–415 is extremely important to Michigan.

While I am not too familiar with the status of training programs and unemployment rates in other States, I am certain that a similar situation exists elsewhere, particularly in the industrial areas of the North and Middle West.

I urge that my amendment be adopted and that the entire $100 million, authorized by Public Law 87–415, be appropriated. I am confident that the full amount can and will be utilized.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. BARTLETT. In connection with the Senator's amendment, which I heartily support, I ask unanimous consent to submit for the Record, and have printed, a statement, including a letter written to me by the acting director of vocational training education for Alaska.

There being no objection, the statement and letter were ordered to be printed in the Record, as follows:

Memorandum on Senator McNamara's Amendment To Provide Additional Funds for Manpower Development and Training Activities (Department of Labor), Page 3 of H.R. 10904, 1963 Fiscal Year Appropriations for HEW

On March 15, 1962, the President signed the authorization law, Public Law 87–415, authorizing funds for manpower development and training in the amount of $100 million for the 1963 fiscal year.

The request for $100 million came to the Hill after the House had passed the HEW appropriation bill. The Senate Appropriations Committee cut the figure to $50 million stating that no funds have yet been appropriated for the necessary planning and initiation of programs and that the $100 million contemplated the training programs to start on the first day of fiscal year 1963 to operate for full 12 months. "The absence of funds for planning and starting programs will delay the start of training programs for an indefinite period. It is believed that the $50 million recommended by the committee will be quite adequate to finance this program throughout the year."

Under the $100 million request, the States were to receive $91,500,000 in grants for such things as training unemployed or underemployed workers ($28,500,000); training allowances and subsistence expenses to the trainees ($55 million); payment of trainee allowances ($2,300,000); allocations to State employment security agencies for selection, referral, and placement of trainees $5,700,000).

Alaska's share of the $91,500,000 (the remainder of the $100 million is going for administration) would be—

Training unemployed or underemployed workers	$57,000
Training allowances and subsistence expenses to trainees	110,000
Payment of trainee allowances	5,000
Allocation of State employment security agency	11,000
Total, 200 trainees	183,000

Senator McNamara's amendment would restore the Senate committee allowance of $50 million to the budget request of $100 million. Otherwise, Alaska's share would be cut in half or an estimated $91,500.

STATE OF ALASKA, DEPARTMENT OF EDUCATION, DIVISION OF VOCATIONAL EDUCATION,
July 11, 1962.

Hon. E. L. BARTLETT,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR BARTLETT: I am writing to you to urge your full support of the $100 million Bureau of Budget's recommendation for the Manpower Development and Training Act now pending in the Senate. I have received valid information that the Senate Appropriations Committee approved a $50 million program. It is my understanding that a floor amendment will be offered to reinstate the bill to a $100 million measure. About one-third of whatever is approved will be made available for vocational training.

Alaska sorely needs additional vocational education. We have available Smith-Hughes and George-Barden funds, but the State and local districts are unable to provide sufficient matching moneys; therefore, from one-fourth to one-half of these funds are lost to the State. Under terms of the Manpower Development Act, funds to the individual States are outright grants. Such a benefit to the State of Alaska would be very beneficial indeed.

Under terms of another act, the Area Redevelopment Act, Alaska has received, since last February, grants totaling $92,460 for five vocational training programs. The programs are as follows:

City	Program	Education cost	Students	Subsistence cost
Ketchikan	Clerk-stenographer	$5,286	18	$13,360
Fairbanks	do	4,814	20	13,420
Anchorage	do	2,630	17	8,400
Do	Electronics mechanic	18,789	15	10,080
Do	Clerk-stenographer	3,530	20	12,160

The foregoing programs of training were 16 weeks in length (exception: the electronics mechanic course was 26 weeks). ARA programs have been very successful in Alaska. They have at last provided the means for nearly complete vocational training programs. The persons have benefited from the training; they have an occupation which they may sell. Their training has been in areas where there was a definite shortage of competent, trained personnel. Persons trained were unemployed or underemployed. I need not elaborate on all of the possible benefits accruing to these people and to Alaska.

The Manpower Development and Training Act is comparable to the ARA program but is much more sophisticated in its objectives. The training programs may be 52 weeks in length; persons will be better trained. Again, the persons benefiting will be the underemployed and the unemployed. The program is suited to Alaska and its training and employment needs. Eighty-five percent of the Alaska labor needs are in the nonindustrial areas and people must be trained to fill the needs of our labor market. The Manpower Development and Training Act is another method of accomplishing this goal.

Very truly yours,
C. G. FADER,
Acting Director, Vocational Education.

Mr. McNAMARA. Mr. President, I yield to the Senator from Alabama [Mr. SPARKMAN].

VISIT TO THE SENATE BY MEMBERS OF PARLIAMENT FROM WESTERN EUROPE

Mr. SPARKMAN. Mr. President, today we have visiting with us members of the Special Subcommittee of the Committee on Defense Questions and Armaments from Western Europe. They are Members of Parliament in their respective countries.

First is the chairman of the group, Mr. George Kliesing, of West Germany.

Next are Mr. Pierre Bourgoin, of France, vice chairman; Mr. Philip Goodhart, of the United Kingdom; Mr. Anthony Kershaw, of the United Kingdom; and Mr. Anthony Duynstee, of the Netherlands.

We are delighted to have these gentlemen with us. We have just had a luncheon and a conference with these gentlemen. It is very fine that they are here. They have been in this country since July 9, meeting and consulting with different agencies and departments of our Government. They have spent time in the Pentagon and the State Department. They went to Norfolk, Cape Canaveral, and other places, discussing defense and programs of mutual benefit to all of the countries in the Western European alliance. We are delighted to have them with us.

[Applause, Senators rising.]

Mr. SPARKMAN. Mr. President, I ask unanimous consent that there may be inserted in the RECORD at this point a biographical sketch of these gentlemen.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHIES OF THE MEMBERS OF THE SPECIAL SUBCOMMITTEE OF THE COMMITTEE ON DEFENSE QUESTIONS AND ARMAMENTS OF THE ASSEMBLY OF WESTERN EUROPEAN UNION

VISIT TO WASHINGTON JULY 9–20, 1962

Mr. George Kliesing, chairman; deputy; German; Christian Democrat (CDU); Bundeshaus Bonn, Federal Republic of Germany; born October 12, 1911; rapporteur of the defense committee and principal CDU spokesman on defense in the Bundeshaus; chairman of the Committee on Defense Questions and Armaments; vice president of the NATO Parliamentarians' Conference.

Col. Pierre Bourgoin, vice chairman; deputy; French; U.N.R.; 78 Avenue Mozart, Paris, 16e; born April 2, 1907; member of the defense committee of the French National Assembly; vice chairman of the Committee on Defense Questions and Armaments and rapporteur on space projects; member of the NATO Parliamentarians' Conference.

Mr. Anthony Duynstee; deputy; Dutch; popular Catholic; van Heylerhoffiaan 10, Maastricht, Netherlands, born December 24, 1920; member of the Committee on Defense and on Foreign Affairs of the Second Chamber of the States-General; former head of the Division of International Cooperation K.L.M.; rapporteur on the State of European Security (NATO nuclear force) of the Committee on Defense Questions and Armaments; member of the NATO Parliamentarians' Conference.

Mr. Philip Goodhart; member of Parliament; British; conservative; journalist; House of Commons, London, SW. 1; born March 11, 1925; Secretary of the 1922 committee (Conservative Parliamentary Committee); rapporteur on Disarmament of the Committee on Defense Questions and Armaments.

Mr. Anthony Kershaw; member of Parliament; British; conservative; Barrister-at-law; House of Commons, London, SW. 1; born December 14, 1915; parliamentary private secretary to the Minister of State, Board of Trade since 1957; rapporteur on defense outside the NATO area of the Committee on Defense Questions and Armaments; member of the NATO Parliamentarians' Conference.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield to the Senator from Illinois.

Mr. DOUGLAS. I commend the Senator from Michigan for sponsoring this amendment, which would restore the budget estimates for manpower development and training. This is a highly important program, as the Senator from Michigan has said. There is a very large number of long-time unemployed, consisting of youths, young women, and adults. It is important that they should be furnished with training so that they will be eligible and able to fill positions as they open.

In Illinois we have been making plans in anticipation of the appropriation of the full sum of $100 million. I am happy to pledge my support to the Senator from Michigan.

I ask unanimous consent that a letter I received from Gov. Otto Kerner, of Illinois, be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Springfield, July 10, 1962.

Hon. PAUL H. DOUGLAS,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR DOUGLAS: On Friday, June 29, 1962, the Senate Appropriations Committee reported the Labor-HEW appropriation bill (H.R. 10904) for fiscal year 1963. In connection with the Manpower Development and Training Act, the committee recommended an appropriation of $50 million, a reduction of $50 million from the budget estimate and from the amount authorized to be appropriated by the Manpower Development and Training Act itself.

As you know, the Manpower Development and Training Act created the prospect of providing training and training allowances for thousands of workers in Illinois who are unemployed because of technological changes.

In view of the importance of the act, the planning of training courses pursuant to its provisions began in Illinois immediately upon the approval of the act by the President last March. Surveys of labor demand and supply were promptly made and immediate training needs were determined soon thereafter. This was followed by the planning of actual training courses, to be started within the first week in July.

Thus far, plans have been completed for six training courses, to be given throughout the State, and the necessary documents pertaining to these courses have already been submitted to the U.S. Department of Labor in Washington for approval.

In addition, plans for a training course for 50 licensed practical nurses in Chicago are almost complete, as are plans for the training of 50 to 100 silk screen printers in Chicago.

As you can see, the necessary planning for administration of the act has been completed in Illinois, and training is ready to begin as soon as funds are available both for administration and for training allowances. The planning has been accomplished within the limits of the funds made available for regular employment security activities. I am confident that the number of training courses which will be developed within the next several weeks, and the number of individuals who will be selected for such training, will be sufficiently large to require the expenditure of funds originally authorized by the Manpower Development and Training Act to be appropriated.

In my view, the 50 percent reduction in funds is an extremely serious blow to the effectiveness of the Manpower Development and Training Act. I strongly urge that you take all appropriate steps to assure the restoration of the appropriation for fiscal year 1963 to $100 million when H.R. 10904 comes up for consideration on the floor of the Senate.

Sincerely,

OTTO KERNER,
Governor.

Mr. HART. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I am happy to yield to the distinguished Senator from Michigan.

Mr. HART. I join in the expressions voiced by other Senators in commending my colleague for undertaking the leadership in this effort to restore sums which I, too, believe are essential. By way of a footnote, I wish to emphasize a remark made by my colleague, the Senator from Michigan [Mr. McNAMARA]. Michigan's experience with retraining under the Area Redevelopment Act is dramatic proof that we in Michigan do follow through in retraining efforts when the opportunity is made available. From March through June Michigan initiated and completed 35 courses, involving in excess of 500 trainees under that program.

I hope very much the Senate will support this amendment, in order that many, many, in Michigan and elsewhere, will not be disappointed, because the lines are clear, the plans are drawn, the opportunity is at hand. It would be a tragedy if we failed to provide what, in proportion to our efforts in other areas of social action, is so small a sum.

Mr. CLARK. Mr. President, the Manpower Development and Training Act was considered at length only last year by the Subcommittee on Employment and Manpower, of which I have the honor to be chairman. The bill was introduced by me at the request of the President of the United States. I had the honor of being the Senator in charge of the bill when it reached the Senate.

I am happy to say that the bill received substantial bipartisan support. It passed both Houses by large majorities. There was a most cooperative conference committee to iron out the differences between the two bodies. I had the honor to preside over that conference committee. There was a fair give and take. In my opinion, the bill which the President signed probably was better than the bill as it passed either House.

It was implicit in the terms of the bill that the modest authorization for the first year of $100 million—the amount increases for subsequent years—would be the amount which the President of the United States would ask and would urge his friends in the Congress to support for the first year's appropriation.

The President submitted his request for the appropriation of $100 million. In my opinion the President and the Secretary of Labor, amply justified the need for $100 million in this appropriation bill. Unfortunately, the request for the appropriation came to the Hill after the House had passed the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, so nothing—not one cent—was included in the appropriation bill as it passed the House.

The Senate Appropriations Committee, which I certainly do not wish to unduly criticize, undertook to cut the request of the President of the United States in half. One can well imagine what might happen if we should send to conference an appropriation of one-half of what the President requested. It takes no prophet to prognosticate that the conference might very well send back a figure substantially less than the one-half figure of $50 million.

Mr. GRUENING. Mr. President, will the Senator yield for a question?

Mr. CLARK. I am happy to yield to the Senator from Alaska.

Mr. GRUENING. Is the Senator prepared to offer an amendment to rectify that situation?

Mr. CLARK. I am speaking at the moment on the McNamara amendment, which I am happy to say my good friend from Alaska has cosponsored, which was called up a few minutes ago, before the Senator came into the Chamber, to restore the full amount of $100 million.

Mr. GRUENING. I am happy to hear the Senator's remarks. I commend the Senator from Pennsylvania very highly for what he is doing, and I am happy to join with him.

Mr. CLARK. I thank the Senator from Alaska.

Mr. President, I realize that it is a prerogative of the Appropriations Committee of the Senate—a prerogative assigned to that committee by this body—to review the requests for funds for this program and for all other programs. I realize, too, what a heavy, uphill task it is for a junior Member of this body to undertake to overrule the Appropriations Committee and to restore an appropriation requested by the President of the United States for one of his major pieces of legislation. Nevertheless, Mr. President, it is my not particularly gracious task to make that effort this afternoon.

I submit, first, that the Senate Committee on Appropriations really did not have the opportunity to study the problem of the unemployed worker in the United States of America to the same extent that those of us who serve on the Employment and Manpower Subcommittee of the Labor and Public Welfare Committee have had.

I submit that the members of the Committee on Appropriations of the Senate have not had the same opportunity which the members of the Special Senate Committee on Unemployment Problems, under the chairmanship of the distinguished junior Senator from Minnesota [Mr. McCARTHY] had to see the heartbreaking conditions under which more than 4 million Americans are existing, as they look for work which they cannot find. Far too many of them, Mr. Mr. President, are in my State.

I submit that my good friends the members of the Committee on Appropriations have not had the opportunity to see at first hand the heartbreak which comes into an American family when the principal breadwinner is rendered unemployed because the skill learned as a youth, and pursued for many a year, has become obsolete, as it has in the hard and soft coal mines of my State, as it has in the steel industry of my State, and as it has in the railroad industry of my State.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Rhode Island.

Mr. PASTORE. I merely wish to say, as a member of the Appropriations Committee and as a member of the subcommittee which handled the bill, that I, at least, have firsthand knowledge of unemployment contrary to what the Senator from Pennsylvania suggests—though I know he said it in full sincerity. Certainly the Senator from Rhode Island knows pretty much what it means to be out of employment and to be in responsible authority in a State in which, at times, unfortunately, there has been widespread unemployment.

I think there is hardly anyone in the Senate of the United States—and I say this with a degree of self-pride—who believes more sincerely and wholeheartedly in this manpower program. The Senator from the State of Rhode Island was not at all satisfied with the figure of $50 million, but of course he is only one of many members on the Appropriations Committee. He is inclined to feel that the figure originally suggested by the subcommittee, $75 million, would be a more appropriate amount.

That question was argued before the committee. That is the reason I am addressing myself to my good friend from Pennsylvania, who is very knowledgeable in this particular field, since he was in charge of the legislation which was passed by the Senate.

The argument made before the committee was that this is a virgin program, it is more or less in its primitive state, and that the agency would not have, at the beginning, a need for the full amount of the authorization. We must realize that the budget request was predicated more or less on the full authorization. It was said that the agency could get along pretty well with this allocation, and if a need arose it could be provided for in some supplemental appropriation bill in the early part of 1963.

I realize that one of the arguments directed toward that reasoning is that there have to be commitments made and one cannot make commitments unless the money is available. In the present case we must consider that the program is a new undertaking. It is a new agency. Unlike the case of agencies in which there has been a certain amount of experience accumulated over the years, it is rather difficult to foretell what the precise needs might be.

I am one of those who feel that the figure should more appropriately be $75 million. I should like to vote for that amount, with the clear understanding that when Congress convenes in January, should it be found that the amount is not sufficient, an appropriation for the full authorization should be approved. I would be one of the first to support such procedure. I feel that the Appropriations Committee should do nothing to thwart the original idea that gave birth to the proposed manpower legislation. As I stated before the committee, we in Rhode Island understand the meaning, the purpose, and the need of this kind of measure. We ought to do nothing in the Appropriations Committee to repeal it in whole or in part. I make that statement to my friend from Pennsylvania because I am a member of the Committee on Appropriations. I was not too well satisfied with the figure of $50 million. I would rather have seen the amount raised to $75 million, with the hope that when we reached the expenditure of that sum, if more money were required to do the important work necessary, the Senate would restore the money in a supplemental bill.

Mr. CLARK. Mr. President, no Member of this body has a greater or deeper understanding of the problems of the unemployed than has the senior Senator from Rhode Island. He has lived with the problem, first as Governor, and later as Senator. His State has indeed been hard hit. He is close to the people of his State. I concur fully in what he has said about his expertise in that area.

Second, I say to the Senator from Rhode Island that I will endeavor to convince him that we really need the entire $100 million. I hope I will be successful. Beyond that, I think we must let the situation develop in the course of the debate.

Mr. PASTORE. I thank the Senator.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the senior Senator from Texas, who I am happy to recognize as one of the cosponsors of the McNamara amendment to restore this appropriation.

Mr. YARBOROUGH. Mr. President, I am happy that the distinguished senior Senator from Pennsylvania yielded to me. I congratulate him on the statement he is making. I congratulate the senior Senator from Michigan [Mr. McNAMARA], who has already spoken, and other Senators who are sponsoring the amendment, as members of the Committee on Labor and Public Welfare.

As a member of the Committee on Labor and Public Welfare, I heard the subject fully discussed, as has been so ably pointed out by the senior Senator from Pennsylvania. I realize the necessity for the money. I think the amount is modest. No one has been more active than has the senior Senator from Pennsylvania in his work for the measure. He has given it a great deal of time. The earnestness with which he has presented the subject here is matched only by the diligence he has shown on the Committee on Labor and Public Welfare in passing upon the enabling legislation upon which the requested appropriation is based. The people of Pennsylvania and the unemployed all over our Nation are fortunate in having his earnest advocacy and understanding of retraining and the many other things that are needed to bring about permanent alleviation of the problem of unemployment in our country. He is one of the most valuable members of that committee.

Mr. CLARK. Mr. President, I thank my friend from Texas for his very kind, if unwarranted, words. He and I have fought shoulder to shoulder on many a bill in the interest of the people. Perhaps at a later date I shall ask my good friend from Texas if he would be willing to come within the confines of the Commonwealth of Pennsylvania to repeat the kind things he has said about me.

Mr. President, I should like to make it as clear as crystal that what I have said, is not said in terms of criticism of the Committee on Appropriations. Far from it. The committee performs its designated task. We on the legislative committee do our work. The Committee on Appropriations had a great volume of complicated subjects to consider in the bill before the Senate. The hearings consist of more than 2,100 pages. The appropriations called for are well in excess of $5 billion. The item of $100 million, which is relatively small in so large a sum, of necessity could not have occupied the undivided attention for very long of very many members of the subcommittee or very many members of the full committee. I am not at all critical of the members of the Appropriations Committee for the action they took. I merely happen to feel it is wrong, and that we now have an opportunity to correct a mistake.

I submit that it is not a particularly sound thing for the Congress of the United States, having given in March a judgment which was supported by the President of the United States as to the size of the training program that should be undertaken, should change its mind in July, particularly since the situation with respect to the unemployed has not improved in the period between March and July.

Indeed, the need for the full appropriation has become even more evident since March. Automation is proceeding at an alarming rate in my State and elsewhere.

There are still, today, some 600,000 people who have been unemployed for more than 6 consecutive months. Since the act was passed in March there has been no substantial decline in the size of this group of hard-core unemployed.

Unemployment among youths and among the less-skilled workers is still disproportionately high, while the need for workers with the requisite skills to fill vacancies in many occupations still exists, as it did when Congress adopted this law 4 months ago.

Since the passage of this act, many States and communities have been reviewing their situation, surveying their needs, examining their resources, and making plans to train workers for jobs. They are ready to roll, and await only the funds to do the job.

At this stage, a reduction in the amount authorized would frustrate these preparatory plans and require a complete revamping of the scope of the program. And, in the end, it would inevitably mean a training effort that does not measure up to the needs which Congress itself found to exist only 4 short months ago.

In its report, the Committee on Appropriations states as its reason for making the cut that the "necessary planning and initiation of programs has not been accomplished," because funds were not earlier appropriated to the Secretary of Labor and the Secretary of Health, Education, and Welfare for planning.

I submit that this statement does not reflect accurately the procedure by which this program is operated. The planning under the bill has not been done, should not be done, and cannot be done, in Washington. The planning should be done and has been done by vocational educators and the employment service officials in the 50 States, in consultation with management and labor.

With all due respect to the Secretaries of Health, Education, and Welfare, and of Labor, they and their staffs could not possibly sit down in Washington and plan this program. They can offer advice, and they have; they can offer policy direction, and they have; but they cannot do the planning. The planning must be done at the State and local levels.

What the Secretary of Labor did, following the procedures prescribed in the act was to make a tentative apportionment of whatever funds would be available. He had assigned a percentage to each State; 1.7 percent to Alabama, 0.2 percent to Alaska, 0.5 percent to Arizona, and so on to the various States.

The States, at least those like Pennsylvania and Michigan, with heavy unemployment, went ahead and planned on the basis of the $100 million that was authorized by the Congress and requested by the President. It may be said that these State officials had no business to plan on that basis because they knew that Congress had the last word. But they cannot be blamed for assuming that Congress, having settled upon a figure of $100 million only this spring, would stick by it. The President asked for it. Secretary Goldberg defended it before the committee in May. The State authorities could hardly anticipate that the funds would be cut in half.

A total of 27 of the 50 States, or more than half, including almost all of the States of substantial unemployment, have already submitted plans for at least one training course. The fiscal year is only 2 weeks underway, and already bona fide programs are on hand for $16 million, or 60 percent of the total which is required. These programs are ready to get underway right now; not next month, not next week, not next year, but right now. Sixteen million dollars of projects are waiting for the appropriation which will make it possible for them to go forward.

Some States already have scheduled training courses which would absorb their entire tentative allotment.

In all candor, let me say that this cut in the President's budget tells these States, in effect: "Go back and cut your programs in half. Throw away half your plans. Tell the local communities not to get excited about launching their program. Tell the unemployed that they can wait. Come back next year, and we will see what we can do."

I do not believe that the Senate or Congress wants to do that.

Let me document what I have just said about the ability and willingness of the States to commit and to spend the entire $100 million. Let me first refer to my own State, the Commonwealth of Pennsylvania. On July 11, Gov. David L. Lawrence, of Pennsylvania, said:

> I am seriously concerned by last week's action of the Senate Appropriations Committee which reduced the appropriation for the Clark-Holland manpower training bill to one-half the requested amount. The committee, in recommending that $50 million be spent in training workers for new and usable skills, seriously limited the impact of this program, which is of such vital importance to Pennsylvania.
>
> * * * * *
>
> The importance of this program cannot be overemphasized. Basically, it provides the means to train unemployed and underemployed workers in new skills which would make them employable in Pennsylvania. The Manpower Training Act is a perfect complement to the State's own retraining program, which is the best in the Nation.

That is a boast by my Governor, but I think it is a justified boast. We think we have and have had for some years the best retraining program among the 50 States. To a very substantial extent the bill which Congress passed and the President signed drew on the deep experience of the Commonwealth of Pennsylvania; indeed, it initially grew out of suggestions made by Commonwealth officials responsible for the successful efforts to retrain in employable skills our unemployed.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my good friend from New Hampshire.

Mr. COTTON. This inquiry is purely for information, and not critically intended. The Senator is speaking of his own great State of Pennsylvania. Could the Senator tell us the amount of money that is at present required by plans already formulated in the State of Pennsylvania?

Mr. CLARK. I will come to that in a minute. I continue to quote from the Governor's statement:

> The Manpower Training Act is a perfect complement to the State's own retraining program, which is the best in the Nation, and the retraining provisions of the Federal ARA program, in which this State has the largest number of trainees of any of the States.
>
> Therefore, I am urging the Members of Congress to do everything possible to restore the appropriation for the Clark-Holland Act to the amount originally requested.

The Governor added:

> Pennsylvania intends to take full advantage of the help offered by this legislation. We want youth and persons seeking to improve their occupational skills to have every chance to do so and, to eliminate any doubts as to financing the training costs, the State government is prepared to supplement Federal grants to cover this area.

The Governor went on to point out that already 32 training proposals, involving 2,022 trainees, had been developed by local communities and approved at the State level and forwarded to Washington for final approval. This is in the first 2 weeks of the fiscal year. Double that number are in the late stages of preparation and processing, and there are more to come. I assure the Senator from New Hampshire that the Commonwealth of Pennsylvania will spend, with profit, the entire $8,400,000 allotted to it as its share of $100 million. If that amount is cut to $4,200,000, Pennsylvania will be in serious trouble. We could spend $2 million or $3 million in the coming fiscal year in excess of what the authorization calls for.

Mr. COTTON. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. COTTON. I understand clearly what the great State of Pennsylvania intends to do. But these programs are already laid out, as the Senator has described so well. I wondered if the Senator has the monetary figure for what is already committed, even though only 2 weeks of the fiscal year have passed.

Mr. CLARK. I do not have the dollar amount; I am sorry I do not. But I reiterate that there is no doubt in the Governor's mind and there is no doubt in my mind, and I think I may say to the Senator from New Hampshire that I do not have a shadow of a doubt that there is not the slightest doubt in the mind of my junior colleague from Pennsylvania [Mr. Scott], that every cent of this money can be profitably employed in the Commonwealth of Pennsylvania—and more besides.

Now I should like to let Senators have a quick view of the kind of training programs which are already approved at State level by the Governor and his subordinate officials in Harrisburg, and which were forwarded to Washington for final approval as of July 5 of this year.

First, in Chester, Pa. I may say that Chester was hard hit, indeed, last year when the Ford Motor Co. closed a plant which had employed a very substantial percentage of the working force in Chester. I went to that city and talked with the mayor.

We called in representatives of the State employment service, of the Pennsylvania Industrial Development Authority, and of the Area Redevelopment Administration in Washington. Under the Area Redevelopment Act a relatively small amount of money was available for retraining unemployed workers in skills useful in industries within the depressed areas. As a result of that coordinated effort, and in anticipation of getting the full amount of this authorization, and having succeeded in bringing several new light industries to Chester to occupy the old Ford plant, and, hopefully, to reemploy many of the displaced Ford workers after they had been retrained in employable skills, a program is awaiting final approval to train 40 men, most of them unemployed Ford workers, as automobile body repairmen, metal; 80 as sheetmetal workers, aircraft; 20 as inert gas shielded arcwelders; 120 as machine tool operators; 40 as automobile mechanics; 40 as maintenance men.

Similar programs, not quite so extensive in depth, but nonetheless substantial, are presently approved, have been forwarded to Washington, and are awaiting final approval, for Philadelphia, Allentown, Bethlehem, Easton, Norristown, Reading, Pittston, Williamsport, McKeesport, Pittsburgh, Charleroi, Kittanning, New Kensington, and Erie.

Mr. President, I ask unanimous consent to have printed at this point in the Record the schedule which I have just summarized.

There being no objection, the schedule was ordered to be printed in the Record, as follows:

MDT Training Proposals Approved at State Level and Forwarded to Washington for Final Approval, as of July 5, 1962

Chester: Automobile body repairman, metal, 40; sheet metal worker, aircraft I, 80; inert gas shielded arc welding, 20; machine tool operator, 120; automobile mechanic, 40; maintenance man, 40.

Philadelphia: Auto mechanic, 100; welder, inert gas, 60; auto body and fender repair, 96; mechanical draftsman, 72; typist, 100; stenographer, 150.

Allentown: Trailer truck driver, 60; welder, combination, 36.

Bethlehem: Automotive specialist, 15.

Easton: Machine tool operator, 66.

Norristown: Machine operator, general, 17; maintenance man, building, 66.

Reading: Machine tool operator, 108.

Pittston: Millman, woodworking, 20.

Williamsport: Universal turret lathe and automatic screw machine operator, 40.

McKeesport: Electronics technician, 120.

Pittsburgh: General gas welder, inert gas, 20; operating room technician, 83; food preparation specialist, 100; pantryworker, 100; refrigeration mechanic, 100.

Charleroi: Household appliance serviceman and installer, 20; wood finisher, 25; carburetion and ignition mechanic, 25.

Kittanning: Statistical quality control assistant, 15.

New Kensington: Electrical appliance repairman and installer, 18.

Erie: Clerk-stenographer, 50.

Mr. CLARK. Mr. President, it may interest Senators to know how the $100 million which the Department of Labor and the Department of Health, Education, and Welfare hope they will be able to get has been allocated among the States.

I ask unanimous consent that a schedule of that apportionment furnished to me by the Secretary of Labor may be printed at this point in the RECORD.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

Apportionments under title III, sec. 301 Public Law 87–415[1]*—Average factor percentage*

Alabama	1.7
Alaska	.2
Arizona	.5
Arkansas	1.1
California	10.1
Colorado	.7
Connecticut	1.4
Delaware	.2
District of Columbia	.5
Florida	2.3
Georgia	2.0
Guam	.0231
Hawaii	.3
Idaho	.3
Illinois	4.9
Indiana	2.2
Iowa	1.1
Kansas	.9
Kentucky	2.0
Louisiana	1.7
Maine	.6
Maryland	1.4
Massachusetts	2.9
Michigan	5.2
Minnesota	1.7
Mississippi	1.2
Missouri	2.3
Montana	.4
Nebraska	.6
Nevada	.2
New Hampshire	.3
New Jersey	3.6
New Mexico	.4
New York	10.5
North Carolina	2.4
North Dakota	.3
Ohio	5.7
Oklahoma	1.1
Oregon	1.0
Pennsylvania	8.4
Puerto Rico	.9
Rhode Island	.6
South Carolina	1.1
South Dakota	.3
Tennessee	2.0
Texas	3.8
Utah	.4
Vermont	.2
Virginia	1.4
Virgin Islands	.0211
Washington	1.7
West Virginia	1.3
Wisconsin	1.8
Wyoming	.2
Total	100.0

[1] Amounts apportioned are subject to reapportionment "from time to time where the total amounts apportioned under this section have not been fully obligated in a particular State, or where the State or appropriate agencies in the State have not entered into the necessary agreements, and the Secretaries find that any other State is in need of additional funds to carry out the programs authorized by this act." (Final sentence of sec. 301.)

Mr. CLARK. Mr. President, I am not familiar with the unemployment situation in New Hampshire. It is my impression, though I may be wrong, that there is some unemployment along the Atlantic seaboard, and perhaps elsewhere. However, I call attention to the fact that out of the $100 million allocation by States, New Hampshire would receive $300,000. If this appropriation is to stand, that amount would be cut in half, to $150,000. The Senator from New Hampshire may think that that is an adequate amount. I have no way of knowing; I would certainly not pass any judgment. I simply call the item to his attention for what it is worth.

Since I see the distinguished majority leader [Mr. MANSFIELD] in the Chamber, I should like, with his indulgence, to comment on a release which has come to my attention issued by Edgar H. Reeder, chairman of the unemployment compensation commission, on the subject "Montana Among Leaders in Area Redevelopment Act Training." I shall read an excerpt from the release:

> One hundred and thirteen Montana residents have completed training courses under the Area Redevelopment Act of 1961. An additional 50 are in training and will complete courses in mid-July. Four more courses have received approval and are scheduled to train 62 more unemployed workers in redevelopment areas of the State.

Mr. President, this activity has been conducted under the Area Redevelopment Act, whose provisions with respect to the retraining of unemployed workers are more limited than those in the Manpower Development and Training Act, since workers cannot be retrained unless they are presently residing in a labor surplus area which has been certified as a redevelopment area.

Mr. Reeder continues:

> The retraining programs have been vital to the State in providing training for unemployed persons to qualify them to enter into jobs in which there has been a shortage of skilled workers. Of the trainees who have completed their courses satisfactorily, 89 have been placed in employment in fields related to their new qualifications. Employers have commended the quality of training which has been provided through the State department of vocational education under the direction of William L. Erickson.
>
> Courses which have been completed include: Nurses aid, combination welding and engineering aid in Butte. Motor analyst, lumber grader, fishing lure assembler—

That would be an interesting course; I should like to take that one myself—

> and logging equipment mechanic training programs have been completed in Kalispell. Structural steelworkers were trained in a course conducted in Anaconda. In progress at present are programs for stenographers and engineering aids in Kalispell, and a course for ward attendants being conducted in cooperation with the Montana State Hospital in Warm Springs.
>
> It is anticipated that all of the newly trained workers will be absorbed within a short period of time. If shortages still appear in certain occupations, consideration will be given to a repetition of the training programs.
>
> The key to the success of the Montana program is the determination of the proper type of training and selection of suitable trainees.

The release also points out the requirements in order to be designated as a redevelopment area; and I am sure that in Montana, as in Pennsylvania, there are thousands—although not as many in Montana as in Pennsylvania—of unemployed workers who come from areas which cannot qualify under the Area Redevelopment Act.

Mr. METCALF. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I am very happy to yield to the junior Senator from Montana.

Mr. METCALF. I am delighted that the Senator from Pennsylvania has brought out the effect of the Montana retraining program.

I especially wish to comment on the training in making fishing lures. For example, we have had persons who were unemployed in both the forestry industry and the mining industry in these depressed areas; and they have been taught fly tying and the development of fishing lures for the great recreation industry which we have in Montana. After they have been taught these special skills, they are now self-sufficient in performing a job for the fishermen, for their colleagues, for the people of Montana who, as a result of minimum-wage laws and 8-hour laws, have greater amounts of leisure and more money to spend for recreation, and also to be of assistance to people who come from Pennsylvania, Illinois, and other States, to fish in Montana. We have provided this training and the development of these skills, so that these persons can participate in this great and growing industry.

The Senator from Pennsylvania may recall that when I was in the House of Representatives, I objected to the suspension of Calendar Wednesday, and brought up on the floor of the House the area redevelopment bill, because I thought it would do just this for this depressed area in the State of Montana, where we have a technological unemployment situation in the mines, and unemployment in the forestry industry. We are teaching these people to work right there in Kalispell, Butte, Whitefish, and these other areas in Montana. They are not migrating to other areas. We are teaching them to work there—to develop new skills and new industries, and we are teaching them to be self-sufficient in that depressed-labor area.

Mr. CLARK. I thank the Senator from Montana for his helpful intervention. I am sure he understands that when I made a passing reference to the course in making fishing lures, I was speaking, not in derogation, but from envy. I, myself, am a quite inadequate dry-fly fisherman. I do not make my own flies, but I wish I knew how to do so. So when I said I wished I could take the course, I really meant it, because I think this is a useful skill; and I am glad to know that it is an employable skill. May the Dusky Millers and the Parmachenee Belles grow in numbers and decrease in price, so that we amateurs can catch many more of the fine Montana trout.

Mr. METCALF. I hope the Senator from Pennsylvania will have an opportunity to come to Montana and use there some of those lures and catch some of those fine fish.

Mr. CLARK. I shall be happy to do so; I hope to have that opportunity in both Montana and Wyoming.

Mr. President, I think this release is most heartening. It also states:

> A further study is made of the unemployed and underemployed residing in the area who possess the necessary qualifications to benefit by the training. Testing, counseling, and selective interviewing have kept the number of dropouts at a minimum, the chairman said.
>
> Montana has shown an active role among States participating in Area Redevelopment Act training programs. The programs which have been approved represent over 15 percent of the programs for the Nation as a whole, and provides an investment of $157,355 in training Montana workers.

I wonder whether the two Senators from Montana will agree that what they have been able to do with the Area Redevelopment Act is really just a drop in the bucket, compared to what can be done once the concept is expanded as it is under the Manpower Development and Training Act; and I call the attention of my two friends to the fact that the allocation for Montana, even under the entire $100 million appropriation which we hope to get, would be a mere $400,000. I take it that this is due perhaps to the happy fact that the number of residents per square mile in Montana is substantially less than the number in some of the other States—$157,000 has already been spent on this Area Redevelopment Act program before the big program could get underway. If we restore to this bill the total $100 million which the President requested, Montana will get $400,000 more in the next fiscal year. But if the recommendation of the Appropriations Committee prevails, Montana will be cut to $200,000, which I would think would severely curtail the program.

Mr. LAUSCHE. Mr. President, will the Senator from Pennsylvania yield for a question?

Mr. CLARK. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. I believe that the Senator from Pennsylvania was the original sponsor of the bill.

Mr. CLARK. That is correct.

Mr. LAUSCHE. What does the bill provide with regard to the payment of the trainees?

Mr. CLARK. The bill provides for the payment to unemployed workers, during the training period, of what roughly—although not exactly—is the amount of the unemployment compensation they were receiving after they lost their jobs and before they went into the training program. The provision is a rather strict one; they must apply for training promptly after they go on unemployment compensation, so that they cannot stretch out the period of unemployment compensation and then parlay the retraining program.

Mr. LAUSCHE. What emoluments are received by the trainee? Is he paid expenses incurred while traveling?

Mr. CLARK. He receives travel expenses and subsistence, but only if he is away from home; and he is allowed to go away from home only if there is no comparable training course within commuting distance.

Mr. LAUSCHE. Then I understand that an unemployed person would, at the beginning of his unemployment, have the benefits of the State unemployment compensation. In other words, an unemployed worker would, at the beginning of his unemployment, become vested with the right to receive such unemployment compensation?

Mr. CLARK. Yes.

Mr. LAUSCHE. At the end of that period, provided he initially informed the unemployment compensation office that he intended to go into the training, he would be permitted to take the training course, would he?

Mr. CLARK. No; it is more difficult than that. He must apply for the training course within a relatively short period after he begins to receive unemployment compensation, in order to be permitted to take the training course; and if he is offered a training opportunity, but declines it—hoping to live off unemployment compensation for a while, and then, later, take the training course—he is disqualified.

Mr. LAUSCHE. So at the end of his right to receive unemployment compensation, he then can go into the training course?

Mr. CLARK. No, I am sorry that I have not made myself clear to the Senator from Ohio.

If a person wants to go into training, he must take the training course just as soon as it opens. He cannot delay until after his unemployment compensation benefits are exhausted.

Mr. LAUSCHE. If he availed himself of the training, he would surrender the right to unemployment compensation?

Mr. CLARK. During the training period, which might be anywhere from 1 to 52 weeks, depending on what kind of course he had.

What I am trying to say to the Senator is that we did our best to prevent "chiseling."

Mr. LAUSCHE. That is, under the training, he could qualify for 52 weeks of the year?

Mr. CLARK. It would have to be a pretty unusual situation. It would have to be a technical and complicated course to take 52 weeks. If he were training to be an automobile mechanic, I think it would take—not being a very good automobile mechanic myself—about 3 months.

Mr. LAUSCHE. During the 3 months, he would be entitled to payments equal to what he would be paid under unemployment compensation?

Mr. CLARK. Yes, but not both.

Mr. LAUSCHE. And reimbursement for travel expense?

Mr. CLARK. If he had to travel, which would be unlikely if he were an automobile mechanic.

Mr. President, I should like to review briefly the situation in a few of the other States that would be adversely affected by the cut made by the Appropriations Committee. This list is incomplete. I have just hit some of the most critically affected States.

The first State on the list is Alabama. The Labor Department advises me that under the allocation that is made of the $100 million, the State of Alabama would receive an allocation of $1.7 million during the current fiscal year.

This State has already come in, says the Department of Labor, with major projects in areas such as Birmingham and Huntsville, the fine old city from which the junior Senator from Alabama comes, for training in such occupations as turret lathe operators, industrial and commercial electronics, and combination welding. The Labor Department thinks a cut to $50 million would put an immediate limitation on training activities in the State of Alabama.

I turn now to the State of Colorado. Colorado's apportionment under the $100 million would be $700,000. This State has already developed plans for the Denver area for occupations ranging from automobile mechanic to stenographer. It will also be seriously limited by the cut proposed by the committee. The projects for the Denver area alone would already absorb about one-third of the total amount which would be available to the entire State of Colorado under the committee's action.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Alaska.

Mr. GRUENING. Noting that my good friend is proceeding apparently in alphabetical order, moving from Alabama to Connecticut, I wonder why he omitted the State where there is the largest unemployment of any of the 50 States.

Mr. CLARK. My reason is that I am not conducting a filibuster this afternoon. I said a minute or two ago that I was going to hit the highlights in a few States, in alphabetical order, but I shall be very happy to yield to the Senator from Alaska if he would like to fill in some of the details of what I know to be the very serious condition in Alaska.

Mr. GRUENING. Let me suggest that no higher light can be shed on this problem than to consider the situation in the State of Alaska, which has the highest unemployment record of any State of the Union. In fact, the entire State, with the exception of two small areas, has been declared eligible under the area redevelopment legislation, and those two have now qualified.

Mr. CLARK. May I say to my good friend from Alaska that what seems to me to be the pittance of the proposed $100 million authorization which is allocated to the State of Alaska amounts to only $200,000. I wonder how the Senator feels the retraining activities would be affected by cutting that small sum in half.

Mr. GRUENING. I feel that the word "pittance" applies even to the original proposal of the President, and that the idea of reducing it even further is incredible and unthinkable.

For that reason, I support the Senator's efforts to restore the full amount requested by the President, knowing that it will not be adequate, but hoping that as the program proceeds we shall be able to increase the amounts in coming sessions of Congress.

To me there is nothing more tragic nor is there a greater need than to take care of chronic unemployment.

The senior Senator from Pennsylvania has well said there is nothing more tragic than the husband with a wife and many small children who is willing and able and wants to work, but who is unemployed because no work is available to him. I would consider the solution of the unemployment problem the No. 1 responsibility of this administration and the Congress.

The Manpower Development and Training Act can mean a great deal in Alaska. On July 14, I received a letter from the acting director of the State Division of Vocational Education, Mr. C. G. Fader, urging that I support the full authorized amount.

At this time I wish to quote two sentences from Mr. Fader's letter, as follows:

> The program is suited to Alaska and its training and employment needs. Eighty-five percent of the Alaska labor needs are in the nonindustrial areas and people must be trained to fill the needs of our labor market.

I am convinced that the provisions of the act can be beneficial to Alaska as we strive to meet the labor demands which will come as our oil industry develops, as our highway program expands, and as our agriculture potential is realized.

I ask unanimous consent that the full text of Mr. Fader's letter be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

State of Alaska,
Department of Education,
Division of Vocational Education,
July 11, 1962.

Hon. Ernest Gruening,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

Dear Senator Gruening: I am writing to you to urge your full support of the $100 million Bureau of Budget's recommendation for the Manpower Development and Training Act now pending in the Senate. I have received valid information that the Senate Appropriations Committee approved a $50 million program. It is my understanding that a floor amendment will be offered to reinstate the bill to a $100 million measure. About one-third of whatever is approved will be made available for vocational training.

Alaska is sorely in need of additional vocational education. We have available Smith-Hughes and George-Barden funds, but the State and local districts are unable to provide sufficient matching moneys; therefore, from one-fourth to one-half of these funds are lost to the State. Under terms of the Manpower Development Act, funds to the individual States are outright grants. Such a benefit to the State of Alaska would be very beneficial indeed.

Under terms of another act, the Area Redevelopment Act, Alaska has received since last February, grants totaling $92,460 for five vocational training programs. The programs are as follows:

City	Program	Education cost	Students	Subsistence costs
Ketchikan	Clerk-stenographer	$5,286	18	$13,360
Fairbanks	do	4,814	20	13,420
Anchorage	do	2,639	17	8,400
Do	Electronics mechanic	18,789	15	10,080
Do	Clerk-stenographer	3,530	20	12,160

The foregoing programs of training were 16 weeks in length (exception: the electronics mechanic course was 26 weeks). ARA programs have been very successful in Alaska. They have at last provided the means for nearly complete vocational training programs. The persons have benefited from the training; they have an occupation which they may sell. Their training has been in areas where there was a definite shortage of competent, trained personnel. Persons trained were unemployed or underemployed. I need not elaborate on all of the possible benefits accruing to these people and to Alaska.

The Manpower Development and Training Act is comparable to the ARA program but is much more sophisticated in its objectives. The training programs may be 52 weeks in length; persons will be better trained. Again, the persons benefiting will be the underemployed and the unemployed. The program is suited to Alaska and its training and employment needs. Eighty-five percent of the Alaska labor needs are in the nonindustrial areas and people must be trained to fill the needs of our labor market. The Manpower Development and Training Act is another method of accomplishing this goal.

Very truly yours,
C. G. Fader,
Acting Director, Vocational Education.

Mr. GRUENING. Mr. President, I am heartily in favor of the proposal, of which I am a cosponsor, but I feel it is only one needed step. I am hopeful that the full amount will be provided and that in the next Congress we can increase the amount and make an all-out drive to decrease unemployment.

Mr. CLARK. I thank my friend from Alaska for his most helpful contribution to the debate.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Bottum in the chair). Does the Senator yield?

Mr. CLARK. I am happy to yield to my friend from New York.

Mr. JAVITS. For whatever help it might be in this situation, since I heard the Senator mention a figure of $75 million——

Mr. CLARK. Not I.

Mr. JAVITS. The Senator mentioned the figure as having been a figure in the deliberations of the committee at some time.

From what I have been able to check on, apparently if that sum were provided it would accommodate the problems and responsibilities we have in the State of New York. I do not say that that should necessarily satisfy the Senator, but I only point out that, at least from the standpoint of one State, apparently it would be possible to go forward with the program and to do the job which needs to be done within that limit.

Mr. CLARK. Pleased though I am with the happy condition in the State of New York, where unemployment, I am glad for my friend the Senator, is far less than it is in the State of Pennsylvania, on a per capita basis, the $75 million would not solve our problem, nor would it solve the problems of many other States, about which I have been talking. Of course, any more than $50 million is better than $50 million.

Mr. JAVITS. Surely.

Mr. CLARK. I am also keenly aware of the problem of trying to reverse in the Senate a unanimous action by the Committee on Appropriations, but I must speak my piece for my people and for all the unemployed in the United States of America. Merely because one State might be able to make out all right with a slightly larger sum is not a sufficient argument.

Mr. JAVITS. Mr. President, will the Senator yield further?

Mr. CLARK. I am happy to yield.

Mr. JAVITS. I respect that belief, I understand it, and I agree with the Senator from the point of view from which he speaks. In buttressing the Senator's position I would point out something which I am sure the Senator recognizes fully. The Senator should realize that this is our only opportunity to provide any increase, because this is not a subject which was passed on by the other body. Therefore, the amount would only be in conference to the extent of $50 million, unless we did something else.

I should like for the Senator to understand clearly that in making the statement I made, I in no way controverted his fundamental position. We can do something not only in the interest of his State, but also in the interest of many other States, and of my State. I only hoped that we could come to what is called, in this Chamber, a practical solution.

Mr. CLARK. The Senator is of course quite correct in what he says, but he is wise in the ways of the Congress of the United States. I ask the Senator to contemplate for a little—not to answer me now—what he thinks would come back from conference if we sent to the conference $75 million, which might take care of the needs of the State of New York.

Mr. JAVITS. Mr. President, will my colleague yield further?

Mr. CLARK. I am happy to yield.

Mr. JAVITS. The Senator from New York will contemplate.

Mr. CLARK. I thank my friend.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my good friend and colleague, whom I welcome as a cosponsor of the pending amendment. I regret very much, if I may so say, the action which my colleague from Pennsylvania felt he was compelled to take in the Senate yesterday, but I welcome him back to the ranks of the righteous.

Mr. SCOTT. I wish to say to my senior colleague that whenever he is right, which is rarely, I am very glad to be on the same side with him. I solicit his consideration to wiser and more fiscally responsible programs, which I, by nature, find myself frequently supporting.

Mr. CLARK. The Senator knows I always lend him an attentive ear.

Mr. SCOTT. The Senator also wants to lend everything the Government has that he does not want to give away. In this case, which is another matter, we are together.

Mr. CLARK. In this case we both want to give, not to lend.

Mr. SCOTT. This is a question which is clear. I am a cosponsor of the amendment.

The amount cut by the subcommittee, under the manpower development and training activities, represents a setback to the programs of the Commonwealth of Pennsylvania. It seems to me to be a harsh cut.

I have indicated that I favor cuts in other appropriation bills but under the Manpower Development and Training Act—which is largely, I may say a Republican bill, as modified and passed by the House of Representatives—there was requested, I think wisely, an amount which I believe is justified in accordance with the circumstances, in accordance with the needs of the Labor Department, and, I have in mind particularly, in accordance with the programing in Pennsylvania.

I am very glad to be able to support my distinguished senior colleague, who has very amiably mentioned the fact that there are occasions on which we are able to cooperate. I welcome those occasions.

Mr. CLARK. I thank my friend and I welcome his support.

Mr. President, I ask unanimous consent that I may yield to the junior Senator from Florida [Mr. SMATHERS] without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. COTTON. Mr. President, reserving the right to object—and I certainly shall not object—I do not desire in any way, shape, or manner to curtail the very able presentation of the Senator from Pennsylvania, but because of the fact that I wish to respond to him when he concludes, on behalf of at least some members of the subcommittee, and because I have some commitments outside the Chamber, I wonder if he could give us a general idea as to how much longer he will take in his presentation.

Mr. CLARK. I will say to my friend from Nebraska——

Mr. COTTON. Oh, no—wait a minute.

Mr. CLARK. I beg the Senator's pardon. I say to my friend from New Hampshire——

Mr. COTTON. That is correct. The Senator was as far away from the fact on that as he has been most all the afternoon. [Laughter.]

Mr. CLARK. The Senator will agree that cannot be considered an affront.

I had intended to talk about 20 minutes more. Wise friends are counseling me to cut it short. It will not take more than 20 minutes.

Mr. COTTON. I merely wished to have a general idea. I thank the Senator.

Mr. CLARK. Mr. President, I renew my unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

ADDITIONAL JUDICIAL DISTRICT FOR STATE OF FLORIDA

Mr. SMATHERS. Mr. President, I am grateful to the Senator from Pennsylvania. I ask that the Presiding Officer lay before the Senate a message from the House of Representatives in regard to S. 1824, to create an additional judicial district for the State of Florida.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1824) to create an additional judicial district for the State of Florida, to be known as the Middle District of Florida, which were, to strike out all after the enacting clause and insert:

That section 89 of title 28, United States Code, is amended to read as follows:

"§ 89. Florida

"Florida is divided into three judicial districts to be known as the Northern, Middle, and Southern Districts of Florida.

"NORTHERN DISTRICT

"(a) The Northern District comprises the counties of Alachua, Bay, Calhoun, Dixie, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, and Washington.

"Court for the Northern District shall be held at Gainesville, Marianna, Panama City, Pensacola, and Tallahassee.

"MIDDLE DISTRICT

"(b) The Middle District comprises the counties of Baker, Bradford, Brevard, Charlotte, Citrus, Clay, Columbia, De Soto, Duval, Flagler, Hamilton, Hardee, Hernando, Hillsborough, Lake Lee, Madison, Manatee, Marion, Nassau, Orange, Osceola, Pasco, Pinellas, Polk, Putnam, Saint Johns, Sarasota, Seminole, Sumter, Suwannee, Union, and Volusia.

"Court for the Middle District shall be held at Fernandina, Fort Myers, Jacksonville, Live Oak, Ocala, Orlando, Saint Petersburg, and Tampa.

"SOUTHERN DISTRICT

"(c) The Southern District comprises the counties of Broward, Collier, Dade, Glades, Hendry, Highlands, Indian River, Martin, Monroe, Okeechobee, Palm Beach, and Saint Lucie.

"Court for the Southern District shall be held at Fort Pierce, Key West, Miami, and West Palm Beach."

SEC. 2. (a) The district judge appointed September 26, 1950, the district judge appointed August 18, 1955, and the district judge appointed March 8, 1961, all for the Southern District of Florida, shall hereafter be designated as district judges *for* the Middle District of Florida.

(b) The district judge for the Northern and Southern Districts of Florida shall hereafter be designated as the district judge for the Northern, Middle, and Southern Districts of Florida.

(c) Nothing in this Act shall in any manner affect the tenure of office of the United States Attorney and the United States Marshal for the Northern District of Florida who are in office at the time of the enactment of this Act, and who shall be during the remainder of their present terms of office the United States Attorney and Marshal for such district as constituted by this Act.

(d) Nothing in this Act shall in any manner affect the tenure of office of the United States Attorney and the United States Marshal for the Southern District of Florida who are in office at the time of the enactment of this Act, and who shall be during the remainder of their present terms of office the United States Attorney and Marshal for the Middle District of Florida as constituted by this Act.

(e) The President is authorized to appoint, by and with the advice and consent of the Senate, a United States Attorney and a United States Marshal for the Southern District of Florida.

SEC. 3. The table contained in section 133 of title 28 of the United States Code is amended to read as follows with respect to the State of Florida:

"Districts Florida:	Judges
Northern	1
Middle	3
Southern	3
Northern, Middle, and Southern	1".

SEC. 4. The limitations and restrictions contained in section 142, title 28, United States Code, shall be waived with respect to the holding of court at Fort Myers, and Saint Petersburg, Florida, by the United States District Court for the Middle District of Florida, and at Fort Pierce, and West Palm Beach, Florida, by the United States District Court for the Southern District of Florida.

SEC. 5. This Act shall become effective ninety days after the date of enactment.

And to amend the title so as to read: "An act to create an additional judicial district for the State of Florida, to be known as the Middle District, and for other purposes."

Mr. SMATHERS. Mr. President, I move that the Senate concur in the amendments of the House of Representatives to S. 1824.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

Mr. SMATHERS. Mr. President, I am grateful to the Senator from Pennsylvania.

Mr. CLARK. I was very happy to indulge the Senator from Florida.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate numbered 1 through 25, inclusive, and amendment No. 27 to the bill (H.R. 8141) to revise the laws relating to depository libraries, and that the House had agreed to the amendment of the Senate numbered 26 to the bill, with an amendment, in which it requested the concurrence of the Senate.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

Mr. CLARK. Mr. President, I should like very quickly to summarize the situation in regard to the States of Connecticut, Illinois, Maryland, Missouri, New Mexico, North Dakota, and Wisconsin. The Labor Department has furnished me a summary which indicates that this cut in the appropriations estimate would be highly injurious with respect to programs already planned in each of those States.

Mr. President, I ask unanimous consent that the details respecting each of those seven States may be printed in the Record at this point in my remarks.

There being no objection, the details were ordered to be printed in the Record, as follows:

3. Connecticut: At these very early stages, the State of Connecticut has already developed training programs covering $1½ million. This amount already equals the entire State's apportionment under the $100 million figure. The proposed committee action would, therefore, require the State of Connecticut to cut back 50 percent of the programs already developed and approved and ready to go. The almost 2,500 unemployed trainees scheduled to develop new skills and to go back to gainful employment in the State would have to be cut in half immediately.

4. Illinois: Six areas—including Davenport, Moline, Peoria, Rockford, Chicago, and Springfield—have already developed programs in the State of Illinois covering almost a half million dollars. Even at this very beginning of the development of programs in the State of Illinois, 25 percent of the funds available to the State under the proposed committee action has already been accounted for. The proposed cut would eliminate about 2,500 unemployed workers in the State of Illinois from training and retraining programs.

5. Maryland: Already developed in the State of Maryland are proposed training programs covering $700,000. This is already about $100,000 more than would be available to the State for the entire year under proposed committee action.

* * * * *

7. Missouri: The State of Missouri has already developed programs for training and retraining its unemployed workers amounting to about a half million dollars. Thus, in the first few weeks of the current fiscal year, Missouri has already absorbed 50 percent of all the available funds under the proposed committee action.

8. New Mexico: The State of New Mexico which would receive only about $180,000 under the proposed committee action has already just about exceeded this amount in the first few weeks of this fiscal year with programs covering Santa Fe, Farmington, Albuquerque, and Lea County, and covering such important occupations as licensed practical nurse, auto mechanic, appliance servicemen, etc.

9. North Dakota: The State of North Dakota has already developed programs for about $150,000 covering the areas of Bismarck and Wahpeton. This amount already exceeds the total that would be available for the State of North Dakota under the proposed committee action.

10. Wisconsin: The State of Wisconsin has developed training programs in the first few weeks of this fiscal year involving almost a half million dollars for training programs in Duluth, Sheboygan, and Milwaukee which already account for 60 percent of the funds which would be available to this State under proposed committee action.

Mr. CLARK. Mr. President, I anticipate that before this question comes to a vote the very able majority leader will place in the Record a letter dated July 18, 1962, from Arthur Goldberg, Secretary of Labor. Mr. Goldberg did me the courtesy of sending me a copy of the letter. It is not a confidential matter. I should like to read one paragraph of that letter:

> Upon a thorough examination of all the facts available to me, I believe that the Department can effectively spend the full $100 million, and I would prefer to commend this figure to you. If, however, in your judgment and the judgment of the Congress, because of the delay in consideration of the bill it is considered more appropriate to follow the subcommittee's recommendation of $75 million, assuming the possibility of a deficiency appropriation in the next Congress, then I will, of course, concur in your judgment and administer the program within such a framework.

Mr. President, many times we have heard about dragging horses to water but not being able to make them drink. If I could be so injudicious as to refer to the able Secretary of Labor in such a metaphor, I would say that a good many horse draggers have yanked the Secretary of Labor up to a cold and flowing stream and pushed his head down into it and compelled him, reluctantly, to take about two sips. But it seems to me that his letter is hardly much help to those who feel that the full amount of the authorization need not be restored.

The Secretary says he would prefer to commend to the majority leader the appropriation of the full $100 million. Why not give it to him? Why not give to the Secretary of Labor what he says he needs and can spend? Why not give him the amount of money for which the President of the United States asked? What is the reason for falling back on a $75 million compromise?

Let us all remember that not one cent is provided in the House bill for the program. Let us assume that the House is of the view that something must be appropriated for a bill supported by the Congress and advocated by the President. One would assume that Members of the House would vote to provide some funds. But how much money will they provide if we go to conference with a proposed appropriation of $50 million? Does any Senator think that the conference committee can come back with the full amount? Suppose we go to conference with a provision for $75 million for the proposed program. Do many Senators thing that we can return with the full $75 million? So I beg Senators to see what can be done to restore the full amount.

Yesterday the Senate announced to the world that we do not intend to do anything effective this year to solve the problem of old people who are sick and without funds. Shall we announce to the world the very next day that we also do not intend to do anything truly effective about people who are out of work and have no prospect of getting work unless they can be retrained with an employable skill?

I ask Senators on my side of the aisle, What kind of posture do we assume before the country if we say that we have only half the sense of purpose to help the unemployed that we had 4 months ago? Do we wish to have the Congress adjourn with a record of halfway measures? Do we wish to march up the hill with a Manpower Development and Training Act and then turn around and walk halfway down the hill again and say, "The view was fine from up there. We saw the vision of men going back to work. We saw new factories staffed with newly trained employees. We saw wives able to give up their jobs in the garment factories, now that their husbands were employed, and go back to taking care of their children. We saw the possibility of cutting the unemployment rolls and restoring the economic base which is essential to enable this country to move forward. But we decided we would do only half a job. That is good enough for this year. When all the money is spent, let the administrators come back with a deficiency appropriation early next year. If we are not too busy fighting about rules changes, filibusters, cloture and civil rights, perhaps we will give them a little more money to keep them going."

I remind Senators on the other side of the aisle that the bill was a truly bipartisan accomplishment. I pay my high compliments to the Senator from Vermont [Mr. Prouty], the Senator from New Hampshire [Mr. Murphy], and my own colleague [Mr. Scott] for the help they gave us in passing the bill. I pay my tribute to the Republican members of the conference committee in the House of Representatives who cooperated with us in improving the bill very substantially over the versions which were before us.

The measure is not a Democratic or a Republican measure. It is an American measure, passed for the benefit of American citizens who are out of work and need to learn a skill in order to go back to work in the old free enterprise way and support their families.

I do not believe that Senators on either side of the aisle want to say to the people of the United States of America, "We did not mean it. We were only making a gesture when we passed the act. We are satisfied to see done only half of what we said we wanted to have done."

I ask Senators to support the McNamara amendment.

Mr. President, I yield the floor.

Mr. COTTON. Mr. President, I am neither privileged nor authorized to speak for the entire Committee on Appropriations or even for the subcommittee dealing with the question before the Senate. However, representing a number of members of the committee who examined into the subject and came forth with a report, I believe certain things should be said in order to set the record straight.

We have been listening to a very able, eloquent, fervent, and emotional presentation and appeal by the distinguished Senator from Pennsylvania, for whom I have the highest respect, and who is utterly and completely sincere and fair in all that he undertakes to do. But unfortunately most of what he said, in my opinion, was not pertinent to the question now before the Senate.

I agree with him that it is not a partisan question. As a matter of fact, the members of the Appropriations Committee, on both sides of the aisle, agreed to this figure. I agree with the Senator from Pennsylvania on much of what he said. However, the question is not whether the manpower retraining program is being sabotaged or is meeting with resistance. The question is what is necessary to fairly and reasonably put it into effect. I voted for the authorization bill. I believe in the program. I believe that almost every member of the subcommittee and of the full Committee on Appropriations voted for the measure. I served on the Appropriations Committee for 5 years in the other body, and it is my privilege now to serve on it in the Senate, and I doubt that any member of the Committee on Appropriations feels that it is the province of the Committee on Appropriations to sabotage programs in which they individually do not believe or did not support. It is the duty of the Committee on Appropriations, with such guidance as they can obtain, following the recommendations contained in the President's budget, to recommend appropriations in such sums as are necessary for the implementation of the programs, and only such sums as can be spent wisely, reasonably, economically, and practicably.

What were the facts with which our committee was confronted? It was not a question of whether we wanted to take care of the unemployed, or to deal with the unemployment situation. It was a question of how much money could be used, and used wisely and properly, under the program.

It was a new program. The fact that it was not included in the House bill at all was, of course, because the recommendation came from the President's Bureau of the Budget subsequent to House consideration of the appropriation bill.

We must take this background into consideration. In the supplemental appropriation bill, which should have been passed and acted upon before the end of the last fiscal year, $2,850,000 was included for the purpose of preparing regulations, plans, and procedures to justify the appropriations for this program. It is an unfortunate situation that that bill could not be acted upon in toto. To a certain extent, of course, we on the Appropriations Committee feel some responsibility insofar as it is the result of a deadlock on procedural matters between the Appropriations Committees of the two bodies.

This estimate in the supplemental bill contemplated training programs to start on the first day of the fiscal year 1963, and to operate for a full 12 months.

Unfortunately, that money could not be appropriated, and was not used. So we find ourselves considering the appropriation bill for fiscal 1963 on the recommendation of the President. It has been said here this afternoon, "The President asked for $100 million. Why not give it to him?"

The President, through the Bureau of the Budget—and I assume that this is correct—was asking for $100 million to implement the program on the basis of having the way prepared by the expenditure of the $2,850,000 in order that the program could start, if not at full scale and full speed, at least at good speed, immediately at the start of fiscal 1963. Therefore, the situation has changed somewhat.

Mr. CLARK. Mr. President, will the Senator yield, or does he prefer to finish his statement?

Mr. COTTON. I yield.

Mr. CLARK. I should like to point out to my good friend from New Hampshire that the program has already started State-approved projects to the extent of $16 million and are awaiting this appropriation in order to get underway. The planning really has to be done, not in Washington, but in the States, and at the community vocational training level.

Mr. COTTON. I thank the Senator. I shall cover that very thoroughly, and quickly. In the first place, I became rather interested in just what the situation was. I wanted to find out just what the situation was subsequent to our first action in the subcommittee. One reason why I became interested is the same reason that undoubtedly my good friend from Pennsylvania became deeply concerned, and many other Senators also. That is the fact that there was immediately started—and I am sure with the best of motives in the world, and wisely, because it is wise to have public opinion behind these fine programs—a movement to put pressure on Congress to see that the President's appropriation request was approved.

I was rather interested and slightly amused when my good friend from Pennsylvania directed my attention to my own State of New Hampshire. It was not necessary to do so. I can assure the Senator from Pennsylvania that even though I might be called a conservative in politics, my heart can bleed just as copiously for my State as his heart bleeds for the great Commonwealth of Pennsylvania.

I was alarmed when I received a letter from the chief of the division of vocational education in the State of New Hampshire, who represented to me that if we made this cut in the $100 million figure, we would curtail the programs they have been working on in my State and getting set to go. Any Senator would be alarmed, even if he were a member of the Committee on Appropriations, if he received such word from his State. So I began to get busy to find out what the facts were.

I mention my own State because I think that probably this is a fair example of what has been going on. First, I rechecked my facts on the whole appropriation, and I found that if the $100 million were appropriated and if it were spent on a full year basis, $91,500,000 would be distributed to the States, and the other $8½ million would, of course, be used for the organization, personnel, and necessary administration in Washington. Incidentally, I believe the distinguished Senator from Pennsylvania will find that when he named what each State would receive, he was doing it on the basis of the full $100 million, because his figures are somewhat more than those that we have in the committee.

Then I discovered that if the $100 million were appropriated, $274,000 of it would be allocated to the State of New Hampshire. At that point I got in touch with officials in the Manpower Division of the Department of Labor to find out what New Hampshire was prepared to use. I learned from them some rather interesting facts. I mention this simply because this is perhaps an example of what we are finding throughout the country.

I learned that this great readiness I had been told about, with programs set to go, was not about to be starved or choked. I discovered that programs which were ready to be started in my State amounted to a retraining program for 126 trainees at an estimated cost of $51,627. On the basis of $50 million, my State would receive $137,000. So far, with all the alleged preparation, planning, organizing, and programing in anticipation, only $51,627 is ready to be used.

So I began to think, not that the people of my State had been deceiving me, but that they had been deceived about the funds. I began to look into the situation throughout the country. I was interested to observe that when the distinguished Senator from Michigan [Mr. McNamara] offered his amendment, and presented it so ably, he mentioned the programing in his own great State of Michigan as having been prepared in advance, with the idea of "being on the ball" early. I believe he stated that already Michigan had obligated the sum of approximately $630,000. Turning to the table, I found that if the $150 million appropriation is made, Michigan will be entitled, roughly, to $2 million under it. So they still have gone a little more than 25 percent of the way.

I know what is being said, and has been said repeatedly: That only 2 weeks of the fiscal year have passed. So I went further and was informed by the representatives of the Manpower Development Bureau in the Department of Labor that the present staff, by working overtime, because of the failure of Congress to pass a supplemental appropriation bill, had performed outstanding work—and I am sure they have—in organizing and promulgating rules and regulations and sending them to the States. I was told that much work had been done in formulating the regulations, disseminating the information to the States, advising the States on personnel, and preparing to get the program underway. But I was also told that much work still remains to be done.

This proposal is not so simple as it sounds. I wish that, as to all Federal programs, all that was necessary was to split them up or slice them up and get them to the States. It would be a simple matter then, and perhaps it would be a good thing, because not so large a bureaucracy would be built up in Washington.

The program, to a certain extent, has to be laid out in Washington. Regulations must be adopted, rules promulgated, advice given to the States, and assistance given with respect to organization. That takes time. It has been reported to me that this work is only partially accomplished now. The States must also formulate their programs, and this work, too, has only partially been done.

As has been stated this afternoon, only 27 out of the 50 States have as yet done anything along this line. Twenty-seven States, by dint of much effort—and highly commendable effort—such as Pennsylvania, Michigan, and other States, including my own State of New Hampshire, have started the work. But probably, regardless of what is done in the bill, and whatever amount is appropriated, not a cent will reach the States before the end of September. That means that 3 months of the fiscal year will have passed.

I do not doubt for a moment the complete sincerity of the Governor of Pennsylvania, the Governor of Michigan, the Governor of my own State of New Hampshire, and other Governors, who have very properly concerned themselves with the important subject of unemployment and the retraining of manpower. I do not doubt their utter sincerity and determination when they say they intend to program this year every cent they can get. But I do doubt very sincerely whether they can. As a member of the Committee on Appropriations, who knows what took place in the committee room, I do not believe there is a member of the subcommittee which handled this bill, on either side of the aisle, who does not wish to make perfectly certain that sufficient appropriations are made to implement this program as fast as it can be implemented, which will be many months later than it would have started if the money under the supplemental appropriation bill had been available for programing in advance.

Mr. HILL. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I yield.

Mr. HILL. I commend the Senator for his excellent statement. It is clear, logical, and appealing. His statement about the Committee on Appropriations is absolutely true. As the Senator from New Hampshire has well explained, no Federal funds have been provided for planning or for the initiation of programs. Therefore, it was the thinking of the committee that if $50 million were provided now, a good start would be made. Congress will return in January, and, if need be, additional funds could be provided in a supplemental appropriation bill. That was the situation, as the Senator has stated so clearly this afternoon. The disposition of the entire committee was to go forward with the program, but only in such a way as would meet the needs. Since planning had not been done and Federal funds had not been provided, so far as programing was concerned, the program could not start on the 1st of July. So it was decided to move forward with only $50 million.

Mr. SALTONSTALL. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I yield.

Mr. SALTONSTALL. I join in what the Senator from Alabama, the chairman of the subcommittee, has said. The bill was passed March 15, 1962. A supplemental appropriation of $2,850,000 was recommended. If my memory serves me correctly, the Senate adopted the recommendation to provide $2,850,000.

Mr. HILL. The Senate passed the bill with those funds in it.

Mr. SALTONSTALL. We passed the bill, and it died in the House.

Mr. HILL. The Senator is correct.

Mr. SALTONSTALL. There has been a delay in getting underway. It is my understanding that when the bill ultimately is signed, it will be necessary to recruit 529 positions in the Department of Labor to implement it.

I do not think there is any inclination on the part of the members of the Committee on Appropriations to try to eliminate the bill or to sidetrack it or not to give it full recognition. The committee felt that, under all those circumstances, and considering that Congress will convene again in January, $50 million would be all the money needed.

Mr. CLARK. Mr. President, will the Senator from New Hampshire yield, so that I may address myself to the Senator from Massachusetts?

Mr. COTTON. Mr. President, I ask unanimous consent that I may yield to the Senator from Pennsylvania for a colloquy without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I may say to the Senator from Massachusetts that of necessity, since I was the sponsor of the bill and am chairman of the Subcommittee on Employment and Manpower, and have been closely connected with the situation, I have been in constant touch with the Department of Labor. On the day the bill was signed, Seymour L. Wolfbein, a capable career official of the Department of Labor, was placed in charge of the program. Planning has progressed to the point where the program has largely been decentralized from Washington—from the Departments of Labor and Health, Education, and Welfare—to the States. Earlier I presented figures showing that by the end of the first 2 weeks of the fiscal year the States have already asked $16 million for training courses which are awaiting this appropriation. I think the evidence is clear, from the report of the Secretary of Labor and the reports of the Governors of the States, that the entire $100 million can be spent; and that a good deal more could be spent in this fiscal year if the money were made available.

The planning has to be done largely at the State level by the State employment services and by the State vocational education organizations. It is true that, for the long-range implementation of the act, the recruitment of some additional employees is necessary. But we need not hold up the program, with $16 million all ready to go in the new fiscal year.

I thank the Senator from Massachusetts.

Mr. SALTONSTALL. I thank the Senator from Pennsylvania for the information. I cannot answer it in detail. I think the Senator from New Hampshire has a number of figures and estimates which would seem to show that the provision recommended by the committee would carry us through, for the time being, without the full amount of the budget estimate.

Mr. CLARK. I say only that the Secretary of Labor disagrees.

Mr. COTTON. Mr. President, I wish to conclude very quickly.

I desire to make two points plain. The distinguished Senator from Alabama [Mr. HILL], the chairman of the subcommittee, has anticipated one point which I wish to emphasize—namely, that it was the desire of our committee to allow enough. It was also within the knowledge of the committee that the Senate will not go out of existence after this bill is passed. Someone will be back here—regardless of whether some of us are here then or not—and if the States are able to rapidly implement their programs, so that they can effectively—and I emphasize and reemphasize the word "effectively"—make use of more funds than we provided for, we shall be perfectly willing, in connection with a supplemental appropriation bill, to provide them with the additional funds necessary. After all, that is what supplemental appropriation bills are for.

This seems to me to be the usual procedure in connection with appropriations. The point I wish to emphasize is that, despite all the careful courtesy and kindliness of the Senator from Pennsylvania—and he is always courteous and kindly—it is very obvious that there is a tendency for Senators to feel—and all of us, who are deeply concerned with this unemployment program, find ourselves in this situation—that a hard, tightfisted, coldblooded Appropriations Committee is just trying to slash the fund.

If these funds can effectively and efficiently be siphoned into the hands of those who are to train the unemployed in the various States, there is not one of us who does not stand prepared to vote for the necessary additional funds to make the program effective. But when the pipeline is choked or glutted, that condition usually leads—and every Senator knows this to be a fact, for it is just human nature—to the too rapid addition of administrative personnel to the forces both in Washington and in the States, without the necessary care and selectivity. That leads to less efficient administration and to less benefit for those for whom we are showing such deep solicitude this afternoon.

I wish to say—without being critical—that I listened very carefully to everything said by the distinguished Senators who were speaking sincerely for their great States, and I waited to see whether they would make a case for the effective expenditure of the money more rapidly than the Appropriations Committee had determined was as rapidly as it could be spent for this very essential and worthy cause. I heard about plans and about the number of programs in the making; but I did not hear—just as I did not learn from the letters received from my own State—how much money has been programed and how much more money can be obligated in the months ahead.

Of course, as the Senator from Rhode Island said so well, it is impossible to proceed with these programs unless the amount of funds available for obligation is known; and if there is not sufficient latitude, the programs become choked.

But I waited in vain to hear statements that there was insufficient latitude, and that therefore it was impossible to make the programs effective. At no time did I hear statements to this effect.

Of course, each of us thinks particularly of his own State and carefully appraises the situation there. I know that the situation in some of the great labor States is somewhat different than it is in mine.

So far as I can determine, the $50 million figure was approved by the Senate Appropriations Committee on the basis of an assumption which I believe—although I am sorry to say it—to be rather well founded, in view of the delay in holding conferences between the two Appropriations Committees and getting these appropriations measures enacted into law. I still feel that a case has not been made for the claim that this amount is too small.

As a member of the Appropriations Committee, I voted for $75 million for this purpose. I do not like to vote for so large an amount that the pipeline will become choked, with the result that wasteful spending will be caused.

However, I do not insist upon a particular sum. If we are going to err in connection with so vital a matter, let us err on the side of liberality. I think $50 million is fair; but if other Senators think an additional amount is necessary, I would not be disposed to oppose it too bitterly.

But under the circumstances, $100 million would be a wasteful appropriation, in my book, no matter from what angle we may consider it.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I have listened with great respect and deep interest to the statement made by the distinguished Senator from New Hampshire [Mr. COTTON] as the ranking minority member of the subcommittee headed by the Senator from Alabama [Mr. HILL]. I am deeply heartened by his statement that although he indicates that he would not be willing to accept the sum of $100 million, advocated by the Bureau of the Budget, he would consider a sum in excess of the $50 million approved by the full committee. In fact, I am heartened to the extent that I now send to the desk an amendment to the McNamara-Clark amendment, and ask that it be stated.

The PRESIDING OFFICER (Mr. KEATING in the chair). The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in line 10, in lieu of the $100 million proposed to be inserted by the McNamara amendment, it is proposed to insert $75 million.

Mr. MANSFIELD. Mr. President, it is my understanding that the subcommittee reported a $75 million appropriation and that in the full committee it was reduced to $50 million. Therefore, I hope the distinguished chairman and the ranking minority member of the subcommittee, who now are holding a conversation, will feel free to accept this amendment, and, if the amendment is adopted, will do their utmost to see that it is retained in the conference.

Mr. HILL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. HILL. I wish to say that I have consulted with the distinguished Senator from New Hampshire [Mr. COTTON], the ranking minority member of the subcommittee, and also with the distinguished Senator from Massachusetts [Mr. SALTONSTALL], the ranking minority member of the full Senate Appropriations Committee; and after consultation with them, I will say that we will accept this amendment and will take it to conference, and, of course, in the conference we will do our best to have the conference agree to it.

Mr. MANSFIELD. Mr. President, let me ask the Senator from Pennsylvania, the author of the Manpower Development and Training Act, whether, in view of the circumstances which have arisen, and also in view of the fact that he and other Senators have offered an amendment by which they seek to restore this item to the amount of the original budget request of $100 million, he will see fit to agree to this proposal at this time?

Mr. CLARK. Mr. President, I am happy to respond to the distinguished majority leader. I realize that as junior a Senator as I, or even as relatively senior a Senator as the able and distinguished Senator from Michigan [Mr. MCNAMARA], we can hardly, as a pair of very small Davids, override a unanimous Appropriations Committee supported by the majority leader. I think I know when I am licked.

Mr. MANSFIELD. I would not say that. If the Senator gets $75 million, I think he will have achieved a substantial victory; and it is because of what he has been doing in this field that we have been able to get this far.

Mr. CLARK. I thank the Senator from Montana for his kind words. For myself, I certainly shall not press now for the adoption of the amendment of the Senator from Michigan, which I have attempted to defend. But I would like to make a comment to the Senators from Rhode Island and Alabama, whom I see on the floor, and who will be among the Senators who will be in conference with the House Members.

I hope the Senators from Alabama and Rhode Island will give us some assurance that they will make very clear to the conferees from the other body the very strong feelings of a number of Senators from States deeply affected by the program, to the effect that even $75 million is inadequate, and we hope very much that they will go along with the compromise figure of $75 million.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Rhode Island.

Mr. PASTORE. Because of the succor which the Senator from Rhode Island has received as a result of the very articulate and eloquent argument made by the Senator from Pennsylvania, he will go to conference with strong armor and will stand like Horatius at the bridge to get the $75 million.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The full committee decided to adopt a motion to cut the amount from $75 to $50 million. I made the motion, not because I was against the amount, because I voted for the act in the original instance, but I did not feel the program could get sufficiently started to spend more money than that in the coming fiscal year, and we considered the fact that we would be back here in January.

After listening to the discussion of the Senator from Pennsylvania and the fact that States have plans underway, I shall be very happy to go along with the suggested amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Alabama.

Mr. HILL. My good and brilliant friend from Rhode Island said he would stand like Horatius at the bridge. As I recall my history, poor old Horatius lost his life. [Laughter.] So I think I will stand like Stonewall Jackson at the First Battle of Manassas. [Laughter.]

In all seriousness, Mr. President, I shall feel that I am in conference as the agent and spokesman of the Senate, and I shall do everything I can to maintain the position of the Senate.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Rhode Island.

Mr. PASTORE. I remind my good friend from Alabama that Horatius did not die until after the bridge fell. [Laughter.]

The PRESIDING OFFICER. The question is on the amendment of the Senator from Montana [Mr. MANSFIELD] to the amendment of the Senator from Michigan [Mr. MCNAMARA].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Michigan [Mr. MCNAMARA] as amended by the amendment of the Senator from Montana [Mr. MANSFIELD].

The amendment as amended was agreed to.

Mr. CLARK. Mr. President, I move that the vote by which the amendment, as amended, was agreed to, be reconsidered.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I received a letter today in response to the request made by me to the distinguished Secretary of Labor, Mr. Arthur J. Goldberg, which answers certain questions which I raised and also gives the Manpower Development and Training Act allocations by States. I ask unanimous consent that the letter be incorporated at this point in the RECORD.

There being no objection, the letter and figures were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
Washington, July 18, 1962.

The Honorable MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: This letter is in response to your request concerning the administration's position in connection with the appropriation for the Manpower Development and Training Act contained in H.R. 10904.

That act (Public Law 87-415) pursuant to section 304, authorized a total first-year appropriation of $100 million. The Subcommittee on Appropriations, to which H.R. 10904 was referred, recommended $75 million. The bill reported by the full Committee on Appropriations would appropriate $60 million.

As you know, the Manpower Training Act signed by the President on March 15 of this year is a noteworthy milestone for the aid of unemployed Americans. It is also a program for the improvement of the Nation's manpower development facilities. Committees of both the Senate and the House conducted extensive hearings and the bills were fully debated by both Houses of the Congress. The adoption of the $100 million first-year figure was fully considered and unchallenged.

Upon a thorough examination of all the facts available to me, I believe that the Department can effectively spend the full $100 million, and I would prefer to commend this figure to you. If, however, in your judgment and the judgment of the Congress, because of the delay in consideration of the bill it is considered more appropriate to follow the subcommittee's recommendation of $75 million, assuming the possibility of a deficiency appropriation in the next Congress, then I will, of course, concur in your judgment and administer the program within such a framework.

I should like to outline for you some of the reasons which strongly support an appropriation larger than that reported by the Appropriations Committee.

1. This is a program for which moneys available will be allocated to the States in accordance with a formula set forth in the act. For your reference I attach a list of the allocated amounts for each State on the assumption of a $100 million appropriation. These amounts would be made available to the States with a wide area of flexibility in the manner in which they are spent. Thus, the proportion of money spent on training allowances, on teachers' salaries, on training facilities, for example, will vary depending upon the needs of the particular State. A drastic cut in the first year's program will have an especially serious impact on many States which in the early years of the program must make heavy investment in training equipment and the improvement of facilities in order to carry out effectively the intent of Congress in later years. The cut recommended by the committee, therefore, bears especially heavily on—in fact penalizes—those States and localities whose training facilities are not sufficiently equipped to carry out these programs.

2. In passing the Manpower Development and Training Act of 1963, the Congress looked toward a substantial future increase in programs. In succeeding years, from a base figure of $100 million for fiscal 1963, the Congress authorized an increase of fully two-thirds, to $165 million in the second fiscal year and then authorized a similar amount to be matched on a 50-50 basis for the several States in the third year. To begin the program at half the contemplated level this fiscal year would have serious repercussions on the development of this program as authorized by the Congress. In short, a cut in the program and a piecemeal approach to it must necessarily disrupt the planning which a State must make in order intelligently to develop and carry out the long range training programs.

3. In the Department's preparations for administering the program we have not had the opportunity to develop with many States individual training programs. Nevertheless, 27 States have already proposed the initial round of plans and programs for training under the act, calling for an estimated $16 million. The total number of training proposals expected from the States will be several times this amount, and at this rate the States can be expected to surpass the $75 million figure well before the end of the current calendar year.

4. The Departments of Labor and Health, Education, and Welfare have now completed the first year of their experience in training and retraining under the Area Redevelopment Act. It is important to note that they report that every single available dollar for this program was obligated well before the end of the fiscal year. This is another indication of the great demand and need for training and retraining programs in this country.

I will very much appreciate your making my views known to the Members of the Senate.

Yours sincerely,
ARTHUR J. GOLDBERG,
Secretary of Labor.

Mr. MOSS. Mr. President, I send to the desk an amendment to the bill now pending before the Senate, and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah for himself and other Senators will be stated.

The LEGISLATIVE CLERK. On page 16, after line 4, it is proposed to insert:

For an additional amount for "Payments to school districts, fiscal year 1962, $15,707,000."

On page 16, after line 25, it is proposed to insert:

For an additional amount for "Assistance for school construction," fiscal year 1962, $7,092,000.

Mr. MOSS. Mr. President, this is an amendment that accomplishes the same purpose as the printed amendment which is on the desk of every Senator. It would place in the bill an amount of money equal to the amount that this body had agreed upon in the supplemental appropriation bill which we passed, but which has never been agreed upon in conference, and therefore, since fiscal 1962 has now expired, probably is lost.

I might say that I circulated my printed amendment, which carries the same identical figures, among Senators, and I have received replies from the offices of the following Senators who have all indicated they support it. I would like the RECORD to show their names since on the amendment which is on the desks of Senators there appear only the names of Senators MONRONEY, LONG of Louisiana, and JOHNSTON.

All of these Senators indicated they wanted to join as cosponsors, but the additional list of Senators who notified me in writing or by telephone that they support this addition include: Senators JORDAN, SALTONSTALL, MURPHY, HICKEY, MUNDT, BARTLETT, MORSE, NEUBERGER, YOUNG of North Dakota, KERR, BURDICK, COOPER, TOWER, YARBOROUGH, GRUENING, KEFAUVER, ROBERTSON, SPARKMAN, TALMADGE, and HOLLAND.

No doubt there are other Senators who support it, but I wanted the RECORD to show these names because those Senators have positively made it known that they support this amendment.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MOSS. I am happy to yield.

Mr. HOLLAND. Do I correctly understand that these amounts, both for operation and facility construction, are identical with the amounts in the second supplemental appropriation bill for 1962?

Mr. MOSS. That is correct; they are identical.

Mr. HOLLAND. Do I correctly understand that, as placed in the bill, these items would apply to fiscal 1962, rather than fiscal 1963?

Mr. MOSS. They apply specifically to fiscal 1962 and are for amounts, the record shows, that were needed in 1962, under the obligations of school districts entitled to this kind of aid for impacted school districts.

Mr. HOLLAND. The Senator is correct. The testimony taken by the Subcommittee on Appropriations which was handling the second supplemental bill for 1962 showed very clearly that the officials for the agencies stated these were the correct amounts.

One other question I wish to ask the Senator. I appreciate his naming me as one of the cosponsors of his amendment. It will be understood, I assume, that these similar items, being in conference on both bills, would be handled on this basis: That the first bill to come out of conference for approval by the two Houses and to go to the White House would carry the items, and conferees would be instructed as to the other bill to agree to their elimination?

Mr. MOSS. By all means. There is no intention, of course, to increase the amount above the exact amount agreed to in the second supplemental appropriation bill. Should that bill be adopted and the money be made available from that bill, I would expect the conferees to recede in respect to this appropriation bill. However, on the basis that it is very doubtful the money will become available from that bill, I think it would be tragic if we did not make provision in this appropriation bill for that amount of impacted area aid.

Mr. HOLLAND. Mr. President, I certainly agree with my distinguished colleague. I am glad that he has taken this action. I am glad to be a part of the action.

I hope that the placing of these items in the bill will make doubly sure that they will be available at the earliest time possible, because there are school districts throughout the Nation—certainly there are in the State represented in part by the senior Senator from Florida—which need these items for fiscal year 1962. They have completed their fiscal year 1962 financing. They are in financial straits because of the failure of the Federal Government to live up to its part of the obligations.

I congratulate the Senator from Utah. I support his proposal. I assume, judging from the expression I see on the face of my distinguished friend the senior Senator from Alabama, who would handle the Senate part of the conference on this particular measure, that he, too, is in accord with the handling in conference of these items, along the lines discussed by the Senator from Utah and myself.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MOSS. I am happy to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. From this side of the aisle, I wish to say that the amendment the Senator recommends would pay for bills we are obligated to pay. We wanted to pay them by provisions in the supplemental appropriation bill for fiscal year 1962. That bill failed to be enacted. The money must be appropriated if we are to live up to our agreement with the various school districts and States.

Mr. MOSS. I thank the Senator.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MOSS. I am happy to yield to the Senator from Alabama.

Mr. HILL. As chairman of the subcommittee which had charge of consideration of the bill, I wish to say that we accept the amendments and hope they will be forthwith agreed to.

Mr. MOSS. I thank the Senator.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. MOSS. I am happy to yield to the Senator from Texas.

Mr. YARBOROUGH. Numerous school authorities in my State have contacted me about this problem. They are happy the distinguished Senator from Utah is sponsoring the amendment. This proposal would provide funds for the past fiscal year. Those funds have already been committed. As time has passed, it has caused great embarrassment.

I am happy to have the privilege of cosponsoring the amendment. Considering the fiscal year to which the proposal applies, we know of its great necessity.

Mr. MOSS. Mr. President, I thank the Senator from Texas for his remarks.

Mr. President, the purpose of my amendment is to provide for the full entitlements for the fiscal year 1962 for school districts for operation and maintenance under Public Law 874 and for assistance for school districts for assistance for school construction under Public Law 815. The amounts involved are $15,707,000 for operation and maintenance and $7,092,000 for school construction.

I realize that this is an unusual procedure—to attempt to amend an appropriation bill for the fiscal year 1963, with funds for the fiscal year 1962, which has now ended, but I believe that an unusual set of circumstances has made the action desirable and necessary.

In 1958, Congress extended authority to make payments for "A" category children under Public Laws 815 and 874 on a permanent basis and extended the provisions authorizing payments for the other categories of Federal impact to June 30, 1961. The present administration recommended to the Congress for consideration at the session last year a reduction in payments in both Public Laws 815 and 874 for "B" category children—primarily those children who live in a taxable home with a parent employed on Federal property—from the present 50 percent of the local contribution rate to 25 percent of that rate and proposed some other amendments which would reduce the total cost of these programs.

While I believe that some savings could be made by amendments which would restrict payments to those school districts where the need is not urgent, the Congress did not see fit to accept the recommendations of the administration. Instead, in the very last days of the session last year, Congress extended these expiring provisions without amendment for 2 additional years by the passage of Public Law 87-344, approved October 3, 1961.

By the time this congressional action was completed, the final supplemental appropriation bill for the fiscal year 1962 had passed the House and was pending in the Senate Appropriations Committee. The Senate included in this appropriation act, Public Law 87-332, the full additional amount required for both Public Laws 815 and 874.

In conference with the House, the amounts were reduced for each of these public laws resulting in a total appropriation of $54,850,000 for Public Law 815 to meet an estimated requirement of $61,942,000 and $231,293,000 for Public Law 874 to meet an estimated requirement of $247 million for this act. Thus, the appropriation under Public Law 815 is $7,092,000 short of meeting the full requirements and $15,707,000 short of meeting full entitlement under Public Law 874.

Public Law 874 requires that when the funds available in any fiscal year are not sufficient to pay full entitlements the funds available must be prorated equally among all eligible applicant districts after first setting aside a sufficient amount to pay in full the cost of those schools located on Federal property which are the sole responsibility of the Federal Government. The Commissioner of the Office of Education has testified before the subcommittees in both Houses that the $231,293,000 currently available will require proration of payments at 92 percent of full entitlements. In other words, each school district will receive only 92 percent of the amount to which it is eligible under the terms of the act. The total amount needed to pay full entitlements is an additional $15,707,000.

Public Law 815 provides that when the funds available under this act are not sufficient to approve all eligible applications received in the Office of Education by a specified cutoff date, a priority system must be established based on relative urgency of need. The Office of Education estimates that with the funds currently available it can approve projects with a priority of 10 or more and that those projects having a priority of less than 10 will have to wait for an additional appropriation before they can be approved.

I have stated before that I favor amendments which would bring the payments under these two acts into line with the actual financial burdens imposed on local school districts by activities of the various agencies of the Federal Government. Congress has considered this matter on several occasions and up to the present time has not seen fit to make any substantial changes in the eligibility formula, amount or the rates of payment. Consequently, I firmly believe that when the Congress on several occasions has had an opportunity to act on amendments which would reduce the cost of these programs but has not taken that action, school districts have a right to expect that the entitlements due them under the law will be paid in full. Furthermore, I believe that the Congress has a moral obligation under the situation which I have described to appropriate the full amounts necessary to pay 100 percent of the entitlements under these two programs for the 1962 fiscal year.

When Congress extended these two laws without amendment at the session last year the school districts expected that they would receive full entitlements and planned their operating budgets accordingly. Now when the appropriation is sufficient to pay only 92 percent of the costs under Public Law 874 these districts have nowhere to turn to find this additional 8 percent. The school year is over but the financial condition is by no means settled. Some school districts finished the year by deferring payment on some bills that were pressing, other districts are deferring maintenance work needed during the summer months, others will face the new school year with this deficit and will have to curtail their school programs in various ways.

The second supplemental appropriation bill, H.R. 10038, which passed the House April 4, 1962, included the $15,707,000 necessary to pay full entitlements under Public Law 874. When this supplemental bill passed the Senate on April 16, 1962, it not only included the $15,707,000 for Public Law 874 but also included the $7,092,000 to enable the Office of Education to approve all eligible construction applications. Since the additional amount needed under Public Law 874 was passed by both the House and the Senate several months ago before the school year had ended, the federally affected school districts had every reason to believe this money would be forthcoming shortly.

Senators all know what happened to the second supplemental appropriation bill. Because of procedural difficulties this bill has never come to either the House or the Senate in the form of a conference report. In fact, no conference report has ever been worked out between the House and the Senate during the almost 3 months since this bill passed the Senate. The information available to me indicates that it is unlikely that an agreement will be reached on this measure at any time in the near future. That is why I have introduced an amendment to H.R. 10904, to add $15,707,000 for Public Law 874 and $7,092,000 for Public Law 815 for fiscal 1962.

The language of this amendment is intended to make clear that these two amounts are in addition to the full amounts needed under each act for fiscal year 1963 and that they are specifically appropriated to meet the deficit under each act for fiscal year 1962.

I have taken this action because these federally affected school districts are in a position where relief from this situation is urgent. In my State of Utah, there are 12 school districts eligible for assistance under Public Law 874 in fiscal year 1962, with total entitlements amounting to approximately $2,176,000. The payments these districts will receive with the funds currently available is approximately $2 million, leaving $176,000 to which these districts are entitled under the terms of the act as passed by this Congress but which they will not receive unless the additional appropriations are made for fiscal year 1962. There are four of these school districts where there are vital Federal projects, each of which district's entitlement will run from $25,000 to $50,000 short of the amount they expect to receive.

While this amount may not appear very large, it is extremely important to hard-pressed school officials who are faced with providing adequate school facilities and services for dependents of military personnel and others who have been sent to these communities to man essential Federal projects. This is particularly true when these school districts have nowhere to turn to make up this deficit. They budgeted these funds with the strong assurance that Congress intended to appropriate sufficient funds to pay full entitlements. These school districts now find themselves in a position where their only alternative if these additional amounts are not appropriated is to curtail their school program. School districts in every State in the Union are affected in the same manner. Each of the more than 4,000 federally affected school districts located in every State in the Nation is facing the same problem. As I stated before, I think this body has a moral obligation to fulfill its commitments to appropriate the full amounts authorized by law under this program.

The problem presented under Public Law 815 which authorizes assistance for construction of school facilities affects a smaller number of school districts but is equally critical. Under the terms of Public Law 815 no school district is eligible for assistance unless it has an increase in the number of children who either live on Federal property or live with a parent employed on Federal property and at the same time does not have sufficient school facilities to house this increased number of children. In other words, these school districts are not determined eligible for assistance under the terms of the act unless they urgently need additional school facilities to house federally connected children.

I have a list from the Office of Education of those school districts in each State which have been found eligible for assistance during the current fiscal year and which have a priority below 10 which means that they cannot receive assistance for urgently needed school construction unless the additional appropriation of $7,092,000 is made for this act. There are approximately 70 districts in 30 States that are eligible for Federal funds but cannot receive their Federal allotment because they are too low on the priority list.

Some of the amounts on the list are small but they are critically important to the school district involved if they are to provide classroom space for the increased enrollment of federally connected children. Here are a few examples: Ketchikan, Alaska, is eligible for $207,000. It has a priority of only eight. Enterprise City Board of Education, near Fort Rucker, Ala., is entitled to $31,000. It has a priority of 3.6. Pulaski County Special School District in Arkansas has an entitlement of $270,000 and needs these funds to house the children connected with the Little Rock Air Force Base. The Seminole County Board of Public Instruction of Florida which is feeling the impact of our expanded space exploration program around Cape Canaveral has an entitlement of more than $300,000 for which no funds are available.

I hope the Senate will join with me in keeping faith with these school districts by appropriating the amounts necessary to pay to the eligible districts the full amounts authorized by statutes.

I ask unanimous consent that a table listing in full the school districts in each State that have been found eligible for assistance for construction of urgently needed school facilities, but which cannot be put under construction because no funds are available for these urgently needed projects, be placed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Applicant school districts eligible for Federal assistance for construction of school facilities under Public Law 815 which cannot be approved with funds currently available, amount of Federal entitlement, and priority index, by State

Applicant school district	Application No.	Federal construction grant	Priority index
ALABAMA			
Ozark City Schools	63-C-10A13	$76,145	7.8
Enterprise City Board of Education	62-C-11A12	31,270	3.6
Muscle Shoals School District	63-C-901A13	25,705	6.4
ALASKA			
Ketchikan Independent School District	62-C-1002A12	207,770	8.0
ARIZONA			
Sunnyside Elementary School District No. 12	62-C-4A12	97,635	8.4
Tucson High School District No. 1	63-C-1101A13	284,490	8.6
ARKANSAS			
Pulaski County Special School District	63-C-2B13	270,000	8.1
	63-C-2C13	10,080	4.2
CALIFORNIA			
Central Unified Elementary School District	63-C-702A13	41,230	3.6
Lemoore Unified High School District	63-C-815B13	17,825	0
Grossmont Unified High School District	62-C-35A12	355,510	8.0
Adelanto Elementary School District	62-C-227A12	86,432	0
	63-C-227A13	31,387	0
Vista Unified School District	63-C-61A13	279,600	7.3
Manteca Unified High School District	62-C-415A12	51,173	8.6
	63-C-415A13	12,400	2.2
Hanford Independent School District	63-C-901A13	48,050	3.4
Merced Unified High School District	63-C-616A13	23,017	1.4
	62-C-616A12	110,668	7.6
Victor Elementary School District	62-C-46A12	63,510	0
	63-C-46A13	23,510	0
Yuba City Unified High School District	63-C-913A13	59,675	8.6
Wheatland School District	63-C-401A13	136,635	8.2
CALIFORNIA—Continued			
Yuba School District	63-C-910A13	$93,000	8.6
National Elementary School District	63-C-38A13	152,675	7.6
Ocean View School District	63-C-623A13	61,845	7.4
Simi Valley Unified School District	63-C-612A13	193,750	8.6
Atwater Elementary School District	63-C-6A13	143,292	0
Newark School District	62-C-912A12	48,910	3.8
COLORADO			
Mapleton School District No. 1	62-C-506A12	108,000	7.6
FLORIDA			
Brevard County Board of Public Instruction	63-C1C13	43,033	8.9
Seminole County Board of Public Instruction	62-C-403A12	177,175	5.4
	63-C-403A13	166,950	4.4
GEORGIA			
Houston County Board of Education	62-C-14B12	168,480	0
ILLINOIS			
Freeburg Community Common School District No. 70.	62-C-12A12	1,785	0
KANSAS			
Salina Public Schools	63-C-407A13	46,980	1.6
Common School District No. 72, Pauline	62-C-201A12	92,568	7.7
Carbondale Common School District No. 21	62-C-601A12	5,600	7.4
KENTUCKY			
Board of Education of Elizabethtown Independent School District.	63-C-6A13	33,000	4.0

Applicant school districts eligible for Federal assistance for construction of school facilities under Public Law 815 which cannot be approved with funds currently available, amount of Federal entitlement, and priority index, by State—Continued

Applicant school district	Application No.	Federal construction grant	Priority index
MARYLAND			
Harford County Board of Education	63-C-1A13	$475,310	7.0
Prince George's County Board of Education	63-C-8A13	341,250	5.0
	63-C-8B13	1,800,000	4.3
	63-C-8C13	1,422,537	2.4
	63-C-8D13	22,382	.6
MASSACHUSETTS			
Town of Nantucket School Commission	62-C-903A12	53,382	9.4
NEVADA			
Clark County, School District, Las Vegas	63-C-603B13	9,904	9.2
MISSOURI			
LaMonte School District R-IV	62-C-901A12	9,900	9.8
NEW JERSEY			
Board of Education, Township of Pemberton	62-C-9B12	44,595	4.9
NEW MEXICO			
Espanola Municipal School No. 45	63-C-4A13	16,191	2.6
Clovis Municipal School District No. 1	62-C-501A12	180,559	9.0
NEW YORK			
Rome City School District	62-C-527B12	197,100	3.3
NORTH CAROLINA			
Cumberland County Board of Education	63-C-4B13	31,870	2.6
NORTH DAKOTA			
Oak Grove School District No. 12	63-C-1102A13	49,841	0
OKLAHOMA			
Independent School District No. 6, Gore	62-C-1004A12	5,995	8.4
Norman Independent School District No. 29	63-C-11A13	70,000	3.4
	62-C-11A12	130,255	8.4
OREGON			
Jefferson County School District No. 30	63-C-1101A13	$16,675	0
PENNSYLVANIA			
Washington Township School District	62-C-504A12	44,010	6.8
SOUTH CAROLINA			
School District No. 2, Richland County	63-C-3E13	137,270	9.0
SOUTH DAKOTA			
Hill City Independent School District No. 10	62-C-1001A12	23,736	0
Newell Independent School District No. 7	62-C-1002A12	7,095	5.0
White River Independent School District No. 2	63-C-507A13	7,029	0
TENNESSEE			
Manchester Board of Education	62-C-6A12	19,090	9.2
TEXAS			
Independent School District of El Paso	63-C-8A13	227,950	2.0
Ysleta Independent School District	63-C-2A13	159,140	2.6
North East Independent School District, San Antonio.	63-C-504B13	244,246	7.1
Potter County Consolidated Common School District No. 3.	63-C-702A13	23,925	5.2
VIRGINIA			
York County School Board	63-C-5A13	220,342	9.2
WASHINGTON			
Ephrata School District No. 165	62-C-55A12	44,800	5.2
WYOMING			
Fremont County Vocational High School District.	62-C-801A12	25,137	0

Mr. KEFAUVER. Mr. President, I wish to join with my colleague, the Senator from Utah, in support of his proposed amendment to the Labor-HEW appropriation bill to provide for the payment of an additional $22,799,000 to impacted area school districts for the fiscal year 1962. Of the total amount $15,707,000 is for payments for school districts for operation and maintenance under Public Law 874, and $7,092,000 is for assistance for school construction under Public Law 815. These amounts provide for the full authorization for these programs in the fiscal year 1962.

Mr. President, no one regrets more than I do the situation existing at present with regard to conferences between the House and Senate Appropriations Committees, especially as the impasse between the two bodies affects the appropriation of needed funds for so many of the programs of the Government. I am especially regretful that the disagreement of the two committees has held up the second supplemental appropriations bill for 1962 which provided the $22 million for the impacted areas which the amendment would now provide. I am sorry that the second supplemental could not be passed. I recognize that the amendment of my colleague from Utah is not the customary manner in which to provide these funds. Nevertheless, since it appears that there is little or no hope for the passage of the second supplemental bill, I firmly endorse the amendment as the only practical method now remaining to provide funds for these important programs.

I know that the program of Public Law 874 in providing operating and maintenance expenses for our schools in federally impacted areas, and the program of Public Law 815 in providing construction funds for such schools are important to many of my colleagues here today who represent States where the problem of Federal installations, and residence of schoolchildren on Federal installations, has been a very difficult problem for the schools. These Federal lands and properties erode the moral tax base of the community, making it difficult for the local community to provide adequate funds for its school construction and maintenance. The programs of Public Law 874 and Public Law 815 go a long way to make up this financial deficiency for the schools in impacted areas. I am happy to associate myself with the Senator from Utah [Mr. Moss] in urging this amendment to the Labor-HEW appropriation bill to provide over $22 million for these fine programs.

Mr. PELL. Mr. President, I voice my strong support of the amendment offered by the distinguished junior Senator from Utah [Mr. Moss]. This amendment serves the most important purpose of providing all the funds authorized for fiscal year 1962 for both operation and maintenance and construction assistance to federally impacted school districts.

As my colleagues know, last year Congress extended without amendment for 2 years legislation authorizing assistance to federally impacted school districts. School districts across the Nation planned their budgets in good faith and reliance on this congressional action. The existing appropriation is sufficient to pay only 92 percent of the funds authorized for our Nation's federally impacted school districts, which now are faced with serious budget problems through no fault of their own. The Moss amendment would do simple justice by amending the Labor-HEW appropriation bill to include the required appropriation so that these school districts might meet their budget commitments.

This amendment is highly important to my own State of Rhode Island. Without the necessary appropriation authorized in this amendment, Rhode Island will lack anticipated Federal assistance in the form of $26,300 in construction funds and $169,700 in operation and maintenance funds to complete the fiscal year 1962.

It seems perfectly clear to me that federally impacted school districts both in Rhode Island and throughout the Nation have every right to expect that the funds due them under the law as passed by Congress will be paid in full.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. PROXMIRE obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield to me with the understanding that he will not lose his right to the floor?

Mr. PROXMIRE. I yield to the majority leader.

ENRICHMENT AND SANITARY PACKAGING OF RICE

Mr. MANSFIELD. Mr. President, with the concurrence of the Senate, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1699, S. 3152.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3152) to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, line 6, after the word "flour," to strike out "and", and at the beginning of line 8, to insert "(3) by adding after the word 'pounds' in the last sentence thereof the following phrase 'unless a larger container is requested by the recipient agency,' and (4) by adding at the end thereof the following new sentence: 'Nothing in this section shall prohibit the distribution of fortified parboiled rice which is substantially equal in nutritional value to that of enriched rice.'"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201(a) of the Act of September 21, 1959 (73 Stat. 606, 610), is amended (1) by striking out "cornmeal, grits, and white flour" and inserting in lieu thereof "cornmeal, grits, rice, and white flour", (2) by inserting "enriched rice," immediately after "enriched corn grits," (3) by adding after the word "pounds" in the last sentence thereof the following phrase "unless a larger container is requested by the recipient agency", and (4) by adding at the end thereof the following new sentence: "Nothing in this section shall prohibit the distribution of fortified parboiled rice which is substantially equal in nutritional value to that of enriched rice."

Mr. JOHNSTON. Mr. President, this bill requires that rice distributed under section 416(3) of the Agricultural Act of 1949 to Indians, school lunch programs, and needy persons, or distributed under the National School Lunch Act or other law to schools be enriched so as to meet the standards for enrichment prescribed by the Food and Drug Administration and to be packaged in sanitary containers not exceeding 50 pounds.

Similar legislation was enacted for cornmeal, grits, and white flour in 1959 as section 201 of Public Law 86-341, and the Senate has previously passed such legislation for rice. Section 201 originated in S. 651 of the 86th Congress, which included rice. Following hearings, S. 651 was incorporated in a clean bill reported as S. 2522. It passed the Senate as part of H.R. 8609. As it passed the Senate, it included rice. In conference rice was dropped from the provisions of section 201. The testimony on S. 651 pointed out that various jurisdictions require enrichment of rice offered for sale, and the 100-pound burlap bags in which rice was donated were too heavy to handle for the women who prepare school lunches, and that they tear, and take in dirt and moisture with consequent loss.

The committee has recommended two amendments, both of which were suggested by the Department of Agriculture. One amendment would provide that fortified parboiled rice of equal nutritional value not be required to be enriched. The other would permit donation of any commodities covered by section 201 of Public Law 86-341 in containers in excess of 50 pounds when requested by the recipient.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3152) was ordered to be engrossed for a third reading, read the third time, and passed.

LEGISLATIVE PROGRAM AND ORDER FOR ADJOURNMENT UNTIL 11 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield again?

Mr. PROXMIRE. I am happy to yield to the majority leader.

Mr. MANSFIELD. For the information of the Senate, the Senator from Wisconsin will call up his amendment, which will be the pending question. There will be no further votes tonight. After the Senator from Wisconsin, the Senator from New York, and other Senators complete their remarks, it is the intention of the leadership that the Senate adjourn until 11 o'clock tomorrow morning.

Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tonight, it adjourn to meet at 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I thank the Senator.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

Mr. PROXMIRE. Mr. President, I call up my amendments No. 7-10-62—C and ask unanimous consent that the reading of the amendments may be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none; and, without objection, the amendments will be printed in the RECORD.

The amendments ordered to be printed in the RECORD, are as follows:

On page 15, line 16, strike out "$34,716,000" and insert in lieu thereof "$34,672,000".

On page 16, line 12, strike out "$282,322,000" and insert in lieu thereof "$232,293,000".

On page 16, lines 21 and 22, strike out "$63,686,000" and insert in lieu thereof "$55,045,000".

On page 21, line 19, strike out "$25,500,000" and insert in lieu thereof "$23,900,000".

On page 24, line 13, strike out "$33,200,000" and insert in lieu thereof "$27,000,000".

On page 25, line 17, strike out "$10,662,000" and insert in lieu thereof "$10,062,000".

On page 26, line 3, strike out "$7,493,000" and insert in lieu thereof "$6,493,000".

On page 26, line 10, strike out "$3,500,000" and insert in lieu thereof "$2,500,000".

On page 27, line 3, strike out "$8,000,000" and insert in lieu thereof "$7,000,000".

On page 27, lines 9 and 10, strike out "$3,006,000" and insert in lieu thereof "$2,506,000".

On page 27, line 19, strike out "$226,220,000" and insert in lieu thereof "$176,220,000".

On page 27, line 20, strike out "$150,000,000" and insert in lieu thereof "$100,000,000".

On page 28, line 16, strike out "$11,069,000" and insert in lieu thereof "$10,069,000".

On page 28, line 25, strike out "$8,536,000" and insert in lieu thereof "$7,502,000".

On page 29, line 6, strike out "$4,542,000" and insert in lieu thereof "$4,022,000".

On page 29, line 22, strike out "$25,407,000" and insert in lieu thereof "$23,607,000".

On page 31, line 18, strike out "$5,892,000" and insert in lieu thereof "$4,292,000".

On page 32, line 2, strike out "$161,826,000" and insert in lieu thereof "$147,826,000".

On page 33, line 3, strike out "$158,409,000" and insert in lieu thereof "$139,109,000".

On page 33, lines 7 and 8, strike out "$148,599,000" and insert in lieu thereof "$126,899,000".

On page 33, line 11, strike out "$149,398,000" and insert in lieu thereof "$126,898,000".

On page 33, line 16, strike out "$22,199,000" and insert in lieu thereof "$17,199,000".

On page 33, line 20, strike out "$105,721,000" and insert in lieu thereof "$91,921,000".

On page 33, line 24, strike out "$68,142,000" and insert in lieu thereof "$59,342,000".

On page 34, line 12, strike out "$86,506,000" and insert in lieu thereof "$71,206,000".

On page 36, line 19, strike out "$6,332,000" and insert in lieu thereof "$5,974,000".

On page 42, line 5, strike out "$739,000" and insert in lieu thereof "$718,000".

On page 43, line 11, strike out "$1,458,000" and insert in lieu thereof "$1,410,000".

On page 43, line 23, strike out "$1,065,000" and insert in lieu thereof "$355,000".

Mr. PROXMIRE. Mr. President, I wish to speak briefly on the amendments tonight. I spoke briefly yesterday. I expect to make my main presentation tomorrow.

The amendments would reduce the appropriations for the Departments of Labor, and Health, Eduction, and Welfare by some $247 million. I should also say that the amendments would reduce every item in the appropriation measure to the level requested by the administration and approved by the Bureau of the Budget.

Mr. President, I have heard some criticism in the past few days that there has been some revision of views on the part of the Bureau of the Budget and on the part of the administration since the testimony was given before the committee.

The **PRESIDING OFFICER**. The Chair will interrupt the Senator from Wisconsin to inquire whether he wishes to have the amendments considered en bloc.

Mr. **PROXMIRE**. Yes, Mr. President; I ask unanimous consent that the amendments may be considered en bloc.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **PROXMIRE**. I thank the Presiding Officer.

ADMINISTRATION SUPPORTS PROXMIRE AMENDMENT

In this connection I wrote to the Director of the Bureau of the Budget to get his up-to-date view. I have now received his reply, in which he points out that the requests of the administration were for a 20-percent increase for the National Institutes of Health, compared to last year. He has also indicated in his letter that, while they have reviewed very carefully the changes which may have developed in the meanwhile, these were anticipated at the time the budget estimates were sent to the Congress. He concludes with the following paragraph:

> Taking all factors into account, the estimates contained in the President's budget for 1963 continue to represent his judgment of the funds needed to provide for a sound and effective rate of increase in the programs of the National Institutes of Health.

I wish to emphasize that this is a substantial rate of increase, a 20-percent rate of increase. The increase would be more than $100 million, even if my suggested cut is put into effect.

Although my amendments would save a substantial amount of money, $247 million, the remaining amounts represent not only a generous appropriation but a big increase for the Departments of Labor, and Health, Education, and Welfare, and a more than $100 million increase for the very vital work of the National Institutes of Health.

Mr. President, I ask unanimous consent that a letter to the Honorable David Bell, the Director of the Bureau of the Budget, may be printed in the RECORD at this point.

The **PRESIDING OFFICER** (Mr. PELL in the chair). Is there objection to the request of the Senator from Wisconsin?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 17, 1962.

The Honorable DAVID BELL,
Director of the Budget, Washington, D.C.

DEAR MR. BELL: The appropriation for the National Institutes of Health will be considered by the Senate in the next few days. The Senate Appropriations Committee has recommended an aggregate increase over the President's budget estimates for NIH of $120 million. In the hearings and in the report accompanying this bill material is presented which indicates that the Budget Bureau imposed certain reductions on the expected fund requirements submitted by NIH and the Department of Health, Education, and Welfare.

I would very much like to know the specific reasons and justifications for the budget decisions recommended by your Bureau, particularly in the light of the testimony presented to the House and Senate Appropriations Committees by public and private witnesses.

Since the budget estimates were submitted several additional messages and studies have been released, among them the President's messages on medical education and on health, and a medical manpower survey. In the view of your Bureau, do these statements and studies justify an upward revision of the NIH budget estimates? In particular, would the goal of raising the quality and quantity of our Nation's scientists be well served by the increase of $55.5 million recommended by the Senate committee for NIH training and fellowships?

Since the appropriation in question may come up very soon, I hope you will be able to give me a reply to this letter at once. I thank you very much in advance for your assistance in this matter.

Yours,

WILLIAM PROXMIRE,
U.S. Senator.

Mr. **PROXMIRE**. Mr. President, I ask unanimous consent that the response which I received today from Director Bell be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 18, 1962.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I have your letter of July 17, 1962, relating to the 1963 appropriation for the National Institutes of Health.

The budget estimates of the Department of Health, Education, and Welfare for the National Institutes were considered very carefully last fall by the Bureau of the Budget and the President.

The amounts recommended in the budget by the President reflected his belief that the support of medical research through the National Institutes should continue to grow at an orderly rate consistent with the prudent and effective use of funds and trained manpower, and taking into account all factors related to the framework of the budget as a whole. These criteria, in the President's judgment, called for new obligational authority of $830 million for fiscal 1963. Actual obligations for fiscal 1962 appear to have been in the neighborhood of $694 million, so that the President's 1963 budget recommendation will permit an increase of about $136 million over the 1962 program levels, or a growth of about 20 percent.

It is quite true, as you point out in your letter, that the President has sent additional messages to the Congress, since the budget was transmitted in January, relating to health and education. However, the budget estimates anticipated these messages to the extent that the programs of the National Institutes were concerned. The study of medical research manpower which you also mention raises questions which need careful consideration as we look to the future, but it has not been viewed by the President as requiring a revision of the estimates now before the Congress. Its principal significance, I believe, is its stress upon the need to improve the number and quality of graduates of our colleges and universities, and a long step would be taken in that direction under the President's legislative proposals in the field of higher education, including medical education.

Taking all factors into account, the estimates contained in the President's budget for 1963 continue to represent his judgment of the funds needed to provide for a sound and effective rate of increase in the programs of the National Institutes of Health.

Sincerely yours,

DAVID E. BELL,
Director.

Mr. **PROXMIRE**. Mr. President, I ask unanimous consent that a table which I have prepared showing the specific increases in the 1962 spending level for each of the National Institutes of Health be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Senate committee's and budget (Proxmire amendment) increase in 1963 NIH budget by institutes

[Dollars in millions]

	1962 appropriation	1962 operating [1]	1962 actual spending	1963 budget (Proxmire amendment)	Percent increase in budget (Proxmire amendment) over 1962 spending level	Senate committee
General research and services	$127.6	$125.5	$118.3	$147.8	16.5	$161.8
Cancer Institute	142.8	127.0	117.7	139.1	20.0	158.4
Mental health	108.9	107.8	107.8	126.9	18.0	148.6
Heart Institute	132.9	113.3	108.5	126.9	18.0	149.4
Dental research	17.3	15.3	15.0	17.2	12.0	22.2
Arthritis and metabolic	81.8	81.0	79.9	91.9	15.0	105.7
Allergy and infectious	56.1	55.9	54.8	59.3	8.0	68.1
Neurology and blindness	70.8	65.8	62.2	71.2	15.0	86.5
Health research facilities	30.0	30.0	30.0	50.0	67.0	50.5
Total	768.3	721.7	694.5	830.4	20.0	951.8

[1] Represents amount available after $46,600,000 was held in reserve at direction of HEW Secretary Ribicoff.

THREATENED STRIKE IN INDUSTRIES MANUFACTURING MISSILE PARTS

Mr. **STENNIS**. Mr. President, last week the Subcommittee on Preparedness of the Senate Committee on Armed Services started hearings to inquire into the value, condition, survivability, and reliability of our strategic striking power. The study included missiles, bombers, the Polaris submarine missiles, and related subjects.

On Monday of this week I was very much concerned to read in newspapers of a threatened strike at a number of plants making essential component parts of our strategic weapons. In the intervening time, the situation has grown more serious. Now we are confronted with a threatened strike that may shut down the bulk of the Nation's missile and aircraft industry.

This strike threat points directly at the heart of our country's strategic defense capability. If permitted to occur, it will place in jeopardy absolutely essential schedules for mustering the critical power of our intercontinental ballistic missiles. It will jeopardize important schedules for vital space missions. It will imperil urgent programs for other missiles, for aircraft, for components of military communications systems, and many other critical military items.

The categories I have mentioned cover the entire field of what we might call our frontline strategic weapons. Only yesterday the Secretary of the Air Force and General LeMay appeared at one of our highly important classified and closed sessions of the committee with reference to the general subject of our strategic striking power, its condition, capability, and our needs, particularly within the next year or two. We did not discuss the strike at that meeting, but the testimony given was very impressive, and caused special comment by members of the committee who are experienced in the problems incident to those vital developments.

Let me make it clear that I am not antagonistic to the legitimate aspirations of labor. This, however, is not the issue. The basic and fundamental issue is whether any person or any group has the right to go on strike against the Nation's security and against the country itself. The very survival of the American people may very well depend upon the uninterrupted production of our essential weapons.

It is particularly urgent and vital that there be no suspension of work on our ballistic missiles at this time. We know, as do the workers in the missile industry, that we are placing ever-increasing reliance upon our strategic missiles as a deterrent to war. The new production of long-range bombers has been discontinued. The administration has not yet decided to proceed with the production of the RS-70; which is the next prospective family of bombers.

So production has stopped on the old ones and the news ones have not yet moved into the production field. For these reasons there is nothing more critical to our national defense than getting the maximum number of missiles operational in the shortest time possible. Any obstruction of this is a reckless gamble with our national survival and unwittingly lends aid and comfort to our enemy.

Against the backdrop of these somber and critical times, it is almost unthinkable that our aerospace workers should even consider the luxury of a strike. Yet the cold hard fact of the situation is that the unions have set a strike deadline for July 23 next Monday, unless their demands are met.

The consequences of such a strike are almost incalculable. It would imperil all three ICBM programs—Atlas, Titan, and Minuteman. Because of subcontract and supply arrangements, no one large part of the missile industry can be shut down without affecting other parts.

The strike would threaten work at the missile sites themselves. It would delay completion of Atlas F squadrons now undergoing final installation and checkout.

The Atlas F has come all the way from planning to tryouts, and now it has actually been put in the ground and is almost ready to go. It is ready for final installation and checkout. A strike would delay its completion.

The planned operational date of Titan II missiles would be placed in jeopardy. There would be an almost inevitable slippage in the Minuteman program—the Minuteman is the second generation landbased ICBM upon which we place so much of our reliance for the future.

These are not the only weapons or programs which would be jeopardized. There is involved also the production of systems and components in support of NASA space efforts. One of the companies involved produces a significant component of the Skybolt. The Skybolt is the air-to-ground missile that is being perfected to become a component part of the long-range B-52 bombers. Delays in the current production of the Hound Dog would degrade the deterrent capability of the Strategic Air Command. Our vital sea-based Polaris program would be slowed.

In the aircraft field, the production and modification schedules for the B-58 would be delayed and like delays would occur in deliveries of critical components of the B-52 heavy bomber and KC-135 tanker, essential elements of SAC capability.

In addition to the immediate impact on weapon systems currently in production, interruption of major research and development programs would necessarily delay planned technological improvement in many combat weapon systems.

The blunt truth of the matter is that the safety and survival of this country demands that these critical weapon systems and equipment be ready for use on schedule. A catastrophic stoppage of work must be prevented at all costs.

It is bitterly ironic, I think, that the unions talk of strike even while our fighting men are at battle stations in hardship posts all around the world. Some of our soldiers have only recently been called upon to make the supreme sacrifice in South Vietnam. Our soldiers and marines are on lonely vigils in the steaming jungles of southeast Asia and the barren mountains of Korea—separated from their loved ones for months at a time. Our airmen of the Strategic Air Command are on constant alert and the seamen who man our Polaris submarines constantly patrol the lonely waters of the North Atlantic.

These sacrifices are demanded of our military personnel in the interest of the safety and survival of our country. Is it too much to demand that our civilian workers make a much lesser sacrifice for the same cause?

I am somewhat encouraged by two developments. The first was the statement by Secretary of Labor Goldberg that an interruption of missile production would not be permitted. The second was the agreement reached by Douglas Aircraft Co. and the unions which will avert the scheduled strike at this company if it is ratified by the workers. I sincerely hope that this agreement will result in intensified bargaining between the unions and the other companies of this important defense industry and that fair and equitable accords will be reached which will insure uninterrupted production throughout the entire industry.

However, whether or not an agreement is reached, a stoppage of work in these defense industries must be prevented at all costs. If the negotiations break down I hope and trust that the administration will be fully responsive to its duty and obligation and will, without delay, take all action within its power to keep the workers on the job and the production lines in operation.

Finally, it may very well be that Congress itself will be called up to act in this matter. Although there has been some improvement of late we have already lost far too much time in our missile program from work stoppages. I, for one, believe that even 1 day lost for this reason is 1 day too many.

The Congress, of course, has a direct responsibility in this matter. Even though the scheduled strikes may not occur the very threat of them raises a serious question. Therefore, I believe that it is time that we examine existing legislation for the purpose of determining whether we have given the Government adequate statutory authority to prevent strikes in areas which are vital to the national security. We should then be prepared to take bold, positive, and immediate action to place on the books such laws as may be needed to guarantee the continued and uninterrupted production and flow of our vital and essential weapons. Our obligation to the Nation and to the people demands that we do no less.

Last year there was introduced, and there is pending now, S. 2631, the title of which is "To prohibit strikes by employees employed in certain strategic and defense facilities."

The title of the bill and its purposes fit as a glove fits the hand the situation that is again developing.

The consequences of these strikes and stoppages and slippages can be tremendous. While at first the result would not be disastrous, they could very well lead to a real national disaster as they affect all of these plants. If we have any sincerity of purpose, and if we mean what we say with reference to backing up the men on the frontline and backing up the entire program, we must absolutely see to it that these strikes do not happen and that these delays and slippages do not occur.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Florida.

Mr. HOLLAND. First I commend with all possible vigor the Senator from Mississippi on his statement and his calling the attention of the Nation to this threat to our security.

Mr. STENNIS. I thank the Senator.

Mr. HOLLAND. I should like to ask the Senator if it is not true that under the emergency provisions of the Taft-Hartley Act there already exists limited machinery under which these operations can be kept going for 80 days?

Mr. STENNIS. I believe that is correct. I believe that under present law there is already authority in that regard. I point out, not by way of the Taft-Hartley Act provisions, but by way of the power of the President in this field, that this authority exists. However, I point to the additional problem that exists because of strikes in these plants and in the plants that manufacture the component parts. This matter has already been dealt with in S. 2631, of which, incidentally, the distinguished Senator from Florida is a coauthor. It is designed to cover these specific acts.

Mr. HOLLAND. Is it not true that in the case of the threatened shutdown at Oak Ridge in the atomic energy plant some years ago the emergency provision of the Taft-Hartley Act was used successfully to keep that facility operating?

Mr. STENNIS. That is the Senator's recollection, and it is mine also. I do not know when it was.

Mr. HOLLAND. I thank the Senator for calling attention to the fact that if the 80-day provisions are not adequate, it is the clear duty of Congress to pass such legislation as will prevent completely stoppages at plants of the strategic importance to which the Senator from Mississippi has referred.

Mr. STENNIS. I thank the Senator.

Mr. HOLLAND. I stand with him on that proposal. I hope Congress will. I believe Congress will stand with him and certainly the whole Nation will stand with him in that regard.

Mr. STENNIS. I thank the Senator very much.

I point out and emphasize again that this matter is subject to the provisions of the Taft-Hartley Act, but it is the belief of the Senator from Mississippi that we need additional legislation because of the urgency and the need and because of the very critical situation in which we find ourselves, particularly when we are between bomber and missile development.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

Mr. JAVITS. Mr. President, tomorrow, immediately following the consideration of the amendment offered by the Senator from Wisconsin, I hope to have the opportunity to call up my amendment identified as "7-3-62—C." My amendment would limit the program under the head "Hospital Construction Activities," in the pending appropriation bill, so that these disbursements might not be made to hospitals which are made available to persons on the basis of segregation, on the ground of color, and would be limited to hospitals which are made available without discrimination on the ground of race, creed, or color in any respect whatever.

We have had other so-called antidiscrimination amendments, but I believe here is one which is really unique, in a class by itself, for there exists in the law of the United States a shameful anomaly. That anomaly exists in the so-called Hill-Burton Act, specifically in section 291e.(f). The Hill-Burton Act provides, in effect, for precisely what the Supreme Court of the United States has declared to be unconstitutional. That section of the Hill-Burton Act, dealing with the duties of the Surgeon General, provides:

> That the State plan shall provide for adequate hospital facilities for the people residing in a State, without discrimination on account of race, creed, or color, and shall provide for adequate hospital facilities for persons unable to pay therefor. Such regulation may require that before approval of any application for a hospital or addition to a hospital is recommended by a State agency, assurance shall be received by the State from the applicant that (1) such hospital or addition to a hospital will be made available to all persons residing in the territorial area of the applicant, without discrimination on account of race, creed, or color, but an exception shall be made in cases where separate hospital facilities are provided for separate population groups, if the plan makes equitable provision on the basis of need for facilities and services of like quality for each such group;

Mr. President, that language carries out in law the doctrine of Plessy against Ferguson for equal but separate facilities. The Supreme Court held in the Brown case, in 1954, that separate facilities cannot be equal, and, therefore, when Government-supported, cannot be supported on that basis.

Yet if we provide the funds which are called for in the hospital construction activities section of the bill, we shall be running ourselves, by express mandate, exactly counter to the dictates of the Supreme Court in Brown against Board of Education. This is no illusory problem. One hundred of the four thousand hospitals in the Nation which have received Hill-Burton aid provide separate but equal facilities—at least, they are allegedly separate but equal facilities—and are essentially using this provision of the law.

It is unthinkable; nonetheless, here we are, in 1962, with precisely that kind of situation. Also, surveys which I have conducted, as well as litigations which are now pending, indicate that there is widespread discrimination in hospitals on account of color. This practice is not confined only to the Southern States, but it is practically endemic in the States of Deep South.

Since the inception of the Hill-Burton program, 11 Southern States have received $562,921,000, or roughly one-third of the $1,550,214,000 spent or obligated by the Federal Government in respect of Hill-Burton aid.

It seems to me that this question should not even be arguable at this stage of our national life. Yet I am confident that it will be, as we all know, argued very heatedly. I point out that two litigations have now been started, using as the gravamen of the suits the legal situation which I have described. Both suits were started, on behalf of the plaintiffs, by lawyers associated with the Legal Defense and Educational Fund of the National Association for the Advancement of Colored People. They are related to hospitals, primarily the Moses H. Cone Memorial Hospital at Greensboro, N.C., and also to the Wesley Long Community Hospital.

One of the plaintiffs, a dentist, states that when a Negro patient desires to enter Cone Memorial Hospital, he must either discharge his Negro doctor or dentist or accept treatment from a white staff member.

We know that there is widespread discrimination throughout the country with respect to jobs and housing, and in other fields of human endeavor. Somehow or other, while we fight those battles, we seem to endure them. But think of hospitals in terms of health. Every once in a while we read in the press the most heartrending stories of Negroes shunted from one admitting ward to another, until such time as they can get into a hospital. Think of the actual dangers to health in that regard. In such a situation, the humanitarian aspect is of the greatest moment.

I stated earlier that I had made a survey with respect to discrimination in hospitals. I placed in the CONGRESSIONAL RECORD the results of that survey. Because the survey indicated that this kind of discrimination was so widespread, I introduced, on September 23, 1961, in the first session of this Congress, a bill, S. 2625, to amend the Hospital Survey and Construction Act in order to conform the act to what is the law under Brown against Board of Education.

No hearing has been held upon that bill. It was referred to the Committee on Labor and Public Welfare, of which I am a member, and of which the distinguished Senator from Alabama [Mr. HILL], who is in charge of the appropriation bill, is the chairman. Notwithstanding that, about 9 months have elapsed. I could not in good conscience lend myself to voting funds under the Hill-Burton program without making every effort which it is within my power to make to eliminate from that act the discriminatory, completely, in my opinion, unwise and anomalous practice of discrimination through the so-called use of separate but equal facilities. Yet this concept is actually embedded in the Hill-Burton Act. Parenthetically, I might add that tomorrow, when I debate the amendment, I will give a considerable number of examples and instances, in an effort to be specific and precise.

Our surveys show the discrimination which is being practiced in this field. Therefore, I feel it to be my duty to press this amendment. There is only one way in which this money, which is desirable money, naturally, to help in the construction of hospitals, can be spent in consonance with the supreme law of the land. I feel it not only my duty as a Senator, but a moral duty, as well. I do not believe that discrimination is justified in this country under our Constitution and the community of first-class citizenship. I believe gradation in terms of class discrimination in the use of health facilities of this type, which are publicly supported, and as they will be supported by the very money which will be appropriated in the bill, to be completely out of context with American public life, and reprehensible in terms of our Constitution and laws and the finding of the Supreme Court. It is a condition which cries out for correction.

Mr. President, I have made these remarks today because I consider this situation to be a real anomaly in the law. It is a situation of pressing injustice.

I hope very much that Senators who read the RECORD tonight may give consideration on an urgent basis to the pending amendment and be prepared tomorrow to give it the support which I feel it so properly deserves. In that connection, I should like to direct Senators to my original report to the Senate on this subject, which is contained in the CONGRESSIONAL RECORD, volume 107, part 16, pages 21002–21003; to the introduction of various data upon this subject, together with a record of litigations which have been instituted, which appears in the RECORD of February 19, 1962, at pages 2436–2437; and also to the notice that I would raise this question, which appears in the RECORD of July 3, at page 12648.

I hope Senators will acquaint themselves with the facts and circumstances to which I have just referred and will give support to what I consider to be an urgently required and essential measure of justice with respect to this particular appropriation.

Mr. McCARTHY. Mr. President, I wish to comment upon language in the committee report in two places: On page 5, with regard to the separation of the administration of the unemployment compensation program and the employment service; and on page 6, about the language used in reference to the action taken by the Secretary of Labor regarding the use of Mexican nationals on farms in the United States.

In the first instance, the committee report makes reference to what is an administrative decision. I think the decision not only is justified, but should have been made long ago.

The second item is by way of criticism of the Secretary's ruling with reference to the question of what constitutes seasonal or temporary work under the Mexican farm labor program.

The report raises the interesting question—which should be of concern to the Senate—that, more and more, we are moving into a situation in which we have government by committee report, and sometimes the committee report is more important than the original legislation. One can make a point of order against such legislation in an appropriation bill; and perhaps we should adopt a rule which would permit us to make a point of order against such language in a committee report.

The action taken by the Department of Labor to provide some degree of separation of the Employment Service and unemployment compensation operations is desirable. I and several other Senators served on the Special Senate Committee on Unemployment Problems, in 1959 and 1960. We had occasion to study this problem in detail, to hold hearings in a number of States, and to have special studies prepared by labor market experts.

Our investigations impressed me with the fact that strengthening and improving the Employment Service is one of the most necessary steps to be taken if we are to meet the problem of unemployment. I think it rather clear that the public image of the Employment Service is frequently that of the place where unemployment-insurance benefits are paid, rather than the place at which to obtain employment. Consequently, the use of the Service is limited. All too often it is viewed as a place of last resort, rather than a positive service to assist in bringing qualified workers and jobs together in an orderly manner. When unemployment is heavy, the work of the Service is frequently so greatly taken up with claims for unemployment benefits and with processing them that the Employment Service suffers.

We have taken steps to expand Federal and State efforts to train and retrain workers. The success of this measure involves, I believe, giving even greater attention to the development of the Employment Service to help determine what jobs the workers should be retrained for and to place them, after training, in the most suitable employment.

These things, taken together, put new responsibilities on the Employment Service. Therefore, I think the work of the Bureau of Employment Security in dealing with unemployment compensation and in dealing specifically with employment services should be kept separate insofar as possible so there will be a better understanding about the two, and more efficient operation.

Mr. President, I should also like to comment about the item in the committee report in the section, "Compliance Activities, Mexican Farm Labor Program," page 6. The Department of Labor is criticized for its regulations which implement the section of the law which states that Mexican nationals shall be used only for temporary or seasonal occupations. The Secretary has issued regulations, under this provision, which set a maximum of 210 days, in a 35-week period, as the maximum time Mexican nationals can be assigned to a single employer. The committee report states:

> The committee is concerned with the effect of the 210-day limitation on employment of Mexican nationals on farms operating in some areas of the United States, especially where there is a yearlong growing season and a lack of domestic labor. The committee is informed that the application of this limitation to an individual farmer may have the effect of denying him necessary labor to grow and harvest a portion of his crops after expiration of the 210-day period.

In order to evaluate the reasonableness of the Secretary's regulation, it is necessary to review the history of the language in the law.

I introduced the bill in the Senate last year; and the bill had the full support of the administration. The bill extended the Mexican farm labor program, but on condition that several safeguards were added to prevent the program from having adverse effects on the wages, hours, and working conditions of domestic farmworkers and to eliminate some of the abuses which had developed in the 10-year history of the program.

One of the provisions of my bill was that no workers should be recruited "for employment in other than temporary or seasonal occupations, except in specific cases when found by the Secretary of Labor necessary for a temporary period to avoid undue hardship."

The provision was approved by the Senate, and was retained in the conference; and the conference report specifically states:

> The purpose of the program is to supplement the domestic labor force in peak periods, such as at harvest time, when crops may be lost through a lack of sufficient workers. It is not intended to provide Mexican workers for year-round jobs which might well be filled by domestic workers.

This statement of the conference report corresponds to my interpretation of the language when I introduced the bill, and I do not recall that at the hearings or at the executive sessions of the Committee on Agriculture we gave any other interpretation to the language. In his statement at the hearings on the bill, Secretary Goldberg discussed this provision, and stated:

> We also recommend an amendment contained in S. 1945 to prohibit generally the employment of Mexican workers admitted under Public Law 78 in other than temporary or seasonal work or in work involving the operation of power-driven machinery. The Secretary could grant temporary exceptions where he believes this necessary to prevent undue hardship. He would use this authority to permit gradual adjustment where farmers are now dependent upon Mexican workers for year-round or machine jobs.
>
> Although the Mexican labor program when initially enacted was viewed as a means of meeting seasonal shortages of unskilled field hands, this purpose was not specified in the law. Consequently, we now have substantial numbers of braceros employed on mechanical equipment and additional thousands in year-round jobs. In view of the substantial underemployment and unemployment characteristics of our own farm work force, the alleged shortage of U.S. workers for skilled and year-round jobs are believed to reflect problems of wage levels and employee relations rather than true shortage of labor. We believe that the Congress should so conclude, leaving the Secretary with discretion only to grant temporary exceptions in specific hardship cases.

That statement was made by Arthur J. Goldberg, Secretary of Labor, at the hearings on the bill to extend the Mexican farm labor program, on June 13, 1961.

In signing the bill, President Kennedy directed the Secretary of Labor to prescribe standards. He said:

> The adverse effect of the Mexican farm labor program as it has operated in recent years on the wage and employment conditions of domestic workers is clear and is cumulative in its impact. We cannot afford to disregard it. Therefore I sign this bill with the assurance that the Secretary of

> Labor will, by every means at his disposal, use the authority vested in him under the law to prescribe the standards and to make the determinations essential for the protection of the wages and working conditions of domestic agricultural workers.

Before issuing the regulations, Secretary Goldberg held a series of consultations with all interested parties. A public hearing was held in Washington on December 8, and at the hearing all interested parties had an opportunity to present their views on the Department proposals for implementing the legislation. Following this, additional conferences were held with representatives of farm employers and workers and interested Members of Congress. Only after this, on March 21 of this year, did the Department issue its regulations including the 210-days-in-35-weeks limitation.

I believe there might be some reason for questioning the Secretary as to why he was so generous in allowing an employer to secure Mexican nationals for up to 210 days for "temporary and seasonal" work.

Certainly 210 days in 35 weeks—more than half a year—could scarcely qualify as temporary employment under the traditional practices and precedents which relate to this legislation and to this program. I cannot agree with the language of the report which criticizes him for not permitting employers to hire such workers for a longer period as a regular course. Of course, the law permits him to make exceptions for temporary periods to prevent undue hardship; but since the regulations have been in effect only since the end of March, it is obvious that there has not been time to test the Secretary's response to such requests.

There is some room for discussion as to what is meant by "temporary and seasonal work"; but in relation to this program, the period permitted by the Secretary is ample.

There is, first of all, the international agreement between the Mexican Government and ours which limits the period during which Mexican nationals can be employed in the United States to 6 months, although 15 percent of the total labor recruited can be extended for an additional 3 months. In other words, from the point of view of the two Governments, permission to enter for "temporary and seasonal work" is set at 6 months. This is the basic standard which should be applied; but on the side of the liberality, the additional 15 percent of the total is permitted by way of exception. To be consistent with the spirit of the agreement, the time for which the growers can obtain them as temporary and seasonal labor should be about the same.

Second, the definition of "seasonal" is well-established in labor statistics. The Bureau of the Census has defined seasonal agricultural employment as that lasting less than 150 days. The Department of Agriculture uses a similar formula in reporting on hired farmworkers: Those working fewer than 150 days in the year are classified as "seasonal." Workers employed 150 to 249 days are classified as "regular workers." And those who work more than 250 days are classified as "year-round."

So by existing and established standards, the 210-day limitation certainly falls well within the limits of seasonal employment.

Finally, the number of Mexican nationals who are employed under the program varies greatly from month to month and season to season; for instance, in February 1960, there were 60,000 Mexican nationals employed, 97,000 in May, 128,000 in June, 227,000 in October, and 75,000 in December.

There are, of course, a few areas of the Nation where agricultural production continues throughout the year, and by stretching the point, one might argue that continuous year-round employment in these cases is seasonal. But certainly this is to stretch a point. Even so, it could hardly be classified as temporary, even if it is seasonal.

I suppose all agricultural employment is seasonal, because agricultural work depends upon the season, but certainly agricultural work which continues more than 210 days in a given area could not, by any reasonable standards, be classified as temporary.

The purpose of the amendment adopted last year was to break the pattern by which Mexican nationals were being used continuously from year to year, and to provide an incentive for growers to make conscientious efforts to recruit domestic workers.

For these reasons, I believe that if the Secretary were to go beyond the present 210-days-in-35-weeks limitation, the intent of the law would be undermined, and we would have government not by the normal processes of legislative action by Congress, but by virtue of interpretation added to legislation in committee reports on the appropriation bill. So this procedure has at least two counts against it: First, that it should not be enacted, if we can call it that, or put into effect because this is an appropriation bill; and, second, that it is not legislative action and it should not become effective by virtue of being written into a committee report.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from New York.

Mr. KEATING. Mr. President, I joined with the junior Senator from Minnesota last year in urging that the Mexican farm labor program be revised. I have always felt that this program should not serve to depress wages and conditions for our own domestic workers in agriculture. It must only be an "emergency escape valve" for those critical periods in which not enough domestic labor is available. The amendments which were adopted last year moved happily in this direction. We did not reform this program as much as I would have liked, but the changes were beneficial.

I agree with my colleague from Minnesota that the language in this report goes somewhat beyond the responsibility of the Appropriations Committee, and puts the committee in the position of making policy declarations contrary to what we decided here in the Congress last year. The Secretary of Labor is, of course, not bound by this language. I agree entirely with what the Senator from Minnesota has said, and I would like to associate myself with his remarks.

Mr. McCARTHY. I thank the Senator from New York, and I am glad to have him agree with me on this point.

Mr. KEATING. Mr. President, there is another matter, in connection with this report, to which the Senator from Minnesota addressed himself previously, upon which I should like to make a brief comment.

Mr. President, in its report, the Senate Appropriations Committee urged against the distinct separate administration of employment security and unemployment compensation programs.

I quote from page 5 of the report:

> The committee is concerned with the mounting cost of the employment security program, and in the interest of economy and efficiency it is essential that administration of the unemployment compensation and employment services be directed and coordinated, geared to local conditions, at all levels. Separation of the services would greatly increase administrative costs and should under no conditions be thrust upon State officials. Separation would result in less exposure of claimants to job openings, and through less effective application of the work test cause the payment of benefits to claimants neither seeking work nor willing to work.

This statement by the committee against the separate administration of unemployment insurance and employment service warrants some further comment. I am glad that the senior Senator from Rhode Island and the senior Senator from Ohio have already addressed themselves to this subject. In the opinion of the best qualified experts in employment security administration, embracing both unemployment insurance and employment service, New York State's operations in this field are considered to be among the most outstanding in the Nation and have long been a model for other States to follow.

The Senate Committee on Appropriations recommends the coordination of unemployment insurance and employment service at all organizational levels, from State headquarters down. Such coordination is already achieved in New York, even though, in New York City and in Buffalo, there is a physical separation of these two offices because of the large size of these communities and the particular requirements of these labor markets. I want to make it perfectly clear that in New York State the administration of unemployment insurance and employment service is coordinated at all levels of supervision.

I have been in close touch with experts in the field of employment security administration, particularly with Alfred L. Green, the executive director of the New York State program who has had many years of experience in this important field and who operates the largest such agency in the country. His reputation as an efficient administrator is widely known and recognized. In New York State the executive director of the division of employment administers both programs with the aid of the appropriate supervisory staff, despite the fact that the offices of the two programs, employment security and unemployment compensation, are physically separated in the city of New York and in Buffalo.

In New York City, for reasons of efficiency and adequacy of service to the public, both workers and employers, insurance operations are conducted in 30 insurance offices and placement operations are conducted in 22 placement offices, each serving either in particular industries or specific occupations.

A special liaison service is used to insure the close coordination of these two vital services. Employment interviewers are posted in insurance offices to assist in administering the work test, and insurance examiners are assigned to placement offices to assist in insuring proper job exposure. Based on more than 20 years of experience in New York State, there has not been any impairment of the work test or job exposure of beneficiaries because of the physical separation of offices.

As I read the Senate committee report, and as has been indicated, I believe, by the statements of the distinguished Senator from Alabama [Mr. Hill], who is in charge of the bill, there is nothing to prevent successful arrangements like these being continued. If the language were placed in the bill itself, I would perhaps feel it necessary to offer some amendments in order to clarify the situation, but in the light of the statements made by the Senator from Alabama, that is not necessary.

All that the committee says is that the Department should not force separate administration of the two functions but when a State desires to administer these programs separately, officials of the U.S. Labor Department should not insist upon or actively urge the joint administration under the same roof. To that I see no objection.

Therefore, with this explanation in the Record, I believe no amendment to the bill is necessary.

I wished to place these thoughts in the Record as a part of the legislative history of the bill.

Mr. JAVITS. Mr. President, I send to the desk an amendment which I intend to offer to the pending bill, and which I ask to have printed under the rule. I expect to call up this amendment in lieu of the amendment which has already been printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. McCARTHY. Mr. President, I move, pursuant to the previous order, that the Senate adjourn to meet at 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 21 minutes p.m.) the Senate adjourned, pursuant to the previous order, until tomorrow, Thursday, July 19, 1962, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate July 18, 1962:

Tax Court of the United States

The following-named persons to be judges of the Tax Court of the United States for the terms indicated:

Howard A. Dawson, Jr., of Maryland, for the unexpired term of 12 years from June 2, 1958, vice Bolon B. Turner, retired.

Austin Hoyt, of Colorado, for a term of 12 years from June 2, 1962, vice John W. Kern.

U.S. District Judge

Allen E. Barrow, of Oklahoma, to be U.S. district judge for the northern district of Oklahoma, vice Royce H. Savage, resigned.

Department of the Navy

Victor M. Longstreet, of New Jersey, to be an Assistant Secretary of the Navy.

Diplomatic and Foreign Service

William R. Tyler, of the District of Columbia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

CONFIRMATIONS

Executive nomination confirmed by the Senate July 18, 1962:

Director of the Office of Science and Technology

Jerome B. Wiesner, of Massachusetts, to be Director of the Office of Science and Technology.

HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Job 28: 28: *And unto man He said: Behold the fear of the Lord, that is wisdom; and to depart from evil is understanding.*

Almighty God, who art above and beyond us but also with and within us, may we be blessed with that insight and inspiration, that wisdom and understanding which will make us equal to the task of reorganizing our civilization and social order on a basis of justice and good will.

Grant that in these stupendous days, our President, our Speaker, our Congress, our ambassadors and diplomats, may have such a rich and deep experience of Thy divine light and leading that they shall be able and adequate to meet their many arduous duties and responsibilities, faithfully and victoriously.

Whatever the trials and tragedies of the unknown and unforeseen future may be, inspire us never to lose our sense of hope and assurance that the day will dawn when the spirit of mankind shall be more refined and magnanimous, more Christlike and brotherly.

Hear us in the Master's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10606. An act to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Byrd of Virginia, Mr. Kerr, Mr. Long of Louisiana, Mr. Williams of Delaware, and Mr. Carlson to be the conferees on the part of the Senate.

PUBLIC ASSISTANCE AND CHILD WELFARE SERVICE PROGRAM

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection? The Chair hears none and appoints the following conferees: Messrs. Mills, King of California, O'Brien of Illinois, Mason, and Byrnes of Wisconsin.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report to accompany the bill H.R. 10606.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

EUGENE T. KINNALY

Mr. KLUCZYNSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KLUCZYNSKI. Mr. Speaker, Eugene T. Kinnaly starts today on his 45th consecutive year as a congressional secretary and administrative assistant to our great Speaker. Gene has been blessed with a splendid personality and has always been anxious and ready to be helpful to any Member of the House who sought his counsel and advice. Because of his years of experience a Member could always feel that Gene had given a sincere and honest opinion on the question which was asked.

Gene Kinnaly is an excellent attorney. He is dependable, reliable, trustworthy, and any assignment given him is always handled with speed and assurance of success. Volumes could be written on the countless occasions when he has been of service both to the Members of the House and their staffs.

I want to join the many Members of the House who will be congratulating him today. My wish is that he will remain here at the Capitol for many years to come.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the majority leader.

Mr. ALBERT. Mr. Speaker, I thank the gentleman for taking this time to pay a deserving tribute to a wonderful man and servant of the House and of the Speaker.

Mr. Speaker, today marks the completion of 44 years of service to the American people by our good friend, Eugene T. Kinnaly.

I know my colleagues on both sides of the aisle join with me in extending warmest personal congratulations to this man of ability and dedication who has given so much to this House and the people we represent.

A competent lawyer in his own right, Gene Kinnaly began his administrative career with the late Representative James A. Gallivan, of Massachusetts, joining the staff of our distinguished Speaker JOHN McCORMACK 34 years ago.

I have heard you, Mr. Speaker, pay deserved tribute to Gene Kinnaly, and I heartily second the praise.

No Member of Congress questions the value of a competent staff; we all appreciate the willingness of our employees to sacrifice their personal interests to the demands of our responsibilities to the public interest.

There are those, however, by virtue of ability and experience, who merit the special thanks and recognition of every Member of the House.

Eugene Kinnaly is such a man.

On this milestone in his long and distinguished career, I know I express the feelings of Members and staffs alike when I wish for you, Eugene Kinnaly, many more years of service to the Speaker, to the Congress, and to the American people.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the minority leader.

Mr. HALLECK. Mr. Speaker, I want to join with my colleagues from the other side of the aisle in this deserved recognition of Gene Kinnaly for his long record of stewardship in a position of high trust.

Through the years that I have known him, Mr. Kinnaly has always, it seemed to me, gone out of his way to be helpful when I had occasion to call on him.

It was my good fortune to know just how valuable the services of a loyal, experienced administrative assistant can be, especially in the earlier years of a Member's career here in the House of Representatives.

When Jesse Nolph retired from my staff in 1958, he was the dean of secretaries, with the longest continuous record on the Hill—41 years.

I assume, since Mr. Nolph and Mr. Kinnaly were contemporaries, that this honor now goes to Gene.

In any event, I do have some idea of what his faithfulness and diligence have meant to our Speaker, and so my wish for both is many more happy and useful years of service together.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman from North Carolina.

Mr. BONNER. Mr. Speaker, I wish to join the other Members in paying high tribute to Gene Kinnaly.

I have had the pleasure of knowing Mr. Kinnaly for many years, both as a secretary and later as a Member of this House. He is faithful, able, a wonderful worker in the legislative affairs of the House of Representatives. His service to the Speaker, Mr. McCORMACK, has been exemplary. It gives me a personal pleasure to pay tribute to him today. I hope that he will have many long years of useful service and good health.

Mr. KLUCZYNSKI. I thank the gentleman.

Mr. PRICE. Mr. Speaker, today, one of the most respected gentlemen in this Capitol celebrates his 44th anniversary as a member of the staff of a distinguished Representative, the beloved administrative assistant to our honorable Speaker, Eugene T. Kinnaly. A tireless worker, a gracious gentleman, and an outstanding administrator, every Member of this body, regardless of political views, has always received nothing from him but kindness and consideration whenever his good offices have been sought.

In all his years, while here, he has never been too busy to give immediate attention to any request made of him by a Member of the Congress. Notwithstanding his laborious duties, during his tenure of office, he successfully completed a law course, with the degree of bachelor of law, subsequently admitted to the Massachusetts bar by examination, and later admitted to practice before our Federal courts, including the highest tribunal in the country, the U.S. Supreme Court.

Throughout the course of his years here, Mr. Kinnaly has witnessed many historic events and transitions in Government but one—there is one thing that has never changed, his fine character and reputation.

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to join with my colleagues and associate myself with their statements about Mr. Eugene Kinnaly, administrative assistant to our beloved Speaker, the Honorable JOHN W. McCORMACK. Eugene Kinnaly has completed 44 years of faithful service as a secretary in the congressional service. He served under the late beloved Congressman James Gallivan and thence under Congressman JOHN W. McCORMACK. He has served faithfully and with devotion.

He is the dean of secretaries here in the Nation's Capitol.

He has earned the love and respect of hundreds of Congressmen and their staffs. Ever ready to be helpful he has given unstintingly of his time to all who sought his advice and counsel.

Godfearing, he has made use of his entire life in the service of his fellowman. Eugene Kinnaly has been a friend of mine and I cherish his friendship. Knowing him is one of the pleasant experiences you enjoy here in Washington. I hope and pray the years will be kind to Eugene Kinnaly and to the Honorable Speaker of the House JOHN W. McCORMACK, who he serves so well. I hope Almighty God will continue to shower his blessings on both of these fine men.

Mr. O'NEILL. Mr. Speaker, it is a real pleasure and a privilege for me today to offer my most sincere and heartfelt congratulations to your administrative assistant, Eugene T. Kinnaly, upon the beginning of his 45th year of service here in the U.S. House of Representatives.

Gene has long been a dear friend of mine. He is a warm and understanding person with much to offer and I deeply value our close association. All of us here in the Congress who have had occasion to seek his advice and assistance truly appreciate his supreme capabilities, his loyalty, his devotion, and his generosity.

It is my wish that God will continue to shower His blessings on Gene and that happiness and good fortune will follow him all the days of his life.

Mr. LANE. Mr. Speaker, Eugene T. Kinnaly today completes his 44th consecutive year as a congressional secretary and administrative assistant here on Capitol Hill. He first served under the late Congressman James A. Gallivan, of Boston, and for 10 years he was the head secretary in that office. He was known even in those days for his knowledge of legislative work and the courteous and efficient service to those who had occasion to contact his Member.

At the time that our able and capable Speaker JOHN W. McCORMACK succeeded the late Congressman Gallivan, his services were retained due to his ability and integrity. For the past 33 years, Gene has been the key man on JOHN McCORMACK's staff and as a loyal and confidential assistant to the Speaker, his wealth of knowledge, his experience, and his wisdom have contributed to the shaping of constructive legislation, and to many of the great decisions that have made our Nation the strongest nation in the world.

In spite of his arduous duties and his numberless assignments, Gene has always found time to devote some part of his day to his religious faith.

I know that during all of these years, our Speaker has had a tender fondness for Gene Kinnaly which he has demonstrated to all of us from time to time.

So today, we welcome the opportunity to honor one of the most capable secretaries within the memory of any present Member of the House. He represents, no doubt, the highest competence among the congressional assistants without whose help we could not fulfill our responsibilities to our constituents or to the Nation.

Gene has now completed 34 years of that distinguished service to our Speaker, and he now enters upon his 45th year, so we pause to congratulate the respected and popular administrative assistant to the Speaker of the House, JOHN W. McCORMACK.

I know that I join with my colleagues, his friends and his associates in wishing Gene continued good health and every happiness in the career to which he gives the riches of his talent and his character.

Mr. MURPHY. Mr. Speaker, it was back in 1918 when Woodrow Wilson was President and Champ Clark was Speaker of the House that Gene Kinnaly first came to Washington to serve as secretary to the then Congressman from the 12th Massachusetts District, James A. Gallivan, who left an indelible mark in the history of that body just as his successor, Speaker McCORMACK, is leaving an even deeper imprint in national affairs.

When Congressman McCORMACK came to Washington as the successor to Congressman Gallivan, Gene became the secretary to the new Representative of the 12th district, and Congressman McCORMACK was glad indeed to have him stay, because in the short previous period of his service Gene was universally recognized, as was Speaker JOHN, as a comer, attracting favorable attention not alone among the congressional family but also in the executive departments.

Forty-four years have passed and today we honor Gene Kinnally who has stood steadfastly at the side of Congressman McCORMACK ever since, without 1 day's interruption in his service. In his earlier days, in common with most secretaries to Congressmen, the workload on these staff leaders was terrific, and for 7 days a week and from 12 to 14 hours a day the official work went on without letup. It was a killing schedule and anyone who could stand up under it was indeed a superman, physically at least.

Today as the administrative assistant to Speaker McCORMACK, Gene Kinnaly is recognized by all of the Members of Congress and their staffs as a superman in every possible way. He is a quiet man, who is favorably known and respected by hundreds of Federal department executives. Quietly he can lift the phone and accomplish more for his Congressman and the 12th district and its citizens, than any high-pressure worker in the Capital.

Acting for the Speaker he greets every visitor to the Speaker's office with the same friendly smile and warm welcome, whether they be humble or distinguished. He never loses his poise, and accomplishes his duties for the Speaker so quietly that most visitors or applicants for aid do not realize that many of their requests border on the impossible.

The value of an efficient and loyal assistant and secretary to a Member of Congress is almost beyond price and every Congressman and Senator will be first to acknowledge this dedicated and vital service.

Gene Kinnaly epitomizes and is a most perfect example of the perfect administrative assistant, serving on Capitol Hill. His loyalty and honesty is unquestioned, his nimble mind and accuracy of judgment, born of his many years experience, are outstanding, and has on numerous occasions dissipated the danger of embarrassment to his boss, friend, and mentor, Speaker McCORMACK, who is as devoted to Gene as Gene is devoted to him.

The friends he has in the Capitol are legion and they universally are today extending their good wishes and warmest respect to Gene expressing the hope that he will continue on for another 44 years.

Mr. BOLAND. Mr. Speaker, I rise to join with my colleagues in commending my very good friend, Eugene T. Kinnaly, administrative assistant to our distinguished Speaker, JOHN W. McCORMACK, as he commences his 45th year as a secretary here on Capitol Hill.

Gene started to work in the Halls of Congress in the office of Congressman James Gallivan, of Boston, and remained with him until his death in 1928. The then State Senator JOHN W. McCORMACK, who was Democratic leader of the upper chamber of the Great and General Court of Massachusetts on Beacon Hill, was elected in a special election to succeed Congressman Gallivan for the unexpired portion of that term in the 70th Congress. Gene was asked by the newly elected Congressman McCORMACK to remain with him in his Capitol Hill office, because of his understanding of the needs and problems and hopes of the people in his city of Boston, and the Commonwealth, and his knowledge and vast experience on the Washington scene. As we all know, Congressman McCORMACK was elected to every succeeding term, he was elected the Democratic majority leader in September 1940, named Acting Speaker in September 1961, and elected to the eminent position of Speaker of this great deliberative body last January to succeed the late beloved Speaker Sam Rayburn, of Texas. During all of these years Gene Kinnaly has been at Speaker McCORMACK's side as his loyal, efficient, and forever calm secretary.

For those of us who have had the privilege of coming to know Gene Kinnaly over the years, it has been a genuine pleasure to work with him. We know full well what an asset he has been to Speaker McCORMACK. Gene is dependable, reliable, trustworthy, and sincere. I have never known him to turn away anybody with a problem and he is always willing to patiently listen to the troubles of constituents and colleagues alike, and then act with dispatch in a serious effort to have the problems adjusted.

A profoundly religious man who is generous in his charity, Gene Kinnaly is also an excellent lawyer, a member of the Massachusetts bar, and has been admitted to practice before the Federal courts and the U.S. Supreme Court. He has always willingly lent a helping hand to the new Members of Congress from his native Massachusetts. And we, in turn, have come to respect and admire Gene more and more as his years of service on Capitol Hill are fulfilled.

Mr. Speaker, may I take this opportunity to join with my colleagues in extending my very best wishes to your good and loyal administrative assistant, Gene Kinnaly, as he begins his 45th year here on Capitol Hill and pray for his continued good health in the years to come.

Mr. McCORMACK. Mr. Speaker, I appreciate the action of my friend, the gentleman from Illinois [Mr. KLUCZYNSKI], in bringing to the attention of the House the fact that my administrative assistant, Eugene T. Kinnaly, is on this day completing 44 years of service to the people of the 12th Congressional District of Massachusetts and to the Nation. Gene Kinnaly has been my administrative assistant for 34 years. When I came to Congress in 1928, succeeding the late beloved James A. Gallivan, I retained as my secretary Gene Kinnaly, who had served as secretary to the late Congressman James A. Gallivan. I could not have made a better choice. Gene Kinnaly had at his fingertips a wealth of knowledge as to what makes Washington run and his knowledge as to the Federal agencies was invaluable to me. I have observed Gene Kinnaly throughout the years and marveled at his swiftness and unobtrusive efficiency in carrying out his duties. Everyone who knows him remarks as to his personal friendliness and to his sympathetic and intelligent understanding of the many problems of a congressional office. Not only is Gene Kinnaly my administrative assistant, but he has come to be a member of the McCormack family. Mrs. McCormack and I have a strong feeling of friendship and respect for Gene Kinnaly. His loyalty to us is intense. He has been my very close confidant through the years that I have been a Member of this House. I am proud of him and I wish for him many years of continued service.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KLUCZYNSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the RECORD on Eugene T. Kinnaly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MEDICAL CARE FOR THE AGED

Mr. FARBSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, yesterday the most selfish and expensive lobby in Washington scored a temporary victory against the health needs of the American people. It is a Pyrrhic victory, for tomorrow we redouble our efforts to enact President Kennedy's medicare plan in the next Congress.

It is ironic in the extreme, viewed in the light of my experience in my home district, the 19th Congressional District of New York, where, in response to a questionnaire sent out by me to the voters in that district, 79 percent favored medicare, 18 percent were opposed, and 3 percent had no opinion. About 20,000 cards from my district favoring medicare have been sent to the House Ways and Means Committee urging action on this bill, so vital to millions of Americans.

Many physicians asked to be permitted to sign such cards—and have done so. It is quite apparent that the American Medical Association represents only that clique which controls and dominates its policies.

As the British Medical Journal said on July 13, it was dismissing as "vulgar, cheap, and nonsense" the attacks of AMA on the British Health Service. The Journal also stated:

> The dismay on the probable inherent weakness of American medical services is obvious if such a vast effort is to be expended on misrepresentation of what is happening in Britain.

SUBCOMMITTEE ON ENROLLED BILLS AND LIBRARIES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Enrolled Bills and Libraries of the Committee on House Administration may be permitted to sit during general debate on tomorrow, July 19.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 161]

Alford
Blitch
Boggs
Bolton
Boykin
Curtis, Mass.
Davis, Tenn.
Flood
Fogarty
Frazier
Garland
Gavin
Gray
Gubser
Hagan, Ga.
Harrison, Va.
Hoffman, Mich.
Jarman
Kearns
Laird
McSween
Mailliard
May
Merrow
Miller, George P.
Moulder
Powell
Roberts, Ala.
Robison
Rousselot
St. Germain
Saund
Scranton
Sisk
Smith, Miss.
Spence
Taber
Thompson, La.
Williams
Willis
Winstead
Yates
Zelenko

The SPEAKER. Three hundred and ninety Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPOSITORY LIBRARIES

Mr. HAYS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8141) to revise the laws relating to depository libraries, with Senate amendments thereto, and concur in Senate amendments 1 to 25, and Senate amendment No. 27.

The Clerk read the title of the bill.

The Clerk read the following Senate amendments:

Page 1, line 4, strike out "1961" and insert "1962".

Page 2, lines 20 and 21, strike out "may have been designated by each of the Senators from the several States, respectively, and as".

Page 2, line 22, after "designated" insert "by each of the Senators from the several States,".

Page 2, line 23, strike out "and" where it appears the second time.

Page 2, line 24, strike out "the Delegate from each Territory, or".

Page 2, line 25, after "Rico" insert ", by the Board of Commissioners of the District of Columbia, and by the Governors of Guam, American Samoa, and the Virgin Islands, respectively".

Page 2, line 25, after "That" insert "(1)".

Page 3, line 3, strike out all after "that" down to and including "area" in line 7 and insert "the total number of libraries designated by Representatives or the Resident Commissioner from Puerto Rico, as the case may be, shall not exceed two within each area, and (2) additional libraries within any State may be designated by each of the Senators from such State to the extent that the libraries within such State designated by Senators shall not exceed two designated by a Senator of each class".

Page 3, line 8, after "a" insert "State,".

Page 3, line 11, after "his" insert "Senator,".

Page 3, line 22, after "the" where it appears the second time, insert "Senator,".

Page 3, line 24, after "be." insert "Notwithstanding any other provision of this section, the Board of Commissioners of the District of Columbia may designate two depository libraries in the District of Columbia, the Governor of Guam and the Governor of American Samoa may each designate one depository library in Guam and American Samoa, respectively, and the Governor of the Virgin Islands may designate one depository library on the island of Saint Thomas and one on the island of Saint Croix."

Page 4, line 16, strike out all after "any" down to and including "made" in line 19 and insert "depository library, other than a depository library specifically designated by law, may be made only within the limitations on total numbers specified in section 501 of the Revised Statutes (44 U.S.C. 82), as amended, and".

Page 5, lines 11 and 12, strike out "at no time exceed the number authorized under existing statute" and insert "not be restricted by any existing statutory limitation".

Page 6, line 18, strike out "Representatives or" and insert "Senators, Representatives,".

Page 6, line 19, after "Rico" insert ", the Board of Commissioners of the District of Columbia, or the Governors of Guam, American Samoa, or the Virgin Islands".

Page 7, line 13, after "located" insert "(or (1) in the case of a library designated by a Senator, the Senator who made such designation or any successor of such Senator, (2) in the case of a library in the District of Columbia, the Board of Commissioners of the District of Columbia, and (3) in the case of a library in Guam, American Samoa, or the Virgin Islands, the Governor)".

Page 7, line 17, strike out "each" and insert "the State,".

Page 7, line 17, after "district" insert ", territory,".

Page 7, line 18, after "Rico" insert ", as the case may be".

Page 7, line 24, strike out "and".

Page 7, line 25, after "Academy" insert ", of the United States Coast Guard Academy, and of the United States Merchant Marine Academy".

Page 8, line 1, strike out "publication" and insert "publications".

Page 9, line 8, strike out "1961" and insert "1962".

Page 9, line 21, strike out all after "depository" over to and including "appropriations" in line 1 on page 10 and insert "libraries".

Page 11, after line 3, insert:

"SEC. 11. The Act entitled 'An Act to make the United States Coast Guard Academy library a public depository for Government publications', approved August 5, 1939 (53 Stat. 1209; 44 U.S.C. 87a), is hereby repealed."

Mr. SCHENCK. Mr. Speaker, reserving the right to object, may I ask my colleague from Ohio to explain the amendments?

Mr. HAYS. I will say to my colleague from Ohio [Mr. SCHENCK], who is the ranking member of the Committee on House Administration, that the Senate amendments are perfecting and refining in nature. We considered the amendments with Senate Members and staff and decided that they really did not change the intent or the content of the bill, with the exception of one amendment which I propose we accept with an amendment which is agreeable to the Senate. This procedure was more acceptable than the usually lengthy conferences needed to compromise differences.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman from Texas.

Mr. PATMAN. Does this bill allow another depository in each congressional district, like the original bill proposed?

Mr. HAYS. That is correct.

Mr. PATMAN. It goes through that way? It makes two instead of one?

Mr. HAYS. Yes.

Mr. PATMAN. And the Member of Congress would be allowed to select the place?

Mr. HAYS. The gentleman is correct.

Mr. SCHENCK. Mr. Speaker, I have long been a proponent of this needed expansion of the Depository Library System as handled by the Federal Government. I am anxious that Government periodicals be made available to our citizens who pay the bills for their production. I am equally anxious that the provisions be properly supervised so that the library system and the Federal printing program have safeguards for their practical and effective implementation.

I want the record to show that in supporting this bill I did not intend that the orderly printing programs of Government agencies be impaired by burdening them with an impracticable and unjustifiably expensive requirement. Neither do I favor any proposal that will tend in any way to disrupt the excellent service now provided by the Superintendent of Documents to the depository libraries.

I am honored to serve on the Joint Committee on Printing and the Joint

Committee on the Library. In the capacity of my membership with these two important groups, I observe firsthand the important part our Government plays in providing the fullest service possible in furnishing all public information in the most practicable manner. We recognize it as an obligation that the American public be kept well informed. It is in keeping with my desire that we perpetuate this responsibility and develop these needed expansions with understandable restraints, in keeping with our economic capabilities to do so. I believe the step we make today is consistent with my purpose to emphasize economy and efficiency in Government.

The Senate amendments were concurred in.

The SPEAKER. The Clerk will report Senate amendment No. 26.

The Clerk read as follows:

> Senate amendment No. 26: Page 11, after line 3, insert:
>
> "SEC. 10. The Joint Committee on Printing shall have the power to adopt and employ such measures as, in its discretion, may be deemed necessary and practical for the implementation of the provisions of this Act."

Mr. HAYS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

> Mr. HAYS moves to concur in Senate amendment No. 26, with an amendment, as follows:
>
> "SEC. 10. The Public Printer, with the approval of the Joint Committee on Printing, as provided for by section 2 of the Printing Act of 1895 (ch. 23, sec. 2, 28 Stat. 601), as amended, shall adopt and employ such measures as he deems necessary for the economical and practical implementation of this Act."

The motion was agreed to.

A motion to reconsider was laid on the table.

DEPOSITORY LIBRARY ACT OF 1962

Mr. HAYS. Mr. Speaker, today we are completing what appears to be the final House action on the Depository Library Act of 1962. It now must be returned to the Senate where concurrence is being requested in one amendment which, I am informed, will be accepted there. This will conclude all legislative consideration, and send the bill to the President for Executive decision.

Mr. Speaker, I am not going to dwell on the 6-year history of trying to steer through Congress this badly needed expansion and updating of the outmoded Federal depository library law. I have come before this distinguished body in this and the two previous sessions of Congress in 1957 and 1959. Each time the House passed the bill and sent it to the Senate. This year the Senate finally passed it with certain changes. Mr. Speaker, I wish simply to speak on the importance of the one amendment we have changed and returned to the Senate. The other 26 amendments, which we accepted, were simply refinements and and perfecting in nature. They made no substantive changes to the bill. The one in which we are requesting Senate concurrence should provide a safeguard against any runaway program in implementing the new provisions of this measure.

Mr. Speaker, I desire to use this time in order that I may express the intent of Congress in the implementation of the Depository Library Act of 1962. When I testified before the Senate Committee on Rules and Administration, on March 15 of this year, I stated that the new privileges being extended to the depository library system must not cost so prohibitive a price as to bog down both the Federal printing program and the depository library system. I was speaking about the tremendous number of Government publications not printed at or procured by the Government Printing Office. Permit me to read my statement on the subject, which is as follows:

> Mr. HAYS. Mr. Chairman, I think we ought to put in here some comment about why we did this. We did this because of publications in the scientific field, which the Government has gotten into, as you know, in a big way in the last 20 years. And we had no idea, and still have no idea, that they will be ordering all of these little "House" publications of the departments which have no general bearing, no general information that they would want. And should this develop into abuse, I think probably it could be handled either by amendment or perhaps by regulation from the Joint Committee on Printing. I do not think it will develop into an abuse, but I think the question being raised in the record is good enough to serve as a warning. Because certainly I would not be in favor of that kind of thing.

Mr. Speaker, I believe that the new section 10, as we have reworded it, should now be sufficiently flexible to permit a more economical and effective administration of this act. Specifically, no provision was made for exempting publications produced in small numbers for specialized use, thus requiring overproduction of such publications by several hundred percent in some instances. Also, many publications such as technical and training manuals, and various types of handbooks, while perhaps of some so-called public interest, could not justify the wide dissemination and high cost of maintenance that in books of broader interest would be practical. Clearer power of determination in such cases, and greater selectivity in those publications chosen for distribution to depository librarians, would unquestionably result in a great saving in Government funds and much more efficient administration of the depository library program.

Mr. Speaker, permit me to cite one specific item in the bill which requires clarification as to intent. It appears in lines 21, 22, and 23 of section 4. Concern has been expressed as to the applicability of this legislation to publications intended to be self-sustaining such as those of the Office of Technical Services of the Department of Commerce. The language, "; but shall not include so-called cooperative publications which must necessarily be sold in order to be self-sustaining," was intended to make it absolutely clear that all self-sustaining or self-liquidating publications such as those of the Office of Technical Services of the Department of Commerce are among those exempted from the requirement of free distribution. This means self-sustaining or self-liquidating publications resulting from either joint private-Government efforts or wholly Government-sponsored efforts.

Mr. Speaker, I have carefully read the testimony of the Public Printer, who, before April 1961, served as staff director of the Joint Committee on Printing for 10 years. He furnished very significant information about the printing plants located all over the world which are authorized by the Joint Committee on Printing and which do approximately $100 million worth of printing a year. The Subcommittee on the Library in the report of the Senate Committee on Rules and Administration felt that very little of this material is of interest to depository libraries. The Public Printer takes the position, and has so testified before the Senate Subcommittee on the Library and the House Subcommittee on Legislative Appropriations, that this small amount does not justify the cost to the taxpayers that would be required to get this non-GPO printing to the libraries.

He has surveyed many of these printing plants and knows the problems involved in complying with this legislation. In addition to their normal requirements, it will be necessary for each of these plants to print sufficient copies of every item not exempted from the act to meet the requirement of the libraries—not knowing at the time of printing which libraries will select which item; inventory and store them; furnish the Superintendent of Documents with a list of what has been printed; eventually ship to Washintgon what is selected; and throw away the vast majority not selected. This would be a cumbersome and costly procedure and, in many instances the effectiveness of the publications would be destroyed because they would be out of date before they got into the depository system.

The Public Printer does not wish to deny to the depository libraries any service that his Office can possibly give. If given the additional funds necessary to include in the depository program field publications along with those produced by the Government Printing Office, which the Superintendent of Documents now distributes, he will do his very best to accomplish it. He is most anxious, however, that the fine depository distribution system that now exists not be bogged down by the addition of this mass of material, over which the Government Printing Office has no control, in order to get from it the few things that might be of interest to a depository library.

In conclusion, may I call your attention to the very profound and significant testimony presented by Air Force Secretary Zuckert representing the Department of Defense. While the Defense Department voiced no objection to the provisions of the bill which would increase the number of depositories nor the basic objective of the bill to make Government information available to the general public, great concern was expressed as to the likelihood of increasing administrative costs of its implementation to such an extent as to render its enactment inadvisable.

I am certain that ample testimony has been received, voicing strong endorsement of the original proposal to expand the Federal depository library system. But equal attention must be given to the many misgivings mentioned in the hearings, that the incorporation into the library distribution system of all Federal printing can be undertaken without inflicting serious hardship on the agencies concerned. For that reason, the House and Senate committees worked out this new section 10, which we believe will effect practical implementation of the new act without impairment of the efficient services extended to the Federal printing and depository library programs at this time.

ANTITRUST CIVIL PROCESS ACT

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (S. 167) to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1884)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 167) to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 15, 16, 17, and 24.

Amendment numbered 4: That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert "or the Federal Trade Commission"; and the House agree to the same.

Amendment numbered 7: That the Senate recede from its disagreement to the amendment of the House numbered 7, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert "any final order of the Federal Trade Commission, or"; and the House agree to the same.

Amendment numbered 14: That the House recede from its amendment numbered 14.

Amendment numbered 18: That the Senate recede from its disagreement to the amendment of the House numbered 18 and agree to the same with an amendment as follows: In lieu of the matter stricken by the amendment insert "or the Federal Trade Commission"; and the House agree to the same.

Amendment numbered 19: That the Senate recede from its disagreement to the amendment of the House numbered 19 and agree to the same with an amendment as follows: In lieu of the matter stricken and inserted insert "court or grand jury, or the Federal Trade Commission".

Amendment numbered 20: That the Senate recede from its disagreement to the amendment of the House numbered 20 and agree to the same with an amendment as follows: In lieu of the matter stricken and inserted insert "court or grand jury, or the Federal Trade Commission".

Amendment numbered 21: That the Senate recede from its disagreement to the amendment of the House numbered 21 and agree to the same with an amendment as follows: In lieu of the matter stricken by the amendment insert "or the Federal Trade Commission"; and the House agree to the same.

Amendment numbered 22: That the Senate recede from its disagreement to the amendment of the House numbered 22 and agree to the same with an amendment as follows: In lieu of the matter stricken and inserted insert "court or grand jury, or the Federal Trade Commission".

Amendment numbered 23: That the Senate recede from its disagreement to the amendment of the House numbered 23 and agree to the same with an amendment as follows: In lieu of the matter stricken by the amendment insert "or the Federal Trade Commission"; and the House agree to the same.

JAMES O. EASTLAND,
ESTES KEFAUVER,
OLIN D. JOHNSTON,
Managers on the Part of the Senate.

EMANUEL CELLER,
PETER W. RODINO, JR.,
BYRON G. ROGERS,
Managers on the Part of the House.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 167) to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

DEFINITIONS

Amendments Nos. 1 and 3: Provide formal changes made necessary by the deletion provided in amendment No. 2 as proposed by the House.

Amendment No. 2: Provides for the deletion from the antitrust laws to which the bill applies as proposed by the Senate of section 3 of the Robinson-Patman Act as proposed by the House.

Amendment No. 4: Provides for the insertion of the Federal Trade Commission in lieu of antitrust agency as proposed by the Senate and stricken out as proposed by the House.

Amendment No. 5: Deletes as proposed by the House the definition of the term "antitrust agency" as proposed by the Senate.

Amendments Nos. 6, 7, and 8: Correct the subparagraph numbers as proposed by the House; and reinsert the words "any final order of any antitrust agency, or" as proposed by the Senate and stricken out as proposed by the House, except that "the Federal Trade Commission" be inserted in lieu of "any antitrust agency".

Amendments 9, 10, 11, 12 and 13: Correct the subparagraph numbering.

Civil investigative demand

Amendment No. 14: Delete Amendment No. 14 as proposed by the House which inserts "under investigation."

Amendment No. 15: Inserts before "antitrust investigation" as proposed by the Senate "a civil" as proposed by the House.

Amendment No. 16: As proposed by the House, the court in any proceeding under section 5(d) may direct the place of production and inspection of the documents demanded.

Amendment No. 17: Eliminates useless phraseology as proposed by the House.

Amendment No. 18: Strikes out as proposed by the House "or any antitrust agency" as proposed by the Senate and inserts in lieu thereof "or the Federal Trade Commission".

Amendments Nos. 19, 20 and 22: Strike out as proposed by the House "court, grand jury, or antitrust agency", and insert "court or grand jury", but amend to insert in lieu thereof, "court or grand jury, or the Federal Trade Commission".

Amendments Nos. 21 and 23: Strike out as proposed by the House "or any antitrust agency" as proposed by the Senate and insert in lieu thereof "or the Federal Trade Commission".

Amendment No. 24: As proposed by the Senate any person, not including a natural person by virtue of the definition of person in the bill, could be punished for disobedience of a court order under the bill. The amendment of the House makes a natural person subject to such punishment as agreed to by the managers on the part of the Senate.

In substance, the conference report makes the following changes in the bill: It deletes from the bill the Robinson-Patman Act as proposed by the House. Persons on whom civil investigative demands may be made would include all persons, other than natural persons, who may possess such documentary material as proposed by the Senate and are not limited to only such persons who are under investigation as proposed by the House. As proposed by the Senate the material obtained under a civil investigative demand would be available to any agency charged by law with the administration of any antitrust law prescribed in the bill instead of only the Department of Justice as proposed by the House. The conference report would delete antitrust agency and substitute therefor the Federal Trade Commission, making such material available only to the Department of Justice and the Federal Trade Commission. The report also includes a natural person as punishable for disobedience to a court order issued in the enforcement of the provisions of the bill.

EMANUEL CELLER,
PETER W. RODINO, JR.,
BYRON G. ROGERS,
Managers on the Part of the House.

Mr. CELLER. Mr. Speaker, this bill is called the Antitrust Civil Process Act, sometimes known as the Civil Investigative Demand Act. Its purpose is to give authority to the Attorney General to compel production of documentary evidence required in civil investigations for the enforcement of the antitrust laws. It is not a bill to bring criminal prosecutions to enforce antitrust laws.

The Department of Justice must be able to make adequate investigations to ascertain the facts. This bill, the antitrust civil process bill, or the civil investigative demand bill, has no reference whatever to persons. It is directed to corporations, business entities, and partnerships.

This bill has passed the Senate on two distinct occasions. It has also passed the House. The bill was recommended by the Eisenhower administration, and it is recommended by the Kennedy administration.

Heretofore, when the Department of Justice sought documentary evidence or data, it availed itself of the impaneling of a grand jury, and in that way sought to get the necessary evidence for purposes of prosecuting a civil suit. That method has been severely criticized, and in order to do away with that criticism and not go through the cumbersome procedure of impaneling grand juries, this bill was devised to give the Department of Justice the right to issue a demand upon the corporation to furnish the necessary data.

Now, there is nothing new in this process. We have already given that very right to the Department of Labor, the Treasury, Agriculture; we have given it to the Federal Trade Commission, the Bureau of the Census, the Veterans' Administration, the Atomic Energy Commission, National Labor Relations Board, and the National Science Foundation. Some 17 States have statutes on their books which give this same right that we are now seeking for the Attorney General to the attorneys general or other constituted officers of these States: Arizona, Hawaii, Idaho, Kansas, Louisiana, Maine, Missouri, Montana, Nebraska, New York, North Carolina, South Carolina, Oklahoma, Texas, Utah, Washington, and Wisconsin.

There are appropriate safeguards in the bill. No corporation need divulge legally privileged documents, and the bill provides that anyone aggrieved can go into court and challenge the demand made by the Department of Justice.

Now, the conferees made certain changes. The House struck out the criminal provisions of the Robinson-Patman Act. This was agreed to in conference. The House limited use of the civil investigative demand to corporations and entities under investigation. The conferees accepted the Senate version. Thus material obtained under civil investigative demands would include any other corporation which possessed essential documentary evidence, and the demand is not limited to the particular corporation under investigation.

The Senate bill would make available material to all antitrust law enforcement agencies. The House limited the material to the Department of Justice. The conferees compromised that issue and made the material available only to the Department of Justice and to the Federal Trade Commission.

Now, these investigations are difficult at best, as was stated so very eloquently on the debate of this bill originally by the distinguished gentleman from Ohio [Mr. McCulloch]. As he truly said:

> Furthermore, Mr. Chairman, I am sure that those who have studied antitrust investigations know what an unbelievably heavy burden is on the Department of Justice in trying to ascertain the material facts before action is brought.

Mr. Speaker, I could not improve upon that statement. It is very difficult completely to forge the links in a chain of an antitrust investigation.

Mr. Speaker, the amendment that was adopted on the floor, offered by the distinguished gentleman from Minnesota [Mr. MacGregor], would limit the securing of the evidence or the essential data to the particular corporation under investigation. That means if corporation A was under investigation, the material evidence that would be in the files or that would be in the possession of corporation B or C or D would not be available to the Department of Justice if there was no reason for the Department to suspect B, C, or D of any antitrust violations. Now, see what would happen if we had such a bill as is envisaged here today: In the case of the electrical manufacturers, say, the General Electric Co. in Philadelphia, the Department of Justice would be limited to examination of the files of the General Electric Co., but its competitors and the customers and those affiliated with the General Electric Co. would be impervious under the MacGregor amendment to the demand of the Department of Justice, unless the Department had some reason to suspect them, and the whole case would have fallen by the wayside. Then what would have happened? The Department might then go back to the old practice of impaneling a grand jury.

Mr. Speaker, there is something sinister about a grand jury, as far as the person under investigation is concerned. There is sort of a criminal taint attached, a criminal aura that surrounds the person who is to be investigated by a grand jury. Furthermore, testimony taken before a grand jury is in camera. It is secret. The attorneys and counsel for those under inquiry do not know what the questions are, and do not know what the answers are. They are like a blind man looking for a black hat in a dark room.

Mr. Speaker, we want to do away with that because that may involve injustice to the corporation under inquiry, hence this civil investigative demand bill.

Mr. Speaker, I do hope that the conference report will be adopted.

PURPOSE AND NATURE OF THE BILL

Mr. Speaker, the basic purpose of the bill is to give the Department of Justice power to obtain evidence in civil antitrust investigations comparable to the power the Department now has in criminal antitrust cases through the use of grand jury procedures.

I say "comparable powers" because the civil antitrust process provided in this bill is far more limited than a criminal grand jury subpena in three important respects:

First. The civil investigative demand, unlike a grand jury subpena, is limited to business firms, and natural persons have been carefully excluded.

Second. It is limited to documentary evidence. Prospective defendants and witnesses cannot be interrogated in camera and without the advice of counsel as they could be in a criminal grand jury proceeding.

Third. Many safeguards have been carefully prescribed in this bill to protect business firms against unreasonable or oppressive demands.

LEGISLATIVE HISTORY

A civil investigative demand bill was recommended in 1955 by the Attorney General's National Committee To Study the Antitrust Laws.

The Supreme Court's decision in *U.S.* v. *Procter and Gamble*, 356 U.S. 677 (1958), held that it would be an abuse of process in an antitrust case to proceed by way of grand jury investigation where the Department of Justice has no serious intention of bringing a criminal suit. Thus this bill becomes a virtual necessity.

Such legislation has been recommended in the Economic Reports of the President to the last four Congresses, by the Cabinet Committee on Small Business in two successive reports, and by the American Bar Association. Such legislation has been urged by both the Eisenhower and Kennedy administrations.

As a result of virtually unanimous support for such legislation, and after thorough public hearings and committee consideration, both Houses have approved this bill during the present Congress.

The bill was extensively amended in the Senate to incorporate a number of important safeguards proposed by the American Bar Association. Further, as approved by the House Committee on the Judiciary, this bill was perfected by 29 additional amendments.

Several House amendments were inserted to provide still further safeguards against any abuse of the civil investigative demand procedure, and to insure that this procedure would be used only in civil antitrust proceedings. For this reason, the House struck out a reference to a criminal statute, section 3 of the Robinson-Patman Act, and inserted an additional amendment expressly restricting the procedure to civil antitrust investigations.

ISSUES POSED BY THE CONFERENCE REPORT

The Senate receded from its disagreement to all of the amendments proposed by the House save two.

The first is the so-called McGregor amendment, proposed on the floor of the House and adopted on a close teller vote by a relative handful of Members.

This amendment would restrict the civil investigative demand to prospective defendants and deny its use in the case of prospective witnesses.

In my view, this amendment would make the bill unfair, ineffective, and unworkable and bring back the much criticized grand jury investigation panels.

It would be unworkable because it is impossible in a preliminary investigation for the Department of Justice to forecast what its investigation will disclose. The Department generally does not know in advance whether an antitrust violation has occurred or how widespread it may prove to be. The recent electrical price-fixing cases illustrate this. It would be unrealistic therefore to require the Department to guess in advance what companies will ultimately be named as defendants and which companies will end up as witnesses.

The bill would be unfair if limited to persons "under investigation" because every company which receives a civil investigative demand would immediately be regarded as a probable violator of the antitrust laws. This might well hurt the company financially, even though an inspection of its documents might disclose that it was not guilty of any antitrust violation.

Finally, the MacGregor amendment would render the bill, to a large degree, ineffective for several reasons:

First. Many a sophisticated antitrust violator today destroys compromising files. Often essential evidence of antitrust violations may only be found in files of innocent companies with which the guilty company has been in correspondence.

Second. Much antitrust litigation entails a judgment as to the relevant market and the proportion of business in that market which is affected by the antitrust violation. Often this information can only be obtained or compiled from documents in the files of other companies in the same industry.

Third. For many firms the civil investigative demand will serve the office of a "friendly" subpena. Many small firms would gladly cooperate with the Department of Justice where they have been hurt by illegal practices of their competitors, customers, or suppliers, but they are afraid to volunteer evidence for fear of retaliation or fear of being branded as stool pigeons in the industry. The Antitrust Subcommittee in the course of its hearings on this bill compiled a list of 29 instances of such refusals of cooperation.

If the civil investigative demand is to be a true civil alternative to grand jury proceedings, it should be equally effective.

Another House amendment which was modified by the conference report involves a compromise.

As approved by the Senate, the Department of Justice could make available documents obtained through a civil investigative demand to "other antitrust agencies." Principally, because of the vagueness of this phrase, the provision was stricken by the House. The conferees compromised and agreed that the Department of Justice could make documents obtained by a civil investigative demand available only to the Federal Trade Commission for use by that agency in the parallel enforcement of the antitrust laws.

This compromise reflects the recommendation in the report of the Attorney General's National Committee To Study the Antitrust Laws, that:

"2. To avoid duplicating investigations, the investigative files should, to the extent permitted by existing law, be made fully available to the other" (p. 377).

CONCLUSION

In conclusion, I earnestly commend this bill, as agreed to in conference.

I urge the House today to take a long step forward toward the fair, effective enforcement of the antitrust laws by approving this bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. McCulloch].

Mr. McCULLOCH. Mr. Speaker, first of all I am pleased with the compliment that the distinguished chairman of our committee has paid to me, and I hope that by reason of the conditions which have changed since the time I made that speech the chairman of our committee will follow me in the logic as I present it today.

Mr. Speaker, at the proper time I will offer a motion to recommit the conference report to the committee, with the proper instructions. It is true that this general type of legislation was recommended by President Eisenhower and by both of his Attorneys General, as it has been by the present Attorney General. However, the recommendations of President Eisenhower and his Attorneys General were not in accordance with this conference committee report on which we are asked to vote today. For that reason I am going to offer a motion to recommit, as I have indicated.

Mr. Speaker, Members of the House will recall that this matter was before the House on March 13 or 14 of this year. There have been material changes in the economy and the climate of the economy in this country in the meantime. I need not remind a single Member of the House what happened immediately after the announcement of the steel price increases and what continued to happen for a while thereafter. I need not remind the House that there have been more home foreclosures in the last year than in any year since 1940. I need not remind the House that there were more bankruptcies in the last year among small business than in any year since 1939. I need not remind the House what happened on black Monday some 6 or 8 weeks ago. Of course, all of you heard last night or read in the papers this morning, that the Dow-Jones averages of selected industrials dropped more than 10 points yesterday.

Mr. Speaker, I regret the necessity of reciting these unpleasant facts, and I regret to say to the Members of the House and through them to the people of the country that our business climate is not now of the best and every proper act should be to improve, not worsen, it.

Business, particularly small business, is troubled and afraid. It is high time that we adopted a benevolent, helpful attitude, so that there be more employment, that there be more profits upon which more taxes are paid, that we bring to an end at the earliest possible moment these staggering deficits which, if we implement the recommendations of the executive department, as I have said before, will be greater in the next fiscal year even than they are in this year; and they approached $8 billion as I last saw the figures.

The conference committee report, to which I object, would strike out the MacGregor amendment which, after thorough debate on the floor of the House, was accepted as a necessary improvement to S. 137. Furthermore, the conference committee report, if adopted by the House, would authorize the Attorney General to make a demand for documents from every corporation, every business entity in the United States, in any antitrust investigation, and thereafter furnish those documents to other agencies of the Government for whatever purpose they might wish to make of them, without the company or the business upon which the demand had been made knowing the reason therefor, or the use to which they were to be put.

Mr. Speaker, I am sorry there is not enough time in the 1 hour allotted to both sides on this important matter, and the brief 5 minutes allotted to me, to go into all the ramifications of this most important legislation. For that reason I am bringing my presentation to a close since my able colleagues from Michigan, New York, and Minnesota will have some brief time to present other compelling facts on the issue before the House.

Before I close I wish to say to my friends on the other side of the aisle—I need not say it to my friends on this side of the aisle—that there is no Member of the House who has been more free of partisanship in matters that have come from the Committee on the Judiciary, or recommendations that have been sent up to the House for Judiciary Committee action by the President under three administrations, than the Representative from the Fourth District of Ohio. It is my studied judgment that the conference committee report, the parts thereof written in it by the Senate, are not presently in the best interests of the economy of this country. I therefore hope that when a motion is made to recommit, which I shall make, every person interested in the present welfare of this country and in improving the business climate in these uncertain times joins with me in sending the report back to the committee, where the House will have another chance to work its will.

Mr. CELLER. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. Rodino].

Mr. RODINO. Mr. Speaker, the civil investigative demand bill, S. 167, has been regarded by many, including the head of the Antitrust Division, as one of the most important measures in the antitrust field in recent years. Members of both parties in the House, I am sure, are well aware of the importance of our antitrust laws to the preservation of our free competitive economic system. The effectiveness of those laws depends upon the effectiveness of their enforcement.

The ability to gather information to determine whether or not an antitrust complaint should be filed is, of course, essential to effective enforcement of the antitrust laws. Use of grand jury proceedings, with the consequent threat of criminal action, to obtain the necessary information is no answer in cases where there is no reason to suspect criminal conduct or where, as in merger cases, only civil relief would be available. Furthermore, in such cases, prospective defendants and witnesses are confronted with secret, ex parte proceedings where they are not represented by counsel and cannot obtain a transcript of their own testimony. Indeed, the Supreme Court held in *U.S. v. Procter & Gamble*, 356 U.S. 677 (1958), that grand jury proceedings would be an abuse of process where no criminal prosecution was seriously contemplated.

Yet, the Department of Justice in the past resorted to grand jury procedures perforce because the Congress gave it no compulsory civil process to obtain the information needed to determine whether a civil suit should be brought. This has been in anomalous contrast to the grant of similar powers given to many Federal agencies, notably the Federal Trade Commission, and to the attorneys general of 17 States. There are few, if any, instances where such powers have been abused.

In recognition of all these factors the Attorney General's National Committee To Study the Antitrust Laws, in its report of 1955, advanced as one of its few legislative recommendations a recommendation for a civil investigative demand bill.

Such legislation has been recommended by both the Eisenhower and the Kennedy administrations, and by the American Bar Association.

Bills to carry out that recommendation were introduced in Congress and today we stand at the threshold of bringing about a highly desirable reform in the administration of the antitrust laws. Both the Senate and the House have recognized the importance of this bill by giving it resounding support.

But the bill as it passed the House contains one provision that would strip this sorely needed legislation of much of its effectiveness. I refer to the so-called MacGregor amendment.

Under this amendment, proposed by Congressman MACGREGOR on the floor of the House and adopted on a close teller vote cast by a handful of Members, this bill would be limited to examination of documents of the particular company suspected of violating the antitrust laws. The effect of the amendment would be to bar the use of the provisions of this bill to examine documents held by companies in the position of prospective witnesses in order to determine whether or not a prospective defendant has violated the antitrust laws.

Neither in the House nor in the Senate Judiciary Committees was any such destructive qualification to the bill proposed, although the bill was carefully considered and discussed at length both in subcommittee and before the full committees of the respective Houses. Both this and the preceding administration had recommended this measure without such a restriction. The bill was passed by the Senate without any such nullifying restriction. Accordingly, the majority of the conferees of the House and the Senate rejected the MacGregor amendment. There is no doubt in my mind that this amendment should be rejected by the House and that the conference report should be fully supported for the following reasons:

Throughout the consideration of this bill its proponents have had two major considerations in mind. One was to grant the antitrust authorities a much needed investigative tool, and the second was to do this in a way which would be fair to the company whose documents are sought. The bill therefore contains many safeguards carefully inserted to protect the rights of such companies.

If we do not pass an effective civil investigative bill we will merely continue the unfortunate existing situation where the Department must make a difficult choice between Scylla and Carybdis: it must either file a civil complaint based upon inadequate knowledge, where greater knowledge has been denied because of inability to look at documents in the possession of prospective witnesses, or it may strain to find evidence of criminality and resort to grand jury proceedings where only a civil proceeding would have been contemplated if a compulsory civil investigative process were available.

Hard as such a choice may be for the Department of Justice, these alternatives offer no better choice to prospective defendants. They will be confronted either by criminal proceedings or by civil litigation which would never have been brought, or which will be more expensive and protracted than necessary, because the Department of Justice has been unable to obtain the information it needed prior to bringing suit. Yet these are the hard choices which will continue to confront the Department of Justice and prospective defendants alike if the MacGregor amendment should be reinserted into this bill.

This bill, and the compulsory process it authorizes, would be unnecessary, of course, if prospective defendants and witnesses would cooperate with the Department of Justice in making available evidence of their conduct. Naturally enough, however, few companies are willing to furnish evidence of suspected violations of the antitrust laws. At the hearings on this bill, the Department of Justice furnished 29 instances of such refusals to cooperate by prospective defendants and witnesses.

Moreover, as companies have become sophisticated in antitrust matters and have had the benefit of experienced antitrust lawyers, fewer and fewer compromising documents have been left to be found in their own files. Often necessary evidence of an antitrust violation will only be found in correspondence they have had with other companies which have retained such correspondence in their files. Thus, those who support the MacGregor amendment on the ground that innocent companies should not be subject to a civil investigative demand are really asserting that guilty companies should be immunized from the antitrust laws by denying to the Department of Justice access to evidence of their guilt in the files of other companies.

For as every trial lawyer knows, many a prospective witness is reluctant or downright unwilling to appear in court or otherwise become embroiled in a lawsuit. This same reluctance applies to antitrust cases as it does in negligence cases. Indeed, a company may be especially loath to make available evidence against another company in the same industry for fear of being regarded in the industry as an informer or stool pigeon.

There can hardly be a lawyer in this body who has not used the familiar discovery procedures of the Federal Rules of Civil Procedure after filing a complaint so as to elicit information from prospective witnesses. No one today calls this harassment. Such procedure is a matter of course in the Federal and State courts throughout the land. It seems anomalous indeed to say that the same process is "harassment" before filing a complaint where as after filing a complaint it is standard operating procedure.

In grand jury investigations not only are documents of prospective witnesses subpenaed but individual witnesses themselves are brought before a grand jury and interrogated ex parte without benefit of counsel. Under this bill, on the other hand, the company in the position of a prospective witness is required only to submit documents and is carefully protected by the safeguards in the bill from unreasonable or burdensome demands.

The MacGregor amendment, moreover, would penalize companies which are willing to cooperate with the Government. I am told there have been frequent instances in the past and that currently there are a number of similar instances, where companies have been quite willing to make their documents available to the Government in an antitrust investigation, but because of fear of reprisal by the company under investigation they insist on the protection of a subpena before producing their papers. The small company may be particularly fearful of such reprisals by his larger competitor even though he has been badly hurt by the latter's antitrust violations.

Another untoward effect of the MacGregor amendment would be to cast the finger of suspicion on any company whose documents are demanded under this bill. Since the MacGregor amendment would limit the use of a civil investigative demand to companies under investigation the mere fact that process had issued under the bill would amount to a public announcement that this particular company was suspected of violating the antitrust laws. This might well cause serious financial effects for such a company even before the Department had determined whether a violation had occurred.

For all these reasons I say to the House that this bill as agreed to by the conferees will provide an essential tool for the Department of Justice in the effective enforcement of the antitrust laws, and will at the same time be eminently fair to the parties whose records are sought. Every conceivable safeguard has been written into this bill to protect prospective witnesses and defendants alike.

If the so-called MacGregor amendment should be reinserted into the bill, however, its effectiveness will be jeopardized to the damage of both the public interest and those whose documents are sought in antitrust investigations.

With all the vigor at my command I urge the House to approve this bill as agreed in conference.

Mr. CELLER. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, we in the House of Representatives are the outer guards and we on the Judiciary Committee of the House of Representatives are the inner guards of the most precious treasure in the country, the rights and personal liberties of the American citizens.

Law enforcement agencies need tools, authority, power to discharge their responsibilities of protecting citizens generally from predatory, illegal activities of some citizens. But when we grant power to law enforcement agencies, we take that power from the reservoir of the political freedoms and individual rights of American citizens.

Mr. Speaker, I am sympathetic with the problems of the prosecutor and the investigator. I have been both. I was prosecutor of Washtenaw County, Mich., and I was counsel to two Senate committees—the Truman-Mead committee to investigate the national defense program and the Fulbright committee to investigate RFC loans.

I am fully aware of the tendency of the wily criminal to employ the Bill of Rights to delay and defeat the efforts of the police and the prosecutor to bring him to book. I sympathize with the impatience of dedicated, zealous law enforcement agents with the cumbersome procedures and obstacles they must overcome to investigate, to apprehend, to bring to trial, and to punish the criminal elements of our society. It sometimes seems to those who have had responsibility for enforcing the law that the scale is weighted in favor of the rascals. The presumption of innocence, proof beyond reasonable doubt, the rules of evidence, the privilege against self-incrimination, jury trial and the many other protections of individual rights hamper and make more costly and difficult the task of law enforcement agencies.

But, Mr. Speaker, these rights, these privileges, these immunities, these protections of the citizen from tyrannical behavior of the Government were the very core of the motivation of our Revolutionary War for independence from Great Britain and from the tyrannical oppression of a ruthless sovereign.

> He has erected a multitude of New Offices, and sent hither swarms of officers to harass our people, and eat out their substance. (Declaration of Independence.)

The civil investigative demand bill, the conference report on which is before us today, invests the Attorney General with the power of subpena and the power without court proceedings to demand of our citizens documentary evidence claimed by him to be needed in the enforcement of the antitrust laws. This power is, in effect, the key to the door of every business office in the United States, admitting investigators to the company files and records of every business to rummage and snoop at will in the name of investigation of violations of the antitrust laws. This is an invasion of the right of privacy of individual citizens and a weapon to be used against our citizens to harass, abuse, and threaten them and it has not been proved to be needed for proper law enforcement.

This power would vest in a political officer of the Government the power of search and seizure without a warrant except his own, and subject the most intimate and confidential details of business operations in this country to the prying eyes of a powerful bureaucracy.

We would vest this vast inquisitorial authority to inquire into the private activity of our citizens in the Department of Justice at a time when the executive branch of the Government is denying to the elected representatives of the people the right of access to information in possession of executive agencies regarding the exercise of authority and the expenditures of public funds. I refer now to the so-called doctrine of executive privilege which bureaucrats have employed to deny information to congressional committees inquiring into the conduct of Federal affairs.

Mr. Speaker, I am willing to grant authority needed for law enforcement even though it be at the expense of the right of our people to be let alone. But my assent is conditioned upon the establishment of a case for the grant of such authority. The burden of proof is upon those who ask for more power. Until that proof is presented, until that case is established, I will resist further encroachments by the bureaucracy on the rights and privileges of citizens.

Mr. Speaker, this Congress has been altogether too generous in acceding to requests for additional power on the part of the Department of Justice.

To begin with, a minimum of 11 laws were passed during the first session of this Congress which may be considered as major pieces of criminal legislation. These are as follows:

First. Public Law 87-338, amending section 35 of title 18, conveying of false information concerning the doing of any act violating those chapters of title 18 dealing with aircraft, shipping, and railroads.

Second. Public Law 87-368, amending section 1073 of title 18, flight to avoid prosecution or giving testimony.

Third. Public Law 87-216, amending chapter 50 of title 18, transmission of bets, wagers, and related information.

Fourth. Public Law 87-218, amending chapter 61 of title 18, providing means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia.

Fifth. Public Law 87-306, amending section 1362 of title 18, to further protect the internal security of the United States by providing penalties for malicious damage to communication lines, stations, and systems.

Sixth. Public Law 87-228, amending chapter 95 of title 18, prohibiting travel or transportation in interstate commerce in aid of racketeering enterprises.

Seventh. Public Law 87-371, amending chapter 713 of title 18, prohibiting transportation of fraudulent State tax stamps in interstate and foreign commerce.

Eighth. Public Law 87-336, amending section 5021 of title 18, the Federal Youth Corrections Act.

Ninth. Public Law 87-353, amending chapters 25, 31 and 47 of title 18, the forging, counterfeiting, embezzling or stealing of bonds and obligations of certain lending agencies, and the making of false statements thereof.

Tenth. Public Law 87-197, amending chapter 20 of title 49, violations of Federal Aviation Act.

Eleventh. Public Law 87-221, creating chapter 31 of title 15, destruction of property moving in interstate commerce.

During this session of Congress, there has already been another item of criminal legislation enacted:

First. Public Law 87-386, amending section 2385 of title 18, defining the term "organize" as used in the chapter on "advocating the overthrow of Government."

In addition, S. 1658, prohibiting the transportation of gambling devices in interstate commerce, has passed both this House and the other body and is now pending in conference, while the following four bills have passed the House and are awaiting action in the other body:

First. H.R. 6691, amending sections 871 and 3056 of title 18, providing penalties for threats against the successors to the Presidency and to authorize their protection by the Secret Service.

Second. H.R. 8140, amending various chapters of title 18, to strengthen the criminal laws relating to bribery, graft and conflicts of interest.

Third. H.R. 7037, amending section 3238 of title 18, providing for offenses not committed in any district.

Fourth. H.R. 8038, amending section 491 of title 18, prohibiting certain acts involving the use of tokens, slugs, disks, devices, papers, or other things which are similar in size and shape to the lawful coins or other currency of the United States.

There is now pending in the House, reported favorably from the Judiciary Committee, H.R. 8845, to elevate certain Federal investigators to the stature of courts by making it a Federal crime to impede investigations. This bill has been scheduled on the calendar for debate three times and has been removed from the calendar the same number of times. In my opinion it ought never to be brought up.

In addition there are many bills pending before House committees requested by the administration to grant still further power to the bureaucracy at the expense of citizens' rights. These bills include, first, authorizing grant of immunity of witnesses in labor racketeering cases; second, authorizing wiretapping including the authority to tap wires at the sole fiat of the Attorney General without court approval; third, premerger notification legislation; fourth, authorizing Federal Trade Commission preliminary injunctions; fifth, functional discount legislation; and sixth, quality stabilization legislation.

Mr. Speaker, I point out that once we grant the power we have no control over its use or abuse. The possibility of the employment of powers granted for one purpose for a wholly different purpose is well demonstrated by the manner in which this administration assembled various powers not only in the executive branch but also of committees of the Congress to fashion a weapon to bludgeon the steel companies into rescinding a price increase—a matter which the Government has had no direct authority to accomplish since the repeal of OPA and OPS.

The manner in which powers granted for one purpose were used in concerted action to accomplish a wholly different purpose than that for which the grant is made is summarized in a press release of the Senate-House Republican leadership of April 19, 1962, which I include at this point in my remarks:

STATEMENT BY THE JOINT SENATE-HOUSE REPUBLICAN LEADERSHIP

We, the members of the Joint Senate-House Republican leadership, deplore the necessity for issuing this statement, but the issues involved are too compelling to be ignored.

Beyond the administrative operations of the Federal Government, it is a proper function of a President, in fact it is a duty, to help American private enterprise maintain a stable economy. In our free society he must usually find his way by persuasion and the prestige of his office.

Last week President Kennedy made a determination that a 3½ percent increase in the price of steel would throw the American economy out of line on several fronts. In the next 24 hours, the President directed or supported a series of governmental actions that imperilled basic American rights, went far beyond the law, and were more characteristic of a police state than a free government.

We, the members of the Joint Senate-House Republican leadership, believe that a fundamental issue has been raised: Should a President of the United States use the enormous powers of the Federal Government to blackjack any segment of our free society into line with his personal judgment without regard to law?

Nine actions which followed President Kennedy's press conference of Wednesday, April 11, were obviously a product of White House direction or encouragement and must be considered for their individual and cumulative effect. They were:

1. The Federal Trade Commission publicly suggested the possibility of collusion, announced an immediate investigation, and talked of $5,000 a day penalties.
2. The Justice Department spoke threateningly of antitrust violations and ordered an immediate investigation.
3. Treasury Department officials indicated they were at once reconsidering the planned increase in depreciation rates for steel.
4. The Internal Revenue Service was reported making a menacing move toward United States Steel's incentive benefits plan for its executives.
5. The Senate Antitrust and Monopoly Subcommittee began subpenaing records from 12 steel companies, returnable May 14.
6. The House Antitrust Subcommittee announced an immediate investigation, with hearings opening May 2.
7. The Justice Department announced it was ordering a grand jury investigation.
8. The Department of Defense, seemingly ignoring laws requiring competitive bidding, publicly announced it was shifting steel purchases to companies which had not increased prices, and other Government agencies were directed to do likewise.
9. The FBI began routing newspapermen out of bed at 3 a.m. on Thursday, April 12, in line with President Kennedy's press conference assertion that "we are investigating" a statement attributed to a steel company official in the newspapers.

Taken cumulatively these nine actions amount to a display of naked political power never seen before in this Nation.

Taken singly these nine actions are punitive, heavyhanded, and frightening.

Although the President at his press conference made it clear that price and wage decisions in this country are and ought to be freely and privately made, there was nothing in the course of action which he pursued that supported this basic American doctrine.

Indeed, if big government can be used to extra-legally reverse the economic decisions of one industry in a free economy, then it can be used to reverse the decisions of any business, big or small, of labor, of farmers, in fact, of any citizen.

Most disturbing in its implications was the use of the FBI. Since the days of our Founding Fathers, this land has been the haven of millions who fled from the feared knock on the door in the night.

We condone nothing in the actions of the steel companies except their right to make an economic judgment without massive retaliation by the Federal Government.

Temporarily President Kennedy may have won a political victory, but at the cost of doing violence to the fundamental precepts of a free society.

This Nation must realize that we have passed within the shadow of police state methods. We hope that we never again step into those dark regions whatever the controversy of the moment, be it economic or political.

Mr. Speaker, I say that we had better watch these requests for additional authority in the departments downtown closely and insist that the burden of proof be met that these powers are needed and are not dangerously invading the personal liberties and the right to be let alone of the American people, before we grant these vast powers which can be used and misused against the American people by a zealous bureaucrat.

Mr. CELLER. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Speaker, when this legislation was before the House on March 13 I participated in the debate and opposed the passage of the bill. I am delighted that some of those who took a different view at that time have now seen the error of their ways and are coming back to the side of freedom.

We hear a great deal about the authority of the Justice Department and the Government, but as I read the hearings, and I wish I had time to really talk at length on the bill, I find this, where the counsel of the committee is interrogating the Attorney General:

Now, isn't it correct that at the commencement of a Sherman Act investigation, it is not possible for the Department of Justice to know whether a criminal or civil proceeding or both might be brought?

Mr. KENNEDY. That is correct.

Then counsel asked:

In other words, you wouldn't know when you start a Sherman Act investigation whether you are going to bring a criminal suit or a civil suit, is that correct?

Mr. KENNEDY. That is correct.

Then our former colleague, Mr. Holtzman, asked this question:

Assume, Mr. Attorney General, that you commence an investigation, and at that point you are not mindful whether this may or may not result in criminal as well as civil proceeding. Would you under this legislation be permitted to use any evidence that you obtain in the criminal proceeding that might take place as a result?

Mr. KENNEDY. Yes. You mean if this bill was enacted?

Mr. HOLTZMAN. Yes.

Mr. KENNEDY. Yes; we could then use the evidence and information in a criminal case. If we came to the conclusion from evidence right at the beginning that we had only a civil case, then we would be precluded from using the grand jury.

So you see that this civil demand, which the Attorney General would make upon an individual or a business for the purported purpose of determining whether there was a civil action which may be brought in behalf of the Government for an antitrust violation could be used then as evidence in a criminal prosecution. My friends, we hear a great deal about civil rights and constitutional protection, but if this bill is enacted and regardless of who the Attorney General may be now or 20 years from now—it places the Department of Justice in a position to go in under the guise of a civil proceeding and get evidence from an unwilling citizen of this country which can be used in a criminal proceeding. I am not saying that—the Attorney General said that in his testimony. I think the conference report should be defeated.

The SPEAKER. The time of the gentleman has expired.

Mr. CELLER. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota [Mr. MACGREGOR].

Mr. MACGREGOR. Mr. Speaker, what about this MacGregor amendment that has been referred to? Is it something that the gentleman from Minnesota pulled out of thin air as the chairman and the gentleman from New Jersey suggest? No—nothing of that kind at all. It just simply seeks to enact into law the recommendations of the American Bar Association and its Subcommittee on Antitrust Legislation. These men have studied this matter for 7 years.

Why is it that the Attorney General and the Assistant Attorney General in charge of antitrust proceedings are unwilling to accept reasonable safeguards surrounding a grant of broad, sweeping new powers?

Mr. Speaker, I said on March 13 that as legislators we have an obligation to consider primarily the possibilities of an abuse of new executive power rather than the probabilities of its proper exercise. How prophetic those words were. Just over 4 weeks later, at 3 o'clock in the morning, through the exercise of unwarranted police power, witnesses were gotten out of bed.

What does my amendment seek to do? It seeks to place a safeguard against the issuance of this civil investigative demand on witnesses, and in so doing it merely carries out the recommendations of the American Bar Association. Would that not be the sensible thing to do? Of course, it would.

The Washington Post, which is not known for its support of amendments which come from this side of the aisle, said as follows in an editorial about the MacGregor amendment:

> In addition the House added a Republican amendment which would have the effect of limiting the reach of the bill to companies under investigation. This seems to us a wise precaution despite the vigorous opposition it brought from the bill's sponsors. The Department can always broaden the scope of an investigation, if it finds reason to do so, but it should not be allowed to reach into the files of corporations under no suspicion. Apparently this amendment brings the bill into line with the recommendations of the American Bar Association. It ought to be preserved by the House-Senate conference committee.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. MacGREGOR. I yield to the gentleman from Michigan.

Mr. MEADER. I ask the gentleman if the version that the conferees have brought back is not in effect giving to the Attorney General the key to the door of every business office in the United States for his representatives to go in snooping around on a fishing expedition?

Mr. MacGREGOR. It will give him the key without having to bother to go into court or before a judge and explain why he wants to use that key.

We have seen not only that there can be an abuse of power by the Attorney General and by the staff in the Attorney General's office, but we have also seen, indeed, a contempt of proper legislative processes in this grant of new power to the Executive. We have seen an unwillingness to accept reasonable safeguards designed to curb the abuse of power.

I urge my colleagues in this House who are concerned over the proper relationship between the Government and the individual in our society and who are concerned about maintaining our governmental system of checks and balances, to support the McCulloch motion to recommit.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. MacGREGOR. I yield.

Mr. MEADER. I believe the gentleman will agree with me that the need is to protect small business, since big business already opens their doors to the Antitrust Department.

Mr. MacGREGOR. The gentleman is dead right. As pointed out in the hearings, the gentleman from Massachusetts [Mr. DONOHUE] in questioning Witness Simon of the American Bar Association was concerned in keeping the small businessman from being unduly harassed by an abuse of bureaucratic power. This conference report would permit of such abuse—the very thing the gentleman from Massachusetts was concerned about. Here you would reach into the small businesses of this country with a key to open every lock they have.

Mr. Speaker, I include at this point a statement from the Association of the Bar of the City of New York:

REPORT ON S. 167, 87TH CONGRESS, 2D SESSION, ANTITRUST CIVIL PROCESS ACT

We understand that S. 167 has been passed by the Senate and, with some amendments, by the House, and that at a joint conference on May 28, 1962, the following two changes were made in the House bill by a vote of 6 to 4:

Section 3(a) of the bill, as passed by the House, defined the authority of the Department of Justice in making a civil investigative demand as extending only to persons under investigation. The conference report struck out the words "under investigation."

Section 4(c) of the bill, as passed by the House, limited to duly authorized representatives of the Department of Justice examination of documents obtained by the Department pursuant to a civil investigative demand. The conference report added the words "or the Federal Trade Commission" to this section, thereby making such documents available for examination by duly authorized representatives of the Federal Trade Commission.

1. Elimination of the words "under investigation" by the conference report indicates that a bill not including these words is intended to authorize the Department of Justice to use the demand to call for production of documents by companies not "under investigation" for an alleged civil antitrust violation or indeed not even suspected of violation. * * * Upon consideration of this point, we recommend retention of the words "under investigation" in section 3(a) of the bill.

We start with the basic premise that, under our system of government, private files should not be subject to the call of the Executive unless there is an overriding public necessity, and then only with appropriate safeguards. While the civil investigative demand is a considerable extension of the power of the Executive, the need for such a process against suspected violators to assist in effective enforcement of the antitrust laws has been well documented. However, need has not been demonstrated to require companies that are not suspected of violation to search for and produce from their files "a class or classes of documentary materials" in the course of a precomplaint investigation of some other company or companies.

Under these circumstances, account should be taken of the burden in terms of time, cost, and inconvenience to business operations which would be imposed upon those not suspected of violation in being required to respond to, or indeed to take court action against civil investigative demands addressed to them. Also to be taken into account is the fact that the Department of Justice has other means of obtaining information from those not party to the investigation, including detailed public data, voluntary disclosure, and the pretrial procedures under the Federal Rules of Civil Procedure when its complaint has been articulated and defined.

The balance of all these factors, in our judgment, is against application of the civil investigative demand to those not "under investigation." We believe inclusion of the words "under investigation" will properly require the Department to use the demand advisedly and discriminatingly only against those actually suspected of violation, while at the same time permitting it to utilize the already existing procedures for obtaining information from persons who are not the subject of its particular civil antitrust investigation and against whom it does not intend to proceed.

2. By the second change in the bill as passed by the House, the conference report would authorize the Federal Trade Commission to have access to documents received by the Department of Justice pursuant to a civil investigative demand. This is unnecessary, because the Federal Trade Commission in the performance of its duties and for purposes of its own proceedings already has independent authority to require companies to submit documents directly to it. It is also undesirable, because giving the Federal Trade Commission unrestricted access to documents submitted to the Department of Justice would have the result that if the Federal Trade Commission uses the documents for other purposes, then, despite the provisions in section 3(b)(1) of the bill,[1] the company supplying the documents would not know the possible charges against it.

We also note that existing law, section 8 of the Federal Trade Commission Act, provides that, when directed by the President, the Department of Justice shall furnish the Federal Trade Commission documents in the possession of the Department relating to any corporation subject to the Federal Trade Commission Act. We therefore suggest that if it is desired to carry section 8 of the Federal Trade Commission Act, with its reservation as to Presidential direction, over into the present bill, the words "or pursuant to section 8 of the Federal Trade Commission Act" should be substituted for the words "or the Federal Trade Commission."

Respectfully submitted.

Committee on Trade Regulation of the Association of the Bar of the City of New York, Roy H. Steyer, Acting Chairman; Albert C. Bickford, George H. Cain, J. Kenneth Campbell, Joseph V. Heffernan, John Howley, David Ingraham, Edward F. Johnson, Maximilian W. Kempner, John J. Scott, Frank A. F. Severance, Nelson F. Taylor, Allan Trumbull, Edward Wolfe.

Mr. CELLER. Mr. Speaker, I yield myself 1 minute to reply to what I believe was an inadvertence by the gentleman from Minnesota and the gentleman from Michigan [Mr. MEADER].

It is not true that every business office would be open to the Attorney General, and it is not true that the Attorney General could go roving all over the land without a court order. If the gentleman will look at page 10, section 5, he will see that when any person fails to comply with any civil investigative demand, the Attorney General must go to court to obtain an order enforcing the demand. Or, if the recipient wants to get the drop on the Department of Justice he can go into a court before the Department of Justice acts and resist the demand. In either case, a person subject to a civil investigative demand can have his day in court, to assert any objection he may have to the legality and reasonableness of the demand. Therefore it is not true that all offices would be open to the hand of the Attorney General. The court can intervene to see that no injustice is done.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, it seems to me that instead of harming small business, this bill is really aimed at, or has as one of its major aims, the very needed help to small business which is required by small business because it does not have available to it the kind of legal setup which enables it to protect itself in monopoly or antitrust matters.

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[1] Sec. 3(b)(1) requires that each civil investigative demand shall "state the nature of the conduct constituting the alleged antitrust violation which is under investigation and the provision of law applicable thereto."

It seems to me that this bill should be thought of primarily in the context of monopoly and antitrust matters. It is primarily aimed at preventing the tremendous cartels, the tremendous corporations from overpowering those they would crush simply because they will not make or produce the evidence which would prove the case were that evidence available to them.

I speak with a great deal of knowledge of this because, thanks to the chairman of the House Small Business Committee, I have been entrusted with the particular field of the small businessman in the petroleum industry.

Time and again our committee has received complaints from small businessmen in that industry in which certain allegations are made. We turned them over to the Federal Trade Commission or the Department of Justice, and inevitably the reply comes back: There are no available papers or documents upon which we can proceed to protect this small businessman. If that protection does not come from the Department of Justice or from the Federal Trade Commission, who can it come from? Therefore, it seems to me a vital necessity that a bill of this kind be passed.

I have studied it as carefully as I can, and I have reached the conclusion that the chairman of the Committee on the Judiciary is correct when he states that safeguards have been put around the possible abuse of power under this bill. There is the right to prove this is not a proper investigation of antitrust matters, in which case, of course, it would be protected. It has also been said it is not necessary to produce privileged matters. If these are not privileged matters, why should any business not be willing to bring them forth and make them publicly available in order that the protection of the antitrust laws against monopoly be made possible?

I sincerely trust the conference report will be agreed to.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Speaker, in reply to what my good friend and colleague from California has said with respect to small business, I must say I respectfully disagree with him. If small business ever has information that would be helpful to the Justice Department in antitrust investigation and wants to give it to the Department of Justice, the simple and easy thing for the Attorney General to do is to ask for it, or small business may send it to the Department without request.

On the other hand, small business does not want to be harassed and burdened by innumerable requests and demands for information that it might not wish to disclose, or that might take long hours of work to assemble. The only protection for small businessmen, under the conference committee report if you please, with no full-time general counsel, is to go to the U.S. district court. In some places, even in California, that would entail, we are told, traveling 150 or more miles to present its objections to the court.

There is authority to get the information where it wants to be given from small business. The conference report is not legislation that will make it easy for small business.

Mr. HARVEY of Indiana. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. Mr. Speaker, I want to commend the gentleman from Ohio on his very forthright stand and say that I agree with him wholeheartedly and hope this conference report will be recommitted.

Mr. McCULLOCH. Mr. Speaker, may I say to the Members of the House I have not had a single request from small business within my section of Ohio, a great industrial State, which requested me to support the conference report.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, may I say to the gentleman from Ohio that he has misinterpreted what I said. I did not say that small business was not willing to give information to the Justice Department. It is the inability of small business to get from the large corporations, from the cartels, the information upon which they can go forward and be protected by the antitrust laws. Therefore, he must appeal to the Department of Justice or to the Federal Trade Commission, which he does by writing to the Small Business Committee, or Members of Congress. It is then that the Department of Justice tells him, "We have no power to get the evidence upon which we can protect you."

That, it seems to me, is the fundamental point at issue here.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. Of course. Gladly.

Mr. McCULLOCH. Mr. Speaker, I should like to say in reply to the comment of the gentleman from California that if the bill is finally adopted by the Congress with the MacGregor amendment, with the FTC authority stricken out, which was put in by the other body, the Attorney General, under the mechanics of this bill, could get every bit of information about which the gentleman is speaking.

Mr. CELLER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Speaker, let us be very clear here that what we are trying to do in opposing this conference report is not to kill the bill but to insist that the House version be adhered to. This is very important to remember.

Now, I begin with the proposition that when there is no case or controversy of any kind pending, no charge, that under those circumstances private files should not be subject to the call of the Executive or the roaming examination of the FBI, unless there is an overriding public necessity.

Now, there is an overriding public necessity in the important field of antitrust enforcement, and therefore the bar of the United States accepted a limited proposal for a civil investigative demand bill but under limited safeguards. One of those is now at issue in the MacGregor amendment. Another is that the confidential nature of documents given voluntarily or after court test as to scope, and so forth, be held confidential. The theory was that other governmental agencies, congressional committees and competitors should not be given access. Yes, congressional committees are excluded from access. We agree to this because we know the importance of limiting this power.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I will if he will give me more time.

Mr. CELLER. Is it not a fact that the Federal Trade Commission already has this power?

Mr. LINDSAY. I am going to touch on that point. It has the power in its field of jurisdiction.

Mr. CELLER. So what difference does it make?

Mr. LINDSAY. Hold on here. The Federal Trade Commission has a different area of operation and enforcement of laws than does the Antitrust Division. This bill before us in this conference report provides that in any demand the Antitrust Division shall "state the nature of the evidence constituting the alleged antitrust violation which is under investigation." Now, what the Senate has done is to put in the Federal Trade Commission as another governmental agency that can have access to documents which are produced, which means that whoever submits the documents, particularly if the MacGregor amendment is not included, will have no idea of the possible charges against him. The bar, which really initiated this proposal, insisted that if papers are going to be given to the FBI or the Antitrust Division of the Department of Justice, that their confidential nature be protected. They are not to be given to the FTC, the Internal Revenue Service, the Commerce Department, the CAB or the other myriad organizations in the Federal Government; nor are they to be made available to the competitors, or to the Congress. Do not forget that there is no case begun or pending. This is to determine whether there is a case, and therefore it is extremely important, we think, that the House version be adopted to protect individual liberties. This is a new power. Therefore it must be carefully drawn.

Mr. Speaker, under leave of the House I should like to include at this point an excellent report prepared by the Committee on Trade Regulations of the Association of the Bar of the City of New York, which regards the importance of adhering to the House version of this legislation and points to the dangers of the two amendments in question:

COMMITTEE ON TRADE REGULATION REPORT ON S. 167, 87TH CONGRESS, 2D SESSION "ANTITRUST CIVIL PROCESS ACT"

We understand that S. 167 has been passed by the Senate and, with some amendments, by the House, and that at a joint conference on May 28, 1962, the following two changes were made in the House bill by a vote of 6 to 4:

Section 3(a) of the bill, as passed by the House, defined the authority of the Department of Justice in making a civil investigative demand as extending only to persons "under investigation." The conference report struck out the words "under investigation".

Section 4(c) of the bill, as passed by the House, limited to duly authorized representatives of the Department of Justice examination of documents obtained by the Department pursuant to a civil investigative demand. The conference report added the words "or the Federal Trade Commission" to this section, thereby making such documents available for examination by duly authorized representatives of the Federal Trade Commission.

1. Elimination of the words "under investigation" by the conference report indicates that a bill not including these words is intended to authorize the Department of Justice to use the demand to call for production of documents by companies not "under investigation" for an alleged civil antitrust violation or indeed not even suspected of violation. This highlights a substantive point which was not commented on by this committee in its June 21, 1961, report on S. 167 to the Antitrust Subcommittee (Subcommittee No. 5) of the House Committee on the Judiciary. Upon consideration of this point, we recommend retention of the words "under investigation" in section 3(a) of the bill.

We start with the basic premise that, under our system of government, private files should not be subject to the call of the Executive unless there is an overriding public necessity, and then only with appropriate safeguards. While the civil investigative demand is a considerable extension of the power of the Executive, the need for such a process against suspected violators to assist in effective enforcement of the antitrust laws has been well documented. However, need has not been demonstrated to require companies that are not suspected of violation to search for and produce from their files "a class or classes of documentary materials" in the course of a precomplaint investigation of some other company or companies.

Under these circumstances, account should be taken of the burden in terms of time, cost, and inconvenience to business operations which would be imposed upon those not suspected of violation in being required to respond to, or indeed to take court action against, civil investigative demands addressed to them. Also to be taken into account is the fact that the Department of Justice has other means of obtaining information from those not party to the investigation, including detailed public data, voluntary disclosure, and the pretrial procedures under the Federal Rules of Civil Procedure when its complaint has been articulated and defined.

The balance of all these factors, in our judgment, is against application of the civil investigative demand to those not "under investigation." We believe inclusion of the words "under investigation" will properly require the Department to use the demand advisedly and discriminatingly only against those actually suspected of violation, while at the same time permitting it to utilize the already existing procedures for obtaining information from persons who are not the subject of its particular civil antitrust investigation and against whom it does not intend to proceed.

2. By the second change in the bill as passed by the House, the conference report would authorize the Federal Trade Commission to have access to documents received by the Department of Justice pursuant to a civil investigative demand. This is unnecessary, because the Federal Trade Commission in the performance of its duties and for purposes of its own proceedings already has independent authority to require companies to submit documents directly to it. It is also undesirable, because giving the Federal Trade Commission unrestricted access to documents submitted to the Department of Justice would have the result that if the Federal Trade Commission uses the documents for other purposes, then, despite the provisions in section 3(b)(1) of the bill,[1] the company supplying the documents would not know the possible charges against it.

We also note that existing law, section 8 of the Federal Trade Commission Act, provides that, when directed by the President, the Department of Justice shall furnish the Federal Trade Commission documents in the possession of the Department relating to any corporation subject to the Federal Trade Commission Act. We therefore suggest that if it is desired to carry section 8 of the Federal Trade Commission Act, with its reservation as to Presidential direction, over into the present bill, the words "or pursuant to section 8 of the Federal Trade Commission Act" should be substituted for the words "or the Federal Trade Commission."

Respectfully submitted.

Committee on Trade Regulation of the Association of the Bar of the City of New York: Roy H. Steyer, Acting Chairman; Albert C. Bickford, George H. Cain, J. Kenneth Campbell, Joseph V. Heffernan, John Howley, David Ingraham, Edward F. Johnson, Maximilian W. Kempner, John J. Scott, Frank A. F. Severance, Nelson F. Taylor, Allan Trumbull, Edward Wolfe.

Mr. CELLER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, this will be the only important vote that we will be able to cast at this session of Congress and be recorded in favor of small business. This is a real, genuine small business proposal.

Mr. Speaker, small business, the lifeblood of our medium size and small communities throughout the Nation, has a vital stake in the passage of the Antitrust Civil Process Act—S. 167—the so-called civil investigative demand bill.

Anyone who has critically examined the historical growth of economic concentration and the expansion of giant monopolies knows that such concentration and monopolies were achieved in virtually all cases not by greater efficiency but by various noneconomic means often involving predatory action. Small and medium size business can often outmatch the giant corporations in efficiency. But it has little chance when the giant corporations exert raw economic power to crush small business.

This is the basic reason why our antitrust laws are so often referred to as the American charter for economic freedom. Sincere supporters of small business know that if the antitrust laws are not properly enforced it is the small businessman who suffers.

ANTITRUST AGENCIES CANNOT PERFORM ASSIGNED DUTIES WITHOUT PROPER TOOLS

It is the height of hypocrisy to speak in favor of vigorous antitrust enforcement but at the same time thwart such enforcement by failing to provide our antitrust agencies with proper implements with which to carry out their programs. As so many of my colleagues know full well, antitrust enforcement was very small until the late 1930's—and largely for one simple reason: Congress did not provide the antitrust agencies with sufficient funds to carry out a sincere antitrust program.

LACK OF FUNDS, LOOPHOLES, AND INADEQUATE POWERS RESPONSIBLE FOR GROWTH OF MONOPOLY

It was only under the leadership of such forthright antitrust chiefs as Judge Thurman Arnold that the country was finally awakened to the need for a strong antitrust program, and then Congress supplied sufficient funds to build up a good antitrust staff.

It was a full 60 years after the passage of the Sherman Act, and 36 years after the passage of the Clayton Antitrust Act, that the loophole in the antimerger statute was closed by Congress, so that monopolistic mergers could be checked in their incipiency. Only a few weeks ago the first case under the Celler-Kefauver Antimerger Act was decided by the Supreme Court. Now it is clear that the courts must follow the will of Congress to protect small business from the ravages of monopolistic mergers.

EFFECTIVE LITIGATION AND VIGOROUS ENFORCEMENT CAN BE NULLIFIED BY LACK OF INVESTIGATIVE POWERS

Now, 72 years after the passage of the Sherman Act, 48 years after the passage of the Clayton Antitrust Act, and 26 years after the passage of the Robinson-Patman Act, Congress has at last realized that it must close the gap in antitrust enforcement by passing the civil investigative demand bill, so as to permit the Antitrust Division to secure facts upon which to base its civil cases, prior to filing a complaint.

Mr. Speaker, in this morning's CONGRESSIONAL RECORD, at pages 13826 and 13827, I have listed a number of key questions and answers regarding the Antitrust Civil Process Act, S. 167. These questions and answers go to the very heart and merit of the bill and demonstrate how important it is to small business.

CONCENTRATION IS INCREASING

Mr. Speaker, the Senate Antitrust Subcommittee, under the chairmanship of Senator KEFAUVER, who with our colleague from New York [Mr. CELLER] authored the Celler-Kefauver Antimerger Act, has just issued a new report on concentration. This report shows that between 1947 and 1958 there has been a sharp increase in concentration in manufacturing. According to this study:

> The share held by the 200 largest companies of total industrial output, as measured by value added by manufacture, rose 27 percent. In 1947 the 200 largest companies accounted for 30 percent of the value added by manufacture; by 1958 their proportion had risen to 38 percent.

MERGERS LARGE CONTRIBUTORY FACTOR TO INCREASE IN CONCENTRATION

A report which the House Small Business Committee will issue in the near future indicates that mergers and acquisitions of the top industrial corporations are largely responsible for this increase in concentration.

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[1] Sec. 3(b)(1) requires that each civil investigative demand shall "state the nature of the conduct constituting the alleged antitrust violation which is under investigation and the provision of law applicable thereto."

Year after year, the number of independent firms disappearing because of mergers and acquisitions mounts and mounts.

GROWTH IN BUSINESS POPULATION LAGS SERIOUSLY BEHIND GROSS NATIONAL PRODUCT

One key index of the welfare of small business is the trend in the business population. It is not widely enough realized that the growth of the number of businesses is lagging seriously behind the growth in general economic activity. During the early years after World War I, the business population increased at a rate of about 4½ percent a year, while the gross national product—in constant dollars—increased at a rate of about 1½ percent per year. However, in the decade since 1952 the growth rate in the business population dropped to 1½ percent while that in gross national product rose to 3½ percent.

The situation is much more grave in manufacturing than in the case of all business combined. As a matter of fact, the number of manufacturing concerns has actually declined sharply since 1959, to reach the lowest level since 1948. Couple this decline in the number of business enterprises in manufacturing with the increase in concentration shown by the Kefauver report, and you can see how serious are the inroads being made in small business at this time.

Concentration of economic power has affected a wide spectrum of industries, but it is perhaps most significant in the manufacturing area, and it is there that we have such underutilization of capacity and underemployment of workers.

SMALL BUSINESS HAS VITAL STAKE IN ENFORCEMENT OF THE ANTITRUST LAWS

In my discussion of the questions and answers relating to the Antitrust Civil Process Act, I have attempted to make clear why small business has such an important concern with the provision of adequate investigative authority for the Antitrust Division. I have also attempted to show that any restriction on this authority, confining it merely to prospective defendants, would do great harm to small business.

As a matter of fact, those who wish to so limit this authority must be misguided, for to do so would severely injure small business.

Let me illustrate by a few examples in recent antitrust cases.

SMALL WIRE ROPE PRODUCERS FACED "SQUEEZE" IF BETHLEHEM-YOUNGSTOWN MERGER WERE CONSUMMATED

In the much-noted Bethlehem-Youngstown steel merger case, successfully prosecuted by the Antitrust Division, a group of small businessmen producing wire rope faced an economic squeeze. Youngstown represented one of the few remaining noncompeting sources of supply for rope wire, the raw material out of which wire rope was fabricated. Moreover, Youngstown, an important factor in the oilfield supply business, was also an important customer for small fabricators of wire rope. Bethlehem, on the other hand, did not sell rope wire to the small independent wire rope fabricators. It was in the business of producing and selling wire rope itself.

Thus, the small business independent wire rope fabricators faced the prospect of losing an important independent, noncompeting source of supply for their raw material, rope wire, and at the same time an important customer for their wire rope. This was a serious squeeze that the merger would have placed on the independent wire rope producers.

But because these independent wire rope producers had such a delicate source-customer relationship with Youngstown, they did not reveal the extent of their jeopardy to the Antitrust Division voluntarily, and only fully disclosed it under the compulsion of testimony at trial.

BROWN SHOE CASE ALSO ILLUSTRATES NEED FOR CID AUTHORITY TO SECURE INFORMATION FROM THIRD PARTIES

A somewhat analogous picture developed in the famous Brown Shoe-Kinney merger case, just decided by the Supreme Court. Here, independent small business suppliers of Brown Shoe Co. were reluctant to give testimony or evidence except under subpena, because they had existing business relationships with the defendants in the action. Similarly, independent shoe retailers were reluctant to testify because Brown Shoe was an important source of supply for their shoes.

NONDEFENDANTS IN GROCERY CHAIN MERGER CASE REVEAL DATA ONLY UNDER COURT ORDER

In the pending Von-Shopping Bag merger case, involving two of the largest grocery chains in the Los Angeles area, nondefendant grocery chains refused to supply data needed to round out the market picture except under a court order.

These are only a few typical illustrations of the many cases faced by antitrust where the longrun interest of small business is to support the antitrust action and to provide the antitrust agencies with much-needed information, data, and testimony. But these small businesses are reluctant to "stick their necks out" for fear they will be chopped off by their big business sources, customers, or rivals.

COMMON MARKET ANTITRUST PROGRAM PROVIDES POWER SIMILAR TO CID

Mr. Speaker, many of us are looking with great interest at the antitrust activities being developed in the Common Market. There is underway an attempt to rid the Common Market of cartels. Whether it will be successful we do not know.

In any case, however, it is interesting to note that the commission set up to investigate restrictive trade practices is not limited the way our own Antitrust Division is. It has full power to investigate and get documentary evidence whether from prospective parties to a hearing or third parties.

In other words, CID would do more than provide our own Antitrust Division with the kinds of investigative powers that are possessed in the Common Market Authority.

CID IS A MUST BILL FOR SMALL BUSINESS

In conclusion, I cannot overemphasize the point that small business and those who believe in small business and its survival, must support the CID authority for the Antitrust Division, with no crippling amendments which would nullify its basic purpose.

Mr. TOLL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. TOLL. Would the gentleman say that the purpose here is to prevent monopolies? Would that be a fair statement: To prevent the creation of monopolies?

Mr. PATMAN. Certainly; the gentleman is exactly right.

Mr. CELLER. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Speaker, I wish my good friend, the gentleman from Texas [Mr. PATMAN], would listen carefully to what I am about to say because if I speak incorrectly I want to be corrected. I understood the distinguished gentleman from Texas, the chairman of the Select Committee on Small Business, to say that my motion to recommit would kill the bill. If the gentleman said that, I respectfully submit that the statement is not correct. If my motion to recommit is adopted it will mean that we are standing by the version of this bill as passed by the House on March 14, 1962. Furthermore—this is a matter of opinion and I shall let the statement stand on the record—my distinguished chairman said that a vote for my motion would be against small business. I submit to the Members of the House that the record will not justify that statement. I am sure the Members of the House know my regard and concern and constructive action for and on behalf of small business.

Mr. CELLER. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, if this bill is recommitted it will pull its teeth. It may do a lot of barking, but will not be able to do any effective biting. The motion to recommit, if adopted, will destroy the usefulness of this bill. It will be ineffective; it will be no good.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McCULLOCH. As a matter of fact, Mr. Speaker, does not this bill as it passed the House give every remedy against the big fellow, as the gentleman calls him, that the Attorney General asked for; that the large corporations must submit their records whenever demanded?

Mr. PATMAN. Only if the conference report is adopted will it be sufficiently and adequately effective. So let us keep it as it is, as the conferees have recommended, and vote against the motion to recommit, which will destroy the bill.

Mr. CELLER. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I have followed the course of this legislation both in this Congress and in previous Congresses when, under another administration, it was attempted to be brought up. I have favored it all the time. I favor it and I favor this conference report in the form in which it has been brought here. Of course, we can do a lot of criticizing about anything that comes up. We can pick a lot of holes in almost anything that comes up. But I regard this as a rather practical question. Everybody here, I believe, is opposed to monopoly. That is what the antitrust law is about, to prevent monopolies. How are you going to do that if you do not give the Department of Justice the power and the tools that are necessary to bring about those things you seek to do in the antitrust laws? All this does, as I understand it, is to give to the Department of Justice exactly the same power you have already given to the Federal Trade Commission, that you have already given to various other departments, such as the Federal Power Commission, to make these investigations; also the Atomic Energy Commission. I just wonder why there should be so much picking at this particular problem. I think it is a practical problem, and I shall tell you why.

When the Department of Justice suspects that a corporation is getting to be a monopoly you give them the power to examine the books of that corporation, but you are not going to find out in that corporation's books, you have to go to other corporations, you have to go to their competitors to find out whether or not the business of this monopoly is taking away the business of the little fellow. That is what we are interested in trying to do here now.

It is surrounded by every safeguard, because if it is an unreasonable request he has the right to go into court, and he is specifically given that right.

I am a little bit puzzled because of the fact that this thing was sought by the Republican administration and it is now sought by the Democratic administration. You cannot get the evidence unless you go to the people who have the evidence, and they are the corporations who are not under suspicion. What harm can it do them?

I do not think I have any reputation here for trying to trample on business and injure business. I am not, and I am not doing it here now. I remember, though, a very specific instance that happened. If they do not get it through a civil proceeding they can go to a grand jury. About 2 years ago they empaneled a Federal grand jury in the city of Alexandria, Va., to investigate a number of the oil companies in the United States. That grand jury sat there and forced people to come there from all over the United States for a period of a year—a year—and they finally indicted them all; and after they got through indicting them they moved the case out to Oklahoma and tried it, and then it all went up in smoke. There was a waste of time. They were all acquitted. If the Department of Justice had the opportunity to go to these companies and look at the books and see if the evidence was there before starting the grand jury, they would have saved a lot of time and money, and it would have been good for everybody, the corporations as well as the Government.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Michigan.

Mr. MEADER. Those oil companies were under investigation, and under the MacGregor amendment this power would have been available against them.

Mr. SMITH of Virginia. Yes; they were under investigation, and they wasted a whole lot of time and everybody's money.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. GROSS. I was intrigued to note the gentleman from Texas [Mr. PATMAN] bleeding at every pore and valve today for small business. I hear a lot these days about monopolies and cartels in foreign countries. If I am not incorrect, the gentleman from Texas voted for the free trade bill the other day, that will ram all kinds of foreign products, the products of cartels and monopolies overseas, down the throats of small business in this country.

Mr. SMITH of Virginia. Well, we all make our mistakes.

Mr. CELLER. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Speaker, it is my thought that the gentleman from Virginia adequately pinpointed the situation you are dealing with here. Remember that a U.S. attorney under the direction of the Attorney General can at any time he believes that a law has been violated from the criminal angle ask a district judge to impanel a grand jury and issue subpenas. That is settled, and there is no question about it. Unless there can be a question of a criminal violation of the law it is not thought proper that with antitrust violations which are civil in their nature, the United States should impanel a grand jury and issue subpenas to bring people into the grand jury room. Because we all know if you are subpenaed to a grand jury room, it is not one of the best kept secrets in a community. And there was the situation that existed, as the gentleman from Virginia outlined, about an investigation of an oil company that started in Alexandria, Va., where they subpenaed papers from throughout the United States and impounded them in the Federal District Court of Northern Virginia. The Eisenhower administration recognizing that something had to be done in that regard said, therefore, that the orderly procedure would require that the Department of Justice should not necessarily impanel the grand jury to investigate every suspected violation of the antitrust law and, hence, the Attorney General should be given about the same power as 12 other agencies of the United States now have to investigate and look at books where people may be suspected of violating the law. It was with that in view that this legislation was proposed—not only by the present Attorney General but by both of his predecessors. With that in view, we propose in this bill, all the adequate safeguards that anybody could fairly ask. We provided, in effect, that if a company's records were subpenaed, they had the right to make a duplicate of them and have the records returned to them and that the Department of Justice would have to go to the office of the company and have copies made.

Now what is the real fuss about the question of the so-called MacGregor amendment? The MacGregor amendment might tie the hands of the Justice Department. This is how it might tie the hands of the Justice Department. It, in effect, says that before you can issue a subpena you must designate the company that is being investigated and only that company's records can be investigated. That is just like saying, if you are going to investigate properly a matter, you are going to tie the hands of the investigating agency and limit them to an investigation of only that one company that is under suspicion. If the MacGregor amendment is adopted, there is one of two things that is going to happen. You could go back to the old system of impaneling a grand jury and subpenaing all the records. Or, if they follow it to the logical conclusion, instead of investigating one company, all the Attorney General has to do is to say, "I am investigating X company and investigating Y company and I am investigating all other companies in this particular, and cause them to be investigated when in truth and in fact, only X company is suspected of a violation." So you can see, if the MacGregor amendment stays in, then you may have tied the hands of the Department of Justice. You have not resolved anything and at the same time, you have not accomplished the purpose that is intended.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman.

Mr. LINDSAY. I think it is important to point out that this whole thing originally came from a recommendation made by the Attorney General's Committee To Study the Antitrust Laws, which Committee was put together consisting of leading members of the bar—of the antitrust bar—of the country during the Eisenhower administration and they recommended this civil investigative demand approach.

I want to assure the gentleman that the Committee was very specific in saying that any documentary material that is given to the Department of Justice should be for the eyes only of the Department of Justice, and specifically recommended that it not go beyond.

Mr. ROGERS of Colorado. May I ask the gentleman if he has any objection if a matter comes under the jurisdiction of the Federal Trade Commission and the Attorney General determines that there has been a violation where the action could proceed from the Federal Trade Commission that you should again compel the Federal Trade Commission to subpena the same documents? Why cannot the Attorney General turn it over to them and let them proceed if a man is violating the law?

Mr. LINDSAY. Does not the gentleman recognize the importance of this provision that we put in to give the organization some idea of the nature of the conduct that is under examination?

That is wiped out by the provision placed in the bill by the other body.

Mr. ROGERS of Colorado. The answer is just like saying to a man: "I suspect you of murder, or, if I do not suspect you of murder I suspect you of burglary." That is just an analogy of what you are talking about here. If on the other hand this is limited to corporations it does not affect individuals and it cannot violate any rights the individual may have. We go all the way in protecting the individual.

Mr. MacGREGOR. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. MacGREGOR. In view of the fact the gentleman has castigated the MacGregor amendment, let me ask the gentleman one simple question: Is it not correct to say that the MacGregor amendment has been included in all of the American Bar Association recommendations for legislation in this area? Was it not specifically recommended by Mr. Simon, a witness for the American Bar Association? All it does is carry out the recommendation of the American Bar Association.

Mr. ROGERS of Colorado. Mr. Simon appeared before the committee and testified.

Mr. MacGREGOR. But the gentleman will admit that my statement is correct, will he not?

Mr. ROGERS of Colorado. I would not agree that it went that far.

Mr. MacGREGOR. But the language is in the draft bill of the American Bar Association.

Mr. ROGERS of Colorado. In response to what the gentleman from Minnesota said, regardless of the recommendation made by the bar association, I am sure that you do not intend to tie the hands of the Department of Justice in finding out who is violating the antitrust law, do you?

Mr. MacGREGOR. I intend to place reasonable safeguards that the gentlemen on the other side of the aisle have said should be placed in the bill. That is the position of the American Bar Association.

Mr. ROGERS of Colorado. Is it not unreasonable that you must confine yourself to suspect companies alone in an investigation?

Mr. MacGREGOR. We are talking about new powers. Was there anything unreasonable about the FBI getting reporters out of bed at 3 o'clock in the morning?

Mr. ROGERS of Colorado. There is another instance of dragging in something that has nothing to do with the case in order to try to inflame the situation. The FBI has its authority to proceed regardless of this. This is an effort to do it in an orderly fashion so that he will not be compelled to go forward, as you say, in violation of somebody's rights.

The SPEAKER. The gentleman from New York has 2 minutes remaining.

Mr. CELLER. Mr. Speaker, mention has been made of the views of the American Bar Association. On page 72 of the hearings we find the following interesting colloquy. It concerns the so-called MacGregor amendment, although at that time it was not known as such:

Mr. Maletz. If you provided such a limitation, would you not in effect be leaving unsolved certain of the problems that are presently existent?

Mr. Simon. Yes.

So that you would leave unsolved a great many programs and would force the Attorney General to go back to the old practice, noxious as it is, of impaneling a grand jury. If you include in this bill the so-called MacGregor amendment, you would simply give to the Attorney General a paper sword. You would stymie him.

With reference to the case in Alexandria, the gentleman from Virginia [Mr. Smith] spoke of, where a number of corporations were brought before the grand jury, if you pass this bill with the MacGregor amendment, the Department of Justice would have to proceed seriatum against each of a dozen of such corporations as their conspiracy unfolded—as one set of files implicated another conspirator—rather than obtaining all the facts and putting them together in an orderly fashion so that the Department could have a full view of the matter and then determine which companies should be made defendants in a civil antitrust suit. In such a case, the Department of Justice might have to proceed against all of those corporations before a grand jury, as was the case in Alexandria.

The SPEAKER. All time has expired.

Mr. CELLER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. McCULLOCH. Mr. Speaker, I offer a motion.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. McCULLOCH. Yes, Mr. Speaker, I am opposed to the conference report.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. McCulloch moves to recommit the conference report on the bill S. 167 to the committee on conference with instructions to the managers on the part of the House to insist on the amendments of the House numbered 2, 4, 7, 14, and 18 through 23, inclusive.

Mr. CELLER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. McCulloch) there were—ayes 103, noes 127.

Mr. McCULLOCH. Mr. Speaker, on that I demand the yeas and nays.

The years and nays were ordered.

The question was taken; and there were—yeas 202, nays 200, not voting 33, as follows:

[Roll No. 162]

YEAS—202

Abbitt
Abernethy
Adair
Alexander
Alger
Andersen, Minn.
Anderson, Ill.
Andrews
Arends
Ashbrook
Auchincloss
Avery
Ayres
Baker
Baldwin
Barry
Bass, N.H.
Bates
Battin
Becker
Beckworth
Beermann
Belcher
Bell
Bennett, Mich.
Berry
Betts
Bow
Bray
Bromwell
Broomfield
Brown
Broyhill
Bruce
Byrnes, Wis.
Cahill
Cederberg
Chamberlain
Chenoweth
Chiperfield
Church
Clancy
Collier
Colmer
Conte
Corbett
Cramer
Curtin
Curtis, Mo.
Dague
Davis, James C.
Davis, John W.
Derounian
Derwinski
Devine
Dole
Dominick
Dooley
Dorn
Durno
Dwyer
Ellsworth
Fenton
Findley
Fino
Fisher
Ford
Forrester
Fountain
Frelinghuysen
Fulton
Gavin
Glenn
Goodell
Goodling
Grant
Griffin
Gross
Hagan, Ga.
Haley
Hall
Halleck
Halpern
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Henderson
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Horan
Hosmer
Huddleston
Jensen
Johansen
Jonas
Judd
Kearns
Keith
Kilburn
Kilgore
King, N.Y.
Kitchin
Knox
Kornegay
Kunkel
Kyl
Landrum
Langen
Latta
Lennon
Libonati
Lindsay
Lipscomb
McCulloch
McDonough
McIntire
McMillan
McVey
MacGregor
Martin, Mass.
Martin, Nebr.
Mason
Mathias
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Moore
Moorehead, Ohio
Morse
Mosher
Murray
Nelsen
Norblad
Nygaard
O'Konski
Osmers
Ostertag
Pelly
Pillion
Pirnie
Poage
Poff
Purcell
Quie
Ray
Reece
Reifel
Rhodes, Ariz.
Riehlman
Roberts, Tex.
Robison
Rogers, Tex.
Roudebush
St. George
Saylor
Schadeberg
Schenck
Scherer
Schneebelli
Schweiker
Schwengel
Scott
Seely-Brown
Selden
Short
Shriver
Sibal
Siler
Smith, Calif.
Smith, Iowa
Springer
Stafford
Stephens
Taylor
Teague, Calif.
Teague, Tex.
Thomson, Wis.
Tollefson
Tuck
Tupper
Utt
Van Pelt
Van Zandt
Waggonner
Wallhauser
Walter
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Widnall
Wilson, Calif.
Wilson, Ind.
Younger

NAYS—200

Addabbo
Albert
Anfuso
Ashley
Ashmore
Aspinall
Bailey
Baring
Barrett
Bass, Tenn.
Bennett, Fla.
Blatnik
Boland
Bolling
Bonner
Brademas
Breeding
Brewster
Brooks, Tex.
Buckley
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cannon
Carey
Casey
Celler
Chelf
Clark
Coad
Cohelan
Cook
Cooley
Corman
Cunningham
Daddario
Daniels
Dawson
Delaney
Dent
Denton
Diggs
Dingell
Donohue
Dowdy
Downing
Doyle
Dulski
Edmondson
Elliott
Everett
Evins
Fallon
Farbstein
Fascell
Feighan
Finnegan
Flynt
Fogarty
Friedel
Gallagher
Garmatz
Gary
Gathings
Giaimo
Gilbert
Gonzalez
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hagen, Calif.
Hansen
Harding
Hardy
Harris
Hays
Healey
Hechler
Hemphill
Holifield
Holland
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Md.
Johnson Wis.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Kelly
Keogh
King, Calif.
King, Utah
Kirwan
Kluczynski
Kowalski
Lane
Lankford
Lesinski
Loser
McDowell
McFall
Macdonald
Mack
Madden
Magnuson
Mahon
Marshall
Matthews
Miller, Clem
Mills
Moeller
Monagan
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Moss

Multer
Murphy
Natcher
Nedzi
Nix
Norrell
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Passman
Patman
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Powell
Price
Pucinski
Rains
Randall
Reuss
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
Santangelo
Shelley
Sheppard
Shipley
Sikes
Slack
Smith, Miss.
Smith, Va.
Staggers
Steed
Stratton
Stubblefield
Sullivan
Thomas
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Udall, Morris K.
Ullman
Vanik
Vinson
Watts
Wickersham
Wright
Young
Zablocki
Zelenko

NOT VOTING—33

Alford
Blitch
Boggs
Bolton
Boykin
Curtis, Mass.
Davis, Tenn.
Flood
Frazier
Garland
Gubser
Harrison, Va.
Hébert
Hoffman, Mich.
Laird
McSween
Mailliard
May
Merrow
Miller, George P.
Moulder
Rousselot
St. Germain
Saund
Scranton
Sisk
Spence
Taber
Thompson, La.
Williams
Willis
Winstead
Yates

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Winstead for, with Mr. Hébert against.

Mr. Williams for, with Mr. Willis against.

Mr. Scranton for, with Mr. Davis of Tennessee against.

Mrs. May for, with Mr. Frazier against.

Mr. Rousselot for, with Mr. Boggs against.

Mr. Curtis of Massachusetts for, with Mr. George P. Miller against.

Mrs. Bolton for, with Mr. Sisk against.

Mr. Merrow for, with Mr. Spence against.

Mr. Laird for, with Mr. Flood against.

Mr. Gubser for, with Mr. St. Germain against.

Mr. Mailliard for, with Mr. Yates against.

Mr. Garland for, with Mr. Saund against.

Mr. Harrison of Virginia for, with Mr. Moulder against.

Until further notice:

Mr. McSween with Mr. Taber.

Mr. Thompson of Louisiana with Mr. Hoffman of Michigan.

Mr. FALLON changed his vote from "yea" to "nay."

Mr. CAREY changed his vote from "yea" to "nay."

Mr. MORSE changed his vote from "nay" to "yea."

Mr. POWELL changed his vote from "yea" to "nay."

Mr. SANTANGELO changed his vote from "yea" to "nay."

Mr. HERLONG changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Was the vote by which the motion to recommit carried reconsidered and that motion laid on the table?

The SPEAKER. It has not been yet.

Mr. GROSS. I so move, Mr. Speaker.

The SPEAKER. Without objection the motion to reconsider will be laid on the table.

There was no objection.

BILL RESTORED TO PRIVATE CALENDAR

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent that notwithstanding the action taken in the House yesterday the bill, S. 2147, be restored to the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Library of the Committee on House Administration be permitted to sit during general debate tomorrow afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FEDERAL-AID HIGHWAY ACT OF 1962

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 723 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 723 provides for the consideration of H.R. 12135, a bill to authorize appropriations for the fiscal years 1964 and 1965 for the construction of highways in accordance with title 23 of the United States Code, and for other purposes. The resolution provides for an open rule with 2 hours of general debate.

H.R. 12135 provides for the usual biennial authorizations for fiscal years 1964 and 1965 for the A–B–C Federal-aid highway program, as well as authorizations for these fiscal years for the several classes of Federal domain roads. It is essential that funds be authorized for these fiscal years for the Federal-aid primary and secondary highways systems and their extensions within urban areas in order that the States may have sufficient time for planning their individual road construction programs, including any financing procedures necessary to provide the required State matching funds under the Federal-aid highway program.

It is essential that these authorizations be made at this time so that in 1964 and 1965, work can continue on the national highway construction program. Plans, construction, drawings, financing procedures in the various States and the preliminary work on mammoth highway construction projects of this type takes considerable time; hence, the enactment of this legislation is necessary in order to keep our national highway construction program for future years up to schedule.

The Federal-aid highways which would be aided by this bill extend into every county of the United States. The present extent of the Federal-aid primary system is 224,860 miles, exclusive of Interstate System mileage, of which 205,370 miles are in rural areas and 19,490 miles are in urban areas. The Federal-aid secondary system at this time consists of 601,364 miles, including 587,659 rural miles and 13,705 urban miles. At the present time, therefore, the total mileage of highways covered under the A–B–C program is over 826,000 miles, carrying almost half of the total of all highway traffic in the Nation.

These funds would be apportioned among the States in the manner now provided by law, and would be available for expenditure in the same manner as funds for these highways are made available under present law, that is, for 2 years after the close of the fiscal year for which such funds are authorized.

The continuance of this Federal highway program without interruption will mean a great deal to our national economy. Construction of highways calls for tons and tons of steel, cement, brick, lumber, and dozens of other materials which keeps factories running and salaries expanded so that prosperity can continue in all sections of our Nation. First-class highways connecting all producing areas of our country will aid greatly not only to accommodate our increased population but provide transportation for defense in cases of national emergency.

Mr. Speaker, I urge the adoption of House Resolution 723.

Mr. Speaker, I reserve the balance of my time and now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Indiana [Mr. MADDEN], a member of the Rules Committee, has so well explained, House Resolution 723 makes in order, under 2 hours of general debate and an open rule, the consideration of the bill (H.R. 12135), a bill authorizing appropriations for highway construction, aid, and benefits under the Federal highway program, both the Interstate System and the A–B–C system as well.

It is my understanding this bill is supported by all members of the Public Works Committee. Practically all of the appropriations authorized hereunder come from the highway trust fund. A portion of the funds authorized in this bill are, however, appropriated from general revenue funds for Federal forest roads, public park roads, and so forth. But the great percentage of the money involved in this legislation does come from the Federal highway trust fund.

The only dispute, the only controversy of any kind, regarding this legislation deals with section 3 of the bill. I suggest the membership will want to study that section because it is a new provision, as far as highway aid and benefits of a Federal nature are concerned. It would provide for the payment of certain sums to families or to business concerns that might have to move because of relocation of a highway under a Federal highway program.

Mr. Speaker, the dispute is not over the question as to whether or not the Federal Government, or the States, should pay some of the cost of relocating these people who might otherwise be forced out of their homes or business places because of new highway construction, but rather as to whether or not the Secretary of Commerce should be given complete power to decide for himself as to whether or not any plans that might be adopted to care for the relocation of these people are satisfactory.

In other words, as I read the language of this particular section, as contained in the committee bill, the Secretary of Commerce could decide he was not happy or satisfied over one of these plans for relocation of these displaced persons or businesses in any highway construction program, and could thus hold up such highway construction indefinitely, just as long as he could say: "I can't approve the relocation arrangement that has been suggested by the State or other highway authorities." And, I think that is where all the conflict and controversy will arise.

I understand the minority members of the Committee on Public Works have been unanimous in asking for an amendment that will clarify this situation so as to leave the final decision or authority more with the State highway officials, and more with other highway officials, and not place such extraordinary and unusual power in the hands of the Secretary of Commerce. And, it is my understanding, Mr. Speaker, there will be an amendment submitted for that purpose, not to strike out or destroy section 3, or the purposes of the section to pay the cost of relocating these people who must be relocated because of the construction of a new highway or anything of that sort, but, rather, to limit the power of Federal bureaucracy to control the situation entirely and instead to place more responsibility with the local and State highway officials or, perhaps, with the Bureau of Public Roads itself, as far as that is concerned. I believe the amendment that is to be offered is a very good one and should be given consideration.

Mr. Speaker, I now yield to the gentleman from Wisconsin [Mr. Byrnes] 5 minutes.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, since the vote in the other body on yesterday on the medical care bill we have read in the papers and have seen on the news ticker a great deal of talk about obstructionism. We have heard about "the handful" of Democrats who joined with the Republicans in defeating this proposal in the other body. We even hear rumors of purges.

Mr. Speaker, I think it would be well, however, if we put this matter into proper perspective and look and see who some of these obstructionists are and look to see who this "handful" of Democrats, that the President referred to, are who joined with the Republicans. It so happens that they included, first, the chairman of the Committee on Aeronautics and Space Science; second, the chairman of the Committee on Agriculture and Forestry; third, the chairman of the Committee on Appropriations, and the president pro tempore; fourth, the chairman of the Committee on Armed Services; fifth, the chairman of the Committee on Banking and Currency; sixth, the chairman of the Committee on Finance; seventh, the chairman of the Committee on Foreign Relations; eighth, the chairman of the Committee on Government Operations; ninth, the chairman of the Committee on the Judiciary; and tenth, the chairman of the Labor and Public Welfare Committee of the other body.

It includes also five out of the nine members of the Democratic policy committee of the other body. It includes in addition the secretary of the Democratic conference of the other body who, I am also informed, is the very close friend of the President and was an usher at the President's wedding. So, it seems to me that when we start talking about purges or start talking about obstructionism we had better look and see about whom we are talking.

Mr. BROWN. Mr. Speaker, I have no further requests for time.

Mr. MADDEN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. Joelson].

Mr. JOELSON. Mr. Speaker, I would like to ask the gentleman from Wisconsin who preceded me why, as a member of the Committee on Ways and Means, if the gentleman is opposed to obstructionism, the gentleman does not let this bill come up for a vote on the floor of the House so that the American people can find out from each and every Member of this House how he or she feels about this program?

Mr. BYRNES of Wisconsin. Mr. Speaker, if the gentleman will yield, I will suggest to the gentleman that the chairman of the Committee on Ways and Means is not the gentleman from Wisconsin. For the information of the gentleman from New Jersey, the gentleman from Arkansas [Mr. Mills] is chairman of that committee.

Mr. JOELSON. I understand further that every Republican member of the Committee on Ways and Means is opposed to letting this bill come out of the committee.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Maryland.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12135, with Mr. Smith of Iowa in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Maryland [Mr. Fallon] will be recognized for 1 hour, and the gentleman from New Jersey [Mr. Auchincloss] will be recognized for 1 hour.

The Chair recognizes the gentleman from Maryland [Mr. Fallon].

Mr. FALLON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before the Committee, H.R. 12135, is the regular biennial bill to authorize appropriations for fiscal years 1964 and 1965 for the A–B–C Federal-aid highway program as well as authorizations for the several classes of Federal domain roads.

The bill does not provide authorizations for the National System of Interstate and Defense Highways, inasmuch as the Federal-Aid Highway Act of 1961 provided a revised schedule of authorizations for that system through fiscal year 1971.

Both the A–B–C authorizations and those for Federal domain roads are essential to the continuation of a balanced, long-range national highway program.

In the case of the A–B–C highways, it is a well-established policy of the Public Works Committee that authorizations should be increased at the rate of $25 million each year, until such time as an annual authorization of $1 billion is reached. The Federal-Aid Highway Act of 1960 authorized the amount of $925 million for the A–B–C program for fiscal year 1963. H.R. 12135 authorizes $950 million for fiscal year 1964 and $975 million for fiscal year 1965.

A–B–C highways extend into every county of the United States. The present extent of the Federal-aid primary system is 224,860 miles, exclusive of the 41,000-mile Interstate System. The Federal-aid secondary system consists of 601,364 miles.

The total mileage of highways covered under the A–B–C program is over 826,000 miles, carrying almost half of the total of all highway traffic in the Nation.

Generally speaking, the authorizations proposed for the various classifications of Federal domain roads are consistent with long established road improvement policies and programs. The largest increase is that for forest development roads and trails. For these roads, which are under the jurisdiction of the Department of Agriculture, the committee has allowed the full request made by the President; an additional $10 million for the fiscal year 1963, which brings the total authorization to $50 million, $70 million for fiscal 1964, and $85 million for fiscal 1965 as compared to the present level of $40 million. These increased authorizations are a necessary part of the revised development program for the national forests which covers the period for fiscal years 1963 through 1972, submitted to the Congress by the President last September. Our committee believes that the contemplated investment in forest development roads and trails is essential to the efficient management and conservation of our forest resources.

Section 4 of the bill establishes a new category of Federal domain roads to be known as "Public lands development roads and trails." The bill would authorize $2 million for fiscal year 1964 and $4 million for fiscal year 1965 for this new category of Federal domain roads. These are the roads needed for access essential to the management and recreational use of the lands in the Western United States and Alaska administered by the Bureau of Land Management of the Department of the Interior. They include access roads to public rangelands and other public domain not included in national parks and national forests.

Section 3 of the bill provides for assistance to families and businesses displaced by the acquisition of rights-of-way for Federal-aid highway construction.

It provides that before the Secretary of Commerce may approve a project involving the acquisition of rights-of-way or actual construction, he will require satisfactory assurance from the State highway department that there exist one or more feasible methods to aid families displaced by the project, in obtaining replacement housing. Also, it directs the Secretary to approve as part of the cost of construction, payments to displaced individuals, families, business concerns—including the operation of a farm—and nonprofit organizations for their reasonable and necessary moving expenses.

The section leaves it to each State to determine whether or not to make relocation payments. However, where a State highway department or local public agency, acting as its agent for the purpose, makes relocation payments to eligible persons, Federal-aid participation will be permitted subject to rules and regulations prescribed by the Secretary.

In the case of an individual or family so much of the relocation payment as does not exceed $200 shall be eligible for Federal-aid participation although the Secretary may authorize the payment of fixed amounts within the ceiling in lieu of actual reasonable and necessary moving expenses.

In the case of a business concern—including the operation of a farm—or a nonprofit organization, so much of the relocation payment as does not exceed $3,000 shall be eligible for Federal-aid participation and the allowable expenses for transportation may not exceed the cost of moving 50 miles.

The section will not prevent a State from making larger payments, without Federal-aid participation in any portion of a payment exceeding the prescribed limits.

The remaining sections of the bill amend title 23, United States Code, in four respects.

Section 6 of the bill removes the existing statutory limitation requiring that only urban funds may be used for certain secondary extensions within urban areas. The purpose of the section is to allow the States increased flexibility in the financing Federal-aid highway projects in urban areas.

Section 7 of the bill directs the Secretary of Commerce to cooperate with the States in the developing of long-range highway plans and programs coordinated with plans for improvements of other forms of transportation in urban areas of more than 50,000 population. Section 7 would also prohibit approval by the Secretary of Commerce after July 1, 1965 of highway projects in any urban area of more than 50,000 population, unless he finds that such projects are based on a continuing comprehensive transportation planning process carried on cooperatively by the State and localities. The purpose of the section is to encourage comprehensive transportation planning and to improve the quality of urban planning generally.

Section 8 of the bill provides that the Postmaster General shall use the calendar year rather than the present fiscal year basis in certifying mileages. This change is proposed for the purpose of overcoming unnecessary delays heretofore experienced in the apportionment of Federal-aid A–B–C funds

Finally, section 9 of the bill requires that the 1½ percent of apportioned Federal-aid A–B–C and interstate funds which the States may now use in highway planning and research shall be used only for these purposes commencing with the apportionment for the fiscal year 1964. In addition a State if it so desires may use an additional one-half of 1 percent of its A–B–C apportionments for highway planning and research purposes. The provision is believed to be necessary in order to stimulate additional, needed highway planning and research activities in the Federal-State cooperative area.

Mr. Chairman, at this point I include as a part of my remarks, tables showing the approximate apportionments for fiscal years 1964 and 1965:

Approximate apportionments of Federal-aid highway funds, fiscal year 1964

[Thousands of dollars]

State	Pursuant to H.R. 12135				Interstate ($2,600,000)	Total ($3,550,000)
	Primary ($427,500)	Secondary ($285,000)	Urban ($237,500)	Subtotal ($950,000)		
Alabama	8, 178	6, 244	3, 188	17, 610	53, 635	71, 245
Alaska	22, 696	15, 233	156	38, 085	----------	38, 085
Arizona	6, 337	4, 111	1, 773	12, 221	36, 407	48, 628
Arkansas	6, 087	4, 847	1, 292	12, 226	27, 138	39, 364
California	21, 862	10, 154	25, 672	57, 688	247, 918	305, 606
Colorado	7, 105	4, 609	2, 415	14, 129	34, 379	48, 508
Connecticut	2, 992	1, 622	4, 581	9, 195	36, 613	45, 808
Delaware	2, 111	1, 407	544	4, 062	9, 654	13, 716
Florida	7, 849	4, 863	6, 669	19, 381	53, 789	73, 170
Georgia	10, 473	7, 909	3, 843	22, 225	47, 781	70, 006
Hawaii	2, 111	1, 407	880	4, 398	20, 360	24, 758
Idaho	4, 726	3, 392	501	8, 619	12, 170	20, 789
Illinois	15, 933	8, 727	15, 229	39, 889	135, 256	175, 145
Indiana	9, 696	7, 009	5, 322	22, 027	64, 213	86, 240
Iowa	9, 619	7, 162	2, 535	19, 316	32, 813	52, 129
Kansas	9, 561	6, 676	2, 327	18, 564	20, 103	38, 667
Kentucky	6, 944	5, 888	2, 368	15, 200	52, 890	68, 090
Louisiana	6, 353	4, 570	3, 712	14, 635	74, 894	89, 529
Maine	3, 138	2, 384	805	6, 327	12, 247	18, 574
Maryland	4, 192	2, 628	4, 288	11, 108	47, 499	58, 607
Massachusetts	5, 382	2, 380	8, 184	15, 946	55, 561	71, 507
Michigan	13, 179	8, 277	10, 755	32, 211	101, 031	133, 242
Minnesota	10, 726	7, 560	3, 888	22, 174	67, 063	89, 237
Mississippi	6, 626	5, 567	1, 393	13, 586	31, 503	45, 089
Missouri	11, 306	7, 740	5, 270	24, 316	66, 318	90, 634
Montana	7, 821	5, 426	543	13, 790	24, 263	38, 053
Nebraska	7, 688	5, 478	1, 368	14, 534	15, 148	29, 682
Nevada	4, 846	3, 223	358	8, 427	13, 069	21, 496
New Hampshire	2, 111	1, 407	627	4, 145	11, 631	15, 776
New Jersey	5, 968	2, 049	10, 191	18, 208	67, 602	85, 810
New Mexico	6, 606	4, 457	1, 147	12, 210	25, 880	38, 090
New York	19, 292	8, 412	27, 316	55, 020	122, 855	177, 875
North Carolina	9, 971	8, 914	3, 111	21, 996	21, 208	43, 204
North Dakota	5, 411	3, 965	417	9, 793	11, 451	21, 244
Ohio	14, 660	9, 138	13, 402	37, 200	176, 952	214, 152
Oklahoma	8, 523	5, 932	2, 616	17, 071	31, 195	48, 266
Oregon	6, 546	4, 575	1, 982	13, 103	45, 034	58, 137
Pennsylvania	15, 690	10, 062	15, 094	40, 846	115, 974	156, 820
Rhode Island	2, 111	1, 407	1, 426	4, 944	9, 551	14, 495
South Carolina	5, 407	4, 724	1, 699	11, 830	22, 389	34, 219
South Dakota	5, 952	4, 306	431	10, 689	17, 023	27, 712
Tennessee	8, 277	6, 536	3, 378	18, 191	65, 343	83, 534
Texas	25, 851	16, 337	13, 180	55, 368	117, 309	172, 677
Utah	4, 635	3, 007	1, 237	8, 879	37, 537	46, 416
Vermont	2, 111	1, 407	330	3, 848	17, 895	21, 743
Virginia	8, 031	6, 269	4, 112	18, 412	78, 797	97, 209
Washington	6, 780	4, 582	3, 548	14, 910	54, 046	68, 956
West Virginia	4, 163	3, 742	1, 248	9, 153	39, 026	48, 179
Wisconsin	9, 485	6, 691	4, 589	20, 765	22, 928	43, 693
Wyoming	4, 816	3, 277	280	8, 373	24, 879	33, 252
District of Columbia	2, 111	1, 407	1, 489	5, 007	37, 280	42, 287
Puerto Rico	2, 111	2, 342	1, 822	6, 275	----------	6, 275

Approximate apportionments of Federal-aid highway funds, fiscal year 1965

[Thousands of dollars]

State	Pursuant to H.R. 12135				Interstate ($2,700,000)	Total ($3,675,000)
	Primary ($438,750)	Secondary ($292,500)	Urban ($243,750)	Subtotal ($975,000)		
Alabama	8,393	6,408	3,272	18,073	55,698	73,771
Alaska	23,294	15,634	160	39,088	----------	39,088
Arizona	6,504	4,219	1,820	12,543	37,807	50,350
Arkansas	6,248	4,975	1,326	12,549	28,182	40,731
California	22,437	10,421	26,348	59,206	257,453	316,659
Colorado	7,292	4,731	2,478	14,501	35,701	50,202
Connecticut	3,071	1,664	4,702	9,437	38,021	47,458
Delaware	2,166	1,444	550	4,160	10,025	14,194
Florida	8,056	4,991	6,844	19,891	55,858	75,749
Georgia	10,749	8,117	3,944	22,810	49,619	72,429
Hawaii	2,166	1,444	903	4,513	21,143	25,656
Idaho	4,851	3,481	515	8,847	12,638	21,485
Illinois	16,352	8,956	15,630	40,938	140,458	181,396
Indiana	9,951	7,193	5,462	22,606	66,683	89,289
Iowa	9,872	7,351	2,602	19,825	34,075	53,900
Kansas	9,812	6,852	2,388	19,052	20,877	39,929
Kentucky	7,127	6,043	2,430	15,600	54,925	70,525
Louisiana	6,520	4,690	3,810	15,020	77,775	92,795
Maine	3,221	2,447	826	6,494	12,718	19,212
Maryland	4,302	2,697	4,401	11,400	49,326	60,726
Massachusetts	5,523	2,443	8,399	16,365	57,698	74,064
Michigan	13,526	8,494	11,038	33,058	104,917	137,975
Minnesota	11,008	7,759	3,990	22,757	69,642	92,399
Mississippi	6,800	5,714	1,430	13,944	32,715	46,659
Missouri	11,604	7,944	5,409	24,957	68,869	93,826
Montana	8,027	5,569	557	14,153	25,196	39,349
Nebraska	7,890	5,622	1,404	14,916	15,731	30,647
Nevada	4,973	3,308	367	8,648	13,751	22,219
New Hampshire	2,166	1,444	644	4,254	12,078	16,332
New Jersey	6,125	2,103	10,459	18,687	70,202	88,889
New Mexico	6,780	4,574	1,177	12,531	26,876	39,047
New York	19,800	8,634	28,034	56,468	127,580	184,048
North Carolina	10,234	9,148	3,193	22,575	22,023	44,598
North Dakota	5,554	4,069	428	10,051	11,891	21,942
Ohio	15,045	9,379	13,755	38,179	183,758	221,937
Oklahoma	8,748	6,088	2,685	17,521	32,395	49,916
Oregon	6,718	4,695	2,034	13,447	46,766	60,213
Pennsylvania	16,103	10,327	15,492	41,922	120,434	162,356
Rhode Island	2,166	1,444	1,464	5,074	9,918	14,992
South Carolina	5,549	4,849	1,743	12,141	23,250	35,391
South Dakota	6,109	4,420	443	10,972	17,677	28,649
Tennessee	8,495	6,708	3,467	18,670	67,856	86,526
Texas	26,532	16,767	13,527	56,826	121,821	178,647
Utah	4,758	3,086	1,270	9,114	38,981	48,095
Vermont	2,166	1,444	338	3,948	18,584	22,532
Virginia	8,243	6,434	4,220	18,897	81,827	100,724
Washington	6,959	4,703	3,641	15,303	56,125	71,428
West Virginia	4,273	3,840	1,281	9,394	40,527	49,921
Wisconsin	9,734	6,867	4,709	21,310	23,810	45,120
Wyoming	4,942	3,363	287	8,592	25,836	34,428
District of Columbia	2,166	1,444	1,528	5,138	38,714	43,852
Puerto Rico	2,166	2,403	1,870	6,439	----------	6,439

Mr. JONES of Alabama. Mr. Chairman will the gentleman yield?

Mr. FALLON. I yield to the gentleman.

Mr. JONES of Alabama. Mr. Chairman, I have served on the Committee on Public Works for several years. I know that I have never served with anyone who has been a more dedicated and more useful public servant and more knowledgeable in the field of highway problems than our distinguished chairman, the gentleman from Maryland [Mr. FALLON]. The bill we have before us today, in my opinion, is a tribute to his great knowledge and the tremendous amount of work that he has devoted to this important legislation dealing with highways throughout the years. This is an accomplishment that all of us appreciate. I join with the other members of my committee in stating that the gentleman from Maryland [Mr. FALLON] is one of the great legislators in the House of Representatives.

Mr. FALLON. I thank the gentleman.

Mr. HEMPHILL. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman.

Mr. HEMPHILL. I want to thank the chairman for his courtesy in connection with the matter that I am going to ask about now. I direct your attention, Mr. Chairman, to section 9, which is the section on highway planning and research funds, in which the committee has seen fit to make a change from the previous policy. As I understand it, in previous years money which was designated for planning and research, if not used for that purpose, could be used for other purposes so long as it was within the concept of the general program; is that correct, sir?

Mr. FALLON. That is correct.

Mr. HEMPHILL. And in this particular year, you made a change which is going into effect in 1964; is that correct? A thought occurs to me, there may be some highway departments in the various States which in good faith have done the planning and research which they think is proper and have taken the allocation and, I think, properly used them to supplement their construction. Would the gentleman give us the committee's thinking with reference to that and as to why it was changed because, if a State has done research and planning which it thinks is effective and in keeping with the program and does not use up all the money but someone else uses up all the money, then that State is losing something because it did not use all the money in its good judgment or policy or in following the usual custom. Could the gentleman give us the thinking of the committee on that since it might help us?

Mr. FALLON. As the gentleman knows, under the bill, if this money is not used, it goes back into the trust fund and comes back as construction funds. But the reason for the change in this law and in the additional section is that we are trying to stimulate research and planning. It was brought out in the testimony, if that is done properly, we can save a lot of money in the future in the construction of highways. Research and planning is a continuing thing. Research never stops. In other words, if your State has done a great deal of research, there is always room for further research. I do not think that very much of this money will be turned back because your State and other states in the future will find, if they have a traffic problem that they will have to do a lot of research and planning on that particular problem and that they have a leadtime of 3 years. The money does not have to be spent within the 3 years. But, if it is committed to a certain project which the Bureau of Public Roads thinks is for the good and for the welfare of the public and it is feasible, they can commit that research fund for future planning to a certain project and it is the belief and the opinion that none of this money will be turned back. Of course, it goes back into the highway trust fund to be used for further construction.

Mr. HEMPHILL. If the gentleman will yield further, do I then understand that in 1963 we could commit the fund as far in advance as 1967?

I want to thank the gentleman. I am sure the gentleman is acquainted with the fact that South Carolina has a very fine highway system, which we think is second to none. The chief of our highway system is one of the most dedicated men we have. He asked me to make these inquiries, and I thank the gentleman.

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. PIKE. I would like to ask the gentleman a question concerning section 7, dealing with transportation planning in certain urban areas. An urban area is defined as an area having a population of over 50,000 people. I am concerned with 2 counties, one of which has a population of approximately 750,000, and the other about a million and a half. Would these benefits be available to a county as a unit having a population of this amount even though it did not constitute an urban area but is a suburban area? It is neither rural nor urban.

Mr. FALLON. The planning is done by the local people. If they proceed to put it in that category it certainly would be acceptable, because an area containing over 50,000 people is by this bill to be considered an urban area.

Mr. PIKE. Do I understand then that a political subdivision such as a county having a population in excess of 50,000 would qualify for this help from the Secretary in the plan?

Mr. FALLON. That is my understanding.

Mr. PIKE. I thank the gentleman.

Mr JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. JONES of Alabama. We have a similar situation in Fairfax County, Va., analogous to the situation the gentleman from New York describes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. GROSS. Do we now have an interstate reserve fund?

Mr. FALLON. The highway trust fund, yes.

Mr. GROSS. I want to inquire about allocations from the reserve. Was there an allocation last year of $135 million to West Virginia and Pennsylvania? How much went to West Virginia?

Mr. FALLON. Some extra mileage went to West Virginia. I do not recall. I think it was 135 miles.

Mr. GROSS. One hundred and thirty-five miles and how much money?

Mr. FALLON. I do not think any monetary estimate has been placed on it yet.

Mr. GROSS. And Pennsylvania got about 25 or 30 miles?

Mr. FALLON. They got 25 or 30 miles for a connection with the Interstate System, as I understand.

Mr. GROSS. Does the gentleman know the amount of money that went to West Virginia?

Mr. FALLON. No money has been appropriated to them yet. This is a mileage figure. No money has been allocated.

Mr. GROSS. Of course, money will follow the mileage, does it not?

Mr. FALLON. That is right.

Mr. GROSS. Does this connect up with the white elephant turnpike down in West Virgina? It was a white elephant, was it not?

Mr. FALLON. I have no knowledge of that.

Mr. GROSS. Is there any money in this authorization bill for, or any authorized to take over, the West Virginia Turnpike?

Mr. FALLON. No, there is not.

Mr. GROSS. And the gentleman does not know whether or not this interstate mileage allocation last year would connect up the West Virginia Turnpike with something else?

Mr. FALLON. No, I do not know.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The gentleman from Maryland has consumed 25 minutes.

Mr. AUCHINCLOSS. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. AUCHINCLOSS. Mr. Chairman, I take this time to expres my appreciation of and also to recognize the work that has been done on the Public Works Committee, by one of the finest Members Congress has ever had. I refer to the gentleman from Ohio [Mr. Scherer].

Mr. Scherer has served well and faithfully the people of the First District of Ohio. He has become a specialist and an authority on road legislation. I think it is safe to say that in our deliberations on the Public Works Committee his opinion has always been very much appreciated because he speaks with authority and he speaks with good judgment. He is a fine American, and it is a great loss to all of us, not only in the Committee on Public Works, but in the Congress, that this gentleman is not going to stand for reelection.

I wish him well in the days to come, and I hope he will come back once in a while to meet his old friends and to tell the Republicans, and the Democrats, too, something about what they should do.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman from Maryland.

Mr. FALLON. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from New Jersey, and say that I agree with everything he says about the gentleman from Ohio. My asociation with him in the years he has been in the House has generated a warm friendship. I do not know of any member of our committee who has contributed more to the welfare not only of his district and State but to the welfare of the Nation. His leaving the Congress will be a distinct loss to the Nation.

Mr. AUCHINCLOSS. I thank the gentleman.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I would like to take this opportunity to pay my great respects to the gentleman from New Jersey [Mr. Auchincloss].

When I first came to the Committee on Public Works, it was under the distinguished leadership of the gentleman from New Jersey [Mr. Auchincloss]. In all the time that we have had deliberations in that commitee, he has been most helpful, the most lovable member of the committee I have ever served with. Certainly none of us could have served on that committee for any length of time, in the discussion of any bill or any proposal that the gentleman from New Jersey [Mr. Auchincloss] has had his handiwork in, without wanting to pay him great tribute as a real American, as a genteel colleague, and certainly as a man we all love.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, in the hope we might continue this mellow mood for a little while, I would like to join my colleagues on this side in expressing our great admiration and respect, not only for the senior minority member of the committee, the distinguished and genial gentleman from New Jersey [Mr. Auchincloss] but also for the next member in seniority on the other side, the gentleman from Ohio [Mr. Scherer]. I have found both of these gentlemen fighters for their respective States in expressing their views forcefully and strongly with regard to legislating on any subject.

It has also been a pleasure to serve with both of them. I know the House, and particularly the Committee on Public Works, will miss the able lawyer-like qualities of the gentleman from Ohio in the next session of the Congress.

Mr. SCHERER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I certainly appreciate the nice things that have been said about me by the ranking minority member of the Committee on Public Works and my longtime colleague, the chairman [Mr. Fallon] of the Subcommittee on Roads. I only wish that I deserved all of the nice things that they have said, and I hope, by my presentation today of this bill, I do not prove them to be wrong.

Mr. Chairman, the gentleman from Maryland [Mr. Fallon], the chairman of the Subcommittee on Roads, and I introduced almost identical bills which merely provided for the biennial authorizations for the so-called A–B–C Federal-aid highway system.

The chairman of the full Committee on Public Works [Mr. Buckley] introduced a bill for the administration which provided for some substantive changes in the basic law and substantial increases in the authorizations for some of the so-called Federal domain roads, over and above the authorizations of previous years.

These increased authorizations are apparently justified by the evidence produced at the hearings. That evidence comes chiefly from the departments of government in charge of these Federal domain highways. We must assume that the representations made by the agencies involved as to the need for these increased authorizations are justified by the facts. The bill before us today contains these increased authorizations, amounting to approximately $65 million.

It should be pointed out that the administration bill, however, kept the authorizations from the trust fund for the A–B–C system for fiscal 1964 and fiscal 1965 at $950 million for each year, as did the Scherer bill. However, the committee increased the authorization for fiscal 1965 to $975 million. To this increase some of us objected because, under no circumstances, with the fiscal condition of the country as it is, could we possibly go along with an increase over and above that which the administration recommended.

Most of the changes in the basic law as called for in the Buckley bill are incorporated in the bill before the House today. Some of these proposed changes were amended in committee to make them more palatable to some of the members and less harmful to the actual road program.

One of the radical changes in the basic highway law is found in section 3 of the bill we are considering. It provides for the first time that States may reimburse tenants up to $200 and businesses up to $3,000 for their moving costs when they are compelled to relocate by reason of the construction of a new highway. The Federal Government will include such payments as part of highway construction costs when reimbursing States with Federal funds. There is some justification for such payment if for no other reason than to avoid discrimination.

The Federal Government for some time has been paying relocation costs in connection with land takings for reclamation, flood control, and urban renewal projects. In these projects the Federal Government acquires the land directly. In highway right-of-way acquisitions we must remember that it is the State, rather than the Federal Government, that takes, owns, and maintains the highway right-of-way.

Some of us felt that the provision providing for the payment of relocation moving costs was a little premature. The Committee on Public Works has set up a Select Committee on Real Property Acquisition. It has a sizable and experienced staff. Its very purpose is to make a complete and exhaustive study in depth of the practices, procedures, and moneys paid in connection with land takings by the Federal Government in all categories. The committee's objective, as stated by its chairman, is "to make an impartial, nonpolitical and comprehensive study to determine if existing law, practices and procedures in the acquisition and evaluation of real property by the Federal Government are unfair, either to property owners because of inadequate payments, or to taxpayers because of overpayment." Among the broad areas which the chairman of the Select Committee said the study would cover is the following:

> Measurement and payment of compensation for losses, expenses, and damages not reflected in the value of the real property which are incurred by the owner or others as the result of taking of real property.

This Select Committee is therefore currently studying how and under what circumstances moving or relocation costs should be paid to those who must move from newly acquired highway rights-of-way. Instead of waiting for the conclusions of this committee on this very subject, this legislation jumps the gun and arbitrarily sets a pattern for payment of relocation costs in connection with right-of-way acquisition for highways.

While payment of relocation costs is generally acceptable, paragraph b of section 3 of the bill is highly objectionable and in the opinion of many of us, who are familiar with highway problems, will delay and seriously hamper the highway construction program.

The American Association of State Highway Officials conducted a survey of the State highway departments and found that all 50 States were definitely and unequivocally opposed to the provisions of paragraph b. Subsequently the Governors of only two States, California and Ohio, reversed the position of their highway directors. Why they did it is a subject for political speculation.

Now what does this paragraph b of section 3 provide? It says that the Secretary of Commerce, before he approves any highway project, must be satisfied that there exists one or more feasible methods for relocation of families displaced by the acquisition or clearance of rights-of-way. This means that every State, every community—local or urban—must have a relocation agency or program for the relocation of families. It means that the methods and procedures these State agencies use must be satisfactory to the Secretary of Commerce before a highway construction project can go forward. It makes the Secretary of Commerce a virtual dictator over local and State governments when it comes to relocation of families.

There is no definition in the bill as to what constitutes a feasible method. Therefore, the Secretary of Commerce is the sole judge of the type of setup and procedures a local or State government must have before he approves a highway project. We get a clue, however, as to what the Secretary of Commerce is going to consider a feasible method. We get some idea of the guidelines that he is going to follow by taking a look at the original bill introduced by the administration. This bill gives a blueprint of what the Secretary of Commerce considers a feasible method or program for relocating families. Here is what the original section of the administration bill says:

> The Secretary, as a condition precedent to his approval of any highway project, shall require the State highway department, through an agency or agencies acceptable to the Secretary, to assure that there is a feasible method for the temporary relocation of families displaced by the acquisition or clearance of rights-of-way for any Federal-aid highways; that there are or will be provided in areas not generally less desirable in regard to the availability of public utilities and public commercial facilities at rents or prices within the financial means of the families displaced by the acquisition or clearance of such rights-of-way, decent, safe, and sanitary dwellings adequate in number to accommodate such displaced families and reasonably accessible to their places of employment.

This section would require the State to relocate families, in many instances in better housing better located than that from which the people were required to move. This is the kind of relocation service your State, your community, is going to be required to give before a highway project is approved in your township, city, or village. We are putting the highway departments into the housing business.

Your State highway engineers, or anyone else that knows anything at all about highway construction, will tell you that if section b is permitted to remain in this bill it is going to seriously interfere with and delay the highway construction program.

The testimony before the committee was conclusive that only in a few instances, in two or three large metropolitan areas, was there any difficulty in relocating families in suitable housing and that in these instances the problem was gradually being worked out. If moving costs are paid, as proposed in the current bill, it should help materially in relieving any hardship that may exist. A simple provision in the law, which I have suggested, would solve the problem in those few areas where it exists. The law could be amended to provide that tenants be given at least 6 months before they are required to move after the land is taken by the State. This would solve the problem.

In fact, in most instances, people know long before the land is actually acquired that they will have to relocate. In some cases it is as much as 7 years. The statute provides that Federal funds may be used in the acquisition of rights-of-way 7 years in advance of actual construction.

As I have said, the requirements in section b could be used to delay the program and harass the people who must do the job. We all know that there are many people who just do not want to move.

Then there are those who for one reason or another oppose the selected route or location of a new highway. There are others who for selfish reasons want interchanges and access points differently located from that which the highway engineers recommend. Anyone desiring to delay the program or possibly force the changes I have just mentioned could latch on to the provisions in paragraph b and for a dozen different reasons contend that suitable housing is not available.

Court actions, I am sure, will be instituted on this basis. Whether the complainants succeed or not, such actions will have the effect of delaying and increasing the costs of the program. To avoid such delays highway officials and others might be forced to change routes, interchanges, and access points which are not in the best interests of good highway engineering. Therefore, the Baldwin amendment, which will require highway departments only to furnish relocation advisory assistance, should be adopted.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield to the gentleman from Maryland.

Mr. FALLON. Of course, the gentleman knows that the additional money that is allocated by this bill for the A-B-C system, $950 million for 1964 and $975 million for 1965, does not increase the national debt in any way. This comes out of the trust fund, and the committee was told by the Bureau that there were sufficient funds to take care of this increase without endangering in any way the completion of the Interstate System.

Mr. SCHERER. The gentleman in his statement is absolutely correct, that these moneys do come out of the trust fund. But, I cannot visualize myself, as a conservative, approving, as does this bill, an expenditure of $25 million over and above that recommended by the President of the United States. I just want to point that out to keep the record clear.

Mr. REIFEL. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. Yes, I will be delighted to yield to the gentleman from South Dakota.

Mr. REIFEL. I have just received a letter from the secretary of our State highway commission and in this letter he was wondering why this change was necessary, as it seemed that where the funds were not all used in this regard that they could be used for construction and planning.

Mr. Chairman, I just wonder if the gentleman from Ohio can give us an explanation of the advisability of the amendment?

Mr. SCHERER. Many States are anxious, as all of us are, to get pavement laid. So they have taken the 1.5 percent which could be used for planning under existing law and have used it for construction. In the judgment of the committee and in the judgment of the Bureau of Public Roads the road program would progress better and more efficiently and be less costly if those States would use that 1.5 percent for what it was intended; namely, research and scientific planning. Therefore we make it now mandatory for the States to use that 1.5 percent for planning and research.

Mr. Chairman, to further answer the question of the gentleman from South Dakota [Mr. REIFEL], this question of research and planning is so important that this bill also provides another basic change in the law: it provides that a State may also use an additional one-half of 1 percent for research and planning, if it so desires. It does not have to use that one-half of 1 percent for planning. If it does not see fit to use that additional one-half of 1 percent, then it can use that money for construction purposes.

Mr. REIFEL. Mr. Chairman, will the gentleman yield further?

Mr. SCHERER. Yes.

Mr REIFEL. If the bill passes with the amendment in it requiring the mandatory use of the 1.5 percent or otherwise it lapses, that is certainly going to tend to make some of the States which have not been using it tend to overplan and overuse this particular area so that the money does not lapse.

Mr. SCHERER. I doubt that. The evidence before the committee indicated that each State could very well use the 1.5 percent in research and planning. I think the majority and minority agree fully in this respect.

Mr. REIFEL. I appreciate the gentleman's explanation, and I thank the gentleman.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield to the gentleman from Michigan.

Mr. KNOX. There has been a question raised in my own mind relative to the jurisdiction in the case of sign removal from highways where Federal funds have been used for construction purposes on a matching basis. The Bureau of Public Roads, I believe on December 25, 1961, issued a memorandum which provided for all highways to be free of any directional signs—any signs advertising business—located in front of a business, or the Federal funds would be cut off from the respective States.

It was my understanding when we passed the Interstate Highway Act that we did give that jurisdiction as far as the Interstate System is concerned to the States; is that right?

Mr. SCHERER. That is right, to the States.

Mr. KNOX. Now, is it the opinion of the gentleman, who has been serving on this committee for some time, that the Federal Bureau of Public Roads got a directive or jurisdiction to issue such a memorandum that would not permit directional signs or other signs in front of a place of business designed to advertise such place of business on roads other than interstate roads?

Mr. SCHERER. I am unfamiliar with the directive which the gentleman mentions, but I do not think the Bureau of Public Roads has the right to make such a directive insofar as the Interstate System is concerned until and unless the State itself decides to participate in that particular phase of the program. Then the State is given one-half percent increase in its yearly apportionment if it abides by the regulations with reference to signs and billboards.

I would appreciate it if the gentleman would permit me to discuss this a little later because I am not too familiar with the existing situation and I do want to get along with the bill before us.

Mr. KNOX. Mr. Chairman, I thank the gentleman.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BARRETT].

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MEDICINE FOR THE AGED UNDER SOCIAL SECURITY

Mr. BARRETT. Mr. Chairman, I was indeed sorry to learn that yesterday our colleagues in the Senate tabled the Anderson amendment to H.R. 10606, which would provide medicare for the aged under social security. The defeat of this amendment not only harms the people in my district but is detrimental to the welfare of the entire Nation. I only hope the American people will protest this action and force the House to consider H.R. 4222, the Health Insurance Benefits Act, which is also known as the Anderson-King medical care bill for the aged.

I am very much in favor of the Anderson-King bill because it will do the greatest good for the greatest number of people in our country today—the elderly and the retired—and in years to come will provide needed benefits to the men and women who are now working, but who will one day reach retirement age.

There has been considerable discussion for and against such a medical care program, but I am pleased to say that a majority of the people living in the First Congressional District of Pennsylvania are in favor of it. If you could only read the comments I receive in the mail on this bill, you would not hesitate for 1 minute to support medicare legislation, but would insist that the House be permitted to vote on it.

Here are a few examples of comments I am receiving daily in the mail:

> Only such a bill would meet the needs of the aged.

> My parents are among the 15 million under social security. Their income hardly meets the expenses of today's medical bills.

> Retired people need more medical care than any other age group. The cost of medical care is too expensive for them and insurance is too much for them to pay.

> The expenses of medical care are a great problem to our retirees today.

> My husband and I haven't enough income to afford adequate medical attention.

> I'm on social security and really need all the breaks I can get.

> I am already receiving social security checks. Needless to say, I find it very difficult to make the check cover rent, food, etc.

Mr. Chairman, over 16.5 million American citizens are now 65 or older. By 1970 this number will increase to 19.5 million. These senior citizens require twice as much medical care as younger persons. The cost of these increased medical expenses and the ordinary day-to-day living expenses must be met by the aged out of reduced incomes. Extensive research has disclosed that, in many instances, lacking the necessary means to pay for medical treatment our aged deprive themselves of it or must rely on free care or public assistance.

In the autumn of their years, are we to deny our elderly citizens the protection they need against the cost of necessary medical care? Most of all, Mr. Chairman, the golden years of retirement, which we all will pass through, must and should be lived with dignity and not shame.

Medical care is the greatest legislative challenge of this session and this century. I urge all of you here today to demand that we be given the opportunity to vote on the Anderson-King bill.

Mr. FALLON. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. KLUCZYNSKI].

FEDERAL-AID HIGHWAY ACT OF 1962

Mr. KLUCZYNSKI. Mr. Chairman, H.R. 12135, which is before this House today, is a good bill. I am proud to be a member of the House Committee on Public Works which reported this legislation after extensive hearings. This bill will move the highway program of the United States forward in the manner which was originally intended in the Federal-Aid Highway Act of 1956. May I congratulate my good friend and the distinguished chairman of the Public Works Committee, the gentleman from New York, CHARLES BUCKLEY, for his leadership in producing this legislation; and my other good friend and colleague, the chairman of the Subcommittee on Roads, one of the leading experts on highways in the country, the gentleman from Maryland, GEORGE FALLON. They have worked long and hard to present this bill which is before you today.

I am particularly gratified that for the first time in highway legislation we recognize the fact those individuals, families, or small businesses which are relocated as a result of the construction of a road will receive the necessary moving expenses for the inconvenience and hardships caused to them by the highway construction program throughout the country. In 1956 we enacted into law legislation which allowed reimbursement to utilities for moving expenses when such utilities were displaced by road construction. It is only fitting and proper that human beings receive the same treatment as utilities. From the testimony heard by the Public Works Committee during the hearings on this bill, I am certain that these payments for relocation costs will not, to any great degree, slow down the construction program now underway on the Interstate and A-B-C Systems. I am very much in favor of these payments for relocation. I think it is justified, equitable, and proper. I strongly support this section and all other sections of what I believe to be a very fine highway bill. I hope the House will pass this legislation.

Mr. SCHERER. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, it has been a privilege to serve again this year on the Roads Subcommittee of the House Committee on Public Works under the able chairmanship of the gentleman from Maryland [Mr. FALLON]. I have had that privilege for the past 8 years. I respect the gentleman from Maryland [Mr. FALLON] most highly for the fair and impartial manner in which he presides over our committee hearings and his very comprehensive and detailed knowledge of the highway program of the Federal Government. It has been an equal privilege to serve during the past 8 years on the subcommittee with the gentleman from Ohio [Mr. SCHERER] who is now the ranking Republican member of the subcommittee and who has shown during that period of time a tremendous dedication to the best interests of the people of our country from the standpoint of the highway program. I join the gentleman from New Jersey [Mr. AUCHINCLOSS] in expressing my personal sorrow that the gentleman from Ohio [Mr. SCHERER] has made a decision not to remain in the Congress and to devote his great service to the work which he has so ably carried out.

Mr. Chairman, the bill we have before us is a bill which generally I support. I do have an amendment which I propose to offer, dealing with a portion of section 3 of the bill. Section 3 of the bill as a whole provides for Federal reimbursement to States, if a State has a law authorizing payment to individuals or businesses for the relocation of families and businesses. If a State has such a law, then section 3 will provide that the Federal Government will reimburse that State up to the same proportion that we reimburse that State for that particular kind of highway; if it be interstate it is 90 percent, and if it is State primary or secondary roads, then it is 50 percent. There is no quarrel with that provision for this reimbursement feature. But there is a difference of opinion about the section (b) portion of section 3. This (b) portion, and I would like to read it, reads as follows:

> (b) The Secretary prior to his approval of any project under section 106 of this title for right-of-way acquisition or actual construction shall require the State highway department to give satisfactory assurance that there exists one or more feasible methods (including relocation advisory assistance) for the relocation of families displaced by acquisition or clearance of rights-of-way for any Federal-aid highway.

This proposes to take some thing from the States in the way of control and concentrate it in the Secretary of Commerce. It has not been placed in the hands of the Secretary of Commerce prior to this time.

Up to this time, we gave the States the full responsibility to determine their procedures for relocation. In fact, when the Congress passed the Federal Interstate Highway Act of 1956, it was stated time and again that we were going to try to be sure not to just grasp Federal control and to take the control away from the States and put it in the hands of the Federal Government for the actual detailed procedures for constructing this highway program.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman.

Mr. JONES of Alabama. The gentleman recognizes the fact that all the restraints that can be conjured have been proposed in this legislation to protect the rights of the States. It is not that the Federal Government is going in and selecting the States. The States, first, have to operate in the acquisition of property and it is up to them to decide whether or not they want to acquire property under the terms of this act.

Mr. BALDWIN. I have some difference of interpretation with the gentleman. I thank the gentleman for the point he has made, but I have some difference of interpretation with him. The wording of the bill is quite specific. It gives the Secretary entire power to determine what is a feasible method of relocation. This is something we have not given to the Secretary of Commerce before. He does not have any particular guideline set forth in this bill. He has almost open authority to determine what he feels is a feasible method of relocation, and then to impose his decision or his interpretation upon the State whether the State feels the same way about what a proper procedure for relocation is or not.

It seems to me we should not concentrate that kind of power in the Secretary of Commerce when we have not done so up to this time. The procedures that are set forth in the bill require the Secretary to determine what is a feasible method. It also says that the State should provide relocation advisory assistance.

I think it is better for the State to provide relocation advisory assistance, and my amendment basically would simply strike out the words that would give the Secretary the power to determine what a possible method is and would simply leave the State to provide relocation advisory assistance.

I think it might be appropriate at this point to refer to certain statements which have been made about this. I refer you to page 99 of the hearings on this bill when the President of the American Association of State Highway Officials, Mr. J. C. Womack, had this to say about section 3:

> As to section 3, assistance to displaced families and businesses, we advise against the passage of such a provision at this time.

There is another statement I quote from him:

> There are many questions that we think must be answered also, such as, Who would determine what is adequate, safe, sanitary, convenient housing within the means of the individual, and as we understand the provision, the State highway department would have to make a showing that this housing was available before we could even go ahead with acquiring right-of-way to build any Federal-aid project, whether it be the interstate, primary, secondary, or whether it be in an urban or totally rural area.

Further on the same page he makes this statement:

> We believe that it would be a means of introducing controversy, delay, and political pressures into the program to the point that it could effectively stop the highway program in certain areas.

My amendment does not propose to strike section 3 but does propose to eliminate this authority to the Secretary of Commerce to be the sole arbiter in the matter of possible relocation.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I prefer not to yield until I have finished my statement.

Mr. EDMONDSON. I will get the gentleman additional time.

Mr. BALDWIN. I do not yield at the moment, Mr. Chairman.

I have here a telegram from the American Automobile Association, which I believe, represents the greatest number of people who drive automobiles throughout the country. I want to read it:

> WASHINGTON, D.C.,
> *July 16, 1962.*
>
> Hon. JOHN BALDWIN,
> *House of Representatives,*
> *Washington, D.C.:*
>
> Reasons advanced by a substantial number of members, House Public Works Committee, to limit requirement involving relocation of families and businesses to relocation advisory assistance in section 3 of H.R. 12135 should have support of all Members of Congress favoring orderly highway planning and construction. To require any other condition such as feasible methods as a precedent to approval of Secretary of Commerce for use of highway trust fund money, all of which is provided by users through special taxes, could result in delay and greatly increased cost for purchase of rights-of-way and construction. Your amendment avoids serious dangers to the Federal-Aid highway program and should be supported.
>
> RUSSELL SINGER,
> *Executive Vice President.*

I also have here a letter from the American Road Builders Association, which certainly has knowledge of the problems involved in the case of the primary highway systems and the secondary roads. It is dated July 17, 1962. I read the following from this letter:

> We understand that you will offer an amendment to require State highway departments to give satisfactory assurance that relocation assistance will be provided to displaced families and businesses, in lieu of the present language of the bill requiring

assurance of one or more feasible methods for the relocation of families.

In our judgment, your amendment, which we strongly endorse, would remove some ambiguities from the section and make it a more effective instrument for encouraging the States to improve their relocation programs.

It is signed by Louis W. Prentiss, major general U.S. Army, retired, executive vice president.

It seems to me with this statement, the testimony of the President of the American Association of State Highway Officials, and the telegram from the American Automobile Association that we should amend this proposal to concentrate power in the Secretary of Commerce and to give him power to be the sole arbiter, the sole one to determine what is the possible method to determine relocation of people displaced by this program.

So my amendment primarily is simply to reserve to the States the power to make that decision and require them to provide relocation advisory assistance, but it leaves them with the basic power to determine the proper feasible method of relocation of people and rights-of-way.

Mr. FALLON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, I rise in support of H.R. 12135. I am gratified that the Public Works Committee, of which I am a member, has reported out H.R. 12135 which is an essential piece of legislation insofar as development of our vast Federal highway system is concerned. The bill before us on the floor today gives the needed financial impetus to the further development of that vast network of roads outside of the Interstate System which forms the backbone of our entire road program. I wholeheartedly support this legislation, and I trust that the House will see fit to approve it today. If I may, I would like to address my remarks specifically to one section of the bill which deals with a subject which is of immense concern not only to myself but to all Members of Congress who are interested in the further development of our vast natural resources. That section deals with the authorization for forest development roads and trails. It was my privilege to offer in the committee an amendment which was adopted by the committee unanimously which increases the authorization for appropriation for development of forest roads and trails by adding an additional $10 million for the fiscal year 1963, $70 million for the fiscal year 1964, and $85 million for the fiscal year 1965.

Forest development roads and trails provide access to national forest lands for the protection, development, and multiple-use management of the forests, including resources on which communities in or near the forests are depending. This system of roads and trails is administered by the Secretary of Agriculture through the Forest Service.

As of June 30, 1961, there were 179,213 miles of roads and 106,577 miles of trails on record in the forest development system. It is estimated that when completely installed this system will consist of 542,250 miles of access roads and that the trail network will be reduced to 80,000 miles. An adequate system of forest development roads and trails is essential now to the proper development and beneficial use of national forests and their resources. The presence of these roads and trails has a direct influence on the protection of national forest resources from fire, insects, and disease; the use of recreation, hunting, and fishing areas; the volume of timber that can be marketed especially for small sales and the support of dependent communities and small business enterprises; and the level of salvage cutting in dead and dying timber stands and the opportunity to promptly salvage losses resulting from fire, windstorm, insects, and disease.

Furthermore, roads that give access to national forest timber are investments which pay their own way over a period of years. Use of these roads by the public results in substantial benefits to the localities the roads serve.

The Forest Service at the present time has underway a long-range 10-year development program for our national forests. This program was transmitted by the President to the Congress in September of 1961. The benefits from this long-range 10-year program of which this increased authorization is an essential part are many. They include not only direct financial revenues returning to the Government but many secondary benefits and intangible benefits. Direct financial revenues from the forest system will rise to about $230 million annually by the time the 10-year program is completed or nearly double current receipts. These receipts will then continue to exceed annual operating expenses of the program. By the year 2000 the annual worth of the national forest timber sales should reach $350 million based on 1960 prices. Payments from national forest revenues for county schools and roads will increase correspondingly. The capital value of the timber, forage and lands in the national forest system will have increased by about $2 billion as a result of the 10-year program. Many secondary benefits including the employment of numbers of people during this 10-year program, and the harvesting of national forest timber and other projects, plus the value added to these products by manufacture, distribution and marketing will occur. It is estimated that the program will provide direct employment for about 32,750 at its peak. Much of this will be in areas of labor surplus and low rural incomes. Of the 186 million acres of land administered by the Forest Service, 80 million acres are in such area. Thus it is easy to see the many benefits that will arise for the Nation as a whole.

My own district in northern California includes 19 of California's counties. Its area amounts to about 53,000 square miles and each and every county participates in this program. We are very much interested in seeing the forest roads and trails program expand. Every dollar that has been put into this program in the past has been or will be returned to the Federal Government. I am certain that the figures in H.R. 12135 will be returned over the years. The funds that I trust the House will authorize today will open still further our national forest for recreation; for proper harvesting of timber; for further control of disease and fire and for an overall proper management of one of our greatest natural resources.

I urge the passage of H.R. 12135.

Mr. OLSEN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Montana.

Mr. OLSEN. I wish to commend my colleague, the gentleman from California [Mr. JOHNSON] on his splendid statement. I am in support of this bill and I want to subscribe and endorse the remarks the gentleman has made, because the opening up of this vast land in his district and in mine is of great importance to the people of our districts and of extreme importance to the people of the United States.

Mr. JOHNSON of California. I thank the gentleman very much.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Maryland.

Mr. FALLON. I, too, would like to congratulate the gentleman for the fine job he did for the forests of his State. He has brought to our committee a wealth of knowledge about these forests, and we look to him as an expert. I would like to congratulate him.

Mr. JOHNSON of California. I thank the gentleman.

Mr. RIVERS of Alaska. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Alaska.

Mr. RIVERS of Alaska. I would also like to associate myself with the remarks of the gentleman from California and commend him for the very sound work he has done in cooperation with the committee and with some of his other colleagues from the Western States. I have been with you all the way in this effort, and I also express my appreciation to the committee.

Mr. JOHNSON of California. I thank the gentleman.

Mr. SCHERER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I would like to address my remarks first to the relocation-payment provisions of H.R. 12135—not so much to the merits thereof but to the procedure we are following.

Now, as you will probably recognize, this new program would amount to an extension of the concept of "just compensation." There have been previous extensions. As you may also know, the military departments already are paying moving costs up to 25 percent of the fair value of land taken by them for a public works project. So, too, can the Housing and Home Finance Agency, as a part of the total cost of urban renewal projects, though in this instance the permitted payments are, as in H.R. 12135, limited to $200 per family and $3,000 per business. The Secretary of the Interior, for another, is authorized to reimburse owners and tenants of land acquired for development projects under his jurisdiction, again up to 25 percent of the fair value of the taking. For another, the Corps of Engineers can provide reasonable actual costs of relocation in connection with certain of its flood control or navigation and water control projects.

So it goes, Mr. Chairman, until we have, you see, a veritable patchwork quilt regarding the costs of relocating families and businesses displaced by Federal or federally aided land takings.

Now, this bill today, as it is written, will add another patch to that quilt, despite the fact that about a year ago our committee asked for the creation of a Special Subcommittee on Real Property Acquisition, a subcommittee to be chaired by the gentleman from Tennessee [Mr. DAVIS], to study this and related land acquisition problems.

I would like to refer you to a letter from the Bureau of the Budget, Executive Office of the President, dated August 14, 1961, to the chairman of our committee, in response to his request for a report on the creation of this subcommittee. I quote from that letter on page 2 thereof:

> There have been many complaints that amounts being paid are inadequate and bills have been introduced to provide more liberal payments for property acquired for specific Federal programs or from specific property owners. Generally, we have not favored such proposals because they would provide a piecemeal solution and would result in varying amounts being paid to property owners, depending upon which Federal agency happened to take their property.

Mr. Chairman, a couple of weeks ago some of us were concerned when we were considering the Trade Expansion Act over the fact that we might be for the first time preparing to treat some of our unemployed citizens differently, depending upon the reason back of their unemployment. I thought that was wrong then, and without being opposed on the merits to relocation payments to persons and firms displaced by the highway program, I think all of our citizens are entitled to equal treatment under our laws. That is a basic principle to which our Nation has always subscribed, and I regret that our committee did not see fit to defer this matter for at least a year, during the course of which our special subcommittee could have been able to recommend, I hope, uniform legislation in this area of concern not only to the full committee, but to the Congress as well.

Mr. O'BRIEN of New York. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I am glad to yield to the gentleman from New York

Mr. O'BRIEN of New York. I would like to compliment the gentleman on his statement. While I intend to support the compensation provided in this bill, I think the gentleman has placed his finger very squarely on a major problem before this Congress. I think when the U.S. Government for any purpose whatsoever—highways, urban renewal, housing, and reclamation or irrigation—takes a person's home or business, that that person should be compensated for moving costs. I think that in the very near future we should in this Congress enact a general law covering that subject.

Mr. ROBISON. I thank the gentleman for his contribution. I understand the gentleman is the sponsor of legislation which would provide for such uniform coverage.

Mr. Chairman, I would like to address the balance of my remarks, insofar as time will permit, to an issue that is not covered by the bill although in my judgment it should have been. I refer to the still unresolved problem of whether or not the several States which have contributed mileage which they built without benefit of the 90 percent Federal aid, and then subsequently contributed to the Interstate System, whether those States should be reimbursed therefor.

Mr. Chairman, if Members would turn to page 13822 of yesterday's RECORD, those who are interested will find a brief history that I inserted in the RECORD as to how this situation developed, and a table showing the interstate mileage—90–10 mileage—that most of the States thereby lost. New York is the chief loser, by all odds, by virtue of incorporation into the Interstate System of our 500-mile-plus throughway, as a result of which our original allocation of 1,227 interstate miles has been reduced by nearly half, and all we have to show for our enterprise in this respect are some signs indicating that our throughway is an interstate route. Those signs may be pretty ones, Mr. Chairman, but they are far from representing just compensation for what we have provided.

Mr. Chairman, we find as a result of all this a situation exists in New York where, under such interstate mileage as we now have, the throughway has so far been built at about a 13-percent cost to the Federal Government and an 87-percent cost to the people of the State of New York, which is almost a complete reversal of the intended Federal-aid formula under the Federal-Aid Highway Act of 1956. In my judgment this is an inequitable condition that should have been corrected long ago, and that is capable of being easily corrected by virtue of the circumstances under which it arose. I think the merits of this situation deserve the further consideration of our committee, as a separate matter perhaps, where it could be determined solely on its own merits. I would hope that there would be additional time for us to do so this year.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I would be happy to yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I would merely like to extend my own personal appreciation as a Representative of a State very much affected by this problem to the gentleman from New York for bringing it to the attention of the entire House.

I also commend him for his consistent fight in our committee, along with the Chairman of the full committee, the gentleman from New York [Mr. BUCKLEY], to get congressional consideration and action on this long delayed subject.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield to the gentleman.

Mr. GOODELL. Mr. Chairman, I wish to associate myself with the gentleman from New York and also pay tribute to the leadership he has provided on this issue. Mr. Chairman, I should like to ask the chairman of the subcommittee handling this bill if he anticipates that anything can be done for New York State in this respect.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield to the gentleman.

Mr. FALLON. The gentleman from New York brought up that question in the committee this year when we were holding hearings on the bill. It was the judgment of the committee at that time that it should be held in abeyance until another time. There were expressions time and time again by the committee indicating that we realize that something has to be done and will be done sometime; but we do not feel that it can be done at the present time.

Mr. GOODELL. Mr. Chairman, will the gentleman yield further?

Mr. ROBISON. I yield.

Mr. GOODELL. Mr. Chairman, I appreciate very much the remarks of the gentleman; but it seems that this has been going on for quite awhile. New York State is far from the only State involved, as the gentleman knows. I think New York was a flagrant example because in New York we built the New York State Thruway along the Federal highway route. But many other States were enterprising enough to go ahead and build right along the Federal highway route prior to the enactment in 1956 of the Highway Act.

Mr. FALLON. Mr. Chairman, if the gentleman will yield to me, I might say that you have a new member in that group. The State of Maryland has turned back mileage on the Interstate System to the Federal Government so that they could build a road to connect the harbor tunnel with the Delaware River Bridge.

Mr. GOODELL. Mr. Chairman, I hope this will motivate the gentleman and other Members of Congress to help us get some justice in this matter.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield to the gentleman.

Mr. SCHERER. Mr. Chairman, I, too, want to commend the gentleman from New York for his leadership on this vital issue. My State, like that of the gentleman from Oklahoma, is vitally affected. One reason I might state the committee has not gone forward with this matter of reimbursement to the States because the estimated cost is $4.5 billion. We are not going to be able to get that kind of money until we get well along with the present Interstate System which is scheduled to be concluded in 1972.

Mr. FALLON. Mr. Chairman, I yield such time as she may require to the gentlewoman from Idaho [Mrs. Pfost].

Mrs. PFOST. Mr. Chairman, the legislation before the House is certain to be one of the major accomplishments of this session of the Congress.

I want particularly to compliment the gentleman from Maryland [Mr. Fallon] for his hard work and diligence; and the excellent job he has rendered as chairman of the Roads Subcommittee of the Public Works Committee. He conducted intensive hearings covering every phase of the road and highway situation. He and members of the subcommittee worked for many weeks in shaping into meaningful form for America, this bill now under debate.

As a member of the House Public Works Committee, I am aware that the highway bill is perhaps too comprehensive for just one speaker to discuss in detail. Therefore, I would like to address my remarks to that portion dealing with the long-range development program for the national forests. That program—which has the building of new forest roads and trails as its keystone—was recommended last September by the President following a study made by the Department of Agriculture.

Funds spent on forest roads and trails development represent an investment in America. The dividends they return in terms of receipts to the Treasury for timber harvested, for watershed development, wildlife control, forest protection and recreation for millions of outdoor-minded Americans more than offsets the costs incurred. For the State of Idaho, which has national forest acreage second only in size to that of Alaska, I know that even the limited roads and trails building program of past years has had a profound impact on the economy of the State.

The benefits accruing from this development program are many.

Receipts to the Treasury, for example, will increase to about $230 million annually by the time the 10-year program is completed. This is double the current level. The States will benefit from increased payments from these receipts. The capital value of the timber, forage, and lands of the national forest system will increase by some $2 billion. The program will provide direct employment to some 32,750 workers at its peak. This means jobs for thousands of workers in areas of low employment—and there are a number of such areas in Idaho which concern me. The Forest Service informs me that almost half of the 186 million acres it administers are in distressed areas.

In addition, the timber harvest will rise to about 13 billion feet of saw timber in the program's final year. This represents a consumer value of $4 billion. And recreation visits are expected to rise to 195 million annually by the year 1972. The business which these visits will generate for the various States will add a value of $1.5 billion to the economy.

This legislation will, indeed, provide the impetus for an expensive program of additional development in national forests. It would increase funds to $50 million for fiscal 1963, to $70 million for fiscal 1964; to $85 million for fiscal 1965. These expenditures, overdue for many years, would be in full accord with the President's March 1 natural resources message in which he said he would recommend "approval of legislation to be sent to the Congress shortly to accelerate the development of national multipurpose forest roads and trails."

Funds for forest roads and trails in Idaho would be stepped up to $5 million for fiscal 1963, $7 million for 1964, and $8.5 million in 1965. It would greatly spur activity in the State, providing a tremendous boost to the economy. The State itself should also benefit through increased revenues derived from hunting and fishing licenses as additional visitors are accommodated. Roads and trails built in the State and paid for through federally appropriated funds totaled 118 miles in 1958, 133 miles in 1959, 123 miles in 1960, and 97 miles in 1961. Roads built by timber operators, with the Government supplying the funds indirectly through timber sales agreements, amounted to 472 miles in 1958, 386 miles in 1959, 448 miles in 1960, and 507 miles in 1961. All of these totals would be stepped up considerably under the authorization provided by this legislation.

The legislation, morever, also provides another $2 million for 1964 and $4 million for 1965 for the Bureau of Land Management to use in road and trail work on forest and grazing lands within its jurisdiction. Idaho's share of this program, which would dovetail with the Forest Service program, would be an estimated $336,000 for the first year and more than $700,000 for the second year. This would enable the Bureau of Land Management to make needed improvements to the areas within its jurisdiction, and, in the process, increase their value and uses to the public.

In conclusion, I would strongly urge that the House approve this bill. It is an investment in America, one that will greatly contribute to a better America in the years ahead.

Mr. FALLON. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. Jones].

Mr. JONES of Alabama. Mr. Chairman, I agree with the gentleman from New York [Mr. Robison] that this is a very serious proposition and one that needs deliberate consideration. As one member of the committee I should like to give him assurances, as well as to all the members of the committee, that we shall go into this whole proposition and examine it very closely because I can appreciate the tremendous economic question posed to the States in trying to make a plan for the interstate program. Certainly, I want to assure him that in the future I will go along with his suggestion for a total examination of the problem.

Mr. ROBISON. I thank the gentleman for that offer of support.

Mr. JONES of Alabama. I would go along with the gentleman's proposal now but I think it is of such large proportions that we should not consider it at the moment.

Mr. SCHERER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. Riehlman].

Mr. RIEHLMAN. Mr. Chairman, I commend my colleague from New York [Mr. Robison], for his timely remarks and certainly want to associate myself with the gentleman regarding the importance of coming to grips with this matter of reimbursement.

This has been particularly close to my heart for some time now and I am looking forward to the day when the account books will be squared and New York State, among others, will no longer be penalized for her initiative and foresight in building at her own expense the fine superhighways which were subsequently included in the Interstate System.

I want to commend the gentleman from Maryland [Mr. Fallon] and the gentleman from Alabama [Mr. Jones] for their sincere expressions of interest in this problem. There are several bills dealing with this matter pending before my colleagues' committee, two of which I have introduced, and I certainly welcome and thank them for their willingness to give these important bills serious consideration.

Mr. SCHERER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Knox].

Mr. KNOX. Mr. Chairman, I take this time to make further inquiry on the subject which I discussed with the gentleman from Ohio a few minutes ago. We have to go back, of course, to the creation of the Interstate System. At that time I think Congress was cognizant of the fact that there certainly should be every consideration given to keeping the highways beautified and without billboard signs being constructed

However, on December 12, 1961, the Bureau of Roads, through the Administrator, Mr. Rex M. Whitton, sent us a memorandum relative to the use of highways for directional and advertising signs. It is my understanding from the interpretation of the memorandum that it did not apply to those roads that were constructed prior to the date of the memorandum but to any new highways, whether they be interstate, A-B-C, or State highways.

When you get into A-B-C highways you get back into the county road system. In many cases the county roads are receiving Federal aid. So they have also applied the provisions of the memorandum to the A-B-C roads.

In the rural areas of our great Nation, and we have many of them, there are business houses located where people possibly are looking for them, but the people are unable to determine where they must turn off the main highway in order to get to their destination. The Michigan highway commissioner, Mr.

John C. Mackie, has taken it upon himself to claim that it is a directive from the Bureau of Roads that all signs be removed from those roads that were constructed prior to the memorandum. This memorandum provides:

> Other Federal-aid projects: Primary (other than interstate), secondary, urban, and other classes of Federal-aid construction projects shall not be accepted until all encroachments have been removed from the right-of-way therefor, except that where awnings, canopies, marquees, advertising signs, and similar installations which were in place prior to the authorization to proceed with the current Federal-aid project and which are supported entirely from outside the highway right-of-way, may be permitted to remain under a revocable permit from the State highway department.

To me, this is the strong arm of Government calling upon the small businessman and directing him to take from his business house the right to advertise his place of business. This is something that is very serious. It is going to handicap the small businessman and will cause great inconvenience to the people who have dedicated themselves to make available necessary tourist facilities along the respective highways where such facilities often are set back a considerable distance from the highway. But the Michigan Highway Department, through the Bureau of Public Roads, is now refusing them the right to have even a directional sign to indicate where their place of business is.

I should like to ask the chairman of the Committee on Public Works whether it was the intent of the Congress at the time we created the Interstate System, that we were going to prohibit the right of people living on county roads and State highways that are not a part of the Interstate System from the right to have a directional sign or advertising sign in front of their place of business?

Mr. FALLON. As I understand the gentleman, he is talking about local roads or county roads. The law that the Congress passed only applies to the Interstate System within a certain distance of a metropolitan area. Therefore, what the gentleman is referring to must be the result of a local government body regulation or the State legislature of his State.

Mr. KNOX. I might say to my good chairman that the interpretation that is put on the Interstate Highway Act is that any roads which received Federal aid, and the county roads, as you well know, are a part of the A-B-C system and receive Federal matching funds. Therefore, the State highway department in Michigan has directed that the county road commission enforce this act, and, therefore, no directional signs or any signs in front of their place of business are permitted.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman.

Mr. SCHERER. I think we are talking about two different things. Legislation was passed with reference to signboards and billboards in connection with the Interstate System. There is a provision in the law with which I am not entirely familiar that gives to the Bureau of Public Roads the right to regulate signs within the highway right-of-way. I think that is what the gentleman is talking about, about some bulletin or some regulation issued by the Bureau of Public Roads with reference to that type of sign.

Mr. KNOX. That is right. That is what I had reference to. It is my hope at least that we are going to get a clarification of this memorandum in an endeavor to bring about a situation that will be satisfactory to most of these people who depend on these directional signs and advertising signs in front of their places of business.

Mr. FALLON. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, I wish to say a few words on the action which has been taken by the Committee on Natural Resource Road Development.

The gentleman from Maryland has again brought before us a well-balanced bill. In the previous Congress, this committee gave substantial recognition to the need for forest roads. The bill now before us provides the most substantial increase that has ever been made for forest roads and trails.

I would particularly like to commend the chairman and the members of the committee for the effective action they have taken on behalf of forest resources development.

I had before the committee a bill to provide a somewhat larger authorization. While I believe that this larger authorization could have been wisely expended, I also recognize the tremendous step forward taken by the committee.

I am especially pleased to note that in the report the committee recognizes that further increases will be required in future years. I am also pleased to see that the committee has given definite instructions to the Forest Service that they take every reasonable step to make all possible savings and improvements.

The funds for forest development roads and trails which would be authorized by H.R. 12135 mark the second step in the accelerated program for multiple-purpose forest roads and trails which the President recommended in his message on our conservation program, March 2, this year. This acceleration is prerequisite to the progress and success of the development program for the national forests which the President sent to the Congress September 21, 1961.

The road and trail construction scheduled for the decade will cost about $1.7 billion. The plan for this work contemplates financing with $1.2 billion appropriated funds and $474 million by timber purchasers. During the same period maintenance costing $242 million will be necessary of which $182 million should be from appropriated funds. To accomplish this an accelerated buildup in appropriations is necessary in the first years of the decade.

The development program includes all of the work that must be done in the national forests during fiscal years 1963 through 1972 if the forests are to meet the demand for forest products and services which will be placed on them during the decade. The heaviest pressures will be on the timber and recreation resources. In 1973 a timber cut of 13 billion board feet will be required to meet the needs of the national economy. Last year, the cut was 8.4 billion board feet. In 1973 the forests will receive at least 195 million visits for camping, hunting, fishing, picnicking, and other forms of recreation. Last year there were 102 million such visits. The need for servicing these two resources alone accounts for more than 80 percent of the road and trail work called for in the development program.

Since accessibility is prerequisite to the development and use of forest resources as well as to protect them, the funds which H.R. 12135 would authorize are the keystone to the program for the next 10 years. They are also the foundation for continued development of national forests resources in years to come and to meet the demands that will exist for products and services of the forests in the year 2000. At that time, the road and trail system must provide access so that we can protect watersheds yielding more than 200 million acre-feet of water annually; service 635 million visits a year for recreation; harvest 21 billion board feet of timber a year; and service grazing on 60 million acres of rangelands. At this level of use, it is expected that receipts to the Treasury from the national forests will be over $400 million a year. Last year receipts were $99.6 million.

The benefits that will result from the development program during the next 10 years are great. By 1972 it is expected that receipts to the Treasury from the national forests will reach a level of $230 million annually. The projected timber harvest for that year—13 billion board feet—will have a consumer value of over $4 billion and provide livelihood for 800,000 people. Recreation use at a level of 195 million visits in 1972 will put more than $1.5 billion into trade channels. At that time, the capital value of the lands and resources of the national forest estate will have increased by $2 billion.

There are four tables which I would like to insert in the RECORD at the conclusion of my remarks. The first table sets forth the estimated cost of the national forest program for roads and trails through 1972 and by State. The second table shows the percent of the program in each State. The third table shows the expenditures for construction and maintenance both with appropriated funds and by timber purchasers. The fourth table shows the relationship between national forest receipts per acre.

Oregon accounts for approximately 40 percent of the total income received by the national forests but the obligation of road funds in Oregon amounts to only one-sixth of the total expenditures. The third table shows that the timber purchasers in Oregon in 1962 will have been required to do three times as much road construction and maintenance as was accomplished with appropriated funds. This situation places a great drain on national forest receipts and adversely affects the income of our counties.

The forest road program is spread over all of the States and only 18 percent of the contemplated expenditures will occur in Oregon. While to some this may seem to be a disproportionately large amount, this expenditure must be weighed against the great income-producing capabilities of Oregon's 15 million acres of national forests. This legislation will be of substantial benefit in not only increasing the road and trail program but in enabling Oregon's national forests to treat more fairly our counties while at the same time paying handsome dividends to the Federal Treasury.

The above-mentioned tables follow:

TABLE 1.—*National forest development program, roads and trails, fiscal years 1963–72*

Region	State	CONSTRUCTION AND RECONSTRUCTION													
		Timber roads						Recreation, Government		Other Government		Total roads Government [1]		Trails, Government	
		Purchaser		Government [1]		Total									
		Miles	$1,000	Miles	$1,000	Miles	$1,000	Miles	$1,000	Miles	$1,000	Miles	$1,000	Miles	$1,000
1	Idaho	2,610	28,715	888	37,119	3,498	65,834	160	4,400	958	17,252	2,006	58,771	612	2,259
	Montana	3,350	36,840	1,147	47,627	4,497	84,467	300	8,145	919	16,548	2,366	72,320	1,148	4,237
	South Dakota							19	285	21	352	40	637		
	Washington	380	4,185	130	5,409	510	9,594	49	1,426	58	1,056	237	7,891	77	284
	Total	6,340	69,740	2,165	90,155	8,505	159,895	528	14,256	1,956	35,208	4,649	139,619	1,837	6,780
2	Colorado	456	3,649	967	19,800	1,423	23,449	535	11,779	2,618	47,123	4,120	78,702	532	2,140
	Nebraska	2	14	4	77	6	91	2	46	10	183	16	306	2	8
	South Dakota	47	379	100	2,055	148	2,434	56	1,223	272	4,891	428	8,169	60	222
	Wyoming	128	1,022	271	5,545	398	6,567	150	3,298	733	13,197	1,154	22,040	164	600
	Total	633	5,064	1,342	27,477	1,975	32,541	743	16,346	3,633	65,394	5,718	109,217	808	2,970
3	Arizona	403	1,830	466	11,697	869	13,527	496	10,256	1,184	22,387	2,146	44,340	251	928
	New Mexico	512	1,830	594	11,698	1,106	13,528	244	6,024	822	13,721	1,660	31,443	250	927
	Total	915	3,660	1,060	23,395	1,975	27,055	740	16,280	2,006	36,108	3,806	75,783	501	1,855
4	California	24	246	48	1,168	72	1,414	34	753	34	509	116	2,520	38	140
	Colorado			1	26	1	26	5	110	2	36	8	172	12	44
	Idaho	1,304	13,042	1,110	30,942	2,414	43,984	586	12,903	716	12,893	2,412	56,738	941	3,482
	Nevada			13	290	13	290	190	4,173	401	7,222	604	11,685	136	502
	Utah	282	2,816	351	9,134	633	11,950	804	19,666	581	10,460	1,826	39,260	452	1,688
	Wyoming	150	1,496	229	5,784	379	7,280	184	4,041	103	1,856	516	11,681	385	1,424
	Total	1,760	17,600	1,752	47,344	3,512	64,944	1,893	41,646	1,837	33,066	5,482	122,056	1,964	7,280
5	California	5,478	76,689	3,005	105,534	8,483	182,223	1,382	35,932	3,678	66,204	8,065	207,670	1,049	3,900
	Nevada														
	Oregon	12	171	10	306	22	477					10	306		
	Total	5,490	76,860	3,015	105,840	8,505	182,700	1,382	35,932	3,678	66,204	8,075	207,976	1,049	3,900
6	California	76	1,528	52	1,783	128	3,311		12	2	87	54	1,882	50	42
	Oregon	11,462	192,049	5,489	203,763	16,951	395,812	465	12,694	874	14,729	6,828	231,186	748	2,281
	Washington	4,462	94,423	2,876	101,713	7,338	196,136	242	6,383	292	6,208	3,410	114,304	610	2,897
	Total	16,000	288,000	8,417	307,259	24,417	595,259	707	19,089	1,168	21,024	10,292	347,372	1,408	5,220
7	Kentucky	77	140	91	2,228	168	2,368	25	361	155	2,230	271	4,819	15	50
	Maine	7	18	5	176	12	194	5	130	8	218	18	524	12	60
	New Hampshire	46	115	43	1,387	89	1,502	20	520	85	1,888	148	3,795	45	240
	Pennsylvania	55	118	53	1,486	108	1,604	56	1,230	77	1,238	186	3,954	45	125
	Vermont	45	114	75	1,660	120	1,774	20	520	62	1,362	157	3,542	50	175
	Virginia	136	247	170	3,777	306	4,024	41	593	216	2,972	427	7,342	20	85
	West Virginia	89	158	96	2,379	185	2,537	24	408	171	2,476	291	5,263	32	80
	Total	455	910	533	13,003	988	14,003	191	3,762	774	12,384	1,498	29,239	219	815
8	Alabama	31	157	205	3,169	236	3,326	5	122	43	688	253	3,979		
	Arkansas	158	776	609	10,776	767	11,552	23	469	82	1,320	714	12,565		
	Florida	4	20	181	3,820	185	3,840	30	676	26	410	237	4,906		
	Georgia	143	724	180	4,724	323	5,448	45	1,023	47	750	272	6,497	13	49
	Louisiana	21	105	157	3,605	178	3,710	8	175	31	500	196	4,280		
	Mississippi	80	403	200	4,903	280	5,306	8	175	19	300	227	5,378		
	North Carolina	115	584	241	5,584	356	6,168	83	1,837	44	700	368	8,121	86	300
	Oklahoma			40	1,500	40	1,500	1	22	10	160	51	1,682		
	South Carolina	69	348	190	1,848	259	2,196	14	286	27	435	231	2,569		
	Tennessee	24	121	205	4,121	229	4,242	64	1,410	46	741	315	6,272	36	132
	Texas	135	662	205	2,962	340	3,624	9	185	44	700	258	3,847		
	Total	780	3,900	2,413	47,012	3,193	50,912	290	6,380	419	6,704	3,122	60,096	135	490
9	Illinois	10	30	30	270	40	300	55	1,100	30	420	115	1,790		
	Indiana	5	10	15	145	20	155	55	1,100	12	168	82	1,413		
	Iowa														
	Michigan	170	645	370	4,415	540	5,060	600	12,570	110	1,780	1,080	18,765		
	Minnesota	130	675	300	5,368	430	6,043	550	13,430	114	2,141	964	20,939	34	126
	Missouri	30	70	90	880	120	950	205	4,100	65	840	360	5,820		
	North Dakota														
	Ohio	5	10	15	145	20	155	35	700	8	112	58	957		
	Wisconsin	105	380	205	2,550	310	2,930	450	9,900	85	1,323	740	13,773		
	Total	455	1,820	1,025	13,773	1,480	15,593	1,950	42,900	424	6,784	3,399	63,457	34	126
10	Alaska	100	6,446	220	15,701	320	22,147	76	7,239	75	3,124	371	26,064	45	164
T.R.	Puerto Rico									30	2,000	30	2,000		
	Grand total	32,928	474,000	21,942	691,049	54,870	1,165,049	8,500	203,830	16,000	288,000	46,442	1,182,879	8,000	29,600

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[1] Government expense includes allowance for supplementing purchaser construction.

TABLE 1.—*National forest development program, roads and trails fiscal years 1963–72*—Continued

PROGRAM COST

[Thousands of dollars]

Region	State	Construction and reconstruction			Maintenance			Total		
		Purchase	Government	Total	Purchase	Government	Total	Purchase	Government	Total
1	Idaho	28,715	61,030	89,745	3,500	11,673	15,173	32,215	72,703	104,918
	Montana	36,840	76,557	113,397	4,490	14,641	19,131	41,330	91,198	132,528
	South Dakota		637	637		123	123		760	760
	Washington	4,185	8,175	12,360	510	1,563	2,073	4,658	9,738	14,433
	Total	69,740	146,399	216,139	8,500	28,000	36,500	78,240	174,399	252,639
2	Colorado	3,649	80,842	84,491	1,008	9,368	10,377	4,685	90,210	94,868
	Nebraska	14	314	328	4	36	40	18	351	369
	South Dakota	379	8,392	8,770	105	972	1,077	484	9,364	9,847
	Wyoming	1,022	22,639	23,662	283	2,624	2,906	1,304	25,262	26,567
	Total	5,064	112,187	117,251	1,400	13,000	14,400	6,464	125,187	131,651
3	Arizona	1,830	45,268	47,098	1,225	5,880	7,105	3,055	51,148	54,203
	New Mexico	1,830	32,370	34,200	1,275	6,120	7,395	3,105	38,490	41,595
	Total	3,660	77,638	81,298	2,500	12,000	14,500	6,160	89,638	95,798
4	California	246	2,660	2,906	74	144	218	320	2,804	3,124
	Colorado		216	216		18	18		234	234
	Idaho	13,042	60,220	73,262	3,927	9,218	13,145	16,969	69,438	86,407
	Nevada		12,187	12,187		1,158	1,158		13,345	13,345
	Utah	2,816	40,948	43,764	848	5,582	6,430	3,664	46,530	50,194
	Wyoming	1,496	13,105	14,601	451	1,880	2,331	1,947	14,985	16,932
	Total	17,600	129,336	146,936	5,300	18,000	23,300	22,900	147,336	170,236
5	California	76,689	211,570	288,259	13,659	27,915	41,574	90,348	239,485	329,833
	Nevada									
	Oregon	171	306	477	41	85	126	212	391	603
	Total	76,860	211,876	288,736	13,700	28,000	41,700	90,560	239,876	330,436
6	California	1,528	1,924	3,452	36	182	218	1,564	2,106	3,670
	Oregon	192,049	233,467	425,516	19,386	21,927	41,313	211,435	255,394	466,829
	Washington	94,423	117,201	211,624	8,178	10,891	19,069	102,601	128,092	230,693
	Total	288,000	352,592	640,592	27,600	33,000	60,600	315,600	385,592	701,192
7	Kentucky	140	4,869	5,009	31	1,374	1,405	171	6,243	6,414
	Maine	18	584	602	4	144	148	22	728	750
	New Hampshire	115	4,035	4,150	25	1,116	1,141	140	5,151	5,291
	Pennsylvania	118	4,079	4,197	26	1,338	1,364	144	5,417	5,561
	Vermont	114	3,717	3,831	25	738	763	139	4,455	4,594
	Virginia	247	7,427	7,674	54	2,940	2,994	301	10,367	10,668
	West Virginia	158	5,343	5,501	35	2,350	2,385	193	7,693	7,886
	Total	910	30,054	30,964	200	10,000	10,200	1,110	40,054	41,164
8	Alabama	157	3,979	4,136	69	1,200	1,269	226	5,179	5,405
	Arkansas	776	12,565	13,341	142	4,350	4,492	918	16,915	17,833
	Florida	20	4,906	4,926	53	2,520	2,573	73	7,426	7,499
	Georgia	724	6,546	7,270	52	1,680	1,732	776	8,226	9,002
	Louisiana	105	4,280	4,385	33	1,570	1,603	138	5,850	5,988
	Mississippi	403	5,378	5,781	13	2,310	2,323	416	7,688	8,104
	North Carolina	584	8,430	9,014	32	2,500	2,532	616	10,930	11,546
	Oklahoma		1,682	1,682	11	250	261	11	1,932	1,943
	South Carolina	348	2,569	2,917	21	1,230	1,251	369	3,799	4,168
	Tennessee	121	6,404	6,525	42	1,430	1,472	163	7,834	7,997
	Texas	662	3,847	4,509	32	1,960	1,992	694	5,807	6,501
	Total	3,900	60,586	64,486	500	21,000	21,500	4,400	81,586	85,986
9	Illinois	30	1,790	1,820	6	470	476	36	2,260	2,296
	Indiana	10	1,413	1,423	2	200	202	12	1,613	1,625
	Iowa									
	Michigan	645	18,765	19,410	116	5,230	5,346	761	23,995	24,756
	Minnesota	675	21,065	21,740	95	3,820	3,915	770	24,885	25,655
	Missouri	70	5,820	5,890	18	1,850	1,868	88	7,670	7,758
	North Dakota									
	Ohio	10	957	967	1	130	131	11	1,087	1,098
	Wisconsin	380	13,773	14,153	62	3,300	3,362	442	17,073	17,515
	Total	1,820	63,583	65,403	300	15,000	15,300	2,120	78,583	80,703
10	Alaska	6,446	26,228	32,674	500	3,500	4,000	6,946	29,728	36,674
T.R.	Puerto Rico		2,000	2,000					2,000	2,000
	Grand total	474,000	1,212,479	1,686,479	60,500	181,500	242,000	534,500	1,393,979	1,928,479

TABLE 2.—*Development program for the national forests—Roads and trails, fiscal years 1963–72*

State	Total Government construction, reconstruction, and maintenance			State	Total Government construction, reconstruction, and maintenance		
	Amount (thousands)	Percent of national forest program	Percent of region program		Amount (thousands)	Percent of national forest program	Percent of region program
Region 1:				Region 2:			
Idaho	$72,703	5.2	41.7	Colorado	$90,210	6.5	72.0
Montana	91,198	6.5	52.3	Nebraska	351		.3
South Dakota	760	.1	.4	South Dakota	9,364	.7	7.5
Washington	9,738	.7	5.6	Wyoming	25,262	1.8	20.2
Total	174,399	12.5	100.0	Total	125,187	9.0	100.0

TABLE 2.—*Development program for the national forests—Roads and trails, fiscal years 1963–72*—Continued

State	Total Government construction, reconstruction, and maintenance: Amount (thousands)	Percent of national forest program	Percent of region program
Region 3:			
Arizona	$51,148	3.6	57.1
New Mexico	38,490	2.8	42.9
Total	89,638	6.4	100.0
Region 4:			
California	2,804	.2	2.0
Colorado	234		.1
Idaho	69,438	5.0	47.1
Nevada	13,245	1.0	9.0
Utah	46,530	3.3	31.6
Wyoming	14,985	1.1	10.2
Total	147,336	10.6	100.0
Region 5:			
California	239,485	17.2	99.8
Nevada			
Oregon	391		.2
Total	239,876	17.2	100.0
Region 6:			
California	2,106	.2	.6
Oregon	255,394	18.3	66.2
Washington	128,092	9.2	33.2
Total	385,592	27.7	100.0
Region 7:			
Kentucky	6,243	.4	15.6
Maine	728	.1	1.8
New Hampshire	5,151	.4	12.9
Pennsylvania	5,417	.4	13.5
Vermont	4,455	.3	11.1
Region 7—Continued			
Virginia	$10,367	0.7	25.9
West Virginia	7,698	.6	19.2
Total	40,054	2.9	100.0
Region 8:			
Alabama	5,179	.4	6.3
Arkansas	16,915	1.2	20.7
Florida	7,426	.5	9.1
Georgia	8,226	.6	10.1
Louisiana	5,850	.4	7.2
Mississippi	7,688	.6	9.4
North Carolina	10,930	.8	13.4
Oklahoma	1,932	.1	2.4
South Carolina	3,799	.3	4.7
Tennessee	7,834	.6	9.6
Texas	5,807	.4	7.1
Total	81,586	5.9	100.0
Region 9:			
Illinois	2,260	.2	2.9
Indiana	1,613	.1	2.0
Iowa			
Michigan	23,995	1.7	30.5
Minnesota	24,885	1.8	31.7
Missouri	7,670	.5	9.8
North Dakota			
Ohio	1,087	.1	1.4
Wisconsin	17,073	1.2	21.7
Total	78,583	5.6	100.0
Region 10: Alaska	29,728	2.1	100.0
Territorial region: Puerto Rico	2,000	.1	100.0
Grand total	1,393,979	100.0	100.0

TABLE 3.—*Construction and maintenance—Forest development road and trail program*

State	Appropriated funds: Fiscal year 1960	Appropriated funds: Fiscal year 1961	Appropriated funds: Estimate, fiscal year 1962	Value of work by purchaser: Fiscal year 1960	Value of work by purchaser: Fiscal year 1961	Value of work by purchaser: Estimate, fiscal year 1962
Alabama	$175,639	$239,649	$234,850	$49,300	$18,116	$18,000
Alaska	772,779	1,018,256	1,385,545	1,827,080	2,593,750	638,000
Arizona	1,208,237	1,145,478	1,247.381	245,640	560,816	502,000
Arkansas	523,938	496,624	581,800	83,231	76,930	44,000
California	7,182,096	7,122,149	7,772,770	8,240,590	3,363,048	8,915,000
Colorado	1,958,863	1,987,983	2,157,335	225,420	208,560	625,000
Florida	214,993	299,404	266,100	4,355	14,130	19,000
Georgia	197,922	261,904	389,709	24,941	53,524	39,000
Idaho	5,160,920	4,129,864	5,196,775	3,956,000	2,743,104	3,370,000
Illinois	59,374	69,737	96,378			
Indiana	10,592	11,877	34,025			
Iowa						
Kentucky	306,615	211,733	245,081	16,377	11,683	27,000
Louisiana	208,763	223,755	211,400	26,908	22,325	12,000
Maine	23,626	19,017	20,300	1,215		11,000
Michigan	646,742	516,915	713,038	38,185	29,300	27,000
Minnesota	1,127,996	1,237,740	1,139,147	29,114	42,951	86,000
Mississippi	271,068	280,174	341,000	22,841	67,999	26,000
Missouri	176,183	211,095	211,571			
Montana	3,411,887	3,916,440	3,784,600	2,613,834	2,783,523	3,085,000
Nebraska	21,896	14,995	20,754			
Nevada	169,333	405,621	186,016			
New Hampshire	439,649	291,814	287,210	53,359	34,890	31,000
New Mexico	$1,192,683	$914,244	$1,000,187	$184,700	$261,248	$411,000
North Carolina	327,479	313,897	489,740	30,734	5,749	24,000
North Dakota						
Ohio	66,650	11,248	11,998			
Oklahoma	47,015	37,871	59,400			
Oregon	6,426,640	7,594,105	8,565,548	23,630,617	22,896,696	22,567,000
Pennsylvania	190,833	207,911	247,853	1,016	24,693	39,000
Puerto Rico	4,745	34,530	33,000			
South Carolina	183,502	204,079	282,400	63,133	67,619	42,800
South Dakota	255,540	241,233	203,756	34,480	14,485	38,000
Tennessee	296,902	267,160	302,300	12,943	6,619	3,000
Texas	256,320	208,673	263,400	37,678	39,010	16,495
Utah	1,138,083	1,183,171	1,248,488	90,319	168,370	82,000
Vermont	162,986	144,959	205,518	8,977	33,539	16,000
Virginia	435,130	304,145	485,485	43,377	20,369	41,000
Washington	4,551,039	5,004,184	5,727,164	10,647,061	12,237,396	11,188,000
West Virginia	298,317	249,615	361,180	40,020	18,455	40,000
Wisconsin	417,105	397,788	577,848	7,607	9,578	58,800
Wyoming	888,134	1,206,998	1,146,481	143,040	92,994	261,000
District of Columbia	567,627	737,864	878,000			
Total	41,975,838	43,465,899	48,612,532	52,443,082	48,521,467	52,303,095

TABLE 4.—*National forest area—Receipts, road fund relationships, fiscal year 1961*

State	National forest lands owned by United States (acres)	Receipts: Total	Receipts: Per acre	Road funds (obligated): Total	Road funds (obligated): Per acre
Alabama	631,773	$726,439	$1.15	$239,649	$0.38
Alaska	20,741,994	53,159	.003	1,018,256	.05
Arizona	11,396,578	1,707,856	.15	1,145,478	.10
Arkansas	2,407,250	3,481,941	1.45	496,624	.21
California	19,943,339	10,769,846	.54	7,122,149	.14
Colorado	13,710,311	1,111,651	.08	1,987,983	.14
Florida	1,074,972	860,065	.80	299,404	.28
Georgia	777,150	790,476	1.02	261,904	.34
Idaho	20,300,779	4,485,813	.22	4,129,864	.20
Illinois	211,021	20,307	.10	69,737	.33
Indiana	119,652	42,531	.36	11,877	.10
Iowa	4,649	665	.14		
Kentucky	459,777	275,080	.60	211,733	.46
Louisiana	591,409	1,483,338	2.51	223,755	.38
Maine	49,556	12,465	.25	19,017	.38
Michigan	2,553,718	$755,461	$0.30	$516,915	$0.20
Minnesota	2,788,379	568,028	.20	1,237,740	.44
Mississippi	1,133,986	2,737,263	2.41	280,174	.25
Missouri	1,359,822	184,316	.14	211,095	.16
Montana	16,635,541	2,045,708	.12	3,916,440	.24
Nebraska	245,409	63,417	.26	14,995	.06
Nevada	5,028,028	164,284	.03	405,621	.08
New Hampshire	677,660	172,481	.25	291,814	.43
New Mexico	8,573,342	585,095	.07	914,244	.11
North Carolina	1,124,152	530,603	.47	313,897	.28
North Dakota	520	203	.39		
Ohio	107,907	32,754	.30	11,248	.10
Oklahoma	221,653	473,891	2.14	37,871	.17
Oregon	15,358,593	40,897,868	2.66	7,594,105	.49
Pennsylvania	471,077	512,998	1.09	207,911	.44

TABLE 4.—*National forest area—Receipts, road fund relationships, fiscal year 1961*—Continued

State	National forest lands owned by United States (acres)	Receipts		Road funds (obligated)	
		Total	Per acre	Total	Per acre
Puerto Rico	33,037	$8,365	$0.25	$34,530	$1.05
South Carolina	587,260	1,976,306	3.37	204,079	.35
South Dakota	1,120,813	254,108	.23	241,233	.22
Tennessee	594,770	332,035	.56	267,160	.45
Texas	657,907	1,887,309	2.87	208,673	.32
Utah	7,913,303	575,832	.07	1,183,171	.15
Vermont	231,901	182,855	.79	144,959	.63
Virginia	1,447,249	$229,552	$0.16	$394,145	$0.27
Washington	9,688,591	17,239,961	1.78	5,004,184	.52
West Virginia	903,985	390,436	.43	249,615	.28
Wisconsin	1,467,532	312,804	.21	397,788	.27
Wyoming	8,570,747	620,287	.07	1,206,998	.14
Total	181,947,191	99,555,852	[1] .55	42,728,035	[1] .23

[1] Average.

Mr. FALLON. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I have asked for this time to clarify a matter which is referred to on page 9 of the report which reads as follows:

> Section 3 of H.R. 12135 would add a new section to title 23, United States Code, section 133, entitled "Relocation Assistance."

My first question is: If a State does not provide any relocation assistance, would the Secretary be required to compel that State to make proper arrangements for relocation assistance?

Mr. FALLON. If the gentleman will yield. May I say to the gentleman, first, your State legislature has to pass a law requiring the State to enter into an agreement with the Government for relocation assistance.

Mr. ROGERS of Colorado. In other words, section 3 would not be effective in those States that do not have the law?

Mr. FALLON. No; this is permissive legislation.

Mr. ROGERS of Colorado. This is permissive legislation.

The next question is: There has been an approved route through my district which takes a number of homes. If the State law does not provide for relocation money, then until the legislature approves such a law no money would be available to the State for that purpose. Is that correct?

Mr. FALLON. The cost of the moving of the tenants could not be included in the construction costs, but your State can do anything it wants in the matter of reimbursing these people.

Mr. ROGERS of Colorado. But if the State legislature in 1963, for example, should pass a law, then they would have the right to receive money from the Secretary.

Mr. FALLON. Yes.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. SCHERER. Mr. Chairman, I yield the gentleman 3 minutes, because I think we are laboring under some misapprehensions.

Whether a State enacts a law to reimburse tenants for relocating or not does not affect the total apportionment.

Answering the gentleman's first question: Subsection (b) of section 3 states that no highway project in your State may be approved unless the Secretary of Commerce determines that there is one or more feasible methods for relocating people displaced.

Mr. ROGERS of Colorado. May I say to the gentleman that as I read the report it states that this section leaves it up to each State to determine whether or not to make relocation payments. Is that an accurate statement?

Mr. SCHERER. That is an accurate statement, but if a State decides not to make payments they are still bound by the provisions of subsection (b) that I have just mentioned.

Mr. ROGERS of Colorado. In other words, if my State does not have that requirement then they are bound by subsection (b), as I interpret it, that the Secretary, within the allocation made to the State, may require the State regardless of what the State law may be on relocation to then and there pay them for relocating.

Mr. SCHERER. No, no. We are all confused. Let me try to make this clear. The law is discretionary as to whether or not a State will or will not make relocation payments.

Mr. ROGERS of Colorado. The State has to determine that.

Mr. SCHERER. The State must determine that. It does not affect the total highway allocation to that State. However, whether a State does or does not elect to make relocation payments it is bound by paragraph (b) of section 3.

Now we come to an entirely separate question which you raise. It refers to paragraph (b) of section 3. The application of that section has nothing to do with whether the State pays relocation costs or not.

Mr. ROGERS of Colorado. May I interrupt to say that this states that the Secretary prior to the allocation of funds must look this over.

Mr. SCHERER. He has to assure himself that the State has an agency that has a feasible method for moving the people.

Mr. ROGERS of Colorado. The next section of the report here says unless you have a State law, then the State is not obligated to do so.

Mr. SCHERER. We do not read this section that way.

Mr. ROGERS of Colorado. That is what the report says.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from California.

Mr. BALDWIN. There is the one sentence in section (c) that says, however, that the Secretary shall not require the State to pay relocation payments where not authorized by State law. That simply refers to the payment of relocation payments. It in no way has any effect on the requirement of section (b) which would continue to remain effective, and that would mean the Secretary would still have the right to require the State to satisfy about their one or more feasible methods for relocation.

Mr. ROGERS of Colorado. Is not all or part of section 3 something new to be interpreted altogether?

Mr. BALDWIN. It is true section 3 is all new, but the one sentence the gentleman refers to is specifically limited by its wording to relocation payments. It says that the Secretary shall not require the States to pay relocation payments where not authorized by State law, but it does not extend to the question in section (b), its requirement that they have feasible methods of relocating people and rights-of-way.

Mr. ROGERS of Colorado. In other words, the gentleman reads section (b) that the Secretary may require those, regardless of what the State may do. Is that your interpretation?

Mr. BALDWIN. That is correct.

Mr. ROGERS of Colorado. This report, then, is inaccurate?

Mr. BALDWIN. A report cannot replace clear language in section (b).

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, it is now apparent at this stage in the debate that both sides of the aisle are pretty well in agreement on this bill, on its desirability, on its feasibility, and the need to enact it into law, with the exception of a few words that appear in section 3. It seems that there has been a great deal of fire centered on those two words, a great deal of talk about them, the invoking of a number of high authorities on the subject of roadbuilding in the attack on those two words, and the argument that they are very extreme language that places power and concentrates too much power in the Secretary of Commerce.

In the first place, let me make it clear the language that appears in the bill at this time is a moderate version of language initially considered by the committee in connection with relocation. The authorship of the particular phrase that is being objected to, "one or more feasible methods," is an authorship I am certain would enjoy considerable esteem on the other side of the aisle. Those are the words suggested by our very able and distinguished colleague from Florida [Mr. CRAMER] who proposed this language be inserted in the bill when we discussed the problem in the first place. I offered the amendment by which the Cramer language was substituted for other language that did appear in the bill. Of course there is no doubt about the fact that the previous language did go a good deal further.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Ohio.

Mr. SCHERER. The fact is that the use of the words "feasible method" was contained in the Buckley bill.

Mr. EDMONDSON. That is quite right, but the Buckley bill said "a feasible method" and left only one feasible method to be set out by the Secretary of Commerce.

The gentleman from Florida pointed out that we ought to allow the State some leeway on this subject, and we ought to make it possible to have one or more feasible methods that could be approved. So the door was opened to a great deal more leeway and latitude on behalf of the States than had been in the bill as originally introduced.

In addition to that, a good deal of very specific language about what "feasible methods" might be was also eliminated from the bill at the insistence and the suggestion of the other side, and a genuine effort was made by the Democratic side of the committee to accommodate the views of our friends on the other side in regard to some of this language.

Now, is the bill as it presently stands an extreme statement of executive power and an extreme concentration of power in the Secretary of Commerce? The gentleman from California who is offering this amendment has told us that it is. I have before me some language that appears in another bill on the same subject which I would like to read to you—which I would like to call to your attention and to the attention of the gentleman from California:

§ 133. Relocation of families displaced by construction of Interstate System

(a) Each agreement entered into under section 110 after the date of the enactment of this section between the Secretary and a State highway department for the construction of a project on the Interstate System shall contain clauses providing that the State will—

(1) assure that there are, or are being provided, in areas within the locality of such project not generally less desirable than the area of such project in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of individuals and families displaced by the construction of such project, decent, safe, and sanitary dwellings, equal in number to the number of such displaced individuals and families, which are available to such displaced individuals and families and are reasonably accessible to their places of employment;

(2) in localities where State or local agencies already administer relocation programs, provide assistance through such agencies in the relocation of individuals and families displaced by the construction of such project; and

(3) make relocation payments to individuals and families displaced by the construction of such project for their reasonable and necessary moving expenses, not exceeding $200 in the case of any individual or family. Any such agreement shall also provide that the Secretary will reimburse the State for the full costs of relocation payments made pursuant to the requirements of paragraph (3).

(b) There are authorized to be appropriated for each fiscal year such sums as may be necessary to enable the Secretary to fulfill his obligations under agreements entered into under section 110 to reimburse the States for relocation payments to displaced individuals and families made pursuant to the requirements of paragraph (3) of subsection (a).

(b) The table of contents for such chapter is amended by adding at the end thereof the following item:

"133. Relocation of families displaced by construction of Interstate System."

Now, that is language that appears in another bill. I would like to ask the gentleman from California if he regards that as an extreme concentration of power on this subject. I yield to the gentleman to answer that.

Mr. BALDWIN. I have stated that in my opinion the section that we have before us in the bill should be revised in the manner shown in my amendment. That is my position. My position is supported by the American Automobile Association, by the National Association of Road Builders, by testimony in our hearings, and by the American Association of State Highway Officials.

Mr. EDMONDSON. Will the gentleman respond to the question? Does he regard this other language as extreme or as a free exercise of Federal power in this area?

Mr. BALDWIN. I believe that we should not put power into the hands of the Secretary of Commerce that up to now has been left to the States in this field.

Mr. EDMONDSON. Would not the gentleman agree that this language goes a great deal further in spelling out what the States must do; language requiring that they have relocation payments and requiring that they have relocation agencies assisting people in relocating?

Mr. BALDWIN. I have not read the bill you are referring to, and I am not proposing to go into a bill that I have not read.

Mr. EDMONDSON. Let me inform the gentleman that the bill I just read from is a bill that bears the distinguished authorship of the minority leader of the other body, and also the former national chairman of the Republican National Committee and the senior Senator from the State of California.

Mr. BALDWIN. May I say that this House has shown quite clearly this year that words used in the other body are not the last words on any legislation.

Mr. EDMONDSON. I agree with that. Would not the gentleman agree that the language proposed by these gentlemen goes a great deal further in the direction of telling the States what they must do on relocation than the moderate language contained in the bill before the committee?

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Back to the interpretation of section 3, which deals with the relocation assistance, do I understand that you, as a member of the committee, say the Secretary's power to require certain things in connection with relocation payments is limited by the State law?

There will be a State law before he can make these requirements?

Mr. EDMONDSON. Very obviously the Secretary cannot require of a State an illegal act by one of its officials and the State officer could not be required by the Secretary to do something unlawful within the State. So if legislation is necessary in some directions, certainly there would have to be action by the Legislature before any requirement could be exacted of the State by the Secretary of the Department of Commerce.

Now, Mr. Chairman, let us put this thing in context for just a minute in the overall bill and what we are trying to get done. We are finding here in this piece of legislation that equity and fairness require that in connection with this great highway-building program we should make some provision not only for relocation of utilities which we have already voted and for which we have already spent $170 million, but that we should also make some provision for families, for business people, and for farmers who are displaced from their homes or from their places of business by the roadbuilding program. Estimates are that there are 15,000 families every year being displaced by the action of the Federal Government and by the action of the States in connection with these Federal road construction programs. Estimates are that over 1,500 businesses are being forced to move. This committee is saying—and I think the other side is going along with us on the principle at least—that it is desirable to do something helpful for those individuals, to do something to assist them in their relocating. We are also saying this: I hope you will bear with me as I present it for just a minute. We are also saying that we believe we have in our Federal Road Administrator, Mr. Whitton, who had experience for a number of years as a State highway administrator in the State of Missouri and built one of the finest highway programs in the country, that we have confidence in him to have a program in this connection that meets with the approval of the States and the people back there. We are giving him latitude in this area. But bear in mind this: The man in whom the ultimate authority rests to determine the feasible method is the Secretary of the Department of Commerce of the United States, one of the most distinguished Americans serving in Government today, an able and honored former Governor of a great Southern State. We are saying to that Secretary of the Department of Commerce as well as to Mr. Whitton, "We have confidence in you to spell out feasible methods."

Mr. Chairman, several different kinds of feasible methods that can be followed by the States can be of assistance to people, farmers, and families that are displaced by this road program. These feasible methods—if you have any questions about them—several of them, at least, have been spelled out by the General Counsel of the U.S. Department of Commerce in a memorandum dated July 16, 1962. They could include such things as a continuing survey of the neighborhood affected by the proposed project to include a determination of the number of families displaced, the nature of their interest in real property. With respect to tenants, the amount of their rent; with respect to owners the approximate value of the property, and the general areas wherein families would be displaced are known. This could include a survey or information with respect to the availability of housing within which displaced persons might be relocated. It certainly should include a survey of currently available housing to be taken from newspaper listings, contacts with real estate brokers, builders, local and public housing officials, and so forth. It certainly should include firm arrangements with housing agencies and cooperating real estate agencies to provide full information to these displaced people with respect to vacancies and opportunities to obtain loans to secure new housing if necessary. There are a number of things that can be done in the way of rendering assistance to these dislocated people.

Mr. Chairman, I have every confidence in the Secretary of Commerce and in his Road Administrator. I have confidence that a man who has served as State highway administrator for a number of years and is highly respected by the people throughout the States who are in the roadbuilding field will carry this out with commonsense. Certainly you do not want to cast a vote of no confidence in our Secretary of Commerce and in our Road Administrator that the Baldwin amendment asks you to take. You should turn down the Baldwin amendment. And remember this: They said to you that the American Automobile Association and the Roadbuilders Association and the State highway officials are opposed to this language. But these three organizations do not have any obligation of any kind to the farmers and the business people and the families who are being displaced. They have an obligation to roadbuilders and to road users but not to people displaced by new roads. Our obligation is also an obligation to the people who are impacted and hurt by this program.

Mr. DOWNING. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman.

Mr. DOWNING. Mr. Chairman, like the gentleman from Colorado, I have serious concern about the interpretation of section 3 in the bill. My State of Virginia, as you know, has no law which permits payment for relocation of families by reason of the road program. Now, do we have to go back to section (b)? Do we have to supply to the Secretary a feasible method of relocating these people? If so, why do we have to do that? To do that, it would seem to me, we would have to appropriate money to move the people away.

Mr. EDMONDSON. I just read to the gentleman a number of methods which the General Counsel of the Department of Commerce has said would be acceptable methods to assist in the problem of relocating people, feasible methods, acceptable methods.

Mr. DOWNING. Not requiring an outlay of money?

Mr. EDMONDSON. They do not require relocation payments to the individuals. They do require something more than just having an office where somebody can come in and ask for advice. They do require, for example, such things as the assembling of information and the conduct of surveys that would be helpful to the individuals who face this relocation problem.

Mr. DOWNING. I thank the gentleman.

Mr. SCHERER. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I think it is generally understood that with the exception of the Baldwin amendment, and the taking away of States rights by paragraph (b), section 3, regarding relocation assistance, we are in agreement on the bill. I do want to clarify, however, some remarks that have been made, and refer particularly to the questions of the gentlemen from Virginia and Colorado. I have great respect for my distinguished colleague from Colorado, serving with him on the Committee on the Judiciary, and for his legal opinion.

I would say to the gentleman that the answer to his question appears in the language of the bill itself. If the gentleman will look on page 3, section 3, paragraph (b), he will find the answer and there cannot be any question of doubt about it. And this is why we are opposed to it. If this bill passes in its present form the Federal Government is going to say to the States, "We are going to set the standards for relocation programs, and if you do not like our standards you do not even get Federal construction money." That is what it says. Just read it.

> The Secretary prior to his approval of any project under section 106 of this title for right-of-way acquisition or actual construction shall require the State—

It is not "may." It is mandatory—

> shall require the State highway department to give satisfactory assurance that there exists one or more feasible methods—

What is a "feasible method"? Who knows what a feasible method is? Who can read the mind of the Secretary of Commerce or the Administrator of the Bureau of Roads as to what a feasible method is?—

> for the relocation of families displaced by acquisition or clearance of rights-of-way for any Federal-aid highway.

Could it be any clearer? If the States do not promote a "feasible method" for relocation to be approved by the Secretary, the Secretary can use the most bare and blatant power he has, which is to cut off the money. That is what it says, and there is not any question about it.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. ROGERS of Colorado. Section 3 is to be read together. As a lawyer, I think that is the proper way to start approaching the interpretation. Section 3 must be read together.

Mr. CRAMER. Certainly. It is related subject matter. I know what the gentleman is going to say, "Look at subsection (c)." I have looked at it. Subsection (c) has no relationship to what the penalty shall be if the States do not have a "feasible method." All it deals with is whether the States can get funds for the relocation, not for construction.

Mr. ROGERS of Colorado. Does the gentleman feel that under this section, that is, all of it, especially subsection (b) that the gentleman talks about, if a State fails to provide a law for payment for the relocation of people, the Secretary can sit down here and say, "Look, we will not approve any plan until the State legislature approves some law which would permit moneys to be paid for relocation purposes." Is that the gentleman's interpretation?

Mr. CRAMER. The gentleman is absolutely correct. If the State of Colorado says, "We have not in the past and we do not want in the future to pay highway program relocation costs," or, in the alternative, if they provide for a plan and the Secretary thinks it is not a feasible program, there will be no Federal money for any highway purpose under this. This is why we object to it. That is why it is so unfair.

Mr. ROGERS of Colorado. The committee report states that each State can determine whether or not to make relocation payments. Is that a true statement or an exaggeration of the idea as it appears on page 9 of the report?

Mr. CRAMER. The report cannot overcome the language itself. The only right the State has when it comes to subsection (c), and discretion, the only right it has is if it says, "We will pay for relocation," then the Federal Government will participate. If it says, "We will have no relocation program of any kind," subsection (b) governs it and no Federal funds for relocation or right-of-way acquisition will be available. There is no question about it. If we thought there was a question, if we thought this applied to the entire section, we would not have any objection to it, but it does not. If this were to apply to the whole section, it would appear at the end of the section, not in subsection (c).

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am glad to yield to the gentleman, even though he did not yield to me when he mentioned my name, but before I yield I will say this: The gentleman has suggested this amendment is perhaps not acceptable in many instances, but I would suggest to the gentleman that the American Association of State Highway Officials has sent this tabulation to Members of Congress showing that there are 17 States that would prefer the entire deletion of this subsection. The gentleman knows I made such a motion and the motion failed in committee. I thought that would have been the better motion. But now we are willing to compromise and go along with the Baldwin approach, leaving relocation advisory assistance in but not requiring the "feasible method." There were six States favoring the relocation under paragraph (c). There were 12 States favoring the Baldwin amendment. Practically all the States, or the vast majority of them, opposed this section in its present language. I will read to the gentleman this wire from the American Automobile Association.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I will yield to the gentleman when I have finished my statement.

Mr. EDMONDSON. I thank my colleague. I will get my own time.

Mr. CRAMER. The American Automobile Association sent to the gentleman from Oklahoma the following wire:

> Respectfully request your support of Baldwin amendment to section 3, H.R. 12135, Federal Aid Highway Act of 1962. As written, section 3 poses danger of putting Federal and State highway departments in housing business. Baldwin amendment offers a sensible, workable, and permanent mandate to replace ambiguous and uncertain language in section 3 which could result in unnecessary delay in Federal aid highway projects, particularly in metropolitan areas.
>
> RUSSELL HUNT,
> *Chairman, Legislative Committee, Automobile Club of Oklahoma.*

I have personally received the following wire in support of this amendment from the chairman of the State Road Department of Florida:

> TALLAHASSEE, FLA., *July 17, 1962.*
> Hon. WILLIAM C. CRAMER,
> *House Office Building,*
> *Washington, D.C.:*
>
> Florida State Road Department strongly favors amendment to section 3 of H.R. 12135 to be offered by Congressman BALDWIN, of California, opposing requirements of section 3 as written in the bill. Urge your support and vote for amendment.
>
> JOHN R. PHILLIPS,
> *Chairman, State Road Department of Florida.*

Now I am glad to yield to the gentleman.

Mr. EDMONDSON. I thank the gentleman. I will get my own time.

Mr. CRAMER. So what is the issue? You will notice that there is no provision of a date as to when this particular section will become effective subsequent to the enactment of the law. This becomes effective immediately. It does not even give the States an opportunity to put it into effect or give them reasonable time to put it into effect. How are those States that do not have a "feasible method" for the relocation of tenants going to conform? And the penalty if they do not conform immediately is, as the bill itself states, "The Secretary prior to his approval of any project for a right-of-way acquisition or actual construction"—that is the condition precedent. Now this is not an argument as to whether you should or should not have relocation payments. We must reserve the power of the State to make the decision as to the type of relocation and as to whether the tenant should be paid and the extent to which they should be paid, and that is a State and not a Federal decision.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I have taken this time because I want to make clear to the House that the intention of the majority of the committee to see that there is no requirement of relocation payments by any State regardless of this "feasibility methods" language is a firm intention of this committee. At the appropriate time when the bill is read for amendment, I intend to offer an amendment which will add this same language to (b) that appears in (c) and spell it out clearly and concisely both in subsection (b) and subsection (c), that relocation payments cannot be required by a State under this feasible method authority of the Secretary of Commerce. My own judgment and the judgment of most of the people on the majority side is that this is not essential and should not be required in order to make it very clear that it is not within the authority of the Secretary of Commerce. It is our feeling its appearance in this particular section together with the history of the report in connection with this bill should make it very clear that this could not be required. However, I think the gentleman from Florida has so clouded the legislative history on this point, and has introduced without any solid legal justification the contention that this language would not prevent such requirement, that we probably would be on the safe side to add it to subsection (b). As I have stated, that amendment will be offered at the proper time in order to eliminate any controversy about it insofar as the committee's action is concerned.

Mr. ROGERS of Colorado. Mr. Chairman, with the gentleman yield?

Mr. EDMONDSON. I am glad to yield to my colleague.

Mr. ROGERS of Colorado. I understand that the amendment you propose to offer will be one of clarification in order to make it definite and certain that under no circumstances shall the Secretary of Commerce be permitted to require any State to have a plan for relocation unless the State itself has a law which permits the payment; is that correct?

Mr. EDMONDSON. As to payments; that is exactly correct.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. EDMONDSON. I am glad to yield to my colleague.

Mr. JONES of Missouri. I have listened to the gentleman on two different occasions when he has spoken here and he has not convinced me why you want to give to a Federal agency authority that can be handled by a State agency and which in the past has been adequately handled. That is what I want to know.

Mr. EDMONDSON. I will have to say on that point that the same reasoning prevails with respect to that as prevails with regard to the language on research and planning.

While most of the States have gone ahead with research and planning, while we have had research and planning in most of the States, there have been some States that have lagged in that direction and we feel some incentive should be given in this direction, that where there is no research and planning the Federal taxpayers are not getting what they should on their road investment.

Mr. JONES of Missouri. I do not think there is any relationship between research and planning and the obtaining of rights-of-way and the relocation of displaced tenants. There is no relocationship between those two.

Mr. EDMONDSON. If there is a Federal policy that it is a good and wise thing to have research and planning then we think something should be done to encourage it. We think there should be something in this bill also on the matter of relocation as a matter of Federal policy. I think there was general agreement that there should be some encouragement given in the direction of relocation, relocation planning, relocation assistance. That is what this amendment seeks to do, and we have faith that our Secretary of Commerce will use good commonsense in the devices he employs and in his approach to this problem to see that we do have an effective program.

Mr. JONES of Missouri. Mr. Chairman, if the gentleman will yield further, we cannot write law based upon our faith in the present Secretary of Commerce or present Highway Administrator, who is a very good friend of mine. I do not want to make him the authority that might determine this, for while I have faith in him we do not know who the next Administrator might be. He might be a person I would not have confidence in. The law is going to be on the books for a long time, long after both the Secretary of Commerce and the Administrator have gone.

Mr. EDMONDSON. Congress still would have the power to change it. We can change it any time that we feel that the Secretary of Commerce is not properly administering the law.

Mr. JONES of Missouri. I cannot agree that we should give power to a Federal department or bureau that can best be handled by the States.

Mr. EDMONDSON. In this instance the gentleman's own State, I think, has a good program.

Mr. JONES of Missouri. I think we do too. However, the chief engineer, and the highway commission have gone on record as saying they are for the elimination of subparagraph (b) in this bill; and I think they are wise in their stand.

Mr. EDMONDSON. I am certain there are a great many highway construction people who would like to delete all of section 3 including relocation payments. Then the road builders would go along with it. But in my own judgment we have to recognize the interest of the farmers and the business people and the families that are along these highways and try to do something for them too.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. McFALL. Is not this correct, that all we are requiring the States to do is to show that these families who are being displaced by these highways have some place to go and live? Is that not all we are asking?

Mr. EDMONDSON. I think even less than that. I think we are only requiring that the States come in and show that they are working out methods to try to be of assistance to these people.

Mr. McFALL. Is not that a very small thing to require in these projects where the Federal Government is paying 90 percent of the cost?

Mr. EDMONDSON. In my judgment it is.

Mr. FALLON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the bill before us now is the bill brought out on the floor through the cooperation of all members of the committee with the same objective in mind, and that was the objective of better roads for this country. You have heard some differences of opinion expressed here this afternoon on one particular section of the bill. The bill itself is a good bill, a necessary bill, and should not be hindered by the arguments on amendments we heard this afternoon.

Mr. Chairman, I have no further requests for time.

Mr. AVERY. Mr. Chairman, I rise in support of the Baldwin amendment. My position is usually one of concern for persons to be displaced against their will for a Federal or State project. I have had some extensive experience in my district and therefore personally concerned that persons who are in this circumstance have every protection for fair treatment.

There is no question in my mind that the appropriate State agency or commission will afford this equitable treatment for the respective displacements. Certainly I do not believe the final determination should be made in Washington. Reference has been made to the Secretary of Commerce. The Secretary is not going to be making these determinations personally. They are going to be made by some Department of Commerce employee far removed from the site of the problem.

A vote for this amendment is not a vote of lack of confidence in the Secretary. However a vote against the amendment is a vote of no confidence in a State administration or a State commission.

The Kansas highway is strongly supporting this amendment, Mr. Chairman, and I want to read a telegram from Mr. Addison H. Meschke, director of the highway commission in Kansas:

TOPEKA, KANS.,
July 17, 1962.

Representative WILLIAM H. AVERY,
Old House Office Building,
Washington, D.C.:

H.R. 12135 Federal-Aid Highway Act of 1962 to be debated Wednesday, re section 3, Kansas favors proposed Baldwin of California amendment.

ADDISON H. MESCHKE,
Director of Highways.

Mr. Chairman, I hope the amendment will be adopted.

Mr. GOODELL. Mr. Chairman, it is appalling to the people of New York State that the Federal Government insists on punishing us for building our own roads rather than waiting for Uncle Sam to do it for us.

Originally, under the proposal in 1947, New York State was allocated 1,227 miles of Federal-interstate highway, for which the Federal Government would contribute 90 percent and the State 10 percent. The Federal Highway Act was not enacted until 1956. By that time New York had already built 569 miles of highway along the Federal route, most of it on the throughway. Now the obvious thing to have done was to reimburse New York or transfer mileage to other roads in New York State in return for Federal highways already built by New York.

You all know what happened. Uncle Sam said, in effect: "No, we are going to cut your Federal-interstate mileage from 1,227 miles to 658 miles because your taxpayers met their responsibilities." Now I ask you, Is that fair? Is that defensible? It is not.

New York was originally given 3 percent of the Federal mileage while paying 18 percent of the Federal taxes. The Congress added insult to injury by cutting New York's share from 3 to 1.6 percent of the mileage. The mileage taken from New York could and should have been used for Route 17, a tremendously important highway along the southern frontier of New York State.

We, in New York State, shout our protests at such highhanded treatment. You can be darn sure that I will never vote for any highway bill that perpetuates this gross injustice upon my people.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal-Aid Highway Act of 1962".

AUTHORIZATIONS

SEC. 2. For the purpose of carrying out the provisions of title 23 of the United States Code the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid primary system and the Federal-aid secondary system and for their extension within urban areas, out of the Highway Trust Fund, $950,000,000 for the fiscal year ending June 30, 1964, and $975,000,000 for the fiscal year ending June 30, 1965. The sums authorized in this paragraph for each fiscal year shall be available for expenditure as follows:

(A) 45 per centum for projects on the Federal-aid primary highway system;

(B) 30 per centum for projects on the Federal-aid secondary highway system; and

(C) 25 per centum for projects on extensions of the Federal-aid primary and Federal-aid secondary highway systems in urban areas.

(2) For forest highways, $33,000,000 for the fiscal year ending June 30, 1964, and $33,000,000 for the fiscal year ending June 30, 1965.

(3) For forest development roads and trails, an additional $10,000,000 for the fiscal year ending June 30, 1963, $70,000,000 for the fiscal year ending June 30, 1964, and $85,000,000 for the fiscal year ending June 30, 1965.

(4) For public lands development roads and trails, $2,000,000 for the fiscal year ending June 30, 1964, and $4,000,000 for the fiscal year ending June 30, 1965.

(5) For park roads and trails, $22,000,000 for the fiscal year ending June 30, 1964, and $25,000,000 for the fiscal year ending June 30, 1965.

(6) For parkways, $16,000,000 for the fiscal year ending June 30, 1964, and $16,000,000 for the fiscal year ending June 30, 1965.

(7) For Indian reservation roads and bridges, $16,000,000 for the fiscal year ending June 30, 1964, and $18,000,000 for the fiscal year ending June 30, 1965.

(8) For public lands highways, $3,000,000 for the fiscal year ending June 30, 1964, and $3,000,000 for the fiscal year ending June 30, 1965.

ASSISTANCE FOR DISPLACED FAMILIES AND BUSINESSES

SEC. 3. (a) Chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following new section:

"§ 133. Relocation assistance

"(a) As used in this section the term 'eligible person' means any individual, family, business concern (including the operation of a farm) and nonprofit organization to be displaced by construction of a project.

"(b) The Secretary prior to his approval of any project under section 106 of this title for right-of-way acquisition or actual construction shall require the State highway department to give satisfactory assurance that there exists one or more feasible methods (including relocation advisory assistance) for the relocation of families displaced by acquisition or clearance of rights-of-way for any Federal-aid highway.

"(c) The Secretary shall approve, as a part of the cost of construction of a project on any of the Federal-aid highways systems, such relocation payments as may be made by a State highway department, or a local public agency acting as an agent for the State highway department for this purpose, to eligible persons for their reasonable and necessary moving expenses caused by their displacement from real property acquired for such project. However, the Secretary shall not require a State to pay relocation payments where not authorized by State law.

"(d) Payments under this section shall be subject to such rules and regulations as may be prescribed by the Secretary, and shall not exceed $200 in the case of an individual or family, or $3,000 in the case of a business concern (including the operation of a farm) or nonprofit organization. In the case of a business (including the operation of a farm) and in the case of a nonprofit organization, the allowable expenses for transportation under this subsection shall not exceed the cost of moving 50 miles from the point from which such business or organization is being displaced. Such rules and regulations may include provisions authorizing reimbursement for payments made to individuals and families of fixed amounts (not to exceed $200 in any case) in lieu of their respective reasonable and necessary moving expenses.

"(e) This section shall apply only with respect to projects approved under section 106 of this title after the date of enactment of this section."

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

"133. Relocation assistance."

PUBLIC LANDS DEVELOPMENT ROADS AND TRAILS

SEC. 4. (a) Section 101 of title 23, United States Code, is amended by inserting immediately after the paragraph which begins "The term 'project agreement' means", the following:

"The term 'public lands development roads and trails' means those roads or trails which the Secretary of the Interior determines are of primary importance for the development, protection, administration, and utilization of public lands and resources under his control."

(b) Chapter 2 of title 23 of the United States Code is amended by adding at the end thereof the following new section:

"§ 214. Public lands development roads and trails

"(a) Funds available for public lands development roads and trails shall be used to pay the cost of construction and improvement of such roads and trails.

"(b) Funds available for public lands development roads and trails shall be available for adjacent vehicular parking areas and for sanitary, water, and fire control facilities.

"(c) The Secretary shall approve the location, type, and design of all projects for public lands development roads and trails before any expenditures are made thereon and all construction thereof shall be under the general supervision of the Secretary."

(c) The analysis of chapter 2 of title 23 is amended by adding at the end thereof the following:

"214. Public lands development roads and trails."

AVAILABILITY OF FUNDS—OTHER HIGHWAYS

SEC. 5. Section 203 of title 23 of the United States Code is amended by inserting immediately before the phrase "park roads and trails", at each of the two places it appears in such section, the following: "public lands development roads and trails,".

FEDERAL-AID SECONDARY HIGHWAY SYSTEM—URBAN AREAS

SEC. 6. (a) The last sentence of subsection (c) of section 103 of title 23, United States Code, is amended to read as follows: "This system may be located both in rural and urban areas, but any extension of the system into urban areas shall be subject to the condition that such extension pass through the urban area or connect with another Federal-aid system within the urban area."

(b) The amendment made by subsection (a) of this section shall apply to apportionments made before as well as after the date of enactment of this Act.

TRANSPORTATION PLANNING IN CERTAIN URBAN AREAS

SEC. 7. (a) Chapter 1 of title 23, United States Code, is amended by adding immediately following section 133 the following new section:

"§ 134. Transportation planning in certain urban areas

"It is declared to be in the national interest to encourage and promote the development of transportation systems, embracing various modes of transport in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective the Secretary shall cooperate with the States, as authorized in this title, in the development of long-range highway plans and programs which are properly coordinated with plans for improvements in other affected forms of transportation and which are formulated with due consideration to their probable effect on the future development of urban areas of more than fifty thousand population. After July 1, 1965, the Secretary shall not approve under section 105 of this title any program for projects in any urban area of more than fifty thousand population unless he finds that such projects are based on a continuing comprehensive transportation planning process carried on cooperatively by States and local communities in conformance with the objectives stated in this section."

(b) The analysis of chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following:

"134. Transportation planning in certain urban areas."

RURAL DELIVERY AND STAR ROUTE MILEAGE

SEC. 8. (a) Subsection (b)(1) of section 104 of title 23 of the United States Code is amended by striking out "preceding fiscal year" and inserting in lieu thereof "preceding calendar year".

(b) The amendment made by subsection (a) of this section shall be applicable only with respect to apportionments made after the date of enactment of this Act.

HIGHWAY PLANNING AND RESEARCH FUNDS

SEC. 9. Subsection (c) of section 307 of title 23 of the United States Code is amended by inserting "(1)" immediately after "(c)", by striking out "any year" and inserting in lieu thereof "each fiscal year prior to the fiscal year 1964", and by adding at the end thereof the following:

"(2) One and one-half per centum of the sums apportioned for each fiscal year beginning with the fiscal year 1964 to any State under section 104 of this title shall be available for expenditure by the State highway department only for the purposes enumerated in paragraph (1) of this subsection.

"(3) In addition to the percentage provided in paragraph (2) of this subsection, not to exceed one-half of one per centum of sums apportioned for each fiscal year beginning with the fiscal year 1964 under paragraphs (1), (2), and (3) of section 104(b) of this title shall be available for expenditure upon request of the State highway department for the purposes enumerated in paragraph (1) of this subsection.

"(4) Sums made available under paragraphs (2) and (3) of this subsection shall be matched by the State in accordance with section 120 of this title unless the Secretary determines that the interests of the Federal-aid highway program would be best served without such matching."

DEFINITIONS

SEC. 10. For the purposes of section 2 of this Act each of the following terms shall have the same meaning as is given it in section 101 of title 23 of the United States Code:

(1) Forest development roads and trails;
(2) Forest highway;
(3) Indian reservation roads and bridges;
(4) Park roads and trails;
(5) Parkway;
(6) Public lands highways;
(7) Federal-aid primary system;
(8) Federal-aid secondary system;
(9) Urban area;
(10) Public lands development roads and trails.

With the following committee amendments:

Page 2, line 17, strike "and" and insert "an".

Page 10, line 1, strike "matching." and insert "matching." ".

Page 10, strike lines 3 to 10 inclusive.

The committee amendments were agreed to.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BALDWIN: On page 3, line 24, strike out the words "there exists one or" and on page 4, lines 1 and 2 strike the words "more feasible methods (including relocation advisory assistance)" and replace the above stricken words with the following: "relocation advisory assistance shall be provided."

Mr. BALDWIN. Mr. Chairman, the purpose of this amendment is to leave basically with the States powers that they have consistently had up to the present time under the Federal-aid highway program. Up to this time the States have been the ones to determine what is the feasible method of relocation of people who are removed from a State's rights-of-way.

Section 3 of the bill in its present form has the words:

> The Secretary prior to his approval of any project under section 106 of this title for right-of-way acquisition or actual construction shall require the State highway department to give satisfactory assurance that there exists one or more feasible methods (including relocation advisory assistance) for the relocation of families displaced by acquisition or clearance of rights-of-way for any Federal-aid highway.

This gives the Secretary complete blanket authority to determine what he feels is a feasible method, and if the State does not comply with what he feels is a feasible method, he can refuse to approve funds for right-of-way acquisition or actual construction. There was previous discussion on the floor about section (c), which has a last sentence saying:

> However, the Secretary shall not require a State to pay relocation payments where not authorized by State law.

That last proviso simply says the Federal Government cannot require the States to pay relocation payments, but this does not prevent the Secretary from utilizing his powers under section (b) to require different procedures which he feels are proper for relocation, even though the State may have followed a different procedure entirely satisfactory in the past.

The purpose of my amendment is simply to avoid this further concentration of power in the Secretary of Commerce. It is power he has not got at the present time.

The American Association of State Highway Officials testified against this section in the bill. I have a letter, dated July 17, from A. E. Johnson, executive secretary, as follows:

> Generally, the State highway departments feel that the proposed amendment, as shown on page 62 of the committee report on H.R. 12135, would be preferable to paragraph B of section 3, as contained in the bill.

The American Automobile Association has taken a position in favor of my amendment. I read a wire stating their position. The American Roadbuilders Association has taken a position in favor of the amendment and countless individual branches of the American Automobile Association in State after State have taken a position in favor of my amendment and have so wired their Members of Congress.

I want to quote one from the Automobile Club of New York, representing 612,000 members, as follows:

> On behalf of our 612,000 members, we urge your support of an amendment to section 3 of H.R. 12135, which is Federal Highway Act of 1962, expected on House floor this Wednesday. This legislation offered by Congressman BALDWIN, of California, will free existing highway act of ambiguous requirements relating to relocation of persons and businesses affected by federally aided highway projects. Present requirements allowing one or more feasible methods, including relocation advisory assistance are subject to exploitation by those desiring delay of vital highway programs and the involvement of unnecessary agencies and levels of government in local affairs. Baldwin

amendment relying on relocation advisory assistance is entirely adequate and realistic and will actually minimize dislocation since it does not, unlike other provisions, invite conflict. Highway program in this State will be advanced by your vigorous support of Congressman BALDWIN's amendment.

GILBERT B. PHILLIPS,
Automobile Club of New York.

I am just reading one of a whole series of wires sent out by American Automobile Association clubs in various States indicating support of this proposal.

Basically this seeks to eliminate concentration of power in the Secretary of Commerce, power that up to now has been handled by the States successfully.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to this amendment for the reasons stated previously during general debate on this bill. I think this amendment represents a vote of complete no confidence in our Secretary of Commerce, in our road administrator, and I think it should be defeated on that basis if on no other basis.

The gentleman has made a great deal of to-do about the fact that some organizations are opposed to this amendment, but the same organizations that he mentioned are also opposed to relocation payments or to anything that diverts a dollar from highway building contracts. I do not argue with them on that. I think they are taking care of their interests and concentrating their attention upon the dollars of roadbuilding contracts. But, I think we have some other things we have to think about, and that is the requirement that there be feasible methods, one or more feasible methods, for assistance of displaced people, and relocation is one of them.

Mr. Chairman, as soon as we defeat the Baldwin amendment—if we do defeat it, and I hope we will—I will offer an amendment to add this language on line 4 of page 4, and I would appreciate your attention and the attention on the other side as I read it to you:

> After the period on line 4, add the following language: "One or more feasible methods shall not include the right to require a State to make relocation payments where not authorized by State law."

This will clearly spell out in the subsection to which the attention is being given that the Secretary of Commerce cannot require relocation payments to be made as one of the feasible methods to assist people being relocated.

Mr. Chairman, I hope and trust that the Baldwin amendment will be defeated, and I will offer this amendment at the proper time.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from California.

Mr. HOSMER. I do not quite understand the difference in degree of lack of confidence in the Secretary of Commerce that would be expressed by the limitation in your amendment and the limitation in the Baldwin amendment.

Mr. EDMONDSON. I can assure the gentleman that it is not lack of confidence on my side that calls for this particular amendment. I think the gentleman from Florida and the gentleman from California have succeeded in clouding considerably the legislative history in regard to committee intent. I think by clouding it they made it necessary to make it clear and specific.

I might say this also, as long as we have talked about how State highway departments stand on this thing, the State Highway Department of the State of California responded to the questionnaire by saying that this bill was entirely satisfactory as it was brought to the floor.

Mr. SCHERER. Mr. Chairman, I rise in support of the amendment.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. Yes; I yield to the gentleman from California.

Mr. BALDWIN. In answer to the last statement made by the gentleman from Oklahoma [Mr. EDMONDSON], I would like to say that the chief highway engineer of the State of California is on record at page 99 of the hearings in opposition to section 3.

Mr. SCHERER. I rise in support of the amendment.

Mr. Chairman, all of us today are interested in reducing unemployment. In fact, there is a bill now pending before the Public Works Committee, at the request of the President, which is called a public works acceleration bill, and which would require, if passed, the expenditure of $900 million over a short period of time in order to accelerate public works in order to aid the economy.

Mr. Chairman, we have in the highway program before us the biggest public works program in the history of the world. It is a going concern. It is moving now. If the language in paragraph (b) of section 3 remains in the bill by failing to adopt the Baldwin amendment, I predict in sections of this country that this highway program will come to a grinding halt. You are going to decelerate public works programs. You are going to increase unemployment.

Mr. Chairman, why do I say this? For the simple reason that under the language of the bill as now written the Secretary of the Department of Commerce can refuse to approve a highway project in your State, and in my State if he feels that your community and your State does not have a feasible method for relocating tenants that must be removed from highway rights-of-way. There is no definition in this bill as to what constitutes "feasible methods." But in the administration's bill there was a definition of what constitutes "feasible methods." This is the guideline—this is what the Secretary of the Department of Commerce in whom we are supposed to have so much confidence is going to require each State to do, each highway department to do. They are going to put him and the State highway department in the housing business. Listen to this language.

> The Secretary as a condition precedent to his approval of any highway project shall require the State highway department through an agency or agencies acceptable to the Secretary to assure that there is a feasible method for the temporary location of families displaced by the acquisition or clearance of rights-of-way for any Federal highway program.

Now, listen to this—this is what they are going to require each State to do:

> That there are or will be provided in areas not generally less desirable in regard to the availability of public utilities and public commercial facilities at rents or prices within the financial means of families displaced by the acquisition or clearance of such rights-of-way decent, safe, and sanitary dwellings—

Mr. Chairman, every State, before it can get a highway approved, must provide that kind of relocation service. You are putting the State highway departments into the housing business. We all know that there are people who do not want to move, no matter what the circumstances are. There are certain people that want a highway located in this location instead of the one selected by the engineers. There are others that want, for selfish interests, points of access established at some other place or an interchange located at some other place.

Mr. Chairman, these people are going to take advantage of this type of regulations. They are going to latch onto these requirements and they are going to delay this program. They are going to take this thing to court. Whether there is merit to their suits or not, they are going to contend that there is no decent, safe housing in reasonable distance of a man's employment; that there are not public facilities available. These court actions are going to delay this highway program. Such delay will not only hurt the highway program—it will adversely affect the economy and the employment problem.

Mr. Chairman, all the Baldwin amendment does is say, "Let us not make the States subject to the direction, the dictatorship of the Secretary of Commerce. Let the States move their people as they see fit."

The provisions in the bill that the States furnish advisory service to people who must vacate and pay their moving expenses is as much as a government should do.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to present some observations on this very interesting situation. No. 1, the question is raised by the opposition on the meaning of the word "feasible." That is very easily determined. That means a workable, practical, realistic plan under the circumstances. I would like to have the opposition explain to us what does "advisory assistance" mean by the States?

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. SCHERER. That was in the administration bill. Advisory assistance means exactly what it says, to help people who have to relocate, to advise them as to places where they can be relocated. But it does not give the Secretary of Commerce the right to dictate to every community, before it may receive a highway project just how these people shall be relocated; what kind of housing they should have, and so forth.

You can solve this problem by one regulation in the law and that is to require a 6-month leadtime; not require people to move for 6 months after the highway right-of-way has been acquired.

Mr. BLATNIK. To advise people as to where they should or can resettle can easily mean get a tent and squat on a community periphery. Leadtime is an important matter; but, even with leadtime, in negotiating and acquiring the necessary properties, you still do not have the opportunity to have a practical, workable program for accommodating these people and working out their serious problems of resettlement and relocation.

Mr. Chairman, I do not want to be a party to the proposition of using a multibillion-dollar program that has been working so beautifully, as has this joint, coordinated, cooperative affair between the Federal Government and the States, and using it in such a way that the Federal Government is derelict in its responsibility to the people in how the people shall be dealt with who own property, and through no fault of their own, and for the national interest of providing facilities for a freer flow of commerce and traffic, are forcibly required to relocate.

The truth is, with all respect—and I mean this—for the splendid job the States have been doing, and are doing, that in our investigations on highway right-of-way acquisition and disposition of property and rights-of-way, we have been shocked at the inefficiency and sheer incompetence with which this right-of-way acquisition matter has been handled by some States.

We have examples of where bulldozers bulldozed right out to the very property of citizens and the inhabitants of homes who had no idea what was happening. They had never up to that time been contacted by any State highway right-of-way representative. They first learned it from a private contractor, that the highway was going to go across their property.

Let me read to you some of the testimony that is typical in three States that we were in—Florida, Massachusetts, and now West Virginia. This is the testimony of Mr. Stanton from the right-of-way office in Florida. He was asked how much time he required for the proper acquisition of right-of-way and disposition of the properties so acquired. He said 6 to 8 months. He was asked, "Do you always get this time?" and he said, "Generally we do not; often we have to do it under a 'quick taking,' which means 20 to 30 days' grace after they are paid and have to move out."

People get a court order, are evicted with a partial payment and made to shift for themselves. These are dislocated people, dispossessed people, people who should be given an opportunity first to negotiate satisfactorily for a fair price for their property and then an opportunity to get resettled. Here is what Mr. Stanton said. He said if they could get 6 to 8 months of time on acquisition of property and settlement and relocation, they could negotiate a settlement in excess of 80 percent of the right-of-way acquisition parcels.

But what did happen? The pressure was on to get construction work underway as soon as possible. On 16 Federal-interstate projects in Florida here is what happened: 798 parcels were not even acquired by the State by the time the contracts were already awarded to the contractor and he was to start construction within 60 days; 798 parcels of property had not even been acquired by the States; 545 of these, or 70 percent, became subject to condemnation; 70 percent of these people were in condemnation compelled to go to court just for an opportunity to get a fair price for their homes, with no time to negotiate in advance, yet dispossessed, trying to get relocated, yet tied up in court for 1 and even over 2 years to get compensation for their original property.

To show you how little the State highway department knew about what was going on, let alone what was happening to the people themselves, the State highway department did not even know how many buildings they had acquired and now owned on the project. They awarded the construction contract and turned the buildings on the right-of-way over to the contractor. The contractor sold these properties to a subcontractor. The subcontractor sold or otherwise disposed of the buildings. The subcontractors made money on the disposal of the buildings, and the construction contractor got paid by the State, in which Federal funds were involved, for the opportunity of selling these Federal-State-acquired properties for his own profit.

For example, on one project State records showed there were 312 buildings, whereas the contractor's record showed he had 362 buildings—a difference of 50 buildings. On another project the State reported they had 234 buildings and on that project the contractor said he had 263. On another project there were 150 buildings listed by the State on the project and the contractor reported he found 214. Most of these people had no chance to negotiate for their property. We found a pathetic case where a homeowner had found a lot elsewhere, and merely wanted to buy his home back from the State; but it was too late, the contractor already had sold it to someone else.

The requirement of this provision that a feasible and workable method be submitted to and approved by the Secretary of Commerce is no different from many other requirements in the several stages of getting a highway built. The Secretary of Commerce, through the Federal Highway Administrator, has to approve route location, design, specifications, and other factors. This one step is no imposition. It merely protects the legitimate and proper rights of thousands of human beings who are going to be dispossessed and displaced by this gigantic highway program, especially where it sweeps across in broad swaths through heavily populated areas, uprooting and dispossessing them in the interest of not only a freer flow of traffic and commerce, but insuring the personal safety, as well of convenience, of millions of automobile travelers.

Mr. CRAMER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to make sure it is clearly understood—and this is the principal reason for my rising—that the position taken by the gentleman from California [Mr. BALDWIN], myself, and others who have spoken on our side, is that the States rather than the Federal Government should make the decision with regard to the fundamental policies with regard to relocation. What is the amendment the gentleman from Oklahoma suggests, now that the pressure is on, he might accept or propose? It is a smokescreen amendment that the gentleman from Oklahoma has suggested, because it does not do one single thing. All it does is lift the language of subsection (c) that relates only to the payment of relocation payments by the State and apply that to subsection (b). It does not have any effect whatsoever on the Secretary's determining what a feasible method is, absolutely none whatsoever. The amendment of the gentleman from Oklahoma says one or more feasible methods, if it is provided that the State shall make relocation payments.

Mr. EDMONDSON. No, it does not say what the gentleman said it says.

Mr. CRAMER. It said it is keyed to the relocation payments.

Mr. EDMONDSON. It says one or more feasible methods do not include relocation payments.

Mr. CRAMER. Right, exactly. Therefore, only relocation payments are excluded from determining what a feasible method is. But what does it mean? Everything the gentleman from Ohio talked about with regard to the requirements, that the housing will be provided in areas not generally less desirable, that it will be at least as equally available to public utilities, commercial facilities, schools, and so forth, at rents or prices within the financial means of the families displaced by acquisition or clearance of such rights-of-way—decent, sanitary dwellings adequate in number to accommodate such displaced families and reasonably accessible to places of employment.

All of this will continue to be decided by the Secretary. This has nothing to do with the relocation cost that the gentleman is excluding.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. ROGERS of Colorado. First, may I inquire: Is the language you read in the bill?

Mr. CRAMER. That is what I believe the Secretary will set as standards because it has been set in other similar situations. There is no question but what the Secretary would have the power to so decide, and that is what disturbs us. He would have the power to do so. We do not think we should give him that much power. The States should make this decision. That is what the issue is: Should the State make the decision or should the Secretary of Commerce make the decision? The gentleman from Oklahoma said that this may mean a vote of no confidence in the Secretary. That is not the point at all. Nobody is suggesting no confidence.

The point is that by not adopting the Baldwin amendment, it is a vote of no confidence in our State officials who have traditionally, according to the provisions of the basic act itself, been the agency to administer this program. The only reason the highway program in this country has had the success it has had is because it has been a partnership program with the States determining the administration and the policy and not the Federal Government. And those of us on the committee who have fought this issue time after time think that here is another instance to keep the Federal Government from telling the States what they should do with regard to the administration of the program, and I cannot think of how we could go further into the area of Federal dictation than to have the Federal Government tell us, the States, what the States should do with regard to relocation even if you exclude payments.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. ROGERS of Colorado. The answer to my question is "No"; is that not right?

Mr. CRAMER. The answer to your question is found in the minority views.

Mr. ROGERS of Colorado. What you read is not in the bill, is it?

Mr. CRAMER. The answer to your question is found in the minority views as to what the Secretary can determine with regard to the requirements and I will point it out to the gentleman.

Mr. ROGERS of Colorado. Cannot the gentleman answer the question directly and say yes or no, whether it is in the bill?

Mr. CRAMER. Page 59 of the minority report shows what can be required.

Mr. PELLY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. PELLY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. PELLY. Mr. Chairman, I rise in support of the Baldwin amendment to H.R. 12135, the Federal-Aid Highway Act of 1962. In this connection I desire to read into the RECORD a telegram dated July 17, 1962, from W. A. Bugge, director of highways of the State of Washington. It reads:

> In support of the Baldwin amendment to H.R. 12135, suggest the following as amendment to the bill: On page 3, line 24, strike the words "There exists one or" and on page 4, lines 1 and 2, strike the words "more feasible methods, including relocation advisory assistance," and replace the above stricken words with the following: "relocation advisory assistance shall be provided."

Mr. Bugge's suggested language is the Baldwin amendment.

Mr. Chairman, as has been pointed up by the gentleman from California [Mr. BALDWIN], subsection (b) of section 3 of the bill as reported by the Committee on Public Works would give unprecedented power to the Secretary of Commerce. It would give him sole authority to determine whether each State's method for relocation of families on highway rights-of-way is satisfactory to him. Many State highway directors such as Mr. Bugge object to undue Federal control and I may add that in my State great public dissatisfaction has been experienced in the relocating of homeowners who have been dispossessed as a result of the highway program. The public, in my opinion, can be better served if decisions as to method are left up to State government and local authority where their voices or protests can be better heard. I oppose more concentration and centralization of Government authority here in Washington, D.C.

Under the bill as reported there is no definition as to what would constitute a "feasible method" for relocation. The Baldwin amendment would modify subsection 3 and require State highway departments to give relocation advisory assistance. This would protect the States and avoid arbitrary Federal action as to the method used.

I hope the Baldwin amendment is adopted.

Mr. MOSS. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I rise in opposition to the amendment of my good friend and colleague, the gentleman from California [Mr. BALDWIN]. I want to make it clear that I regard my role in this body as a representative of the people of the Third District of California and not as a representative of the State of California. I am concerned with the rights of the people I represent. I feel that I have a responsibility, a solemn obligation to take cognizance of the rights of those people.

The language proposed to be stricken from this bill is the minimum recognition of their rights. The fact that in these vast highway programs where people are summarily dispossessed of their homes, their farms, and their businesses there should be given some conscious consideration and feasible method of relocating. I think for us to do less than to grant that recognition of their rights is an abandonment of our responsibility.

I have heard it said that the American Automobile Association supports the gentleman's amendment. Let me say as a member of that association that I have not been polled and I know not one soul who has been polled, to determine whether or not they should speak for me. I conferred it no such right when I joined the organization.

My State is in support of the bill as it came from the committee. My good constituent, the State highway engineer of California, is not in opposition. His appearance before the committee was under another hat as a member of the National Association of Highway Engineers.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. MOSS. Certainly I would be very happy to yield to my colleague.

Mr. BALDWIN. The gentleman heard the statement he made on page 99 of the hearings which I read where he said:

> We believe that it would be the means of introducing controversy, delay, and political pressures into the program to the point that it could effectively stop the highway program in certain areas.

Mr. MOSS. I do not disagree that he made the statement, but he made it as the chairman of the National Association of Highway Engineers. Speaking as the engineer of the State of California he is in support of the bill as it came from the committee. But let me say that if he were in opposition to the bill, having experienced a number of relocations in my own district and seeing in some situations the almost pompous disregard for people and their rights that I would not be persuaded to follow him. That is my responsibility, not his. He is not in office by the vote of one single individual, but I am here by the overwhelming majority vote of a district of some 700,000 people, and I feel I have greater responsibility than he has.

I sincerely hope that this body will take cognizance of the rights of those really in focus here, the rights of the people involved in the relocations and vote against the amendment of Mr. BALDWIN.

The CHAIRMAN. The question is on the preferential motion.

The motion was rejected.

Mr. JONES of Missouri. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, first I want to say that I am for the bill, but I feel that this amendment should be adopted. It is not that I do not have confidence in the committee, and I certainly do disagree with the statement of the gentleman from Oklahoma that a vote against the amendment would be an expression of no confidence in the Secretary of Commerce and the Administrator of the road program.

I think that this question of feasibility should be determined by the local representatives and certainly no higher than the State level. While I do not attempt to appear here as an expert, I have had the responsibility of serving for 3 years as chairman of the State Highway Commission of the State of Missouri, and am somewhat familiar with condemnation proceedings and programs of rights-of-way acquisition. I think we should recognize that the State does have a responsibility to the residents of that State, and certainly they have all due recourse.

The thing that worries me is giving any Federal agency authority that can be exercised by the States, and we are making a mistake.

I recall just a few years ago the experience we had with the Department of Labor when they were setting up standards for housing for migratory labor. A representative of the Department of Labor came before our committee with his specifications as to what would constitute adequate housing. Before he left the room we laughed him out of the committee because the fraternity house in which I lived for 3 years while I was attending the University of Missouri would not have met the standards for migratory labor as laid down by the Department of Labor.

It is not a question of having confidence in the Secretary of Commerce;

it is a question of what will happen to the bureaucrats who will get into this program and who will try to make a determination of what is feasible? I want to leave everything we can to the State highway department.

I have here copy of a letter from the chief engineer of the State highway department. I have also a telegram that he sent to the executive secretary of the American Association of State Highway Officials, and I shall ask in the House that these telegrams and the letter appear as a part of my remarks.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Inasmuch as the request for this section originated with the Secretary of Commerce and the first testimony was from his Administrator of Highways, would not the gentleman say it would be a lack of confidence in him if we did not go along with him?

Mr. JONES of Missouri. No; I would not say that. It is possible they have not had their attention called to the fact they are not going to be the perpetual administrators of this program. We must not vote on a matter on what we think about the personality who is going to administer the law. We have to think about the principle involved in the law.

I believe in States rights, and I do not want to give to the Federal Government or any agency of the Federal Government responsibilities that can be administered and which have in the past, in my opinion, been adequately administered. I know that Missouri has had as splendid a record as any State in the Union. I know that in the relocation, in the acquiring of rights-of-way, and things like that, they have accepted that responsibility.

The gentleman from California and others have told us about the great injustice that has been done to people who have been moved and who have not been adequately relocated. Those people have an adequate recourse in their States. If they want to express their displeasure, they can do so through the various State officials.

Again I want to say that this is not a question of lack of confidence, it is a question of whether you want to give to a Federal bureaucracy a responsibility that should be, and could be, and is now being exercised by a State department.

Missouri State
Highway Commission,
Jefferson City, Mo., July 16, 1962.

Hon. Paul C. Jones,
U.S. Congressman, House Office Building, Washington, D.C.

Dear Congressman Jones: It is our understanding that the highway bill, House bill 12135, has received a 2-hour open rule for floor debate Wednesday, July 18.

The enclosed copy of a telegram to the American Association of State Highway Officials expresses the opinion of the Missouri State Highway Commission members and the department personnel.

Your support and assistance for the Missouri Highway Commission's recommendation for deletion of paragraph (b) contained in lines 21 to 24, inclusive, on page 3, and lines 1 to 4, inclusive, on page 4 (all pertaining to relocation assistance) of H.R. 12135 will be sincerely appreciated.

Yours very respectfully,
J. J. Corbett,
Chief Engineer.

Missouri State
Highway Commission,
July 15, 1962.

Mr. A. E. Johnson,
Executive Secretary, American Association of State Highway Officials, Washington, D.C.:

With exception of paragraph (b) section 133 "Relocation Assistance" we consider H.R. 12135 eminently satisfactory. Objection to paragraph (b) is predicated on the delay its application would cause the highway program coupled with resulting increased project costs. Apparently fulfillment of requirements of paragraph (b) would necessitate a listing of all land and improvements in one or more areas before acquisition of any right-of-way for a project. The time lapse between said listing of available lands and dwellings and actual negotiations with the owners of desired rights-of-way could quite likely result in misleading representation due to changes in availability status attributable to changed ownerships or usances in the interim. Anticipated cost increase would stem from need for additional personnel or agency to serve the proposed function. Apparently vacant lands could not be obtained as right-of-way until availability of relocation sites is established for all tenants and owners within the proposed right-of-way for the entire project. This could generate increased right-of-way cost if presently vacant lands or dwellings are improved during the time required for approval of acquisition of right-of-way. The Missouri Highway Commission and department recommends acquisition of rights-of-way sufficiently in advance of actual highway construction to provide ample time for tenants and owners to find relocation sites. This procedure has been generally satisfactory in Missouri and it does not compete with established housing agencies or realtors. Reiterate that all of H.R. 12135 except paragraph (b) of proposed section 133 is entirely satisfactory.

J. J. Corbett,
Chief Engineer.

Mr. HARVEY of Michigan. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HARVEY of Michigan. Mr. Chairman, the commissioner of State highways in Michigan recognizes the merits of the Baldwin amendment despite the position taken by the Commerce Department and the committee majority. I might point out that Mr. Mackie is an elected official of a Democrat administration in the State of Michigan. I submit herewith his telegram in support of the Baldwin amendment:

Lansing, Mich., July 16, 1962.

The Honorable James Harvey,
House Office Building,
Washington, D.C.:

I am informed by American Association of State Highway Officials in Washington that Congressman Baldwin, of California, intends to offer amendment opposing section 3 of H.R. 12135, relating to handling of persons and businesses needing relocation in highway programs.

Respectfully request your support for Baldwin amendment if such is made.

John C. Mackie,
Commissioner, Michigan State Highway Department.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Baldwin].

The question was taken; and on a division (demanded by Mr. Baldwin) there were—ayes 156, noes 101.

So the amendment was agreed to.

Mr. ROBISON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Robison: On page 10, after line 10, insert

"Reimbursement for Certain Highways

"Sec. 10. Section 114 of the Federal-Aid Highway Act of 1956 is amended to read as follows:

"'Sec. 114. Congressional Policy With Respect to Reimbursement With Respect to Certain Highways.

"'(a) It is hereby declared to be the intent and policy of Congress to equitably reimburse each State for the Federal share of the depreciated cost of every portion of any toll or free highway, bridge, or tunnel within such State which is a part of the National System of Interstate and Defense Highways, the construction of which was completed after August 2, 1947, and before June 29, 1956, or which, on June 29, 1956, was either in actual use, or under construction by contract, for completion, awarded not later than June 30, 1957. The Federal share so reimbursed shall be the percentage established in accordance with section 120 (c) and (d) of title 23 of the United States Code, computed in accordance with House Document 301, Eighty-fifth Congress, minus (1) all other Federal expenditures made on account of such highway, bridge, or tunnel and (2) any construction costs not eligible for Federal financial assistance under title 23 of the United States Code.

"'(b) Congress hereby declares that it will establish the time, method, amount, conditions, and financing of such reimbursements in such a way as to result in such reimbursements being fully accomplished as soon as possible after substantial completion of construction of the National System of Interstate and Defense Highways as designated on July 1, 1962'."

On page 10, line 12, strike out "10" and insert in lieu thereof "11".

Mr. ROBISON. Mr. Chairman, I note that we have a considerably larger audience here, now, than we did during the debate on this bill when the subject matter of this amendment was considered or, at least, discussed at some extent.

This amendment, Mr. Chairman, would merely seek to establish, actually to reestablish insofar as this House is concerned, the principle of reimbursement as a matter of congressional policy and intent to those States which have contributed mileage to the Interstate System, mileage which they constructed without benefit of 90-percent Federal assistance.

This situation briefly arose in this fashion going through it once again: Between August 2, 1947, on which date the Interstate System network was officially designated and the beginning of construction of that system, with 90–10 Federal-aid money pursuant to the Highway Act of 1956, considerable interstate mileage was constructed by the more progressive States of our Nation, States which did not and could not wait for congressional favors. For instance, in New York State alone our 500-mile-plus thruway was constructed without benefit of any Federal assistance, and that thruway has since been incorporated into the Interstate System, and all we have to show for it in New York State are some beautiful signs designating it as being an interstate highway.

All States are similar losers in some degree, and for any Member who may be interested a table showing such lost mileage is set forth on page 13823 of yesterday's Congressional Record.

Mr. Chairman, when the 1956 act was first considered by our Committee on Public Works, that committee took cognizance of the fact that an inequitable situation was being created. Further than that, it recognized the fairness of, in some manner reimbursing those States for such contributed mileage. Thus, when the 1956 bill was reported to the House there was included a section, and the bill was passed by the House including that section, declaring it to be the intent and policy of the Congress, just as my amendment would seek to once again declare, to make such reimbursement in such manner and at such time as Congress might thereafter determine.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield to the gentleman from New York.

Mr. BECKER. Mr. Chairman, I would like to join my colleague in support of his amendment. I would further like to observe that ever since the Interstate Highway System came into being we have had bills introduced for years for the purpose of accomplishing this result. Mr. Chairman, I firmly believe in and I am in accord with the gentleman's statement and hope that Congress writes it into law today.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield to the gentleman from New York.

Mr. OSTERTAG. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. Robison]. It seems to me that the time has long since passed when the policy and intent of the Congress in the matter of reimbursement to the States of the Union for their contribution to the Interstate Highway System. This issue has been under consideration for a number of years and the House has deemed it proper and wise to make such provisions in the Highway Act. I believe we owe it to ourselves to include in the bill before us today, some measure of expression which will ultimately bring this inequitable situation to the point of responsible action on the part of the Federal Government. To fail in this matter, we are in substance penalizing the States that accepted responsibility in this essential development. I have my own State of New York in mind which has already built some 600 miles along these routes, including the New York State thruway. Although these roads are a part of the Interstate System, not 1 cent of reimbursement has been forthcoming. Yet at the same time, New York is paying a substantial share of the cost of the system and program throughout the Nation. It is grossly inequitable and unfair. This amendment in no way is intended to retard or take from any part of the program. It simply establishes the policy and intent to recognize this obligation and provides for any orderly means to meet this problem and situation. I hope that the House will accept this amendment and that it will prevail in conference.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield to the gentleman from New York.

Mr. PILLION. I would like to state my concurrence in the amendment which has been offered by the gentleman from New York [Mr. Robison]. It is most equitable and it is long overdue.

Mr. ROBISON. I thank the gentleman.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. Yes, I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to say also that I concur with the gentleman in his feeling that this amendment would be desirable, but as something of an authority now on what is likely to be adopted, I am afraid the gentleman has picked a bad time to offer it.

Mr. ROBISON. I thank the gentleman.

Mr. Chairman, let me add further to the story and the history behind this particular matter. When this bill was passed by the House and got to the other body, the section declaring it to be congressional intent and policy to provide for reimbursement was deleted on the basis, as much as anything, so far as I can find out, that at that time there was not sufficient information available as to what mileage would be eligible for reimbursement and so on. All of that data has since been provided. We have all the information we need. But the stumbling block, apparently, for any subsequent action has been the high cost of reimbursement, a cost which would run somewhere in the neighborhood of $4.3 billion.

Mr. Chairman, I recognize that is a problem, but this body should once again reestablish that principle of reimbursement and then move on from there to take the necessary steps, including, if necessary, an extension of the trust fund program in order to provide for eventual reimbursement.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield to the gentleman from New York.

Mr. PILLION. The gentleman's proposal contemplates that the present Interstate System and schedule of construction will continue as is and the gentleman's proposal would become effective only after the present highway construction program is concluded?

Mr. ROBISON. Not exactly, although under this proposal the construction of the balance of the 41,000-mile network would not be impeded or delayed. Payment of reimbursement under this amendment would begin as soon as possible. We have always understood that toward the end of the trust fund there might be surplus moneys available for this purpose. I think, although this is a modest start in righting a long-existing wrong, it is a responsible approach.

Mr. FALLON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee time and time again in discussing the problem of the gentleman from New York [Mr. Robison] has concluded that something will and should be done in regard to mileage on the Interstate System that was incorporated into toll roads. Now, of course, the cost of the gentleman's amendment is not known at the present time because of not only the toll roads that have been built in the Interstate System, but toll roads being built now in the Interstate System.

Mr. Chairman, this matter was considered by our committee just about 3 weeks ago and the committee agreed that it should be held in abeyance for another time. But, certainly, the committee agreed that it has merit and should be further discussed.

Mr. Chairman, I oppose the amendment.

Mr. GOODELL. Mr. Chairman, I rise in support of the amendment. I would like to emphasize first of all that this amendment does not provide for immediate reimbursement. It provides reimbursement that will come after the regular Federal interstate building of the roads is completed, when it will not interefere in any way with construction presently allocated.

I should also like to emphasize that this is not a New York or a big-State amendment. The State of Kentucky would get $30 million reimbursement for highways that they constructed on the interstate route. The State of Georgia would get $37.5 million; the State of Pennsylvania, $287 million; Texas, $160 million; Kansas, $88 million and Indiana, $147 million. On page 13823 of the Congressional Record yesterday Mr. Robison placed a full table showing the amount each State has at stake in this matter. Many, many States between 1947 and 1956 met their responsibilities to go ahead and construct highways even though we did not as yet have a Federal Interstate Highway System. Having constructed those highways, when the 1956 act became law they were not given any credit for it. They received no Federal funds in the 90–10 program for the highways that had already been constructed by the States along the Federal Interstate Highway System.

I appreciate very much the assurances of the gentleman from Maryland [Mr. Fallon] that something should be done and something will be done and has to be done, and the other statements that he has made today. But I hope that we can adopt this amendment now so that we will have as a statement from this body today that we accept the fact that there should be some recognition given to these States that have carried their own responsibilities prior to the Federal program.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. FALLON. I might say that the gentleman is talking about something that is going to come after 1971 and he wants this body to give an expression of what is going to happen then.

The people who really suffered under the Interstate System program were the people who built the free roads up to standard before the 1956 act. They are the people who borrowed money and paid interest on it and built the roads with State funds, without Federal Government help, and nothing is coming back with which to retire the bonds or pay the interest; whereas the people who built the toll roads have been collecting tolls on these roads and amortizing them, and paying interest and maintenance from those tolls. The people who built the free roads have to wait, too.

Mr. GOODELL. Mr. Chairman, I agree with the gentleman that the people who built the free roads have suffered even more than those who built the toll roads. But the surveys in the State of New York indicate that about 80 percent of the traffic is New York State traffic on the thruway. In any event, I hope that those who built the free roads, as well as those who built the toll roads will eventually be reimbursed. The gentleman says that the amendment would not take effect until 1971. The difficulty is that ever since 1956 we have had attempts to get an expression from the Congress that it intends to do something about this. If we wait until 1971, I am afraid there just will be nothing done. That is the reason we keep on coming back and saying, "All right, study it; tell us how to do it in 1971. Allot us extra Federal-interstate highway mileage if you have to. Use your own method. But let us recognize today this obligation of the Congress and meet this obligation to the States that have gone ahead and met their own responsibilities."

Mr. STRATTON. Mr. Chairman, I rise in support of the amendment offered by my colleague from New York [Mr. Robison]. New York State deserves to have refunded the money we spent in good faith on our thruway as a contribution to the Federal Interstate Highway program, before the Federal program was established. As the program now stands, New York State is actually being penalized for our initiative in constructing these 500 miles of interstate highway. Adoption of the amendment would make it possible for New York State to obtain funds to which we are entitled which will enable us to undertake substantial improvements in our own State highway system.

I therefore urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. Robison].

The amendment was rejected.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the sole purpose of saying a few words about the gentleman from whom you have heard a number of times on this bill, the gentleman from Ohio, our distinguished and beloved colleague, Gordon Scherer, who is an acknowledged authority on highway matters throughout the entire United States, if not throughout the world, having attended a number of international conferences on highway matters.

Mr. Chairman, I have a great deal of respect for my distinguished colleague from Ohio, not only because of his work on the Highways Subcommittee, the Highway Investigating Subcommittee, on both of which he is the ranking minority member, and also on the Public Works Committee itself; but, in addition to that, I respect his judgment, his ability, and the tremendous amount of work he has done as the ranking member of the House Committee on Un-American Activities.

I think I would be remiss, knowing the great service he has rendered to his country, if I did not take this opportunity, realizing that possibly this will be the last time he may speak on the floor of this House, to pay tribute to a great American whom I, for one, hate to see leave these hallowed Halls, Gordon Scherer, of Ohio.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, pursuant to House Resolution 723, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. FALLON. Mr. Speaker, I demand a separate vote on the so-called Baldwin amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. Baldwin: Page 3, line 24, strike out the words "there exists one or" and on page 4, lines 1 and 2 strike the words "more feasible methods (including relocation advisory assistance)" and replace the above stricken words with the following: "relocation advisory assistance shall be provided."

The SPEAKER. The question is on the amendment.

Mr. FALLON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 236, nays 159, answered "present" 1, not voting 39, as follows:

[No. 163]

YEAS—236

Abbitt
Abernethy
Adair
Alexander
Alger
Andersen, Minn.
Anderson, Ill.
Andrews
Arends
Ashbrook
Ashmore
Auchincloss
Avery
Ayres
Baker
Baldwin
Baring
Barry
Bass, N.H
Bates
Battin
Becker
Beckworth
Beermann
Belcher
Bell
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Bow
Boykin
Bray
Breeding
Bromwell
Broomfield
Brown
Broyhill
Bruce
Burleson
Byrnes, Wis.
Cahill
Cannon
Casey
Cederberg
Chamberlain
Chenoweth
Chiperfield
Church
Clancy
Collier
Colmer
Conte
Cooley
Corbett
Cramer
Cunningham
Curtin
Curtis, Mo.
Dague
Davis, James C.
Davis, John W.
Derounian
Derwinski
Devine
Dole
Dominick
Dooley
Dorn
Dowdy
Downing
Durno
Dwyer
Ellsworth
Evins
Fascell
Fenton
Findley
Fino
Fisher
Flynt
Ford
Forrester
Frelinghuysen
Fulton
Garland
Gary
Gathings
Gavin
Glenn
Goodell
Goodling
Grant
Griffin
Gross
Hagan, Ga.
Haley
Hall
Halleck
Halpern
Hardy
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hemphill
Henderson
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Horan
Hosmer
Huddleston
Ichord, Mo.
Jennings
Jensen
Johansen
Johnson, Wis.
Jonas
Jones, Mo.
Judd
Kastenmeier
Kearns
Keith
Kilburn
Kilgore
King, N.Y.
Kitchin
Knox
Kunkel
Kyl
Landrum
Lane
Langen
Latta
Lindsay
Lipscomb
McCulloch
McDonough
McIntire
McVey
MacGregor
Mahon
Marshall
Martin, Mass.
Martin, Nebr.
Mathias
Matthews
Meader
Michel
Miller, N.Y.
Milliken
Mills
Minshall
Moeller
Moore
Moorehead, Ohio
Morse
Mosher
Murray
Nelsen
Norblad
Norrell
Nygaard
O'Konski
Osmers
Ostertag
Passman
Patman
Pelly
Pilcher
Pillion
Pirnie
Poage
Poff
Purcell
Quie
Rains
Ray
Reece
Reifel
Rhodes, Ariz.
Riehlman
Riley
Rivers, S.C.
Roberts, Tex.
Robison
Rogers, Fla.
Rogers, Tex.
Roudebush
Rutherford
St. George
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Seely-Brown
Selden
Short
Shriver
Sibal
Sikes
Siler
Smith, Calif.
Smith, Va.
Springer
Stafford
Stephens
Taylor
Teague, Calif.
Thomson, Wis.
Thornberry
Tollefson
Tuck
Tupper
Van Pelt
Van Zandt
Vinson
Waggonner
Wallhauser
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Wright
Younger

NAYS—159

Addabbo
Albert
Anfuso
Ashley
Aspinall
Bailey
Barrett
Bass, Tenn.
Blatnik
Boland
Bolling
Bonner
Brademas
Brooks, Tex.
Buckley
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Carey
Celler
Chelf
Clark
Coad
Cohelan
Cook
Corman
Daddario
Daniels
Dawson
Delaney
Dent
Denton
Dingell
Donohue
Doyle
Dulski
Edmondson
Elliott
Fallon
Farbstein
Feighan
Finnegan
Fountain
Friedel
Gallagher
Garmatz
Giaimo
Gilbert
Gonzalez
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hagen, Calif.
Hansen
Harding
Harris
Hays
Healey
Hechler
Holifield
Holland
Hull
Inouye
Jarman
Joelson
Johnson, Calif.
Johnson, Md.
Jones, Ala.
Karsten
Karth
Kee
Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Kornegay
Kowalski
Lankford
Lennon
Lesinski
Libonati
Loser
McDowell
McFall
Macdonald
Mack
Madden
Magnuson
Miller, Clem
Miller, George P.
Monagan
Montoya
Moorhead, Pa.
Morgan
Morris

Morrison
Moss
Multer
Murphy
Natcher
Nedzi
Nix
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Perkins
Peterson
Pfost
Philbin
Pike
Powell
Price
Pucinski
Randall
Reuss
Rhodes, Pa.
Rivers, Alaska
Rodino
Rogers, Colo.
Rooney
Rosenthal
Rostenkowski
Roush
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Scott
Shelley
Sheppard
Shipley
Slack
Smith, Iowa
Smith, Miss.
Staggers
Steed
Stratton
Stubblefield
Sullivan
Thomas
Thompson, N.J.
Thompson, Tex.
Toll
Trimble
Udall, Morris K.
Ullman
Vanik
Walter
Watts
Wickersham
Young
Zablocki
Zelenko

ANSWERED PRESENT—1

Everett

NOT VOTING—39

Alford
Blitch
Boggs
Bolton
Brewster
Curtis, Mass.
Davis, Tenn.
Diggs
Flood
Fogarty
Frazier
Gubser
Harrison, Va.
Hébert
Hoffman, Mich.
King, Utah
Laird
McMillan
McSween
Mailliard
Mason
May
Merrow
Moulder
Roberts, Ala.
Roosevelt
Rousselot
Saund
Scranton
Sisk
Spence
Taber
Teague, Tex.
Thompson, La.
Utt
Whitten
Willis
Winstead
Yates

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Everett for, with Mr. Davis of Tennessee against.

Mr. Winstead for, with Mr. Frazier against.

Mrs. May for, with Mr. Hébert against.

Mr. Rousselot for, with Mr. Boggs against.

Mr. Curtis of Massachusetts for, with Mr. Thompson of Louisiana against.

Mrs. Bolton for, with Mr. Willis against.

Mr. Utt for, with Mr. Roosevelt against.

Mr. Scranton for, with Mr. Roberts of Alabama against.

Mr. Laird for, with Mr. Fogarty against.

Mr. Gubser for, with Mr. Brewster against.

Mr. Taber for, with Mr. Diggs against.

Mr. Merrow for, with Mr. Yates against.

Mr. Mason for, with Mr. Sisk against.

Mr. Mailliard for, with Mr. King of Utah against.

Mr. Hoffman of Michigan for, with Mr. Flood against.

Mr. HAYS changed his vote from "yea" to "nay."

Mr. EVERETT. Mr. Speaker, I have a live pair with the gentleman from Tennessee [Mr. DAVIS]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. ROBISON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROBISON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ROBISON moves to recommit the bill H.R. 12135 to the House Committee on Public Works.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FALLON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

MEDICAL CARE FOR THE AGED

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, the Senate's action yesterday in defeating the so-called King-Anderson proposal as an amendment to H.R. 10606, previously passed by this body, demonstrates the mistake of attempting to circumvent due legislative process for political purposes.

It is indeed unfortunate for the country that instead of taking a responsible position and paying heed to other and more sound solutions to medical problems, the President has resorted to name calling, and in so doing has condemned a third of the Members of his own party in the Senate, whose cumulative years of public service exceeds the ages of all three Kennedy brothers combined. One of those Members whom the President now calls upon the public to defeat at the polls next November is the same man for whom the President traveled a thousand miles—to Florida—recently in order to support his bid for reelection—a rather inconsistent position for our Chief Executive.

Of course, it was a staggering political defeat, but I suggest Mr. Speaker, that the Senate's action should not be an end, but rather a milestone toward responsible legislation for problems facing our senior citizens. The other body's action will be demonstrated over the long pull, to be best for them, and all the country.

The Senate's decision should spur the individual States to greater action in implementing the Kerr-Mills program, now Public Law 86-778. With the appointment of a new Secretary of Health, Education, and Welfare, unmarred by involvement in the previous controversy, the administration can and should be far more effective in this vital area, already authorized by previous legislation. The various States who have a need as well as a desire to solve such a problem, should be encouraged.

The Congress should now also give serious consideration to bills aimed at providing tax relief for people over age 65 and for others who contribute to their medical costs. This is a much sounder approach than compulsory social security taxation. The only better course, perhaps, would be stabilizing the dollar they have saved or receive from any source.

On June 20, 1961, I introduced H.R. 7756, which is aimed at accomplishing these objectives. Although this bill was referred to the Treasury on January 18, 1962, for recommendations, it has gathered dust while the administration awaited action on the King-Anderson bill.

Since January 1961 the number of employees in the Department of Treasury has increased by 6,863, and surely they cannot be so busy as to preempt consideration of a measure to help our senior citizens to help themselves.

H.R. 7756 would permit a taxpayer to take a full deduction for contributions which he makes to the medical care of a person over 65 regardless of whether or not that person is his dependent. At the present time such deductions cannot be taken until they exceed 3 percent of adjusted gross income.

H.R. 7756 would amend the Internal Revenue Code so that the rule which only permits amounts spent for medicine and drugs in excess of 1 percent of gross income to be treated as medical expenses would not apply to persons who have attained age 65.

H.R. 7756 would allow deductions in full for prepaid medical care insurance which is to become effective after age 65.

H.R. 7756 would provide additional exemptions for catastrophic medical care expenditures. A taxpayer aged 65, who pays medical care expenses which amount to 25 percent or more of his adjusted gross income, would be given an additional exemption, and when such expenses exceed 50 percent he would be given two additional exemptions.

H.R. 7756 would allow persons age 65 and over to apply the same carryback and carryover tax principles which are now applicable only to corporations and farmers. Thus, a taxpayer over 65, whose income is insufficient to give him any tax benefit for his current medical expenses, could charge those expenses to a period when he did have taxable income.

This bill has been analyzed by many as so logical, simple, sound, and basic that one wonders why the particulars were not adopted long ago. It is one sound solution to any such existing problem that exists among our ailing and needy aging population.

Mr. Speaker, now that the Senate has closed the door on bad legislation, the President may choose to close the door on our older citizens and spend his time looking for votes instead of solutions. I urge the Members of this body to take the responsible approach instead, and consider passage of this or similar measures aimed at helping all Americans to help themselves.

CONGRESSMAN JOHN E. FOGARTY HAS SPEARHEADED THE CAMPAIGN AGAINST MENTAL RETARDATION

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, over the past decade one of our colleagues, the gentleman from Rhode Island, JOHN FOGARTY, had been spearheading the great advances made in the continuing fight to combat mental retardation. For some time I have been planning to document the work of the gentleman from Rhode Island [Mr. FOGARTY] in this field and bring to the attention of his associates a few of the more important developments attributable in a large degree to his strong efforts.

During this decade, interest, understanding, and support for the welfare for the mentally retarded in the United States developed rapidly. It began rather slowly in 1953, burgeoned in 1955, and progressed with speed to its current proportions. This development proceeded along multiple lines—research, treatment, rehabilitation, and education.

The individual layman most instrumental in powering this campaign for improving the plight of the mentally retarded is the gentleman from Rhode Island, JOHN E. FOGARTY, through his Subcommittee on Appropriations of the House of Representatives. It was he who first brought to bear the influence of the Federal Government for bettering the lot of retarded children in the United States.

The first inkling of new methodologies for the study of mental retardation came in 1952 during hearings of the National Institute of Neurological Diseases and Blindness before the committee headed by the gentleman from Rhode Island [Mr. FOGARTY]. At this hearing it was pointed out that promising lines of investigation were developing in the studies of the effects of prenatal, natal, and postnatal damage to the nervous system. The most common deficits following these injuries were mental retardation and cerebral palsy. With the support of the gentleman from Rhode Island [Mr. FOGARTY] and his committee, these concepts were translated into the National Institute of Neurological Diseases and Blindness collaborative studies on the prenatal period and its aftermaths, notably mental retardation, cerebral palsy and other disabilities of early life. This project now involves 15 collaborating centers and an annual budget of approximately $7 million. The project could not have been inaugurated, developed, or continued without the initial and sustained support of the gentleman from Rhode Island, JOHN E. FOGARTY, and his subcommittee.

A year later it was pointed out at the National Institute of Neurological Diseases and Blindness hearings that mental retardation could be produced in guinea pigs by oxygen deprivation in the prenatal period. In these experiments, female guinea pigs at term were used and one of the litter mates was delivered by cesarean section to be used as a normal control. Others of the litter were asphyxiated by blocking the placental circulation for a stated period of time, then delivering and resuscitating them. The asphyxiated guinea pigs developed an enduring mental retardation as measured by the usual maze intelligence test for animals.

The guinea pig experiments led to the decision to do analogous work with rhesus monkeys because of their unique intelligence at birth which can be objectively measured and compared to that of humans in the performance of purposeful acts in early life. The result was the acquisition of Cayo Santiago, an island near Puerto Rico with a free-ranging colony of rhesus monkeys and the establishment of the National Institute of Neurological Diseases and Blindness laboratory of perinatal physiology in San Juan. This project is progressing well and promises early breakthrough in our knowledge of causation of mental retardation in monkeys which may be compared with that in man. From the outset, the gentleman from Rhode Island, Congressman FOGARTY, has been interested and supported the Puerto Rico project which he has visited on several occasions.

These early developments, however, have been of a general character and not related inclusively to mental retardation. To generate a widespread public interest and development in a specific disability category, it is essential for it to be named and supported specifically. This the gentleman from Rhode Island, Congressman FOGARTY, did in 1955. In the winter of that year he was already actively concerned with the problem when he met with the Parents Council for Retarded Children of Rhode Island. Parents described how little was being done for their children and the difficulties they faced in obtaining proper medical and educational opportunities for them. This made a deep impression on the Congressman which was enhanced when he read a speech on mental retardation given by His Eminence, Richard Cardinal Cushing, then archbishop of Boston, at the dedication ceremony of St. Coletta School at Hanover, Mass.

When he returned to Washington to chair the House Appropriations Subcommittee hearings on the 1956 bill, he knew the time was ripe for action. During the hearings, he launched a series of questions and probings in characteristic fashion. He started with the Honorable Oveta Culp Hobby, then Health, Education, and Welfare Secretary, by asking her:

> What are we doing on behalf of these millions of [retarded] children in this country? This is the first time I have asked this question so it is something a little new, I know.

Her reply was:

> There is very little actually being done, Mr. Chairman.

The gentleman from Rhode Island, Congressman FOGARTY, persisted with his questions and made the conclusive statement:

> I think it will take a combination of two fields of research and study; one education, and one a health program of some kind.

He said he hoped something could be done and that his committee would set aside a sum of money that year to start a program for the mentally retarded. He promised the Secretary that he would ask the same question of the Surgeon General and the Commissioner of Education and anybody he could think of who might know something about the problem, what was being done, and what could be done.

He did this and he also asked the Directors of the Office of Vocational Rehabilitation, the Children's Bureau, and the Directors of the National Institutes of Mental Health and Neurological Diseases and Blindness.

The Fogarty committee report that year stated:

> So little attention has been paid to the problem of mental retardation that we have only the haziest notion of what percentage of the unfortunate children of at least as unfortunate parents could be helped medically and through educational techniques fitting their needs, so that they could lead useful and satisfying lives. We have an equally hazy notion of the causes of the problem—how much is due to brain injury, how much is due to the effective environment, heredity, etc.

The gentleman from Rhode Island, Congressman FOGARTY'S, persistant probings and earnest interest paid off that year. His committee appropriated $750,000 over the budget requests of the Institute of Neurological Diseases and Blindness and of the Institutes of Mental Health, all earmarked for specific problems of mental retardation. In his program, the National Institutes of Health was to serve as a focal point for collaboration. It was to look to the Mental Health Institute to solve problems related to socioeconomic conditions, emotional problems, psychosomatic, and psychological factors, and to the Neurological Institute for the determination of causes of the disability and to develop a program for prevention of mental retardation due to brain pathology.

Scientists of the Neurological Institute believe that the most common cause of mental retardation arises from brain damage in early life or is a result of inborn errors of metabolism in the brain cells.

These actions began the avalanche. For each succeeding year, the committee and Congress have increased support to these programs. Currently, we are spending approximately $25 million at the Federal level in mental retardation—excluding $52 million in disability and survivors benefits paid by the Social Security Administration.

The support has made possible a continually mounting attack on the causes of mental retardation by the Institutes of Mental Health and Neurological Diseases and Blindness. Significant advances have also been made in the treatment and prevention of this disability. Since 1956 funds allocated to these institutes for this purpose have increased from practically nothing to almost $20 million.

The 1963 plans for the Office of Vocational Rehabilitation call for the rehabilitation of at least 5,400 mentally retarded through State rehabilitation offices. Overall expenditures in this office, including demonstration projects and training programs, has increased tenfold since 1956.

The Office of Education now has a program to improve the professional preparation and education of educators in the field of mental retardation and to multiply the number of teachers trained to work with retarded children. As a result of legislation introduced by the gentleman from Rhode Island, Congressman FOGARTY, a teacher-training program was set up in 1958 under the provisions of Public Law 85–926. Funds for these programs have more than doubled in the last few years. The same trend is revealed in the programs administered by the Children's Bureau and the Bureau of Family Services. These programs have stimulated the establishment of special clinics for the mentally retarded in the various States until there are now 80 such clinics.

As a result of the activities of these bureaus, over 25,000 public health nurses have received some training in the problems of mental retardation; students, residents, and interns of 14 medical schools have become familiar with this disability through demonstration projects set up in conjunction with these medical schools.

Just as important as these Government activities initiated by the gentleman from Rhode Island, Congressman FOGARTY, has been the impact they have had on State legislative bodies, professional, scientific, and citizens groups.

The significance of the gentleman from Rhode Island, Congressman FOGARTY's activities in the Federal sphere is well delineated in the recent expanse of activities of State, scientific, institutional, voluntary, and educational circles. The number of State programs has doubled. Forty-eight States now have legislation providing special classes for the mentally retarded in public schools with an estimated enrollment of 275,000 pupils in 1960. The Children's Bureau has announced the broad application of a new blood test designed to identify babies with PKU—a disorder causing mental retardation—thus making possible the eventual control of this disorder by dietary means.

The NINDB collaborative project will involve some 50,000 mothers and children in representative parts of the country. It is investigating the biological factors operating between conception and birth that may result in mental retardation, cerebral palsy, and other disabilities of early life. Here scientists have found, for example, that of all infants who perform poorly on psychological tests at the age of 8 months, one-third show evidence of oxygen deprivation at birth or soon after birth, confirming the experimental work previously done on guinea pigs and rhesus monkeys.

Citizen groups have shown new energies. The National Association for Retarded Children had a membership of 40 parents in 1950; today it has 50,000 members and 1,000 local associations in every State of the Union.

Among private foundations contributing over $100,000 to the field of mental health every year, one-third goes to mental retardation. Here mention must be made of the outstanding contributions by the Joseph P. Kennedy, Jr., Memorial Foundation which among other things has established at Stanford University, a new research center—the Joseph P. Kennedy Laboratory for Molecular Medicine.

Much of this entire movement in mental retardation stems from the foresight and initiative of the gentleman from Rhode Island, Congressman JOHN E. FOGARTY, and it is most fitting that on April 29, 1962, that he was honored at the dedication ceremony of the John E. Fogarty Medical and Rehabilitation Unit of the Ladd School, Exeter, R.I. The State of Rhode Island itself has been a vanguard of progress for mentally retarded children. Its statewide counseling and referral service is helping the families of the retarded, its sheltered workshop is making possible a socially useful life for persons who were formerly residents of the Ladd School.

And the surge continues. Members of the President's Panel or Mental Retardation have held hearings in many parts of the country and are searching for areas of desperate need and for the improvement of research facilities to add to our knowledge into the causes and possibly cures of mental retardation.

All the new and old efforts for bettering the lives of the mentally retarded and for seeking means of treatment and prevention can count on Congressman JOHN E. FOGARTY for his continued and sustained effort in the future.

THE COLD, HARD FACTS

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, as we note the 26th anniversary of the Spanish civil war, I think it important that some hard cold facts be brought to light. Although Generalissimo Franco recently has made some cabinet changes, under the pressure of the rapidly expanding European Common Market, which Spain is most anxious to join, the facts of his dictatorship still remain.

The Spanish regime is still a police state. Despite periodic amnesties, there are now some 2,000 political prisoners in jail, and they are not all Communists. Recently a number of anti-Franco Spanish politicians were jailed. Some had attended a meeting in Munich of a group favoring a United States of Europe where they introduced a resolution calling for the establishment of democratic institutions in Spain through the process of evolution. One of the endorsers of this resolution was Jose Maria Gil Robles, a former Franco supporter, who was once the leader of Catholic Action, a militant Catholic lay group. Upon his return to Spain from Munich Gil Robles was sent into exile.

Among those punished for opposition to the Caudillo is Carlos Zayas, a 28-year-old Spaniard, who went to jail on June 8 with about 100 other members of the FLP—Popular Liberation Front. The FLP is a militant non-Communist force which has attracted many young students and intellectuals. James A. Wechsler discussed the Zayas case in his column in the New York Post on July 3, 1962.

Mr. Speaker, I include James A. Wechsler's column at this point in the RECORD:

FRANCO AND J.F.K.

(By James A. Wechsler)

Languishing now in one of Generalissimo Franco's prisons is a 28-year-old Spaniard named Carlos Zayas. He is the son of a wealthly landowner; his mother remains a dedicated Fascist. Young Zayas is in jail because he chose to forfeit the luxuries of life and enlist in the democratic anti-Franco cause.

He was arrested on June 8, along with about 100 other members of the FLP (Popular Liberation Front), the militant, non-Communist force which has stirred the allegiance of many of Spain's most talented angry young men. The episode is recorded here as the result of an anguished letter one of Zayas' cohorts has just sent from Paris to Allard Lowenstein, a young American educator-writer-lawyer who got to know Zayas well on several journeys to Spain.

These are excerpts from the letter:

"I am writing to you on behalf of Carlos Zayas who was arrested last Friday, June 8. I myself had to leave Spain secretly after hiding some days. Carlos was arrested after 100 other members of his group had already been taken (FLP). He is to be tried; when, I don't know.

"As you probably know, the FLP has been accused as a group of being mainly responsible for guiding the strikers in Astoria, etc.

"Please try to do something for Spain, and for Carlos who has given everything for his country and continued to do so even when he knew he would be arrested at any moment if he didn't seek asylum in a Latin American embassy as others have since done."

The plea is reminiscent of many others sent in behalf of victims of Fascist and Communist tyranny alike in our century, so many of which were filed and forgotten.

But there is a peculiar timeliness and urgency about this document. It comes at a moment when the Kennedy administration must finally face the issues created by the spreading anti-Franco upheaval. It must specifically decide whether to raise its voice against the political persecution of men like Zayas who have resisted Communist blandishments and abstained from the demagogic anti-Americanism which the Communists seek to inject into the anti-Franco surge—and which is similarly promoted by Franco's agents.

The FLP is a true "third force." It draws heavily for support on university students, lawyers and other professional men. Zayas himself studied law at Madrid University but, as a reprisal for leadership in the anti-Franco strikes several years ago, he was imprisoned for nearly a year and rendered ineligible to practice law. He thereupon took a job in a hotel owned by his father and continued to serve as a leader in the fight for freedom.

Zayas' fate, and that of the young men identified with him, may be momentarily beyond our control. But if they are subject to harsh sentences with the silent sanction of the United States, and if we continue to do business as usual with Franco as he slashes with mounting fury against the democratic underground, there can be dismal consequences for the United States.

Talking about the case, Lowenstein, a spirited, able liberal citizen who headed the National Student Association not many years ago, pointed out that many of the young dissidents he had recently met in Spain were still torn between the images of Kennedy and Castro. They remember (if most Americans have forgotten) that Castro offered to trade Cuban prisoners for the inhabitants of Franco's jails; to men for whom this meant a glimpse of liberty, the bid, whatever its devious design, had real meaning.

There are notable analogies between the rebellion of the new Spanish generation, and especially such middle class FLP valiants as Zayas, and the idealistic Cubans who initially rallied to Castro. The danger is that continued American benevolence toward Franco will drive them into Communist arms via the Castro mystique.

Twenty-five years ago, when fascism declared war on the Spanish Republic, the Loyalist cause was ultimately shadowed by the Soviet agents who moved in. In large measure their emergence was a product of the "nonintervention" policy of the democracies. That tragedy may be reenacted now if the Western nations turn their backs on the democratic anti-Franco legions.

In defense of Franklin D. Roosevelt it was said in the late thirties that he could not lift the embargo on democratic Spain without provoking a fatal political war with the Catholic Church. That condition no longer prevails. Catholics in Spain (whether the Brooklyn Tablet likes it or not) now occupy key roles in the anti-Franco movement; the monolith is disintegrating. The wisest Catholic leaders recognize that Spain must achieve democracy soon or face a chaotic turmoil in which the Communist apparatus will flourish.

Like so many other matters, the issue of Spain has been viewed as an "untouchable" of U.S. politics. It always seems safer to discuss Kashmir. But the Spanish clock is running out, as it did once before in the lifetime of many of us, and if we remain coldly aloof from young Zayas and his friends, we deserve nothing better than our Cuban fate. Sentiment and strategy alike dictate that, in some fashion, we let it be known that we no longer view Franco as an indispensable man, and that his victims are our allies.

In addition to the imprisonment of political opposition, freedom of the press does not exist in Spain. The New York Times of July 15, 1962, reported:

> An emergency press censorship law introduced in 1938 during the Spanish Civil War is still the law of the land. Under the law all newspaper managing editors must be approved by the regime and all news printed in the chief cities must be passed by the censors prior to publication.

A New York Times editorial of July 12, 1962, commenting on the Cabinet changes, described the situation with these words:

> Spain continues to be a country without any civil rights; the masses live in grinding poverty; a privileged few possess the wealth and land.

Mr. Speaker, there are reports of changes in Spain and a possible relaxation of the dictatorial control which Franco has exercised in the past. How can they be given credence as long as Carlos Zayas and other political prisoners are incarcerated? For what crime was Zayas jailed? Why has he not been accorded a hearing and a statement of charges? I call now, Mr. Speaker, for an explanation from Franco and for the release of Zayas and others jailed without due process of law. I hope my colleagues will join me in deploring the abridgment of civil liberties inside Spain.

THE LATE EDWARD SWANSON

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I was very sorry to see in the press a few days ago a notice of the death of Edward Swanson, a former official in the Department of the Interior. Some Members of this House probably remember Mr. Swanson as an outstanding official who performed a public service during many, many years. He was with the Department of Interior, in charge of the Oil and Gas Division and retired in 1954. Mr. Swanson received the Department of Interior Distinguished Service Award during that year as an Assistant Director.

He was well known throughout Government circles, and well known in the industry. He was a faithful and outstanding public servant.

I was shocked that this outstanding servant who had retired had passed on to his reward.

Under permission already granted, I include the article on his passing which appeared in the local paper.

The article follows:

EDWARD SWANSON, FORMER OFFICIAL IN INTERIOR DEPARTMENT

Edward B. Swanson, 68, former director of the Interior Department's Petroleum Conservation Division and a collector of books pertaining to the industry, died Monday in Georgetown Hospital of a heart ailment.

Mr. Swanson, who received the Interior Department's Distinguished Service Award, retired from the Department in 1954 as Assistant Director of the Office of Oil and Gas. But he continued as a consultant to the Department and to the Oil Import Administration during its first year of operation.

He compiled a descriptive bibliography entitled "A Century of Oil and Gas in Books."

The Government of Venezuela purchased his own first collection of books relating to the petroleum industry, including works of fiction, geology books, and descriptions of new procedures.

Assisted financially by friends, he collected an extensive group of books for the Interior Department.

Born in Tacoma, Wash., he was graduated from the University of Washington and served in the Army during World War I. He came to the District in 1920, joined the Bureau of Mines, and by 1928 was the Chief Economist of the Bureau's petroleum Economics Division.

During the period of the National Recovery Act, Mr. Swanson was a member of the Petroleum Administrative Board. He served during World War II as director of research of the Petroleum Administration for War.

CONSERVATION DIRECTOR

After the war, he became Director of Petroleum Conservation at the Interior Department.

Mr. Swanson belonged to the Cosmos Club and to Delta Upsilon social fraternity.

He leaves his wife, Edith, of the family address, 2501 Q Street NW.; his son, William W., of Carmi, Ill.; and his sister, Mrs. Hilda S. Kramer, of Tacoma, Wash.

PUBLIC BUILDING PROJECTS

The SPEAKER laid before the House the following communication which was read and referred to the Committee on Appropriations:

HOUSE OF REPRESENTATIVES,
CONGRESS OF THE UNITED
STATES, COMMITTEE ON PUBLIC
WORKS,
Washington, D.C., July 16, 1962.

Hon. JOHN W. MCCORMACK,
Speaker of the House,
The Capitol,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 7(a) of the Public Buildings Act of 1959, the Committee on Public Works of the House of Representatives approved prospectuses for the following public building projects, including one alteration project, which were transmitted to this committee from the General Services Administration:

Location	Type	Approved
California: Los Angeles-Long Beach	Customhouse (revenue)	July 16, 1962
District of Columbia	Geological Survey headquarters	Do.
Kentucky: London	Courthouse and Federal office building (alteration) (revenue).	May 29, 1962
Michigan: Sault Ste. Marie	Border station (revenue)	Do.
New Mexico: Roswell	Post office and Federal office building	Do.
New York: Buffalo	Federal office building	July 16, 1962
(Total, 6 projects.)		

Sincerely yours,
CHARLES A. BUCKLEY,
Member of Congress,
Chairman, Committee on Public Works.

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CAPTIVE NATIONS WEEK

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONTE. Mr. Speaker, we are now midway through the commemoration of Captive Nations Week. As we view the captive nations during this special period of rededication to their freedom, we see their problems multiplied by the great contrast between their status and that of the independent nations of the world which were able to resist Communist aggression after World War II. Today those nations of Western Europe are prospering beyond all predictions that might have been made 17 years ago. The friendly cooperation used by fully sovereign nations to reach an agreement of gigantic proportions affecting the whole future of their economic existence could only be a product of a free way of life. The Common Market is not dominated by a great world power interested only in expanding its influence and its political system through conquest. Its goal of unity is based on the advancement of its people toward a better standard of living and on the search for governmental institutions which will better serve the aspirations of people to live together in peace and freedom. How very different the progress of Western Europe is from that of the nations conquered and now dominated by Russian communism.

In Eastern Europe, of course, the contrast is most striking. For there nations which once shared similar civilizations with their free neighbors now writhe in the pain of foreign domination. One can only guess that the economic, social, and political conditions in the captive nations of Eastern Europe, if they had been free to exercise their sovereignty, would have made them prosperous members of the Common Market as well. Promises of economic progress have flowed freely from the Kremlin to the people of Eastern Europe, while drastic shortages of the most basic commodity, food, are proclaimed from Moscow at the same time. We look at Poland, Hungary, Czechoslovakia, Bulgaria, Lithuania, Latvia, Estonia, and Rumania, to name only a few, and we see entities which more closely resemble an underdeveloped state than once proud and independent states which took their rightful place in the world community. We know that these peoples have been drained of their natural resources, manpower, and manufactured products so that the interests of Russia could be served. How long would this last if the story of Western Europe were told openly, the progress illustrated, and the potential explained?

It is time that these facts be known to the world. That is the purpose of the proponents of a Special House Committee on the Captive Nations. I urge that this week be further devoted to the establishment of such a committee and to the freedom of the peoples of all the world.

EUGENE T. KINNALY

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Fulton] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FULTON. Mr. Speaker, I want to take this pleasant opportunity to congratulate Eugene T. Kinnaly on the occasion of the anniversary of his 44 years of service to the 12th District of Massachusetts and as an able assistant to the Speaker, John McCormack.

Gene Kinnaly is competent, courteous, and efficient. The American people, particularly those in the 12th District of Massachusetts, should be proud of such dedicated service. As a friend and admirer, I salute Gene Kinnaly and wish him the best in the coming years on Capitol Hill.

THE 26TH ANNIVERSARY OF SPANISH CIVIL WAR

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. Gallagher] is recognized for 60 minutes.

Mr. GALLAGHER. Mr. Speaker, I join with my distinguished colleagues in commemorating a great national event in the history of Spain. It is also a great international event in that it marks the first great setback to international communism. This date, July 18, is the day the Spanish people celebrate the 26th anniversary of the Spanish people's uprising against communism.

I wish to join with my colleagues on this day in extending a welcome to the new Spanish Ambassador to the United States, Don Antonio Garrigues. Ambassador Garrigues brings with him exceptional qualifications to enable him to make a great contribution to better international understanding. The excellent manner in which he handled himself before the Press Club gathering was most impressive. His wide range of knowledge and able manner of handling himself will make many friends for the nation he represents.

I would like also to point out that his late beloved wife was born in Des Moines, Iowa.

And so to Ambassador Garrigues we extend a very warm welcome and with it our best wishes for the future.

The great struggle that started in Spain on July 18, 1936, against Communist imperialism is one which continues today and which finds the world divided into two camps. The commemoration of the Spanish victory over communism which we celebrate today in honor of our Spanish ally is one which should give us hope that in the trying days ahead freedom will achieve victory over communism.

An editorial that appeared in the Washington Post following the successful orbit of John Glenn likened the event to the return of the ship *Nina* heralding the discovery of the new world. The simile was an excellent one, for both events renewed the confidence and sense of challenge to a world beclouded by doubts and fears.

The return of the ship, *Nina*, was the first act in building the unusually strong ties that bind the people of Spain and the people of the United States. For the ship was, as any school child knows, one of the ships that was commissioned by Spain for Columbus' adventure. Thus, the discovery of America was but one of a number of great contributions that Spain has made to the world.

In the last several years millions of Americans have reciprocated that discovery by "rediscovering" Spain.

With very few exceptions those visiting Americans have found a warm welcome and a generous hospitality offered to them in a true expression of friendship.

I recall last year visiting Spain with Secretary of Commerce Hodges and meeting Spanish people from all walks of life and receiving their expressions of friendship to America. I recall the gracious welcome which was extended to us by the Chief of State, General Franco. Of great interest was his concern for the progress and stability of his country. Of equal interest, however, was his concern with the position of the United States in the leadership of the free world.

General Franco's greatest contribution to Spain, aside from preventing it from becoming a Communist satellite, has been the stabilizing of the Spanish nation. By guaranteeing economic stability, he again demonstrated a desire to continue the liberal evolutionary process that is taking place in Spain.

The Associated Press, in quoting a knowledgeable source in Madrid, stated "that all in all it looks as though Franco is clearing the decks for progress."

Following this, the Washington Star editorially stated—

> This is news of more than passing significance. Despite his Communist and other detractors, Generalissimo Franco seems very definitely intent upon trying to bring about real social and economic betterment for his countrymen. All friends of highly civilized Spain have reason to welcome and encourage whatever he does to that end. Clearly, regardless of how his enemies continue to smear him all over the world, he is moving in the right direction and is to be commended accordingly.

The greatest testimonial that can be found as to the real feeling of the Spanish people toward Americans is the high morale of the American troops stationed there. Nowhere is it greater. There have never been any incidents among our Armed Forces stationed in Spain. The officers and enlisted personnel are outstanding and deserve our thanks.

Part of the high morale of Americans stationed in Spain can be attributed to the knowledge that Spain is an ally in fact and not of convenience. The dedication of the Spanish Government and people against Russian imperialist communism is unimpeachable. Similarly is the recognition by Spain that the only hope of preventing the Communist curtain of darkness from falling on the entire earth is the United States. No greater cooperation with the United States can be found anywhere.

Spain has liberally supported its treaty commitments concerning our joint bases. An outstanding example occurred during the Lebanon crisis: Most of our NATO allies were hesitant to allow the United States to overfly their national territories in support of U.S. forces bound for Lebanon. However, the Spanish Government readily acceded to the U.S. request for overflight clearance within a matter of minutes. Spain also permitted use of the joint bases for staging forces and equipment to Lebanon.

In addition, the buildup of U.S. forces in Europe since the Berlin crisis has been greatly enhanced by Spanish cooperation in matters of overflight clearance and use of joint facilities.

General Franco has been ofttimes criticized for winning his revolution with the aid of Germany and Italy, but would the cause of world freedom be better served if the Spanish civil war had been won with the aid of Communist Russia? We know that the Communists are not easily dislodged, and in our criticism of the victorious side in the Spanish war because of its allies can we seriously consider the position a better one if the Communists were in control of Spain? With Europe ravaged and broken, caught between a Communist Iron Curtain on its west and an Iron Curtain on its east, what would have been Europe's chances for any comback, let alone the economic miracle that we are now witnessing in Western Europe?

In the recall of history, we should remember that Spain refused to join World War II on the side of Germany or Italy. While General Franco is sometimes condemned for his allies of another era, we must remember that our own ally of that era, Communist Russia in World War II, is now our adversary. She was always the adversary of Spain. To stress only one aspect of world history is manifestly unfair. A pragmatic view of the entire era would be far more reasonable.

In the everchanging balances of power down through the ages historical precedent could justify any condemnation or commendation. We should view the present moment of history in light of our own national interest, and with those who seek our friendship and with whom we share a sense of purpose. Certainly Spain, our friend, today shares with us a sense of purpose.

The balance of power that confronts us today finds Spain very much committed to defend with us the freedom that the Communists would destroy. Our national interests coincide and while progress and freedom in each of our countries are set to a different cadence, still we must consider that the scars of Spain's civil war have not all healed and it would be inequitable to judge such progress by our own standards when our own Civil War is nearly 100 years behind us.

There are inequitable judgments that are sometimes applied to Spain because she is our friend. Some are less inclined to overlook the present Government's affiliations with Germany and Italy of another era. However, overlooked is the fact that our principal partner in NATO is Germany and while Germany today is looked upon as a mainstay of NATO, still Spain's past association with Germany has never been fully pardoned.

The conduct of foreign policy must be considered at every level—political, economic, military, and educational—in the light of present realities. The destinies of Spain and of the United States are intertwined. The interdependence of the Atlantic communities of which President Kennedy spoke on July 4 in Philadelphia places an important significance on the Spanish nation of 30 million people. This interdependence in order to succeed must include a Spanish nation that is economically strong, militarily capable, and politically stable. Our friendship for the Spanish people requires our patience and understanding as they join with us to help build a world at peace in which all men have an opportunity to lead lives of purpose, freedom, and fulfillment.

We have aided in the development of many areas, some to a greater extent, some to a lesser, but never has the return been greater than that given by Spain in loyalty, cooperation, and friendship. Never has a participating country been as open or declared in its support of our leadership and in its great resistance to communism.

Anything important to our interest and security becomes a source of self-consciousness to some whose standard of judgment or measurement differs from the one we apply in wooing neutralist nations. Thus we can savagely criticize some of our good friends and allies who are anti-Communist, while we accept or rationalize harsher tactics by those who play both sides of the cold war. A recent illustration of this tendency occurred in the United Nations when we failed to condemn Syria instead of Israel. This is an example of the double standard used to judge friends more harshly than foes.

Thus today while we join in celebrating this national holiday of Spain, let us also rededicate ourselves to better understanding of our friends who seek the same aims as we do, without being possessed of the same means of accomplishment.

Spain is rapidly associating itself with the world community of nations after many years of involuntary isolation. Its economy is a stable one and growing. Spain's rapid and continuing technological and military development has made her capable of supporting more modern military forces. Her strong anti-Communist position and espoused desire to increase her contribution to the Western alliance has made her a formidable ally committed to the cause of freedom. Refusal to recognize the Spanish contribution to the West or treatment of Spain as less than a full partner of the West is unconscionable and adverse to the interest of the United States.

And so we salute Spain today with the awareness that the bonds of this continent with Europe were forged by the great Spanish adventure through which Columbus, sailing under the Spanish flag, discovered America. The first flag placed on the New World was the flag of Spain.

We seem to have come full circle, for never has the need for these bonds been greater. In the great contest with communism, no stronger defense can exist than the continued friendship of the United States and Spain. It is a friendship based on mutual respect and a desire to preserve a form for freedom that the Communists seek to destroy. It is a friendship that adds great hope and great strength in the trying days ahead.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from New York.

Mr. ROONEY. I should like to commend the distinguished gentleman from New Jersey for taking this time to point out this historic fact. I also want to call to the attention of the House excerpts of remarks made by the U.S. Ambassador to Spain, the Honorable Robert F. Woodward, at a luncheon of the American Club, Castellana Hilton Hotel, Madrid, June 26, 1962:

"Raising the standard of living of the Spanish people is the kind of fundamental objective which will inspire the enthusiasm of newspaper correspondents in Washington, because they know that their readers in the United States are devoted to this kind of progress. This same kind of progress has been one of the most active expressions of the democratic spirit throughout our history. It is something which has been a part of the lives of all of us—something we can all applaud—the kind of objective we admire in a friendly country. I consider myself very fortunate to be here in Spain with you at a time when the Spanish Government is resolutely and systematically pursuing such a constructive policy as this for the benefit of the Spanish people. I know that all of you want to do anything you reasonably can to help work toward these objectives. In addition to relationships between Spanish and United States officials including members of the Armed Forces, there are literally thousands of private relationships."

The Ambassador cited the half million U.S. tourists who travel annually to Spain and Spanish tourists who go to the United States; 1,800 U.S. businesses with representatives in Spain; at least 130 Spanish industries with U.S. participation; mutual travel by physicians, surgeons, and scientists. He referred to "* * * tremendous advantage of having many thousands of men—private and official—conducting all kinds of international relationships every day. Our two countries have the united objective of maintaining close and friendly cooperation in our fundamental security and defense. Now we U.S. citizens have an opportunity to cooperate in the great and determined objective of our Spanish friends to strengthen themselves democratically by a nationwide effort to raise their living standards." Ambassador Woodward mentioned the value of such "democratic relationships" as in the business world, science, technology, economic, or social seminars or studies sponsored by the Ford Foundation and the Foundation for Branco Urquijo. Under this sponsorship, the Ambassador said, a committee has been formed to determine studies that will be the most useful. An example of problems that will be investigated, he added, is "what changes in Spanish commercial law will be required for Spain's entrance in the Common Market?"

The Ambassador also pointed to the cultural, social, or casual presence in Spain of about a thousand U.S. students and the 300 Spanish students in the United States.

"Newspaper correspondents and writers for magazines—a handful of persons who can obtain huge circulation for their views and reports—have influence which gives them an especially heavy responsibility," the Ambassador observed. They can quickly blight the atmosphere of good will which is so important to constructive cooperation.

"I hope that the representatives of newspapers and the writers for magazines who prepare reports on Spain will recognize fully this heavy responsibility." They should dismiss their ideas of any kind of a national blueprint or plan in the United States or

> elsewhere to fulfill "true nationwide eagerness to better the living standards of all the people," he said. "Millions of intelligent and educated citizens, given ever greater equality of opportunity, will find steadily better ways by a vast assortment of free relationships which will eventually stimulate them to constructive action. The number of relationships between Spaniards and Americans has multiplied many times in recent years. The total result has already been beneficial for both our countries. This complex process will become more profound. This great democratic exchange of ideas will undoubtedly have an increasingly beneficial influence on the nationwide Spanish effort to improve living standards."

Mr. GALLAGHER. I thank the gentleman for his contribution.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Connecticut.

Mr. MONAGAN. Mr. Speaker, I am pleased to join my colleagues in making public record on the 26th anniversary of the present regime of the substantial contribution which the Spanish nation has made to U.S. defense and security in our current fight against communistic imperialism.

The Spanish naval and air bases, whose use we have enjoyed and are presently enjoying, are vital cogs in the machinery of our national security and, if they did not exist, our task of holding back the Communist tide would be increased to an incalculable degree.

Although Spain a quarter of a century ago struggled through a tremendous national conflict, today this great nation stands at a peak of economic recovery that gives great satisfaction to those of us who admire the Spanish character and revere Iberian culture.

It must be admitted that the Spanish progress has not been made without assistance from the United States. It should be emphasized, however, in this era when our foreign aid has gone out to so many countries which have shown so little in the way of results, that the results of our assistance in Spain have been more tangible and more productive than those of any other country with the exception of those countries whom we aided under the Marshall plan.

Today the Spanish gold balance approaches a billion dollars and a rising standard of living is apparent in all parts of the country. In addition, the Spanish attitude toward trade and the introduction of foreign capital and foreign business enterprise has become much more liberal with resultant improvement in the business climate.

It is heartening to those of us in the family of Western democracies to find that Spain is taking steps which, if continued, will range her within the Western tradition of liberal governments. Her contribution to the anti-Communist cause is already substantial and it is our hope that the gradual implementation of political reforms will make this contribution even more important.

Meanwhile, it is vital that the other nations of the world be sympathetic to the Spanish people and understanding of the difficulties inherent in the problem of bringing Spain back to national economic health and political vigor.

I, therefore, take this opportunity to congratulate the Spanish people on the progress that they have made, to thank them for the contribution which they have made to our security, and to assure them that we will continue to assist them to return to the eminent position in the world community which their historic tradition so richly warrants.

Mr. ANFUSO. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from New York.

Mr. ANFUSO. Mr. Speaker, today, July 18, the Spanish nation observes the 26th anniversary of an event which resulted in the unity of its people and their success in driving the Communists from their country. That event was the outbreak of the Spanish Civil War on July 18, 1936. Under the able leadership of Gen. Francisco Franco, and after a long and costly war, the forces of communism were routed from Spain.

Today we are proud to call Spain a friend and ally of the United States, but had that struggle in Spain 26 years ago failed all of Europe would probably be under Communist control now. As one of the earliest victims of communism, the Spanish people's opposition to Communist enslavement is based on personal experiences, aside from their opposition to it because of ideological and religious reasons.

As they look back over the years, I feel certain that the people of Spain have no regrets over their struggle against the evil forces of communism and the heavy price they paid for their victory. It would have been much worse had communism been victorious, as we can witness in many of the satellite countries of Eastern and Central Europe now under Communist domination. There the people have no freedom, they cannot worship their God, they cannot pursue the development of their culture, they do not know what it means to live like dignified human beings. They are mere slaves of the masters in the Kremlin or their stooges in the satellite countries.

In Spain the people today are able to live their own way of life, pursue their religion, their culture, their trade or profession, they are a free and independent nation. In recent months a trend to greater freedom and liberalization is developing and various reforms have been instituted or are about to be instituted.

Spain is now represented in the United States by a very able diplomat, who is a distinguished lawyer and former journalist. He is Ambassador Don Antonio Garrigues, whom I have had the pleasure of meeting. In an address at the National Press Club in Washington on June 26, 1962, Ambassador Garrigues said:

> In my own lifetime I have known in Spain one monarchy, the dictatorship of General Primo de Rivera, the short monarchical period that followed, the second Republic, the regime on the Republican side during the civil war, and now the present regime. It is a fact that after 6 years more than two decades this regime has given Spain a longer period of peace, order, and economic stability than we have known in our recent history. We have, in effect, enjoyed a period of political quiet, a breather, in which we have worked hard to pull ourselves up by our own bootstraps, as you say. This has allowed us, with the primary help of the United States and some international organizations, to put into effect a stabilization plan for our economy.

Mr. Speaker, it is nice to have a country acknowledge our help. Not many do that these days. I cite this statement to show that Spain is making not only economic headway, but is gradually also making political and social progress. This is a fact worth noting, and the people and Government of Spain deserve to be saluted for these achievements on this occasion.

We in this country are particularly proud that we have been helpful to the Spanish people over the years in many ways, especially with economic assistance. There is a high degree of mutual understanding and cordial relations between our two countries. Spain has given us strong support and has enabled us to maintain important air and naval bases there for the protection of the free nations against Communist aggression.

As we pay tribute to Spain on this occasion let us remember that the struggle against communism in which she became embroiled 26 years ago has since spread to many areas of the world and has engulfed many nations. It is our struggle, too. If we are to emerge victorious, we must have all the support, all the resources, all the manpower and materials that nations everywhere can give us. Spain has shown that she stands with us in the struggle against the common enemy.

I want to take this opportunity to send my greetings and best wishes to the people of Spain and their leader Gen. Francisco Franco. Their successful crusade in driving the Communists from their country should serve as an example to other nations who desire to remain free. I want to extend a warm welcome to Spain's new Ambassador to Washington, His Excellency Don Antonio Garrigues, and to wish him a long and successful stay here as the representative of his Government.

Finally, Mr. Speaker, I should like to insert into the RECORD at this point the text of a very timely and interesting editorial on Spain which appeared in the Washington Star on July 13, 1962, entitled "Change in Spain." It reads as follows:

CHANGE IN SPAIN

> In the first major revision of his cabinet since 1957, Generalissimo Francisco Franco has made several significant appointments that are regarded in Madrid as presaging a liberal evolutionary process in his authoritarian regime. More specifically, the shake-up is viewed as a prelude to political and economic reforms likely to promote the democratization of Spain—and perhaps the restoration of its former monarchical system—as a prospective member of free Europe's Common Market.
>
> The most important aspect of this governmental change is the naming of Capt. Gen. Augustin Munoz Grandes to the newly created post of Vice President of the National Council of Ministers. In taking this step, Generalissimo Franco, who is President of the Council, has made clear that General Munoz Grandes—a distinguished soldier and Spain's highest ranking military officer—is to be his successor "in case of vacancy, absence or illness." The appoint-

ment is a logical one, for the two men have been close governing associates and good friends ever since the outbreak of the supremely tragic Spanish Civil War more than 25 years ago.

According to seasoned observers in Spain—which in recent months has experienced an unusual amount of labor unrest—the elevation of the well-liked General Munoz Grandes, coupled with some of the other governmental changes, leaves little room for doubt that the country is going to experience what El Caudillo himself once described as an "evolution of the administration." And the evolution is likely to be on the liberalizing side. At any rate, according to a knowledgeable source quoted by the Associated Press in Madrid, "All in all, it looks as though Franco is clearing the decks for progress."

This is news of more than passing significance. Despite his Communist and other detractors, Generalissimo Franco seems very definitely intent upon trying to bring about real social and economic betterment for his countrymen. All friends of highly civilized Spain have reason to welcome and encourage whatever he does to that end. Clearly, regardless of how his enemies continue to smear him all over the world, he is moving in the right direction, and he is to be commended accordingly.

Mr. ANFUSO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent that all Members, and first the gentleman from South Carolina [Mr. RIVERS], may have 5 legislative days to extend their remarks on this subject.

The SPEAKER pro tempore (Mr. LIBONATI). Without objection, it is so ordered.

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, Spain, a stanch ally of the United States, celebrated on Wednesday her 26th anniversary of the Spanish people's uprising against the tyranny of communism.

This was the first bloodshed in opposition to the diabolical, economic system devised to enslave mankind throughout the world.

Today the battle still rages, when not in actual bullets and blood of the battlefield, then at the diplomatic table or at conferences.

But the nation of Spain, from her beginning in defying communism, has prospered, and stands today not only as an enemy of the Red hordes, but as a well-proven friend of the United States.

Her people are happy, her farms prospering, her children well fed.

Mr. Speaker, in the tragedy of Hamlet, Shakespeare gives us some good advice:

> Those friends thou hast, and their adoption tried, grapple them to thy soul with hoops of steel.

Spain is a proven military ally. Spain has again and again proven her worth to our Nation through the stationing of our military bases within her boundaries.

The fact is, our bases in Spain are probably the only secure ones outside of the United States.

Nothing must be permitted to ever force a rift between Spain and America. We need her; she needs our help.

But we must be wary, indeed, for in today's world, with the United States facing hostile Communist nations in an economic struggle to the death, insidious, pro-Communist forces are actively seeking to drive a wedge between our friends and ourselves.

One such organization calls itself the "Veterans of the Abraham Lincoln Brigade."

Abe Lincoln would toss unceasingly in his grave if he knew the infamy heaped on his name through the use of it by this organization, which has headquarters in New York. Or perhaps should I say, more correctly, in Moscow.

This organization, in publications, bitterly assails Spanish leaders, seeking to sow the seeds of hatred and dissension between us and them.

The HUAC, in response to my query, reports it has been cited by the Subversive Activities Control Board, by the Attorney General, by the Special Committee on Un-American Activities and by the Committee on Un-American Activities.

Again, let me emphasize, Spain is a proven friend. Let us be sure nothing happens to spoil our cordial relationship. Let us just erode out such termites chewing away at the roots of our ties.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman.

Mr. SANTANGELO. Mr. Speaker, I am pleased to associate myself with the remarks uttered by my colleague from New Jersey [Mr. GALLAGHER]. History teaches us that in times of adversity, one finds his friends. Throughout the ideological war between atheistic communism and democracy, America has found one friend, one nation, who has ever remained steadfast and loyal to the democracies. Spain has been as firm as the Rock of Gibraltar in its friendship toward the United States and the democracies.

I extend congratulations to the people of Spain for having shattered the yoke of communism 26 years ago and rejoice with them on the anniversary date of their liberation from the Communist's control. Spain is now dedicated to a great enterprise of economic development on a nationwide scale, the prime and unalterable objective of which is the raising of the standard of living of the Spanish people. It is nonetheless obvious that this national endeavor, whose full and timely fruition will require some external assistance, will also contribute to give added value to Spanish participation in the defense of the Western community.

America, in it foreign assistance program, has been generous to Spain and its people. Our generosity has been reciprocated by a friendliness, both spiritual and material. Our bases are bastions of defense. We trust that the friendship between the peoples of Spain and the United States shall continue and endure. I commend the gentleman from New Jersey for taking this time to commemorate this 26th anniversary of a great event, the liberation of Spain from communistic control.

Mr. GALLAGHER. Mr. Speaker, I thank the gentleman for his kind and excellent remarks.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman.

Mr. GIAIMO. Mr. Speaker, last fall as a member of the Committee on Education and Labor I had the opportunity to visit Russia and Spain. Consequently, I visited the world's outstanding Communist nation and—in the case of Spain, one of the world's outstanding anti-Communist nations.

Mr. Speaker, I should like to join with the gentleman from New Jersey on this occasion when he makes reference to the valiant efforts of the Spanish people in their long struggle against communism which started 26 years ago.

During my visit in Spain, I visited some of our military bases there, particularly the Terrejon Air Force Base.

I realize that we have powerful bastions of defense there. I realize further that the Spanish people are among our most dedicated allies in our great struggle against the Communist conspiracy.

I discussed many economic problems of the Spanish nation, particularly its attempts to reorient its economy and to work more closely with the Western nations of Europe, the ones we refer to as making up the Common Market.

I realize that America has many friends in its struggle against communism. Some of them may be dubious friends in the showdown, but in Spain we certainly have a steadfast ally, one determined to eradicate communism in this world in which we live.

I commend the gentleman for taking this time today.

Mr. LIBONATI. Mr. Speaker, it was 26 years ago that Generalissimo Bahamande Franco started his purge of the Communist segment in governmental personnel.

It was the beginning of the waning strength of the programed communistic projection to ensnare the nations of Western Europe, the expulsion of the Communists marked the end of the proselytization of the people of war-torn nations to embrace an alien Christ-hating philosophy of life.

Several years ago I had the opportunity of visiting San Pedro near Madrid where SAC airbase is located. I was thoroughly briefed and after a careful inspection of the base realized the terrific contribution to the cause of the Western nations made by Spain in granting permission to the United States to operate the three bases there with her full cooperation.

Each one is so strategically situated that they dominate militarily all of the British Isles, Europe, and Russia. The official American Air Force personnel are experts alerted to the heavy responsibilities of an ever ready defense. Spain today is the most valuable in the protection of the NATO nations. No Communist propaganda or influence can sway her loyalty to the freedom loving nations of the West. She stands supreme as the defender of the United Nations of Europe.

The Spanish nation is exceedingly fortunate in the appointment of His Excellency Antonio Garrigues as its Ambassador to the United States, especially in that he succeeded His Excellency, deceased, the distinguished Mariano Yturrelde Orbegaso who was so loved and respected in Government circles in Washington.

His Excellency Antonio Garrigues also enjoys, as his predecessor, a powerful position among persons of influence. He is a popular and genial person socially. It is to the honor of Spain that a person of such high heritage and skilled abilities in diplomatic relations with other nations has the responsibility of advancing the prestige of Spanish influence here. As I stated on the 23d anniversary 3 years ago, July 16, 1959, in speaking of the role of Generalissimo Franco, it can now be said that his action prevented the domination of the greater part of the Western European nations through Soviet influence.

His critics, upon the establishment of a monarchical-republic type of government, succeeded in destroying our public confidence in his leadership. His fiscal problems in seeking adequate finances for a bankrupt government were many. The Communist leaders had stolen an estimated $550 million in gold—certainly a nation without gold reserves could not be expected to compete in international trade. The patriots of Spain gave their jewels and treasures to the government to supplement the Spanish treasury. A sum of $90 million was raised through public subscription—a great nation struggled to establish a balanced economy.

We added to their problems by boycotting her ports for a period of 10 years. It is a miracle that this, the strongest anti-Communist nation survived. If it had not been for the strong religious beliefs of its people, the fangs of poverty would have destroyed their belief in mankind. Poor as they are today pride and loyalty are their strongest human assets.

We were fortunate that Spain remained our friend. We know that her hatred of communism is deep in the hearts of her people. We must do everything to help her gain her proper place among the nations of the world, by solicitously improving the economic condition of her people. The poorer the friend the less can he do to build up strength with which to serve in a common purpose—and it is so with nations.

It is no wonder that Russia fears our airbases in Spain; and asks that we give them up. We are holding the trump cards in our hand. The three airbases in Spain together with our aces and Spanish trained personnel—together with the strong friendship and complete confidence of its leader Generalissimo Bahamonde Franco and his brave people we have a stranglehold on Russian oppression. Spain acts as the eyes, ears, and iron arm of the Western nations and is the watchdog of our military installations in Europe and she sits back far enough in the Atlantic to meet any act of aggression on land, sea, and air. And her radar knows it first. This is a great day for us. We celebrate it with the Spanish people, our comrades in arms, to protect the free peoples of the world. Generalissimo Bahamonde Franco is the true, loyal, enthusiastic friend of the American people. He deserves our blessing and help.

And further as time passes we know now that this great spirit has been inculcated in these fine and wonderful people with a deep sense of religious belief and a strong spiritual attitude. Now we see the benefit we are getting as a result of the establishment of bases that were to control our destiny and the destiny of Europe and the freedom-loving nations. What great losses we would have suffered if the situation were otherwise. I congratulate the President of the United States and our late Secretary of State, Mr. Dulles—God bless his soul—for their comments relative to the strength contributed by Spain to the common cause of liberty-loving nations. I congratulate the gentleman from New Jersey [Mr. GALLAGHER] on this day for the thorough study he has made of the problems confronting Spain. I am sure each American, as this information is disseminated throughout the country, will know that Spain is truly our friend. They will know the great sacrifice she has made for us and that she has forgiven us for the outrageous acts committed against her and the lack of support to her up to 1953.

I am glad that the United States has been able to give real help to Spain in the last 6 years. There have been advances made for the development of capital equipment to industry, agriculture, and transportation. We helped to meet consumer goods needs during the period of inflation and shrinking foreign exchange reserves. Recently we helped underwrite the financial success of the stabilization plan through helping to furnish foodstuffs, raw materials, and capital projects. The United States has provided in different forms over $1 billion of economic assistance to Spain—defense support grants, Export-Import Bank and Development Fund loans, grants, and long-term economic development loans from proceeds of the sales of U.S. farm products for pesetas, and technical assistance in many fields.

Mr. RODINO. Mr. Speaker, today as America leads the free world in the battle to contain and roll back the pestilence of international communism, we pause to salute the nation which first took up arms against the Reds.

For almost 3 years the people of Spain struggled before the Russian trained and equipped troops, and Russian troops themselves were defeated. But even as the fighting was over and Spain should have grown strong and prospered, the world was thrown into a global conflict, disrupting commerce and industry within the war-ravaged nation.

Gradually Spain has revived. Slowly she has taken her place alongside the nations dedicated to freedom and peace. She granted to the United States the right to establish military and naval bases vital to the defense of Western Europe, Africa, and the approaches to America.

And now, recognizing the need to update her social, economic, and political structure, Spain is earnestly trying to qualify for admittance into the European Common Market.

Social, economic, and political strength will not come overnight. But as others have seen, and I have seen myself last fall in a visit to Spain, there is a strong current of optimism that it is coming, and a healthy dedication of the people in government, business, and industry to making sure it does come.

First to take up arms against communism, Spain remains a strong bulwark against this 20th century scourge. And, if the dedication of all groups within the country continues, Spain will soon have a higher standard of living for her people and be a fully participating member of the European community and a true leader of the free world.

Mr. CAREY. Mr. Speaker, I am pleased to associate myself with the remarks of the distinguished gentleman from New Jersey [Mr. GALLAGHER].

There are many nations in the world who have cooperated in many ways and given substantially of their friendship, resources, and manpower to help the United States and other nations of this world remain free from communism.

But no nation is more unswerving when it comes to our survival and reduction of the Communist menace than is Spain.

We must not be unmindful of what they have meant to us from a cultural, business, commercial, and military standpoint. This is manifest in the clear acknowledgment of their deep-rooted and sincere friendship for the United States and other free nations of the world.

As to our military installations, this great nation has in every way provided us with cooperation and facilities in a most positive and sustained way. Together we have established some of the most important defense installations that exist anywhere on the perimeter of freedom.

For this reason it may well be said that no nation in the world today is any more important in our overall defense than is Spain, and her continued cooperation must be sought and encouraged.

It behooves the United States to cherish, appreciate, and strengthen the bond between our great nations and aid the people of Spain as deserving friends.

I was very heartened and pleased that when accepting the credentials of the new Spanish Ambassador, Antonio Garrigues, President John F. Kennedy stated among other things:

> I note with satisfaction that the continuing cooperation of our two countries in defense of the West has been of mutual benefit in many fields and am confident that the benefits of this collaboration will continue. The extension of the agreements of 1953, as provided therein is manifestly the desire of both our nations.

I salute our dear friends, the Spanish people, on the 26th anniversary of the beginning of their victorious stand against godless communism.

Mr. O'HARA of Illinois. Mr. Speaker, as the only veteran of our war with Spain remaining in the Congress I am happy for this opportunity in joining in expression of the warm affection that is universal among Americans for Spain and her people.

Our debt to Spain we never can repay. If it had not been for a woman in Spain it is uncertain that even I would have been a Member of Congress. I doubt that Queen Isabella had in mind those in this body, who were to be born many years later, but we cannot deny that her financing of the voyages of Columbus influenced the destinies of our lives.

The differences with Spain that at times have divided us have left no scars. In a world that ever is changing, there will be passing differences among nations and peoples of good will, but from the resolution of those differences will emerge a deeper sense of common interest and of togetherness.

Sixty-four years after the campaign at Santiago de Cuba I think of the soldiers of Spain against whom we were pitted as I think of the American soldiers, of whom I was one, and the Cuban soldiers who were our allies. All were doing their duty as they saw it, all at their posts of duty where they had been placed by the circumstances of birth as the history of the future was unfolding in the change from colonialism to independent sovereignty, a change that on a worldwide basis is even now being completed.

When I visited with General Franco some years ago he graciously embraced me as "one old soldier to another," and I said, "but not, General, the same army," and we smiled together. They were not the same armies, it is true, the army representing the youth of our country and the army representing the youth of Spain, pitted against one another in the last stand of colonialism in the Western Hemisphere, an institution not of the making of our generation but in the exit of which we had been called by the progress of history to play our respective parts.

The soldiers of Spain, many no older than myself, played gallantly their roles. They fought courageously, cleanly, abided by the rules of war. They abided by the finest traditions of Spain, their native land.

So, Mr. Speaker, on this anniversary occasion we extend to Spain and her people our heartiest good wishes. Our two peoples stand together in the fight against enslavement by the dictators of an ideology that would separate man from his faith in a higher purpose and reduce him to the low level of animal existence.

Mr. Speaker, I join with my colleagues in warm welcome to the new Ambassador of Spain, Antonio Garriques y Diaz-Canabate, by marriage almost one of us; his wife, who died in 1944, having been of the flower of womanhood of Des Moines, in Iowa. In Spain's civil war the Ambassador was a Nationalist. I am closing my remarks with the full text, including answers to questions, of the Ambassador's address at the National Press Club in Washington on June 26, 1962:

UNDERSTANDING SPAIN

(Address by the Spanish Ambassador to the United States, Don Antonio Garrigues)

Spain today is in the news. The great volume of news dispatches in recent weeks and the minor invasion by your colleagues which we have experienced attest to Spain's present importance as a news source. We have welcomed this. We want greater coverage by the papers and wire services of your country. Your colleagues, as you have doubtless heard, are received courteously and given complete freedom of movement. Their freedom has been evident in their work. The photographers have produced interesting pictures of our mounted police—from the rear—of a little burro pulling an 18th century cart before a 20th century apartment building. These are excellent examples of the news photographer's art—although some of them may leave something to be desired in presenting a balanced picture of today's Spain.

If any of you here today should be assigned to Spain soon, let me suggest a few story ideas which will help achieve that balance. Why not write about the thousands of low-cost apartment buildings now encircling our towns? Why not cover the sports parks built by the labor unions where the worker and his family for the first time have an opportunity for healthy recreation? Check on the low-priced summer resorts—not just for foreign tourists but for our own industrial workers—along our beautiful beaches. Look at our technical universities which now offer industrial and professional training to youngsters eager to acquire modern skills. Examine the national health insurance hospitals which are helping wipe out disease among industrial workers. And look at the many new elementary schools which are vital in our anti-illiteracy program.

RECENT DEVELOPMENTS

I do not mean to underestimate the difficulty facing every correspondent in Spain, for my country is sometimes difficult to understand. But isn't this true of any other country at various periods of its history?

Therefore, perhaps I could help you by commenting briefly on some of the major recent developments in Spain. For example, the recent strikes and their significance; our application for association with the Common Market; the evolving nature of our government; the position of the church in Spain today.

It seems to me, as a recent arrival fresh from the scene, that the true significance of the coal mine strikes has not been understood by many in the United States. They were significant, indeed, but not as a sign of danger to the regime. Rather they are an interesting side effect of our economic growth. Their economic implications are greater than their political implications.

We—like many other countries in the Western World—have known worker unrest in recent years, and we have tackled this problem through our own system of collective bargaining. This organized plan for resolving differences between workers and employers differs somewhat from what you practice here, but it is collective bargaining nevertheless. And it works in Spain. In recent years almost 1,000 agreements between labor and management have been achieved through this system.

PROBLEM OF COAL MINERS

The problem of the coal miners, however, was unusual for several reasons. As in many other countries, coal mining in Spain is a declining industry, and our best grade coal has already been exhausted. Nevertheless, coal miners were the highest paid workers, though wages in the steel industry were made higher through a recent increase. A raise in the wages of miners requires an increase in the price of coal, and this, as you know from your own experience, brings with it the threat of inflation. Collective bargaining to resolve this was well along toward completion of an agreement, but the normal process of reconciliation was interrupted by a work stoppage—small at first but later provoked into larger size by radio broadcasts from behind the Iron Curtain.

It seems to me significant that this dispute has finally been settled by the method which was proposed at the beginning of negotiations; namely, an authorized increase in the price of coal. Having solved the social side of this problem, what remains to be tackled is the economic problem of its inflationary consequences.

In order to avoid further misunderstandings, the Spanish Chief of State, in a recent speech, announced the possibility of improving the system of collective bargaining by making it more flexible in light of today's economic circumstances.

BID TO JOIN COMMON MARKET

Another and a very dramatic indication of our economic evolution is our application for association with the European Common Market. As you know, the written request was submitted to the Council of Ministers in Brussels in February of this year. In making this application, my Government took a carefully considered step, not only reflecting official policy but acting in response to public opinion, because its prime objective is to raise the standard of living of the Spanish people. It was a step which had been publicly urged for some time by the press, by organizations of businessmen, and by private economists. The letter of application is a broad document, not only indicating our immediate interest in association but looking ahead to the possibility of full membership. It is legitimate to assume that the application was made with full awareness of all of the terms of the Treaty of Rome.

This document was also significant for its implications for the total economy of Europe. It offers to our fellow European nations a market expansion of some 30 million people. It supposes a wide extension of the geographical area of the EEC. It envisions a European economy contained within the natural boundaries of the Continent rather than behind artificial frontiers. It signifies a highly desirable natural evolution of the 20th century.

HOSTILE ACTIVITIES

In my opinion any developments, inside or outside Spain, that tend to block this goal are not only hostile to the best interests of Spain but contrary to the welfare of Europe as a whole. There are some prominent Spaniards, among them some former leaders, who have shown a desire to link their own names to future political developments. Some of these have gone so far as to place difficulties in the way of our application to the Common Market. My Government takes such a grave view of the actions of these men—some of whom have colluded with our enemies abroad—that it has adopted preventive measures to restrict their further political activities. What we have done, however, is not very different from what other nations have found it necessary to do in recent times to protect their national interests. And let us not forget that even the Republic, in 1931, 6 months after coming into being, found it necessary to protect itself against its own Bill of Rights by the Law of the Defense of the Republic and the Public Order Law, which enabled executive orders of confinement to be issued.

FUTURE GOVERNMENT

Our application for association with the Common Market is no sharp departure from our recent history. Since July 1959, Spain has been a member of the Organization for Economic Cooperation and Development

(OECD) and its predecessor, the Organization for European Economic Cooperation (OEEC). Through this machinery for regional cooperation Spain has been contributing to the economic strength of the Atlantic partnership, and we look forward to closer coordination of economic policies of Western nations.

There has been in recent weeks an unusually high level of interest, particularly abroad, in the future political form of the Spanish Government. I can no more forecast the political future than I can predict what will happen in Wall Street, but I can tell you certain things about our Government which allow me to be convinced of its orderly and peaceful evolution.

I am not an old man—or, at least, I do not consider myself as one—but in my own lifetime I have known in Spain one monarchy, the dictatorship of Gen. Primo de Rivera, the short monarchical period that followed, the second Republic, the regime on the Republican side during the Civil War, and now the present regime. It is a fact that after 6 years more than two decades this regime has given Spain a longer period of peace, order, and economic stability than we have known in our recent history.

We have, in effect, enjoyed a period of political quiet, a breather, in which we have worked hard to pull ourselves up by our own bootstraps, as you say. This has allowed us, with the primary help of the United States and of some international organizations, to put into effect a stabilization plan for our economy.

STABILIZING THE ECONOMY

The results, I think, speak for themselves. We now have a total gold reserve of nearly $1 billion—more than many other countries today. In 1961 our industrial production index increased by 10 percent compared with 1960. Electric energy production in 1961 increased by 13.6 percent, steel production by 14.8 percent, cement by 14.3 percent, and unemployment decreased by 6.7 percent compared with the previous year.

We have not, however, lost sight of the importance of preparing for the future. We are well aware that no human institutions last forever. In 1947 we held a popular referendum to insure that future changes in the form of government are responsive to the wishes of the Spanish people. This referendum, which drew very wide voter participation, overwhelmingly approved the law of succession, which keeps General Franco in power, creates a council of the realm—and a three-man council of regency for the moment of transition—calls for the accession to the throne of a prince of the royal blood. Since that law was passed, Spain has been constitutionally a monarchy.

ORDERLY TRANSITION

If General Franco should pass away, or if he retires for physical reasons, there is no question in my mind that we shall experience a peaceful and orderly transition to the next leadership. In the first place, we Spaniards have had quite enough of bloodshed from internal political strife. Secondly, we have very strong institutions which will insure the prompt and peaceful transfer of power to the new monarchical regime. Among these obviously are the army and the Catholic church. Another strong force for stability is also the main body of public opinion in the nation.

As you consider political forms in Spain, I urge you not to make the mistake of measuring our country by the wrong yardstick. We Spaniards are strongly individualistic. We have our own values, and they are not necessarily those of other countries. A famous Spanish philosopher and writer who is not entirely friendly to the present regime in Spain has pointed this out. Salvador de Madariaga wrote:

"The Spanish case is one of those which will test the political acumen of the leaders of the coming world. If they insist on inflicting on Spain exactly the political institutions of other democracies of a quite different psychological metal, failure is certain. Universal direct suffrage is a case in point. Elections, representative executives, and in general the machinery of state should be contrived above all with an eye to order and continuity. All else should be subordinated to this supreme aim."

STATE AND CHURCH

The fourth topic I promised to discuss with you—a subject of considerable recent interest—is the relation between state and church in Spain today. There seems to be a concerted effort to present these relations as deteriorating or to impute to the church a position opposed to the Government in connection with the recent strikes. As you know, the relationship between church and state in Spain is clearly defined by the concordat between the Spanish Government and the Holy See of 1953. This treaty establishes the respective areas of competence of each institution, and its wisdom has been proven by the passage of time.

There is a natural concern on the part of the church for the welfare of workers—in Spain as in other countries. There is, in fact, a specific branch of Catholic Action—the Workers' Brotherhood of Catholic Action (HOAC)—which is primarily interested in industrial workers. It is therefore only natural that the Catholic clergy in Spain should have taken an active interest in events affecting workers in their parishes. But this interest must not be construed as instigation or provocation of the workers' actions. Indeed, the facts of the case show that this is not so. Written statements by the bishops of San Sebastián, Vitoria, Bilbao, Lérida, Teruel, and others, categorically deny the instigation of the strikes which has been attributed to their priests. I suspect that those people who have spread these reports of the strikes as evidence of a rift between church and state are guilty of wishful thinking.

Gentlemen, there is obviously far more that I could say to you about what is taking place in my country today.

You have been a patient and attentive audience, and I do not wish to take advantage of your courtesy. Nor do I want to subtract from the pleasures of the question period, which we all know is the real sport you have come to take part in. I am, therefore, torn between the temptation to continue lecturing to you about Spain and my sense of sportsmanship which tells me that fairplay demands you be given your turn.

I shall close, then, by thanking you again for your hospitality and by urging you to watch my country closely as one of the really lively "stories" of our time. Americans have been preoccupied with other areas of the world for the last 25 years and have been too little aware of what we Spaniards were up to. Now—for reasons of common defense, for reasons of mutual economic interest, and because we are partners in the concerted action to contain the Communist menace—this has changed. Spain is in the news today. We welcome this, and we pledge our efforts to assure that the news from Spain is well covered. Such objective and balanced reporting from one of the vital areas of the free world is essential to our common goals.

Thank you very much.

QUESTIONS AND ANSWERS

Question. We constantly hear about what the uncommitted nations think. What will Spain, committed to the West, think of the U.S. Supreme Court decision barring prayer or mention of God in public schools?

The Ambassador. I respect the decision of your Supreme Court, but we think it is better to use the name of God in our schools. [Applause.]

Question. We have a lot of people interested in religion in Spain, Mr. Ambassador. I have two questions here.

What is the present status of freedom of religion in Spain?

Will the Spanish ever relax their restriction on Protestant churches?

The Ambassador. That is a very interesting point and I will speak very frankly to you. I myself am a Catholic, but I do recognize that we in Spain have committed errors toward Protestants, but as I told you previously in my speech, we are now in the process of establishing a status for the Protestants which will avoid in the future such misunderstandings and we will give to the Protestants the position that they have the right to have in Spain under Spanish law. [Applause.]

Question. Spain has asked for entry into the Common Market. What is the status of the request? What changes is the Spanish Government planning in terms of civil rights to make Spain eligible for membership in the Common Market?

The Ambassador. As I have said, Spain has already asked not only for association with the Common Market, but for participation—in due time and in the right way—in the political unity of Europe. In doing this, the Spanish Government was entirely conscious of the political requirements that appear in the Treaty of Rome and of the commitments that will be necessary in taking this step.

Question. Do you think that the balance of competing interests in Spain may be upset by outside forces such as the proposed gift to Spanish strikers of $10,000 by the United Automobile Workers of America?

The Ambassador. The only thing I can say is that it is my understanding that the strikes are purely a Spanish problem. We are handling these problems in the best way we can. The Government has already satisfied the aspirations of the strikers. We do prefer very, very much to avoid foreign intervention, because even though we recognize that perhaps some of this foreign intervention might be well intended, the fact is that in general these interventions are bad for us and we believe also for others.

Question. In your opinion, what is the future of the monarchists in Spain after the declaration of Don Juan?

The Ambassador. It is a very interesting question. I wish to remind you that Spain is already a monarchy. Likewise, a constitutional system has been established to decide what person of royal blood will be the future King of Spain.

Question. What form of government is Spain likely to develop after Franco and how difficult will the transition be?

The Ambassador. I do not doubt that this is a problem in Spain, but I think, frankly speaking, that it is not so important or so difficult as it is in many other countries. While we are already a monarchy, we have the unity of a strong army, and we have the weight, if I can say so, of the Catholic Church. Furthermore, all Spaniards remember the sufferings of the civil war and have decided to avoid a similar experience. I can assure you that, when the time comes for a political succession, there will be no interruption but, on the contrary, perfect continuity will be maintained.

Question. Do you feel the American press has been accurate in its presentation of Spain, and do you feel the American press has been fair in its presentation of the Spanish position?

The Ambassador. As I told you, I am a newspaperman in some ways. I would prefer very much to be today in connection with this question very polite and say that I am very, very satisfied with the way the press men here in America have treated us of late. But, at the same time, believing I am among colleagues, I think I should speak to you very frankly and hope you will not be offended or hurt when I say that, since I arrived here about 3 weeks ago, you newspapermen have given me tremendous headaches and have made me very unhappy. [Applause.]

Question. Do you feel that Spain's financial interests seek to increase investments in South America, the United States, or Europe?

The Ambassador. I don't know who wrote this question, but I am tremendously grateful to him because just to think that we already have money enough not only to take care of our own development, but also to make an investment in foreign countries, is something, believe me, that makes me feel very optimistic. [Laughter.]

Question. What do you feel the United States can most do to improve relations with Spain?

The Ambassador. That has a very simple answer. I have to use only a single word. The only answer is that it is the most important word in the human language: friendship.

Question. I have a question from a man who was in your country last year. He says, "I know I can't get a Herald Tribune at the White House but why couldn't I get one in Madrid last year?"

The Ambassador. Well, that is a question that should be answered in common by President Kennedy and me since it concerns both of us. As for me, I think the only thing I can tell you is that I am very sorry you were unable to buy the Herald Tribune in Spain. I will do everything to prevent this happening again in the future. [Applause.]

Question. After sputnik, General Franco said that Soviet technical achievements demonstrated the superiority of an authoritarian state over democracies. Can you explain what he meant?

The Ambassador. I think it is always a bad system to take something out of context, because the right meaning may be lost. Whatever the meaning of the statement may have been, the fact is that Franco is an ally of the United States and an enemy of the Soviet Union.

Mr. BARRETT. Mr. Speaker, it has always amazed me the way Spain's image has been distorted and misrepresented by some segments of the American press. A notable example is the celebration of Columbus Day in the United States. Few people are aware that Columbus was in the service of Spain; that he was encouraged by Spanish friars and Spanish university professors; that he was financed and patronized by Queen Isabella, of Castile; that his ships were built in Spain and manned by Spaniards; that it was the flag of Spain which Columbus raised on his first landing in America; that it was Spaniards whom he left as the first permanent settlers of the Old World in the New; that Columbus died a Spaniard and his descendants are still grandees of Spain.

Spain's claim to Columbus was recognized and grateful homage paid to Spain. Four centuries later at the Chicago World's Fair in 1893, a Spanish infanta was the central guest of honor. We made special issues of stamps not only commemorating Columbus but Queen Isabella as well.

Columbus Day in those days was observed as a Spanish holiday in Spain, the United States, and Spanish America.

Today, we see Spain virtually excluded from recognition regarding Columbus' discovery of the New World.

I hope to see the day when the American press will deal with Spain and its people in a more understanding and objective manner.

I congratulate the Spanish people on their national holiday and extend my warm regards to the new Spanish Ambassador, Antonio Garrigues, who has demonstrated over the years a very fine friendship for the United States and our people. I also wish him a successful tenure as Ambassador to the United States.

Mr. FOGARTY. Mr. Speaker, I am pleased to have the opportunity, again this year, to join my colleagues here on the floor of the House of Representatives to commemorate the 26th anniversary of the liberation of Spain.

The war which brought Spain's victory over communism was a long and tragic one. Cities were leveled, much of the countryside devastated, and untold millions killed and wounded in successfully withstanding the first attempted takeover of a nation by international communism, in fighting the battle for all democratic nations throughout the world.

In the intervening 26 years Spain has built on a solid foundation of anticommunism and has become one of the most important bulwarks of the entire free world. She has provided the United States with invaluable naval and air bases which form a vital link in the chain of our world defense against Communist aggression. For this we are grateful.

On this memorable occasion, Mr. Speaker, I should like to express my sincere hope that the people of Spain may increasingly enjoy all the opportunities for full and free enjoyment of the benefits flowing from a democratic system of government. I am certain that the efforts which the people of Spain have made and are continuing to make to the cause of freedom will aid them in attaining such objectives.

Mr. MULTER. Mr. Speaker, since 1950, it has been my pleasure to meet and get to know each of Spain's diplomatic representatives to the United States and to the United Nations. They have committed Spain to being our ally in the struggle against communism. Spain has never once faltered in her pledges to us and has not in the slightest deviated from the highest principles of international law.

Spain has recently sent us a new Ambassador, His Excellency Don Antonio Garrigues. I am sure that he will serve his country here as ably as his predecessors. His remarks recently at the National Press Club indicate that Spain is entering a new era in its national history.

Senor Garrigues' ties to the United States have been close: his late wife was from Iowa and during the Spanish civil war his life was saved by the late Joseph Kennedy, the elder brother of President Kennedy. I look forward to the continuing good relations with Spain that have existed since the end of World War II.

I have many times related on the floor of the House my personal experiences in Spain. Those interested will find some of them in the Congressional Record, volume 107, part 10, page 13113.

It is also interesting to note that in January of this year, a new interreligious group was organized in Madrid to improve relations between the various religions represented in Spain. The founding members include Catholic churchmen and laymen, as well as the president of the Madrid Jewish community and other leading Jews of the country.

Mr. COOLEY. Mr. Speaker, while all of us know that our own form of government is the best yet devised by the mortal mind of men, we realize that we cannot force our ideas and our ideals upon the people of other nations. Our Government has survived and will continue to survive because freedom and justice under law are the fixed and firm cornerstones upon which our Government has been built. Our Government is the envy of the people of the world but there are forces in the world, formidable forces indeed, which would like to destroy our Government and to enslave our people. We can not remake the world to be sure, but we can provide leadership and can lift the torch of freedom and hold it high in the hope that we may lead the world to the highlands of a better understanding, to progress, and to world peace.

No one of us would champion the cause of tyranny. Under no circumstances would our Nation commit acts of aggression. We must, by example, win the hearts and minds of the enslaved people of the universe and demonstrate the virtues of the purposes which prompted our forefathers to establish the altars of freedom here in this new land. We must at all times be strong, not only materially and militarily but morally as we stand before the world as a great Christian Nation.

While we realize that Generalissimo Franco of Spain and the people of his country have not accepted true representative government as we have known and loved it through the years, we must realize as we look back through the corridors of time that he has had many perplexing problems with which to deal.

On this the 26th anniversary of Franco's overthrow of communism, we can well afford to extend our congratulations to him and to the people of his great country. At least Franco has been our friend and under his leadership progress is being made. Franco has tried to improve the plight of the farmers of Spain. About two-thirds of the population of Spain derive their livelihood in one way or another from agriculture. Spanish agriculture is now receiving official help—help that our farmers have taken for granted. Spanish reserves are being fed not only by agriculture exports, by tourists, earnings by Spanish citizens abroad that are repatriated to Spain, but in many other ways, all of which tends to improve the standard of living of both farmers and nonfarmers. Spain is on the threshold of enormous developments and there investors are finding a fertile field. I am delighted that a new status for non-Catholic religious groups is now in preparation and I indulge the hope that non-Catholic groups will no longer be discriminated against and may be able to worship God according to the dictates of their own conscience.

We have a great investment in Spain—we know that the Spanish people love freedom, and we have every reason now to believe that the Spanish people are our friends.

On this, the 26th anniversary of the overthrow of communism, I extend my cordial good wishes to all of the liberty-loving people of Spain.

Mr. DENT. Mr. Speaker, everyone can readily agree with the principle that the United States should do everything possible to promote friendly relations with all countries dedicated to resisting and repelling common dangers. This principle is particularly applicable to the danger posed by Communist expansionism to the United States and to the rest of the free world. The United States should certainly do everything within its power to secure good relations with any nation pledged to the containment and eventual demise of the Communist menace.

Our experience in world affairs has shown us, however, that this principle cannot be indiscriminately applied to every nation in the same way, even though we may share with each a corresponding distaste for communism. What constitutes good relations with one nation often results in bad relations with another. Indeed, in fighting one danger we have often been faced with the emergence of another danger; in courting the good will of one country, we have alienated another; in supporting the regime of one nation, we have generated anti-American feeling among opposition groups to the possible detriment of our future relations with that nation. These lessons, acquired after bitter trial and error, offer us some guidance in our relations with other nations, especially with such a controversial nation as Spain.

Certainly Spain offers a number of compelling attractions in our fight against Communist domination. Geographically, it occupies a strategic position at the entrance of the Mediterranean, overlooking the Arab States of North Africa. Militarily, it is within medium bomber range of the Soviet Union. It also commands an army of approximately 18 divisions which would be a valuable addition to Western forces. Politically, the Franco regime has been unremittingly hostile to the Soviet Union and international communism.

Since 1950, therefore, the United States has taken a number of steps to improve relations with Spain and to sponsor her reintroduction into Western European political life. A three-part agreement was signed in 1953 giving the United States the right to maintain jointly with Spain two bomber bases and one naval base in exchange for military and economic aid. In 1955, the United States played a leading part in Spain's admission to the United Nations, and, backed by affirmative congressional resolutions, has advocated its entry into NATO. Moreover, the United States has played an important role in Spain's acceptance by the International Monetary Fund, the International Bank for Reconstruction and Development, and the Organization for European Economic Cooperation as well as sponsoring her entry into the Interparliamentary Union.

While our present and future relations with Spain pose some problems we are also presented with many opportunities. We should proceed with a firm understanding of our long- and short-run interests and our ultimate foreign policy objectives. Unquestionably, Spain's geographic position and its military strength are useful in the defense of the Western World. Of more significance, the Spanish people share with us a common heritage that transcends any particular regime. It is with this heritage of human freedom and decency that we must continually identify ourselves in the minds of the Spanish people. We should make every effort to integrate Spain in the European community.

However dialectical we may become regarding the advantages and disadvantages that might confront us in our relations with Spain, history shows that the advantages far outweigh any disadvantages. Spain's friendship goes back to her help to us in our struggle for freedom during the Revolutionary War. She has never faltered in that friendship and today she is one of our most dependable, faithful, and loyal allies.

It is a great honor for me to pay homage to an honorable Christian civilized people who have contributed much to this world's civilization. It is also an honor for me to congratulate one of the great military leaders and statesman of the world, General Franco, who has guided his country through perilous days with dignity, honor, and selflessness.

I salute the Spanish people and their Chief of State on their national holiday.

[From the Washington Daily News, July 13, 1962]

A New Ambassador Speaks Out—More Liberal Spain Seen in Garrigues Appointment

If the new Spanish Ambassador to this country serves as any portent, the Government of Spain may be moving toward a more liberal position.

The new Ambassador is Don Antonio Garrigues, a man who already has close ties with the United States. His wife, who died in 1944, was from Des Moines. During the Spanish civil war, Sr. Garrigues, a Nationalist, was saved from death by President Kennedy's brother, Joseph.

Joseph, who later was killed in action in World War II, was a correspondent during the civil war. He and Sr. Garrigues were arrested by Republican forces and were about to be shot when Joseph, producing his passport, talked the captors out of it.

Sr. Garrigues recently made his first speech here before the press club. It went largely unnoticed, although he said a number of things one might not have expected from an official of Franco's Spain.

STARTER

As a starter, he said: "We must change our social structure, which is in many ways obsolete and in many aspects unjust. We have to change our economic structure in order to go from stabilization to development.

"We have to change our political structure to go to a regime of stronger political institutions and of greater freedom."

Of himself he said: "I am an independent man. I have not been appointed as a regime man, but as an independent * * *."

Sr. Garrigues' speech came before Franco appointed Captain-General Augustin Munoz Grandes as the future ruler of Spain, but he did discuss what the regime has in mind for the future.

VIEW

The post-Franco government, he said, "must be a regime that will assure political continuity and social stability."

Wouldn't a democracy do this?

Spain, Sr. Garrigues suggested, isn't ready for a free play of political ideas.

"We lack the sense of politics * * * we lack the sense of transaction, the sense of compromise * * * it is hard for us to follow the middle of the road * * *."

In support of this, he pointed out that before the Republic fell to Franco, Spain had spent a quarter of a century in near chaos.

But if this may—or may not—be double-talk, Sr. Garrigues' answers to reporters' questions after his speech were candid.

Of the history of persecution of Protestants he said he was regretful. "We in Spain have committed errors toward Protestants." He promised: "We are now in the process of establishing a status for the Protestants."

SPAIN READY

Reminded that Spain, to be admitted to the Common Market as she hopes to be, must fulfill certain political requirements, he suggested Spain is ready to fulfill them. The Common Market requires its members to honor political freedom.

Sr. Garrigues was asked why Spain recently exiled Gil Robles and other Spanish liberals.

"I believe [the exiling] is entirely wrong and against my country's permanent interests," he said.

Understanding Spain

(Address by Don Antonio Garrigues, Spanish Ambassador to the United States, at the National Press Club, Washington, D.C., June 26, 1962)

Spain today is in the news. The great volume of news dispatches in recent weeks and the minor invasion by your colleagues which we have experienced attest to Spain's present importance as a news source. We have welcomed this. We want greater coverage by the papers and wire services of your country. Your colleagues, as you have doubtless heard, are received courteously and given complete freedom of movement. Their freedom has been evident in their work. The photographers have produced interesting pictures of our mounted police—from the rear—of a little burro pulling an 18th-century cart—before a 20th-century apartment building. These are excellent examples of the news photographer's art—although some of them may leave something to be desired in presenting a balanced picture of today's Spain.

If any of you here today should be assigned to Spain soon, let me suggest a few story ideas which will help achieve that balance. Why not write about the thousands of low-cost apartment buildings now encircling our towns? Why not cover the sports parks built by the labor unions where the worker and his family for the first time have an opportunity for healthy recreation? Check on the low-priced summer resorts—not just for foreign tourists but for our own industrial workers—along our beautiful beaches. Look at our technical universities which now offer industrial and professional training to youngsters eager to acquire modern skills. Examine the national health insurance hospitals which are helping wipe out disease among industrial workers. And look at the many new elementary schools which are vital in our anti-illiteracy program.

RECENT DEVELOPMENTS

I do not mean to underestimate the difficulty facing every correspondent in Spain, for my country is sometimes difficult to understand. But isn't this true of any other country at various periods of its history?

Therefore, perhaps I could help you by commenting briefly on some of the major recent developments in Spain. For example, the recent strikes and their significance; our application for association with the Common Market; the evolving nature of our Government; the position of the church in Spain today.

It seems to me, as a recent arrival fresh from the scene, that the true significance of the coal mine strikes has not been understood by many in the United States. They were significant, indeed, but not as a sign of danger to the regime. Rather they are an interesting side-effect of our economic growth. Their economic implications are greater than their political implications.

We—like many other countries in the Western World—have known worker unrest in recent years, and we have tackled this problem through our own system of collective bargaining. This organized plan for resolving differences between workers and employers differs somewhat from what you practice here, but it is collective bargaining nevertheless. And it works in Spain. In recent years, almost 1,000 agreements between labor and management have been achieved through this system.

PROBLEM OF THE COAL MINERS

The problem of the coal miners, however, was unusual for several reasons. As in many other countries, coal mining in Spain is a declining industry, and our best grade coal has already been exhausted. Nevertheless, coal miners were the highest paid workers, though wages in the steel industry were made higher through a recent increase. A raise in the wages of miners requires an increase in the price of coal, and this, as you know from your own experience, brings with it the threat of inflation. Collective bargaining to resolve this was well along toward completion of an agreement, but the normal process of reconciliation was interrupted by a work stoppage—small at first but later provoked into larger size by radio broadcasts from behind the Iron Curtain.

It seems to me significant that this dispute has finally been settled by the method which was proposed at the beginning of negotiations—namely an authorized increase in the price of coal. Having solved the social side of this problem, what remains to be tackled is the economic problem of its inflationary consequences.

In order to avoid further misunderstandings, the Spanish Chief of State, in a recent speech, announced the possibility of improving the system of collective bargaining by making it more flexible in light of today's economic circumstances.

BID TO JOIN COMMON MARKET

Another and a very dramatic indication of our economic evolution is our application for association with the European Common Market. As you know, the written request was submitted to the Council of Ministers in Brussels in February of this year. In making this application, my Government took a carefully considered step, not only reflecting official policy but acting in response to public opinion, because its prime objective is to raise the standard of living of the Spanish people. It was a step which had been publicly urged for some time by the press, by organizations of businessmen, and by private economists. The letter of application is a broad document, not only indicating our immediate interest in association but looking ahead to the possibility of full membership. It is legitimate to assume that the application was made with full awareness of all of the terms of the Treaty of Rome.

This document was also significant for its implications for the total economy of Europe. It offers to our fellow European nations a market expansion of some 30 million people. It supposes a wide extension of the geographical area of the EEC. It envisions a European economy contained within the natural boundaries of the continent rather than behind artificial frontiers. It signifies a highly desirable natural evolution of the 20th century.

HOSTILE ACTIVITIES

In my opinion any developments, inside or outside Spain, that tend to block this goal are not only hostile to the best interests of Spain but contrary to the welfare of Europe as a whole. There are some prominent Spaniards, among them some former leaders, who have shown a desire to link their own names to future political developments. Some of these have gone so far as to place difficulties in the way of our application to the Common Market. My Government takes such a grave view of the actions of these men—some of whom have colluded with our enemies abroad—that it has adopted preventive measures to restrict their further political activities. What we have done, however, is not very different from what other nations have found it necessary to do in recent times to protect their national interests. And let us not forget that even the Republic, in 1931, 6 months after coming into being, found it necessary to protect itself against its own Bill of Rights by the law of the defense of the Republic and the public order law, which enabled executive orders of confinement to be issued.

FUTURE GOVERNMENT

Our application for association with the Common Market is no sharp departure from our recent history. Since July 1959, Spain has been a member of the Organization for Economic Cooperation and Development (OECD), and its predecessor, the Organization for European Economic Cooperation (OEEC). Through this machinery for regional cooperation Spain has been contributing to the economic strength of the Atlantic partnership, and we look forward to closer coordination of economic policies of Western nations.

There has been, in recent weeks, an unusually high level of interest, particularly abroad, in the future political form of the Spanish Government. I can no more forecast the political future than I can predict what will happen in Wall Street, but I can tell you certain things about our Government which allow me to be convinced of its orderly and peaceful evolution.

I am not an old man—or, at best, I do not consider myself as one—but in my own lifetime I have known in Spain one monarchy, the dictatorship of Gen. Primo de Rivera, the short monarchical period that followed, the second Republic, the regime on the Republican side during the Civil War, and now the present regime. It is a fact that after 6 years more than two decades this regime has given Spain a longer period of peace, order, and economic stability than we have known in our recent history.

We have, in effect, enjoyed a period of political quiet, a breather, in which we have worked hard to pull ourselves up by our own bootstraps, as you say. This has allowed us, with the primary help of the United States and of some international organizations, to put into effect a stabilization plan for our economy.

STABILIZING THE ECONOMY

The results, I think, speak for themselves. We now have a total gold reserve of nearly 1 billion dollars—more than many other countries today. In 1961 our industrial production index increased by 10 percent compared with 1960. Electric energy production in 1961 increased by 13.6 percent, steel production by 14.8 percent, cement by 14.3 percent, and unemployment decreased by 6.7 percent compared with the previous year.

We have not, however, lost sight of the importance of preparing for the future. We are well aware that no human institutions last forever. In 1947 we held a popular referendum to insure that future changes in the form of government are responsive to the wishes of the Spanish people. This referendum, which drew very wide voter participation, overwhelmingly approved the Law of Succession, which keeps General Franco in power, creates a Council of the Realm—and a three-man Council of Regency for the moment of transition—calls for the accession to the throne of a prince of the royal blood. Since that law was passed, Spain has been constitutionally a monarchy.

ORDERLY TRANSITION

If General Franco should pass away, or if he retires for physical reasons, there is no question in my mind that we shall experience a peaceful and orderly transition to the next leadership. In the first place, we Spaniards have had quite enough of bloodshed from internal political strife. Secondly, we have very strong institutions which will insure the prompt and peaceful transfer of power to the new monarchical regime. Among these obviously are the Army and the Catholic Church. Another strong force for stability is also the main body of public opinion in the Nation.

As you consider political forms in Spain, I urge you not to make the mistake of measuring our country by the wrong yardstick. We Spaniards are strongly individualistic. We have our own values, and they are not necessarily those of other countries. A famous Spanish philosopher and writer who is not entirely friendly to the present regime in Spain has pointed this out. Salvador de Madariaga wrote:

> "The Spanish case is one of those which will test the political acumen of the leaders of the coming world. If they insist on inflicting on Spain exactly the political institutions of other democracies of a quite different psychological metal, failure is certain. Universal direct suffrage is a case in point. Elections, representative executives, and in general the machinery of state should be contrived above all with an eye to order and continuity. All else should be subordinated to this supreme aim."

STATE AND CHURCH

The fourth topic I promised to discuss with you—a subject of considerable recent interest—is the relation between state and church in Spain today. There seems to be a concerted effort to present these relations as deteriorating or to impute to the church a position opposed to the Government in connection with the recent strikes. As you know, the relationship between church and state in Spain is clearly defined by the concordat between the Spanish Government and the Holy See of 1953. This treaty establishes the respective areas of competence of each institution, and its wisdom has been proven by the passage of time.

There is a natural concern on the part of the church for the welfare of workers—in Spain as in other countries. There is, in fact, a specific branch of Catholic Action—the Workers' Brotherhood of Catholic Action (HOAC)—which is primarily interested in industrial workers. It is therefore only natural that the Catholic clergy in Spain should have taken an active interest in events affecting workers in their parishes. But this interest must not be construed as instigation or provocation of the workers' actions. Indeed, the facts of the case show that this is not so. Written statements by the bishops of San Sebastián, Vitoria, Bilbao, Lérida, Teruel, and others, categorically deny the instigation of the strikes which has been attributed to their priests. I suspect that those people who have spread these reports of the strikes as evidence of a rift between church and state are guilty of wishful thinking.

Gentleman, there is obviously far more that I could say to you about what is taking place in my country today.

You have been a patient and attentive audience, and I do not wish to take advantage of your courtesy. Nor do I want to subtract from the pleasures of the question period, which we all know is the real sport you have come to take part in. I am, therefore, torn between the temptation to continue lecturing to you about Spain and my sense of sportsmanship which tells me that fair play demands you be given your turn.

I shall close, then, by thanking you again for your hospitality and by urging you to watch my country closely as one of the really lively stories of our time. Americans have been preoccupied with other areas of the world for the last 25 years and have been too little aware of what we Spaniards were up to. Now—for reasons of common defense, for reasons of mutual economic interest, and because we are partners in the concerted action to contain the Communist menace—this has changed. Spain is in the news today. We welcome this, and we pledge our efforts to assure that the news from Spain is well covered. Such objective and balanced reporting from one of the vital areas of the free world is essential to our common goals.

Thank you very much.

QUESTIONS AND ANSWERS

Question. We constantly hear about what the uncommitted nations think. What will Spain, committed to the West, think of the U.S. Supreme Court decision barring prayer or mention of God in public schools?

The Ambassador. I respect the decision of your Supreme Court, but we think it is better to use the name of God in our schools. [Applause.]

Question. We have a lot of people interested in religion in Spain, Mr. Ambassador. I have two questions here.

What is the present status of freedom of religion in Spain?

Will the Spanish ever relax their restriction on Protestant churches?

The Ambassador. That is a very interesting point and I will speak very frankly to you. I myself am a Catholic, but I do recognize that we in Spain have committed errors toward Protestants, but as I told you previously in my speech, we are now in the process of establishing a status for the Protestants which will avoid in the future such misunderstandings and we will give to the Protestants the position that they have the right to have in Spain under Spanish law. [Applause.]

Question. Spain has asked for entry into the Common Market. What is the status of the request? What changes is the Spanish Government planning in terms of civil rights to make Spain eligible for membership in the Common Market?

The Ambassador. As I have said, Spain has already asked, not only for association with the Common Market, but for participation—in due time and in the right way—in the political unity of Europe. In doing this, the Spanish Government was entirely conscious of the political requirements that appear in the Treaty of Rome, and of the commitments that will be necessary in taking this step.

Question. Do you think that the balance of competing interests in Spain may be upset by outside forces such as the proposed gift to Spanish strikers of $10,000 by the United Automobile Workers of America?

The Ambassador. The only thing I can say is that it is my understanding that the strikes are purely a Spanish problem. We are handling these problems in the best way we can. The Government has already satisfied the aspirations of the strikers. We do prefer very, very much to avoid foreign intervention because even though we recognize that perhaps some of this foreign intervention might be well intended, the fact is that in general these interventions are bad for us and we believe also for others.

Question. In your opinion, what is the future of the monarchists in Spain after the declaration of Don Juan?

The Ambassador. It is a very interesting question. I wish to remind you that Spain is already a monarchy. Likewise a constitutional system has been established to decide what person of royal blood will be the future King of Spain.

Question. What form of government is Spain likely to develop after Franco and how difficult will the transition be?

The Ambassador. I do not doubt that this is a problem in Spain, but I think, frankly speaking, that it is not so important or so difficult as it is in many other countries. While we are already a monarchy, we have the unity of a strong army, and we have the weight, if I can say so, of the Catholic church. Furthermore, all Spaniards remember the sufferings of the civil war and have decided to avoid a similar experience. I can assure you that when the time comes for a political succession, there will be no interruption but, on the contrary, perfect continuity will be maintained.

Question. Do you feel the American press has been accurate in its presentation of Spain, and do you feel the American press has been fair in its presentation of the Spanish position?

The Ambassador. As I told you, I am a newspaperman in some ways. I would prefer very much to be today in connection with this question very polite and say that I am very, very satisfied with the way the pressmen here in America have treated us of late. But at the same time, believing I am among colleagues, I think I should speak to you very frankly and hope you will not be offended or hurt when I say that since I arrived here about 3 weeks ago, you newspapermen have given me tremendous headaches and have made me very unhappy. [Applause.]

Question. Do you feel that Spain's financial interests seek to increase investments in South America, the United States or Europe?

The Ambassador. I don't know who wrote this question, but I am tremendously grateful to him because just to think that we already have money enough not only to take care of our own development, but also to make an investment in foreign countries, is something, believe me, that makes me feel very optimistic. [Laughter.]

Question. What do you feel the United States can most do to improve relations with Spain?

The Ambassador. That has a very simple answer. I have to use only a single word. The only question is that it is the most important word in the human language: friendship.

Question. I have a question from a man who was in your country last year. He says, "I know I can't get a Herald Tribune at the White House but why couldn't I get one in Madrid last year?"

The Ambassador. Well, that is a question that should be answered in common by President Kennedy and me since it concerns both of us. As for me, I think the only thing I can tell you is that I am very sorry you were unable to buy the Herald Tribune in Spain. I will do everything to prevent this happening again in the future. [Applause.]

Question. After sputnik, General Franco said that Soviet technical achievements demonstrated the superiority of an authoritarian state over democracies. Can you explain what he meant?

The Ambassador. I think it is always a bad system to take something out of context, because the right meaning may be lost. Whatever the meaning of the statement may have been, the fact is that Franco is an ally of the United States and an enemy of the Soviet Union.

TRANSLATION OF THE REMARKS OF THE NEWLY APPOINTED AMBASSADOR OF SPAIN ANTONIO GARRIGUES Y DIAZ-CANABATE UPON THE OCCASION OF THE PRESENTATION OF HIS LETTER OF CREDENCE

Mr. President, it is for me a great honor to present to Your Excellency the letters of credence by virtue of which His Excellency the head of the Spanish state accredits me as Ambassador Extraordinary and Plenipotentiary of Spain in the United States of America.

I would wish at this point to dedicate a thought to the memory of my predecessor Don Mariano de Yturralde, whose mission was unfortunately cut short by his untimely demise and whose professional capabilities and personal qualities we all remember so well. It is fitting that I restate our gratitude for the many expressions of sympathy and the courtesies extended by the Government of the United States on that sad occasion.

I come to Washington at a time when the happy results of the agreements of September 1953 have proven, over almost a decade, the wisdom that inspired them. Spain continues to be faithful to this policy of collaboration in the defense of the West. It nevertheless should be observed that the circumstances of various kinds that surrounded the birth of the agreements have, of course, noticeably modified over the years since elapsed.

Spain is now dedicated to a great enterprise of economic development, on a nationwide scale, the prime and unalterable objective of which is the raising of the standard of living of the Spanish people. It is nonetheless obvious that this national endeavor, whose full and timely fruition will require some external assistance, will also contribute to give added value to Spanish participation in the defense of the Western community. As Spaniards we cannot forget in this connection what the generous efforts of the Government and of the people of the United States have meant as a contribution toward the realization of such aims.

The decision that has been recently expressed by my Government of requesting the establishment of links with the institutions that have come into existence as an outgrowth of the idea of European unity has also been presided over by that very same double purpose of raising the level of our economy and of contributing to the common tasks of the Western World. The successful outcome of the Spanish stabilization program is the best guarantee that my country shall exert every necessary effort to that end.

This unmistakable European commitment does not, however, spell the end of our efforts and aspirations in other important fields of international life. Spain's geographic position, astride two seas and a bridge between two continents, has not permitted her over the centuries, and does not permit her today, to be unconcerned about the course of events in that important area.

Likewise, as we are on the American continent, and in addressing the President of the United States, I would wish to stress the fact that my country shares with the sister republics of this hemisphere a common spiritual and cultural heritage and that she feels both close and sympathetic to the great joint effort being implemented for their economic development and social progress.

In concluding, may I say that it is my firm belief that the ideals and interests which our two countries share will without any doubt contribute to the tightening and strengthening of the bonds of friendship existing between the people of Spain and the people of the United States—the main goal toward which I shall constantly strive.

Allow me, Mr. President, upon the initiation of this mission—and with full awareness of its importance and significance—to express to you my respect and admiration for this great Nation, cemented over the years by family ties and by my own lifelong personal experience.

Please accept, Mr. President, my best wishes for Your Excellency's welfare and for the prosperity of the people of the United States.

The President's Reply to the Remarks of the Newly Appointed Ambassador of Spain Antonio Garrigues y Diaz-Canabate Upon the Occasion of the Presentation of His Letter of Credence

Mr. Ambassador, I accept with pleasure the letter of credence by which the Chief of the Spanish State accredits you as Ambassador Extraordinary and Plenipotentiary of Spain in the United States of America. The memory of your distinguished predecessor, the late Mariano de Yturralde, will live on in the hearts of his many friends, who are still saddened by his sudden demise. I extend a warm welcome to Washington to you and am happy to assure you of the fullest possible cooperation and assistance of this Government and its representatives.

I note with satisfaction that the continuing cooperation of our two countries in the defense of the West has been of mutual benefit in many fields, and am confident that the benefits of this collaboration will continue. The extension of the agreements of 1953, as provided therein, is manifestly the desire of both our nations.

The changes that have taken place in the world and particularly in Europe during the past decade have indeed been significant for both Spain and the United States, and have emphasized the need for regional cooperation contributing thereby to a strong Atlantic partnership. I believe that both our countries should seek to strengthen this partnership by such means as closer coordination of economic policies in the Organization for Economic Cooperation and Development (OECD). In this common endeavor we should keep constantly in mind the need to share the benefits of this cooperation with the less-developed countries of the world. In this regard, I welcome the sympathetic interest in Spain in the Alliance for Progress, a program to which my Government attaches the highest importance.

The dedication of your country to raising the standard of living of the Spanish people will of course receive the sympathetic attention of the American people, particularly in view of the sacrifices that were required to bring about the successful outcome of the Spanish financial stabilization program. This Government will study with interest and in a spirit of helpfulness your country's plans for further economic and social development.

I am deeply gratified, Mr. Ambassador, that your country has sent such a good friend of the United States as yourself to represent Spain in Washington, and I appreciate the bonds of family and esteem which draw you so close to this country. I assure you that this friendship and admiration is fully reciprocated and I again extend my full and frank cooperation and that of my Government to you in your important mission. May your stay in this country be pleasant, long and fruitful for both our nations. Welcome, Mr. Ambassador.

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to compliment the distinguished gentleman from New Jersey on the very fine presentation that he has made on behalf of our great friend, Spain. It is very obvious that he has spent much time on the preparation of his subject matter and he deserves great credit.

I would like at this time to pay tribute to the memory of our late and beloved Ambassador to Spain, Anthony J. Drexel Biddle, who died during his tenure as Ambassador to Spain.

Ambassador Biddle was a man of great wisdom saturated with all the subleties of Old and New World diplomacy. Ambassador Biddle combined the instincts of a fine gentleman. It is a tragedy that he did not continue longer in the post as Ambassador, for he would have made a magnificent contribution to the friendly relations existing between our two countries.

I would also like to take this opportunity to extend my respects to his beloved widow, Margaret Biddle, who was a tower of strength to her husband during his short tenure in Madrid.

I would also like to incorporate in the Record one of the last statements of Ambassador Biddle before he was stricken. This statement was made before the American Chamber of Commerce at Barcelona, Spain, June 15, 1961:

Speech by the Honorable Anthony J. Drexel Biddle, U.S. Ambassador to Spain, Before the American Chamber of Commerce, Barcelona, June 15, 1961

One of the most vivid of my impressions of Spain so far—and of course the latest—is the impact made by Barcelona itself. This great and beautiful city has a special significance for me because its exciting activity is symbolic of the new Spain, of which I have seen evidences nearly everywhere since I landed at Algeciras. This ancient yet modern Mediterranean port is a reminder of past greatnesses, and a symbol not only to Spaniards, but to all of us, of the reawakened spirit of adventure, of participation, of healthy competition, and of cooperation with the rest of the free world. And I am proud that, as the port of call of several American shipping lines, and, as a hospitable haven for grateful units of the U.S. Navy, it especially symbolizes the growing ties between Spain and the United States.

Nowhere does this new Spain appear more clearly than in the International Fair of Barcelona. In the Middle Ages most of Europe beat a path to Santiago de Compostela. Today the world of business in both hemispheres, year after year, lifts its pack of samples on its back and undertakes (by jet, of course) the pilgrimage to Barcelona.

I am proud of the role being played in this fair by American business, and especially by this most active branch of the largest chamber of commerce of its kind outside the United States. In one sense, it is really fortunate that participation doesn't depend on U.S. Government support. The fact that our limited governmental funds for this purpose do not permit a large official U.S. exhibit every year, makes even more impressive the really imposing display of American products here. And it vividly demonstrates the growing interest of American businessmen in Spain and their confidence in its future.

I told you I was going to give you some of my personal impressions. It would be misleading to pretend that they have been entirely concentrated on ports and factories and trade fairs. Although I have made many visits to Spain, never have I been so struck by the existence of two Spains—the changing Spain of which I have been speaking and the eternal Spain, both equally exciting.

In many ways—in its beautiful buildings, its ancient monuments, its scenery, its art and literature, its friendly and handsome people—this is the Spain I knew when I first saw it in 1940. The Spain my great great grandfather knew more than a hundred years ago and that his ancestors knew before him. I sincerely hope it will remain to thrill and inspire my grandsons and their descendants.

But the other Spain—the changing Spain represented by this international fair—has its roots in history too. For the great Spanish explorers thrived on competition.

Imagine a Cortés or a Pizarro alive today. Give him a choice between a safe but limited market, protected from foreign competition and from competitors at home—a choice between that and the risks of competition with its far greater potential rewards. Can there be any doubt what his choice would be?

I am certain that this new Spain is making the same choice. There are many signs that this is so. Let me mention one statistical straw in the wind. Between 1958 and 1960 Spanish exports to the United States increased more than 60 percent. The spirit that has brought this result is breaking down the walls between Spain and the rest of the world on many fronts. Since my last visit to this country Spain has become a member of the Organization for European Economic Cooperation, soon to become the Organization for Economic Cooperation and Development, the International Bank, the International Monetary Fund. Even now it is taking its cape in hand and preparing to enter that most international bullring of competition, the GATT, the General Agreement for Tariffs and Trade. Spain has carried out the larger (though presumably easier) part of an essential program for the liberalization of imports. She has lowered substantially her barriers to foreign investments. These steps have required courage. To carry them further to their logical conclusion—as they must be carried if they are to yield their full benefits—may take even more. But the prizes are high, and I am sure that the descendants of the Conquistadores will not turn back.

While Spain has been taking a new look at the world, we in the United States have been seeing Spain in a new light—as a new frontier where our own resources can be joined with the unsurpassed human resources already here to bring richer rewards to both of us than we could produce by acting alone. The United States is not alone in this reawakened interest, but I think we can claim to be ahead of others in translating it into action. Fifty-eight percent of the new foreign investments in Spain since the adoption of the present investment law have been American. Millions of dollars more are only awaiting official approval here—more than 50 percent of the pending foreign investment projects here are from the United States. American exporters and their Spanish representatives here, too, have been quick to see the opportunities opened up by trade liberalization. In 1958, if U.S. economic aid shipments are omitted, only $7 million worth of Spanish imports came from the United States. In 1960 the American share was $15.7 million. And when liberalization has been carried out to the full I am sure the American share will be even larger.

This is a result that I hope will be welcomed by the Spanish businessman. I have not earned the right to give him advice. But, as an American, I feel that I do have the right to a view about competition. We in the United States have deliberately exposed ourselves to it—competition at home and from abroad—and we have found that it pays. In the United States, as you all know, the stifling of competition is a crime. And some prominent business executives have recently been jailed for trying to ignore that fact. There have never been any restrictions against foreign investment in the United States—if there had been, the economic development of our country would surely have been far slower and less certain. It is true that like every other country we have a protective tariff.

But ever since 1933, under four different Presidents, and both great political parties, the United States has steadily reduced the level of its tariffs from an ad valorem average of nearly 19 percent then to less than 5 percent today. And we are now engaged in another major round of negotiations under the aegis of GATT which will undoubtedly result in a still further reduction.

If further evidence is needed of the depth and permanence of the American belief in competition, it is worth while to look briefly at our recent efforts to cure the gold outflow from our shores. That outflow resulted from a variety of causes, among which were the massive program of foreign aid, the persistence of restrictions against American goods abroad while we lowered our own tariffs, the attractiveness of the American markets to exports of certain foreign countries whose goods have been virutally excluded from third countries, and the substantial foreign investments of American companies. Yet the Kennedy administration has made it entirely clear that it does not intend to solve the American balance-of-payments problem by restriction of imports, by regulation of American investments abroad, or by reduction in American foreign aid. This, then, reflects a continuity of policy in this area.

I realize that our own march toward freer trade has had its occasional setbacks. We know that that path is not strewn exclusively with roses. So, when we encourage Spain to continue her march toward the final liberalization of imports, and the elimination of those impediments that remain in the way of foreign and domestic enterprise, we do so in the knowledge of the difficulties, but we are confident that they will be surmounted.

These facts about American policy are probably familiar to many of you, and you may therefore be disappointed if this is all I have to say. I realize that you probably expect me, as a recent arrival, to say something about the scene in Washington—perhaps to tell you something you have not heard. But that is not so easy in these days of transatlantic radio and telephone. In this respect, the diplomat of my great-great-grandfather's day had a real advantage. Perhaps the exploits of Commander Shepard and of Major Gagarin presage the day when an ambassador can travel so fast that he can again beat the news to his new post. But for the time being I must reconcile myself to the fact that you are as familiar with the outward changes in Washington as I.

If I can't bring you news, however, I can at least give you some impressions that I have taken with me from home. There is in Washington nowadays a new dynamism, a search for positive solutions. Equally impressive, though less immediately noticeable, there is a sense of continuity. This is a familiar phenomenon in the United States when a new administration takes office. The methods used, the strategies adopted, may differ from President to President, but the basic goals of American policy are remarkably stable. This administration has not changed these basic goals for they conform to the deeply held convictions and aspirations of the American people.

Those aspirations are very similar to those of most other peoples. The American wants peace, but the honorable and just peace he insists upon; he wants to keep what economic security he has already achieved; and he insists on his right to have a say in determining his own fate on earth. But, because he recognises the responsibilities that go with prosperity and power, and because he recognises that nations today are interdependent, his aspirations go beyond these very personal aims. In an address before the American Chamber of Commerce the American Secretary of State, Dean Rusk, recently summed up these more far-reaching aspirations in these few words: "to build a decent world order by peaceful means if possible."

What does the average American have in mind when he says he wants "a decent world order"? He wants to see the rest of the world at peace. He wants to see little countries as well as big ones free from domination by other countries—including the United States. He does not want his country to seize the territory of others. He is not only willing, but would insist, that a substantial part of our income and our technical knowledge be used to improve the lot of newer or less fortunate countries. This desire to help the less fortunate countries overcome their age-old poverty was reflected in President Kennedy's inaugural address:

"To those people in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right."

At the same time, the average American sees a mortal threat to all of these aspirations in the aggressive drive of international communism. And he is convinced that Soviet imperialism feeds on poverty and hunger wherever they exist and seeks to exploit for its own ends the universal desire of colonial countries for self-government. In the modern world no people are so isolated as not to be able to compare their lot with that of more fortunate nations. There was a time when poverty bred resignation. Today it breeds resentment and hatred. These are the emotions on which the Communist offensive thrives.

Now the American people feel deeply that the Soviet offensive, reinforced as it is by the rising aspirations of less fortunate people, poses a threat not only to their own security, but to the freedom of the less-developed countries themselves. So they are prepared to go far to meet this threat. They hope that economic and other nonmilitary aid will suffice. But they are ready if necessary to meet armed aggression with arms. And they are not willing to see any American administration lay down its arms, while its opponents keep their own weapons—including sabotage, terrorism, and disregard for the truth.

These are reasons for my own conviction that the basic objectives and policies of the United States have not changed and will not change unless the state of the world changes, whatever may be the differences in emphasis and method.

As I have already suggested, while the overall objectives of the United States have changed hardly at all, the methods of achieving them do change. And, of course, those are today under intensive study. One phase of this reappraisal which must interest everyone here is the current reexamination of the aid program. I do not know what the results of that examination will be. I do not know how the limited resources available will be divided among the dozens of countries who desperately need our aid and the many more whose need is less desperate. Nor do I know what old forms of aid may be eliminated and what new forms may take their place.

But I am certain that whatever may be the effect on the program in Spain—and to whatever extent existing forms of aid may be replaced by more normal commercial and investment relations—the basic objective of American policy will remain the same; namely, to help Spain, within our capacity, to make the fullest use of her human and material resources, and to encourage and help her to play a major role in international organizations and particularly in the cooperative battle of the free world for the maintenance of its freedom.

Mr. BECKER. Mr. Speaker, it is of more than passing interest today, on the 26th anniversary of the start of what proved to be General Franco's successful assault on the Communist conspiracy in Spain, to note that, while the Government of the United States, and more especially our State Department, valued the friendship and good will of the Spanish people and their leader, the peoples of both Spain and the United States are encountering all sorts of efforts to disturb that friendship, and to dispel that good will.

Although we know that the late President Franklin D. Roosevelt made special overtures of friendship to Spain in 1936, we also know that some segments of the group of men who were then powerful in Washington succumbed to Red propaganda. They have not yet recovered, and seem to continue doing all in their power to mislead and confuse the American people by sustaining as factual and true even those portions of Communist propaganda which are known in American Government circles to be anything but factual and true.

It has been said, no doubt rightfully, that what is needed in the relationship between Spain and the United States is knowledgeable understanding below the level of Government, and understanding on the part of the people of both nations based on authentic information.

Americans know that Spain possesses a distinctive culture developed to a high degree down through many centuries. We know, too, of Spain's remarkable art treasures, her paintings, her architecture, her literature, her historical buildings, her dances, and the amazing beauty of her landscape. However, we know next to nothing of her Government and her leaders, other than General Franco, and scarcely anything at all about her politics and her people. On the other hand, America and Americans are not too well understood by Spaniards. This lack of knowledge on both sides is a deterrent to friendship.

If segments of our press, columnists, commentators, and broadcasters, were to confine themselves to the dissemination of factual information regarding Spain and its people, rather than to rehash Red propaganda, it would prove a great help. On some occasions, public officials have cooperated—innocently perhaps—with broadcasters, especially, in the dissemination of inaccurate and misleading information about Spain, and events taking place there, from which the American public rightfully or wrongfully gains misimpressions and misinformation.

Today, July 18, 1962, is a day that the free world should accept as important historically; as a day on which the free world should be thankful it has Spain as an ally and a friend; as a day of celebration, presenting an opportunity for the American people and the free world to congratulate Spain on its sturdy stand against communism, and send best wishes for success in the future to the people of Spain, thus clearly indicating keen appreciation of Spain's gallant stand against communism and its spread.

Mr. GREEN of Pennsylvania. Mr. Speaker, in this rapidly changing world with its transitions to national independence and shifting of economic balances, we in the United States have a responsibility to better know and understand the Government and the people of Spain.

Despite reams of unfavorable publicity given the Franco government, the charges of dictatorship and suppression of the free will of the people, we must recognize the emergence of this nation into the economic and political sphere as a European power, a significant contributor to the defense of the Western World, and eventually a full-time partner in the fast approaching idea of European economic unity, as best expressed in the Common Market.

We already have this with the existing Spanish Government, dating back to the World War II period. It kept the pledge to remain neutral during the Allied campaign in North Africa. It permitted safe passage across its domain for American airmen and many thousands of French resistance fighters making their way to assist in the North African campaign, this in the face of repeated threats of invasion by the Axis Powers. At this time Spain became a haven for thousands of persecuted Jewish refugees.

The Spanish Government was the first neutral nation to place an embargo on the export of materials that were being shipped or transshipped to Germany. Spain was also the first nation to conclude a permanent air agreement with the United States, which granted us landing rights for military as well as civilian planes. We also established military airbases on Spanish soil. In return, we have given economic aid which has been of material assistance in bringing order out of chaos in the struggle to achieve national economic stability.

Lest we forget, Spain was an economic and physical shambles following the years of civil war that ended in 1939. The bitterness and the hatred out of the conflict was not soon forgotten and its intensity impeded what might have been a more orderly rehabilitation. The transition to a new government met with passionate and intense opposition that necessitated extreme measures that unfortunately were imposed for too long. The new Government, under these pressures, made many mistakes, internal, economic, and political. The rights and the freedoms of the Spanish people were also too long being restored.

In 1947 a popular referendum approved the law of succession, created a Council of the Realm and a three-man Regency to prepare for a return to the monarchy, which is the desire of the Spanish people. As such, Spain has been constitutionally a monarchy since that date, and is prepared for an orderly transition, without fear of revolution.

The material strength of the military and the spiritual strength of the Catholic Church will insure the prompt and peaceful transfer of power to the new monarchial regime. It will be aided and abetted by the force of public opinion in the nation, which has come to cherishing and protecting the newly won freedoms.

The progressive steps of liberation for the Spanish people continued with the signing of the Agreements of 1953, which set Spain on a course dedicated to a great enterprise of economic development on a nationwide scale. The fulfilling of this national undertaking has brought forth increased production in the basic industries, other than coal, a vast revival in construction of industrial plants, commercial establishments, modern homes and apartment buildings, modern health facilities, improved educational facilities, and withal, the right and encouragement for labor to organize and bargain collectively.

The Government of Spain has recognized and profited by correction of past mistakes and it is reflected in the inspired progress of a revitalized nation. It realizes that it must change the social structure which is obsolete and in many aspects unjust. For the same reasons, and to aspire to stronger political institutions and greater freedoms, the political structure must also be changed. The unjust forms of persecution practiced against religions, other than Roman Catholic, have been eased and formal official acceptance of these religions has been in progress for some time and will very soon be accomplished.

In the religious connection and predicated on erroneous information, a rift between the Catholic Church and the Government of Spain has received much publication through the news media. Authentic and on-the-scene reports from Spain indicate otherwise. While the church has not always agreed with the Franco government, it has completely retained its status because of its spiritual interest in the welfare of the Spanish people.

This was never more in evidence than in the recent coal strike which was supported but not instigated by the Catholic clergy. The strike was unique in that the miners struck for an increase in the price of coal because of a lagging coal industry, similar to our own in the United States.

The strike was supported not only by the clergy but by the other labor organizations in the country. The strength of the Catholic Church in Spain was shown in this instance. When the Communists entered the picture and endeavored to promote a nationwide strike that would have paralyzed the country, both the strikers and the supporters rebelled and the Communists were banished from the scene as they have always been in Spain.

The great emergence of Spain will come with her acceptance as an associate or full member of the Common Market—EEC—an inspired and progressing nation of some 30 million offers a cord of strength in the future trading world. We are in the process of enacting legislation to gear our national economy to meet the oncoming competitive challenge of the Common Market. No valid reason exists for us to spurn the potential of a 30 million people export market for our products, particularly when the source of the market is based on a desire to expand our ties of international friendship.

This can be best brought about by a sincere endeavor on the part of the American people to know and understand the rising generations of Spain, a people who have not been our enemy since Admiral Dewey brought his flagship *Olympia* back to an American port over 60 years ago.

Mr. KIRWAN. Mr. Speaker, it is with a great feeling of pleasure that I congratulate the Spanish people on the 26th anniversary of the commencement of their great struggle for freedom against the ugly forces of communism that threatened their existence 26 years ago.

Under the superb leadership of General Franco the Spanish people survived a long and brutal civil war fomented by the forces of international communism. The free world will forever be indebted to the gallant, heroic, and courageous performance of the Spanish people and their leaders.

That same endurance and courage so clearly displayed by the Spanish nation, its armies, its people, and its courageous leader, in their fight against the Red menace is clearly apparent in the history of Spanish exploration and settlement of this great American Continent.

Today, the forces endangering our Nation are more insidious than any mankind has ever before faced. The action taken by the Spanish people on the 18th of July 1936, continuing to April 1, 1938, forestalled the infestation of the Communist cancer throughout the Mediterranean world.

This battle-tested ally can be counted upon to stand firmly with the West in the crucial days to come.

Again I congratulate a God-fearing people on their anniversary and can assure the Chief of State, General Franco, and the Spanish people that the right thinking, fairminded, and moralistic Americans will always note and long remember the historic date of July 18, 1936.

Mr. ROSTENKOWSKI. Mr. Speaker, as one outstanding personality stated after spending 4 years in Spain, it is a strange phenomenon after returning to the United States that questions are asked in a rhetorical manner. What the questioner looks for is confirmation of preconceived and prejudiced ideas; they are totally unreceptive to information that would be fundamentally contrary to their thinking. This reaction is not confined to any one group; it seems to be general; however, it is lessening.

We must remember that relations between the United States and Spain were conceived under the sign of friendship. When the founders of the United States were seeking their independence, Spain was sympathetic from the outset, assisting us in arms, money, and diplomacy. We must remember also that Spain and the infant United States exchanged ambassadors in 1785, 6 years before the British, that a treaty of friendship was signed by the United States and Spain in 1795 by which Spain granted free navigation on the Mississippi.

Spain has and always will be a great and dependable ally of the United States.

I extend my warm regards to the Spanish people on their historic national holiday. I also extend my congratulations to the masterful presentation by my distinguished colleague, the gentleman from New Jersey [Mr. GALLAGHER], who deserves great praise for his efforts.

Mr. JAMES C. DAVIS. Mr. Speaker, I consider Spain one of our great allies—historically, culturally, and in her concept of Christian principles.

Spain's unswerving militant, consistent, and successful victory over the godless Soviets places her historically among the great nations of our civilization.

The Christian world will long remember the sacrifices in life, blood and gold made a quarter of a century ago by the fathers, sons, mothers, and daughters of Spain to preserve the dignity and character of their beloved country against the virulent communistic scourge.

Mr. PHILBIN. Mr. Speaker, I am honored and pleased to join with my very able and distinguished friend, the gentleman from New Jersey [Mr. GALLAGHER], outstanding member of the House Foreign Affairs Committee, who has presented such an impressive and convincing presentation in support of continued, cordial relations between our own Government and the Government of Spain.

I am proud to share with the American people the great respect, affection, and admiration which we all feel for the people of Spain, whose warmth and friendship our Nation has enjoyed for so many years and who are bound to us by so many strong, historic ties, some of which go back to the discovery of our country.

The Spanish people and their kinfolk in the many lands of our own hemisphere and elsewhere in the world are noted for their vibrant spirit, their rich language, their lofty culture, their love of art, music and the humanities, their indomitable courage in the face of adversity and turmoil and their passionate devotion to personal liberty, even under circumstances of bitter sacrifice and suffering, and their strong unbending religious faith in the face of oppression and tyranny.

The Spanish people are indeed a great people. They have made monumental contributions to the progress and advancement of Western civilization and their influence in our own hemisphere has touched upon not only our own Nation, but many of the neighboring great nations in the Western Hemisphere.

We are bound to them with many strong, unalterable, and precious links of amity and mutual respect. We are greatly indebted to them for their long-continued friendship and their unwavering interest and loyalty in the cause of protecting the values of the rich civilization we jointly prize.

For the past generation or more, they have literally been through the crucible of fire, which tested their strength of purpose and their will to throw off the threats of Communist infiltration and aggression. In this struggle against Red totalitarianism which would sublimate and destroy their religious, political, and social institutions, they have stood steadfast and they have demonstrated to the world their unfaltering resolution to oppose Marxist conquest of their historic land.

Moreover, they have alined themselves with our Nation and other nations of the free world in checking the ravages and grave dangers of world communism. In this struggle, we have encouraged and supported them and they, in turn, have been loyal to our cause. Their leadership has shown repeatedly its firm, unyielding purpose never to allow godless communism to fasten its grip upon their beautiful country and God-fearing people, and they have proved their willingness to stand firm, notwithstanding pressures, threats and overt active conspiracies against their Government and nation.

For this reason, no one can question their nation is strategic and most valuable in defending against the inroads of Communist infiltration and aggression and no one can question that they are on our side in the epochal struggle for survival of Western civilization and all that it means to mankind. Standing together loyally with our allies of freedom we will always prevail.

It is, therefore, with a sense of high privilege, as well as with profound affection to the Spanish people and gratitude for their firm support of our cause, that I am especially pleased today to congratulate the Spanish Government and the Spanish people upon their marked and distinguished cooperation with the free world and their demonstrated willingness and zeal to defend it whenever it is challenged by Communist zealots and despots.

I am also very happy to commend the leadership and the people of Spain for their tenacity of purpose and their fidelity to our cause and to urge again, as I have done in the past, that our great Nation not only gratefully welcome the cooperation of this great nation and great people but that we continue to hold out the hand of friendship, encouragement and assistance to them to the end that our nations may be brought closer together in our defense of freedom and in our quest for personal liberty, justice, and peace.

Mr. GARMATZ. Mr. Speaker, in conjunction with the excellent presentation of the distinguished Member from New Jersey [Mr. GALLAGHER] on the subject of our friend and ally, Spain, I would like to incorporate in the RECORD a quotation from one of the alltime great statesmen of the world, Sir Winston Churchill, who has stated repeatedly:

> There is no doubt that if Spain had yielded to German blandishments, the Straits of Gibraltar would have been closed, all access to the Mediterranean would have been cut off, and the Spanish coasts would have become nesting places for German U-boats. Spain injured neither us nor the United States in the war, and as for freedom, I can say there's more liberty in Spain under Franco than there is in any country behind the Iron Curtain.

I am very pleased to pay my respects together with my colleagues to the Spanish people and their great Chief of State, General Franco, on the anniversary of the commencement of their successful ousting of the Communist menace.

Mrs. GRANAHAN. Mr. Speaker, when the Spanish people realized that their most sacred institutions were being destroyed by the ruling power, that the family as a fundamental unit in the life of the country was not respected and their most cherished religious belief was challenged by government agencies in power in 1936, they decided to bring Spain back to its traditional customs and dignity.

We all know that the Spaniards had to fight a hard civil war in order to liberate themselves from communism. After the war, they restored the traditional principles upon which the family life is based and started to build again their life under these old principles but looking toward the future.

They have succeeded fully in their attempt to create a modern country while retaining their traditional institutions. One of the most interesting developments has been the concessions of equal rights to men and women. Under old laws many restrictions prevented women from having the same rights as men, mainly in the professional field. Those restrictions have disappeared, with the exception of those concerning professions which are not suitable to women. With that special feeling of chivalry that is a Spanish characteristic, they have protected women against the loss of feminine conditions that some professions imply. They have also established the principle of equal pay for equal work.

This is only one of the progressive developments which have taken place in Spain. This country now lives in peace and looks to the future with optimism and enthusiasm. Life in Spain is comparable to that in the most advanced countries and the decision to apply for admission to the European Common Market is a clear sign of how much this country has improved.

Today is the Spanish national holiday, a holiday that was established to commemorate the revolution which made possible Spain's peace, progress and happiness, a day dedicated to both the living and the dead who struggled to preserve the integrity and character of their sacred country with success unmatched in the history of the world. Theirs was a magnificent victory against the brutal insidious forces of communism.

I congratulate the Spanish people, their great Chief of State, General Franco, and those who made the supreme sacrifice for their beloved country.

Mr. MORRISON. Mr. Speaker, it is with a great deal of pleasure that I join with the distinguished gentleman from New Jersey [Mr. GALLAGHER] in congratulating an historic friend and ally, Spain, and its Chief of State, General Franco, on the 26th anniversary of their heroic and successful undertaking against Communist Russia. Theirs was a glorious victory over communistic terrorism, villainy and tyranny.

The United States and all other free nations of the world are indebted to Spain, to its people and its Chief of State, General Franco. I have seen Spain as early as 13 years ago unjustly and unfairly treated, not only by some of its European neighbors but by some individuals all over the globe.

I am happy to see a distinct change for the beter in our treatment of a historic friend. I am happy that our great President John F. Kennedy has recently extended a warm and friendly hand to the Spanish people and the Spanish Chief of State—through the new Spanish Ambassador, Antonio Garrigues.

I am particularly interested in the efforts of the Spanish Government to improve the lot of the farmer. Spain is primarily an agricultural country with about two-thirds of the population drawing its living in one way or another from agriculture. Practically the entire southern two-thirds of the nation are involved in farming and the conditions there are somewhat similar to the southern part of Italy. The Spanish Government is doing everything in its power to get foreign credits for this purpose and in the meantime is encouraging as best it can Spanish traditional export products such as citrus fruits, wine, olives and olive oil. It is only since 1957 that Spanish agriculture is getting the official help that we take for granted, such as price supports, higher farm prices, agricultural information services, and so forth. Spanish reserves are being fed not only by agricultural exports, but by tourists, earnings by Spanish citizens abroad that are repatriated to Spain—a big item—and trying to slow down imports of nonessentials such as automobiles and luxury goods. All this is being plowed back not only in industry but in agriculture as the Government is bending all its efforts not only to be self-sufficient in food but to improve the standard of all of its people; I understand that where irrigation in the modern sense has been used, such as in the southeast section of Spain, spectacular gains have been made. How far it will succeed will depend on its own efforts and on the credits which will be accorded. Spain is at the threshold of enormous development which will greatly help this nation and all its people.

I salute and congratulate the Spanish people and their great and successful Chief of State, General Franco.

Mr. FINNEGAN. Mr. Speaker, today, July 18, 1962, is not just an ordinary day. It is far, far more than that. It is an historic day on the world calendar. It is, for the free world, a day for thanksgiving, a day for celebrating, and a day for congratulating.

As a day for thanksgiving, the free world should spend it in thanking the Spanish people and their great leader, General Franco, for having combined on July 18, 1936, in the successful initiation of an all-out victorious attack on the Red scourge of the world, the Communist conspiracy.

As a day of celebration, the free world should spend it celebrating the fact of Spain's enormous contribution to world peace, a contribution so costly in Spanish lives and money and energy.

As a day of congratulations, the free world should spend it sending individual personal messages of congratulation to the Spanish people and the Spanish Government for their unselfish devotion to the cause of world freedom and peace at the very moment in 1936 when the Communist conspiracy in Spain was at the height of its strength and appeared destined to plunge not only Spain but as well the rest of Western Europe into satellitic serfdom.

Spain, a country with a glorious past, a vigorous present, and a promising future, a country rich in tradition and with a wondrous culture, has given the world many reasons to admire and respect her, and to love her, but none so understandable as Spain's gallant battle from 1936 to 1939 against the Red forces intent on overrunning immediately the entire Iberian Peninsula, and all of Western Europe thereafter.

As for us, the people of the United States, we especially should be thankful we have the friendship and loyalty of Spain and her leader. We should celebrate if for no other reason than that Spain and her great leader put into our hands that extra strategic strength which assured us our present impregnable military might, which is the greatest of all war deterrents. As December 7, 1941, was characterized by the late President Roosevelt as a day of infamy—July 18, 1936, could well be characterized as a day of rejoicing by the free world.

I am pleased to join my colleagues in wishing the people of Spain and their great Chief of State, Generalissimo Franco, great success for the future on this their historic national holiday.

Mr. DOOLEY. Mr. Speaker, friends, and admirers of Spain, the world over, today celebrate the 26th anniversary of the beginning of that gallant country's bold attack on the Communist conspiracy in Spain, and the subsequent saving from communism the free world and Christianity of the whole Iberian Peninsula, and, probably, all of Western Europe.

The major plan or plot of the Communists, as is very well known, anticipated in 1936 the conquest of Western Europe starting in action against Spain and spreading, following the predicted victory in Spain to Italy, France, and Portugal, and finally to the British Isles, thus creating a mammoth satellite comprising all of Western Europe for communism, more specifically for Communist Russia.

Today, friends and admirers of Spain, and her gallant people, will celebrate quietly, will express their gratitude to the Spanish people, will give thanks for such a stalwart as General Franco, and will admit gladly that through Spain's sacrifice and cooperation the free world, by way of the United States, achieved that extra degree of strategic military strength so essential to a foolproof war deterrent.

As anyone knows, who knows Spain, her history and her people, her culture and her tradition and her geography as well as her leader, she will remain, all opposing efforts to the contrary notwithstanding, the stanch friend and ally of the United States and the free world, come what may.

Former Ambassador Lodge, in a recent televised broadcast, struck an intelligent and responsive chord when he stated:

> The fact that they (the Spaniards) have a different form of government than ours does not mean we cannot be friends. There are many more dictatorships in the world than there are democracies. I think that we Americans have to decide what is our objective. Is it to unite our world to combat communism? Or, are we trying to reform the world? I think we ought to try to understand more and to judge less. I think that we should try to unite rather than to try to reform.

Mr. Speaker, according to our State Department, the strategy of our foreign policy is to attain and extend a combination of strength and unity that will, in the first instance, render the United States, the Atlantic Community, and all other free world nations unassailable, and at the same time make freedom and cooperation attractive.

Obviously, since Spain—thanks to her own definition and victorious battle against the Communist conspiracy—is a nation of the free world, is also an extraordinarily and valuable ally of the United States and the free world, and admittedly has given the United States and the free world the key strategic military advantage over the Communist enemy that is so necessary to establish beyond doubt a military might constituting the perfect war deterrent, it necessarily follows that, if we are to carry out the strategy of our own foreign policy, we must make every effort to unite in friendship and harmony with Spain and its able leader, General Franco.

It seems clear to the authentic anti-Communist in the United States who does not pussyfoot, that American-Spanish friendship, more especially at a level below government and officialdom, should be cultivated in every manner possible.

Today, July 18, is a day that should be celebrated throughout the free world for we owe a debt of gratitude to the Spanish nation, and its Chief of State, for its magnificent stand against the Communists 26 years ago and its total victory some 3 years later.

Mr. DANIELS. Mr. Speaker, I too am happy to join with my colleagues in honoring a great people, a great country for their invaluable contribution to the Western World in throttling and repelling from within their borders the communistic menace.

We and the free world owe a debt of gratitude to the Spanish people living and dead who made the supreme sacrifice in the successful defense of their beloved country.

To this day Spain is wholeheartedly again contributing to the defense of the Western World through its bilateral base agreement with the United States. The agreements reached in September 1953 are a most important asset in the defense of Western European and Mediterranean areas as well as Spain's own defense.

Even military leaders in our services have told me time and time again, that they have experienced the finest and most loyal cooperation from the Spanish military and the civilian population.

I might also add that the morale of our people stationed in Spain is the finest in any of our oversea establishments. This indeed is comforting news.

I say we should exert every effort to continue this fine cooperation and morale.

I join with the distinguished gentleman from New Jersey [Mr. GALLAGHER] and my colleagues in extending felicitations to the Spanish people, the Spanish Government and their illustrious Chief of State, General Franco, in celebrating the 26th anniversary of the commencement of their world famous victory over the ruthless communistic forces.

Mr. ROGERS of Colorado. Mr. Speaker, for many years the United States has enjoyed excellent relations with our friend and ally, Spain. The Spanish Government has permitted this country to situate key military facilities on Spanish soil. These installations are vital, not only to the defense of the Iberian Peninsula and the Mediterranean waterway, but to the entire free world. Spain is an ardent foe of international communism. It is comforting to know that we can always count on the Spanish people to join with us in forming a bulwark against this international conspiracy. I certainly hope that the friendly relations which we have enjoyed with the Spanish Government and people will continue for many, many years.

I extend my sincere wishes to the Spanish people and their great and accomplished Chief of State, General Francisco Franco, on this their memorable anniversary.

Mr. PETERSON. Mr. Speaker, there is a traditional close relationship between the people of Spain and the people of the United States. The people of Spain and the Government of Spain are strong in their deep faith and their love of God and love of neighbor, and whenever we find a people of any nation who are possessed of such deep faith, we know that in the world of today, they are also bitterly opposed to godless or atheistic communism. The current history of Spain is one of strong opposition to the communistic international conspiracy. I have always been a strong advocate of friendly and close relations between the Government of the United States and the Government of Spain, and particularly between the people of both countries.

In the face of the threat to the entire world of atheistic communism, it is necessary for those who believe in and love God to unite together in the common cause of preserving the spiritual truths and ideals in which we all believe.

I salute on this quarter century anniversary the brave and heroic people of Spain and their leaders who not only resisted the communistic hordes who would attempt to overtake their country but defeated the communistic menace—nor should we forget this was the first major defeat for the Soviets.

Nor should we further forget that we see first hand in this day and age the same communistic yokeful tyranny throughout the world.

It is a great blessing and comfort to know we have the friendship and cooperation and respect of a great ally such as Spain. I extend my warm congratulations to the Spanish people and their head of state, General Franco.

Mr. BYRNE of Pennsylvania. Mr. Speaker, in the face of mounting Communist successes of recent years and their ever invidious prowling and scheming for more it is most unwise for us to take things for granted in our relations with Spain—that is, confining ourselves to the functioning of our base agreements and ignoring the vast reservoir of assets she can contribute to the strengthening of the Western World psychologically and militarily. We must never forget Spain's strategic geographical position, her deep-rooted Catholic culture, her 30 million citizens, with their traditional proven fighting qualities and of course her parental relationships with nearly every one of our Latin American neighbors. To secure these advantages of a great country and a great people should be an ever constant objective on our part—we should not expect Spain to accord freely all her advantages without extending a firm and undisguised friendly hand—and I am pleased to see this administration under our great President John Fitzgerald Kennedy extending a friendly hand to the Spanish people and the Spanish Government. I am also pleased to know that General Franco has sent a longtime friend of the United States as his Ambassador. I refer to Antonio Garrigues whose 10 children claim American blood by reason of their late mother having been born in Des Moines, Iowa.

My sincere wishes and congratulations to the Spanish people and their great Chief of State General Franco on this historic anniversary of the commencement of their successful uprising and subsequent defeat of the Communists.

Mr. KLUCZYNSKI. Mr. Speaker, I congratulate the distinguished gentleman from New Jersey [Mr. GALLAGHER] for the meticulous care he has shown in the preparation of his material regarding our great and historic friend, Spain.

The present fine attitude of our President and the administration toward Spain constitutes one of the most important foundation stones of our foreign policy.

Spain and the United States not only share common traditions and aspirations but are inextricably bound in a common cause; together we are united against the relentless challenge of international communism. We need not emphasize the strategic position Spain holds south of the Pyrenees and at the gateway of the Mediterranean. This advantage has been given to the free world in the joint air and naval base agreements entered into on September 26, 1953, which are now in their 10th year and considered one of the greatest investments this country has outside the continental limits of the United States.

It is my firm conviction that the continuation of friendly and fruitful Spanish-American relations is one of the most important contributing factors to a just and durable peace.

I congratulate the Spanish people and their great Chief of State on this their 26th anniversary of throwing off the ruthless, degrading, oppressive, monstrous, international communistic conspiracy. Long live Spain and its gallant people.

Mr. ZABLOCKI. Mr. Speaker, it is now 26 years since Spain successfully repelled the drive of the Communist movement to establish a beachhead on the Iberian Peninsula.

I believe it is fitting for us to congratulate the Spanish nation on that victory and on her achievements during the years that followed.

These congratulations are especially in order when we consider the tremendous cost to that nation of the Spanish Civil War. That cost could not be measured in terms of physical destruction alone. It went beyond that. Like our own Civil War, the conflict in Spain left bitterness, resentment and deep wounds in its wake. And many of these wounds took a long time to heal.

When we look at Spain during the past decade—when we look at Spain today and look at that country objectively—we should be able to appreciate her achievements. Spain has come a long way since the bleak and hungry days of her civil war, both in terms of improvements in the living conditions of her own people, and in terms of her substantial contribution to the collective defense of the free world against the menace of communism.

We should not forget that contribution. Our strategic bases in Spain and related operations have constituted, during the past decade, an important element of the defense of the free world.

But there are other gratifying changes in Spain as well—changes which seem to indicate that Spain is moving toward fuller, more vital participation in the social, economic, and political lifestream of the reconstructed free Europe.

Some of these trends were mentioned recently by the new and highly esteemed Ambassador of Spain to the United States, His Excellency Don Antonio Garrigues.

They include Spain's attempt to shift from a domestic policy of stability to a policy of development; Spain's application for association with the Common Market—an application, we are assured, made with full awareness of all the terms of the Treaty of Rome; and the apparent new realization, new drive, new momentum for an increase in the pace of evolutionary change taking place in the internal political and social structure of the Spanish nation.

Reports of this new momentum have reached us from several sources. Let me quote, for instance, from the remarks of Ambassador Garrigues, as reported in our local press. He said recently:

> We must change our social structure, which is in many ways obsolete and in many aspects unjust. We have to change our economic structure in order to go from stabilization to development.

He went on to say—

> We have to change our political structure to go to a regime of stronger political institutions and of greater freedom.

These are significant admissions by an ambassador who represents a great and brave nation whose culture, tradition, and historical enterprises have greatly enriched our own American heritage.

I was impressed by Ambassador Garrigues' statements and other indications of the changes which appear to be taking place in Spain.

In observing this anniversary, which is of such significance to the Spanish nation, I want to express my hope that the Spanish nation, moved by these challenging aspirations, and acting under wise and forward-looking leadership, will attain the full flowering of the blessings and the heritage of free institutions.

Mr. O'BRIEN of New York. Mr. Speaker, I would like to think that, next to England, Spain is our stanchest, safest, most loyal, and potentially useful ally in the struggle against communism.

It is about time some segments of our people, particularly some segments of the press, abandon their unfounded prejudices against General Franco and his regime and begin to understand the importance of aiding and cultivating the Spanish people for our own safety in the future. Any fair and honest appraisal would develop the theory that Spain is our friend and most hopeful investment and our safest protection against dangers which confront us on every side.

I was most encouraged by the remarks made by our great President John Fitzgerald Kennedy, when receiving the credentials of the new Spanish Ambassador, Antonio Garrigues. He said:

> I am deeply gratified, Mr. Ambassador, that your country has sent such a good friend of the United States as yourself to represent Spain in Washington and I appreciate the bonds of family and esteem which draw you so closely to this country. I assure you that this friendship and admiration is reciprocated and I again extend my full and frank cooperation and that of my Government to you in your important mission. May your stay in this country be pleasant, long, and fruitful for both our nations.

I congratulate the distinguished Member from New Jersey [Mr. CORNELIUS GALLAGHER], for his eloquent presentation in behalf of our friend Spain, a longtime historic, faithful, loyal and effective ally.

I also congratulate the Spanish people and their great leader General Francisco Franco who has steered the Spanish Ship of State successfully for a quarter of a century on the anniversary of one of the great days in Spanish history.

Mr. CELLER. Mr. Speaker, I would like to pay tribute to the presentation of the distinguished Member from New Jersey [Mr. CORNELIUS GALLAGHER] for whom I have affectionate regard on the subject of Spain and its 26th anniversary of the Spanish people's uprising against the vulturistic, uncivilized communistic conspiracy.

I have been in Spain, have met with the Chief of State Franco, Cabinet Members and the Spanish people; seldom have I ever found a greater warmth, a greater friendliness nor a greater appreciation on the part of the Government and the people for the assistance received from the United States over the past decade, and by the same token, we have a warm feeling for the Spanish people, their culture, their music, their art, their courage, and their heroism.

There can be little doubt that the values of Western civilization must be strongly maintained in the face of the threat of the international communistic conspiracy for world domination. Spain has been foremost among those who have recognized this threat and acted as a bulwark against the vicious tide which has attempted to engulf us.

It is reassuring to know we can count on a strong and effective ally as Spain in facing the common danger of atheistic communism.

It gives me a great feeling of security and pleasure to pay tribute and felicitate a great, gallant, and heroic people and their Chief of State in observing the 26th anniversary of the beginning of their eventual victory over the godless Communists.

Although Spain may not have the freedoms that we boast of, it has through its leaders established law and order and laid the basis for a burgeoning and prosperous economy.

Mr. O'NEILL. Mr. Speaker, the United States is currently engaged, as a partner of the sister Republics in this hemisphere, in a gigantic endeavor to carry out a peaceful revolution throughout Latin America. The Alliance for Progress aims at bringing peace, stability, bread, justice, and a full share in the benefits of society, to every man, woman and child south of the Rio Grande.

This is a vast undertaking which requires the combined efforts of every nation in the hemisphere, and the assistance of every other country that can provide it. But it particularly requires a full and sympathetic understanding of the character and culture of our neighbors to the south. We must never forget that it was Spain that discovered the New World, that explored and colonized large areas of it, including a very considerable section of our own United States. We must also remember that 19 of the Latin American nations were molded by Spain and share Spain's culture, traditions, religion and, to a great extent, her character. These basic factors have been continuously maintained by immigration of Spaniards and by the meritorious work of the Spanish clergy, both regular and secular, in Central and South America.

The Spaniards are in this sense part and parcel of the New World, and we should try to utilize their knowledge, ability, experience, and proven adaptability to Latin American countries to the fullest in our joint effort for the development of this triple continent. Secretary Rusk during his visit to Madrid last year stated that our relations with Latin America should be of triangular nature, having one of its pivots in Madrid, and I heartily agree.

On this anniversary of the new dawn of the Spanish nation we might well benefit the free world by taking advantage of the ties and culture of our great ally Spain in our advancement of the Alliance for Progress. I am sure that the Spanish Government and the Spanish people will join hands in assuring success of this venture.

In conclusion I offer my warm congratulations to a great and honorable people and their great Chief of State General Franco on the 26th anniversary of the beginning of their successful campaign in repelling the communistic conspiracy from within its noble borders.

RESIDUAL FUEL OIL

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Kentucky [Mr. PERKINS] is recognized for 15 minutes.

Mr. PERKINS. Mr. Speaker, recently a number of my distinguished colleagues spent several hours on the floor of the House attempting to show that import restrictions on residual fuel oil were causing economic damage to their areas.

Just this weekend, a Washington newspaper reported that there was a severe shortage of residual oil in this area and that supplies for Government installations have run low. Mr. Speaker, I submit, on the basis of information furnished me, that contrary to these reports there is an oversupply of this foreign-produced oil rather than a shortage. I believe a simple review of the facts will more than justify my statements.

According to information brought to my attention, as of April 1 of this year, residual oil imports were increased by about 10 percent to an alltime high of 185 million barrels a year. This increase was put into effect on the basis of forecasts by the Bureau of Mines which the Bureau now states were much higher than the actual demand for residual oil, and despite the fact that the level of residual oil on hand in March was higher than for any similar period during the administration of the oil import control program.

The immediate result of this oversupply of oil has been a drastic reduction in price. The posted cargo price for residual oil in New York harbor is now $2.05 per barrel, and many consumers are buying oil for as little as $1.50 a barrel.

Certainly there can be no case made for the statement that there is a shortage of residual oil, or that controls have had an adverse effect on the economy of any section of the United States.

Rather, Mr. Speaker, a very strong case can be made for the fact that excessive imports of residual fuel oil have had a serious economic effect on large sections of the Appalachian coal-producing region.

My own State of Kentucky produced 64.7 million tons of bituminous coal last year, ranking second only to the great State of West Virginia. Yet production in 1961 was some 2 million tons less than sections of the Appalachian coal-producing region.

The district which I have the honor of representing, Mr. Speaker, contains some of the most valuable mining properties in the State, and I am well aware of the importance of coal to my district and State, and the economic damage that has resulted from sharply curtailed production in recent years.

It is difficult to understand what a million tons of coal, or 20 million tons of coal means, so I would like to translate the figures into something more meaningful. I would like to translate what 20 million tons of annual coal production means in revenue to the coal companies, in taxes to the State and Federal Governments, in the effect it has on local communities, and, perhaps most important, what it means to the miners and their families.

If 20 million more tons of coal were produced in Kentucky each year, it would have a mine mouth value of $84.4 million, and it would require 8,160 miners to produce that tonnage if they continued to work an average of 175 days a year as they have for the last several years.

Considering that there are presently only about 27,000 men employed in Kentucky coal mines, it is not difficult to understand what the addition of some 8,000 miners would mean, both to the men involved and their families, and to their communities and the State and Federal Governments.

One easy measure of the impact that would be created by adding some 8,000 miners to the payrolls is the amount of Federal and State income taxes they would pay. Taking the averages for the last several years, 8,000 miners would contribute approximately $1.4 million in State income taxes and $5.7 million in Federal taxes. Added to the $3.5 million that the coal companies would pay on 20 million tons of production, the total contribution to the State and Federal Governments would be approximately $15 million.

As impressive as that figure may be, it by no means tells the whole story. The major effect of adding 8,000 miners to the payrolls would be felt in the numerous communities where they live and work.

Using figures developed by the U.S. Chamber of Commerce, the result would be: $28.2 million more in retail sales each year, $21.9 million additional bank deposits, 8,667 additional passenger car registrations, and 5,994 additional workers employed in such fields as retail trade, personal services, entertainment and recreation services, and others.

The overall effect this would have on many Kentucky communities is impossible to measure but it is certain that it would greatly enhance their economic outlook.

This is not just an exercise in economic jargon or doubletalk, Mr. Speaker, because there may be a very practical answer to increasing Kentucky's production of coal by 20 million tons a year, and in returning some 8,000 miners to the payrolls.

The answer, Mr. Speaker, lies in tightening the controls on the imports of residual oil, an action which the administration can take without further congressional authorization.

There is no question but that excessive imports of residual oil, dumped along the eastern seaboard at low prices, are adversely affecting the coal industry and substantially contributing to unemployment in coal areas.

I sincerely believe, Mr. Speaker, that if the administration seriously reviews the present residual oil import control program it will reach the inescapable conclusion that controls must be tightened, and put on a long-term basis, if the coal industry is to survive and continue to make a major contribution to the economy of the Nation.

MORE EVIDENCE OF EFFORTS TO GET INFORMATION ABOUT GRAIN

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Texas [Mr. Beckworth] is recognized for 10 minutes.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter and tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, for some time I diligently have worked to obtain certain information about grain and crops subject to price supports on loans:

Agricultural Stabilization
and Conservation Committee,
Los Lunas, Valencia County, N. Mex.,
July 9, 1962.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Senator: Reference is made to your recent inquiry in connection with different grain participation under Commodity Credit Corporation loan program in Valencia County for the years 1958 through 1961.

Inquiries such as you made, we prefer to clear through our State ASCS office before we take final action on them. Due to excessive workload in our ASCS offices these days, getting your letter to them and back took longer than usual and we regret not getting you their answer on action we were to take on your inquiry any sooner.

We enclose herewith State ASCS Notice CA-63-1, dated July 3, 1962, covering policy to be followed by county ASCS offices in connection with congressional requests for program data, such as you requested and which is self-explanatory.

Once more, we apologize for the delay involved in getting this information to you any sooner and regret we could not give you the information you needed from here; however, we are confident you can still secure it where indicated by the above-mentioned notice.

Very respectfully yours,
Ben M. Otero,
Office Manager.

New Mexico ASCS State Office Notice
CA-63-1

To: County office managers.

Congressional requests for program and/or administrative budget data approved:

William B. Morrow,
State Executive Director.

1. PURPOSE

To inform county offices regarding requests for data concerning program and/or administrative operations from individual Members of the Congress.

2. GENERAL

It has come to our attention that county offices from time to time receive requests for data concerning program and/or administrative operations from individual Members of the Congress.

Many times this information is available in Washington or could be made available in perhaps slightly different form, but in a manner acceptable to the inquiring Member.

In order to reduce the expense caused by duplicating data in a form that may not be necessary, please refer these requests to this office. We will refer them to our Washington office in order that contact may be made by a Department liaison representative with the Senator or Congressman for the purpose of simplifying the preparation and delivery of the desired information and avoiding duplication of effort.

Congress of the United States,
House of Representatives,
Washington, D.C., June 4, 1962.

Dear Director: For the years 1958, 1959, 1960, and 1961 I desire the following information for your county:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county each year?

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many rice producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many farmers participated in the programs of two of these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops?

For this information I shall be grateful.

Regards,

Lindley Beckworth.

LETTERS FROM U.S. DEPARTMENT OF AGRICULTURE AGRICULTURAL STABILIZATION AND CONSERVATION COMMITTEES

UVALDE, TEX., *June 12, 1962.*

MR. LINDLEY BECKWORTH,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: In reply to your inquiry concerning loans made through CCC in Uvalde County in the past 4 years I submit the following:

	Number of producers	Total amount loaned
Corn loans:		
1958	0	0
1959	2	$2,354.57
1960	0	0
1961	2	15,861.42
Grain sorghum:		
1958	62	38,600.00
1959	86	200,672.43
1960	21	45,916.07
1961	77	144,910.10
Oat loans:		
1958	10	12,000.00
1959	1	2,978.30
1960	2	9,646.02
1961	7	20,971.56

There were no participants in rye, soybean, wheat, peanut, or rice in this county.

Cotton loans were made through the First State Bank. The county office does not have a record of either the number or amount.

An estimated 27 farmers participated in two of these crops. An estimated 11 farmers participated in three of these crops. None participated in four of these crops.

Yours truly,

H. F. RUCKER,
Office Manager.

CANADIAN, TEX.,
June 12, 1962.

HON. LINDLEY BECKWORTH,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: The following information has been compiled for Hemphill County, Tex., in accordance with your request in a letter of June 4, 1962:

Loan program, 1958–60

Loan program	Year	Number of producers	Amount
Barley	1958	14	$8,596.76
	1959	0	0
	1960	0	0
	1961	0	0
Grain sorghum	1958	16	16,397.97
	1959	1	1,856.51
	1960	1	928.11
	1961	8	8,663.95
Wheat	1958	175	1,054,648.98
	1959	121	496,416.35
	1960	112	478,272.75
	1961	79	389,646.07
Cotton	1958	9	0
	1959	37	67,752.13
	1960	23	41,917.90

Number of producers in 2 programs, number of producers in 3 programs, and number of producers in 4 programs, years 1958–61

Year	Number of producers in—		
	2 programs	3 programs	4 programs
1958	13	0	0
1959	15	0	0
1960	9	0	0
1961	3	0	0

No producers participated in the CCC loan program for corn, oats, rye, soybeans, peanuts, or rice.

Yours very truly,

DON WATSON,
County Office Manager,
Hemphill County ASCS.

OLDHAM COUNTY ASCS,
Vega, Tex., June 7, 1962.

HON. LINDLEY BECKWORTH,
Congressman, House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: Pursuant to your request of June 4, we give you the following information:

Commodity	1958	1959	1960	1961
Rye:				
Number of participants	3			
Amount loaned	$4,976.83			
Barley:				
Number of participants	3			2
Amount loaned	$2,309.98			$6,487.00
Grain sorghum:				
Number of participants	61	22	51	73
Amount loaned	$249,877.27	$130,598.72	$251,989.45	$304,175.31
Wheat:				
Number of participants	272	58	131	61
Amount loaned	$1,108,560.09	$229,828.91	$721,443.20	$449,037.67
Soybeans:				
Number of participants	1			
Amount loaned	$1,912.96			

Oldham County had no CCC loans on oats, peanuts, rice, or cotton.

Estimated number of farmers participating in programs of two of these crops: 70.

Estimated number of farmers participating in programs of three of these crops: 2.

Estimated number of farmers participating in programs of four of these crops: 3.

Yours very truly,

SHIRLEY D. CHESSER,
Office Manager.

ORANGE, TEX., *June 12, 1962.*

HON. LINDLEY BECKWORTH,
Congress of the United States,
House of Representatives,
Washington, D.C.

SIR: In regard to your letter of June 4, 1962, Orange County does not have producers participating in the Commodity Credit Corporation loan program for barley, corn, grain sorghum, oats, rye, soybeans, wheat, peanuts, and cotton.

Listed below is the information you desire for rice producers participating in the Commodity Credit Corporation loan program:

Year	Number of producers	Total amount loaned
1958	20	$207,942.15
1959	28	216,901.57
1960	11	75,264.86
1961	4	46,447.24

If this office can be of further service, please advise.

Sincerely yours,

GEORGE D. FEATHERSTON,
Office Manager.

LAMB COUNTY, TEX., *June 8, 1962.*

MR. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR SIR: The following information is being submitted by Lamb County ASCS office, Littlefield, Tex.:

Commodity	Year	Producers participating	Total loan
Barley	1958	12	$105,724.71
Corn	1958	None	None
Grain sorghum	1958	1,999	4,949,338.12
Soybean	1958	1	562.82
Wheat	1958	38	80,350.78
Cotton	1958	2,250	31,229,000.00
Barley	1959	1	1,816.76
Corn	1959	None	None
Grain sorghum	1959	620	159,846.22
Soybean	1959	None	None
Wheat	1959	2	3,634.06
Cotton	1959	1,967	32,398,000.00
Barley	1960	11	8,128.56
Corn	1960	None	None
Grain sorghum	1960	697	2,656,539.06
Soybean	1960	None	None
Wheat	1960	7	26,038.38
Cotton	1960	1,652	31,062,000.00
Barley	1061	15	17,051.64
Corn	1961	33	129,247.29
Grain sorghum	1961	2,267	5,825,159.56
Soybean	1961	12	13,015.97
Wheat	1951	7	17,051.64
Cotton	1961	1,171	35,404,000.00

The producers in Lamb County did not produce or receive price support on the following commodities in 1958, 1959, 1960, and 1961: Oats, rye, peanuts, or rice.

There are 2,296 farmers in Lamb County that participate in 4 of these crops.

Very truly yours,

LAMAR D. ATEN, Jr.,
Officer Manager.

STATEMENT OF MR. BECKWORTH

Mr. Speaker, I herewith enclose letters that indicate certain information is not available:

TENNESSEE ASC STATE OFFICE,
Nashville, Tenn., April 11, 1961.

HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BECKWORTH: We are enclosing herewith tabulations showing participation in the Commodity Credit Corporation loan programs for the years 1958, 1959, and 1960 for barley, corn, grain sorghum, oats, rye, soybeans, and wheat as requested in your letter of March 27, 1961.

We regret that information is not available to us which would show how many of these producers secured loans on more than one commodity. We hope that this information will be satisfactory and will meet your needs.

Very truly yours,

CARL FRY,
Chairman, ASC State Committee,
Tennessee.

PARTICIPATION IN THE 1958 CCC LOAN PROGRAM

Commodity	Number of producers participating	Amount loaned
Barley	0	0
Corn	58	$178,552
Grain sorghum	4	1,692
Oats	1	1,417
Rye	0	0
Soybeans	1,589	2,078,439
Wheat	166	104,001

PARTICIPATION IN THE 1959 CCC LOAN PROGRAM

Barley	0	0
Corn	113	$38,346
Grain sorghum	1	1,011
Oats	0	0
Rye	0	0
Soybeans	188	410,613
Wheat	370	481,688

PARTICIPATION IN THE 1960 CCC LOAN PROGRAM

Commodity	Number of producers participating	Amount loaned
Barley	1	$855
Corn	60	138,280
Grain sorghum	1	1,040
Oats	0	0
Rye	0	0
Soybeans	32	79,282
Wheat	213	336,272

U.S. Department of Agriculture,
Agricultural Stabilization and
Conservation Committee,
Syracuse, N.Y., April 14, 1961.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Congressman Beckworth: Enclosed is the information requested concerning Commodity Credit Corporation loans made in New York State for 1958, 1959, and 1960 for barley, corn, grain sorghums, oats, rye, soybeans, and wheat.

You will note that wheat and corn are the important commodities in the State participating in Commodity Credit loan programs.

Without considerable research in county offices we are unable to answer your last question in regard to the number of farmers having two or more of these crops under loan. However, we feel sure the number of these cases would be very small in our State. If further information is needed, please let us know.

Bryan Leonard,
State Administrative Officer for the New York ASC State Committee.

Commodity	Year	Producers participating	Total loaned
Barley	1958	21	$16,711
	1959	3	2,174
	1960	1	885
Corn	1958	134	157,917
	1959	160	206,188
	1960	132	169,128
Grain sorghums: None.			
Oats	1958	67	44,770
	1959	26	23,213
	1960	38	41,067
Rye	1958	16	10,927
	1959	2	1,185
	1960		
Soybeans	1958		
	1959	1	1,420
	1960		
Wheat	1958	1,180	1,999,051
	1959	969	1,564,303
	1960	1,027	1,605,188

U.S. Department of Agriculture,
Agricultural Stabilization and
Conservation Committee,
College Station, Tex., April 11, 1961.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Congressman Beckworth: In compliance with the request contained in your letter dated March 27, 1961, listed below are the number of loans disbursed in Texas on 1958-, 1959-, and 1960-crop barley, corn, grain sorghums, oats, rye, soybeans, and wheat. Also listed are the quantities of these commodities placed under loan and the amounts of loans disbursed:

1958 CROP YEAR

Commodity	Number of loans	Quantity under loans	Amount of loans
Barley	2,094	[1] 2,285,544	$2,156,090
Corn	26	[1] 63,331	69,279
Grain sorghums	43,320	[2] 66,598,670	123,656,913
Oats	5,695	[1] 8,882,504	5,961,075
Rye	62	[1] 50,227	48,021
Soybeans	973	[1] 673,621	1,322,033
Wheat	20,027	[1] 43,480,461	80,676,289

1959 CROP YEAR

Commodity	Number of loans	Quantity under loans	Amount of loans
Barley	33	[1] 51,658	$38,891
Corn	68	[1] 136,786	163,019
Grain sorghums	16,308	[2] 36,222,198	214,392
Oats	124	[1] 195,967	113,217
Soybeans	19	[1] 38,724	68,997
Wheat	5,532	[1] 13,133,890	23,345,608

1960 CROP YEAR

Commodity	Number of loans	Quantity under loans	Amount of loans
Barley	159	[1] 261,119	$191,213
Corn	44	[1] 76,604	87,528
Grain sorghums	21,909	[2] 53,717,358	83,362,873
Oats	217	[1] 464,884	269,642
Soybeans	20	[1] 33,202	58,132
Wheat	10,185	[1] 29,764,335	53,383,820

[1] Bushels.
[2] Hundredweight.

We do not have a record of the number of producers who participated in the price support program, as distinguished from the number of loans disbursed, or the number who obtained loans on more than one commodity. However, it is hoped that the above information will serve your purpose.

If additional information relative to the price support program is desired or if I can be of further service to you, please advise.

Very truly yours,

Jack Bradshaw,
Acting State Administrative Officer.

U.S. Department of Agricultural
Stabilization and Conservation
Committee,
Columbia, Mo., April 11, 1961.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Congressman Beckworth: This acknowledges your letter of March 27, 1961, requesting information on the participation in Commodity Credit Corporation loan programs for the years 1958, 1959, and 1960. We regret that delay in our reply which was occasioned by your letter having been inadvertently forwarded to the director of extension at the University of Missouri.

For your information we attach a listing showing the number of loans and the total amount loaned for each of the years and commodities requested. However, we regret that we are unable to furnish specific information regarding the number of farmers who participated in two, three, and four of these programs, respectively. Our accounting records are not maintained on an individual name basis and, therefore, it would be virtually impossible for us to assemble this information. Our experience with these programs would, however, enable us to estimate that 30 percent of the producers participated in two programs, 10 percent participated in three programs, and no more than 2 percent participated in four programs in each of the years 1958, 1959, and 1960.

We hope this information is what you desire; if we can be of any further assistance, please do not hesitate to contact us.

Sincerely yours,

Claude Bowles,
State Administrative Officer.

	1960		1959		1958	
	Number of loans	Loan value	Number of loans	Loan value	Number of loans	Loan value
Barley	31	$26,720	27	$23,193	127	$104,935
Corn	10,923	23,836,996	13,122	27,935,857	5,884	13,117,597
Grain sorghums	1,617	1,790,984	1,364	1,860,116	6,881	8,410,186
Oats	24	12,422	24	12,951	83	58,982
Rye	7	3,456	6	1,836	19	15,524
Soybeans	2,055	4,072,977	3,858	7,497,077	9,539	20,316,496
Wheat	8,996	12,585,026	11,732	15,941,334	11,175	15,822,644
Total	23,653	42,328,581	30,133	53,272,364	33,708	57,846,364

Mr. Speaker, I herewith enclose statements that indicate the availability of information:

U.S. Department of Agriculture,
Agricultural Stabilization and
Conservation Committee,
College Park, Md., April 19, 1961.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Congressman Beckworth: Since furnishing the information pertaining to Maryland participation in price-support programs for transmittal to you by Dr. Nystrom, we have received a letter from our area director on this subject, a copy of which is enclosed, and which we believe will be self-explanatory. However, if the Department in Washington should be unable to furnish the information you desire, please let us know.

We are returning the letter from Dr. Nystrom, together with attachments, as you requested in your note.

Sincerely yours,

Dudley C. Aist,
Administrative Officer, Maryland ASC State Office.

Cooperative Extension Work in
Agriculture and Home Economics, State of Maryland,
College Park, Md., April 13, 1961.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Congressman Beckworth: I have your Thermo-Fax copy of letter addressed to directors concerning grain producers.

I am attaching a copy of letter with attached data received from Mr. Dudley C. Aist, of the Maryland ASC State office. I hope this gives you the information you need. If it does not, I shall be glad to have you write me further.

Very truly yours,

Paul E. Nystrom,
Director.

U.S. Department of Agriculture,
Commodity Stabilization Service,
Washington, D.C., April 12, 1961.

To: State administrative officers, northeast area.

From: Harris W. Soul, director, northeast area.

Subject: Requests for grain crop loan information.

It has come to our attention that Congressman Beckworth recently asked a number of States for information about grain crop loans in the past 3 years.

The information desired can be furnished by the Department in Washington so it will not be necessary for you to furnish it county by county.

College Park, Md., *April 11, 1961.*

Dr. Paul E. Nystrom,
Director of Extension, Agriculture,
University of Maryland,
College Park, Md.

Dear Dr. Nystrom: Attached is a tabulation which will give most of the information requested in Representative Beckworth's letter of March 27. The answers to the questions in the final paragraph of Representative Beckworth's letter could be obtained only by conducting a survey in each county in the State in which there was loan activity in any of the past 3 years.

Due to the urgency of the work in counties on the new feed-grain program it would be very difficult to conduct such a survey at this time. However, if he should still wish to get these figures we will conduct the survey and furnish the results to him after the feed-grain program has gotten underway. This would be in about a month or 6 weeks.

Very truly yours,

Dudley C. Aist,
Administrative Officer,
Maryland ASC State Office.

Participation in commodity loan programs in Maryland

	1958		1959		1960	
	Number	Amount	Number	Amount	Number	Amount
Barley		None		None	1	$7,175
Corn	53	$139,547	101	$278,584	88	316,545
Grain sorghum		None		None		None
Oats		None		None		None
Rye		None		None		None
Soybeans	4	6,826		None		None
Wheat	467	671,555	176	315,146	216	455,104

Cooperative Extension Work in Agriculture and Home Economics, State of South Carolina,
Clemson, S.C., April 19, 1961.

Hon. Lindley Beckworth,
Congress of the United States,
Washington, D.C.

Dear Congressman Beckworth: Your request for information dated March 27, 1961, on participation of farmers in this State in the Commodity Credit Corporation loan program for several commodities, was referred to Mr. A. R. Crawford, acting State administrative officer, U.S. Department of Agriculture, Agricultural Stabilization and Conservation Committee, Columbia, S.C. Mr. Crawford advised me on the subject as follows:

"We have taken no action to obtain the information requested by Congressman Beckworth, since we have just received a letter from our Washington office advising that the information sought by the Congressman covers a number of States and will be furnished at the Washington level."

I trust that you have received through the Washington office of U.S. Department of Agriculture the information you desire.

Sincerely yours,

Geo. B. Nutt,
Director.

Congress of the United States,
House of Representatives,
Washington, D.C., April 20, 1961.

Mr. Harris W. Soule,
Commodity Stabilization Service, U.S. Department of Agriculture, Washington, D.C.

Dear Mr. Soule: Please note the enclosures.

I am sending you a copy of the letter dated March 27, 1961, that I sent each State director.

Since you state specifically you can furnish the information, I want it immediately and I want all of the information for which I asked in connection with every State. Because you do state you have the information in Washington, I shall expect the information forthwith.

Please return.

Kind regards,

Lindley Beckworth.

Congress of the United States,
House of Representatives,
Washington, D.C., March 27, 1961.

Dear Director: For the years 1958, 1959, and 1960 I desire the following information:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many farmers participated in the programs of two of these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops?

For this information I shall be grateful.

Regards,

Lindley Beckworth.

Mr. Speaker, I do hope to have the information soon.

I include some letters indicating an effort on my part to obtain certain figures:

Tennessee ASCS State Office,
Nashville, Tenn., June 13, 1962.

Hon. Lindley Beckworth,
Member of Congress,
Washington, D.C.

Dear Mr. Beckworth: Our files show that we furnished you the information requested in your letter of March 27, 1961, by letter dated April 11, 1961, from Carl Fry, State chairman of our committee.

We now have standing instructions to refer congressional requests for program and/or administrative data to our area director in Washington since many times the information is available in Washington or could be made available in perhaps slightly different form but in a manner acceptable to the inquiring Member. It is our understanding that in such instances the Department liaison representative will contact the Congressman or Senator.

Very truly yours,

Andrew J. Smith,
Assistant to State Committee.

Independence ASC
County Committee,
Batesville, Ark., June 13, 1962.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Mr. Beckworth: This is with reference to your request of June 4 for certain information regarding the Commodity Credit Corporation loan programs.

We have been advised by the State office that requests of this nature are to be referred to the southeast area director, Washington, for authority to furnish such information. As soon as a determination has been made regarding the furnishing of this information, we will advise you.

Yours very truly,

Andy F. Lacefield,
County Office Manager.

Iola, Kans., June 12, 1962.

Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Sir: Reference is made to your letter of June 4, 1962, requesting information on the Commodity Credit Corporation loan program.

It is my understanding that this information can be more easily secured through the Department of Agriculture there in Washington. They have these reports on file with this information already consolidated.

I feel that by your contacting them, they can more quickly provide you with this information.

Sincerely yours,

Gale D. Beck,
Allen County Office Manager.

Lynn County ASCS Committee,
Tahoka, Tex., June 11, 1962.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Sir: In reference to your letter of June 4, we have very limited information relating to your inquiries. The Dallas Commodity Credit Corporation office would be a good source to compile this information as their records are kept on a statewide basis.

There were no producers participating in the CCC loan program for any of the years 1958, 1959, 1960, or 1961, in any of the following commodities: barley, oats, rice, corn, wheat, soybeans, or peanuts.

We have approximately 1,465 producers in Lynn County. It is reasonable to assume that all producers participated in the cotton loan program in each year. We do not have records indicating the total amount loaned.

Assuming that 1,465 producers would be an average number for the 4 years, we estimate that approximately 75 percent of the producers participated in the grain sorghum loan program in each of these years. Again, we do not have records indicating the total amount loaned.

We regret that we are unable to furnish you with more reliable information, but, we hope that this will be of some value to you.

Sincerely yours,

Charles G. Bragg,
Office Manager.

Efforts To Obtain Grain Information

(Extension of remarks of Hon. Lindley Beckworth, of Texas, in the House of Representatives, Thursday, June 21, 1962)

Mr. Beckworth. Mr. Speaker, under leave to extend my remarks in the Record, I include some letters in answer to requests I have made for certain grain information.

U.S. Department of Agriculture,
June 18, 1962.

Hon. Lindley Beckworth,
Third District, Texas, Congress of the United States, House of Representatives, Washington, D.C.

Dear Congressman: We are writing you in regard to your letter of June 4, 1962, which requested information on various grain loans. We have been informed by our State director that the information you seek has been furnished by the State office to the Department in Washington, D.C.

Yours very truly,

Alfred H. Olson,
Office Manager, County ASCS Office, Wyandotte County, Kans.

U.S. Department of Agriculture,
Elkhart, Kans., June 15, 1962.

Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Sir: Reference is made to your letter of June 4, 1962, concerning the Commodity Credit Corporation loan program and the amount of producers who participated, in the years 1958, 1959, 1960, and 1961.

We have been informed by our State ASCS office that the requested information has been furnished by the State office to the Department in Washington, D.C.

Sincerely,

Scott Muse,
County Office Manager, Morton ASCS County Office.

U.S. Department of Agriculture,
South Hutchinson, Kans.,
June 18, 1962.

Congressman Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Congressman Beckworth: This letter is in reply to your letter dated June 4 concerning information for our county for the years 1958, 1959, 1960, and 1961.

It is our understanding that the information which you requested in this letter has been furnished to you by the State office through the Department in Washington, D.C.

Very truly yours,

Walter N. Murphy,
County Office Manager, Reno ASCS County Office.

U.S. Department of Agriculture,
Cherokee ASCS County Office,
June 18, 1962.

Hon. Lindley Beckworth,
Third District, Texas,
House of Representatives,
Washington, D.C.

Dear Mr. Beckworth: Replying to your letter of June 4, 1962, requesting certain information for our county for the years 1958, 1959, 1960, and 1961, it is our understanding that the requested information has been furnished by our State office to the Department in Washington, D.C.

Respectfully yours,

Charles W. Belt,
County Office Manager.

U.S. Department of Agriculture,
Abilene, Kans.,
June 18, 1962.

Congressman Beckworth,
House of Representatives,
Washington, D.C.

Dear Sir: We have your letter of June 4 concerning the information concerning loans through the Commodity Credit Corporation on grain for the 1958, 1959, 1960, and 1961 years.

We understand the information which you requested has already been furnished the USDA in Washington, D.C., by our State office.

Since our workload has been such that compiling this information would mean an extra burden, we suggest you endeavor to get this information from the USDA in Washington.

Sincerely,

Daniel H. Schmidt,
County Office Manager, Dickinson ASC County Office.

U.S. Department of Agriculture,
Atwood, Kans.,
June 18, 1962.

Congressman Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Sir: In reply to your letter of June 4, 1962, requesting information about grain crop loans in the past 4 years from this county.

It is the understanding of this office that the requested information has been furnished by the State office to the Department in Washington, D.C.

Our State office has indicated that this information will be mailed to you.

Sincerely yours,

Clarence L. Bell,
Office Manager, Rawlins ASCS County Office, Atwood, Kans.

U.S. Department of Agriculture,
Colby, Kans.,
June 18, 1962.

Hon. Lindley Beckworth,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Beckworth: Reference is made to your request of June 4, 1962, for information concerning grain crop loans in this county in the past 4 years.

It is our understanding that the requested information has been furnished by the Kansas ASCS State office to the Department in Washington, D.C., and that they will make this information available to you.

Yours very truly,

Harold K. Hobbick,
County Office Manager,
Thomas ASCS County Office.

U.S. Department of Agriculture,
Hays, Kans.,
June 18, 1962.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Sir: Your letter requesting certain information pertaining to the Commodity Credit Corporation loan program in Ellis County was received.

It is our understanding that this information has been furnished through the Kansas ASCS State office.

Very truly yours,

Virgil J. Quint,
County Office Manager.

U.S. Department of Agriculture,
Howard, Kans.,
June 18, 1962.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Mr. Beckworth: In regard to the information requested in your letter of June 4, 1962, it is our understanding the requested information has been furnished by the State office to the Department in Washington, D.C.

Sincerely yours,

H. E. Coble,
County Office Manager,

Osage County, Lyndon, Kans.,
June 15, 1962.

Mr. Lindley Beckworth,
Washington, D.C.

Dear Sir: In answer to your letter dated June 13, 1962, concerning grain crop loans in the past 4 years, we understand this requested information has been furnished by the State office to the Department in Washington, D.C.

Very truly yours,

Lee W. Kaff,
County Office Manager, Osage Agricultural Stabilization and Conservation Service County Office, Lyndon, Kans.

Butler ASC County Committee,
El Dorado, Kans., June 15, 1962.

Lindley Beckworth,
Congress of the United States,
House of Representatives,
Washington, D.C.

Dear Congressman: I have received your letter under date of June 4, 1962 requesting certain information in regard to the commodity price support program in this, Butler County, Kans.

It is my understanding that the requested information has been furnished by the State Agricultural Stabilization and Conservation Service office to the Department in Washington, D.C.

Sincerely,

Manuel B. Penn,
County Office Manager.

Agricultural Stabilization and Conservation Committee,
Sherman County, Goodland, Kans.,
June 15, 1962.

Congressman Lindley Beckworth,
House of Representatives,
Washington, D.C.,

Dear Sir: A memorandum from the Kansas Agricultural Stabilization Committee State office has been received in this office in regard to your request for information concerning producers participation in the Commodity Credit Corporation loan program.

The understanding we have from their letter is that the requested information has been furnished by them to the Department in Washington, D.C., and may be obtained from there.

Sincerely yours,

Lowell Chatfield,
County Office Manager.

Groesbeck, Tex., June 15, 1962.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Sir: The following is the desired information as per your request of June 4, 1962, according to the records of the Limestone County Agricultural Stabilization and Conservation Service, Groesbeck, Tex.:

BARLEY

Year	Number of producers participating in CCC loan program	Total amount loaned in county
1958	None	None
1959	None	None
1960	None	None
1961	None	None

CORN

Year	Number of producers participating in CCC loan program	Total amount loaned in county
1958	None	None
1959	None	None
1960	None	None
1961	31	$27,603.90

Year	Number of producers participating in CCC loan program	Total amount loaned in county
GRAIN SORGHUM		
1958	211	$133,602.82
1959	31	22,214.25
1960	19	11,191.53
1961	123	83,410.44
OATS		
1958	21	$8,461.93
1959	3	1,341.69
1960	None	None
1961	None	None
COTTON		
1958	375	$533,859.80
1959	480	711,813.07
1960	700	1,289,991.00
1961	(1)	----------
RYE		
1958	None	None
1959	None	None
1960	None	None
1961	None	None
SOYBEANS		
1958	None	None
1959	None	None
1960	None	None
1961	None	None
WHEAT		
1958	None	None
1959	None	None
1960	None	None
1961	None	None
PEANUTS		
1958	None	None
1959	None	None
1960	None	None
1961	None	None
RICE		
1958	None	None
1959	None	None
1960	None	None
1961	None	None

[1] Not available at this time.

There were approximately 200 producers who participated in 2 of these crops, 31 producers in 3 of these crops, and 21 in 4 of these crops.

Very truly yours,

James D. McCreary,
County Office Manager, Limestone County Agricultural Stabilization and Conservation Service.

House of Representatives,
Washington, D.C., June 4, 1962.

Dear Director: For the years 1958, 1959, 1960, and 1961 I desire the following information for your county:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county each year? 6 0 0 0

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 0 0 0 0

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 19 5 0 84

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 5 0 0 0

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 2 0 0 0

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 0 0 0 0

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 32 0 0 0

How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 0 0 0 0

How many rice producers participated in the Commodity Credit Corporation loan program. What was the total loaned in your county in each year? 0 0 0 0

How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 6,600 6,600 6,600 6,800

How many farmers participated in the programs of two or these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops? 2 crops, 84 3, 32 4, 19

For this information I shall be grateful.

Regards,

Lindley Beckworth.

(Note.—To figure the amount of money on all these loans would take considerable computation.)

Farwell, Tex., *June 15, 1962.*

Hon. **Lindley Beckworth,**
Member of Congress, House of Representatives, Washington, D.C.

Dear Congressman: Reference is made to your letter of June 4, 1962, requesting certain information relative to price support programs administered through this office in 1958, 1959, 1960, and 1961, and we report as follows:

We have no peanuts or rice in this county.

The cotton loan program is not administered through this office. Cotton data is available from the New Orleans Agricultural Stabilization and Conservation Service commodity office.

See schedule attached for information relative to barley, corn, grain sorghum, oats, rye, soybeans, and wheat.

It is a pleasure to be of service to you. If we may be of further assistance please advise.

Sincerely,

Prentice L. Mills,
Office Manager, Parmer County Agricultural Stabilization Committee.

	Number of producers participating				Total loaned			
	1958	1959	1960	1961	1958	1959	1960	1961
Barley	27	0	13	80	$34,071	0	$17,145	$133,344
Corn	3	1	0	2	16,200	$6,566	0	7,854
Grain sorghum	1,612	1,102	1,521	1,711	10,678,243	6,380,834	9,562,635	14,793,689
Oats	2	0	0	0	3,165	0	0	0
Rye	1	0	0	0	283	0	0	0
Soybean	167	2	1	17	222,612	4,243	2,305	17,030
Wheat	1,175	475	501	290	4,261,720	1,591,266	3,001,112	1,836,635

Note.—1,711 producers participated in 2 crops; 1,428 producers participated in 3 crops; 1,193 producers participated in 4 crops.

St. Francis County Agricultural Stabilization and Conservation Committee,
Forrest City, Ark., June 15, 1962.

Hon. **Lindley Beckworth,**
House of Representatives,
Washington, D.C.

Dear Sir: In reply to your request I am listing below by years the participation in Commodity Credit Corporation loan program:

Barley: No barley loans have been made in this county in either of the years 1958, 1959, 1960, or 1961.

Corn: One corn producer loan in the amount of $3,616.47 in the year 1959. No other loans made.

Grain sorghum: In 1958 seven loans in the amount of $34,192.48; 1959, one loan, $8,194.85; 1960, one loan, $9,344.87; 1961, no loans.

Oats: In 1958, seven loans $12,971; 1959, one loan, $2,017.23; 1960, one loan, $6,847.98; and 1961, two loans, $6,661.20.

Rye: No loans made in either of the years 1958, 1959, 1960, or 1961.

Soybeans: In 1958, 216 loans, $1,140,928.43; 1959, 48 loans, $341,006.53; 1960, 16 loans, $140,065; and 1961, 46 loans, $285,963.37.

Wheat: In 1958, 15 loans, $31,337.52; 1959, 20 loans, $99,683.02; 1960, 24 loans, in the amount of $146,623.04; and 1961, 18 loans, $122,129.99.

Peanuts: No loans made in either of the years 1958, 1959, 1960, or 1961.

Rice: In 1958, 12 loans, $130,016.87; 1959, 20 loans, $198,623.12; 1960, 20 loans in the amount of $193,657.81; and 1961, $98,586.95 for 8 loans.

With reference to cotton, this is to advise that cotton loans are made through lending agencies and no records of these loans are maintained in the county office. We think that it is possible that this information may be obtained from the New Orleans Commodity Credit Office. We know of no other source of obtaining this information.

In connection with the number of farmers participating in two or more programs, we are giving the following report:

In 1958 nine farmers participated in two programs and five farmers participated in three programs.

In 1959 four farmers participated in two programs and three farmers participated in three programs.

In 1960 four farmers participated in two programs and one farmer participated in four programs.

In 1961 seven farmers participated in two programs.

We hope this is the information desired.

Very truly yours,

W. P. Fletcher,
County Office Manager.

Floydada, Tex., *June 15, 1962.*

Representative **Lindley Beckworth,**
House of Representatives,
Washington, D.C.

Dear Sir: The following chart will give the information requested in your letter of June 4, 1962.

Commodity	1958		1959		1960		1961	
	Participants	Amount	Participants	Amount	Participants	Amount	Participants	Amount
Barley	213	$211,313.76	376	$376,413.23	1	$1,777.22	237	$215,025.86
Corn	2	7,500.00	2	8,300.00	0	0	0	0
Grain sorghum	1,576	7,301,276.21	1,683	8,321,617.41	1,329	4,592,531.75	1,543	5,052,391.75
Oats	0	0	1	708.50	0	0	0	0
Rye	0	0	0	0	0	0	0	0
Soybeans	0	0	0	0	4	3,222.56	39	6,247.40
Wheat	0	0	0	0	401	1,647,996.70	223	1,176,011.23
Peanuts	0	0	0	0	0	0	0	0
Rice	0	0	0	0	0	0	0	0
Cotton	1,160	10,721,743.50	1,420	12,000,000.00	1,160	7,483,176.20	850	3,450,000.00
Number participating:								
Program of 2 crops	1,160		1,420		1,160		850	
Program of 3 crops	213		376		400		460	
Program of 4 crops	2		3		5		39	

Very truly yours,

THOMAS J. HUTCHINS,
Office Manager, Flood County Agricultural Stabilization and Conservation Service.

Mr. Speaker, I also include at this point in the RECORD some letters and statements pertaining to agriculture:

JUNE 18, 1962.

To: Hon. LINDLEY BECKWORTH.
From: Natural Resources Division.
Subject: CCC loans.

Response is made to your request of June 1, 1962, for information concerning the number of CCC borrowers participating in more than one commodity loan program.

Based on the listing of borrowers and related data furnished by your office, 27 parties who borrowed $50,000 or more on cotton or $25,000 or more on other supported commodities participated in 2 commodity loan programs. The data supplied failed to reveal any parties borrowing under more than two commodity loan programs.

The enclosed table lists the 27 borrowers by name, address, commodities, and amount of loan.

WILLIAM F. WOODS.

CCC borrowers participating in more than one commodity loan program, 1960

Name and address	Commodity	Amount
J. F. Twist Plantation, Twist, Ark.	Soybeans	$97,511.17
	Rice	35,989.72
Total		133,500.89
C. P. Gould:		
Tolleson, Ariz	Barley	39,529.90
Litchfield, Ariz	Cotton	94,322.77
Total		133,852.67
Westlake Farms and Westlake Farms, Inc., Stratford, Calif.	Cotton	733,256.76
	Barley	838,333.24
Total		1,571,590.00
Jack Corn, Friend, Kans.	Grain sorghum	27,854.88
	Wheat	30,135.15
Total		57,990.03
Max Engler, Jr., Garden City, Kans.	Corn	26,318.05
	Wheat	31,036.47
Total		57,354.52
Raymond G. Morris, Garden City, Kans.	Corn	33,979.66
	Wheat	40,057.60
Total		74,037.26
Spike Bros., Hugoton, Kans.	Grain sorghum	31,135.06
	Wheat	37,235.01
Total		68,370.07
Wilbur J. Ulrich, Holcomb, Kans.	Grain sorghum	28,200.30
	Wheat	32,077.76
Total		60,278.06
S. L. Reed:		
Belzoni, Miss	Rice	36,492.84
Belzoni, Miss	do	30,473.46
	Soybeans	33,975.51
Total		100,941.81
J. C. O'Neal, Cleveland, Miss.	Soybeans	$32,210.14
	Rice	44,145.35
Total		76,355.49
The Albert Painton Co., Inc., Painton, Mo.	Soybeans	30,538.76
	Corn	50,000.00
Total		80,538.76
Cornhusker Farms (Morrison-Quirk Grain Corp.), Hastings, Nebr.	Corn	185,350.24
	Wheat	26,433.51
Total		211,783.75
Flo Wal Farms, Inc., Dewitt, Nebr.	Grain sorghum	39,727.50
	Corn	35,623.50
Total		75,351.00
Wayne Lyon, Merna, Nebr.	Wheat	29,063.17
	Corn	29,702.40
Total		58,765.57
Angus Myers & Sons, McCook, Nebr.	Corn	25,858.56
	Wheat	26,735.44
Total		52,594.00
Clarence and W. T. Meeks, Farewell, Tex.	Grain sorghum	34,682.76
	Wheat	31,434.64
Total		66,117.40
Roy Williams & Sons, Clovis, N. Mex.	Grain sorghum	46,349.75
	Wheat	30,713.26
Total		77,063.01
Tulana Farms, Klamath Falls, Oreg.	Barley	33,229.14
	Oats	50,000.00
Total		83,229.14
Robert G. Bafus, Colfax, Oreg.	Barley	25,000.10
	Wheat	49,999.04
Total		74,999.14
Browder Bros., Sunray, Tex.	Grain sorghum	27,973.76
	Wheat	27,868.39
Total		55,842.15
Claude Higby, Stinnett, Tex.	Grain sorghum	25,310.20
	Wheat	41,448.67
Total		66,758.87
Carl H. Kuper, Dalhart, Tex.	Grain sorghum	47,190.00
	Wheat	47,367.00
Total		94,557.00
G. W. Lee, Silverton, Tex.	Grain sorghum	37,605.32
	Wheat	27,440.93
Total		65,046.25
Bruce, Parr, Friona, Tex.	Grain sorghum	38,993.56
	Wheat	35,587.80
Total		74,581.36
W. F. Ponder, Hereford, Tex.	Grain sorghum	$25,151.42
	Wheat	26,026.92
Total		51,178.34
Berkley Stringer, Dumas, Tex.	Grain sorghum	28,627.23
	Wheat	47,224.80
Total		75,852.03
Texas Tech College (Pan Tech farms, Texas Tech), Panhandle, Tex.	Wheat	27,486.00
	Grain sorghum	39,418.12
Total		66,904.12

WILLIAM F. WOODS,
Natural Resources Division.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., May 23, 1962.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of May 14, requesting the names and addresses of individual farmers who have received price support on more than one agricultural commodity.

There are approximately 3.7 million farmers in the United States and many produce one or more commodity which is eligible for price support. Further, some individual producers obtain more than one loan on a commodity, a separate one for each storage location, for example. There are more than 20 agricultural products which are eligible for price support, and within this number there are distinct grades or classifications which are also eligible for support, such as extra long staple cotton, American, Egyptian, and so forth. Our records are not maintained to show the number of producers who obtain price support through cooperatives or groups, or who obtain more than one loan on a commodity or who obtain loans on more than one commodity. However, I am sure you recognize that farmers who do not directly participate in a price support program obtain benefits to the extent that the support price influences the market price of the commodity he sells.

We believe that it would be administratively and economically impracticable to maintain records which would show in detail the names and addresses of every individual farmer who received price support on more than one commodity. The cost in terms of money and man-hours would be very high and the utility of the information obtained of doubtful value from an operational standpoint.

Sincerely yours,

KENNETH M. BIRKHEAD,
Assistant to the Secretary.

JUNE 24, 1962.

DEAR MR. BIRKHEAD: I would like this information on all who received loans of $50,000 or more on more than one crop. Please return.

Regards,

LINDLEY BECKWORTH.

DEPARTMENT OF AGRICULTURE,
May 29, 1962.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: We are enclosing several tables showing 1960 crop price support commodity loans of $25,000 or more, by producer, in accordance with your communication of May 24.

Your communication is being returned as requested.

Sincerely yours,

KENNETH M. BIRKHEAD,
Assistant to the Secretary.

U.S. Department of Agriculture, Commodity Credit Corporation—1960-crop price-support commodity loans of $25,000 or more, by producer

BEANS, DRY EDIBLE

[Bushels]

Producer	Address	Quantity pledged	Amount loaned
ARIZONA			
Youngker Farms Co	Buckeye	273,785	$234,903.19
Chatham & Chatham	Peoria	69,466	58,705.98
C. P. Gould	Tolleson	45,965	39,529.90
Maryvale Land & Cattle Co	Glendale	38,736	33,312.96
Arlington Cattle Co	Arlington	34,006	29,240.88
CALIFORNIA			
Salyer Land Co	Corcoran	1,360,985	1,197,666.67
Westlake Farms, Inc	Stratford	952,651	838,333.24
Giffen, Inc	Huron	446,308	397,214.12
Calflax Co	Five Points	255,853	227,709.17
William Dal Porta & Sons	Stockton	48,500	47,578.50
Jackson & Reinhart	Paso Robles	34,491	29,317.35
Basin Farms	Corcoran	31,538	27,753.73
Rancho San Lucas	San Lucas	30,978	27,260.64
OREGON			
Tulana Farms	Klamath Falls	41,667	33,229.14
Ashbeck & Luciani	Echo	31,775	28,490.54
Robert G. Bafus	Colfax	28,090	25,000.10

[Hundredweight]

Producer	Address	Quantity pledged	Amount loaned
COLORADO			
Western Bean Growers Association	Denver	11,000	$56,560.00
MICHIGAN			
Michigan Cooperative Bean Marketing Association.	Lansing	72,661	469,386.44
Bean Growers Mutual Cooperative Association.	Owendale	51,450	332,365.71
Great Lakes Farmers Cooperative Association.	Saginaw	41,445	267,738.08
Mabel Graham	Breckenridge	5,382	34,770.30
WASHINGTON			
Western Farmers Association	West Seattle	30,000	178,200.00

POSTAL PAY INCREASE

The SPEAKER pro tempore. Under the previous order of the House the gentleman from West Virginia [Mr. STAGGERS] is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, I am becoming increasingly disturbed by the lack of action in this body on the very important matter of postal pay. The 87th Congress is slowly drawing to a close. We have less than 2 months before us and the pay bill has not yet been reported out of the committee. I certainly hope the chairman of the committee, the distinguished gentleman from Tennessee [Mr. MURRAY] and the other members of the committee will facilitate matters so that the membership of the House will be able to vote on this issue.

There is no doubt in my mind, Mr. Speaker, that the Members of this body will vote overwhelmingly for a substantial pay raise if they are given the opportunity. I feel the temper of this House is very strongly in favor of a raise considerably larger than the plan that is being offered by the President's so-called pay-reform plan. If I am any judge of the sentiment prevailing among my colleagues I suggest that it is overwhelmingly in favor of legislation along the lines of the bill introduced by the distinguished gentleman from Louisiana on the first day of this session, H.R. 9531. Almost 70 other Members of this body have filed companion bills to H.R. 9531 and I am happy to say that I was one of the first to do so.

Postal workers are among the most dedicated and the most hard-working individuals in the entire spectrum of our American economy. The men who sort and deliver our mail must have competence, extremely high integrity, stamina, brains, and judgment. When one thinks about the importance of postal work one realizes that the entire social and economic structure of our free society depends on how well these career postal employees perform their duties. And yet, year after year, letter carriers and postal clerks are the forgotten men, condemned to occupy the very lowest rungs on the economic ladder.

Take the example of a letter carrier. Few people realize, Mr. Speaker, that the average carrier arrives on his job well before 6 o'clock in the morning. He must spend almost 3 hours in the office doing complicated and difficult office work before starting to walk his route, which averages about 12 miles per day. During the course of his day he is expected to be a memory expert par excellence, a diplomat, a repository of confidential information which he must not divulge to anyone, a clerical expert, a public relations man for Uncle Sam, a paragon of discretion, a reference source for all kinds of postal information—an aid to the Federal and local police, a collection agent, a strong man, a hiker, and a model citizen. For all this he is given an inadequate take-home pay.

I strongly submit to you, Mr. Speaker, that this is far too little to pay these dedicated public servants. It is a sad situation to find the United States of America, the richest and most powerful nation in the world, offering letter carriers and postal clerks a wage which would be rejected in most parts of the United States by men performing the most menial and unskilled chores. It is scandalous to find that almost 90 percent of the letter carriers and postal clerks in the United States cannot make ends meet on the amount they are being paid by their Government. More than 90 percent of the married letter carriers in this country either work at another job, or must suffer their wives to work, or must go into debt on every payday. Some of them do all three.

The bill which the distinguished majority leader of the House Committee on Post Office and Civil Service has introduced, and which I have seconded through the introduction of an identical bill, would not elevate postal workers to a state of luxurious and gracious living. It would not shower wealth upon them. But it will give them an opportunity to make financial ends meet. It might even give a few letter carriers and postal clerks—if they are very careful with their funds—a chance to save an occasional dollar.

The legislation which I support would raise the entrance pay of a letter carrier or a clerk. It does not represent affluence. It merely represents a living wage—a wage on which a frugal man can support his family decently.

The current pay scale in the postal service is such that it no longer attracts young men of ambition and ability. Who in that category today is going to be attracted by a job in which he must serve for an indefinite time as a substitute—when he is called for work? He has no assurance that he will be called, and he cannot take a second job because he never knows when he might be called. And he may remain a substitute as long as 5 years. There have been cases where men have been substitutes for as long as 10 or 11 years. And—when he finally does become a regular career letter carrier or substitute—the step 1 salary in level 4 is not enough. And, above and beyond all these discouragements, he must know that the chances of gaining a promotion are almost nonexistent. Only 3 percent of postal employees become supervisors; 97 percent remain in the level at which they begin. Mr. Speaker, what kind of a career inducement are we offering these people?

The Kennedy administration is to be congratulated in suggesting a pay increase of its own volition. I do not think any administration in history has ever done this. Every administration I have heard of has fought against giving postal employees a pay raise of any kind. But—unfortunately—the administration's pay reform offers too little—it offers it too slowly—and it wants postal employees to wait 27 years to get their just deserts.

Mr. Speaker, the administration's pay reform plan will not do. It will not suffice. It is not enough. Postal workers need a substantial pay raise—not next January—not 3 years from now—not 27 years from now. They need it now.

The administration says we cannot afford to pay our postal workers a decent wage right now. I say, Mr. Speaker, that we have got to pay them a decent wage right now. What would happen if the chairman of the board of one of our great corporations were to tell his workers that he could not pay them a decent living wage because the company was not making enough money at the moment and had other things it wanted to spend its money for. He would soon find the shops empty. Civilian workers would never stand still for such specious reasoning—and there is no reason why we should expect postal workers to do so just because they are trapped on a Federal payroll, and are forbidden the right to strike.

This administration, Mr. Speaker, has shown great interest—a highly tender and sympathetic regard—for the "man in the street" in Latin America. This is fine. Very commendable. But I feel it is high time we also show a tender and sympathetic regard for the "man in the street" in "Hometown, U.S.A."—the American letter carrier and his colleagues in the clerical service of the Post Office.

This bill needs action now. Time is growing short. I hope that we shall have an opportunity to act on this legislation as soon as possible.

PUNISHMENT FOR VIOLATION OF STRIKE INJUNCTION

The SPEAKER pro tempore. Under the previous order of the House the gentleman from New York [Mr. RYAN], is recognized for 5 minutes.

Mr. RYAN of New York. Mr. Speaker, a disgraceful act of antiunion persecution took place in New York City on June 16, 1962, when Leon J. Davis, president of Local 1199, Drug and Hospital Employees Union, AFL–CIO, was sentenced to 6 months imprisonment for violating an injunction prohibiting a strike at Beth-El Hospital in Brooklyn, N.Y. Mr. Davis was sentenced for refusing to urge the workers at this hospital to call off a strike being conducted to win a right accorded other American workers, namely, the right to union representation and collective bargaining.

It should be noted that Mr. Davis has already served a 30-day jail sentence for violating a temporary restraining order in connection with the strike. It should be further noted that the injunction order which he has been convicted of violating was served upon him while he was in jail under the 30-day sentence, and the violation with which Mr. Davis is charged took place during that same time.

It should also be noted that this maximum sentence of 6 months is one of the severest sentences ever meted out in such a case. Resorting to injunctions in such a case and the severity of the sentence are throwbacks to the 19th century.

The Beth-El Hospital trustees, who requested the sentence, appear to have embarked on a ruthless course of antilabor vengeance and persecution in order to prevent their workers from having the right to vote in a union representation election. Local 1199 indicated that it would urge an end to the strike if the hospital management agreed to allow its employees to vote in such an election. But Beth-El Hospital refused this reasonable and elementary request.

On June 13 I introduced H.R. 12124 to eliminate the discriminatory exclusion of nonprofit hospitals from the provisions of the Taft-Hartley Act. At that time I stated:

> It is my firm belief that all employees should have the right to organize and join unions which have the right to bargain on behalf of their members.

The situation in New York City hospitals is an excellent example of the desperate need to revise not only the Federal laws, but also State and local laws, so that hospital workers are not reduced to second-class employees. I commend New York City Councilman Theodore Weiss for introducing remedial legislation in the New York City Council. I am pleased that the Governor of New York has stepped into the picture and hope that the State law will be changed.

The jailing of Leon J. Davis reminds us of the recent jailing in Albany, Ga., of the Reverend Martin Luther King, Jr. In each case a courageous fighter for the rights of oppressed minority-group members was jailed allegedly for civil disobedience. In each case the cloak of legality was used to oppose a struggle for human dignity and constitutional rights. In Georgia, the Reverend Martin Luther King, Jr., was jailed for leading peaceful demonstrations of Negroes to protest segregation and discrimination. And in New York Leon J. Davis was jailed for leading low-paid hospital workers, some 95 percent of them Negro and Puerto Rican, in a peaceful strike to protest their lack of union representation, their low wages, and their poor working conditions.

This linking of the cases of King and Davis is more than symbolic. Indeed both leaders recognize the kinship of the struggles. The Reverend King has telegraphed to Mr. A. Philip Randolph that he regards the fight of Negroes in Albany, Ga., against discrimination and segregation and the fight of Negro and Puerto Rican hospital workers in New York City as part of the larger battle to bring greater human dignity and freedom to America.

The Negro and Puerto Rican communities of New York City regard the plight of the hospital workers as a symptom of all of the problems faced by minority group members. Under the leadership of the distinguished labor leader, A. Philip Randolph, vice president of the AFL–CIO, and Joseph Monserrat, of the Puerto Rico Labor Department's New York office, there has been organized a Committee for Justice to Hospital Workers, which represents 100 leaders of the Negro and Puerto Rican communities in New York.

This committee is sponsoring a prayer pilgrimage in New York on Sunday, July 22, at which some 10,000 citizens of New York will demonstrate their support for the hospital workers. The Reverend King will fly to New York from Albany, Ga., to be the featured speaker at this rally.

I wish to associate myself wholeheartedly with this pilgrimage and its goals. I urge all of my fellow New Yorkers to join with those who will be demonstrating for justice and decency that day.

DISCRIMINATION BY THE MOSLEM NATION OF SUDAN

The SPEAKER pro tempore. Under the previous order of the House the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, it has come to my attention that a member state of the Arab League, the Moslem nation of Sudan, which is receiving generous American aid while frequently voting the Soviet line at the United Nations, is guilty of flagrant anti-Christian discrimination.

Congress has expressed its position time and again in foreign assistance acts against the extension of aid to nations that discriminate on a religious or racial basis in manner affecting Americans. Discriminations by the Arab League against persons of Jewish faith, including American citizens, are notorious.

It saddens and shocks me deeply, Mr. Speaker, to find that at least one Moslem nation, Sudan, has witnessed Arab anti-Jewish actions perpetrated without effective counteractions by the U.S. Government and has embarked on a course against Christianity. This, Mr. Speaker, is a byproduct of appeasement.

I might add, Mr. Speaker, that a Soviet Russian technical assistance and advisory group has been welcomed to the Sudan. We have given that country $49.5 million in grants through the fiscal year 1962. A huge new program is contemplated to construct a highway from Khartoum to Port Sudan.

Will this new highway facilitate the movement of Russians already in that country and the movement of Sudanese officials, who are moving about the country confiscating and closing Christian church schools?

Mr. Speaker, I feel that the time has come for the executive department to take a firm stand against this insulting intolerance on the part of a nation that has its palm outstretched for more aid, a so-called neutralist, a member of that cynical pressure group, the Arab League.

I would like to submit for insertion in the RECORD a release issued on July 17 by the Bureau of Information of the National Catholic Welfare Conference of which Msgr. John E. Kelly is director. I believe this statement speaks for itself and merits the active support of every American:

> WASHINGTON.—When the new Ambassador to the Sudan, William M. Rountree, arrives at his post, he will be able to see firsthand the effect of anti-Christian discrimination.

He leaves Washington July 20.

A Sudanese law likely to cripple Christian mission efforts was passed only last month and goes into effect in December. It is regarded as the latest step by the Moslem-dominated government to suppress Christian life in the northeast African nation independent since 1956.

A frightening list of measures has followed:

Church schools have been confiscated.

Some resident missionaries have been expelled, and no substitutes admitted.

Contact between priests and people has been sharply restricted.

Those wishing to have their children baptized must get permission of police and village chiefs.

Christians in this land of nearly 12 million are outnumbered by Moslems 20 to 1. Opposition to the Government's anti-Christian campaign has meant loss of jobs.

The latest law requires a license from the Council of Ministers without which no missionary society nor any member thereof shall do any missionary act in the Sudan.

Observers say this forbids religious teaching, even to children of Christians. At present there are three Protestant and two Catholic mission groups in the Sudan.

One section of the new law declares:

> No missionary society shall: Do any missionary act in regions or places other than those specified in its license; do any missionary act toward any person or persons professing any religion or sect or belief * * * other than those specified in its license; do any missionary act calculated or likely to cause a breach of the public peace or threat to law and order.

In connection with this latter provision, in 1960 a Sudanese priest was tried on a charge of threatening the security of the state because he allegedly helped some students print a protest against the change in Sudan's day of rest for Christians as well as Moslems from Sunday to Friday, the Moslem holy day. The priest—Father Paolino Dogale—was sentenced to 12 years in jail and the students to 10 years each.

The new law also bans any social activities—by missioners—except within the limits and in the manner laid down from time to time by regulations made under section 10. This section places at the discretion of the Council of Ministers the following matters:

The formation of clubs, the establishment of societies and the organization of social activties.

Appeals for and collections of money.

Famine and flood relief and similar charitable objectives.

The holding of land by missionary societies and regulation of the use of such land holdings.

Publication and distribution of papers, pamphlets, or books.

Another section of the law provides:

> No missionary society shall bring up in any religion or admit to any religious order any person under the age of 18 years without the consent of his lawful guardian. Such consent shall be reduced to writing before a person appointed for that purpose by the Province authority.

Still another provision to protect minors reads:

> No missionary society shall adopt, protect or maintain an abandoned child without the consent of the Province authority of the person appointed by it for that purpose. A missionary society or any of its members to whom an abandoned child has been brought shall report the fact to the local government inspector or the nearest police station.

All missionary societies must submit to the government a list of their members and employees and a copy of their regulations. They must also declare the source of their income, funds and real and personal property.

Finally, the mission society must undertake not to do any act calculated to obstruct or oppose any constitutional, administrative, or executive action taken by the government or intended to be so taken—not to interfere with the foreign relations of the government with any other government nor to bring discredit on such relations—and—not to act as representatives for any of the local people before any government department, office or official.

Observers in the Sudan say that the provision not to interfere in foreign relations is a solemn warning to missioners by the government not to ask for help or protection from their embassies and not to write reports for the foreign press. The observers believe that the Sudanese Government is especially fearful of a press campaign against the new antimission law in the foreign press.

FEDERAL HIGHWAY USE TAX

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the body of the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, I am today introducing two bills relating to the Federal highway use tax imposed under the Highway Revenue Act of 1956 which I feel urgently need to be enacted. The Revenue Act of 1956 imposed a tax on the use of certain highway motor vehicles having a taxable gross weight of more than 26,000 pounds. The amount of the tax levied under this act was at the rate of $1.50 a year for each 1,000 pounds of taxable gross weight. Under the Internal Revenue Code Amendments of 1961 this rate was increased to $3 a year for each 1,000 pounds of taxable gross weight. So, under the 1961 amendments, the owner of a truck with a gross weight of 26,000 pounds or more must pay at least a minimum of $78 in taxes per annum, adding $3 to that sum for each additional 1,000 pounds of gross weight over the arbitrary 26,000 figure. The owner of a truck falling into this taxable category under the 1956 act is liable for the tax whether or not the vehicle is used as an indispensable part of his primary business, or is used infrequently in sideline work done to supplement his income. The same tax liability also applies to those who very seldom operate this vehicle on a federally aided highway, using their trucks only on primary hauls from their farms to market or from logging camp to railhead or mill over township and country roads.

Mr. Speaker, there are a great number of small farmers and small loggers who fall into the exceptions which I have just mentioned. I do not believe that it was the intent of Congress when the legislation providing for a highway use tax was enacted that these small farmers and small loggers, who seldom use a Federal-aid highway and who operate their trucks primarily for transportation of unfinished products on a first haul, should be taxed as those who frequently use Federal-aid highways and who use their trucks primarily on the second haul are taxed. In addition, Mr. Speaker, there has been a notable lack of communication on the part of the Internal Revenue Service with the small farmers and truckers concerning collection of the highway use tax. This has caused much hardship for a number of small loggers and farmers who suddenly have been told that they are liable for back taxes, dating back to July 1, 1956.

Mr. Speaker, I believe that expeditious enactment of the two measures which I am introducing today will correct two injustices which have occurred: First, the unintended coverage which probably resulted from an oversight on the part of the Congress when considering the 1956 act; and second, the very heavy burden of interest and penalties which are being assessed against a number of small loggers and farmers who were unaware that this highway use tax existed.

The first bill which I am introducing would provide an exemption from the highway use tax in the case of certain trucks and other vehicles which are used primarily for hauling unprocessed farm and forest products from their place of production to market or mill. I do not believe it was the intent of Congress to tax the kind of vehicles which this legislation would exempt. The highway use tax was enacted in 1956 in accordance with the concept that users of our new highways, particularly truckers who would stand to benefit a great deal from the new Interstate Highway System, should contribute to the construction and maintenance of the good roads so indispensable to their business. But it seems to me to be inconsistent with the rationale of the highway use tax to include as taxable trucks hauling forest products and farm products on the first haul—that is, from farm to market and from logging camp to assembly yard, railhead, or mill.

Forest products which have their origin in the woods are generally hauled on private roads, built at the loggers' expense, and then are usually carried the remainder of the way on a country highway. A small part of the last stretch might be on a State highway.

A good part of the hauling, then, is done on roads which are not maintained by the Federal, State, or county governments, yet gas tax is paid on all of this hauling, as well as State licenses and Federal highway use taxes. Another reason for exempting trucks used for hauling forest products on the first haul is that forest products are raw materials, heavy and bulky, and they have a low unit value as compared to most truck cargoes carried over the road on federally aided highways. But, because of these heavy loads, heavy equipment is required, with the resultant use tax coverage. In addition, the annual mileage of forest products haulers is very small in comparison with that of the over-the-road haulers.

Also, farm products on the first haul, in Minnesota, and I am sure in most other States, are transported by farmers to their neighbors, to the nearest market, or outlet, whether it be a grain elevator, railhead, creamery, and so forth, over rural township roads most of which are built and maintained by the township with moneys derived from taxes on the farms. Only on the very last stretch of the haul might the farmer be getting any return from his gas tax and license.

Let me give some illustrations to clarify what is meant by the "first haul."

Farmers in a wheat area, for example, haul their individual truckloads of wheat at harvest time to the local grain elevator. This is a first haul and would be exempt from the use tax under my bill. But trucks hauling grain from the elevators in Grand Forks, N. Dak., to the grain terminals at the Duluth, Minn., harbor, would not be exempt, since this is the second haul. Another example is the transportation of logs out of the woods to a central sawmill. This is a first haul and would be exempt under this legislation. After the lumber is sawed, dried, and planed, it may be hauled to a large city one hundred miles away. This would be considered the second haul and would not be exempt under this legislation.

Mr. Speaker, I do not feel that determination of those eligible for exemption will pose too great a problem for the Internal Revenue Service, since a comparable exemption has been in effect in the State of Minnesota for some time, and it has been used successfully there as a basis for determining the type of license to be obtained on a particular vehicle. Using the "first haul" definition and placing the burden of proof upon the licensee will result in an accurate determination of tax liability. In addition, many States, like Minnesota, have special license provisions which could be used as a cross reference by the Internal Revenue Service in checking doubtful cases.

I respectfully urge expeditious enactment of the bill which follows because it will provide relief to farmers and loggers who must haul their products from the place where they are grown to market, railhead, or assembly point. These hauls, moreover, generally originate on private roads; the products hauled are low in unit value, and heavy and bulky in nature; and the annual mileage of these hauls is small due to the seasonal nature of the operations and the short distances involved. These facts give ample justification for making a distinction between first haul truckers and over-the-road truckers.

The second bill which I am introducing provides for the abatement of certain penalties and interest otherwise payable with respect to the highway use tax in the case of certain motor vehicles used primarily for hauling unprocessed farm and forest products from their place of production to market or mill.

I believe enactment of this legislation is wholly consistent with the concept of the highway use tax and that it is necessary to help relieve the serious economic burden which will be placed upon a good number of small loggers and farmers, who innocent of any wrongdoing, must now pay highway use back taxes from July 1, 1956, to the present. Those who will be most seriously injured are the farmers and loggers least able to afford it because of the size of their business and their small incomes.

Because of their size and their remoteness from comprehensive news media, these small farmers and loggers were unaware that this highway use tax existed. Being small operators, they do not hold membership in any of the various associations which disseminate information on laws which might affect their members. More importantly, the Internal Revenue Service had not contacted the members who might be required to pay these back taxes until this time. The result of these separate factors is that now many loggers, farmers, and pulp operators are faced with delinquent claims, plus the possibility of penalty and interest for a tax they knew nothing about.

Mr. Speaker, the urgency of this problem is very great, and particularly for northern Minnesota. It is very likely that some truckowners will not be able to pay. Of course, this will directly contribute to northern Minnesota's serious unemployment problem. Currently, the Internal Revenue Service is making a broad-scale enforcement check, and many of these small truckers who use their trucks only on first hauls are being assessed taxes as far back as 1956, together with 25-percent penalties and 6-percent interest. One rural truck owner in my district, for example, has been assessed approximately $560 in back taxes, $130 in penalty, and $100 in interest.

This assessment will obviously be a severe economic burden to him. There are others in Minnesota who have been assessed over $3,000. These tax payments will have to be made at a time when employment is very scarce in northern Minnesota. Waiving the penalty and interest on these assessments, where ignorance and lack of adequate notification by the Internal Revenue Service and not wrongful intention caused the inadvertence in filing and payment, is the only just thing to do, and, in the case of many depressed areas in this Nation, is an economic necessity.

Mr. Speaker, for the following reasons I strongly believe that the interest and penalty on delinquent highway-use taxes should be waived after satisfactory proof that the truckowner was "unaware of and did not willfully evade" this tax:

First. Enforcement of the payment of the tax was neglected for a considerable period of time by the Internal Revenue Service. It might have been that the Service did not have a sufficient staff to properly enforce payment of the tax, but the fact remains that collection was not enforced and that there was in no way willful evasion by the taxpayer. The delay was detrimental to the taxpayer and he should not be penalized for it.

Second. Many persons, for example, in northern Minnesota, live in areas not served by daily newspapers, and they do not regularly subscribe to publications which would provide information relating to matters such as the Federal use tax. As a result, many small, rural truckowners were ignorant of the tax until the Internal Revenue Service commenced proceedings to collect the taxes.

Third. At the time the tax was first payable in 1957, sufficient forms were not available; in fact, many Internal Revenue offices were not familiar with the tax, and therefore did not sufficiently publish the requirements of payment.

Fourth. The difficulty of now paying a large penalty and interest, in addition to the tax, may very likely force many small truckowners into further economic hardship, especially in depressed areas like northern Minnesota, or may force them completely out of business.

Fifth. The Internal Revenue Service has indicated that it did not have lists or other means of making direct contact with the people subject to the tax. It must be remembered that rural and forest areas are not Metropolitan Chicago; the Service cannot presume that publication of a new tax will achieve as great an incidence of coverage because of the inadequate scope of the rural communications media.

The text of my two bills follows:

A Bill To Amend the Internal Revenue Code of 1954 To Provide an Exemption From the Highway Use Tax in the Case of Certain Trucks and Other Vehicles Which Are Used Primarily for Hauling Unprocessed Farm and Forest Products From Their Place of Production to Market or Mill

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4483 of the Internal Revenue Code of 1954 (relating to exemptions from the highway use tax) is amended by adding at the end thereof the following new subsection:

"(d) Certain Trucks Hauling Raw Farm or Forest Products.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4481 on the use of any highway motor vehicle if at least 80 percent of the use of such vehicle during the taxable period consists of—

"(1) transportation of unprocessed and raw farm products from the place of production to market, where such transportation constitutes the first haul of such products, or

"(2) transportation of logs, pulpwood, or other raw and unfinished forest products from the place of production to an assembly yard, railhead, or mill, where such transportation constitutes the first haul of such products, or

"(3) a combination of transportation described in paragraphs (1) and (2)."

Sec. 2. The amendment made by the first section of this Act shall apply only with respect to taxable periods (as defined by section 4482(c)(4) of the Internal Revenue Code of 1954) ending after the date of the enactment of this Act.

A Bill To Provide for the Abatement of Certain Penalties and Interest Otherwise Payable With Respect to the Highway Use Tax in the Case of Certain Motor Vehicles Used Primarily for Hauling Unprocessed Farm and Forest Products From Their Place of Production to Market or Mill

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no penalty (including interest, additions to the penalty, and additional amounts) shall be assessed or collected, under section 6601 or

6672 of the Internal Revenue Code of 1954 or under any other provision of law, on or after the date of the enactment of this Act on account of the failure of any person to pay the tax imposed by section 4481 of the Internal Revenue Code of 1954 on the use of any highway motor vehicle for any taxable period beginning on or after July 1, 1956, and ending before July 1, 1962, if such person or his duly authorized representative, within one year after the date of the enactment of this Act, submits to the Secretary or his delegate—

(1) a sworn statement that he was unaware of, and did not willfully evade, such tax; and

(2) satisfactory proof that during the taxable period or periods involved at least 80 percent of the use of such vehicle consisted of—

(A) transportation of unprocessed and raw farm products from the place of production to market, where such transportation constituted the first haul of such products, or

(B) transportation of logs, pulpwood, or other raw and unfinished forest products from the place of production to an assembly yard, railhead, or mill, where such transportation constituted the first haul of such products, or

(C) a combination of transportation described in subparagraphs (A) and (B).

If any such penalty has been assessed and not collected prior to the date of the enactment of this Act, or is assessed on or after such date, the assessment shall be abated; and if such penalty is collected by the United States on or after such date the amount so collected shall be paid back as a penalty collected without authority.

PUBLIC ASSISTANCE AND CHILD WELFARE SERVICE PROGRAM

Mr. MILLS submitted a conference report and statement on the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. Bolton (at the request of Mr. Betts), for the balance of the week, on account of illness in her family.

Mrs. May (at the request of Mr. Halleck), for today, on account of illness.

Mr. Harvey of Michigan (at the request of Mr. Halleck), for the balance of the week, on account of death in his family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Perkins, for 15 minutes, today.

Mr. Michel, for 60 minutes, on July 20.

Mr. Beckworth, for 15 minutes, today.

Mr. Staggers, for 5 minutes, today.

Mr. Ryan of New York, for 5 minutes, today, and to revise and extend his remarks.

Mr. Halpern (at the request of Mr. Goodell), for 10 minutes, today, and for 5 minutes, tomorrow, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. James C. Davis and to include extraneous matter.

Mr. MacGregor to include extraneous matter in the remarks he made today.

Mr. Avery during debate in the Committee of the Whole today and to include extraneous matter.

Mr. Pelly, his remarks in Committee of the Whole and to include a telegram.

Mr. Siler.

Mr. Dent.

(The following Members (at the request of Mr. Goodell) and to include extraneous matter:)

Mr. Wilson of Indiana.

Mr. Beermann.

Mr. Lindsay, to include extraneous matter in his remarks made during consideration of the conference report on S. 167 today.

Mr. Griffin.

(The following Members (at the request of Mr. Albert) and to include extraneous matter:)

Mr. Zablocki.

Mr. Herlong and to include a speech.

Mr. Brademas in three instances.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1469. An act for the relief of Mrs. Leslie M. Paterson, Janet Paterson, and Mary Paterson;

H.R. 7369. An act for the relief of Gerda Godin; and

H.R. 11131. An act to authorize certain construction at military installations, and for other purposes.

ADJOURNMENT

Mr. GIAIMO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 27 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, July 19, 1962, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2322. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend the act of February 9, 1907, entitled 'An act to define the term "registered nurse" and to provide for the registration of nurses in the District of Columbia', as amended, with respect to the minimum age limitation for registration"; to the Committee on the District of Columbia.

2323. A letter from the Administrative Assistant Secretary of Agriculture, transmitting a report of all claims paid by the Department of Agriculture for the fiscal year ended June 30, 1962, pursuant to the Federal Tort Claims Act (28 U.S.C. 2671–2680); to the Committee on the Judiciary.

2324. A letter from the Comptroller General of the United States, transmitting a report on the review of air travel authorized by the Washington office of the Bureau of Public Roads, Department of Commerce, June 1962; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on Rules. House Resolution 727. Resolution for consideration of H.R. 12391, a bill to improve and protect farm income, to reduce cost of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes; without amendment (Rept. No. 1997). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 729. Resolution for consideration of H.R. 529, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes; without amendment (Rept. No. 2001). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 730. Resolution for consideration of H.R. 575, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes; without amendment (Rept. No. 2002). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 731. Resolution for the consideration of H.R. 4094, a bill to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources; without amendment (Rept. No. 2003). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 732. Resolution for the consideration of S. 476, an act to establish the Point Reyes National Seashore in the State of California, and for other purposes; without amendment (Rept. No. 2004). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 733. Resolution for the consideration of S. 2008, an act to amend the act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615a), relating to the construction, operation and maintenance of the Spokane Valley project; without amendment (Rept. No. 2005). Referred to the House Calendar.

Mr. MILLS: Committee of conference. H.R. 10606. A bill to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes (Rept. No. 2006). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 2572. An act for the relief of the Merritt-Chapman & Scott Corp.; without amendment (Rept. No. 1998). Referred to the Committee of the Whole House.

Mr. LINDSAY: Committee on the Judiciary. H.R. 11334. A bill for the relief of Mary J. Papwroth; with amendment (Rept. No. 1999). Referred to the Committee of the Whole House.

Mr. LINDSAY: Committee on the Judiciary. H.R. 10604. A bill for the relief of Mr. and Mrs. Gordon C. Bryant; with amendment (Rept. No. 2000). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JAMES C. DAVIS:

H.R. 12588. A bill to increase from $600 to $1,000 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. ABERNETHY:

H.R. 12589. A bill to amend the Smith-Lever Act of May 8, 1914, as amended; to the Committee on Agriculture.

By Mr. CASEY:

H.R. 12590. A bill to provide for the conveyance of a certain tract of land in Houston, Harris County, Tex., to the State of Texas; to the Committee on Armed Services.

By Mr. FARBSTEIN:

H.R. 12591. A bill to amend the Bankruptcy Act to increase the amount of wages entitled to priority to $2,000, to provide that pension, welfare, and other fringe benefits shall be treated as wages, and to increase the priority period from 3 months to 12 months with respect to certain wage components; to the Committee on the Judiciary.

By Mr. JENSEN:

H.R. 12592. A bill to provide for the development of oxbow lakes and other facilities along the Missouri River between Sioux City, Iowa, and Omaha, Nebr., for public recreation, for fish and wildlife conservation, and for other purposes; to the Committee on Public Works.

By Mr. MASON:

H.R. 12593. A bill to amend the Internal Revenue Code of 1954 to insure that the communications taxes will not apply to certain private communications services furnished to common carriers; to the Committee on Ways and Means.

By Mr. O'HARA of Michigan:

H.R. 12594. A bill to amend the Agricultural Adjustment Act of 1938 to permit increased production of types or varieties of wheat which are in short supply; to the Committee on Agriculture.

By Mr. O'KONSKI:

H.R. 12595. A bill to amend chapter 55 of title 10, United States Code, to provide maternity benefits for spouses of persons called to active duty on or after August 1, 1961, after the termination of their active duty, and for other purposes; to the Committee on Armed Services.

H.R. 12596. A bill to amend section 521 of title 38, United States Code, to provide for the payment of pension to veterans of World War I who have 70 or more, but less than 90, days of service; to the Committee on Veterans' Affairs.

By Mr. BARRY:

H.R. 12597. A bill to make the Civil Rights Commission a permanent agency; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts:

H.R. 12598. A bill to amend the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. LIBONATI:

H.R. 12599. A bill to amend the Internal Revenue Codes of 1954 and 1939 to provide for the elimination of certain tax inequities through the permissive taxation of certain jointly owned railroad terminal and switching facility corporations as partnerships; to the Committee on Ways and Means.

By Mr. RIVERS of South Carolina:

H.R. 12600. A bill to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL:

H.R. 12601. A bill to provide for a comprehensive, long range and coordinated national program in oceanography, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. O'BRIEN of New York:

H.R. 12602. A bill to authorize reimbursement for certain moving expenses and property losses to any person who is compelled to relocate his home or business because of the acquisition of property by the United States; to the Committee on Public Works.

By Mr. PHILBIN:

H.R. 12603. A bill to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.; to the Committee on Armed Services.

By Mr. GLENN:

H.R. 12604. A bill to provide for the construction of a new Veterans' Administration hospital in southern New Jersey; to the Committee on Veterans' Affairs.

By Mr. PUCINSKI:

H.R. 12605. A bill to amend section 601 of the Federal Aviation Act to require identification markings on the underside of the wings of certain aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. KEARNS:

H.J. Res. 826. Joint resolution to amend the act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide for the restoration and use of the Belasco Theater on Lafayette Square in the Nation's Capital as a municipal theater as proposed by President Kennedy in 1960, to provide that such theater shall be used solely as a children's theater and art center so as to provide cultural fare superior to many of the movies and television programs seen by millions of children today, and to provide that such theater shall be known as the Caroline Kennedy Children's Theater and Art Center; to the Committee on the District of Columbia.

By Mr. SCHWENGEL:

H. Con. Res. 503. Concurrent resolution to authorize the printing as a House document the report of the Joint Committee on Arrangements to Commemorate the 100th Anniversary of the First Inaugural of Abraham Lincoln; to the Committee on House Administration.

By Mr. COOLEY:

H. Res. 728. Resolution to provide funds for the further expenses of studies and investigations authorized by House Resolution 86; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H.R. 12606. A bill for the relief of Claude S. Reeder and Reeder Motor Co., Inc.; to the Committee on the Judiciary.

By Mr. HAGAN of Georgia:

H.R. 12607. A bill for the relief of Dr. Cheng-Tsuau Su and Angela Su; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 12608. A bill for the relief of Abraham Hershler and his brother, Zvi Hershler; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 12609. A bill for the relief of Elisabetha Kabsch; to the Committee on the Judiciary.

By Mr. WILSON of California:

H.R. 12610. A bill for the relief of Shoko Arai Thomas; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Foreign Languages and Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. BRADEMAS. Mr. Speaker, under unanimous consent, I should like to include in the CONGRESSIONAL RECORD the text of an article entitled "Foreign Languages and Federal Aid to Education," which was published in the May 1962 issue of Publications of the Modern Language Association of America.

The article is based on an address which I was privileged to deliver on December 29, 1961, at the annual meeting of the Modern Language Association of America in Chicago, Ill.

The text of the article follows:

FOREIGN LANGUAGES AND FEDERAL AID TO EDUCATION

(By JOHN BRADEMAS, Congressman from Indiana)

In the last several years, in large part because of the leadership of the Modern Language Association, the American people have come to understand more clearly than ever before the great importance to our country, in terms of national security if for no other reason, and there are other reasons, of developing and maintaining a reservoir of persons skilled in the knowledge of modern foreign languages. Even a man of little political sensitivity could not fail, a few days ago, to have appreciated the immense impact of the few words spoken in Spanish by Mrs. Kennedy during the President's visit to Latin America.

I think, Mr. Chairman, that you and the members of the association may be interested to know the results of a short survey that I arranged a few months ago to determine the knowledge of foreign languages of Members of the Congress of the United

States. Although a substantial number of Members of the House and Senate who responded said they had no foreign language ability at all, a sizable number of my colleagues indicated that they had at least some capacity to speak or understand at least 1 of 28 different foreign languages. Their knowledge ranged from French and Spanish and German at one end of the scale, quite understandably, through a variety of languages including Polish, Russian, Italian, Swedish, Norwegian, Chinese, Croatian, Yiddish, Hungarian, Hindustani, and Sioux Indian at the other.

It is not primarily about languages, however, that I wish to speak to you this afternoon, but about higher education generally, and in particular about the relationship between the Federal Government and higher education. Although, as your chairman has indicated, I am a politician, I come to you as a friend. A frustrated Hispanist, and former college teacher, I now serve, as he has also indicated, on the House Education and Labor Committee and on two of the standing subcommittees of the three that deal with education. At the present time I am also serving as chairman of the Advisory Group on Higher Education, the purpose of which is to provide by the end of January specific legislative recommendations on what Congress ought to be doing in the next session in the field of assistance to colleges and universities in the United States. Moreover, during the past year it has been my good fortune to have visited several universities abroad—four in Argentina, two in England, six institutions of higher learning in the Soviet Union, as well as a number of colleges and universities here in our own country. What I should like to do this afternoon is discuss with you something of what I've learned from these experiences of the last year and then to make bold as a politician to offer to you as professors some admonitions for the coming year.

My thesis is a simple one and it is this: In a world more troubled than man has ever known, and with the United States more burdened with responsibility for leadership than ever before, the American university community, indeed the American educational community generally, has a crucial contribution to make in supplying that leadership, and the university community is not now doing enough. I do not for a moment suggest that our failure to do an adequate job of what Senator JOSEPH CLARK, of Pennsylvania, has called in a very arresting phrase "the staffing of freedom" is primarily to be charged, or entirely to be charged, against the university community. Clearly this is not the case. But some of the fault does lie there. Particularly, my fellow humanists, it lies with you rather than with the natural scientists.

SOVIET CHALLENGE IN EDUCATION

First of all, let me tell you something of what I learned during my visit to the Soviet Union a few weeks ago. I went with other members of the House Education and Labor Committee to get some firsthand picture of what the Russians are doing in their school systems. We visited Moscow, Kiev, and Leningrad, and in those great cities visited elementary and secondary schools, technical institutes and universities. We talked with principals and students, with rectors and ministers of education. I have no time here to detail for your our experience in that remarkable land. But I can give you these major conclusions from our visit. First, the Soviets are deeply committed to education. Both teachers and students take education very seriously indeed, and they are working hard at it. They mean business, and they take education seriously, I think, for two reasons. First, in a society where there is essentially no private property, the way to get ahead in terms of status and prestige and power and influence is, with the single exception of activity in the Communist Party, education. And, second, the Soviets regard education as the key to the economic, industrial, scientific, and military development of their country.

I said they worked hard. We visited, as I think you in this group will be particularly interested to know, 1 of 14 experimental language schools in the city of Leningrad. This school taught English. Chinese, French, German, or Hindustani are taught in four other schools, and in the rest one can learn English. One begins at the second grade and continues the course through 10 or 11 grades. I was mightily impressed by the high caliber of the students in this school, by the dedication and devotion of the teachers.

A second major impression that I brought from the Soviet Union is this, that although the Soviets are behind us today in many ways in the field of education, their totalitarian system gives them the capacity to train the kind of manpower, the collective farmers, the lathe operators, the nuclear physicists, the teachers, the engineers that their state planner believe are essential to building up the power of the Soviet state. I visited, for example, the Leningrad Pedagogical Institute in Moscow, where the director told me with great pride that the 7-year plan called for him to admit to his institution, that year, 1,500 freshmen who were later to become teachers. He said, using Marxist jargon, "We overfulfilled our plan. We admitted 1,550." At the Alexander Herzen Pedagogical Institute in Leningrad I was told by the director that after the students have graduated and are able to teach, if they are not required in Leningrad or in Kiev, in Moscow or in the big cities where most Soviet young people would prefer to stay, they are sent off to Tashkent in Central Asia, or to other parts of the country which are not so pleasant. This totalitarian system, therefore, gives the Soviets a kind of advantage in directing the flow of national investment in education over us which, of course, we do not wish to match but which, nonetheless, poses a most serious challenge to us.

Third, the emphasis in the Soviet Union on education for science and technology, with its dramatic results in increased industrial and military strength, is, I think, compelling evidence of the ruthless Soviet concentration on building up national power.

The question we must ask then, in assessing the Soviet educational system, is not whether the Soviets are ahead of us today economically and scientifically but, rather, will their totalitarian system enable them to pull ahead of us 5 or 10 or 20 years from now?

Three or four weeks ago the Engineering Manpower Commission in the United States published a report which said that at the present time the Soviets are outproducing us in the field of engineers at the rate of 3 to 1. I think many of you in this room will be interested to see the National Science Foundation publication that will be coming out some time next month by Prof. Nicholas DeWitt of the Russian Research Center at Harvard, in which he is going to delineate with careful statistics the situation with respect to Soviet manpower and education at the present time.

This Soviet challenge in science and technical education is one of the major reasons that the chairman of the House Education and Labor Committee in September named the bipartisan Advisory Group on Higher Education, to which I referred a minute ago, the purpose of which is to develop specific recommendations for what the Federal Government ought to be doing in the way of assisting the colleges and universities of our country. During the last several weeks we have been meeting, as members of this group, with outstanding scientists and educators from throughout the country to get their off-the-record views on what we should do. And I hope very much that Congress will act on legislation for Federal assistance to strengthen colleges and universities this coming year. If we are going to "staff freedom effectively" in the United States, we must invest far more in higher education than we have in the past.

EDUCATION AND FOREIGN POLICY

Not only is it essential, however, that we invest more nationally in our colleges and universities in the United States, but our commitments elsewhere in the world mean, in my judgment, that we must also give far greater attention than we have heretofore to the role of education in our foreign policy. Let me give you a specific example from some personal experience. I want to offer to you the proposition that the universities of Latin America have a crucial contribution to make to the development of strong and viable democracies in the nations to the south of us. With his concept of a grand Alliance for Progress, President Kennedy has, in effect, rediscovered Latin America. We have been awakened to a new consciousness in our country today of the importance to us of what happens in Latin America. And as a result of this awakening, we have, as citizens of this country, committed ourselves to helping in the urgent task of building democratic societies in our own hemisphere.

VISIT TO ARGENTINA

Last spring, with Congressman ROBERT GIAIMO, of New Haven, Conn., I visited one of the largest and most powerful countries of Latin America, Argentina. While in Argentina I talked with the rectors of several universities, with student leaders, with professors, with Argentine newspapermen, and television and radio reporters, with the country's only Nobel prize winner, as well as with the Minister of Education and with President Frondizi of Argentina himself. You all know the importance of our diplomatic representatives abroad being equipped with the languages of the countries to which they are assigned. I can only say that the fact that my colleague, Congressman GIAMO, speaks Italian and that I can defend myself in Spanish meant that we were able to have far more candid conversations in Argentina than would certainly have been the case otherwise. This visit to Argentina persuaded us that the universities of Latin America are an indispensable key to the economic development and the social reform which these nations must have if they are to create democratic societies and free political institutions that will endure.

The universities of Latin America are going to have to produce the engineers, the agricultural specialists, and the technicians required to fight hunger, poverty, and disease and to move these countries in our own hemisphere onto the stage of the 20th century. Otherwise, you and I can expect to see the spread of Castro-like movements throughout Latin America.

SHORTAGES IN LATIN AMERICA

As President Kennedy said in his great Alliance for Progress speech of last March, "We must rapidly expand the training of those needed to man the economies of rapidly developing countries. This means expanded universities, graduate schools, and research institutes." Latin America must have not only investment capital in the form of physical resources if it is to move ahead in rapid economic and technical growth, but it also needs highly trained and highly skilled human beings, too few of which it now has. The University of Buenos Aires, for example, the largest university in a land famed for its production of beef, seems far behind us in modern techniques of animal husbandry. A recent census at the University of Buenos Aires, which has from 55,000 to 60,000 students, showed that nearly 20 percent were studying law, while only 2 percent were in the fields of agronomy and veterinary medicine. And the Latins, even the Argentines, are not that much more a litigious people than we are. There are, however, historical reasons for so many law students in Latin American universities. I have no time now to go into the reasons, well known to many of you in this room. The fact remains that Latin America faces not a grave shortage of lawyers but of people trained in what I would call the strategic fields, those fields that lead to rapid economic and social progress.

EDUCATION AND ALLIANCE FOR PROGRESS

Now what can we in the United States do to help fill this technical gap and put some flesh on the bones of the Alliance for Progress? First of all, I would argue that in the shaping of our Alliance programs we must give a high priority to aid to higher education in Latin America. And in particular we should strengthen what I have just called the strategic fields, agronomy, engineering, economics, the natural sciences, and public administration. This does not mean that we should oppose the development of the humanities in Latin America, but our resources in the United States are limited. We should, in my judgment, invest those resources where the dividends make the maximum contribution to our national policy goals. The goals are to develop strong economies and strong democracies in these lands. In the long run, after all, only the universities of Latin America are going to be able themselves to train the people that their countries require. We cannot do that job for them. But we can help them get started and we can help them get started now. Let me make just one suggestion, which I think is particularly relevant for those of you who teach modern foreign languages. I offer this suggestion on the basis of my experience in Argentina, and offer it because of what appears to me to be one of the major shortcomings of Latin American universiites. I refer, of course, to the lack of full-time professors. The suggestion is simply this: That we send more of our top professors from the United States to Latin American universities.

I do not oppose bringing Latin American undergraduates to this country, but I am frank to say that if there is a choice, the priority should certainly go to sending more of our professors to strengthen existing universities in those countries in order to build up strong departments there. Specifically, I would urge the establishment of a new system of exchange chairs or professorships between the United States and Latin America. In Latin America, in each country where such a chair would be set up, it could be known as the Franklin D. Roosevelt Chair of American Studies, or the Abraham Lincoln Chair, or the George Washington Chair, or the Thomas Jefferson Chair. Indeed, if you'll go along with a John F. Kennedy Chair, I'd be glad to accept a Dwight D. Eisenhower Chair. Such a chair might be established in each of half a dozen of the major universities in Latin America and an outstanding professor from the United States be named to fill it for 1 year. In return, there should be established in the United States an equivalent number of chairs of Latin American studies, each named after a leading Latin American hero, such as a Benito Juarez Chair, a Simon Bolivar Chair, a Bernardo O'Higgins Chair, or because this year is the 150th anniversary of his birth in Argentina, a Domingo Faustino Sarmiento Chair. These chairs should not all go to the major American universities; they should go to some of our excellent smaller universities as well. The establishment of these chairs would be mutually helpful and would also dramatize the importance of professorships. By requiring that the Latins send us some of their outstanding scholars, we would make clear our own desire to learn from them. And I would add that these chairs might well be financed, not by U.S. Government funds, but either through university to university arrangements or financing by American private business firms. This is just one suggestion that I would presume to offer as we try to help the Latin Americans train people in the skills and talents essential if they are going to have a chance to make democracy work.

PROFESSORS AND PUBLIC POLICY

Now I have discussed briefly with you some facets of higher education in three parts of the world, in the Soviet Union, in the United States, and in Latin America. I speak to you as a politician with responsibility to help frame legislative policies that are in some measure related to all three of these areas. You may appropriately ask, "What does all this have to do with us in the educational community, in the university community especially, and even more particularly what does all this have to do with us in the field of the humanities?" And to this question I make the following answer: American university teachers know far too little about politics and particularly about governmental policies affecting higher education. Members of the American university community, especially in the humanities, have far too little understanding of the nature of the political process, less of the relationship of the Federal Government to higher education, and, I fear, care not very much about their ignorance on either count. The natural scientists, I might interject, do know their way around in the world of government and politics, and they have learned that Emerson's famous dictum, "in the right state the scholar is man thinking," may be too limited a view of the scholar's role in the world of the 20th century. All of you are familiar with C. P. Snow's warning of the immense gulf that divides the natural scientists from the humanists or from what Snow, who is himself a dweller in both realms, calls the literary intellectuals, which means you. To Snow's argument I would add at least two corollaries: first, that we politicians do not know enough about modern science; and second, that those of you who teach arts and letters in American universities do not know enough about either science or politics. It is this ignorance of politics on the part of the university community that concerns me chiefly here this afternoon.

Professors should pay increased attention to governmental policies affecting higher education for two principal reasons. First, our universities today are being urged to supply more trained leadership than ever before in the history of this Republic to meet our national needs both at home and abroad. The Communist world is ranged against us scientifically and economically, as well as militarily, and we need all the brainpower we can get for national survival. Indeed, it was primarily because of the widespread public acceptance of this fact that Congress passed 3 years ago the National Defense Education Act. Now I know that many of you in this room may be very unhappy about what you feel to be the Federal Government's overemphasis on assisting science and technical education and not doing more for the humanities. Let me, however, respectfully suggest that such an attitude may be due to a failure on your part to appreciate that there are necessary limitations on the Government's interest in supporting programs in the field of education. For example, the fact that the Federal Government seeks to encourage the training of more language teachers rather than more language scholars does not mean that scholars are not important. What it does mean is that the Federal Government, with limited resources, and priorities defined in terms of national policy, must limit its assistance to teachers. Earlier this year, when considering revision of the National Defense Education Act, a distinguished classical scholar appeared before our subcommittee. He did so to urge the inclusion of Latin and Greek in the language section of the National Defense Education Act. I advised this distinguished classicist that one of the Congressmen listening to his testimony was of Italian origin and that another, which was I, was of Greek origin. I added that both of us, nonetheless, had misgivings about his proposal. For the issue was not whether the improved teaching of Latin or Greek was advisable. Clearly it is advisable and is a self-evident case. The issue, however, with which we as legislators are faced, is whether the inclusion of Latin and Greek under the National Defense Education Act would make any significant contribution to strengthening the teaching of modern languages as a contribution to our national defense, the purpose of the law.

I think that you humanists will be glad to know that the issue of the relative emphasis to be placed on assistance to the humanities and to science is a continuing preoccupation of members of the House Education and Labor Committee. This is something we wrangle about all the time, even as all of you do. I also think it fair to say, and hope it will not be taken in a partisan vein, that President and Mrs. Kennedy have done more to invigorate national interest in the fine arts and in the humanities in our country than any occupants of the White House in a long, long time.

UNIVERSITIES' COOPERATION NEEDED

Now there is a second and final reason that I think you should become more concerned with politics and public policy. It is this. Enrollments in American colleges and universities in the next decade will skyrocket. And there is little question that the universities will require more support from Federal funds, as well as from State and private sources, if they are going to meet the impact of these increased enrollments. The university community, and the education community generally, therefore, have a direct stake in the kind of programs that the Government develops. You, therefore, should not hesitate to make your voices heard in Washington. Because if you fail to, someone else will. Politics, like nature, abhors a vacuum. And your voices have not been loud. Your voices have not been clear on many matters directly affecting higher education. Let me give you one example. I refer to the issue of the affidavit of disclaimer in the National Defense Education Act. I am not talking about the loyalty oath. I am talking about the affidavit of disclaimer. And I am not even talking about which side of the issue you happen to be on. I serve on the committee that deals with this issue and I have several colleges and universities in my district, yet in my first 2½ years in Congress I did not receive six letters on this subject—not six letters. Now if it be said by you in response that we in Congress should act, let's say, to repeal the affidavit of disclaimer, self-generated by principle, then I would respectfully respond that Members of Congress have more principles to champion than we have time for now. If the groups most directly touched by given issues do not themselves trouble to make their views known in Washington, is it not reasonable for us to assume that they really care little about them? Even in the field of higher education Congress must take into consideration a broad spectrum of what we would call political issues. The affidavit of disclaimer raises some; civil rights, religion, loans and grants, aid to public or private institutions—these are all issues that will affect final legislation. So I urge you not to be shy. Look at the land grant universities. They have for many years cooperated very effectively with their State legislatures in the shaping of education policy. The university community in our country must now help the Federal Government shape the Federal contribution to the American university.

MODERN LANGUAGE ASSOCIATION'S CONTRIBUTION

Now I want to say very happily that the Modern Language Association is an outstanding exception to this self-imposed isolation of university people from making known to government their concern for programs in the field of education. The spadework that was done during the mid-1950's by the foreign language program of the Modern Language Association under the imaginative leadership of your former executive secretary, William Riley Parker, who, by the way, has had the good judgment to become a Hoosier, played a key role in the success of the foreign language programs developed under the National Defense Education Act. Kenneth Mildenberger continues to do all of you of the Modern Language Association proud by his outstanding contribution to the modern foreign language programs in the U.S. Office of Education. And I would add further that the testimony this year before the special Education Subcommittee of the House of Dr. Stone, and Dr. Walsh, and Dr. Ferguson, all of the Modern Language Association, was without question among the most valuable and intelligent that we on that committee have heard. There is no question then that in helping shape the National Defense Education Act language programs the Modern Language Association has played a major part in stimulating a rebirth of interest in language studies in the United States.

Let me conclude by reiterating first that higher education is increasingly significant within our own country and in our foreign policy, both because of our own national needs here at home and because of the continuing challenge of the Communist world. Second, let me reiterate that the Federal Government will necessarily, in the years ahead, make a greater contribution to higher education. Finally, let me repeat that you of the university community must, for these reasons, do much more than you have in the past to make your voices heard in Washington in determining this policy. I once had a tutor at Harvard College who was the same man who tutored an undergraduate named John F. Kennedy. And I recall very vividly how this professor once startled a class on opening day by announcing, "First of all, I had better tell you what I believe. I believe in three things: sweet reason, high morality, and plenty of horsepower." If we in the United States are going to maintain a free and humane society, we need all three—sweet reason, high morality, and plenty of horsepower. And you in the universities must be largely responsible for supplying all three. Thank you very much.

What Happened in Latvia

EXTENSION OF REMARKS

OF

HON. RALPH F. BEERMANN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. BEERMANN. Mr. Speaker, many of my colleagues have taken the opportunity this week of introducing remarks into the RECORD concerning Captive Nations Week. The remarks have been excellent but in most cases rather generalized in nature so I am in mind to present the case of one country in detail so that perhaps those who read the RECORD might be just a little better informed. The country I have selected is Latvia, a country that first won its independence in the First World War.

Today there are barely 2 million Latvians in the Latvian Soviet Socialist Republic. Their neighbors, the Estonians and Lithuanians, are considerably larger peoples. Yet the Latvians are one of the main racial groups of the Baltic area, with a national history which can be traced back to the 13th century, when the Latvian people embraced Christianity. During the middle ages Latvia was first a principality of the Holy Roman Empire. Then it was taken over by the Teutonic knights, under whose rule the Latvians lived for two centuries. Although their fate was in the hands of German merchants and traders, the Latvian community enjoyed an era of great prosperity during this period. It was at this time that the city of Riga became a leading Baltic port.

When the Teutonic knights were defeated by the Poles in the middle of the 16th century, the Latvians once again accustomed themselves to a new set of foreign rulers. But the Poles were driven out of Latvia early in the 17th century by the Swedes, and for 100 years the Latvians lived under Swedish rule. During this period they enjoyed the greatest freedom and prosperity of their history. The peasants regained their lands and their freedom, and trade relations were established with France, England, and other Western nations. The 17th century is often described as the "golden age" of Latvian history. Latvian nationalism can be traced back to this period, and it was also an age of great cultural and intellectual development.

But the era of freedom, national unity, and cultural growth was not destined to last. Polish, Russian, and Swedish troops pillaged the country during the great Northern War of 1700–21. In 1721 Latvia was divided between Poland and Russia, just as so many other countries before and since that time have been conquered by larger neighbors. Russia seized a substantial part of Poland when that country lost its independence in 1795. As a result of this expansion Russia acquired that part of Latvia which was not already under her control. For the next century and a quarter—from 1795 to 1918—Latvians suffered under Russian rule, which they had not desired and which they found almost unbearable. Yet they kept alive their historic traditions of freedom and independence. The Latvian language, culture, and national ideals were passed secretly from family to family, and from father to son. Each time there was a slight relaxation of the czarist rule, Latvians made the most of it. As early as 1822, for example, they were allowed to have their own Latvian-language newspapers. Later they were permitted to set up Latvian schools. Thus the Latvian intellectual traditions were maintained intact and passed on from one generation to the next. Yet this partial success in maintaining their identity as a people was no substitute for national independence, and Latvians dreamed of the day when they could set up an independent country.

As the First World War drew to a close, the czarist regime in Russia collapsed, and Latvians saw a golden opportunity to regain their national freedom. During the war various groups had been set up to further the cause of Latvian freedom and national independence. Among these groups was the Provisional National Council, which in October 1918 merged with the democratic bloc to assure the establishment of a government for Latvia. On November 11, Great Britain recognized this governing body as the proper government of Latvia. A few days later the Council proclaimed the independence of Latvia, and the cherished dreams of many centuries became reality.

During the next two decades the freedom-loving Latvian people worked hard, and despite innumerable handicaps managed to make their country a prosperous and progressive democracy. The country was industrialized and the peasantry was allotted sufficient land to carry on with the ancient and honorable life of providing the people with food. Latvians traded with the Soviet Union and the Western World. Yet even as they were immersed in the task of rebuilding their beloved homeland, they were constantly haunted by the danger of Russian communism.

In 1939 these fears proved justified. Latvia, Lithuania, and Estonia were included in the so-called zone of influence acquired by the Russians through the treaty signed by Hitler and Stalin in 1939. After the agreement with Hitler, Russia demanded bases in all three Baltic Republics. The Latvians were forced to sign a mutual assistance pact with the Soviet Union, which for all practical purposes signed away their freedom and independence. Latvia fell temporarily under German control, but was recovered by the Russians and fully incorporated into the Soviet Union. The happy days of the interwar period were gone and the Latvians fell once more under the rule of foreigners.

In recent years the Soviet Union has promoted the industrialization of this former dairyland, and a substantial number of Russian factory workers settled in Latvia for this purpose. There are now 500,000 Russians in the country—26 percent of the total population, while before the war only 6 percent of the population was Russian.

Latvia has opened up to a certain extent since the death of Stalin. The Baltic Republics of the Soviet Union are run with less interference from Moscow than is the case in the other non-Russian republics. Many functions of the all-union ministries in Moscow were transferred to the constituent republics after Stalin's death, and the state administration of the Latvian Republic was reorganized and partly decentralized. Many Russians were replaced by local Communists in the administrative work by the Latvian Communist Party and the Government. The Latvian Regional Economic Council also enjoys considerable autonomy from Moscow, as well as a large amount of financial aid. The National Republics were granted their national flags—which to be sure differ only slightly from each other—and their national anthems—which contain similar lines about the leading role of the great Russian people in the happy family of the Soviet peoples. Ligo Day, a national holiday which had been condemned for a number of years as "an expression of bourgeois nationalism," could once more be celebrated. And in 1955 the city of Riga was opened to foreign visitors, well ahead of the capitals of Estonia and Lithuania.

Even during these years the Russian presence was a source of continuous irritation to the Latvians, who have not forgotten their traditions as an independent people. But for a time disagreement could be expressed openly, even inside the Communist Party. Latvian publications reflected nationalism, demands for greater respect for the individual, doubts about the official ideology, mistrust of the Communist leadership, and political indifference. The younger generation made use of the opportunities for freer action to criticize authorities.

But in Latvia, as elsewhere in the Soviet Empire, the new-found freedoms were not destined to last. Khrushchev visited Riga in June 1959, harshly criticizing "various administrative shortcomings," and immediately thereafter large-scale shakeups were ordered in the Latvian Communist Party, the trade unions, the Latvian Communist Youth League, as well as in literature and the arts. The so-called national Communists were dismissed. A deputy premier was removed from office for what was called "economic nationalistic bias." Pravda charged the Central Committee of the Latvian Communist Party with neglecting the interests of the Soviet state "in favor of narrow local issues," and there was much talk of "bourgeois nationalism." As it turned out, there was no return to the rigidly centralized rule of Stalin's days, and the Latvian Regional Economic Council still enjoys considerable autonomy from Moscow. But the Kremlin did decide that too much freedom had been made available to the Latvians, that things had gone far enough in the direction of "liberalization." The Soviet colonization of the country was renewed, despite improvements in the standard of living, the reconstruction of a few historical monuments and national holidays and the publication of the works of a few rehabilitated writers.

Today Latvians must accept the rule of the Soviet Union. They have become accustomed to political circumstances which they do not control. Yet I would like to call your attention to some evidence that Latvians have not forgotten their distinctive past. There are several reasons why the Russians have had difficulties in their drive to stamp out the national characteristics of the Latvian people.

For one thing, Riga retains its Baltic quality—which embraces German, Slav, and Scandinavian influences—although it has now been integrated in the Soviet Union for over 20 years. There remains a feeling of mellowed civilization in this stately 760-year-old city on the banks of the Daugava River, with its quaint, narrow lanes lined with medieval edifices and lovely churches. Something of this atmosphere extends even to the modern quarter, which is alive with bustling shops and cafes and good food.

Latvians have always been a fine-featured and artistic people, and they dress with more distinction than is customary elsewhere in the Soviet Union. Soviet citizens of other nationalities coming to Riga tend to spruce up under the influence of local standards. Another obstacle to total integration into the Soviet Union is the Latvian nostalgia for the West—what the Communists call "unhealthy bourgeois tendencies"—that can be seen in such things as Western dress, theater, and music. The churches of Latvia have provided some of the most enduring ties with the past. Finally, Latvian is still the main language of the country, although Russian has become common as a second tongue.

The mayor of Riga recently told a reporter from the New York Times that "the national question does not exist. It has been solved." Neither the reporter's impressions nor the evidence which I have mentioned bears out this claim. According to the Times:

> Latvian nationalist sentiment persists and there is grumbling about the unabated influx of Russians into the city * * *. In the privacy of their homes, members of the older generation reminisce about freedoms that the young people have not experienced.

The same conclusion is suggested by an entirely different source: The first secretary of the Latvian Communist Party warned last year that the "effects of bourgeois nationalist propaganda have not been completely liquidated even now." Thus the Latvians remain restless under Soviet rule, and there is every reason to expect that the Latvian cultural unity will survive, even while political independence is gone.

It has been many years since the unhappy Latvians have known freedom. During the Second World War they suffered all the horrors and tragedies of that terrible conflict, hoping all the while that the end of the fighting would be a signal for their freedom. But the Soviet Union's reins over Latvia proved to be tighter after the war than ever before, and today these people are making the best of a sad situation under a despotic and inhuman regime.

Buy American

EXTENSION OF REMARKS

OF

HON. EUGENE SILER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. SILER. Mr. Speaker, we spend the blood and treasure of our Nation in time of war to preserve it against foreign encroachments. Then in peacetime we forget all about Americanism and the great need to maintain jobs for our own people and the desirability of fostering our own country above all others. Feeling as I do about rekindling the fires of patriotism and Americanism in the hearts of our people, I have this day sent a message to the Department of Defense on the subject of its recently announced policy of buying American. The message is as follows and I hope that many other Members of Congress will agree with its pronouncement:

JULY 18, 1962.

Hon. ROBERT S. MCNAMARA,
Secretary of Defense,
The Pentagon,
Washington, D.C.:

I wish to congratulate you on your buy-American policy as announced in the press this week. This is as wise and commendable as any decision that has been made by the Kennedy administration. There has never been any justification for buying goods made in Timbuktu or in countries that may possibly be under Communist influence when those same goods can be purchased from our neighbors and friends right here in America. If we do not take care of our own people then we are worse than infidels according to the Bible. The sooner we return to the Americanism of our fathers the sooner we will achieve greatness, power, and influence for our country. One of the great needs of the hour for America is full employment for every man and woman who is able and willing to work but this will never be achieved until we buy both steel and stovepipes here at home and for wages that will go about doing good among the people of our own land.

EUGENE SILER,
Member of Congress,
Eighth District of Kentucky.

Renewing America's Cities: A Study of Urban Renewal

EXTENSION OF REMARKS

OF

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. GRIFFIN. Mr. Speaker, nearly every year the Congress is called upon to legislate on some phase of the urban renewal program. A few months ago we were asked to create a new Cabinet Department of Urban Affairs which would have included the activities of the Federal Government in this field.

The history of Federal urban renewal makes interesting reading. A recent study, "Renewing America's Cities," brings together many significant and little-known facts about this program. This new book points out that Congress authorized Federal slum clearance and public housing over 25 years ago as a temporary unemployment relief measure; however, the Federal activity in this field has not only continued over the years but has expanded into what is now known as urban renewal.

This new study traces the history of urban renewal legislation and examines its impact upon constitutional concepts. It attempts to put the whole problem in perspective by reviewing what has been done and what is being done. The book also explains how the program works; considers the basic causes of city deterioration, and suggests certain guidelines for the future.

"Renewing America's Cities" was published by a nonpartisan research organization, the Institute for Social Science Research here in Washington. The authors of this excellent book are Dr. Thomas F. Johnson, Dr. James R. Morris, and Mr. Joseph G. Butts.

Dr. Thomas F. Johnson has had long experience in the field of public policy research. He was assistant commissioner of the Federal Housing Administration in charge of research and legislation from 1954 to 1958, during which time the urban renewal provisions of the National Housing Act of 1954 were being implemented. He has taught at the University of Virginia and George Washington University and is the author of numerous publications.

Dr. James R. Morris, a consulting economist, was for a number of years engaged in teaching and research at the Universities of Illinois, Chicago, and Arkansas. He is author of "Employment Opportunities in Later Years," published by the Foundation for Voluntary Welfare, and articles in numerous professional journals.

Mr. Joseph G. Butts, a member of the District of Columbia bar, was associated for some years with the Washington law firm of Gall, Lane & Howe. Formerly, he was administrative assistant to the late Representative John H. Kerr, of North Carolina. Mr. Butts has contributed numerous articles to legal journals and other publications.

Pursuing Common Goals

EXTENSION OF REMARKS

OF

HON. A. S. HERLONG, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. HERLONG. Mr. Speaker, last month my distinguished colleague, the junior Senator from Florida, GEORGE A. SMATHERS, addressed the 30th Annual Convention of the Edison Electric Institute, and in so doing not only paid tribute to America's electric power companies, but gave perspective to the roles of private enterprise and Government in the production of electrical power.

Under unanimous consent I include Senator SMATHERS' speech in my remarks:

PURSUING COMMON GOALS

(By Hon. GEORGE A. SMATHERS)

It's a real pleasure to talk to you gentlemen who represent an industry which is in the vanguard of American progress and development, an industry that has made a tremendous and dramatic contribution to our way of life and an industry whose future has widened the security of our Nation and of our welfare of our people.

You have achieved an enviable record in the great drama of the free-enterprise system, which is the taproot of the American economic system. The responsible stewardship of private property sets our Nation apart from conflicting ideologies in this world in which we live today. Your exercise of that responsibility, as you have in the past, will assure to the electric power companies a bright place in the future of our Nation, just as your exercise of that responsibility will also assure to our system and to our Nation a bright and abiding place to leadership in the world.

We can be satisfied with no less than the finest and the most efficient electrical system in the world and certainly, as the President of the United States said in his message on resources last year, it is not a task which should or can be done by the Federal Government alone. Only through the full anticipation and cooperation of private industry can it be done wisely and effectively.

I personally believe that private enterprise should always remain the basic instrument of service to our people. In every case where it can accomplish the mission, private enterprise should be permitted to do the job and to do it alone. However, where in the interest of the public or the national interest a job must be done and private interest doesn't want to do it or is at the time not ready to do it, then we all must expect that the Government will step in and meet the need.

There will be times, as you and I both know, when the resources of both the Government and industry are necessary. We see this, for example, in the development of our generation from nuclear energy. Already 6 nuclear power generating plants are in operation, with 10 more under construction or in the planning stage, all financed largely by private enterprise in cooperation with the Federal Government. All told, these great plants will have a capacity of 2 million kilowatts. The progressive steps that you are taking with each new project, the knowledge and experience you are gaining from actual operating experience as constant improvements are made will bring the United States nearer to the goal of having this inexhaustible source of power become competitive with the cost of conventional fuels.

In this American way we combine the resources and research of our Government with the research, production machinery, and the operating know-how of America's electric power companies, privately owned for the betterment of all of our people.

Your progress has been nothing short of phenomenal; while you have increased electric power production in the last decade by more than 140 percent, compared to a 40-percent increase in the Nation's gross national product, you have, over the past 30 years, actually reduced the price per kilowatt-hour for residential service from 6 cents in 1930 to only 2½ cents in 1960. Truly, electricity is one of America's biggest bargains.

Today your industry produces nearly 40 percent of the world supply of electric power for our U.S. citizens, who comprise only 6 percent of the world population and, in the next decade, the power industry expects to increase its generating capacity, so I am informed, by another 135 million kilowatts. You already support an industrial complex which has made it possible for the American worker to turn out 3 times the average hourly production of the European worker, and 7 times that of the Japanese worker and 10 times that of a worker in the Soviet Union. It's no deep, dark secret that your industry has kept the pace and, indeed, set the pace for the American economy in general. Your companies exemplify the broad, public-ownership concept upon which rests the cornerstone of our economy. You have built your companies on a solid base, attractive to the investing public. You have earned the confidence of the American people. For that reason, your industry is one of the largest in America, by any standard of measurement. It has a total investment of $46 billion, to which is being added new capital at the rate of $3 billion every single year. Almost every American family, either directly or indirectly, owns a share in the electric power industry. Four million families have direct ownership in your industry. Untold millions of other families indirectly own a share in private power companies through their insurance policies, their savings accounts, their mutual funds.

It is the public confidence in your future that makes it possible for 10 percent of the total personal savings of the Nation to be annually invested as new capital in the private electric power industry.

An example from my own State of Florida would show that the utility companies of America are worthy of that confidence; that they are, as they have always been, prepared to meet the great challenges our country faces. With the consent of the Florida Power & Light Co., the Florida Power Corp., and the Tampa Electric Co., I am today privileged to make the first public announcement that these companies will soon initiate construction of a multimillion-dollar joint project which, when completed next year, will add 240,000 volts to the State's high-voltage transmission system, feeding world-renowned Cape Canaveral. These companies have joined together to provide, solely from private enterprise, ample power for the missile test center which will be the earth terminal for our shots and probes to the moon, and beyond.

This new transmission line will be an important link then in the statewide interconnecting power grid which blankets the entire State of Florida. The project will permit the transfer of power all over Florida, so that all the demand and uses can be met. It will make possible economy of operation with the private producers which they will pass along to the consumers.

We are, indeed, proud of the tremendous growth of our State, which has moved us from the position of 20th in the Nation with respect to population up to where we are now 9th. We have grown some 76 percent in the past decade. Our modesty, like that of our sister States of Texas and California—well, some of them have not kept pace with us. I don't want to brag unduly here, today; however, I would like to say that we in Florida recognize California. It also calls itself the Sunshine State, but the big difference is that in Florida, you can see the sun shine.

We like to remind our California friends that the abbreviation, "C-a-l-i-f," actually means "Come and live in Florida."

I am happy to say, and with some breach of modesty, that the total generating capability of Florida power producers quadrupled during the past 10 years compared to the Nation's increase of only 1½ times. Electric sales quadrupled while, for the Nation, their increase was only 1¼ times; electric consumers were doubled compared to a net increase of only one-fourth.

I know you will forgive me for this little bit of bragging about home, particularly when you realize that the little that I have said is a distinct compromise from what I intended to say.

The story of our State is just one example. Other companies from other areas of the Nation are forging ahead developing the resources of our land so that the challenge of this generation will not go unmet—the challenge of the needs of our rapidly increasing population and a challenge to the free world epitomized by the Sino-Soviet bloc. If we are to remain the bastion of freedom, if we are to meet the Soviet challenge, if we are to provide for the needs of our people, we must devote our full energies to a strong and expanding economy, and it is your industry, gentlemen, upon which in the last analysis such an economy must largely depend.

Just as the life substance of man pulsates through 65,000 miles of blood vessels and arteries, so does the life substance of our economy—electric power—pulsate through some 304,000 miles of power transmission lines throughout this Nation.

The amazing story of your industry underscores the vast dimensions of its role in our country's social and economic framework. It emphasizes the importance of your progress and your attitudes, your financial and, it should be said, your political position in the United States.

This leads me to a point I know is somewhat uppermost in your mind—that of public power versus private power. The scene portrayed by some political cartoonists and other observers of the national scene is this—two close-ranked parties armed to the teeth and squared off, face to face, ready to charge into battle. About one group flies the banner of private power and, above the other, the public power flag is unfurled.

This type of thinking, is not only inaccurate; it is illusory. It is as illusory as the story of the whale that fell in love with a Polaris submarine off the cape. When the submarine would go down and dive, the whale would dive; when the sub surfaced, the whale got so that it surfaced and, when the submarine finally fired a Polaris missile, the whale went around passing out cigars.

It is a giant fantasy to envision the political parties neatly lined up under separate banners on this particular issue. The truth is, there are too many extremists marching under all banners. An intelligent look at the record shows the issue of public power versus private power is primarily prescribed by geographical lines, rather than by party lines. I know some Republican Senators, mostly from the West, who advocate strongly public power and, on the other hand, many of my fellow Democrats from the East and practically all from the South oppose any use of Federal funds for power projects.

These viewpoints are concerned with the States and areas which these gentlemen have the honor to represent, rather than being developed from their party or their platforms, written in faraway places by anonymous faces. In recent months there has been some indication that, within this administration, that more compromise is beginning to take place in working out the controversies that arise between public power and private power. For instance, I have noted that new transmission lines in the West will be part private and part Federal, instead of all Federal as they were originally planned, by this as well as the last administration.

I know that many of you do not concur with the compromise agreement; it is encouraging to note, however, Secretary Udall's subsequent statement that the proposed integrated system will do more to accomplish the purpose of the project than would the all-Federal system as it was originally planned. While the electric companies may not be happy with the mixed system of private, Federal, municipal and cooperative ownership, it is fact of life and, since we must live together, it is just good horsesense, it seems to me, to work together in a way that will promote all of our best interests.

There are, as you know, some groups which favor the expansion of Federal power systems at the expense of your business and your territory. To gain their ends, these groups make themselves heard loudly in Washington. They are not there for a courtesy call; they're on the job continuously, advocating what they honestly believe in. They are a vocal group, and we hear from them about the great power supply that they plan for our Nation—but we don't hear very much about the utilization of tax funds, or that tax-collecting, private power companies are competent and willing to do the job, nor do we hear very much about the plans that you people are making.

I believe the most important observation that I could make today is to urge you to concentrate on presenting your views to Washington vocally, articulately and, if you will, constantly. As the song goes, wishing will not make it so. You must defend your point of view with the same vigor and at the same time in some instances with the same commercial spirit that moves your opposition. Look to the areas where differences in point of view are most likely to occur. For example, consider the new hydro projects, particularly in the West. Will they demand generating stations be built by the Federal Government or by private companies? Will the Federal Government construct future atomic energy electrical plants such as the Hanford project, which was defeated in Congress last year, or not? Will the Government build certain high-voltage transmission lines which private companies are ready and willing and able to build?

There are many Congressmen, there are many Senators who have not made up their minds on these particular questions, so I urge you to be your own advocate to present your views because, after all, this is your right and this is the American way.

Another problem which we have had with us for a long time is the preference clause which determines whether one customer shall have the benefit of Government-subsidized power, while his neighbor cannot have that. There must be some fairer way of limiting or applying the preference clause so that available Government power is more equitably distributed to more users in the best interests of the general public.

I know your feelings with respect to the position of Government power from the standpoint of taxes, particularly income taxes. There could be no realistic comparison of electric rates between two systems where one system pays all the taxes and the other system pays little, if any. I do not, nor can anyone else I have met, come before you here and offer a lot of easy solutions to these problems. I am convinced that the thing for you to do is to state your point of view fairly, factually, and persuasively over and over again to the people who represent you in Washington. I believe you will receive a sensitive response. If your program is best for the public interest, I think it will ultimately prevail because I think that the majority of the Members of the U.S. Congress, irrespective of their political affiliations, believe in the free enterprise system and want to do that which will best serve it and the Nation.

I should like to make it clear, here and now, that my suggestion that you visit your legislators more often was not directed to my friends in Florida. One or the other of them keeps a chair warm in my office most all of the time. I have thought about charging them rent, but they plead that the new tax bill does eliminate any expenses for that kind of lobbying. They have a way, however, of wheedling a great deal of information from what they call a friendly chat, and they keep me and other legislators from our area of the country fully up to date on what they are doing and plan to do in the future.

Remember, too, while you have only one voice, your customers and your employees and particularly your stockholders are numbered in the thousands and hundreds of thousands, for that matter. When you enlist the support and good will of all these people, you have gained the strongest possible ally to project your point of view. A recent case in point was when the Federal Savings and Loan Association did not like certain provisions of the tax bill which is now before my committee in the Senate. They got their subscribers and policyholders and their shareholders to write, and I can tell you that, for several weeks, there, we were deluged with mail. I even heard Hubert Humphrey, the whip of the U.S. Senate, say that he got over 30,000 letters protesting this particular proposed action.

It's a very affirmative and persuasive way to influence the thinking of your legislators. I firmly believe that, if you muster the forces in your favor, marshal the facts and present your case, you will see tangible results for your efforts. I know that many of my friends in the Congress think, just as I do, that private enterprise applies just as fully in the area of electric power as it does in every other marketplace in America.

I would like to say, while on this general subject, that some of the rumors we hear today about the President of the United States being antibusiness are, in my humble judgment, baseless as some of the empty claims made about you by your opposition. I have known John Kennedy since he and I first came to the Congress, way back in 1946. We have been close, personal friends; I was at his wedding. I think I know something about the way he feels about many subjects.

He is one of those men who believes what he says and says what he believes. I have never heard him utter any statement in my long association with him that any fair-minded man could interpret as being antibusiness. He does say what he believes, as I said; he believes what he says, and I believe he made this statement just recently. He meant what he said and I quote him:

"We want prosperity and in a free enterprise system there can be no prosperity without profit. We want a growing economy, and there can be no growth without investment that is inspired and financed by profit."

A few weeks ago he spoke with equal candor to the United Automobile Workers convention, right here in Convention Hall, and said, "I speak as President of the United States with a single voice to both management and to labor when I say that your sense of responsibility, the sense of responsibility of organized labor and of management, is the foundation upon which our hopes rest in the coming crucial years."

In the interest of business and government, we must remember that their interests do coincide far more than they clash, and in this day of great challenge and great change we must join our common interest in the pursuit of common goals. Business must act responsibly and fairly and with a sense of public consciousness, while the Government must remain a friendly referee, objective and fair, never losing sight of the fact that our system is fundamentally a free enterprise system in which freedom of decision and choice is essential, and profit is not a dirty word.

This is the great challenge of the day which we in Government and you in business must together solve, and we look to you businessmen, particularly to an industry such as yours, to help solve this problem, to help create a flourishing economy which will be as a deep, enlightening hope to all the peoples of the world, drawing them into the atmosphere of a free and democratic economy such as that to which we belong.

The Federal Home Loan Bank Board

EXTENSION OF REMARKS

OF

HON. JAMES C. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. JAMES C. DAVIS. Mr. Speaker, as you are aware, I have been acutely concerned with the operations of our Federal Government agencies and departments for many years. This concern, I believe, has been shared by my colleagues. A few years ago the Congress actively dealt with the operations of some of the so-called regulatory agencies and it is hoped that there has been a resulting improvement in their operations. For the past 2 years my distinguished colleague, the Honorable JOHN E. MOSS of California, has been chairman of the Special Subcommittee on the Home Loan Bank Board of the House Committee on Government Operations. This special subcommittee has been making a study and investigation of the Federal Home Loan Bank Board and its constituent agencies. This Federal agency, the Federal Home Loan Bank Board, has a supervisory and regulatory responsibility and function over the savings and loan associations whose accounts are insured by an instrumentality of the Federal Government—the Federal Savings and Loan Insurance Corporation. The savings and loan associations, we are aware, are an integral and vital part of the Nation's homebuilding industry.

The hearings of this special subcommittee present a startling and amazing picture of some of the past operations of this agency. There is apparently great need for reform and correction. It is hoped that the present members of the Bank Board will make use of the public record to effect improvement.

On Monday, July 16, 1962, Congressman Moss was the key speaker at the annual convention of the Georgia Savings and Loan League held in Asheville, N.C. I feel strongly that all Members of the House will find Congressman Moss' address both interesting and informative and I ask permission to include it at this point in the RECORD.

The address follows:

An Address by Congressman John E. Moss, Chairman, Special Subcommittee on the Home Loan Bank Board, Before the Georgia Savings and Loan League Annual Convention at Asheville, N.C., July 16, 1962

I feel particularly privileged to have the opportunity of appearing before the same forum utilized by Mr. John Wyman in 1958 when he enunciated a Wyman doctrine as a guide to the regulation and supervision of savings and loan institutions.

I am also pleased to have the opportunity to discuss with the Georgia Savings and Loan League the problems which have long been of concern to you and to the officers of your league. Far too few of the leaders in the savings and loan field have taken the time to express their concern with the rather informal procedures and policies which have for so long formed the basis for supervision and regulation of the great savings and loan industry. I feel that I must take cognizance of the role played by your own executive vice president, Mr. Ed Hiles, in giving voice to the concerns of your industry—in demanding the greater clarity and definity of regulation needed as a guide to those who seek to faithfully conduct their businesses in the interest of the investing community.

I want to make it very clear that my appearance here today is as the chairman of an investigating subcommittee of the House of Representatives, and that I will discuss information and knowledge gleaned as a result of the activities of this subcommittee during the past 2 years. I specifically disclaim status as an expert; I have never managed an association nor have I acted as an officer or a director of an association. Until the time of my selection to chair the Special Subcommittee on the Home Loan Bank Board of the House Committee on Government Operations by its distinguished chairman, the Honorable WILLIAM L. DAWSON, of Illinois, I had little interest in or active concern for the problems of savings and loan associations—whether State or federally chartered.

As a former active real estate broker I had had occasion to do business with associations, and of course my concern as a broker was in securing the necessary financing of homes for which I had secured buyers. I was almost completely unprepared for the revelations which unfolded almost immediately upon assuming the chairmanship of this subcommittee.

You may recall that initially I launched an investigation into the then recent seizure of the Long Beach Federal Savings and Loan Association in Long Beach, Calif. I undertook my investigative responsibilities without any prejudice or preconceived notions as to the merits of the seizure. I envisioned my role as that of a fact finder. I sought the opportunity to proceed cooperatively with the then chairman of the Federal Home Loan Bank Board, Mr. Albert J. Robertson, his two associates on the Board, and the Board's staff. In consonance with that objective, I instructed my staff to extend the greatest cooperation to the Board in the development of the facts surrounding the Long Beach case.

A moment ago I mentioned the fact that I was unprepared for what shortly developed as the Board's pattern of operation. Let me emphasize, gentlemen, in all sincerity that I was totally unprepared.

A reading of the first day's hearings with the then chairman of the Board, Mr. Robertson, on the witness stand, I am confident will permit the reader full opportunity to share with me the feelings of frustration and outrage which I experienced on that day and in the succeeding 11 days. Chairman Robertson entered a plea of privilege; he was uncertain whether it was executive or judicial—or a combination of both; and he hadn't the slightest idea as to the basis for his plea. But it became obvious that he did not want to discuss the merits of the Board's case against Long Beach—even though at that point it represented a case decided—a case closed. Seizure had taken place and a supervisory agent was in charge of Long Beach Federal—a fact fully accomplished—without affording the management of Long Beach Federal the slightest opportunity to be informed of the specific nature of charges or affording an opportunity to protest.

Congress in 1954 amended the basic act which constitutes the charter of the Board. It specifically provided for hearings in advance of seizure. A reading of the legislative history will confirm this, I think, except in those instances of the most urgent nature, where it is necessary to protect the interests of the institution and the interests of the shareholders. Long Beach was not such a case. The extended hearings on Long Beach were followed by hearings involving a member of the Georgia League; hearings pertaining to an association in Texas; and another in Clovis, N. Mex. In addition, the investigations into the facts surrounding instances of supervisory action against at least half a dozen others throughout the United States, have developed a record which speaks most persuasively in support of the need for the definition of terms for the responsible regulation of savings and loan institutions by the Federal Home Loan Bank Board.

What is the pattern which has been clearly developed throughout the course of the extended hearings conducted by my subcommittee?

First, it is one of regulation and supervision dominantly by the staff and the understaff of the Home Loan Bank Board and the district banks.

Second, the many instances of arbitrary and extralegal mandates of the Director of the Division of Supervision, Mr. John Wyman.

Third, the absence of regulation to forewarn against practices which are repeatedly cited by supervision as the basis for the extralegal demands or as in the case of Long Beach, for the ultimate action of seizure.

I am going to discuss the three points—but first let me say to you gentlemen that I am not an enemy of regulation of your industry nor am I a person who feels that Government is always wrong and industry right. But I am a firm believer that necessary regulation must be fairly and equitably applied and that those who are regulated have the absolute right and need to know the terms of regulation. And, as a Member of Congress, I will support this philosophy and I will oppose with all my strength, and wisdom, and persuasiveness, a contrary course.

I have charged the understaff of the Board with arrogating unto itself the right to set policy and the right to determine the conditions of supervision and I recognize that this is a serious charge. So, I think it is incumbent upon me to document, with the words of supervision, some typical examples.

In discussing with Mr. Wyman whether or not two instances of early disbursement of funds to a builder constitutes and supports a charge of unsafe or unsound practice, I contended that it was not conclusive evidence to support such a charge—that full development of the facts were necessary to render a proper judgment.

Mr. Wyman responded and I quote:

"I think we did a considerable development of fact here. Again I made my statement as to my view on this, and wherever any such situation as this has come to my personal attention, I have endeavored to stop it and I think we have stopped it, and to further restate the matter, unless and until the Board tells me to do otherwise, and as long as I hold the position that I now hold, when I find this kind of thing I am going to do my best to get it stopped."

I described as arbitrary and dogmatic his judgment that the single or double occurrence on its face without having to probe any more deeply, constitutes grounds for charging unsafe and unsound.

Mr. Wyman then said, and I quote:

"Well, that is where you and I don't agree on it. I have stated my view on it, and it is very definite, and as far as I am concerned quite conclusive."

At another point during the hearings we were discussing with Mr. Wyman credit policies and practices of the association and the relationship of slow loans to such policies and practices.

Mr. Wyman insisted that the dollar amount of slow or delinquent loans was the influencing factor without regard to the assets or number of loans of the particular association. Let me read the exchange I had with Mr. Wyman on this subject, and I quote:

"Mr. MOSS. If you make more loans, you are going to have more delinquencies, aren't you, regardless of how prudent you are?

"Mr. WYMAN. Well, I would say this to you, sir: We are not going to overlook the dollar increase in the amount of delinquent loans.

"Mr. MOSS. I didn't say you should overlook the dollar amount of delinquent loans.

"Mr. WYMAN. We are not going to look at the percentage to assets only. We are going to look at the other aspect of the matter."

I expressed my opinion on this attitude by the following statement and I quote:

"Well, now, let me tell you something. You keep telling me what you are going to do and what you are not going to do. Let me make it clear to you that one of the purposes of this inquiry is to develop exactly what you do. And then I will be perfectly willing to see whether you are going to be the sole arbiter of what you do."

I am perfectly willing to concede the sincerity of Mr. John Wyman. I am willing to concede the competence of Mr. Wyman. But—contrasted against these concessions is the fundamental principle that we are a Nation governed by law and that it is our right to be governed by law whether we are a chartered group or an individual American. The wisdom of Mr. Wyman and the sincerity of Mr. Wyman do not in themselves constitute an adequate substitute for definitive rule or regulation. And nowhere in the law originally creating the Board nor in any of the amendments to that law over the years is there any sanction for the role assumed by Mr. John Wyman.

Going back to the many instances of arbitrary and extra-legal mandates of the Director of the Division of Supervision, Mr. John Wyman: The staff of the Bank Board has gone into solvent associations in a number of instances and ordered the removal of directors, the substitution of management, and changes in the numbers of directors. A search of the statute discloses no sanction for this action. In fact the Board's requests to the Congress for the authority to do these things have been denied over the years.

Now in the case of Clovis, N. Mex., we have an even more shocking example of the arbitrariness of this supervision which can best be illustrated by reading an excerpt from the minutes of the Federal Home Loan Bank Board instructing the Director of Supervision, Mr. John Wyman, to do certain things, and I quote:

"The Board instructed the Director to fully advise the board of directors of the Clovis association as to the matters of supervisory concern arising from its management and operations and to request the board of directors to provide the association with sound management and sound practices, and to request that the board of directors select a committee of three from among their members who will be acceptable to the Director and who will be authorized and directed promptly to develop a program which will correct said matters of serious supervisory concern and provide for the sound management and operation of the association in a manner acceptable to the Federal Home Loan Bank Board."

Presumably acting on these instructions, Mr. Wyman called the board of directors of the Clovis association to Little Rock to meet with him and the supervisory agent. At this meeting, without prior discussion, they were read a nine-page letter setting forth Mr. Wyman's findings of unsafe or unsound policies and practices, and they were told to sign a letter committing themselves to full compliance with the—and I quote—"corrective action required."

Mr. Wyman had been instructed "to advise" and "to request"—not "require."

Under that authority Mr. Wyman's letter states and I quote:

"It is imperative that conclusive steps now be taken to put an end to the unsafe or unsound operation of the association and to the self-dealing relationships and practices which are the cause and the dominant policy of that operation."

Mr. Wyman did not advise; he stated his conclusions as fact.

Mr. Wyman was instructed to request the directors to provide the association with sound management and sound practices, and to request that they select, from among themselves, a committee of three to develop a program which could correct the matters of supervisory concern and provide for the sound management and operation of the association. His letter required that the directors at that meeting in Little Rock establish a committee of five directors, not three as he had been instructed; and that the program was to be approved by the Division of Supervision.

Mr. Wyman demanded. This is very clear. He did not request, as he was instructed. Mr. Wyman demanded, and his actions exceeded the specific instructions imposed upon him by his superiors, the members of the Federal Home Loan Bank Board. He exceeded his authority in that he required the employment of a new managing officer and an increase in the number of directors from 7 to at least 11. Mr. Wyman specifically required that the new managing officer and the new directors be acceptable by and to the supervisory agent prior to appointment or election.

I think I have made my point and illustrated for you the almost contemptuous behavior of Mr. Wyman. He apparently had not agreed with the Board instructions and so he undertook, on his own, to substantively change them in defiance—not in compliance—with those instructions.

Now we really get down to the crux of the whole problem. We are told that you can't define by regulation these practices cited by supervision as basis for supervisory actions against these institutions. And speaking from 14 years of legislative background, I assure you that I recognize the great difficulty encountered in the promulgating of legal definitions and the spelling out of guidelines in law or regulation. But I also recognize that in order to cite a practice as the basis for action against an association or its officers—that the citing itself constitutes a definition, and that the repeated citing of these instances of objectionable practices leads to a series of instances of definition and certainly after more than a quarter of a century of operation, the Board from its own records should now be able to reduce to definitions the terms of management practices which it finds objectionable, and give notice to the entire industry that these, at least, will not be tolerated. Such a definition or series of definitive regulations do not have to be exclusive.

They can still provide for the unforeseen development of conditions which might constitute another basis for charging unsafe or unsound practices. And certainly the Board can, without any difficulty define relationships which constitute in their opinion, improper self-dealing or conflicts of interest on the part of officers or directors of associations.

The thing that has impressed me greatly as I have studied the problems of the past 2 years is the fact that the Board has a most contradictory attitude—accepting regularly as it does applications for charters or for insurance of accounts from new or existing associations, whose boards of directors are, in most cases, closely identified with activities allied to the homeownership and homebuilding industry, are accepting those applications without imposing any restraints. The Board must certainly recognize that the chief interest of these people is to encourage the wider ownership of homes in order to stimulate activity in their allied business interests. As a matter of fact, from the very beginning in the days when the Board had to go out and encourage the formation of savings and loan associations, it was to the man in the allied fields that they looked to for the support, the initiative and the guidance, which has resulted in the highly successful development of the savings and loan industry. Now we are told that the Board regards many of these activities and interests as constituting activities of interests in conflict with the impartial management or the exercise of impartial judgment in the operation of these associations. If that be true, then here above all other areas the Board must, if it is to be consistent and it is to be responsible, define and give clear notice of activities which constitute conflict of interest or self-dealing. To apply, as they do now, a standard of flexibility is to countenance a standard highly discriminatory to many who have spent years in developing strong and constructive economic units in their community.

I am told that Mr. Wyman in 1958 gave you his views as to the nature of some of the conflicts or violations of fiduciary relationships on the part of officers or managers of associations. I am also told that Mr. Creighton, the Chief Counsel, in a speech in 1957, first undertook to define the Chief Counsel's position. But nowhere do I find the Board's position—and it is the Board, not the Director of Supervision nor the Chief Counsel who is charged with the responsibility of setting policy, a responsibility given them by the Congress with full authority to discharge it. It is to the Board we must look for guidance, and we have every right to expect, and I do expect, that the Board will respond by laying down the guidelines which will permit you to operate—knowing fully that which is expected of you.

The work of the subcommittee continues. Shortly we will be issuing reports based on the hearings involving the Clovis, N. Mex., and Alice, Tex., associations. Included in these reports will be recommendations which I have every confidence will receive the full support of the Committee on Government Operations. We have to complete additional hearings in Washington with the Board and its staff in order to complete our work on the Atlanta case and issue a report on that. And shortly the subcommittee must decide which additional cases it will also hear. Obviously we can't hear all of the complaints received. We have attempted to select those which illustrate important basic problems and their relationship to the Board and the industry itself. We on the committee feel that we can best discharge our responsibilities to the Congress and to the public by carefully selecting cases which develop a record supporting sound recommendations.

I want to express to you my confidence of the sincerity of purpose of the new Chairman of the Board, Mr. Joseph McMurray, and his associate, Mr. Joseph Williams, of Virginia. I can assure you that they are cognizant of every development in the work of the committee. They have been extremely cooperative with the committee in facilitating its study of Board operations. And I have the personal assurance of the present two Board members that the recommendations of the committee will be most carefully considered by them, just as I have the assurance of a number of the members of the House Committee on Banking and Currency of their interest in the work of the subcommittee and their desire to cooperate in the sponsoring of necessary legislative changes which might constitute part of the recommendations of the subcommittee.

I think it is important that the industry give careful thought to the recommendations of the subcommittee, that it familiarize itself with the nature of information developed in the many days of hearings and the thousands of pages of testimony which has been taken in the past 2 years. The committee does not ask concurrence in its recommendations but it does hope for careful consideration of those recommendations and for constructive comment. With the support of the industry, I am confident that we can effect those changes which must be made if you are to finally be regulated fairly and equitably by rule and regulation rather than by the whims of the staff of the Bank Board.

Remarks of Mr. Miklos Sperling and Secretary of State Dean Rusk on Presentation of the Rembrandt Peale Portraits of George and Martha Washington to the Department of State, May 29, 1962

EXTENSION OF REMARKS

OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. BRADEMAS. Mr. Speaker, one of the outstanding citizens of the State of Indiana is Mr. Miklos Sperling, of Indianapolis, an industrialist, engineer, and civic leader. Mr. Sperling and his wife recently presented to the Department of State an outstanding gift, the Hurst portraits of George and Martha Washington, oil paintings by Rembrandt Peale.

This was the only pair of original portraits of George and Martha Washington known to be in private hands and the paintings constitute a national treasure.

I was fortunately present at the ceremony at the Department of State at which Mr. Sperling made a moving extemporaneous statement of his reasons for presenting these fine portraits.

Mr. Sperling's remarks and excerpts from the remarks of Secretary of State Dean Rusk follow:

> Mr. SPERLING. Mr. Secretary, Mrs. Rusk, ladies and gentlemen, and friends of mine who gather here for this occasion, I'd like to recall 36 years ago a young engineer. By my own choice I reached the shores of this country of ours. As a young fellow, I was a great admirer of a big freedom fighter of the time of 1848–49 in Hungary, Louis Kossuth, who believed in freedom, liberty, brotherhood, and equality. As a young fellow, I couldn't see it in Europe, so I chose to come to the United States. By hard work, by being an engineer, I made a step forward to be able to have an art collection of my own.
>
> At this time I'd like to tell you, Mr. Secretary, that I would like to present to you, which is an honor to me, George and Martha Washington by Rembrandt Peale for the State Department as a symbol of freedom, devotion, and appreciation for my country in which I live today.
>
> Secretary RUSK. Mr. Sperling, you could not have done us more honor or given us more pleasure than to make this magnificent gift to us to commemorate in this room the great first President and his First Lady. These Rembrandt Peale paintings are treasures of art. I know that our friends from the Gallery field who are here with us perhaps are envious because these are, I believe, the last two of these paintings that have been available in private hands. The others are already in institutional care.
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> * * * * *
>
> The fact that these were given to us by Mr. Sperling is to me of special importance. He came to us from Hungary, a country which has contributed unusual talents to our own country. I have heard scientists speculate about what they call the Hungarian paradox. "How is it" they say, "that Hungary has produced far more than its normal share of high talent in the sciences, the arts, in other fields?"
>
> * * * * *
>
> Mr. Sperling, we are delighted that you came here, became one of us, and that you joined other distinguished people from other countries who have come here to help us work out this story of freedom. We appreciate your interest in these rooms. You join others, such as Ambassador Cowen and Mrs. Cowen who are here today and others who have taken a deep personal interest in this eighth floor. And I hope you take some quiet satisfaction from the interest and appreciation shown by all of our distinguished foreign visitors whom we entertain here at these handsome and distinguished portraits of our first President and his First Lady.
>
> We are deeply grateful and thank you very much for coming.

Leonard A. Skubal: Distinguished Public Servant

EXTENSION OF REMARKS

OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. ZABLOCKI. Mr. Speaker, too often the bad is overemphasized and the good overlooked where our Federal employees are concerned. Daily our civil servants are maligned as "bureaucrats," in the worst sense of that word. We tend to forget that Federal employees are people, that each one has an individuality of his own. We forget, that is, until one among the ranks goes astray, falls from grace. Then the instant spotlight of nationwide publicity is turned on the offender. His abuse of, or inefficiency in, his office becomes widely known and unfairly reflects on all civil servants. At the same time, a Federal employee who does an exemplary job too often goes largely unnoticed. Too often his accomplishments are not "news" in the way that the deeds of the wayward public employee are. Even should the good bureaucrat be recognized by the Government for his work, the likelihood is remote that his accomplishments will be known outside of his family, friends, and coworkers. It is little wonder then that the public has a one-sided, warped view of the Federal employee.

In the interest of correcting this inequity, I would like to draw the attention of my colleagues to the outstanding record of public service compiled by Mr. Leonard A. Skubal, a native of Milwaukee, who recently was awarded the Distingished Service Award of the Office of Emergency Planning.

Mr. Skubal is Chief of the Economic Stabilization Division of the Office of Emergency Planning, which is part of the Executive Office of the President responsible for military preparedness. His work involves the development of national preparedness for emergency economic stabilization in the event of mobilization.

The award he received is the highest conferred by the Office of Emergency Planning. It is given only to individuals who have made outstanding contributions to public service, the Nation, or humanity. The award was presented by Mr. Edward A. McDermott, Director of the Office of Emergency Planning. In his presentation speech, Mr. McDermott hailed Mr. Skubal's "oustanding and exemplary work in governmental, public, and business relations which has consistently reflected credit on the agency, and has been a significant contribution to the public service and the Nation."

Both at the State and National level, Mr. Skubal has worked in several executive capacities in the emergency stabilization field throughout the period since his World War II military service. Born in Milwaukee and a longtime resident there, he is the son of Mr. and Mrs. John Skubal of 3130 South Hanson Street. Mr. Skubal now lives with his wife, Mary, and their six children, in Falls Church, Va., where he is a past president of the Falls Church Citizens' Association.

I should particularly like to emphasize Mr. Skubal's work in the special area of speaking, on behalf of the agency, at governmental and business conferences. According to his superiors, his work in this connection has been exemplary and has consistently reflected credit on the agency. His sincerity and preoccupation with making preparedness work has had real impact on many audiences and has helped to generate widespread interest not only in economic stabilization but in resource preparedness generally. He has performed equally well as a lecturer at the Civil Defense College, the military service colleges, as a member of many panels on preparedness, and as a speaker at business and professional conventions.

In connection with his increasing need for communications skills, it is interesting to note that he promptly enrolled in an evening course at Catholic University to improve his writing and speaking. Mr. Skubal's fine performance in this regard is attested to in letters received from various groups before which he has spoken. Excerpts from some of those letters follow:

Chamber of Commerce of the United States:

> Your explanation of plans for emergency economic stabilization—and your suggestions for greater business-Government cooperation—were just what we needed.
>
> The outcome, frankly, exceeded even my fondest expectations. I think the question period made it clear to you that the audience wanted to know, and needed to know, more about this vital subject.

American Hotel Association:

> We continue to get complimentary letters from hotel people who heard your remarks at the hotel show 2 weeks ago. You certainly did alert them to the need for cooperating with all defense agencies in this field.

Automobile Manufacturers Association, Inc.:

> It is always a pleasure for people interested in a given subject to hear it expertly discussed—and this you did.

My own personal feeling is that such meetings are one of the very best media for two-way communication between Government and industry, and I am sure you agree with me that such communication is essential to both.

Director, Industry Office, Staff College Industry Defense Course:

Again, many thanks for your usual fine and effective assistance as guest lecturer at the Staff College Industry Defense Course. It is always good to have you with us for these sessions, which are increasing in their effectiveness and attendance because of persons like you. Thanks to your sound, plausible and stimulating presentation, the comments from all who attended were extremely complimentary.

National Association of Real Estate Boards:

This is a most vital subject and our members were fortunate in having the opportunity to hear your first-hand report. I am sure that this meeting will result in greater understanding of the problem by our members and we are looking forward to working closely with you in the future.

State of Wisconsin, civil defense director:

Len was good enough to come out here for our initial area meeting to get the program launched, and has always made himself available for consultation and guidance. He has been one of the people in OEP to have done outstanding and original work in getting a stabilization program moving.

In addition to his speaking engagements, Mr. Skubal has had virtually the complete responsibility for staging, as well as participating in, the first four of the agency's regional stabilization conferences in New York City, Atlanta, San Francisco, and Chicago. The audiences for these conferences represent business, finance, the professions, and State and local governments. These conferences are intended to pave the way toward active State and local involvement in stabilization preparedness. According to Edward F. Phelps, Jr., Deputy Assistant Director for Economic Stabilization and his immediate superior, Mr. Skubal's accomplishments in putting on these conferences have been outstanding, and the agency, as well as national preparedness, have benefited substantially from them.

Mr. Phelps had this further to say of Mr. Skubal:

On the technical side, of course, Mr. Skubal has brought to his present position a unique and substantial experience. He has almost 17 years of participation in the operation and planning for emergency economic stabilization programs. In setting up requirements for our regional stabilization conferences, for example, he was able to draw upon this experience, and to establish the standards and criteria for our regional economic stabilization officers to follow in arranging and conducting the conferences in each area, as well as the preparedness program to be followed after each conference. As a result, we were able to obtain the people we wanted at these conferences, and to achieve the purpose of an effective understanding of our field program in economic stabilization.

Inasmuch as Mr. Skubal has had experience at every level of economic stabilization, National, regional, State, and city, his approach is practicable and effective rather than theoretical. He is able to present our rather complex subject with an understanding of, and a constant regard for the stake of, the American people, and the problems involved at all levels of government.

It is also interesting to note that every Governor to whom our program was presented responded favorably. This achievement, in and of itself, reflects program acceptance in a difficult field. Mr. Skubal has made an outstanding contribution to this work also because the basic material which was submitted to the 40 Governors, and is used by their State representatives, was either created largely by Mr. Skubal or developed under his immediate supervision, subject only to my general policy guidance.

To these commendations, I would like to add my own words of praise for my friend, Leonard Skubal. A fine public servant and a devoted family man, he surely is an outstanding Federal employee. To him and to the thousands of others like him throughout our governmental structure go my best wishes and heartfelt gratitude.

Veneer Logs

EXTENSION OF REMARKS
OF

HON. JOHN H. DENT
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 18, 1962

Mr. DENT. Mr. Speaker, this week I received the following telegram:

CHICAGO, ILL., *July 12, 1962.*

Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.:

BDSA Acting Administrator A. A. Bertsch today advised walnut industry hearing on veneer log exports to be held Wednesday, July 18, 10 a.m., room 4817, Department of Commerce Building. Obviously our last opportunity, but unfortunately meeting to be chaired by BDSA instead of by Bureau International Programs. Your continued support at above place and date urgently needed.

Respectfully,

DONALD H. GOTT,
American Walnut Manufacturers Association.

I answered by offering what evidence I had at hand, on such short notice, showing that the facts in the case of walnut veneer logs demand immediate remedial action. My appeal to BDSA follows:

JULY 16, 1962.

Hon. A. A. BERTSCH,
Acting Deputy Administrator, Business and Defense Services Administration, Department of Commerce, Washington, D.C.

DEAR MR. BERTSCH: As chairman of the subcommittee studying the impact of imports and exports on American employment, I learned that the exportation of veneer logs has been the cause of great damage to the domestic veneer producers. This has taken two direct routes: one, the increased price for high quality logs has driven up the prices, making it more difficult for American producers to compete with imports, and two, it leaves the lesser quality logs for domestic use.

Under section 2 of the Export Control Act of 1949, 50 App. U.S.C. 2022, it is the declared policy of the United States to impose export controls to the extent necessary "to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand." Section 3 of the act, 50 App. 2023, authorizes the President to "prohibit or curtail" the exportation of any commodities in order to implement this policy. The authority to determine the commodities to be controlled under the act was delegated by the President to the Secretary of Commerce and is administered by the Office of Export Control of the Bureau of International Programs.

The number of board feet has increased from 608,000, in 1954, at a price of $339 per thousand board feet, to 10,185,000 board feet, at a price of $668 per thousand in 1960. This shows an increase of 1,500 percent in the volume; approximately 97 percent in price.

These statistics, plus more, are contained in hearing report No. 8, of our committee, pages 295 to 315, inclusive, and in other sections of volume 8 report, which confirm the damage being done to this domestic industry.

The adverse effects of increasing foreign demand for American raw material of walnut logs, combined with the importation of the finished veneer, have been and are creating a situation that can well spell the extinction of this valuable domestic industry.

The industry's long-term plans and programs for increasing the production and quality of this valuable, natural, raw material—which, incidentally, is the most valuable of all American natural woods native to this country—is suffering from this two-pronged attack.

I would recommend that the statisticians and policymakers of the Business and Defense Services Administration review the testimony of this committee for whatever help it may give in making a determination.

There may be some American industries that are expendable. I know of none, and certainly this one is not.

Sincerely yours,

JOHN H. DENT.

Mr. Speaker, in line with this protest of any further depreciation of this industry I am compelled to call to the attention of Congress the following related correspondence.

The first is a copy of a letter to the President calling for aid and relief from Canada. The letter is signed by 43 Members of the Congress and reads as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 12, 1962.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As Members of Congress representing districts across the Nation with substantial employment in the forest products industry, we are pleased with your order for a full study by all Federal agencies which can contribute to the correction of the economic problems confronting this industry.

Your action is an appropriate and most gratifying response to our appeals for assistance and those of the industry to various officials of your administration.

The problems, as you have recognized, are large, diverse, and complex.

Interagency cooperation in dealing with them is clearly indicated. The assistance of Congress has been extended as well, through current hearings of the Senate Commerce Committee and through the joint efforts of House Members whose signatures appear below.

While the widespread ramifications and complexities of the situation demand careful study, the urgency of its increasing effect on employment and on the stability of major industry requires action of an emergency nature.

U.S. imports of Canadian softwood lumber were up 21.4 percent for the first

4 months of this year over the related period of 1961. In this same period, unemployment in the forest products industry increased more than 4 percent.

We earnestly request that changes proposed in the Department of Agriculture to assist lumber procedures, be given your most serious consideration, attention, and review leading to stimulative lumber action. We enclose these suggestions presented to Secretary Freeman on February 21, and we further enclose the statement presented at the June 4 congressional conference on lumber.

There are enough facts and evidence already amassed, in our judgment, for you to initiate action without further delay. This we hope you will do, for we want to impress upon you our genuine concern. We urge that the Tariff Commission be instructed under section 332 of the Tariff Act of 1930 to commence immediately to gather the necessary information upon which a decision may be reached on the question of whether a tariff or a quota should be applied to lumber importation. We recognize that the lumber industry has not yet applied for relief, and we understand it is because of fear that this action would close the door on more rapid emergent assistance. The industry has been told, however, that this is a necessary step but we Members of Congress do believe that there is a Government responsibility to gather information which can lead to a prompt determination when the industry files such a petition.

It is our hope that this action will not forestall other means of assistance. We earnestly recommend that you consider among other methods of assistance a temporary quota on the importation of softwood lumber, based on the average annual shipments into the United States over the past 10 years.

Such action is recommended only with the clear understanding that any quota would be lifted upon completion of the current study and the establishment of long-term solutions. We recommend this with every expectation of sympathetic understanding from our good neighbor Canada, whose friendship we value and whose motives we respect.

With our best wishes and deepest appreciation for your considered action, and with our fullest understanding of the complex problems before our Nation, we are,

Yours very sincerely,

E. Y. Berry, Republican, of South Dakota; Dave Martin, Republican, of Nebraska; John Dowdy, Democrat, of Texas; Clifford G. McIntire, Republican, of Maine; John J. McFall, Democrat, of California; Ralph Harding, Democrat, of Idaho; William G. Bray, Republican, of Indiana; Harold T. Johnson, Democrat, of California; Thor C. Tollefson, Republican, of Washington; George Grant, Democrat, of Alabama; Delbert Latta, Republican, of Ohio; B. F. Sisk, Democrat, of California; Don Magnuson, Democrat, of Washington; John J. Rhodes, Republican, of Arizona; Julia Butler Hansen, Democrat, of Washington; Stanley R. Tupper, Republican, of Maine; Harold McSween, Democrat, of Louisiana; Paul C. Jones, Democrat, of Missouri; Don L. Short, Republican, at Large, of North Dakota; Robert G. Stephens, Jr., Democrat, of Georgia; Oren Harris, Democrat, of Arkansas; William K. Van Pelt, Republican, of Wisconsin; Catherine May, Republican, of Washington; Harlan Hagen, Democrat, of California; Walter Norblad, Republican, of Oregon; Edwin R. Durno, Republican, of Oregon; Clem Miller, Democrat, of California; Albert Rains, Democrat, of Alabama; Ralph J. Rivers, Democrat, at Large, of Alaska; Jack Westland, Republican, of Washington; George Huddleston, Jr., Democrat, of Alabama; Carl Elliott, Democrat, of Alabama; John E. Moss, Jr., Democrat, of California; Richard H. Poff, Republican, of Virginia; Peter A. Garland, Republican, of Maine; Thomas M. Pelly, Republican, of Washington; Joe D. Waggonner, Jr., Democrat, of Louisiana; Durward G. Hall, Republican, of Missouri; Morris K. Udall, Democrat, of Arizona; Silvio O. Conte, Republican, of Massachusetts; Walt Horan, Republican, of Washington; Arnold Olsen, Democrat, of Montana; Gracie Pfost, Democrat, of Idaho.

Mr. Speaker, it seems ironical that within the last few weeks this same group of Members were present when the trade bill was passed by the House with the support of the greater number of the signers.

This note shows the position Congress now finds itself in when injury from imports becomes a matter of vital concern to the economy of an area, a State, or the Nation.

We are reducing ourselves to the position of petitioners in a matter that was exclusively restricted to the membership of Congress for determination by the Founding Fathers.

Those of us who believe in trade when such trade is equitable have often been ridiculed by others who believe otherwise.

I can assure my colleagues that whatever help I can give is theirs, but I am afraid there is little I can do, or for that matter, little they can do.

Their only hope is that the President, an understanding Executive, will see that their problem is real, is serious, and a threat to the economy of the Nation as a whole and will give the aid, relief, and assistance they appeal for.

I sincerely believe the President will give this aid. I cannot hope to know or be able to guess what the next President will do.

We can go further in our destruction of certain industries, but I doubt if we can go much faster than under the provisions of the new Trade Expansion Act of 1962 if it is administered to its fullest by a Chief Executive lacking the knowledge and understanding of our economic system. In this regard we are fortunate that the present Chief Executive is experienced and comprehends the problem.

It may be well for all of us to take a second look at what happened in our trade agreements and trade relations before opening up the one-way street to further traffic.

The next correspondence covers the same subject and shows the universality of the appeals for relief under our trade policies.

If one were to look through the Congressional Record for the past decade, he would wonder how the trade bill ever received the number of votes necessary for passage.

More Members and more items appear on this subject than on any other single issue before the Congress.

The answer is simple. It is an old military strategy—divide and conquer.

Every time this legislation comes up for consideration specific groups are given consideration and exemptions. This provides the pressure and the votes for its passage.

The time is near when the injury meted out to the few will become an injury to all.

The lumber industry is only one of many needing relief.

The above-mentioned correspondence follows:

July 5, 1962.

Hon. John F. Kennedy,
President of the United States,
White House,
Washington, D.C.:

We shall appreciate your giving the following matter your prompt policy consideration since it affects the lives and industry of thousands of citizens in Oregon and elsewhere throughout the country.

Our small company lost its entire capital of approximately $700,000 in its operations during the last 3 years, mainly because of unfair competition from Canadian imports of lumber to the east coast of the United States. Our sawmill at Bradwood, Oreg., represents an original investment approximating $1,500,000. We do an annual volume approximating $3 million and employ approximately 150 people under a nationally approved labor union contract.

Under circumstances completely beyond our control, we just closed our mill and cannot reopen same unless our entire industry receives immediate relief through Executive and congressional action. Our people will be compelled to rely on unemployment insurance for the next 6 months and, thereafter, will be without income, as many more west coast sawmills are closing than new ones are opening. This situation affects tens of thousands of workers and businesses in Oregon, Washington, and California, and other Western States.

Many Senators, Congressmen, and executive Federal Government officials have been considering this matter during the last 6 to 12 months, but, so far, nothing has been achieved, while the industry is literally bleeding to death.

Notwithstanding all promiscuous discussions, relief at the present time can come, alternatively or cumulatively, only from the following measures promptly taken:

(a) Legislation to exempt sea transportation of lumber from the west coast to the east coast, from the ancient and now completely ineffective Jones Act, which does not even help the American merchant marine, since the lumber and other products are shipped from Canada on foreign vessels, while American intercoastal ships are, one by one, being put out of service.

(b) Establishment of immediate Government subsidy to American merchant marine hauling lumber from west to east coast, in amounts sufficient to overcome differences between rates of American vessels and foreign-flag vessels.

(c) Establishment of at least a temporary quota system against importation of lumber from Canada to the east coast by cargo shipment in quantities completely crowding out our own west coast shipments, due to most unfair, unequal, and unequitable competitive conditions.

(d) Immediate Executive order, changing tariff schedule on lumber imported from Canada to at least 10 percent of the value of the lumber imported.

We respectfully urge your immediate consideration and action in this matter, separate and apart from all other foreign trade questions, since this item is of a most peculiar nature, and merits separate and special and immediate attention. It will be too late for any relief to this industry and its employees after many more west coast sawmills are closed, dismantled, and sold as junk, and their workers placed on public relief.

If considered appropriate, shall gladly confirm above facts by sworn testimony before any executive or congressional committee at Washington, at our own expense.

Respectfully submitted.

ALFRED H. SACHS,
Treasurer, Columbia-Hudson Lumber Co. of Bradwood, Oreg.

Mr. Speaker, my answer is that I read the special plea for the lumber industry. Of course, the time to have had support was when the trade bill was up. I have supported your position all the way. However, your own members are among those who believe they can get relief for one segment—their own—of our economy and the rest be damned.

For years those of us in coal, glass, tool steel, and other affected, injured industries have been like voices crying in the wilderness. Now we find our voices becoming drowned by the anvil chorus of those whose "ox is being gored" at the time.

Insofar as I am personally concerned, the policy of giving special relief to a group because of vote power, regardless of the damage inflicted upon others, is a dead duck.

I no longer see any merit in fighting the good fight and then being asked to pass the hat for relief for the people who licked me. No thanks; we coal and glassworkers and our friends have taken our lickings for too long. Our people are considered expendable, and by the same token we, as Members of Congress, have been castigated as isolationists, protectionists, and narrow and parochial minded.

What is the difference between your plant closing and your workers being thrown onto relief than in our glass and other industries.

Everybody wants free trade for everything they buy but are against it for things they sell.

I believe I know and sincerely respect the feelings and the problems faced by our lumber industry in both the lumbering as well as plywood sections of this important phase of our industrial complex.

"The Great Period of the Foreign Service," an Address by President John F. Kennedy to the American Foreign Service Association, May 31, 1962

EXTENSION OF REMARKS
OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. BRADEMAS. Mr. Speaker, on May 21, 1962, President Kennedy addressed the members of the American Foreign Service Association in Washington, D.C., on the subject, "The Great Period of the Foreign Service."

This was the first time in history that a President of the United States has addressed the American Foreign Service Association.

Secretary of State Dean Rusk was present, as well as Under Secretaries George W. Ball and George C. McGhee. The Honorable Charles E. Bohlen, special assistant to the Secretary of State, and president of the association, presided and introduced the President to the nearly 1,000 persons who attended the meeting.

I think President Kennedy's remarks on this occasion will be of interest to persons outside the Foreign Service and I am therefore pleased to insert his address in the RECORD.

The address follows:

THE GREAT PERIOD OF THE FOREIGN SERVICE

(By President John F. Kennedy)

The Foreign Service, as all of you know was formed, or at least the State Department was, on July 27, 1789, when George Washington signed the act establishing the Department of Foreign Affairs. This act provided that the Secretary should conduct the business of the Department, and I quote: "In such manner as the President of the United States shall from time to time order or instruct."

That is my mandate to involve myself in your business and I want to say that I do not think that there is any responsibility placed upon the President of the United States, even including that of Commander in Chief, which is more pressing, which is more powerful, which is more singularly held in the Executive (as opposed to so many other powers in the Constitution, which are held between Congress and the Executive) than that which is involved in foreign policy.

I know that many Foreign Service officers feel (like former marines, who believe that the old days were the best days) that the days before World War II were the golden days of the Foreign Service, that since then the Foreign Service has fallen on hard times and that there is a good deal of uncertainty about what the future may bring.

I would like to differ with that view completely. In my opinion, today, as never before, is the golden period of the Foreign Service.

In the days before the war, we dealt with a few countries and a few leaders. I remember what Ambassador Dawes said, that the job was hard on the feet and easy on the brain. Theodore Roosevelt talked about those who resided in the Foreign Service rather than working in it. We were an isolationist country, by tradition and by policy and by statute. And therefore those of you who lived in the Foreign Service led a rather isolated life, dealing with comparatively few people, uninvolved in the affairs of this country or in many ways in the affairs of the country to which you may have been accredited.

THE FOREIGN SERVICE A GREAT OPPORTUNITY

That is all changed now. The power and influence of the United States are involved in the national life of dozens of countries that did not exist before 1945, many of which are so hard pressed.

This is the great period of the Foreign Service, much greater than any period that has gone before. And it will be so through this decade, and perhaps even more in the years to come if we are able to maintain ourselves with success.

But it places the heaviest burdens upon all of you. Instead of becoming merely experts in diplomatic history, or in current clippings from the New York Times, now you have to involve yourselves in every element of foreign life—labor, the class struggle, cultural affairs and all the rest—attempting to predict in what direction the forces will move. The ambassador has to be the master of all these things, as well as knowing his own country. Now you have to know all about the United States, every facet of its life; all the great reforms of the thirties, the forties, and the fifties, if you are going to represent the United States powerfully and with strength and with vigor. When you represent the United States today, it is not a question of being accredited to a few people whose tenure is certain, but instead, of making predictions about what will be important events, what will be the elements of power or the elements of struggle, and which way we should move. And this calls for the finest judgment.

In the Foreign Service today you have a great chance and a great opportunity. And I hope that you recognize it, and realize that on your decisions hang the well-being and the future of this country.

THE PLACE TO BE IS IN THE KITCHEN

There is a feeling, I think, in the Foreign Service that the State Department and the Foreign Service are constantly under attack. Well, I would give two answers to that. In the first place, the questions with which you are dealing are so sophisticated and so technical that people who are not intimately involved week after week, month after month, reach judgments which are based upon emotion rather than knowledge of the real alternatives. They are bound to disagree and they are bound to focus their attacks upon the Department of State and upon the White House and upon the President of the United States. And, in addition, party division in this country, where the parties are split almost evenly, and in spite of the long tradition of bipartisanship, accentuates the criticisms to which the Department of State and the White House are subjected.

If change were easy, everybody would change. But if you did not have change, you would have revolution. I think that change is what we need in a changing world, and therefore when we embark on new policies, we drag along all the anchors of old opinions and old views. You just have to put up with it. Those who cannot stand the heat should get out of the kitchen. Every Member of Congress who subjects you to abuse is being subjected himself, every 2 years, to the possibility that his career also will come to an end. He doesn't live a charmed life. You have to remember that the hot breath is on him also, and it is on the Senate, and it is on the President, and it is on everyone who deals with great matters.

This is not an easy career to be a Foreign Service officer. It is not an easy life. The Foreign Service and the White House are bound to be in the center of every great controversy involving the security of the United States, and there is nothing you can do about it. You have to recognize that ultimately you will be subjected, as an institution, to the criticisms of the uninformed, and to attacks which are in many cases malicious and in many cases self-serving. But either you have to be able to put up with it, or you have to pick a more secluded spot.

Personally, I think the place to be is in the kitchen, and I am sure the Foreign Service officers of the United States feel the same way.

CAREER VERSUS NONCAREER

One of the other points which I know is of concern, is this question of career versus noncareer.

The pressures which come upon a President, as you know, are many. We try to do our best in picking the best man available. We have a higher percentage of ambassadorial posts occupied by career men, 68 percent, than at almost any time in this century, with the exception of a few months at the end of 1959.

My own feeling is that there is a place for the noncareer ambassador—not for political reasons, but when he happens to be the best man available. For example, Mr. Reischauer happens to have special skills in Japan; he has a knowledge of Japanese and of the history of the country, and he has a Japanese wife. I had only met Mr. Reischauer when he came to call on me to go to Japan. But his was a distinguished appointment, and to a country which has an intellectual tradition. My feeling is we should send career men, to the maximum extent possible, unless there happen to be special skills which a noncareer officer holds.

On the other hand, the career men themselves have to be of the best quality. You cannot expect any President or Secretary of State, merely to please the career officers, to send a career officer to a post if he is not the best. He should be the best. After 10 or 20 years in the Service, he should be the best, in language, in knowledge, in experience. He should be able to stand up to any competition. If we get the best we can get in the Foreign Service at the beginning, every post will go to a Foreign Service officer. I am sure that all a Foreign Service officer asks is to be judged fairly, without bringing in extraneous circumstances, on this basis of judgment: Who is the best man for that post at that time, given the situation in the United States and the situation in that country? That should be the standard.

Now in some cases it will be a noncareer appointment, but in many cases, in my judgment, we will end up with the best man available, and he will be a Foreign Service officer.

Lastly, I want to say one word about the next year or so. We are in a very changing period. Our policies are changing, and should change, and we are very much dependent upon the Department of State for action, for speed, for judgment, and for ideas. I know the difficulty of attempting to clear policy and of coordinating it between the Department of State, the CIA, the Defense Department, the White House, the Export-Import Bank, the Treasury Department, the Department of Commerce, and the Congress. But nevertheless, it does seem to me that in the days that are coming, we want, first, action in the sense that we should bring these matters to a head and do it with speed if we can. And still more, we need a sense of responsibility and judgment in order to get the work out—not action for action's sake. We must not become so enmeshed in our bureaucracy that four or five overburdened men make decisions which should come from the Department itself with some speed and action.

THE BEST PERIOD TO BE A FOREIGN SERVICE OFFICER

Another point, of course, is that we should have, at least at the White House, Department of State, and Secretary of State levels, evidence of dissent and controversy. We have had some new ideas in the last year in foreign policy; some new approaches have been made. We want them to come out of the State Department with more speed. What opportunities do we have to improve our policies abroad? How, for example can we make the Alliance for Progress more effective? We are waiting for you to come forward, because we want you to know that I regard the Office of the Presidency and the White House, and the Secretary of State and the Department, as part of one chain, not separate but united, and committed to the maintenance of an effective foreign policy for the United States of America.

Therefore, in the final analysis, it depends on you.

That is why I believe this is the best period to be a Foreign Service officer. That is why I believe that the best talent that we have should come into the Foreign Service, because you today—even more than any other branch of government—are in the front line in every country of the world.

Chicago and Indianapolis Newspapermen Detail Navy's Indictment by Subcommittee

EXTENSION OF REMARKS

OF

HON. EARL WILSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1962

Mr. WILSON of Indiana. Mr. Speaker, as long as we have newspapermen who take the time to dig into a story to learn the facts, freedom of the American press is indeed in safe hands. Too often we hear of reporters who make only a cursory or biased examination of material that passes through their hands. The news stories written by these people pale by comparison when placed alongside a news account written by a sincere and dedicated newspaperman.

Such a story has just been unfolded by Charles Nicodemus, of the Chicago Daily News, about whom I spoke on the floor of this House last Friday, July 13, 1962, and Ben Cole, of the Indianapolis Star.

Mr. Nicodemus covered the recent hearings by the Armed Services Special Investigating Subcommittee. He attended all the sessions. He took notes. He read the documents. He talked to the principals. I think it is safe to say he had a thorough, working knowledge of this case and of the hearings.

His news account of the committee report is certainly excellent and I think should be required reading for all newspaper people. It is just another example of how a little enthusiasm and elbow grease helps to do a good job.

I insert at this point in my remarks Mr. Nicodemus' story on the PRC-41 radio hearings from the Chicago Daily News of July 18 and think it is an excellent summation of what the subcommittee brought out.

PRC RADIO HEARINGS

(By Charles Nicodemus)

WASHINGTON, July 18.—A House investigating subcommittee's report today ripped into Navy buying practices and attacked plans to award a $4 million contract for a marine radio without bids.

The report also raked the Navy for secretly changing its procurement policies to permit officials to accept bids on certain contracts only from favored firms.

In phrases that were sometimes sarcastic, sometimes blunt or caustic, the special investigations unit of the House Armed Services Committee said its hearings showed that other competent manufacturers could have submitted negotiable proposals on the radio contract.

Instead, the Navy plans to award the job to Collins Radio Co., Cedar Rapids, Iowa, as the sole source the Navy says can supply the radios as fast as the marines need them.

The unpublicized policy switch, curbing competition, was made in September 1961 the record showed, but did not come out until the committee hearings June 28, 1962.

It was ordered by Kenneth BeLieu, Assistant Secretary of the Navy for Supply and Logistics.

The hearing report called the new procedure a "secret policy, of doubtful legality and irregular in its origin."

The five-man subcommittee, headed by Representative F. EDWARD HÉBERT, Democrat, of Louisiana, said it denounces and condemns the action of the Navy in setting up the policy without notice to anyone, including the Secretary of Defense.

The report noted sarcastically that "we are asked to believe that this policy expresses a compassionate interest in saving prospective bidders from spending money" needlessly by bidding on jobs the Navy didn't want them to have.

At the time the policy came to light at the hearings, HÉBERT suggested "that you instead let the companies involved worry about saving money, and that you worry about saving the taxpayers' money by permitting competition."

The hearings were called after Representative EARL WILSON, Republican, of Indiana, charged that the Navy was funneling this and other contracts to favored firms at exorbitant prices.

Marine Commandant David Shoup testified that the radio, a walkie-talkie unit, is critically needed by his forces for effective ground-air communication, to replace less satisfactory units now in use that are up to 13 years old.

Collins, paid by the Navy to develop the radio, offered to take the production job for $4,373,546. WILSON obtained a bid from Arvin Industries, Columbus, Ind., a nationally known manufacturer, for $1.3 million less. But the Navy has refused to consider it.

The Hébert report rapped the procedure in which low-ranking Navy officials made the key "sole source" decision, with higher echelons merely providing routine review.

In suggesting a "rubberstamp" situation, the committee noted that "no step was bypassed in the movement of papers," and "all the words were present."

But "the same tired phrasing leaves a little chill behind it," the report said.

The report raised the point that there is "some dispute" as to whether engineering changes sought in the radio by the Marines had been worked into the contract by the Navy—leaving the door open to further price adjustments with Collins.

As for the Navy's contention that Collins, as the radio's developer, was in the best position to produce it rapidly to meet the Marines' emergency, the report sarcastically suggested:

"A means must be found to introduce light and air" into Navy procurement, "so that the conclusion of a successful development contract will not coincide so perfectly with an urgent requirement."

Mr. Cole also covered the hearings on the PRC-41 and has also been quite diligent in familiarizing himself with the details of this case. He summarized the case in the Indianapolis Star of July 18, 1962. In my opinion, Mr. Cole also did a fair and impartial reporting job, even though his summation was not as lengthy or detailed as that of Mr. Nicodemus.

Mr. Cole's story follows:

COMPETITION IN BIDS URGED BY HOUSE UNIT

WASHINGTON.—A House Armed Services Subcommittee filed a report yesterday pressing for more competition in bids on Navy electronic gear.

The subcommittee under Chairman EDWARD HÉBERT, Democrat of Louisiana, filed the report on an investigation it made into charges by Representative Earl Wilson, Republican, of Indiana.

Wilson imputed collusion and criminal conspiracy to Navy officials in connection with a $4 million order for ground-to-air field radios ordered from Collins Radio Corp., Cedar Rapids, Iowa.

The Congressman said the Arvin Industries Corp., Columbus, Ind., submitted a sample bid $1.1 million lower.

The subcommittee recommended that:

1. Legislation be enacted placing sole-source contract negotiations under scrutiny of the General Accounting Office.

2. The Secretaries of Defense and the Navy use procedures to prevent unauthorized adoption of bidding regulations.

The subcommittee recognized that in some instances sole-source procurement was necessary. It also found Collins received Navy contracts on account of its performance record.

The Navy unnecessarily kept secret some of its policies, thereby raising suspicions, the subcommittee found, and it criticized the Navy for changing its policy so as to deny requests to bids made by competitive firms.

Proper procedures were followed but the subcommittee questioned some details of the methods used.

The panel criticized the Navy for somehow permitting information contained in the Collins proposal to be turned over to the Arvin firm.

As a footnote, I should like to inform the Members of the House that, faced with a caustic report from the subcommittee the Secretary of the Navy today awarded the contract for production of the AN/PRC 41 sole source to Collins Radio Co. As I said in my newsletter last week—"Damn the Dollars—Full Speed Ahead."

I include that newsletter at this point in the Record.

INSIDE WASHINGTON

(By Congressman Earl Wilson)
(For the week of July 16, 1962)

DAMN THE DOLLARS—FULL SPEED AHEAD

Reviewing my notes on the recent naval procurement hearings by the Armed Services Special Investigation Subcommittee, I found a paraphrase of Adm. David Farragut's famed statement. I had written "Damn the Dollars—Full Speed Ahead." This best describes the Navy attitude toward spending your tax money.

It was rather disheartening for an Indiana farm boy to be asked to sit with a committee and then be denied the right to interrogate witnesses, knowing that a strong case could be made against scattering tax dollars to the winds if only the right questions were asked.

I was gratified when the Navy, in a final statement, admitted that policy changes have been kept secret. I was heartened to hear its pledge that this won't happen again, but I jotted down this note—"How many millions have been poured down a rathole in the past as a result of these secret changes and agreements?"

BILLIONS, BLUNDERS, BALONEY

This was another note I found—my summation of the net result of the hearing. Billions are being wasted. Blunders are being made by the carload. Baloney is used to rationalize all the mistakes. In this particular hearing a single official wrapped himself in the flag and tried to assume full responsibility for subordinates' mistakes that cost the taxpayers $1.3 million. This official, Kenneth M. BeLieu, admitted a company had been paid over $800,000 to develop a walkie-talkie radio and then was told to keep all the plans and drawings. Later the same company was the only one asked to bid on production of the radio. Yet it was proven before the committee that another highly reputable firm could save the taxpayer 34 percent in production of this radio without this $800,000 head start or any favored treatment. These facts alone prove bad judgment of those who justified this procurement as sole-source, and this inefficiency cannot be rationalized by a war record or by flag waving.

Ask yourself, "What would happen if a township, county, city, or the State of Indiana itself allowed no competitive bidding and awarded contracts only to favored suppliers?" The answer is obvious—higher budgets, higher taxes, graft, payoffs and jockeying by suppliers to gain favored positions.

M'NAMARA AGREES

While I was denied the right to interrogate witnesses (the only way I could have helped uncover the truth), I still feel much good will be found in the committee report now coming off the press.

Secretary of Defense Robert McNamara has already made a statement that by having more competitive bidding at least $3 billion a year can be saved on defense. I agree, except that I think much more than $3 billion is already being wasted and much more than $3 billion can be saved with frugal procurement methods.

HOPE FOR THE FUTURE

The walkie-talkie case in which a contract had not been awarded was selected by the subcommittee to develop support for an amendment to the Armed Forces Procurement Act (a change I have been supporting vigorously). This amendment gives an agency outside the military authority to pass on sole-source contracts before they're let. The Committee has on file eight more cases I have supplied. I am preparing more—some as bad as the first, others even worse.

To probe further into the first case without having the authority to ask questions, to reveal all my information without having authority to protect my sources (other than the General Accounting Office) would only dry up these sources and cost some people their jobs. I have received much information in which I have great confidence. Turned over to the same authority being investigated, the source of this information could dry up, and in reprisal some might lose their jobs.

TAIL WAGGING DOG

The Defense Procurement Act of 1947 which permits sole-source buying was thoroughly questioned and debated before passage. The sole-source section which gives complete authority to the military was seriously questioned by President Harry Truman before he signed it into law. He is reported to have said, "This is a bad practice and will soon result in the tail wagging the dog." These prophetic words, which sound like the man who headed the Truman Investigating Committee before he became President, have certainly come true.

DOLLARS OVER THE DAM

Mr. Taxpayer, you have been taken for billions. Your only present hope is that the Hébert amendment becomes law. Already it is being resisted by the power-minded military which fights with every weapon at its command any attempt to check its policy of "spendola."

It must also be recognized that the military has created a protective labyrinth of redtape and overlapping authority hidden by mountains of paperwork that makes it almost impossible to pinpoint responsible individuals. The military can always quote a secret policy change or produce a paper to rationalize its gross inefficiency. Congress knows about this waste. Representative Clement J. Zablocki said on the House floor July 11: "We have wasted millions in our Defense Department on exorbitant profits allowed certain manufacturers, on inefficient procurement and on the production of military hardware which becomes obsolete the minute it comes off the line." The Congress realizes the futility of trying to uncover those responsible for this waste. It is covered with an ever thickening layer of bureaucracy which has increasing powers of reprisal, largesse and varieties of influence.

CONCLUSION: YOU GET IT IN THE NECK

Thirty-one cents of every dollar you earn or 2 hours and 29 minutes of every day's work goes to support your Government. I am sure no American taxpayer will object so long as he gets a dollar's worth of benefit for a dollar spent. It has always been my goal to see that you get as close to that value as possible. I want to pledge to you that I shall continue in that direction. My military procurement study is just one of those efforts.

SENATE

Thursday, July 19, 1962

The Senate met at 11 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Most merciful God, our Father, Thou hast decreed that our faltering dust is linked to eternal destiny.

As we stand in these fields of earthly toil, we bow our heads to listen in reverence to distant bells which speak of our kinship with the eternal, making us conscious, even in the drab surroundings of time and sense, of the divine reality which breaks through the seen in bright shoots of everlastingness.

In the dauntless faith, illumining the future's broadening way, that Thou art in the shadows and behind the shadows, invest and undergird, we pray, the daily labor of Thy servants in this Chamber of national deliberation with a radiance which in all their working days will make their spirits like lighted torches from which others can rekindle their dying flame of courage.

We ask it in the name of the One whose life is the light of men. Amen.

THE JOURNAL

On request of Mr. Mansfield, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 18, 1962, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, was read twice by its title and referred to the Committee on Public Works.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. SPARKMAN, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations and the Committee on Banking and Currency were authorized to meet during the session of the Senate today.

On request of Mr. SPARKMAN, and by unanimous consent, the Subcommittee on Stockpiling of the Senate Committee on Armed Services was authorized to meet during the session of the Senate today.

PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. SMITH of Massachusetts (for himself and Mr. SALTONSTALL):

Resolutions of the House of Representatives of the State of Massachusetts; to the Committee on Banking and Currency:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PERMIT THE OPERATION OF A FREE MARKET FOR SILVER

"Whereas the present silver policies of the United States prevent the operation of a free market for silver; and

"Whereas the lack of a free market results in an artificially high price for silver to the detriment of millions of consumers in the United States and thousands of workers in Massachusetts; and

"Whereas the President of the United States has submitted legislation to the Congress designed to permit the operation of a free market for silver; and

"Whereas the Senators from the Commonwealth of Massachusetts have cosponsored legislation designed to permit the operation of a free market for silver: Therefore be it

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to take immediate action to permit the operation of a free market for silver through the enactment into law of either S. 2420, S. 2685, or H.R. 10384; and be it further

"*Resolved*, That copies of this resolution be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress and to the Members thereof from the Commonwealth.

"Adopted by the house of representatives, June 26, 1962.

"WILLIAM C. MAIERS,
"*Clerk.*

"Adopted by the senate, in concurrence, June 28, 1962.

"THOMAS A. CHADWICK,
"*Clerk.*

"Attest:

"KEVIN H. WHITE,
"*Secretary of the Commonwealth.*"

Resolutions of the House of Representatives of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES IMMEDIATELY TO PASS LEGISLATION PERMITTING THE RECITATION OF NONDENOMINATIONAL PRAYERS IN PUBLIC SCHOOLS

"*Resolved*, That the Massachusetts House of Representatives hereby urges the Congress of the United States immediately to pass legislation setting in motion the necessary process for amending the U.S. Constitution permitting the recitation of nondenominational prayers in our public schools; and be it further

"*Resolved*, That the Massachusetts House of Representatives urges upon the Congress the importance of authorizing local authorities in accordance with local custom and practice to provide for the voluntary recitation of nondenominational prayers in public schools; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"Adopted by the house of representatives June 28, 1962.

"WILLIAM C. MAIERS,
"*Clerk.*

"Attest:

"KEVIN H. WHITE,
"*Secretary of the Commonwealth.*"

RESOLUTIONS OF THE NEW ENGLAND CONFERENCE OF PUBLIC UTILITIES COMMISSIONERS

Mr. SMITH of Massachusetts. Mr. President, on behalf of myself, and my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL], I present, for appropriate reference, two resolutions adopted by the New England Conference of Public Utilities Commissioners, at Whitefield, N.H., relating to the repeal of section 13a of the Interstate Commerce Act, and protesting against the enactment of legislation designed to change certain sections of the Interstate Commerce Act. I ask unanimous consent that the resolutions be printed in the RECORD.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Commerce:

"RESOLUTION FAVORING LEGISLATION TO REPEAL SECTION 13A OF THE INTERSTATE COMMERCE ACT

"Whereas prior to the enactment of the Transportation Act of 1958, the individual States, through their public service commissions, had rightful jurisdiction over operation, and discontinuance or change in services, of passenger trains or ferries operated by common carrier railroads within the boundaries of their respective States; and

"Whereas section 5 of the aforesaid act amended the Interstate Commerce Act by adding a new section 13a thereto which provided a method and procedure to make it possible for railroads subject to the act to discontinue or change, in whole or in part, the operation and service of trains and ferries operated by such common carrier railroad notwithstanding otherwise applicable State laws and/or State commission orders; and

"Whereas section 13a of the Interstate Commerce Act did wrongfully take away from the individual States their authority and responsibility to provide adequate and reasonable transportation services required for the necessity and convenience of the general public; and

"Whereas there is now pending before the Congress of the United States several legislative proposals which have for their purpose the repeal of said section 13a of the Interstate Commerce Act and thereby return to the individual States their rightful authority and responsibility over the operation of trains and services so as to meet the just and reasonable requirements of the traveling public: Now, therefore, be it

"*Resolved*, That the New England Conference of Public Utilities Commissioners here assembled in the town of Whitefield, N.H., this 23d day of June, in the year of 1962, do go on public record in full support of the aforesaid legislative proposals to repeal section 13a of the Interstate Commerce Act; and be it further

"*Resolved*, That copy of this resolution be forwarded promptly to the members of the U.S. Senate Commerce Committee, the House Interstate and Foreign Commerce Committee, and to the Members of the congressional delegations from the several New England States.

"GEORGE A. MCLAUGHLIN,
"*Secretary.*"

Ordered to lie on the table:

"Whereas there is pending before Congress a bill, S. 2560, as amended, designed to change certain sections of the Interstate Commerce Act; and

"Whereas the public utility commissioners of the New England States, jointly and severally, have given serious consideration to the effect of the provisions of said legislation, if enacted, on the administration and enforcement activities of their respective State motor carrier laws and regulations; and

"Whereas it is the opinion of said commissioners that the enactment of section 1 of S. 2560, as amended, would adversely affect the present orderly and proper enforcement of said State laws and regulations; and

"Whereas the said commissioners are giving serious consideration to the adoption of measures to comply with the uniform standards of the registration of certificates and permits issued by the Interstate Commerce Commission, identification of vehicles, and standards for the filing of insurance or other securities for the protection of the public, or evidence thereof, by motor carriers operating in interstate or foreign commerce within the borders of their respective States: Now, therefore, be it

"*Resolved*, That the New England Conference of Public Utilities Commissioners be recorded as opposed to the passage of section 1 of S. 2560, as amended, now pending before the 87th Congress; and be it further

"*Resolved*, That the secretary of the conference be instructed to file a copy of this resolution with each Senator and Representative in Congress from the New England States.

"GEORGE A. MCLAUGHLIN,
"*Secretary.*"

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 3396. A bill to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds (Rept. No. 1743).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with an amendment:

S. 3373. A bill to amend section 632 of title 38, United States Code, to provide for an extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans (Rept. No. 1745).

CONSTRUCTION AND OPERATION OF THE FRYINGPAN-ARKANSAS PROJECT, COLORADO—REPORT OF A COMMITTEE (S. REPT. NO. 1742)

Mr. CARROLL. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, with amendments, the bill (S. 284) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado, and I submit a report thereon.

This bill received unanimous support by the members of the Interior Committee.

The Fry-Ark project is a transmountain water diversion project in Colorado.

It is one of the most important water projects to come before this body in years.

President Kennedy has thrown the full support of his administration behind this bill.

President Eisenhower endorsed it and urged its passage.

We in Colorado have had this water diversion project under study for 30 years.

It has been ready for congressional authorization for 8 years.

The people of the State of Colorado are unified in support of this project, which will bring supplemental water to partially irrigated croplands, and water to cities for domestic and industrial use.

Mr. President, this is a tremendously important undertaking for the people of southeastern Colorado, who will repay the cost of the project in 50 years.

It is my understanding that the Democratic policy committee will clear S. 284 for action, but has not yet scheduled a time for it to be motioned up on the floor.

The House has already passed this bill.

If the Senate passes the bill as I reported it today, it will go to the President for signature.

I hope the Senate will very soon have the opportunity to act on this bill.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

AMENDMENT OF ANTITRUST LAWS WITH RESPECT TO THE MANUFACTURE AND DISTRIBUTION OF DRUGS—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 1744)

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, I report favorably, with an amendment, the bill (S. 1552) to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes, and I submit a report thereon. I ask unanimous consent that the committee have until midnight on Monday next to file individual views, and that they be printed with the committee report in one document.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the individual views may be filed, as requested by the Senator from Mississippi.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

Norman S. Paul, of the District of Columbia, to be an Assistant Secretary of Defense.

By Mr. STENNIS, from the Committee on Armed Services:

Col. William David McCain, Adjutant General's Corps, Army National Guard of the United States, for appointment as a Reserve commissioned officer of the Army, in the grade of brigadier general.

Mr. SYMINGTON. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Col. Charles Edwin Brown, Jr., for appointment as Chief of Chaplains, U.S. Army, and as major general in the Regular Army, the promotion of 1 lieutenant general in the Army, 2 lieutenant generals and 1 general, to be placed on the retired list of the Army, and the appointments and promotion of 7 major generals and 24 brigadier generals as Reserve commissioned officers of the Army. I ask that these names be placed on the Executive Calendar.

The PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar, as requested by the Senator from Missouri.

The nominations are as follows:

Chaplain (Col.) Charles Edwin Brown, Jr., U.S. Army, for appointment as Chief of Chaplains, U.S. Army, as major general in the Regular Army of the United States, and as major general in the Army of the United States;

Lt. Gen. David William Traub, Army of the United States (major general, U.S. Army), to be placed on the retired list;

Maj. Gen. Charles Breckinridge Duff, U.S. Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general;

Gen. Clark Louis Ruffner, Army of the United States (major general, U.S. Army), to be placed on the retired list, in the grade of general;

Lt. Gen. William Peirce Ennis, Jr., Army of the United States (major general, U.S. Army), to be placed on the retired list, in the grade of lieutenant general; and

Brig. Gen. Frederick Henry Garber, and sundry other officers, for promotion as Reserve commissioned officers of the Army.

By Mr. BYRD of Virginia, from the Committee on Finance:

Anthony J. Celebrezze, of Ohio, to be Secretary of Health, Education, and Welfare.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPEHART:

S. 3561. A bill for the relief of Alban H. Lalonde; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

DISTRIBUTION OF FILM DEPICTING VISIT BY WIFE OF THE PRESIDENT TO INDIA AND PAKISTAN

Mr. GORE. Mr. President, last evening, as a guest of the Women's National Press Club, it was my privilege to see a moving picture film of the recent visit by the wife of the President of the United States to the friendly countries of India and Pakistan. The films were prepared at public expense by the U.S. Information Agency for showing to the people of India and of Pakistan.

In my opinion, this is an exceptionally fine production. The photography is excellent. Some of the scenes—particularly a scene of the Taj Mahal through the mist from the river—are truly breathtaking in beauty. Many of the historical and cultural shrines of the East are shown, as are colorful pageantries of these age-old cultures. True, the film shows the people of India in gala mood and attire, but also one finds scenes in the marketplace and in the hospitals with which each American visitor to India and Pakistan has come face to face. It has been my privilege to visit these countries and these friendly peoples, and I can attest to the accuracy of the scenes with respect to the beautiful shrines, colorful costumes, pageantry, and way of life of the people.

This film has been so successful that it is now in demand for showing in many other parts of the world. I do not believe that the American people should be denied the opportunity of seeing this film, which is truly cultural, educational, informative, and beautiful; particularly so since they have paid for it.

Nevertheless, it is my understanding that officials of the U.S. Information Agency, under present policy and directives, question their authorization for making this film available generally for the American people to see.

I fully agree, Mr. President, that the primary mission of the U.S. Information Agency is, and ought to be, that of informing the people of other countries of policies and programs of the United States which reflect democracy in action as we know and love it under our concept of individual freedom. At the same time the people of the United States have a right to full knowledge of activities of agencies of their Government.

I am confident that by viewing this film the American people would enjoy a visit to these ancient countries of the Far East. And I am equally confident that they would take great pride in the gracious manner in which our First Lady reflected the friendship and good will of our people for those of the nations she visited.

In order to express the will of the Congress that the American people should not be denied seeing a film which the people of many other nations of the world desire to see, I submit, for myself and other Senators, a concurrent resolution expressing the sense of the Congress that appropriate arrangements should be made for the distribution of this film for general viewing within the United States.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 84) was referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the people of the United States should not be denied an opportunity to view the film prepared by the United States Information Agency depicting the recent visit of the wife of the President of the United States to India and Pakistan; and be it further

Resolved, That it is the sense of the Congress that the United States Information Agency should make appropriate arrangements to make the film described above available for distribution through educational and commercial media for viewing within the United States.

Mr. RANDOLPH. Mr. President, I commend the distinguished Senator from Tennessee on the introduction of the resolution. I am privileged to be a cosponsor of this timely proposal. With other Senators, including the Senator from Tennessee, it was also my unusual pleasure, with Mrs. Randolph, to view the films which have been mentioned. The countries are depicted with breathtaking beauty and with a human approach.

Technically and creatively the films are a superlative product. The color rendition is near perfect, the photography, particularly considering the conditions under which it was shot, is truly first class. Raymond Massey's narration is quiet and mellow, and the original native music score completes this unusual production.

They contain the elements which I think need to be viewed and sensed by our people generally. Restricted use of these motion pictures will deny to hundreds of thousands of citizens a portrayal of beauty and challenge. The more quickly and the more widely the films can be viewed and heard, the better will be the understanding, the appreciation and the respect between peoples in faraway places with strange-sounding names and the citizenry of our own Nation.

Our gracious First Lady, Mrs. Kennedy, moves gracefully in and through the films, and her voice with its clear enunciation, and her warmth of friendship is felt as she talks to the children, the mothers and the officials and the countrymen of these teeming lands of contrast.

Mr. GORE. Mr. President, I appreciate the generous remarks of the distinguished senior Senator from West Virginia. As I said, the films were made for showing to the people of the countries to which our charming First Lady made a visit. I am sure the Senator will feel that just as the people of those countries have responded graciously and generously to the film, our own people would likewise respond in the best of manner.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MORSE. I am proud to be associated with the Senator from Tennessee as a cosponsor of the concurrent resolution. I had the privilege of sharing a delightful evening with him last night at the National Women's Press Club, at which time we saw the film on India and the film on Pakistan.

I said to a group afterward that I would that the film could be shown in every grade school, high school, and college in America. It is a completely nonpartisan film. In order to remove any question about its nonpartisan character, I would be perfectly willing to have a short introduction of the film made by a charming representative of the Republican Party, so that everyone would know that the film is a completely nonpartisan film.

After all, we are trying to tell the American story. Mrs. Kennedy did a magnificent and superb job as a great ambassador-at-large for all the people of the United States, irrespective of their partisanship.

I know that all people, irrespective of party, would share that point of view. Mrs. Kennedy has rendered a magnificent service to the American people, and I would that it could be shown in all the classrooms of America.

Mr. GORE. I thank the Senator. I wonder if he would agree with me that, in addition to the photography being excellent, beautiful and picturesque, the scenes of the marketplaces and the hospitals are the kinds of scenes that the Senator saw when he visited the areas.

Mr. MORSE. The Senator is exactly correct. It is a magnificent film.

Mr. GORE. All Senators who I observed were guests of the affair last evening have indicated their desire to cosponsor the concurrent resolution. I hope that it can be speedily agreed to.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Does the Senator intend to ask that the concurrent resolution lie on the desk for a day or two? I should very much like to become a cosponsor. If not, I shall ask unanimous consent that I may be permitted to be a cosponsor.

Mr. GORE. Mr. President, I ask unanimous consent that the concurrent resolution may lie on the desk until Tuesday for the purpose of affording Senators who desire to cosponsor it an opportunity to do so.

The PRESIDENT pro tempore. Without objection, the concurrent resolution will lie on the table until Tuesday, July 24, 1962.

TRADE EXPANSION ACT OF 1962—AMENDMENT

Mr. ENGLE. Mr. President, on behalf of myself and Senators Morse, Kuchel, and Tower, I submit an amendment, intended to be proposed by us, jointly, to H.R. 11970, the Trade Expansion Act of 1962.

This amendment proposes a new section 203 to H.R. 11970 to provide for exceptions under section 201(a)(2) to apply to certain fruit and tree nut crops and products. The intent is only to maintain present tariffs on these products until an international agreement can be negotiated under the Agricultural Act of 1956.

Section 212 of H.R. 11970 provides for restrictions on the duty reduction authorizations contained in section 201(a) in the case of certain agricultural commodities. It is clear that this section is intended to benefit only those agricultural commodities which have existing export markets, the maintenance or expansion of which would be of significant benefit to the domestic industry. However, section 212 does not take into account domestic agricultural industries which have little or no export market but which must rely entirely upon domestic markets for their continued existence.

Included in this category are walnuts, sweet cherries, citrus fruits, grapes, figs, dates, filberts, and olives. These industries are subject to constant competition from like articles from foreign countries which frequently produce them in surplus quantities. Heretofore some tariff protection has been allowed which has had the effect of controlling excessive inflow of such foreign commodities.

In assessing the probable effect of the proposed Trade Expansion Act of 1962 on U.S. producers of these commodities, the following facts stand out:

First. All of the industries concerned are almost solely dependent on the domestic market for their sales.

Second. Foreign production of these crops and products is far greater than U.S. production, and such commodities are traded in the world market at prices significantly lower than U.S. prices.

Any foreign trade program which does not take into consideration this set of conditions could have a very harmful effect on U.S. producers of these commodities and on agriculture and business in general in the States involved.

I want to make it clear that the agricultural groups here concerned do not disagree with the essential purpose of H.R. 11970 in regard to duty reductions. But they feel it is imperative that any duty reductions on their commodities do not occur hastily nor that they be made without some adequate substitute for control of inflow.

The proposed amendment will afford such protection until the executive branch has had an opportunity to work out international commodity agreements for the commodities, or products thereof, involved in these minimum export industries, under section 204 of the Agricultural Act of 1956 as amended.

In fact, the proposed amendment, by retaining such existing tariffs for the time being, would provide a significant bargaining element in aiding the executive branch in its negotiation of commodity agreements under the aforesaid section 204.

Specifically, the amendment provides that section 201(a)(2) shall not apply to any fruit or tree nut crop or product of which no more than 5 percent of the average annual U.S. production in the most recent 5-year period is exported, and for which the United States accounts for less than 50 percent of the world's supply in the same 5-year period—unless there is in effect a multilateral agreement under section 204 of the Agricultural Act of 1956 with countries accounting for a significant part of the world trade in such article.

The State of California is only one of at least 15 States across the country which are engaged in the production of the commodities described in the proposed amendment. A sizable portion of our Nation's economy might be adversely affected if measures are not taken to assure the continuance of stability in the domestic market and the proper regulation of foreign trade with respect to these commodities.

I believe that the proposed amendment is consistent with the spirit and purpose of the proposed Trade Expansion Act, and I urge its favorable consideration.

The **PRESIDENT** pro tempore. The amendment will be received, printed, and referred to the Committee on Finance.

AMENDMENT OF RAILWAY LABOR ACT — ADDITIONAL COSPONSOR OF BILL

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Nevada [Mr. CANNON], I ask unanimous consent that his name be added as a cosponsor of S. 3540, a bill introduced on July 12, by the Senator from Oklahoma [Mr. MONRONEY] to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry and for other purposes.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF ALLEN E. BARROW TO BE U.S. DISTRICT JUDGE, NORTHERN DISTRICT OF OKLAHOMA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 27, 1962, at 10:30 a.m., in room 2300, New Senate Office Building, on the nomination of Allen E. Barrow, of Oklahoma, to be U.S. district judge, northern district of Oklahoma, vice Royce H. Savage, resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF RESUMPTION OF HEARING ON NOMINATION OF IRVING BEN COOPER TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearing will be resumed on Tuesday, July 24, 1962, at 2 p.m., in room 2228, New Senate Office Building, on the nomination of Irving Ben Cooper, of New York, to be U.S. district judge for the southern district of New York.

NOTICE OF HEARINGS ON CERTAIN RESOLUTIONS BY COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary I desire to announce that hearings will begin on Thursday, July 26, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the following resolutions now pending before the committee:

Senate Joint Resolution 205, proposing an amendment to the Constitution of the United States to permit the offering of prayer in public schools; Senate Joint Resolution 206, proposing an amendment to the Constitution of the United States to permit the use of prayer in public schools; Senate Joint Resolution 207, proposing an amendment to the Constitution of the United States permitting the offering of prayers and the reading of the Bible in public schools in the United States, and relating to the right of a State to enact legislation on the basis of its own public policy on questions of decency and morality; Senate Concurrent Resolution 81, expressing the sense of Congress on the use of nonsectarian prayers in public schools as a part of their activities; and Senate Resolution 356, to provide for freedom of prayer.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 10062) to extend the application of certain laws to American Samoa; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mr. O'BRIEN of New York, Mr. ROGERS of Texas, Mr. SAYLOR, and Mr. WESTLAND were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1824) to create an additional judicial district for the State of Florida, to be known as the middle district, and for other purposes, and it was signed by the President pro tempore.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 19, 1962, he presented to the President of the United States the enrolled bill (S. 1824) to create an additional judicial district for the State of Florida, to be known as the middle district, and for other purposes.

TRIBUTE TO RALPH McGILL

Mr. HUMPHREY. Mr. President, one of the great American journalists and editors is Ralph McGill, of Atlanta, Ga. His column for July 4, entitled "America Called a Masterpiece of God," is in itself a masterpiece of literature, history, and philosophy. I commend it to the reading of every American and every person who loves freedom.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA CALLED A MASTERPIECE OF GOD

(By Ralph McGill)

Today, the Nation looks toward the morrow. It will be July 4.

As always at this time, we are reminded of the United States of America and its meaning.

We are reminded, too, that the first duty of the citizen is to be an American. He may, and should, have a loyalty and an affection for his State and region. But more than ever before, we must be united as Americans and understand how we became so unique a nation.

So, on the eve of July 4 we think of history.

We are reminded of how fearfully and wonderfully our States were made. We remember stories of migrations of people in the young country moving west * * * always, moving west. Here and there they settled * * * a pocket of Germans, Scandinavians, Irish, Scottish, Welsh, French, English, Spanish, Dutch, or some other culture and origin.

It has been written that a human face is the masterpiece of God—the face of America also is a masterpiece of God—and of history.

And the look of the Americans themselves?

They came from the slums of London, from the tyranny of German duchies, from various religious persecutions, and they began to eat the Indian corn, to breathe the air, to feel the pull of new, untracked lands, their bones changed, their minds changed, the country shaped them.

We forget the beginnings. They have been sickled o'er by the Fourth of July speakers, by the prejudiced.

Let's take Illinois, from the great Midwest, heartland of America.

The man who saved the Union from destruction came from its town of Springfield.

A Northern State then?

Once she was governed by Virginia.

She extends almost a 100 miles farther south than Richmond, Va., or Louisville, Ky.

When, in 1818, Illinois sought entry as a State she was opposed by New England as being a southern slave State. Already the economic issue between free and slave labor was beginning.

The proposed boundaries of the petitioning State were extended 50 miles northward, along the lake. Even then the southern end of the State, dipping far below many southern cities, was filled up with settlers from Virginia, North Carolina, and other slave States.

It was believed that by moving the northern limits higher, immigration from the free States could be stimulated to balance off that of the South.

Illinois has since that time been, in a sense, a State in which the extremes of politics and emotional clashes have taken place. There was strong southern sentiment during the War Between the States. The Knights of the Golden Circle operated for the Confederacy.

The Mormon wars; the organization of the Republican Party; the triumph of the gaunt man, the rail splitter—all these are a part of Illinois' history. But they equally are a part of your history and mine. Illinois touches us all.

A great poet has said of man that he is a part of all that he has met. And that is true. It is also true of nations.

That explains, in essence, the greatness of this country. We are a part of all that we have met, of war, of people, of religions, of cultures, of dignity, of greed, of greatness, of sacrifice and faith. "In God We Trust" is on all our coins. Always there have been enough who had it written in their hearts to carry the country on.

We are all Americans—we must be so to survive—to live, to carry on the dream on through the atomic blasts and the winds of history which blow eternally.

So, we look to tomorrow.

CAPTIVE NATIONS WEEK—GOVERNOR ROCKEFELLER'S PROCLAMATION

Mr. JAVITS. Mr. President, the celebration of Captive Nations Week expresses our determination to keep alive the hope for freedom in the hearts of the captive peoples of Europe. The free world believes that the captive nations shall have the right of self-determination which was solemnly assured by the Soviet Union at the end of World War II and then violated. We must use all the resources of diplomacy, morality, and world public opinion in a continued effort to free these captive peoples.

I ask unanimous consent to have printed in the Record the proclamation by Gov. Nelson A. Rockefeller of July 15–21 as Captive Nations Week.

There being no objection, the proclamation was ordered to be printed in the Record, as follows:

Proclamation of the State of New York

The roll of nations held captive by Communist colonialism is one of appalling length and it is disheartening to note that the Reds are becoming ever more firmly entrenched in Cuba.

As the Congress of the United States has pointed out in a joint resolution, the United States, in the eyes of the enslaved peoples, is the citadel of human freedom. They look to us for leadership in bringing about their liberation and independence and restoring the enjoyment of their religious freedoms. If we fail to provide this leadership, we not only doom these captive peoples, but place our own freedom in jeopardy.

We Americans are proud that many refugees from the oppressed countries have found asylum in the home of the free. We have benefited from their coming. They have become valued neighbors and loyal and industrious members of our State and Nation.

Recognition and understanding of the captive nations and the deplorable oppression under which they are forced to live can prove the most effective single weapon against communism.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim the week of July 15–21, 1962, as Captive Nations Week in New York State, and I urge the widest possible cooperation in the observance of this week.

SENATOR SCOTT COMMENDS PHILADELPHIA TUTORIAL PROJECT AND NORTHERN STUDENT MOVEMENT

Mr. SCOTT. Mr. President, I call the attention of the Senate to the Northern Student Movement, a comparatively new organization which is attempting to deal with racial discrimination in the North. Its objectives are constructive and reasonable: to discover the root causes of discrimination and help eliminate them.

The organization is making a special effort to work in Philadelphia. There, the Philadelphia tutorial project, whose executive director is Mr. Peter Countryman, is conducting a program this summer with about 400 students and 200 tutors.

The Northern Student Movement is directed by Mr. William Bennett of the Harvard Divinity School and Mr. Countryman of Yale. The adult sponsor board includes the Reverend Leon Sullivan, Zion Baptist Church, Philadelphia; Dennis Clark, Catholic Interracial Council; and the Reverend William Coffin, Yale University chaplain.

Since much of the organization's material is self-explanatory, I ask unanimous consent to insert in the Record two publications of the Philadelphia tutorial project of the Northern Student Movement.

There being no objection, the publications were ordered to be printed in the Record, as follows:

Philadelphia Tutorial Project

A tutorial program open to all students from North Philadelphia high schools will be conducted by college students from New England and the Middle Atlantic States beginning July 2.

The Northern Student Movement, a college civil rights group on 35 campuses, is sponsoring the program which has been approved by the board of superintendents of the Philadelphia school system.

Any academic subjects requested by the high school student will be taught in the 8-week program. The tutorial sessions will meet in the evening twice a week at several centers in North and South Philadelphia. A college student tutor will teach one high school student or small groups.

North Philadelphia high school students may join the program through their guidance counselor, their church, or by calling the Northern Student Movement at PO–5–6323, the Berean School.

The Northern Student Movement is directed by William Bennett, Harvard Divinity School and Peter Countryman, Yale. The adult sponsor board includes Rev. Leon Sullivan, Zion Baptist Church, Philadelphia; Dennis Clark, Catholic Interracial Council; Rev. William Coffin, Yale University chaplain.

The college tutors include students from Amherst College, Beaver, Bryn Mawr, College of New Rochelle, Connecticut College, Lehigh, Lincoln, Oberlin, Penn, Sarah Lawrence, Temple, Tougaloo (Miss.) College, Yale Law School, University of Rhode Island. Additional tutors may join by calling the Northern Student Movement. The college staff is housed at the Berean School by arrangement of the school's board of directors, Rev. William H. Gray, chairman.

Northern Student Movement

History

The Northern Student Movement originated at a conference sponsored by the New England Student Christian Movement in June 1961, when a committee was formed to investigate the possibility of creating a student movement concerned with the problems of minority groups in the North. This committee held a 1-day seminar the following October at which time the concept of such a movement was presented to students from 20 colleges, and the groundwork for a coordinating structure was laid. Area coordinating committees, composed of representatives from geographically related campuses, were created and a central committee began to function in New Haven as a clearinghouse for information and resource material.

As the movement was publicized—primarily through the Student Christian Movement and the New England regional body of the National Student Association—it received an enthusiastic response from students throughout the Northeast. The advantages of a central source of educational matter, coordinated programing and a regional movement with which the local group could identify, both activated existing groups and stimulated the creation of new groups. These groups were involved initially in raising money for the southern voter registration program of the Student Nonviolent Coordinating Committee, in sending students to participate in weekend demonstrations on the Eastern Shore of Maryland and in supporting Federal legislation. At the same time, however, plans were being made for local groups to act in their own community; these have resulted in programs in education, housing discrimination, and public accommodations. There are now approximately 35 campus civil rights groups in the Northeast and Middle Atlantic regions working with the Northern Student Movement. Area coordinating committees are functioning in Boston, Springfield, Providence, central Connecticut, southern Connecticut, and lower New York State areas.

Structure

The Northern Student Movement consists of local campus groups, area coordinating committees, a student executive committee, a nonstudent advisory board, a full-time staff, and a board of sponsors.

The main vehicle for action within the Northern Student Movement is the campus group as it works with existing community agencies and leadership, and with other college groups in its area. Region and areawide projects are developed by both the executive committee and the area coordinating committees, but the campus group retains the right to decide what part it will play in these projects.

The executive committee is composed of elected representatives from the area coordinating committees and is the decisionmaking body of the Northern Student Movement.

The full-time staff consists of an executive director—who is responsible for the implementation of policy and for developing particular educational and action projects—and a secretary.

The advisory board counsels both the staff and executive committee, and approves the latter's formulation of a budget and the employment of persons. At present this board is composed of the Reverends William S. Coffin, Jr., Arthur Brandenberg, David M. Byers, Samuel Slie, and Gaylord Noyce of Yale; Dr. John Maguire of Wesleyan University and Miss Ruth Hughes, YWCA secretary of the New England Student Christian Movement.

The sponsors who will also be available to counsel the National Student Movement presently include James Luther Adams, Harvard Divinity School; Dean Fred Berthold, Dartmouth College; the Reverend Cannon John Crooker, Jr., Brown-Pembroke; Prof. Louis Pollak, Yale Law School; Dr. Hans Spiegel, Springfield College; Dennis Clark, Catholic Interracial Council; Rev. Leon Sullivan, Zion Baptist Church, Philadelphia.

PROGRAM

It has been found that to be effective the National Student Movement must develop comprehensive programs of study and action which encompass all the political, economic, social and psychological factors involved in the northern civil rights dilemma. Thus the educational program of National Student Movement is of primary importance. The New Haven staff publishes general civil rights news, depth analyses of particular student actions, and research on specific aspects of discrimination, as well as acting as a central clearinghouse for research material and communication between student civil rights groups. In addition, a series of conferences and smaller seminars dealing with the initiation and implementation of comprehensive programing and leadership training are being held.

To give this verbal material concrete purpose, students must also begin to understand and be accepted by the minority group community. Accordingly, several summer projects are being developed whereby students can live, work, and study in such a community.

Action arising out of this educational process will have as its ultimate aims the development of a sense of responsibility on the part of the Negro for his own community, the creation of effective channels of communication between the Negro and white communities and the establishment of an integrated society. To achieve these ends, the student must first deal with the structures of the society in coping with discrimination in housing, education, employment, public accommodations and voting procedures. The National Student Movement has thus developed methods by which students can investigate and test discriminatory practices and exert pressure on regulatory agencies to enforce a policy of equal opportunity.

Finally, the National Student Movement is interested in building strong ties with the Southern Student Movement. It will continue to support financially work in the South and send students to participate in protest demonstrations such as are currently being held in Maryland. In conjunction with the Baltimore Civic Interest Group, National Student Movement is sponsoring a summer adult education program on Maryland's Eastern Shore. Hopefully in this process, a student movement encompassing both North and South will evolve which will remain a vehicle for the realization and expression of student social responsibility.

National Student Movement summer projects (1962) include the Philadelphia tutorial, the Harlem tutorial (75 tutors, 25 college student tutors), Eastern Shore project (Maryland, voter education; this is the project mentioned above), Prince Edward County (Virginia, teaching and community work, financed by a grant from Taconic Foundation).

NEW FRONTIER OIL IMPORT POLICY — SERIOUSLY DAMAGING AMERICAN COAL, OIL, AND GAS INDUSTRIES

Mr. BENNETT. Mr. President, I think it is time that the present administration and Congress faced up to a few hard facts relative to the imports of crude and residual oil, and the very real damage they are inflicting on our domestic fuels industries.

During the first and second sessions of the 87th Congress, thousands of words have been spoken about the need for tighter curbs on the imports of foreign residual oil, and on the need for a long-range program that would permit the domestic coal and oil industries an opportunity to plan for the future.

NEW FRONTIER ADMINISTRATION BOOSTS OIL IMPORTS

But what has been the result of all this oratory, Mr. President? The result has been ever increased quotas for foreign residual oil, including a 10-percent increase effective April 1 of this year. This is the second increase made by the New Frontier in just 15 short months. The most recent increase jumped the quotas to 507,000 barrels a day. On an annual basis, this is the equivalent of about 44 million tons of bituminous coal. To illustrate the staggering scope of these imports, the total production of coal in Utah in 1960 was under 5 million tons.

That increase, and previous increases, were put into effect by the administration, Mr. President, on the basis of forecasts of "demand" of a very dubious nature, made by the Bureau of Mines, forecasts which later proved to be much higher than actual experience justified.

KENNEDY BREAKS CAMPAIGN PROMISES TO COAL MINERS

It is strange indeed, Mr. President, that these increases in residual oil imports were put into effect by an administration which had pledged itself to do everything possible to relieve the plight of the depressed coal industry and the unemployed miner.

It was the then Senator from Massachusetts, John F. Kennedy, who barnstormed all over the State of West Virginia in 1960 in search of delegates to the Democratic National Convention.

It was the then Senator from Massachusetts who said that "the time has come to put some commonsense into the way this country handles its vital fuel supplies." He promised that "a Democratic administration will restore coal to its place of preeminence as America's leading source of energy—and restore activity and prosperity to the coal industry." That "we must restore prosperity to the badly hit coal industry—an industry which is the cornerstone of West Virginia's economy."

Senator Kennedy was successful in his quest for delegates in West Virginia, and I believe that even he will admit, today, that his nomination turned upon the outcome of the West Virginia primary.

But what about today, just 2 years later:

What has been done about the depressed condition of the coal industry?

COAL INDUSTRY WORSE OFF THAN IN 1960

We have looked at the pious platitudes and the high-sounding statements. Now let us look at the record.

What do we find, Mr. President:

We find that the coal industry, today, is in even worse condition than it was in 1960.

Coal production, which had dropped to 415 million tons in 1960, decreased another 15 million tons in 1961 to only 400 million.

Coal mine employment dropped another 27,000 in 1 year to an alltime low of 142,300. In Utah, total employment in the Carbon-Emery Counties area, in which coal is preeminent, dropped by 300. Unemployment is still so high there that the Carbon-Emery area has qualified as a distressed economic area under the area redevelopment program.

This, under an administration which has pledged itself to restore coal to its place of preeminence.

JOHN L. LEWIS HITS KENNEDY ADMINISTRATION

That great coal industry leader, John L. Lewis, who for so many years was president of the United Mine Workers, recently called attention to the failure of President Kennedy to live up to his promises to the coal miners. According to newspaper articles, Mr. Lewis said at a West Virginia coal conference on June 25 that "the Kennedy administration has failed to keep its promise to help the coal industry." He pointed out that there were more coal miners working before the Kennedy administration was elected than there are now. The same sorry situation prevails in Utah.

He then charged that "Kennedy's promises have been honored by conversation, by putting more roadblocks for coal to get over."

Under such headlines as "John L. Lewis Raps Inaction of Kennedy," "Lewis Issues New Charge at Kennedy," and "Coal Industry Hampered Says John L. Lewis" that greatest of the coal miners charged the Kennedy administration with "a failure to change the quota system tariff blocks and Government subsidies to foreign countries" which compete with U.S. coal.

At the same meeting, the two Senators from that State were also critical of the administration's policies toward the coal industry. This is particularly significant, since they are of the same political persuasion as the New Frontiersmen. Joseph Moody, president of the National Coal Policy Conference, said that President Kennedy should be alerted "to the matter of inaction on the part of his administration to aid the coal industry." I ask unanimous consent that these three articles appear in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Fairmont Times, Fairmont, W. Va., June 26, 1962]

LEWIS BLASTS KENNEDY OVER COAL'S PLIGHT

WASHINGTON.—John L. Lewis, president emeritus of the United Mine Workers of America (UMW) said Monday the Kennedy administration has failed to keep its promise to help the coal industry.

He said President Kennedy has done nothing to change the "quota system, tariff blocks and Government subsidies" in foreign countries which limit importation of U.S. coal.

Lewis said there were "more men working in West Virginia before the Kennedy administration was elected."

He said Kennedy's promises made to West Virginia miners "have been honored by conversation * * * by putting more roadblocks for coal to get over."

Lewis was among the speakers during a special conference called by West Virginia Gov. W. W. Barron "as a concerted effort to solve coal's problems."

Members of the West Virginia delegation also discussed the coal industry's problems during the meeting.

Lewis cited trade policies of Belgium, Canada, and West Germany as being damaging to American coal. He said that in some instances foreign coal industries were being supported by American foreign aid money.

"Why not concede the fact that the Americans have to live before they can support the other 93 percent of the world's population" Lewis added.

He said there was "enough executive power in the hands of the President to provide employment for all coal miners in the United States."

"All the coal industry needs is an expandable market," he added. "And it is available if our statesmen rise to the opportunity."

Senator JENNINGS RANDOLPH, Democrat, of West Virginia, said coal may be eliminated as a major fuel if the Government doesn't soon do something to "lessen inequitable impacts" from residual oil and "dumped" natural gas.

Representative HARLEY O. STAGGERS, Democrat, of West Virginia, said the coal industry can look to Government for some help, but only the indsutry can solve its own problems. He said development of new uses for coal was the industry's best hope for improving its economic position.

Barron asked the officials present what his administration, the State legislature and the West Virginia congressional delegation could do to improve coal's position in the Nation's fuel market.

"Things have begun to look up in West Virginia," Barron said. "Proof of this is the fact the State administration is closing out the fiscal year with a surplus."

The Governor said his recent trip to Japan convinced him West Virginia "will sell more coal to that country and other foreign nations."

"This means increased business for the railroads which are to haul the coal to ports of shipment," he said. "By our combined efforts we will increase coal exports all over the world and will develop our domestic sales."

Senator ROBERT C. BYRD, Democrat, of West Virginia, said the Federal Government has shown indifference to the problems facing the coal industry.

"It can be stated unequivocally that what our Government is doing and is not doing with respect to the coal industry seems designed to retard the industry's present programs and its future vitality," BYRD said.

BYRD lashed out particularly at the Government's policy toward residual oil imports.

"The quotas are always being adjusted upward, but never downward," he said.

"The economic enigma of the coal industry can be resolved by the imposition of reduced import quotas on residual oil, the establishment of a national fuels policy, and a fully financed program of research and development," he said. "Any other course by our Government should be considered as a bland disregard for a critically serious problem."

President Stephen Dunn of the National Coal Association urged Barron to form a permanent conference of Governors to assist in solving the problems facing the coal industry.

Dunn said all coal-producing States "can and should be West Virginia's allies." Dunn also recommended that Governors and legislatures join in an attempt to eliminate inequitable competition from foreign residual oil and "dump" natural gas.

[From the West Virginian, Fairmont, W. Va., June 26, 1962]

LEWIS ISSUES NEW CHARGE AT KENNEDY

WASHINGTON.—President Emeritus John L. Lewis of the United Mine Workers charged the Kennedy administration Monday with a failure to change the "quota system tariff blocks and Government subsidies" in foreign countries.

The fiery former UMW president said the Kennedy administration has failed to keep its promise to help the coal industry and also stated that there were "more men working in West Virginia before the Kennedy administration was elected."

Lewis said Kennedy's promises to West Virginia miners "have been honored by conversation * * * by putting more roadblocks for coal to get over."

Lewis was among the speakers at a special conference called by Gov. W. W. Barron to find out what could be done to improve coal's position in the Nation's fuel market.

At the meeting Barron said that "things have begun to look up in West Virginia. Proof of this is the fact that the State administration is closing out the fiscal year with a surplus."

The Governor said his recent trip to Japan convinced him West Virginia "will sell more coal to that country and other foreign nations."

Barron also said that through the combined efforts of the State's coal and railroad industries "we will increase coal exports all over the world and will develop our domestic sales."

Senator JENNINGS RANDOLPH, Democrat, of West Virginia, also had some harsh criticism of Federal policies in relation to the coal industry at the conference.

RANDOLPH said that coal may be eliminated as a major fuel if the Government does not do something to "lessen inequitable impacts" from residual oil and "dumped" national gas.

Representative HARLEY O. STAGGERS, Democrat, of West Virginia, took a somewhat less critical stand as he said that the coal industry's best hope for improving its economic position was through the development of new use for coal. STAGGERS said that, although the industry can look to Government for some help, only the industry can solve its own problems.

President Joseph Moody of the National Coal Policy Conference said President Kennedy should be alerted to the "matter of inaction on the part of his administration" to aid the coal industry.

Moody said he understood that the quota on residual oil had been raised by 9 million barrels between 9 and 10 o'clock one morning.

Moody said if this is true then the Government can reduce the quota in the same way.

"The Government has stymied the coal industry," he said. "This isn't crying in our beer and it isn't getting down on our knees and begging."

[From the Washington Post, June 26, 1962]

JOHN LEWIS RAPS INACTION OF KENNEDY

(By Neil Gilbride)

Labor Leader John L. Lewis accused President Kennedy yesterday of failing to live up to the campaign promises Mr. Kennedy made to jobless coal miners in West Virginia.

Lewis, retired president of the United Mine Workers of America, said unemployed miners need "bread and butter and shelter—the elementary requirements of life itself," but have gotten nothing but conversation from the Kennedy administration.

Speaking at a conference called by Gov. W. W. Barron, of West Virginia, to discuss the plight of the coal industry, Lewis also criticized former President Eisenhower's treatment of the industry.

The 82-year-old Lewis said Secretary of the Treasury Douglas Dillon, while an Assistant Secretary of State in the Eisenhower administration, refused to protest against discriminatory tariffs on U.S. coal entering nations receiving aid from this country.

"Dillon hasn't changed his attitude in the Kennedy administration," Lewis declared.

Lewis accused the Kennedy administration of putting further roadblocks in the path of the U.S. coal industry's attempts to stop declining exports.

"There are fewer men working in the West Virginia mines today than when Kennedy was elected and promises made to West Virginia," he said.

"Have these promises been carried out? Kennedy's promises been honored?—only by conversation," Lewis added.

Other speakers at the conference of labor, industry, and Government representatives included Senators Robert C. Byrd and Jennings Randolph, and Representatives Cleveland Bailey, Harley O. Staggers, Elizabeth Kee, and Ken Hechler—all West Virginia Democrats—Representative Arch A. Moore, Jr., Republican of West Virginia, and Stephen F. Dunn, president of the National Coal Association.

COAL INDUSTRY VITAL TO UTAH ECONOMY

Mr. BENNETT. Mr. President, the coal industry is not only of importance to the Appalachian area but it is also of considerable importance in the West and Midwest. Over 5,250,000 tons of coal were produced in Utah in 1961. Coal is shipped from Carbon and Emery Counties to 13 Western and Midwestern States.

I would like to point out that 69 percent of the total recoverable coal reserves are located in the western field, including my own State of Utah. There is a good possibility that coal production in Utah can be doubled and even tripled when a pipeline is built to slurry coal from Utah to California, or, alternatively, if the railroads perfect the new and cheaper means of rail transportation presently being developed. I am working closely now with one of America's major coal companies, which is actively interested in establishing such a coal operation in Utah.

In the future, Utah and its neighboring States, will be called on to supply much of the coal needs which our expanding economy will require.

If this is to be possible, Mr. President, our coal industry must be in a healthy condition, a condition that will enable it to grow with the general economy and to meet emergency needs, as it has in the past, if that should be required.

UTAH AND WEST HURT BY OIL IMPORTS

As I said, Mr. President, coal is of ever increasing importance to Utah and other Western States, and we are feeling the damaging effect of dump sales of foreign residual oil just as surely as are the Appalachian States. It is obvious that, when West Virginia, Virginia, and Pennsylvania coal is displaced from its historical markets along the eastern seaboard, it will seek new markets in the Middle West and West and will displace coal being mined in that area.

Just two statistics will show the effect that such displacement has had on my own State:

First. Coal production in Utah declined from 7,429,000 tons in 1947 to only 5,250,000 in 1961, and

Second. Coal mine employment has dropped from 4,202 in 1946 to 2,212 in 1960, the latest year for which figures are available.

Because of the loss of coal markets, the economy of the Carbon-Emery area, and indeed the economy of the entire State, has been hurt. This is reflected by the fact that population in both counties has continued to drop, along with total employment. Where 7,700 people were employed in the area in 1960, when President Kennedy took office, less than 7,400 are now at work. During the same period, the total work force has declined from 8,300 to less than 8,000. As would be expected from these figures, unemployment in Carbon and Emery Counties has also increased since the New Frontier took office.

ADMINISTRATION LIPSERVICE TO THE COAL INDUSTRY

Mr. President, the administration has given lipservice to the coal industry for more than 2 years. I believe it is time that some concrete action is taken to give the relief that has been promised. I believe it is time that American industries and American workers be given an opportunity equal to that given a few foreign nations and the handful of international oil companies which reap all of the profit from imports of residual oil. Although I have placed primary emphasis on the great damage to the coal industry caused by excessive imports of residual and crude oil, our independent oil producers throughout the Nation and in Utah are also being hurt; but, unfortunately, their economic welfare is also being ignored by the administration.

The only voice which has been raised against tighter, long-range oil-import controls has been that of the New England Council, which claims to speak for the consumer, but as yet has been unable to come up with one figure to demonstrate its contention that import controls are causing economic damage to New England consumers.

MASSACHUSETTS SENATORIAL POLITICS AND OIL IMPORTS

It is, of course, interesting to note, Mr. President, that the State of Massachusetts, which was served in the Senate for 8 years by John F. Kennedy, is one of the strong and vociferous supporters of the New England Council. I am sure that, if he should be elected, Ted Kennedy would be just as strong a supporter of its policies. There is a growing suspicion that the disdainful treatment afforded the coal industry by the administration arises in great part from the fact that the State of Massachusetts consumes more residual oil than any other State of the Union. No doubt the White House feels that if the President helped the coal industry by cutting oil imports, this would have an adverse effect on Ted Kennedy's senatorial election aspirations.

IF PRESIDENT WILL NOT ACT, CONGRESS SHOULD AMEND THE TRADE ACT

Mr. President, the administration has the power to raise or lower import quotas on residual fuel oil. This power is contained in the national security clause of the Reciprocal Trade Act.

The administration now is asking that the Senate give approval to the Trade Expansion Act, which will greatly broaden the President's authority over trade with other nations.

Unless there is some immediate action taken by the administration to curb the excessive imports of residual oil, I believe it is the duty of the Senate of the United States, in the coming weeks, to amend the Trade Expansion Act to require that the domestic fuels industries be given adequate protection from this foreign waste product.

MEDICAL CARE IN INDIANA

Mr. CAPEHART. Mr. President, Mr. Albert Kelly, welfare director in Indiana, says not a single aged person in my State need be without medical care if he can show that he cannot pay for it himself. Whether they are under social security makes no difference.

As I understand it, this is the simple aim of all the so-called medical care bills, amendments, and so forth, which have occupied the attention of Congress.

I am certain that this purpose—making sure that any aged person who cannot pay for adequate medical care is assured of it from some governmental source—is the sincere aim of every Member of the Congress.

It is significant, it seems to me, that the Indiana General Assembly which passed the law assuring adequate medical care for aged Indiana residents who cannot afford to pay for it themselves was divided politically—the Democrats controlled the senate and the Republicans had a majority in the house of representatives.

Mr. Kelly's explanation of the Indiana situation is well related in an interview with Mr. Edward Frank, a reporter for the Indianapolis Star. I ask unanimous consent that Mr. Frank's account of the interview be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDICAL CARE AVAILABLE TO ALL AGED IN INDIANA

(By Edward H. Frank)

Not a single aged person in Indiana need be without medical care if they can establish the monetary need for such care, State Welfare Director Albert Kelly said yesterday.

Indiana's new medical care for the aged program, which went into effect January 1, provides unlimited medical, doctor, nursing and hospital care for all persons more than 65 years old who are unable to pay for such treatment under welfare standards.

"There is absolutely no reason why any person in Indiana should not receive medical care if they qualify under existing laws," the welfare chief said.

Kelly stressed that he does not want to become embroiled in the controversy surrounding the "medicare under social security" program being pushed by President Kennedy.

Kelly's remarks followed a recent survey in Terre Haute, a city where 12.3 percent of its population is more than 65. This is one of the highest aged population ratios in the entire Nation.

The Terre Haute survey showed that the demands are negligible for medical care by its senior citizens under the new welfare program.

With an over 65 population of 13,376 in Terre Haute, only 20 applications have been made for medical assistance since January 1.

Eleven persons now are receiving treatment, the survey revealed.

At least 140 persons were expected to apply for medical care in that city when the new program was planned.

The survey was conducted by the Terre Haute Chamber of Commerce.

"The State welfare department and the Indiana General Assembly have done an excellent job in considering the two individuals most interested in a welfare program," the survery report said.

"These two individuals are the recipient who is taken care of when the need is shown. The second person is the taxpayer who must foot the bill and who is protected by the reasonable eligibility requirements demanded of the recipient," the report said.

Before Indiana's new medical care program took effect, only persons covered by the old-age assistance program were eligible to receive medical care.

But sensing there were Hoosier citizens who had sufficient income to meet their day-to-day needs but were unable to finance expensive medical treatment, the 1961 general assembly enacted a program which provides medical care for persons over 65 who are not under old-age assistance.

Kelly said an estimated 5,000 persons are expected to receive medical care this first year under the new program.

The new program is expected to cost $1,500,000 in 1962, of which about 67 percent will be paid by the Federal Government, 21 percent by the State, and 12 percent by local county funds.

On May 31, 816 senior citizens were receiving medical assistance under the "medical only" plan, Kelly said.

However, other recipients had received medical assistance for a month or so and were not on the lists at the end of May.

"The new medical-only plan is different than old-age assistance," Kelly said. "When a person gets on old-age assistance, he is usually there until he dies.

"But under the medical-only plan, a recipient might receive assistance for 1 month for an operation and then not have any further medical expenses for several months."

To qualify for the new program, an applicant must agree to a lien on his property. But this lien is not collectable—and then only for the amount of assistance received—until the death of the recipient and his or her spouse.

Other requirements of the medical program stipulate that a recipient must have no more than $350 in cash assets and must have lived in Indiana 3 of the last 9 years.

OBJECTIONS TO THE MEDICARE BILL

Mr. CAPEHART. Mr. President, the newspapers tell us our "angry President" has had another flare of temper.

This time, he is angry with the 31 Republicans and 21 Democrats who voted against his so-called medicare plan which, according to Washington Post editorial comment, should not be called a medicare plan because "it provides for no payment of doctors' bills whatever".

It appears that President Kennedy was not quite as intemperate in his remarks about Senators as he was in his well-known reference to businessmen, but he was sufficiently upset that the Washington Star, in an editorial appearing July 18, 1962, referred to him as "an apparently angry President."

Mr. President, I regret, of course, that Mr. Kennedy is angry; I regret that a good many reported incidents have indicated a tendency toward anger by the occupant of the White House. The times do not call for uncontrolled anger in a world leader.

On the other side of the coin, it is understandable and not without precedent that a President would express disappointment at the failure of the people, through their elected representatives, to approve so many key points in his program. The President has expanded his anger, in this instance, to a threat against Members of Congress who have opposed his program. He will carry his fight, he says, to the people in the coming elections.

Thus, I believe, it is appropriate that those of us who expressed the will of a majority of our constituents by voting against the so-called medicare bill make available to all of the people the studied editorial opinions of such unbiased newspapers as the Washington Evening Star. For that reason, Mr. President, I ask unanimous consent that the Star editorial of July 18, 1962, entitled "Quite a Handful" be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

> QUITE A HANDFUL
>
> An apparently angry President was something less than candid in his denunciation of the Senate's vote to bury the medicare bill for this session.
>
> Calling the vote a "most serious defeat for every American family" which it certainly is not, he went on to say: "Nearly all the Republicans and a handful of Democrats joined with them to give us today's setback." The fact is, however, that 21 Democrats—virtually one-third of the party's membership in the Senate—voted against the measure, and that, by any standard, is quite a handful.
>
> This setback for the President, coming on the heels of such other reverses as the defeat of his farm bill and his urban affairs bill, is a stinging rebuff. But it does not follow that the adverse vote was simply a political maneuver, as the President implied. If Mr. Kennedy proposes to carry this fight to the voters in November, it would be wise to keep the record straight.
>
> The President said "that a switch of two votes in the Senate would have provided, I believe, for its passage." As far as the Senate is concerned, this is true. But Mr. Kennedy knows that the bill faced almost certain death in the House even if it had passed the Senate.
>
> The objections raised in the Senate were varied. Under the bill there would have been an increase in taxes ($2.2 billion by 1964), although many of the President's associates are pressing hard for a tax cut now. More to the point was an objection raised by Senator Russell, of Georgia. Noting that the medical care bill had been brought up in the Senate as a rider to another measure, he said: "I cannot conceive of a more dangerous precedent than to take up bills of this magnitude without a written record of hearings and without a thorough study by a committee of this body to help us arrive at a proper decision." There is, we think, much force to this contention.
>
> The bill which was killed yesterday was, in our judgment, an improvement over the original King-Anderson measure. But it surely was not the best possible measure, and its defeat does not mean that 52 Senators are against the old folks or the families of America.
>
> It does mean that the President now has a political issue on which he evidently intends to go to the country in the congressional elections this November. Whether, from his point of view, it will be a winning issue remains to be seen. The voters will answer that one. Meanwhile, we would like to suggest that this country will not go to pot between now and next year, when medicare can be put before a new Congress.

Mr. CAPEHART. Mr. President, it should be said that my own position on the King-Anderson bill was based on a knowledge of the facts, on constituent mail overwhelmingly opposing the plan, and on a statement of the welfare director of the State of Indiana that any aged person who cannot pay for adequate medical care is guaranteed such care under Indiana law.

TERMINOLOGICAL INEXACTITUDE

Mr. ALLOTT. Mr. President, we are indebted to the senior Senator from Michigan for clarifying an apparent misunderstanding regarding the 1961 White House Conference on Aging. The basic policy statements and recommendations of that Conference were printed by the Special Senate Committee on Aging. In reading the Congressional Record yesterday, I learned from the remarks of the senior Senator from Michigan that section 2, entitled: "Income Maintenance, Including Financing Health Costs" also recommends the treatment to be given health care for the aged. The failure to allude to section 2 can only be ascribed to terminological inexactitude. Section 5 is entitled: "Health and Medical Care, Including Institutional Care." It states:

> Existing Federal-State matching programs will provide effective, economical, dignified medical care for our elderly citizens who need help. The implementation of such programs should result in the high quality of medical care desired. Compulsory health care inevitably results in poor quality health care.

This language is followed by the minority position, entitled: "Minority Report on Financing Health Care," which adopts the contrary position. The direct reference to health and medical care in section 5 would lead to the assumption that the recommendations therein, in the form which has just been quoted, would bear directly on the question. The fact that a minority report, reflecting the opposite view, follows hard on its heel would indicate further that section 5 represents the majority view.

Only terminological inexactitude can account for the result.

Viewing the medicare issue in retrospect, the senior Senator from Colorado is comforted in the knowledge that, if not before, section 5 does now reflect the majority view.

MIGRATORY FARMWORKERS

Mr. SMITH of Massachusetts. Mr. President, for almost 3 years, Senator Harrison A. Williams of New Jersey, chairman of the Subcommittee on Migratory Labor, has led a determined drive for the enactment of legislation to benefit migratory farmworkers and their families. Despite formidable opposition, he has, with the aid of an aroused public conscience, succeeded in steering five migratory farmworker bills through the Senate and into the House of Representatives where they now await further action.

The Senate-passed bills are desperately needed for the prohibition of harmful agricultural child labor, improved educational opportunities for migratory farm children and adults, Federal registration of crew leaders, improved health services for migratory farm families, and the establishment of a National Advisory Council on Migratory Labor.

This legislation will, of course, go a long way in the amelioration of several important migratory farmworker problems. But perhaps the real significance of its passage by the Senate is the indication that the entire farm community is not unalterably opposed to a modicum of economic and social justice for those upon whose labor they depend.

Although each of the Senate-passed bills would improve specific migratory farmworker problems, they are not a complete solution to the basic cause of the migrant farmworker's economic and social ostracism. The legislation needed to do this is the bill, S. 1129, which would enable farmers to recruit U.S. citizen farmworkers under procedures similar to those now used for the recruitment of thousands of foreign farmworkers. The program proposed under the bill, S. 1129, would assure farmers of a reliable, willing, and able farm labor supply. The farmworker, on the other hand, could expect to work for a longer period of the year and to raise his extraordinarily low income.

A New York Times editorial on July 15, appropriately entitled "Dusty Road for the Migrant," accurately points out that the bill, S. 1129, would curtail the necessity for employing large numbers of cheap foreign labor to harvest our crops. In the eyes of a few members of the farm community who rely heavily upon foreign labor, this consideration continues to override any improvement in the deplorable living and working conditions of U.S. citizen farmworkers. Apparently, they would kill the bill at any cost. I would, however, take this opportunity to concur wholeheartedly with the Times that—

> The growers' assertions of fear that we are on our way to a czar-ridden agricultural welfare state have a particularly ironic ring in this field of low wages and inhuman working conditions.

Mr. President, I agree with Senator Williams of New Jersey that growers, in their desperation to preserve their selfish interests at the expense of their virtually defenseless workers, have resorted to "pure flubdubbery" in opposing this legislation, and I praise the Times for putting this matter in its proper perspective. I, therefore, ask unanimous consent that the New York Times editorial appear in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DUSTY ROAD FOR THE MIGRANT

Lobbying by the owners of huge farms in Texas and California seems likely once again to block a measure of economic justice for migratory farmworkers, perennially the forgotten people of American politics. Senator WILLIAMS of New Jersey, who has championed the migrants' cause as chairman of a special subcommittee, accuses a relative handful of big growers and their allies of engaging in pure flubdubbery to defeat a bill that would put the recruitment of domestic farmworkers on a more systematic basis and thus cut the need for importing hundreds of thousands of Mexican workers each year.

The proposed legislation would enable the Federal-State employment service to function more effectively in supplying workers when and where they are needed. It is also designed to assure the workers a reasonably continuous round of jobs under minimal standards of decency in housing and transportation. To the extent that it succeeds, it would reduce reliance on cheap foreign labor to harvest American crops. By the same token, it would offer promise that the destructive competition in wage standards created by the availability of imported workers would eventually stop, as it should under existing Federal law. Secretary of Labor Goldberg's efforts to enforce present restraints on such competition are currently jeopardized by congressional moves to limit enforcement funds and to roll back the inadequate administrative authority he now has. The growers' assertions of fear that we are on our way to a czar-ridden agricultural welfare state have a particularly ironic ring in this field of low wages and inhuman working conditions.

MEDICAL CARE FOR THE AGED

Mr. ANDERSON. Mr. President, the fight to secure passage of a meaningful and effective health care program for the aged is over for this session of Congress. But the problem we tried to relieve remains with us and will intensify. I ask unanimous consent that the editorial from this morning's Washington Post, which points out the real need for such a program, be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MEDICARE REJECTED

The Senate has disposed of the administration's medicare plan for giving health assistance to the aged but it has not disposed of the need out of which these proposals arose. That need will continue to exist and as long as it is as unsatisfactorily met as it is now, it will accost the conscience of the country and reproach the Congress of the United States.

The Congress that might have launched a plan of better care for the infirm aged has, instead, launched a political issue. Perhaps this is the way that things get settled in a democracy. Apparently the Senate was not convinced of the virtues of this particular plan for financing some of the costs of medical attention for aged people out of a social security tax. It now will be necessary to convince the public that there is a real need of meeting that need. The campaign of persuasion that now takes place, before it is over, may persuade the country and the Congress that a program of much greater sweep and coverage is necessary. It will not be surprising if some Congress hereafter goes a great deal further and faster than the administration wished to go in this bill.

Much as the measure would have improved upon existing assistance, it did not provide sufficiently for one of the most anguishing medical needs of the aged—hospital and medical care during long periods of terminal illness. The calamity of this kind of illness is the despair of countless families who find their financial resources exhausted in a futile combat with the diseases of advancing age. When protracted affliction strikes the aged in their last years, none but the most fortunate families can live up to their obligations to the dying without disregarding their obligations to the living.

The pressures of such anguishing experiences account for the emotional involvement in the medicare proposals. The longer Government defers amelioration of these needs, the greater the risk that they will generate pressures for much more radical proposals. The very tentative, modest, and mild suggestions of the administration then will be scorned. The King Canutes of the American Medical Association may find themselves the real architects of solutions that menace the integrity of private medical practice and hospital care.

There no longer is any real doubt that Government in this country sooner or later will undertake some kind of plan to meet at least a part of the needs of hospital and medical care of the aged. The sooner it makes a response to the legitimate claims of the aged, the more likely it is that the country can have a plan that is soundly financed, conservatively planned, and professionally sound.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

Mr. PELL. Mr. President, I would like to comment on a paragraph on page 5 of the Appropriations Committee report of the Labor, and Health, Education, and Welfare appropriation bill which reads:

> The committee is concerned with the mounting cost of the employment security program, and in the interest of economy and efficiency, it is essential that administration of the unemployment compensation and employment services be directed and coordinated, geared to local conditions, at all levels.

The distinguished Senator from Alabama [Mr. HILL], who is chairman of the subcommittee which held hearings on this bill, assured us that this paragraph is in no way mandatory. In reply to a question from my able senior colleague, Senator PASTORE, Senator HILL stressed that the States themselves would continue to decide on the best manner in which to administer these programs. I was indeed pleased to note the comments of the distinguished Senator from Alabama.

When considering the rising costs of these programs, I believe we should bear in mind that the increase in our population and consequent rise in the numbers of our work force, plus the growing complexity of our labor markets explain, to a considerable degree, the increased costs of administration.

I am informed that within the past year efforts have been made to strengthen and improve the Public Employment Service. Steps have been taken to reorganize and, frequently, to relocate employment offices so that they might be directly geared to local conditions. One problem has been the congestion experienced when unemployment claims as well as applications for work are processed in the same physical quarters. Actually, in some States, the performance of both the unemployment compensation and employment service programs has improved markedly when these operations have been operated from different offices. For example, in my own State of Rhode Island, in the Providence area, we have adopted the policy of separating these two services. Employment placements there increased 27.3 percent in the last year alone.

I am, of course, always concerned with efficiency in the administrative costs of Government operations. In this particular situation, however, I am pleased, indeed, to note Senator HILL's comments that passage of the Labor, Health, Education, and Welfare appropriations bill would in no way discourage this separation of the unemployment compensation and employment service programs when appropriately suited to local conditions within a State.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, is there morning business to be submitted at this time?

The PRESIDENT pro tempore. Is there morning business to be submitted? If not, morning business is closed.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I move that the unfinished business be laid before the Senate and be made the pending business.

The motion was agreed to and the Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the Proxmire amendments.

FOREIGN AID ASSISTANCE ACT OF 1962—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I understand that the Senator from Alabama [Mr. SPARKMAN] is prepared to submit a conference report at this time.

If he will do so, then I should like to have a quorum call, so that more Senators may be present.

Mr. SPARKMAN. Mr. President, let me ask whether the papers on the conference report are now at the desk.

The PRESIDENT pro tempore. They are not now at the desk.

Mr. SPARKMAN. We can obtain them in just a moment.

Mr. MANSFIELD. Mr. President, in the meantime, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

Conference Report

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Foreign Assistance Act of 1962'.

"PART I—ACT FOR INTERNATIONAL DEVELOPMENT OF 1961

"Chapter 1—Short title and policy

"SEC. 101. (a) The fifth paragraph of section 102 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting in the fifth paragraph, immediately after 'religion.', the following: 'The Congress further declares that any distinction made by foreign nations between American citizens because of race, color, or religion in the granting of, or the exercise of, personal or other rights available to American citizens is repugnant to our principles.'

"(b) Such section is further amended by inserting after the seventh paragraph the following:

" 'It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act.'

" 'The Congress further declares that in the administration of programs of assistance under this Act, the highest practicable emphasis should be given to: programs providing for loans or loan guarantees for use by institutions and organizations in making repayable low-interest rate loans to individuals in friendly foreign countries for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, purchase of tools or equipment needed by individuals for carrying on an occupation or a trade, or financing the opportunity for individuals to obtain practical education in vocational and occupational skills, and to those programs of technical assistance and development which will assist in carrying out and in preparing a favorable environment for such programs. While recognizing that special requirements, differing development needs and political conditions in various assisted countries will affect the priority of such programs and of each country's relative ability to implement them, it is further the sense of Congress that each such assisted country should be encouraged to give adequate recognition to such needs of the people in the preparation of national development programs.'

"(c) Such section is further amended by inserting at the end of the last paragraph the following new sentence: 'It is the sense of Congress that, where feasible, the United States Government invite friendly nations to join in missions to consult with countries which are recipients of assistance under this part on the possibilities for joint action to assure the effective development of plans for the economic development of such recipient countries and the effective use of assistance provided them; and that the President may request the assistance of international financial institutions in bringing about the establishment of such missions.'

"Chapter 2—Development assistance

"Title I—Development Loan Fund

"SEC. 102. Section 201 of the Foreign Assistance Act of 1961, as amended, which relates to general authority with respect to development loans is amended by adding at the end thereof the following:

" '(e) In carrying out this title, the President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.'

"Title II—Development Grants and Technical Cooperation

"SEC. 103. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is amended as follows:

"(a) In section 211, which relates to general authority, add a new subsection (c) as follows:

" '(c) Not to exceed $1,000,000 of the funds made available for the purposes of this section in any fiscal year may be used for programs designed to promote the peaceful uses of atomic energy outside the United States and such programs may be carried out only in accordance with the requirements of this section.'

"(b) In section 212, which relates to authorization, strike out '1962' and '$380,000,000' and substitute '1963' and '$300,000,000', respectively.

"(c) Strike out section 213, which relates to atoms for peace.

"Title III—Investment Guaranties

"SEC. 104. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is amended as follows:

"(a) Amend section 221(b) which relates to general authority, as follows:

"(1) In paragraph (1) strike out '$1,000,000,000' in the proviso and substitute '$1,300,000,000'.

"(2) In paragraph (2) strike out the words preceding the first proviso and insert in lieu thereof the following: 'where the President determines such action to be important to the furtherance of the purposes of this title, assuring against loss of any loan investment for housing projects with appropriate participation by the private investor in the loan risk and in accordance with the foreign and financial policies of the United States, or assuring against loss of not to exceed 75 per centum of any other investment due to such risks as the President may determine, upon such terms and conditions as the President may determine'.

"(3) In paragraph (2) strike out '$90,000,000' in the third proviso and substitute '$180,000,000', and after the word 'guaranty' insert the following: 'in the case of a loan shall exceed $25,000,000 and no other such guaranty'.

"(b) Amend section 222, which relates to general provisions, as follows:

"(1) In subsection (d) insert ', and out of funds made available pursuant to this title' before the period.

"(2) Add the following new subsection (f):

" '(f) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.'

"(c) Amend section 224, which relates to housing projects in Latin American countries, as follows:

"(1) In subsection (b) strike out '$10,000,000' in the second sentence and substitute '$60,000,000'.

"(2) In subsection (c) strike out 'and (e)' and substitute '(e), and (f)'.

"Title IV—Surveys of Investment Opportunities

"SEC. 105. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out '1962' and '$5,000,000' and substituting '1963' and '$2,000,000', respectively.

"Alliance for Progress

"SEC. 106. Chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development assistance, is amended by adding at the end a new title VI, as follows:

" 'Title VI—Alliance for Progress

" 'SEC. 251. GENERAL AUTHORITY.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. It is further the sense of Congress that vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and to adopt reform measures to spread the benefits of economic progress among the people are essential to the success of the Alliance for Progress and to continued significant United States assistance thereunder. The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

" '(b) Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance under this title, the President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este, and in particular the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economy and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives; and (4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved. In making loans under this title from funds which are required to be used for loans payable as to principal and interest in United States dollars, the President shall take into account, in addition to the considerations named in the preceding sentence, whether financing could be obtained in whole or in part from other free world sources on reasonable terms and the efforts made by recipient nations to repatriate capital invested in other countries by their own citizens. The provisions of sections 201(d), 202(b), 202(c), and 204 shall be applicable to such loans, and they shall be made only upon a finding of reasonable prospects of repayment.

" '(c) The authority of section 614(a) may not be used to waive the requirements of this title with respect to funds made available for this title which are required to be used for loans payable as to principal and interest in United States dollars, and the authority of section 610 may be used to transfer such funds only to funds made available for title I of chapter 2 of part I.

" '(d) In order to carry out the policies of this Act and the purpose of this title, the President shall, when requested by a friendly country and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to insuring a wider and more equitable distribution of the ownership of land.

" '(e) The President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of 100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economical and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.

" '(f) In furnishing assistance under this title, consistently with and for the purposes of section 601(b)(4) of this Act, the Agency for International Development or any other departments and agencies designated by the President shall provide such assistance as may be determined by the President to be necessary from time to time in order to make effective the efforts of the Commerce Committee for the Alliance for Progress, established under the Department of Commerce.

" 'Sec. 252. Authorization.—There is hereby authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, for use beginning in each of the fiscal years 1963 through 1966, not to exceed $600,000,000 for each such fiscal year which sums are authorized to remain available until expended and which, except for not to exceed $100,000,000 of the funds appropriated pursuant to this section for use beginning in fiscal year 1963, shall be available only for loans payable as to principal and interest in United States dollars. In presenting requests to the Congress for authorizations for appropriations for fiscal years 1964 through 1966 to carry out other programs under this Act, the President shall also present the program proposed to be carried out from funds appropriated pursuant to the authorization contained in this section for the respective fiscal year.

" 'Sec. 253. Fiscal Provisions.—All receipts in United States dollars from loans made under this title and from loans made for the benefit of countries and areas of Latin America under title I of chapter 2 of part I of this Act, notwithstanding section 203, shall be available for use for loans payable as to principal and interest in United States dollars in furtherance of the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended.'

"Chapter 3—International organizations and programs

"Sec. 107. Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended by striking out '1962' and '$153,500,000" and substituting '1963' and '$148,900,000', respectively.

"Chapter 4—Supporting assistance

"Sec. 108. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out '1962' and '$465,000,000' and substituting '1963' and '$415,000,000', respectively.

"Chapter 5—Contingency fund

"Sec. 109. Section 451 of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended as follows:

"(a) Amend subsection (a) by striking out '1962' and substituting '1963'.

"(b) Amend subsection (b) by striking out 'keep' and substituting 'provide quarterly reports to' and by striking out 'currently informed for the use' and substituting 'on the programing and the obligation'.

"Chapter 6—Assistance to agrarian economies

"Sec. 110. Section 461 of the Foreign Assistance Act of 1961, as amended, which relates to assistance to countries having agrarian economies, is amended by adding at the end thereof the following: 'In such country emphasis shall be placed also upon programs of community development which will promote stable and responsible governmental institutions at the local level.'

"PART II—INTERNATIONAL PEACE AND SECURITY ACT OF 1961

"Chapter 1—Military assistance

"Sec. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

"(a) In section 506, which relates to conditions of eligibility, add the following new subsections:

" '(c) The President shall regularly reduce and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate all further grants of military equipment and supplies to any country having sufficient wealth to enable it, in the judgment of the President, to maintain and equip its own military forces at adequate strength, without undue burden to its economy.

" '(d) Any country which hereafter uses defense articles or defense services furnished such country under this Act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance Act, in substantial violation of the provisions of this chapter or any agreements entered into pursuant to any of such Acts shall be immediately ineligible for further assistance.'

"(b) In section 507(a), which relates to sales, insert 'not less than' before 'the value' in the first sentence.

"(c) In section 507(b), add a new sentence to read as follows: 'No sales of unclassified defense articles shall be made to the government of any economically developed nation under the provisions of this subsection unless such articles are not generally available for purchase by such nations from commercial sources in the United States: *Provided, however,* That the Secretary of Defense may waive the provisions of this sentence when he determines that the waiver of such provisions is in the national interest.'

"(d) In section 510(a), which relates to special authority, strike out '1962' in the first and second sentences and substitute '1963'.

"PART III

"Chapter 1—General provisions

"Sec. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

"(a) In section 610, which relates to transfers between accounts, designate the present language as subsection (a) and add the following new subsection:

" '(b) The authority contained in this section and in sections 451, 510, and 614 shall not be used to augment appropriations made available pursuant to sections 636(g)(1) and 637 or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses.'

"(b) In section 611(a), which relates to completion of plans and cost estimates, strike out 'and II' and substitute ', II, and VI'.

"(c) Strike out section 618, which relates to economic assistance to Latin America, and substitute a new section 618 as follows:

" 'Sec. 618. Use of Settlement Receipts.—United States dollars directly paid to the United States under the Agreement Between the United States of America and Japan Regarding the Settlement of Postwar Economic Assistance to Japan may be appropriated or otherwise made available to the President in any appropriation Act, within the limitations of part I of this Act, to carry out the provisions of that part.'

"(d) Amend section 620, which relates to restrictions on assistance to certain countries, as follows:

"(1) Amend the first sentence of subsection (a) to read as follows: 'No assistance shall be furnished under this Act to the present government of Cuba; nor shall any such assistance be furnished to any country which furnishes assistance to the present government of Cuba unless the President determines that such assistance is in the national interest of the United States.'

"(2) Amend subsection (c) to read as follows:

" '(c) No assistance shall be provided under this Act to the government of any country which is indebted to any United States citizen or person for goods or services furnished or ordered where (i) such citizen or person has exhausted available legal remedies, which shall include arbitration, or (ii) the debt is not denied or contested by such government, or (iii) such indebtedness arises under an unconditional guaranty of payment given by such government, or any predecessor government, directly or indirectly, through any controlled entity: *Provided,* That the President does not find such action contrary to the national security.'

"(3) Add the following new subsections:

"'(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

"'(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

"'(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

"'(f) No assistance shall be furnished under this Act, as amended, (except section 214(b)) to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase 'Communist country' shall include specifically, but not be limited to, the following countries:

"'Peoples Republic of Albania,

"'Peoples Republic of Bulgaria,

"'Peoples Republic of China,

"'Czechoslovak Socialist Republic,

"'German Democratic Republic (East Germany),

"'Estonia,

"'Hungarian Peoples Republic,

"'Latvia,

"'Lithuania,

"'North Korean Peoples Republic,

"'North Vietnam.

"'Outer Mongolia-Mongolian Peoples Republic,

"'Polish Peoples Republic,

"'Rumanian Peoples Republic,

"'Tibet,

"'Federal Peoples Republic of Yugoslavia.

"'Cuba, and

"'Union of Soviet Socialist Republics.

"'(g) Notwithstanding any other provision of law, no monetary assistance shall be made available under this Act to any government or political subdivision or agency of such government which will be used to compensate owners for expropriated or nationalized property and, upon finding by the President that such assistance has been used by any government for such purpose, no further assistance under this Act shall be furnished to such government until appropriate reimbursement is made to the United States for sums so diverted.

"'(h) The President shall adopt regulations and establish procedures to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries.'

"Chapter 2—Administrative provisions

"SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

"(a) In section 621, which relates to exercise of functions, delete '(a)' and strike out subsections (b), (c), (d), and (e).

"(b) Amend section 624, which relates to statutory officers, by striking out subsection (d) and redesignating subsection (e) as subsection '(d)', inserting in paragraph 2 (A) of redesignated subsection (d) ', and programs being conducted by United States Government agencies under Public Law 86-735,' after 'Peace Corps', and inserting in paragraphs (5) and (7) of redesignated subsection (d) ', and Public Law 86-735' after 'part II of this Act'.

"(c) Amend section 625, which relates to employment of personnel, as follows:

"(1) In subsection (b) strike out 'seventy-six' in the first sentence and substitute 'one hundred and ten'.

"(2) In subsection (d) add the following proviso before the period at the end of paragraph (2) '*: Provided further,* That, whenever the President determines it to be important for the purposes of this Act, the President may initially assign personnel under this paragraph for duty within the United States for a period not to exceed two years for the purpose of preparation for assignment outside th United States; however, the authority contained in this proviso may not be exercised with respect to more than thirty persons in the aggregate.'

"(3) Amend subsection (f) to read as follows:

"'(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act with respect to specific projects shall be deemed to be obligated for the services of personnel employed by agencies of the United States Government (other than the agencies primarily responsible for administering part I or part II of this Act) as well as personnel not employed by the United States Government.'

"(d) In section 629(b), which relates to status of personnel detailed, strike out '624(e)' in the first sentence and substitute '624(d)'.

"(e) In section 634(a), which relates to reports and information, insert the following before the period at the end of the second sentence: 'and on progress under the freedom of navigation and nondiscrimination declaration contained in section 102'.

"(f) (1) In section 634(d), which relates to reports and information, strike out 'In January of each year' and 'preceding twelve months' in the first sentence and substitute 'At the end of each fiscal year' and 'fiscal year' respectively.

"(2) After the first sentence of such section 634(d) insert the following: 'There shall also be included in the presentation material submitted to the Congress during its consideration of amendments to this Act, or of any Act appropriating funds pursuant to authorizations contained in this Act, a comparison of the current fiscal year programs and activities with those presented to the Congress in the previous year and an explanation of any substantial changes.'

"(g) In section 635(h), which relates to general authorities, strike out 'and V' and substitute ', V, and VI' and strike out 'made'.

"(h) Amend section 637, which relates to administrative expenses, as follows:

"(1) In subsection (a) strike out '1962' and '$50,000,000' and substitute '1963' and '$53,000,000', respectively.

"(2) In subsection (b) strike out 'to the Secretary of State'.

"Chapter 3—Miscellaneous provisions

"SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended as follows:

"(a) Section 643, which relates to saving provisions, is amended by striking out subsection (d).

"(b) Section 644(m), which relates to definitions, is amended by striking out 'as grant assistance' in subparagraphs (2) and (3).

"(c) Section 645, which relates to unexpended balances is amended by inserting 'this Act or' after 'pursuant to'.

"PART IV—AMENDMENTS TO OTHER LAWS

"SEC. 401. Part IV of the Foreign Assistance Act of 1961, as amended, is repealed, which repeal shall not be deemed to affect amendments contained in such part.

"SEC. 402. Section 2 of the Act of August 1, 1956 (70 Stat. 890), as amended, is further amended by adding after paragraph (a) the following new paragraph:

"'(b) for the purpose of promoting and maintaining friendly relations with foreign countries through the prompt settlement of certain claims, settle and pay any meritorious claim against the United States which is presented by a government of a foreign country for damage to or loss of real or personal property of, or personal injury to or death of, any national of such foreign country: *Provided,* That such claim is not cognizable under any other statute or international agreement of the United States and can be settled for not more than $15,000 or the foreign currency equivalent thereof.'

"SEC. 403. Section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256, approved September 21, 1961) is hereby amended by inserting the word 'abroad' after the word 'expositions'. The amendment made by this section shall not be applicable with respect to any fair or exposition within the United States for which an appropriation has been provided.

"SEC. 404. The first section of the Act authorizing participation in the Interparliamentary Union (22 U.S.C. 276) is amended to read as follows:

"'An appropriation of $48,000 annually is authorized, $21,000 of which shall be for the annual contributions of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and $27,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group'."

And the House agree to the same.

J. W. FULBRIGHT,
JOHN SPARKMAN,
H. H. HUMPHREY,
MIKE MANSFIELD,
B. HICKENLOOPER,
GEORGE AIKEN,
HOMER E. CAPEHART,
Managers on the Part of the Senate.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
ROBERT B. CHIPERFIELD,
WALTER H. JUDD,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the report.

Mr. SPARKMAN. Mr. President——

Mr. MANSFIELD. Mr. President, if the Senator from Alabama will yield——

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. I should like to suggest the absence of a quorum; and I ask the attachés of the Senate, on both sides, to notify Senators that the Senate is considering the conference report.

Mr. SPARKMAN. Certainly.

Mr. MANSFIELD. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, is the conference report on S. 2996 before the Senate?

The PRESIDENT pro tempore. The question is on agreeing to the report.

Mr. SPARKMAN. Mr. President, although there were more than 50 differences of language between the House version of the Foreign Assistance Act of 1962 and the Senate version, the number of important differences was rather minor. I shall, therefore, confine my remarks to the more important problems considered by the conferees.

AMOUNTS

The Senate authorized the appropriation of a total of $4.3 billion. The House authorized the appropriation of $3.6 billion. The committee of the conference agreed on a final figure of $3.6 billion.

On the face of it, this looks as though the Senate conferees had accepted the House version. However, the principal difference in the amounts authorized relates to the funds to be made available for the Alliance for Progress in the years 1964 through 1966.

Senators will recall that the President had asked for a 4-year authorization of funds for the Alliance for Progress. The first year he asked for authorization of $600 million; and for the next 3 years he had asked for authorization of $800 million each year. The conferees agreed on the amount of $600 million for the first year and authorized the amount of $600 million for each of the next 3 years. Although this would appear to be a reduction of $200 million in each of the 3 years for the Alliance for Progress, as a practical matter it was the understanding of the conferees, and it is our expectation, that if authorization for more than $600 million is needed in future years, the administration will so request and the Congress will give its presentation most sympathetic consideration because there appears to be widespread support for the Alliance for Progress.

With respect to the Contingency Fund, the House had authorized $275 million and the Senate $300 million. The House accepted our figure. In the category of "Supporting assistance," the Senate had authorized $400 million and the House $440 million. The conferees agreed to authorize a total of $415 million for "Supporting assistance."

There were certain other minor shifts in funds authorized which I shall not discuss at this point. I ask unanimous consent, however, that a table of assistance funds be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Foreign assistance funds, fiscal year 1963

Activity	Fiscal year 1962 [1] appropriation	Executive request	S. 2996	H.R. 11921	Conference agreement
Development grants, sec. 212	$296,600,000	$335,000,000	$300,000,000	$300,000,000	$300,000,000
Investment guaranties, sec. 222(f)		100,000,000	100,000,000	(2)	(2)
Investment surveys, sec. 232	1,500,000	5,000,000	5,000,000	1,500,000	2,000,000
Alliance for Progress, sec. 252:					
For fiscal year 1963	(3)	600,000,000	600,000,000	600,000,000	600,000,000
For fiscal years 1964–66		2,400,000,000	2,400,000,000	1,800,000,000	1,800,000,000
International organizations, sec. 302	153,500,000	148,900,000	148,900,000	148,900,000	148,900,000
Supporting assistance, sec. 402	425,000,000	481,500,000	400,000,000	440,000,000	415,000,000
Contingency fund, sec. 451(a)	275,000,000	400,000,000	300,000,000	275,000,000	300,000,000
Administrative expenses, sec. 637(a)	47,500,000	55,000,000	55,000,000	50,000,000	53,000,000
Total	1,199,100,000	4,525,400,000	4,308,900,000	[4] 3,615,400,000	3,618,900,000
Total for fiscal year 1963 only (excludes Alliance for Progress for fiscal year 1964–66)		2,125,400,000	1,908,900,000	[4] 1,815,400,000	1,818,900,000

[1] This does not include appropriations for development loans (sec. 202(a)), military assistance (sec. 504(a)), and administrative expenses for State (sec. 637(b)) for which there is continuing authorization.

[2] The Committee on Foreign Affairs reported $100,000,000. This was amended on the floor to provide continuing authorization with no amount specified.

[3] This was not a separate AID category in 1962.

[4] Totals do not include sums authorized for investment guaranties. Senate provided $100,000,000; House authorized such amounts as may be necessary.

EXPROPRIATION

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations, as well as the Senate, gave a great deal of attention to the subject of expropriation. Members will recall that the language submitted to the Senate by the committee was strengthened on the floor by several amendments. The House of Representatives also devoted a great deal of attention to this subject. Both the House and Senate versions contained strong protection for American investors abroad and the President was not permitted to waive such protection. After prolonged discussion in the conference committee, it was agreed by the conferees that the language of the House on the subject of expropriation would be accepted with two minor amendments. The language in the bill submitted by the conferees states flatly that the President is to suspend assistance when any Government or agency thereof has nationalized or expropriated property, or practices discrimination against property owned by American citizens.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. AIKEN. I hope the Senator will point out that we are taking some risk in regard to this particular provision relating to expropriation. We all agree that no country should be permitted, offhand, to expropriate American investments or property without proper recompense. However, it is entirely possible, and we should so understand, that the provision may result in eliminating aid to some countries which we might be very desirous of assisting. I have in mind particularly Brazil, which is made up of different states. The governors of those States, like the Governors of our own 50 States, do not all agree with the Federal Government of Brazil.

It would be possible, I believe, under the provision, for a governor of a certain State of Brazil to expropriate American property and refuse to pay, for the purpose of getting the Federal Government of Brazil into difficulty.

In other countries, as in the United States, a State may have the power to expropriate for State needs. I merely point that out. I am not very happy about this provision, although I am in accord with the purpose of it. As it is written, it conceivably could get us into trouble. I think we ought to understand that now.

Mr. SPARKMAN. Of course, that would be possible. I believe the Senator from Vermont will agree with me that we wrestled with all these different angles and facets and came to the conclusion that this language was about the best solution.

Mr. AIKEN. We had to do something to prevent wholesale expropriation of American investments all over the world.

Mr. SPARKMAN. The Senator is correct.

Mr. AIKEN. That was very evident. I am pointing out the possible danger. In countries which are comprised of separate states, in which each state has the power of expropriation, it would be possible for one of those states to expropriate.

Mr. SPARKMAN. To embarrass the central government.

Mr. AIKEN. For the purpose of embarrassing its own federal government.

Mr. SPARKMAN. The Senator is correct.

Mr. HRUSKA. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield to the Senator from Nebraska.

Mr. HRUSKA. Is expropriation any less expropriation because it is exercised by an individual state of a national government?

Mr. AIKEN. Not at all.

Mr. HRUSKA. No less than if exercised by the national government itself.

Mr. SPARKMAN. I think what the Senator from Vermont pointed out is that our own Federal Government deals with the central government and does not deal with the individual state governments of foreign governments. The state governments, particularly in the country mentioned, Brazil, have the power of expropriation. If the administration in power should happen to be out of favor with the administration of any particular state, that particular state could expropriate in order to embarrass the central government. That is what the Senator has pointed out.

Mr. AIKEN. That is something which I think ought to be understood.

Mr. SPARKMAN. Yes.

Mr. AIKEN. Perhaps I should not be commenting on it at all, because I do not have any alternative language to propose. It is evident that if expropriation of American property, with inadequate compensation, really got underway, it could sweep around the world. There are more than $60 billion of American investments around the world, if we count stock ownership in foreign corporations. That would be a lot of money to lose.

There is that danger. It may be possible that the executive branch lawyers, as they have been known to do in other cases, can figure some way out of this problem. There is a risk. I merely say that I am not too happy with the wording of the provision, although I am in sympathy with the purpose of it.

Mr. SPARKMAN. Yes. I thank the Senator from Vermont.

Mr. President, aid, too, is to be suspended if a government taking such action fails within a reasonable time to take appropriate steps to discharge its obligations under international law. The suspension of such aid is to continue until the President is satisfied that appropriate steps are being taken to provide relief from such action. On balance, I should say that the language adopted by the conferees provides slightly more discretion to the President in the administration of this expropriation provision than was the case in the Senate bill.

AID TO COMMUNIST COUNTRIES

Members will recall that the Senate adopted a provision stating that no assistance is to be furnished to any country "known to be dominated by communism or Marxism," except that the President might with certain findings provide assistance under Public Law 480. The House of Representatives had similar language in its bill, which the conferees ultimately adopted. It states that no assistance is to be furnished to any Communist country. Communist countries are listed. Furthermore, this restriction on aid to Communist countries is not to be waived unless the President finds three things: first, that such assistance is vital to the security of the United States; second, that the recipient country is not controlled by the international Communist conspiracy; and third, that such assistance will promote the independence of the recipient country from international communism.

ASSISTANCE FOR INDIA

The Senate version of the foreign aid bill limited the amount of assistance which can be provided to India to the amount which was made available during the last fiscal year. The House bill contained no such language. After much discussion of this provision and after careful examination of the funds programed for India for fiscal year 1963, the conferees agreed to eliminate the Senate language specifically limiting aid to India. It was the feeling of the conferees that it is, in general, undesirable for basic legislation to name specific countries.

Finally, Mr. President, of general interest, Members should know that language in the House bill which would have severely limited United States participation in certain United Nations activities, including the purchase of United Nations bonds, was eliminated by the conferees.

As is the case in all conferences between the two Houses, a substantial amount of give and take on the part of the conferees is required. Senate conferees were not able to have their way in every respect. Neither were the House conferees. I believe, on balance, however, that we have reported a bill which will be acceptable to Members of this body and which will enable the President during the year ahead to wage a continuing struggle in promoting throughout the world those conditions essential to the maintenance of freedom.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. In what way would the conference report liberalize the language of the Senate bill?

Mr. SPARKMAN. If I may refer to the language of the conference report, I think I can answer the Senator's question.

Mr. LAUSCHE. I recall that there were discussions in the committee about the weakness of certain words——

Mr. SPARKMAN. I am not at all certain that the statement that the language was liberalized is correct. I said the language may have been slightly liberalized. I hope the Senator noticed that point.

The conference report states, "to take appropriate steps"—that is for the country to take appropriate steps—"which may include arbitration, to discharge its obligations under international law"—I think we inserted that language. I am not sure that it was in the Senate bill—"toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this act shall be construed to authorize the President to waive the provisions of this subsection."

Mr. LAUSCHE. My recollection is that the words "appropriate steps" were challenged during the discussions in the committee. It is a rather uncertain description of what must be done. Did the language in the Senate bill include the words "appropriate steps"?

Mr. SPARKMAN. The Senate bill provided:

> The President shall suspend assistance under this act to any such nation until he is satisfied that appropriate steps are being taken.

That was the language of the Senate bill.

Mr. LAUSCHE. In what way does the language of the conference report differ? What did the Senate conferees yield?

Mr. SPARKMAN. I repeat what I said. I am not sure I should say that the provision was relaxed, but we felt that it was more satisfactory. We cleared up a point that had been raised in the discussion. I do not think the point was raised in the committee, or even on the floor of the Senate, but individual Senators raised it since then. The point was raised as to whether or not we had covered every entity which was entitled to relief. The point was raised with me that the language of the provision used the word "citizens," which would not cover a corporation. Under the 14th amendment a corporation is construed to be a person. But there is a distinction between a person and a citizen.

Furthermore, it probably did not include partnerships. We wrote that term in. Furthermore, we wrote in a provision concerning arbitration.

We discussed the question of including reference to the Permanent Court of Arbitration at The Hague. New rules for the Court were adopted in February of this year. The United States and practically all the larger and more industrialized nations are signatories. We thought we might tie in the provision with the pact. But we decided to insert the word "arbitration." However, we definitely had in mind the use of the Permanent Court of Arbitration for that purpose. The facilities of the permanent Court are open to all countries, even the most underdeveloped countries, if they care to use them, even though they are not signatory powers. We contemplate the use of the Court.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. COTTON. I appreciate the careful explanation of the Senator from Alabama, which is consistent with the consideration he always shows his colleagues in the Senate. However, I believe it is a rather extraordinary situation when a conference report is brought before the Senate before Senators have had an opportunity to read it. Apparently the conference report came to the Senate only this morning. Senators do not have a copy of the report on their desks. The only way I could obtain access to a copy was to borrow a copy which was at the desk, and which could be loaned to me for only a few moments.

It is my impression, from all the information I can get, that while the conferees discharged their duty sincerely and in accordance with their convictions, provisions in the Senate bill of a substantial nature have been surrendered and eradicated; provisions which were displeasing to those downtown, and which would let the world know that we are going to stop our taxpayers' money from getting into the hands of our enemies.

I think I shall move to recommit the conference report in order to obtain an opportunity to go on record—as I do now go on record—as voting against the report. It seems to me that in a matter as serious as the one now before the Senate, Senators should have an opportunity to study the conference report before they vote upon it.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I should like to add one word. The printed conference report was ready this morning. Fifty copies of the report were assigned to the Republican side, and fifty copies to the Democratic side. Copies were sent to the Republican policy committee and the Democratic policy committee. Copies have certainly been available since early this morning.

Mr. COTTON. I understand they were received on this side of the aisle after the Senate came to order, which was at 11 o'clock. It is now only 20 minutes of 12. I did not have an opportunity to read the report. I know the Senator from Alabama did not desire to see what has happened occur, but I think that the question is serious. I certainly do not like to act on hearsay, or even after listening to the able presentation of the Senator from Alabama. One must read the report and study the arguments reached by the conferees most carefully before he can be certain of his position.

I wish to go on record as expressing my intention of voting against the conference report. My feeling about the question is in no way lessened or made more mild by the fact that we have not had an opportunity to read the report.

Mr. SPARKMAN. Mr. President, the conferees were in session until about 7 o'clock last night. The staffs of the two committees have rendered a very fine service in having the conference report ready for presentation today. Copies were made available to individual Senators. As I stated in the beginning of my statement, the conferees considered approximately 50 amendments, most of which were relatively unimportant amendments. I said that I intended to discuss the amendments which I thought would be of importance to Senators.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. SPARKMAN. I invite attention to the fact that the conference report is signed by every conferee. It is signed by the Senator from Iowa [Mr. Hickenlooper], the Senator from Vermont [Mr. Aiken], and the Senator from Indiana [Mr. Capehart]—the Republican members of the conference on behalf of the Senate. Four Democrats signed the report. Every Member of the House conferees, including Dr. Morgan, Representative Zablocki, Representative Hays, Representative Chiperfield, and Representative Judd, signed the report.

Conference reports are seldom exactly what any one member of the conference wishes. Yesterday we worked all day. We started at 10:30 in the morning and, except for time out for lunch, we worked until 7 o'clock last night to adjust the differences. As the Senator from Vermont said a few moments ago, it cannot be said that any of these important provisions is satisfactory to everyone, but the report represents a meeting of the minds of the two Houses.

I shall be glad to discuss the various proposals, and I do intend to discuss them as we go along.

Mr. HRUSKA and Mr. COTTON addressed the Chair.

Mr. SPARKMAN. I yield further to the Senator from New Hampshire.

Mr. COTTON. I should like to add that I respect and have confidence in the distinguished Members who have signed the conference report. Certainly the Senator from Alabama is not suggesting that the rest of us in the Senate should abrogate our convictions and vote in favor of the conference report merely because some very distinguished men have signed it.

Mr. SPARKMAN. Oh, certainly not. It is not unusual for a conference report to be brought up in the Senate for action on the morning following the day on which agreement was reached. I hope the Senator from New Hampshire will go along with us as we discuss the conference report and ask any questions he wishes to ask. Let us ponder it here together on the floor of the Senate.

Mr. COTTON. Doubtless the Senator is coming to the point I wish to raise, but I should like to ponder it in advance. In other words, the force and the "guts"—if this word may be used in the Congressional Record—of the Proxmire-Lausche amendment, have been removed. Is that correct?

Mr. SPARKMAN. That is the next subject I shall discuss. I hope I may take these matters up in an orderly fashion.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HRUSKA. Mr. President, I wish to join the Senator from New Hampshire in commenting upon the rather hasty procedure of calling up the conference report for consideration in the Senate, calling it up in a matter of minutes after the printed copy of the conference report has been submitted to the Senate. Fifty copies have been made available for 100 Members.

Mr. SPARKMAN. No; 50 copies have been made available to the Republican side.

Mr. HRUSKA. To the Republican side; very well. There are 36 Members. Most of those are in the policy committee.

Mr. SPARKMAN. No; they went to the policy committee separately. Plenty of reports were furnished for all Senators. Enough came to the floor for every Senator on both sides of the aisle.

Mr. HRUSKA. The Senate convened at 11 o'clock. It is now 11:43. I imagine that even if the full 40 minutes were divided into $3,600 million, it would be quite an amount for each one of the 40 minutes that have transpired since we began consideration of the 50 differing points between the House and Senate. I do not know the reason for all this haste and desire to "do it now." Perhaps there is a reason. Maybe there is a good reason. I imagine we will still be here tomorrow. Saturday is another day. Monday is still another day. It does seem to me that we ought to have an opportunity to look things over. I fully agree that the conferees who signed the report are eminent Members of Congress. But one can hardly say that therefore we must abrogate our judgment in favor of the judgment of the conferees, although we can accord them all the respect to which they are entitled; and they are entitled to great respect. We ought to have time to go to our offices and get our files out and refer to the Congressional Record and refresh our minds on these 50 differing points between the House and the Senate positions, so that we can ask some intelligent questions. We are not even in shape to do that in the face of the record. I deplore it. If the Senator from New Hampshire will do what he said he will do, move to recommit the conference report for further consideration, I will join him in that motion.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. It is very evident that in the brief period in which these documents have been available to us, it is impossible for any of us to be able to keep in mind what was in the Senate bill, what was in the House bill, and what has been done by the conference. There ought to be provided adequate time so that one may understand what has been done. I have asked questions about the expropriation feature. I still am not clear on it. With all due respect to the Senator from Alabama, I believe he has some difficulty in outlining exactly what has been taken out of the Senate bill, accepted in the House bill, and finally formulated in the conference report or compromise bill.

As the Senator from Nebraska has said, I should like to look at the Senate bill and look at the House bill and at the conference report, to see what changes have been made. The conferees have done the best they can. It may be clear in someone's mind, but it is not clear in my mind, and I have had no time to read the report. This is a vital issue. There ought to be more time available. I reduce it to this proposition.

The report has been printed for us to study. Where is the time for us to study it? It is not available at all. If we are to blindly subscribe to it, that is one thing; if we are to intelligently study it and vote on it, that is another thing.

Mr. PROXMIRE and Mr. MORSE addressed the Chair.

Mr. SPARKMAN. I yield first to the Senator from Oregon.

Mr. MORSE. Mr. President, as a member of the Foreign Relations Committee, along with the Senator from Ohio, I wish to say that I could not agree more with the Senator from Ohio. I do not think this is an acceptable procedure on the floor of the Senate this morning. A conference report on foreign aid was agreed to in conference yesterday. It is brought upon the floor of the Senate today. This is being done before we have had an opportunity to analyze it. I should like to propound a parliamentary inquiry as to whether or not a motion to postpone further consideration of the conference report to a day certain is in order.

The PRESIDING OFFICER (Mr. McNamara in the chair). The Senator is correct.

Mr. MORSE. I will not make the motion now, but at the end of the debate I will make that motion, for the following reasons:

If my friend the Senator from Alabama will permit me to say so, I want him to know that I have nothing but the highest commendation for him for the magnificent job he has done in conference on the issue before us. Considering the differences between the two bodies, our Senate conferees did a remarkable job with respect to the agreement they have reached.

However, that does not mean, therefore, that we ought to adopt the conference report without first having adequate time to study it, and time to debate it after we have studied it. I have a viewpoint with regard to the matter of why I think it ought to be postponed a bit further. I am not so sure that our final action on foreign aid in this session of Congress should not be dependent upon the final action we take on other issues, such as the tax issue, for example, and the trade issue, for example. We cannot separate our foreign aid program from the problems of our own economy.

I served notice on the floor of the Senate yesterday that I did not intend, on the basis of the facts presently existing, to vote for the foreign trade bill. I am more convinced this morning than yesterday, after talking with some administration representatives since yesterday.

The time has come for us to take a look at a package problem that exists—taxes, foreign trade, and foreign aid. We ought to have our debate in consideration of the other issues before we take a final vote on foreign aid. My administration had better wake up, and wake up quickly, to the fact that the American people by the day are becoming aroused as to what is happening to the American economy. Our first responsibility is to protect the American economy. In my judgment, unless we take certain courses of action in the Senate to protect the American economy, whatever we pass in the way of a foreign aid program will damage the American economy.

As a member of the Foreign Relations Committee I wish to say that I am alarmed at what is happening to the American economy vis-a-vis the foreign policy of the Nation. We are giving millions and millions of dollars by way of grants and loans to certain countries who use a portion of that money, really, to carry on trade with Communist countries.

I read articles this morning, for example, with respect to what Mexico intends to do for Cuba in the next few months. But we are pouring money into Mexico. As chairman of the Subcommittee on American Republics Affairs, I am concerned about what is happening with respect to some of the aid which is going into Latin America. Yet the conference report provides $600 million annually for more aid to Latin America.

We are right now in the process of holding hearings with the administration. We intend to have two meetings next week—we have already had one—with respect to the Alliance for Progress program. Now is the time to get some commitments from the administration with respect to the Alliance for Progress program.

So I respectfully say I believe the vote on the foreign aid conference report should be postponed until we have taken up the tax issue and have considered more carefully the foreign aid issue.

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I join in the sentiments so far expressed that action on the conference report should be postponed for at least a day or two, until the report can be studied further. However, I wish to make a little legislative history now, with the cooperation of the distinguished Senator from Alabama.

It is my understanding that on page 8 of the conference report the provision for aid to Yugoslavia has been modified in accordance with subparagraph (f), as follows:

> (f) No assistance shall be furnished under this Act, as amended, (except section 214(b)) to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism.

The act of 1954, which is still in effect, as I understand, provides as follows with respect to aid to Yugoslavia:

> Sec. 143. Assistance to Yugoslavia.—In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this Act.

The Senator from Alabama will observe that the wording is almost identical. Actually, the first clause on page 8 of the committee report, restricting aid to Yugoslavia, is almost exactly the same as the third clause in the law. The second clause in the report is almost precisely the same as the second clause now in the law. The third clause in the conference report is almost identical with the first clause in the law. So, in effect, all that has been done has been to repeat what is now in the law and provide that aid may continue to be given to Yugoslavia on the same basis as aid has been given to Yugoslavia since 1954, when the act was passed. I ask the Senator from Alabama if this is not a fair description of what the conference committee has done.

Mr. SPARKMAN. The Senator from Wisconsin has correctly stated the provisions as they are now in the law. The Senator may recall that when this question was before the Senate during the debate on the bill, I stated that these conditions existed and that I felt the President would exercise discretion. I stated that both President Eisenhower and President Kennedy had handled this situation satisfactorily previously. I said that while at times there may have been some objection to some parts of the law, I thought the situation had been very well handled by both Presidents in accordance with the provisions of the law. I did not see any need to rewrite the law.

Mr. PROXMIRE. The reason why the Senator from Wisconsin raises the point is that he recalls that the Proxmire amendment as first offered was modified by a much stronger and broader amendment offered by the Senator from Ohio [Mr. Lausche]. The modified amendment was adopted by the Senate by a resounding vote of better than 2 to 1.

Following that action, a modification was offered by the leaders on both sides of the aisle, but it left the Proxmire amendment, in effect, almost intact; it still would have prevented economic aid to Yugoslavia during the coming year.

In view of the fact that the Senate emphatically registered its views on this proposal, and the leadership amendment which passed the Senate did not strike out that provision suspending aid to Yuogslavia, it seems to me that the Senate has made a very substantial concession to the House. I am wondering what the justification is.

Mr. SPARKMAN. The Senate conferees argued that point and called attention to the yea-and-nay vote in the Senate. But the House called attention to the fact that their provision had been agreed to by a vote of 277 to 4. It will be observed that this provision deals also with Communist China. One of the foremost advocates of the language which was agreed to in the House was Representative Walter, chairman of the House Committee on Un-American Activities. I do not believe there is any stronger champion of anticommunism than Francis Walter. Yet he spoke in favor of this provision on the floor of the House.

Representative Thomas E. Morgan, chairman of the House Committee on Foreign Affairs, and a member of the conference committee, also spoke in favor of the provision.

Representative Clement Zablocki, who is from the Senator's own State of Wisconsin, and is strongly anti-Communist, said he spoke in favor of this provision.

Another Democratic conferee, Wayne Hays, of Ohio, said he spoke in favor of this position. I do not believe anyone would charge Wayne Hays with being a Communist.

There is no more outspoken and consistent anti-Communist in this country than Dr. WALTER JUDD. Yet Representative JUDD spoke in favor of this position in the House, and he was perhaps the strongest advocate of it in conference yesterday.

Representative ROBERT CHIPERFIELD, who was chairman of the House Committee on Foreign Affairs during the Republican administration, was likewise a strong advocate of this provision.

We were told by the House conferees that this language was most carefully studied before it was adopted by the House. These Members, and others whose names are in the RECORD, spoke in favor of this language. Then the provision was put to a vote in the House. It was not a yea-and-nay vote, but a vote in which the Members stood and were counted. The provision was agreed to by a vote of 277 to 4. That shows that the House was convinced that it had arrived at a good, workable formula. The House conferees maintained the position of the House just as strongly in the committee of conference. So, after considerable deliberation, the Senate conferees yielded on this point and adopted the language of the House.

Mr. PROXMIRE. The vote of 277 to 4 was certainly not a rollcall vote on the issue of whether aid should be given to Yugoslavia and Poland, or anything of that kind. It was an anonymous, faceless vote, on which Members of the House did not have to stand up to be counted.

Mr. SPARKMAN. The vote was on the adoption of this amendment in the bill. Yes, it was a vote on this proposal. I am not talking about the final yea-and-nay vote.

If the Senator from Wisconsin will refer to the CONGRESSIONAL RECORD of July 12, pages 13390 through 13415, he will see the complete debate on this amendment or this proposal. On page 13415 the following appears:

> The question was taken; and on a division—

That is when Members stand and are counted; it is the same as a yea-and-nay vote except that the names are not written down—

> on a division there were—ayes 277, noes 4.

That was a decisive vote, and I think it can be understood why it was that the House conferees were adamant on this position.

I hope Senators will note in the conference report that the countries concerned are listed by name. The provision does not apply only to Yugoslavia and Poland, as the Senate amendment was drafted; it applies to any Communist country. The sentence reads:

> For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

Then the report names the countries which are definitely considered to be Communist countries.

Mr. PROXMIRE. Did the 1954 Mutual Security Act provide this kind of loophole for aid to Red China, Russia, Albania, and other nations? Or are we providing a new opportunity to give aid to those Communist countries?

Mr. SPARKMAN. Does not the Senator from Wisconsin have the act before him?

Mr. PROXMIRE. I have it.

Mr. SPARKMAN. I speak now only from memory; but I think the Senator from Wisconsin will find that there are two provisions. One relates specifically to Yugoslavia; and, if I correctly recall, although I do not have the act before me now, later in the act there is a provision which relates to all Communist countries.

Mr. PROXMIRE. Mr. President, I think the Senator from Alabama has made a very strong case for this provision. He has referred to the 274-to-4 vote in the House of Representatives. Obviously, I do not have the July 12 issue of the CONGRESSIONAL RECORD before me; but I should like to study it when I have an opportunity to do so. This is an additional reason why we should take another day or two to consider this very important measure, which involves billions of dollars and is vitally important to our foreign policy.

I have great respect for the ability and judgment of the members of the House Committee on Foreign Affairs, including Representative ZABLOCKI, of Wisconsin; Representative JUDD, of Minnesota; and others; but I believe we have made a clear, carefully documented case against giving aid to Yugoslavia. We are not basing our case on statements about being "soft on communism" or being Communist inclined. I have not done that, and never will. But I have said that the State Department is a huge bureaucracy, that takes a long, long time to turn around. And there are occasions when Congress can and should and must act promptly to bring American foreign policy in touch with reality—the continuation of aid to Communist Yugoslavia at the very time Tito is lined up with Khrushchev on issue after issue, and doing his best to aline neutralist countries behind Khrushchev. This is one of the issues which should be explained in detail. That is why I rose to question the Senator from Alabama. I thank him for responding to my questions.

Mr. LAUSCHE. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Alabama yield to the Senator from Ohio?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. What is the Senator's version of what is left in the conference report as to how this subject should be treated?

Mr. SPARKMAN. The conferees included the language voted by the House.

Mr. LAUSCHE. In other words, nothing of the Senate's version is in the conference report.

Now let me ask what respect has been paid to the judgment of the Senate, compared with the great respect which has been paid to the judgment of the House.

Mr. SPARKMAN. Mr. President, the Senator from Ohio has sat in conference committees, and he knows that they involve adjustment and compromise.

This is one provision upon which the House said it would not yield. Furthermore, the House conferees pointed to the record which was made in the House in this connection, and pointed out how carefully the language had been drafted. This is a departure from the Senate version. While the House language is accepted, the conference report follows rather closely a mixture of the first two paragraphs of the House language.

This provision is included:

> This restriction may not be waived pursuant to any authority contained in this act——

Mr. LAUSCHE. Unless the President finds and reports to Congress the existence of three conditions.

Mr. SPARKMAN. That is correct—

> unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism.

Those are the objectives for which we have been striving; and this provision does not open up the subject, unless the President finds that all three of those conditions exist.

Mr. LAUSCHE. But they were in the bill prior to the preparation of this report.

Mr. SPARKMAN. Yes, that provision is in the 1954 act.

Mr. LAUSCHE. The only difference is that the report adds the provision that the President must report his findings to the Congress.

Mr. SPARKMAN. There is also in the report the provision that this language may not be waived under any other law. In other words, if any aid is extended, it must be extended under these conditions only.

Mr. LAUSCHE. In other words, the conference report contains nothing of the will and judgment of the Senate in regard to aid to Communist countries.

Mr. SPARKMAN. The conferees accepted the House language.

Mr. LAUSCHE. I interpret that answer as being that nothing of the Senate version is included in the conference report.

Mr. SPARKMAN. I do not fully agree to that, because certainly the Mansfield-Dirksen amendment is still in existence; and naming the various countries at least puts all of them together.

The amendment of the Senator from Ohio related to Yugoslavia and Poland.

Mr. LAUSCHE. No; it referred to all Communist countries. I did not select any particular country.

Mr. SPARKMAN. I stand corrected. I should have said that the difference between the conference report and the 1954 act is that the 1954 act—the law now in existence—relates to Yugoslavia, at one point; and at another point to Poland or to Communist countries, under the term "Communist countries." But in the conference report all of them are considered together and are named in the report itself.

Mr. LAUSCHE. I suggest to the distinguished acting chairman of the Foreign Relations Committee that he ask that consideration of the conference report be postponed, so that there will be an opportunity to study what has been done by means of the conference report.

Mr. SPARKMAN. Mr. President, normally I would not be desirous of pressing for action today on the report. However some personal affairs demand my attention. I remained in the city today, although I had planned to go home today to give attention to some things which I must do. I had fully intended to leave this morning. The chairman of the committee could not be present. I am trying to discharge my duty, and at the same time accommodate myself to some of my personal responsibilities; and I feel that I must leave the city tomorrow morning. I regret that; nevertheless, I must do it.

Mr. MILLER. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. MILLER. I, too, feel that this question should be postponed until a day certain.

I am not privileged to serve on the Foreign Relations Committee. If I were, I suppose I would have the background information and the current information on this subject which would enable me to act promptly on the report. But, not being a member of the committee, naturally I must make a rather prolonged study in regard to some of these questions, and also listen to the debate on them, in order to reach an intelligent conclusion.

I should like to ask the distinguished Senator from Alabama whether it was the understanding of all the Senate conferees, when they signed the report, that it would be taken up on such short notice.

Mr. SPARKMAN. I cannot say as to that. But it is customary in the Senate to take up conference reports promptly after they are ready for consideration. The Senator's colleague, the senior Senator from Iowa [Mr. HICKENLOOPER], had in mind that it would be taken up. He told us that it was necessary for him to go home today. He could not remain here. I was supposed to go home today, too; but I remained here in order to take up the report today. The senior Senator from Iowa said it was perfectly agreeable to him for us to take it up.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. Let me point out that the day before yesterday the Senate passed the Welfare Act. It was agreed to in conference yesterday, and the conference report is now being considered by the House.

Mr. SPARKMAN. Yes; and there is no precedent to the contrary.

Mr. MANSFIELD. That is true. In addition, conference reports have priority.

There have been several quorum calls today, some of them long, to bring Members of the Senate to the Chamber. A special effort was made to inform Senators who had indicated a deep interest. I refer to the Senator from Wisconsin, the Senator from Ohio, and others. So we tried to do what we could, within the confines of the customary procedure of the Senate.

Mr. SPARKMAN. That is correct. There is nothing unusual about bringing up a conference report the day after it is prepared; and, as the Senator from Montana has pointed out, the other conference report, to which he has referred, was finally drawn up only yesterday, and it was taken up by the Senate yesterday and agreed to. No Senator asked that it be postponed. No Senator made a complaint that he had not been able to study the bill. I point out that the amendment of the distinguished Senator from Iowa was carried in the conference. The House accepted the Senator's amendment. The most careful attention was given to this subject. The report was prepared after a long day of hard work.

Mr. MILLER. I respect the diligence with which the conferees applied themselves to this report. However, there is one thing I think should be brought out. I noted the concern of the Senator from Wisconsin, the Senator from Ohio, the Senator from Nebraska, and the Senator from New Hampshire regarding the situation with respect to Yugoslavia. I detect, by my count, that only two of the seven conferees from the Senate supported the Lausche amendment on the floor of the Senate. While the Senate conferees might naturally feel that they should represent the viewpoint of the Senate in considering this question with the House conferees, perhaps Senators who had supported the Lausche amendment might have made a little harder fight than those who did not.

Mr. SPARKMAN. I regret to hear the Senator say that. I think every Senator who goes to conference goes there with the conscientious feeling that he represents the Senate. The conferees did represent the Senate and did call attention to the yea-and-nay vote in the Senate by which this amendment was agreed to. But the House conferees had a powerful argument. The House worked most carefully subsequent to Senate action. The House conferees called attention to those who had advocated the proposal and those who had drafted the language; and they pointed to the vote, which was more impressive than ours.

Mr. MILLER. I would be receptive to what the Senator has just said were it not for the fact that the Senator from Iowa sat in the Senate Chamber for an hour and a half while the Senator from Minnesota pointed out why the Lausche amendment was undesirable. I believe he said he felt this amendment should be taken out by the House. With that as a background, I find it difficult to understand why a Senator who did not support the Lausche amendment should go into conference with the House conferees and fight hard—in the same degree at least——

Mr. SPARKMAN. What does the Senator think about his own colleague, the senior Senator from Iowa [Mr. HICKENLOOPER]? What does he think about the senior Senator from Indiana [Mr. CAPEHART]?

Mr. MILLER. I believe those two Senators did——

Mr. SPARKMAN. They were in conference, and they fought for the provision.

Mr. MILLER. They voted for the Lausche amendment. I feel sure they would have fought for it in conference.

Mr. SPARKMAN. They did.

Mr. MILLER. However, they were only two of seven.

Mr. SPARKMAN. They fought for it and then voted for the conference report and agreed to have it taken up in their absence.

Mr. MILLER. I have no question about it.

Mr. SPARKMAN. I do not see how the Senator can have any question about it.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from New York.

Mr. JAVITS. First, I wish to state to the Senator from Alabama that I think he rendered a distinguished service. We cannot argue the entire case on the basis of the conference report. My view is that we would have to reargue the case and undo what the House and Senate conferees have voted on. If a colleague of ours desired a day or two in which to study the report, I would not feel that I should stand in his way. I would not want to block an opportunity for tactical discretion, but I do not think any long delay is warranted, because I think the bill might fall apart if there were a long delay, especially if there are involved matters of domestic economy, trade questions, and so forth. If we are to legislate by big, round brackets, we had better change the character of the Congress and its activities.

I think the committee has done a remarkably fine piece of work. I once served on the House Foreign Affairs Committee, and I think I know something about how it works. In the compromises which have been arrived at, I think there have been reasonable and practical approaches and, in my judgment, they are on the broad level of the majority opinion in our country and, I am sure, of the Congress.

I invite special attention to the fact that this is the first time within my recollection when the entire private enterprise system has been accommodated and recognized in an official way in the foreign aid policy of our country. I find conditions in the bill now which will give assistance and aid to the Commerce Committee in connection with the Alliance for Progress program. It is the first time there has been a recognition, in a very definitive way, by money and services, of the indispensable part that our private enterprise system can and must play if these programs are to be successful.

There are other sections of the measure which are deserving of commendation—for example, the requirement in the conference report for reports with reference to the declaration as to nondiscrimination by foreign governments against American citizens because of their faith, which I think is extremely important.

I note also, with great satisfaction, aside from the private enterprise section, that the investment guarantee section has been subjected to very material improvement.

On the whole, knowing the way these procedures operate, having lived a day or two in the Congress, I think the conference committee is entitled to our thanks and congratulations, and I hope the conference report will be approved.

Mr. SPARKMAN. I appreciate the remarks of the Senator from New York.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. COTTON. Let me say to the distinguished Senator from Alabama that I regret that any suggestion has been made about representation by Senate Members in the conference committee. Every one of them, as I am sure every Senator knows, and as those who know the distinguished Senator from Alabama know, used all his resources to represent the Senate, and at the same time remain loyal to his own deep convictions.

However, in view of what the majority leader said a while ago, it seems to me that coincidences are piling upon coincidences. I am talking about the speed with which the report was expected to go through the Senate.

The Senator from New Hampshire was a cosponsor with the Senator from Wisconsin of the amendment of the Senator from Wisconsin regarding aid to Communist countries. Two years ago, and last year, in this Chamber, the Senator from New Hampshire was a cosponsor of a similar amendment with the late senior Senator from New Hampshire, Mr. Bridges, and in the illness of Senator Bridges, argued the amendment on the floor. I was never informed that this conference report was to be considered today. The 50 copies of this report, peculiarly enough, were never delivered and placed in the hands of the secretary for the minority until after the Senate came to order at 11 o'clock a.m. I hunted for one. It was not on my desk. I had to go to the clerk's desk and borrow one. I should like to have an opportunity to ascertain the facts, and determine whether that was a coincidence.

Before this discussion is completed, the Senator from New Hampshire will have something to say about the Proxmire-Lausche-Cotton amendment. They will not be in any way obnoxious to the Senator from Alabama. He knows that. My statement will be based strictly on the facts and the arguments.

The people of this country are worried about what is happening to some of the money going down to Mexico. We saw on television last night what is happening in Peru. I think the American Congress would do well to move slowly and carefully to convince the country that we are all dealing with this subject on the basis of full opportunity to express ourselves.

I hope the Senator will agree to a reasonable continuance in regard to the report, so that we may have such opportunity.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. Mr. President, while there is a good deal of validity in what the distinguished Senator from New Hampshire has said, I think it ought to be emphasized again that the procedure under which we have operated is not unusual and is not to be considered as an attempt to rush something through apart from the usual procedure.

I discussed this question with the distinguished minority leader. He in turn got in touch with the distinguished Senator from Vermont [Mr. AIKEN] and the distinguished Senator from Iowa [Mr. HICKENLOOPER], all of whom signed the report as Republican conferees on the part of the Senate. We suggested the absence of a quorum two or three times, to make it possible to have as many Senators present as possible.

I reiterate that we made a special effort to get in touch with the Senator from Ohio [Mr. LAUSCHE] and the Senator from Wisconsin [Mr. PROXMIRE], so that they could be present.

So far as conference reports are concerned, copies are not usually put on the desks of Senators, but are kept on each side of the Presiding Officer, so that any Senator who wishes to see them can obtain copies. The copies were available when the Senate convened this morning.

The work of the Senate conferees has been done expeditiously, with the best interests of the Senate in mind. At the very least, the Senate should express its confidence in the conferees on both sides of the aisle, who acted in behalf of the Senate as a whole.

Mr. DWORSHAK. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I will yield to the Senator in a moment.

I say to my friend from New Hampshire that I must confess that at times I have shared his feelings with reference to conference reports. That feeling arises because of our service in the House. In the House, Senators know, conference reports are required to lie over a day. When I came to the Senate I thought the same rule obtained here. I was not in the Senate very long before I learned that that was not correct. As soon as a conference report is ready it can be considered. It does not have to lie over.

Ordinarily conference reports do not lie over but are considered by the Senate as soon as they are ready. There is nothing unusual about such procedure.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. SPARKMAN. In just a moment. I hope the Senator from New Hampshire will show the confidence he has expressed in the conferees on the part of the Senate, particularly since the report is signed by all seven of the conferees.

Something has been said about the selection of conferees. There was nothing unusual about that. I know that from time to time the argument has been made that conferees who represent the will of the Senate ought to be selected. If we should start trying to do that, when there are 50 different amendments on a bill, I do not know how we would ever find conferees who would fit the description.

Mr. COTTON. Mr. President, will the Senator yield to me for a moment more?

Mr. SPARKMAN. Very well, if it is a continuation of the same thought.

Mr. COTTON. No Senator has greater confidence in every one of the conferees than has the Senator from New Hampshire.

Nothing I have said has been intended to reflect on the conferees or on the leadership. I have been talking about what has occurred, after we had a "knockdown, drag-out fight" in the Senate, and, as a result of a strong vote, pronounced the opinion of the majority of the Senate on a vital issue. Now it is said that we should back down because the distinguished Senator from Iowa, the distinguished Senator from Indiana, some other Republican on the conference committee, or some Democratic Senator who happens to be on the conference committee, says so. That is something with which I cannot agree.

I say to the Senator—and I will not interrupt him again—that it is all right to talk about Dr. JUDD, Mr. ZABLOCKI, the Senator from Indiana [Mr. CAPEHART], and the Senator from Iowa [Mr. HICKENLOOPER]. I have confidence in them.

There is another man in whom I happen to have complete confidence as to his integrity, his undying enmity toward communism, his complete and dedicated loyalty to this country—and that is President Kennedy. I would say so anywhere at any time. He is my President as much as he is the President of Senators across the aisle.

In past years, however, we have had a provision about aid to Communist countries which has had a "hole" in it. In substance, the language is "except when the President deems it necessary for American policy."

Every single time the State Department has decided it would be too bad if the people of this country offended someone somewhere else by saying that the taxpayers' money should not go into the hands of our enemies, the President—not merely President Kennedy, but President Eisenhower as well—has always consented to the aid. Every time the State Department has taken that position, the provision has been completely useless.

On June 6 this year the Senate decided that the American Congress had a right and a duty to say that, without exception, there shall be no aid from the taxpayers' money which we appropriate to Communist-dominated countries. We said it and we meant it.

Under the conference report the President could open up the same old escape hole, which would completely vitiate our position.

I wish to make sure that, in regard to that provision and certain other provisions of the conference report, we shall have an opportunity to explore the subject thoroughly. I hope that we may have a postponement, so that we can thrash out this question, because it is a vital issue. I understand the Senate procedure. I am not questioning that. This is too vital an issue not to be thrashed out thoroughly. As one Senator, I intend to take the opportunity to speak at some length on it.

I thank the Senator for yielding.

Mr. DWORSHAK. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield to the Senator from Idaho.

Mr. DWORSHAK. On the first page of the Washington Post and Times Herald this morning there appears an article with the headline:

> RED AID BAN DROPPED BY CONFEREES

I read from the article, written by Staff Reporter Richard L. Lyons:

> House-Senate conferees agreed yesterday on a $4.6 billion foreign aid bill close to what the administration wanted.
>
> Senate conferees agreed at a day-long bargaining session to drop their ban on aid to Communist countries such as Poland and Yugoslavia in favor of House language giving the President discretion to act when it appeared aid might pull a country away from Moscow.
>
> Senate Members also agreed to drop a limitation on aid to India from their bill.
>
> House conferees in exchange agreed to drop from the final version their amendment forbidding purchase of United Nations bonds until all member nations have paid their back assessments.
>
> These were the three provisions the administration especially wanted to get out of the bill.

I ask the Senator from Alabama if that article is substantially correct, and if the administration, in the conference report, got exactly what it wanted?

Mr. SPARKMAN. Mr. President, I cannot be responsible for what a reporter wrote in a newspaper. I do not use that as any criterion. I have not read the article to which the Senator refers.

I cannot say whether the administration did or did not get exactly what it wanted.

I will say that the administration representatives have not spoken to me with reference to this item since before the bill passed the Senate. I do not recall that any representative of the administration ever spoke to me about this provision.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. SPARKMAN. Not a single representative of the administration came to see me, called me, or had any contact with me prior to our going to conference.

A great many people labor under a misapprehension as to what the administration tries to do.

Whether the administration had a hand in trying to help develop this legislation in the House, along with FRANCIS WALTER, Dr. JUDD, CLEM ZABLOCKI, and others, I do not know. No mention of it was made in the conference.

The item about which we are speaking was one of the very last items agreed to. As each item was reached, a preliminary statement was made by each side. The House conferees gave us to understand that they would insist upon the provision. The conferees said that they had most carefully worked it out, and that the vote in the House had been 277 to 4. The Members of the House stood up and were counted on the question. Representative HALLECK, the minority leader in the House of Representatives, voted for the provision. Representative ARENDS, the assistant minority leader, voted for the provision.

Mr. DWORSHAK. They did not participate in the conference.

Mr. SPARKMAN. No; they did not participate in the conference. But they voted for the measure in the House. We waited until the end of the discussion before we finally agreed on that item. It was not a question of trying to give the administration what it wanted, so far as I was concerned, because no one representing the administration had spoken to me about it, nor was any representative of the administration in the conference room.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. DWORSHAK. I did not intend to be critical of the Senator from Alabama.

Mr. SPARKMAN. I did not so interpreted the Senator's statement.

Mr. DWORSHAK. I merely wished to point out that the House receded on certain points, the Senate receded on others, and the general result was in almost complete accord with the administration program. So we must conclude that the result was merely a coincidence.

Mr. SPARKMAN. Let me say to the Senator from Idaho that we had work sheets before us. Ours were prepared by our own staff. The House conferees had work sheets prepared by their staff. In addition, we had before us the existing law, the Senate bill, the House bill, and a discussion of the position of the executive branch of the Government. I would be willing to wager that the position of the executive branch was overridden more times than it was agreed to, so far as the amendments were concerned.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. Last evening it was my privilege to be at dinner with Representative WALTER JUDD of Minnesota, who is of the opposite party, and who served on the conference committee. He served well, and was of great help. Last evening Dr. JUDD commented that while newspaper stories attempted to make it appear that the result of the conference was strictly an administration victory, the word "administration" was seldom mentioned.

We did what we thought was necessary to be done in terms of the two bills and in light of what the votes had been in the respective Chambers. The Senator from Alabama is absolutely correct. I recall that time after time, while the position of the executive branch was read and studied carefully, frequently it was set aside and the House position or the Senate position was accepted, without any control over the decision by the executive branch.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DWORSHAK. In view of the fact that the majority leader and the assistant majority leader were two of the conferees, I congratulate the conferees on the part of the Senate; and, though I am not in complete accord with the conference report, I point out that probably, notwithstanding the very able lobbyists maintained in the White House in that instance, no contacts were made to influence the conferees in any way. But it appears that the final results are in accord with what the administration wanted, and it would appear that they were so successful in this instance that they ought to be more successful in handling other proposed legislation.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. I am a little surprised at my friend the distinguished senior Senator from Idaho, who for once takes what he reads in the Washington Post as gospel. It is usually the other way around.

Mr. SPARKMAN. I say also to the Senator from Idaho that it is a little surprising that he did not mention the fact that one of those agreeing to the conference report was the chairman of the Republican policy committee, the Senator from Iowa [Mr. HICKENLOOPER].

Mr. DWORSHAK. He represented the minority.

Mr. SPARKMAN. He agreed to the report and signed it. He said that he did not need to be present. He had to go home. He said he did not need to be present today when the conference report was taken up.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. DWORSHAK. In reply to what the distinguished majority leader said, I requested the observation of the Senator from Alabama with respect to the newspaper story for the reason he suggested. Basically, I might not accept the report as being entirely accurate. For that reason I wanted the judgment of the distinguished members of the conference committee.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. In addition to what the acting chairman of the Committee on Foreign Relations has said, I state emphatically, that no member of the administration was within hearing, shouting, or writing distance, so far as I know. All action taken was taken on the part of the conferees from both parties themselves. What they did was their responsibility. In no way were they influenced by the administration.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DWORSHAK. If that is the truth—and I accept it as being such—I congratulate the distinguished majority leader for having accomplished what obviously the administration wanted without prodding of any kind from the White House.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. The minority members of the conference deserve even more congratulations, because without some of the outstanding Republicans going down the line for what finally emerged, the result obtained might not have been possible.

Mr. SPARKMAN. I am not conceding that the administration got what it wanted, but if that be true, a wonderful bipartisan effort brought it about. The chairman of the Republican policy committee was in command of one of the battalions.

Mr. MURPHY. Mr. President, I wish to comment on what the senior Senator from New Hampshire has said in his usual fine presentation of his concern over the conference report.

I was happy to join with the Senator from Wisconsin [Mr. PROXMIRE] in cosponsoring his amendment to ban aid to Communist Yugoslavia and Poland, and then, with a majority of the Senate, voting to agree to the Proxmire-Lausche amendment. I am concerned with the strong language that has been eliminated from the bill. I wish the RECORD to show that I am opposed to the conference report.

Mr. SPARKMAN. Mr. President, I wish to make one further comment before I yield the floor. Reference has been made two or three times today about money being poured into Mexico. Such statements are often made. We hear talk about pouring money into Yugoslavia. Last year Yugoslavia received only a few thousand dollars for technical assistance. Some engineers went into that country to help to plan some kind of industrial development. Approximately $17,000 was spent for that purpose. I shall not vouch for the accuracy of the figure. The country has not received any military assistance since 1957 or 1958 from the United States. It has received practically no economic assistance over the past several years. No economic assistance is provided in the bill for that country. We were told frankly that if they were able to take full advantage of that engineering help—the technical assistance which was given to them last year involving a few thousand dollars—they might want not to exceed $10 million for industrial development. It would be a loan which would be paid back in dollars with interest.

With reference to Mexico, the statement has been made that we have been pouring money into Mexico. Mexico is one country for which we do practically nothing in the form of aid.

I have the figures before me. They are found at page 426 of the hearings, if anyone wishes to refer to them. The figures for fiscal 1961 show that $27,800,000 was loaned in Mexico by the Export-Import Bank. That is not a part of our aid program. That is money loaned to help American business people who are exporting, to help make American jobs. The money is repayable by these firms. Ordinarily these loans are made to private enterprise. They are repayable in dollars in the United States, and on time. It is one of the most remarkable jobs that has ever been done by any governmental agency. It is a loan. It goes to private enterprise, to help American exports.

Under Public Law 480 went $3,200,000, and $1,200,000 in technical assistance. We sold them $400,000 worth of military goods. That was in 1961.

In 1962 there was $700,000 in development grants. Public Law 480 accounted for $9,400,000. We used $90 million down there to help export American goods. In military aid we again sold $400,000 worth of goods. We sold those goods to them. That is the money that has gone into Mexico.

It is so easy to speak about "pouring" money into Mexico, when as a matter of fact very little foreign aid money has gone into Mexico. I mention that as one example. Sometimes, when we examine the record, we find that it is not the same as it is sometimes represented to be.

I yield the floor.

Mr. KEATING. Mr. President, I wish to express my gratification to the Senator from Alabama that the conferees retained the language of the amendment adopted in the Senate, and, also with some modification, adopted by the other body, that it is the sense of the Congress, in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis, and which do not, as a result of U.S. assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this act.

I was interested after the Senate adopted that amendment, to read press reports hinting that the amendment would be dropped when it got to the other body or into conference, and would never see the light of day. I am delighted that that did not take place. Representative HALPERN, of New York, took up the cudgels in the other body and succeeded in pursuading his colleagues to adopt it. Therefore, the conferees could not eliminate that provision, although of course, I do not mean to imply that there would have been any effort on their part to do that.

I now express the hope that those charged with the administration of the program will give some effect to this language, which has been approved by Congress. I sincerely hope that the administrators of this program will not ignore this amendment even though it is not binding and obligatory, and in my judgment it should not be. I sincerely hope that they will give strong effect to it, particularly to the last part.

The American people are sick and tired of having their tax dollars used to aid countries which use that aid or an equivalent amount of money to buy arms from the Soviet bloc, or use an equivalent amount of funds, as has been the case in Egypt for the purpose of directing propaganda, in part against the United States, but more against the State of Israel, which is receiving aid from the United States.

The distinguished Senator from Illinois [Mr. DOUGLAS] and I succeeded some time ago in having enacted into law a sense-of-Congress amendment to the effect that aid should not be given to those countries which illegally interfere with international waterways. Other sense-of-Congress resolutions along the same lines, and with which I have some familiarity, have also been adopted. However, when we inquired as to the implementation of them we were greeted with a great deal of doubletalk by those who are administering the program—a great deal of doubletalk and very little action.

I have always been a strong supporter of the mutual security program and of aid to those nations which stand with us and the free world against totalitarian forces. I believe I have a right, therefore, to be critical when those administering the program pay no attention or little attention to policy statements by the Congress that are made a part of this legislation. After all, we in the Congress try to speak for the American people when we put into a piece of legislation sense-of-Congress language. We believe that some attention should be paid to it by those who administer the program.

I again wish to express my gratification to the Senator from Alabama on the fact that this language has been retained in the legislation. Also, I very much hope that he feels as I do, that effect should be given to statements the Congress endorses which express what we believe to be the sense of the American people and what we believe to be an important affirmation of the principles that this country respects in its foreign relations.

Mr. SPARKMAN. I thank the Senator. I do not have it before me, but I believe that in the policy statement in the law it is provided that the act shall be administered so as to carry out the sense of the policy that is stated. The Senator knows, of course, that we accepted a good part of the House amendment that he mentioned in his statement.

Mr. MORSE. Mr. President, I desire to speak on the foreign aid conference report, which is now before the Senate. At the close of my remarks, I shall move that further action on the conference report be postponed until August 1. I shall set forth the reasons which I think will make my motion a desirable one.

The Senator from Alabama [Mr. SPARKMAN] was concerned about the statement of the senior Senator from Oregon this morning about the pouring of millions of dollars into Mexico and other Latin American countries. I know that peanuts are grown in Alabama; but the money which the United States is pouring into Latin America and other parts of the world is not peanuts. I am a little surprised that the Senator from Alabama seems to think, apparently, that the amount of money which the United States has poured into Mexico is not substantial. I think it is, and I shall use the very figures which the Senator from Alabama has discussed.

From 1946 to 1961, the Agency for International Development provided for Mexico funds totaling $7,900,000. That was not "peanuts." That was the money of American taxpayers. When we take that $7,900,000 and add to it the many millions more which we have poured into foreign aid over the years, I say the time has come to go a lot slower than is being proposed with this conference report. The time has come to consider the foreign aid program in the light of some emergency economic situations which have developed in this country in recent months.

We should not commit ourselves this afternoon on the foreign aid conference report until we first take more time to consider what we shall do with respect to the economic issues that will be before the Senate in the days immediately ahead. We still have a tax debate ahead of us. We still have the foreign aid bill before us. I do not believe the President should be allowed to sign the foreign aid bill until, first, we have decided what we shall do with a series of measures that are of vital concern to the economy of the Nation.

Some days ago I made a major speech in the Senate in regard to the tax-foreign aid issue. In that speech I stated that the national debt of the United States is greater that the national debt of all the rest of the free world combined. The national debt of the United States is greater by a substantial number of billions of dollars than the national debt of our so-called allies and all the rest of the free nations of the world combined. We have been pouring into foreign countries billions of dollars belonging not to the Congress of the United States, but to the taxpayers of the United States, in order to rehabilitate allies who were brutally destroyed or damaged in World War II. It was our clear, moral, and economic duty to do this. I voted for this program. I would vote for it again under similar conditions and circumstances.

We are pouring hundreds of millions of dollars into underdeveloped areas of the world. I voted for much of that aid. I intend to continue to vote for foreign aid. But I shall insist that the foreign aid program be more carefully scrutinized and modified because, in my judgment, the time to modify it is now, not next year. What we finally determine with respect to the foreign aid program this year will be dependent, in no small measure, on what we determine with regard to foreign trade and with regard to the whole subject of support to foreign countries vis-a-vis our own tax program.

Mr. President, we have allies which are not bearing their share of the burden in regard to the economic protection of freedom around the world. We have allies which are not doing their part in providing economic assistance to the underdeveloped areas of the world. So long as Uncle Sam is willing to do it, they will shirk their responsibilities.

As a member of the Committee on Foreign Relations, it is my judgment that we are bearing too large a share of the cost of protecting freedom. That is the issue. It is about time the American taxpayers were told what their Congress is doing to them. It is about time we took these undeniable statistical facts to the taxpayers of the Nation. I propose to do it between now and the election in November, so that the taxpayers will at least understand what the record of Congress is in connection with the action that is taken and which bears directly on the growing strength or weakness of the American economy, for the American economy is growing weaker. In my judgment, one reason why it is growing weaker is that Congress is not protecting the economy to the degree that it ought to be protecting it. One of its failures to protect it is due to the fact, in my judgment, that it has not attached to foreign aid the conditions that ought to be attached to such aid in order to protect the taxpayer.

No one is a stancher defender of the Alliance for Progress than is the senior Senator from Oregon. The RECORD will show that the senior Senator from Oregon played no small part in the origins of the Alliance for Progress, as did every member of my Subcommittee on American Republics' Affairs. My subcommittee is conducting hearings with respect to the progress that is being made or is not being made in the Alliance for Progress program. I have made clear to this administration that, so far as the senior Senator from Oregon is concerned, some very stringent restrictions must be placed upon the Alliance for Progress from the standpoint of our Latin American neighbors fulfilling some responsibilities which they owe in connection with the implementation of the Alliance for Progress. And I think we should get some statements from the administration, prior to the final approval of this foreign aid program.

Now I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I do not know whether the Senator from Oregon recalls that in the discussions in the Foreign Relations Committee it was pointed out that we are constantly increasing the elimination of conditions and restrictions which traditionally have been applied to the foreign aid program. Last year there was a general theme of eliminating all conditions and all limitations, and of placing in the administration the discretionary power to determine when and how the aid shall be given, under a blanket authorization.

Mr. MORSE. The Senator from Ohio is correct.

Mr. LAUSCHE. I have been alarmed about that. The custom and tradition have been to provide that we authorize these expenditures, subject to certain limitations and conditions. In the Foreign Relations Committee, I asked the staff adviser whether the general theme of this bill is to eliminate conditions and limitations; and I want all Senators to know that that was the general theme and that was the thread running through the entire thing. But I do not agree with it.

Mr. MORSE. I do not, either.

Mr. LAUSCHE. I thank the Senator from Oregon for yielding to me.

Mr. MORSE. Madam President (Mrs. NEUBERGER in the chair), returning now to the figures for Mexico:

From 1946 to 1961, the United States made available to Mexico, under the food for peace program, the Public Law 480 program, $17,700,000. And that is not peanuts, Madam President.

On sales agreements, the United States made available to Mexico $25,200,000; under title 2, $200,000, under title 3, $7,600,000. None of those items happens to be "peanuts," Madam President.

The Export-Import Bank has loaned Mexico, since 1946, $491,300,000, of which Mexico has repaid $244 million. And as one of the most ardent advocates of a loan program, as a substitute for a grant program, I have been one of the strongest in the Senate in my support of an approach of this kind; but that does not change the fact that we have been of great aid to Mexico by making these loans of $491,300,000.

Madam President, other U.S. economic loans since 1946 to Mexico have been $99,600,000; military assistance, grant aid, $400,000; credit assistance, $5,400,000. I think these are rather good indications of our generosity and our good neighbor policy; and let the RECORD show that I am not criticizing this program. I voted for it; and I would vote for it again, under similar situations and conditions. I only seek to point out what we have been doing for the free world.

Now we come to the International Bank, in which we have, as I recall, approximately 36 percent of the voting power, which is about comparable to the U.S. financial investment in the funds of the Bank. Mexico has been the recipient of $226,300,000 by way of loans from the International Bank or the World Bank; from the International Finance Corporation, $1,400,000; from the United Nations Technical Assistance, $3,500,000; from the United Nations Special Fund, $1,200,000.

Madam President, we have helped other countries more than we have helped Mexico; and I do not mean to imply that Mexico is at the head of the list. But I have referred to Mexico only because of the articles, published today in the newspapers, in connection with the assistance which Mexico purportedly has given to Cuba; and I simply say that if we are going to pour millions and millions of dollars into Mexico and other Latin American countries, at least we should have compliance with the spirit and the intent of the Punta del Este Conference. Certainly the spirit and the intent of the Act of Punta del Este cannot be reconciled by the countries in Latin America that we assist with their providing millions of dollars for the economic rescue of Cuba. Certainly if Mexico is able to do that, she does not need our financial help.

Madam President, I am not privileged to speak in terms of confidential material resting in the files of the Foreign Relations Committee; but I do not violate any confidence when I say that of course Mexico is seeking to negotiate financial arrangements involving loans of many more millions of dollars from the United States. I am not unfriendly to that negotiation, provided we follow a policy of imposing some conditions and some restrictions, so that the funds we take from the pockets of U.S. taxpayers cannot be used by a foreign country—whether Mexico or any other—to the detriment of the best interests of the U.S. taxpayer.

Madam President, without taking time to read all the figures, but in view of the fact that this issue has been commented upon by the Senator from Alabama, I ask unanimous consent to have printed at this point in the RECORD—as I have done in the case of Mexico—a summary of the figures for every other Latin American country and for every other country to which we have been giving assistance.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. foreign assistance to MSP countries by region and country, cumulative, fiscal year 1946 through fiscal year 1961

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance													
			Total economic		Mutual security program				Nonmutual security program							
										Public Law 480						
										Title I			Title II—Emergency relief and economic development	Title III—Voluntary relief agencies	Export-Import Bank long-term loans	Other non-MSP programs
											Planned for—					
			Total	(Of which loans)	Total MSP economic	ICA	DLF	Other MSP economic	Total	Total sales agreements	Grants	Loans				
Total all countries	90,510.9	28,997.5	61,513.4	21,122.3	31,062.5	27,846.2	1,986.2	1,229.9	30,450.9	(5,859.8)	1,319.3	2,943.3	782.8	1,825.6	6,986.7	16,593.3
Europe	44,097.5	15,475.4	28,622.2	10,503.1	15,218.7	15,001.9	137.0	79.7	13,403.5	(1,603.9)	138.5	631.2	166.3	744.0	2,403.2	9,320.3
Austria	1,170.9		1,170.9	70.1	723.5	723.5			447.4	(40.9)		26.3	24.6	27.3	41.1	328.1
Belgium-Luxembourg	1,984.3	1,243.2	741.1	249.0	558.7	558.7			182.4					.2	150.0	32.2
Denmark	866.4	566.1	300.3	54.3	279.3	279.3			21.0						20.0	1.0
France	9,394.4	4,207.7	5,186.7	1,901.9	3,183.8	3,183.8			2,002.9	(35.6)		7.8		11.9	1,274.1	709.1
Germany (Federal Republic)	4,999.2	951.5	4,047.7	1,243.8	1,470.0	1,470.0			2,577.7	(1.2)			3.4	136.0	10.0	2,428.3
Berlin	131.0		131.0		118.1	114.4		3.7	12.9							12.9
Iceland	69.1		69.1	34.4	59.4	59.4			9.7	(11.6)		9.0			.3	.4
Ireland	146.2		146.2	128.2	146.2	146.2										
Italy (including Trieste)	5,664.8	2,217.7	3,447.1	624.8	1,645.1	1,645.1			1,802.0	(150.3)		104.1	87.4	223.7	215.8	1,171.0
Netherlands	2,449.2	1,220.7	1,228.5	388.8	990.2	987.2	3.0		238.2	(.3)				.1	202.2	36.0
Norway	1,084.7	734.9	349.8	113.4	274.8	274.8			75.0					(1)	50.0	25.0
Poland	514.5		514.5	138.7	61.1	.1		61.0	453.4	(365.3)				11.7	40.0	401.7
Portugal	407.7	328.8	78.9	30.5	49.8	49.8			29.1	(7.1)		3.4		25.7		
Spain	1,631.6	503.0	1,128.6	510.3	564.6	547.6	17.1		564.0	(506.1)	9.9	253.0	3.8	139.7	157.6	
Sweden	108.9		108.9	22.0	106.8	106.8			2.1							2.1
United Kingdom	8,689.0	1,020.8	7,668.2	4,215.4	3,828.9	3,828.9			3,839.3	(48.5)				.3	2.1	3,836.9
Yugoslavia	2,279.9	693.9	1,586.0	521.8	575.6	443.6	117.0	15.0	1,010.4	(437.0)	127.8	227.6	47.1	167.2	105.0	335.7
Regional	2,505.7	1,787.3	718.4	238.0	582.6	582.6			135.8		.8				135.0	
Far East	20,469.4	7,483.0	12,986.4	1,663.1	7,047.7	6,527.3	273.7	246.6	5,938.7	(673.6)	293.1	248.5	72.	300.5	607.6	4,416.7
Burma	94.2		94.2	59.3	49.5	49.5			44.7	(40.7)	11.0	26.6		2.1		5.0
Cambodia	295.7	76.3	219.4		217.1	217.1			2.3				2.3	(1)		
China, Republic of	4,150.3	2,180.8	1,969.5	315.6	1,330.2	1,096.4	114.1	119.7	639.3	(62.2)	34.0	12.8	2.9	54.1	33.2	502.3
Indochina, undistributed	1,535.2	709.6	825.6		825.6	825.6										
Indonesia	598.9		598.9	353.3	221.7	210.1	11.6		377.2	(168.0)	54.1	85.2		6.7	163.5	67.7
Japan	3,574.6	980.4	2,594.2	324.8	22.0	22.0			2,572.2	(146.3)	.6	105.6	37.0	25.0	205.2	2,198.8
Korea	4,958.0	1,720.7	3,237.3	53.3	2,052.3	1,905.4	25.3	121.6	1,185.0	(215.4)	178.6	3.1	28.4	115.5		850.4
Laos	371.6	107.7	263.9		262.8	262.8			1.1				.8	.3		
Malaya	22.2		22.2	20.0	20.0		20.0		2.2					2.2		
Philippines	1,675.1	390.2	1,284.9	262.0	276.3	236.2	40.2		1,008.6	(13.8)	3.3	5.9		32.9	189.2	777.3
Thailand	640.9	350.2	290.7	68.9	263.8	241.3	22.5		26.9	(4.3)		3.7		.5	16.5	6.2
Vietnam	2,135.3	591.2	1,544.1	95.6	1,465.2	1,425.3	39.9		78.9	(22.9)	11.5	5.6	.7	61.1		
Regional	427.8	386.7	41.1	10.3	41.1	35.7		5.3								
Near East and south Asia	15,307.4	4,841.8	10,465.6	4,475.7	5,668.6	4,463.6	1,202.5	2.5	4,797.0	(2,958.6)	866.1	1,596.3	249.4	466.4	724.4	894.4
Near East	9,686.4	4,183.6	5,502.8	1,769.4	3,502.6	3,084.4	417.6	.4	2,000.2	(809.8)	119.5	471.7	124.7	263.3	425.3	595.7
Cyprus	9.5		9.5		(1)	(1)			9.5				9.5			
Greece	3,225.2	1,487.1	1,738.1	245.2	1,020.1	976.7	43.0	.4	718.0	(86.7)	7.5	53.5	4.1	99.2	17.1	536.7
Iran	1,192.0	528.1	663.9	299.2	515.2	400.3	114.8		148.7	(34.3)	5.8	18.5	15.2	6.8	75.1	27.3
Iraq	66.7	46.1	20.6	.9	17.4	17.4			3.2					2.3		.9
Israel	793.3	1.0	792.3	447.4	374.2	318.2	56.0		418.1	(193.7)	13.3	153.3		58.3	198.1	.1
Jordan	300.4	20.4	280.0	3.7	230.9	227.2	3.7		49.1				35.5	12.3		1.3
Lebanon	88.7	8.6	80.1	10.7	58.8	52.3	5.9		21.8				16.9		3.2	1.7
Saudi Arabia	46.6	(2)	46.6	19.1	27.4	27.4			19.2						14.8	4.4
Syria	54.1		54.1	30.3	8.2		8.2		45.9	(28.2)		22.1	22.1	1.7		
Turkey	3,483.9	2,092.3	1,391.6	485.6	1,134.1	963.3	170.8		257.5	(246.9)	80.9	68.6	12.2	4.5	79.1	12.2
UAR (Egypt)	384.4		384.4	227.0	84.5	69.3	15.2		299.9	(219.9)	12.0	155.7		83.2	37.9	11.1
Yemen	16.6		16.6		7.3	7.3			9.3				9.3			
Cento	25.0		25.0		25.0	25.0										
South Asia	4,866.7	2.7	4,864.0	2,686.5	2,085.8	1,301.0	784.8		2,778.2	(2,148.9)	746.5	1,124.7	109.6	199.4	299.1	298.7
Afghanistan	182.5	2.7	179.8	52.2	96.7	96.0	.7		83.1				42.8	.9	39.3	.1
Ceylon	74.1		74.1	23.6	24.1	17.8	6.3		50.0	(25.0)	4.8	14.8	9.3	21.4		
India	3,115.1		3,115.1	2,094.8	1,021.9	475.5	546.4		2,093.2	(1,694.0)	525.3	942.1	5.2	143.7	246.2	230.7
Nepal	44.3		44.3	1.4	23.8	23.4	.4		20.5		15.8	1.0	3.7			
Pakistan	1,450.7	(3)	1,450.7	514.5	919.3	688.3	231.0		531.4	(429.9)	201.1	166.8	48.6	33.4	13.6	67.9
Regional	754.7	655.6	99.1	20.0	80.3	78.2		2.1	18.8				15.2	3.6		
Latin America	5,485.5	479.4	5,006.1	3,903.1	823.4	574.2	227.7	21.5	4,182.7	(608.5)	14.0	462.5	39.2	148.5	3,125.2	393.3
Argentina	538.0	15.4	522.6	520.0	33.3	2.5	30.8		489.3	(62.3)		42.9			446.3	.1
Bolivia	222.9	2.2	220.7	40.2	157.2	149.3	7.8	.2	63.5	(3.3)		2.5	17.4	6.6	26.4	10.6
Brazil	1,711.2	175.5	1,535.7	1,440.5	53.5	53.3	.2		1,482.2	(282.9)	14.0	222.9		21.4	1,178.4	45.5
Chile	517.3	53.6	463.7	369.5	76.3	46.9	19.0	10.5	387.4	(71.2)		56.6		42.5	283.1	5.2
Colombia	327.2	37.8	289.4	245.8	40.5	15.5	25.0		248.9	(69.5)		51.0		26.1	169.0	2.8
Costa Rica	78.8	.1	78.7	31.9	20.8	12.0	8.9		57.9				.2	.8	21.0	35.9
Cuba	51.9	10.5	41.4	37.5	2.8	2.8			38.6					.6	37.5	.5
Dominican Republic	8.8	6.1	2.7		2.1	2.1			.6							.6
Ecuador	100.5	23.0	77.5	53.2	39.0	22.3	16.7		38.5	(11.6)		8.5		3.1	23.2	3.7
El Salvador	16.8	.3	16.5	5.3	9.9	8.3	1.6		6.6					1.1	3.7	1.8
Guatemala	150.3	1.7	148.6	33.1	91.0	78.1	12.9		57.6				3.2	1.9	16.7	35.8
Haiti	90.8	4.0	86.8	30.2	49.9	45.1	4.9		36.9				3.5	5.4	25.0	3.0
Honduras	41.5	1.2	40.3	16.4	27.5	19.7	7.8		12.8				.2	2.7	3.5	6.4
Jamaica	6.6		6.6		2.1	2.1			4.6					4.6		

See footnotes at end of table.

U.S. foreign assistance to MSP countries by region and country, cumulative, fiscal year 1946 through fiscal year 1961—Continued

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance													
			Total economic		Mutual security program				Nonmutual security program							
										Public Law 480						
			Total	(Of which loans)	Total MSP economic	ICA	DLF	Other MSP economic	Total	Title I			Title II—Emergency relief and economic development	Title III—Voluntary relief agencies	Export-Import Bank long-term loans	Other non-MSP programs
										Total sales agreements	Planned for—					
											Grants	Loans				
Latin America—Con.																
Mexico	630.1	5.8	624.3	509.3	7.9	7.9	----	----	616.4	(25.2)	----	17.7	.2	7.6	491.3	99.6
Nicaragua	54.4	2.1	52.3	23.3	18.3	8.1	10.2	----	34.0	----	----	----	----	.2	13.1	20.7
Panama	74.9	.1	74.8	32.0	28.6	20.8	7.8	----	46.2	----	----	----	----	5.7	17.2	23.3
Paraguay	50.5	.6	49.9	28.4	31.8	17.0	14.9	----	18.1	(2.9)	----	2.1	----	2.7	10.4	2.9
Peru	376.1	64.4	311.7	256.8	57.2	26.7	30.5	----	254.5	(33.2)	----	23.4	14.1	11.0	195.4	10.6
Uruguay	79.2	27.3	51.9	48.5	10.7	1.9	8.8	----	41.2	(46.4)	----	34.9	(1)	.5	2.6	3.2
Venezuela	195.7	41.5	154.2	151.4	16.3	1.3	15.0	----	137.9	----	----	----	----	----	136.4	1.5
West Indies and east Caribbean	10.3	----	10.3	----	8.0	8.0	----	----	2.3	----	----	----	----	2.3	----	----
British Guiana	2.0	----	2.0	----	1.4	1.4	----	----	.6	----	----	----	----	.6	----	----
British Honduras	1.6	----	1.6	----	.6	.6	----	----	1.0	----	----	----	.3	.7	----	----
Surinam	2.9	----	2.9	----	2.4	2.4	----	----	.5	----	----	----	----	.5	----	----
Regional	145.5	6.3	139.2	30.0	34.2	[3] 18.4	[3] 5.0	10.8	105.0	----	----	----	----	----	25.0	80.0
Africa	1,270.7	81.5	1,189.2	489.8	724.0	583.4	140.6	----	465.2	(15.3)	7.7	4.6	228.7	36.9	126.5	60.8
Cameroon	2.2	----	2.2	----	2.0	2.0	----	----	.2	----	----	----	----	.2	----	----
Central African Republic	(1)	----	(1)	----	(1)	(1)	----	----	----	----	----	----	----	----	----	----
Chad	.1	----	.1	----	.1	.1	----	----	(1)	----	----	----	----	(1)	----	----
Congo (Brazzaville)	.1	----	.1	----	.1	.1	----	----	----	----	----	----	----	----	----	----
Congo (Leopoldville)	13.3	----	13.3	----	2.5	2.5	----	----	10.8	----	----	----	10.1	.7	----	----
Dahomey	3.1	----	3.1	----	2.0	2.0	----	----	1.1	----	----	----	----	1.1	----	----
Ethiopia	180.4	55.8	124.6	67.4	76.6	46.9	29.6	----	48.0	----	----	----	8.9	.8	37.4	.9
Gabon	.1	----	.1	----	.1	.1	----	----	(1)	----	----	----	----	(1)	----	----
Ghana	26.4	----	26.4	20.0	24.1	4.1	20.0	----	2.3	----	----	----	.6	1.7	----	----
Guinea	4.0	----	4.0	----	2.3	2.3	----	----	1.7	----	----	----	1.7	----	----	----
Ivory Coast	2.1	----	2.1	----	2.1	2.1	----	----	----	----	----	----	----	----	----	----
Kenya	7.3	----	7.3	----	5.1	5.1	----	----	2.2	----	----	----	1.6	.6	----	----
Liberia	115.5	2.4	113.1	85.0	29.4	26.2	3.2	----	83.7	----	----	----	----	1.0	74.8	7.9
Libya	179.0	3.7	175.3	8.5	110.7	105.7	5.0	----	64.6	----	----	----	28.8	6.5	----	29.4
Malagasy Republic	.5	----	.5	----	.5	.5	----	----	(1)	----	----	----	(1)	(1)	----	----
Mali, Republic of	3.1	.6	2.5	----	2.5	2.5	----	----	----	----	----	----	----	----	----	----
Mauritania	1.6	----	1.6	[4] 1.4	1.5	1.5	----	----	.1	----	----	----	----	.1	----	----
Morocco	302.2	(2)	302.2	192.9	208.9	185.9	23.0	----	93.3	----	----	----	73.7	19.6	----	----
Niger	2.0	----	2.0	----	2.0	2.0	----	----	(1)	----	----	----	----	(1)	----	----
Nigeria	19.3	----	19.3	3.9	18.8	15.0	3.7	----	.5	----	----	----	----	.3	----	.2
Rhodesia and Nyasaland	33.3	----	33.3	32.4	10.9	10.9	----	----	22.4	----	----	----	----	(1)	----	22.4
Senegal	3.6	----	3.6	----	3.6	3.6	----	----	----	----	----	----	----	----	----	----
Sierra Leone	1.0	----	1.0	----	.7	.7	----	----	.3	----	----	----	----	.3	----	----
Somali Republic	13.1	----	13.1	2.0	12.8	10.8	2.0	----	.3	----	----	----	.3	(1)	----	----
Sudan	51.2	----	51.2	10.0	51.2	41.2	10.0	----	(1)	----	----	----	----	(1)	----	----
Tanganyika	3.4	----	4.4	1.9	2.5	.6	1.9	----	1.9	----	----	----	1.7	.2	----	----
Togo	1.9	----	1.9	----	1.1	1.1	----	----	.8	----	----	----	----	.8	----	----
Tunisia	254.7	(5)	254.7	51.9	137.4	95.3	42.1	----	117.3	(15.3)	7.7	4.6	101.2	2.0	1.8	----
Uganda	1.0	----	1.0	----	.8	.8	----	----	.2	----	----	----	----	.2	----	----
Upper Volta	2.0	----	2.0	----	2.0	2.0	----	----	(1)	----	----	----	----	(1)	----	----
Other French communities and possessions	6.0	----	6.0	----	6.0	6.0	----	----	----	----	----	----	----	----	----	----
Other Portuguese possessions	12.8	----	12.8	[6] 12.5	.3	.3	----	----	12.5	----	----	----	----	----	12.5	----
Other British territories (sterling area)	.7	----	.7	----	.3	.3	----	----	.4	----	----	----	----	.4	----	----
Regional	22.3	19.0	3.3	----	3.3	3.3	----	----	----	----	----	----	----	----	----	----
Nonregional	3,860.4	616.2	3,244.2	87.4	1,580.3	696.1	4.8	879.6	1,663.9	----	----	----	26.8	129.5	----	1,507.6

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[1] Less than $50,000.
[2] Military data classified and included in Near East and south Asia regional total.
[3] Includes Central American Bank formed by El Salvador, Guatemala, Honduras, and Nicaragua.
[4] Loan to France for Mauritania.
[5] Military data classified and included in Africa regional total.
[6] Loan to Portugal for Mozambique.

Mr. MORSE. Madam President, when the taxpayers of the United States read those figures, I am satisfied as to what will be their decision: They will agree with me that we have been pouring millions and millions and millions of dollars into the coffers of various countries of the world, at tremendous expense to the U.S. taxpayers, in carrying out our moral and economic obligations to the free world. The time has come when the Congress of the United States has the duty of paying greater attention to the security of the economy of the United States, because it happens to be the greatest defense weapon we have. If the economy of the United States is weakened, the power of the United States to defend freedom around the world is weakened; and it is my position that we are weakening our economy, and we must take some steps to strengthen it.

In order to do that, in my judgment we must reduce the foreign-aid program, and we must say to some countries which now are in a better financial position than they have ever before been in at any time in their history, "Now you must contribute and help support the cause of freedom."

That is why I said a few days ago on the floor of the Senate, and repeat today, to Australia, New Zealand, Great Britain, France, Italy, West Germany: "What are you contributing to the defense of freedom in southeast Asia?"

I do not agree that the support of freedom in southeast Asia should be almost entirely a U.S. support. If we take a look at the figures and the participation of other free nations in the world in respect to the strengthening of freedom in southeast Asia, we cannot escape the conclusion that the great burden of the cost in southeast Asia, in terms of economics, is a U.S. cost. Here is one Senator who warns today that we owe it to the American people to see to

it that, as future events develop, the greatest cost in blood in southeast Asia will not be American blood or will not be American blood alone.

If freedom is so important in southeast Asia—and it is very important—it is important also to Australia, New Zealand, Canada, Great Britain, France, Italy, West Germany, and the rest of the free world.

As a member of the Foreign Relations Committee, I owe it to the people of my country to say on the floor of the Senate today that my alarm is increasing in regard to the expectations of the world, apparently, that "Uncle Sam can do the job, and we will leave it to Uncle Sam."

I happen to be one—and I offer no apology for the position—who has viewed for some time the southeast Asia crisis, and I am of the opinion that it ought to be in the United Nations today. It should be taken there by the United States of America, for if peace is threatened in southeast Asia—and it certainly is—then all the signatories to the United Nations Charter have an obligation to move in unison for the protection of peace in southeast Asia, and not leave it up to Uncle Sam almost alone.

Oh, I know one can bring up some quotations from some prime minister here or there, of some token gesture here or there showing some interest, once the issue is raised of peace and freedom in southeast Asia. But the arithmetic cannot be erased, and the arithmetic, in terms of dollars spent and bodies in southeast Asia, makes perfectly clear that the dollars and the bodies for the most part are American.

I want the American taxpayers to know the statistical facts about what is going on in American foreign aid and foreign policy. I have been heard to say many times, and repeat today, that foreign policy does not belong to the President of the United States under the Constitution. He, under the Constitution, is but the people's administrator of the people's foreign policy. Foreign policy, in the last analysis, belongs to the American people, and they have the right to know what the facts about it are. Once given those facts, I have not any question as to whether or not they will carry out their duty to see to it that that foreign policy is administered in the interest of our Nation.

DOMESTIC PROSPERITY VITAL

Madam President, it was on July 6, in a speech here in the Senate, that I discussed certain statistics apropos the issue before the Senate today, and the further consideration of which justifies a motion to postpone the final decision on the conference report until August 1. I said on that date:

> In my judgment, we owe both a moral and a legal duty to the American taxpayer to see to it that such conditions as these to which I allude are imposed as conditions precedent to loans or to grants in connection with our foreign aid program. We should do it, too, before we commit American consumers to paying any more premium prices for sugar or similar commodities.
>
> We had better start thinking about doing it, because I point out that the public debt of the free world at the end of 1960 was $504 billion. The public debt of the United States was $295 billion. The combined public national debt of all the countries of the free world totaled $209 billion, as against the public debt of the United States of $295 billion.

There may be some school of economics, there may be some economic theory, which would make the argument that we just do not have to pay any attention to our national debt; but the interest on it is becoming a major cost of Government, and the comparison between our debt and that of other free world countries is indicative of relative effort.

There is no question about the fact that our national debt, our defense expenditures, are necessary for the security of our country. I have voted for them, and intend to continue to vote for them. I have voted higher appropriations for the defense of my country than any President under whom I have served has recommended. There was a time when I voted greater appropriations for defense than the great Franklin Roosevelt recommended. There was a time when I voted greater appropriations for defense than the incomparable Harry Truman recommended. There was a time when I voted higher appropriations for defense and the security of my country than Dwight Eisenhower recommended. I think already on one occasion, last year, I believe it was, I voted for a higher appropriation than President Kennedy recommended in the field of defense.

I am firm in my conviction that if we ever let the security of our country get to such a weakened position that Soviet Russia could knock us in a Pearl Harbor-type nuclear war, she would try it.

As a result of the terrific defense cost and the cost of past wars and the debt and the interest thereon and the cost occurring in the way of pensions, I use the round number, although I think the figure is even higher, 80 cents out of every tax dollar is going to either the past or present security and defense of our country, and 20 cents out of every dollar is going to the so-called civilian processes of our Government.

We are always being battered by the charges that we ought to make great savings in the civilian processes of our Government. Yet, when the question is suggested, "Where are the savings going to be made? What services are you going to dispense with?" the economizers then have a great deal of difficulty in telling us what programs should be canceled.

I heard the Senator from Washington [Mr. MAGNUSON] discussing this phase of the problem recently. The figure he used was that only 18 cents out of every tax dollar goes for the payment of the civilian processes of our Government, and that 82 cents out of every dollar goes for the payment of defense security, past wars, and various war benefits flowing from the cost of those wars. I think it important that the American people take stock of the fact that we have these divisions of funds in connection with our budget.

Madam President, I think the record is clear that the American economy is going through a period of restriction, when, for prosperity, we must have an ever-expanding economy to take care of the increase in population and to take care of the rightful increase in the demands of the people upon their Government for a better life.

This political philosophical tenet I would have my colleagues never forget, for I think it is an undeniable one: Our constitutional forefathers gave birth to this Republic for the primary objective of promoting the general welfare of all the people under a system of constitutional self-government. That draws a great line of demarcation between those of us who say that people come first and those who seem to feel that things should come first.

If we are to take care of the human value needs of the American people, I say to my administration today, "We have to do a better job of expanding this economy than is being done at the present time," for it is in a program of restriction right now.

The economists tell us that the greatest expansion will not come from new business, desirable as new business is. I am for having a program which will help to create new business to meet new needs, out of which new wealth will flow and from which new tax dollars will flow into the treasuries of the Federal Government, of the States, and of the local governmental units; but the greatest source of expansion for our economy is not new business at all, but the expanding of presently existing business.

If we are to expand presently existing business we must have an inducement for expansion. As I tried to point out in my speech on July 6, the incentive is not there. One of the reasons why the incentive is not there is the tax load which is taken out of business at the present time.

This is no new position for the senior Senator from Oregon. As early as 1947 on the floor of the Senate I offered tax proposals by way of amendment, suggested by the Committee for Economic Development. I have stood by them ever since, for that group of businessmen, without a Government official on the committee, made an analysis of the tax structure and economic problems confronting this Republic which in my judgment was sound. I sought to implement it with legislation.

I do not know what the word "quit" means. I have not given up.

I am satisfied that our present economic condition calls for the paying of some attention to the plight and to the condition of our own domestic economy first, before we adopt this foreign aid bill. This foreign aid bill should be set aside for a few days until we decide where we are going in regard to a foreign trade bill, until we decide what we wish to do in connection with a tax bill, until we decide what we should do in connection with every other economic issue which will come before this Congress before we adjourn.

It happens to be the position of the senior Senator from Oregon that this foreign aid bill ought to be the last major economic issue we settle in the Senate. The other issues have rights of priority, in my judgment, from the standpoint of the welfare of the economy of the American people.

I stand here representing the people of my State—not the people of West Germany, of England, of Canada, of Australia, of New Zealand, of France, of Italy, or of any other country. If I were to give major consideration to the economic interests of the people of those foreign countries, then I would be all in favor of getting the foreign aid bill behind us, so that it could not be touched before we get through with this session of Congress. But we owe it to the American taxpayers to set aside the conference report for some days until we take a look at the final tally sheet of the cost to the American taxpayer of the action we shall take on economic issues between now and shortly before adjournment.

So I object to the scheduling of this conference report at this time. Everyone here knows that the senior Senator from Oregon is going to vote for a substantial foreign aid bill before Congress adjourns, but I wish to take another look at this bill in the light of what we shall do or shall not do in connection with other economic issues between now and shortly before adjournment.

Otherwise, we will hear, when the tax issue gets before the Senate, "Oh, but we just got through passing a foreign aid bill, only a few days ago, which calls for $1,818,900,000 for 1963 alone"—a bill which really calls for $3,618,900,000, when we extend it to it the life of the Alliance for Progress program, covered in the bill.

I am worried about the Alliance for Progress program. I am worried about many features of it. I am worried about the reports we are getting that in some places among our neighbors to the south of us there is really no sincere effort being made to adopt the reforms necessary for the self-help program represented by the Act of Bogotá of 1960 and the Act of Punta del Este of 1962. The Senator from Iowa [Mr. HICKENLOOPER] and I represented the Senate at Bogotá in 1960. We carried out what we were satisfied was the consensus of opinion of the Congress of the United States; that we should make clear at Bogotá that the United States would participate in an economic aid program for Latin America conditioned by the understanding that Latin America would help itself, and we did not mean would "help itself" to American funds. We meant that Latin America would engage in a self-help program, whereby it would assume responsibility for paying its fair share of the load of economic, legal, social, and political reform so essential in a good many of those countries if they are really to be effective in raising the standard of living of the masses of the people of Latin America.

PROBLEMS IN ALLIANCE FOR PROGRESS

No one could state the situation better than did the President of the United States in one of his great historic speeches in support of the Alliance for Progress program. In effect he said, "Unless they follow this kind of program of evolution, they will be confronted with revolution." Unless there is a raising of the standard of living of the masses of people in many Latin American countries, communism will take over. That is as certain as that dawn follows the night.

I repeat the phrase to which the Senator from Alabama seemed to object some time ago. The pouring of millions of American taxpayer dollars into Latin America will not raise the standard of living of the masses of the people of Latin America unless Latin America engages in a program of self-help. If pouring millions of dollars into Latin America should result only in the oligarchs of Latin America making greater profits to invest in Swiss and New York banks, we would speed the day of Communist revolution in Latin America and not postpone it. For that reason I say that in connection with the entire foreign aid program we owe a duty to the taxpayers of the United States to surround the loans and grants with irrevocable restrictions so that they will be available only if, as, and when tax reform, interest reform, land reform, and various legal reforms essential to the democratic way of life and consonant with freedom, and not consonant with any other form of government, are adopted by our Latin American neighbors.

Madam President, we will not help that cause by agreeing to the conference report today before we consider some of the other issues. For that reason I shall move later, as I close my speech, to postpone further consideration of the report until at least August 1.

TAX BURDEN IS DEPRESSING ECONOMY

But speaking about the need for expanding our economy, I sought to discuss the subject on July 6, after I had pointed out that the combined debt of all the free nations of the world was $504 billion. Of that $504 billion, the national debt of the United States alone was $295 billion, leaving the combined debt of the rest of the free world at $209 billion—many billions of dollars less than the debt of the United States alone. At that time I suggested, and repeat today, that our only hope of reducing that debt is to expand and not to restrict our economy. If we would expand our economy, we must expand existing businesses as well as create a desire on the part of entrepreneurs to start new businesses. Most of the expansion of our economy will come from existing businesses.

I am disturbed and alarmed at the number of businessmen who say to me, "I am trying to get my business in the black so I can sell it." Businessmen are not talking about expanding; they are talking about selling their businesses. That attitude will not result in an expanding economy. I should like to see business after business increase its capacity with resulting employment power.

Little has been said in our debates in the Senate in recent weeks about the chronic unemployment problem in the United States, and the prospects of unemployment increasing as automation increases. Those conditions make it all the more important that we try to do things that will encourage an expansion of existing facilities and the creation of new business. We are not going to do so with a 52-percent corporate tax.

I made my suggestion on July 6 before I read anything about the recommendations of economists. They made their recommendations a few days later. Senators will find that in a speech on July 6 I said that a prima facie case could be made for reducing corporate taxes as much as 4 percent, certainly down to 50 percent, in all probability to 48 percent; and I think a good prima facie case existed for cutting such taxes to 46 percent.

Now some of the leading economists in the country are telling us the same thing. The idea did not come out of my head. It was only the result of reading and studying what authorities in the field had been warning the Congress about for some time. Yet we continue to pour millions and millions of dollars into foreign aid. We are doing little for our own economy. For years I have stood with wonderful colleagues in the Senate for a tax reduction to the lower brackets. I once proposed in the Senate a tax reduction by raising the personal exemption to $1,000. We were finally able to get a vote on an exemption of $800. We lost.

But had we adopted either the $800 or the $1,000 exemption at that time, in my judgment our economy would be more viable and healthy than it is at the present time.

I am in favor of taking such action now, because as we make the cuts in the lower income brackets of the many, the tax experts tell me that such savings will flow, almost in their entirety, into the cash registers of the Main Streets of America. That kind of stimulation is needed.

As an argument against the senior Senator from Oregon, it is said, "Ah, but what he proposes, of course, is to increase the deficit. What he proposes is financial irresponsibility, because the result of the tax program that he stands for is bound to increase the national deficit."

So it is—but temporarily.

These are things worse than a temporary national deficit. Unemployed people are worse from the standpoint of their economic plight. Those human beings are entitled to our protection and our assistance. The time has come for us to give some attention to the unemployed in America in many ways. One of the ways we can do so is through the kind of tax reduction that the senior Senator from Oregon stands for. It would help to expand business and produce a quick increase in purchasing power on the part of the employees who pay taxes, and that increase in their purchasing power would create new jobs as a result of the expansion of the economy.

At the rate of unemployment and unused production we are now experiencing, we are going to have considerable deficits anyway, so it is not a question of whether or not to permit a deficit.

Above all, I am more interested in doing what needs to be done in our own country than in appropriating so much to aid the needy elsewhere in the world. That does not mean that I am not in favor of aiding the needy in the free nations of the world. But if I have to make the choice—and I think the choice is before us—as to whether we are going to strengthen now the economy of this country, and thereby help the American people, or weaken the economy of this country, in order to pour millions of dollars into other countries, in some instances well able to take care of their own needs to a greater extent than they have been taking care of them, my choice is clear. I intend to aid my own country.

The economy of this country, I say respectfully but critically, is not being strengthened by Congress in this session. We are not strengthening it if we pass today the conference report on foreign aid until we come closer to taking a look at the totality of the economic action in this country prior to adjournment.

I have a few other statistics with which I wish to refresh the memory of the Senate today. I wish to point out that the figure of $295 billion of our national debt is a 1961 figure. We know that it is edging over the $300 billion mark by the end of 1962.

Since the close of World War II, beginning with fiscal year 1946, we have spent about $90 billion in foreign aid, including Public Law 480 funds, through fiscal year 1961. Again I respectfully say to my friend from Alabama that that is not peanuts. It represents what I said earlier this morning, to which he took exception, of our pouring hundreds of millions of dollars through foreign aid into various countries of the world. I simply say that the time has come to call a halt to so much, to take a look, to see whether or not the senior Senator from Oregon and others who share his viewpoint are right or wrong when we say that many of these countries can do a better job of helping themselves.

I have already talked about the fact that we are not getting adequate support from our allies by way of either economic aid or manpower support in southeast Asia.

I wish to say a few things about NATO, for I believe it is true there also. Sometimes I get the notion, as I listen to some of our friends from Europe, that they are laboring under the illusion that we need NATO more than they do. Of course that is not the case. We need NATO, for NATO is vital to the defense of freedom in the world. However, let us not overlook the fact that our European allies need it to. In fact, the first assault could well be on Europe. Certainly from the standpoint of defense and security, we need it less than these European allies.

So I say that our grants of military aid since 1946 through 1961 come to about $29 billion, and loans of military aid come to about $84 million. Let us take a look at that figure: $29 billion in outright grants, complete gifts, for military aid; only $84 million in loans.

I am not quarreling with the action we took at that time, because many of these millions were given to Europe with which to rehabilitate Europe, to build up the defenses of Europe, which had been destroyed by the imperialist governments of Germany and Italy. They were essential to their defense and ours. Had we not used the Marshall plan and the NATO funds in order to rebuild Europe, there is no doubt in my mind that Europe today would be a part of the Communist area of the world. Therefore, let no one say that the senior Senator from Oregon is deploring what we have done.

In recent years I have been critical of our foreign aid program, and I have sought to add amendments to it. Some of them have been adopted. I have been insisting in the Foreign Relations Committee on increasing the percentage of loans and decreasing the percentage of grants. We have made some progress, I respectfully say, but not enough. I stand ready for correction, and will put the exact figure in the record later, if I can have that understanding, but I believe that as of now the ratio in foreign aid is about 66 percent grants and 34 percent loans. Counsel for the committee tells me I am approximately right. That is down from what it was a decade ago, when over 90 percent was outright gifts, and less than 10 percent loans.

However, let us not be misled about the loan figure, either, because a loan is no better than the possibility of its repayment. Any loan that does not result in repayment is, in fact, a gift. We hope that the repayment record will improve, but there is adequate ground for improvement in the record of the repayment of loans.

The point I am seeking to drive home is that we have poured, not millions, but billions of dollars into the defense and rehabilitation of the free world since 1946. One of the reasons that these allies and other free nations of the world have such a small national debt now, compared to ours, is that the American taxpayer really has paid off their debt for them.

It is finally sinking in that the American taxpayer, my colleagues will find when they get home this fall, will say to them in increasing numbers, and I believe rightfully, "When are you going to ask the taxpayers of other free countries to assume a commensurate burden with us?"

UNILATERAL ACTION BY UNITED STATES SHOULD STOP

I am not going to continue to vote indiscriminately for foreign aid programs, as we have been doing. The cost of NATO should be shared to a greater extent by the other NATO countries. The cost of the southeast Asian operation ought to be shared by the United Nations. We are headed for very serious trouble if we set ourselves up as the police force of the world. Theoretically and philosophically, the United Nations is intended for that purpose.

I will continue to take the position I have been taking in the Foreign Relations Committee of asking pertinent questions as to what the evidence shows as to who else is sufficiently interested in freedom in southeast Asia that they are willing to spend their money and their blood along with ours. The time has come to let the American people fully understand that we cannot continue operation on a unilateral basis in southeast Asia without an increasing loss of American lives. I, for one, do not intend to ignore the French history, for France sacrificed thousands of the flower of her manhood for years in southeast Asia, trying to do the job on a unilateral basis, and France failed. What happened inside France? Read what the historians are already writing about that era of French history. They point out that the French policy in southeast Asia finally resulted in a situation within France that led to serious political repercussions.

I view with great concern the possibility of a 90 percent or greater unilateral U.S. action in southeast Asia, with a resulting increase in the loss of American boys; for when those flag-draped coffins start coming back to the ports of the West, the American people will have a good many questions to ask about who else in the world is willing to sacrifice their young men for freedom in southeast Asia. I know the flag can be waved into tatters, seeking to give the impression that we can do it alone. But we cannot do it alone. We should not be expected to do it alone.

TRADE POLICY ALSO SHOULD BE CONSIDERED FIRST

In my judgment, the postponement of action on the foreign aid conference report for a few days will be about as healthy a notice as we can serve on the world about our increasing concern in the whole field of foreign aid. From an educational standpoint in regard to enlightening the world as to the concern we have in the United States Senate about the whole foreign policy program, we should postpone until August 1 the further consideration of the conference report, so that we may have more time in which to study it and gain a better idea of what the program of the Senate will be with respect to foreign trade practices.

Madam President, I hope that no Member of the Senate thinks that a foreign trade bill which will be reported by the committee will sail right through this body without any suggestions of amendments or without any amendments to it. It is my judgment that, as of now, the foreign trade bill, when it comes to the floor of the Senate, will be the subject of a highly enlightening but educational debate for several days. For example, the senior Senator from Oregon will offer an amendment in respect to trade relations between the United States and Canada.

NORTHWEST LUMBER PROBLEM NEEDS ATTENTION

As I stated yesterday in the Senate, and the day before as a witness before the Committee on Commerce, I do not propose to sit in the Senate and vote to liquidate the economy of my State. The lumber issue is so serious that, in my judgment, that is exactly what is being done by our failure to take the necessary protective action against the competition of Canadian lumber, which is subsidized, directly or indirectly, by the Canadian Government. The lumbermen of my State of Oregon and those of Washington are not concerned about competing with Canadian lumber mills, but they are concerned about competing with the Canadian Government assisted by the Government of the United States. They are making their views pretty clearly known. A meeting will take place in Portland, Oreg., tomorrow night, which I shall attend, and in which I expect to hear a considerable amount of opinion expressed to me by lumbermen who asked for the meeting, and who have made very clear their complete dissatisfaction with this administration's handling of the lumber issue. The senior Senator from Oregon likewise is completely dissatisfied with this administration's handling of the lumber issue, because of the more than 200 lumber mills which have been shut down in my State in the last 12 months.

In due course of time, in connection with the debate which will undoubtedly develop during the consideration of the foreign trade bill, I shall present a large pile of the auctioneers' announcements and descriptions of the property of mill after mill which has been put up for auction as junk.

I have said to this administration: "Your policy on lumber amounts to exporting American jobs to Canada." I do not propose to increase American unemployment. I am not impressed with the Maritime Administration's testimony before the Committee on Commerce. That is why I replied to it the day before yesterday, when Mr. Alexander, the Administrator, was present. Mr. Alexander did not propose a single alternative suggestion as to what might be done about the crisis in American lumber. The attitude of this administration to date has been an attitude of no action. So I have invited the President of the United States to come out to Oregon and explain his position to the people of my State. Let him come out to Oregon and justify to the people of that State—yes, and to the people of Washington and of Idaho, also—the great shot in the arm to the Canadian economy which we gave not so many days ago to the tune of many millions of dollars, on what I know is the theory, and not only the theory, but the explanation, of the administration, that if it were not given, there would be economic chaos in Canada.

Within a few hours after the United States made these millions of dollars of loans to Canada, what did Canada do? Canada proceeded to increase the imposts and duties on a whole series of American goods to be shipped into Canada. Some reciprocity, this. Some appreciation, this.

EFFECTIVE ACTION NEEDED PROMPTLY

Western Senators have suggested modifications of the Jones Act or the repeal of the Jones Act, and some of us have suggested that a temporary quota be placed on Canadian lumber coming into this country. We believed our proposal was fair. We sought a temporary quota to be fixed at the point of the last 10-year average of importation of Canadian lumber to the United States. We proposed that Canadian lumber might continue to come into the United States free up to that average point of the last 10 years. But at that point we proposed that Canada pay an import duty, so as to put Canadian producers on an equal plane with American mills.

Madam President, as you well know, because you have attended these conferences, we have never at any time asked to put a tariff duty on Canadian lumber, on a temporary basis, at a point that would put our mills in a position where they would have a competitive advantage over Canadian mills. We have asked only for a temporary quota, which would make it possible for our mills to compete equally with the Canadian mills; because, given an equal break, we can compete. That has been our position.

That has been our position. But what do we get from this administration? What do we get from the Commerce Department? What do we get from the Maritime Commission? What do we get from the State Department? What do we get from the White House? "No"; that is their answer. And I am fed up with it, and my people are fed up with it. It cannot be justified.

Oh, we are told they will take it under study, and will appoint a new study committee. But Madam President, this administration is becoming as bad as the last administration insofar as study processes are concerned. The administration has the facts on the Canadian lumber problem. There is not a single fact involved in this issue that this administration does not know.

So again I say, "Come on, give us some action; we are entitled to it"—because I take the President at his word, and he means his word. I say that in my judgment the President has not been fully informed by his advisers in regard to what the facts are. I think he simply has not had time to fully inform himself. But I wish to say the facts are against his administration; and the time has come for the President to issue some orders in regard to this lumber problem, or come out and tell my people his justification for giving this great loan of millions of dollars to Canada—and I am for the loan—but not taking a course of action which will protect our lumber mills from going broke. Madam President, it is one thing to say that if we do not do this, the economy of Canada will go broke; but I repeat my question to the President: "Mr. President, what am I going to say to the lumber mills in the Pacific Northwest that are going broke because of the failure of your administration to give to the lumber industry the protection it has a right to expect from any administration?

"How do you justify furnishing Canada a market at the expense not of the entire country but at the expense of the Pacific Northwest?" The President told us that he did not intend by his trade program to do irreparable injury to American industry. But I say today, from this floor, to the President, that by this action he is doing it—not personally, but through his administration, for, in view of the facts, it is clear that U.S. lumber mills are going broke, and that fact does not give aid to the increasing numbers of people in my State who are unemployed.

Mr. BUSH. Madam President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. BUSH. I commend the Senator from Oregon for his very eloquent comments on this matter—not only those in regard to the lumber industry—and I am in accord with his views on the facts he has advanced in that connection.

I should like to ask him why it is that Canadian lumber has such a competitive advantage over lumber coming from the Senator's State and from other Northwest States?

PROBLEM OF JONES ACT

Mr. MORSE. Madam President, I am delighted to reply to the Senator's question, particularly at a time when my distinguished, lovely, and very able colleague [Mrs. NEUBERGER] is in the chair. My colleague [Mrs. NEUBERGER] has introduced a bill on the Jones Act; and that bill deals with one phase of this problem. The Senator from Washington [Mr. MAGNUSON] and I and other Senators have introduced another bill, dealing with the same act. In that way, we are able to approach this matter with alternative proposals. I have commended my colleague [Mrs. NEUBERGER] for the introduction of her bill, and I repeat that commendation today, because I thought we should get both alternatives before the administration. Her bill proposes that the Jones Act be repealed. The Magnuson bill proposes that the Jones Act be modified in regard to the freight costs for lumber.

As the Senator from Connecticut knows, our American lumber mills have to ship their lumber in American bottoms; they cannot use foreign ships. The Jones Act is an old one; it has been on the statute books for approximately 34 years. It is a defense act; it was put on the statute books in order to protect the American merchant marine, because it was recognized—and rightly so—that we sorely need a merchant marine for security and defense purposes in time of war, as well as for economic reasons in time of peace. And how right we were, for I happen to know that—although I shall not repeat the details now—as a result of a certain judicial job I did for the Secretary of the Navy during World War II, in connection with helping to get some radio operators to man new American ships. At that time we had lost a very large number of radio operators, along with other personnel, because our losses of convoys in World War II were much greater than the American people realized at the time; and the Jones Act was put on the books in order to give the American people some reasonable guarantee that we would always have an adequate merchant marine. So it provided that American industry, in shipping lumber, for example, from the west coast to the east coast—and it is in the East that we have this competition with Canada; it is primarily in the East, and also in the Middle West—would have to use American bottoms. But the Canadian mills of British Columbia ship their lumber to the east coast of the United States in foreign bottoms, and thereby save many dollars per thousand board feet. As is to be expected, there is some dispute in the record as to how much of a saving that is; but the figures vary all the way from $2 to one figure which I recall in the hearings—$14.

Mr. LAUSCHE. Thirteen dollars.

Mr. MORSE. The Senator from Ohio says the figure is $13. My own judgment is that, on the average, the Canadian mills obtain approximately a $7 per thousand board feet advantage, right there.

Mr. BUSH. What is the price involved, and what percentage is the advantage?

Mr. MORSE. That depends on the type of lumber; but this lumber is selling for $40 or $50 or $60 per thousand board feet.

Mr. BUSH. So the percentage difference is more than 10 percent.

Mr. MORSE. Oh, yes; the difference is substantial. In fact, our lumber operators say that if this were the only advantage the Canadian mills had, they could not compete successfully. A relatively small percentage of lumber is shipped by water. Most of it goes by rail; but it is the coastal mills which usually use ocean freight which are having the most trouble. At one time we enjoyed 90 percent of this Midwest-Eastern market; but the last figures I saw showed that we are down to 30 percent.

Oh, the statisticians downtown are remarkable creatures. They like to talk in terms of averages. But, you see, a U.S. lumber mill goes broke often because of its location in respect to the competitive advantage that a Canadian mill has over it. So I have talked about the more than 200 mills in Oregon and Washington that have closed their doors in the last 12 months; but this Government sits idly by and does nothing about it, even though this administration has been told about this situation for months.

We may not have many votes, but we belong to the Union. And, Madam President, there is much in the sentence I just spoke, for the tidewater mills are the ones that are closing down—the mills in the coastal towns, rather than the mills in the interior, although many of the interior mills are closing, too. But I refer now particularly to the tidewater mills, those along the coast—mills which, in many instances, have no railroad facilities; in many instances there is no railroad for miles. They are dependent upon water transportation, and our Government sits idly by and provides them with no competitive advantage equal to that of the Canadian mill, because we say, "We are not going to touch the Jones Act."

So far as I am concerned, the Jones Act is no sacred cow in our economy. I am in favor of keeping the Jones Act, or at least drastically modifying it, although my colleague has a pretty tough case to answer. She points out that, after all, there are relatively few maritime workers left. I think her figures are that there are some 400 or 900 maritime workers involved in manning those ships.

Mr. BUSH. If the Senator will yield, are there other factors——

Mr. MORSE. I am coming to them. Unfortunately, the Senator has asked me a question in regard to which the information and answer I have are full to the brim, and I welcome the opportunity to once again try to educate my administration with respect to the problem. I just hope sometime somebody down there will join a reading society and read, because we have put this in print time and time again. I have almost come to the conclusion that we have in this administration, at the upper level, a new nonreading society in American politics.

Let me give another cause of the competitive advantage that the Canadian mills have over the American mills——

Mr. BUSH. May I say to the Senator, parenthetically, that I am sympathetic with his educational exercise.

Mr. MORSE. I did my best to educate the administration when it was of the same party as Senators on the other side of the aisle. I am nonpartisan in this effort. I am trying to do the same for my administration.

Mr. BUSH. I am afraid the Senator will have a more difficult task this time, and I am sympathetic with his efforts.

Mr. MORSE. I did not have any success with the administration of the Senator from Connecticut, but I never give up hope. I hope I shall have more success with this one. I speak jocularly in that respect.

FOREST SERVICE POLICIES NEED CHANGING

All joking aside, let me give the Senate the next point, which shows the great advantage the Canadian mill has over the American mill. The Canadian Government, as a matter of governmental policy, has made it very clear—and we put into the record in our hearings the statements of their officials—that they will see to it that the Canadian mills get their logs at a price considerably below the price for which the American mills get their logs from our Government. This raises the whole question of the service policy in the lumber industry.

Let me stick with the Canadian situation first. Our lumbermen will tell us—and I have gone into the matter enough to satisfy myself that they are unanswerably right—that the Canadian Government is cooperative; that the Canadian Government sees that the Canadian mills are sold Government logs at a price much below that at which the American mills can buy logs, so that they cannot successfully compete with the Canadian mills at the price which the American mills have to pay for their logs.

The Forest Service will throw back at us immediately, "Ah, but the American buyers, when we have these auctions for American logs, bid up the price above even the appraised price that we put on the logs."

They think the unthinking will stop at that point and that they will rationalize that it is a justification for the American Forest Service policy. But the Forest Service policy of our Government cannot be justified. That is why the Senate has been hearing me and others from the West say the time has come to get the U.S. Forest Service back into the Government, under the control of the Government, subject to the policies given the Forest Service to administer.

That is not what has happened in the Forest Service over the years. The Forest Service has become a little dynasty of its own, practically independent of the Department of Agriculture. So, when we call on the Department of Agriculture for testimony at a Senate hearing, who comes? The head of the Forest Service, but no one from the secretariat level in the Department of Agriculture. The Assistant Secretary of Agriculture, who is supposed to have under his jurisdiction supervision of the Forest Service, does not appear. We listen to the technicians.

There is another great department which has jurisdiction of thousands and thousands of acres of the people's timber, the Department of the Interior, with its Bureau of Land Management. When the Department of Interior is called upon to send a witness, who comes? Either the Secretary of the Interior or the Under Secretary of the Interior to speak for the Interior Department policy, and he brings technicians from the Bureau of Land Management with him. There is all the difference in the world between those two departments. This raises an issue of what kind of Forest Service policy we have. We have one that needs thorough revamping, revision, and overhauling.

I have said to Mr. Freeman, Secretary of Agriculture, and I said it to him as recently as yesterday, in a letter, that the Secretary of Agriculture has a firm duty to make clear to the lumber industry that he, as Secretary of Agriculture, is going to be the final determiner of Forest Service policy, and not the technicians in the Forest Service.

An interesting case is being made to show that the policy of the Bonneville Power Administration is to sell Federal power as cheaply and as widely as possible, whereas the Forest Service policy is to restrict sales and keep prices up.

One might almost conclude that a lot of competition is needed in the case of a Government enterprise as much as in private enterprise.

The Forest Service should take lessons from the BPA in how to serve prospective customers, how to stimulate business activity in the region it serves, and how to create jobs instead of eliminating them.

Mr. BUSH. Madam President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BUSH. Would the Senator care to tell us how it is that the Canadian Government makes logs available to Canadian mills at so much lower prices?

Mr. MORSE. The Canadian Government owns the logs. This is Canadian governmental property. The Government sells it to the mills.

Mr. BUSH. So it is Government-owned property?

Mr. MORSE. It is Government-owned property. In fact, most of our lumber mills buy U.S.-owned lumber.

Mr. BUSH. Are not our lands leased to private operation?

Mr. MORSE. No.

Mr. BUSH. Does the Government sell logs to our lumber mills?

Mr. MORSE. The Government sells logs to our lumber mills under the so-called auction system, wherein the Forest Service puts on the logs an appraisal price below which they cannot go. In my judgment, the appraisal price is too high to begin with, but the Forest Service policy is a restrictive policy that does not offer our lumber mills an adequate supply of logs to operate. So they take advantage of our lumber operators.

Let me give the Senator a summary of the testimony of a mill operator, because I hit them with this argument every time I go to a lumbermen's meeting. I have said, "All right, give me an answer to the Forest Service's arguments."

Right into my teeth they say, "Yes, Mr. Senator, the lumber operators bid for these logs at prices higher than their appraised value. That happens."

Well, here is the testimony of a lumber operator: "What would you do, Mr. Senator? You bought a mill. You are employing X number of men. If you idle that mill, it still costs you a great amount of money to keep it idle. Just closing down the mill does not mean you are saved a heavy expense. You have a responsibility to those workers, so you go to the auction. You have to buy some logs if you are going to stay in business. You always hope the price will go up in the next 12 months. You always have to decide, 'How much will I lose if I buy logs at the price the other competitors will force me to pay, compared to what I will lose if I close my mill?'"

I know these lumber operators. They are a group of men of deep social conscience. They do not like to lay off men. They do not like to see families on relief.

Furthermore, the lumber operator says, "And you have another selfish interest, Mr. Senator, in regard to closing down the mill. You hope to reopen. If you close down, the men may not be around later. They will not stay there. If you open 12 months later, you may have great difficulty getting the men you need. You will lose your experienced men."

After all, there are dollars and cents involved in keeping a crew, as the Senator from Connecticut [Mr. BUSH], who is a distinguished businessman, knows. There is no economy in closing down for 8 or 9 months, or for 10 months, and then opening up, getting more men—men who are not familiar with the saws, men who are not familiar with the situation, men who are not familiar with the operation. There is a great loss if it is necessary to retrain within the plant the new employees needed.

So it is asked, "What do we do?" The answer is, "We bid to get the timber, more than we know we ought to bid and more than we know we can get out of it at present prices, in the hope that there will be a great resurgence in the housing program, in the hope that there will be a great resurgence in the building program across the country, in the hope that the prices will go up."

They gamble. Who does not, in business? So they give that explanation.

"But," it may be asked, "what can we do about it, Mr. Senator?" I am glad to answer the question as to what we can do about it.

The Forest Service has what is known as an allowable cut figure for every national forest in this country. The Forest Service determines what is the conservation point. The Forest Service determines how much timber can be taken out of the Willamette Forest, the Siuslaw Forest, the Umpqua Forest, or any of the other national forests, to maintain a sound, sustained yield program, which is what we call the conservation program, to provide for a cut that will not go further than the regrowth, a cut which will guarantee to American boys and girls 100 years from today adequate timber with which to build their houses. That is known as the allowable cut figure.

But the lumbermen will tell us that the Forest Service does not begin to approach the allowable cut. Again, the Forest Service talks in terms of averages.

I understand that Mr. Cliff, the head of the Forest Service, is a little piqued at the senior Senator from Oregon because I said he did a "snow job" on us—or tried to do it, in the Commerce Committee of the Senate. But I did not agree to what he said, because I knew his averages bore very little relationship to the reality of practice on the part of the Forest Service in national forest after national forest. I say to Mr. Cliff today from the floor of the Senate, "You tried to do a 'snow job' on us, but you did not get by with it." And I say, "Mr. Cliff, I am still waiting for the Forest Service to go ahead with the reforms of procedure necessary in order to protect to a greater degree than you are now protecting the legitimate economic interests and rights of the lumber industry of my State, including not only the operators of the mills but also the workers in the mills and the businessmen in the lumber communities, who are all entirely dependent for their prosperity and livelihood upon a mill located in their midst."

I say to the Senator from Connecticut, the chief source of income for the people of my State is lumber. We are what is often called a one-economy State. We are a lumber State. I pray that soon we shall have such a diversity in my State that we shall not be so dependent upon lumber, but we are dependent upon it, so the Forest Service has a responsibility to proceed to offer more timber for sale, to come nearer to the allowable cut; and that is all the present activity means.

What is the alibi of the Forest Service? They say, "Oh, but you people in Congress do not give us enough money."

Mr. BUSH. Madam President, will the Senator permit me to ask a question?

Mr. MORSE. I will come back to that after the question, because I want to pin that down today.

Mr. BUSH. The Senator has painted a very dramatic and serious picture. I am sympathetic along with him.

In my State we face possibilities of a similarly tragic nature, if the trade bill sent to the Senate by the House should be put into effect by this administration without some amendments. I am delighted to hear that the Senator plans to offer some amendments. They are in line, in a general way, with my own thinking about the bill.

The Senator mentioned that several hundred people might be put out of work in mill A, and I am sure there are other mills involved. The Senator mentioned that 100 mills have shut down or might have to shut down, in view of the desperately competitive situation.

I ask the Senator whether the people in that area who have been put out of work, or those who have the mills which have had to shut down, will get very much comfort out of the so-called trade and life adjustment features of the proposed Trade Act? I wonder if the Senator has any view about that.

Mr. MORSE. I will tell the Senator how they feel about it. They are handing out handbills at the entrances to some of our mills.

Did I put that into the RECORD on July 6? No. I put it in my communication to the President.

I will tell Senators about the handbill, which is being handed out at some mills. It says:

> Wanted: 700 Japanese people. Must be citizens of Japan. Apply for visas to Senator MORSE, of Oregon, and Mrs. EDITH GREEN, of Oregon. Jobs are available in plywood factories and offices as soon as Mr. Kennedy's trade bill passes. Rice will be furnished. Wages will be the same as those paid in Japan. Other fringe benefits will be paid the same as in Japan. Applications taken at Irving Road, just off Highway 99.

That is their answer to this administration in connection with another phase of this problem, which I shall discuss later.

I am not in a hurry to vote on this conference report. I might as well make the record now as well as another time, so I will make it this afternoon.

Mr. CAPEHART. Madam President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CAPEHART. Does not the Senator feel that he could multiply the experience in the lumber industry and what has happened there, as so ably described, many, many times, perhaps even hundreds of times, if we should get free trade in America and should pass the President's proposed trade bill?

Mr. MORSE. I am suggesting we not act on the conference report on foreign aid until we first give consideration to the trade bill and to the tax bill, because they are all inseparable, intermingled economic issues. We ought to take a look at the whole picture before we decide to act on this conference report, because we may find ourselves in the position that we shall wish to send it back to conference with instructions.

Here is one vote to do it—here is one vote to do it, I say, if we cannot get some relief from the administration with regard to the type of problems I raise this afternoon.

Mr. CAPEHART. Madam President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. CAPEHART. I wholeheartedly agree with the Senator. I shall vote that way myself.

Mr. MORSE. I shall come back to this point I was making in regard to what is the reaction of our workers in my State. I tell Senators this is too hot to handle—too hot to handle if one tries to sustain the administration's policy. So I have invited the President out to see what kind of a job he can do with this "hot potato."

Mr. WILEY. Is he going?

Mr. MORSE. All joking aside, we must protect our own economy if we are going to protect our security. We are not protecting our economy.

Mr. BUSH. Do these workers realize what the trade bill that the Senator is discussing would do with respect to their own lives, and that the answer to the unemployed will be to put them on the dole and try to retrain millworkers in the lumber mills for some other occupation, moving them to some other part of the country? Have the people in Oregon considered that possibility yet?

Mr. MORSE. In all honesty, I do not believe that, as of now, the people could pass an examination on the foreign trade bill, and they should not be expected to do so. But I will tell the Senator what they have a right to expect. They have a right to expect that the senior Senator from Oregon will take the facts to them. I intend to do so.

Madam President, one of the reasons that the Forest Service gives for not putting logs up for sale to the extent of the allowable cut in the various forests is that Congress has not appropriated enough money for the necessary personnel to prepare for the sale. The argument is "phony" from two standpoints.

We are dealing with a business operation. It is a proprietary operation of the Federal Government. It is not sound business to let hundreds of thousands of board feet of overripe, diseased, insect-infected, and windblown timber go to waste. So I am sorry that the Forest Service plays that kind of politics on the issue.

To the Forest Service I say, "All you are doing by that below-the-belt political argument is putting your friends in Congress"—and I happen to be a friend of a sound forest program—"in such a position that all they can do is to take the facts to the American people, and those facts will not accrue to the credit of the U.S. Forest Service."

What the Forest Service had better do is to cooperate with us in trying to manage the forests on a better business management basis than the record of the Forest Service to date shows.

Mr. CAPEHART. Madam President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CAPEHART. I gather from the remarks of the able Senator that the reason lumbermen pay higher prices for the logs than they would like to is that there is such a shortage of them at the public auction. If more logs were sold at auction—perhaps if twice as many were offered—the price would be less.

Mr. MORSE. That is the point I make.

Year after year the Congress has been appropriating to the Forest Service more money than the Forest Service has requested. We have to cram it down their throats. In fairness to the Forest Service, it must comply with the budgetary requests of the President through the Bureau of the Budget. But it is not "cricket" for the Forest Service to try to pass the buck to Congress and leave the impression with our constituents that we in the Congress are responsible for the fact that the Service does not put up more timber for sale when year after year it asks for too little money to reach the allowable cut.

We are talking about something which in the long run does not cost the taxpayer a red cent. The money the Congress makes available to the Forest Service for the necessary personnel to administer the allowable cut in our national forests pays into the Treasury of the United States many, many times the amount of the appropriation. By not offering sales up to the allowable cut—and I speak advisedly—the Forest Service is wasting many millions of the taxpayers' dollars each year in respect to overripe, diseased, and windblown timber alone. If we could only get out from under the allowable cut program the diseased, overripe, and windblown timber, the return to the Treasury of the United States from the sale of that timber would make whatever appropriation is provided for the Forest Service de minimis in comparison.

Neither the Forest Service nor the Congress of the United States can repeal the law of supply and demand. It is that simple. The reason the price increases above the appraised value is that only a limited supply of logs is available on which lumbermen can bid.

Mr. CAPEHART. For example, to use a figure, if only 1,000 logs are available when 2,000 logs are needed, the buyers will naturally bid up the price.

Mr. MORSE. Or else the mill will be closed. As I have said, mills are not closed for nothing. The companies would lose both ways.

So in answer to the question of the Senator from Connecticut [Mr. BUSH], one of the things that can be done to meet the competition is to see that at least we get the allowable cut of logs up to the point where we provide the amount of logs that will meet the demand.

I point out a great conflict in responsibility in the management of the Federal forests. Some have asked, "Why should not the auction procedure be modified so that logs would be sold according to a negotiated procedure by which the logs would be offered to mill A, mill B, mill C, and mill D on a negotiated contract basis?"

There is a great deal of pressure in the lumber industry for that approach. I have opposed that approach. I am still opposed to that approach. Many lumbermen do not like that. But the Forest Service is also the business manager for the people in that public business, and it has an obligation to see to it that a fair price is obtained for the timber. Some lumbermen will say to me, "Senator, of course, the Canadian Government will continue to reduce the price; and therein lies an economic danger."

But, as I have said to the administration, I have assumed that all our diplomatic channels were not blocked. I have assumed that diplomatic negotiations can be carried on with the Canadian Government with respect to a subject such as the one we are discussing if it is doing irreparable injury to our relationships—and I assure Senators that it is. So I would like to try to come nearer to offering the allowable cut-for-sale in our forests each year and see what that result will produce.

The western Senators fought that fight, but they received virtually no help from the State Department. We are greatly concerned about the Japanese being offended, or the Canadians being offended, or the British being offended. They never seem to have any hesitancy in protecting their economies. I am not asking that we exclude them. I am asking only for trade policies that will put us on an equal competitive footing with them. Is that un-American? Sometimes I believe that some of my critics think so.

Canadian mills enjoy a good many other advantages. They enjoy some productive cost advantages. Interestingly enough, they enjoy some technological advantages, because some of the most recently built mills in Canada are the most modern in the whole Pacific area.

So we say to our Government, "We think you ought to work through the State Department. We think you ought to work through the Maritime Commission. We think you ought to work through the Commerce Department. We think you ought to work through your own diplomatic channels."

I come now to the last great competitive advantage I shall mention, which Canada enjoys. Canada has devalued her currency to 92½ cents on the dollar.

That is a great competitive advantage to the Canadian operator. We cannot do anything about it in Congress, but we would like to think that we have reason to believe that our Government was seeking on the diplomatic front to try to do something about it, for this factor gives to Canada a great competitive advantage. That is one of the competitive advantages which Canada has over the U.S. mills.

There has in recent months also been a so-called Japanese log problem. Until a few months ago Japanese purchasers came into Government auctions and competed with American lumber operators for logs, which were already in scarce supply. They paid a price for logs that can best be described as fantastic—$20, $25, $30, $35 a thousand more than an American bidder could possibly bid. The logs were shipped to Japan. I was heard to say at the time that this is, in effect, the exportation of American jobs to Japan, because it results in closing American mills and putting American workers out of work.

We like to point to the fact that there is not a soldier nor a fort along the American-Canadian border. We are all proud of that. But there is something on the Canadian border that is playing havoc with the economy of this country. It is the competitive advantage that we are allowing Canada to exercise against American business.

We ought to be in diplomatic negotiation with Canada in regard to the devalued currency. I had thought and hoped that it was probably in the back of the mind of the administration, when it gave the great economic shot in the political and economic arm of the Canadian Government by way of the huge loan, that there would be reciprocity, some expression of cooperative good will on the part of Canada in respect to her devalued currency. However, the first stories that appeared afterward in the press were with respect to the possibility that Canada might devalue the currency even further. They have not done so yet. I suppose we should be grateful for small things.

It is not pleasant to make a speech of this kind on the floor of the Senate. It is not enjoyable to point out on the floor of the Senate deficiencies in my administration. I have attempted to avoid it. I have sought for months, under our check-and-balance system, through negotiations with the administration to arrive at some adjustment of this program, but to no avail. So, Madam President, we must continue the battle. So far as the senior Senator from Oregon is concerned, we must battle it out on the legislative front.

I repeat what I said the other day. I do not propose to vote for administration measures which in my judgment would result in liquidating the economy of my State, for the benefit of Canada or any other nation. I hope the President goes out to my State, and that he will give a satisfactory answer—I do not know what it will be—to the fact that we can afford no relief from irreparable injury to American lumber, but we can give relief to the textile industry. I voted for relief for the textile industry, may I say to my good friend from Rhode Island [Mr. PASTORE], who has just come into the Chamber, because it deserved it, and because the trade policies of my Government entitled it to such relief.

No one can successfully dispute the fact that the lumber industry is suffering irreparable injury.

So Madam President, when the President of the United States, if he accepts my invitation, goes to Oregon to talk to my people about this problem, I hope he will be able to explain to them why he should favor relief for the textile industry, but no relief for the lumber industry.

Let us not forget that the advocates of textile relief did not ask for full protection. We are not asking for it for lumber.

The sound position of the advocates of relief for the textile industry was for protection only to the point where they could successfully compete on a fair basis with their competitors.

Mr. PASTORE. Madam President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Rhode Island.

Mr. PASTORE. I am very much refreshed and encouraged by the eloquent remarks by the Senator from Oregon, but I hope one thing and express it almost as a prayer: I hope that the relief to the textile industry will not turn out to be a myth.

Mr. MORSE. I hope so, too.

Mr. PASTORE. I talked with a representative of the industry only yesterday. He reports there has been a tremendous influx of textile goods from abroad. Actually, as of this time, 92 percent of the 1962 quota has already entered the country, and there is a strong possibility that it might reach 130 percent of what was imported in fiscal 1961. If that happens, the whole purpose of international agreements will be defeated.

Mr. MORSE. If that is true, we had better get to work. I am sure the Senator from Rhode Island would share the point of view that we are desirous of working with the executive branch of the Government so that we may have reciprocity. There must be reciprocity, such as was provided with respect to the textile industry.

Mr. PASTORE. I agree with the Senator from Oregon. I think many of these problems can be settled between nations on a bilateral or a multilateral level. Oftentimes the mistake we make is that we do not try to impress or convince our friends in other parts of the world that sometimes our domestic industry is in trouble. I am for a trade bill. I am for the international exchange of goods. At the same time, I think it is not necessary to sacrifice American industry in toto before reciprocity can be achieved.

Mr. MORSE. I could not agree more with the Senator from Rhode Island; in fact, I think he has stated the major thesis of my remarks this afternoon in respect to the trade section of the bill.

I answered in some detail the question of the Senator from Connecticut [Mr. BUSH] with respect to the Canadian-United States lumber problem. I could say much more about it, but I have discussed it previously in the Senate. I shall now move to another facet of my speech.

I have discussed the trade problem because, in my judgment, it illustrates why the Senate should postpone for several days the further consideration of the conference report on foreign aid. Such a postponement will enable us to have a better idea of where we are going in respect to foreign trade and where we are going with respect to taxes.

Madam President, I wish to repeat the figures I used on July 6. Let us look again at the vital statistics with respect to economic aid. Economic aid since fiscal 1946 has totaled $61.5 billion, of which $40.5 billion has been in grants and $21 billion in loans.

Even in the economic field we have not even come close to a 50–50 percentage division on loans versus grants. Our aid to so-called underdeveloped areas since fiscal 1946, to the beginning of 1962, has totaled about $48.4 billion, of which $30.4 billion was economic aid, and $13 billion military aid.

Let us examine the table I used on July 6. Our military aid since 1946 has been $84 million, grants, $28,797,600,000.

Economic aid: loans, $21,122,300,000; grants, $40,391,200,000.

To NATO countries: grants, $16,070,800,000; loans, $36,600,000.

I only repeat that the time has come for Great Britain, France, Italy, the Low Countries, Norway, West Germany, and Portugal to pay a much larger share of the NATO costs. Talk about the balance-of-payments problems: We cannot keep the personnel we are keeping in Europe and not expect to have balance-of-payments problems. As a member of the Committee on Foreign Relations, I intend to press the administration to demonstrate to me why we should continue to keep the personnel in Europe in the numbers we are now keeping them there.

I do not know why we cannot have the assistance of the countries we have helped to rehabilitate, most of which are now in a better economic condition than they have ever been in, and much better than they were in before the war. Not only that; their industries are equipped with more modern equipment than can be found in some industries in the United States. Yet it is we who have helped them to rebuild their economies. In many countries of Europe are steel plants the like of which, so far as modern equipment and ability to produce are concerned, cannot be equaled in the United States, so the experts tell me.

Mr. GRUENING. Madam President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield.

Mr. GRUENING. Am I wrong in assuming that the senior Senator from Oregon is not wholly satisfied with the present administration of the foreign aid program?

Mr. MORSE. I have made a number of understatements today; but the statement of the Senator from Alaska exceeds mine in understatement.

Mr. GRUENING. I thank the Senator.

Mr. MORSE. Madam President, what is proposed this afternoon is that the Senate just go ahead and give approval to the conference report which came to us today, a report which involves huge sums of expenditure, without our waiting for final action on foreign trade and taxes and the other economic issues which confront us. All that the senior Senator from Oregon is saying is: Lay the conference report aside. There is no hurry. The House will not act on it for some time, I am told. There is no rush. Let us wait. Let us look at the other economic issues before we decide whether we wish to commit the taxpayers to the huge expenditures which are called for in the bill.

I said earlier that one of the arguments used against the tax position which I took on July 6, which was a repetition of the position I have taken for a long time, was that it would increase the deficit, and that that is supposed to show that the senior Senator from Oregon is financially irresponsible. I have said that there are things worse than a temporary deficit. My proposal would increase the deficit temporarily. But I will tell Senators what the issue raises. It raises the question as to whether we have an abiding faith in our economic system. In my judgment, if Congress gives the economic system the sustenance it needs, we will not have to worry about its vitality and its power to grow and expand, with all the redounding benefits to the individual taxpayer, the individual consumer, and, yes, to all our citizens.

I believe we must feed into our economy, in the weeks that remain between now and adjournment sine die, a sustenance that the economy sorely needs. That sustenance is a trade bill which will protect American industry, be it lumber, textiles, or anything else, from irreparable harm and damage.

This administration said, when it promulgated its program in the first instance, that that was its intention. I say to the administration that such as I have read thus far about the foreign trade bill, based upon the House committee hearings, indicates that it will not protect a good many American industries from irreparable damage; and, irrespective of the political consequences, I will not and I cannot vote for such a bill; and I do not intend to vote for such a bill unless we can get it in some needed amendments which will protect the greatest defense weapon we have—namely, our free economy.

There is another sustenance which we need to feed into our economy if we are to keep it a strong defense weapon for the economic way of life in America, and that is tax reduction, to which I addressed myself on July 6—both a reduction of the corporate tax and an increase of the income-tax personal exemption—the former down to as low as 46 percent, if the facts warrant that; and I think a prima facie case exists for that much of a cut. I said so then, and I repeat it now; and, Madam President, I also say, this afternoon, that many tax economists have, since I made that speech, and without knowing of my point of view, stated that they think the corporate tax should be reduced to as low as 46 percent.

Also—and I have proposed this for many, many years, here in the Senate—there should be an increase of the income-tax personal exemption to at least $800—although I prefer an increase to $1,000—which will give immediate relief to every taxpayer in the country. That will make itself felt immediately in the cash registers, and that will result in increased industrial activity, which will result in increased employment. Once those things are done, those economic results will automatically follow.

As for the deficit which temporarily will result, I have a suggestion to make: Let us first take these actions, and then let us take a long, hard look at this conference report, and proceed to trim downward some of our foreign grants—and I emphasize that I am speaking of the grants. Let us then trim down some of our foreign grants, in order to take care of the deficit and protect our own people and our own economy.

Madam President, I well realize the hullabaloo that would be stirred up in this country if we did that; but we had better do it, because increasing thousands of American people are turning their eyes toward this Congress. They are satisfied that we cannot continue with this kind of a foreign-aid program and also keep our economy strong. So I am ready for all the arguments to the effect that such a course would be supposed to weaken freedom around the world. Actually, Madam President, it will strengthen freedom around the world.

It may cause some countries to take a second look at their own policies and to do a little more self-help of their own. It may impress our allies—at long last—with the fact that the time has come for them to "pay more of the freight" and that the time has come for them to demonstrate, by action, a true appreciation of the great assistance we have given them since 1946.

Madam President, I think I have raised this afternoon some great policy questions, not only in connection with foreign aid, but also in connection with foreign trade and taxation and foreign policy generally. They cannot be brushed under the rug; one cannot run away from them. I think we should not proceed to get ourselves in a position of final commitment on this foreign-aid bill—which, as soon as it can be taken to the White House, once the House of Representatives and the Senate have agreed to it, will result in Presidential signature, thus making this measure irrevocable for the time being—until we determine what we are going to do about these other economic questions which bear such a direct relationship to so many facets of our foreign-relations program.

Therefore, Madam President, I propound the following parliamentary inquiry: At this time, as I close my speech, if I move that final consideration of the conference report be postponed until August 1, first, will that motion be in order; and, second, if it will be in order, will it result in my foreclosing further debate on this subject matter?

Let me state that I have no intention of foreclosing further debate on it. Of course, it is my opinion that a motion to postpone is debatable, and that we could then proceed to discuss it ad infinitum—and we might have to do that. But I only want my opponents in this debate to know that my intention is not to foreclose debate, but only to make the motion.

Madam President, inasmuch as I now have the floor, if I am correct in assuming that such a motion will be in order and that, following the motion, the debate can continue, I should like to make the motion that the further consideration of this conference report be postponed until the beginning of debate on August 1.

The **PRESIDING OFFICER.** Such a motion would be in order and would be debatable.

Mr. **MORSE.** Then, Madam President, I so move.

The **PRESIDING OFFICER.** The motion has been made.

TRAVEL FROM ABROAD

Mr. **MAGNUSON.** Mr. President, last year the Senate passed legislation which, in the light of the present discussion, is more or less foreign aid in reverse. We adopted the so-called travel bill which established the U.S. Travel Service in the Department of Commerce, to encourage bona fide foreign visitors to see what America is all about, and to help us with our balance of trade deficits.

We had high hopes that the flow of visitors would be greatly increased. I am happy to report that our hopes have been and are being realized to a point far beyond any reasonable expectations. To cite a few figures, visitors to the United States from worldwide sources have increased 18 percent in the first 4 months of 1962. The total of visitors from European countries was 21 percent higher than in the same months of 1961, and tourists from France raised the 1961 percentage for the period by 52 percent. The same figures apply to Asian countries.

These are not missions or official travelers. These are bona fide visitors coming to this country. All of this, of course, happened in the initial year of the existence of the Travel Service. During this first year U.S. transportation and other industries stood to benefit from this increased travel from abroad, and they have been shaping their plans to take care of the visitors.

I was glad to note that the Greyhound Bus Line has inaugurated a $99, 99-day "See America" ticket for visitors from abroad, and has now made that ticket available to foreign students in this country after they have completed 3 months of service.

Within the recent past all visitors to this country have been offered an extension of the Greyhound Lines' 99-day, $99 "See America" tickets, under which the Sheraton Hotel Corp. will allow travelers a guaranteed-in-advance $6-a-day hotel room, plus meals at $6 a day, if desired.

Under the Greyhound plan, a traveler may use one ticket and travel anywhere and as much as he wishes in 99 days. The Sheraton Hotel plan is expected to be followed by similar plans.

Under the Greyhound travel plan, the visitor from abroad may start at any port-of-entry city and travel over Greyhound routes to as many places as he wishes to visit, with stopovers wherever he wishes, all at the one low fare of $99.

Pan American World Airways is participating in this plan, with a $250,000 advertising program overseas, for visitors to the United States.

As the U.S. Travel Service and related "Visit America" programs gather momentum, I believe it is reasonable to predict that over the years many hundreds of thousands of visitors from foreign lands will have an opportunity to really get to know America and its people and to be impressed with the fact that the United States is not the imperialistic, power-hungry land that some proclaim us to be.

These visitors from abroad will leave behind them, along with their friendship, many millions of dollars to help to balance our trade deficit. Both results are important, but I have no hesitation in saying that the impressions of America which will be gained by the visitors will be of far more value to us than the dollars they leave behind.

I think a big vote of thanks is due the corporations which are contributing to this program. Programs are afoot to enable the railroads also to participate. Other hotels will participate, as will automobile rental services and many other facilities which visitors to the United States will use. The result up until now has been an increase of 21 percent in travel by visitors to the United

States. I look forward to seeing that amount almost double itself when the program really gets underway.

OPERATION BAILOUT WILL NOT ACHIEVE THE OBJECTIVES OF THE ALLIANCE FOR PROGRESS

Mr. GRUENING. Mr. President——

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senator from Alaska is recognized.

Mr. GRUENING. Mr. President, I am most gratified by the action of President Kennedy last night in suspending Alliance for Progress aid to Peru. At almost the same time when the administration was acting, I had prepared for delivery today, and had distributed to all Members of the Senate, remarks urging such action and similar action with respect to Argentina and Brazil, where similar situations have been permitted to develop without corresponding action on the part of the United States.

The remarks which I prepared for delivery today are most timely, in view of the events of the past 24 hours in Peru. The question which all of us must ponder is whether, if we had taken decisive action months ago to cut off Alliance for Progress aid to Argentina and Brazil, the tragic events in Peru might have been forestalled. We shall never know the answer to that question.

But this much we can foretell with certainty: Unless we act firmly to show our allies for progress in Latin America that we mean what we say, that we will deal only with stable governments representing the people and being in a position to give realistic assurances that the self-help measures of the Alliance for Progress will be carried out, we can expect more and more events such as the ones taking place in Peru today.

Mr. President, the daily papers contain reports of continued unrest and upheaval in Peru and the continued instability of the Government of that country. Unfortunately, in obtaining an overall view of the stability of governments in Latin America, one must add to Peru the Governments of both Argentina and Brazil.

As James Reston stated in his column in the New York Times of July 18, 1962:

> In this hemisphere, Canada is limping along with a minority government, and in Brazil and Argentina you can scarcely tell who's in power without a daily scorecard.

I am concerned, Mr. President, about the effects which this governmental chaos in three Latin American countries has had and will have on the attainment of the goals of the Alliance for Progress. My concern is not alone with the three countries in which governmental control swings back and forth from power group to power group and there is no certainty which group will emerge in control and how long it will be there. My concern is also with those countries in Latin America which have relatively stable governments but which may be swayed in the actions they will take in carrying out the self-help provisions of the Alliance by our inconsistency in dealing with other nations.

On the first anniversary of the Alliance, President Kennedy told the Latin American ambassadors assembled at the White House:

> Those who make peaceful revolution impossible will make violent revolution inevitable.
>
> These social reforms are at the heart of the Alliance for Progress. They are the precondition to economic modernization. At the same time we sympathize with the difficulties of remaking deeply rooted and traditional social structures. We ask that substantial progress toward reform accompany the effort to develop the economies of the American nations.

I, too, believe that self-help marks the foundation of President Kennedy's Alliance.

How then does the uncertainty in Peru, Argentina, and Brazil affect the attainment of the Alliance's objectives?

In the first place, in making commitments to these nations for American economic aid in the development of their economies, how great a certainty attaches to the commitments made by those countries in return that the reforms contemplated by the Alliance will be begun and carried out?

The uncertainty in Peru, Argentina, and Brazil has been long standing.

Which is the government in power—and for how long?

Will the commitment of the government in power today to institute economic and social reforms be honored only in the breach by the government of tomorrow?

Can the government of today bind the government of tomorrow in the light of the unrest of today and the uncertainty of tomorrow?

Consider, Mr. President, the uncertainty that has prevailed in these three countries over the past years.

First, Argentina:

Beginning in the latter years of the dictatorship of Juan D. Peron, there was an uneasy rule in Argentina, always with the latent possibility that the dictatorship would be overthrown. After his overthrow a provisional government was replaced by a military junta under the provisional Presidency of Maj. Gen. Pedro Aramburu. Then came the election of Dr. Arturo Frondizi as President on February 22, 1958, followed by his ouster recently and his replacement by President Guido, at the hands of the military, and President Guido relies heavily on military might to stay in power.

Through fiscal year 1961, Argentina has received a variety of international loans and grants totaling well over half a billion dollars—$596.4 million. In fiscal year 1962, Argentina received an additional $80 million in such loans and grants. For the current fiscal year, Argentina received an additional $80 million in such loans and grants. In addition, for the current fiscal year, there is programed for Argentina the sum of $3.8 million in grants from the United States and between $100 to $125 million in so-called development loans.

As our AID representative in Buenos Aires negotiates with the representative of President Guido for an agreement under which additional U.S. foreign aid will be paid to Argentina and the latter, in turn, agrees, if he does, to undertake needed self-help reforms, what assurance is there—in the light of Argentina's history in the past 7 years—that the present government may not shortly be replaced by another government which will ignore the agreement made by the government of President Guido?

Then let us consider Brazil:

Since the resignation of President Quadros, under the Presidency of Goulart there has been political turmoil in Brazil, under the ever-watching and restraining eyes of the enemy.

However, through fiscal year 1961, Brazil has received in international loans and grants the sum of nearly $2 billion—$1,890,400,000. In fiscal year 1962 it received an additional $200 million. And, programed for 1963 is at least $24 million in grants and $140 to $160 million in development loans.

How can we justify a grant of $24 million to Brazil next year, in addition to a loan of from $140 to $150 million, when the governmental situation is such that no one really knows who is in charge today or who will be making the decisions tomorrow? How can we secure a firm commitment to institute the reforms required by the Alliance for Progress from governmental leaders who may or may not be around to see that the commitment is carried out?

In an editorial in the New York Times for July 15, 1962, the following statement is made:

> A British authority, William Clark, Director of the Overseas Development Institute, recently warned "that the economic division between the rich nations and poor will widen till all hope of a stable world community is destroyed."
>
> A swift glance at some of the individual nations of Latin America deepens the gloom. Mr. Kennedy is not going to Brazil because that largest and most important Latin American country is in the midst of a veritable crisis of the state, with an inflation of 5 percent a month and mounting popular discontent. Argentina is going through what is certainly one of the worst and most dangerous crises in her history. The political, economic, and social aspects of Argentina today are frightening to contemplate.

I wonder, Mr. President, whether the time has not come to reconsider our position in our foreign aid grants to nations with manifestly unstable governments such as Peru, Argentina, and Brazil?

Our actions with respect to those nations could have a profound effect upon the success or failure of the Alliance for Progress in the other Latin American nations.

We have two choices, Mr. President.

We can approach one of these unstable governments and place the facts firmly before it and say: "In order to adhere to the basic principles of President Kennedy's Alliance for Progress, we must be assured that necessary economic and social reforms will be undertaken before committing funds. In view of the instability of your government, we can make no commitment of foreign aid until the government has been stabilized. We will give you adequate assurances that, when such stabilization is achieved and the government is prepared to undertake the necessary social and economic reforms, U.S. economic assistance will be available."

It may be that in some countries this may be an added incentive to achieving stability.

It is a far, far better approach than the alternative of being dragooned by crisis after crisis into making huge grants of funds on vague promises by heads of governments who may be here today and gone tomorrow.

Operation Bailout in our foreign aid program should cease.

I appreciate that the social, economic, and political backgrounds and the current situations in each country in Latin America are different and that the attainment of the goals of the Alliance for Progress must be pursued and our assistance given in each in a different manner.

But it does seem to me that the time has come when we should firmly establish the principle that a prerequisite to our grants of large sums of foreign aid under the Alliance for Progress is that each country should stabilize its government so that long-range plans can be firmly made.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to the distinguished chairman of the Subcommittee on Latin-American Affairs, who is so knowledgeable in regard to this whole situation.

Mr. MORSE. I highly commend the Senator from Alaska for the great speech he is delivering in the Senate. I do not refer to many speeches as being "great" speeches. In my judgment, the Senator from Alaska has cut right down to the essence of the problem confronting us in regard to the whole Alliance for Progress program. The last paragraph he has read bears out the position which the senior Senator from Oregon has taken with regard to the self-help program connected with the Alliance for Progress. Unless these nations are willing to help themselves, unless the reforms are forthcoming, unless the oligarchs are willing to invest their money in the economic potential of their respective countries rather than in foreign banks, in my judgment we cannot justify taking these great sums of money from the American taxpayers to send to Latin America only to entrench more deeply maladjustments which already exist, which, if not corrected, will drive those countries into the arms of communism.

I am glad the Senator from Alaska is making this speech, because he is one of the authorities not only in the Congress but also in the country on many phases of Latin American problems. The book written some years ago by the Senator from Alaska on Mexico is still a classic on the subject. It is still used by students and scholars as a "must" reading book for any study of Latin America which pertains to Mexico.

I think it is of great significance that the Senator from Alaska is raising these warning flags today in connection with this whole foreign aid program. It is in line with the attempt by the senior Senator from Oregon earlier this afternoon to try to point out that now is the time for us to take a long, hard look at the whole foreign aid program. That is why my motion is pending to postpone action on the conference report until at least August 1.

Mr. GRUENING. I thank the Senator for his very helpful comments.

Waste of American taxpayers' dollars at any time must be avoided with all the powers at our disposal. But waste by granting American dollars to unstable countries must be avoided especially at this time when our balance of payments is so unfavorable. In that connection, Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial from the Washington Post and Times Herald of July 17, 1962, entitled "Gold and Dollar Confidence."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Gold and Dollar Confidence

Last week's loss of $137.5 million in Treasury gold once again raised the persistent problem of international financial liquidity.

The principal gainer was France which reduced its very large stock of dollar assets by purchasing $112.5 million of gold from the Treasury. The fact that this blow was cushioned by a decision to repay far in advance $293.4 million in Marshall plan debts underscores the vital issue of confidence. Because of the leadership which the United States has assumed in bolstering first the economies and then the defenses of the free world, the dollar has become a "reserve currency." Foreign central banks now hold more than $12 billion of short-term dollar obligations which, under the international gold exchange standard now in force, can be used to purchase gold from the U.S. Treasury.

The question of confidence arises when the foreign central bankers decide how much of their countries' monetary reserves should be held in gold as against dollars. They strive to maintain "safe" gold ratios because of the ever-present fear of a devaluation which would take the form of an increase in the dollar price of gold and thus reduce the value of their dollar assets. The losses incurred through currency devaluations in the 1930's have been indelibly impressed on their minds.

France, which is running the largest balance-of-payments surplus in the free world, purchased the Treasury gold in an effort to raise her gold ratio from 65 to a more "normal" 75 percent. This decision reflects in no small degree the penchant of the French peasants for hoarding gold coins as hedge against inflation.

While the French action is not expected to lead to further purchases of Treasury gold, it came at a time when rumors of devaluation had driven the dollar price of gold on the free London market to within a fraction of its 1962 high. This rise occurred in the face of an improvement in the U.S. balance of payments and has continued in spite of a strong statement from Robert V. Roosa, the Under Secretary of the Treasury for Monetary Affairs, that the United States is determined to maintain the present par value of the dollar.

There are no simple solutions to the problems posed by weakened confidence in the dollar. The United States cannot relinquish its role of world leadership. And any attempt at general currency devaluation, no matter how well coordinated, might cause irreparable damage and benefit only the Soviet Union and the Union of South Africa, two of the leading producers of gold.

Cooperation between central banking authorities has of late done much to relieve the pressure on the dollar, but clearly a more permanent mechanism for augmenting international liquidity is required.

Mr. GRUENING. Mr. President, according to the Treasury Department, our gold reserves on July 12, 1962, reached the low point of $16,297,635,802.80. Despite these low stocks of gold and the closing of most gold mines in the United States, Secretary Dillon has seen fit not to support S.J. Res. 44, which would provide for a subsidy for newly mined gold. Whatever the reasons may be for this attitude on the part of the Secretary of the Treasury—and no understandable reasons have so far been advanced—at least let us stop immediately this waste of American dollars by shoring up unstable governments in Latin America on the vague promise that some day, some time, and some how a government will emerge in Peru, in Argentina, and in Brazil that will be capable of instituting the reforms which are the very heart of President Kennedy's excellent Alliance for Progress program.

I make this plea because the example we thus set will prove contagious. Other nations in Latin America, seeing the unstable governments of Peru, Argentina, and Brazil receiving United States dollars purportedly under the Alliance for Progress, can only conclude that the United States really does not mean what it says. The reforms expected under the Alliance will not be easy to achieve in many of the nations. They will cause a changed way of life for many people. Instituting these reforms will encounter severe resistance. We play into the hands of those who would resist reform if we continue the inconsistent policy under which we grant funds to governments so unstable that there is little hope of that government's having the power to institute reforms or, in fact, of being in power tomorrow.

It would be a far wiser course to wait until governmental power has been stabilized and we can determine the type of government in office.

"Bailout" operations for political reasons to some countries have a tendency to undermine the determination to make self-help criteria stick in other countries. I make these remarks in a constructive spirit, as one who has long studied Latin American affairs and has a sincere desire to see Alliance for Progress succeed. I cannot and do not criticize other nations for accepting our foreign aid and resisting the institution of social and economic reforms when they see our aid going to other countries without such reforms.

President Kennedy's Alliance for Progress was conceived with splendid foresight. It must be made to work. But it can be made to work only if it is carried out with the same degree of foresight with which it was conceived.

We must renounce the idea that money is the solution to all the ills of Latin America.

Foreign aid funds wrongly placed can do more harm than good. Foreign aid funds loosely granted to "bail out" shaky governments leave them as shaky as before. Often the receipt of foreign aid has enabled nations to avoid the harsh, hard decisions needed to institute social and economic reforms.

But, if the Alliance for Progress is to become a reality and not merely a dream, we should not, we cannot, aid and abet these unstable countries in Latin America in putting off the time for decision and for action. If we do, we do them more harm than good.

As Latin America's great democrat, José Figueres, has said, "It is 1 minute to midnight in Latin America." Time is indeed running out. Let us act before it is too late. Let us stop Operation Bailout now.

Mr. President, I ask unanimous consent that an excellent editorial published in today's New York Times, which expresses pretty much the same views I have sought to express, may be printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PERU TURNS THE CLOCK BACK

The seizure of power in Peru by military leaders, the arrest of President Prado, who refused to bow to their demands, and the annulling of an election which the official National Electoral Board pronounced honest after the most careful investigation, are in the worst tradition of Latin America's unstable and violent political history. It had been hoped that Peru had outgrown the garrison revolt.

The State Department could do no less than it did yesterday in suspending diplomatic relations with Lima and in cutting off any further Alliance for Progress aid. Every government in Latin America that respects constitutionality and democracy will surely also make its condemnation clear.

When the Argentine military forces seized control last March, annulled the election of March 18, arrested President Frondizi and confined him on an island, the United States Government went along with it because a fiction of constitutionality was maintained. The Peruvians copied the Argentines to the extent of annulling a fair election, arresting the President and confining him on an island, but they could not cloak their acts in any semblance of constitutionality. The courage and patriotism of President Prado and the civilians of the National Electoral Board prevented this.

If the United States had gone along with this naked seizure of power, even to the extent of keeping quiet, the effects in Latin America would have been grave. At best, the Alliance for Progress has been seriously maimed by the events in Argentina and Peru, and the crisis in Brazil. It can only survive if its basic aims are kept in view and honored. It commits us to support a Latin-American program for social reform and economic development achieved through the institutions of "representative democracy," to which the Latin-American nations are pledged.

The real tragedy of a political crime of this nature is that it solves nothing. The victims are Peru and the Peruvian people, who were faced with the gravest sort of social and political problems and who now have the additional incubus of an old-fashioned, reactionary military junta to get off their backs.

Mr. GRUENING. I yield the floor.

SUCCESSFUL FIRING OF NIKE-ZEUS ANTIMISSILE MISSILE

Mr. THURMOND. Mr. President, I wish to announce that the news ticker carries an item which reads in part as follows:

> An Army Nike-Zeus antimissile missile today for the first time successfully intercepted the nose cone of an Air Force Atlas intercontinental ballistic missile high over the Pacific, the Defense Department announced.
>
> The three-stage, 48-foot Nike-Zeus was fired from Kwajalein Island in the far Pacific after its sensitive tracking equipment told it that the Air Force missile was plunging through space at 16,000 miles an hour at a probable altitude of 600 miles.
>
> In the carefully controlled test, the Atlas missile was launched from Vandenburg Air Force Base, Calif., some 4,500 miles from Kwajalein.

Mr. President, for some years a number of us have been waging a fight to go forward with the development of Nike-Zeus, the missile that can knock down intercontinental ballistic missiles.

Some leaders in our Defense Department have been extremely lukewarm about this matter. I hope that the successful interception reported today will finally open their eyes and will cause them to go forward without further delay. It is highly important that our country proceed as rapidly as possible to develop and to have available the Nike-Zeus, the only antimissile missile the free world has. It is the only one being worked on or developed, insofar as I know, by any country of the free world.

The United States must take the lead in this field because this antimissile missile can be a terrific deterrent to war; and if war should come, the Nike-Zeus can be the means of saving the lives of millions of people in our cities.

So we should spare no funds or time, but should proceed at once to develop the Nike-Zeus to its full potential as rapidly as possible.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. MORSE] to postpone further consideration of the conference report until August 1.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the motion of the Senator from Oregon.

The yeas and nays were ordered.

Mr. LAUSCHE. Mr. President, the conference report places the subject of granting aid to Communist countries in practically the same position that it occupied before the Senate acted upon the foreign assistance bill several weeks ago. When Senators voted at that time, they clearly indicated that it was their judgment that aid ought not to be granted to Communist countries. The Senate later relented from its original position and approved the sending of food under Public Law 480 to such countries, but very firmly redeclared that no other type of aid should be granted to any Communist nation in the world.

A retreat has now been made from that position. I respectfully submit to Senators that, in my opinion, the retreat is unwarranted. Several weeks ago I had printed in the RECORD an article written by Joseph Alsop which discussed the plight of Russia in the 1920's. The issue now is, Did the United States, by the aid that it granted to distressed Communist Russia in the early 1920's, save that nation from a collapse and the overthrow of communism, or did the aid which we granted save the country from collapse and permit the establishment of communism on a firm basis?

The American relief program worked in Russia for 2 years. At present American students of Soviet history credit American relief to the Communists in the early 1920's with the survival of communism.

Between the years 1929 and 1939, 17 million persons were massacred by Stalin in Communist Russia. Millions of non-Communists languished in labor camps. Hungarians, Rumanians, Poles, Slovaks, Czechs, Macedonians, Bulgarians, and others having pride in their native culture and desire for freedom were put to death by Stalin. The numbers who died between 1929 and 1939 as a result of the tyranny of the Communists is untold. We should look back to our experience of the 1920's. We should try to ascertain whether or not the granting of aid to Red Russia in the 1920's was responsible for the creation of the giant monster now threatening our very life.

I respectfully submit to my colleagues that we now have a parallel. In 1920 and 1922 it was aid to Red Russia. Today it is aid to the Communist Governments of Poland and Yugoslavia, possibly aid to Red China, and, finally, possibly aid to Red Cuba.

About 2 weeks ago Mr. Kennan, our Ambassador to Yugoslavia, appeared on a radio program. He told of his observations as our Ambassador to Red Yugoslavia. He very enthusiastically told about the great love that the Croats, the Serbs, and the Slovenes have for our country. There was no need of his going to Yugoslavia to learn that. All he would have had to do was to mingle with the Slovenes and Croats and Serbs in the United States. He would soon have found out that their devotion to liberty is just as deep as that of the most patriotic American.

However, he confused the true attitude of the people of Yugoslavia with the attitude of the Tito government.

The Slovenes and the Croats and the Serbs love us. They love liberty. Tito and his government do not love us. Tito's devotion is to communism. His first loyalty is to Red Russia. He has repeatedly declared that his affiliation with communism has not waned, even though he is taking aid from our country.

Mr. Kennan wrote a book, and in that book he discussed the aid given by our Government to Red Russia in 1920. It is very interesting to observe what Mr. Kennan wrote in that book. I should like to read only a short excerpt of what he had to say in his book. Among other things, he said:

> The problem of getting seed grain in the ground in a famine-stricken country was almost insoluble, and it seems to have been at one point only the relief of the United States in making food available to railway personnel that kept the railroads in operation. The Soviet Government was thus importantly aided not just in its economic undertakings but in its political prestige and capacity for survival.

I wish to repeat the words of Mr. Kennan, the man who made the appeal to the citizens of the United States on a nationwide radio program about 2 weeks ago. In his book he wrote:

> The Soviet Government was thus importantly aided not just in its economic undertakings but in its political prestige and capacity for survival.

He wrote one thing in the book; he said another in his radio program.

I am not contending that my judgment on this subject is absolutely right. I respect the judgment of my colleagues and others who disagree with me. I only hope that the same attitude would be manifested in the highest places of our country in admitting that possibly they are wrong and I am right.

In that regard, there has been placed in the Record, by the Senator from Wisconsin [Mr. Proxmire], a tabulation of deeds by the Communist governments in the United Nations against our country. In vote after vote in the United Nations, Poland and Yugoslavia have voted against us.

Time and again, after we had given aid to Tito, he announced to the world his fidelity to the cause of communism. At no time has he ever spoken of his faith and belief in our system of government. If there is any Senator who can point to one time when Tito spoke a favorable word for our country and our system of government, I would like to hear those words and to be told where they were spoken.

Gromulka votes against us repeatedly.

Yet we say that we will grant aid to those governments.

In spite of what the conference report contains, my position has not changed. My belief is that when we give aid to a Communist nation, we are giving aid to an enemy. My position is that we cannot find conditions which warrant the granting of aid to a Communist country, and construe that aid to be beneficial to the United States. In the conference report a mistake has been made, in my opinion.

I am not convinced that the aid we have furnished Communist governments in the past has advanced the cause of freedom one bit. To the contrary, aid to a Communist regime will serve only the cause of international communism and retard the day when the tyrannized peoples who live under communism will be able to escape the slavish rule.

Some of those who have advocated aid to the Communist nations of Poland and Yugoslavia in the past seem to feel their judgment vindicated by the mere fact that the people under these Governments are not territorially part and parcel of the Communist Soviet Government. That matters very little. Those Governments to which we have granted aid are Communist governments.

To conclude, we must make the decision. If we do not make it now, we will make it at a later date. Can we afford to give aid to Communist governments? I have already stated my belief that we cannot. The experience that we have had with Red Russia and the aid we gave it in the early 1920's, in my judgment, is going to be our experience with the Communist countries that we are going to aid now.

The people of our Nation are carrying a heavy burden in the mutual aid program. They are willing to carry it. We are suffering as a result of it. However, I am of the belief that if we wish to maintain a healthy foreign aid program, we must stop giving aid to Communist countries.

I will not vote for the conference report. I will support the motion of the Senator from Oregon to delay action on the report until August 1. If his motion is not agreed to, I shall move that the report be recommitted to conference with the specific instruction to the Senate conferees that the judgment of the Senate be followed with regard to the banning of aid to Communist countries.

Mr. CARLSON. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. CARLSON. I commend the distinguished Senator from Ohio for reaffirming the position he took several weeks ago in the Senate when he offered an amendment which would have limited aid to both Yugoslavia and Poland because of their past histories with respect to the United States. The Senator from Ohio is in good company. I have received a resolution from an American Legion Post, Patrick Henry Post No. 144 of Wichita, Kans., which commends the distinguished Senator from Ohio for his action in this respect. The Wichita post quotes from the American Legion convention resolution of 1961. I think it would be interesting to read:

> Resolution No. 457 states: That we believe our Government has no alternative but to terminate all trade with Communist bloc nations * * *; and That foreign aid whether it be military, monetary, or economic, be limited to those nations who show a willingness to join the United States in combating communism.

The distinguished Senator from Ohio is in good company in the proposal he made a few weeks ago. I support him. I think it is commendable that he stands in the Senate today, as we consider the conference report, and reaffirms his position. I think our Nation expects us to do that.

Mr. President, I ask unanimous consent to have printed at this point in the Record the resolution of Patrick Henry Post No. 144, American Legion, Wichita, Kans., which commends the distinguished Senator from Ohio [Mr. Lausche].

There being no objection, the resolution, was ordered to be printed in the Record, as follows:

> "Whereas approved American Legion 1961 National Convention Resolution No. 457 states: 'That we believe our Government has no alternative but terminate all trade with Communist bloc nations * * *;' and
>
> "Whereas 1961 approved National Resolution No. 459 provided: 'That foreign aid whether it be military, monetary or economic, be limited to those nations who show a willingness to join the United States in combating communism'; and
>
> "Whereas the giving of food or the subsidizing of food shipments to Communist governments has served only to strengthen the position of Communist tyrants over their captive peoples as has been established in the American Legion magazine: Now, therefore, be it
>
> "*Resolved*, That we herewith commend U.S. Senator Frank J. Lausche, and those valiant Senators who stood with him in the fight to show our love and concern for the victims of atheist Communist governments, by voting to stop U.S. aid, including food items to such governments; and we implore the Members of the Congress to terminate all trade and aid to nations which are captive by Communist governments; and further to terminate all tax-supported aid to nations with governments which are either neutralist or pro-Communist; and we further implore the Congress of the United States to use its influence to the end that the easing of tensions via appeasement, and aid to the enemies of God is stopped, and that this Nation is given an effective win-victory policy."
>
> The foregoing resolution was unanimously adopted at the July 10, 1962, meeting of the Patrick Henry Post No. 144, of the American Legion, Wichita, Kans.
>
> Attest:
>
> C. Winston Sage,
> *Adjutant.*

Mr. KEATING. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. KEATING. All of us recognize the distinguished Senator from Ohio as one of the most vigorous and militant foes of the international Communist movement. He has a distinguished record in that respect.

As the Senator from Ohio knows, I supported his amendment when he offered it. However, I felt that it went a little far, and I believe I parted with the Senator on the vote taken to permit the sending of food under certain circumstances.

I believe I differ with the Senator today on the extent to which he downgrades the action taken in the conference. The conferees virtually accepted the House provision on this subject, except for the exemption of aid to schools or hospitals. I believe that is the only exception.

I definitely believe that the report should contain strong language. I prefer the Senate language to the House language. But I think the House language is quite effective. Before any of the aid can be given, the President must make an affirmative finding and report to the Congress. Paragraph (f) begins:

> No assistance shall be furnished under this act, as amended (except sec. 214(b)), to any Communist country.

If that provision is to be waived, the President must make an affirmative finding and report to Congress: First, that such assistance is vital to the security of the United States. Second, that the recipient country is not controlled by the international Communist conspiracy. That might apply to Yugoslavia. And third, that such assistance will further promote the independence of the recipient country from international communism.

Possibly the Senator might feel that the third condition would be fairly easy to fulfill; but what does the Senator say about an affirmative finding by the President that the assistance he desires to render is vital to the security of the United States? It seems to me that if the President makes a finding of that kind, he must have some pretty strong evidence before him to justify such a finding.

Mr. LAUSCHE. The Senator from New York forgets that those conditions are practically the identical ones which were in the old law. A special law applied to Yugoslavia. The general law applied to Poland; and a finding was made that Poland was not dominated by international communism, and that the aid to Poland was essential to the security of the United States.

Mr. KEATING. Does the Senator from Ohio mean that under existing law, before such aid can be given, the President must find that the assistance is vital to the security of the United States?

Mr. LAUSCHE. Substantially the same provisions were in the old law. The Senator from New York probably does not recall that some Senator, when the mutual aid bill was being considered, pressed one of the proponents and asked him, in effect, "Under the bill, would it be possible to say that the Polish Government is not dominated by international communism?" The proponent of the proposal to grant aid refused to answer the question.

This language is very clear. I hope Senators will listen. The law which was in existence before we acted on this question several weeks ago read:

> No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by international communism.

In the face of that clear language, in the face of the fact that the Gomulka government is controlled by Red Russia, a finding was made that Poland is not so controlled.

Mr. KEATING. I agree that it is difficult to understand how such a finding could be made. But this proposal goes further than that. It may be that such a provision was in the previous law, but this provision goes much further and provides that President Kennedy must find that assistance to Poland or to Yugoslavia is vital to the security—of whom?—of the United States.

Mr. HUMPHREY. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. HUMPHREY. The President must also find two other things, and they are very important.

Mr. KEATING. Yes; but it is the first item to which I refer. I prefer the Senate language. Yet, at the same time, unlike some of my colleagues, I do not regard the conference committee language as a complete capitulation.

Was there any language already in the law similar to the language in the first item of the report, to the effect that the assistance must be vital to the security of the United States?

Mr. HUMPHREY. Only as to Yugoslavia.

Mr. KEATING. But not as to other Communist countries.

Mr. LAUSCHE. If under existing law the finding could be made that the Gomulka government is not dominated by Red Russia—and such a finding was made—would it not be simpler to find that it is in the interest of our national security?

Mr. KEATING. But the language in the report contains the word "vital." The word "vital" is important.

> Such assistance is vital to the security of the United States.

It is difficult to see how aid to Poland could be found by the President to be vital to the security of the United States; but I am hesitant to seek to impose my own judgment upon that of the President. Conceivably, there might be a situation in which the President could find that it was vital to our national security to give such aid; and if so, he should be given such authority.

Mr. LAUSCHE. Based upon what the Senator from New York knows about Gomulka and his government, would the Senator from New York hold that that government is not controlled by international communism?

Mr. KEATING. If I were President of the United States, I could not make a finding under the House language that would allow U.S. aid to go to Poland. Under the language of this amendment, I could not find that Poland was not controlled by the Communist conspiracy, and I could not find that it was vital to the security of the United States that such aid be extended. I agree about that; and it is very difficult for me to envision circumstances under which the President would, under this language, make such a finding. I am sure the Senator from Ohio does not need to be told that I respect his views on this matter and how much in sympathy with his attitude I usually find myself, even though, on this occasion, I cannot agree with him.

Mr. SPARKMAN. Mr. President, in connection with this point, will the Senator from Ohio yield to me?

Mr. LAUSCHE. I yield.

Mr. SPARKMAN. We have not been giving aid to Poland while the act referred to has been in existence. We sold Poland $68 million worth of wheat under Public Law 480, and used part of the proceeds to establish a children's hospital. But even that hospital is exempted in the present proposal. That is the extent to which we have given aid to Poland. We have not given Poland economic aid or military aid or any development loan, and none is planned.

Mr. LAUSCHE. But we have sold Poland great quantities of food under Public Law 480.

Mr. SPARKMAN. And under the Senate language that would still be possible. In other words, so far as Poland is concerned, there would be no difference between the present law, the measure as passed by the Senate, and the provision of the conference report. In any case, Poland would stand in exactly the same position in which she has stood.

There might be a change insofar as Yugoslavia and other countries are concerned, but only in this respect—and now I read the language of the Senator's proposal:

> No assistance shall be furnished under this act and no commodities may be sold or given under the Agricultural Trade Development and Assistance Act of 1954, as amended, to any country known to be dominated by communism or Marxism.

The point I wish to make is that someone would have to make that determination, and undoubtedly it would be made by the President. I am not sure that it would be any more difficult to make that determination than it would be to make the three determinations called for by the conference report. Under the Senator's language, if the President found the country was not dominated by international communism or Marxism—I think that is the phrase used in his proposal——

Mr. LAUSCHE. That is correct.

Mr. SPARKMAN. In that event the President could authorize the giving of aid. But under the conference report, the President must find that such country is not controlled by the international Communist conspiracy. I do not know that there is any great difference between the two provisions; it seems to me that one would have about the same effect as the other.

I do not know exactly what "dominated" means, when applied to a government. The Kremlin has tried, ever since the end of the war, to collectivize the farms in Poland; but the Kremlin has not been able to collectivize very many of them. In that respect, the Polish Government has remained independent. There may be other cases, although I do not know, for I am not an authority.

But it does not seem to me that there is really a great deal of difference, insofar as such findings are concerned, between the provision of the conference report and the provision of the Lausche amendment.

Mr. HUMPHREY. Mr. President, at this point, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield for a question.

Mr. HUMPHREY. Is it not true that the only theoretical difference is that the amendment adopted by the Senate applied entirely to Public Law 480, whereas this provision would permit the President, if it were vital to the security of the United States, to utilize assistance under the terms of this act? However, I think the findings required by this part of the conference report are much more explicit, and place more responsibility on the President than does the provision of the Senate amendment. As the Senator from New York pointed out, the word "vital" is significant; and that point was argued extensively on both sides in the House of Representatives. Representative WALTER, of Pennsylvania, and Representative JUDD, of Minnesota—one, a Democrat; the other, a Republican—both stressed this point and pointed out the difference between this language and the old law.

Mr. LAUSCHE. I agree that there is a difference between this provision and the one dealing with Public Law 480. But my point is that if under existing law it were declared that the Polish Government is not dominated by Russia, any decision could be made, and the two new conditions could easily be declared to be in existence. I recognize that if these three conditions are observed, they will bring about a change.

But based upon what the Senator from Alabama said a moment ago, when he stated that he doubted that the Polish Government is dominated by Red Russia——

Mr. SPARKMAN. No, Mr. President; I did not say that. I said I did not know just how "domination" would be determined, and I said I could name one respect in which Poland was not dominated. But I do not know the extent to which it would be necessary to go in order to determine "domination."

In my opinion Poland is dominated by Russia.

Mr. LAUSCHE. While we are on this subject, let me say that I believe it significant—and this is generally known—that we are having trouble with our balance of payments, and our gold reserve is now down to a very low level; and all who are in a responsible position in the Government are apprehensive about the amounts we are spending. The severity of the problem is indicated by the fact that recently our Government asked nine nations, I believe, to allow our Government to sell some of the "soft" foreign currency it has for dollars, to American tourists who intend to go to Pakistan, Poland, Yugoslavia, India, and Burma. In other words, our Government said to Yugoslavia and Poland, "We are in trouble. We have got to stop the outflow of our dollars." To Yugoslavia it undoubtedly said, "We have $171 million worth of your dinars. Yet when our tourists go to Yugoslavia they spend American dollars. Let us sell our dinars to American tourists so that our dollars will stay home, and we will spend this surefeit of dinars that we possess."

That same argument was undoubtedly made to Poland. We have only $3,680,000 worth of Polish zlotys, but $171 million worth of Yugoslav dinars.

Yugoslavia, Poland, and other nations rejected our Government's request. They said, "We will not allow you to sell this surefeit of soft currencies to your tourists for dollars. If they come to our country, they will have to spend American dollars, and if we want to, we will turn those dollars back to you and demand payment in gold."

I cannot take that type of conduct toward my Government. I cannot take that type of conduct toward the American people. For 14 years we have been giving aid to Yugoslavia. For probably 5 years we have been giving aid to Poland. We are in distress. All we ask them is to give us relief so our gold will not be running out, and they say "No."

Mr. KEATING. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. KEATING. Does the Senator have at hand the amount of currencies of other countries to whom we are also giving aid who gave the same kind of answer to us? I resent this attitude, as does the Senator.

Mr. LAUSCHE. Yes; there were eight or nine countries. We have $1 billion worth of Indian rupees. India said, "No. We are not concerned with your problem of gold. If your tourists come to India, they will have to spend American dollars. We do not care that you have $1 billion worth of rupees that you cannot do anything with." That is the answer they gave us.

I do not think it is right. I think we are listening to the grooved thinking of members of the State Department. They are in a groove and they cannot get out of it because they have been in that groove so long.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. KEATING. Would the Senator be willing to insert in the RECORD, as a part of the history of the debate, the amount of currencies of other countries that have likewise rejected our request?

Mr. LAUSCHE. Yes. I obtained this information from the New York Times. I shall be glad to insert that information in the RECORD later.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. COTTON. In order to save the time of the Senate and not prolong the debate before we vote on the question of postponement, I do not want to speak at any length. I do want to commend, as I have in the past, the distinguished, able, and courageous Senator from Ohio for his position, and to associate myself with the position he has taken.

I call to the attention of the Senator from Ohio one or two points that I think should be emphasized. It will take only a moment. In the first place, if the motion to postpone does not prevail and later debate takes place, I shall go into this matter in some detail. But it is interesting to note the development of the history of Presidential control.

I have the record of the vote away back in 1956, when our very able and distinguished colleague whom we all honor so much, Senator O'Mahoney, had substituted an amendment for the amendment to the foreign aid bill offered by Senator Bridges which would preclude aid to Yugoslavia and to Communist countries. Senator O'Mahoney offered his substitute, which is summarized as follows:

> The changes proposed in the amendment make it the responsibility of the President to report his findings in written words reported to Congress. This will eliminate the unwise practice of granting blank check and power.

The vote on this amendment was 52 to 36 to take the softer language and to insert in the bill language passing the responsibility to the President, but not barring aid.

In 1957 we find again there was a controversy, and this time there was a proposal to bar aid, which was defeated. This time it went a little further. It said:

> Concerning aid to Yugoslavia, the President is required to keep the Senate Foreign Relations and House Foreign Affairs Committees, and the Appropriations Committees of both Houses fully and constantly informed of assistance furnished to Yugoslavia. Further—

All this begins to sound familiar—

> the President is required to continuously assure himself: (1) that Yugoslavia continues to maintain its independence; (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world; and (3) that the furnishing of such assistance is in the interest of the national security of the United States.

I call the Senate's attention to how close these requirements which were proposed in 1957—1, 2, and 3—resemble what has come back from the conference committee today.

The bill was passed with that assurance by a rollcall of 57 to 25.

Mr. LAUSCHE. Mr. President, may I ask what finally happened to that proposal?

Mr. COTTON. That proposal was adopted and became a part of the Mutual Security Act of 1957.

We find from the debate of last year that the Bridges amendment was defeated by a vote of 54 to 39.

What I want to direct the Senator's attention to is that there has been a constantly rising tide in the Senate, and I believe in the other body, and I believe in the country, to put an end to aid, with the best of motives and the most patriotic motives in the world, which helps directly or indirectly our enemies in this world—the kind of soft-headed and softhearted policy that wins us nothing by ridicule, loses us respect abroad and promotes the cause of communism. And so in this body this year, after the able presentation of the distinguished Senator from Ohio, the distinguished Senator from Wisconsin, and other Members of the Senate, the Senate then proceeded, by an overwhelming vote, better than 2 to 1, by a vote of 57 to 24, to adopt it. Every time such language has been written into the law, it has not stopped the practice.

This has been done under President Truman and under President Eisenhower. I will not say it has been done under President Kennedy because, as has been stated, up to the present time it might be said actually aid has not been extended by this administration.

These words and those restrictions have consistently failed. Why? I invite the attention of the Senator from Ohio to the fact that sincerely, and I suppose skillfully, the diplomats in our State Department have constantly pursued the policy that we should furnish aid to some of these countries and some of these governments because, they say, it will wean them away from, and separate them from, the international Communist conspiracy and the Soviet Union, and that by so doing we shall be acting for the good of our country. These diplomats have succeeded in convincing the President every time.

The thing which is interesting is that the amendment in the bill which was passed, offered by the distinguished Senator from Ohio, uses the language, "This restriction may not be waived pursuant to any authority contained in this Act." So for the first time throughout the history of this controversy the Senate of the United States said, "No, we are not going to make it optional even to the President."

It is interesting to note that in the conference report the same beautifully sounding language is used, "This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that:"—1, 2, and 3, almost in the same words as written in the bill in 1956. In 1956 that language did not amount to anything, because the President very sincerely, following the advice of his diplomatic advisers, decided: First, that Yugoslavia was independent; second, that it was for the good of the United States to keep a division among our enemies; and, third, that it was in the national interest that such should be done.

Mr. President, I say again to the Senator from Ohio, surely if the time should come that we should face a foreign danger and some country should show its independence by open rebellion, the Congress would respond to any suggestion by the Executive to enable him to aid a rebellion against the ruthless forces of tyranny and communism. But that is not the present situation. This is a case of constantly doing this sort of thing, when the governments in the countries we are helping repeatedly meet at conference tables with other Communists and repeatedly declare in unequivocal words to the world that they are with the Communists and against us. Still we keep on giving aid. I regret this deeply. I am bitterly disappointed.

The vote by the Senate was an overwhelming vote. It was a spontaneous vote. It was an outpouring in the Senate of the pent-up emotions of years. It represented the attitude of the Senate and of the country.

Mr. President, I commend the Senator from Ohio. The conference report—and I say this sincerely and without hesitation—is not only a surrender and a betrayal of what the Senate wrote into the bill, but almost a contemptuous, deliberate rejection of the overwhelming will of this body as expressed after long and careful debate.

Mr. YOUNG of Ohio. Mr. President, will the Senator from New Hampshire yield to me briefly?

Mr. COTTON. The senior Senator from Ohio has the floor.

Mr. LAUSCHE. I yield to my colleague.

Mr. YOUNG of Ohio. My query really is directed to the Senator from New Hampshire. I ask either my colleague the senior Senator from Ohio or the senior Senator from New Hampshire if he is familiar with the fact that John Gunther, in his recent great work, "Inside Europe Today"—which does not date back to 1957, but is a recent work—on page 6 of the volume says:

> Yugoslavia is a special case. This country is communistic but it is not within the Soviet bloc. It is not a Soviet satellite. Tito is a national Communist.

I intended to ask the Senator from New Hampshire if he had any comment on that statement. I shall be glad to have a comment by my colleague.

Mr. LAUSCHE. I concur completely with what Mr. Gunther said. Tito has separated himself for the time being from the control of Soviet Russia, but he has repeatedly declared his fidelity to the Marxian theory, and that theory contemplates the destruction of our country.

I think if a search were made, Senators would find Tito has stated and restated that proposition time and time again.

The Senator from New Hampshire speaks of Communist people rising in rebellion and of our country giving them help. Mr. Kennan, when he was on the July 8 program, speaking of Yugoslavia, made this statement:

> And if nothing happens to upset the international applecart, I'm convinced that the Yugoslavs will put forward every effort to retain their national independence which they won at such risk and with such effort—over the years—

What independence for the Yugoslav people? Did the Yugoslav people win independence with the implication that they had to bear the Communist harness? They do not want communism. They would rid themselves of it immediately if given a choice.

I repeat my statement that, in my judgment, if we had not started giving aid to Tito there would have been flare-ups equivalent to those in East Germany in Posnan, in Budapest. They would have arisen in Lublin and Belgrade and other places in Yugoslavia.

The Senator from Alabama has carried this through in his best judgment, I know, and he feels that what has been obtained is adequate. I cannot deviate from my conviction that when we give aid to a Communist country we spare it of the responsibilty of providing for its people the necessaries of life. When we give aid to a Communist country we release its economy so that it can manufacture arms to strengthen itself, those arms to be used against us whenever it so determines.

There was a cartoon published in one of the newspapers a short while ago, showing cornfields of a Communist country. I looked at it and I thought that there I would see the corn in blossom, but instead of corn stalks they were growing guns. We were providing their people with food; the Communist government was investing its money in guns. I will not be a party to such a program. For that reason I shall follow the course which I have described.

SELECT COMMITTEE ON CONSUMERS

Mr. JAVITS. Mr. President, I note that after a year and a half in office the President has finally appointed a Consumers' Advisory Council, somewhat along the lines of a promise he made during the 1960 campaign. The idea of aiding the interest of consumers has been a constant cause of mine ever since I have been in Congress. I did a great deal about it when I was attorney general of New York. In the last session of Congress I introduced Senate Resolution 119, which would create a Select Committee on Consumers in the Senate for this purpose, analogous to the Senate Select Small Business Committee.

I feel that in appointing a Consumers' Advisory Council the President has expressed at least a pro forma interest, but we will not get deeply into cases until we have either legislation or committees in the Senate and in the House such as we have for small business. Since we have a consumer's economy in our country today, it is my convinced judgment that the committee proposal is more essential than ever before in the fields of consumer frauds, quality, prices, and productivity. The consumer has a burning interest in these fields which needs to be separately represented.

So I hope very much that the President of the United States will show an interest in real action and back the idea of a select committee on consumers or give us proposed legislation to provide a proper basis for a consumers' council in Government. There must be an area of Government in which the consumers' interests may adequately function as an active force in what is done by way of legislation as well as in the executive department.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial published in today's issue of the New York Times on the subject, and a newsstory upon the same subject.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 19, 1962]

A BONE FOR CONSUMERS

The appointment by President Kennedy of a Consumers' Advisory Council so close to the start of the congressional campaign is bound to provoke some skepticism. The President expressed much interest in consumers in his 1960 election drive, but he waited until he had been in office a year and a half before naming this body. The pro forma interest the administration has displayed in following up the virtuous but somewhat vaporous proposals contained in Mr. Kennedy's omnibus message on consumer problems several months ago indicates little prospect of forceful new protection of consumer interests.

President Names Consumer Panel—Dean at Cornell Is Chairman of Advisory Council

Washington, July 18.—President Kennedy announced today the appointment of a 12-member Consumers Advisory Council to give broad consideration to the consumers' needs and point of view.

He named Dr. Helen G. Canoyer, dean of the School of Home Economics at Cornell University, to be its chairman.

Establishment of the council fulfills a campaign pledge made by Mr. Kennedy in 1960.

The pledge called for a White House assistant on consumer affairs. The unit announced today is a modified version of that and, in a way, more extensive because it sets up a consumer network throughout the executive branch.

The new council will report to the Council of Economic Advisers. Membership is not a full-time position. Compensation will be $50 a day, when actually employed, and expenses.

The group will be assisted by a small staff and by liaison officers designated by 22 departments and agencies. The liaison work will be an addition to the regular duties of these departmental and agency employees.

Six of the new council appointees are women, six are men. Eight are Democrats, two are Republicans. Two others, including the chairman, recorded no party affiliation.

The members follow: Miss Helen G. Canoyer, David Angevine, Dr. Persia Campbell, Stephen McKenzie du Brul, Jr., Mrs. John G. Lee, Dr. Edward S. Lewis, Walter F. Mondale, Dr. Richard L. D. Morse, Mrs. Helen E. Nelson, Sylvia Porter, Dr. Caroline Ware, and Dr. Colston E. Warne.

Later today, Secretary of Labor Arthur J. Goldberg announced the appointment of Mrs. Aryness Joy Wickens as the Labor Department's liaison officer to the Consumers Council. Mrs. Wickens is a specialist in prices and standards of living.

UNITED STATES TIES ITS OWN HANDS IN MEETING SOVIET OIL OFFENSIVE

Mr. KEATING. Mr. President, on Monday I disclosed on the Senate floor the fact that an important study on the impact of Soviet oil exports on the free world was being held up within the Government by rigid and legalistic interpretations of our conflict-of-interest laws. At that time I warned that unless some effort was made to bring our cold war strategy into line with the trade threat which the free world is facing, we would be tying our own hands. The New York Times this morning reveals very clearly that the Soviets are still busily pushing their own advantage, while in the United States the chairman of the National Petroleum Council, a quasi-governmental agency, has resigned as a result of fundamental differences in the effort to meet the Soviet threat.

Mr. President, one of the most important projects which the National Petroleum Council was working on in cooperation with the Interior Department is a detailed and authoritative study of Soviet oil tactics. Up to this point our Government has developed no policy to meet this threat. We have not even had complete data on the extent of the threat. The purpose of the NPC study was to fill this gap and to discuss the oil industries of all the Communist countries including China and their needs and their present and potential impact throughout the rest of the world.

We had very impressive testimony about the huge oil reserves in Russia before our Committee on Internal Security. Reliable reports indicate that the NPC report, a draft of which has already been completed by the working subcommittee, is nearly 600 pages long plus charts and addenda. Yet, Mr. President, incredible as it may seem, this report, as well as the other activities of the National Petroleum Council have now been blocked. The Soviet oil report has been held up for a month already.

Mr. President, it is impossible for the United States to meet the worldwide Soviet threat under archaic concepts which prevent our own Government from using the brains, ability, and know-how of private enterprise to meet Soviet challenges. Particularly in the area of trade, it is vital that businessmen who actually conduct the trade be permitted to study, discuss, and make recommendations as to overall Government policy direction. It is obviously impossible for the members of the National Petroleum Council, most of which are important oil company executives, to be barred from dealing with the problems that are touched on in this report when they work in their private capacities. This would mean that these executives who have worked on this report may be unable to serve their own companies in meeting the Soviet oil problem directly.

Mr. President, the Communists will not wait while we quarrel over our own laws and regulations. The newspaper this morning also carries a story of Soviet activities in this field. We can be sure that the Soviets are not idle when the free world is squabbling. Tass, the Soviet news agency, has just carried an interview with the head of the Oil Export Administration, an interview designed to quiet European fears and encourage European countries to take more Soviet oil.

Mr. Gurov, who is the head of the Oil Export Administration, has noted that last year Soviet oil accounted for only 8 percent of the total oil consumption in Common Market countries. He said the percentage was not expected to rise in the next few years, as both Soviet exports and West European consumption continue to increase.

Let us watch it. It will rise in the next few years. Mr. Gurov is making an inaccurate statement. It has been rising. It is going to continue to rise. It is going far beyond 8 percent unless we, with our allies, establish some coordinated policy. Mr. Gurov also said that the Soviet Union would not try to exert political pressure on its oil purchasers.

Furthermore, it is also reported in a separate report that the sale of Soviet oil "at dumping prices" in Western Europe will be one of the main subjects at the Fourth Arab Petroleum Congress in November. The foresighted chairman of the Lebanese delegation to the Congress, Emile S. Bustani, has already warned the Arab countries that Soviet oil exports will hurt them seriously. Sales in Western Europe by the western oil companies of Arab-produced oil bring big royalties and revenues to the Arab States. Soviet sales cut seriously into the Arab market.

In considering the Soviet oil menace, let us not forget the words of Soviet Premier Khrushchev. I hope I have not made a nuisance of myself in speaking on a number of occasions on this subject, but I feel very deeply on this matter, and it is a major concern to our Nation. As I say, we should not forget the words of Mr. Khrushchev, the Soviet Premier. He should know, if anyone knows, what his country is trying to do. He has said:

> We value trade least for economic reasons and most for political reasons.

It is time for the executive branch of the Government to wake up to the extent of the Soviet oil threat, and not tie its own hands through unnecessary and unrealistic conflict-of-interest interpretations.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KEATING. I yield to my colleague.

Mr. JAVITS. There is one thing my colleague from New York has not mentioned. The Senator and I have both been very much interested in this whole East-West trade problem and have worked together on the Export Control Act. I refer to the antitrust laws, which also, as well as the conflict-of-interest laws, have a considerable effect on this situation.

I wish to call attention to the fact that the Banking and Currency Committee will soon be considering some possibilities along this line, related to section 708 of the Defense Production Act, which permits the Attorney General to exempt certain arrangements from the antitrust laws in the national interest. I should like to call this to the attention of my colleague from New York and to the attention of all Members of the Senate, so that if they have any questions or any views or evidence which they would like to offer upon the subject as it relates to this matter of meeting Soviet competition in trade, the Banking and Currency Committee will be hearing evidence on these issues as they relate to pending amendments to the Defense Production Act.

Mr. KEATING. Mr. President, I appreciate the remarks of my colleague. I am aware of the fine work which he has done in this field. My understanding is that in this instance the holdup of the National Petroleum Council study is specifically based on a failure to come to grips with the problem of conflict-of-interest regulations for members of advisory groups. That is the reason why this Soviet oil report has been held up in the Department of the Interior for about a month. I first brought up and discussed the month-long delay in a statement on the Senate floor on Monday. Since then, the resignation of the head of the NPC has underscored the urgent need for a reconsideration of this aspect of our conflict-of-interest regulations.

Mr. JAVITS. The Senator is properly stating the reported reason for the holdup of this report, as referred to in the New York Times today. However, in the implementation of any activity under a report companies may immediately run afoul of the antitrust laws. I was merely pointing out that this is a two-stage operation. The Senator has properly dealt with the conflict-of-interest stage, which, incidentally, we have considered to some extent in the National Policy Subcommittee of the Committee on Government Operations, as one hard nut that faces us. I was also pointing to a problem which is a corollary problem and is being considered by another committee of the Senate.

SOVIET ANTI-SEMITISM

Mr. KEATING. Mr. President, for many months I have been shocked and discouraged by the continuing anti-Semitic activities in the Soviet Union. Persecution, both official and unofficial, of members of the Jewish religion is, according to all reports, being stepped up to a new crescendo of religious discrimination and nationalistic racialism. It is not enough for the U.S. Government to express polite private regrets. There is a real need to expose Soviet hypocrisy on the subject, to reveal that prejudice and discrimination are rife throughout the Communist empire, and to demonstrate the extent of Soviet intolerance before the whole world.

My inquiry about the latest trend of developments was first made to the U.S. Department of State in December 1961. I called attention to the serious problem of Communist persecution of Russian Jewry under the guise of routing out black marketeers and other so-called economic criminals. Under this cruel program a number of Jewish citizens have been executed or sentenced to long prison terms. It has become increasingly clear that the real aims of this phony economic campaign are the elimination of Judaism in the Soviet Union and, insofar as possible, of all organized religion. The situation in Russia now is becoming reminiscent of the pogrom conditions of the prerevolutionary era.

As the wave of anti-Semitic terror has mounted, many letters have come into my office protesting these activities of the Soviet Union and asking what the United States can do to counteract them. More than once, I have taken the question up with the Department of State requesting more detailed information and urging more vigorous protests on these activities.

The latest reply I have received from the Assistant Secretary of State, Frederick Dutton, discloses two new pieces of evidence in the Soviet anti-Semitic campaign. It reveals what I had suspected for some time, namely, that the Communist's long-term antireligion crusade has, in fact, been heightened in the last few months. The Soviet publication, Party Line, in an article of May 9, 1962, states that:

> The Soviet Union has stepped up its antireligious activities since the 22d party (Congress) and social organizations have recently strengthened what is described as "scientific religious propaganda"; that religious sects have been dissolved and that there has been an increase in the number of people who have renounced religious beliefs.

He further states that:

> Allegedly at the request of former believers, many churches and prayer houses have been closed.

The criminal code now authorizes the prosecution of those engaged in religious activities, or even those who simply believe in God.

Soviet newspaper accounts have given prominence to Soviet citizens with Jewish names allegedly involved in illegal commercial activities. The State Department report indicates that the March issue of a prominent Soviet magazine, in exposing economic activities in the region of Frunze involving 54 offenders, listed the names of 33 persons, 15 of whom had identifiable Jewish names. The government appears to be attempting to link historic Russian anti-Semitism to its economic campaign, by these tactics and others. Detailed coverage is given in the Soviet press to criminals bearing Jewish names, and the attack is carried into every facet of daily life.

This letter from the State Department, however, has failed to mention many other aspects of the Russian anti-Semitic campaign in his letter. I sincerely hope that this does not indicate lack of information in the Department on these matters. The letter does not mention, for instance, that Jews are being ousted continuously from their jobs and even their homes for mysterious reasons. It does not mention that there is but one Yeshiva left existing in the entire Union of Soviet Socialist Republics. Moscow's Yaad-Yeshiva, headed by Rabbi Yehuda Leib Levin is the last theological seminary allowed to operate and then only under such nerve shattering conditions that those who enter must be specially prepared for the consequences of their action. It is easy for Mr. Khrushchev to maintain that Soviet Jewry is being treated like every one else, but these and many other facts clearly dispute his reasoning. This intensive campaign to stifle the practice of Judaism in the Soviet Union is intolerable, Mr. President, and must be stopped.

Mr. President, this letter from the Department has supplied the public with some new information, but it is far from complete. What disturbs me even more, however, is that apparently next to nothing is being done to protest these activities. On March 14, 1962, I called to the attention of this body a letter which I had received from Assistant Secretary Dutton in December 1961, answering questions similar to the ones I posed last week, and I compared that letter with the text of a memorandum which had come into my office 4 months later, purporting to be the "latest information" on the subject. I was shocked to discover, as I told this body then, that the letter and the memorandum were virtually word-for-word copies of each other. And I am dismayed to report now, that after another 4 months, nothing new has been added by way of positive action. About all that the Department of State can offer to those of us that are seriously concerned about this problem, is that President Eisenhower and Premier Khrushchev had anti-Semitism on the agenda of their talks at Camp David in 1960. Nothing new has apparently been done in the last 2 years.

The recent appointment of Veniamin E. Dymshits, a Jew, as Chairman of the State Planning Committee and Deputy Premier of the Soviet Union may be designed to quiet some of the mounting oversea criticism of Soviet anti-Semitism. But despite the religious heritage of Mr. Dymshits, there is no evidence that he has practiced the Jewish religion himself; in fact, as a practicing and active Communist and a member of the Central Committee, he has undoubtedly foresworn the faith of his fathers. Perhaps also his appointment may be designed to tempt other Soviet Jews with the lure of political preferment as a reward for religious apostasy.

Mr. President, in other times men have been warned not to desert the Lord for Mammon. In the Soviet Union the danger is that they will desert the Lord, not for Mammon, but for Marx.

I admit that there is only a narrow range of diplomatic action possible, given the nature of this problem, but our diplomats may have not even explored this limited area thoroughly. In the last 8 months, I have received three separate communications from the Department of State on this subject. The last is as inconclusive as the first. The Department has not even redrafted the form letter. Whole paragraphs are identical in each of them.

Mr. President, the perfect opportunity now exists for the United States to exert some leadership on this very serious problem. In a short time, the Senate will be asked to give its advice and consent to the nomination of a new Ambassador to the Soviet Union. And shortly after that, our new envoy, Mr. Foy Kohler, an experienced career diplomat, will present his credentials in Moscow and begin a round of diplomatic consultations.

I therefore urge the administration specifically to instruct the new American Ambassador to the Soviet Union to place high on his agenda of talks with the Russians consideration of the problem which I have been discussing here. I urge our Ambassador be instructed to exert all the influence he has at his command to express the vital concern of the American people in this problem and to exercise all the moral suasion possible to bring about some amelioration of the conditions now existing for the Soviet Jew.

Now is the time to act. The moment is here as evidence of anti-Semitic campaigns mount day by day, and as a new American envoy prepares to assume his duties in the Soviet capital. To act firmly on this problem as exemplified in the Soviet Union would be a powerful precedent, a notice served on the nations of the world which tolerate or tacitly encourage anti-Semitism within their borders, that the United States is concerned, and that the United States is prepared to bring all its energies and influence to bear on the solution of the problem.

Already we have seen enough recent evidence of a revival of anti-Semitism in other parts of the world to suspect that the Russian example or Soviet influence may have had its effects outside the geographic borders of the Communist empire.

In Algeria, for instance, the plight of the Jews—as of all non-Moslems—stands in striking contrast to the worldwide celebration which has been made at the news of the independent Algerian state. It is a shame and a crime that suffering and persecution of a portion of these supposedly "free" people should be allowed to cloud the unanimous joy and relief over the end of the long and bloody war with France.

But cloud it, it does. The new Algerian Government has, in spite of its protestations, begun a campaign of so-called nationalization which will effectively force the Algerian Jewish community either to leave the country or to shut itself off from the world in a gloomy and hopeless ghetto. We are all familiar with the themes of nationalism—a return to national customs and language, the growth of a national middle class, association with other newly independent states, and so forth. In Algeria, where the Jewish population is sizable and long established, every one of these tendencies has led to anti-Semitic persecution.

Particularly cruel in Algeria—with about 135,000 Jews—is the fact that a government which should be representing all of its people may be joined with the Pan-Arab movement in a campaign against the State of Israel and its so-called Zionist intrigues. What appears to be happening in Algeria, Mr. President, is a sinister distortion of that high-sounding slogan for national independence—instead of "Algeria for the Algerians," we have "Algeria for the Moslems."

The result is racial discrimination and persecution of serious proportions. Thousands of Jews are fleeing the country every day; Jewish communal life in Algiers has practically disappeared, and there are many instances recorded of street battles between the FLN and Jewish citizens, many instances of suffering and death.

I might point out, Mr. President, that the situation in Algeria, bad as it is, compares favorably with the situation in other parts of North Africa where Jews have been consigned to restricted ghettos, and considered far inferior even to the lowest of Moslems. Many of these Jews are effectively shut off from the rest of the world, dependent upon the United Jewish Appeal movement for even some minimum amount of food, clothing, and education.

The acrimony and persecution in North Africa continues, Mr. President. To some extent, we have come to expect the birth pangs of a new nation to be accompanied by trouble and hardship. But in Algeria, Tunisia and Morocco, the Jews have had to bear a disproportionate share of the hardship. Latent anti-Semitism has flared and, as in the past, the Jews have become the scapegoats for impatient nationalists.

With these recent outrages in mind, Mr. President, I think it would help, not harm, the situation for our new Ambassador in the Soviet Union to make strong representations on this issue early in his mission. To do this is in accordance with American principles. It is an act of very real concern and importance not only to the millions of American Jews who are deeply troubled by the fate of their religious brethren in Russia and elsewhere, but also to the 180 million Americans of all races and religions who believe in the world of brotherhood, the dignity of man, and the liberties which have given our Nation its enduring strength. It is a moral obligation which I sincerely trust our Government will not ignore.

THE CORRECTION OF EXPENSE ACCOUNT ABUSES

Mr. GORE. Mr. President, in a message to Congress on April 20, 1961, President Kennedy stated that "widespread abuses have developed through the use of the expense account. Indeed, expense account living has become a byword in the American scene."

The Secretary of the Treasury, in making specific recommendations to the Ways and Means Committee, on May 3, 1961, for corrective legislation in the expense account area, stated that an audit had recently been made by the Internal Revenue Service, and "although this audit covered only 38,000 returns, it shows that these returns claimed deductions totaling $5.7 million for club dues, $2 million for theater tickets and similar amusements, over $1 million for hunting lodges and fishing camps, $2.6 million for yachts, and $11.5 million for business gifts. Most significantly, the audit shows that only a small portion of these expenses can be disallowed under existing law."

In view of the obvious abuses and the Secretary's statement that existing law does not deal adequately with the problem, it would seem only reasonable to suppose that the Congress would move decisively and promptly to give the Internal Revenue Service the tools it needs to protect the public interest against these widespread abuses.

H.R. 10650, the tax bill, as passed by the House, dealt with the expense account problem, but somewhat tenderly. I was disappointed that the provision was not a stronger one.

But my disappointment has been doubled by the action of the Finance Committee of the Senate on this same subject. Not only has the Finance Committee failed to follow the recommendation of the President and the Secretary of the Treasury to amend the law to treat effectively with this tax abuse, but, even worse, the committee adopted an expense account amendment which is far worse than the inadequate provision of the House-passed bill. Indeed, it may be worse than the existing law under which the widespread abuses occur.

This amendment was described in the committee by its author as "the prudent man" amendment. In argument against it I asked for the dictionary and read to the committee the following and, I think, appropriate definition of the word "prudent":

> Habitually careful to avoid practical errors and to follow the most profitable and politic course; especially attentive to one's own interest; worldly wise—as "A prudent man foreseeth the evil and hideth himself."

I have personal affection for each member of the Senate Finance Committee, but much to my regret my conception of the public interest is frequently at sharp variance with the action of the majority of the committee; that is surely true in this instance as well as in many others.

It will be my purpose, therefore, to join with other of my colleagues who are interested in correcting some of the more obvious and wholly unjustified abuses which now exist in our Internal Revenue Code in an earnest endeavor to rewrite the tax reform bill on the floor of the Senate at such time as it may be called up by the leadership for action.

It is not easy, I realize, to write tax legislation on the Senate floor, but in my view in this instance it cannot be avoided. The effort must be made, and I trust it will be successful.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mrs. SMITH of Maine. Mr. President, recently the Senate marched strongly up the hill to express its opposition to aid to Communist countries and adopted an amendment by the Senior Senator from Ohio to bar such aid to Communist countries. But the next day the Senate rather timidly marched back down the hill and greatly diluted that action with a nullifying amendment.

Whether one is for aid to Communist Yugoslavia and Communist Poland—and neutralist India—or not, I think most everyone would acknowledge the extremely good sense expressed in an editorial in the July 13, 1962, issue of the Wall Street Journal entitled "A Weak Political Tool" and I ask unanimous consent that it be placed in the RECORD for everyone to read—not only to read but to study.

I think it puts the finger on one of the greatest weaknesses in the policies and administration of our foreign aid program.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A WEAK POLITICAL TOOL

The congressional criticism of foreign aid this year centers on three countries: Poland, Yugoslavia, and India. Each case tells a good deal, we think, about what is wrong with the aid program as a whole.

Poland and Yugoslavia, of course, are Communist countries, the one a Soviet satellite, the other not. Whether they get any more aid, and if so how much, is now up to a House conference committee.

To some critics the fact that they are Communist should automatically bar them from aid consideration. But that is not the central question; it is, or should be, whether any significant U.S. interest is served by the aid.

In the beginning the answer may well have been affirmative. After Tito of Yugoslavia broke with Stalin in 1948, it was in the American interest to have him remain independent, and American aid helped serve that purpose. Somewhat similarly, after Poland's Gomulka wrested some internal autonomy from Khrushchev in the wake of a near-revolt in 1956, it seemed sensible to try to help him keep it. Divisions and turmoil in the Communist camp are almost by definition gains for us.

But because something may have been useful at one time is no excuse for doing it forever. Any semi-independence Poland enjoys today isn't benefiting the United States and probably has nothing to do with whether U.S. aid is granted or not. In the cold war arena, Yugoslavia has become practically indistinguishable from the Soviet Union. In each case any new aid would simply be a handout, with no clear function from the viewpoint of American interest.

And this trap is what the United States has fallen into all over. By letting people get the impression that the aid is to be a permanent subsidy, we rob it of flexibility and effectiveness as a political tool.

Certainly that is the sorry circumstance in India. The aid, in our opinion, should not be terminated merely because anyone gets mad at Nehru for his constant carping at this country, his "neutralism" or even his buying of Soviet Migs if he decides to do that. As everywhere else, the criterion should be what U.S. interest the aid is aiding.

On that basis, it would be hard indeed to justify the very considerable amount of aid the United States is giving India. Certainly it cannot be argued that the help has kept India from going Communist. India has not gone Communist because enough Indians oppose it despite Nehru's philosophical affection for the ideology, because the Communist Party in India is not strong enough, and because neither the Soviet Union nor Red China has yet tried to take the whole nation by force. The Chinese border incursions have done more than United States aid to make Indians anti-Communist.

We are aware that the further argument is that India must be aided so as to strengthen its economy and hence its democratic political institutions. Unfortunately, the aid may have done more harm than good. Today India is in deplorable economic and financial shape, not least because it is trying to run a socialist economy which the U.S. aid has inevitably helped to entrench.

This kind of thing is also being duplicated around the world. The truth is that we are trying to do too much and too often we are doing the wrong things.

A real reform of foreign aid would have to cover a great deal. But surely its beginning should be a case-by-case analysis of aid as it affects the American interest. And just as surely the beginning of aid wisdom must be to make it perfectly clear that the help is limited not only in scope but duration.

The U.S. Government has already waited far too long to make that beginning.

The **PRESIDING OFFICER**. The question is on agreeing to the motion of the Senator from Oregon [Mr. Morse] to postpone the further consideration of the conference report until August 1. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **HUMPHREY**. I announce that the Senator from Virginia [Mr. Byrd], the Senator from South Carolina [Mr. Johnston], the Senator from Louisiana [Mr. Long], the Senator from Oklahoma [Mr. Monroney], and the Senator from Utah [Mr. Moss] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Chavez], and the Senator from Arkansas [Mr. Fulbright] are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. Monroney] would vote "nay."

Mr. **KUCHEL**. I announce that the Senator from Colorado [Mr. Allott] is absent on official business.

The Senator from Utah [Mr. Bennett], the Senator from Arizona [Mr. Goldwater], and the Senator from Iowa [Mr. Hickenlooper] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. Allott], the Senator from Utah [Mr. Bennett], and the Senator from Arizona [Mr. Goldwater] would each vote "yea."

The result was announced—yeas 41, nays 48, as follows:

[No. 122 Leg.]

YEAS—41

Anderson
Bartlett
Beall
Bible
Boggs
Bottum
Bush
Butler
Capehart
Carlson
Cotton
Curtis
Dirksen
Dodd
Dworshak
Eastland
Ellender
Ervin
Fong
Gruening
Hruska
Jordan
Kuchel
Lausche
McClellan
Miller
Morse
Mundt
Murphy
Neuberger
Pearson
Proxmire
Robertson
Russell
Scott
Talmadge
Thurmond
Tower
Wiley
Williams, Del.
Young, Ohio

NAYS—48

Aiken
Burdick
Byrd, W. Va.
Cannon
Carroll
Case
Church
Clark
Cooper
Douglas
Engle
Gore
Hart
Hartke
Hayden
Hickey
Hill
Holland
Humphrey
Jackson
Javits
Keating
Kefauver
Kerr
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
McNamara
Metcalf
Morton
Muskie
Pastore
Pell
Prouty
Randolph
Saltonstall
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Williams, N.J.
Yarborough
Young, N. Dak.

NOT VOTING—11

Allott
Bennett
Byrd, Va.
Chavez
Fulbright
Goldwater
Hickenlooper
Johnston
Long, La.
Monroney
Moss

So Mr. Morse's motion was rejected.

Mr. **SPARKMAN**. Mr. President, I move that the vote by which the motion was rejected be reconsidered.

Mr. **HUMPHREY**. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. **STENNIS** obtained the floor.

Mr. **DIRKSEN**. Mr. President, will the Senator from Mississippi yield, in order that I may propound an inquiry?

Mr. **STENNIS**. I yield for that purpose.

LEGISLATIVE PROGRAM

Mr. **DIRKSEN**. Mr. President, I should like to ask the majority leader about the program for the remainder of today. I understood that the conference report on the welfare bill was to be taken up next. Is that correct?

Mr. **MANSFIELD**. That is correct. I do not know how much longer the Senate will proceed on the conference report on the foreign-aid bill; but it is anticipated that following the completion of action on that conference report, the Senate will then take up the conference report on the welfare bill. I do not know how long the consideration of that report will take.

Mr. **DIRKSEN**. Very well. I should like to ask the distinguished Senator from Oklahoma [Mr. Kerr]—assuming that he will submit the conference report on the welfare bill—whether he anticipates that its consideration will take very long.

Mr. **KERR**. I hope not. Of course, I cannot presume to have knowledge of what other Senators may do; but I hope the consideration of that report will not take too long.

Mr. **DIRKSEN**. Does the Senator from Oklahoma anticipate that there will be a record vote on the question of agreeing to that report?

Mr. **KERR**. I hope not. I shall not request one.

Mr. **DIRKSEN**. I thank the Senator from Oklahoma.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. **MANSFIELD**. In the meantime, Mr. President, I ask unanimous consent that when the Senate concludes its session today, it adjourn until 11 a.m., tomorrow.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

STRIKES IN DEFENSE INDUSTRIES

Mr. **STENNIS**. Mr. President, I shall not detain the Senate long, but I desire to refer to a matter which I believe to be of great concern.

Mr. President, yesterday I made a statement on the floor of the Senate calling attention to the grave threat inherent in the threatened and impending strike of our great missile and aircraft industry. It was my purpose to warn of the grave peril which such a strike holds for the defense of America.

This threat to the security of the Nation has materialized and become a reality even more quickly than I anticipated when I spoke yesterday. I was shocked and disturbed to learn that at 12:01 a.m., today, the production workers at General Dynamic's Electric Boat Division, at Groton, Conn., went on strike. This walkout has tied up construction on 11 of our nuclear submarines. Seven of these are Polaris-type submarines, designed to fire ballistic missiles with atomic warheads from an underwater launch. Eight thousand seven hundred workers are involved in this work stoppage.

I do not have to remind the Members of the Senate that the Polaris missile system constitutes one of our primary strategic deterrents. Roaming at will, and hidden in the depths of the ocean, Polaris submarines are undetectable by any known system, and thus are practically invulnerable to enemy attack. Year after year, the Congress has demonstrated its awareness of the urgent and critical need for this weapon system, by appropriating billions of dollars to insure that the program will be accelerated to the greatest extent possible.

I say today, as I did yesterday, that the safety and survival of this country demands that these critical weapon systems be ready for use on schedule and that a catastrophic stoppage of work must be prevented at all costs.

The strike in progress at Electric Boat is, of course, separate from and in addition to the threatened strike of our great missile and aircraft industry which is now scheduled for Monday, July 23—just 4 short days from now. I believe that it would be helpful for me to outline briefly the impact which the missile industry strike would have upon the production of our intercontinental ballistic missiles and other essential weapons.

The six major defense contractors which would be directly affected by the strike employ 125,000 union members. However, I am informed that the impact of the strike would ultimately affect 350,000 workers all across the Nation. As I pointed out yesterday, because of subcontract and supply arrangements, no one large part of the missile industry can be shut down without affecting all other parts.

Let me give the Senate some examples of the weapons and weapon systems which would be affected.

Douglas Aircraft Co., with plants at Torrance, Santa Monica, Palmdale, and Long Beach, Calif., and Charlotte, N.C., and Tulsa, Okla., is involved in the production of the Skybolt, Genie, Saturn, Thor, Nike-Zeus, and the Navy A-4D attack bomber.

As I pointed out yesterday, Douglas and the union negotiators have reached an agreement. However, this agreement is subject to ratification by the rank and file workers of several unions. The workers at the Electric Boat Division rejected the agreement negotiated by their leaders. There could be a repetition of this at Douglas.

The General Dynamics plants at Fort Worth, Tex., and San Diego, Calif., have contracts involving Atlas launch vehicles and parts, the NASA space program, and the B-58 heavy bomber.

North American Aviation, at Canoga Park, Calif., has contracts in connection with the RS-70 supersonic aircraft, Atlas propulsion system, Thor, Nova, and Minuteman.

Aerojet General Corp., at Azusa and Sacramento, Calif., is involved in producing components of Minuteman, Titan, Polaris, and Skybolt.

Lockheed, at Sunnyvale, Calif., produces components for Polaris and Agena.

Ryan Aircraft Co., at San Diego, Calif., is directly involved in the KC-135 tanker program, in the F-104 fighter, and in various advanced research projects.

This is only a partial listing of the weapons systems and other military items which would be affected and delayed by the threatened stoppage. However, I think they are sufficient to demonstrate, beyond question, that if this strike occurs it will jeopardize absolutely essential schedules for mustering our strategic strike and defense capability.

One strike—that at Electric Boat—shutting down a critical and vital defense industry is already in progress. Another, which will affect a much larger segment of the industry, is threatened within a matter of days. I had hoped that all concerned with this problem—workers and management alike—would act in the interest of the security and welfare of the Nation and would not take precipitate actions for personal motives. Unfortunately, this did not prove to be the case at the Electric Boat Division.

As I assess the situation the crisis is now or will shortly be upon us. Immediate and drastic action is required to prevent damage and injury to our vital national interests. I hope the administration will move vigorously and promptly to reopen the struck plant at Groton. I hope it will move with equal vigor and promptness to forestall even the loss of 1 day's work in the missile and aircraft industry. If the Government does not now have sufficient power to prevent the interruption of production of our essential tools of war, let it call upon the Congress without hesitation. I believe that the Congress is ready to take such positive and immediate action as is necessary to safeguard the country's welfare in this vital area.

The statement by Secretary Goldberg is quite encouraging. The laws already on the books can at least temporarily meet and cope with the situation. As I mentioned yesterday, Senate bill 2631, which has already been introduced by the Senator from Arkansas [Mr. McClellan], is directed especially to the specific questions involved, the issues at stake, and the tragic crisis that we shall have to meet immediately. I commend the Senator for his foresight and his work on this timely, highly important, and necessary legislation. I am encouraged to know that the Senator from Arkansas is going to have something to say on the subject.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. SALTONSTALL. I commend the Senator for what he has said and for the work he has done in stimulating work on missiles, the Polaris submarine, and all the other materiel that goes into our latest developments. I shall be glad to cooperate with the Senator from Arkansas and the Senator from Mississippi in any way I can to work out these problems so there will be no delay.

Mr. STENNIS. I thank the Senator. The work the Senator from Mississippi has done has grown out of the work of the subcommittee in which the Senator from Massachusetts has been such a stalwart and a tower of strength in this and related matters.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. BUSH. The Senator mentioned the strike at Groton, Conn., which I view with great apprehension. I thank the Senator for bringing this situation to the attention of the Senate this afternoon. This was a strike which was called in spite of the advice of the Metal Trades Council leadership, and notwithstanding the fact that the company had offered an hourly wage increase of 14 cents in an agreement that was called the best shipyard contract on the east coast. The officials of the company said the increase would cost the company $3 million annually.

It is serious enough when there are strikes that increase the cost of production in this country today, which puts us at a disadvantage both at home and abroad in competing for trade; but when there are strikes in plants that are working on an accelerated program of defense, it is deplorable. We have stepped up rapidly the atomic submarine and the Polaris program. The President has placed the program on an urgency basis, and the committee of which the Senator is a member and the committee of which I am a member, and the Senate, through its action, have given priority to the program. It is unfortunate that the members of the union, in spite of the advice of their leadership, would make this strike against a defense program. I commend the Senator for his statement.

Mr. STENNIS. I thank the Senator. It is inexcusable. We have already moved definitely into the position where we are dependent upon these missiles for effective defense. It is the policy which has been adopted by the Congress and the administration, and these programs must move forward.

Mr. BUSH. And none is more important than the missile riding in the Polaris submarine.

Mr. STENNIS. That is a major part of the heart of our defense program at this time.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, I was seeking recognition of the Chair at the time the distinguished Senator from Mississippi [Mr. Stennis] was recognized. I did not know then that he was about to address his remarks to this particular subject matter, and neither did he know, when we were both seeking recognition, that I intended to discuss the question he has just commented upon.

I join with the distinguished Senator from Mississippi in inviting the attention of Senators to this serious strike threat to our missile program, and therefore a threat to national defense itself.

The United Automobile Workers and the International Association of Machinists, I am advised, are threatening a paralyzing strike in the aerospace industry. I did not know that a strike was already in progress, to which my distinguished friend has referred. I understand that, despite the overwhelming need for restraint, for self-control, for patriotism, and for responsibility, a strike against the leading aerospace companies is now definitely scheduled to begin next Monday, July 23.

I have heretofore repeatedly pointed out the urgent necessity for a national policy and for appropriate legislation to prohibit strikes that would vitally affect our defense programs and the national security.

Almost 2 years ago the Permanent Subcommittee on Investigations began receiving reports that strikes and labor stoppages, called for trivial reasons, were seriously delaying the critical work taking place at our missile sites and thereby exposing the Nation to deadly peril.

Some 15 months ago the Senate Permanent Subcommittee on Investigations conducted a series of hearings inquiring into such labor stoppages and their adverse consequences. Revelations made of conditions that then prevailed were shocking and shameful indeed. In many respects the true situation surpassed the original reports. We learned that in a 5-year period, up to that time, there had been 327 work stoppages, resulting in a total loss of 162,872 man-days of labor. The damage done to the missile program is not immediately apparent from the mere recitation of figures showing the time lost. A stoppage in one portion of a construction job usually delays other portions also. It has a chainlike reaction extending all the way back—perhaps to the source of initial production of any parts which may be involved. A stoppage at a testing site delays research and production which are dependent upon the result of the test. There is no one who can say that this time which is lost forever could not make the difference between victory and defeat.

In order to apply corrective measures, it is essential that the causes of the disputes must be isolated. In our hearings we found apathy and weakness on the part of some Government officials involved. We found instances of greed and irresponsibility on the part of both labor and management. There was a lack of a sense of urgency and consciousness of important responsibility permeating the program.

More than half of the time lost in the missile site work was lost because of organizational efforts and strikes for the negotiation of new collective bargaining agreements. More than a quarter of the time lost was lost purely because of jurisdictional disputes. The remaining quarter of time lost was distributed among several other types of disputes.

One of the results growing out of those hearings was the establishment by the President of the Missile Sites Labor Commission. This Commission is chaired by the Secretary of Labor and is made up of representatives of Government, management, and labor. Its approach to the problem is that of securing voluntary agreement by labor and management in lieu of compulsory legislation in this field. Labor and management joined in a no-strike, no-lockout pledge. There is every indication that the Commission itself, the international labor officials, and the representatives of industry have tried wholeheartedly to keep the men on the job, to anticipate disputes, and endeavor to get them resolved before they result in work stoppages.

As I have stated previously in addressing the Senate, I was quite doubtful at the time the Commission was created that such an approach would prove adequate and effective in all circumstances, since it relies completely upon the voluntary action and good will of all parties involved.

When that good will breaks down, when it ceases to operate on a voluntary basis, there is exactly the type of situation we are discussing today, with an impending threat of action which would cause great injury—perhaps irreparable injury—to our national defense.

I did not believe that the good will and voluntary restraint of all the people could be depended upon to prevent work stoppages in the future any more than they could have been relied upon in the past. With all pertinent factors known to everyone, it is clearly obvious now that such good will was tragically absent in many instances in the past. I am convinced that there will be instances in the future when it will be absent, as referred to by the distinguished Senator from Mississippi [Mr. STENNIS] and the distinguished Senator from Connecticut [Mr. BUSH] in regard to the strike now in progress. It will be absent in regard to strikes which are now scheduled to begin next Monday.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. METCALF in the chair.) Does the Senator yield?

Mr. McCLELLAN. I yield, briefly.

Mr. HOLLAND. I not only commend the distinguished Senator from Arkansas and the distinguished Senator from Mississippi but also I invite attention to the fact that under the Taft-Hartley Act ample machinery is now available to stop the strike which has begun and others which impend, at least for a period of 80 days. I call upon the administration to take such action immediately as will stop the existing strike and those which are threatened.

I also invite the attention of Senators to the fact that in regard to at least one other strike, that affecting commercial aviation, the Taft-Hartley Act does not apply. Early hearings should be held upon the proposed legislation already introduced by the Senator from Oklahoma [Mr. MONRONEY], as well as on other bills, as to one of which (S. 88) I have the privilege of being the author. In that way we could have machinery available to stop this intolerable striking against the public interest and, in regard to the very matter which the Senator is now discussing, striking even against the public security and safety—against national defense.

I hope that during the 80 days—the Nation will be protected for that period of time, if the administration proceeds at once—hearings will be held by the appropriate legislative committee upon the bill so foresightedly introduced by the Senator from Arkansas, to which reference has already been made, as to which I have the honor to be associated with him by his consent as associate co-introducer.

If we mean business in our defense effort or in our effort to come back to an appropriate degree of prosperity and employment of our citizens, we must take action on these long-deferred measures. I hope that the appropriate legislative committee will take action upon the two measures I have mentioned, in the field of strikes, by all means giving early emphasis to the one which relates to our security and to our defense program.

I congratulate the two Senators who have already spoken so ably on this subject. I assure them of any support which I can give them. I believe they will have the united support of the Senate as they insist upon action, rather than mere words, in the two important fields we have discussed.

Mr. McCLELLAN. I thank the distinguished Senator from Florida. He has given support and encouragement to me in respect to the bill that was introduced. He has at all times supported measures and policies calculated to protect the security of the United States.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. BUSH. I thank the Senator. I wish to congratulate him upon his excellent statement today in respect to the very urgent and critical problem about which he has spoken. I am deeply distressed that employees of the Electric Boat Co., which manufactures Polaris submarines, have taken strike action and have gone on strike against the advice of their own leadership. It was very shortsighted for them to do so. The action was not even in their own interest.

The U.S. Government has been good to the State which I represent in part. It has been good to the Electric Boat Co. The U.S. Government has placed a great deal of business with that company. The business has been well conducted, under able management. There is a fine fairminded group of leaders in the management. So when the employees go on strike, their action not only adversely and seriously affects the national interest, but also it is a threat to the economy of eastern Connecticut, where so many jobs are provided by the operation. They run the risk of creating in the minds of those in the Department of Defense a grave doubt as to whether business should be placed there. The Department would consider the risk of wildcat strikes in the face of the advice of the labor leadership itself.

I take this opportunity of calling on the men concerned to go back to work so as not to imperil the national security and the economic security of the State of Connecticut.

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from Connecticut. I do not blame the responsible national labor leaders. I am convinced they do all they can to prevent stoppages from occurring. But I point out again that the voluntary system will not work in every instance. There are those who disregard all elements of responsibility and think only of themselves. They greedily seek to grab, obtain, and get, irrespective of the welfare of the country.

Again on the floor of the Senate I insist that legislation is imperative unless we are to continue to be confronted from time to time with threats to stop or impair the defense program, and to do it irreparable injury at the risk of peril to our Nation. We ought to have the courage to pass a law. I am glad that we have the Taft-Hartley law, under the provisions of which the President can step in and obtain temporary injunctive relief for a period of 80 days, I believe.

I join with the distinguished Senator from Florida [Mr. HOLLAND]. I think the Senate ought to join with him today in insisting that the President take action. But that is not the final answer. We need to stand up like men, with the courage of Representatives of the citizenship of the great sovereign States of our Nation, and say, "We pass laws against crime. We will pass a law which will apply to both management and labor, and that will provide that there shall not be harmful and disastrous work stoppages in the missile program of our Nation. At the same time we shall provide a tribunal which will afford redress, and before which issues can be heard and resolved by due process of law."

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the distinguished Senator from Nebraska.

Mr. CURTIS. I commend the distinguished Senator from Arkansas, not only for his statement today, but also for his work as chairman of the Subcommittee on Permanent Investigations of the Committee on Government Operations, of which I am a member. The Senator from Arkansas has devoted months of his time to holding hearings with reference to strikes and work stoppages in our missile program and related programs.

Many of the hearings were held when Congress was in recess. Often the committee worked evenings and on Saturdays. I know that the Senator from Arkansas obtained a full disclosure of the shameful activities that were taking place. His position has always been that ours should be a government of laws. I am satisfied that when those outside the legislative branch intervened and stated a preference for action other than legislation based upon persuasion and voluntary action, that was not the course which the distinguished chairman of the subcommittee had intended. He intended that we should enact the proposed legislation.

Our defense program has been greatly helped by the fearless investigation that was carried on by the chairman of the subcommittee, the distinguished Senator from Arkansas [Mr. McCLELLAN]. I believe that he has rendered a great service to the taxpayers of the country. His disclosures have resulted in saving the taxpayers a great amount of money.

I agree with him that what has taken place is not enough. We should no longer postpone the enactment of proposed legislation. I wish to compliment my distinguished chairman for his patriotic and unselfish service, which has been rendered over and above the duty he owes to the State of Arkansas, to the country generally, and his other committee work, as well as his work on the floor of the Senate.

Mr. McCLELLAN. Mr. President, I thank my friend the distinguished Senator from Nebraska. I wish also to express my appreciation for the loyal and cooperative assistance that he has given as a member of the Permanent Subcommittee on Investigations. Without the cooperation of all members of the subcommittee, without our laying aside partisanship and working for the common good, an investigating committee could not succeed. Cooperative teamwork is required. Issues rise above politics and partisanship. Such issues present difficulties and problems in crises such as those with which we are today confronted.

At the time the Commission was created I did not oppose it. I welcomed the creation of the Commission, because if it were possible to obtain voluntary agreement by all parties, surely such agreement would be better than no action. Possibly that was as far as the executive branch of the Government could go. But I always maintained that the Congress had a responsibility to enact laws.

It is a fact as a result of our hearings and as a result of the work of the Missile Sites Labor Commission, much has been accomplished. The man-days lost since the hearings and the establishment of the Commission, as compared to the man-days worked were reduced to a fraction of the ratio before committee hearings were held. Prior to the organization of this Commission, there was one man-day lost for every 96 man-days worked; the rate for the year since the establishment of this Commission is one man-day lost for every 1,100 man-days worked. The improvement is apparent.

That improvement came about, in my judgment, solely as a result of the hearings before the subcommittee and the revelations made in those hearings, the action on the part of the executive branch of the Government, the President, in establishing the Commission, and the work of this Commission.

But if everyone is in agreement that there should be no strikes and no lockouts, why should there be any man-days lost?

Most of the work stoppages have been the so-called wildcat strikes; that is, those not sanctioned by responsible labor officials. In many instances the workers have gone out on their own, solely because of personal greed and avarice. However, even in some of those instances the simultaneous walkout by a great number of men almost necessarily indicates some prearrangement. Despite the commendable efforts of many Government, labor, and industrial officials, the problem continues to exist. Where a paralyzing strike is threatened, such as the one scheduled for next Monday, the gravity of the problem is again emphasized and the need for legislation is made conclusively apparent.

There has been newspaper comment concerning the situation now existing in the leading Aerospace companies and their disagreement with the United Automobile Workers and the International Association of Machinists. The Secretary of Labor has informed me that only one contract has been signed and that a strike in this vital industry is a clear and present danger.

The Air Force has stated that any delay in the production of missile components at this time will place in jeopardy the operational status of the Atlas II missile. One of the companies involved in the dispute produces a necessary component of the Sky Bolt. Production and development of the B-58 bomber would be delayed. Delays would also occur in the delivery of critical parts of the B-52 and the KC-135 aircraft. Also involved in the dispute is the current production of the Hound Dog missile.

Senators have heard reference made to other specific involvements, such as those related by the distinguished Senator from Mississippi [Mr. STENNIS].

I do not believe it necessary for me to enumerate any more programs that would be affected by the threatened strike. The importance of these weapons to the defense of our Nation is known to all. More particularly, is this importance well known to the people who threaten to strike.

Mr. President, I know that the Congress cannot legislate patriotism. The Congress can, however, pass legislation which will make it a violation of law to engage in a strike in our key defense industries and require the disputes to be submitted to, and resolved by, a proper tribunal.

Other disputes are resolved in that way, even when the safety of the country is not involved and where the danger does not imperil the country. I do not see why it is not right and proper and absolutely essential, when a dispute arises between labor and management which jeopardizes the security of this Nation, for both sides and the Government to have faith and confidence in a tribunal to resolve the disputes and do justice and equity among the parties.

The solution to these disputes is well within the control of the contending parties. They can settle them now, if they will.

I hope they recognize their responsibilities and arrive at a solution which will provide justice for all, short of placing this Nation in a vulnerable position. I hope they remember that this is their Nation too.

I compliment the Secretary of Labor and the Missile Sites Labor Commission for the results they have achieved. They have acted in good faith. They have been diligent. They have striven with all their powers of persuasion to prevent critical danger from arising. They have done an excellent job with the tools with which they have had to work. But those tools are not adequate for the complete security and protection of this country. They have not, with those tools, been able to accomplish enough. If they had, there would not now be a threatened strike. Are these accomplishments enough? They are not. Do these accomplishments of the Commission guarantee uninterrupted work in defense industry? They do not. Do we in Congress have the right to sit here and do nothing about it and permit strikes and work stoppages to do irreparable harm to our defense program? We have no right to do so. We have a duty to prevent such a result, if laws that Congress can enact will prevent it. And they will.

Mr. President, I intend to follow as closely as I can the work at the missile sites and the progress of the negotiations now in progress. Let labor groups and aerospace companies now in conference understand that: The eyes of the Nation are upon them. I hope that the eyes of Congress are upon them. I hope they will resolve to do their duty and meet the issues and the exigencies of the dangerous circumstances that are thrust upon us. Unless there is an early solution of this problem, and unless the country can be spared periodic recurrences of strikes and threats of strikes in the vital defense industries, I believe Congress will be wholly unjustified in continuing to sit idly by and do nothing.

It is becoming convincingly clear that voluntary agreements are not completely dependable. When they break down, as they now threaten to break down completely, it is time for Congress to act. The only other course remaining open is for Congress to shoulder this responsibility and pass legislation which will make strikes in defense establishments illegal.

I have introduced S. 2631. There are a number of cosponsors of the bill. The bill is designed to accomplish the results I have outlined. I do not claim that the bill is perfect. Certainly it needs committee study; but it ought to have such study. The Senate ought to show some interest and take some action. The bill ought to be studied. The bill can be improved, and no doubt it will be. But unless the bill is studied, we shall never have action or get away from inertia and a policy of inaction.

Unless there is rapid improvement—and I mean action now, because the strike is scheduled—I intend to insist that the bill, or one similar to it, dealing with this problem be considered and acted upon before the adjournment of this session of Congress. In my judgment, if the strike takes place as scheduled and paralyzes defense construction, this Congress—the 87th Congress—will be derelict in its duty if it adjourns without passing a law in an effort to deal effectively with this danger to our country.

Mr. STENNIS. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. STENNIS. I endorse everything the Senator from Arkansas has said on this subject. I support S. 2631, to which he referred. I referred yesterday to the fact, and point out further to the Senate, that the Subcommittee on Preparedness is now holding hearings which were scheduled 3 or 4 weeks ago. The setting of the hearings and the particular testimony taken in them was not directed to the emergency of the strike, but the possibilities were brought out by General LeMay, who is chief of the Air Force and is in charge of the entire strategic program. We are now relying in great measure upon the particular weapons that the Senator from Arkansas has mentioned. Furthermore, the three main intercontinental ballistic missiles, as well as Polaris, which is the submarine missile, and the bombers, and also the Skybolt and Hound Dog missiles which go with them—all of them, not some of them—those which are in use, and those which are coming into use—are involved in the very problem to which the Senator from Arkansas has been addressing himself.

Strikes are not something off in the distance. One of them is already in progress, and three or four more are scheduled for next Monday. So it is urgent that something be done. I think Secretary Goldberg is doing something about it; but Congress will have to act.

Mr. McCLELLAN. I thank the distinguished Senator from Mississippi. I am convinced beyond any doubt that Secretary Goldberg is doing everything in his power. The only problem is that we do not have the power of the law to prevent these occurrences absolutely. Secretary Goldberg's persuasion has been effective many times; but negotiations are breaking down; they are not succeeding. We are emptyhanded except for whatever relief can be obtained under the Taft-Hartley law.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am happy to yield.

Mr. LAUSCHE. The time has already passed when we should have acted upon this problem. I heard the Senator's argument when he first introduced the bill. The word is current, "Let us give them a chance to do the job themselves." That statement will be repeated within the next 2 or 3 weeks: "Let us give them a chance to do the job themselves."

Mr. President, they will never do it themselves.

I ask permission of the Senator from Arkansas to become a cosponsor with him of S. 2631. I hope the committee to which the bill has been referred will not dillydally in conducting hearings on the bill, but will report the bill to the Senate promptly.

Mr. McCLELLAN. I thank the distinguished Senator from Ohio. I am very happy to have him join with me as a cosponsor of the bill.

Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Ohio [Mr. LAUSCHE] be added as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. THURMOND. I congratulate the able Senator from Arkansas for the excellent address he has just delivered. He deserves to be highly commended for his leadership in this field. In the summer of 1960, I appeared before the Kennedy Subcommittee on Labor of the Committee on Labor and Public Welfare, which was then considering a bill known as the common situs picketing bill. The distinguished senior Senator from Oregon [Mr. MORSE] was presiding at the hearings at that time. The bill would have approved certain types of secondary boycotts. I, and the members of my staff, performed a considerable amount of research in my office and obtained figures with respect to strikes on construction projects at missile and other defense installations. I presented those figures to the subcommittee at which the distinguished Senator from Oregon was presiding. I think he was impressed by the figures and by the very obvious great detriment which could result from common situs picketing at military installations, because no action was taken after that, as I recall, to push the passage of the common situs picketing bill.

I became convinced that one of the greatest threats to this country that existed was strikes on construction projects at defense installations, especially at missile bases. I am convinced now that Congress ought to take action to prevent such strikes. The very survival of the Nation and of the people depends upon providing weapons to meet, and counteract, the threats of communism, the goal of which is to enslave and dominate the world. We need the weapons not only as the deterrent which they will be; we need them also in the event an emergency should arise.

I am heartily in favor of the passage of the legislation which has been proposed to prevent such strikes. I believe I have already requested permission of the Senator from Arkansas to have my name placed on the bill as a cosponsor. If that has not been done, I should like to have it done now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Again, I commend the distinguished Senator from Arkansas for his excellent statement.

Mr. McCLELLAN. I thank the Senator from South Carolina.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the statement made by Representative FRANCIS E. WALTER, chairman of the Committee on Un-American Activities, in the House of Representatives on July 12, 1962, in support of the amendment which has been the subject of so much discussion in the Senate today.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Mr. Walter. Mr. Chairman, I am convinced that if we ban all assistance, including even food, to Yugoslavia and Poland, under any condition, we will be handing the Soviet Union a tremendous propaganda weapon to use very effectively against us everywhere. It will cite our action as proof that the United States is not really interested in humanity.

I also am convinced that if we take this step we will be depriving our friends behind the Iron Curtain—and they number in the millions—of one of their most effective anti-Communist and pro-American arguments. We will be depriving them of concrete proof of the friendship of the American people for the hungry, underprivileged, and freedom-loving people throughout the world, no matter who they are and whether or not they are the victims of totalitarian oppressors.

We are not dealing here with the weapons of war. We are talking about assistance and people who need it. We are not talking about help to Tito and Gomulka who, like all rulers, cannot last forever—and I do not require any proof that either of these people are Communists—we are talking about continuing the Kennedy and Eisenhower policies of seeking and helping friends and allies among people rather than among rulers.

Whether or not we are succeeding, I think is answered very well by a pamphlet that came to me a moment ago. I obtained it from the committee. It is entitled "Results of the U.S. Assistance to Poland and Yugoslavia." I recommend it to all of you.

We all know Moscow wants the enslaved peoples to feel that they have been abandoned by the free world. If we cut off the possibility of sending them even food, they will feel abandoned indeed.

What will the result of this be?

Their resistance to the Communist oppression will be undercut, and this means that our own security will be weakened. Many authorities are firmly convinced that for years one of the major deterrents to world war III has been the resistance of enslaved people to their Communist masters. Help Moscow break that resistance and you increase the potentialities of Communist aggression.

Mr. Chairman, erosion of the Communist empire has begun even though that empire is still making gains outside its borders. More and more, the people behind the Iron and Bamboo Curtains are speaking up. There is no doubt that the Communist rulers hear their voices.

Shall we now reverse ourselves, shackle the President, and abandon the gains that have been made through our contacts with and help to the people of Yugoslavia and Poland?

Mr. Feighan. Mr. Chairman, will the gentleman yield?

Mr. Walter. I yield to the gentleman from Ohio.

Mr. Feighan. Is it not true that food is a weapon of war? And that when we are supplying food to Communist regimes, which incidentally, at the same time are exporting food, that the food that we give primarily goes to the Communist elite?

Mr. Walter. No; I will answer the gentleman. The food does not go to the Communist elite. I saw how food was being distributed in Yugoslavia. I know that the people all over that country know where that food came from. They told me so. They knew very well that they got this assistance from the United States.

By supporting the amendment of the distinguished gentleman from New Jersey [Mr. Frelinghuysen] and the gentleman from Pennsylvania [Mr. Morgan], we can indicate our strong opposition to the regime in Poland and in Yugoslavia and at the same time not interfere with the President in carrying out his responsibilities imposed on him by the Constitution of the United States.

Mr. CURTIS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. CURTIS. It is my expectation to ask for a yea-and-nay vote on the approval of the conference report, and prior to that to suggest the absence of a quorum.

Mr. LAUSCHE. Mr. President, I move that the Senate disagree to the conference report and that it be recommitted with instructions that the Senate's position on the banning of aid to Communist countries be a mandatory requirement in the report. I shall not argue my motion. I am prepared to submit it for approval or disapproval.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio to recommit the conference report with instructions. [Putting the question.]

Mr. CURTIS. Mr. President, on this question, I ask for a division.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

Mr. DIRKSEN. Mr. President, will the distinguished majority whip withhold his suggestion of the absence of a quorum?

Mr. HUMPHREY. I withhold my suggestion of the absence of a quorum.

Mr. DIRKSEN. Mr. President, it has been indicated to me that a number of Senators, who will be in the Chamber directly, would come to the Chamber for a show of hands for a yea-and-nay vote on the approval of the conference report.

It is now growing late. I am afraid I have unwittingly been the victim of what I thought was an assurance that there would be no further record votes tonight. I understood from the distinguished Senator from Ohio that he would make his motion to recommit, and would let it be decided on a voice vote.

Mr. LAUSCHE. And I have done so.

Mr. DIRKSEN. Some Senators will be absent for the remainder of the session today, as a result of the assurance I thought I had; and at that time I was not advised that from our side there would come a request for a yea-and-nay vote on the question of agreeing to the conference report.

Therefore, under the circumstances, if there is to be a record vote either on the motion to recommit or on the question of agreeing to the conference report, I hope that can be put over until tomorrow, and that, if necessary, the order to adjourn until 11 a.m. tomorrow can be vacated, and the Senate will arrange to convene half an hour earlier, if that is necessary. I feel in duty bound to make that request under the circumstances, for at this time I am not able to state just how many Senators would be absent if a record vote were to be taken this evening.

Mr. KERR. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Do I correctly understand that after the question was put, the Chair ruled that the "noes" have it?

The PRESIDING OFFICER. No, the Chair did not rule. The Chair began to state that in the opinion of the Chair that would be the case; but a division was then requested.

Mr. HUMPHREY. Mr. President, I withdraw my suggestion of the absence of a quorum; and a division is called for.

Mr. THURMOND. Mr. President, I desire to speak on this subject.

Mr. HUMPHREY. But the question now is on agreeing to the motion to recommit; and a division has been called for.

Mr. THURMOND. I understand; but I have some remarks to make on this subject.

Mr. CURTIS. Mr. President, I withdraw my request for a division in connection with the vote on the motion to recommit; and I shall request a yea-and-nay vote on the question of agreeing to the conference report.

Mr. DIRKSEN. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the motion of the Senator from Ohio that the conference report be recommitted, with instructions. The Chair had previously put the question, and was about to rule on the result. But then a division was requested.

However, the request for a division has now been withdrawn; and the Chair is ready to rule.

Mr. THURMOND. Mr. President, I seek recognition before the Chair rules. I wish to make a speech on this subject.

The PRESIDING OFFICER. The Senator from South Carolina had addressed the Chair. The Chair thought the Senator from South Carolina wished to speak on the conference report.

Mr. THURMOND. Mr. President, I wish to speak on the motion to recommit.

What is the status in connection with the motion to recommit, Mr. President; and who has the floor?

The PRESIDING OFFICER. The Senator from South Carolina is recognized. The Chair was in error; and the Senator from South Carolina is recognized to speak on the motion of the Senator from Ohio.

Mr. HUMPHREY. Mr. President, I wish to notify the Senate that the session will continue tonight; the Senate will stay in business.

The PRESIDING OFFICER. The Chair has recognized the Senator from South Carolina [Mr. Thurmond]; and he has the floor.

Mr. HUMPHREY. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I am pleased to yield for a question.

Mr. HUMPHREY. I should like to ask the Senator from South Carolina if he will yield in order that I may clarify the situation as regards the inquiry made by the minority leader, the distinguished Senator from Illinois [Mr. Dirksen].

Mr. THURMOND. Mr. President, I am pleased to yield for that purpose, provided it is understood that in doing so, I shall not lose the floor.

Mr. HUMPHREY. Yes; let it be so understood.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I think it should be clear that the Senate will remain in session tonight at least until action on the motion to recommit the report has been completed; and I shall discuss with the majority leader the question raised by the minority leader in regard to the time for the vote on the question of agreeing to the report.

Mr. KERR. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. Mr. President, I am pleased to yield to the Senator from Oklahoma, provided it is understood that in doing so, I shall not lose the floor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. KERR. Mr. President, let me state that it is my intention to call up the conference report on the welfare bill as soon as the conference report on the mutual security bill is disposed of; or if the leadership agrees to postpone the vote on the conference report on the mutual security bill, it will be my purpose to call up tomorrow the conference report on the welfare bill.

PRIVILEGE OF THE FLOOR

Mr. KERR. Mr. President, at this time I ask unanimous consent that during the consideration of the conference report on the welfare bill, the privilege of the floor be extended to Helen Livingston and Fred Arner, of the Legislative Reference Service, Library of Congress.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield, provided that in doing so, I shall not lose the floor.

Mr. DIRKSEN. Mr. President, I request that understanding.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, let me ask whether it is the intention of the Senator from South Carolina to speak at length on the pending question.

Mr. THURMOND. I intend to speak on it. I have not said how long I intend to speak, but I do intend to speak on it.

Mr. DIRKSEN. I assure the Senator that I am not attempting to engage in a fishing expedition; but I have received inquiries from other Senators.

Mr. THURMOND. I do not intend to speak very long—perhaps 15 or 20 minutes.

Mr. DIRKSEN. Mr. President, if the Senator from South Carolina will yield further, inasmuch as the majority leader is now in the Chamber, I should like to pursue my request. I ask that it be agreed that in yielding for this purpose, the Senator from South Carolina will not lose the floor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. THURMOND. I yield.

Mr. DIRKSEN. Mr. President, a moment ago I observed that some Senators have returned to their homes on the basis of my assurance that I had understood from the Senator from Ohio that he would make his motion to recommit and would be satisfied with a voice vote on that motion. But in view of the fact that since then there has been a request for a record vote on the question of agreeing to the conference report, and inasmuch as some Senators will not be present later this evening, under the circumstances I thought an arrangement could be made to meet tomorrow half an hour earlier than the hour agreed to earlier today—in other words, at 10:30 a.m.—and to postpone until tomorrow the vote on the question of agreeing to the conference report.

Mr. MANSFIELD. Mr. President, if both the Senator from South Carolina and the Senator from Illinois will permit me to reply—

Mr. THURMOND. I yield, under the same circumstances.

Mr. DIRKSEN. I am glad to yield, likewise.

Mr. MANSFIELD. Let me state that some important meetings have been arranged for around the hour of 11 a.m., tomorrow. So if it is possible to obtain agreement that the final vote on the question of agreeing to the conference report will be taken at 11:30 a.m., tomorrow, I hope that will be arranged. Then, tonight, when action is completed on the motion to recommit, if the new agreement I have suggested is entered, the Senate could take up the conference report on the welfare bill, and perhaps dispose of it, and then adjourn until tomorrow, and proceed at 11:30 a.m. tomorrow with the vote on the question of agreeing to the conference report on the foreign aid bill.

Mr. CURTIS. Mr. President, will the Senator from South Carolina yield, so that I may ask a question?

Mr. THURMOND. I yield.

Mr. CURTIS. When the Senator from Montana refers to taking the vote at 11:30 a.m. tomorrow, does he mean a yea-and-nay vote?

Mr. MANSFIELD. Yes.

Mr. HUMPHREY. However, that has not yet been ordered.

Mr. DWORSHAK. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield.

Mr. DWORSHAK. Mr. President, I realize that it is futile to make any comments at this time; but I very definitely object to a procedure which is followed in order to protect Senators who leave the Chamber. I had an important engagement, but I canceled it because I anticipated that there might be a record vote. How long are Senators who leave to be protected, while those of us who recognize our responsibility to remain in the Chamber and discharge our duties are ignored? I very definitely deplore this procedure.

Mr. DIRKSEN. Mr. President, let me say to the distinguished Senator from Idaho that that is not quite the case. In good faith a number of Members asked me about the program for the remainder of today; and I went to the Senator from Ohio and to the Senator from New Mexico and inquired as diligently as I knew how whether there was any likelihood that a record vote would be taken during the remainder of the session today.

In the best of good faith, I told them I did not think so. It is not their fault. They have engagements. They inquired of me whether or not there would be a yea-and-nay vote.

Mr. DWORSHAK. Mr. President, who has the floor?

Mr. THURMOND. I yield to the Senator from Idaho.

Mr. DWORSHAK. I recognize that the minority leader is very influential, and I respect him greatly, but, at the same time, I do not think we can make our plans entirely on the basis of what 2 Senators out of 100 plan to do about asking for a rollcall. It has been known for 30 minutes that the Senator from Nebraska [Mr. Curtis] intended to ask for a rollcall. I ask him if that is not so.

Mr. CURTIS. The reason I did not ask before is that Billie Sol Estes has taken my afternoon.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly?

Mr. THURMOND. I yield to the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, I think the Senator from Idaho has a point. He has been a most patient man, and he has remained in attendance practically to the end of the session every night. But I hope, in view of the circumstances, without prior knowledge on the part of the minority leader and the majority leader, the Senator from Idaho, with his usual fairness, will allow us to present a request.

Mr. DWORSHAK. I have no intention of making an objection, because it would be futile.

Mr. MANSFIELD. No. The Senator can stop it with his objection.

Mr. DWORSHAK. There has been no unanimous-consent request; has there?

Mr. MANSFIELD. Not yet.

Mr. HOLLAND and **Mr. COTTON** addressed the Chair.

Mr. THURMOND. The Senator from Florida has been trying to get me to yield to him. I yield to the distinguished Senator from Florida. Then I will yield to the distinguished Senator from New Hampshire.

Mr. HOLLAND. Mr. President, if I may inject a lighter note, urgent emergency matters voted in the Senate in April last have finally been set for a supplemental meeting between the two Houses for conference in the morning at 11:30. I hope nothing will happen to avert the actual realization of that long-anticipated meeting. An arrangement has been made between the chairmen of the conferees of the two Houses to flip a coin in the morning at a certain hour to see who is to preside over that meeting. I hope nothing will interfere with the meeting at 11:30, of which I advised the distinguished leader earlier in the day. I hope any request for a vote will be postponed at least for an hour after that time, because I think it is highly critical that this long-arranged, and now amicably arranged, meeting be held on the urgent matters which arose in April, so they can be decided on July 20.

I hope we can arrange for holding such a meeting. I make that sincere request of the two leaders.

Mr. THURMOND. I yield now to the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, there has been a very marked tendency on the part of the leadership to underestimate the conviction and the fervor which some of us feel about the matter which is before the Senate. It is not trivial. It is of far-reaching importance.

I am one Senator who has tried to be considerate of the majority and the minority leadership, but I want to say frankly that if they seek a unanimous-consent agreement to vote on this question tonight or at 11:30 tomorrow morning, I will object. This is a question on which some of us are not going to yield merely because some Senator has committed himself to some agreement. This is a matter about which we have deep convictions.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the distinguished minority leader.

Mr. DIRKSEN. Let me say to the distinguished Senator from New Hampshire that there were two or three Senators in the Chamber earlier today. I had to shop around extensively to get even the conferees who signed the conference report to come to the floor. One said he was not interested; even though he signed it, so he would not be here. One was out of the city. One finally came. If Senators who signed the conference report are not present, the Senator cannot expect the minority leader to be kicked around.

This question has been argued. I voted with the distinguished Senator from Oregon to postpone the decision. On that motion we were defeated. I would have voted, on a voice vote, to recommit if that had been desired. Now we are confronted with a final vote. I am in the awkward position of having permitted some of our Members to go, in the utmost good faith, on the basis of statements made. At 5 minutes of 6, 20 minutes ago, I learned by telephone that there was to be a request for the yeas and nays on the conference report. I had not heard it all afternoon. I heard it by telephone. The leadership is not going to take this lying down—at least, I am not—and there is no bile about me.

Mr. COTTON. Mr. President, will the Senator from South Carolina yield further?

Mr. THURMOND. Mr. President, I feel the Senator is entitled to answer. May I yield to the Senator from New Hampshire on the condition that I do not lose the floor?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, I assure the distinguished minority leader, if he needs that assurance, that no Senator would go further to accommodate him, or be more eager to refrain from embarrassing him, than the Senator from New Hampshire. So far as concerns the Republican members of the Foreign Relations Committee who signed the report, I am not surprised that they do not want to show their faces in the Senate tonight.

Mr. DIRKSEN. I have no control over that.

Mr. COTTON. But I do not want to embarrass the distinguished minority leader. I am not attempting to force a rollcall when members of the minority have absented themselves on the assurance of the minority leader. I would not do that to him. I know he realizes it. But this is something more than a matter of courtesy. This is something more than a matter of discipline and following the leadership. This is a matter that to some of us represents a very deep conviction.

For years in this body I was associated with my late colleague, Styles Bridges, in fighting this battle. I am fighting it tonight. I do not want to force a rollcall when certain Senators are absent. I do not want to embarrass my leader. But I do not want to agree to capitulate, retreat, and allow the conference report to be adopted without, somewhere along the line, the opportunity to separate the men from the boys and to stand up and vote. Surely my friend understands that.

Mr. DIRKSEN. I understand it perfectly. I do not ask the Senator to do otherwise. I do not challenge his conviction. I say only that the Senator let me send them home in the utmost of good faith, and it is not fair to our colleagues who could not get back to vote. The Senator may call it courtesy. There is not a Member of the Senate who has not asked for that courtesy at some time or other. I, myself, have asked for it. I believe, in all good faith, that Senators are entitled to have their votes recorded on the bill, and I do not know where to reach them tonight.

Mr. COTTON. Mr. President, will the Senator from South Carolina yield further?

Mr. THURMOND. I am glad to yield.

Mr. COTTON. My beloved leader is certainly according me more importance than I deserve when he says I let Senators go home. I am not asking for a vote tonight. I am asking for a rollcall sometime.

Mr. DIRKSEN. That is precisely what we are trying to arrange.

Mr. COTTON. If the Senator contrives a rollcall, that is all I ask.

Mr. DIRKSEN. Mr. President, I am content to come in at 9 o'clock tomorrow morning, or at 8 o'clock. There can be a vote whenever the Senate is so disposed. I insist that we be fair to those to whom courtesy was extended and who in good faith have gone home.

That is not an unusual proceeding for the Senate. That happens every day. I trust it may always continue that way. Life is not static. Different circumstances arise from day to day. We must act like gentlemen and ladies toward one another.

Mr. MANSFIELD. Mr. President, will the Senator yield to me with the understanding that he will not lose his right to the floor?

Mr. THURMOND. Mr. President, this colloquy between the two able and distinguished Republican Senators reminds me very much of the story of a man once known for talking to himself. Someone asked him, "Why do you talk to yourself?" He said, "Well, I talk to myself for two reasons. The first is that I like to talk to a sensible fellow; and the second is that I like to hear a sensible fellow talk."

Mr. MANSFIELD. Mr. President, will the Senator yield to me with the understanding that he will not lose his right to the floor?

Mr. THURMOND. I am pleased to yield to the distinguished majority leader with that understanding.

Mr. MANSFIELD. I fear that this may be a case of a man talking to himself, but at least it is worth the effort.

First, I wish to say that it has always been a distinct pleasure to work with the distinguished minority leader. We have tried to operate on an honorable basis. He, on his side, has tried to protect his Members. We, on this side, have tried to protect ourselves at all times. We have made errors of judgment. Fortunately, they have been forgiven. We have tried to do our best to work constructively for the benefit of the entire Senate.

I should like to make a unanimous-consent request, if I may.

Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tonight it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. And I ask unanimous consent that at 10:30 o'clock tomorrow morning the yeas and nays be had on the question of agreeing to the conference report.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HRUSKA. I am constrained to object to that request, because I have a commitment. Other Senators may have, also, but I have a commitment downtown. I shall be unable to be present at that time.

Mr. MANSFIELD. What time would the Senator suggest?

Mr. HRUSKA. My commitment is from 10 o'clock to 11 o'clock in the morning. I would suggest the hour of 1 o'clock in the afternoon.

ORDER FOR ADJOURNMENT AND UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I withdraw my previous unanimous-consent request, and I now ask unanimous consent that when the Senate concludes its deliberations tonight it adjourn to meet at 12 o'clock noon tomorrow, and that at 1 o'clock tomorrow afternoon the yeas and nays be had on the question of agreeing to the conference report on the foreign aid bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, we have seen a great example of courtesy and magnanimity.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The PRESIDING OFFICER. The Senator from South Carolina [Mr. THURMOND] has the floor.

Mr. THURMOND. Mr. President, first I wish to inquire as to the status of the conference report. Is there a motion before the Senate to recommit the conference report?

The PRESIDING OFFICER. The Senator is correct. A motion has been made by the Senator from Ohio [Mr. LAUSCHE] to recommit, with instructions.

Mr. THURMOND. Mr. President, I rise in support of the motion to recommit. I have a few remarks to make on the subject.

Every provision in the bill which was capable of thwarting the Communists has been removed. I do not believe that this conference action will meet with the approval of the American people. It certainly does not meet with my approval.

The Senate receded from its provision to prohibit aid, except under Public Law 480, to any Communist- or Marxist-dominated country. This provision in the bill was offered as an amendment by the distinguished Senator from Ohio, and was adopted by a large vote. The conference committee has receded completely on that amendment.

Second, the Senate provision to limit aid to India has also been deleted by the conferees.

Third, the conferees have dropped the House provision prohibiting the United States from purchasing United Nations bonds until all member nations have paid their delinquent dues. This was a very wholesome and needed amendment and should not have been removed.

Fourth, the conferees have softened the language of the bill relating to the expropriation of property owned by citizens or companies of the United States.

The conferees of neither House stood up for what had been adopted by their respective bodies. In other words, Mr. President, the House conferees receded on every provision in the bill which showed realism and resistance toward communism, put in by the House. The Senate conferees receded on all the provisions which showed realism and resistance toward communism put in the bill by the Senate. Therefore, the bill no longer contains any effective provisions to oppose communism.

Mr. President, we have marched up the hill and down again. In the conference report we are asked to undo all the good we did by adoption of the amendment of the distinguished Senator from Ohio. I believe a similar amendment was offered by the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Mr. President, who won and who lost when the conferees agreed to the provisions they have brought to us? First, both bodies of the Congress, the House and the Senate, and the American people are the losers. Second, the administration won every point it wanted. Third, this was a victory for the Communists.

Why do those favoring the conference action say: Should there be aid to Communist countries? A theory of evolution or fragmentation of the Communist bloc is being advanced. This theory is not borne out by the facts.

In the May Day parade of 1962, held in Belgrade, there were 20 new Soviet-made T-54 tanks, SU-100 self-propelled guns, and Soviet helicopters on display.

I might mention some other things about Yugoslavia which I think would be of interest to the Senate. Tito has made numerous statements showing where he stands. In 1956 he had an interview with Edward R. Murrow, who is now the Chief of the U.S. Information Agency. In that interview he said that the aims of his country were the same as those of Communist Russia.

On May 6, 1962, Tito said that Yugoslavia was turning from liberalism toward tight Communist Party control. In other words, in May of this year, Mr. Tito himself said that his country was departing from a liberal line and moving toward a tight Communist Party control line.

The border closed to the Greek partisans, discussed in Milovan Djilas' book, "Conversations with Stalin," was closed in accordance with Stalin's wish. In other words, Tito did not close the border to help the West against the Greek partisans; he closed the Greek border because that was the wish of Stalin. This is clearly shown in Djilas' book. I think that book would be well worth the time of Senators to read.

Much has been said about the fact that in the United Nations Yugoslavia has not voted with the Communist bloc.

I should like to cite the following figures so that the people of our country will know that Tito and Yugoslavia have supported the Communists on international political and security issues. The United Nations voting record shows that Tito is adhering to the international Communist Party line. During the 1961 session of the United Nations, Yugoslavia voted consistently with the U.S.S.R. and the bloc on questions involving the international Communist movement. I think those votes are convincing as to where Yugoslavia stands. Yugoslavia and Poland support other Communist regimes such as Cuba, and aid in the export of the Communist revolution throughout South America and Africa.

The Under Secretary of State, Mr. George Ball, admitted in an open hearing before the Special Preparedness Subcommittee, which made a study of the muzzling of the military, that Yugoslavia is supporting the export of the Communist revolution throughout Cuba and Latin America with financial credits. In 1960 Yugoslavia exported $62 million in foods, beverages, tobacco, and raw materials to the U.S.S.R.

Senators can ignore the facts that I am presenting if they wish to do so. In my judgment, the American people will not ignore the facts. The American people do not want foreign aid to go to countries that are practicing deceit through pretended neutralism. The American people do not want foreign aid to go to countries that are satellites of Russia, the seat of international communism. The American people do not want foreign aid to go to Communists of any description, posing under any guise.

The American people do not wish to assist in perpetuating communism, as the proposed conference report would do.

Tito is using our aid to promote the cause of communism, to foster neutralism, and to oppose alinement of other nations with the West.

On April 8, 1961, the Washington Star published a statement to the effect that in 1 year Yugoslavia granted credits for $100 million to new nations such as India, Ceylon, Indonesia, the United Arab Republic, the Sudan, Ethiopia, Morocco, and Ghana. These so-called neutralist nations are the countries in which the Communists are now making inroads. Yugoslavia has aided Cuba with skilled personnel and in the training of Cuban pilots. Yugoslavia is posing as a nationalist communistic state for the purpose of getting money from the West.

Dr. Charles Zalar of the Library of Congress, in a study for the Internal Security Subcommittee, has said that Tito has been more valuable to world communism, posing as a nationalist Communist than he could possibly have been as a Moscow Communist. Consistently Yugoslavia has supported the U.S.S.R. over the United States of America.

In 1961 at the Belgrade Conference of neutralist nations, Yugoslavia supported the Soviet's resumption of nuclear tests, but joined the other so-called "neutral" nations in warning the United States not to follow suit. In February 1960, Yugoslavia recognized Gizenga, a known Communist, as the leader of the Congo. In January 1962, 30 Yugoslavians, one-third of them airmen, sat on the reviewing stand in Cuba when Castro celebrated his rise to power.

On November 26, 1960, the New York Times published an article containing the following statement:

> Tito and his associates can rightfully boast that in accepting aid from the West they have never subscribed to any commitment that could curb their freedom of action.

Quoting further from the Times:

> The Yugoslavia chief subscribes to the Marxist theory of the inevitable decline of capitalism and the triumph of communism.

I think there is no question as to where Mr. Tito stands. If there ever was any question in the mind of anyone, it has been resolved by Mr. Tito himself in the various actions he has taken and the words he has spoken. These are the words out of the mouth of Mr. Tito himself, on November 8, 1946. He has never repudiated the words. By his actions since then he has substantiated them:

> The capitalist forces constitute our natural enemy despite the fact that they helped us to defeat their most dangerous representative. It may happen that we shall again decide to make use of their aid, but always with the sole aim of accelerating their final ruin.

Whose ruin is Tito seeking to accelerate? Russia's ruin? No. Whose ruin? Our ruin. That is the statement. I quote further from Tito's words:

> Our present policy should, therefore, be to follow a moderate line, in order to gain time for the economic and industrial reconstruction of the Soviet Union and of the other states under our control. Then the moment will come when we can hurl ourselves into the battle for the final annihilation of reaction.

Has there ever been any clearer intention on the part of anyone as to where he stands than Mr. Tito's own words express? He has never repudiated them. On the contrary, he has substantiated those words over and over by his actions.

Yugoslavia's United Nations voting record has adhered closely to that of the U.S.S.R. and other Communist countries when questions affecting the international Communist movement were voted upon. On December 12, 1958, Yugoslavia voted "no" on the 37-power resolution condemning continued defiance of the General Assembly resolution on Hungary.

Although the resolution was adopted by a vote of 54 to 10, the entire membership of the Communist bloc voted against it. Again on December 9, 1959, Yugoslavia voted "no" on the 24-power resolution deploring continued U.S.S.R. and Hungarian disregard of General Assembly resolutions on the Hungarian situation. Again the resolution passed by a vote of 53 to 10 with Yugoslavia and the entire Communist bloc the only ones in opposition. Throughout the entire period of the Hungarian uprising, Yugoslavia lent tacit approval to the slaughter of the freedom fighters by a total and obvious lack of criticism. They maintained strict adherence to the Communist line and unflinching loyalty to the international Communist movement.

Milovan Djilas' own personal criticism of both the Hungarian and the U.S.S.R.'s brutal tactics in Hungary constituted one of the major charges which Yugoslavia had against him in one of his trials. By displaying open contempt for the handling of the Hungarian uprising, he was deviating not only from Hungarian and U.S.S.R. policy, but necessarily from Yugoslavian policy at the same time. The conviction of Mr. Djilas reaffirms the fact that at the present time Yugoslavia is adhering strictly to the policies emanating from Moscow and being implemented by all Communist regimes.

On the many other matters which have been up for a vote in the United Nations General Assembly, my research has failed to reveal any question of a political or security nature in which Yugoslavia voted with the United States and against the Soviet Union. The only instance of significance in which the Yugoslav delegate to the United Nations voted with the United States and at the same time against the Soviet Union was with regard to the resolution appealing to the U.S.S.R. not to explode a 50-megaton bomb. This was Resolution No. 1632, and the vote took place on October 27, 1961. Yugoslavia voted with the Soviet Union and against the United States on approximately 21 separate votes in the 1961 United Nations General Assembly. These included the item on Tibet, the item on Hungary, against the U.S. resolution not to seat North Korea, against the resolution denominating the Chinese representation question as an important question, and for the Soviet resolution to seat the Chinese Communists. On all questions of any importance to the international Communist conspiracy, Yugoslavia voted with the U.S.S.R. and the rest of the satellite countries.

Recently, I had the opportunity to view a film which was an interview with Tito by Edward R. Murrow. Although this film was made in approximately 1956, it is not now available to the American public. Although it contains nothing which should be of a classified nature, it is now classified and its existence is not generally known. In this film the whole tenor of the statements made by Tito reaffirm his dedication to communism and his belief in its eventual goal of world domination. In response to the request that he describe the basic difference between communism in Yugoslavia and communism as practiced in the Soviet Union, Tito said, and I quote:

> These are not big, ideological differences. They are not too big. We have the same aims—that is to say, the building of socialism and communism.

Mr. President, Tito readily admits that his eventual goal is exactly the same as that of the Soviet Union, and yet our policy planners do not have the fortitude to face up to his warning. The goals of communism are well known. It is their intention to engulf the world with their insidious and atheistic way of life and snuff out the last flickers of hope for free people everywhere.

Tito explained his foreign policy as one of coexistence. At the same time he states flatly that he is in complete accord with Mao Tse-tung. He reiterates what he terms as "my point by point" agreement with Mao. Without a doubt the coexistence of which Tito speaks is the same as that practiced by the U.S.S.R. under Khrushchev. This is the type of coexistence which has enabled them to take over some 15 countries since the end of World War II, Cuba just a few short years ago, and now has put Laos practically within their grasp.

For years now when this question of aid to Yugoslavia has been raised on the floor of the Senate, the defense has been made that our aid to them was reaching the critical stage. To have denied it at any one of those particular times would have undeniably meant complete domination of Yugoslavia by the U.S.S.R so the proponents of aid to Yugoslavia have said on each occasion. No doubt that argument will be made now, and will be persuasive upon some people. However, all of our millions of dollars have not brought about the evolution of Yugoslavia into a peaceful, nonaggressive socialist state, or its fragmentation from the Soviet bloc as this aid was intended to do.

Rather the United States has been contributing, and contributing substantially, to its own downfall by supporting economically a government whose leader reaffirms his dedication to the eventual overthrow of our way of life. I cannot stress strongly enough my opposition to giving aid to Yugoslavia or any Communist-dominated country.

Therefore, Mr. President, I intend to support the motion of the distinguished Senator from Ohio to recommit the conference report with instructions.

I cannot see how the conference committee could have done any worse on behalf of this country or any better on the part of the Communists than to bring forth the conference report it has submitted in this particular instance.

I repeat that the amendments made in the bill by the House which were calculated to follow a tough line on communism, or at least a tougher line than we had been following, were eliminated. I repeat further that the amendments put in the bill by the Senate, to take a tougher line against communism than we had been pursuing, were removed from the bill. In other words, as the bill is today, it is stripped, it is naked, it is nude, so far as any provision is concerned which follows a tough line against communism.

I do not believe that that is the wish of the American people. I do not believe that that is in the best interest of the American people.

I bitterly protest the conference report and expect to vote against it, in the event that it is not recommitted on the motion of the Senator from Ohio.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Ohio to recommit the conference report with instructions. [Putting the question.]

The motion was rejected.

Mr. **MANSFIELD.** Mr. President, I move that the Senate reconsider the vote by which the motion of the Senator from Ohio [Mr. LAUSCHE] was rejected.

Mr. **HUMPHREY.** Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **MANSFIELD.** Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator from Montana will state it.

Mr. **MANSFIELD.** Is my understanding correct that under the unanimous-consent agreement reached earlier this evening a vote will be taken on the adoption of the conference report at 1 o'clock tomorrow afternoon?

The **PRESIDING OFFICER.** The understanding of the Senator from Montana is correct.

Mr. **MANSFIELD.** Mr. President, on that question, I ask for the yeas and nays.

The **PRESIDING OFFICER.** The yeas and nays were ordered as a part of the unanimous-consent agreement.

ADMINISTRATION OF BASIC PUBLIC RECREATION FACILITIES AT ELEPHANT BUTTE AND CABALLO RESERVOIR AREAS, N. MEX.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 46) to provide for the establishment and administration of basic public recreation facilities at the Elephant Butte and Caballo Reservoir Areas, N. Mex., and for other purposes, which was, on page 3, line 1, after "amounts" insert ", but no more than $607,000,".

Mr. ANDERSON. Mr. President, all that was done here was that the House inserted a limitation in the bill. The committee believes that the limit should be put in. I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

THE ISSUE OF MEDICAL CARE FOR THE AGED

Mr. HART. Mr. President, this will be a very brief speech, consisting merely of a quotation from each of two prominent Republicans. These two statements in combination provide a highly instructive lesson on the issue of medical care for the aged.

Yesterday, Republican National Chairman WILLIAM E. MILLER, made a statement on the administration's medicare bill. According to the Washington Post, this is what he said:

> The health bill is a cruel hoax on our senior citizens.

Note the words "cruel hoax."

The second statement was made during the 1936 presidential campaign. It referred to the Social Security Act and was spoken by Republican candidate Alfred Landon. This is what he said:

> I am not exaggerating the folly of this legislation. The saving it forces on our workers is a cruel hoax.

Mr. President, no statement I could make in favor of Medicare would be nearly so illuminating as these quotations from two eminent members of the opposition party.

PUBLIC WELFARE AMENDMENTS OF 1962—CONFERENCE REPORT

Mr. KERR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. METCALF in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KERR. Mr. President, I am happy to say that we were able to adjust our differences with the House in a constructive manner so that we can present to the country a potentially much stronger welfare program. Members of the Senate are aware that the emphasis in this proposal is on encouraging the States to provide more and better rehabilitative services in their welfare programs to bring hope and confidence to public assistance recipients, in the expectation that many of them will be able to leave the relief rolls. Many studies have shown why these people are on those rolls. Stated simply, the major causes are old age, severe physical handicap, and the breakup of family life. In presenting the bill as reported by the Committee on Finance to the Senate on July 3 of this year, I said:

> I believe that citizens everywhere want to see this great and useful program yield greater returns in stronger, more stable, and more productive lives.
>
> The public welfare amendments of 1962 are a testimony to the belief of the Congress in the dignity of every individual, whatever his circumstances, and his right to an opportunity to develop to his fullest capacity.

I believe the conference bill will carry out this purpose and enable us to implement one of the most constructive public welfare measures ever enacted by the Congress.

There was substantial agreement in the bill as passed by the House and by the Senate in its scope and purpose.

The amendment which provides an increase in the Federal matching formula for the aged, the blind, and the disabled was adopted with the Senate's effective date of October 1, 1962, in order that the States will have a period of time to enable them to be ready to fully pass along the increase to recipients. This improvement would enable the States, without additional State appropriation, to give the needy aged, blind and disabled $4 additional each month, plus continuing the $1 increase voted last year on a temporary basis. The conference committee expects and, on the basis of experience after prior increases of this type, believes that the additional Federal funds that would be available will be used by States to improve payments to persons who are receiving assistance under the programs of old-age assistance, aid to the blind, and aid to the permanently and totally disabled.

The Senate version of the rehabilitative services and training provisions in the public assistance programs was adopted, and thus no State will lose Federal matching and the bonus 75 percent matching will be available to those States which provide the minimum required services. This is one of the most important sections in carrying out the broad purpose of the act and in encouraging the States to provide such important services.

The Senate amendment to exempt $50 a month in earned income in old-age assistance program was accepted by the conference with a modification, effective January 1, 1963, allowing States to exempt the first $10 of the $50 completely, and one-half of the remainder.

As he recalled, there was language in the House bill section 107—which was designed to give the States very broad authority to deal with some of the problems which have arisen in the ADC program in regard to parents using their relief checks for purposes not related to the welfare of their children. The Senate eliminated this section upon the rationale that provisions of existing law and of the bill which authorized protective payments to interested third parties—adequately dealt with this problem. The conference believed that the States should be given more latitude in this area without jeopardizing their Federal matching funds, but that their authority should be more specifically stated than in the House bill.

Thus, the provision of the House bill was deleted which authorized "any other action" under State law and was replaced with the more specific language to the effect that matching funds would not be denied if, under State law, criminal or civil penalties are imposed by a court of competent jurisdiction on the ground that the ADC parent is not using the payments for the benefit of the child. We believe that this language gives adequate balance to the interests of the States and localities and to the assistance recipients.

The provision of the Senate bill which adds an exemption of income and resources for the aid to the blind program was adopted by the conference. Under the bill, the States may, in addition to the present earned income exemption of $85 per month, plus one-half of other earnings, exempt such additional amounts of other income and resources for individuals who have an approved plan for achieving self-support provided it is limited to a 12-month period.

The Senate added two provisions to the House bill affecting the community work and training section—section 105 of the bill. The first of these, exempting earnings on work and training projects from income tax liability and withholding was rejected. The second, which provided for the Federal matching of certain State expenditures of aid to dependent children in the form of payment for work on projects where such expenditures are made during the period beginning July 1, 1961, and ending September 30, 1962, was adopted by the conference committee.

The Senate amendment which authorizes Federal matching as to vendor medical payments for services in all public assistance programs, and in the medical assistance for the aged program, for up to 3 months prior to the month of application was approved. This amendment was offered by the Senator from Indiana [Mr. HARTKE].

The conflicting provisions of the House and Senate bills as to the training of public welfare personnel were resolved by retaining the overall authorization limits provided in both bills, but earmarking $1 million of the $3.5 million in fiscal 1963 and $2 million of the $5 million thereafter for direct grants by the Secretary for Federal training and grant activity, while the remainder will be allotted to the States for such purposes as under existing law.

The Senate receded from the provision in the Senate bill which would have provided a specific child welfare authorization for day-care facilities for the children of migratory workers, in addition to the other authorizations for day-care services which are provided in the bill. The two Senate amendments, offered during the debate on the bill, which amended the old-age and survivors insurance program—the provisions allowing coverage of policemen in Louisiana and the option of voluntary coverage for certain members of religious sects who are self-employed—were eliminated, because their consideration was more appropriate to a bill which relates to that title of the Social Security—title II—than to one related exclusively to the act's welfare titles.

Mr. President, on behalf of the conference committee, I recommend that the conference report be adopted.

Mr. ANDERSON. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. KERR. I yield.

Mr. ANDERSON. Does the Senator from Oklahoma believe there is any real chance that the money provided by the bill will be passed on to the old-age recipients?

Mr. KERR. I refer the Senator to the report of the House Committee on Ways and Means, which reads, on page 13, as follows:

> The bill would enable the States, without additional State appropriation, to give the needy aged, blind, and disabled $4 additional each month, plus continuing the $1 increase voted last year on a temporary basis. The committee expects that the States will pass this additional money on to the recipients promptly. This has been the general experience with past increases of this type over the years.

In addition, when this question was before the Committee on Finance, the representatives of the Department of Health, Education, and Welfare were present and were cross-examined closely as to what had been the past experience with increases similar to the one provided in the bill. The representatives of the Department advised the committee that the experience had been that at least 90 percent of the increased amounts provided by the Federal Government had been passed on to the recipients of the various welfare programs in the States. The representatives of the Department advised the committee that, in their judgment, such would be the case with respect to the increase provided in the bill.

The distinguished Senator from New Mexico is aware that the committee had before it a motion to compel the passing on of this amount of money if the bill were passed. The committee discussed that proposal at great length. The representatives of the Department advised the committee that the question had been considered by the Department many times in the past, and the Senator from New Mexico, who is one of the ablest and most effective members of the Committee on Finance, is aware of this fact.

We were further advised that the Department's efforts to find language to guarantee the passing on of the increases and to establish administrative procedures to follow through and insure compliance with such a provision, if enacted, had resulted in the conclusion on their part that it would be very difficult, if not impossible, to accomplish that purpose, and that it would be very difficult, in their opinion, to administer such a plan even if adequate and effective language could be devised to achieve this purpose. Therefore, I cannot say to the Senator from New Mexico that a definite and positive guarantee can be given in this respect.

The question was discussed in conference yesterday, and the language that is contained in the report of the Committee on Ways and Means, which I have just read, was referred to. It was agreed that the manager of the bill on the floor of the House, Representative MILLS, would make a statement in the House of Representatives today similar to the statement which the Senator from Oklahoma is making in the Senate tonight.

In the light of past experience, in light of the statement in the report of the Committee on Ways and Means, in light of the statement of the chairman of the Committee on Ways and Means, Representative MILLS, both in the conference report and to the House this afternoon, and in light of the language of the Senator from Oklahoma in his report to the Senate this evening, it is felt that every assurance is available, in the absence of a definite requirement by law, that the pass-on will be effective.

Mr. ANDERSON. The Senator from Oklahoma has correctly stated what took place in the Committee on Finance. I sought to propose a pass-on amendment. It was difficult to accomplish. I submitted to the Department of Health, Education, and Welfare a question about the Mills amendment, and was advised by the Department that the dollar increase contained in the 1961 amendments involved a cost of about $20 million annually, which was included in the budget. The $140 million extra cost is not included in the budget. These figures are based on the assumption that a State would pass on the full amount of the additional Federal dollars to the recipient. But a State is free to pay the individual the same amount as heretofore and to save State funds which are now being used to make these payments. If the State funds which are now being used were saved and were made available for matching purposes, they would amount to about $120 million a year.

If the result which the Senator from Oklahoma has mentioned is finally attained, as I hope it will be, no one will have real ground for complaint.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD 3½ paragraphs of a memorandum addressed to me by the Department of Health, Education, and Welfare under the date of March 8, 1962, relating to this subject.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

1. THE MILLS AMENDMENT

> The amendment offered by Mr. MILLS to the welfare bill increases the Federal matching for the needy aged, blind, and disabled on welfare approximately $4.30 a month above what the administration recommended. This will result in an additional cost of $140 million a year.
>
> The administration recommended the continuation of a $1 increase contained in the 1961 amendments. This would have cost $20 million annually and was included in the budget. The $140 million extra cost is not included in the budget.
>
> These figures are based on the assumption that the State passes on the full amount of the additional Federal dollars to the recipient. However, the State is free to pay the individual the same amount as before and to save State funds that are now being used to make these payments. In this case the States would be able to save about $120 million at Federal expense.
>
> If the States saved the $120 million they would be able to put this money into the financing of medical care for needy persons under the terms of the Kerr-Mills legislation. In effect, then, the Federal Government would match through Kerr-Mills the extra money which the Federal Government put up through the amendment offered by Mr. MILLS. This would probably make available something in the neighborhood of $250 million a year, if all States used all of the money this way.

Mr. ANDERSON. Mr. President, one reason why I am interested in this subject is that not all the States are able to handle the medical assistance program in the same fashion. A letter to me from the Department of Health, Education, and Welfare stated that of the many thousands of cases opened, a large percentage of them were transfers from existing charges. I think it would be too bad if we raised the fees and merely allowed the States to save the money and use it for other programs. I recognize that in view of the language contained in our version of the bill and the language contained in the House version of the bill, the conferees could do nothing other than what they did, and that the Senator from Oklahoma has stated that his interest—which is the same as mine—is in seeing that this language will be applied in the interest of the recipients.

I hope we may be sure that some day there will be enacted language in the interest of those whom the Senator from Oklahoma and I are trying to help.

Mr. KERR. I thank the Senator from New Mexico for his statement; and his interest in this respect is shared by me.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a brief explanation of some of the provisions of the conference report.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

EXTENSION OF EXPIRED PROGRAMS

> 1. Increase in Federal matching for aged, blind, and disabled: The bill increases Federal matching for the aged, the blind, and the disabled people on public assistance by $5 per recipient per month. Already a

temporary increase of $1 has expired and the formula has reverted to four-fifths of the first $30 up to a maximum of $65. The new provision will increase the matching formula to twenty-nine thirty-fifths of the first $35 up to a maximum of $70. This means a total of $140 million in the first full year of operation, and affects some 2.7 million people (2.25 million are aged).

2. Unemployed parent provision in ADC program: This program expired on June 30 of this year and six States have been forced to suspend payments already. The bill reinstates the program (for 5 years) and also adds provision for Federal matching for employable parents working on community projects. Some 275,000 needy people in the families of unemployed workers have received assistance under this plan adopted in the 1961 amendments. Annual expenditures totaling about $73 million are involved.

3. The temporary provision which allows Federal matching for ADC children removed by courts into foster homes: This provision, also instituted by the 1961 amendments to expire on June 30, 1962, would be made permanent by the present bill.

4. Temporary assistance to citizens returning from foreign countries because of destitution, illness, or crisis. The program which permits such temporary assistance for people in these circumstances would be extended for 2 years. It also expired on June 30, 1962.

OTHER MAJOR PROVISIONS OF THE BILL

The bill also provides:

1. Increased Federal matching for public assistance rehabilitation services estimated at $40 million a year.

2. Federal matching for the second parent in the ADC program at an estimated cost of $34 million a year.

3. Increases in child welfare services authorizations from the present $25 million per year to $30 million for 1963, $35 million in 1964, and $40 million in 1965–66, $45 million in 1967–68, and $50 million in 1969 and thereafter. Of this amount $5 million would be earmarked for "day care" for children in 1963 and $10 million in subsequent years to be provided only in those instances where it was determined to be in the interest of the child and of the mother and that a need exists. Through these provisions for the steady expansion of the present program of child welfare services under title V, part 3, of the Social Security Act, the bill gives further emphasis to providing a wider range of constructive welfare services for children.

Mr. KERR. Mr. President, I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. KERR. Mr. President, I move that the vote by which the report was agreed to be reconsidered.

Mr. HUMPHREY. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE TO SPEAK TOMORROW ON HIS AMENDMENT TO THE DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL

Mr. PROXMIRE. Mr. President, somewhat earlier the majority leader suggested that I ask unanimous consent—and I now do so—that on tomorrow, after the taking of the vote on the question of agreeing to the conference report on the mutual security bill, I be recognized to speak on my pending amendment to the Departments of Labor, and Health, Education, and Welfare appropriation bill. I make that request, and ask unanimous consent that in that connection I be recognized immediately after the taking of that vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I may state that I have been waiting all day, since 11 a.m. this morning, to speak on that amendment. However, I shall not speak on it tonight, in view of the fact that we are to go over until tomorrow in considering the bill.

I do wish to speak briefly at this time on another subject.

SORRY DAY: MILWAUKEE A ONE-PAPER TOWN—PURCHASE OF THE MILWAUKEE SENTINEL BY THE MILWAUKEE JOURNAL

Mr. PROXMIRE. Mr. President, the largest city in Wisconsin is Milwaukee. Until this morning, Milwaukee has had two daily newspapers.

We are very proud of those newspapers. Each has earned an excellent reputation throughout the country.

However, this morning the Milwaukee Sentinel, which has been on strike for 7 weeks, was purchased by the Milwaukee Journal. So, for the first time in many, many years, there now is only one daily newspaper company in Milwaukee.

I think it is very sad that the Milwaukee Sentinel has gone out of business as a separate newspaper. The Milwaukee Sentinel was founded in 1837, was the fourth newspaper of any kind in Wisconsin. It has been—by a very long margin—the oldest daily newspaper in Wisconsin for many years.

Mr. President, although the Milwaukee Sentinel has never supported me—in fact, it has vigorously opposed me—I mean it sincerely when I say it is a most unfortunate situation when Milwaukee, one of the largest cities in the Nation, a city which now has a population of more than 1 million, has only a single newspaper voice. This is an unfortunate trend in the Nation. Certainly it is most unfortunate when a great metropolitan area which can support a major league baseball team, and has a population of well over a million people, can support only one newspaper—with the result that thus in that city there is no newspaper competition and there is no available opportunity for those who disagree with the dominant newspaper voice there to select an alternative which might more closely express their views.

Mr. President, I should like to comment briefly on this situation.

Irwin Maier, the president and publisher of the Milwaukee Journal, said that publication of the Milwaukee Sentinel as a separate newspaper will be continued, but that its operations will be moved into the Milwaukee Journal Co.'s facilities on Journal Square in downtown Milwaukee.

Of course, even though the Sentinel is continued as a morning newspaper, it will thus have common ownership, and, of course, it will speak with the single editorial voice of that ownership.

One of the great tragedies in such a situation is not only in terms of editorial impact and in terms of the opportunity for the citizens of Milwaukee to hear a competitive newspaper voice, but also in terms of the human impact, which for hundreds of fine human beings and their families is devastating. The Milwaukee Sentinel has some 700 employees, and 300 of them are members of the Newspaper Guild. I know many of them personally. They are fine, able, and dedicated; but now they have no jobs. This is one of the terrible consequences and prices which must be paid because of the very great increase in the cost of operating modern newspapers and also because of the unfortunate trend toward the consolidation of newspapers.

I may say that the Milwaukee Journal has proceeded with great reluctance in making this purchase; and President Maier said that on the basis of an offer by the Hearst Corp., the purchase is being made; but he pointed out that the Journal has never before purchased or acquired another newspaper—and the Milwaukee Journal is now about 80 years old.

Mr. President, Irwin Maier, the president and publisher of the Milwaukee Journal, stated:

> The Journal Co. has an obligation to the people of this city and this State. Permanent passing of a morning newspaper in Milwaukee would result in a serious loss of reader and advertiser services. * * *
>
> The new Milwaukee Sentinel will operate under the same general policies as have guided the Milwaukee Journal since 1882. It will report the news fairly and objectively. It will be aggressive in the people's interest. It will be bound to no political party or special interest group. Its policies will be determined by men and women who are residents of Milwaukee and Wisconsin and who are dedicated to the best interests and to the progress of this city and this State.

Mr. President, those are more than just the words of the president of a newspaper who is proud of his paper. The fact is that the Milwaukee Journal has repeatedly won awards as one of a small handful of truly outstanding newspapers in the United States. The fact is that last year there were two separate polls on the best newspaper; and it is my recollection that although the New York Times and the Christian Science Monitor ranked first and second, respectively, the Milwaukee Journal was third. Of course, I say with all respect that the New York Times and the Christian Science Monitor, are not city newspapers; they are national newspapers. They have national impact, national circulation, and national attitude.

On the other hand, of course the Milwaukee Journal recognizes—and excessively so, I think—that its responsibility is primarily and fundamentally to the people of Milwaukee, and secondarily to the people of Wisconsin, and that it has only a tertiary coverage by its own staff of national matters. Furthermore, Mr.

President, even the undeniable excellence of the Milwaukee Journal can provide no real substitute for genuine competition.

Mr. President, there is no question that Milwaukee has had superb newspaper coverage, and will have in the future. But it is most unfortunate that, for the first time in a century or more, there is to be only one newspaper voice speaking in Milwaukee, and no longer will there be in Milwaukee the newspaper competition which has meant so much in the past in providing contradictory expressions and viewpoints and which has helped make Milwaukee the stimulating and exciting place it has been.

Mr. President, I yield the floor.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. COOPER. Mr. President, I would like to say to the Senator from Alabama [Mr. SPARKMAN] and the Senate conferees that I am glad they maintained in the Foreign Assistance Act of 1962 the amendment which I offered—and which was adopted by the Senate—which in substance urges the President to seek the assistance of other free countries, and the World Bank, in carrying forward a joint program of foreign aid, in any specific country or group of countries.

The chief purpose of my amendment is to secure the greater financial, technical and economic assistance of other countries—such as Great Britain, France, West Germany, Italy, Japan, Canada, Australia, and other free countries. The work of assistance to developing countries must go on, but the United States cannot continue to bear such a preponderant part of the burden of aid. I hope that the President and the Secretary of State will take even stronger and affirmative steps to secure the assistance of other countries.

My amendment looks to the formation of consortia—groupings of free and prosperous countries with the United States—in which countries other than the United States, as well as the United States, will commit themselves to bear their part of the burden of aid.

Such definite groupings of other countries with the United States can have important consequences, and can improve aid programs to underdeveloped countries. A group of free countries can, I believe, have more influence in assisting and persuading a country receiving aid to formulate the kind of a program best suited to its development, and to commit to its own development the maximum in self-help. And, it may be possible to advise and persuade several countries which have common interests of trade to form themselves into economic groupings—on the model of the economic communities of Western Europe.

If these ends are patiently and firmly sought, I believe that in time our country can give leadership in developing a stronger aid program—and one in which the United States will not be required to bear a burden which it cannot forever bear.

Mr. HUMPHREY. Mr. President, during the debate today concerning the conference report on the foreign-aid bill, considerable emphasis has been placed on the allegation that the conference report does not effectively meet the Communist menace; or—to rephrase the matter—it has been stated that the provisions of the bill which related to anti-Communist programs have been removed, and do not appear in the final conference report.

Mr. President, the entire purpose of the mutual security program and all foreign-aid legislation is to help build the areas of freedom in the world, to strengthen America's position and security, to combat the totalitarian Communist menace, and to assist other peoples in building free, healthy, and viable societies and economies.

I am not going to take the time of the Senate or its staff tonight to further articulate my conviction that one of the most effective programs we have in combating the Communist menace is the foreign aid program. To be sure, it takes time for these programs to work their will or to produce the desired results. We must remember that they are directed to countries that, in the main, are in the throes of social upheaval, countries that are backward in terms of their economic structure and social institutions; countries, many of which have suffered from colonialism, war, and exploitation.

It is in those areas of the world that Communist penetration works its way, and it is in those areas of the world that the contest between communism and freedom is being fought. I refer to such areas as Asia, particularly southeast Asia, Africa, the Middle East, and Latin America.

Also, I would call to the attention of the Senate the dedication of the people of the United States, and of our Government to the eventual emancipation and liberation of the peoples behind the Iron Curtain, living in what are now known as the captive nations.

Last evening it was my privilege to participate in the program of the Assembly of the Captive Nations, the chairman of that assembly being Dr. Nagy, former Prime Minister of Hungary when it was a free country with parliamentary institutions. I was the recipient, along with Dr. Judd, of Minnesota, and a member of the Parliament of the Netherlands, of an award for our work in the field of anticommunism, and, of equal importance, in the area of supporting the hopes and the aspirations of the peoples living in the captive nations.

Mr. President, I have gone through the Foreign Assistance Act of 1961 and the amendments of 1962, which are now before us in the nature of a conference report, and I have marked in the respective chapters and titles of the Foreign Assistance Act of 1961 certain passages which state the policy of this country, as contained in the program of the Congress and the administration in the field of foreign aid, and the policy of our country in the struggle against communism.

I ask unanimous consent that those portions and passages of the Foreign Assistance Act of 1961 and the passages, articles, and subsections of the conference report on the Foreign Assistance Act of 1962 be printed as a part of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM "LEGISLATION ON FOREIGN RELATIONS"

SEC. 102. STATEMENT OF POLICY.—It is the sense of the Congress that peace depends on wider recognition of the dignity and interdependence of men, and survival of free institutions in the United States can best be assured in a worldwide atmosphere of freedom.

* * * * *

It is the policy of the United States to strengthen friendly foreign countries by encouraging the development of their free economic institutions and productive capabilities, and by minimizing or eliminating barriers to the flow of private investment capital.

* * * * *

Also, the Congress reaffirms its conviction that the peace of the world and the security of the United States are endangered so long as international communism continues to attempt to bring under Communist domination peoples now free and independent and to keep under domination peoples once free but now subject to such domination. It is, therefore, the policy of the United States to continue to make available to other free countries and peoples, upon request, assistance of such nature and in such amounts as the United States deems advisable and as may be effectively used by free countries and peoples to help them maintain their freedom.

* * * * *

The Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the countries it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and countries once free but now subject to such domination.

* * * * *

In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of friendly countries and international organizations to deter or, if necessary, defeat Communist or Communist-supported aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security, and creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic, and political progress. The Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

* * * * *

SEC. 601. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to encourage the development and use of cooperatives, credit unions, and savings and loan associations, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of less developed friendly countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this subsection.

* * * * *

SEC. 620. PROHIBITIONS AGAINST FURNISHING ASSISTANCE TO CUBA AND CERTAIN OTHER COUNTRIES.—(a) No assistance shall be furnished under this Act to the present government of Cuba. As an additional means of implementing and carrying into effect the policy of the preceding sentence, the President is authorized to establish and maintain a total embargo upon all trade between the United States and Cuba.

(b) No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

EXCERPTS FROM CONFERENCE REPORT ON S. 2996

"It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act."

* * * * *

"TITLE VI—ALLIANCE FOR PROGRESS

"SEC. 251. GENERAL AUTHORITY.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. It is further the sense of Congress that vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and to adopt reform measures to spread the benefits of economic progress among the people are essential to the success of the Alliance for Progress and to continued significant United States assistance thereunder. The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

* * * * *

(1) Amend the first sentence of subsection (a) to read as follows: "No assistance shall be furnished under this Act to the present government of Cuba; nor shall any such assistance be furnished to any country which furnishes assistance to the present government of Cuba unless the President determines that such assistance is in the national interest of the United States."

(2) Amend subsection (c) to read as follows:

"(c) No assistance shall be provided under this Act to the government of any country which is indebted to any United States citizen or person for goods or services furnished or ordered where (i) such citizen or person has exhausted available legal remedies, which shall include arbitration, or (ii) the debt is not denied or contested by such government, or (iii) such indebtedness arises under an unconditional guaranty of payment given by such government, or any predecessor government, directly or indirectly, through any controlled entity: *Provided*, That the President does not find such action contrary to the national security."

(3) Add the following new subsections:

"(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

"(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

"(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

"(f) No assistance shall be furnished under this Act, as amended (except section 214(b)), to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase 'Communist country' shall include specifically, but not be limited to, the following countries:

"Peoples Republic of Albania,
"Peoples Republic of Bulgaria,
"Peoples Republic of China,
"Czechoslovak Socialist Republic,
"German Democratic Republic (East Germany),
"Estonia,
"Hungarian Peoples Republic,
"Latvia,
"Lithuania,
"North Korean Peoples Republic,
"North Vietnam,
"Outer Mongolia-Mongolian Peoples Republic,
"Polish Peoples Republic,
"Rumanian Peoples Republic,
"Tibet,
"Federal Peoples Republic of Yugoslavia,
"Cuba, and
"Union of Soviet Socialist Republics.

* * * * *

"(h) The President shall adopt regulations and establish procedures to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries."

Mr. HUMPHREY. Mr. President, these particular passages or subsections relate to the specific issue of whether or not the conference report and the Foreign Assistance Act direct themselves toward the Communist menace and whether or not the provisions in the act are effective and meaningful provisions.

As a member of the Foreign Relations Committee, and a member of the conference committee, I submit that the conferees of the two Houses strengthened the so-called anti-Communist provisions of the Foreign Assistance Act. I further submit and state that the whole purpose of the Foreign Assistance Act is to build and strengthen free peoples, free nations, and free institutions. We may disagree in good conscience as to the best means of expanding the area of freedom and of protecting the independence and the territorial integrity of the free countries of the world; but I do not believe that that disagreement should result in allegations that the strong and meaningful anti-Communist provisions of the law have been weakened or have been deleted from the legislative program.

I would further add that the Senate, the House, and their conferees have written into the law the strongest language we have ever written on the item of expropriation and nationalization of American properties in countries that receive American aid. I was one of those who helped write that part of the act. I can say that not only did that provision strengthen the law over what it was a year ago, but we took effective steps to make sure that, where there are legitimate claims of American citizens or business firms, and where those claims are duly acknowledged and yet unpaid, the Foreign Aid Administrator is to take effective and prompt action to deny further assistance to those countries. The language is very clear on those matters.

I would also note that paragraph (f) of the Foreign Assistance Act of 1962, which relates to the possibility of assistance to a Communist country, is the strongest language that has ever been written by any Congress in the history of our Nation on this particular subject.

President Kennedy is receiving a directive from the Congress of the United States that is a good deal stronger than any directive that was ever given to any President of the United States.

I would also remind my colleagues that, on this very subject of assistance to countries in the Communist bloc, two other Presidents were given a vote of confidence by the Congress of the United States when the Congress adopted provisions of law that were much more flexible in their adaptation and application than the provisions which are now in the conference report before the Senate.

The measure which was adopted by the conferees includes the main provisions of the Senate language as well as the House language. Furthermore, the House language was supported overwhelmingly by Republicans and Democrats alike, by men who are known for their insistence on a stern, firm, and strong position against the Communist forces.

When men of the stature of Representatives WALTER, of Pennsylvania; JUDD, of Minnesota; ARENDS, of Illinois; HALLECK, of Indiana; HAYS, of Ohio; and MORGAN, of Pennsylvania, take the floor of the House and propose legislation to insure that assistance from this country is not used in any way that will strengthen a Communist country or weaken the security of the United States, I submit the evidence of effective anticommunism in this legislation is on the side of the proponents of the legislation.

Mr. President, it is well known in many areas of the world that two of the countries which have received considerable aid from this Nation, Yugoslavia and Poland, have been, to use a current phrase, thorns in the side of the Soviet Union.

We have debated this issue time after time. It is not necessary to go over the debate once again. I am hopeful that when the Senate votes tomorrow, it will recognize that the Foreign Aid Act has had careful deliberation, thoughtful consideration, and meticulous scrutiny by a number of Members of this body, as well as by a number of Members of the House. I am hopeful the Senate will support the unanimous report of the conference committee.

Mr. COTTON and Mr. CARROLL addressed the Chair.

Mr. HUMPHREY. I yield, of course, to my friend from New Hampshire.

Mr. COTTON. I thank the Senator. I am sure the distinguished Senator from Minnesota does not intend to convey the thought, and does not have the thought, that because some of us feel very strongly about one phase of the conference report—namely, the phase relating to aid to Communist countries—that we are not wholeheartedly in favor of the foreign aid program, which he has so well described and presented in his very able remarks.

Since 1946, when I came to the Congress as a Member of the House of Representatives, beginning with the Greek-Turkey aid and the Marshall plan, I am one who has never failed to support the foreign aid program. Because I have long recognized his fairness, I am sure the Senator understands we might make a fight on the conference report because of one feature, and still be thoroughly in sympathy with the program.

Mr. HUMPHREY. I surely do. I recognize there are honest differences of opinion over sections of the bill.

I have never been one in the Senate who has believed that because a man disagrees with me on a particular item of legislation it necessarily means he is opposed to the entire body of legislation. We are talking about sections and subsections of the measure. I respect the Senator's point of view. I thought that earlier this evening he made his case exceedingly well when he pointed out that his late departed colleague had been one of the most stalwart battlers in this body for stronger language on so-called assistance to Communist bloc countries, and that he did not intend to let the issue go by without continuing the fight.

I respect the Senator. The Senator knows that is one of the purposes of this body. The Senate provides for an exchange of views.

I am looking forward to what I know will be enlightening and pertinent, though I hope not overly persuasive, remarks by the Senator from New Hampshire tomorrow.

Mr. COTTON. I thank the Senator from Minnesota.

Mr. HUMPHREY. I now yield, Mr. President, to the Senator from Colorado.

Mr. CARROLL. I say to the able and distinguished acting majority leader, the Senator from Minnesota, I, too, came to the Congress in the 80th Congress. I, too, voted for the Greek-Turkey aid program, for the Marshal plan, and for other foreign aid legislation. All through these years I have supported the foreign aid programs of President Truman, President Eisenhower, and now President Kennedy. By my votes in the House and the Senate I have supported the concept of giving the President flexibility in the handling of this most difficult problem. The direction that foreign aid should take is something that the executive branch should be free to determine as an implementation of its foreign policy. I have always supported this concept under three different administrations.

Those of us who have voted for the various foreign aid programs should not be subjected to labeling as soft on communism because we feel that the President of the United States, exercising his constitutional duties and prerogatives, ought to have some flexibility in the handling of these difficult foreign policy problems.

I have listened with a great deal of interest to the remarks of the acting majority leader this evening. Those remarks ought to be read carefully by every Senator. The record is clear.

Recently I was one of a small group of Senators who voted in support of the position that President Kennedy ought to be given the flexibility he asked for on allocation of aid to nations we are trying to swing away from the Communist bloc. I felt that this body was making a mistake in denying President Kennedy this anti-Communist weapon.

I saw the Senate go up the hill, and then down the hill the next day.

As I read this conference report, recommended by conferees of both bodies of the Congress, it sustains the viewpoint so clearly and ably presented by the acting majority leader, the able Senator from Minnesota.

I think it would be a most serious mistake, I say to my able friend from New Hampshire, who is a very able legislator, if we did less than is contained in the conference report. I wish to associate myself with the splendid and pertinent observations of the able acting majority leader this evening. I shall vote tomorrow to agree to the conference report.

Mr. HUMPHREY. I thank the Senator from Colorado.

I wish to make it clear, Mr. President, that the purpose of the foreign aid program is not to give assistance to Communist countries. The purpose of the foreign aid program is to give assistance to people who aspire to freedom, as well as to strengthen the security of the United States of America and its allies.

Senators will be interested to know that that section of the conference report now in controversy reads as follows:

> No assistance shall be furnished under this Act, as amended (except sec. 214(b)) to any Communist country.

Section 214(b) relates to the Children's Hospital at Krakow, Poland. I add that this is a gift on the part of the American people to the children of Central Europe and particularly of Poland—to people and children who are God loving, God fearing people, as anti-Communist as are the people of the United States.

I have been to Poland. There are more anti-Communists in Poland than there are in nearly any other country in the world. It is pretty hard to even find a Communist there.

The language further states:

> This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

Then there follows a list of what we know to be the Communist dominated countries.

Mr. President, we are giving ever so little flexibility to the Commander in Chief of the Armed Forces of the United States, to the Chief Executive of this country, to our President. He is the same President to whom we give authority every hour of the day to send American forces to protect the vital interests and vital security of the United States. The President of the United States at this moment can dispatch airplanes, Marines, infantrymen, mechanized units, even naval forces if he believes it is vital to the security of the United States. He has done so in the instance of Vietnam. Marines were moved into Thailand by the authority of the President of the United States under his constitutional authority as Commander in Chief. He has done what he has done because he has found it to be vital to the security of the United States.

I submit that if we are to entrust the lives of every man, woman, and child in this country, and perhaps in the world, to a decision on the part of the President of the United States, based upon facts that lead him to believe his decision is vital to the security of the United States, then we ought not to hesitate to give that same Commander in Chief, that same President, a little flexibility and maneuverability in a foreign assistance act, so that he might be able to utilize that act when such action needs to be taken because it is vital to the security of the United States of America.

I submit to Senators that the word "vital" is a great deal more important than merely saying that it is in our national interest. Many things are in our national interest. When we say vital to the security of the United States, we would place the responsibility of determining what is vital to the security of our Nation in the hands of the President. I think that the President of the United States will exercise that provision of law with meticulous care and with a studied judicious application of what the intent of the law is as designed by Congress.

Mr. COTTON. Mr. President, before the Senator yields the floor, will he yield to me?

Mr. HUMPHREY. Yes. I intended to yield the floor.

Mr. COTTON. Before the Senator does so, I would appreciate his yielding to me because I do not wish to add to his very able presentation.

Mr. HUMPHREY. I am happy to yield to the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, I commend the distinguished acting majority leader, the Senator from Minnesota [Mr. HUMPHREY], for his very able presentation. I join with him in an expression of confidence in the President of the United States. I believe as deeply and thoroughly as he does that the President of the United States will exercise every responsibility that he has conscientiously.

I cannot refrain from saying that the Congress has its own responsibilities, too. While I do not for a moment suggest that the President would not exercise his discretion conscientiously and carefully, I, for one, find it impossible to conceive of any circumstances under which American aid to Communist countries is vital—I repeat and emphasize the word "vital"—to the security of the United States. I see no reason for even suggesting to the President of the United States that that is true. I see no reason why the Congress should surrender its own convictions, if it has convictions, and the Senate did express convictions recently on that point.

Mr. HUMPHREY. Mr. President, earlier today the Senate voted on the motion of the Senator from Oregon [Mr. MORSE] to postpone action on the conference report until August 1. On that vote the Senator from Utah [Mr. MOSS] was necessarily absent. He was in attendance at the National War College on official business. I regret that I did not get the information to the Senator in time as to the vote so that he might return for the yea-and-nay vote. It was my error. I wish to so acknowledge it for the RECORD, because the Senator from Utah is a very conscientious Member of this body. He prides himself—and rightly so—in a splendid attendance record, and in attending to his official duties. I wish the RECORD to be clear that he was attending to official business. His absence at the time of the yea-and-nay vote was due only to an error on the part of the majority whip.

Mr. CARROLL. Mr. President, will the Senator yield to me before he yields the floor?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I sincerely commend the able Senator from New Hampshire on the clear and positive statement of his position. Honest and sincere men may not agree with some of us that the President should have the flexibility that he has requested. They may believe that the power should reside in the Congress. That is an honest and sincere position. We respect men who so believe.

I also commend the able Senator for saying that his attitude is not the result of a lack of confidence in the President. Perhaps under the separation of powers provision of the Constitution, Congress should make a determination also. But what I had reference to a few minutes ago are attacks made on the President of the United States charging him with being soft on communism. This charge is then used as the basis for opposing certain facets of his aid program. Those who served with John Kennedy in the 80th Congress, in the 81st Congress, and in the Senate know that there is not one single vote of John Kennedy that suggests he was soft on communism.

I had no doubt about giving flexible foreign aid powers to President Truman. I had no doubt in my mind about giving such power to President Eisenhower, although he was a member of a different party.

I have no doubt in my mind about giving the exact same type of power to John Kennedy, the present President of the United States.

I raise this issue tonight because recently a Member of the other body was reported, in a dispatch to a Colorado newspaper, to have said that he was disinclined to give certain foreign aid powers to the President because John Kennedy, the present President of the United States, was soft on communism. I say that such a statement is a base falsehood. It is completely unsupported by John Kennedy's record as a legislator and as President of the United States. Furthermore, it is not in the interest of this Nation for totally irresponsible utterances of this type to be made. Such statements remind me of another extreme rightwing viewpoint that has been circulated in an irresponsible attack on President Eisenhower. I do not agree with these extreme and unfounded charges made against General Eisenhower either.

I have no way of knowing whether the statements attributed to the Congressman in the Colorado press truely or accurately reflect his views. It may be that he would wish to set the record straight on this foolish accusation. In any event I hope this is the last we hear of such totally base and irresponsible charges. Let us discuss these issues calmly and on their merits, as the Senator from New Hampshire is doing. We can do without ugly name calling.

So I rise to commend the able Senator from New Hampshire. He has not raised any of those phony issues. He has expressed a sincere doubt in his own mind as a legislator about certain aspects of this legislation which is a right and duty of his under the Constitution. He has done this ably and with fairness and has confined his reservations to the merits of the bill. This is as it should be.

I thank the able Senator from Minnesota for yielding.

Mr. HUMPHREY. I thank the Senator from Colorado for his remarks.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, under the terms of the previous order, I now move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 39 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, July 20, 1962, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 19, 1962

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Romans 8: 14: *For as many as are led by the spirit of God, they are the sons of God.*

Eternal God, whose abounding grace supplies all our needs, we would begin the business of this day with a sincere prayer that Thy divine counsel may illumine and lead our minds and hearts.

Deliver us from all selfish and unworthy ambitions which Thou canst not sanction and may Thy strength make us invincible in our devotion to the duties and demands of our high calling.

Grant that our faith and courage may be gloriously triumphant over all our disappointments however disconcerting they may be.

Inspire us with a willingness to expend ourselves for others who are finding the struggle of life so difficult, and may the record of service that we are daily writing be worthy of the Book of Life.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CONFERENCE COMMITTEES

Mr. CANNON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, each branch of Congress in conference has group autonomy. The selection of the conference chairman is procedural for orderly functioning of the conference. Realizing this, the question of the selection of the conference chairman for the present session of Congress shall be left to the decision of the two subcommittee chairmen.

It is agreed by the joint committee on behalf of the full Committees on Appropriations of the Senate and House of Representatives that for this session only the subcommittee chairmen of each body shall decide who shall act as chairman of the conference. It is further agreed that the chairmen of the Senate and House Committees on Appropriations appoint representatives of each committee to serve as a joint committee to study all the issues involved and to report in January 1963 their recommendations.

MEDICARE

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, in yesterday's Washington Evening Star there are some remarks quoted there attributed to the majority leader, the gentleman from Oklahoma [Mr. Albert] wherein it states that he said the Senate vote on the medicare bill "should teach us the value of a vote."

I am still quoting:

> The Republican Party proved itself more this year than ever before a party of complete opposition and obstructionism.

The distinguished majority leader's two Senators were among the leaders of this so-called obstructionist group, and his junior Senator this year is running for reelection. I ask the majority leader this question: Are you going to campaign against your junior Senator for following the lead of your senior Senator who offered the motion to table the medicare bill?

THE MEDICARE BILL

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, with the gentleman from New York [Mr. Derounian], I, too, was interested in reading yesterday evening's paper and this morning's paper. It was hardly possible to turn a page of this morning's paper without reading something about someone trying to fix the blame for defeat of the medicare bill. And, it seemed to center on two Members of the other body as being the obstructionists. If I read the voting record right in the other body there were some 21 so-called obstructionists. I do not understand how anyone can narrow it down to two, and I think it is unfair that only two Democrats are singled out for this honor.

Then, of course, there is the campaign up in Massachusetts. It seems to me that what is going on up there is a little unfair to Eddie McCormack, who has toiled long and hard in the political vineyard. But, be of good cheer, for after all is said and done, it apparently means that there will be some empty saddles in the New Frontier's corral before we get through this year.

GRASSROOTS TAX REDUCTION PROPOSAL

Mr. BROOKS of Texas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROOKS of Texas. Mr. Speaker, I am offering today for the consideration of the Congress a grassroots tax reduction proposal. I believe that an immediate tax reduction is essential as a critically needed stimulus to our economy and as the most effective way to provide new job opportunities for the working people of our Nation.

The proposal I am offering is simple and direct and a similar proposal offered by the Democratic minority in the 83d Congress was defeated by only 6 votes.

I am proposing, Mr. Speaker, that the Congress increase the personal Federal income tax exemptions from $600 to $800. Persons already eligible for double exemptions would, of course, be eligible for $1,600 exemptions.

The President and the Congress wisely, I believe, are already taking bold steps to stimulate business investment. These steps are necessary to keep our industries and businesses competitive in world markets, however, few of us believe this is all the action needed to encourage full employment opportunities for our people.

By increasing the personal exemption from $600 to $800, it is estimated that $5.6 billion would be released into the consumer market. The overwhelming majority of our taxpayers could well use this tax relief to meet their every day family expenses and family obligations—to make the house payments, buy food, and pay the bills at the first of the month.

In addition, Mr. Speaker, a tax reduction of the proportions Congress will be considering is estimated to be sufficient to offer new job opportunities for almost 1 million workers who cannot find jobs today.

I commend this proposed increase of personal income tax exemptions from $600 to $800 to the study of our colleagues both in the House and Senate and of our President.

MINORITY LEADER HALLECK

Mr. HARVEY of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, I notice in this morning's Post an article by a staff reporter concerning an interview with Secretary of Agriculture Freeman. Now, in this article Mr. Freeman particularly seems to vent his spleen upon our minority leader, the gentleman from Indiana [Mr. Halleck] and challenges his sincerity through the years in his service to agriculture. I want to say that the gentleman from Indiana [Mr. Halleck] is very capable of defending himself. As one who has been interested for many years in the well-being of agriculture, I believe the gentleman from Indiana [Mr. Halleck] is not a Johnny-come-lately so far as agriculture is concerned. He comes from one of the finest agricultural areas of Indiana, indeed, of the Middle West, and I think through the years he has very capably represented the district from which he comes.

SPECIAL ORDER GRANTED

Mr. BROWN. Mr. Speaker, I yield to the gentleman from Michigan [Mr. Ford] for a unanimous-consent request.

Mr. FORD. Mr. Speaker, I ask unanimous consent that on Friday, July 20, 1962, immediately after all legislative business and the conclusion of special orders heretofore granted, that the gentleman from Michigan [Mr. Bennett] be permitted to address the House for 60 minutes. I make this request, Mr. Speaker, in order that those Members of the House who wish to say a word or two about our colleague, the gentleman from Michigan [Mr. Hoffman] may be permitted to do so.

In further explanation, Mr. Speaker, there is a local celebration in Clare Hoffman's hometown on Saturday, July 21, which will be widely attended by people from all over the State and elsewhere and we feel it would be appropriate on tomorrow to have an opportunity for all of us who so desire to say a word about Clare.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CALL OF THE HOUSE

Mr. VAN PELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 164]

Alford
Barry
Blitch
Boggs
Bolton
Boykin
Byrnes, Wis.
Celler
Coad

Collier
Curtis, Mass.
Dague
Davis, Tenn.
Flood
Frazier
Frelinghuysen
Garland
Gray
Gubser
Harrison, Va.
Harvey, Mich.
Hoffman, Mich.
McMillan
McSween
Mailliard
Mathias
May
Merrow
Morgan
Moulder
Norrell
Powell
St. Germain
Saund
Scranton
Shelley
Smith, Miss.
Spence
Taber
Thompson, La.
Utt
Van Zandt
Vinson
Weaver
Willis
Winstead
Yates

The **SPEAKER**. On this rollcall 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PUBLIC WELFARE AMENDMENTS OF 1962

Mr. **MILLS**. Mr. Speaker, I call up the conference report on the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER**. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2006)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 8, 22, 28, 43, 47, 48, 49, 59, 82, 83, 89, 98, 99, and 100.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 45, 50, 51, 52, 53, 54, 55, 57, 60, 61, 62, 63, 65, 66, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 79, 80, 81, 84, 88, 90, 91, 92, 93, 94, and 95; and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with the following amendments: On page 2, after line 6, of the Senate engrossed amendments, insert the following:

"SEC. 156. Starting date for public assistance in form of medical or remedial care."

On page 2, line 7, of the Senate engrossed amendments, strike out "156" and insert the following: "157"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(c) Expenditures (other than for medical or any other type of remedial care) made at any time during the period beginning July 1, 1961, and ending with the close of September 30, 1962, which would have been considered aid to dependent children or aid to families with dependent children, as the case may be, under a State plan approved under title IV of the Social Security Act except that they were made in the form of payments for work performed by a relative with whom a dependent child (as defined in section 406 or 407 of such Act) is living, shall be deemed to have been made under a State plan approved under title IV of the Social Security Act and to constitute aid to dependent children or aid to families with dependent children, as the case may be, if (1) such expenditures were made under conditions which meet the requirements set forth in section 409 of such Act (added by subsection (a) of this section), other than subparagraphs (D) and (F) of subsection (a) (1) thereof and other than the requirement that the State agency (administering or supervising the administration of such plan) be administering or supervising the administration of the program under which such work is performed, and (2) at the time such expenditures were made, such State plan met the requirements of paragraphs (1), (2), and (3) of section 407 of the Social Security Act. The costs of administration of any such State plan may include, with respect to expenditures described in the preceding sentence, only such costs as are permitted in accordance with the provisions of subsection (b) of such section 409."

And the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 38 of the House engrossed bill strike out "or" in line 5 and all that follows down through "serve" in line 10 and insert the following: "or in the imposition of criminal or civil penalties authorized under State law if it is determined by a court of competent jurisdiction that such relative is not using or has not used for the benefit of the child any such payments made for that purpose; and the provision of such services or advice by the State agency (or the taking of the action specified in such advice) shall not serve"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: Restore the matter proposed to be stricken out by the Senate amendment, strike out the matter proposed to be inserted by the Senate amendment, and after the period on page 44, line 10, of the House engrossed bill insert the following: "The Secretary shall report to the Congress annually on the number of such committees and on the membership and activities of each such committee."; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"INCREASE IN ADEQUATELY TRAINED WELFARE PERSONNEL

"SEC. 123. (a) Subsection (a) of section 705 of the Social Security Act is amended by striking out 'for the fiscal year ending June 30, 1958, the sum of $5,000,000, and for each of the five succeeding fiscal years such sums as the Congress may determine' and inserting in lieu thereof the following: 'for the fiscal year ending June 30, 1963, the sum of $3,500,000, and for each fiscal year thereafter the sum of $5,000,000'.

"(b) Subsection (b) of such section is amended to read as follows:

"'(b) Such portion of the sums appropriated pursuant to subsection (a) for any fiscal year as the Secretary may determine, but not in excess of $1,000,000 in the case of the fiscal year ending June 30, 1963, and $2,000,000 in the case of any fiscal year thereafter, shall be available for carrying out subsection (f). From the remainder of the sums so appropriated for any fiscal year, the Secretary shall make allotments to the States on the basis of (1) population, (2) relative need for trained public welfare personnel, particularly for personnel to provide self-support and self-care services, and (3) financial need.'

"(c) Such section 705 is further amended by adding at the end thereof the following new subsection:

"'(f) (1) The portion of the sums appropriated for any fiscal year which is determined by the Secretary under the first sentence of subsection (b) to be available for carrying out this subsection shall be available to enable him to provide (A) directly or through grants to or contracts with public or nonprofit private institutions of higher learning, for training personnel who are employed or preparing for employment in the administration of public assistance programs, (B) directly or through grants to or contracts with public or nonprofit private agencies or institutions, for special courses of study or seminars of short duration (not in excess of one year) for training of such personnel, and (C) directly or through grants to or contracts with public or nonprofit private institutions of higher learning, for establishing and maintaining fellowships or traineeships for such personnel at such institutions, with such stipends and allowances as may be permitted by the Secretary.

"'(2) Payments under paragraph (1) may be made in advance on the basis of estimates by the Secretary, or may be made by way of reimbursement, and adjustments may be made in future payments under this subsection to take account of overpayments or underpayments in amounts previously paid.

"'(3) The Secretary may, to the extent he finds such action to be necessary, prescribe requirements to assure that any individual will repay the amount of his fellowship or traineeship received under this subsection to the extent such individual fails to serve, for the period prescribed by the Secretary, with a State or political subdivision thereof, or with the Federal Government, in connection with administration of any State or local public assistance program. The Secretary may relieve any individual of his obligation to so repay, in whole or in part, whenever and to the extent that requirement of such repayment would, in his judgment, be inequitable or would be contrary to the purposes of any of the public welfare programs established by this Act.'

"(d) (1) Section 526(a) of such Act is amended by inserting before the period at the end thereof '; and for grants by the Secretary to public or other nonprofit institutions of higher learning for special projects for training personnel for work in the field of child welfare, including traineeships with such stipends and allowances as may be permitted by the Secretary'.

"(2) The heading of section 526 of such Act is amended by inserting ', TRAINING,' after 'RESEARCH'."

And the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with amendments, as follows: On page 26, line 1, of the Senate engrossed amendments, strike out "child placement" and insert "child-placement"; on page 26, between lines 22 and 23, of the Senate engrossed amendments, insert the following:

"(e) The amendments made by the preceding provisions of this section shall be effective only in the case of expenditures under a State plan approved under title IV of the Social Security Act made during the period beginning October 1, 1962, and ending with the close of September 30, 1964."

On page 80, line 24, of the House engrossed bill, strike out "135,"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "and (B) for a period not in excess of twelve months, such additional amounts of other income and resources, in the case of an individual who has a plan for achieving self-support approved by the State agency, as may be necessary for the fulfillment of such plan, and in making such determination with respect to any other individual who has attained age 65 and is claiming aid to the aged, blind, or disabled, of the first $50 per month of earned income the State agency may, after December 31, 1962, disregard not more than the first $10 thereof plus one-half of the remainder; and"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with the following amendments: On page 29, lines 18 and 19, of the Senate engrossed amendments, strike out "old-age assistance" and insert the following: "aid to the aged, blind, or disabled"; on page 29, line 20, of the Senate engrossed amendments, after "capability for" insert the following: "self-support or"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with the following amendments: On page 32, line 17, of the Senate engrossed amendments, strike out the period before the quotation marks and insert a comma; on page 32, line 19, of the Senate engrossed amendments, strike out "July 1" and insert the following: "October 1"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with the following amendments: On page 34, line 5, of the Senate engrossed amendments, strike out "subsection" and insert the following: "section".

On page 34, line 6, of the Senate engrossed amendments, strike out "filed" and insert the following: "made".

And the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"CERTAIN EARNED INCOME MAY BE DISREGARDED IN DETERMINING NEED FOR OLD-AGE ASSISTANCE

"SEC. 157. Section 2(a)(10)(A) of the Social Security Act (as amended by section 106(a)(1) of this Act) is further amended by inserting before the semicolon at the end thereof '; except that, in making such determination, of the first $50 per month of earned income the State agency may disregard, after December 31, 1962, not more than the first $10 thereof plus one-half of the remainder'."

And the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(other than subsection (c))"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with amendments, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(f) The amendments made by section 101(a) shall be applicable in the case of expenditures, under a State plan approved under title I, IV, X, or XIV of the Social Security Act, as the case may be, made after August 31, 1962. The amendments made by section 101(b) shall be applicable in the case of expenditures, under a State plan approved under title I, IV, X, or XIV of the Social Security Act, as the case may be, made after June 30, 1963."

And on page 80, line 23, of the House engrossed bill, strike out "101(a),".

And the Senate agree to the same.

W. D. MILLS,
CECIL R. KING,
THOMAS J. O'BRIEN,
NOAH M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBERT S. KERR,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 36, 37, 38, 40, 41, 42, 45, 47, 48, 49, 50, 52, 53, 54, 55, 59, 60, 61, 62, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 88, 89, 90, 91, 92, 94, 95, 96, 97, and 98. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendments Nos. 11, 12, and 13: The House bill provided that services defined as vocational rehabilitation services under the Vocational Rehabilitation Act which are available from the State vocational rehabilitation agency to individuals under programs for their rehabilitation carried on under the State vocational rehabilitation plan could be provided to applicants for or recipients of old-age assistance only by such State vocational rehabilitation agency except to the extent that that agency agreed otherwise. Such services could, therefore, not be provided by the State welfare agency, directly by its own staff or through agreements with other nonvocational rehabilitation agencies of the State. The Senate amendments provided that services so defined which are available under such programs to individuals in need of them or which are not so available but which the State vocational rehabilitation agency is able and willing to provide on a reimbursable basis could be provided for applicants for or recipients of old-age assistance only by such State vocational rehabilitation agency. (Amendments Nos. 19, 20, 21, 25, 26, 27, 31, 32, 33, 74, 75, and 76 made similar changes in comparable provisions in the House bill which relate to the other public assistance programs.) The House recedes.

Amendments Nos. 34 and 35: Amendment No. 34 struck from the House bill the requirement that a State plan under any of the four public assistance programs provide for the minimum level of rehabilitation services prescribed by the Secretary of Health, Education, and Welfare. Amendment No. 35 substituted new language under which the attainment of the minimum level of rehabilitation services so prescribed is not a plan requirement but is a prerequisite of State entitlement to Federal matching of administrative expenses at the increased (75 percent) rate as provided by both the House and Senate versions of the bill. The House recedes.

Amendment No. 39: This amendment added to the House bill a new requirement that a State's plan for child-welfare services provide, with respect to day care provided under the plan, for the payment of reasonable fees where the family is able to pay part or all of the costs of the day care. The House recedes.

Amendment No. 43: This amendment contained a separate authorization of appropriations under part 3 of title V of the Social Security Act (child-welfare services programs) for fiscal years 1963, 1964, and 1965, for the provision of day care for children of migrant agricultural workers. The Senate recedes.

Amendment No. 44: This amendment added to the House bill two provisions affecting the community work and training section (sec. 105) of the bill. The first of these exempted earnings on work and training projects from income tax liability and withholding. The second provided for the Federal matching of certain State expenditures of aid to dependent children in the form of payment for work on projects where such expenditures are made during the period beginning July 1, 1961, and ending September 30, 1962.

The House recedes with an amendment eliminating the first of these provisions and retaining the second.

Amendment No. 46: This amendment deleted section 107(a) of the House bill, which would have permitted a State where the relative-caretaker fails to use the assistance payments for the child's benefit under its dependent children program—without jeopardizing Federal financial participation or raising questions as to the conformity of the State's plan with the provisions of title IV of the Social Security Act—to provide certain guidance and counseling services, and to advise that continued failure may result in payments to another interested person instead of to such relative or in appointment of a guardian or legal representative, or in any "other action" authorized under State law, short of denying assistance to the child, which may be necessary to safeguard his welfare, and to provide for taking any action so advised.

The House recedes with an amendment which restores most of the language of the House bill (effective on date of enactment) but specifies that the "other action" which States may take in these cases (without jeopardizing their right to Federal funds) is the imposition of criminal or civil penalties by a court of competent jurisdiction for such failure to use such assistance payments for the benefit of the child (after advising the relative involved that such penalties may be imposed).

Amendment No. 51: The House bill provided for Federal matching of certain protective payments under the dependent children program in the case of State plans approved under section 402 of the Social

Security Act which meet specified requirements. One of the requirements was that the State plan include provision for meeting all of the need, as determined by the State, of individuals with respect to whom aid to families with dependent children is paid. Senate amendment No. 51 changes this requirement so that the State plan may include provision for making these payments only in cases in which the payments will, under the rules otherwise applicable under the State plan for determining need and the amount of aid (in conjunction with other income and resources), meet all the need of the individuals with respect to whom such payments are made. The House recedes.

Amendment No. 56: The House bill authorized the Secretary of Health, Education, and Welfare to appoint such advisory committees as he might need to advise him in the discharge of his duties under the Social Security Act. The Senate amendment limited the number of such committees to 10 at any one time and the number of members of any such committee to 15. The House recedes with an amendment under which the numerical limitations are eliminated and the Secretary is required to report to the Congress each year on his use of such committees, their numbers, and their activities.

Amendment No. 57: The House bill provided that the exemption from certain conflict-of-interest laws granted to members of the Advisory Council on Public Welfare, and to members of advisory committees appointed under the new section 1114 of the Social Security Act, was not to apply to the receipt or payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment. Senate amendment No. 57 struck out the word "private," thereby extending the exemption to such a salary paid by a nonprivate employer. The House recedes.

Amendment No. 58: Section 704 of the Social Security Act authorizes grants to States for the training of public welfare personnel. The existing provision is scheduled to expire on June 30, 1963. The House bill made this section permanent and established limits on the amounts authorized to be appropriated of $3,500,000 for the fiscal year 1963 and $5,000,000 for each fiscal year thereafter. Amendment No. 58 retained the same dollar limits but authorized the training to be provided by the Secretary (directly or through grants or contracts).

The House recedes with an amendment limiting to $1,000,000 of the $3,500,000 authorized for fiscal 1963 and $2,000,000 of the $5,000,000 authorized for any subsequent fiscal year the amount which might be used for training so provided by the Secretary, with the remainder to be allotted to the States as under existing law.

Amendments Nos. 63 and 93: The House bill provided for increasing the Federal share of old-age assistance, aid to the blind, and aid to the permanently and totally disabled to 29/35 of the first $35 of the average monthly payment per recipient, with the balance of the payment per recipient up to an average of $70 per recipient being matched on the basis of the State's "Federal percentage" (which is based on the State's relative per capita income). Existing law sets the Federal share at ⅘ of the first $31 per recipient, with matching of the balance on the basis of the Federal percentage up to a maximum average payment of $66. (The $31 and $66 figures were, however, scheduled to decrease to $30 and $65, respectively, on July 1.) Proportionate increases were provided under the bill for the public assistance programs in Puerto Rico, the Virgin Islands, and Guam.

The House bill made these increases effective July 1, 1962.

The Senate amendments made these increases effective October 1, 1962, and continued the $31 and $66 figures of the existing law from June 30, 1962, to September 30, 1962, when the new formula becomes effective.

The House recedes.

Amendment No. 64: The House bill provided for Federal payments for foster care in child care institutions. The Senate amendment struck out the language of the House bill and inserted language also providing for Federal payments for foster care in child care institutions. The House recedes with technical amendments and with an effective date provision providing for making such payments with respect to the period beginning October 1, 1962, and ending September 30, 1964.

Amendments Nos. 82 and 83: The House bill provided that the maximum amount that could be paid annually under titles I (other than sec. 3(a)(3) thereof), IV, X, XIV, and XVI of the Social Security Act to Puerto Rico should be $9,800,000 and to the Virgin Islands, $330,000. Amendment No. 82 raised such amount for Puerto Rico to $10,500,000. Amendment No. 83 raised such amount for the Virgin Islands to $400,000. The Senate recedes.

Amendment No. 84: The Senate amendment added to the House bill a provision providing that States shall disregard, in determining need under their aid to the blind programs, the first $85 per month of earned income plus one-half of the earned income in excess of $85 per month (this is in existing law), and, in addition, for a period not in excess of 12 months, such additional amounts of other income and resources of an individual with a State-approved plan for achieving self-support as may be necessary for the fulfillment of the plan. The House recedes.

Amendment No. 85: This amendment added a new provision to the House bill. Under the existing foster care provision, the placement and the care of the children must be the responsibility of the State welfare agency. Under the amendment, such placement and care may be the responsibility either of the State or local agency administering the State plan approved under section 402 of the Social Security Act or of any other public agency with which the State agency has an agreement containing certain specified provisions. Under the amendment, this new provision is to be effective for the period beginning on July 1, 1962, and ending on June 30, 1963. Before March 1, 1963, the Secretary of Health, Education, and Welfare is to submit a full report of the administration of the new provision, including State experience thereunder and his recommendation as to its continuance or modification.

The House recedes with an amendment making the beginning date for the new provision October 1, 1962, instead of July 1, 1962.

Amendment No. 86: This amendment added to the House bill a new section 156 permitting Federal matching under the four public assistance programs of State expenditures for medical or remedial care furnished up to 3 months before the month in which application is made for the aid or assistance involved. (A similar provision is added to the new title XVI of the Social Security Act by Senate amendments Nos. 79 and 80.) The House recedes with clerical amendments.

Amendment No. 87: This amendment added to the House bill a new section 157 permitting States to exempt from consideration up to $50 of earned income in determining the need of an old-age assistance recipient. The House recedes with an amendment under which (after December 31, 1962) a State may exempt from consideration up to $10 of earned income, and may in addition exempt not more than one-half of additional earned income (in excess of the amount completely exempted), so long as the amount to which such complete or partial exemption is applied does not exceed the first $50 of earned income.

Amendment No. 99: Under existing law policemen and firemen under retirement systems in 17 named States are permitted to acquire old-age, survivors, and disability insurance coverage under established procedures for State and local employees. This amendment permitted coverage for policemen in Louisiana under the same procedures. The Senate recedes.

Amendment No. 100: This amendment permitted self-employed individuals who are members or adherents of established religious sects, the teachings of which forbid participation in such programs as old-age, survivors, and disability insurance, to obtain exemption from the payment of social security tax and to waive receipt of social security benefits. The Senate recedes.

W. D. Mills,
Cecil R. King,
Thomas J. O'Brien,
Noah M. Mason,
John W. Byrnes,
Managers on the Part of the House.

Mr. MILLS (interrupting reading of statement). Mr. Speaker, in view of the fact that this conference report is signed by all of the managers on the part of the House, and because it is my purpose to take a few minutes to discuss the contents of the report, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, as Members of the House will recall, the proposals contained in H.R. 10606 as reported from the Committee on Ways and Means and as it passed the House on March 15 were designed to improve, redirect, and tighten up the Federal-State cooperative public welfare programs.

In the form in which the bill came back to us from the Senate, there were additional amendments designed to further carry out the House purposes in some provisions, and there were other amendments which modify or add in some respect to the House provisions. While there were actually 100 amendments made to the bill by the other body, the great majority of these were conforming, technical, clerical, or clarifying amendments. The substantive changes which the Senate made relate to about five major groups of amendments to the bill. By subject matter, these are amendments relating to, first, programs for the aged, blind, and disabled; second, child welfare and aid to dependent children; third, services and training to prevent or reduce dependency; fourth, training grants; and fifth, miscellaneous amendments.

Mr. Speaker, I will discuss the principal amendments made by the Senate and the agreement which was reached in the conference as follows:

The Senate added two principal amendments which would have had major application to the Federal-State programs for the aged, blind, and disabled. First, as Members will recall, the House bill provided for increasing the Federal share of old-age assistance, aid to the blind, and aid to the permanently or totally disabled. The temporary increase brought about by the 1961 amendments increased Federal participation in approximately $1 of assistance payments—it increased the proportion on which the Federal Government pays 80 percent from $30 to $31 and the maximum average amount subject to Federal participation from $65 to $66—exclusive of the special medical care provisions in old-age assistance. The House bill this year increased the Federal share of the assistance payments from four-fifths of the first $31 of the average assistance payment to twenty-nine thirty-fifths of the first $35 of the average monthly assistance payment, and an increase in the maximum on the assistance payments made by the States in which the Federal Government could participate, from $66 a month on the average basis to $70 on an average basis.

In effect, we will recall that the House bill provided for the continuation of the $1 ceiling increase under the law existing prior to July 1, plus an additional $4. The House bill made this provision effective July 1, 1962.

The Senate amendments made these increases effective October 1, 1962, and continued the $1 increase in the ceiling from June 30 of this year through September 30 of this year, at which time the new formula becomes effective. The House agreed to this Senate amendment.

Mr. Speaker, I want to reiterate the statement that was made on page 13 of the House report by the Committee on Ways and Means, for it is the position now of the managers on the part of the House and, therefore, I take it, would be the position of the House itself:

> The committee expects that the States will pass this additional money on to the recipients promptly. This has been the general experience in past increases of this type over the years.

Second, as Members will recall, under existing law with respect to the old-age assistance program, the States are required to take into account any earned income of the recipient in determining need. The Senate added to the House bill a new section 157 which would have permitted the States to exempt from consideration up to $50 of earned income in determining the need of an old-age assistance recipient.

The conference agreement provides that a State may exempt from consideration up to $10 of earned income and may in addition exempt not more than one-half of additional earned income—in excess of $10—up to $50. In other words, Mr. Speaker, under the conference agreement—if the State so provides—up to $10 of earned income will be permitted and will not be taken into account at all in determining need, and only one-half of the earned income above the amount so permitted and below $50 will be taken into account in determining need. This amendment will become effective, under the conference agreement, January 1, 1963.

The second major group of amendments relate to child-welfare and the aid-to-dependent-children programs. As Members of the House will recall, section 107(a) of the House bill would have permitted a State, where the relative-caretaker fails to use the assistance payments for the child's benefit under its ADC program, to take certain action without jeopardizing the Federal matching payment or raising questions as to the conformity of the State's plan under title IV of the Social Security Act.

Mr. Speaker, under the House bill a State could provide certain guidance and counseling services and advice that continued failure to use these payments for the child's benefit would result in payments to another interested person instead of to the relative, or in the appointment of a guardian or legal representative, or in any "other action" authorized under State law, short of denying assistance to the child himself, which might be necessary to safeguard the child's welfare, and to provide for taking any actions so advised.

The other body deleted this entire provision in the House-passed bill. Your conferees were successful in restoring to the bill what we considered to be the major part of the language of the House bill in this respect, with certain changes. Under this agreement, as I have indicated, we have retained most of the language of the House bill but the agreement specifies that the "other action" which States may take in these cases, without loss of Federal funds, is the imposition of criminal or civil penalties by a court of competent jurisdiction for such failure to use assistance payments for the benefit of the child, after advising the relative that such penalties might be imposed.

Mr. Speaker, in other words, under the bill which we bring back to the House from the conference, a State without jeopardizing its matching share from the Federal Government and without running the risk of questions as to conformity of the State plan, may provide guidance and counseling services, may advise that continued failure may result in payments to another interested person instead of to the relative, or may result in the appointment of a guardian or a legal representative, or may result in the imposition of criminal or civil penalties by a court of competent jurisdiction where the State law provides such penalties for such failure to use the assistance payments for the benefit of the child.

Mr. Speaker, another major item under this general heading which the other body added related to the placement and care of foster children. Under the existing foster-care provision the placement and care of children must be the responsibility of the State welfare agency. The gentleman from California [Mr. BALDWIN], and our colleagues on the Committee on Ways and Means from California, brought to the attention of the committee and the House a situation existing in that State under which the placement and care of certain children is under the responsibility of the juvenile court or officers of the court.

Mr. Speaker, there was insufficient time, as we all recall, to perfect an amendment prior to passage of the bill in the House. But before passage by the other body an agreement was worked out and language was perfected under which the placement and care of foster children may be either the responsibility of the State or local agency administering the State plan, or of any other public agency with which the State agency has an agreement which contains certain specified provisions. This language was agreed to by the conference committee and under the agreement it will become effective October 1, 1962.

Mr. KNOX. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to my colleague, the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. I thank the gentleman for yielding. I would like to refer back to the amendment adopted by the other body to section 157 which makes certain changes relative to exemptions. Of course, this is a matching program with the respective States. But I wanted to determine whether or not if the respective States do not conform with the new section 157, is there not a possibility that the Federal Government could withhold the funds as far as that section is concerned?

Mr. MILLS. No; the gentleman from Michigan I think misunderstood my statement. The earned income provision is entirely optional; the State may or may not do this; it is entirely up to the State. There is no violation of any plan if the State does not do it. For example, the State may say it does not want to exempt $10 but does want to exempt $5. That would be permitted. The State could exempt nothing; or it could exempt up to $5, or $10; or it could go all the way up to $50, if it wanted to, and half of the amount above the amount so permitted above the $5 or $10, and up to $50 would be disregarded. But it is entirely optional.

Mr. KNOX. Mr. Speaker, will the gentleman yield further?

Mr. MILLS. I yield further.

Mr. KNOX. Then there is nothing, to the gentleman's knowledge, that would require any amendment to State laws now existing in order to conform with the provisions under section 157?

Mr. MILLS. Not a thing, except that some States, I understand, would have to amend their law if they wanted to take advantage of this provision. But they are not under any circumstances required to do so. It is entirely optional.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from California.

Mr. BALDWIN. Mr. Speaker, I should like to express my deepest appreciation to the gentleman from Arkansas on behalf of the State of California for his helpfulness in working out this amendment dealing with foster homes. As the gentleman knows, the State of California uses very widely the placement procedure through juvenile courts and probation departments, and this will make it possible for youngsters placed in that way to qualify for aid to dependent children. We are thankful to the gentleman for approving this amendment so that it might become law.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Mr. Speaker, I direct the gentleman's attention to this new section 157 which is the authorization to earn, which was added in the Senate; an authorization to earn, as I interpret this, up to $50 if the State law so provides. Is that the interpretation?

Mr. MILLS. That was the Senate amendment, so that if the State wanted to do so it could disregard the whole amount up to $50 of earned income per recipient without being in violation of the Federal-State plan and thus still receive Federal matching. I have explained the conference changes. It is entirely optional with the State.

Mr. ROGERS of Colorado. If the State plan provided that a person may earn up to $50 and he is not now receiving an old-age assistance but wants to become eligible, and he is now earning $50 a month then the State could adopt the plan that would permit him to earn up to the $50 a month?

Mr. MILLS. It is entirely optional with the States; the gentleman is correct. However, as to the amounts, the conference committee modified the Senate amendment as I pointed out. It is not brought back exactly as the Senate passed it, but it is still entirely optional with the State.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. MILLS. I yield further.

Mr. ROGERS of Colorado. I notice that this says:

> Except that, in making such determination, of the first $50 per month of earned income, the State agency may disregard, after December 31, 1962, not more than the first $10 thereof plus one-half of the remainder.

Mr. MILLS. Yes. The State could, if it wishes, disregard all of the first $10, and one-half the balance up to $50; that is, one-half of $40; so that in effect $30 of the $50 could be disregarded, but one half of the $40 would have to be taken into consideration.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Connecticut.

Mr. MONAGAN. With reference to the aid-to-dependent-children provision, some of our cities have had difficulty in financing because of lack of contributions. Is there any retroactive provision in this legislation that will permit some reimbursement in that area for past payments?

Mr. MILLS. No; there is no increase, either prospectively or retroactively for aid to dependent children; except, of course, that this conference report, as did the House bill, provides that the State can include the unemployed father in determining the needs of the family for aid-to-dependent-children purposes. That is entirely optional with the State. That is made permanent and was for a year on a temporary basis.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. What does this conference report provide respecting the exemption from social security taxes of members of certain religious groups?

Mr. MILLS. That particular amendment was added in the Senate. The conference committee deleted the amendment. There is a specific reason why the members of the House committee asked that that amendment be deleted. In the levying of taxes it is necessary that the Congress in order to be within the Constitution levy a tax that applies uniformly to all. For example, this social security tax is normally referred to as a form of excise tax. Whatever type it may be, you cannot levy a social security tax on the farm income of all farmers up to a certain amount, and then except from the application of that tax those farmers who have certain religious views or belong to a certain church without raising constitutional questions. Our group felt that it raised a very serious constitutional question to say that all other farmers or all other religious groups would be taxed for social security purposes and one group would not. We could not, therefore, accept the amendment in conference, and the Senate receded on that amendment.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Tennessee.

Mr. BAKER. As I understand it, the law to permit contributions of aid to children of unemployed parents expired on July 1. Is it true that this conference report extends that law retroactively to July 1?

Mr. MILLS. To July 1, for the inclusion of an unemployed father within the aid-to-dependent-children program.

Mr. BAKER. Then what will happen? Today is the 19th of July. As I understand, some jurisdictions have continued these payments on the assumption that this bill would pass. Some have not. Will the chairman explain clearly what the situation will be as to both those categories?

Mr. MILLS. The Government would make available payments to those States which have continued this provision on the basis of this effective date. If the State has not made payments or continued this program, then there is nothing that the State can bill the Federal Government for. I think it is clear that where the State has not continued it there would be no retroactive payment, but where the State has continued to carry this category on the rolls then the Federal Government would fulfill the Federal Government's part of the cost from July 1, 1962, on.

Mr. BAKER. I have one other question in the same category. Suppose, now, the States that have not continued these payments should now pick up and do so; would they be eligible for reimbursement from the Federal Government back to July 1?

Mr. MILLS. They would be eligible from the time they resumed payments, only from the time they resumed payments. In the case you put, there would have been no payments from July 1 to the present.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Texas.

Mr. ALGER. I have read the report and I cannot find out whether there was any arrangement made in the other body or in conference for payments for religious purposes, payments to be made to religious groups, a feature that we struck out of the House bill.

Mr. MILLS. It is not in this conference report.

Mr. ALGER. It is not in this conference report?

Mr. MILLS. That is right.

Mr. ALGER. I thank the gentleman.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Speaker, the initial House bill, section 107, contained language which was deleted by Senate amendment 46.

Mr. MILLS. I explained that a moment ago. The House did succeed in having the other body yield with respect to the present language. The majority of the House language was restored.

Mr. WAGGONNER. Will the original House language prevail?

Mr. MILLS. The original language was modified somewhat in conference, and I explained that a moment ago. But, the major part of the House language was restored.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. ROGERS of Colorado. We heretofore discussed section 157 which according to the interpretation I now place upon that, they may earn $10 wholly disregarded and one-half of the balance would be disregarded.

Mr. MILLS. Yes, one-half the balance up to $50.

Mr. ROGERS of Colorado. Then $30 of the $50 will be disregarded.

Mr. MILLS. That is correct.

Mr. ROGERS of Colorado. Up to $50 a month and that applies only to earned income?

Mr. MILLS. That is true—it applies only to earned income.

Mr. ROGERS of Colorado. Heretofore there have been many instances, particularly in my State, with reference to the welfare department where people have provided homes with free rent to them and they have deducted that as income, does this amendment change this in any manner?

Mr. MILLS. This does not change that. This has to do only with earned income. What we are thinking about is this kind of situation: There may be an elderly lady, let us say, who is presently drawing public assistance in your State and maybe your State will not even permit her to go out and earn a few dollars a week baby sitting or doing something else. This provision will enable your State, if it wants to, to permit her to engage in any kind of work to this extent in earning income without causing her grant to be changed.

Mr. ROGERS of Colorado. May I express my appreciation to the gentleman from Arkansas for maintaining this particular provision in our old-age assistance program because it helps iron out many difficult situations and gives some incentive to the aged who receive assistance.

Mr. MILLS. Mr. Speaker, there are other amendments that I have not discussed which are not of as great importance as the ones I have discussed. There will be an explanation of them in the RECORD. I doubt there are any amendments that any Member would want me to discuss at this point except one and that has to do with the change we made in the conference with respect to the House bill with regard to services and training to prevent or reduce dependency.

The House bill included certain provisions designed to provide more services and training in the public assistance programs to prevent or reduce dependency, to promote self-sufficiency, and to improve the quality of these services. To this end, the House bill authorized 75-percent Federal matching in all public assistance titles for certain services to be specified by the Secretary of Health, Education, and Welfare. The House bill included a requirement that a State plan under any of these four programs must provide for the minimum level of rehabilitation services prescribed by the Secretary of Health, Education, and Welfare.

Thus, in the House bill, we said the States would have to amend their State plan in order to provide for this particular arrangement.

The other body amended this House provision by the substitution of new language under which the attainment of the minimum level of rehabilitation services so prescribed is not a plan requirement but is a prerequisite to the State entitlement to 75-percent Federal matching for administrative expenses.

Thus, the Senate changed it so that it is optional with the State. The States which do it get 75 percent of the cost and the States which do not do it and continue to operate as it is without training additional personnel get 50 percent.

The conference committee concluded that the modification of the House provision in this respect was an improvement over the House language in that the House language may have been too rigid in its requirements.

Mr. Speaker, I will briefly mention two other amendments.

The House bill provided that services defined as vocational rehabilitation services under the Vocational Rehabilitation Act which are available from the State vocational rehabilitation agency could be provided to applicants for or recipients of old-age assistance only by the State vocational rehabilitation agency, except to the extent that the agency agreed otherwise. It was the intent of the House bill that such services could not be provided by the State welfare agency, directly by its own staff, or through agreements with other nonvocational rehabilitation agencies of the State.

The other body amended these provisions to strengthen the basic House intent. This was done under the Senate language by providing that services so defined which are available under these programs to individuals in need of them or which are not so available but which the State vocational rehabilitation agency is able and willing to provide on a reimbursable basis could be provided to applicants for or recipients of old-age assistance only by the State vocational rehabilitation agency.

Your conferees concluded that the amendment was basically one which further carried out the original intent and therefore agreed to the amendment.

As Members of the House will recall, existing law provides that in their aid-to-the-blind programs States shall disregard in determining need the first $85 per month of earned income plus one-half of the earned income in excess of $85 a month. The other body amended this provision by specifying that for a period not in excess of 12 months a State shall also disregard such additional amounts of other income and resources of an individual with a State-approved plan for achieving self-support as may be necessary for the fulfillment of the plan. The conference committee agreed that this provision, on a temporary basis, was appropriate to include in the bill as an additional incentive for these individuals to attain self-support.

Mr. Speaker, for the other changes which were made, reference should be made to the conference report and the statements of the managers on the part of the House.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Mr. Speaker, I was trying to estimate, and I confess that I cannot, the alteration in the cost of this program. Could the gentleman tell us what the unbudgeted costs now are? They were about $250 million.

Mr. MILLS. No; not the unbudgeted costs, as I remember.

Mr. CURTIS of Missouri. Yes; I think that is what it was.

Mr. MILLS. The only unbudgeted item in the bill as it went through the House was the additional $4 that we provided in the ceiling for the three categories.

Mr. CURTIS of Missouri. That is correct.

Mr. MILLS. As I recall it, that was $140 million.

Mr. CURTIS of Missouri. I beg pardon, I think the gentleman is right.

Mr. MILLS. The Senate has carved 3 months out of this fiscal year for that so that it did reduce the cost for this fiscal year, but it still runs for a full year. With reference to the cost that was provided in the House bill, the other body added this other provision that we have been talking about, that is, the so-called earned income exemption, and if it had been agreed to as it came to us, if every State utilized this opportunity—this option—to disregard the first $50, it would have cost around $150 million or $155 million. However, the gentleman knows that not anything like all the States would have used it to begin with. It is now estimated that the retention of that provision, as modified by the conference committee, will add additional costs in the course of the first full year of its operation of around $25 million.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. MILLS. Mr. Speaker, in view of the fact that this is a unanimous conference report on the part of the House managers, I hope it will be unanimously agreed to by the House.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. BAKER. Mr. Speaker, on this I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 358, nays 34, not voting 43, as follows:

[Roll No. 165]

YEAS—358

Abbitt
Abernethy
Adair
Addabbo
Albert
Alexander
Andersen, Minn.
Anderson, Ill.
Andrews
Anfuso
Arends
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Battin
Beckworth
Belcher
Bell
Bennett, Fla.
Bennett, Mich.
Betts
Blatnik
Boland
Bolling
Bonner
Bow
Boykin
Brademas
Bray
Breeding
Brewster
Bromwell
Brooks, Tex.
Broomfield
Broyhill
Buckley
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cahill
Cannon
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clark
Coad
Cohelan
Collier
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Daddario
Daniels
Davis, James C.
Davis, John W.
Dawson
Delaney
Dent
Denton
Derwinski
Diggs
Dingell
Dominick
Donohue
Dooley
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Everett
Evins
Fallon
Farbstein
Fascell
Feighan
Fenton
Finnegan
Fino
Fisher
Flynt
Fogarty
Ford
Forrester
Fountain
Frelinghuysen
Friedel
Fulton
Gary
Garmatz
Gathings
Gavin
Giaimo
Gilbert
Glenn
Gonzalez
Goodell
Goodling
Granahan
Grant
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Hansen
Harding
Hardy
Harris
Harrison, Wyo.
Harsha
Harvey, Ind.
Hays
Healey
Hechler
Hemphill
Henderson
Herlong
Hoeven
Holifield
Holland
Horan
Hosmer
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Kyl
Landrum

Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lindsay
Loser
McDonough
McDowell
McFall
McIntire
McMillan
MacGregor
Mack
Madden
Magnuson
Mahon
Marshall
Martin, Mass.
Matthews
Meader
Miller, Clem
Miller, N.Y.
Milliken
Mills
Moeller
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morris
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pillion
Pirnie
Poage
Poff
Powell
Price
Pucinski
Purcell
Quie
Rains
Randall
Reece
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Rivers, S.C.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Saylor
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Seely-Brown
Selden
Shipley
Short
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Iowa
Smith, Miss.
Smith, Va.
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tuck
Tupper
Udall, Morris K.
Ullman
Vanik
Van Pelt
Vinson
Waggonner
Wallhauser
Walter
Watts
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Wright
Young
Younger
Zablocki
Zelenko

NAYS—34

Alger
Ashbrook
Becker
Beermann
Brown
Bruce
Clancy
Curtis, Mo.
Derounian
Devine
Dole
Dorn
Findley
Gross
Hall
Hiestand
Hoffman, Ill.
Johansen
Kilburn
King, N.Y.
Laird
Lipscomb
McCulloch
McVey
Martin, Nebr.
Mason
Michel
Minshall
Ray
Reifel
Rousselot
Schadeberg
Scherer
Smith, Calif.

NOT VOTING—43

Alford
Berry
Blitch
Boggs
Bolton
Byrnes, Wis.
Curtis, Mass.
Dague
Davis, Tenn.
Ellsworth
Flood
Frazier
Gallagher
Garland
Gray
Gubser
Harrison, Va.
Harvey, Mich.
Hébert
Hoffman, Mich.
McSween
Macdonald
Mailliard
Mathias
May
Merrow
Miller, George P.
Morgan
Moulder
Riley
Roberts, Ala.
Saund
Scranton
Shelley
Sheppard
Spence
Taber
Thompson, La.
Utt
Van Zandt
Willis
Winstead
Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Byrnes of Wisconsin for, with Mr. Hoffman of Michigan against.

Until further notice:

Mr. Harrison of Virginia with Mrs. Bolton.
Mr. Davis of Tennessee with Mr. Scranton.
Mr. Frazier with Mr. Ellsworth.
Mr. Gallagher with Mr. Mathias.
Mr. Moulder with Mr. Harvey of Michigan.
Mr. Hébert with Mr. Gubser.
Mr. Willis with Mr. Van Zandt.
Mr. McSween with Mr. Dague.
Mr. Alford with Mr. Utt.
Mr. Spence with Mr. Berry.
Mr. Macdonald with Mrs. May.
Mr. George P. Miller with Mr. Curtis of Massachusetts.
Mr. Boggs with Mr. Merrow.
Mr. Gray with Mr. Taber.
Mr. Shelley with Mr. Mailliard.
Mr. Morgan with Mr. Garland.

Mr. REIFEL and Mr. GROSS changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPLICATION OF CERTAIN LAWS TO AMERICAN SAMOA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10062) to extend the application of certain laws to American Samoa, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

The Chair hears none, and appoints the following conferees: Messrs. ASPINALL, O'BRIEN of New York, ROGERS of Texas, SAYLOR, and WESTLAND.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills, a joint resolution, and concurrent resolutions of the House of the following titles:

H.R. 1811. An act to amend chapter 35 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances;

H.R. 3383. An act for the relief of Joseph Starker;

H.R. 5061. An act for the relief of James L. Merrill;

H.R. 6655. An act for the relief of Lecil A. Sims;

H.R. 8282. An act to amend section 3203 (d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child;

H.R. 8415. An act to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care;

H.R. 8484. An act to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes;

H.R. 9273. An act to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants;

H.R. 9599. An act for the relief of Solomon Annenberg;

H.R. 9844. An act to waive section 142, title 28, United States Code, with respect to the U.S. District Court for the District of Connecticut for holding court at Bridgeport;

H.R. 10012. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee holding court at Winchester, Tenn.;

H.R. 10016. An act to waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama;

H.R. 10389. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex.;

H.R. 10068. An act to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan;

H.R. 10618. An act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes;

H.R. 10669. An act to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance;

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes;

H.J. Res. 714. Joint resolution authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters;

H. Con. Res. 413. Concurrent resolution authorizing the printing of additional copies of "Supplement to Cumulative Index to Publications of the Committee on Un-American Activities—1955 through 1960 (84th, 85th, and 86th Cong.)," 87th Congress, 1st session;

H. Con. Res. 415. Concurrent resolution authorizing the printing of additional copies of the publication entitled "Cumulative Index to Publications of the Committee on Un-American Activities, 1938–54," 84th Congress, 1st session;

H. Con. Res. 417. Concurrent resolution authorizing the printing of additional copies of House Report No. 1278, parts 1 and 2, 87th Congress, 1st session;

H. Con. Res. 454. Concurrent resolution authorizing the printing of additional copies of the "Hearings on Small Business Problems Created by Petroleum Imports;"

H. Con. Res. 476. Concurrent resolution providing for additional copies of hearings on Judicial Review of Veterans' Claims, 87th Congress, 2d session; and

H. Con. Res. 480. Concurrent resolution authorizing the printing of a report entitled "Motor Vehicles, Air Pollution and Health" as a House document, and providing for additional copies.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4449. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes;

H.R. 7336. An act to promote the production of oysters by propagation of disease-resistant strains, and for other purposes;

H.R. 7727. An act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants;

H.R. 8992. An act to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration;

H.R. 10069. An act to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration; and

H.R. 12180. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1611. An act to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation;

S. 1192. An act to amend the Mineral Leasing Act with respect to limitations on the leasing of coal lands imposed upon railroads;

S. 1307. An act to amend section 128 of title 28, United States Code, to constitute Richland, Wash., a place of holding court for the eastern district of Washington, southern division, and to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Washington, southern division, holding court at Richland, Wash.;

S. 2399. An act to provide for the establishment of the Frederick Douglass home as a part of the park system in the National Capital, and for other purposes;

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes;

S. 2690. An act for the relief of Mona McIsaac Downey;

S. 2763. An act for the relief of Marie Karoline Dollar and Alex Peter Pedersen;

S. 2869. An act to amend chapter 31 of title 38, United States Code, to afford additional time during which certain veterans blinded by reason of a service-connected disability may be afforded vocational rehabilitation training;

S. 2916. An act to change the names of the Edison Home National Historic Site and the Edison Laboratory National Monument, to authorize the acceptance of donations, and for other purposes;

S. 3109. An act to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3279. An act for the relief of Yet Gee Moy (Taze Woo Lai) and Mee Sen Moy (Sau Ming Lai);

S. 3408. An act to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons;

S. 3431. An act to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 195. Joint resolution establishing the Commission on Art and Antiquities of the Capitol, and for other purposes; and

S. Con. Res. 66. Concurrent resolution requesting the President to designate November 4-10, 1962, as "National Country Music Week."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1824. An act to create an additional judicial district for the State of Florida, to be known as the middle district of Florida.

FOOD AND AGRICULTURE ACT OF 1962

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 727, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, and all points of order against said bill as they pertain to Public Law 480, Eighty-third Congress, are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. GARMATZ].

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMERICAN MERCHANT MARINE

Mr. GARMATZ. Mr. Speaker, the press has recently called attention to the fact that former President Eisenhower sailed to Europe on the British liner *Queen Elizabeth.*

While it is true that his attention during recent times has been devoted to trying to lead the Republican Party out of the slough of despondency in which it is mired, has he completely forgotten the American merchant marine?

Has he forgotten that but a few short years ago he was referring to it as the fourth arm of our defense? This sets an unfortunate example by our former Commander in Chief of our armed services and former President to other American citizens using ocean transportation.

Has he forgotten that every dollar paid to a foreign ship line contributes to our loss of gold and increases our imbalance of payments?

Has he forgotten that the queen of the Atlantic, our own SS *United States,* flies the American flag?

We can only hope that other Americans do not forget these things, nor that the finest and safest ships in the world are those of our American merchant marine.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. BASS] and I also yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BASS of Tennessee. Mr. Speaker, I find myself in the very unusual position of being in opposition to the position of my chairman on the Committee on Agriculture with relation to the bill whose consideration this rule makes in order. In the 8 years that I have been on the Committee on Agriculture I have opposed the chairman or the majority of the members of my committee on only one other occasion, and that was on a suspension of the rules.

However, today I am firmly convinced that the legislation that this rule makes in order is not legislation that should be passed by the House in its present form because it does not get at the heart of the problem that exists today. This is not an administration bill, it is not a committee bill. This is an illegitimate piece of legislation that could be referred to as being pasture bred. I am not sure who the sire is and I am sure the dam is not sure either. This only continues the same type of problem we have had in the past. It is a temporary extension of something that has been recognized as being bad, because previously we brought legislation on the floor of the House which would have repealed this, would have eliminated it.

I say to you that the people that supported the last bill that was on the floor of the House in good conscience cannot support this bill, because this bill is diametrically opposed to the legislation that you were asked to support the last time. It continues a thing that they told you would be eliminated by the passage of the bill that was defeated 3 weeks ago.

I say to my friends from the city who come to the floor and represent the consumer element of our population that this only continues in existence programs which have built up surpluses which have cost the taxpayers billions of dollars and have done nothing to reduce the cost of food to the consumers, or really improve the general farm economy.

Mr. Speaker, it is my honest opinion that before any legislation is passed on the floor of the House it is vitally necessary for us to amend this bill. I have three amendments that I will offer today.

If these amendments are adopted, then if we would go into conference with the other body, with an approach to curing the problem, then I would say—pass this bill. Otherwise, we cannot even go into conference with the other body on the bill they passed because out of utter desperation our own committee tabled the bill that was passed by the Senate. I voted not to table. We are saying to the Senate, we will not go to conference with you. We will not consider a conference committee with you until you take up this bill that we have to come back to and present it to the House. So, my friends, in all sincerity I say to you before we pass this bill today, let us adopt amendments that would eliminate the 55 million acre minimum wheat acreage allotment which has been filling the warehouses with wheat at a cost to the taxpayers of billions and billions of dollars. Let us not continue this cancer that is killing not only the farm program, but the taxpayers of the United States.

Also, let us repeal in this act, if we pass it, the 1958 Feed Grains Act that nobody is really in favor of, the thing that continues practices of over production at high price supports. The farmer either must have complete freedom to produce what he wants to and sell it in the market or else, if we are going to support prices, there ought to be some sort of production controls as part of it. I hope today, before this House is willing to pass any temporary extension, that we will do something that will look realistically at the problem. If we pass this bill today, it is just like filling up the chuckholes in a bad road instead of trying to build a new roadbed. I sincerely solicit your help today in trying to build a new roadbed for agriculture and look forward to a program that will cure the ills instead of just extending the present cancer that we have on the books.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman.

Mr. JENNINGS. I want to say to the gentleman that what he is saying, to a great extent I certainly agree with, especially as it pertains to the comparison between this program and the program which we voted for a few days ago. But, I think the gentleman would agree with me, there is this difference. The Findley amendment which was placed in the committee bill which we are now considering reduced the support prices to 80 percent of the average of the past 3 years rather than 90 percent. So, in effect, what we are doing is changing the 1958 act instead of supporting unlimited production at 65 percent, we will be supporting it at 52½ percent.

Mr. BASS of Tennessee. But that does not cure the problem. It just eases the pain. I might remind my friend that the gentleman from Illinois [Mr. FINDLEY] opposed the bill.

The SPEAKER. The time of the gentleman has expired.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume and ask the Speaker to notify me when I have spoken for 4 minutes.

Mr. Speaker, we are faced with a peculiar situation. We have had the bill and other matters discussed, but no one has discussed this rule. Perhaps I am personally in a poor position to discuss the rule, because I was one of the four members of the minority on the Rules Committee who did not hear the discussion of this legislation. It was called up suddenly before the Rules Committee under very peculiar circumstances, at a time when we had not had any opportunity to read the bill or to even have the report available to study.

The meeting of the Rules Committee to consider this legislation was called late on Thursday evening at a time when the House still was in session. I learned the next morning that a copy of the bill itself had not been delivered to my office until after 5:30 Thursday evening, and that a copy of the report had been delivered to the Rules Committee just before I arrived for the hearing on the application for a rule, so there was no opportunity given to me, as ranking minority member, or to other members of the Rules Committee as far as that is concerned, to study either the report or the bill, or to know anything about the measure before we acted upon it. All this in spite of the fact we had an understanding in the Rules Committee that on all important legislation the committee report must be filed at least 48 hours in advance of the hearing so we could have an opportunity to study it and the bill, and know something about the legislation involved before granting a rule.

At that time I was informed by the chairman this was just another agriculture bill, similar, it was so stated, to the farm bill that had been defeated in the House by 10 votes some few days before. Of course, all you have to do is read this bill, and the one that was defeated, to know they are entirely different measures. So all I know about this resolution or rule is more or less hearsay.

The resolution before us is an open rule, providing for 2 hours of general debate on a new farm bill, not the one considered here a couple of weeks ago and defeated, or anything like it, but rather a new bill that would extend the original Kennedy administration farm bill, with some few changes, that was passed by the Congress back last year, in 1961, and it does contain a great many controversial provisions. So I am sure a great many amendments will be offered to this measure, amendments that may be worthy of real consideration. I am sure that one provision of the committee bill would seriously affect and injure my section of the country, for the 1964 crop at least, because the support price for corn would be greatly reduced—corn and similar feed grains produced in our section of the country—and would also affect many of the agricultural activities in other parts of the Nation.

So I am hoping that, now that we have had an opportunity to read the report and the bill, that both will be given careful consideration at this time here on the floor of the House, consideration that could not and was not given to either in the consideration of the granting of a rule on this bill by the Rules Committee Friday of last week.

Mr. Speaker, I yield 7 minutes to a member of the Rules Committee, the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, this is the usual rule for the consideration of an agricultural bill. It is an open rule and provides for 2 hours of general debate.

We are faced with a somewhat unusual legislative situation in connection with this legislation. The House, acting in its wisdom, recommitted an earlier proposal to the Committee on Agriculture. This bill was drafted shortly thereafter by the Committee on Agriculture and the general provisions of the bill are along the lines that were proposed to the House by the minority during the debate on the earlier agriculture bill. The situation became even more complex when the Committee on Agriculture proceeded to table a Senate bill immediately after this bill was voted out of committee. The vote to table the Senate bill was by the lopsided majority of 23 to 12. This has the effect of not making a conference in order between the other body and the House after this bill passes.

The Rules Committee considered a rule containing a unique and special provision which would have made in order the substituting of this bill under the Senate number after the conclusion of its consideration today. That would have had the effect of making a conference again in order despite the tabling action of the Agriculture Committee. The Rules Committee acting with discretion and wisdom rejected that special provision and we are considering this bill under the usual rule.

Now, it appears that perhaps the administration spokesmen in the other body are determined to stir up another donnybrook over farm legislation. Although I did not read this statement in the Washington press, I read just this morning in last Tuesday's Kansas City Star where the senior Senator from Minnesota [Mr. HUMPHREY], assistant Democratic leader, predicted as follows:

> If the House passes its bill the Senate will reject it and substitute its own tight-controls measure.

The story continues:

> This would force a conference which would be likely to produce another deadlock, in view of the sharply different positions the two Chambers already have taken.
>
> HUMPHREY said he feels that if there is any farm bill at all it will have to be produced by a conference committee reconciling what undoubtedly would be very wide differences.

I certainly hope the Senator misspoke the judgment of the other body as I agree that if the mandatory provisions of the Senate bill are to be forced on American farmers, there probably will be no legislation at all. Whereby that appears to be the will of some Members of this body, I would hope that this bill can be enacted into law substantially as it is here today. However, if the other body insists on a further controversy, I am confident this House will continue to support a position of wisdom and responsibility.

Now in regard to the bill itself. This is probably one of the few bills that Congress will have enacted that will be fully understood by the farmers of America. That is not because there has been any great effort made to disseminate the facts and proposals contained in the bill, but by the mere fact that they have learned from one or more years experience as to what effect this bill will have on their own particular farm operation. There are a few changes in the bill, but I think these changes for the most part are an improvement over present legislation.

The specific provisions of both the feed grain section and the wheat section will be discussed in detail during general debate on the bill. I do not know of extensive opposition to title I of the bill which is essentially the same as the recommitted bill. It deals primarily with the improved conservation adaptation on acres that have been diverted from usual crop production. Since the Secretary is not given the right of eminent domain, this remains a voluntary program and I think is quite in order. Most of the debate on the other bill was centered around the feed grain section. Under this debate on the rule I would just call the attention of the House Members to certain principles that are contained in that section today.

Most of all, it is a voluntary program that is being proposed. This program has worked quite well for the last 2 years reducing feed grain acreage by approximately 30 million acres. The significance of this feed grain program being a voluntary one has ramifications beyond the program itself. This group of crops; namely, corn, grain sorghum, and barley is inevitably tied to the livestock industry. If a mandatory compliance program is to be foisted upon the American farmers in the production of these feed grains, it is just a matter of time until there will be advocates of control on the livestock industry itself. This has only been adopted once and that was backed under an ill-fated program in the Roosevelt days and it was so distasteful to farmers and administrators that it has never been attempted since. I hope that it never will.

Now to my Republican colleagues, and I understand there are some who are opposing this bill. I want to remind you that the soil bank program is primarily a Republican proposal and despite the effort to discredit it as such, it still remains the basis of most agricultural legislation today. The feed grain program and to some extent the wheat program as well is actually just an amplification of the original soil bank program. Actually it could still be called the soil bank program if there had not been such a determined effort to establish a new frontier complexion to the feed grain program when it originally passed. As has been stated on the floor several times this year, some of the early soil bank contracts will expire in 1963. One of the important changes in this bill increases the maximum percentage of the feed grain acres that may be placed into the program. That increase maximum is from 40 to 50 percent. In round figures we have approximately 70 million acres designated as feed grain acres.

Ten percent of this amount, or 7 million acres, will just about compensate for the retiring soil bank acres next year. Obviously that will not be the same acres on the same farm, but as far as the total picture is concerned, this program, if extended, can well absorb at least on a reasonable basis those acres that are being released from their diversion.

There is one further aspect of this program that I want to mention and that is actually the crux to the entire matter. That point revolves around the volume and at what price present Commodity Credit stocks may be established upon the market by the Secretary of Agriculture. It is my understanding that this would be governed entirely by existing law. In other words, there are two separate procedures whereby this grain may be sold. The general provision that such stocks as are sold can only be sold for 105 percent parity unless it is determined that certain quantities are going out of condition and under that circumstance they may be sold at a price determined by the Secretary. The other procedure is certificates that have been issued to farmers in lieu of cash payments for diverted acres. The farmer in turn converts the certificate into cash at his local ASC office and it then becomes the responsibility of the Secretary to dispose of these certificates on the open market.

Mr. Speaker, I had originally planned to pay tribute to the Secretary of Agriculture for what I consider a reasonably good job of feeding these certificates into the market at a rate the market could absorb, but without drastically reducing the price and without causing a major price disturbance. However, in view of what I read in the paper this morning I question whether the Secretary would welcome any words of commendation from the Republican side of the aisle, but I would say this: that the operation of these certificates has not unduly, at least, disturbed the price of feed grains on the open market.

Mr. Speaker, the certificates for the 1961 crop year were all disposed of by May. I am advised that there are no certificates in the custody of the Secretary of Agriculture at this time.

There is one change in the 1958 act that will have no effect on the 1963 crop, but could possibly have considerable significance for 1964. In this bill we are amending the 1958 act to provide that if this act governs the price of the 1964 crop, such price will be 80 percent of the average market price for the next 3 years, with no minimum percent of parity support. The present law provides that such price shall be 90 percent of the 3-year average but with no minimum parity support. This, of course, would be an important factor if this program were not extended past 1963.

Now in reference to wheat. Little was said about the wheat program during the debate on the other bill. The 1962 program provided for a 10-percent reduction in individual farm allotments from those that had prevailed generally speaking since 1953. This 1962 program has significantly reduced the stocks of wheat in the commodity credit bins. There has been a diversion beyond the 10 percent that was required in the 1961 act and wheat plantings were reduced by about 27 percent. There was a reduction of about 150 million bushels in our commodity credit stocks and it is estimated that this program, if extended, would reduce them by 100 million bushels. The stocks are still substantial, however, and the present carryover of about one and a quarter billion bushels is somewhat in excess of what is considered to be a desirable minimum.

Now, why am I supporting this bill? If this bill is not passed, the total national allotment of 55 million acres will undoubtedly be planted this fall. This would have the effect of increasing plantings by somewhere between 10 and 20 percent. Instead of further reducing commodity credit, the stocks in 1963, very possibly the trend could be reversed and there could be a carryover after next year's crop is harvested. Contrary to the impression that some Members apparently have, wheat farmers do not wish to compound their present difficulties by an expanding wheat production. They are aware that the warehouse cost of more than a reasonable maximum carryover not only has a depressing effect on the price of wheat, but places in jeopardy the entire program. Wheat farmers are generally in support of this bill although there was an extensive effort on the part of some wheat growers to transfer to the so-called bushel management plan that was provided for in the recommitted bill.

I had considerable reservation in the bushel management plan that was contained in that bill and had very serious reservations about related provisions, particularly dealing with acreage history.

Now as to costs, there is no significant difference between the cost of this bill and the wheat section in the recommitted bill. The cost to the Government is essentially the same. Therefore, Mr. Speaker, I would urge the adoption of the rule and the passage of this bill. It is not perfect, it does not have unanimous support, but in the mean I think it is in the best interest of agriculture which in turn makes it for the best interest of the country generally.

I might say, too, that this is probably the first agricultural bill that has been considered by the House for a long time that the farmers are going to understand. Now, they are not going to understand this bill, particularly because there has been so much written about it or said about it, but the reason they are going to understand it is because it is the same program, essentially, under which they have managed their crops for the last 2 years. I do not know what word other Members have received from their districts, but from the Middle West, categorically speaking, this program will be received as well as any other program ever enacted by the Congress.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman.

Mr. BASS of Tennessee. The 55 million-acre allotment is bad, and you and I both know it is bad. Why do we not eliminate it?

Mr. AVERY. Those are the gentleman's words.

Mr. BASS of Tennessee. You said it had been a problem yourself. Why not eliminate it and then write legislation that will be good? I do not want to destroy the wheat farmer any more than

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you do. I want to do something that will help keep a program.

Mr. AVERY. This is my time and it is running short here. I would only say this. In this bill we are not allocating allotments on the basis of the 55 million acres, but it does remain the basis on which we apply the reduction. In this particular instance I cannot see any other procedure than to retain it in the bill this year. If it is the judgment of the Members to write a new program next year, all right, but that is not the position we are in today.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. BROWN. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. AVERY. I thank both the gentleman from Ohio and the gentleman from Virginia.

There is one very important provision in regard to the feed grain section that I want to call to the attention of the Members of the House, and I regret that we intermingled with my comments on the feed grain section, the observations on wheat.

The real crux of the feed grain program revolves around the volume of grain that may be sold by the Secretary of Agriculture now in the Commodity Credit stock and at what price. Those are two fundamental aspects of this program.

I want to assure the Members that there is no change in this bill over existing law as far as the authority of the Secretary to dispose of existing stocks. There are two provisions that are applicable to this: one provision that he cannot sell this on the open market for less than 105 percent of the support price unless the grain has gone, what we describe as "out of condition." That is a provision that has been in the statute for years. The other applicable provision was written at the time the feed grain program was first authorized in 1961. It provides that the Secretary may issue certificates to the farmer for payment on diverted acres, and the farmer, in turn, converts those certificates to cash at his local ASC office. They become then the property of the Secretary of Agriculture, and he feeds those certificates, which really represent bushels of grain, on to the market at his discretion.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield briefly to the gentleman from Illinois.

Mr. ARENDS. I want to say to the gentleman that the information I have and based upon figures that are available to me as to the power of the Secretary of Agriculture, this is one of the worst provisions in the bill. The Secretary has continuously and repeatedly unloaded No. 1 and No. 2 corn that was in good condition. The Secretary has successfully depressed the market one week after another. This is fact and not fancy. Figures available will prove this.

Mr. AVERY. The gentleman misunderstood what I said. I was not addressing myself to his authority to sell corn at 105 percent of the support price unless it was out of condition. I was confining my remarks to the selling of these certificates into the open markets, the certificates which have been issued to farmers to compensate them for diverting x number of acres from feed production.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. TEAGUE].

Mr. TEAGUE of California. Mr. Speaker, as my colleagues know, I very rarely come to the well of the House to address the membership. This is because I know all of the Members do their homework. I have great confidence in the good judgment of my colleagues and I am under the opinion that very few votes on this floor are changed by speeches, certainly from me. It does sadden me a little—it saddens me a lot, to be here on the floor of the House taking a different position than that of my good friend the gentleman from Iowa [Mr. HOEVEN], the ranking Republican member on the Committee on Agriculture. Rarely do we not agree on general legislation or farm legislation. But I do very much disagree with the gentleman from Iowa [Mr. HOEVEN] in this case.

I oppose H.R. 12391 for several very valid reasons. It has been said that this bill is the lesser of two evils. That is what many of my constituents say when they vote to return me to Congress. However, that situation is easily distinguishable from the one facing us today. My constituents must have a Congressman whether he is more or less evil. We do not have to have farm legislation this year.

While some of the provisions of the bill before us are not too objectionable, the sections dealing with feed grains, wheat, and dairy products are completely unacceptable to me.

The feed grain and wheat sections are extensions of current programs and because they have been so costly and ineffective, the administration decided early in this session of Congress to abandon this approach and go all out for a strict mandatory control program for feed grains and a multiple price plan for wheat.

Secretary Freeman himself, in a letter dated June 8 of this year, addressed to each Member of the House of Representatives, estimated the cost of extending the emergency feed grain and wheat programs for 1963 would be $2,400 million.

Senator ELLENDER recently told the Senate that the extension of the 1962 emergency wheat program would cost taxpayers $3.30 a bushel for each bushel of reduction achieved. With these kinds of statements being made by spokesmen for the administration, it is inconceivable for me to see how anyone can support an extension of these costly programs. Probably, there is not a Member of Congress who is not receiving heavy mail demanding greater economy by the Federal Government. Here is a perfect chance to make an economy vote. I repeat that Secretary Freeman himself, just a little over a month ago, stated that the cost of this bill for 1963 alone would be $2,400 million.

This bill also includes a dairy section which could well be the beginning of supply management and compulsory milk quotas for all dairy farmers. The proposed program, although voluntary for the first year, would establish quotas for all dairy farmers. While some farmers would be paid to reduce their production, other farmers could expand their output as an offset. Thus, it can readily be seen the program would add more costs to the already costly dairy program and would be ineffective in accomplishing anything worthwhile. Furthermore, as the cost of this program for the dairy industry mounted, the clamor for a compulsory program for the dairy industry would follow as sure as night follows day. We have ample evidence of this after seeing the "emergency" feed grain program in effect on a voluntary basis, and because of its cost and ineffectiveness, a demand was made that a compulsory quota program be adopted.

Again, I state I want no part of it for feed grains and certainly not for dairy products.

Another reason for opposing this bill is that it modifies very substantially the Agricultural Act of 1958 as it relates to the support prices of corn and other feed grains. In my judgment, the 1958 act for feed grains was a good act and if permitted to operate over a few years would have been very effective as far as corn and other feed grains are concerned. It provides a sensible formula for gradually reducing price supports and subsidies; namely, price supports each year for feed grains would be 90 percent of the average market price for the past 3 years except for a 65 percent floor—too high. This is a sensible and fair method for a return to some semblance of the law of supply and demand.

Contrary to much misinformation that has been put out by opponents of this 1958 act, a very high percentage of the buildup of corn took place prior to the effective date of the 1958 act. Most of those that would now change this act or eliminate it, do so in my judgment with the idea in mind of making the law completely ineffective. Thus, when the costly 1-year extension of the feed grain program as envisioned in this bill comes to an end at the end of 1963, feed grain farmers will not have any effective legislation to fall back on. Those that oppose the 1958 act would like to have them in this position because they could then demand supply management, such as we defeated a few weeks ago, or else nothing.

Let me say that if the bill is killed, as I hope it will be, we will then revert back to the 1958 act for the year 1963 as far as corn and other feed grains are concerned. This would be much preferable to what would happen if the bill is enacted. The Secretary has already made his announcement on wheat and has reduced the support level to $1.82. This action alone will save on the order of $128 million ir export costs for wheat.

In addition, if the emergency wheat program is not extended for another year, approximately $345 million will be saved in land retirement payments for wheatland under the emergency program.

Obviously, the land retirement payment for feed-grain land taken out of production, which amounts to approximately $900 million, would also be saved. The boondoggle involved in the dairy program, which could be very costly under this bill, would also not be permitted.

Finally, I reiterate once more that Secretary Freeman himself estimates the cost of this bill to be $2,400 million. As we all know, Mr. Freeman's estimates of the cost of farm programs are consistently on the conservative side. By "conservative," of course, I mean low. I think no one could properly describe Secretary Freeman as being conservative.

I urge Members of this House to vote "no" on this bill.

Mr. BROWN. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. ST. GEORGE], a member of the Committee on Rules.

Mrs. ST. GEORGE. Mr. Speaker, I rise in opposition to this bill; that is, to a special section of the bill, and therefore I shall oppose the bill as a whole. I think this bill has a great many of the objectionable features of the bill that was defeated. I also think the bill is too specialized. It takes care of only certain parts of the agricultural program and the agricultural problem.

I am particularly interested in the dairy portion of this bill because that is what is most important in my part of the country. I do not think this bill does anything for the dairyman of the Northeast. That is nothing new. We have never had a bill out of this Committee on Agriculture that ever did do much for us. But I would like to say this: The dairy program, which is the last subtitle under title III, is essentially the same as that in H.R. 11222, and with it go the same arguments as were made with reference to H.R. 11222. I quote these arguments from the minority report, No. 1691, on page 148:

> 1. While the bill now calls only for payments, the administrative machinery and the program data for the control program would be established for subsequent controls.

And that is very important.

> 2. Under the proposed dairy plan, price supports would be available to all producers, compliers and noncompliers. This sets the stage for a sharp increase in production by noncomplying dairy farmers, the net result of which would be large sums of money expended by the Government with very little result.

The only real change is that the provision which would have authorized a producer to transfer his milk production base to another producer has been eliminated.

And finally, Mr. Speaker, it seems to me that whoever writes these dairy sections in these bills knows very little about dairy cows and milk production, because, as a matter of actual fact, all the dairymen of the Northeast can do under these laws is shoot the cows.

Mr. BROWN. Mr. Speaker, I yield the balance of the time remaining on this side to the gentleman from California [Mr. SMITH], a member of the Committee on Rules.

Mr. SMITH of California. Mr. Speaker, during my years in the California State Legislature and here in Congress, I have always noted that important farm legislation, as well as important judicial legislation, seems to find the expert members on the respective committees with many different points of view. I have often thought that it might be a good idea some session to refer all agricultural legislation to the Judiciary Committee and all judicial legislation to the Agriculture Committee. In that way the experts could attack and amend any measures that came out of the respective committees. Whether the result would be as satisfactory, I do not know, but at least it would be an interesting experiment.

I do not pretend to be an expert on the farm problems as I represent a strictly urban district. I have not heretofore commented on any of the proposed measures because I am aware that the committee members are always desirous of having time to express their comments. But, inasmuch as we have a little time today on the rule, I do want to place some comments in the record, not with the thought of influencing any votes but in order that I can compare the same with what takes place during the next year to see whether or not my thoughts are correct.

Mr. Speaker, H.R. 12391 appears to me to be more patchwork on top of patchwork. It is time to get down to some basic economics on farm legislation. The short run expedient has run out as an effective answer to the farm problem.

As I am sure is true of most of us, I am appalled by the costs of the farm program. It was not too long ago when the budget for the Department of Agriculture was around $1 billion a year. Now it runs $6 or $7 billion a year. All of this increase is not, to be sure, due to the farm price support program, but most of it is. Each time a new farm bill is presented to us we can be reasonably sure that the costs will be higher. This, in my judgment, was true of H.R. 11222, which was defeated several weeks ago. I believe it is equally true with respect to the bill before us today.

There are several reasons why the costs of farm programs continue to spiral upward. But certainly the level of price supports is of basic and crucial importance.

Price supports in excess of market levels provide a continuous and cumulative incentive for farmers to produce more per acre. As price support levels are increased, the amounts of the commodity that the Government must take, double and quadruple and the cost of disposing of such surpluses rises even more rapidly. Price supports in excess of market levels keep U.S. farm products out of foreign markets and compel us to rely on expensive giveaways and export subsidies to dispose of surpluses.

Since Secretary Freeman has taken office he has increased the level of price supports substantially for corn, other feed grains, wheat, cotton, rice, dairy products, and soybeans.

This is going in the wrong direction. It encourages farmers to produce bigger crops to turn over to Government. At the same time the Secretary has been seeking legislative authority to impose restrictive and, in my opinion, unworkable production and marketing controls on farmers, supposedly to reduce surpluses.

We might use any of the supported commodities to illustrate the effect of raising price supports on the cost of Government price support operations. But let me use dairy products as an example.

By the summer of 1960, the dairy industry had merely reached a balanced situation. This was the result of a period of years in which dairy price supports were held at $3.08 a hundred. Consumption had crept up gradually, and production had been stabilized, so that supply and demand were approximately in balance. The Department of Agriculture was still buying comparatively small amounts of dairy products—but the cost to the Federal Government was nominal and declining.

But then the level of price support on dairy products was increased to $3.22 a hundred. And when he came into office, Secretary Freeman raised it further to $3.40.

The result was that in 1961, milk production, which had been stabilized, increased sharply, and milk consumption, which had been rising, declined. The Department was forced by its price support commitment to step up purchases of dairy products. By the early months of 1962, purchases of dairy products were running in excess of a half billion dollars annually.

This is an illustration of how not to operate a Government price support program. It demonstrates the key role that price plays in adjusting production and consumption. It shows that the simple and effective way of reducing Government farm program costs is to put price supports at a realistic level.

Now, what happens in 1963 if no farm legislation is approved? Under the terms and conditions of existing legislation the level of price supports must be reduced.

Corn must be reduced from $1.20 a bushel to approximately $1.05 a bushel.

The level of price support for dairy products must be reduced. Secretary Freeman has already reduced this to $3.11 a hundred.

The Secretary has announced a reduction in price support for wheat in 1963 from $2 to $1.82 a bushel.

The price support level for other commodities can, within the Secretary's discretion, be reduced.

The expensive emergency wheat and feed grain programs would be terminated. All such actions would reduce substantially the cost of operating price support programs. They would reduce the amounts that Government would be forced to buy. They would reduce the amounts of export subsidies.

Certainly, this is not the answer to the farm problem—but let us compare the alternative with that proposed in H.R. 12391.

H.R. 12391 would pump additional billions of dollars into the farm economy. While paying farmers to retire acreage, the bill would provide incentive and capital to encourage farmers to increase production per acre. This is trying to go in both directions at the same time.

In his letter of June 8 to all Congressmen, Secretary Freeman estimated the costs of continuing the emergency wheat and feed grain programs in 1963 at $2.417 billion.

I do not know whether or not this is an accurate estimate, and I appreciate that H.R. 12391 would modify these programs in certain respects which would operate to reduce costs somewhat. But it will still be a lot of money.

Not only that, but H.R. 12391 provides a new payment program. It would authorize a payment of $2.50 for each hundredweight of milk a dairyman reduced below his base production. This would cost an additional unknown hundreds of millions of dollars.

H.R. 12391 would cancel for 1963 the provision of permanent law, which reduces the 1963 corn support price to $1.05 a bushel and would permit the Secretary to set the 1963 price support level at any level he may choose between 65 and 90 percent of parity.

Similar upward adjustments may be made in the price support level for 1963 for other feed grains if H.R. 12391 is approved.

The enactment of H.R. 12391 at least raises the possibility that the Secretary would restore the level of price support for wheat and dairy products to the unrealistic levels prevailing in 1961 that cost the taxpayer so heavily.

I do not know what will happen to this bill if it is approved by the House. But in the subsequent legislative process, it may be made much worse.

In the interests of all consumers and all taxpayers, I cannot vote for this raid on the U.S. Treasury. I doubt that in the long run this bill is good for farm people, even though they would be the beneficiaries of extremely generous payments from Uncle Sam.

I will suggest to the members of the Appropriations Committee that if this bill is enacted, the appropriation for reimbursing the Commodity Credit Corporation next year will be the largest ever.

A growing number of people seem to be convinced that the current level of taxation is a drag on the growth of the economy, and that tax reduction is necessary to provide incentives for investment and stimulus to employment. But how can we consider tax reduction and at the same time approve wasteful expenditures of the size proposed in H.R. 12391.

To be sure, the emergency feed grain and wheat program will involve some reduction in stocks of these commodities next year. But at what a price!

To be sure, the emergency feed grain and wheat programs involve an acreage retirement program. But it would be hard to devise a more complicated or expensive acreage retirement program.

H.R. 12391 is a 1-year costly expedient.

I do not believe it is a good bill. I think it should be defeated.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, whenever a farm bill is under consideration we hear the perennial diatribe claiming farm programs are responsible for the high cost of living and that all should be blamed on the farmer. We hear it starting again today. I just wonder how many of these people ever did any shopping at the grocery store. Well, I did a little shopping and I want to show you what I bought.

First of all, I bought some cornmeal. Here is a 5-pound package—it was a 5-pound package. I want to show you the price. It is 47 cents. A 5-pound bag of cornmeal for 47 cents [holding up package and pointing to price tag]. The corn in it would bring the producer less than 2 cents per pound.

Then I did a little more shopping and bought 5 pounds of wheat flour. I want to show you the price of that. It is 45 cents, for 5 pounds of wheat flour [holding up package and pointing to price tag]. So you see that while wheat costs about twice as much per pound as corn, you can buy 5 pounds of wheat flour cheaper than 5 pounds of cornmeal. This shows that the price of the raw product is not automatically reflected in the retail price.

I also bought 5 pounds of sugar. You have seen all the news articles and heard all the speeches about the high cost of sugar. Even though the price established under the sugar program for sugar is about 6.4 cents per pound, or over twice as much as wheat and corn, the price of this 5-pound bag is only 6 cents more, or 53 cents. This indicates that the price of the raw product is not automatically reflected in retail prices. I suppose some would say, break your cat to use sugar.

I saw a few other items that I thought were of interest. I bought another 5-pound bag. This 5-pound bag costs 55 cents. That makes it about 20 percent higher than the cost of cornmeal or wheat flour and 2 cents higher than the price of sugar. It must contain some luscious food to be so much higher in cost. Just what do you suppose this is? It is kitty litter—5 pounds of kitty litter. Let us see what it consists of. It says it is made out of clay. So one digs up clay, puts 5 pounds of it in a bag and the public pays more for it than they do for corn, wheat, or sugar. The wheat flour cost 45 cents, the cornmeal 47 cents, and the sugar 53 cents, but this clay cost 55 cents. It does not cost one much if one wants to eat grits or biscuits, it costs one a little more to buy sugar and be sweet, but it costs quite a bit more if one wants to scratch like a cat.

Then I discovered it costs one still more to live like a dog [holding up bag of dog meal and pointing to price tag]. Here is a 5-pound bag of dog meal and it costs 73 cents. So you see it costs the housewife more to buy food for the dogs than to feed her husband. I suppose some will say that some women like their dog better than their husband.

Well, I also bought another bag. This one contains only 3 pounds of material and costs 89 cents. It must be something real good to cost that much, something that has a really high price support. Well, it is birdseed. Three pounds of birdseed at 89 cents. It is nothing but cracked sunflower seed, a non-price-supported product.

You see in the case of these products I have shown you this morning, the price-supported articles are cheaper at retail than any of the others. It costs the least to eat cornbread or grits; it costs about the same to eat biscuits; it costs a little more to buy sugar and be sweet; it costs more yet to scratch like a cat; it costs almost 50 percent more to lead a dog's life and if one really wants to eat high on the hog, one can eat like a bird.

All this goes to show that the price one pays for a 5-pound bag in a store is not determined by the cost of the raw material in the bag or price-support laws. People who have alleged this must not have been shopping lately. Such talk is just diversionary hogwash that will stand up about like a piece of boiled spaghetti.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. NELSEN. Would it not be a fair conclusion to draw from your experiences that one just cannot afford to let the country go to the dogs?

Mr. SMITH of Iowa. That would be one of the conclusions. Another is that the grocer knows that the American housewife will pay from 50 to 99 cents for anything under a 5-pound bag.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. BEERMANN. I notice an article in the morning paper which states that the Secretary of Agriculture angrily criticized those who were against the farm bill last year. Just as cornmeal slipped out of the gentleman's bag would not the Secretary's attitude cause greater slippage among those supporting the bill this year?

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as one of those who voted against the bill that was up here for consideration a few weeks ago for reasons that the House seemed to think were adequate, I am supporting this rule and expect to vote for the bill. I am doing so for what I think is a very practical reason.

We have had some bills from the Committee on Agriculture that have come in here, and it is a sort of historic fact, I believe, that usually that committee is divided just about down the middle. After we defeated this bill a couple of weeks ago, the Committee on Agriculture took it back, gave it consideration, and modified it to meet the objections that the House had voiced in its previous vote. Then we were advised in the Rules Committee that all of the Members, with the exception of five on the minority side, voted to report that bill out.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. HOEVEN. I believe the gentleman will want to make a correction. There were three Members on the minority side and two on the majority side who voted against reporting the bill.

Mr. SMITH of Virginia. Five in that committee; and in view of the history of that committee, that is a right smart thing to do. If they could come within five votes of agreeing on a farm bill, we are making some progress on this very difficult problem, and we do have a very difficult problem. We have a problem that sooner or later we are going to have to cope with, and we are going to have to do something about. We have an election approaching. I do not think we ought to defeat this bill and turn our backs on this great problem and say that we are not going to do anything about it. How are you going to justify that?

Mr. Speaker, of course this bill is not a perfect one. I do not think there is a perfect answer to this whole problem. If there is, nobody has told me about it. We are going to have to struggle with this thing for a long time. But simply to shut your eyes and say, "No, we are not going to pass any legislation," and that is what this issue is going to be today, pass this bill or have no legislation at all, and turn your backs on a problem that is costing the Government millions of dollars is not the thing to do. If you pass this bill, the result will be that it will go over to the other body. That body may or may not do something about it. But if they do something about it, it will be on the road to a conference where Members on both sides may sit down around the table and try with diligence and patience to do something about this problem.

What defeated the bill before, in my opinion, were the tight controls on feed grains which meant control over the production and maintenance of livestock. We were not ready for that. That has been eliminated. Now, you have got these two alternatives. If you do not pass this bill, you go back to the old bill of 1958, with unlimited production and price supports. That is what is costing all this money, and that is what you are going back to if you do not pass this bill, because I think this is the last chance you are going to have to do anything on this important subject during this Congress. And, if you defeat this bill, then nothing is going to happen.

The difference between this bill and the situation that will occur if you do not pass this bill—and I ask to be corrected if I am mistaken about it—if you do not pass this bill, you go back to unlimited production, with no controls over your acreage and with subsidies on the whole thing.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. It means price supports on unlimited production.

Mr. SMITH of Virginia. Yes; price supports on unlimited production. That is the phrase I was seeking and could not find.

I want to compare the two situations. If you do not pass this bill, you go back to 1958 with unlimited production and price supports. If you do pass this bill and it becomes law, then there will be two kinds of corn raisers. This program in this bill is entirely voluntary, and those who want to participate can participate by agreeing to the Government's program. And, in order to get that support, they have got to reduce their production by 20 percent of the average 1959–60 formula. In other words, you will accomplish at least a 20 percent reduction of this surplus on the control problem.

Now, the man who wants to be independent and does not want to go into the feed grain program does not have to. He can raise as much corn as he wants to and take a chance on what he can get for it. But, he does not get any Government subsidy. It seems to me that is at least a helpful approach to it. It eliminates the objections under which the bill was defeated before, and we at least continue to face the problem and express our willingness to meet with the other body and try to get a solution. That is the thing, it seems to me, that we ought to do.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Florida.

Mr. HALEY. May I say that the gentleman is making a very fine statement, but I think here is one thing that we are overlooking. Year after year we bring in a farm program that is going to cure all of the ills. And, we have many ills. But, year after year we see a continued piling up of surpluses in this country. We see things like the Billie Sol Estes case coming out of these programs. There are many of us who want to get at the roots of this problem and solve it. We realize we have a problem. But, we do not know where to turn or where to go. Certainly, the bills and the programs that have been presented to the Congress in previous years have done absolutely nothing other than continue a bad situation. I agree with the gentleman that we do have a problem, and I think the Congress wants to solve it. I think the people, and certainly the taxpayers who have been paying for these tremendous programs, want it solved. And, I think many Members of the Congress who want sincerely to do something about this have become more confused than ever each year because of promises that we have had time and time and time again. This does not solve the problem, and the gentleman knows it.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. ARENDS. I have listened with real interest to what the gentleman had to say in advocating that this program be continued. I hope that during the discussion of this bill and the amendments that will be offered, he will try to be of some assistance toward working out some of the inequities contained therein.

For instance, we use the base years of 1959–60, which years were placed in the bill by the chairman of the committee when the bill was before us for consideration in 1961. At the time there were many, many farmers who had increased their acreage to produce corn and thereby helped substantially to create surpluses. Those who received big base acreages were privileged in benefiting from such a program, whereas the good farmer who went along with sound soil conservation practices came out with a small acreage allotment and the end result is that the good farmer has been and is being penalized. In other words, this is unjust and so apparent that such a provision must come out of this bill if you want to be fair to all farmers. I hope the gentleman will give favorable consideration to the amendments which will be offered to the bill.

Mr. SMITH of Virginia. The only answer I can make to the gentleman is that I think we all want to be fair to the farmers, but we have got to get around to the point of being fair to the taxpayers. I do not think we can just walk away and leave this problem. We know we will meet with them in conference. We want to do something about it and not just let it go.

Mr. GEORGE P. MILLER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. Mr. Speaker, I would like to make an announcement which I know will be of interest to the Members of the House.

Mr. Speaker, the teletype is carrying the news that a Nike-Zeus knocked down an ICBM that was fired across the Pacific Ocean. This is one of the greatest breakthroughs that has taken place in our Defense Establishment, because the country that can come first with a defensive weapon in the missile field is in the driver's seat.

The work of the Army in this area has been vindicated.

While this is only a test it bodes well for the program.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12391, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 1 hour, and the gentleman from Iowa [Mr. HOEVEN] will be recognized for 1 hour.

The Chair recognizes the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I personally would be very glad to vote right now without further discussion. I think the gentleman from Virginia [Mr. SMITH] has so ably presented this situation to the House that we could vote at this time without any further discussion. But, assuming that others will want to present their views, I take this time just to tell the House that this bill came out of the committee by a 29-to-5 vote.

I agree with the gentleman from Virginia [Mr. SMITH] that it is quite a record we have set in the Committee on Agriculture, which has been controversial a few times in the past. But here today we have legislation that is presented by Republicans and Democrats. Fortunately, I do not think that partisan politics played any part in our deliberations as we developed this bill.

I think everybody knows that we must act now on farm legislation. The situation in agriculture now is intolerable. We have almost $9 billion invested in surplus commodities which we cannot dispose of and we cannot even give away.

After the previous farm bill, H.R. 11222, which represented months of labor in the Department of Agriculture and by our Committee on Agriculture, was recommitted, I introduced a bill, H.R. 12266. Our committee considered H.R. 12266 line by line and section by section. We amended it several times. Then I introduced a clean bill, which is now before the House, H.R. 12391.

On June 26, Mr. Chairman, in response to an inquiry from me, Secretary Freeman wrote me a letter, clearly indicating his views concerning the problems with which we are now dealing. I shall now read this letter to the House:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 26, 1962.
Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your request for the Department of Agriculture's comments on H.R. 12266, which you introduced in the House on June 22. The major provisions of this bill would extend the 1961–62 emergency feed grain program and the 1962 wheat program to the 1963 crops of feed grains and wheat.

The President had proposed long-range programs, at the request of Congress, designed to support farm income, to reduce surpluses, to reduce costs, and to make it unnecessary to act on emergency legislation at each session of the Congress. This program would have reduced costs for wheat and feed grains about $1 billion a year for the next 4 years. The administration's proposals were generally contained in H.R. 11222.

There are two alternatives to the long-range programs of H.R. 11222. These would be a return to the pre-1961 programs for wheat and feed grains, or a continuation of the emergency programs as provided in H.R. 12266. Under the pre-1961 programs large surpluses of wheat and feed grains were built up, farm income dropped and the cost to the taxpayers rose.

Under the emergency feed grain programs and the 1962 wheat program, surpluses were reduced, farm income rose, and the cost of the programs was lessened. Feed grain stocks were reduced about 300 million bushels for the 1961 crop and there is every indication that a similar reduction will take place for the 1962 crop. It is expected that the wheat carryover will be reduced 150 million bushels as a result of the 1962 wheat program.

It is not possible at this time to make an accurate estimate of the results of these emergency programs as embodied in H.R. 12266 for an additional year. It is quite clear, however, that the adoption of these emergency programs for 1 more year would be preferable to a return to the more costly and less effective pre-1961 programs which would be the result if H.R. 12266 is not passed by the House.

The Bureau of the Budget advises that there is no objection to the presentation of this report.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

As you will note from this letter, the Secretary points out, in the concluding paragraph, that it is not possible at this time to make an accurate estimate of the results of these emergency programs as embodied in H.R. 12266 for an additional year. It is quite clear, however, that the adoption of these emergency programs for 1 more year would be preferable to a return to the more costly pre-1961 programs which would be the net result if H.R. 12266 is not passed by the House.

That is exactly the situation which would exist if this bill is defeated. We have been told that had the other bill been enacted we would have saved more than $1 billion a year. We were told that the bill we are now presenting will result in a net saving to the taxpayer of more than half a billion dollars a year. So we take the position that this bill is second best, and I hope it will be enacted. And I hope that it will be enacted without amendments. I say that because I know that our committee worked on it faithfully and diligently. We considered all aspects of the problems involved. We considered amendment after amendment. I would like this bill to pass the House as it is now presented. If we start amending it we will end up in another hassle and probably wind up with no program after the current program lapses.

Now I want to explain to the Members of the House why our committee tabled the Senate farm bill. This bill, which provides for controls on the surplus production of grains, was passed by the Senate by a four-vote margin. Our control bill was defeated here by a margin of 10 votes. I have been in this body long enough to know that there comes a time when we must be realistic. I realize that this Congress is in no humor to enact strict control legislation. So we are taking the next best step, and to avoid complications, to satisfy those who might suspect that we were trying to lead them into some sort of a parliamentary trap, I voted to table the Senate bill, not with the idea of giving offense to the Senate, because I agreed with most of the Senate bill, but I did that because I realized it was necessary if we were to obtain a favorable report on the bill which is now before the House.

We tabled that bill with the clear understanding that when this bill is enacted the Senate will be free, of course, to work its own will. Then when we go to conference the House conferees will be able to go to a free conference uninstructed other than to carry out as best we can the wishes of the House of Representatives, which I am certain all of us will try to do. You need not be afraid that we will try in any way to force through any strict control legislation on feed grains at this session of Congress.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. I understood the gentleman to say a moment ago that in considering this bill he hoped it might pass without amendment. I should like to refresh the gentleman's memory about the point I brought up in my discussion with the gentleman from Virginia [Mr. SMITH] a few minutes ago, with regard to changing the historical years 1959 and 1960. At the time of the passage of this bill originally I tried to put in a period of 5 years. At that time the gentleman said, and I have just reread his remarks, that I was looking objectively toward a good point that might well be considered, but that the time limitation precluded you from agreeing to an amendment like this. We have the time at this moment, ample time, until May of next year, to give consideration to changing the period of 1959–60 to 5 years, so there will be more equity among the corn farmers as to their allotment. So I would hope that when this amendment is offered the gentleman will look at it with more favor.

Mr. COOLEY. Of course the gentleman has a good point, an important point, but I am under the impression we have something in this provision now which takes care of the situation about which the gentleman complains. If it does not, of course, I am not suggesting that we ignore an amendment. If the gentleman has a good amendment, well prepared, of course we are willing to consider it.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Some discretionary authority on the part of the Secretary may be in order, but this point, it seems to me, coming at this time, would create more confusion than it would clear up. We have operated for 2 years on the basis of a temporary law that we are in substance extending. Every farmer, no matter who he is, knows substantially what the program will be as far as he is concerned. If we start out now on an entirely different formula, you are going to have one farmer get a windfall and another take a cut that he thinks is not just, and he is not going to cooperate with this voluntary program. The bill does provide for adjustments where the Secretary finds they are necessary.

Mr. COOLEY. I think inequities are inherent in any program which is based entirely on histories, and that is what the situation is here.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. AVERY. There seems to be concern on our side of the aisle—I thought I had gone into this in my remarks under the rule—about the procedure of going into a possible conference. In order that we may clear that matter up and make it unmistakably clear, it is my understanding that should the House pass the bill, and I hope we do, it will go over to the other body to be considered as if they had taken no action in the field of agricultural legislation. We assume, I understand now, it would be referred to the Senate Committee on Agriculture and they would then work their will on the House bill or on amendments thereto.

Mr. COOLEY. Either that, or they could call up our bill and accept it, or agree to it with amendments.

Mr. AVERY. The important thing is that this cannot automatically go to conference as it would have, probably, had the House Committee on Agriculture not acted with wisdom and tabled the Senate bill.

Mr. COOLEY. That is right.

Mr. AVERY. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. In our appropriations subcommittee hearings this spring, Mr. Whitten asked the question of Mr. Freeman, "Just what were the results in relation to the feed grain program for 1961?" And Mr. Freeman brought out the fact that 25 million acres of feed grain lands were diverted to conservation purposes and therefore 800 million bushels of grain sorghum and corn, of which 685 million bushels were corn and 115 million bushels were grain sorghum, were not produced that would have otherwise been produced.

You will recall that a year ago last March when the voluntary feed grain bill was brought up on the floor of this House for the first time, it was approved by a margin of only seven votes. At that time the bill received the support of only four Republicans and I am proud that I was one of the four. Had we four voted against the bill it would have gone down to defeat on that day by one vote. Now I am pleased to note that we have several on my side of the aisle who are in favor of that voluntary feed grain program. I recall saying at that time, that there were some features of the bill which I did not like, but that it was better than nothing and in my opinion deserved to be given a trial to see what it would do toward controlling surpluses. Consequently, I think we did do some good with this particular program in the last 2 years.

Mr. COOLEY. I agree with the gentleman.

Mr. ANDERSEN of Minnesota. It is a whole lot better, as the gentleman from Virginia [Mr. SMITH] said, to continue something that is doing some good rather than to have nothing at all.

Mr. COOLEY. This letter from the Secretary indicates a reduction of 300 million bushels in the stocks of feed grains. So we are making progress.

Mr. ANDERSEN of Minnesota. The point that disturbs me in this bill, Mr. Chairman, is the fact that you have reduced the possible protection of price support on corn, from 90 percent of the 3 years' average price, down to 80 percent. We have a bad enough situation as it is today so far as the price level of corn is concerned. We cannot produce corn in Iowa and Minnesota at less than $1 a bushel. In my opinion, Mr. COOLEY, reducing the basic price support level on corn is just poor business. It is too low as it is today. I do want to congratulate the gentleman for at least trying to do something in this bill.

Mr. COOLEY. I thank my colleague very much.

Mr. Chairman, since these sections have been handled by the chairmen of subcommittees, I will not take any more time, but will yield to some of the other members of the committee.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. I want to point out that the Findley amendment does not become applicable in 1963 and does not reduce the price of the 1963 crop. It is applicable only in 1964 in the event we pass nothing else in the meantime.

Mr. HOEVEN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I appreciate the conciliatory atmosphere prevailing in the consideration of this legislation. I want to concur in what Chairman COOLEY said, that the Committee on Agriculture has tried desperately hard to present a bill to you in spite of the many handicaps that have confronted us in the past in trying to pass farm legislation. We are making an honest effort to be objective and to pass a positive farm program of some kind before Congress adjourns. We have completely disposed of the control features proposed in the bill which was defeated a few weeks ago. We therefore present a rather simple bill which for all practical purposes is a 1-year extension of the present feed grains program and a 1-year extension of the present wheat program. I regret very much that Secretary of Agriculture Freeman blew his top at his press conference yesterday when he sought to castigate the Republican Members of the Congress for not being objective, in presenting farm legislation.

According to the Washington Post, the Secretary of Agriculture is reported to have "angrily denounced the Republican Members of Congress for playing the narrowest, most partisan, and most bitter kind of politics with agriculture." His face turning white, his hands shaking, the Secretary told a crowded news conference that Republican opposition to his farm program constituted, and I quote, "the biggest piece of nonsense and contradictions that the mind of man ever conjured up." The entire article appearing in the Washington Post of July 19, 1962, is as follows:

ANGRY FREEMAN BLASTS GOP ON FARM POLITICS

(By Julius Duscha)

Secretary of Agriculture Orville L. Freeman angrily denounced Republican Members of Congress yesterday for "playing the narrowest, most partisan, most bitter kind of politics with agriculture."

His face turning white, his hands shaking, the Secretary told a crowded news conference that Republican opposition to his farm program constituted "the biggest piece of nonsense and contradictions that the mind of man ever conjured up."

Freeman's remarks were the angriest that have been made in public by a member of President Kennedy's Cabinet and obviously reflected the administration's frustrating relations with Congress.

The Secretary's outburst, in which he singled out House Republican Leader CHARLES A. HALLECK, of Indiana, for particularly scathing criticism, came on the eve of a critical House vote on temporary farm legislation. Freeman said HALLECK's position on farm legislation was "completely negative."

FUROR EXPECTED TODAY

It is expected that Freeman's statements, which were made at his first press conference in 10 weeks, will create a furor in the House today.

His denunciation of the Republicans also could imperil the legislation extending the wheat and feed-grain programs for another year.

ASSAILS INCONSISTENCY

Freeman refused to comment on the bill, which was drawn up by House leaders after consultation with him and after the defeat of the administration's farm program by four votes in the House last month. All of the Republican Members voted against the program. The Senate approved the program in May.

The Secretary apparently still has some hope that parts of his program can be salvaged in a House-Senate conference committee and did not want to jeopardize those chances by publicly backing the temporary legislation.

Freeman said he was "not trying to create a political or campaign issue situation," but that he was prepared to "go to city folks just as much as I would go to the farm people" with his farm program during the fall congressional elections.

GIVE QUANTITY CONTROL

Freeman was particularly caustic in his criticism of what he called "the inconsistency" of the Republican position on farm legislation.

He said that the Republicans who "bitterly fought the feed-grain program" last year now "are clasping it to their breast."

On the one hand, Freeman continued, the Republicans "talk about regimentation, dictation, a czar" and then they vote for the sugar bill.

The Secretary declared that the sugar legislation, which was extended by Congress this month, was "the biggest piece of centralized regimentation in American agriculture."

The sugar program gives the Secretary authority to decide how much sugar will be grown in and imported into the United States each year.

Freeman is seeking similar authority to cut back the production of wheat, corn, sorghums and other feed grains. Cotton, tobacco and rice production is already rigidly restricted.

The Secretary went on to say that "parliamentary difficulties have complicated" the outlook for farm legislation.

Although he said that "the leadership of the House and the Senate couldn't have been more cooperative," he noted that the parliamentary position was something "we didn't need at this time."

The parliamentary hassle concerns the appointment of a conference committee to resolve differences between House and Senate farm bills.

VIEWS OF TWO SIDES

Supporters of the administration's program would like to have the temporary legislation to be voted on by the House today sent directly to a conference committee, where they think some of the Senate legislation could be saved.

Opponents of the administration's proposals want the Senate to consider the temporary bill as a separate piece of legislation. That would mean there would be little or no chance for enactment of any part of the administration's program.

The Secretary also was critical of a report issued on Sunday by the Committee for Economic Development, a business organization.

The CED recommended the termination of all farm subsidy programs over a 5-year period and urged a one-third reduction in the number of American farmers during the same period. That would mean the movement of 2 million farmers out of agriculture.

"Rather than driving people out of rural America, which is the essence of the CED report," Freeman said, "our emphasis is to bring resources to rural America."

But when Freeman was asked why 48 Democratic Members of the House failed to support his farm program, his tone changed considerably from the way in which he denounced Republicans and criticized the CED.

"Well," Freeman said softly and rather matter-of-factly, "I think those Democrats should vote for this bill."

Mr. Chairman, all I want to say about the Secretary's outburst is that this is a very poor way to make friends and influence people. I am afraid that the unfortunate remarks made by the Secretary of Agriculture could well result in losing quite a number of votes on the minority side, and I would regret this very much.

The Secretary in his press conference also refused to state his position on the present farm bill. So there may be no doubt about his position I set out a letter which the Secretary addressed to Chairman COOLEY under date of June 26, 1962:

JUNE 26, 1962.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your request for the Department of Agriculture's comments on H.R. 12266, which you introduced in the House on June 22. The major provisions of this bill would extend the 1961–62 emergency feed grain program and the 1962 wheat program to the 1963 crops of feed grains and wheat.

The President had proposed long-range programs, at the request of Congress, designed to support farm income, to reduce surpluses, to reduce costs, and to make it unnecessary to act on emergency legislation at each session of the Congress. This program would have reduced costs for wheat and feed grains about $1 billion a year for the next 4 years. The administration's proposals were generally contained in H.R. 11222.

There are two alternatives to the long-range programs of H.R. 11222. These would be a return to the pre-1961 programs for wheat and feed grains, or a continuation of the emergency programs as provided in H.R. 12266. Under the pre-1961 programs large surpluses of wheat and feed grains were built up, farm income dropped, and the cost to the taxpayers rose.

Under the emergency feed grain programs and the 1962 wheat programs, surpluses were reduced, farm income rose, and the cost of the programs was lessened. Feed grain stocks were reduced about 300 million bushels for the 1961 crop and there is every indication that a similar reduction will take place for the 1962 crop. It is expected that the wheat carryover will be reduced 150 million bushels as a result of the 1962 wheat program.

It is not possible at this time to make an accurate estimate of the results of these emergency programs as embodied in H.R. 12266 for an additional year. It is quite clear, however, that the adoption of these emergency programs for 1 more year would be preferable to a return to the more costly and less effective pre-1961 programs which would be the result if H.R. 12266 is not passed by the House.

The Bureau of the Budget advises that there is no objection to the presentation of this report.

Sincerely yours,

ORVILLE L. FREEMAN.

The Secretary of Agriculture, though he is reluctant to do so, has come to the conclusion that this bill is the best way out of a very perplexing and uncomfortable situation for the Secretary.

The bill under consideration is a compromise bill and about all that can be expected to be enacted into law at this session. The bill was reported out of committee with bipartisan support by a vote of 29 to 5. Let me say to my colleagues that out of the 14 Republicans on the Committee on Agriculture only 3 voted against reporting the bill.

Prior action taken by the House several weeks ago clearly indicates that the proposal to regiment and control our farm economy recommended by the administration earlier simply cannot become law. As further evidence of the resistance to this type of a control program may I call your attention to the fact that the House Committee on Agriculture laid S. 3225, the Senate control bill, on the table by a bipartisan vote of 23 to 12.

I am supporting this bill in its present form, believing it to be the best solution of a most perplexing problem. It is only temporary, and stopgap legislation as far as the feed grain and wheat sections of the bill are concerned. It is my hope that the bill will be held within bounds and that it will not be so amended as to make it unpalatable to some of us. Therefore, I serve notice that if the bill is so emasculated and revised as to make it unpalatable I reserve the right to withdraw my support of the legislation. I hope that this will not become necessary.

I believe it is the intention of our committee to review the entire farm program next year, including the act of 1949, the act of 1958, and all amendments thereto. I hope we can then work out a long-range program and that we can dispose of control features for all time. The present feed grain law is working. It has cut down on production, it has reduced the surplus, it has raised the farmers' income. And I am not going to weep about that.

This bill, H.R. 12391, is entitled the "Food and Agricultural Act of 1962." It actually represents the fourth Food and Agricultural Act of 1962. We started out with H.R. 10010, the administration farm bill. During committee consideration, a number of changes were made which included the following:

Deletion of the administration dairy control program which among other things called for the imprisonment in a Federal penitentiary for up to 1 year, or a $2,000 fine, or both, for any dairy farmer who failed to keep proper books and records as determined by the Secretary of Agriculture.

Other major provisions in the original bill which were rejected included a request by the Secretary for authority to purchase and condemn farmland including whole farms, a request to turn over to the United Nations U.S. funds and surplus farm commodities, a request to impose strict production controls on producers of turkeys and turkey hatching eggs, and prison terms for wheat farmers.

Later a clean bill, H.R. 11222, was introduced and after weeks of dispute it was reported by the committee by an 18 to 17 margin. That bill was supported by the administration and carried the mandatory feed grain plan along with a number of other extremely objectionable features. It was wisely rejected by the House on June 21 on a motion to recommit by a record vote of 215 to 205.

The next day, June 22, the chairman of the committee introduced another bill, H.R. 12266, which did not contain the mandatory feed-grain controls, the wheat certificate plan, or recreation authorities under title I.

After several weeks of continued consideration and after the adoption of some 18 amendments, the chairman then introduced H.R. 12391, the bill before us today. After continued consideration this bill was then approved with two committee amendments.

This bill before the House today differs from H.R. 11222, the bill killed by the House several weeks ago, in several major respects.

First. This bill contains no controls for feed grain farmers. The inequitable and unworkable administration plan has been rejected. On the contrary this bill extends the present feed grain program with certain modifications for 1 more year.

Second. This bill does not impose the long-disputed wheat certificate plan on the American farmer, taxpayer, and consumer. Instead it extends with certain modifications the present wheat program for 1 more year.

Third. This bill contains nothing on marketing orders.

Fourth. This bill has deleted recreational authority from the agricultural conservation payment program, the Bankhead-Jones Act amendments, and from the Small Watershed Act amendments.

Fifth. This bill does not contain any authority for the Secretary of Agriculture to go into the open market without prior appropriation of funds by Congress and purchase commodities for donation to needy people overseas as was proposed in H.R. 11222.

Sixth. This bill puts a termination date of June 30, 1964, on world school lunch programs.

Seventh. This bill does not contain any authority for the Farmers Home Administration to go into the sewer business.

Eighth. This bill authorizes the Secretary of Agriculture through the expanded authority under the ACP program to retire cropland now coming back into production from expiring conservation reserve contracts for periods of up to 10 years. Tree cover contracts could not extend beyond 5 years.

Ninth. This bill changes the basic law in regard to feed grains. The Agricultural Act of 1949, as amended by the Agricultural Act of 1958, established a permanent feed grain price support program. Under this program corn was supported at 90 percent of the previous 3-year market price, but in no event at less than 65 percent of parity. In dollars and cents this means corn supports at approximately $1.05 per bushel.

The committee bill deletes the 65 percent of parity floor and establishes the 1964 level of support for corn at 80 percent of the previous 3-year market price. It is of course impossible to tell what that price will be in 1964 since 1963 will be one of the 3 years used in the formula.

In review then let us keep this in mind. This is not the same bill that the House rejected last month.

In several respects it is much closer to my proposed substitute to the ill-fated bill as described in the Washington Star of July 16, 1962, which said:

> In contrast to the bill the House defeated last month with the strictest controls ever requested for wheat and feed grains, the new bill would give House Republicans essentially what they wanted by extending present voluntary control programs for 1 year.

At this point, Mr. Chairman, I would like to say a further word about the Senate bill, S. 3225.

The Senate bill was referred to our committee after the motion to recommit H.R. 11222 prevailed. The Senate bill which cleared the Senate by only four votes embodied the bulk of the administration's recommendations for controls on feed grains and wheat.

Its provisions were duly considered and rejected by the House when H.R. 11222 was killed. It was also considered in the House Agriculture Committee and upon my motion it was duly and properly tabled by a record vote of 23 to 12. This action by our committee only solidified the previous position of the House in regard to the compulsory feed grain and wheat programs advocated by the administration.

The gentleman from North Carolina [Mr. COOLEY], the gentleman from Texas [Mr. POAGE], the gentleman from Virginia [Mr. ABBITT], the gentleman from Minnesota [Mr. QUIE], and myself, each reiterated this position to the Committee on Rules during our appearance there. I am happy to say that the Committee on Rules honored our committee position in rejecting for the debate on this bill a proposed rule which would have completely negated our committee's action in killing the Senate bill.

Now there is some concern, Mr. Chairman, about the future of this legislation in the other body. I cannot imagine this Congress admitting its failure to pass a farm bill. When and if H.R. 12391 goes to the other body, I am certain that there are procedural devices and parliamentary maneuvers available which will allow this bill along with the other body's views to ultimately find its way to the President's desk. Our committee action in tabling S. 3225 was in no way intended as an affront to the other body or to its great Committee on Agriculture and Forestry. It was and is intended only to express the view of this House that we did not want any part of the administration's plan for regimenting our feed grain and wheat farmers.

The balance of my remarks, Mr. Chairman, will be directed toward the proposed extension of the present feed grain program.

In 1960 I joined with a dozen and a half other midwestern Representatives in sponsoring feed grain legislation based on four cardinal principles: First, a voluntary program; second, land retirement; third, use of payment-in-kind; fourth, a market economy.

Early in 1961 in the proposed emergency feed grain program the administration embraced the bulk of my bill in proposing H.R. 4510, which finally became Public Law 87-5, the 1961 feed grain program. The vital difference between my original proposal and the administration's plan involved the fourth principle I just mentioned—a market economy. The administration asked for sweeping powers to break the economic backs of noncompliers. I opposed that feature vigorously in the committee and on the floor. When the Senate-House conference substantially limited the so-called dumping authority, I decided to give the farmer and the taxpayer a chance to reduce feed grains surplus and improve farm income and I voted for the conference report on the feed grain bill. I have consistently opposed this dumping authority and I proposed to limit it in my substitute which I offered on the floor during the debate on H.R. 11222 and later in the committee. Although it was rejected, I am supporting an extension of the feed grain program through 1963 because of program results obtained so far. In addition this extension will actually give the Secretary less dumping authority than he had under the original bill because the first 20 percent cut in acreage can be funded in cash.

Secretary Freeman has publicly praised the 1961 feed grain program as a smashing success. I cannot understand his reluctance now to wholeheartedly support its continuation for one more year.

The biggest question about this program of course is its cost and I would like to discuss that aspect for one moment. According to a recent study made by Iowa State University, the direct cost of the 1961 feed grain program was $824 million. This consisted of $782 million of payments to farmers and $42 million in administrative costs. In addition this report states that net farm income was increased by some $1 billion and the feed grain surplus reduced by 9.7 million tons.

Now a lot of people will say $782 million is a lot of money. I certainly recognize that fact, but let us just remember where that $782 million came from. It came from the feed grain stocks of CCC. It represents the value of surplus grain owned by the Government but paid to farmers as payment-in-kind. It is not new appropriated funds. It merely represents the value of an asset which the Government already owns. Ask yourself this question: What would CCC have done with $782 million worth of feed grains if it had not disposed of them in this fashion? I can tell you one thing. We would either have given this grain away through Public Law 480 foreign currency sales, donation, or barter, or we would still be paying interest, handling, and storage charges on it.

My point is just this: The $782 million payments for the 1961 feed grain program were funded by the sale of surplus feed grains. As long as we have this surplus—and I will be the first to agree it is unfortunate that we do have such a surplus—it only makes good sense that we use it to pay farmers for voluntarily reducing their acreage of corn and feed grains.

The cost of the 1963 extension cannot, of course, be measured at this time. It will depend on the degree of participation by farmers and upon weather. I would also point out that the payment rates under this bill have been reduced, thus injecting a lower cost factor in this regard, and again I would emphasize the program "will be funded substantially by payment-in-kind from surplus CCC stocks."

Again I say this bill is about all that can be expected at this session of the Congress. It preserves the voluntary concept as against proposed controls and regimentation of our farmers. The choice should be self-evident.

Mr. Chairman, one of the leading farm publications in this country, the Farm Journal, in a recent editorial, says:

> On the defeat of his farm bill, President Kennedy said the country would now pay an extra billion dollars a year.

That refers to the omnibus farm bill defeated a few weeks ago. That figure is taken out of the air, and there is no basis for it whatsoever.

This is what the editor of the Farm Journal says:

> We doubt it very much. True, we may pay more storage and handling costs, but what about the cost of administering and policing an expanded system of compulsory controls on the individual farms of the country?

It would have taken an army of policemen to enforce the marketing quota provisions alone.

Continuing, the editor says:

> Moreover, some of whatever additional cost there is will be paid to farmers, and we refuse to weep over that. As we have pointed

> out before, they will not be paid for doing nothing but for doing something, laying up part of a productive plant in which they have got a lot of money invested. They are renting it to the Government in the public interest, and the Government should expect to pay the rent. Nor can we feel very sorry for the city man who helps dig up the rent money. The fact is farmers have done far more subsidizing of consumers than the other way around.
>
> Farmers, more than any other group, have stood between consumers and higher costs of living. The cost of living increased 15.1 percent from 1951 to 1961. Prices paid to farmers for food and fiber decreased 22.6 percent in the same 10 years. This dollar contribution by farmers to consumers would make $1 billion extra a year for a farm program look paltry—even if the billion-dollar extra cost were actually there.

The editor asks:

> What to do now?

And he answers by saying:

> Probably the best we can do in this session of Congress is extend the present wheat and feed-grain programs.

This is sound advice of the first order.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I was interested in what the gentleman had to say about the emergency or temporary program increasing farm incomes, reducing the surplus, and cutting down the cost of the Government. The figures will show that. The reason is that when the Government has less to take over, even at a little higher price, the cost to the Government is going to be much less. The initial takeover cost is only a small part of the cost, because the continuing storage cost is the thing that makes this program really expensive after a few years.

Mr. HOEVEN. I appreciate the gentleman's remarks. He is entirely correct.

Mr. Chairman, I want to refer to the report issued by the Center for Agricultural and Economic Adjustment of Iowa State University in reference to the 1961 feed grain program.

This report shows that in 1961 some 25.2 million acres were retired. Some 42 percent of all farms growing corn and sorghum participated in the program. In my State of Iowa alone some 2,784,000 corn and sorghum acres were retired and 55.7 percent of the farmers participated. In this year's participation, over 60.2 percent of the farms participated and have signed up for the program. This year the participation is thus even higher than in 1961. In Iowa we are going to retire 3,429,000 corn and sorghum acres. Over 60.2 percent of the farms in Iowa are participating in the 1962 program.

Now, with this substantial acreage being retired, what do you suppose the cost of a feed grain program would be if those acres were all producing corn at $1.05 a bushel? That is certainly a question that should be considered in analyzing the cost features of this bill.

So, in summary, Mr. Chairman, I repeat that this bill represents a compromise. It has been tortuously worked out after many months of intensive debate both in the committee and in the House. Both the House and the Committee on Agriculture have rejected the administration proposal on feed grains and wheat, and we are faced now with a choice of either this legislation, imperfect though it may be in many respects, or a reversion to programs on wheat and feed grains which experience has shown us to be exceedingly costly.

Again I say the bill is almost all that can be expected at this session of the Congress. It preserves the voluntary concept as against proposed controls and regimentation of our farmers. The choice, in my book, is rather self-evident.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Iowa.

Mr. JENSEN. I want to take this time to commend the Committee on Agriculture of the House of Representatives for bringing out a bill which has taken much of their time and talent. This may not be the best bill that could be devised, but under present circumstances I can see where it will be almost an impossibility to bring out a better bill than this bill. Further, I want to compliment the gentleman from Iowa [Mr. HOEVEN] for his many hours of tortuous work, as he said, in perfecting a bill to the very best of his ability as the leader of the minority members of the committee. I am especially glad to see the amendments which were suggested by the Soil Conservation Service which are included in this bill. Those amendments are very necessary to a proper soil conservation program.

So, I shall support the bill.

Mr. HOEVEN. I thank the gentleman for his kind remarks.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I am sure that all the friends of American agriculture have been quite shocked to note that the Committee for Economic Development has recently declared that a mass movement of 2 million farmers into other occupations is needed if we are to solve our problems of surplus agricultural production. As you know, the majority of the members of our House Committee on Agriculture has proposed that instead of forcing 2 million farmers off the farms, we should try to help them keep their agricultural production in line with consumption, and to divert their unneeded croplands for the next several years into conservation practices so that this enriched soil will be available in years to come when inevitably we shall need to put this soil into cropland again. It has been estimated that each year we are losing 1 million acres of farmland because of the interstate highway program, and the expansion of our cities.

I hope that farmers all over America will realize what a tragic situation they face unless the friends of agriculture can present a more united front. The Committee for Economic Development suggested in its recent report that if we could plow under 2 million farmers, that subsidies could be cut in half from the present annual level of more than $6 billion a year. These figures are intriguing, and although I have not had a chance to read the report in detail, I would assume that, as usual, the critics of agriculture are counting in the $6 billion figure many hundreds of millions of dollars that will be repaid, such as the loans to the Farmers Home Administration and to the REA. I would assume, also, that they are including the Public Law 480 funds, which should be charged to the cold war, since most of these funds are used to give our food to our allies to help us win the cold war. Certainly the estimate of $6 billion a year annual subsidies to agriculture should be reduced by half.

The Committee on Economic Development has suggested that over a 5-year period, we should cut farm labor by one-third, and over that period we should gradually reduce all of our price supports and land diversion payments so that finally at the end of 5 years, there would be no further Government subsidy. This might work out successfully if we could return to the never-never land of yesterday, when many other segments of the American industry received no subsidies. Labor has the right to bargain for a fair wage, and I certainly approve of that right. The merchant marine is subsidized in the amount of approximately one-half of the cost of the construction of their ships. Business is subsidized in the form of postal rates that are less than the cost of the services rendered. The housing industry is subsidized by the great guarantee programs—and let me emphasize I have approved of most of these programs. We could go further by pointing out that utilities are granted a right to have a fair profit. Many of the defense industries are guaranteed negotiated contracts, wherein there is no risk whatsoever, thus making it possible for them to make reasonable profits. The trucking industry, we might point out, is subsidized by the building of highways. The airport transportation services are subsidized by the building of Federal airports. The railroads, in great distress today, were once subsidized by the granting of valuable lands. The drainage of lands, flood control projects, the building of canals, all represent subsidies to various segments of the economy; but, Mr. Chairman, they all mean progress. They have meant that America has moved forward. These subsidies have promoted the progress of America. They have made it possible for people to work and to pay taxes and to provide for their families.

Yet, the Committee on Economic Development proposes, now, that the farmer alone, of all the great segments of industry, be permitted no Government programs, such as price support and land diversion payments, to give him a reasonable chance to market his produce at fair prices and to solve his problems so as to remain in business.

Let me point out that I do not know whether or not the Committee on Economic Development's plan would produce a free market agriculture, but it would certainly leave agriculture bankrupt. Competent experts estimate that farm income would be cut by one-third or more. Let me point out, also, that this plan, which would cut the farm labor force from 5½ million to 3½ million, at about 400,000 to 500,000 a year, would work further havoc with the problems of unemployment that we have at the present time. Labor leaders have constantly asked us in the Committee on Agriculture to keep our farmers on the farm if we possibly can, and I submit that to house those who leave the farm, to find jobs for them that just cannot be found, would be far more costly to the American economic and social structure than to try, with our present farm programs, to keep them on the farm. I maintain that we simply cannot make such a drastic cut in the numbers of farm people without very negative social and political consequences.

I also want to suggest that taking 2 million people off of the farm in the next 5 years would mean the end of many hundreds of agricultural communities throughout this Nation who are absolutely dependent upon agriculture. Many of these towns representing a total population of from 40 to 50 million people, Mr. Chairman, although having difficulties, have been able to survive, largely because there are still a sizable number of farmers who buy their seeds, fertilizer, tractors, other equipment, gasoline, electrical services, from nearby stores—thus making possible the continuance of many business establishments supporting hundreds of small communities.

Another point in the Committee on Economic Development's report with which I find myself in disagreement is their contention that low prices will cause acreage reduction and thereby reduced production. It has been my opinion that, whenever a farmer has to spend the money for his land and his capital and his labor, he finds it absolutely necessary to increase output even further when prices are lower.

I hope the farmers of America will read the adaptive program for agriculture, as suggested by the Committee on Economic Development. I hope they will understand that certainly we have difficulties with production control, but that the pattern that we have followed for years in trying to help our farmers through various opportunities to keep their production in line with consumption, holds out far more hope for agriculture and for the Nation than the destructive programs recommended by the Committee on Economic Development. I just simply do not believe that the nonfarm economy can take care of the millions of persons that would be added to the labor force by the rapidly contracting agriculture. I believe that 45 to 50 million rural and nonfarm people in smaller communities across the country, would be in a state of depression if we adopted this radical program. I believe property prices on farms would be radically decreased, and I believe, in short, that this proposed program would bring ruin on American agriculture.

Now, today, Mr. Chairman, we are discussing H.R. 12391. Title I, concerning land-use adjustment, has an amendment added by the committee which we hope will answer the objections that many of our friends engaged in forestry have had. This amendment, beginning on line 24, page 2, of the bill, provides, in essence, that the only lands, for the purpose of conserving and developing soil, water, forest and wildlife resources that can be used, are those regularly used in the production of crops, including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act.

Title II concerns some minor amendments to the Agricultural Trade Development and Assistance Act of 1954, and I do not believe this title is controversial.

Title III provides substantially the same voluntary program for wheat and feed grains that we have at the present time, and includes a voluntary program for the reduction of dairy products. Title IV of the bill has some minor provisions concerning the Farmers Home Administration.

Altogether, this bill is just about 38 pages, which the members of the Committee on Agriculture will realize is less than half the number of pages of the original farm bill.

Mr. Chairman, I do not have a great deal of enthusiasm for this bill, because I think it inevitably postpones the day of reckoning when we shall have to do something about the terrific accumulation of feed grains and wheat in the warehouses of this country. This program is better than no program at all. Disraeli once said it is easier to be critical than correct. Those of us who take the position we are not going to vote for any farm program should ponder what will happen if you do not vote for this particular bill. It will mean that next year there will be unlimited production of corn at a guaranteed price support of not less than 65 percent of parity. That means, to be specific, that without this bill, there will be, in my opinion, hundreds of millions of bushels more feed grain in the warehouses of America by the end of next year, representing a great threat to our livestock industry in particular.

There is one very important committee amendment to section 1 of the bill, which states, in effect, that if no further agricultural legislation is passed, beginning in 1964, farmers will receive 80 percent of the 3-year average for their corn, with no fixed floor. The purpose of this amendment, I think, will be to force action next year on this terrible problem of the great number of wheat and feed grains.

Let me repeat again, as I have before, Mr. Chairman, that I do not want any segment of American agriculture controlled by needless Government regulations. If I had my way, I would have no Government regulations. However, I realize, and I believe every farmer in America realizes, that a program of guaranteed fixed high price supports, without a program of production control, is not fair to the taxpayer, and eventually is not fair to the farmer, himself. Now the bill which we are considering has voluntary controls, with a fixed guaranteed price support. It means that those who cooperate will make it possible for those who do not cooperate to receive a much better price for their product because with the Government buying excess stocks, naturally it would make better prices for all producers. The voluntary program last year and this year, such as the one proposed for next year, has done some good, of course. In fact, it has done a substantial amount of good. The overall cost has been much less than what it would have been without the program. The cost to the American taxpayer will be less under this program than if we did not have any program, and I think the overall benefits to the American farmers will be more under this program than if we had no program.

I want to emphasize in this talk, however, Mr. Chairman, something entirely different from what I have so far been discussing. I think here in America we ought to realize the stake we have in American agriculture and the fact that this marvelous productive efficiency of American agriculture today is a direct product of our farm programs that we have had for the past number of years.

We should consider the blessings of American agriculture. You hear a lot of talk about the agriculture mess. If it had not been for our farm programs, believe me, agriculture would indeed be in a sorry, tragic mess. American agriculture today is a blessing because of the efficiency of the American farmer.

One American farmer today can produce enough food and fiber for 26 other people. In the past 40 years crop production has increased 65 percent. The output per breeding animal is 88 percent higher. One hour of farm labor today produces four times as much food and fiber as it did 40 years ago.

The efficiency of the farmer helps the American housewife get the best food bargain in the world, and yet the farmer does not receive his fair share of the food dollar. Today he gets only about 39 cents of the food dollar. I sometimes think that if he could only get half of the food dollar, his problems would largely be solved.

American agriculture is a great blessing, Mr. Chairman, because it provides jobs for so many people.

Now I hope many of you won't get provoked with me when I say that sometimes, as a member of the Committee on Agriculture, I think the laws we pass help everybody but the farmer. Just let me give you an example: Despite the exodus of farmers from the farms, we still have about 7.4 million people working on the farms. But did you realize that we have over twice that many people who make their living because of American agriculture? Do you know that we estimate there are 16 million people in addition to the 7.4 million working on the farms who are dependent on American agriculture for their livelihood? That means that in private employment, 4 out of every 10 people working are dependent on agriculture. These are the people who supply farmers; who make, ship, and sell milking machines, tractors, fencing, building materials, combines; who generate and transmit electricity; who refine petroleum and make tires. These are the people who process, transport, manufacture, and market farm products. So if you hear great criticism about the farm programs, and how silly some of them may seem to some people, please remind your listener that it isn't an easy job to keep a great industry like this moving with the tremendous production that we have and with the problems of getting rid of our surpluses. Stress the fact that 4 out of every 10 in private employment in America are dependent on agriculture for their livelihood.

Let us look at it also in another way. I have said that agriculture is a blessing because it creates so many jobs for other people. Consider the importance of farmers as customers of business and industry. The farmers of America buy $26 billion worth of material every year—goods and services. They spend another $15 billion every year on living expenses. They spend from $2½ to $3 billion every year on motor vehicles and equipment and they spend $1.5 billion a year for fertilizer and lime, and they ought to spend $3 billion a year. Millions of jobs are created by these and other farm purchases. So remember now—let me repeat again—that in addition to the 7.4 million farmers on the farms, you have millions more people who make the tractors, the automobiles, all the other machinery, who produce the fertilizer, the seeds, generate the electricity for the farmer, and who distribute the goods of the farmer.

Why, in New York City it costs as much to take watermelons across the river and put them in the city as the farmer gets for them. Did you know that? My farmers will ship some watermelons to New York City and they won't get as much for the watermelons as it costs for transporting those watermelons across the river to the markets. I am not fussing but that is an example of one of the terrific problems we have in American agriculture. Again, I say American agriculture is a blessing because it creates so many jobs for so many people.

Mr. Chairman, American agriculture is a great blessing because it conserves our natural resources. Civilizations of the past have fallen because they have not taken care of their soil, they have not taken care of their forests, they have neglected their streams. Let me remind you that many of these agricultural programs look for the morrow. They are protecting our forests and our streams and our soil for the great conservation and watershed programs. They are giving individual farmers a better opportunity to discharge properly his obligation as a steward of the soil.

Let me repeat, again, that the time is going to come when we are going to need to take the soil out from the conservation practices of planting trees and cover vegetation, and to put these lands back again into cropland.

So, Mr. Chairman, I say we should look on the positive side of American agriculture. We are looking here today at just one troublesome facet of this problem—how to better control within the American system of free enterprise the troublesome surpluses of feed grain and dairy production. There are many, many other farm programs that are working most satisfactorily—the tobacco, peanut, cotton and rice programs have been very successful. The House just recently passed a program to make possible the profitable production of more sugarcane and more sugarbeets in America. This basic program was approved by the House by an overwhelming majority. Let us not count our problems to such an extent that we fail to see our blessings. Let us continue to be fair to the American farmer by making it possible for him to achieve life, liberty and the pursuit of happiness as other segments of our economy.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Chairman, first I want to compliment the gentleman on calling to the attention of the House that that $6 billion figure is entirely erroneous. It is too bad that otherwise well-qualified people will put any such information abroad.

Secondly, I want to congratulate the gentleman for bringing out, which is the fact, that if we have any such suggestion as this proposed CED program for agriculture it will simply bankrupt agriculture.

Mr. MATTHEWS. I want to thank the distinguished gentleman. As a member of the House Committee on Appropriations dealing with agriculture I know the gentleman knows whereof he is talking.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the distinguished gentleman from Minnesota.

Mr. QUIE. When the gentleman objects to the CED report advocating moving 2 million farmers off the farm, this is the same objection, is it not, that the farmers I know had to the ABCD plan last January when Secretary Freeman planned to do the same thing with his plan?

Mr. MATTHEWS. I do not believe that the Secretary had planned getting the people off the farm. He proposed a plan to try to take the 50 million acres of cropland that we had to reduce because we were growing things that we did not need on these lands and try to divert those lands into some constructive use so people could stay on the farm.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I rise in support of this bill. I ask you, does this sound as though I am playing the "narrowest, the most partisan, the most bitter kind of politics with agriculture"? This was Secretary Freeman's partisan and bitter remark about Republicans yesterday. I rise in support of this legislation because I think we need to have it passed right now.

Also I point out that further down in the newspaper article that I have in my hand, quoting the comment of Mr. Freeman, he stated that he refused to comment on this bill. I ask you, what would happen if the members of the Committee on Agriculture had to conduct themselves in this way? He indicts and convicts himself.

I want to point out that the gentleman from Iowa, Congressman HOEVEN, the gentleman from North Carolina, Congressman COOLEY; the gentleman from Texas, Congressman POAGE, and others were willing, after the defeat of the agriculture bill last month, to sit down and work together. That is what we did. We had differences of opinion. I do not think any of us agree completely with this bill, but we support it.

We offered amendments. Some of our amendments were carried, some were lost. Yet we came out of this committee action with perhaps a stronger vote for a major piece of farm legislation than we have seen in many years. I want to commend my colleagues for that action.

What happens here in the bill that is before us? We have extended the emergency wheat and emergency feed grain programs for another year. We have made some changes that I think have improved it. The Democratic members of the committee did not get all they wanted, neither did we on the Republican side. Even though a major portion of that part of the bill I agree with and have in the past, there is one part of the emergency feed grain program which I disagree with, but I support this legislation even so and want it to pass, and that is the authority that the Secretary of Agriculture has to manipulate the market price. This is the reason why many Republicans did not support the legislation last year. I supported this bill last year after old section 3 was removed in conference. Old section 3 would have permitted the Secretary of Agriculture to dump all our surpluses on the market. The law now and this bill only permits the Secretary to dispose of the amount of grain which the farmers would have disposed of, if the Secretary was not permitted to market their certificates for them. I want to point it out to you who might still feel so strongly about it and might want to vote against it, that if the voluntary feed grain program is going to work, the noncompliers cannot get the same amount of benefit from the program as the compliers; either we could pay the compliers a little bit more than the noncompliers in lieu of price supports or else the Secretary is given the authority as in this bill to hold the market price down for the noncompliers. That is what we have before us in this legislation. Even though the committee did not agree with the position the ranking Republican on the committee and I have taken in this regard, we take it with good grace because what we believe ought to be in an emergency feed grain program is here; that is, first, the voluntary retirement of acres and, second, price support contingent on compliance with the program. Those are strong enough reasons for me to support the legislation.

It has been pointed out by letter and by Members on the floor that these emergency programs extended for another year are going to cost $2.4 billion. I say it is going to cost some money to reduce surpluses, and I would like to quote from the August Farm Journal's editorial page. It says:

> Moreover, some of whatever additional costs there is will be paid to farmers, and we refuse to weep over that. As we've pointed out before, they won't be paid "for doing nothing," but for doing something—laying up part of a productive plant in which they've got a lot of money invested. They're renting it to the Government in the public interest, and the Government should expect to pay the rent.

So in this regard very little of this money will go into storage for those who are storing grains. Most of it is going to go into the hands of farmers. These diversion payments amounting last year to $780 million went into the hands of farmers.

There is one portion of the bill that Republicans, I think, would like in title I. We have supported for a long time the voluntary long-range land retirement program, and that is in this bill. Some people do not like the idea that there would be land retirement money going for recreation purposes. That is no longer in the bill. We even amended the bill further in committee to make it abundantly clear that present conservation reserve contracts could be extended, that the Secretary of Agriculture has authority to extend these contracts. To make it clear, I would like to ask the chairman of the committee or, if he is not here, the vice chairman of the committee: Is it not true that all of the conservation reserve contracts, covering the 27 million acres, could be extended if the Secretary felt that the contract was such that he could re-sign or make adjustments in the contracts?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. POAGE. I think it is perfectly clear the purpose of that clause, beginning on line 2, page 3, which reads, "and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act," is to make it clear that the authority of the Secretary to enter into agreements under section 101 is applicable to lands which were formerly covered by conservation reserve contracts even though the contract prohibits their regular use in the production of crops. This authority should also be applicable to similar lands covered by the Great Plains program contracts.

Mr. QUIE. I thank the gentleman.

Now, there are other individuals who want to retire their land and put it into the conservation reserve. The language we added to this bill, specifying that this shall be land that has been regularly used in the production of crops, was also the same type of language used in the old conservation reserve. This would permit, would it not, that new farms be diverted; that is, cultivated land on those farms may be idled?

Mr. POAGE. I think it is perfectly clear that putting in new farms is permissible under the provisions of this act; yes, sir.

Mr. QUIE. And also, as I recall, when the Secretary of Agriculture was before us, in an answer to a question by the gentleman from Iowa, Congressman HOEVEN, whether whole farms could be put into this program, his answer was "Yes." This has not been changed?

Mr. POAGE. No, it has not been changed. There is no emphasis on whole farms, but there is no prohibition against whole farms.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. COLLIER. Do I understand the gentleman from Minnesota to say that this program would cost $2,400 million?

Mr. QUIE. I did not say it, but I said that other people on the floor have said that.

Mr. HOEVEN. I made no such statement.

Mr. COLLIER. I am asking to try to find out whether this figure of $2,400 million is correct. I am trying to reconcile it with the figures which the previous speaker referred to, also as to the total appropriation bill which, I understand, will be $5,477 million which will be presented next week. I just want to get this in perspective, as a boy from the city.

Mr. QUIE. Well, you have to ask the chairman of the committee or the vice chairman of the committee for that answer in regard to the budget. But so far as I can see, I have looked at the cost of this program and I cannot see where this program would cost any more than the A-B-C-D program, or whatever it was, the program that we defeated the other day. In fact, I think it would cost less than the defeated mandatory bill. It would be less expensive than the program that was budgeted.

Mr. COLLIER. Would I be considered too inquisitive if I were to ask someone what this program would cost, roughly?

Mr. QUIE. The estimate is, according to the quotation as to what Secretary Freeman is reported to have said, $2.4 billion.

Mr. COLLIER. Then that is thoroughly understood for the first time—it is $2.4 billion?

Mr. QUIE. Yes.

Mr. COLLIER. I thank the gentleman.

Mr. QUIE. Mr. Chairman, since I do not have much time left, I would like to conclude my statement and then I will be glad to yield further to my colleagues.

I also want to point out that you can just look back in the RECORD and see the words that our chairman stated here on the floor of the House. If any of you are worried that we might go to conference an accept a mandatory control plan which the Senate passed the other day and which our committee by vote of practically 2 to 1 tabled, I want to say that this will not happen. We have the assurance on both sides of the aisle, working again cooperatively, that this kind of legislation with voluntary controls will be enacted into law if any bill is enacted into law this year.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I rise in support of the legislation, not so much because of the provisions for wheat and feed grains which have been largely under discussion previously, but because of the section which involves dairy products. Representing a major dairy section in upstate New York, I have been greatly concerned with the problem faced by our dairy farmers. They are confronted with a serious cut in income in the year 1962 for two reasons: One, because of a reduction in price supports for milk which were of course mandated to Secretary Freeman under the law, but for which for some reason or other he seems to be getting all the blame; and secondly, because of the serious drought we have been suffering this summer in upstate New York and which has created a sharp reduction in milk production and a corresponding drop in income for our dairy farmers. I think this same condition affects farmers in other districts as well as mine. They need some help in increasing their income and in meeting the serious economic squeeze the dairy farmers have always been in.

Mr. Chairman, continuing this concern for the dairy farmers of my own State of New York and the dairy farmers of the Nation for that matter, I intend to offer under the 5-minute rule to this bill the same amendment I offered, but without having an opportunity to make any detailed explanation of it, at the time the original farm bill was before the House last month. This time I hope it will not be necessary to vote on my amendment without any opportunity being given to discuss it.

This amendment would simply legalize the compensatory payment features of our milk marketing orders that have been in effect for so many years but which were stricken down by the Supreme Court on the 4th of June, not because they were unconstitutional, but because they exceeded the legal authority contained in the original agricultural marketing act. My amendment, which is contained specifically in the bill H.R. 12118, which I introduced some time ago, would add enough legal wording to the original Agricultural Marketing Act to make these compensatory payments, which have been in effect for so long, legally possible and proper.

Let me read, Mr. Chairman, if I may, an article written by Mr. Richard P. Powers of the Associated Press which appeared in the New York Times of Sunday, July 8, and in a number of other newspapers, including the July 10 issue of the Oneonta Star. The article reads as follows:

AGRICULTURE DEPARTMENT OFFICIAL WARNS MILK ORDERS PERILED

(By Richard P. Powers)

WASHINGTON.—There is definite danger that the entire system of orders which regulate marketing of milk in 83 metropolitan areas of the Nation may fall apart as a result of a June 4 Supreme Court decision.

This is the view of an Agriculture Department official, who added: "There is a tremendous failure on the part of the dairy

> farmer to see the significance of the Court's ruling."
>
> It is his opinion that, unless Congress corrects the situation with new legislation, the whole complicated business of regulating milk handling in the 83 metropolitan areas may be junked. This will have a major effect on the entire milk industry.
>
> And there is no assurance that Congress will so act.
>
> "Congress could legislate what was invalidated by the Court," said the official, who asked that he not be named.
>
> "But for Congress to do this, it must be made clear to Congress that these are not trade barriers, but would put competitive milk handlers on a par."
>
> The situation was brought about by the Supreme Court's 6 to 1 decision in favor of the Lehigh Valley Co-op of Lehigh Valley, Pa., and the Suncrest Dairy of Pennsylvania which have been selling milk in the New York and New Jersey areas.
>
> These two firms contended the Department had no right to force them as outsiders to pay money into a common pool; this pool is divided among farmers who normally supply milk to those areas. The Court upheld the firms.
>
> Under milk marketing orders, the Secretary of Agriculture fixes the prices that handlers pay for the milk they buy. This money is passed on to farmers in proportion to the amount of milk they produce. But the Department forces outsiders to make compensatory payments to keep them from undermining the market. The Court said this is illegal.
>
> Secretary Orville L. Freeman has not announced what action he will take to counter this threat to the entire system of milk marketing orders, which handle about 45 percent of the milk marketed over the Nation as whole milk.
>
> He has these choices: (1) Institute new regulations which seek to meet the Court's objections and still keep the marketing orders in effect or (2) seek new legislation.
>
> The Department official said that as a practical matter there is no chance that Congress will act this year on the complex milk situation. If that is so, the Secretary will have to take administrative action in the interim if he wants to keep the marketing orders in effect.
>
> The Department has requested those interested in the situation to submit proposals for amending the New York-New Jersey order by July 16. The Department later will conduct a public hearing before making a decision on just what to do.
>
> Asked what the effect would be if the entire system of milk marketing orders should be scrapped as a result of the Court's ruling, the Department official replied:
>
> "The immediate effect would be a drop in milk prices. This would tend to eliminate the marginal dairy producer and milk handler. Then, as shortages of milk appeared, prices would go back up, inducing increased production."
>
> It is likely that, if the milk marketing orders should be eliminated, the administration would again try to put in its system of supply management—which would mean quotas for individual milk producers.
>
> Congress earlier this year disregarded requests by both President Kennedy and Freeman instituting the quota system for dairy farmers. Milk production has increased during the last 18 months while consumption has declined to some degree.
>
> The result has been that the Commodity Credit Corporation during that period has bought up and now owns large stocks of butter, cheese, and dried milk in its price support operations. This support program is expected to cost the Government more than a half billion dollars during the current marketing year.
>
> The official said that it is likely there will be many court actions as a result of the Supreme Court ruling. It is possible, he said, that claims may be made in the individual milk marketing areas for repayment of the compensatory payments that have been made by outside suppliers of milk.
>
> It is expected, however, that the Department will seek to institute some new regulations that will keep the system intact at least until it has a chance to ask Congress for specific action.

Mr. Chairman, now it may be that the views of this anonymous official of the Department of Agriculture did not find acceptance at the top of the Department, but this is the fellow who really knows what he is talking about when it comes to milk. Mr. Chairman, my amendment would simply do what this Agriculture Department official says should be done. I hope it will be supported on a nonpartisan basis because it will also help farmers in districts represented by Members on the Republican side of the aisle from New York State and elsewhere who have felt the impact of this unfortunate Supreme Court decision.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield.

Mr. GOODELL. Mr. Chairman, I intend to support the gentleman's amendment but I would like to ask the gentleman if he is aware at this stage what the status of the Secretary of Agriculture's review of this matter is in the direction of further administrative relief?

Mr. STRATTON. There has been one administrative action taken by the Secretary and that is to suspend the optional feature of the compensatory payment arrangement. The trouble with that kind of administrative action is it may be subject to the same kind of invalidation by the Supreme Court, since the whole matter is still in the courts. What we need is legislative rather than administrative action. Administrative action by itself just will not succeed. And so, Mr. Chairman, my amendment will give us an opportunity to take the legislative action which is really necessary. And it should be clear to all of us who represent dairy farming districts, that either we take this legislative action today as a part of this farm bill, or else we take no legislative action this year. But action coming next year, Mr. Chairman, could well come too late, and I hope we will not gamble with the welfare of our dairy farmers in the great Northeast.

Mr. QUIE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, I shall object to the amendment of the gentleman from New York [Mr. STRATTON] when he offers it. This amendment was defeated last month when it was offered to the Kennedy-Freeman farm bill. No hearings have been held on the amendment.

Federal milk-marketing orders are an extremely complicated procedure which needs to be studied in great depth before an adequate decision can be made. I should point out that the support for the amendment of the gentleman from New York comes only from the State of New York and I would judge that it is limited pretty much to the one cooperative in New York, or at least the New York-New Jersey order.

I would like to point out, for the benefit of the House, that two of the most influential organizations—who represent both the producers and the processors; namely, the National Milk Producers Federation and the National Creamery Association—oppose the Stratton amendment. Neither group finds that the Supreme Court decision either harmed Federal milk orders or harmed the farmers who are under the Federal milk orders. Only 23 of the 81 Fedeal milk-marketing orders provide for compensatory payments.

If anything is going to be done in this regard, it ought to be aired thoroughly in committee. I think that it is extremely unwise for the House to reverse a Supreme Court decision. A decision, I might add, which I feel should have been made long ago. For the interest of the House, I will again insert a statement by Mr. E. M. Norton, executive secretary of the National Milk Producers Federation, as it appeared in the National Milk Pictorial, the monthly magazine of the organization:

> It is not surprising that the recent decision of the U.S. Supreme Court pertaining to Federal milk-marketing orders stirred up a good deal of comment and conjecture. The decision was directed toward certain compensatory payment provisions exemplified by those in the New York-New Jersey market, highlighted in the Lehigh Valley case. The Court ruled these invalid.
>
> The decision came in the aftermath of a previous fallout of public and private discussion resulting from publicity on the Stalker case, the Nourse committee report on Federal orders, and several recent Court decisions which were adverse to the U.S. Department of Agriculture. All of this discussion, digested superficially, may have led many to the conclusions that the Federal milk-marketing order program is staggering against the ropes.
>
> The National Milk Producers Federation does not hold this view. Neither does it believe that the recent Supreme Court decision will weaken the program.
>
> The recent decision is one of many handed down through the years. Each has been important in determining how Federal milk-marketing orders may be used, and to what purpose. The current decision will serve, as have others in the past, to direct the course of the program toward more certain and definite goals.
>
> The U.S. Supreme Court made law when it ruled out one type of compensatory payments and other provisions of the order were in no way ruled out by the Court.
>
> This is not to say that the Department of Agriculture may have new administrative problems to face or new techniques to develop as a result of the decision. It may be required to meet more litigation on points at issue that relate to the decision.
>
> This is in accordance with Government procedure. The Congress passes a law and the courts interpret the law. They determine the legality of the statutes and the procedures of the administrators in carrying them out. To this extent the courts as well

> as the Congress make law and they make law in a very specific sort of way.
>
> The Federal order program has been before the courts many times. Furthermore, it has served a vital purpose under rapidly changing economic conditions prevailing in the dairy industry over a 30-year period. In spite of the inherent problems arising from varied and changing economic and political situations—and the decisions of the courts—the administration of the program has been forceful, eminently fair, and equitable. The Federal milk-marketing program has proved to be one of the most used tools to farmers in stabilizing farm markets and farm prices.

I will also bring to the attention of my colleagues in the House a statement by Mr. Otie Reed, executive secretary of the National Creamery Association, from a letter of July 1 of this year:

> 1. Compensatory payments in New York-New Jersey order invalidated by U.S. Supreme Court: In a special letter to our members dated June 13, 1962, we described the decision of the U.S. Supreme Court rendered June 4, 1962, which invalidated the compensatory payment provision in the New York-New Jersey milk-marketing order and, presumably, in other orders, some 23 in number, with similar provisions. Of course, the decision raised very serious questions as to the legality of any type of compensatory payment in Federal orders.
>
> Although the decision caused considerable consternation in many milk-marketing areas, it seems reasonable to believe that the first fears that the decision would wreck the marketing order system are now subsiding.
>
> The position of National Creameries Association in this matter has been well known for many years. We have always believed these compensatory payments were illegal; were very unsound marketing devices, used primarily to implement limitation of entry of qualified milk into milk markets; and, in general, among other things, helped set the structure of markets operating under Federal orders in a monopoloid mold.
>
> Further, we have not considered compensatory payments necessary for the maintenance of the Federal order system and we think that, far from destroying the system, the decision in the long run, if properly implemented, will in fact have contributed materially to a more efficient and better working order of the system.
>
> During the debate on the agricultural bill in the House last week, Representative Stratton, of New York, proposed an amendment to the agricultural bill which would have legalized compensatory payments. This proposed amendment was defeated on a voice vote.
>
> Announcements from the Department of Agriculture indicate that Secretary Freeman has set up a committee of persons associated with the New York-New Jersey marketing order to consider the results of the decision upon that marketing order and possible action that might be instituted.
>
> The appointment of such a committee is, of course, entirely proper, inasmuch as the New York-New Jersey marketing order was the direct subject of the decision.
>
> Nevertheless, we would remind the Department of Agriculture that there is a Supreme Court decision now on the books invalidating at least one type of compensatory payment. This seems to us to make it incumbent upon the Department of Agriculture to set its administrative procedure in motion to bring its fluid milk orders into conformity with the Supreme Court decision as soon as this can reasonably be accomplished. We would further note that the interest in modifications of the compensatory payment system by the U.S. Department of Agriculture extends far beyond fluid milk order markets and in fact encompasses the whole of the dairy industry to a greater or lesser degree. It would therefore seem entirely reasonable for the Department of Agriculture to solicit comments from other segments of the industry in connection with this matter, in addition to the fluid milk groups.

These two statements, as well as many others which I could supply from dairy leaders around the country, show how dangerous it would be for the House to adopt the Stratton amendment today and really demonstrate the fact that there is virtually no support for this amendment.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. Harvey].

Mr. HARVEY of Indiana. Mr. Chairman, I approach the well of the House today with less concern than was experienced in the House a short time ago when we were involved in one of the most bitter controversies we have had during this session of the Congress.

I want to pay tribute to the members of the Committee on Agriculture on both sides of the aisle who after that rather unfortunate experience went back, got together and worked in good faith and harmony, almost complete harmony, to bring out a bill that will be reasonably satisfactory to everyone. I say "reasonably satisfactory." I am reminded of an experience some years ago when we had a bill up for consideration, not of this particular nature, that was handled in a subcommittee chairmaned by the gentleman from Texas [Mr. Poage]. When we had finally finished with the bill and were ready to present it to the full committee, the gentleman from Texas [Mr. Poage] said, "It does not suit everybody very well, so, probably it is a pretty good bill." At any rate, that seems to be the status of this bill.

Comment has been made during the course of the discussion concerning Secretary of Agriculture Freeman's attitude with regard to this legislation. I can understand Mr. Freeman's dissatisfaction and disappointment that the Congress has not produced the legislation he wanted; but, as one who has labored for many years, as far as agriculture is concerned, I have learned that, after all, this is a very difficult problem. It is not going to yield readily to any one man or even to that of any one group of people.

I would like to comment on the fact that the Farm Bureau has expressed its disappointment with the bill. The Farm Bureau is one of the fine and important farm organizations in our country. I am disappointed, too, because I have supported conservation reserve legislation which they have advocated. I realize this bill does not conform to what they would like to have either, but I would like to show in my remarks a little later that this is a move in the right direction, therefore should not be criticized too severely.

I should like to direct my remarks primarily to those who have historically had some reservations about a program that deals with agriculture, and more especially with wheat and feed grains. I want to say the provisions of this bill are much better from the standpoint of those who are consumers than any bill we have had in the past. In fact, I feel quite honestly that many of the Members from either consumer districts or feed deficit areas who have had some reservations about prior legislation can support this with a good deal more grace. We are moving into an area, I feel quite sure, insofar as feed grains are concerned, that the grain and livestock farmers themselves support. That is, for noncontrol; and, if necessary in order to achieve their independence of operation, to take a lower support price for their products.

So, as far as I am able to evaluate this whole problem, I think it is a move in the right direction from the standpoint of the consumer, the feed deficit area, the grain and livestock farmer, and the taxpayer as well. Now, as a farmer myself, I am sorry that we are lowering for 1964 the support level for feed grains to what I think is to low a level, but I still feel that in deference to getting a program that we can all agree upon, this is a move in the right direction.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. Santangelo].

Mr. SANTANGELO. Mr. Chairman, at the conclusion of my speech on the agricultural program which was defeated by the House some weeks ago, I pointed out that the Republican Party refuses to be realistic; that if the big farmer did not stop taking advantage of the American public, the American taxpayer would, to paraphrase what Jimmy Durante said when a bumblebee nicked his schnozzola, "Everybody off. No farmer gets a free ride any more."

Mr. Chairman, this bill gives me a great deal of trouble. I know that the cost of this bill will amount to about $1 billion more than the bill which the administration recommended, and which the Republicans helped defeat. The alternative to this bill is a throwback to 1958, when we will have unlimited production with price supports which will cost the American taxpayers much more money than this bill costs. So, I have a choice here of paying more money to the farmers under the 1958 law or paying less under this bill, so therefore reluctantly I will have to support this bill.

I would like to ask a few questions about the feed grain provision. During the administration of the feed grain program, 40 percent of the farmers participated, and about 50 percent of the feed grains were produced by farmers who did not come within the program. Can the chairman tell this body and the people from the cities whether those people who do not come in voluntarily will receive any price supports in the production of feed grain, corn, barley, and sorghum?

Mr. POAGE. They will receive no price supports whatsoever.

Mr. SANTANGELO. But if they do come within the program voluntarily, they will receive a price support of $1.20 per bushel?

Mr. POAGE. The bill does not fix it at $1.20 a bushel. They will receive supports at the level fixed by the Secretary, which presumably will be approximately $1.20.

Mr. SANTANGELO. The present price support is approximately $1.20 per bushel.

Mr. POAGE. Yes.

Mr. SANTANGELO. Now, I would like to point out to the House that the legislative committee should go further into the question of our storage costs. Several years ago I visited southern Illinois and Iowa, where we have the greatest corn and feed grain production in the country. As the result of some of my inquiries and recommendations, storage costs of corn and wheat were reduced from 16.5 to 13.5 cents per bushel, and we were able to save about $86 million. Now I find from observation and from inquiries around the agricultural part of this country that the price of storage is still too high and that the American taxpayer is getting sick and tired of paying storage costs which we must reimburse the Commodity Credit Corporation. Because of the intensive and technological advances in agriculture, the farmers produce more grain on reduced acreage than they used to produce with greater acreage. We are not trying to curtail the production here because it is a voluntary program and 60 percent of the farmers produce as much as they physically can.

With the increased intensification in farming we can produce more than the country can use.

Mr. Chairman, I would like to point out to the people of America and to the Members of this body that the figures with reference to the commodity holdings of the Commodity Credit Corporation on stocks and the commodities in storage are inflated, are not accurate, and are unrealistic. They are talking about the price or the value of these commodities on the basis of storage costs which have taken place in the last 10 years or so. The figures which we are given are not the present market value of the commodities. I want to point out that the CCC has in storage today approximately $5 billion worth of commodities and not $8 billion or $9 billion which some reports in magazines and newspapers indicate. The difference between the $5 billion in commodities in the bins and in the commercial warehouses and the $9 billion represents inflated figures. They are unrealistic figures. These are just figures carried upon the books. When we go into the Committee of Appropriations tomorrow we will pass upon the appropriations for farm programs. Next week we may be called upon to reimburse the CCC for these inflated figures. I alert the people of the cities so they may see what is going on and I ask the agricultural legislative body to go into the question of storage costs of wheat and feed grains. If the committee makes another exhaustive study I think perhaps we can save the American taxpayer a great deal of money. Once we eliminate the waste and excess we can support the farm people because we know that we in the cities are dependent upon the farmers in order to get along and maintain an adequate food supply.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, I want to make this remark before I give an explanation of the wheat section of the bill, that is, as I understand the wheat section. It is a pleasure to be in this House today in a joint effort for agriculture. Looking back over 3 weeks, when the agriculture bill was defeated and all of us beat around considerably, I want to say it is a pleasure to be able to work today with my Republican friends and colleagues as well as my Democratic friends and colleagues on this joint effort here today.

Mr. Chairman, I want to refer back to the remarks of the gentleman from Iowa [Mr. SMITH] about the price of 5 pounds of flour. I had never realized before that 5 pounds of flour is worth less than 5 pounds of dirt. But, actually, they tell me that wheat next to milk has all the ingredients that the human body needs except water. With 60 percent of the world's people going to bed hungry at night, it seems to me we could well afford to use more wheat.

Mr. Chairman, I also want to refer back to the remarks which were made by the gentleman from Florida [Mr. MATTHEWS], when the gentleman talked about the Committee on Economic Development, and I want to make this statement: If what this Committee predicts in that article which they have put out becomes law, then one-third of the towns in my congressional district will be ghost towns in the future, because this CED plans to take out one-third of the people of the agricultural areas, around 2 million. I am sure this would be disastrous to agriculture and I think it would be a disaster to a lot of city people as well.

Now, Mr. Chairman, I shall go to the bill that is in question. Subtitle (B) of title III of the bill establishes an emergency wheat program for the 1963 crop year which is virtually identical to the program which was in effect for the 1962 crop year and which proved to be effective in accomplishing its aims. Last year we were faced with the problem of a continuing increase in surplus wheat stocks at a tremendous cost to the American taxpayer. The wheat program which we enacted last year, the Kennedy-Freeman program, we now know was effective in reducing the output of American wheat farmers and at the same time increased wheat-farmer income. The last reports from the Crop Reporting Service of the Department of Agriculture show that the 1962 production will be approximately 1.05 billion bushels this year, which is about 200 million bushels below our anticipated disappearance. This means that during the next marketing year as a result of the emergency wheat program which is in effect this year, stocks of the Commodity Credit Corporation will be reduced by about 200 million bushels. What does this mean in terms of money? The Commodity Credit Corporation will recover something over $400 million of its investment in this stockpile of wheat, and will save in storage and interest costs another $40 million or $50 million.

I am firmly convinced that the wheat certificate plan that was contained in H.R. 11222, the defeated bill 3 weeks ago, is more nearly the ultimate answer to the wheat problem. At this late date, however, I believe that the Nation and the wheat farmers will be better served by continuing the present emergency wheat program for 1 more year. This program, contained in the bill we are considering today, reduces each individual farm acreage allotment by 10 percent, and requires that this 10 percent of the original allotment, based on the 55 million acres, be diverted from production and devoted to soil conserving uses. The producer is compensated for this retired acreage by a payment in cash or wheat equal to 45 percent of the adjusted yield for the farm on the acres diverted. In addition, the producer is authorized to divert an additional 40 percent of his basic allotment and receive, as compensation, 50 percent of the normal yield of the diverted acres. This provision is a slight change from that in effect for the 1962 crop year when he was allowed to divert only 30 percent of his basic allotment, and received payment based on 60 percent of his normal yield. In other major respects the present bill is the same as the bill in effect in 1962.

On the so-called 15-acre farms the exemption is limited to the lower of 13½ acres, or the highest number of acres actually planted in the 3 years 1959 through 1961. These producers, if they wish, may divert 10 percent of the highest acreage planted in these 3 years and receive the 45-percent payment and may divert any amount up to 10 acres and receive the 50-percent payment. These diverted acres may be planted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, with an adjustment in the payment rate determined by the Secretary to be fair and reasonable, but in no event greater than one-half of the rate which would otherwise be applicable.

This bill limited price supports for the 1963 crop of wheat only to those producers who cooperate in the special wheat program provided herein. The present provisions of law with respect to establishing marketing quota excess, based on twice the normal yield and at a penalty rate and at 65 percent of parity are continued for the 1963 crop year.

Mr. Chairman, this emergency wheat program contained in this bill, although not as desirable as the certificate program which was worked out by our committee, is the best program available for the 1963 crop year, and I urge the adoption of this bill.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, this is something of a new experience for me, to be here today speaking on a farm bill to which I am not strenuously opposed. This bill does not by any means include all that I would desire in farm legislation, and I am sure it does not include all that many farmers would desire in farm legislation. But I think this is the important thing about this bill; it represents about the best that we can do at this particular time, and I think we should consider this bill in that context.

As the gentleman from Virginia, Judge SMITH, said when he was talking on the rule, this is the practical thing to do, to accept this bill today. I concur in that statement. The administration seems determined to save something they can hang their hat on in the way of a general farm bill that will be passed in this session of Congress.

After the defeat we gave the administration on the farm bill here a few weeks ago maybe we should leave them with this little crumb of satisfaction, if that is what this is going to be. For those who are opposed to mandatory farm programs, and I think this was the primary consideration that defeated the farm bill that we had before us a few weeks ago, I think it should be remembered that this bill preserves the optional approach as far as the feed grain program is concerned. This bill simply extends for another year the emergency feed grain program that we passed a year ago, and which is in effect today.

For those who do not like farm programs, for those who do not want to avail themselves of price supports, for those who do not want to avail themselves of land retirement payments, this bill provides them the opportunity to just stay out of the program, and I think this is a desirable feature. I think it is a desirable feature as far as a great many livestock people are concerned.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Florida.

Mr. HALEY. What the gentleman is saying, if I understand him correctly, is that this is the best bill you can get at the moment.

Mr. SHORT. Exactly, as I see it.

Mr. HALEY. If you do not pass this bill you go back to the 1958 act, which of course is the worst act we had.

Mr. SHORT. I am not in complete agreement that the 1958 act is the worst. I think it has been castigated unduly. I think there have been many criticisms leveled at the 1958 act that are not completely true. We should remember that under the 1958 act utilization of feed grains was increasing by leaps and bounds. This increased utilization took place over the 10-year period from the time price supports were at the high point to the time price supports for feed grains were at the low point. We should remember that corn utilization increased by essentially 1 billion bushels. This is something I think we should keep in mind about the 1958 act.

Mr. HALEY. Of course I think, and I think many Members of this House think, that the approach of trying to control this program on an acreage allocation is wrong. If you are going to control a situation you must have tight controls on bushels, pounds, or what have you. You are never going to control this program on the basis of equal limitations. I think there is where the Congress and its committees have been wrong. I think the American people are getting tired of supporting this program.

I realize you have a problem here, and I do not think you can get out of it in this year or next year or maybe several years. I think what we need to do in this Congress and what the American people think we should do and I think we should do, and I think we should do that, is to get out of this whole program over a period of years and let the farmer go back to raising whatever he can and selling it on the open market. I think that will solve your problem. We have been in this kind of program for over 30 years. By admissions on the floor of this House year and year and year and year after year it is getting in worse shape.

Mr. SHORT. It has not solved the problem.

Mr. HALEY. You have not solved the problem. I do not think you ever will. I think you will have to let this go back to the farmer on the basis of a free market.

Mr. SHORT. I thank the gentleman for his remarks.

Inasmuch as the gentleman mentioned bushel allotments, I would like to refer to a conversation I had with a friend back home. He said the wheat farmers out in North Dakota who had thought they wanted a bushel allotment, which would give farmers a quota of about 9 bushels per acre, with a 30-bushel-per-acre wheat crop in prospect had pretty completely changed their minds.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I want to urge my colleagues to join me in supporting H.R. 12391, the revised food and agricultural bill of 1962, which I consider to be a very sound and workable measure. As a representative of a dairy district in the great dairy State of Wisconsin and as chairman of the House Dairy Subcommittee, I am particularly interested in the emergency dairy surplus reduction program that is part of the proposed legislation. This voluntary dairy program is the product of many long hours of work and deliberation by the members of the Dairy Subcommittee, and I feel that it represents the important first step toward the solution of the critical problems now facing dairymen across the Nation.

Immediate action in this area is imperative, for our dairy industry today is caught in a tightening squeeze between rising production and declining consumption. Since 1948 America's dairy farmers have produced more milk than can be sold through commercial channels. The excess has been purchased by the Government through price support and related programs. Since 1953 these Government purchases have exceeded $200 million a year and, in some years, have gone well over the $500 million mark.

Mr. Chairman, in 1961 milk production went up 1.5 percent, while milk consumption dropped alarmingly by 2.5 percent. The administration, the Department of Agriculture, and the dairy industry are taking positive steps to increase consumption with concrete and well-substantiated assurances that our milk supply offers no hazards and continues to be one of the best sources of important nutrients for adults as well as for children. However, it will take time to undo the damage done to the milk market by the unfounded scare talk about radioactive fallout and cholesterol which has made milk its prime target.

Meanwhile, dairy surpluses continue to pile up. During the 1961 to 1962 marketing year, which ended April 1, price support purchases made by the Commodity Credit Corporation removed from the market nearly 9 percent of the butterfat and 13 percent of the nonfat milk solids in the total farm sales of milk and cream. Included were 435 million pounds of butter, 194 million pounds of cheese, and 1,275 million pounds of nonfat dry milk. The estimated cost of dairy price support operations for the past marketing year comes close to $600 million.

Mr. Chairman, the Department of Agriculture is making every effort to utilize its stocks of surplus dairy products through donations for domestic and foreign school and welfare uses and through sales at greatly reduced prices for commercial and noncommercial export. However, the CCC's uncommitted stocks are increasing. On May 23 they totaled 302 million pounds of butter, 89 million pounds of cheese, and 338 million pounds of nonfat dry milk. Department of Agriculture officials have told me that, despite their best efforts to find uses for these surplus dairy products, the problem of freezer space for CCC's accumulating stocks of butter may become critical before these stocks can be used.

Even with sizable Government expenditures to support the price of dairy products, the dairy farmer's income remains low. During the 1950's, returns on the farmer's and his family's labor ran as low as 30 to 50 cents an hour. In 1960 dairymen in Wisconsin's Ninth Congressional District, which I represent in Congress, received only 41 cents per hour for their labor.

Developments during the past year have emphasized the shortcomings of the present legislation—the Agricultural Act of 1949. It provides that dairy supports be set at such a level between 75 and 90 percent of parity as will "assure an adequate supply". As President Kennedy pointed out in his farm message to Congress on January 31, the Secretary of Agriculture had no choice under that law but to lower dairy supports to 75 percent of parity because of the obvious oversupply of dairy products.

Mr. Chairman, the lowering of dairy supports prescribed in existing law has resulted in a 10-percent decline in income for dairymen. With dairy supports at 75 percent of parity, dairy farmers' income will fall about a quarter of a billion dollars this year. In my home State of Wisconsin, dairymen will lose $30 million in the 9-month period following the mandatory lowering of supports on April 1. Minnesota farmers stand to lose $22½ million during the same period. And even with the lower support level, the CCC's dairy purchases this year are expected to approximate last year's record volume, with net expenditures again approaching the $600 million mark.

To say that this is a serious situation would be the understatement of the year. Almost every State in the Union produces milk. It provides twice as much cash income for our farmers as any other basic crop. In addition to the farmers who produce milk, the dairy industry furnishes employment for almost 300,000 persons who process and handle dairy products before they reach the retail level.

Our present dairy problem has reached emergency proportions very similar to the feed grain emergency which we faced last year. Because of a lack of agreement among the various dairy organizations, dairy industry representatives and Members of Congress, the formulation and enactment of a long-range dairy program is obviously going to be a lengthy process. Meanwhile, I strongly feel that we must deal with the immediate emergency in this vital industry.

Mr. Chairman, under the provision of the dairy surplus reduction program, which is similar to the 1961 emergency feed grains program, dairymen would be given an opportunity to sign a voluntary agreement to reduce their marketings of milk between 10 and 25 percent of their 1961 marketings. For such reductions, they would receive a surplus reduction payment of up to $2.50 per hundredweight from Commodity Credit Corporation funds. The exact rate of payment would be a rate which the Secretary of Agriculture estimated would encourage voluntary reductions in marketings but could not exceed $2.50 per hundredweight.

Since the cost to CCC of purchasing products manufactured from 100 pounds of milk, plus storage for a short term, adds up to about $4.20, the Government would save approximately $1.70 for each 100 pound reduction in milk production. As Secretary of Agriculture Freeman pointed out when the Agriculture Committee was considering the voluntary dairy program, it would save taxpayers an estimated $54 million a year over the existing program.

He also presented a chart showing how this saving would be effected. I would like to include that chart in the RECORD at this point:

Cost comparison of present and proposed dairy programs

	Million
Estimated annual CCC expenditures, at 75 percent of parity under present law	$550
Proposed emergency program, at 75 percent of parity assuming 20 percent of producers reduce their marketings 10 percent below their sales in 1961:	
Reduction in CCC purchase cost	114
Payments to producers, at $2.50 on 2,400,000,000 pounds reduction	60
Net saving	54

The aid offered to cooperating dairymen under this voluntary program would be in addition to the assistance all dairy farmers receive through price supports, which would be contained at 75 percent of parity. The program would be in operation from October 1, 1962, through June 30, 1963.

Mr. Chairman, small producers could receive payments for reducing milk production by 7,500 pounds a quarter, even if this amounted to more than the 25-percent limitation provided in the bill. Anyone who, for some reason, has already reduced his marketings since 1961 would receive payment only on a reduction of his current marketings.

A producer who failed to reduce his marketings to the extent required by his agreement would be eligible for payment on the quantity by which he actually reduced his marketings, providing such reduction is as much as 10 percent of his normal marketing level. However, the rate of payment would be reduced by an amount equal to 20 percent of what would have been the payment on the milk that he failed to reduce.

This proposal provides that agreements entered into with producers under which they might receive surplus reduction payments may contain "such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk". With a payment rate between $2 and $2.50, there would be savings in program costs if half or more of the reduction in production covered by agreements were achieved.

Mr. Chairman, farmers selling milk under Federal milk marketing orders would be affected the same as other producers. However, they would be permitted to credit all their marketing reductions against surplus class milk. In this way, they would retain their full share of the class I value of the pool just as though their total deliveries had not been reduced.

If a long-range dairy program utilizing milk quotas is put into effect at a later date, dairy farmers who participated in the voluntary program will not be penalized with lower quotas because of production cuts under this program.

Enactment into law of this emergency voluntary program would give dairymen and legislators their first chance to see how a supply-adjustment program would operate in the dairy field. Currently, milk is the only one of our important agricultural commodities which does not have such a program. In addition to reducing our gigantic surpluses of milk and dairy products, and the subsequent reduction in the cost of purchasing and storing them, this voluntary program could very well indicate the way in which future dairy programs should go.

As Secretary Freeman pointed out to the House Agriculture Committee, the voluntary program would give individual farmers the advantage of being able to maintain their dairy income while reducing their milk production. The other major advantage would be the opportunity to accomplish some surplus reduction and to reduce CCC costs while work continues on development of a longer range dairy program.

Mr. Chairman, I firmly believe that the voluntary dairy program contained in H.R. 12391 is a sound and reasonable approach to our critical dairy situation. I feel that H.R. 12391 and its dairy section merit our support.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman.

Mr. REUSS. Mr. Chairman, I wish to commend the gentleman from Wisconsin [Mr. JOHNSON] for his constructive leadership, particularly on the dairy sections of the program.

Mr. Chairman, this is probably the last chance the 87th Congress will have to consider a comprehensive farm bill. This is too bad, because in my judgment what is needed is a farm program adjusted to our domestic and international needs of the 1960's. Whatever may be said for H.R. 12391, the bill before us, it is not such a program.

Such a program would see us move progressively from a system of high price supports that cause unwieldy surpluses, to a system where farm products sell in the market for more reasonable prices, with our fantastic improvements in agricultural productivity in part passed on to the consuming world, and with the family-sized farmer compensated directly by production payments so as to bring his family income nearer to what it would have been had he received a parity price. The dairy program of H.R. 12391, the bill before us, is a tentative step in this direction, and a good one. Would that there were more of it.

I regret that we are not now moving toward a new farm program, because there looms before us a Common Market agricultural policy that, unless checked, will raise havoc with our farm exports. As I shall make clear, I believe that that proposed Common Market farm policy must be checked. But the best way to check it is to put our own agricultural house in order, so that we may be free of the onus of protectionism ourselves as we fight protectionism by the Common Market. This we have failed to do.

Mr. Chairman, unless we can negotiate a place for American farm products in the Common Market, it is probable that most American exports of food and feed grains will gradually be squeezed out of the Common Market. I would like to explain briefly why this is so.

In the immediate postwar years, we all remember that Europe made strenuous efforts to expand its own food production because of the dollar shortage. That effort has been successful, and, together with the phenomenal expansion of European industry, has turned the dollar shortage into a dollar glut.

Expansion of Europe's own food production has inevitably cut into our share of that market. The continuation of this trend would not be expected to go far enough to cut us out of the European market for food and feed grains, so long as each nation pursued its own national farm policy. The important point to grasp is that now, the substitution of a common agricultural policy along lines now indicated for the individual national policies of members of the Common Market is certain to squeeze the United States out of that very large and important market.

Acting alone, a deficit food country would naturally import from the cheapest source, even while stimulating the production of its own farmers by price supports and other measures. But when these countries of the Common Market pool their resources under a common policy, it means that the surplus-producing members have a first claim on the markets of the deficit members.

This, Mr. Chairman, is the essence of the new threat to our exports. For any member country that can produce a surplus above its own requirements will receive preference over outside countries, like the United States, in the markets of the importing partners.

This means that France will proceed to take over our wheat market in Germany and the low countries. We know that. And it means that the expanding European market for feed grains will similarly be supplied by partner countries. This is a bitter pill for the United States. Rising incomes in the Common Market insure that consumption of animal products will increase more rapidly than consumption of cereals. Hence, the rapid expansion of demand for feed grains in Western Europe. But the principle that partner countries are to receive preference, even though their costs are higher than American costs of production, is a means not only of reducing our share of this growing market, but also of eventually squeezing us out. For the support prices inside the Common Market can be raised high enough to enable the surplus-producing partners to supply the deficit members.

Obviously, this is of vital importance to American producers of wheat and feed grains, and to our growers of rice, poultry, oil crops, and fruits as well. I repeat, Mr. Chairman, the creation of a common farm policy presents a far greater threat than individual policies of member countries, taken separately. This is simply because the high-cost surpluses of any member can be used to displace the low-cost production of the United States and Canada.

The number of draft animals in Common Market countries is already declining, as mechanization gets underway. This is certain to continue. As the number of draft animals is reduced, this will free land for the production of feed grains for Europe's growing herds of livestock. And those feed grains, unless we act, will be European high-cost feed grains rather than American low-cost feed grains.

Moreover, if Britain joins the Common Market, there is danger that the same thing will happen to our tobacco market on the continent. For, if Rhodesian tobacco is granted preferential treatment, Rhodesian exports to continental Europe will expand at our expense, just as the British preferential treatment of Rhodesian tobacco displaced American exports to Britain in an earlier period.

What can we do about this dire prospect for American exports of farm products to markets which account for such a large fraction of our commercial exports? We certainly cannot protect it by doing nothing. And the longer we delay, the more difficult it becomes to change this policy of the Common Market which is now taking shape.

We must negotiate at the earliest possible date, Mr. Chairman, and be prepared to consider fundamental changes of farm policy that will enable low-cost American food, feed grains, and tobacco to retain a place in the expanding Common Market.

The important thing I have to say, Mr. Chairman, is that delay can mean disaster. For agreements, as between members of the Common Market, are especially difficult in the area of farm policy. And, once these agreements are firm, they may be impossible to change.

In that case, 1962 might become the year that the locusts have eaten.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. HARDING].

Mr. HARDING. Mr. Chairman, it is not with a great deal of pleasure that I find myself standing in the well in a position of at least partial opposition to the majority of the members of my committee both on the majority side and on the minority side. Last month I supported the administration's omnibus farm bill because I believed it offered a solution to the farm dilemma. I believe one solution is truly supply management and an honest attempt to bring our production into balance with our ability to utilize the commodities produced on our farms. This attempt was voted down. So now here we are again today faced with the necessity of doing something to solve the problem of our unmanageable feed-grain surpluses. Just to illustrate how bad this problem really is—in 1952 when Secretary of Agriculture Ezra Taft Benson went into office, he stated that through a program of flexible price supports he hoped to eliminate the surpluses.

In 1952 we had in storage under Government inventory and under Government loans, 541 million bushels of feed grains. It was valued at $740 million.

Ten years later, today, we have in Government inventories and under Government loans, 2,783 million bushels of feed grains valued at $3,271 million. Now I am speaking of feed grains alone. It is costing us over $1 million a day just to pay the storage, carrying charges, and interest to store this surplus feed grain. In the last 10 years we have spent nearly $3 billion just on storage, carrying charges, and interest.

I think something must be done. But unlike Secretary of Agriculture Ezra Taft Benson, I do not think it can be done gradually. For that reason, I intend to offer an amendment to the feed grain section of this bill. We do not have any controls now over feed grains, and my amendment would eliminate all price supports on feed grains and provide that the Commodity Credit Corporation would dispose of the surpluses in CCC storage over the next 15 years at the rate of one-fifteenth per year, in a manner so as to have the maximum effect to insure that the stocks of highest quality are kept in storage and also to insure the minimum effect on market prices.

I am sure that this will not be a popular amendment. With many people from areas that produce great amounts of feed grains this could well be referred to as the amendment that shot Santa Claus. But I think if we are sincere, and if we really want to get the Government out of agriculture—now is the time for us to act. Every feed grain farmer in America and every producer of corn, grain sorghums, rye, oats, or barley will know when he sows his crop this fall or next spring that he will be able to go to the marketplace and he will receive the market price for what he produces. If the market price is 75 cents a bushel, that is all he is going to get and the Government is not going to bail him out. If the market price is $1.50 a bushel, he will receive that price, but there will not be any addition to the storage and there will not be any price supports.

I sincerely hope that the majority of the Members of the House after hearing my amendment explained, when we come to that section of the bill, will feel that they want to take action; and that we will return feed grains to a free market on the same basis as livestock, potatoes, as citrus fruits, other fruits and vegetables and agricultural commodities.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Chairman, as the gentleman from Idaho [Mr. HARDING] has just stated, we all want to save our taxpayers' dollars. I might point out, too, that during the last 11 years or so, we have given Yugoslavia around $415,000 a day in aid of one type or another, but we always find it convenient to make the grain storage industry the whipping boy when it comes to debating a farm bill. I do feel the farm program is one area we can and should save money but we must also be realistic.

There is considerable doubt on our side of the aisle about the parliamentary situation so I shall ask the vice chairman of the committee, the gentleman from Texas [Mr. POAGE], to respond to some questions. As I understand the parliamentary situation, and I am not trying to interpret what the situation in the Senate might be, there are three courses open to the Senate. First, they can accept our bill. Is that correct?

Mr. POAGE. Yes; if we pass this bill and it goes to the Senate they could accept it without amendment.

Mr. DOLE. Second, as I understand, it could be referred to the Senate Committee on Agriculture and Forestry and, of course, there the committee could act on our bill.

Mr. POAGE. That is right.

Mr. DOLE. Finally, under the broad rules of the Senate they could amend this bill on the floor of the Senate and attempt to resurrect the old Senate bill in that way.

Mr. POAGE. Whether they can take a bill directly from the House to the floor of the Senate I do not know. I do not know what the Senate rules require in that respect, but I do not see how it could go directly to the floor without going to the committee.

Mr. DOLE. Without any disrespect to the Senate, the committee vote turning down the Senate bill 23 to 12 ought to make it very clear farmers do not want a tight control program. Many of us recognize imperfections in this legislation but feel it is the best bill possible this year. It is a compromise bill and because of this it is most unfortunate the Secretary of Agriculture on the day before this bill was to be considered in the House felt constrained to blast Republicans. I cannot understand the attitude of the Secretary unless he hopes to kill this compromise measure by his outburst for I personally know that he has alienated many supporters on the Republican side of the aisle. It appears to me that since the Secretary of Agriculture and the President have been unable to accept legislative defeats without subsequent angry, bitter, and partisan statements, it might be well for them to spend a couple of weeks in Hyannis Port where they might rest and fill themselves with tranquilizers.

The House Committee on Agriculture has made a very sincere effort to resolve some of the differences which were apparent in the consideration of the last farm bill before the House and in view of the attitude of Mr. Freeman, I regret that he announced yesterday he had no intention of resigning as Secretary of Agriculture.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I want to compliment the gentleman from Kansas for having the foresight in March of 1961 along with myself, the gentleman from Nebraska [Mr. Weaver] and my colleague, the gentleman from Minnesota [Mr. Langen], who voted for the original voluntary feed grain program. By so doing the gentleman from Kansas helped to prevent defeat of the original feed grain program and hence gave the farmers at least an opportunity to determine for themselves whether the legislation was sound.

Mr. DOLE. I thank the gentleman from Minnesota, and as the gentleman well knows, this program is not perfect but it is essentially a voluntary one wherein farmers may or may not participate, as they see fit. The gentleman from Minnesota has a long distinguished career in the field of farm legislation beneficial to farmers and I know that his consideration of the legislation before us today is based on his sincere efforts to strengthen farm economy not only in the State of Minnesota but throughout the Nation.

Mr. Chairman, I yield back the balance of my time.

Mr. HOEVEN. Mr. Chairman I yield 5 minutes to the gentleman from Ohio [Mr. Latta].

Mr. LATTA. Mr. Chairman, I take this time to forewarn the House that I plan to offer two amendments to this bill. One will deal with the dumping provisions which are still in the bill, permitting the Secretary to continue to dump feed grains on the market, as he has been doing to keep the price of feed grains down. I have continuously opposed this policy of the Secretary and I think we should write something into the legislation today to prevent a continuation of this practice.

The second amendment I shall offer would raise the price support, now in the bill, for feed grains from 80 percent of the last 3 marketing years to 90 percent. I offered this amendment in committee and it was defeated. I forewarned the committee at that time I would reoffer the amendment on the floor of the House.

I am of the opinion that the price support for the 1964 feed grain crop as proposed in this bill is much too low. I think the 90 percent would be much better than 80 percent.

I also take this time, Mr. Chairman, to say that I shall support the Quie amendment to give the Secretary of Agriculture some discretion in dealing with the classes of wheat. I have long advocated on the floor of this House that we should have some differentiating legislation dealing with classes of wheat, as all classes of wheat are not adding to the surplus. I shall for that reason support the Quie amendment.

In conclusion, may I say I feel this bill will pass today with bipartisan support and will probably pass overwhelmingly. This is due not only to the fact it is stripped of mandatory controls that were in the bill that we defeated just a few weeks ago but also due to the fact that the people downtown have learned a lesson from the defeat of that bill. That is, that they should leave the legislating to the legislators and keep their lobbyists out of the halls around this Chamber.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McIntire].

Mr. McINTIRE. Mr. Chairman, I want to mention one or two points. To those who have taken the time to look at the committee report, I am sure you are aware of the fact I am one of the three members on the minority side referred to earlier who did not support this bill in committee.

There are a number of reasons, but the reasons which I have set forth, in company with the gentleman from Illinois [Mr. Findley], were my major reasons. I think the dairy provisions of this bill are not in the constructive interest of the dairy industry. I have not been in sympathy with the proposition of allowing the Secretary of Agriculture to control the open market price on grain. I am also not in sympathy with the action of the Secretary in the use of section 22 of the Interstate Commerce Commission Act to give preferential treatment in the price of grain to one section of the country to the detriment of producers in another section of the country; both producing for sale in the same markets.

There has been much discussion of this bill in relation to feed grains, and particularly corn, that I think it is appropriate to have in the Record what is happening to some other commodities in the field of agriculture. We ought to have in the Record at this time what is happening to the commodity soybeans.

On May 31, 1961, under price support loans, there were 1,685,000 bushels of soybeans. On May 31, 1962, there were 77 million bushels. Much is being said about how much is being saved under the provisions of this bill, but let me point out that on May 31, 1961, the investment in soybeans was $3 million, and 1 year later $175 million

Now, these are dollars just the same as though they were being saved on corn, one might say. If I were a soybean producer, I would perhaps think that $2.30 might be a pretty good level of price supports, but I would certainly look back to where I was about 2 years ago and begin to realize where I am going, because the direction which this program is taking the soybean producers means only one thing, that is, they are going to have suggested to them that they have only one out and that is to take on a production control program.

Let us look at the dairy industry for just a moment. I think one of the most serious things that happened to the dairy program was when, in the fall of 1960, this Congress, just before the election, took the political expediency to legislate an increase in dairy support programs, and then unfortunately the Secretary of Agriculture took another political step and increased the support levels when he came into office. You all know where the dairy support program is today. From zero inventories of butter in January of 1961 we are now well up to 400 million pounds of butter as of June 30, 1962. From zero inventory on cheese, we are now well up to 93.8 million pounds as of the same date, and on dried milk, June 30, we are up to 475 million pounds. What does this mean? From a very substantially sound situation, after an expenditure of only about $136 million a year, this program has now moved up to a cost of close to $600 million. This is the direction of two commodities, and I think that it is time to take pause in this program of increasing the level of supports and getting these commodities into a predicament where the alternative is to go under production controls. Where are those who campaigned on party of income? I have listened to many speeches on this floor condemning those who were looking at a level of price supports in the marketplace that 90-percent support was not enough; they said it ought to be 100 percent. This bill, as has been reported to you by the majority and the minority, has corn in here at a ceiling of 80 percent and has taken out any floor under the commodity corn, and for all practical purposes has removed it as a basic commodity. I sincerely hope that the dairy provision in this bill will be removed, and I will be happy to support any proposal in that direction.

Mr. SCHADEBERG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHADEBERG. Mr. Chairman, I have in my district a nonpartisan committee of farmers representing different types of farming. While these men have not and would not tell me how to vote but would expect me to make my decision on the basis of all the information available to me, I did contact each one of them and after explaining to them the salient features of the bill, I asked them for their opinion. These are men on the farm, making their living off the farm. To them it is a way of life, not merely a means of making a living. I believe we should be knowledgeable of their views.

From Juda:

> We want less controls. Our county is one of the richest agricultural counties in the country and yet we're hurting badly right now.

From Kansasville:

> Feed grains and wheat programs are only stopgap measures and we could have done better over the long haul without them. We don't want them. I would like to see the Government clear out of agriculture—no controls—no subsidies. However, they must ease out over a period or it would be devastating. Maybe we ought to extend the present program for 1 year but I'm still against it in principle. It is not in the farmers' interest over the long run.

Elkhorn:

> I think dairy provisions should be left out. It might be a few dollars extra to the farmers this year under a voluntary program but it's designed to make for a compulsory program next year. I milk 50 cows twice a day and I'd just as soon the Government stay out.

Elkhorn:

> We haven't gained much by the present program (feed grains and wheat). Past and present programs are like Government saying they'll give us a choice—of shooting ourselves or hanging ourselves.

On milk:

> I believe in handling marketing at the local level. Each city or milk-marketing area should make its own rules.
>
> There's much criticism of paying the farmer not to produce but it's the same as labor being paid for a 48-hour week even though he works only 40 hours.

Racine:

> If it's anything like the last farm bill (the one the House defeated) I'm against it.
>
> If the milk program is along the lines of the feed grains bill I would be definitely against it.

Gentlemen, I am aware that perhaps no bill upon which we vote is perfect and so there is an argument for compromise. However, I cannot see the wisdom of continuing a program that has been a failure. It is argued that the only way we can save money on the farm program is to have complete controls. I agree. Yet even if we could find perfect men to direct the program no amount of money saved would be worth the loss of freedom of America's farmers.

I shall vote against this bill. I will look forward to making some real progress and thus turning our backs on failures. Let us develop a realistic program of phasing Government out of agriculture over a reasonable length of time so that we can be assured that never because of Government interference—howbeit in the best intentions—that never will the farmer be forced into the position of becoming a tenant of the Government while dwelling on his own land.

Mr. HOEVEN. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, I wish to compliment the leadership's fine attitude expressed here on both sides of the aisle—I intend to vote for this bill. I shall however propose some amendments that I feel will improve the bill and make it a better, more workable measure.

I offer for the consideration of this Committee some proposals for a long-range program that I believe will be effective and acceptable.

When Congress faces up to the task of dealing with farm legislation, many of us worry a bit about what kind of an animal will be trotted out this time.

A careful examination of farm legislation over a period of many years can lead only to one conclusion and that is that there has constantly been a greater disposition to legislate programs designed to get votes rather than results.

It is also crystal clear that no program has existed long enough to prove itself. The result is that the farmer has become the victim of a badly bungled mess. The farmer now finds himself becoming the whipping boy of an irate public that does not realize that many of the farmers have never asked for many of the proposals foisted upon them. Vast numbers of farmers have gone about their business operating their family livestock farms, producing crops, feeding it out to their livestock. They have not contributed to the bulging stockpiles of surplus grain.

It must be said, however, that all farmers would benefit by a farm program if it works.

From the best information I could get, we had in 1958 about 338 million acres in production in the United States. The production from almost half of that total, or 156 million acres, was fed on the farms.

It seems quite clear, if we hope to get adequate land retirement to balance supply and demand, it will require participation of all the farmers to do the job.

I would like to review some of the statements that have been made here on the floor:

Statements have been made: If the farmer is to get Government supports, he should be willing to do something for it. I agree.

We have heard statements that the Government must reduce storage costs, and so forth. I agree.

We have heard statements that we must have rigid regulations and quotas; penalties and jail sentences in order to have an effective program. I disagree.

I assume it is our responsibility as Members of Congress to offer alternative proposals as a substitute. This I propose to do. In 1960 some of us introduced a bill to reduce surpluses by a land retirement program much like the present feed grain law. This proposal was introduced by a number of Midwest Republicans. The plan provided for land retirement. It was voluntary. It provided payment in cash or in kind. It did not give the Secretary market-busting authority.

I voted for the feed grain bill presently in operation after it was confereed and limitations placed on the Secretary relative to sale of surpluses.

The Secretary as well as farm organizations has stated that cheap feed means cheap livestock. Section 3 of the feed grain bill gave unlimited authority to drive the market down, and under this law the Secretary set supports at 74 percent of parity. The farmer had no chance to get an adequate price in the market or from the Government. Vast amounts of grain have been sold to speculators at prices far below cost of production out of commodity credit bins. In most cases the farmer found it difficult to buy at the same level. It has now, however, been demonstrated that great participation in the voluntary program by the farmers resulted. On the other hand, by the route of strict quotas and regimentation many inequities could and would result.

The Secretary of Agriculture himself hailed the feed grain law a great success and if his statements were accurate its continuation would certainly result in a drawdown of surplus grain in storage, hence a savings of storage fees and costs to the Government. No law could, by the wave of a magic wand, cause 9 billion of surplus to disappear overnight. The reduction of the surplus must be accomplished on a gradual basis so as not to disrupt the market unduly.

The administration proposal, H.R. 11222, previously considered at this session of Congress obviously had little enthusiastic support from farm organizations and likewise little support in the committee. After months of consideration and considerable political pressure it came out of committee with a one-vote margin. In the frantic effort to pass this bill, 34 amendments were added to the bill to give special exemptions. These provisions were nothing but loopholes. As a result, the production reduction would have applied most heavily to 13 States and payment for idle acres would phase out in 3 years. Taxes and interest on investment still would have to be met. Many Congressmen voted for the bill after the bill was fixed up so it did not apply to their States.

In the debate some speakers pointed out how well quotas and controls had worked in cotton, tobacco, rice, et cetera. The facts are, while reduction was accomplished in these commodities, cross compliance was not required. Today you will find thousands of acres of soybeans, corn, wheat, moving in on acres formerly in cotton and tobacco.

The administration approach seems to be to expand the use of quotas to feed grains, dairy products, or all of the 256 agricultural commodities. The recent scandals in the farm program has been by wheeling and dealing in quotas—cotton and rice. By the expansion of this system we can expect more of the same.

However, the total cultivated acres can easily be established for each farm. There could be no illegal dealing in commodity quotas—farms cannot be moved around from county to county, State to State; as was done in the quota racket.

I have no quarrel with the cotton program; I do not propose to try to tell the tobacco or wheatgrowers what to do. I would like to point out, however, that the cotton program, while hailed as a great success, is tremendously expensive. We strangely hear little talk about that. Under terms of the cotton program, the support maximum is 90 percent. It presently is supported at 82 percent. Feed grains at 74 percent.

I do ask that the feed grain farmers be given a chance to advance under a workable program for the feed grain production. While I do not oppose extension of the feed grain program, I would respectfully recommend for consideration a long-range program which would provide in general terms, that—

First. All farmers participate in a land retirement program. If a farmer refuses to take land out on a voluntary basis, he forfeits any and all payments and supports that come from the Federal Government.

Second. In dealing with land retirement we have in mind that each farm has individual characteristics adapted to different types of family-farm operation and that instead of dealing with separate commodities as we now are doing, we deal with total cultivated acres on each individual farm, requiring a certain percentage of reduction.

Third. The payment could be a modest one per acre if the farmer wishes to receive cash, and if the farmer operates a livestock farm where all of his feed is used on the farm, make a liberal payment out of surplus feed to replace the feed that he would have raised on his own acres. The requirement in this case would, of course, be that these commodities be not thrown back into the competitive market.

Fourth. The Secretary of Agriculture should be given the flexibility of adjusting supports up or down within certain reasonable limits. It has been demonstrated in the instance of soybeans where the support price was set too high that in 1 year you will have a surplus. It could likewise be demonstrated that by reducing the support price you would reduce the production in 1 year's time. This would not require an army of policemen to enforce. You would have the wholesome attitude of voluntary participation which could be stimulated tremendously under a tillable acre approach. It would provide some flexibility of operation that could accommodate the individual characteristics of every farm in the country.

Fifth. Commodity Credit surpluses should not be dumped as permitted under the present program. We should revert back to the previous level at 105 percent of supports—higher would be better.

Sixth. I recommend an on-the-farm storage program, liberalized over the present procedure and made more acceptable, reducing the redtape involved, where the farmer by signing proper agreements with the local ASC committee would build storage on the farm which could be amortized out of storage fees. This facility when fully amortized by fees collected becomes the property of the farmer but would be available for surplus grain on the farm at no cost to the Government. This could be a long-range program that would not violently disrupt commercial facilities but would progressively move toward a proper location of the stored grain right on the farm where in many cases the farmer would buy it back at a later date. I have no objections to a reasonable commercial storage participation, but we have seen the extremes come about which is not good even for the grain trade.

It becomes clear that many assume that the problems of agriculture will be solved if production is cut, unit prices raised. Such a step with moderation is necessary. However, we cannot and must not overlook the fact that the merchandizing of our product must be improved not only in the domestic market but in the world market as well.

If we proceed with a program depending on the Government as our market as well as our salesman, we are in trouble.

With the Common Market development in Europe it becomes evident that we must do a better job of selling; a better job of negotiating—because we cannot maintain our agricultural economy with just a domestic market—even at a high unit price. We must develop and expand our world markets to produce an adequate dollar income to support our agricultural economy.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. MacGREGOR. Mr. Chairman, I should like to commend my colleague, the gentleman from Minnesota [Mr. Nelsen], for the program which he is presenting here today. I have had an opportunity to study it. It represents a constructive approach to the solution of a difficult problem, an approach not characterized by a "politics first" attitude toward the problems of American farming today.

Mr. Chairman, I was disturbed, as others were, by the flareup of the Secretary of Agriculture at his press conference yesterday and specifically by his comments after he reportedly lost his temper. The Secretary used a double standard in criticizing Members of Congress who successfully fought against his blueprint of regimentation for our farmers; Republicans were "irresponsible" while the 48 Democrats who voted to reject his scheme were "a small minority who had some honest differences." This sounds like the false comment of the day before when 21 Senators who opposed higher taxes to finance limited health care for the aged were called a handful of Democrats. What we need is less petty partisan politics as shown by these intemperate statements, and more statesmanlike leadership as demonstrated by the gentleman from Minnesota [Mr. Nelsen] in offering his farm program.

Mr. COOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. Smith].

Mr. SMITH of Iowa. Mr. Chairman, H.R. 12391, now under consideration, provides for a 1-year extension of the current voluntary feed grain adjustments and the semivoluntary wheat program. These programs are a great improvement over going back to those in effect in 1960. Corn stocks are being reduced by 360 million bushels this year, the first reduction in 10 years. A market has been provided for that amount of corn that would have now been in Government storage, farm income has increased, the cost to the taxpayers has been reduced and consumer costs have not risen as a result.

Wheat stocks also will be reduced 225 million bushels as a result of the 1962 wheat program.

They also have improved farm income. They should be continued until better long-term programs are available to take their place.

FEED GRAINS DIFFER FROM WHEAT AND COTTON

A mistake made by some supporters of the proposed mandatory feed grains program was to assume that the enforcement procedures of the relatively successful wheat, cotton, and tobacco marketing quota programs would apply equally well to feed grains. Farmers grow wheat, cotton, or tobacco for direct sale. Every producer is directly interested in the market price and the price support level for these crops. But a majority of feed grain producers do not sell their crops—they feed them to their own livestock. Only about one-third of the feed grain producers voting in a marketing quota referendum would be sellers of grains for cash. A larger number would be net buyers of feed grains.

Overall, less than 40 percent of the feed grains are sold off the farms where grown. To be sure, the largest and most productive farms sell a large part of their feed crops for cash. But the average size and smaller than average feed and livestock farms often are net buyers. Farmers generally are aware that an oversupply of feed leads to cheap livestock. Yet, many who feed all they produce are more concerned about the feed production base for their livestock than they are about feed grain price support levels. Because of these differences a successful mandatory feed grains program will differ substantially from the wheat and cotton programs. We also should remember that cotton, wheat, tobacco, and rice producers were free to plant diverted acres into feed grains. Feed grain producers could not divert to other basic crops that they could efficiently produce.

VOLUNTARY PROGRAM COSTS REASONABLE

The voluntary feed grain program first enacted in 1961 and continued in 1962 is proving to be even more successful than expected. It has cut Government costs. It has increased farm income. Feed grain carryover stocks have been reduced 13 percent. These stock reductions were achieved in spite of experiencing in 1961 the best feed grain growing weather and the highest acre yields on record. If average weather prevails in the current growing season stock reductions in the next 12 months will be even greater. Contrary to expectations, participation in the 1962 program is higher than it was in 1961. Apparently a lot of feed grain farmers understand the problem and are willing to participate on a voluntary basis on the terms offered them. And even more surprisingly, perhaps, the production of the noncooperators has not increased. The July crop report shows that the 1962 acreage of corn for grain is 2 percent lower than in 1961.

We have been told over and over again that the voluntary program if continued for several years would fail because of a drop in participation and because of increased plantings by nonparticipants. I have been concerned about both possibilities. I am somewhat reassured by the higher participation in the 1962 program and the July crop report.

In my own State of Iowa, the major corn producing State, 56 percent of the farmers participated in the 1961 program. They diverted 2.8 million acres from feed grain production to conservation uses. This year 60 percent of the farmers signed up to divert over 3 million acres. The July crop report shows that Iowa farmers—including all participants and nonparticipants—reduced their acreage of corn for grain by 3 percent, or over 300,000 acres this year as compared with last.

It demonstrates that as long as stocks are excessive and are used to make payments in kind, Government stocks can be reduced and costs lowered by continuing a voluntary program. Experience indicates that in some respects the voluntary program can be tightened up and made even more effective. And, contrary to the mistaken opinions of many, Government costs for the feed grain programs have not been out of line with Government costs for the wheat and cotton programs. The value of the feed grains produced each year is more than the combined value of the wheat and cotton crops.

For the last 9 years, the costs of the feed grain price-support programs have averaged only 5 percent of the value of the crops produced. During the same period wheat price-support program costs averaged 12 percent and cotton price-supports costs averaged 8 percent of the value of the crops harvested. These costs include realized losses of the Commodity Credit Corporation and the export subsidies paid on these crops. They do not include the cost of surplus sales under title I of Public Law 480 where only local currencies are received. If the cost of these sales were included in the annual costs, those for wheat, especially, would be much higher.

Feed grain program costs in relation to the value of the crops protected have been low. But they appear even lower in relation to the value of feed crops, livestock, and livestock products sold. Feed grain supports—and storage programs—have stabilized and prevented substantial declines in livestock prices. For the last 9 years feed crop, livestock, and livestock product sales have averaged about $20 billion a year. During this period average price support costs were less than 2 percent of the value of these products sold. No other mandatory price-support program has equaled this record for low costs in relation to the value of the incomes stabilized.

Fully as important, since the acreage diversion payments under the current voluntary program are paid for in kind; that is, by the sale of feed grains from Government stocks, the real or net cost to the Government is less than the value of the payments to the producers. The net cost to the Government of the voluntary feed grain program is running less than 8 percent of the value of the crops protected or about 2 percent of the value of the feed crops, livestock, and livestock products sold.

These costs are lower in terms of value of crops protected than the costs for the mandatory price-support programs except tobacco.

There has been far too much misinformation on this point. The net cost of the voluntary feed grain program is not only less than under the 1958 legislation, on a value-of-product basis taking into account surplus sales for local currencies—it is less than half as costly as the wheat and rice programs. Voluntary feed grain program costs on this basis also are substantially less than for the mandatory cotton and peanut programs.

FEED GRAIN SURPLUSES AS RELATED TO ACREAGES DIVERTED FROM WHEAT AND COTTON

There has been far too little attention directed to, and understanding of, the extent to which the wheat and cotton programs have diverted acreages into feed grain production. I do not oppose these programs at this time. They have been effective in protecting and maintaining wheat and cotton producers incomes but consideration must be given for their effects upon other commodities.

Without them income from the sale of wheat would have fallen nearly one-half and income from the sale of cotton would have fallen 15 percent or more. Yet the fact remains, since 1952–53, feed grains were increased 13 million acres in the Mississippi Delta, Plains, and Western States where 13 million acres have been diverted out of wheat and 8 million acres out of cotton production largely as a result of farm programs—Agriculture Information Bulletin 239, table 9. March 1961.

In the period 1954 to 1960, these 13 million additional acres produced 8 to 10 million tons a year, or a total of 50 to 70 million tons of feed grains. These 50 to 70 million tons of feed grains produced on diverted wheat and cottonlands may be compared with the carryover stock of feed grains in 1960 of 85 million tons.

A decline in feed grain acreages in other parts of the country offset a part of the diversion to feed grains from wheat and cotton in the Mississippi Delta, Plains, and Western States. But the record is clear: the national net increase in feed grains in the past 10 years of 8 million acres has been largely the result of acreage divisions resulting from the wheat and cotton programs. Thus a large part of the buildup in Government stock of feed grains was almost directly the result of the wheat and cotton programs.

FEED GRAIN PROGRAM BENEFITS CATTLEMEN

While major benefits of feed grain adjustment and price-support programs in the first instance flow to the producers of feed grains, feed grains are only a third of all feeds utilized in livestock production. And since all feeds to an extent substitute for each other, feed grain producers, as a result of competitive forces, cannot avoid sharing their gains with producers of range forage, hay, and pasture. Feed grain adjustment programs, by holding the supplies of feed grains in check, increase the value of all other feed supplies.

Livestock producers also benefit from feed grain programs which hold supplies in check for the balanced supply of feed grains keeps livestock production from exceeding market needs. Economic studies indicate that if we do not continue a feed grain price support and land retirement program similar to the present one we must expect a decline of $2 billion or 10 percent in the income from sales of feed grains, livestock, and livestock products within a few years.

If, however, we continue programs similar to those at present we can expect further increases of $1 to $2 billion in livestock producers' incomes in the near future. The projected differences between no program and an effective feed grain program in cash income from the sale of livestock and livestock products is $3.5 to $4 billion or 15 to 20 percent.

And, contrary to much misinformation which has circulated in the cattle producing States outside the Corn Belt, economic studies demonstrate that effective feed grain programs help rather than hurt cattle raisers.

Economists at the land-grant colleges and in the Department of Agriculture have projected a drop in cattle prices to $15 to $17 per 100 pounds by 1965 if feed grain and wheat programs were discontinued. Income from the sale of cattle and calves would be at least 10 percent lower than if effective programs are continued.

With smaller marketings of all meat animals resulting from balanced feed grain production both fattened and unfattened beef cattle prices would be higher than otherwise. Producers of feeder cattle for fattening receive 30 to 40 percent of their income from the sale of cull breeding stock. Although the feeding margin would be wider on grain fattened cattle to cover the higher cost of feed grains, the higher value of fattened animals would permit stable or higher prices for feeder animals.

The higher prices for cull breeding animals and stable or higher prices for feeders would result in income improvement for cattlemen even though they did not produce any feed grains.

Cattlemen who oppose feed grain adjustment programs overlook the effects of competitive economic forces. Under competitive conditions prevailing, feeder cattle prices would not be adversely affected by balanced feed grain supplies; there would be higher prices for finished animals and prices definitely would be higher for cull breeding stock.

FEED GRAIN ACRES DIVERTED TO PASTURE REDUCE PRODUCTION TWO-THIRDS

Under the current programs acres diverted from feed grains and wheat are put to conserving uses—except for a few special crops. Pasturing is permitted only in drought or flood areas. This gives the programs their maximum effectiveness in reducing total farm output.

If it were necessary to reduce the Government cost of programs, however, cattle raisers would not be hurt and the livestock industry would benefit from a program which merely diverted feed grain acreages to pasture. For the Nation as a whole, it is estimated that if pasturing were permitted on the acres diverted from feed production, the feed value of the pasturage would be equivalent to only one-third of the feed grain production avoided. Such a program would be two-thirds as effective as the current program in holding total farm output in check.

Equally important a transition period would be provided because most of the pasturage would be utilized by beef breeding herds and would not increase market supplies of beef cattle for another 2 or 3 years. Projections indicate total feed utilization of beef cattle would be increased by 2 percent or less by a feed grain adjustment program which diverted feed grain acres to pasture as necessary to balance feed grain production with market needs. This would be fully offset by the improvement in market prices for cattle resulting from the smaller marketings of all other meat animals and livestock products, associated with smaller feed grain supplies.

STABLE PRICE SUPPORTS AND CONTINUED ACREAGE DIVERSION NEEDED

In view of our experience with the current voluntary feed grains program, if it is continued for another year or two after 1963, carryover stocks will be reduced to desirable levels of approximately 40 million tons. Once stocks are reduced to desirable levels acreage diversion programs can be reduced almost one-half, and costs can be reduced in proportion.

Recent weather investigations carried on by Dean Thompson of Iowa State University indicate that unusually favorable weather has contributed substantially to the high corn and grain sorghum yields in each of the years 1958 through 1961. Two-thirds of the increase in corn yields in the central Corn Belt States in 1961 over 1960 could be explained by the unusually favorable weather—the most favorable weather on record—according to Dean Thompson.

The amount of acreage diversion needed from year to year to keep feed grain supplies in balance with market needs, of course, will depend on the trend in acre yields. The trend in acre yields, in turn, will depend on the rate of increase in fertilizer use and other technical improvements and on the weather.

As I see it, if we are to avoid a major decline in feed grain and livestock prices and producers' incomes we must maintain stable price supports. We must draw existing carryover stocks down to desirable levels and prevent future major buildups. We must divert as much feed grain acreage each year to unharvested conservation uses or pasturage as necessary to accomplish these objectives. We also must prevent further diversions from other lines of production, such as wheat or cotton to feed grains.

I am confident Government costs can be reduced even further if an acceptable program can be developed to accomplish these objectives. I have always favored programs wherein all producers can share in their benefits. I hope that the administration and the Congress will be able to develop a more acceptable feed grains program in the next 12 months than the one that was defeated this year.

The situation is not without hope. Some gains have been made under the emergency feed grains program. Feed grain stocks are now being reduced. Reduced production on the part of cooperators is not being offset by increased production on the part of noncooperators. Government costs are being reduced and will be even lower when no further stock reductions are necessary.

With stable price supports, authority to sell stocks at up to 10 percent below the support level when stocks are excessive and reasonable acreage diversion payments—utilizing payments in kind when stocks are excessive—feed grain and livestock producers' prices and incomes can be stabilized at 20 to 30 percent higher levels than under free market conditions. And these results can be achieved at costs which are not out of line, on a value-of-product basis, with the price support costs for wheat, cotton, rice, and peanuts.

I hope it will be possible during the coming year to get general agreement on some guidelines from which a program can be developed that will provide reasonable prices in the marketplace, less direct involvement by the Government, less cost to the taxpayers, and stable plentiful supplies for consumers at reasonable prices—after carefully studying the present situation as outlined above—and somewhat to my surprise—I am of the belief that such a solution is possible.

Mr. ROBISON. Mr. Chairman, I suppose my vote against H.R. 12391—the most recent version of the Food and Agriculture Act of 1962—will, in some quarters, be interpreted as an act of negativism. I also suppose that if this bill is defeated—as I hope it is—the Republican minority of this body will once again be cast by the President in the role of a villian tying the heroine of progress on the rails of obstruction.

However, the plain truth of the matter is that this legislation—like the earlier bill—originated out of the White House by way of the Secretary of Agriculture, leaving it up to Congress either to accept or reject it, and I, for one, am not about to convert myself into a rubberstamp merely to avoid the appearance of obstructionism.

This bill is not a good one—even as stopgap legislation—and the reasons why it is not good, either for the farmer or the people, have previously been expressed by such of my colleagues as the gentleman from Maine [Mr. McINTIRE] with whose remarks I wish to associate myself.

If for no other reason, I would also have to oppose this bill solely on account of the dairy provisions still therein contained, which are not only unworkable but are also designed to lay the basis for future stringent production controls on milk and milk products which I am certain the dairy farmers I represent are totally unwilling to accept.

Still, those of us who continue to oppose legislation that trends in the direction of this must have an alternative. Without such an alternative, our position is somewhat less than responsible. A partial alternative—if no new legislation is adopted this year—is automatically provided for us in the form of the 1958 act, to which we would revert for corn and other feed grains, and the 1949 act, to which we would revert, apparently, for wheat. Perhaps both of these former programs are defective in one way or another, under today's conditions, but it is my considered judgment that they are preferable to the feed grains and wheat sections of H.R. 12391, and will be considerably less expensive to operate.

As for the dairy surplus problem, much of that was caused by the scramble to build bases set off by announced plans to seek production quotas, and a bumper crop stimulated both by favorable weather conditions and the Secretary's unfortunate decision to raise price supports a year ago this March. All of these factors would be missing this year, and milk production might well seek a more realistic level on its own without further tinkering.

But these automatic alternatives are little better than stopgap measures on their own. For the long run—as I have always felt—we must embark on a new course as soon as possible, turning off the road of greater and greater Government control and on to one designed to restore a free market in farm products within the shortest possible time. This can be done and—I believe—without undue hardship for our farmers by recourse to a land-retirement program such as that now advanced by the American Farm Bureau Federation, or by adoption of some such a program as that recently advocated by the Committee for Economic Development designed to divert those people who should not, any longer, be in the farming profession—people who have been held virtual captives in that profession by just such legislation as that before us today—into some more useful and truly productive line of work.

I know that there will be those who will say that such a course is neither practical nor possible—but I wonder if they will recognize that they, too, by so saying, might just possibly be negative obstructionists?

Mr. JENSEN. Mr. Chairman, I had hoped that this Congress would pass a bill such as the bill I introduced, which provides for very liberal payment in kind instead of paying cash out of an already bankrupt U.S. Treasury for reducing the production of feed grains.

There is, I am pleased to say, a provision in this bill now before the House, which permits a producer of feed grains to accept partial payment in kind, which is a step in the right direction. Many of my colleagues, and hundreds upon hundreds of farmers in my district and elsewhere, who have made a study of my bill have asked me why Congress does not see the logic in my bill and pass it. To that question there can be but one answer. The powers that be in the Department of Agriculture must be fearful that, if my bill is made law, thousands of the brethren who are now drawing good pay in the Department, would soon be out of a job, due to the simplicity of administrating the law. Hence they oppose it. Here is an explanation of my bill H.R. 11941. I hope we can pass it in the next Congress.

H.R. 11941 is a complete farm bill, easy to understand and to administer, and which, if enacted into law, will quickly reduce the huge price-depressing surpluses of feed grains at little cost, while at the same time provide great benefits to our farmers nationwide, and do it on a voluntary basis with no penalties imposed on any farmer. Participation will be no problem because of the liberal benefits provided. Here are the principal provisions in my bill in a nutshell, and in understandable language.

H.R. 11941 provides for liberal payment in kind to the farmers who reduce by at least 10 percent but not more than 33⅓ percent, the number of acres they had in corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed production, on an average during the previous 2 years. Such reduction entitled a participating farmer to receive a Government certificate valued at 80 percent of the average previous 2 years' production on the idled acres. This certificate entitles the owner of same to withdraw grain in kind from Commodity storage for his own use, or else he can sell his certificate to a neighbor, grain dealer, or to anyone else except back to Uncle Sam. For example, if the average yield of corn during the previous two years was 70 bushels per acre on the idled acres, the farmer would receive 80 percent of 70 bushels, or 56 bushels of high feed value corn for each acre so idled, and if lower feed value corn is accepted, the participant would receive more bushels in ratio with its feed value, should he elect to take the corn from CCC bins for his own use.

By this method, it is estimated that the average acreage reduction would be about 20 percent below the previous 2 years' production. Added to that reduction would be the automatic 20 percent reduction in available grain brought about by allowing 80 percent withdrawal instead of the full 100 percent.

As I said at the outset, if the bill is made law it will, as you can readily and clearly see, quickly reduce the price-depressing surpluses of all grain. Nothing in my bill affects the conservation reserve law now in effect, nor does it affect the present payments for certain soil conservation practices, and so forth.

The Secretary of Agriculture shall provide for sharing of certificates among the producers on the farm on a fair and equitable basis. H.R. 11941 does amend the Watershed Protection and Flood Prevention Act in a number of respects, as recommended by the Chief of the Soil Conservation Service as does the committee bill now before the House.

Now in conclusion, I can only say that all who have knowledge of our farm problem and its causes will, I am sure, after studying my bill come to but one conclusion, which will surely be that if H.R. 11941 is made law, the farm problem will soon be solved, and over a billion dollars annually of our already overburdened taxpayers will be saved.

The taxpayers of the United States now own over $5½ billion worth of feed grains, and it is all paid for; I ask in all seriousness, why not use it to solve the farm problem and to pay the bill?

Now, Mr. Chairman, since I have learned by counting noses of the Members of the House, a majority of whom are already committed to support the bill now before the House, I have decided not to offer my bill as a substitute to the committee bill.

It is now crystal clear that the committee bill is the best we can expect to pass under present conditions and circumstances, hence I shall vote for it, and because so long as the spread between the cost of everything our farmers must buy, and the price he receives for his grains, eggs, poultry, milk, and livestock, is so great, many farmers need some help to even keep his books in balance.

Mr. RANDALL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RANDALL. Mr. Chairman, I rise in support of the Food and Agriculture Act of 1962, H.R. 12391. First, let me say that during the debate today we have observed many Members who opposed the omnibus bill debated a few weeks ago, who were found to be in favor of the measure today. Furthermore, Mr. Chairman, it has been my observation that some Members who are supporting this bill today were the same ones who were in strong opposition to an almost identical measure a year ago. My conclusion is that surely these Members must have seen some merit in the operation of the feed grains program during the past year.

We have listened today and heard it said by several Members that this bill does not do everything that everybody would want or hope for, which is about the same as saying no one supporter is completely happy with all the provisions of this bill. Everybody has found just a little something wrong with the bill. But it is a fact that more Members spoke for this bill today, on both sides of the aisle, than for any farm bill in many years. We hope this is an indication that these same Members are about ready to take a nonpartisan stand to work out the farm problem. The fact of the matter is, a similar bill has been tried for 1 year and proven that it does work.

It is an inescapable conclusion that the majority of the membership must have recognized that the alternative to passing a bill today is a return to the 1958 law under which tremendous surpluses were built up.

It has been shown and demonstrated by actual operation that the feed grain program has worked in comparison to what would have been the situation had there been no law during the past year. This has proven workable by reducing supply below consumption levels. It reduced production of feed grains by 150 billion bushels below disappearance and will reduce wheat about 200 million bushels below disappearance. At the same time, it has increased the farmers income by about 10 percent, and with it all, Mr. Chairman, there is no showing that it has increased consumer food prices.

One of the major beneficiaries of the similar bill passed last year has been the small businessman and this has been for the reason that farmers could draw one-half of their diversion payments immediately. This became available for them to spend and gave our farmers confidence that they would have some money available which they could use to pay their expenses. Mr. Chairman, such payments might be compared to a minimum-wage provision for industrial workers. They knew they would have some source of income as a minimum. To farmers this became a sort of insurance program, but by whatever description, it provided something on which they could plan. This gave them confidence. They knew they could meet their expenses.

No, Mr. Chairman, this measure is certainly not perfect, but it is so much better than returning to the old Benson Act. The vote should pass the House by a big vote of approval.

Mr. McDOWELL. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Dent] may extend his remarks at this point in the Record and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. DENT. Mr. Chairman, in the original proposal for farm legislation, Pennsylvania farmers felt that they were going to be injured by its passage.

Today we face the same problem even if it is disguised as new legislation.

What disturbs the farmers in our State is the possibility of conference action putting in the same discrimination features against the deficit feed grain States.

If this happens, then we are in the same dilemma we would have been in if the original farm bill passed.

I, therefore, believe that a few of us, who are seriously disturbed by this possibility should protest with our votes, in order that the conferees will not be footloose and fancy free with the welfare of the some 73,000 farmers in our area.

I cannot see how legislation that gives a State the size of Pennsylvania a mere $151,835 out of the better than $2 billion in the feed grain program expenditures can be supported by our Members.

JULY 13, 1962.

Re H.R. 12391.
Hon. JOHN H. DENT,
Member of Congress,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN DENT: As you are probably aware, the House Agriculture Committee has reported H.R. 12391.

The Pennsylvania Farmers' Association is opposed to this farm bill for the following reasons:

1. Costs—the so-called emergency wheat and feed grain programs have been expensive. Secretary Freeman has estimated the cost of a program for 1963 at $2,400,000.

In Pennsylvania, 17 farmers received payments of $151,835 for reducing their feed grain acreage in 1961. The farms receiving this money were large farms and incorporations; not average farmers.

The feed grain program is supposed to, but in practice does not, benefit the so-called small or even the average farmer.

2. In Pennsylvania, most of our feed grain is fed to livestock. Government programs, therefore, merely stimulate production encouraging some farmers to raise grain for Government storage which costs all taxpayers.

3. The House has already defeated one bad farm bill. The Senate has passed a bill nearly identical to the House defeated measure.

If the House were to pass H.R. 12391, it would go to the Senate-House conference committee.

Senator Humphrey recently stated that "House leaders expect to approve a revised farm measure extending for another year the emergency wheat and feed grain programs. This then can be used as a vehicle to salvage many of the sections of the administration bill which passed the Senate only to be beaten in the House."

This is our real fear. All of the House efforts could be washed down the drain as the conference committee adds the measures so violently attacked in the House.

The Pennsylvania Farmers' Association urges your all-out support to defeat H.R. 12391.

Sincerely yours,

G. A. Biggs,
President.

In view of this record, insofar as Pennsylvania farmers are concerned, I have no alternative but to vote against the present farm bill.

The time has passed when we can keep draining the farmers of one State to help the farmers of areas that produce surpluses year after year and are better off financially for so doing.

Mr. Chairman, recently I voted against H.R. 11222. The arguments against the legislation emanating from the small family farms in my district were not fully contained in the Record.

At this point I want to put these arguments in their proper perspective while we discuss the present amended version of farm legislation.

I am convinced that the sooner we tackle this legislation from a realistic farm economy viewpoint, the better we will manage our farm problems.

There has been a great deal of talk about helping our farmers. It might be good to review the following:

NOTES ON THE FAMILY FARM

Most of the farms in the country—3.7 million in all—are family farms. This has been true since the beginning of this Nation, and I hope and expect that it will continue. The family farm nourished and trained a large part of the population of this country. Even today, when we have only 12 percent of our people directly on farms and the remainder in towns and cities, most of us have a real interest in some farm, some rural area, some open space.

The family farm is operated by and for the family. It is home and job all wrapped together, often on the same land and in the same house where generation after generation of the same family has lived.

Wolfden Holsteins,
New Alexandria, Pa., July 17, 1962.

Congressman John H. Dent,
Old House Office Building,
Washington, D.C.

Dear Congressman Dent: We received the copy of the Yearbook of Agriculture and thank you again for it.

From what we read, it appears H.R. 12391, the new agriculture bill reported by the House Agriculture Committee, is coming up for House consideration presently.

It is a known fact that last year's emergency feed grain program did not effectively reduce feed grain production and proved to be a very costly program to the Government. How then can reinacting it under title III of H.R. 12391 expect to do any better? We agree strongly with what you said in your letter to us on July 9, "This is archaic thinking on our farm problems."

What concerns us greatly is that if this bill is passed and goes to the House-Senate conference committee that we will end up with a final bill containing production control features of the administration bill passed by the Senate. Then the way would be paved for more and more Government control of our business.

May we again ask you to oppose H.R. 12391. We would hope that the House Agriculture Committee could produce a better bill than H.R. 12391.

Thank you for your consideration.

Sincerely yours,

Boyd E. Wolff.
Margaret G. Wolff.

You will note from the following USDA chart that Pennsylvania farm population is fourth in number of farms with bases of 25 acres or less out of 30 States and second in number of acres in feed grains in 50 States:

TABLE 7.—*Feed grains: Estimated applicability of 25-acre exemption under the provisions of administration feed grain program* [1]

State	Estimated number of farms with bases of 25 acres or less [2]	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less (thousand acres)
Maine	1,079	96	8.5
New Hampshire	906	93	8.1
Vermont	3,482	90	37.1
Massachusetts	1,684	88	17.4
Rhode Island	240	83	3.0
Connecticut	1,802	85	21.9
New York	31,045	81	319.8
New Jersey	3,608	64	44.9
Pennsylvania	56,586	81	857.2
Ohio	57,907	55	649.2
Indiana	39,056	39	476.1
Illinois	25,749	20	296.4
Michigan	45,283	63	545.0
Wisconsin	64,528	61	796.0
Minnesota	28,001	25	357.6
Iowa	18,164	12	236.8
Missouri	46,584	48	512.5
North Dakota	2,375	6	31.7
South Dakota	2,872	7	22.4
Nebraska	4,231	6	52.4
Kansas	16,690	24	173.5
Delaware	1,840	50	22.3
Maryland	11,099	66	113.9
Virginia	56,386	89	463.4
West Virginia	20,063	96	101.3
North Carolina	*128,926*	88	*1,059.6*
South Carolina	50,241	87	426.4
Georgia	45,508	60	453.4
Florida	6,079	51	60.0
Kentucky	82,526	82	686.4
Tennessee	79,944	82	661.9

See footnotes at end of table.

TABLE 7.—*Feed grains: Estimated applicability of 25-acre exemption under the provisions of administration feed grain program* [1]—Continued

State	Estimated number of farms with bases of 25 acres or less [2]	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less (thousand acres)
Alabama	62,844	73	642.9
Mississippi	82,176	89	722.1
Arkansas	31,121	91	210.7
Louisiana	31,061	91	259.2
Oklahoma	9,131	34	61.1
Texas	28,442	36	264.1
Montana	3,899	25	59.3
Idaho	4,937	54	58.7
Wyoming	1,098	39	13.2
Colorado	390	10	3.0
New Mexico	474	26	5.8
Arizona	301	23	2.3
Utah	5,538	70	53.6
Nevada	216	54	2.3
Washington	2,334	35	21.9
Oregon	4,734	53	48.7
California	1,352	18	22.6
United States	1,204,532	54	11,976.5

[1] The exemption applies to base acreage in H.R. 11222 and to acreage allotments, and was deleted from the Senate bill (S. 2786) before it was reported as S. 3225.

[2] Includes corn, grain sorghums, and barley. If oats is included, as in H.R. 11222, percentage of farms would be smaller in most States.

What better proof do we need that in most of our deliberations on farm legislation we seem to overlook the importance of this legislation to States such as Pennsylvania, Ohio, New York, and Michigan, which all too often are loosely cataloged as industrial States.

Even counting our industrial might and its importance to our economy, it is foolhardy to ignore the great need for a positive and progressive farm program for these States.

A significant factor also seldom noted is that our farms are in the main self-sustaining and therefore may be considered by the same fuzzy thinkers to be as expendable as our many industries that are being driven into oblivion by our negative trade policies.

I find no mention in our Constitution where we must serve the common good by destroying one element or section of our society to enrich another.

All of us have and are still paying our share toward the common good.

In this we have no complaint but to deliberately allow ourselves to be destroyed economically in order to build up the economic well-being of others to a point beyond the well-being of ourselves is not a constitutional nor a moral obligation.

We shall help but we must be able to help. We cannot help when we are destroyed.

Dear Congressman Dent: The intent of this letter is (1) to alert you to how serious Pennsylvania farmers would be hurt by the enactment of either H.R. 11222 or S. 3225, and (2) to urge your full opposition to these bills.

Our opposition to the dairy, wheat, and other sections of these bills has been discussed with you in previous correspondence. This letter concerns itself with feed grains.

1. Considerable confusion and misinformation exists on the feed grain small farm exemption. Proponents are saying, "If you grow 25 acres or less of corn you are exempt." This is a gross untruth.

2. Bill says, "No marketing quota shall be applicable to any farm with a base acreage of 25 acres or less if the acreage does not exceed the farm base acreage" (p. 25, H.R. 11222).

3. Bill says, "Principal grains used for livestock feed are corn, barley, grain sorghums, and oats." Marketing program provides for a "single quota" applicable to all feed grains (p. 16, H.R. 11222).

4. Bill says, "acreage of wheat for farm use shall be considered as an acreage of feed grains in determining average acreage of feed grains" (p. 24, H.R. 11222).

5. Bill says, "farm base shall be average of feed grain acreage for the years 1959 and 1960" (p. 23, H.R. 11222).

6. An example:

(a) In 1959–60 a farmer grew an average of 5 acres of oats for feed, 5 acres of barley for feed, 5 acres of grain corn for feed, 5 acres of corn for silage (not exempt in bill), for a total of 20 feed grain acres.

(b) Farmer's base is 20 acres; not 25 acres. The 25-acre small farm exemption does not apply because his base is less than 25 acres.

(c) Farmer's choice:

(1) Because his base is less than 25 acres, he may stay out of the program, but he cannot grow more than 20 acres.

(2) He may choose to enter the program and accept a 20-percent acreage cut in return for price supports. Of course, this farmer feeds this grain and therefore he would not have enough production from 16 acres (20-percent cut) to feed his present livestock.

(d) If farmer desires to increase his feed grain acreage above his base, he would be prohibited. For example, if the above farmer put on 10 more cows he would not be able to increase his base acreage to feed his cows.

The only way this farmer could obtain grain to feed his cows would be to buy it and most likely at prices higher than he could raise the grain.

(e) This bill, with all of the proponent's sugar coating removed, denies farmers who produce less than 25 acres of feed grains, for their own use, the right to vote unless they are in the program, and places stiff penalties on them if they try to raise enough feed for their own livestock.

7. An example:

(a) In 1959–60 a farmer grew an average of 20 acres corn for feed, 5 acres wheat for feed, 12 acres oats for feed, 5 acres barley for feed, 1 acre rye for feed, 15 acres corn for silage, for a total of 58 acres of feed grain. (Figures from 200 Pennsylvania farms.)

(b) Farmer's base is 58 acres.

(c) Farmer's choice: because his base is greater than 25 acres he has no choice. He would have to be in the program and would come under marketing quotas with a cut in acreage.

(d) This farmer, as do most Pennsylvania farmers, use most of their home produced grain to feed to their own animals. This farmer, because of quotas, would be forced to reduce his feed grain production, and in turn, the size of his farm operation. This leads to form inefficiencies and to higher food prices.

8. As a Pennsylvania Congressman, you can readily see that all farmers raising grain and livestock (95 percent of the farmers) would be severely affected by H.R. 11222 or S. 3225.

We ask your opposition to these bills; they are not good for Pennsylvania farmers; would increase price support and administration costs, and would increase food prices.

Congressman John H. Dent,
Old House Office Building,
Washington, D.C.

Dear Congressman Dent: As registered Democrats, we are very much alarmed by the farm program being pushed by our administration in Washington.

We thought you would be interested in how the proposed legislation of H.R. 11222 would affect us personally—as it will affect most of the other farmers in Westmoreland County.

In 1959 and 1960 the feed grains grown on our farm averaged, for the 2 years, just under 57 acres. In 1962 we have 72 acres in feed grains. Both these figures exclude wheat which is sold. All of the grains, excepting a small surplus which is sold, is consumed by our livestock here on the farm. The talked-about 20 percent cutback on the 1959–60 base acreages would reduce us to 46 acres of feed grains for 1963. This would mean we would have to purchase roughly two-fifths of the feed grains for the 1963–64 feeding season. The additional expense of purchasing this feed grain would sharply reduce our net farm income, both by its cost and by lowering the operating efficiency of the machinery which we have purchased over the past few years.

Simply speaking, H.R. 11222 would prevent us from growing sufficient feed for our own dairy herd. Also, most farmers we know in Westmoreland County grow feed grains only for their own livestock's use.

We ask your wholehearted opposition to H.R. 11222.

Thanks for your cooperation and we would be interested in learning your stand on this issue.

Sincerely yours,

Boyd E. Wolff.
Margaret G. Wolff.

Westmoreland County
Farmers' Association,
New Stanton, Pa., June 4, 1962.

Hon. John H. Dent,
Member of Congress,
House Office Building,
Washington, D.C.

Dear Congressman Dent: Thank you for your letter of June 4, asking for my appraisal of the NFO letter sent to you May 22.

The letter stated: "Those who believe in so-called free markets and the elimination of the Government from the picture, they will for the first time have a chance to vote for this." To me this is a gross untruth, the bill provides no realistic choice and I'm sure you're aware of the strong-arm tactics stipulated in the bill. In essence, farmers are given no choice; they either accept the Government program of supply control or face the threat that the Government will dump millions of tons of grain on the market to depress prices. This does not sound like America to me.

Of course, the NFO people are in the surplus part of the country and would have an advantage—they're near the surplus suppliers and could buy all the cheap feed they could handle. Pennsylvania farmers would be adversely affected, as this cheap feed would encourage production in dairy, poultry, and livestock in the western part of the country and would reduce our income.

At the present time 95 percent of Pennsylvania's farmers feed all the feed grains they produce. We have no need for price supports and we certainly have no surplus of feed grains in this State. H.R. 11222 would cut our feed grain acreage to the place we would not be able to produce enough feed to feed our livestock. We're being paid $3.60 per hundredweight for milk; how are we going to be able to go to market and buy our feed grains?

The administration's 1962 farm bill would be bad for all Pennsylvania and northeastern farmers, taxpayers, and consumers.

Sincerely yours,

Mrs. Nancy Funk,
Legislative Chairman.

P.S.—I can certainly see this bill would be good for Government planners and supply managers who want their jobs to be bigger, last longer, and cost more money.

June 8, 1962.

Re H.R. 11222 and S. 3225.
Hon. John H. Dent,
Member of Congress,
House Office Building,
Washington, D.C.

Dear Congressman: The farmers of the Commonwealth of Pennsylvania are greatly disturbed about the farm legislation now pending before the House.

Several Pennsylvania farmers, Democrats and Republicans, devoted a good farming workday, June 6, to contacting their neighbors on H.R. 11222 and S. 3225 because of the serious effect these bills would have on their farm operations.

The results of the June 6 contacts were as follows: (1) 300 nonfarmers' association members contacted—260 farmers paid $15 to join the Pennsylvania Farmers' Association to help fight pending farm control legislation; (2) 1,600 Pennsylvania Farmers' Association members contacted—1,550 Pennsylvania Farmers' Association members said they would ask their Congressmen to oppose bills and would explain how bills affect their farm operations.

Typical comments:

"I raised an average of 30 acres of feed grains in 1959–60; I have 50 acres planted this year; I feed all of my grain to my own livestock; this bill would reduce my feed grain acreage by about 20 acres; I would be prohibited from raising enough grain on my own farm to feed my own livestock; I could buy the needed grain but the high price supports would make my grain costs higher; price supports are of no value to me because I feed all of my grain; I just can't believe that this is America; high price supports naturally encourage production—they will never decrease production; I raised 12 acres of feed grain in 1959–60—I could not raise any more because my base is 12 acres under this legislation; the 25-acre exemption does not apply to me or to my neighbors because our base acreage is 15 acres—not 25 acres; all I ask is that I, as an American, be permitted the American privilege of producing enough feed for my own animals."

The vast majority of the farmers in Pennsylvania are opposed to the farm legislation now pending before the House. Consumers should also be opposed; food costs will rise; farm program costs for storage could decrease but these costs would be more than offset by payments to farmers—the net result will be increased farm program costs to all taxpayers.

The above information is for your use and serious consideration. As president of the largest organization in Pennsylvania, having an active membership comprised of people who earn over 50 percent of their income from farming, I urge your opposition to the farm bills now before the House.

In a poll taken in the 21st District of Pennsylvania, 87 of all who responded expressed opposition.

New Alexandria, Pa.,
May 28, 1962.

Congressman John H. Dent,
Old House Office Building,
Washington, D.C.

Dear Congressman Dent: We, the undersigned, are writing to reaffirm our opposition to the Food and Agriculture Act of 1962, now know in its amended form as H.R. 12391. We ask that you vote to defeat this bill.

Although the dairy section of this bill has had production quotas eliminated, we feel this bill, if passed, would be only one step from regulating dairy farmers with quotas as is stipulated for corn and wheat.

Also no cost of administration is given the bill. We think this figure would be large. For example, to enforce the dairy section which calls for payments for reduction of production, a large staff would have to be maintained at taxpayers' expense. We know only too well that dairymen are numerous and located in most every county in the United States.

May we again urge your support for the two farm bills sponsored by the American Farm Bureau Federation. These being H.R. 9722 and H.R. 10247, both introduced by Frank Clark and yourself. These bills attempt to achieve maximum results per dollar spent—a fact all taxpayers will appreciate.

Sincerely yours,

Hill Topper Advisory Council of the Westmoreland County Farmers' Association: Mrs. Olga Hamoch, James R. Hornock, Margaret G. Wolff, Mildred Walters, Jerome Eidemiller, James E. McQuaide, Virgil C. Walters, Boyd E. Wolff, Margaret McQuaide.

Press Release From the Office of Congressman John H. Dent

Congressman John H. Dent, Democrat of Pennsylvania, today called the Department of Interior to reject the Japanese bid for two 70,000 horsepower hydraulic turbines for Yellow Tail Dam in Montana. The Allis-Chalmers Co., of York, Pa., was the lowest bidder.

Dent said:

"The time has long passed when we could allow the unrealistic 6 percent differential allowance by the American and foreign bids for Government procurement to stand in the way of American jobs—6-percent differential was established by President Eisenhower reducing the differential from an original 25 percent which was in effect prior to the Eisenhower administration. If a 25-percent differential was required to guarantee American equality in competition bidding with foreign production at that time, certainly a differential of 6 percent is unrealistic and an absolute guarantee that no American company producing turbines already within the United States can hope to be successful in Government procurement.

"A practical competitive differential must be established by the President if we are not to endanger this industry. It is becoming apparent that the Government's latest in procuring foreign-made products is putting heavy pressure on private consumers within the United States to follow the lead of the Government," stated Dent.

"If private industries succumb to this pressure, the loss in American job and American production may create a national economic disaster," Dent concluded.

Mr. MORRIS K. UDALL. Mr. Chairman, I doubt that there are a dozen Members of the House who have not during the past 12 months made speeches supporting the idea that the Government must "get out of agriculture" and return it to the workings of a free market. Yet when these beliefs were put to the test by the Harding amendment to H.R. 12391 only 79 Members voted in favor of a substantial step in that direction. I was one of the 79.

I have a tremendous respect for Agriculture Secretary Orville Freeman. I think the Nation owes a tremendous debt of gratitude to anyone who is willing to tackle what I consider the second most difficult job in the country. He has displayed exceptional courage, initiative and good hard work in tackling a whole series of impossible problems. I do not wish to add to his troubles, but I believe this bill is a mistake.

Our present agricultural programs, built in a patchwork fashion over the past 20 years, have utterly failed to resolve our farm problems. I think the taxpayers and urban consumers of this country—along with a majority of farmers—are fed up with these crazy, open-end, blank-check programs. I think it is time we reversed the trend and really started back toward a free market for agriculture instead of just talking about it. In my opinion the Government should resume as soon as possible its traditional role of serving farmers only through programs such as research, extension agents, information, loan assistance, and rural electrification.

As a nation we cannot long continue to produce 50 percent more farm products that we can consume. At a time when our Federal budget is $6 billion out of balance we cannot afford to spend $3 to $4 billion on programs which do not work.

Sooner or later we are going to reduce our farm production to the level of demand. This will occur either first, through the imposition of farm controls which actually control; or, second, through the operations of a free market. I prefer the freedom route and will vote against H.R. 12391 for this reason. It was my thinking previously that the majority of the Members of Congress were not willing at this time to take any meaningful steps toward a free market; for this reason I supported the next best alternative—the Kennedy-Freeman bill which the House rejected last month. I refuse to support any further temporary, or piecemeal, or voluntary programs of the kind which pile up more surpluses and cost more billions. I hope the Congress in the next session will take a hard and realistic look at all of our farm programs. I hope we will never again enact sugar legislation which requires American consumers to pay more than twice the world market price.

H.R. 12391 carries an estimated price tag of $2.4 billion. I refuse to buy it.

Mr. COOLEY. Mr. Chairman, I do not desire to yield any further time.

Mr. REUSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twelve Members are present, a quorum.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

Sec. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them for the purpose of conserving and developing soil, water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided,* That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

Sec. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build industrial parks or establish private industrial or commercial enterprises."

(b) Section 32 of title III of the Bankhead-Jones Farm Tenant Act as amended, is amended by amending subsection (e) thereof to read as follows:

"(e) to cooperate with, enter into agreements with or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

Sec 103. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

SEC. 103. Section 2 of the Watershed Protion 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided*, That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further*, That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further*, That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided*, That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement of any modification thereof: *Provided further*, That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered by titles, and that title 1 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 24, after "them" insert "and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act)."

The committee amendment was agreed to.

Mr. REUSS. Mr. Chairman, I offer an amendment to title I.

The Clerk read as follows:

Amendment offered by Mr. REUSS: Page 2, line 13, after line 12, strike out lines 13, 14, and 15, and insert the following:

"(4) by adding the following new subsections at the end of section 16 of said Act:

"'(e) The Secretary of Agriculture shall not enter into an agreement in the States of North Dakota, South Dakota, and Minnesota to provide financial or technical assistance for wetland drainage on a farm under the authority of this Act, if the Secretary of the Interior has made a finding that wildlife preservation will be materially harmed on that farm by such drainage and such finding, identifying specifically the farm and the land on that farm with respect to which the finding was made, has been filed with the Secretary of Agriculture within 90 days after the filing of the application for drainage assistance: *Provided*, That, in States where the acquisition of wetlands has been approved by the State, the limitation against offering such financial and technical assistance shall terminate one year after the date on which the adverse finding of the Secretary of the Interior was filed unless during that time an offer has been made by the Secretary of the Interior or a State government agency to lease or to purchase the wetland area from the owner thereof as a waterfowl resource. The provisions of this subsection shall become effective August 1, 1962.

"'(f)(1) For the purpose of promoting the conserva-'".

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to my colleague from Wisconsin.

Mr. JOHNSON of Wisconsin. Am I correct in saying that this is the same bill that passed the House last year by unanimous consent and is over in the Senate Committee on Agriculture at the present time?

Mr. REUSS. That is correct; with very minor technical exceptions, it is identical.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I would like to assure the gentleman that I am making every effort I can to get it out of the Senate Committee on Agriculture. This is the same bill that passed the House by unanimous consent a year ago and is now over in that committee and I hope that the chairman of the House Agriculture Committee will try to help to get it out of that committee.

Mr. REUSS. Mr. Chairman, I might say to the gentleman from Wisconsin that this amendment which I am offering today passed this body by an overwhelming vote as recently as June 20 but, of course, disappeared with the failure of passage of the first farm bill itself. It is also quite correct, as my colleague has said, that this amendment, in bill form, unanimously passed the House last September 1961, but has unfortunately been before the other body ever since without any action having taken place.

I regret to say that unless we can bring it before them in a conference report, I do not anticipate that action will be taken. I can think of no conservation measure more important than to end the indiscriminate payment of taxpayers' subsidies to farmers, particularly in the prairie area, to drain the last vestiges of wet lands where our ducks and geese on the North American Continent are bred.

A recent report from the Federal Fish and Wildlife Service shows that the population of American waterfowl is at an 11-year low already, as the result of the subsidization of land drainage projects. More than half of these breeding places have been drained in the last 10 years. So I think it is important that a measure directed at preserving one of our great American resources, our wild waterfowl, that annually bring so much joy not only to the hunter and naturalist but to every American family, should be enacted.

Mr. GATHINGS. If the gentleman will yield, I am wholeheartedly in favor of the gentleman's amendment. The Committee on Agriculture approves it, and I hope the gentleman's amendment will be agreed to.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Massachusetts.

Mr. CONTE. I want to compliment the gentleman on his amendment and support it wholeheartedly. I hope the amendment is adopted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Texas.

Mr. POAGE. I want to explain to the House that I was the chairman of the subcommittee that heard the testimony on this subject. We reported it favorably. I voted for this proposition each time it has come before us. I think it is a sound and proper approach. However, I do not think that this farm bill should be made a vehicle on which to attach all of the desirable proposals that each and every Member of the House has with any hope of passing a farm bill. It will be the purpose at least of the leadership of the committee to oppose all amendments which are brought before us.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield.

Mr. ANDERSEN of Minnesota. I think that purpose is very commendable.

Mr. POAGE. I thank the gentleman. I think the passage of a farm bill at this time happens to be of even greater importance than the passage of the wetlands bill. I supported the wetlands bill. I will support it again when it is before us in proper form. But I do not believe that it is the proper thing to try to put all of these measures on this bill. The only comfort I get out of this is that it is obvious that there are Members of the House who now believe that the farm bill is going to pass. They see that this is something that is going to happen this afternoon and think that this is a good chance to try to tie something to the bill and get passed what they have not been able to get passed otherwise. I would not say this wetlands bill could not pass on its merits, because I think it has merit to pass.

Mr. REUSS. As the gentleman says, he has been considerate and unflagging in his effort to help me on this amendment, which is now an old chestnut, because I have been putting it in for 4 years. At the same time, I am sure the gentleman was not referring to the gentleman from Wisconsin when he talked about people who were looking for a free ride on a bill to get legislation through, because this farm bill before us has among its statement of purposes "to conserve natural resources," and I cannot imagine anything more dedicated to conserving natural resources than a bill to conserve waterfowl.

Mr. POAGE. It is entirely in order, and very harmonious with the purposes of this bill. But there are many amendments, some that I wanted on this bill and wanted desperately, but I could not get them. I am not going to offer them on the floor of the House because some do not want my amendments or they would have been in the bill. That is true of every one of you who has an amendment. Some do not want your amendment or it would have already been the law no matter what it is. Let us this afternoon make a decision on whether we are going to pass a farm bill or whether we are going to try to pass somebody's special idea.

Mr. BASS of Tennessee. If the gentleman will yield, with that same logic we should not have brought the bill up, because some people do not want the whole bill.

Mr. POAGE. It is perfectly true that some people do not want the whole bill, but I am one of those who believe that the passage of a farm bill is of paramount importance.

In order to get a farm bill, many of us on both sides have made serious concessions. I want to say now while I have the opportunity that I think my colleague the gentleman from Iowa [Mr. HOEVEN] and the gentleman from Minnesota [Mr. QUIE] have made concessions. I think that on this side we have made concessions. I think we are doing the thing that is necessary to get this type of legislation, and unless we are able to keep the big objective in mind rather than seeking to do the little things, no matter how meritorious they may be, we are going to wind up here failing to do the big thing.

Mr. HOEVEN. If the gentleman will yield, I want to concur in the statement made by the gentleman from Texas. I have an amendment which I consider to be very important, which I proposed to the feed grain section, both in the committee and on the floor of the House when we considered the omnibus farm bill. Although it has a great deal of merit, I am not offering it at this time. As I said earlier in my remarks from the well of the House a while ago, it is my sincere hope that we would keep this bill within reasonable bounds and not tie a lot of amendments to it which would make it very difficult for us to act in the Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ARENDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twelve Members are present, a quorum.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The question was taken; and on a division (the Chair being in doubt) there were—ayes 30, noes 51.

Mr. REUSS. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

Mr. FENTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENTON. Mr. Chairman, the Pennsylvania Farmers' Association is opposed to this farm bill first, because of the costs. The so-called emergency wheat and feed grain programs have been expensive. Secretary of Agriculture Freeman has estimated the cost of a program for 1963 at $2,400 million.

In Pennsylvania, 17 farmers received payments of $151,835 for reducing their feed grain acreage in 1961. The farms receiving this money were large farms and incorporations, not "average" farmers.

The feed grain program is supposed to, but in practice does not, benefit the so-called small or even the average farmer.

Second, Mr. Chairman, the Pennsylvania farmers are opposed to this bill because in Pennsylvania, most of our feed grain is fed to livestock. Government programs, therefore, merely stimulate production encouraging some farmers to raise grain for Government storage which costs all taxpayers.

Third, Mr. Chairman, Pennsylvania farmers have a great fear, and rightly so, because of what might happen in a legislative conference. The House has already defeated one bad farm bill. The Senate has passed a bill nearly identical to the House-defeated measure. If the House were to pass H.R. 12391, it would go to a Senate-House conference committee.

According to reports it was pointed out that House leaders expect to approve a revised farm measure extending for another year the emergency wheat and feed grain programs. Certain sources immediately pointed out that "this then can be used as a vehicle to salvage many sections of the administration bill which passed the other body only to be beaten in the House."

This, Mr. Chairman, is the real fear of the Pennsylvania Farmers Association. All of the House efforts could be washed down the drain if H.R. 12391 is adopted.

I, therefore, urge the House to defeat H.R. 12391. Rather than have this kind of a bill become law, the Pennsylvania farmers desire that no new farm legislation be passed at this session. The act of 1958 would then go into effect for corn and other feed grains in 1963. If given opportunity to work, this program would be preferable to the costly and ineffective emergency feed grain program.

If no legislation is enacted and wheat support prices are allowed to remain at the minimum permitted under the Agricultural Act of 1949—and already announced by the Secretary of Agriculture for the 1963 crop—there will be a reduction in export costs on the order of $128 million in addition to an estimated saving of $345 million from the termination of land retirement payments.

The dairy situation was improving until price supports were raised and proposals for milk quotas caused many producers to expand production beginning April 1 this year. It would be far better to permit the program to operate without further tinkering with the support level than to adopt an unworkable program which moves in the direction of compulsory milk quotas.

Again, Mr. Chairman, in behalf of the members of the Pennsylvania Farmers' Association, and taxpayers everywhere, I want to emphasize that under present conditions the most constructive action that can be taken is for the House to reject H.R. 12391.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Saylor: Page 5, line 15, strike out section 103.

Renumber the following sections.

Mr. SAYLOR. Mr. Chairman, on March 11, 1954, the original bill known as the Watershed Protection and Flood Prevention Act was before the House. On that date the chaiman of the committee, Mr. Hope, stated that the Flood Control Act of 1936, which was being amended by this bill, would not affect any of the 11 projects which had already been started under that original act, and that the purpose of this bill was only soil treatment of very small dams on small watersheds at the heads of the tributaries. There was absolutely no conflict between the Army Engineers and the Bureau of Reclamation.

If you will look at the amendment you will find that what they intend to do is to increase the authority of the Watershed Protection Act by allowing them to increase the size of the reservoirs. They are going to jump from 5,000 acre-feet to 12,500 acre-feet. In other words, what they are now doing is just what some of us predicted in 1954 they would be doing with this Watershed and Flood Protection Act, and that is getting into conflict with the Army Engineers and the Bureau of Reclamation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. COOLEY. I do not have the information before me, but I am under the impression that the Army Engineers have agreed to this recommendation.

Mr. SAYLOR. I went back and looked when the proceedings on the Watershed Act of 1954 were had and the gentleman from North Carolina wondered where I got the information when I read the record and the Army Engineers' recommendations in 1954. At that time they predicted that this is just what the Watershed Protection and Flood Prevention Act would do.

What you are doing is creating a third agency of Government to actually be in competition with the Army Engineers and the Bureau of Reclamation.

Mr. COOLEY. If the gentleman will yield, I understand that the Corps of Army Engineers joined with the Secretary of Agriculture in recommending this action. This matter came to my committee by the recommendation of the Department of Agriculture.

Mr. SAYLOR. I would still say that despite the fact that the Department of Agriculture wants it, it is just what some of us predicted they would be doing. They are creating another agency downtown to go around all over the country and build bigger dams. If you pass this, mark my word, the next time you bring a farm bill up here instead of this being confined to the small watersheds at the heads of tributaries, you will be asked to go down these streams and build bigger dams. This is the worst duplication of Government effort I have seen.

In 1954 you created a third agency. They are not satisfied with the size that they were given and now they want to become as big as the Corps of Army Engineers and the Bureau of Reclamation.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. McINTIRE. Those of us on the subcommittee dealing with Public Law 566 I think are perfectly aware of the fact that there is a close relationship between the Corps of Engineers and the jurisdiction of this Public Law 566. We have very diligently tried to keep these projects very much in the upstream watershed area.

This recommendation came to the committee, as the chairman has said, as an administration recommendation. The subcommittee that considered this, after going over the many projects which we have reviewed, felt that stepping up the size of these reservoirs was not in serious conflict with the corps, because we felt that the total program kept us very well within the upper portions of these watersheds. I appreciate the gentleman may have a different viewpoint, but certainly it is not the intention of the committee that this change will be a major change or that it will attempt to go farther downstream.

Mr. SAYLOR. What the gentleman is saying is that an increase of 2½ times in the size of the reservoir you are going to build will have no effect? This I do not believe. I hope this section will be stricken from the bill.

Mr. JENSEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. Saylor].

Mr. Chairman, it has been my great pleasure for the last 25 years or more to work with the Soil Conservation Service in the great job they have done for all of the American people.

There was a time when the Army Engineers did not cooperate fully with the Soil Conservation Service. But that day has passed. The Army Engineers and the Soil Conservation Service are now working hand in glove to do a good job for America.

The Army Engineers only operate on navigable streams. These amendments simply provide that the Soil Conservation Service under the Watershed Act, which is so popular in America, will have the authority to build low dams on small streams and just on small tributary streams. It simply makes the Soil Conservation Service and the Army Engineers more effective in the flood-control and soil-conservation program.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. The gentleman from Iowa [Mr. Jensen] for the last 20 years or more has been one of the leaders relative to watershed protection, and I believe the Members of the House should listen to him today. Certainly the amendment offered by the gentleman from Pennsylvania [Mr. Saylor] should be defeated.

Mr. JENSEN. I thank the gentleman.

The gentleman from Minnesota, H. Carl Andersen, is one of the coauthors of the Watershed Act. He knows this amendment is not in the best interests of our country.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. There is another leader in the soil-conservation field, and a good one, Bob Poage. I am happy to yield to my friend.

Mr. POAGE. I thank the gentleman.

I would like to call the gentleman's attention to the fact that the Soil Conservation Service has approved this section, and the Bureau of the Budget approves it, and they told us that the Army Engineers had agreed to this.

Mr. JENSEN. Yes.

Mr. POAGE. The proposal here is to deny to the Soil Conservation Service the right to build dams of 12,500 acre-feet.

Mr. JENSEN. Yes.

Mr. POAGE. With the idea that somebody else will build them.

Can the gentleman tell us how many of less than 12,500 acre-feet the Army Engineers have built?

Mr. JENSEN. Very few.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Saylor].

The amendment was rejected.

The Clerk read as follows:

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

Sec. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the econ-

omies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows: "In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the word "Sections" the following: "101 (b) and (c)".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be donated for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-lunch programs in the United States. Such programs shall not extend beyond June 30, 1964.

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that title II be considered as having been read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. If there are no amendments to title II, the Clerk will read title III.

The Clerk read as follows:

TITLE III—COMMODITY PROGRAMS

Subtitle A—1963 feed grain program

SEC. 301. Section 105 of the Agricultural Act of 1949 is amended by striking out of subsection (a) the figure "65" and inserting "50" and by adding at the end of subsection (c) the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided,* That no producer of malting barley shall be required to participate in such special agricultural conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 45 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105(c)(6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g)(1), barley shall not be included in the program for a producer of malting barley as described in section 105 (c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

Sec. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

Subtitle B—1963 wheat program

Sec. 310. Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment for fifty-five million acres shall be reduced by 10 per centum."

Sec. 311. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7. U.S.C. 1340 (7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(e) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963."

Sec. 312. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

Sec. 313. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided,* That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the provisions of subsection (b)(4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1)(i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1)(ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

(b)(1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops except table vegetables for which price support is not made available, or flax, payment for which shall be computed in accordance with subsection (b)(4) of this section.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 334(c)(3) of the Agricul-

tural Adjustment Act of 1938, as amended. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to castor beans, guar, safflower, sunflower, sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, in accordance with the proviso of subsection (a)(2) of this section, shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c)(1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of four times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided,* That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided,* That (i) 50 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1)(i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1)(ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.

(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—

(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(c)(2)" and inserting the following: "after reduction as required by section 334(c) (2) or (3)", and

(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".

(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—

(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

Subtitle C—Dairy

Sec. 320. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending June 30, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending June 30, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending June 30, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

Sec. 321. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods starting October 1, 1962, and ending June 30, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 322 of this Act for each such quarterly marketing period: *Provided,* That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

Sec. 322. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 321 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 323. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 324. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 325. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 326. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 327. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 328. Notwithstanding any other provision of law, whenever any price support or surplus removal operation for milk, butterfat, or the products of such commodities is carried out through purchases of or loans on the products of milk or butterfat, the Secretary shall require, as a condition of such purchase or loan, certification that the milk or butterfat from which such product was made was acquired from producers at not less than the support price therefor.

With the following committee amendments:

Page 13, line 7, strike out "65" and insert "90", strike out "50" and insert "80", and following "by" insert "striking out the colon and the proviso thereof and by".

Mr. LATTA. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA to the committee amendment: Page 13, line 7, strike out the figure "80" and insert the figure "90".

Mr. LATTA. Mr. Chairman, this is the amendment that I discussed under general debate. It merely eliminates the figure of 80 percent which appears for the 1964 feed grain crop and inserts in lieu thereof the figure 90. I would provide 90 percent of the previous 3-year average market price for the purpose of determining the price support rather than 80 percent. Permit me to recall a little history. Mr. Benson advocated 90 percent and was condemned for it by the Democrats. Now these same Democrats, with the support of the Democratic administration, ask that this 90 percent figure be reduced to 80 percent.

Mr. Chairman, this is a very simple amendment, but I think the record ought to show that 80 percent means about 84 cents a bushel price support for corn or about 52 percent of parity, and that under my amendment 90 percent would mean price support of 94 cents per bushel or 58 percent of parity.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. In other words, the gentleman feels that 58 percent of parity is low enough.

Mr. LATTA. I would put it in another way, that 52 percent of parity as proposed in the present bill is too low.

Mr. ANDERSEN of Minnesota. The gentleman is absolutely correct. Even 58 percent is pitifully low.

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I had not intended to speak on this bill, because I thought we had made some progress. When we were considering the farm bill before this House a few weeks ago, we were confronted with the realistic proposition that if we had no legislation, we would revert to the 1958 Agricultural Act, otherwise known as the Benson feed grain program, which provides for unlimited production with a guaranteed support price of 65 percent of parity or 90 percent of the average 3 previous years, whichever is higher.

Under the 1958 act you would have unlimited production, which would permit a grower to use all that he could produce and then store and sell to the Government the remainder of the crop.

Mr. Chairman, in committee Mr. FINDLEY, of Illinois, felt that this was too high. The Farm Bureau organization has felt down over the years that we should not have a rigid program, that we should have a flexible program, and they provided that it should be 90 percent of the average of the three past years. Putting it another way, it would be 10 percent less than the year before.

Mr. Chairman, the gentleman from Illinois [Mr. FINDLEY] felt that that was too high and that it should be 80 percent, or 20 percent less than the average of the previous 3 years. If we are going to have controls, then we should have support prices. If we have unlimited production we should not have supports and ask the taxpayers to pick up the tab. That is exactly what has happened under the 1958 program.

Mr. Chairman, when the Secretary of Agriculture assumed office, the biggest worry he had at that time was the fact that we were going to have surplus corn and wheat and feed grains stacked out all over this country for which we would not have warehouse facilities to take care of the unlimited production with the guaranteed support price.

Mr. Chairman, we have been able to reverse that trend with a temporary program which has been voluntary, that has worked for 2 years, but which in itself is self-defeating if carried on over an extended period. The amendment of the gentleman from Illinois [Mr. FINDLEY], which I seconded, carried in the committee. This amendment is presently in the bill and provides for 80 percent of the average of the past 3 years. Now it is true that will bring us down to about 52.5 percent of parity starting in 1964. But you cannot have your cake and eat it too. That is exactly what the amendment calls for which has been offered by the gentleman from Ohio [Mr. LATTA].

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman.

Mr. ABBITT. I would like to say that I concur in what the gentleman is saying about this provision in the bill.

Mr. JENNINGS. I appreciate it.

Mr. ABBITT. If the gentleman will yield further, I would like to say that in my opinion this provision in the bill is one of the provisions in the bill that is a step in the right direction in attempting to solve the storage problem.

Mr. JENNINGS. That is exactly right.

Mr. ABBITT. This is one of the main provisions in the bill so far as making a start looking toward reducing the storage bill.

Mr. JENNINGS. That is right.

Mr. Chairman, I know that most of the Members have received a letter from the great Farm Bureau organization. They say it is too drastic. They oppose this amendment because it would make the transition from the present costly and ineffective programs to a free and prosperous agriculture more difficult.

Mr. ALBERT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I agree with the point of view taken by the gentleman from Virginia [Mr. JENNINGS], and I am going to support the committee on this bill and oppose all amendments, even though there are amendments that I would like to offer.

Mr. Chairman, I think we must keep in mind what we are trying to do here. First, with respect to feed grains, and second, with respect to wheat. Now what is the situation with respect to feed grains? We have a permanent law on the books known as the 1958 act which guarantees 65 percent of parity, or a little over a dollar a bushel, for unlimited production of corn and feed grains.

The provision in the committee bill does not curtail production but it does two things that I think are important. In the first place, it discourages excess planting because it says to the farmer who grows an excessive amount of wheat that he is going to get less than he would get under the 1958 act. I think it is consistent with what has happened under many programs that as the support price is lowered the incentive to plant excessively is reduced.

Again, Mr. Chairman, if there is excess production and if the Government does have to take over a portion of the crop the cost to the Government will be less. It is simple arithmetic that when the Government takes over grain at 65 percent of parity it will cost the Government more than it would cost to take over the same grain at 52 percent of parity.

What is the situation with respect to wheat? We have a permanent law on the books with respect to wheat that allows commercial wheat growers to plant a national allotment of 55 million acres. The ability of the wheat farmer to produce wheat on an acre of land since that law went on the books has increased by at least 20 percent. The national allotment is too high. In addition to that we have a 15-acre exemption which allows any farmer, whether he has ever planted wheat before or not, to plant 15 acres and to put that wheat into the market in competition with wheat planted under acreage allotments.

This bill is a long step in the right direction. It requires a mandatory cut of 10 percent in acreage allotments. Even though the support price for this 1-year period will be higher, the takeover will be less. It does not make any difference what the price is, if the Government does not have to take over any wheat it does not cost the Government anything. The important thing is that we are cutting down production, we are cutting down the need for the Government to take over the excess production of wheat and feed grains. This is one of the most important things that this Congress can do for the American farmer and for the American taxpayer.

I hope sincerely that all of our colleagues on both sides of the aisle in the interest of sound government will support this bill without any crippling amendments, and let us be on our way in an effort to try at least to take a step toward solving this very important problem.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have listened to most of the debate this afternoon. I have not heard what we may expect if this bill is passed and goes to conference, and I wonder whether the chairman of the committee can tell us whether or not we may be confronted later on with the bill that was defeated some 2 weeks ago.

Mr. COOLEY. Mr. Chairman, I am quite certain that we will not be faced with that bill or anything like it. I said in my opening statement that I did not anticipate that we would bring any such bill as that back to the House. We shall do the best we can to sustain the bill as it goes out of this House. But everyone must appreciate that we cannot go to conference unless the Senate takes some action. Whether they will take action on this bill or not, I do not know. I assume they will. But if the Senate does not take action, we have discharged our responsibility to the farmer and to the Nation.

Mr. GROSS. I am pleased to have that assurance from the gentleman, and I thank him. I understand that he cannot speak for the conference, but it is reassuring to know that if this bill is passed the House will not likely be confronted with the one that was defeated here some time ago.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to my colleague from Iowa.

Mr. HOEVEN. Mr. Chairman, I have every reason to believe that the conferees on the part of the House will sustain the position of the House if and when this bill is passed. Under the parliamentary procedure, the Senate bill having been tabled in the Committee on Agriculture, there is nothing to go to conference on at the present time. It will be necessary for the other body to act upon the House version of this legislation.

It is my understanding that the bill will be laid on the Vice President's table, and one objection will prevent it from being taken up. So it would seem to me that the bill of necessity must be referred to the Senate Committee on Agriculture and Forestry, and then they can work their will. I am very hopeful that the committee in the other body will accept the House version. If they do not, then the bill will go to conference. I have every reason to believe that the House conferees will sustain the position of the House if this bill is passed in its present form.

Mr. GROSS. I thank the gentleman for his statement and his assurance.

Speaking for myself, I intend to hold my nose and vote for this bill as the lesser of the evils. It would be my hope that the day will come soon when we have a farm bill that will make it possible for American farmers to obtain the fair share of the national income. I want to see a cost-of-production farm bill with limitations upon pounds and bushels with cost-of-production prices paid in the marketplaces as consumers pay for all other products. I want to go back to the old McNary-Haugen bill and bring it up to date. It was twice passed by Congress, and twice vetoed, I regret to say, by a Republican President. I say to you, if the McNary-Haugen bill had been in effect in the late 1920's this Nation would never have been plunged into the depths of the depression of 1932. I am talking about the American farmer being paid cost-of-production prices, and in the marketplaces, for that portion of his production necessary to feed and clothe the people of this Nation. Today he continues to sell on a buyer's market and he buys on the seller's market. This bill will not provide the farmer with his rightful share of the national income but I am convinced it is preferable to a return to the 1958 act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. LATTA] to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. FINDLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is probably the last major farm legislation to be considered in the 87th Congress. As a freshman Member of this body, I considered it a privilege and an honor to be assigned to the Committee on Agriculture.

I am one of four freshman Republicans on the committee, and I am sure I speak for all four in expressing our sincere appreciation to the senior minority member of the committee, the Honorable CHARLES B. HOEVEN, of Iowa.

The gentleman from Iowa [Mr. HOEVEN] has assisted freshman members of the committee far beyond the call of duty, and has opened the door of opportunity to us. This is particularly true in my case. He has given me opportunities which he could quite properly have reserved to a more senior member of the committee, including himself. I take this means of saying thanks, a very sincere one.

Although this bill contains modifications I myself offered in committee, I voted against approval in the committee because, in total, I feel it is bad for the farmers, bad for our private enterprise system in merchandising grain, bad for those who love freedom and oppose supply management, and bad for all taxpayers.

The modification of the 1958 act I sponsored, the amendment referred to by the gentleman from Virginia [Mr. JENNINGS], leaves provision for 1964 incomplete. This modification would get away from artificial pricing of feed grains, and in my opinion—and, I believe, in the opinion of most farmers—that is desirable. It is a move to strengthen the marketplace system. However, as I stated in committee before the vote was taken, the Secretary would then have the power to release our big surplus stocks at less than market prices. A Secretary committed to the supply management approach, like Mr. Freeman, would thus have a marvelous opportunity to discredit the revised 1958 act, and thereby weaken resistance to a supply management proposal like the one defeated by this body June 21.

In committee I urged further revision of the 1958 act to avoid this hazard. No action was taken, and that defect in regard to the 1964 program is one of the reasons I oppose this bill.

If the modified 1958 program were coupled with a surplus disposal plan similar to my proposal, H.R. 8306, we would, I believe, have a sensible, direct and effective way to restore a marketplace system in feed grains.

My other reasons for opposing this bill are:

First. The risk that Senate conferees may succeed yet this year in putting over a compromise which would provide mandatory feed grains controls for 1964, if not for 1963. The only way to avoid this risk is to pass no general farm bill this year. The 1st session of the 88th Congress will afford opportunity to tackle the farm problem once more, and perhaps by then the forces of freedom will be in a still stronger position.

Second. Extension of the feed grains program for 1 more year will strengthen the position of the economic planners. It will mean 1 more year of a costly boondoggle, and will increase the hue and cry of those demanding a tough straitjacket control bill.

Third. One more year of this program will prolong the misery of the private enterprise merchandising system which has served our grain industry so well through the years. This misery, caused by the administration of the feed grain program, has become so acute that Chicago longshoremen union leaders openly charged earlier this year there is a group in the Department of Agriculture bent on destroying free enterprise.

Fourth. The feed grains program is excessively costly. I cite no less an authority than Secretary Freeman, who says it will cost $1.2 billion if extended for 1963. If the accomplishment of this program is about the same as it was in its first full year of operation, taxpayers will have to pay about $4 for every dollar gain in reducing surplus stocks.

Surplus reduction amounted to about 233 million bushels in corn equivalent in 1961, at a cost of about $1 billion. That figures about $4 for every bushel cutback, and corn is worth about $1 a bushel on the market.

Fifth. The dairy section would get the dairy industry in a still worse mess than feed grains, because of the difficulty the Secretary will have in keeping track of elusive dairy cows. The slippage under the feed grains program amounted to $150 million in the first year of operation, and the slippage ratio would undoubtedly be still worse in the proposed dairy section.

Mr. Chairman, we are entering in the final stages of the consideration of farm legislation in 1962. I am fearful of the consequences.

H.R. 12391 is a hodgepodge of ideas, time and time again.

One June 8, 1962, the Friday before the debate of H.R. 11222 by the House—which was defeated by the House of Representatives—Secretary of Agriculture Freeman transmitted to every Member of Congress a letter with attachments, in which he condemned severely the extension of the emergency wheat and feed grain programs. He inserted a table on page 2 of a letter to Chairman COOLEY—which was a part of the attachment—showing that an extension of the 1961–62 emergency program would cost $2,417 million, that is, $1,200 million for the feed grain program, and $1,217 million for the wheat program.

During the debate in the Senate on the administration supply-management control program Senator ELLENDER pointed out time and time again how expensive and unsatisfactory these temporary programs were. It is strange that one week Mr. Freeman condemned this program and the next week he recommended its passage.

Obviously, it is the plan of the administration forces to get to conference with the Senate and agree to a simple 1-year extension of the emergency wheat and feed grain program as contained in H.R. 12391, with the proviso that a permanent control program for wheat and feed grain be effective in 1964 and thereafter.

The Secretary of Agriculture has indicated that the proposed dairy section will save the Federal Government some $65 million. This is incredible when one looks at the facts. The provisions of subtitle C simply pay a farmer to reduce his milk production, but there is nothing to prevent this same farmer from selling his cows to a neighbor where they will stay in production. The chances are we will come out with more milk at the end of the year under the provisions of the subtitle than we would under the present program. Certainly, we can expect the proposed dairy program to be more expensive than the present one.

One of our colleagues labeled this provision the "rocking-chair program for dairy farmers." I hope that the entire bill, H.R. 12391, is defeated. But we must strike out subtitle C in any event.

The primary reason for administration support of this provision is to set up a base on every farm in the United States in order to be ready to move in with supply-management control in the dairy industry early in 1963.

This is a foot-in-the-door provision and should not be allowed to pass.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee: On page 13, after line 9, insert the following:

"(1) Section 105 of the Agricultural Adjustment Act of 1949, as amended, is amended to read as follows:

"'(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level not in excess of 90 per centum of the parity price therefor as the Secretary determines to be appropriate in consideration of the factors set out in section 401(b) hereof and as he determines will not substantially increase Commodity Credit Corporation stocks of corn, grain sorghum, and barley: *Provided, however,* That if the Secretary determines pursuant to the above that the level of price support for corn would be as high as 50 per centum of the parity price for any crop of corn, he shall prescribe acreage allotments for such crop of corn, grain sorghums, and barley, and the level of support for such crop of corn shall not be less than 50 per centum of the parity price therefor.

"'(b) Beginning with the 1964 crop, price support shall be made available to producers for each crop of barley and grain sorghums at such level of the parity price therefor as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.

"'(c) If acreage allotments are prescribed for any crop of corn, grain sorghums, or barley, a single acreage allotment known as a "feed grain allotment" shall be prescribed and shall include all three such commodities.'

"(2) Section 401(c) of the Agricultural Act of 1949, as amended, is amended by inserting after the first sentence thereof the following: 'If acreage allotments are prescribed for any crop by the Secretary pursuant to this section, no price support shall be made available to producers of such crop who do not comply with such acreage allotments.'

"(3) Section 330 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: 'This provision shall not be construed to prevent the Secretary from requiring compliance by the producer with acreage allotments prescribed pursuant to section 401(c) of the Agricultural Act of 1949, as amended, as a condition of eligibility for price support.'"

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the distinguished majority leader.

Mr. ALBERT. I would like to say to the gentleman that I had at one time suggested a provision of this kind. I think it has a great deal of merit, but I hope, in view of the almost unanimous support we have from the Committee on Agriculture on this bill, which is a considerable improvement over the permanent law—I hope the gentleman will not pursue his amendment very diligently at this time.

Mr. POAGE. Mr. Chairman, I think we have simply got to recognize that we are faced with a situation that does not enable us to get exactly what we want. I am in full agreement with the gentleman from Tennessee as to the desirability—not its practicability but the desirability—of eliminating all supports where you do not have any controls on production. I recognize that this bill, as just amended by the committee amendment, leaves supports with unlimited production of feed grains at 20 percent below the average price for the last 3 years. That presently figures out at 52 percent. The gentleman from Tennessee asked why we did not fix it at 50 percent of parity. We fixed it at 52 percent, and in the next few years the drop in the market price will bring it to at least 50 percent of parity. I will not tell you that 50 percent of parity will stop production moving into the warehouse. It will slow it down, but it will not stop it. I would rather see it as the gentleman from Tennessee suggests, but

I know, and I think this House knows, we cannot pass that kind of legislation. The committee passed on that and defeated it by a vote of 20 to 11. The committee rejected this amendment by a 2-to-1 vote.

The reason we rejected it is we want a bill, and I repeat what I said a while ago, we believe it is extremely important to get legislation. It is not a question of who is right or who is wrong here. There are those who do not believe in any controls. I do. There are those who do not believe in them. There are those among us who do not believe you should support unlimited production at any price. I am one of them. But there are those who believe we should. In order to get the majority of this House, we must compromise those views. We have compromised these divergent views, and I think in a very fair manner. We have achieved within 2 percent of what the gentleman from Tennessee told you we should achieve. We come within 2 percent of the exact figures that he mentioned.

Is that not pretty close to doing a reasonable job? That puts additional pressure, maybe not enough, but it puts additional pressure on every Member of the House, regardless of which State he represents, to try to bring about a new bill.

You heard the gentleman from Iowa say and the gentleman from North Carolina say that next year we will try to get a complete revision of the act of 1958. Is it not better to make a very substantial step that we can make this year and try to take the rest of the step next year than to try to take a long step which most of us think you cannot take this year? I would rather get part of something than to get all of nothing. I think the gentleman from Tennessee is offering us an opportunity to get all of nothing.

If he attempts to get too much, we are not going to get any kind of a bill. You are not going to get any modification of the 1958 act. You are not going to make any progress whatsoever. Is it not better to make reasonable progress which we know we can make, and make it now, than it is to talk about getting something which we cannot probably get at this time?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. ROOSEVELT. Is it not also true that the gentleman is sweeping many of these problems under the rug? If the amendment offered by the gentleman from Tennessee were adopted, perhaps we would have the courage to come back and face the issue. Perhaps we would try to do something worthwhile, instead of taking this tiny step which does not mean a thing, which does not help anybody from the urban areas who are being taxed for this program. As far as I am concerned, if this amendment is not adopted, I am going to offer another amendment.

Mr. POAGE. It is simply a matter of judgment whether you can get it or whether you cannot get it. I cannot see how we can get all the gentleman from Tennessee wants right now. I think it is better to take what we can get now and try to get more next year.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment before us offered by the gentleman from Tennessee [Mr. BASS] was fully discussed in committee and was voted down by a vote of 22 to 11. It is a very drastic amendment which would repeal the entire Agricultural Act of 1958. It was agreed, when this amendment was offered in committee, that the committee next year would examine all phases of farm legislation, including the act of 1958. We should have full hearings in which the Department can be heard as well as our farm organizations. A drastic amendment like this must be most carefully considered.

We should try to work out constructive legislation. The amendment would also reimpose acreage allotments which the House repealed in 1958 as being absolutely unworkable. Whether or not they should be reinstated can only be determined after full and adequate hearings.

If the gentleman from Tennessee is so distressed about the act of 1958, let me call to his attention that this legislation was enacted by a Democratic-controlled Congress.

Mr. Chairman, I hope that this amendment will be defeated.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I agree with you that it was enacted by a Democratic Congress, but we only adopted this legislation after a Republican President had vetoed five good farm bills. This was the last resort and my amendment was first adopted by our committee by a vote of 22 to 9.

Mr. HOEVEN. The responsibility is still on the Democratic-controlled Congress which passed the legislation.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when we had the other farm bill here a few weeks ago, which I opposed, I expressed the opinion then that the 1958 act should be repealed; that we should go back to a system of acreage allotments and a level of price support somewhat similar to that contained in the amendment offered by the gentleman from Tennessee. But, I have to be realistic about this situation and the prospects. The amendment offered by the gentleman, I will very frankly say, makes good sense, but when you wean a calf—and we have one to wean—you cannot wean him in a day.

Mr. ROOSEVELT. Mr. Chairman, if the gentleman will yield, I am afraid this is an old cow; not a calf.

Mr. ABERNETHY. The gentleman may be right. But, whether a cow, calf or whatnot there is some weaning to be done.

I am just as strong for the position taken by the gentleman from Tennessee as he is and as is the gentleman from California. But may I remind you of what the gentleman from Texas [Mr. POAGE] said a few minutes ago. I would rather have a little bit of something than a whole lot of nothing. We can get something by passing this bill in its present form. We will eventually get nothing if the amendment is adopted because it would stalemate the legislation and result in its eventual defeat.

We discussed this proposal in committee. It was strongly opposed and overwhelmingly defeated. It cannot be made law in this Congress; have no doubt about that.

Inasmuch as we cannot, where will that leave us if we approve the amendment in the Committee of the Whole? It will defeat the bill on final passage. Then we will be stuck with a horrible program which has been on the statute books since 1958.

What would it do to us? In 1959, the first year of the 1958 act, 315 million bushels of surplus feed grains—corn and grain sorghum—went into the Commodity Credit Corporation. In 1960 342 million bushels went into the warehouses and into title of the CCC. If we perpetuate that act, which I think we will do if we pass this amendment, because it will in the end defeat the bill, we go right back to purchasing and adding to CCC stocks 300 to 400 million bushels of surplus feed grain each and every year hereafter.

Mr. Chairman, have no doubt about it. This bill while not perfect goes a long, long way toward correcting a horrible surplus situation, and I want to correct it. I want to correct it as much as any Member of this House. If I thought there was a chance in the world for this amendment to become law in this Congress, without it pulling the bill down to defeat, I would support it wholeheartedly. I know what the situation is. I know what the temper is here today and I think you know.

If we pass the bill as is we will indeed have taken a major step in solving a difficult problem. I hope the Members will support our committee in its position on the amendment as well as on the bill.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not so sure that I am really altogether opposed to the gentleman's amendment for I certainly concur in what he and the gentleman from California say relative to their feeling that it is about time we face up to the long-term proposition. We are simply procrastinating again today, as we have done since World War II. We are not facing up to the issue foursquare.

Mr. Chairman, I can fully appreciate the temper of the House and the number of Members who have obviously committed themselves on this bill. I am not so naive as to think what I say here is going to change any appreciable number of minds. But seeing so many of my stalwart conservative friends going along with this proposition and no suggestion being made of cost, I think we ought to ask a few questions relative to what this program will cost.

Mr. Chairman, the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. Cooley], when he made his opening remarks said that the bill which was defeated several weeks ago would have saved $1 billion. I think we pretty well exploded that estimate during the course of the debate on that bill.

The gentleman from North Carolina said further in his opening remarks on this bill that it would save one-half billion dollars over the current program. Now, I would simply ask, Upon what basis do we arrive at these figures, Mr. Chairman?

Mr. COOLEY. If the gentleman will yield, I advise him that we arrive at these figures from the testimony given to our committee by officials of the Department of Agriculture and the Secretary himself, as well as other representatives.

Mr. MICHEL. May I remind the gentleman that based upon testimony given before the Subcommittee on Agriculture of the Committee on Appropriations, the feed grain program—the one which you propose to extend—in the year 1961—this is payments alone to farmers for not growing—cost $782 million. I do not think I can be challenged on those figures.

Mr. Chairman, I would suppose that the gentleman would like to have an increased participation in the year 1962. As a matter of fact, the figures show a 3-percent increase this year, and the figure will probably approximate $900 million; will it not?

Mr. COOLEY. Yes, that may be right. But for that program our losses would have been far greater than that. We have the figures from the Secretary of Agriculture to the effect that we would save $1 billion under the bill which was defeated. I read into the Record today a statement wherein he says as of now it cannot be estimated with any degree of accuracy as to what the cost would be or what the savings would be. But at least we are reducing the surplus by 150 million bushels in the last year. The Government expenditure over the next 9 months will be approximately $600 million less because of the lower level of the feed grains carryover.

Mr. MICHEL. That does not reflect itself in lower storage costs or lower carrying charges so far as funds requested before our committee are concerned. The point that I am making is that there has been some concern expressed about our going back to the 1958 act. But if we did go back to the 1958 act what we would wipe out automatically would be some $700, $800, or $900 million of direct payments to the farmers, which must be regarded as a saving.

Mr. COOLEY. Oh, no; you certainly would not do that. If you go back to the 1958 act you would be supporting unlimited production of corn at a high level.

Mr. MICHEL. But the support price would not be $1.20, it would be about $1.05, would it not?

Mr. COOLEY. It would be about $1.05.

Mr. MICHEL. And there would not be any compensatory payments to any farmer for not growing anything?

Mr. COOLEY. That is right.

Mr. MICHEL. Then I cannot see the logic of the argument that going back to the 1958 act will cost more.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. POAGE. Under the 1958 act, if we go back to that, the Government would support every bushel of feed grain grown, and that would be nearly 5 billion bushels. Under this act, even if the price is $1.05, that is about right; but the cost to the Government under that act where every bushel is supported will naturally be tremendous.

Under this act only that grain which is grown by cooperators will be entitled to any support whatsoever. That will amount to say two-thirds of the total produced or nearly 2 billion bushels will be grown without supports. The Government has a stupendous saving in this kind of a program as compared with a program that supports every bushel.

Mr. MICHEL. But, Mr. Chairman, concern has been expressed about what additional corn or feed grains would go into storage, and I think that concern is ill-founded, because that amount which we find in storage today, 76 percent of it, was accumulated before the enactment of the 1958 act. I will admit that under our own Secretary, when he pegged the price at $1.06 for noncompliers it was a bad omen but I did not buy that kind of proposition. Some fears have been expressed here about going back to the 1958 act. I do not have that fear. As several of the gentlemen have suggested, we ought to be going forward with a long-range program that would really come to grips with the problem, and the 1958 act would be a good starting point.

Mr. HAGEN of California. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I think during the course of this debate somebody spilled a little powdered milk down here. But to get away from these rural analogies of the calf and the cow, I would like to get to a little city analogy. This amendment of the gentleman from Tennessee is a kind of a teaser. It promises much but offers very little. In effect, it allows the Secretary of Agriculture to support the price of feed grains from zero to 90 percent of parity as contrasted with the formula which we propose which is 80 percent of 3-year market average, which ties the hands of the Secretary so that he cannot go as high as the gentleman from Tennessee [Mr. Bass] would permit. I think he is being a little bit specious, because the fact of the matter is that the price supports on many crops are too high and Secretary Freeman has raised them on all of them. A much more productive amendment would be to lower the minimum price support for wheat. As the majority leader has suggested, the minimum acreage for wheat will produce a surplus every year and there is a higher minimum price for wheat specified in the law than would be specified for feed grains under this committee amendment which the gentleman from Tennessee seeks to change. So I say he is being a little bit specious. We have settled this issue in our committee. We are trying to pass a bill which will help the farmer and save Uncle Sam money. I hope the committee is supported in this effort.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. ABERNETHY. I think the gentleman has made an excellent point. Under the amendment of the gentleman from Tennessee the Secretary of Agriculture could fix the price support on corn at a considerably higher level than he could under the committee bill; is not that correct?

Mr. HAGEN of California. Exactly. That is correct.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. BASS of Tennessee. Regardless of what the Secretary sets the price support at, if it is above 50 percent of parity he must control the production. That is the key to the whole thing. He can support it at 100 percent of parity, as long as you do not overproduce.

Mr. HAGEN of California. The price support would be available only to those who would cooperate, but if you made it high enough, say 90 percent of parity, you would get 85 percent of participation and a great loss to the Government.

Mr. BASS of Tennessee. The gentleman does not understand my amendment.

Mr. HAGEN of California. I am quite familiar with the gentleman's amendment. It clothes the Secretary with authority to support corn and feed grains from zero to 90 percent of parity, a ceiling much higher than was contained in the committee bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. Bass].

Mr. BASS of Tennessee. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. BASS of Tennessee. Mr. Chairman, I ask for a division.

The question was taken, and on a division there were—ayes 40, noes 156.

So the amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Quie: On page 32, following line 6, add the following:

"(m) If with respect to the 1963 crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increases shall be made under this subsection in the wheat acreage allotment of any farm for such crop if any wheat other than such kind of wheat is planted on such farms for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, 77th Congress (7 U.S.C. 1340(6)) and section 326(b) of this Act relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection, and not to the increased allotment under this subsection. The land use provisions of section 313 shall not be applicable to any farm receiving an increased allotment under this subsection, and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

Mr. QUIE. Mr. Chairman, I am offering an amendment here which would permit the Secretary to exempt classes of wheat if he finds they are in short supply. The amendment provides that whenever the Secretary finds acreage allotments for farms producing any kind of wheat that would be inadequate, the wheat acreage allotments can be increased in such amount as to make it adequate. No increase would be given to farmers who raise any kind of wheat which is not of that type which might be in short supply. This will not in any way take away acreage from anyone because of the National, State, or county allotment. It also will not increase the history on any farm. It just permits the Secretary in 1963, if he finds that some type of wheat might be in short supply, to require a reduction in the production only of the types of wheat in surplus.

Mr. Chairman, I am offering this amendment because in the committee I offered it, but was asked to withdraw it and offer it on the floor of the House instead. This I agreed to do. This is the same amendment that the gentleman from Virginia [Mr. JENNINGS] offered to the bill last month, which amendment was carried. This is an amendment which will protect the consumers of types of wheat that might be in short supply. For instance, in the Dakotas and in Montana and Minnesota 1961 was a dry year, a drought, and the production was less than half. The drawdown being what it was from the Commodity Credit Corporation stocks, another year like that, would cause a short supply in Hard Spring. This could happen to the Soft wheat in the Midwest as well.

To give you an idea that wheat is not just wheat and that there are different classes and varieties of wheat, I would like to point out that Hard Red Spring wheat is grown in the Dakotas, Montana, and Minnesota.

Hard Red Winter wheat is grown in the Great Plains area, Kansas and adjacent States.

The Soft Red Winter wheat is grown in the Central States from Illinois on east.

The Soft White wheat is grown out in the Pacific Northwest.

The Hard Red Winter wheat and the Hard Red Spring wheat is used for flour for baking bread.

The Hard Spring wheat is in such demand because it has a high protein content and is needed for baking, mixed with the lower protein Hard Winter wheat which is in such surplus.

The Soft Red wheat and the White wheat is mainly used for pastry and crackers. If they are in short supply, then there would be a short supply of those commodities.

Durum is used in macaroni and spaghetti and in the past 2 years there has been similar legislation as this amendment for Durum wheat.

Mr. Chairman, I think this is a necessary amendment which should be adopted because when you look at the wheat that is in surplus, you see that 1,138 million bushels or 82 percent of the total carryover is Hard Red Winter wheat.

Hard Spring wheat amounts to 177 million bushels which is a little less than 13 percent of the stocks, and the remaining kinds of wheat are hardly significant.

So, Mr. Chairman, I urge my colleagues to support this amendment which the House has already adopted once before. All we would be doing now is to adopt the same amendment to this bill. It is a highly necessary amendment in order to protect the consumers of the types of wheat that might be in short supply.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. JENNINGS. I want to associate myself with the remarks of the gentleman from Minnesota. This is exactly the same amendment I offered when the farm bill was before the committee a few weeks ago. It was accepted at that time. I think it is a good amendment. It does not give the Secretary undue power; as a matter of fact, it does not give him nearly the powers that we gave him in the sugar bill. I see nothing wrong with it. It does not add to the history for growing purposes; it does assure bakers and confectioners that they will have sufficient quantity of the wheat they need.

Mr. QUIE. I thank the gentleman. I want to point out that this will not reduce the acreage of the Hard wheat growers in the Plains States. No one will take any acreage away from them next year or any year thereafter.

Mr. ALBERT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the reason we have a big surplus of wheat in Government warehouses is because we have had so many leakages in the program. We have had a national allotment that is too big. We have had a 15-acre exemption, which is too big. We have had exemptions for noncommercial States, that have been too big. As a former chairman of the wheat subcomittee during the last administration it was my privilege to conduct hearings on this very subject. Appearing before the subcommittee was a former Assistant Secretary of Agriculture, Marvin McLean. He testified that the reason there was at that time no surplus of Soft Red Winter wheat was that Soft Red Winter wheat had been shipped out of the country under the Public Law 480 program to the tune of some 100 million bushels within the previous 12 months. Now we are either going to cut down on these programs or we are going to continue to fill Government warehouses.

I hope this amendment like all other amendments will be rejected.

Mr. COOLEY. Mr. Chairman, I join with the distinguished majority leader in asking for the defeat of this amendment.

Mr. DOLE. Mr. Chairman, I rise in opposition to the amendment and associate myself with the remarks of the majority leader and the chairman of the committee.

I might point out that this matter is very complicated. I happen to represent a Hard Red Winter wheat area. Our wheat farmers have already been cut down to 29 percent in many areas. This amendment would have an adverse effect on the Hard Red Winter wheat areas. If the law provides for more Soft Red Winter wheat we are naturally going to use less Hard Red Winter wheat.

I hope the amendment will be defeated.

Mr. DOMINICK. Mr. Chairman, I just want to associate myself with the gentleman from Kansas. It has been demonstrated, I think, fairly conclusively, that the reason there is no surplus of Soft wheat in the Commodity Credit Corporation is because it deteriorates more rapidly; therefore, they ship it overseas almost immediately. It is the Hard Red Winter wheat that is retained and it is in surplus supply for this reason.

Mr. QUIE. This amendment takes care of the need for Soft Red wheat. It is true that the Soft Red Winter wheat is exported in a very great amount. Soft Red wheat is the kind of wheat produced in the eastern part of the country. That is consumed in this country. Very little of it is exported. There is a short supply of Hard Spring wheat.

Mr. SHORT. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I realize it is late in the afternoon and the Members of the House are tired, and that this is not an opportune time to bring up what I consider is a very important aspect of farm legislation. It is well to remember this provision is incorporated in the bill that the Senate passed a few weeks ago. This at long last is one of the first steps that has ever been taken to recognize the difference in the degrees of use of different classes of wheat. One of the greatest inequities that has ever existed in any agriculture legislation has been the lack of any provision to recognize the varying degrees of usages for the various classes of wheat. I think it is fitting and long overdue that this amendment be given favorable consideration here today. The amendment does not go as far as I would like it to, but at least it is recognition of the need for this principle in wheat legislation. This is not a crippling amendment by any stretch of the imagination. This amendment does not take anything away from anyone. I think we can all accept it on that basis. This is a provision that should have been, as I mentioned a moment ago, written into the first wheat legislation ever passed by the Congress.

If we are to have production regulations in the interest of helping wheat farmers maintain a decent price for their product and to prevent the buildup of surpluses, it must be recognized that some classes of wheat are not in surplus, and some classes are in much greater degrees of surplus. Also, the use made of certain classes of wheat must be recognized, and whether there is a dollar export demand, the percentage of the wheat used for domestic purposes and the percentage of production exported under Public Law 480.

Let me give you some figures to clarify the situation.

During the 10-year period from 1952 to 1962, here is what happened to the carryover from year to year.

In 1952 there was a carryover of 97 million bushels of Hard Red Winter wheat. That is the kind grown in the southern Great Plains. In 1962, and this is just an estimate, but I assure you it is close, the estimated carryover will be 1,127 million bushels.

In other words, the carryover in this 10-year period of Hard Red Winter wheat has multiplied by about 11 times.

In 1952, the supply of Soft Red Winter wheat, the kind that is grown in the Eastern States, used for crackers and that sort of thing, was 16 million bushels. This is a small item in the total supply. In 1961 this had declined to 12 million bushels, but in 1962 it had increased to 30 million bushels.

I would like to say to the gentleman from Kansas before I run out of time that if his farmers in Kansas are restricted to planting 30 percent of their acreage to wheat, the wheat farmers in North Dakota are restricted to planting about 25 percent of their total acreage to wheat.

On Hard Red Spring wheat the variety raised in the northern Great Plains and mostly in my State of North Dakota, in 1952, 10 years ago, the supply was 117 million bushels. In 1962, 10 years later, that supply had increased to only 171 million bushels. It had increased by about one-third, or about 54 million bushels. Thirty some percent compared to about 1,100 percent for Hard Red Winter wheat.

Durum wheat in 1952—this again is rather a nominal amount—the supply was 15 million bushels. In 1962 it was down to 2 million bushels. We passed special legislation last year enabling the Secretary of Agriculture to increase the allotments of those producing Durum wheat.

Mr. Chairman, there are many statistics I could quote in reference to this matter, but we do not have time to go into them adequately, unfortunately. I would hope that the amendment might be agreed to, because I do not think it is going to adversely affect anyone and would not restrict production of the varieties of wheat which are not in surplus supply.

Mr. BREEDING. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I rise to join my committee chairman and the majority leader in their remarks in opposition to this amendment.

Mr. Chairman, I understand there are $1\frac{1}{2}$ billion bushels of wheat in storage today, and I see no reason why we should open up the floodgates for other classes of wheat.

I yield to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I appreciate being recognized to join my other colleagues from Kansas in opposing this amendment. I think the reasons recited by the majority leader are about the same as I submitted when we had the this amendment before the House 3 weeks ago on the Food and Agricultural Act of 1962.

The principal objections have already been stated, but I would like to add just one more. The Department of Agriculture has this year approved a new method for the grain trade for evaluating potential milling qualities of wheat. They call it a sedimentation test. Now that we have distinguished between varieties of wheat, and a competitive market price is established on each variety in direct relationship to the milling qualities of that variety. Therefore I see no need for this amendment because of the differential and premium that will ultimately be offered on the desirable varieties. The farmers in these various areas now will divert their acres from varieties in overproduction to those varieties that are short, if they are short, in order to receive that premium price.

So, Mr. Chairman, I urge the defeat of this amendment. It is just another hodgepodge approach to solving a very serious farm problem. Let us pass the bill as it is. And, if we look at this whole question again—and I know we will look at it next year—if this proposal has merits it can be included in a bill by the Committee on Agriculture for the consideration of this body in the next session of the Congress.

Mr. COOLEY. Mr. Chairman, in an effort to agree on time, I ask unanimous consent that all debate on the title now under consideration be concluded in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SMITH of Iowa. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this title close in 45 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. AVERY. Mr. Chairman, reserving the right to object, I do not have a copy of the bill before me. Does this particular title encompass both feed grain and wheat and that is all?

Mr. COOLEY. That is all.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SMITH of Iowa. Mr. Chairman, reserving the right to object, how many amendments are there at the desk?

The CHAIRMAN. The Chair has no idea how many amendments will be offered.

Mr. SMITH of Iowa. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. ROOSEVELT. Mr. Chairman, reserving the right to object, may I make a parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. ROOSEVELT. Would such a unanimous-consent request preclude 5 minutes for the maker of a motion on a substitute to the amendment?

The CHAIRMAN. If the time is limited to 5 minutes on this amendment, that would apply to a substitute.

Mr. ROOSEVELT. Then, I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. COLLIER. Reserving the right to object, does that mean that an amendment to any amendment offered in this limited time would then be under a limitation?

The CHAIRMAN. Yes.

Mr. COLLIER. Then, I regret I will have to object.

Mr. COOLEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Chairman, I rise in support of the amendment as presented by my colleague, the gentleman from Minnesota [Mr. QUIE]. I do so for two very specific reasons. I think that this amendment will strengthen the bill in the two points that it is primarily designed to accomplish; namely, that it does not further aggravate the surplus problem and, secondly, that it would alleviate the problem to the farmers, to the consumer, and to the taxpayers. Why do I say that this is true I say it for these reasons: That any legislation that is going to deal with the surplus problem has to be versatile enough so that it will permit our agricultural factory or our agricultural production ability the opportunity of producing what our needs are.

Mr. Chairman, it is most essential that our agricultural programs be versatile enough so that it is able to respond to the needs of the Nation. Remember, this amendment deals only with a situation in the event that there is not a surplus and there is a need. If you cannot respond to those needs, then what happens? You find that this situation will materialize: Either imports come in and take away the market or some kind of a susbtitute grain is brought in which again takes away the market. Once you have lost the market you cannot get it back. Then you move into further surplus problems and further aggravation of the problem about which we are talking today.

Mr. BATTIN. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I shall be pleased to yield to the gentleman from Montana.

Mr. BATTIN. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Minnesota as well as those of the gentleman from North Dakota.

Mr. LANGEN. I thank the gentleman for his observations and I am pleased to note that he has recognized, as I have, what the exact need for this amendment is. In view of these points I recommend to the House that the adoption of this amendment will in its entirety improve the bill in such a manner that it will be more adaptable to providing a solution to the problem of surpluses and the burdens of farmers, consumers, and taxpayers.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT] for 2 minutes.

Mr. ROOSEVELT. Mr. Chairman, I offer a substitute amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT as a substitute for the amendment offered by Mr. QUIE: Page 36, after line 6, insert the following:

"(a) No program for acreage allotments or marketing quotas for tobacco, corn, wheat, cotton, rice, or peanuts shall be carried out under title III of the Agricultural Adjustment Act of 1938 during crop years after the 1963 crop year.

"(b) No price support for any agricultural commodity shall be provided under title I, title II, or title III of the Agricultural Act of 1949 after December 31, 1963."

Mr. ROOSEVELT. Mr. Chairman, I offer this amendment in all seriousness. What it says is this: Go ahead and pass this bill. Let us try this. Let us improve things a little bit. Let us not ask for any other amendments. But one year from December 31, 1963, all agricultural programs come to a halt. That means you have 1 year to get together and write a farm bill that makes sense, and one which we can pass without all this patchwork that we get every year.

Mr. Chairman, I do this for the very simple reason that I come from an urban area. I have supported every farm bill since I came to the Congress, and that is 7-plus years ago. But I think we in the urban areas have a right to say that we are getting a little tired of never having anyone face up to these problems. They never will face up to them until you give them a deadline at which time everything is off the books and they have to write a brand new bill. That is all my amendment does. It does not violate the precept of my distinguished majority leader, because he can have his bill this year, but by next year he had better get to work and write a decent bill.

Mr. COHELAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COHELAN. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from California [Mr. ROOSEVELT]. I rise in support because I believe this amendment provides an eminently fair and effective approach to an increasingly serious national problem.

Mr. Chairman, in very blunt terms, nothing will be solved or resolved by the legislation before us today unless such an amendment is adopted. The pattern of overproduction, of huge farm surpluses, of billions of dollars for farm subsidies will remain and can only increase under its provisions. We would be enacting, in brief, a mere continuation of the present patchwork program of Federal farm laws which are a classic example of futility, frustration, and ineffectiveness.

I believe it is important to point out that this amendment would in no way effect the distribution of surplus farm commodities under Public Law 480, or the soil bank and soil conservation programs.

It would, however, give us an opportunity to clear away the existing maze of farm controls and price supports. It would give us an opportunity to see the forest from the trees—the problem from the existing complex of programs. On this basis we could start anew. We could start anew to build a program that would be fair and effective for both farmers and for consumers, and which would add to the productivity, health, and effectiveness of our economy and our way of life.

Mr. Chairman, I associate myself fully with the remarks of the gentleman from California, and I urge that the amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLIER to the amendment offered by Mr. ROOSEVELT: Strike out "1963" following the words "crop years after" and insert therein "1966".

Mr. COLLIER. Mr. Chairman, the purpose of this amendment to the amendment is obvious, and I hasten to admit that I do not propose to be in any way an expert in this field. But one does not have to be a charter member of the Izaak Walton League to smell a spoiled mackerel. I think the American people have also become quite convinced over these past three decades that neither the Congress nor the experts in the field of agriculture have been able to contribute anything to a permanent solution of the problem which the farm economy has been plagued with over these past 30 years. We have tried every kind of anesthesia, dope, and even surgery on the farm economy, and the patient is just as sick today as he was 30 years ago.

However, I think that to totally withdraw these programs within the period of 1 year is entirely unrealistic. It would seem to me that the proper approach to this problem would be to put the farmers of this Nation on notice that within a reasonable period of time we hope to eliminate the controls, high price supports, production and marketing controls, and so forth, and return the farm economy of this country to a basic law of supply and demand. At the same time, while I realize this I might result in fewer farmers in the country, those who survive would enjoy a better shake than the farmers of the country generally have had under Government controls of the past.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I rise in support of the Roosevelt amendment. This amendment provides that all subsidies shall end by 1964. I certainly concur in the statement made earlier today that in supporting this amendment, what we are doing is merely serving notice that next year Congress must come up with a more workable bill. Everybody I have heard here this afternoon spoke about the shortcomings in this bill. But the committee has put us in a position here today where either we support this particular legislation before us today or force the Agriculture Department to go back to the policies of 1958, which everybody knows were totally unworkable. I do not think it is fair to put Members of Congress in this position, and therefore, while I intend to support the bill today, I think the amendment offered by the gentleman from California [Mr. ROOSEVELT] is desirable because it serves notice that next year we have no intention of being faced with the same illogical situation which confronts us today. We are not going to have a decision of not accepting legislation and going back to 1958 or accepting makeshift legislation next year if we adopt this amendment today. There are at least 302 Members in this House who have good reason to support the Roosevelt amendment, and perhaps many more.

We should adopt the amendment and then proceed to approve the committee bill mindful of the fact that if the committee tries to put us in the same position as it did this year next year by reporting a bill which will not do the job sufficiently, at least we can vote against next year's bill without returning to the 1958 farm policy.

Mr. Chairman, I am supporting this amendment because it offers me the only opportunity, under the legislative process, to serve notice on the agricultural committee that a revolt is brewing against farm legislation among those of us who represent consumers in large cities. This whole concept of farm subsidies was adopted in the early thirties to help increase the purchasing power of our Nation's rural community. It may have worked well in the late thirties but certainly it is not working today. The small, poor farmer, is getting poorer and the large, rich farmer is getting richer under the 1958 farm plan. The amendment to the 1958 bill adopted last year, which we are being asked to support today at least offers a little bit of relief in that it provides for some production control—but it just does not go far enough. I believe the consumer in large cities is getting weary of supporting these farm programs especially since the number of farmers has been steadily decreasing. The cost of the farm program keeps going up while the number of farmers keeps decreasing. Tragically, farmers leaving the farms are moving into large urban areas and because they frequently lack special industrial skills, they become a burden on the city taxpayer. This cannot go on any longer. I hope the Roosevelt amendment will be adopted so that next year the committee will report a more workable bill or be faced with the prospect of enacting no new legislation, in which event, if this amendment carries today, all subsidies would end automatically in 1964.

Permit me this comparison: They are talking about going to the moon by using a piggyback method. They are going to have a two-phase operation, using one rocket to help another get to the moon. That is what we ought to do here. We should give notice today that next year all farm subsidies come to an end if they do not come up with a good bill. There is no reason why the committee could not have given us a workable bill this year except that apparently they felt they could not get it through the House. Our Republican friends are not kidding anyone in opposing the Freeman bill 2 weeks ago and now supporting this bill. They cannot lose. If this bill is defeated the Nation goes back to the 1958 law—which everyone knows was a windfall only for the big farming syndicates. The irony is that our Republican colleagues complain about big spending and deficit Government and then proceed to force upon the Nation a farm bill which rapidly is becoming the largest single nondefense item in the budget. This is why we should adopt the Roosevelt amendment today so that next year the choice will be between a legitimate farm bill or no subsidies at all.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. O'Hara].

Mr. O'HARA of Michigan. Mr. Chairman, it is not very often that I have the opportunity to support an amendment offered by my friend from Minnesota. This time we do agree, and I do not want to miss the opportunity to state my agreement with him.

Before we got off the track we were talking about an amendment sponsored by the gentleman from Minnesota that is identical to the one put into the Senate bill by Senators from North Dakota, Michigan, and Minnesota. It is an excellent amendment. It is an amendment upon which Members from many different sections of the country can agree.

It is not true, Mr. Chairman, that one kind of wheat is just like another, any more than bread is just like cake. It is not true that any kind of wheat can be grown in any part of the country. Soil and climate must both be taken into account. I hope that after the substitute and the amendment to the substitute are disposed of, and if the substitute is defeated, the House will favorably consider the amendment offered by my friend from Minnesota.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Oregon.

Mr. ULLMAN. I support the Quie amendment. In my opinion, it is sound business to recognize in our agricultural statutes that there are different kinds of wheat. In our part of the country we raise Soft White wheat, which is not in substantial surplus, which is sold in large part for U.S. dollars on the world market, very little going under the Public Law 480 program. This amendment would encourage dollar sales and would allow the Secretary to adjust production upward whenever the demand for this particular type of wheat exceeds the supply.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. Cooley].

Mr. COOLEY. Mr. Chairman, I rise in opposition to both the substitute and the amendment.

Mr. Chairman, it seems to me it is rather ridiculous for news to go out over the country that we are seriously considering abandoning all farm programs. We hear a lot of talk about taking the Government off the backs of the farmers, taking agriculture out of Government, but Government will be in agriculture for many years yet to come. I do not think it is fair for us to frighten nor try to terrify the farmers because apparently we have not been able to get together here in Congress and agree upon a better program. We had a program here just 3 weeks ago. We thought it was a good program, but it was rejected. Now we are back here with another, and we will be back next year with another and still another. I do not think we should let the city fellows come in and tell us they are going to run the farm program from now on. That is what this means. They have their programs and we have ours. We are doing the best we can. We need their votes and they need ours. I am not ready to throw up the white flag and say we do not have sense enough to solve the farm problem in America.

Mr. Chairman, I repeat and I reemphasize that the bill before us is the best we can do under the circumstances created by the defeat of the first farm bill by this body 3 weeks ago. Our Committee on Agriculture has worked hard and long hours, in developing this bill which is now nearing a vote. I want to commend the members of the committee who have worked so hard, in a spirit of cooperation and unity, to bring this bill to the House, and I am confident that this body will approve this legislation in full recognition of our responsibilities to the farmers and to all the people of the Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. Collier] to the substitute amendment offered by the gentleman from California [Mr. Roosevelt].

The amendment to the substitute was rejected.

The CHAIRMAN. The question now is on the substitute amendment offered by the gentleman from California [Mr. Roosevelt].

The question was taken; and on a division (demanded by Mr. Roosevelt), there were—ayes 74, noes 107.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. Quie].

The question was taken; and on a division (the Chair being in doubt), there were—ayes 95, noes 117.

So the amendment was rejected.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bass of Tennessee: Page 19, line 20, insert:

"Sec. 305. Whoever, being a warehouseman or other person, pays or receives any fee, commission, rebate, compensation, gift or gratuity, or grants or receives any discount in connection with any sale as an inducement for or acknowledgement of the storage of any agricultural product or commodity in any warehouse shall be fined not more than $10,000, or imprisoned not more than ten years, or both."

Mr. COOLEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BASS of Tennessee. Mr. Chairman, I insist on a ruling on the point of order before I speak if it is going to be made.

The CHAIRMAN. The gentleman from North Carolina will state his point of order.

Mr. COOLEY. Mr. Chairman, I make the point of order against the amendment on the ground that it is not germane to the section to which it is offered. The section has no reference whatever to any warehouseman, or warehousing, or warehousing problem or process, and it provides no penalty for any violation of any section of the law. This amendment sets out a criminal offense in this particular program which is not related to any warehousing. Furthermore, it does not say what it amends, it just says an amendment is offered.

The CHAIRMAN. The Chair would like to remind the gentleman from North Carolina that the amendment is not to amend the section but to add a new section to title III.

The Chair would be pleased to hear from the gentleman from Tennessee.

Mr. BASS of Tennessee. The Chairman is making my argument for me. I will let him go ahead.

The CHAIRMAN. The Chair is ready to rule.

If the gentleman from North Carolina will examine the feed grains program, title III in its entirety, he will find many sections in existing law and also in the title which make the amendment germane to this title.

The Chair overrules the point of order.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield.

Mr. SISK. Mr. Chairman, I ask unanimous consent that the Clerk may again read the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk reread the amendment.

Mr. GATHINGS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the gentleman from Tennessee has offered this amendment in good faith. He offered it to the other bill. It was approved at that time.

Here is what I would like to say about his amendment. Let us look at it for a moment. It applies to all types of warehouses, not just grain, it applies to tobacco warehouses and cotton warehouses.

Let us see what it says:

> Whoever being a warehouseman or other person pays or receives.

Here is a farmer who goes up to a cotton compress with his cotton. The cotton compress warehouseman offers him a Coca Cola or a cup of coffee or a sandwich; he is subject to a penitentiary offense and a fine of up to $10,000 and up to 10 years in the penitentiary or both.

What do you mean by "gratuities"? What do you mean by "paying or receiving"? Receive or pay and you are subject to a fine of up to $10,000 or 10 years in a Federal penitentiary.

There comes the end of the year, and the compress will send out some calendars to their customers. Would they be violating the law by sending out those calendars?

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I might accept an amendment eliminating calendars and things of that kind.

Mr. GATHINGS. What about a situation like this? What about sending out a little pen or a little pencil with your name or advertisement on it, would that be a gratuity or a gift? Let us see what the amendment says:

> Whoever being a warehouseman or other person pays or receives any fee, commission, rebate, compensation, gift, or gratuity—

And so forth.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Texas.

Mr. POAGE. What about cooperative dividends, where co-ops have been storing commodities and paying dividends?

Mr. GATHINGS. They do that.

Mr. POAGE. Is that prohibited by law?

Mr. GATHINGS. It would subject them to a penitentiary offense.

Here is another situation. These cotton compresses down in the Southland sometimes have a barbecue once a year. They have a big celebration. Everyone in the community comes and a big time is had by all. Anyone who would eat that barbecue, under this amendment here, is subject to a fine and imprisonment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. For example, a chicken farmer may take some grain to the elevator. He leaves it there until needed and then brings it back in the form of feed. That has nothing to do with Government programs. As I understand it, the amendment would make him subject to a fine and imprisonment if they were not charged for housing the grain. While the amendment may have worthy objectives, it actually encompasses a great deal more than apparently intended.

Mr. GATHINGS. Well, that is a little remote but may be applicable.

Mr. SMITH of Iowa. There are thousands of such "grain banks."

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Chairman, I do not think we have yet touched on the most serious aspects of this amendment. If this amendment were adopted, actually what we would be doing is to legalize minimum warehouse rates; it is just as simple as that. It says: "Commission, fee, rebate, compensation, gift, or gratuity." There are two classes of elevators: the country elevators and the reconcentration elevators. Now, we are not talking in this instance, as I understand, about reconcentration elevators, as they do business almost entirely with commodity credit. This would mean if a country warehouseman had a rate, say, of 1½ cents a bushel a month, a published rate, and a large consignment of wheat was offered for storage, this would preclude him from even giving a discount to a client even on a volume basis, and even though it may apply to other similar customers as well.

I am in sympathy with the intention of the gentleman. I can support the intention of the amendment, but I do not think that his amendment is prepared to accomplish what he seeks to accomplish without penalizing a regularly accepted operation in the warehouse industry. Further, fraud statutes exist in every State and should be ample to prosecute a fraudulent act. Prohibition of special treatment with a Government agency is a matter of administration, not further legislation.

Mr. GATHINGS. I agree with the gentleman wholeheartedly. Practices that are customary in the usual operation of storage facilities to get business would have to be discarded or eliminated. I hope that the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

The question was taken; and on a division (demanded by Mr. BASS of Tennessee), there were—ayes 66, noes 111.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this title close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. STRATTON. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on title III close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HARDING. Mr. Chairman, reserving the right to object, how many amendments are there at the Clerk's desk?

The CHAIRMAN. There are a number of amendments at the desk, but, of course, that does not give us any evidence of how many will be offered.

Is there objection to the request of the gentleman from North Carolina?

Mr. KYL. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I move that all debate on title III close in 40 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Mr. STRATTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STRATTON. Mr. Chairman, under the procedure just adopted does this provide that all Members who were standing and who were on their feet at the time the motion was adopted will have a certain number of minutes in which to speak and to discuss any amendment which they offered and, if so, would the Chair advise as to what the length of time would be?

The CHAIRMAN. The Chair will try to divide the time equitably. It is very difficult, but the Chair will try to divide the time in an equitable manner.

The Chair recognizes the gentleman from Idaho [Mr. HARDING].

Mr. HARDING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HARDING: Page 13, line 5, strike out lines 5 through 24, strike out all of pages 14 through 18 and strike out lines 1 through 20 on page 19 and insert in lieu thereof the following:
>
> "SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by striking out subsections (a) and (b), and substituting the following:
>
> "'(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop, no price support shall be made available for any crop of corn, grain sorghum, barley, oats, or rye.'
>
> "SEC. 302. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:
>
> "'Beginning January 1, 1963, the Commodity Credit Corporation shall dispose of its stocks of corn, grain sorghums, barley, oats, and rye at market prices at an annual rate equal to one-fifteenth of such stocks on hand on January 1, 1963: *Provided,* That in disposing of such stocks of corn, grain sorghums, barley, oats, and rye, the corporation shall to the maximum extent practicable pursue a domestic sales policy which

will: (1) insure the retention of only the highest quality stocks of such feed grains in its inventory, and (2) have a minimum adverse effect on market prices of such feed grains.' "

Mr. HARDING. Mr. Chairman, this amendment is very simple. We have heard a lot of talk from Members who did not like the act of 1958. We have heard further talk from people who think that the emergency programs are too expensive. Today, we have absolutely no controls on feed grains. All my amendment proposes to do is to abolish all price supports on feed grains and provide for the orderly distribution of CCC stocks over the next 15 years, at a rate of one-fifteenth per year.

Mr. Chairman, for those people who are really interested in getting the Government out of agriculture, here is a rare opportunity to do so. We have several segments of our agricultural economy; namely, the livestock industry, the potato industry, the fruit industries including the citrus fruit industry, and other segments of agriculture that are surviving and often prospering without either controls or price supports.

Mr. Chairman, last month this House decided that it did not want controls on feed grains. However, when we look at the situation in 1952 and find that the 541 million bushels of feed grains in storage which today has grown to 2,784 million bushels of feed grains in storage; when we consider that the value of these commodities has increased from $740 million in 1951 to over $3.27 billion today; when we realize it is costing us over $1 million a day just to store these feed grain surpluses and that it has cost us nearly $3 billion in the last 10 years, it becomes evident that now is the time to act. A vote for my amendment is a vote for free enterprise, for economy, and for a program which is fair to the farmers, consumers, and taxpayers of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. King].

Mr. KING of Utah. Mr. Chairman, I rise in support of the Harding amendment, which will remove all price supports from feed grains.

I feel that the present basic farm program is a hybrid one, whose paternity no Member of this body will acknowledge. Its record is a record of failure. Over the past 8 or 10 years, farm prices have fallen more than 20 percent. Farm debt has risen almost 30 percent. Government-owned farm surplus stocks have increased from $2.4 billion to $9 billion. The cost of administering the program has more than doubled, and during the 8 years ending in 1961, this cost was greater than the cumulative cost of operating the Department of Agriculture for the entire period since its creation, 90 years before.

And yet, no one will take the responsibility for this unsatisfactory performance, because no one will take the responsibility for the program which sired it.

For years we have been stalled on dead center. Each year we march up the hill; we agree that conditions call for immediate action; we make proposals which are designed to get us off dead center; we disagree on those proposals, and then march back down the hill, with nothing done.

A few weeks ago the administration bill was before us. I supported it because I felt that it would help to get us moving, and would materially cut into our surplus stocks and cut the excess acreages which are causing us so much misfortune.

It was the will of this body that that bill should not pass. The argument raised by its opponents was that it moved in the wrong direction; that we should get the Government out of the farming business, and not deeper into it.

My position, at this time, therefore, is that since the House made its will known that it wanted less controls, I feel obligated to give it an opportunity to vote for an amendment which will move in the desired direction.

I will adopt no dog-in-the-manger attitude. Since the administration plan had more opponents than friends, I will be glad to support the plan of these opponents, rather than to leave us stalled indefinitely on dead center. I invite all those who opposed the administration's bill a few weeks ago to give this proposition the most serious consideration, for it accomplishes, in one bold stroke, in the area of feed grains, what those opponents almost unanimously agreed should be done.

I feel that it is morally wrong to continue to support a program that will continue to pile up scandalous surpluses at the taxpayers' expense, without making a reasonable effort to escape this impasse which now confronts us.

We have heard here today that in spite of the billions of dollars that have been pumped into the feed grain program the surpluses continue to increase, and the real profiteers from the program, the Billie Sol Esteses, continue to thrive and flourish.

I believe that it is unfair to the taxpayers of America to ask them to continue to pay price supports to the producers of any commodity who are not willing to attempt to bring the production of their commodity into line with the ability of the Nation to consume. I could not face the farmers of Utah, if I did not at least give this amendment a fair chance of enactment.

Many of my farmers have been crying for freedom and the elimination of Government controls and price supports. Many segments of agriculture in my State are completely free of controls. Our livestock industry, our alfalfa hay producers, potato producers, producers of canning vegetables, tomatoes and cherries, and other fruits which dot the Wasatch landscape, are operating without Government controls and without Government price supports.

I feel that if we continue this program of paying high price supports to producers of feed grains with the great amount of surpluses we have at the warehouses, we are doing a disservice, not only to the American taxpayer, but also those farmers who are producing commodities on the basis of a free agricultural economy. For this reason I am going to support the amendment to remove price supports from feed grains and return the producers of feed grains to an uncontrolled and non-price-supported market where they will compete with other segments of American agriculture in a free market which many of them have expressed to me as being their desire.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. Joelson].

Mr. JOELSON. Mr. Chairman, I rise in support of the amendment, and I hope that the distinguished Chairman of the Committee will allow a city slicker the presumption of talking on a farm bill. I think all those on both sides of the aisle who are constantly talking about free enterprise will now get their chance to cast their vote for free enterprise, and those who talk about rugged individualism and self-reliance will have the chance to put their vote where their mouth is and vote for self-reliance and rugged individualism.

When a man in the city wants to insure himself against the ills of old age you tell him, "Don't be dependent, stand on your own feet, be self-reliant." Well, I think we should afford the American farmer that same privilege.

We hear talk about featherbedding regarding the worker who wants 4 hours of pay for 2 hours of work. If you are against featherbedding, and I am, why should you allow a farmer to get from his Government 4 acres of pay for 2 acres of production? I say that it is time the Government got out of this program which has grown and grown and is as fantastic now as the most bizarre chapter in "Alice in Wonderland."

I urge support of this amendment.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield.

Mr. MICHEL. I support the gentleman's position, but I just wonder why the gentleman did not include wheat along with feed grains; probably because of $1.2 billion of capital restoration of the CCC, $600 million has got to be charged to wheat and not feed grains.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. Joelson] has expired.

The question is on the amendment offered by the gentleman from Idaho [Mr. Harding].

The question was taken; and on a division (demanded by Mr. Harding) there were—ayes 101, noes 62.

Mr. POAGE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Harding and Mr. Poage.

The Committee again divided, and the tellers reported that there were—ayes 79, noes 111.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: On page 17, starting on line 17, eliminate the sentence beginning with the word "To" and ending with the word "determinations" on line 20 and in lieu thereof, insert as follows:

"Any person who in any year knowingly exceeds a farm acreage allotment determined for the farm for any commodity shall not be eligible for any nonrecourse loans or price supports on any agricultural commodity, or for any payment with respect to such farm for such year, under section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, or for a storage facility loan during such year under section 4(h) of the Commodity Credit Corporation Charter Act."

Mr. SMITH of Iowa. Mr. Chairman, the majority leader said, we want to tighten up these programs instead of making them looser. That is exactly what this does. I guarantee you it will save money for the taxpayers and make the bill more equitable for the producers. What it does is this: It says we will adjust these allotments so that they are fair to start with, and then we will say, if you do not stay within your allotment you do not get any financial support from the Government. There are some people who had a good crop history in 1959 and 1960, on the whole farm, some even had a 100-percent base. Now they can put in 80 percent and get paid for diverting 20 percent even though the 80 percent is probably really above the production they should have to start with. So we are paying something for almost nothing. They should have had them below that production without receiving a dime. There is a waste of Government money and there is inefficiency in this bill that can be corrected by this amendment. Some of the farmers had their whole farm in soybeans and they had no allotment at all in those years so it is unfair to them. What is happening is that some of them are exceeding their allotments on some crops and getting price supports on others. This causes slippage in effectiveness.

Another thing is that some of them have been exceeding their feed grain allotment. Some go out and build a bin with some help from the Government to put in surplus corn over and above their allotment.

Another thing is that some ACP money is going to people who are not staying within their allotments. I do not see how anybody can argue that we should not make those do something who receive Government money.

Mr. Chairman, this will help this bill and make it more efficient. It should have been this way all the time. When we originally passed the bill by virtue of an amendment proposed by me the authority was in it to adjust allotments but the Department did not have the time to adjust the allotments in 1961 because the bill was not signed until corn planting time; but, when it was extended last fall a little amendment was put in which prevented this from working.

Although the temper of the House is to take no amendments and I know the vote will not reflect the real feeling of the House under these circumstances, I hope the conference committee will seriously consider the provisions of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SMITH].

The question was taken, and on a division (demanded by Mr. SMITH of Iowa) there were—ayes 14, noes 93.

So the amendment was rejected.

Mr. HEMPHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL: On page 32, line 7, strike out all of "Subtitle C—Dairy" including lines 7 through 25, all of pages 33, 34, 35, 36, 37, and lines 1 through 12 on page 38.

The CHAIRMAN. The gentleman from South Carolina is recognized on his amendment.

(By unanimous consent Mr. MCINTIRE yielded his time to the gentleman from South Carolina.)

The CHAIRMAN. The gentleman from South Carolina is recognized for 4 minutes.

Mr. HEMPHILL. Mr. Chairman, what this amendment does is to strike the dairy provisions out of this legislation. At a time when we are worrying about the cost of the other programs we find here this costly legislation, which is the dairy program, which the Secretary of Agriculture, as far as I can determine, has not made a specific recommendation for. In the hearings before the Agriculture Committee I find nothing which says this is a good program, this is a needed program, this is a wanted program; not only that, but we are engaging in this new program without any estimate of the cost, not only the cost of the program itself but without any estimate of the cost of administration. So what we are doing is to open the door here to the same situation, creating the same situation which exists in other programs which are so expensive today.

What this dairy program would do would be to put the little dairy farmer out of business down in my country, put the family farmer out of business. If this dairy provision is in here it is going to put the family dairy farmer out of business. It is going to put him out of business in Wisconsin as well as down in South Carolina and in all the other places where dairying is followed. That is one of the reasons this was put in here, because it would put the small fellow out of business.

They say that the program is voluntary. Look a little further in the bill and you find language which says that the Secretary shall prescribe many things, he shall prescribe the conversion factors, he shall administer the program, and charge the cost against the Commodity Credit Corporation.

It just does not make sense for us to go into the dairy business in this legislation when there are many of us here who want to get out of the farm financing business in so many other areas.

The sole purpose of my amendment is to keep us from starting on a new program. I know people are going to say, Oh, it is voluntary; it will not amount to much. They said the same thing about all these other programs, the feed grain program and others.

I ask that my amendment be adopted.

Mr. JOHNSON of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from Maryland.

Mr. JOHNSON of Maryland. Mr. Chairman, I would like to commend the gentleman on his stand and associate myself with his view.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Carolina. Title III as I understand it, would extend a revised version of the present emergency feed grain programs through 1963 and provides a so-called milk production plan in which farmers would be paid up to $2.50 per hundredweight for not producing under certain conditions.

The farmers want to make their own decisions as to the number of acres they grow and the number of cows they should milk to adequately support their families. Last year the Secretary of Agriculture raised supports for dairy products thus helping to create a new glut in dairy products. Again this year the Committee on Agriculture was asked to compound last year's error. I am happy that the committee in its wisdom did not see fit to extend these supports at artificial and unwise levels.

The dairy situation was improving until price supports were raised and proposals for milk quotas caused many producers to expand production simply for base-building purposes. We all know that dairy supports were reduced beginning April 1 of the present year. Let us stop tinkering with the support level. Let us not adopt an unworkable program which moves in the direction of compulsory milk quotas.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Mr. Chairman, I wish to associate myself with the gentleman and urge the Members of the House to support his amendment.

Mr. HEMPHILL. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Wisconsin [Mr. JOHNSON] is recognized for 2 minutes.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I will tell you the people who want this section knocked out of the bill, and that is the processors. I have a list of some 360 of them that sold to the Government last year and got a guaranteed price. They are afraid that if this amendment goes through there is going to be less milk to process.

The processor makes so much a pound, regardless of how much the farmer gets. They do not want this bill because they are going to make so much overage and sell it to the Government and they are afraid there will be less milk to process.

I have before me a list showing a few of the CCC purchases of dairy products to support prices of milk and butterfat for the year 1961.

This list follows:

A few of CCC purchases of dairy products to support prices of milk and butterfat, calendar year 1961

Company	Butter		Cheese		Milk, extra grade	
	U.S. grade A or higher	U.S. grade B	U.S. grade A or higher	Process	Spray	Roller
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
Armour & Co., Chicago, Ill	13,393,812	37,933	1,201,353	672,000	7,259,107	....
Beatrice Foods Co., Chicago, Ill	21,184,070	129,152	....	....	8,414,515	....
Berkshire Foods, Inc., Chicago, Ill	55,075,063	1,735,831			....	....
Borden Co., New York, N.Y	....	....	4,247,136	14,616,000	....	....
Kraft Foods, Inc., Chicago, Ill	....	....	28,266,909	17,438,400	....	....
L. D. Schreiber & Co., Inc., Chicago, Ill	10,592,636	1,511,669	1,598,246	4,359,600	....	....
Sugar Creek Creamery, Omaha, Nebr	6,241,720	2,461,033	34,286	....	....	....
Swift & Co., Chicago, Ill	5,543,928	335,232	8,545,120	....	107,400	....
Weinberg Bros. & Co., Inc., Chicago, Ill	14,761,430	420,268	....	....	....	....
Total	126,792,655	6,631,118	43,893,050	37,086,000	15,781,022	....

Mr. Chairman, under this proposal we pay the farmer for reducing his production and the farmer gets the money. The Government saves $1.70 on every 100 pounds of milk that is not made into cheese or dried milk or butter.

In a letter to me as chairman of the Dairy Subcommittee, the Secretary of Agriculture estimated there could be a saving of $54 million. If you want to save some money, for the Federal Government, vote against this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, I rise in support of the amendment offered by my colleague, the distinguished gentleman from South Carolina. As I stated on the House floor on June 20, I was not at all happy with the omnibus farm bill then under discussion, and I must say here today that I am not much happier with the substitute bill being considered now.

The hodgepodge bill which was recommitted a month ago was a governmental straitjacket for all agriculture. Subtitle C, of title III of the present bill is a rabbit punch for just one segment of agriculture—the dairy industry.

It is now not only bad legislation—it is unfair and discriminatory legislation.

What is proposed in this bill is a double blow to the dairy producers of my State and of our country. The extension of the costly temporary feed grain provisions for another year assures dairy farmers in grain deficit areas of having to pay continued high prices for feed. Then it seeks in subtitle C to establish what is obviously the first step toward strict governmental controls of dairy production by again attempting to set quotas based on 1961 production as a basis for payments for voluntary reductions in 1962–63.

We have already seen what this move will really lead up to, because the original proposal of the administration was the imposition of rigid controls over dairy production and the exaction of stiff penalties—even including jail sentences—for production in excess of the 1961 base quota.

Mr. Chairman, the dairy farmers in my part of the country still believe in doing for their country rather than in seeing how much their country will do for them. They do not want something for nothing. They do not want a dairy dole for producing less milk. They do not want this Congress to take the first step toward a dairy dictatorship. They do want an opportunity under the free enterprise system to produce milk in any quantity to meet such market demand as they are able to develop.

I urge adoption of the Hemphill amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HEMPHILL].

The question was taken; and on a division (demanded by Mr. HEMPHILL) there were—ayes 92, noes 133.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. I reserve my time, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: On page 18, line 21, insert the following:

"(4) Notwithstanding any other provision of law, in apportioning the base acreage of corn, grain sorghums, and barley to farms under the special agricultural conservation program for 1963 the Secretary, through the county committees, shall apportion such base acreage to farms on the basis of the historical acreage of such feed grains during the five-year period 1956 through 1960, giving due consideration to tillable acreage, crop-rotation practices, types of soil and topography."

Mr. NELSEN. Mr. Chairman, I realize that it is a very difficult job to get any amendment adopted at this point, but I want to call your attention to the fact that we have discussed this base period time after time on this floor. In the last session language in the debate clearly indicated that the Secretary of Agriculture had the right to make some adjustments in the event that there has been an inequality. For example, in my district there is a young man who has been denied the right to even get into the feed grain program because of his crop history. The Secretary has assured me that something can be done. The Assistant Secretary has said nothing can be done. Pretty soon somebody else comes up and says we can do something. This has been going on back and forth like a badminton game, and nothing has been accomplished. There was discussion on the floor indicating that the Secretary has failed to act and had sent no word out to the county committees to give them authority to make reasonable adjustments on farms where inequalities existed and therefore I offer the amendment for the 5-year period, which would more fairly establish a base.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Illinois.

Mr. ARENDS. Let me say to the gentleman that what he is trying to do is objective and right, and everyone admits it is right, but nothing is ever done about it.

Mr. NELSEN. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I commend you on your amendment.

Mr. NELSEN. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Iowa.

Mr. JENSEN. I, too, commend the gentleman because he is absolutely right. It would do a thing that would bring justice to the farmers of this country.

Mr. NELSEN. I thank the gentleman.

Mr. Chairman, I have another amendment at the desk. I may not have time to discuss it, but it provides that the Commodity Credit Corporation will not be in a position to sell their surplus grain on the competitive market at below the support price. If we reduce the support price, as we are doing in this bill, and if the Secretary wants to sell below the support price, we will find the farmer in a position of being denied a fair price in the marketplace and a very low support price from the Government.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope this House will understand that this is substantially the same amendment that we voted down a while ago. This is an effort to change the historic base which we use in determining the reductions that an individual must make in order to qualify as a cooperator. Now, that acreage for 1959 and 1960 has been established on the great majority of the farms of the United States, whereas no other years have been so established.

If you change those 2 years, you are going to have to take another 2 years in which to work out the bugs of any new formula that you adopt. I do not care whether it is the years which Mr. Nelsen or someone else suggests.

Mr. Chairman, the present 2-year base has been well established. It has been worked out. We have worked out the phantom acres that people talked about. I can understand if you want simply to kill a program, then you would adopt new years and say that there are phantom acres in the base. Undoubtedly there would not be any new base—because nobody has a record of the planting of feed grain for those years prior to that time and it becomes a swearing match in which you invite everybody to misrepresent his acreage. Of course, everybody who has properly represented his acreage naturally feels that he is being mistreated. You will find you take away from people acreage allotments that they already have—and well established—with which the great masses of the farmers are satisfied, and you change those acres in the meantime and every one of them is going to be dissatisfied. I cannot imagine an amendment which would go further toward disrupting public confidence in a program than this one.

Mr. KYL. Mr. Chairman, I ask unanimous consent that the Clerk may read the amendment on which we are to vote.

Mr. STRATTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. NELSEN. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. Nelsen moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. NELSEN. Mr. Chairman, we seem to find ourselves in this very uncomfortable, unfair position every time we are discussing a farm bill. Those of us who are not on the committee have to sit here for days and wait. So the only chance we have is to offer a preferential motion.

Mr. Chairman, it does happen that the legislation that we pass in this body is important to many of us who happen to be farmers. I would like to ask the gentleman from Texas [Mr. Poage] how the gentleman would like to have his farm lose its complete base because of a rotation practice. The Secretary of Agriculture, who, in spite of the fine help your committee gave me and the letters that have gone back and forth, has failed to act, in giving permission to the county committees to make reasonable adjustments.

Mr. Chairman, my position is this: The only way you can get redress is to have a wider period on which to establish a base that is fair to the people that are in the farming business.

Mr. POAGE. The gentleman asked me a question. Does the gentleman want an answer?

Mr. NELSEN. Yes.

Mr. POAGE. The present law provides that your own county committee has the power—it does not have to go to the Secretary of Agriculture—to give you relief. They may refuse to do it and then you will feel badly about it, as I am sure you do. But the gentleman suggests if he changes this base he will get relief and nobody else will be hurt. The gentleman must know that there are others who have rotation practices which simply do not fit the years that the gentleman suggests any more than the years that were taken to fit his rotation practice. There is no series of years that is going to benefit everybody, and we cannot legislate simply for the benefit of the gentleman from Minnesota.

Mr. NELSEN. I want to say that the county committees have the authority; they say they have the authority. You say they have the authority. Yet my own county committee has written to me and says that there has been no directive from the Department of Agriculture in spite of the legislative history that the gentleman so graciously helped me write, and there has been no recourse.

Mr. Chairman, I join my friend, the gentleman from Iowa [Mr. Smith], in saying that there have been some injustices that have meant financial ruin to some people because of arbitrary positions that have been taken by county committees that just refused to make adjustments to which the farmers are entitled on farms where there have been 100 years of history as to program. It is tremendously unfair and I think we should do something about it.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. SMITH of Iowa. Mr. Chairman, I join the gentleman in support of his amendment. I think there is something wrong. Anyway, I want to point out that the only reason they cannot do this is because of a little sentence that the committee put in when they extended the bill that prohibits your drawing down on somebody that has a 100-percent base. Due to this you create phantom acres.

Mr. NELSEN. I understand that some people have been hurt very much. I realize what the problem is, relative to history for base years, but this seems to be the only way that I can bring this to the attention of the Congress of the United States; that is, through a preferential motion. I have had to get up here time and time again to try to write a history that would do some good and provide some relief where it is necessary. In the particular instance to which I referred, a young man bought a 400-acre farm. It had been rented to a canning company during those base years and he lost his entire feed grain base. He writes me and says, "I bought 400 acres of land and I cannot get a feed grain base. If the mandatory bill passes what am I going to do?"

Think about that a little bit in your discussion here today. I am not blaming the chairman of the committee; I am not blaming the vice chairman of the committee. But I do say that as Members of Congress we have a responsibility to do something about inequities that do exist. I am not being unfair or arbitrary when I say that. As far as my own farming is concerned you can forget about bases. I will get along.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. JENSEN. Is it not a fact that there are hundreds of thousands of farmers in the same position you are in?

Mr. NELSEN. There are.

Mr. JENSEN. And in the same position the young man is in to whom you have just referred.

Mr. NELSEN. That is correct.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota [Mr. Nelsen].

Mr. KYL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KYL. How many amendments are there pending at this moment, Mr. Chairman?

The CHAIRMAN. The Chair will state that that is not a parliamentary inquiry. The Chair has no way of knowing that.

Mr. KYL. I am referring to amendments that have been presented. It was my understanding that the gentleman from Minnesota [Mr. Nelsen] had two amendments that he offered in his time.

The CHAIRMAN. The gentleman could offer only one amendment at a time, the Chair will state. However, at the completion of the time agreed upon to end debate, the second amendment will be reported and voted on, but it may not be debated.

The question is on the preferential motion offered by the gentleman from Minnesota [Mr. Nelsen].

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. Nelsen].

The amendment was rejected.

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Stratton: On page 38, line 12, after "therefor," insert a new section to be numbered "Sec. 329," to read as follows:

"Section 8c(5) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended as follows: (1) by redesignating paragraphs (D), (E), (F), and (G) of section 8c(5) as (E), (F), (G), and (H), respectively, and by inserting after paragraph (C) the following new paragraph:

"'(D) Providing for the payment by handlers (not otherwise subject to the pricing provisions of the order) in an amount not greater than the difference between the minimum prices based on use classification established pursuant to paragraph (A) of this subsection and the price of milk in the lowest use classification, for any milk or milk products sold by such handler in the area subject to the order. Such payments shall be made to the fund established pursuant to paragraph (C) of this subsection: *Provided, however,* That such payments shall not be required if a handler chooses, if so eligible, to comply with all other provisions of the order. No payments shall be required hereunder if any provision of the order is based on the provisions of paragraph (B) (i) of this subsection.'

"(2) Section 8c(5) of such Act is further amended by inserting before the period at the end of the last paragraph thereof the following: ': *Provided, however,* That the provisions of this paragraph shall not prevent the making of payments under paragraph (D) of this subsection'.

"3. Section 8(c) of such Act is amended by adding at the end thereof the following:

"'(20) All provisions of orders in effect on the date of enactment of this subsection, relating to payments such as are provided in paragraph (D) of subsection (5), are hereby validated, and shall have full force and effect'."

Mr. LAIRD. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from New York. The gentleman's amendment amends the Agricultural Marketing Agreement Act of 1937. The legislation which is before us does not amend that act in any way in any section. This particular amendment amending the Agricultural Marketing Agreement Act of 1937 is not germane to this bill.

The CHAIRMAN. Does the gentleman from New York care to be heard on the point of order?

Mr. STRATTON. Yes, Mr. Chairman. This amendment provides for legalizing the compensatory payments feature of the Milk Marketing Act, which was invalidated on the 4th of June by the Supreme Court of the United States, and which has jeopardized the incomes of the dairy farmers of New York State.

Mr. LAIRD. Mr. Chairman, the gentleman is not talking to the point of order. He is speaking about his amendment to the Agricultural Marketing Agreement Act of 1937.

Mr. STRATTON. I am talking to the point of order. This amendment is designed to fulfill the need for legislation which an official of the Department of Agriculture indicated in a printed news item which I read earlier was desperately needed. Title III contains certain provisions with regard to dairying. If the provisions of the Supreme Court decision are not eliminated by the adoption of this legislation, it is very likely that many farmers of New York State and other parts of the country will go out of business. Therefore, the amendment is germane to subtitle C of title III.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield if I have the floor.

Mr. COOLEY. The purpose of the gentleman's amendment is to override the Supreme Court decision?

Mr. STRATTON. That is correct. It is to provide the legal basis for the operation which has been in effect for the past 25 years but which was only recently ruled invalid by the Supreme Court.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule.

The amendment offered by the gentleman from New York contains a matter which is in no wise related to the subject matter of the several sections under consideration. The point of order is therefore sustained.

Mr. CURTIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CURTIN. Mr. Chairman, this amendment which has just been offered by my friend and colleague from New York appears to be the same amendment which was offered and defeated when the last version of the farm bill was before this committee. Although the amendment has been ruled to be not germane on a point of order, nevertheless I feel that the membership of the committee would be interested in hearing the facts that led up to the same.

The purpose of this amendment was to permit compensatory payments to be made a part of milk marketing orders and this action here today results from a Supreme Court decision handed down last month. This amendment sought to reverse that decision.

The litigation which was the basis of that decision originated in the district which I have the honor to represent and, therefore, I am completely familiar with the facts.

For approximately 25 years the handlers of milk, much of which was produced in my district and in other parts of nearby Pennsylvania, disposed of the same in an area in New Jersey which was in and around Phillipsburg, a municipality located on the New Jersey side of the Delaware River. Then the New York-New Jersey marketing order was amended to increase the geographic area that it encompassed and, in so doing, took in this area of New Jersey along the Delaware River.

Thereupon, the handlers of this Pennsylvania milk, or milk technically known as nonpool milk, were informed that, to continue to dispose of such milk in that area, they must thereafter pay an amount into a fund for the benefit of the milk producers in the area covered by this marketing order, or the producers of milk technically known as pool milk, the same to be known as compensatory payments. The amount to be so paid was designated as a blend price and, was arrived at by a rather complicated process of using an average of the price of the different classes of pool milk. The blend price was, in this case, fixed at $2.78 per hundredweight.

Now we find that at the time in controversy, which was August 1957, the handlers of the nonpool milk were paying $6.40 per hundredweight, while the handlers of the pool milk were only paying $6.23 per hundredweight. Thus it can be seen that to handle nonpool milk the handler had to pay $6.40 per hundredweight, plus the compensatory payment of $2.78 per hundredweight, or a total of $9.18 per hundredweight, while the handler of the pool milk only paid $6.23 per hundredweight.

The Supreme Court held that the intent of Congress, in the legislation it enacted on this subject, was to prevent an influx of cheap milk into an area, not to prevent competition. Therefore, this amendment would have made such type of compensatory payments permissible as a part of a milk marketing order. If ever adopted, it would certainly be an invitation for trade barriers.

Mr. GOODELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOODELL. Mr. Chairman, I rise in support of the Stratton amendment, even though, by a technicality, it has been ruled not germane. I support the purpose of that amendment. I do so because of the confusion now surrounding this entire matter. Preferably this should be explored in hearings on a separate bill. Nonetheless, as Justice Black said in dissent in the Lehigh Valley case that produced the present problem, and I quote:

> The net result of the Court's action is to leave the farmers in the New York-northern New Jersey pool, and those in 22 other pools containing the provisions which the Court strikes down today, completely defenseless against an onslaught of outside milk that is highly discriminatory because the outside milk bears none of the burdens of pool milk.

Under the circumstances, Mr. Chairman, I support the purpose of the gentleman's amendment in order to avoid disastrous immediate effects from the Court's decision. The amendment might have given the dairy farmers and the Congress a respite while the full implications of the Lehigh case are clarified.

Whatever the outcome would have been on this amendment, however, I oppose this farm bill. It is a far, far better bill than the one rejected by the House a few weeks ago, but it is still headed in the wrong direction. It lays the groundwork for dairy controls next year. It runs the risk of reviving the regimented approach of the original administration bill when it gets to the Senate. I am beginning to feel that the Agriculture Committee as presently constituted is incapable of bringing forth a farm bill that will help the farmer back to freedom from Government burdens, bureaucracy, and subsidies. I shall oppose this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. Mr. Chairman, in the heat of this debate and discussion we ought not to forget one thing, that all of the people in the United States thought that on June 21 we defeated the farm bill for this year. I also felt that was the case. Every letter that I have written since June 21 on farm legislation, whether it was the 22d, when the new bill was introduced, or later, was that a new bill was introduced. Congress understood probably there would be another bill coming up but not many of our constituents knew this. I do not think this is the time to compromise and enact a bill that has not had full hearings. People know nothing about it. I think we are letting the people of our country down by voting a farm bill in this manner.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, on several previous farm bills, I have sought to secure amendments which would give feed grain growers who also raise cotton an opportunity to plant feed grains, without penalty, on cotton acreage that has been destroyed too late in the season for replanting.

I have also sought to secure passage of an amendment which would rectify the injustice which the present legislation does to cotton farmers who during 1959 and/or 1960 chose the choice B route in connection with the cotton program.

I wish to reemphasize my position on these important matters. I shall not undertake to offer my amendments today as there seems to be no likelihood of success, but I do want to ask the Committee on Agriculture to give further study to these important problems with a view of approving appropriate legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, within the next 5 years, we may be praying for food and fiber. Today, Russia and China are crying for food and fiber. In America there are fewer farmers every year, yet our farmers are getting a smaller per capita portion of the total dollar income. In recent years our farm income has dropped 60 percent. The farmer gets on the average of about 99 cents per hour return for his labor, as compared with the minimum wage of $1.25. Both labor and the farmers are entitled to pay for their toil and sweat of their brows. Behind the Iron Curtion, collectivization of agriculture has obviously fallen on its face. In the United States 1 farmer feeds 26 people, while in the Soviet Union 1 feeds only 6. We must seek to keep farmers on the farms.

In these days of bountiful harvests we must never forget the Biblical days when there were 7 years of plenty—which were followed by 7 years of drought and pestilence. The Lord has been good to us. The farm surplus may someday be a blessing.

In the argument today, some have overlooked the excellent work of the Soil Conservation Service, the Forest Service, the Farmers Home Administration, the Rural Electrification Administration, as well as FFA, FHA, and 4-H club work.

Today there is an average of only 3 inches of topsoil remaining in this world. Let us preserve it. Let us not forget that the population is increasing throughout the world. With the growing needs of mankind and the ever-increasing knowledge of farm technology the surplus problem has actually become the great paradox of our times.

Let us never forget that cold wars and hot wars are won with food and fiber. The great productivity of the American farmer is the greatest barrier that faces the Communist system. I predict that our ability to produce such plenty will be the primary means by which we win the economic war with international communism.

When farmers receive reasonable prices for their products, they purchase implements, build homes, and share in the material blessings of our society. In the Sixth District of Oklahoma, farmers are our greatest consumers. Business prospers when it produces and sells to the farmer. Workers in the towns and cities purchase farm products and other consumer items from the businessmen.

In view of our abundance, we must find the means to trade from our stockpiles with the peace-loving nations of the world. This administration has moved more directly, with greater speed, and with less hesitation and waste than its predecessor.

Many of our farm problems could be solved if we would maintain only a 1-year supply of food and fiber in the elevators and warehouses as insurance against drought, floods, famine, pestilence, and war. As each new crop is harvested, the old one could be gradually eased into trade or into our food-for-peace program. The 1-year supply would be held for emergencies and would never be offered for sale or trade in the world market.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee: On page 32, after line 6, insert the following:

"SEC. 335. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with the 1964 crop of wheat by striking therefrom the following: " 'The national acreage allotment for wheat for any year shall be not less than 55,000,000 acres'."

Mr. BASS of Tennessee. Mr. Chairman, I will not take very much time. I have already had my teeth kicked in twice. First I had my teeth kicked in because the House approved the 1958 Feed Grains Act. Then, I even lost to Billie Sol Estes. So I am sure now I am going to lose this one so I will just let you vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. BATTIN].

Mr. BATTIN. Mr. Chairman, I take this time only to ask the chairman of the committee a question, if I may. In this extension of this act, particularly dealing with the barley section of the feed grains, there is a provision here I note as it was in the original bill providing for the exemption of the malting variety of barley. Has the gentleman had any indication from the Department as to whether they intend to make any change in the existing provisions?

Mr. COOLEY. As to the malting varieties that have now been designated, I have received no such indication and I do not have any information on the subject. I assume that the varieties will not hereafter be changed.

Mr. BATTIN. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I think the debate here today is very indicative of what has taken place each time a farm bill has been before us, a great number of amendments offered especially. The same thing took place a couple of weeks ago. The same thing has taken place every one of the 10 years I have been in this House. It simply proves one thing, that this type of legislation which tries to subsidize one segment of the population by a theoretical principle and on a synthetic basis is unworkable; and every single year the promise has been made that next year the cost would be less, yet we see the program grow and become more unworkable.

Just as I have voted against it in past years to save money, just as I voted against the farm bill we had before us some 3 weeks ago, I must vote today to protect both the farm and the city population.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, although the farm bill makes no change in section 303 of Public Law 480 which directs the Secretary of Agriculture to exchange surplus agricultural commodities for strategic or other materials of permanent value to the United States, I want to point out that the Congress has, time after time, reiterated its intention that this method should have a priority position in our export program. The Secretary has all of the authority needed to carry out this statutory obligation imposed upon him with the enactment of Public Law 480 in 1954, and continued by each Congress thereafter, and in each law that we have passed relating to the agricultural surplus disposal program.

Members of Congress are aware of the review now being undertaken by the Symington committee of the Senate and the possible reduction of the Nation's strategic stockpile. This may have caused some confusion as to the basic purpose of the Nation's stockpiling program, and some Members may not have taken the time to familiarize themselves with the laws enacted by the Congress on this subject. Briefly, therefore, I should like to point out that the so-called strategic or national stockpile was established under the authority of the Strategic and Critical Materials Stock Piling Act. Its purpose is to acquire and stockpile materials that will be needed by this country in the event of war. Requirements of that stockpile have been changed from time to time as our military strategists have modified and modernized their conception of the type of war in which the United States might be forced to engage.

The supplemental stockpile, on the other hand, was established in the Agricultural Act of 1956 to hold for future use of the United States materials of permanent value which are acquired as directed by section 303 of Public Law 480 in connection with the surplus disposal program of the Secretary of Agriculture. The basic purpose of this program, as the intent of Congress clearly shows, is that the Secretary obtain something of material value to the United States in exchange for surplus agricultural commodities which deteriorate and are costly to store and which cannot be sold abroad for hard dollars. This protects the investment of the taxpayers of the United States by taking in nonperishable material resources in exchange for rapidly deteriorating surplus commodities which we have acquired under our agricultural price support program that cannot be readily sold for dollars.

Both Houses of Congress, in accepting the conference report on last year's farm bill, specifically approved as the intent of Congress of the United States the statement of policy which appears in volume 107, part 11, page 14563, of the CONGRESSIONAL RECORD. This policy statement makes it clear that we have never hesitated to make available all of the assets of CCC which the executive branch has requested for use in effecting our international policy. At the same time, we made it abundantly clear that we did not wish the executive branch to overlook the direct benefits to the American people, and particularly to the American taxpayer, in favor of the indirect benefits which might flow from the use of our food supplies in the international field. Particularly, we pointed out the basic objectives of the Public Law 480 program to develop possible future commercial markets for American agricultural commodities. We also said that it should "consistently be borne in mind the policy that disposal of our agricultural surpluses should always be made in a manner which will give the greatest practicable return to the United States."

In accepting the conference report last year we expressed the intent of Congress that the following order of priorities should govern our sales and other disposal of agricultural commodities: First, sales for cash dollars; second, sales for short-term dollar credit; third, barter for strategic and other material; fourth, sales on long-term dollar credit under title IV; fifth, sales for foreign currency; and, sixth, donations.

I point out to the executive branch that Congress on two occasions this month has reiterated the importance of fully utilizing our agricultural surpluses in such a way to obtain something of hard value to the United States in return. First, in passing the Sugar Act of 1962, and, second, in passing the honey bee amendment to that act. Specifically, the Congress stated that it intended that the Secretary of Agriculture give special consideration to foreign countries desiring to sell sugar in the United States which would agree to purchase our agricultural commodities in addition to their commercial transactions. I am happy to say that apparently the President also approves of this principle.

Therefore, although we have not in this 1962 farm bill found it necessary to amend section 303 of Public Law 480, there should be no misunderstanding as to the intent of this Congress which is that the Secretary of Agriculture make full use of the disposal facilities available to him under this section of the act and utilize good business sense in exchanging to the maximum extent practicable our surplus agricultural commodities for something of hard value where we are not able to dispose of these commodities on a reasonable basis for dollars.

Mr. Speaker, the Department of Defense might well explore fully the possibilities of utilizing agricultural commodities to pay for many of their acquisitions abroad in order to reduce the outflow of dollars from the United States and improve the U.S. balance of payments. It is more important now perhaps than any time in our history for us to seek every avenue to reduce the outflow of gold from the United States and to provide in connection with our surplus disposal program the greatest return to the taxpayer.

The Congress expects and intends that the Secretary of Agriculture follow the guidelines and priorities established in last year's "statement of policy" as identified herein, in operating our surplus disposal programs and we expect him to conscientiously exhaust every effort to obtain something of hard value for the taxpayers of the United States.

Whether we have an immediate need for the materials so acquired now or whether they will be needed in the future for the economic survival of the United States is of only passing interest. When we are obtaining basic raw materials which do not deteriorate far for surplus agricultural commodities which cannot be sold abroad on a reasonable basis for dollars we are taking action of permanent value to the Nation. This is the overriding consideration and Congress expects and intends that the various agencies of the Government, particularly the Department of State and the Department of Defense, carry out the directive of Congress and cooperate fully with the Secretary of Agriculture in carrying out a reasonable program as they are specifically directed to do under section 303 of Public Law 480.

Mr. Chairman, I feel I have expressed the clear intent of this Congress and there should be no further misunderstanding on the subject of the priority which Congress has established and which the Secretary of Agriculture and the executive branch of the Government should follow in disposing of our agricultural surpluses. The word "priority" should be given its normal meaning which is "order of preference" and unless given this normal meaning in operating the disposal program, the executive branch will not be consistent with this expressed intent of the Congress.

Mr. DAGUE. Mr. Chairman, some of those who have preceded me in this debate have insisted that H.R. 12391 is a simple extension of a temporary law and that may well be so. However, I can report that there was not a little bickering within the Committee on Agriculture before the bill was reported and even then not without some veiled threats of amendments to be undertaken on the floor. The fact of the matter is that your committee has been occupied for over 4 months in working over the administration's farm recommendations and I am sure that we will all be greatly relieved just to be rid of it. Looking back, it occurs to me that our situation has been akin to that of the farmer who, when asked what time he got up to go to work, replied indignantly, "I don't get up and go to work, I wake up right in the middle of it."

Taking H.R. 12391, title by title, we find that under title I, relating to conservation, as it appeared in the recently rejected omnibus farm bill, the reference to the development of recreational areas has been deleted, to the sorrow of the social planners who bleed and die for the hard-working city dweller who must be afforded greater recreational opportunities after his arduous 40 hours of labor. Or is it 25?

Basic to the ill-fated H.R. 11222 was the philosophy of nationwide marketing orders and the vote in the House rejecting the administration's insistence on such authority was the reflection of adamant grower resistance to such regimentation. A further reflection of the attitude of farmers toward nationwide marketing orders was had in their recent rejection of the turkey order and responding to this clearly voiced aversion the House committee has omitted a similar potato order from the measure now before us.

In passing, it should be noted that tobacco, cotton, rice, and peanuts have not been under consideration during this year's agricultural fiasco and it can only be assumed that the growers of those commodities have become so acclimated to the restraints placed upon them that they are no longer interested in producing for the market and it would appear that free enterprise to such producers has become as unfamiliar as the wide-open spaces are to a caged canary. I would like, however, to invite the tobacco growers from the controlled areas to pay a visit to Lancaster County, Pa., where we produce more tobacco than any other county in the Nation, make a little money at it, and do it without any subsidies or controls of any kind. And to emphasize that our growers like it that way, when a referendum on quotas for type 41 tobacco was held a few months back they voted them down by a ratio of 6 to 1.

With the elimination of the four basics heretofore referred to we are left with only corn and wheat as the remaining contenders for Uncle Sam's favors and with a little tinkering here and there the bill we are now debating would pretty much seem to continue the existing temporary legislation for 1 more year. During our discussion of H.R. 12391 in committee, however, it became evident that the target of those who took the defeat of the Kennedy-Freeman bill so hard is actually the 1958 law and in that attempt they have been trying to make it appear that our tremendous buildup in corn took place since the act was put on the books. Actually, a bare 24 percent of our present corn inventory can be charged to the 1958 legislation and it is the opinion of many informed people that that much-maligned statute might not be too bad if it were only given a chance to work.

Be all that as it may, it is glaringly apparent that corn was in no serious trouble so long as we allowed the farmer to feed it to his hogs for the market. But the very moment that we increased the support price—without any really effective controls—thereby making it profitable to produce corn commercially, then it was that we started accumulating a corn carryover that at the end of last year stood at around 2 billion bushels.

Wheat, the other culprit, will, in my not too well informed opinion, always be in trouble so long as we unrealistically keep our production tied to a 55-million-acre base at a support incentive that can only result in our raising more than we can possibly use, even with all of the outlets that may be developed through Public Law 480 and other giveaway devices. Particularly irksome to the farmers of my area is the refusal to recognize that Soft Winter wheat, such as we produce, is not in oversupply. For instance, we have long recognized that Durum wheat requires special treatment and as a result it is treated under special legislative provisions. But Soft Winter wheat, from which pastry flour is produced, is lumped together with the hard varieties and, protesting bitterly, our producers wind up under a system in which they are punished for sins they did not commit. And, of course, our eastern farmers will always resent and resist the imposition of any limitation on that grain which is consumed as livestock feed on the farm where it was produced.

The dairy section has no real place in this bill except as a possible device to be traded off when a conference is reached with the other body. On the other hand, it does embody a subtle threat, since voluntary participation under this section would require quotas, which would then be available should the administration—by hook or by crook—be able to revive its ill-famed and ill-fated supply management proposal.

Summing up, it is my studied conviction that H.R. 12391 can only serve to compound a costly surplus problem, and I feel quite strongly that our best move would be to revert to legislation already on the books and then with some sensible modifications lessen the incentive to overproduce. In a recent nationwide magazine poll the farmers of the Northeastern States indicated that they would be quite happy with the complete elimination of both supports and controls, and, while I feel that a transformation from a managed to a free economy cannot be effected overnight without some unpleasant results, I continue to believe that we should keep that objective as our final goal. In the meantime, perhaps it would be a good idea to consider my cropland retirement bill, H.R. 10165, with compensation for the acres thus set aside to be taken out of the enormous surpluses in Government hands in the form of payments in kind.

Mr. VAN ZANDT. Mr. Chairman, I am opposed to the enactment of this so-called watered down version of the administration's 1962 farm bill. We are now being asked to give our approval to the extension of emergency feed grain and wheat programs for another year—an extension on which the administration itself earlier this year turned its back.

When the admittedly more drastic Kennedy-Freeman farm bill was given to us for consideration, we were told that extension of the emergency program would be costly. The chairman of the Agriculture Committee in the other body said that extension of the wheat program would cost taxpayers $3.30 for every bushel of reduction of the crop.

The Secretary of Agriculture told us in a memorandum of June 8 to all Members, while he was still hoping for passage of his farm omnibus bill, that the cost of extending the emergency wheat and feed grain programs for 1963 would be $2,400 million.

Now they are asking us to forget what they said then and go ahead with the extension.

The supply-management concept of the original farm bill was completely repugnant to the farmers of Pennsylvania. If it had been allowed to pass, all who raise feed grain would have been regulated, despite the fact that most of such grains grown in Pennsylvania is kept on the farm for the feeding of livestock and never reaches the market. The smaller producers would have been exempt from acreage reduction but would not have been permitted to raise their acreage above 1959–60 production no matter how small they were.

Proponents of the original farm bill, including the senior Senator from Pennsylvania, contended that the dairy industry, which is the principal farm activity in our State, would not have been affected. It is difficult to understand how the dairy farmer, who depends so much on the production of feed grains, would not have been affected by a farm bill which proposed to regulate their production of such grains.

This brings us to the bill now under consideration. It includes a dairy section which may well lead to permanent supply management and compulsory milk quotas for all dairy farmers. Such quotas, in fact, are specifically provided for the first year on a voluntary basis. Some farmers would be paid to reduce their production, but others could offset this by increasing their output.

Under such an arrangement as this, the dairy program certainly would operate most ineffectively and the resulting confusion would prove costly to both the producers and consumers of dairy products. The natural outgrowth of such disorder, without doubt, would be pressure on the Congress next year from the administration for the enactment of a compulsory milk quota program.

In opposing this bill, I stand with the people of Pennsylvania who produce milk and the people of Pennsylvania who consume it. It is not at all paradoxical that I also stand with the Secretary of Agriculture, who told us all in his memorandum of June 8 of this year that the extension program now proposed would be costly. He said further that "the Committee on Agriculture of the House wisely rejected efforts to continue the existing emergency programs in 1963."

Mr. SCHWENGEL. Mr. Chairman, this morning I received a statement from the American Farm Bureau Federation which indicated their position on H.R. 12391 which is before us for consideration today.

I should like to say that I am one who believes that this legislation should never have been adopted originally.

As will be revealed later in the statement that I will file herewith, this legislation did not solve the problem of surpluses in agriculture.

The sponsors of this legislation were warned of this, when it was originally under consideration, by many farm leaders in the Midwest including leaders of the Farm Bureau Federation.

It is true, of course, that the House decided, in their wisdom, to vote down a poorly thought out agriculture bill recently and that this fact did necessitate a reconsideration of the problem.

It is clear now that a majority of the members of the Agriculture Committee are not interested in listening to the testimony of those people who have given thorough study and serious thought to the problem and after thorough consideration of all of the factors have come up with a conservation reserve program or land adjustment act which has been only casually considered, if at all, when they were considering the legislation that was defeated earlier.

I hesitate, therefore, to give very much encouragement to the consideration of this legislation before us now. It is impossible for me, at this point, to go into every detail and aspect of this matter but very much of what I would like to say and my reasons for indecision, if not opposition, to H.R. 12391 are reflected in a statement from the Farm Bureau Federation and I include it in the RECORD at this point:

> The latest version of the farm bill, H.R. 12391, will shortly be before the House for consideration.
>
> Farm Bureau opposes passage of this latest version of the farm bill for several reasons. Briefly, our most important reasons are:
>
> 1. The bill would extend the "emergency" feed grain and wheat programs another year. Earlier this year the administration abandoned this approach to solving the surplus problem for feed grains and wheat and suggested an alternative which has been rejected by the House. Apparently the "emergency" programs were abandoned because they were considered to be too costly and ineffective.
>
> Senator ELLENDER recently told the Senate that extension of the 1962 "emergency" wheat program would cost taxpayers $3.30 a bushel for each bushel of reduction achieved. Secretary Freeman, in a letter dated June 8

addressed to each Member of the House of Representatives, estimated the cost of extending the "emergency" wheat and feed grain programs for 1963 would be $2,400 million.

2. The bill includes a dairy section which could well be the beginning of supply management and compulsory milk quotas for all dairy farmers. The proposed program, although voluntary for the first year, would establish quotas for all dairy farmers. While some farmers would be paid to reduce their production, other farmers could expand their output as an offset. Thus, the program would be so costly and ineffective that it most surely would be followed by efforts to enact a compulsory milk quota program next year.

3. In addition to the provisions listed above, there also is a section which modifies the Agricultural Act of 1958 as it relates to the support prices of corn and other feed grains by (1) deleting the 65 percent of parity floor for corn supports, and (2) providing price supports on corn at 80 percent of the previous 3-year average market price instead of 90 percent commencing in 1964. We oppose this amendment because it would make the transition from the present costly and ineffective programs to a free and prosperous agriculture more difficult.

Rather than have this kind of a bill become law, we strongly urge that no new farm legislation be passed this session. The act of 1958 would then go into effect for corn and other feed grains in 1963. If given opportunity to work, this program would be preferable to the costly and ineffective "emergency" feed grain program.

If no legislation is enacted and wheat support prices are allowed to remain at the minimum permitted under the Agricultural Act of 1949 (and already announced by the Secretary of Agriculture for the 1963 crop), there will be a reduction in export costs on the order of $128 million in addition to an estimated saving of $345 million from the termination of land retirement payments.

The dairy situation was improving until price supports were raised and proposals for milk quotas caused many producers to expand production for base-building purposes. Dairy price supports were reduced beginning April 1 this year. It would be far better to permit the program to operate without further tinkering with the support level than to adopt an unworkable program which moves in the direction of compulsory milk quotas.

Under present conditions the most constructive action that can be taken is for the House to reject H.R. 12391.

Mr. Chairman, if I vote for this bill, it will be with the understanding that the House conference committee, if any, will stand firm against any version of the agriculture control bill recently defeated by the House, and that if it is passed and signed by the President, that the committee will give consideration early next year to some more adequate legislation that is based on the terms and provisions of a bill that would envision an adequate conservation reserve program, make possible more research to find more uses and more markets for farm products, and provide for a plan that will take productive land out of production either through purchase or rentals, and also give consideration to a program which would put large areas of land into new forest lands and/or recreation areas.

Mr. PELLY. Mr. Chairman, with regard to H.R. 12391, the latest general agricultural bill, I think many Members are in doubt.

When the Sugar Act was expiring on June 30 and 11th hour legislation was brought to the House, some of us got stampeded. We were told it was a choice of passing that bill or chaos. Ever since the sugar bill was passed I have been apologizing to myself. It was the worst vote I ever made in this House and I blame it on the rush way this legislation was scheduled.

In the case of new farm legislation following the rejection recently of the administration's proposal of compulsory control over grain production, I do not plan to fall for any pleas that it is necessary to pass this 1-year emergency program. This time, if no new measure is enacted, there will not be chaos. The act of 1958 would then go into effect for corn and other feed grains in 1963.

The question, Mr. Chairman, therefore is to decide how this latest emergency version of an agricultural program would compare with the situation under the 1958 law and if no new law is passed.

One strong argument against passage of a new farm bill is that this procedure would open the door for the Senate to amend it and in conference we would get back the same supply-management proposal with coercive controls which the House recently rejected. I recognize this danger and that under terrific pressure some House Members might change their position under some plausible excuse.

But, Mr. Chairman, I prefer to decide my position on a comparison of the merits or lesser of two evils between the bill before the House today and no bill at all.

For example, the extended wheat and feed grain programs as contained in this bill have been estimated by the Secretary of Agriculture to cost $2.4 billion. What is more under that program which would be extended, I am told the average net income of farmers in my State of Washington was down 11 percent last year over the year before. I am told, too, by the Washington State Farm Bureau that wheat farmers in my State are becoming increasingly concerned about inefficiencies imposed on their operations as a result of reduced quotas under this program. The bureau has pointed out that the control of feed grains under the program has had a detrimental effect on my State's livestock and poultry industry. I am told the dumping authority under the corn program has penalized three out of five producers who chose not to sign up with the Government.

Now, Mr. Chairman, what if this bill is defeated and no new legislation is enacted? If the present program expires and no new farm legislation is enacted by Congress, I am satisfied consumers and taxpayers will save almost $1.3 billion in direct payments to farmers and added administrative expenses.

Also additional savings would be realized by the discontinuance of the policy of selling grain at market prices by the Government to finance land retirement payments and then replacement of the grain with new grain taken over by the Commodity Credit Corporation at high support prices.

This is complicated legislation, Mr. Chairman, and I do not pretend to understand all provisions; but as previously expressed by me, I oppose giving the Government complete power over our farmers. The milk or dairy section of this new bill, as I understand, could well result in compulsory milk quotas on all dairy farmers. I am informed the American Farm Bureau says this and that the plan would be costly and ineffective.

So, Mr. Chairman, I will vote against this bill. I think no new law would be preferable and the lesser of two evils. Certainly, the time is coming when the Government must allow the farmers of this country to manage their own affairs. The $7 billion cost of Government intervention and subsidies must end. Mr. Benson was right. We must eliminate the acerage and price controls by degrees over an extended period.

Meanwhile H.R. 12391 should be rejected.

The CHAIRMAN. The Clerk will report title IV.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306(a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 402. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. COOLEY. Mr. Chairman, I was seeking recognition. I wish to see if we can reach an accommodation as to time.

The CHAIRMAN. The Chair did not see the gentleman from North Carolina before he had recognized the gentleman from Missouri.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a consent request?

Mr. CURTIS of Missouri. Let me proceed for 2 or 3 minutes, and then I think I probably shall.

The CHAIRMAN. The gentleman from Missouri will proceed.

Mr. CURTIS of Missouri. Mr. Chairman, a recent attempt was made to find out on behalf of the taxpayers and consumers, whom I primarily represent, as to just what the cost estimates are on this bill that we have before us, H.R. 12391, and what the cost estimates of the farm program are if no bill were passed. The gentleman from Illinois [Mr. MICHEL] asked a question of the Chairman about the cost estimates and was referred to the committee report on H.R. 10010. I have looked at the entire hearings the committee held on this bill. The only data at all apparently is something that was placed in the record on which the committee did not even see fit to interrogate the Secretary of Agriculture. It appears at pages 129 and 130 of the hearings. The estimates were that there would be about a $500 million saving on the particular bill that was before the committee, which was H.R. 10010. During the debate on H.R. 10010 and after the many amendments to it the House at no time was given any estimate whatsoever as to what the costs of the proposed farm bill, as amended or otherwise, would be in respect to what the cost of no farm legislation would be.

The questions I would like to ask the chairman of the Committee on Agriculture are these:

Were the cost estimates of this bill now before us over the present farm program made? Was the Secretary of Agriculture requested to make such cost estimates on this bill and if so, what are the estimates?

Mr. COOLEY. The information given to us indicated that if this bill were enacted into law the program would result in a net saving of a half billion dollars to the taxpayers.

Mr. CURTIS of Missouri. That is the estimate that was given in connection with the other bill.

Mr. COOLEY. That would have resulted in net savings of $1 billion or a total of $4 billion for 4 years, but that bill was defeated.

Mr. CURTIS of Missouri. I believe the record does not indicate that, I may say to the gentleman. The estimates are on pages 129 and 130 of the hearings. Let me read what Secretary Freeman said on page 129:

> This program would cut the cost the first year about $500 million, as you will note in the President's budget, and in the next 4 years will result in a savings of about $5 billion over the present level of spending. And when we have gotten our reserve stocks down to manageable levels, we would estimate that it will cost us about $1.5 billion a year for price support and related income programs as distinguished from close to $3 billion this year.

That is the previous program unamended as presented by the Secretary. Let me refer to the House the committee report on the bill before us, H.R. 12391, page 11, and that implies only to the feed situation. Page 11, item 5, reads "the taxpayers will benefit by millions of dollars." What kind of an estimate is that? How many million? Five, 20, or 100?

Then the last line on page 11.

> Government expenditures over the next 9 years will proximate $600 million less.

Which is a little better than $60 million a year, a far cry from the one-half billion figure the gentleman from North Carolina first gave to me in response to my question.

The point is that this bill obviously has not been carefully studied from the standpoint of cost to both the taxpayers and the consumers. Until the Committee on Agriculture is ready to come in and present a bill where we have some idea of what it is going to cost, it would seem to me to be well to vote this down.

Mr. COOLEY. The letter I have from the Secretary of Agriculture indicates it was not possible for him to estimate with a satisfactory degree of accuracy the cost of the program because you do not know what the participation will be.

Mr. CURTIS of Missouri. It is a difficult thing to estimate, but there were estimates made here on the previous bill. One thing I would expect the Committee on Agriculture to do is to interrogate these Government witnesses on how they do make these estimates so that those of us who are not on the committee may have some opportunity of going over these estimates and knowing what we are doing. It is the failure to do this in the past that has created this situation where the farm programs are costing way beyond what we were told they were going to cost in the beginning. Now we find on this bill they do not even make an estimate any more. It would be foolhardy for us to vote for a new farm program as contained in this bill without some cost estimates. Indeed we are better off with no new farm legislation. Costly as the present legislation is, and unnecessarily and burdensomely so, at least we know its cost. This kind of leaping from the frying pan into the fire does not do credit to this great legislative body.

LEAVE TO EXTEND REMARKS

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DAGUE], the gentleman from Pennsylvania [Mr. VAN ZANDT], the gentleman from Iowa [Mr. SCHWENGEL], and the gentleman from Washington [Mr. PELLY], may extend their remarks at the point in the RECORD before title IV was read.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GOODELL. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] may extend his remarks at this point in the RECORD and include extraneous matter.

The **CHAIRMAN.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, I rise in opposition to H.R. 12391 because I believe this bill is simply more of the same medicine which has failed so miserably in the past.

A short time ago, the House rejected the approach of tight controls, high subsidies, and higher food and export costs.

Instead of coming up with an approach toward freedom, an approach toward less governmental interference on the farm and in the marketplace, the administration has come forth with a plan which its officials themselves previously publicly rejected.

The Christian Science Monitor of Tuesday, July 17, in an interesting editorial on this subject of farm legislation, points out very graphically the waste, the folly, the senseless pursuit of a lemming like policy which can only lead to the eventual destruction of our free economy and a way of life which is acknowledged to be the best in the world.

The best thing we can do for the farmer is to get the Government off his back. The quickest and surest way we can solve the farm problem is to take the advice of the Research and Policy Committee for Economic Development and start thinking in terms of people rather than acres.

Our history is one of migration, of movement, of adaptation to changing circumstances. I have enough faith in our people to believe that they can adapt to changes in their way of life, that they can start new lives and work for the good of their families and their country.

One of the reasons our Nation has flourished so in freedom, in living standards, in industry and business, is because of the ability of our people to accept change, to live with change, to take up new lives, new skills, new professions and come out the better for the experience.

We have had much talk of new frontiers in recent months. I believe in new frontiers, too, but I try not to put the label "new frontier" on an area that has already been thoroughly explored, fully tried, and still found wanting. The least the Congress can do, the least this administration can do, is to place some trust in our people, place some trust in their ability to meet new conditions with confidence and with success.

In years past, our farm community has been rendered almost immobile by the arthritis of new redtape, by the rheumatism of governmental regulation.

Let us try a new approach to the farm problem, an approach based upon the farmer rather than farm acres. Only then will we start solving this problem. Only then will we wean the farmer away from Federal subsidies and given our citizens an even break in the marketplace and at the tax window.

May I urge my colleagues to study carefully the editorial which follows:

FARM POLICY; ADAPTATION, NOT CONTROLS

> For many years this newspaper and numerous other observers have commented that the heart of the so-called farm problem in the United States is not acres nor bushels nor silos but people.
>
> A thoughtful study by the research and policy committee of the Committee for Economic Development concludes that American agriculture is using too much in the way of resources, especially human resources, for its own good. Hence, the basic objective should be to permit and induce a large, rapid movement of resources, notably labor, out of agriculture.
>
> But these workers have to have something gainful to do. Hence a solution must envisage a better rate of employment in the nonfarm sector of the economy. And industry has been absorbing migration from the farms at such a rate that rural workers now constitute only one-twelfth of the total labor force, compared with one-fifth of it only 30 years ago.
>
> Yet productivity in agriculture has risen so phenomenally that 1 worker on the land feeds not only his own family and the families of 11 urban toilers, but farmers have sold the Government $9 billion worth of accumulated surpluses for which it pays $1 billion a year in storage costs.

The administration recently proposed a choice between rigid controls and a virtually laissez-faire market. On these terms, marketing controls would have been almost imperative. But the CED points out another possible course, one of adaptation.

It would immediately substitute an adjusted price for the present artificially supported ones in wheat, rice, cotton, and feed grains. The adjusted price would aim at inducing no more production than the markets would absorb. Five-year programs of cropland adjustment, income protection, and a temporary soil bank would cushion the change in a hope that the families remaining in agriculture would have a better income after that time than before.

This is an ambitious program. It needs to be. It should be supplemented by changes in educational policies and employment services which the CED committee describes. But it points the most rational way out of the morass into which farm subsidies have sunk.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, pursuant to House Resolution 727, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. McINTIRE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McINTIRE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McINTIRE moves to recommit the bill H.R. 12391 to the Committee on Agriculture.

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BECKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 229, nays 163, not voting 43, as follows:

[Roll No. 166]

YEAS—229

Abbitt
Abernethy
Albert
Alexander
Andersen, Minn.
Andrews
Anfuso
Ashley
Ashmore
Aspinall
Avery
Ayres
Bailey
Barrett
Battin
Bennett, Fla.
Berry
Blatnik
Boland
Bolling
Bonner
Brademas
Bray
Breeding
Bromwell
Brooks, Tex.
Buckley
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cannon
Celler
Chelf
Coad
Cohelan
Colmer
Cook
Cooley
Corman
Daddario
Daniels
Davis, John W.
Dawson
Delaney
Denton
Diggs
Dingell
Dole
Donohue
Downing
Doyle
Dulski
Edmondson
Elliott
Ellsworth
Everett
Evins
Farbstein
Fascell
Finnegan
Flynt
Forrester
Fountain
Friedel
Gallagher
Garmatz
Gary
Gathings
Gilbert
Gonzalez
Granahan
Green, Oreg.
Green, Pa.
Griffiths
Gross
Hagan, Ga.
Hagen, Calif.
Hansen
Harris
Harvey, Ind.
Healey
Hechler
Hemphill
Henderson
Hoeven
Holifield
Holland
Horan
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Jensen
Johnson, Calif.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kee
Keogh
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Kornegay
Kowalski
Kyl
Landrum
Lane
Langen
Lankford
Lennon
Lesinski
Libonati
Loser
McFall
McMillan
McVey
Macdonald
MacGregor
Madden
Magnuson
Mahon
Marshall
Matthews
Miller, Clem
Miller, George P.
Mills
Moeller
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norrell
Nygaard
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Patman
Perkins
Peterson
Pfost
Pilcher
Poage
Powell
Price
Pucinski
Purcell
Quie
Rains
Randall
Reifel
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Tex.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Schwengel
Scott
Selden
Shelley
Sheppard
Short
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Smith, Miss.
Smith, Va.
Springer
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Trimble
Tuck
Ullman
Vanik
Vinson
Walter
Watts
Weaver
Whitener
Whitten
Wickersham
Young
Zablocki
Zelenko

NAYS—163

Adair
Addabbo
Alger
Anderson, Ill.
Arends
Ashbrook
Auchincloss
Baker
Baldwin
Baring
Barry
Bass, Tenn.
Bates
Becker
Beckworth
Beermann
Belcher
Bell
Bennett, Mich.
Betts
Bow
Brewster
Broomfield
Brown
Broyhill
Bruce
Cahill
Carey
Casey
Cederberg
Chamberlain
Chenoweth
Chiperfield
Church
Clancy
Clark
Collier
Conte
Corbett
Cramer
Cunningham
Curtin
Curtis, Mo.
Dent
Derounian
Derwinski
Devine
Dominick
Dooley
Dorn
Dowdy
Durno
Dwyer
Fallon
Feighan
Fenton
Findley
Fino
Fisher
Fogarty
Ford
Frelinghuysen
Fulton
Gavin
Glenn
Goodell
Goodling
Grant
Gray
Griffin
Haley
Hall
Halleck
Halpern
Harding
Harrison, Wyo.
Harsha
Herlong
Hiestand
Hoffman, Ill.
Hosmer
Joelson
Johansen
Johnson, Md.
Jonas
Kearns
Keith
Kilburn
King, N.Y.
Knox
Kunkel
Laird
Latta
Lindsay
Lipscomb
McCulloch
McDonough
McDowell
McIntire
Mack
Martin, Mass.
Martin, Nebr.
Mathias
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Monagan
Moore
Moorehead, Ohio
Morse
Mosher
Norblad
O'Brien, N.Y.
Osmers
Ostertag
Passman
Pelly
Philbin
Pike
Pillion
Pirnie
Poff
Ray
Reece
Rhodes, Ariz.
Riehlman
Robison
Rogers, Fla.
Roudebush
Rousselot
St. George
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Seely-Brown
Shipley
Sibal
Siler
Smith, Calif.
Stafford
Teague, Calif.
Teague, Tex.
Thomas
Tupper
Udall, Morris K.
Van Pelt
Waggonner
Wallhauser
Weis
Westland
Whalley
Wharton
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Wright
Younger

NOT VOTING—43

Alford
Bass, N.H.
Blitch
Boggs
Bolton
Boykin
Byrnes, Wis.
Curtis, Mass.
Dague
Davis, James C.
Davis, Tenn.
Flood
Frazier
Garland
Giaimo
Gubser
Hardy
Harrison, Va.
Harvey, Mich.
Hays
Hébert
Hoffman, Mich.
Kelly
McSween
Mailliard
Mason
May
Merrow
Moulder
Riley
Roberts, Ala.
Saund
Scranton
Spence
Staggers
Taber
Thompson, La.
Tollefson
Utt
Van Zandt
Willis
Winstead
Yates

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hays for, with Mr. Hébert against.

Mrs. Riley for, with Mr. Alford against.

Mr. Harrison of Virginia for, with Mr. Staggers against.

Mr. Hardy for, with Mr. Gubser against.

Mr. Davis of Tennessee for, with Mr. Van Zandt against.

Mr. Frazier for, with Mr. Bass of New Hampshire against.

Mr. Yates for, with Mr. Scranton against.

Mr. Boggs for, with Mr. Merrow against.

Mrs. Kelly for, with Mr. Byrnes of Wisconsin against.

Mr. Spence for, with Mr. Utt against.

Mr. Roberts of Alabama for, with Mr. Curtis of Massachusetts against.

Mr. Giaimo for, with Mrs. Bolton against.

Mr. Flood for, with Mr. Dague against.

Mrs. Blitch for, with Mr. Mailliard against.

Mr. Moulder for, with Mr. Garland against.

Mr. Thompson of Louisiana for, with Mr. Mason against.

Mr. Saund for, with Mr. Taber against.

Until further notice:

Mr. McSween with Mr. Harvey of Michigan.

Mr. Willis with Mrs. May.

Mr. Winstead with Mr. Tollefson.

Mr. James C. Davis with Mr. Hoffman of Michigan.

Mr. SHIPLEY changed his vote from "yea" to "nay."

Mr. BRAY changed his vote from "nay" to "yea."

The vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDING FOREIGN ASSISTANCE ACT OF 1961

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight Friday to file a conference report on the bill, S. 2996.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, I object.

HOUR OF MEETING ON FRIDAY, JULY 20

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

STOP NORTHEAST AIRLINES FROM ABANDONING SERVICE IN NEW ENGLAND

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the house for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I bring to the attention of the Congress the strange case of Northeast Airlines. This important east coast carrier expects the Members of the New England delegation to rally support for its application to the Civil Aeronautics Board for permission to operate permanently between Boston's Logan Airport and Florida. At the very same time, it is intent upon curtailing or eliminating its service at a number of airports within New England.

As the big city airports are reaching the saturation point, it is advisable for reasons of safety and convenience to utilize additional airports apart from the metropolitan centers for direct service to New York and Washington.

The Lawrence Municipal Airport at Lawrence, Mass., illustrates this need.

Northeast Airlines has been providing service at Lawrence since 1946. With direct service to New York included, annual loadings reached a peak of 12,000 when these flights were temporarily discontinued to permit the construction of a 5,000 foot runway and taxi strips. This was done to accommodate Northeast Airlines, and its DC-6B four-engine plane, for scheduled twice a day direct service between Lawrence and New York.

When New York service was resumed in September 1961, business did not reach former levels. We maintain that Northeast failed to promote the advantage of this service, or the proper schedules that would develop the greater potential of air travel in this area.

The CAB and the New England Council, impressed by the location and the facilities, have recommended the Lawrence Airport as a regional air center.

We believe that Northeast Airlines has deliberately neglected its service in New England in order to make a case before the CAB and thus secure permission to abandon that service completely.

This is no answer to the continuing and growing need for direct service from Lawrence to New York, and similar service from other regional airports in New England.

The CAB should insist that Northeast continue that service for another year and make a determined effort to improve it. Local airport officials and Chambers of Commerce will cooperate with Northeast to promote and assist in developing the profitable potential of this market.

Northeast Airlines' petition to the CAB for permission to operate permanently between Boston and Florida will depend upon its good faith in maintaining service in New England.

Irresponsibility on the short-haul route will prejudice its claim to compete on the long-haul route to Florida.

MISS INDIANA LITERALLY TAKES CITY BY STORM AT HOMECOMING

Mr. ROUDEBUSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUDEBUSH. Mr. Speaker, the second consecutive year the Sixth Indiana District has had the privilege and honor of being the home of the winner of the Miss Indiana beauty contest.

Last year, Miss Kathy Burke of Terre Haute, was named Miss Indiana and later competed in the Miss America beauty pageant at Atlantic City.

This year, Miss Jane Flaningan of Lebanon, Ind., has been named Miss Indiana to represent the Hoosier State in the festivities at Atlantic City on September 4, 1962.

All of Lebanon, all of Boone County, indeed, all of Indiana is proud of Jane Flaningan, a student at Butler University in Indianapolis—and wish her well in the competition at the Miss America Beauty Pageant.

The Lebanon Reporter has published a complete story of the new Miss Indiana's triumphant return to her hometown after her victory at Michigan City, Ind.

With unanimous consent, I wish to insert the Reporter article herewith:

MISS INDIANA LITERALLY TAKES CITY BY STORM AT HOMECOMING

After every storm there must be a rainbow, and for Lebanon's Miss Jane Flaningan, who bears the title of 1962 Miss Indiana, there also apparently is a pot of gold. The golden quest leads to the Miss America Pageant on September 4 at Atlantic City, N.J., where she will compete for the national crown.

One of Indiana's most widely-spread storms of the season beset Miss Indiana and her party all the way from Michigan City to Lebanon Wednesday afternoon, the downpour twice forcing the driver of her official car to pull off the road and stop because of zero visibility. When it was able to proceed, it was at reduced speed due to the slick pavement and need for caution, consuming 4 hours for the trip.

Before 5 p.m., the parade route was lined with well-wishers hoping to glimpse Jane in her new convertible, some hardy souls going home when it started to sprinkle, returning with umbrellas, and remaining until gusts of wind accompanying a torrent of rain, caused the crowd to disperse. Decorations on welcoming cars soon became sodden but the spirits of the occupants were undampened and the loudly honking horns and sirens with City Police Chief Wilbur Slagle in the escort car, effectively heralded Miss Indiana's entry into Lebanon.

Due to the storm, the welcomers had thinned out, but despite the elements some 250 people accompanied Miss Flaningan and her escort party to the council chambers in the new Municipal Building.

Miss Flaningan responded graciously and modestly to welcoming addresses by pointing out that being Miss Indiana was something she had hoped for since 1957 when she first viewed the Miss America Contest on television. "But," she said, "being a candidate in the Miss America contest exceeded my fondest expectations."

Looking radiant despite her long and stormy trip home, Jane said she always would have part of her heart for Lebanon and Butler University wherever she went.

Speaking with the vitality which helped win for her the title of queen, Jane recounted this year's Miss Indiana contest and her excitement in winning the coveted State crown.

Pruer Acton, representing the county commissioners, claimed Miss Flaningan for all of Boone County, saying she is as much a part of the county as she is of Lebanon. He wished her success in the Miss America Pageant on September 4 at Atlantic City, N.J.

Keith C. McCormick, vice president of the chamber of commerce, referred to the 20-year-old Butler junior and the song "I Enjoy Being a Girl," which she sang to win the Miss Indiana title, as being synonymous, saying in conclusion, "And what a lovely girl she is."

Mayor Herbert L. Ransdell delayed presenting Jane with the key to the city until Jane Flaningan Day later in August.

The mayor expressed the deepest and confident hope on behalf of the city that Jane would bring the Miss America title to Lebanon.

During the hour-long ceremonies, Miss Flaningan was presented a new Philco Miss America television set from Percy McGhee, and a year's supply of Revlon products from the Akerman Drug Co., in addition to a bouquet of Yuletide roses from Gralene Florists.

Accompanying Miss Indiana and her mother, Mrs. J. Pat Flaningan, on the 4-hour trip from Michigan City, were Mr. and Mrs. Floyd Wingert, the Miss Indiana Pageant directors. They were joined here by Mr. Flaningan and son, Jack, who had returned home earlier in the week.

Wingert, whom Jane calls Pop, outlined future plans of Miss Indiana, saying she would appear July 28 in the Michigan City International Friends Garden Festival. She also will appear before some 90,000 people August 18 when she represents Indiana in the Chicago Tribune Charities Chicagoland Music Festival at Soldiers' Field.

Wingert had high praise for Jane, saying she was one of the loveliest queen candidates yet to come from Indiana.

All four speakers on the program, including Owen Hansen, president of the Jaycees who served as master of ceremonies, spoke with confidence that Lebanon would be the hometown of the next Miss America of 1962.

It would be impossible to give credit to everyone who made the homecoming of Miss Indiana a success in spite of weather hazards. All suggestions were turned over to the Jaycees, who coordinated the event.

The Lebanon High School Band, directed by Joseph Haboush, and the Tigerettes waited patiently on Lafayette Avenue to head the parade to the downtown area, but were forced to seek shelter from the storm for a time in the A. & P. store, then transferred to the municipal building. The band played as Queen Jane entered with the members of her escorting party and gave a brief concert in the council chambers preceding the program.

FOURTH NATIONAL CONGRESS OF THE WORLD FEDERATION OF HUNGARIAN FREEDOM FIGHTERS

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, during the week in which our Nation celebrated its national birthday, the Fourth National Congress of the World Federation of Hungarian Freedom Fighters met in Buffalo, N.Y. We were happy to extend a warm welcome to this group, and it was indeed an honor for our city to be selected for this, their fourth congress.

The theme of this congress was:

> Whenever any form of government becomes destructive * * * under absolute despotism, it is their right, it is their duty, to throw off such government.

The morning session of July 7, which I was privileged to address, was held in the common council chamber of our beautiful city hall. The master of ceremonies was Mr. H. Buswell Roberts.

The program opened with the presentation of the colors which was followed by our national anthem and the Hungarian anthem. The invocation was given by the Reverend Dénes Butby.

The Honorable Chester Kowal, mayor of the city of Buffalo, delivered the opening address.

His address follows:

It is a distinct pleasure for me, as mayor of the city of Buffalo, to extend the official welcome of our community, as well as my own personal greetings, to the many distinguished visitors and delegates attending this formal opening of the Fourth National Congress of the American Section, Hungarian Freedom Fighters Federation.

I am certain that everyone here today is fully aware of the heroic exploits of the Hungarian freedom fighters. These heroes, whose deeds of valor have won recognition throughout the freedom-loving world, are now living in the United States and they have formed this organization to keep alive the lofty and noble ideals which inspired their thrilling fight for freedom.

All of them took an active role in the Hungarian revolution for national independence from Russian-Communist colonialism on that fateful and historic day—October 23, 1956. And all of them now are dedicated to carrying on the fight for the freedom of their homeland and of all the captive nations.

By these annual meetings, these freedom fighters are fulfilling a dual purpose—they not only are rekindling the Hungarian flame of freedom, but they also are utilizing these reunions to evaluate present conditions in Hungary so that their invaluable experience and knowledge may help encourage other enslaved Hungarians to emulate their heroism in the continuing fight for freedom.

I am sure that everyone of these freedom fighters appreciates the true meaning of freedom because he risked his life to obtain it.

Freedom should not be taken for granted. It isn't a heritage which men hand down to their children, like a piece of real estate or some heirloom. Freedom is a great blessing and achievement which each succeeding generation must preserve and zealously safeguard for itself.

Freedom also means we can choose to be whatever we aspire to be. And, in addition to choosing our own vocations, we may speak our minds freely—without fear of reprisal from anybody.

We can live our lives and operate our businesses—free from the dictates of an all-powerful tyrannical government or the whim of any power-drunk dictator. Freedom is a priceless treasure, and that is why these heroes, whom we are honoring today, were prepared to make the supreme sacrifice to attain it.

We, who live in Buffalo, the city of good neighbors, take justifiable and pardonable pride in our cosmopolitan makeup. Our people have come from many national origins and backgrounds.

They vary widely in heritage, in culture, and sometimes even in how best to solve our local problems. But they have learned to live together in harmony and in peace, recognizing and respecting one another's differences, and working together for the common good and the preservation of our individual rights and privileges as citizens of this great Nation.

Free citizenship also carries with it many responsibilities, and perhaps we should utilize this notable and significant occasion to take personal inventory of what we, as individuals, have done, or are doing, to deserve this great gift of citizenship in the greatest country in the world.

We must never forget what it means to be free Americans if we are to keep faith with the freedom-loving and freedom-seeking individuals and nations who are resisting communistic aggression everywhere.

Freedom is everybody's job and each one of us must do his part to make it work for all of us instead of expecting freedom to work for just him alone. Each one of us must understand that he can have no true liberty except as he finds it in the liberty of all regardless of race, color, or creed. In this way we will be able to demonstrate to the world that the torch of liberty shall always be aflame in the United States as a beacon of hope for these freedom fighters and others who are waiting for a chance to do what they did.

Once again, a most hearty and warm welcome to all of you. The people of Buffalo are most happy and appreciative that you chose our city for this 2-day congress. Our pleasure knows no bounds and our hospitality no limits in wishing for all of you a most pleasant and happy stay in our city.

The congress then heard a taped message from Gen. Louis V. Dálnoki Veress, president of the World Federation of Hungarian Freedom Fighters, London, England.

Greetings were extended by the Reverend Father Baan Vitez, copresident, World Federation of Hungarian Freedom Fighters. His message follows:

Honorable guests, members of the clergy, my friends, ladies and gentlemen, I am deeply moved, indeed, and overwhelmed with thanks and gratitude for the generosity of the city of Buffalo and all of those who with their presence made this ceremony a dignified opening of our serious meeting.

We Hungarians are peace-loving people. We like to work, create, sing, read, enjoy ourselves, pray and be happy.

However, the organization of Freedom Fighters was born in blood, in massacre, in murder. Many of us were in Communist prisons; many of us are mourning friends and relatives, who were murdered by the Reds. When the most reactionary, most backward system wanted to murder the souls of our youngsters, the revolution broke out. They were fighting and dying for eternal human desires, for freedom, life, dignity and happiness, which were endowed in us by the Almighty. The blood of teenagers, women, intellectuals and workers, students and miners was mixing in the streets of Hungary. The murder has not ceased since. Teenagers are still waiting in prison, only to be old enough to be eligible for execution. One of the cruelest genocides is destroying the Hungarian nation. While we are commemorating here, at least three children have been murdered in Hungary in their mother's womb. The despair, the hopelessness, and the poverty is forcing the Hungarian mothers to accept the State's cynical offer of abortion, which is performed quite often in poorly equipped hospitals, resulting in death, disability, or permanent sterility. All of you, by your presence, declare your courage, for the bloody murderous hand of Moscow is able to reach into the free world to execute its despicable work of reprisal. Recall the tragic mysterious death of the United Nations official, the courageous Povl Bang Jensen, who interviewed the Hungarian refugees after the revolution, swearing to keep their identity secret. Upon honorably refusing to yield to the Russian demand for their identity, he was fired from the U.N. and later he died. A few days ago his son was injured by a hit-run car. Bendera, of Ukraine, a relentless fighter of Russian Communist colonization also was killed. In the 5 years since the revolution more than six members of our organization, living in free countries, met with Russian reprisal, paying with their lives. Yet, in spite of the danger, we continue our activities, not out of desire for adventure but because of a sober sense of duty to our purpose of the liberation of Hungary. In this activity we fulfill not only our sacred obligation to our homeland but also are paying our debt to those free countries who gave us refuge.

Honest but unaware citizens and leaders in the free world consider this struggle between Russia and the West to be an ideological debate. Let us be frank; on the Russian side there is no ideology but that of a concealed desire for despotic power—a desire inherited from the czars. The ends of communism are identical to those of Hitler's world domination. These two regimes were never at opposition in contest but rather competitive for the ultimate power over man.

The policy of appeasing Hitler resulted in no less than the Second World War. This same policy of appeasement, compromise, and concession renders the U.N. more and more ineffectual. Thus in this view, the U.N. is desirous of dropping the Hungarian resolution of the General Assembly. If the basic moral principles of the U.N. Charter are given up, the U.N. itself is given up. Let me close my remarks with the words of Benjamin Franklin: "Those, who can give up essential liberty to obtain a little temporary safety, deserve neither liberty nor safety."

My address on this significant occasion follows:

Nearly 6 years ago the people of Hungary rose in spontaneous revolt against the reign of tryanny which had been imposed upon them by the imperial Russians. That freedom revolution was total in character—involving the entire Hungarian people, from teenaged youth to revered grandmothers. No segment of the Hungarian population failed to answer the trumpet's call to freedom, sounded first by university students then taken up by the exploited workers and quickly joined by farmers, artisans, schoolteachers, government workers and members of the Hungarian armed forces. That is why I call the revolution total. All that is Hungary, past and present, rose up like a sudden tidal wave to drown the Russian oppressors in a vibrant sea of freedom.

Six years is but a moment as history is measured. But those 6 years since the Hungarian freedom revolution can be an eternity for those who fought and remained in the homeland as well as those who fought and whose lives depended upon their escape from the homeland after the Russians reinvaded. For some Americans the human pathos of that freedom revolution burns brightly in the memory while for many others it is a chapter of life that has passed, and is in large measure forgotten. The speed of events in our age of crisis, as we move from one international crisis to another, dims the memory of the past. Today our attention is largely concentrated on the Russian-created crises in Berlin—in Laos—in Vietnam—in the Formosa Straits, and toward Latin America where the Cuba case seeks to further infect our hemisphere. It is clear to me that Russian strategy calls for keeping us so busy with thwarting their brush-fire wars and subversive movements that we are left little or no time to properly measure the revolutionary power of the pent-up human aspirations for freedom and national independence. Moreover, the defensive posture into which we have fallen, under the Russian threat of nuclear war, does not provide a climate in which the dynamics of human aspirations can be properly evaluated.

This fourth congress of the Hungarian freedom fighters is dedicated to keeping alive the lessons of the Hungarian freedom revolution. In pursuit of this objective you serve the best interests of your adopted homeland, the future of your native land, Hungary, and the destiny of all the nations held captive within the Russian prison house of nations. For the lessons of the Hungarian freedom revolution provide the keys to victory in the war which imperial Russian communism has declared upon all the nations and peoples of the world. Recognizing the realities of the war which has been forced upon us and accepting the fact that there can be no substitute for victory in this conflict, I share with you what I believe to be the major lessons of the Hungarian freedom revolution.

1. The free world has consistently overestimated the power of the Russian police state to keep the peoples of the captive nations under submissive control. Knowing about the total terror of the system in every captive nation, and the terrible penalties in human suffering it extracts from the people, too often we regard the system as totally effective. The extent to which our official thinking went in this regard is demonstrated by the fact that in the spring of 1956, a few months before the Hungarian revolution, George Kennan—former Ambassador to Moscow and self-proclaimed expert on the Russians—stated publicly that "revolt on an effective scale in the satellite nations is impossible." A general belief in "all is quiet on the eastern front" permeated official Washington during the months immediately preceding the Hungarian freedom storm. But the patriots of Hungary in the course of five historic days put the lie to that kind of loose thinking. They proved again the ancient lesson that mankind's response to tyranny is revolt; more than that, they demonstrated a new power factor in international politics—total revolution—a human factor far more powerful than atomic bombs.

2. The Red army had been built up as an invincible force, capable of overrunning all of Europe in a fortnight, and much of the free world leadership fell for this propaganda. Moscow, always expert at numbers games, boasted of 175 Red divisions on the alert and ready to move. Communist propaganda painted all Red army soldiers as 7 feet tall, trained as Spartans, and dedicated to Moscow's ambitions. The illusion of invincibility had been built around the Red army so effectively that much of the free world leadership became convinced that our only deterrent capable of preventing the Red army from overrunning all of Europe was our thermonuclear power. That illusion was destroyed by the gallant Hungarians as they ripped the camouflage from the Red army contingents stationed in Hungary to expose all the human vulnerabilities of that armed force. By the second day of the revolution, October 29, 1956, the non-Russian elements in the Red army began to revolt against their Russian commanders and to take the side of the freedom fighters. Tanks and guns of the Red army were turned over to the patriots by these non-Russian elements in the Red army who held no allegiance whatever for the despots in Moscow. Here the issue of Russian imperialism became clear to all. Everywhere in Budapest the slogan "Rushies Go Home" was painted on walls and shouted by the people. The Red army was a feeble power before the Hungarian people as it began to disintegrate and show its true colors. The Russian leaders knew the multinational Red army was not dependable—that the non-Russians in it were in no sense loyal to Moscow. They had sought by clever devices and propaganda to avoid a test of the dependability of the Red army. But the Hungarian freedom fighters denied them this advantage by exposing the truth for the world to see it in its stark reality. That same vulnerability exists today. The Red army remains multinational; the Russians are the minority in it and the non-Russian majority awaits its next opportunity to expose the giant with feet of clay.

3. Another misconception held by many leaders in the free world was that a whole generation of people behind the Russian Imperial Curtain had been lost to freedom's cause because of long years of Russian occupation and indoctrination. The youth of the captive nations were pretty well given up as lost, brainwashed and sympathetic to Moscow. Communist propaganda made bold claims upon the loyalty of the younger generation in the occupied countries, based upon the superiority of the Russian system which had replaced the bourgeois system existing for centuries in the captive nations. Many vocal sovietologists in the United States held that a long series of purges, the breakup of family life, oppression of religion, compulsory teaching of the Russian language and Russian regimentation of the younger generation had established a so-called new order in Central-East Europe. The picture painted by these "experts" was dark and dismal—suggesting that the time had come to seek an accommodation with the realities of Russian power. But the youth of Hungary put the lie to all this nonsense as the cool opinions of the sovietologists were exposed as fantasies of the ivory tower. For it was the youth of Hungary, the so-called lost generation, who provided the spark to ignite the petrol fuel of freedom which was pent up in the exploited Hungarian masses. It was the university students who mounted the series of protests against the alien regime in power, who gathered at Petofi Circle to taunt their occupier, who rallied around the statue of the great General Bem, a Polish patriot who fought against the Russians in the Hungarian Revolution of 1848–49. When the Communist secret police machinegunned the Hungarian workers, gathered before the government building to protest against their miserable lot, it was the students who seized Radio Budapest, tore down the grotesque statue of the dictator Stalin, set fire to the Communist bookstores and died so that the world would know the stark truth about Russian communism. The youth of Communist-occupied Hungary proved that the only lost generation was the foolish theorists in the free world who know nothing about Russia and the Russians, and less about the nature of man.

4. The Russian experts in our State Department, from 1954 on, held that there was nothing we could do to bring about the liberation of the captive nations short of all-out war with the Russians. This tragic error of judgment led to the development of the policy of peaceful evolution. Basic to this policy was the national estimate that over a period of time—50 or 100 years—an evolutionary political process must be promoted through which the good things inherent to communism and the open society of Western civilization would be preserved and the evils of both would be eliminated by some mysterious but undefined process. The end result would be utopia. This kind of escape-hatch thinking produced the nebulous theory of "national communism" which you and I know is part of the mythology of a lost generation of freemen. Nationalism is the natural enemy of communism because nationalism promotes the concept of national independence. Communism is the destroyer of national independence because communism promotes the concept of world empire with Moscow as the single, unchallenged capital of that empire. It was this tragic theory, transmitted into U.S. policy, which paralyzed the Government of the United States when the trumpet call of freedom's cause was voiced by the valiant people of Hungary in October 1956. All the theories concerning Russia and the Russians, communism and the evolutionary process, upon which our national security policies were based in 1956, were completely discredited by the Hungarian freedom revolution. Those who fought and died in that revolution were convinced beyond doubt by the hard lessons of life that human freedom cannot coexist with communism, that the high sounding theories of communism are nothing more than the avant-garde of Russian imperialism and that Russian imperialism is the deadly enemy of all nations that cherish their national independence.

These I believe to be the four basic lessons of the Hungarian freedom revolution. A terrible price was paid by the good people of Hungary in order that we and all other free people might learn these lessons before it is too late. The Hungarian people were not defeated by the Russians in their fight for freedom and national independence in the revolution of 1956. Victory for the Hungarian people was delayed—but victory in all its splendor shall be their reward when the lessons I have outlined become known to the American people. I am confident that once these lessons are communicated to the American people they will be transmitted to a world that anxiously awaits a formula for victory in the war which the Russian Communists have declared upon all humanity. No higher goal could you set in these deliberations of the fourth congress of the Hungarian freedom fighters. You owe it to yourselves and to the thousand years of Hungarian history, as a rampart of Christian civilization, to carry this torch of enlightenment from this chamber to a generation of young Americans who will not fail the trumpet call of freedom.

This morning session was concluded with a retreat of the colors, and the benediction which was given by the Reverend Stephen Divald, Ph. D. Sch. P.

ALLEGHENY PORTAGE RAILROAD NATIONAL HISTORIC SITE

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, I am introducing today a bill which would provide for the establishment of the Allegheny Portage Railroad National Historic Site in Cambria County, Pa. The site will include portions of the Pennsylvania Canal, the Lemon House, the summit of the Allegheny Portage Railroad, the Skew Arch Bridge, Incline Plane No. 6, the Portage Railroad Tunnel, and such other historic features and land necessary for the inclusion in the national historic site.

The Allegheny Portage Railroad, the most spectacular portion of the Pennsylvania Canal, was built in 1831 to 1834 to link the eastern and western sections of the canal. Constructed in 1826 to 1834, at the height of the canal era of our history, this canal was the State of Pennsylvania's answer to the Erie Canal, completed in 1825. Although the Allegheny Mountains appeared to present an insurmountable barrier to the western part of the route of this canal which stretched from Philadelphia to Pittsburgh, the barrier was breached by the unique Portage Railroad, an engineering accomplishment which Edward Stevenson, a noted British engineer of the time, compared favorably with contemporary European engineering feats.

The Portage Railroad consisted of five inclined planes, with level track sections between, to ascend the nearly 1,400-foot rise from Hollidaysburg to the Allegheny summit and five more inclined planes and a 900-foot tunnel, perhaps the first railroad tunnel in America, to descend the nearly 1,200 foot drop to Johnstown for a total length of 36 miles. At first horses supplied the necessary power, later it was supplied by two stationary engines of about 3,500 horsepower each at the head of each inclined plane.

An ingenious system was devised by which sections of canal boats could be loaded on railroad flat cars for transport over the mountains—then, joined together, again floated down the remainder of the canal to the final destination. Under this system passengers could travel the entire route from Philadelphia to Pittsburgh without changing.

Although the Pennsylvania Canal was never able to compete successfully with the Erie Canal, it was not canal competition but the advent of the criss crossing of the country by railroads that brought its demise.

Most of the inclined planes, some of the stone ties of the railroad, the tunnel, and the two story Lemon House—an overnight stopping point for travelers of the Allegheny Portage Railroad—all remain extant today and offer an excellent opportunity to preserve and interpret an important phase of this country's development.

PERSONAL EXPLANATION

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, on the afternoon of July 2, 1962, I was unavoidably absent from the House floor and accordingly was unrecorded on three rollcall votes. Had I been present I would have voted as follows:

On rollcall No. 144, relating to H.R. 11586, a measure to extend for 3 years the 55-percent ceiling on Government cost-differential subsidies for domestic ship construction and conversion—against.

On rollcall No. 145, relating to S. 2775, a measure to increase authorization for administration of the Trust Territories of the Pacific Islands—for.

On rollcall No. 146, relating to H.R. 714, a resolution that the FCC permit existing clear-channel radio stations to operate on additional power—for.

AMENDMENT OF SOCIAL SECURITY ACT

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST. GERMAIN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. ST. GERMAIN. Mr. Speaker, the bill I am introducing today amends the Social Security Act to allow modifications of Federal-State agreements, for the coverage of State employees, to be made up to 1966 rather than only to 1963 as is presently called for by the law. The second section of the bill authorizes the States to determine what retroactive coverage will be provided and what amounts will therefore need to be paid into the funds of the social security system, by the State employees, in order for the provisions of the Social Security Act to apply.

The Rhode Island agreement with the Federal Government was made in 1958 and covered State employees who wished to join at that time, with the agreement being retroactive to 1956. Rhode Island has what is known as a divided retirement system which means that for a certain designated period the employees may choose to participate in the system and those not desiring social security are able to join any voluntary retirement system they wish. The employees have until 1963 to participate and decide but this bill extends that time 3 more years, until 1966.

Under the provisions of the Rhode Island agreement with the Federal Government, those who participate in the program pay into the funds of the social security system the amount of social security tax from 1956 to the time of joining. This, in 1962, means that a great hardship is placed on the financial resources of those State employees who wish to be covered and receive the benefits for their families. There are approximately 400 State employees who wish to join the program but the present regulations make this almost impossible. At present rates, those who wish to be covered pay into the funds several hundred dollars, which in one sum, is an impossible burden on these employees and has caused them to forego the benefits of the system.

The second section of the bill provides for State determination of the retroactive coverage to be given to those who join under the Federal-State agreements. In effect, the States would be deciding what amounts their employees will have to pay into the funds of the social security program. This will allow the States to make decisions based on the particulars of their situation. A hard-and-fast rule as to the coverage or retroactivity might well work to the disadvantage of certain States or employees. The present situation in Rhode Island seems to call for coverage but not with the full retroactivity because of the prohibitive cost. In other States the extension of time for joining the program is the important factor and the employees are willing and able to pay for the period from 1956 or any other such period the State decides upon based on the State situation.

Action must be taken on the Federal level in order to modify the State agreements. The law had provided a certain time in which modifications could be made and in 1961 that period was extended to 1963. This amendment further extends the period to 1966 in order to give the States and the employees the time needed to make the desired modifications and adjustments of the provisions of the Federal-State agreement.

This matter has been under study for several months in order to draft a bill that will best suit the Rhode Island situation and yet contain a measure of flexibility that will provide a workable basis for other States. This bill is being introduced after consultations with Governor Notte and with General Treasurer

Hawksley. Cooperation with State officials is important and this bill has been given careful attention and study by Governor Notte and General Treasurer Hawksley.

It is my hope that the Congress will act favorably on the bill and that the Rhode Island State employees will be given the opportunity to obtain social security coverage within a rate structure that will not drain their resources and yet be equitable to those already within the provisions of social security and fair to those of other States who desire coverage.

REMEMBER CAPTIVE NATIONS

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCRANTON] may extend his remarks at this point in the RECORD and include a newspaper article.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SCRANTON. Mr. Speaker, although I was honored to have the opportunity of speaking in Buffalo on Wednesday, July 18, at that area's captive nations' luncheon, and was particularly proud to receive their Freedom Award, instead of offering my own comments at this time on Captive Nations Week and the importance of this observance, I bring to the attention of the Members of the House an outstanding editorial from the Philadelphia Inquirer of Sunday, July 15, as follows:

REMEMBER CAPTIVE NATIONS

Today opens the third annual observance of Captive Nations Week, an observance which many Americans may casually brush off but which infuriates Nikita Khrushchev—and worries him.

Americans with short memories, Americans secure in their own homeland and witnessing a dramatic rebirth of Western Europe as well as unprecedented democratic prosperity in Japan, may feel that the countries which have been engulfed behind the Iron Curtain have fallen heir to tragic misfortune but that there is really nothing to be done about it and it's just too bad.

They're wrong if they do.

Captive Nations Week gives us opportunity—and a particularly galling opportunity, so far as the Soviet captor is concerned—to point out again the seething ferment that is taking place in the so-called Red empire. There is no peace, there is no security for Khrushchev and his puppets wherever police-state rule is holding down the masses of the people—the masses communism once promised to "serve."

There is exploitation on a scale capitalism could never have imagined. Year in and year out Russia extracts from its captives the fruit of their toil—price rigging and unfair exchange are commonplace wherever the Reds have tricked their way or coerced their way to power. They never won a fair vote.

Little wonder the Communist hierarchy loathes to be reminded each year of the precarious hold it has on its victims. And these victims are not all so remote from Moscow, either. A glance at the map of Eastern Europe will easily confirm the proximity of Latvia, Estonia, Lithuania, Poland, East Germany, Czechoslovakia, Hungary, Bulgaria, and Rumania—an honor roll of the future, perhaps—but it will not note as separate entities the Ukraine or Armenia or other "SSR's" which, if ever given half a chance, would promptly opt out.

It is perfectly obvious that in a world where atomic madness has become possible, the free nations must go cautiously—must, in fact, let events lead to their natural consequences in many cases. But, as hunger and deprivation sweep the Communist world, most sharply now in China but not excluding even favored Russia, it also is becoming more obvious year by year where the natural consequences tend.

Russia has elected itself to lead a bloc of nationalities and is showing ever more openly its unfitness to lead—and even its growing inability to hold down the rebellious forces.

Khrushchev has promised to bury us. But every time we call attention to the weaknesses of Russian police-state rule, every bit of aid and comfort we can give to captive peoples is a spadeful of earth to bury him.

HISTORIC LEWES, DEL., DAY

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. McDOWELL. Mr. Speaker, today is Historic Lewes Day in Delaware. It is a most memorable occasion.

Today is a time to mark all the exciting things in the long and splendid history of Lewes, Del.

In the book, "Delaware: A Guide to the First State," compiled and written by the Federal Writers' Project of the Works Progress Administration for the State of Delaware, published in 1938, Lewes, Del., is described in part this way:

> Lewes, pronounced Lewis, at the mouth of Delaware Bay, the saltiest town in Delaware, is known to every ship captain who has ever picked up a pilot for the river, or has ever rounded Cape Henlopen in a gale to find shelter behind Delaware Breakwater. As the home of Delaware pilots for at least 280 years, Lewes ("Lewestown" to older residents) has a tradition of the sea borne by every east wind that haunts its narrow streets and aged cypress-shingled houses. Its present is saturated with the drama of its past. There is a fountain of youth on Pilot Town Road, a Ship Carpenter Street, a Knitting Street, and a Frog Alley. Lewes has been plundered by privateers and has bargained with Captain Kidd for his loot; it has been bombarded in war, and knows all about shipwreck and sunken treasure.

One can go to Lewes and step directly into the 17th century. While Williamsburg, Va., is better known because of the more than $60 million spent on it by the Rockefeller family, Lewes, Del., has a charm and importance which should recommend it to all Americans who are proud of our history which records the things that have made our Nation great.

I include an editorial from the Wilmington, Del., Evening Journal, and some excerpts from "Delaware: A Guide to the First State," written by the Federal Writers' Project.

[From the Wilmington (Del.) Evening Journal, July 18, 1962]

HISTORIC LEWES DAY

On the eve of Historic Lewes Day let's hope the ladies can rest briefly from their labors of preparation. The ladies? Yes. Who ever heard of men taking up the challenge and the burden of readying an array of old houses for public inspection inside and out?

Certainly the visitors there tomorrow will have women to thank for the exhibition and the entertainment. In advance we will salute the members of the local chapter of the Daughters of the American Revolution and the Lewes Historical Society.

The wonder is that Historic Lewes Day of 1962 is the first one ever held. Lewes has a flock of cherished old houses in the simple frame construction of colonial and early federal days—some sheathed with the extralong shingles of bald cypress from the Pocomoke Swamp. Lewes has churches whose history goes back at least two and a half centuries.

You may be sure the present occupants of the houses haven't spared the furniture wax and silver polish on this occasion.

Like ancient New Castle, Lewes is part and parcel of the great estuary of the Delaware. But whereas New Castle queens it over a 2-mile-wide river, old Lewestown has had to learn to live under the good and bad humors of a great salty bay and the ocean. If you go to Lewes tomorrow, you'll feel the difference between the two oldest towns in Delaware. And if you go, you won't be sorry.

DELAWARE: A GUIDE TO THE FIRST STATE

Lewes, pronounced "Lewis," at the mouth of Delaware Bay, the saltiest town in Delaware, is known to every ship captain who has ever picked up a pilot for the river, or has ever rounded Cape Henlopen in a gale to find shelter behind Delaware breakwater. As the home of Delaware pilots for at least 280 years, Lewes ("Lewestown" to older residents) has a tradition of the sea borne by every east wind that haunts its narrow streets and aged cypress-shingled houses. Its present is saturated with the drama of its past. There is a fountain of youth on Pilot Town Road, a Ship Carpenter Street, a Knitting Street, and a Frog Alley. Lewes has been plundered by privateers and has bargained with Captain Kidd for his loot; it has been bombarded in war, and knows all about shipwreck and sunken treasure.

Because of the Dutch settlement here in 1631, Lewes is to Delaware what Plymouth is to Massachusetts and Jamestown is to Virginia. It has been a seat of Colonial and county government under four flags, and its residents have had much to do in the making of Delaware history.

From a vessel standing in from the breakwater, Lewes is a low-lying scene of three diverse parts, all belonging inseparably to the whole. In the foreground, flanked on the east by the sand dunes of the cape, are the gaunt structures of the fish-oil and fish-fertilizer plants, the bay piers, and the strung-out summer resort of Lewes Beach bordering the bay shore. In the background, beyond a narrow strip of salt meadow, the spires and low-massed houses of Lewes proper are visible. Westward from Lewes there stretches the long curve of Pilot Town, a single row of houses facing the bay. From the west end of Lewes Beach the new Roosevelt Inlet cuts across the meadow to Lewes Creek, which, extending east past Pilot Town, becomes the Lewes and Rehoboth Canal.

The waterfront of Lewes itself is a row of old buildings and wharves dominated by the large brick bulk of the post office and customhouse. Moving about the canal basin or made fast to the wharves are the dozens of craft that use this landlocked harbor as their base or as a port of call.

Most of the business houses of Lewes are contained within a single long block of Second Street. Brick buildings of recent origin alternate with frame dwellings of unknown age, whose ground floors are typical country stores with old-fashioned fixed awnings shading the sidewalk.

The ship pilots are still the central life and aristocracy of Lewes. Besides a few "mud pilots"—those who do not belong to the Pilots Association of the Bay and River Delaware—there are 63 Delaware River pilots, of whom 33 live in Lewes, the rest in Cape May and Philadelphia. They look upon their calling as a gentlemen's profession and regard the dangers of bouncing skiffs and monkey ladders as all in the day's work. A pilot sometimes fetches up in South America if high seas have prevented the pilot boat from making a pickup at the Capes.

Formerly the pilots went off direct from Lewes on the pilot boat to board vessels near the Capes, or were taken off vessels by pilot boats and brought back to Lewes to await their next turns. In 1935 the system was reversed. The pilot boats make a landing here only occasionally for supplies. A pilot now goes by road to Philadelphia or another river port, where he boards an outbound ship, brings her down the river and bay, and is picked up by the pilot boat, which cruises about, waiting for arriving vessels. The pilot boards one and takes her up; arriving at Philadelphia, he sets forth on the 120-mile trip down to Lewes again, by land. So far the love the pilots have for old Lewes town still holds them to the spot where generations of their ancestors are buried, but they sometimes mutter about moving to Philadelphia.

The pilots formerly worked in groups, each with its own fast sailing vessel, often racing 200 miles to sea to be first to hail an incoming ship. Since 1896, however, they have worked together on the pilot boats *Philadelphia* and *Delaware*, and pool all the fees received. To become a pilot, an apprenticeship of 4 years is required.

Lewes is situated on the oldest site of a white settlement within the Delaware River region, known to Dutch traders and adventurers since Henry Hudson's discovery of the bay in 1609. Capt. Samuel Argall of Virginia came close enough to shore inside the bay in 1610 to bargain for food with friendly Indians. Capt. Cornelis Hendricksen in the *Onrust* between 1614 and 1616 and Capt. Cornelis Jacobsen May in 1620 and in 1623 probably traded here. Giles Hosset and Jacob Jansen bought the land along this shore from the Indians in the spring of 1630 for the Dutch patroons, Samuel Godyn, Samuel Blommaert, Jan de Laet, Killaen Van Rensselaer, and Albert Conraets Burg, the first lords of the soil of Lewes. David Pietersen de Vries of Hoorn joined this group upon their willingness to grant him satisfactory terms of partnership, and prepared the *Walvis* expedition commanded by Peter Heyes, with 28 men and supplies to establish an agricultural colony and a whaling industry on the shore. Van Rensselaer later reports that in 1631 they "took possession of the bay of the South River (the Delaware) * * * engaged in whaling and farming and made suitable fortifications so that * * * their cows calved and their lands were seeded and covered with a fine crop."

The settlement, called Swanendael, was attacked by Indians, either in the fall of 1631 or early spring of 1632. Only one man escaped, Thunis Willemsen, whose affidavit that he was "left over" in Swanendael was later recorded at New Amsterdam. The place continued to be known by the name Swanendael, as well as the Indian name Sikonesse in a variation of spellings. The stream the Indians called Cui Achomoca, which appears in equally varied anglicized spellings, and that might mean pine-tree land of Chief Horn, or a horn of pine-tree land. The Dutch traders, who continued to obtain large quantities of furs here after De Vries had restored friendship with the Indians, called the place the Hoerekill or Harlot's Creek.

In 1658, Gov. Peter Stuyvesant ordered the site fortified to keep off English settlers. Vice Director William Beekman from Fort Altena (Wilmington) and Lieutenant d'Hinoyossa from New Amstel (New Castle) came down and bought the land again from the Indians and a fort was built in 1659. In 1660 Peter Alrichs arrived from New Amstel, with sole trading rights south of Bombay Hook and free use of land. In 1663, the Dutch shipper, Peter Luckassen of the *St. Jacob*, landed "41 souls" here with their baggage and farm utensils. This was the Dutch Mennonite colony under the leadership of Peter Cornelis Plockhoy, one of the Quaker idealists of the age.

Like the first colony at the site of Lewes, the Mennonite settlement came to a sudden end, but this time without bloodshed. When Sir Robert Carr arrived in this part of the Dutch territory in 1664, to claim the land for the Duke of York, he destroyed or seized all the property of the Mennonites. Cornelis Plockhoy later swore allegiance to the English, and in 1680, a lot was granted him in this town where "he already has a house." Years later, Plockhoy and his wife found friends among the Mennonites of Germantown, Pa.

By 1673 the small community had developed into a port for ships and of trade in grains, meat, and timber for ships. In that year, magistrates of the first court endeavored to straighten out the land grants, and define the plot of the town. Edmund Cantwell, first high sheriff under the English, seems to have planned the first streets. The first grant or confirmation under the English was to Hermanus Wiltbank, in 1672, who had long been settled here. Between 1671 and 1681, thousands of acres were surveyed and granted mostly to men with English names.

Called Deale in the early 1680's, the town became Lewes early in Penn's time—though it was more generally known as Lewestown.

William Penn ordered streets to be laid out 200 feet wide between the town plots, and inhabitants who encroached upon them were brought before the court and forced to remove obstructions. The common land—the marsh between the beach and the creek and the pineland toward the cape—was zealously and to large extent successfully guarded from private encroachment. Men from Lewes were selected for Penn's Council and for justices of the provincial court, among them being Henry Brooke, grandson of Sir Henry Brooke of Cheshire, William Till, and Ryves Holt.

During the years immediately preceding the Revolution, Lewes gave ardent support to the remonstrances against taxation without representation, and here on July 28, 1774, a large assemblage listened to Thomas McKean, signer of the Declaration of Independence, present the case of the Colonies against England. Much sentiment was for settling the dispute by legal means. Both sides had leaders of high integrity and standing but the town finally aided the patriot cause and a company was formed under Col. David Hall and did valiant service throughout the war. As usual Lewes bore the brunt of the menace to shore and shipping from the British war vessels and the privateers in the bay.

At the end of the century came a ship tragedy at the cape, the sinking of the British sloop-of-war, *De Braak*, capsized in a squall. Twenty-seven seamen, including Capt. James Drew, and a cargo of copper, gold, and coin, the estimated worth of which ranged from $1 million to $40 million were lost. The *De Braak* had taken two Spanish prizes and carried their wealth in her hold. That year and the next British frigates made vain efforts to raise the wreck. Eighty years later a group of Philadelphia and New York capitalists financed the unsuccessful Pancoast Expedition to salvage ship and treasure. Again in 1932, this time by improved modern methods, two companies vainly sought to establish the spot where the *De Braak* lay. To inhabitants of Lewes a jinx had been upon all efforts to find or raise this wreck, and the misfortunes of the salvaging companies confirmed their belief. This held for the recent (1935–36) efforts of the Colstad Expedition of Providence, R.I., though when a diver was hauled upon the deck of the *Liberty* with a piece of teakwood in his hand and a silver Spanish coin fell from between the iron spikes of his diving shoes, the jinx seemed to have been lifted, but no further find was made.

In the War of 1812, Lewes refused the demands of British ships for provisions, and calmly defied threats of bombardment. Under command of Col. Samuel B. Davis, about 500 men, regulars and milita, were so drilled and marched in and out of the range of vision of the British fleet that they looked like thousands instead of a few. When the bombardment began, the men of the town crept through the marsh grass and over the sand to collect the cannonballs, which fitted the guns of their fort, and so returned the enemies' fire. The British gave up the attack, and though property was damaged, no inhabitant was hurt.

Construction of the Delaware Breakwater, begun in 1818, was the beginning of respite from the tragedy of wrecked ships that piled up on the shores and in the shoals of the bay with almost every storm. But the outer Harbor of Refuge was not completed until after the "March Blizzard of '88" claimed the lives of 70 men on the score of ships tossed up into the inner breakwater. High wind and deep snow cut off the town for a week from outside communication. In 1889 the pilot boat, *Enoch Turley* of Lewes, a two-masted schooner, was driven out of the bay in a September gale with five pilots and five seamen aboard. The vessel was never heard from after it was sighted off the Virginia capes by a tramp steamer that night; 43 vessels were piled up on Lewes beach in the same gale.

Lewes has been the scene of many exciting shipwreck rescues, one of these being the beaching of the steamship *Lenape*. This ship, owned by the Clyde Line, en route from New York to Jacksonville, was sighted afire off the Delaware on November 18, 1925, from the Burbage ship brokerage office. At the same time Capt. Charles H. Morris, cruising at the mouth of the bay, saw the plight of the ship. He and some of his men manned a boat and rowed to the *Lenape*, which had aboard a crew of 107 and 263 passengers. Most of these were huddled on the deck to escape flames from the hold when Captain Morris went on board and took charge of navigation. Heading the ship into the Delaware Breakwater, he beached her on a shoal as close as possible to the Lewes Coast Guard Station, where the guardsmen assisted by the crew of the pilot boat rescued passengers and crew. One man, who had jumped into the sea with a lifepreserver, was lost.

When the branch railroad line was completed to Lewes in 1869, the main Delaware Railroad had already caused the decline of shipping and shipbuilding. The subsequent life of Lewes has continued to center about the pilot business, however, but more recently has received additional impetus from an increasing tourist trade.

Since 1930 Lewes has been one of the best known ports on the Atlantic Coast for salt-water fishing. Under the auspices of the Lewes Anglers Association, a cooperative body, a fleet of power boats is available at reasonable rates to take anglers out to the fishing grounds where there is an abundance of hardhead, trout, bluefish, and drum. A 2-day annual homecoming is held during the second weekend in August, featuring a parade of boats, a free cruise, and sometimes an ox roast, and culminating in a mass open-air religious service.

Included in the industries of the town are brush, tinware, cotton garment, and canned goods plants.

AMENDMENT OF RAILWAY LABOR ACT TO SETTLE JURISDICTIONAL DISPUTES

Mr. BURKE of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BURKE of Kentucky. Mr. Speaker, I have today introduced a bill so to amend the Railway Labor Act as to authorize the President to establish boards to resolve jurisdictional disputes in the air-transportation industry. The situation in which the country finds itself as a result of the stoppage of service of Eastern Air Lines, emphasizes the urgent necessity for the prompt adoption of such amendments. The Commonwealth of Kentucky and particularly the metropolitan area of Louisville, including most of southern Indiana, is most seriously inconvenienced by this intolerable interruption of service by the carrier which is authorized to provide more than half of the airline service in the very heart of the heavily industrialized Ohio River Valley.

Everyone favors free bargaining between employers and employees. When, however, we learn as we did today that the parties to the Eastern Air Lines dispute with the Flight Engineers have no further plans even to meet to discuss their differences, the overriding public interest demands that a means be provided to settle the matter.

As the distinguished Senator from Oklahoma [Mr. MONRONEY] remarked, when introducing a similar bill in the other body recently, adequate safeguards are provided against arbitrary interference in normal collective bargaining procedures, and appeals to the courts are carefully set out.

This is not a requirement of compulsory arbitration in the classical sense. Strikes are not prohibited. The proposed amendments would protect the public in situations like the one we see today in the Eastern Air Lines-Flight Engineers dispute, where men have reached the point where they are reported to have said in essence, "We refuse to talk to one another." The public cannot and will not afford to underwrite the luxury of such intransigence.

OPERATION UGANDA—A STORY OF AMERICAN INITIATIVE AND COURAGE

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentleman from New Jersey [Mr. CAHILL] is recognized for 30 minutes.

Mr. CAHILL. Mr. Speaker, in March of 1962 a group of college students from Glassboro State College, located in the Borough of Glassboro, Gloucester County, N.J., visited the United Nations Headquarters in New York City. Glassboro State College is and has been for many years one of New Jersey's and one of the Nation's outstanding training centers for schoolteachers. The group of young men and young women that visited New York were members of the College's International Relations Group. This group visited New York for the purpose of familiarizing themselves with the workings of the United Nations, to obtain a firsthand view of the methods of operation of the United Nations and to seize the opportunity of meeting face to face representatives of the various nations affiliated with the United Nations.

During the visit the students from the New Jersey college were addressed by representatives of several of the countries affiliated with the United Nations. During one of these conferences the students from Glassboro State were addressed by a Soviet official who was speaking to them as a representative of the U.S.S.R. During the course of the address he told the students of Glassboro State that the United States had become so decadent that "this country could no longer inspire underprivileged nations."

This statement not only angered the students of Glassboro State, realizing as they did the inaccuracy and falsehood contained in this statement, but it triggered them into action to prove once and for all the fallacy of this type of charge.

On the way back from New York and after arriving at the school in Glassboro, this statement and this accusation predominated their thinking. What could they do to prove the inaccuracy of this statement? How best demonstrate to Soviet Russia and all other critics of the United States that this country was indeed willing to continue its sacrifice, to help and inspire the underprivileged peoples of this world? How could American college boys and girls without funds aid materially in assisting these underdeveloped nations? How could they inspire the emerging nations of the world?

Discussion followed discussion and then as a result of the combined thinking of the group a decision was made and the group went into action. These young men and women of Glassboro State decided to commence a project which upon completion would provide a school for the training of teachers in the newly emerging independent nation of Uganda in East Africa. It was their conviction that they could best contribute by providing the school, the faculty, and the implements to train native Ugandans as teachers so that they in turn could teach the youth of that nation and thus start a chain reaction which would ultimately bring the benefits and blessings of education to the peoples of Uganda. In this way they felt that they could demonstrate the ability and the willingness of the American student to not only aid but to really inspire the people of East Africa and the people of the world who would come to know of this and start similar projects.

Thus, under the leadership of Mr. Morris Livingston and Dr. Jessie Kennedy, of the college faculty, a dozen or more students began a campaign to establish this training school in Uganda. The emerging nation of Uganda was selected by the students because it was a British dependency where English is widely spoken. Incidentally, this emerging nation will celebrate its independence on October 9, 1962.

One of the first steps in the campaign was a project to obtain 50,000 books for use in the Uganda school. These books would serve as textbooks, as research books, and as general material for the students who would enroll in this school. Various school districts and independent organizations in New Jersey were contacted and unbelievably in a relatively short period of time more than 20,000 books have already been donated. Other gifts of blackboards and equipment have been received.

As might be expected this project ultimately came to the attention of the officials of the Government of Uganda and as the result they not only enthusiastically applauded the project but have arranged to grant land and building materials for the school.

The students who originally attended the United Nations meeting in New York and who were the sponsors of this project will graduate from Glassboro State in June of 1963. They will go to Uganda and there participate in constructing the school on the grounds donated by the Uganda Government. These students are recruiting professional construction workers to accompany them. They believe they will have the new school operating by September 1963. Its faculty? Naturally, the students who were addressed in New York by the Soviet representative. By that time, these young men and young women will have graduated as fully qualified and accredited teachers and they will be the first faculty of the new teaching school to be established in Uganda. They will serve without pay.

It is expected that the original dozen or more students who will go to Uganda will after perhaps 1 year be replaced by new graduates of Glassboro State who will be willing to give a year of their time teaching at the Uganda training school. This program will continue indefinitely and certainly until a sufficient number of the natives of Uganda are adequately trained to make continued American participation unnecessary. At that time, with sufficient equipment and know-how supplied by the students of Glassboro, the Uganda school should be staffed completely by qualified Ugandans who would then continue to train additional students for teaching purposes.

On October 9, 1962, the date upon which Uganda achieves its independence, the students and faculty of Glassboro State will be the official host at an allday celebration honoring the independence of this new country. The entire student body consisting of more than 2,000 young men and women will hear representatives from various African nations and will be greeted over transatlantic telephone by the Uganda Chief of State. A major address will be given by the Governor of the State of New

Jersey and others of national and international prominence will speak. There will be educational exhibits and the celebration will be highlighted by a presentation of a token number of books to representatives of the Uganda Government symbolizing the flood of books which eventually will find its way into the new school in Uganda. Several Members of Congress of the United States have been invited and have already accepted the invitation to preside over panel discussions to be held on October 9, at the school for the purpose of discussing this and other projects by which the students of Glassboro State can aid in the program to help the underprivileged peoples of the world and to prove to the world that America still has the ability to inspire new nations.

As the Representative of the First Congressional District of New Jersey in which Glassboro State is situated, I am naturally proud of this great contribution being made by the young men and women of Glassboro State. I salute and commend them for this demonstration of true Americanism. I commend them for their courage and sacrifice and willingness to serve their fellow human beings. I am inspired by their willingness to leave home and work without pay in order to prove not only to the people of Uganda but other people of the world that young Americans still possess the courage and the pioneer spirit of our Founding Fathers.

This group is not to be confused with the Peace Corps. While, to some degree, there is a similarity, there are many differences. The Glassboro group is not sponsored by the Government. The books are the result of the solicitation of a handful of college students and the generous response of thoughtful organizations and institutions who wish to aid in this type of project. It is further differentiated from the Peace Corps in that the young men and women who have evidenced an interest in going to Uganda will receive no pay whatsoever for their services. It is my hope that the Government of the United States of America will, however, aid these young men and young women in their efforts by supplying transportation to and from Uganda by military air transport so that at least the transportation costs will not be borne individually by these young men and women. I would also hope that the books which are going to be used at the school in Uganda may be transported by the American Government. In this way, our Government can join hands with the group of students of Glassboro State in demonstrating to the people of Uganda our desire to be helpful in every possible way.

I believe that projects like this demonstrate not only the great affection that Americans have for peoples of the world but prove beyond doubt the willingness of the youth of this country to sacrifice, as did their forebears, in developing throughout the world a respect and affection for this country.

I am pleased to call this project to the attention of the Congress of the United States and to the people of the United States because I hope that it will be the beginning of similar projects by students in other teaching institutions throughout the country. If this were done we could most certainly demonstrate to the emerging nations our willingness to help, our desire to give of our talents and our great interest in raising the educational standards of these emerging nations. Thus while the Soviet representative did not intend to do so, he may have, by his challenge hurled to these young students, contributed greatly to the ultimate defeat of communism throughout the world. He obviously did not know and understand the caliber of our American youth. He did not know that they do not permit a challenge of this kind to go without answer. The Glassboro State students have answered his challenge with "Operation Uganda." This may start a movement which will do more to combat the infiltration of communism in the emerging nations than anything that has yet been done.

I am sure my colleagues of the House join me in wishing these young men and women well in their project and in saying to them on the beginning of this laudable program, "Well done."

CONSUMERS' ADVISORY COUNCIL

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 5 minutes.

Mr. **HALPERN**. Mr. Speaker, I am delighted by the news today of the President's appointment of a Consumers' Advisory Council.

In his 1960 election drive, the President made much issue of the need for protection of consumer interests. In a special message to Congress he recommended many measures on behalf of the "only important group in the economy whose views are not often heard."

"The Federal Government, the highest spokesman for all the people, has a special obligation to be alert to the consumers' needs," the President said.

This concern for the consumer has been most admirable. The words have been forceful, but the action has been slow.

As one who has long advocated governmental recognition for the consumer, I had heretofore introduced legislation to set up a Consumer Department in the executive branch. Since the new administration took office in January of 1961, I have waited patiently for overt action to be taken to protect the needs of consumers in consideration of national economic policies.

Finally after many months had gone by, I introduced legislation of my own, H.R. 12571, to establish a National Consumer Advisory Council to give broad consideration to the consumers' needs and point of view, to examine and provide advice to the Government on issues of broad economic policy, on governmental programs protecting consumers' needs, and on needed improvements in the assimilation and dissemination of consumer research material. This legislation, I believe, would have been a long step toward giving the significant recognition the consumer deserves in governmental councils.

Now comes word that the President is setting up such an advisory council. While I would have preferred the body to be established by statute, nevertheless, I heartily welcome the administrative action.

I commend the President on his wise choices in selecting the 12-member council. Dr. Helen Canoyer, dean of New York State College Home Economics at Cornell University, who has been named chairman of the group, is an outstanding selection. I note with delight that Dr. Persia Campbell, of the Department of Economics at Queens College, one of my most respected and admired constituents, is among those named. I am also impressed too by the choice of Sylvia Porter, whose exceptional abilities well equip her for this role. The other members of the council are equally well qualified and there is no question in my mind that they will fulfill the fine objectives of the President's directive with considerable merit.

Mr. Speaker, I feel confident we can now look forward to forceful new protection of consumers' interests.

THE TAX PROBLEM OF THE CHICAGO & WESTERN INDIANA RAILROAD CO.

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. LIBONATI] is recognized for 15 minutes.

Mr. **LIBONATI**. Mr. Speaker, the Commissioner of Internal Revenue assessed the Chicago & Western Indiana Railroad Co. for the tax years of 1950 and 1951 amounts which, including interest, will total in excess of $1 million. The Tax Court and the court of appeals have affirmed. The Commissioner of Internal Revenue is now applying the theory of those assessments to subsequent tax years. Those years involve a potential liability on the part of Western Indiana to the United States of approximately $12 million. Under the contract between the Western Indiana and its proprietors, each proprietor is required to provide an equal portion of the money to satisfy that tax claim. The proprietors are Chicago & Eastern Illinois Railroad Co., the Monon Railroad, the Erie-Lackawanna Railroad Co., the Grand Trunk Western Railroad, and the Wabash Railroad Co. Except for the Wabash, none has earned money in 1960 or 1961. Financial data of the proprietors are attached.

The Interstate Commerce Commission, under the guarantee provisions of the Transportation Act of 1958, authorized Government guarantees of a loan of $15 million to Erie-Lackawanna, a loan of $3 million to the Chicago & Eastern Illinois, and a loan of $5 million to the Monon.

The five owners or their predecessors organized the Western Indiana as a switching line in 1882. Since that time the company has provided limited commuter service within the Chicago area, switching within the Chicago terminal district, and passenger facilities which are also used by the Atchison, Topeka & Santa Fe Railway Co., a tenant of the

Western Indiana. The proprietary companies disagreed as to the proper construction of the initial agreement of 1882. These disputes resulted in a great deal of litigation. In 1947, because of the need to refinance a $62 million bond issue in 1952, the proprietors and the Western Indiana agreed among themselves to terminate all litigation and to enter into a new contract which reflected more fully the essentially partnership nature of this railroad joint facility. The agreement was submitted to and approved by the Interstate Commerce Commission.

Following the practice of most similar companies within the United States, the Western Indiana applied the income from the concessions, rentals, and other sources against expenses. The balance was then paid by the owners. In order to guarantee the facility's bonds, the owners were liable to the full extent of the expenses without regard to outside income. The difference between what the proprietors would have paid and what, in fact, they did pay was treated as constructive income by the Commissioner, and it is this income upon which the assessment was made.

Assuming without conceding that the decisions of the courts were correct, the result is nevertheless disastrous. The financial condition of the proprietors who must look for Government guaranteed loans in order to continue to operate makes a demand for $2,400,000 from each an invitation to bankruptcy.

Mr. Speaker, the inequity of the position is demonstrated by comparison of this contract with the type of contract which airlines, buslines, trucklines, and other competing forms of transportation have with tax-exempt public authorities. The basic provisions are substantially the same; namely, before assessing the users for the operating expenses, concession and other income must first be deducted from those expenses. Terminal facilities are not profitable to transportation companies. The greatest expense of operating a railroad is terminal cost. To isolate this phase of the transportation business and ascribe to it profit flies in the face of economic reality.

Under Illinois law, none but a corporation may operate a railroad. Thus, no alternative to operation in the corporate form is open to the proprietors.

Mr. Speaker, a legislative solution to the problem at present facing the Western Indiana, and soon other similar companies, is to extend the principle of subchapter K of chapter 1 of the Internal Revenue Code of 1954, to permit a joint facility to elect to file a partnership return. If such an election is permitted, the profit, if any, is ascribable then to the proprietors, not to the corporation.

Mr. Speaker, legislation along these lines is vitally necessary to keep these important midwestern railroads from bankruptcy. Further railroad bankruptcies will not only adversely affect the securityholders of the railroads involved but also investors in all railroads and business conditions generally. A proposed bill to accomplish legislative relief and technical explanation thereof are attached. Adoption of that legislation will carry out the administration's program of providing equal treatment to all forms of transportation and will keep these railroads in private hands.

CHICAGO & WESTERN INDIANA RR. CO.

Financial data concerning stockholders

	Chicago & Eastern Illinois	Erie-Lackawanna	Grand Trunk Western	Monon	Wabash
1961 gross revenues	$34, 054, 496	$211, 024, 845	$48, 460, 000	$17, 921, 117	$110, 092, 768
1961 net income or (loss)[1]	300, 153	(23, 143, 690)	(11, 620, 500)	(171, 774)	5, 760, 297
Dec. 31, 1961, total assets	109, 379, 326	681, 132, 963	134, 087, 452	51, 281, 120	304, 741, 712
Dec. 31, 1961, current assets	8, 168, 993	41, 550, 465	9, 829, 224	4, 337, 485	27, 719, 199
Dec. 31, 1961, current liabilities	10, 215, 710	38, 674, 329	6, 139, 028	4, 328, 009	19, 782, 792
Dec. 31, 1961, net	(2, 046, 717)	2, 876, 136	3, 690, 196	9, 476	7, 936, 407

[1] After fixed charges but before sinking fund and contingent interest.

10-year earnings record—Net income after fixed and contingent interest charges [1]

[In millions of dollars]

	Chicago & Eastern Illinois	Erie-Lackawanna	Grand Trunk Western	Monon	Wabash
1961	(0.9)	(26.5)	(11.6)	(0.9)	5.1
1960	(2.2)	(20.0)	(12.2)	(1.3)	4.1
1959	.4	(10.0)	(13.1)		3.8
1958	1.0	(7.6)	(9.9)	.1	4.1
1957	1.4	4.0	(5.5)	.5	9.2
1956	2.7	13.3	.8	.9	10.6
1955	2.0	6.9	(3.5)	1.4	15.8
1954	2.6	10.2	1.2	1.2	9.9
1953	2.7	19.2	(1.8)	1.2	11.1
1952	2.7	19.8	(.2)	1.1	11.2

[1] Above net income after fixed and contingent charges does not reflect sinking fund obligations which would include for each company as a guarantor of the C. & W.I. 1st collateral trust mortgage an annual payment in the form of a cash advance of $260,000.

Mr. Speaker, in order to facilitate the solution of this problem so critical to the end that the very existence of these companies is threatened in functioning as a public service—under conditions of financial stability—I have introduced H.R. 12599, and submit herewith a technical memorandum in explanation thereof. It authorizes the permissive taxation of jointly owned railroad switching and terminal companies as partnerships.

The memorandum follows:

1. Overall purpose: The proposed act would amend subchapter K of chapter 1 of the Internal Revenue Code of 1954 by adding a new part V authorizing, on a purely elective basis, jointly owned railroad switching and terminal companies to be taxed as partnerships. These facility corporations are an integral part of the Nation's network of interconnecting rail carriers, the essential task of which is to effect an economical and speedy interchange of rail freight and passenger cars between trunklines, and of freight cars between delivering carriers and shippers as well as, to some degree, the interchange of freight cars between neighboring shippers. These facilities are often required to do business in the corporate form by the positive mandate of State law, but in any event would be subject to treatment as an association taxable as a corporation by the definitional sections of the Internal Revenue Code (cf., sec. 7701(a)(3) and the implementing Treasury Regulations). As a separate taxable entity, each rail joint facility is required to pay tax on what in economic reality is but an artificially segmented portion of a through movement of traffic.

The economic burden of this segmentation has become acute with the rendition of the U.S. Court of Appeals decision of May 1, 1962, in the case of *Chicago and Western Indiana Railroad Co.* v. *Commissioner*, No. 13509. This legislation has accordingly been drafted to enable but one Federal income tax to be levied on the true net income realized from rail transportation and related services. All such net income under this bill's approach will be fully subject to taxation but no portion will be taxed twice.

2. Method proposed: The method whereby it is proposed to accomplish the foregoing objective is by amending the partnership provisions of the Internal Revenue Code contained in subchapter K to authorize any qualified rail joint facility to elect to be taxed as a partnership. A comparable option has been extended to qualified small business corporations since the Technical Amendments Act of 1958 added subchapter S to the code.

3. Scope of the bill: Only "jointly owned railroad terminal and switching facility corporations" would be extended the proposed option. Such corporations are narrowly defined to include only those corporations which each year meet all of the seven following requirements: (1) Is a domestic corporation; (2) is not a member of an affiliated group (as defined in sec. 1504); (3) all of its stock is held by domestic corporations subject to part I of the Interstate Commerce Act; (4) its principal business is the providing or rendering available of terminal and switching facilities and services within a single metropolitan area to domestic railroad corporations subject to part I of the Interstate Commerce Act, or to their shippers; (5) a substantial part of its services are each year rendered its stockholders; (6) has a tax calendar year commencing on January 1; and (7) is not free from tax under chapter 1 by reason of any other subchapter.

Thus it is seen that the class of affected taxpayer is indeed a narrow one, being limited only to those which fall within the precise group it is necessary to relieve.

4. The election: A qualified facility may elect to be taxed as a partnership but need not do so. An election once validly made is, however, irrevocable. A qualified status may, however, be lost or terminated as hereinafter discussed. For an election to be valid, not only must the affected joint facility so elect, but such election must also

be consented to by all of its stockholders. This follows from the very nature of partnership taxation as subchapter K treats all partnerships as tax accounting, but not taxpaying, entities. The partnership's annually resulting net income or net loss is reportable by the partners in their own separate tax returns, and hence their consent to such treatment is necessary. This accords with the comparable provisions of subchapter S, i.e., section 1372(a). Further if new stockholders are acquired, they too must agree to the election or else the qualified status will be lost (cf., sec. 1372(e)).

5. Years for which the election may be made: Any qualified rail joint facility may under proposed new code section 782(c)(1), elect to assume partnership status for any taxable year commencing with the year in which the new act becomes law. In addition, provision is made in proposed section 782(c)(2) for a qualified electing facility also to acquire a partnership status for prior taxable years. In such event, however, it is required that the election also apply to all intervening taxable years both of the electing facility as well as to all its consenting stockholders. It is also required that none of such earlier years shall be closed by the running of the statute of limitations, by a binding statutory closing agreement, or by court decision which shall have become final. This seems a necessary limitation because the tax of the electing facility and its stockholders alike would be directly affected by such election.

There will doubtless be cases where the prior years of some but not all of the facility's stockholders will be closed. Where all of the affected parties nonetheless desire the new partnership classification rules still to apply, this statute of limitations requirement for the electing facility's shareholders will be deemed met if the electing facility agrees to pay the tax, if any, which those of its stockholders would have paid had the statute of limitations not barred collection from them. This will insure maximum flexibility of the new approach's application without loss to the fisc of $1 of tax revenues derivable from true transportation net income.

6. How the election is to be made: A valid election once made is effective for all subsequent years unless terminated or revoked. Events which would serve to terminate an election included (a) failure of a new stockholder to consent to the election; (b) formal revocation by the facility and all of its stockholders; and (c) ceasing of the facility to be a joint railroad facility.

These provisions generally parallel those contained in section 1372(e) under subchapter S. Once an election is terminated it may not, without the Commissioner's consent, be reinstated until the third year following termination or revocation (cf., sec. 1372(f)).

7. How is the election made: The method or form of electing shall be as the Secretary or his delegate shall by regulation prescribe.

8. Amount of an electing facility's losses available to shareholders: Subchapter K in section 704(d) now limits the availability of partnership losses to a sum not in excess of the particular partner's adjusted basis for his interest in the partnership at the end of the partnership year in which such loss occurs. A comparable limitation is contained in proposed new section 783 upon the amount of the losses of an electing joint facility which will be available to its shareholders. Present law in section 752(a) now provides that a partner's adjusted basis shall include any increase in the partner's share of partnership liabilities together with "any increase in a partner's individual liabilities by reason of the assumption by such partner of partnership liabilities." The basic fiscal pattern upon which the capital structures of most joint facilities have been modeled reflects relatively modest amounts of equity capital supplemented by very substantial amounts of bonded indebtedness sold to institutional investors and other third party public investors with such debt being buttressed by the joint and several guarantee of the facility's stockholders. Thus in order fully to equate the definition of what is to be included in the adjusted basis of each of the electing facility's stockholders with that of an individual partner, it has been necessary in proposed new section 783(b) to include facility debt held by third parties for which its shareholders are guarantors. In the case of joint and several guarantees, the new law would allow only a pro rata amount of such secondary liability to be added to "adjusted basis" in order to insure that no overstatement of such basis occurs.

JULY 19, 1962.

H.R. 12599

A bill to amend the Internal Revenue Codes of 1954 and 1939 to provide for the elimination of certain tax inequities through the permissive taxation of certain jointly owned railroad terminal and switching facility corporations as partnerships

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Internal Revenue Codes of 1954 and 1939 are hereby amended, as follows:

"SEC. 1. PERMISSIVE TAXATION OF CERTAIN JOINTLY OWNED RAILROAD TERMINAL AND SWITCHING FACILITY CORPORATIONS AS PARTNERSHIPS

"Chapter 1 of the Internal Revenue Code of 1954 is hereby amended by adding at the end of the present Subchapter K a new Part V to read as follows:

" 'PART V—ELECTION OF CERTAIN JOINTLY OWNED RAILROAD TERMINAL AND SWITCHING FACILITY CORPORATIONS TO BE TAXED AS PARTNERSHIPS

" 'Sec. 781. Definitions.

" 'Sec. 782. Election by jointly owned railroad terminal and switching facility corporation.

" 'Sec. 783. Limitation on allowance of losses to shareholder corporations.

" 'SEC 781. DEFINITIONS.

" '(a) JOINTLY OWNED RAILROAD TERMINAL AND SWITCHING FACILITY CORPORATION.—For purposes of Chapter 1, the term "jointly owned railroad terminal and switching facility corporation", hereinafter referred to as a "joint railroad facility", means a domestic corporation which is not a member of an affiliated group (as defined in section 1504) and—

" '(1) all of the shareholders of which are domestic corporations subject to Part I of the Interstate Commerce Act;

" '(2) the principal business of which is the providing or rendering available of terminal and switching facilities and services within a single metropolitan area to domestic railroad corporations subject to Part I of the Interstate Commerce Act, or to their shippers;

" '(3) a substantial part of the services of such facility corporation are each year rendered to its stockholders;

" '(4) which has a tax year commencing on January 1;

" '(5) which does not qualify for freedom from taxation under Chapter 1 by reason of provisions contained in any other subchapter.

" '(b) ELECTING JOINT RAILROAD FACILITY.—For purposes of Chapter 1, the term "electing joint railroad facility" means, with respect to any taxable year, a joint railroad facility which has made an election under section 782 which is in effect for such taxable year.

" 'SEC. 782. ELECTION BY JOINT RAILROAD FACILITY.

" '(a) ELIGIBILITY.—Except as provided in subsection (f), any joint railroad facility may elect, in accordance with the provisions of this section, not to be subject to the taxes imposed by this chapter. Such election shall be valid only if all shareholders in such electing corporation for each affected year shall consent in such manner as the Secretary of his delegate shall prescribe by regulations.

" '(b) EFFECT.—If a joint railroad facility makes an election under subsection (a), then—

" '(1) with respect to any taxable year of the facility corporation for which such election is in effect, such electing facility corporation shall not be subject to the taxes imposed by this chapter, and the provisions of subchapter K shall apply to such electing facility corporation, and

" '(2) with respect to all taxable years of a shareholder of such electing facility corporation in which such election is in effect, the provisions of subchapter K shall likewise apply to such shareholder's interest in the electing facility corporation.

" '(c) WHERE AND HOW MADE.—

" '(1) In General.—An election under subsection (a) may be made by a joint railroad facility in such manner as the Secretary or his delegate shall prescribe by regulations, for any taxable year commencing with the year in which this act is enacted.

" '(2) Earlier Taxable Years.—An election under subsection (a), for any taxable year ending prior to that of the year in which this Act is enacted, may be made by a joint railroad facility at any time within 6 months after the regulations of the Secretary or his delegate with respect to this Part V of subchapter K shall become final, if

" '(A) such prior taxable year and all intervening taxable years of the electing facility corporation and of all of its shareholders are not closed by the running of the statute of limitations, by a binding statutory closing agreement, or by court decision which shall have become final; and

" '(B) election is made for such prior taxable year and all intervening taxable years; *Provided, however,* That the provisions of subparagraph (A) relating to the tax years of the electing facility corporation's shareholders shall be deemed satisfied if the electing facility corporation shall agree to compute and to pay as its own liability an additional tax for each year for which its election is effective equal to the increase in tax, if any, which its shareholders would have borne in each of their corresponding years due to the facility corporation's election under subsection (a), had the shareholders' tax years not been closed.

" '(d) YEARS FOR WHICH EFFECTIVE.—An election under subsection (a) shall be effective for the taxable year of the electing facility corporation and all of its shareholders for the earliest year for which an election first is made and for all succeeding taxable years of the electing facility corporation and its shareholders, unless such election is terminated, with respect to any such taxable year, under subsection (e).

" '(e) TERMINATION.—

" '(1) New Shareholders.—An election under subsection (a) made by a joint railroad facility shall terminate if any person who was not a shareholder in such electing facility corporation—

" '(A) on the first day of the first taxable year of the electing facility corporation for which the election is effective, if such election is made on or before such first day, or

" '(B) on the day on which the election is made, if such election is made after such first day, becomes a shareholder in such electing facility corporation and does not consent to such election within such time as the Secretary or his delegate shall prescribe by regulation. Such termination shall be effective for the taxable year of the electing facility corporation in which such person first becomes a shareholder in the electing facility corporation and for all succeeding taxable years of the electing facility corporation.

" '(2) Revocation.—An election under subsection (a) made by a joint railroad facility may be revoked by it for any taxable year of the electing facility corporation after the first taxable year for which the election is effective. An election may be revoked only if all persons who are shareholders in the electing facility corporation on the day on which the revocation is made consent to the revocation. Such revocation shall be made in such manner as the Secretary or his delegate shall prescribe by regulations.

" '(3) Ceases To Be a Joint Railroad Facility.—An election under subsection (a) made by a joint railroad facility shall terminate if at any time—

" '(A) after the first day of the first taxable year of the electing facility corporation for which its election is effective, if such election is made on or before such first day, or

" '(B) after the day on which the election is made, if such election is made after such first day,

the electing facility corporation ceases to be a joint railroad facility (as defined in section 781(a)). Such termination shall be effective for the taxable year of the electing facility corporation in which such electing facility corporation first ceases to be a joint railroad facility and for all succeeding taxable years of the electing facility corporation.

" '(f) ELECTION AFTER TERMINATION.—If a joint railroad facility has made an election under subsection (a) and if such election has been terminated or has been revoked under subsection (e), such electing facility corporation (and any successor corporation) shall not be eligible to make a further election under subsection (a) for any taxable year prior to its third taxable year which begins after the first taxable year for which such termination or revocation is effective, unless the Secretary or his delegate consents to such earlier election.

" 'SEC. 783. LIMITATION ON ALLOWANCE OF LOSSES TO SHAREHOLDER CORPORATIONS.

" 'A shareholder corporation's distributive share of an electing facility corporation's loss (including capital loss) shall be allowed only to the extent of the adjusted basis of such shareholder's—

" '(a) stock in the electing facility corporation, determined as of the close of the taxable year of the electing facility corporation (or, in respect of stock sold or otherwise disposed of during such taxable year, as of the day before the date of such sale or other disposition), and

" '(b) the adjusted basis of any indebtedness of the electing facility corporation to the shareholder, including indebtedness of the electing facility corporation held by third parties but for the payment of which the shareholder is liable (but only a pro rata share of such debt owned by third parties shall be so taken into account where the shareholder's guaranty is joint and several with others), determined as of the close of the taxable year of the electing facility corporation (or, if the shareholder is not a shareholder as of the close of such taxable year, as of the close of the last day in such taxable year in which the shareholder was a shareholder in the electing facility corporation). Any excess of such loss over such basis shall be allowed as a deduction at the end of the electing facility corporation's taxable year to the extent that such excess has been reduced.'

"SEC. 2. APPLICATION TO CERTAIN EARLIER YEARS.

"The Internal Revenue Code of 1939 is hereby amended by incorporating therein, effective as of that Code's effective date, all of the provisions contained in section 1 of this Act."

FARMERS WHO RECEIVE LOANS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. BECKWORTH], is recognized for 10 minutes.

Mr. BECKWORTH. Mr. Speaker, for some time I have been trying to get certain information with regard to grain; questions pertaining to the number of farmers who obtain loans on more than one crop and other data.

Mr. Speaker, I have sent out a number of letters asking for information as to the number of farmers who receive loans on more than one crop:

ANSON, TEX., *June 11, 1962.*

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR SIR: For the years 1958, 1959, 1960, and 1961 we furnish the following information from the records of Jones County:

Question. How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. 1958, 0; 1959, 0; 1960, 0; 1961, 7.

Question. How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. 1958, 0; 1959, 17; 1960, 37; 1961, 485.

Question. How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. 1958, 47; 1959, 2; 1960, 1; 1961, 5.

Question. How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. 1958, 0; 1959, 3; 1960, 20; 1961, 48.

Question. How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many rice producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None through this office.

Question. How many farmers participated in the programs of two of these crops?

Answer. 32.

Question. How many farmers participated in the programs of three of these crops?

Answer. 2.

Question. How many farmers participated in the programs of four of these crops?

Answer. None.

Very truly yours,

R. B. ROWLAND,
Office Manager.

COUNCIL BLUFFS, IOWA, *June 13, 1962.*

To: LINDLEY BECKWORTH, House of Representatives, United States, Washington, D.C.
From: West Pottawattamie ASCS office, Council Bluffs, Iowa.
Subject: Information for 1958, 1959, 1960, and 1961.

DEAR SIR: Enclosed is the information that you requested from our office to the best of our ability. The county office records for 1958 and 1959 have been sent to GSA in Kansas City for storage, except for our register that has the number of loans.

	Year	Loans	Amount loaned
Barley	1958	3	Unknown
	1959	None	----------
	1960	None	----------
	1961	None	----------
Corn	1958	617	Unknown
	1959	892	Unknown
	1960	911	$2,107,005
	1961	828	1,955,343
Grain sorghum	1958	205	Unknown
	1959	25	Unknown
	1960	25	27,247
	1961	10	19,667
Oats	1958	8	Unknown
	1959	7	Unknown
	1960	6	4,302
	1961	6	3,634
Rye	1958	None	----------
	1959	None	----------
	1960	None	----------
	1961	None	----------
Soybeans	1958	128	Unknown
	1959	48	Unknown
	1960	23	45,838
	1961	144	269,555
Wheat	1958	164	Unknown
	1959	117	Unknown
	1960	90	160,449
	1961	64	82,315

For peanuts, rice, and cotton there were none in 1958, 1959, 1960, and 1961.

Approximately 250 farmers participated in the programs of 2 of these crops. Approximately 135 farmers participated in the programs of 3 of these crops. Approximately 10 farmers participated in the programs of 4 of these crops.

Sincerely,

DON R. HADDEN,
Manager.

BALLINGER, TEX., *June 8, 1962.*

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR SIR: In re your inquiry to the Runnels County ASCS office dated June 4, 1962, we herewith submit the following information in the order of request:

Barley producers participating in the CCC loan program:

In 1958: 140 producers; total amount loaned: $972.39.

In 1959: 0 loans.

In 1960: 3 producers; total amount loaned: $5,297.81.

In 1961: 86 producers; total amount loaned: $46,306.88.

No corn loans made in this county.

Grain sorghum producers participating in the CCC loan program:

In 1958: 249 producers; total amount loaned: $3,087.34.

In 1959: 14 producers; total amount loaned: $12,039.25.

In 1960: 3 producers; total amount loaned: $3,482.28.

In 1961: 681 producers; total amount loaned: $820,960.35.

Oat producers participating in CCC loan program:

In 1958: 546 producers; total amount loaned: $5,083.04.

In 1959: 0 loans.

In 1960: 12 producers; total amount loaned: $12,707.80.

In 1961: 197 producers; total amount loaned: $108,533.74.

No rye loans made in the county.

No soybeans loaned on in this county.

Wheat producers participating in the CCC loan program:

In 1958: 241 producers; total amount loaned: $4,235.72.

In 1959: 1 producer; total amount loaned: $809.84.

In 1960: 5 producers; total amount loaned: $20,213.43.

In 1961: 32 producers; total amount loaned: $65,413.03.

No peanut loans made in the county.

No rice loans made in the county.

The number of cotton producers participating in the CCC loan program and the amount loaned is not available in the county office, since these loans are handled through the New Orleans commodity office.

In 1958, approximately 980 farmers participated in the programs of 2 of these crops; approximately 775 participated in the programs of 3 of these crops; and approximately 558 participated in the programs of 4 of these crops.

In 1959, one producer participated in the programs of two of these crops; none in three; and none in four.

In 1960, three producers participated in the programs of two of these crops; none in three and none in four.

In 1961, approximately 723 of these farmers participated in the programs of 2 of these crops; approximately 700 farmers participated in the programs of 3 of these crops; and approximately 586 farmers participated in the programs of 4 of these crops.

We are glad to be of assistance to you in assembling this information, and if further information is needed, we shall be glad to be of help.

Very truly yours,

TROY A. PULLIN,
Acting Office Manager.

Mr. Speaker, on July 10, 1961, I included in the CONGRESSIONAL RECORD some figures concerning grain. I again include the figures at this point in the RECORD:

Number of farms reporting harvested acres of specified commodities, by States, 1959

State	Harvested for grain		Harvested				
	Corn	Grain sorghum	Oats	Barley	Rye	Soybeans for beans	Winter wheat
Alabama	83,756	1,173	3,182	---	---	2,048	2,163
Arizona	176	802	67	1,021	8	---	644
Arkansas	33,048	1,661	3,362	402	---	21,479	5,028
California	2,286	2,516	1,135	7,638	---	---	2,883
Colorado	7,242	3,886	5,143	10,088	1,234	---	11,450
Connecticut	365	---	96	---	84	---	42
Delaware	3,660	---	522	762	879	2,959	1,002
Florida	9,064	---	373	---	---	414	258
Georgia	71,043	1,127	9,461	574	1,123	1,552	7,495
Idaho	1,761	---	6,486	9,171	195	---	5,350
Illinois	131,295	1,200	73,182	5,400	4,323	88,268	63,945
Indiana	99,253	773	48,685	4,909	5,991	60,926	57,802
Iowa	155,167	3,051	127,849	1,325	841	64,374	7,854
Kansas	39,223	59,661	31,560	26,676	5,251	11,927	83,005
Kentucky	99,195	2,311	4,528	4,850	1,214	4,286	10,185
Louisiana	32,686	232	1,714	---	---	3,651	515
Maine	57	---	2,483	46	42	---	36
Maryland	16,067	---	5,081	5,055	1,835	4,417	7,848
Massachusetts	373	---	91	---	78	---	37
Michigan	68,700	---	54,149	7,828	5,218	8,924	63,543
Minnesota	103,995	---	107,204	16,990	2,854	57,865	2,875
Mississippi	90,762	585	4,088	---	---	9,634	1,291
Missouri	94,973	19,242	32,832	12,885	3,064	42,757	61,686
Montana	124	---	7,756	15,497	332	---	9,177
Nebraska	70,120	31,338	38,367	10,937	5,004	5,232	46,191
Nevada	32	---	101	380	10	---	105
New Hampshire	69	---	75	---	14	---	2
New Jersey	4,940	---	1,555	1,385	699	1,018	2,444
New Mexico	2,261	1,607	475	937	112	---	1,385
New York	18,623	---	38,159	2,640	1,178	158	16,236
North Carolina	142,678	6,074	29,130	7,074	2,680	25,665	41,450
North Dakota	5,423	25	32,600	38,668	3,648	2,959	252
Ohio	104,975	---	68,619	6,452	2,772	42,489	67,453
Oklahoma	11,601	17,074	15,092	13,850	2,372	1,652	35,735
Oregon	1,483	---	5,782	8,560	616	---	6,344
Pennsylvania	64,127	---	63,356	15,335	2,845	773	43,827
Rhode Island	42	---	9	2	21	---	5
South Carolina	55,187	825	17,228	2,310	1,069	7,745	15,516
South Dakota	30,261	4,138	33,006	9,907	2,364	3,913	3,504
Tennessee	94,608	3,266	9,840	3,269	951	7,056	13,042
Texas	64,861	59,349	17,853	6,194	462	---	25,551
Utah	401	---	2,460	7,579	73	---	2,353
Vermont	138	---	1,112	19	15	---	54
Virginia	60,636	585	11,543	9,170	2,319	9,809	24,366
Washington	1,957	---	5,289	6,700	772	---	7,598
West Virginia	19,922	---	4,342	902	127	48	2,994
Wisconsin	90,101	---	106,844	3,216	2,199	4,068	3,383
Wyoming	694	10	2,982	2,800	111	---	1,484

Source: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478.

Corn crop, 1959: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961

States	Number of farms reporting acreage harvested	Number of price support loans made [1]	Number of price support loans as a percent of number of farms reporting acreage harvested
Alabama	83,756	181	0.22
Arizona	176	(2)	---
Arkansas	33,048	21	.06
California	2,286	66	2.88
Colorado	7,242	350	4.69
Connecticut	365	(2)	---
Delaware	3,660	30	.82
Florida	9,064	11	.12
Georgia	71,043	296	.42
Idaho	1,761	22	1.24
Illinois	131,295	35,109	26.74
Indiana	99,253	12,463	12.55
Iowa	155,167	101,556	65.44
Kansas	39,223	10,584	26.98
Kentucky	99,195	1,893	1.90
Louisiana	32,686	1	.03
Maine	57	(2)	0
Maryland	16,067	104	.65
Massachusetts	373	(2)	---
Michigan	68,700	4,873	7.09
Minnesota	103,995	24,420	23.48
Mississippi	90,762	101	.11
Missouri	94,973	13,122	13.81
Montana	124	(2)	---
Nebraska	70,120	47,076	67.13
Nevada	32	(2)	---
New Hampshire	69	(2)	---
New Jersey	4,940	45	0.91
New Mexico	2,261	(2)	---
New York	18,623	180	.97
North Carolina	142,678	393	.28
North Dakota	5,423	738	13.60
Ohio	104,975	8,845	8.42
Oklahoma	11,601	29	.25
Oregon	1,483	50	3.37
Pennsylvania	64,127	158	.25
Rhode Island	42	(2)	---
South Carolina	55,187	235	.43
South Dakota	30,261	5,397	17.83
Tennessee	94,608	113	.12
Texas	64,861	68	.11
Utah	401	1	.25
Vermont	138	(2)	---
Virginia	60,636	50	.08
Washington	1,957	223	11.93
West Virginia	19,922	6	.03
Wisconsin	90,101	2,006	2.22
Wyoming	694	7	1.00
Total	1,989,411	271,035	13.62

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

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[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

Grain sorghum crop, 1959: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961

States	Number of farms reporting acreage harvested	Number of price support loans made [1]	Number of price support loans as a percent of number of farms reporting acreage harvested
Alabama	1,173	1	0.08
Arizona	802	42	5.20
Arkansas	1,661	7	.42
California	2,516	9	.35
Colorado	3,886	104	2.67
Georgia	1,127	(2)	----------
Illinois	1,200	1	.08
Indiana	773	7	.9
Iowa	3,051	403	13.20
Kansas	59,661	16,794	28.15
Kentucky	2,311	2	.08
Louisiana	232	(2)	----------
Minnesota	(2)	7	----------
Mississippi	585	6	1.00
Missouri	19,242	1,364	7.08
Nebraska	31,338	13,704	43.73
New Mexico	1,697	287	16.91
North Carolina	6,074	15	.24
North Dakota	25	(2)	----------
Oklahoma	17,074	219	1.28
South Carolina	825	(2)	----------
South Dakota	4,138	85	2.05
Tennessee	3,266	1	.03
Texas	59,349	16,308	27.48
Virginia	585	(2)	----------
Washington	(2)	17	----------
Wyoming	10	(2)	----------
Total	222,601	49,383	22.18

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[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

Oat crop, 1959: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961

States	Number of farms reporting acreage harvested	Number of price support loans made [1]	Number of price support loans as a percent of number of farms reporting acreage harvested
Alabama	3,182	9	0.28
Alaska	54	1	----------
Arizona	67	(2)	----------
Arkansas	3,362	28	.83
California	1,135	1	.08
Colorado	5,143	3	.05
Connecticut	96	(2)	----------
Delaware	522	(2)	----------
Florida	373	(2)	----------
Georgia	9,461	178	1.88
Idaho	6,486	48	.74
Illinois	73. 182	36	.05
Indiana	48,685	15	.03
Iowa	127,849	985	.77
Kansas	31,560	49	.15
Kentucky	4,528	(2)	----------
Louisiana	1,714	10	.58
Maine	2,483	212	8.53
Maryland	5,081	(2)	----------
Massachusetts	91	(2)	----------
Michigan	54,149	40	.07
Minnesota	107,204	1,363	1.27
Mississippi	4. 088	88	2.15
Missouri	32,832	24	.07
Montana	7,756	26	.33
Nebraska	38,367	95	.25
Nevada	101	(2)	----------
New Hampshire	75	(2)	----------
New Jersey	1,555	(2)	----------
New Mexico	475	(2)	----------
New York	38,159	26	0.07
North Carolina	29,130	61	.21
North Dakota	32,600	627	1.92
Ohio	68,619	48	.07
Oklahoma	15,092	54	.36
Oregon	5,782	22	.38
Pennsylvania	53,354	11	.02
Rhode Island	9	(2)	----------
South Carolina	17,228	156	.91
South Dakota	33,006	355	1.06
Tennessee	9,840	(2)	----------
Texas	17,853	124	.69
Utah	2,460	1	.04
Vermont	1,112	(2)	----------
Virginia	11,543	(2)	----------
Washington	5,289	102	1.92
West Virginia	4,342	(2)	----------
Wisconsin	106,844	22	.02
Wyoming	2,982	13	.43
Total	1,026,900	4,833	.47

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[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities by States, 1959."

1959 barley crop: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961

States	Number of farms reporting acreage harvested	Number of price support loans made [1]	Number of price support loans as percentage of farms reporting acreage harvested
Alabama	(2)	2	----------
Alaska	67	1	1.49
Arizona	1,021	21	2.05
Arkansas	402	5	1.24
California	7,638	113	1.47
Colorado	10,688	85	.79
Delaware	762	(2)	----------
Georgia	574	2	.35
Idaho	9,171	345	3.76
Illinois	5,400	2	.03
Indiana	4,909	2	.04
Iowa	1,325	45	3.39
Kansas	26,676	886	3.32
Kentucky	4,850	3	.06
Maine	46	1	2.00
Maryland	5,055	(2)	----------
Michigan	7,828	19	.24
Minnesota	16,990	2,946	17.34
Missouri	12,885	27	.21
Montana	15,497	2,234	14.42
Nebraska	10,937	402	3.68
Nevada	380	1	.20
New Jersey	1,385	1	.07
New Mexico	937	4	0.40
New York	2,640	3	.11
North Carolina	7,074	17	.24
North Dakota	38,668	7,344	18.90
Ohio	6,452	5	.07
Oklahoma	13,850	236	1.70
Oregon	8,560	278	3.24
Pennsylvania	15,335	2	.13
Rhode Island	2	(2)	----------
South Carolina	2,310	6	.25
South Dakota	9,907	452	4.56
Tennessee	3,269	(2)	----------
Texas	6,194	33	.53
Utah	7,579	55	.72
Vermont	19	(2)	----------
Virginia	9,170	2	.02
Washington	6,700	659	.83
West Virginia	992	(2)	----------
Wisconsin	3,216	2	.06
Wyoming	2,800	18	.64
Total	290,160	16,259	5.60

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

1959 rye crop: Number of farms reporting harvested acres, number of price-support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961

States	Number of farms reporting acreage harvested	Number of price support loans made [1]	Number of price support loans as a percent of number of farms reporting acreage harvested
Arizona	8	(2)	----------
Colorado	1,234	10	0.81
Connecticut	84	(2)	----------
Delaware	879	(2)	----------
Georgia	1,123	3	.26
Idaho	195	8	4.10
Illinois	4,323	(2)	----------
Indiana	5,991	(2)	----------
Iowa	841	3	.3
Kansas	5,251	96	1.82
Kentucky	1,214	(2)	----------
Maine	42	(2)	----------
Maryland	1,835	(2)	----------
Massachusetts	78	(2)	----------
Michigan	5,218	1	.01
Minnesota	2,854	60	2.10
Missouri	3,064	6	.19
Montana	332	26	7.80
Nebraska	5,004	76	1.51
Nevada	10	(2)	----------
New Hampshire	14	(2)	----------
New Jersey	699	(2)	----------
New Mexico	112	(2)	----------
New York	1,178	2	0.16
North Carolina	2,680	3	.11
North Dakota	3,648	211	5.78
Ohio	2,772	1	.03
Oklahoma	2,372	4	.16
Oregon	616	16	2.50
Pennsylvania	2,845	(2)	----------
Rhode Island	21	(2)	----------
South Carolina	1,069	2	.18
South Dakota	2,364	85	3.59
Tennessee	951	(2)	----------
Texas	462	(2)	----------
Utah	73	(2)	----------
Vermont	15	(2)	----------
Virginia	2,319	(2)	----------
Washington	772	199	25.70
West Virginia	127	(2)	----------
Wisconsin	2,199	1	.04
Wyoming	111	40	1.27
Total	66,999	853	1.27

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

Soybean crop 1959: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961

States	Number of farms reporting acreage harvested	Number of price support loans made [1]	Number of price support loans as a percent of number of farms reporting acreage harvested
Alabama	2,048	15	0.73
Arkansas	21,479	755	3.52
Delaware	2,959	2	.06
Florida	414	(2)	----------
Georgia	1,552	18	1.15
Illinois	88,268	8,170	9.26
Indiana	60,526	1,875	3.09
Iowa	64,374	23,521	36.54
Kansas	11,927	819	6.87
Kentucky	4,286	65	1.51
Louisiana	3,651	11	.30
Maryland	4,417	(2)	----------
Michigan	8,924	134	1.50
Minnesota	57,865	10,899	18.84
Mississippi	9,634	323	3.35
Missouri	42,757	3,858	9.02
Nebraska	5,232	558	10.66
New Jersey	1,018	5	0.49
New Mexico	(2)	3	----------
New York	168	1	.60
North Carolina	25,665	39	.15
North Dakota	2,959	542	18.32
Ohio	42,489	1,547	3.64
Oklahoma	1,652	89	5.38
Pennsylvania	773	4	.50
South Carolina	7,745	147	1.89
South Dakota	3,913	259	6.61
Tennessee	7,056	188	2.66
Texas	(2)	19	----------
Virginia	9,809	10	.10
West Virginia	48	(2)	----------
Wisconsin	4,068	23	.56
Total	497,666	53,899	10.83

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

Wheat crop, 1959: Number of farms reporting harvested acres, number of price-support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961

States	Number of farms reporting acreage harvested [1]	Number of price support loans made [2]	Number of price support loans as a percent of number of farms reporting acreage harvested
Alabama	2,163	81	3.74
Arizona	644	9	1.40
Arkansas	5,028	161	3.20
California	2,883	343	11.89
Colorado	13,075	5,796	44.33
Connecticut	42	(3)	----------
Delaware	1,002	11	1.09
Florida	258	(3)	----------
Georgia	7,495	434	5.79
Idaho	20,799	6,568	31.58
Illinois	63,945	3,666	5.74
Indiana	57,802	601	1.04
Iowa	7,854	1,199	15.26
Kansas	83,005	98,561	118.00
Kentucky	10,185	965	1.04
Louisiana	518	(3)	----------
Maine	36	(3)	----------
Maryland	7,848	176	2.24
Massachusetts	37	(3)	----------
Michigan	63,543	1,821	2.87
Minnesota	40,286	1,878	4.67
Mississippi	1,291	27	2.08
Missouri	61,686	11,732	19.02
Montana	22,801	7,255	31.83
Nebraska	44,191	44,390	96.10
Nevada	333	(3)	----------
New Hampshire	2	(3)	----------
New Jersey	2,444	91	3.72
New Mexico	1,696	536	31.49
New York	16,236	990	6.10
North Carolina	41,459	292	0.70
North Dakota	58,156	13,202	22.66
Ohio	67,452	2,168	3.21
Oklahoma	35,735	14,263	39.91
Oregon	10,109	3,457	34.21
Pennsylvania	43,827	758	1.73
Rhode Island	5	(3)	----------
South Carolina	15,516	352	2.26
South Dakota	24,125	3,829	15.87
Tennessee	13,042	370	2.84
Texas	25,551	5,532	21.65
Utah	6,874	245	3.56
Vermont	54	(3)	----------
Virginia	24,366	1,004	4.12
Washington	11,636	9,324	80.13
West Virginia	2,994	3	.10
Wisconsin	6,695	20	.29
Wyoming	2,485	451	18.14
Total	931,197	242,583	26.05

[1] All wheat. Includes some overstatement for farms growing more than 1 class of wheat.

[2] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[3] Not reported

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

Mr. Speaker, for a long time I have tried to obtain information as to the percentage of people who actually farm who receive loans. A few days ago in the CONGRESSIONAL RECORD we find a letter from Nashville, Ark., written May 9, which contains this paragraph:

> It is not reasonable to suppose my ideas on a farm program would vaguely resemble those of a cotton grower, tobacco grower, wheat grower, or rice grower, with their guaranteed existence, needed or not. Yet even though unsupported agriculture represents 82 percent of the industry we hear much more from the 18 percent.

At this point in my remarks, I include a statement by the distinguished Senator from Arkansas, Hon. JOHN L. MCCLELLAN, and the above-mentioned letter in its entirety, written by Mr. D. B. Yarbrough:

STATEMENT OF HON. JOHN L. MCCLELLAN

Mr. President, a week ago today the Senate passed the omnibus farm bill with amendments. The narrow margin by which this measure was approved by the Senate is illustrative of the fact that there exists a sharp divergence of opinion as to what should constitute this Nation's agricultural policies. This is certainly one field where reasonable men differ, and differ widely, in their convictions as to the course our Government should follow in attempting to solve the very complex farm problem.

I recently received a letter from one of my constituents, Mr. D. B. Yarbrough, of Route 5, Nashville, Ark., very ably presenting his views on this question. While I am sure that Mr. Yarbrough's comments are not in accord with the persuasions of many of my colleagues, I think we can all agree that he very succinctly puts the problem in perspective, and his letter I believe is representative of the thinking of a large segment of our farm population. The letter follows:

NASHVILLE, ARK.,
May 9, 1962.

Hon. JOHN L. MCCLELLAN,
U.S. Senate,
Washington, D.C.

DEAR SIR: I continue to notice how out of patience President Kennedy and Secretary Freeman are with the lack of agreement among farmers and farm organizations on the direction a farm program should take.

I believe I remember that only 18 percent of the farming people produce the so-called basic crops that cost the farm program so much money. I happen to grow peaches, strawberries, and cattle. They are not considered basic, are not supported by subsidies, and if the industry gets overcrowded nature takes care of the surplus or the least efficient producers or both.

It is not reasonable to suppose my ideas on a farm program would vaguely resemble those of a cotton grower, tobacco grower, wheat grower, or rice grower, with their guaranteed existence, needed or not. Yet even though unsupported agriculture represents 82 percent of the industry we hear much more from the 18 percent.

I notice that each county has many employees of the Department of Agriculture. My business pays taxes to help support these people and the subsidies they dispense, yet my business receives much less benefit than my cotton-, wheat-, or rice-growing neighbor.

Those segments of agriculture devoted to the production of products that lend themselves to storage seem to have caused us the most trouble since we began trying to help the situation 30 years ago. We could not store the surplus fruit or vegetables so they rotted. The unfortunate growers quit, went to town, and got a job or otherwise diverted their efforts. We hear quite a lot about the calamity we would cause if we should suspend all supports. There would likely not be any more calamity than has happened in any other segment of agriculture, but it has been artificially delayed a long time and would now all happen at once and we should not provoke that. We could, however, reduce the supports gradually, return to a more realistic position, and remove some of the tax burden from all of us.

I read a lot now that the farmer is adamant. He has about quit writing his Congressman about what he thinks. I think he is confused. Each one wants to feather his own nest, but many of us feel that our ends would best be served by abolishing the farm program altogether since we cannot limit it to such universal agricultural needs as research and extension. A few years ago I reacted to some of the strong feelings I have about our farm program, by writing to Congressman COOLEY of the House Agricultural Committee. In his reply he told me he knew more about what I needed than I did. It may be so, so why write? Before that time I had thought I had some background knowledge, having grown up on a cotton-corn-fruit-livestock farm in east Texas. I worked for and got a B.S. degree in agriculture from Texas A. & M., worked as administrative officer for AAA from 1938 to 1942, served in the Air Force 1942–45, built farm machinery 3 years. From 1948 to 1960 I managed this 1,000-acre peach orchard and strawberry farm, while growing an orchard of my own. Since the owners could not seem to realize a profit, in 1960 they allowed me to enter a purchase agreement with them to buy this place.

It has never made sense to me to pay people to produce something we do not need enough for the market to support the price. It did not make sense in 1933 when I plowed up cotton, in 1939–42, when I handed out checks amounting to half a million dollars to cottongrowers, and it seems highly unfair now.

I have wondered a long time how tobacco could be considered a basic crop while neither fruit nor vegetables enjoy that category in the Department of Agriculture, except when the Department of Agriculture extension dietitian prepares a menu for adult or child. She would register horror at suggesting tobacco as basic for a child's diet and she would invariably include vegetables, fruit, and meat.

Basically, our farm problem could much more easily be solved if we approached it shorn of all but pure motives. Our farm problem cannot have a practical solution until some of the more flagrant blindnesses evidenced by Congressmen, in their selfishness for individual constituents is removed and under our elective system that seems too much to ask. Since there is no logical alternative to our system and since individually we feel helpless to alter the loss of our independence, prosperity, and freedom some of us feel frustrated.

We have been further confused of late. The tractor I bought on credit for $5,200 last fall could have been bought in 1948 for about $1,800. Increases in the price of steel did not cause that. Increases in the price of labor did cause it, yet our peaches sell for the same or less. I did not hear a President be angry, and undignified, and one-sided to control the rise in our labor cost. I heard him and saw him transparently political. I was shocked and saddened. I learned fear for our freedoms.

I once again felt doubts, that my struggle to pay for this orchard which provides some work for about 800 people each year is worth it or will result in success, or permanent satisfaction.

I have three sons. Shall I encourage one of them to assume my place or should they prepare for Government service or inclusion in a better-cared-for society than we know as fruit farmers?

Yours truly,

D. B. YARBROUGH.

During the 1960 presidential campaign I wrote both presidential candidates letters asking them what plans they had to try to help people who wish to remain on farms, to remain on farms and continue to farm.

I include some of my previous remarks about these letters, the copies of the letters I wrote, the replies to my letters, and some other letters:

SOME LETTERS IN CONNECTION WITH THE FARM PROGRAM

(Statement of Mr. BECKWORTH on the floor of the House, March 8, 1961)

Mr. Speaker, I desire to include in the CONGRESSIONAL RECORD a copy of a letter I wrote Senator Kennedy last fall and a copy of a letter I wrote Vice President Nixon last fall in connection with agricultural problems. Also I include the answers I received from Mr. Kennedy and Mr. Nixon.

I feel neither platform was specific in connection with plans to find solutions to the farm program.

I desire to include in the RECORD certain data in connection with the feed grains program which were sent to me March 3, 1961, by Mr. Scoville of the U.S. Department of Agriculture.

The matter follows:

OCTOBER 11, 1960.

DEAR SENATOR KENNEDY: I live in an area of Texas where we formerly had many small farmers. They used to be small cotton farmers and also grew some peanuts. When the programs of acreage restriction came into being, these farmers were diversifying already. They then suffered cotton acreage reductions to the point that many of them had to quit farming; they moved to town. Cotton and peanut acreage reduction has resulted in a diminished opportunity to farm in our area and has helped in my opinion to contribute appreciably to the loss of population in our counties. Some seven of the nine counties of the Third Congressional District lost population in the 1960 census, I'm informed.

I would like to know what plans you and your agricultural advisers have, if any, that would give people who wish to grow cotton and peanuts in this area an opportunity to do so. It is my opinion no farm program should knock out free enterprise in agriculture for the man who truly wants to farm as a vocation and as a way of life. I believe in free enterprise in business and also in agriculture.

There is a "1958 Crop Cotton Price-Support Loans of $50,000 or More by Producer" report which shows that one producer received $1,442,595. The value per cotton allotment in some cotton counties is less than $500 per allotment. Do you think with reference to a governmental supported and control program this spread is too great?

I would appreciate your comments.

Kind regards,

LINDLEY BECKWORTH.

OCTOBER 7, 1960.

DEAR VICE PRESIDENT NIXON: I live in an area of Texas where we formerly had many small farmers. They used to be small cotton farmers and also grew some peanuts. When the programs of acreage restriction came into being, these farmers were diversifying already. They then suffered cotton acreage reductions to the point that many of them had to quit farming; they moved to town. Cotton and peanut acreage reduction has resulted in a diminished opportunity to farm in our area and has helped in my opinion to contribute appreciably to the loss of population in our counties. Some seven of the nine counties of the Third Congressional District lost population in the 1960 census, I'm informed.

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I would appreciate your comments.

Kind regards,

LINDLEY BECKWORTH.

FARMERS FOR KENNEDY-JOHNSON,
Washington, D.C., October 29, 1960.

HON. LINDLEY BECKWORTH,
New House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BECKWORTH: Thank you for your recent letter regarding the farm situation and more specifically the cotton and peanut programs. I believe the enclosed release of my letter to the Farm Bureau presidents in Arkansas, Tennessee, and Mississippi will clarify my position with regard to the present and future cotton programs.

May I assure you that my farm program will not in any way "knock out free enterprise," but will instead, strengthen the bulwark of free enterprise in America—the family farm. It will enable a traditional type of farming enterprise to earn returns on their capital, their labor, and the managerial ability comparable to those received in other important industries.

I'm enclosing a copy of "Agricultural Policy for the New Frontier," which outlines the approach which I believe to be best for American agriculture.

Best personal regards.

Sincerely,

JOHN F. KENNEDY.

REPUBLICAN NATIONAL COMMITTEE,
Washington, D.C., October 26, 1960.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BECKWORTH: In the Vice President's absence, his office has referred your letter concerning cotton acreage to me for acknowledgement. As you know, cotton acreage for 1961 was recently increased by the Department of Agriculture. I believe you may find informative a recent statement by the Vice President on the cotton program.

Sincerely yours,
ROLLIS S. NELSON.

THE FOOD AND DRUG ADMINISTRATION

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Utah [Mr. KING] is recognized for 15 minutes.

Mr. **KING** of Utah. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. **KING** of Utah. Mr. Speaker, in two instances recently, the activities of the Food and Drug Administration have made the front pages of the Nation's press. In one instance their prompt action very likely saved hundreds, perhaps thousands of American mothers from the sorrow and heartbreak of bringing into the world children with congenital deformities.

Let me first commend the "courageous obstinacy" of Dr. Frances Oldham Kelsey, a physician and pharmacologist with the FDA, in restraining the overanxious pharmaceutical houses from prematurely marketing the new sedative, thalidomide. She deserves the Nation's everlasting gratitude.

This persistent woman very properly insisted that further clinical tests needed to be made before what was once called "the perfect sleep producer," and a long-awaited "successor to the barbiturates" could be sold on the prescription market.

As I said earlier, Dr. Kelsey and the whole Food and Drug Administration deserve our gratitude and honor. The action in this case is in the best tradition of that great Federal agency which has done so much to protect the American public from the unscrupulous.

But, the second instance I referred to earlier is quite another story. In the recent series of legal actions and press releases relating to the book, "Calories Don't Count," by Dr. Herman Taller and published by Simon & Schuster, the conduct of the responsible officers of the FDA demand a close look.

At the outset, let me make it plain that I am not an advocate for Dr. Taller or the merits of safflower oil, or of the Cove Pharmaceutical Co., or of Simon & Schuster, the other principals in the case. I am an advocate for the people of the United States and a defender of American freedoms.

I have appended to my remarks reprints of correspondence from the principals in this case, setting forth their respective versions of the sequence of events.

In brief, the facts are that Simon & Schuster published the book "Calories Don't Count" under contract with the author. The book made the assertion that the quantity of calories ingested was not the sole determining factor in obesity, and that the consumption of safflower capsules, or other substances with comparable nutritive properties, could counteract the effects of excess calorie ingestion. The first edition of the book referred by name to the Cove Pharmaceutical Co., the purveyors of the aforesaid capsules—designated by the latter as CDC capsules. Later editions did not make such reference.

The FDA took the position that the contents of the book were untrue, in that the ingestion of safflower capsules, as prescribed in the book, would not control obesity. Two facts must be noted in this connection:

First. The FDA at no time found that anything recommended in the book was harmful or dangerous to human health. Their position was that the book made claims which could not be scientifically substantiated. Safflower oil is a nutritious food, and is ingested by many persons, apart from any inducement from the aforesaid book.

Second. The FDA based its adverse judgment about the contents of the book upon the fact that it ran counter to the consensus in the medical profession. In the FDA's report to me on the case, no reference was made to independent studies made by it, and presumably there were none.

An action was instituted against the Cove Pharmaceutical Co., for the purpose of judicially determining that the labels on its capsule cartons were inaccurate, and for the further purpose of impounding the said capsules.

In due course of events, this was done, and a default judgment was entered against the said Cove Pharmaceutical Co., and a large quantity of capsules was impounded. The evidence showed that some books of "Calories Don't Count" were sold in various distribution centers in conjunction with the capsules themselves.

Now, let me make it clear, Mr. Speaker, I am not commenting here upon the rightness or wrongness of the action instituted against the Cove Pharmaceutical Co.

The aspect of this that concerns me is the fact that at the time the case was disposed of, the FDA issued what to me was a vicious press release, intentionally designed to embarrass and to humiliate Simon & Schuster. It is this action which raises in my mind some serious questions.

The press release was given full national publicity. In many cases, Simon & Schuster was mentioned prominently. The release stated categorically that Simon & Schuster had participated in the plan to use a best selling book to promote and sell worthless safflower oil capsules. This fact was vehemently denied by Simon & Schuster.

As a result of a great deal of unfavorable publicity, Simon & Schuster has suffered serious injury to its reputation. Consider the fact that here is a publishing house which has spent many years in building up an impeccable business reputation, based upon scrupulously honest dealings and quality performance. Suddenly, in a matter of days, their name is spread over the newspapers of the Nation in connection with a transaction which is characterized as willfully fraudulent. The inescapable conclusion is that this great publishing house has been a party to this allegedly fraudulent transaction. The damage to them is almost beyond calculation. For years to come, authors may carry in their minds the memory of this unpleasant publicity, and may deliberately choose some other publishing house where, otherwise, they might have chosen Simon & Schuster.

Business choices, in this competitive world, are frequently dictated by far less important factors than this.

Mr. Speaker, I do not wish to pursue the legal complexities of this matter. I do wish to raise a simple question or two, however, to which I believe the American public is entitled to receive answers.

First of all, I ask the question: Does the FDA have the legal power to officially declare that the American Nation shall follow one particular theory of health over and above another? Are we developing an official "line" to which all must subscribe? Is there still room in America for a person to dissent?

Now let me make it very clear that I do not question for one moment the absolute right of the FDA to control foods and other substances which it has ruled to be positively harmful to human health. Not only do I not question their right to do so, but I back them up completely, and in some cases suggest that they have not gone far enough.

That is not the case involved here. Here we have a situation where there is an honest difference of opinion among experts as to whether safflower oil can control obesity. There is no allegation that the use of safflower oil involves any injury to health.

My opinion in this case is that there should be room for dissent. This is still America. I revolt against the doctrine that once the FDA has spoken about such matters, there is no further room for discussion, and that any literature which carries a dissenting point of view is, ipso facto, contraband.

Second, I ask the question whether a Federal agency has the right to drag a publishing house into such a controversy, and to smear its good name, and malign its professional character, without hearing, and without redress. What is the difference between the Government's arbitrarily and wrongfully destroying a million dollar reputation, or destroying a million dollars worth of physical property? In morals there is no difference.

What it gets down to is this: when a publishing house undertakes to publish a literary work, should it be required to do so at its peril, in the event that the book should contain material with which a governmental agency disagrees? And, in the event of such disagreement, should the governmental agency be given the arbitrary power to punish the publishing house, out of hand, and without hearing, and without indemnification?

If this is so, then we are indeed writing a new chapter in the history of America's freedom of speech; and this new chapter is not at all lovely to read.

I, myself, protest with all my power. I believe that no publishing house should be placed in such a position. I am not suggesting that they are without responsibility. Of course they are. There are laws of libel and slander, and publishing houses do not claim immunity therefrom. Willful deception, indecencies, and matters vitally affecting the public health and morals are obviously areas in which publishing houses must tread with care. No one questions that. But that is not the case involved here.

It is well to note that the Federal Tort Claims Act prohibits suits against a Government official for libel, slander, or misrepresentation. Therefore, I am introducing a bill today that will modify the language of the Federal Tort Claims Act and allow persons so damaged to go into a court of law. I do not deny the Government's right to warn the people when there are substances on the market, or proposed to be put on the market, that might prove injurious to health or safety.

In addition to the bill I have just mentioned I have previously introduced H.R. 10058 that is presently due for hearings by Chairman Francis Walter's subcommittee of the House Judiciary Committee. I believe that these two bills will correct the gross inequity that exists today. Government is far too big and the average citizen far too small to allow this trial by press release to continue. I will defend the right of Simon & Schuster, or any other publisher, to publish any book within the law without fear of libelous statements by Government officials. Since introducing my bill, H.R. 10058, I have received countless tales of abuses similar to the one I have discussed. Since I am on the subject of the FDA I must confess I am puzzled by their actions in another area.

On June 20, 1962, the FDA published in the Federal Register a lengthy set of proposed regulations on dietary foods. The American people might be interested to know that the FDA has decided that henceforth only eight vitamins and four minerals can be sold without a doctor's prescription. The way the FDA puts it none other but these can appear on a label of any commercial product. Certainly no one can market a product improperly labeled. The American people will no longer be able to enjoy the benefits of vitamin E, vitamin K, folic acid, pantothenic acid, linoleic acid, copper, magnesium, manganese, zinc, sodium, or potassium, without their doctor's permission. In one breath the FDA is herein proposing to seriously curtail the health food stores in this land.

Recent testimony in Senator Kefauver's subcommittee has brought to light to the American people the high cost of drugs by prescription. Henceforth we must run to the doctor for any of the above-mentioned nutrients. Again I fail to see how these nutrients which we have been freely consuming without harm have now become so harmful. I hope the American people will insist on taking a very close look at this regulation and insist that a full and open hearing be held. If these regulations are enacted the American people can be assured their pocketbook will suffer.

I do not know whether or not calories count. But I do know that constitutional liberties do count.

Press Release by U.S. Department of Health, Education, and Welfare, Food and Drug Administration, Friday, July 6, 1962

A default decree entered by the U.S. district court in Brooklyn, N.Y., has established that "Calories Don't Count" capsules are misbranded by false and misleading health and diet claims in the book "Calories Don't Count" by Herman Taller, M.D., the Food and Drug Administration announced today.

The agency said Cove Vitamin & Pharmaceutical, Inc., of Glen Cove, N.Y., withdrew its answer contesting seizure of CDC (Calories Don't Count) capsules, stopped the distribution of the safflower oil product, and is recalling it from the market on a refund basis. According to representatives of Cove, the decision to withdraw was made because Simon & Schuster, Inc., publishers of "Calories Don't Count" and Dr. Taller have refused to come to the defense of the health and diet claims in the book. Nearly 2 million copies have been printed.

Judge George Rosling signed an order, filed by U.S. Attorney Joseph P. Hoey, condemning the seized lot and ordering destruction of the capsules. The court also ordered the books which were seized as promotional labeling, turned over to the FDA.

FDA said Cove's action came after testimony by depositions was taken by Assistant U.S. Attorney Martin Pollner from officials of Simon & Schuster and after partial completion of similar testimony from Dr. Taller. Mr. Pollner has filed an order calling on Dr. Taller to show cause why the physician should not be held in civil contempt of court for refusal to answer over 50 questions about his financial relationship with Cove's CDC capsule promotion.

U.S. marshals last January seized more than 200 cases of CDC (Calories Don't Count) capsules with copies of the book "Calories Don't Count" on charges that the book and other labeling material falsely represent that safflower oil capsules are effective for weight control without regard to caloric intake, and that they are effective in lowering the cholesterol level of the blood, for treating arteriosclerosis and heartburn, improving the complexion, increasing resistance to colds and sinus trouble, promoting health, increasing sexual drive and for other purposes.

FDA said the default decree represents a court finding that the claims made in promoting the safflower oil capsules are false. The agency said that Cove contended it had relied upon the regimen offered in the book "Calories Don't Count" as basis for its promotion of CDC capsules. This regimen had been attacked by leading nutritional authorities in many articles in both professional and nonprofessional publications as being scientifically unsound and unsupported.

FDA Commissioner George P. Larrick commented:

"The investigation of the case has brought to light a surprising story of how this best-selling book was deliberately created and used to promote and sell these worthless safflower oil capsules for the treatment of obesity, cardio-vascular diseases and other serious conditions.

"Dr. Taller prepared a draft of the book. Simon & Schuster ordered it revised 'in more of a mail order inspirational technique'—it was too scientific sounding. The job of revision fell to a freelance sportswriter, Roger Kahn, who completely rewrote the manuscript and devised its catchy title—"Calories Don't Count." The manuscript then went to the office of General Development Corp., apparently for the purpose of inserting references to Cove as a source of safflower oil capsules—safflower oil being one of the main features of the so-called Taller regimen. When the manuscript was returned, it contained changes on four pages. These changes mentioned safflower oil capsules, and one mentioned Cove Pharmaceuticals specifically.

"Cove then established a closed corporation, CDC Corporation, to produce the capsules for which the book would create a demand. Financial interests in the new corporation were acquired by a limited group including Cove, Dr. Taller, two vice presidents of Simon & Schuster, and officials of the General Development Corp.

"The freedom to publish health books is a constitutional guarantee. But the courts have held that books used to promote the commercialization of drugs become labeling under the Federal Food, Drug, and Cosmetic Act. False statements in the books misbrand the drugs. What is shocking about this episode is that the public has been led to believe that Dr. Taller, a licensed medical doctor, prepared the book to advance a revolutionary new dieting idea that he had developed and proved by sound scientific observations. The facts now show that the book is mainly the work of laymen and one of its main purposes was to promote the sale of a commercial product in which Dr. Taller had a financial interest.

"The book is full of false ideas, as many competent medical and nutritional writers have pointed out. The Government's action has stopped its use in the promotion of Calories Don't Count capsules and actions are being taken against all other products that are promoted by the book."

Mr. Larrick said the CDC capsules supplied only 5.5 grams of safflower oil daily, an amount which is insignificant for any purpose. He noted that the theme of Dr. Taller's book is that obese persons can eat thousands of calories a day and still lose weight by including unsaturated fats in the diet, especially such fats as safflower oil. "The plain fact is that, contrary to the book's basic premise that calories don't count, weight reduction requires the reduction of caloric intake," Mr. Larrick said. "There is no easy, simple substitute. Unfortunately, calories do count," he added.

Department of
Health, Education, and Welfare,
Food and Drug Administration,
Washington, D.C., July 16, 1962.

Hon. David King,
House of Representatives,
Washington, D.C.

Dear Mr. King: This responds to the telephone request from Mr. Creer on June 11 for complete background information on our investigation of CDC capsules and its labeling including Dr. Herman Taller's book "Calories Don't Count."

Our first information on CDC capsules was by receipt of a news article which appeared in the October 18, 1961, edition of Newsday (Long Island, N.Y., newspaper) which was entitled "Why diet? Cove Co. says its pills will slim you." The article read in part:

"The most difficult exercise in weight reduction—pushing yourself away from the table—may become as obsolete as dieting itself if a Long Island firm's product catches on. And if it does, the firm should grow as fat as its customers grow thin.

"The product of Cove Vitamin & Pharmaceutical, Inc., at Glen Cove, is a reducing pill. What's new about it according to the company, is that it lets you eat as much as you want, barring only carbohydrates. The pill is based on a biochemical theory described in the book 'Calories Don't Count,' by Dr. Herman Taller of Brooklyn. And Cove's pills are named for the title appropriately enough 'CDC.'"

CDC was a new product on which we had no information and we requested that our New York district make an inspection of Cove Vitamin & Pharmaceutical, Inc., Glen Cove, N.Y., to determine the methods of production and promotion of this new product.

On November 15, 1961, an inspection was made and Mr. Charles T. Rieley, marketing vice president, was interviewed. Mr. Rieley stated that as of the date of inspection the product was not on the market and the proposed target date for distribution was some time in December of 1961.

On December 28, 1961, Cove Vitamin & Pharmaceutical, Inc., was again inspected and Mr. Harry Bobley, chairman of the board of that firm, was interviewed. Mr. Bobley reported that since the time of our inspection a new corporation had been established for the promotion of the CDC capsules, namely the CDC Corp. Its stock was said to be controlled by the Cove Vitamin & Pharmaceutical, Inc.

Mr. Bobley reported on that date that CDC capsules were already on the market in the New York area with the capsules being manufactured by the R. P. Scherer Co. of Detroit, Mich., and shipped in bulk to Private Brands, Inc., Clifton, N.J., for packaging. On January 3, 1962, samples of CDC capsules and its labeling, including Dr. Herman Taller's book "Calories Don't Count" were collected from a shipment made from Private Brands, Inc., at Clifton, N.J., to S. P. Drug Co., Inc., of Brooklyn, N.Y., to the account of Cove Vitamin & Pharmaceutical, Inc. A libel was filed in the U.S. District Court at Brooklyn, on or about January 23, 1962, alleging the article to be misbranded when introduced into, while in, and while held for sale after shipment in interstate commerce under section 502(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(a)) in that its labeling, namely, the bottle and carton label, booklet enclosed in each carton entitled "The CDC 'Calories Don't Count' Weight Control Program" and the book entitled "Calories Don't Count" by Herman Taller and various other pieces of labeling contained statements which represented and suggested that the capsules were adequate and effective for the control of body weight, and to reduce and maintain slimness, even though consuming many thousands of calories daily without regard to the total caloric intake; to lower and control the cholesterol level of the blood; for the treatment and prevention of arteriosclerosis and heartburn; and to improve the complexion; increase resistance to colds and sinus trouble; promote health; increase sexual drive; and for other purposes. Seizure of the lot was effected on January 24, 1962.

The promotional scheme for CDC capsules was based upon the "weight control concept" set forth in Dr. Taller's book. Dr. Taller's theory is that weight can be lost even while ingesting unlimited amounts of calories, as long as these calories are derived from fats and proteins, and not carbohydrates. Eleven printings (1 through 10, and 12) totaling 406,600 copies of the book, "Calories Don't Count," mentioned safflower oil capsules marketed by Cove Vitamin & Pharmaceutical Co. as a product to be used in the recommended program. The labeling of CDC capsules itself made direct and specific references to Dr. Taller's book.

Our medical and nutritional experts evaluated the capsules and labeling including the book "Calories Don't Count." The enclosed fact sheet summarizes their views. We know of no recognized scientist who supports the theories set forth in this book. One expert has referred to it as "a jungle of inaccuracies, inconsistencies and contradictions."

The booklet entitled "The CDC Calories Don't Count Weight Control Program" furnishes dietary directions which specify one should be sure to have three full meals at regular mealtimes each day; "eat all you want of foods" selected from categories including all meats; all fish, and seafood, including fried fish and seafoods; all cheeses; eggs, including eggs fried in corn oil or margarine; gluten bread; and vegetables; artichokes, asparagus, beans, etc., but severely restricts all other sources of carbohydrates and directs an increased intake of fat. Our medical and nutritional experts state that such a program is contrary to the consensus of sound present-day scientific and medical and nutritional opinion on the treatment of overweight and obesity and the control of body weight generally. In addition, our medical experts advise that if it is carelessly followed, the diet selected could also be harmful to persons with diabetes, gall bladder, liver or kidney disease. The enclosed book review of "Calories Don't Count" appearing in the Journal of the American Medical Association may be of interest to you in this connection.

Following the seizure the Cove Vitamin & Pharmaceutical, Inc., appeared as claimant for the seized article and filed an answer denying the charges. During the months of March and April 1962 the claimant filed two separate motions for summary judgment. Both of these motions were heard before Judge John F. Dooling sitting at the U.S. district court at Brooklyn. Judge Dooling denied both of claimant's motions in all respects.

As part of the pretrial discovery, oral depositions were taken by the Government of the following individuals: Leon Shimkin, chairman of the board of Simon & Schuster, Inc.; Sam Myerson, assistant treasurer and manager of mail order department, Simon & Schuster, Inc.; Richard L. Grossman, vice president, Simon & Schuster, Inc.; Jason Berger, vice president of Simon & Schuster, Inc.; Jill Kneerin, assistant to Mr. Grossman, and Dr. Herman Taller. During the sworn testimony of the above-named individuals the following information was brought to light.

Richard L. Grossman, vice president, made the first contact with Dr. Taller for his book. Mr. Grossman's knowledge of the book was through a mutual acquaintance, Lorraine Trydell Allen, who also was a patient of Dr. Taller. In the fall of 1959, Lorraine Allen advised Mr. Grossman that Dr. Taller had been successful in his practice in treating patients with weight problems and that Dr. Taller desired to write a book and had the start of a manuscript. Mr. Grossman, Dr. Taller, and Lorraine Allen met in 1959 and discussed the idea for the book. Dr. Taller promised Mr. Grossman a manuscript of the book. Mr. Grossman did receive a copy of the manuscript, read it, was favorably impressed and sent it for comment to Peter Schwed, another vice president of Simon & Schuster who had been an editor of several other books by doctors. Mr. Schwed gave his comments to Mr. Grossman in writing which included a statement that the book sounded too scientific and advised that it be written "more in a mail-order inspirational technique."

At about this time, a Mr. Herb Jaffee phoned Mr. Grossman and advised that he was Dr. Taller's literary agent and would like to discuss the book. Mr. Jaffee said a Mr. Roger Kahn, a freelance writer, had been contacted to ghostwrite the book.

The manuscript as prepared by Roger Kahn from Dr. Taller's original manuscript was made into page proofs and was sent to a printer in Tennessee in July 1961. During this period, Mr. Grossman was in Europe and left instructions with his assistant, Jill Kneerin, that she was "to receive a few changes in the copy of book and the text of book, authorized by Dr. Taller, which would effect no more than three pages, and would insert the fact of capsules into the book."

On July 17, 1961, Jill Kneerin sent the manuscript to Mr. Kenneth Beirn of General Development Corp. of New York. At that time, there was no reference to capsules or the Cove Vitamin & Pharmaceutical, Inc., in the page proofs. On July 21, the page proofs were returned to Jill Kneerin by Dr. Herman Taller and a Mr. Milton Stone, said to be a confidant of Dr. Taller. Jill Kneerin discussed the changes; namely, the insertion in the book of the reference to capsules and to Cove Vitamin & Pharmaceutical, Inc., with Mr. Stone and Dr. Taller. Because there was not enough time to get new page proofs to the printer in Tennessee, Miss Kneerin prepared a memorandum instructing the printer where to insert these references. Miss Kneerin also prepared a letter to Mr. Grossman in Europe advising him of these insertions to the page proofs for the book.

The first printing of the book was dated August 31. In October of 1961, Harry and Edward Bobley, chairman of the board and president respectively, of Cove Vitamin & Pharmaceutical, Inc., met with Mr. Grossman and Mr. Berger and stated that it was possible for Mr. Grossman and Mr. Berger to invest in the CDC Corp. which was being organized to promote the sale of the capsules. The price for the investment was $750 down and an additional $3,750 on demand. The offer was accepted by both Grossman and Berger and they did, in fact, send checks for the sum of $750. Some time after this, Mr. Grossman withdrew his investment. Some time later, Mr. Berger received a letter from the CDC Corp. giving a breakdown in the ownership of that organization. The breakdown was: Cove Vitamin & Pharmaceutical, Inc., 51 percent with the remaining 49 percent owned by Jason Berger, Richard Grossman, Kenneth Beirn, Mr. Branganick, Louis Chessler, Tex McCreary, and Dr. Herman Taller.

During July and August of 1961, Mr. Shimkin was contacted by Mr. Harry Bobley in regard to a possible joint promotion of the book "Calories Don't Count," and CDC capsules to be produced to be distributed by Cove. Mr. Shimkin referred Mr. Bobley to Mr. Berger. In September, Mr. Berger met with Edward and Harry Bobley and they discussed the joint promotion of the capsules and the book and/or permission to use the book or excerpts from it for the promotion of the capsules. No decision was reached by Mr. Berger at that meeting. It was again discussed at a later meeting between Harry and Edward Bobley and Messrs. Berger and Grossman. There is a conflict between Mr.

Berger's and Mr. Grossman's testimony as to what permission was given to Bobleys. Mr. Berger stated that no permission to use any part of the book in promoting the capsules was given, while Mr. Grossman stated that the Bobleys were given permission to use a picture of the book in the promotion of the capsules.

During Dr. Taller's deposition, Dr. Taller stated that he would not stand behind the statement in the book that two capsules of safflower oil provide the required dosage, because he recommends 2 ounces before each meal and two capsules would not be sufficient. However, Dr. Taller refused to answer many of the questions put to him and a show cause order why he should not be held in contempt of court was issued.

The seizure action against CDC capsules has now been terminated. The answer initially filed by Cove Vitamin & Pharmaceutical denying the charges has been withdrawn and a default decree was signed by Judge George Rosling of U.S. district court at Brooklyn, N.Y., providing for destruction of the capsules. As you will readily recognize, all parties interested in the writing and publication of the book and in the distribution of the CDC capsules had an opportunity to defend the theories and claims in the book that were charged to be false and misleading by the Government but they all declined to do so.

While the seizure action is terminated, the matter of criminal responsibility is still under consideration by this department and the Department of Justice.

We have gone into considerable detail in discussing the entire background and use of the book "Calories Don't Count" to promote the sale of CDC capsules for the reason that we are fully aware of the freedom of the press as guaranteed by the Constitution. We would like to make it perfectly clear that this Administration has no intention of interfering in any way with the publication and distribution of books providing they are not used for commercial purposes in promoting the sale of drugs. The Supreme Court has held that all writings, including books, are subject to the jurisdiction of the Federal Food, Drug, and Cosmetic Act when they are used in the promotional scheme of a food or drug product. Under these circumstances, when we encounter a book which contains false theories that is used to promote the sale of a commercial product, we have no alternative except to bring action under the Federal law.

If you have any further questions, we will be glad to answer them.

Sincerely yours,

Geo. P. Larrick,
Commissioner of Food and Drugs.

New York, N.Y.,
July 6, 1962.

Hon. J. K. Javits,
Hon. Kenneth B. Keating,
U.S. Senate,
Washington, D.C.

Dear Senators Javits and Keating: This letter is written to you on a matter of grave concern to me as a citizen as well as on behalf of the firm of Simon & Schuster, Inc. of this city, whom I have the honor to represent. I am sure that you are both familiar with the outstanding reputation which this company has deservedly earned in a long and honorable career as a publisher.

Today's newspapers give first-page prominence to a charge by the Food and Drug Administration that "Calories Don't Count," a Simon & Schuster publication, was "deliberately created to peddle worthless pills." While the FDA release carefully avoids saying that Simon & Schuster did the creating, the language of the FDA release as reported in the public press was clearly and unquestionably designed and intended to give that impression to the public.

The FDA knows it to be a fact that any such charge in respect to Simon & Schuster is categorically and unqualifiedly false. The FDA knows that it is a fact that Simon & Schuster never had, directly or indirectly, the slightest interest in the promotion or sale of pills, capsules or any other product mentioned in the book. The FDA knows that Simon & Schuster contracted to publish this book in June 1960 and that no one at Simon & Schuster had even heard of Cove or capsules until a year later.

What the FDA apparently wants to attack is the thesis of the book and, unable to do so by any lawful means, it issued a publicity release calculated to attack the book and its publisher. Acting within its powers, it seized capsules manufactured by Cove Vitamin & Pharmaceutical, Inc., of Glen Cove, Long Island, concurrently seizing some copies of the book exhibited by a capsule vendor. In the original printing of the book, the author had suggested the use of safflower oil capsules as a supplement to his recommended dietary regimen. Simon & Schuster, in publishing this book and including the reference to safflower oil capsules, relied in good faith on the presentation of a novel dietary theory advocated by the author, a reputable physician. Before the FDA seizure, when the management of Simon & Schuster was informed that the propriety of the mention of the name of Cove as a source for capsules was subject to question, and learned that dealers were using the book to promote the sale of capsules, it had ordered the elimination from the book of all reference to capsules and prohibited customers from displaying the book in connection with the sale of capsules. In this way, Simon & Schuster tried to cooperate with the FDA.

The FDA's jurisdiction does not include the power to censor books; and yet that is exactly what the FDA has sought to accomplish. To achieve its end, it took the irresponsible and oppressive course of attacking by innuendo the good faith and integrity of the publisher. Notwithstanding substantial evidence presented by Dr. Taller in the FDA proceedings in support of his findings and recommendations, notwithstanding supporting evidence in the reported research of independent scientific authority, the FDA may be entitled to prevent the use of the book as labeling for the sale of a food product because conclusions founded on the evidence on which the book is predicated are contrary to the more widely accepted conventional opinions. Certainly, the basic concept of Dr. Taller that it is the composition of what one eats, the ratio of its component elements, rather than the number of calories, that determines whether a person will gain or lose weight is a permissible concept, and the Congress and the Constitution did not designate the FDA the agency to approve or disapprove the expression of this or authorize or empower it to suppress the publication. Granted that Dr. Taller's concept has not been "scientifically established" beyond any question, the witch-hunting attempt to smear and suppress the publication because the FDA disagrees with its content is an unmitigated and frightening abuse of executive power. That Dr. Taller's book has benefited enormous numbers of people is reflected in the great quantity of unsolicited testimonials which he has received, many from doctors.

The FDA attack represents the application of raw Government power beyond the authority conferred by the Congress in a reckless disregard of constitutional rights.

On behalf of this reputable and long-established business firm in your constituency, I ask that immediate action be taken to call to account the individuals responsible for this abuse. Their conduct under the aura of governmental authority threatens the very foundations of our Government. They have a positive duty to be fair and not to be so carried away by zeal as to trample on basic rights.

Sincerely yours,

Selig J. Levitan.

New York, N.Y.,
July 16, 1962.

Hon. David S. King,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman King: We enclose herewith a fact memorandum detailing, from the sworn depositions taken on behalf of the Government in the recently terminated seizure proceeding involving capsules of safflower seed oil and exhibits marked for identification by the Government in that proceeding, the events surrounding the creation, publication, and distribution of "Calories Don't Count."

The uncontradicted sworn testimony clearly establishes that our client, Simon & Schuster, Inc., the publisher of the book, first had knowledge of the existence of safflower seed oil capsules or Cove Vitamin & Pharmaceutical, Inc., a year after it had contracted to publish the book based on the author's manuscript and approximately 6 months after the final manuscript had been completed, when the book was in page proof form and in process of being plated for production. It is also clear from the contract that Simon & Schuster, Inc., had no right to or interest in any proceeds of the exploitation of the book or its title for commercial purposes. Thus, any statement or innuendo implying that Simon & Schuster, Inc., created the book to promote such capsules is false, misleading, and entirely unjustifiable; the Food and Drug Administration knows that Simon & Schuster, Inc., never had any financial interest in Cove, or capsules, or any food product.

Commissioner Larrick's statement that two vice presidents of Simon & Schuster, Inc., had financial interests in CDC Corp. contradicts the detailed testimony to the contrary; he was aware that the one officer who did acquire some shares after the book was published had had no part in the acceptance, editing, publishing, or distribution of the book.

Two other items in the press release also illustrate a curious disregard for candor and tend to show an intention to mislead the public and damage the reputation of individuals involved and a publisher with an outstanding reputation for integrity and ability earned in some 40 years of successful operation. Despite the facts that Simon & Schuster, Inc. was never a party to the seizure proceeding, that the right of the publisher to publish and sell the book itself had never been attacked that the FDA knew that Simon & Schuster, Inc. had consistently opposed the use of the book as labeling or to promote the sale of any product and had taken rigorous steps to enforce this policy, that its policy in these respects was known to Cove and had not changed since the inception of the seizure proceeding, that in January 1961, before the first seizure of the book, all references to capsules and Cove were ordered deleted by Simon & Schuster, Inc., FDA in its release repeated the obviously hostile explanation by Cove of why it had withdrawn its contest of the seizure. The FDA release also stated that an order to show cause why the author should not be held in civil contempt of court had been filed; in fact, the Government had abandoned its motion to hold the author in contempt the day before (and had known it would do so for many days because the default decree entered the previous week had made the motion moot).

Simon & Schuster, Inc. was prepared to accept the argument of the FDA that the use of a book advocating a novel concept of obesity control ought not to be used as labeling for a food product. As the FDA well knows, Simon & Schuster, Inc. had made every attempt to prevent any tie-ins whatsoever of the book with the advertising and sale of a food or drug product long before it was aware that FDA had any interest whatsoever in the book. From the beginning, it cooperated fully with the FDA investigation, permitting its personnel to answer many questions in the depositions which counsel advised were beyond the legitimate scope of inquiry in the proceeding.

Not only are the statements of the effect that the book was created to promote a food product and that it was the work of laymen contrary to fact, they are beyond the scope of the authority granted to FDA to publicize judgments, decrees and court orders. That the motives of FDA are open to serious question must be evident from the fact that the questions of who wrote the labeling material and why it was written are really irrelevant to the determination of whether products are falsely labeled.

Sincerely yours,

SELIG J. LEVITAN.

THE NATION'S EDUCATIONAL STRUCTURE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. NIX] is recognized for 90 minutes.

Mr. NIX. Mr. Speaker, on two previous occasions I have discussed needs for reform in the Nation's educational structure both as to financial support and methods of instruction. These insertions into the RECORD pointed out, as earlier expressed by the President in his message to the Committee on Education and Labor, that stimulation of education is urgent for national security and in order to cope with the challenge of the changing times. These overriding objectives for a strengthened educational program, together with the pressing demands of a spiraling pupil enrollment at all levels, and inflationary cost of school operation are becoming matters of increased general concern commanding greater Federal support. A previous discussion drew attention to the compelling need for improving the quality of teaching in the elementary and secondary schools and the necessity for lifting the literacy level of adults through financial assistance by the Government to local and State education agencies.

There are in the Congress today, awaiting a hearing or already acted upon by some dozen or so committees, numerous bills which seek to bridge the broadening gap between what we can hope to accomplish through institutions of advanced education and what is actually being done. In fact, there are so many bills introduced into Congress, reflecting such a dispersal of responsibility over educational programs that I am forced to agree with Congresswoman GREEN, chairman of the Subcommittee on Special Education, that it is impossible for any one person in the Federal Government to know the entire role the Government is now playing.

Congresswoman GREEN adds there were 495 bills dealing with education introduced during the 87th Congress between January 1961 and March 1962 with only 241 or 48 percent referred to the Committee on Education and Labor and, the remainder distributed among the Committees on Veterans' Affairs, Commerce, Ways and Means, Foreign Affairs, Judiciary, Un-American Activities, Agriculture, Armed Services, and so forth. In addition to bills and related proposals previously discussed affecting fundamental education awaiting congressional action, there are several others bearing on the future outlook for advanced education at the college and university level.

H.R. 8900 is an act introduced in the Senate, February 7, 1962. The findings and declaration of policy sets forth the following:

> The Congress hereby finds that the security and welfare of the United States require that this and future generations of American youth be insured ample opportunity for the fullest development of their intellectual capacities, and that this opportunity will be jeopardized unless the Nation's colleges and universities are encouraged and assisted in their efforts to accommodate rapidly growing numbers of youth who aspire to a higher education, and steps are taken to encourage promising youth in their pursuit of this goal by holding out to them both the prospect of national recognition of their promise and the assurance that economic obstacles to self-fulfillment can be overcome. The Congress further finds and declares that these needs are so great and these steps so urgent that it is incumbent upon the Nation to take positive and immediate action to meet these needs through assistance to institutions of higher education in providing classrooms and other academic facilities, through undergraduate scholarships for young people of outstanding ability who need such scholarship assistance to go to college, and through assistance to the States in constructing public community college facilities in such locations as will make such facilities accessible to the homes of as many individuals as may be possible.

The act authorizes assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation or improvement of needed academic and related facilities.

H.R. 11340—THE GENERAL UNIVERSITY EXTENSION EDUCATION ACT

This bill has been approved by the Committee on Education and Labor. Under this program there would be established a publicly supported plan of general extension education at the college level to be operated by State universities and land-grant colleges. The proposal offers $9 million annually for fiscal year 1963 and each of three succeeding fiscal years.

H.R. 11823 "LIBRARY SERVICES ACT"

This bill proposes to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes.

The "Declaration of policy" incorporated in the bill explains:

> The Congress hereby finds and declares that the growing need for information and education for all our people and the rapidly expanding body of knowledge make good libraries essential at all levels of education from elementary school through adult education in order to provide maximum opportunities for study and research and to produce well-informed citizens who are capable of exercising sound judgment and engaging in profitable employment. The present deficiences of public libraries, school libraries, and college and university libraries are critical. Therefore, a coordinated program of library development is needed in order to bring about maximum availability and utilization of library resources and services.

The bill authorizes to be appropriated $30 million annually from 1963 to 1967, $20 million annually for public libraries and $10 million annually for library grants to institutes of higher education with authorization of $7.5 million for fiscal 1963 to $10 million for each of four succeeding fiscal years to enable the Commissioner to arrange with institutions of higher education for the operation of library training institutes. Students attending such institutes would receive stipends of $75 per week for the period of attendance plus $15 per week for each dependent for the same period.

H.R. 11289—APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE

Although this act was considered by the Appropriations Committee in its consideration of the defense budget for the year ending June 30, 1963, the House attached a section which would impose a 15-percent limitation on the amount of indirect costs or overhead which might be charged against Defense Department research grants and contracts to colleges and universities, designed to replace regulations now applicable, whereby a computed overhead figure, based on actual experience and proven by audit, may be charged.

In a letter from President Millard E. Gladfelter of Temple University, he argues with sound reasoning and stimulating foresight that section 540 as attached by the House is untenable from the standpoint of institutions of higher education, their students, and their faculties. Further, he noted, that, while it is true that research is an essential part of college life and a vital ingredient in education, it does not follow that pursuit of projects of particular interest to any agency of Government should be assumed by colleges or universities at the expense of the student.

This, he insists, must be the result where the full costs of such projects are not borne by the interested agency. Dr. Gladfelter reminds that—

> Research is more costly than other educational functions relative to student participation. In general, it cannot bear its proportionate share of total costs; it requires a larger contribution per student participating. Thus universities, in general, and Temple University, have been forced to limit

> research activities relative to total program to maintain high quality education at reasonable cost.

Dr. Gladfelter continues:

> To illustrate the point: Our most recent Defense Department audit established that the overhead cost attributable to research amounted to 29.6 percent of the total budget and/or 55 percent of the salaries, and wages budgeted for research. To accept a 15-percent cost limitation, therefore, would mean that other sources of income would have to be used to support research or that the quality of education would have to be cut, or both. It does not seem reasonable to suppose that the Congress of the United States has either of these ends in view.

Dr. Gladfelter asserts further that such research cost limitation is not equitable in another context. When a Research and Development contract is given an industrial concern, he insists, provision is made for full cost recovery, including profit. "It is hardly equitable to ask or expect a nonprofit institution to both hold its manpower and develop its expertise while subsidizing such research programs as it may undertake," he concludes.

I think it is worth our noting here that basic research is an essential part of the educational process, the end being the development of trained personnel and scholars rather than applications. But special projects under Government contracts are seldom of a general nature broadly applicable to student training and curriculum planning. On the contrary, such specific projects may represent an even greater expense to the educational institution than to private industry. The latter may find a profitable outlet for the application or convert the application to profitable use subsequently.

In an editorial, June 1, 1962, the Wall Street Journal noted that until recently the colleges' chief worry about Government aid to education at the college level has been that inevitably in the wake of Federal money come varying degrees of Federal standards and controls. But, the Journal commented, a new and equally compelling objection is beginning to appear, stemming from a growing awareness among university officials that Government aid is starting to cost more than some institutions can afford. For instance, the University of Illinois reports that it is spending $1,500,000 a year to support research, including laboratories, equipment, and supplies, undertaken with Federal grants. President David D. Henry, of the university, complains that the program has limited the university's capacity to meet other obligations, particularly in the humanities and social sciences, which are largely unsupported by Government subsidy.

What we have now in the Government's relationship to contract letting is public-private partnership with the universities cast somewhat in the role of an outsider or stepchild, neither essentially public nor private. This sort of program as between the Government and private enterprise, continues the Wall Street Journal, has never been wholly harmonious and in recent years it has become less so. But, acknowledges the Journal private-public partnership benefits companies. Some Congressmen charge that company profits often benefit too much, it concludes.

Besides an advantage over educational institutions in qualifying for total cost subsidy including profit from research itself or from inflated prices for merchandised byproducts as suggested by President Gladfelter, industrial concerns are able to outbid universities on the labor market for the best trained technicians and scientists. Thus, the university, a nonprofit institution, loses in several ways to the more fortunate industry to the total detriment of its students and at the expense of its plant and academic program. This issue clearly presents itself as momentous and a decisive solution is of compelling necessity.

The Wall Street Journal adds:

> As research increasingly has paid off, research investment, not surprisingly, has risen.

President Crawford H. Greenewalt is quoted as declaring:

> For the Du Pont Co., and I believe this is also true for the chemical industry, I can say categorically that our present size and success have come about through the new products and new processes that have been developed in our laboratories.

In private industry, inventive process is important to economic growth, defense economics, industrial organization and management science, and is revealed in the increased returns or profits directly accrued to the business, with the rate and direction of inventive activity limited only by the point of diminishing returns.

But, the absence of tangible profits accruing to universities other than that reflected in the quality of its student which is not immediately negotiable, places the university by right our country's second line of defense, in an extremely disadvantaged position.

Profit and loss from contract-letting is not the only issue which forces consideration of Government support to institutions of higher learning in the national prospectus for the advancement of humanities or human relations as well as science and technology. Dr. Hofstadter, Nobel Prize winner and professor of physics at Stanford University, stated in a commencement address at City College last month:

> Modern high-energy physics and other branches of physics have been moving inexorably in the direction of larger and larger apparatus requiring greater and greater expenditures of money. The funds required have become so large that only the great governments of the world can support this type of research. Obviously such a gargantuan scientific and administrative enterprise is very costly.

Some might argue that if universities find it too expensive to participate in the defense program on the conditions proposed by the House but opposed by the Senate, they are free to bow out, or university participation in the program could be written off. I heartily oppose either such alternatives for the preservation of our institutions of advanced education—all of them—is a prime requisite for this country's survival. With the spreading of automation and changes in the economy sparked by science and technology together with an increased determination for broader education programs, it is likely the Government will have to assume an increasingly greater responsibility for the education of its people.

Last year 145 colleges and universities including 22 State universities and 2 municipal colleges received $1 billion in voluntary gifts which covered only 21 percent of their cost of operation with the remainder coming from tuition and tax support. Another study of voluntary contributions to 1,032 American colleges and universities revealed the source to be foundation gratuity, religious denominations, nonalumni individuals, alumni, and business corporations. But, reliance upon miscellaneous gifts can become too uncertain for planning well-thought-out long-range programs. On July 9, 1962, the Wall Street Journal reported that donations to charity were showing signs of faltering under the burden of the recent big drop in the stock market and the increasing nervousness over the future direction of the economy. It is the small donor, it was noted, who appears to cut contribution first. Some charities were complaining that the giving of stocks, usually an important part of fund raising, had fallen abruptly in recent weeks. It was added that among colleges already feeling the pinch of the decline in donating is Harvard University.

The Ford Foundation announces that the foundation's rate of making grants will not be governed by short-term increases or decreases in its capital or income. Yet, the foundation confesses:

> It is not possible to commit the foundation to any fixed outlay of funds over a period of years.

Total or excessive reliance upon the gratuity of individual donors or foundations for the maintenance and accelerated requirements of the Nation's advanced education system might be imprudent.

In this connection Dr. Hofstadter in his address to City College graduates warned:

> I can foresee one shadow on the horizon and I must confess that this shadow looms largest in my own field of science. I am concerned also that the shadow may expand into other fields such as politics, economics, mathematics, medicine, biology, public health, etc. I am referring to the growth, within or affiliated with the university, of institutes or centers deriving originally from research projects. These institutes concentrate in various branches of knowledge and are supported on a generous scale, compared to the rest of the university, by outside contracts of one form or another. This is a national matter, and a recent one, and does not refer to your university alone or to mine.

And, continues Dr. Hofstadter:

> We must be careful to see that the growth of these large semi-independent research or-

> ganizations within the university does not result in control by these organizations—or even partial control—of the administrative and academic functions of the university—even for what may seem at the time to be well-motivated reasons. These research organizations have narrow purposes compared to the main function of the university which is to teach, to allow its staff to study, and to encourage the thinking process.

Therefore, I believe in and urge greater Federal support of institutions for advanced education. Full cost recovery in research contract letting, yes—but also subsidies for libraries and support of programs for strengthening the humanities as well as the pure sciences. In all of this I am in fullest agreement with Dr. Hofstadter's suggestion that university education may be narrowed by the subsidy of private business when public support is lacking. Without State and Federal support free education and the freedom to think in a democracy could be seriously jeopardized.

Dr. Hofstadter concludes and advises as follows:

> A man and a man's free ideas are among the most valuable assets on earth. If a large machine with its huge administrative organization is coupled to a heretofore free university one must be careful to see that the narrow goals of the machine's research program are not permitted to dominate the long-range interests of the free university. The free spirit in a free university is a much bigger and more important force than the results of any one particular research program. There are the generations to come who will benefit from this free education and their individual members will be able, in return, to benefit mankind.

CONCLUSION

The Nation's school situation at all levels is replete with problems associated with rising illiteracy, dropouts and juvenile delinquency, quality of teaching, pupil population, financing and facilities, educational philosophy and academic standards and, administration and dispersal of responsibility, tragically moving the country toward a standstill on the domestic front and generalized paralysis in international relations. The issue immediately before us, then, is whether small groups of vociferous men, organizations of "professional" education theorists and public relation functionaries—academic demogogs—shall, in the name of freedom, exploit the democratic concept while handicapping the youth of the masses in this land or, whether the Government shall act in its own interest and that of the people to regulate education guaranteeing to all people equal access to its vast storehouse of basic knowledge which in this age of automation is a fundamental necessity. The "right to know" comes now to equal if not surpass the other freedoms enunciated by Churchill and Roosevelt, issued at Yalta in 1944 before the accelerated advances in modern technology and the advent of nuclear power.

The contradiction between what our education system is supposed to achieve for our youth, and what is actually happening removes any honor from nonparticipation of Government in school matters. If years ago Government asserted its duty, through the Food and Drug Act, to protect the physical well-being, certainly it can muster the authority now to condition what is poured into the heads and hearts of young people to guarantee literacy, to reduce delinquency, to encourage the spiritual well-being, and safeguard mankind from the weapons of its destruction.

Officials of the Office of Education stress that departmental status would enable education problems to be given greater attention by both the White House and the Budget Bureau. In addition, Cabinet rank would make possible a better and more equal working relationship with such other Government Departments as State, Defense, Labor, and Agriculture which have their own educational programs both in domestic and international areas.

When faced with the incredible complex of technology of today—in weapons, space, and nuclear systems for example—weak or dispersed leadership inevitably results in faulty plans and requirements which lead to launching projects not practically attainable within existing technology and administration, to wasteful duplication, to unnecessary technological complexity, to runaway costs, to failure to meet schedules, to surplus human resources and unemployment, and the exclusion of the unfortunate masses of traditionally exploited Negroes netting a total loss to the Nation for not having this kind of management and technical competence on an official governmental level.

We have suddenly come to the point in our national development where the Government need participate in defining programs and policies governing advanced education, fully underwrite Government research programs of contract letting to universities, make up our minds whether such projects shall be conducted for people or for profits, whether advanced education shall be open or exclusive, whether national programs for national survival shall be responsible to big corporations or to the government of the people and whether all projects shall be operated in the Nation's interest or for the fortunate few.

From now on these are questions which must be faced and answered. Whichever course or policy is decided upon we must ask ourselves if the Nation can keep in step with the progress of other nations with whom we are now forced to compete, whether through it the best interest of the country at large can be served, whether the brainpower of the country can truly be located, developed, and utilized to its fullest.

Without increasing support of the Federal Government and greater assumption of its responsibility to guarantee educational opportunity to all, without governmental efforts to offset the imbalance between aggressive interests and public institutions as to academic philosophy and the right of profit from research and education, the purposes of education could be narrowed and our coming generation victimized. The right to advanced education through scholarships or loans to the worthy in need, underwritten by the Government, is to the country today what public schools and plain literacy was to the simple society of yesterday.

Dr. James R. Killian, Jr., chairman of the Corporation of Massachusetts Institute of Technology which is considered the country's top scientific university said the Government must do much more of its scientific work than it now does. He was sharply critical of the Government's excessive contracting-out of its research and development work to outside groups. Moreover, he declared contracting-out is not the answer. The Government must have first-rate scientists and engineers in it directs employ to do its planning, set its requirements, and exercise its supervisory responsibilities. This can never be accomplished so long as there is a governmental policy permitting beneficiaries of private contract letting larger profits and salary scales to perform duties outside Government than in the Government or in semipublic institutions, such as universities. Moreover, it could have the disastrous effect of making the Government subservient to the few in the business world.

There are still other shortcomings in the existing program of subsidy for research. Evidence indicates that the primary emphasis of Federal support of higher education has been in the area of the natural sciences creating a serious imbalance between the levels of support of the natural sciences on the one hand and the humanities or social sciences on the other. Federal support of higher education has been primarily support of research tending to foster an undesirable separation of and imbalance between teaching and research. Scientific and technological advance without the proper humanistic matrix is meaningless and dangerous.

The Pacific Northwest Conference on Higher Education at its 24th meeting at the University of Nevada, June 16, adopted a resolution stating:

> The Federal Government should support the full range of studies in institutions of higher learning, and that this support should be of general rather than a restricted character.

Acknowledging there might be dangers inherent in Federal support the conference pointed out:

> There are and have always been dangers to academic freedom in private, corporate, and State support as well.

And the conference concluded:

> Continuing consultation between American universities and colleges on the one hand and the appropriate Federal agencies on the other is vital to the maintenance of academic independence.

Federal support is indispensable to the growth of higher education and the furthering the unique contribution of higher education to the national enterprise. Federal support of education must be continued and expanded if we are to stay in the running and cope with our international adversaries setting an example of removing illiteracy that underdeveloped nations can respect and emulate.

Again I reiterate my belief in freedom, but I believe that freedom which permits a few to dominate the country's education system whether the profitmakers or professional "do-gooders" using education as a public relations gimmick, these are luxuries which cannot be permitted at the expense of the majority in a world of rising expectations. This is not freedom, if it ever was, but freedom abused.

In a world made smaller every day and more interdependent by transportation and communication and the interchange of goods and supplies, opportunities for advanced education for all is no longer a privilege but a prime national necessity. On this shrinking globe which technology has decreed, education cannot be treated in a piecemeal fashion like a series of short railway lines all of a different gage laid out in divergent directions.

ROBERT DINWIDDIE: GUIDE TO THE PRESENT AGE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Virginia [Mr. HARDY] is recognized for 20 minutes.

Mr. HARDY. Mr. Speaker, history records many cases of leaders who played key roles in important events and whose just fame, though submerged for prolonged periods, was finally rescued from obscurity.

Notable among such examples in American history is that of Robert Dinwiddie, lieutenant governor and commander in chief of the Colony and Dominion of Virginia, from July 4, 1751, to January 12, 1758. His career is significant for the part he played in the long series of events leading to American independence and the formation of the United States.

It was my privilege to attend a commemorative program in his honor in Portsmouth, Va., on July 6, 1962, which was officially proclaimed by Mayor R. Irvine Smith of that city as Dinwiddie Day. The chairman of the committee on arrangements was Frank D. Lawrence, well-known civic leader of Portsmouth and Norfolk County.

It was eminently appropriate that the principal speaker was Capt. Maurice M. Witherspoon, Chaplain Corps, U.S. Navy, retired, of New York, who is a direct descendant of Dr. John Witherspoon, the only clergyman to sign the Declaration of Independence, and that the response was made by John Marshall Dinwiddie, of Alexandria, Va., a collateral descendant of Governor Dinwiddie, representing the Dinwiddie family. The third speaker was Capt. Miles P. DuVal, Jr., U.S. Navy, retired, a native of Portsmouth.

The program was opened by Mr. Lawrence who presented the toastmaster, Rev. Ernest K. Emurian, formerly of Portsmouth, but now of Arlington, Va. The invocation was given by Bishop William A. Brown.

In introducing Capt. Maurice M. Witherspoon, Mr. Emurian said:

> One hundred and eighty-two years ago, the 13 original English colonies of North America, following a "long train of abuses and usurpations," severed all allegiance to the British Crown and, by unanimous action in the Declaration of Independence, proclaimed themselves as "free and independent States."
>
> Notable among the leaders who contributed greatly in laying the groundwork for this Declaration and the only clergyman to sign it was the Reverend John Witherspoon, president of Princeton University and teacher of James Madison, the father of the Constitution. It is uniquely fitting that our speaker is a direct and worthy descendant of the celebrated clergyman-patriot.
>
> What are the special qualifications that entitle him to address this representative gathering of Virginians?
>
> Inspired early in life by the colorful career of his Revolutionary War ancestor, he likewise decided upon a career in the ministry. After graduating at Washington-Jefferson College, where he was an All-American football tackle, he entered the armed services as a member of the Chaplains' Corps of the U.S. Navy. Serving with distinction in various parts of the world, ashore and afloat, in both peace and war, he devoted much of his time to the study of American history and thus developed the insight essential for properly interpreting the contributions of many of the key figures in the founding of our country.

From the address of Capt. Maurice M. Witherspoon I quote:

> How happy I am to be at the Hotel Governor Dinwiddie in Portsmouth to give the address on Dinwiddie Day. For Robert Dinwiddie, 37th Colonial Governor of Virginia (there were but 42)—only Scot—was born near Glasgow a few miles from my forebear, Dr. John Witherspoon, signer of the Declaration of Independence. My wife's ancestor was Col. William Crawford, surveyor-engineer with Gen. George Washington, who was burned at the stake by Indians near Sandusky, Ohio. My mother was a Virginia Clapham from Loudon County.
>
> Dinwiddie was born just 200 years less a few days before myself, in a time fraught with as many perils and dangers as our present day. It was a confusing and a dangerous time in Virginia. As was the case in Governor Dinwiddie's day, we are confused and confounded and hardly know which way to go.
>
> Governor Winwiddie shows us a fourfold guide to our present age and I hope we can learn lessons from him.
>
> 1. He exposed fraud in Government wherever he found it, at great personal sacrifice to himself. At the age of 34, in 1727, he was appointed Collector of Customs to Bermuda. There he exposed long existing frauds in the service and set the Bermudians on the right track, where they have remained to this very day. For his splendid work in Bermuda, in 1738 he was made surveyor-general of the customs of the southern ports of the continent of America.
>
> Later he had a special assignment to Barbados, where he again straightened out a fraudulent government. For his splendid work he was, in 1751, appointed Lt. Governor of Virginia, which office he held for 7 years.
>
> 2. Dinwiddie knew the value of human personality and how to find the right man. Dinwiddie discovered George Washington at the age of 20 and definitely gave us the Father of our Country, therefore, I say tonight, Governor Dinwiddie is the Grandfather of the United States of America.
>
> I say to you tonight, that every human being born in this world is of infinite value, made in the image of God, whether that human being is Japanese, Chinese, Russian, Italian, or African.
>
> However, I am not advocating a higher birth rate. I believe that every child born in this world should be wanted, asked for, planned for, with a good place to live, clothes to wear, a school to attend, and a job to work at.
>
> Washington was first in the hearts of his countrymen. He shows to us the value of human personality. It is an Albert Sweitzer, or a Livingstone. It is an Abraham Lincoln or a Robert E. Lee. It is a Woodrow Wilson or a Truman who show us what Dinwiddie discovered in the value of one human personality. No matter who you think you are, you have to be a George Washington if the civilization of the Western World is to be preserved. Millions of plain, ordinary Americans are compelled to exhibit some of the patience, the quiet resolution of that great man. The penalty for failure will be loss of the mightiest opportunity presented to a modern nation.
>
> We learned from Dinwiddie the value of a human being.
>
> 3. Governor Dinwiddie was the first to show us how the Colonies might work together for the best interests of all.
>
> He got Virginia together with Pennsylvania, Delaware, Maryland, all the Colonies he could assemble, that they might make a plan for the expansion to the Ohio Valley and stop the inroads of the French and Indians. He was the forerunner of the Thirteen Original Colonies, the United States of America, the League of Nations, the United Nations. He paved the way. He had the vision. Just as the United States is having a hard time to work with the United Nations, so he had a very difficult task in working with the Colonies.
>
> They were selfish, they did not wish to give up any of their own prerogatives, they did not wish to support a strong military force with the necessary funds, even though Dinwiddie pointed out to them that the French were fortifying strong points in the Ohio Valley and had signed treaties with all of the Indian tribes.
>
> Today we are finding the same trouble with the United Nations. At times it seems hopeless, but may we remember that it is the only organization we have and we must make the most of it.
>
> 4. Governor Dinwiddie was a man of peace, who was forced to fight continually during his 7 years as Governor-General of Virginia.
>
> He had a great vision of a great country which would wend its way westward. He had the vision which was carried out by Daniel Boone and Lewis and Clark.
>
> I believe that our President is faced with the same situation, in many respects, that Governor Dinwiddie was confronted with in the Colony of Virginia. With great difficulty he is keeping his defenses up, knowing that there are forces always wanting to fight, yet President Kennedy is a man of peace. How we need to be a peace-loving nation today.
>
> Today, a war is impersonal and in an atomic missile war, the whole world will be laid waste and we would have to start all over again—perhaps not quite all over again.
>
> I was in Philadelphia not long ago in Constitution Hall. I could visualize the Constitutional Convention at its final meeting.
>
> "It is a rising, not a setting, sun," said Franklin, pointing to the symbol on the President's chair at the end of the Consti-

tutional Convention. He knew that sunlight is not a monopoly of any country. "The last, best hope of earth," Jefferson called the Union, and attempts to dissolve it he described as "treason against the hopes of the world: not merely against Americans." "Let us raise a standard to which the wise and honest can repair," said Washington. "The event is in the hands of God."

Because Washington caught the vision from Dinwiddie, because he had the ideal of unity and solidarity, because, like Dinwiddie, he put his trust in God, he built better than he knew and gave us a nation of 186 million, the greatest nation under God.

But God has handed the task back to you and me this Dinwiddie Day, a greater task than Dinwiddie or Washington ever faced. We have to unite the nations of the world into a firmer bond of union. We are seeking, not satellites, not tributaries, not colonies, but allies. We are trying to establish, not a common sovereignty, but a common purpose. We wish that others may march with us, not for fear that a worse thing befall them, but in hope that a better thing may befall.

Let us carry on in the name of Governor Dinwiddie, the Grandfather of our Country, and George Washington, the Father of our Country.

In response to Chaplain Witherspoon's address, Mr. John Marshall Dinwiddie said:

Upon the dedication of the Hotel Governor Dinwiddie, 6 years ago tonight I sat in this room as many of you did also listening to Mr. Ronald William Bailey, counselor of the British Embassy in Washington, recount incidents in the life of Lt. Gov. Robert Dinwiddie; how he discovered George Washington and in other ways earned the unofficial title of "Grandfather of the United States."

Frank Lawrence caught me unawares and unprepared when he called upon me for a few remarks. Frank and his associates surprised me again by inviting me to be here tonight and to be ready to make a few remarks. I am deeply grateful for this honor and for the privilege of speaking to you.

Mr. Bailey told of many of the events of that era in which Governor Dinwiddie took part. I shall repeat only one or two of them which I think are particularly significant in view of the events which have taken place, in the 6 years since we have met.

Upon the death of his half-brother, Lawrence Washington in 1752, George, at 20, became the manager of the family estate. At this time he also assumed the nominal duties of adjutant of one of Virginia's four military districts.

Recognizing young Washington's talents, Dinwiddie decided to send him on a mission to the troubled Ohio Valley lands claimed by the British Crown. Dinwiddie forthwith commissioned him a major on October 31, 1753. On this mission and his second venture in this Western area with General Braddock in February 1755, Dinwiddie had ample opportunity to learn of Washington's abilities. So, on August 14, 1755, Dinwiddie appointed Washington colonel of the Virginia regiment and commander in chief of all the forces "now raised and to be raised for the defense of His Majesty's Colony. This second commission, bestowed by Dinwiddie, was predicated upon a meeting at the First Congress of colonial representatives in this country.

On April 14, 1755, Dinwiddie, of Virginia; Sharpe, of Maryland; Morris, of Pennsylvania; DeLancey, of New York; and Shirley, of Massachusetts, met in the Carlyle House in Alexandria. Governor Shirley proposed taxing the Colonies to finance the French and Indian war. General Braddock, who attended this Council of Colonial Governors, wrote to the British Government that this tax would be necessary. It became the first colonial tax enacted 5 years later by the British Parliament. The Stamp Act followed Braddock's request 10 years later.

At this meeting, while he did not evidence it, Dinwiddie saw the seeds of the War of the Revolution firmly planted. With his sense of vision he also knew that an uprising would be inevitable. For this reason he wished that young Washington, as commander in chief of the Crown's forces, could quickly become commander in chief of the Revolutionary forces when the need arose.

Dinwiddie was now 64. He had suffered a stroke and requested to be returned to England. After his return he continued to support Virginia's interests and intervened on many occasions with the metropolitan government in London, which won him some disfavor with the Crown. He died in 1770.

That Dinwiddie foresaw the Nation that could be is little recognized. Save for the Virginia county and county seat bearing his name and the few cities which have streets named for him—Portsmouth, Richmond, Arlington, and Springfield, Va.; and Pittsburgh, no tangible evidence remained to call attention to the man or his deeds until this hotel was given his name 6 years ago.

Dinwiddie's part in the First Congress at the Carlyle House in Alexandria, where the Revolution was born, and his recognition of Washington are, I believe, the most significant of the many contributions he made to forge this Nation.

Historians tell us that what is past is prolog. They also tell us that life runs in a cycle. Could it be that we are about to complete this great rotation and return again to an ineffectual and emasculated status of a colony nation?

World government can soon be a reality if we continue to take steps in that direction. Our State and Defense Departments argue for complete and total disarmament in a world of peace. We are not at peace. We are in a world of conflict. Shall we become more complacent in our socialistic advances and resign ourselves to become a satellite member state in world government or should we exert our now weak efforts to continue the United States (and I mean States) of America which has withstood the test of time for 186 years?

I believe that we are now in a situation no less serious than when a small band of dedicated men pledged their sacred honor and life to create this Nation. I believe that in honoring Governor Dinwiddie here tonight we should rededicate ourselves to the principles which he was wise enough to foresee and helped to put into being. I would wish that my old relative could revisit us here and now in the tidewater area, which he loved, to pick another George Washington to lead and guide us into a future of Americans for the United States of America without any foreign entanglements, dependence or interdependence—with the aid and blessings of Almighty God.

Capt. Miles P. DuVal brought the meeting to conclusion with these remarks:

Six years ago in this very hall, the city of Portsmouth made history by rescuing from obscurity a key figure in the long chain of events leading to American independence and the formation of the United States. The ideas then projected have continued to reverberate around the world.

Tonight, Captain Witherspoon's eloquent address and John Marshall Dinwiddie's moving response have strengthened that chain and given this notable example of historical justice a new impetus.

Many have wondered how this signal recognition for the man whose memory we now honor ever started. Frank Lawrence has requested me to give some of the highlights of the long story.

In October 1953, I read a carefully documented biography of Robert Dinwiddie by Louis K. Koontz. Emphasizing the fact that Dinwiddie had launched Washington, the father of our country, on his military career, Dr. Koontz pointed out that this selection placed that colonial Governor of Virginia in the position of being the "Grandfather of the United States."

Soon afterward, when talking with Mr. Lawrence at his office in Portsmouth, we got on the subject of this hotel and how much it had meant for our city.

"Who muffed the ball in naming it?" I asked.

"I did," he replied. "We wished to give it the name with the greatest significance. Our city is the biggest thing we have. We decided to call it the Hotel Portsmouth."

"Well," I responded. "It is located on Dinwiddie Street. This street is named after the man who was Governor of Virginia at the time Portsmouth was founded in 1752. He also was the one who launched Washington on a military career that eventually led him to become the father of his country and, by doing this, he has become known in history as the Grandfather of the United States. The hotel ought to be renamed as the Governor Dinwiddie."

"That is right," Lawrence instantly responded, "and I shall work to this end."

Still later in the fall of 1953, an eminent Catholic educator, the Reverend Edwin Ryan, then assigned to the Stepinac High School of White Plains, N.Y., visited Washington. In one of our conversations, he described his work among high school students and how he was constantly encouraging them to write for publication in the school magazine, The Phoenix.

"I am ever on the alert for challenging subjects for my students," he said. "Can you suggest one?"

"Yes," I replied. "Robert Dinwiddie: Grandfather of the United States."

Dr. Ryan made a few notes as to available source materials and the incident was forgotten by me.

The following summer, in 1954, the educator again visited Washington. Promptly getting in touch with me, he opened the latest edition of the Pheonix, and pointed with pride to a well-written article by one of his 15-year-old students. Its title was: "Robert Dinwiddie: Grandfather of the United States."

An effective condensation of a career of historical importance to Virginia, and especially to Portsmouth, the article appealed to Congressman Porter Hardy, who, on August 19, 1954, quoted it in remarks to the House of Representatives, under the title of "Robert Dinwiddie: Grandfather of the United States."

The Portsmouth Star, followed by other papers, first in Virginia and then in New York, featured the story. Clippings were sent to Frank Lawrence, who used them to convince those of his associates still holding out against changing the name of the hotel.

The effort reached its climax on July 6, 1956, in memorable proceedings in this hall, when the name, Hotel Governor Dinwiddie, was adopted as part of a celebration, proclaimed by the mayor of Portsmouth as Dinwiddie Day.

Published in a statement to the U.S. Senate on July 25, 1956, by our senior Senator HARRY F. BYRD, also under the title of "Robert Dinwiddie: Grandfather of the United

States," those proceedings stressed the impact of Dinwiddie on Washington's career and attracted worldwide attention.

The story of Dinwiddie should be made a matter of continuing interest, especially to Virginians who take pride in the work of our statesmen. How better can this be done than by some of those in this fine assembly organizing now for making a suitable annual award to the students of the Woodrow Wilson High School of Portsmouth for the best essay on Robert Dinwiddie?

SOME FACTS ON THE 1962 CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. Derwinski] is recognized for 15 minutes.

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, countless Americans across the Nation continually inquire "What can we do to further the aims and purposes of Captive Nations Week?" As many Members know, since 1959, when Congress took the lead in this, the Captive Nations Week observances have grown in scope and depth. The interest of the American people in the week and in its call for cold war action has increased enormously. Meanwhile, colonial Moscow and its puppets have broadened their vicious attacks against the week and the annual observances.

As has been shown year after year, there is not a section in the country without some observance of Captive Nations Week. All of our major cities stage annual observances, and innumerable towns have joined in this nationwide activity. As a matter of fact, the week is observed internationally, in Canada, the Republic of China, Western Germany, and elsewhere. One of the finest week long observances is held annually in Taiwan and on Matsu and Quemoy.

WHAT CAN YOU DO

"What can you, an American citizen, do to further the aims and purposes of Captive Nations Week?" I believe the answer to this question has been given each year by the National Captive Nations Committee. Regarding the 1962 Captive Nations Week, this committee undertook the usual preparations with a concise report to its highly representative membership and successive releases of information governing the week.

Mr. Speaker, for some facts on the 1962 Captive Nations Week, I request that the following be printed at this point in the Record: The June 9, 1962 report of the National Captive Nations Committee; the significant release by Radio Liberty, titled "Munters' Letter to Izvestia Seen As Harbinger of Crusade to Discredit Captive Nations"; the June 27 appeal by NCNC to the President, "President Kennedy Asked To Issue Captive Nations Week Proclamation on Independence Day"; an editorial in the Philadelphia Daily News, "Stand By the Captive Nations"; an editorial in the New York Daily News, "Memo For The President"; an instructive July 3 memorandum on Captive Nations Week prepared by NCNC; a release by the Georgetown University Forum on the program "Captive Nations Week: 1962"; and a comprehensive fact sheet, Captive Nations Week, July 15–21, 1962, which includes the text of Public Law 86–90, President Kennedy's 1962 Proclamation, and constructive themes for the week. One of the major themes of the week is the creation of a Special House Committee on the Captive Nations:

Report of the National Captive Nations Committee, Inc.

June 9, 1962.

Dear Member: Once again we wish to thank you for your contribution last year to the National Captive Nations Committtee.

You might not have been informed about this inasmuch as our papers failed to report it, but at the 22d Party Congress last October, Khrushchev again violently denounced the Captive Nations Week resolution. Strange, isn't it, that this fear-inspiring contender against the United States and the entire free world has for 3 consistent years railed and ranted against a congressional resolution.

Meanwhile, Mr. Nixon reveals in his recent book that the resolution was the "major Soviet irritant throughout my tour." He still does not understand why, but so it was. And Stewart Alsop in an article last December also displayed a lack of understanding. Khrushchev knows, however, that an implementation of the resolution in all its dimensions would destroy the image his propaganda has cast for the Soviet Union and Moscow's extended empire. He knows, if our people do not, the mortal defeat he could suffer from this in the cold war.

The fight for a realistic implementation of the resolution continues to be waged here by your committee. I have no doubt that we will succeed. This is only a matter of time and money.

To intensify this fight here and in the cities and towns of our country, your generous contribution of $5 to $100 or more will enable us to realize our common objectives in the basic interests of our national security. Just consider these highlights of this third annual report to you:

HIGHLIGHTS OF NCNC ACTIVITIES SINCE JUNE 1961

For 7 weeks prior to Captive Nations Week of July 16–22, 1961, every pressure was exerted to overcome forces in Government intent upon persuading the President not to issue a proclamation—because Khrushchev would not like it.

2. Usual preparations were made for observances in all major cities and towns in the United States. For the first time the observance was internationalized. Cities in free China joined us.

3. The 1961 observance surpassed the 2 previous years with New York, Chicago and Buffalo staging official citywide activities, sponsored jointly by the mayors of the respective cities and the local Captive Nations Committees.

4. Material sent in on observance programs from various sections of the country was compiled and published in the Congressional Record, volume 107, part 10, pages 13168–13196; volume 107, part 11, pages 14610–14620.

5. The campaign for a Special House Committee on the Captive Nations has been relentlessly pursued. The prospects are bright, particularly in this congressional year.

6. Releases and much background information were issued spotlighting Soviet Russian imperio-colonialism in the forums of the world, especially the U.N.

7. Assistance was regularly given in the struggle against the admission of Red China into the U.N.

8. At the invitation of free Chinese sources your chairman spent 2 weeks in the Republic of China. During his many lectures, forums and discussions with free Chinese leaders he was overwhelmed by the keen understanding shown toward all the captive nations as a basic weapon in the cold war.

9. A proposal was submitted to the President for the issuance of his Captive Nations Week proclamation on May 1, 1962, for obvious reasons. No action was taken, and again this year it is being rumored that the President definitely will not issue the proclamation called for by Congress because we mustn't "irritate" Khrushchev.

10. The passage of the freedom academy bill has been consistently urged. The prospects for this are exceedingly bright.

11. The identity between the Russo-United States sponsored declaration against war proclamation and the draft code of offenses against the peace and security of mankind, which Moscow has attempted to jam through the U.N. since 1951, was recently brought out by us.

12. Your chairman has participated in numerous radio and television discussions on the captive nations and has lectured on the subject throughout the country.

MAJOR POINTS FOR WEEK 1962

1. Oppose even more intensely admission of Red China to the U.N.

2. Adopt model programs found in the Record quoted above. Please send all material to us following your observance of Captive Nations Week this year for insertion into the Congressional Record.

3. Write now to Congressman Daniel J. Flood in support of House Resolution 211, creating a House Captive Nations Committee. The Republican Congressional Policy Committee is on record in favor of it.

4. Urge also the speedy passage of the freedom academy bill, which is now in the Senate Foreign Relations Committee.

5. Call for a spelled-out concrete policy by this administration toward all the captive nations.

6. Urge that the United States take the lead in the U.N. for a full-scale inquiry into Soviet Russian colonialism within and outside the U.S.S.R.

7. On the eve of the 100th anniversary of the Emancipation Proclamation, call for a forward-moving U.S. policy of emancipation aimed at all the captive nations.

I believe you will agree that in this period of "accommodation" toward Khrushchev and his puppets, our task has not been easy. This policy cannot last for long. For the longrun interests of our Nation the captive nations issue is crucial. With your generous assistance even greater progress will be made, regardless of how Khrushchev, and those who appear to fear him, feel.

With much gratitude and best personal regards,

Sincerely,

Lev E. Dobriansky,
Chairman.

Munters' Letter to Izvestia Seen as Harbinger of Crusade To Discredit Captive Nations

New York.—The Kremlin's 7 most painful days of the year are still far ahead on the calendar, but propaganda sniping has already begun in an attempt to lessen their impact. The 7 days, of course, are the Captive Nations Week, observed annually in the United States the third week of July. That a propaganda campaign against the week may be under way was a conclusion reached by Radio Liberty commentators in their analysis of a letter published recently (April 8) in Izvestia. The letter bore the signature of Vilhelms Munters, Foreign Affairs Minister of the prewar independent Republic of Latvia.

According to Radio Liberty, Munters' alleged letter is nothing more than an instrument of Soviet propaganda, published at the present time to discredit the forthcoming Captive Nations Week, an observance established to remind the free world of the Eastern European countries now under Soviet occupation. Radio Liberty has often pointed out in its daily broadcasts to the Soviet Union that contrary to Soviet claims, the Kremlin is the greatest imperialist power in the world today.

Radio Liberty concludes that if the letter in Izvestia was really signed by Munters, it was either dictated or prepared for his signature. According to the Radio Liberty commentary, it would never have occurred to Munters, who spent many years in Stalinist concentration camps and the past 6 years in exile under Khrushchev, to fill the columns of Izvestia with ideas and insinuations which justify and support the policies of his jailers and the jailers of his people. For example, could Munters really have written "parallel to the talks with Moscow, the English conducted secret talks with Germany about which no one knew anything"?

In such terms Munters' alleged letter discusses the events which immediately preceded World War II. "As a professional diplomat," Radio Liberty notes, "Munters could not but have known what the whole world knew a few days before the beginning of the war," namely that Soviet and German diplomats, and not those of England and Germany, had conducted the secret talks which led to the division of Poland and the establishment of a Soviet "sphere of influence" to include the Baltic States of Estonia, Latvia and Lithuania.

Radio Liberty notes: "Munters' alleged letter reads in such a way as to prevent the uninformed reader from suspecting that the Baltic countries had been made the object of a deal between Nazi Germany and the Soviet Union." The letter states, "despite their efforts to remain outside of an armed conflict, almost all the small countries of Europe, including the Baltic Republics, were pulled into it, situated as they were on the tip of two continental giants—the Soviet Union and Germany." The letter fails to mention the fact that in the forties the Soviet Union broke all its agreements with the Baltic governments, occupied their countries, and under the cloak of a rigid plebiscite, annexed them.

The letter mentions specifically the "Captive Nations Week." This reference and the general tone and careful selection of data lead Radio Liberty to believe the letter to be the first attempt of a projected campaign against the observance in the United States of Captive Nations Week.

The freedom network's commentary points out that there are no more "captive nations" in the West. Algeria is now on the way to independence, and Portugal and the Republic of South Africa are, under the pressure of increasing public opinion, gradually moving to free their subjected peoples. The United Nations, organized with less than 50 members, now includes over 100 members. Most of these represent the delegates of nations which have received their independence since the war with the voluntary aid of their former colonizers. The Soviet Union alone has operated on the opposite principle.

Radio Liberty, known also as the Voice of Former Soviet Citizens, now represents the strongest radio voice heard in the Soviet Union from the outside. Its transmitters, located in Europe and the Far East, beam programs in Armenian, Byelorussian, Russian, Ukrainian, and 12 other languages of the U.S.S.R. day and night. The analysis of Munters' letter was broadcast to the Soviet Union as part of the network's program to give precise interpretation to events in the U.S.S.R. and the free world.

PRESIDENT KENNEDY ASKED TO ISSUE CAPTIVE NATIONS WEEK PROCLAMATION ON INDEPENDENCE DAY

WASHINGTON, D.C., June 27, 1962.—In a letter to President Kennedy the chairman of the National Captive Nations Committee, Dr. Lev E. Dobriansky, called for the issuance of an early proclamation of Captive Nations Week (July 15–21), stating: "We have never believed, nor do we now, that under your leadership we are to 'accommodate' in thought, faith or action the barbaric imperiocolonialist enterprise of Moscow and Peiping."

Pointing to the two successive Eisenhower proclamations in 1959 and 1960, Dr. Dobriansky suggested to the President that he follow up his 1961 proclamation with one in Philadelphia on Independence Day to "crystallize the Alliance for Freedom we uphold in behalf of all the captive nations."

Captive Nations Week came into being as a result of the passage of the Captive Nations Week resolution by Congress in July 1959, and has been observed annually throughout the country since 1959. Plans are now being completed for numerous citywide ceremonies under the sponsorship of the mayors of our larger cities.

The National Captive Nations Committee, whose honorary chairman is former President Herbert C. Hoover, is composed of Senators, Congressmen, Governors, and leaders in all walks of life including labor leaders, industry executives, university presidents, newspaper editors and publishers, and civic, patriotic and ethnic groups.

Attached is a copy of Dr. Dobriansky's letter to the President.

JUNE 27, 1962.

THE PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In all major cities throughout the country preparations are underway for the nationwide observance of Captive Nations Week. This third anniversary of the week falls in the period of July 15–21. The 1962 week promises to surpass in scope and spirit the previous observances.

As you know, on the basis of Public Law 86–90, former President Eisenhower issued proclamations for the week in 1959 and 1960. His successive proclamations were hailed by all freedom-conscious Americans as a solid step forward in the encouragement and spiritual sustenance of all the captive nations in Eurasia. Your ringing proclamation last year was received with equal enthusiasm and gratitude across the Nation.

Expressing the feelings and hopes of associated committees and groups which are now planning their observances, we look forward to your early proclamation of the 1962 Captive Nations Week. May we suggest that your forthcoming appearance in Philadelphia on July 4 would provide an excellent occasion for the issuance of this proclamation. Since you rightly placed particular stress on national independence in your 1961 proclamation, it appears to us that the solemn occasion of our own Independence Day celebration in the city of brotherly love would crystallize the Alliance for Freedom we uphold in behalf of all the captive nations.

Your early proclamation will doubtlessly inspire Americans even to greater efforts in spotlighting world attention on the totalitarian Russo-Chinese empire. We have never believed, nor do we now, that under your leadership we are to "accommodate" in thought, faith or action this barbaric imperiocolonialist enterprise of Moscow and Peiping.

With many grateful thanks and asking God's blessing upon your leadership, I am,

Sincerely yours,
LEV E. DOBRIANSKY,
Chairman, National Captive Nations Committee.

[From the Philadelphia (Pa.) Daily News, June 5, 1962]

STAND BY THE CAPTIVE NATIONS

A disturbing revelation was made yesterday in the Washington report printed on the page opposite this.

It told of a paper circulated by Secretary of State Dean Rusk among members of the National Security Council, our Government's highest policymaking body.

Rusk's paper favored "a series of accommodations" with Russia and Red China in order to get "an entente" with Red troops in Europe and the Far East.

That fancy diplomatic language smells to us like appeasement.

The appeasement smells even higher to heaven when it's revealed that Rusk wants to drop the annual proclamation by the President calling for free elections in the nations held captive by the Reds.

Captive Nations Week has been observed the third week in July in accordance with a resolution adopted by Congress in 1959.

The resolution mentions by name 22 captive nations, from Armenia to the Ukraine, from Poland to China itself.

We are glad to learn that a group of congressional leaders is refusing to go along. Led by Representative CLEMENT J. ZABLOCKI, Democrat, of Wisconsin, a ranking member of the House Foreign Affairs Committee, the legislators have warned the White House that if it does not issue the captive nations proclamation this year, they will sponsor an even stiffer policy.

We believe President Kennedy's duty is clear.

Kennedy, not the Secretary of State Rusk, is President of the United States.

The President should plan to issue the annual Captive Nations Week proclamation as usual.

And he should rebuke Rusk on this issue. Rusk's appeasement paper gives ammunition to those who oppose the Kennedy administration on the phony grounds it has a "can not win" policy toward the Reds.

It is time for the President to speak out and his Secretary of State to pipe down.

AND GIVE THEM OUR PRAYERS

It was the first observance of Captive Nations Week in 1959 that started Soviet Premier Khrushchev on a tirade about the United States proclaiming "a week of prayer" for the enslaved nations.

As a matter of fact, the resolution and proclamation didn't mention prayer, although it called for a return of religious freedom to the Red slaves.

The American Friends of the Captive Nations, which backed the observance, did ask for prayers. It's a committee of Congressmen, clergymen, and other civic leaders.

But the mention of prayers and religious freedom hit Khrushchev where it hurt.

Khrushchev has boasted that he was a star Sunday school scholar as a boy and once won a prize for knowing the Gospels by heart.

He has some idea of the power of religion and prayer. He knows that his Communist Party has had more than 43 years to stamp out religion in Russia and has failed.

The Reds have failed, too, in stamping out religion in the captive nations—including Poland, ruled by the Reds for 23 years.

Even as the Rusk appeasement paper was being circulated in Washington, Stefan Cardinal Wyszynski of Poland issued an episcopal letter of the Roman Catholic Church calling on Christians to fast and pray that atheists return to the faith.

Cardinal Wyszynski's letter was issued over official objections of Poland's Red government. Retaliations have already started, according to reports from Warsaw. A number of young seminarians studying for the priesthood received military draft notices.

Cardinal Wyszynski has courage. He has fought for freedom of religion against the Reds ever since he became Primate of Poland 14 years ago. He spent 3 years in prison for his fight against Communist attacks on religion.

Now he is risking prison again. His public attack on atheism is his second in 2 months.

He showed courage, too, during the German occupation of Poland during World War II, when he became a resistance leader against the Nazi troops.

The least we can do in this country is to give the enslaved nations our prayers. As we have often pointed out on this page, they may move faster than ballistic weapons and strike harder against Red tyranny than H-bombs.

Let us pray for the Red slaves and stop prating about "accommodations" with the international Communist conspiracy, the enemy of freemen everywhere.

[From the New York Daily News, June 25, 1961]

MEMO FOR THE PRESIDENT

Since 1959, it has been customary for the President of the United States, about this time of year, to proclaim Captive Nations Week—which in 1962 will be July 15–21.

During that week, it is customary for all interested groups to stage demonstrations of various kinds in honor of the once proud and independent nations which Soviet Russia is holding in slavery behind its Iron Curtain.

These nations are Albania, Bulgaria, Czechoslovakia, Estonia, East Germany, Hungary, Latvia, Lithuania, Poland, and Rumania—to say nothing of Ukraine, Armenia, and Stalin's old home province of Georgia in southern Russia.

The Kremlin is cordially hated in all of these areas, and Khrushchev is mortally afraid of their people.

That hatred and that fear add up to one of our best weapons in the cold war, if we'll only keep using this weapon as persistently and as shrewdly as we know how.

Every time we wave the weapon at Khrushchev, he foams at the mouth and breaks into a cold sweat—and it is a safe bet that news of our continued interest in the captive nations gets through in one way or another to the people of those nations.

So how about President Kennedy issuing the customary Captive Nations Week proclamation at any minute now? And how about making it some 99 percent tougher and more specific than the wishy-washy document his appeaser and chickenheart advisers persuaded him to get out last year at about the 11th hour?

MEMORANDUM ON CAPTIVE NATIONS WEEK

JULY 3, 1962.

DEAR FRIEND OF FREEDOM: Whether or not you have supported by word or deed the Captive Nations Week resolution, passed in July 1959 by the 86th Congress, just consider these major facts:

1. No event in the past 10 years has caused such sustained denunciation by Moscow, Peiping, and the puppets than the passage of this resolution and the annual observances it authorized into being.

2. Since 1959 every observance of Captive Nations Week has progressively grown in scope and intensity so that all major cities and numerous towns in all sections of our Nation maintain it, many as an official citywide observance.

3. As exemplified by Mr. Nixon in his recent book, or Stewart Alsop in a Post article last December, the resolution still escapes the understanding of many Americans. Khrushchev understands it well, but many of our people fail to recognize the determining fact that the U.S.S.R. itself is made up of captive nations.

I can cite many other facts to underscore the singular, nay, crucial, importance of Captive Nations Week. Khrushchev would like to see it eliminated, and so would some in our own midst. But the harsh truths crystalized in the resolution cannot be euphemized by a few Laputans. You, I know, desire above all that our Nation will always face squarely the reality of nearly 1 billion captives—1 billion of our allies—in the Eurasian empire of Moscow and Peiping.

With the 1962 Captive Nations Week approaching (July 15 to 21), you can give eloquent expression to these truths as set forth in Public Law 86–90 by:

1. Calling upon the President to issue a ringing proclamation of the week.

2. Personally observing the week in Congress with a statement or address (Representatives DANIEL J. FLOOD and EDWARD J. DERWINSKI have already reserved time in the House on July 16).

3. Urging during the week a Presidential Food for Freedom Declaration, which would: (a) emphasize the inability of so-called Communist economies to feed adequately the captive peoples; (b) contrast concretely the food capability of the United States economy with that of all Communist economies combined; (c) offer food to any of the captive peoples, both within and outside the U.S.S.R., provided it is stamped "Food for Freedom" and distributed by the International Red Cross; and (d) supporting the creation by the 87th Congress of a Freedom Commission and Academy and a Special House Committee on the Captive Nations. The passage of these two necessary measures would be your farseeing implementation of the work begun by the 86th Congress—your historic contribution to America's victory in the cold war.

Millions of Americans will be joining you in spirit, thought, and action during the 1962 Captive Nations Week observance. Your inspiring leadership will be profoundly appreciated by all of them.

By what we fail to do in these opportune times, when the enemy is beset by many basic difficulties, we negatively contribute to his longrun goals.

With sincere appreciation for your cooperation and best wishes, I am,

Sincerely,

LEV E. DOBRIANSKY,
Chairman.

[Release by the Georgetown University Forum, Washington, D.C.]

CAPTIVE NATIONS WEEK: 1962

Panel: Hon. Edward J. Derwinski, Republican Representative from Illinois; Dr. Lev E. Dobriansky, professor of economics at Georgetown University and chairman of the National Captive Nations Committee, Inc.; moderator, Richard Morgan.

The Captive Nations Week will be observed across the Nation on July 15 through July 21.

Since 1959 the annual observance of Captive Nations Week has progressively grown in scope and intensity. In all major cities, like New York, Chicago, Los Angeles, Pittsburgh, Washington, D.C., Buffalo, and others, local Captive Nations Committees stage the observance with official cooperation.

Proclamations of the week are issued by the President, Governors of numerous States, and mayors of cities and towns. In Congress the week is solemnly observed with prayers and addresses.

What in all these years has mystified many Americans is the striking impact of the week on the entire totalitarian Red Empire. Since the passage of the Captive Nations Week resolution by Congress in July 1959, Moscow's propaganda against Public Law 86–90 and the observances has also increased in vehemance and vituperation. Peiping and the puppets are equally vitriolic. No differences separate them and Moscow on this score.

Our two panelists will answer pressing questions such as these: Why more than any other event in the past decade the week has caused such sustained denunciation from Moscow and its satraps? Why some of our leaders and opinion-makers, viz Nixon and Stewart Alsop, still fail to understand the resolution? What can be done to advance the aims of the week?

FACT SHEET, CAPTIVE NATIONS WEEK, JULY 15–21, 1962

WASHINGTON, D.C., July 13, 1962.—Americans throughout the Nation will solemnly and with sober thought observe Captive Nations Week from Sunday, July 15, through Saturday, July 21. Practically every metropolitan center has established civic committees to implement and promote the purposes of the Captive Nations Week Resolution (Public Law 86–90), passed by the 86th Congress July 17, 1959, which calls upon the President to issue annually a proclamation commemorating the week.

Late today President Kennedy issued a proclamation designating July 15–21 Captive Nations Week and calling on the people of the United States "to observe this week with appropriate ceremonies and activities." He urged all Americans "to give renewed devotion to the just aspirations of all people for national independence and human liberty."

Among the many themes to be emphasized this week (list attached) is the necessity of a Special Committee on Captive Nations, resolutions for which are now in the House Rules Committee. The resolutions have been spearheaded by Congressman DANIEL J. FLOOD, of Pennsylvania, and Congressman EDWARD J. DERWINSKI, of Illinois.

The observance will be marked by religious services in churches of all denominations, civic gatherings, radio-TV broadcasts, newspaper editorials, and merchants' displays.

Following are some highlights from just a few of the many programs planned throughout the country:

CHICAGO

Proclamation issued by Mayor Richard J. Daley. Highlight: Mass rally at Grant Park, Sunday, July 15, 2:30 p.m., sponsored by Chicago Captive Nations Committee, appointed by Mayor Daley. Chairman: Col. Joseph McCarthy, Medal of Honor winner for services at Iwo Jima; Vice Chairman: John Duzansky, Ukrainian Congress Committee. Major speaker: Lt. Gov. Samuel Shapiro.

MASSACHUSETTS

Proclamation issued by Gov. John Volpe: "It is appropriate and proper to manifest to the peoples of the captive nations that sympathies and prayers of the people of the United States of America are for them, their freedom and their national independence." Week-long program of civic gatherings and special religious services in churches of all denominations, sponsored by various civic committees, under the leadership of Governor Volpe.

MINNESOTA

Highlight: Huge rally on Friday, July 20, sponsored by Minnesota Captive Nations Committee. Main speaker: Congressman WALTER H. JUDD of Minnesota.

NEW YORK

Proclamation issued by Gov. Nelson Rockefeller calling for "the widest possible cooperation in the observance of Captive Nations Week in the State of New York," and stating, "the United States, in the eyes of the enslaved peoples, is the citadel of human freedom. They look to us for leadership in bringing about their liberation and independence and restoring the enjoyment of their religious freedoms. If we fail to provide this leadership, we not only doom these captive peoples, but place our own freedom in jeopardy."

New York City: Proclamation issued on behalf of Mayor Wagner (who is out of the country) by Acting Mayor Paul Screvane. Week-long program highlighted by mass rally before city hall steps on Tuesday, July 17, sponsored by New York Captive Nations Committee, under chairmanship of Brooklyn Councilman Thomas J. Cuite. Speakers: Acting Mayor Screvane; Christopher Emmet, American Friends of the Captive Nations; Walter Dushnyk, Conference of Americans of Central and European Descent and American Conference for the Liberation of Non-Russian Nations of the U.S.S.R.; and Ferenc Nagy, Assembly of Captive European Nations. Special mass, St. Patrick's Cathedral, Sunday, July 15, 10 a.m.

Buffalo: Proclamation by Mayor Chester Kowal. Huge luncheon, sponsored by Buffalo Citizens Captive Nations Committee composed of many civic groups including Buffalo Rotary Club and Buffalo Advertising Club, under chairmanship of Dr. Edward M. O'Connor, director of special projects, Canisius College, Buffalo. Main speaker: Congressman William W. Scranton, Republican candidate for governorship of Pennsylvania.

Chautauqua County: Senator Jacob K. Javits, one of the original sponsors of the Captive Nations Week resolution, plans to call attention to the plight of the captive nations in speeches in Chautauqua County and at the National War College in Washington, D.C.

PITTSBURGH

Freedom rally at Kennywood Park on Sunday, July 15, sponsored by the Captive Nations Committee of Allegheny County, headed by County Commissioner John E. McGrady, Judge John G. Brosky, Judge Ruggero J. Aldisert, and State Senator Leonard Staisey. Speakers: Governor David L. Lawrence and Dr. Lev E. Dobriansky, professor of economics at Georgetown University and chairman of the National Captive Nations Committee.

WASHINGTON STATE

Seattle: Week-long program sponsored by Queen Anne Magnolia Captive Nations Committee (headquarters at the World's Fair), working in close cooperation with the fair, assisted by Congressman Thomas M. Pelly, one of the original sponsors of the resolution. Huge rally, evening of July 16, at Chamber of Commerce Building. President of committee, Sinusa Balandzich; vice president, Paul I. Mironovich.

Bremerton: Citywide program under sponsorship of Captive Nations Council composed of civic groups and merchants. Feature: Captive nations displays in all downtown store windows. Chairman, James K. Morgan.

WASHINGTON, D.C.

Breakfast at Dodge Hotel, Saturday, June 14, 9:30 a.m., under sponsorship of Washington, D.C., Captive Nations Committee. Chairman, Donald L. Miller. Speakers: Dr. Herminio Portell-Vila, former professor at University of Havana whose onetime student was Fidel Castro; David Lee, former colonel of Nationalist Chinese Army, now a Bethesda builder and officer of the Chinese Refugee Relief; and Dr. James D. Atkinson, associate professor, Georgetown University.

Dinner, Wednesday evening, National Press Club, under sponsorship of the Assembly of Captive European Nations. Speakers: Senator Hubert H. Humphrey and Congressman Walter H. Judd, of Minnesota, and the Honorable Frans J. Godehart, Member of Parliament of the Netherlands.

Proclamation issued by District Commissioners Tobriner, Clarke and Duncan: "There is a strong belief that observance of Captive Nations Week throughout our country and our communities will serve the cause of America and the entire free world; that the keeping alive of the spirit of liberation is the West's most effective instrument in the cold war and the chief deterrent to a shooting war."

THE FAR EAST

On January 24, 1962, in Taipei, Taiwan (Formosa), at an International Forum in Support of the Captive Nations, the China chapter of the Asian Peoples' Anti-Communist League and the Committee of Civic Organizations of the Republic of China in Support of the Struggle for Freedom Behind the Iron Curtain jointly passed a resolution calling for the observance in Taiwan of Captive Nations Week from July 15 to July 21, in support of the U.S. Public Law 86–90. The two committees also called on other APACL charter members in the Philippines, Korea, Vietnam and Ryukyu to join in the observance, stating: "When the Communist bloc is stepping up its aggression against the free world, of which Asia bears the brunt, when crop failures are prevalent throughout the Communist areas and when escapees are on the increase from behind the Iron Curtain in Asia, particularly from the Chinese mainland to Hong Kong and Macao, our APACL member-units should give enthusiastic response to this Captive Nations Week movement, so as to accelerate the liberation of the captive peoples."

President of APACL of the Republic of China is Ku Cheng-kang.

Ceremonies are scheduled for each day of the week and include religious programs in Catholic and Christian churches, Moslem mosques and Buddhist temples; civic gatherings; forums; stepping up of regular broadcasts, air dropping, air balloon drifting; and a mass meeting on July 20 at 9 a.m. in Taipei.

Public Law 86–90—Captive Nations Week Resolution

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led through direct and indirect aggression to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such people through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

A Proclamation by the President of the United States of America

Whereas by a joint resolution approved July 17, 1959 (73 Stat. 212), the Congress authorized and requested the President of the United States of America to issue a proclamation designating the third week of July 1959 as "Captive Nations Week," and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas there exist many historical and cultural ties between the people of these captive nations and the American people; and

Whereas the principles of self-government and human freedom are universal ideas and the common heritage of mankind:

Now, therefore, I, John F. Kennedy, President of the United States of America, do hereby designate the week beginning July 15, 1962, as Captive Nations Week.

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities and I urge them to give renewed devotion to the just aspirations of all people for national independence and human liberty.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this 13th day of July in the year of our Lord 1962, and of the Independence of the United States of America the 187th.

John F. Kennedy.

Themes for Captive Nations Week 1962

1. Supporting the creation by the 87th Congress of a Special House Committee on the Captive Nations to implement the Captive Nations Week resolution. For Americans to commit themselves and to focus their attention and actions on all the captive nations requires knowledge, understanding, and constant information regarding these

nations which only a special committee could possibly provide.

2. Urging a Presidential Food for Freedom Declaration which would (a) emphasize the inability of so-called Communist economies to feed adequately the captive peoples; (b) contrast concretely the food capability of the U.S. economy with that of all "Communist" economies combined, and (c) offer food to any of the captive peoples, both within and outside the U.S.S.R., provided it is stamped "Food for Freedom" and distributed by the International Red Cross.

3. Opposing even more intensely admission of Red China to the U.N.

4. Calling for a spelled-out concrete policy by the administration toward all the captive nations.

5. Urging that the United States take the lead in the U.N. for a full-scale inquiry into Soviet Russian colonialism within and outside the U.S.S.R.

6. Supporting the creation by the 87th Congress of a Freedom Commission and Academy.

7. Insisting on a firm stand without any compromise on West Berlin.

8. Urging the expansion and improvement of the Voice of America Broadcasts to the non-Russian nations in the U.S.S.R. This is a major area where action instead of reaction is needed.

9. Urging the creation of an Executive Agency on the Self-Determination of the Captive Nations. "The desire for liberty and independence on the part of the peoples of these conquered nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace."

10. Urging the administration to examine more closely the implications of the proposed U.S.-Russian Declaration Against War Propaganda as they relate to the captive nations.

FAREWELL REVIEW AND 45TH ANNIVERSARY OF WISCONSIN'S 32D INFANTRY DIVISION, FORT LEWIS, WASH.

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. Laird] is recognized for 45 minutes.

Mr. **LAIRD**. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. **LAIRD**. Mr. Speaker, yesterday it was my privilege and honor to attend the Farewell Review and 45th Anniversary Ceremonies of the 32d Infantry Division, Wisconsin National Guard, at Fort Lewis, Wash. The Secretary of the Army, the Honorable Cyrus R. Vance, honored the 32d Division by attending this review. It was my privilege to accompany the Secretary to Fort Lewis to pay honor to this world-famous Red Arrow Division which is completing 10 months of active duty service. Wisconsin deeply appreciates the presence of Secretary Vance at this historic ceremony.

Yesterday the 32d Infantry Division celebrated July 18 for two very important reasons. It was the 45th anniversary of the establishment of this Division. On July 18, 1917, National Guard Units of Wisconsin and Michigan assembled at Camp MacArthur, Tex. Since that date the men of the Red Arrow Division have fought in the thick of both World Wars and are considered the most ready National Guard Infantry Division in the United States.

France was the theater of operations for the division in World War I; its men were first to pierce the Hindenburg line which earned for them their unique shoulder patch and the nickname, "Les Terribles," from an awed French general.

In the Second World War, the 32d fought in the South Pacific. New Guinea was its first combat assignment of the war. From there the Red Arrow troops battled through the bitter hell of Buna, Saidor, Aitape, Leyte, and Luzon, overcoming not only Japanese but malaria, insects, dengue fever, stifling heat and exhaustion. In this war the division logged 654 days of combat, more than any other division.

Yesterday the division also celebrated because it has now successfully accomplished its present cold war mission. In 2 more weeks, its men shall return to their homes and civilian jobs, proud that they have helped their country when their country needed them. Upon deactivation, the division will once again return to duty in the Wisconsin National Guard.

As the 32d Division passed in review yesterday my heart was filled with pride in being a Representative of the great State of Wisconsin. These Wisconsin men have made a great sacrifice during the past 10 months. Their spirit and their devotion to our country could be felt by everyone witnessing the ceremony. Although the actual founding date of the 32d Division was 45 years ago yesterday, the 32d Division is a proud division whose lineage goes back even before its formal organization as the 32d Division in 1917. The spirit and pride of this division can be traced back to the famous Wisconsin Iron Brigade of the Civil War. These Wisconsin men have established a combat reputation second to none. Although it was not necessary for them to engage in combat during the present tour of duty, the Red Arrow Division attained the status of a Strac division in record time.

During the review, a narrator covered the history and introduced each of the units as it passed the reviewing stand. Under unanimous consent, Mr. Speaker, I include at this point in the Record the complete narration used during this historic review at Fort Lewis yesterday and also the speeches by the Honorable Cyrus R. Vance, Secretary of the Army, and Maj. Gen. Herbert A. Smith, commanding general of the 32d Division. The narration and these two speeches follow:

Review Narration and Speeches by Secretary Vance and Maj. Gen. Herbert A. Smith, Commander of 32d Division

Good morning, ladies and gentlemen, neighbors, friends, and family members.

You have joined us on a most significant occasion.

As you know, this is our farewell review. This is the last time we'll all be together as a division on active duty.

This day also marks our 45th anniversary. It is our organization day—yes, our birthday.

I, your narrator, am Lt. Col. Herbert L. Krueger. I'll be with you to tell you about the division and our program for today.

Now, let's all get in step with this great unit—the Red Arrow Division—as we hear a selection from the 32d Division Band.

Wisconsin's 32—13,000 strong—is a National Guard division from 72 Wisconsin communities.

For more than 9 months now it has added its strength to the Nation's military might. This is one of the divisions of the "crisis" Army. It was called to active duty on October 15, 1961, during the height of the Berlin crisis.

Today, as the Red Arrow Division passes in review, you can see that might. Here are men trained in 50,000 military skills. Yes, in this modern Army with all the weapons of the arsenal, it is man who is the ultimate weapon.

These are men called from various civilian pursuits to prevent a war. Called with them, in all echelons of the military, were more than 142,000 others.

The men with the Red Arrow patch on their shoulder are successors and trustees of one of the greatest combat records of any division in American military history.

Fame of the Red Arrow Division spreads from the steaming jungles of the far South Pacific to the historic battlegrounds of France. The battle streamers that fly from the unit colors go back further. For here are the lineages of the volunteer infantry regiments of Wisconsin that made up the famed Iron Brigade of the Civil War.

This proud unit has been known as the 32d since July 18, 1917. It was General Order 101 issued by the War Department in 1917 that brought the 32d together from National Guard units of Wisconsin and Michigan.

All this took place while the Guardsmen were on active duty at Fort MacArthur at Waco, Tex.

In its first battle call, the 32d was sent to France as part of the American Expeditionary Forces of World War I.

This was where the division earned the fearful name—"Les Terribles"—the terrible ones. This is where the Red Arrow itself was born—right off the operations map.

Here today are the battle streamers from Haute-Alsace, Aisne-Marne, Oise-Aisne, and Meuse-Argonne—the campaigns in which 2,915 men of the Red Arrow were killed in action and 10,447 men wounded.

After World War I the division was reorganized as the Wisconsin and Michigan Nation Guard unit.

Hence, the words of the 32d Division March:

> "Look out! Look out!
> Here comes the Thirty-second
> The mighty Thirty-second
> The fighting Thirty-second.
> Look out! Look out!
> They led the way in France
> Red Arrows never glance
> Though hell burn in advance!
> Yea! On, Wisconsin; On, Wisconsin
> Michigan, My Michigan
> We fight for liberty
> For justice and equality
> We are the Badgers and Wolverines."

These Badgers and Wolverines were called to duty again—October 15, 1940, when Europe was at war and the world and America ill at ease.

This date—October 15—is a memorable date, too, in the history of the division. For it was the first time that full 32d was first formed; it was called to active duty on another October 15, 1940; and October 15, 1961, it was called again.

It was this 1940 call that was the beginning for the Red Arrow Division of the greatest test in American military history.

This time, the battle call came and sent it to the South Pacific where the division's tradition was maintained, for it again pierced every line it faced.

This was the gallant story at Buna, Saidor, Aitape, Leyte, and Luzon.

This was the division that was the first to be airborne into combat;

The first U.S. Army division to fight an offensive action against the Japanese in the Southwest Pacific.

The division in World War II had 654 days in combat—more than any U.S. division in any war.

In all these days there were 11,500 Purple Hearts for Red Arrow men.

The division was deactivated in Japan at the end of February 1946. Just over 8 months later it was reorganized a second time—this time as the National Guard unit from Wisconsin alone.

From 1946 to 1959 it carried the old triangular components of an Infantry division. Since February 15, 1959, it has been a pentomic division—built around the five battle groups of Infantry.

As a National Guard division it always has been a force being constantly readied for use in the continuing battle for peace and freedom.

This task of being ready—combat ready—became our mission at Fort Lewis. It was to be done in the shortest possible time.

We did that job in 3 months' training. Never had an activated unit reached such a high state of readiness in so short a time.

On February 15, 1962, this 32d Division, the Red Arrow Division, became a unit of the Strategic Army Corps—Strac.

This position in the Nation's elite ready force—capable of being deployed at a moment's notice anywhere in the world—came to a division well prepared for its active duty mission.

Ladies and gentlemen—our farewell review is about to begin.

Shortly, the buglers will sound "Attention" and the band will give "The Adjutants Call."

This age-old Army ceremony is striking indeed. Here, on active duty, the Wisconsin men can think back to those encampments at Camp McCoy, Wis., where each year the ceremony is part of our period of active duty for training.

THE COMMANDER OF TROOPS AND STAFF MOVES ON THE FIELD

The commander of troops for this memorable occasion is Prig. Gen. Francis F. Schweinler, who is commanding general of the 32d Division Artillery.

General Schweinler joined the 32d as a private in 1924 and was commissioned 9 years later. In World War II he commanded a tank destroyer battalion in the Pacific. He has been with the division since 1949 and has commanded an artillery battalion, battle group of infantry, served as assistant division commander.

Adjutant. Bring your commands to present arms.

(Band sounds honors for commander of troops.)

The band has sounded honors for the commander of troops, General Schweinler.

(Adjutant reports to commander of troops and takes his post with commander of troops' staff.)

The adjutant general now joins the commander of troops' staff.

Commander of troops. Bring your commands to order arms.

(Commander of troops and staff change positions.)

Reviewing party takes post on reviewing stand (Secretary Vance, Representative Laird of Wisconsin, Lieutenant General Ryan, and Major General Smith.)

Commander of troops. Bring your commands to present arms.

(Band sounds honors for reviewing officer.)

The honors have been sounded for the reviewing officer, the Honorable Secretary of the Army Cyrus Vance.

Commander of troops. Bring your commands to order arms.

(Secretary of the Army and General Smith get into jeep to troop the line.)

The reviewing officer, Mr. Vance, is joined by Maj. Gen. Herbert A. Smith, commanding general of the 32d Red Arrow Division, and the Commander of Troops, General Schweinler, for inspection of the command—known familiarly as "trooping the line."

General Smith, who has 42 years' service, commands the division he joined as a private in 1919. During World War II he was a battalion and regimental commander with the division during the bitter battles of the South Pacific.

After the war he commanded the 127th Infantry Regiment and received his star as a brigadier general in 1956. He served as assistant division commander until July 1960, when he took command of the division—the only division he had ever served.

His division came to Fort Lewis with close to 10,000 men—citizen-soldiers who were a cross section of the Wisconsin economy.

There were teachers, college students, farmers, engineers, skilled laborers, and people in the professional and management fields.

To this force were added about 4,000 Reservists to bring the division to full strength. These men—from 41 States—came from Army Reserve manpower pools.

This is truly a division unique among Army units. In its ranks are 1,640 men who are college graduates, 453 certified teachers, 1,324 college students; 1,996 men in professional and management fields; 1,263 farm operators; and 4,803 skilled laborers.

The men from many communities created, in fact, a new community in Washington. Members of the division and their families who are here have a total "population" of more than 20,000.

Starting on an intensified combat training program in their first weeks on active duty, the division soon welded a team of modern Army caliber that was a credit to the Nation.

Training was many things—an infantry squad on an escape and evasion course, firing missions of an artillery battery, long days on the ranges, classes on everything from hand grenades to first aid.

This team advanced from company to battle group and battalion level tests. Then combined arms work was incorporated into training and the big teams of infantry, artillery, and armor, plus support units went into action.

This was the 32d at Exercise Bristle Cone in California—at brigade strength; at Exercise Mesa Drive at Yakima, Wash., at full division strength; at Exercise Sherwood Forest on the Olympic Peninsula, at task force strength.

Commander of troops. Persons to be decorated, center, march.

We proudly take this moment to salute the distinguished men of the division, for their outstanding achievements over and above the normal call of duty. These men, for their superior job, will receive the Army Commendation Medal.

Commander of troops. Sir, the persons to be decorated are present.

Ladies and gentlemen, the national anthem.

(Troops brought to order arms and parade rest, when reviewing officer starts to decorate each person.)

The members of the Red Arrow Division to be decorated with the Army Commendation Medal for their service include:

Grade	Name	Army service No.	Unit
Colonel	Richard J. Ballman	O2051800	Hq, 2/127th.
Staff sergeant	Robert H. Baus	NG 27937962	C/S, 3/128th.
Platoon sergeant	August L. Bongers	6828666	Co C, 2/105th.
Major	Walter E. Chase	O1580745	Hq, 732d Ord Bn.
Staff sergeant	Harold E. Dolan	NG 55543861	Hq Det, 32d Div Tn.
Major	Edward E. Donovan	O735542	Hq, 724th Engr Bn.
Specialist 4	Robert P. Flanagan	NG 27850685	Hq Co, 32d Inf Div.
Captain	Harlow C. Fuchs	O964733	Hq, 732d Ord Bn.
1st lieutenant	Thomas L. Geller	O996884	H/H, 32d Inf Div.
Major	Richard C. Hanson	O2078534	Hq, 232d Trans Bn.
Lieutenant colonel	Thomas C. Helgeson	O2183770	Hq, 32d Div Tn.
Specialist 4	William M. Henhoeffer	BR 13703029	223d MI Det.
Staff sergeant	Darrel B. Hoff	NG 55514528	Co C, 2/105th.
Specialist 4	Robert J. Iglar	NG 27959690	Hq Co, 32d Inf Div.
Lieutenant colonel	Philip A. Jenson	O337152	32d Admin Co.
Do	Arthur J. Kessenich	O2035338	Hq, 32d Inf Div.
Chief warrant officer 3	Glenn C. King	W2004874	H/H, 2/127th.
Private, 1st class	Douglas J. Kosloske	BR 17507170	C/S, 2/127th.
Captain	Edgar J. Mauritz	O2264804	H/H, 2/127th.
Sergeant, 1st class	Albert J. Mote	NG 16005296	Hq Co, 32d Inf Div.
Captain	Robert E. Pownall	O2103761	223d MI Det.
Lieutenant colonel	Elmer D. Queram	O1318476	Hq, 32d Inf Div.
Sergeant	Gerald R. Raddatz	NG 27896941	C/S, 2/127th.
Colonel	Donald P. Radde	O348479	Hq, 32d Inf Div.
Specialist 4	James M. Ritter	BR 17506040	Co D, 3/127th.
Major	Arthur W. Scherbarth	O2047815	Hq, 135th Med Bn.
Captain	Walter F. Webber	O2269275	Hq & A, 732d Ord Bn.
2d lieutenant	William J. Werner	O2307624	32d Admin Co.
Captain	Donald R. Whitwam	O2283791	Do.
Staff sergeant	Daryl M. Wunrow	NG 27850607	Do.
Lieutenant colonel	Arvin R. Ziehlsdorff	O1825727	Hq, 1/128th.

(The Secretary of the Army then presented the Legion of Merit to Maj. Gen. Herbert A. Smith, commanding general of the 32d Division, and a special citation to Brig. Gen. Francis F. Schweinler, commanding general of the 32d Division, Artillery.)

These men have done a notable job that commands of the attention of all. We, as you, are proud of their accomplishments and hail their high standard of duty [as those decorated return to their place to rear of reviewing stand].

The 32d Division achievement awards will be presented to other outstanding individuals at unit ceremonies.

Ladies and gentlemen, the commanding general.

General SMITH. Men of the 32d Division, it is my proud honor to present to you the Secretary of the Army, the Hon. Cyrus R. Vance.

Secretary VANCE. I consider it an exceptional honor to visit the 32d Infantry Division at Fort Lewis and to express to you my own appreciation and that of the Department of the Army and of the Nation as you return to civilian life.

You have heard and will rightly hear many such expressions from many different officials, but this expression comes from me and your comrades throughout the U.S. Army.

The 32d Infantry Division has an illustrious heritage. In World War I it pierced the Hindenburg Line. In World War II it fought many long months in most arduous combat in the Pacific. Since World War II, it has been one of our strongest national guard divisions. Because of that strength, when the Nation required combat ready forces to be rapidly mobilized during the tense months of last fall, the 32d Infantry Division responded to the call.

In a very short time, the 32d Infantry Division was fully ready for commitment wherever needed. By this and other indications of our readiness, the resolve of the United States to fight, if necessary, to honor its commitments was demonstrated. It did not become necessary to fight. But in your training and in the attainment of full combat readiness, you contributed immeasurably to our Nation's cause.

As you return to civilian life in Wisconsin and the rest of our land, as you return to your families and homes and jobs and again take up the threads of your interrupted lives, I want you to know that what you have done will not be forgotten.

And as the 32d Infantry Division of the Wisconsin National Guard continues through the coming months and years as one of the highly ready elements of the Reserve Forces of this country, I am confident that the division will remain the model of professional competence, devotion to duty, and willingness to sacrifice that it has demonstrated itself to be in the months that it was on active duty.

To each of you and to your families who shared in the burdens you assumed, I wish to express again the gratitude and good wishes of the U.S. Army.

Goodbye and good luck to each of you.

Major General Smith. Mr. Secretary, Congressman Laird, and men of the 32d Division, in a few short days we shall turn the page on another episode in the illustrious history of this division. A history that actually goes back to the famous Iron Brigade of the Civil War but which began as a division 45 years ago today when the official order was issued creating the division at Camp Arthur, Tex.

It seems particularly apropos that we should be able to hold this, our farewell review, on the 45th anniversary of our organization day.

For most of those who are returning to Wisconsin there will be other reviews on other fields but for the almost 4,000 men who joined us here at Fort Lewis from 41 separate States this will probably be my last opportunity to tell you that your efforts and your accomplishments have contributed materially to the successful accomplishment of our missions. Assignment as individual replacements in a strange unit is never easy but, with few exceptions, you have accepted the situation and have performed in an exemplary manner. Now although we may never serve together again, I am sure that the friendships you have made will remain with you and I want you to know that you will always find a warm welcome wherever and whenever "Red Arrow" men meet.

To all of you, guardsmen and reservists alike, I want to say that, although you have not been called upon to fire a shot on the field of battle, you have made a material contribution to the welfare and safety of our Nation. By attaining a state of combat deployability in less time than had ever been accomplished before we strengthened the position of our Government and possibly deterred open hostilities, and in addition we have field tested the mobilization procedures of the Reserve components pointing out areas where remedial action is now being taken and proving to the world that our Reserve Forces are not paper soldiers but vital factors that must be reckoned with. For the successful accomplishment of these missions you are to be most heartily commended.

The opportunity to command as fine a group of soldiers as this is a privilege accorded to few and I am proud and deeply and humbly grateful.

We leave active duty with our added knowledge and capabilities and with a new, wholesome, and fresh respect of the guardsman, reservist, and Active Army soldier, one for another. And now goodbye to many and God bless you all.

(General Smith directs: "pass in review.")

This is the moment for 13,000 Red Arrowmen. These are the veterans of the Berlin crisis. These were among the first called when a nation faced an emergency.

Their mission completed, they soon will return to their homes. In 3 weeks, their active duty obligation is over, but they return to serve as their National Guard status is resumed.

General Schweinler, commander of troops, leads the general staff of division, as the first to pass in review at this, the farewell review.

Members of the general staff include Col. Donald Raddie, chief of staff; Lt. Col. Frank X. Mages, G–1, personnel officer; Lt. Col. Robert W. Getzloff, G–2, intelligence officer; Lt. Col. Arthur Kessenich, G–3, operations officer; Lt. Col. Elmer D. Queram, G–4, logistics officer; and the division adjutant general, Lt. Col. Philip Jenson.

Now, let's meet each of the units as they pass in review.

The 32d Division band, which by all standards is a most professional unit. Bandmaster CWO Frederick Mott is not alone as a bandmaster. The band, a Madison guard unit, has more than 20 members who are band directors in their own right. They do it professionally as high school music instructors. The band has been one of the division's main community relations groups—having played for thousands of persons in the Pacific Northwest and for President Kennedy's appearance in Seattle.

The band will be before you for the entire program to furnish the martial music for this significant day.

The unit marching before you now is the current class of the Wisconsin Military Academy—the 86-man officer training class of the Wisconsin National Guard. Capt. William K. Chipman, academy tac officer, commands the class for the review. Most of these men have been with the division during the active duty tour and after this special training period, a series of classes over the next year, and 2 more weeks at the 1963 summer encampment—and the new second lieutenants will be commissioned. Since the academy was started 4 years ago a total of 169 men have been commissioned and are now serving as officers of the division. Who knows, in these ranks today may be a man who one day will command the Red Arrow Division.

The combined unit passing before you now includes the 32d Division's Headquarters and Headquarters Company of Milwaukee and the newest unit of the division—the 22d Military Intelligence Detachment. Lt. Adolph Mondl commands the unit in this review. Men of headquarters company form the staff section personnel of many staffs in division and all of the men in brigade headquarters.

The military intelligence detachment is one of the Reserve units called in the October mobilization. It has been attached to the division since it came to Fort Lewis. Maj. Heinz Just commands the detachment that has been made an honorary member of the Red Arrow Division. We hail their selection.

And now, here come the 32d Division's prime fighting forces, the versatile infantrymen—6,500 of them.

Leading the infantry in today's review is the 3d Battle Group, 127th Infantry. Units are from Milwaukee, Oak Creek, Watertown, Oconomowoc, Jefferson, and Hartford.

Col. Roth Schleck commands the unit.

Among the many accomplishments of the unit during its tour of active duty was the testing of its companies in the new reorganized Army division. Units from Watertown and Oconomowoc trained at Hunter-Liggett military reservation in California to help Army leaders determine the composition of the new rifle company of the new division, designed to make the Army a better functioning fighting force. The men of the 3d Battle Group, 127th Infantry, were the ones the Army turned to when they needed combat-ready soldiers to put the new plan to the test.

The next battle group in line is the 1st Battle Group, 127th Infantry, commanded by Col. Warren Bartels.

The companies are from Appleton, Marinette, Green Bay, Oconto, Clintonville, and Neenah.

Men of this battle group played an important role in Exercise Mesa Drive. They were airlifted from this field to the Yakima Firing Center, giving the exercise a start that was realistic of combat conditions.

A total of 64 sorties were flown each of 3 days from May 7 to 9 to move the men and much of their equipment.

The success of the operation showed how carefully the unit had planned its airlift procedures.

It further proved that the Red Arrow Division could transport a mechanized, combat ready task force into battle by air.

Marching before you now are the men of the 2d Battle Group, 127th Infantry, commanded by Col. Richard Ballman.

He heads the units which make up the battle group that come from Oshkosh, Waupun, Ripon, Fond du Lac, Plymouth, and Beaver Dam.

The highlight of training for this unit was their selection for Task Force Bristle Cone in March. The selection was based on company performances in the Army training tests. The battle group was transported to the Mojave Desert by air and spent 7 days in the joint Army-Air Force exercise.

They learned an entirely new style of combat—desert fighting—which tested to the fullest all the basic combat skills they had learned through many years of drill in Wisconsin and at Fort Lewis.

Colonel Ballman served as division chief of staff before changing command positions with Col. Donald Raddle.

The troops approaching now are from the 1st Battle Group, 128th Infantry—the "Big One" of the Red Arrow Division.

At the head of the unit is Col. William G. Kastner, the battle group commander.

Units come from Eau Claire, Mondovi, Menomonie, Hudson, New Richmond, Arcadia, Rice Lake, Neillsville, and Chippewa Falls.

This battle group has been the busiest of the division's five in recent months. When the Army picked the 32d to be the first division to get counterinsurgency training, the men of the Big One were elected. They went through the snows and damp of the Mount Rainier training area. They were the main force of Task Force Robin Hood in a special mission at Mesa Drive, and they ended the division's excercise participation in the big Exercise Sherwood Forest.

The troops of the 2d Battle Group, 128th Infantry, commanded by Col. Thomas J. Makal, are approaching now.

These units are from Elkhorn, Whitewater, Baraboo, Monroe, Fort Atkinson, Beloit, Stoughton, and Platteville.

This battle group, like all others, spent long hours in the field to turn out a highly trained team that could move, shoot, and communicate.

The training involved in the Army Training Tests concentrated on company maneuvers and battle group tests that were the important tests of the division's combat ready rating.

These are the division's infantry units. They have worked hard to make themselves as well-trained as possible. They were a force ready, should they be needed at any time to protect the United States and its allies against aggression.

Col. Gaylord Shepard commands the 32d Division Artillery, the big guns of the division, for this review. The artillery units come from the old 57th Artillery Brigade that served in the campaigns of France in support of 10 infantry divisions; 32d Division Artillery, as the headquarters has been known since World War II, is from Whitefish Bay, a suburb of Milwaukee.

Members of the Headquarters and Headquarters Battery make up the staff sections and support for the 32d Division Artillery. The Headquarters Battery is commanded by Capt. Donald Van Pietersom, who leads the unit.

Headquarters Battery can be called the nerve center of Division Artillery, because, like a human nervous system, it receives fragments of information from the other six battalions in Division Artillery and returns instructions to them.

Most important of the battery's 17 sections of specialized crews are the fire support coordination center, the meteorological section, and several radar sections.

The 2d Howitzer Battalion, 120th Artillery, is commanded by Lt. Col. LeRoy N. Danielson. Its units come from Wisconsin Rapids and Waupaca. Lineage of the 120th goes back to the days of the 57th Brigade, which it served in 1917.

This battalion has two distinctions among Red Arrow artillery units. It is the only battalion to have an entire battery specially trained for counterinsurgency warfare, and it is the only entire artillery battalion which participated in Exercise Bristle Cone.

Lt. Col. James E. Bliss leads his 1st Howitzer Battalion, 121st Artillery, a unit from River Falls, Stanley, and Eau Claire, Wis. Their unit crest carries the words "Catervae Ferreae" which means the Iron Brigade, its Civil War ancestor.

This battalion was one of two in the 32d Division to receive self-propelled howitzers, the first in the division's history, in April. The weapons have added versatility and mobility to the artillery's firepower.

Lt. Col. Goodwin Johnston leads the men of the 2d Howitzer Battalion, 126th Artillery. The units, from Kenosha and Burlington, carry the lineages of the old Light Horse Squadron of the 1st Cavalry, Wisconsin National Guard, created in 1880. Later, the cavalry regiment was converted and redesignated as the 126th Field Artillery and it earned its battle honors in the South Pacific in World War II.

This battalion was the first 32d Division artillery unit to use an electronic computer to determine firing information. The instrument, which costs $45,000, can assimilate gun and target coordinates, then determine correct howitzer elevation and deflection, plus proper fuse settings.

The computer also can find information about air density, temperature, and wind velocity at various altitudes, and come up with the corrections needed for accurate artillery fire.

Here comes the unit that controls the largest weapon of the division—the Honest John rocket. This unit, the 3rd Rocket Howitzer Battalion of the 121st Artillery is commanded by Lt. Col. William K. Brown, who is leading the line of troops. The men all come from Milwaukee batteries. They have successfully launched four Honest John rockets during their active duty period. The unit also has the giant 8-inch howitzers, which, like the big rocket, have an atomic capability.

The battalion also won the artillery commanders' trophy for having the best athletic and recreation program while on duty at Fort Lewis.

The troops passing you now make up the 2d Howitzer Battalion, 121st Artillery, and are commanded by Maj. John G. Sullivan.

The battalion's units come from Marshfield and Abbotsford.

This battalion spent a month on special duty on the main fort in March and April, when they were hosts for the 6th Army rifle matches.

This battalion, like all the others, completed Army training tests at battery and battalion levels as part of their combat readiness training. They fired live rounds from their 105-millimeter and 155-millimeter howitzers in an ample artillery impact area at this fort.

The last of the six artillery battalions to march past today is the 1st Howitzer Battalion of the 120th Artillery. This unit, made up of batteries from Stevens Point and Mosinee, is commanded by Maj. Robert O. Wildish.

This is the other battalion, besides the 1st of the 121st, to receive self-propelled weapons.

It also was the only artillery unit to be airlifted with its equipment to Yakima for Exercise Mesa Drive.

Its A Battery furnished the first howitzer salute which Red Arrow artillerymen fired as a post honor guard. Battery A was commended as having the best mess-hall operation in the division.

You have just seen the mighty infantry and artillery combat arms of the Red Arrow Division pass in review.

Now you will meet the men of the 1st Medium Tank Battalion, 105th Armor. The tankers are commanded by Lt. Col. James J. Dehlinger, who is leading the unit in the review.

These are the men who represent units from Wausau, Merrill, Rhinelander, Tomahawk, Antigo, and Meford.

The armor battalion is the essential mobile striking force for the division. This is the unit that was so effective in the attack missions in Exercise Mesa Drive.

The battalion is equipped with the M-48 tank, which carries the lethal 90-millimeter gun.

When teamed with infantry and supported by artillery, here is one of the most effective forces of an infantry division.

THE 2D RECONNAISSANCE SQUADRON, 105TH CAVALRY

Here is the 32d Division's reconnaissance squadron—the 2d Reconnaissance Squadron of the 105th Cavalry.

Maj. Clarence DeCremer is in command of the four highly mobile troops, which serve as the eyes and ears of the division.

Because of the unit's capability with tanks, armored personnel carriers, and wheeled vehicles, reconnaissance troops often were used as the opposing forces for major division tests.

In their role as aggressors they spent long hours in the field and know the training areas of Fort Lewis like no other unit.

Troops of the squadron participated in the two major exercises, Bristle Cone and Mesa Drive. The unit was cited at Mesa Drive for its ability to capture aggressors.

Troop B was trained as a counterinsurgency force and trained at Rainier Park and participated in Exercise Sherwood Forest.

THE 724TH ENGINEER BATTALION

Here are the "Men of the North"—the 724th Engineer Battalion commanded—and led today—by Lt. Col. Frank J. Missinne.

With its bridgebuilding skills, its roadconstruction ability, and other resourceful arts, the engineer battalion helps get the division where it's going.

Units of the battalion hail from Superior, Ashland, Hayward, Phillips, Hurley, and Spooner.

At Fort Lewis they have trained with the most complex and modern Army equipment available.

They have provided invaluable support for numerous training missions, including the three major divisional exercises.

These marchers wearing the bright orange scarves are as important a support unit as any in the division.

These are the men of the 132d Signal Battalion, commanded by Lt. Col. Russell Sesto.

Their responsibility is to make it possible for troops that move and shoot to communicate. Every time a division moves in the field, the signal battalion must tear apart and replace a telephone system vast enough to serve a city of 5,000 inhabitants. They also operate a system of field radio communications equally vast.

The signal battalion also operates a photo laboratory that supplies the division with pictures for many purposes, including aerial intelligence photos, news photos and photos for official records.

The 32d Aviation Company, aproaching now, provides important reconnaissance support to the division, as well as operates the helicopters that carry officials from place to place on the field of battle and carry messages swiftly to rear areas.

The aviation personnel can also make heliborne operations of limited scale, and can air-drop food and troops into isolated areas.

You will see them in action shortly, when 21 of their planes fly by in close formation.

Col. Donald J. Mackie, commander of 32d Division trains, leads the trains units, which provide the division with its support elements of transportation, ordnance, medical, quartermaster, and administration. Trains headquarters is a Madison unit.

All these essential services keep the combat arms an effective force.

Let's meet them as they parade before you.

Lt. Col. Frank J. Kloiber leads the 232d Transportation Battalion with units from Oak Creek, Madison, Portage, and Berlin (pronounced BER-lin) (Berlin, Wis., that is).

With its truck company and the carrier companies, the unit can move parts of the division in both tactical and administrative moves. The truck company alone has traveled more than a million miles in carrying out its division functions.

Lt. Col. Arthur E. Wagner leads the 732d Ordnance Battalion, a unit that traces its history back to the Tomah Guard, organized in 1884. The unit now includes both Tomah and Mauston and is unique among Army ordnance battalions because many of its members are full-time employees at the main ordnance facilities of the Wisconsin National Guard.

The division medical support unit, the 135th Medical Battalion, is commanded by Maj. John A. Arkins and includes companies from Milwaukee and Racine. The unit carries all the campaign streamers of the division, having served with divisional units in World Wars I and II. In the Papuan campaign the 135th gained the distinguished unit citation.

Coming next is a march formation comprised of three important division trains units.

The men wearing tan scarves are the men of 32d Quartermaster Company, whose job is to keep the division supplied with rations, gas, and clothing. The company comes from Janesville.

The black-scarf wearers are the men of Milwaukee's 32d Administration Company, the men who do most of the division's paperwork and also staff such sections as the finance office, personnel, postal, judge advocate, and replacement sections.

Wearing blue infantry scarves are members of Division Trains' Headquarters and

Headquarters Detachment, which provides the personnel of the operational staff. The band which has performed during this review is included within this trains unit.

Overhead, you will see the 32d Aviation Company's fly-by, which concludes our review. The 21 planes you see include 12 L–19's, 2 L–20's, and 7 H–23's, a representative sampling of the division's air capability.

Lt. Col. John Sarko, division aviation officer, leads the fly-by. Col. Sarko was in the historic class which opened the Army aviation function.

Today, our Red Arrow Division is saying "farewell" to Fort Lewis, for soon we will leave. It is also "farewell" to active duty;

But not "farewell" to the defense of the United States and its allies, for when the division returns to Wisconsin, it will resume its vitally important role in the Army National Guard, training in 72 Wisconsin communities, proving that the citizen-soldier gives America a powerful force for peace.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. May (at the request of Mr. Halleck), for the remainder of this week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Libonati, for 15 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. Beckworth, for 10 minutes, today, and to revise and extend his remarks, and include extraneous matter.

Mr. King of Utah, for 15 minutes, today.

Mr. Edmondson, for 25 minutes, on Wednesday, July 25.

Mr. Nix (at the request of Mr. McDowell), for 90 minutes, today, and to revise and extend his remarks.

Mr. Goodell (at the request of Mr. Derwinski), for 15 minutes, today.

Mr. Laird, for 45 minutes, today, and to revise and extend his remarks.

Mr. Hardy (at the request of Mr. McDowell), for 20 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. Derwinski, for 15 minutes, today, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Hoeven to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. Feighan and to include extraneous matter.

Mr. Johnson of Wisconsin to revise and extend the remarks he made in the Committee of the Whole today and include a chart and extraneous matter.

Mr. Quie to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

(The following Members (at the request of Mr. McDowell) and to include extraneous matter:)

Mr. Monagan.

Mr. Multer.

Mr. Ryan of Michigan.

SENATE BILLS, JOINT RESOLUTION, AND CONCURRENT RESOLUTION REFERRED

Bills, a joint resolution, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1161. An act to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation; to the Committee on Interior and Insular Affairs.

S. 1192. An act to amend the Mineral Leasing Act with respect to limitations on the leasing of coal lands imposed upon railroads; to the Committee on Interior and Insular Affairs.

S. 1307. An act to amend section 128 of title 28, United States Code, to constitute Richland, Wash., a place of holding court for the eastern district of Washington, southern division, and to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Washington, southern division, holding court at Richland, Wash.; to the Committee on the Judiciary.

S. 2399. An act to provide for the establishment of the Frederick Douglass home as a part of the park system in the National Capital, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, and for other purposes; to the Committee on Foreign Affairs.

S. 2690. An act for the relief of Mona McIsaac Downey; to the Committee on the Judiciary.

S. 2763. An act for the relief of Marie Karoline Dollar and Alex Peter Pedersen; to the Committee on the Judiciary.

S. 2869. An act to amend chapter 31 of title 38, United States Code, to afford additional time during which certain veterans blinded by reason of a service-connected disability may be afforded vocational rehabilitation training; to the Committee on Veterans' Affairs.

S. 2916. An act to change the names of the Edison Home National Historic Site and the Edison Laboratory National Monument, to authorize the acceptance of donations, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 3109. An act to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities; to the Committee on Veterans' Affairs.

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program; to the Committee on Agriculture.

S. 3279. An act for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai); to the Committee on the Judiciary.

S. 3408. An act to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons; to the Committee on House Administration.

S. 3431. An act to consent to the amendment of the Pacific Marine Fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment; to the Committee on Merchant Marine and Fisheries.

S.J. Res. 195. Joint resolution establishing the Commission on Art and Antiquities of the Capitol, and for other purposes; to the Committee on House Administration.

S. Con. Res. 66. Concurrent resolution requesting the President to designate November 4 to 10, 1962, as National Country Music Week; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1824. An act to create an additional judicial district for the State of Florida, to be known as the middle district, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 18, 1962, present to the President, for his approval, bills of the House of the following titles:

H.R. 1469. An act for the relief of Mrs. Leslie M. Paterson, Janet Paterson, and Mary Paterson;

H.R. 7369. An act for the relief of Gerda Godin; and

H.R. 11131. An act to authorize certain construction at military installations, and for other purposes.

ADJOURNMENT

Mr. McDOWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, July 20, 1962 at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2325. A letter from the Secretary of Labor, transmitting a draft of a proposed bill entitled "A bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes"; to the Committee of Armed Services.

2326. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend the Immigration and Nationality Act of June 27, 1952, regarding nationals born of American Samoan parents"; to the Committee on the Judiciary.

2327. A letter from the Clerk, U.S. Court of Claims, transmitting certified copies of the court's opinion in the case of *Galen H. Clark Packing Company, Inc.*, v. *The United States*, Congressional No. 5–55, pursuant to sections 1492 and 2509 of title 28, United States Code, and House Resolution 230, 84th Congress; to the Committee on the Judiciary.

2328. A letter from the Clerk, U.S. Court of Claims, transmitting certified copies of the court's opinion in the case of *Catalina Properties, Inc.*, v. *The United States*, Congressional No. 12–60, pursuant to sections 1492 and 2509 of title 28, United States Code, and House Resolution 235, 86th Congress; to the Committee on the Judiciary.

2329. A letter from the Director, Congressional Liaison Staff, Agency for International Development, Department of State, transmitting the report on contingency fund use as of June 30, 1962, pursuant to section 451(b) of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. S. 2321. An act to encourage and aid the development of reconstructive medicine and surgery and the development of medicosurgical research by authorizing the licensing of tissue banks in the District of Columbia, by facilitating antemortem and postmortem donations of human tissue for tissue bank purposes, and for other purposes; without amendment (Rept. No. 2007). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of the rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H.R. 12611. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the highway use tax in the case of certain trucks and other vehicles which are used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to the Committee on Ways and Means.

H.R. 12612. A bill to provide for the abatement of certain penalties and interest otherwise payable with respect to the highway use tax in the case of certain motor vehicles used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to the Committee on Ways and Means.

By Mr. BARRY:

H.R. 12613. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOKS of Texas:

H.R. 12614. A bill to increase from $600 to $800 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. FORRESTER:

H.R. 12615. A bill to designate the lake formed by the Walter F. George lock and dam, Alabama and Georgia, as "Lake Chattahoochee"; to the Committee on Public Works.

By Mr. FULTON:

H.R. 12616. A bill to amend the Internal Revenue Code of 1954 so as to provide additional deductions and exemptions for the expenses of medical care of persons 65 years of age and over; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 12617. A bill to amend the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. NIX:

H.R. 12618. A bill to amend section 4142 (relating to the definition of radio and television components) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. ST. GERMAIN:

H.R. 12619. A bill to amend title II of the Social Security Act to extend the time within which certain Federal-State agreements may be modified to give noncovered State and local employees under the divided retirement system procedure an additional opportunity to elect coverage; to the Committee on Ways and Means.

By Mr. SAYLOR:

H.R. 12620. A bill to provide for the establishment of the Allegheny Portage Railroad National Historic Site in the State of Pennsylvania, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STEED:

H.R. 12621. A bill to amend title I of the Social Security Act to provide that the first $50 per month of earned income shall not be taken into account in determining an individual's need for old-age assistance; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 12622. A bill to amend title 18 of the United States Code to prohibit contingent fees for lobbying; to the Committee on the Judiciary.

By Mr. BURKE of Kentucky:

H.R. 12623. A bill to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT:

H.R. 12624. A bill to amend the act of July 5, 1946, so as to prohibit the sale in the United States of articles of foreign manufacture bearing certain trademarks, and for other purposes; to the Committee on the Judiciary.

By Mr. KING of Utah:

H.R. 12625. A bill to amend the tort claims procedure of title 28, United States Code, so as to afford a remedy in cases in which agencies of the United States issue public statements which libel or slander persons or misrepresent subject matter involved in investigations or proceedings conducted by such agencies; to the Committee on the Judiciary.

By Mr. SPENCE:

H.R. 12626. A bill to provide for the establishment of a new fish hatchery on or near the Cumberland River in the eastern part of the State of Kentucky; to the Committee on Merchant Marine and Fisheries.

By Mr. TOLL:

H.R. 12627. A bill to amend the act of July 5, 1946, so as to prohibit the sale in the United States of articles of foreign manufacture bearing certain trademarks, and for other purposes; to the Committee on the Judiciary.

By Mr. RAINS:

H.R. 12628. A bill to provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing both urban and rural, for the elderly; to the Committee on Banking and Currency.

By Mr. HALPERN:

H.R. 12629. A bill to create the Freedom Commission and the Freedom Academy to research and develop an integrated, operational science to win the nonmilitary part of the global struggle between freedom and communism and to train Government personnel, private citizens, and foreign students in this science; to the Committee on Un-American Activities.

By Mr. FULTON:

H. Con. Res. 504. Concurrent resolution expressing the sense of the Congress that arrangements be made for the viewing within the United States of certain films prepared by the U.S. Information Agency; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MORRISON:

H.R. 12630. A bill for the relief of Mrs. Geneva H. Trisler; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 12631. A bill for the relief of Anna Virginia Young (also known as Anna Virginia Young Shuk Yin); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

389. The SPEAKER presented a petition of Ohio Bell, Chicago, Ill., relative to a redress of grievance relating to rights under the Constitution of the United States, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Senator Dodd Nominates Former HEW Secretary Ribicoff for U.S. Senator

EXTENSION OF REMARKS
OF
HON. JOHN S. MONAGAN
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 1962

Mr. MONAGAN. Mr. Speaker, the distinguished Senator from Connecticut, Senator Dodd, added great dignity to the recent State convention of Connecticut Democrats when he placed before the convention the name of another distinguished public servant, the Honorable Abraham A. Ribicoff, for the nomination of U.S. Senator.

Recognizing as I do the quality and loyalty of service rendered the State of Connecticut, and the Nation, by both Senator Dodd and former Secretary of Health, Education, and Welfare Ribicoff, and confident that Mr. Ribicoff will, in January, join Senator Dodd in the U.S. Senate, I take pleasure in asking permission to extend my remarks, to include Senator Dodd's nominating speech in behalf of Mr. Ribicoff.

The speech follows:

REMARKS OF SENATOR THOMAS J. DODD IN PLACING IN NOMINATION FOR THE U.S. SENATE THE NAME OF ABRAHAM A. RIBICOFF, SATURDAY, JULY 14, 1962

Fellow delegates, fellow Democrats and friends, I am happy to be here at this convention and to join with you as we adopt the principles and select the candidates that will lead us to a great victory in November.

We assemble today as working members of the Democratic Party, as the representatives of 400,000 Connecticut Democrats, to discharge our most important trust, the choosing of candidates to represent our party and to serve the people of our State.

The scene before us has all the trappings of a festive occasion and well it should, for we come here in celebration as well as in dedication.

But beneath the banners and the bands, the slogans and the signs, there is the solemn fact that at this moment we are at the very heart of the democratic process.

All of our daily efforts as Democrats, all the meetings, the caucuses, the debates, the rallies, all lead us to this convention, when we select a handful of men and women whom we put forward to govern a free people.

And so we come once again to this familiar hall, the scene of so many previous gatherings, fully aware that as we choose a U.S. Senator today, we are choosing not just for ourselves, or for our party, or even for our State. We are choosing for our country, and in a larger sense we are choosing for the future of free government; for in the end free government will survive or perish on the merits of the candidates produced by our political system.

It is an index of the vitality of our party and the rightness of our cause that at past conventions we have given to the people many leaders of whom we are justly proud. And we have in our ranks today many who I believe could serve in the U.S. Senate with distinction.

Among these one name stands preeminent; one fame commands universal recognition; one brilliant record of achievement shines across the years; one image casts its mighty shadow across this hall, across this State, and indeed across this Nation.

That name, that fame, that record, that image belong to a man whom we have hailed again and again as our spokesman, our standardbearer, our Governor, our leader—Abe Ribicoff.

We may say of Abe Ribicoff what Franklin Roosevelt once said of Al Smith, that the best argument for this man is the man himself.

You know the man and you know his record.

You have followed his public career for a score of years. You have shared in the successes and the accomplishments he has achieved for our party and our people.

You remember him as a legislator, as a judge, as a Congressman—earnest, studious, probing the question of social justice, mastering the art of government, forming a public philosophy, earning the public favor.

You remember him as the dynamic, tireless campaigner upon whom in 1954 we staked the future of our party, a campaigner who led us out of the shadows of defeat and on to a great triumph.

You remember him as the new Democratic Governor, working with a Republican cabinet and a Republican house, striving, with patience, with statesmanship, to bring together people of different views to advance the progress of our State.

You remember him as the man of action who took command when hurricanes and floods ravaged our State and threatened the very survival of many of our communities, who organized the gigantic task of relief, who charted the course of recovery, who built upon the ruins a better, a stronger, a safer State.

You remember him as the chief executive who had the courage to enforce our highway safety laws and who, when told that his policy was alienating thousands of voters, responded that if he could save the life of one child, of one mother, of one family provider, he would gladly pay the price of political disfavor, whatever the cost might be.

You remember him as the candidate who in 1958 received from the people the greatest personal tribute in the history of our State; as the architect of the greatest political victory ever achieved by our party, a victory which made the Democratic Party the majority party of Connecticut, a victory which breathed life into our organization in towns where it had lain dormant for a century, a victory which gave to countless Connecticut Democrats an opportunity for public service which had heretofore been denied them.

You remember him as the reformer who achieved goals which had been sought after for 50 years, the reform of our courts, the abolition of county government, the streamlining of the executive branch of our State government.

You remember him as the builder who launched our State's most comprehensive highway building program, who authored countless programs for expanding services to our people for education, for health, for employment, for well-being.

You remember him as the statesman to whom President Kennedy turned as his first Cabinet selection.

You remember him as the humanitarian who, next to the President himself, has been the principal spokesman in America for those who cannot speak for themselves—for our schoolchildren, for our aged, for our needy, for our sick, for all who are helpless.

We in the Congress know this man as the leader who has successfully led the fight for legislation to expand and improve social security, to improve our health facilities and nursing homes, to clean up our polluted streams and rivers, to care for the needy children of our unemployed, to lay the groundwork for the nationwide growth of educational television.

We know him as the pioneer who set up the first comprehensive Federal program to combat juvenile delinquency, who established the largest refugee program ever undertaken in this country in order to assist those freedom-loving Cubans who have fled from Castro's Communist regime.

We know him as the administrator of a huge Government department, who has taken more progressive steps in the field of civil rights and equal opportunity for all than any of his predecessors.

In his position in President Kennedy's Cabinet Abe Ribicoff has formulated the policy and laid the groundwork for the next great steps forward toward the New Frontier.

He knows that it is in the Congress of the United States that the fate of these policies will be decided. That is why he seeks the office for which I nominate him today.

We need him in the Senate. We need him as a powerful advocate of the measures which he himself has designed and brought forward.

We need his qualities of leadership; the vigor and drive that have characterized his career; the genius for organization that we have seen in the State house and in Washington; the flair for innovation that is his trademark; the capacity to bring conflicting men and clashing opinions together to serve a common cause; the gift of inspiring public confidence, which is the basis of all political leadership.

Abe Ribicoff deserves this nomination.

He deserves it because he has been a winner for our party.

He deserves it because he is the architect of the political revolution which transformed the Democratic Party from the minority to the majority in Connecticut.

He deserves it because he offers the people of our State a breadth of experience, a height of achievement, and a depth of understanding which no other candidate can match.

He deserves it because from his first election to the State legislature to his last election to the governorship he has demonstrated that he enjoys the confidence of the Connecticut people to a degree unequaled in the history of our State.

Public confidence—this is the touchstone.

Woodrow Wilson cnce said: "The great voice of America does not come from the university. It comes in a murmur from the hills and the woods, from the farms, the factories, and the mills—rolling on and gaining volume until it comes to us from the homes of the common people."

Abe Ribicoff is trusted in the homes of Connecticut. He is trusted in the Halls of Congress. He is trusted in the White House.

Let us once again declare our trust; let us once again enlist under the banner which has carried us so many times to victory; let us once again help this man to carry forward a career of public service that has given so much to our party, to our State, and to our country.

I place in nomination for the office of U.S. Senator a very great American who has earned the honor which we give him today—Abraham A. Ribicoff.

Statement in Support of H.R. 1056, To Provide Increased Annuities for Federal Retirees

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1962

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following statement I submitted to the House Post Office and Civil Service Committee today on my bill H.R. 1056:

STATEMENT BY HON. ABRAHAM J. MULTER IN SUPPORT OF H.R. 1056, TO PROVIDE INCREASED ANNUITIES FOR FEDERAL RETIREES BEFORE A SUBCOMMITTEE OF THE HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE, JULY 19, 1962

Mr. Chairman, I am delighted to have this opportunity to set forth my ideas on the subject of annuities for retired Federal employees, and to speak on behalf of my bill, H.R. 1056.

The financial plight of many annuitants is very serious, as I am sure all of us here realize. I am confident that this subcommittee will favorably report a good bill, and that Congress will pass it.

A strong argument can be made, it seems to me, that the whole Federal retirement program may be in need of careful review. As I will point out, much of this system is a hodgepodge of laws each designed to deal with a specific situation or to cover only certain groups. Recent legislation shows very little system or internal consistency. A body of laws dealing with retirement is not likely, at best, to be very simple, but it does seem unnecessary that it should be quite as complex as that which now covers Federal retirees.

By far the most important thing about the retirement system, however, is that it should be equitable, just, and adequate for the times. Unfortunately, the Federal program falls short of these objectives in many particulars.

Many of these shortcomings are, perhaps, understandable. The Federal retirement system was established by the Civil Service

Retirement Act of 1920, and since that year more than 100 laws have been passed to amend, improve, and keep it as much up with the times as possible.

There has been no general annuity increase since 1956, and this one applied only to future retirees. Furthermore, there has been no increase of any kind since 1958, and this one benefited only those who had retired prior to 1956.

I am convinced that annuities now being paid to pre-1956 retirees are wholly inadequate. It is for this reason that I introduced on the opening day of the first session of this Congress my bill, H.R. 1056. This measure would raise substantially, on a sliding scale, the benefits paid to these earlier retirees who, I think, may be feeling the greatest amount of economic pressure.

My bill calls for an increase of 30 percent on the first $1,500 of every annuity now being paid to all who retired between 1920 and October 1951. This percentage of increase would go down by 1 percent for each year for those who retired between October 1951 and October 1956. Thus, for those who retired between October 1951 and October 1952, the increment would be 29 percent; between October 1952 and October 1953, 28 percent; and so on. The final category would include those retiring between October 1955 and October 1956, and they would be entitled to a 25 percent increase on the first $1,500 of their annuity.

On any annuity in excess of $1,500 all of these pre-1956 Federal retirees would receive an increase of 10 percent.

There are two general limitations in my bill that would apply to all of these adjustments. The first is that no increase for any individual shall exceed $750 per year; the second is that no part of the increase shall be computed on any annuity purchased by voluntary contribution.

My bill provides further that all annuity increases granted by it shall also result in additional benefits for survivors. It repeals the limitations placed on annuities under Public Law 84–369.

Let me turn now to another bill under consideration by this subcommittee. I refer to H.R. 10706. Its author, Representative Olsen, my distinguished colleague from Montana, has shown a keen interest, concern, and understanding of the problems of Federal annuitants, and these qualities are reflected in his bill. I should like to point out some of the features of this measure that I find appealing.

An important provision of this bill would increase annuities of retirees and survivors by the same average percent of increase, as determined by the Civil Service Commission, as that granted to active Federal employees under the Classification Act the next time their pay is raised. Thereafter, on an annual basis, annuities would be adjusted to keep up with each rise of 1 percent or more in the cost of living, again as determined by the Civil Service Commission on the basis of the Consumer Price Index.

It seems to me that this concept has much to be said for it. If this plan were to be adopted, the Government would automatically meet its obligations to Federal retirees in dollars, the purchasing power of which would remain constant.

Perhaps the most interesting and thought-provoking idea in H.R. 10706 is the plan for the interchange of credits between the Federal civil service retirement system and the retirement program under social security.

As these two systems now operate it is possible for a person to have worked hard for many years, part of them under one plan and part under the other, only to discover when his working days are over that he has inadequate retirement income under either system separately or both combined.

For example, if a person works for 2 years under social security and spends the rest of his career in Government, he gets no benefits at all from the money he and his employer in the private economy had paid into the old age and survivors insurance fund.

Under Congressman Olsen's bill, however, these 2 years would not be lost. By paying into the civil service retirement fund an amount equal to the difference between what he paid under social security and what he would have paid had he been in the Federal service for those 2 years, this person would salvage both his time and his money.

A related provision of this bill authorizes the transfer of Federal retirement credit to social security in those cases where a person has worked for the Government for fewer than the 5 years required to receive any benefits at all. This transfer of credit could take place whenever it could be demonstrated that it would favorably affect the employee's social security benefits.

The need for increased annuities at this time is, I am sure, almost universally acknowledged. There has been no real adjustment in these benefits since 1956 inasmuch as the 1958 law applied only to those who had retired before the 1956 amendments.

There have been many changes in the economy in the past 6 years, but for the Federal annuitant they can be summed up by stating that the squeeze brought on by living on a fixed income in an increasingly expensive world has steadily intensified.

First, the simple pleasures must be given up, then the small comforts and amenities of life; and finally, in too many cases, the necessities themselves must be compromised in an attempt to make ends meet.

Surely, those who have given their working years in long and loyal service to their Government are entitled at the very least to a life of dignity in retirement, free from the fears of severe financial pressures.

Unfortunately, many do not enjoy even this minimal assurance, and I feel strongly that it is the responsibility of Congress, starting perhaps with this subcommittee, to provide the remedy.

I urge, therefore, that this subcommittee move ahead as rapidly as possible in this important work. I urge that it report favorably a bill granting the substantial annuities much needed and much deserved by Federal retirees.

I believe that my bill, H.R. 1056, is such a measure, and I believe that there is considerable merit in much of Representative Olsen's bill, H.R. 10706.

It is my sincere hope that this subcommittee will give these bills its most earnest and thoughtful consideration.

Russia: The Sacred Cow

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1962

Mr. FEIGHAN. Mr. Speaker, I have prepared for delivery in Cleveland, July 20, an address titled "Russia: The Sacred Cow," on the occasion of the observance in the city of Cleveland of Captive Nations Week, which President Kennedy proclaimed on July 13 and which is observed pursuant to Public Law 86–90, unanimously adopted by the 86th Congress. This observance is under the auspices of the Cleveland Council for Information on Communism.

Under leave granted, I insert in the Record my address, which I will deliver in Cleveland tomorrow:

Russia: The Sacred Cow

The third annual observance of Captive Nations Week comes at a time when the signs of failure, unrest, and disintegration are mounting within the Russian Communist empire. These signs point the way to a real crisis in the making—a harsh crisis the Russian ruling class will be required to face up to and a testing crisis that will demand wise, bold, and enlightened political decisions by the United States, as leader of the free world community.

I offer no prediction as to the specific time when this coming crisis of test and decision will reach the boiling point, but I am confident the boiling point will come.

The time may be short, certainly shorter than expected by the Soviet experts on the American scene. But now is the time when thoughtful Americans should examine the relationship of this coming crisis to our goal of peace with freedom and to identify the things we, as a nation, can and must do to stimulate and support the rising tide of human expectation behind the imperial Russian curtain.

Let me quickly review what I consider to be the major signs which portend the boiling point of crisis in the struggle between the forces of human freedom and the forces of imperial Russian despotism.

1. The economic and social order behind the imperial Russian curtain is now tottering from the shocks of deep-rooted and far-reaching failures of the Russian-dictated agricultural economy. That system is failing to meet the basic food requirements of the many nations held within the empire. The recent Communist decree announcing a 30-percent increase in the cost of meats, milk products, and other consumer commodities is only one admission, but a significant admission, of this failure.

The directive of the Communist Central Committee to the collective farm workers in Kazakstan, the so-called virgin lands of the empire, carries an ominous warning that these non-Russian farmworkers must produce the impossible or else.

That directive admitted 50 percent of the farm equipment had fallen into a state of total disrepair and that nothing had been done in several years to put it in working order, with the harvesting of crops scheduled for about 3 weeks from now, it appears as though the "or else" alternative is the only one the farmworkers in Kazakstan can give the Kremlin.

Consumer commodities, particularly clothing, are in critical short supply. Clothing now available is of very poor quality and priced well beyond the purchasing power of the exploited workers.

Conditions in this regard are better in Moscow, the citadel of tyranny, which is open to Western eyes, but Western eyes are not allowed to see conditions in the captive non-Russian nations of the U.S.S.R. Outside the capital cities thereof. There conditions, according to reliable reports, are pitiful.

Housing facilities throughout the entire U.S.S.R. continue to present a day-to-day crisis. Cramped living quarters apply to all except the elite—the 2 percenters of the party and the Government.

The old problem of two families to every kitchen and six families to every bathroom is still par for the Russian living course. The people of the captive nations want to try a new living course—anything but the Russian course.

The new workers' manifesto issued by Khrushchev during the 22d Congress of the Communist Party admits all these failures and many more.

Admission of goals can, upon careful examination, be an admission of failures. That manifesto boasts the Russian standard of living will catch up with the United States in 20 years if—and here is the catch—all the subjugated people will strain their chains to the breaking point, working for the cause of Russian communism.

Khrushchev deceives himself and no one else if he believes the non-Russian people of the Soviet Union will strain at their chains to preserve the Empire or will endure that long the failures of the Russian-imposed social and economic system.

2. Then there are many signs of political unrest, indeed not among the Russians, but surely among the non-Russian peoples in the captive nations who comprise the vast majority of the population of the U.S.S.R. and as well in the newly captive nations of central Europe. Some of those signs are as follows:

Russian Communist propaganda organs have been working overtime making boisterous claims of national independence for all the nations within the modern-day Russian Empire. These claims appear in the daily newspapers made available by the state to the captive peoples.

This same theme was repeated over and over again in the speeches before the 22d Communist Party congress, made by the proconsuls to the captive nations, if these nations are, in fact, independent, why must the people therein be told over and over again that they are independent? The reason is obvious.

They are not independent, and the Russians are attempting to steamroller them into believing this myth.

During the past year Nikita Khrushchev made what he called good-will tours to Ukraine, Byelorussia, Georgia, Armenia, and the Republics of old Turkestan. All his talks in these captive nations emphasized the themes of freedom and national independence, which he argued were enjoyed by the captive peoples.

Similar tours were made to Hungary, Rumania, and Bulgaria, where the same themes were propounded with small variations. One such variation ridiculed the habits and temperament of the Russian peasants, which he knew would strike a humorous and popular chord in the atmosphere of political tension which grips these captive nations.

The Benny Goodman episode in Tiflis, Georgia, is a reliable index of how strong the national feeling runs in all the captive nations.

The singer who accompanied the Goodman band on a tour of the U.S.S.R. made the horrible mistake of singing to the Georgians in the Russian language, the language of their oppressor. She was greeted by stomping of feet, whistling, and shouting. Goodman saved the day, for himself and for American prestige, by calling an intermission, after which the soloist sang in English, "I Am Beginning To See the Light."

The response from the Georgian audience to that exercise in commonsense speaks volumes for the rising spirit of national patriotism in the non-Russian nations of the U.S.S.R.

Anti-Semitism, in the form of organized campaigns, has raised its ugly head in the non-Russian nations of the U.S.S.R. There Communist puppet regimes are persecuting Jews for so-called crimes against the state, in public trials calculated to stir up antagonism among the captive peoples.

The Russians are old hands at manufacturing a scapegoat as a cover for their own imperial failures and inciting their victims to spend their pentup feelings of discontent on the manufactured scapegoat.

The Jews have always been a favorite scapegoat of the Russians. Under the czars the battle cry was "Kill the Jews—Save Russia."

The present wave of anti-Semitism within the U.S.S.R. is not new but is a reflection of serious internal unrest which the Russian Communist leaders cannot manage. Hitler had no monopoly on inciting racial hatred, as tyrants past and present have demonstrated.

3. Then there are signs of stress and strain within the Red army expressing a well-founded lack of confidence in the dependability, the loyalty of Red armed forces. Some of those signs need interpretation.

Recently the Kremlin announced a reduction in the draft age to 17 years. This could be read as a step to increase the manpower requirements of the Red army.

However, this must be measured against the program of discharging senior officers and troops with many years of service from the Red army, about which Khrushchev has been doing much talking in recent years.

Could it be that the Russian leaders feel compelled to rely on younger men in the army as a safer bet than reliance upon those older troops who have gained a glimpse of life in the West? Red army disloyalty to Moscow during the Hungarian freedom revolution shook the leaders in the Kremlin. Faced with growing internal problems and unrest they would obviously seek to reduce the vulnerabilities in the Red army.

A change in command of the chief political commissar of the Red army has been made in recent months. All along the line the political commissars in that army have stepped up their activities.

The organs of Russian propaganda report extensively on these changes. Calling for increased vigilance within the Red army establishment, that is, vigilance against antiparty and antistate activity. Such activity must be mounting within the Red army, otherwise, why this new campaign of vigilance?

The resumption of Russian nuclear tests was accompanied by a deluge of propaganda about the power and loyalty of the Red army. It is characteristic of the Russians to brag and boast about something they crave but do not have.

Moreover, those tests were conducted for purposes of spreading fear inside the captive empire as much as spreading it outside the empire.

The Red army has always survived on fear—fear of being shot from behind if it did not march into the face of enemy guns.

President Kennedy made it clear that we meant business on Berlin—by asking and receiving from Congress new appropriations for national defense and by calling up experienced units of the National Guard—faced as he was with the Russian ultimatum to get out or be driven out of Berlin.

How suddenly Khrushchev changed his snarl to a smile on this issue. It is out of character for a Russian to back off when he believes he holds a winning hand.

Khrushchev knows his armed forces are loaded with elements which will prove disloyal to Moscow in any showdown with the West. That is the real lesson learned from our standup position on the Berlin crisis. Sanity would permit us no other conclusion.

4. Turning to the captive nations with a close geographical proximity to free Europe, the signs of social and economic decay are more easily discerned.

In Poland a critical food shortage is admitted by the Warsaw regime through its appeal to the United States for gifts of surplus food.

A nonexisting drought is blamed for the food shortage but the real fault rests with a regime loyal to Moscow, draining the Polish people to buttress the regime in the U.S.S.R.

The noose of tyranny is being tightened on Poland as Cardinal Wyzynsky fights back to defend the human rights of his people.

Religious liberty as the key to political liberty is the burning issue in captive Poland.

In Hungary shortages of food and consumer commodities are growing by the week.

The Kadar regime has put feelers out to test their chances for a Washington handout—Tito style.

Moscow is in no position to ease the tension of shortages in Hungary which add to the political ferment of a people who know the power of popular revolt.

Yugoslavia is passing through an economic crisis which Tito cannot survive, unless the United States rushes to his rescue.

Draining the American Treasury of $2½ billion from 1949 to 1960, he exposed his secret alliance with Moscow when his plunder of our Treasury was restricted.

Turning to Moscow in open appeal, he received a supply of the latest model Russian tanks but no help with his need for food grains or hard currency to meet his international balance of payments.

The rip tide of nationalism in Croatia, Macedonia, Slovenia, and Serbia haunt his precarious future.

In East Germany the Russian system imposed upon the people there has given the world a demonstration of bankruptcy.

The men of Moscow rushed in to hold the line by erecting a despots wall in Berlin—to hide their shame and strengthen their chains of terror on the East Germans.

Moscow can do nothing to bolster the shattered economy of East Germany.

The Russian puppets there are being forced to turn to the people of free Germany in a quiet S O S.

5. Looking to the Far East, the specter of famine on mainland China heralds the coming of a furious human storm in that quarter of the globe.

After 2 successive years of famine the Peiping regime must now face a third successive year of widespread starvation—at a time when the false industrial economy of communism is grinding to a dismal halt.

The great leap forward, demanded by Mao Tse-tung, has turned out to be a long fall into the dark well of Russian despotism.

Against this background of trend and development behind the imperial Russian curtain, we must not fail to evaluate accurately the main stream of human development this side of the curtain as it has progressed since 1946.

The old empire in south and southeast Asia—the Near and Middle East have toppled, to be replaced by independent nations.

In Africa the national independence movement is moving toward final victory as the few remainig colonial states face alternative of giving way to the new order of freedom or accepting the reality of violent revolutions.

Viewing this trend in its totality we must conclude that the wave of the future is freedom and national independence for all mankind.

It would be a tragic error to conclude that this wave of the future can be contained by the Russian imperialists.

President Kennedy, in his address before the United Nations, predicted that the tidal wave of self-determination had not yet struck the Communist empire.

All of us share with him the conviction that it will strike the Communist empire. Confident as we are that nothing can hold back the final thrust of this powerful wave of human expectations.

Against this background of trend and expectation let us examine the preparations made by our Government to advance the cause of peace with freedom and justice.

The Congress, sensitive to these trends and mindful of the growing storm behind the imperial Russian curtain, enacted Public Law 86-90 in 1959. That law, known to all as the Captive Nations Week resolution, introduced by the present Speaker of the House, JOHN MCCORMACK, and myself, set forth the political requirements of peace worthy of the name. It recognized the dominant aspirations of people in all the captive nations for freedom and national independence.

It made a finding that those aspirations serve as a powerful deterrent to war of Communist aggression and hence one of our best hopes for a just and lasting peace.

It pulled the camouflage of propaganda from the modern day Russian empire to expose the plight of all—not a select few—of the captive non-Russian nations.

It found that the vital security interests of the United States were served by keeping alive the desire of the captive nations for liberty and independence. Finally, it resolved to stand by the captive nations until all were free and independent.

That action by Congress gave meaning and practical purpose to our traditional role as the citadel of human freedom in a world of revolutionary change. More than anything else it laid down the principles for a people's foreign policy as distinguished from foreign policy based upon expediency and vested interest.

But the policy preparations in our Department of State are quite different from those voiced by Congress in Public Law 86-90. Here we must recognize that the President of the United States carries the burden of setting foreign policy. That the Secretary of State advises on and carries out that policy.

The Department of State is the agency of Government which, in practice, executes established policy. How then does the Department of State regard the findings of Public Law 86-90 and what relationship do those congressional findings have to established policy toward the captive nations?

The record demonstrates that the official policy of our Department of State is in opposition to the findings of Public Law 86-90. This is documented by the letter written by Secretary Rusk dated August 22, 1961, to the chairman of the Rules Committee of the House on the question of House Resolution 211 which calls for the establishment of a House Committee on Captive Nations.

In that letter Secretary Rusk confirms the long existing doctrine of Russia—the sacred cow, which has regulated thought and action within the Department of State for many years. Secretary Rusk took open issue with Public Law 86-90 by claiming that Ukraine, Georgia, and Armenia were historic parts of the Russian state.

I quote the exact words of Secretary of State Dean Rusk: "The President and I have both expressed the conviction that a final settlement of the problem of Berlin, of Germany, and of central Europe must take account of the right of self-determination of the peoples concerned. However, the U.S. Government's position is weakened by any action which confuses the rights of formerly independent people or nations with the status of areas, such as the Ukraine, Armenia or Georgia, which are traditional parts of the Soviet Union. Reference to these latter areas places the U.S. Government in the undesirable position of seeming to advocate the dismemberment of a historical state."

Nothing could be further from the truth. Every one of the nations named by Secretary Rusk broke and rejected all future relations with the Russian empire in 1917-18 when they established their national independence.

These are facts of official record which anyone interested can examine. The official record is also clear that the Russian Communists under Lenin and Stalin restored the greater part of the old czarist empire by subversion, terror and wars of aggression between the years 1918 and 1921.

That is what Secretary Rusk now calls "the historic Russian state"—turning his back on the once independent nations that broke away from Russian domination following World War I.

Even the Russian Communist leaders do not dare to call such great nations as Ukraine, Georgia, and Armenia a part of the historic Russian state. Time, and the demands of healthy nationalism, have forced the Russians to regard them as separate, Soviet republics—and Khrushchev even claims that those nations now enjoy their national independence under communism.

The political heat in Ukraine and Byelorussia during World War II forced Stalin to demand that both those nations be admitted to full membership in the United Nations.

How does one justify Ukraine as a member of the U.N. if it is at the same time regarded by our State Department as a part of the so-called historic Russian state? Only the doctrine of Russia, the sacred cow, could tolerate such tortured reasoning.

What is the origin of this doctrine which excludes truth and reality from any and all considerations of the Russian problem?

It springs from the vested interests of the Russian monarchists and their American sympathizers who exercise a dangerous influence within the policy-forming strata of the Department of State.

Those vested interests want to turn the clock back to 1918, to restore a Russian monarchy over the now captive nations. Those interests hold there is something sacred about a Russian empire—like the sacred cow of India—it must not be tampered with or altered even though it devours nations and threatens to trample on the United States.

At a time when the President of the United States calls vigorously for the unity of all who cherish freedom and national independence, the Department of State is spreading the seeds of division and discord in the camp of freedom. That is exactly what the Rusk letter does.

It sets up a false criteria on the right of self-determination by denying its blessings to the non-Russian nations of the Soviet Union. This is a rank case of open national discrimination which cries out for remedy. It is a dark day for freedom's cause when the Secretary of State lends his signature to a letter which condemns entire nations, once free and independent, to a permanent state of Russian domination and tyranny.

It is time that the doctrine of Russia, the sacred cow, was rooted out of our public life.

It is time that our Department of State caught up with the policy pronouncements of President Kennedy on the question of self-determination which he has stated publicly must be universal in its application.

It is time the Department of State took official note of Public Law 86-90 and broke with the dismal past because the future rushes in on us with express-train speed.

If we believe the cold war is a struggle to the finish between the forces of freedom and the forces of tyranny we can ill afford to alienate any of our allies behind the imperial Russian curtain. We need all of those allies, the peoples in all the nations identified in Public Law 86-90 as captives of Russian communism.

We must promote the unity of freedom's cause and sow the seeds of disunity within the camp of the enemy.

The only discrimination we can justify is that exercised against our avowed enemy. Those things we can do best by advocating the following:

1. Adoption by our Government of a policy of Russia for the Russians. In simple language this means "Ruskies go home"—the most popular cry throughout the captive nations.

Public Law 86-90 calls for such a policy. Khrushchev has identified the political power of such a policy by his attacks upon it. We must not be fearful of the power of our political ideals.

2. Establishment by the House of Representatives of a Committee on the Captive Nations. Such a committee could do much to strengthen the hopes and aspirations of our allies behind the imperial Russian curtain.

The addiction of our State Department to the doctrine of Russia—the sacred cow—underscores the urgent need for a counterbalance of truth and reality in the Congress.

Congress, as the voice of the people, has a right, indeed a duty, to be heard on this vital question.

3. Appointment by President Kennedy of a Task Force on Self-Determination—charged with the responsibility of recommending programs which will exploit the rising tide of human expectations behind the Russian curtain for the cause of peace with freedom and justice for all nations, large and small.

Such a Presidential task force would discover unlimited opportunities for associating the United States with the wave of the future—national independence for all the captive nations.

People of the 14th Congressional District of Michigan Speak Out

EXTENSION OF REMARKS

OF

HON. HAROLD M. RYAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1962

Mr. RYAN of Michigan. Mr. Speaker, in April I mailed out questionnaires to a large segment of the voters of the 14th Congressional District of Michigan, which area I have the honor to represent. My constituents were invited to express their opinions on the major issues facing Congress.

The people of the 14th Congressional District have more than an average interest in national and world affairs, as indicated by the response which I have received to this questionnaire. Approximately 15 percent of my constituents responded—and their responses indicated a broad interest on the 28 issues which I embodied in this questionnaire.

It was most gratifying to have the opinion of so many of my constituents who took the time to answer the questions submitted to them. I am pleased that many took the time to answer this poll and I wish to thank my many constituents who took additional time to write to me and express their opinions on additional matters not covered in the questionnaire.

The opinions expressed by my constituents through the means of this questionnaire enabled me to understand their views. I shall be most happy to keep their opinions in mind when these

matters come up for discussion in the House of Representatives.

I wish that time would permit me to give a detailed reply to each person who answered the questionnaire, for I should like to have done so.

The voters of the 14th Congressional District represent a cross section of public opinion, and I believe that the tabulation may be of interest to my colleagues in the House.

The results of the poll follow:

[In percent]

	Yes	No	No opinion
1. In view of the continuing military threat of the Communist nations, do you approve of the increased spending necessary to strengthen the defense of the United States?	83.5	8.2	8.3
2. Do you believe that the President's position in negotiating with the Soviet Union is improved by our very strong defense posture?	87.3	6.8	5.9
3. Should the United States present a strong front to Soviet Russia on our position in West Berlin?	91.2	3.6	5.2
4. Do you support a proposal for the United States to purchase $100,000,000 worth of special U.N. bonds to help finance the U.N.'s international police force?	48.0	38.3	13.7
5. Do you favor a program of health insurance for the aged under the social security system?	60.6	33.1	6.3
6. There are several bills pending which would authorize the Federal Government to provide funds to State and local school districts. Do you favor aid to education?	55.0	32.9	12.1
(a) A program of aid for both school construction and to increase teachers' salaries?	45.6	41.1	13.3
(b) A program limited to school construction only?	43.1	41.9	15.0
(c) Aid to both public and private schools?	44.3	41.1	14.6
(d) Aid for public schools only?	44.2	39.6	16.2
7. Do you believe that parents who send their children to privately operated elementary and high schools be permitted to claim the tuition as an income tax deduction?	48.9	48.5	2.6
8. Should parents of students attending institutions of higher education be permitted to claim tuition as an income tax deduction?	65.0	31.9	3.1
9. Do you favor Presidential authority to step up Federal public works and Federal grants for local public works upon a rise in unemployment?	55.6	37.2	7.2
10. Do you favor increased spending for housing for low and middle income families?	35.3	55.4	9.3
11. Do you favor increased unemployment payments and extension of the payment program?	40.1	45.2	14.7
12. Do you favor authorizing the President to reduce personal income taxes temporarily to give our economy a boost in times of recession?	56.1	34.9	9.0
13. Do you favor the strengthening of our food and drug laws to protect buyers from unsafe products and misleading labels through testing of the products before marketing?	89.4	6.3	4.3
14. Do you approve of the administration's policy with regard to our international position?	52.4	20.7	26.9
15. Do you approve of the administration's handling of our domestic affairs?	53.8	35.4	10.8
16. Do you favor further revision of our Federal income tax laws to assist small business and medium size business enterprises?	78.4	12.3	9.3
17. The President has proposed a liberalized trade program, with lower tariffs on imports. Purpose of this is to develop a broader trade with the European Common Market nations. Do you favor such a proposal?	74.3	15.5	10.2
18. Do you favor continuing the loan program of the Small Business Administration?	69.1	15.0	15.9
19. Do you favor special consideration for depressed (labor surplus) areas in granting of Government contracts?	80.0	12.3	7.7
20. The Treasury Department claims some $600,000,000 is lost to the Government annually because people do not fully report their interest and dividends. Do you favor a tax withholding system, similar to payroll income tax withholding, on interest and dividends?	40.1	51.6	8.3
21. The Treasury Department has asked for legislation to tighten up income tax deductions of expense accounts to eliminate abuses. Do you favor such legislation?	75.2	16.9	7.9
22. Do you favor increasing postal rates to absorb the major part of the present annual deficit of the Post Office?	55.5	35.4	9.1
23. Do you believe the Postmaster General should be given greater powers to keep obscene and pornographic literature from going through the mails?	81.0	13.7	5.3
24. Do you favor continued support of the Peace Corps?	66.3	21.7	12.0
25. Do you favor continued U.S. military support for South Vietnam?	65.2	19.3	15.5
26. Do you favor continued support of our foreign-aid program in Africa, southeast Asia, and the Middle East?	56.2	25.8	18.0
27. Do you approve of a Youth Employment Opportunities Act to train and place in jobs young people who are out of school and out of work and to establish a Youth Conservation Corps comparable to the CCC of the 1930's?	70.2	21.8	8.0
28. Are you satisfied with President Kennedy's record to date?	60.2	33.7	6.1